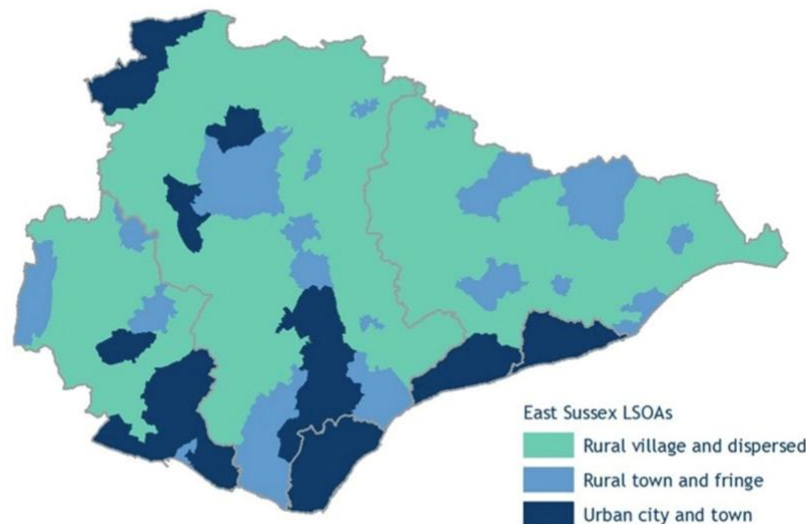




“State of the Sector” Evaluation of the VCSE Sector in East Sussex



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A diverse vibrant, vital part of East Sussex, but under significant pressure: building a way forward

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Authorship and acknowledgements

This report has been written by Colligo Labs and Ideas Alliance, based on interviews, workshops and analysis carried out by Paul Hainsworth, Dr Hina Choksy Evans, Helen Sharp and Becky Seale.

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We have tried to reflect all the opinions that we heard in the report. Nevertheless, the report is the responsibility of the authors including any errors and omissions.

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Executive summary

A dynamic, resilient VCSE sector has long been recognised as central to the development of thriving communities across the UK and beyond. The sector serves as a vital bridge between individual needs and collective wellbeing, encompassing an ecosystem of charities, community groups, social enterprises and volunteer organisations with a diversity that mirrors the wider economy. Nationally, the sector varies from approximately 500,000 micro hyper-local and focused organisations, most of which are not registered, through to less than 2000 multi-million-pound national charities and social enterprises. The key unifying feature of the sector is its ability to mobilise individuals motivated by passion, practical action and impact rather than profit and without the bureaucracy required by the public sector.

The VCSE sector in East Sussex reflects these national characteristics while facing distinct local challenges. This research, conducted between July and September 2025, engaged over 150 stakeholders through interviews, workshops and surveys to understand the current state of the sector and identify pathways to sustainability. The findings reveal a sector that continues to deliver exceptional value despite operating under unprecedented pressure.

Scale and contribution

The VCSE sector in East Sussex represents a significant economic and social force, comprising approximately 3,500 organisations that generate economic value of approximately £90 million annually. The sector directly employs approximately 9,400 people and engages over 100,000 volunteers contributing over 14 million hours per year, equivalent to 8,500 full-time employees. This represents not just economic activity but the foundation of community resilience across the county.

From food banks and youth clubs to environmental initiatives and health support services, from schools to faith institutions and services for older persons, VCSE organisations respond dynamically to emerging community needs. They foster the social connections that bind people together and build successful communities, whether at a local level or through shared passion, concern and interest.

Key strengths

Our research identified four fundamental strengths that enable the sector to continue delivering despite significant challenges:

Comprehensive VCSE footprint: The analysis found limited evidence of significant change from the 2021 IVAR report regarding the depth and breadth of organisations, maintaining at approximately 3,500. While this suggests stability, it is worth noting variation across the county. A small but important change is apparent in an increase in the number of organisations focused on marginalised communities, though this remains modest at 6% of the total.

Strong collaborative network: The sector demonstrates a strong commitment to collaborative work both within itself and with statutory partners. Successful partnerships and consortiums amplify the voices of smaller VCSE groups and support cross-sector and locality working. Umbrella grant models and hubs have allowed smaller grassroots projects to flourish within larger structures, while cross-organisation campaigns, events and sharing of venues demonstrate mature cooperation.

Resilient and adaptable culture: Staff and volunteers across the sector display high commitment, passion and resilience, responding flexibly to community needs even during challenging circumstances like COVID-19, the cost-of-living crisis and ongoing funding challenges. This adaptability has enabled organisations to maintain services when statutory provision has contracted and in the face of severe funding pressures.

Compelling strategic value: Our Deep Dive analysis of seven organisations using the HM Treasury Green Book approach demonstrated strong value from investment into the VCSE sector. Returns ranged from £2 to £8 for every £1 invested, with particular value demonstrated in prevention of future public spending costs. This evidence base provides robust justification for sustained investment.

Major challenges

Despite these strengths, the sector faces interconnected challenges that threaten its sustainability:

Severe funding instability: Organisations face fierce competition for short-term, limited funding that creates financial insecurity and prevents long-term planning. The current funding environment forces organisations to adapt projects to fit funding criteria rather than community needs. Most concerning is that multiple organisations report having to use reserves to fund ongoing operations, including delivery of statutory contracts.

Capacity and workforce crisis: The sector experiences significant staffing pressures including recruitment difficulties, low wages, staff burnout and an aging volunteer base with limited succession planning. Financial pressures translate into VCSE wages that are often 15-20% below public sector equivalents, making retention of skilled staff difficult. The loss of capacity leaves organisations firefighting rather than planning.

Systemic fragmentation: Confusing governance structures, fragmented statutory systems and lack of VCSE strategic input create misalignment between services and community needs. Organisations risk being seen as "cheap alternatives" rather than equal partners in service delivery. Collaboration, while strong in principle, is often driven by personal relationships rather than systematic approaches. There is limited

understanding of smaller grassroots organisations' contributions despite their delivery of vital services.

Lack of value-added insight at local level: Despite the clear strategic value demonstrated through our research, organisations have limited capability to translate this into robust assessment of local impact. This weakens their position in commissioning processes and reduces their influence on strategic decision-making.

Recommendations:

These actions represent not isolated initiatives but a comprehensive programme of change requiring sustained leadership, adequate resourcing and regular review. Success depends on maintaining momentum beyond initial enthusiasm, with clear accountability for delivery and transparent reporting on progress. The culture shift identified throughout this research, from transactional to relational, from competition to collaboration, from short-term fixes to long-term investment in community resilience, must underpin all action. Without this fundamental change in mindset and practice, even the best-designed initiatives will fail to achieve their potential.

Through extensive consultation, stakeholders articulated a clear vision for the sector's future:

Sustainable partnership model: The sector requires long-term, adequate funding that supports both core and project costs. This means moving from transactional procurement to trust-based partnerships that properly value prevention and community-led solutions. Funding arrangements should recognise the true cost of service delivery, including overheads, training and development.

Enhanced collaboration: The sector aspires to deeper integration into strategic decision-making processes, breaking down silos between services, reducing duplication, sharing resources (notably building and digital infrastructure) and establishing community-centred service models. Neighbourhood hubs should serve as connection points, bringing together statutory and voluntary provision in ways that make sense to communities. Additionally, consideration needs to be given to how small grassroots organisations and groups can be invited to the table when their capacity and resources are so limited.

Call to action

Achieving this vision requires coordinated action across three timeframes:

Immediate priorities (0-6 months): The most urgent need is to stabilise organisations currently using reserves to maintain services. This requires implementation of full cost recovery across all contracts, establishment of an emergency resilience fund and a temporary freeze on competitive retendering processes. Without these immediate actions, we risk losing critical infrastructure that has taken decades to build.

actions

- Build a shared assessment of the VCSE organisations and contracts at risk across the county based on the priorities of the NHS, ESCC and District and Borough Councils
- Establish a VCSE development programme based on the risk assessment including
 - a short-term commissioning approach which acknowledges need for full cost recovery, access to emergency resilience fund and where necessary freeze on competitive tendering in at-risk areas.
 - explicitly supporting the VCSE with the use of community physical assets through potential peppercorn rents and supportive policies to strengthen community hubs (e.g. Phoenix Centre, Lewes)
 - councillors and commissioners each to visit at least one VCSE partner each month to witness impact firsthand

Lead organisations: ESCC Partnership Team and ES VCSE Alliance

Short-term transformation (6-18 months): Success depends on leadership from both VCSE and statutory sectors initiating conversations about new social contracts. The forthcoming local government reorganisation and the push by the NHS for neighbourhood health teams provides a unique opportunity to embed VCSE partnership in new structures. This period should see the development of multi-year funding frameworks and investment in workforce wellbeing and development.

Actions

- Develop VCSE connector roles locally to bridge gaps between organisations and facilitate collaboration (ES VCSE Alliance and Voluntary Associations)
- Create collaborative funding models that encourage partnership and minimise unproductive competition and recognise VCSE organisations as essential infrastructure investment at local grassroots level (ESCC, NHS and Private Funders)
- Establish community asset compact ensuring the repurposing or disposal of community assets including VCSE sector assets are coordinated with VCSE sector (ESCC SPACES Programme)
- Actively promote the benefits of the existing digital infrastructure which is made available by the ESCC and NHS to the VCSE sector (ES VCSE Alliance)
- Conduct workshops bringing together funders and funded organisations to demonstrate impact and share learning (Private funders and Voluntary Organisations)
- Systematically engage people with lived experience to ensure services reflect actual needs (All)

Long-term system change (1-3 years): Sustainable change requires fundamental shifts in how we conceptualise and resource community wellbeing. This includes recognition that the VCSE sector's diversity, across theme and geography is a strength requiring differentiated approaches rather than one-size-fits-all solutions. Investment in shared infrastructure, particularly buildings and digital infrastructure, alongside simplified bureaucracy will enable the sector to focus on delivery rather than administration.

Actions

- Conduct comprehensive commissioning process review addressing barriers that exclude smaller organisations and stifle innovation
- Invest in thematic networking groups which aligns commissioning programmes with the VCSE sector (e.g., mental health networks, children's services)
- Create shared spaces programmes which involves all community assets
- Build a shared VCSE/Statutory sector approach to shared digital infrastructure
- Ensure Community Infrastructure Levy money remains local to areas experiencing development
- Recognize developers as community partners rather than simply sources of planning gain
- Establish development finance approaches that support long-term community investment

Conclusion

East Sussex's VCSE sector delivers exceptional value, preventing crises, building community resilience and supporting those most in need. However, this essential infrastructure is under severe strain.

Based on a deep dive into 7 VCSE organisations, the report estimates every £1 invested in the VCSE sector generates £2-£8 in social return while building the community connections essential for wellbeing. Extrapolating this across the whole of the VCSE sector in East Sussex it would represent a social return in excess of £500million. The precise calculations can be disputed but the conclusion is clear: allowing the sector to fail would cost significantly more in crisis interventions while diminishing the social fabric of our communities.

This report provides the evidence base and practical recommendations for a different path.

Scope of research

This report has been commissioned by the East Sussex VCSE Alliance, to undertake robust research into the state of the voluntary sector in East Sussex in 2025. The timing is critical: with local government reorganisation underway, the implementation of the NHS 10-year plan pushing for greater neighbourhood care and multiple organisations reporting unprecedented financial strain, this research provides evidence for decision-making that will shape the sector's future.

The objectives of the research are to:

- provide an up-to-date snapshot of the scale and reach of the voluntary sector
- assess the value of the contribution made by the voluntary sector in East Sussex
- determine the effects of the current operating environment on the impact and resilience of voluntary groups and organisations and the services, support and representation they deliver
- generate impactful recommendations to inform policy, partnership working and service development

The research provides understanding and insight into:

- the scope, impact, resilience and positive contribution – economic, social and environmental – that the VCSE sector has on the lives of people and communities across the county and the associated impact on system partners
- the views of local VCSE groups and organisations and key non-VCSE stakeholders on how they see the sector's future and what needs to change
- existing insights and learning, by undertaking a desktop literature review of nationwide studies of the sector and related local learning
- high impact actions and recommendations that can be taken to mitigate the pressures on East Sussex VCSE groups and organisations and/or that support sector resilience

The report has reached out to a broad range of VCSE groups and the statutory partners using a mixed-method approach. Figure 1 below provides a summary of the research engagement achieved by the project.

