

Listen: Value: Invest

The current value of the voluntary sector in Derby



Listen, Value, Invest

Executive Summary

Derby's Voluntary Sector worth £237m and under threat.

In the current climate of financial difficulties a national campaign has been launched to consider how the reduction in public expenditure is going to impact on the Voluntary and Community Sector (VCS). To provide a local perspective on the likely impact Community Action felt that local decision-makers needed to have a clearer understanding of the sector to better inform their decisions.

This research attempts to estimate the financial scale of the sector, the value of volunteering and the cost of the cuts to groups delivering services in Derby.

Taking the turnover of the groups (£96m) and the value of volunteering (£141m) the value of the sector in Derby is a staggering £237 million. We are not suggesting that this figure captures all of the benefits experienced by service users and volunteers; however, it does provide a stark indication of the importance of the role of the VCS to Derby.

Our findings have shown that 66% of groups are expecting cuts in the next financial year. This comes at a time of additional reliance being placed on the sector due largely to increased demand for services as the public are hit by the recession, coupled with the inevitable reduction in services delivered by public bodies, as they attempt to operate within the new financial reality.

It is widely recognised that the current financial situation is impacting on everyone, both the public and voluntary sector, but the message from the VCS comes through loud and clear, **Listen, Value and Invest**.

Methodology

The data was collected through the use of both primary and secondary research, using various methods to engage with the voluntary and community sector. Firstly, the objectives of the research were considered and key facts were established through a review of previous literature and recent research. Finally research methods were evaluated in order to determine which ones best met the aims of the project.

Case study 1 - Oliver, 20, Youth Action Team volunteer from Derby.



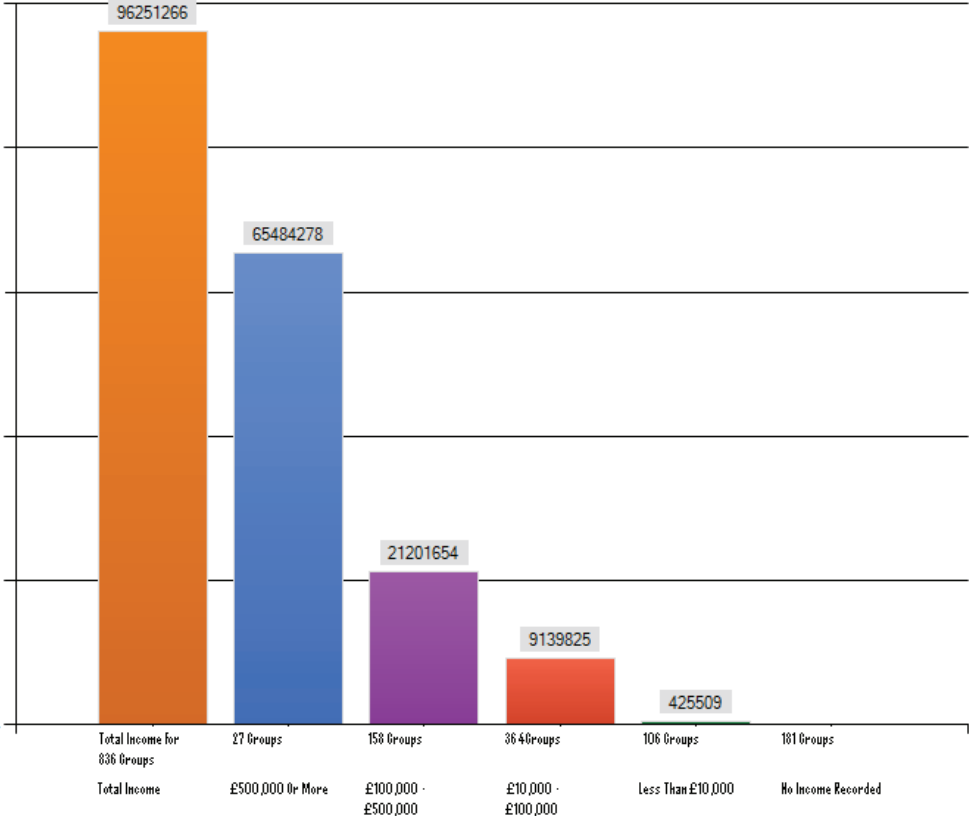
“I joined the Youth Action Team (YAT) at Community Action Derby in March 2008 as I wanted to meet new people and promote volunteering. When I attended my first YAT meeting I was very nervous and shy but after a couple of meetings I got on with the team really well. We went out and did some activities together and this helped us get on and communicate as a team.

Ever since I started volunteering my confidence and socialising skills have improved a lot, this has helped when I go for job interviews and when I have had a job I can communicate with staff more. The project I worked on got a lot of young people involved in volunteering and showed them how they can give back to the community.”

Scale of the Sector

Derby's Voluntary Sector turnover:

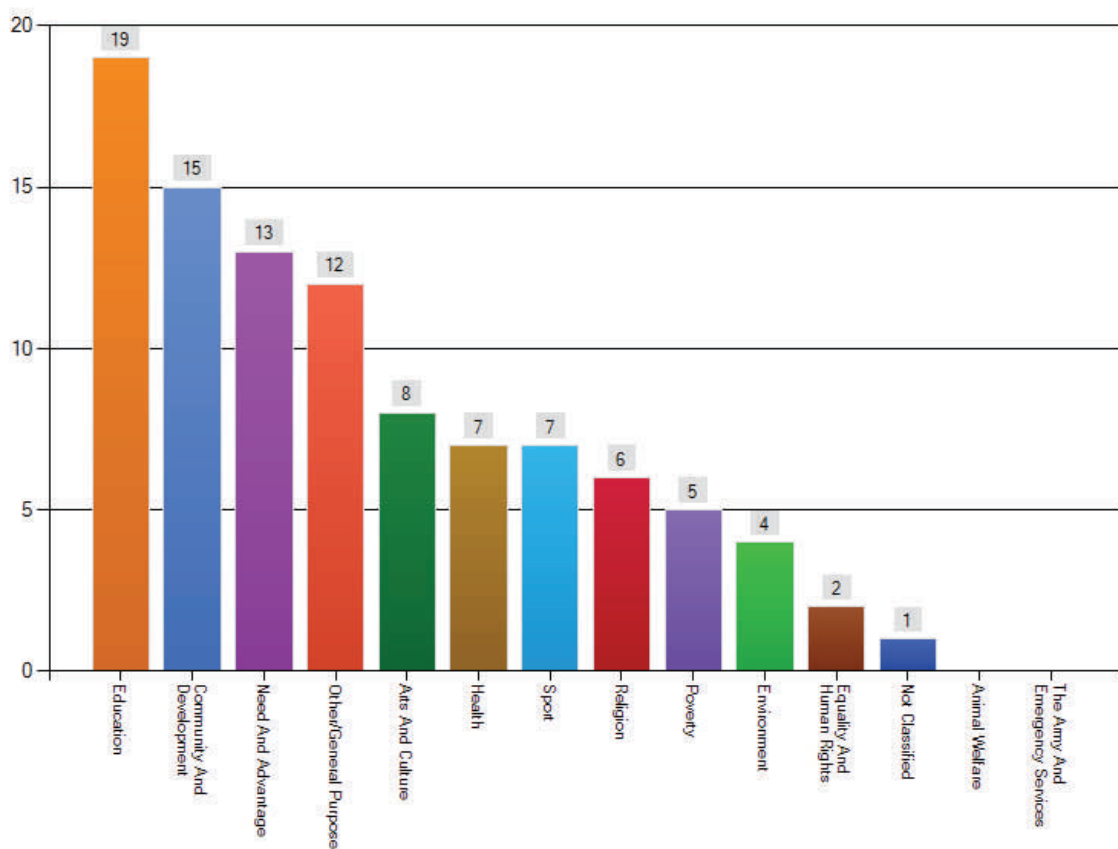
£100,000,000



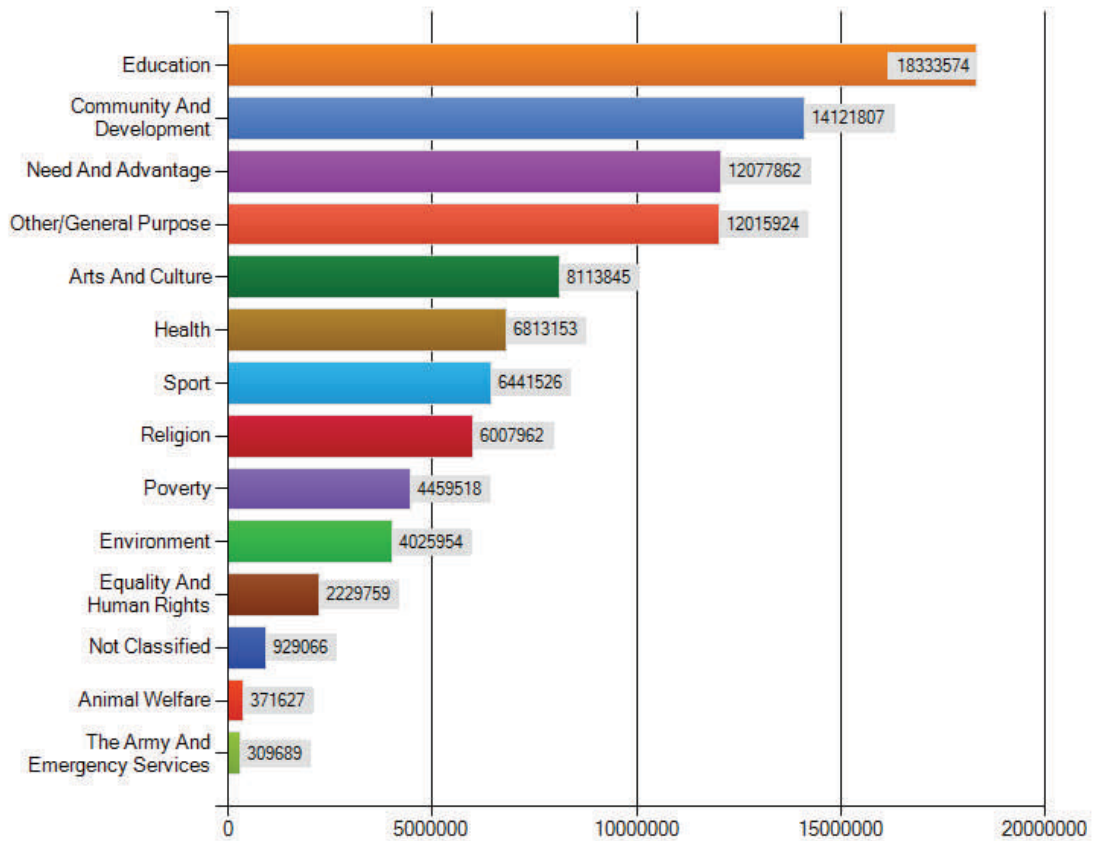
Financial data was analysed from **836** organisations and groups in Derby, culminating in a total **£96,251,266**. This demonstrates the massive impact the Voluntary and Community Sector has in our community.

It is important to note that this figure is a conservative estimate of the total scale, as many smaller organisations and groups are not required to publish their accounts. During this study **181** organisations and groups were found who didn't provide this information.

These graphs display the percentages of organisations by activities, and the breakdown of the scale of the sector. The categories were taken from The Charities Act 2006.



They show that the Voluntary and Community Sector work to address the needs of a variety of issues in Derby, from poverty to the arts, engaging with socially excluded communities and improving social cohesion within the city.



The scale of the sector was calculated through accumulating the total turnover, from 2009 to 2010, of groups and organisations either based in Derby, or delivering a service within the city. This was achieved through analysing information from The Charity Commission and Companies House and cross-referencing the groups and organisations, along with their financial value, against The Community Action Derby database. This research also recorded the classification of each group's activities in order to determine the breakdown of groups and organisations within each category. The information was collected through a combination of desk-top research and directly contacting the groups and organisations who were yet to record any information.

