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 1 April and 1 May 2026.**
A total of 72 organisations responded.

Read the reports

Forum Central

Headline findings from results and comments:

Funding landscape and sustainability remains the top concern for VCSE organisations in Leeds, voted highest risk by 70% of respondents. Many contracts have seen no uplift in value for several years, leaving organisations to subsidise delivery from reserves or absorb the gap elsewhere. Workforce mental health and energy costs round out the top three concerns.

Staffing pressures have eased slightly compared to last October, though they remain a live concern: several organisations described being 'at full stretch' or 'running on goodwill'.

Energy and consumables costs continue to add financial strain. While energy prices have stabilised slightly since last year, bills and supplier costs remain higher than pre-pandemic levels.

Workforce wellbeing and mental health featured strongly in comments, with leaders describing the emotional toll of maintaining services amid constant uncertainty.

Whilst a growing number of organisations reported waiting lists or turning people away (around 41%), especially in mental health, frailty, and long-term condition support, nearly 6 in 10 (59%) said they still had capacity — a positive sign of resilience across the sector.

Over 64% said their financial position has deteriorated since last year, while a small number (around 19%) reported slight improvement due to new or diversified income.

Despite the pressures, organisations continue to adapt and innovate to avoid closures or job losses.

Common approaches include:

- Volunteers stepping up to sustain key services
- Use of reserves to retain staff and meet wage uplifts
- Restructuring management and back-office functions for efficiency
- Sharing premises, merging roles, and joining forces with other VCSEs to cut costs

April 2026 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

51.5%
have either lost or are at risk of losing staff in April 2026, compared with **46.8%** in October 2025

63.5%
do not see losing staff as a current risk, compared with **23.4%** in October 2025

Financial position

64.7%
say their financial position has **deteriorated** either 'a little' or 'a lot' compared to **63.5%** this time last year, April 2025

Service closure, reduction and waiting lists

70.7%
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 **68.3%** in October 2025

only **13.8%**
do not see service reduction as being a current risk, compared with **10.4%** in October 2025

40.9%
of respondents are either not able to accept new users (**9.1%**) or are operating a waiting list (**31.8%**) compared with **54.1%** in October 2025

Organisation viability

35.3%
responded 'yes' or 'maybe' that they were concerned about the risk of organisation closure in April 2026. Compared with **32.5%** in October 2025

Risk Factors

70%
of respondents voted **Funding landscape / sustainability** as their highest risk/concern

Top Three Concerns

- Funding landscape and sustainability
- Energy
- Estates (cost of buildings)

Key Messages

This survey provides a useful picture of how the sector has changed since September 2025. 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 remains under pressure, though concern has reduced.
- The likelihood of organisations closing remains a concern for almost a third of respondents.
- Levels of organisational risk being managed are increasing.
- Some organisations are running at unsustainable levels of risk.