Research engagement summary

July - September 2025

Method	Count	Description
In-depth Interviews	42	VCSE leaders, statutory partners, infrastructure bodies
Workshop Participants	45	Two collaborative sessions testing findings
Survey Responses	66	Organisational data on finances and workforce
Deep Dive Analyses	7	Green Book methodology for SROI assessment
Regional Reports	15	National context and comparative analysis
Total Stakeholders	150+	Comprehensive sector engagement

The methodology included a desktop review of existing literature and data, including analysis of 15 regional state of the sector reports to understand national trends and local variations. In-depth interviews were conducted with 42 individuals representing VCSE organisations of varying sizes, statutory partners from health and local government and infrastructure support organisations.

Two workshop sessions engaged participants in developing the theory of change and making sense of the findings. An online survey gathered responses from 66 organisations, providing quantitative data on financial health, workforce challenges and service delivery. Seven organisations participated in deep dive analyses using HM Treasury Green Book methodology to demonstrate the social return on investment of the sector.

Overall, the authors were pleased and grateful for the level of engagement from all involved in the sector. Organisations and individuals freely gave their time, opinions and data despite significant operational pressure and the project being carried out over a short period in the holiday season.

We acknowledge that participation in the survey was lower than initially hoped, which may reflect both the summer holiday season and numerous competing demands on organisations' time. Nevertheless, the combination of methods ensured findings that reflect the diversity of the sector across East Sussex.

Literature review

A dynamic, resilient VCSE sector has long been recognised as central to the development of thriving communities across the UK and beyond. The sector serves as a vital bridge between individual needs and collective wellbeing. This section reviews the latest literature published regarding the importance of the VCSE sector at national level and the state of the VCSE sector across the UK.

National policy towards VCSE sector

The UK government has been searching for ways to improve engagement with the VCSE sector for decades. Looking back over the last 20 years, governments have introduced numerous measures to support the sector known variously as the "Third Sector", "Big Society" and "Civil Society". Each rebrand has reflected shifting political priorities whilst the sector's fundamental role has remained constant.

The most recent changes have focused on opening up public procurement contracts to the VCSE sector through the Procurement Act 2023, which came into force on 24th February 2025. This represents a significant shift in procurement practice, requiring public bodies to consider social value alongside cost and quality. In addition, the National Procurement Policy Statement (February 2025) explicitly called for all central government departments to have a two-year target for direct spend with the VCSE sector from 1st April 2026. These targets signal intent, but implementation remains uncertain, particularly given the complexity of procurement processes that often exclude smaller organisations.

In July 2025, the UK government introduced the UK Civil Society Covenant, representing a new principles foundation for resetting the relationship between the UK government and civil society. The covenant acknowledges the sector's essential role in democracy, service delivery and community resilience. It commits to partnership working, respect for independence and sustainable funding, though concrete mechanisms for delivering these commitments remain undefined. The Local Government Association's report, *Trusting Place: Improving the lives of local people through place-based approaches*, reinforced the commitment to develop a new model for local services.

However, this positive approach to introducing a more collaborative approach to working with the VCSE should not hide the fact that it is also seen as an approach to fill gaps left by reduced public spending. The tension between rhetoric and reality persists. Government celebrates the sector's contribution whilst reducing funding, praises innovation whilst imposing rigid contracts and calls for partnership whilst maintaining hierarchical commissioning relationships.

Regional assessments of the VCSE sector

The importance of the VCSE sector to community wellbeing is reflected in the wide range of State of the Sector reports published over the last four years by VCSE associations, funders and local authorities. This review examines 15 different reports from across England (see Appendix A1), providing a comprehensive picture of sector health and challenges beyond East Sussex.

These reports have been designed to recognise and celebrate the contribution of the sector to local communities, provide an evidence base to support advocacy, policy and commissioning decisions and highlight key issues, most recently the post-pandemic recovery and cost-of-living crisis. It is worth noting that four reports explicitly extend the definition of the sector to VCFSE to include faith-led organisations. The positive role of faith-based organisations is also explicitly acknowledged in the recent Civil Society Covenant, recognising their reach into communities and provision of crisis support.

The conclusions across all state of the sector reports are remarkably consistent, suggesting systemic challenges:

Table 2: key findings from regional state of sector reports

Theme	Key Findings
1. Financial sustainability	Widespread financial strain; increasing use of reserves (e.g. 33% in Norfolk). Real-terms funding has declined; inflation pressures have outpaced grant increases. Grant funding inconsistent and often short-term, especially for smaller organisations.
2. Rising demand vs. capacity	Increase in demand for services post-COVID and amid cost-of-living crisis. Many organisations report being unable to meet community needs due to stretched capacity. Some services reduced or closed due to funding/staffing gaps.
3. Workforce and volunteering pressures	Significant challenges in recruiting and retaining staff and volunteers. Increase in reliance on unpaid volunteers (e.g. 29% in Norfolk 2025). Burnout and wellbeing concerns prevalent in workforce (noted in Greater Manchester and Shropshire).
4. Role in service delivery & prevention	VCSEs recognised as core to early intervention, mental health, social care and community health. Sector increasingly delivering commissioned or partnership services. LGA and Greater Manchester stress role of VCSEs in preventative models and systems leadership.
5. Data, impact and evidence use	Weaknesses in data maturity and impact measurement (e.g. Greater Manchester Data & Intelligence Project). Need for better tools, peer learning and access to evidence to influence commissioning. LGA encourages councils to support data development in infrastructure bodies.
6. Hyper-local & place-based working	Most VCSE organisations are small and neighbourhood-based (e.g. 71% in Greater Manchester under £10k turnover). Place-based approaches (LGA, GMCA) highlight importance of

	grassroots, trusted organisations. Local Infrastructure Organisations essential in reaching micro-organisations.
7. Infrastructure and collaboration	Effective collaboration structures (e.g. 10GM, Greater Manchester VCSE Leadership Group) boost voice and resilience. Partnerships work best where infrastructure is resourced and trusted. Norfolk and West Yorkshire report improved outcomes via infrastructure-supported coordination.
8. Commissioning & funding practices	Call for co-design, multi-year funding and participatory grant-making (LGA, Greater Manchester Fair Funding Protocol). Short-term contracts undermine sustainability and planning. Funding processes often too complex for small VCSE groups.
9. Inequalities and inclusion	Uneven support for organisations led by and for marginalised communities (e.g. ethnic minorities, disabled people). Greater Manchester and LGA recommend inclusive capacity-building and equity in funding.
10. Sector visibility & influence	Desire for more formalised VCSE roles in governance (e.g. Greater Manchester Accord, Worcestershire involvement in JSNA, Shropshire VCSA recommendations). Inconsistent representation in local planning and integrated care systems. Recognition rising, but structural voice still uneven.

These findings demonstrate that East Sussex's challenges are not unique but part of a national pattern affecting the entire VCSE sector. The consistency across regions, from urban Manchester to rural Shropshire, from relatively affluent Oxfordshire to coastal Cornwall, suggests that system-wide reform is needed, though this must be implemented in ways that respect local context and relationships.

The literature also reveals emerging good practice. Greater Manchester's VCSE Accord provides a model for embedding sector voice in governance.

Worcestershire's integration of VCSE data into Joint Strategic Needs Assessments demonstrates how to evidence sector contribution.

Norfolk's approach to supporting micro-organisations through infrastructure bodies shows how to reach grassroots groups.

These examples provide practical models that East Sussex could adapt rather than starting from scratch.

The evidence is clear: across England, the VCSE sector delivers essential services, prevents crisis and builds community resilience. Yet everywhere it faces the same challenges of short-term funding, workforce crisis and systemic undervaluation.

The question for East Sussex is not whether these challenges exist here too - they demonstrably do - but how to build on national learning whilst crafting locally appropriate solutions.

East Sussex context

County perspective

East Sussex is a county in the South East of England, covering an area of 1,792 square kilometres (692 square miles), including the administrative boroughs and districts of Eastbourne, Hastings, Lewes, Rother and Wealden. The county is located south of London with Kent to the north and east, West Sussex and the City of Brighton & Hove to the west and Surrey to the northwest.

The population of East Sussex was estimated to be 555,484 in mid-2023, representing 4.2% growth since 2013. This growth has been notably slower than both the South East region (7.6%) and England as a whole (5.9%), suggesting different demographic pressures than surrounding areas. International net migration continues to rise and is at the highest level seen in the last decade (+2,923), while the largest population increase continues to come from net migration within the UK (+4,500).

The county's demographic profile presents particular challenges and opportunities for the VCSE sector. East Sussex has a much older population profile than most parts of the country, with older people (65+) comprising 26.5% of the population in 2023 compared with regional (19.8%) and national (18.7%) averages. This aging population drives substantial demand for VCSE services including befriending schemes, transport to medical appointments, dementia support and end-of-life care. The concentration of older residents also provides a significant volunteer base, though succession planning remains a critical concern as this cohort ages.

East Sussex is one of the least ethnically diverse counties in England, with 93.9% identifying as white compared to 86.3% in the South East and 81% in England. While this might suggest less demand for culturally specific services, the 6% of residents from ethnic minorities often face isolation and limited culturally appropriate support and are disproportionately represented in the more deprived parts of the county.

From an economic perspective, East Sussex faces significant challenges that directly impact both VCSE service demand and funding capacity. The county ranks 5th most deprived of the 26 county councils. The economy supports 246,000 jobs generating Gross Value Added of approximately £11.6 billion. However, measuring this as GVA per filled job, East Sussex achieves only 73% of the UK average, indicating lower productivity and contributing to the challenge for VCSE organisations in securing local business sponsorship.

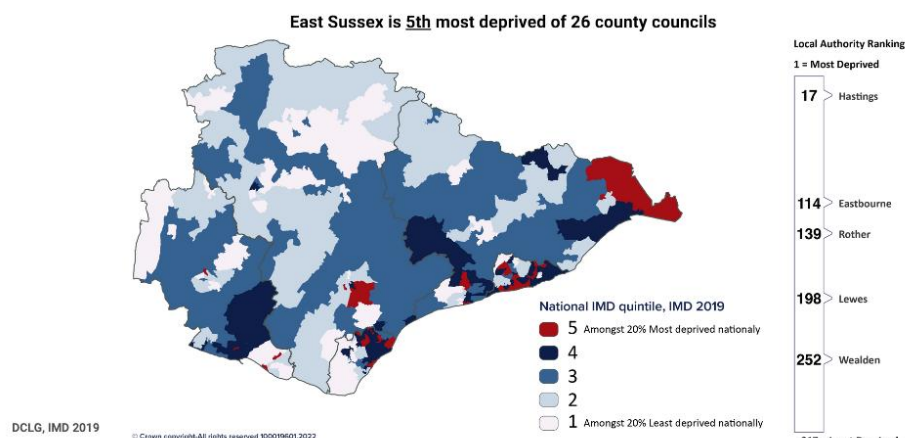
These economic challenges translate directly into household finances. In 2022, gross weekly earnings in East Sussex were approximately 90% of the UK average. While this gap reduces slightly for residents working outside the county (often commuting to London), the combination of lower wages and some of the country's highest housing costs relative to pay creates conditions for financial hardship.

The workforce context shapes both VCSE service needs and operational challenges. About 78% of the working age population are economically active, broadly in line with national figures. However, skill levels lag significantly: only 39% of people aged 16-64 are qualified to RFQ4+ compared with 46% nationally. This skills gap may affect VCSE organisations directly through recruitment difficulties and indirectly through increased demand for employment support, training and basic skills services.

East Sussex's business landscape of 23,000 enterprises, predominantly small employers, provides both opportunities and challenges. Small businesses often lack resources for corporate social responsibility programmes but may be more embedded in local communities and willing to support local causes through volunteering or in-kind support.

Regional diversity

The striking feature of East Sussex is its diversity. East Sussex comprises local areas representing every level of deprivation in the UK, from amongst the most affluent to the most deprived. This diversity fundamentally shapes how VCSE services must be designed and delivered.



IMD Decile	1	2	3	4	5	6	7	8	9	10
Hastings	30%	13%	15%	15%	11%	4%	9%	2%	0%	0%
Eastbourne	7%	13%	10%	20%	10%	16%	2%	11%	8%	3%
Rother	3%	7%	10%	10%	26%	9%	14%	12%	9%	0%
Lewes	0%	3%	11%	8%	8%	16%	15%	23%	6%	10%
Wealden	0%	4%	0%	3%	6%	20%	15%	20%	18%	14%

Table 1: Proportion of LSOAs by index of multiple deprivation decile (1 = most deprived, 10 = least deprived)

Table 1 and the supporting map shows the profound inequality across East Sussex.

