Forum Central

The network and collective voice of the health and social care third sector in Leeds.

Leeds Third Sector Cost Pressures Survey Results

April 2025

V3

Summary

This report presents the results from a survey, which gathers information from third sector organisations operating in Leeds, about the financial pressures they are experiencing; the impact on staff, services and organisation viability. The survey has been run regularly since September 2022 with slight modifications and additions to capture relevant information each time.

Findings detailed in this report relate to the survey which ran between 6 March and 7 April 2025.

A total of 74 organisations responded.

Headline findings from results and comments:

- The ‘Funding landscape/ sustainability’ was the most commonly cited ‘highest risk’, closely followed by Staffing costs (likely due to national rises). The continued high costs of energy/consumables was also noteworthy.
- Financial pressures and instability are impacting workforce mental health. This came out as the third highest risk, from the options, concerning organisations who responded.
- Services are being affected most by cost pressures: organisations are having to prioritise organisational stability and dedicate more staff time to financial, operational and strategic forward planning (such as grant applications and broader fundraising) as opposed to front line delivery.
- Organisations are doing their utmost to adapt to avoid losing staff, reducing services, or closing - temporary workarounds are being found, including:
    - More people working voluntarily to keep services running.
    - Drawing on reserves to keep staff employed.
    - Management structures are being reviewed to cut costs and make efficiencies wherever possible.
- Examples of organisational resilience and adaptability in dealing with financial challenges are:
    - More collaboration and joined up working.
    - Exploration of new ways to deliver services.
    - Diversification of funding streams and income generation, where possible.

April 2025 Results

Findings in this report are not *directly* comparable to previous cost pressures reporting as the organisations which respond may be different each time.

Staff reduction

63.5%
have either lost or are at risk of losing staff in April 2025, compared with **71.6%** in October 2024

only **9.5%**
do not see losing staff as a current risk, compared with **16.2%** in October 2024

Financial position

63.5%
say their financial position has **deteriorated** either 'a little' or 'a lot' in April 2025 compared to this time last year, April 2024

Service closure, reduction and waiting lists

78.3%
either risk having to make service reductions or closures as a result of cost pressures, or they have already closed or reduced a service(s), compared with **73%** in October 2024

only **6.2%**
do not see service reduction as being a current risk, compared with **9.5%** in October 2024

54.9%
of respondents are either not able to accept new users (**15.9%**) or are operating a waiting list (**39%**) compared with **62.6%** in October 2024

Organisation viability

41.9%
responded 'yes' or 'maybe' that they were concerned about the risk of organisation closure in April 2025. Compared with **33.8%** in October 2024

Risk Factors

44.5%
of respondents voted **Funding landscape / sustainability** as their highest risk/concern

Top three concerns (from the options provided) :

1. Funding landscape / sustainability
2. Staffing costs
3. Workforce mental health

Key Messages

This survey data provides an indication of the challenges faced by the third sector in Leeds. Comments provided by respondents, and our broader engagement with members and our networks, gives us a more rounded understanding of what the numbers may mean for third sector organisations:

- **Third sector organisations continue to be under intense financial pressure.**
- **Many participating organisations have lost or risk losing staff.**
- **Service provision and capacity of participating organisations seems to be reducing.**
- **The likelihood of organisations closing seems to be increasing.**
- **The levels of organisational risk being managed seem to be increasing.**
- **Some organisations are running at unsustainable levels of risk.**

*these results are indicative of a larger picture and should be viewed alongside other sources, such as the State of the Sector Report.

April 2025 Results

Key Data Points

Staff reduction

- 63.5% of respondents have reported that they have either already lost staff (28.4%) or they are at risk of losing staff (35.1%) as a result of cost pressures. This is compared to 71.6% last October.
- A further 20.3% responded 'maybe' to the risk of losing staff.
- Only 9.5% of respondents (7 organisations) did not think that their organisation risked losing staff. Compared with 16.2% last October.

Service Reduction

- 78.3% of responses indicate that they had either closed services (13.4%) and/or reduced services (21.6%), and/or that they risk having to make service reductions or closures (43.3%) as a result of cost pressures.
- A further 13.3% responded 'maybe' when asked if they were concerned about the risk of service reduction.
- 6.2% (6 organisations) did not see service reduction as a risk, and for 3 organisations (3.1%) this question was not applicable.

