



**LVSC**

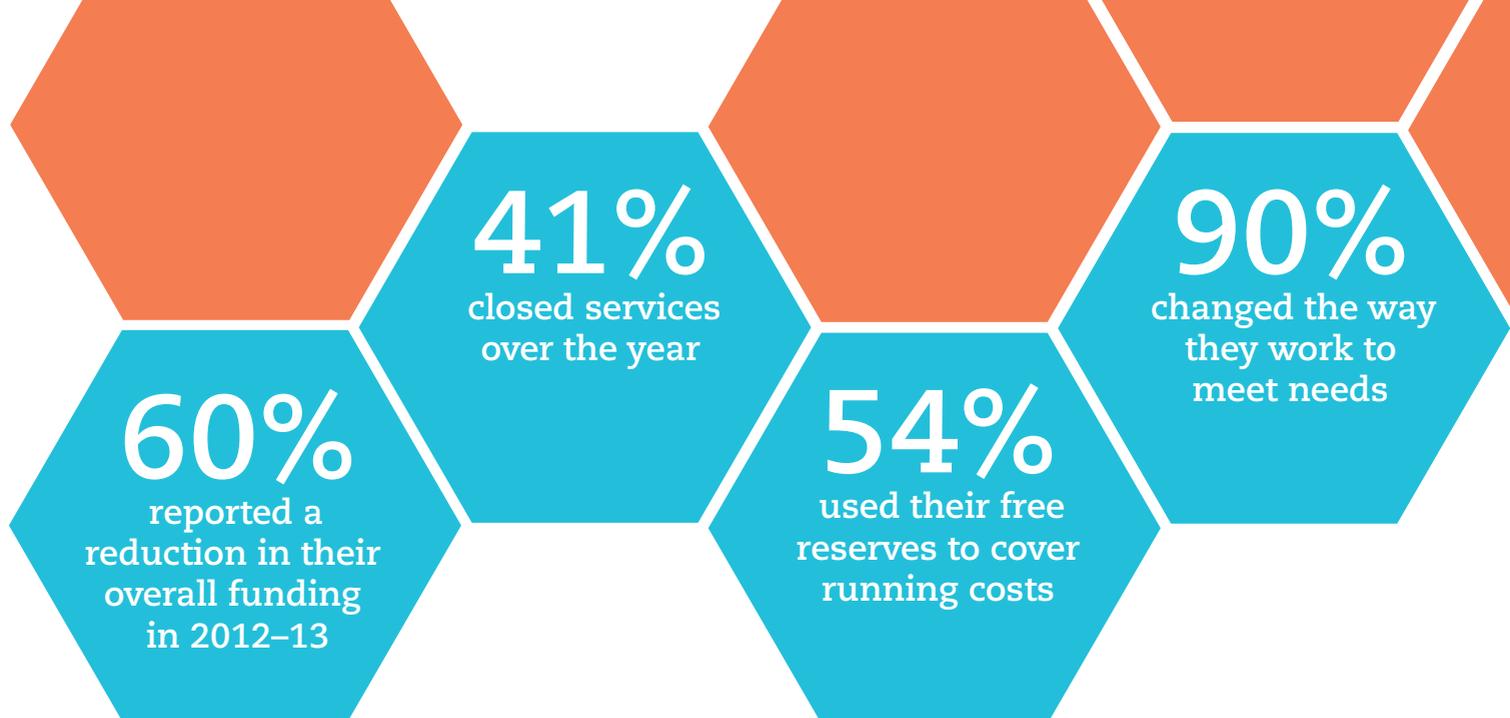
Voluntary and  
community action  
for London

**The  
Big Squeeze**

## The Big Squeeze 2012 Surviving not thriving

Sixty-six per cent of organisations report an increase in demand for their services, and sixty per cent report a decrease in funding, making it an unfortunate reality that London's voluntary and community sector are doing far more with much less. And they are doing so by adopting innovative and flexible approaches to providing services for their communities.

The Big Squeeze survey is a snapshot of the current impact the economic and policy climate is having on the voluntary and community sector in London and the people that use their services. It suggests that Londoners are being negatively affected by recent local authority cuts, welfare reforms and unemployment.



