Salford CVS

Volunteer Centre Salford

Salford State of the Voluntary Sector 2013

A report on social and economic impact

Sheffield Hallam University

Centre for Regional Economic and Social Research

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

Definitions

This report is about the 'state of the voluntary sector in Salford'. At various times the voluntary sector has been known as the 'voluntary and community sector' or the 'third voluntary sector' whilst the current government talks a lot about 'civil society'. In this report, when we talk about the voluntary 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

Salford CVS is proud to present this 2013 State of the Voluntary Sector report. As in 2010, this reports on the social and economic impact of voluntary organisations, community groups, social enterprises and the community work of faith groups in Salford. Salford CVS is also really pleased that we have been able to support a collaborative approach with a partnership of 7 other local support and development organisations in Greater Manchester. This means that for the first time we are able to see the impact of Salford groups against a Greater Manchester picture.

This picture is one of resilience and dedication to providing continued support to Salford's communities:

- an estimated 1,364 organisations (1,376 in 2010) provide 2.7 million interventions with Salford residents each year
- the total income of the sector in the City was an estimated £145 million in 2011/12 (£156 million in 2010)
- an estimated 37,300 volunteers contribute an estimated 137,000 hours of their own time each week valued at £122.7 million worth of Gross Value Added to the economy (£121.7 million in 2010).

This report highlights that organisations have been significantly affected by the economic downturn and reductions in funding. It reports on concern about the sustainability of groups as they work hard to meet increasing needs in Salford's communities. The report also highlights the powerful contribution of collaboration both within the sector and with public sector partners to the continued success of organisations and communities in the City.

We hope that everyone reading this report will value the significant contribution that the voluntary sector makes to the City of Salford. We know that Salford's communities are stronger because of the support and opportunities provided by social enterprises, voluntary organisations, and community groups across Salford. This report provides us with a strong incentive to commit to working together to ensure that the sector in Salford survives and thrives into the future.

Chris Fox

Chair – Salford CVS

May 2013

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Executive Summary

The state of the voluntary sector in Salford: 12 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. The study had three main objectives:

- to produce reliable, statistically significant and current data on the voluntary sector in Salford
- to provide intelligent information on the key issues affecting the voluntary sector in Salford
- to build on findings from the 'State of the Voluntary Sector Survey' undertaken in Salford in 2010, observing how the circumstances of the voluntary sector may have changed over the past two years.

In this executive summary we answer 12 key questions about the voluntary sector and its role across the city.

Q1. How many organisations are there?

There are an estimated **1,364 organisations** operating in the voluntary 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, it is estimated that 68 per cent of organisations (934) are micro (annual income under £10,000) in size, 16 per cent (218) are small (annual income between £10,000 and £100,000), 12 per cent (170) are medium sized (annual income between £100,000 and £1 million), and 3 per cent (42) are large (annual income greater than £1 million). This is consistent with the findings from the 2010 survey and the pattern that has emerged from this research across Greater Manchester.

Q2. Who benefits from their work?

It is estimated that the voluntary sector in Salford made **2.7 million interventions with clients, users or beneficiaries** in the previous year.

The overall client group is diverse and wide ranging. 'Everyone' was listed as a main client group for 25 per cent of organisations. The following were also listed as a main client, user or beneficiary group for at least one in five organisations:

- women (32 per cent)
- men (30 per cent)
- older people (24 per cent)
- young people aged 13 to 25 years (23 per cent)
- children aged under 13 years (21 per cent).

The same client groups were also the most common in the 2010 survey. However in the earlier survey young people (28 per cent) and children (27 per cent) were the most commonly listed groups.

Individuals with health issues were also served by relatively high proportions of organisations. Disabled people were a main client, user or beneficiary group for 18 per cent of organisations and people with mental health problems made up a main client, user or beneficiary group for 16 per cent of organisations. Furthermore, seven per cent of organisations cited people from Black and Minority Ethnic groups as a main client group.

The majority of organisations had a local focus: 33 per cent identified particular Salford neighbourhoods or communities as their highest main geographic focus and a further 31 per cent of organisations cited the whole local authority as their highest geographic main focus. The distribution of organisations across the city is not even: some wards benefit from a well-developed voluntary sector whereas other wards have fewer organisations focussing on local needs.

Q3. What does the voluntary sector in Salford do?

The voluntary 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.

Almost half (47 per cent) of organisations work in the area of health and well-being; this was 6 percentage points higher than any other area of work. Between a quarter and two fifths of organisations work in each of the following four themes:

- community development (41 per cent)
- education, training and research (34 per cent)
- sport and leisure (26 per cent)
- and economic well-being (20 per cent).

Health and well-being (42 per cent), community development (30 per cent) and education, training and research (29 per cent) were also the most common areas of work in the 2010 survey. However it is interesting to note that double the percentage of organisations worked in economic well-being in 2012/13 compared with 2010.

Q4. How much is the voluntary sector in Salford worth?

The total income of the voluntary sector in the city was an estimated **£145 million** in 2011/12: this is significantly lower than the figure of £156 million estimate from the 2010 survey and **year-on-year reductions in income have been identified**. It represents a reduction of two per cent compared to 2010/11 and follows a larger reduction between 2009/10 and 2010/11 when the total income of the voluntary sector reduced by an estimated six per cent, from £157 million to £148 million. The income of the voluntary sector in Salford accounts for around 15 per cent of total income into the sector in Greater Manchester.

In keeping with the findings from the 2010 survey, the majority of income continues to be concentrated in large and medium sized organisations even though the majority of organisations are micro or small. Micro and small organisations account for more than four fifths of organisations in the voluntary sector but less than ten per cent of total income. By contrast medium and large organisations account for less than a fifth the voluntary sector's organisations but receive more than 90 per cent of its income. Income is concentrated particularly heavily in the largest organisations, with more than half of all income (57 per cent) into the voluntary sector received by only 42 organisations.

Analysis of income data from survey respondents from across Greater Manchester[3] identified further variations according to organisation size: medium and large organisation categories experienced year on year reductions in total income between 2009/10 and 2011/12. Medium organisations experienced a particularly large reduction of more than 10 per cent between 2009/10 and 2010/11: a continuation of a trend identified in the 2010 survey. In addition, there were significantly fewer medium sized organisations in receipt of public sector funds than in 2010 (a reduction of 23 percentage points). Collectively these findings provide a strong indication that **public sector funding cuts are falling disproportionately on medium sized organisations.**

By contrast micro organisations experienced a small increase between 2009/10 but a large reduction of more than 10 per cent between 2010/12 and 11/12 and the income of small organisations remained relatively stable.

It is estimated paid staff and volunteers working within the voluntary sector in Salford contribute equivalent to £240.4 million worth of 'Gross Value Added' GVA to the economy; this is comparable to 0.5 per cent of the value of Greater Manchester's GVA.[4][5]

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

Public sector sources

Similar to 2010, **62 per cent of respondents reported having at least one source of public sector funds**. The two most frequently identified public sector funding sources were:

- Salford City Council (received by 53 per cent of respondents)
- NHS Salford (18 per cent)

Collectively, only 18 per cent of respondents received funding from other public sector bodies (including national Government Departments).

By contrast, and in keeping with the findings from Salford in 2010, public sector funding in terms of actual value was distributed somewhat differently: Government departments provided the largest amount of funding across Greater Manchester (53 per cent) followed by local authorities (30 per cent) and the NHS (8 per cent).

Other sources

90 per cent of respondents received funds from at least one non-public sector source. This is an increase of 10 percentage points from the 2010 survey. The most frequently identified sources of other funds were very similar to 2010:

- fundraising (received by 45 per cent of respondents)
- grants from charitable trusts and foundations (39 per cent)
- membership fees and subscriptions (31 per cent) and,
- charging for goods and services (30 per cent).

By contrast, and based on data from across Greater Manchester, income from charging for goods and services provided the most value (28 per cent), followed by fundraising (21 per cent), lottery grants (18 per cent) and grants from trusts and foundations (15 per cent). Non-public sector income was therefore more evenly distributed, in terms of value, than public sector income, which was dominated by large national government contracts.

[3] It was not possible to undertake sufficiently robust analysis of these trends at a local authority level
[4] Please note the Gross Value Added of volunteers is not currently included with official reporting, therefore the value of Greater Manchester's GVA does not include that of volunteers.
[5] GVA estimates are not available for Salford.

Q6. How sustainable is the voluntary sector in Salford?

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

- 56 per cent of respondents reported increasing their expenditure but only 41 per cent had experienced an increase in income
- 39 per cent of respondents reported a decrease in income but only 24 per cent reduced their expenditure
- 38 per cent reported a reduction in their financial reserves compared to only 26 per cent report an increase.

This means that a significant number of organisations have spent more money than they received in the past 12 months: 34 per cent of respondents provided an expenditure figure for 2011/12 that was greater than their income. These findings are very similar to the 2010 survey, and could be indicative of a longer term trend in response to the economic downturn and subsequent reductions in the voluntary sector's income. In light of this trend **it seems likely that the sustainability of a significant number of organisations, and the vital services they provide for local people, could be under threat.**

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

- 18 per cent had reserve levels of less than one month's expenditure
- 40 per cent 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 particularly vulnerable should their funds be severely reduced or withdrawn.

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

Paid Staff

The voluntary sector in Salford employed **3,800 full-time equivalent (FTE)[6] paid staff in 2012/13**. An estimated 16 per cent of the voluntary sectors' workforce in Greater Manchester.

Using a slightly different methodology (see appendix 1) the earlier study estimated that there was 6,500 FTE paid staff within the voluntary sector in 2010. Adopting the same methodology it is estimated that there were 6,400 FTE paid staff within the voluntary sector in 2012/13.

It is estimated paid employees of Salford organisations contribute equivalent to £117.7 million worth of GVA to the economy per annum; this represents 0.5 per cent of Greater Manchester's GVA.

Fifty nine per cent of FTE paid staff were employed in large organisations with an income of at least one million pounds. In comparison the 1,152 micro and small organisations employed just six

[6] 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.

per cent of FTE paid staff. The remaining 35 per cent are employed in medium sized organisations. Large and medium sized organisations continue to be significant employers in Salford.

Volunteers

In 2012/13, an estimated **37,300 volunteers** were part of the voluntary sector workforce in Salford, contributing an estimated **137,000 hours** of their own time per week.

Using a slightly different methodology (see appendix 1) the 2010 study estimated there were 20,300 volunteers in Salford who provided 144,300 hours per week. Adopting the same methodology with responses to the 2012/13 survey it is estimated 26,700 volunteers supported the voluntary sector in Salford who provide 197,800 hours of their own time per week.

It is estimated that volunteers in Salford organisations contribute equivalent to £122.7 million worth of GVA to the economy per annum[7].

Assessment of the breakdown of volunteers by job role reveals:

- 22 per cent of volunteers were in management roles, including committee/board members
- 10 per cent of volunteers were in administrative roles
- 68 per cent of volunteers were in roles delivering services.

Work placements

An estimated **250 FTE work placements** contributed to the voluntary sector's workforce in 2012/13.

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: 77 per cent had some dealings with the Council
- NHS Salford (the Primary Care Trust): 53 per cent had some dealings with NHS Salford
- Salford University: 46 per cent had some dealings with the University.

This highlights the continuing importance of the City Council, NHS Salford, and the University to the voluntary sector's work. The relationship between the voluntary 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 pattern in which **the voluntary sector's experiences of working with Salford City Council were less positive** than with other local public sector bodies.

Voluntary organisations' **satisfaction with their ability to influence Salford City Council decisions was considerably lower than in 2010**, decreasing from 31 per cent to 16 per cent of respondents.

Q9. How well does the voluntary sector work with commercial businesses?

The relationship between the voluntary sector and commercial businesses is likely to increase in importance over the next few years as funding from public, charitable and philanthropic sources becomes less readily available. However, the survey evidences suggests there is significant work

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

to do to make the most of opportunities to work with commercial businesses: less than quarter of survey respondents had frequent direct dealings with local commercial businesses and similar proportions were positive about their relationship with the commercial sector. Overall, **only 21 per cent of respondents felt that the commercial business community in Salford was a positive influence on their organisation's success** - this is 14 percentage points less than the City Council and 25 percentage points less than other public sector bodies.

Q10. How well does the voluntary sector work together?

Compared to the public and commercial sector, **respondents were more positive about their relationships with other voluntary and community voluntary sector organisations**. Collaborative working is a key feature of the voluntary sector's work: two-thirds of respondents had frequent and direct dealings with other organisations in the voluntary sector. Respondents were generally positive about these relationships: 47 per cent were satisfied with opportunities to work together to influence decisions and 46 per cent were satisfied with opportunities to work together to deliver services.

Q11. Does the voluntary 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[8]. Salford CVS provided support to more; almost nine in ten survey respondents (88 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 how satisfied they were with the support available from these local support and development organisations. **Levels of satisfaction appear to have improved since 2010:**

- 82 per cent of organisations were satisfied with the support available from local support and development organisations in Salford compared to 68 per cent in 2010
- of the organisations that had received support 86 per cent were satisfied compare to 76 per cent in 2010.

These findings provide an important endorsement for the work that these organisations do to provide help, advice and support across the voluntary sector in Salford.

Q.12. What are the key challenges facing the voluntary sector in Salford?

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

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

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

Introduction

1

The voluntary sector plays an important part in the life of the city of Salford: it is estimated that 1,364 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 voluntary sector provision.

This report provides the main findings of quantitative research aimed at improving understanding of the social and economic impact of the voluntary sector in Salford. The research was commissioned by Salford Community and Voluntary Services (CVS)[9] and undertaken by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University.

The study had three main objectives:

- to produce reliable, statistically significant and current data on the voluntary sector in Salford
- to provide intelligent information on the key issues affecting the voluntary sector in Salford
- to build on findings the 'State of the Voluntary Sector Survey' undertaken in Salford in 2010, observing how the circumstances of the voluntary sector may have changed over the past two years.

The research involved a large postal survey of organisations based in and supporting the people and communities of Salford. A web based survey was also distributed by Salford City Council's Neighbourhoods Management Team. At least partial responses were received from 148 of the 739 organisations that were sent a survey questionnaire: this represents an **overall response rate of 20 per cent**. For certain questions the analysis also draws on the responses of 24 organisations that operate Greater Manchester wide but deliver a proportion of their activity in Salford. These respondents participated in a web based questionnaire administered by Greater Manchester Centre for Voluntary Organisation (GMCVO).

The survey was undertaken as part of a wider study in six other Greater Manchester boroughs: Bolton, the City of Manchester, Oldham, Tameside, Trafford and Wigan. It therefore constitutes the largest ever survey of the voluntary sector in Greater Manchester and one of the largest regional level studies of this nature. The questionnaire was based on the one developed for the 2010 study, but was revised

[9] 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

following input from the Research Steering Group. It also included questions from the Cabinet Office's National Surveys of Third Voluntary sector Organisations (2008) and Charities and Social Enterprises (2010) to enable findings about the voluntary sector in Salford to be compared to the national picture[10].

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

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

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

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

This represents a slight change to the estimation approach used in 2010, where only averages from Salford were available. Using the Greater Manchester averages improves the reliability of the estimates but means that direct comparisons with those produced in 2010 should not be made to provide evidence of 'change'. Appendix 1 provides more detail on the estimation approach.

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

- **chapter 2** briefly outlines the context for the research through discussion of recent policy debates and developments
- **chapter 3** is the first of four evidence based chapters, this chapter describes the anatomy of the voluntary sector in Salford

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

- **chapter 4** assesses the income, expenditure and sustainability of the voluntary sector in Salford
- **chapter 5** reports on the size and form of the voluntary sector's workforce
- **chapter 6** explores relationships and partnership working with key local public sector bodies
- **chapter 7** explores relationships with commercial businesses
- **chapter 8** explores relationships with other voluntary and community organisations, and satisfaction with local support and development providers
- **chapter 9** is the conclusion and highlights the main findings from the research.

Context for the Research

2

This research comes during a key period in the development of voluntary organisations, community groups, faith groups and social enterprises operating across the UK. The period between 1997-2010 provided a very positive political and economic climate for the voluntary sector and its activities with unprecedented levels of policy attention, including major investment in national voluntary sector-wide programmes and support for 'strategic partners' to provide voice and policy input to government. According to the National Council for Voluntary Organisations (NCVO) the voluntary sector grew considerably during this period[11]: there were only 98,000 active voluntary organisations in 1991 but by 2001 there were 153,000, and 164,000 by 2009/10; income increased 77 per cent from £20.7 billion in 2000/01 to £36.7 billion in 2009/10; likewise expenditure was up 83 per cent from £19.8 billion in 2000/01 to £36.3 billion in 2009/10.

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

However, the current policy environment also needs to be understood in the context of the long term economic downturn and alongside considerable reductions in public expenditure that will have a substantial impact on many organisations' income streams and programme budgets for the duration of this parliament (2010-15). Estimates indicate that if the voluntary sector were to experience reductions in public sector funding equivalent to the 27 per cent planned cut in local government support, it would amount to £3.3 billion (around 9 per cent of total revenues) being lost from the voluntary sector each year12. This is particularly important considering that a key feature of the 1997-2010 period was a rise in income from public sector sources: NCVO estimate that statutory funding of the voluntary sector increased by 60 per cent between 2000/01 and 2007/08, and overall, it accounted for 36 per cent of the

[11] Figures taken from http://www.ncvo-vol.org.uk/policy-research/what-voluntary-voluntary_sector/what-research-tells-us. Last accessed 22 March 2013.
[12] NCVO (2011). *Response to the Giving Green Paper*. London: NCVO.

voluntary sector's funding in 2007/08.

This reduction in funding from public sector sources follows a period during which competition for other resources available to voluntary sector organisations, particularly grants and philanthropic donations, has already intensified[13]. These changes in the economic environment in which the voluntary sector operates are likely to put pressure on the financial health of voluntary organisations and community groups of all shapes and sizes but the impact of the economic downturn goes beyond income and expenditure. There is growing evidence to suggest organisations are trying to meet greater levels of need from existing and new beneficiaries – particularly in areas such as advice services - and this will only be exacerbated by the likely effects of the Government's programme of welfare reform.

At a local level significant changes have impacted on the environment in which the sector operates. In May 2012 Ian Stewart became Salford’s first directly elected City Mayor and following from this the cabinet system of local Government was replaced by a Mayoral Team. The City Mayor is Salford's political, strategic and community leader and as such has wide and varied powers. All of Salford City Council's executive functions rest with the City Mayor. Alongside this political change the City Council has changed its funding relationship with the sector such that it no longer provides grant aid to organisations, replacing this funding model with a requirement to use procurement processes. Local voluntary organisations have invested considerable resource in the transition to procurement and continue to adjust to the changes, for example the introduction of a Framework Agreement for services delivering against family poverty outcomes in late 2012. As procurement processes are increasingly driving competition in the sector, organisations have invested considerable resource in developing new collaborative models with the establishment of a Third Sector Consortium in December 2012.

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

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

3

The Anatomy of the Voluntary sector in Salford

This chapter develops a picture of the core features of the voluntary 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 considers seven questions in turn:

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

3.1. How many organisations are there in the voluntary sector in 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 Innovation and Skills (BIS) so are considered '**below the radar' (BTR).** Any estimate of the total number of organisations in an area therefore requires information on the numbers of registered and unregistered (i.e. BTR) organisations.

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

- a sample of **739** organisations compiled from information held on Salford CVS' database
- official Cabinet Office figures indicate that the total number of registered organisations in the voluntary sector in Salford is **526**[14]

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

- research by NCVO and the University of Southampton[15] which found that on average there are 3.66 BTR organisations per 1,000 population. If this figure is applied to Salford[16], it can be estimated that there are **838** BTR organisations in the City.

Summing the official Cabinet Office figures and BTR[17] estimates produces an estimated figure of **1,364** for the total number of organisations operating in the voluntary sector in Salford. This figure represents a small variation from the estimated produced for the 2010 report (1,376). This is due to revisions in the official Cabinet Office figures (552 in 2010) and the Salford population estimate (225,100 in 2010). Overall this suggests the number of voluntary sector organisations in Salford has remained relatively static over the past two years.

In addition to organisations based in Salford, there are a number of organisations based elsewhere in Greater Manchester providing services to people in the City. Based on responses to surveys undertaken in other areas as part of this study, it is estimated that there are at least **133 of these organisations**.

3.2. What size are organisations in Salford?

The size of organisations is traditionally measured using their annual income[18]. When the distribution of Salford organisations was explored by size category based on income for 2011/12, it showed that **the majority of organisations were either micro or small**. But the survey was under-representative of BTR organisations (only 36 per cent of survey respondents were identified as BTR), so this did not present an accurate picture of the actual distribution. The figures were therefore adjusted based on the assumption that the estimated 625 organisations not included in the survey sample were BTR and micro in size[19]. The outcome of this process is shown in figure 3.1, which demonstrates that 68 per cent of the voluntary sector (an estimated 934 organisations) are micro in size, 16 per cent are small (218 organisations), 12 per cent are medium (170 organisations), and three per cent are large (42 organisations). This is consistent with findings from the 2010 survey and the picture that has emerged across Greater Manchester.

