



Causes and effects

A report exploring the challenges and opportunities facing local causes across the UK

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Foreword by Rebecca Birkbeck, Director of Community Engagement at the Co-op



Rebecca Birkbeck,
Director of Community
Engagement, Co-op

Over the past 18 months, the Co-op has funded more than 12,000 local causes through our Local Community Fund. We have established close relationships with these local groups, who on a daily basis support communities throughout the UK.

The strength of these relationships has helped us to build in-depth insight from over 1,500 of these organisations, and appreciate the challenges and demands they face. We wanted to gain a 'state of the nation' snapshot to better understand how they get their income, how they are managing the increasing demands on their services and how they feel about the future.

Whilst it is clear that an overwhelming number of causes are seeing a marked increase in the demand for their services, the research findings also show that in general they are coping with this demand but a significant number are concerned about the future.

It is also clear that differences exist between different types of groups and we are using the findings to help focus and strengthen our Local Community Fund and other community activities.

We hope that this report will provide a window on the world of local community causes and how they may become even more resilient in the years ahead.

Research

In April 2018, we issued a survey to all of the 12,000 local causes supported by our Local Community Fund since September 2016. More than 1,500 groups responded and told us about their experiences.

The causes that we have supported through our Local Community Fund to date have largely been small, locally focused charities delivering projects for the benefit of their communities. For the most recent round of applications, in April 2018, we extended eligibility to co-operative and community organisations that are not registered as charities.

The main types of causes that the fund has supported to date are young people, social inclusion, education and skills, community development, health, sport, art and culture, environment and animal welfare.