Organisation Closure

- 41.9% of respondents answered 'yes' (13.5%) or 'maybe' (28.4%) to organisation closure being a current risk.
- This is notably lower than the staff and service reduction figures.
- This represents an increase since last October when 33.8% answered 'yes' or 'maybe', compared with 41.9% this March/April.
- 58.1% answered 'no' they are not concerned about the current risk of organisation closure.

Risk Factors

- The top three concerns from our list of options were:
  1. Funding landscape / sustainability.
  2. Staffing costs.
  3. Workforce mental health.
- 44.5% of respondents selected 'Funding landscape / sustainability' as their highest risk/concern.
- 36.4% of respondents selected 'Staffing costs (inc. employer National Insurance contribution and Living Wage rise)' as their highest risk/concern.

Financial position compared to last year

- Combined, 63.5% of respondents reported that the financial position of the organisation has deteriorated compared to the same time last year.
- 32.4% of respondents (24) said their financial position has 'deteriorated a lot', and a further 31.1% said their financial position had 'deteriorated a little'.
- Almost a fifth of respondents (17.6%) reported that their financial position has 'stayed the same'.
- Nine organisations (12.2%) responded that their position had 'improved a little' with a further five (6.8%) as 'improved a lot'.

Note: Comparisons have been made between this survey and the last survey's data from October 2024. This is *not* a direct comparison as different organisations may have responded to each survey. The comparison is provided for broader context and as an indication of similarities and differences but should only be used as an indicative cross section of a larger picture.

April 2025 Results

Key Data Points continued

Waiting Lists

- A combined total of 54.9% of respondents are either not able to accept new users (15.9%) or are operating a waiting list (39%).
- Over a third of organisations (37.8%) reported that their services still had capacity.
- Organisations said that capacity varied across their different services.
- Findings indicate that the services most affected by capacity issues may be those providing support around Mental Health, Frailty, Long Term Conditions, Healthy Adults, and People With Learning Disabilities and Neurodiversity.

Risks and issues to flag

- 13.5% responded ‘yes’ when asked if they wanted to flag a risk for possible inclusion on a Population/Care Board’s risk register. A further 18.9% stated that they already had flagged risk.
- Over a third (35.1%) did not wish to flag a risk relating to the populations they support, with a further 20.3% unsure.
- The population groups with the most risks flagged were Mental Health (14), Children (7), Maternity (7).

Organisation Size

- There was a good spread in the size of organisations which responded, although the spread doesn’t quite reflect the estimated composition of Leeds third sector, as detailed in the State of the Sector report.
- More responses from Micro and Small organisations would make these results a truer reflection of the composition of the sector.

Background

Forum Central has run this survey regularly since September 2022. It ran quarterly from September 2022 until April 2024, and six monthly since then. The results of each survey are published shortly after the survey closes. A summary report was produced in October 2024, collating results from six surveys. This is our first survey conducted and results published in 2025.

All previous survey results and the Summary Report can be found on our website: Cost-of-Living and Cost Pressures - Forum Central.

The questions in the survey gather information from organisations about concerns relating to:

- Staff reduction,
- Service reduction,
- Organisation closure,
- Waiting lists and service capacity,
- Risks and issues relating to population health and population groups.

Recognising the importance of celebrating the dynamism and resilience of the sector the final question asks organisations to report on any positives which have emerged from change.

This April 2025 survey included two additional questions; one to capture information about risk factors, asking what organisations see as the greatest risk or find most concerning. The second to capture whether the organisation’s financial position has deteriorated or improved compared with the same time last year.

What our members say

"We have heard about left shift and prevention agendas for a long time now. I think the specific issue that needs addressing is when this is likely to happen and how will it be pursued. There is little evidence that there is a commitment to it."

"Scaling back = loss of value and momentum"

"There are very few conversations I have which don't include some kind of realism about the state of the sector. I find it increasingly strange when I hear it publicly described as flourishing or vibrant, as none of the conversations I have concur this description."

"Our team are doing unpaid work alongside funded project work to apply for funding, and it will be hard to retain staff without more stability."

"Our partnership working is very good - we are able to signpost to our partner orgs for further mental health and practical support. We still receive reports of high impact of our service on our service users."

"One of our major risks is the reduction of services due to cost pressures. Without dedicated staff, our capacity to meet the rising demand is significantly strained, limiting our ability to provide consistent, high-quality support to the families and communities we serve."

"Funders paying in arrears. Has significant impact on cashflow."

"We are moving towards less reliance on grant funding and are working on different income streams."

"It's hard to think positively or come up with plans to mitigate against risks when there does not appear to be any light at the end of the tunnel."

