

Valuing the Voluntary and Community Sector in Rotherham in 2008

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Centre for Regional Economic and Social Research

Centre for Voluntary Sector Research

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Summary

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

Context

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

Rotherham's voluntary and community sector in 2008

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

The VCS in Rotherham is diverse:

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

And has a strong community sector:

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

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

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

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

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

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

And is a key contributor to Rotherham's economy:

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

How has the sector changed?

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

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

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

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

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

Overall income for the sector has increased significantly:

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

But growth has been concentrated in a minority of organisations:

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

least one income band between 2002 and 2008. This does suggest that the funding 'cliff edge' has not yet impacted as severely as anticipated on the VCS in the Borough. However, it would appear that organisations with an income of less than £100,000 are more likely to have experienced a decline in funding than larger organisations, particularly those with an income in excess of £250,000 per annum.

What is the future for Rotherham voluntary and community sector?

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

Respondents were optimistic about the longevity of their organisations:

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

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

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

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

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

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

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

Use of the cohort in future research

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

Conclusions

Structure

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

Resources

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

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

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

1. Introduction

- 1.1. This report contains the results of a survey of voluntary and community sector organisations in Rotherham, carried out in 2008 by Sheffield Hallam University, on behalf of Voluntary Action Rotherham (VAR).
- 1.2. The survey is part of an extensive research programme carried out by VAR which aims to identify the characteristics, circumstances and support needs of the voluntary and community sector in Rotherham. In particular, this survey is a repeat of a similar survey, carried out by VAR in 2002/3 (Coule, 2003). This enables a degree of longitudinal analysis regarding the ways in which the voluntary and community sector in Rotherham has changed over this period (Chapter 5).
- 1.3. The research had a number of expected outcomes (as specified in VAR's invitation to tender for research):
 - a detailed picture of the size, shape and scope of the voluntary and community sector in Rotherham
 - an understanding of the key issues facing the voluntary and community sector in Rotherham
 - analysis of how Rotherham's voluntary and community sector has changed since 2002
 - the development of a cohort of voluntary and community sector organisations in Rotherham, and analysis of key trends within the sector between 2002 and 2008
 - analysis of the implications of the above for the future of the voluntary and community sector in Rotherham, and the future economic and social well-being of the Borough.
- 1.4. The report is structured as follows:
 - Chapter Two sets the context for the research by identifying some of the key trends and challenges currently facing voluntary and community sector organisations
 - Chapter Three contains the results of the 2008 survey relating to the size, characteristics and resources of the voluntary and community sector
 - Chapter Four reviews changes in the voluntary and community sector between 2002 and 2008 by analysing the responses of a cohort of organisations responding to both surveys
 - Chapter Five presents data on the challenges that respondents to the 2008 survey identify as facing them in the future
 - Chapter Six presents some details of the cohort organisations and discusses the possible use of the cohort for future research carried out by VAR
 - Chapter Seven contains conclusions, and highlights the key implications of the research for the voluntary and community sector in Rotherham and for VAR
 - Appendix One outlines the methodology for the research

2. Context: a changing environment for the VCS

2.1. Over the last 10 to 15 years the relationship between government and the voluntary and community sector (VCS) has undergone a major transformation. Since 1997 central government has sought to develop a deeper and clearer relationship with the VCS, leading one commentator to suggest that the sector has now been brought into the 'mainstream' of the policy making process (Kendall 2003: 44-65). This has been seen in a number of developments across the range of public policy areas, but perhaps stands out in six main initiatives:

- the November 1998 **launch of the national Compact** on relations between government and the voluntary and community sector: a set of principles and undertakings that provide a framework for relations between government and the range of organisations in the sector (Home Office 1998). Separate Compact codes on, for example, funding and procurement, consultation and policy appraisal, and volunteering have also been published, and most local authority areas, including Rotherham from October 2003, now have local Compacts. However, as the 10th birthday of the Compact draws near, concerns remain that implementation is patchy and there is an ongoing debate through the newly established Commission for the Compact about giving the Compact more 'teeth'
- the **establishment of Local Strategic Partnerships (LSPs)** with an expectation of VCS and community involvement in strategic decision making and the formulation of Community Strategies. In the most deprived local authority areas (including Rotherham), sector involvement was promoted by the establishment of Community Empowerment Networks (CENs), with dedicated resources to support community representation (Taylor et al 2005). Subsequent changes in funding packages have led to the dissolution of many CENs (Urban Forum 2006, 2008), including from 31st March 2008, Rotherham CEN
- the Cabinet Office Strategy Unit **review of charitable law** published in September 2002 (Cabinet Office 2002), which led directly to the Charities Act 2006, designed to reduce regulation on the sector, especially for smaller charities and to provide a new definition of charity with an emphasis on public benefit
- tax changes and marketing campaigns designed to increase **charitable giving** and investment to support **volunteering opportunities**
- the Treasury review into **the role of the voluntary sector in the delivery of public services**, also published in September 2002 (HM Treasury 2002), signalling an interest by government in boosting the involvement of the sector in public service delivery. Additional resources from the Comprehensive Spending Review established the Futurebuilders (loan finance to enable voluntary and community organisations to win public service contracts) and ChangeUp (support to improve VCS infrastructure) programmes. Efforts to increase the sector's ability to compete for contracts, and to address commissioning and procurement blockages are ongoing (Office of the Third Sector 2006b)
- the **establishment of the Office of the Third Sector** in May 2006: a dedicated unit in the Cabinet Office set up to lead work across government to develop and support an environment which enables the 'third sector' to thrive. The preference

for the idea of a 'third sector' involves a deliberate inclusion of social enterprises and cooperatives alongside charities and other voluntary and community organisations, and the Office have subsequently announced several initiatives designed to promote social enterprise (Office of the Third Sector 2006a).

2.2. From this central push, there are a number of existing and emerging opportunities for the VCS. Central government and many local authorities continue to regard the VCS as an important partner in shaping and delivering public services, although in practice this is often variable. The Office for the Third Sector's overall commitment to support the sector was reaffirmed through the extensive consultation during the Cabinet Office/Treasury instigated 'Third Sector Review'; its final report was published in July 2007 (HM Treasury/Cabinet Office 2007) and highlighted a range of mechanisms and resources through which the Third Sector would be promoted:

- support voice and campaigning for change
- support community action, for example through: a new £30m Community Assets programme, an £80m small grants fund for community groups; and a £50m fund to develop local endowments¹
- continue the support for the sector's role in public services, for example through training commissioners on the potential of the sector, and further investment in the Futurebuilders fund
- promote volunteering, especially amongst young people
- support the development of social enterprise, for example around business support and access to finance.

2.3. Other central government departments have been developing strategies for the role of the VCS (Ministry of Justice 2007, DfES 2007, CLG 2007a), echoing similar themes in specific service and policy areas. Among other things, the Communities and Local Government Strategy focuses on:

- investment in Community Anchor Organisations (CAOs), defined as "independent community-led organisations with multi-purpose functions, which provide a focal point for local communities and community organisations, and for community services" (CLG 2007a: 19) to develop their role in supporting community activity at a neighbourhood level, and
- the promotion of community empowerment, including the introduction of a new 'duty to involve' local people (effective from April 2009) contained in the Local Government and Public Involvement in Health Act. The draft statutory guidance (CLG 2007b: 26) suggests three ways in which the 'third sector' may be involved:

Firstly, local third sector organisations might be affected by, or interested in, a particular authority function. As such an authority might decide that it is appropriate to inform, consult and/or involve the group in some way. Second, third sector organisations might have a role as advocates for local people (particularly marginal and/or otherwise vulnerable groups). Therefore an authority might decide to involve a third sector organisation in addition to individual citizens and groups. Finally, third sector organisations might be able to provide relevant expertise and specialist knowledge that might help the authority in reaching out to marginalised and vulnerable groups.

