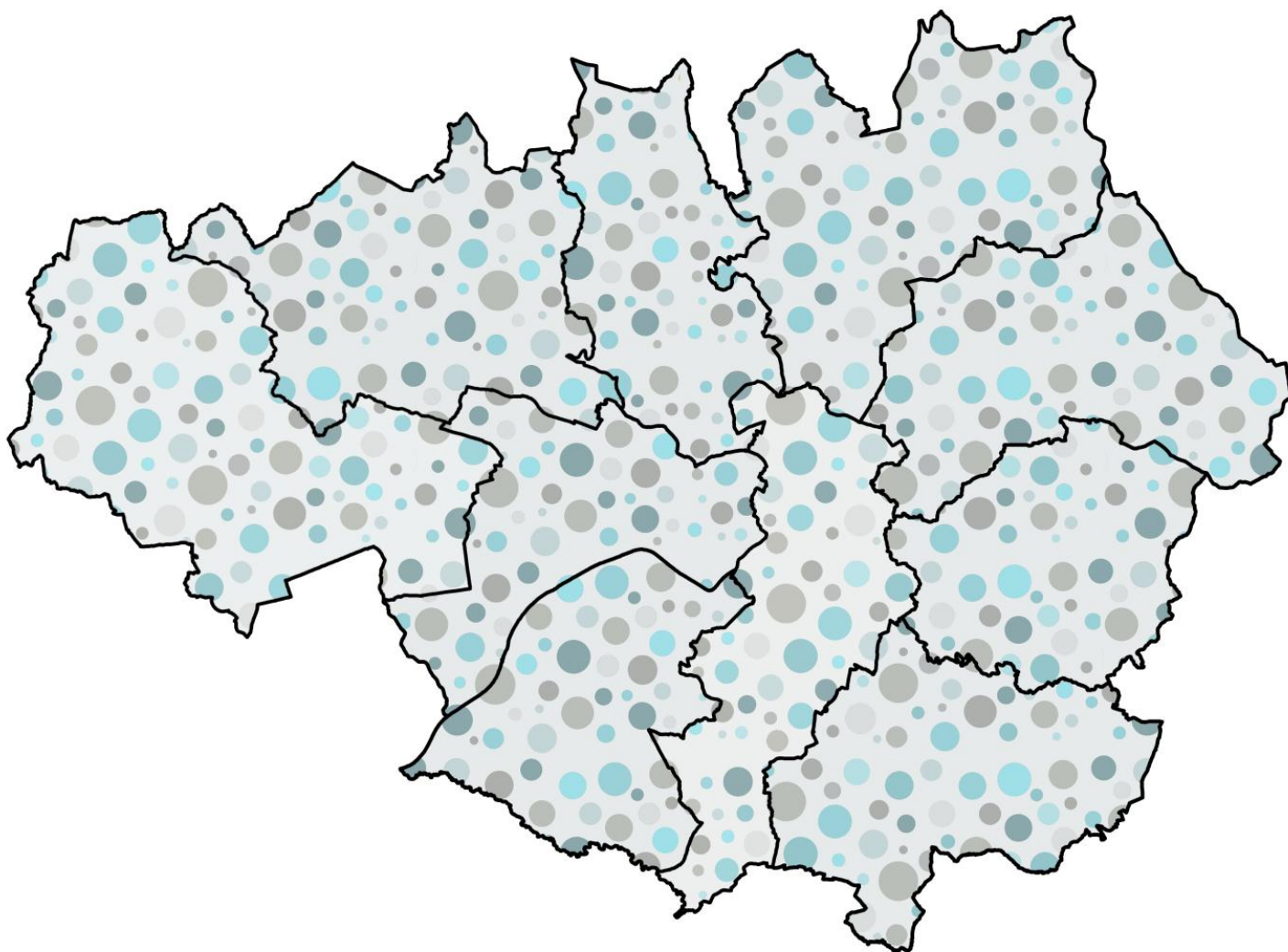


Greater Manchester State of the Voluntary Sector 2013

*A report on social and economic
impact*



Greater Manchester State of the Voluntary Sector 2013

**Centre for Regional Economic and Social Research
Sheffield Hallam University**

Chris Dayson
Dr Will Eadson
Elizabeth Sanderson
Ian Wilson

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Contact information

For CRESR:

Name: Ian Wilson /Chris Dayson
Research Fellow

Address: Unit 10 Science Park
City Campus
Howard Street
Sheffield
S1 1WB

Tel: 0114 2253539
Email: i.wilson@shu.ac.uk
c.dayson@shu.ac.uk

For GMCVO:

Name: Alex Whinnom
Chief Executive

Address: St Thomas Centre
Ardwick Green North
Manchester
M12 6FZ

Tel: 0161 2771000
Email: gmcvo@gmco.org.uk

Facebook: [www.facebook.com/
GreaterManchesterCentreforVoluntaryOrganisation](http://www.facebook.com/GreaterManchesterCentreforVoluntaryOrganisation)
Twitter: @gmcvo

¹ The areas are: Bolton, city of Manchester, Oldham, Salford, Tameside, Trafford and Wigan.

² The following organisations were represented on the Research Steering Group: CRESR, Salford CVS (lead partner), Greater Manchester Centre for Voluntary Organisation (GMCVO), Bolton CVS, Manchester Community Central, Voluntary Action Oldham, Community and Voluntary Action Tameside, Voluntary and Community Action Trafford, and Wigan and Leigh CVS.

Definitions

This report is about the 'state of the voluntary sector in Greater Manchester'. At various times the sector has been known as the 'voluntary and community sector' or the 'third sector' whilst the current government talks a lot about 'civil society'. In this report, when we talk about the voluntary sector in Greater Manchester, we mean **voluntary organisations**, **community groups**, the **community work of faith groups**, and **those social enterprises** and **community interest companies** where there is a wider accountability to the public via a board of trustees or a membership and all profits will be reinvested in their social purpose.

Foreword

This is the largest and most comprehensive survey yet undertaken of the Greater Manchester voluntary sector. The impression that leaps out is of a strong grass-roots movement which makes an impressive contribution to Greater Manchester both socially and economically, and is proving resilient and responsive in the face of current difficulties. We must not assume however that it is indestructible – the report also touches on the rapidly changing relationship with public funding, and the fragility of some of the services relied on by our most vulnerable residents.

The study follows previous ones undertaken in 2005³, 2007⁴ and 2010⁵, and a number of studies undertaken in individual Greater Manchester districts, notably that carried out in Salford in 2010 using a similar methodology. This study offers a snapshot of the voluntary sector in 2013, as it enters a period of increasing turbulence.

The Greater Manchester context in 2013 includes public spending cuts, public service reform and an ambitious City Deal on the one hand; and the findings of the GM Poverty Commission⁶ on the other. Whilst the new City Deal offers greater autonomy for Greater Manchester based on our ability to drive local economic growth whilst reducing dependency on public services, we are also caught in a downward spiral of unemployment; youth unemployment; rising poverty and inequality; and increasing need for support and advice which cannot be met. In these circumstances, the role of the voluntary sector assumes the highest possible significance.

Greater Manchester is very fortunate in hosting such a large, diverse and active voluntary sector. Anecdotally, we observe that the voluntary sector is already changing quite rapidly to respond to the changing environment and the changing needs of Greater Manchester people. And despite the pressures of growing demand and shrinking resources for which we must compete, we remain a well-connected sector with a strong ethos of collaboration. This is a voluntary sector of which we can all be proud.

Alex Whinnom, Chief Executive, GMCVO

³ *Spinning the Spider's Web* (2005), GMCVO for Greater Manchester Infrastructure (ChangeUp) Consortium (GM Voluntary Sector Support)

⁴ *The Contribution of the Voluntary and Community Sector To the Economy of the North West* (2007), Hoshin for Voluntary Sector NW

⁵ a data summary undertaken by GMCVO for Voluntary Sector Support (2010)

⁶ *Greater Manchester Poverty Commission, Research Report* (2012), Centre for Local Economic Studies for GM Poverty Commission

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Executive Summary

The state of the voluntary sector in Greater Manchester: 10 key questions answered

This report provides the main findings of quantitative research aimed at improving understanding of the social and economic impact of the work undertaken by voluntary organisations, community groups, social enterprises and faith groups in Greater Manchester. The research was undertaken through a comprehensive survey of organisations that featured on the contact databases of local support and development organisations from across Greater Manchester: these included registered charities and social enterprises, but also community centres, village halls and many informal and unincorporated groups that do not always feature in sector wide statistics⁷. The data therefore provides a comprehensive overview of the sector in Greater Manchester at the start of 2013.

The study had three main objectives:

- to produce reliable, statistically significant and current data on the sector in Greater Manchester
- to provide intelligent information on the key issues affecting the sector in Greater Manchester
- to identify variations in the sector across Greater Manchester, particularly in terms of beneficiaries, income, staffing, volunteers, and relationships with the public and private sectors.

In this executive summary we answer **ten key questions** about the sector and its role across the city region.

Q1. How many organisations are there?

There are an estimated **14,592 organisations** operating in the voluntary sector in Greater Manchester. This estimate includes formally registered organisations, such as charities, social enterprises and co-operatives, but it also includes a large number of 'below the radar' organisations that are not formally registered or incorporated. It is estimated that more than three thousand organisations are based in the city of Manchester but there are also more than a thousand organisations in each of the other nine boroughs of Greater Manchester. Four-fifths of organisations are micro (annual income under £10,000) in size, eleven per cent are small (annual income between £10,000 and £100,000), seven per cent are medium sized (annual income between £100,000 and £1 million), and only two per cent are large (annual income greater than £1 million).

⁷ For example, many survey respondents would not have been included in the National Surveys of Third Sector Organisations/Charities and Social Enterprises in 2008 and 2010, nor in statistics collated through annual returns to the Charity Commission.

Q2. Who benefits from their work?

It is estimated that the voluntary sector in Greater Manchester made **21.2 million interventions with clients, users or beneficiaries** in the previous year.

'Everyone' was listed as a main client group for 31 per cent of organisations. The following were also listed as a main client, user or beneficiary group for at least one in five organisations:

- women (26 per cent)
- young people aged 13 to 25 years (24 per cent)
- children aged under 13 years (24 per cent)
- men (23 per cent)
- older people (23 per cent).

Disabled people (14 per cent) were also listed as a main client, user or beneficiary group for sizable proportion of organisations. Black and Minority Ethnic communities were a main client, user or beneficiary group for 11 per cent of organisations.

The majority of organisations had a local focus: 41 per cent identified particular Greater Manchester neighbourhoods or communities as their highest main geographic focus and a further 28 per cent stated particular local authorities were their highest main geographic focus.

Q3. What does the voluntary sector in Greater Manchester do?

The voluntary sector in Greater Manchester works across **a diverse range of thematic service areas**. However, the proportion of responding organisations working in each area varied. This most likely reflects local needs and funding opportunities.

More than a quarter of organisations worked in each of the following four areas:

- health and well-being (37 per cent)
- community development (37 per cent)
- education, training and research (28 per cent)
- and sport and leisure (27 per cent).

Q4. How much is the voluntary sector in Greater Manchester worth?

The total income of the sector in the city region was estimated to be **£1 billion⁸ in 2011/12 but year-on-year reductions in income have been identified**. It represents a reduction of two per cent compared to 2010/11 and follows a larger reduction between 2009/10 and 2010/11 when the total income of the sector reduced by an estimated five per cent.

The majority of income was concentrated in large and medium sized organisations even though the majority of organisations were micro or small. Micro and small organisations accounted for nine out of ten organisations in the sector but less than ten per cent of total income. By contrast medium and large organisations accounted for less than a tenth of the sector's organisations but received more than 90 per cent of its income. Income was concentrated particularly heavily in the largest organisations, with nearly two-thirds of all income (62 per cent) into the sector received by only two per cent of organisations.

⁸ In 2010 data obtained by GMCVO from the Charity Commission indicated that the total income of registered charities in Greater Manchester was £1.2 billion.

A significant proportion of the sector's income was from non-public sector sources. More than three quarters of survey respondents received non-public sector income, of which **charging for goods and services was most prominent**, contributing 28 per cent of non-public sector income. Fundraising (21 per cent of non-public sector funding), lottery grants (18 per cent of non-public sector funding) and grants from Trusts and Foundations (15 per cent of non-public sector funding) were also important.

Different assumptions and methodologies can be used to estimate the contribution of the voluntary sector to the Greater Manchester economy. This study has estimated the equivalent value of 'Gross Value Added' (GVA) to the economy by multiplying the estimated number of full time equivalent (FTE) paid staff and volunteers by the estimated GVA per FTE employee⁹. This approach estimates paid staff and volunteers working within the sector in Greater Manchester contribute equivalent to **£1.7 billion worth of GVA to the economy**; this is comparable to 3.5 per cent of value of Greater Manchester's GVA¹⁰.

Valuing the GVA of volunteers in this way assumes that paid staff would not have been used in the absence of volunteers and therefore the value of GVA for volunteers is the value of the labour input plus the value of the capital input. If this is assumed not to be the case then the value of GVA produced by volunteers is just the value of the labour input. Using median wages to value the input of volunteers, it is estimated paid staff and volunteers working within the sector in Greater Manchester contribute equivalent to £1.4 billion worth of GVA to the economy; this is comparable to 2.9 per cent of the value of Greater Manchester's GVA.

This latter calculation is more consistent with the approach suggested by New Economy,¹¹ an economic development body whose purpose is to create economic growth and prosperity for Greater Manchester.

However a difference remains with the approach suggested by New Economy. Whereas the current study has used average GVA per FTE employee to value the GVA of paid staff the New Economy approach uses staff costs and multiplies this by the ratio of 'compensation of employees' to GVA: a multiplying factor of 1.5. However, staff cost data was not collected as part of this study so the New Economy method could not be fully adopted.

Q5. How sustainable is the voluntary sector in Greater Manchester?

The decline in sector's income over the last three years represents **the first long term economic contraction in the sector in at least 10 years**. This is likely to be an indication of the effect of the economic downturn of the past few years, and reductions in income from government and the wider public sector, independent funders and charitable donations. This trend seems likely to continue, as further large reductions in public sector spending are expected over the next few years and the economy continues to falter. In this context the financial sustainability of the sector's organisations and services is an important and current issue and **the survey highlighted some areas for concern**. For the 12 month period prior to the survey:

- 47 per cent of respondents reported increasing their expenditure but only 34 per cent had experienced an increase in income
- 39 per cent of respondents reported a decrease in income but only 25 per cent reduced their expenditure
- 33 per cent reported a reduction in their financial reserves compared to only 22 per cent reporting an increase.

⁹ This study used North West GVA per employee averaged across the following three sectors: public administration and defence, education and health and social work ONS

¹⁰ Please note the Gross Value Added of volunteers is not currently included with official reporting, therefore the value of Greater Manchester's GVA does not include that of volunteers.

¹¹ <http://neweconomymanchester.com/stories/818-manchesters-commission-for-the-new-economy>

This means that a significant number of organisations spent more money than they received in the past 12 months: 34 per cent of respondents provided an expenditure figure for 2011/12 that was greater than their income. This is likely to be in response to rising demand: many organisations will have drawn down financial reserves to maintain or increase levels of service provision rather than reduce their expenditure to match a decline in income.

These findings are very similar across Greater Manchester, and could be indicative of a longer term trend in response to the economic downturn and subsequent reductions in the sector's income. In light of this trend it seems likely that the sustainability of a significant number of organisations could be under threat.

The precarious financial situation of some organisations was further emphasised by the state of their reserves:

- 15 per cent had reserve levels of less than one month's expenditure
- 41 per cent had reserve levels of less than three month's expenditure.

This suggests that a number of organisations that have been dependent on external funding, particularly medium and large organisations that need high levels of income to carry out their work, could be particularly vulnerable should their funds be severely reduced or withdrawn.

Q6. Who works in the voluntary sector and what do they do?

Paid Staff

The voluntary sector in Greater Manchester employed an estimated **23,600 full-time equivalent (FTE)¹² paid staff in 2012/13¹³**. Just over half were in city of Manchester based organisations.

It is estimated that paid employees of Greater Manchester organisations contribute equivalent to £738.7 million worth of GVA to the economy per annum; this represents 1.5 per cent of Greater Manchester's GVA.

Sixty two per cent of FTE paid staff were employed in large organisations with an income of at least one million pounds. In comparison the 13,408 micro and small organisations combined were estimated to have employed just eight per cent of FTE paid staff.

Volunteers

In 2012/13, an estimated **334,200 volunteers** were part of the voluntary sector workforce in Greater Manchester, contributing an estimated **1.1 million hours** of their own time per week.

Assuming paid staff would not be used in the absence of volunteers it is estimated that volunteers in Greater Manchester organisations contribute equivalent to £947.1 million worth of GVA to the economy per annum.¹⁴ If this is assumed not to be the case then the value of GVA produced by volunteers is just the value of the labour input. It is therefore estimated volunteers in Greater Manchester organisations contribute equivalent to £656.3 million worth of GVA to the economy per annum. This latter calculation is more consistent with the approach suggested by New Economy.

¹² FTEs are calculated on the basis that one worker in one paid full time job for a year would be one FTE and if that person worked half time they would be 0.5 FTE.

¹³ In 2010 data obtained by GMCVO from the Charity Commission indicated that the total number of people employed by registered charities in Greater Manchester was 20,825.

¹⁴ Please note the Gross Value Added of volunteers is not currently included with official reporting.

Assessment of volunteers by job role reveals:

- 25 per cent of volunteers were in management roles, including committee/board members
- 11 per cent of volunteers were in administrative roles
- 62 per cent of volunteers were in roles delivering services.

Work placements

An estimated **1,990 FTE work placements** contributed to the voluntary sector's workforce in 2012/13.

Q7. How good are relationships with public sector bodies?

Survey respondents had dealings with a range of local public sector bodies, with **local authorities the most frequently identified**:

- 72 per cent of respondents had some dealings with at least one local authority: 11 per cent had a great amount of dealings and 29 per cent had a fair amount of dealings
- local NHS bodies (such as Primary Care and Foundation Trusts), the police and Further/Higher Education Institutions were also identified as important public sector contacts.

More than **half of respondents (53 per cent) received funding from public sector bodies**. Of these:

- 71 per cent received funding from local authorities
- 15 per cent received funding from local NHS bodies
- 9 per cent received funding from national Government Departments.

Income from National Government Departments accounted more than half of all public sector funds received. Local authorities provided around a third of funds, and NHS bodies and other public sector less than an tenth each. This was affected by a number of large national public sector contacts: across Greater Manchester the average value of income from national Government sources was £586,000, including three organisations in receipt of more than £1 million from national Government departments. By contrast the average value of local authority income was only £76,000 for local authority income and for health bodies was £134,000.

This highlights the importance of relationships with the public sector, particularly local authorities to the sector's work. To this end survey respondents were asked about the quality and effectiveness of their relationships with key public sector bodies. Responses to these questions showed that the sector's experiences of working with the public sector varied. Overall, 39 per cent of respondents felt that local authorities were a positive influence on their success and 37 per cent felt their most frequent other public sector contact (i.e. non local authority) was a positive influence on their success.

Q8. How well does the voluntary sector work with commercial businesses?

The relationship between the sector and commercial businesses is likely to increase in importance over the next few years as funding from public, charitable and philanthropic sources becomes less readily available. However, the survey evidence suggests there is some way to go: just under one in six survey respondents had a 'great' or 'fair' amount of dealings with local commercial businesses and very few were positive about their relationship with the commercial sector. Overall, only 19 per cent of respondents felt that the commercial business community in Greater Manchester was a positive influence on their organisation's success - **this was less than for local authorities and other public sector bodies**.

Q9. How well does the voluntary sector work together?

Respondents were more positive about their relationships with other voluntary and community sector organisations than about those with the public and commercial sectors. Sixty per cent had a 'great' or 'fair' amount of contact with other organisations in the sector. Around half of respondents were positive about these relationships: 48 per cent were satisfied with opportunities to work together to influence decisions and 46 per cent were satisfied with opportunities to work together to deliver services.

Q.10. What are the key challenges facing the voluntary sector in Greater Manchester?

Reduced access to funding and rising costs has left much of the sector facing an uncertain future. This was particularly the case for those reliant on public sector funding, and many respondents expressed concerns about the future sustainability of their organisations. Securing and generating sustainable funding was the key challenge facing many organisations in the immediate and longer-term.

Alongside reducing resources, the sector faces **increasing demand for its services, and is identifying new needs, which in many cases it is unable to meet.** Respondents were fearful for the future, especially about the impact on Greater Manchester of the government's programme of welfare reform.

Introduction

The voluntary sector plays an important part in the life of Greater Manchester: it is estimated that **14,592 organisations** are working every day to improve the lives of local people and communities through a wide range of services. They are supported by a large workforce of paid staff and unpaid volunteers and provide advice, help, support and resources in areas often missed out by mainstream public and private sector provision.

This report provides the main findings of quantitative research aimed at improving understanding of the social and economic impact of the voluntary sector in Greater Manchester. The research was commissioned by a partnership of support and development organisations in Greater Manchester¹⁵ and undertaken by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University.

The study had three main objectives:

- to produce reliable, statistically significant and current data on the voluntary sector in Greater Manchester
- to provide intelligent information on the key issues affecting the voluntary sector in Greater Manchester
- to identify variations in the voluntary sector across Greater Manchester, particularly in terms of beneficiaries, income, staffing, volunteers, and relationships with the public and private sectors.

A large postal survey was carried out in seven Greater Manchester districts by local support and development organisations who actively encouraged responses. The research also involved a web based survey of organisations based in and supporting the people and communities of Greater Manchester which was distributed by GMCVO, covering all districts including 'Greater Manchester wide' organisations, and by community contacts at a local level to capture a greater number of 'below the radar' organisations. Responses were received as follows:

- **Bolton:** 243 responses
- **Manchester:** 315 responses
- **Oldham:** 121 responses
- **Salford:** 148 responses
- **Tameside:** 230 responses

¹⁵ The organisations were: Salford CVS (lead partner), Greater Manchester Centre for Voluntary Organisation (GMCVO), Bolton CVS, Manchester Community Central, Voluntary Action Oldham, Community and Voluntary Action Tameside, Voluntary and Community Action Trafford, and Wigan and Leigh CVS

- **Trafford:** 71 responses
- **Wigan:** 89 responses.

The survey of Greater Manchester wide organisations received 61 responses. In addition, GMCVO administered a web based survey of organisations in Bury, Rochdale and Stockport which achieved a further 125 responses.

At least partial responses were received from 1,403 of the 6,391 organisations that were sent a survey questionnaire: this represents an **overall response rate of 22 per cent**. This makes it one of the largest regional level surveys of the voluntary sector ever undertaken.

The questionnaire was based on one developed for research undertaken in Salford in 2010, but was revised following input from the Research Steering Group. It also included questions from the Cabinet Office's National Surveys of Third Sector Organisations (2008) and Charities and Social Enterprises (2010) to enable findings about the sector in Greater Manchester to be compared to the national picture¹⁶.

It provided data on various aspects of the voluntary sector including:

- **the scale and scope of its activity**, including the roles organisations undertake, the people they support, and the areas they benefit
- **the economic impact of its work**, including income and expenditure, sources of funding, the role of paid staff and volunteers, and financial sustainability
- **relationships with the public sector**, including local authorities, NHS Trusts, and a range of other local statutory bodies
- **relationships with other local organisations**, including other voluntary organisations and commercial businesses
- **views about the help, support and advice available** from local support and development organisations.

