Salford CVS

Salford State of the Sector Survey 2010

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CRESR
Centre for Regional Economic and Social Research

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Volunteer Centre Salford

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Definitions

This report is about the 'state of the sector in Salford'. At various times the sector has been known as the 'voluntary community sector' or the 'third sector' whilst the current government talks a lot about 'civil society. In this report, when we talk about the sector in Salford, 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 survey is the first of its kind for Salford. We have never before had a local survey that gives us a picture of the social and economic impact of voluntary organisations, community groups, social enterprises and the community work of faith groups.

When I came to work at Salford CVS in April 2010 and asked partners, stakeholders and people from the sector about the work going on here people talked about how valuable the sector was and told me that it made an important contribution to Salford life. I don't think anyone had any idea that the combined estimated income of the sector was £156 million last year with 20 thousand volunteers giving 144 thousand hours of time each week.

The report shows a thriving sector in Salford but it must be noted that this snapshot is taken at a time before the Comprehensive Spending Review cuts take hold. Although the Coalition Government still feature a reliance on our sector in their policy – in delivering the localism agenda and the Big Society – this is not backed up by government funding and comes at a time when local authority spending has been radically reduced by central government.

We can see from this survey what a positive force the sector has been over the years in Salford, in delivering services, bringing in money from outside Salford, employing staff and engaging volunteers – enabling the people of Salford to be active in their communities. It is vitally important that over the next years we all, partners, stakeholders and the wider community, work together to enable the sector to continue to be strong and to take advantage of future opportunities that can benefit Salford.

Lynne Elliot
Chief Officer Salford CVS

Executive Summary

The state of the sector in Salford: 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 Salford. In this executive summary we answer 10 key questions about the sector and its role across the city.

Q1. How many organisations are there?

There are an estimated **1,376 organisations** operating in the sector in Salford. 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. Overall, 70 per cent of organisations are micro (annual income under £10 thousand) in size, 13 per cent are small (annual income between £10 thousand and £100 thousand), 13 per cent are medium sized (annual income between £100 thousand and £1 million), and 4 per cent are large (annual income greater than £1 million).

Q2. Who benefits from their work?

The sector in Salford serves just over an estimated **three million clients, users or beneficiaries**. The overall client group is diverse and wide ranging, however, the client groups being served by the largest proportions of organisations can be broadly characterised as being demographic: age (young people, children and older people) and gender (women and men).

Individuals with health issues are also served by relatively high proportions of organisations. Disabled people are a main client, user or beneficiary group for 15 per cent of organisations and people with mental health problems make up a main client, user or beneficiary group for 12 per cent of organisations. Furthermore, five per cent of organisations cite Orthodox Jewish people as a main client group. This is a reflection on Salford having the fourth largest Jewish community outside of London.

The majority of organisations have a local focus: 31 per cent of organisations cite the whole local authority as their highest geographic main focus and a further 21 per cent identify particular Salford neighbourhoods as a focus for their work.

Q3. What does the sector in Salford do?

The sector in Salford works across **a diverse range of thematic service areas**. However, the proportion of responding organisations working in each area varies. This most likely reflects local needs and funding opportunities; both of which will themselves be linked.

Just over two fifths of organisations work in the area of health and well-being; this is some 12 percentage points higher than any other area of work. Between a quarter and a third of organisations work in each of the following three themes: community development (30 per cent); education, training and research (29 per cent); and arts, culture and leisure (27 per cent).

Q4. How much is the sector in Salford worth?

The total income of the sector in the city was an estimated **£156 million** in 2009/10: this represents a reduction of seven per cent compared to 2008/09 and is a marked change from the period between 2007/08 and 2008/09 when the total income of the sector increased by an estimated eight per cent, from £154.6 million to £166.9 million.

The majority of income is concentrated in large and medium sized organisations even though the majority of organisations are micro or small. Micro and small organisations account for much more than half of organisations in the sector but only seven per cent of total income. By contrast medium and large organisations account for less than half the sector's organisations but receive 93 per cent of its income. Income is concentrated particularly heavily in the largest organisations, with more than half of all income (53 per cent) into the sector received by only 50 organisations.

Q5. Where does the sector in Salford receive its funding from?

Public sector sources

Overall, **65 per cent of respondents reported having at least one source of public sector funds**. The three most frequently public sector funding sources were:

- Salford City Council (47 per cent)
- NHS Salford (21 per cent)
- National Government Departments (14 per cent).

These three bodies also provided the majority of public sector funding in terms of actual value (88 per cent) but this was distributed somewhat differently: Government departments provided the largest amount of funding (57 per cent) followed by Salford City Council (23 per cent) and NHS Salford (8 per cent).

Only 60 per cent of public sector funding was provided with a formal agreement. Of the three largest sources, 76 per cent of Government department funding, 68 per cent of NHS Salford funding, and 66 per cent of Salford City Council funding was made with a formal agreement.

Other sources

Overall, **80 per cent of respondents received funds from at least one non-public sector source**. The most frequently identified sources of other funds were:

- fundraising (43 per cent of respondents)
- grants from charitable trusts and foundations (32 per cent)
- membership fees and subscriptions (31 per cent) and,
- charging for goods and services (31 per cent).

By contrast charging for goods and services provided the most funding by value (35 per cent) followed by membership fees and subscriptions (21 per cent), fundraising (12 per cent) and grants for National Lottery distributors (12 per cent).

Q6. How sustainable is the sector in Salford?

Following the economic recession of 2008/09, and in the face of upcoming cuts in public sector spending, the financial sustainability of the sector's organisations is an important and current issue. In this regard **the survey highlights some areas for concern**:

- 53 per cent of respondents reported increasing their expenditure but only 35 per cent had experienced an increase in income
- 36 per cent of respondents reported a decrease in income but only 23 per cent reduced their expenditure.

This means that a significant number of organisations have spent more money than they received in the past 12 months: 38 per cent of respondents provided an expenditure figure for the past 12 months that was greater than their income. This could be a short term trend in response to the economic situation but if it becomes a longer term trend the sustainability of a number of organisations could be threatened.

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

- 29 per cent of respondents had no reserves
- 11 per cent had reserve levels of less than one month's expenditure
- more than half had reserve levels of less than three month's expenditure

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

Q7. Who works in the sector and what do they do?

Paid Staff

The sector in Salford employs **6.5 thousand full time equivalent employees (FTE)[1] as paid staff**. Of which three fifths are employed in large organisations with an income of at least one million pounds. This compares to the 1,135 micro and small organisations combined which are estimated to employ less than one in ten of all FTE staff.

Assessment of FTE paid staff members by job role reveals that the following each account for greater than five per cent of all FTE paid staff:

- 29 per cent of FTE paid staff are care or support workers: an estimated 1,900 FTE employees
- 14 per cent of FTE paid staff are in paid managerial or leadership roles: an estimated 900 FTE employees
- 10 per cent of FTE paid staff are administrative and other office staff: an estimated 650 FTE employees
- 5 per cent of FTE paid staff are early years and childcare practitioners: an estimated 350 FTE employees

[1] 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.

Volunteers

It is estimated that **20.3 thousand volunteers** are part of the sector workforce in Salford contributing an estimated 144 thousand hours of their own time per week.

Valuing the contribution of volunteers to Salford organisations by the expected value of the output that they produce gives an estimated contribution of £121.7 million. On the other hand, valuing the contribution of volunteers as an input[2] - the amount that it would cost to pay employees to do the work done by volunteers - suggests that:

- assuming the national minimum wage for adults it would cost £53.8 million annually to employ staff to do the work provided by volunteers in Salford
- assuming the median gross hourly wage for full time employees in Salford it would cost £108.2 million annually to employ staff to do the work provided by volunteers in Salford.

Assessment of volunteers by job role reveals that the following each account for greater than five per cent of all volunteers:

- 27 per cent of volunteers are trustees, committee members or involved in other voluntary management or leadership roles: an estimated 5,500 volunteers
- 15 per cent of volunteers are involved in social, family and community support work: an estimated 3,140 volunteers
- 12 per cent of volunteers are involved in education work: an estimated 2,490 volunteers
- 9 per cent of volunteers are involved in sport or culture work: an estimated 1,890 volunteers
- 8 per cent of volunteers are involved in counselling work: an estimated 1,590 volunteers
- 5 per cent of volunteers are involved in administrative and other office staff work: an estimated 1,080 volunteers.

Work placements

There are an estimated **300 FTE work placements** contributing to the Sector's workforce in Salford.

Q8. How good are relationships with local public sector bodies?

Survey respondents had dealings with a range of local public sector bodies. The **three most prominent were Salford City Council, NHS Salford, and Salford University**:

- Salford City Council: 84 per cent had some dealings with the Council
- NHS Salford (the Primary Care Trust): 57 per cent had some dealings with NHS Salford
- Salford University: 48 per cent had some dealings with the University.

This highlights the central importance of the City Council, NHS Salford, and the University to the sector's work. The relationship between the sector and its local public sector partners is therefore crucial to its ability to operate effectively. To this end survey respondents were asked about the quality and effectiveness of their relationships with key public sector bodies. Responses to these questions followed a clear trend in which **the sector's experiences of working with NHS Salford were more positive** than with other local public sector bodies.

[2] This is the approach recommended by Volunteering England

Q9. Does the sector get the support it needs?

Survey respondents were asked if their organisation currently received support from a list of named local support and development organisations based in the Salford area[3]. Overall, 69 per cent of respondents had received support from at least one of these organisations. Salford CVS provided support to more than half of survey respondents (60 per cent). Other organisations provided support to far fewer organisations but this is likely to be a function of the fact that they were not city wide and tended to support groups within defined local areas (i.e. wards or neighbourhoods) or those working with specific beneficiary groups (i.e. faith based).

Survey respondents were also asked the extent to which they were satisfied with the support available from these local support and development organisations. Overall, **68 per cent of organisations were satisfied with the support available from local support and development organisations** in Salford. Of the organisations that had received support 76 per cent were satisfied. These findings provide an important endorsement for the work that these organisations do to provide help, advice and support across the sector in Salford.

Q10. What are the key challenges and opportunities facing the sector in Salford?

In the aftermath of the recession and in the face of potentially large reductions in public sector funding, the sector in Salford, as with elsewhere in the country, is facing an uncertain future. The survey therefore asked respondents to outline what they expected to be the major opportunities and challenges facing their organisation in the coming years.

Opportunities

Despite the difficult financial climate **many organisations were surprisingly positive about the future of their work,** and were hoping to expand and improve, including diversification into new areas of activity. Indeed, some respondents saw public sector austerity measures as an opportunity to fill gaps left behind by cuts in statutory provision. However, there was a strong sense that these opportunities could not be realised alone, with many respondents identifying greater collaboration with similar organisations, and improved partnership working with public sector bodies, as vital components of any future success.

Challenges

For a large proportion of respondents the **ability to secure sufficient funding to undertake their current and future activities was the most pressing challenge**. This included funding to continue existing activities but also funding to expand into new areas and work in different ways. It also included funding for capital requirements such as repairs and refurbishment and replacing worn out equipment. There were concerns that this funding would be increasingly hard to come by in the current economic and political climate, and important services, activities, and in some cases organisations, would be forced to close.

[3] The options were: Salford CVS, Binoh, Broughton Trust, Interlink, Seedley and Langworthy Trust (SALT), Other organisations

1

1. Introduction

The sector plays an important part in the life of the city of Salford: it is estimated that 1,376 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 sector in Salford. The research was commissioned by Salford Community and Voluntary Services (CVS)[4] 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 sector in Salford
- to provide intelligent information on the key issues affecting the sector in Salford
- to develop a methodology through which Salford CVS can undertake its own biennial study of the sector in Salford.

The research involved a large postal survey of organisations based in and supporting the people and communities of Salford. At least partial responses were received from 183 of the 661 organisations that were sent a survey questionnaire: this represents an **overall response rate of 28 per cent**. The questionnaire was designed primarily by CRESR and Salford CVS, with comments and feedback also provided by Broughton Trust, Interlink, the City Council, a local councillor and six pilot organisations from within the sector. The survey provided data on various aspects of the 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 Salford City Council, NHS Trusts, and a range of other local statutory bodies
- **views about the help, support and advice available** from local infrastructure and support and development organisations.

[4] Salford CVS (SCVS) is Salford's largest membership organisation providing support and development to voluntary organisations, community groups and social enterprises. Their mission is to help grow a thriving community and voluntary sector in Salford. More information about SCVS is available through their website www.salfordcvs.co.uk

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 sector in Salford
- **chapter 4** assesses the income, expenditure and sustainability of the sector in Salford
- **chapter 5** reports on the size and form of the sector's workforce
- **chapter 6** is the final evidence based chapter and explores relationships and partnership working with key local public sector bodies
- **chapter 7** is the conclusion and highlights the main findings from the research.

2

2. Context for the Research

This research comes at a key moment for voluntary organisations, community groups, faith groups and social enterprises operating at every level. The last ten years have provided a very positive political and economic environment for the sector and its activities with an unprecedented level of policy attention and funding opportunities. The future, however, 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 opportunities and challenges, the outcomes of which will have an important bearing on the future direction and long term sustainability of many organisation's work.

Under the New Labour Government (from 1997 to 2010), the sector enjoyed a period of unprecedented attention, during which it moved from the margins to mainstream of public policy and it now plays an increasingly important role in economic, political and social life. Following the General Election of May 2010, and the formation of the new Conservative-Lib Dem coalition, the sector has remained at the forefront of Government policy. The sector has a particularly important role to play in the 'Big Society' agenda, a series of policies aimed at shaping individual and social action and the services that people and communities need and generate. On 19 July 2010 David Cameron gave a speech on the Big Society. Amongst five themes discussed, three were of immediate and direct relevance to the sector as a whole:

- **more powers for communities** (for example, through training new community organisers and giving powers to communities in planning decisions)
- **encouraging people to take an active role in their communities** (for instance, through measures to increase volunteering and philanthropy/charitable giving)
- **support for co-ops, mutuals, charities and social enterprises** (notably through giving public sector employees opportunities to run services through various not for profit organisational forms).

In reality these proposals do not represent a major break from the past: to some extent reference to each of these objectives can be found in the policy positions of the previous Government. The marked difference is that the Big Society needs to be understood in the context of the economic downturn and alongside considerable reductions in public expenditure. This is particularly important considering that a key feature of the New Labour period was the rise in income from public sector sources: the National Council of Voluntary Organisations (NCVO)[5] 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. Although the full impact of cuts in public spending on the sector will not be known for several months, even years, media reporting suggests that on average organisations are facing cuts of eight per cent in 2010/11[6] alone.

[5] Figures derived from Clark, J *et al*., (2010) *The UK Civil Society Almanac 2010*. London: NCVO

[6] On 15 December 2010 'Third Sector Online' reported that charities expect a drop in statutory funding of more than £1bn over the next year, according to the latest figures from the Charity Finance Directors' Group, the Institute of Fundraising and the professional services firm PricewaterhouseCoopers.

Against this background, this research provides in depth data about the 'state of sector' in Salford at the start of 2011 and answers some important questions. For example, what is the size, scale and scope of the sector; what role does it play in the social and economic life of the city; and how might it be affected by public sector funding cuts?

3

3. The Anatomy of the Sector in Salford

This chapter develops a picture of the core features of the sector in Salford. 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 consider 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 sector in Salford?