¹ The Community Assets programme is being delivered by the Big Lottery Fund, whilst the £80m small grants programme, and the £50m local endowments challenge programme are being delivered together by Community Development Foundation as 'Grassroots Grants'

- 2.4. These developments raise some interesting challenges for the VCS, particularly regarding collaboration and co-ordination of new and existing forms of governance. There is potential, for example, for parish councils to take on the role of Community Anchor Organisations, and Action with Rural Communities in England (ACRE) has argued that in rural areas, CAOs are often a partnership, led by parish or town councils but working with other relevant stakeholders including those in the voluntary and community sector (CRC 2007). These partnership arrangements will also apply in many urban areas but it is not clear how or by whom these coalitions will be supported. One potential question is whether VCS infrastructure organisations should support parish councils which take on the role of CAO.
- 2.5. Central government has also encouraged the development of new local mechanisms for local strategic partners to identify local priorities and coordinate the pooling of resources to address them. The emerging framework, involving Local Strategic Partnerships, a Sustainable Community Strategy and a Local Area Agreement (LAA), has been evolving over the last three to five years. The reorganisation of local governance towards a more strategic approach to priority setting, and an outcomes and indicators approach to resource allocation and assessing progress, has significant implications for the role and financing of the VCS. As public sector stakeholders identify key issues and targets, and pool resources to address them, some parts of the sector may find themselves well positioned to respond. However, this is increasingly likely to rely on a clear articulation of the contribution that voluntary and community organisations can make to particular LAA targets.
- 2.6. At the same time, the Comprehensive Area Assessment - the new framework for assessing local performance and public services - is due to be introduced from April 2009. This will involve a wider assessment of quality of life and other outcomes for residents in local areas, focusing on the role of local authorities and other partners (including the VCS). Local authorities will also be assessed through a new survey of the third sector designed to measure conditions in local authority areas that contribute towards a *'thriving third sector'*, including the quality of the funding relationship with the third sector and the quality of consultation by statutory bodies. This is designed to assess performance of local authorities against 'National Indicator 7: An environment for a thriving third sector'. A centrally funded and nationally administered local survey of third sector organisations is being designed for this and is scheduled for Autumn 2008, to be repeated in Autumn 2010 (Office of the Third Sector 2008).
- 2.7. At central government level, therefore, there are clearly some signals of support for the VCS, prioritising public service delivery, assets, enterprise, involvement of sector organisations, and a renewed emphasis on community-based organisations, voice and campaigning. These emphasise the key role of the VCS in public service delivery and in fostering social capital and community cohesion and would appear to provide a range of new opportunities for the sector. But questions are also raised:
- to what extent has central encouragement (and supportive rhetoric) been translated into changed practice, particularly at local level?
 - insofar as new opportunities have arisen, are they enough to strengthen and sustain the role of the sector?
- 2.8. In particular, it is worth noting that at the same time as government has sought to encourage and enhance the role of the Third Sector, concerns about its financial sustainability have become much more of a policy and practical issue. For example, NCVO's 2005/6 Strategic Analysis reports:

There is continuing concern that a number of important income streams are likely to be rationalized or reduced, whilst competition for finance (whether voluntary or earned) is likely to intensify. Mid-sized organizations continue to bear the brunt of falling income, suggesting a continuing polarization of the sector in terms of income. (Griffiths et al 2005: 6-7).

2.9. A recent comprehensive overview of the funding landscape argues that:

The voluntary and community sector will continue to grow in size, especially at the top and bottom of the scale as measured by annual income. There will be no shortage of demand for funds from all sources as the number and ambitions of charities increase; competition between charities will, therefore, intensify but there will also be increased pressure (on funders and on fund-seekers) to make every penny work harder, to encourage ingenuity in financing work, to demonstrate efficiency and cost effectiveness, to share or pool resources and efforts (Carrington 2005: 110).

- 2.10. This is reiterated by the findings from the latest NCVO UK Civil Society Almanac 2008 (Reichardt et al 2008). The report notes that while aggregate income of general charities is increasing overall, income volatility remains a problem for a number of organisations, and expenditure reductions have occurred for many between 2004/05 and 2005/06 (Reichardt et al 2008: 2, 23-4).
- 2.11. The concern about sustainability focuses on some parts of the sector more than others, but importantly also has a geographical dimension. The single main contextual feature affecting the VCS in South Yorkshire is the apparent spectre of the 'cliff edge' represented by the loss of major regeneration funding streams (Burnby 2006, Macmillan 2007). The sector has been able to use Single Regeneration Budget, Neighbourhood Renewal Funding and European Structural Funds over several years to make a significant contribution, particularly in the most deprived areas. But the extent to which this activity could be sustained has been questioned as funding regimes change, and concern about the potential loss of funding from targeted regeneration funds has been growing for some time.
- 2.12. This has been well represented in research findings in recent years (Macmillan 2007). Shutt and Kumi-Ampofo (2005) estimate that for Yorkshire and the Humber as a whole through to 2008-09 the loss to the sector from changing funding regimes may be up to £54 million. This echoes the findings of similar studies undertaken in the North East (Community Foundation 2004) and the North West (URS 2006). The move from SRB to 'single pot', the transition to a post 2006 EU Structural Funds regime (including the transition from Objective 1), and latterly the move from Neighbourhood Renewal Funds to the Working Neighbourhoods Fund (involving a tighter focus on activities which might address worklessness) all have implications for the ability of VCOs to continue delivering services.
- 2.13. However, there have been some doubts expressed about the projected scale of the 'funding cliff edge' (Craig et al 2005: 4) and the extent to which it may have been mitigated by other funding streams (Local Community Sector Task Force 2007). The projections about the 'cliff edge' identified losses for the VCS emerging from 2006 onwards. We might therefore expect to see more evidence of the effect of changing funding regimes at the moment. However, it is not clear whether anything beyond anecdotal information is being collected on these trends within the VCS. The actual impact of funding regimes might begin to be questioned unless more systematic information is collected and analysed.

- 2.14. Alongside concern that total funding available to the sector may be in decline, therefore, the funding mix is also, it seems, coming under question. In particular there is a growing recognition that the VCS is and may be funded through a range of financing options and arrangements. A recent report for example notes the distinction between three different funding styles: 'giving' (grants), 'shopping' (purchasing goods and services) and 'investing' - each suitable for a different purpose (Unwin 2005). However, the national Finance Hub noted, despite a favourable policy environment,

“a creeping sense of crisis” regarding voluntary sector funding and a widespread perception in the sector that funding has not only changed markedly in character in recent years but has also significantly reduced. In particular, it is felt that ‘grant’ funding for the third sector available from local authorities has faced the greatest decline, gradually being replaced with more ‘restricted’ types of funding, such as contracts and funding for the purchase of commissioned services (Finance Hub 2008a: 4).

- 2.15. Responding to this concern, a group of national VCS agencies have launched a campaign to identify the value of local grant aid, with associated case study examples (NAVCA 2007, Cooke 2007). As well as identifying ten reasons why grant funding is important to the local VCS and local communities, this noted that:

The pressures of efficiency and LAA targets, the heavy emphasis on the role of the VCS in public service delivery, and the current wealth of generic commissioning guidance (which takes no account of the possibilities of grant funding), all seemingly deter local government officers from giving proper consideration to the purpose and the possibilities of grant funding. (Cooke 2007: 14)

- 2.16. However, recent Finance Hub research was largely unsuccessful in its attempt to assess the reality behind the concern of a decline in grant funding by local authorities (Finance Hub 2008a, 2008b). The study found that data of suitable quality and detail was almost non-existent to identify whether grant funding was being replaced by contract funding and service commissioning. However, from those local authorities able to supply more detailed data, the study notes that contract-based funding tends to far outstrip the sums available for grant aid, that a decline of 13 per cent in grant aid was noted over a three year period², but that it was not possible to identify whether grant aid was simply declining or being reformulated as contract funding (Finance Hub 2008a: 5-6).