When reading this report it is important to acknowledge two key points. First, the results reported are based on the survey responses received. Therefore it is possible that if a different sample of organisations had taken part in the survey different results may have emerged. It is estimated that the results reported are within +/- 2.6 percentage points of the true value.

Secondly, in a number of instances the report presents grossed up estimates for all organisations within the Greater Manchester; for example estimates are provided of income, staffing and volunteers. These have been created using the estimated average for micro, small, medium and large organisations who took part in the survey. The averages are then multiplied by the estimated number of organisations within these size bandings within the Greater Manchester. These have then been summed to provide aggregate area level results. Please note it has been assumed here that the estimated averages for Greater Manchester organisations are representative for organisations within each local area. So for example it has been assumed that the estimated average income of approximately £301,000 for medium sized organisations across Greater Manchester is representative of the income for

¹⁶ It should be noted that these two national surveys did not include unregistered or unincorporated organisations and groups in their samples. As these constitute a significant proportion of respondents to this study some caution should be taken when making direct comparisons with national and local results from the 2008 and 2010 National Surveys.

medium sized organisations within Bolton, Manchester, Oldham and so on. Appendix 1 provides more detail on this estimation approach.

The remainder of this report has been structured into the following chapters:

- **chapter 2** briefly outlines the context for the research through discussion of recent policy debates and developments
- **chapter 3** is the first of four evidence based chapters, this chapter describes the anatomy of the voluntary sector in Greater Manchester
- **chapter 4** assesses the income, expenditure and sustainability of the voluntary sector in Greater Manchester
- **chapter 5** reports on the size and form of the voluntary sector workforce
- **chapter 6** explores relationships and partnership working with key local public sector bodies
- **chapter 7** explores relationships with commercial businesses,
- **chapter 8** explores relationships with other local voluntary organisations, and satisfaction with local support and development providers
- **chapter 9** is the conclusion and highlights the main findings from the research.

Context for the Research

This research comes during a period of considerable change for voluntary organisations, community groups, faith groups and social enterprises operating at every level. The period between 1997-2010 provided a very positive political climate for the sector and its activities with unprecedented levels of policy attention, including major investment in national sector-wide programmes and support for 'strategic partners' to provide voice and policy input to government. According to the National Council for Voluntary Organisations (NCVO) the sector grew considerably during this period¹⁷: there were only 98,000 active voluntary organisations in 1991 but by 2001 there were 153,000, and 164,000 by 2009/10; income increased 77 per cent from £20.7 billion in 2000/01 to £36.7 billion in 2009/10; likewise expenditure was up 83 per cent from £19.8 billion in 2000/01 to £36.3 billion in 2009/10.

Since 2010 the major parties have continued to see the voluntary sector as playing an important and expanding role in the social and economic development of the country, including in delivering public services and engaging citizens and communities. The current coalition Government has voiced its support for the sector through its vision for a Big Society and policy initiatives such as the Localism Act (2011), Public Services (Social Value) Act (2012) and Giving Green and White Papers (2010 and 2011). Within these proposals there has been much greater emphasis on citizen-led social action and investment in programmes like the National Citizen Service and Community Organisers that reflect new Government priorities. Although there have been fewer national sector-wide programmes some of the policy trends developed by the previous Government have continued to receive support: this includes encouragement for the sector's involvement in public service delivery and support for 'social investment' funding (i.e. loans and other equity models), based on the assumption that this will help the sector develop more sustainable market-based business models.

However, the current policy environment needs to be understood in the context of the long term economic downturn and alongside considerable reductions in public expenditure that will have a substantial impact on many organisations' income streams and programme budgets for at least the duration of this parliament (2010-15). Estimates indicate that if the sector were to experience reductions in public sector funding equivalent to the 27 per cent planned cut in local government support, it would amount to £3.3 billion (around 9 per cent of total revenues) being lost from the sector each year¹⁸. This is particularly important considering that a key feature of the 1997-2010 period was a rise in income from public sector sources: NCVO estimate that statutory funding of the sector increased by 60 per cent between 2000/01 and 2007/08, and overall, it accounted for 36 per cent of the sector's funding in 2007/08.

¹⁷ Figures taken from <http://www.ncvo-vol.org.uk/policy-research/what-voluntary-sector/what-research-tells-us>. Last accessed 22 March 2013.

¹⁸ NCVO (2011). *Response to the Giving Green Paper*. London: NCVO.

This likely reduction in funding from public sector sources follows a period during which competition for other resources available to voluntary organisations, particularly grants and philanthropic donations, has already intensified¹⁹. These changes in the economic environment in which the sector operates are likely to put pressure on the financial health of voluntary organisations of all shapes and sizes but the impact of the economic downturn goes beyond income and expenditure. There is growing evidence to suggest organisations are trying to meet greater levels of need from existing and new beneficiaries – particularly in areas such as poverty relief and advice services - and this will only be exacerbated by the likely effects of the Government's programme of welfare reform.

Within this national context Greater Manchester, like all the large northern cities, has a history of industrialisation and post-industrial adjustment which continues to shape the local cultural, social and economic environment. It also has some unique political features which have resulted in a particular kind of collaborative working. These elements have helped to shape the Greater Manchester voluntary sector.

The current Greater Manchester voluntary sector was built on the foundations of close-knit working class communities, the co-operative and trade union movements, faith-based charity and a strong tradition of philanthropy. Some Greater Manchester cultural and social welfare charities are well over a hundred years old. Whilst the Greater Manchester sector has to some extent experienced the national trend of increased access to public and independent funding over the last thirty years, resulting in the development of a group of medium to large organisations especially in the city of Manchester, by far the largest proportion of organisations have always been small or micro, employ no paid staff and are not reliant on a relationship with the public or the commercial sectors.

Much of the Greater Manchester voluntary sector was developed in response to continually emerging social needs, and the history of voluntary action and giving in the city region is preserved in the strata of hospices and hostels; libraries, parks and schools; societies for children, older and disabled people; services for immigrating communities from Irish and Jewish through to Eastern Europeans; rehabilitation support for people with mental health, alcohol and drug problems; charitable relief for the most economically and socially excluded such as soup runs, night shelters and needle exchanges. The city region also hosts a vibrant community arts and music sector, a vigorous social enterprise movement and a growing green and sustainable living sector.

The size and nature of the local voluntary sector is subtly different in every one of the ten statutory local authorities, and there is a notable disparity between Manchester and the rest. There are also observable differences between the sectors in the seven authorities which have received various large grants over a considerable time from central government, owing to exceptionally high levels of deprivation, and those in the three which have not. The seven have tended to spend part of these government grants with their local voluntary sectors. In Bury, Stockport and Trafford, which have not benefitted from these levels of grant, there are in fact many individual neighbourhoods which are very deprived, but the voluntary sector in these areas is not as well developed or connected.

¹⁹ On the prospects for grants see for example Macmillan, R. (2007). 'Understanding the idea of 'grant dependency' in the voluntary and community sector'. *People, Place & Policy Online*, 1 (1): 30-38. On the prospects for giving and philanthropy see for example Pharoah, C. (2011a). *Charity Market Monitor 2011*. London: CaritasData, and, Pharoah, C. (2011b). 'Private giving and philanthropy – their place in the Big Society'. *People, Place & Policy Online*, 5 (2): 65-75.

Greater Manchester has a relatively strong economy, but this masks extreme economic inequalities amongst both individuals and neighbourhoods, low productivity, and a massive youth unemployment problem. Economic recession has made things worse, and the recent report of the Greater Manchester Poverty Commission²⁰ makes sobering reading. On the other hand local people are still able and willing to engage in voluntary action; the recent swift, focused and unilateral response of the voluntary sector to escalating food poverty was striking; within less than a year more than thirty food banks have been set up and maintained by volunteers from new or established voluntary groups.

Clearly, as the public sector withdraws from the provision of services and the economy continues to falter, the balance of power and responsibility between the sectors will change again. The social and economic contribution of the voluntary sector, already considerable, will be required to increase. It remains to be seen whether it will be able to meet this challenge.

Against this background, this research provides in depth data about the 'state of the voluntary sector' in Greater Manchester at the start of 2013 and answers some important questions. For example, what was the size, scale and scope of the sector; what role does it play in the social and economic life of the city region; how has it been affected by the economic downturn and public sector funding cuts; and what are the prospects and possibilities for the future?

²⁰ See: Centre for Local Economic Strategies (2010). *Greater Manchester Poverty Commission: Research Report*.

The Anatomy of the Voluntary Sector in Greater Manchester

This chapter develops a picture of the core features of the voluntary sector in Greater Manchester. It focuses on a series of general questions in which respondents were asked about their group or organisation: what it is, what it does, who for, where and how?

This chapter considers seven questions in turn:

- how many organisations are there?
- what size are they?
- what types of organisations are there?
- how long have they been operating?
- what do these organisations do?
- who are their clients, users or beneficiaries?
- at what geographical levels do they operate?

3.1. How many organisations are there in the voluntary sector in Greater Manchester?

Estimating the number of organisations represents a major challenge. This is because **a large proportion of organisations are small, local and not formally constituted** as charities, limited companies or other recognised forms which require registration (i.e. industrial and provident societies). As a result they do not appear on formal central records such as those held by the Charity Commission or the Department for Business Innovation and Skills (BIS) so are considered '**below the radar**' (BTR). Any estimate of the total number of organisations in an area therefore requires information on the numbers of registered and unregistered (i.e. BTR) organisations.

In estimating the total number of organisations in Greater Manchester we drew on information from three sources:

- a sample of 6,391 organisations compiled from information held on the project partners databases

- official Cabinet Office figures indicate that the total number of registered organisations in the voluntary sector in Greater Manchester is 4,968²¹
- research by NCVO and the University of Southampton²² which found that on average there are 3.66 BTR organisations per 1,000 population. If this figure is applied to Greater Manchester²³, it can be estimated that there are 9,624 BTR organisations in the City Region.

Summing the official Cabinet Office figures and BTR²⁴ estimates produces an estimated figure of **14,592** for the total number of organisations operating in the sector in Greater Manchester. A breakdown by area is provided in table 3.1.

Table 3.1: Estimated number of organisation in the sector in Greater Manchester

	No of organisations	Registered	BTR
Bolton	1,418	443	975
Bury	1,054	381	673
Manchester	3,093	1,267	1,826
Oldham	1,112	308	804
Rochdale	1,079	328	751
Salford	1,364	526	838
Stockport	1,601	559	1,042
Tameside	1,068	274	794
Trafford	1,336	541	795
Wigan	1,467	341	1,126
Total	14,592	4,968	9,624

3.2. What size are organisations in Greater Manchester?

The size of organisations is traditionally measured using their annual income²⁵. When the distribution of Greater Manchester organisations was explored by size category based on income for 2011/12, it showed that **the majority of organisations were either micro or small**. But the survey was under-representative of BTR organisations (only 42 per cent of survey respondents were identified as BTR), so this did not present an accurate picture of the actual distribution. The figures were therefore adjusted based on the assumption that the estimated 8,201 organisations not included in the survey sample were BTR and micro in size²⁶. The outcome of this process is shown in figure 3.1, which demonstrates that 80 per cent of the sector (an estimated 11,963 organisations) are micro in size, 11 per cent are small (1,620 organisations), seven per cent are medium (965 organisations), and two per cent are large (314 organisations).

²¹ This estimate was calculated as part of the 'National Survey of Charities and Social Enterprises' undertaken by Ipsos MORI for Cabinet Office in 2010

²² Mohan, J et al (2010). *Beyond 'flat-earth' maps of the third sector: enhancing our understanding of the contribution of 'below-the-radar' organisations*. Northern Rock Foundation Briefing Paper

²³ Based on Office for National Statistics 2010 population estimates

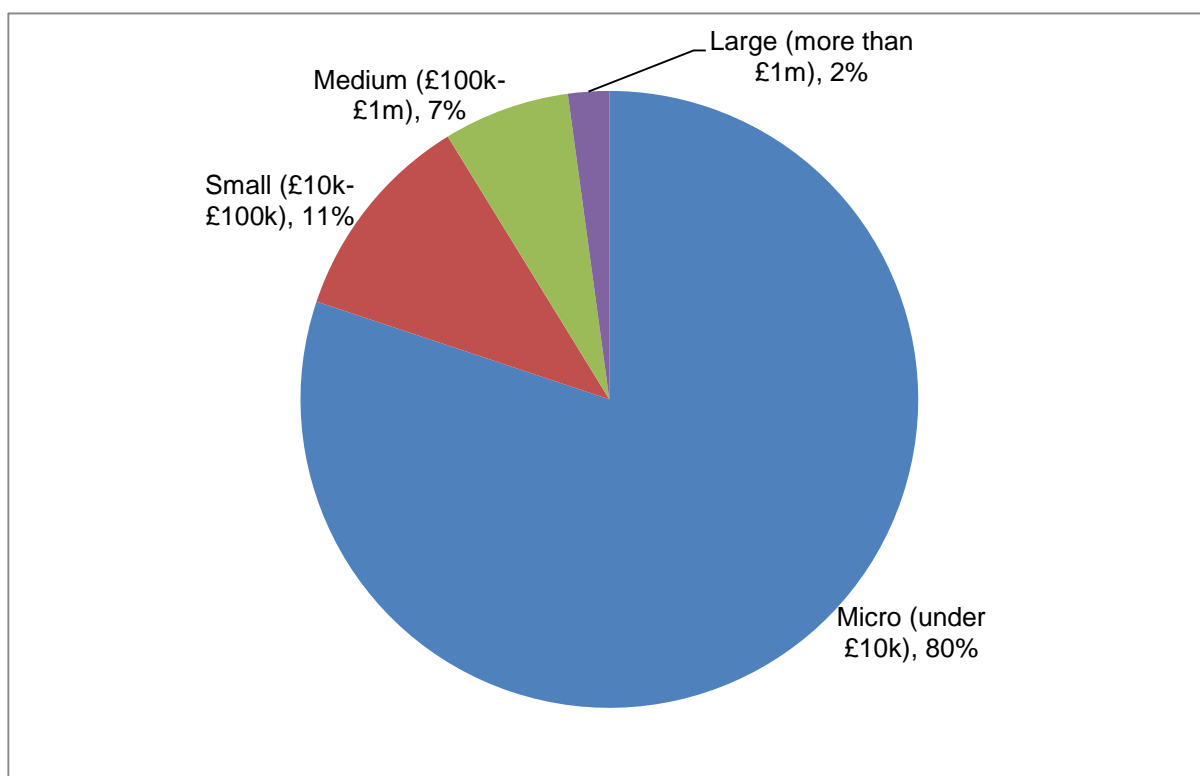
²⁴ It is important to note that the BTR figure is an estimate based on an average across 46 local authorities. The BTR research found significant variability, with some local authorities having more than seven BTR organisations per 1,000 population, and in one case more than 10.

²⁵ In exploring organisation size we used the categories developed by NCVO for use in their Almanac series (see e.g. Clark, J et al., 2010)

²⁶ The basis for these assumptions is discussed in more detail in the methodological annex

Introducing the BTR figure produces a much higher estimate for the number and proportion of micro organisations and emphasises the finding that a very large proportion of organisations in the sector in Greater Manchester are very small. This is consistent with national trends: NCVO²⁷ estimate that 85 per cent of the sector is made up of micro or small organisations, 12 per cent are medium, and three per cent are large.

Figure 3.1: Proportion of Greater Manchester voluntary sector organisations by organisation size



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 1,018

3.3. What types of organisations operate in the voluntary sector in Greater Manchester?

The questionnaire asked two questions to elicit information which describe the types of organisations in the voluntary sector in Greater Manchester.

In the first question respondents were asked to identify the legal status of their organisation. For this question it was possible for organisations to select registered charity in addition to identifying their legal form. Figure 3.2 shows:

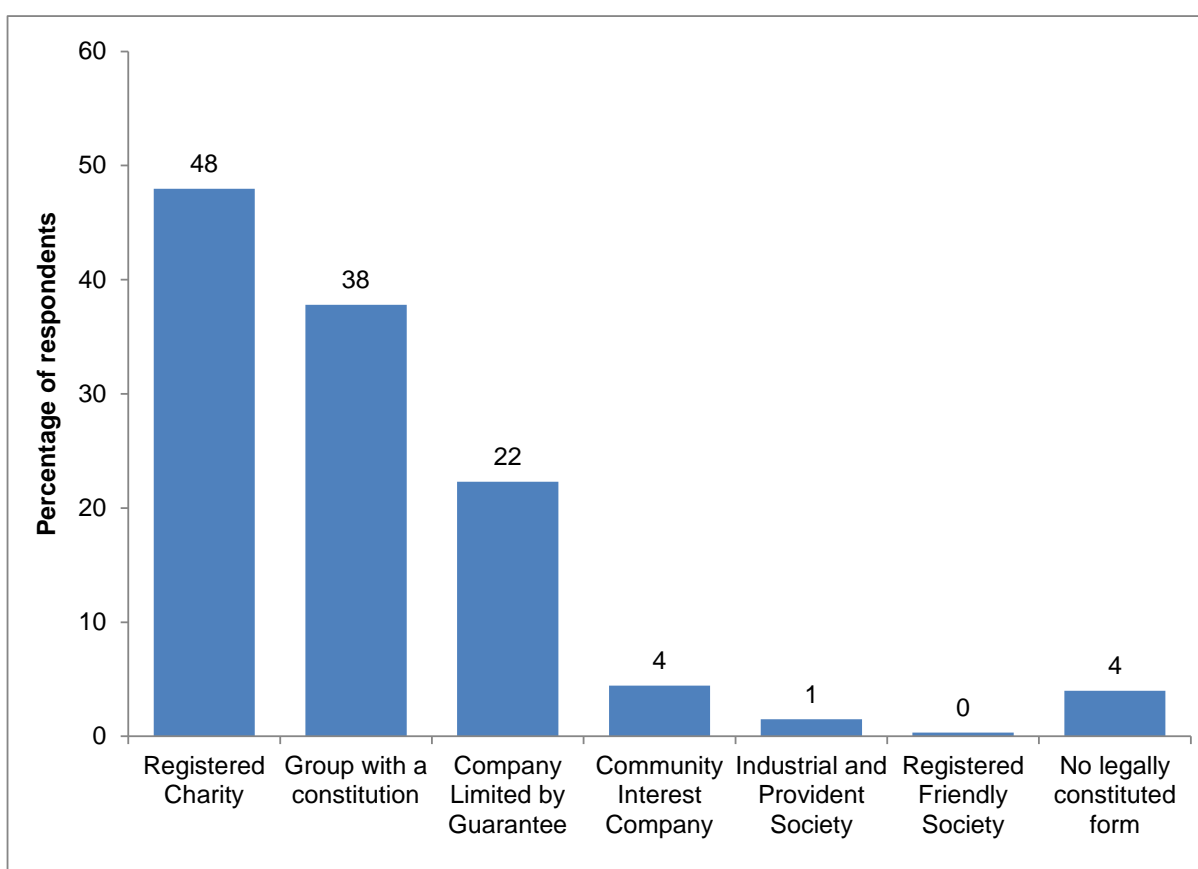
- 38 per cent of organisations were a group with a constitution, but not registered charities
- 22 per cent of organisations were companies limited by guarantee
- four per cent of organisations responding to the survey had no legally constituted form
- separate to identifying their legal status nearly half, **48 per cent, identified that their organisation was a registered charity.**

²⁷ See Clark, J *et al.*, (2010)

Comparing responses across the seven Greater Manchester areas which were part of the detailed study found:

- more than half of organisations from Trafford (60 per cent), city of Manchester (56 per cent) and Salford (55 per cent) were registered charities; however, only 34 per cent were registered charities in Bolton
- city of Manchester was the only area where 'a group with a constitution but not a registered charity' was not the most common type of legal status; company limited by guarantee was the most common status type in the city of Manchester (29 per cent)
- Trafford (six per cent) and city of Manchester (five per cent) had the highest proportions of organisations with no legally constituted form; in comparison no responding organisations from Salford or Wigan reported this to be the case.

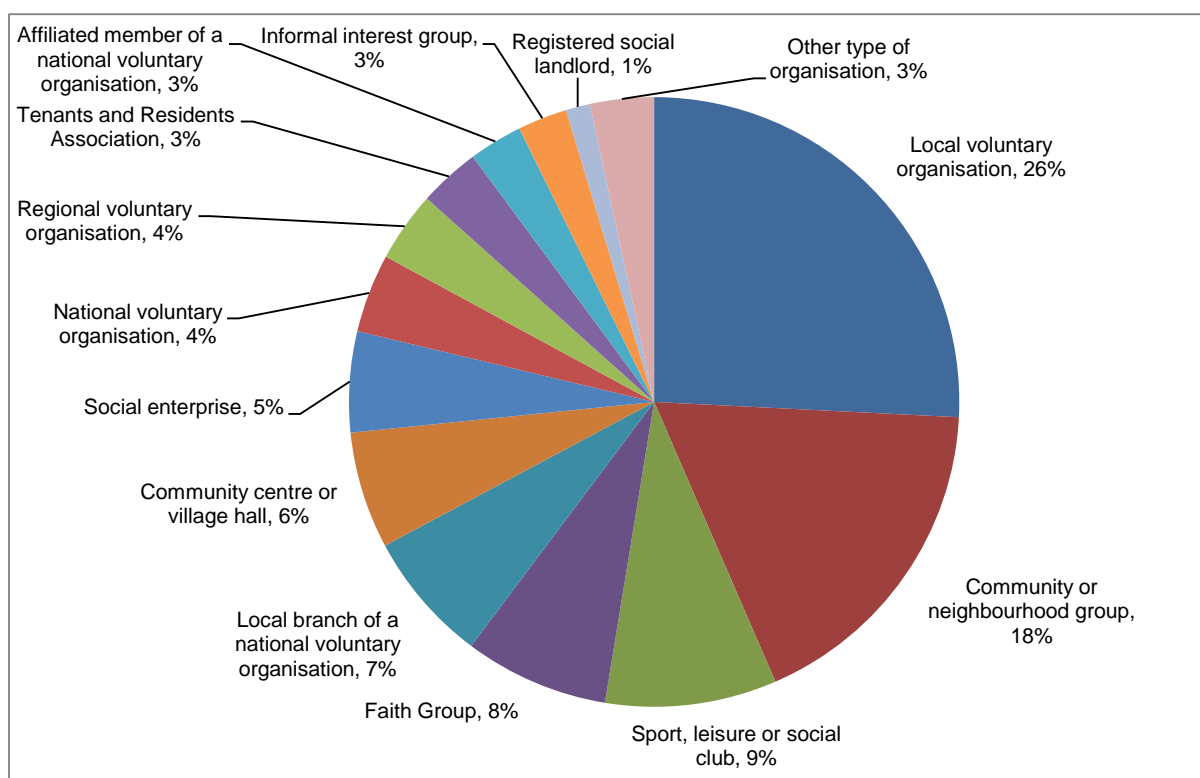
Figure 3.2: The legal status of organisations



Source: Greater Manchester State of the Voluntary Sector surveys 2012/13
Base: 1,195

In the second question respondents were asked to identify which category from a list of 'organisation types' best described their organisation. The results indicate that many organisations in the sector are likely to have a local focus; a theme developed later in this chapter. Figure 3.3 shows that the largest proportion, **26 per cent, identified their organisation as being a local voluntary organisation**. This proportion is some eight percentage points higher than for the next most common type: community or neighbourhood group (18 per cent). National organisations were less common: just 11 per cent of respondents were either a local branch of a national voluntary organisation (seven per cent) or a national voluntary organisation (four per cent). This pattern was replicated across the seven participating Greater Manchester areas.