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 Enterprise and Regulatory Reform (BERR) 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 Salford we drew on information from three sources:

- a sample of **661** organisations compiled by Salford CVS from information held by Salford CVS, the Charity Commission, Registered Social Landlords and Registered Community Interest Companies
- official Cabinet Office figures indicate that the total number of registered organisations in the sector in Salford is **552**[7]
- research by NCVO and the University of Southampton[8] found that on average there are 3.66 BTR organisations per 1,000 population. If this figure is applied to Salford (population 225,100[9]), it can be estimated that there are **824** BTR organisations in the City.

[7] This estimate was calculated as part of the 'National Survey of Third Sector Organisations' undertaken by Ipsos MORI for Cabinet Office in 2008

[8] 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

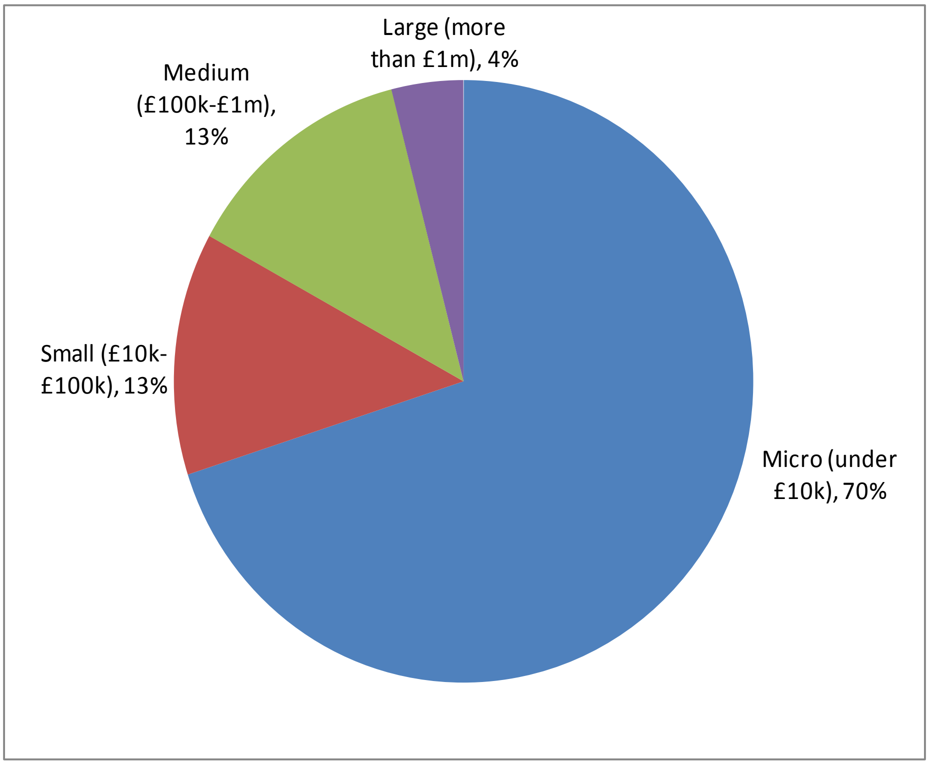
[9] Based on 2009 mid-year population estimates

Summing the official Cabinet Office and BTR[10] figures produces an estimated figure of **1,376** for the total number of organisations operating in the sector in Salford.

3.2 What size are organisations in Salford?

The size of organisations is traditionally measured using their annual income[11]. When the distribution of Salford organisations was explored by size category based on income for 2009/10, it showed that **the majority of organisations were either micro or small**. But the survey was under-representative of BTR organisations, so this did not present an accurate picture of the actual distribution. The figures were therefore adjusted based on the assumption that the estimated 715 organisations not included in the survey sample were BTR and micro in size[12]. The outcome of this process is shown in figure 3.1, which demonstrates that 70 per cent of the sector (an estimated 968 organisations) are micro in size, 13 per cent are small (182 organisations), 13 per cent are medium (176 organisations), and four per cent are large (50 organisations).

Figure 3.1: Proportion and number of Salford organisations by organisation size



Source: Salford State of the Sector survey 2010
Base: 120

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 Salford are very small. This is consistent with national trends: NCVO[13] 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.

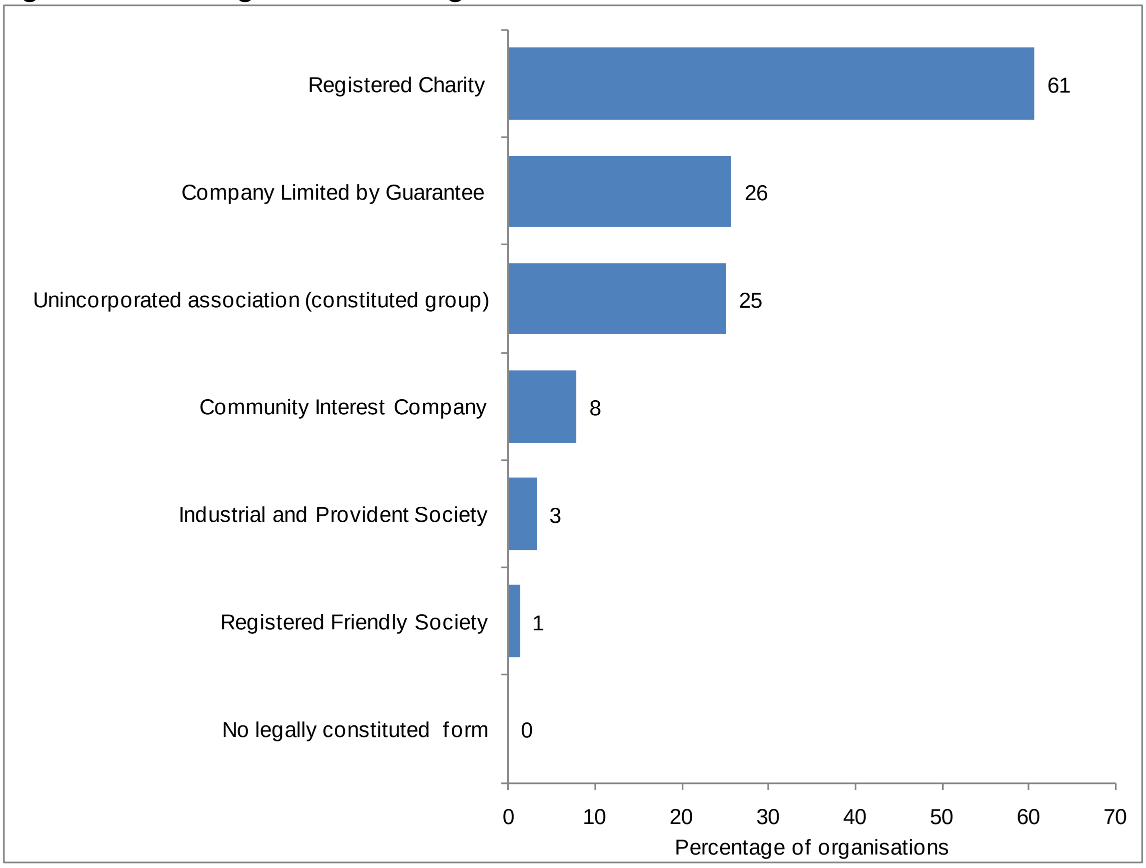
[10] It is important to note that the BTR figure is an estimate based on an average across 46 local authorities. The BTR research found significant variability, with some local authorities reaching over seven BTR organisations per 1,000 population, and in one case exceeding 10.
[11] In exploring organisation size we used the categories developed by NCVO for use in their Almanac series (see e.g. Clark, J *et al*., 2010)
[12] The basis for these assumptions is discussed in more detail in the methodological annex
[13] See Clark, J *et al.*, (2010)

3.3 What types of organisations operate in the sector in Salford?

The questionnaire asked two questions to elicit information which described the types of organisations in the sector in Salford.

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 that all of the organisations responding to the survey had a legally constituted form. Around a quarter of organisations were companies limited by guarantee and another quarter were unincorporated associations. Separately to identifying their legal status the majority of respondents, **61 per cent, identified that their organisation was a registered charity.**

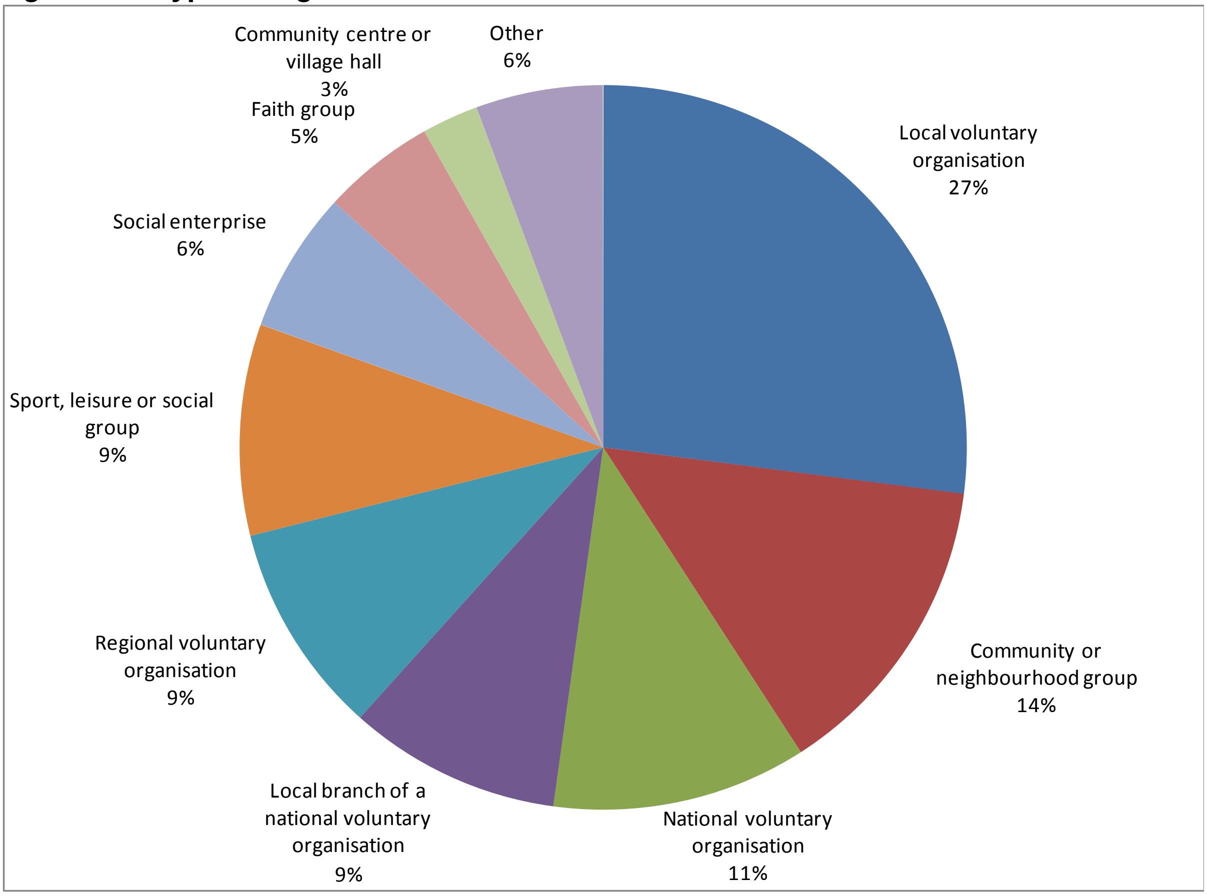
Figure 3.2: The legal status of organisations



Source: Salford State of the Sector survey 2010
Base: 152

In the second question respondents were asked to identify which category from a list of 11 '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 more later on in this chapter. Figure 3.3 shows that the largest proportion, **27 per cent, identified their organisation as being a local voluntary organisation**. This proportion is nearly double that of the next highest type: community or neighbourhood group (14 per cent). By comparison national organisations are less common: just over a fifth of organisations are either a national voluntary organisation (11 per cent) or a branch of a national voluntary organisation (nine per cent).

Figure 3.3: Type of organisations



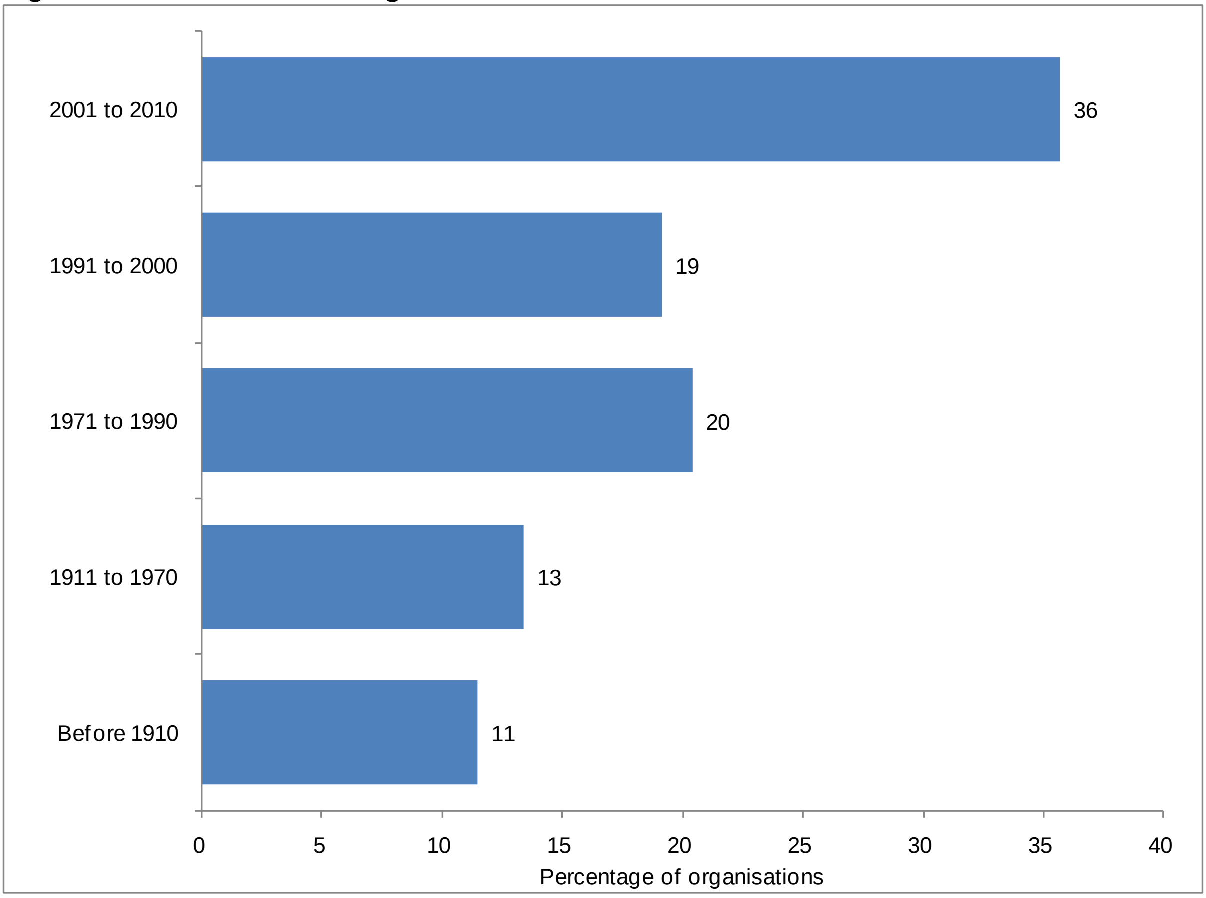
Source: Salford State of the Sector survey 2010
Base: 159

3.4 How long have organisations in the 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 is in Salford. In addition it might also be possible to identify patterns: for example time periods where greater numbers of organisations have been formed.