## Headline findings

- 90% of organisations continue to change the way they work in order to adapt to changes and better meet users' needs
- 60% reported a reduction in their overall funding in 2012–13 with a median decrease of 21–40%
- 41% closed services over the year
- 29% expect to close services in 2012–13
- 66% have seen an increase in demand for their services in the last year, particularly for advice services
- 71% expect demand to increase next year
- 50% think they will not be able to meet this increase
- 54% used their free reserves to cover running costs in 2011–12
- At the end of 2011–12, only 34% reported more than three months expenditure in free reserves
- 8% had no free reserves in 2011–12

## The impact of the policy climate

- 85% think that cuts to local authority budgets had a particularly negative impact on their communities
- 83% said that their users had been negatively affected by loss of services that meet their needs, particularly advice services
- 63% said that welfare reforms had disadvantaged the communities with which they work
- 56% said their users had been negatively affected by worklessness and 48% said their users' health was worse
- 45% think that no Government policy had a positive impact on the communities with which they work
- 20%, 22% and 38%, respectively, report Localism, Big Society and more commissioning of public services from the independent sector had a negative impact on their communities

## Will you be able to meet increases in demand for your services?



### Context: London and Londoners...\*

- Have the highest poverty rates in England
- More than half live in households with a weekly income below the minimum needed for an acceptable standard of living
- 82,000 to 133,000 households may be unable to afford their homes following the welfare reforms
- By 2016, only 36% of housing will be affordable to those receiving housing benefit, compared to 75% pre-reform
- The unemployment rate is the highest of any region and has increased from 6.7% in the second quarter of 2008 to 10.1% in the first quarter of 2012
- Young people (under 25) have been disproportionately affected by unemployment with more than 20% of young people in deprived areas of London not in employment, education or training (NEET), compared to 16.2% nationally
- Voluntary and community sector employment fell by 9% nationally, with 60% of those losing their jobs being based in London

\* References available in full Big Squeeze report at [www.lvsc.org.uk](http://www.lvsc.org.uk)

### Tracking responses over the years

This year there was a more optimistic response to the questions asked in each of the four years' surveys. This suggests that London's voluntary and community sector organisations are responding more effectively to the challenges of the current climate.

Impact, response and budgets	2009	2010	2011	2012
Has the economic and/or policy climate affected the communities you work with over the last year?	Yes 95%	Yes 97%	Yes 97%	Yes 89%
Has demand for your services increased this year as a direct result of the economic or policy climate?	Yes 71%	Yes 68%	Yes 81%	Yes 66%
Are you confident that you will be able to meet any increases in demand for your services in the coming year?	No 80%	No 75%	No 77%	No 50%
Is your organisation changing the way it works to cope with any changes this year?	Yes 78%	Yes 93%	Yes 94%	Yes 90%
What do you expect to happen to your funding from the public sector in the next year?	Not asked	Decrease 53%	Decrease 77%	Decrease 53%
What do you expect to happen to your funding from trust funders in the next year?	Not asked	Decrease 38%	Decrease 28%	Decrease 26%

## Innovation at work

Actions taken to meet users' needs	Last year's survey	This year's survey
Improve fundraising or diversify income	15%	60%
Collaboration or partnership within sector	51%	95%
Making staff redundant	54%	39%
Taking on more volunteers	56%	52%
Merger with another organisation	0%	11%
Collaboration with private sector	1%	23%
Better use of technology	9%	36%
Redesign services to meet needs	16%	39%
Develop new business model	8%	50%
Improve work with funder/commissioner	2%	61%

The Big Squeeze 2012 survey was open to London's voluntary and community sector organisations during May and June 2012 and was conducted in partnership with London Funders, LASA, Women's Resource Centre, Trust for London, City Bridge Trust, False Economy, NAVCA, Greater London Volunteering, London Community Resource Network, Stonewall Housing, London Civic Forum, ROTA, Children England, London Community Foundation and Ethical Property Foundation. This year, the fourth year we conducted the survey, 252 organisations responded.

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### The impact of LVSC's Big Squeeze work

“The Big Squeeze guidance has been fantastic and politically, it has really helped us in terms of influencing local policy.”

**Big Squeeze survey respondent**

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