Figure 3.3: Type of organisations



Source: Greater Manchester State of the Voluntary Sector surveys 2012/13
Base: 1,198

3.4. How long have organisations in the voluntary sector been operating?

The questionnaire asked respondents to indicate when their organisation was formed. Assessment of organisations by the year in which they were formed provides an indication of how established the sector was in Greater Manchester. In addition it might also be possible to identify patterns: for example time periods when greater numbers of organisations had been formed.

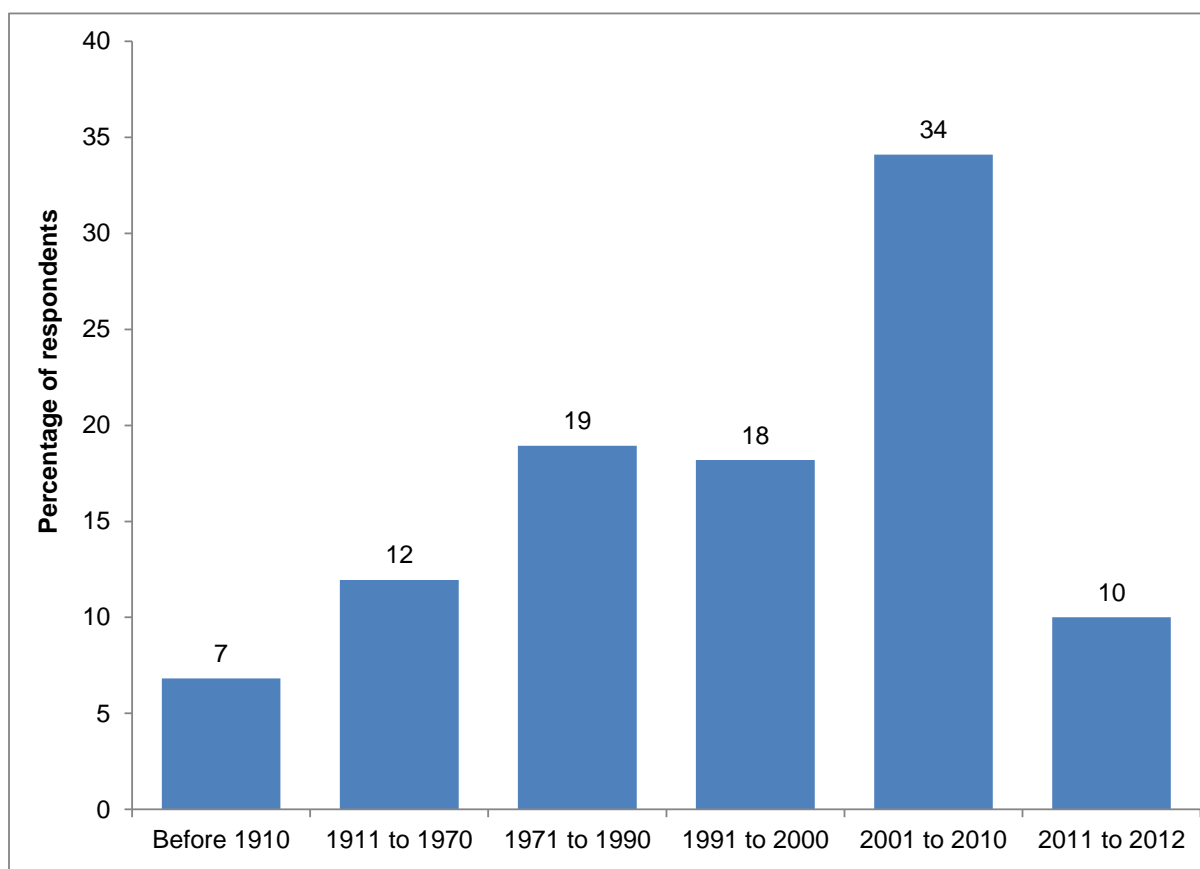
The responses received build a picture of a sector that has a fairly well established core. However, the sector in Greater Manchester has also seen the formation of many new organisations since 2001. Figure 3.4 shows that 44 per cent of organisations responding to the survey had been formed since 2001, including 37 per cent in the past 10 years (i.e. since 2003). Furthermore, an additional 18 per cent were formed between 1991 and 2000; this means **62 per cent of organisations were formed in the last 22 years**. At the other end of the spectrum 19 per cent of organisations had been formed before 1971, including seven per cent formed in 1910 or before.

This pattern was replicated uniformly across the seven Greater Manchester areas. The Oldham and Wigan samples reported the highest proportions of organisations having been formed within the previous 10 years: 39 per cent. The figure for Trafford was some 14 percentage points lower (25 per cent). Also of note, compared with the other six areas, Tameside had over double the proportion of organisations formed in 1910 or before (15 per cent).

It is important to conclude this section by noting that because we do not know the rate of closure over time we cannot be certain whether the aggregate number of organisations being established or surviving is increasing or not. By definition, the survey is of organisations that are still operating in Greater Manchester in 2012/13, not those which have closed down or ceased operations. Of the organisations which

have survived through to 2012/13, the results suggest that a high proportion were established in the last 10 years. But some of the organisations established before, and since, may have subsequently closed down.

Figure 3.4: Year in which organisations were formed



Source: Greater Manchester State of the Voluntary Sector surveys 2012/13
Base: 1,110

3.5. What does the voluntary sector in Greater Manchester do?

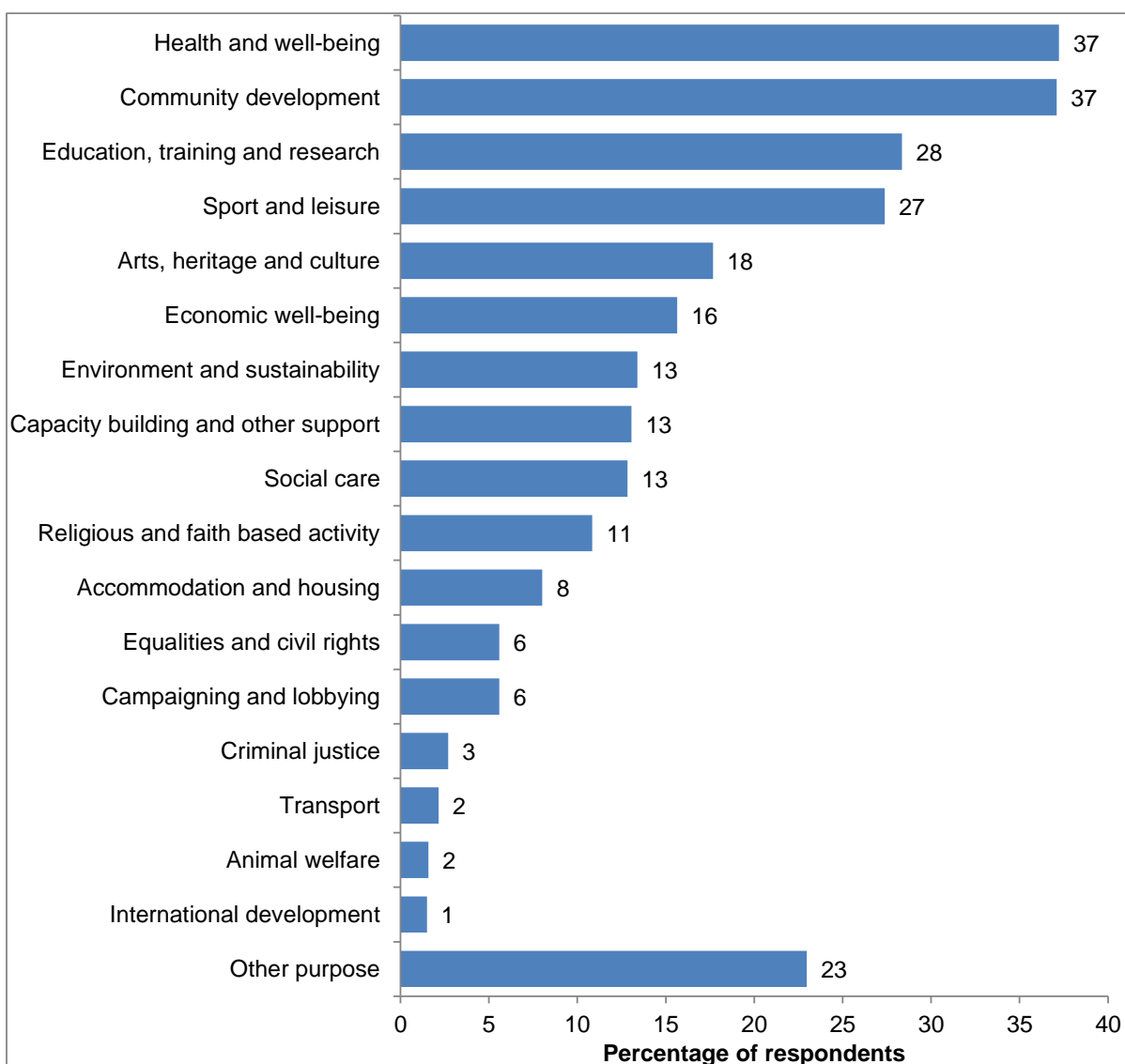
To elicit a picture of what the voluntary sector in Greater Manchester does the survey asked respondents to identify up to three main areas in which their organisation operates. Figure 3.5 presents the results to this question and confirms the message that the voluntary sector in Greater Manchester works in a diverse range of thematic service areas. However, the proportion of responding organisations working in each area varies. This is most likely dependent on need and funding opportunities.

Figure 3.5 shows more than a quarter of organisations worked in each of the following four areas:

- health and well-being (37 per cent)
- community development (37 per cent)
- education, training and research (28 per cent)
- and sport and leisure (27 per cent).

Analysis across the seven study areas finds a similar pattern with the same four areas of work featuring as the most common. Perhaps of note, city of Manchester, at eight per cent, has almost double the proportion of campaigning and lobbying groups compared with the other six areas.

Figure 3.5: Main areas in which organisations work



Source: Greater Manchester State of the Sector surveys 2012/13
Base: 1,200

3.6. Who are the clients, users or beneficiaries of the voluntary sector in Greater Manchester?

The questionnaire asked respondents to provide the total number of individual clients, users or beneficiaries that their organisation had supported in the last year. Analysis of responses to this question by size and type of organisation revealed that in many cases organisations had provided the number of 'interventions' or 'contacts' that they had had with clients, users or beneficiaries. So for example an individual who visited a community centre once a week would have been counted 52 times within the year. Whilst some organisations will have provided the number of unique clients, users or beneficiaries in our analysis, so as not to overestimate, we have assumed the number provided represents the total number of interventions.

Summing across the 981 organisations that responded gives a total of 3.2 million interventions. The responses received can be extrapolated for the estimated 14,592 organisations thought to be operating in the sector in Greater Manchester to provide an estimate of the total number of interventions by Greater Manchester organisations. Working through the calculation it is estimated that **Greater Manchester**

organisations made 21.2 million interventions with clients, users or beneficiaries in the past year.

The questionnaire also asked respondents to identify up to three groups that make up the main clients, users or beneficiaries of their organisation. Figure 3.6 shows that, as might be expected, the sector in Greater Manchester served a diverse and wide ranging client group. In many cases, client groups were served by relatively small numbers of organisations: ten per cent of organisations or fewer served 12 of the client groups listed.

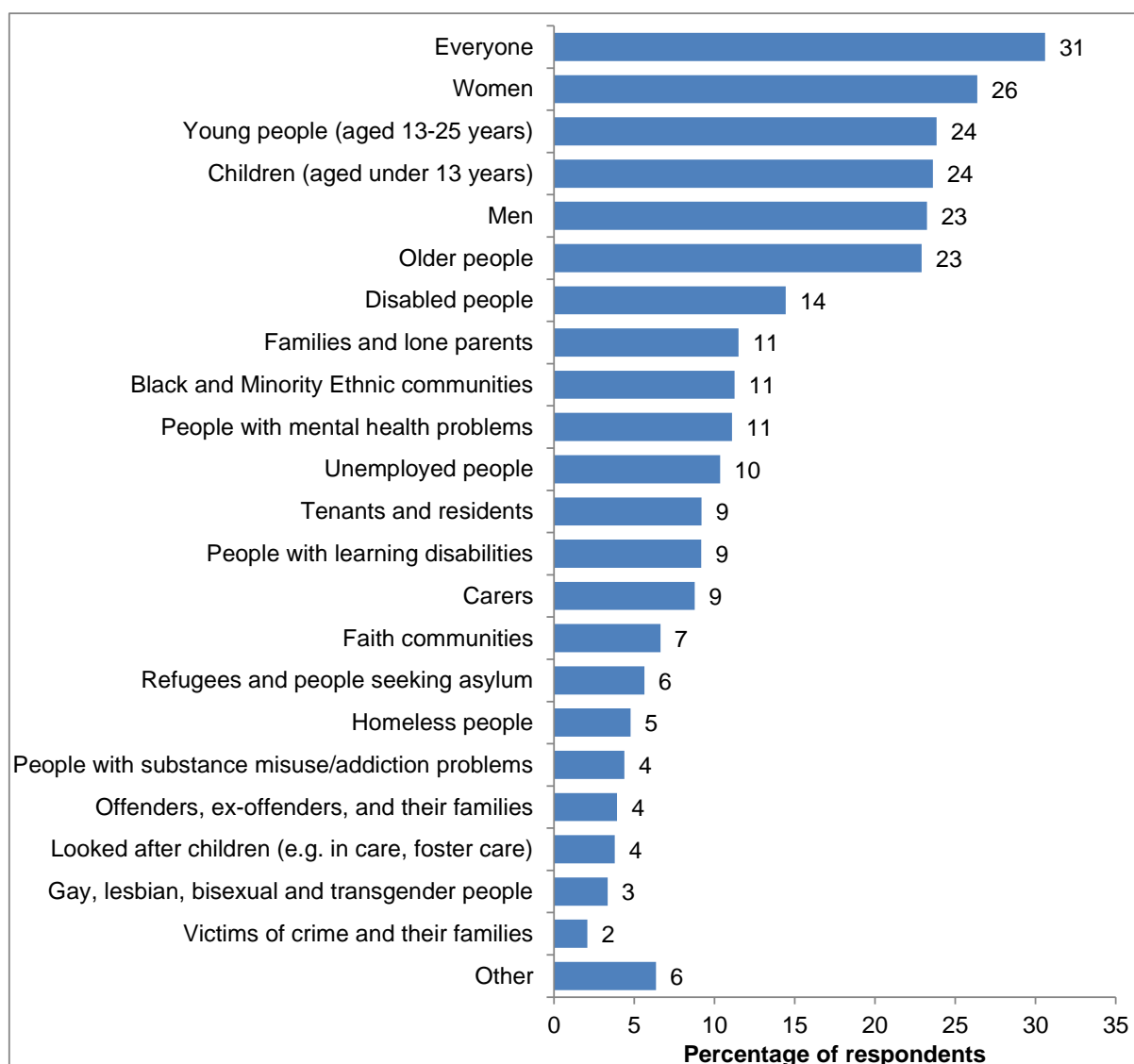
Figure 3.6 shows 'everyone' was listed as a main client group for 31 per cent of organisations. The following were also listed as a main client, user or beneficiary group by at least one in five organisations:

- women (26 per cent)
- young people aged 13 to 25 years (24 per cent)
- children aged under 13 years (24 per cent)
- men (23 per cent)
- older people (23 per cent).

Individuals with health issues were also served by relatively high proportions of organisations. Disabled people were a main client, user or beneficiary group for 14 per cent of organisations. Black and Minority Communities were a main client group for around one in ten organisations.

Analysis of responses from each of the Greater Manchester areas found a similar pattern with general and demographic client groups being the most common beneficiary groups identified.

Figure 3.6: Main client groups of Greater Manchester organisations



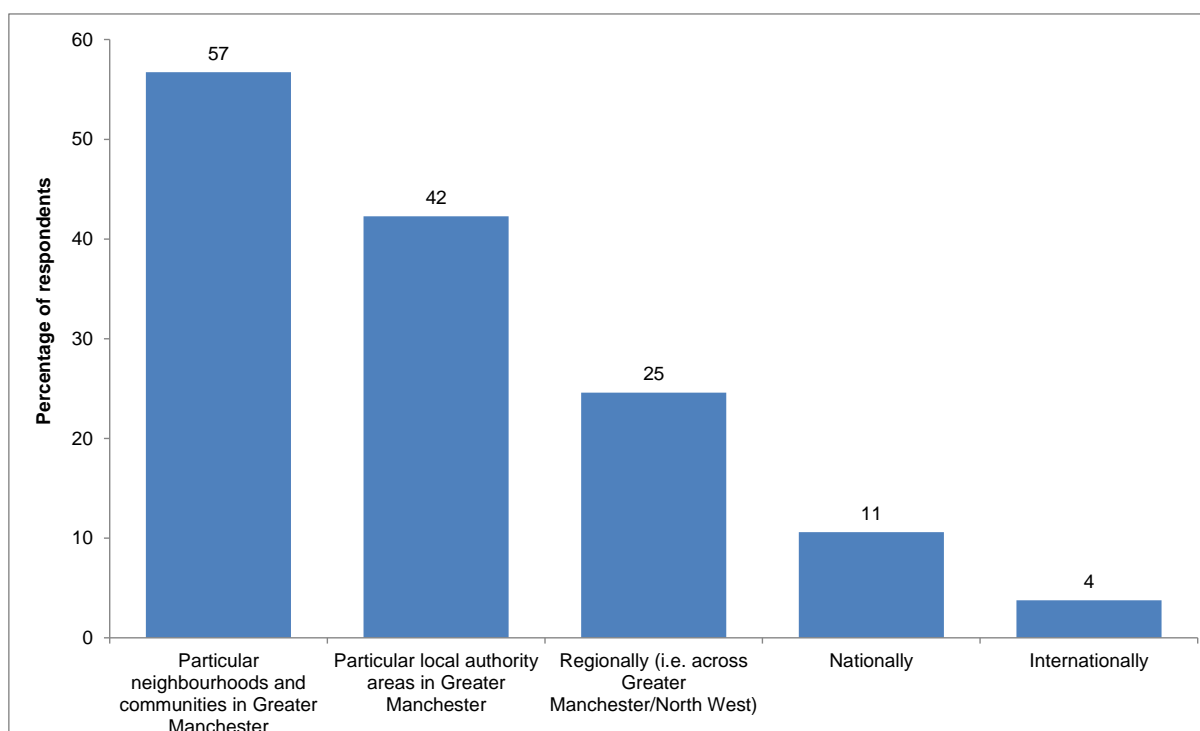
Source: Greater Manchester State of the Voluntary Sector surveys 2012/13
Base: 1,288

3.7. What geographical levels does the voluntary sector operate at?

The survey asked respondents to identify the main geographical levels at which they operated - this ranged from the neighbourhood level, to those operating across England, the UK or overseas. In this question respondents were asked to pick out up to three main geographic levels, the results of which are presented in figure 3.7. This shows that the **local area was a main focus for a majority of organisations**:

- over half (57 per cent) identified particular Greater Manchester neighbourhoods or communities were a main focus
- 42 per cent identified one or more particular local authority areas within Greater Manchester as a main focus of their work
- modest proportions of organisations cited that a main geographic area at which they work is either national (11 per cent) or international (four per cent).

Figure 3.7: Main geographic focus



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 1,188

Using the responses to this question it is also possible to identify the highest geographic area that was a main focus for each organisation. This analysis finds:

- for 41 per cent of organisations their highest main geographic focus was particular Greater Manchester neighbourhoods or communities
- for 28 per cent of organisations their highest main geographic focus was one or more particular Greater Manchester local authority areas
- for 19 per cent of organisations their highest main geographic focus was the region
- for eight per cent of organisations their highest main geographic focus was the nation as a whole
- and for four per cent of organisations their highest main geographic focus was international.

A similar pattern emerges looking individually at the seven Greater Manchester local authority areas which were part of the detailed study. Tameside had the highest proportion of organisations whose highest main geographic focus was particular neighbourhoods or communities within the local authority (48 per cent). This percentage was lowest in Oldham and Wigan (both 32 per cent). The percentage of organisations whose highest geographic focus was international ranged between five per cent in city of Manchester, Salford and Tameside to less than one per cent in Bolton.

Finances and Income

This chapter provides an overview of the finances and income of the voluntary sector in Greater Manchester. It includes estimates of the overall income received by the sector between 2009/10 and 2011/12, analysis of the different sources of income received (public sector and non-public sector) and their relative contribution, and an assessment of the financial sustainability of the sector in the context of the economic uncertainty and large scale public sector expenditure cuts during this period.

4.1. Income

Based on the average (mean) income of respondents to the survey across Greater Manchester, and drawing on the assumptions used to estimate the total number of organisations in Greater Manchester, it is estimated that **the total income of the sector in the city was £1 billion in 2011/12. However year-on-year reductions have been identified.** It represents a reduction of two per cent compared to 2010/11 and follows a larger reduction between 2009/10 and 2010/11 when the total income of the sector reduced by an estimated five per cent, from £1.071 billion to £1.018 billion. This data is outlined in table 4.1²⁸.

Table 4.1: Estimated annual income of the sector in Greater Manchester (2009/10-2011/12)

	Total Income (£000's) ^a	% Change
2009/10	£1.071bn	
2010/11	£1.018bn	-5
2011/12	£1.000bn	-2

Source: Greater Manchester State of the Voluntary Sector survey 2012/13

Base: 1,018

All figures are in 2011/12 prices

This decline in income between 2009/10 and 2011/12 needs to be considered in the context of national trends discussed in chapter 2. Although there are no figures for Greater Manchester during the 2000/01-2007/08 period, nationally the sector's income grew by an average of five per cent a year over these six years²⁹. If it is assumed that the sector in Greater Manchester developed at a similar rate during this period, then **the decline in income in the last three years represents**

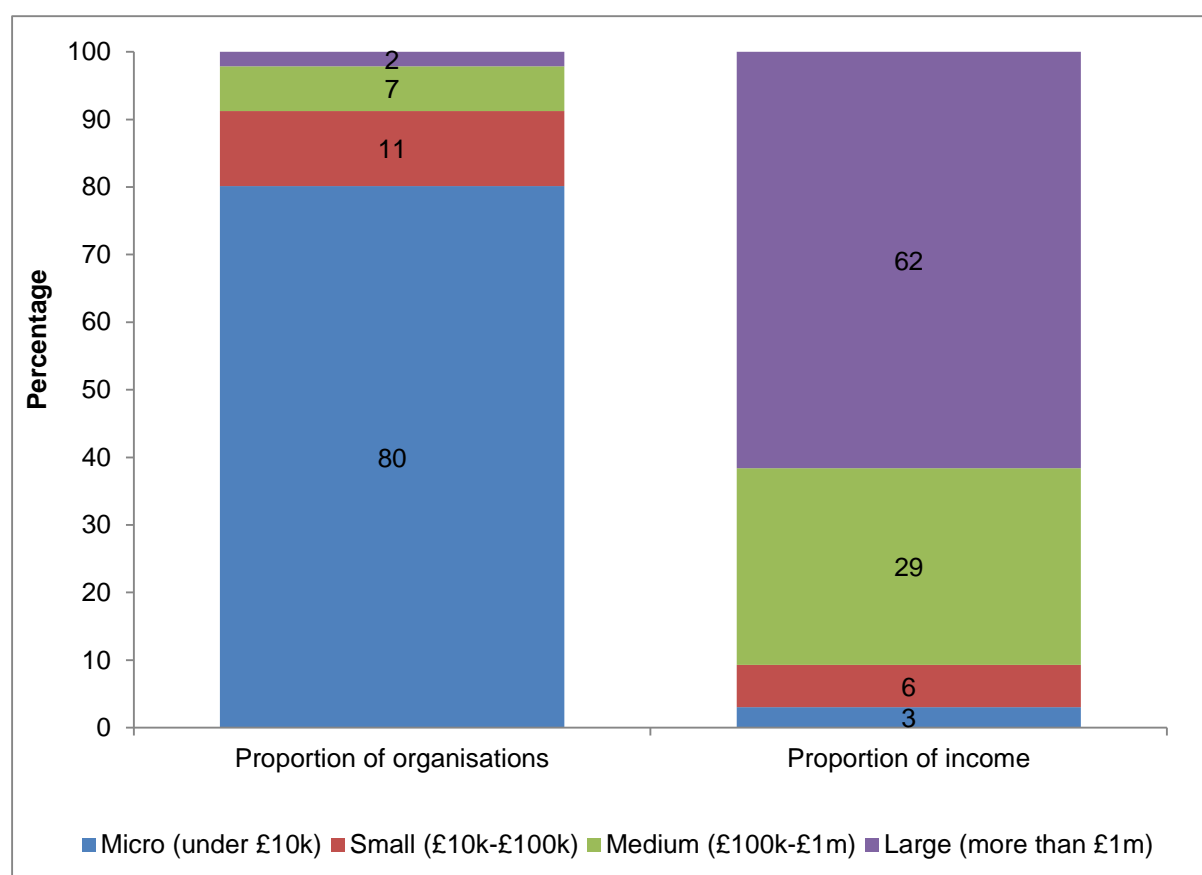
²⁸ In 2010 data obtained by GMCVO from the Charity Commission indicated that the total income of the sector in Greater Manchester was £1.2 billion.

