



2023 CHARITY GRANTEE SURVEY

In August 2023, we asked our Charity Main Grant holders for information on the most pressing challenges facing their organisations and what they are prioritising in the year ahead. 62 grantees responded.

The three greatest challenges were identified as:

1. Rise in demand for services
2. Increased overhead costs
3. Staff retention and recruitment

Each of these issues were exacerbated by the next, as was clearly articulated by one of our charity partners.

"The above challenges are interlinked, lots of demand and growth for services, but difficulty recruiting extra staff impacts on staff wellbeing and our ability to sustain the growth and demand."

Needs of organisations

Finances were a key concern across the board.

87% of respondents aimed to secure greater funding to provide more competitive salaries, and 75% of respondents said that they would benefit from additional fundraising capacity. These findings were in line with the challenges shared throughout our annual reporting and the known impact of rising energy costs.

"Demand for services and increases in the complexity of the cases referred to us is also an issue...most of our overheads are linked to increased salary costs, but this is an ongoing issue and most average grant amounts haven't reflected or risen with inflation."

A lack of resources to invest in internal / organisational improvements was noted, with over half of grantees surveyed wanting to invest in at least one of the following:

- staff wellbeing support (52%)
- IT infrastructure (51%)
- energy saving/sustainability options (26%)

On the lower end of the scale, only 14% of respondents told us that help with financial management would be beneficial. Although our grantees are well established, this finding was unexpected given the uncertainty of the financial climate and many charities reporting lower reserves levels than previous years – emphasising that the issue lies with the actual lack of funds.

Grantee priorities

74% of respondents noted fundraising as their top priority, followed by staff wellbeing and business planning/strategy development. Despite 51% of respondents reporting that investment in IT infrastructure would be of benefit, and 26% reporting that investment in energy saving/sustainability options would be of benefit, these areas were listed as the lowest priority.

Through annual conversational reports, we were able to build on our understanding of why the findings on what would be of benefit, misaligned with what was identified as a priority. One grantee told us:

“Fundraising will always be a priority as our capacity is generally limited by funds rather than people. We would very much like to focus on sustainable development planning, including environmental sustainability to ensure we are operating as ethically as possible across all aspects of the charity and delivery.”

The funding environment and rising demand have made it increasingly difficult for our grant holders to plan for the longer term. The need is so high that charities can only prioritise essential investment in service delivery and staff, with areas such as energy sustainability and IT infrastructure being seen as a ‘nice to have’ despite their ability to reduce costs and improve efficiency in the longer term.

Key learning points

- Financial uncertainty continues to dominate the focus and activities of charities.
- An inability to offer competitive salaries and prioritise staff wellbeing is causing immediate issues and has long term ramifications as experienced staff leave the sector.
- The level of immediate need makes prioritising investment in IT infrastructure and energy sustainability unrealistic. Adding value in these areas would need to be funding / funder led.

Action taken

- With a relatively small budget for single year grants only, the 2023-24 Responsive Grants Programme targeted funds on the challenge of improving energy sustainability through a three-pronged approach. We supported current Main Charity Grant holders by:
 - Providing 20 charities with [Carbon Literacy Training and Certification](#)
 - Providing 18 charities with energy audits, which included site visits. Audits were also accepted as evidence of need by the [VCSE Energy Efficiency Scheme](#).
 - Awarded 11 capital improvement grants totalling £91,000, to improve grantees’ energy efficiency / sustainability.
- The 2024 Leathersellers’ Link and Learn event welcomed over 90 charity partners, funders and specialists to consider the issues raised by our grantees in the survey:
 - Supporting and Retaining Staff Panel – with [Prospectus](#), [Altruist](#), [The Listening Place](#), and [The Harrow Club](#), on attracting, retaining and supporting staff.
 - Energy Sustainability Panel - with [Energy Volunteers](#), [City Bridge Foundation](#) and [Trelya](#), on the opportunities and benefits of prioritising energy sustainability
 - Meet the Funders Panel – Q&A with the [Henry Smith Foundation](#), [Buttle UK](#), [John Lyon’s Charity](#), [Lloyds Bank Foundation](#) and [The Clothworkers Foundation](#).

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