



### STATE OF THE VOLUNTARY, COMMUNITY AND SOCIAL ENTERPRISE (VCSE) SECTOR 2025

INTERIM REPORT

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THE CENTRE FOR BRITAIN AND EUROPE



### BRIDGES AND BEACONS: STATE OF THE VOLUNTARY, COMMUNITY AND SOCIAL ENTERPRISE (VCSE) SECTOR 2025

**INTERIM REPORT** 

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### VCSE RESEARCH

### SURREY COMMUNITY ACTION (SCA)

As the county's VCSE infrastructure body, SCA's core role is to strengthen local organisations through advice, training, funding navigation and partnership brokering. Its 2016 sector report provided a foundational baseline for Surrey and informed local policy and commissioning practice. By commissioning this 2025 update—and convening the sector annually through its Charity Mash-Up conference—SCA continues to champion evidence-led improvement, amplify VCSE voice, and connect community organisations with statutory partners and funders.

### THE CENTRE FOR BRITAIN AND EUROPE (CBE)

The Centre for Britain and Europe (CBE) is a groundbreaking public-policy research institute based at the University of Surrey in Guildford, England. It was founded in 2019 by Professor Amelia Hadfield and comprises a multitude of academics, policy practitioners, and professional staff. In its research wing, it has produced many high-quality academic outputs, hosted conferences, and been extensively involved with publicly funded research, Horizon Europe projects, and provided commentary to news outlets and briefs to the UK parliament.

To further cooperation with the private and public sectors, the Centre also leads public-impact projects in areas of sustainability, economic regeneration, socioeconomic policy, and security and foreign relations. Some of our stakeholders include local governments, Surrey County Council (SCC), and the Surrey High Sheriff, as well as international businesses such as MHA, Gordon Murray, and interdisciplinary institutions such as the UN-affiliated CIFAL Centre on Sustainability and Centre of Excellence on Ageing (CEA). CBE Global also counts partners across Europe in Brussels and works frequently with Members of Parliament and think tanks in the UK and the EU.

This project with Surrey Community Action (SCA) extends that engagement across the wider VCSE ecosystem, combining quantitative and qualitative methods to generate new insights, strengthen relationships, and surface practical, place-based recommendations for commissioners, funders and frontline organisations alike.



# EXECUTIVE SUMMARY

Voluntary, community, faith and social enterprise (VCSE) organisations play a critical role in local public service systems, at both national and local levels. Hugely varied in type, they are broadly similar in their overarching civil society objectives and represent trusted, locally rooted entities, frequently reaching people and places that statutory services struggle to serve. Over the last decade, and especially since COVID-19, demand for VCSE support has risen steeply, while becoming more complex, driven by a range of factors including cost-of-living pressures, health and social care backlogs, diminishment in statutory service provisions, and widening inequalities. The environment remains volatile. Core and flexible funding have not kept pace, and the volunteering bedrock of VCSEs has eroded in some areas. Equally, policy changes (including the Social Value Act, the Social Value Model, and the Procurement Act) and emerging provisions (e.g. the VCSE Business Hub) have improved the environment for VCSE participation in public contracts, while local commissioning practices and payment timeliness remain key.

Commissioned by Surrey Community Action, this report by the Centre for Britain and Europe provides a 'state of the art' review of the changes and outcomes impacting the VCSE sector since 2016, with a particular focus on Surrey's VCSE ecosystem. Using a comprehensive mixed-methods approach—an online survey, follow-up interviews, data acquisition, appraisal, mapping, comparisons and analysis. In this body of work, we map the location of VCSE organisations, their goals, the populations they serve, their funding modes, their infrastructure (including digital and data capacity and emerging AI use), and their relationships with statutory partners. We also link charity location data to deprivation indicators to highlight gaps and opportunities for prevention and early help. Doing so has produced the first of two deep dives into the challenges facing Surrey-based VCSE, the opportunities on offer, and a range of suggestions for consideration.

### Initial key messages include:

- social needs at local levels are continuing to rise, and are unevenly distributed;
- many small and medium charities operate on thin margins, making prompt payment and realistic pricing essential;
- collaboration and consortium-based operations are effective where infrastructure support is present;
- digital and data capability is improving but uneven amongst VCSEs;
- co-production and lived-experience leadership are increasingly expected by funders and communities;
- Small-scale organisations encounter the greatest challenges in keeping their services operational at a basic level compared to larger, better-provisioned ones.

The report offers practical recommendations for commissioners, funders, and VCSE leaders to strengthen outcomes, reduce friction in procurement, and focus investment where it will have the greatest impact.



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The VCSE sector encompasses charities, community and faith groups, and social enterprises that deliver both social value and a range of social services. In public discourse, there are a number of variants describing the sector, including VCFS (Voluntary, Community and Faith Sector) and VCFSE (Voluntary, Community, Faith and Social Enterprise). This report adopts the term 'VCSE' in referring to the Voluntary, Community and Social Enterprise sector, and also includes registered charities, Charitable Incorporated Organisations (CIO), voluntary and community groups, faith-based organisations, social enterprises, co-operatives and mutuals, Community Interest Companies (CICs), and guarantee-based limited non-profit companies.

Whilst these organisations vary enormously in size, structure and funding, they remain united by their shared social purpose and the delivery of public benefits rather than the distribution of profit. The report also recognises the contribution of informal or "below-the-radar" groups, which may not appear on formal registers, but which play a vital role in local support.

As the report indicates, the sector's overall role has expanded at national and local levels, as systems shift toward prevention, early intervention, and place-based working, i.e. organising services around the needs and assets of specific neighbourhoods or districts, with councils, the NHS and VCSE organisations working together with residents on shared priorities. In parallel, government reforms to public procurement have attempted to open markets to VCSEs and small businesses, reward social value, and accelerate prompt payment through supply chains. Yet many organisations still experience administrative burden, cash-flow risk, short-term grants, and rising compliance costs—pressures that can undermine sustainability precisely where need is greatest.

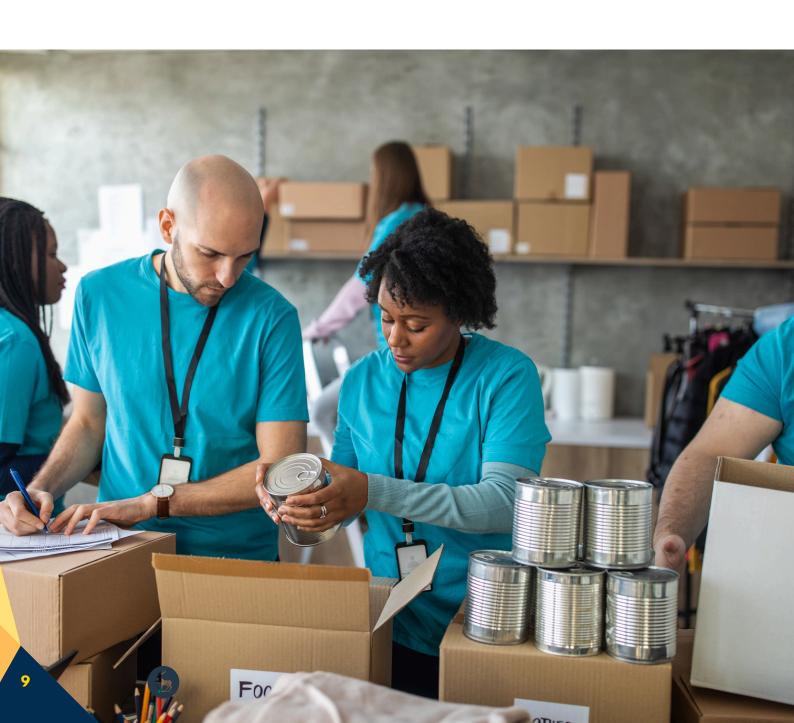
Based on a wide range of research, investigation and analysis, this CBE report examines the state and 'look' of the VCSE landscape and forecasts how changes are likely to impact it over the next three to five years, with Surrey as a detailed case. The report combines in-depth quantitative analysis (including survey responses, register-based profiles, and geography-linked mapping) with qualitative approaches (including literature and policy-based analysis, and stakeholder-specific interviews eliciting clear responses.

In organizational terms, the report explores three overarching factors: change, challenges, and capacity, as applied to five substantive themes: VCSE governance and finance, workforce and volunteering, collaboration with statutory partners, digital/data readiness (including the adoption of AI), and the translation of national policy developments—including procurement reform and the recent Civil Society Covenant—into local practice.



As above, the mixed method approach provides a robust method by which to get to grips with the challenges of this sector. In addition to the range of interviews undertaken in the first phase of this report (June – September 2025), the 25<sup>th</sup> September SCA Annual Conference will offer the CBE report authors a prime opportunity to present initial findings, engage with sector stakeholders, and receive initial feedback, enabling the second phase of analysis to drill down into additional concepts, data and literature, before producing the final report in December 2025.

The report's goals are to: (i) provide a clear baseline of the sector's scale, distribution and functions; (ii) identify practical barriers and enablers in funding and commissioning; (iii) surface where targeted support would have the greatest benefit; and (iv) offer actionable recommendations for commissioners, funders and VCSE leaders to strengthen equitable access, improve outcomes, and enhance the resilience of the local social ecosystem.





The CBE Researchers use mixed-method research to enable richer findings of the landscape of VCSE in Surrey. These data are obtained both qualitatively and quantitively from both primary and secondary sources:

### QUANTITATIVE

### Primary Data - Online Survey

The survey builds upon Surrey Community Action's 2016 baseline survey and is delivered using Qualtrics, an experience management platform. Updates were made to ensure both continuity with past data and improvements to response rate and usability.

Key changes and improvements include:

- Streamlining answer options to address scaling/calibration challenges:
- Consolidation of overlapping choices
- Reduction and standardisation of Likert scales (from 5-point to 3-point)
- Addition of open-ended questions to allow richer insight
- Removal or rephrasing of questions with promotional or leading language
- New content areas, including:
- Introductory briefing and clearer instructions
- Inclusion of VCSE interaction with the private sector
- Questions related to major external events (e.g. Brexit, Covid-19, devolution)

These changes were made to maintain comparability with 2016 data while updating for current sector realities.

### Secondary Data - Charity Commission, Companies House

CBE researchers explored Community Interest Companies (CICs) through Companies House. Of almost 40,000 CICs, only 208 active companies are specific to Surrey as of August 2025. Meanwhile, the Charity Commission's database provides a rich set of qualitative data, which consists of all registered charities in England and Wales up until August 2025. The 4,400 entries in the Commission's data were filtered to only include Surrey-based charities numbering 2,872. These were geospatially visualised and accurately mapped to respective borough councils using Python. The data from the Charity Commission is accurate as of August 2025.

Additionally, CBE extrapolated an estimate of under-the-radar organisations in Surrey using the VCSE multiplier from the works of Mohan et al. (2010) and NAVCA (n.d.).



### QUALITATIVE

The survey results inform the second phase of **qualitative research** through **semi-structured interviews**, conducted online via Microsoft Teams. Topics to be explored further in a semi-structured interview during interview include:

- Trust in governance: Exploring levels of trust between VCSE organisations and different tiers of government (e.g. parish councils vs. borough/district vs. county).
- **Recent history of challenges**: Understanding the key pressures faced by organisations in the past three years.
- **Support needs**: Identifying gaps in support, particularly around digital capacity, training, and infrastructure.
- Social and political change: Investigating the sector's views and responses to broader societal shifts, including issues like populism, polarisation, and inclusion/exclusion (e.g. around trans rights and equalities work).
- Business funding/relations how much does the private sector do what they say they do

### SAMPLING

CBE's researchers use a voluntary response sampling approach for the survey. This means participants self-select to take part, usually because they have an interest in or connection to the topic.

The survey is distributed through:

- Surrey Community Action's (SCA) established networks and mailing lists
- CBE's social media channels and professional networks (LinkedIn, Instagram, BlueSky) and internal contacts.

This method is commonly used in social research involving the VCSE sector, where broad participation and diversity of voice are often prioritised over strict representativeness.

In this interim report, CBE researchers received **73 completed surveys** and have conducted **10 online interviews** with senior VCSE staff. The limited number of survey completions has been attributed to the timing of survey, i.e. distributed at the peak of summer holiday, annual leave season. The research team is expected to increase obtain more participants for survey and the qualitative interview.





#### COVID-19 GLOBAL PANDEMIC

Covid-19 came as a shock to residents and to VCSE working for public benefits. While many VCSE based in UK showed their resilience by either adopting, adapting or completely transforming their approach (Abba et al., 2025), there are still arguably ongoing, long-term impacts of the pandemic.

Drawing on VCSE reports on impacts of COVID from various regions of England, the apprehended long-term impacts include reduced income, possibility to secure funds, increased social and digital inequalities especially for already vulnerable communities and risk in surviving another crisis, for example the increased cost of living crisis and uncertainties that comes with other external factors (Abba et al., 2025; Swift, 2022). Surrey's Voluntary Sector Covid-19 Impact and Resilience original report of 2020 sets out these trends clearly (p.25-29).

In terms of income, the VCSE sector moved from immediate "uncertainty over when and how restrictions might be lifted and the likely economic hit on. Donors" to a mid-range expectations "that grants and contracts from statutory sources are less of a concern, but this may be a result of over-optimism of the resilience of public bodies in the face of a future economic downturn and hit on public finances", to anxieties reflecting the current state of play, namely that whilst "some organisations expect a rapid recovery whereas others expect impact to be felt for many months. All agree that uncertainty is hampering recovery planning."

Provoking both staffing and organisational challenges: Covid saw wide-ranging staff furlough or lay offs, translating into material changes in terms of remote working, which in turn – along with staff layoffs due to reduced budgets - have produced current unevenness in both staff and volunteer demographies.

The pandemic had a paradoxical impact on the rationale and capacity of VCSEs: many were resolved to survive and continue, while others indicated early on. Still others were resolute in continuing despite "suffer[ing] from a reduction of volunteer numbers in the absence of the immediate crisis... as people return to work" Post-Covid realities continue to bite, 'faced with the realities of running a voluntary sector organisation: Safeguarding, financial management, governance etc.'.

The pandemic also foreshadowed the community-wide standard of living crisis, which again crystalized the overall philosophy and capability of VCSEs:

"we anticipate a very hard and long-lasting recession. During such times, the need for VCSE support always increases, especially services such as worklessness support, financial services, mental health services etc. We expect these challenges to remain and the VCSE to be needed more than ever[...] A lot of community support in Surrey has been self-starting and fully independent of VCSE and public sectorinvolvement. A challenge for the VCS and partners is to harness this community spirit and support it to continue."

In terms of collaboration, the pandemic's impact in Surrey was similar to elsewhere: with a largely "effective co-ordinated response to Covid-19 across the VCSE and statutory partners, including county and districts/boroughs and health structures. Most are also confident that this collegiate and rapid way of working together can be maintained if the VCSE continues to be invited as an equal partner around key tables. However, some VCSE partners remain concerned that relationships might revert to the previous status-quo."

These integral concerns come through clearly in the 2020 report. However, there is still a gap in current literature when it comes to concerns about the post-Covid inequities, inefficiencies, and the dangers of business as usual approaches diluting the many innovations that arose in response to the pandemic, and specifically the VCSE's role in dealing with changing digital landscape and the growing social, economic and digital inequalities (Abba et al., 2025; Esmene et al., 2024; Bambra and Smith, 2021; SCC, 2020), as well as those finding it difficult to navigate the fast-paced political shifts post-pandemic and embrace the emerging digital advances (Robers-Wood, 2025; SODA, 2022). The Widening Digital Divide

As established already through SCC's Covid-19 Community Impact Assessment (2019), its Devolution and Local Government plan (2025) and other academic literature (Harvey et al., 2023; Holmes and Burgess, 2022), digital exclusion is an extension of existing systemic social inequalities. This impacts low-income households, ethnic minority communities, older adults, and communities to whom information might not be accessible (SCC, 2020) and is not easily understandable due to various reasons (SODA, 2023).

