



Valuing the Voluntary and Community Sector in Rotherham in 2008

Summary

June 2008



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This report contains the results of a survey of voluntary and community sector organisations in Rotherham, carried out in 2008 by Sheffield Hallam University, on behalf of Voluntary Action Rotherham (VAR).

Context

Central government and many local authorities continue to regard the VCS as an important partner in shaping and delivering public services. But there are concerns about whether the sector is well enough equipped to be able to respond to a new and more complex funding environment. In particular there are concerns around complexity, being 'business like' and impact.

Rotherham's voluntary and community sector in 2008

There are approximately 1,149 voluntary and community organisations operating in Rotherham. 35 per cent of responding organisations have been in operation for less than 10 years and 36 per cent have been going for more than 25 years. Notably, there is no significant difference in the length of operation between organisations employing and not employing paid staff (as a key indicator of the distinction between voluntary and community organisations).

The VCS in Rotherham is diverse:

- half the responding organisations are involved in leisure, recreation and sport activities; one third are involved in education, research and training; and a further third are involved in supporting or working with other community and voluntary organisations
- 54 per cent work with children and/or young people. 49 per cent work with people with disabilities and/or special needs and 46 per cent work with older people.

And has a strong community sector:

- Approximately eighty per cent of respondents have between 0 and four staff and an income of £50,000 per year or less.

The VCS is making a significant contribution to social capital and community cohesion in Rotherham:

- 62 per cent of respondents felt their organisation helps people to feel they belong to their neighbourhood. 59 per cent help people from different backgrounds get on well together. Over half address the needs of disadvantaged members of the community and just under half encourage people to get involved in activities and events that are happening in Rotherham.

The sector makes a huge contribution to the local labour market:

- the total number of paid staff employed by the voluntary and community sector in Rotherham is estimated to be 3,887, working a total of 74,163 hours per week. 78 per

cent of paid staff employed in the Rotherham VCS live within the Borough, a much higher percentage than the 60 per cent of the overall workforce who live locally.

And is a key contributor to Rotherham's economy:

- the total annual value of the contribution of volunteers and trustees to the economy in Rotherham is £15.5 million
- the estimated total annual income for the voluntary and community sector in Rotherham for the most recently completed financial year is £99.4 million
- the most common sources of income are fundraising, (49 per cent) and membership fees/subscriptions (47 per cent). 36 per cent of responding organisations received grants from sources other than the local authority, 22 per cent received grants from Rotherham Metropolitan Borough Council
- the total expenditure for the most recently completed financial year is estimated at £94.2 million. Of this figure, it is estimated that 37 per cent (£35 million) is expended on staff salaries.

How has the sector changed?

82 organisations responding to the 2008 survey had also responded to a similar survey carried out by VAR in 2002/3.

There has been an increase in the numbers of people working in the VCS:

- the total number of paid staff employed by cohort organisations in 2002 was estimated to be 284. In 2008, this figure has risen to 308. 62 per cent of cohort organisations employing paid staff in 2008 report that their number of staff has increased since 2002.

But the numbers of volunteers and trustees have declined, as have the hours contributed:

- the total number of volunteers involved in the cohort organisations (excluding trustees) is estimated to have declined by 3 per cent from 1,030 in 2002 to 995 in 2008. It appears that organisations with no paid staff are more likely to have experienced an increase in their number of volunteers compared to those organisations who employ staff (74% compared to 53% respectively). The total number of hours contributed to the cohort organisations by volunteers has declined by 31 per cent between 2002 and 2008
- the total number of voluntary management committee members involved in the cohort organisations is estimated to have declined by 3 per cent between 2002 and 2008. The total number of hours contributed to the cohort organisations by management committee/board members has declined by 34 per cent between 2002 and 2008.

Overall income for the sector has increased significantly:

- the estimated total annual income for the cohort organisations was £6.7 million in 2002. This is estimated to have increased by 39 per cent to £9.3 million in 2008.

But growth has been concentrated in a minority of organisations:

- Of 64 cohort organisations responding to the appropriate survey questions, 33 per cent fall within the same income band as they did in 2002, and 25 per cent report that their annual income band is lower in 2008 than it was in 2002. 42 per cent have moved up at least one income band between 2002 and 2008. This does suggest that the funding 'cliff

edge' has not yet impacted as severely as anticipated on the VCS in the Borough. However, it would appear that organisations with an income of less than £100,000 are more likely to have experienced a decline in funding than larger organisations, particularly those with an income in excess of £250,000 per annum.

What is the future for Rotherham voluntary and community sector?

Respondents answered a series of questions relating to their perceptions of future opportunities and challenges for the voluntary and community sector.

Respondents were optimistic about the longevity of their organisations:

- 56 per cent of respondents expect their organisation's lifespan to be in excess of 25 years, and a further 17 per cent expect an organisational lifespan of between 10 and 25 years. Just 5 per cent expect to survive less than 12 months.