"Uncertainty about funding (will it be cut or not?) is almost as bad as an actual cut as it hinders effective planning for the future."

To view more comments go to the **document version of the April 2025 Cost Pressures Results**
(https://docs.google.com/document/d/1dsspu8IN64b6IFLqzlF-2PJZzW87Djrw1z0SrvEz-Cw/edit?usp=sharing)

Survey Results
The Data
2022 - 2025

Surveys are shared widely with Forum Central members and networks, and advertised online and via our networks.

Total numbers of unique respondents:

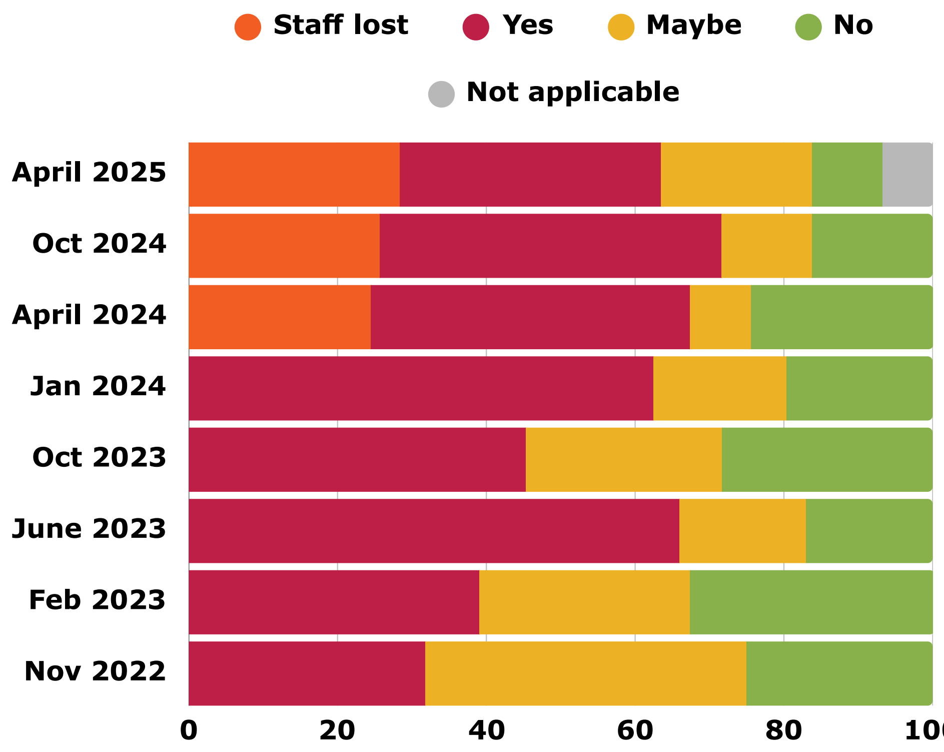
74 April 2025
74 October 2024
48 April 2024
56 January 2024
53 October 2023
47 June 2023
46 February 2023
44 October 2022

Risk of losing staff

Are you concerned your organisation is at risk of losing staff as a result of rising costs? (%)

	Oct 2022	Feb 2023	June 2023	Oct 2023	Jan 2024	April 2024	Oct 2024	April 2025
Yes	31.8	39.1	66	45.3	62.5	42.9	45.9	35.1
Maybe	43.2	28.3	17	26.4	17.9	8.2	12.2	20.3
No	25	32.9	17	28.3	19.6	24.5	16.2	9.5
Already lost staff						24.5	25.7	28.4
Not applicable								6.8

Distribution of respondents answers by percentage



Risk of service reduction

Are you concerned your organisation is at risk of service reduction as a result of COL/rising costs?

and/or have you had to reduce or close any services since September 2022? (%)