²⁹ See Clark, J *et al.*, (2010)

the first long term economic contraction in the sector in at least 10 years. This is likely to be an indication of the effect of the economic downturn of the past few years which, as discussed in chapter 2 is likely to have led to a reduction in income from public sector sources, other government sources, independent funders and charitable donations. **This trend seems likely to continue,** as further large reductions in public sector spending are expected over the next few years and the economy continues to falter.

When the sector's income is explored in more detail it shows significant variations according to organisation size³⁰. In 2011/12, the majority of income was concentrated in large and medium sized organisations even though the majority of organisations were micro or small. This is outlined in more detail in figure 4.1.

Figure 4.1: Proportion of organisations and proportion of income by organisation size (2011/12)



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 1,018

This shows that **micro and small organisations received less than ten per cent of total income, despite accounting for more than 90 per cent of organisations in the sector.** By contrast medium and large organisations accounted for less than a tenth of the sector's organisations but received more than 90 per cent of its income. Income is concentrated particularly heavily in the largest organisations, with more than three fifths of all income (62 per cent) into the sector received by only 314 organisations.

³⁰ In exploring organisation size we used the categories developed by NCVO for use in their Almanac series (see e.g. Clark *et al.*, 2010)

Analysis of income data from survey respondents from across Greater Manchester³¹ identified further variations according to organisation size when we explored how income levels had changed between 2009/10 and 2011/12. These are summarised in table 4.2.

Table 4.2: Estimated change in annual income by organisation size (2009/10-2011/12)

	Micro (under £10k)		Small (£10k-£100k)		Medium (£100k-£1m)		Large (more than £1m)	
	<i>Income</i>	<i>% change</i>	<i>Income</i>	<i>% change</i>	<i>Income</i>	<i>% change</i>	<i>Income</i>	<i>% change</i>
2009/10	£32.9m		£61.2m		£340.6m		£635.7m	
2010/11	£34.5m	5	£60.7m	-1	£302.9m	-11	£620.1m	-2
2011/12	£30.4m	-12	£62.3m	3	£290.9m	-4	£615.9m	-1

Source: Greater Manchester State of the Voluntary Sector Survey 2011/12/13

Base: 1,018

All figures are in 2011/12 prices

This shows that across Greater Manchester the medium and large organisation categories experienced year on year reductions in total income between 2009/10 and 2011/12. Medium organisations experienced a particularly large reduction of more than 10 per cent between 2009/10 and 2010/11. By contrast micro organisations experienced a small increase between 2009/10 but a large reduction of more than 10 per cent between 2010/12 and 2011/12. The income of small organisations remained relatively stable.

4.2. Sources of Income

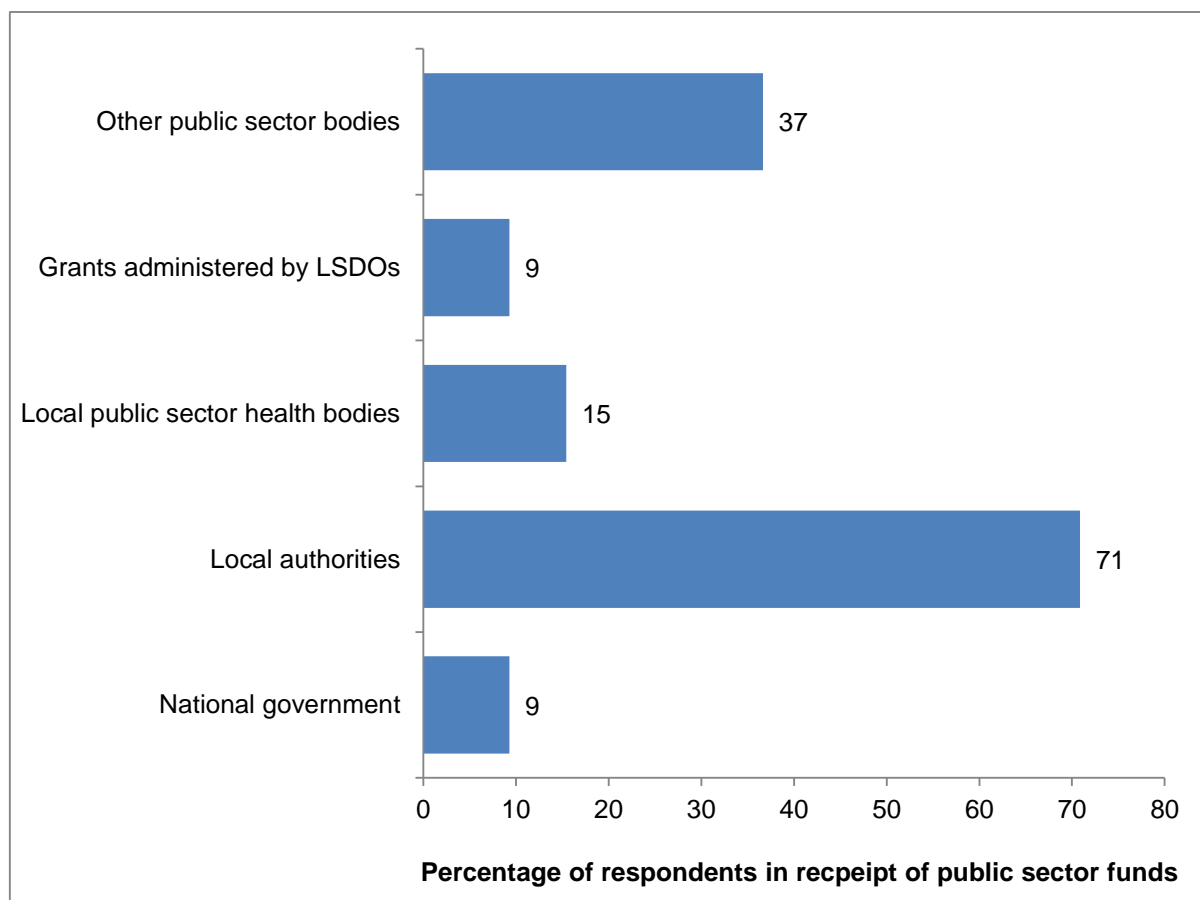
4.2.1. Public sector income

Survey respondents were asked to identify the public sector bodies from which they received funding in 2011/12 and the value of that funding. Overall, **53 per cent of respondents reported having at least one source of public sector funds**. The results are outlined in figure 4.2.

This shows that **local authorities were the most frequently identified source of public sector funding** (71 per cent of public sector funding recipients). Only 15 per cent of respondents received income from local public sector health bodies, followed by nine per cent from national Government Departments and nine per cent who received income from grant schemes administered by local support and development organisations (LSDOs). In addition, 37 per cent of respondents received income from a variety of other public sector bodies: within this group of other public sector sources fewer than 4 per cent of respondents received income from each of: direct payments/personal budgets, the Police, Fire Service or Higher/Further Education Institutions. This pattern was reflected across the different areas of Greater Manchester, where local authorities consistently emerging as the most common source of public sector funds.

³¹ It was not possible to undertake sufficiently robust analysis of these trends at a local authority level

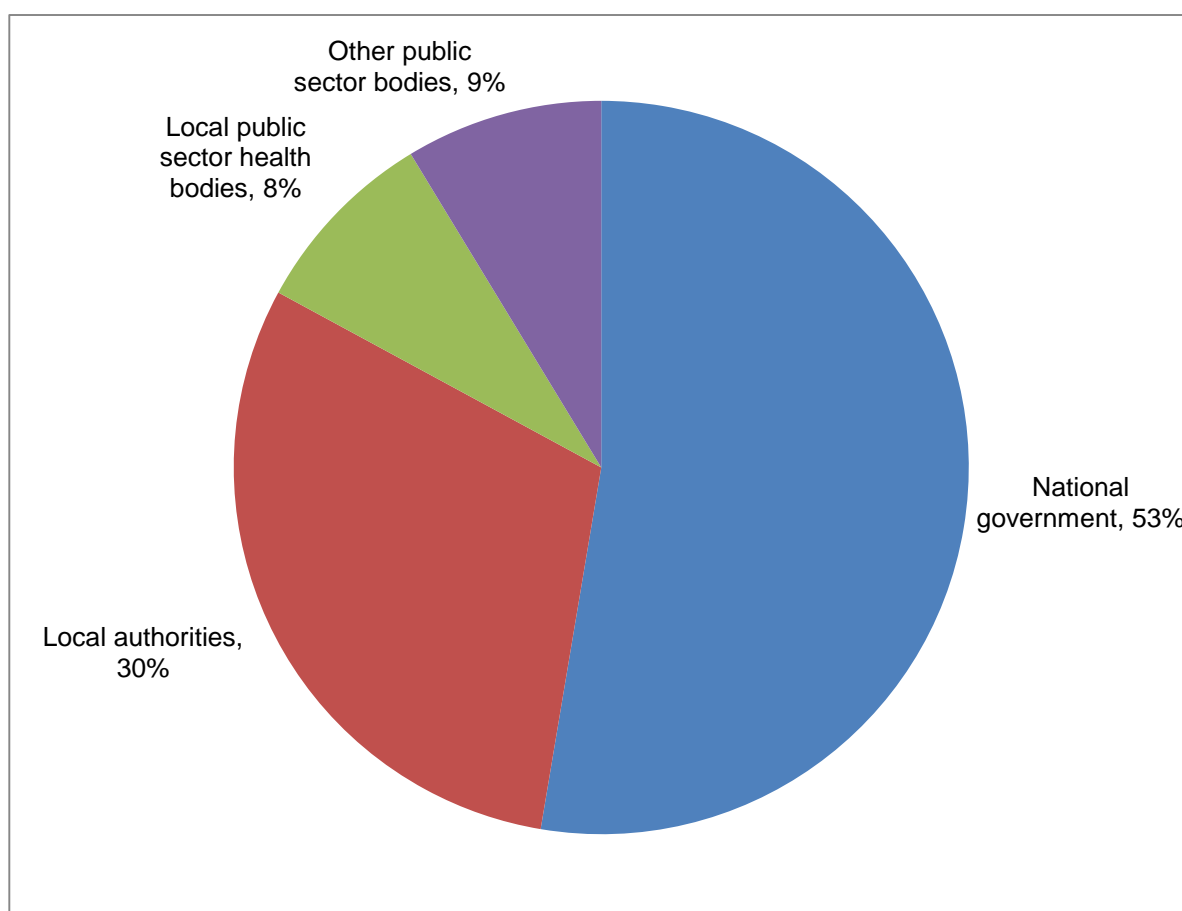
Figure 4.2: Public sector funds received by Greater Manchester voluntary sector organisations (2011/12)



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 570

Figure 4.3 provides an insight into the relative value of public sector funds. It shows that income from National Government Departments accounted for more than half of all public sector funds received by the sector. By contrast local authorities provided just less than a third of funds, and health bodies and other public sector bodies less than a tenth each. It is important to recognise that this figure is affected by a number of large national public sector contacts: across Greater Manchester the average value of income from national Government sources was £586,000, including three organisations with more than £1 million from national Government departments. By contrast the average value of local authority income was only £76,000 and for health bodies was £134,000.

Figure 4.3: Relative value of public sector funds by Greater Manchester voluntary sector organisations (2011/12)



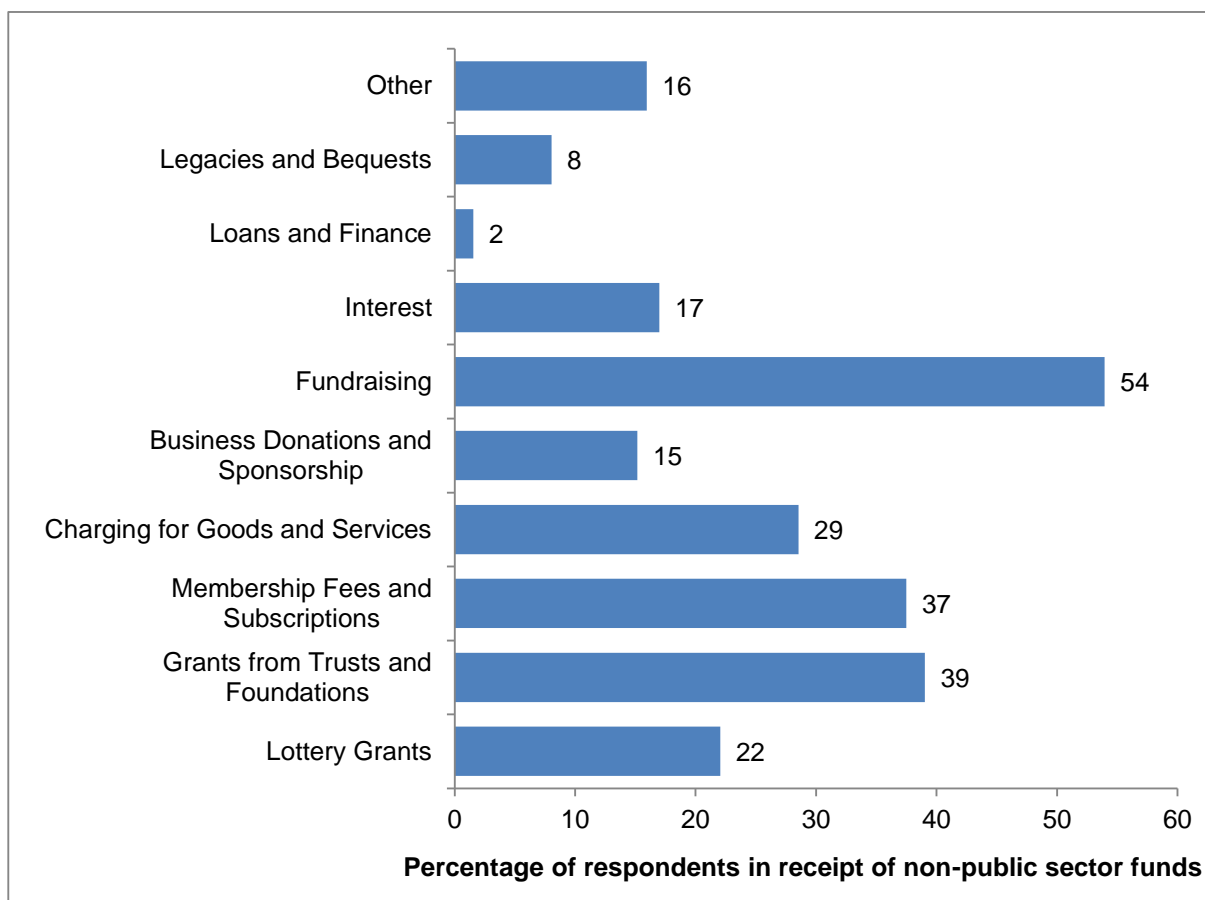
Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 437

4.2.2. Other sources of income

Survey respondents were also asked to identify any other sources of income (i.e. non-public sector) they received in 2011/12. Overall, **76 per cent of respondents received funds from at least one non-public sector source**. This is outlined in more detail in figure 4.4. This shows that fundraising was the most frequently identified source of other funds (54 per cent of respondents) followed by grants from charitable trusts and foundations (39 per cent), membership fees and subscriptions (37 per cent) and charging for goods and services (29 per cent).

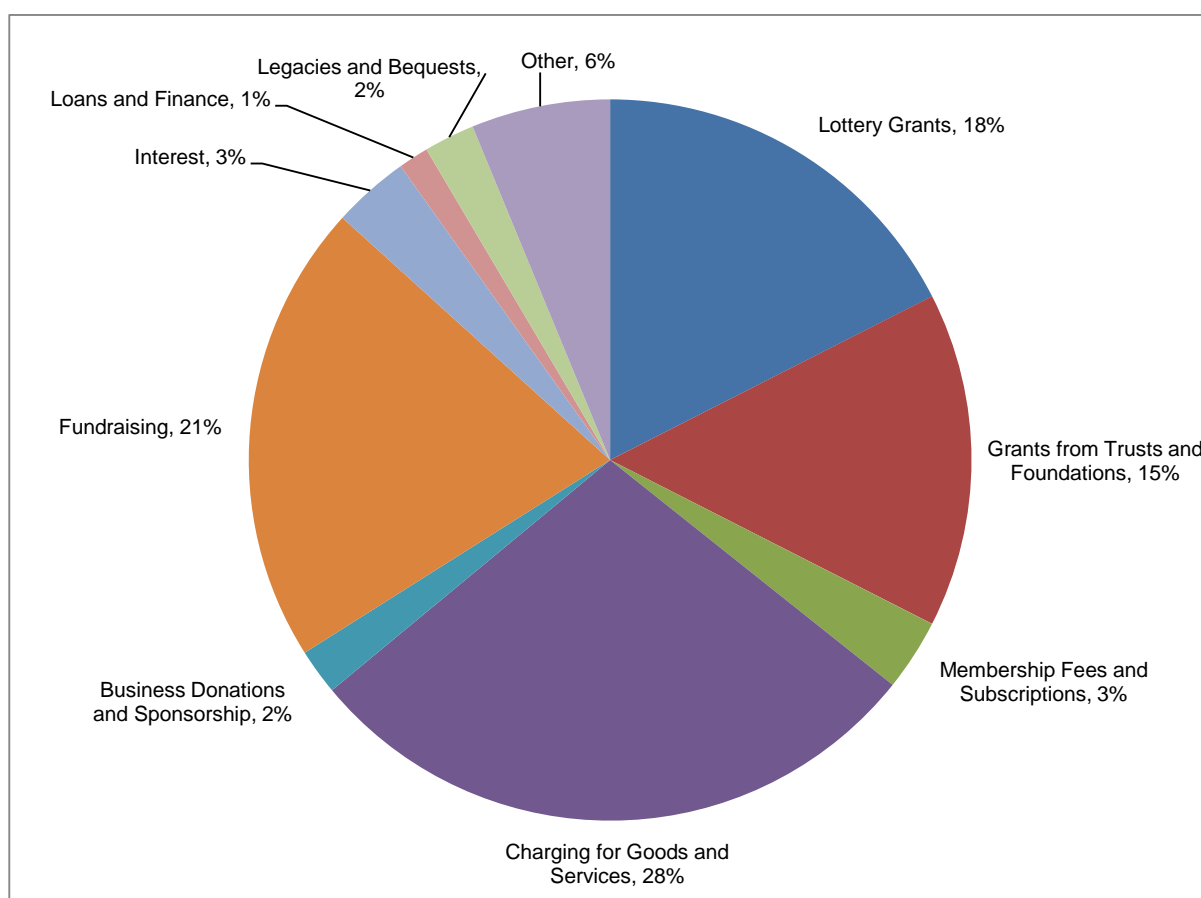
Figure 4.5 provides an insight of the relative value of non-public sector funds received. It shows that income from charging for goods and services provided the most value (28 per cent), followed by fundraising (21 per cent), lottery grants (18 per cent) and grants from trusts and foundations (15 per cent). It therefore seems that non-public sector income is more evenly distributed, in terms of value, than public sector income, which was dominated by large national government contracts.

Figure 4.4: Other funds received by Greater Manchester voluntary sector organisations (2011/12)



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 771

Figure 4.5: Relative value of non-public sector funds by Greater Manchester voluntary sector organisations (2011/12)

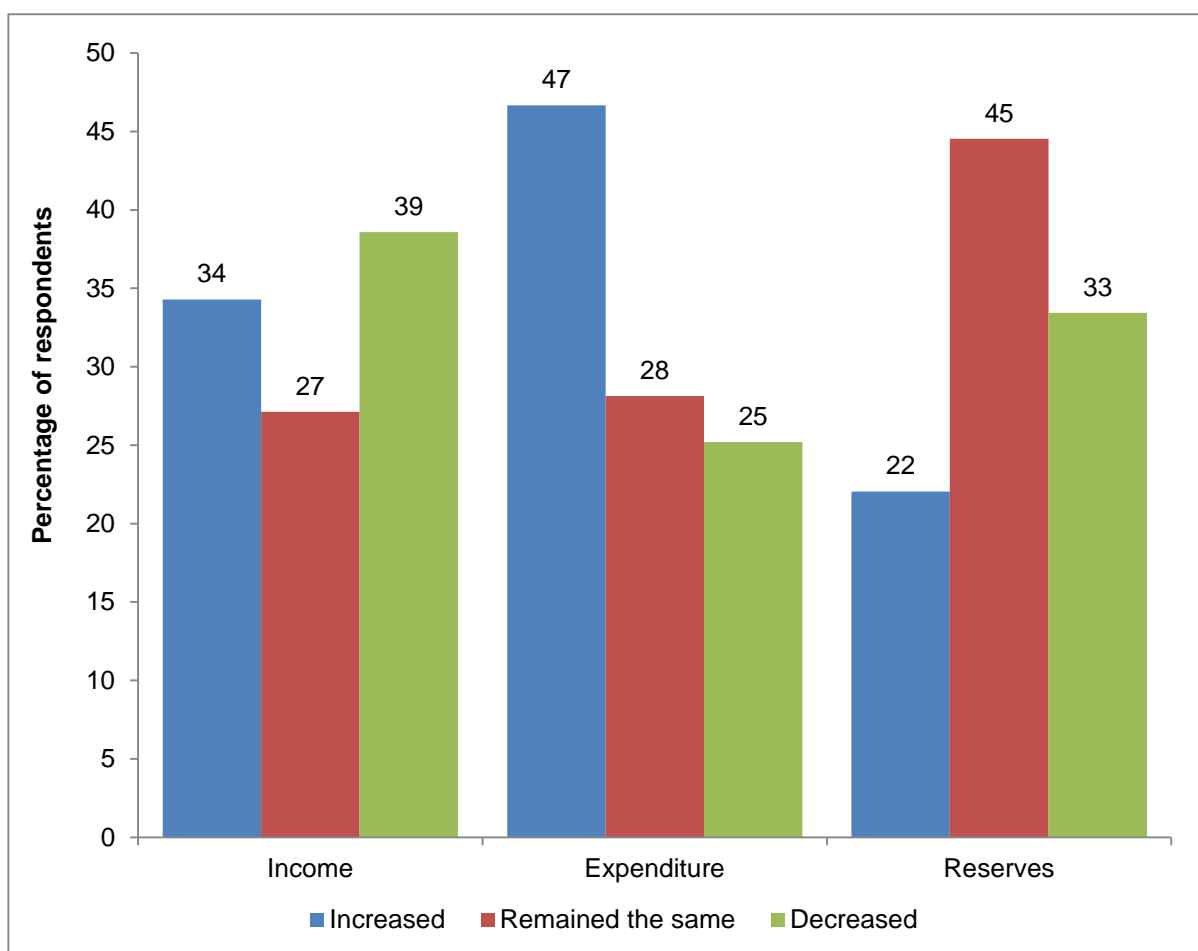


Source: Greater Manchester State of the Voluntary Sector Survey 2012/13
Base: 594

4.3. Financial Sustainability

Earlier in this chapter we discussed the probable impact of the economic downturn on the sector's income: funding from the public sector, government, independent funders and charitable donations have reduced and may fall yet further whilst competition for these funds increases. This is likely to put pressure on the financial health of voluntary organisations and community groups of all shapes and sizes. The survey therefore asked respondents about how their organisation's financial situation had changed in the past 12 months (i.e. during the current financial year). The results are outlined in figure 4.6.

