



The Voluntary Sector in Merton 2013
Merton Voluntary Service Council
February 2014

Foreword



MVSC commissioned research into the local voluntary sector to provide a barometer of how organisations are responding to change.

Over the last four years a number of factors have had the potential to affect the sector. These include substantial changes to partner agencies, the recession, austerity measures, higher unemployment and an increase in hardship of some communities.

Like our partner agencies, we are committed to ensuring that the voluntary sector in Merton is best placed to respond to changing need. We need to ensure organisations have the capacity to deliver on the greater role they will have to play as part of the reform of public services.

This State of the Sector report aims to provide Merton with an indicator of the strengths and challenges for the sector in coming years. We believe this insight can help all agencies working in the borough direct their resources and support to address the challenges and recommendations in this report.

MVSC owes a great debt of gratitude to its former Chief Executive Chris Frost. Chris was Chief Executive for 28 years and passed away suddenly in her sleep in November last year. The research for this report was completed very shortly before her death.

Chris was a shining light of Merton's voluntary sector, an excellent networker, and a wonderful advocate of our sector both within the borough and beyond. She was at the head of a vibrant and effective MVSC staff team which continues to champion Merton's voluntary sector and looks forward, as I and the other MVSC trustees do, to continued successes.

We dedicate this report both to Chris's excellent work over nearly three decades and to the voluntary sector she worked so hard to champion.

A handwritten signature in black ink, appearing to read 'Lola Barratt'.

Lola Barratt

Chair, Merton Voluntary Service Council

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Introduction

MVSC has a role to support, advise and nurture Merton's voluntary, community and faith organisations, with a view to enhancing organisations' ability to achieve their aims.

MVSC has always played a key role at a regional and national level, representing the sector with agencies such as NAVCA and the Government. Merton has won many awards for its partnership work as a result of our profile, representation and influence.

MVSC is proud to be part of a thriving borough wide multi agency partnership – the Merton Partnership (www.mertonpartnership.org). This local strategic partnership brings together statutory, voluntary, community and private sector organisations which work collectively to promote community involvement and improve the quality of life in the borough. The current membership of the Merton Partnership is:

- Merton Council
- MP for Wimbledon
- MP for Mitcham and Morden
- Merton Police
- Merton Chamber of Commerce
- Merton Priory Homes
- Jobcentreplus
- Merton Voluntary Service Council
- Sutton and Merton Primary Care Trust
- South Thames College
- St Georges Healthcare NHS Trust
- The Interfaith Forum
- Merton Unity Network
- Merton Fire Brigade
- Community Engagement Representatives

The Merton Partnership oversees the Merton Compact, which has achieved successes year on year. Merton has consistently done well in the national Compact awards, winning no fewer than 12 awards or commendations since 2005.

This is MVSC's first State of the Sector report, and the mapping and measuring information it has provided will help us plan the services we deliver in the future.

Executive summary

Merton's voluntary sector, like that of the rest of the UK, has been through some difficult times with falling income from public donations coinciding with a challenging funding environment from local authorities, local and national trusts and other sources.

Many voluntary organisations in Merton are rising to that challenge and doing excellent work within their local communities. This report illustrates the diversity of services provided, and the keen, tenacious commitment with which people at the frontline address both their paid and voluntary work.

According to MVSC's own database there are 594 voluntary, community and faith organisations in Merton at the time of writing up this report.

The sector in Merton is diverse. Organisations serve a wide range of client groups and provide a great variety of different types of services. They vary enormously in size, numbers of staff and volunteers, and budget. While some are constituted and may be registered charities, others are unconstituted, without trustees or formal governance policies or structures. Many cover a very localised geographical area. Others cover the entire borough.

The sector is characterised by a wide range of organisational structures, including a significant number of small unincorporated organisations, but more than half are registered charities.

Voluntary, community and faith organisations within Merton are a vital part of the social capital of the borough. They can be crucial in their ability to reach parts of the community that statutory service providers struggle to serve.

The range of client groups served is wide and diverse, with many organisations serving multiple groups.

This research identifies a pattern of rising demand for services which is set against a surprisingly positive view of how income will change in the coming years. Only about a third of respondents to our survey thought their income would decrease in the coming two years.

However this headline figure hides a situation in which many organisations feel they are spending more time looking for funding than in the past, and this is an area which gives significant numbers of organisations cause for concern.

Organisations seem on the whole happy with the quality and number of trustees, and there is a growing realisation that trustees can be recruited to fill specific roles.

Staff recruitment and retention presents difficulties for some organisations, with salary levels available quoted by some as a root cause of recruitment and retention problems. However volunteering is thriving in the borough.

Just over half of organisations said they use external support in some form or another, and those that do typically use it in a number of different areas.

Infrastructure support and collaborative working are areas which can work very well indeed for some organisations, but others say they can struggle to get a foothold and can feel excluded.

The organisations that took part in this research demonstrated high levels of resilience and optimism about future. Despite funding pressures, increasing demand and the need to change historic ways of working most organisations are rising to the challenge.

In order to steer their way forward to manage change, the research highlights the sector will need:

- Support and information to understand the changing policy, legislative and funding environment in which they operate
- Support to fundraise from public bodies, trusts and importantly unrestricted funds
- Support to work collaboratively to maximise opportunities for contracts and funding
- Support to maximise the social capital in the borough through volunteering and local business networks

Methodology

MVSC employed a team of experienced consultants to undertake this research. Each member of the team had previous experience of working with MVSC, and therefore an understanding of the voluntary sector within the borough.

Before the work began, the team worked with MVSC to agree an appropriate approach. The approach adopted was a mix of large scale questionnaire, one to one interviews and in depth focus group discussion.

Questionnaire. An online questionnaire was designed using the popular research tool Survey Monkey (www.surveymonkey.com). The survey was publicised to all voluntary, community and faith organisations on MVSC's extensive database. Several rounds of reminders were issued and there was some telephone follow up to encourage organisations in low response rate groups to complete the survey.

Paper copies of the questionnaire were posted to those organisations without an email address. We achieved an overall response rate of 17%.

Interviews and focus groups. We conducted semi-structured interviews with 13 organisations and held one focus group in which eight organisations took part.

The importance of Merton's voluntary sector

According to figures from the 2011 Census Merton has a population of 202,200.

We asked respondents how many Merton residents they supported or provided services to in the last year. The average number of residents was 1,757 per organisation, with 137,029 residents supported in total.

There are obvious dangers in factoring this figure up to the wider voluntary sector in the borough. It is likely that contacts with many individuals are multiple, and it is not possible to get reliable data on multiple contacts from voluntary organisations themselves. The UK Civil Society Almanac (NCVO, 2012) illustrates the difficulties. It says research on charities shows that 39% of organisations serve up to 50 beneficiaries and extrapolates a beneficiary population across the UK of 125 million – double the actual UK population.

This in no way devalues the power of the numbers. The quality of life of an individual may be enhanced by multiple contacts with different organisations offering them a range of services, just as it may be enhanced if an individual has a single contact organisation.

The value of such contact will vary from individual to individual, and from service to service, and while it is outside the scope of this research to attempt to analyse that value, it was quite clear during our interviews and focus group work that this value exists and is a powerful motivator for many providers.