- 2.17. If the precise pattern, direction and scale of changes in grant funding remain elusive, what is apparent is a widespread perception in the VCS about both funding constraints and a reorientation of finance. There are also some fears that grant funding may be facing near terminal decline, partly because of the purported shift to commissioning and procurement, but also due to European Union procurement and competition regulations. For example, the campaign to identify the value of grants notes:

The fact that the VCS has been placed so firmly in the spotlight of public service delivery has given rise to concern that any form of financial support to the sector through grant aid might be deemed anti-competitive and

² This figure is derived from 27 local authorities (from a stratified sample of 90 across the nine English regions) able to provide precise figures for grant aid, and a further 10 where estimates were supplied. The period in question covered the three years 2004/5, 2005/6 and 2006/7. In this period the aggregate grant aid figure declined from £37.65m to £32.93m (Finance Hub 2008a: 21).

therefore counter to EU procurement rules. The tension here is often between procurement officers and those at the service end who have more knowledge and experience with the VCS, with the two often finding that they are speaking 'a completely different language'. It is understandable in a risk averse culture that some local authority officers find it difficult not to see grant funding and purchasing as an either/or choice where both have previously co-existed....These are all important issues that warrant further exploration and indeed explanation

(Cooke 2007: 15-16)³

2.18. Clearly many of the proposals emanating from the Third Sector Review aim to respond in some way to the changing funding landscape by offering new opportunities, even if they are unlikely to compensate for the demise of other funding streams.

2.19. However, there is an ongoing debate about whether the sector is well enough positioned and equipped to be able to respond to the new environment. For example, a recent study of the sector's responses to the changing funding environment in the North East (Chapman et al 2006)⁴ found that:

- the VCS is relatively optimistic about the future:
 - Although 54 per cent of VCOs expect their income to fall in the next three years, 94 per cent expect to be sustainable in the long term. Larger organisations (income £250K and above) are the most optimistic, whilst medium sized organisations (income £50K to £249K) appear to be the most pessimistic
 - 58 per cent of VCOs expect that more than half of their income will come from grants in two years time.
- But the sector's optimism may be misplaced:

"About a half of VCOs expect that grants from government, foundations or lottery sources will remain vital for the sustenance of core activity. Questions need to be raised on the viability of the sector if this remains to be the dominant view on future funding given government emphasis on the move to a market place model of delivery of services through changed procurement practices in government departments, agencies and local authorities" (Chapman et al 2006, p.5)

³ This issue remains unresolved. One commentator refers to the potential for organisations not awarded a grant from a public body to seek damages for failure of process against EU procurement regulations. This risk of legal action may force public bodies to advertise and award contracts rather than grants for all but the smallest amounts, referring to the unintended consequences of competition legislation as *"the defeat of grant giving by public bodies"* (Roberts 2008). It is important to remember that this is a matter of conjecture, however well informed. It has no empirical backing as yet, where statements about changes *actually* happening are generated from arguments about what *might* happen given certain assumptions. The Chief Executive of NAVCA noted in a recent address that such concerns may amount to 'doom-mongering' and that sustaining grants is still open to debate and persuasion (NAVCA 2008: 2). There is a danger that merely raising the prospect of something so ill-understood as 'EU procurement regulations', in the context of risk and fear of litigation, is powerful enough to create change, *whether it is true or not*.

⁴ The study, 'Facing the Future', was undertaken in 2005-06 by the Social Futures Institute at Teesside University (Chapman et al 2006). A survey of 356 voluntary organisations and community groups across the North East examined: (1) the impact of changes in the VCS funding environment, and (2) the extent to which the VCS is preparing for change.

- Just over half of VCOs (51 per cent) are either unaware of the changing funding environment, or have no specific plans in place. Only 29 per cent have devised or are operating under a clear strategy to respond to the changing environment. There appears to be a belief that there is considerable scope to increase earned income, but little evidence of strategies in place to make this happen. For example, 37 per cent of VCOs aimed to increase earned income, but only 11 per cent were actually doing so:

“The response of the VCS to changes in the funding environment is very mixed, with a minority of VCOs already well advanced in their planning while a sizeable proportion of organisations have not yet given the issue serious consideration....Organisations expect to increase some kinds of funding – especially earned income, but it is evident that relatively few have a clear strategy in place to achieve this aim” (Chapman et al 2006, p.42)
- Of those VCOs anticipating a decline in income in the next three years, 61 per cent have no specific plans in place or even report that they are unaware of the changing funding environment⁵
- Medium sized organisations (income £50K to £249K) appear to be least prepared: 58 per cent of these are aware of the changes in the funding environment but have no specific plans in place, compared with 51 per cent of smaller organisations and 40 per cent of larger organisations.

2.20. The research concludes that:

*“The lack of awareness of forthcoming changes to the funding environment is a worrying feature of these research findings and begs the question: Why are so many VCOs un-informed, ill-informed or ignoring the potential impacts of changes to the funding environment post 2006? **This research suggests that many small and medium sized VCOs lack capacity and capability in terms of business planning and strategic planning** because they have inadequate governance structures in place to provide the support the organisation needs. As a result organisations run on a ‘hand to mouth’ basis in the belief that a new funding source will come along soon; and, of course, there is plenty of evidence to suggest that in the past, this is precisely what has happened.....This research casts serious doubt about the preparedness of the VCS as a whole for change and instead suggests that the general sense of optimism about sustainability in the longer term may be misplaced”*

(Chapman et al 2006: 6, emphasis added).

2.21. Within the sector, smaller local groups and organisations may face greater competition for work from larger voluntary organisations, some operating at regional and national levels. In particular there are concerns for ordinary voluntary organisations and community groups around complexity, being ‘business like’ and impact:

- *Complexity:* The task of establishing new groups, or re-funding successful initiatives, or growing organisations through new contracts and complex funding packages, is becoming ever more demanding. This may make the task of encouraging more people into the sector, including new volunteers and community activists, more challenging

⁵ This figure is derived from a recalculation of data from tables 6.1 and 6.2 (both p.37) of ‘Facing the Future’.

- *Being 'business like'*: The ability to survive and flourish in the new funding environment requires organisations to become more 'business like' and entrepreneurial, and may therefore demand the encouragement of new skills and approaches
 - *Impact*: Organisations have to become much clearer in their articulation of what they do, what contribution this might make to local strategies, and what difference the work makes.
- 2.22. At the same time, these issues raise questions about whether VCS infrastructure is equipped to support the sector to respond to these challenges. A range of initiatives designed to support the sector through a transition to a new funding climate are currently underway.
- 2.23. These include at *national* level the establishment in 2000, and subsequent expansion, of NCVO's Sustainable Funding Project, with the aim of: "*encouraging and enabling voluntary and community organisations to explore and exploit a full range of funding options to develop a sustainable funding mix*" through seminars, the website, books, guidance notes and diagnostic tools. The ChangeUp programme has also supported the development of the national Finance Hub, aiming to develop resources for supporting frontline third sector organisations in funding and finance issues. This has been replaced by a new 'national support service' focusing on 'Income Generation' from April 2008. Other national initiatives include the Futurebuilders programme, designed to increase the capacity of the sector to deliver public services, which joins an array of new financial instruments aimed at enhancing the range of finance options available to the sector in a climate of grant restraint.
- 2.24. At regional level and local level a number of initiatives have also been developed, including the Regional Forum's Sustainability Project, Yorkshire Forward's strategic investment in Charity Bank and the South Yorkshire Social Infrastructure Programme, alongside a range of *ChangeUp* funded projects on procurement and commissioning, such as the South Yorkshire Procurement Task Force and the Third Sector '*Sustainability Route Maps*' (Dawson and Hedley 2008), which attempt to offer realistic information and guidance for organisations exploring different routes to sustainability.
- 2.25. In summary, the VCS is facing a complex new environment of '*threats*' (changing funding regimes and expectations around being 'business like' and identifying outcomes and impact) and emerging '*opportunities*' (new policy developments and funding programmes potentially reaffirming government's support for the sector in terms of voice, community empowerment and public services). A wide ranging conversation is now taking place about the role of finance in the VCS, including discussion of the impact of different forms of funding on the resilience and capacity of individual organisations. As a result of the changing environmental context described in this section, the VCS may be variously facing either or both of:
- a '*shake out*', with services contracting or stopping, and possibly organisations ceasing operations altogether, and
 - a '*shake up*', with organisations having to reshape how services are delivered; rethink how services are funded (including being more entrepreneurial or 'business like' in pursuing opportunities, costing and delivering services), and consider options for collaboration and merger to protect services and activities.
- 2.26. We examine the situation for the sector in Rotherham in the next three Chapters of this report.

