





## Voluntary sector strategic environment 2011

Voluntary Action Westminster


## Economic

- Deficit reduction programme
- Low or no growth
- High inflation
- Interest rates low but rising
- Unemployment rising
- Many funding streams cut
- £1-3 billion cuts to VCS



## Political

- Big Society
- Localism bill
- Community Budgets
- Changes to NHS
- Welfare and housing benefits
- Transforming Adult social care
- Personalisation
- Free Schools



## Political (Big Society)

- Social action
- Volunteerism
- Philanthropy
- Marketising public services



## Political local

- 'We are bust'
- Local govt settlement >28%
- 25% Cut to social care
- Ending of grants - rise of commissioning
- Tri borough initiative



## Competitive environment

- Funders power great - commissioning
- VCS power weak - rare uniqueness
- Threat of New entrants high - low barriers to entry
- Threat of Substitutes high - personalisation



## RESOURCES ASSETS AND CAPABILITIES

- Tangible
- Intangible
- Human



## Tangible

- Inadequate reserves
- Few own assets eg building
- Heavy reliance on state funding



## Intangible

- Brands not particularly well known
- Good reputation as friendly - on the side of the community
- Confusion - are they free?



## Human

- Highly skilled workforce in specific activities
- Weak non existent HR
- Outsourced or weak finance



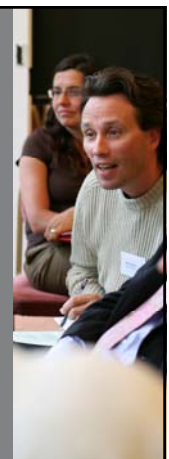
## Sector challenges

- Jolting shrinking resources 2011
- Poor capitalisation and asset base
- Lack of strategic organisational thinking?
- Unrealistic expectations
- Happening now but Govt strategy 15 years to take affect
- Growing marketisation / weakening of relationships



## Sector status

- Largest will compete for contracts
- Smallest can get by with small grants
- Mid sized most vulnerable they provide greatest local social capital



## Sector Options

1. Earn income
2. Win contracts
3. Increase donations
4. Get grants
5. Develop philanthropy
6. Merge back office or
7. Deliver in partnership/ consortia
8. Use volunteers to deliver service
9. Merge or close



## Challenges

- What are the best options for your organisation?
- Can you demonstrate your outcomes?
- Could you work in a consortia?
- Do you want to do strategic thinking?

## Strategic analysis

- **1 day free strategic analysis**
- **5 organisations**
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