Merton's voluntary sector includes a number of long established and well respected organisations which deliver services viewed as vital by the service users. A general finding from talking to people during the course of this research is that there's a wealth of knowledge in the sector on a wide range of areas that extend into organisational management and change management, but that perhaps this knowledge is not shared as well or widely as it could be.

Merton Borough

Merton has a long history of positive partnership working. This is reflected by the number of Compact Awards the borough has won over the last ten years. The Merton Partnership remains an important platform through which organisations from all sectors work collaboratively. The importance and value of the voluntary sector is reflected by there being representation at all levels of the partnership structure.

Merton Council is committed to working with the voluntary sector, and to exploring new and innovative ways of commissioning services. In recent years, Merton Council has not cut funding to the voluntary sector. In fact, in real terms funding has increased. Certain service areas have experienced recommissioning to ensure services reflect new ways of working and local need. That the total spend has remained untouched bucks the trend of many authorities which have decimated voluntary sector funding.

Merton Council is also committed to retaining a diverse range of funding methods, including grants for the voluntary sector. Unlike other London Boroughs, Merton recognises the flexibility and creativity grant funding enables when compared to tendering.

Merton Clinical Commissioning Group (MCCG) launched in April 2013, taking over local healthcare commissioning from the Primary Care Trust (PCT). It is already firmly embedded in the partnership structures in Merton and is starting to engage positively with the voluntary sector. Despite funding pressures the CCG is endeavouring to sustain voluntary sector funding and will be exploring new ways to maximise opportunities for the voluntary sector to play a role in health commissioning in the future.

Working in partnership with Merton Chamber of Commerce, MVSC has developed a new initiative called Merton Means Business (www.mertonmeansbusiness.co.uk). This links businesses to voluntary organisations in order to maximise the social capital in the borough from the private sector. The initiative's success has been recognised nationally by NAVCA and is being used as a case study in some national research.

MVSC has also launched a new Community Fund for Merton Borough. Its aim is to develop new sustainable funding sources for local organisations and to provide a platform for private sector organisations, individuals and others to donate funds in the knowledge that the money will be used locally. This is already generating substantial new funding from regular individual giving and business investment through its links to Merton Means Business. Merton Community Fund is a long term development initiative that everyone involved hopes will generate new money to match investment from public bodies.

Due to further austerity measures, we fully expect that all local agencies will experience further budgetary pressures from 2015. This research aims to highlight the state of the sector at the current time but also the opportunity for it to play a greater role in meeting the needs of Merton's residents in the future.

Legal structures

Merton is not unusual in having a voluntary sector that is characterised by organisations with a diverse range of legal structures. Only 58.9% of respondents to our survey are registered charities, with a total of 19% either unincorporated or too new to have decided on a structure.

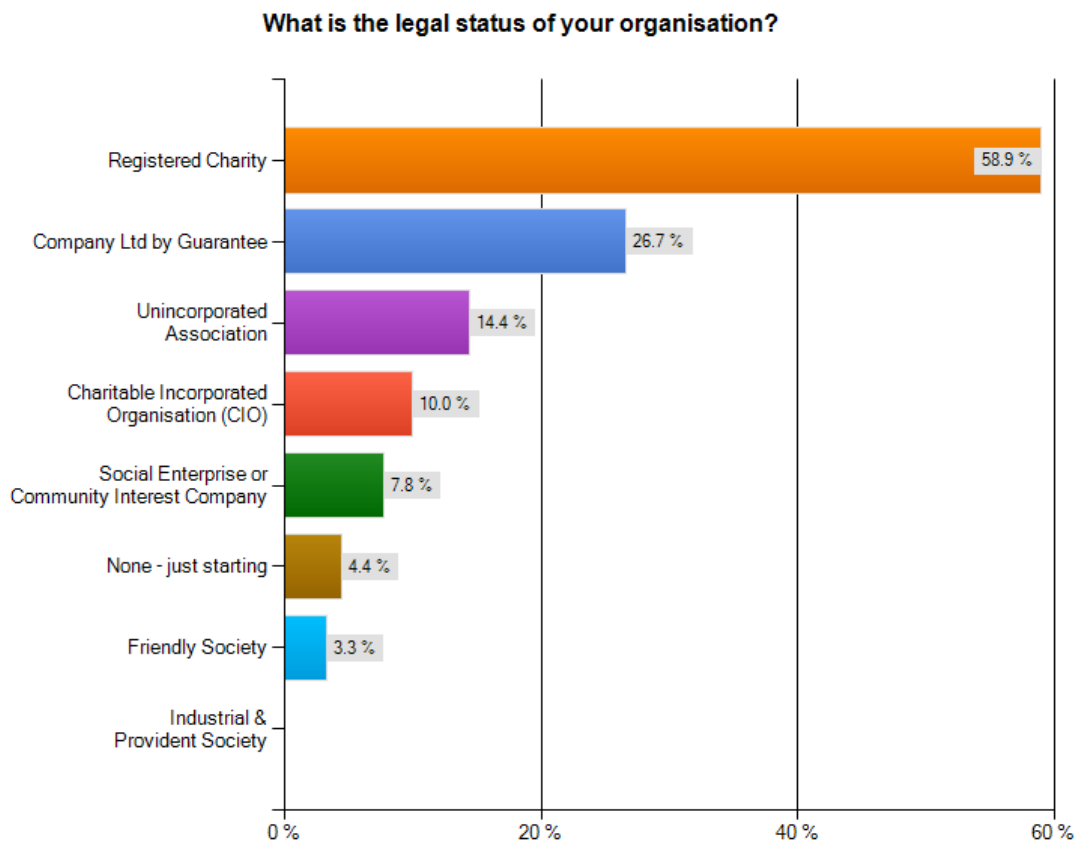


Figure 1: What is the legal status of your organisation?

The relatively large number of unincorporated organisations and organisations with no formal legal status presents any local authority with some specific challenges, and Merton is no exception. Smaller, unincorporated organisations can be hard to reach, peripatetic in nature, and difficult to support. But they can also be vibrant, lively, and with the potential to grow into structured, constituted, and valuable organisations.

Services, client groups and demand patterns

Merton's voluntary sector is characterised by organisations that work with a wide range of client groups and communities. Our questionnaire asked organisations to specify their client groups and the results illustrated this diversity.

