



consortium

of lesbian, gay, bisexual & transgender
voluntary and community organisations

A Snap Shot of the LGBT Sector

#LGBTResilience



August 2016

Foreword

Paul Roberts, Chief Executive Officer at LGBT Consortium

LGBT Consortium is passionate about working with its Membership to explore how we can all work together to become a more sustainable sector. It is sad to have seen two long-standing Members close their doors for the final time during the first half of 2016, however we are pleased to see others responding positively to the changing environment and placing sustainability and resilience at the heart of their work.

In supporting our Members positively in this changing environment, our team have created a new campaign called #LGBTResilience. As part of this campaign we will build a suite of resources to support LGBT organisations to become more resilient and sustainable in their day to day operations. These resources will equip Members with new skills and expertise and will open up further collaboration opportunities, we will also explore new ways to publicly profile the LGBT sector and highlight the need for specialist LGBT services. This is why I am particularly pleased that we can launch our “Snap Shot of the LGBT Sector” report, as it represents our diverse Membership and reflects their realities.

LGBT Consortium is the largest network of LGBT groups, projects and organisations in the UK and we are well placed to have an overview of the Sector and its position in relation to the wider voluntary and community sector. We already capture data on the income levels of our Members through our annual Member Survey, but this new report has allowed us to explore how incomes have fluctuated, both upwards and downwards. Our Members tell us that they consistently struggle to find and secure funding to run their vital services and in the last 12 months the majority of our Engagement Team’s work has centred around giving guidance and support around securing income.

For this survey, we invited all our Members to complete a very short survey, asking questions around income and the factors affecting it, in order to produce this snap shot of the sector. This report aims to show how the changing funding landscape is affecting LGBT groups and to learn from those who are increasingly moving away from grant funding to become more sustainable.

We encourage LGBT organisations to use this report to help evidence the need for investment into the LGBT sector and for funders, commissioners and influencers to consider the findings and work with us to ensure that our LGBT sector can grow in a more sustainable way and can continue to provide excellent value for money services that positively affect the lives of LGBT people right across the country.

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The Survey

The online survey was open for 6 weeks' and asked LGBT groups to complete a short set of questions or to select from a set of statements.

There were 85 complete responses to the Snap Shot of the Sector Survey of which:

- 23 reported an increased income
- 27 reported a decreased income
- 35 reported that their income had stayed the same

Data has been split into responses from groups whose income decreased, groups whose income increased or groups whose income has stayed static.

Data was requested from the last 'year', which could have been the last 12 months, the last calendar year or the last financial year.

Throughout this report we refer to all respondents as LGBT groups and, in line with our Membership structure, we categorise them by their annual income.

We also invited respondents to share their comments about how any changes in their income are affecting them and what challenges they feel they might face in the coming year.



“Overall it is very difficult to keep funding coming in to keep all the services running. Our situation is not as bleak as some others, but it is still a stressful time and there is always an amount of uncertainty”

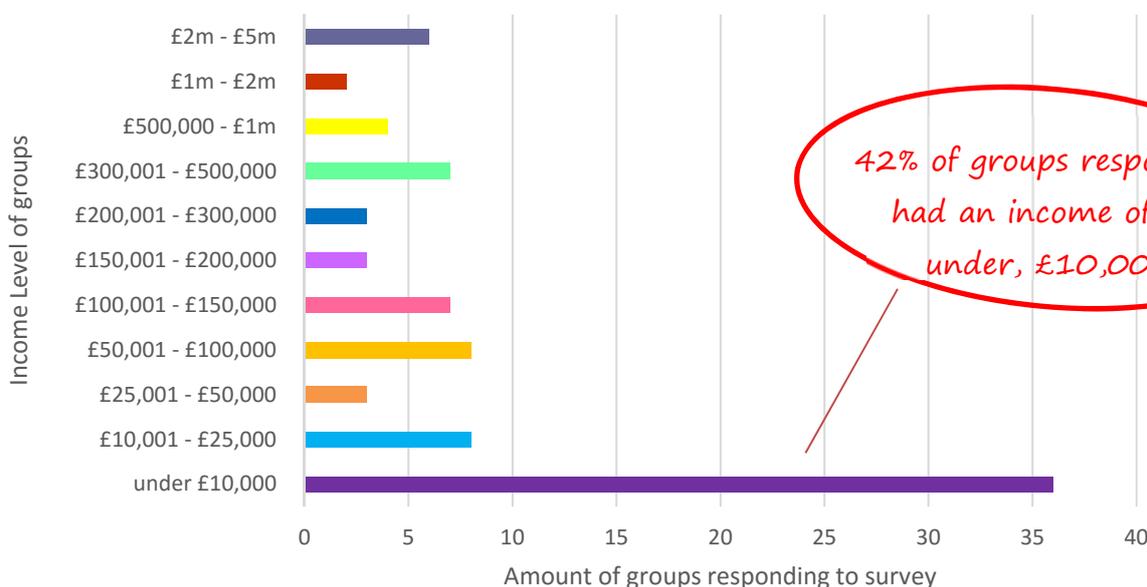
“The LGBT Consortium is essential to the functioning of this sector. Their overview and advocacy is vital to enable the work we do with LGBT people in the UK”

