



The State of the Community and Voluntary Sector in Powys: Resilient, Valued but Under Pressure - August 2026

Across Powys, Community and Voluntary organisations have become an essential part of the wider health and care system. Every day they prevent crises, reduce isolation, support people to remain independent and help communities thrive. Yet the organisations providing this support are themselves under unprecedented pressure. Demand continues to grow while funding, workforce capacity and organisational resilience struggle to keep pace.

Organisations are responding to increasingly complex needs, maintaining community assets, recruiting and supporting volunteers, and delivering preventative services that reduce demand on statutory services. Rising costs, static funding, ageing infrastructure, recruitment challenges and uncertainty about future investment are placing significant pressure on their ability to remain resilient.

Despite these challenges, organisations continue to adapt through innovation, collaboration and the dedication of staff and volunteers. Rising volunteer numbers demonstrate the strength of community commitment, helping organisations to continue delivering vital services and supporting thousands of people across Powys.

The findings from the PAVO State of the Sector survey provide an important insight into the current health of the voluntary sector in Powys. They also present a clear message for strategic partners: if the sector is expected to continue delivering preventative, community-based support, greater long-term investment, stronger partnership working and more sustainable commissioning approaches will be essential.

Executive Summary

This briefing examines the current operational landscape of the Community and Voluntary sector in Powys, based on survey data from member organisations of the Powys Association of Voluntary Organisations (PAVO).

1. Demand is increasing faster than the sectors ability to respond

Organisations consistently report increasing demand - not because they are expanding, but because more people are falling through gaps in existing support systems.

2. The sector is carrying demand that would otherwise fall to health and care services

Organisations increasingly describe themselves as filling the gap created by rising thresholds within statutory services. They report increasing referrals and growing numbers of people seeking support who would previously have been supported elsewhere within the health and care system. At the same time, the complexity of referrals is increasing, placing additional pressure on already stretched community and voluntary services and reinforcing the sector's role in supporting people with increasingly complex needs.

3. The sector's resilience is under increasing pressure

Many organisations are no longer using reserves to innovate or invest—they are using them simply to keep services running. Some organisations are reducing services or preparing to close fully.

4. Without greater investment in prevention, pressure will continue to shift into health and social care services.

The Community and Voluntary sector plays a critical preventative role within Powys. Early intervention, community support and social connection reduce demand on statutory services.

However, many organisations now question whether they can continue delivering preventative activity under current funding arrangements. If preventative services reduce, demand will inevitably increase elsewhere across health and social care.

Organisational Profile and Scope

The Community and Voluntary sector in Powys comprises a diverse range of organisations, varying in size, history and geographical reach. The sector in Powys includes a mix of well-established organisations and newer emerging groups. The oldest have been operating for over 100 years, while some are less than a year old. Many organisations have been in operation for 30 years or less, highlighting the diverse range of experience and maturity within the sector. Of those surveyed, registered charities constitute the majority of the sector (54%), followed by limited companies (20%) and Charitable Incorporated Organisations (13%).

The Community and Voluntary sector plays a vital role across a range of community priorities, with organisations most commonly focusing on community groups, health and wellbeing, community buildings, volunteering, and arts, culture and heritage.

Powys' Rurality

PAVO's UK Shared **Prosperity Fund** (UKSPF) Community Conversations project, alongside PAVO facilitated locality and thematic networks, consistently highlights the significant impact of Powys' rural geography on the Community and Voluntary sector.

Long travel distances, dispersed communities, limited public transport and higher delivery costs place additional pressure on organisations, making it more difficult to recruit and retain volunteers, sustain local services and ensure people can access the support they need regardless of where they live.

These challenges reinforce existing inequalities and increase the cost and complexity of delivering effective community-based services across Powys. These additional pressures are inherent to delivering services in Powys and should be recognised in funding and commissioning approaches if organisations are to provide equitable support across the county.

Operational Health and Challenges

The survey paints a picture of a sector under sustained pressure, yet one that continues to demonstrate resilience and an unwavering commitment to supporting communities across Powys. Organisations are adapting to increasing demand and complexity while navigating significant financial uncertainty, workforce pressures and rising operating costs.