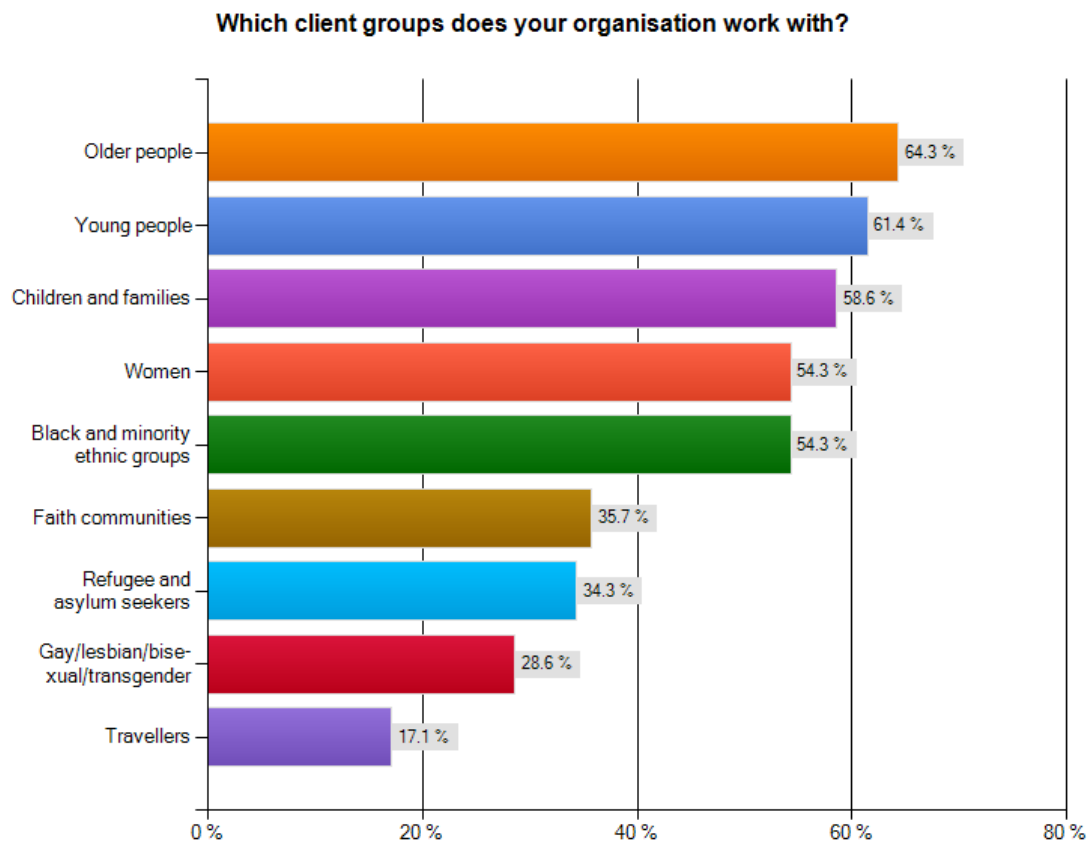


Figure 2: Which client groups does your organisation work with?

Analysis of the client groups we specifically asked about shows that a significant number of organisations focus their attention on a single client group. However, the range of client group served is broad, with a number of others offered by groups beyond those we specifically asked about.

In addition many of the organisations we questioned who did not specifically say they served any of the client groups we identified or any others, giving instead responses such as “anyone interested”, “local residents”, “any and all”, and “general public”.

All of this paints a picture of a voluntary sector that is broad in its scope, with organisations working across a huge range of areas and providing multiple services. For example organisations providing services to clients with learning disabilities may also provide support with transport, arts and leisure, campaigning employment and lifelong learning. This

suggests that organisations develop services to meet client need, fill gaps, and be responsive to historic changes in public policy.

Most organisations said they give information and advice in some form. This is to be expected. It is inevitable that those people who use a voluntary or community organisations may bring a range of questions they perhaps find difficult getting resolved by other means. The sector has always had a huge role in signposting and advocating for their clients to ensure they receive the support and information required.

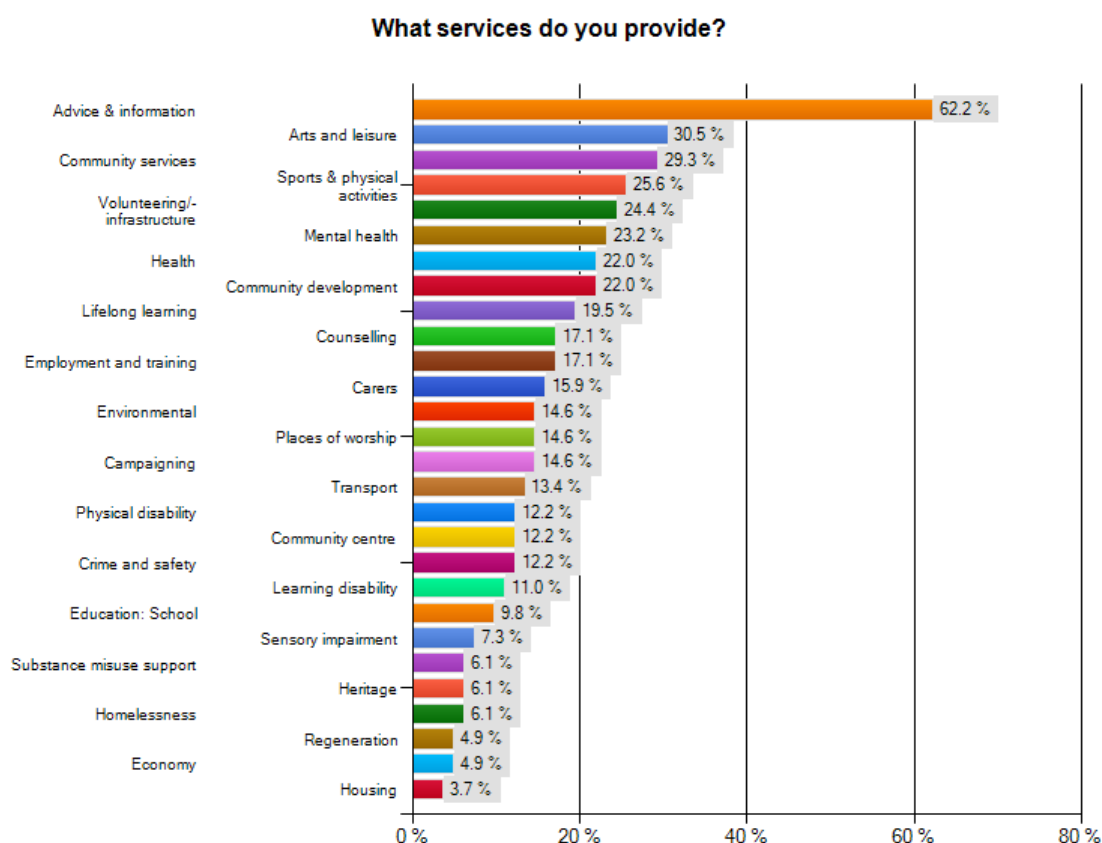


Figure 3: What services do you provide?

The sector tends to work with vulnerable groups so it comes as no surprise that the demographics of our respondents do not closely match those of the borough as a whole. Analysis of our survey results compared with data from the 2011 Census suggests that 58% of our respondents work with children and families, children representing 19% of the population, 61% work with young people who represent 20% of the population and 64% work with older people who represent 12% of the population.

More than half (62.1%) of the organisations surveyed said there had been an overall increase in demand for their services, with a very small proportion (10.3%) reporting a decrease in demand. This compares favourably to Londonwide figures, where 82% of

organisations have seen an increase in demand for their services (The Big Squeeze 2013: A fragile state, Phase 5, November 2013, LVSC).

