

# UK VCSE 2025 Pulse Insights Paper



GrantFinder



# Executive Summary

This survey of Idox GrantFinder customers from UK VCSE (Voluntary, Community, and Social Enterprise) organisations provides a benchmark of the sector's current landscape, operational scale, and shared challenges. Key insights include:

- **High-impact work:** Nearly 82% of organisations report high or very high impact, and 62% identify impactful programmes as their biggest success.
  - **Financial reliance:** Grant funding remains vital, with 74% strongly agreeing that it is essential, alongside widespread concern over rising costs, funding cuts, and falling income.
  - **Skills and support needs:** Organisations are keen for guidance on grant writing, fundraising strategies, impact reporting, and AI skills.
  - **Sector collaboration:** Over 97% welcome peer-to-peer knowledge sharing and collaboration with like-minded organisations.
  - **Volunteering:** 57% rely on volunteers regularly, with nearly half aiming to engage youth volunteers in experiential activities.
- This paper provides a snapshot to help VCSE leaders benchmark their own organisation, understand shared challenges, and identify sector-wide opportunities for collaboration and capacity building.



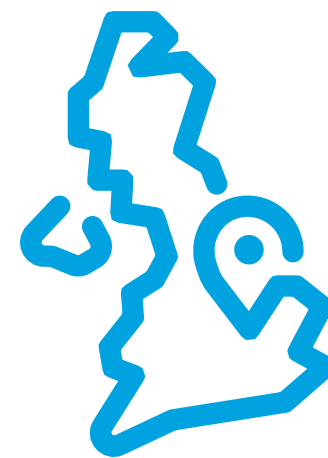
# 1. Survey Overview

## Respondent Profile



### Sector focus:

Mental health: 48%  
Families: 36%  
People with disabilities: 38%  
Health: 36%  
Arts and culture: 31%  
Education: 24%  
Energy & environment: 24%  
Unemployment: 26%



### Geographic reach:

Local authority area: 31%  
Multi-authority: 26%  
National: 21%  
Regional: 12%  
Immediate neighbourhood: 7%  
International: 2%



### Income distribution:

£10k–100K: 14%  
£100k–500K: 7%  
£500k–1m: 10%  
£1m–5m: 31%  
£5m–10m: 19%  
Over £10m: 19%

This demonstrates a diverse sector, spanning small local organisations to national-scale entities with multi-million-pound budgets.

# 2. Organisational Strengths and Impact

**Biggest areas of success:**

Impactful programmes: 62%  
Public recognition: 14%  
Fundraising: 12%

**Impact perception:**

Very high impact: 21%  
High impact: 60%  
Moderate impact: 19%  
Low/no impact: 0%

Respondents highlighted strengths in delivering tangible change, reaching large numbers of beneficiaries, and providing evidence-based outcomes. Success often stems from collaborative partnerships, multi-disciplinary programmes, and targeted community interventions.

**‘Something else’ responses include:**

- Operation of a cultural venue with 170,000 visitors a year
- Our community programme reaches 5,000 to 10,000 people a year and evaluation indicates a range of positive impacts, from inspiring larger numbers of people to genuinely life-changing enhancements in confidence and ambition.
- Promotion and support for the Good Neighbours Network .
- 500+ education settings with quality and consistency of PSHE Education.
- Youth voice programmes delivery.
- Providing opportunities for children ages 4-14 to thrive and gain life skills.
- Hospice care.
- Delivery of sector-leading digital concert series, inclusion projects and Creative Health programme.
- Environment and reduction of carbon emissions, energy/ water consumption.
- Delivery of employment opportunities and training.