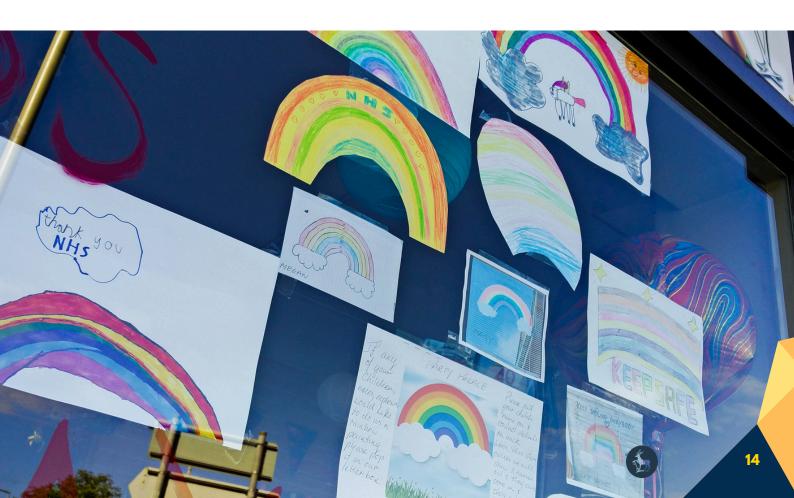
It is therefore increasingly important to know how VCSEs are currently dealing with beneficiaries from these demographics, helping them navigate the post-pandemic challenges, and lessening the socio-digital divide (Helsper, 2022). It also poses the question of how Faith-Based Organisations (FBOs) in Surrey that specifically have beneficiaries from marginalised groups now deal with these concerns, more so when they have the risk of being socially isolated or excluded in this post-pandemic era.



### Tapping Into Post-Covid-19 Takeaways

The Covid-19 pandemic has had a significantly detrimental impact on Surrey's VCSE sector, but it has also revealed some positive developments; The SCA 2020 report – written in the teeth of Covid-19 – identified these at the time. The following are identifiable as trends that now define the current VCSE reality in Surrey:

- Ongoing financial pressure: from the 90% of organisations who expected a loss of income in pandemic, many survive on reserves, shunting uneasily between short and medium-term financial precarity, and relying heavily on public fundraising.
- A lingering post-Covid 'business as usual' assumption that the crisis is over and only more localized forms of support are needed, rather than proactive, sector-wide VCSE support.
- From the quarter of VCSE staff placed on furlough during Covid, VCSEs large and small struggle to retain staff working in traditional formats, having adjusted to flexible and online formats for both staff and volunteers, and still having to rework hours, wages or posts, sometimes on a quarterly basis.
- Where Covid-19 saw an upsurge in people registering as volunteers (including 750,000 through an NHS portal) post-Covid VCSEs now face permeant fluctuations in volunteer levels. In some areas in Surrey there remains a surplus, while in others, VCSEs face perennially low levels, adopting new training and support programmes to incentivize volunteers to stay or return.
- During the pandemic, approximately two-thirds of organisations cut non-Covid-19 services; however new and innovative delivery methods, new services, repurposing, and new forms of mutual aid have arisen as permanent forms of post-Covid VCSE activity.
- Pre-pandemic service delivery challenges to adequately serve beneficiaries without physical or intellectual means of access remains a challenge.



#### BREXIT'S EFFECT

The UK's departure from the European Union has had widespread implications for the charity sector nationally, as well as locally in Surrey. These effects have manifested themselves across workforce recruitment, funding sustainability, administrative processes, and international collaboration. As charities continue to navigate the shifting post-Brexit landscape, many are facing increased pressure to adapt their operations and funding strategies to maintain essential services. Four noteworthy themes are outlined below.

### **Workforce Shortages and Visa Barriers**

Brexit has significantly impacted the availability of skilled workers in the charity sector. The Institute for Public Policy Research reported as early as 2018 that EU nationals working in UK charities more than doubled from 14,000 to 31,000 since 2000. These workers are particularly important in social care, education, and membership organisations - fields critical to Surrey's community services (IPPR, 2018).

Despite their qualifications, around 82% of EU charity workers would not qualify under the Tier 2 visa system that was in place after Brexit, mainly due to salary thresholds and job type restrictions; this figure rises to 87% in social care roles. Charities have also reported difficulties accessing international volunteers, such as those previously supported through EU youth and cultural exchange programmes, further straining capacity in local service delivery (House of Lords, 2020). As a result, nearly half of charity employers anticipated that ending free movement would worsen recruitment difficulties, particularly for smaller Surrey-based charities that lack the resources to manage visa sponsorship processes. Training alternatives are limited, as over half of charities report that funding constraints prevent investment in staff development, even though turnover is high (IPPR, 2018).

These changes have forced UK charities to explore alternative workforce strategies. These include improving staff retention, investing in training, and recruiting from domestic labour pools. However, high turnover rates, particularly in social care, combined with limited funding for wages and training, have constrained these efforts. With low national unemployment and limited scope for automation in frontline roles, the sector remains highly vulnerable to ongoing labour shortages.

#### Loss of EU Funding and Financial Stability

Before Brexit, UK charities received an estimated £200-£258 million annually from EU funding streams, including the European Social Fund (ESF) and European Structural and Investment Funds (ESIF). The transition to the UK Shared Prosperity Fund (UKSPF), intended to replace EU funding, has, however, been slow and uneven. This has led to uncertainty and financial strain among charities, with some forced to reduce staff or close projects due specifically to funding gaps. Additionally, the loss of EU-wide tax benefits and cross-border donation frameworks has affected charities that rely on international fundraising and collaboration, including medical and environmental organisations (Allsop, 2019).



### **Administrative and Regulatory Changes**

Brexit has led to a reduction in EU-related bureaucratic compliance, which many charities have found burdensome. However, this also means losing the clear accountability frameworks that EU funding provided. On the positive side, a more UK-focused funding framework could offer Surrey charities greater flexibility in how grants are applied and administered, assuming that successor funds are well-targeted and delivered efficiently (*ibid.*). Nonetheless, some VCSE representatives have noted that the post-Brexit regulatory vacuum may lead to inconsistent oversight and difficulties in benchmarking standards without EU coordination (House of Lords, 2020).

### Reduction in Research and Cross-border Collaboration

Charities involved in research and innovation, such as those in medical and environmental fields, previously benefited from participation in EU programmes like Horizon 2020. Brexit has disrupted access to these networks, limiting Surrey-based organisations' ability to collaborate internationally and access joint funding (UK Parliament, 2017). This isolation risks slowing progress in areas that depend on transnational knowledge exchange and shared expertise.



### TRUMP 2.0 AND THE ROLLBACK OF EDI

Donald Trump's second inauguration on 20 January 2025 ushered in a seismic shift in US domestic and foreign policy, with extensive rollbacks of Equality, Diversity, and Inclusion (EDI) initiatives, significant upheaval within USAID, and regressive global implications. Trump's sweeping undoing of the US's inclusive polices began immediately, with multiple Executive Orders terminating all DEI-related programs in federal agencies and mandating the removal of DEI-language from websites and grants, and subsequently removal of enforceable DEI obligations in federal contracts.

On the foreign policy front, nearly all U.S. development assistance for 90 days, excluding only certain humanitarian aid, is explicitly prohibited from funding gender, DEI, and family planning programs. Additionally, the U.S. Agency for International Development (USAID) saw almost its entire workforce placed on administrative leave, with only a small number of staff retained to run "mission-critical" tasks. It resulted in the termination of \$27.7 billion in international funding. These actions not only stripped DEI priorities from U.S. federal operations but also crippling international development capacity, with serious knock-on effects across global civil society, including the UK. (Kates et al., 2025)

While these U.S. policy changes are geographically distant, their influence resonates strongly in the UK's VCSE sector, especially in regions like Surrey. Many UK VCSE organisations depend on international funding, partnerships, or cultural exchange with U.S. institutions. The USAID rollback threatens funding continuity for DEI-related programs and international collaborations, potentially forcing UK VCSEs to adapt rapidly or risk losing vital resources (Penningtons Manches Cooper, 2025)

At the same time, the UK Supreme Court's 2025 ruling narrowly defined "woman" and "man" in the Equality Act 2010 as based strictly on biological sex at birth, rather than gender identity, despite existing protections for transgender individuals. This ruling aligns, in some respects, with conservative shifts seen in the U.S. under Trump 2.0, where gender identity recognition has been rolled back aggressively through executive orders (AP News, 2025; The Guardian, 2025). The decision claims to provide clarity on service provision—but has been heavily criticised for undermining inclusion of transgender and gender non-conforming individuals, inflaming debates over access to single-sex spaces. Consequently, this ruling forces UK VCSEs to adapt how they manage single-sex services, sports activities, and workplace policies; membership rules or service targeting must now align with the 'biological' definition of sex under the Equality Act.

These developments, i.e. the rollback of EDI initiatives and USAID funding cuts under Trump 2.0, alongside the UK Supreme Court's restrictive gender ruling, create a complex and challenging environment for the UK's VCSE sector. Particularly in Surrey, organisations must navigate shifting legal definitions, funding uncertainties, and evolving social attitudes, all while striving to uphold their core commitment to inclusion and equality. Despite these pressures, the VCSE sector remains a vital force for social cohesion and can lead by adapting thoughtfully to maintain inclusive support for all communities.





### THE UK CONTEXT

VCSEs are vital because they are both locally rooted and responsive to local needs. Around 75% deliver services directly within the areas where they are based, drawing on local knowledge, networks and individuals. Their work goes beyond traditional measures of value for money, helping to reduce inequality, strengthen resilience, and generate community benefits. Many VCSEs are led by, or serve, under-represented groups, making them key to an inclusive system of public service delivery, as well as placed-based community support.

### **Reforms and Improvements**

Government reforms in the past decade have sought to recognise and support the contributions of VCSEs:

- The Public Services (Social Value Act) (2012) requires commissioners to consider community benefits when awarding contracts.
- The Social Value Act (2020) builds on this, requiring a minimum 10% weighting for social value in bids.
- Procurement Policy Note 06/20
- Social Value Model (2020)
- The Procurement Act (2023) has introduced simpler and more flexible rules to lower barriers for VCSEs and SMEs, making it easier for them to compete fairly.

The partnership between the government and the sector has also been strengthened. The VCSE Crown Representative acts as a bridge between the two, while advisory panels ensure VCSE voices are represented in policymaking. There is growing recognition that VCSEs are not just service providers, but partners in shaping fair and effective public services. Efforts to remove barriers are also underway. For example, reserved, below-threshold contracts are opening opportunities specifically for smaller organisations. Greater transparency also means contracts are more visible through platforms like Contracts Finder (UK Government, 2025). Prompt payment requirements protect small providers from cash flow risks, while new guides, webinars, and training are being made available to help VCSEs navigate the bidding process more successfully.

### National Government's Role

- Ministerial lead & departments. Civil society policy sits with DCMS (Minister for Sport, Media, Civil Society & Youth); procurement rules/guidance sit with the Cabinet Office. The VCSE Business Hub, established in Jan 2025, centralises guidance and routes into public contracts (UK Government, 2025b).
- VCSE Crown Representative. The Crown Rep (currently Claire Dove CBE) is the government's liaison to the sector—championing proportionate procurement and social value, convening an advisory panel, and sharing good practice across departments (UK Government, 2022).
- Parliamentary engagement. The APPG on Charities and Volunteering provides a cross-party forum on sector issues and remains active.



## REGISTERED CHARITIES IN ENGLAND & WALES

AUGUST 2025



184,898 CHARITIES

Total number of **registered charities** in England and Wales. When accounting for unregistered VCSE organisations, these could be 2-3x higher\*

Top 5
COUNTIES
WITH MOST
REGISTERED
CHARITIES

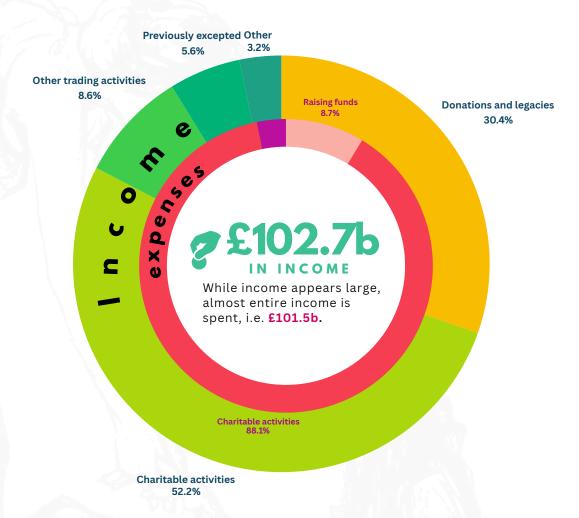
**4,794** Kent **4,400 Surrey 4,354** Hampshire **4,316** Essex **3,785** Devon



### PEOPLE WORK IN CHARITY

13.2% of the UK population is involved with charitable organisations in various capacities





Source: Infographic by CBE based on England and Wales data from Charity Commission (2025).

\* Mohan et al. (2010)





### **Ongoing Challenges**

However, many charities continue to be financially insecure, with many VCSEs operating on razor-thin margins in Wales and England.

As of August 2025, there are 184,898 charities with a total income of £102,655,691,127 v. £101,416,146,583 of expenditure, signifying the stark reality of the sustainability of VCSEs (Charities Commission, 2025).

Government procurement often involves multiple layers, with prime contractors bidding for government contracts and then subcontracting to VCSE organisations. To address risks for these smaller providers, government policy currently requires prime contractors to pay 95% of invoices within 60 days and demonstrate effective payment systems. The (now former?) Minister for Sport, Media, Civil Society and Youth Stephanie Peacock has emphasised that timely payment is crucial for the sustainability of the VCSE sector, and the newly launched VCSE Business Hub in January 2025 supports charities and social enterprises in navigating public procurement (DCMS, 2025).

Such reforms rest within a wider agenda to reset and strengthen the overall relationship between government and civil society. In July 2025, the Civil Society Covenant (CSC) was launched by the Secretary of State for Culture, Media and Sport, Lisa Nandy. This groundbreaking recent development aims to provide a new framework for collaboration, trust, and mutual accountability, ensuring that the lessons from procurement reform, i.e. transparency, timely support, and respect for VCSE contributions, extend to all areas of policy and partnership. The Covenant itself is explored in further detail below, in terms of its ability to promote genuine transformation for both individual organisations and the VCSE ecosystem more broadly (UK Government, 2025c).

### **Civil Society Covenant (CSC)**

The CSC recognises "Britain's civil society, including volunteers, charities, faith organisations, co-operatives, trade unions, philanthropists, social enterprises, social investors and purpose-driven businesses" as "part of the fabric of our nation", "part of our national identity" and "a force for innovation".

Incorporates civil society into mission-led governance: "Partner and collaborate across every department and every mission of government, working at both national and local level across the UK to deliver the Plan for Change."

Makes civil society part of the new devolved, participatory and place-based policy paradigm: "Design, fund and deliver policies and services in genuine partnership; working with mayors, local authorities and other public bodies on place-based partnerships and developing collaborative commissioning and procurement arrangements."

In terms of intelligent "co-design": "The Covenant has been co-designed between government and civil society representatives. It is the product of wide engagement with over 1,200 organisations across civil society, and with local, central and devolved governments throughout an engagement exercise conducted in 2024."

Key Innovations of the Civil Society Covenant:

- Civil Society Advisory Group, with the stated aim of long-term interaction between organisations and national/local government bodies as opposed to ad hoc relations.
- A set of values and principles designed to govern future engagement and collaboration
  - Respect for independence and legitimacy
  - Recognition of value, role and different perspectives
  - Understanding responsibilities and constraints
  - Early, regular and ongoing engagement
  - Creating the conditions for collaboration and innovation
  - Addressing barriers to delivery in partnership
  - Enable diversity, equity and inclusion
  - Engaging citizens and communities in decision making and delivery
  - Removing barriers to active participation to build a healthy democracy and community resilience
  - Engage in open, honest and transparent communication
  - Make evidence and data publicly available
  - Improve data development
- The establishment of the Joint Civil Society Covenant Council: a cross-sectoral board central to the delivery and review of the Covenant, setting its direction and providing strategic oversight for its implementation.
- Task and Finish Groups: focusing on specific policy issues impacting the relationship between civil society and government, including commissioning and local level partnerships.
- The development of a programme to build capacity and understanding across the sectors, including encouraging more cross-sector secondments.
- The establishment of an online hub for practical guidance and resources relating to the Civil Society Covenant.