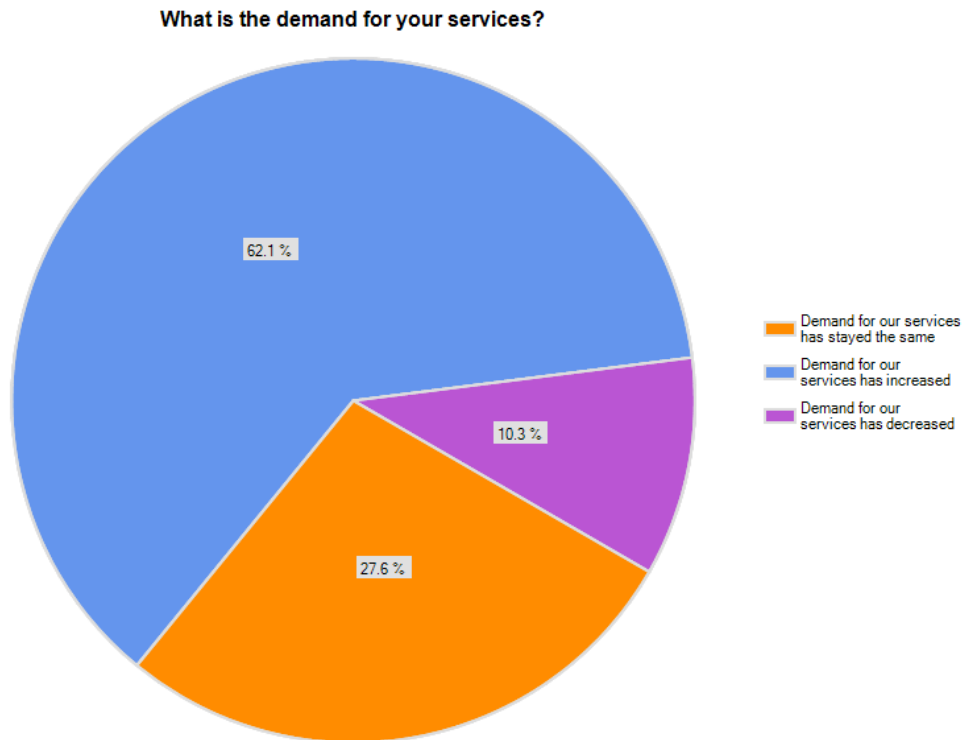


Figure 4: What is the demand for your services?

Of those saying that demand had increased 14 also reported a decrease in income while of those who reported that income had decreased 14 were also hoping to expand their services. In total 47 organisations were hoping to expand. This indicates a determination in Merton's voluntary sector to find ways to meet need in spite of the very real challenges many organisations face.

How secure do you think your organisation is over the next three years?

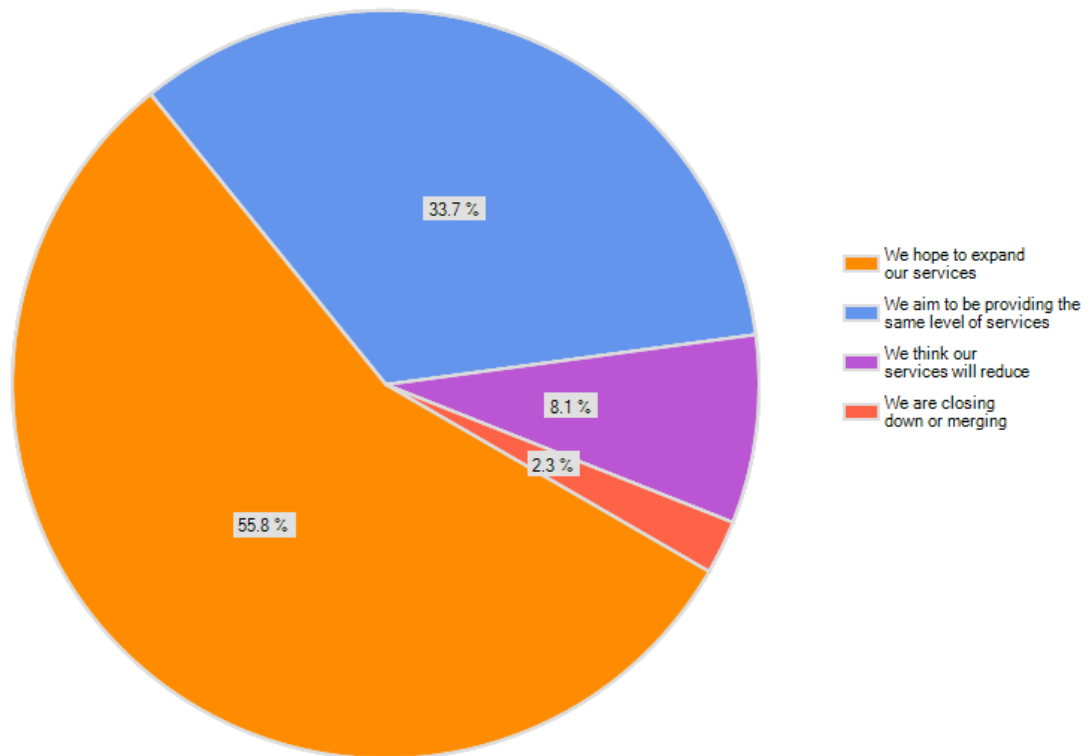


Figure5: How secure do you think your organisation is over the next three years?

Funding sources and issues

While Merton has a small number of organisations with incomes over £1m the vast majority have less than £100,000 and 42% have incomes below £10k. While getting good value for money is important for any organisation, those with lower incomes likely face this challenge keenly.

The UK Civil Society Almanac (NCVO, 2012) says that 54% of the UK's voluntary organisations have an income of under £10,000, with a further 31% having an income below £100,000. In Merton our research shows the figures are 42.3% with an income below £10,000 and a further 31.8% with an income below £100,000. This comparison shows that the breakdown in Merton is similar to that of the national profile.

What was total income for your organisation in the last financial year?

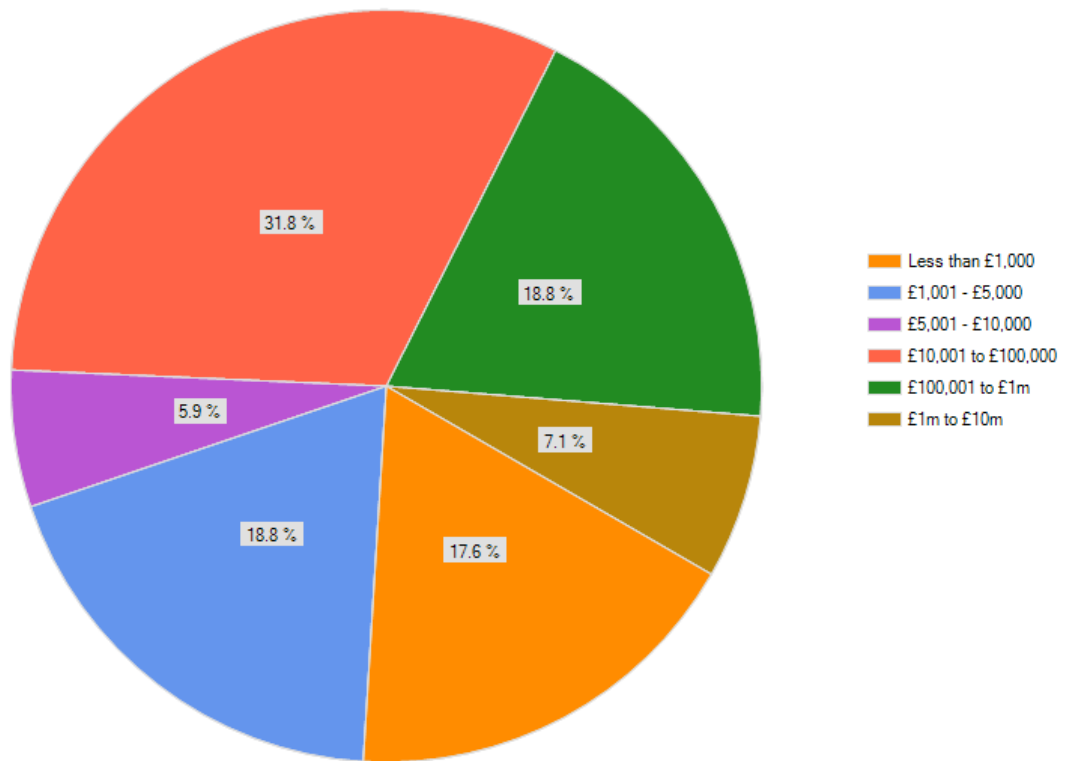


Figure 6: What was total income for your organisation in the last financial year?