3. Rotherham's Voluntary and Community Sector in 2008

3.1. This Chapter presents responses to the sections in the 2008 survey which addressed the size, shape and structure of the voluntary and community sector in Rotherham. The analysis is presented in two sections:

- structure of the Rotherham VCS
- resources: people and money.

Structure of the Rotherham VCS

3.2. This section presents information on the types of voluntary and community sector organisations in Rotherham, how long they have been in existence, the focus of their work and the impact of their work with different groups of users and beneficiaries.

How many organisations are there?

3.3. It is estimated that there are approximately 1,149 voluntary and community organisations operating in Rotherham. The estimate is derived from the work undertaken by Voluntary Action Rotherham to develop a comprehensive list of organisations in Rotherham and the subsequent population adjustments undertaken as a result of the survey reported on here. Further information on this is located at Appendix One.

What types of organisation make up the VCS in Rotherham?

3.4. Respondents were asked to identify what type of organisation they were representing. A list of 10 options was given, nine of which are detailed in Table 3.1. The tenth option: *"not a community or voluntary organisation and our activities are not relevant to this survey"* does not feature in the Table 3.1, as respondents choosing this option are not included in the analysis. Where relevant, more than one option could be identified.

- 37 per cent of responding voluntary and community organisations in Rotherham are registered charities, and 14 per cent are registered as companies limited by guarantee. Guidestar data, based on Charity Commission returns for 05/06, suggests that there are 409 charities with a Rotherham address registered with the Charity Commission. This is a relatively low number, equating to approximately 2.2 registered charities per 1,000 adults in Rotherham Borough, compared to an average of 4.4 registered charities per 1,000 adults in more prosperous areas. However, Rotherham has a large number of organisations with incomes of less than £5,000 per annum (the threshold at which most charities will need to register); as detailed in Table 3.10, over 50 per cent of respondents to the survey have an income of £5,000 per year or less
- 35 per cent of respondents are identified as local voluntary organisations, while 13 per cent are branches of a national charity.

Table 3.1: What type of organisation are you?

	Frequency	%
Registered charity	96	37.4
Local voluntary organisation	91	35.4
Informal neighbourhood or community group	71	27.6
Other non-profit organisation	38	14.8
Company limited by guarantee	35	13.6
Branch of a national voluntary organisation	34	13.2
Church or faith organisation	20	7.8
Registered friendly society or Industrial and Provident Society	2	0.8
Housing Association	0	0.0

N=257

Multiple responses possible, so the per cent column does not total 100 per cent.

How long have organisations been established?

3.5. The survey asked respondents to indicate how long their organisation had been in operation (Table 3.2). This suggests a sector in which there are a significant number of both long established and newer organisations.

- over one third (35 per cent) of organisations have been in operation for less than 10 years
- a similar proportion (36 per cent) has been going for more than 25 years
- Notably, there is no significant difference in the length of operation between organisations employing and not employing paid staff (as a key indicator of the distinction between voluntary and community organisations).

Table 3.2: How long have organisations been in operation?

	Frequency	%	Cumulative %
Less than 12 months	2	0.8	0.8
Between 1 and 3 years	13	5.2	6.0
Between 3 and 5 years	32	12.7	18.7
Between 5 and 10 years	41	16.3	35.0
Between 10 and 25 years	74	29.4	64.4
More than 25 years	90	35.7	100.1
Total	252	100.1	100.1

3.6. Respondents were asked an additional question relating to whether the organisation had been set up as a result of a grant or grants from the Single Regeneration Budget (SRB) Challenge Fund and/or Neighbourhood Renewal Funding (NRF). Organisations that have been reliant in the first instance on these funding streams might be particularly vulnerable to the 'cliff edge' arising from the ending of these funding sources as discussed in Chapter Two. However, of the 245 respondents to this question, just three per cent reported that they had received SRB and/or NRF monies to fund start up costs.

What do the organisations do?

3.7. In order to provide a snapshot of what the sector does, the survey asked two related questions:

- What areas of work are you involved in?
- What is your main area of work?

3.8. Table 3.3 provides the overall results for the first of these questions.

- the most frequently cited area was leisure, recreation and sport, with half the respondents being involved in this area. Many of these are likely to be smaller, local groups. Guidestar information suggests that only 23 per cent of registered charities in the Borough are involved in sport and leisure
- one third (33 per cent) of organisations responding to the survey are involved in education, research and training, followed by a similar proportion (31 per cent) of respondents who state they are involved in supporting or working with other community and voluntary organisations
- over a quarter of organisations responding to the survey are involved in some form of social welfare activities such as health (27 per cent), childcare, play and/or youth work (28 per cent) and welfare and social care (29 per cent)
- smaller proportions of respondents are involved in specialist areas of work such as accommodation, housing and homelessness (six per cent), community safety and criminal justice (seven per cent) and economic/community development and regeneration (nine per cent). In relation to the latter category, Guidestar information suggests that 17 per cent of registered charities within the Borough are involved in economic/ community development/ employment.

Table 3.3: What areas of work are you involved in?

	Frequency	%
Leisure/recreation/sport	110	49.5
Education/research/training	74	33.3
Supporting or working with other community and voluntary groups	68	30.6
Welfare/Social Care	64	28.8
Childcare/Play/Youth work	62	28.1
Health	59	26.6
Arts and cultural activities	49	22.1
Environmental activities/conservation/heritage	40	18.0
Other charitable, social or community purposes	32	14.4
Economic and community development/ regeneration	20	9.0
Community safety/criminal justice	19	8.6
Accommodation/housing/homelessness	14	6.3
Animal welfare	0	0.0
Cannot say	N/A	N/A

N= 222

Multiple responses possible, so per cent column does not add up to 100 per cent

- many VCS organisations work across a number of these areas: just under two fifths of survey respondents (38 per cent) are involved in only one area of work; 20 per cent are involved in two; 15 per cent report involvement in three areas of work; and 27 per cent are involved in four or more areas of work.

3.9. Table 3.4 provides an overall summary of the main areas of work undertaken by survey respondents. The most frequently cited main area of work was 'other charitable, social or community purposes'. However, looking at the responses more carefully suggests that a number of respondents chose this option and specified an activity such as "support for women with breast cancer" rather than identifying with the broader 'health' category or area of work.

- nearly one quarter of the respondents (23 per cent) identified leisure, recreation and sport as their main area of work
- the frequency of respondents identifying with each area of work then reduces substantially, to 13 per cent identifying childcare, play and/or youth work as their primary activity, eight per cent arts and cultural activities, six per cent welfare and social care, and five per cent education, research and training
- again, smaller proportions of the respondents are involved in specialist areas of work.

Table 3.4: What is your main area of work?

	Frequency	%
Other charitable, social or community purposes	64	26.7
Leisure/recreation/sport	55	22.9
Childcare/Play/Youth work	30	12.5
Arts and cultural activities	18	7.5
Welfare/Social Care	15	6.2
Education/research/training	13	5.4
Environmental activities/conservation/heritage	10	4.2
Health	10	4.2
Supporting or working with other community and voluntary groups	8	3.3
Cannot say	6	2.5
Economic and community development/ regeneration	4	1.7
Community safety/criminal justice	4	1.7
Accommodation/housing/homelessness	3	1.3
Animal welfare	0	0.0
Total	240	100.0

Who does the sector work with?

3.10. In order to provide a snapshot of who the sector works with or provides services for, the survey asked two related questions:

- Which groups does your organisation work with or provide services for?
- Which is the main group your organisation works with or provides services for?

3.11. Table 3.5 summarises which groups of people organisations responding to the survey work with. Again, multiple responses were possible here as organisations in the sector rarely work exclusively with only one particular group.