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

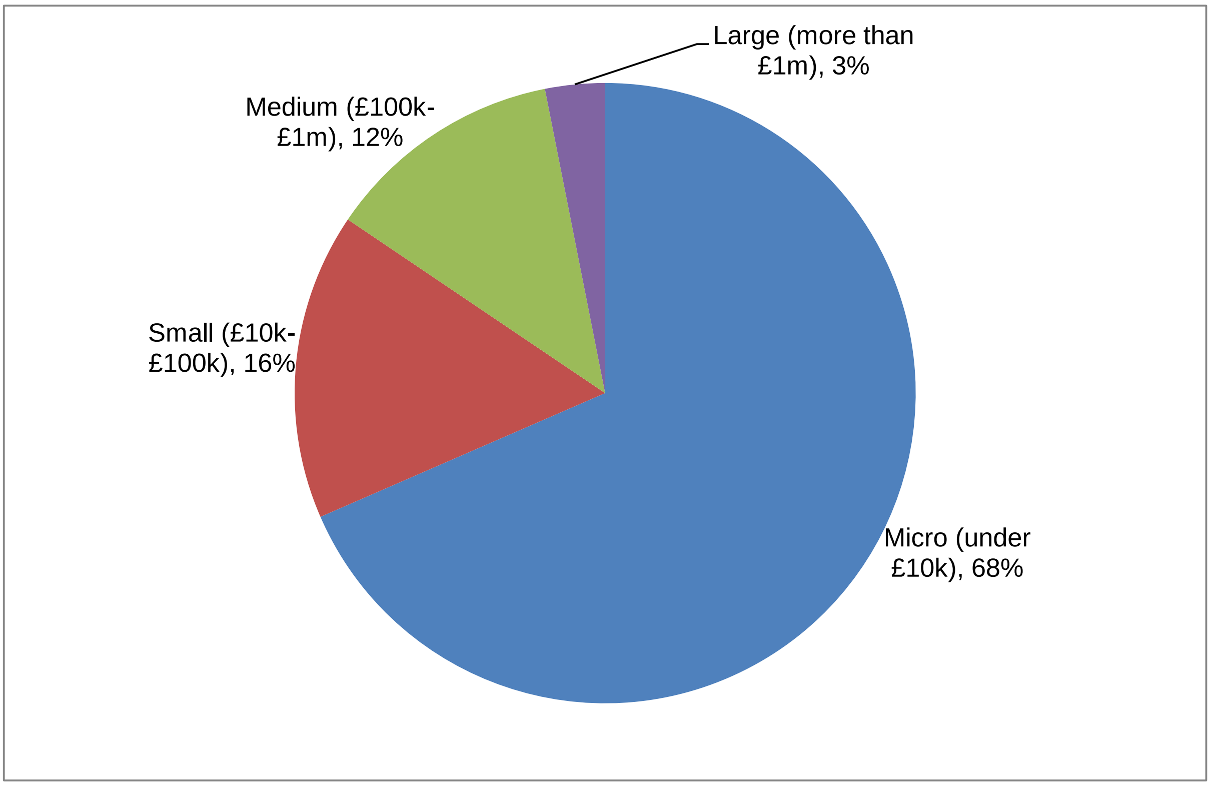
[16] Based on Office for National Statistics 2010 population estimates

[17] 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.

[18] 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)

[19] The basis for these assumptions is discussed in more detail in the methodological annex

Figure 3.1: Proportion of Salford voluntary organisations by size



Source: Salford State of the Voluntary Sector survey 2012/13
Base: 122

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 voluntary sector in Salford are very small. This is consistent with national trends: NCVO[20] estimate that 85 per cent of the voluntary sector is made up of micro or small organisations, 12 per cent are medium, and three per cent are large.

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

The questionnaire asked two questions to elicit information which describe the types of organisations in the voluntary 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:

- 34 per cent of organisations were a group with a constitution, but not registered charities
- 29 per cent were companies limited by guarantee
- all of the organisations responding to the survey had a legally constituted form
- separate to identifying their legal status the majority of respondents, **55 per cent, identified that their organisation was a registered charity.**

[20] See Clark, J *et al.*, (2010)

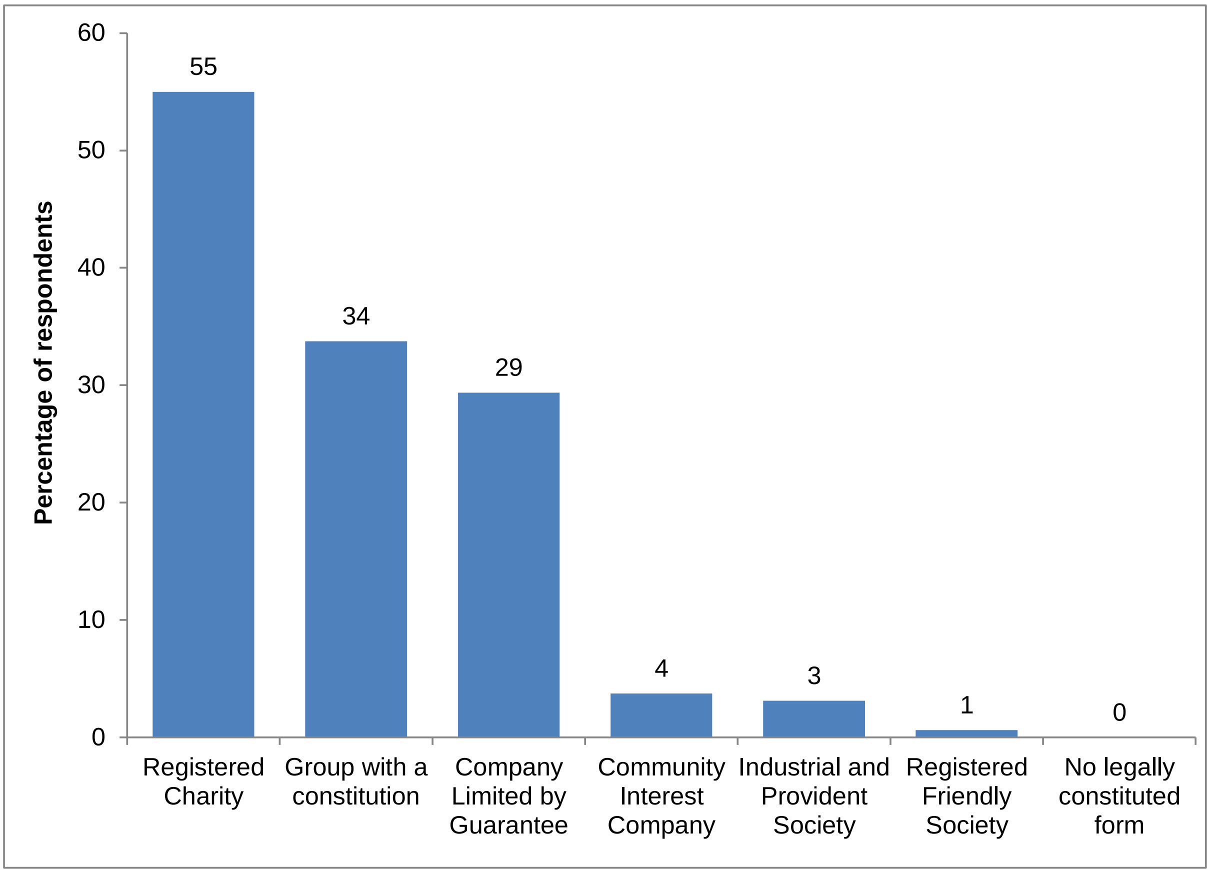
These results are similar to those in the 2010 survey when:

- 26 per cent were companies limited by guarantee
- 25 per cent were an unincorporated association (constituted group)
- no organisations had no legally constituted form
- 61 per cent of respondents identified that their organisation was a registered charity.

Across Greater Manchester it was estimated:

- 38 per cent of organisations were a group with a constitution, but not a registered charity
- 22 per cent were a company limited by guarantee
- 4 per cent of organisations had no legally constituted form
- 48 per cent of organisations were registered charities.

Figure 3.2: The legal status of organisations



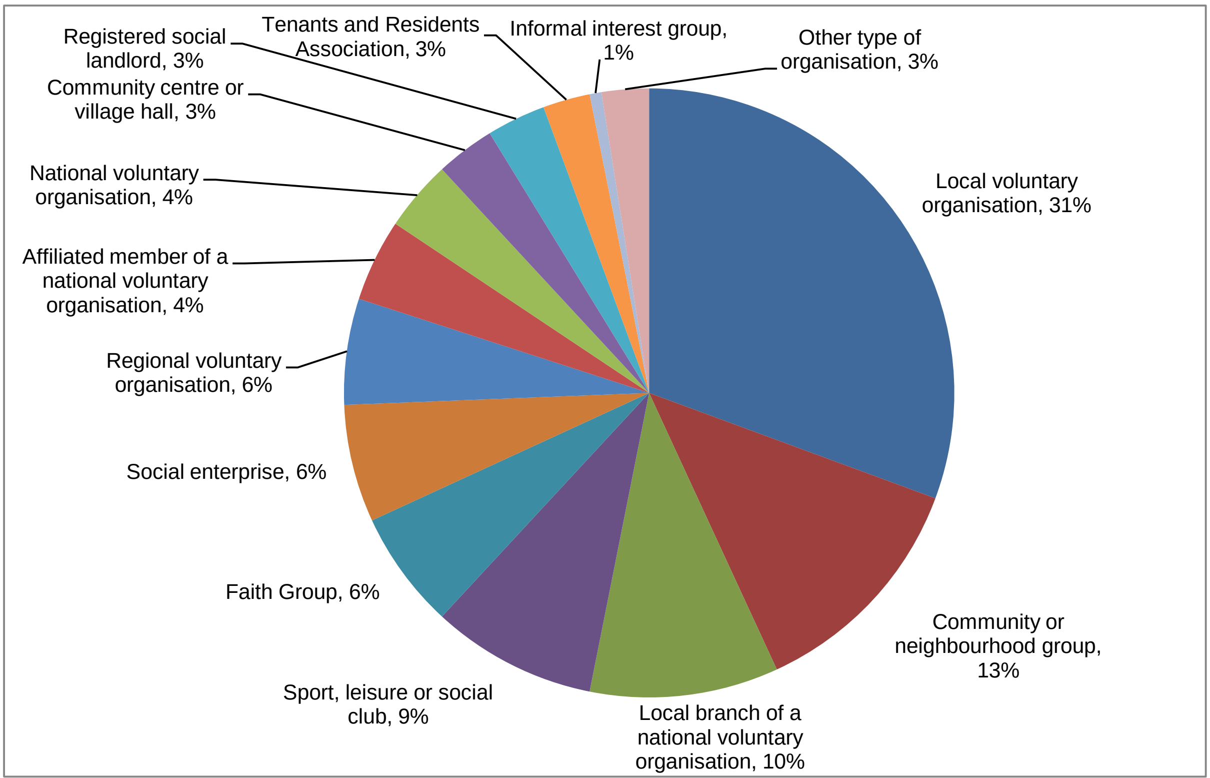
Source: Salford State of the Voluntary Sector survey 2012/13
Base: 160

In the second question respondents were asked to identify which category from a list of 'organisation types' best described their organisation. The results indicate that many organisations in the voluntary sector are likely to have had a local focus; a theme developed later in this chapter. Figure 3.3 shows that the largest proportion, **31 per cent, identified their organisation as being a local voluntary organisation**. This proportion is over double that for the next most common type: community or neighbourhood group (13 per cent). National organisations were less common: just over a fifth of organisations were either a national voluntary organisation (four per cent) or a branch of a national voluntary organisation (ten per cent).

This breakdown of organisations by type followed a similar pattern to that in the 2010 survey, where the four largest categories were: local voluntary organisation (27 per cent), community or neighbourhood group (14 per cent), national voluntary organisation (11 per cent) and local branch of a national voluntary organisation (nine per cent).

The analysis across Greater Manchester found a similar picture with local voluntary organisations (26 per cent) and community or neighbourhood groups (18 per cent) having accounted for 43 per cent of respondents. Only 11 per cent of respondents were either a local branch of a national voluntary organisation (seven per cent) or a national voluntary organisation (four per cent).

Figure 3.3: Type of organisations



Source: Salford State of the Voluntary Sector survey 2012/13
Base: 160

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

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

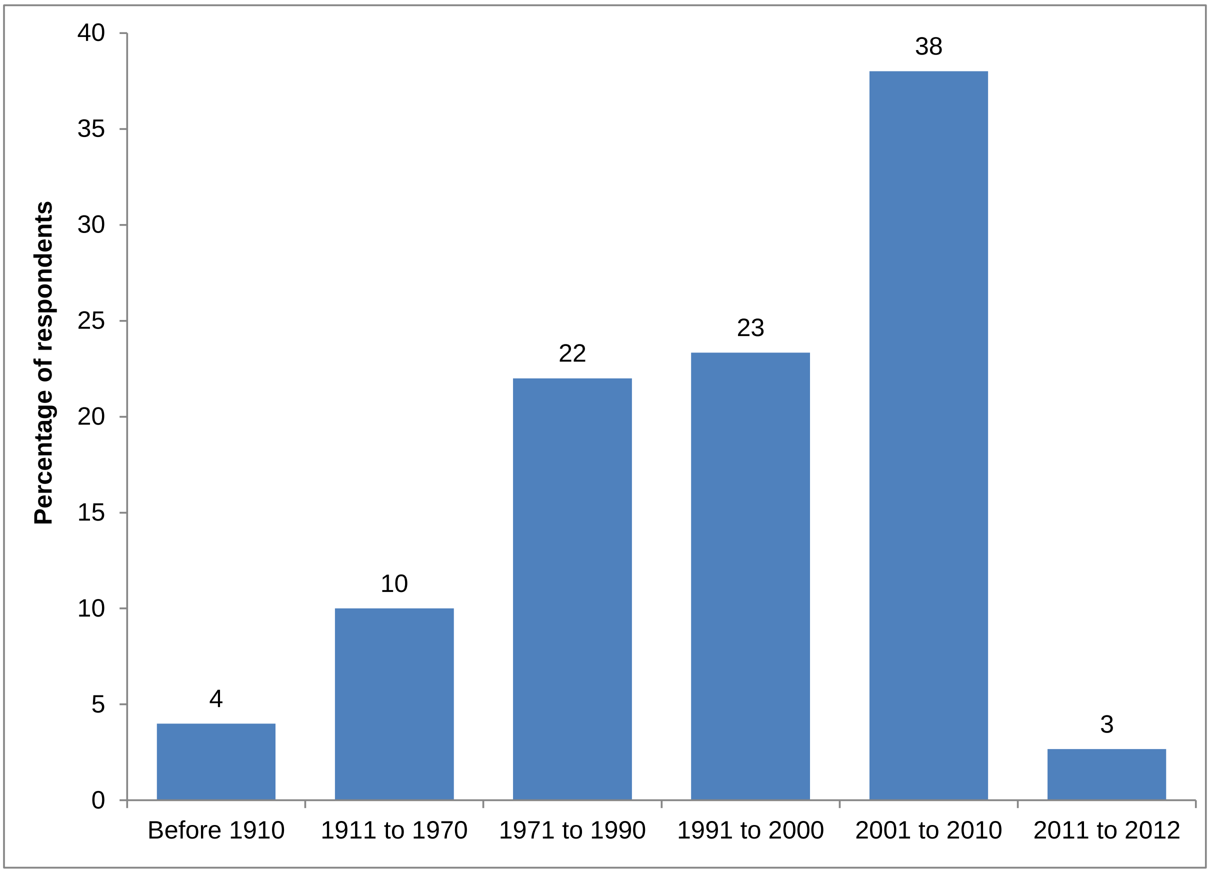
The responses received build a picture of a voluntary sector that has a fairly well established core. However, the voluntary sector in Salford has also seen the formation of many new organisations since 2001. Figure 3.4 shows that 41 per cent of organisations responding to the survey had been formed since 2001, including 37 per cent in the past 10 years (i.e. since 2003). Furthermore, an additional 23 per cent were formed between 1991 and 2000; this means **almost two thirds (64 per**

cent) of organisations were formed in the last 22 years. This suggests that there has been considerable growth to the voluntary sector over the last two decades. At the other end of the spectrum 14 per cent of organisations had been formed before 1971, including four per cent formed in 1910 or before.

In the 2010 survey, 55 per cent of organisations were formed since 1991, including a similar proportion, 36 per cent, which had been formed in the past 10 years. Eleven per cent of organisations had been formed in 1910 or before compared with four per cent in the 2012/13 survey.

The pattern for organisations responding to all of the Greater Manchester surveys was similar. Thirty seven per cent of respondents had been formed in the past 10 years, including a slightly higher figure, 10 per cent of organisations, who had been formed since 2011. Seven per cent of Greater Manchester organisations had been formed before 1911.

Figure 3.4: Year in which organisations were formed



Source: Salford State of the Voluntary sector survey 2012/13
Base: 150

It is important to conclude this section by drawing an important qualification. Although the results suggest that it is likely that the voluntary sector in Salford has experienced growth in the number of organisations established in the last 20 years or so, it may not be as dramatic as the figures suggest. By definition, the survey is of organisations still operating in Salford in 2012/13, not those which have closed down or ceased operations. Of the organisations which have survived through to 2012/13, the results suggest that a high proportion were established in the last 20 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 voluntary sector in Salford do?

To elicit a picture of what the voluntary 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 voluntary sector in Salford worked in a diverse range of thematic service areas. However, the proportion of responding organisations working in each area varies. This is most likely dependent on need and funding opportunities.

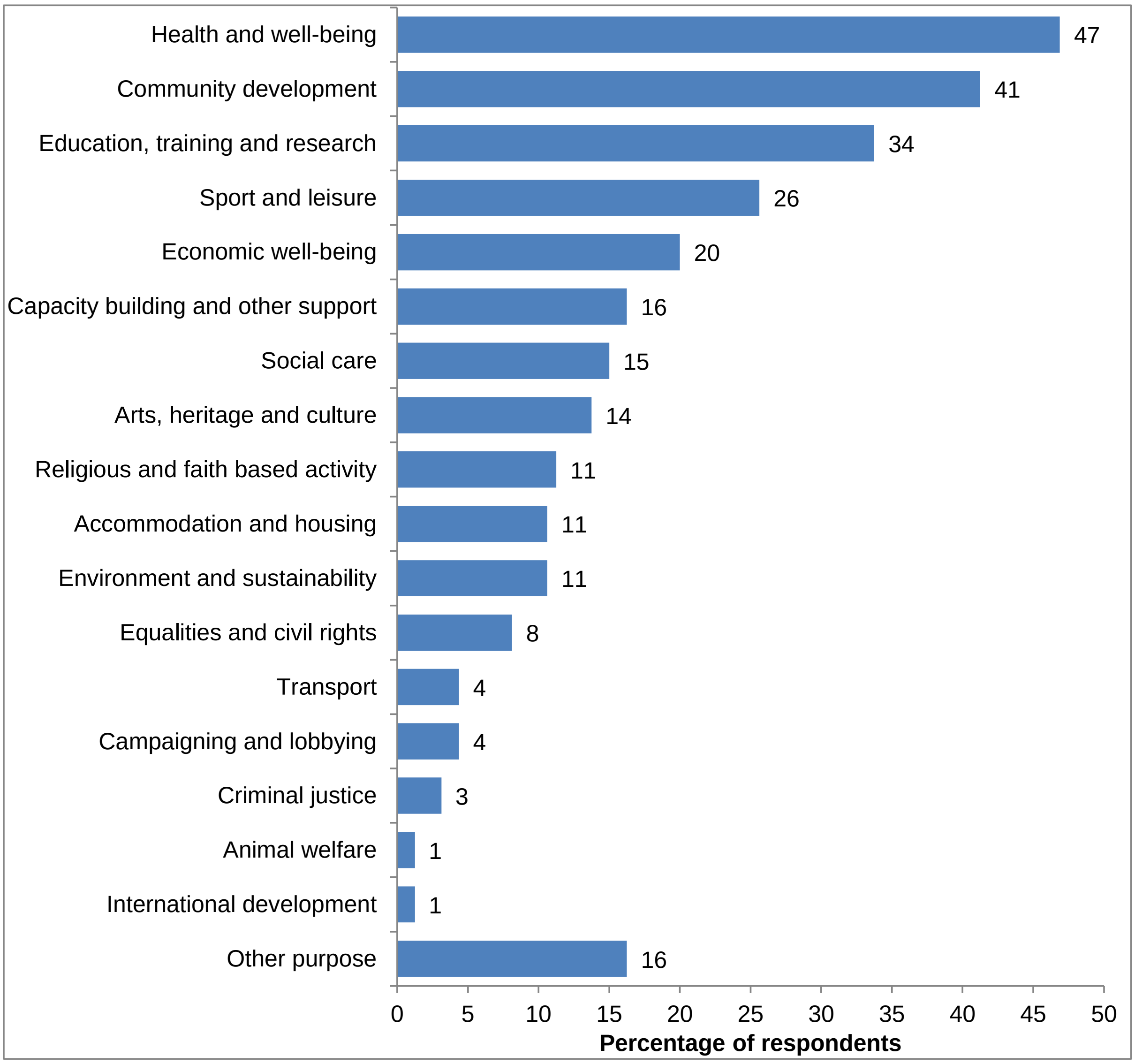
Figure 3.5 shows:

- 47 per cent **of organisations worked in the area of health and well-being**; in 2010 this area was also the most common main area (42 per cent of organisations)
- 41 per cent worked in community development, some 11 percentage points higher than in the 2010 survey
- between around a fifth and a third of organisations worked in each of the following three themes:
  - education, training and research (34 per cent)
  - sport and leisure (26 per cent)
  - and economic well-being (20 per cent); it is interesting to note that double the percentage of organisations worked in this area compared with 2010.

Across Greater Manchester as a whole the same four areas of work were reported as being the most common to work within:

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

Figure 3.5: Main areas in which organisations work



Source: Salford State of the Voluntary Sector survey 2012/13
Base: 160

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

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

Summing across the 112 organisations that responded gives a total of 520,000 interventions. The responses received can be extrapolated for the estimated 1,364 organisations thought to be operating in the voluntary sector in Salford to provide an estimate of the total number of interventions by Salford organisations. Working through the calculation it is estimated that **Salford organisations had 2.7 million interventions with clients, users or beneficiaries** in the past year.

Using a slightly different methodology (see appendix 1) the 2010 study estimated that Salford organisations made 3.0 million interventions with clients, users or beneficiaries. Adopting the same methodology with results to the 2012/13 survey it is estimated Salford organisations made 2.3 million interventions.

The questionnaire also asked respondents to identify up to three groups that made up the main clients, users or beneficiaries of their organisation. Figure 3.6 shows that, as might be expected, the voluntary sector in Salford served a diverse and wide ranging client group. In many cases, client groups were served by relatively small numbers of organisations: 10 per cent of organisations or fewer served 11 of the client groups listed.

Figure 3.6 shows the client groups served by the largest proportions of organisations can be broadly characterised as being demographic: gender - women (32 per cent) and men (30 per cent) - and age - older people (24 per cent), young people (23 per cent) and children (21 per cent).