- **Efficiency:** Nine out of ten respondents report experiencing significant operational challenges, highlighting that these pressures are now widespread rather than isolated. The ability to maintain services is increasingly dependent on organisational resilience rather than sustainable operating conditions.
- **Service Delivery:** The cumulative impact of these challenges is beginning to affect frontline provision, with at least one organisation forced to cease some or all of its activities. This serves as an early warning that, without greater stability and investment, communities risk losing valued local services and support.
- **Core Burden:** Organisations describe managing a growing combination of pressures: supporting an ageing population with increasingly complex needs, maintaining ageing community buildings and limited resources, and responding to a continued reduction in available funding. Together, these challenges are stretching organisational capacity and limiting the sector's ability to plan, innovate and invest in the future.

Board Members, Trustees, staff and volunteers

Governance capacity is becoming an emerging strategic risk, with organisations finding it increasingly difficult to recruit trustees with the skills and time required to lead organisations effectively.

Nearly 40% of respondents reported that the recruitment and retention of trustees has become more difficult over the last two years. Consequently, trustee development has been identified as a high priority for several organisations.

Paid Staff

- Employment: 19 of the 30 respondents employ paid staff (but many more groups and organisations rely entirely on volunteers)
- Stability: Recruitment and retention of staff has remained largely static.
- Morale: Internal culture appears strong, with 57% of organisations reporting that staff are positive and motivated.

Staff Retention

Recruitment and retention is increasingly difficult as community and voluntary sector organisations compete with health and social care employers that offer more secure roles and competitive pay rates, whilst many voluntary sector roles remain dependent on short-term funding and fixed term contracts.

Volunteers

Volunteers remain the lifeblood of the sector. Twenty-eight of the 30 responding organisations said volunteers play a vital role in delivering essential services, maintaining community assets and supporting local people. We know that Powys has one of the highest volunteering rates per head of population in the country, well above the Wales average.

A challenge highlighted was ***“Managing time on volunteers versus time spent on developing and training staff.”***

The Volunteer Myth

Providers emphasise that volunteers should not be viewed as a "free" resource. While volunteers generously give their time, effective volunteering is not without cost; organisations need appropriate investment to support volunteer recruitment, coordination, training and ongoing development.

Volunteer Numbers

Encouragingly, 53.6% of responding organisations reported an increase in volunteer numbers over the past two years, highlighting the continued strength of community involvement across Powys.

However, organisations also noted that the nature of volunteering is changing, with people increasingly seeking flexible, short-term and skills-based opportunities.

One organisation highlighted the challenge stating ***“Long term volunteers and committee members are ageing and / or becoming ill and there are fewer people taking their place to keep the building running”***

Despite some organisations highlighting an increase in volunteers one well established organisation said ***“Volunteer numbers are levelling out, retention becomes more difficult, funding stays the same or decreases (no sustainability) costs rise”***. They went on to say ***“Volunteering is now fully part of the community, but funding is being cut more and more, staffing reduced, services reduced, and could lead to eventual closure”***

Volunteer Well-being

Equally encouragingly, **67.9% of organisations** responding described their volunteers as positive and motivated, despite the challenges facing the sector. However, **14.3%** reported that volunteers appear tired or over-committed. This highlights the need to recognise and support volunteers, ensuring they have the capacity, resources and wellbeing support needed to continue making a valuable contribution to their communities.

One respondent stated ***“the Capacity of volunteers to meet the demands of running quite a large and complex enterprise and developing its potential is a challenge”***

Another respondent stated ***“funding is always short term, staff, and administration of a growing need, now we are under pressure all the time”***.

Volunteer Travel Costs

Static Approved Mileage Allowance Payment (AMAP) rates (45p/mile)* have been a barrier for volunteer drivers, particularly as service reconfigurations (for example, moves to The Grange in Cwmbran or Wye Valley Trust in Hereford) require patients to travel longer distances. Increased travel demands can affect both volunteer availability and service accessibility.

Since the survey was distributed, the UK Government announced in June 2026 that the AMAP rate would increase to 55p per mile. This represents the first increase since 2011 and has been backdated to take effect from 6 April 2026. We will continue to monitor the impact of this change on the sector.

Financial Health and Property

Financial resilience is becoming one of the most significant challenges facing the Community and Voluntary sector in Powys. Rising operating costs, increasing demand for services and limited opportunities to grow income are placing organisations under sustained financial pressure. For many, the focus has shifted from investing in the future to maintaining essential services today.