Respondents

All respondents were answering on behalf of LGBT groups they ran or were part of. Members of the LGBT Consortium were targeted, but responses were recorded as anonymous so non-members may have also taken part. Responses were kept anonymous to ensure that groups felt that they could be open about their income, situation and concerns.

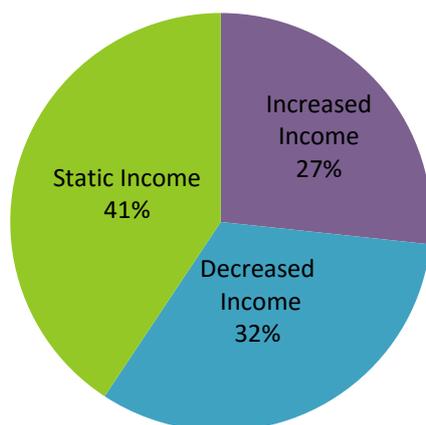
The largest set of respondents represented groups with an income of under £10,000. This reflects the membership makeup of the LGBT Consortium, which now sees over 70% of its Membership made up of groups with an income at or below that level. Other Groups responding represent a fairly broad reflection of the Consortium's Membership.

Respondents: LGBT Groups categorised by income level



We asked respondents to indicate if they had experienced a change in their group's income over the last year—this could represent a group's last financial year, the year 2015, or the last 12 months.

Over the last year has your income increased, decreased or stayed the same?

