



Evolving our Ecosystem

**A Review of Sutton's Charities,
Community, and Faith Organisations:
Their Needs, Potential, and Challenges**



**Report commissioned by
Community Action Sutton and Volunteer Centre Sutton
April 2025**

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Foreword

This report was commissioned by Community Action Sutton and Volunteer Centre Sutton, to deepen all of our understanding about the charity, community and faith sector in the London Borough of Sutton. Our goal is to support organisations of all sizes, types, and focus, including charities, community and faith groups, statutory organisations like the Council and the different dimensions of the NHS (such as Primary Care, the Integrated Care System, local hospitals and community providers) and other partners to understand each other, and communicate and collaborate better.

For our own organisations, this report serves as both a reminder of what is expected from us in our infrastructure roles and an inspiration to evolve and improve our support. By doing so, we aim to better serve Sutton's charity, faith, and community ecosystem—and ultimately, the people who call this Borough home.

Some of the findings are hard to read. The financial strain on organisations, pressure of rising need and demand, and the impact on staff and volunteers are sobering. However, bringing these issues to light enables us, alongside our wider partners and systems, to take informed, proactive steps to address them collectively.

We are proud to have invested our charitable funds in this project, and we are optimistic that the outcome will be a better informed system, constructive conversations, and the opportunity to change what we can, and understand the challenges we face together.

**Simon Breeze, CEO Community Action Sutton and
Anita Maullin, CEO Volunteer Centre Sutton**

About Volunteer Centre Sutton

Volunteer Centre Sutton has supported people and communities in the London Borough of Sutton for nearly 60 years. Its vision is to build better lives through volunteering, addressing inequalities, and supporting those who are vulnerable, disadvantaged, or deprived.

Volunteer Centre Sutton helps local charities, community and faith groups, with volunteer recruitment, retention, and management. It also connects residents to volunteering opportunities through in-person services and a digital platform. Additionally, Volunteer Centre Sutton delivers public-facing projects, demonstrating the power and impact of volunteering in the community.

About Community Action Sutton

Community Action Sutton promotes equality, diversity, and positive change for communities in the London Borough of Sutton. It supports charities and groups of all sizes, from large organisations to small volunteer-led initiatives.

The charity provides advice on governance, policies, funding, and trustee development, alongside advocacy and training opportunities. It also offers paid services, including bookkeeping, payroll, and consultancy, to equip groups with the resources and expertise needed to succeed.

A Picture of Sutton's Charity, Community and Faith Ecosystem

There are **558** charities, community and faith groups in Sutton

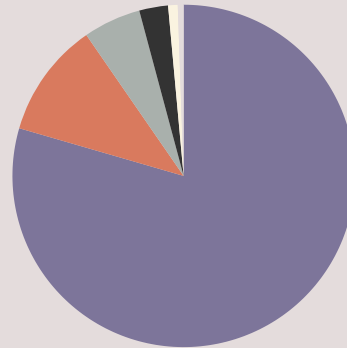


of all groups participated either in the survey, an interview or an event*



Type of organisation:

79% registered charities



Annual Income:

£ 28%
Under £10K

££ 27%
£10K - £50K

£££ 10%
£50K-£100K

££££ 20%
£100K-£500K

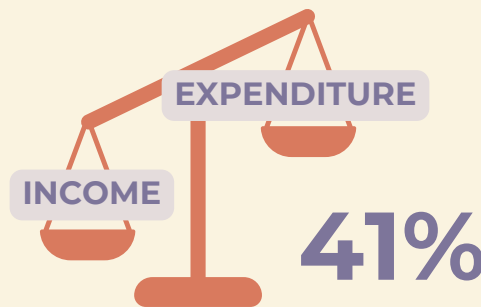
Total income & Total Expenditure:
income

£111,856,093



expenditure

£108,993,907



of all organisations have a
HIGHER expenditure than
INCOME

(where income level is available)

98%

of all survey respondents have at least
SOME volunteers, with

43%

run entirely by volunteers with no paid
staff

* Data about Sutton's charities, community and faith groups has been collected through direct engagement with the community and extensive desk research. However, unregistered community and faith groups may still need to be identified. If these groups are not registered as charities or companies and have not engaged with the project or its commissioning charities, their details may remain inaccessible to the authors.

A Picture of Sutton's Charity, Community and Faith Ecosystem

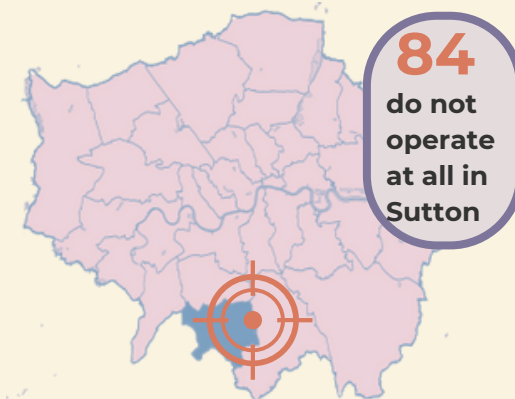
There are **AT LEAST 14,926** volunteers (including trustees) across all the registered organisations in Sutton



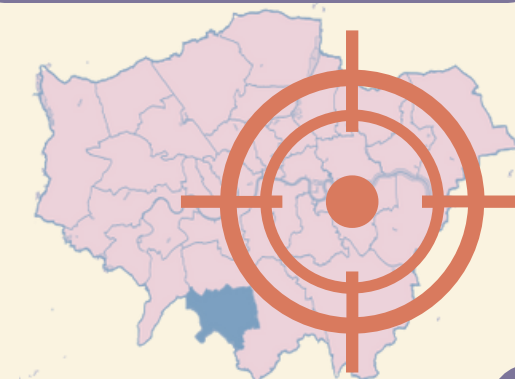
For all organisations with a registered address in Sutton:

201 work ONLY in Sutton

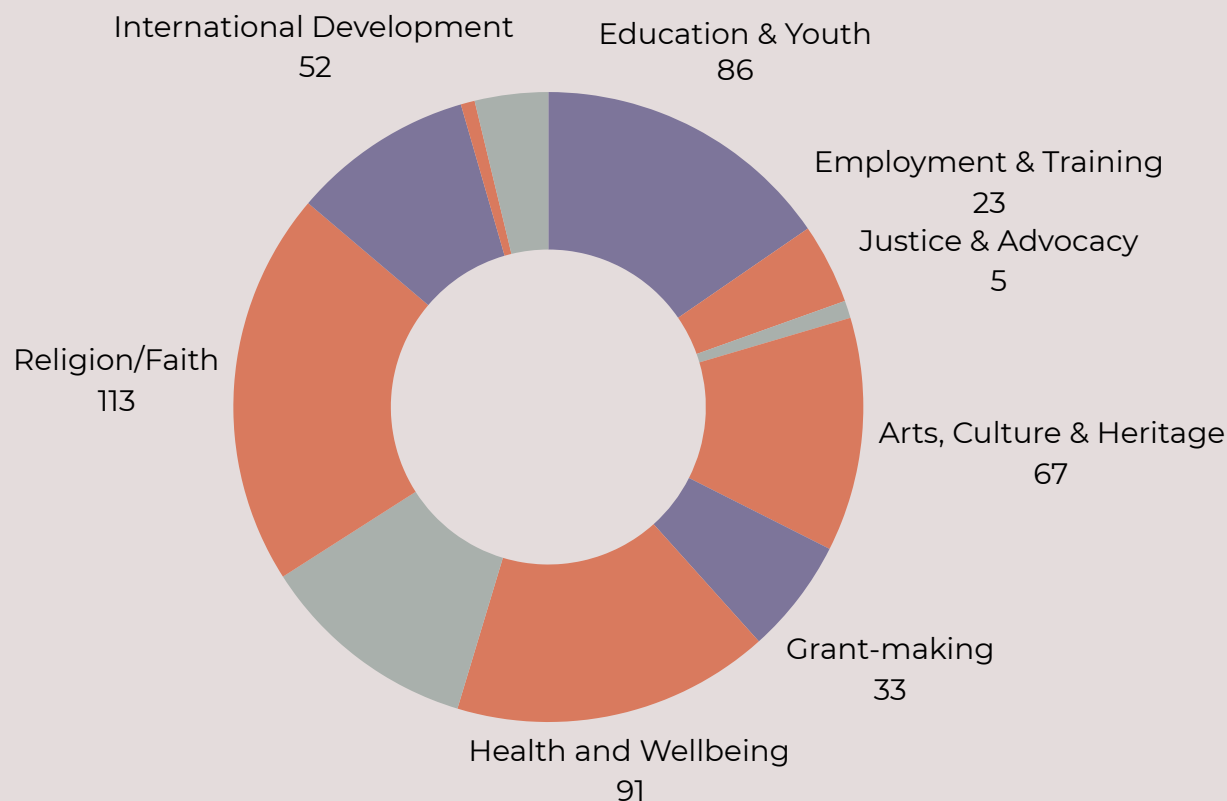
84 do not operate at all in Sutton



273 work in Sutton AND OTHER AREAS



Primary focus of work by category:



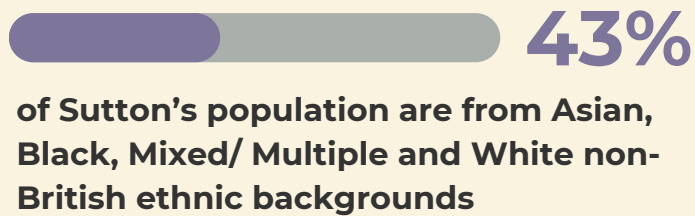
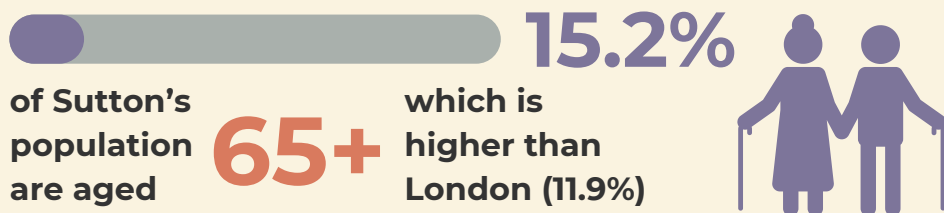
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A Picture of Sutton as a Borough

People: age, ethnicity, language

Sutton's population is (2021 Census)

209,980



Plus recent and significant migration from Hong Kong, Ukraine and Afghanistan



Households with members who do not speak English as their first language **17%**

Top 5 languages:

1. Tamil
2. Polish
3. Urdu
4. Bulgarian
5. Romanian

Place: deprivation and housing

7 neighbourhoods in Sutton are within the most deprived **20%** in England

20.8% of residents earn below the London Living Wage

18% of residents live in poverty

25% of children live in poverty



Health and Care

1 in 3 patients registered with a GP in Sutton have a long-term condition

At least **40,000** residents will experience a mental health disorder each year



2,685 adults received long-term support from adult social care in 2021/22

12% compared to 2020/21

Executive Summary

This report, commissioned by Community Action Sutton and Volunteer Centre Sutton, explores the priorities, challenges, and perspectives of charity, community, and faith organisations in the London Borough of Sutton. Drawing on interviews, group discussions, surveys, and both public and government data, this report provides a comprehensive view of Sutton's evolving charity and faith ecosystem. Local leaders, NHS officials, and Sutton Council decision-makers contributed their insights, marking the first report of its kind in nearly a decade.