The responses received build a picture of a sector that has a fairly well established core. However, the sector in Salford has also seen the formation of many new organisations over the past 10 years. Figure 3.4 shows that 36 per cent of organisations responding to the survey were formed within the past 10 years. Furthermore, an additional 19 per cent were formed between 1991 and 2000; this means **more than half (55 per cent) of organisations have been formed in the last 20 years.** This suggest that there has been considerable growth to the sector over the last 10 to 20 years At the other end of the spectrum a quarter of organisations were formed more than 40 years ago, including just over one in ten organisations that were formed over 100 years ago.

Figure 3.4: Year in which organisations were formed



Source: Salford State of the Sector survey 2010
Base: 157

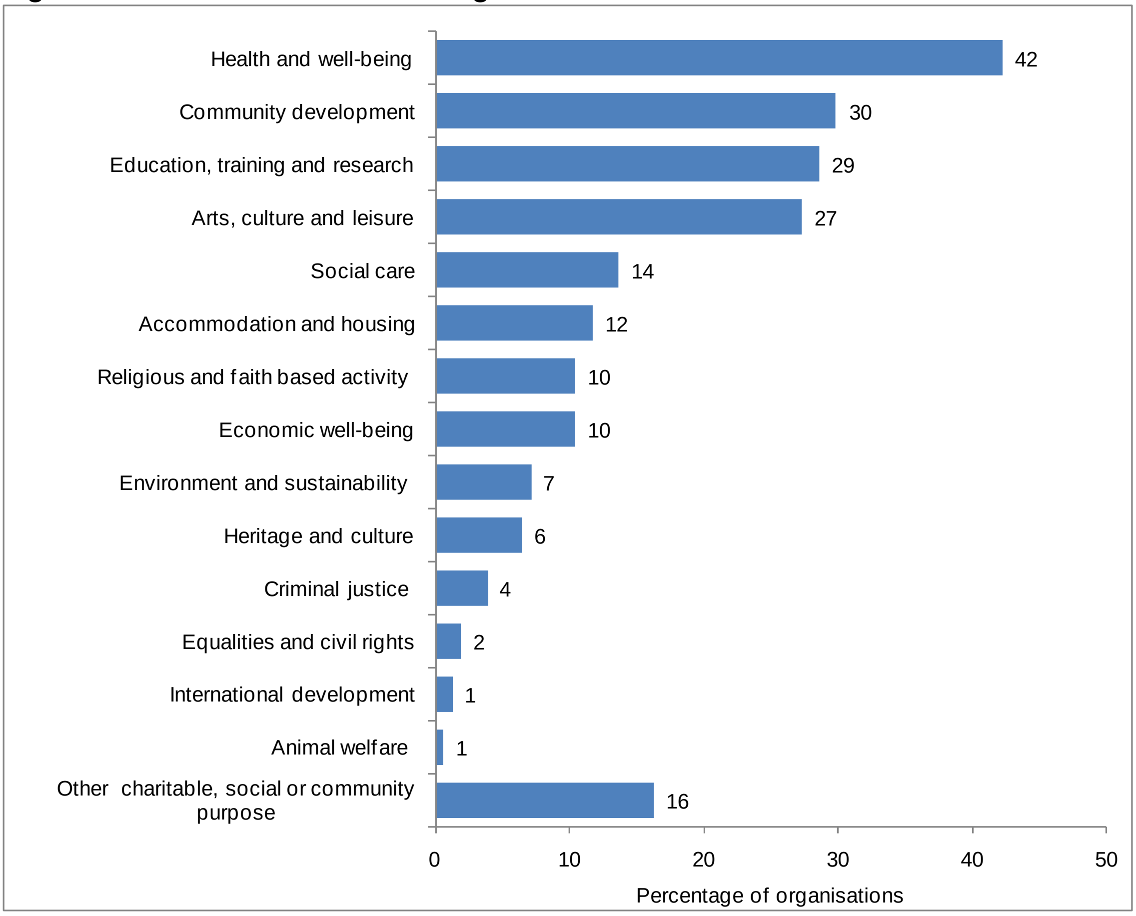
It is important to conclude this section by drawing an important qualification. Although the results suggest that it is likely that the sector in Salford has experienced growth in the number of organisations established in the last 10 years, it may not be as dramatic as the figures suggest. By definition, the survey is of organisations that are still operating in Salford in 2010, not those which have closed down or ceased operations. Of the organisations which have survived through to 2010, 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. Because we do not know the rate of closure over time we cannot be certain that the aggregate number of organisations being established or surviving is increasing.

3.5 What does the sector in Salford do?

To elicit a picture of what the sector in Salford 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 sector in Salford 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; both of which will themselves be linked.

Figure 3.5 shows that just over **two fifths of organisations work in the area of health and well-being**; this is some 12 percentage points higher than any other area of work. Between a quarter and a third of organisations work in each of the following three themes: community development (30 per cent); education, training and research (29 per cent); and arts, culture and leisure (27 per cent).

Figure 3.5: Main areas in which organisations work



Source: Salford State of the Sector survey 2010
Base: 154

3.6 Who are the clients, users or beneficiaries of the sector in Salford?

The questionnaire asked respondents to provide the total number of individual clients, users or beneficiaries that their organisation has supported in the last year. Summing across the 142 organisations that were able to provide a number of individual clients, users or beneficiaries gives a total of just under 415 thousand individuals.

The responses received can be extrapolated for the estimated 1,376 organisations thought to be operating in the sector in Salford to provide an estimate of the total number of individual clients, users or beneficiaries served by Salford organisations. Appendix 1 provides details of the methodology behind the extrapolation, however, it is important to point out that this estimate is based on figures supplied by the respondents themselves, and assumes that the survey response is representative.

Working through the calculation it is estimated that **Salford organisations have worked with 3.0 million individual clients, users or beneficiaries** in the past year. This compares to a Salford population of around 225,100. The estimated total number of clients, users or beneficiaries will include: individuals who are clients, users or beneficiaries of multiple organisations; a number of individuals whom reside outside of the Salford local authority boundary; and in a few instances individuals might have been counted as multiple clients, users or beneficiaries at the same organisation.

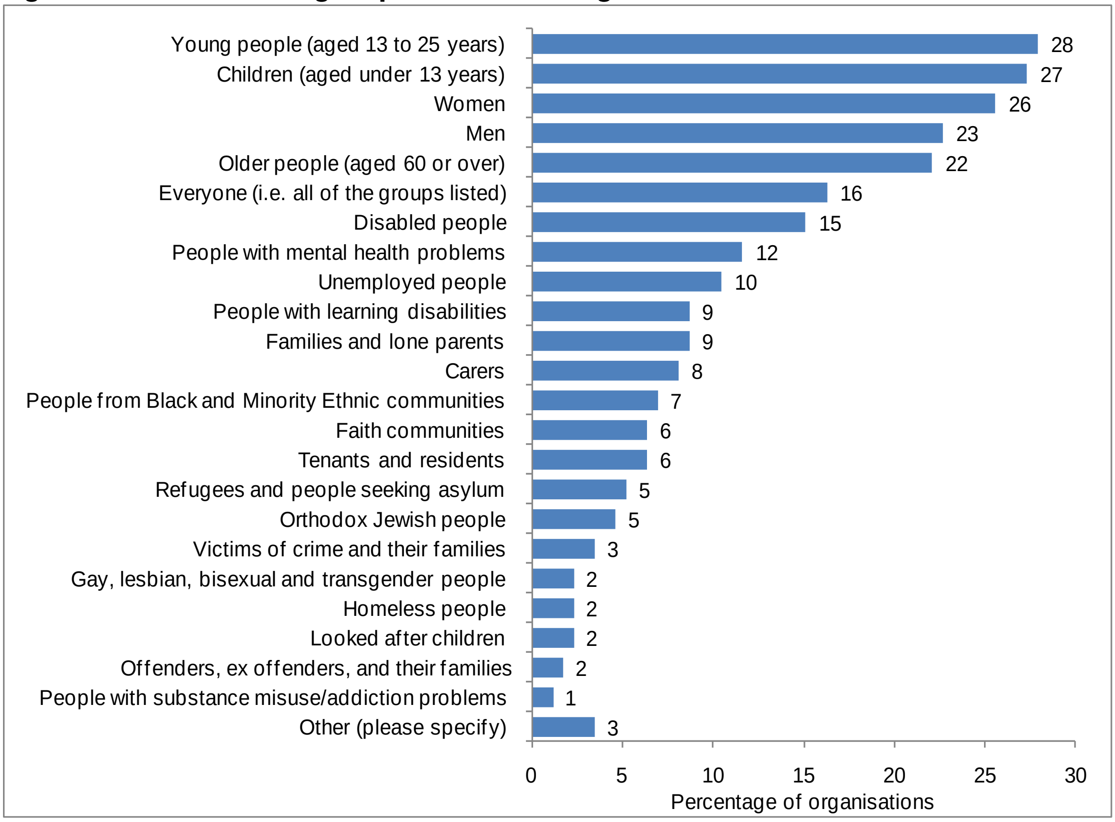
The questionnaire also asked respondents to identify up to three groups that make up the main clients, users or beneficiaries of their organisation. Figure 3.6 shows that, as might be expected, the sector in Salford serves a diverse and wide ranging client group. In many cases, client groups are served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

Figure 3.5 shows that the client groups that are served by the largest proportions of organisations can be broadly characterised as being demographic: age (young people, children and older people) and gender (women and men). While just over one in six organisations (16 per cent) identify everyone as their main clients, users or beneficiaries.

Individuals with health issues are also served by relatively high proportions of organisations. Disabled people are a main client, user or beneficiary group for 15 per cent of organisations and people with mental health problems make up a main client, user or beneficiary group for 12 per cent of organisations.

Also of note is that five per cent of organisations report Orthodox Jewish people as a main client group. This sizable proportion is reflective of the fact that, according to the 2001 census of the population, Salford has the fourth largest Jewish community outside of London

Figure 3.6: Main client groups of Salford organisations

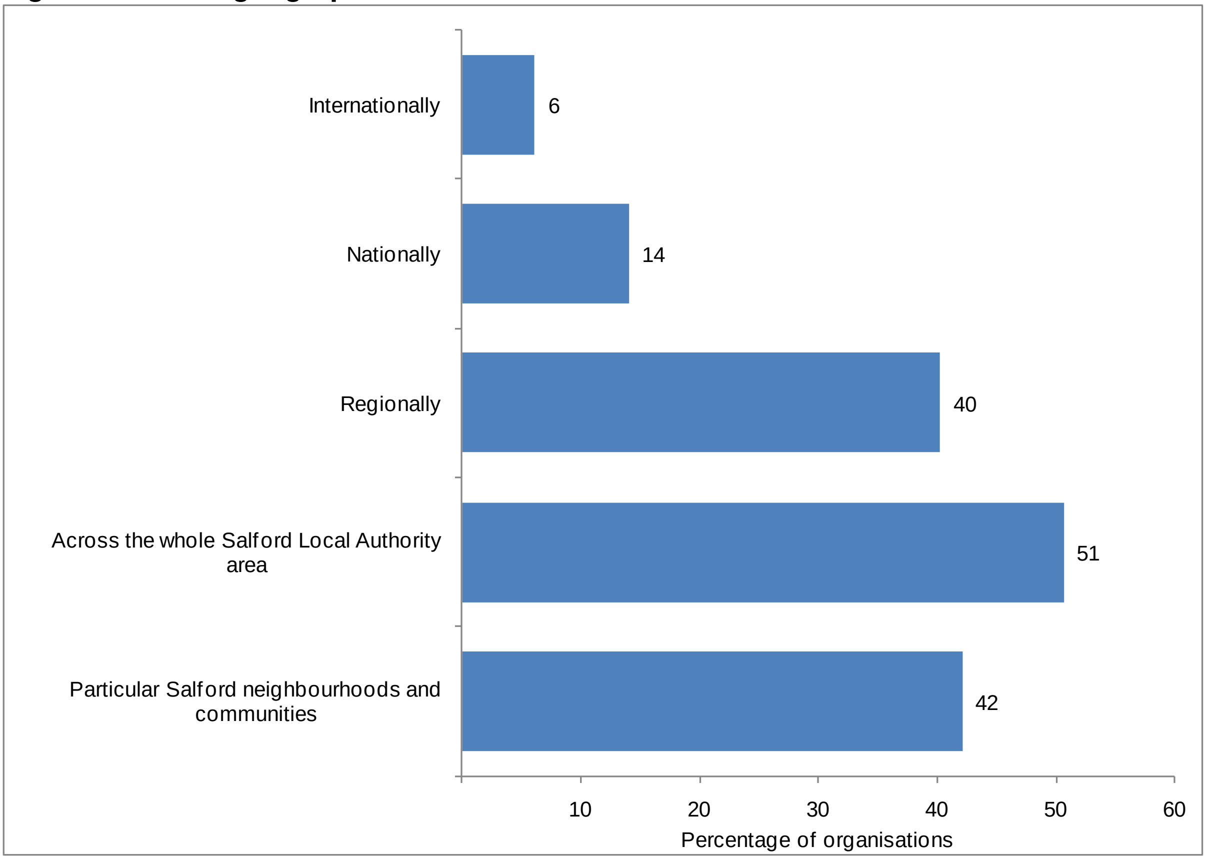


Source: Salford State of the Sector survey 2010
Base: 172

3.7 What geographical levels does the sector operate at?

The survey asked respondents to identify which are the main geographical levels at which they operate – this ranged from those working at the neighbourhood level, to those operating across England, the UK or even 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 is a main focus for a majority of organisations**. Just over half (51 per cent) identified the whole of the Salford local authority area as a main focus of their work. A further 42 per cent identified that particular Salford neighbourhoods or communities were a main focus. A modest proportion of organisations cited that a main geographic area at which they work is either national (14 per cent) or international (six per cent). In many cases those organisations that work internationally will reflect their main clients, users and beneficiaries: for example refugee and Jewish organisations.