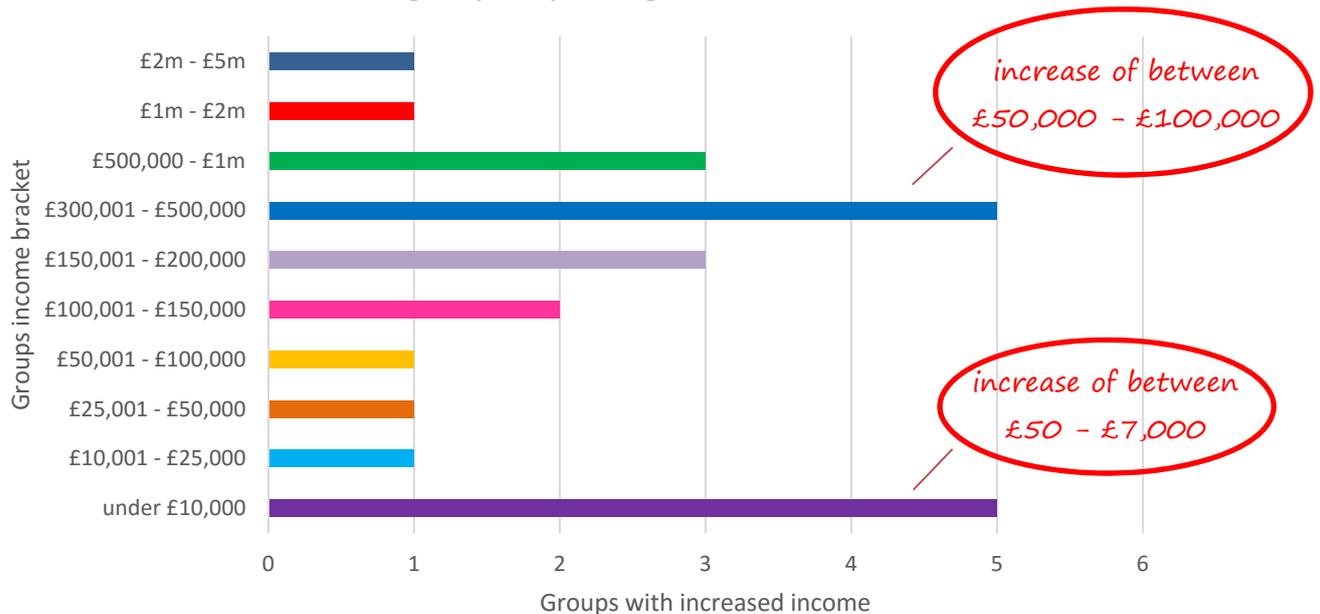


Count
Increased Income: 23
Decreased Income: 27
Static Income: 35

Group Income: Increased

At first glance the proportion of groups who have seen an increase in their income is encouraging. Two sets of groups stand out in particular as experiencing income increases: those groups with an income of under £10,000 and those groups with an income of between 300,000 - £500,000.

Breakdown of groups reporting an income increase



Five groups with an annual income of under £10,000 reported increases of between £50 - £7,000. These might seem like small increases but relatively any and all amounts can have a large impact on the work that small grassroots groups can do. This is in part due to minimal overhead costs and in part due to many groups and services being volunteer run. These increases are encouraging for the survival of grassroots LGBT groups but this increase was only experienced by 11% of groups this size.

One of the important objectives of the survey was to look beyond the finances and at the reasons behind why groups were seeing changes in their income and the effects of those changes. On further inspection the data reveals that in reality most of the increases were from project funding or one off donations and are not truly indicative of a growing and sustainable sector.

Some groups attributed their income increase to working in collaborative projects and it is worth noting that LGBT Consortium brought over half a million pounds' worth of funding into the sector over the last 18 months.

21% of groups who saw an increased income were organisations with an income of between £300,000 and £500,000 with the increase in income between £50,000 to £100,000. Many of these groups attribute that increase to diversifying their income. This included a mix of taking on contracts, successfully applying for funding and selling their resources and services.

Groups attributed an increased income to a range of factors including building corporate relationships and being innovative about how they attract financial support. This is a far more sustainable approach to generating income through a mix of funders, contracts and fundraising can be the difference between a group that thrives and one that merely survives.

Factors attributed to income increase



We know that grant funding still plays a huge part in how LGBT groups run their services. We also know that as funding opportunities continue to shrink, and as those that remain see increased competition, that grant funding is not a sustainable approach to generating income. There is some really important learning to be done from the groups who are adopting new diverse, mixed source, income models. From taking on contracts, to being part of collaborative delivery partnerships to selling services, resources and expertise, many more LGBT groups are adopting new innovative approaches to securing sustainable incomes that should be held up as an examples of best practice.

It is certainly encouraging to see so many groups planning new projects and new work especially when they are reporting that it's harder than ever to do so. The Snap Shot paints a picture of a sector that is rising to meet the challenge of ever increasing demand from an increasing number of beneficiaries.

Whilst it is positive to see that more groups are moving toward diversifying their income it is important to note that many groups have such limited capacity they have no opportunity to explore these new models. Consortium endeavours to continue supporting LGBT groups to increase their capability and capacity as part of the LGBT Resilience campaign so that when increases in income do occur they can be sustained.

Of the groups reporting an increased income, only 36% believed that it was a sustainable increase. Where it was believed to be a sustainable increase it was due to service based income and not project/grant funding



Despite reporting an increase in their income, groups are cautious when looking ahead. 62% of respondents with an increased income reported that they need to find new income over the next 12 months to continue operating all of their services. 27% of respondents reporting an increased income said that they will have to consider cutting back to core operations if income does not improve in a more sustainable way.