This resulted in an analysis of 302 groups and organisations from The Charity Commission, 49 groups and organisations from Companies House, and 485 groups and organisations from The Community Action Derby database, making 836 in total.

Value of Volunteering

Volunteers give over £140m support to Derby.

According to the most recent Place Survey in Derby, conducted in 2008/2009, the percentage of our population who have given unpaid help in the form of formal volunteering, at least once per month,

was 23%, resulting in a total of **55,890** people.

According to the recent Citizenship Survey, The Volunteering And Charitable Giving Report, conducted in 2008/2009, people who regularly participated in formal volunteering spent on average 12.6 hours volunteering per month,

which equates to **151 hours and
20 minutes** every year per volunteer.

The average mean hourly wage in Derby, according to The Annual Survey of Hours and Earnings, from The Office of National Statistics is

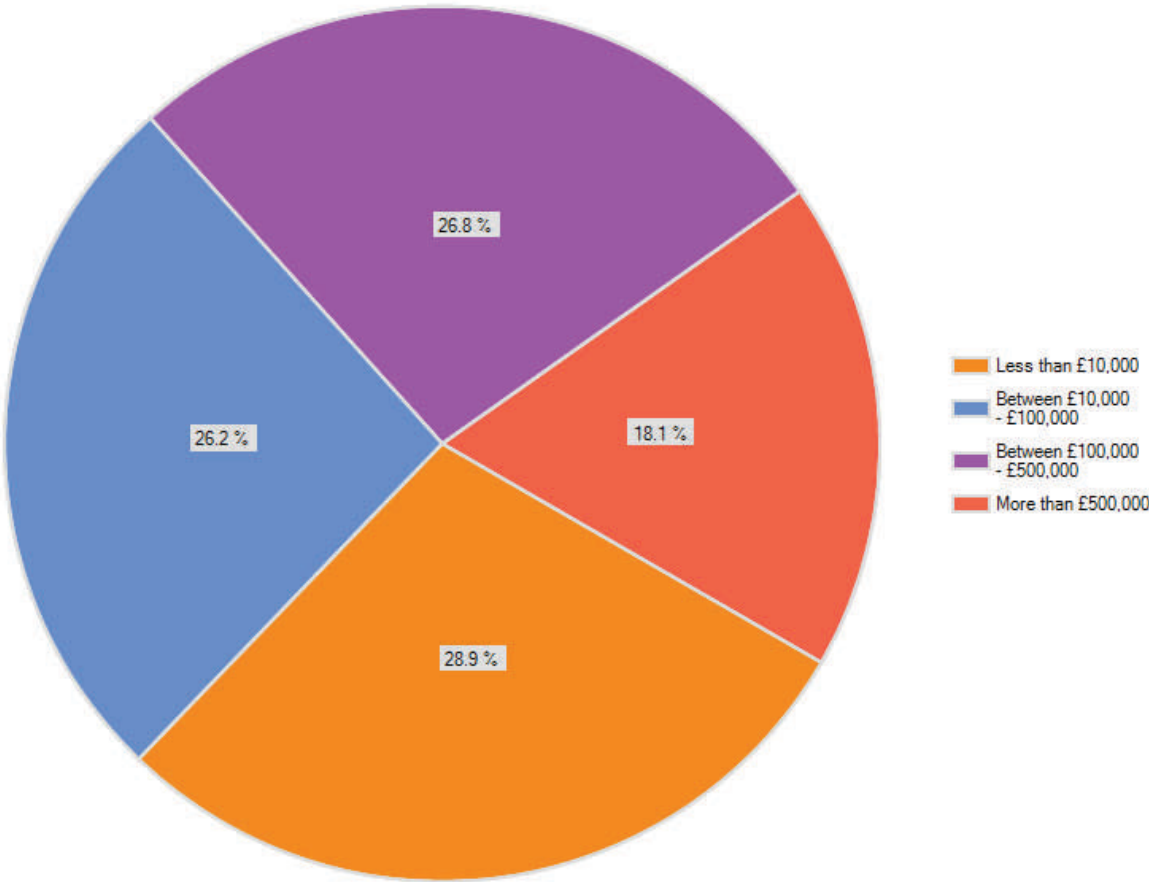
£16.76.

This demonstrates that those who volunteer within the city provide an extraordinary £141,631,519 of services in Derby, contributing their time in order to improve our society and engage with the community. It is clear that it is almost impossible to place a financial value on the help someone gives to an older person leaving hospital, a family in crisis or a young person who is going off the rails, but Derby would be much poorer without it.