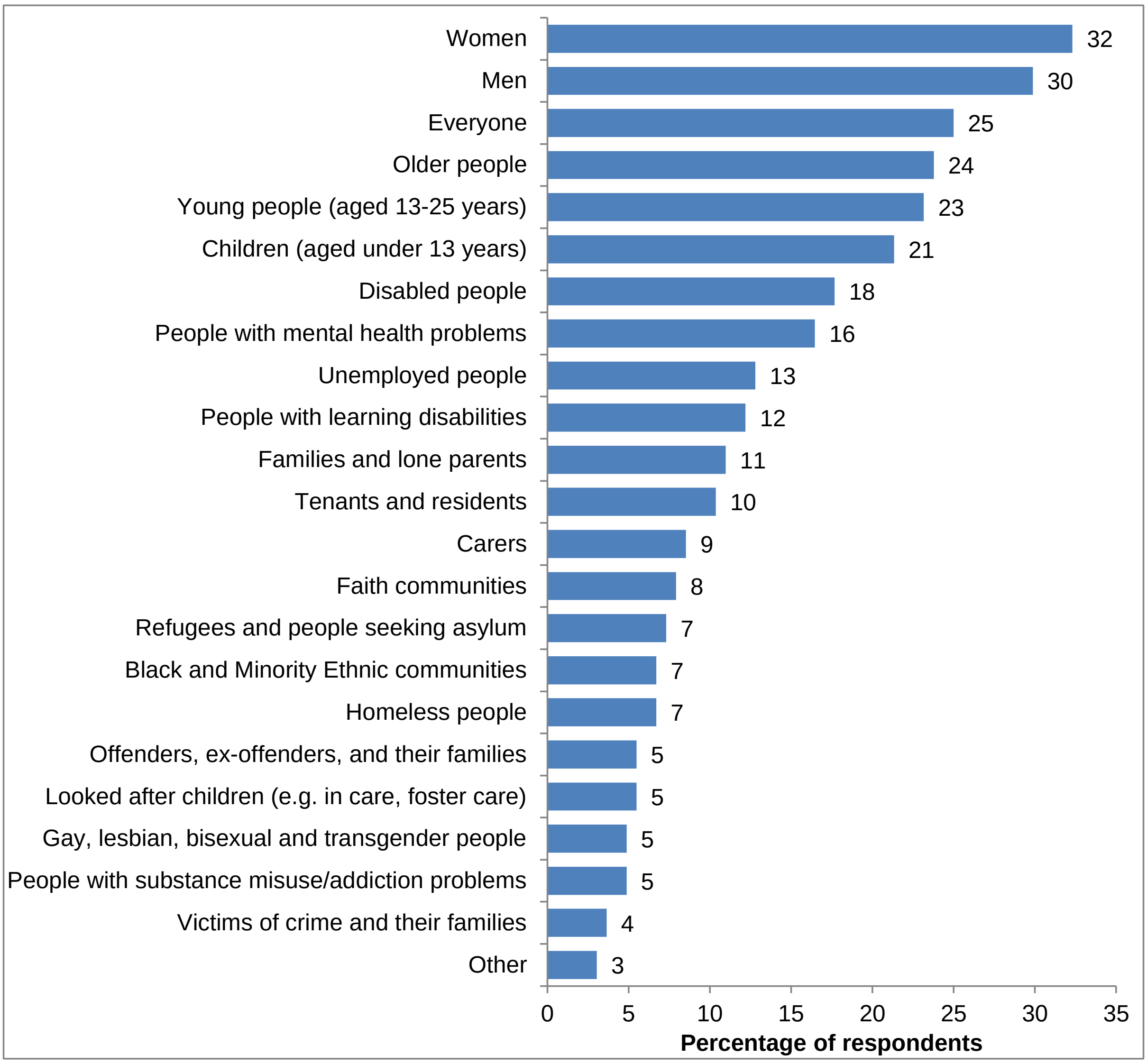
The same client groups were also the most common in the 2010 survey though the ordering was different. In 2010 Young people (28 per cent) and children (27 per cent) were the most commonly listed main groups worked with. It will be interesting to monitor how the proportion of organisations who work mainly with children and young people changes with reductions in funding in this area and changes in policy towards whole family working.

A quarter of organisations identify 'everyone' as their main clients, users or beneficiaries. Individuals with health issues were also served by relatively high proportions of organisations. Disabled people were a main client, user or beneficiary group for 18 per cent of organisations and people with mental health problems make up a main client, user or beneficiary group for 16 per cent of organisations. In the 2010 survey these proportions were 15 per cent and 12 per cent respectively.

Analysis of responses to the Greater Manchester survey found a similar pattern with general and demographic client groups being the most common beneficiary groups identified:

- everyone: 31 per cent
- women: 26 per cent
- young people (aged 13-25 years): 24 per cent
- men: 23 per cent
- older people: 23 per cent.

Figure 3.6: Main client groups of Salford organisations



Source: Salford State of the Voluntary Sector survey 2012/13
Base: 164

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

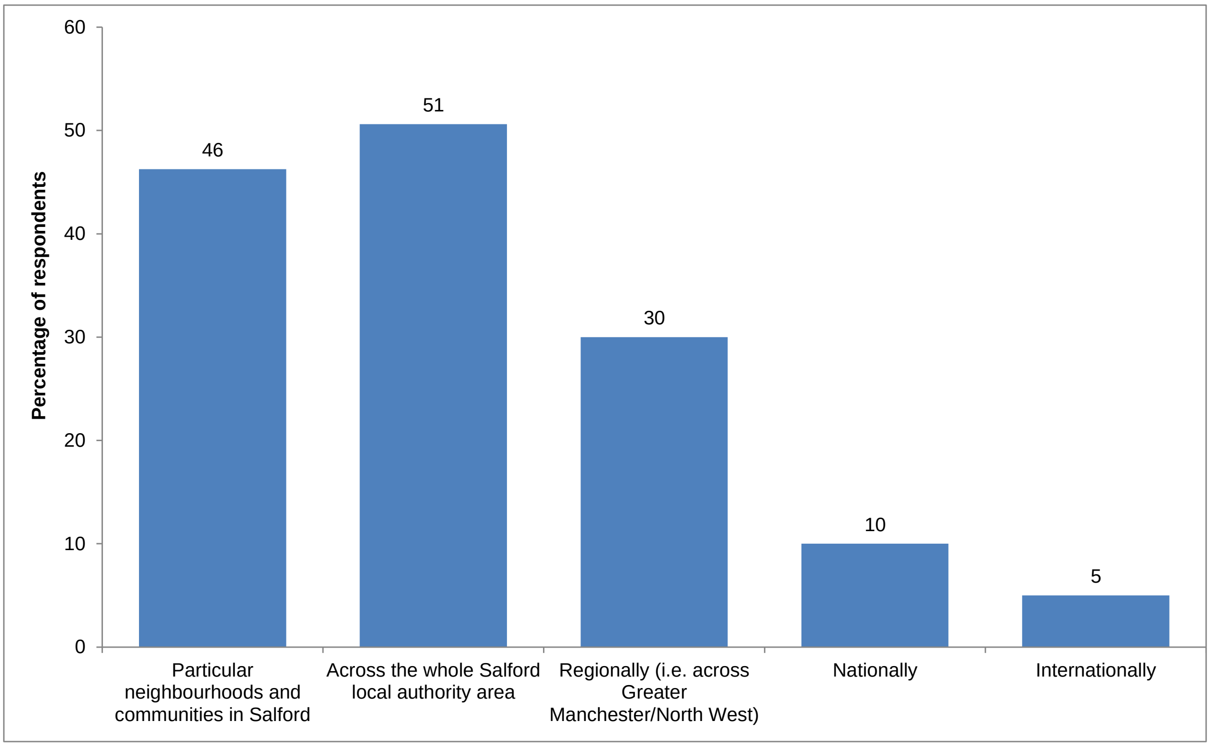
The survey asked respondents to identify the main geographical levels at which they operated – this ranged from the neighbourhood level, to those operating across England, the UK or overseas. In this question respondents were asked to pick out up to three main geographic levels, the results of which are presented in figure 3.7. This shows that the **local area 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; this was the same percentage of organisations as in the 2010 survey
- a further 46 per cent identified particular Salford neighbourhoods or communities were a main focus; a similar proportion of organisations (42 per cent) identified this focus in the 2010 survey.

A modest proportion of organisations cited that a main geographic area at which they worked was either national (10 per cent) or international (five per cent). In many cases those organisations that work internationally will reflect their main clients, users and beneficiaries: for example refugee and Jewish organisations.

The picture for Greater Manchester organisations shows that 57 per cent identified particular neighbourhoods and communities as a main geographic focus, some 11 percentage points higher than is the case for Salford organisations. The percentage of organisations who said they worked nationally and internationally was broadly similar within Salford and Greater Manchester.

Figure 3.7: Main geographic focus



Source: Salford State of the Voluntary Sector survey 2012/13
Base: 160

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

- for 33 per cent of organisations their highest main geographic focus was particular Salford neighbourhoods or communities; 21 per cent in 2010
- for 31 per cent of organisations their highest main geographic focus was the whole Salford local authority area; 31 per cent in 2010
- for 26 per cent of organisations their highest main geographic focus was the region; 20 per cent in 2010
- for six per cent of organisations their highest main geographic focus was the nation as a whole; 12 per cent in 2010
- for five per cent of organisations their highest main geographic focus was international; six per cent in 2010.

Comparing this breakdown with that for organisations across all of Greater Manchester identifies two main differences:

- a lower proportion of organisations in Salford whose highest geographic focus was particular neighbourhoods or communities: 33 per cent compared with 41 per cent in Greater Manchester
- a higher proportion of organisations in Salford whose highest geographic focus was the region: 26 per cent compared with 19 per cent in Greater Manchester.

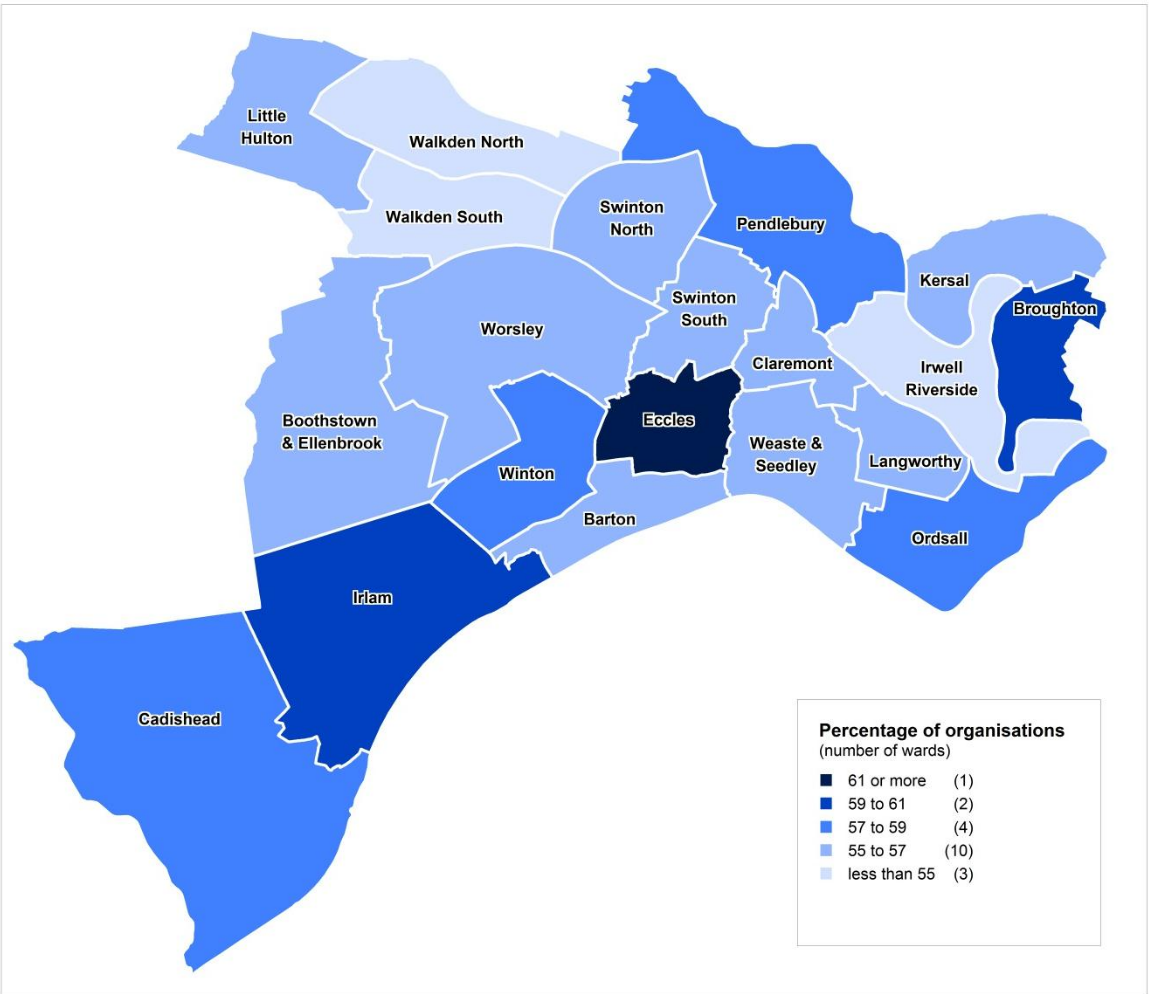
Respondents who reported that the whole Salford local authority area or particular Salford neighbourhoods or communities are a main geographic focus of their organisation were asked to identify in which wards their work is focused. Map 3.1 shows the percentage of all organisations that identified each of Salford's wards as a main focus of their work.

Sixty four per cent of Salford organisations identified Eccles as a main focus of their work. In addition between 59 and 61 per cent of Salford organisations identified Broughton and Irlam as a main focus.

The three wards which were a main focus for the lowest proportions - fewest numbers - of Salford organisations are:

- Irwell Riverside (44 per cent)
- Walkden North (45 per cent)
- Walkden South (45 per cent).

Map 3.1: Percentage of organisations that identify Salford's wards as a main focus of their work



Source: Salford State of the Voluntary Sector survey 2012/13
Base: 160

Finances and Income

4

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

4.1. Income

Based on the average (mean) income of respondents to the survey across Greater Manchester, and drawing on the assumptions used to estimate the total number of organisations in Salford, it is estimated that **the total income of the voluntary sector in the city was almost £145 million in 2011/12[21] -** around fifteen per cent of the total income of the voluntary sector in Greater Manchester. However, the total income estimate is lower than the figure of £156 million from the 2010 survey[22] and **year-on-year reductions in income have been identified**. It represents a reduction of two per cent compared to 2010/11 and follows a larger reduction between 2009/10 and 2010/11 when the total income of the voluntary sector reduced by an estimated six per cent, from £157 million to £148 million. This data is outlined in more detail in table 4.1.

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

	Total Income	% Change
2009/10	£157m	
2010/11	£148m	-6
2011/12	£145m	-2

Source: Salford State of the Voluntary Sector survey 2012/13
Base: 122
All figures are in 2011/12 prices

[21] This figure is based on a weighted average (mean) for each size category for respondents from across Greater Manchester. The methodology is explained in more detail in the methodological appendix.
[22] Note that the method of estimation changed slightly between 2010 and 2012/13, although this has not greatly affected the overall findings. This explained in more detail in the methodological appendix

This decline in income between 2009/10 and 2011/12 follows a seven per cent reduction between 2008/09 and 2009/10 identified in the 2010 survey and needs to be considered in the context of national trends. Although there are no figures for Salford during the 2000/01-2007/08 period, nationally the voluntary sector's income grew by an average of five per cent a year over these six years[23]. If it is assumed that the voluntary sector in Salford developed at a similar rate during this period, then **the decline in income over the last three years represents the first long term economic contraction in the voluntary sector in at least 10 years**. This is likely to be an indication of the effect of the economic downturn of the past few years which, as discussed in chapter 2 is likely to have led to a reduction in income from public sector sources, income from charitable donations, and funds from private voluntary sector sources. **This trend seems likely to continue**, as further large reductions in public sector spending are expected over the next few years and the economy continues to falter.

When the voluntary sector's income is explored in more detail it shows significant variations according to organisation size[24]. In 2011/12, the majority of income was concentrated in large and medium sized organisations even though the majority of organisations were micro or small. This is outlined in more detail in figure 4.1.

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

Source: Salford State of the Voluntary Sector survey 2012/13
Base: 122

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

This shows that **micro and small organisations account for more than four fifths of organisations in the voluntary sector less than ten per cent of total income**. By contrast medium and large organisations account for less than half the voluntary sector's organisations but receive more than 90 per cent of its income. Income is concentrated particularly heavily in the largest organisations, with more than half of all income (57per cent) into the voluntary sector received by only 42 organisations.

Analysis of income data from survey respondents from across Greater Manchester[25] identified further variations according to organisation size when we explored how income levels had changed between 2009/10 and 2011/12. These are summarised in table 4.2.

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

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

Source: Greater Manchester State of the Voluntary Sector survey 2010
Base: 1,018
All figures are in 2011/12 prices

This shows that across Greater Manchester the medium and large organisation categories experienced year on year reductions in total income between 2009/10 and 2011/12. Medium organisations experienced a particularly large reduction of more than 10 per cent between 2009/10 and 2010/11. This is a continuation of a trend identified in the 2010 survey and **could be an indication that public sector funding cuts are falling disproportionately on medium sized organisations.**

By contrast micro organisations experienced a small increase between 2009/10 but a large reduction of more than 10 per cent between 2010/12 and 2011/12 and the income of small organisations remained relatively stable.

4.2. Sources of Income

4.2.1. Public sector income

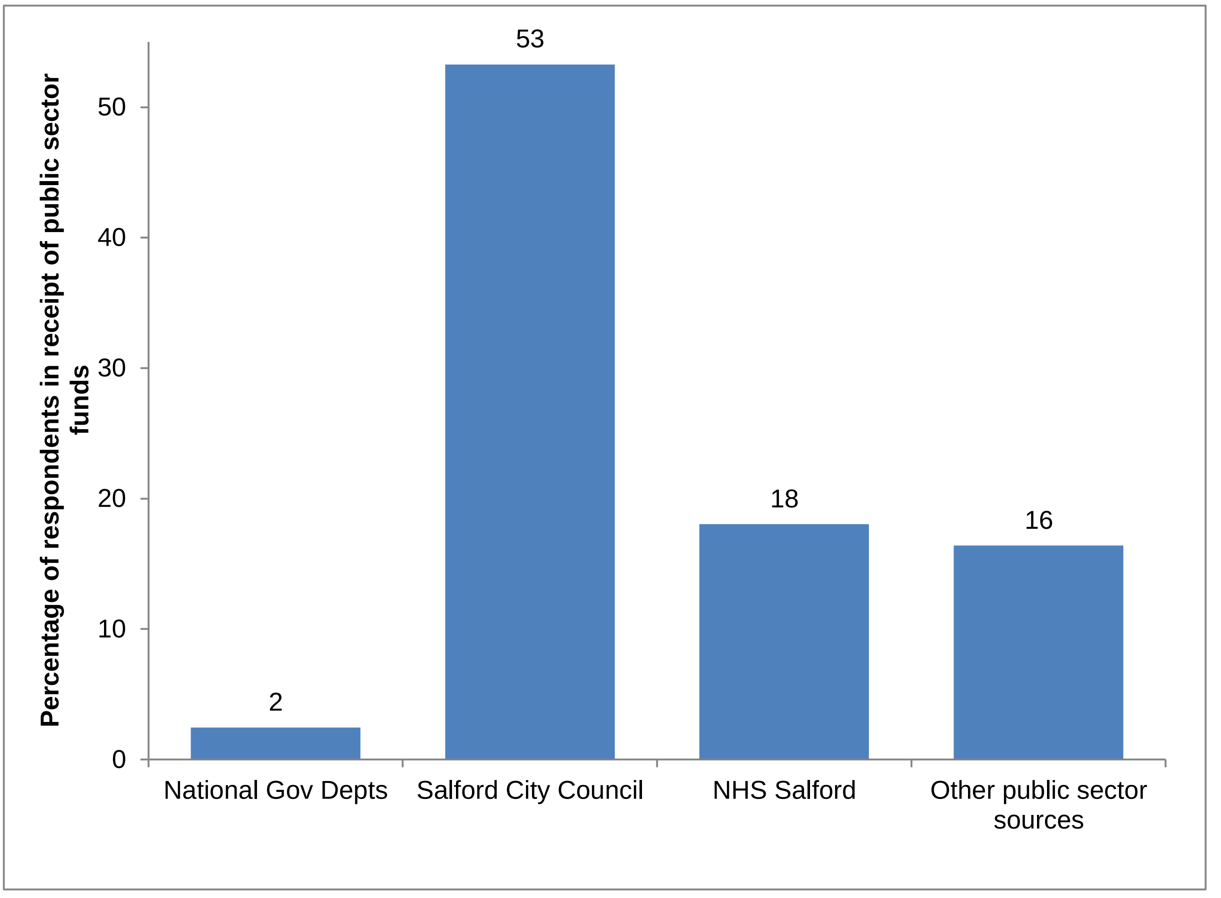
Survey respondents were asked to identify the public sector bodies from which they received funding in 2011/12. Overall, and similar to 2010, **62 per cent of respondents reported having at least one source of public sector funds**. The results are outlined in figure 4.2.

Similar to the findings from the 2010 survey, this shows that **Salford City Council was the most frequently identified source of public sector funding** (53 per cent) followed by NHS Salford (18 per cent). Only 2 per cent of respondents receive income from national Government Departments and collectively only 16 per cent of respondents received income from other public sector bodies. This pattern was reflected across Greater Manchester, where local authorities consistently emerged as the most frequent source of public sector funds.

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

The survey also asked respondents with public sector income whether they had received a formal funding agreement for each source. Of the three largest sources, 100 per cent of Government department funding, 68 per cent of Salford city council funding, and 59 per cent of NHS Salford funding, was made with a formal agreement.