### **CSC CASE STUDIES**

The covenant also presents eight contemporary examples of good practice:

### The Greater Manchester (GM) VCFSE Accord (2017)

Established bv the Greater Manchester Combined Authority and the Greater Manchester Health and Social Care Partnership with a group of GM-based civil society leaders to unlock the full potential of civil society to address inequalities in the city-region for the public's benefit, raising the profile of civil society organisations with local sector leaders and spotlighting their value and expertise.

### Calderdale Council's VCSE strategy (2024 to 2029)

Explicit recognition of VCSE's role in Calderdale, as a key partner in achieving the local vision to be an enterprising place, full opportunity, where everyone can thrive in their community. Prior to the strategy, VCSE groups were facing reduced public sector funding, rising costs, growing demand for services, while combatting staff and volunteer shortages and lower pay. Co-produced with VCSE actors, the Calderdale strategy acknowledges the significant impact on Calderdale residents and communities.

### **Evaluation Support Scotland (ESS)**

Scottish Government funded charity supporting civil society organisations, trustees and funders, to measure and demonstrate their impact through evaluation. Using impact data and evidence to inform policy development, ESS remedies the skills and resources found in many third sector organisations and funders (including public bodies), undermining their ability to use databased insights to inform decisions. delivers open workshops, tailored support, free online selfdirected learning modules, and a wealth of online resources.

## The Department of Health and Social Care comprehensive engagement strategy

Designed to inform the development of the 10 Year Health Plan, which translates the thousands of insights gathered into a clear plan of action, illustrating robustly that vital role of civil society in supporting three fundamental societal shifts: from hospital to community, from treatment to prevention, and from analogue to digital.

### The Coalition to Tackle Knife Crime

Launched in 2024 by Prime Minister Starmer, the Coalition is a partnership between individuals with lived experience of knife crime, civil society and campaign groups, dedicated to halve knife crime within a decade.

### UK Government grant programme enhancing CSO support of vulnerable EU citizens in the UK applying for the EU Settlement Scheme

Enables enhanced support for EU citizens facing language barriers, digital exclusion, mental health issues and homelessness, enabling CSOs to offer enhanced support for those applying for and securing UK settled status. Grants to CSOs enabled enhanced data collection, sharing and transparency, enabling improved data sharing between the government and grantees for immediate assessments.

### **National Youth Strategy**

The DCMS Secretary of State 2024 announcement to make youth voices a more central part of civil society saw the appointment of a new Youth Advisory Group (YAG) and bring lived experience across kev areas including advocacy, violence prevention, social mobility and mental health, supported by an Expert Advisory Group drawn from a variety of sectors.

### Barnsley Council's 2013 Stronger Communities programme

Shifting from a traditional service delivery to a community partnership model it, now actively involving communities and civil society organisations in designing, delivering, and reviewing services through devolved decision making.

### The Implications of the Civil Society Covenant for VCSEs

The CSC presents numerous opportunities for enhanced recognition, partnerships, data-sharing, and the overall utilisation of VCSEs within civil society. From healthcare to young people. From crime prevention to supporting human rights and citizenship, the CSC needs to illustrate its ability to leverage communities' awareness of VCSEs, their role in procuring and distributing social benefits and services, their inherent place-based strengths, and its ability to promote progressive reforms. For example:

- **Commissioners**: need to ensure and apply proportionate requirements, fair risk allocation, lotting that enables consortia, and prompt payment; build market stewardship with infrastructure bodies.
- **Funders**: improved ability to support core costs, capacity, and digital/data capability; recognise the additional costs of inclusive, co-produced practice.
- VCSEs: strengthening their intra-sector and intra-entity collaboration (including consortia), outcomes data, and governance for digital/AI use; evidence reach into inequality/need.
- **Partners**: improved use of open data (e.g., deprivation, access) to target prevention and early help.

Equally, the Civil Society Covenant is only in the first phase of development and needs to demonstrate practical methods by which improvements can be made. Currently, VCSEs are carrying more complex demands while navigating tighter finances. Policy reforms like those mentioned above, including the Business Hub, as well as the Civil Society Covenant are positive steps, but local commissioning practice, timely payments, and core-cost support will determine whether the sector can sustain its role in tackling inequality and delivering social value.



### SURREY'S VCSE ECOSYSTEM

Cobains

Colored

Col

Figure 1: Density Map of Surrey



Source: ONS (2021)

#### SURREY DEMOGRAPHICS

Surrey's constantly expanding population is projected to grow to 1,261,963 by 2047, up from the 2024 estimate of 1,248,649 residents (Surrey County Council, 2022; 2024a). The county is simultaneously experiencing both growth and an ageing demographic, with an age profile expected to shift significantly. This includes a projected 36.6% increase in residents aged 65 and over over the next 10 years, from the current figure of 234,614 (Surrey County Council, 2025f, p. 10). This growing proportion of older people is accompanied by a gradual decline in the working-age population (Surrey County Council, 2025f, p. 3). As a result, Surrey as a county is likely to face increased pressure on its healthcare and social services, alongside rising challenges in maintaining a balanced workforce and sustaining economic productivity.

Tandridge and Guildford, both located in Surrey, rank in the top 10 local authorities with the greatest amount of Green Belt land, with Tandridge ranking 1<sup>st</sup> with 94% of its land Green Belt (Rank et al., 2023, p. 13). In 2008, Surrey was named the most urbanised shire in England, with 85% of its population living in urban areas (Surrey County Council, 2008, p.14). Despite this, the Surrey Hills have consistently retained their character as an Area of Outstanding Natural Beauty (AONB), remaining safeguarded in the national interest (Surrey County Council, 2025e).



England and Wales
Household is deprived in one dimension

6.0% 25.5% 31.0% 35.6% 40.8% 74.2%

Figure 2: Houshold Deprivation Map of Bellfields & Slyfield Ward

Source: ONS (2021)

Surrey's rural villages are surrounded by scenic countryside and are well-connected by road, rail, and two major airports. Commanding premium prices, house prices leave many residents on low or average incomes wholly unable to afford to live where they grew up or work (Surrey Community Action, 2024, p. 6). The average age of first-time homeowners in Surrey is now 33, likely due to house price-to-income ratios increasing by 35% in 10 years (Surrey Community Action, 2025, p.7). However, in 2024, residents in Surrey had higher average full-time employment incomes (£45,831) than both the South East (£40,339) and England (£37,617) (ONS, 2024). This suggests that the Surrey 'residents' referred to in these and other sources are, in many cases, people who have purchased a home in Surrey, and that their above-average earnings have enabled them to do so despite rising affordability pressures.

Although the proportion of children in low-income households in Surrey (9.8%) is lower than in the South East (15.4%) and England (23.8%), the total number in Surrey has increased by 1,243 from 2022/23 to 2023/24. (Surrey County Council, 2025a). The Index of Multiple Deprivation (IMD) score [2] indicates Surrey's varied demographics. North of the A3, the Bellfields and Slyfield Ward is ranked as one of the most deprived wards in Surrey (Surrey County Council, 2024b). Bellfields and Slyfield, however, are not outliers; there are many other similarly deprived communities across Surrey that rely upon the existence of VCSEs.

#### SURREY'S VCSE SECTOR

Surrey has approximately 4,400 registered charities that include Charitable Incorporated Organisation (CIO), charitable company limited by guarantee, trust (Charity Commission, 2025). According to Surrey County Council (2025g), there are an additional 10,000 not-for-profit organisations of various sizes and capacities. These organisations are supported by Surrey County Council as both a funder and commissioner – the Council delivers central-government funding, as well as its own council-funded grants. Such examples include:

- Household Support Fund (HSF) central government funding routed via councils. SCC explicitly worked with "a range of specialist charities" to distribute HSF to residents. The Department of Work and Pensions allocated £9.3 million to Surrey County Council for 2025-2026, down 12% from previous year (SCC, 2025h). The majority of the funding goes int free school meals (£4.1m), supporting food bank and community fridges (£1.7m), Citizens Advice (£900k), Surrey Crisis Fund (£750k), and poverty prevention (£548k) (SCC, 2025h).
- Better Care Fund (BCF) pooled NHS/local government funding used in Surrey; council papers note the BCF "is also used to protect some health and voluntary sector services."
- Accelerating Reform Fund (adult social care) DHSC national programme; SCC invites VCSE organisations to apply for Surrey's ARF grants.
- **Public Health small grants** e.g., the Smokefree Generation scheme offering up to £7,000 to VCSE organisations (funded from the public-health grant to councils).

At the strategic end, Surrey County Council (SCC) co-designs services with the VCSE sector around prevention, early help and community resilience—especially in adult social care, public health, and children and families. In practice, and as illustrated below, this means awarding grants for local projects, commissioning specialist providers to deliver support, and using social value and co-production to shape contracts. SCC also partners with NHS bodies through joint programmes (e.g., pooled health and care funds) so VCSE organisations can deliver community-based services that statutory agencies can't reach as effectively on their own.

Alongside council-funded grants, Surrey often routes national programmes locally—for example, distributing central government hardship and public-health monies through trusted charities so help reaches residents quickly. Day-to-day, this relationship is essentially reciprocal: VCSE groups provide insight, advocacy, cross-sectoral networking and frontline delivery, whilst Surrey County Council offers funding, data, safeguarding frameworks and coordination across the county's boroughs and districts. The result is a mixed ecosystem where small neighbourhood groups, faith and community organisations, and large charities all play defined roles in prevention, crisis response and long-term support for Surrey residents. As explored throughout this report, it is precisely this mixed ecosystem which has both strengths and weaknesses.

### SURREY VCSE SNAPSHOT

AUGUST 2025

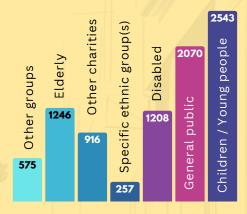
ESTIMATED VCSE IN SURREY\*

7,000-14,000

Of the 4,400 registered charities operating in Surrey, only **2,782** are locally-based



WHO DO THEY SERVE



\*many organisations serve more than one category

£25,284

The median income of charities in Surrey is £25,284. As many as 252 charities reported income of £0.

4.4%

### large charities

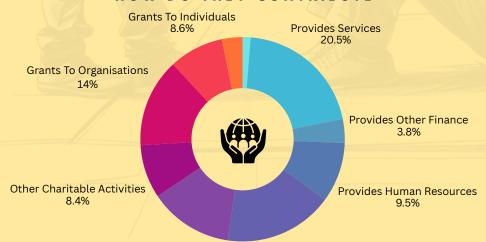


Only a small percentage receives an income of over £1m. These are typically institutes, churches and school trusts. The latter amount to a total of £773m

1,696

charities are in **net deficit**, with the highest deficit of over **-£12m** 

#### HOW DO THEY CONTRIBUTE



Provides Buildings/facilities/open Space 17.3%

Source: Infographic by CBE based on data from Charity Commission – England & Wales data (2025). n=4400 \*Estimate from registered charities and estimated unregistered non-profit organisations



#### SURREY PROJECTS

In 2018, Surrey County Council launched <u>Community Vision for Surrey 2030</u>, a partnership effort to ensure no one is left behind, i.e. children have a great start, people live healthy, fulfilling lives, and everyone can reach their potential and contribute to supportive communities. It pairs these people-focused aims with a strong, green, well-connected economy and infrastructure—clean and safe places, sustainable growth, easier journeys, and homes for all—delivered collaboratively by the council, partners and residents. Within this framework was the explicit recognition that "the council cannot deliver the Vision alone" and required partners, including the voluntary, community and faith sector, working collaboratively to achieve core ambitions, including "no one is left behind" and "empowered and thriving communities".

This need for effective partnership was reiterated in <u>Surrey's 2019-2023 Organisation</u> <u>Strategy</u>, which highlighted the importance of joining up with civic and community groups and "innovating in new ways... [with] a place-based approach to leadership".

Subsequently, Your Fund Surrey was launched by Surrey County Council in 2020 under the Community Projects Fund as a participatory grant program. Your Fund Surrey apportioned a substantial capital budget for community-led projects. Unlike traditional small grants, Your Fund Surrey – Large Projects supports substantial proposals requiring over £10,000, including the building of community centres, sports facilities, collaborative workspaces, or other infrastructure directly benefiting communities. Local groups propose projects, often leveraging match funding, and bids are evaluated with community input. As of 2025, Your Fund Surrey has underwritten 54 projects with over £21 million in funding, demonstrating the Council's commitment to investing in community assets across the county. Examples include new playgrounds, a community farm, and upgrades to village halls as multi-use hubs. A parallel Councillor Community Fund (2021) encourages individual county councillors to award smaller grants to grassroots initiatives.

Within the Surrey VCSE ecosystem, Your Fund Surrey is significant for its significant infusion of capital into the community sector – enabling local charities and resident groups to bring to fruition projects that might otherwise be unattainable, as well as representing a policy shift towards participatory budgeting and localism, by giving residents a say in which community improvements to finance.

Surrey County Council's most recent plans, including its 2025 Digital Strategy appear to align well with the goals of Surrey's VCSE sector, in supporting the residents of Surrey by striving to tackle inequalities, and enabling better health and social care.

### Surrey County Council's Digital Strategy 2025

According to Surrey County Council's digital strategy 2025 — a 5-year plan initiated in 2020 with a 2030 Community Vision for Surrey. The strategy (2025, p.3) which has a clear digital journey — with identified transitions and success measures — claims that the aim aligns with their Organisation Strategy 2025, which are rooted in:

- Being proactive in tackling the climate emergency and will lead by example through a practical and proactive response.
- Supporting residents' independence and helping them to help themselves and each other within their communities.
- Making the most of digital technology to change how we work and innovate and improve our services to help Surrey and its residents thrive.
- Working with residents in every area of Surrey to identify and address causes of inequality, especially in life expectancy.
- Focusing on stronger partnerships with residents, businesses, partners and communities to collectively meet challenges and take opportunities.
- Accelerate plans with partners to integrate health and social care services, providing residents with more effective, efficient, and seamless care.
- Supporting the local economy to be strong and resilient, by investing in the infrastructure Surrey needs.
- Embracing diversity in Surrey to ensure the county is a place full of opportunity for everyone by recognising the benefits of a diverse population.

The research team found no formal, published VCSE position paper evaluating SCC's Digital Strategy 2025. SCC's documents emphasise "Living Digital" and a parallel Digital Inclusion Strategy ("no one left behind"), and the health system's VCSE Alliance/participation networks indicate ongoing partnership on inclusion. However, there is no consolidated VCSE assessment of alignment or impact.

However, the reality is more complex. Alongside programme design and oversight issues, Surrey's choices sit within a national funding environment shaped by a decade of austerity, including the reductions in central grant. Even with recent uplifts, councils' core funding remains lower than in 2010, with greater reliance on council tax and business rates and intensifying demand in care services. These constraints help explain why some decisions have been late or difficult—without negating the need for clearer objectives, proportionate risk-sharing, and timely engagement with VCSE partners. (IFS, 2024; NAO, 2025).





### **County Council Funding Inconsistency**

In August 2025, a late change in county funding left Crossroads Care Surrey facing the prospect of supporting 274 unpaid carers without the expected council contribution. The charity moved quickly to maintain continuity of care through public donations and short-term reserves, allowing services to continue for existing clients until 30 November 2025 while longer-term arrangements were explored. The episode illustrates the cash-flow sensitivity and transition risks faced by frontline VCSE providers, and the wider system impact if contingency planning and communications are not aligned (BBC, 2025a).



### **The Woking Crisis**

In mid-2023, Woking Borough Council, one of Surrey's larger borough councils, was issued a Section 114 notice (bankruptcy declaration) due to an extraordinary £1.8 billion debt from past investments. This fiscal collapse had immediate fallout for the voluntary sector: Woking's approximate £1 million annual VCSE spending was halted completely. Grants and contracts to community groups in that borough were frozen or cut, creating uncertainty for organisations reliant on that funding.