Cost of the Cuts

66% of groups expecting reduced income

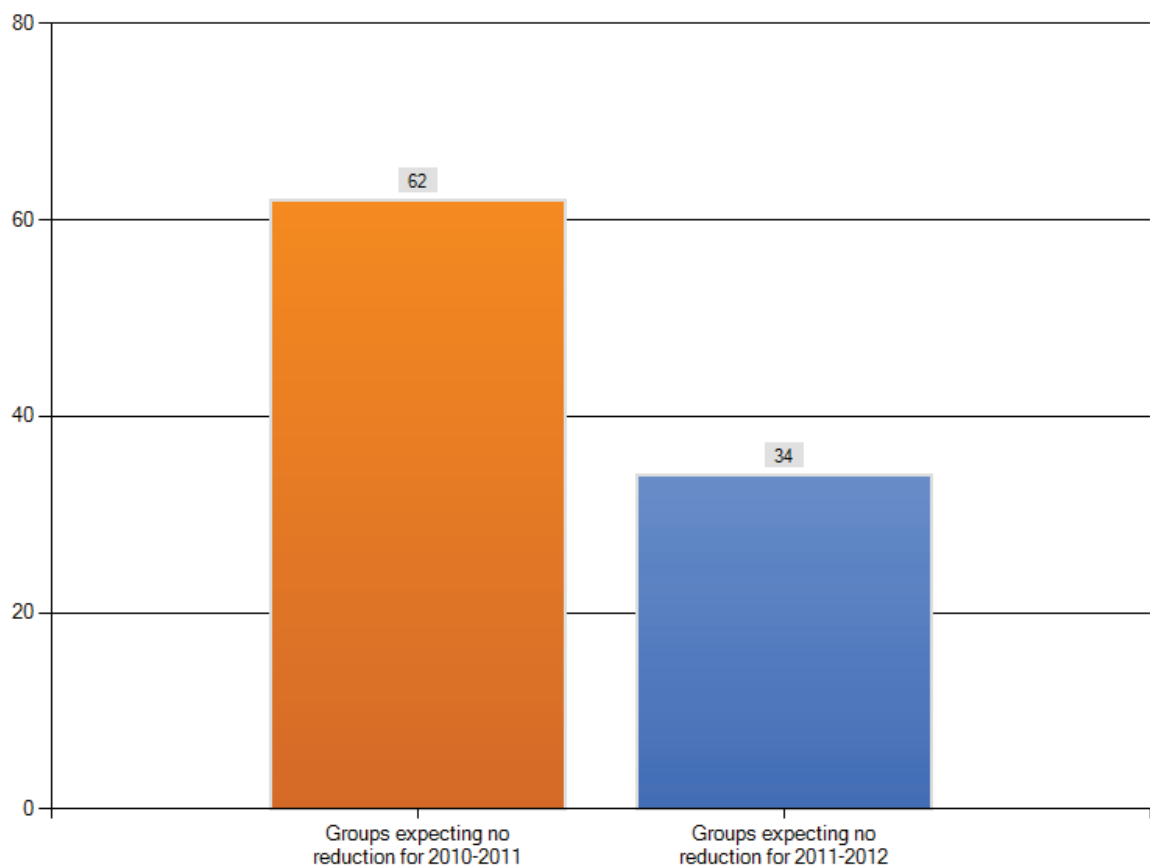
A survey of VCS groups in Derby was completed to gauge the potential impact of the current financial situation. The range of groups who responded was balanced across income levels. This helps to give a good cross-section of the impact on different types of groups, although the response rate for smaller groups is lower than would usually be expected as they make up a significant minority of the sector.



Scale of Reduction

Average £80,382 cut per group

The figures indicate a significant drop in the number of groups not expecting a cut, when comparing 2010 -11 to 2011-12.



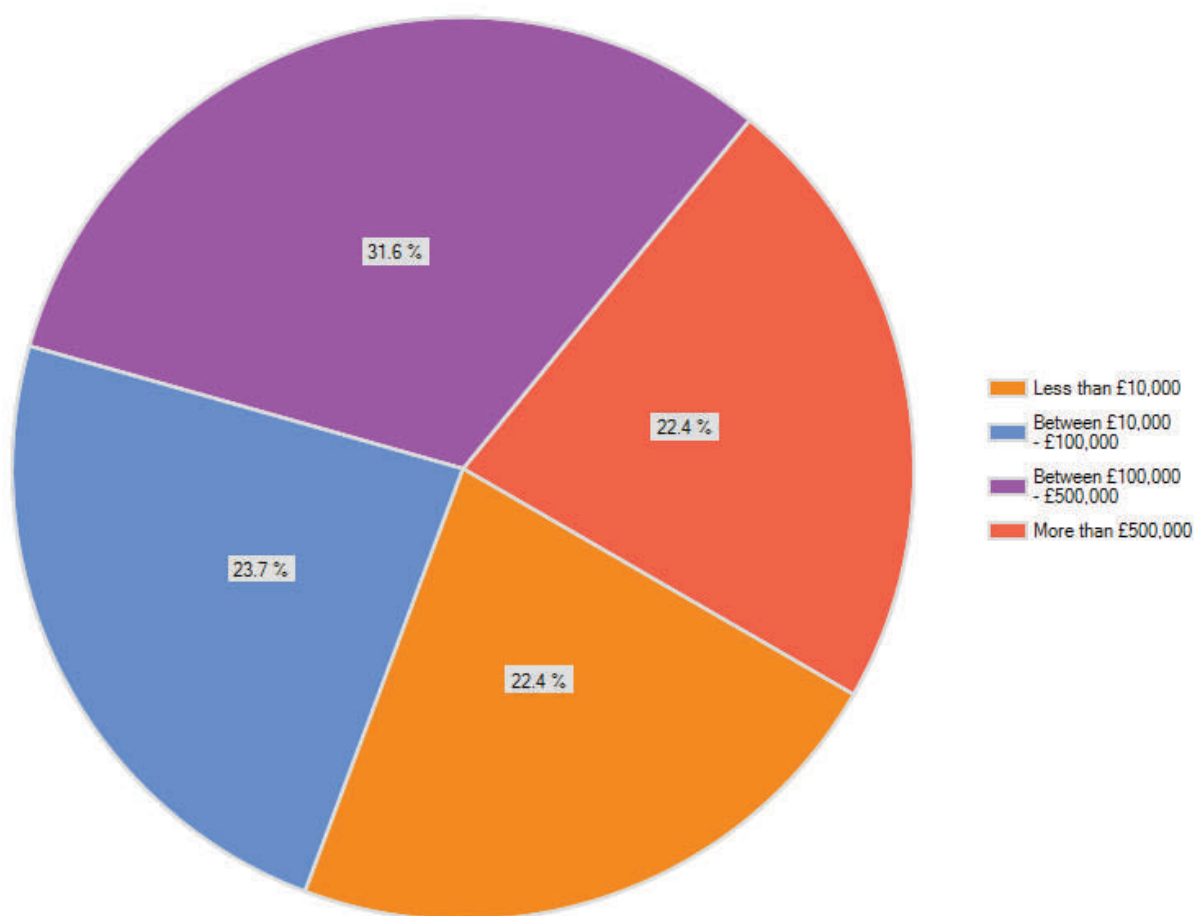
Turning the above around means 66% are expecting a cut in 2011-12, and this is made more notable when considering the average amount of cut per organisation.