Increased Income - Looking ahead to the next 12 months

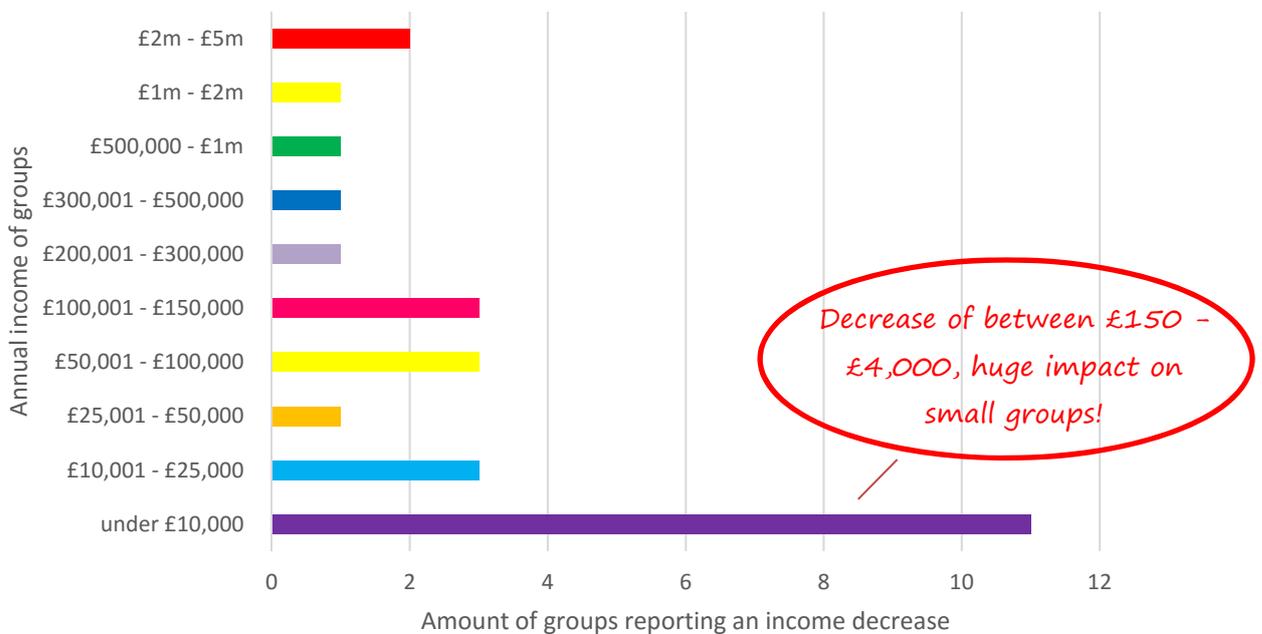


“Although our income has increased we are not meeting all of our core costs, and the project income does not fund our most needed and popular projects, so although the financial picture has improved, it's not at the level where we are sustainable”

Group Income: Decrease

Of the 85 groups responding to the survey 32% reported a decrease in their income. 40% of groups that reported a decrease had an income of under £10,000 and reported a decrease of between £150 and £4,000. These amounts might seem small but proportionately, a small loss to an organisation of this size has enormous impact and is far more likely to have an immediate effect in a local area. One group with an income of under £10,000 reported that they lost 100% of their income in the last 12 months. Whilst this kind of loss can be avoided by ensuring a mixed source of income, for a small group this is not always a realistic proposition as capacity for exploring diversified income is limited.