Not everyone approaches the issues raised in this report from the same perspective. Experiences differ—whether working with large or small organisations, contributing to broad initiatives, or drawing on unique personal and professional contexts. These diverse viewpoints shape what individuals see as most important.

Participants in this research, along with many others we've engaged with, emphasise that for faith groups, community organisations, and charities to thrive as part of a connected ecosystem—and for the system as a whole to succeed—empathy and openness must underpin how we approach collaboration. Recognising and valuing these diverse perspectives is not just helpful; it's essential. To progress, we must continuously improve how we listen, connect, and collaborate. This includes creating safe spaces for meaningful, sometimes challenging, conversations—spaces that enable addressing differences and working towards shared goals. By fostering this approach, we can build stronger relationships and a system that serves everyone.

This report aims to be a practical and inspiring resource, confirming and updating what is known, and providing new insight about how things are in Sutton. It updates and confirms existing knowledge while offering new insights into Sutton's charity, community and faith landscape. Readers are encouraged to use it for strategic planning, fundraising, fostering connections, and strengthening community efforts.

Above all this report is a call to action, we hope readers will use it to support strategy, fundraising and financial planning, and strengthening community-building. We encourage readers to use this report to spark conversations—with one another, within their organisations, and with the public—about how to build a stronger, more connected charity, community, and faith ecosystem in the Borough of Sutton. Through shared knowledge and collaboration, we can achieve lasting, positive change despite the challenges we all face.

Towards a Better Description of What We Are: The ‘Ecosystem’ of Charities, Community and Faith Groups

In this report, we deliberately use the term “Charities, Community, and Faith Groups” instead of the more commonly used “voluntary sector”, “VCSE sector” (voluntary, community, and social enterprise sector) or “VCFSE sector” (which adds in faith as a separate category). This choice reflects our commitment to accurately describing the diverse range of organisations that operate in the Borough of Sutton.

This terminology challenges the misconception driven by the word “voluntary” that these organisations rely predominantly on volunteers. In reality, volunteer involvement varies widely, with many groups operating through a mix of paid staff and volunteers. Solely volunteer-run groups also differ significantly in their resources, skills, and approaches.

We also intentionally avoid referring to Sutton’s charities, community groups, and faith organisations as a “sector”. Using this term risks implying a homogeneity that does not reflect the reality of over 558 diverse organisations. These range from small, entirely volunteer-run groups to large employers with hundreds of staff, from grassroots neighbourhood initiatives to partners in nationally or internationally federated structures. Each contributes uniquely, bringing varied strengths, resources, and skills while often collaborating with others to benefit the community.

To better capture this diversity, we use the term “ecosystem” and encourage readers to adopt both the term and mindset. This word reflects the complex, interdependent relationships uncovered by our research. Sutton’s charities, community groups, and faith organisations resemble a thriving rainforest rather than a regimented row of flower beds, with rich connections and interdependencies that drive their collective impact.

ecosystem (noun):

A biological system composed of all the organisms found in a particular physical environment, interacting with it and with each other.



Key Findings and Recommendations

Sutton's ecosystem delivers a lot already, faces significant challenges but holds immense potential for further impact. By implementing these recommendations, stakeholders can build a collaborative, resilient system that empowers organisations to serve their communities effectively. Collective action, driven by shared responsibility and a commitment to equity, will be essential for navigating the road ahead.

Key Findings:

1

Fragmented Collaboration:

Despite Sutton's vibrant ecosystem, collaboration across charities, the NHS, and council structures is often fragmented. Many organisations operate in silos, with limited peer engagement or coordinated planning.

2

Financial Strain:

Rising costs, restricted funding, and inflation severely challenge financial sustainability. Over 40% of organisations reported income shortfalls, and many lack reserves to weather unexpected crises.

3

Volunteer Recruitment and Retention:

Recruitment difficulties, shifting demographics, and post-pandemic challenges have reduced volunteer availability. Retention issues stem from unclear roles, insufficient recognition, and increasing financial pressures.

4

Leadership Burnout and Staffing Issues:

Many organisations face leadership burnout, staffing shortages, and an inability to offer competitive pay or development opportunities. Smaller charities, in particular, struggle with capacity and expertise gaps.

5

Infrastructure Limitations:

Access to affordable spaces, sector-wide advocacy, and skills development for trustees and staff remain underdeveloped. Infrastructure organisations play a vital role but need to enhance clarity, engagement, and proactive advocacy.

Key Recommendations:

1

Foster Collaboration and Build Networks:

Develop thematic forums and peer-led networks to share resources, address challenges, and drive strategic collaboration. Introduce formal collaboration structures with skilled facilitation to foster trust and inclusivity.

2

Strengthen Financial Resilience:

Advocate for full-cost recovery models that reflect true delivery costs, including inflation and overheads. Equip organisations with the skills to calculate and present robust funding models confidently.

3

Support Volunteers and Staff:

Invest in volunteer recruitment campaigns, matching platforms, and retention strategies. Provide emotional support, training, and leadership opportunities for volunteers. Expand capacity-building initiatives for staff, focusing on governance, financial management, and wellbeing.

4

Maximise Community Assets:

Promote strategic use of council-owned properties through community asset transfers and streamlined access processes. Establish a transparent mapping system for available spaces to improve accessibility

5

Enhance Infrastructure Support and Advocacy:

Clarify the roles of infrastructure organisations and address perceived overlaps. Advocate for systemic change by promoting fair funding practices and challenging inequities. Engage underrepresented groups and expand proactive outreach efforts.

6

Encourage Long-Term Planning:

Advocate for longer-term funding cycles to reduce instability and support strategic planning. Offer guidance to organisations on adapting to operational realities and exploring partnerships or mergers where appropriate.

How This Report Was Written

This report was researched and written by two independent researchers, working with the commissioning charities over a period of four months.

The insights gathered include:

- 54 survey responses
- 36 interviews with 28 charity leaders and 8 system leaders from the Council, NHS, and other key partners
- 17 Participants in local “playback” events with charity, community and faith leaders and other stakeholders to clarify and validate initial findings
- Extensive desk research to identify and document the details of the 551 registered charities, community and faith groups based and operating in the London Borough of Sutton, their size, focus, and makeup – utilising local registers, and national data sources (1).
- Further research to identify local and national data and insight relevant to the themes of the report.

A diverse range of participants who broadly reflect the overall charity, faith and community ecosystem in Sutton was recruited to take part, offering rich perspectives on key issues, opportunities, and the potential of Sutton’s charity, community, and faith ecosystem. We are grateful to those who contributed directly and to those who championed the project within their networks.

15% of all charities, community and faith groups in the Borough of Sutton participated in this project, either by completing a survey, or taking part in an interview or event.

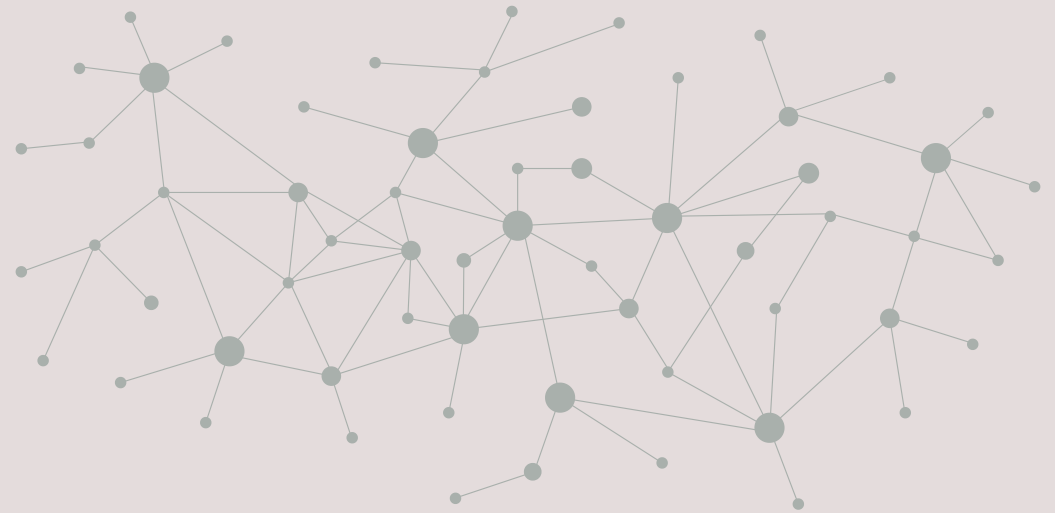
Time constraints and competing priorities prevented some interested individuals from participating, but we hope they can engage in future work on this topic. A few local organisations were hesitant to take part, expressing uncertainty about the project’s value. We hope this report demonstrates its importance and encourages them to participate in follow-up activities.

The authors, Community Action Sutton and Volunteer Centre Sutton wish to extend their heartfelt thanks to all participants for their time and insight – it has made this report what it is. Any omissions or errors are ours, and we welcome feedback and further information to enrich the large bank of information gathered for this project.

(1) The data gathered is a significant progression from previous database content at Community Action Sutton and Volunteer Centre Sutton, however it remains a work in progress, as many small community groups are not formally registered, and so are more challenging to gather information about unless it is volunteered by them.

1: Building Connection

Recognising the strength in our diversity, and making the most of common ground



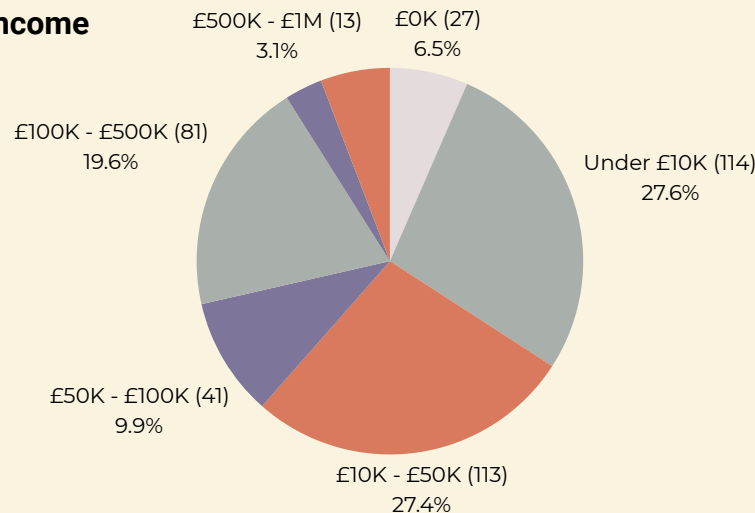
A connected system of charities, community, and faith groups depends on strong networks, collaborative relationships, and shared understanding. Many participants highlighted the need to build lasting connections across the charity, community and faith ecosystem and the wider system including the NHS and Council.