Figure 3.7: Main geographic focus



Source: Salford State of the Sector survey 2010
Base: 164

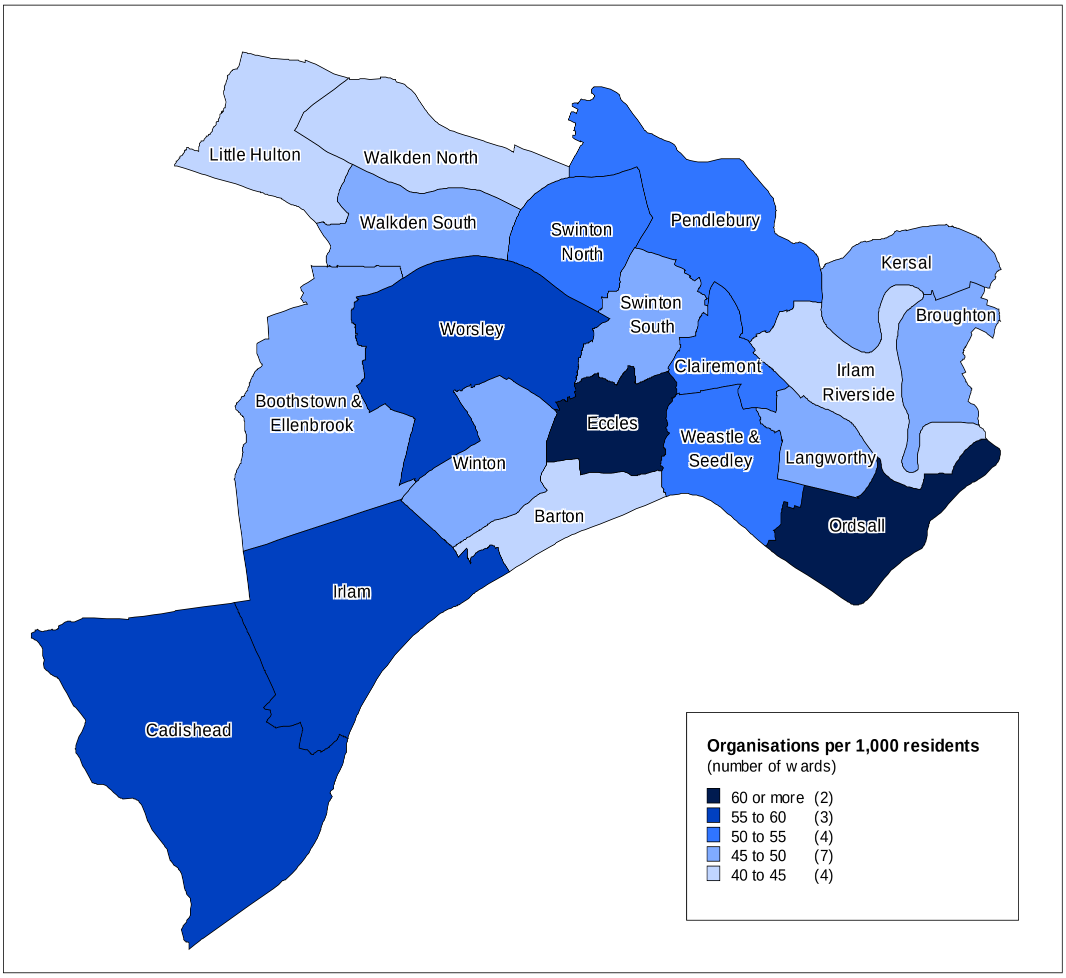
Using the responses to this question it is also possible to identify the highest geographic area that is the main focus of each organisation. This analysis finds:

- for 21 per cent of organisations their highest main geographic focus is particular Salford neighbourhoods or communities
- for 31 per cent of organisations their highest main geographic focus is the Salford LA area
- for 20 per cent of organisations their highest main geographic focus is the North West region
- for 12 per cent of organisations their highest main geographic focus is the nation as a whole
- for 6 per cent of organisations their highest main geographic focus is international.

Respondents who reported that the whole Salford local authority area or particular Salford neighbourhoods or communities are a main geographic focus of their organisation where asked to identify in which wards their work is focused. Extrapolating up from the survey responses, map 3.1 presents visually the number of organisations with work focused in each of Salford's wards per 1,000 residents. Both Ordsall (78 organisations per 1,000 residents) and Eccles (66 organisations per 1,000 residents) stand out as the two wards with the highest concentrations of locally focussed organisations. The four wards that have the lowest relative concentrations of organisations are:

- Irlam Riverside: 41 organisations per 1,000 residents
- Little Hulton: 43 organisations per 1,000 residents
- Walkden North: 44 organisations per 1,000 residents
- Barton: 44 organisations per 1,000 residents.

Map 3.1: Number of 'locally focused' organisations per 1,000 residents in Salford's wards



Source: Salford State of the Sector survey 2010
Base: 137

4

4. Finances and Income

This chapter provides an overview of the finances and income of the sector in Salford. It includes estimates of the overall income received by the sector between 2007/09 and 2009/10, 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 against the backdrop of the 2008/09 economic downturn and ongoing public sector austerity measures.

4.1 Income

Based on responses to the survey, and drawing on the assumptions used to estimate the total number of organisations in Salford, it is estimated that **the total income of the sector in the city was £156 million in 2009/10**: this represents a reduction of seven per cent compared to 2008/09 and is a marked change from the period between 2007/08 and 2008/09 when the total income of the sector increased by an estimated eight per cent, from £154.6 million to £166.9 million. This data is outlined in more detail in table 4.1.

Table 4.1: Estimated annual income of the sector in Salford 2007/08-2009/10

	Total Income (£000's)[a]	% Change
2007/08	£154,585	
2008/09	£166,927	8%
2009/10	£155,957	-7%

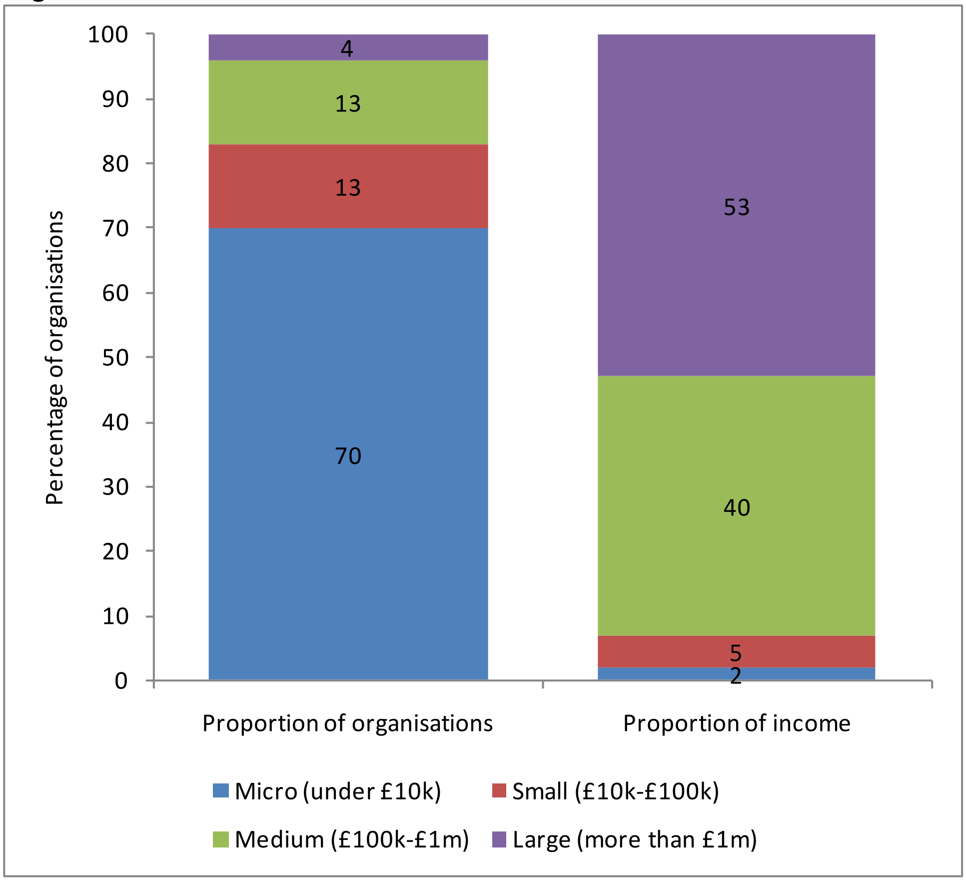
Source: Salford State of the Sector survey 2010
Base: 120
All figures are in 2009/10 prices

The decline in income between 2008/09 and 2009/10 needs to be considered in the context of year on year growth in the sector between 2000/01 and 2007/08. Although there are no figures for Salford during this period, nationally the sector's income grew by an average of five per cent a year over these six years[14]. If it is assumed that the sector in Salford has grown in a similar way, then **the decline in income last year represents the first time the sector has contracted economically in at least 10 years**. This might be an indication of the effect of the recession which is likely to have led to a reduction in income from private sector sources. This trend seems likely to continue, as this data covers the period prior any major public sector spending cuts being made.

When the sector's income is explored in more detail it shows significant variations according to organisation size[15]. In 2009/10, 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.

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

Figure 4.1: Proportion of organisations and proportion of income by organisation size



Source: Salford State of the Sector survey 2010
Base: 120

This shows that **micro and small organisations account for much more than half of organisations in the sector but only seven per cent of total income**. By contrast medium and large organisations account for less than half the sector's organisations but receive 93 per cent of its income. Income is concentrated particularly heavily in the largest organisations, with more than half of all income (53 per cent) into the sector received by only 50 organisations.

There were further variations according to organisation size when we explored how income levels had changed between 2007/08 and 2009/10. These are summarised in table 4.2 below.

Table 4.2: Estimated change in annual income by organisation size 2007/08-2009/10

	Micro (under £10k)		**Small (£10k-£100k)**		**Medium (£100k-£1m)**		**Large (more than £1m)**	
	Income (£000's)[a]	*% change*	*Income (£000's)[a]*	*% change*	*Income (£000's)[a]*	*% change*	*Income (£000's)[a]*	*% change*
2007/08	£2,998		£9,701		£60,140		£81,746	
2008/09	£2,750	-8	£7,784	-20	£68,530	14	£87,862	7
2009/10	£2,475	-10	£7,350	-6	£62,930	-8	£83,202	-5

Source: Salford State of the Sector survey 2010
Base: 120
All figures are in 2009/10 prices

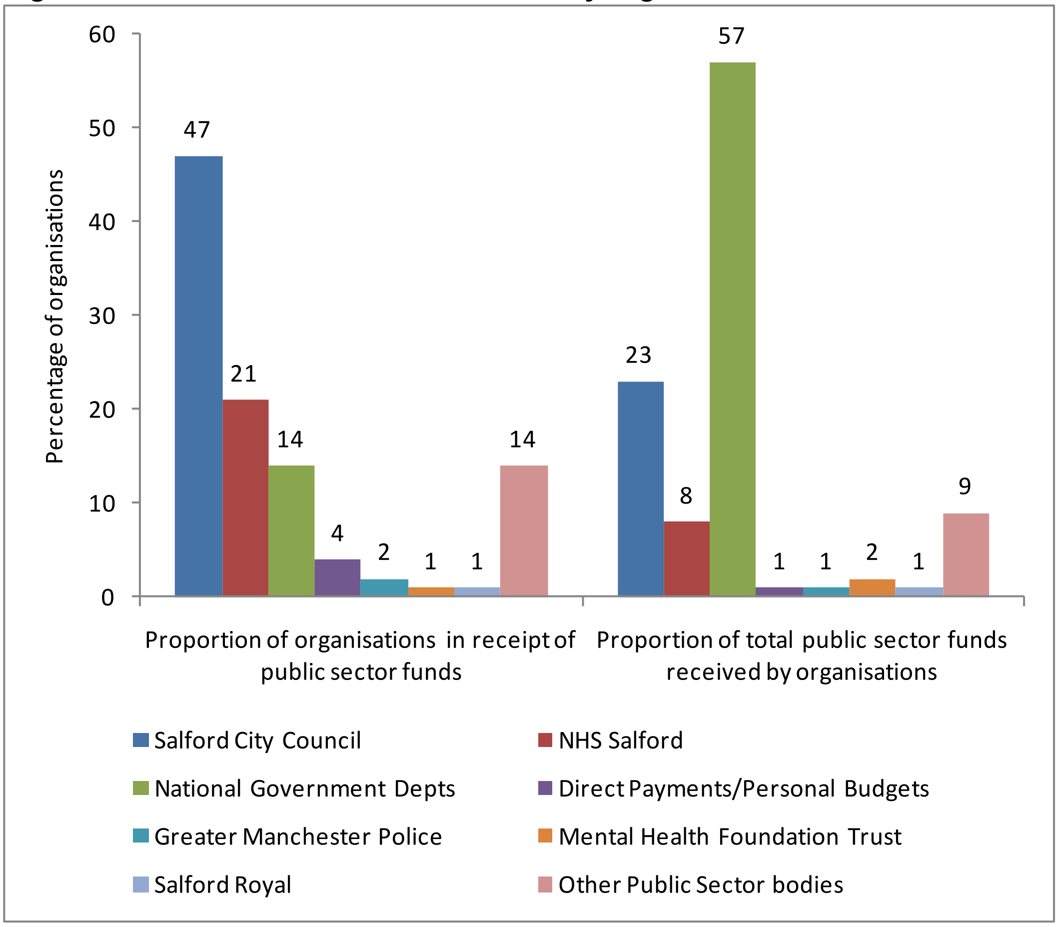
This shows that the micro and small organisation categories experienced year on year decreases in total income between 2007/08 and 2009/10. By contrast the medium and large organisation categories both experienced an increase between 2007/08 and 2008/09 but a decrease between 2008/09 and 2009/10. This suggests that the rise in the sector's total income between 2007/08 and 2008/09, and the subsequent decrease between 2008/09 and 2009/10 was driven by income changes experienced by medium and large organisations.

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 2009/10 and the value of that funding. Overall, **65 per cent of respondents reported having at least one source of public sector funds**. The results are outlined in figure 4.2.

Figure 4.2: Public sector funds received by organisations in Salford 2009/10



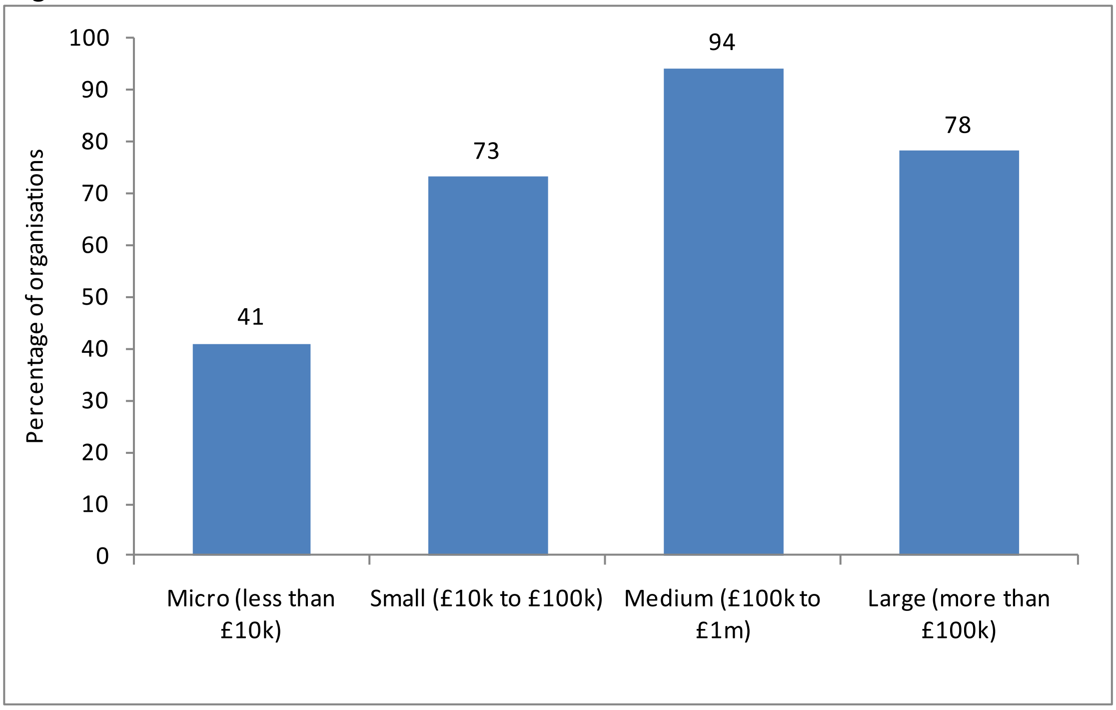
Source: Salford State of the Sector survey 2010
Base = 148/71

This shows that **Salford City Council was the most frequently identified source of public sector funding** (47 per cent) followed by NHS Salford (21 per cent) and national Government Departments (14 per cent). These three bodies also provided the majority of public sector funding in terms of actual value (88 per cent) but this was distributed somewhat differently: Government departments provided the largest amount of funding (57 per cent) followed by Salford City Council (23 per cent) and NHS Salford (eight per cent). This is likely to reflect the fact that Government funding tends to involve larger values, often for national or regional work, while local (Council and NHS) funding is often for much lower values, particularly in the case of Community Committee grants.