- over half of all respondents (54 per cent) work with children and/or young people. The predominance of groups working with these populations is supported by Guidestar, which suggests that 51 per cent of registered charities in Rotherham are working with children and young people

- the second most commonly cited group to work with is people with disabilities and/or special needs (49 per cent), followed by older people (46 per cent)
- just under a third of respondents (32 per cent) state that they work with the general public, and 31 per cent report working with specific ethnic minority groups
- lower proportions of organisations within the survey sample work with asylum seekers and refugees (17 per cent), faith communities (14 per cent), homeless people (11 per cent) and migrants/migrant workers (eight per cent).

Table 3.5: Who do you work with or provide services for?

	Frequency	%
Children and/or young people	123	54.2
People with disabilities and/or special needs	110	48.5
Older people	103	45.6
General public	72	31.7
Black and Minority Ethnic people	70	31.0
Asylum seekers/refugees	40	17.7
Other	39	17.2
Faith communities	32	14.1
Homeless people	25	11.0
Migrants/migrant workers	19	8.4

N=227, Multiple responses possible

- 3.12. The most frequently cited main client/user group amongst responding organisations was 'other', which included women, people who had suffered bereavement, ex-service members and their families, patients and their carers and third sector organisations.
- 3.13. The most frequently cited groups displayed in Table 3.5 are also the most commonly cited groups in terms of 'main' clients/users (Table 3.6):
- over a quarter (26 per cent) of organisations report children and/or young people as their main user/client group
 - 16 per cent cite older people, 14 per cent the general public and seven per cent cite people with disabilities and/or special needs as their main client group.
- 3.14. The frequency of respondents identifying with each client/user group then reduces substantially, to two per cent identifying faith communities as their primary user group, one per cent citing homeless people and one per cent citing black and minority ethnic people as their primary users. No respondents identified asylum seekers and refugees or migrants/migrant workers as their primary client group.

Table 3.6: Which is the main group you work with or provide services for?

	Frequency	%
Other	76	31.4
Children and/or young people	64	26.4
Older people	38	15.7
General public	33	13.6
People with disabilities and/or special needs	18	7.4
Faith communities	4	1.7
Homeless people	3	1.2
Black and Minority Ethnic people	3	1.2
Cannot say	3	1.2
Asylum seekers/refugees	0	0.0
Migrants/migrant workers	0	0.0
Total	242	100.0

What difference do voluntary and community organisations make?

3.15. Respondents were asked to identify the ways in which their organisation makes a difference for its service users/client group(s) (Table 3.7). This question demonstrates the key role that the VCS has in fostering strong and cohesive communities within Rotherham and highlights the importance of the VCS as an essential part of the social fabric of the Borough:

- 62 per cent of respondents felt that their organisation was helping people to feel they belong to their neighbourhood
- 59 per cent are helping people from different backgrounds get on well together
- over half of the respondents (53 per cent) reported addressing the needs of disadvantaged members of the community and just under half (49 per cent) state that the organisation encourages people to get involved in activities and events that are happening in Rotherham
- 46 per cent of respondents feel that their organisation encourages people to be involved in regular volunteering and around one third state that they support other voluntary and community organisations (35 per cent) and help people feel that Rotherham is a good place to live (31 per cent).

Table 3.7: In what ways does your organisation make a difference for its user/client groups?

	Frequency	%
Helping people to feel that they belong to their neighbourhood	151	62.4
Helping people from different backgrounds to get on well together	142	58.7
Addressing the needs of disadvantaged members of the community	128	52.9
Encouraging people to get involved in activities and events that are happening in Rotherham	118	49.0
Encouraging people to be involved in regular volunteering	110	45.5
Supporting voluntary and community sector organisations	84	34.7
Helping people feel that Rotherham is a good place to live	74	30.6
Other	63	26.0
Helping people to feel that they can have an influence on what happens in Rotherham	49	20.2
Creating work opportunities in disadvantaged areas	32	13.2

N=242

Multiple responses possible, per cent column does not add up to 100 per cent

Resources: people and money

- 3.16. This section provides information on the resources that the voluntary and community sector brings to Rotherham. It covers four key areas: employment, volunteering, income and expenditure.

Paid employment in the Rotherham VCS

- 3.17. The voluntary and community sector in Rotherham comprises overwhelmingly of organisations with no or few paid staff. Over eighty per cent of organisations have four staff or less. But there are also some organisations with larger staff teams. 10 per cent of the respondents to the survey had 10 or more staff. Table 3.8 displays how many paid staff are employed in the responding organisations.

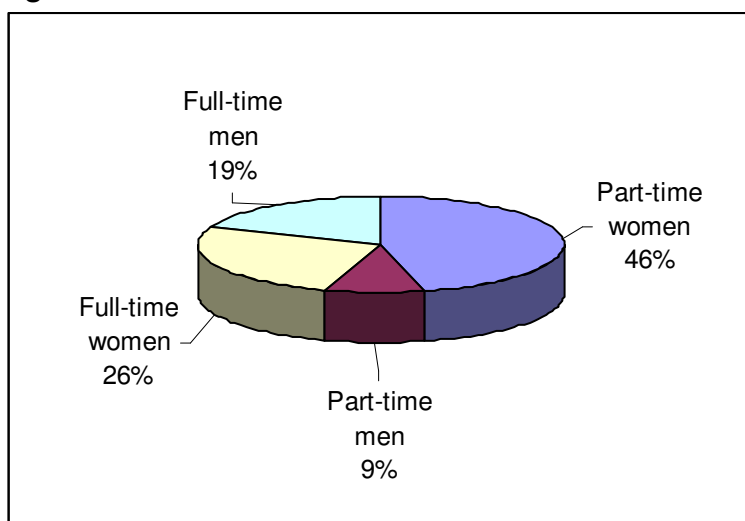
Table 3.8: How many members of paid staff do you have?

Staff	Frequency	%
None	171	68.4
1 - 4	35	14.0
5 - 9	17	6.8
10 or more	27	10.8
Total	250	100.0

Staff figures are headcounts, rather than Full Time Equivalent (FTE)

- 3.18. Overall, the sector's workforce comprises more part-time staff members than full-time (55 per cent and 45 per cent respectively) (Figure 3.1). Women outnumber men in absolute terms for both part-time and full-time employment.

Figure 3.1: Breakdown of the overall workforce



N=245

- 3.19. There are over two and a half times as many women working in the sector as men (ratio = 2.5). However, while there are more female full-time workers than male in absolute numbers, proportionally men are more likely to work full-time than women. Conversely, female staff are more likely to work part-time than male staff (Table 3.9):

Table 3.9: What is the balance of women and men working in the sector?

	All staff per cent	Male per cent	Female per cent	Ratio of female to male staff
Part time	54.6	31.8	63.8	5.0
Full time	45.4	68.2	36.2	1.3
Total	100.0	100.0	100.0	2.5

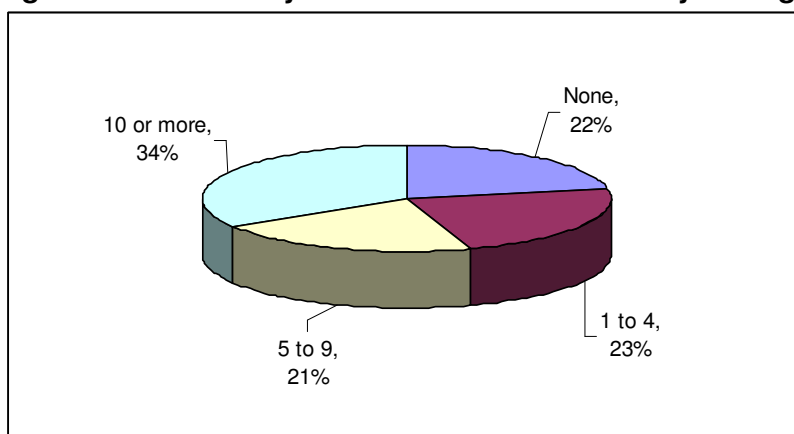
N = 850 (245 male, 605 female)

- 3.20. But the sector is making a huge contribution to local employment. From the survey, and assuming an unbiased response, the total number of paid staff employed by the voluntary and community sector in Rotherham is estimated to be 3,887. Female members of staff make up approximately 71 per cent of the total and male members of staff make up 29 per cent of the total. In terms of numbers of hours worked, it is estimated that paid staff work a total of 74,163 hours per week; female members of staff work approximately 64 per cent of the total and male members of staff contribute approximately 36 per cent of the total.
- 3.21. The survey was also concerned with how many of the sector's paid staff live within Rotherham Borough. 78 per cent of paid staff employed in the Rotherham voluntary and community sector live within the Borough. More part-time staff (85 per cent) than full-time staff (69 per cent) working in the sector live in the Rotherham Borough.