Figure 4.6: Change in financial circumstances in the last 12 months

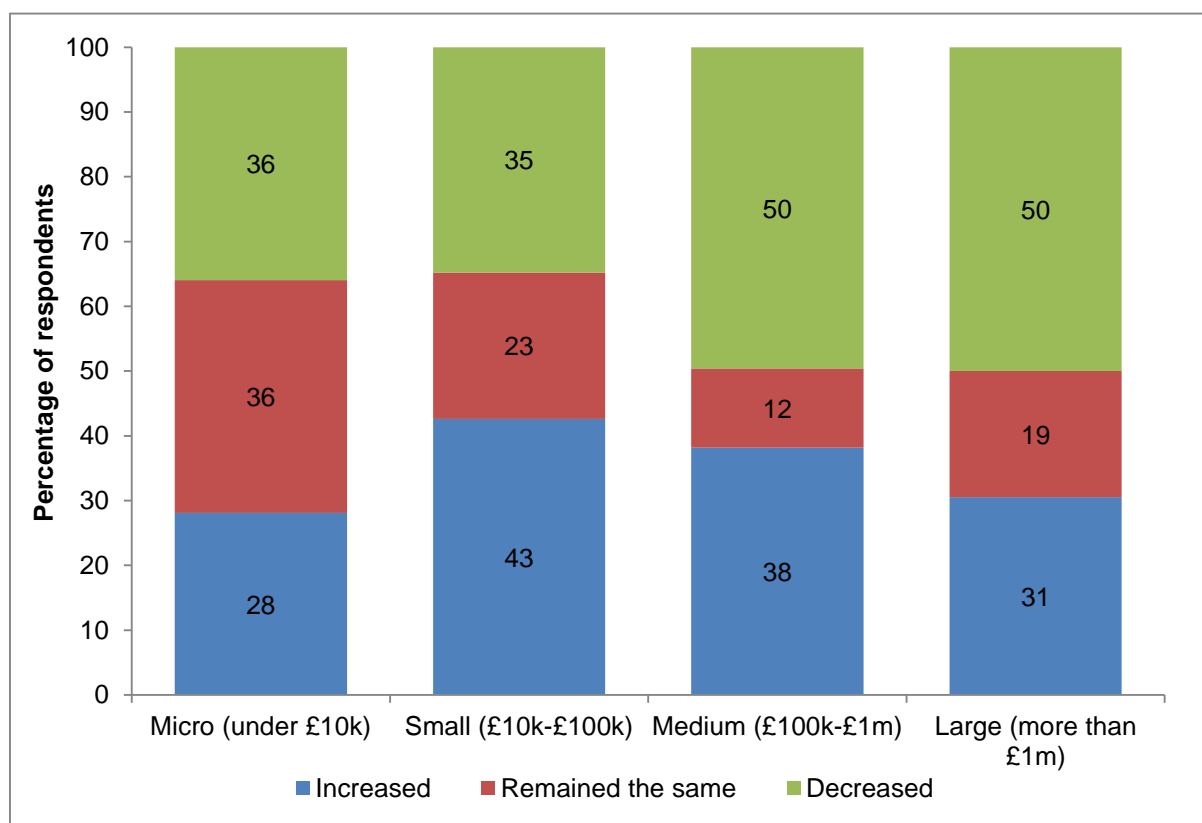


Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 767,750, 667

This raises some concerns: 47 per cent of respondents reported increasing their expenditure but only 34 per cent had experienced an increase in income and only 22 per cent reported an increase in reserves; in addition, 39 per cent of respondents reported a decrease in income but only 25 per cent had reduced their expenditure and 33 per cent reported a reduction in their financial reserves. This means that **there were a significant number of organisations that spent more money than they received in the past 12 months**: 34 per cent of respondents provided an expenditure figure for 2011/12 that was greater than their income. These findings are very similar across Greater Manchester, and could be indicative of a longer term trend in response to the economic downturn and subsequent reductions in the sector's income. In light of this trend it seems likely that the sustainability of a significant number of organisations could be under threat.

Explored by organisation size, the data suggests that reductions in income were more common in **medium and large organisations** than smaller ones. In terms of expenditure, **small and medium organisations** were more likely to report an increase, while large organisations were more likely to report a decrease. Collectively, the data indicates that the sustainability of small and medium sized organisations is of particular concern: 58 per cent of small organisations reported increasing their expenditure in the past 12 months but only 43 per cent increased their income; 52 per cent of medium organisations reported increasing their expenditure in the past 12 months but only 38 per cent increased their income. This data is outlined in more detail in figures 4.7a and 4.7b overleaf.

Figure 4.7a: Change in income in the last 12 months by organisation size

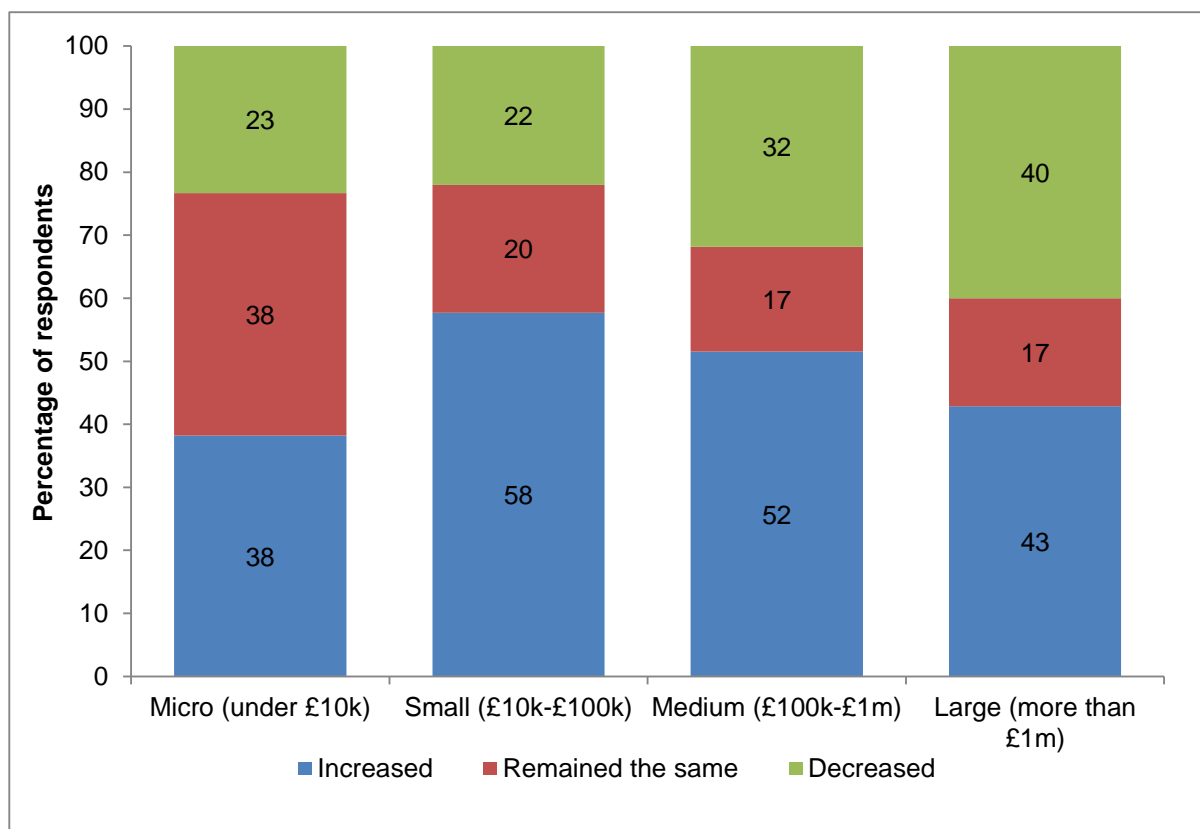


Source: Greater Manchester State of the Voluntary Sector survey 2012/13

Base: 767

Note: 'cannot say' response has been excluded from the analysis

Figure 4.7b: Change in expenditure in the last 12 months by organisation size



Source: Greater Manchester State of the Voluntary Sector survey 2012/13

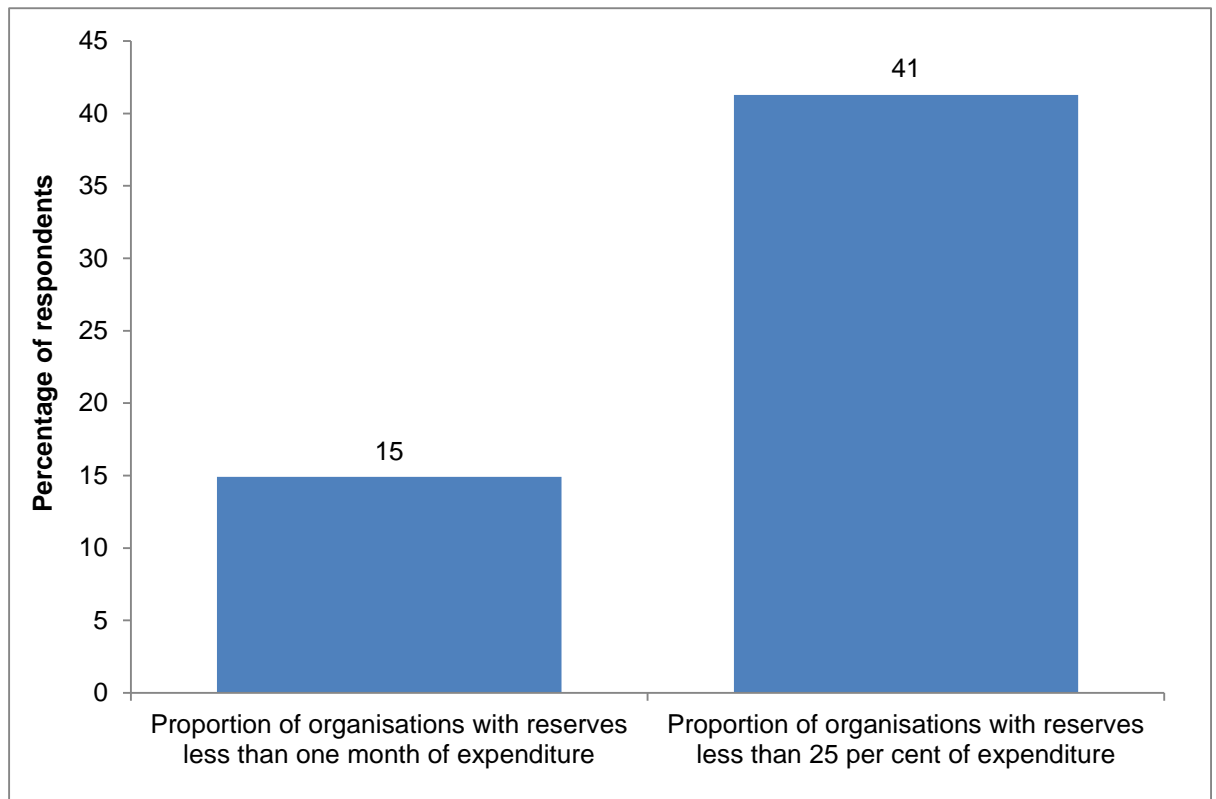
Base: 750

Note: 'cannot say' response has been excluded from the analysis

Further analysis of the financial reserve levels reported by respondent organisations provides an additional insight into the financial health of the sector. Reserves are important as they provide organisations with funds to fall back on in the short term should other sources of funding reduce or be withdrawn. They also provide organisations with the flexibility to develop new and innovative activity that might not have attracted external funding from the outset. Organisations with low reserves relative to expenditure are therefore more likely to be restricted in their ability to adapt if key external funding is lost. In order to explore this issue in more detail reserves (2011/12) were calculated as a proportion of expenditure (2011/12) for each respondent. The results are shown in figure 4.8.

This shows that **15 per cent had reserve levels of less than one month's expenditure**, and a further 26 per cent had reserves that covered less than three months expenditure. This suggests that up to two-fifths of all organisations in the sector could be vulnerable should their funds be severely reduced or withdrawn. This trend was consistent across the seven areas of Greater Manchester covered in detail by the survey. In reality it is likely to be the medium and large organisations in this category that are most at risk: they have greater financial commitments and require higher levels of income to carry out their work.

Figure 4.8: Financial vulnerability of organisations in Greater Manchester



Source: Greater Manchester State of the Voluntary Sector survey 2012/13

Base: 436

The Workforce

This chapter looks at the human resources employed in the voluntary sector in Greater Manchester: paid staff, work placements and volunteers. The survey asked organisations to record:

- the number of full time equivalent (FTE)³² members of paid staff that they employ
- the number of FTE people on work placements that are part of their workforce
- the number of volunteers that are part of their workforce, the number of hours each week that they contribute and their broad role type.

To provide context on how the workforce has changed the survey also asked organisations how aspects of their workforce had changed in the 12 months prior to the survey.

5.1. How many FTE paid staff are employed in the voluntary sector in Greater Manchester?

Based on the average number of FTE paid staff employed by respondents to the survey across Greater Manchester, and drawing on the assumptions used to estimate the total number of organisations in Greater Manchester, it is estimated that the 14,592 organisations in Greater Manchester employed **23,600 FTE paid staff (34,200 employees)** in 2012/13. Sixty two per cent of FTE paid staff were employed in large organisations with an income of at least one million pounds. In comparison the 13,408 micro and small organisations employed just eight per cent of FTE paid staff. Just over half (53 per cent) of FTE paid staff were estimated to work in city of Manchester based organisations.

Gross Value Added (GVA), the value of goods and services produced, is a key measure of the economic contribution of organisations or sectors. It can be estimated for paid employees working in Greater Manchester organisations by multiplying the number of FTE paid staff by the estimated gross value added (GVA) per FTE employee³³. From this calculation it is estimated paid employees of Greater Manchester organisations contribute £738.7 million to the economy per annum

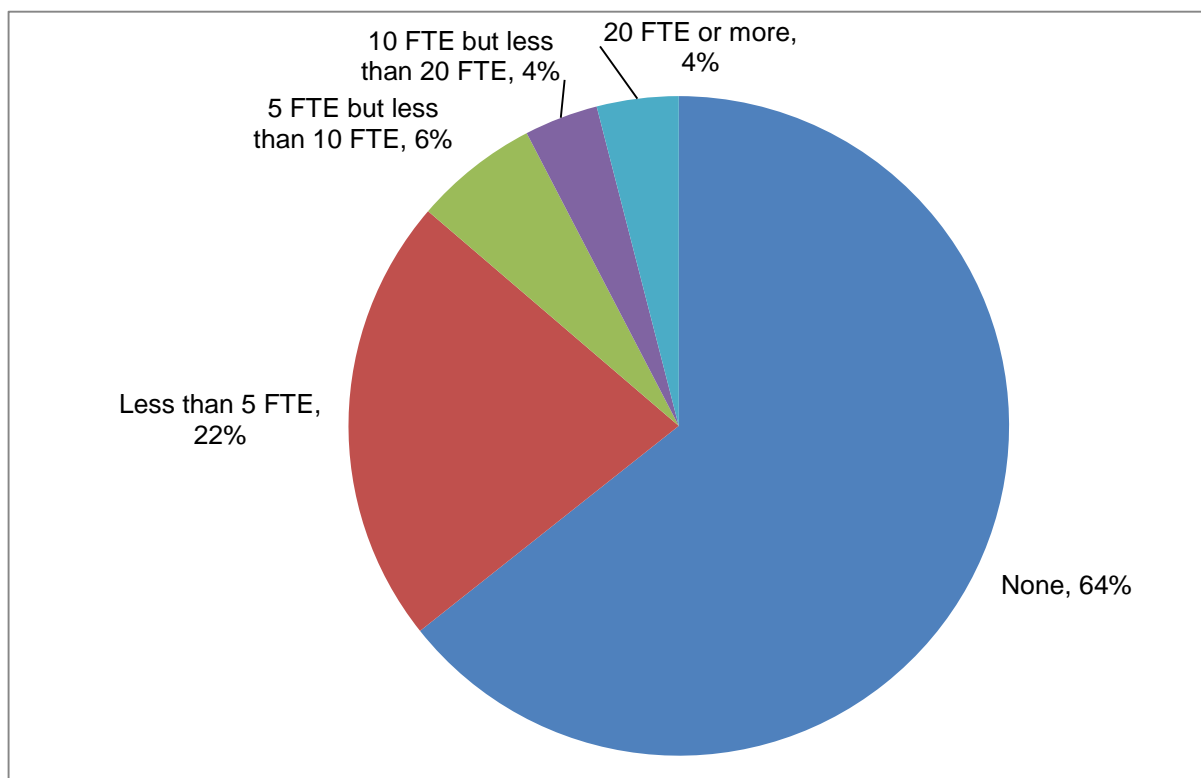
³² FTEs are calculated on the basis that one worker in one paid full time job for a year would be one FTE and if that person worked half time they would be 0.5 FTE.

³³ This study used North West GVA per employee averaged across the following three sectors: public administration and defence, education and health and social work ONS

Figure 5.1 presents a breakdown of responding organisations by the number of FTE paid staff they employed. Sixty four per cent of organisations did not employ any FTE paid staff and a further 22 per cent employed less than 5 FTE employees. At the other end of the spectrum just four per cent of organisations employed 20 or more FTE paid staff.

Bolton (82 per cent) and Tameside (81 per cent) had the highest proportions of organisations with no FTE paid staff. This percentage was lowest in city of Manchester where only half of respondents had no FTE paid staff. Salford had the highest percentage of organisations that employed 10 or more FTE paid staff: 13 per cent.

Figure 5.1: Organisations by numbers of FTE paid staff



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 738

5.2. How many FTE work placements are employed in the voluntary sector in Greater Manchester?

16 per cent of responding organisations reported that part of their workforce were on work placements (e.g. students or trainees). As in the previous section, survey responses can be extrapolated to the total number of organisations thought to be operating in the sector in Greater Manchester to provide an estimate of the total number of FTE work placements in the voluntary sector. From this calculation there were **an estimated 1,990 FTE work placements** contributing to the workforce in Greater Manchester in 2012/13. Around two fifths of the estimated total was within city of Manchester based organisations.

5.3. How many volunteers are part of the voluntary sector workforce in Greater Manchester and what is their economic contribution?

This section assesses the contribution of volunteers to the sector in Greater Manchester.

Based on responses to the survey across Greater Manchester on numbers of volunteers and the hours which they contribute, and drawing on the assumptions used to estimate the total number of organisations in Greater Manchester, it is estimated:

- **334,200 volunteers** were part of the sector's workforce in Greater Manchester in 2012/13; this represents 12 per cent of Greater Manchester's total population (2,685,400)³⁴
- these volunteers provided an estimated **1.1 million hours of their time per week**.

There are two broad approaches to valuing the contribution of volunteers. One method, and this study's preferred approach, is to value the output that they produce. In effect this is the value to society of the goods and services that volunteers produce. This can be estimated by multiplying the number of FTE volunteers by the estimated gross value added (GVA) per FTE employee³⁵. From this calculation **the economic contribution of volunteers in Greater Manchester organisations is estimated to be £947.1 million per annum**³⁶.

The use of estimated GVA per FTE employee to measure the value of the output produced by volunteers assumes that paid employees would not be used in the absence of volunteers to produce the same level of goods and services. In such a situation the value of volunteer output is the value of the equivalent labour input (wages and benefits) plus the value of the capital input (for example office space and computers). If paid employees would be used to produce the same level of goods and services then the value of capital input would be borne whether or not volunteers were used. Therefore the value of the output from volunteers would be just the value of the labour input. This value would be roughly equivalent to the value estimated from the input method of valuation which is outlined in the next paragraph. This latter calculation is more consistent with the approach suggested by New Economy,³⁷ an economic development body, established by the Association of Greater Manchester Authorities, whose purpose is to create economic growth and prosperity for Greater Manchester.

In the second method, the value of the input of volunteers is used to value the contribution of volunteers³⁸. This is the amount that it would cost to pay employees to do the work carried out by volunteers. As such, this can be considered to be the benefit to organisations³⁹. However, this benefit might also be passed onto society via lower prices for goods and services due to lower costs of production. The input value of volunteers can be calculated by multiplying the number of hours that volunteers give per week by an estimate of how much it would cost to employ someone to do that work. There are a number of widely accepted hourly rates that could be used to estimate this value; these include: the national minimum wage, the local median wage, the local mean wage and the reservation wage. The latter, the hourly rate associated with the actual role of volunteers is the preferred option; however incomplete responses to the breakdown of volunteers by their role prevented an accurate calculation using this method. Therefore the preference in this study has been to provide a range using the national minimum wage (low estimate)

³⁴ It is possible that some of these volunteers could be the same person volunteering for multiple organisations.