Figure 4.2: Public sector funds received by Salford respondents (2011/12)



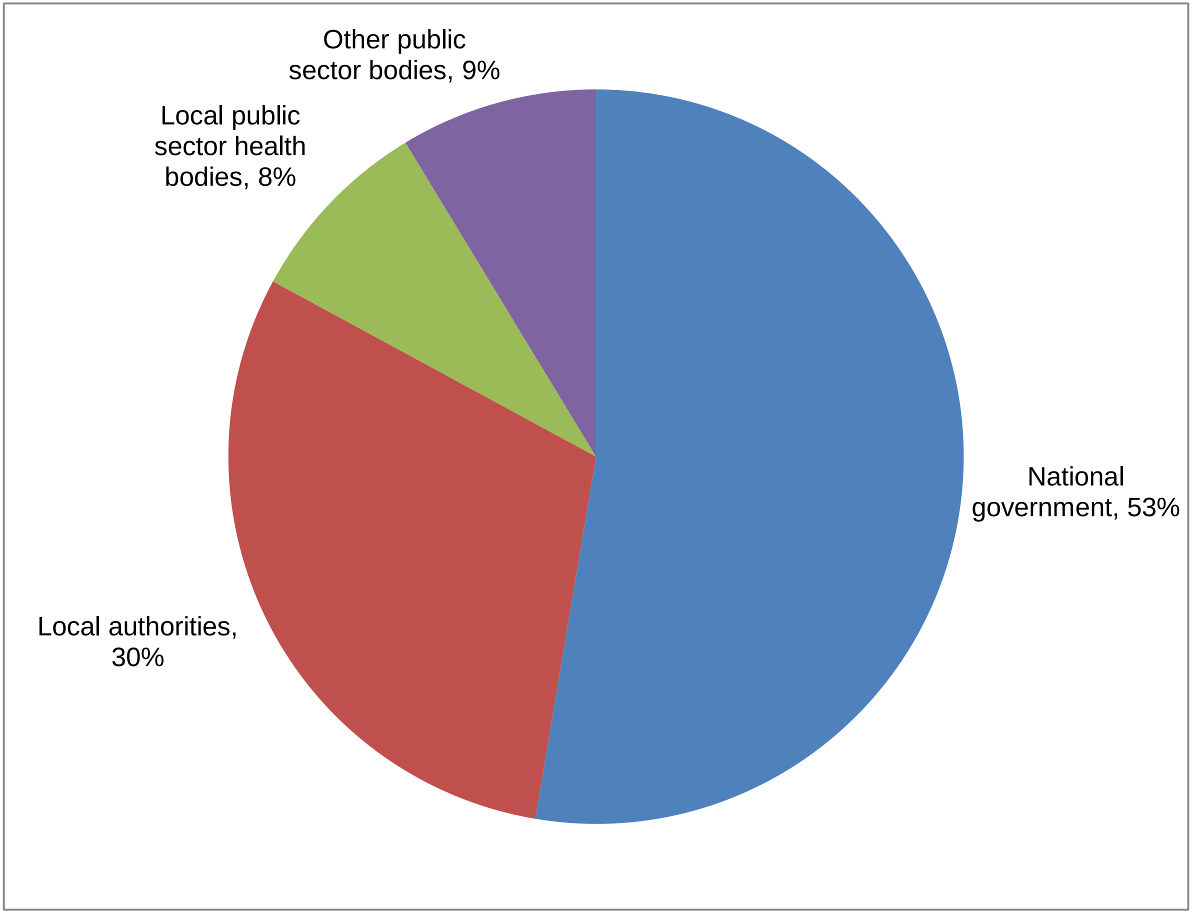
Source: Salford State of the Voluntary Sector survey 2012/13
Base: 122

An insight of the relative value of public sector funds can be gained through analysis of the Greater Manchester wide responses[26]. These are summarised in Figure 4.3 which shows that **income from National Government Departments accounted more than half of all public sector funds received**. By contrast local authorities provided around a third of funds, and health bodies and other public sector bodies less than a tenth each. This follows a similar trend to that identified in the 2010 Salford survey, when National Government funding also accounted for more than half of public sector income received.

It is important to recognise that this figure is affected by **a small number of large national public sector contracts**: across Greater Manchester the average value of income from national Government sources was £586,000, including three organisations with more than £1 million from national Government departments. By contrast the average value of local authority income was only £76,000 and for health bodies was £134,000.

[26] It was not possible to undertake sufficiently robust analysis of this data at a local authority level

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

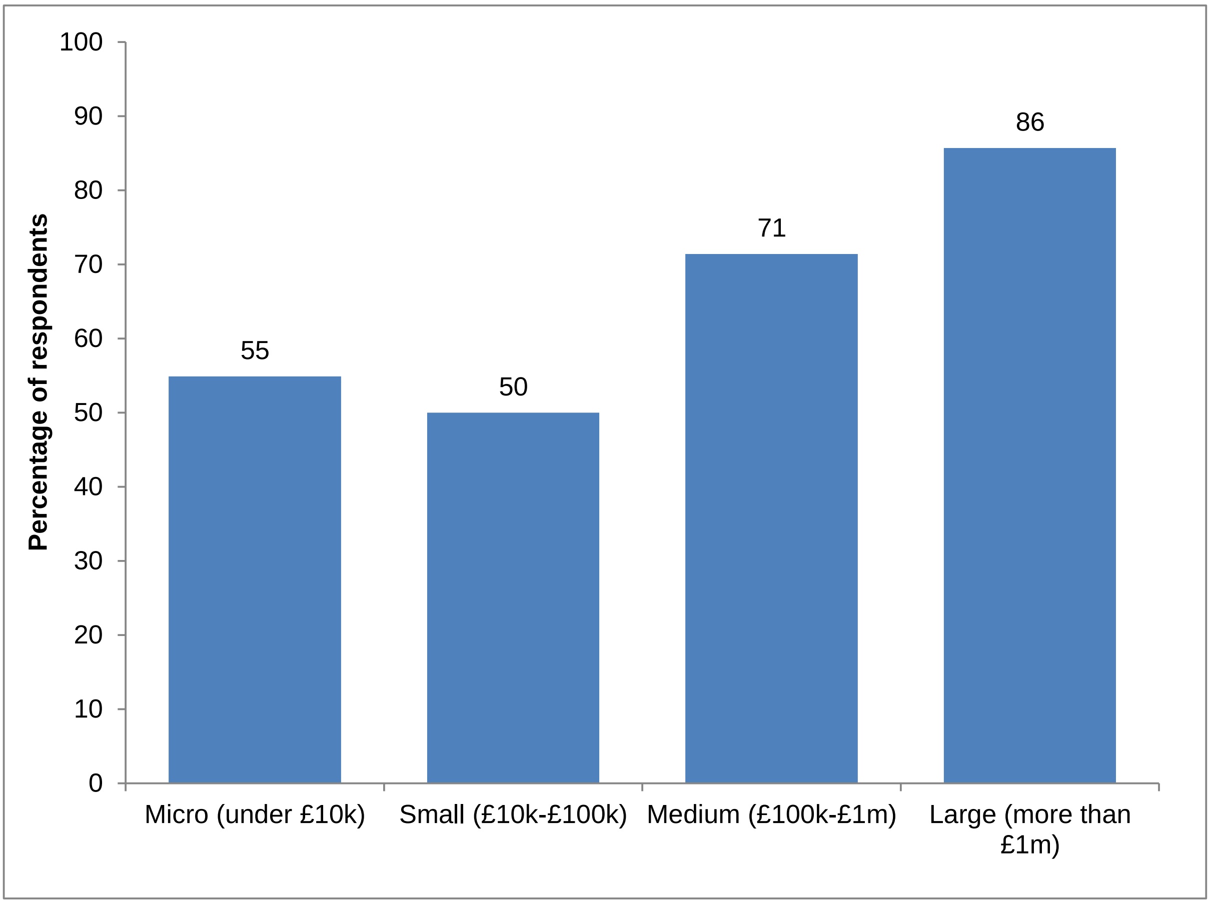


Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 437

The survey also revealed significant variations in public sector income received by organisations of different sizes. Similar to 2010, micro organisations were 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 4.4.

This shows that only 55 per cent of micro organisations that responded to the survey received public sector funding compared to 50 per cent of small organisations, 71 per cent of medium organisations and 86 per cent of large organisations. This indicates that public sector funding is a particularly important source of funding for large and medium sized organisations and suggests that these organisations will be most susceptible to cuts in public sector funding. These findings are broadly similar to the 2010 survey, although there were significantly fewer medium sized organisations in receipt of public sector funds (a reduction of 23 percentage points since 2010). This provides a further indication that medium sized organisations have been disproportionately affected by public sector funding cuts.

Figure 4.4: Proportion of Salford organisations in receipt of public sector funds by organisation size (2011/12)



Source: Salford State of the Voluntary Sector survey 2012/13
Base: 122

4.2.2. Other sources of income

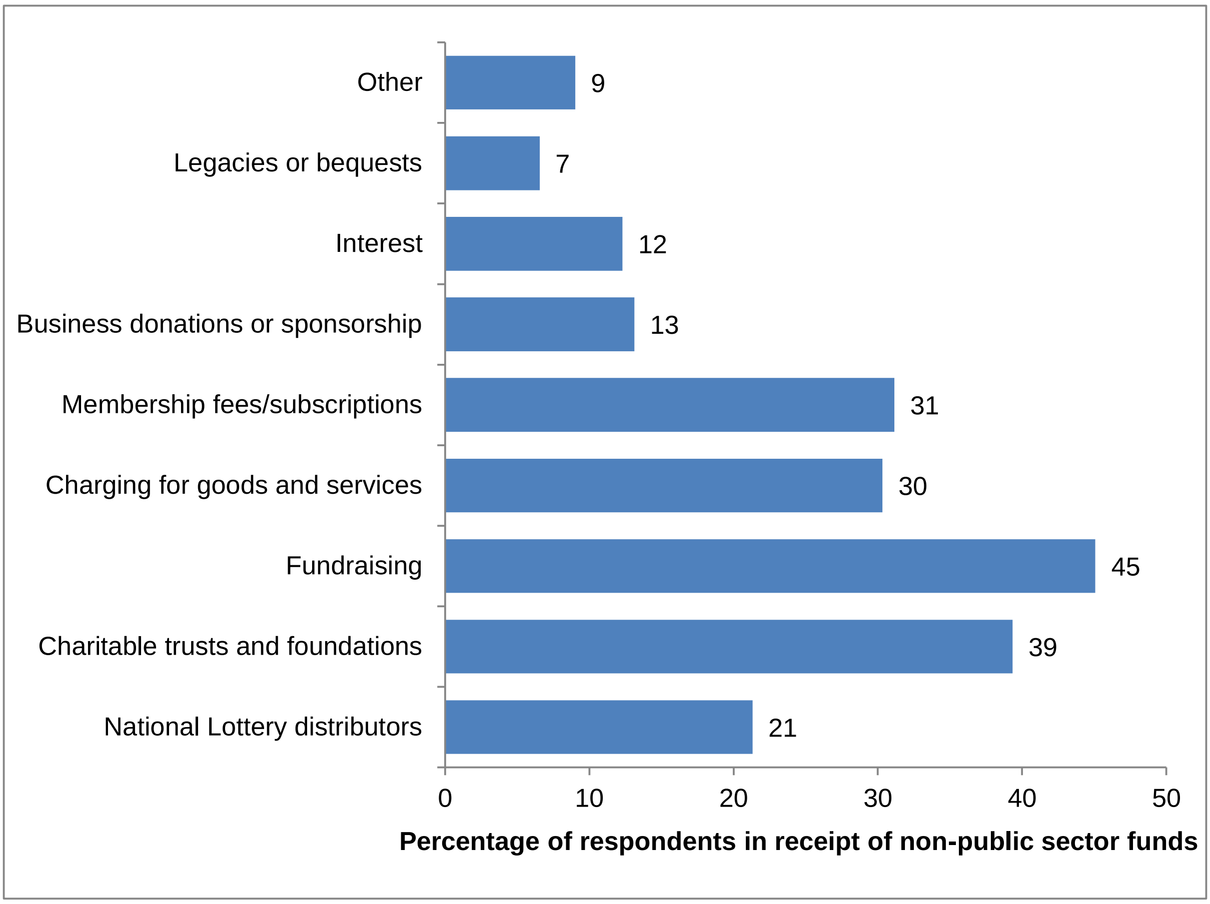
Survey respondents were also asked to identify any other sources of income (i.e. non-public sector) they received in 2011/12. Overall, **90 per cent of respondents received funds from at least one non-public sector source**. This is an increase of 10 percentage points compared to 2010. The data is outlined in more detail in figure 4.5.

This shows that fundraising was the most frequently identified source of other funds (45 per cent of respondents) followed by grants from charitable trusts and foundations (39 per cent), membership fees and subscriptions (31 per cent) and charging for goods and services (30 per cent). This is very similar to the 2010 survey and the trend was broadly the same across Greater Manchester.

An insight of the relative value of non-public sector funds can be gained through analysis of the Greater Manchester wide responses[27]. These are summarised in Figure 4.6 which shows that income from charging for goods and services provided the most value (28 per cent), followed by fundraising (21 per cent), lottery grants (18 per cent) and grants from trusts and foundations (15 per cent). It therefore seems that non-public sector income is more evenly distributed, in terms of value, than public sector income, which was dominated by large national government contracts.

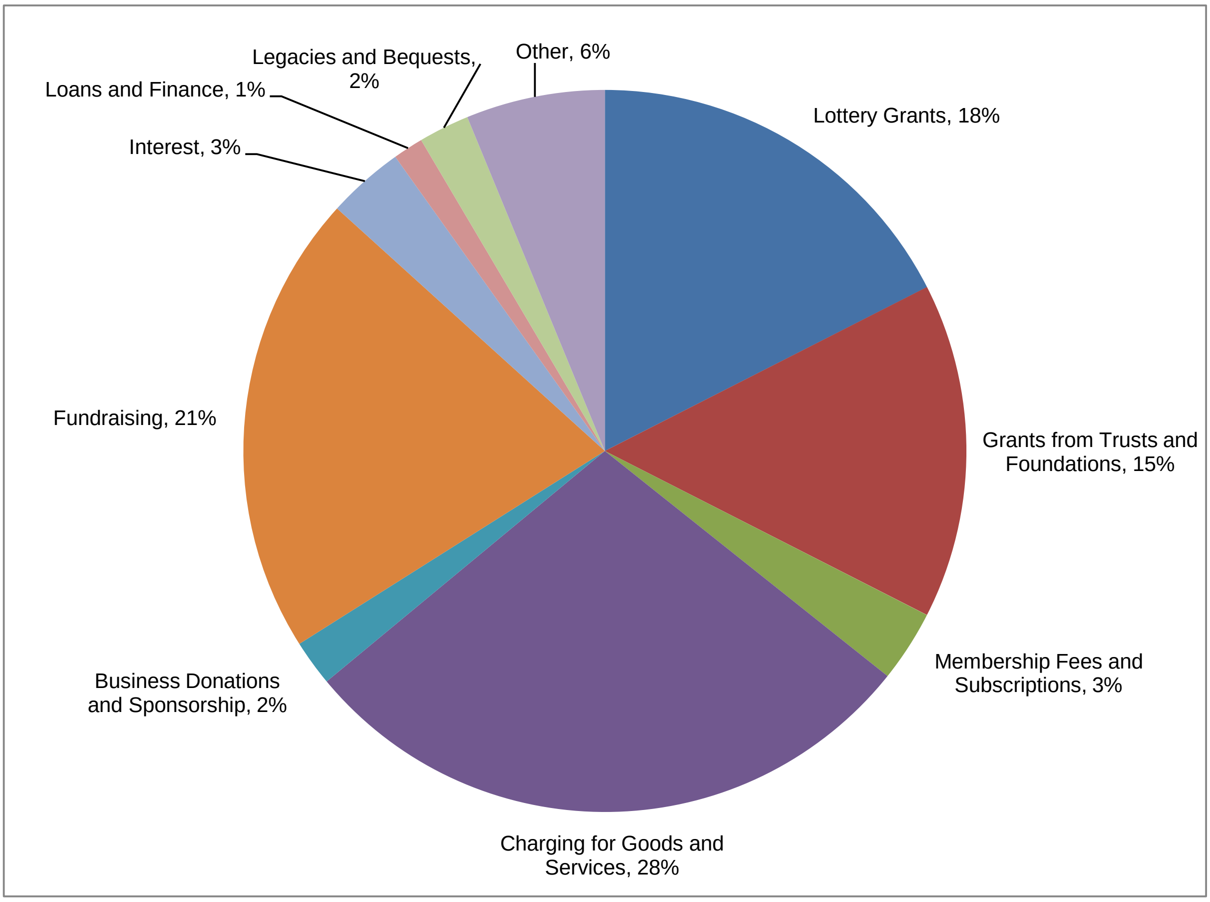
[27] It was not possible to undertake sufficiently robust analysis of this data at a local authority level

Figure 4.5: Other funds received by Salford respondents (2011/12)



Source: Salford State of the Voluntary sector survey 2012/13
Base: 122

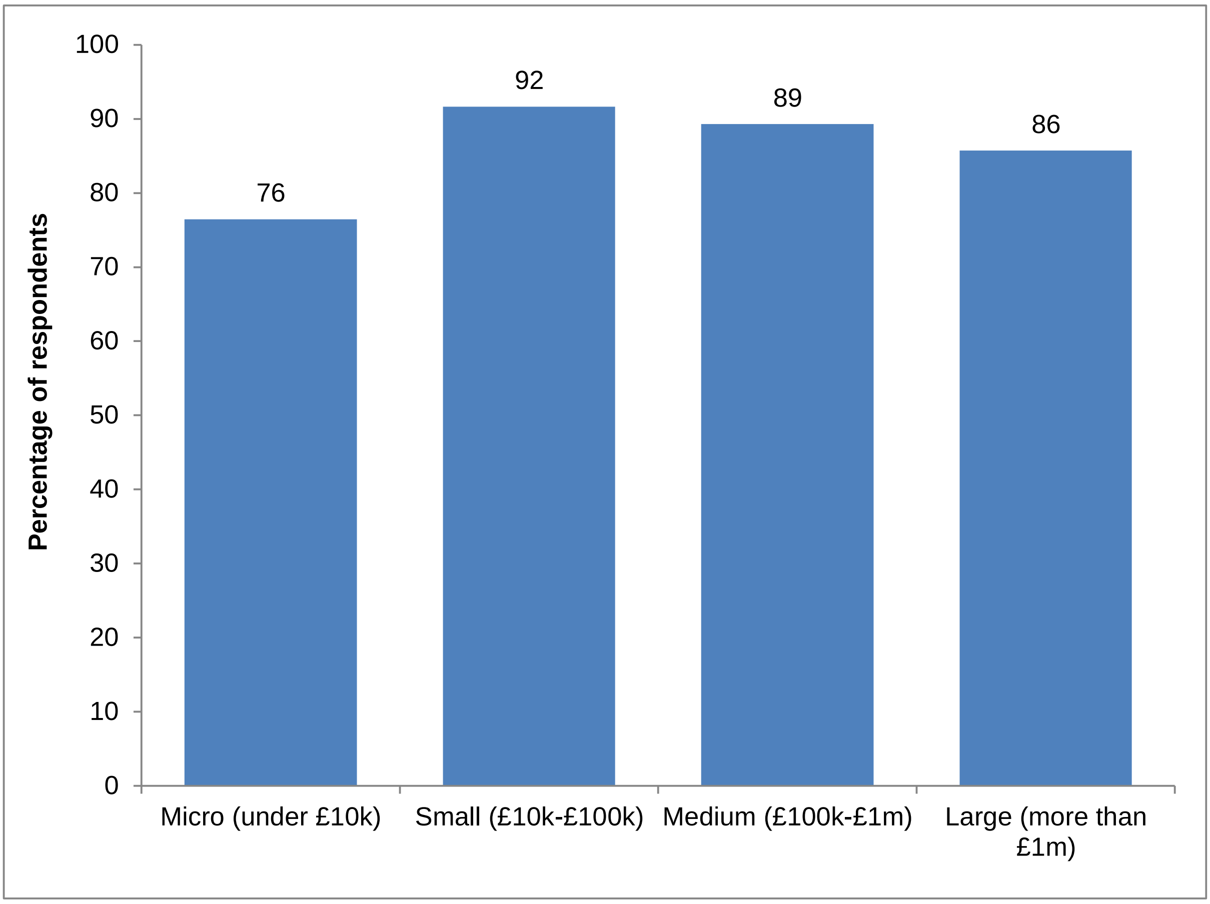
Figure 4.6: Relative value of non-public sector funds by Greater Manchester organisations (2011/12)



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

Unlike public sector income there were no major variations according to organisation size: a majority (more than three-quarters) of each size of organisation had income from non-public sector sources. This is demonstrated by figure 4.7.