Breakdown of groups reporting income decreased

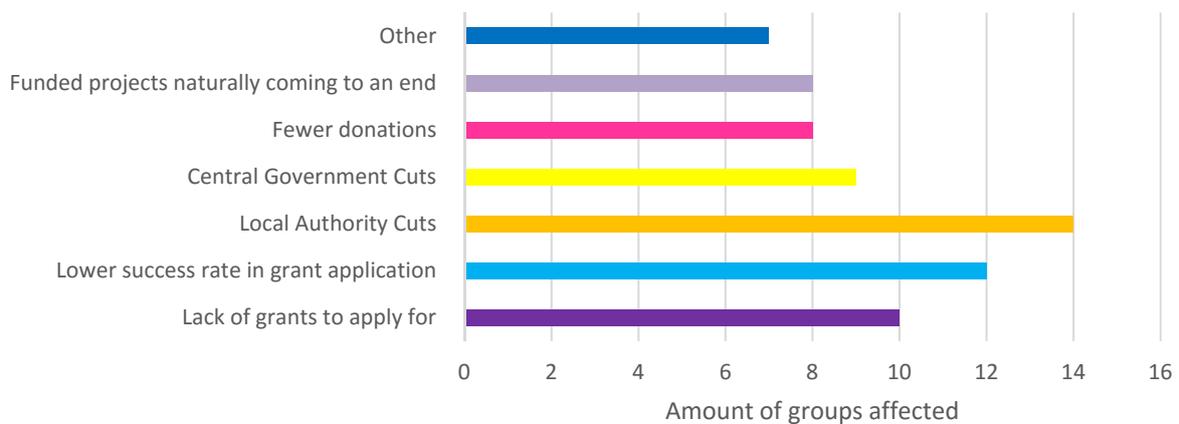


29% of groups reporting a decrease in their income report that that decrease is of an amount of between £50,000 and £100,000. What we can start to see from this is that groups incomes are decreasing by larger amounts that they are increasing.

Thirteen groups reported that they have had to lose staff over the last 12 months because of a decrease in income. Others report that they are losing volunteers due to them feeling overwhelmed by levels of work and gaps being left by paid staff. LGBT Consortium recognises that any staff and volunteer loss is also a loss of vital skills, knowledge and experience that the sector loses too. LGBT Consortium's 2015 Impact Report shows that its Membership hosted 781 full and part time employment opportunities that year. With 14% of respondents reporting a loss of staff and a further 2% seeing losses in the next 12 months these figures could see a marked decline for 2016.

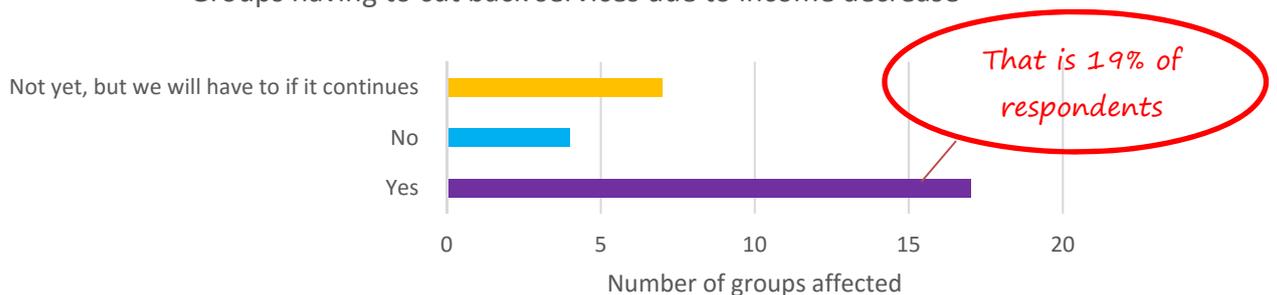
50% of respondents reporting a decreased income attributed that decrease, in part, to cuts in grants and funding from their Local Authority. Another 42% reported experiencing a lower success rate with grant funding applications and 36% report a lack of funding to even apply to. Groups cited a number of additional factors under ‘other’, including reporting that there are fewer organisations purchasing paid for services such as training and consultancy and being unable to meet funders demands such as large impact statistics.

Factors attributed to income decrease



Understandably, LGBT groups reporting a decrease in income are also reporting that they are having to cut back their services. Those who haven't yet, report that they will have to do so if income decreases further.

Groups having to cut back services due to income decrease



Despite the decrease in income, and subsequent loss of staff and cut back of services, groups reported an increase in the demand for support and services, with nearly half having engaged with between 100 – 500 additional beneficiaries in the last 12 months.

“With less money available the worry is that work specifically targeting communities will be seen as a luxury and more generic projects will be commissioned or funded which risks LGBT needs going unmet and losing the LGBT expertise of the sector. “

The largest category of groups reporting an increase of beneficiaries were the groups with an income of below £10,000. Many of them don't have the capacity or structure in place to monitor the number of beneficiaries they serve but are seeing a strain on volunteer and, where they have them, staff time.