<table>
<tr><th></th><th>Oct 2022</th><th>Feb 2023</th><th>June 2023</th><th>Oct 2023</th><th>Jan 2024</th><th>April 2024</th><th>Oct 2024</th><th>April 2025</th></tr>
<tr><td>Yes</td><td>45.5</td><td>50</td><td>61.7</td><td>58.5</td><td>66.1</td><td>71.4</td><td>73</td><td>43.3</td></tr>
<tr><td>Maybe</td><td>22.7</td><td>21.7</td><td>19.1</td><td>18.9</td><td>17.9</td><td>16.3</td><td>9.5</td><td>12.4</td></tr>
<tr><td>No</td><td>31.8</td><td>28.3</td><td>19.1</td><td>22.6</td><td>16.1</td><td>12.2</td><td>17.6</td><td>6.2</td></tr>
<tr><td colspan="8">(Asked as a separate question) Have you had to reduce or close any services since September 2022? (%)</td><td>Asked in single question</td></tr>
<tr><td colspan="3">Already reduced</td><td rowspan="2">48.9</td><td>33.9</td><td>36.2</td><td>37</td><td>40.7</td><td>21.6</td></tr>
<tr><td colspan="3">Already closed</td><td>11.3</td><td>12.1</td><td>20.4</td><td>17.3</td><td>13.4</td></tr>
<tr><td colspan="3">No / not applicable</td><td>51.1</td><td>54.7</td><td>51.7</td><td>42.6</td><td>42</td><td></td></tr>
<tr><td colspan="8">Not applicable</td><td>3.1</td></tr>
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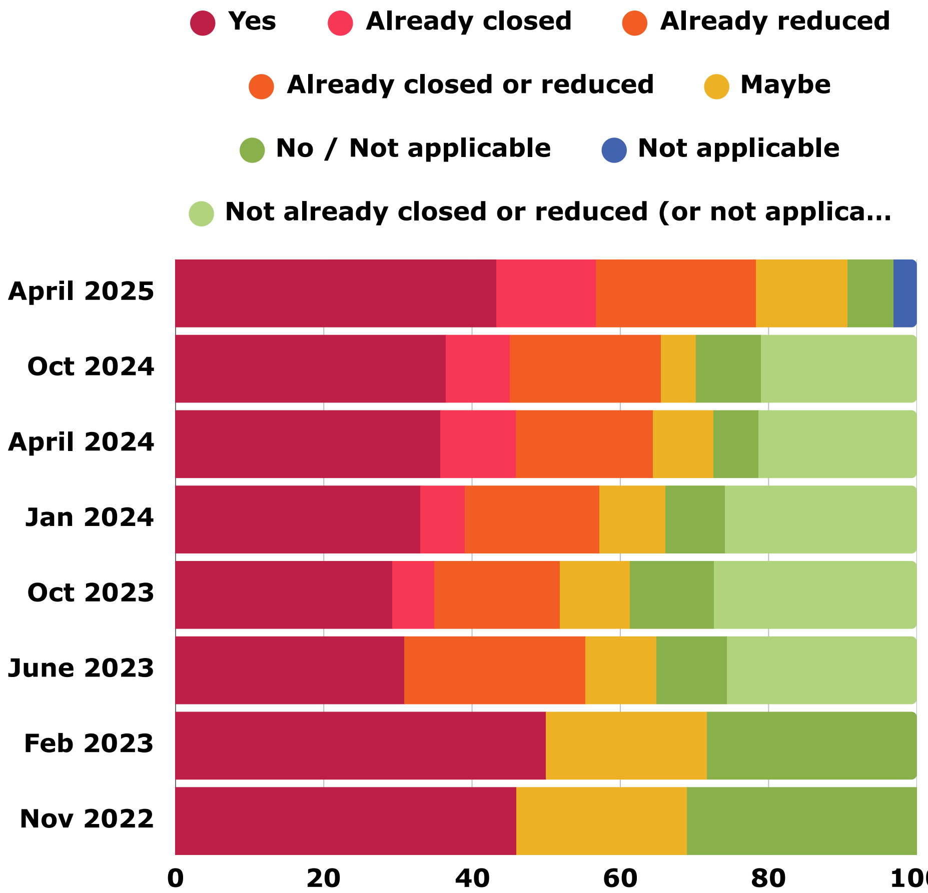
Distribution of respondents answers by percentage

(adjusted percentages to include both questions)