However the borough also has a number of larger organisations with income and expenditure exceeding £1m. NCVO's online analysis of the voluntary sector in Merton, which focuses on Charity Commission data, identifies six such charities (<http://data.ncvo-vol.org.uk/areas/merton/top25>).

The London Borough of Merton is a key source of funding for organisations in the sector, providing some funds to almost half (46.8%) of respondents to our survey.

A wide range of additional funding sources is used and the variety illustrates in part the resourcefulness of the sector to tap into available sources both local and national.

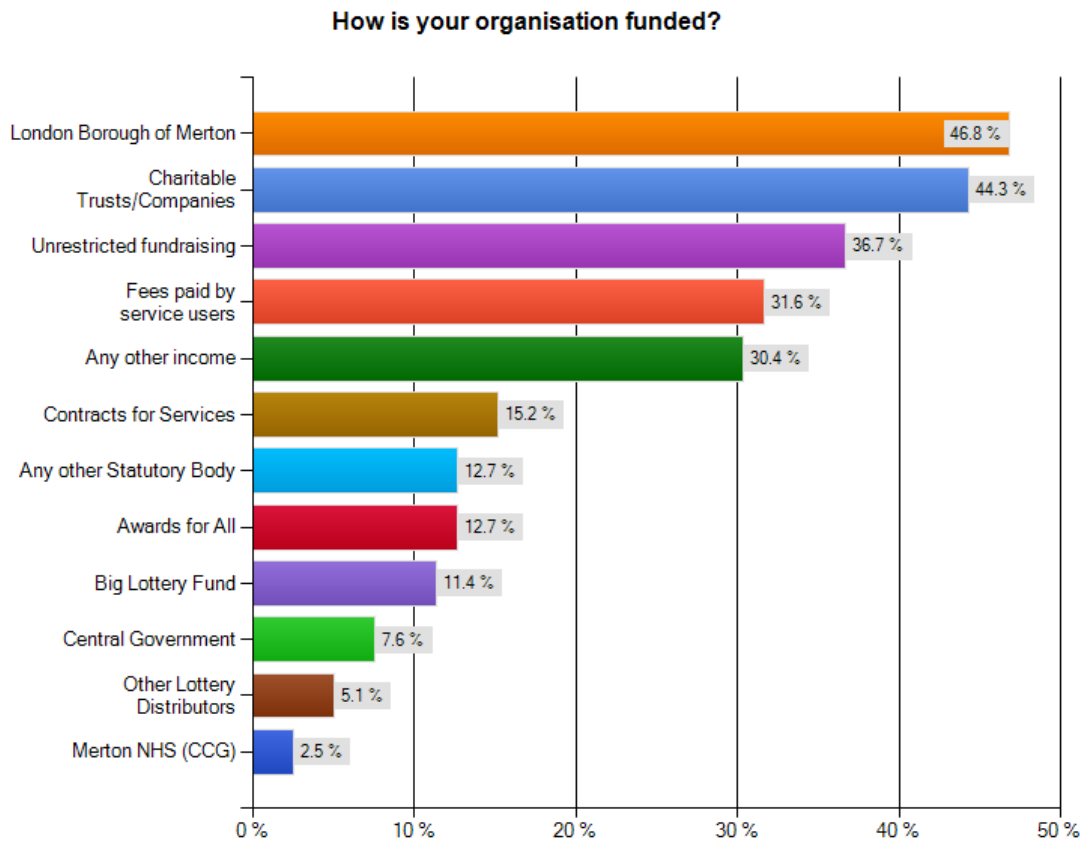


Figure 7: How is your organisation funded?

It is important to note in this context that 30% of organisations reported 'other' sources of income and the range of sources mentioned was diverse, It included formal grant makers, membership fees and donations. The range reflects the wide span of different activities undertaken by voluntary organisations in Merton and also a willingness to think laterally about income. Sources mentioned include:

- Community café
- National Trust
- Arts Council England
- Age UK
- Donations
- Merton Priory Homes
- LiveWell
- Room hire
- Thames Water
- Sponsored events
- Subscriptions

Further illustrating the diversity of funding sources of Merton’s voluntary sector is the way organisations are willing to use multiple sources to fund their activities. We asked respondents if they used a range of different funding sources and allowed them to add more to the selection we provided. We found that while around a third of organisations had just a single funding source, many resorted to multiple providers.

Number of funding sources	Percent of organisations
9	1.12
8	1.12
7	2.25
6	3.37
5	8.99
4	13.48
3	10.11
2	30.34
1	29.21

Figure 8: Number of funding sources used by organisations

We did not categorise funding sources, so that service user charges, grant funding, and gifts were all equally weighted. However, the figure shows that just short of a third of organisations (32.58) use three, four or five funding sources.

Obtaining funding from multiple providers is a healthy sign. It is well known that having few funders makes organisations vulnerable to factors outside their control such as funders’ policy changes, reductions in money available for distribution or even complete withdrawal of funds.

However, during interviews a number of organisations pointed out that they can spend a considerable amount of time working on fundraising, often looking for small amounts from a diverse range of sources. Some feel the time spent reduces the amount of time available to provide services, give support to staff and volunteers, or otherwise develop their organisations.

The need to spend time seeking funding while also delivering services and developing organisations is a ‘Catch 22’ which many of our interview respondents recognised. There is a need for affordable, high quality fundraising support services to help organisations find the right balance and work efficiently when seeking funds.

Notwithstanding these concerns, when asked directly whether they expected income to increase, stay the same or decrease over the coming two years 29.1% said they expected it to increase, 38.4% thought it would stay the same and a 32% thought it would decrease.

How do you anticipate the income of your organisation to change over the next two years?