³⁵ This study used North West GVA per employee averaged across the following three sectors: public administration and defence, education and health and social work ONS

³⁶ Please note currently the work of volunteers is not included within official GVA figures

³⁷ http://neweconomymanchester.com/stories/818-manchesters_commission_for_the_new_economy

³⁸ This is the approach recommended by Volunteering England

³⁹ This assumes that there are no additional costs faced by organisations in using volunteers: for example extra management costs

and the local median wage (high estimate). In reality the true value of the input provided by volunteers will lie between the two estimates. Given the results to the survey it is estimated that:

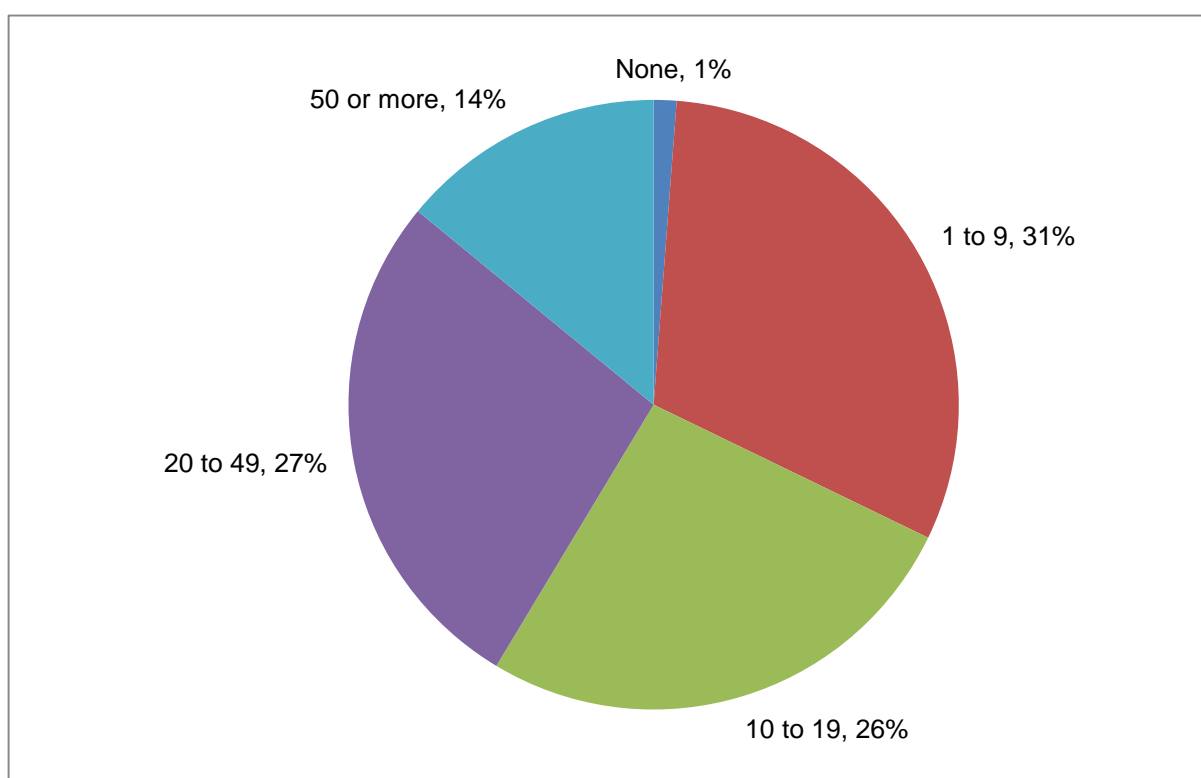
- assuming the national minimum wage for adults⁴⁰ it would cost **£340.2 million annually to employ staff to do the work provided by volunteers in Greater Manchester organisations**
- assuming the median gross hourly wage for full time employees in the North West⁴¹ it would cost **£656.3 million annually to employ staff to do the work provided by volunteers in Greater Manchester voluntary organisations.**

Figure 5.2 presents a breakdown of survey responses by the number of volunteers that they use. It shows:

- 1 per cent of organisations had no volunteers
- 31 per cent of organisations had one to nine volunteers
- 26 per cent of organisations had 10 to 19 volunteers
- 27 per cent of organisations had 20 to 49 volunteers
- and 14 per cent of organisations had more than 50 volunteers.

This pattern was fairly similar within each of the seven Greater Manchester areas that were part of the detailed study.

Figure 5.2: Organisations by numbers of volunteers



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 842

⁴⁰ £6.19 for 21 years and older in 2012

⁴¹ £11.94 for 2012

Assessment of the breakdown of volunteers by job role reveals:

- 25 per cent of volunteers were in management roles, including committee/board members
- 11 per cent of volunteers were in administrative roles
- 62 per cent of volunteers were in roles delivering services.

5.4. How has the voluntary sector's workforce changed in the last 12 months?

The final section of this chapter reports on how respondents perceived three aspects of their workforce had changed in the past 12 months. The survey asked respondents whether the following aspects of their organisation's workforce had 'increased', 'stayed the same' or 'decreased' in the last 12 months:

- the total number of paid employees
- the total number of work placements
- the total number of volunteers.

Figure 5.3 presents the results to these questions, the key findings of which are:

Paid employees:

- two thirds of organisations reported that the number of their paid employees had stayed the same over the past year
- of organisations who reported a change, similar proportions of respondents reported an increase (17 per cent) and a decrease (17 per cent) in the number of their paid employees over the previous year.

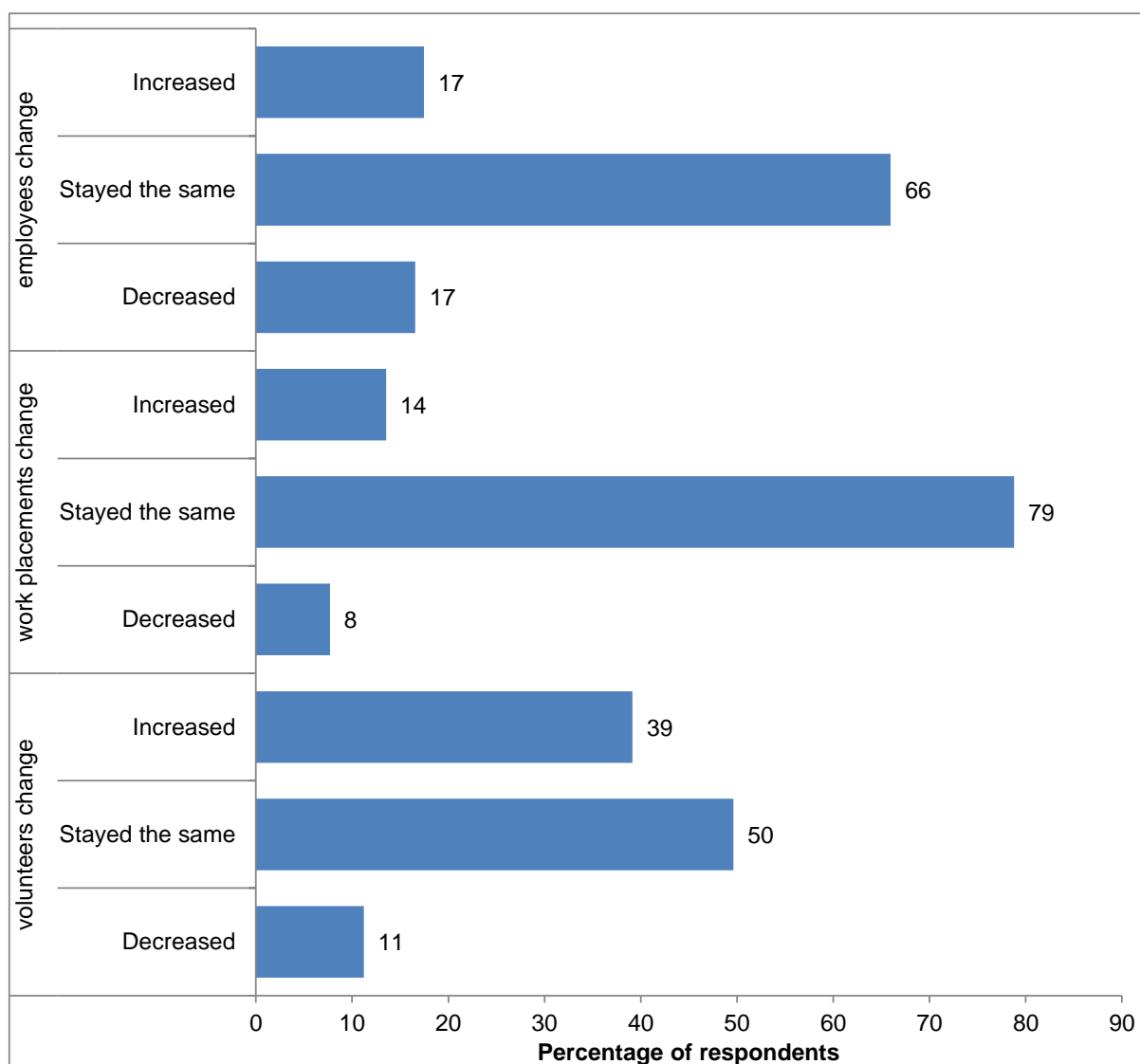
Work placement:

- 79 per cent of respondents reported that the number of work placements within their organisation had remained the same over the past year
- 14 per cent of respondents reported an increase in their number of work placements over the previous year
- only eight per cent reported a decrease in the past year.

Volunteers:

- Half of respondents reported that the number of volunteers within their organisation had remained the same over the past year; of organisations who reported a change:
 - 39 per cent of respondents reported increased numbers of volunteers now compared with a year ago
 - in comparison just 11 per cent of organisations reported a decrease in volunteer numbers.

Figure 5.3: Change in aspects of the workforce in the last 12 months



Source: Greater Manchester State of the Voluntary Sector surveys 2012/13

Base: paid employees (793) work placements volunteers (462) volunteers (569)

Note: 'cannot say' response has been excluded from the analysis

Partnership Working: the Public Sector

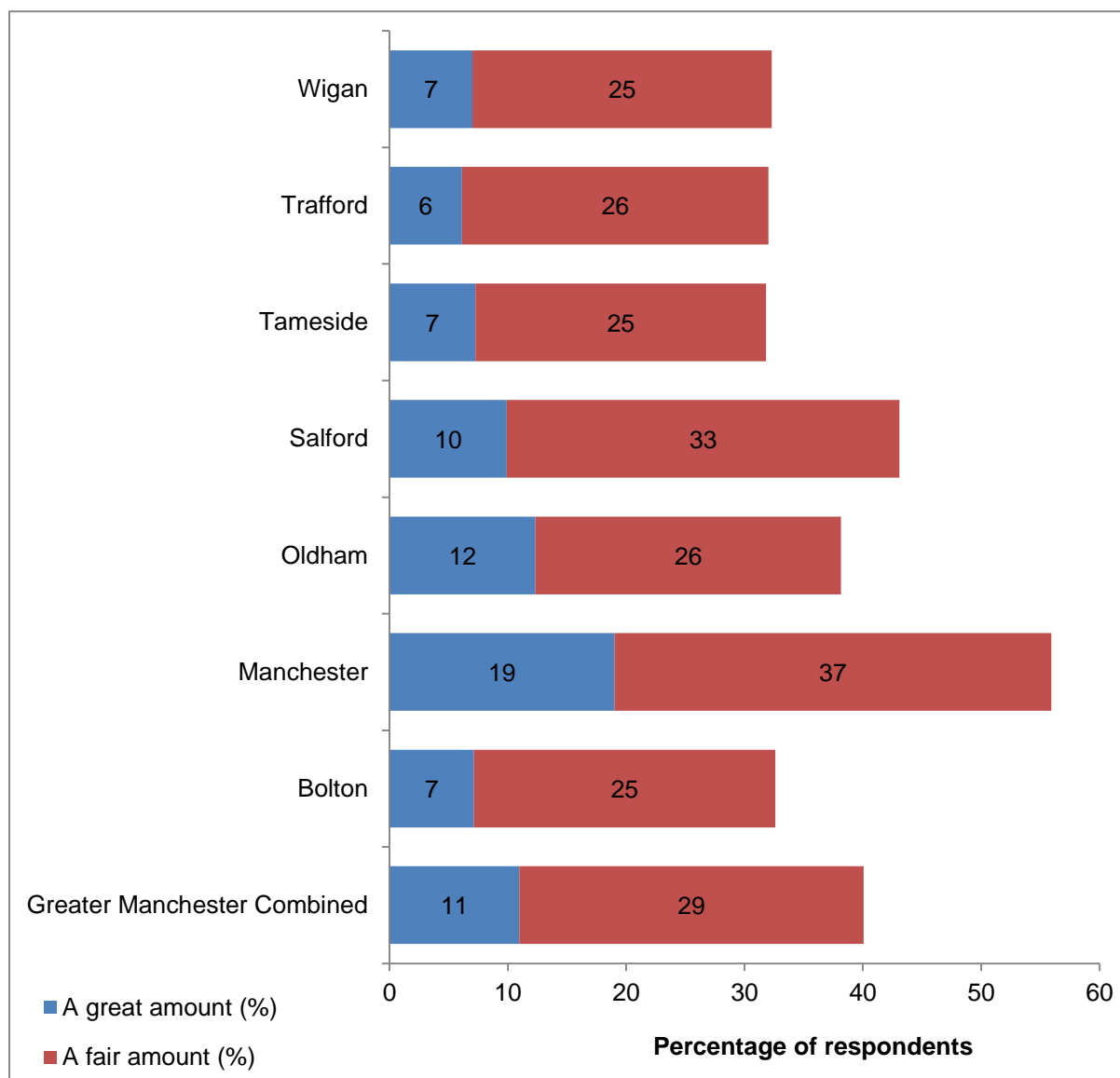
This chapter explores survey respondents' experiences of partnership working. It includes the extent of their engagement with public sector bodies in Greater Manchester and their perceptions about how these statutory agencies perceive their work.

6.1. Dealings with local public sector bodies

Survey respondents were asked about the extent of their dealings with each of the local authorities in Greater Manchester in which their organisation worked. An overview of their responses is provided in figure 6.1.

Overall, 72 per cent of respondents in Greater Manchester had some dealings with at least one local authority: 11 per cent had a great amount of dealings with at least one local authority and 29 per cent had a fair amount of dealings.

Figure 6.1: Dealings with Greater Manchester local authorities



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 1,072

6.2. Relationships with local public sector bodies

The previous section highlighted the importance of relationships with local public sector bodies, particularly local authorities, to the sector's work. To this end survey respondents were asked about the quality and effectiveness of their relationships with key public sector bodies. The questions covered the extent to which respondents said public sector bodies:

- valued their organisation's work
- understood the nature and role of their organisation
- respected their organisation's independence
- informed their organisation about the issues which affected them or were of interest to them
- consulted their organisation about issues which affected them or were of interest to them

- involved their organisation appropriately in developing and carrying out policy on issues which affected them
- acted upon their organisation's opinions and/or responses to consultations.

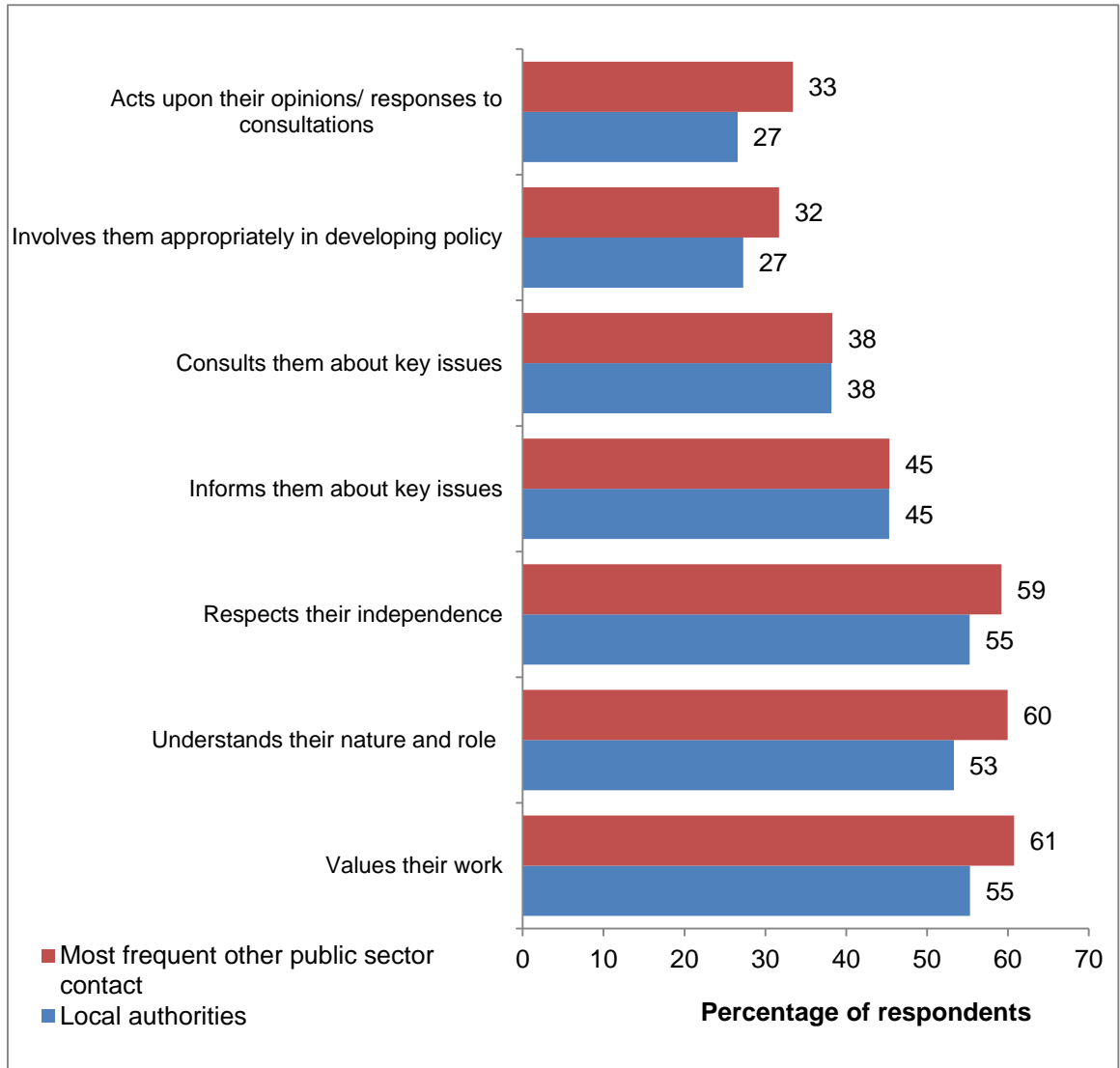
Respondents were asked to provide an answer for any local authorities in Greater Manchester to which they related, and for their most frequent contact from the list of other public sector bodies. The results of each question are summarised in figure 6.2 overleaf.

Figure 6.2 shows that the sector's experiences of working in partnership with local public sector bodies were quite mixed:

- **valuing their work:** 55 per cent of respondents said that local authorities valued the work they did. In addition, 61 per cent of respondents said that their most frequent other public sector contact valued their work
- **understanding their role:** 53 per cent of respondents said that local authorities understood the role and nature of their organisation's role. In addition, 60 per cent of respondents said that their most frequent other public sector contact understood their role
- **respecting their independence:** 55 per cent of respondents said that local authorities respected their organisation's independence. In addition, 59 per cent of respondents said that their most frequent other public sector contact respected their independence
- **informing about key issues:** 45 per cent of respondents said that local authorities kept their organisation informed about issues which affected them or were of interest to them. In addition, 45 per cent of respondents said that their most frequent other public sector contact kept them informed
- **consulting about key issues:** 38 per cent of respondents said that local authorities consulted their organisation about issues which affected them or were of interest to them. In addition, 38 per cent of respondents said that their most frequent other public sector contact consulted them
- **involving in policy development:** 27 per cent of respondents said that local authorities involved their organisation appropriately in developing and carrying out policy on issues which affected them. In addition, 32 per cent of respondents said that their most frequent other public sector contact involved them in policy development
- **acting on their views:** 27 per cent of respondents said that local authorities acted upon their organisation's opinions and/or responses to consultations. In addition, 33 per cent of respondents said that their most frequent other public sector contact acted on their views.

This suggests an overall pattern in which the sector's experience of working with local authorities was broadly similar to that of working with other public sector contacts. Importantly, they are more positive than the picture nationally. For example, in the 2010 national survey only 39 per cent of respondents said local public sector bodies valued their work and 38 per cent of respondents said local public sector bodies understood their nature and role.

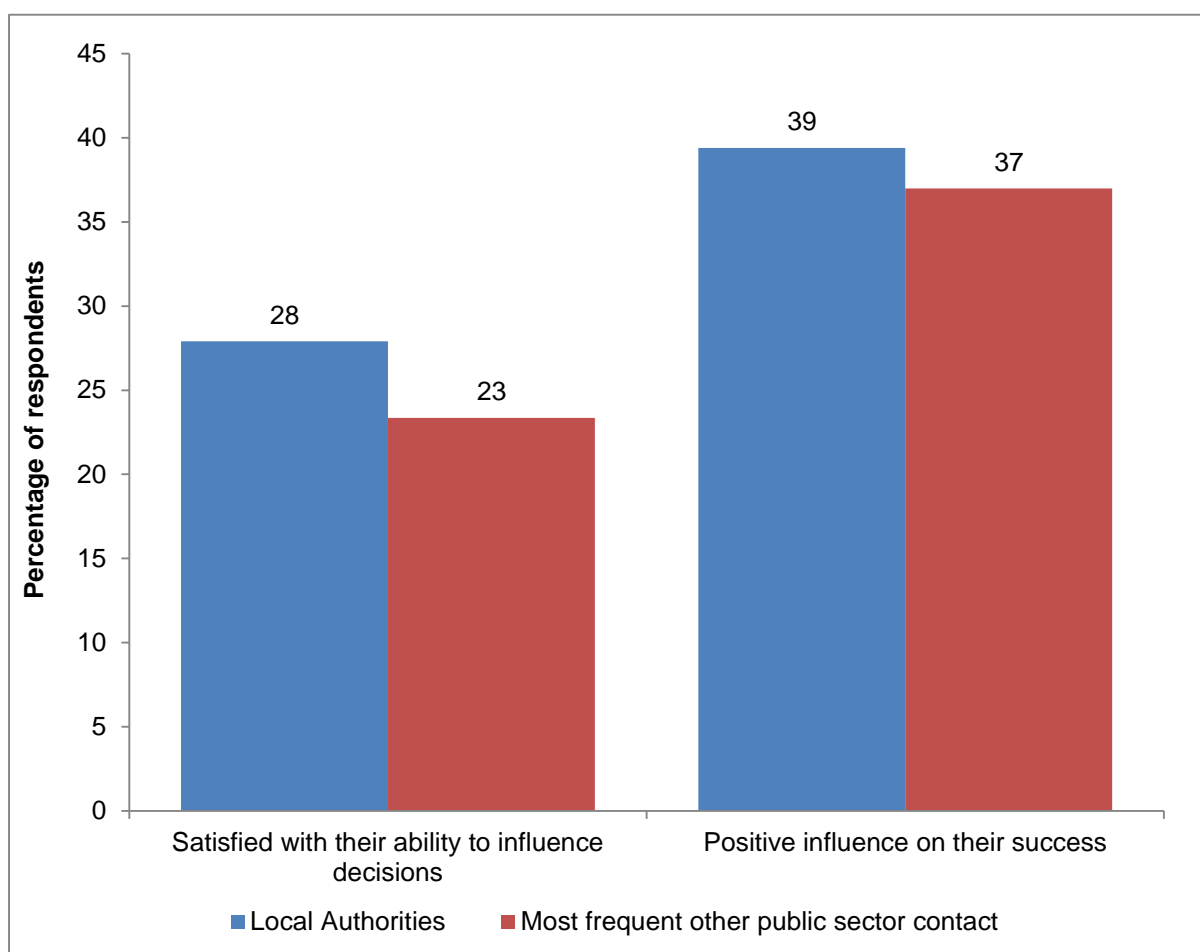
Figure 6.2: Relationships with key public sector bodies



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 612 - 863

The findings from figure 6.2 are further emphasised by responses to two further questions which asked the extent to which organisations were satisfied with their ability to influence public sector decisions of relevance to their organisation and the extent to which they thought local statutory bodies influenced their success. The results of these questions are summarised in figure 6.3.