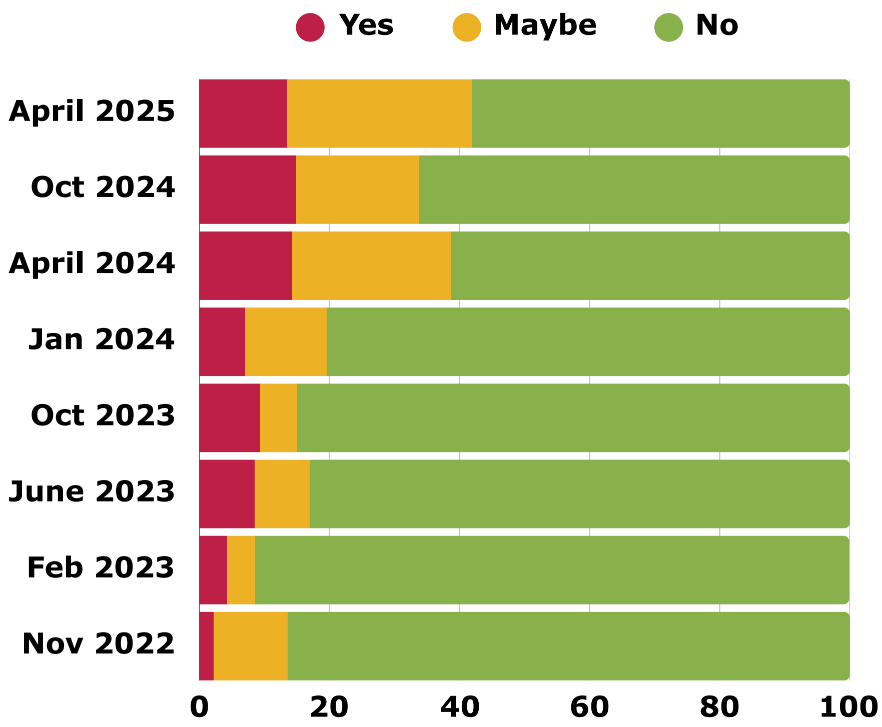


Risk of organisation closure

Are you concerned your organisation is at risk of closing as a result of rising costs? (%)

	Oct 2022	Feb 2023	June 2023	Oct 2023	Jan 2024	April 2024	Oct 2024	April 2025
Yes	2.2	4.3	8.5	9.4	7.1	14.3	14.9	13.5
Maybe	11.4	4.3	8.5	5.7	12.5	24.5	18.9	28.4
No	86.4	91.3	83	84.9	80.4	61.2	66.2	58.1

Distribution of respondents answers by percentage



A note on dates: Each quarterly survey was open for at least one month to gather responses and in the following month the results were collated and published. This may have meant the survey was open in one month and results published two calendar months afterwards, e.g. survey goes live in September, is open until late October, results published in November.

To simplify the dates for readers of the report and to help with continuity we have used one month to refer to each survey. This means the statements regarding the findings may be accurate to within one month, e.g. "14.3% responded 'yes' to risk of closing in April 2024" but responses may have been submitted in March 2024.

The following questions were not included in the initial survey. We have expanded the questions over time to gather more information about service capacity and waiting lists, as well as risks, issues and themes, broken down by the related Population/Care Board.

Waiting lists

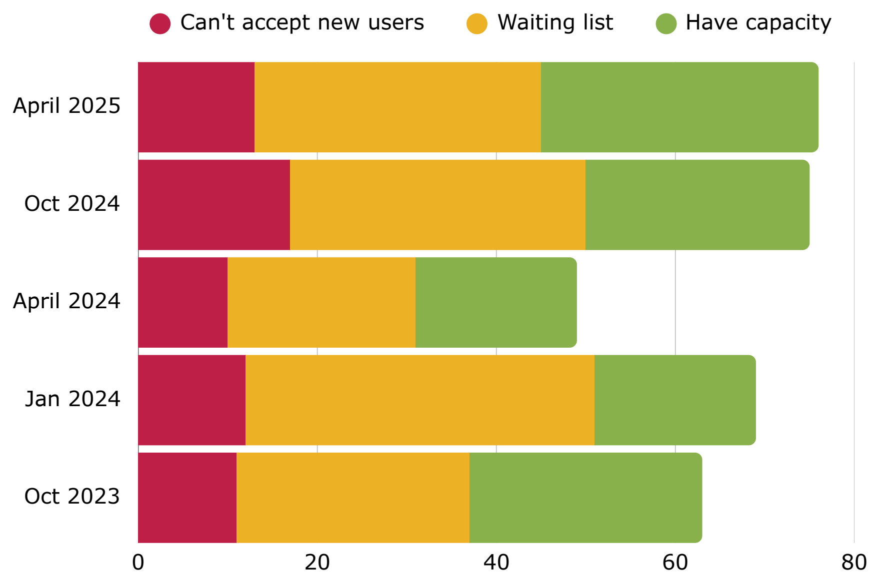
Have you had to operate a waiting list or not accept new services users* because you are at full capacity? (select all that apply)

No. responses (% of total no. respondents)

(no. survey respondents)	Oct 2023 (53)	Jan 2024 (56)	April 2024 (48)	Oct 2024 (74)	April 2025 (74)
Yes - waiting list	26 (49%)	39 (69.6%)	21 (43.7%)	33 (44.6%)	32 (43.2%)
Yes - no new service users	11 (20%)	12 (21.4%)	10 (20.8%)	17 (23%)	13 (17.6%)
No - we have capacity	26 (49%)	18 (32.1%)	18 (37.5%)	25 (33.8%)	31 (41.9%)
Not applicable / other				5 (6.8%)	6 (8.1%)

No. of responses

Note: unlike previous charts this shows number of responses rather than percentage of respondents due the multiple choice nature of the question.