- Fundraising 12%
- Public recognition 14%
- Impactful programs 62%
- Something else 12%

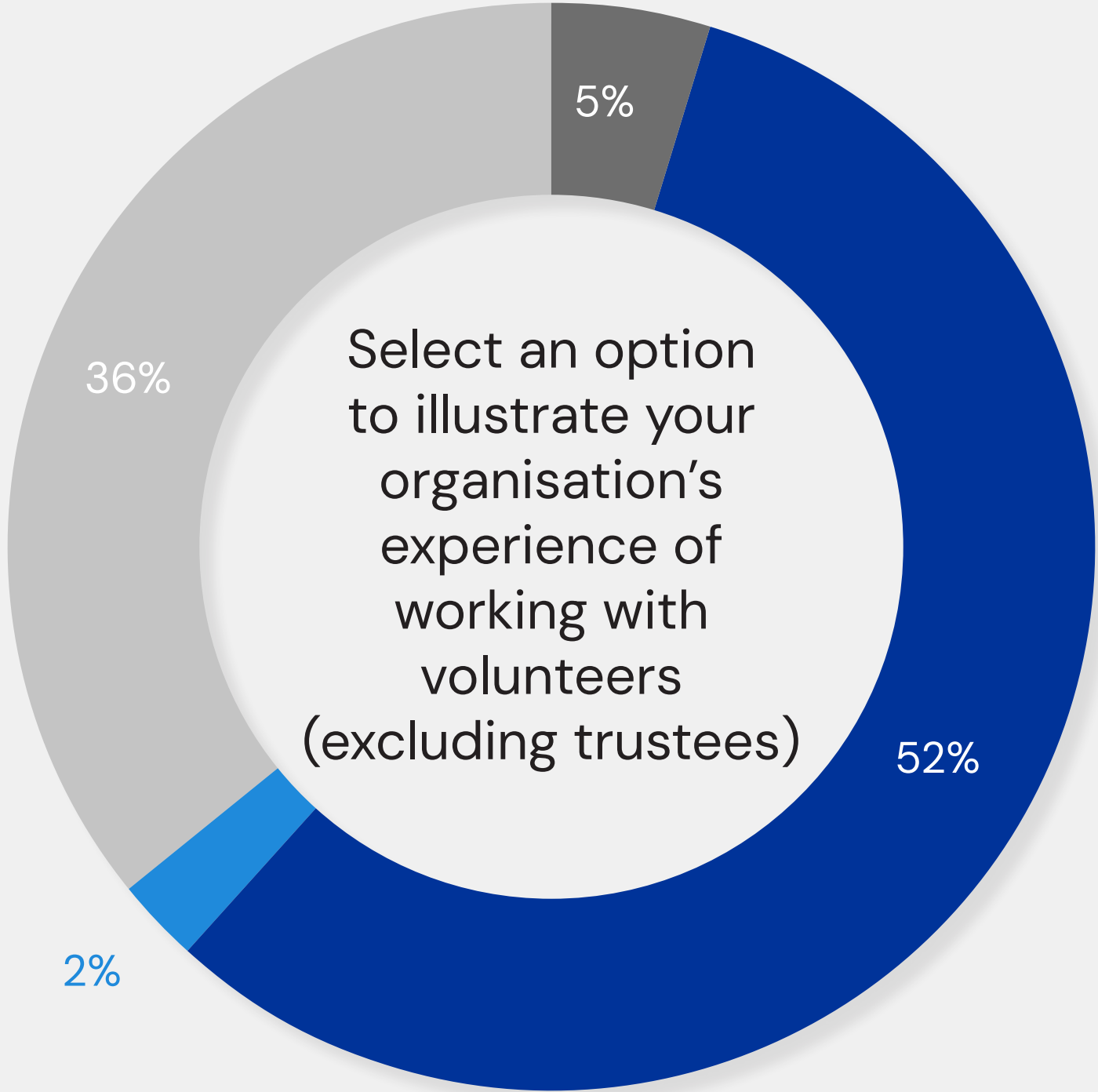
# 3. Volunteers and Youth Engagement

**Volunteer reliance:**

Regular: 57%  
Occasional: 36%  
Peak times only: 2%  
Not applicable: 5%

**Youth volunteers:** 45% of organisations are actively seeking to engage young people in experiential activities.

Volunteers remain a core workforce for the sector, providing both operational capacity and community engagement.