Hastings is the most deprived local authority area by a significant margin, ranking as the 17th most deprived local authority in England out of a total of 317. With 30% of Hastings' 53 LSOA¹s in the bottom 10% nationally and 85% at or below average, VCSE organisations here face higher demand with limited local fundraising capacity.

In stark contrast, Wealden has no LSOAs in the bottom 10% and 32% in the top 20%, creating different challenges around demonstrating need for funding and reaching isolated pockets of deprivation within generally affluent areas.

This diversity is well recognised in strategic planning, underpinning East Sussex County Council's "Helping People Help Themselves" priority and the NHS's neighbourhood care strategy. The establishment of five Integrated Community Teams (ICTs) aligned with District and Borough Councils reflects this geographic variation.

The Core20Plus5 initiative, focused on the 20% most deprived communities nationally, applies to 48 LSOAs across East Sussex: Hastings (23), Eastbourne (12), Rother (6), Wealden (4) and Lewes (3). For VCSE organisations, this means navigating different commissioning priorities, funding criteria and partnership structures across the county while trying to maintain county-wide collaboration and learning.

The practical implications for the VCSE sector are profound. An organisation providing identical services in Hastings and Wealden faces completely different operating environments: different levels of need complexity, different fundraising potential, different volunteer availability and different statutory service provision.

This geographic inequality explains why county-wide VCSE strategies often struggle and why place-based approaches have gained traction.

¹ LSOA = Lower layer super output area comprising a population of 1,000 – 3,000

Scale and scope of VCSE community

In assessing the scale and scope of the VCSE community, this evaluation builds on the 2021 report by IVAR: The contribution and value of the VCSE sector in East Sussex. The IVAR analysis identified approximately 3,500 VCSE organisations comprising 1,654 registered charities and an estimated 1,828 non-registered micro-organisations referred to as "below-the-radar".

Understanding this baseline is essential for tracking sector evolution and identifying emerging trends.

Overall scale

There is no evidence that the scale of the VCSE sector in East Sussex has changed materially over the five years since the IVAR report.

The number of registered charities classified as operating specifically in East Sussex is listed in August 2025 as 2,344. Excluding organisations which appear to be inactive (those reporting zero income) and those directly linked to specific schools and places of worship such as PTAs and Parish Councils, the number of registered charities aligns with the IVAR report at 1,684.

This stability does mask some churn: new organisations forming whilst others close or merge, suggesting a dynamic sector maintaining equilibrium rather than a static one. The Charities Commission reports a 0.4% reduction in the number of charities registered in East Sussex since 2021. This marginal decline contrasts with a 0.4% increase nationally in the number of charities, suggesting that East Sussex may be experiencing slightly greater organisational fragility than other areas.

There is also no evidence that the number of below-the-radar organisations should have changed materially compared with the 2021 analysis. NAVCA reports a ratio of 2.6 to 1 in terms of "under the radar" groups in England. The IVAR report quoted the NCVO and University of Southampton estimate of 3.66, reflecting East Sussex's strong tradition of informal community action.

Hence, the original estimate of approximately 3,500 organisations across East Sussex appears at least reasonable and may be conservative.

The unregistered organisations, whilst small individually, collectively provide substantial community benefit through activities ranging from peer support groups to community gardens, from informal lunch clubs to neighbourhood watch schemes. As recognised by the recent NACVA and University of Exeter report "Unseen but essential: what is the voluntary sector microbiome", they also bring remarkable expertise from lived experience.

Regional Distribution

The distribution of charities across the county also remains broadly unchanged, with Wealden, Rother and Lewes having 50-60% more registered charities per head of population compared to Eastbourne and Hastings. This distribution pattern has significant implications for service provision and community capacity.

Table 3: Registered charities per 10,000 population by district (2025)

District	Number of Charities	Population	Charities per 10,000
Wealden	582	167,000	34.6
Rother	347	96,000	36.1
Lewes	341	103,000	33.1
Eastbourne	209	104,000	22.3
Hastings	205	92,000	20.1

Source: Charities Commission 2025 – Charities reporting that their focus is East Sussex

This variation across the county in terms of charitable organisations is reflected in the DHSC's data on community engagement and participation in voluntary activity, with Wealden, Rother and Lewes consistently showing significantly higher levels of engagement.

The pattern raises important questions about cause and effect: do areas with more deprivation have fewer charities because of limited local capacity to establish them, or does the absence of VCSE infrastructure contribute to deprivation? The answer likely involves both factors, creating a reinforcing cycle that requires targeted intervention.

VCSE focus

The focus of charities is also broadly unchanged since 2021, with educational and training organisations remaining dominant. However, one notable shift deserves attention: charities focused on people of particular ethnic and racial origin have increased, though from a very low base.

Purpose: Education/Training is identified as the most common purpose (54%) with the next most common purpose being "General charitable purposes" (28%). The educational focus reflects both the inclusion of school-related charities and the sector's role in lifelong learning, skills development and informal education.

Beneficiaries: These were listed as "Children/Young People" (55%) and the "General Public" (48%), showing the sector's dual focus on early intervention with young people and universal services for all residents.

In the context of reaching marginalised communities, it is worth noting that only 4% identified people of particular ethnic or racial origin as beneficiaries. This represents a modest increase from 2.8% in 2021 but remains disproportionately low given that 6.1% of East Sussex's population identifies as non-white. This gap suggests either that mainstream organisations are providing culturally inclusive services without

specifically identifying ethnic minorities as beneficiaries, or that these communities remain underserved.

The table below provides an overall summary of the current scale and scope of the VCSE sector compared with the 2021 estimate:

Table 4: East Sussex VCSE sector scale - 2021 vs 2025 comparison

Metric	2021 Estimate	2025 Assessment	Change	Implications
Total Organisations	~3,500	~3,500	Stable	Resilience despite pressures
Registered Charities	1,654	1,684	+2%	Slight growth in formal sector
Below-the-radar Groups	1,828	~1,800	Stable	Informal action continues
Economic Value (GVA)	£87M	£90M	+3.4%	Real-terms decrease after inflation
Employees	9,200	9,400	+2%	Modest growth despite funding pressures
Volunteers	98,000	100,000+	+2%	Continued community commitment
Organisations serving ethnic minorities	2.8%	4%	+43%	Growing but still inadequate

Understanding the local picture

A key conclusion from the analysis in this report is the importance of understanding the VCSE sector at the hyper-local level. The sector's strength lies in its roots in specific communities, whether geographic or communities of interest. This is evident in the diversity of registered charities across East Sussex and reinforced by the below-the-radar organisations which are much more difficult to reach. This localised understanding starts with ensuring all stakeholders, the VCSE sector, funders and statutory partners, have access to the tools and information to understand the community around them.

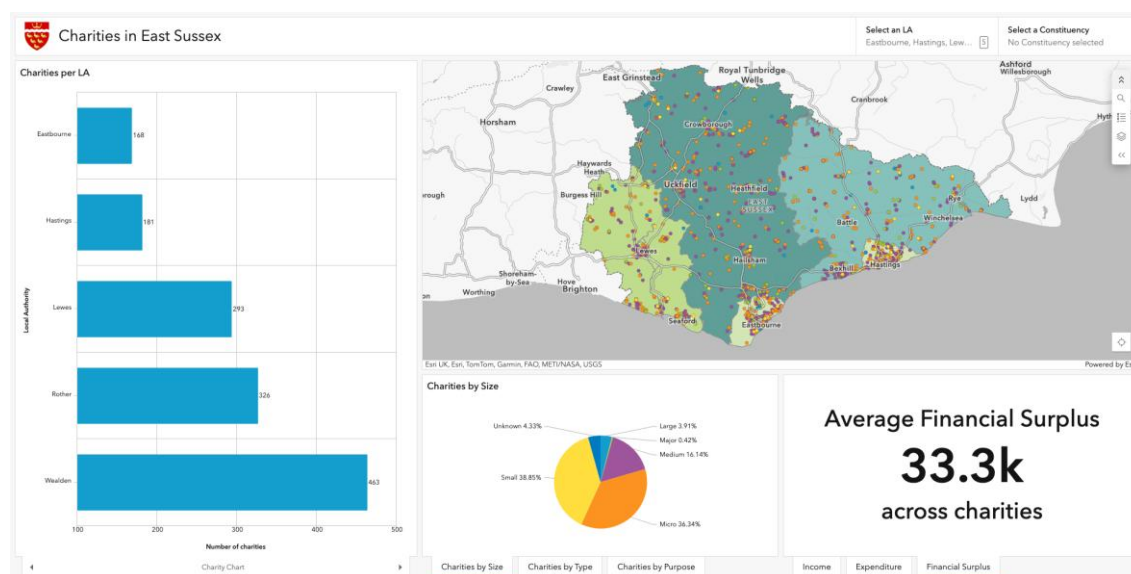
There has been significant investment in these tools over the years. Table A2 in the Appendices list a number of data tools which are available in the public domain, including East Sussex in Figures, ESCIS, 1Space, the Sussex Uncovered series and various population health tools. There appears to be limited awareness of many of these tools or proactive promotion of their use.

Many smaller organisations lack the capacity or skills to navigate complex data platforms, whilst both smaller and larger organisations may not know such resources exist.

A starting point could be a simple map which provides visibility of all registered charities across the county with the ability to drill into every localised neighbourhood.

This would be particularly relevant to organisations with responsibility for social prescribing, enabling them to identify local assets and make appropriate referrals. It would also support collaboration by making organisations aware of potential partners in their area.

Interactive Map - showing registered charities across East Sussex with zoom capability to neighbourhood level



Source: Colligo Labs mapping tool using Charities Commission data

Such a tool reveals both the concentration of services in town centres and the gaps in rural areas. It shows the clustering of similar organisations that could benefit from collaboration and identify areas where residents must travel significant distances to access support. Most importantly, it makes visible the full ecosystem of support available to communities, countering the perception that "nothing exists here" often heard in areas of high deprivation.

The data reveals a sector that appears stable in numbers but is under significant strain in reality. The maintenance of organisation numbers masks the enormous effort required to sustain services with declining real-terms resources.

The geographic disparities in charitable density, combined with the inverse relationship between need and provision, suggest that market failure is occurring: the areas most needing VCSE support have the least capacity to generate it organically. This reinforces the need for strategic intervention to build capacity where it is most needed rather than assuming it will emerge naturally.

Deep dive: application of the HM Treasury Green Book

To supplement the overview of the East Sussex VCSE sector, the research carried out a deep dive into the social impact of seven VCSE organisations representing a cross-section of the sector. The deep dive applied the framework outlined in HM Treasury's Green Book. This framework provides a well-established government recognised and approved approach for appraising the effectiveness of organisations and projects with links to the public sector. Appendix A3 provides an outline of the HM Treasury Green Book and its application to the VCSE sector.

This section provides the headlines from this application to the East Sussex selected organisations. The analysis demonstrates both the sector's exceptional value for money and the sophistication with which impact can be measured using government-standard methodologies.

Deep dive case studies: seven examples

With the help of the East Sussex VCSE Alliance and partners, the project identified seven VCSE organisations working across East Sussex. The aim was to apply the Green Book approach to each organisation to evaluate the insight generated from this approach on organisational impact and hence build future recommendations.

The selection criteria ensured diversity across geography (covering all five districts), size (from volunteer-led to multi-million-pound operations), service focus (from specialist to generalist) and beneficiary groups (from universal to targeted). This diversity demonstrates the Green Book's applicability across the entire sector.

Methodology

The approach combined desktop research with intensive fieldwork. We reviewed publicly available information, notably from organisations' websites, annual reports and public records including Charities Commission and Companies House filings. This was supplemented by three to five interviews with key staff including Chief Executives and service leads, analysis of anonymised internal performance data and follow-up interviews with one to two key statutory partners across the NHS and ESCC.

Each organisation was then assessed against the HMT Five Case Framework, with particular attention paid to monetising social value where robust data existed. A high-level monetisation was carried out by evaluating organisation outcome measures against appropriate benchmarks in a proprietary dataset which consolidates 3,000 observations from local authorities, the NHS and other public sector departments.