**A note on terminology: the term 'service user' is not a term we like to use because it doesn't reflect a person-centred approach, however it is a recognised term to refer to the people which organisations work with and support.*

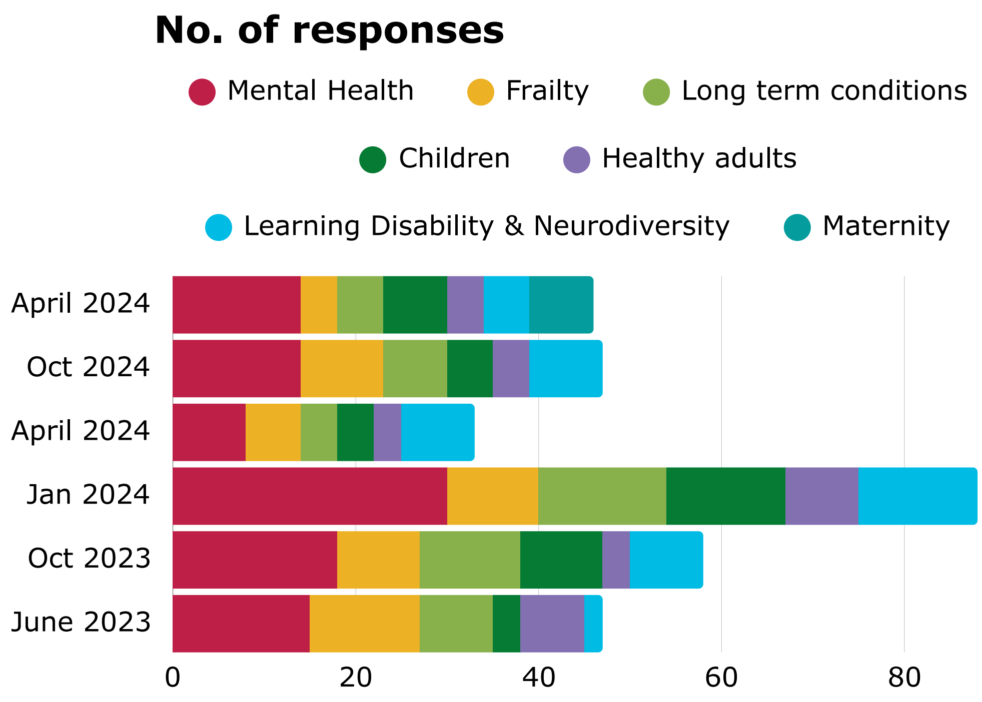
Populations affected by services at risk

Would you like to flag a service at risk for possible inclusion on a Population/Care Board's risk register? (select all that apply):

- Maternity (conception to birth + 12 months)
- Children (under 18 years - old & not in the maternity segment)
- Healthy Adults
- End of Life
- Learning Disability and Neurodiversity
- Mental Health
- Cancer
- Frailty (Over 65s, often dependent for personal care and multi-morbidity)
- Long Term Conditions
- Planned Care (awaiting an elective procedure/appointment with Community/Acute services)
- Same Day Response (used "on the day" services)

In April 2024, the wording was amended to reflect updated Risk/Issue process guidance: Would you like to flag a **specific** risk or issue for possible inclusion on a Population/Care Board's risk register? (link to risk and issue definition). If yes, which Population/Care Board's risk register does it relate to? (select all) which may explain the drop between Jan 2024 to April 2024.

(no. survey respondents)	June 2023 (47)	Oct 2023 (53)	Jan 2024 (56)	April 2024 (48)	Oct 2024 (74)	April 2025 (74)
None/ blank	17	16	12	27	48	50
Mental Health	15	18	30	8	14	14
Frailty	12	9	10	6	9	4
Long term conditions	8	11	14	4	7	5
Children	3	9	13	4	5	7
Healthy adults	7	3	8	3	4	4
Learning Disability & Neurodiversity	2	8	13	8	8	5
Maternity						7



Options will fewer than 5 responses in any survey have not been included in the overview of results.