- Not applicable 5%
- We rely on volunteers on a very regular basis 52%
- We rely on volunteers at peak times only 2%
- We sometimes utilise volunteers, but not on a regular basis 36%

# 4. Sector Challenges

## Top challenges facing the VCSE sector

### Financial pressures and rising costs

- Funding cuts
- Falling income
- Volunteer engagement
- Legal and regulatory changes
- Governance concerns

### ‘Other’ responses include:

- Short-term funding.
- Ageing infrastructure and estate.
- Decarbonisation goals.
- Affordable venues.
- Training.

Additional pressures: Rising donor expectations for transparency (78% agree or strongly agree), and operational efficiency (88% agree or strongly agree) highlight the need for robust management systems and clear impact reporting. SEO services

- Talent acquisition.
- Tenant queries.
- Competition from other groups delivering similar services.
- Staff burn-out due to resource pressures.

We asked respondents to rank what they consider to be the biggest challenges for the UK not-for-profit sector today?

- 1 Financial pressures and rising costs
- 2 Funding cuts
- 3 Falling income
- 4 Volunteer engagement
- 5 Legal and regulatory changes
- 6 Governance concerns
- 7 Others

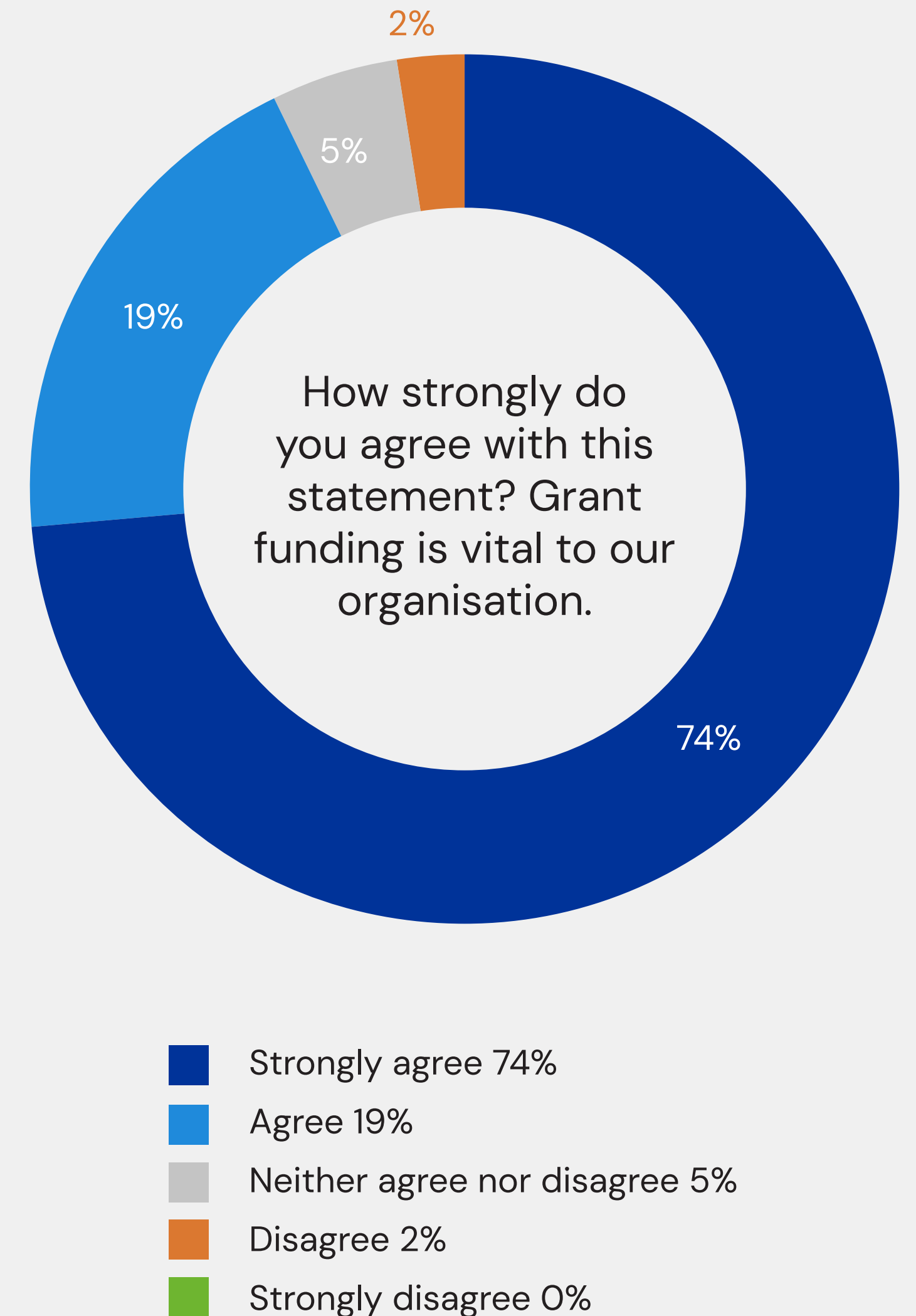
## 5. Funding and Financial Practices

**Grant funding:** 74% strongly agree it is vital, with only 2% disagreeing.

**Funding alignment:** 76% of organisations align funding applications with public policy.

**Income sources sought:** Grants (64%), gifts/sponsorship/donations (52%), contracts (45%), earned income (48%), investments (21%).

The data reflects a dependency on public and philanthropic funding, alongside a growing interest in diversified income streams.





# 6. Skills, Investment, and Technology

## Organisations invest heavily in:

- Managing and training volunteers: 100%
- Business planning, income generation, and bid writing: 100%

AI is being used by 41% of organisations for bid writing, with 33% not using it and 26% not applicable.

## Top support needs include:

- Grant application and bid writing best practice (62%)
- Fundraising strategies (62%)
- Impact reporting guidance (60%)
- AI skills development (50%)
- Digital skills development (36%)

The sector is actively seeking ways to modernise operations, improve efficiency, and leverage technology, particularly AI and digital communication tools.





## 7. Collaboration and Knowledge Sharing



**Peer-to-peer knowledge sharing:**  
98% would welcome this.