A Snapshot of Sutton's Current Ecosystem

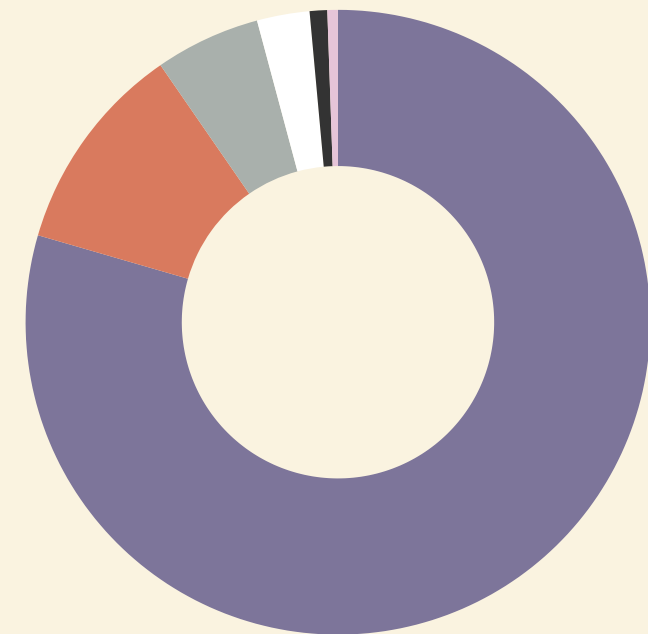
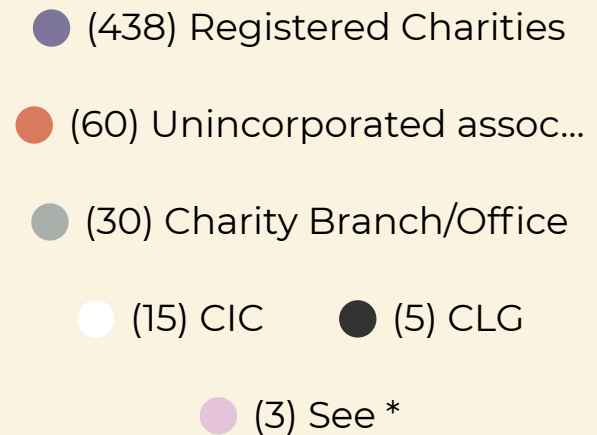
Sutton's charity, community and faith ecosystem is comprised of a wider variety of types, sizes, and purposes of organisations. **The total known income of these organisations is £111,856,093 (2)** – contributing significantly to the local economy and providing a wide range of free and low cost services, support, social, sport and cultural activities for local people.

When the percentages of unknown and recently registered are excluded, 72% of Charities, Community and Faith Groups operating in Sutton have an income under £100,000, 92% under £500,000 and 95% under £1m. This is broadly in line with the national trend; across the UK 96% of charities, community and faith groups have an income under £1m and 80% under £100,000 (3).

By income



By type



*Community Benefit/Mutual Society

(2) This figure excludes three large education trusts (such as multi-academy trusts) and is 'known' income i.e. that which is recorded, declared, or otherwise accessible in the public domain

(3) [Size of the sector - Profile](#) | [UK Civil Society Almanac 2023](#) | [NCVO](#)

Charities, Community and Faith Groups in Sutton by Primary Purpose

Charities, community and faith groups have a wide variety of primary purposes (4) – our research identified 33 (5) different activities carried out, with many organisations delivering multiple types of activity.



(4) Primary Purpose has been defined based on how organisations self-describe in publicly available information e.g. charity registration documents, their own website, promotional materials

(5) The categories used are aligned with those used in charity sector reporting by the Charity Commission and NCVO

The largest single grouping was organisations with a primary purpose as a **religious or faith group (113 organisations)** Sutton has a large number of faith organisations of different denominations, from traditional places of worship, to small community worship groups. Many of these conduct broader work in their community, providing support, services, or fundraising for causes they support. For example, Carshalton Beeches, a Baptist church, provides the “Spill the Beans” community café and a pre-school nursery.

52 organisations focus solely on international development, mainly raising funds to support projects elsewhere in the world, and / or working with partner charities to support work “on the ground” in another country. **32 organisations primary purpose is grant giving** – many of these are not grant making just in Sutton, but are the registered addresses of small Trusts and Foundations that have grants programmes in the UK. Sutton has a high level of such organisations registered in the Borough, usually with a Solicitor (to provide a valid address when the organisation has no office) or the address of a Board Member.

58 organisations focus on health or social care, 38 on arts and culture, and 29 on sports and recreation. 29 focus on support and services directly for women.

4 organisations have a primary purpose to provide information and advice (commonly known as “I and A”). Many more charities, community groups and faith groups provide some level of I and A, advising on a wide range of issues, and enabling local people to secure longer term support, specialist advice (such as legal or immigration advice), and to maximise their income. These organisations will be funded from a wide variety of sources, or, for organisations with very low incomes, not funded at all.

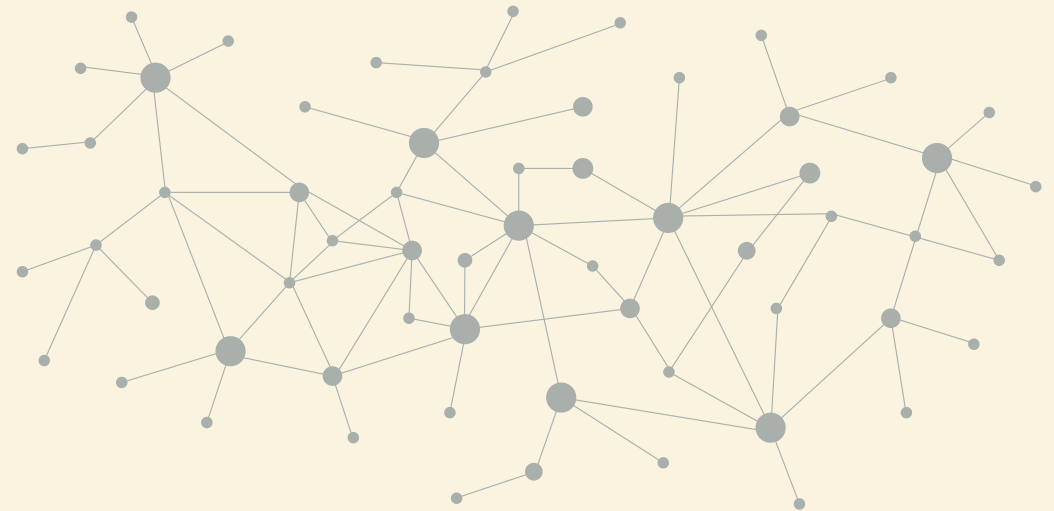
The majority of charity, community and faith groups do more than one thing, often interconnected. For example, providing an information and advice service which can then refer members of the public on to more specialist support like counselling or a support group. Many organisations also have formal and informal referral pathways, connecting people to other local providers that can meet their needs. Some organisations have developed successful partnerships where they work together, making the most of different capabilities. These partnerships are not generally cheaper to deliver than separate offers (as the delivery costs are not significantly affected) but they can have a greater impact, making the most of all partners’ capabilities, networks, and assets.

Case Study: Partnership Working to Bring Support Where It's Needed

Sutton Foodbank has seen demand grow by 400% since 2009, with 38,000 meals provided in 2023. To tackle food insecurity, the Foodbank partnered with Citizens Advice Sutton, commissioning advisors to deliver income maximisation services to people visiting the Food Bank and Community Food Shop. Supported by £120,000 in funding from the Trussell Trust, this collaboration generated £1.3 million in financial support for residents of the Borough of Sutton over two years and reduced Foodbank reliance by 9% in 2024.

One client, a single mother living with health challenges, faced severe hardship after a relationship breakdown. Citizens Advice Sutton guided her through applications for benefits, including Universal Credit and Personal Independence Payment, securing £21,135 in financial gains with an additional £5,645 anticipated.

This partnership highlights how joined-up support not only meets immediate needs but also builds financial resilience, reducing reliance on emergency aid and improving lives across the community.



Connecting with Peers on Common Ground

53% of survey respondents reported that they are currently engaged in some form of local network. This is positive, but also indicates that nearly the same number are not connecting with peer organisations. **The majority of participants strongly supported the creation of thematic forums and peer-led networks** to share resources, address common challenges, and collaborate strategically. However, resourcing and coordinating these groups were identified as key challenges. Groups focused on specific issues, such as mental health or youth engagement, saw particular value in dedicated spaces for joint problem-solving. While some participants recalled both formal and informal local forums in the past, these were often either too general (open to anyone, with little focus) or task-specific, such as single-issue meetings or discussions around project opportunities.

“There’s a lot of us! Together we can have a strong voice”

Charity, community, and faith leaders expressed interest in using their collective voice to raise shared concerns but acknowledged the tension between collaboration and increasing competition for funds and profile. Many felt this balance could be managed through openness, supported by good facilitation and safe spaces for challenging discussions and alignment. Leaders also emphasised the need to deepen understanding of Sutton’s shifting demographics, which vary across the borough.

Building Connections

Challenges raised in our research include fragmented operations and a lack of coordinated planning between charities, the council, and the different structures of the NHS, including the ICB (6), Primary Care Networks, and Hospital and community providers. **Partners from across the system (NHS and council as well as charities, community and faith groups) felt that these challenges could be reduced through cross-system cooperation, communication, and collaboration**, where everyone makes efforts to understand each other’s unique challenges and potential to contribute.

There was **strong support for formal structures to enable collaboration and honest conversations** in a trusted environment. Skilled, well-resourced coordination and facilitation were seen as essential to gather expertise, ensure diverse participation, and keep discussions focused and action driven. Greater willingness to address conflicts or misinformation was encouraged, particularly where these might hinder progress. However, concerns were raised about dominant voices influencing discussions, with few participants feeling confident to challenge them despite their impact.

“...Networking would be helpful. To know and understand how other not for profit organisations are working and where we could collaborate”

(6) The ICB is the Integrated Care Board is the governing body of an Integrated Care System (ICS), described by NHS England as “local partnerships that bring health and care organisations together to develop shared plans and joined-up services. They are formed by NHS organisations and upper-tier local councils in that area and also include the voluntary sector, social care providers and other partners with a role in improving local health and wellbeing.” ([NHS England » What are integrated care systems?](#))

Informal relationships were also valued as key to building trust.

Charity, community, and faith leaders appreciated opportunities for informal gatherings, which foster solidarity and collaboration. Leaders sought both broad engagement opportunities and focused forums for organisations of similar scales or types, where shared challenges might resonate more. However, time constraints often limited participation, especially if past events were perceived as unfocused or unhelpful. Ensuring these spaces are effective, with light-touch facilitation and thoughtful scheduling that responds to direct engagement with potential participants, was seen as critical to improving engagement. Given the number of charity, community and faith groups identified through this project will no active engagement with other organisations, a programme of practice outreach and engagement also has potential to make an impact on the diversity of voices and experiences that are brought together.