The average reported cut per organisation

2010-2011	£12,819
2011-2012	£80,382

The actual numbers of groups who were able to give a figure was relatively low (19 and 23 respectively), however, this does give an indication of the scale of the issue.

When looking at the figures in more detail it is clear that the impact is going to be felt equally across organisations of all levels of income.

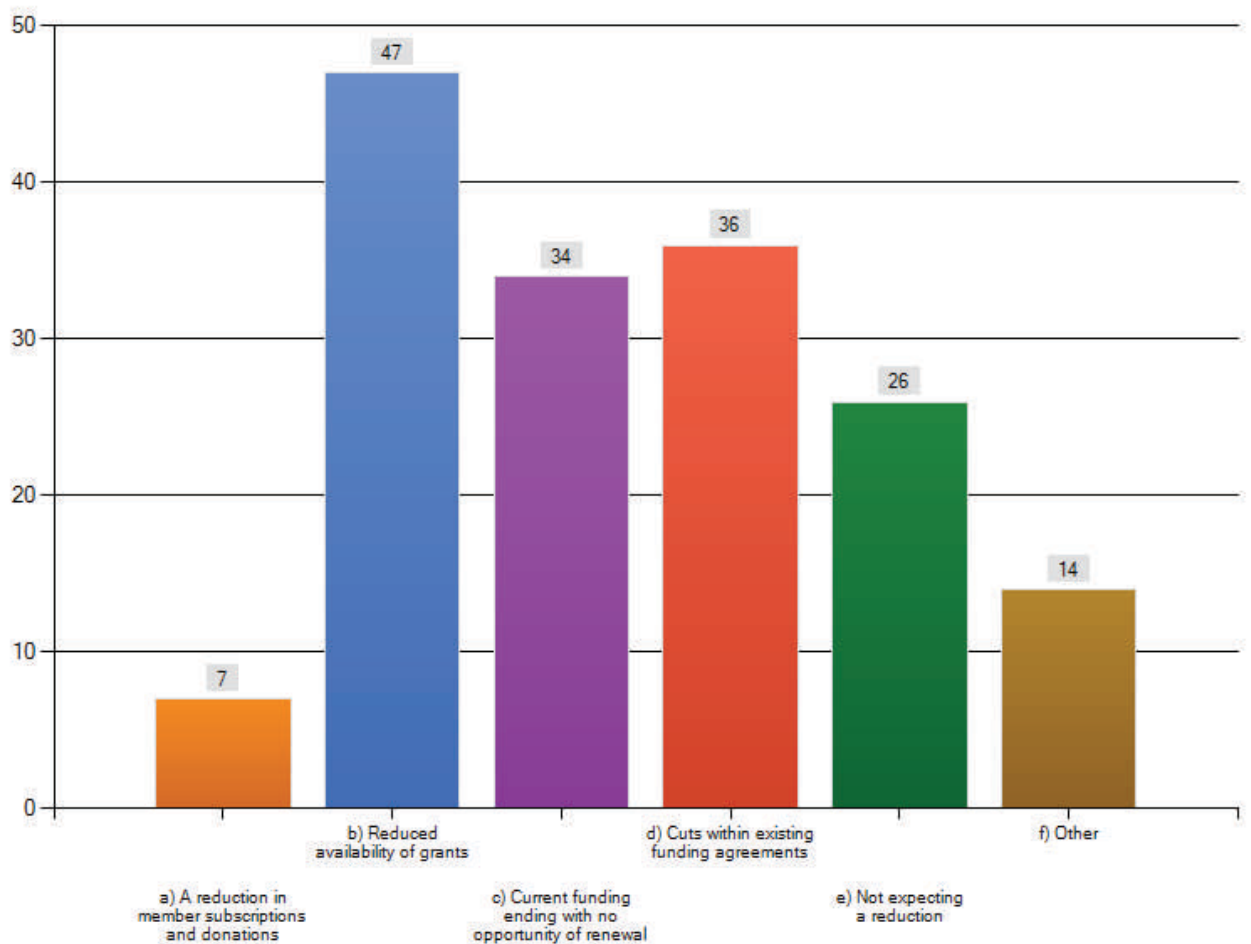


In addition to this 55% said that they had already fundamentally reconsidered what their organisation or group does and how it does it. This indicates a significant trend across the sector, with 84.7% of these groups being those who are facing cuts in 2011-12. This suggests that the groups who are aware of the threat are taking steps to mitigate its impact.

Source of Cuts

Reliance on government funding threatens sector

The majority of cuts are expected to come from the reduction in the level of grants, either new or existing, rather than a reduction in donations or member subscriptions.