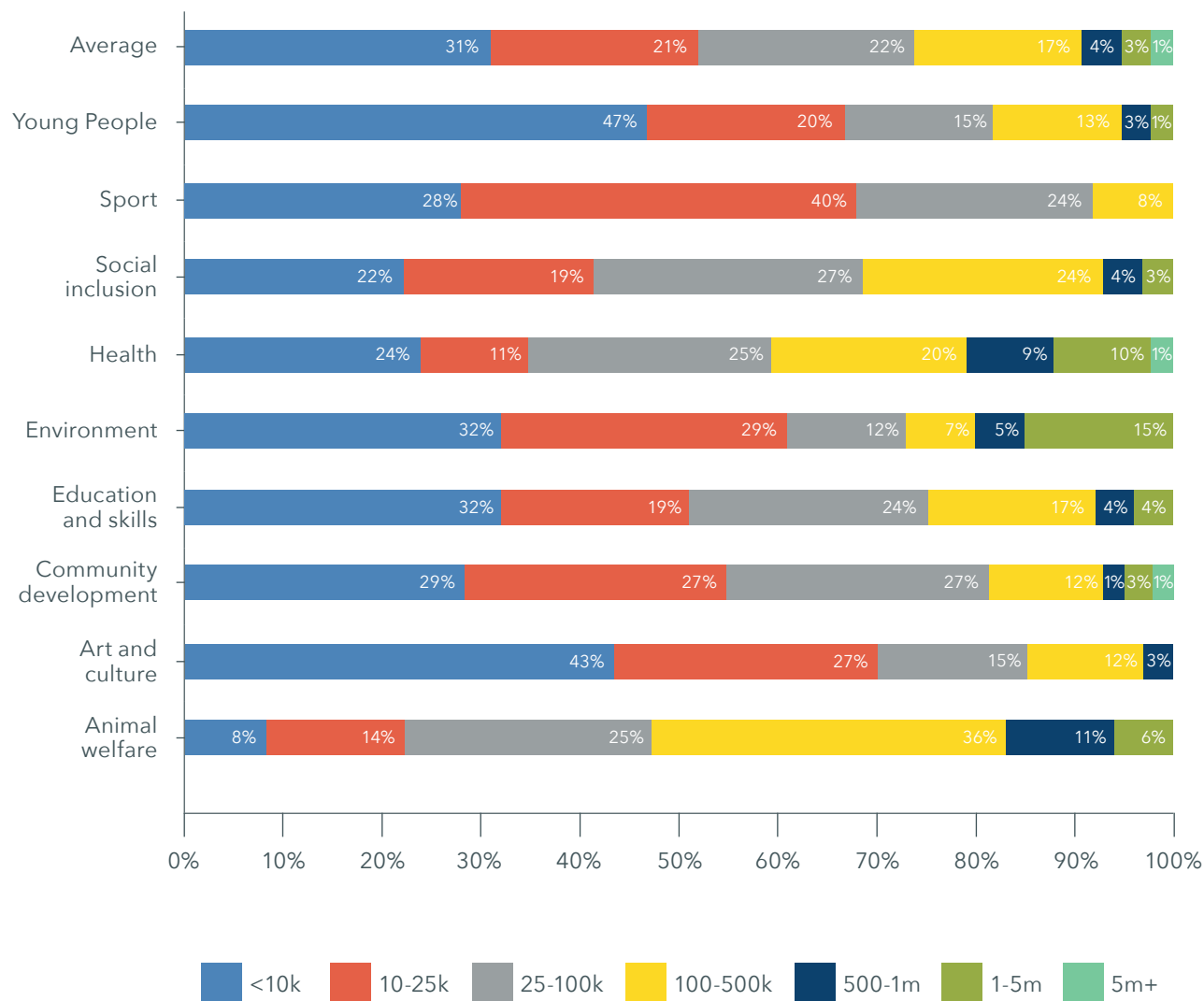
Findings

Where does the money come from?

Income clearly plays a vital role in the day-to-day running of a local cause, and our research suggests that many organisations are working to an extremely tight budget.

Over half of the organisations we spoke to had an annual budget of less than £25,000, with 31% of causes reporting an income of less than £10,000 a year. The remainder were spread across a broad spectrum, reflecting differences in the sizes and activities of the causes.

There was a considerable disparity in incomes across different types of groups. More than two-thirds of groups focused on young people, sport and arts & culture had a budget of less than £25,000; while this only applied to 35% of health causes and 22% of animal welfare groups.



Where does the money come from?

Unsurprisingly, given the wider economic context in which they operate, around half of all causes reported that they were receiving income from more diverse sources than they were five years ago.

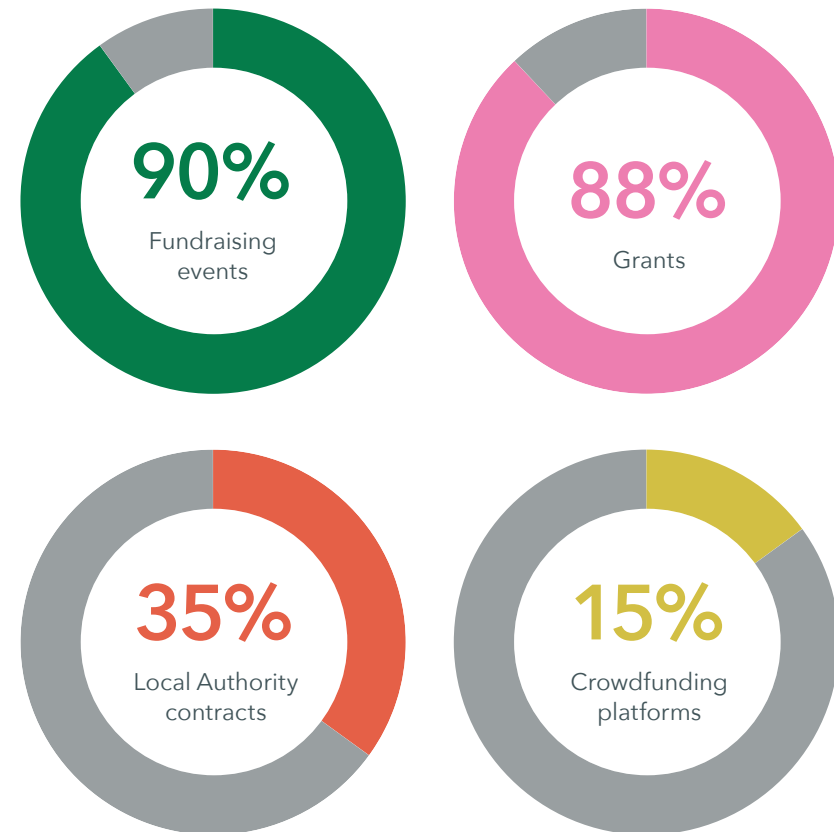
90% used fundraising events, just under 90% regularly accessed grants, and 35% were paid for fulfilling local authority contracts.

45% of the charities working in the education sector undertook local authority contracts – the most of any sector – whilst 94% of causes helping with social inclusion accessed grants, the highest of any cause type.

Only around 15% of organisations used crowdfunding platforms, with the exception being animal welfare groups (33%).

Around 30% of causes had seen a reduction in public and government funding over the last five years, with social inclusion groups (45 %) being particularly impacted. These organisations were also the most reliant on grants, with 94% dependent on this type of funding versus 88% overall.