NHS and Council **stakeholders expressed a desire to strengthen collaboration** with the charity, community, and faith ecosystem but felt hindered by transactional engagement approaches. Statutory leaders recognised funding's importance but emphasised their shared commitment to tackling systemic challenges, including rising costs and increasing demand. They noted central government constraints and reduced budgets over the last decade, which they felt were not always understood by charity and community leaders, some of whom viewed partnerships primarily in financial terms rather than recognising the scope for partnerships that extend beyond the transactional.

“it would be great to understand the challenges across Sutton as it can sometimes feel very isolating”

(it would be helpful to have) “News from organisations and data/dashboards on what we are doing as a sector”

Charity, community, and faith leaders highlighted requests for collaboration often misaligned with their priorities, resources, or strategies, or were not fully trusted to result in meaningful coproduced outcomes. Smaller organisations, in particular, struggled to meet such demands, which required significant time and volunteer input. Leaders called for fair compensation for work beyond their planned activities—such as community engagement or data collection—and clearer mutual benefits. A shared agreement across the ecosystem was suggested to clarify expectations and direct requests to organisations with the capacity and expertise to respond effectively.

Building Connection: Recommendations

Develop thematic forums and peer-led networks:

Resource and facilitate focused spaces for organisations to collaborate on shared challenges and specific issues.

Formalise collaboration structures:

Establish trusted environments for open dialogue, with skilled facilitation to ensure inclusivity and actionable outcomes, forward plan and fairly compensate additional work such as engagement initiatives or data collection, through a shared agreement to clarify expectations and direct requests effectively. Introduce an independent chair to identify and manage conflicts of interest and support constructive engagement.

Enable informal relationship-building and expand outreach efforts:

Promote informal gatherings to foster trust and collaboration, with light-touch facilitation and accessible scheduling. Engage isolated organisations to bring diverse voices into discussions.

Proactively promote key insights and learning:

Help leaders across sectors including the charity community and faith ecosystem, the Council and the NHS to understand the financial and systemic pressures all are facing, to support more productive dialogue and aligned expectations. Facilitate learning about Sutton's diverse and evolving communities, as well as focus on areas that haven't changed, to better inform collaboration.

2: Making the Most of Our People

Maximising impact and protecting the welfare of employees and volunteers



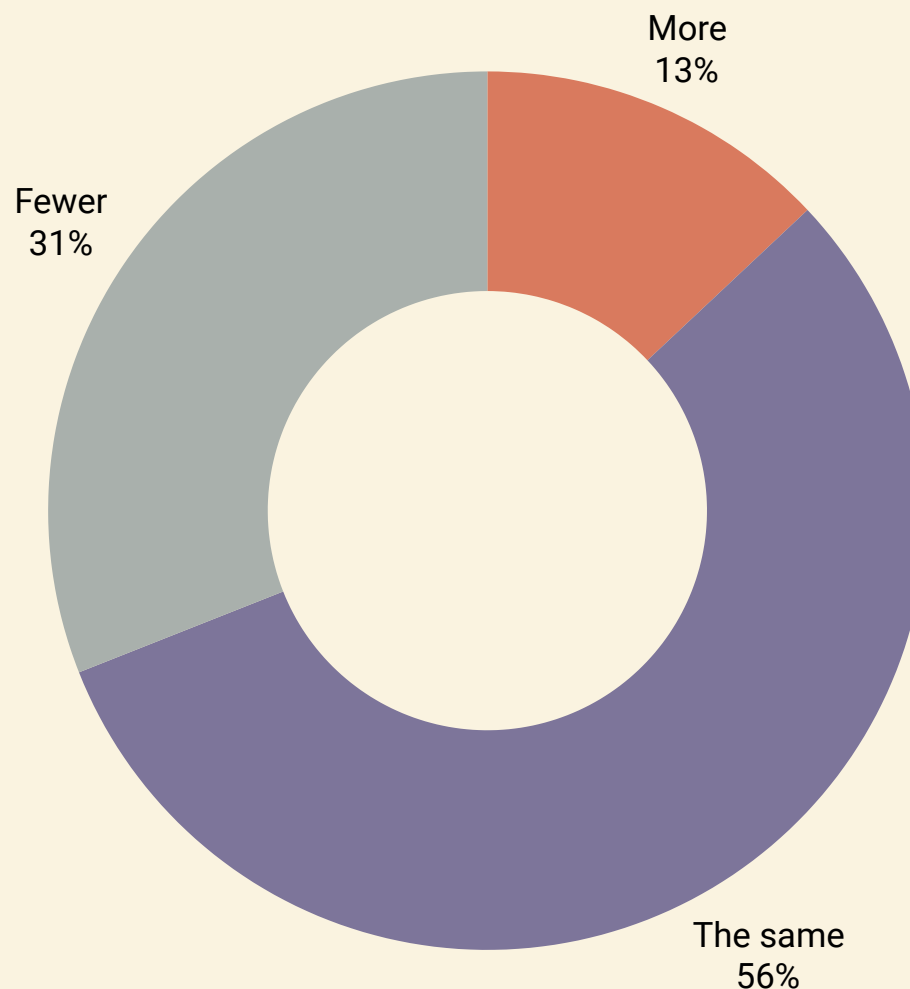
Volunteers

98% of charities, community and faith groups surveyed have at least some volunteers. Our research has identified that there are a total of 14,926 volunteers (including trustees) in Sutton across all the registered organisations. 43% of the organisations that responded to our survey are run entirely by volunteers.

Recruitment challenges were a common theme, with many organisations struggling to attract enough volunteers, particularly those with specialised skills. Participants suggested targeted outreach campaigns and improved volunteer-matching platforms as ways to address these challenges. A range of perceptions of the role of Volunteer Centre Sutton were expressed, ranging from positive feedback about support provided to recruit volunteers, to expression of a belief that the charity favours its own volunteering projects as a destination of incoming applicants, before connecting them with other charities (7).

Post-pandemic shifts have reduced the availability of traditional volunteer demographics, such as retirees, while younger or more diverse groups remain under-engaged. One participant summed up this theme thus: **“Since COVID volunteers are fewer, there is more drop off after training and less flexibility in hours and days. Feedback has been that they have to work longer due to the cost of living or needing to support their families”**

Number of volunteers compared to last year:



Retention of volunteers was equally challenging. Volunteers often disengage when roles are unclear or when their contributions are not sufficiently recognised. Participants shared strategies such as regular feedback, public acknowledgment of volunteer efforts, and creating opportunities for personal growth through training and leadership roles. **Some described difficulties in retaining volunteers due to changing commitments driven by financial pressures** (for example needing to take on more paid work, or providing unpaid childcare and other support for family members), and challenges when this part of their workforce became less reliable. One participant explained: **“We have consciously moved away from volunteers, as the managing of volunteers is complex and [it is] difficult to rely on people”**.

NCVO highlight this in their 2023 ‘Time Well Spent’ survey:

“Volunteers who say they are unlikely to continue volunteering tend to cite practical, rather than experiential, reasons for doing so. Over a third (37%) of those unlikely to continue volunteering cite “having less time due to changing circumstances” as a reason... Only 10% choose not to continue because they are unhappy with the way their volunteering is organised or managed”. (8)

Supporting volunteers goes beyond recruitment and retention. Training in safeguarding, first aid, and role-specific skills was identified as a critical need, especially for roles that involve working with vulnerable populations. Emotional support for volunteers in high-stress roles was also emphasised, with calls for peer support networks and access to mental health resources.

Some participants suggested joining up to plan and deliver training and support sessions – ideally coordinated and championed by a lead organisation. **The majority of charities, community and faith groups (67% of respondents) do not have dedicated staff supporting volunteers**, but rather this is a shared duty between paid or volunteer leaders, so working in partnership with others who supervise volunteers could support development of these staff, as well as improve what they can offer to volunteers.

Staffing and Leadership Challenges

Staffing challenges, including recruitment, retention, and capacity, emerged as some of the most pressing concerns for organisations in Sutton. Financial constraints often limit the ability to offer competitive pay or invest in professional development, leaving many charities struggling to attract and retain skilled staff. Numerous participants commented that funding - whether a contract from the NHS or the Council, or a grant from a Trust, often doesn't keep up with inflation or wage rises: **"Grant givers are increasingly so restricted it is impossible to rely on them for funding. Costs are rocketing and yet there is no inflationary increase... no allowance for London Living Wage, or the fact that the minimum wage went up by 9.8% this year"**. This is compounded by the broader economic context: inflation and rising living costs not only increase demand for services but also place additional strain on employees, making retention even harder. One respondent summarised this dynamic, stating: **"Competitive salaries and cost of living affect retention"**.

Staff-related challenges were cited by almost half of respondents as a key concern for the coming year. Among organisations that shared reasons for staff departures, a third reported career change or promotion as the primary factor. Smaller charities, community groups, and faith organisations—such as those that dominate Sutton's ecosystem—often lack the capacity to provide development opportunities that could retain talented employees. As one participant put it: **"Getting the right staff in, maintaining cash flow, moving from a small to a medium-sized organisation"** highlights the layered challenges many organisations face.

Stretched Capacity and Its Impact on Wellbeing

Overall capacity was a recurring theme in discussions and our survey. One leader emphasised: **"Keeping staff morale up when the sector has to constantly adapt with no job security"**—a challenge that also applies to leaders themselves, who must bear the weight of systemic instability. Others raised concerns about staff welfare in increasingly challenging times, and its wide-reaching impact: **"More work is being piled on (charity, community and faith groups), and staff are buckling"**.

Organisations reported being overstretched, with limited resources to meet increasing service demands. This tension is particularly acute for small organisations reliant on volunteers and/or a minimal paid workforce. A respondent described this succinctly: **"Staff capacity—lots of need but not enough capacity"**. Another commented **"you are made to feel guilty about having basic infrastructure"**. The aforementioned recruitment challenges have meant that nationally, 35% of charities have noted employees working increased hours – leading in some cases to a pull away from strategic decision making and organisational capacity building.(9)

(9) <https://www.probonoeconomics.com/news/1-in-5-charities-cut-back-services-despite-spiralling-demand>

Leadership burnout is another critical concern. CEOs and senior leaders spoke about the emotional toll of managing increasing demands while navigating financial and staffing pressures. One CEO commented on the pressure to cover an increasing amount and range of operational tasks, as well as strategic leadership: and another shared that **“we have cut our ‘back office’ functions (finance, administration) to nothing because nobody will fund it – but that work still has to be done, so I (the CEO) end up doing it all”**.

Feelings of isolation and fatigue were common, with many highlighting the need for mental health support and peer networks to sustain resilience. **Enabling charities, community and faith groups to deepen their thinking about staff and volunteer wellbeing**, including that of leaders, is vital to the resilience of the ecosystem. At its core, our ecosystem is people driven, and without supporting those people, their valuable and often vital work is at risk. ACEVO’s ‘workforce wellbeing in charities’ report highlights the role of Boards in safeguarding wellbeing as part of their governance duties: **“Boards play an important role in highlighting mental health as an organisational priority if organisations are to do their best work, ensuring that leaders know they are not alone by giving them the permission they need to reach out and share the load” (10)**.

