

May 2010

State of the sector survey

Summary and analysis

In line with reporting requirements for Trust Waikato and in order to gain an overview of how the Waikato tangata whenua, community and voluntary sector is going from the perspective of those working directly within it Community Waikato surveyed a number of Managers, CE's and Community Waikato Advisors and other stakeholders. Community Waikato Advisors answered from their knowledge of the organisations they work with.

Participants were asked three questions;

- Organisation: How is your organisation doing in the aftermath of the recession and in the wake of a new government with changes in policy, expectation and funding?
- Sustainability: have you or do you have any plans for developing an income stream that will assist your organisation? If so can you briefly describe it?
- Sector: How do you think the community sector is doing here in the Waikato?

How is your organisation going?

The negative impact on organisations of lack of funding, reduced funding, uncertainty of funding, exclusive criteria for funding and changes in funding came through clearly when participants were asked how their organisation was doing in the aftermath of the recession and in the wake of a new government and subsequent changes. Participants noted the recession, despite *"apparently being over, is impacting on us more now than it did last year"*.

Organisations are spending far more time making higher numbers of funding applications for less return. One organisation noted they made over 100 funding applications in a 12 month period and received less than 15% of what they applied for.

Cost cutting can and has been done. Community organisations are generally wise users of their funds however some expenses cannot be avoided. *"It is more difficult to get grants for funding and administration costs and unfortunately expenses such as rent, power and petrol continue to rise"*. There was a feeling that government and other funders did not really have any idea what it was like to manage on so little. One organisation was frustrated that although

the service they provided was not supported financially by government or health board, the DHB was one of their largest referrers of people needing their services.

Participants, almost universally, described themselves and other staff as being tired, overworked, under increased pressure, pessimistic and anxious. Organisations are facing higher workloads being managed by less staff, laying off workers, postponing and cancelling planned programmes and making do on limited resources. There is concern how long organisations can continue to be effective with increasingly limited resources at their disposal. *"We are managing on what we have for now, but how long can we continue to do this? Our resources are drying up".*

Changes in Government and in policy have had a significant impact on a number of organisations. One participant noted, for example, that she spent a good 8-10 weeks preparing the Pathway to Partnership policy only to have it all made redundant with the sweeping changes made by the National Government. Other respondents noted similar issues related to simply trying to stay informed of changes and adjusting to them while still effectively doing the business of the organisation. This creates stress and concerns about risks and risk management.

Some organisations report concern that they may be neglecting some potential service users or not providing optimum service because they simply don't have enough resourcing to do so. This is both frustrating and worrying.

New groups are more pessimistic about their future; however they and the established organisations are clear that regardless of the hardship they are committed to their sector and providing for their communities. It was noted *"we are under pressure but it's not new for us, we are not a rich sector, but we tend to get by"*. One organisation was *"worried though that this time, after finally being recognised as a sector, being successful in gaining funding and developing our services we are not going to find it as easy to make do the way we did. We've developed too far to be able to go back to being run by a few volunteers and one or two paid staff"*.

How is the community going?

“Waikato has historically been really innovative and I believe continues to be so”

When asked for their opinion of how the Waikato community sector was going the general consensus was that it was managing or ‘trucking on’ as always. It was noted that we in the sector are ‘well weathered’ when it came to coping in hard times and through government change. Some organisations noted they were well prepared for potential reductions in funding and further, it has given them the opportunity to examine and reconfigure some services and ensure greater efficiency.

“One upside (of the recession) seems to be the cross-sectoral exploration of creative solutions to resourcing issues including collaborations with other organisations and working to increase unpaid natural supports/volunteers”.

The community sector is resilient. There is an increasing commitment to collaboration and continuing to explore the sharing of services and workspaces. Organisations generally are ‘getting on with business as usual’. That is not to say there is not a lot of hardship and difficulty being experienced, rather people working within the sector are taking it in their stride and continuing to ‘get by’. ‘Getting by’ as in managing to deliver services on very little was a community organisational strength noted by a number of the participants. It is *“something we always do” “things are hard, but then they always have been”*.