Income Trends and added value

The survey highlights a growing disconnect between increasing demand for community support and the financial resources available to respond. While organisations continue to deliver vital services - and although the World Health Organization (WHO) estimates that every £1 invested in prevention generates around £4 in wider economic and health benefits** - many are doing so without the financial certainty needed to plan, innovate or build long-term resilience. Furthermore a major study by ***University College London suggests that social prescribing is linked to 'sizeable' improvements in wellbeing - equivalent to a £9 return in social value for every £1 invested. Without community and voluntary activity this simply wouldn't happen.

- Financial Diversity: Annual incomes range from less than £2,000 to more than £5 million, reflecting the diversity of the sector. However, 55% of organisations surveyed operate with annual budgets of between £5,000 and £50,000, demonstrating that many organisations are delivering significant community impact with very limited financial resources.
- Income Stagnation: While demand for services continues to increase, 55% of organisations reported that their income has remained static over the past two years, with a further 17.2% experiencing a significant decline. This widening gap between demand and available funding is creating an increasingly unsustainable operating environment.
- Funding Profile: Grants remain the primary source of income for most organisations, supported by donations, subscriptions, earned income and sponsorship. Continued reliance on external funding reinforces the importance of stable, long-term investment that enables organisations to plan with confidence and respond to changing community needs.

One respondent highlighted the funding challenge stating ***“Keeping finances steady - we lurch from nothing to lots to nothing again”***

Reserve Management

How organisations are using their financial reserves provides one of the clearest indicators of the pressures facing the sector. Reserves that were established to provide resilience and support future development are increasingly being used simply to sustain day-to-day operations.

- **From Investment to Survival:** Financial reserves, once intended to strengthen organisational resilience and support innovation, are increasingly being used to keep essential services running.
- **Covering Core Costs:** Around one-third of organisations reported using reserves to meet core operating costs, highlighting the growing challenge of balancing rising expenditure with static or declining income.
- **Limited Capacity to Invest:** Only five organisations reported using reserves to invest in organisational development or future growth, demonstrating how little financial headroom remains for innovation or service improvement.
- **No Financial Safety Net:** A number of organisations reported having no financial reserves at all, leaving them particularly vulnerable to unexpected costs, funding uncertainty or further increases in demand.

Partnership and Strategic Priorities

The Community and Voluntary sector is becoming an increasingly critical part of the health and care system. Community and Voluntary organisations are embedded within their communities, providing a depth of local knowledge, trust and lived understanding that is often unmatched by statutory services.

Organisations consistently expressed a desire to be involved earlier in strategic discussions rather than being consulted after decisions have already been made.

Stronger co-production, investment in early help and prevention services**, earlier engagement and shared ownership of solutions were identified as essential if partnership working is to deliver better outcomes for communities.

The findings suggest that current commissioning and funding arrangements are increasingly out of step with the reality facing community organisations.

Complexity and Thresholds

- **Statutory Gap:** As secondary mental health services narrow their eligibility thresholds, the Community and Voluntary Sector are increasingly "filling the gap" for individuals who do not meet statutory criteria but still require meaningful and significant support.
- **Wait Times:** Services are experiencing significant increase in demand, with current waiting lists significantly longer than those reported four years ago.
- **Referral Data:** Providers reported that high percentages of their referrals come from statutory services, highlighting the interdependency of the system.

Looking towards the Future

Organisations are focusing their strategic efforts on sustainability and professionalisation to strengthen long-term resilience, improve operational effectiveness and meet evolving stakeholders expectations:

Income generation emerged as the highest strategic priority, with 29 out of 30 respondents identifying it as a key area of focus.

This was followed by business planning, highlighted by 18 respondents as an important priority.

Workforce and governance considerations were also prominent, with 17 respondents prioritising staff and volunteer management alongside trustee development.

Future Planning

When asked: What do you think is the most significant challenge currently for your organisation?

Responses revealed: A sector under mounting pressure, where financial uncertainty, rising costs and limited core funding are combining with volunteer shortages and governance challenges to threaten organisational sustainability. Many organisations described struggling to recruit trustees and volunteers, maintain community assets, and generate sufficient income to meet increasing demand, leaving little capacity to invest in future growth or resilience. (Fig. iii)

When asked: What will you be focussing on over the next two years?