The percentage of causes which are reliant on different funding sources



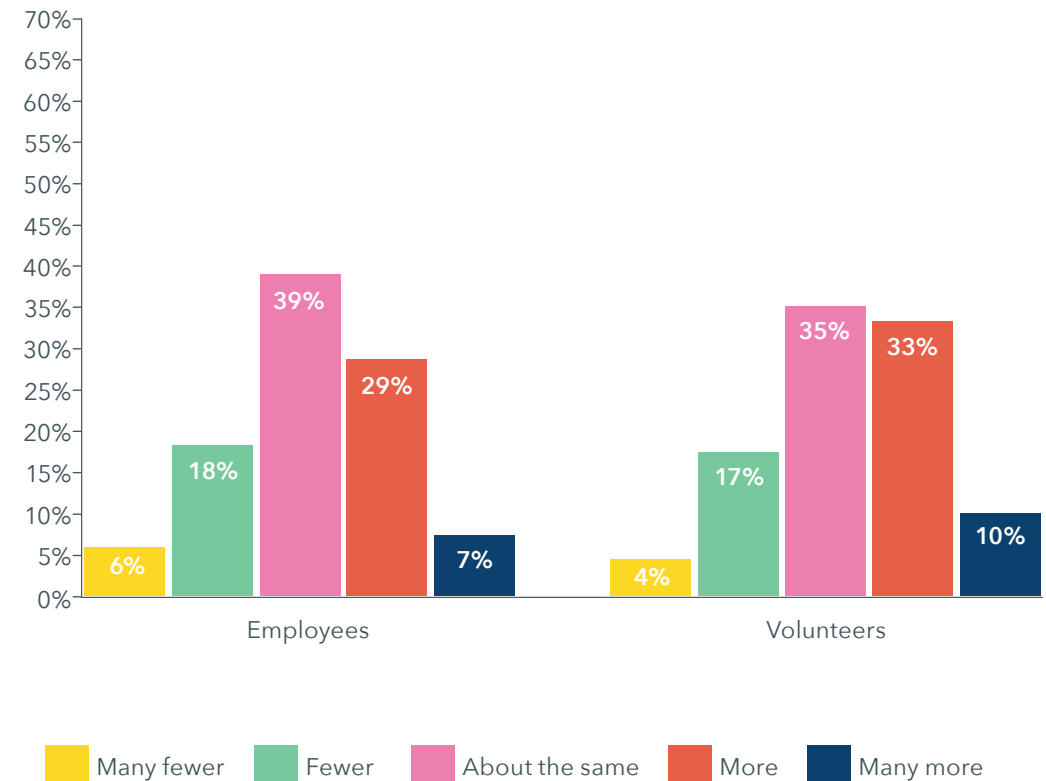
More volunteers still needed?

The good news is that across the board 43% of causes reported an increase in the number of volunteers compared to five years ago, with growing demand for their services cited by many as the reason for the increase.

36% of causes have also seen an increase in the number of employees over the last five years, a rise that again appears to be driven by an increase in demand for services and the expansion of the organisations.

Organisations working in education and skills (24%) and social inclusion (23%) reported that they had fewer employees than they did five years ago, as did 15% of environmental causes.

Do you have more or fewer employees / volunteers than 5 years ago?