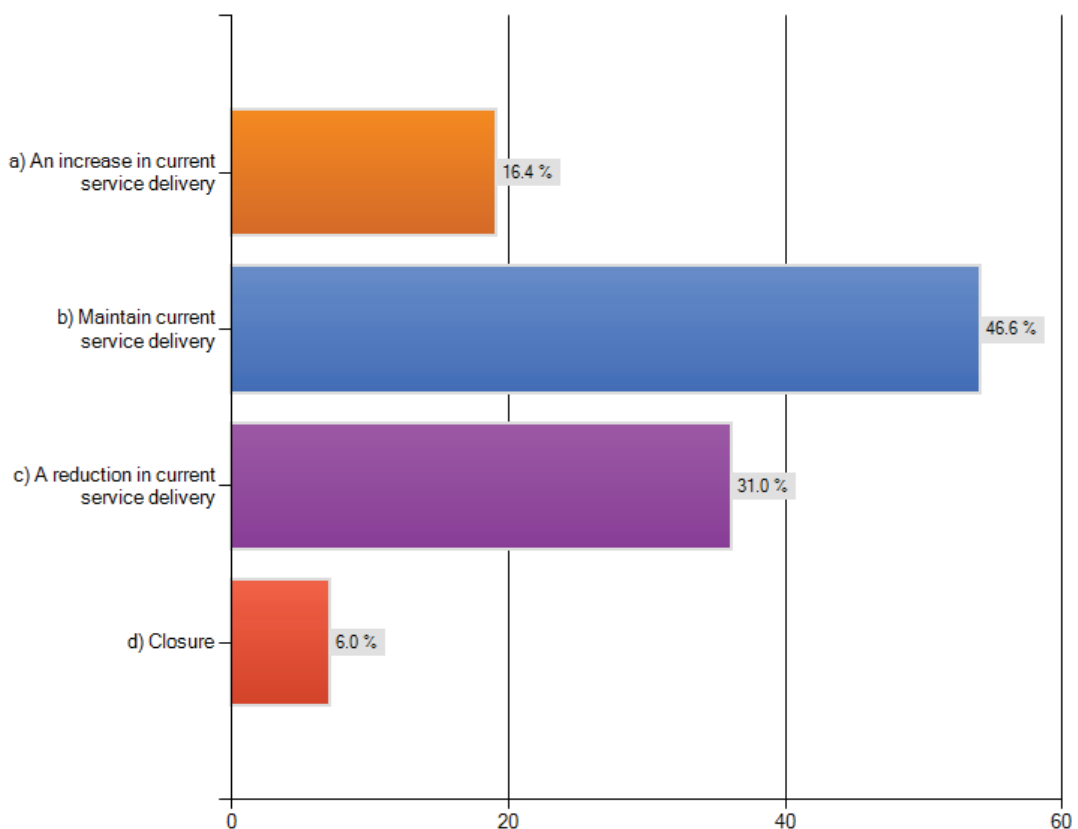


There is also a significant issue around reductions in existing funding agreements, either while they are running or that they will not be renewed.

Impact on Services

Over 1/3 of groups expect reduction in capacity

Almost half of the groups that responded expected to maintain their current level of service delivery with a number even projecting increases in the next financial year. One concern relating to this area is the figure of 6% of the groups who feel they are likely to close. Should any of these closures relate to groups working with small marginalised communities the impact could be significantly higher than these figures would initially indicate.



If you consider those organisations that expect a reduction in service, as well as those that expect to close this would represent a significant reduction in the overall capacity of the sector. The likely reduction in public services and increasing levels of demand due to the recession would indicate a mismatch between demands for, and supply of, voluntary sector services.

Medium-term Outlook

Sector down-beat about 3 to 5 year outlook

A range of views were given in terms of the 3 to 5 year outlook for the organisations. These can be broadly categorised as:

Optimistic

Positive but challenging as we will need to replace current levels of funding with other earned income through diversification and increased customer spend.

We'll have to review our strategic plans and adjust how and where to deliver services and 'streamline' our costs even further.

Pragmatic

We will struggle to keep up with our expenditures and will probably have to ask for additional voluntary contributions from our members.

The service quality may reduce as we are providing services to increasingly more people with the same staff.

Pessimistic

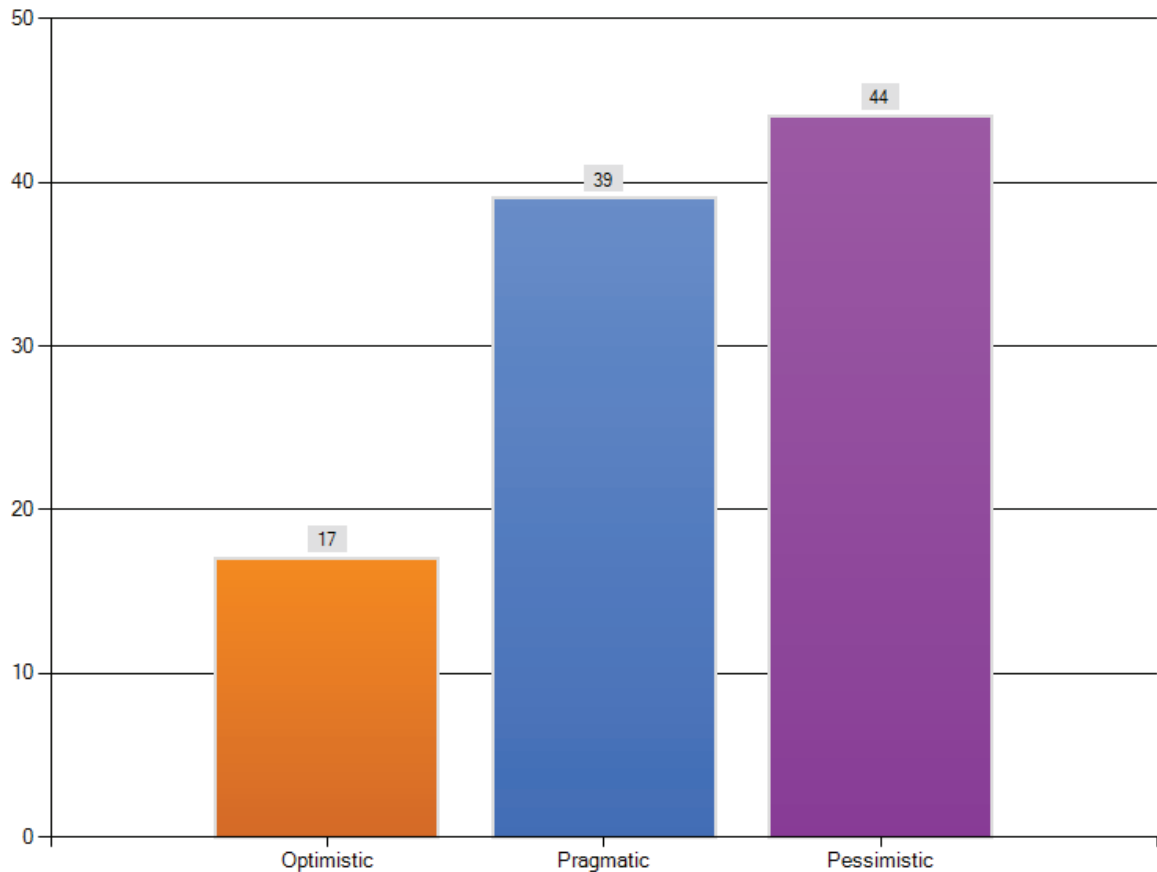
As a bigger organisation (national) we will survive but with a reduction in service delivery, locally here in Derby our organization will close without future funding or contracts.