It was also recognised that coping regardless was something government and funders rely on community organisations to do. They depend on our ethos of caring for our various community members and ‘because we manage, they give us even less’. One respondent noted that *“we have always operated on a ‘do more with less’ mentality. However having this message reinforced by government increases the anxiety around what the government is expecting of us all”*. One participant noted that it feels like *“we are damned if we do and damned if we don’t”, meaning “if we manage on very little they (funders) decide that’s all we need, and if we show that we are struggling to manage they won’t fund us at all because we aren’t a good risk”*.

Another concern noted that although we are managing, our communities are missing out and *“the good that has been achieved can quickly be reversed”* (if a service has to discontinue through lack of resourcing). Some organisations noted that they are looking at ways to share and collaborate to further reduce costs.

"We are experiencing an ever increasing demand for support from families in the community and at times I think we are all feeling the pressure of wanting to do more with what we have, so that families in the community are not left without support. I am not sure how long we can sustain this for, before something 'cracks'".

Clearly organisations, while acknowledging the impact of reduced, removed or uncertain funding, are just getting on with the job and managing as best they can. However this comes at a significant cost to people working within the sector. Almost everyone interviewed noted that people working within the sector were tired and strained. Many reported high levels of anxiety and stress in themselves and staff members and volunteers. They are working harder, with fewer resources and heavier workloads.

Organisations are avoiding taking on new staff, neither replacing people leaving established positions or establishing needed new positions to assist with increased workloads due to higher client numbers. Pay raises for staff are not happening in an effort to keep costs down.

"Committed people are getting burnt out". Professional development has been cut back, at a time when there is more emphasis on being professional and expectation to perform as a professional but no resources are made available (by funders) to go with these expectations. There is a feeling that funders (including government) have no real idea what it is like to struggle to get by while meeting commitments and providing services.

"Parts of the community sector are holding their cards close to their chests.....others are talking openly about what their challenges are, and are actively seeking support for solutions. Changes are happening every where.....this was inevitable.

More services and organisations are more open to working in collaboration. This is a message that the government has sent out and I believe it has been heard. For survival, this message must be taken seriously".

It was noted by a number of respondents that they were being told to collaborate more at the same time as funding and contracting are becoming increasingly competitive. They note *"Competing for the same funding does not engender collaborative relationships".*

Problems related to the recession affecting the public are having a direct affect on organisations. Budget and foodbank services report up to 50% rise in the use of their services.

Budget advisory services are dealing with high levels of very complex debt issues related to people within the community trying to cope. One example given was a pensioner having five 'maxed out' credit cards and unable to keep up with repayments.

While there has been a marked increase in the numbers of middle and upper income earners seeking assistance, a large percentage of those looking for help are low income working families. Unemployment is rising, jobs are harder to find. As a result increased levels of ageism and racism are being reported, particularly towards older women and Asian people seeking employment.

"Organisations that have had funding cut for some services such as information and advice – this is a huge part of what organisations do. It is relevant to most things. For example if you are doing a budget you are going to offer information along side the budget, MSD knows that this service will continue even though not funded, I am not sure if it is said out loud but there seems to be an understanding that NFP will just continue to offer services that are not funded as this is what we do."

Concern was voiced that some volunteers have regretfully had to stop providing support and others are weighing up whether they can continue to afford to participate. The rise in GST and the Emissions Trading Scheme will add more pressure onto volunteers, many of whom are unemployed or retired and/or on fixed incomes. The costs associated with the Emissions Trading Scheme and GST will also impact heavily on organisations.

One of the tasks of Community Waikato and other community organisations is advocacy both for specific causes and people and also for social change to influence the systems and structures that underpin the problems we experience in our society. The ability to advocate for change is a vital part of democracy. Funding cuts or changes of priority for funding are happening in many areas of work and with the increase in need for social services and the pressures the sector is under the ability of the sector to advocate and to rally against cuts is being undermined so that there is a sense of frustration and pessimism. These mitigate against the energy and passion required for the sector to maintain itself and provide effective services and often shows up in organisational malfunctioning, an increase in employment issues and burn out among staff.

Sustainability

Organisations were clear that partial or total sustainability has always been a goal for organisations (prior to recession and/or funder insistence on this). The difference is that sustainability or financial independence has now become a key goal in organisational plans, rather than secondary to service delivery.

There was a lot of frustration expressed at the difficulty of creating sustainable funding sources without initial and or ongoing support or interest from funders.