While many groups will spend the next 12 months finding money to meet increased demand, many more will be looking for funds just to keep core services going. Only one respondent who reported a decreased income reported not being worried about the next 12 months as opposed to the 37% of respondents with a decreased income who fear that they might not be in operation in 12 months' time if the situation does not improve

Decreased income - looking ahead to the next 12 months



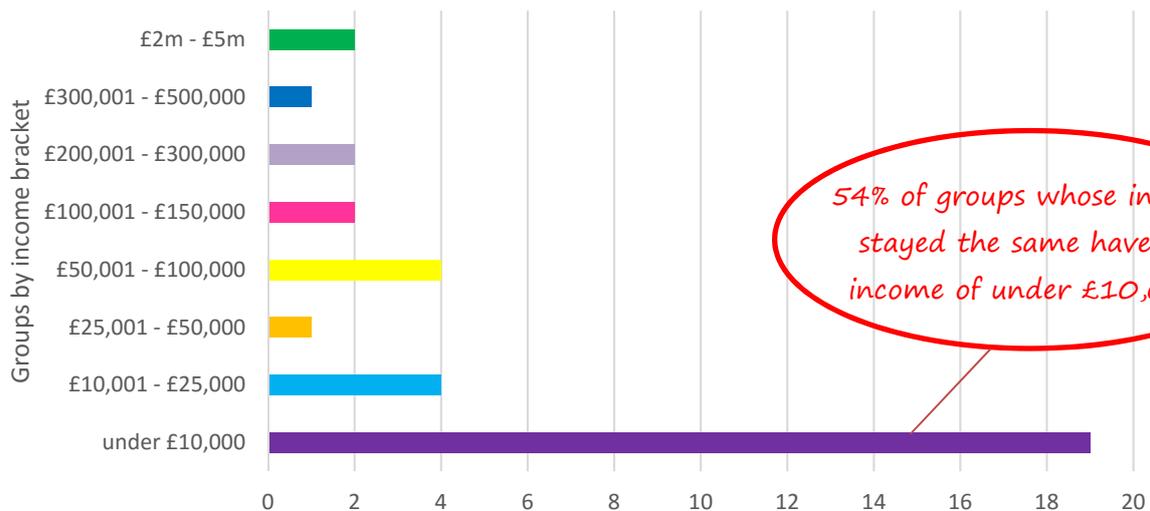
Many groups are now in a situation where they will have to work even harder to continue to fund existing core services. Where this is happening there will be little or no capacity to diversify income or plan for the future of their services. Many of the comments given by respondents were about how a lack of core funding for the last few years has led to services falling by the way side.

“Grass roots organisations are being forgotten because many are not visible. Funders want to see visible results and big impact and we can't always show that”

Group Income: Static

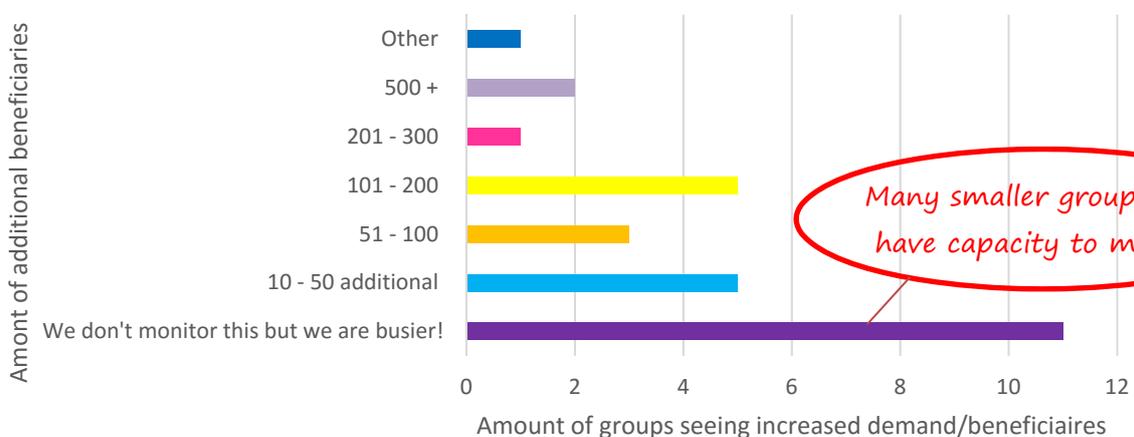
The largest majority of respondents, 41%, reported that their income had remained static. Of those groups, 54% have an annual income of under £10,000, which is not surprising as many of these group's activities and costs do not change vastly year on year.