Participating organisations

The seven organisations demonstrate the sector's diversity:

HARC (Hastings Advice and Representation Centre) has operated for over 40 years, providing welfare benefits advice, advocacy and support to Hastings' most deprived communities. Their work prevents homelessness, ensures benefit entitlement and provides crisis support.

Care for the Carers supports unpaid carers across East Sussex, preventing carer breakdown and enabling continued home care for vulnerable individuals. Their interventions delay or prevent residential care admission.

Amaze works with families of children with special educational needs and disabilities, providing navigation support through complex systems and preventing family breakdown.

East Sussex Recovery Alliance supports long-term recovery from addiction, preventing relapse and reoffending whilst rebuilding lives and relationships.

Rotherfield St Martin creates a vibrant community hub for older people in rural Wealden, preventing isolation and maintaining independence through social connection and practical support.

Community Chef delivers cooking skills programmes often in areas of deprivation, improving nutrition, building confidence and creating pathways to employment.

Kinship Carers Hailsham supports relatives raising children who cannot live with their parents, preventing care system entry and maintaining family bonds.

Key findings from deep dive analysis

The Deep Dive analysis revealed consistent themes across all seven organisations, providing robust evidence for the sector's value and highlighting systemic challenges requiring attention.

Strategic case: clear alignment with need

All seven organisations are driven by clear vision, mission and conviction that they make a significant difference to their targeted beneficiaries. They all have deep understanding of their sectors, going back in some cases over 40 years. They are staffed with employees and volunteers who have deep roots in their community and frequently benefit from the lived experience of their beneficiaries.

All organisations were linked to sectors which align strongly with national priorities and the legislative framework, including the Care Act 2014, Children's Act 1989, Equality Act 2010 and Social Value Act 2012. These sectors also regularly receive funding from public and private sectors.

However, the challenge from the Strategic Case perspective is that specific targeted beneficiaries of the organisations were not always a priority for potential funders, particularly the public sector. Rotherfield St Martin (RSM) provides an illustrative example. RSM has remarkable impact supporting the older community in and around Rotherfield, with stakeholders frequently stating *"every village should have an RSM"*. RSM can make a strong case about improving health and welfare outcomes for its community.

However, it operates in an area where 100% of LSOAs are in the top decile for affluence nationally. Almost all health and welfare metrics in Rotherfield exceed national averages. RSM will therefore struggle to secure specific funding linked to its local operations.

That said, RSM can make a case as a model operation providing leadership example to other communities, which appeals to third-party funders. Its recent Kings Award acknowledgement validates this excellence. It can also make the case that specific activities merit funding because they focus on priority themes such as mitigating falls amongst older people (a priority in Wealden), improving hospital discharge outcomes, reducing missed hospital and GP appointments through their driver service, or improving dementia outcomes.

Another area where the Strategic Case comes under challenge is where focus on improving immediate outcomes for beneficiaries becomes confused with longer-term advocacy campaigns for change at local or national level. The conviction of organisations that their beneficiaries must secure a better long-term deal can mean immediate outcomes achieved by the organisation are not communicated as clearly as they could be.

Economic case: exceptional social return on investment

All seven organisations can make compelling cases that they generate positive social return on investment. High-level estimates identified a range of £2 to £8 for every £1 invested. The estimate was based on operational costs of the organisations and assessment of public sector costs likely to be avoided as result of organisational activities. It does not include potentially significant additional value through improved wellbeing for all stakeholders, quality of life gains and increased local economic activity notably through volunteer engagement.

The level of return reflects the focus of organisations and the VCSE sector more generally on preventative activity. All organisations offer interventions that mitigate likelihood of urgent interventions by the public sector, often in the form of crises.

HARC maintains independent living and prevents benefit-related stress whilst improving local economy. Care for the Carers prevents costly family breakdown and potential need for state-supported interventions including paid carers and emergency housing. Amaze delivers strong social return through SEND system navigation and mitigation of events such as school exclusion. ESRA's long-term recovery support prevents relapse cycles and reoffending, mitigating significant NHS and other public sector costs linked to crisis management.

RSM reduces social isolation, actively supports independence and mitigates GP and A&E visits, adult social care requirements and potential residential care costs. Community Chef's low-cost but effective courses improve food skills, nutrition and health outcomes whilst reducing social isolation and providing employment pathways. Kinship Carers prevents care system entry, supports family preservation and family wellbeing.

The significant challenge for all these organisations is explicitly linking these undoubted benefits to specific local communities. It remains difficult for potential funding bodies and policy makers to evaluate alternative options without the information on the direct impact on targeted individuals or groups.

Commercial case: strong operations despite system barriers

All established organisations can be considered to have relatively strong commercial operations with deep roots into community. They are clear about areas of specialised expertise and approaches to ensuring quality and risk management. The strength of operations is recognised by the number of organisations receiving local and national recognition.

There is opportunity to strengthen the Commercial Case across the sector through enhancing effectiveness of collaboration between VCSE organisations and with the statutory sector. Collaboration is explicitly recognised as a priority and there are strong partnerships in place such as CFTC's small grants programme, Amaze's partnership with children's organisations and HARC's work with Citizens Advice. However, these relationships seem driven by personal and often historic connections.

There was limited evidence of proactive approaches to understanding the range of services and organisations available within specific local communities and how they could be included. This was particularly true of organisations with responsibility for social prescribing and engagement with Integrated Community Teams. ESRA, for example, has received limited attention from social prescribing organisations such as Community Connectors, despite offering compelling services assisting individuals with recovery from alcohol addiction.

Financial case: critical pressure points

Unsurprisingly, the Financial Case is the area of most concern. With the exception of RSM, all organisations evaluated were experiencing significant financial pressure. RSM has balanced income streams based on membership fees, legacies and private grants and donations. They have also been able to continue building reserves.

All other organisations operate at or below break-even level. Organisations particularly dependent on statutory contracts are directly impacted by reduction in public sector budgets applied across the sector at the same time as cost bases have been impacted, notably by increases in employers' national insurance.

It is worth noting that one significant benefit of the VCSE sector is adaptability in the face of adversity. ESRA provides a strong example of an organisation that has reshaped its offering to beneficiaries following a 60% drop in revenues over two years.

Through moving out of their hub space, taking difficult decisions on staffing and maintaining strong communication with staff, clients and partners, they have managed to develop an outreach service and successfully maintain support for their target beneficiaries. They continue to have capacity to reach more individuals.

Management case: capacity correlates with size

The Management Case examines organisational capacity, governance structures, service delivery capability, performance management systems and risk management approaches to determine whether organisations can deliver services effectively and sustainably.

As expected, strength of the management case correlates with organisational size. Larger, more established organisations including Amaze, CFTC, HARC and RSM have strong governance and performance management systems. Smaller organisations depend more on the strength of single individuals, which brings extra degree of risk.

A common theme throughout analysis is the opportunity to strengthen the use of digital and data platforms provided across East Sussex. This report has consistently identified importance of understanding and operating at local community level.

East Sussex County Council and the NHS provide access to digital platforms and significant datasets which would assist organisations in understanding and operating in their local communities, yet awareness and usage remains limited.

Implications for the sector

The Deep Dive analysis provides robust evidence that VCSE organisations deliver exceptional value for money when assessed using government's own evaluation framework. The sector's focus on prevention, its deep community roots and its ability to reach those in need ahead of statutory services combine to create social returns far exceeding investment levels.

However, the analysis also reveals systemic challenges that prevent the sector from achieving its full potential.

The disconnect between strategic value and local commissioning priorities, the reliance on personal relationships rather than systematic collaboration and the financial fragility of even well-established organisations all point to structural issues requiring reform.

Most significantly, the analysis demonstrates that the tools exist to evidence VCSE value in ways that resonate with commissioners and policy makers. The challenge now is building capacity across the sector to use these tools whilst ensuring that measurement does not become a burden that diverts resources from delivery.

The Green Book framework, properly applied, transforms the conversation from one about cost to one about investment, from charity to partnership, from nice-to-have to essential infrastructure.

Feedback from the VCSE sector

Theory of change

This theory of change was developed during the initial workshop with VCSE sector representatives and statutory partners. The foundation of the theory was developed from preliminary survey findings and these were further built on through discussion with the workshop participants.

It should be emphasised that the emerging model is high level and should be used as a reference point rather than a finished product. Theories of change should always be used as a guide with an understanding that the context is ever changing and the theory should flex with those changes. Additionally, as this is a high-level version, we would recommend that the sector build further detail into it, using it as a focus for discussion with other organisations and groups in the VCSE sector and importantly, adding in the view of people drawing on support from them.

The statutory partners are also developing a theory of change as part of the Community & VCSE Development Programme which was presented in April 2025. This applies the work of NAVCA, which identifies local VCSE infrastructure organisations as having four functions: leadership and advocacy, partnerships and collaboration, capacity building and support for volunteering. The NAVCA theory of change resonates strongly with this one in this report.

As referenced throughout this research, there is an agreed need for statutory partners and the VCSE sector to work together in an equal partnership. One of the ways in which this deep partnership could be supported is through the development of a joint theory of change.

We would therefore recommend that time and resource is spent collaborating on such a model. Not only will the finished theory of change be a document that can be used to steer both sectors and the necessary relationships, but the conversations that will be necessary to create the model will help to shift the cultures between the sectors.

Theory of change framework

The theory of change diagram below summarises how VCSE activities create lasting community impact despite current challenges.

Feedback loops: Impact strengthens future inputs, creating virtuous cycles of community development

Geographic note: All interventions must account for East Sussex's stark inequalities - from Hastings' acute deprivation to rural isolation to hidden need in affluent areas

What we deliver

1. Health, Wellbeing & Independence

- Physical & mental health support
- Reducing loneliness & isolation
- Supporting carers & older people
- Building confidence & skills

2. Inclusive Connected Communities

- Creating safe, welcoming spaces
- Strong support networks
- Tackling inequality
- Empowering underserved groups

3. Voice, Power & Participation

- Amplifying community voices
- Enabling grassroots leadership
- Building trust through listening
- Democratic participation

4. Collaboration & System Change

- Strengthening VCSE sector
- Building effective partnerships
- Influencing policy & funding
- Long-term systemic change

5. Learning & Sustainability

- Evidence, stories & data
- Celebrating success
- Building resilient organisations
- Adaptive capacity



Current challenges

Funding Instability

- Short-term cycles
- Competition over collaboration
- Core costs not covered
- Using reserves for contracts

Workforce Pressures

- Recruitment & retention crisis
- Staff burnout & moral injury
- 15-20% pay gap with public sector
- Aging volunteer base

System Fragmentation

- 5+ commissioning bodies
- No unified strategy
- VCSE excluded from decisions
- Personal not systematic links

Geographic Inequalities

- Hastings: 30% most deprived
- Rural isolation & transport
- Wealden/Lewes: hidden need
- Uneven charity distribution

Missed Prevention

- Crisis response dominates
- Short-term thinking
- Prevention undervalued
- 5-10 year strategy lag

Because of this we think these changes are needed

Changes needed

Immediate (0-3 months)

- Emergency stabilisation fund
- Full cost recovery (15% minimum)
- Protect organisations using reserves
- Quick wins for confidence

Medium-term (3-12 months)

- Multi-year funding agreements
- Workforce development investment
- VCSE connector roles
- Collaborative commissioning

Long-term (12+ months)

- Trust-based partnerships
- Core infrastructure funding
- Embedded strategic influence
- New partnership models

Cultural Shifts

- Recognition as essential
- Equal partnership status
- Prevention valued
- Move beyond procurement

Systemic Changes

- VCSE in all decisions
- Shared understanding
- New social contract
- LGR opportunity seized

If these changes are made these are the impacts we will see

Long term vision

Inclusive Trust-Based Practices

- Flexible, trust-based funding models
- Valuing diversity & different approaches
- Recognition of sector variety

Shared Approaches & Collaboration

- Asset-based community development
- Cultural exchange between communities
- Partnership not competition

Community Power & Ownership

- Stronger community assets
- Local ownership & wealth building
- Neighbourhood-led solutions

Smarter Infrastructure

- Shared digital systems
- Streamlined governance
- Strategic coordination
- Efficient resource use

Voice & System Change

- Strong VCSE representation
- Cross-sector understanding
- Sustainable communities
- Prevention-first approach



Key findings - themes and insights

The following findings come directly from the focus group discussions and survey results. They have been tested with a varied group of VCSE sector members and statutory partners during the sense-making session. It is important to note that there was general alignment between the VCSE and statutory partners although often coming from their own viewpoint. The commonality of each of their experiences will be helpful in building the shared purpose and solutions together.