**Collaboration with government/policymakers:**  
88% see benefits.



**Collaboration with like-minded organisations:**  
98% see benefits.

These figures highlight a strong appetite for shared learning, collective problem-solving, and joint advocacy within the VCSE sector.

## 8. Emerging Themes

From the survey responses, several cross-cutting themes emerge:

### **Impact-focused delivery:**

Organisations measure success through tangible programme outcomes rather than publicity or fundraising alone.

### **Volunteer reliance:**

Volunteers are indispensable, yet youth engagement is inconsistent, signalling opportunities for innovation in volunteer programmes.

### **Tech and skills evolution:**

AI, digital tools, and modern fundraising approaches are increasingly important to enhance efficiency and impact reporting.

### **Financial vulnerability vs. diversification:**

While grant funding remains crucial, organisations seek multiple income streams and guidance on maximising earned income, sponsorship, and contracts.

### **Knowledge-sharing culture:**

Peer-to-peer collaboration and policy alignment are highly valued as methods to increase sector resilience.

### **Shared operational pressures:**

Rising costs, funding insecurity, and regulatory compliance are common across organisations of all sizes and sectors.

## 9. Takeaways for VCSE Leaders

### **Benchmarking:**

Use this data to compare organisational size, impact, and geographic reach against peers.

### **Funding strategy:**

Balance grant dependency with earned income and sponsorship while aligning funding proposals with public policy priorities.

### **Skills development:**

Prioritise AI, digital, and impact reporting skills to improve efficiency and donor confidence.

### **Collaboration opportunities:**

Invest in peer networks and sector-wide knowledge-sharing to maximise resources and influence.

### **Volunteer engagement:**

Focus on sustainable volunteer programmes, including youth volunteers, to future-proof capacity.

### **Resilience planning:**

Implement strategic business planning to mitigate rising costs, funding cuts, and regulatory pressures.



# Next Steps

To find out more about Idox please visit:  
**[www.idoxgroup.com](http://www.idoxgroup.com)**

For information on our GrantFinder solution please visit:  
**[grantfinder.co.uk](http://grantfinder.co.uk)**

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