Figure 4.7: Proportion of organisations in receipt of other funds by organisation size (2011/12)

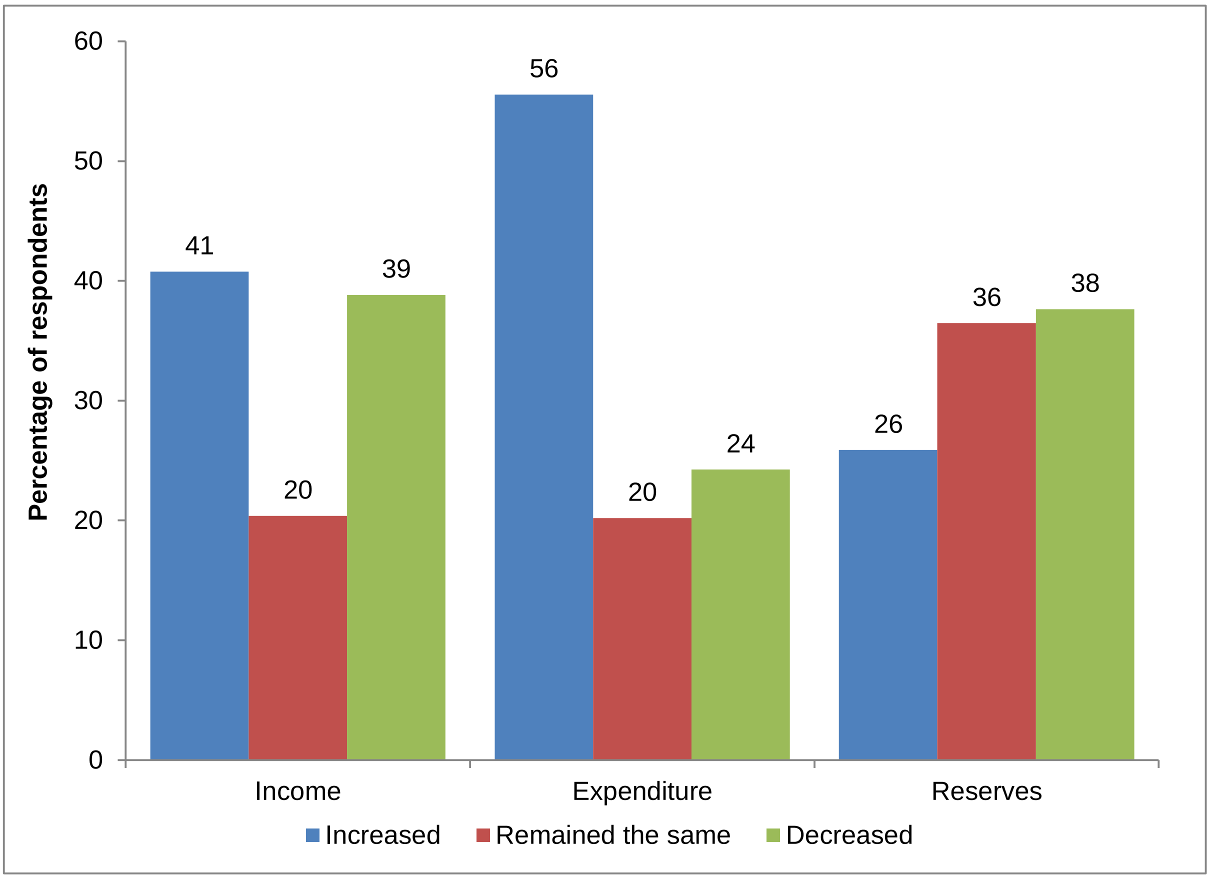


Source: Salford State of the Voluntary Sector survey 2012/13
Base: 122

4.3. Financial Sustainability

Earlier in this chapter we discussed the probable impact of the economic downturn on the voluntary sector's income: funding from the public sector, charitable donations and independent funders has reduced and may fall yet further whilst competition for these funds increases. This is likely to put pressure on the financial health of voluntary organisations and community groups of all shapes and sizes. The survey therefore asked respondents about how their organisation's financial situation had changed in the past 12 months (i.e. during the current financial year). The results are outlined in figure 4.8.

Figure 4.8: Change in financial circumstances in the last 12 months



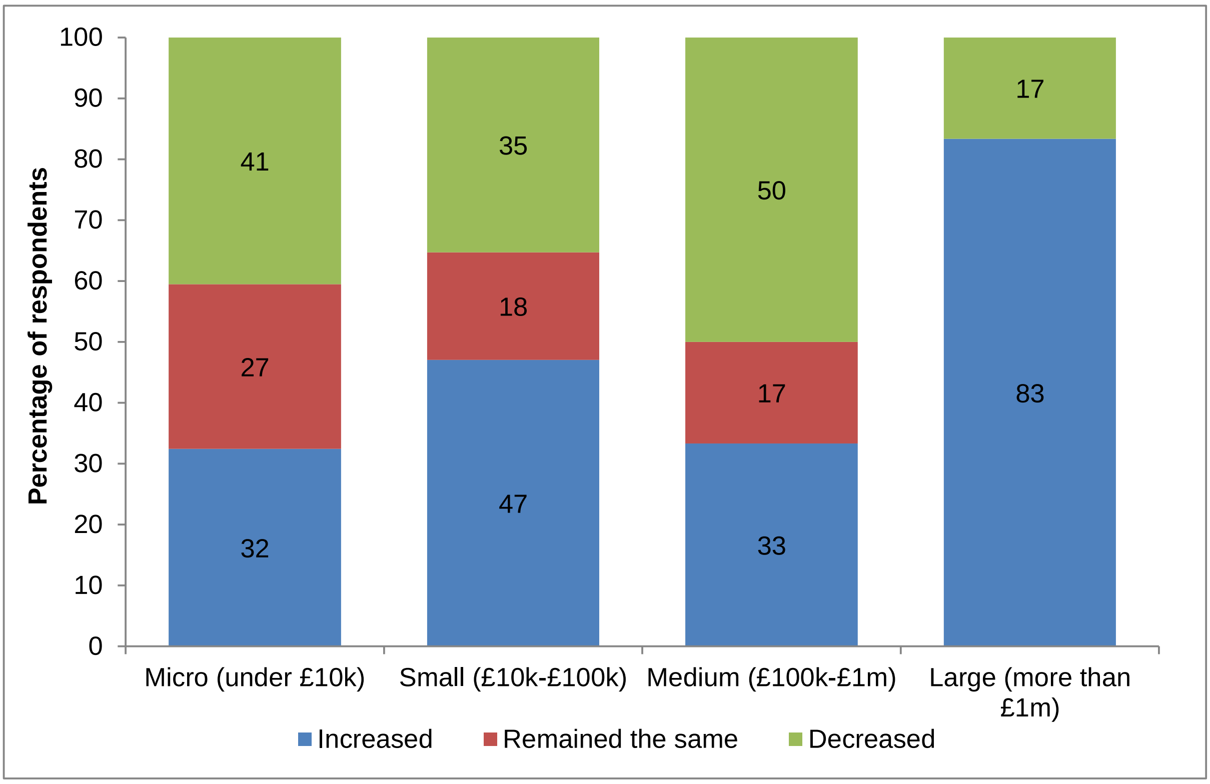
Source: Salford State of the Voluntary Sector survey 2012/13
Base: 103, 99, 85

This raises some concerns: 56 per cent of respondents reported increasing their expenditure but only 41 per cent had experienced an increase in income and only 26 per cent report an increase in reserves; in addition, 39 per cent of respondents reported a decrease in income but only 24 per cent reduced their expenditure and 38 per cent reported a reduction in their financial reserves. This means that **there were a significant number of organisations that spent more money than they received in the past 12 months**: 34 per cent of respondents provided an expenditure figure for 2011/12 that was greater than their income. These findings are very similar to the 2010 survey, and could be indicative of a longer term trend in response to the economic downturn and subsequent reductions in the voluntary sector's income. In light of this trend it seems likely that the sustainability of a significant number of organisations could be under threat.

Explored by organisation size, the data suggests that the trends in income are more common in micro, small and medium organisations than large ones. In terms of expenditure, the pattern is more common in small, medium and large organisations.

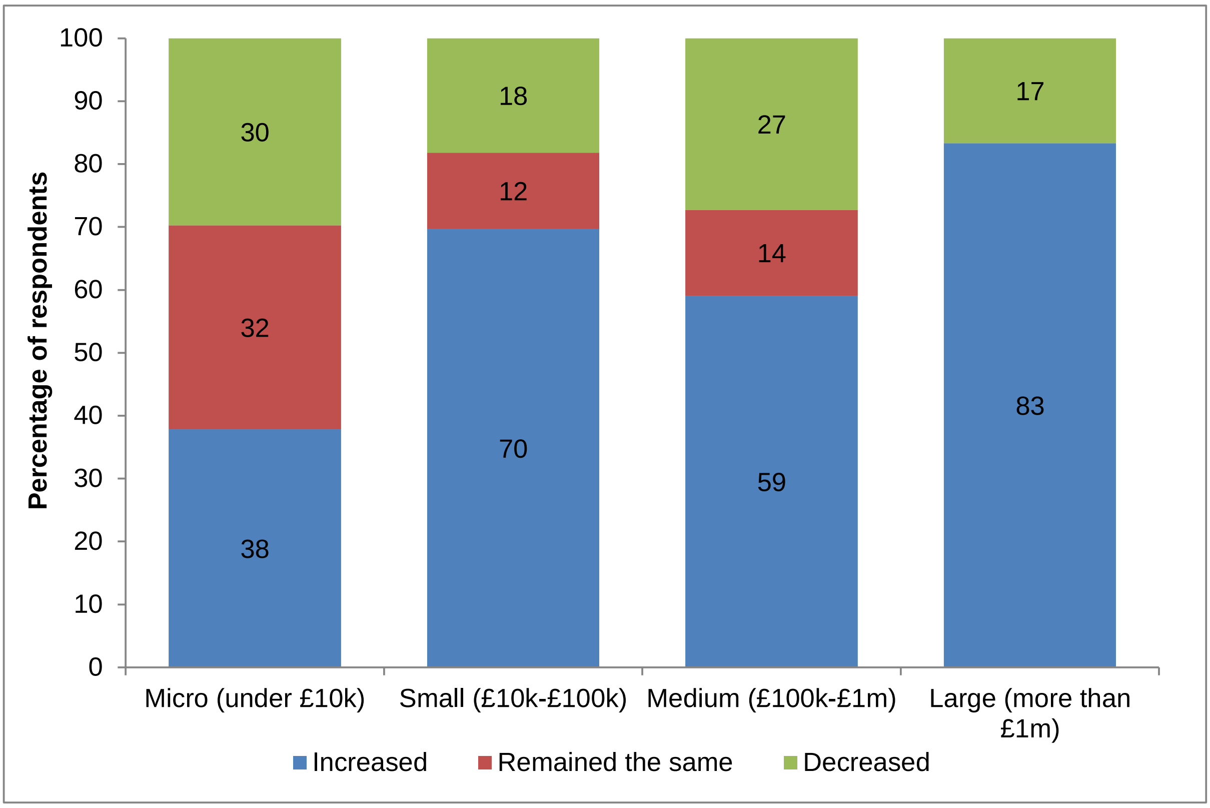
Collectively, the data indicates that the sustainability of small and medium sized organisations is of particular concern: 70 per cent of small organisations reported increasing their expenditure in the past 12 months but only 47 per cent increased their income; 59 per cent of medium organisations reported increasing their expenditure in the past 12 months but only 33 per cent increased their income. This is outlined in more detail for all sizes of organisations in figures 4.9a and 4.9b overleaf.

Figure 4.9a: Change in income in the last 12 months by organisation size



Source: Salford State of the Voluntary sector survey 2012/13
Base: 101
Note: 'cannot say' response has been excluded from the analysis

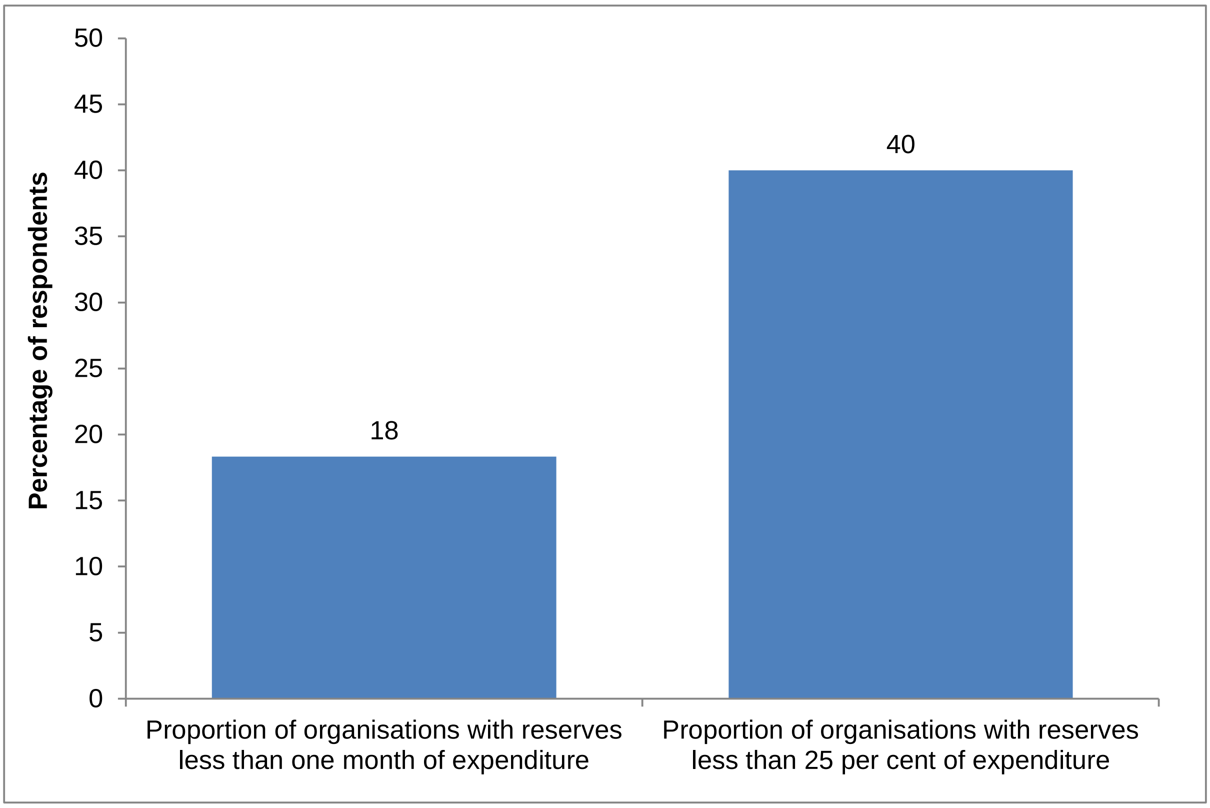
Figure 4.9b: Change in expenditure in the last 12 months by organisation size



Source: Salford State of the Voluntary sector survey 2012/13
Base: 98
Note: 'cannot say' response has been excluded from the analysis

Further analysis of the financial reserve levels reported by respondent organisations provides an additional insight in to the financial health of the voluntary sector. Reserves are important as they provide organisations with funds to fall back on in the short term should other sources of funding reduce or be withdrawn. They also provide organisations with the flexibility to develop new and innovative activity that might not have attracted external funding from the outset. Organisations with low reserves relative to expenditure are therefore more likely to be restricted in their ability to adapt if key external funding is lost. In order to explore this issue in more detail reserves (2011/12) were calculated as a proportion of expenditure (2011/12) for each respondent. The results are shown in figure 4.10.

Figure 4.10: Financial vulnerability of organisations in Salford



Source: Salford State of the Voluntary Sector survey 2012/13
Base: 60

This shows that **18 per cent had reserve levels of less than one month's expenditure**, and a further 22 per cent had reserves that covered less than three months expenditure. This suggests that up to two-fifths of all organisations in the voluntary 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 at risk: they have greater financial commitments and require higher levels of income to carry out their work. This represents the continuation of a trend first identified in the 2010 survey.

5

The Workforce

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

- the number of full time equivalent (FTE)[28] members of paid staff that they employ
- the number of FTE people on work placements that are part of their workforce
- the number of volunteers that are part of their workforce, the number of hours each week that they contribute and their broad role type.

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

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

Based on the average number of FTE paid staff employed by respondents to the survey across Greater Manchester, and drawing on the assumptions used to estimate the total number of organisations in Salford, it is estimated that the 1,364 organisations in Salford employed **3,800 FTE paid staff (5,300 employees)** in 2012/13. This was 16 per cent of the estimated total number of FTE paid staff working within the voluntary sector in Greater Manchester; the second highest proportion of the seven areas who were part of the main study.

Using a slightly different methodology (see appendix 1) the earlier study estimated that there was 6,500 FTE paid staff within the voluntary sector in 2010. Adopting the same methodology it is estimated that there were 6,400 FTE paid staff within the voluntary sector in 2012/13.

Gross Value Added (GVA), the value of goods and services produced, is a key measure of the economic contribution of organisations or voluntary sectors. It can be estimated for paid employees working in Salford organisations by multiplying the number of FTE paid staff by the estimated gross value added (GVA) per FTE employee[29]. From this calculation it is estimated paid employees of Salford organisations contribute £117.7 million to the economy per annum.

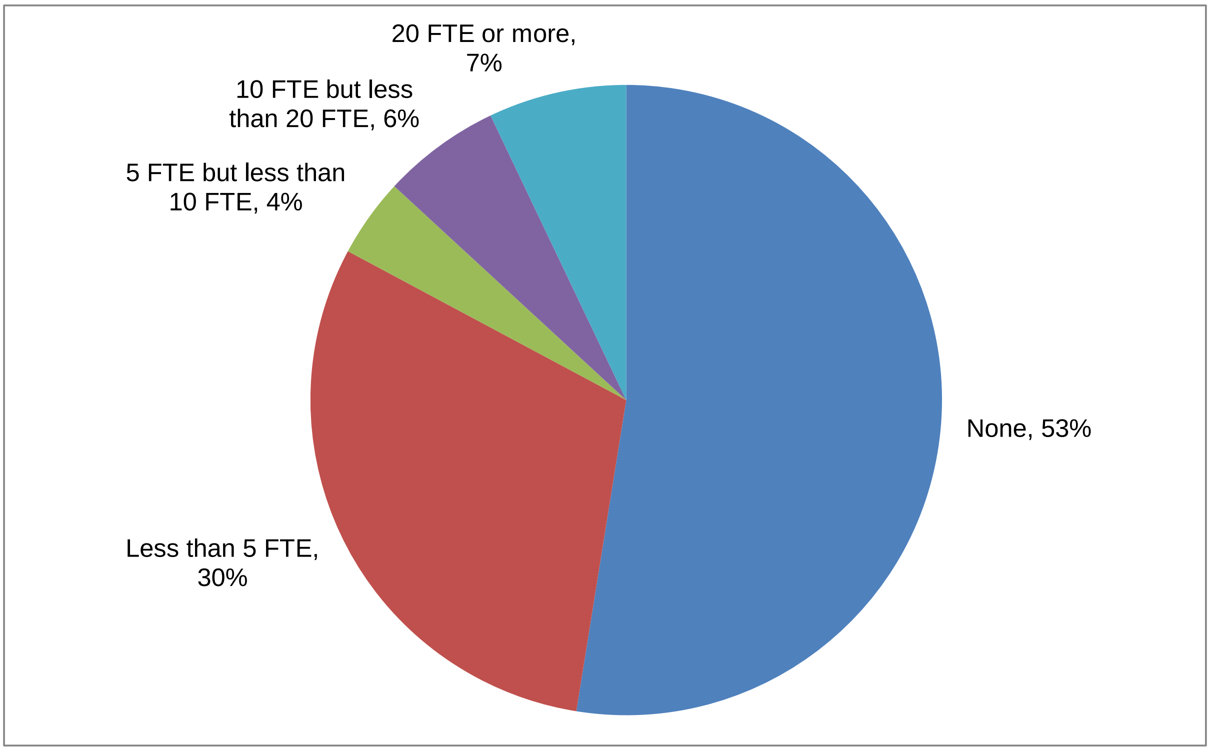
[28] FTEs are calculated on the basis that one worker in one paid full time job for a year would be one FTE and if that person worked half time they would be 0.5 FTE.
[29] This study used North West GVA per employee averaged across the following three voluntary sectors: public administration and defence, education and health and social work ONS

Three fifths of FTE paid staff were employed in large organisations with an income of at least one million pounds. In comparison the 1,152 micro and small organisations employed just six per cent of FTE paid staff. The remaining 35 per cent were employed in medium sized organisations. Large and medium sized organisations especially continue to be significant employers in Salford.

Figure 5.1 presents a breakdown of responding organisations by the number of FTE paid staff they employed. Over four fifths of organisations employed less than five FTE paid staff members. Included in this figure were 53 per cent of organisations that did not employ any paid staff. Further analysis reveals that the majority of these were micro organisations with income of less than £10,000. At the other end of the spectrum seven per cent of organisations employed 20 or more FTE paid members of staff. This pattern is broadly equivalent to what was identified from the 2010 survey.

Compared with the Greater Manchester sample as a whole, a higher proportion of organisations within Salford appeared to have FTE paid staff: 47 per cent in Salford compared with 36 per cent in Greater Manchester. Also of note only eight per cent of Greater Manchester organisations had 10 FTE paid staff or more compared with 15 per cent in Salford.

Figure 5.1: Organisations by numbers of FTE paid staff



Source: Salford State of the Voluntary Sector survey 2012/13
Base: 99

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

Around one in six (16 per cent) of responding organisations reported that part of their workforce were on work placements (e.g. students or trainees). Furthermore, no organisation had work placements that contributed more than eight 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 voluntary sector in Salford to provide an estimate of the total number of FTE work placements in the voluntary sector. From this calculation there were **an estimated 250 FTE work placements** contributing to the workforce in Salford in 2012/13. This was 13 per cent of the estimated total across Greater Manchester.

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

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

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

- **37,300 volunteers** were part of the voluntary sector's workforce in Salford in 2012/13; this represents 16 per cent of Salford's total population (234,500)[30] and 11 per cent of the estimated total for Greater Manchester organisations
- these volunteers provided an estimated **137,000 hours of their time per week**; this was 13 per cent of the estimated number of volunteer hours for all Greater Manchester organisations.

Using a slightly different methodology (see appendix 1) the 2010 study estimated there were 20,300 volunteers in Salford who provided 144,300 hours per week. Adopting the same methodology with responses to the 2012/13 survey it is estimated 26,700 volunteers supported the voluntary sector in Salford, who provide 197,800 hours of their own time per week.

There are two broad approaches to valuing the contribution of volunteers. One method, and this study's preferred approach, is to value the output that they produce. In effect this is the value to society of the goods and services that volunteers produce. This can be estimated by multiplying the number of FTE volunteers by the estimated gross value added (GVA) per FTE employee[31]. From this calculation **the economic contribution of volunteers in Salford organisations is estimated to be £122.7 million per annum[32]**.

