

ComVoices

Advancing the community sector



2020 STATE OF THE SECTOR SURVEY

2020 Snapshot Summary

While still fragile, the community and voluntary sector is generally more stable and viable than it was two years ago. The survey of 129 community and voluntary organisations shows that the sector continues to deal with increased demands, increasing costs and has been significantly impacted by COVID-19.

This *2020 State of the Sector Survey* is the fourth biennial snapshot of the community and voluntary sector undertaken by ComVoices. Its findings reinforce those of previous surveys and other recent reports on the community and voluntary sector.

The pressures and stresses on community and voluntary organisations continue. The overwhelming majority of surveyed organisations (over 80%) are dealing with ongoing, increased demands and workloads (in many cases at least since 2011), often without a corresponding increase in funding. They also continue to experience increasing complexity in the issues they need to deal with. The failure of funding to keep up with increased demands and increased costs is by far the most commonly cited, unprompted concern.

Surveyed organisations are attempting to bridge the gap between community demand and the shortfall in funding in a variety of ways. This includes:

- almost 80% of those with government contracts are 'over delivering' on the services and programmes they are funded to provide,
- 45% have increased the number of paid staff,
- a strong reliance on volunteers, who make up 76% of the workforce,
- generating income from a wide variety of income streams.

COVID-19 has had a significant impact on survey respondents. 54% reported reduced income and 46% reported that their

ComVoices is a network of national community and voluntary sector organisations, most of whom are involved in social services, community development and health and disability services. The State of the Sector Survey has been undertaken every two years since 2014 and is a snapshot of the social and community sector at a given time.

costs increased. It has necessitated a rapid increase in the take up of technology (88%). Survey respondents also reported positive impacts, including:

- Innovations in the way programmes were delivered (75%),
- The trialing of new ways for board, staff and volunteers to work (68%),
- Increased collaboration (64%).

While much remains the same over the four biennial surveys, we are also beginning to see some welcome changes, particularly in two priority areas that were identified by ComVoices as a result of previous surveys.

1. *Fair Funding that reflects community organisations' increased costs and reduces the compliance costs imposed on them.*

- There has been a small increase in the percentage of survey respondents able to pay a wage increase over the previous two years (up from 60% to 67%).
- 38% of the organisations surveyed reported an increase in the number of government contracts received and 40% said that the value of their contracts had increased. There has been a steady decrease in the number of organisations saying that the value of their contracts had reduced, from 23% in 2016 to 8% this year.
- More of the organisations surveyed see themselves as financially viable than in previous surveys, fewer are needing to survive off reserves, and the proportion seeing themselves as financially better off than two years ago has increased.

2. *Making It Easier to Work with Government, including streamlined contracting, recognition of the sector's role in advocacy and harnessing community expertise in design and delivery of programmes.*

- There appears to be less direct and indirect gagging of community organisations, with fewer surveyed organisations (22%) not prepared to speak out publicly on issues of concern, compared to 60% in 2014.
- There were significant improvements in relationships with government and other funders as a result of the COVID-19 response. This included greater flexibility in contract requirements, faster and more responsive decision-making, and a sense of real partnership and being treated with respect.

Conclusion

The public and the government are reliant on the goodwill of the community and voluntary sector to continue to deliver services and programmes despite the ongoing funding gap. While there has been progress made, overall, the sector is still fragile. This situation may worsen over the coming year as we continue to cope with the impact of the global pandemic.

Continuing to build on the more flexible, partnership relationship with government funders that emerged during the COVID-19 response will be an important factor in ensuring that social and community sector organisations, and the sector overall, can continue to meet the needs of the communities they serve. ■



SERVICE DELIVERY

Key points

- Service delivery and demand have continued to increase over the last 6 years but aren't necessarily matched by an increase in funding.



PEOPLE CAPACITY

Key points

- Nearly half of respondents report an increase in paid staff, supporting a long-term shift to the professionalism of services and programmes, while a similar size report no change over the past 2 years.
- The majority of work continues to be undertaken by volunteers.
- There has been a small increase in the percentage of organisations surveyed able to pay a wage increase over the previous two years (up from 60% to 67%) but the number unable to offer any increase remains consistent at around 30%.



FINANCIAL VIABILITY

Key points

- There is a small but clear lift in respondents' financial viability but a significant degree of fragility remains.
- 38% of surveyed organisations report that they are struggling financially, but this is an improvement on the 54% who reported that they were struggling in 2018.
- 43% of surveyed organisations consider that they are better off than they were two years ago. 20% consider themselves worse off.



ORGANISATION CAPACITY

Key points

- Central government funding, philanthropic grants and local government funding are the most significant sources of income for respondents.
- 55% of organisations surveyed generate some of their own income through commercial and fee for service activities, making this one of the top 4 sources of income.
- There appears to be more stability among respondent organisations. Fewer organisations have restructured than in previous surveys (32%, compared to 44% in 2018).
- There is an increase in collaboration.



GOVERNMENT CONTRACTING

Key points

- 38% of the organisations surveyed report an increase in the number of government contracts received and 40% said that the value of their contracts had increased.
- There has been a steady decrease in the number of organisations surveyed saying that the value of their contracts had reduced, from 23% in 2016 to 8% this year.
- Only 7% of organisations say that the burden of compliance was reducing.



SPECIAL ISSUE: COPING WITH COVID

Key points

- The COVID-19 pandemic brought on a major impact in unleashing innovation, creativity, and in programme provision, increased collaboration and wider use of technology, while causing significant increases in costs and decreases in funding for surveyed organisations. This is also reflected in the results of other reports and surveys over the same period.
- There has been a clear improvement in surveyed organisations' relationships with government and other funders, greater flexibility in contract outcomes and faster and more flexible and responsive decision-making.