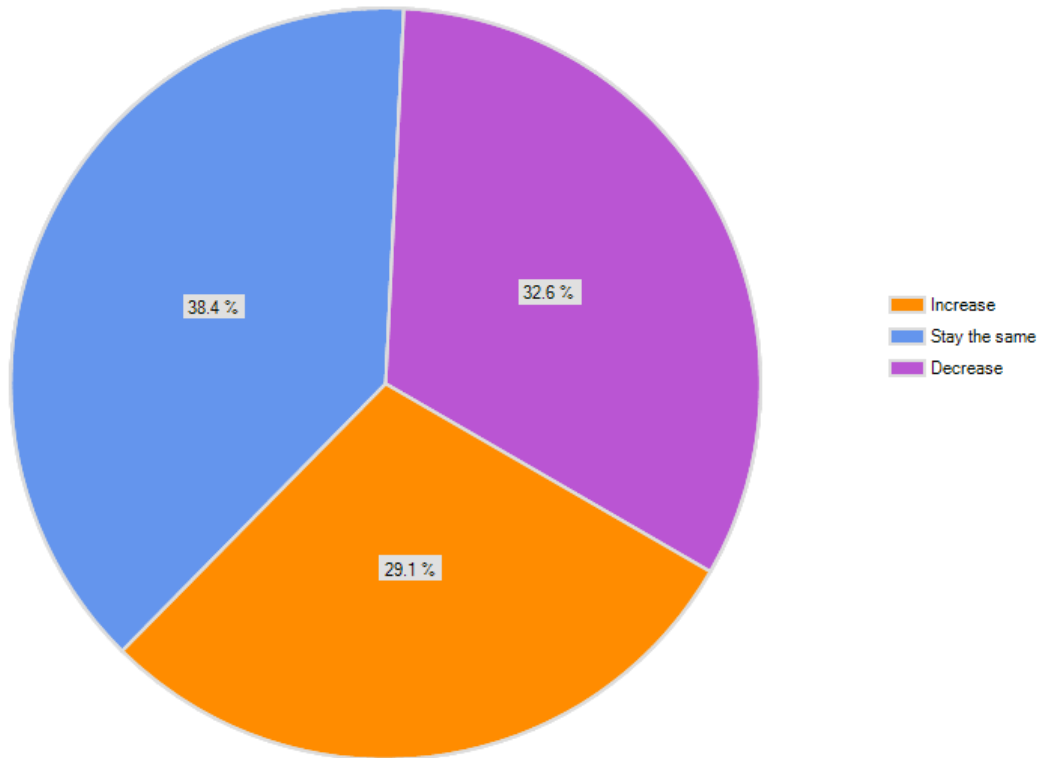


Figure 9: How do you anticipate the income of your organisation to change over the next two years?

For some organisations a decrease in available funding comes alongside an increase in demand for services. We heard in a number of interviews from organisations saying they were trying to achieve more with less funding.

The decrease in funding, along with expectations from partners in the public sector that the voluntary organisations can play a larger role in delivering public services gives some cause for concern. All those involved in supporting the local voluntary sector need to try hard to ensure that Merton's voluntary sector has the capacity to increase its role as well as maintain robust governance and management.

With a sector characterised by many small and often volunteer led organisations, MVSC and partners involved in the development and nurturing of Merton's Voluntary sector need to be realistic about what can be delivered in the short term.

While there is some movement in some parts of the sector to try to recoup money by charging service users, in general this is fairly strongly resisted as a way of working. Many organisations rationalise that their clients have less money at the moment and so are less able to pay for services. While individual charges might be small, over time these cumulate and can cause problems for people on tight budgets. We would also add that the cost of

recouping charges for services may be greater than money collected and/or add an administrative burden, making this a tactic whose viability can be suspect.

Despite gloomy predictions the picture in Merton is more positive than in London as a whole where 51% of organisations reported a reduction in the overall funding in 2012-13 and 27% closed services over the year, with a further 23% of service closures predicted in 2014-15 (The Big Squeeze 2013: A fragile state, Phase 5, November 2013, LVSC).

Volunteers, staff and trustees

Volunteering is alive and thriving in Merton. More than 94% of the organisations we surveyed use volunteers to help deliver services. In fact, considerably more organisations use volunteers than have paid staff – just 56.3%.

The total number of volunteers engaged with organisations responding to our questionnaire survey was 7739.

Volunteers are involved at all levels and are seen as a key element of the social capital within communities. Organisations in our survey had an average of seven people volunteering on their committee and 63 organisations used between one and 49 volunteers.

There is an abiding concern that organisations which find themselves in difficult circumstances might use volunteers in place of paid staff. We have found that in Merton this is not the case, with the overwhelming weight of opinion among organisations we interviewed strongly against that practice.

We have noted that just 56.3% of organisations we surveyed use paid staff. Of these 21.8% reported staffing increase over the last two years and 16.1% reported a decrease.

During our interviews some organisations reported experiences of difficulty recruiting paid staff. Inability to pay high salaries was often thought of as a barrier to recruiting the highest quality staff. Our interviews included comments regarding their needs to freeze salaries hampering recruitment, and of generally low salaries making it difficult to recruit and then retain staff.

Trustees are vital for any voluntary organisation. They can provide important strategic support, and make decisions about the immediate, short term and long term work and aspirations of an organisation. In many organisations, and particularly in smaller ones, trustees are involved in delivering services as well as in managing the organisation. On average organisations in our survey had seven committee members.

The vast majority of our interviewees said they had changed their recruitment practices with regard to trustees in recent times. Although not all had undertaken a formal skills audit, some which had not indicated that they planned to. In general organisations were becoming much more aware of where they had skills gaps among trustees and were actively recruiting to fill those gaps or had plans to do so.

In general organisations now expect more of their committees, particularly in regard to good governance, planning and strategy and delivery.

Organisations we spoke to in interviews indicated that they are much more willing to interview for trustee roles than they have been in the past in order to ensure they fill skills gaps and recruit to their requirements.

As a result of being more proactive in seeking trustees organisations we interviewed tended to feel their trustees were stronger than in the past. They also expected more of trustees by way of knowledge, commitment and work. Inevitably these points should lead to improvements in governance.

There was some evidence that the quality of people coming forward to be trustees has changed in recent times, with people looking to use trusteeship of a voluntary organisation as an important experience element of a CV.

While voluntary organisations can differ in some specific areas of expertise sought from trustees, a number of skills remain quite consistent. Among those mentioned were financial management, fundraising, marketing and publicity, IT skills and legal.

While many organisations we interviewed felt they had a full complement of competent and able trustees some organisations continue to face difficulties recruiting trustees. User led organisations can face particular issues. One organisation we interviewed pointed out that the shift from grant funding to contracts can make potential trustees wary because of different legal responsibilities.

Trustees often need to make complex decisions about reconfiguring services and staffing structures. This requirement can come as a surprise to trustees who may not have anticipated it or who may feel the skills required are outside their competencies and/or remit. Nonetheless, where this came up in our interviews and focus group the feeling was that trustees coped well.

Whereas service development and expansion generally have a positive impact on service users, staff and trustees the opposite is understandably often true of downsizing. During our interviews, even those organisations which had undergone major change commented that their trustees were supportive during such difficult times.

External support

Just over half of our questionnaire respondents said they used external support to help with areas like governance, management and organisational sustainability. Not surprisingly, those with lower incomes were less likely to seek external support. This is concerning as smaller organisations are less likely to have in-house expertise available.

When we looked deeper we found that those organisations that did access external support did so in a number of different areas. This would suggest either that once organisations start to seek external support they recognise its value or that those organisations have the skills and knowledge to gain access to external support and use those to meet a variety of needs. It is of course likely that both these statements are true.