Volunteers

- 3.22. Figure 3.2 identifies how many volunteers are involved in the voluntary and community organisations responding to the survey. 22 per cent of organisations report having no volunteers, 23 per cent have between one and four volunteers and 21 per cent have between five and nine volunteers. Over one third of respondents (34 per cent) state that ten or more volunteers are involved in their organisation.

Figure 3.2: How many volunteers are involved in your organisation?



N = 225

- 3.23. Respondents also provided information on the balance between male and female volunteers, which suggests that there are more female than male volunteers, although this difference is not as great as with paid staff. The total number of volunteers involved in voluntary and community organisations in Rotherham (excluding trustees) is estimated to be 12,706, with female volunteers making up approximately 60 per cent of the total and male volunteers comprising 40 per cent of the total.
- 3.24. From the survey, and again assuming an unbiased response, the total number of hours contributed to voluntary and community organisations by volunteers is 79,343

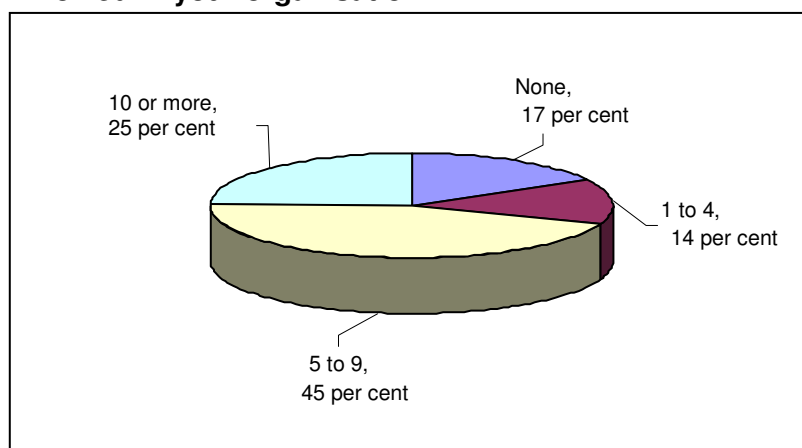
per month. Female volunteers contribute 56 per cent of the total and male volunteers contribute 44 per cent of the total.

- 3.25. Based on the average hourly wage in Rotherham (£10.96), the economic value of formal volunteering is estimated as £869,599 per month (£10.4 million per annum). While this must be treated as a broad estimate, it is clear that volunteering makes a significant contribution to Rotherham's economy.

Trustees/management committee members

- 3.26. The questionnaire asked respondents to identify how many management committee members or trustees were involved in their organisation. Figure 3.3 shows the results.

Figure 3.3: How many management committee members/trustees are involved in your organisation?



N=223

- 14 per cent of responding organisations have between one and four committee or board members. The highest proportion of respondents (45 per cent) reported having between five and nine board members, and a quarter reported having ten or more management committee/board members.

- 3.27. Committee or board membership is relatively evenly balanced between men and women, with slightly more women than men serving on committees/boards. Approximately 7,956 people serve on committees/boards in the Rotherham voluntary and community sector, of which 47 per cent are male and 53 per cent are female.

- 3.28. From the survey, and again assuming an unbiased response, the total number of hours per month contributed to voluntary and community organisations by committee/board members is estimated to be 38,730. Of the total number of hours, male committee/board members contribute 53 per cent of the total and female members contribute 47 per cent.

- 3.29. Based again on the average hourly wage in Rotherham (£10.96), the economic value of the contribution of board members and trustees is estimated to be £424,480 a month (£5.1 million per annum). The total annual value of the contribution of volunteers and trustees to the economy in Rotherham is £15.5 million.

Income

- 3.30. Respondents were asked to provide information regarding the organisation's income for the most recently completed financial year. Table 3.10 indicates the range of annual incomes in responding voluntary and community organisations in Rotherham.

Table 3.10: What was your organisation's total income for the most recently completed financial year?

Income range	Frequency	%	Cumulative %
Less than £1,000	60	26.3	26.3
£1,000-£2,500	28	12.3	38.6
£2,501-£5,000	29	12.7	51.3
£5,001-£10,000	24	10.5	61.8
£10,001-£25,000	21	9.2	71.0
£25,001-£50,000	19	8.3	79.3
£50,001-£100,000	12	5.3	84.6
£100,001-£250,000	17	7.5	92.1
£250,001-£500,000	7	3.1	95.2
Over £500,000	11	4.8	100.0
Total	228	100.0	100.0

- the sector is dominated by smaller organisations: just over one quarter of sample organisations (26 per cent) have an income of less than £1,000, over half (51 per cent) have up to £5,000 and over three quarters (79 per cent) have up to £50,000 annual income
- there are relatively few organisations with large annual incomes, with only 15 per cent having an income exceeding £100,000, eight per cent exceeding £250,000 and just five per cent with over £500,000 annual income. However, just five per cent of organisations in the VCS in Rotherham account for approximately 60 per cent of its income.

3.31. The estimated total annual income for the voluntary and community sector in Rotherham for the most recently completed financial year, based on the responses to our survey and assuming an unbiased response, is £99.4 million. It is estimated that organisations with paid staff constitute £95.1 million of that total.

3.32. Table 3.11 highlights the main types and sources of income identified by survey respondents as contributing to the overall income of their organisation for the last financial year. It is important to note that Table 3.11 refers to the proportion of organisations receiving income from each source and not the total value it represents.

- the most common sources of income are fundraising, with almost half of respondents (49 per cent) identifying this as a source of income, and membership fees/subscriptions (47 per cent)
- over one third of responding organisations (36 per cent) received grants from sources other than the local authority, while less than a quarter (22 per cent) received grants from Rotherham Metropolitan Borough Council
- organisations are more likely to receive income through contracts or service level agreements from Rotherham Metropolitan Borough Council (10 per cent) than from contracts/service level agreements with other bodies (5.1 per cent). Sales of goods and services and interest from investments both generate income for 20 per cent of organisations.

Table 3.11: Types of income

	Frequency	%
Earned income		
Sales of goods and services	47	20.1
Contract(s) or Service Level Agreement(s) with Rotherham Borough Council	24	10.3
Other contract(s) or Service Level Agreement(s)	12	5.1
Voluntary Income – general sources		
Fundraising (e.g. collections, events)	115	49.1
Membership fees/subscriptions	110	47.0
Business donations and sponsorship	23	9.8
Voluntary Income - grants		
Grant(s) from Rotherham Borough Council	51	21.8
Other grant(s)	85	36.3
Investment returns		
Interest	46	19.7
Miscellaneous		
Other	40	17.2
Loans	0	0.0

N=233

Note: Frequencies and percentages are of organisations identifying each as a type of income they receive.

The categorisation of income (earned income, voluntary income and investment returns) is derived from NCVO (Wainwright et al 2006: 58).

3.33. There are some notable differences between organisations that do and do not employ paid staff, as well as between those that have been established for ten years or less and those that have been in existence for more than ten years (Table 3.12):

- **earned income** sources such as sales of goods and services and contracts/service level agreements are more frequently cited as a source of income by respondents in organisations with paid staff compared to those with no employees
- in terms of organisational age, respondents in organisations established longer than 10 years cited contracts and service levels agreements as a source of income more frequently than respondents in organisations established for 10 years or less
- against an overall achieved sample figure of 20 per cent, 31 per cent of organisations with an annual income of £10,000 - £250,000 report earned income, in the form of sales of goods and services, as an income source for their organisation. They also cite contracts or service level agreements with the local authority as an income source more frequently than respondents in the overall sample (18 per cent compared to 10 per cent)
- **voluntary income** in the form of grants is a more frequently reported source of income for organisations employing paid staff, while voluntary income from fundraising and membership fees/subscriptions is more frequently cited by organisations with no paid staff
- there are also differences in voluntary income sources between organisations established 10 years or less compared to those established over 10 years, with younger organisations reporting income from grants more frequently than respondents from longer established organisations. In contrast, voluntary income from membership fees is more common for longer established organisations
- compared to the achieved sample, a higher proportion of organisations with an annual income of £10,000 to £250,000 cite grants (from the local authority and other sources) as a source of income for the most recently completed financial

year. Voluntary income from fundraising and business donations/sponsorship is also more common amongst these organisations compared to the achieved sample. Membership fees/subscriptions however, are less common among the sub-set of organisations with an income of £10,000 - £250,000.