Key strengths of the VCSE sector

Collaboration and networks There is strong collaboration within the sector itself and with other partners, including ESCC and the wider health and care system, leading to joined-up working, sharing resources and effective responses to community needs.

***‘There is a real proactive energy and partnership presence in the VCSE in Hastings and Rother area. And a keenness to work closely with ESCC’
(Statutory partner)***

Those partnerships and consortiums that do exist are able to amplify the voices of smaller VCSE groups and can support cross-sector and locality working.

Umbrella grant models and hubs have allowed smaller grassroots projects to flourish within larger structures and cross-organisation campaigns, events and sharing of venues enable and demonstrate strong cooperation. An example of this is the East Sussex County Council small grants program that is delivered with their strategic partner Care for the Carers.

Voice, influence and representation: Some of those consulted believed the sector has a strong voice at a strategic level, with many organisations considered to be experts in their field, delivering high-quality, innovative and "ground up" services and initiatives. It was also reported that the sector contributes authentic insight from residents that can inform policy and service planning as well as provide healthy challenge and alternative perspectives to statutory agencies.

Sector qualities and culture: The staff and volunteers demonstrate a high level of commitment, passion and resilience and the organisations themselves are often flexible, adaptable and innovative in responding to community needs, even in challenging environments with funding cuts and increased demands. The sector is strongly committed to community engagement, co-production and values-led practice, with organisations often responsive to local and wider themes. This means they are often able to effectively build relationships and trust at a hyper-local level and hence authentically reflect their communities.

Added value and community impact: Many respondents highlighted the positive impact that the VCSE sector has on communities and the respect it has from

partners and within the community for the role it plays. It was recognised that the VCSE fills gaps left by statutory services, particularly in hospital discharge and early intervention and prevention. They are often able to reach isolated or excluded individuals not engaging with statutory systems.

‘Community ownership, energy and passion are good, especially in rural communities where people feel a sense of belonging’ (VCSE partner)

Adaptability to changes in context: There is usually positive engagement from VCSE organisations through grant systems and strong alliances like the East Sussex VCSE Alliance and VCSE-led initiatives. Many organisations are not reliant on statutory funding and can therefore respond quickly to community needs outside these traditional funding routes. Additionally, they are often successful in navigating complex partnerships, unstable funding and bureaucratic challenges which is seen to strengthen their resilience.

Breadth, diversity and expertise: The sector consists of a rich mixture of small to medium-sized organisations. Its reach is extensive: there are around 3,500 organisations in East Sussex, with diverse skills and services that understand their communities and can respond swiftly and flexibly to changing demands and crises, such as COVID and the cost-of-living responses.

‘There are lots of organisations we can signpost to, collaborate and work in partnership with to help our local residents’ (VCSE partner)

Organisations are able to maintain deep community knowledge and professional expertise whilst longstanding engagement with systemic challenges builds caution, but also robustness and persistence.

‘I am most inspired by the micro initiatives that set themselves up locally, who are fuelled mainly by a personal passion and a desire to make things better for others’ (Statutory partner)

Key challenges for the VCSE sector

Capacity and workload: The sector is experiencing significant staffing pressures, including recruitment difficulties, high turnover and low wages, particularly in frontline and volunteer roles. On top of this, some staff are experiencing burnout, moral injury and emotional exhaustion due to inability to meet community needs on reduced resources. Much of the sector is reliant on a strong volunteering base but there is a concern about the aging profile of these volunteers and a lack of succession planning. All this and rising needs across the community.

‘Our colleagues across the sector are really struggling with fundraising being the most competitive I have ever known in 25 years of work and experienced staff leaving the sector due to poor pay and working conditions.’ (VCSE partner)

There is strong consensus that the VCSE sector and statutory partners need to collaborate more deeply but smaller organisations often struggle with capacity to engage in strategic work so their voices might be left out if they are not helped to be round the table.

The VCSE sector are aware that they need to focus on evidencing their impact, but many organisations do not have the necessary evaluation skills so capacity to make the case for their services can hinder their progress.

Funding instability: The sector faces significant financial resilience issues due to cost and income pressures, reduced funding, high demand and complexity of needs. Many organisations face fierce competition for limited and short-term funding, leading to financial instability, in-year cuts and difficulty covering core costs and overheads. Particularly with the limited investment in infrastructure, some organisations' growth and resilience is restricted.

'I have worked in the third sector for over 25 years and have never experienced such a dire lack of funding and wider resources' (Statutory partner)

Respondents reported that they often have to rely on short-term, conditional contracts and are required to fit new projects to funding criteria, regardless of whether this criterion has been directly aligned to community needs. Funders will sometimes seek innovation and new initiatives over proven services, but as described above, it can be difficult for smaller organisations to prove their worth.

'We are in a fortunate position of having private philanthropic funding to maintain our operations so are bucking the trend of having stable income.' (VCSE partner)

The local government reform and devolution is causing uncertainty and anxiety; this could be seen as a unique opportunity but there is a sense that the changes will be rushed through and a concern that the VCSE sector will not have a strong enough voice during the process.

Increased demand and complexity of need: The cost-of-living crisis, energy crisis, COVID and political upheaval have significantly impacted people. This has led to a growing demand for services, with more people presenting with complex, multi-layered needs that are not matched with existing resources. This causes strain to organisational capacity and staff wellbeing.

Statutory services can be perceived as slow, inflexible and poorly aligned with community needs which means that some individuals will reach crisis before statutory support is accessible. The VCSE sector plays a vital role in working with

these people and many others who need early intervention and prevention support but as statutory thresholds rise, people with greater need and complexity are knocking at their door.

Systemic and infrastructural issues: Statutory systems have been faced with their own pressures; these include reform overload, fragmentation across statutory systems (NHS, local government), confusing governance and quickly changing policies and funding streams. Added to this, a lack of strategic input from VCSE voices in key decisions are creating misalignment between services and people. This is particularly felt by small grassroots organisations who are often praised as 'leaders' and 'trailblazers' but are rarely invited and enabled to take a seat at the table.

Without true collaboration between the sectors, there is a lack of joint ownership of issues and fragmentation between areas (especially in the West of the County). Many funding processes require competition and complex requirements which may exclude smaller organisations and often work against those wishing to collaborate. And although VCSE organisations are filling the gaps in statutory provision, without commensurate resources, they are sometimes viewed as a '*cheap alternative*' rather than an equal partner.

'There's a stuckness and it feels as if there are insiders and outsiders' (VCSE partner)

Respondents from small grassroots groups note a consistent five-to-ten-year time lag between what is needed by community and the aligning of commissioning strategies. This may be because many of the grassroots organisations work from the ground up, so adapt their services directly in response to community need; additionally, they don't always rely on public sector funding so can flex at the local level without waiting for the development of strategies and commissioning intentions.

'There is a lack of understanding about the value of these smaller grassroots organisations. They play a vital role in terms of relationships and trust within their communities, but their value comes from remaining relatively small and in focusing on the passions, interests and priorities of the community (rather than bending to the priorities of funders)' VCSE partner

Many organisations also struggle with premises and infrastructure issues, including rising costs and a lack of suitable buildings and there's a lack of dedicated capacity funding to help.

Lack of recognition and collaboration: There's a perceived lack of understanding about the value of smaller grassroots organisations and a feeling of being underrepresented despite delivering vital services. Many respondents felt that VCSE

contributions are sometimes undervalued or overlooked by statutory partners and that they're often not included in strategic planning or decision making or the partnership is not equal.

‘There are so many VCSE organisation across the county that it is difficult to know what they all do, who they work with, what their expertise is etc’ (Statutory partner)

Additionally, there seems to be a disconnect and misunderstanding between VCSE and statutory partners about their limitations and context within which they work. Without a shared appreciation of each other's contexts, strong, trusting relationships may be hard to build.

Some respondents also noted issues with coordination, duplication of effort and increased competition among VCSE organisations which they believed were mainly due to financial pressures. However, at the same time there is unused capacity due to fragmented referral processes between some services.

Where there are strategic alliances, concern was raised that they may not reflect the sector's diversity; this might be partly due to collaborations being driven by historic and personal relationships so there will need to be attention paid to proactive outreach to other organisations and groups who may be overlooked.

Vision for the sector

Sustainable funding: The clearest wish from both VCSE and statutory sector respondents is for long-term, reliable and adequate funding that supports both core and project costs. Organisations want to move away from short-term, piecemeal funding that creates insecurity and instead be resourced in ways that allow for planning, growth and innovation. This reflects a collective desire for the VCSE sector to be valued as an essential partner, not a stopgap and for funding streams to flow more fairly, sustainably and inclusively - from government, local authorities, the NHS, external funders and communities themselves.

‘Three-year funding would be most helpful to help gain momentum with the residents, secure posts so staff and volunteers are invested in the organisation plus funding to help with running costs’ (VCSE partner)

Stronger collaboration and partnerships: People dream of a future where silos are broken down, duplication is reduced and services are designed and delivered in equal partnership. This requires deeper collaboration and trust both across the VCSE sector and with statutory services as well as a whole system approach where the VCSE are at the strategic table and collaboration is embedded in planning, commissioning and delivery, with close attention being paid to including small grassroots organisations and groups.

'I worry that some elements of VCSE are over optimistic about local authority funding in the future. We need to support and partner in other ways' (Statutory partner)

Interestingly, it was later raised by attendees as they made sense of the findings, that the voice of people with lived experience is absent from not only this research but is also not included in much of the discussion about collaboration and partnership. This seems to be a vital missing piece and would certainly help with aligning strategic decisions with what matters to people.

Workforce and volunteer development: The sector recognises that its people are its greatest asset. Respondents' wishes for the future include fairer pay, better training, workforce wellbeing and succession planning to reduce burnout and secure the next generation of leaders. Of particular note is the support and development of volunteers to ensure a more diverse and sustainable volunteer pipeline from young people becoming engaged in civic life to employers giving staff time to volunteer.

'Our volunteers inspire me day in, day out. They are truly marvellous. They provide high quality, accredited advice that lifts people out of hardship and poverty' (Statutory partner)

Sector recognition and empowerment: Many organisations wish for greater recognition of the sector's value - by government, funders, public services and the wider community. They would like volunteering, community action and charitable work to be seen as central to wellbeing, prevention and resilience, not just "nice-to-have" extras. This includes more visibility for the sector's impact, a stronger voice in local and national decision-making and a cultural shift towards valuing community-led solutions alongside statutory provision.

'VCSE play a critical role in health and social care and the wider determinants of health. As there is an increasing focus on prevention and proactive measures to support people in the community, there is increasing emphasis on what the VCSE can offer' (Statutory partner)

Community strength and local focus: VCSE sector respondents were very supportive of the smaller, hyper-local groups, neighbourhood-based activities and community asset building. They are keen to build from the grassroots up which would help to revitalise community spirit and ensure that solutions are tailored to local need.

Other wishes for the future include better support for isolated or marginalised people, more services in rural areas, increased community transport and opportunities for local people to participate in shaping services.

Existing neighbourhood hubs were considered by many as trusted spaces for connection, navigation and collaboration. There was a call to increase the number of these across the county to ensure open-access, accessible and preventative services embedded locally.

Innovation and operational improvement: Organisations would like more room to innovate, to be able to embrace new approaches to delivery and focus on person-centred, adaptive support. Other practical improvements noted in the research are affordable premises and creative spaces, simpler governance, less bureaucracy and a smarter use of data and technology.

Finally, it was noted that some local voluntary associations are under-resourced to support organisations beyond the start-up phase. This has an impact on smaller grassroots organisations who may need guidance or recommendations to grow and develop their work beyond start-up.

What Needs to Change

Funding structures and security: The sector needs more funding, particularly long-term and adequate levels from central government, with a particular focus on the use of small sums and seed funding which can make a big difference for hyper-local initiatives.

Alongside an increase in funding, fundamental changes should be made to the process of funding allocation, moving from short-term project grants to long-term, flexible, core funding. This would include a shift from transactional procurement to relational, trust-based partnerships, valuing long-term social outcomes.

Additionally, there needs to be recognition of the systemic blockages in commissioning and funding that prevent innovation and long-term community rooted organisations from contributing fully.