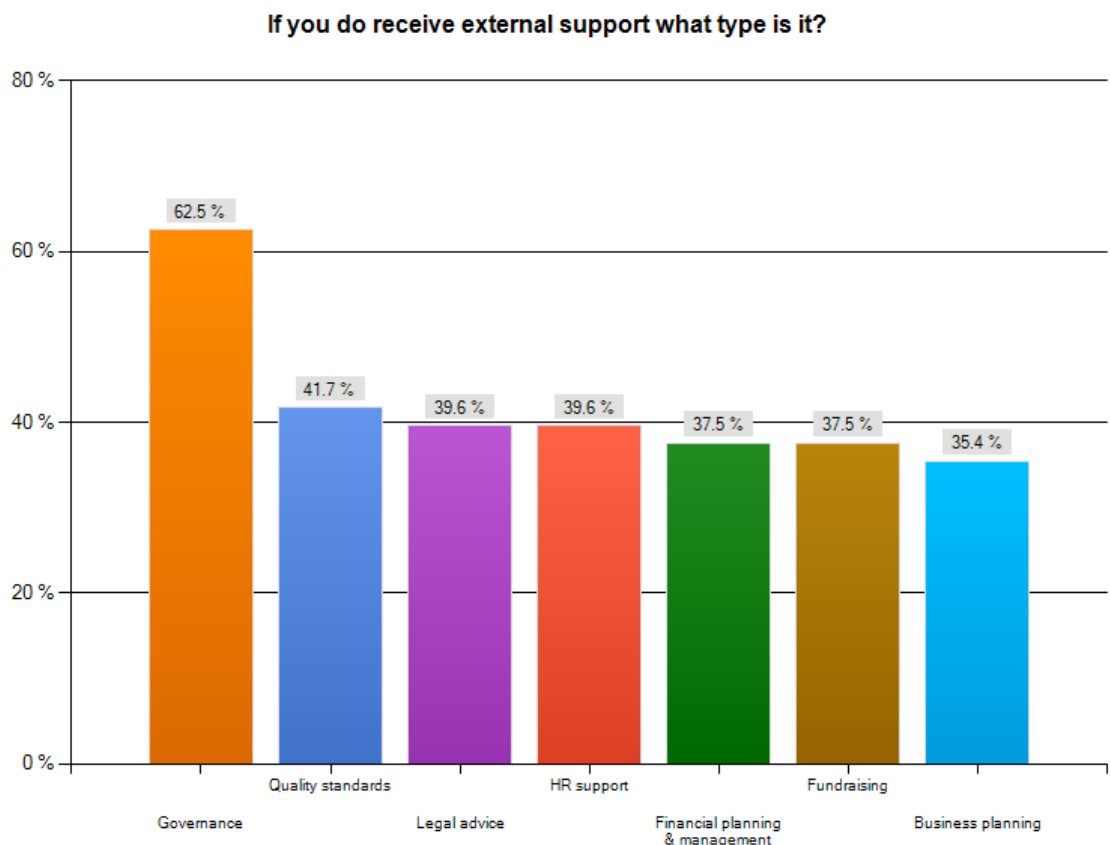


Figure 10: If you do receive external support what type is it?

Infrastructure support and partnership working

Organisations in the survey seem broadly well informed about infrastructure support services that are available and are generally positive about their working relationships not only with sector support bodies such as MVSC and the local authority but also with other voluntary organisations, other public bodies and local businesses.

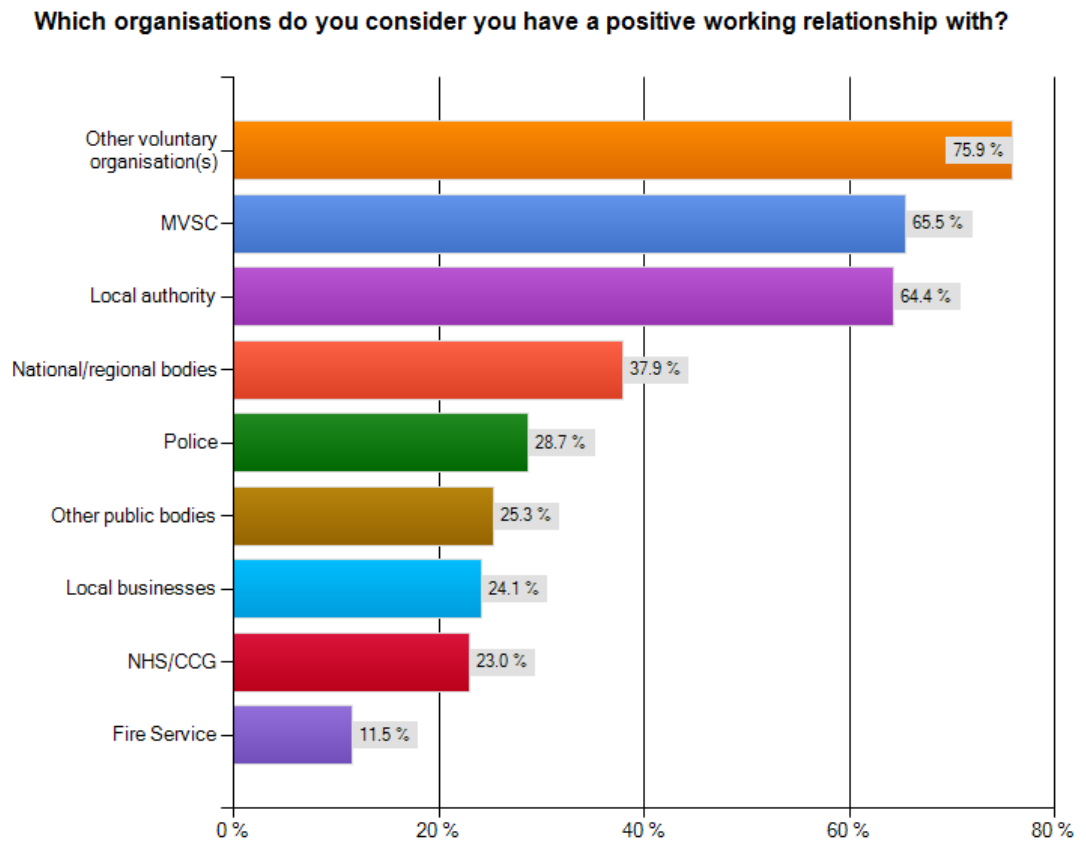


Figure 11: Which organisations do you consider you have a positive working relationship with?

Organisations generally felt well supported by MVSC. Only 'other organisations' were scored more highly in terms of a positive working relationship.

It is encouraging to see organisations rate others so highly. Peer support is an important aspect of voluntary organisations' being embedded within the local community, and is conducive to the sharing of ideas and good practice. It can also help with ensuring service delivery is not duplicated.

We asked our interviewees what support services they might find useful. Among those identified were:

- IT support
- HR advice and support

- Financial management advice and support
- Ways to help the sector share more, for example by offering more networking opportunities

Some of our interviewees felt they struggle become part of the 'club' that provides access to networking, support and other externally provided infrastructure services. Often this seems to be a result of lacking resources (often simply lacking time) to become involved, and not knowing the 'language' of the sector.

However, countering this, others said they felt the sector in Merton is strong, and put this down in no small part to partnership working and the success of the Compact.

Some organisations we interviewed felt they lacked the time to attend all the various networking events on offer which looked as though they could be relevant and interesting. It was felt that more clarity on the aims and outcomes of events would make it easier to decide which events were, and which were not relevant for them.

Some respondents expressed a view that organisations were 'hunkering down' after losses in funding, and were reluctant to network and share ideas in case others 'stole' their ideas. However we also heard views that sharing ideas and networking helped organisations focus on core activities, dovetail their work with others and not duplicate work taking place elsewhere.

Despite these apparently conflicting views, collaborative working and delivering services in partnership with other organisations seems popular with 53% saying they deliver services in partnership with another organisation.