Table 3.12: Types of income (by employment of staff; organisational age; size)

	Overall per cent	Employment of staff		Organisational Age		Orgs with £10k - £250k income (%)
		Paid staff (%)	No paid staff (%)	Under 10 years (%)	Over 10 years (%)	
Earned income						
Sales of goods and services	20.1	32.0	14.7	20.5	19.7	31.3
Contract(s) or Service Level Agreement(s) with Rotherham Borough Council	10.3	32.0	0.6	6.4	13.2	17.9
Other contract(s) or Service Level Agreement(s)	5.1	16.0	0.0	1.3	7.2	6.0
Voluntary Income – general sources						
Fundraising (e.g. collections, events)	49.1	41.3	51.9	44.9	51.3	61.2
Membership fees/subscriptions	47.0	25.3	58.3	29.5	55.9	35.8
Business donations and sponsorship	9.8	9.3	10.3	9.0	10.5	17.9
Voluntary Income - grants						
Grant(s) from Rotherham Borough Council	21.8	36.0	15.4	24.4	20.4	31.3
Other grant(s)	36.3	54.7	27.6	48.7	30.3	46.3
Investment returns						
Interest	19.7	25.3	17.3	20.5	19.7	25.4
Miscellaneous						
Other	17.2	16.0	17.9	16.7	17.8	16.4
Loans	0.0	0.0	0.0	0.0	0.0	0.0
N	233	75	156	78	152	69

- 3.34. There is evidence that the trend for increasingly complex portfolios of funding is impacting on the VCS in Rotherham. Over a quarter (27 per cent) of responding organisations in the last survey had two funding sources; 20 per cent had three sources of income; 11 per cent had four; and 9 per cent had over five income sources in the last financial year. However, over a third of respondents (34 per cent) identified that they received/generated income from only one source. Organisations that do not employ paid staff are more frequently reliant on just one funding source, with 38 per cent reporting that their income is derived from one source. However, just under a quarter of organisations (24 per cent) that do employ paid staff are also reliant on a single source of funding.
- 3.35. Those respondents identifying grants and/or contracts/service level agreements with Rotherham Metropolitan Borough Council were asked to provide information on the length of their funding arrangements. Respondents report that, of the total number of service level agreements placed with them, 47 per cent are for 3 years or more. However, this figure falls to 15 per cent for grant funding and just 11 per cent for contracts.

Expenditure

3.36. Table 3.13 indicates the range of annual expenditure for the responding organisations. Unsurprisingly, the pattern is similar to that of annual income presented in Table 3.10.

- over half of responding organisations (53 per cent) have an annual expenditure of less than £5,000, and 80 per cent spend less than £50,000 per year
- there are relatively few large organisations: only 16 per cent have an expenditure exceeding £100,000, eight per cent exceeding £250,000 and just five per cent with over £500,000 annual expenditure.

Table 3.13: What was your organisation's total expenditure in the last financial year?

Expenditure range	Frequency	%	Cumulative %
Less than £1,000	58	27.0	27.0
£1,000-£2,500	25	11.6	38.6
£2,501-£5,000	30	14.0	52.6
£5,001-£10,000	20	9.3	61.9
£10,001-£25,000	18	8.4	70.3
£25,001-£50,000	21	9.8	80.1
£50,001-£100,000	9	4.2	84.3
£100,001-£250,000	16	7.4	91.7
£250,001-£500,000	8	3.7	95.4
Over £500,000	10	4.7	100.1
Total	215	100.1	100.1

3.37. Again, we have used the survey data to estimate the total expenditure of the voluntary and community sector in Rotherham. From the sample of respondents who answered the relevant question, and once again assuming an unbiased response, the total expenditure for the most recently completed financial year is £94.2 million.

3.38. Of this figure, it is estimated that 37 per cent (£35 million) is expended on staff salaries. Survey respondents were also asked to provide information on how much of their organisation's expenditure (excluding staff costs) was spent on goods and services purchased in Rotherham. In this regard, 19 per cent (approximately £11.5 million) of the sector's total expenditure is estimated to have been spent in Rotherham. However, caution should be emphasised in relation to this figure as the number of organisations responding to this questionnaire item was low (N=149).

3.39. The next Chapter looks at the ways in which the VCS in Rotherham have changed since the last survey conducted in 2002/3.

4. How has the sector changed?

- 4.1. This section considers the changes that have taken place across and within 82 organisations that responded to the 2008 survey and which had also previously responded to a similar survey conducted by Voluntary Action Rotherham in 2002/3 (Coule, 2003). This group of organisations could be considered to form a cohort, through which it is possible to analyse retrospectively the changing circumstances of the voluntary and community sector in Rotherham between 2002 and 2008, and which might also be an appropriate vehicle for ongoing longitudinal research (discussed further in Chapter 6). This Chapter highlights changes in the cohort's areas of work, staff, trustee board/management committee, volunteer and income levels.

Areas of work

- 4.2. Respondents from 68 organisations provided information about their areas of work in 2002 and 2008. There has been some shift in the focus of the VCS in Rotherham. Table 4.1 shows that the areas of health, welfare/social care, environmental activities/conservation/heritage, animal welfare, arts and cultural activities, and community safety/criminal justice are cited more frequently in 2008 than in 2002. Conversely, the number of respondents citing that their organisation is involved in education/research/training is lower in 2008 than it was in 2002.

Table 4.1: What areas of work are you involved in?

	2002		2008	
	Frequency	%	Frequency	%
Leisure/recreation/sport	31	45.6	30	44.1
Education/research/training	27	39.7	22	32.4
Welfare/Social Care	20	29.4	24	35.3
Childcare/Play/Youth work	19	27.9	18	26.5
Health	19	27.9	22	32.4
Supporting or working with other community and voluntary groups	18	26.5	16	23.5
Arts and cultural activities	12	17.6	18	26.5
Environmental activities/conservation/heritage	10	14.7	14	20.6
Other charitable, social or community purposes	10	14.7	14	20.6
Economic and community development/ regeneration	8	11.8	8	11.8
Community safety/criminal justice	6	8.8	9	13.2
Accommodation/housing/homelessness	5	7.4	4	5.9
Animal welfare	1	1.5	4	5.9

N= 68

Multiple responses possible, so per cent column does not add up to 100 per cent

- of the 68 respondents to the question regarding areas of work in 2002 and 2008, 29 per cent report that their organisation has increased the areas of work it is involved in; 40 per cent are involved in the same number of areas, and 31 per cent have reduced the number of areas of work they are involved in.