Unsurprisingly, participants cited significant financial pressures as a key driver of challenges with effectively recruiting, retaining, and deploying staff and volunteers, this is explored further in Chapter 3.

Recognising the Difference Between Volunteer and Employee Delivery and Managing Expectations

The distinction between volunteers and employees must be clearly understood. Not paying sufficient attention to this can impact retention – in the ‘Time Well Spent’ report from NCVO, they highlight that over a quarter of volunteers surveyed felt that **“their volunteering is becoming too much like paid work”** and around the same number **“believe their group, club or organisation has unreasonable expectations in terms of what they do”**. Both of these figures have increased since the last survey, in 2019.(11)

Volunteers and paid employees play distinct yet complementary roles within organisations, each bringing unique skills and perspectives. While both groups can possess high levels of expertise, employees often provide more consistent service, in part because they are under a contract of employment which requires them to be available for work, and to accept assignments, for a usually larger number of hours each week, on a long-term basis. This consistency is crucial for roles that require reliability, and benefit from the post holder gaining substantial experience (through more time working) in the early stages of their role.

(10) [Workforce-wellbeing-in-charities.pdf](#) (p3)

(11) Volunteer experience and impact - Time Well Spent 2023 | News index | NCVO

Legally, volunteers and employees are differentiated by their contractual obligations. This distinction implies that volunteer roles should be designed so that, if a volunteer is unable to attend, it does not compromise the safety of individuals or the continuity of essential services. Volunteers do not have employment rights, but blurred lines—such as mandatory work schedules—can inadvertently create legal obligations under employment law. Organisations must also navigate restrictions on volunteering for individuals receiving certain benefits, ensuring that volunteer opportunities are accessible without jeopardising people’s financial security.

“[There is a] volunteering misconception in the public sector - the NHS assumption is volunteering means it’s easier to run and manage services. The amount of work is the same – sometimes even more as monitoring [volunteers] is just as necessary and the people doing that are probably less well paid than council or NHS bodies and this dynamic is not appreciated.”

In general, the charities, community and faith groups we spoke with have clearly established practices in maintaining the distinction between volunteers and employees (though some took different approaches and drew the line in different places), however many expressed concerns that statutory partners may view increased volunteer involvement as a cost-effective solution to funding cuts, or a cheaper way to deliver services due to a perception that unpaid volunteers incur no costs to the provider. However, **managing volunteer programmes requires significant resources, including time and money, to effectively recruit, train, supervise, insure, pay expenses, and support volunteers**, alongside ensuring that relevant staff have the expertise and training to manage volunteers safely and in compliance with a range of relevant regulations.

Ethically, replacing paid positions with volunteer roles raises concerns. Organisations must carefully consider this to maintain fair and sustainable practices, and funders and partners must develop their understanding of the limitations, as well as the potential, of delivering critical services with a volunteer workforce, in particular when paid staff resource is diminishing. Volunteer Now in Northern Ireland, published a useful guide on this subject in 2022, highlighting that **“The key issue with replacement is that the service provided should not be the same when provided by volunteers as it is when provided by paid staff. This could be because the service is provided in a different way involving a team of people instead of one individual or it could be that the service is provided for a shorter period of time. This could create the need for greater coordination and management of volunteers.”** (12)

Building Quality and Capacity Through Skills Development and Relationship Building

Participants emphasised the need to equip organisations with the skills and resources required to thrive. **Governance training for trustees and leadership development for senior staff and volunteers** were identified as top priorities, alongside practical skills in areas such as financial management and IT. However, many organisations reported difficulty affording learning and development opportunities, particularly when faced with significant pressures on frontline service delivery.

Concerns were raised about local charities, community, and faith groups potentially providing inaccurate advice or unintentionally crossing into regulated services, such as benefits advice or legal guidance. This was often attributed to “unconscious incompetence”, where well-meaning staff or volunteers attempted to assist without fully understanding the issue or the risks involved. A programme of outreach and engagement with organisations offering such support could help raise awareness of regulations and risk, improve quality and accuracy, foster communities of practice, and harness the diverse skills within the sector.

Smaller organisations and faith groups highlighted the need for tailored training that addresses their unique challenges. **Peer-to-peer learning and mentorship programmes** were widely supported, with participants proposing thematic collaborations on shared challenges such as mental health or youth engagement. Some organisations have successfully implemented “**skill bartering**”, where providers **exchange expertise at no cost**, generating mutual benefits and stronger connections. Developing an “asks and offers” forum could expand this approach, enabling providers to share skills and pool resources effectively, provided that sufficient organisations with an “ask” can also make an “offer”.

Case Study: a 'Skill Barter' that meets two charities' needs

Advocacy 4 All and Citizens Advice Sutton have forged a strong partnership by offering complementary training to support each other's teams, building on an existing working partnership. This collaboration leverages their respective expertise to strengthen services for the public.

Advocacy 4 All provided safeguarding training tailored to Citizens Advice Sutton's needs, ensuring it was practical and relevant. Meanwhile, Citizens Advice Sutton will be delivering "Advice First Aid" training to Advocacy 4 All staff, equipping them to identify early advice needs and confidently offer basic guidance within regulatory requirements.

The partnership operated without formal agreements, reflecting mutual trust and shared goals. Citizen's Advice's CEO noted: "The training was invaluable—we had struggled to find accessible, affordable options for months." Advocacy4All's CEO commented: "by providing training to CAB, we got to know and understand their services better and forge positive working relationships with their staff and volunteers".

By collaborating, the organisations enhanced staff skills, improved service delivery, and demonstrated how informal cooperation can lead to formal, impactful learning for both teams. They are also exploring further joint training opportunities to benefit all of their staff.

National data underscores disparities in skills development within the sector. A report by Pro-bono Economics found that only half (52%) of small organisations had any funding for training, compared to almost 90% in large charities. This is highlighted by the fact that almost a fifth of all charities (19%) had not spent anything on training and skills development in the previous year (13). IVAR's 2023 briefing has highlighted that restricted funding compounds this situation, arguing that unrestricted funding enables organisations to invest in critical areas such as training to enhance their overall effectiveness and sustainability (14). These findings suggest that **while funders recognise the importance of skilled personnel within charities, the prevalent practice of providing restricted funding—and in some cases, explicitly excluding training expenses from budgets—poses challenges for charities** aiming to invest in staff development. Pilotlight has suggested that "support, particularly for small and micro charities can encompass a blend of demand and supply side measures across two dimensions; the 'vertical' level of direct support to organisations or indirect support through sectors or geographic clusters, such as local infrastructure, and the 'horizontal' level, where action such as advocacy to improve the design of funding processes to be more inclusive to small charities or to lobby for reduced levels of compliance in terms of regulation, can be of benefit indirectly to multiple small charities". (15).

(13) [Volunteer experience and impact - Time Well Spent 2023 | News index | NCVO](#)

(14) [Mills, C. \(2023\). Evidence review: Why restrict grants? London: Institute for Voluntary Action Research.](#)

(15) [Pilotlight \(2024\) unpublished, 'Skills-based volunteering', prepared by Ed Mayo \(CEO of Pilotlight\).](#)

Making the Most of Our People: Recommendations

Advocate for fair funding and ensure project delivery costs are fully developed:

Push for inflation-adjusted funding to address rising costs, improve employee pay, and support staff recruitment and retention. **Preserve paid roles**, ensuring that volunteers complement, not replace, paid staff, and educate system partners on the costs and limits of managing volunteer programmes.

Provide clear roles and robust support for volunteers:

Define volunteer expectations to avoid legal and practical issues, and offer training, emotional support, and peer networks for high-stress roles. Work in partnership, sharing skills and resources, especially in organisations that don't have dedicated volunteering management roles.

Improve recruitment and retention of volunteers:

Use targeted outreach campaigns, enhanced volunteer-matching platforms, and strategies like feedback, public acknowledgment, and leadership opportunities to attract and retain volunteers.

Build workforce wellbeing for volunteers and employees, including leaders:

Provide peer networks and mental health resources to support leaders facing high demands and burnout. Support Boards to deliver their governance duties relating to welfare and wellbeing.

Strengthen skills and governance:

Invest in training for trustees, leaders, and staff, focusing on governance, financial management, and IT. Tailor resources for smaller organisations and encourage peer-to-peer learning. Proactively advocate for and enable development of quality practices in higher risk activities like information and advice, develop skill sharing and a barter system to support organisations to access and share expertise.

3: Keeping the Lights On

Facing into the reality of a system that doesn't have enough money to do everything, and working together to make the best of what we have



An Ecosystem Under Existential Threat

Financial sustainability is a persistent challenge for the charity, community and faith ecosystem. As charities, community and faith groups face rising costs, rising demands of their services, and diminishing income sources, the whole ecosystem is under threat. According to the NCVO report 'The Road Ahead 2024' (16) **“Both high inflation and interest rates will present challenges for organisations already juggling increasing operating costs and record demand for services”**.

41% of survey participants reported that their income did not cover their running costs last year. 34 % have had to reduce services due to funding pressures, and 21% reported that they expect their financial position to deteriorate in the coming year.

Participants stressed the importance of full-cost recovery models that account for both project delivery and broader operating costs. Items often labelled as 'overheads,' such as management, rent, and premises costs, are intrinsic to delivery and should be recognised as direct delivery costs (17). Effective models must also factor in year-on-year inflation in operating costs and pay—an increasingly difficult challenge given recent economic volatility.

These challenges often stem from decision-makers' limited understanding of the financial realities of running charities, community, or faith groups. Like businesses, these organisations incur significant operating costs, many of which are fixed, such as rent, utilities, and regulatory requirements like insurance and safeguarding. Compliance with charity-specific regulations, such as fund usage reporting and public benefit requirements, can further increase administrative costs, and can be higher than for a similar sized small business (18).

(16) [The Road Ahead 2024: Opportunities and challenges for the voluntary sector](#) | NCVO (17) [The National Lottery Community Fund Funding Guidelines: Overheads and Full cost Recovery](#)...