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[33]. 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

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[30] 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; and conversely there will be Salford residents volunteering for organisations outside of Salford

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

[32] Please note currently the work of volunteers is not included within official GVA figures

[33] This is the approach recommended by Volunteering England

benefit to organisations[34]. However, this benefit might also be passed onto society via lower prices for goods and services due to lower costs of production. The input value of volunteers can be calculated by multiplying the number of hours that volunteers give per week by an estimate of how much it would cost to employ someone to do that work. There are a number of widely accepted hourly rates that could be used to estimate this value; these include: the national minimum wage, the local median wage, the local mean wage and the reservation wage. The latter, the hourly rate associated with the actual role of volunteers is the preferred option; however incomplete responses to the breakdown of volunteers by their role prevented an accurate calculation using this method. Therefore the preference in this study has been to provide a range using the national minimum wage (low estimate) and the local median wage (high estimate). In reality the true value of the input provided by volunteers will lie between the two estimates. It is estimated:

- assuming the national minimum wage for adults[35] it would cost **£44.1 million annually to employ staff to do the work provided by volunteers in Salford organisations**
- assuming the median gross hourly wage for full time employees in the North West[36] it would cost **£85.1 million annually to employ staff to do the work provided by volunteers in Salford organisation.**

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

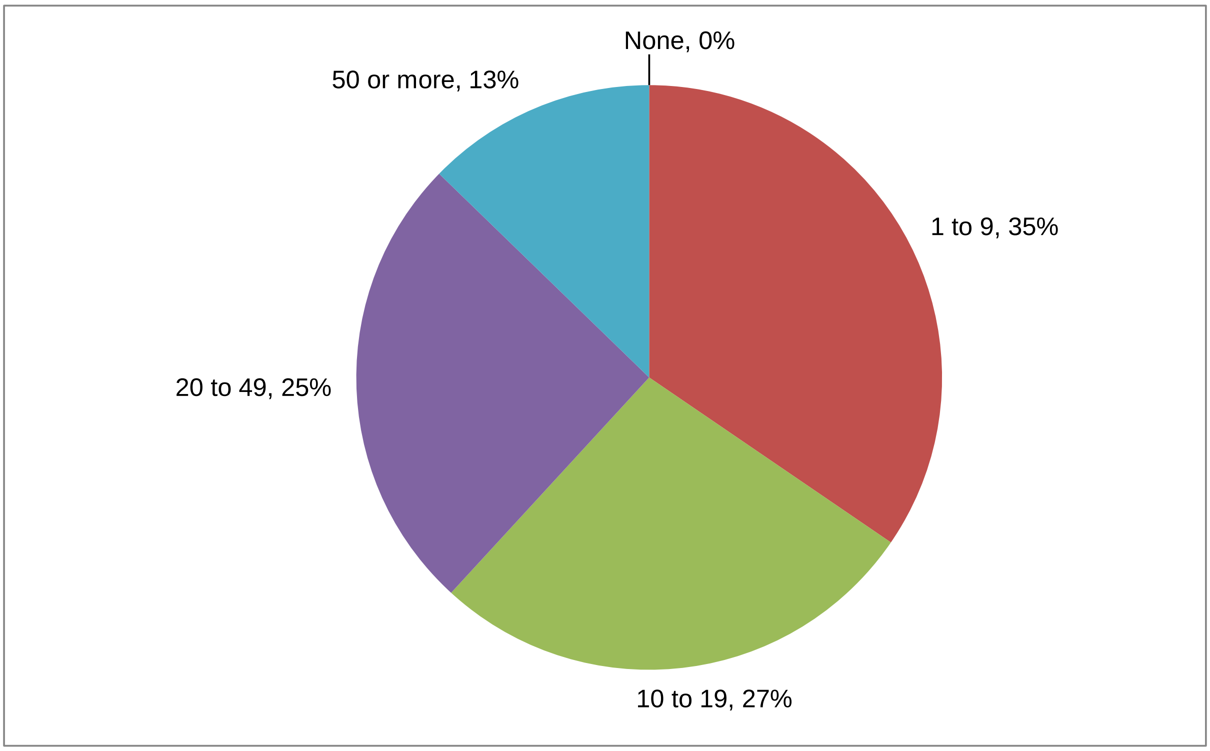
- **no organisation reported having no volunteers, this contrasts to the 2010 survey where 12 per cent reported no volunteers**
- 35 per cent of organisations had nine or less volunteers
- a further 27 per cent of organisations had between 10 and 19 volunteers
- just over one in 10 organisations had 50 or more volunteers.

This pattern was largely representative of the picture for organisations across Greater Manchester as a whole, where:

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

[34] This assumes that there are no additional costs faced by organisations in using volunteers: for example extra management costs
[35] £6.19 for 21 years and older in 2012
[36] £11.94 for 2012

Figure 5.2: Organisations by numbers of volunteers



Source: Salford State of the Voluntary Sector survey 2012/13
Base: 110

Assessment of the breakdown of volunteers by job role reveals:

- 22 per cent of volunteers were in management roles, including committee/board members
- 10 per cent of volunteers were in administrative roles
- 68 per cent of volunteers were in roles delivering services.

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

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

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

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

Paid employees:

- 57 per cent of organisations employed a similar number of paid employees than a year ago
- of organisations reporting a change, an equivalent percentage of organisations reported an increase in paid staff (21 per cent) as did a decrease (21 per cent)
- in 2010, 28 per cent reported an increase in the past year which was double the percentage that reported a decrease (14 per cent); this would suggest that the

number of paid employees within the voluntary sector was growing in 2010 but has plateaued in 2012/13

- across Greater Manchester 17 per cent of organisations reported an increase in their number of paid employees; the same percentage reported a decrease.

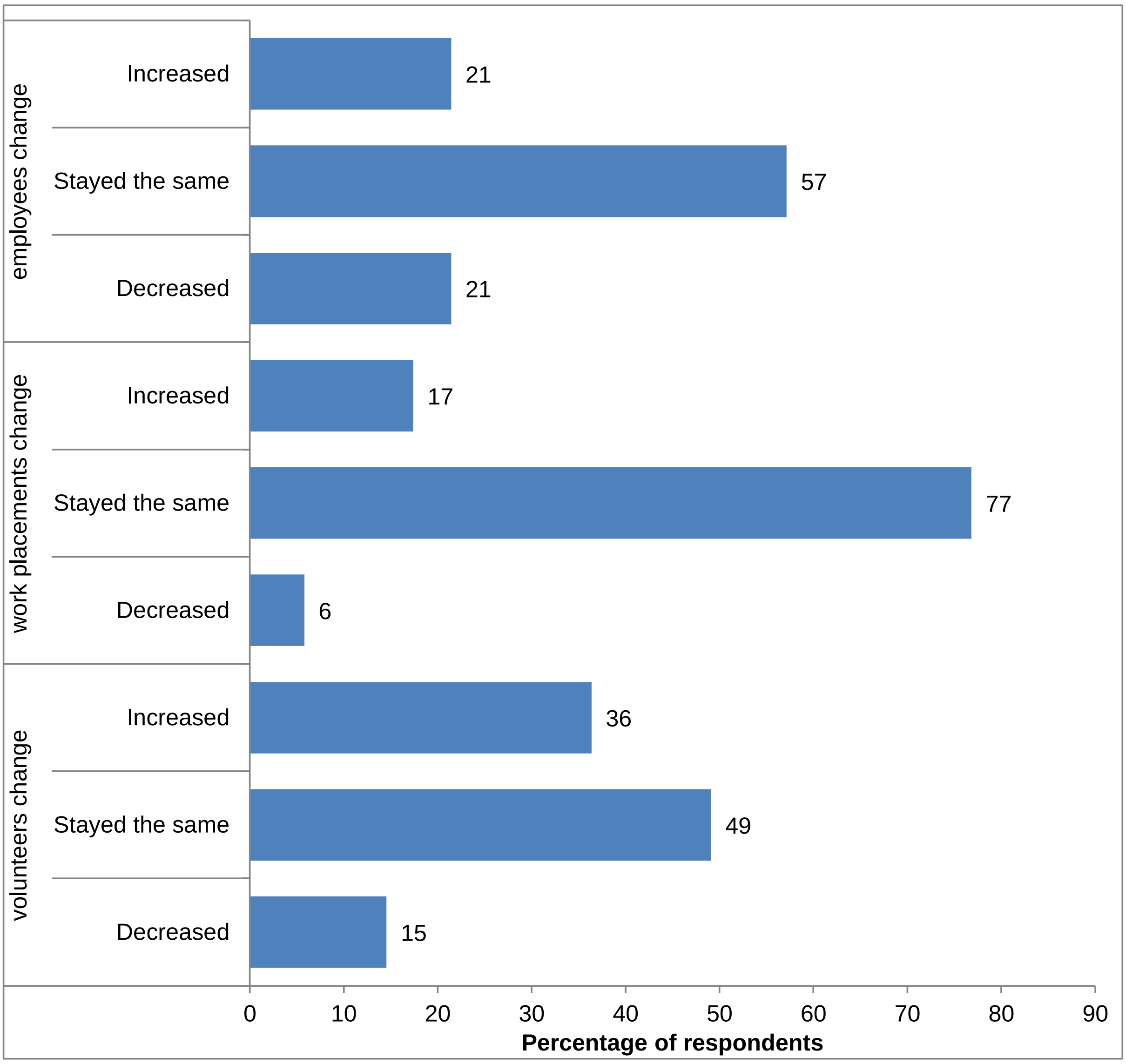
Work placement:

- 77 per cent of organisations reported having a similar number of work placements to a year ago
- 17 per cent of respondents reported an increase in their number of work placements over the previous year
- this was some 11 percentage points higher than the proportion reporting a decrease in the past year (6 per cent)
- 14 per cent of Greater Manchester organisations reported an increase in their number of work placements compared with 8 per cent who reported a decrease.

Volunteers:

- 36 per cent of respondents reported increased numbers of volunteers now compared to a year ago; this might have been the result of an increasing number of short term volunteer placements sent from Job Centres via Volunteer Centres or those unable to find work, and those that have lost their job turning to volunteering to maintain skills and to gain new ones
- in comparison 15 per cent of organisations reported a decrease in volunteer numbers
- the 2010 survey found:
  - 40 per cent of respondents reported increased volunteer numbers
  - about half report that volunteer numbers have remained the same
  - while only around one in ten report that numbers of volunteers have decreased
- taking the 2010 and 2012/13 survey results together it would appear that the number of volunteers within the voluntary sector has grown consistently over recent years
- nearly two fifths of Greater Manchester organisations reported an increase in their number of volunteers over the previous year, compared with 11 per cent who reported a decrease.

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



Source: Salford State of the Voluntary Sector survey 2012/13
Base: paid employees (89) work placements (69) volunteers (110)
Note: 'cannot say' response has been excluded from the analysis

6

Partnership Working: the public sector

Chapter 4 revealed the importance of public sector funding for the voluntary sector in Salford: three-fifths of survey respondents received income from public sector bodies to support their work. This chapter considers these relationships in more detail by exploring survey respondent's experiences of partnership working with a range of public sector bodies. It covers the extent of their engagement with key public sector bodies in Salford, how these statutory agencies perceive and influence their work, and their satisfaction with funding arrangements.

6.1. Dealings with local public sector bodies

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, along with the local authority figure for Greater Manchester combined.

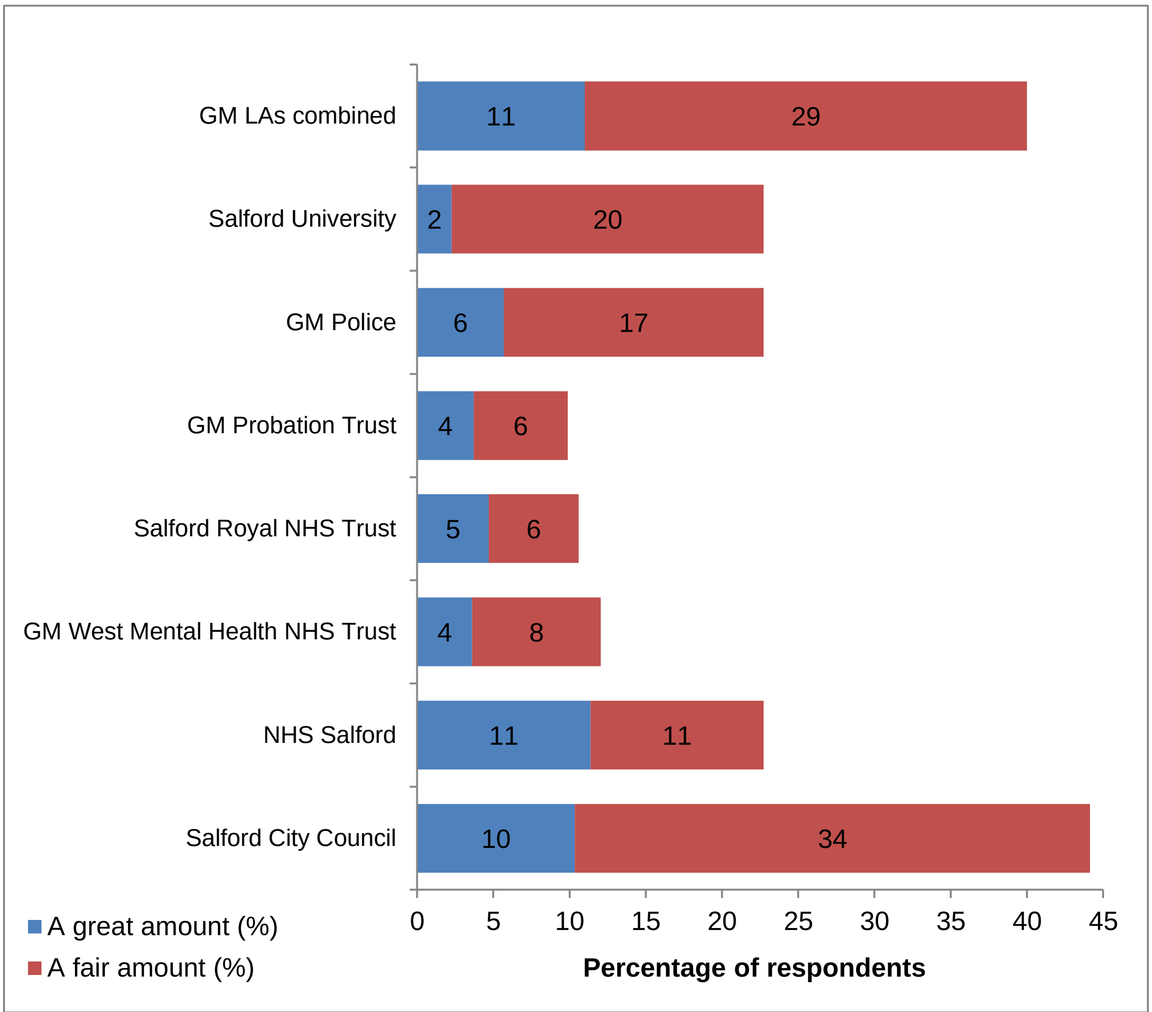
This shows that survey respondents had dealings with a range of local public sector bodies. The three most prominent were Salford City Council, NHS Salford and Salford University:

- **Salford City Council:** 77 per cent had some dealings with the Council; including 10 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):** 53 per cent had some dealings with NHS Salford; including 11 per cent who had a 'great amount' of dealings and 11 per cent who had a 'fair amount' of dealings
- **Salford University:** 46 per cent had some dealings with the University; including 2 per cent who had a 'great amount' of dealings and 20 per cent who had a 'fair amount' of dealings.

This pattern is the same as 2010, but there are fewer respondents (between 7-8 percentage points) that had frequent and direct dealings with each of these public sector bodies compared to the 2010.

Local authorities consistently emerged as the most prominent public sector contact for respondents to this study across Greater Manchester. Overall, 11 per cent of respondents said they had a 'great amount' of dealings with their local authority and 29 per cent said they had a 'fair amount'. The Salford figure is higher than this; with only the city of Manchester recording higher figures (19 per cent had a ‘great amount’ and 37 per cent ‘a fair amount’ of dealings with Manchester City Council).

Figure 6.1: Dealings with local public sector bodies



Source: Salford State of the Voluntary sector survey 2012/13
Base: 81-145

6.2. Relationships with local public sector bodies

The previous section highlighted the central importance of the City Council, NHS Salford, and the University to the voluntary 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.

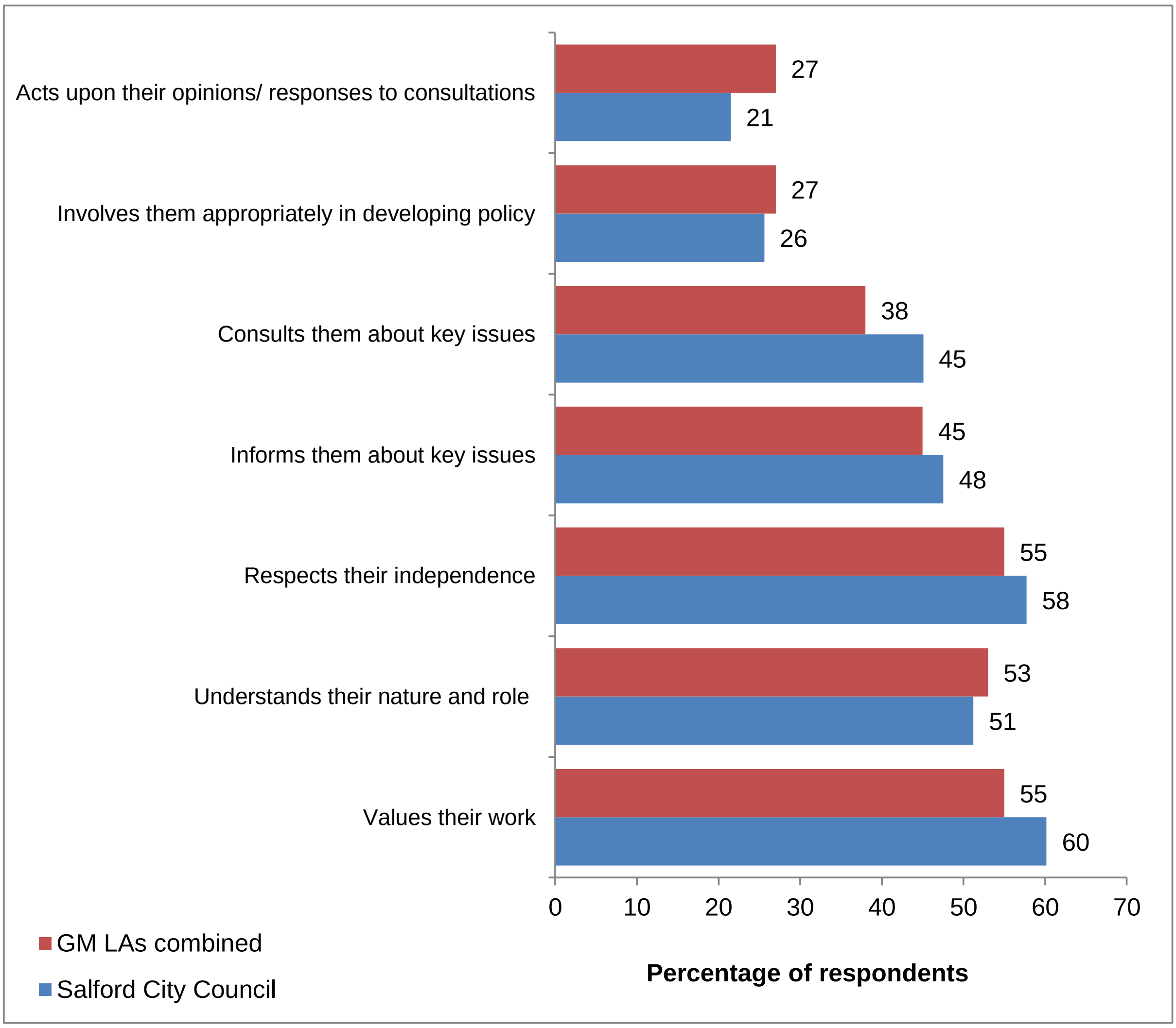
Respondents were asked to provide an answer for Salford City Council and their most frequent contact from the list of other public sector bodies. From this list of other public sector bodies only NHS Salford elicited sufficient responses to be considered separately. The results of each question are summarised in figures 6.2a and 6.2b. A comparison with the Greater Manchester average is also provided.

The data shows that the voluntary sector's experiences of working in partnership with local public sector bodies were quite mixed:

- **valuing their work:** 60 per cent of respondents said that Salford City Council valued the work they did. In addition, 69 per cent of respondents said that their most frequent other public sector contact valued their work
- **understanding their role:** 51 per cent of respondents said that Salford City Council understood the role and nature of their organisation's role. In addition, 69 per cent of respondents said that their most frequent other public sector contact understood their role
- **respecting their independence:** 58 per cent of respondents said that Salford City Council respected their organisation's independence. In addition, 68 per cent of respondents said that their most frequent other public sector contact respected their independence
- **informing about key issues:** 48 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, 56 per cent of respondents said that their most frequent other public sector contact kept them informed.
- **consulting about key issues:** 45 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, 46 per cent of respondents said that their most frequent other public sector contact consulted them
- **involving in policy development:** 26 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, 35 per cent of respondents said that their most frequent other public sector contact involved them in policy development
- **acting on their views:** 21 per cent of respondents said that Salford City Council acted upon their organisation's opinions and/or responses to consultations. In addition, 37 per cent of respondents said that their most frequent other public sector contact acted on their views.

