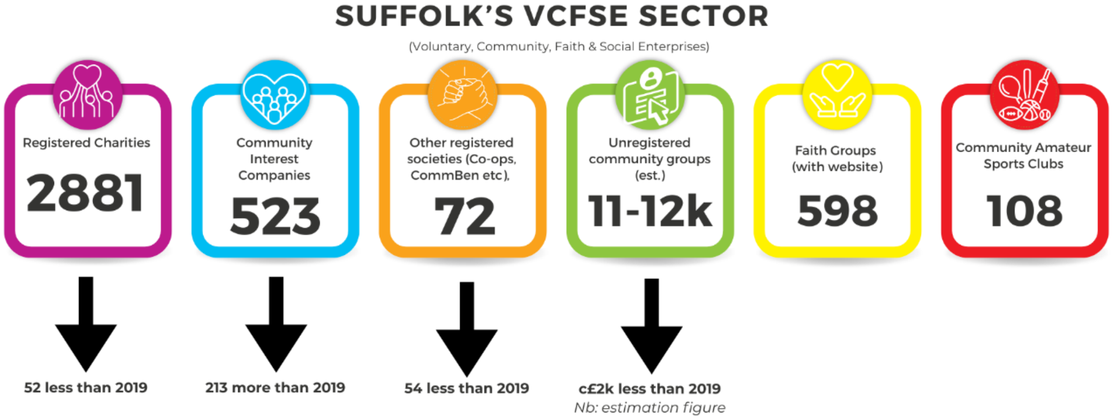
The State of the Voluntary, Community, Faith and Social Enterprise Sector ~ 2025



INCOME

According to the Charity Commission:

72% have income less than £100,000

Suffolk charities gross income increased by **£6.5m** from 2022 to 2023

(£499,458,522 in 2023 vs £492,927,959 in 2022)

However, expenditure increased by **£48.5m**.

(£518,249,737 vs £469,702,519 in 2022)

We can assume this additional spend was met by using charity reserves.

50% reported a decrease in their income this year mainly caused by a decrease in:

- Grant funding from Trusts and Foundations
- Public giving
- Statutory Grant Funding

Only **30%** reported an **increase in income**.

Core funding, long-term funding and better application processes are cited as the top 3 'asks' of the sector to commissioners and funders.

EXPENDITURE

Energy costs have risen during the last 12 months, closely followed by other **utilities. Staff salaries** represent the third most significant rise in organisation expenditure.

This situation is further exacerbated by the recent Government decision to increase **National Insurance** Contributions.

Organisations have counteracted this by increasing pricing of chargeable services, limiting services, using reserves and in some cases making redundancies, among other measures.

44% do not meet the minimum recommended reserves level of 3 months running costs and 7% do not have any reserves.

CHALLENGES

- The **top 3 sector challenges** are:
  1. Insufficient funding
  2. Increase in demand
  3. Volunteer recruitment

- The top 5 significant **challenges facing professionals** in the sector are:
  1. Funding & Cashflow
  2. Volunteer Recruitment
  3. Long term/sustainable funding
  4. Burnout/lack of time/work life balance/high workload
  5. Core funding

All respondents had noticed a **decline in volunteers** with Covid 19 & Cost of Living Impacts still taking 2nd and 3rd place behind **'Less time' as the biggest challenge.**

There is also concern about the impact of Devolution and the potential Health ICB merging and what this means for decision making around funding.

The work of most charities is focussed on improving health. If this prevention work declines, in time the impact will be felt in acute healthcare services such as GP's, hospitals and care agencies.

Reduced funding + increased demand = stretched services and staff

The impact is already being felt…

- Suffolk Rape Crisis and The Bridge Project, Sudbury have closed.
- Communities Together East Anglia have significantly reduced their services for older people.
- Newmarket Open Door Foodbank have very limited funds.
- SCF often hears about charities being in difficulty when it is too late, and we do not have authority over significant available funds to help quickly.

What are SCF doing?

- Focus on donor relations so we can increase giving and raise more funds to award to Suffolk organisations
- Streamline grant application and evaluation processes so it is easier for charities
- Move towards themed funding enabling multiyear funds (average grant size is £3,800)
- Encourage donors to fund core costs
- Represent and advocate for the Sector

We will reach out to those with no or very little reserves to see how SCF and CAS can help.

What can you do?

- Advocate for the sector to help people understand the challenges they face and its value
- Support local organisations where possible
- Feedback to the Foundation any issues that are raised with you, especially if a charity needs assistance
- Encourage charitable organisations to contact Suffolk Community Foundation or Community Action Suffolk for help at an early stage.

Key Findings from the 2025 State of the Sector Report drawn from national, local and regional desktop research and the 2025 State of the Sector stakeholder survey (196 organisation responses).

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