Responses revealed: A sector that is looking ahead, organisations are focused on building resilience rather than growth alone. Priorities centre on achieving financial sustainability through diversified income and secure funding, alongside strengthening governance, recruiting volunteers and trustees, maintaining vital community assets, and expanding services to meet changing community needs. These priorities reflect a sector seeking to move from short-term survival towards long-term sustainability.

Conclusions and Moving Forward

The findings from this briefing are not simply a reflection on the health of the Community and Voluntary sector—they are an indicator of the wider resilience of communities across Powys.

If the voluntary sector is to continue delivering preventative, community-led support, a collective response will be required.

This means moving beyond short-term funding cycles towards sustainable investment, embedding genuine co-production, recognising the true value of prevention, and ensuring that the Community and Voluntary sector is treated as an equal strategic partner in designing services for the future.

The organisations who contributed to this briefing remain optimistic and committed to their communities. Their message is not that they can no longer deliver—it is that they cannot continue

absorbing increasing demand without greater certainty, stronger partnerships and long-term investment.

Powys Community and Voluntary Sector remains committed to working collaboratively with statutory partners through co-production and partnership approaches. However, providers have identified several key requirements to support a sustainable and effective future:

- **Long-term Strategy:** There is a need to move away from short-term, reactive funding toward a clear, multi-year strategic plan that provides stability, enables effective planning, and supports long-term service development.
- **Mutual Respect:** Providers emphasise the importance of strengthening communication and partnership working, ensuring the sector is engaged *before* decisions are made, rather than just during information-gathering exercises.
- **Joint Commissioning:** Exploring shared footprint and collaborative arrangements with statutory partners and the Regional Partnership Board to ensure consistency, improve coordination and ensure equity of service across the county.
- **Accurate Metrics:** Developing meaningful outcome metrics that capture the preventative value and wider impact of the Community and Voluntary Sector beyond activity-based reporting and "tick box" measures towards approaches that capture longer-term outcomes, resilience, and social value.

How PAVO is responding:

Because organisations told us....

- **Their voice needs strengthening** - We are strengthening the sector's collective voice through revitalised thematic and locality networks and by developing a Members Voice Forum, to foster collaboration, encourage the sharing of knowledge and best practice, and ensure organisations can influence the decisions that affect their communities.
- **They need greater resilience** - we are investing in development officer capacity - providing dedicated support to community buildings, and creating new Community Facilitator roles that will work directly alongside organisations to build local capacity, foster collaboration, and empower communities to thrive.
- **Better evidence is needed** - we're supporting Baromedr Cymru* - gathering live data from the sector to help build quarterly data and insights to support strategic decision making.
- **Recruiting trustees is a challenge** - Our Third Sector Development and Volunteering team are able to support organisations with trustee recruitment, training and support bespoke to the needs of the organisation.

For further information please contact: info@pavo.org.uk

Notes:

***Baromedr Cymru** <https://baromedr.cymru/en/>

Baromedr Cymru is a bilingual, quarterly data and insight programme led by WCVA in partnership with the VCSE Data and Insights Observatory at Nottingham Trent University. It provides a consistent, evidence-based picture of the health, challenges and emerging trends across Wales' voluntary sector.

The programme supports strategic decision-making by collecting data on key issues affecting voluntary organisations, including financial resilience, workforce capacity, volunteer engagement and service demand. Each quarterly survey combines a core set of questions to monitor long-term trends with themed sections exploring emerging priorities, such as health and social care.

Participating organisations benefit from access to tailored benchmarking dashboards, enabling them to compare their performance against sector trends and strengthen the evidence base for funding applications, service planning and stakeholder engagement.

The insights generated through Baromedr Cymru contribute to a stronger collective voice for the voluntary sector, informing policy development, funding discussions and strategic planning at both local and national levels.

The current key organisational concerns identified through Baromedr Cymru include:

- Income - 94%
- Increasing demand for services - 55%
- Inflation of goods and other services (other than energy) - 42%

Wave 4 is now live and focuses on Health and Wellbeing.