The survey also asked respondents with public sector income whether they had received a formal funding agreement for each source. Overall, 60 per cent of funding was provided with a formal agreement. Of the three largest sources, 76 per cent of Government department funding, 66 per cent of Salford city council funding, and 68 per cent of NHS Salford funding, was made with a formal agreement.

The survey also revealed significant variations in public sector income received by organisations of different sizes. Micro organisations were far less likely than small, medium and large organisations to have at least one source of public sector income. This is outlined in more detail in figure 4.3.

Figure 4.3: Proportion of organisations in receipt of public sector funds by organisation size 2009/10



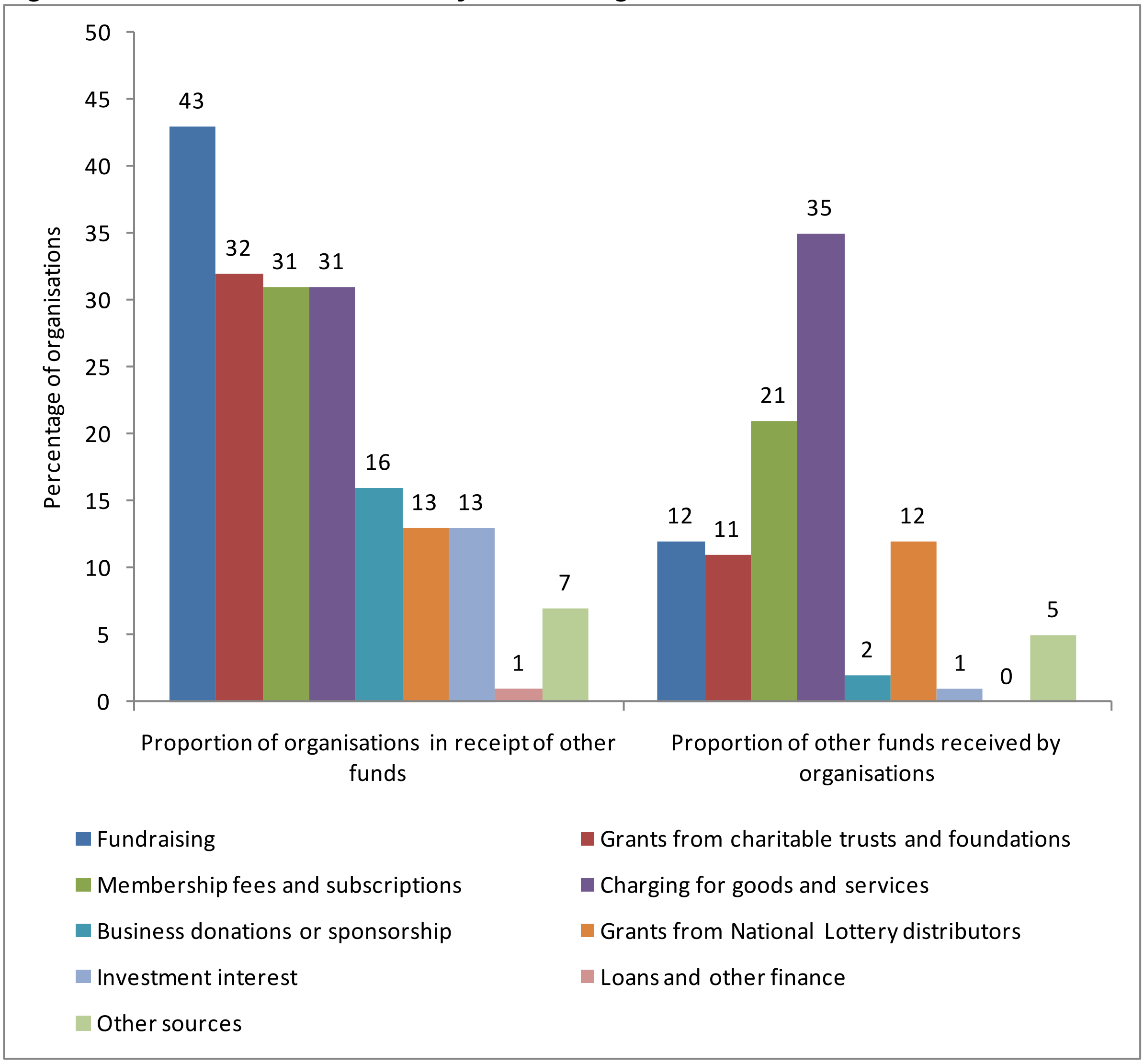
Source: Salford State of the Sector survey 2010
Base = 120

This shows that only 41 per cent of micro organisations that responded to the survey received public sector funding compared to 73 per cent of small organisations, 94 per cent of medium organisations and 78 per cent of large organisations. This indicates that public sector funding is a particularly important source of funding for medium sized organisations and suggests that these organisations will be most susceptible to cuts in public sector funding.

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 2009/10 and the value of that funding. Overall, **80 per cent of respondents received funds from at least one non-public sector source**. This is outlined in more detail in figure 4.4.

Figure 4.4: Other funds received by Salford organisations 2009/10



Source: Salford State of the Sector survey 2010
Base=148/90

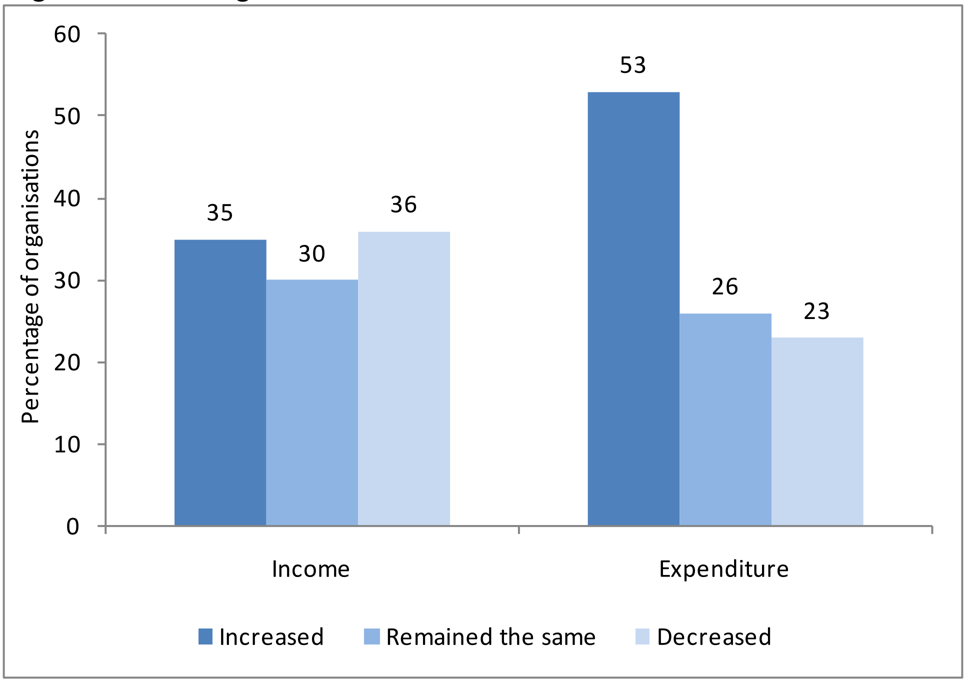
This shows that fundraising was the most frequently identified source of other funds (43 per cent of respondents) followed by grants from charitable trusts and foundations (32 per cent), membership fees and subscriptions (31 per cent) and charging for goods and services (31 per cent). By contrast charging for goods and services provided the most funding by value (35 per cent) followed by membership fees and subscriptions (21 per cent), fundraising (12 per cent) and grants for National Lottery distributors (12 per cent).

Unlike public sector income there were no significant variations according to organisation size: a majority of each size of organisation had income from non-public sector sources.

4.3 Financial Sustainability

Following the economic recession of 2008/09, possible reductions in income from private sector sources, and the upcoming cuts in public sector spending, the financial sustainability of the sector's organisations is an important and current issue. The survey therefore asked respondents about how their organisation's financial situation had changed in the past 12 months. The results are outlined in figure 4.5.

Figure 4.5: Change in financial circumstances in the last 12 months

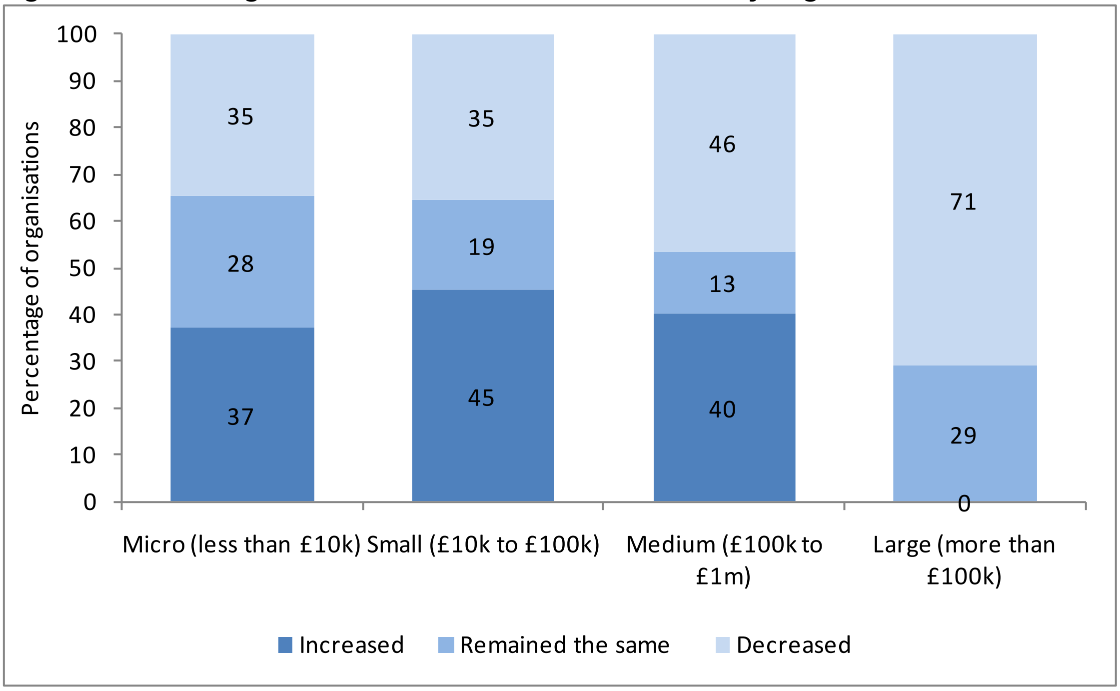


Source: Salford State of the Sector survey 2010
Base=133/131

This raises some concerns: 53 per cent of respondents reported increasing their expenditure but only 35 per cent had experienced an increase in income; in addition, 36 per cent of respondents reported a decrease in income but only 23 per cent reduced their expenditure. This means that **there were a significant number of organisations that spent more money than they received in the past 12 months**: 38 per cent of respondents provided an expenditure figure for the past 12 months that was greater than their income. This could be a short term trend in response to the economic situation but if it continues in the longer term the sustainability of a significant number of organisations could be threatened.

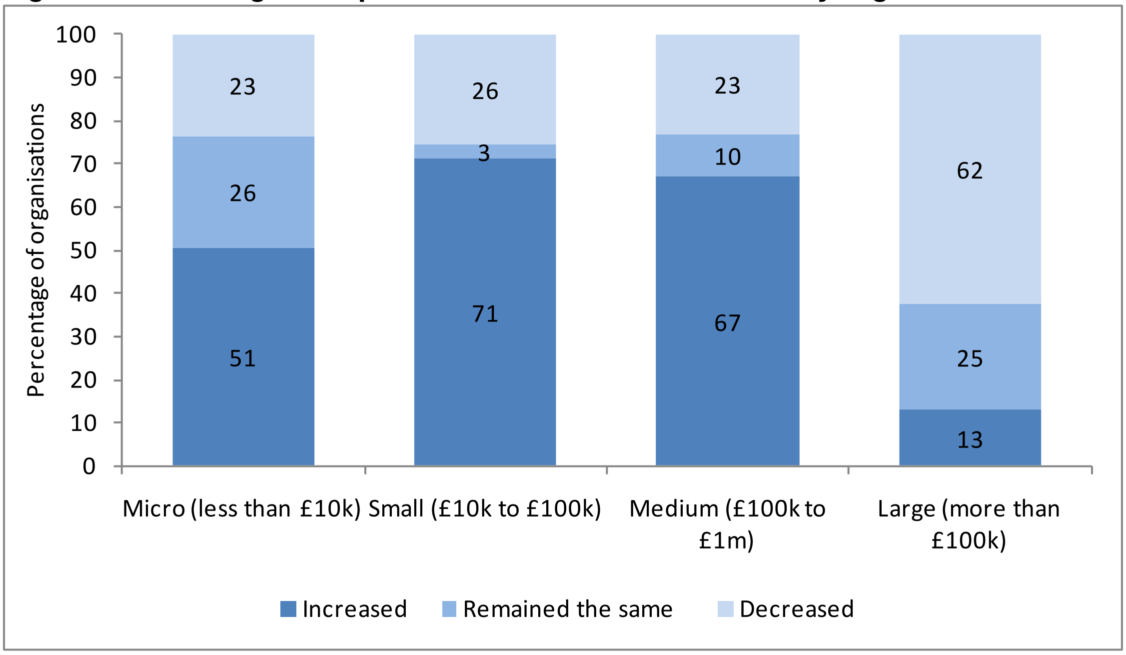
Explored by organisation size, the data suggests that **this trend is more common in small and medium organisations** than large and micro ones and that the sustainability of medium sized organisations is of particular concern. 67 per cent of medium sized organisations reported increasing their expenditure in the past 12 months but only 40 per cent increased their income. Likewise 46 per cent reported a decrease in income but only 23 per cent reduced their expenditure. This is outlined in more detail for all sizes of organisations in figures 4.6a and 4.6b overleaf.

Figure 4.6a: Change in income in the last 12 months by organisation size



Source: Salford State of the Sector survey 2010
Note: 'cannot say' response has been excluded from the analysis

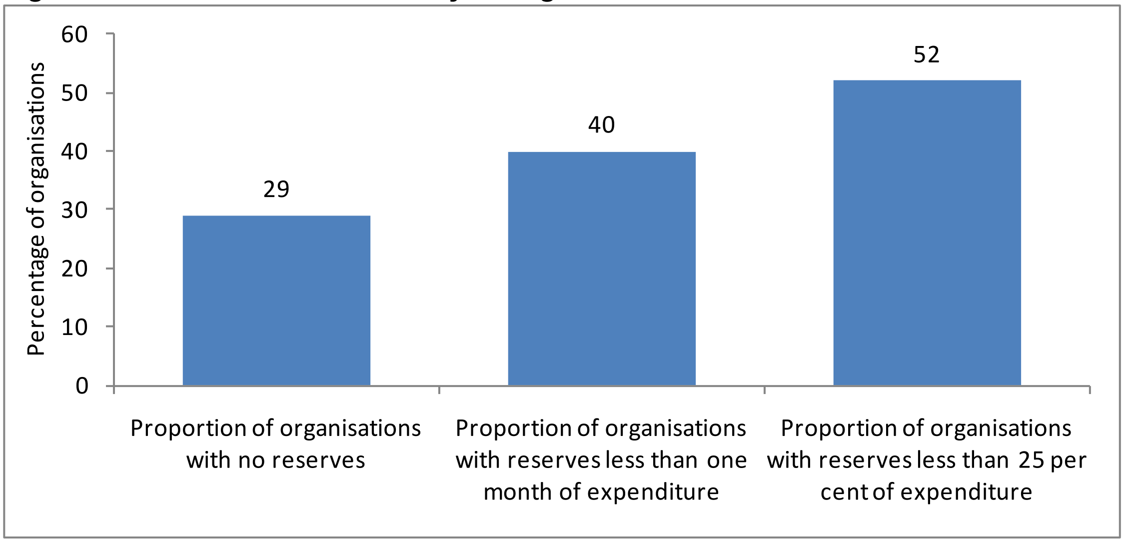
Figure 4.6b: Change in expenditure in the last 12 months by organisation size



Source: Salford State of the Sector survey 2010
Note: 'cannot say' response has been excluded from the analysis

The survey also asked respondents to provide a figure for the total reserves held by their organisation at the end of the three most recent financial years (2008/09-2009/10). Reserves are important as they provide organisations with funds to fall back 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 no reserves, or 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 (2009/10) were calculated as a proportion of expenditure (2009/10) for each respondent. The results are shown in figure 4.7.