‘There is the Alliance and then there is the rest of the VCSE and there is a weird filtration vacuum between the two that causes the VCSE to miss opportunities that are available to them’ (VCSE partner)

Some of this has been attributed to the use of lead provider model for collaboration which can create another layer of bureaucracy and protectionism rather than the true collaborative approach that commissioners and the sector are seeking.

In light of this, commissioners should review the efficacy of the lead provider model and other current approaches and work with the VCSE sector to create models that provide the best environment for collaboration, e.g. innovation partnerships, alliance contracting. We recommend starting small - testing out this way of working either in a small local area, using a place-based approach or within a theme to build confidence in the approach and between each other.

System alignment and collaboration: One of the first steps towards shifting funding structures would be to align strategic priorities and prevention initiatives with the needs of the local communities through equal partnership and strategic collaborations. This realignment should include the wide diversity of the sector including small grassroots organisations, paying close attention to how they and others can be brought to the table. To help build these relationships, bureaucracy would need to be simplified in the development of partnerships, bids and data sharing. An approach to reimbursement to the VCSE sector has been developed by the East Sussex VCSE Alliance and the ESCC in 2023 and this draft approach is currently being road tested. A review of the approach would be timely.

This research has not been able to reach everyone and some voices are missing, including the views of people with lived experience (those using services and those not), additionally small grassroots organisations who are often not commissioned and frontline staff. Time needs to be spent listening to their perspective and understanding how they believe things could change. Importantly, there should be consideration about how they can remain around the table, making it as easy for them to participate as possible.

‘The VSCE ‘strategic partner’ model needs to be adopted more consistently, along with earlier consideration of co-production with experts by experience’ (Statutory partner)

Culture shift and trust leadership: in both VCSE and the statutory sector should initiate conversations on a new social contract, discuss the future of places and services and create cultures where innovation can be supported. Statutory partners should be more proactive in championing VCSE in ways other than just money, recognising and funding diverse approaches to service delivery and embedding prevention and early intervention in commissioning.

‘The statutory sector needs to work in a more localised/community-based way alongside the VCSE and residents. This will then encourage a culture of respect and trust based on shared values’ (Statutory partner)

In addition, close attention should be paid to the development of trusting relationships that are built on mutual understanding and appreciation of each sector's strengths and challenges. This can take time and constant careful consideration and will need everyone to listen and take seriously the poor emotional state of the sector. Adding further demands onto people when they're already struggling may lead to VCSE members withdrawing their goodwill and both sectors becoming resentful.

‘The flexibility, creativity and agility of the sector are real strengths - but we have to have caution that our commitment is not abused or taken for granted’ (VCSE partner)

Recognition and value: There is a need for greater recognition and understanding of the VCSE sector's value, both from statutory partners and the wider community. A shift in perception is required so that organisations of all sizes are given genuine opportunities for influence, collaboration and commissioning. This could be achieved in a number of ways including acknowledging the burden taken off statutory services and valuing the work of staff and volunteers, valuing preventative, community-based and lived-experience-led work and employing approaches that focus on building relationships and trust between partners.

The VCSE sector can also take responsibility for building awareness of the positive impact they have on people and communities, not just measured in outcomes achieved but the less conspicuous social value they have on local economies, wellbeing and infrastructure.

***‘Our families inspire us to continue to do what we do. When we receive feedback on how we have helped that is what makes the difference.’
(VCSE partner)***

Finally, there needs to be a realisation that the VCSE sector is not homogeneous and requires different ways of engaging, communicating with and funding. The diversity of the sector, from micro community groups to established service delivery organisations, from volunteer-led initiatives to professional social enterprises, represents a strength that requires nuanced approaches rather than blanket policies.

Agreed actions and priorities

Towards the end of the research period, all stakeholders were invited to attend a sense-making session where the key findings of the research were shared and participants were asked to reflect on what they heard and how it compared with their own experiences. They were also asked to consider actions that they could undertake, individually or in collaboration and whether these were immediate quick wins or longer-term projects.

The session generated remarkable consensus around priority actions, with both VCSE and statutory partners demonstrating genuine commitment to collaborative change. Participants organised their proposals into three timeframes based on implementation complexity and resource requirements, recognising that stabilising the current crisis must occur alongside building long-term sustainability.

Immediate priorities (0-6 months)

The most pressing actions focus on financial stabilisation and relationship building. Participants agreed that establishing a common approach to full cost recovery across East Sussex represents an essential first step. Even a simple agreement that all organisations can charge 15% on bids, contracts and tenders for core and unrestricted funds would signal recognition of true delivery costs.

This needs to happen alongside more widespread communication about the benefits of alliance and umbrella organisations, helping smaller groups understand how collaborative structures can amplify their voice and reduce administrative burden.

Direct engagement emerged as a critical quick win, with councillors and commissioners committing to actively visit groups to witness impact first hand. This experiential learning builds understanding far more effectively than reports and presentations.

Simultaneously, the sector will approach alternative funders, particularly trusts and foundations, to make the case for core funding alongside project funding, diversifying income streams beyond statutory sources.

The release of community assets to the VCSE sector through peppercorn rents and supportive policies could immediately strengthen community hubs. These spaces serve as vital infrastructure for service delivery and community connection. The Phoenix Centre (Lewes) is an immediate opportunity – see Appendix A4.

To support hyper-local initiatives, lead VCSE partners should distribute seed funding and small grants to grassroots groups without requiring extensive formalisation or paperwork, recognising that bureaucracy often excludes those doing the most innovative work.

The establishment of a partnership group including VCSE representation in local government reorganisation phase 2 ensures the sector's voice shapes new structures from inception rather than being consulted after decisions are made.

Medium-term transformation (6-18 months)

Building on immediate stabilisation, medium-term actions focus on systemic improvements and relationship development. Rather than expecting grassroots organisations to navigate complex structures, established organisations will undertake proactive outreach, meeting groups where they are and understanding their needs and contributions. This requires developing VCSE connector roles locally, individuals who bridge gaps between organisations and facilitate collaboration.

Public Health to review structures to ensure that they are being efficient with the limited capacity available across organisations where programme aims and possibly attendees have some overlap, complement each other and/or would provide better learning opportunities between programmes than to be considered separately.

Partners to consider an initial co-created paper that draws out the connections between multiple pieces of work (valuing the sector, commissioning excellence, ASC Prevention Strategy, ICTS, Making it Happen, SCF Sussex Uncovered etc.).

The development of collaborative funding models that reduce competition and encourage partnership represents a fundamental shift from current practice. This includes incorporating social value requirements in all private sector contracts, creating funding pools for local grassroots organisations. Workshops bringing together funders and funded organisations will help demonstrate impact and share learning, whilst a systematic approach to engaging people with lived experience ensures services reflect actual rather than assumed needs.

The East Sussex VCSE Alliance and the wider Partnership Plus Group will draft a position paper for the new Mayoral Office following local government reform, outlining current activity, future aspirations and proposed partnership models. The Partnership Plus Group is formed of a wide group of representatives from across ESCC, NHS Sussex, District and Borough Councils and the VCSE sector. This proactive engagement positions the sector as an equal partner rather than a supplicant.

A community asset compact ensuring any disposed assets are first offered to the VCSE sector could transform the availability of affordable spaces for community activity.

‘The sector lacks spaces and appropriate buildings to work from, often trying to do work in precarious circumstances’ (VCSE partner)

Critical to medium-term success is reinstating core funding for VCSE organisations, recognising this as essential infrastructure investment rather than subsidy.

The sector will demonstrate exemplars of collaborative problem-solving to Partnership Plus and other strategic bodies, showing what becomes possible when competition is replaced with cooperation.

Making links with the Research Collaborative Hub brings academic rigour to impact measurement whilst maintaining the sector's authentic voice.

Trust emerged as a foundational requirement for all other changes. Partners will collaborate to understand what underpins trust, collating experiences and developing shared principles. The ambition is to make East Sussex a national exemplar of

effective VCSE/statutory partnership working, embedded within new local government structures and demonstrating different ways of working that promote the art of the possible.

Long-term system change (1–3 years and beyond)

A comprehensive commissioning process review to be undertaken addressing systemic barriers that currently exclude smaller organisations and stifle innovation. Statutory partners will invest in thematic networking groups aligned with commissioning programmes, such as the Sussex VCSE mental health network, ensuring sector expertise informs service design.

The development of collaboration infrastructure goes beyond good intentions to practical enablement. This includes shared spaces programmes that could utilise not just council buildings but empty university premises, high street properties and other community assets for incubation and collaboration. The

Further work on partnership between ESCC and VCSE children's services will develop truly integrated approaches that wrap support around families rather than fragmenting it across organisational boundaries.

An innovative approach to development finance could ensure Community Infrastructure Levy money remains local to areas experiencing development, with developers recognised as community partners rather than simply sources of planning gain. The creation of a Rother cross-sector community and co-working hub, led jointly by Rother Voluntary Action, Rother's VCSE and Rother District Council, will demonstrate what becomes possible when sectors genuinely collaborate on shared infrastructure.

Implementation and accountability

These actions represent not isolated initiatives but a comprehensive programme of change requiring sustained leadership, adequate resourcing and regular review. Success depends on maintaining momentum beyond initial enthusiasm, with clear accountability for delivery and transparent reporting on progress. The culture shift identified throughout this research, from transactional to relational, from competition to collaboration, from short-term fixes to long-term investment in community resilience, must underpin all action. Without this fundamental change in mindset and practice, even the best-designed initiatives will fail to achieve their potential.

Conclusions & recommendations

The VCSE sector in East Sussex continues to be dynamic and resilient even though much of it is under significant pressure. It continues to serve as a vital bridge between individual needs and collective wellbeing. This research, conducted at a critical juncture for both the sector and local governance structures, provides clear evidence of both the sector's essential contribution and the urgent need for systemic reform.

Overall, the size and scope of the sector remains largely unchanged from the 2021 IVAR report. The sector comprises approximately 3,500 organisations that generate economic value of £90 million annually. It directly employs approximately 9,400 people and engages over 100,000 volunteers contributing over 14 million hours per year, equivalent to 8,500 full-time employees. These figures, whilst impressive, only partially capture the sector's true value. Behind each number lies transformed lives, prevented crises, strengthened communities and saved public resources.

Enduring strengths

The research identified four fundamental strengths that enable the sector to continue delivering despite mounting pressures.

The sector maintains a **strong collaborative network** with genuine commitment to work across organisational boundaries and with statutory partners. This collaboration, whilst sometimes hampered by competition for resources, demonstrates maturity and recognition that complex social challenges require collective responses. The partnerships that have emerged, from umbrella grant schemes to shared premises, show what becomes possible when competition gives way to cooperation.

The sector's **resilient and adaptable culture** has been tested repeatedly through COVID-19, the cost-of-living crisis and funding reductions. Staff and volunteers demonstrate extraordinary commitment, passion and resilience, responding flexibly to community needs even when their own organisations face existential threats. This adaptability, however, should not be taken for granted. Resilience is not infinite and the emotional exhaustion reported across the sector suggests we are approaching its limits.

Our deep dive analysis using the HM Treasury Green Book approach revealed **compelling evidence of strategic value**. The social return on investment ranging from £2 to £8 for every £1 invested demonstrates that supporting the VCSE sector is not charitable giving but sound investment. The sector's focus on prevention, its ability to reach marginalised communities and its rootedness in place combine to create value that statutory services cannot replicate. This evidence base, using government's own evaluation methodology, should end debates about whether the sector provides value for money.

The **comprehensive footprint** of VCSE organisations across East Sussex, whilst showing concerning geographic disparities, demonstrates the sector's reach into every community. The slight increase in organisations focused on marginalised communities, though still inadequate at 6%, suggests growing recognition of equality and inclusion needs.

Critical challenges

Against these strengths, the sector faces interconnected challenges that threaten its sustainability and effectiveness.

Severe funding instability has moved from chronic concern to acute crisis.

Fierce competition for short-term, limited funding creates organisational insecurity, prevents long-term planning and forces adaptation of projects to fit funding criteria rather than community needs.

Most alarmingly, multiple organisations report using reserves to fund ongoing operations including statutory contracts. This is not sustainable financial management but managed decline. Without urgent intervention, we face the prospect of losing organisations that have taken decades to build and could not easily be replaced.