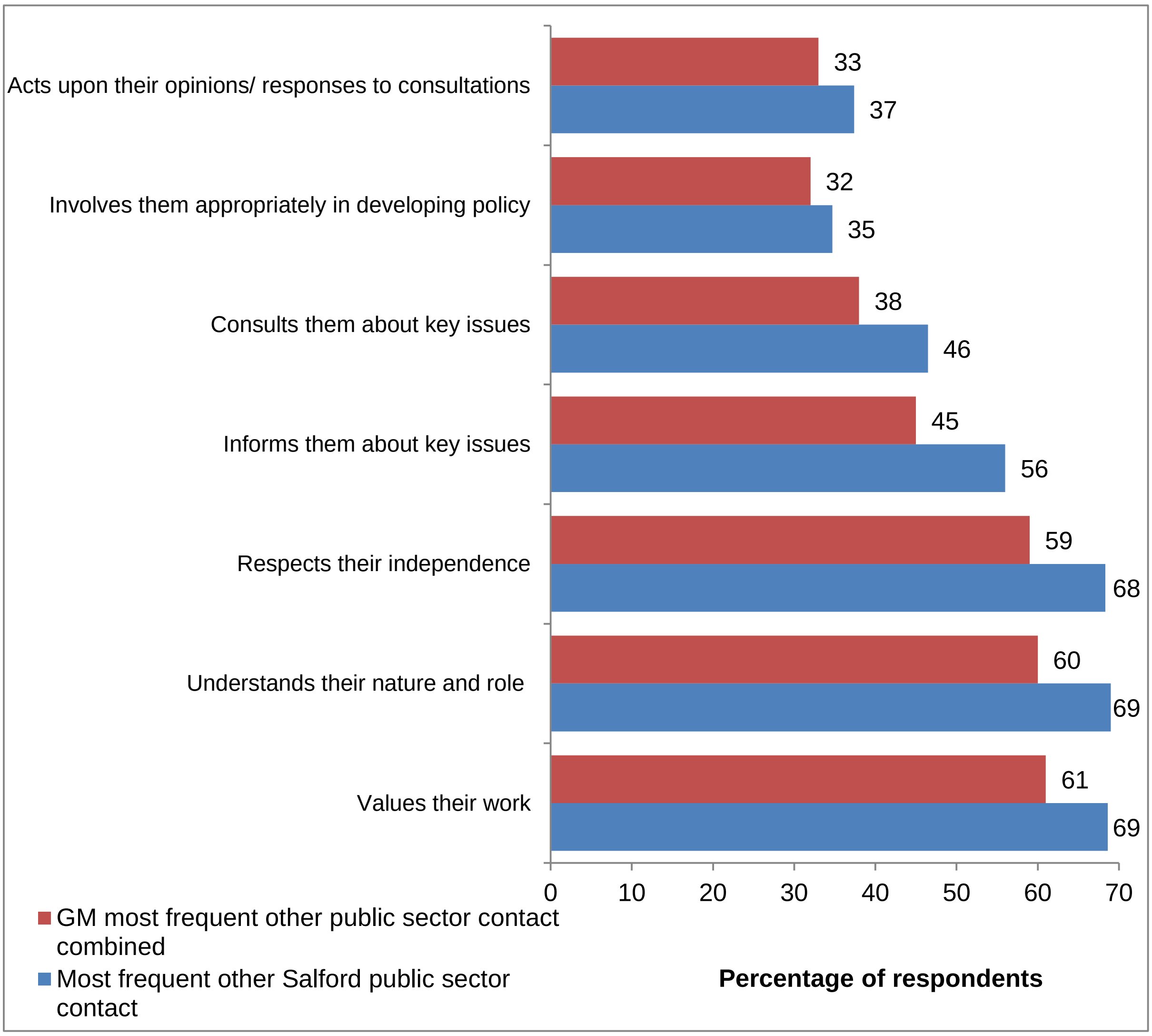
This suggests an overall trend in which the voluntary sector's experience of working with Salford City Council was less positive than with other local public sector bodies. However, this trend was reflected across Greater Manchester and the views of Salford respondents were broadly comparable with the Greater Manchester combined figures for local authority contacts, although they were more positive about most frequent public sector contacts than for the overall Greater Manchester responses. Importantly, respondents to this survey were considerably more positive about their relationship with the public sector than the 2010 national survey.

Figure 6.2a: Relationships with Salford City Council



Source: Salford State of the Voluntary sector survey 2012/13
Base: 121-123

Figure 6.2b: Relationships with other key public sector bodies

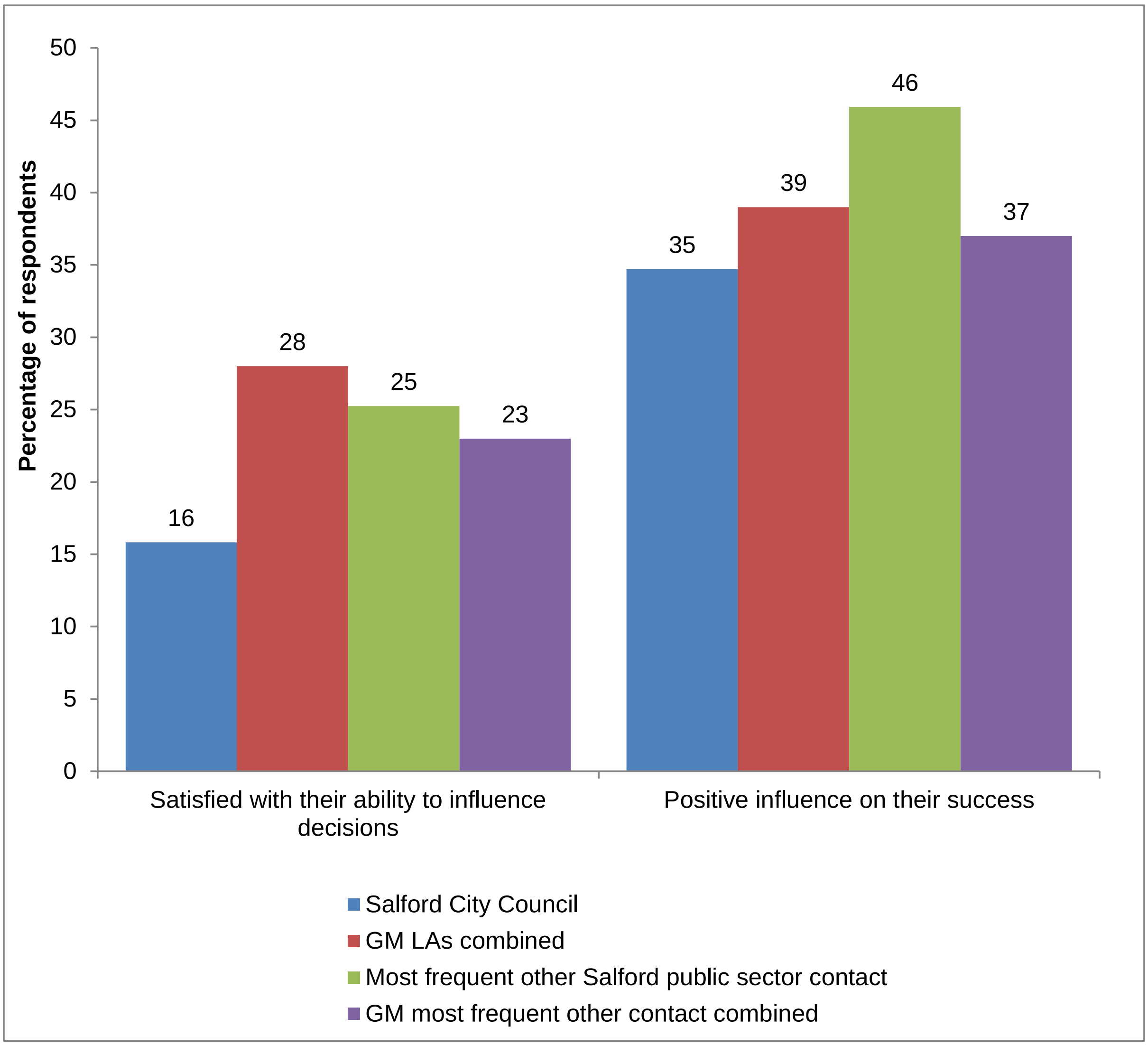


Source: Salford State of the Voluntary sector survey 2012/13
Base: 99-102

The survey findings regarding relationships with local public sector bodies are reinforced 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[37]. The results of these questions are summarised in figure 6.3. A comparison with the Greater Manchester average is also provided.

[37] This latter measure was used in 2008 and 2010 to provide evidence of local authority performance against 'National indicator 7: the environment for a thriving third sector'. It therefore provides an important national benchmark against which local sector relationships can be judged.

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 Voluntary sector survey 2012/13
Base: 120 / 121

This shows that 16 per cent of respondents were satisfied with their ability to influence Salford City Council decisions of relevance to their organisation and 35 per cent said that the council had a positive influence on their organisation's success. This is substantially lower than for Greater Manchester combined figures but comparable with the national average.

In addition, 25 per cent of respondents said they were satisfied with their ability to influence key decisions of their most frequent other public sector contact and 46 per cent said this contact had a positive influence on their success. This is slightly lower than the Greater Manchester combined figures, but substantially higher than the national average.

This set of findings is broadly consistent with the findings of the 2010 'Salford State of the Voluntary Sector Survey'. **An exception here is the proportion of organisations satisfied with their ability to influence Salford City Council decisions, which fell by 15 percentage points from 31 per cent in 2010**.

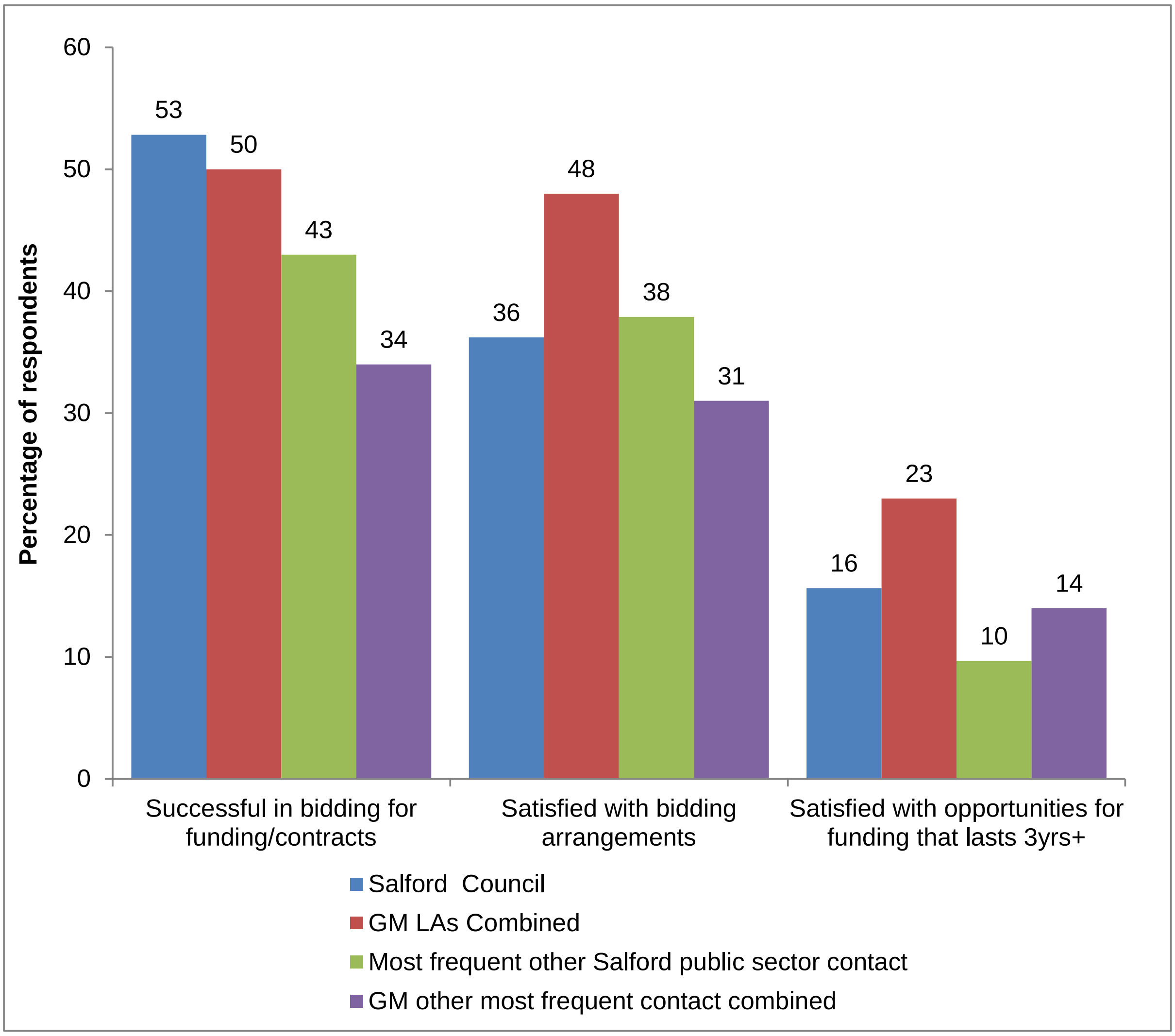
6.3. Funding from local public sector bodies

Respondents were also asked to reflect on their experiences of public sector funding in terms of how successful they had been; how satisfied they were with bidding arrangements; and how satisfied they were with the level of opportunity to bid for long-term funding. The responses are illustrated in figure 6.4 and are split between perceptions of Salford City Council and of organisations' most frequent other public voluntary sector contact. A comparison with the Greater Manchester average is also provided.

This shows that 53 per cent of respondents were successful in bidding for contracts with Salford Council compared to a 43 per cent success-rate with other public sector bodies. Satisfaction with bidding arrangements were broadly equal across both categories, with 36 per cent satisfied with bidding arrangements for Salford Council contracts and 38 per cent for their most frequent other public sector contract. 16 per cent were satisfied with the opportunities for funding or contracts with Salford Council that last three years or longer; and 10 per cent felt the same for their most frequent other public sector contact.

There is some consistency with the Greater Manchester combined figures between Salford Council and other local authorities, although satisfaction with the council's provision of three year contracts appears particularly low. By contrast satisfaction with other most frequent public sector contacts in Salford is consistently a few percentage points higher than the Greater Manchester combined figures. Across all three measures respondents were considerably more satisfied with local public sector bodies than in the 2010 national survey.

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



Source: Salford State of the Voluntary sector survey 2012/13
Base: 115-121

This question was not asked in 2010.

6.4. Qualitative perspectives on local public sector bodies

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

> *"Without the support and funding from Salford City Council our group would not have survived."*

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

"Cuts mean the limited funding we used to receive is at risk."

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

"The process of applying for funding is complicated. Why the need for charities to have to re-invent themselves in order to attract funding providers? This leaves applicants of small charities bidding for large amounts unnecessarily."

"The council have made things difficult for smaller organisations to access funding and where there are contracts they are such slow payers so cash flows are affected. We often have to wait over 2 months for invoices to be paid. They seem to want quality services for very little money."

"We are in the care voluntary sector. Tenders rely only on policies and procedures not on actual work provided. Large organisations have the resources to fill paper work, small organisations have the manpower on the floor to deliver."

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

"Salford Council Locality development officer and Cohesion officer have provided advice, guidance and support to achieve outcomes and develop the organisations."

"We find that our contacts with Salford City are positive and they are very helpful and sympathetic."

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

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

"Previous arrangements made with City Council to inform/consult us have been overlooked, in the past 12 months particularly."

"Would appreciate if Salford City Council can inform us of what contracts are available especially as we are a new group."

7

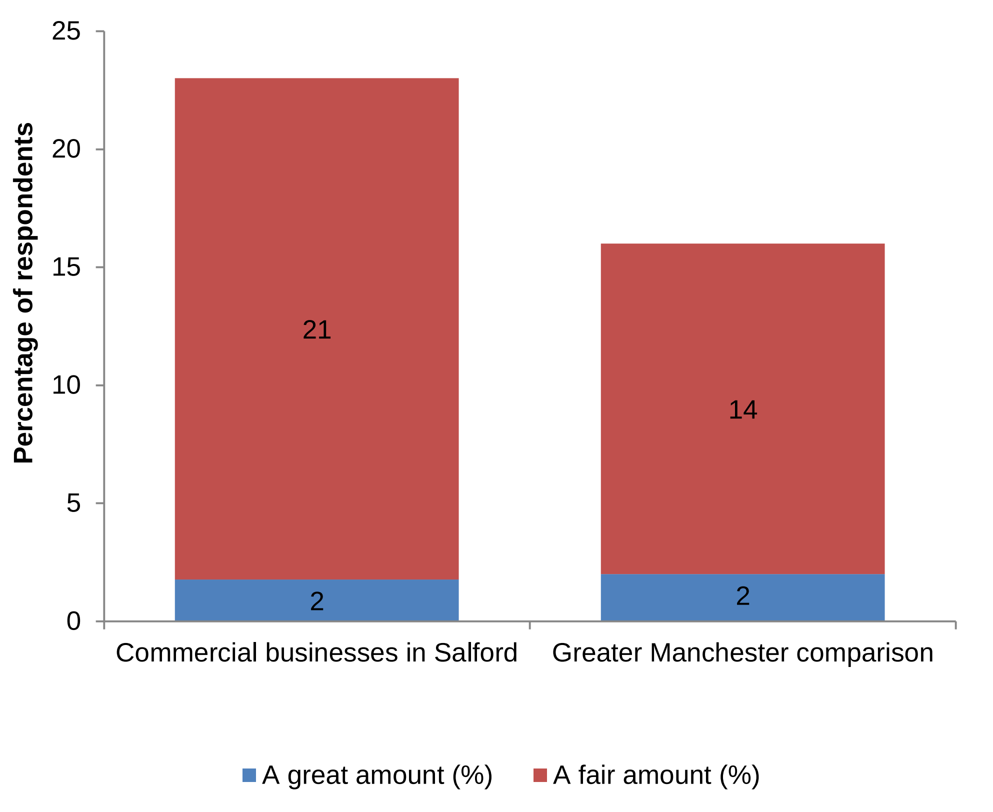
Partnership Working: Commercial Businesses

The previous chapter explored respondents' experiences of partnership working with public sector bodies. This chapter moves on to explore their experiences of working with the commercial sector. This is new territory for many voluntary and community organisations: chapter 4 revealed that only 13 per cent of survey respondents received any income through business donations. However, relationships with the commercial sector are predicted to become more important as funding from public sector, charitable and philanthropic sources reduces. Survey respondents were asked about their direct dealings and experiences of working with commercial businesses in Salford.

7.1. Working with commercial businesses

Survey respondents were asked to indicate the extent to which they had direct dealings with commercial businesses in Salford. 55 per cent reported that they had some direct dealings, with 23 per cent having a 'great' or 'fair' amount of contact. This is slightly higher than the average for Greater Manchester as a whole (figure 7.1).

Figure 7.1: Extent of direct dealings with commercial businesses



Source: Salford State of the Voluntary sector survey 2012/13
Base: 106

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

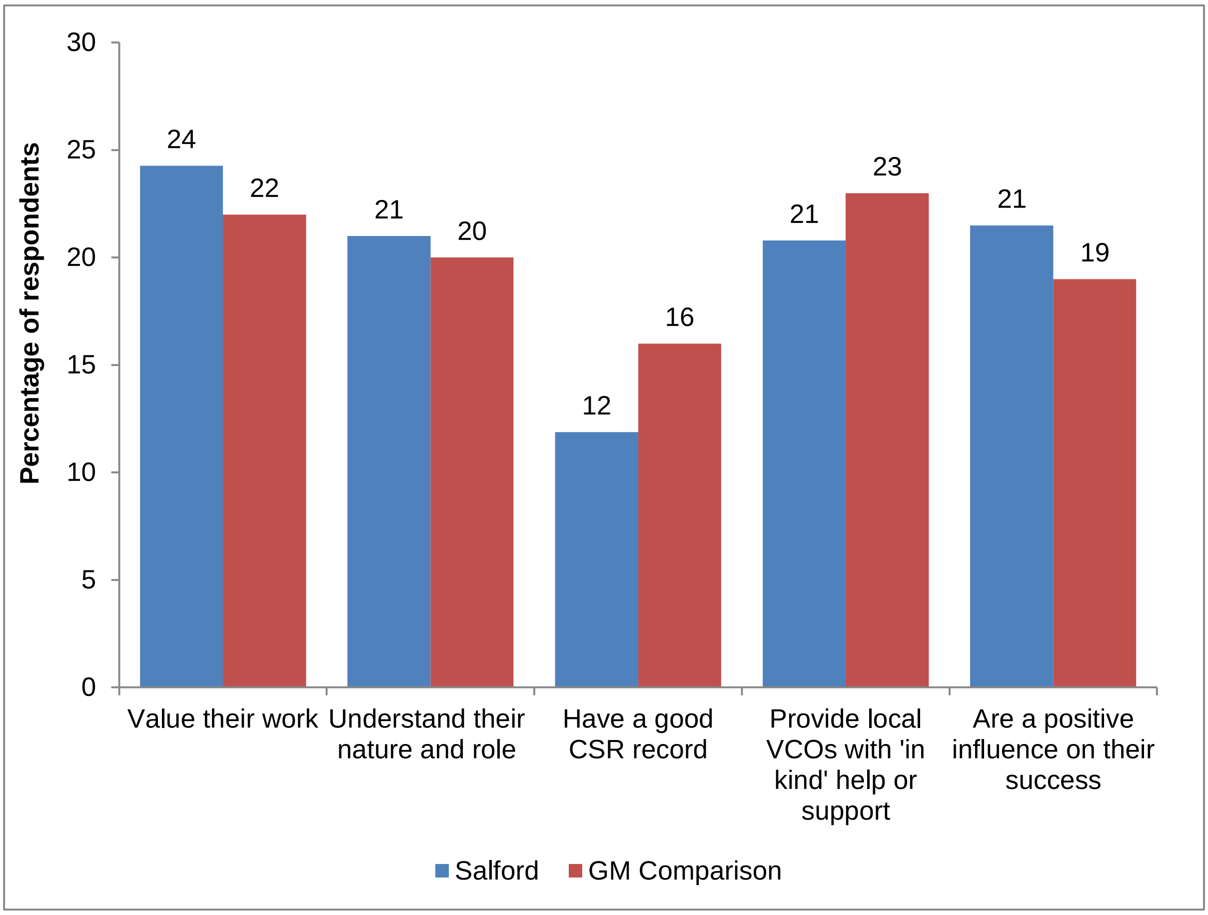
- valued their organisation's work
- understood the nature and role of their organisation
- had a good record in terms of corporate social responsibility
- provided local voluntary and community organisations/groups with 'in kind' help and/or support.

The results, including a Greater Manchester comparison, are summarised in figure 7.2. This shows that, compared to perceptions of public sector bodies (see figure 6.2), survey respondents had less positive perceptions of commercial businesses in Salford, which was broadly comparable to the Greater Manchester average:

- 24 per cent of respondents felt that commercial businesses **valued their work**
- 21 per cent of respondents felt that commercial businesses **understood the nature and role of their organisation or group**
- 12 per cent thought that commercial businesses in Salford had a good record on **corporate social responsibility**
- 21 per cent felt that commercial businesses provided local VCOs with **'in kind' help or support**

- taking all things into account, just 21 per cent of survey respondents felt that the commercial business community in Salford was a **positive influence on their organisation's success**.