Figure 4.7: Financial vulnerability of organisations in Salford



Source: Salford State of the Sector survey 2010
Base = 99

This shows that **29 per cent of respondents had no reserves,** a further 11 per cent had reserve levels of less than one month's expenditure, and a further 12 per cent had reserves that covered less than three months expenditure. This suggests that up to half of all organisations in the sector could be vulnerable should their funds be severely reduced or withdrawn. In reality it is likely to be the medium and large organisations in this category that are most a risk: they have greater financial commitments and require higher levels of income to carry out their work.

5

5. The Workforce

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

- the number of full time equivalent (FTE)[16] 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 and the number of hours each week that they contribute.

As well as providing 'totals', in each case responding organisations were also asked to provide their number of FTE paid staff, FTE work placements and volunteers by role type. For ease of analysis a long list of 17 role types was provided containing categories such as: administrative and other office staff, care and support workers, education and sport and culture. This additional breakdown by job type was based on categories derived from occupational frameworks specified by two Sector Skills Councils with links to the sector: the Children's Workforce Development Council and Skills for Care. Including this detail allowed for detailed analysis of the types of work being undertaken by the sector's workforce in Salford.

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

5.1 How many FTE paid staff are employed in the sector in Salford?

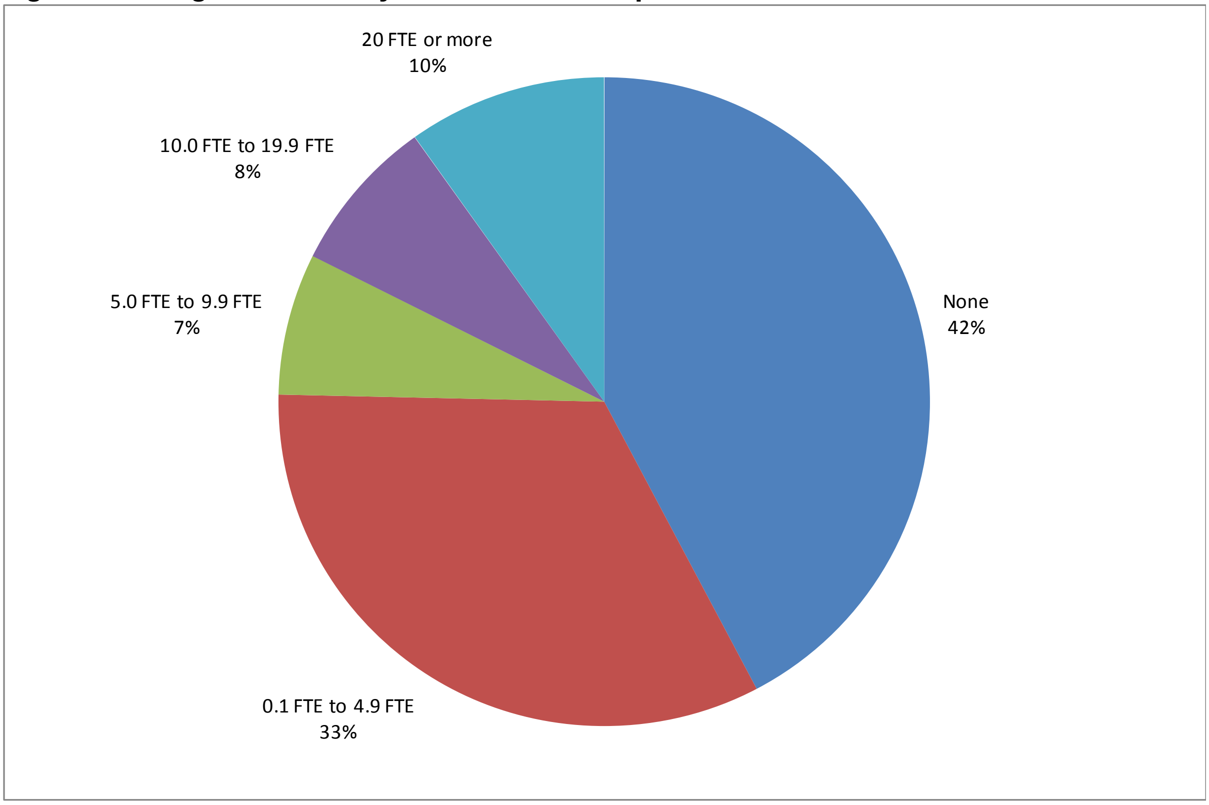
Assuming the sample is representative of the wider sector in Salford, survey responses can be extrapolated according to the total number of organisations thought to be operating in the sector in Salford to provide an estimate of the total number of FTE paid staff employed[17]. From this calculation it is estimated that the 1,376 organisations in Salford employ **6.5 thousand FTE paid staff**. Of which three fifths are employed in large organisations with an income of at least one million pounds. This compares to the 1,135 micro and small organisations combined which are estimated to employ just less than one in ten of the sector's FTE staff.

Figure 5.1 presents a breakdown of responding organisations by the number of FTE paid staff that they employ. As is shown visually, three quarter of organisations employ less than five FTE paid staff members. Included in this figure are 42 per cent of organisations that do not employ any paid staff. Further analysis reveals that the majority of these are micro organisations with income of less than £10,000.

At the other end of the spectrum 10 per cent of organisations employ 20 or more FTE paid members of staff.

[16] 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.
[17] Appendix 1 provides details of the methodology behind all of the workforce extrapolations.

Figure 5.1: Organisations by numbers of FTE paid staff



Source: Salford State of the Sector survey 2010
Base: 142

Exploration of responses to the more detailed breakdown of FTE paid staff members by job role reveals that the following each account for greater than five per cent of all FTE paid staff:

- 29 per cent of FTE paid staff are care or support workers: an estimated 1,900 FTE employees
- 14 per cent of FTE paid staff are in paid managerial or leadership roles: an estimated 900 FTE employees
- 10 per cent of FTE paid staff are administrative and other office staff: an estimated 650 FTE employees
- 5 per cent of FTE paid staff are early years and childcare practitioners: an estimated 350 FTE employees

5.2 How many FTE work placements are employed in the sector in Salford?

Less than a fifth (18 per cent) of responding organisations reported that part of their workforce were (e.g. students or trainees) on work placements. Furthermore, no organisation had work placements that contribute more than 12 FTE hours a week. Similar to the previous section, survey responses can be extrapolated to the total number of organisations thought to be operating in the sector in Salford to provide an estimate of the total number of FTE work placements in the sector. From this calculation there are **an estimated 300 FTE work placements** contributing to the workforce in Salford.

5.3 How many volunteers are part of the sector workforce in Salford and what is their economic contribution?

This section assesses the contribution of volunteers to the sector in Salford.

Assuming the sample is representative, survey responses can be extrapolated to the total number of organisations thought to be operating in the sector in Salford to provide an estimate of both the total number of volunteers contributing to the sector and the total number hours that they contribute. From the two calculations:

- it is estimated that **20.3 thousand volunteers** are part of the sector's workforce in Salford; this represents just over nine per cent of Salford's total population (225,100); however it is likely that a number of these volunteers could be the same person volunteering for multiple organisations. Additionally, residents from outside of Salford volunteering within Salford; conversely there will be Salford residents volunteering for organisations outside of Salford
- these volunteers provide an estimated **144.3 thousand hours of their time per week.**

There are two board approaches to valuing the contribution of volunteers. One method 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 employee[18]. From this calculation, assuming there are 1,376 organisations in the sector in Salford, **the economic contribution of volunteers is estimated to be £121.7 million per annum**.

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 output is the value of the 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 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.

In the second method, the value of the input of volunteers is used to value the contribution of volunteers[19]. 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 organisations[20]. 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

[18] 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 www.statistics.gov.uk/downloads/theme.../GVA_COE_NUTS1_A31.xls

[19] This is the approach recommended by Volunteering England

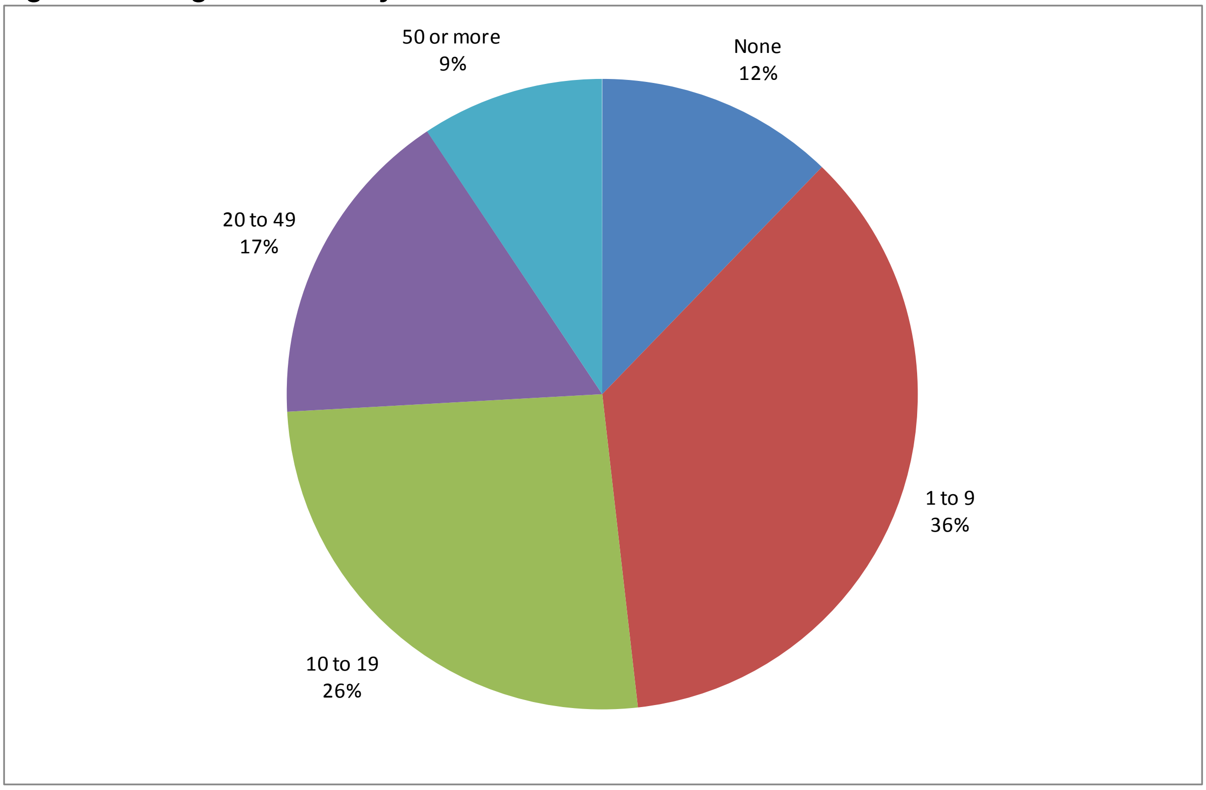
[20] This assumes that there are no additional costs faced by organisations in using volunteers: for example extra management costs

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) 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 adults[21] it would cost **£53.8 million annually to employ staff to do the work provided by volunteers in Salford**
- assuming the median gross hourly wage for full time employees in Salford[22] it would cost **£108.2 million annually to employ staff to do the work provided by volunteers in Salford.**

Figure 5.2 presents a breakdown of survey responses by the number of volunteers that organisations use. Overall just under half have nine or less volunteers, this includes 12 per cent of respondents that report that they do not have any volunteers. Just over one in five have 20 or more volunteers.

Figure 5.2: Organisations by numbers of volunteers



Source: Salford State of the Sector survey 2010
Base: 139

Assessment of the more detailed breakdown of volunteers (head count) by job role, for the 106 organisations that provided this information, reveals that the following each account for greater than five per cent of all volunteers:

- 27 per cent of volunteers are trustees, committee members or involved in other voluntary management or leadership roles: an estimated 5,500 volunteers
- 15 per cent of volunteers are doing social, family and community support work: an estimated 3,140 volunteers

[21] £5.93 introduced in October 2010
[22] £11.92 for 2010

- 12 per cent of volunteers are doing education work: an estimated 2,490 volunteers
- 9 per cent of volunteers are doing sport or culture work: an estimated 1,890 volunteers
- 8 per cent of volunteers are doing counselling work: an estimated 1,590 volunteers
- 5 per cent of volunteers are doing administrative and other office work: an estimated 1,080 volunteers.

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

The final part of this chapter reports on how respondents perceived three aspects of their workforce have changed in the past 12 months. The survey asked whether respondents viewed that the following aspects of their organisations workforce had ‘increased’, ‘stayed the same’ or ‘decreased’ in the last 12 months:

- the total number of paid employees
- the total number of volunteers
- the total number of trustees or committee members

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

Paid employees:

- 28 per cent of respondents report an increase in the number of paid employees that they employ; this is double the percentage that have reported a decrease
- almost three fifths report that numbers have remained broadly the same

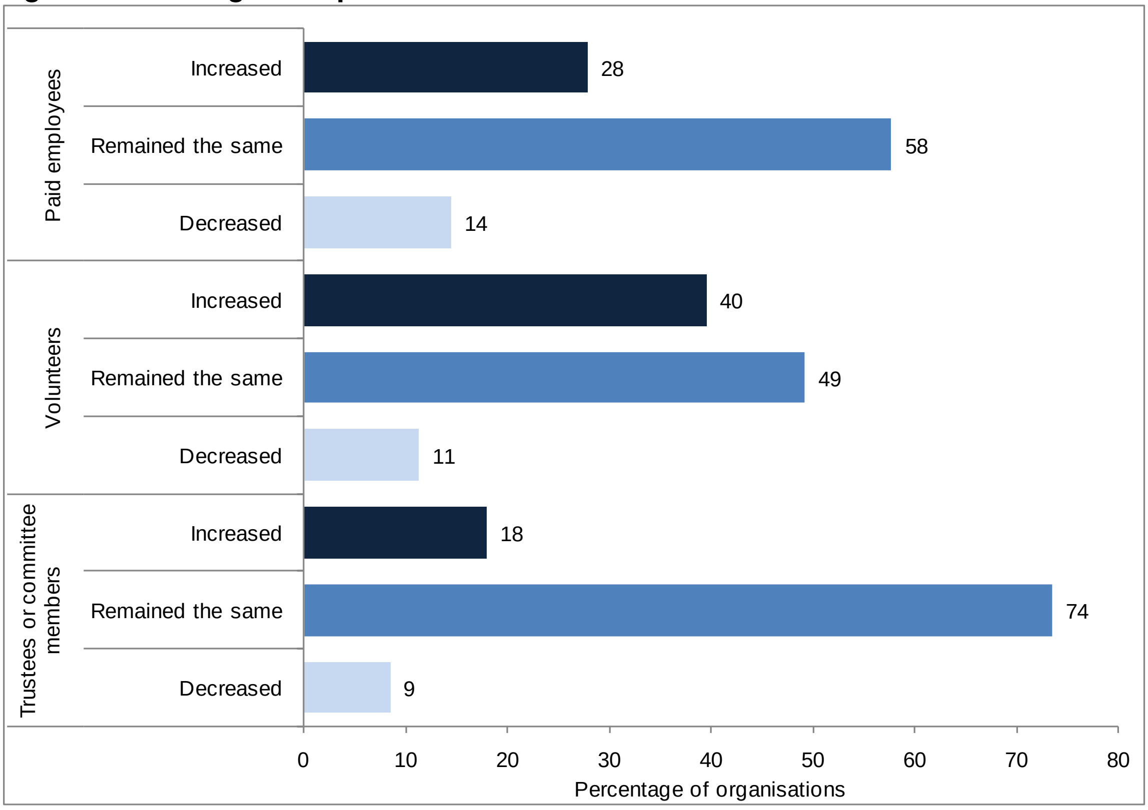
This suggests that there are organisations that have over the past year seen an increase in demand for the service that they provide despite the economic climate. This could include organisations that work with the unemployed and support people around issues such as debt and welfare. This is supported by an analysis of this question against change in income over the past year which reveals that 60 per cent of organisations that have increased their number of paid staff have also seen an increase in their income. However, the fact that 40 per have increased staff without a corresponding increase in income suggests that some organisations might struggle to sustain these higher levels of activity in the longer term.

