



Cobseo
The Confederation
of Service Charities

Cobseo Members' Survey

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dsc
directory of social change

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SUCCESSFUL SUSTAINABLE TRANSITION



Introduction

The Covid-19 crisis' impact on the charity sector is undeniable, yet data on the extent of this impact from charities 'on the ground' is scarce¹. While sector-level data from recent annual reports and accounts can be effective in understanding the potential impact, there is no substitute for charities giving voice to the reality of their evolving situation.

When Covid-19's immediate health and economic threat is passed, questions about the impact on charities will turn to data for answers. Data exists from before the crisis (2019 annual reports), and there will be data in next year's annual reports and accounts; but establishing what happened on the ground during the crisis will be key to evidencing cause and effect. This is especially true for charities which may not survive to write their 2020 annual reports.

Working in partnership with Cobseo, DSC surveyed Cobseo Members to provide a unique account of how the Covid-19 crisis is affecting many of the UK's most well-known and depended-upon armed forces charities and wider organisations supporting the armed forces community. The survey aims to gain a greater understanding of what Members are experiencing and what they need in the current circumstances and moving forward.

The results of this survey provide first-hand, quantitative and qualitative data, to help build an evidence base to inform current action and future planning in the wake of Covid-19's impact.

About the survey

The survey was generously funded by the Forces in Mind Trust and was designed in collaboration between DSC and Cobseo. The subsequent analysis and report were undertaken by DSC. Responses were gathered via the online survey tool 'Survey Monkey' between 30 April to 11 May 2020. A total of 194 Cobseo Members completed the survey.

Quotes from respondents are used throughout this report. Quotes appear as written by respondents; however, certain quotes have been minimally altered to maintain the anonymity of respondents. Not all qualitative responses are featured in the report; however, to ensure that all responses were heard, every response given by Members was anonymised and presented to the Cobseo executive team.

About DSC

Directory of Social Change (DSC) has a vision of an independent voluntary sector at the heart of social change. We are an independent charity with specialist research expertise and experience from over 40 years of providing support to the charity sector.

Our publications and reports are regarded as the premier sources of information on charities and our work continues to support development in both policy and practice across the charity sector.

Visit DSC online at dsc.org.uk to learn more.

¹ DSC is currently surveying charities in partnership with the Institute of Fundraising, the Charity Finance Group, and NCVO.

Executive Summary

Characteristics of respondents

- In total, 194 total respondents took part in the survey, of whom 83% were Cobseo Members and 17% of whom were Associate Cobseo Members.
- Additionally, 25% of respondents were members of Both Cobseo and Veterans Scotland.
- The vast majority of respondents (95%) were from registered charities or Charitable Incorporated Organisations (CIOs)
- 'Small income' charities (annual incomes less than £750,000) accounted for the majority (57%) of survey respondents.

Serving beneficiaries

- Almost half of respondents (47%) saw a decrease in beneficiary numbers, while 28% saw an increase, and a further 26% saw no change in beneficiary numbers during the Covid-19 crisis. However, it is not known whether this is due to decreased need or a decrease in provision.
- Members reported increases in beneficiary demand in the following areas: Loneliness support (65% of respondents); mental health support (54% of respondents); poverty and financial support (50% of respondents); family support (48% of respondents).
- Most respondents (45%) reported being able to cope with demand. In contrast, one-third of respondents (33%) reported that coping with demand was challenging, of which 9% reported either very significant difficulty or an inability to meet the demand from beneficiaries.
- Members reported coping with beneficiary demand by changing to online service delivery where possible and changing working practices. Reduction in service delivery requiring social contact was common, with such services effectively 'on hold' during the Covid-19 crisis.
- The results show essentially two types of respondents, those who can 'hibernate' - for whom operations will be placed on hold; and those whose continued operation is inseparably linked to fundraising (via the public or through grants) and whose income is significantly reduced at a time when demand for services is not. This difference in Member 'types' may explain the apparent contradiction in findings between those who reported seeing reduced demands on services and those who are seeing increased demands on service.

Cash flow

- A decrease in income was experienced by 66% of respondents during the Covid-19 crisis, while only 8% saw an increase in income and 26% saw no change in income.
- The most pronounced decrease in income was in fundraising events income, for which 83% of respondents reported seeing a decrease.
- Over half (54%) of members noticed a decrease in public donations and close to 40% of Members had seen a decrease in grants/ funder income.
- Three-fifths (60%) of Members experienced a decrease in both trading income and in sponsorship income (61%).
- Decline in investment income was also a significant theme in Members' qualitative responses, with many respondents citing this as their main, and now reduced, income stream.
- A decrease in expenditure was reported by 44% of respondents, while 27% saw an increase in expenditure. In comparison, 30% saw no change in expenditure during the Covid-19 crisis.
- The most pronounced decrease in expenditure was for 'service delivery', experienced by 34% of respondents.

Looking ahead

- Reduction in service delivery was highlighted by 46% of Members as the most time-sensitive issue. In total, 13% stated that reduced service delivery was already a reality, and an additional 33% believed it would become a reality within one year.
- A combined 31% of respondents estimated that their cash reserves will be completely depleted within one year, as will their financial stability.
- Over one-third of respondents (35%) had applied for the Coronavirus Job Retention Scheme, otherwise known as 'staff furloughing'.
- Respondents most commonly cited concerns around their continued ability to support beneficiaries, along with concerns over loss of fundraising income.
- Members' requests for support required from Cobseo centred around the need for more funding information and continued lobbying of government for support for both large and small organisations.
- Support required by respondents from the government predominantly focused financial issues including funding and fundraising and increasing access to ongoing support schemes.

Recommendations

Short-term support for Members in financial difficulty

- Online fundraising training and support may help to improve the survival chances of Members that have less than one-year's reserves remaining and are currently having to deplete those reserves to remain open.
- Capital grants for online support may help Members switch to online fundraising and engagement to ensure their public profile and damage to fundraising income streams is mitigated.
- Training grants to help develop online working skills may help reduce overheads and support engagement with beneficiaries and online working.
- The timeframe for achieving this would be by close of quarter-3 2020. With 2020's Armed Forces Day on 27 June, there will be a national focus from which Members reliant on fundraising may see a potential increase in income. Supporting Members to have an effective online presence in time for the build-up and the day itself, may make a difference to those in desperate need of funds but who lack the capital funding to address a shortfall in online infrastructure.
- The *Never More Needed* campaign is urging government to allow charity staff for whom claims have been made under the Coronavirus Job Retention Scheme to volunteer for their charity without penalty. DSC recommend that Cobseo align their efforts to lobby government with this campaign objective, as many Members highlighted the adverse effects of furloughing staff on their ability to raise funds or deliver services.

Additional research

This survey highlighted a desire for Members to see Cobseo lobby government for support and for government to understand the reality of what the charitable sector is experiencing. While this is an ongoing process, the need for data to inform discussion is integral. DSC proposes that additional research is needed in the following areas:

- Data presented in this survey showed an apparent overall decrease in beneficiary numbers. However, members reported around 50%-65% increases in beneficiary demand for loneliness, mental health, poverty and finance, and family support. DSC recommend that research is needed to ascertain whether this contradiction is due to decreased demand or a decreased provision as organisations reduce services (reported by almost half of respondents). DSC believe there is likely to be a distinction between the types of provision being made available by Members.
- DSC recommend that further monitoring and analysis of Cobseo Members' financial position is conducted to present a more definitive picture of where Members are seeing less income and more demand for services. This analysis would also help to ascertain how large the gap in funding has become and the long-term implications for Members and their beneficiaries.