Figure 6.3: Proportion of organisations who said they were satisfied with their ability to influence public sector decisions of relevance to their organisation and who said local public sector bodies influence their organisation's success



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 749/629

This shows that 28 per cent of respondents were satisfied with their ability to influence local authorities' decisions of relevance to their organisation and 39 per cent said that local authorities had a positive influence on their organisations success. In comparison, 23 per cent of respondents said they were satisfied with their ability to influence key decisions of their most frequent other public sector contact and 37 per cent said this contact had a positive influence on their success.

Overall this was more positive than the local and national picture from the 2010 national survey: nationally only 16 per cent were satisfied with their ability to influence local public sector bodies' decisions of relevance to their organisation and 18 per cent said that local public sector bodies had a positive influence on their organisations success.

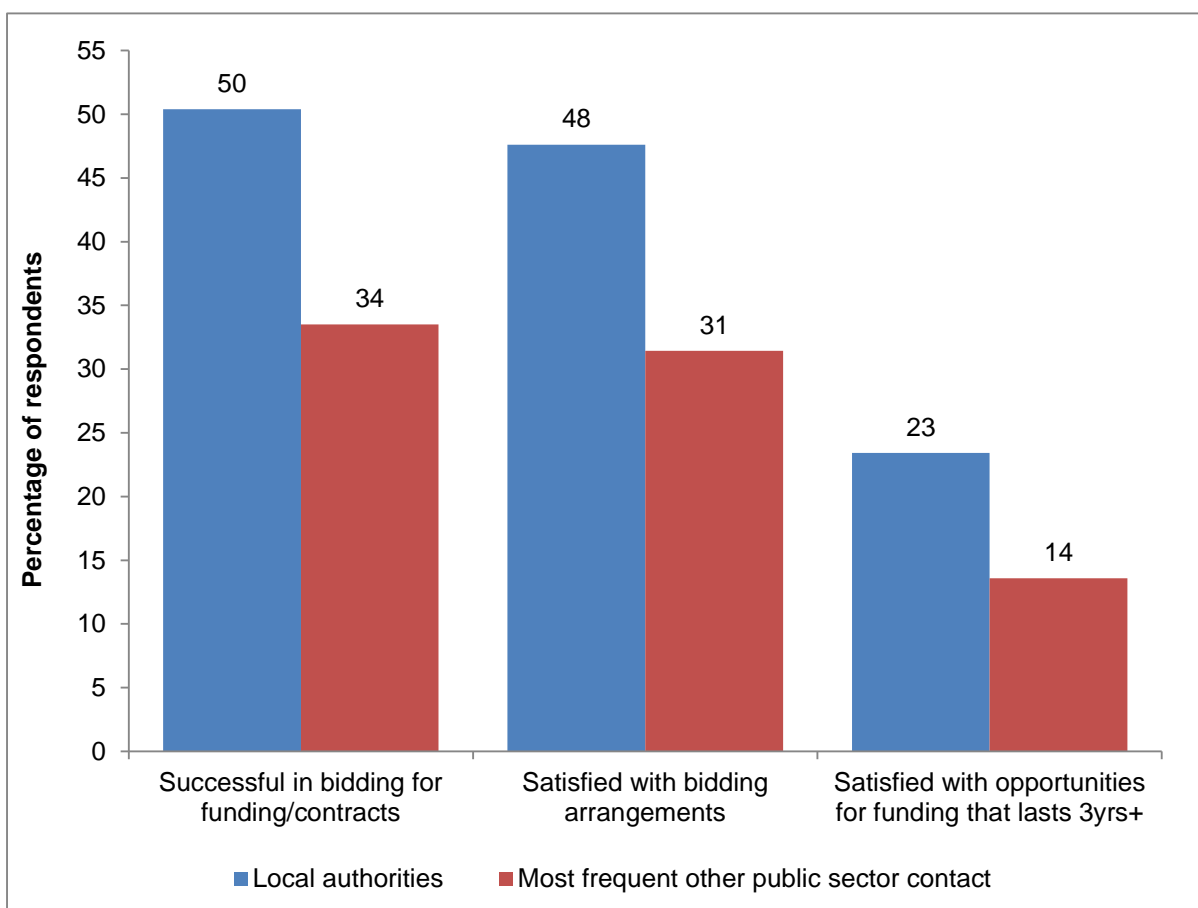
6.3. Funding from local public sector bodies

Respondents were also asked to reflect on their experiences of public sector funding in terms of how successful they had been; how satisfied they were with bidding arrangements; and how satisfied they were with the level of opportunity to bid for long-term funding. The responses are illustrated in figure 6.4 and are split between perceptions of local authorities and of organisations' most frequent other public sector contact. This shows that 50 per cent of respondents were successful in bidding for contracts with local authorities compared to a 34 per cent success-rate

with other public sector bodies. Satisfaction with bidding arrangements was also greater for local authorities, with 48 per cent satisfied with bidding arrangements for local authority contracts and 31 per cent for their most frequent other public sector contract. Only 23 per cent were satisfied with the opportunities for funding or contracts with local authorities that last three years or longer. However this was some nine percentage points higher than the percentage which were satisfied with opportunities for funding or contracts with most frequent other public sector contacts (14 per cent).

Once again this was more positive than the local and national picture from the 2010 national survey: nationally only 26 per cent of respondents were successful in bidding for contracts with local public sector bodies, 14 per cent were satisfied with bidding arrangements for local public sector contracts, and just five per cent were satisfied with the opportunities for funding or contracts with local authorities that last three years or longer.

Figure 6.4 Experiences of bidding for funding and contracts with the public sector



Source: Greater Manchester State of the Sector Survey 2012/13
Base: 873 / 673

6.4. Qualitative perspectives on local public sector bodies

Following on from quantitative questions regarding the nature of respondents' relationships with local public sector bodies, respondents were also asked to provide further qualitative (i.e. narrative) information about these relationships. In the case of local authorities, positive comments tended to reflect the role of funding streams or council contracts in maintaining or strengthening the provision of organisations:

“Without the support and funding from (the Council) our group would not have survived.”

“With the help of (the Council) we are able to grow our group and add value to people's well-being.”

“Without (the Council) and various funding opportunities it would not be possible to carry on delivering the support and help we give to local residents and community groups.”

This was also the case for some organisations that had contracts with other public sector bodies. However, across the board - but particularly in relation to local authorities - funding was becoming harder to access. This was largely owing to the effects of government cuts on the level of funding available, but some organisations also found that commissioning procedures were becoming more bureaucratic and difficult to engage with:

“Cuts mean the limited funding we used to receive is at risk”

“The new contract bidding process is too complicated and time consuming for us. The grant system was easier to apply for.”

“Changes in tendering and contracting can only have a detrimental effect on the voluntary sector”

“With the funding cuts and economic downturn (the Council) over the last three years no longer supports the work we do in (our area). As a social enterprise we used to hold various contracts with (the Council) but all these have been ended. We have tried to secure other contracts but have not been successful.”

But non-financial support was also an important aspect of organisations' relationships with public sector bodies. In the case of local authorities, facilities provision was particularly important, as well as access to training and advice:

“In all my dealings with (the Council) I have found all the staff very helpful with advice and assistance which has led to a successful conclusion.”

“When we have problems we always seem to get over them with help from various departments.”

“(the Council) development officer and cohesion officer have provided advice, guidance and support to achieve outcomes and develop the organisations.”

Experience in this regard was mixed, however, and other groups felt that public sector bodies did not understand their work and that communication between the sectors could be improved:

“We previously had more communication/contact which again has recently stopped. Many of the larger public sector bodies are not aware of the quality of service we provide. Having no budget for marketing, it is often difficult to make ourselves stand out and encourage referrals etc.”

“The Council do not consult or involve local groups at all well and when they try to it is not genuine.”

“They are difficult to contact. (It is) difficult to find the correct people to deal with. Council procedures are slow and frustrating to deal with.”

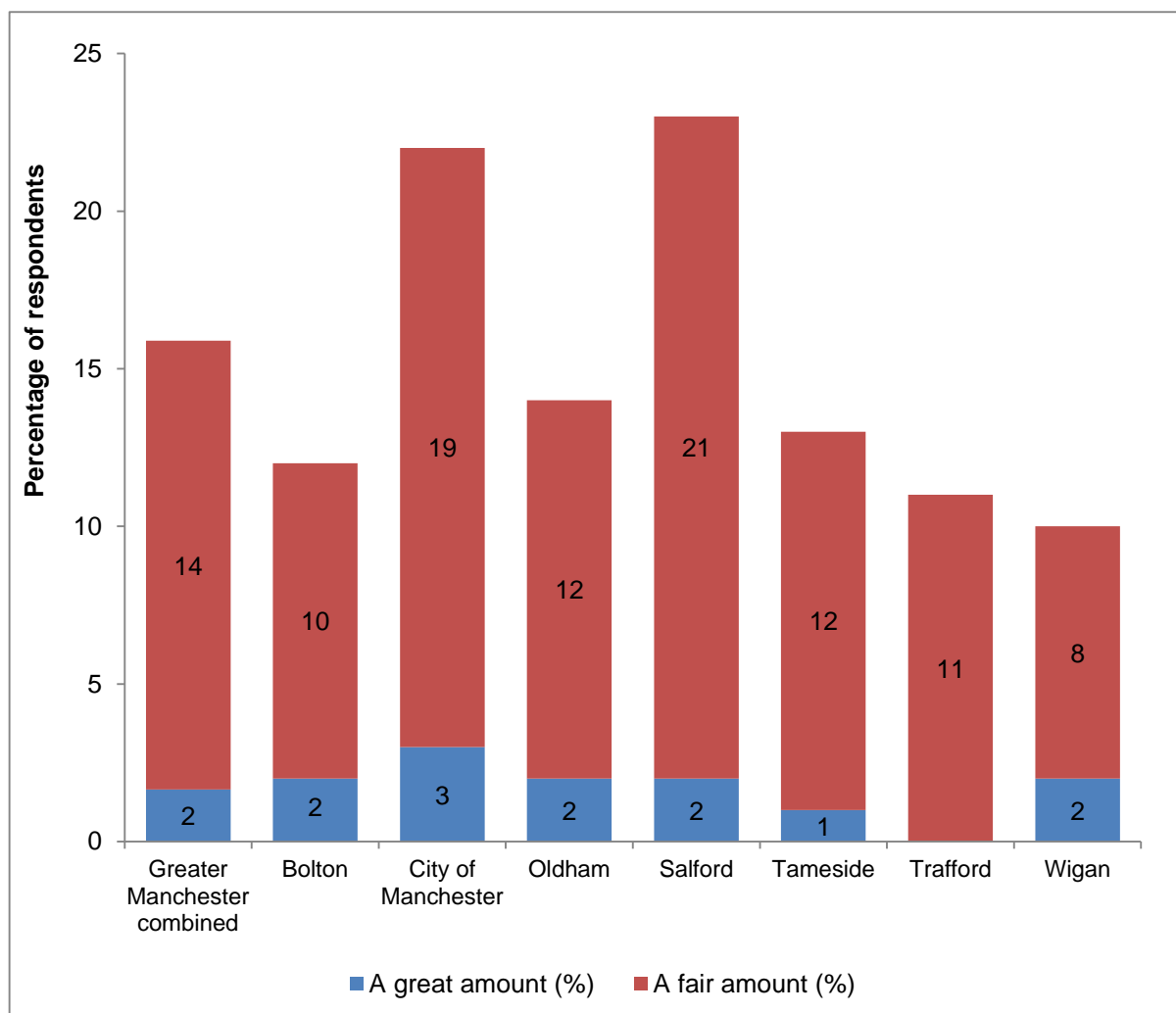
Partnership Working: Commercial Businesses

The previous chapter explored respondents' experiences of partnership working with public sector bodies. This chapter moves on to explore their experiences of working with the commercial sector. This is new territory for many voluntary organisations but may become more important as funding from other sources reduces. Survey respondents were asked about their direct dealings and experiences of working with commercial businesses in their local authority area.

7.1. Working with commercial businesses

Survey respondents were asked to indicate the extent to which they had direct dealings with commercial businesses in their local authority area. Across Greater Manchester 55 per cent reported that they had some direct dealings, with 16 per cent having a 'great' or 'fair' amount of contact (figure 7.1). Organisations in the cities of Salford (23 per cent) and Manchester (22 per cent) had more frequent contact with commercial businesses than organisations in the other areas.

Figure 7.1 Extent of direct dealings with commercial businesses



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 796

As with public sector bodies, survey respondents were also asked about their perceptions of commercial businesses. They were asked to indicate the extent to which they thought that commercial businesses:

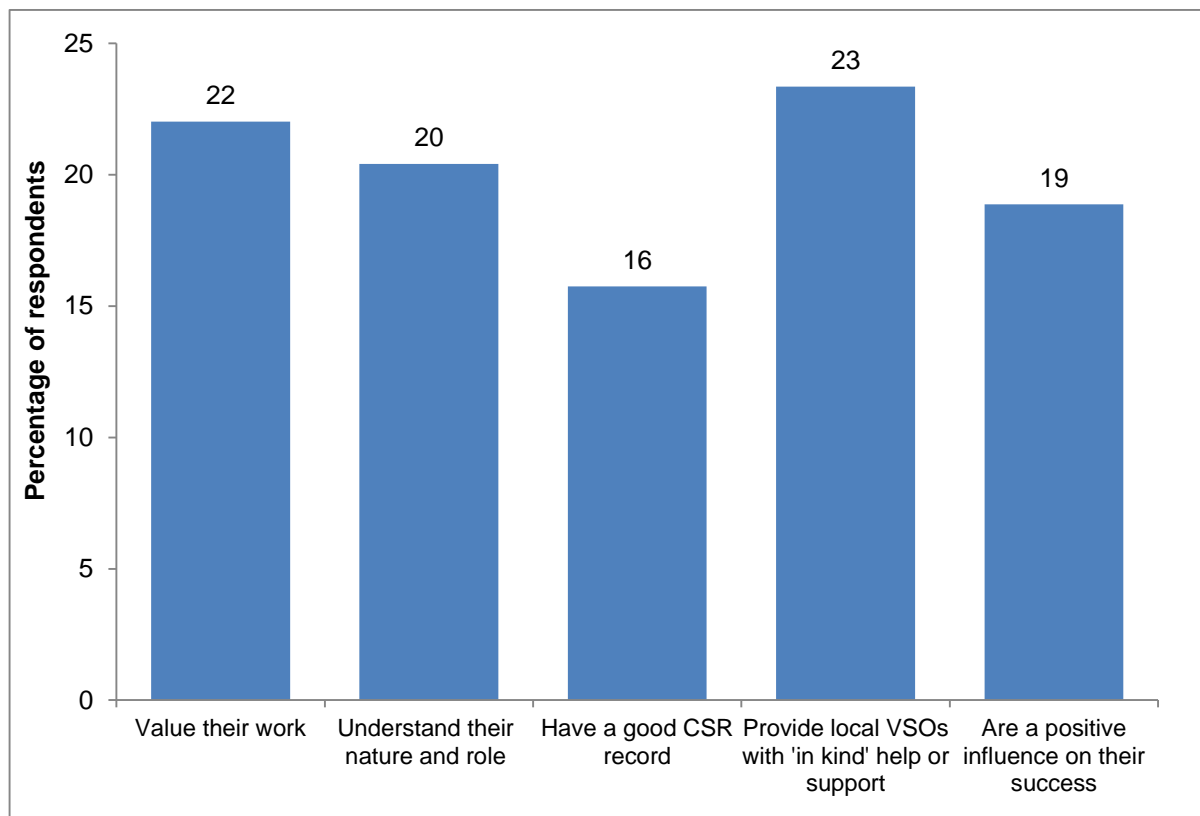
- valued their organisation's work
- understood the nature and role of their organisation
- had a good record in terms of corporate social responsibility (CSR)
- provided local voluntary organisations/groups with 'in kind' help and/or support.

The results are summarised in figure 7.2. This shows that, compared with perceptions of public sector bodies (see figure 6.2), survey respondents had less positive perceptions of commercial businesses:

- 22 per cent of respondents felt that commercial businesses **valued their work**
- 20 per cent of respondents felt that commercial businesses **understood the nature and role of their organisation or group**
- 16 per cent thought that commercial businesses had a good record on **corporate social responsibility**

- 23 per cent felt that commercial businesses provided local voluntary organisations (VOs) with **'in kind' help or support**
- Taking all things into account, just 19 per cent of survey respondents felt that the commercial business community in their local authority area was a **positive influence on their organisation's success**.

Figure 7.2 Relationships with commercial businesses



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 709-718

7.2. Qualitative perspectives on working with commercial businesses

Respondents were asked to comment qualitatively about their relationships with local businesses. Organisations had less engagement with commercial businesses on the whole than with the public sector and voluntary sectors, but there was a feeling that this needed to change:

“We have had little or no involvement with the business community. We are aware however that this needs to change in order for us to survive in the future. Conversations I have had with members of the business sector leads me to believe that very little is known about the voluntary sector, it is generally thought that we are 'do-gooders' who don't know how to make money. Some of that is probably true. We work in this sector because we care about people, not because we want to be financially successful.”

Commercial businesses were important to some organisations and for many they were useful in providing small *ad hoc* donations, but some felt that they were not likely to provide a sustainable funding source:

“We couldn't run our organisation without the commercial businesses that we work with. They also have a direct link to our service users.”

“It is the business sector who most clearly understands the need for our voluntary work and, when asked, is usually quick to support us in small ways that help us put on social events.”

“When approached local companies have donated towards raffles and for other social activities.”

“We have a particularly good arrangement with and support from [a large business] who have supported us with materials in kind, prizes for competitions and joined in with some of our activities and invited us to join in with theirs. (Community Litter Picking arranged by the company, staff assisting at our Christmas Lunches, Bakery Manager judging cake competitions, some of our older members from church invited to the company’s Christmas lunch etc.) Our local butcher gives us preferential prices for the food for our weekly breakfasts and discounts the cost of food for our major events.”

On the other hand, some respondents had experiences with businesses that led them to take a more ‘stereotypical’ view of business motivations. These respondents felt that businesses did not understand their role and were concerned only with profit and image:

“Too much interest in their profit margins to care.”

“Input has been minimal and focussed around them achieving their own CSR so it has not really made any significant changes/influence over our success.”

“It’s as though we don’t understand the commercial sector and they don’t understand us. This is a great pity.”

“Businesses are not interested in local groups and projects and don’t try to connect and understand our work.”

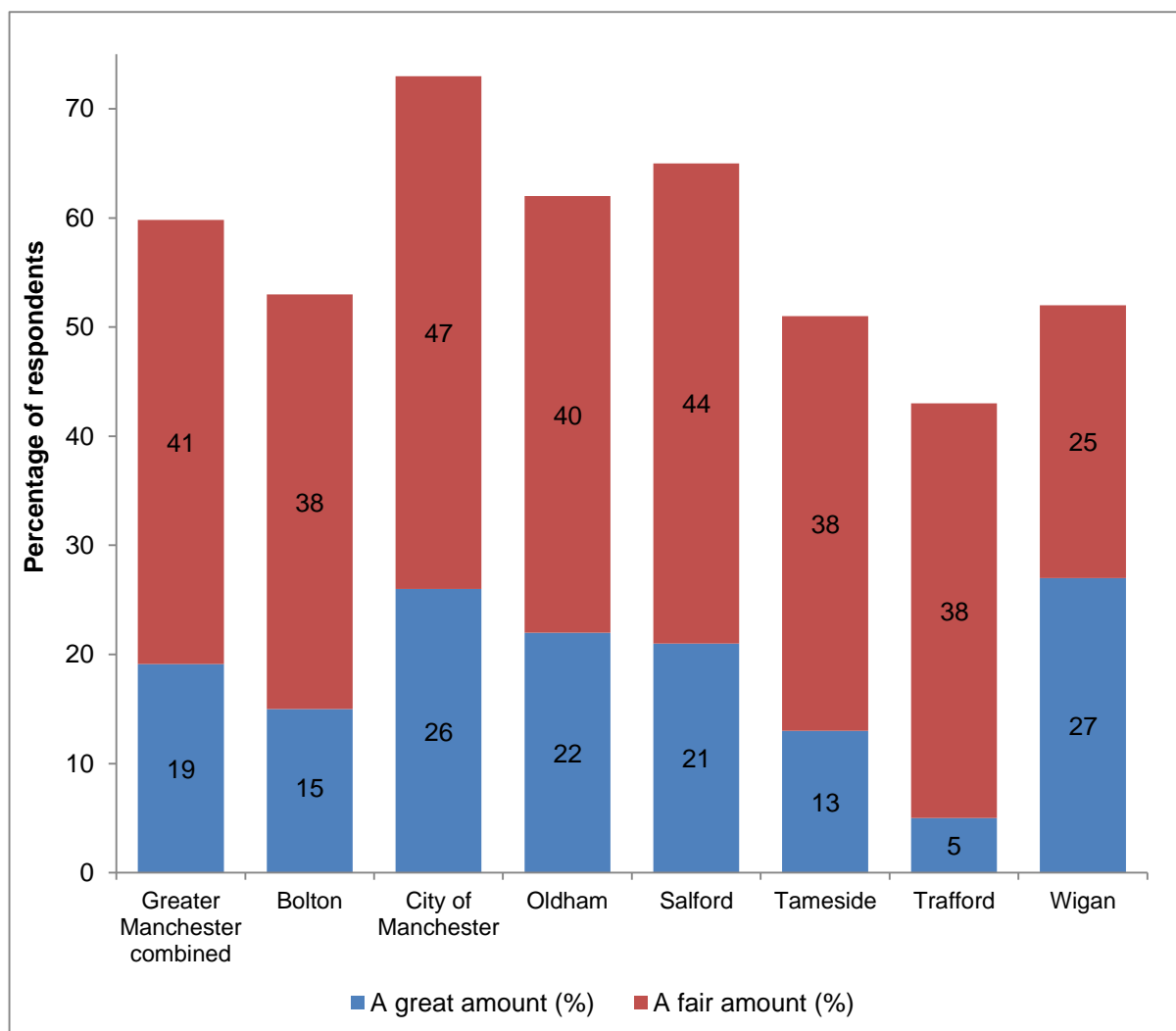
Partnership Working: Other Voluntary Organisations

The previous two chapters have explored respondents' experiences of working with organisations from the public and commercial sectors. This chapter discusses survey respondents' views on their work with other local voluntary organisations. This includes working collaboratively and accessing help and advice from local support and development organisations.

8.1. Working with other local voluntary organisations

Survey respondents were asked about the extent to which they had direct dealings with other voluntary in their local authority area. Eighty eight per cent had some direct dealings with other voluntary and community organisations and 60 per cent had a 'great' or 'fair' amount of contact.