Volunteers and trustees/committee members:

- 40 per cent of respondents reported increased numbers of volunteers now compared to a year ago; this is might be the result of an increasing number of short term volunteer placements sent from job centres via volunteering centres and those unable to find work, and those that have lost the jobs turning to volunteering to maintain skills and to gain new ones
- about half report that volunteer numbers have remained the same
- while only around one in ten report that numbers of volunteers have decreased
- by far the majority, nearly three in four, reported that numbers of trustees or committee members had remained the same,

- 18 per cent stated that their numbers of trustees or committee members have increased: double the proportion that experienced a decline; this could be the result of the increased pool of volunteers or individuals becoming trustees as a form of professional development.

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



Source: Salford State of the Sector survey 2010
Base: paid employees (97) volunteers (124) trustees or committee members (117)
Note: 'cannot say' response has been excluded from the analysis

6

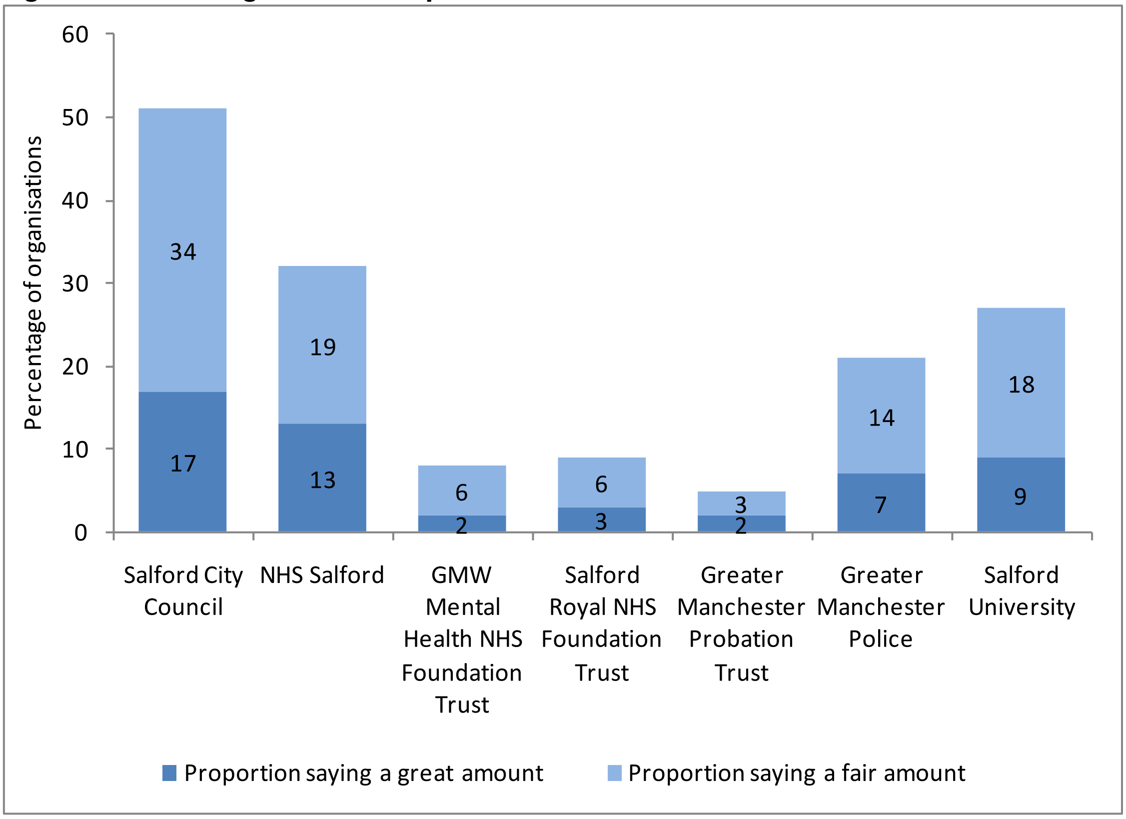
6. Partnership Working

This chapter explores survey respondent's experiences of partnership working. It includes the extent of their engagement with the key public sector bodies in Salford and their perceptions about how these statutory agencies perceive their work. It also includes information about the extent to which survey respondent's work with local support and development organisations (such as Salford CVS) and their satisfaction with the advice and help provided.

6.1 Working with the Public Sector

Survey respondents were asked about the extent of their dealings with each of the main public sector bodies covering the city of Salford. An overview of their responses is provided in figure 6.1.

Figure 6.1: Dealings with local public sector bodies



Source: Salford State of the Sector survey 2010
Base: 119-147

This shows that survey respondents had dealings with a range of local public sector bodies. The three most prominent were Salford City Council, NHS Salford, and Salford University:

- **Salford City Council:** 84 per cent had some dealings with the Council; including 17 per cent who had a 'great amount' of dealings and 34 per cent who had a 'fair amount' of dealings

- **NHS Salford (Primary Care Trust):** 57 per cent had some dealings with NHS Salford; including 13 per cent who had a 'great amount' of dealings and 19 per cent who had a 'fair amount' of dealings
- **Salford University:** 48 per cent had some dealings with the University; including 9 per cent who had a 'great amount' of dealings and 18 per cent who had a 'fair amount' of dealings.

This highlights the central importance of the City Council, NHS Salford, and the University to the sector's work. The relationship between organisations and their local public sector partners is therefore important to their ability to operate effectively. 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 each public sector body:

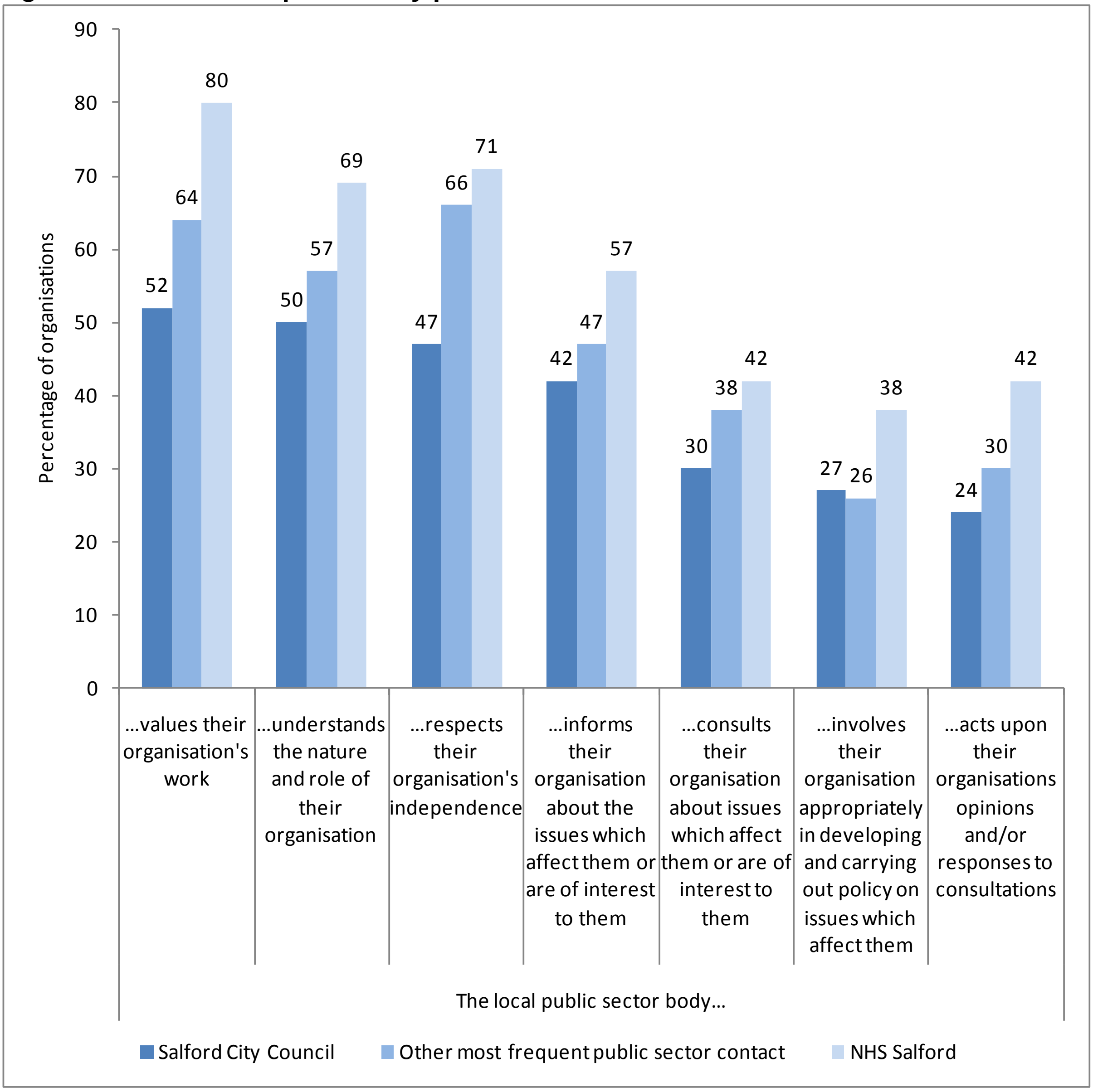
- valued their organisation's work
- understood the nature and role of their organisation
- respected their organisation's independence
- informed their organisation about the issues which affected them or were of interest to them
- consulted their organisation about issues which affected them or were 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 Salford City Council and their most frequent contact from the list of other public sector bodies. From this list of other public sector bodies only NHS Salford elicited sufficient responses to be considered separately. 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:** 52 per cent of respondents said that Salford City Council valued the work they did. In addition, 64 per cent of respondents said that their most frequent other public sector contact valued their work and of the respondents that identified NHS Salford as their other most frequent contact 80 per cent said that they valued their organisation's work
- **understanding their role:** 50 per cent of respondents said that Salford City Council understood the role and nature of their organisation's role. In addition, 57 per cent of respondents said that their most frequent other public sector contact understood their role and of the respondents that identified NHS Salford as their most frequent contact 69 per cent said their understood their role
- **respecting their independence:** 47 per cent of respondents said that Salford City Council respected their organisation's independence. In addition, 66 per cent of respondents said that their most frequent other public sector contact respected their independence and of the respondents that identified NHS Salford as their most frequent contact 71 per cent said they respected their independence

Figure 6.2: Relationships with key public sector bodies



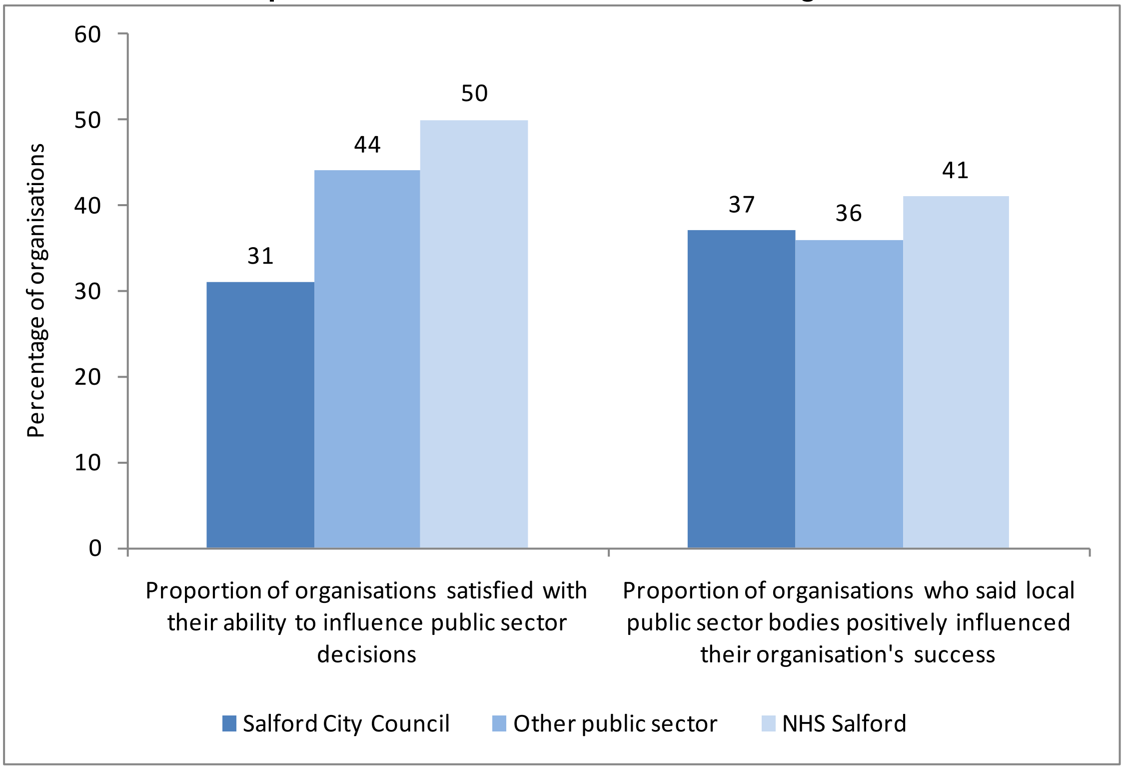
Source: Salford State of the Sector survey 2010

- **informing about key issues:** 42 per cent of respondents said that Salford City Council kept their organisation informed about issues which affected them or were of interest to them. In addition, 47 per cent of respondents said that their most frequent other public sector contact kept them informed and of the respondents that identified NHS Salford as their most frequent contact 57 per cent said they kept them informed
- **consulting about key issues:** 30 per cent of respondents said that Salford City Council 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 and of the respondents that identified NHS Salford as their most frequent contact 42 per cent said they consulted them
- **involving in policy development:** 27 per cent of respondents said that Salford City Council involved their organisation appropriately in developing and carrying out policy on issues which affected them. In addition, 26 per cent of respondents said that their most frequent other public sector contact involved them in policy development and of the respondents that identified NHS Salford as their most frequent contact 38 per cent said they involved them in policy development

- **acting on their views:** 24 per cent of respondents said that Salford City Council acted upon their organisation's opinions and/or responses to consultations. In addition, 30 per cent of respondents said that their most frequent other public sector contact acted on their views and of the respondents that identified NHS Salford as their most frequent contact 42 per cent said they acted on their views.