Figure 7.2: Relationships with commercial businesses



Source: Salford State of the Voluntary sector survey 2012/13
Base: 100-107

On the whole, the findings from this survey suggest that commercial businesses in Salford have some progress to make in developing their relationships with the voluntary sector.

7.2. Working with commercial businesses

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

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

"The few commercial organisations we engage with are all excellent in the description above, but we feel there is scope for much more commercial involvement by more businesses. The ones which engage with us are excellent but we welcome more."

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

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

"A diverse income is important so corporate sponsorship and support is very attractive. We have found it difficult and time consuming to access support from this area though. Local Business are often forthcoming with small donations or raffle prises but do not offer sustainable income. And it seems difficult to build long standing, meaningful relationships. Businesses are also struggling and requests from charities must be very common so it is hard to make our organisation stand out."

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

"Most local businesses will donate small amounts of cash or goods suitable for raffle prizes etc if approached."

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

"Too much interest in their profit margins to care."

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

"Some local businesses are very supportive, though others seem to feel threatened or peeved that we operate on a voluntary basis and qualify for some charitable benefits."

8

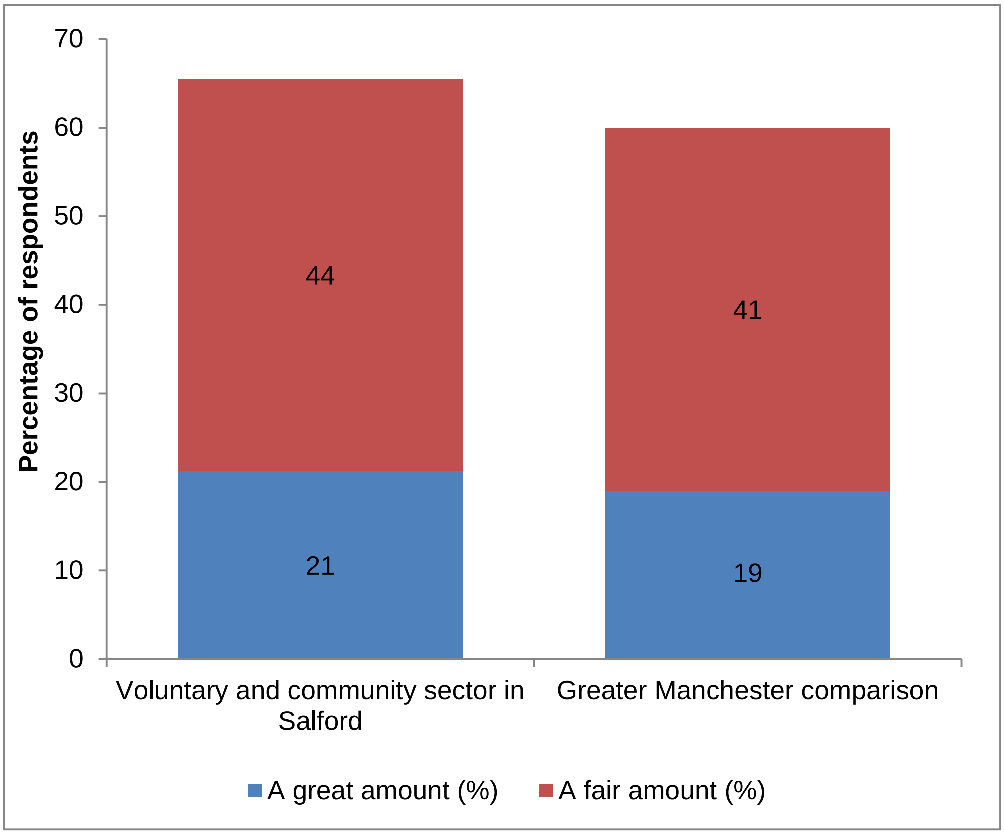
Partnership Working: Voluntary Organisations and Community Groups

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

8.1. Working with other voluntary and community organisations

Survey respondents were asked about the extent to which they had direct dealings with other voluntary and community organisations in Salford. 89 per cent had some direct dealings with other voluntary and community organisations and 66 per cent had a 'great' or 'fair amount' of contact. This is slightly higher than the figures for Greater Manchester combined, which show that 60 per cent had a 'great' or 'fair amount' of dealings with other voluntary and community organisations.

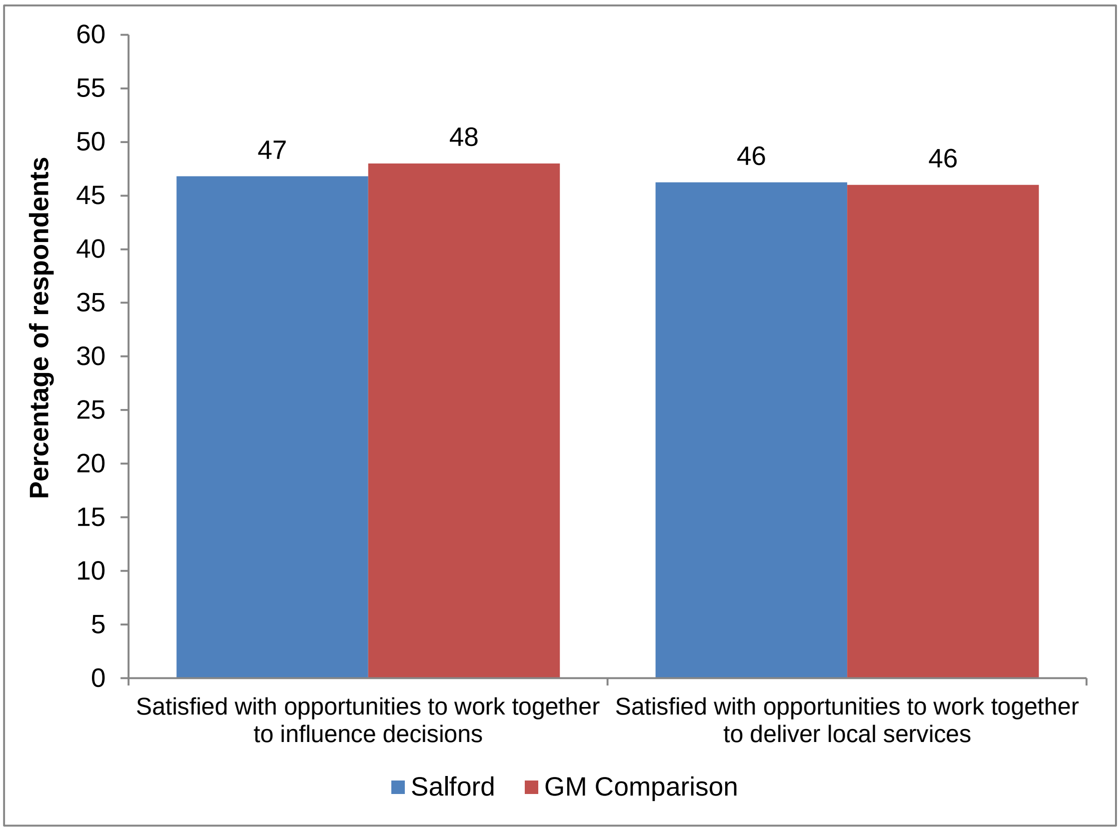
Figure 8.1: Extent of direct dealings with voluntary and community organisations



Source: Salford State of the Voluntary sector survey 2012/13
Base: 113

Respondents were asked to reflect on the opportunities they had to work with other voluntary and community organisations in terms of influencing local decisions and delivering local services. Figure 8.2 summarises the responses.

Figure 8.2: Satisfaction with opportunities to work with voluntary and community organisations



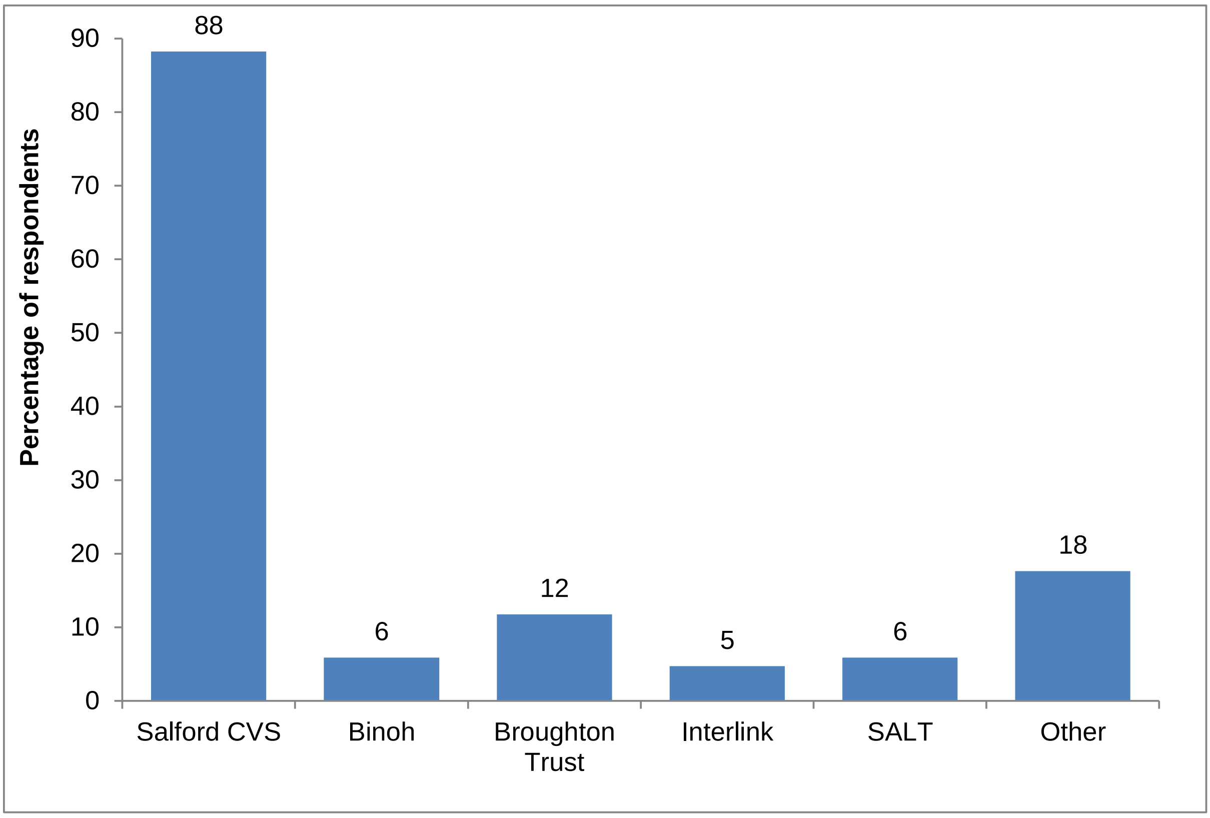
Source: Salford State of the Voluntary sector survey 2012/13
Base: 106-109

This shows that 47 per cent of respondents were satisfied with the availability of opportunities to influence local decisions and that 46 per cent were satisfied with the availability of opportunities to work together to deliver local services. This is virtually identical to the figures for Greater Manchester combined, which show that 48 per cent were satisfied with opportunities to influence local decisions and that 46 per cent were satisfied with opportunities to work together to deliver local services.

8.2. 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. The results are summarised in figure 8.3.

Figure 8.3: Local support and development organisations from which support received



Source: Salford State of the Voluntary sector survey 2012/13
Base: 85

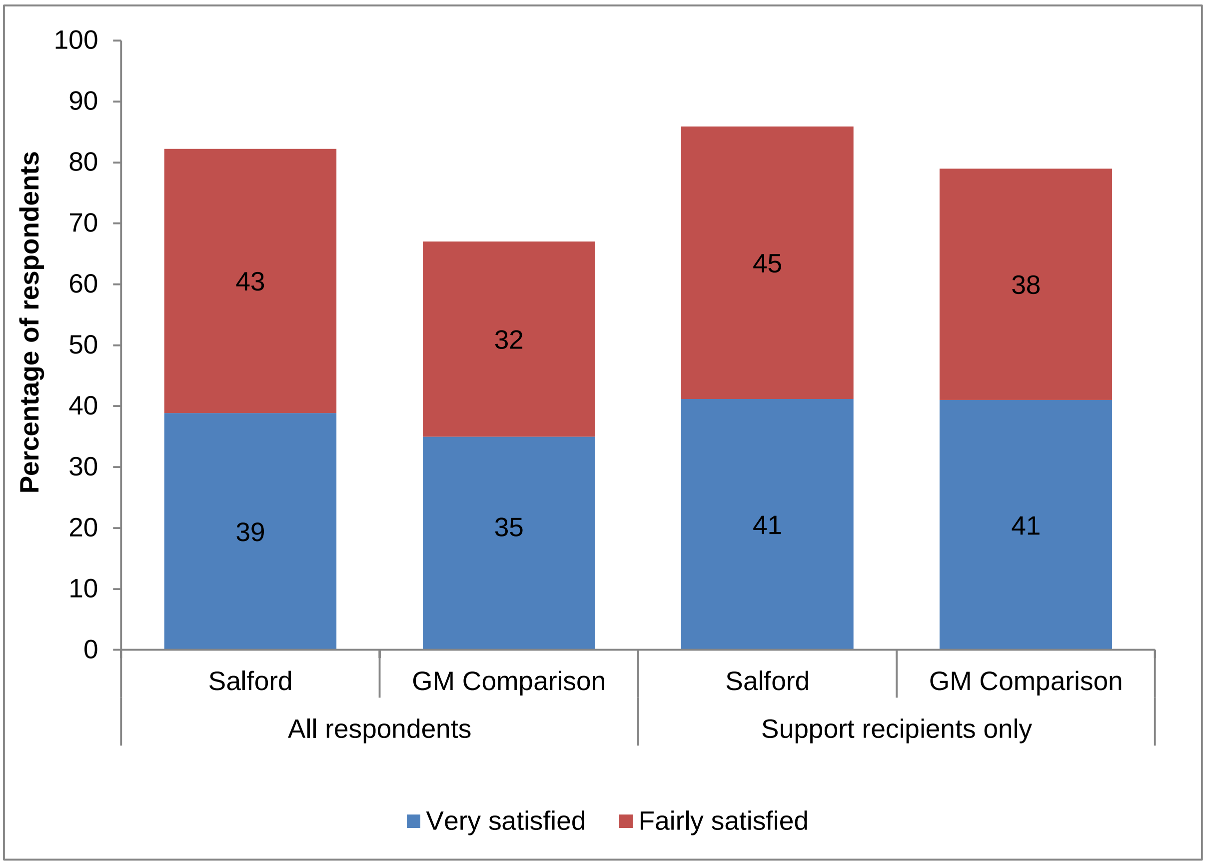
This shows that Salford CVS provided support to the highest proportion of survey respondents (88 per cent). Other organisations provided support to far fewer organisations but this is likely to be a function of the fact that they were not city wide and tended to support groups within defined local areas (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 8.4 (overleaf).

Figure 8.4 shows that overall 82 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, 86 per cent were satisfied. This is an improvement from the 2010 Salford State of the Voluntary Sector survey when 68 per cent of respondents and 76 per cent of support recipients were satisfied with the support available. It also compares positively with the combined figures for Greater Manchester, which show that overall, 67 per cent of organisations were satisfied with the support available from local support and development organisations and that of the organisations that had received support, 79 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 voluntary sector in Salford.

Figure 8.4: Satisfaction with support available from local support and development organisations



Source: Salford State of the Voluntary sector survey 2012/13
Base: 85/82

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. Comments were overwhelmingly positive when referring to Salford CVS:

> *“I have found CVS to be very responsive and helpful.”*

> *“Salford CVS offers opportunities to work with other groups.”*

> *“Contacts via Salford CVS have been positive.”*

A number of responses suggested that partnership-working with other VCS groups was said to be improving, with room for further development, and the development of the Salford Third Sector Consortium was seen as positive in this regard.

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

> *“There is a significant and developing amount of partnership working but scope for lots more.”*

> *“Opportunities generally exist where partners are to work together and where there is a good 'fit' i.e. complementary rather than duplication in what partners bring to the table.”*

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

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

> *“Relations are competitive not collaborative.”*

Conclusions

9

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

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

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

Against this background, this research has provided in depth data about the 'state of the voluntary sector' in Salford at the start of 2013 and answers some important questions. Information about the size, scale and scope of the voluntary sector, the role it plays in the social and economic life of the city, and how it has been affected by public sector cuts and the economic downturn has been collected and, where possible, compared with 2010 and the wider picture emerging across Greater Manchester. From this analysis six 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 voluntary sector in the city occupies an important strategic position between policy development, service provision and everyday life.**

    - there were an estimated 1,364 organisation working in the voluntary sector
    - the vast majority (68 per cent) of organisations were 'micro' with income of less than £10,000
    - whilst the voluntary sector has a fairly well established core it had seen the formation of many new organisations over the past 10 years: of organisations responding to the survey 37 per cent had been formed since 2003
    - the voluntary sector cuts across many different policy and issue domains; in particular there were sizable concentrations of organisations working in the thematic areas of health and well-being; community development;

education, training and research; sport and leisure; and economic well-being

- voluntary organisations work with a whole range of different people, especially older people, children and young people, but also people from the vulnerable groups (for example the unemployed and those with health problems); it will be interesting to monitor how the proportion of organisations who work mainly with children and young people changes with reductions in funding in this area and changes in policy towards whole family working
- the voluntary sector works at a range of different geographical levels: both across and beyond Salford; the local authority area, and specific communities and neighbourhoods within it, are the main focus for a majority of organisations.

2. **The voluntary sector in Salford is an important economic entity, but patterns in the amount of money the voluntary sector receives, the 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 voluntary sector:

- total income in 2011/12 was estimated to be £145 million, a reduction of eight per cent compared to 2009/10
- more than eight out of ten organisations' income was small (less than £100,000), but there were also a significant number of large organisations (42) with an income of more than £1 million
- almost two-thirds of organisations (62 per cent) received income from the public sector; Salford City Council, NHS Salford, and Central Government Departments are the most important public sector funders
- nine out of ten organisations receive income from sources outside the public sector; fundraising, grants (from charitable trusts, foundations and the national lottery), and charging members of the public are particularly important revenue streams
- a large proportion of organisations have very little money to fall back on if their funding is withdrawn: nearly a fifth had reserves totalling less than one month of expenditure, and two fifths had insufficient reserves to cover more than three months expenditure.

3. **The sector in Salford is an important employer. In 2012/13 there were an estimated 3,800 FTE paid staff and 250 FTE work placements employed in the voluntary sector. In addition the voluntary sector was supported by 37,300 volunteers who combined donated 137,000 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 produced gives an estimated contribution of £122.7 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 have cost £44.1 million annually to have employed staff to do the work provided by volunteers in Salford organisations
- assuming the median gross hourly wage for full time employees in the North West it would have cost £85.1 million annually to have employed staff to do the work provided by volunteers in Salford organisations.

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

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

- 77 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.

5. Non-public sector bodies were also important to the Voluntary sector, in particular support organisations and other voluntary and community organisations

The research explored the extent and nature of respondents' engagement with commercial businesses, other voluntary and community organisations and support organisations:

- Engagement with commercial businesses was relatively low, which was also reflected in a less positive view of commercial businesses than other voluntary sectors. 21 per cent of respondents thought that commercial businesses in Salford value their work and 24 per cent thought that they understood the nature and role of their organisations
- Engagement with other voluntary and community organisations and support organisations was much higher, with 65 per cent having regular dealings with other voluntary and community organisations and 86 per cent of support recipients were satisfied with the support they received from local support and development organisations such as Salford CVS.

6. Continued public sector funding cuts and the wider economic landscape left many groups with an uncertain future. Inflation and rising costs – particularly energy prices - added to these problems

In the immediate and long-term future securing funding was the key challenge for many organisations. This was particularly the case for those attempting to access public sector funding, and many expressed concerns about the future sustainability of their organisations in this context. Rising costs exacerbated this issue for some respondents.

"Replacing lost income; and re-tendering of existing services (while) dealing with significant increased demand."

"The changes to commissioning and the possible reduction in funding as a result of the government cuts."

> *"My organisation has changed over the last 4 years as our government sourced funds have dried up. It's a continual battle to watch income vs. expenditure and all staff are on an 'hourly - as needs basis'. I can't afford to run planning meetings. I don't draw down a reduced salary until the end of the financial year - when I am secure in the knowledge that we have sufficient income."*

> *"Impact of Salford City Council cuts and the reduction in service delivery. Possible impact on local community groups. Reduced funding available from businesses for local community groups."*

This included thinking about strategies to overcome lost funding revenue by diversifying funding sources:

> *"Continuing to develop diverse income strands from various voluntary sectors which continue to provide. A few funding lines rather than over reliance on a few."*

The government's programme of welfare reform also presented challenges to some organisations. This included the introduction of personalised budgets for people with disabilities, and – more broadly – the impact of reforms on the demand for services:

> *"Welfare reform will impact on income of residents directly affecting ability to save and borrow which will reduce the income of the (organisation) and our ability to serve our existing and potential members."*

Appendix 1

A1

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

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

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

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

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

It should be noted that this methodology is slightly different to that used in the 2010 study, for which only Salford averages were available. For this study it has been assumed here that the estimated averages for Greater Manchester organisations are representative for organisations within Salford. So for example it is has been assumed that the estimated average income of approximately £301,000 for medium sized organisations across Greater Manchester is representative of the income for medium sized organisations within the city of Salford.

Using the Greater Manchester averages enables a large number of responses to be included in the analysis, thus reducing variability and improving reliability. However, it does mean that direct comparisons between 2010 and 2012/12 estimates cannot be made.

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

	Average income by size (a)	Estimated number of organisations (b)	Total income (thousands) (c)
Micro (under £10k)	£2,600	934	£2,428,417
Small (£10k to £100k)	£38,472	218	£8,389,894
Medium (£100k to £1m)	£301,433	170	£51,123,141
Large (over £1m)	£1,961,837	42	£83,218,378
Total			**(b) £145,159,829**