While Woking's Section 114 is exceptional, several Surrey districts have reported significant financial pressures in recent years. In 2025, Surrey incurred the largest debt nationally in one financial year, and some borough and district councils have been flagged with serious budget risks—though not all are at immediate risk of issuing a Section 114 notice (BBC, 2025c).

From the national government perspective, ministers argue they have increased Core Spending Power in cash terms and introduced stabilisers (e.g., the Funding Guarantee) so every council sees an annual uplift while reforms bed in. Policy has also pushed procurement changes intended to open markets to VCSEs/SMEs—via the Social Value Model and the Procurement Act 2023 discussed earlier—and to improve prompt payment across supply chains (with tighter payment-term checks rolling out in 2025). Alongside devolution and levelling-up programmes, the government launched the VCSE Business Hub to centralise guidance and departmental action plans for charities and social enterprises. The official line is that these moves open access, reward social value, and improve cash-flow reliability, while giving places more tools (and accountability) to deliver local priorities (UK Government, 2024).

Overall, Surrey County Council's mix of grants, commissioned services and routed national programmes shows a commendable and indeed consistent intent to work with community providers, and initiatives like Your Fund Surrey signal a truly positive shift toward participatory, place-based investment. Yet recent shocks, most visibly Woking's Section 114, last-minute funding changes, as well as sa teady decline in other areas of support, together underline the fragility of providers that operate on thin margins and rely on predictable cashflow.

If Surrey County Council's ambitions around prevention, early intervention and community resilience are to be realised, to say nothing of the more ambitious goals of 'no one left behind', its next phase requires genuine transformation. From a practical perspective, this means multi-year, prompt-payment funding models; proportionate, transparent commissioning (including lots/consortia); support for VCSE infrastructure and data capability; and systematic co-production with lived experience. From a collaborative perspective, this means returning to humble origins, and conceding that SCC cannot deliver its own Vision independent of partners, and requires explicit embedded cooperation with VCSEs in achieving core ambitions to genuinely build "empowered and thriving communities".

Framed through the Civil Society Covenant, this is a practical agenda: align funding with outcomes, reduce friction for frontline organisations, and use shared data to target need. The recommendations that follow set out how to operationalise this in Surrey.



#### SURREY'S VCSE ORGANISATIONS: A WORKING SAMPLE

Surrey's VCSE sector is broad and deeply embedded in local systems, from neighbourhood groups and faith organisations to county-wide charities. The Surrey VCSE Alliance convenes that ecosystem as an equal partner with statutory bodies, acting as a single, structured channel between the sector and Surrey County Council, borough and district councils, the two Integrated Care Systems (Surrey Heartlands and Frimley), and the police. Through the Surrey VCSE Alliance forum, the sector has an established voice in strategy, co-production and commissioning, particularly around prevention, early help and community resilience.

Funding is a mixed economy. Alongside council and NHS commissioning (and periodic pass-through of national programmes), the VCSE Surrey sector relies on independent and philanthropic sources, most visibly the Community Foundation for Surrey, plus corporate partnerships and community giving. Since the Covid-19 pandemic and the subsequent cost-of-living squeeze, demand has shifted toward essentials (including poverty relief, health and wellbeing), creating pressure on core capacity and squeezing "nice-to-have" projects. Infrastructure bodies such as Surrey Community Action and local Community/Volunteer Service (CVS) networks help organisations navigate this environment—offering coordination, forums and practical support—so VCSE partners can keep services responsive while collaborating at a county scale.

### **Surrey VCSE Alliance**

The Surrey VCSE Alliance is a collaboration of VCSE organisations, bringing together the VCSE and Public sectors in Surrey as equal partners to support residents and communities. Their aim is to serve and work with all Surrey VCSE organisations, ensuring the voice of local people and charities is at the heart of decision-making, acting as a conduit for statutory services to communicate with the diverse third sector, making collaboration easier and more impactful. The goal here is to facilitate high degrees of collaboration, enabling the alliance as a whole to work effectively – possibly as a Community of Practice – by putting the needs of local residents above their our own organisational needs to ensure maximum collective influence.

The **Surrey VCSE Alliance** acts as a conduit between statutory services and the third sector, making collaboration more structured and impactful. Key public partners – including the Surrey County Council, all Borough/District Councils, Surrey's two Integrated Care Systems (Surrey Heartlands and Frimley health partnerships), and even Surrey Police – are involved.

### **Community Foundation for Surrey**

Alongside government funding, the role of independent and philanthropic funding has grown. The Community Foundation for Surrey has seen a significant uptick in both donations and grant-making over the decade. By 2023/24, the Foundation was awarding over £2 million a year in grants yet demand still far outstripped supply (in that year it received eligible funding requests totaling over £7.25 million). Trends in grant themes reflected emerging social issues: nearly 40% of CFS grant funding in 2023 went to health and wellbeing projects, followed by poverty relief and community development – a clear shift as more groups seek funds to address the cost-of-living crisis and poverty, which had been rising on the agenda.

Indeed, since around 2020, Surrey charities have reported spikes in demand related to poverty (food banks, debt advice, fuel poverty support) even in this traditionally affluent county. This has put pressure on funding for other causes ("some valuable work gets squeezed out" because scarce funds are redirected to basic needs). In response, funders are trying to diversify sources, including corporate partnerships, social investment, crowd-funding campaigns, and broader funds (e.g. National Lottery Community Fund programs targeting ongoing COVID recovery and entrenched inequalities) have all been drawn upon by Surrey VCSE groups. A noteworthy development is that local businesses and residents have been encouraged to engage in philanthropy more systematically – the County Council and CFS for example have jointly promoted giving to the Surrey Community Fund and other local trusts, emphasizing community solidarity. Some notable projects include:

Mental Health Scale-Up Fund (county-wide, multi-year): Raised ~£2.05m (with SCC match) to scale proven early-help support for children and young people, seen in the delivery of Surrey Care Trust "Nurture Through Nature" (allotments/boat-based activities), awarded £249,921 over 5 years. Impact focus: earlier access, prevention, resilience

Winter Poverty Campaign: Rapid-response pot (incl. SCC contribution) targeting crisis needs (energy, essentials). Case: Stripey Stork received £10,000 to add volunteer capacity at the baby bank—91 new volunteers and 8,499 individuals supported—illustrating fast, high-leverage local philanthropy (CFS, 2024).

### **Surrey Community Action**

Surrey Community Action serves as the sector's invisible backbone, convening the <u>Surrey Charities Forum</u> —a popular, informal monthly networking meeting for charities and social enterprises with over 150 member organisations. The forum also hosts a monthly cross-sector meeting chaired by SCA, fostering collaboration between VCSEs and councils/NHS.

Additionally, its **Warmth Matters** programme provided in-depth energy advice at Warm Welcome sessions. They carry out a number of targeted projects to support vulnerable residents such as the Gypsy, Roma and Traveller (GRT) community, elderly people, Asylum Seekers, and Rural residents (SGN, 2025).



### Strategic and Integrated Policy-Making

On the policy side, there has been a concerted push to integrate the VCSE sector into strategic decision-making. At the county level, Surrey's move to a "no one left behind" agenda and its community partnership approach (discussed above) elevated the status of voluntary sector partners.

VCSE representatives are now routinely included on partnership boards – for instance, the Surrey Health and Wellbeing Board (which sets health strategy) includes leaders from charities and faith groups alongside NHS and council officials. When Surrey Heartlands became one of the first wave Integrated Care Systems (ICS) in the NHS (2018–19), it formalised voluntary sector involvement: a VCSE Leadership Group was established, and projects like the 2019 workforce report were commissioned to better integrate community services into health pathways.

By 2023, the creation of the VCSE Alliance (discussed earlier) capped off this trend by giving the sector a unified voice in high-level forums. Local borough councils, too, have maintained engagement through forums and Compacts. Many districts (e.g. Elmbridge, Woking, Reigate & Banstead) have Voluntary Sector Liaison Groups or annual conferences where councillors, officers and charity reps discuss local needs and plans. In short, the policy climate has shifted from viewing VCSE groups as mere service providers to valuing them as partners in providing genuine, community-based solutions. This is evident in areas like public health (where, for example, faith groups were enlisted to help with COVID vaccine outreach and health messaging in minority communities), and community safety (police consulting charities working with youth, etc.).

While the VCSE sector is a core partner in Surrey's public services, the picture is not without risk. Rapid demand shifts, funding volatility and governance pressures can expose weaknesses in safeguarding, financial control, and leadership—especially for small organisations carrying complex workloads. Recent incidents show how a single failure can reverberate through partnerships and damage public confidence in a given project, or the sector's overall efficacy. The following case studies illustrate where things have gone wrong, what that meant for residents and commissioners, and how partners adapted.

#### **VCSEs On the Backfoot**

### **Change of Scene (Farnham)**

In January 2025, the charity disclosed it had spent ~£20k progressing a new site only to learn the land was legally subject to game shooting rights, jeopardising a vital relocation and pushing the organisation to the brink. Sector press and follow-ups frame it as a governance/oversight lesson on property checks, contracts and trustee risk appetite (Telegraph, 2025). Equally however, such due diligence failures within the VCSE sector illustrates the material consequences of poor quality inhouse capacity for standard research, information gathering and engagement with appropriate local stakeholders. Change of Scene's last-minute reprieve may have resuscitated the charity, but at the expense of a lack of trust in trustee capability and professionalism. Commissioners should not have to assume that small providers are only ever one poor decision away from financial collapse. The emphasis instead should be on enhaced knowledge provision for trustees and more robust contingency measures into service pathways.

### Shooting Star Children's Hospice (Surrey/SW London)

As energy costs skyrocketed in 2023 as a result of the knock-on effect, the Shooting Star Children's Hospice warned that energy bills would more than double, from approximately £90k to £230k, highlighting the material connection between volatile utility costs and the continuity of pediatric palliative care. The issue surfaced again in Parliamentary debates on children's hospice funding, highlighting the system-level fragility in which essential VCSE providers can face sudden affordability gaps that commissioning alone does not cushion (The Standard, 2023).

Children's hospices serving Surrey (e.g., Shooting Star) also highlight similar cost shocks and short-term funding as structural risks. Energy bills more than doubling in 2023 put bed capacity at risk. While the crisis had the benefit of bringing the precarious, patchwork nature of children's-hospice funding to the national level via Parliamentary debates, lessons drawn by local partners are to now regard some VCSEs as critical infrastructure. This means more effectively planed multi-year support, smooth cashflow, and a reduced reliance on emergency fundraising to keep core capacities operating.

### **Pride in Surrey**

In 2025, the founder of Pride in Surrey, a community organisation established to unite and advocate for LGBTQ+ people across Surrey, pleaded guilty to the rape of a child and was sentenced to prison (BBC, 2025b). The revelation sent shockwaves through the community, tarnishing the reputation of the organisation and straining relationships between Pride in Surrey, the local LGBTQ+ community, and its allies. Since its inaugural event in 2019, Pride in Surrey had enjoyed strong backing from Surrey County Council (SCC), with council teams, local services, and Surrey Fire and Rescue participating annually. However, in 2025 SCC announced it would withdraw official support, instructing staff not to take part in the event. The council cited concerns that Pride in Surrey no longer represented the wider LGBTQ+ community in the county [3], and raised questions about the organisation's governance and credibility (Dale, 2025; Original statement appears removed from SCC Website).

While SCC's decision was seen by some as a shock, others noted that confidence in the organisation had already been damaged by the founder's crimes. Yet, SCC has also reiterated its continued recognition of the need for LGBTQ+ visibility and inclusion, as highlighted in a Surrey Youth Voice blog earlier in the year (Surrey County Council, 2025g). This situation reflects a broader national trend: over the past five years, businesses and public bodies across the UK have struggled with how to position themselves in relation to LGBTQ+ causes. Concerns about reputational risk and political backlash have prompted many to adopt a lower-profile stance or withdraw from pride-related partnerships entirely (Young, 2025). While intended as a safeguard, such disengagement can fuel uncertainty, weaken public understanding of LGBTQ+ issues, and risk reinforcing prejudice.

Overall, reputational harm can spill over to the wider sector if responses aren't swift, transparent and proportionate; conversely, steady, evidence-based action protects both residents and the many VCSEs doing good work. Meanwhile, small and mid-sized organisations can be one shock away from disruption (a leadership failure, a bad property decision, or a cost spike). Treating some VCSEs as critical infrastructure is warranted.



## RESPONSE OF THE SURREY CHARITY SECTOR TO THE WAR IN UKRAINE

The previous pages have detailed both impressive and regrettable examples of VCSE operations in terms of civil society, local government and service provision. Given the impact that the illegal invasion of Ukraine by Russia in February 2022 had upon Ukraine, governments, energy prices, and the overall cost of living, as well as the profoundly supportive response by VCSEs and individuals in Surrey, the report details the critical role that VCSEs can play in both urgent, and longer-term civilian support. The charity sector in Surrey responded swiftly and collaboratively to provide both humanitarian aid abroad and vital support to Ukrainian nationals arriving in the UK. The response was characterised by a strong partnership between grassroots initiatives, established voluntary organisations, and local government bodies.

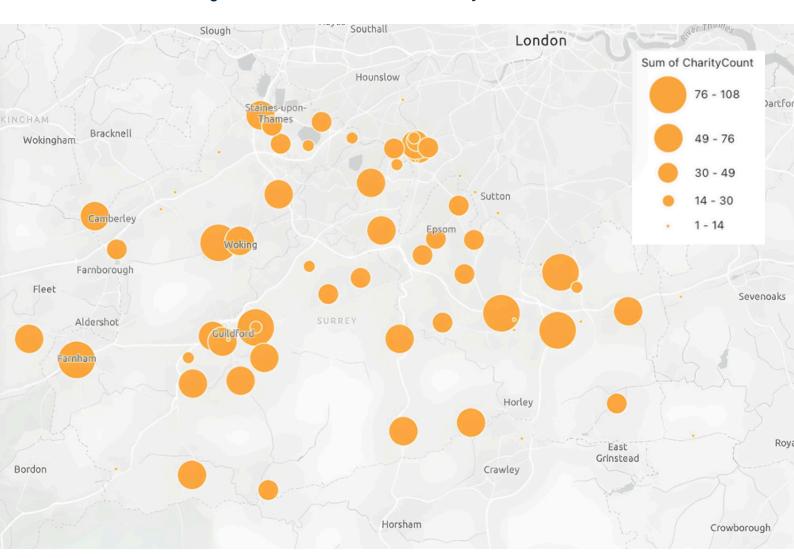
- A key initiative, <u>Surrey Stands with Ukraine</u>, based at the Ashley Centre in Epsom, played a central role in delivering humanitarian assistance directly to Ukraine. The organisation collected, funded, and distributed over £4 million worth of aid, prioritising supplies based on up-to-date needs on the ground.
- Locally, significant focus was placed on refugee integration. <u>Central Surrey Voluntary Action (CSVA)</u> launched its Refugee Support and Integration Project, offering one-to-one tailored guidance to help Ukrainian individuals access healthcare, education, volunteering, and employment opportunities.
- <u>Surrey County Council</u>, alongside its district and borough partners provided further structural support. This included a free bus ticket scheme, guidance for host families, and comprehensive signposting to local and national support services through dedicated online platforms.
- Additional assistance was offered by organisations such as <u>Citizens Advice</u>, <u>Voluntary Support North Surrey</u>, <u>Barnardo's Ukrainian Support Helpline</u>, and the <u>British Red Cross National Support Line</u>. These services collectively addressed critical needs including housing, financial support, legal advice, mental health, and translation.
- In Guildford and Woking, local hubs such as <u>GUkraine</u> and the <u>Ukraine Hub at The Lighthouse</u> established extensive community networks. These initiatives provided legal and careers advice, trauma counselling, social activities, English lessons, and cultural programming, including children's classes and Ukrainian Saturday School.
- Similarly, the <u>Westway Centre</u> in Caterham supported Ukrainians with emergency assistance, transport coordination, and donation collections. In Epsom, the <u>Epsom and Ewell Refugee Network</u> facilitated cultural events such as Ukrainian music concerts and food festivals, while the <u>STEP Ukraine</u> programme delivered intensive language and employment training in collaboration with World Jewish Relief and the British Council.