This suggests an overall trend in which the sector's experience of working with NHS Salford was more positive than with other local public sector bodies. This is 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 chart 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: Salford State of the Sector survey 2010

This shows that 31 per cent of respondents were satisfied with their ability to influence Salford City Council decisions of relevance to their organisation and 37 per cent said that the council had a positive influence on their organisations success. In addition, 44 per cent of respondents said they were satisfied with their ability to influence key decisions of their most frequent other public sector contact and 36 per cent said this contact had a positive influence on their success. Also, of the respondents who identified NHS Salford as their most frequent contact 50 per cent were satisfied with their ability to influence decisions and 41 per cent said they had a positive influence on their success.

In addition to quantitative data the questionnaire also asked respondents to provide a qualitative (i.e. written) response to why they responded in the way they did about their relationship with Salford City Council and the other local public sector bodies. Where respondents provided positive responses, this tended to be because of positive experiences associated with the application and award of funding (i.e. they were successful).

> *"We have a strong commissioning relationship with the city council."*

> *"We have for the first time received grants from SCC and can I say that these were put to great use and we are extremely grateful for their help."*

Likewise a number of respondents provided negative feedback because they were dissatisfied with the level of funding available or with the way in which it was provided (i.e. commissioning practices).

> *"As a former council funded project we expected more transitional support and more assistance to publicise our success."*

> *"They hold the purse strings, but (we) don't feel very involved in decision making/developments."*

> *"(The) long process for payments leads to us having no cashflow. (The public sector) do not know what we do or who we are."*

A further factor driving responses appeared to the level and quality of engagement with public sector bodies and the effectiveness of their information and communication. Experiences tended to be polarised (either very positive or very negative) and were often linked to the quality of relationships with individuals within the public sector rather than the strategy or values of the institution itself.

> *"We have a mutually respectful relationship with the council, which is to the benefit of our service users. We could not operate as successfully as we do without working in partnership with the council."*

> *"You have to search yourselves for consultations that effect you, we are not automatically contacted."*

> *"It depends on who you are engaged with - some people in the council are very positive whilst others have very little understanding of our needs."*

> *"We have worked for and with SCC but the departments do not communicate with each other so we may work extremely well with a group in one ward but the info is not shared with staff in other wards."*

There was also a general sense that local public sector bodies did not properly understand, recognise or value the work of the sector whether they funded it or not.

> *"(They) regularly fail to recognise the tremendous amount of work, unsocial hours, and dedicated work of the voluntary sector. (They) often only consider their own beliefs and objectives at the expense of lack of support at grass roots levels in the local community."*

Finally, a number of respondents commented on the fact that the local public sector had actually improved the way it worked with the sector in recent years.

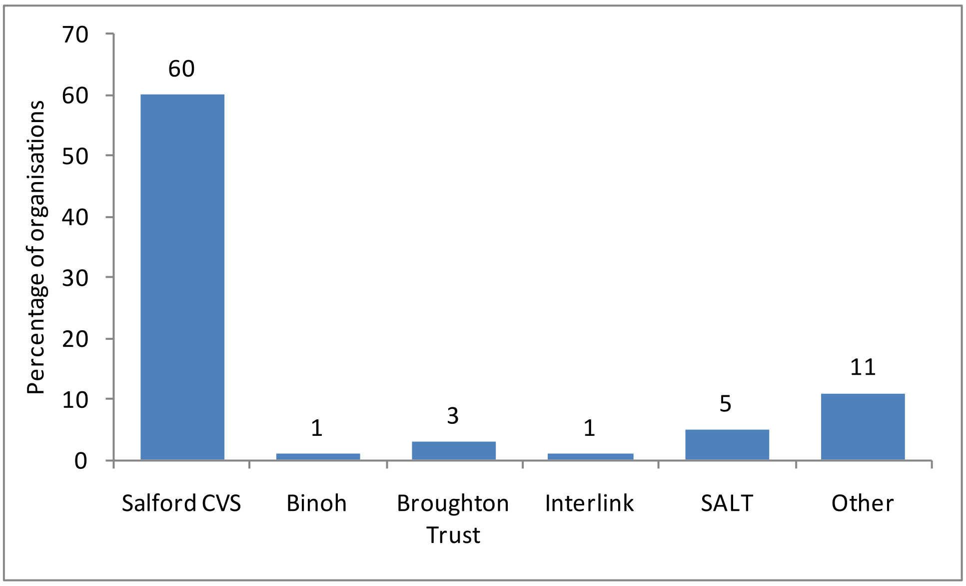
> *"Salford City Council over the last 2 years have become more responsive to the third sector."*

> *"(The public sector has been) better recently but held up development of organisation for a number of years."*

6.2 Working with local support and development organisations

Survey respondents were asked if their organisation currently received support from a list of named local support and development organisations based in the Salford area. Overall, 69 per cent of respondents had received support from at least one of these organisations. The results are outlined in more detail in figure 6.4.

Figure 6.4: Local support and development organisations from which support received



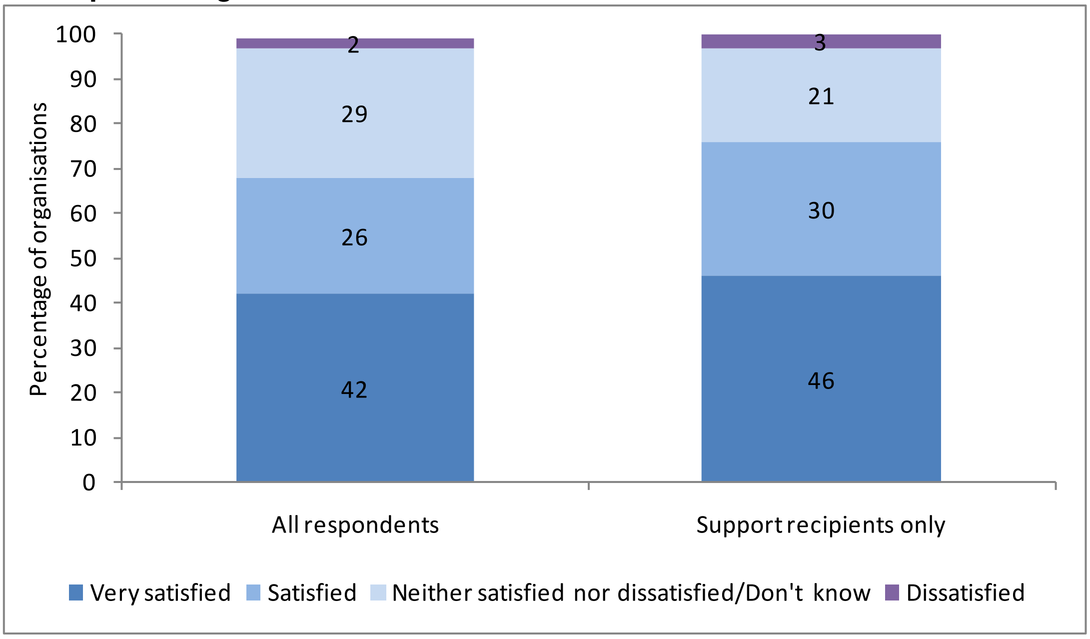
Source: Salford State of the Sector survey 2010
Base = 141

This shows that Salford CVS provided support to more than half of survey respondents (60 per cent). Other organisations provided support to far fewer organisations but this is likely to be a function of the fact that they were not city wide and tended to support groups within defined local areas (i.e. wards or neighbourhoods) or those working with specific beneficiary groups (i.e. faith based).

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 figure 6.5 (overleaf).

Figure 6.5 shows that overall 68 per cent of organisations were satisfied with the support available from local support and development organisations in Salford. It also shows that of the organisations that had received support, 76 per cent were satisfied. These findings provide an important endorsement for the work that these organisations do to provide help, advice and support across the sector in Salford.

Figure 6.5: Satisfaction with support available from local support and development organisations



Source: Salford State of the Sector survey 2010
Base = 110/97

Survey respondents were asked to provide qualitative feedback about what was particularly good, and what could be improved, regarding the help, advice and support received. Respondents were particularly positive about the quality effectiveness and variety of support available. Information and support around issues such as human resources and governance, quality and strategy, funding and business development, and payroll were particularly well received.

> *"…excellent service in terms of fund finding, development and help with funding applications."*

> *"They provide exceptional support, advice and are always up to date on issues. The staff are professional, reliable and friendly. "*

> *"(They are) always good at providing info and advice when needed. They also help us tremendously with our payroll and HR obligations. We also access very useful and reasonable training with them."*

Of the areas for future improvement more effective identification and provision of volunteers came through quite strongly, along with more support to apply for funds.

> *"We don't get many suitable volunteers referred to us."*

> *"(We don't get) enough volunteer enquiries (from them)."*

> *"We have a big problem about funding. The funding issues should be looked to improve the community's progress."*

However, it should be emphasised that a majority of respondents appeared more than satisfied with existing provision.

> *"They have been very supportive and helpful."*

> *"We are very satisfied with the service."*

7

7. Conclusions

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

- chapter 3: the basic ‘anatomy’ of the sector in Salford
- chapter 4: the finances and income of the sector
- chapter 5: the workforce, and
- chapter 6: partnership working

As discussed in chapter 2 the last ten years have 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 opportunities and challenges, the outcomes of 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 sector' in Salford at the start of 2011 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 city, and how might it be affected by public sector cuts, has been collected and analysed for the first time. From this analysis five important findings stand out:

1. **There are a wide range and a large number of organisations operating in Salford who are involved in many areas of activity. As such the sector in the city occupies an important strategic position between policy development, service provision and everyday life.**

- there are an estimated 1,378 organisation working in the sector
- the vast majority (70 per cent) of organisations are 'micro' with income of less than £10,000
- whilst the sector has a fairly well established core it has seen the formation of many new organisations over the past 20 years: of organisations responding to the survey 55 per cent have been formed within the past 20 years
- the sector cuts across 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 arts, culture and leisure
- they work with a whole range of different people, especially older people, children and young people, but also people from the most vulnerable situations (for example those with health problems)
- the sector works at a range of different geographical levels: both across and beyond Salford; but Salford communities and neighbourhoods are the main focus for a majority of organisations

2. **The sector in Salford is an important economic entity, but patterns in the amount of money the sector receives, way the 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 2009/10 was estimated to be £156 million, a reduction of seven per cent compared to 2008/09
- most organisation's income was small (less than £100 thousand), but there were also a significant number of large organisations (50) with an income of more than £1 million
- almost two-thirds of organisations (65 per cent) received income from the public sector; Salford City Council, NHS Salford, and Central Government Departments are the most important public sector funders
- a large proportion of organisations have very little money to fall back on if their funding is withdrawn: almost a third (29 per cent) had no reserves at all, two-fifths had reserves totalling less than one month of expenditure, and more than half had insufficient reserves to cover three months expenditure.

3. **There are an estimated 6,500 FTE paid staff and 300 FTE work placements employed in the sector. In addition the sector is supported by a 20,300 volunteers who combined donate 144 thousand 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 Salford organisations by the expected value of the output that they produce gives an estimated contribution of £121.7 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 cost £53.8 million annually to employ staff to do the work provided by volunteers in Salford
    - assuming the median gross hourly wage for full time employees in Salford it would cost £108.2 million annually to employ staff to do the work provided by volunteers in Salford.

4. **The public sector is an absolutely key partner for the sector in Salford, but organisation's experiences of partnership working varied considerably.**

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

- 84 per cent of respondents had some dealings with Salford City Council, 57 per cent had some dealings with NHS Salford, and 48 per cent had some dealings with the University
- fewer than half of respondents were satisfied with their ability to influence public sector decisions and even fewer said local statutory bodies had a positive influence on their success

- organisations' experiences of working with NHS were the most positive, so there may be lessons from their approach that could be learned by other public sector bodies in the city

5. In the aftermath of the recession and in the face of potentially large reductions in public sector funding, the sector in Salford, as with elsewhere in the country is facing an uncertain future.

For many organisations securing sufficient funding to undertake current and future activities will be a major challenge. This includes funding to continue existing activities but also funding to expand into new areas and work in new ways. There are major concerns within the sector that this funding will become increasingly hard to come by in the current economic and political climate, and that important services, activities, and in some cases organisations, will be forced to close.

> *"We have funding difficulties at the moment and (we are) uncertain exactly how we will deal with them. We do not have funding beyond July 2011."*

> *"Although we manage our funds sensibly and ensure that we receive good value for all our expenditure, we are concerned about funding and fundraising in the foreseeable future."*

> *"(The organisation) used up lots of reserves before we made hard decisions. This was in bidding for grants and hoping we would be successful. We kept staff in place hoping that we would be in a position to respond when we got the grants."*

However, there was some evidence that much of the sector is positive about the future of its work, and is hoping to expand and improve its activities over the next few years.

> *"(We hope) to expand, target other potential users, make people aware of what we do."*

> *"There is scope within (the public sector body's) present service provision to exploit areas and increase revenue within a very short space of time. These cost little in terms of development and expenditure although planning and implementation (resources will be required)."*

This positivity is accompanied by a strong note of caution. These opportunities will be hard to realise alone: greater collaboration within the sector, and better partnership working between public bodies and the whole range of organisations that constitute the sector in Salford, will be a vital component of any future success.

> *"(We need) to collaborate with other agencies, to apply for joint funding, to share office functions/staff with other providers..."*

> *"There could be lots of opportunities for our organisation but we cannot do it without the public sector."*

8. Appendix 1

The analysis developed by CRESR in this report has in particular instances used extrapolations from the survey responses to provide estimates of totals for all organisations that work in the sector. This is true in the case of:

- the number of clients, users and beneficiaries of the sector
- the total income, expenditure and reserves 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. The three stages are (also shown below in table 8.1 is a worked example of how the total number of clients, users or beneficiaries has been calculated):

- stage one: calculate averages for each of the four size bands of organisations: 'micro' 'small' 'medium' and 'large': column (a) in table 8.1
- stage two: multiply the average for each size band (column (a) in table 8.1) by the estimated number of organisations within that size band (column (b) in table 8.1) to give the total for each size band of organisations (column (c) in table 8.1)
- stage three: sum the estimates from stage two (column (c) in table 8.1) to give a sector wide total estimate (cell (d) in table 8.1).

A three stage procedure has been adopted to take into account noticeable differences in the above indicators by organisation size. A failure to do this would lead to upwardly bias estimates due to a small number of mainly 'large' organisations creating a high mean value that is not representative of the majority of organisations. This is a very important point given that it is estimated that 70 per cent of the sector is made up of 'micro' organisations which tend to have far lower values. For example from table 8.1 by not taking into account difference by size of organisations would produce an estimate that is over 1.5 million clients, users or beneficiaries higher.

Table 8.1: Extrapolations: a worked example of the method (no clients, users or beneficiaries)

	Average no by size (a)	Estimated number of organisations (b)	Total no by size (thousands) (c)
Micro (under £10k)	1,240	968	1,196
Small (£10k to £100k)	2,570	182	467
Medium (£100k to £1m)	4,440	176	783
Large (over £1m)	11,530	50	571
Total	**3,370**		**(d) 3,017**

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