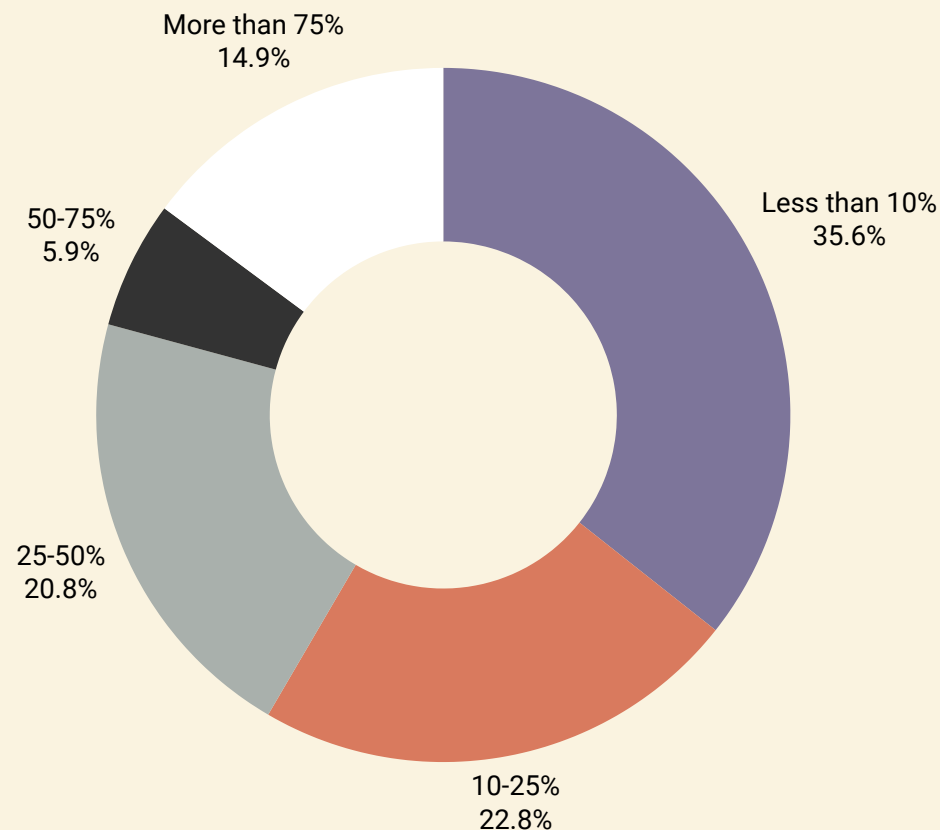
(18) [In a compounding issue, research by the University of Stirling in 2023 found that not only did charities face spending more resources on compliance, but this was also compounded by donor aversion to any spending on administrative compliance, despite these being out of charities' control. Samahita M & Lades L \(2023\) Compliance Spending Aversion: An Unintended Consequence of Charity Regulation. Journal of Behavioral Public Administration, 6 \(1\).](#)

Charity, Community and Faith Group 'Reserves' – and the Risks They Face

Many charities, community and faith groups hold funds in “reserves”, to ensure that should a crisis occur, or in the worst case they are forced to close, there is sufficient money to manage this responsibly. 59% of survey respondents reported that their organisation has less than 3 months (25% of running costs) in reserves, with 36% reporting having under 10% of annual running costs available.

In their detailed guidance on reserves, the Charity Commission for England and Wales states that the level of reserves a charity holds must: **“demonstrate the charity’s resilience and capacity to manage unforeseen financial difficulties to beneficiaries, funders and the public” (19)**. The Charity Commission does not recommend a specific level of reserves, but it is commonly held as good practice to hold between 3 and 6 months of expenditure, depending on spending patterns, risk, and what the costs of closure would be. For well over half of Sutton’s charities, community and faith groups, this is currently an unattainable goal, which may compromise their security and risk future funding, as more funders shy away from funding organisations whose future may be in jeopardy.

Level of reserves held, compared to annual running costs



Multiple Challenges with Funding – Cost Covering, Sustainability and Competition

Participants repeatedly raised concerns about restricted funding, which often covers project-specific expenses but often neglects essential 'core' costs. These costs include leadership, administration, and the infrastructure required for safe, effective operations. One participant summed it up: **“One of our biggest challenges is having enough money to cover our core costs”**.

Fixed costs, such as long-term rental agreements, remain constant even as income fluctuates, leaving organisations vulnerable as incomes fall and overheads rise with inflation. For example, organisations relying on skilled volunteers must reimburse rising expenses like travel, further inflating delivery costs without corresponding increases in funding; and if an organisation rents premises on a 5-year lease, their rent will remain as budgeted whether their income changes or not, and so it may require a larger or smaller proportion of their total income at different times. Inflation affects charities just as it does other employers, in relation to wage expectations – one participant commented **“However much staff love the work, they have bills to pay”**. Charities must understand how to calculate full project costs, and funders must recognise that covering these costs and likely year-on-year increases, is essential for sustainable, high-quality service delivery. Some participants highlighted the need to be confident in making these calculations and standing by them, suggesting that this might be a useful support offer for many groups struggling with this issue:

“(When applying for grants or tendering for contract) organisations need to know their true costs, and fight for them... we operate as real-world businesses and it’s ok to say that”.

Leaders highlighted a growing trend of shorter-term funding, which leads to instability and a greater use of resources to produce repeated, short term, funding bids: **“Staying afloat ... is a continuous journey applying for short-term project funding”**. In a report about the dominance of short-term grant funding, the Institute for Voluntary Action Research (IVAR) reports that **“...in 2021-2022, just 13% of grants were for 3 years or more. Most grants (77%) were for a year or less”**(20).

The increasing competition for grant funding and real terms devaluation of the funds available further exacerbates pressure. According to the UK Grantmaking 'The Grantmaking Picture' report (21), in the 2022-2023 year, total grantmaking was £20bn-£21bn across the UK. A huge sum, and an approximate 1% increase in value from the previous year, but **around a 9% real terms decrease in funding value when taking into account inflation**. In Sutton, a similar picture was observed, with 67 grants from external funders awarded to the charities, communities and faith organisations in 2022, which then dropped to 47 in 2023 with a further drop to 16 awarded in 2024. The total awarded across the 3 years was just under £4.8m. (22)

(20) IVAR (2024) [Time-to-end-the-dominance-of-short-term-grants-the-evidence-for-multi-year-funding-February-2024.pdf](#) (p9)

(21) [The grantmaking picture - UKGrantmaking](#)

(22) Figures are taken from 360Giving Grant Nav. More details on the grants can be found in the data profile report accompanying this document.

Although there are areas of significant socio-economic challenge in the London Borough of Sutton, on average the Borough appears relatively wealthy compared to other parts of greater London, England, and the UK. In a more competitive climate, this means that some grant making trusts and foundations, already somewhat less likely to support projects in such areas (as many have indices of deprivation as a funding criterion), are focusing all of their resources on objectively less affluent areas. **(23)** Two Wards in Sutton are among the 20 most 'deprived' in Greater London, and there are specific population groups with evidencable needs that are the same as less generally affluent areas. Gathering, sharing, and making use of such insight is vital for charities, community and faith groups who often have a deep understanding of "on the ground" issues but may struggle to persuade a grant maker. Developing better shared resources and support to build evidence from work delivered and locally available information, could support the ecosystem to secure more funds for their work, as well as enable more connection and partnership between providers. London Borough of Sutton has a very comprehensive dataset that describes the area, population and needs in a good level of detail, charities, community and faith groups could make better use of this resource.

Many participants, especially those from smaller charities, community and faith groups, described finding grant application processes generally challenging and at times confusing, in particular as every grant maker has a different process, timescale, and criteria for funding. **Those who had benefitted from it spoke highly of Community Action Sutton's support** to find and apply for grants, and felt that this service could be expanded and promoted more, as many participants did not know about it. Participants also suggested group

sessions, and inviting more experienced organisations to mentor those newer to grant applications, might help the ecosystem support itself better.

"We are a small committee with a lot of volunteers who are not very engaged. We raise all our funds through a couple of events each year, and these are raising less as time goes on. We don't really know what our other options are to raise funds."

Some participants in our research stated that their organisations raise most or all income from **individual donations and/or membership fees**, and that they are concerned about how realistic it is to secure shortfalls from other sources. In relation to this, NCVO describe a "Cost of Giving" crisis, and have reported extensively on the impact of reduced donations from the public, which particularly affects some smaller charities and community groups for whom regular giving or donations from special events is their primary source of income. The average donation in the UK remains at £20 for the 7th year running, despite organisations now needing the equivalent of £25 for the same purchasing power. In total, three-quarters of donations from the public are £50 or less, and 90% are under £100. Giving a donation of £500 or more to a single cause would put a donor in the top 1% of givers. **(24)**

(23) <https://data.sutton.gov.uk/indices-of-multiple-deprivation-ward-analysis/>

(24) Charities Aid Foundation (2024)

Navigating Challenges and Embracing Change

Participants agreed the situation is highly challenging, with no straightforward solutions to current issues. While reflecting on the past can be tempting, some emphasised that **accepting change and adapting to uncertain or reduced income is more likely to help** the charity, community, and faith ecosystem move forward. They stressed the importance of supporting organisations to make decisions before reaching crisis point, including re-evaluating activities, considering mergers, or forming new partnerships to better serve their causes and communities. Guidance to facilitate these discussions and assess the best options could enable progress and positive outcomes.

“An organisation like mine, whose services are ... much needed and has reasonable reserves may not last the next 5 years. How many other organisations in Sutton are similarly fixed and what is the risk to Sutton as a community, so proud of its (charities, community and faith groups), if that were to happen?”

Many highlighted the need for **support beyond grant applications, particularly in creating realistic, sustainable income plans** and enabling leaders and trustees to develop their skills in understanding their financial position and taking confident decisions about it. Suggestions included diversifying income streams through social enterprise activities and developing corporate partnerships with local businesses. Sharing knowledge from organisations with established, successful programmes was seen as a valuable way to foster collaboration and learning.

“Social enterprise is such a powerful structure and needs to [be] embraced more fully by Sutton Council. It allows for nimble, quick decisions allowing for support for some of the most vulnerable people in the borough.”

These strategies require **capacity-building support, such as training in financial management, cash flow planning, and donor engagement**. Participants suggested infrastructure organisations focus on both practical assistance for collaboration and advocating for these approaches. Leaders of larger charities in Sutton expressed interest in sharing their experiences to support smaller organisations. Coordinating and advocating for this type of knowledge-sharing could prove a worthwhile investment, promoting greater stability across the ecosystem.

Keeping the Lights On: Recommendations

Advocate for Full-Cost Recovery:

Work with funders to adopt models that cover both project delivery and core operating costs, including fixed expenses (e.g., rent, leadership) and inflation. Educate funders on the true costs of running charities and the need to account for overheads as integral to delivery, and support charities, community and faith groups to develop robust cost models that will cover their true expenditure.

Boost Income Diversification and Grant Support:

Provide training on income generation, financial management, and grant applications. Expand services like Community Action Sutton's support with peer mentoring, workshops, and knowledge-sharing to foster collaboration and improve outcomes.

Foster Collaboration and Resource Sharing:

Encourage collaborative grant applications and partnerships between organisations to pool resources, and secure larger funding opportunities. Support the development of networks for shared learning and mutual support, and develop better methods for data gathering and sharing, and skill building in gathering and using robust insight to support planning, collaboration, and grant applications.

Build Financial and Leadership Capacity:

Offer targeted training for leaders and trustees on financial management, cash flow planning, and sustainable income generation, proactively engaging those who may not yet be aware that this could protect and support the organisation they are passionate about. Equip them to make confident, proactive decisions to navigate financial challenges.

Tailor Support for Area-Specific Challenges:

Support charities, community and faith groups seeking funding for community projects to advocate for funders to consider nuanced socio-economic challenges in areas like Sutton, where needs exist despite lower overall deprivation, ensuring equitable access to funding.