Taken together, these coordinated efforts demonstrate Surrey's charity sector's responsiveness and adaptability to a new layer of service demand in local communities. The region's community-led approach ensured that both immediate humanitarian needs and longer-term integration challenges were met with compassion, practical support, and sustained collaboration.





Figure 3: Location and Number of Surrey-based Charities





Source: Geomapped by CBE with data from Charity Commission (2025), ONS (2021). n=2,872

#### NUMBERS AND TYPE OF ORGANISATIONS

Quantifying the exact number and type of VCSE organisations in Surrey is a challenge, largely due to the lack of data for small and often unregistered not-for-profit organisations; the latter are not legally required to register with Charity Commission if they have annual income of below £5,000.

Where smaller organisations that might technically qualify as a registered VCSE organisation, others might fall short of this definition due to the ephemeral nature of the social goals that they focus on. This in turn highlights the range of differences at to what qualifies as a public benefit under UK law, as opposed to the definition of the Charity Commission, or indeed operating with a level of income lower than the eligibility requirements set by Charity Commission. Therefore, there are a sizeable number of 'below the radar' VCSE organisations that are currently unregistered, yet whose individual and cumulative services contribute to strengthening society beneficially. With these caveats in mind, based on the analysis of the data collected, Surrey currently has a high count of registered charities.

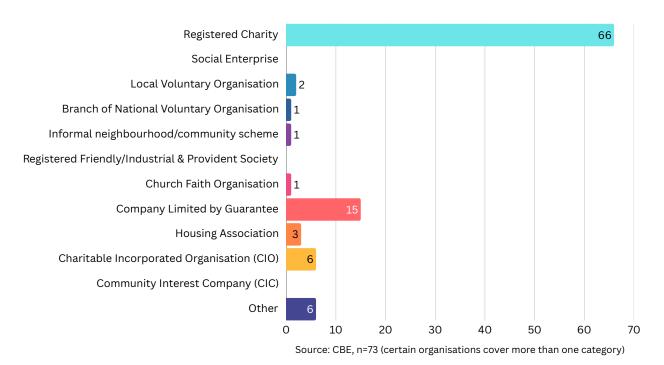


## How many VCSE organisations are out there?

We estimate a total of between **7,000** and **14,000** VCSEs in Surrey based on several metrics:

- As established by Charity Commission (2025) database, there are about 4,400 registered VCSEs that operate in Surrey with locations outside of Surrey, while 2,872 are Surrey-based charities [4].
- The estimated unregistered VCSEs or "below-the-radar" organisations is extrapolated using the multiplier of 3.66 per 1,000 local population (Mohan et al., 2010), i.e. 1.248 million Surrey population x 3.66 = 4,567 on the lower end. On the higher end, NAVCA (n.d.) suggests a 2.56 multiplier per registered charity, multiplied by 4,400, which equals 11,264.
- As of 14 September 2025, there are 208 CICs registered in Surrey (Companies House, 2025)

**Chart 1: Type of organisations (2025)** 



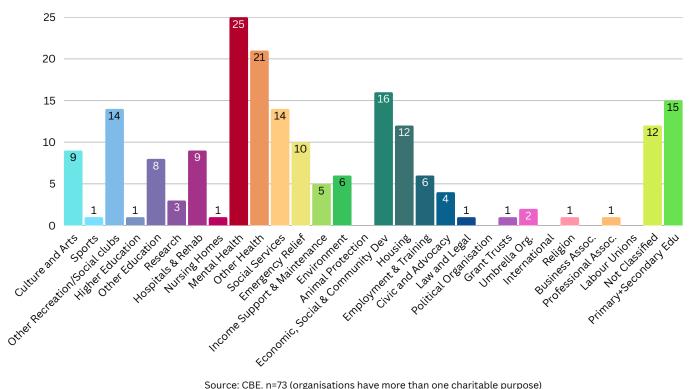
It is worth noting that when compared to the statistics in 2016, the current data shows a steady increase in registered charities, indicating Surrey's consistently rich culture of charity-driven community service. Organisations like community benefit organisations, parish councils and service-centric organisations choose to identify themselves as not-for-profit organisations. Based on the responses of the organisations, it is clear that an organisation's choice of registration is dependent on their perception of whether this status will materially help their organisation simultaneously to provide a form of public benefit, and be able to sustain current financial adversities.

"I think we were one of the first in this area to get CIO status, but it's now really increasingly common amongst village halls to have CIO status. It gives the trustees certain protections."

"The general structure of charities like village halls these days is being encouraged... that they're run as charities by committees"

## SOCIAL AND CHARITABLE PURPOSES

**Chart 2: Charitable Purposes (2025)** 



Source: CBE. n=73 (organisations have more than one charitable purpose)

The Charity Commission, in alignment with the Charity Act, states 13 descriptions of public benefit goals, of which an organisation has to meet one or more, in order to register as a charity. According to the survey response and the interview, it is clear that organisations are not limited to just one purpose. It indicates that while an organisation might be primarily registered for a specific charitable purpose or purposes, it still holds the possibility to branch out to multiple charitable purposes, thereby serving as something of an interface between social goals and charitable endeacours. Drawing on the survey responses, it is understood that social services, health services and mental health are significantly covered by organisations.

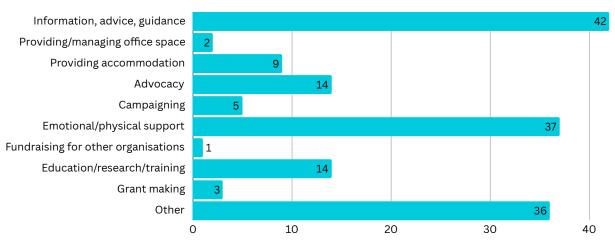
#### **ACTIVITIES UNDERTAKEN**

Organisations' responses show that they deliver on the goals of their registered charitable purposes, for both planned and unplanned activities. Chart 3 shows the range of activities undertaken by Surrey VCSEs

It is important to note that many organisations self-identify on the basis of their ability to manage external factors, for example how badly they or the organisation they are closely working with have been impacted by crisis, or how the stretched and understaffed their partners are or what is their funding status. This is clear from the following responses of the organisations:

"As well as being a last resort, we are also having to assist people that run out of universal credit before the month ends because it is reflective of the cost of living crisis or have to prioritise other costs over food."

Chart 3: Type of Service (2025)



Source: CBE. n=73 (organisations have more than one charitable purpose)

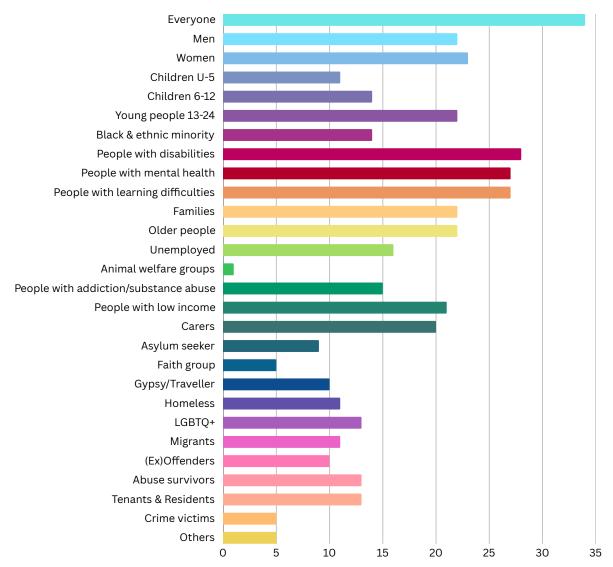
"Obviously we are in need to respond to external factors[...]And so whilst we've had strategic plans, they've always been in response to what's happening in the world out there, so obviously COVID was one, the cost of living crisis has been something that's been really significant for us. It's also been the fact that the statutory services are more stretched now"

"COVID was obviously a big issue... having to stop services for quite a number of months and then restart them. We were fortunate that many of our volunteers wanted to come back and restart."

"So for us, it's definitely about, you know, developing a strategy but also be mindful of the partners around us and what they're facing."

#### BENEFICIARIES



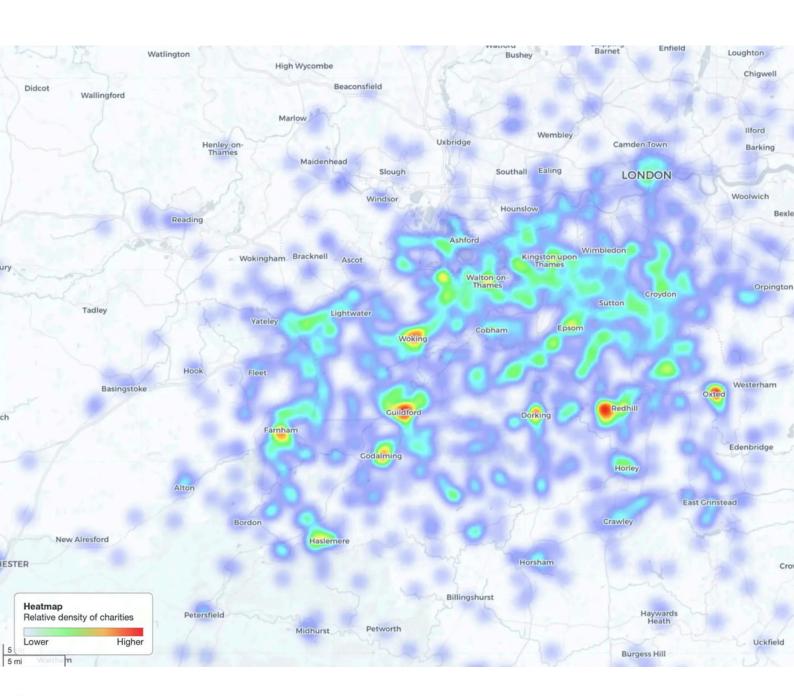


Source: CBE, n=73 (organisations serve more than one client group)

Chart 4 indicates a wide range of beneficiaries that Surrey based VCSEs provide their services to. It is important to note that these beneficiaries are not always rigid set of beneficiaries. victimsample, an organisation working with women can be working with women with mental health conditions, women who have been victim of crime and abuse, and women from black and minority ethnic backgrounds. Therefore, the beneficiaries have intersectional traits. There are few organisation that have clearly stated they work with single beneficiaries, but often these beneficiaries are intersectional groups or categories. Respondents were also given the choice to choose more than one answer to indicate the beneficiaries with whom they work.

## AREA OF OPERATION

Figure 4: Heatmap of Charities Operating in Surrey



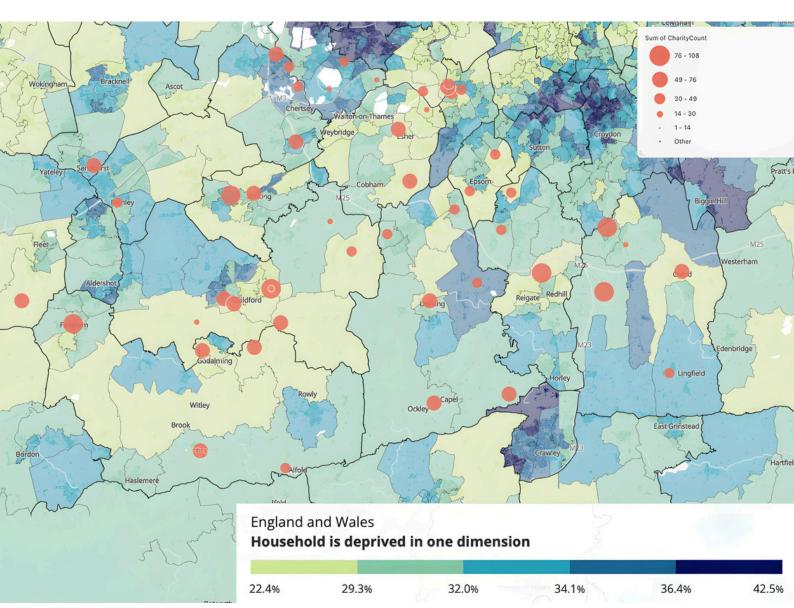
Source: Geospatially mapped by CBE based on data from Charity Commission (2025), n = 4,292
\*108 charities were excluded due to the lack of location data
\*\*While these organisations operate in Surrey, a large number are based out of Surrey



The map in Figure 4 represents a wholly original use of data, clearly illustrating the geographic location and distribution of VCSEs across the county of Surrey. It highlights the density of charities geographically relative to the local population – charities are typically concentrated in populated towns and cities.

Figure 5 further outlines this – while Surrey is predominantly an affluent county, there are still many areas afflicted by significant forms and levels of deprivation. On the basis of already reduced provisions, consecutive crises and disruptive global and political events have combined to increase levels of poverty, unemployment and homelessness. This in turn has led VCSEs based in the more developed areas of the county to work closely with organisations based in more challenging communities, expanding their services to those areas based on the demand for their services, and the location and circumstances of their beneficiaries.

Figure 5: Location and Number of Surrey-based Charities in relation to Deprived Areas



Source: Geomapped by CBE with data from Charity Commission (2025), ONS (2021). n=2,872

<sup>\*</sup> Deprived in at least one of the four dimensions: Education (no one has at least level 2 education and no one aged 16 to 18 years is a full-time student); Employment (any member, not a full-time student, is either unemployed or economically inactive due to long-term sickness or disability); Health (any person in the household has general health that is bad or very bad or is identified as disabled); and Housing (household's accommodation is either overcrowded, in a shared dwelling, or has no central heating).



#### AGE OF THE ORGANISATIONS

Chart 5 shows the age profile of Surrey's VCSE organisations. Over half of organisations represented by respondents have been operating for more than 25 years, with 30.4% reporting between 25-50 years of activity and a further 20.3% having been in existence for more than 50 years. Another 30.4% of organisations fall into the 11-25 year range.

Relatively few organisations are categorised as newly-established — just 7.2% are between one and five years old, and a further 7.2% between six and ten years. In total, only ~15% of the organizations in the sample were established during the last decade, between the previous State of the Sector report and the current one.

1 - 5 years 21.3% 6 - 10 years 7.5% 11 - 25 years 31.8%

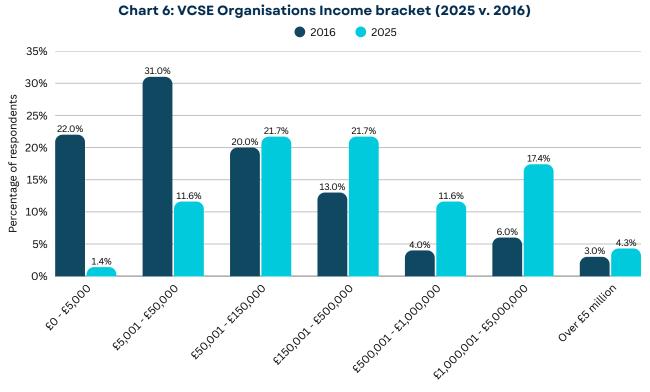
Source: CBE, n=73

Chart 5: Organisation Age (2025)

The mean organisational age is 35.5 years.

## INCOME AND SOURCES

Chart 6 shows how Surrey's VSCE is broken down by income. Just under half of respondents fall into the mid-range bands (£50,001-£150,000 and £150,001-£500,000, each 21.7%). A further 17.4% of organisations report incomes between £1m and £5m, while only 4.3% fall into the "over £5m" category. At the lower end, 13% of organisations report annual income below £50,000. The median organisation income is £50,001-£150,000.



Source: CBE, n=73

Comparing the data to the 2016 State of the Sector Report, it emerges that there has been an overall increase in the incomes of VCSE organisations in Surrey, and a shift towards a more even income distribution across brackets. This is likely reinforced by the sector's maturity, as highlighted in the previous section, with long-established organisations growing over time.