Case Study 2 - SOVA.

Feedback from a young person at his final meeting with his mentor.

Steven* was pleased to have come to the end of his order. He expressed in his feedback that whilst he had found the last two years quite difficult, he felt that he had benefited greatly from the support offered by the organisation, especially having the mentor for extra support. As a result of his supervision and support he now has semi-independence in his own accommodation at the YMCA, is in receipt of benefits via Job Seekers Allowance, and is actively looking for work. He said that 12 months ago he would not have been able to make this progress without the extra support he received from a volunteer mentor.

* Name has been changed.



Overall the tone is pessimistic but tempered with pragmatism in terms of what can be delivered within the resources available. There is clearly still a strong commitment to supporting the needs of communities and/or service users.

Case Study 3 - Restore is a Christian, volunteer-led charity committed to befriending and helping women in the sex trade in Derby.

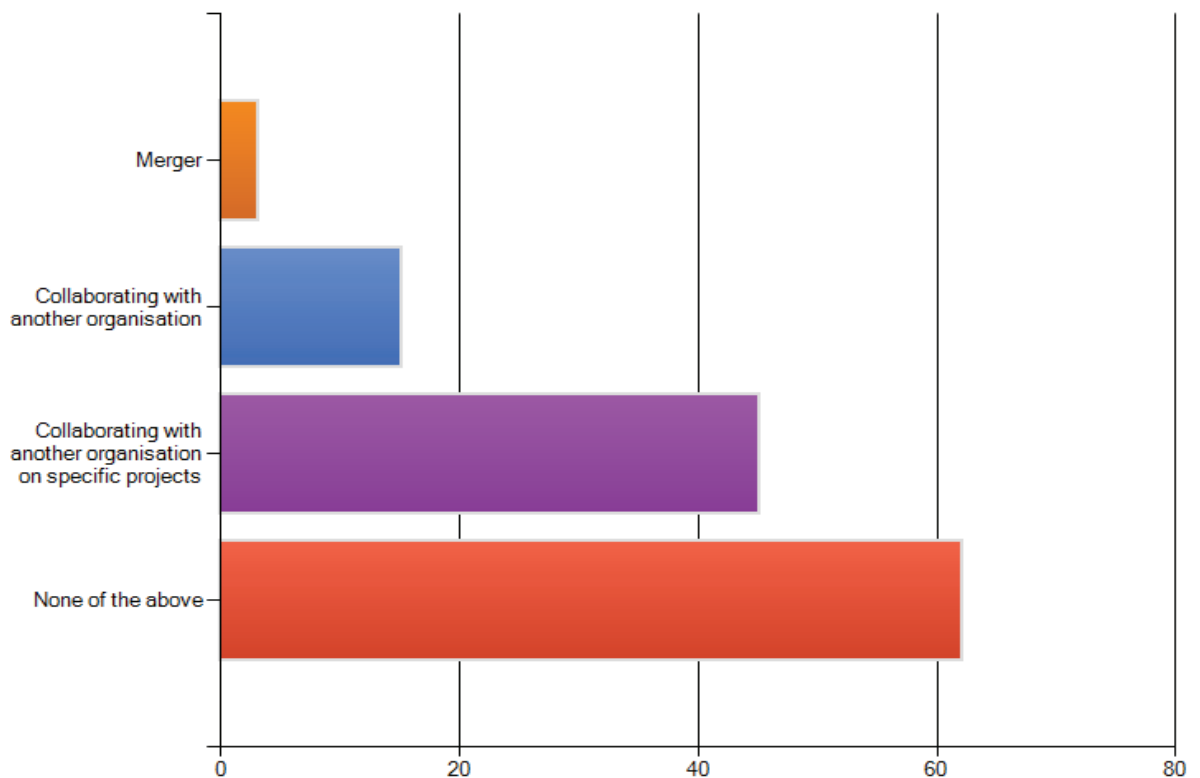
We have worked with Marie* over a number of years. She was in a very fragile state when we first started working with her. She was addicted to drugs and alcohol and was prostituting herself in order to pay for this. During the time we have worked with Marie we have enabled her to access drug and alcohol treatment programmes, to file forms for housing and benefits (which concluded with her being housed). She had multiple health needs both psychological and physical and addressing these were a major part of her recovery. By working together we were able to help her access many other agencies (a lot of whom are charitable organisations) so that she could receive the care package she needed. We try to befriend women and walk with them through recovery. Marie now has somewhere to live, has married and is currently seeking employment.

*Name has been changed.

Cooperation, Collaboration or Merger

Variety of groups still needed to support communities

Groups apparently strongly defend their autonomy with only a very small percentage considering on-going collaborations or mergers.



This would indicate that there isn't likely to be a fundamental shift in the overall make up of the sector. However, if the figures for those thinking about merger/collaboration are combined with those who feel the financial situation will result in their closure, it is clear that there is likely to be a reduction in the number of groups and organisations.

Message to Funding bodies

Sector Says: Listen, Value, Invest!