****Economic Rationale for Prevention**

The economic case for preventative approaches is strongly supported by evidence. The World Health Organisation (WHO) estimates that every £1 spent on preventative work results in a saving of £4 in wider economic and health benefits.

Providers argue that cutting "early intervention" services risk creating greater pressure across the wider health and care system. Potential consequences include:

1. Increase demand on community and voluntary commissioned and non commissioned services
2. Lead to higher costs across the wider statutory system as needs escalate and require more intensive interventions.
3. Delays in accessing appropriate support, leading to more "complex cases" arriving at statutory doors at a later stage.

***** University College London Study**

https://socialprescribingacademy.org.uk/resources/social-prescribing-delivers-9-wellbeing-benefit-for-each-1-invested-major-study-suggests/?fbclid=IwZnRzaASOmA1leHRuA2FlbQlxMQBzcnRjBmFwcF9pZAo2NjI4NTY4Mzc5AAEewIG_C0OEByT37y55Mq8QGnStNox3H1a0NgEh1X_e1xP99cyYuGRNZTizw60_aem_G_8cHqxnxcUAOCb8cEYWuA

Figure 1: What do you think is the most significant challenge currently for your organisation?

What do you think is the most significant challenge currently for your organisation?

"Lack of trustees and increasing cost for overheads and staff costs" "Keeping finances steady - we lurch from nothing to lots to nothing again"
"Getting though our first year of trading so we have a 12 month set of accounts to apply for grants" "Funding uncertainty moving into 2627"
"Maintaining income levels and reducing costs to break even" "Getting core funding to keep community building open"
"Maintaining the building. Lowering running costs." "Recruiting active Trustees and increasing income"
"Maintaining voluntary management of the facility" "cost of wages etc and living and lack of funding streams" "Recruiting volunteers"
"Retaining local support and attracting young people" "Sustainable income to allow us to provide our services"
"Long term volunteers and committee members ageing and / or becoming ill and fewer people taking their place to keep the building running." "Capacity of volunteers to meet the demands of running quite a large and complex enterprise and developing its potential"
"above question does not give an opportunity to state that the Health Board do not work with us, listen to us or fund us as they should!"
"Managing time on volunteers versus time spent on developing and training staff. Funding!" "Building getting old so needing funds for improvements" "Recruiting skilled trustee as Treasurer - Paying for ground maintenance and flood improvements"
"Working capacity of volunteers and staff - even since adding paid employees we have an ongoing struggle to keep on top of the amount of work that needs to be done with the resources we have" "Funding" "Growing and maintaining our volunteer base"
"Getting a grant to set up a workshop, training trustees and volunteers, non-social media publicity for recruitment (our user cohort are often not very digitally aware)" "Rising costs - especially energy. But also keep the energy of volunteers"
"Finding grant funding especially for core expenses, plus building income from earned Income (Sales/services) and contracts."
"Funding" "Fundraising for building development" "Full cost recovery for Community Transport"
"Seeking core funding to pay our core team of freelance staff. Grant makers don't want to pay this. We can only do the project work if the core leaders are paid."

Figure 2: What will you be focussing on over the next two years?

What will you be focussing on over the next 2 years?

"income generation. governance, recruiting volunteers. trustees and committee members" "Developing different income streams"
"continuation of the service, sourcing funding and increasing trustee numbers" "No accruing debt or eating into our reserves"
"Improving community kitchen and funding" "Maintenance of the building" "Recruiting Trustees and increasing income" "surviving"
"Recruiting volunteers and fundraising" "Funding security. Volunteer retention." "Funding and staff development/succession planning."
"Maintaining our building, and ensuring it meets the needs of our community."
"Sustainable income and hopefully developing with the social prescribing framework" "Improving our building"
"Refurbishing and maintaining the building, keeping it clean and available for community use at affordable hire charges"
"securing funding" "Setting out flood management provision and defences" "Long-term financial sustainability" "Funding"
"(1) Growing income through developing more lettable space and more events on site (2) Improving our educational offer"
"Setting up a workshop and attracting users, training volunteers and trustees" "Fundraising for building development"
"Finding grant funding especially for core expenses and earned Income (Sales/services)" "Maintain the centre" "Young people and digital"
"Expanding the users of the facility to improve outreach across all ages in the community" "Full cost recovery"