Chart 7 shows the main sources of income reported by organisations. Over 50.7% of the organisations in our sample rely on grants not provided by central or local government, while 27.5% and 23.5% report grants from Surrey County Council and District/Borough Councils, respectively, as primary income sources. Donations and sponsorships are further listed as a key income source for more than one in three organisations (37.7%) and public fundraising for around one in four (23.2%). By contrast, only 21.7% of respondents reported contracts as a major source of income. This aligns with the national picture, where both demand and supply-side barriers have been identified in the ability of VCSE organisations to secure contracts, including the capacity to bid, deliver contracts and form meaningful relationships with the sector and local commissioners (DCMS, 2022)

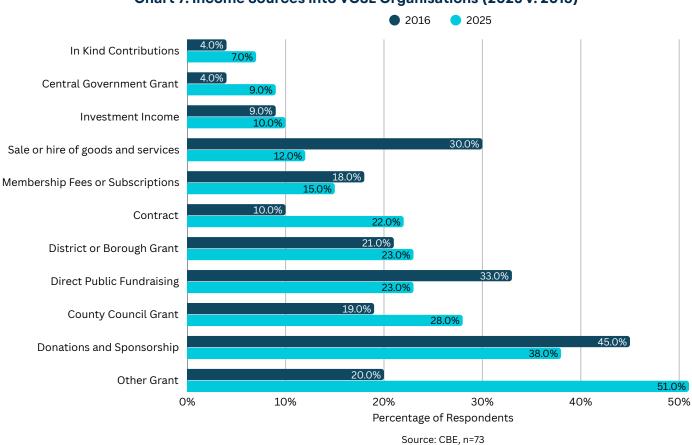


Chart 7: Income Sources into VCSE Organisations (2025 v. 2016)

Comparing the data to the 2016 State of the Sector report, we observe a striking drop in reliance on the sale or hire of goods and services, from 30% to 11%, as well as on public fundraising, from 33% to 23%. By contrast, there have been significant increases in reliance on Surrey County Council grants (from 19% to 28%), District and Borough grants (from 21% to 23%), and Other grants (from 20% to 51%). As highlighted by interviewees, the sector has experienced a shift towards "a state of constant competition for grants, between lots of good people for lots of good causes." For several charities:

"commissions from Surrey County Council or Surrey Heartlands that were supporting a very substantial chunk of our [i.e., the organisation's] income came to an end, so now this must be replaced by grants to continue."

## STAFF, VOLUNTEERS AND TRUSTEES

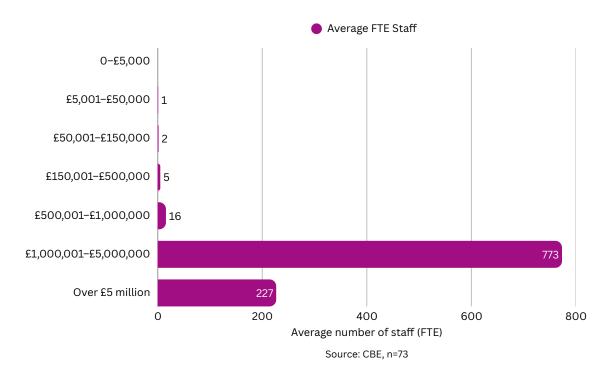
#### Staff

Chart 8 shows the average number of full-time equivalent (FTE) staff employed by organisations in different income brackets. As expected, staffing capacity increases sharply with organisational income.

Organisations with incomes below £150,000 typically operate with fewer than two FTE staff on average, reflecting the strong reliance of smaller groups on volunteers. Those in the £150,001-£500,000 range report an average of five FTE staff, while organisations in the £500,001-£1m range employ an average of 15.8 FTE.

A clear step-change occurs at the £1m+ level. Organisations with incomes between £1m and £5m reported exceptionally high staffing levels, averaging 773.3 FTE staff. This figure is substantially higher than in the over £5m category, where the average is 226.7 FTE. This disparity likely reflects the presence of one or two very large employers within the £1-5m group, skewing the average upward.

Chart 8: VCSE Organisations and Full-Time Equivalent Staffing by Income Bracket (2025)



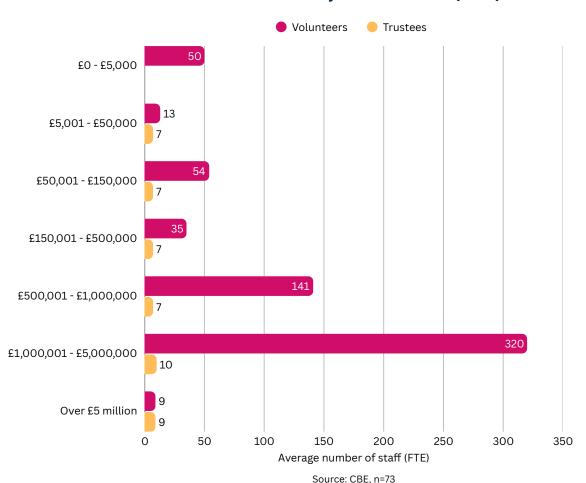
#### **Volunteers and Trustees**

Chart 9 shows the average number of volunteers and trustees supporting organisations in different income brackets. The data underline the central role that volunteers play across Surrey's VCSE, alongside the consistent contribution of trustees.

Smaller organisations show a mixed pattern: those with incomes under £5,000 report an average of 50 volunteers but no trustees, while those in the £5,001-£50,000 brackets report relatively modest volunteer numbers (13 on average) supported by an average of seven trustees. Mid-sized organisations, meanwhile (£50,001-£500,000), report higher levels of volunteer engagement, averaging between 35 and 54 volunteers, while also reporting seven trustees on average.

Volunteer numbers increase sharply among higher-income organisations. Those with incomes between £500,001 and £1m report an average of 141 volunteers, while organisations in the £1m-£5m band report the largest volunteer base, with an average of 320. Trustees in these larger organisations also tend to be more numerous, averaging 10 per organisation. Interestingly, organisations with incomes over £5m show relatively low average volunteer engagement (9 volunteers), although trustee boards remain strong, averaging nine members.

Compared to the SCA 2016 State of the Sector Report, mixed trends are observed, with notable increases in the average number of volunteers for the organisations in the 5,001-£50,000 bracket (small size) and the £500,001 to £1m bracket.



**Chart 9: Volunteers and Trustees by Income Bracket (2025)** 

#### **Volunteers per FTE Staff**

Chart 10 shows the ratio of volunteers to paid staff (measured in FTEs) across organisations of different income sizes. The results highlight the extent to which smaller organisations depend on volunteer contributions relative to their paid workforce.

Among organisations with incomes between £30,001-£50,000, the volunteer-to-staff ratio is particularly high, averaging 33.3 volunteers per FTE. Organisations in the £50,001-£150,000 band also rely heavily on volunteers, with an average ratio of 25.1. By contrast, larger organisations show much lower ratios. Those with incomes between £150,001 and £1m average between 7 and 9 volunteers per FTE, while the ratio falls to just 7 in the £1m-£5m band. For the largest organisations (over £5m), the ratio is close to zero, reflecting their much greater reliance on professional staff.

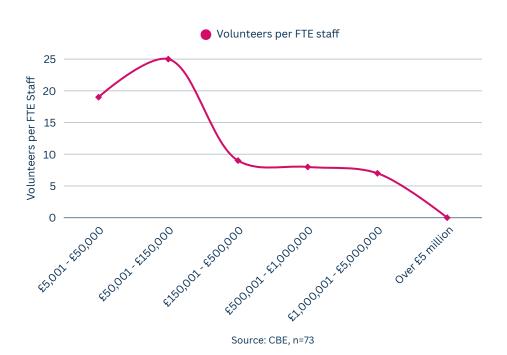


Chart 10: Volunteers to Staff Ratio by Income at VCSE Organisations (2025)

While changes in the volunteer-to-staff ratio vary across income brackets, a substantial increase is observed in the £50,001–£150,000 bracket, where the majority of organisations in the sector are located.

For these small to medium-sized organisations, the average ratio has risen from 8 to 25 volunteers per full-time equivalent (FTE) staff member. Interview data suggests that this shift is closely connected to changes in funding sources: grant-based income limits staffing stability and undermines retention. As one interviewee noted:

"Trusts and funders basically don't want to pay core fees, core costs - and that is our biggest problem. Everybody wants to fund a project, and we don't do projects as such - we want to continue long-term service delivery."

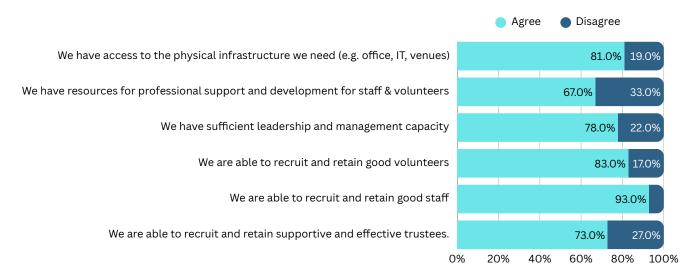
#### **Recruitment and Retention**

Chart 11 shows how organisations in Surrey's VCSE perceive their ability to recruit, retain, and support staff, volunteers, and trustees, as well as their wider leadership and infrastructure capacity.

Overall, the survey results suggest relatively strong confidence in recruitment and retention, particularly for staff and volunteers. An overwhelming 93% of respondents agreed they are able to recruit and retain good staff, and 83% reported being able to recruit and retain good volunteers. Similarly, 73% agreed they are able to recruit and retain supportive and effective trustees, though a not insignificant 27% disagreed, highlighting ongoing challenges in this area.

Leadership and management capacity is also rated positively, with 78% of organisations agreeing they have sufficient capacity. Access to physical infrastructure is broadly secure, with 81% reporting they have the facilities they need, such as office space, IT and venues.

The weakest area identified relates to professional development: only two-thirds of respondents (67%) felt they had sufficient resources to support staff and volunteer training and development, while one-third (33%) disagreed.



**Chart 11: Staff Recruitment and Support (2025)** 

There appears to be significant improvement, particularly in the areas of staff retention and support provision, compared to the 2016 State of the Sector Report. In 2016, 43% of organisations suggested they are unable to recruit and retain good staff but in 2025 this has dropped to only 7% of responding organisations.

### RELATIONSHIP OUTSIDE OF THE SECTOR

#### **Public Bodies**

Chart 11 shows the public bodies with whom Surrey VCSE organisations most frequently work. One-third of organisations (33%) named a District or Borough Council, and nearly one-quarter (25%) cited Surrey County Council. Health bodies also feature strongly, with 20% of respondents identifying them as a key partner.

Engagement with other public bodies was far less common. Only a small minority reported working most closely with Parish Councils (3%) or specialist services such as CAMHS, Children's Services and Health, JobCentre Plus, or the Office of the Police and Crime Commissioner (each around 1%). A very small share of organisations (3%) reported having no significant public sector partners.

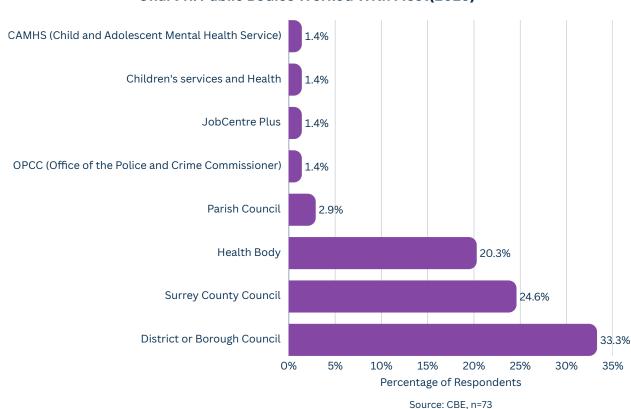


Chart 11: Public Bodies Worked With Most (2025)

While a direct comparison with the 2016 State of the Sector report is not possible for this question, due to differing selection criteria, it is notable that the prominence of Parish Councils as public sector partners for VCSE organisations has significantly weakened. As corroborated by our interviewees, District Councils have emerged as the key statutory body for VCSE organisations over the past decade. This shift raises significant concerns in the context of the impending devolution reform, as District Councils stand to be affected the most.

#### Communication with the Public Sector

Chart 12 on the following page shows how Surrey's VCSE organisations perceive their communication and collaboration with the public sector.

Views on effective communication are relatively positive, with just over half of respondents (52%) agreeing that communication with the public sector is effective. A further third (33%) neither agreed nor disagreed, while 15% disagreed.

Perceptions of collaboration are more mixed. While 38% felt there is effective collaboration, an equal share (38%) were neutral, and 23% disagreed. This suggests that collaboration is uneven, with some organisations experiencing strong joint working while others feel excluded.

Engagement in strategic planning appears to be the weakest area. Fewer than a third (30%) of organisations reported participating in strategic planning, while 42% disagreed and 28% were neutral.

Overall, the findings suggest that while day-to-day communication is often working reasonably well, fewer organisations feel included in deeper forms of collaboration or strategic decision-making with public-sector partners.

Agree Neither Disagree There is effective communication 15.0% 52.0% 33.0% We participate in strategic planning 42.0% 30.0% 28.0% There is effective collaboration 38.0% 24.0% 38.0% 20% 40% 60% 80% 100% **Percentage of Respondents** Source: CBE, n=73

Chart 12: Communication with Public Sector (2025)

#### **Relationships with Public Sector Partners**

Chart 13 shows how the respondents who primarily work with the Surrey County Council perceive their relationship with statutory bodies. The results indicate mixed experiences. While 57% agreed that statutory bodies understand and value the VCSE, and a majority (71%) felt they were treated as equal partners in delivering services, fewer respondents reported confidence in broader system collaboration. Only 29% agreed there is a joined-up strategy across sectors, and just 14% felt statutory decisions are relevant and responsive to needs. Views were more split on cooperation (39% agree, 62% disagree) and consultation (55% agree, 45% disagree). Overall, the findings suggest that while there is recognition of partnership in delivery, respondents perceive significant gaps in strategic alignment and responsiveness.

Agree Disagree 71% 29% Health Bodies 29% 71% District/Borough Decisions by local statutory bodies are relevant & responsive to needs 14% SCC 44% Health Bodies 55% District/Borough Local statutory bodies understand & value the VCFS 57% 43% SCC 57% Health Bodies 73% District/Borough There is a joined-up strategy across private, public & voluntary sectors 29% 71% scc 36% Health Bodies 40% District/Borough 60% There is genuine cooperation & shared ambition with public sector 39% 62% scc 44% Health Bodies 46% District/Borough 46% scc We are regularly informed & consulted on issues affecting our work 55% 83% 17% Health Bodies 47% 53% District/Borough We are treated as an equal partner in delivering services 71% 29% scc 0% 20% 40% 60% 80% 100% Source: CBE, n=73

Chart 13: VCSE Organisation Relationship with Statutory Bodies (2025)

Equally, perceptions of relationships with District or Borough Councils are also divided. A slim majority agreed that councils understand and value the VCSE (55%) and reported genuine cooperation (60%). The latter is considerably higher compared to respondents who primary work with Surrey County Council. However, confidence in strategy and responsiveness remains low: only 27% agreed there is a joined-up strategy, and just 29% felt decisions are responsive to needs. Experiences of consultation were more balanced, with 54% agreeing they are regularly informed, while 47% disagreed. Similarly, fewer than half (47%) felt treated as equal partners in service delivery. This points to a picture of partial collaboration, with progress on mutual understanding but weaker results on system-wide strategy and equal partnership.

Overall, Surrey County Council scores comparatively poorly on responsiveness to needs: only 14% of organisations agreed that decisions are relevant and responsive to local needs. Confidence in cooperation was also low (39%), though views were more positive on consultation (55%) and equal partnership (71%).



District and Borough Councils are seen somewhat more positively, with 29% agreeing decisions are responsive and 55% agreeing councils understand and value the VCSE. Six in ten (60%) reported genuine cooperation, and around half felt regularly consulted (54%) or treated as equal partners (47%).

Perceptions of Health Bodies were generally strongest. More than seven in ten respondents (71%) felt decisions were relevant and responsive, 64% agreed there is genuine cooperation, and 83% felt treated as equal partners in service delivery. However, fewer than half (43%) agreed that there is a joined-up strategy across sectors, indicating room for improvement in strategic alignment.

Taken together, these findings suggest that health partners are currently regarded as the most collaborative and responsive public-sector stakeholders. More broadly, the findings highlight that responsiveness and inclusion increase as the level of government becomes more local. This corroborates the findings from the 2016 State of the Sector Report (bottom graph). Across interviews, VCSE organisation representatives highlighted the instrumental role of District Councils and Health Bodies in connecting organisations with relevant subjects, funding bodies and other organisations, while several organisation, especially of small-medium size, reported never having interacted with Surrey County Council.