Groups were asked to give a message that they would like to pass on to funding bodies:

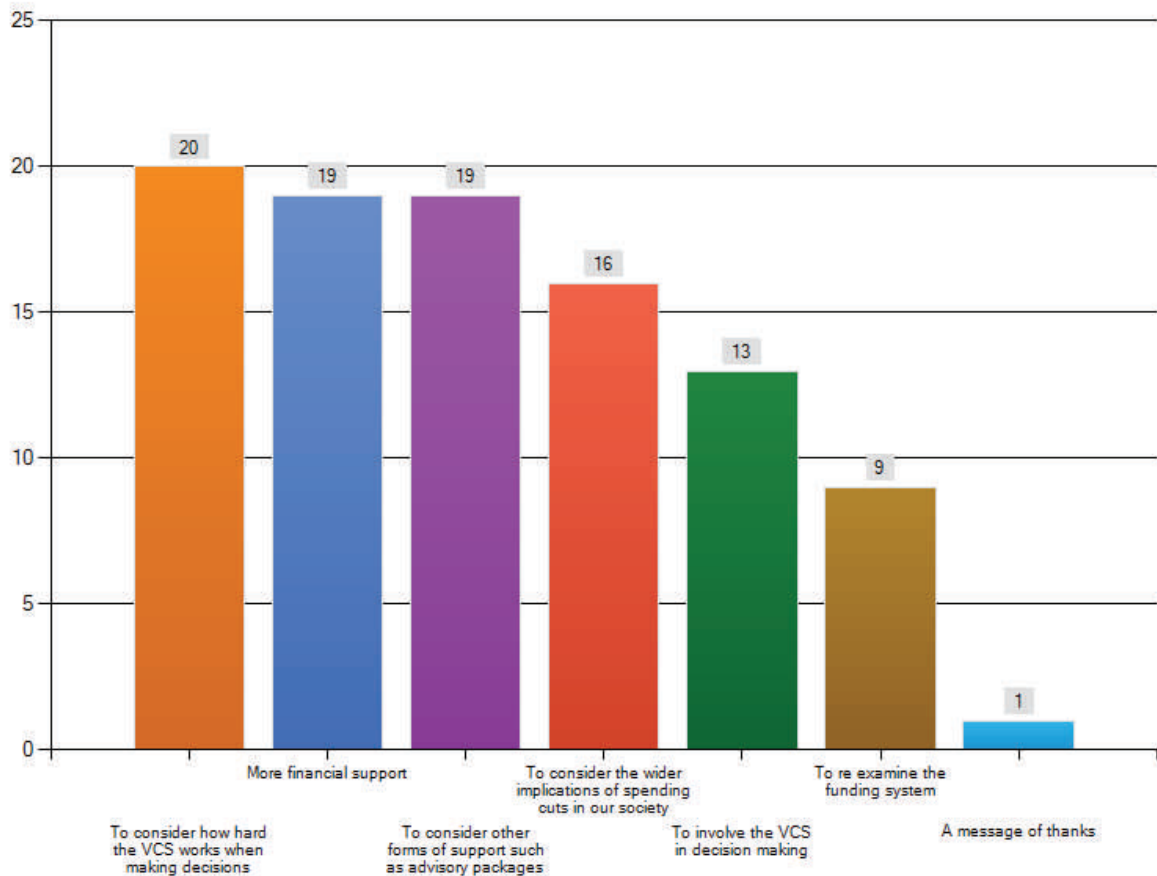
1. Let's work together to make the best use of reduced resources.
2. Our message to both statutory and funding partners is simple. In these uncertain times, although we need to be able to do more with less, in terms of money, we also need to remember that we have more rather than less reasons for doing what we do. We have faced stern times before now and survived only to grow stronger from our shared experiences. Now that we are faced with an uphill struggle, so long as we keep focused on what is in front and not what is behind us, we are the masters of our own future.
3. Reduce the amount of paperwork necessary, thus saving organisations time and facilities. More time for service delivery.

Case Study 4 - SOVA

“At our first one-to-one meeting Claire* told me that she had been caught damaging a sign, as a dare, and had been taken to the police station; as this followed a chain of previous events she was placed on an Acceptable Behaviour Contract (ABC) which required her to meet improvement targets about her behaviour at school, home and in the community. If Claire failed to comply with the ABC the consequence could be an Anti-Social Behaviour Order (ASBO) and eviction of her family from their home. As she aspired to be a police officer when she was older, we talked about motivation to stay out of trouble and what she needed to do to pass the ABC.

With each weekly activity Claire increasingly opened up and became more socially confident and open to trying new things. Whilst engaging in a range of activities we laughed a lot, shared our experiences and talked about her hopes for the future. When asked what was good about mentoring Claire said “One-to-one support – I prefer that to group support. It’s someone to talk to about me. It helps with keeping out of trouble and builds your confidence”; asked if she would consider being a mentor herself one day she replied: ‘Yes, it’s helped me so I’d like to do that to help someone else.’ Who could ask for more?”

*Name has been changed.



The figures outlined above are from a survey in August 2010, designed to measure the effects of the possible financial cuts to funding to the Voluntary and Community Sector in Derby. The survey was designed using Survey Monkey software. The aim of the survey was to generate an overview of the sector, and an understanding of how the financial cuts may affect individual groups and organisations within the city. The survey was sent to 1580 contacts within the city via Community Action Derby's 'Reach Out' e-bulletin and an estimated response rate of 13% was received within the time frame allocated, however this does not include those responses from the survey being made available on the Community Action Derby Website and can only be viewed as an approximation.

The results of the survey represent the experiences and views of a sample of the Voluntary and Community Sector in Derby, however, through it's analysis it is possible to make generalisations for the wider community in the city.

Case Study 5 - Future Jobs Fund, Community Enterprise



Chris Beal, 22, from Alvaston, was unemployed for nine months after completing a plumbing course and being unable to secure work through lack of experience. Chris said:

“My advisor at the job centre suggested that I try doing some voluntary work and told me about the Volunteer Centre at Community Action Derby. The next day I went along and was surprised by the amount and variety of opportunities available. I secured a voluntary position with the development team at Community Action Derby

While volunteering with the development team I learned lots of new skills and met lots of new people. After about six months volunteering I was advised by the job centre that I would soon be put on to the New Deal course, and as I was already volunteering at Community Action Derby it was decided that this would be a good place to do my 13 week placement. While on my placement I worked four days on reception, which built my confidence in dealing with people on the phone and face-to-face. At the end of my 13 weeks I was offered the opportunity to start on the Future Jobs Fund programme as an administrative assistant and I am still in this position today.”

Community Action



Contact us at:

Community Action Derby
4 Charnwood Street
Derby
DE1 2GT

☎ 01332 346266

📠 01332 205069

✉ enquiries@communityactionderby.org.uk

www.communityactionderby.org.uk