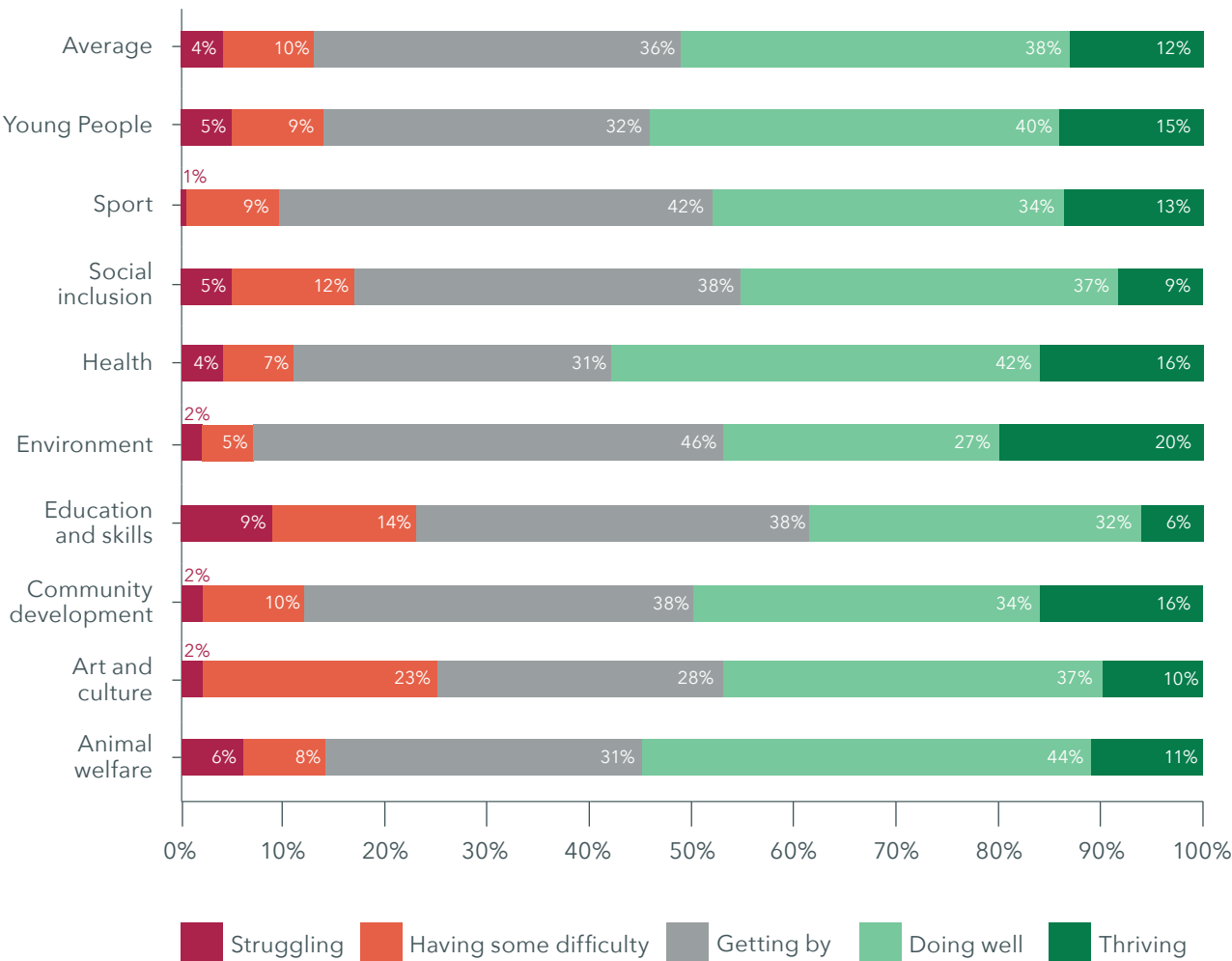
How are the causes feeling and coping?

We asked the survey respondents to describe the overall health of their organisation, and only 12% described themselves as currently thriving.