## **Engagement with Private Sector Partners**

Chart 14 shows the ways in which Surrey's VCSE organisations engage with the private sector. The most common form of engagement is as a source of funding, or through sponsorship, as reported by 54% of respondents. Around two in five (38%) work with private companies as suppliers or service providers (such as IT or consultancy), while 30% engage with the private sector for staff recruitment or volunteer partnerships.

A smaller but still significant proportion reported collaboration through training, mentoring, or professional guidance (28%) or through joint projects and service delivery (28%). At the same time, 15% of organisations said they do not currently engage with the private sector at all.

Other forms of engagement, such as procurement, volunteering, or occasional donations, were mentioned by only one organisation each.

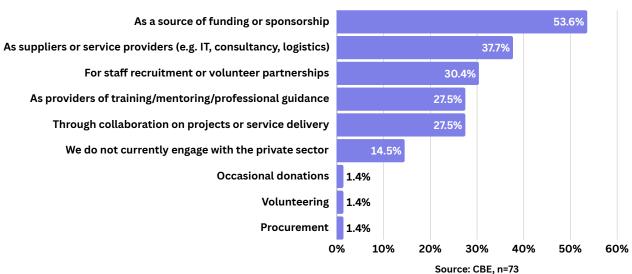


Chart 14: VCSE Organisation Relationship with Statutory Bodies (2025)

## INFORMATION, COMMUNICATION AND TECHNOLOGY

## **Digital Tools**

Chart 14 shows how organisations in Surrey's VCSE perceive the effectiveness of different digital tools in supporting their work.

Websites and social media emerge as the most widely used and effective tools. Nearly three-quarters of respondents (73%) reported that their website is working effectively, while 71% said the same about social media. Around one in four, however, indicated that their website is used but not effective (24%), and a similar number highlighted challenges with social media (15% not effective, 15% not used).

By contrast, more advanced tools show lower levels of adoption and effectiveness. Half of respondents for example reported not using AI tools, while a further 22% said they used them but found them ineffective. Only 28% considered AI tools effective for their organisation. Similarly, 50% reported not using Customer Relationship Management (CRM) systems such as HubSpot, Monday, or Salesforce. Just under a third (31%) found these tools effective, while one in five (19%) said they used them but without success.

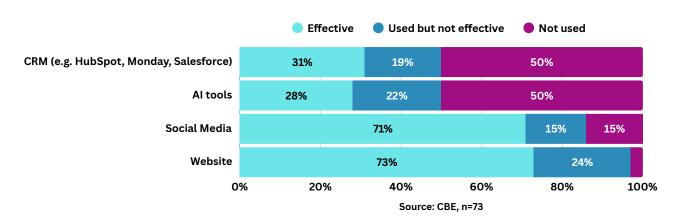


Chart 14: Use of Digital Tools by VCSE Organisations (2025)

Overall, these particular findings suggest that while websites and social media are well embedded and valued within Surrey's VCSE, the uptake and effectiveness of newer digital tools such as AI and CRM systems, as well as overall training remain limited. This points to both capacity constraints and potential opportunities for digital development across the sector. VCSE organisations are grappling with the demands of the modern digital society and the need to adopt a more "corporate" approach on the one hand, and the willingness and commitment to retain a "people-based" approach on the other.

One interviewee's statement was particularly typical of VCSE responses in this area:

"When I came here, there was not a single Excel spreadsheet, but these people had been doing life-changing work for so long."

#### KEY TAKEAWAYS

- The decline in funding from central government, combined with a drop-off in public service delivery for several sectors, has resulted in a clear acknowledgement by local government of the value of the VCSE sector. Paradoxically, despite the diminution of resources, VCSE stakeholders feel more involved, valued, trusted and relied upon than a decade ago.
  - These observations raise a number of interesting points regarding the continued impact of austerity, the risk of continued cuts by government, both national and local and changes driven by devolution.
- **Self-sufficiency**: the number one aim for most organisations remains self-sufficiency, rather than strategic goals of expansion, growth, or modernisation. Instead, the pressing concern is to balance the books, retain valuable staff and continue delivering core services.
  - These responses have real implications for the sector's survival, as well as related issues of professionalism, sustainability, changing volunteer demographies, and corporate vs people-based approaches.
- Respondents also observed a growing number of social needs, both locally and nationally, that need urgent attention. However, when combined with an increased reliance on grants from local government or independent fundraising, many stakeholders remain concerned about vying for ever smaller and smaller pieces of the same pie.
- Feedback also illustrated a wariness of the post-Covid switch from emergency pandemic responses to 'business as usual', with a sense that government focus, and government funding, are no longer as exclusively focused on key social challenges or using VCSEs to deliver effective social solutions:e.g. "during the pandemic, it was evident that the government cared about old people and now it doesn't really".
- Many organisations operate as branches of larger umbrella organisations, while managing their own finances independently. Financial viability is not always clear in these cases, nor is the ability of the central VCSE entity to support its smaller constituent parts in terms of reliable local provision of services.





## THE VCSE SECTOR OF TOMORROW

## **OPERATIONAL CHANGES**

Over the past decade, voluntary and community organisations in Surrey have undergone significant change. Their work has expanded in scale and complexity, while rising levels of demand have created mounting pressure on already stretched resources.

## **Rising Demand**

Many organisations report substantial growth, both in the number of people they support and in the geographic areas they cover, while others have transformed from small, informal initiatives into large-scale services:

"We've expanded the area that we cover... families coming to [referral partners] who traditionally wouldn't have needed help [are now] definitely helping more families. But our capacity has grown... we've gone out to more partners, more areas where we feel that they need our help."

"It started 12 years ago from my dining room... and obviously, we are operating at this huge scale... in that period of time we've grown significantly."

This growth has not only addressed local needs but also contributed to national sector development. One organisation reflected:

"We've also done a lot to help support other baby banks set up across the UK... during the COVID years that significantly changed... we've been able to provide advice and guidance... now there are over 300 baby banks."

#### Financial Strain and Funding Gaps

Despite growing demand, many charities report stagnant or declining income. In particular, statutory contracts for community services have not kept pace with need:

"The funding for our accommodation-based services has increased over the past three years, so that side of our organisation we've been able to build and expand. But the community side, which actually supports many more local people, has had no increase in funding for 15 years."

"Even in this last quarter, we've seen a 25% increase in referrals, but we haven't had a 25% increase in funding."

Across the sector, rising inflation, higher utility bills, and increased food costs are hitting hard:

"I suppose the biggest issue for us is financial. Costs will go up... whereas the income that we have is static. When people give us a monthly donation, they tend to keep it at the same amount. It doesn't tend to go up with inflation."

Short-term funding cycles compound these pressures, forcing charities to divert capacity to fundraising rather than service delivery.



## Workforce pressures and changing expectations

Staffing and volunteer capacity present further challenges. Many organisations struggle to recruit and retain skilled staff in a competitive labour market. Some notable factors include the commonality of burnout and emotional fatigue, and shifted expectations around flexibility post-pandemic:

"It's a very difficult environment to recruit into. We train people up, they become excellent, and then leave for better-paid jobs."

"Burnout is also a challenge, this is difficult work, emotionally and mentally."

"Since COVID and lockdown, staff expectations around flexible working have changed hugely. Five years ago, nobody expected it; now most expect at least one or two days from home or flexible hours."

Volunteer trends are also mixed. While some organisations have retained strong volunteer bases, others are struggling to recruit:

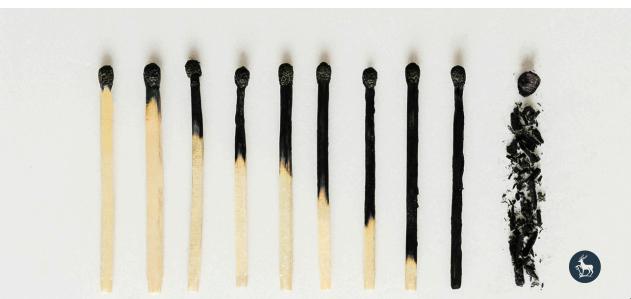
"We're struggling to recruit volunteers, older people are caring for grandchildren, childcare is expensive, and people don't have the time."

## Professionalisation and adaptation

To meet these challenges, many charities have had to professionalise and modernise their operations. This includes upgrading IT systems, strengthening governance, and adapting to more formal commissioning processes:

"We've had to professionalise massively: how we deliver work, how we manage, how we lead, and the IT we use. You can't survive otherwise, especially if you want public sector"

Taken together, these accounts demonstrate a sector that has grown in scale and sophistication, but faces increasing strain. Surrey's voluntary organisations are adapting to new realities: rising demand, static funding, inflationary pressures, workforce challenges, and a shift towards greater professionalisation. While they continue to play a vital role in supporting communities, their sustainability depends on addressing these underlying pressures through more stable funding, stronger partnerships, and investment in people and infrastructure.



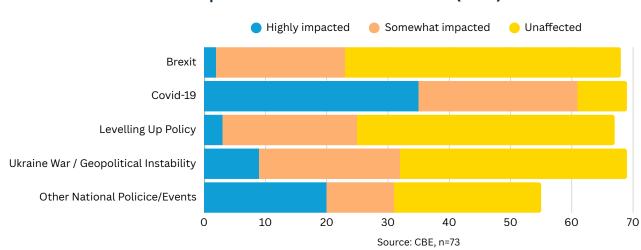
#### **EXTERNAL SHIFTS**

## **External Disruptions and Sector's Vulnerabilities**

The responses from Surrey's voluntary, community, and social enterprise (VCSE) organisations demonstrate that major political, social, and economic disruptions have significantly affected the sector in recent years. To understand which external pressures have the greatest impact, organisations were asked to identify the global and domestic events most influencing their operations.

Survey results show that the COVID-19 pandemic emerged as the single most disruptive factor, with a large majority of organisations stating that they were either highly or somewhat impacted. The Russian invasion of Ukraine in 2022 was also reported as having adverse effects, particularly through rising food and energy costs, though to a slightly lesser extent than the pandemic.

In contrast, domestic policy factors such as Brexit, or the Conservative Government's Levelling Up agenda were perceived as having more mixed or limited influence. Overall, the findings highlight that while the pandemic continues to dominate as the greatest external shock, Surrey's voluntary sector remains vulnerable to a combination of wider social and political challenges, national policies, and local funding pressures.



**Chart 15: Impact from External Circumstances (2025)** 



## Adapting to overlapping crises

Organisations consistently describe operating in a context of multiple, overlapping disruptions, requiring constant adjustment. As one put it:

"Obviously we are in need to respond to external factors... whilst we've had strategic plans, they've always been in response to what's happening in the world out there. Obviously COVID was one, the cost of living crisis has been really significant. It's also been the fact that the statutory services are more stretched now."

The pandemic created immediate operational challenges, forcing rapid digital adaptation and service redesign:

"We had to do a little bit of running the committee using Zoom, and the committee are not very familiar with computers. But anyway, we got over that hurdle and actually everything is going well."

However, its longer-term legacy has been the surge in referrals, particularly for more complex cases:

"Lockdown was hugely impactful for survivors, who were locked in with abusers, and now we face higher referrals with more complex unmet needs, mental health, substance use, debt, housing."

## Stretching to fill gaps in statutory provision

One of the most widely reported vulnerabilities is the strain on statutory services. With councils and health services under pressure, many responsibilities are being pushed onto the voluntary sector.

"Health professionals would come to our warehouse... we've now had to get an electric van and we're now delivering out to their workplaces because they just don't have the time. That's a cost that we've had to take on as a charity and how we've had to adjust."

"Our work is less effective when survivors have huge unmet needs, but statutory agencies don't have the resources. Once someone has a domestic abuse worker, agencies step back."

Cuts to children's centres and mental health services have left particular gaps:

"We're finding that families don't have access to some of the services they would have had before, like being able to go to a family centre... so we've had to pivot and work with different partners."

"Children's mental health needs have gone off the scale, but what they often need is trauma support, and there isn't enough of it."

## **Cost-of-Living Pressures**

The cost-of-living crisis is now the most pressing ongoing disruption, driving up demand while simultaneously reducing donations.

"The biggest challenge is the rising demand, which is coupled with a fall in donations of food... people can't afford to give as much as they used to, leaving us needing to use funding to purchase donations."

Low-income households are hit hardest by inflation and welfare reforms, which in turn increases pressure on frontline charities:

"Some government policies have had a negative impact on the people we support...
Universal Credit, the two-child limit, and the benefit cap are directly affecting poverty
and people's ability to afford essentials. Inflation, particularly food inflation, impacts
people on lower incomes far more than those on higher incomes."

Housing and childcare costs exacerbate the challenge:
"Affordable housing is a critical issue in Surrey, both for staff and the people we support... high rents, anything above 50% of income, are unsustainable. There is a clear need for more housing."

"Another local challenge is the cost of childcare, which can block people from work; although government changes are improving provision, affordable childcare remains a major issue."

## **Demographic and Volunteer Shifts**

Social change has also reshaped participation in community life. Older people are retiring later, reducing the pool of available volunteers:

"The tendency to take part in voluntary activities has dropped. Many organisations are run by people who have retired because it gives them a way of contributing... but the cohort of people gets older, and it is more difficult to recruit younger people because they are starting to retire at a later age."

"What we do find is that people are retiring later because they need to earn more money for longer. Instead of volunteers being in their late 60s, many are now in their 70s and 80s."

Shifts in community participation are also evident in cultural groups and associations:

"If you're talking about people of older generations, inviting them to come along and hear people talk... the numbers have dropped by a third or so. Our local University of the Third Age used to be 550 people, and now it's about 350."



## Local Government Reorganisation and Funding Uncertainty

The ongoing process of local government reorganisation (LGR) adds another layer of uncertainty. Many fear that mergers will disrupt established relationships and cut funding streams:

"When it all goes through big restructure, we'll lose a lot of those contacts... there'll undoubtedly be a period of disruption. Our concern is that our referral numbers will drop, not because there's a lack of need, but because the partners don't have the capacity."

"Local government reorganisation is something that may impact on us. Waverley have been very generous with the support they give to community organisations. But other councils they may link with, such as Guildford or Woking, are not as generous... If councils merge, there will be less money available for community organisations because ultimately, funding for us is discretionary."

As is evident from these responses, Surrey's VCSE sector contines to navigate a decidedly volatile environment shaped by successive crises: COVID-19, the cost-of-living emergency, geopolitical instability, and ongoing local government reform. These shocks have interacted with longer-term vulnerabilities, including stretched statutory services, housing and childcare affordability, demographic changes in volunteering, and reliance on fragile funding streams. While voluntary organisations have shown resilience and adaptability, their accounts also reveal a sector operating under sustained pressure, increasingly vulnerable to both global uncertainties and local policy decisions.

## **Expectations of Change**

One of the questions we asked the organisations was how they expect to see themselves in the next three years.

Likely Uncertain Unlikely We will close Demand for services will increase Demand for services will decrease Need to reduce/limit service We will collaborate with others for service delivery We will start charging clients for service 10 20 40 50 70 60 Source: CBE, n=73

Chart 16: Likely Organisational Changes in the Next 3 Years (2025)

Looking ahead to the next three years and beyond, organisations are overwhelmingly anticipating an increase in demand for their services, reflecting both rising community needs and the ongoing pressure on statutory provision. At the same time, many organisations expect they will need to significantly reduce, or variously limit service delivery, revealing a troubling mismatch between a visibly growing demand and available resources. A significant proportion also predict the need for greater collaboration with other VCSE entities, suggesting that collaborative partnerships will by necessity continue to be a key survival strategy.

More pessimistically, some organisations acknowledge the possibility of closure or the need to introduce charges for services, both of which signal potential risks to accessibility and equity. These findings paint a picture of a sector bracing for intensified demand under conditions of financial constraint, with collaboration seen as both necessary and inevitable, but not sufficient to counterbalance the structural pressures.