But less optimistic about being able to attract the people and skills they need:

- 26 per cent of respondents feel recruiting staff will become more difficult and 30 per cent expect recruiting volunteers to become more difficult. 24 per cent anticipate it will become more difficult to recruit trustees

The VCS has mixed feelings in relation to future income and expenditure:

- 37 per cent of respondents expect their organisation's income to increase. 52 per cent expect an increase in their overall expenditure. 23 per cent expect an increase in the value of grant funding and 28 per cent are anticipating an increase in income from contracts
- 59 per cent of responding organisations are actively seeking future funding through 'fundraising' activities such as collections, events and donations. Other activities include grants (34 per cent from Rotherham Metropolitan Borough Council; 55 per cent 'other' grant opportunities) and membership fees/subscriptions (44 per cent).

But expects that involvement in networks and partnerships, and future support needs, will increase:

- two-fifths of respondents expect their involvement in networks and partnerships to increase over the next three years. 55 per cent expect their need for external support will increase over the next three years. This expectation is particularly prevalent amongst those from small organisations that do not employ paid staff.

Use of the cohort in future research

The cohort of 82 organisations responding to both the 2002 and 2008 surveys provides a possible mechanism for VAR to develop ongoing research and consultation in relation to the voluntary and community sector as a whole in Rotherham. The 02/08 cohort is broadly representative of all 2008 respondents and the participation of these organisations in future surveys will facilitate ongoing longitudinal analysis of the changing nature of the sector.

Conclusions

Structure

- The voluntary and community sector in Rotherham is dominated by small organisations which do not employ paid staff, or have very small staff teams. They are a key part of the social fabric of the Borough, contributing significantly to building strong, cohesive and sustainable communities. The VCS is well placed to contribute positively to current agendas around community involvement and empowerment and **it is important that suitable mechanisms are in place to enable the sector to engage with policy makers and service delivery agencies.**
- Growth in the sector has been concentrated at the 'top' and 'bottom' ends of the sector. Less than 13 per cent of respondents in 2008 had an annual income between £50,001 and £250,000, and the proportion of cohort organisations falling within this income bracket fell from 12.6 per cent in 2002 to 6.3 per cent in 2008. These trends present some challenges for voluntary sector infrastructure organisations, including CVSs, which have historically worked most closely with organisations falling in the middle range in terms of income and staff size. If, as the evidence suggests, the sector is polarising there may be a **need for VCS infrastructure support organisations to refocus some or all of their activities to ensure that the support needs of small community-based organisations are met.**
- The VCS in Rotherham is diverse, and survey respondents identified a broad spectrum of activities and beneficiaries. However, the survey has attracted very few responses from organisations working mainly with BME communities and there may be a need for **more targeted research work to identify the structure, needs and impact of VCS groups working with BME communities.**

Resources

- In Rotherham almost half of the VCS generates some or all of its income from fundraising (49 per cent) and/or memberships fees/subscriptions (47 per cent). But over 46 per cent of organisations with an annual income of £10,001 to £250,000 cited (non local authority) grant funding as a source of income and over 30 per cent of this group had grants from Rotherham Metropolitan Borough Council. 70 per cent of organisations in this income bracket identified non local authority grant funding as a key source of future financing, and nearly 43 per cent were seeking future grants from Rotherham Metropolitan Borough Council. There is an overall sense of optimism about future sustainability within the sector but it is important that organisations are **encouraged to make a realistic assessment of future funding options**, and those organisations whose activities cannot be sustained through subscriptions, donation and membership fees may need to be **supported to consider ways in which earned income can be increased.** There may also be issues in relation to the capacity of these organisations to undertake business and strategic planning and of the ability of governance structures to provide the support that these organisations require for ongoing sustainability.
- VCS organisations will need to be able to demonstrate the impact and outcomes of their work in order to attract resources. Many VCS organisations will need support in this and, in particular, VCS organisations may need to be **supported to identify the outcomes arising from their work**, and to articulate the contribution of those outcomes, particularly in the context of the Local Area Agreement, but also in relation to the priorities of other funders.
- But where grants and service delivery contracts are in place these need as far as possible to provide the **conditions in which the VCS can develop and deliver services without continually pursuing short term funding arrangements.** Less than half the service level agreements held by respondents with Rotherham Metropolitan

Borough Council are for 3 years or more and only 15 per cent of grants and 11 per cent of contracts are for this duration.

- The VCS in Rotherham is a key local employer, providing nearly 4,000 jobs, almost eighty per cent of which are filled by Rotherham residents. Opportunities for flexible working may make employment in the voluntary sector an attractive option (particularly for women who make up the majority of VCS staff) but some VCS organisations are finding it increasingly difficult to recruit staff with the skills that they need. In the context of the increasing complexity and professionalisation which the sector is experiencing it is important that the sector is **supported to both develop the skills of existing staff and to recruit successfully when new staff are required**. The sector has an impressive track record of local recruitment; VAR may need to work with voluntary organisations, and local training providers and employment agencies to ensure that where possible the skill requirements of the VCS are met locally.
- There is a continued need to **support VCS organisations to find and retain volunteers**. There are signs that the numbers of volunteers working in the VCS in Rotherham are declining, and those that are volunteering are contributing a decreasing number of hours. Moreover, 30 per cent of respondents anticipated that it will become more difficult to recruit volunteers in the future.

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