The capacity and workforce crisis extends beyond simple recruitment difficulties. The sector experiences high turnover, low wages relative to public sector equivalents, staff burnout and an aging volunteer base without adequate succession planning.

The loss of strategic capacity leaves organisations firefighting rather than building for the future. The moral injury experienced by staff unable to meet community needs with available resources creates a vicious cycle of exhaustion and departure.

Systemic fragmentation prevents the sector from achieving its potential. Confusing governance structures, fragmented statutory systems and lack of VCSE strategic input create misalignment between services and community needs. Organisations risk being seen as cheap alternatives rather than equal partners.

Whilst collaboration exists, it often depends on personal relationships rather than systematic approaches. The limited understanding of smaller grassroots organisations' contributions, despite their delivery of vital services, reveals how much potential remains untapped.

The lack of value-added insight at local level means organisations struggle to translate their strategic value into robust assessment of local impact. Despite clear evidence of sector-wide value, individual organisations often cannot demonstrate their specific contribution in ways that resonate with commissioners. This evidence gap perpetuates the cycle of underinvestment.

Vision and path forward

Through extensive consultation, stakeholders articulated a clear vision for transformation that moves beyond managing decline to building sustainable community infrastructure.

The sustainable partnership model envisioned by the sector requires fundamental reform of funding relationships. Long-term, adequate funding that supports both core and project costs would replace the current short-term, piecemeal approach. This means moving from transactional procurement to trust-based partnerships that properly value prevention and community-led solutions. **The sector is not seeking charity but investment commensurate with the value it creates.**

Enhanced collaboration represents both aspiration and necessity. The sector seeks deeper integration into strategic decision-making, breaking down silos between services, reducing duplication and establishing community-centred service models. Neighbourhood hubs should serve as connection points, bringing together statutory and voluntary provision in ways that make sense to communities rather than institutional structures. This collaboration must include the full diversity of the sector, from micro community groups to established service delivery organisations.

Requirements for success

Achieving this vision requires coordinated action across multiple dimensions and timeframes.

Immediate stabilisation must address the financial crisis facing organisations currently using reserves to maintain services. Implementation of full cost recovery across all contracts, establishment of an emergency resilience fund and a temporary moratorium on competitive retendering would provide breathing space for longer-term reform. Without these immediate actions, we risk losing critical infrastructure whilst debating future strategy.

Cultural transformation depends on leadership from both VCSE and statutory sectors initiating conversations about new social contracts. The forthcoming local government reorganisation provides a unique opportunity to embed VCSE partnership in new structures from inception rather than as an afterthought. Building genuine partnerships requires recognising the sector's diversity across theme and geography rather than treating it as homogeneous. **This diversity is not a complication to be managed but a strength to be leveraged.**

Systemic investment is needed in workforce wellbeing, simplified bureaucracy and shared infrastructure, particularly digital systems and buildings. Investment should be understood not as cost but as essential maintenance of community resilience infrastructure. The evidence from our Deep Dive analysis demonstrates that every pound not invested in the VCSE sector likely costs several pounds in crisis intervention later.

Recommendations:

Immediate priorities (0-6 months): The most urgent need is to stabilise organisations currently using reserves to maintain services. This requires implementation of full cost recovery across all contracts, establishment of an emergency resilience fund and a temporary freeze on competitive retendering processes. Without these immediate actions, we risk losing critical infrastructure that has taken decades to build.

Actions

- Build a shared assessment of the VCSE organisations and contracts at risk across the county based on the priorities of the NHS, ESCC and District and Borough Councils
- Establish a VCSE development programme based on the risk assessment including
 - a short-term commissioning approach which acknowledges need for full cost recovery, access to emergency resilience fund and where necessary freeze on competitive tendering in at-risk areas.
 - explicitly supporting the VCSE with the use of community physical assets through potential peppercorn rents and supportive policies to strengthen community hubs.
 - councillors and commissioners each to visit at least one VCSE partner each month to witness impact firsthand

Lead organisations: ESCC Partnership Team and ES VCSE Alliance

Short-term transformation (6-18 months): Success depends on leadership from both VCSE and statutory sectors initiating conversations about new social contracts. The forthcoming local government reorganisation and the push by the NHS for neighbourhood health teams provides a unique opportunity to embed VCSE partnership in new structures. This period should see the development of multi-year funding frameworks and investment in workforce wellbeing and development.

Actions

- Develop VCSE connector roles locally to bridge gaps between organisations and facilitate collaboration (ES VCSE Alliance and Voluntary Associations)
- Create collaborative funding models that encourage partnership and minimise unproductive competition and recognise VCSE organisations as essential infrastructure investment at local grassroots level (ESCC, NHS and Private Funders)
- Establish community asset compact ensuring the repurposing or disposal of community assets including VCSE sector assets are coordinated with VCSE sector (ESCC SPACES Programme)
- Actively promote the benefits of the existing digital infrastructure which is made available by the ESCC and NHS to the VCSE sector (ES VCSE Alliance)

- Conduct workshops bringing together funders and funded organisations to demonstrate impact and share learning (Private funders and Voluntary Organisations)
- Systematically engage people with lived experience to ensure services reflect actual needs (All)

Long-term system change (1-3 years): Sustainable change requires fundamental shifts in how we conceptualise and resource community wellbeing. This includes recognition that the VCSE sector's diversity, across theme and geography is a strength requiring differentiated approaches rather than one-size-fits-all solutions. Investment in shared infrastructure, particularly buildings and digital infrastructure, alongside simplified bureaucracy will enable the sector to focus on delivery rather than administration.

Actions

- Conduct comprehensive commissioning process review addressing barriers that exclude smaller organisations and stifle innovation
- Invest in thematic networking groups which aligns commissioning programmes with the VCSE sector (e.g., mental health networks, children's services)
- Create shared spaces programmes which involves all community assets
- Build a shared VCSE/Statutory sector approach to shared digital infrastructure
- Ensure Community Infrastructure Levy money remains local to areas experiencing development
- Recognize developers as community partners rather than simply sources of planning gain
- Establish development finance approaches that support long-term community investment

Final reflections

This research has revealed a sector that continues to deliver exceptional value despite operating under unprecedented pressure. The VCSE sector in East Sussex is not failing, but it is at risk of being failed by the systems meant to support it.

The timing of this research, coinciding with local government reorganisation and the implementation of the NHS 10-year plan, provides a unique opportunity for reform. The evidence is clear, the path is identified and the commitment from both sectors is evident. What is required now is the courage to move from managing decline to investing in renewal, from seeing the VCSE sector as a cost to recognising it as essential infrastructure, from talking about partnership to practicing it.

The VCSE sector in East Sussex has demonstrated remarkable resilience through multiple crises. It has adapted, innovated and continued delivering whilst absorbing

cuts, managing increasing demand and supporting communities through unprecedented challenges.

This resilience, however, is not infinite. The sector now needs systems and structures that support rather than strain it, investment rather than extraction and genuine partnership.

The recommendations in this report are not wish lists but requirements for a functioning civil society. They represent the collective wisdom of hundreds of stakeholders who understand both the value of what exists and the risk of losing it. Implementation will require political will, financial investment and cultural change.

This report provides the evidence, framework and practical steps needed to choose renewal over decline.

It is now with the VCSE sector's leadership, statutory partners and political leaders to build the plans and identify the resources, financial and non-financial, that will enable these practical steps.

The communities of East Sussex deserve nothing less than full commitment to building the resilient, connected and empowered voluntary sector that this research shows is both needed and possible.

Appendices

A1 – Regional state of the VCSE sector reports

Region	Links
Manchester	10GM & GMCVO (2021). <i>The State of the Voluntary, Community and Social Enterprise Sector in Greater Manchester 2021</i> . Manchester: 10GM & GMCVO. Available at: https://www.10gm.org.uk/state-of-the-sector-2021 .
Cheshire and Merseyside	Sefton CVS (2023). <i>Cheshire and Merseyside State of the Sector 2023: Sefton Summary</i> . Sefton: Sefton CVS. Available at: https://www.seftoncvcs.org.uk/ .
Shropshire	Shropshire Voluntary and Community Sector Assembly (VCSA) (2023). <i>State of the Sector Survey 2023</i> . Shrewsbury: VCSA. Available at: https://www.shropshirevcs.org.uk/ .
Somerset	Spark Somerset (2020). <i>State of the Sector 2020: The Voluntary and Community Sector in Somerset</i> . Taunton: Spark Somerset. Available at: https://www.sparksomerset.org.uk/ .
Essex	Essex Council for Voluntary Service (2023). <i>The Structure, Dynamics and Impact of the VCSE Sector in Essex</i> . Chelmsford: Essex CVS. Available at: https://www.essex.gov.uk/ .
East Sussex	IVAR (2021) <i>The contribution and value of the VCSE sector in East Sussex</i> . Brighton: Institute for Voluntary Action Research. Available at: https://www.ivar.org.uk/publication/east-sussex-vcse/ .
Liverpool	VS6 Partnership (2023). <i>State of the Sector 2023: Liverpool City Region Summary</i> . Liverpool: VS6. Available at: VS6 Partnership website.
Yorkshire	Community Foundation & Third Sector Trends (2023) <i>Local health and social wellbeing — the contribution of the VCSE sector in Yorkshire and Humber</i> . Newcastle: Community Foundation. Available at: https://www.communityfoundation.org.uk/wp-content/uploads/2023/11/Local-health-and-social-wellbeing-the-contribution-of-the-VCSE-sector-in-Yorkshire-and-Humber-June-2023.pdf .
Devon	Devon Community Foundation (2024) <i>State of the Sector Survey</i> . Exeter: Devon CF. Available at: https://devoncf.com/latest-news/state-of-the-sector-survey/ .
Gloucestershire	Gloucestershire VCSE Alliance (2023) <i>State of the Sector 2023</i> . Gloucester: Gloucestershire VCSE Alliance. Available at: https://www.glosvcsealliance.org.uk/images/Insight_Pages/Glos_VCS_Alliance_State_of_Sector_2023.pdf .
Oxfordshire	Oxfordshire County Council (2024) <i>VCS progress update 2023–24 (April 2024)</i> . Oxford: Oxfordshire County Council. Available at: https://mycouncil.oxfordshire.gov.uk/documents/s71820/CAB180624%20BMMR%20Annex%20%20VCS%20Progress%20update%202023-24%20April%202024.pdf .
Worcestershire	Worcestershire VCSE Alliance (2025) <i>Understanding and Strengthening the VCSE Sector in Worcestershire: Sector Overview (Sector Research Report 2025)</i> . Worcester: Worcestershire VCSE Alliance. Available at: https://worcsalliance.org/wp-content/uploads/sites/31/2025/06/Worcestershire-VCSE-Sector-Research-Report-2025-Sector-Overview.pdf .
London	London Plus (2025) <i>Impact Report 2024/25</i> . London: London Plus. Available at: https://londonplus.org/impact-report/ .
Cornwall and Isles of Scilly	Cornwall Voluntary Sector Forum & St Chad's (2022) <i>The structure, dynamics and impact of the VCSE sector in Cornwall and Isles of Scilly</i> . Cornwall: Cornwall VSF. Available at: https://cornwallvsf.org/app/uploads/2023/04/The-structure-dynamics-and-impact-of-the-VCSE-sector-in-Cornwall-and-Isles-of-Scilly-February-2022.pdf .
Cambridgeshire & Peterborough	Support Cambridgeshire (Hunts Forum & Cambridge CVS) (2023) <i>Annual State of the Sector 2023</i> . Cambridgeshire: Support Cambridgeshire. Available at: https://huntsforum.org.uk/news/annual-state-of-the-sector-for-2023-has-now-been-released/ .
Buckingham, Oxfordshire & Berkshire	St Chad's College, Durham University. (2023). <i>The contribution of the VCSE sector to local health and social wellbeing in Buckinghamshire, Oxfordshire and Berkshire West</i> . Durham: Policy&Practice. Available at: https://www.stchads.ac.uk/wp-content/uploads/2023/06/FULL-REPORT-The-contribution-of-the-VCSE-sector-to-local-health-and-social-wellbeing-in-Buckinghamshire-Oxfordshire-and-Berkshire-West-June-2023.pdf .