4: Working Together – Building a Collaborative System

Improving collaboration, transparency and sustainability in public service commissioning



Commissioning, Public Procurement and Partnerships

Commissioning is the process of identifying public service needs, prioritising them, and allocating resources to meet these needs effectively. It encompasses a strategic cycle of activities, including assessing community needs, designing services, allocating resources, engaging providers, and monitoring service delivery. (25)

Unlike procurement—which focuses solely on purchasing goods or services—commissioning takes a broader, outcome-driven approach. While not all commissioning involves procurement, the shift from grant-based funding to competitive tendering since the late 1980s has made procurement a central component of commissioning for many local authorities. **Sutton stands out both in Greater London and nationally for maintaining a relatively high level of local commissioning for non-statutory services.** This includes a mix of competitive tendering exercises and additional grant funding, even amid repeated national cuts to NHS and council budgets and rising cost pressures. This approach has enabled a diverse range of charities, community groups, and faith organisations to remain engaged in service delivery.

However, the complexity and resource demands of tender applications present significant barriers, particularly for smaller organisations. Simplifying procurement procedures and enhancing communication about requirements and processes are critical steps to improve accessibility and enable broader participation in public service delivery.

The Commissioning Process



(25) This section is based on DMSS (2019) 'Influencing Commissioners', available at: https://www.tavinstitute.org/wp-content/uploads/2019/07/WGI_Influencing-Commissioning-final_web.pdf [Accessed 26.11.2024]

Challenges with Current Frameworks

Charities, community and faith groups described **increasing challenges to be able to cover the operating costs of local contracts** from the funds provided through these arrangements, a concern highlighted by many participants who hold or have tendered for contracts locally, regionally, and nationally. In March 2024, NCVO published a report (26) that **found 87% of organisations that responded are subsidising their grants and contracts** (usually through unrestricted funds secured through grants, individual donations, and enterprise income). Participants experienced in tendering for contracts described the score weighting towards price as a 'race to the bottom', pressuring organisations to propose unrealistic budgets as a tactic to secure contracts that they are confident they are well placed to deliver in terms of quality and cost effectiveness. Some also highlighted a perception that tendering processes can create a heavy administrative burden if not adapted to be proportionate to the value of the contract.

Participants frequently described commissioning as overly rigid and bureaucratic, leaving little room for innovation or adaptation. Contracts often emphasise short-term outputs, undermining sustained impact. Short commissioning cycles add instability, making long-term planning and capacity-building difficult. The competitive nature of tendering was also criticised, as it can pit organisations with similar goals against one another, discouraging collaboration and eroding quality. **Participants with commissioning experience reported mixed levels of engagement and confidence in assessors and**

contract managers. While some shared positive experiences, others felt that contract managers lacked a clear understanding of the operational demands of contracts, the true costs of delivery, or the distinction between outcomes and outputs.

“There’s a lot of focus on numbers – but we want to talk about outcomes. This allows flexibility to deliver what’s needed in a cost effective way, using our experience and expertise.”

Some participants also highlighted a perceived lack of clarity about how some contracts are awarded, specifically citing lower levels of funding made available for some short-term volunteering projects, where there is a perception that this has been directly awarded to one or two local organisations (sometimes as a variation to an existing contract) without an open process. Clarity on these awards and the reasons for them would support trust and confidence, and potentially open up opportunities for charities, community and faith groups with specific skills to participate in delivery.

Building stronger, trust-based relationships requires a more collaborative approach from all parties. This involves helping new commissioners develop a comprehensive understanding of the diverse local charity, community, and faith sector. Equally critical is providing contract holders with the skills, confidence and opportunities to negotiate reporting requirements and contract terms that align with operational realities. **Clear communication of the 'rules' and principles of commissioning and awarding of other contracts,** particularly how it differs from grantmaking by trusts and foundations, is essential. By establishing shared standards and processes through system-wide collaboration, these challenges can be addressed effectively, paving the way for more equitable and impactful partnerships.

Participants demonstrated significant disparities in understanding, access, and outcomes particularly related to competitive tendering in Sutton, which need to be addressed to create a more inclusive and effective system. Experiences with commissioning varied widely. Smaller organisations often had no contact with commissioning or misunderstood it as simply grant funding, while others were frustrated by unclear procurement opportunities and perceived overly complex and bureaucratic processes. **Concerns were also raised about the perceived fairness and transparency of funding opportunities.** Some participants believed that certain organisations received preferential treatment or had access to opportunities that others were not informed about.

Establishing a cross-system agreement on basic "rules of engagement" for communicating funding or partnership opportunities could address these concerns, foster trust, and ensure skilled providers have equitable access to local delivery opportunities.

Recognising the Changing Role of Charities, Community and Faith Groups and the Impact of Their Shrinkage

Providers delivering frontline support services are facing **escalating challenges as client needs grow in complexity and referrals from statutory services increase**. However, **funding is not keeping pace with these rising demands**, leaving many organisations unable to respond adequately. This reflects national trends highlighted by the Centre for Social Justice (CSJ), who found that smaller charities are increasingly relied upon to deliver essential services without corresponding investment. (27)

“GPs, social services, Sutton Uplift (a local mental health service), and mental health charities refer to us but we have no funding (from them) to respond. We are only just existing.”

Participants noted that widening gaps in public sector health and social care provision are leading to more high-need clients being referred to charities, community groups, and faith organisations. This places additional strain on already overstretched resources and highlights the critical role these organisations play in addressing systemic gaps. As the CSJ report states, the reliance on smaller charities to "plug the gaps" in public services often leads to unsustainable delivery models, with funding levels insufficient to cover the true cost of meeting escalating needs.

Strengthening Integration and Transparency

Participants stressed the need for better alignment between charities, councils, and the NHS – particularly when there are wide discrepancies in how each body commissions services. **Misaligned priorities and poor communication lead to inefficiencies and duplication of effort.** Regular cross-system dialogue and clearer liaison roles which strengthen and develop existing structures like the Place Board could foster collaboration and ensure a higher level of actual and perceived openness. Transparency in procurement decisions, including clearer criteria and feedback for unsuccessful bids, was seen as vital for building trust.

Making the Best of All of Sutton's Assets

The use of buildings and community spaces was a recurring theme. **Many organisations struggle to access affordable and suitable spaces, with council-owned properties often perceived as underutilised.** Slow, bureaucratic processes for securing these spaces were seen as significant barriers. Faith groups, in particular, highlighted the dual role of their spaces as places of worship and community hubs, which come with significant maintenance challenges. Participants proposed a more strategic approach from councils, in Access to affordable and suitable buildings and community spaces emerged as a significant challenge for many organisations. National research, including findings from Temporary Use Aid (28), highlights that charities across the UK face similar difficulties in securing operational spaces, whereby 73% found it 'moderately' or 'extremely' difficult, with costs, availability, and bureaucratic processes acting as key barriers.

“Despite having the income and support to buy/long term lease, renovate and staff such a vision, the space or land is really difficult to find, especially when buildings are empty awaiting regeneration.”

In Sutton, council-owned properties were frequently perceived as underutilised, with slow and bureaucratic processes for securing access cited as a major obstacle. Faith groups reported additional challenges due to the dual role of their spaces as both places of worship and community hubs, which involve significant upkeep and maintenance demands.

Participants proposed adopting a more strategic and collaborative approach to address these issues. Recommendations included:

Community Asset Transfers: Empowering local organisations to manage council-owned properties, enabling more sustainable and community-driven use of these assets.

Mapping and Identifying Available Spaces: Developing a system to identify and promote spaces suitable for diverse activities, making it easier for organisations to find operational bases.

Streamlining Access Processes: Simplifying and expediting procedures for accessing council-owned or other community spaces to reduce barriers for charities and community groups.

Addressing these challenges requires local authorities and stakeholders to take a proactive approach, ensuring that community spaces are fully utilised to meet the needs of charities, community groups, and faith organisations.



Working Together – Building a Collaborative System: Recommendations

Strengthen System-Wide Collaboration:

Align priorities between councils, the NHS, and local organisations through a unified commissioning framework. Promote regular cross-system dialogue and leverage structures like the Place Board to foster trust and innovation. Provide information sessions for commissioners and those seeking commissioning to better understand one another's processes and constraints.

Simplify Procurement and Enhance Transparency:

Streamline procurement processes to improve accessibility for smaller organisations, with clear 'rules of engagement'. Ensure fairness by clearly communicating opportunities, criteria, and providing transparent feedback for unsuccessful bids.

Promote Fair and Sustainable Commissioning

Align contracts with the true costs of delivery to prevent unsustainable practices. Address the "race to the bottom" by encouraging realistic budgeting and prioritising quality in evaluations. Ensure funding models reflect the true costs of delivering frontline services, particularly for high-need clients referred from statutory services.

Develop Trust-Based Partnerships

Equip commissioners with a deeper understanding of the local charity, community, and faith ecosystem, and develop clear communications about processes, transparency, and 'market entry' opportunities. Enable contract holders to negotiate terms that reflect operational realities, building mutual respect and flexibility.

Maximise Use of Community Assets

Adopt a strategic approach to underutilised spaces through community asset transfers, streamlined access processes, and a transparent system for identifying and promoting available spaces.

Support Long-Term Stability and Capacity Building

Shift to longer-term commissioning cycles to enable organisations to plan strategically and focus on sustained impact. Facilitate capacity-building initiatives to strengthen collaboration and service delivery.

Build Capacity for Collaboration

Provide training and support to commissioners, contract managers, and organisations to improve understanding of commissioning principles, operational realities, and effective collaboration. Ensure all stakeholders are equipped to contribute to a more inclusive and equitable commissioning system.

5: The Role of Infrastructure

Challenging Beliefs, Raising Awareness, and Driving Systemic Change



Infrastructure organisations like Community Action Sutton and Volunteer Centre Sutton are vital in supporting the local charity, community, and faith ecosystem. They provide essential services such as grant-finding assistance, training opportunities, and platforms for information sharing. For example, the Community Action Sutton newsletter is widely valued for keeping organisations informed about funding opportunities and sector updates, while Volunteer Centre Sutton's volunteer coordinators forums are seen as valuable spaces for connection and knowledge exchange.

However, feedback from stakeholders highlights the need for greater clarity, proactive engagement, and a stronger emphasis on advocacy to maximise the impact of these organisations.

Clarity of Roles and Other Activities

Many stakeholders expressed confusion over the roles of Community Action Sutton and Volunteer Centre Sutton, questioning why two separate bodies exist and citing perceived inefficiencies. This reflects findings from NAVCA's Four Functions of Infrastructure guide (29), which emphasises the importance of clearly communicating the "enabling" and "connecting" roles of infrastructure organisations to prevent duplication and frustration. **There was a clear call for these organisations to define and communicate their roles more effectively, and some commentary regarding whether these two charities would be better merged as one**, ensuring stakeholders understand the value and purpose of their activities – and the distinction in their support offers. Acting as convenors and facilitators, rather than direct service providers, would empower charities, community, and faith groups to lead their own efforts while benefiting from a stronger support framework. Raising awareness among local organisations about the support and resources available from national infrastructure bodies such as NCVO, ACEVO, NAVCA, CIOF and Charity Finance Group and the Association of Chairs, with their free resources and discounts for smaller organisations could also enhance impact.