“Funders want sustainability and social enterprise but won’t fund business- it’s a catch 22 situation”. “Sustainability is an issue for funders. They insist on it, but they won’t fund to set it up or they won’t fund once its there because they see it as a business”, “Funders don’t want to fund sustainability”. “We are trying to become self sufficient, making as much use as possible of our existing resources and assets. We have tried to get information regarding our projects across to the funders by arranging a presentation and a lunch. However the funders just aren’t interested. Response after response is thanks but no thanks. What do we have to do? Turn up on their doorstep?”

Other concerns expressed were;

“Success in making money creates a funder perception that we don’t need any other help” and “we potentially could become this money-making entity that no longer has the time to actually deliver the services for free to the people we were set up to help in the first place”.

“We have a NFP charitable arm. We envisage that when it is financially viable it will bring us an income stream. However we will still need support for some time until it is viable. We did gain funding to set it up but have some concerns over gaining continued support”.

While the discussion around sustainability largely took a purely financial perspective i.e. making money for the organisation, other forms of sustainability were discussed in particular staff resources. It was noted that staff were the biggest asset of any organisation and it was in the organisations best interests to ensure they were supported by way of professional development and training opportunities and fair reimbursement.

“Retaining highly skilled staff is an issue when we cannot support them in ways they need. With the best will in the world eventually staff have to move on to higher paying jobs to meet their own needs”.

Unfortunately professional development and training and pay raises have been one of the casualties of the recession and the reduced funding. Some organisations that provide training

as part of their own sustainable income strategy are reporting a very low uptake of training opportunities.

“One source of sustainable funding we have is generated by the workshops we run. We have experienced real difficulty in attracting participants to our workshops over the last six months and suspect that this is in part due to the general tightening of organisational training budgets post-recession and pre-proposed budget cuts and GST increase”.

Many organisations are utilising their current resources to create some income such as hiring out meeting venues, renting out car parking spaces and other facilities. However none of these ventures raise significant amounts of revenue.

Respondents were well aware of their own responsibilities around organisational sustainability to run alongside funder support.

“Keeping abreast of social policy and local community needs is imperative to sustainability because with dwindling resources we have to work smarter and more collaboratively with other providers.

We must have good networks within our own community so that the organisation is aware of what is going on, what the needs are, and then attending the right meetings or hui with funders and other key stakeholders so there is a collaborative approach to meeting the need, and that the right people are in the room at the right time having those discussions.

We need to be proactive by having the right conversations with different parties to try and gather funding via contracts to meet the identified social need, and therefore provide timely and appropriate services to the community.

By re-organising ourselves so that we can operate to our maximum potential, management will be better supported and able to secure contracts to sustain staff wages and the operating budget because there is a lot of potential new funding coming into the sector from the social policy changes happening in 2010.”

Participants also noted that working more sustainably can be as simple as utilising networks more effectively. For example one or two members of a network attending events such as Charities Commission Forums and reporting back the salient points to the rest of the group, with a subsequent saving on travel and working hours. Sustainability was also about good practice and involved the organisation ensuring good outcomes and accountability in order to maintain their three year contracts.

Conclusion

While respondents were very clear about the difficulties they have been facing and continue to face, the resiliency of the sector, its willingness to adapt and their absolute commitment to the people they serve within their communities came through clearly.

In the past this has helped the sector get through hard times without too much impact on the fabric of society and this may well be the case as the effects of this recession continue to hammer the sector. This recession coincides with a change of government and there are also impacts starting to be noticed as a result of the cuts to ACE funding. These have cut many people off from accessible educational, connecting and informal learning vital to community development and democratic development. Added to cuts to funding for information and advice in places such as community houses, there is a worrying trend towards fixing the immediate visible problems but not building knowledge and connection and this can be seen as a trend towards isolation and ignorance.

Networking, connections, collaboration and increasing organisational and financial sustainability are being used by people in the sector to bolster their sense of confidence and wellbeing. This is a sector that is increasingly professional and able in its practices, has an increasingly qualified and skilled workforce and has increasing expectations of funders and local and central government agencies to work alongside the sector - to go beyond bandaid solutions to support for preventative work and change. In consultation with the sector we can find the right mix of services to look after the immediate problems while at the same time working for change so that we prevent the problems happening and we build the abilities and wellbeing of our families and communities. The sector is looking to take an equal place beside funders and government in determining the best use of the available resources to support the work the sector is doing and ensure our people are able to work towards wellbeing and opportunity.