A2 – Public information sources available in East Sussex

Source	Name	Primary Focus	Type of Data	Key Features	Website/Access
East Sussex in Figures	East Sussex in Figures - Data Observatory	County-wide statistics and demographics	Population, health, housing, children & education, deprivation, economy, transport, environment, crime	- Interactive maps and charts - Area profiles 2021 Census data - Local reports - Joint Strategic Needs Assessment - Custom area reporter tool	eastsussexinfigures.org.uk
Tribe Project	The Tribe Project - Community Connection Platform	Volunteering and community activities	Volunteer opportunities, community groups, care providers, events and activities	- Connects volunteers with opportunities - Lists local groups and services - Free to use and list services - Partnership with East Sussex County Council - Community support matching	tribeproject.org/east-sussex-volunteering
ESCIS	East Sussex Community Information Service	Community directory and events	Local groups, services, events across East Sussex and Brighton & Hove	~7,000 local groups and services listed - Library service managed - Events calendar - Free listing service - Managed by East Sussex Library Service	escis.org.uk
1Space	East Sussex 1Space	Care, support and wellbeing services	Adult social care, SEND services, health and wellbeing support	- Care and support service directory - Local Offer for children & young people - Cost of living support information - Quality ratings and feedback - Support with Confidence scheme	1space.eastsussex.gov.uk
UOK	UOK (Mental Health Partnership)	Mental health and wellbeing support	Mental health services, community support, wellbeing resources	- Partnership of 20+ community services - Central Access Point (0808 196 1768) - Wellbeing centres across East Sussex - Community connectors (social prescribing) - Free mental health support	uok.org.uk
Fingertips	Public Health Fingertips (OHID)	Public health data and indicators	Health outcomes, demographics, lifestyle factors, disease prevalence	- Local Authority Health Profiles - Child Health Profiles - Sexual health data (SPLASH) - Benchmarking with England averages - Multiple health indicators	fingertips.phe.org.uk
ICT Profiles	Integrated Care Team Profiles	Health and care integration data	Demographics, health indicators by care team geography	- Produced by Sussex Public Health Intelligence teams - NHS Sussex Business Intelligence collaboration - Summary	eastsussexjsna.org.uk/resources/ict-profiles

Source	Name	Primary Focus	Type of Data	Key Features	Website/Access
				health and wellbeing indicators• Geographic coverage by care teams	
SPACES	Strategic Property Asset Collaboration in East Sussex	Public sector estate and collaboration	Property assets, service co-location, regeneration projects	• One Public Estate Partnership• 20+ partner organisations• Space Needed and Available (SNAA) process• Strategic asset collaboration• Housing and regeneration focus	Contact: SPACES@eastsussex.gov.uk
Active Places Power	Sport England's Active Places Power	Sports facilities and provision	Sports facilities database, usage patterns, provision analysis	• National sports facility database• Investment decision support• Facility planning and strategy tools• Open data available• Push-button analytical tools	activeplacespower.com
Sussex Community Foundations	Sussex Uncovered Reports	Encourage engagement from individuals and companies	Written reports on challenges facing Sussex and the vital role of local charities	Data-led reports to inform stakeholders on the needs of Sussex	sussexcommunityfoundation.org/insight/reports/

A3 – HM Treasury Green Book approach

The HM Treasury Green Book provides the established government framework for appraising policies, programmes and projects. The main principles of the framework have been used by government to evaluate major projects since the 1970s. Historically it has been seen largely as a Cost-Benefit Analysis (CBA) manual. However, there has been increasing recognition that it should move beyond CBA to providing government with "the approved thinking models and methods to clarify the social or public welfare costs, benefits and trade-offs of alternative implementation options for the delivery of policy objectives".

In this context, it provides an effective framework that the VCSE sector can adapt to demonstrate impact and support sustainable funding from both government and third parties. The Green Book was updated in November 2022 to recognise the importance of assessing wellbeing outcomes as part of evaluating the full impact of projects and programmes, not just a holistic assessment of conventional costs and benefits.

Applying the Green Book framework to VCSE organisations

The Five-Case Model Application

The Green Book uses the Five Case model which ensures proposals are considered in terms of their strategic, economic, commercial, financial and management dimensions. This comprehensive approach aligns particularly well with VCSE organisations' need to demonstrate value across multiple dimensions.

The **Strategic Case** requires organisations to clearly articulate the problem being addressed, drawing on community needs assessments and stakeholder engagement. This aligns with VCSE strengths in understanding local contexts and hard-to-reach populations. The sector's deep community roots and lived experience provide compelling evidence for intervention.

The **Economic Case** demonstrates value for money through robust impact measurement, incorporating both monetised and non-monetised benefits through Social Return on Investment (SROI). Recent Green Book reforms emphasise that value for money should not be based solely on benefit-cost ratios, recognising that transformational change may deliver benefits that cannot be easily quantified. This includes ensuring that the wellbeing of all impacted individuals is considered, an approach particularly suited to VCSE work.

The **Commercial Case** shows how services can be delivered sustainably, addressing VCSE sector challenges around procurement and contract management. It requires organisations to demonstrate market understanding and delivery capability.

The **Financial Case** presents realistic funding models that account for VCSE characteristics such as volunteer contributions and grant funding. This case must show affordability and funding sources over time.

The **Management Case** demonstrates organisational capacity and governance arrangements suitable for delivering outcomes. This includes risk management, monitoring systems and stakeholder engagement processes.

Wellbeing-Centred Evaluation

HM Treasury Green Book Supplementary Guidance: Wellbeing proposes that "a change in life satisfaction can be converted to a monetary value by multiplying by £13,000" representing one WELLBY (wellbeing year) in 2019 prices, equivalent to £15,100 in 2025. This standardised metric requires robust evidence to apply. Organisations must demonstrate sustained changes in life satisfaction through validated measurement tools such as the ONS4 wellbeing questions, with baseline and follow-up data collection over at least 12 months.

The change must be evidenced through consistent surveys or structured engagement that can prove both the scale and duration of wellbeing improvement. Critically, organisations must also demonstrate attribution, showing that their intervention, rather than external factors, caused the improvement. For an organisation to claim social value through WELLBYs, they would need longitudinal data, control group comparisons or other robust evaluation methods. Whilst the WELLBY provides a valuable framework for quantifying wellbeing improvements, its application requires evaluation infrastructure that many VCSE organisations currently lack.

This more rigorous approach to wellbeing measurement presents both opportunity and challenge. The opportunity lies in finally being able to monetise what the sector has always known: that improving wellbeing creates real value. The challenge lies in building evaluation capacity to meet Treasury evidence standards without diverting excessive resources from service delivery.

Implications for the VCSE organisations from the Green Book application

Building on Existing Strengths

The Green Book provides a framework for VCSE organisations to communicate clearly the impact they already create. They generally have strong links to locality with place-based solutions that create greater impact for those most in need, who are hard for the traditional public sector to reach. They focus on social value creation that recognises worth beyond conventional financial metrics. They are also actively involved in stakeholder consultation. There is widespread recognition of the importance of measuring outcomes, although limited consensus on methodology.

VCSE organisations already collect much of the data required for Green Book analysis through their routine monitoring. Case studies, user feedback, outcome tracking and volunteer records all provide evidence for the five cases. The challenge lies not in generating new data but in organising existing information within the Green Book framework.

Addressing VCSE-Specific Challenges

Social value measurement should not be seen as an additional administrative burden. Much of the data required for social value measurement is already being collected, though not necessarily recognised as data. There is a particular opportunity to identify how existing data collection, particularly through the power of story-telling, can be enhanced to meet Green Book standards. A single compelling case study, properly analysed, can demonstrate impact more powerfully than pages of statistics.

The 2025 Green Book review recognised the need for "improved guidance on transformational change" to help assess projects that "bring about transformational growth more effectively". This aligns with VCSE sector strengths in community transformation and prevention work. The sector's ability to create ripple effects through communities, building social capital and resilience, represents exactly the type of transformational change the Green Book now seeks to capture.

The Green Book's approach to discounting future benefits can support VCSE arguments for preventative interventions that deliver long-term social returns. By applying Treasury discount rates, organisations can demonstrate that preventing problems generates greater value than managing crises, even when benefits accrue over decades.

Integration with Social Value Requirements

Government policy now requires that the minimum weighting applied to social value in the bidding process is 10% for major contracts. VCSE organisations using Green Book methodologies can align their impact measurement with procurement requirements, demonstrating value for money in ways that resonate with commissioners and creating compelling narratives that showcase social value using data and case studies.

This alignment provides competitive advantage in procurement processes. Organisations that can articulate their value using Treasury-approved methodologies speak the language of commissioners and procurement professionals. They transform from applicants requesting funding to partners offering investment opportunities with measurable returns.

A4 – Community Asset Transfer: Phoenix Centre opportunity

In August 2025 ESCC's Lead Member for Resources and Climate Change agreed to:

1. Declare the Phoenix Centre, Lewes (the Property) to be surplus to the Council's requirements; and
2. Agree that the Property be let in accordance with s123 of the Local Government Act 1972.

It is unclear to whether, or to what extent, the Phoenix Centre, was considered in relation to a strategic disposal within the framework of the ESCC Community Asset Transfer policy. It is however evident this was not presented as an option for Lead Member consideration in the Chief Operating Officer's report (Title: Phoenix Centre, Lewes – Options for next steps).

The omission of this option can/should be seen a missed opportunity for ESCC supporting:

1. the resilience of the county's VCSE Sector at a time of significant financial challenge, rising demand and complexity of need.
2. the Council's four priorities i.e., Driving Sustainable Growth; Keeping Vulnerable People Safe; Helping people to help themselves; Making best use of resources now and for the future.
3. several of the Council's own policy and programme priorities e.g., Prevention Strategy, Tackling Loneliness, Financial Inclusion.
4. ICB system and place health priorities e.g., tackling health inequalities, addressing Frailty (including Falls risk), prevention rather than treatment.

VCSE sector organisations submitted Expression of Interest (EOI) in the Phoenix Centre and evidence was presented regarding the needs of local older people and others locally which asset transfer would have supported through the creation of a permanent, sustainable and impactful community hub and access point for local people getting the help and support they need.

There is a clear parallel between the Phoenix Centre, Lewes and the Isabel Blackman Centre, Hastings. In June 2019 the Lead member considered a report by the Chief Operating Officer and resolved:

1. To declare the property known as Isabel Blackman Centre, Hastings, surplus to the County Council's operational requirements.
2. To delegate authority to the Chief Operating Officer to secure best value terms for a disposal, in accordance with s123 of the Local Government Act 1972.

An extraordinary VCSE Sector-led community campaign was required and this led to the sector successfully raising c£750,000 to purchase and renovate the Isabel

Blackman Centre (IBC) in Hastings. This was relaunched as a fully renovated, staffed and equipped IBC Community Hub in December 2022. Since this time:

Over 19,000 individual older people and others have enjoyed IBC's friendly & accessible space: 100% reported maintained or improved health & well-being and social connectedness. 98% reported maintained or improved financial situation (e.g. access to affordable food, warm spaces, welfare benefits checks).

532 local organisations and groups (404 (76%) of whom are local VCSE) have held events & activities.

An Information and Advice service moved to IBC in January 2024 and over 4,500 have been supported with issues such as welfare benefits, cost-of-living/energy, scams, housing advice and access to health and care.

It does not appear that meaningful consideration is given to options for and benefits of VCSE asset transfer when ESCC assets are being considered as potentially surplus to its operational requirements. There is a clear process of ESCC internally reviewing alternative use between its own departments. Once a Lead Member decision for disposal is made, this transfers to ESCC's Property Business Services Department who, following marketing, review formal bids for consideration by the Chief Operating Officer and Lead Member. Effectively, in cases such as the Phoenix Centre this leaves Adult Social Care and Health and Public Health, out of the picture and unable to influence the strategic case for community asset transfer to VCSE.

At the time of writing the VCSE sector is seeking to have a similar impact in Lewes as it has had in Hastings. The state of the VCSE sector in the county means that a Community Asset Transfer is the best opportunity to realise this objective.

A5 – Bibliography

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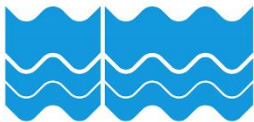
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VCSE
EAST SUSSEX ALLIANCE

<https://www.esvcsealliance.org.uk/>

East Sussex
County Council



<https://www.eastsussex.gov.uk/>



<https://sussexcommunityfoundation.org/>



Colligo Labs

<https://colligolabs.co.uk/>

IDEAS
ALLIANCE

<https://ideas-alliance.org.uk/>