A number of participants questioned why charities set up to provide infrastructure support were developing public delivery services, and sought to understand how potential or perceived conflicts of interest – such as access to funding or volunteers – are managed. Both Community Action Sutton and Volunteer Centre Sutton should ensure that they have a transparent and clear 'wall' between their infrastructure activities and their service delivery activities to avoid confusion and misunderstanding.

The Local Government Association (LGA) highlights the importance of infrastructure organisations shifting from reactive to proactive approaches. **(30)** While many smaller organisations praised the hands-on support they receive from Community Action Sutton and Volunteer Centre Sutton, gaps remain, particularly in the support offer medium-to-large charities and for a number of grassroots groups, they were unaware of available support from infrastructure or indeed that they existed at all.

To this point, the management of communication and contacts emerged as a key theme in our research, highlighted both in discussions with participants and through desk-based analysis. Currently, the contact lists maintained by the two local infrastructure charities operate on an 'opt-in' basis, requiring organisations to actively sign up. This approach relies on groups being aware of the opportunity to join, which may limit reach. **Proactively researching, engaging, and updating contact lists could enable the infrastructure charities to connect with a broader and more diverse range of charities**, community groups, and faith organisations. This would not only enhance engagement with Community Action Sutton and Volunteer Centre Sutton but also provide a more accurate, real-time understanding of the evolving local for-impact ecosystem.

Advocacy, rather than mere representation, should be a core function of infrastructure organisations. Infrastructure bodies play a key role in shaping policies and influencing areas that affect the ecosystem. Many participants felt that Community Action Sutton and Volunteer Centre Sutton could do more to represent the charity, community and faith ecosystem in strategic conversations with councils, funders, and healthcare providers. Advocacy on issues such as simplified funding processes and promoting full-cost recovery, advocating for fair contract values and realistic expectations from commissioners and funders and encouraging cross-system collaboration was seen as essential for creating systemic change. This role extends to challenging unethical behaviours within the sector and ensuring that commissioners and funders understand the realities of working within the ecosystem.

One of the most critical roles of infrastructure organisations is to challenge harmful beliefs and power imbalances within the sector. As NAVCA notes, infrastructure organisations are uniquely positioned to act as "constructive disruptors," countering narratives that misrepresent the sector or undermine its effectiveness. **(31)** For example:

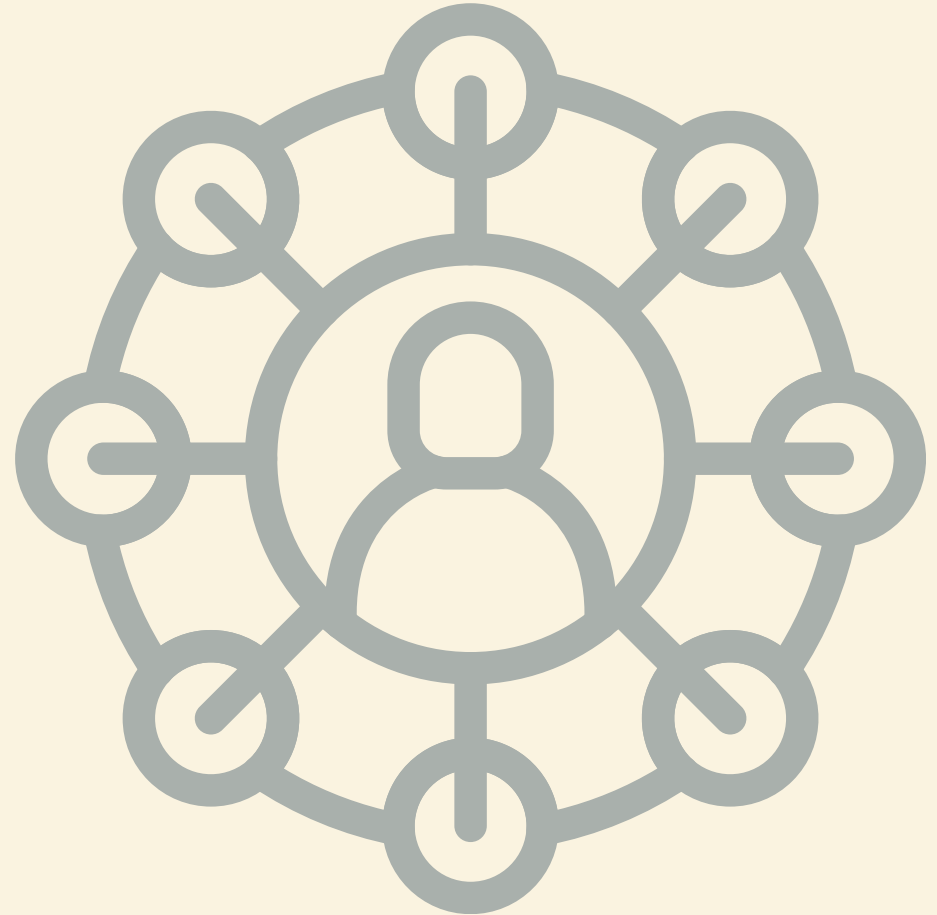
- Challenging the assumption that "all charities think X," which often reflects the disproportionate influence of a single, vocal individual.
- Countering misconceptions among commissioners and funders, such as the belief that the voluntary sector lacks professionalism or capacity.
- Countering narratives that the statutory sector has no understanding of the charity, faith and community eco-system.

(30) LGA (2024) Working with Local Infrastructure Organisations to engage smaller VCFSE organisations: good practice guide, <https://www.local.gov.uk/publications/working-local-infrastructure-organisations-engage-smaller-vcfse-organisations-good>

(31) NAVCA (2024) Op. Cit.

Infrastructure bodies must also address internal power dynamics, ensuring no single organisation or voice dominates strategic conversations. Acting as neutral convenors, they can facilitate inclusive dialogue, amplify diverse perspectives, and promote equity across the ecosystem.

Infrastructure organisations have a critical role to play in building capacity, challenging inequities, and driving systemic change within the charity, community, and faith ecosystem. By clearly defining their roles, proactively engaging with diverse organisations, and focusing on advocacy and tailored support, Community Action Sutton and Volunteer Centre Sutton can significantly enhance their impact. As the NAVCA guide reminds us, infrastructure organisations are not just supporters of the sector but enablers of resilience and drivers of equity, ensuring that all voices are heard and the ecosystem is equipped to thrive.



The Role of Infrastructure: Recommendations

Clarify Roles and Strengthen Partnerships

Community Action Sutton and Volunteer Centre Sutton should clearly define and communicate their distinct roles and responsibilities while fostering strategic collaboration with local government and other statutory bodies to co-develop long-term community strategies.

Adopt Proactive Engagement Strategies

Both organisations should shift from reactive to proactive approaches by expanding and maintaining comprehensive contact lists, conducting sector mapping to identify gaps, and actively engaging underrepresented groups to build capacity and resilience.

Enhance Advocacy and Challenge Inequities

Serve as constructive disruptors by advocating for systemic change, challenging power dynamics and misconceptions, and promoting fair funding practices that reflect the diverse needs of the eco-system.

Secure Sustainable Funding

Diversify income streams, advocate for fair and realistic funding models, and use funding strategically to support proactive initiatives like sector mapping, advocacy, and outreach.

Promote Transparency and Accountability

Establish clear communication channels (including a 'wall' between the service delivery and infrastructure activities), ensure transparency in decision-making, and create robust feedback mechanisms to foster trust, continuous improvement, and equitable practices.

Build Organisational Capacity and Resilience

Provide tailored support and training to organisations of all sizes, facilitate peer learning and collaboration, and empower organisations to build their operational effectiveness and long-term sustainability.

Conclusion: System Resilience - A Call to Action

The charity, community, and faith ecosystem in Sutton is under immense and increasing pressure, grappling with a quadruple challenge: diminishing funding sources, declining volunteer numbers, rising demand for services, and difficulties in recruiting and retaining staff. These challenges, compounded by external factors such as the cost-of-living crisis, rising operational costs, and public sector funding cuts, threaten the sustainability of the sector and its ability to meet the needs of the community effectively.

Building resilience across this ecosystem is not just about survival; it is about ensuring that vulnerable populations continue to receive the support they depend on. Without urgent and systemic action, the loss of organisations and critical services will deepen inequalities, exacerbate societal divides, and leave communities without the safety nets they need.

“The people I come across seem committed yet pretty much all working in very under resourced circumstances.”

A Path Forward: Strengthening System Resilience

Addressing these challenges requires a collective and strategic approach, grounded in collaboration and long-term thinking. Participants and research propose several strategies to create a more resilient and sustainable ecosystem:

- **A Local Compact for Collaboration:** Establish a local compact to formalise partnerships between the charity, community, faith, statutory, and private sectors. This compact would set shared goals, outline mutual responsibilities, and foster trust-based relationships, ensuring all partners are aligned in their efforts to support communities.
- **Streamlined and Accessible Commissioning Processes:** Simplify procurement and commissioning frameworks to reduce administrative burdens and improve accessibility for smaller organisations. Clear communication about opportunities, criteria, and reporting expectations is essential to enable equitable participation across the sector.
- **Proactive Support for Frontline Organisations:** Advocate for equitable funding models that reflect the true cost of service delivery, particularly for organisations filling gaps left by statutory services. This includes recognising the increasing complexity of client needs and supporting frontline organisations with sustainable financial and operational resources.

“Sutton wouldn’t be Sutton without such a vibrant sector.”

- **Integrated Use of Community Assets:** Unlock the potential of underutilised council-owned properties and other community spaces through strategic community asset transfers, improved mapping of available spaces, and streamlined access processes. These steps would enable organisations to secure affordable, fit-for-purpose spaces for their work.
- **Enhanced Infrastructure Advocacy:** Infrastructure organisations must advocate not only for the voluntary sector but also for improved collaboration and understanding with statutory partners. By fostering stronger ties between sectors, infrastructure bodies can help address power imbalances, streamline efforts, and promote shared responsibility for community well-being.
- **Equipping Leaders for the Challenges Ahead:** Provide targeted support for charity leaders, including mental health resources, peer learning networks, and guidance on adapting to operational realities. Leadership burnout is a critical issue, and addressing it is essential to maintain organisational stability and innovation.
- **System-Wide Collaboration and Transparency:** Create opportunities for regular cross-sector dialogue to align priorities, reduce duplication, and build trust. Transparent decision-making, particularly in funding and commissioning, is crucial for fostering equity and inclusion within the ecosystem.

A Shared Responsibility

The resilience of Sutton’s charity, community, and faith ecosystem is essential for the well-being of its residents. Strengthening this ecosystem will require coordinated action, shared responsibility, and a commitment to systemic change from all stakeholders. Infrastructure organisations must act as convenors, advocates, and capacity builders, ensuring that statutory and voluntary sector partners work together to address challenges and seize opportunities.

By fostering collaboration, advocating for equitable funding, and creating an integrated, supportive environment, Sutton can build a stronger, more resilient ecosystem that not only survives but thrives—delivering lasting impact for the communities it serves.

Evolving our Ecosystem

A Review of Sutton's Charities, Community, and Faith Organisations: Their Needs, Potential, and Challenges

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