Importantly the general view on collaborative working and partnership within Merton is positive, with 58% being in favour.

Our focus group brought out the view that generally there is closer working with other organisations than previously when it comes to the delivery of services. In particular participants noted that outreach work is being delivered using other organisations premises.

Another view on this topic from the focus group was again funding related: that the amount of joint working ebbs and flows according to funding availability. Interestingly the difficulty seems to be felt most acutely if organisations are delivering complementary services rather than working with similar client groups. We might speculate that this is because relationships among organisations working with similar client groups are better developed.

We asked our interviewees to identify barriers, challenge and advantages to collaborative working. The biggest challenge reported by those who had developed, or tried to develop joint services was that forming and managing partnership work was very resource intensive and that this cost was underestimated by agencies that promoted partnership working.

Other advantages to collaborative working identified included:

- Cost saving
- Raised profile
- The community benefits
- Greater impact and stronger voice than when working solo

- Reduce duplication of service provision
- Sharing resources for example staff expertise
- Opportunities to test ideas

Other barriers and challenge to collaborative working identified included:

- Lack of trust of potential partner organisations
- Lack of vision about how good organisations can be if they work together
- Can remove focus from the provision of core services
- Balancing organisational objectives
- Can be more resource intensive than it seems from the outside
- Can take considerable effort to manage

Networking was identified by a number of our interviewees as important. Its value ranges from simply being able to talk through concerns to identifying potential partners for collaborative working.

Some felt that while opportunities to network did exist these were not necessarily designed in the best ways to encourage formal, semi-formal or informal networking.

Examples of feedback from interviewees includes:

- Receiving invitations to lots of meetings, but these being structured in an unhelpful way or about topics from which it was difficult to see a real value for the organisation
- Meetings being structured around the requirements of external bodies such as the local authority, and taking a top down approach rather than being focused on the needs of organisations
- It being difficult to justify time to attend external events when the pressures of working within the organisation were high
- Meetings often being focussed on information giving (being 'talked at'), rather than information sharing and true networking with peers

Looking at the future

It is interesting in the context of the financial difficulties which characterise much discussion around the voluntary sector today that nearly 40% of the organisations we surveyed believe their income will remain the same over the coming two years and only a third think it will shrink (Figure 9, p16).

When it comes to service delivery over half of organisations hoped to expand their services (55.8%). Only 8.1% expect their services will shrink, with a further 2.3% anticipating closure or merger (Figure 5, p12).

These two findings suggest a voluntary, community and faith sector within Merton that is broadly thriving and positive about its future.

When we asked our questionnaire respondents what they thought the key challenges for the future were funding featured heavily, but also significant were areas such as identifying new opportunities and keeping up to date with change. In many respects these are perennial concerns rather than being specific to the current climate. The vast majority of organisations reported multiple challenges.



Figure 12: What are the key challenges facing your organisation in the future?

Of those organisations interviewed that had lost funding, most had taken or planned to take a strategic view of this by reconfiguring their services and structure to best meet need within their remaining resources.

When we asked our interviewees whether they had considered a merger or takeover in order to protect their organisation we got very mixed responses. Some had considered such a move, some had been through such a move, and others were very clear they would never consider it and would rather close.

There was a concern that loss or closure of services might provide a short term gain but have longer term negative consequences including additional costs to the NHS and long term social care, plus potentially an increase of workload for unpaid carers.

Conclusions and recommendations

Funding and fundraising

While organisations appear in general to be confident of their funding situation, with just 32% anticipating a fall in funding over the coming two years, the detailed funding pattern is complex. We found a wide range of funding sources being used, and many organisations telling us they spent time applying for relatively small funding sources, with drains on time both at the application point and later with regard to monitoring and/or reporting. There is always room for more support in identifying sources of funding and putting together applications.

MVSC is exploring new ways of offering fundraising support to local organisations to respond to this need.

Networking

Working collaboratively is increasingly vital if local organisations want to maximise funding opportunities. This particularly applies to small groups. Many commissioning opportunities do and will increasingly require a range of providers to work together. To enable the voluntary sector to respond to this agenda, organisations highlighted the desire for more opportunities to network so they can share knowledge and experience. Networking can be a very useful by-product of other activities such as training provision.

MVSC is launching a new seminar, training and workshop programme for 2014 to enable greater networking. This will be in addition to the existing Involve Network that will see a refreshed format from March 2014.

Volunteering

Volunteering is thriving in Merton, with more organisations in the borough using volunteers than paid staff. However there is scope to increase volunteering and maximise local social capital. The Merton Partnership's Volunteering Strategy demonstrates a commitment to doing this and over the next year there will be a range of interventions to encourage and stimulate active citizenship in the borough.

MVSC is working with Volunteer Centre Merton to ensure support for volunteers and organisations that engage volunteers is sustained and the gateway to support is more accessible.

Trustees

Having high calibre trustees is crucial for a voluntary organisation. Our research suggests organisations are learning more about recruiting trustees for specific roles. Infrastructure organisations such as MVSC and Volunteer Centre Merton (VCM) can support this by helping with practical areas such as identifying need, developing role descriptions and recruitment and interview practices. In addition MVSC can help make the wider community aware of opportunities for individuals to become trustees, and of the personal benefits such roles can bring to people.

MVSC has ensured that promoting becoming a trustee is a core objective in the Volunteering Strategy and there will be a range of activities in 2014 to increase numbers.

Support, training and information provision

About half of respondents said they used external support to help with areas like governance, management and organisational sustainability. The research uncovered a trend for organisations that use external support in one area to use it in others, suggesting that once its value is understood, it is exploited. This is positive for the organisations that have got the message, but those that have yet to take advantage may be missing out.

MVSC is currently strategically reviewing its services and approach. This will see some exciting new development in the coming year, and ensure MVSC is best placed to meet the needs of local voluntary organisations in a changing environment.

Future planning

Voluntary, community and faith organisations have to look towards the future and the development of their services. Organisations identified a number of areas of particular importance in this context. While funding was the standout area identified, significant emphasis was also placed on other areas including governance, service delivery models and diversifying the funding base.

MVSC will refine its support and information to ensure voluntary, community and faith organisations are provided with more guidance on reviewing their operational model to ensure it is fit for purpose in a rapidly changing environment.

Grants and Commissioning

Merton Council still offers grants to its voluntary sector. Many authorities have moved to a total tendering model but are starting to realise that grants and commissioning through service level agreements offers more flexibility and the opportunity to work with providers to develop innovative and locally responsive models of working. The London Borough of Merton should retain its grant funding for the sector as part of a portfolio of funding methods.

Annex: Interview respondents and focus groups

In addition to those who responded to our questionnaire, we would like to extend particular thanks to the organisations which submitted to interviews and took part in focus group discussion.

Ahmadiyya Muslim Association UK (Baitul Futuh Mosque Morden)

Age UK Merton

Association for the Polish Community

Cardiac Exercise Club SW19

Carers Support Merton

Commonside Community Development Trust

Crossroads

Deen City Farm

Focus 4:1

Grenfell Housing and Training

Home Instead Senior Care

Merton and Morden Guild

Merton and Wandsworth Asylum Welcome

Merton Centre for Independent Living

Merton Mencap

Merton Network

Merton Seniors Forum

Merton Vision

My Voice London

Positive Network

St Marks Family Centre

Sustainable Merton

Wimbledon Guild

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