Static Income; breakdown of groups by income bracket



While these figures look encouraging at first glance, suggesting what could be seen as sustainable levels of income, further scrutiny of the data shows that 80% of these groups have seen an increase in demand and increase of beneficiaries engaging. This means that groups are having to deliver more for the same money. Often groups have no choice but to absorb the additional work which is a testament to the commitment of staff and volunteers, but it is not sustainable and gives a skewed picture of value for money.

Static Income- Increase in demand for services



Many of the groups reporting a static income over the last 12 months are also reporting that they need to increase their income if they are to meet the need and demand for services. It is encouraging to see many groups reporting that they have new projects and opportunities coming up in the year ahead and there are some real sector learning opportunities to be done from groups who are growing and meeting new need rather than just surviving.

Static income: Looking ahead to the next 12 months



Worryingly 11% of groups who reported a static income reported that they won't be able to continue operating if their income opportunities do not improve. With mostly small grass roots groups making up the bulk of those reporting a static income – those closures will have huge effects locally.

“To sustain our work we have always been self-funding and that has sustained us for 14 years. This does, however, limit the size we can grow to, the services we can offer, and the projects we can get involved with”

The next 12 months for the LGBT sector

Respondents were asked to select from a range of statements when thinking about the next 12 months. The results paint a worrying picture for the LGBT sector with 56% of groups reporting that they will need to find new income to continue operating all their services and a further 29% having to cut back to core operations if income opportunities do not improve.

Snap Shot of the next 12 months



One of the most worrying figures to emerge from the survey was 20% of all responding LGBT groups reported that unless their income opportunities improve they will not be operating in 12 months' time. This would have a huge impact on LGBT people and communities across the UK at a time when the demand for LGBT services is increasing.

A staggering 86% of all respondents reported an increase of beneficiaries and demand for their services, which at the top of the scale sees a reported increase for one organisation of as many as 500+ beneficiaries.

“Increased demand but fewer resources has meant that staff, who are already stretched to capacity, are being asked to do more work.”

What now?

As result of this survey, we have produced a resilience plan to support plans for a more sustainable sector. We believe the LGBT sector is innovative and resilient and that during tough times the passion that drives us all comes out the most.

Resource Development — *Support*

LGBT Consortium is developing a series of resources to help LGBT Groups thrive. These new resources will complement our existing guides on issues around becoming more sustainable, good governance, financial management, diversifying your income, and many more practical topics. You can view these by visiting our website www.lgbtconsortium.org.uk/lgbt-resilience or by clicking [here](#)

Roundtables & Roadshows — *Communicate*

We want LGBT groups to have the tough conversations about the sector moving forward and to explore solutions. We will be running a series of events across the country focussed on the theme of LGBT Resilience over the next 12 months.

Impact Data — *Evidence*

For the last couple of years we have undertaken a Member survey to help highlight the impact of the LGBT sector and to provide Members with valuable data to use when seeking funding and investment. Please ensure that you take a few minutes to take part in 2016's survey.

Sector Investment — *Invest*

We want to see the sector diversifying its income and intend to support it in a number of ways to make this happen. We want to see funders investing in specialist communities and to see LGBT groups exploring new relationships with corporate and private bodies. Over the coming months, we will be working hard behind the scenes to inform those in a position of influence and to continue raising LGBT voices where it matters.

Collaboration — *Working together as a Sector*

We have seen some amazing collaborations taking place in the LGBT sector over the last few years, but we believe there is scope for much, much more. As your umbrella body, we want to act as a broker and facilitator for more collaborations so new services and projects can be delivered to reach as many LGBT people as possible.

Get in touch with one of our team [here](#) to find out more about the campaign.

If you are not a Members of LGBT Consortium you can find out more and join [here](#).