## **Anticipated Demand and Service Pressures**

Looking ahead, organisations in Surrey overwhelmingly expect demand for services to increase over the next three to five years. Rising community needs, coupled with ongoing pressures on statutory provision, suggest that organisations will be required to stretch capacity further. At the same time, many foresee the possibility of reducing or limiting services, highlighting a persistent tension between growing demand and constrained resources.

"Even if families didn't need us from an income perspective... we would pivot to become a reuse organisation... it would be great for shutting down, but that's unlikely to happen in the next three years. Realistically, what success looks like [is] being able to sustain the service."

While the ideal scenario for some organisations would be a reduction in need to the point of closure, most anticipate sustaining services rather than exiting:

"I'd love if we didn't have to exist... if you saw an article in the press that said, [we're] having to close down because nobody needs [us] anymore. But that would obviously be successful for us."

Continuity is therefore prioritised over expansion, with leadership succession and governance renewal emerging as key considerations, particularly for organisations with ageing committees:

"In the three to five years, I know that some of our committee members [are] in their 80s, so we need to find replacements... the buildings can last a long time, but I don't see anything changing very rapidly apart from the ageing committee."



## Collaboration and multi-agency working

Many organisations anticipate increased collaboration as a central strategy for managing demand and maintaining service delivery. Partnership working is seen both as a necessary response to limited resources and as a way to amplify impact:

"I'd like to see genuine multi-agency working, lots of people talk about it, but we're not really seeing it happen."

"My worry is that the new unitaries could be too focused internally... restructuring teams and reviewing funding, rather than looking outward. Collaboration and working with the new unitary early on would be really positive, showing the benefits of the voluntary sector."

Proactive approaches to shaping local services are also being pursued, for example, by engaging people with lived experience of poverty:

"I hope that by the end of it we've listened to people with lived experience of poverty and made meaningful change... in two or three years, the local structures may change, but the problems for people on the ground will remain. We need to stay focused on the people using our services."

For service providers addressing food insecurity or children and young people, expansion is desirable but constrained by resource limits:

"If somebody gave us a lot of money, I would want to expand the activities we offer... for some of our men's groups. If we had another member of staff who could liaise with other organisations, particularly around marketing, that would be a big help... with more capacity, instead of 200 people, I'd love to support 400 people, the need is there."

"Age should not be a barrier. We want people to come out and enjoy life... people should be able to live in a fulfilling way for however long they can."

Practical limitations on space and staffing are also noted:

"At the moment, we're close to capacity with some activities. For example, our knitting group is full, and our community lunches are nearly at the limit of the biggest hall in Farnham. So the only way forward would be to add more venues, more events, and potentially more staff."

In summary, the next three to five years are likely to be a period of sustained pressure and adaptation for Surrey's voluntary and community sector. While some hope for a reduction in need over the long term, most plan to focus on sustaining existing services, strengthening governance, and expanding collaboration to maximise impact. Strategic innovation, proactive engagement with multi-agency partners, and responsiveness to lived experience are seen as essential for navigating these challenges. Ultimately, the sector's ability to meet growing demand will depend on balancing ambition with practical capacity, ensuring services remain accessible and responsive even in the face of resource limitations.

#### INTERNAL NEEDS

## **Funding Expectations and Confidence**

Funding expectations are rather pessimistic. Survey data (**Chart 17**) suggest a sector under pressure, with a mismatch between rising expenditure and uncertain income growth:

- 29% of organisations anticipate an increase in income
- 45% expect income to fall
- 26% expect income to remain stable

In contrast, 71% expect expenditure to rise, with only 5% anticipating reductions. This points to a squeeze between rising costs and limited revenue growth. Expectations for specific funding streams reveal particular vulnerabilities:

- 62% anticipate decreased funding from statutory bodies, and only 19% expect increases
- 43% expect reduced funding from charitable trusts, 23% foresee increases, and 34% predict stability

The obtaining service-specific contracts offers a slightly more optimistic outlook, with 46% expecting an increase in the number of contracts they are able to obtain, and 43% in terms of contract value, set against roughly one-third anticipating a decline on both these issues. Compared to the SCA's 2016 State of the Sector Report, there is a striking decline in expectations for future income and funding, including, notably, from statutory bodies.

Increase Stay the same Decrease 2016 29% 42% 29% 2025 Value of contracts 43% 22% 35% 22% 54% 24% 2016 2025 **Number of contracts** 46% 32% 22% 24% 44% 33% 2016 Funding from charitable trusts 43% 2025 23% 34% 13% 54% 33% 2016 62% 2025 **Funding from statutory bodies** 19% 19% 60% 32% 8% 2016 Expenditure 2025 71% 24% 40% 33% 2016 27% 2025 29% 45% Income 26% 100% 0% 40% 60% 80% 20% Source: CBE, n=73

**Chart 17: Expected Income over the Next 3 Years** 

Organisations continue to emphasise the ongoing structural pressures:

"For us and for many other charities, the main issues will remain finances, staffing, volunteers, and capacity. And then there's always the uncertainty, because most contracts only last a year and grant funding rarely goes beyond 18 months."

"We'd also like to strengthen volunteer recruitment, but at the moment people simply don't have the time to give in the numbers they once did."

"Funding hasn't been much of an issue for us, but equally, I do realise that two or three years on from now, will that still be the case? Success will be being able to sustain... I'm not looking for the organisation to grow significantly."

## **Strategic Priorities**

Despite financial and operational pressures, organisations maintain a clear vision for the future. Key priorities include:

- Ensuring sustainable funding and resource allocation
- Expanding preventive services, particularly for children and young people
- Strengthening volunteer engagement and capacity
- Building multi-agency partnerships to address complex community needs

"I'd like to see us properly funded and resourced, with much more emphasis on prevention in schools and colleges."

"We want to expand our children and young people's service, supporting them directly, not just their families."

"We need a fairer, more transparent commissioning process that supports charities, not one designed for commercial businesses."

Taken together, these insights depict a sector bracing for sustained or increasing demand, navigating financial constraints, and seeking to maximise impact through collaboration and strategic planning, while remaining committed to equitable and accessible service provision.



## **Support Needs: Working Together**

When asked about the importance of different organisational activities, the majority of voluntary and community organisations in Surrey highlight collaboration and partnerships as central to their organisation, reflecting the sector's emphasis on working collectively to maximise resources and impact. Training and skills development, as well as access to information and resources, are seen as critical enablers of organisational effectiveness. Organisational development is valued somewhat less highly but remains significant for many. Advocacy and representation are also marked as essential by many, underlining the sector's commitment to ensuring the voices of communities are heard. Very few organisations describe any of these activities as unimportant, suggesting a broad recognition that these functions are interdependent and vital for sustainability.

Important Neither important or unimportant Not important Advocacy & representation 58.8% 29.4% 11.8% Collaboration & partnerships 92.8% Organisational development 76.5% 13.2% 10.3% Training & skills development 81.2% 10.1% 8.7% Access to information & resources 88.2% Other activities 8.3% 21.7% 70.0% 40% 20% 60% 80% 100% 0% Percentage of respondents Source: CBE, n=73

**Chart 18: Importance of Selected Organisational Activities** 

One respondent noted:

"I'd like to see genuine multi-agency working, lots of people talk about it, but we're not really seeing it happen"

It highlights both the perceived value of collaboration and the ongoing challenges in achieving fully integrated approaches. Similarly, our respondents mentioned that:

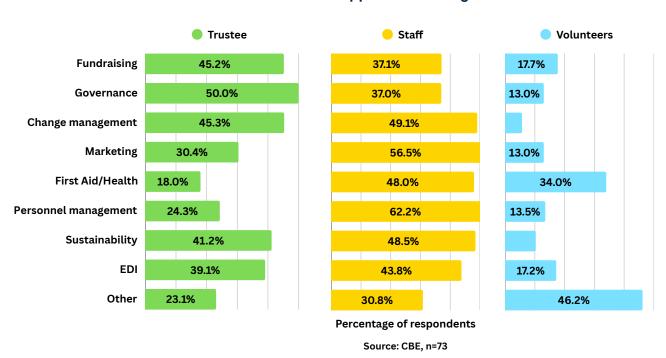
"Collaboration and working with the new unitary early on would be really positive, showing the benefits of the voluntary sector."

In summary, voluntary and community organisations in Surrey view advocacy, collaboration, training, and organisational development as mutually reinforcing priorities that are essential for sustaining services and responding to rising demand. There is a shared understanding that these activities collectively enable resilience, adaptability, and long-term impact. As the sector faces ongoing pressures from financial constraints, demographic changes, and increasing community needs, investing in these core functions will be crucial to ensuring that organisations can continue to support the people and communities who rely on them.

## **Additional Support Needs**

Stakeholders identified a broad range of areas where additional support or training would prove beneficial. Fundraising stands out as the most commonly-reported need across trustees, highlighting persistent challenges in securing sustainable income. Governance, change management, and sustainability also rank highly as priorities, particularly for trustees and staff, pointing to the increasing complexity of leadership responsibilities.

Staff placed greater emphasis on both the provision for, and training in marketing, personnel management, and equality, diversity and inclusion (EDI), while volunteers more often requested first aid and health-related training. Interestingly, sustainability provisions were consistently raised across all roles, signalling growing concern about the long-term viability of organisations in the face of financial but also growing environmental pressures. These findings illustrate not only the sector's shared challenges but also the distinct developmental needs of trustees, staff, and volunteers.

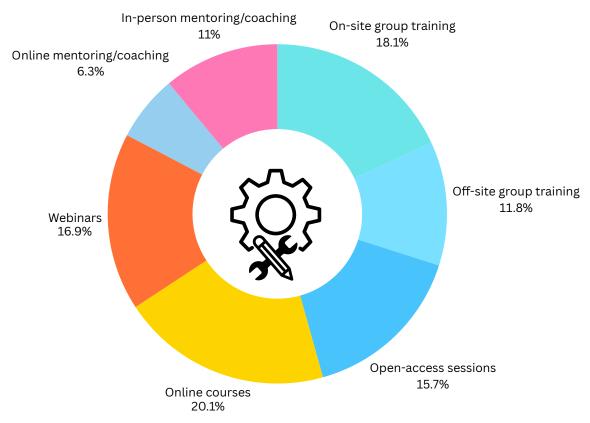


**Chart 19: Areas with Support or Training Needs** 

## **Training Needs**

In terms of training delivery, organisations express a preference for online formats, with self-paced or live online courses and webinars attracting the highest levels of interest. On-site group training also ranks highly, suggesting organisations value opportunities for practical, context-specific learning. Open-access sessions and off-site group training are somewhat less popular, indicating potential barriers such as travel, cost, or scheduling. Mentoring and coaching, whether online or in person, receive moderate support, reflecting demand for tailored guidance but perhaps limited capacity to engage in intensive one-to-one models. Overall, the results demonstrate a clear expectation for flexible, accessible, and cost-effective training solutions, with online provision now regarded as an integral part of professional development in the sector.

**Chart 20: Training Preference** 



Source: CBE, n=73

Overall, voluntary and community organisations in Surrey are navigating a period of rising demand, financial uncertainty, and increasing organisational complexity. Across the sector, there is broad recognition of the importance of advocacy, collaboration, training, and organisational development as interdependent functions that enable resilience and long-term impact. Organisations report persistent challenges in securing sustainable funding, managing governance and leadership responsibilities, and maintaining staff and volunteer capacity, while adapting to external pressures such as demographic shifts, statutory service constraints, and economic volatility. Taken together, these findings illustrate a sector that is committed, adaptable, and collaborative, yet acutely aware of the structural pressures it faces, underlining the need for targeted support to sustain services, strengthen capacity, and safeguard long-term viability.



Surrey's VCSE sector is carrying heavier, more complex demand while running on thin, often volatile funding. Need has shifted toward essentials—poverty relief, health and wellbeing—and many small and medium organisations are operating on razor-thin margins, making realistic pricing and prompt payment decisive for survival. Collaboration works best where infrastructure support is present, but digital and data capability remains uneven, with websites and social media embedded while AI/CRM adoption is patchy. Co-production and lived-experience leadership are increasingly expected by funders and communities.

The local ecosystem is mixed-economy: council and NHS commissioning, routed national programmes, and independent/philanthropic funding (notably via the Community Foundation for Surrey) sit alongside corporate partnerships and community giving. Since COVID and the cost-of-living squeeze, "nice-to-have" projects are being squeezed out by core need. Infrastructure bodies—Surrey Community Action and local CVS networks—are important navigators and conveners, helping groups stay responsive while collaborating at county scale.

Relationships with statutory partners are nuanced: health bodies are viewed as relatively collaborative and responsive, yet cross-system strategy still feels disjointed. At the same time, real-world shocks show system fragility. Woking's Section 114 crisis and a late-stage funding U-turn affecting unpaid carers illustrate how sudden decisions and cash-flow breaks can destabilise frontline capacity and push pressure back onto the NHS. One practical lesson observed is that the VCSE sector can only thrive by treating key VCSEs as critical infrastructure through multi-year models, proportionate commissioning, and prompt payment.

Looking forward, the sector's priorities are pragmatic: sustain core services, build capacity (especially governance, fundraising, and data), and make collaboration real rather than rhetorical. Organisations want flexible, accessible training (often online), and many highlight the interdependence of advocacy, coordination, and professional development for long-term resilience. The bottom line: policy reforms (Procurement Act, VCSE Business Hub) are helpful signals, but Surrey's outcomes will turn on local practice—market stewardship with infrastructure bodies, fair risk allocation and lotting, and investment in digital/data so providers can evidence impact and target inequality.



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# ENDNOTES

[1] Members of the Civil Society Advisory Group: Lindsay Cordery-Bruce, CEO, Wales Council for Voluntary Action (WCVA); Maddy Desforges OBE, CEO, National Association for Voluntary and Community Action (NAVCA); Sarah Elliott, CEO, National Council for Voluntary Organisations (NCVO); Anna Fowlie, Chief Executive, Scottish Council for Voluntary Organisations (SCVO); Romilly Greenhill CEO, Bond; Peter Holbrook, CEO, Social Enterprise UK; Jane Ide OBE, CEO, ACEVO; Fadi Itani OBE, CEO, Muslim Charities Forum; Carol Mack OBE, Chief Executive, Association of Charitable Foundations (ACF); Rose Marley, CEO, Co-operatives UK (Co-op); Celine McStravick, Chief Executive, Northern Ireland Council for Voluntary Action (NICVA); Peter Nowak, Trades Union Congress; Kunle Olulode MBE, Director, Voice4Change England; Daniel Singleton, National Executive Director, Faith Action; Caroline Slocock, Director of Civil Exchange and Chair of the core group of the Better Way Network

[2] The Index of Multiple Deprivation (IMD) is a composite measure of relative deprivation for small areas (Lower-layer Super Output Areas, LSOAs) in England. It combines seven domains—Income, Employment, Education, Health & Disability, Crime, Barriers to Housing & Services, and Living Environment—into a single score, then ranks all LSOAs nationally (1 = most deprived). For reporting, ranks are often grouped into deciles (Decile 1 = most deprived 10%). IMD is designed for area comparison within the same release (latest for England is 2019) and LSOA geography (2011); use ranks/deciles rather than raw scores, avoid cross-country or cross-year comparisons, and note limitations (e.g., rural sparsity, ecological fallacy—area deprivation ≠ every resident's experience).

[3] The UK's wider sociopolitical climate adds to the challenge. Hate crimes targeting LGBTQ+ people have been on the rise, while political parties with anti-LGBTQ+ platforms, such as Nigel Farage's Reform UK, have gained visibility and influence. Internationally, the UK's position in the ILGA-Europe Rainbow Index has slipped significantly: once ranked first in Europe for LGBTQIA+ rights, the UK now stands at 22nd out of 45 countries, having fallen a further six places in 2025 (ILGA-Europe, 2025). This case underscores the complex relationship between community trust, allyship, and public representation. For advocacy groups, reputational crises can have far-reaching consequences, not only for their own survival but also for the broader movement they serve. For public bodies and businesses, the challenge is to navigate these crises without withdrawing essential visibility and support for marginalised communities.

[4] CBE researchers filtered the Charity Commission's 4,400 dataset by removing organisations that did not include postcode location, and postcodes that fall beyond Surrey's locality.