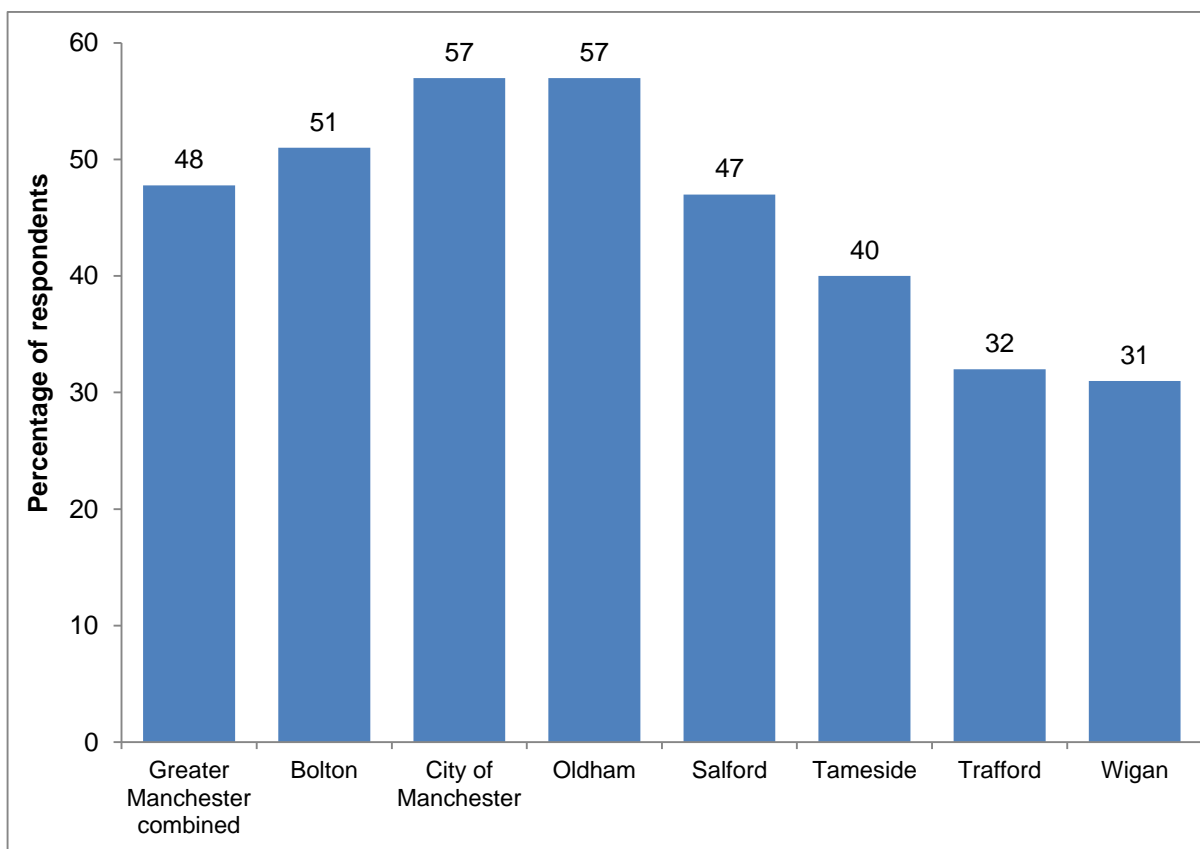
Figure 8.1 Extent of direct dealings with other local voluntary organisations



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 812

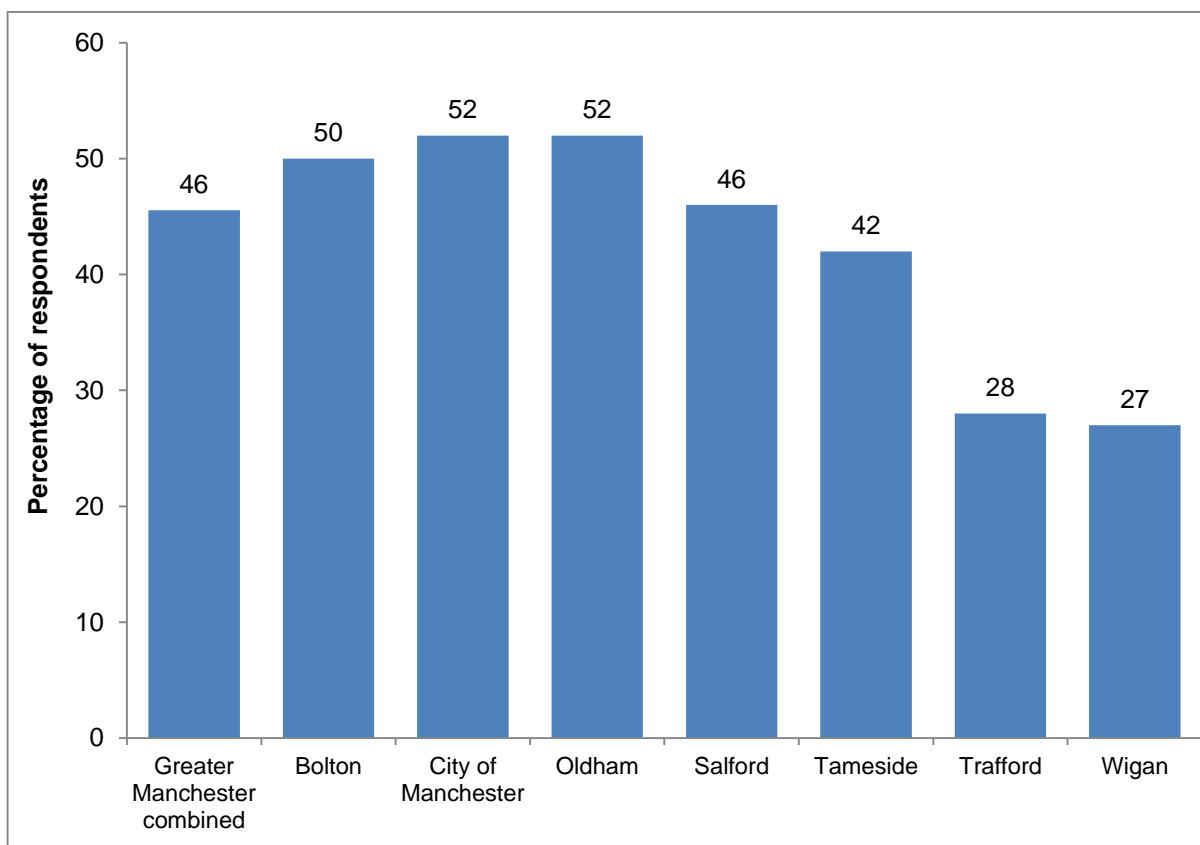
Respondents were asked to reflect on the opportunities they had to work with other voluntary organisations in terms of influencing local decisions and delivering local services. Figures 8.2a and 8.2b summarise the responses.

Figure 8.2a Satisfaction with opportunities to work with other local voluntary organisations to influence local decisions



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 775

Figure 8.2b Satisfaction with opportunities to work with other local voluntary organisations to deliver local services



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 771

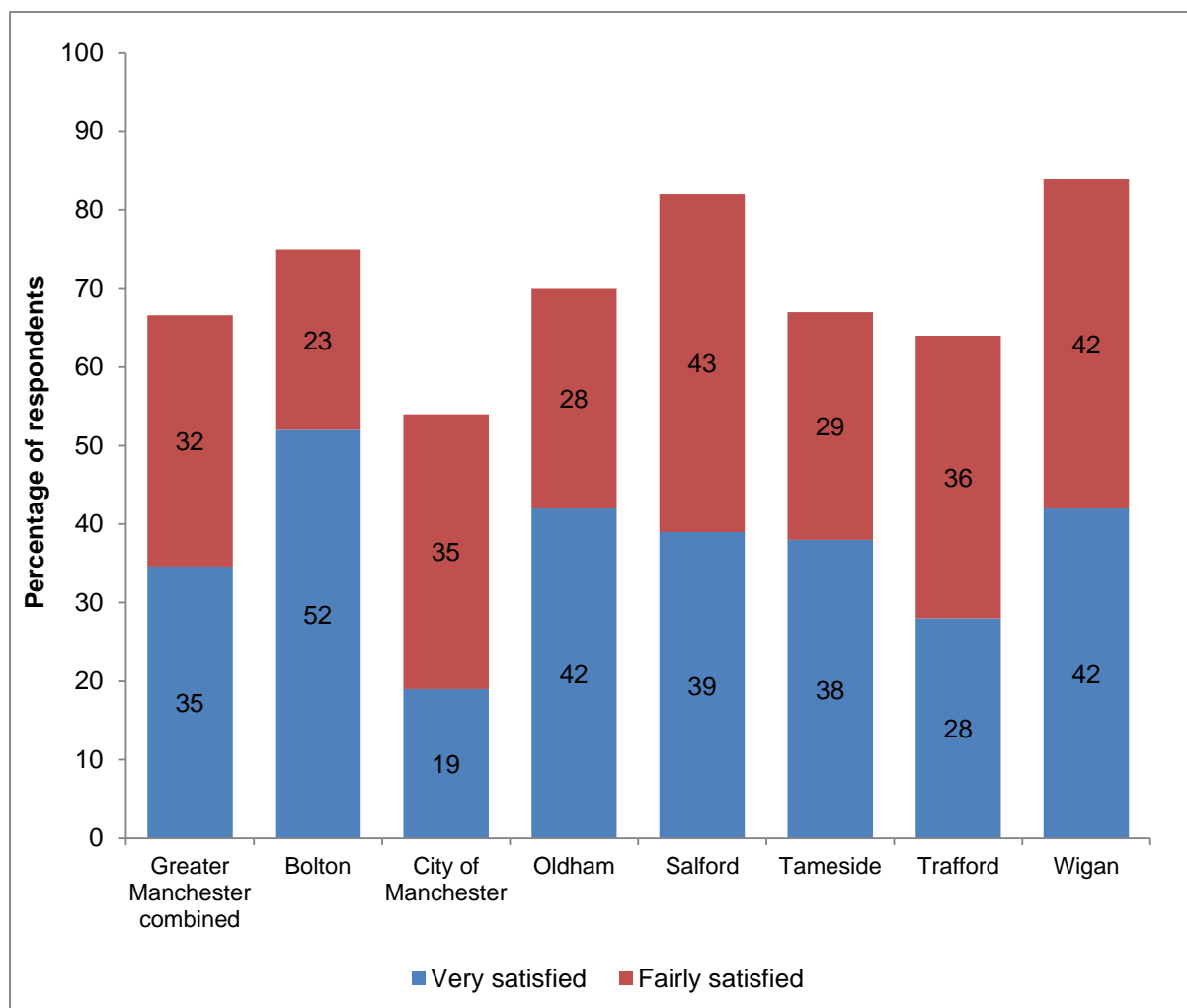
This shows that across Greater Manchester 48 per cent of respondents were satisfied with the availability of opportunities to influence local decisions and that 46 per cent were satisfied with the availability of opportunities to work together to deliver local services.

8.2. Working with local support and development organisations

Survey respondents were also asked the extent to which they were satisfied with the support available from these local support and development organisations. An overview of the results is provided in figures 8.3a and 8.3b (overleaf).

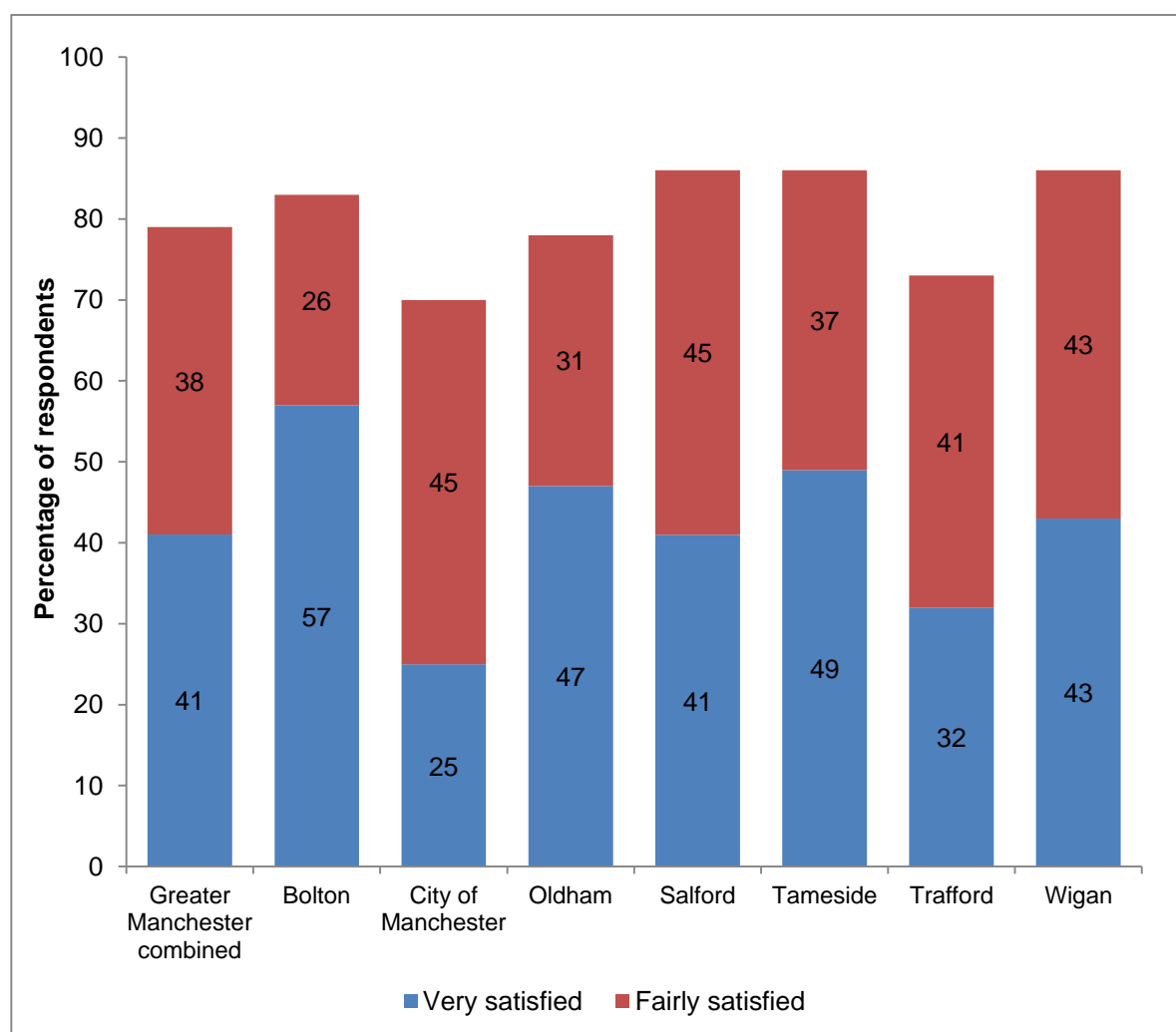
These show that across Greater Manchester 67 per cent of organisations were satisfied with the support available from local support and development organisations in their local authority area. It also shows that of the organisations that had received support, 79 per cent were satisfied.

Figure 8.3a: Satisfaction with support available from local support and development organisations (all respondents)



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 733

Figure 8.3b: Satisfaction with support accessed from local support and development organisations (support recipients only)



Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 618

8.3. Qualitative perspectives of working with other voluntary organisations and local support and development organisations

Respondents were also asked to comment on their relationship with other voluntary organisations. Comments were overwhelmingly positive when referring to support and development organisations:

“I have found (the CVS) to be very responsive and helpful.”

“(the CVS) have contributed greatly in the sustainability of our group. Their support on funding, advice, training opportunities and information for volunteers, their working relationships and their commitment to community projects in (our area) and the Greater Manchester region, has been highly commendable throughout our dealings with them.”

“I think (the support and development organisations) generally do a good job with the resources they have.”

A number of responses suggested that partnership-working with other voluntary organisations was improving, with room for further development:

"In the current climate it has become essential to explore partnership working and shared resources. The formation of the consortium can provide additional help and support that is necessary as the recession bites hard"

"(We are) optimistic about future plans for working together."

"Working together gives a stronger voice and potential influence for improving community services and opportunities. Sharing information opens up more possibilities."

However, the increasingly tight financial climate meant that some organisations saw themselves as unable to seek collaboration with other organisations, instead having to compete for resources:

"We want to encourage resource sharing and reduce duplication of services. However, that is against the backdrop of a very competitive financial environment and we are being forced to compete with our friends and neighbours for funding."

"Relations are competitive not collaborative."

"I don't believe that organisations have truly awoken to the scale of changes and the consequent need to do business differently."

"All voluntary organisations seem to be experiencing financial hardship: looking outwards happens in better times."

Conclusions

This research study has considered the scale, scope and nature of the voluntary sector in Greater Manchester. In turn, we have examined the sector in four different ways:

- chapter 3: the basic 'anatomy' of the voluntary sector
- chapter 4: the finances and income of the sector
- chapter 5: the workforce, and
- chapters 6-8: partnership working

As discussed in chapter 2 the 1997-2010 period provided a very positive political and economic environment for the sector and its activities, but the future looks more uncertain: from national charities to local community groups, health and social care providers to employment support projects, the next few years are likely to present a series of challenges which will have an important bearing on the future direction and long term sustainability of many organisation's work.

Against this background, this research has provided in depth data about the 'state of the voluntary sector' in Greater Manchester at the start of 2013 and answers some important questions. Information about the size, scale and scope of the sector, the role it plays in the social and economic life of the region, and how it has been affected by funding cuts and the economic downturn, has been collected. From this analysis eight important findings stand out:

1. **There are a wide range and a large number of organisations operating in Greater Manchester which are involved in many areas of activity. As such the sector in the city region occupies an important strategic position in policy development, service provision and everyday life.**
 - there are an estimated 14,592 voluntary organisation in Greater Manchester
 - the vast majority (80 per cent) of organisations are 'micro' with income of less than £10,000
 - whilst the voluntary sector has a fairly well established core there has been considerable churn of organisations over time; of organisations responding to the survey 37 per cent had been formed since 2003
 - the voluntary sector is involved in many different policy and issue domains; in particular there are sizable concentration of organisations working in the thematic areas of health and well-being; community development; education, training and research; and sport and leisure

- the sector works at a range of different geographical levels: both across and beyond Greater Manchester; specific communities and neighbourhoods and particular local authority areas are the main focus for a majority of organisations.
2. **The sector in Greater Manchester is an important economic player, contributing significantly to GVA. But patterns in the amount of money the sector receives, the way organisations are spending their money, and the size of their financial reserves suggest the sustainability of many organisations is under threat.**

The research has provided a detailed economic profile of the sector:

- total income in 2011/12 was estimated to be £1 billion, a reduction of two per cent compared to 2010/11 and seven per cent compared to 2009/10
 - more than eight out of ten organisations were classified as small based on income (less than £100,000), but there were also more than 300 large organisations with an income of more than £1 million
 - a large proportion of organisations had very little money to fall back on if their funding reduces: just under a sixth had reserves totalling less than one month of expenditure, and two fifths had insufficient reserves to cover more than three months expenditure.
3. **The voluntary sector in Manchester provides significant social value.**
- it is estimated that the voluntary sector in Greater Manchester made **21.2 million interventions with clients, users or beneficiaries** in the previous year
 - voluntary organisations worked with a whole range of different people, especially older people, children and young people, but also people from vulnerable groups (for example unemployed people and those with health problems)
 - the voluntary sector enabled people to volunteer and/or undertake work placements; the sector's work was supported by 334,200 volunteers and 1,990 FTE work placements.
4. **The voluntary sector is a significant employer. In 2012/13 there were an estimated 23,600 FTE paid staff and 1,990 FTE work placements employed in the sector. In addition the sector was supported by 334,200 volunteers who combined donated 1.1 million hours per week.**

This report has also gone beyond this headline number of volunteers to calculate a monetary value of their contribution:

- valuing the contribution of volunteers to Greater Manchester organisations by the expected value of the output that they produced gives an estimated contribution of £947.1 million.
- valuing the contribution of volunteers as an input - the amount that it would cost to pay employees to do the work done by volunteers - shows:
 - assuming the national minimum wage for adults it would have cost £340.2 million annually to have employed staff to do the work provided by volunteers in Greater Manchester
 - assuming the median gross hourly wage for full time employees in the North West it would have cost £656.3 million annually to have employed staff to do the work provided by volunteers in Greater Manchester.

5. Relationships between the voluntary sector organisations participating in survey and the public sector, including with local authorities, are more positive than the national average.

The research explored the extent and nature of local partnership working between the two sectors:

- overall, 72 per cent of respondents in Greater Manchester had some dealings with at least one local authority: 11 per cent had a great amount of dealings with at least one local authority and 29 per cent had a fair amount of dealings
- more than half of respondents considered that public sector partners valued their work, understood their role and respected their independence
- however, only around a quarter of respondents were satisfied with their ability to influence public sector decisions and only two-fifths said local statutory bodies had a positive influence on their success.

6. Engagement with commercial businesses was relatively low, although there appeared to be a feeling that this needed to change.

In light of Government rhetoric suggesting a greater role for private (rather than public) sponsorship for voluntary action, the research explored the extent and nature respondents' engagement with commercial businesses:

- Only 22 per cent of respondents thought that commercial businesses in Greater Manchester value their work and 20 per cent thought that they understood the nature and role of their organisations

7. The voluntary sector in Greater Manchester is well connected internally, with groups engaging with each other and local support and development organisations.

- 60 per cent of respondents had direct dealings with other voluntary and community organisations
- 79 per cent of support recipients were satisfied with the support they received from local support and development organisations across Greater Manchester.

8. Voluntary organisations are very concerned about the future.

Securing funding was the key challenge for many organisations. This was particularly the case for those attempting to access public sector funding, and many expressed concerns about the future sustainability of their organisations in this context. In the short term many voluntary organisations appear to be responding to rising needs and cuts in funding by using reserves to maintain service provision, but this cannot continue indefinitely.

Alongside reducing resources, respondents also expressed concern about the increasing demand for its services, which in many cases it is unable to meet. They were fearful for the future, especially about the impact on their clients and beneficiaries of the government's programme of welfare reform.

Appendix 1

On a number of occasions the analysis in this report has used extrapolations from the survey responses to provide estimates of totals for all organisations that work in the voluntary sector:

- the number of clients, users and beneficiaries of the sector
- the total income of the sector
- and the number of FTE paid staff, FTE work placements and the number of volunteers that are part of the sectors workforce; including the hours per week that volunteers contribute.

In each case the same three stage method has been used for calculating the sector wide totals:

- **stage one:** calculate the Greater Manchester averages for each of the four size bands of organisations: 'micro' 'small' 'medium' and 'large': column (a) in table A1
- **stage two:** multiply the average for each size band (column (a) in table A1) by the estimated number of organisations within that size band (column (b) in table A1) to give the total for each size band of organisations (column (c) in table A1)
- **stage three:** sum the estimates from stage two (column (c) in table A1) to give a sector wide total estimate (cell (d) in table A1).

This was necessary to take account of noticeable differences in the response rates by organisation size. A failure to do this would lead to upwardly biased estimates: a small number of mainly 'large' organisations create a high mean value that is not representative of the majority of organisations. This is important point given that we estimate that a large proportion of the sector is made up of 'micro' organisations which tend to have far lower values and not taking into account difference by size of organisations would produce estimates that are much higher.

Table A1: Extrapolations: a worked example (total annual income)

	Average income by size (a)	Estimated number of organisations (b)	Total income (thousands) (c)
Micro (under £10k)	£2,600	11,693	£30,405,863
Small (£10k to £100k)	£38,472	1,620	£62,308,563
Medium (£100k to £1m)	£301,433	965	£290,946,101
Large (over £1m)	£1,961,837	314	£615,910,905
Total			(d) £999,571,432

Greater Manchester state of the voluntary sector 2013

DAYSON, Christopher <<http://orcid.org/0000-0003-2402-1183>>, EADSON, William <<http://orcid.org/0000-0002-2158-7205>>, SANDERSON, Elizabeth <<http://orcid.org/0000-0003-1423-1670>> and WILSON, Ian <<http://orcid.org/0000-0001-8813-3382>>

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