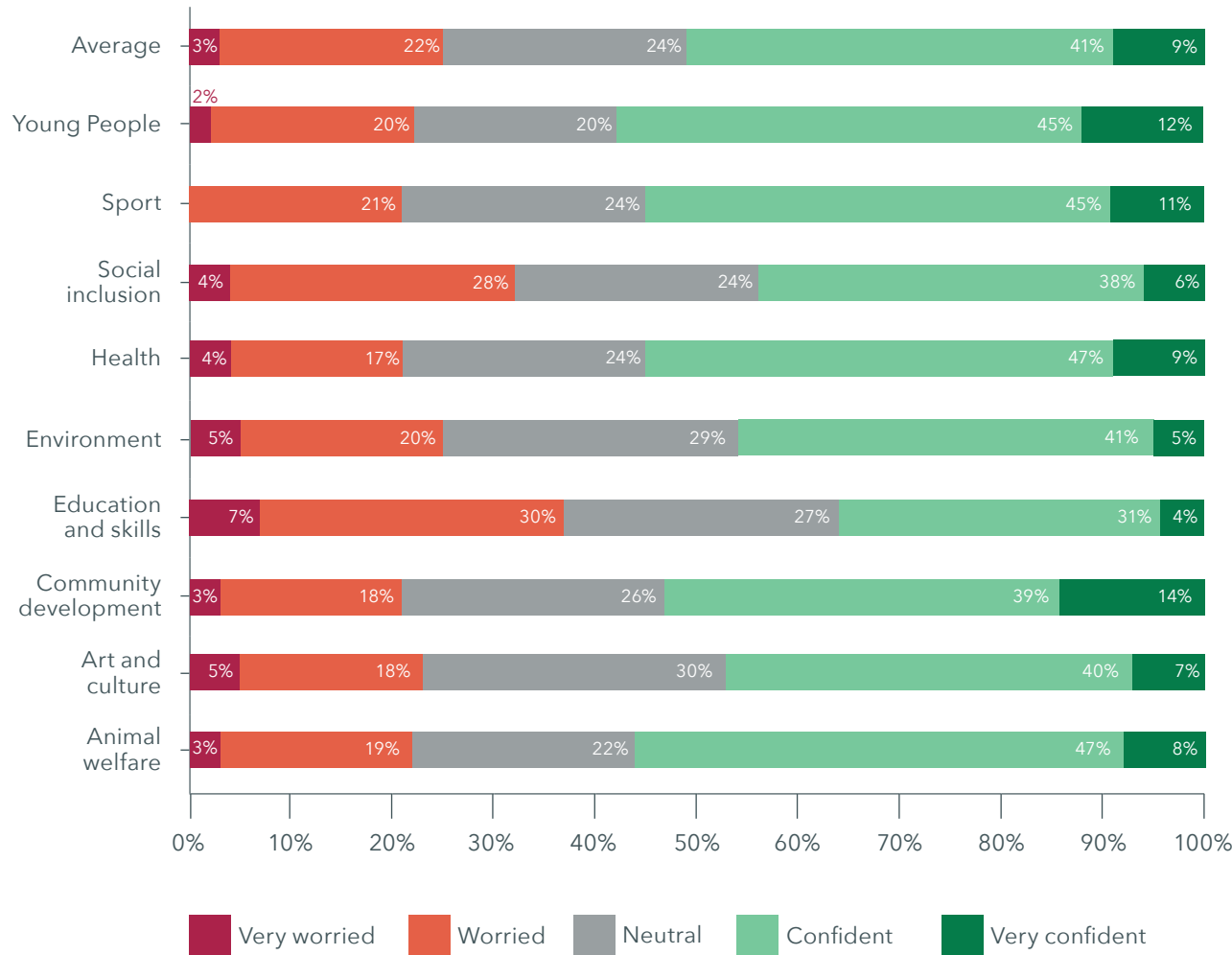
In contrast, 14% said they were struggling or having some difficulties. This figure was higher for arts and culture causes (25%) and those working on education and skills (23%), who seem to be facing particular pressures.



Overall, how would you describe the health of your organisation?



How causes feel about the future



One in four of the 1,500 groups that responded said they are either worried or very worried about the future of their organisation.

Over half (57%) of causes working with young people described themselves as confident or very confident about the future, as did 56% of sporting causes and healthcare organisations, 55% working in animal welfare, and 53% of community development causes. In contrast, 37% of education and skills causes and 32% of organisations working on social inclusion described themselves as worried or very worried about the time ahead.

The main reasons for feeling this way:

56%

Increasing demand for services

44%

Increasing running costs

30%

Reductions in public /government funding

20%

Lack of engagement from volunteers

20%

Lack of skilled staff/volunteers

17%

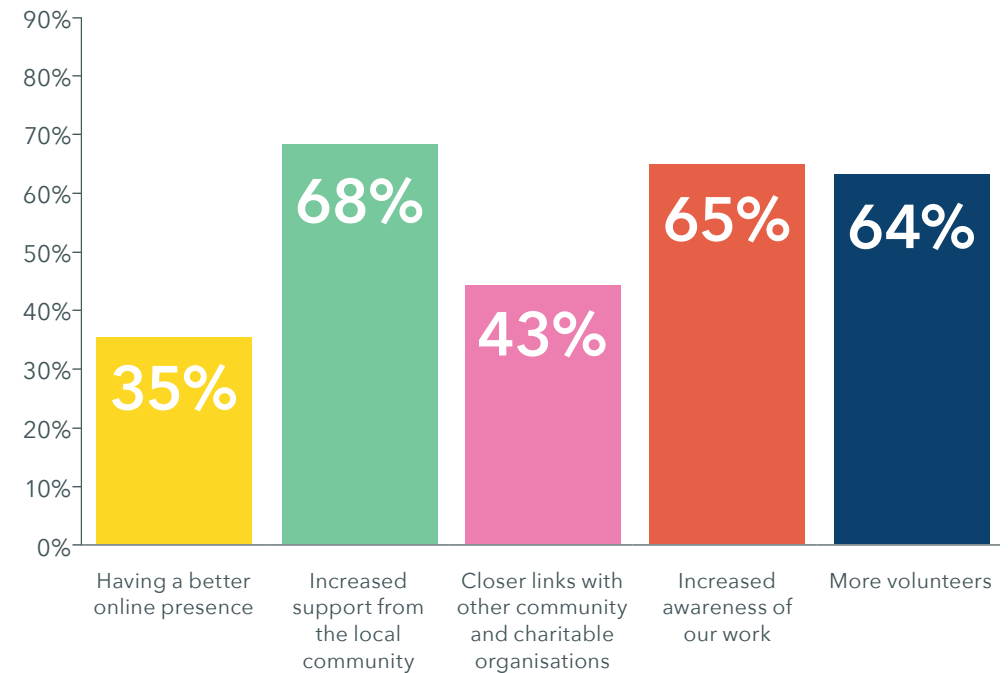
Difficulty raising awareness

Cause for optimism?

With some organisations concerned about their prospects, we asked what they would benefit from most. What was clear was the growing importance of communities coming together for the benefit of everyone. Nearly 70% of the organisations surveyed said they would like greater support from their community, and not just financially.

65% said they would appreciate increased awareness of their work, and 43% would be helped by closer links with other community and charitable organisations.

Aside from funding, which of the following would help your organisation?



Summary

Our report shows that there is an increasing demand for the services provided by local causes, and while numbers of volunteers have grown, this doesn't appear to keep up with the needs of the communities in which they operate.

With groups competing for fewer grants and local authority contracts, funding and fundraising will play an increasingly important role in an area which is already working with relatively small incomes. Support from businesses such as the Co-op's local community fund will become even more important.

Looking ahead, it would appear that there is an opportunity for organisations to use social and digital media, not necessarily in service provision, but to raise awareness and to help with fundraising through online resources such as crowdfunding sites.

It is clear that communities and organisations will need to play a greater role in supporting causes to continue to take action and make change happen. At a time of public sector funding reductions and cuts to grants, we believe now, more than ever, that connecting local people and causes to enable greater co-operation is the key ingredient to building stronger communities.



About the Co-op and our role in the community

There is a Co-op store in every postal area, and being a part of the community is in our DNA. We pride ourselves on being the focal point of many neighbourhoods, bringing people together to help make them stronger. It is part of the 'Stronger Co-op, Stronger Communities' strategy, and sits at the heart of everything we do.

To further support these areas, the Co-op launched the Local Community Fund in September 2016. We have supported 12,000 causes and to-date have given £22 million back to the community, buying equipment for a community garden, installing a kitchen in a village hall, and ensuring that every child in a youth group – regardless of income – can take part in activities.

In addition, we have also recruited Member Pioneers. These are people that build relationships between local causes, Co-op Members and the wider community, bringing people together to boost community life by arranging meetings and events, and getting people talking about what matters most to them.

More than 200 Member Pioneers have taken on the role to-date, and our ambition is to recruit many more so that we have Member Pioneers supporting each of our 1,500 communities by 2020.



Case study : Member Pioneers



Mariyam Siddique,
Member Pioneer, Oakworth

Mariyam has worked at the Co-op food store in Oakworth near Bradford since May 2013, and in early 2018 she became a Member Pioneer.

Mariyam is one of more than 200 Member Pioneers recruited to-date.

Mariyam said: "Being a Member Pioneer is about creating connections between groups of all sorts, not just the ones we are supporting through the Local Community Fund. By keeping your eyes and ears open – not just in the store but everywhere – you can find out about all sorts of people and groups that would be stronger if they worked together.

"Community has never been more important, and the more bridges that we can build the more efficient and effective we can become.

"I have helped to build a relationship between the Oakworth Community Centre and our local community church. Before they worked in isolation, but are now working together, sharing resources, facilities and stock to provide a better service for people in our community. It's just one example of how communities become stronger when people come together.

"We need communities to be stronger and work together for future generations. The Co-op has certainly started doing that through our Local Community Fund, and Member Pioneers like myself are there to bring those connections closer to our hearts."





The Co-op received responses from 1,500 local causes that have been supported by the Co-op's Local Community Fund, April 2018.

About the Co-op

The Co-op is one of the world's largest consumer co-operatives, with interests spanning food, funerals, insurance, electrical and legal services. It has a clear purpose of championing a better way of doing business for you and your communities. Owned by over 4 million members, the Co-op has 3,800 outlets in communities across the UK. It employs around 69,000 people and has an annual turnover of over £9.5 billion.

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