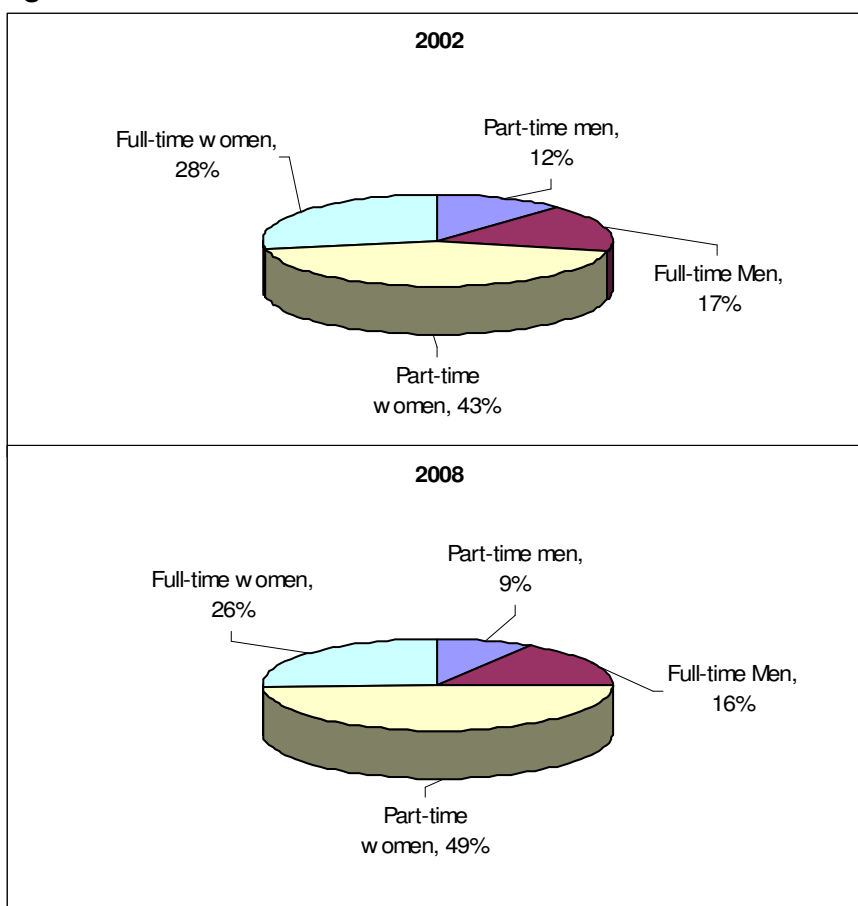
Resources: people and money

- 4.3. This section reviews changes between 2002 and 2008 in the level and nature of resources that the VCS has contributed in Rotherham. Specifically, the section looks at paid employment in the VCS, volunteering, trusteeship and income.

Paid employment in the Rotherham VCS

- 4.4. The sector relies increasingly on a flexible workforce. The cohort's workforce comprised more part-time staff members than full-time in 2002 (55 per cent and 45 per cent respectively). This continues to be the case in 2008, with 58 per cent of the cohort's workforce being made up of part-time staff and 42 per cent full-time staff. In 2002, men made up 29 per cent of the cohort's overall workforce, this figure stands at 25 per cent in 2008 (Figure 4.1)

Figure 4.1: Breakdown of the overall workforce 2002 & 2008



- 4.5. Perhaps because of an increasing reliance on part-time employment, the number of people working in the sector is also increasing. The total number of paid staff employed by the 82 cohort organisations in 2002 is estimated to be 284. In 2008, this figure has risen to 308. Women continue to outnumber men in absolute terms for both part-time and full-time employment in 2008. Moreover, the number of female staff across the cohort organisations has grown by 34 per cent (from 202 to 271) between 2002 and 2008. In contrast, the total number of men employed by the

cohort organisations has declined by 6 per cent (from 82 to 77) between 2002 and 2008.

- 4.6. It is estimated that paid staff worked a total of 7,214 hours per week in 2002; female members of staff worked approximately 66 per cent of the total and male members of staff contributed approximately 34 per cent of the total. Mirroring the overall growth of the cohort's workforce, the number of hours worked per week in 2008 has risen to 7,540; female members of staff now contribute approximately 70 per cent of the total and male employees work approximately 30 per cent.
- 4.7. While there continue to be more female full-time workers than male in absolute numbers, proportionally men continue to be more likely to work full-time than women. Conversely, female staff are more likely to work part-time than male staff. Interestingly, the proportion of women working full-time has dropped from 39 per cent in 2002 to 34 per cent in 2008. In contrast, the proportion of men working full-time in the cohort organisations has increased from 59 per cent in 2002 to 65 per cent in 2008 (Table 4.2):

Table 4.2: What is the balance of women and men working in the sector?

	2002			2008		
	All staff %	Male %	Female %	All staff %	Male %	Female %
Part-time	55.3	41.5	60.9	58.2	35.1	65.8
Full-time	44.7	58.5	39.1	41.8	64.9	34.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

- 4.8. But there has been little growth in the numbers of organisations employing paid staff. 70 per cent of cohort organisations responding to the appropriate survey questions (n=55) did not employ paid staff in 2002 and do not employ staff in 2008. Three per cent had no paid staff in 2002 but have now started to employ paid staff. One per cent employed staff in 2002 but no longer employ staff in 2008, and 26 per cent employed paid staff in 2002 and continue to do so in 2008.
- 4.9. Those organisations which had previously employed staff have often seen their staff bases grow between 2002 and 2008. Of those cohort organisations employing paid staff in 2008 and responding to the appropriate survey questions (n=21), 62 per cent report that their number of staff has increased since 2002. Nine per cent have retained the same level of staffing, and 29 per cent have experienced a decline in their number of employees.

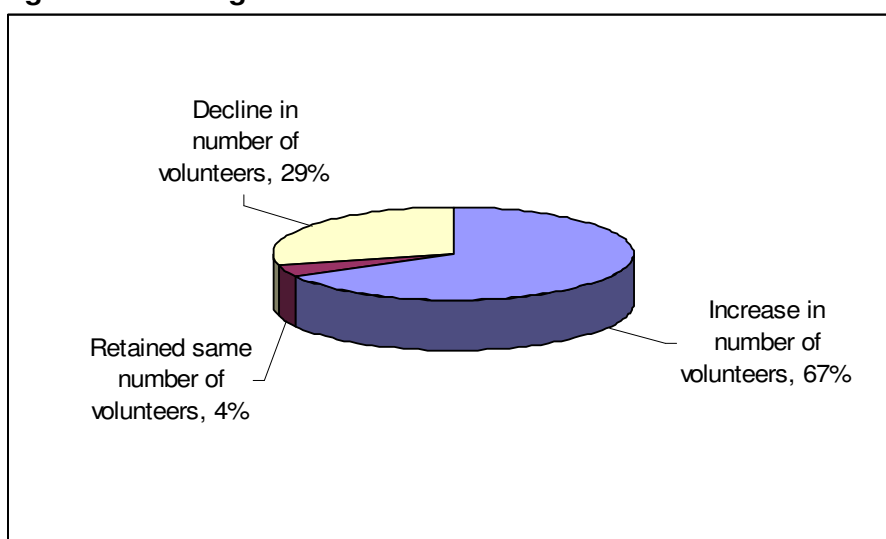
Volunteers

- 4.10. There has been a decline in volunteering, both in terms of the total number of volunteers and the hours that they contribute. The total number of volunteers involved in the cohort (excluding trustees) is estimated to have declined by three per cent from 1,030 in 2002 to 995 in 2008. Female volunteers continue to outnumber male volunteers (60 per cent and 40 per cent of the total respectively in 2008). This gap is wider than in 2002 when female volunteers represented 54 per cent of the total and male volunteers made up 46 per cent of the total. In this regard, the number of female volunteers across the cohort organisations has grown by eight per cent (from 554 to 600) between 2002 and 2008, while the total number of male volunteers has declined by 17 per cent (from 476 to 395) between 2002 and 2008.
- 4.11. From the survey, and again assuming an unbiased response, the total number of hours contributed to the cohort organisations by volunteers has declined by 31 per cent from 7,179 per month in 2002 to 4,976 per month in 2008. In both 2002 and 2008, female volunteers contributed 55 per cent of the total and male volunteers contributed 45 per cent of the total. The number of hours contributed by male

volunteers has fallen by 32 per cent (from 3,253 to 2,214) between 2002 and 2008, while the number of hours contributed by female volunteers has declined by 30 per cent (from 3,926 to 2,762).

- 4.12. 11 per cent of respondents in the cohort responding to the appropriate survey questions in 2002 and 2008 (n=76) cited that their organisation did not have volunteers in 2002 and do not have volunteers in 2008. Over one fifth (21 per cent) had no volunteers in 2002 but now have volunteers in 2008. Four per cent reported that they had volunteers in 2002 but no longer do in 2008. The majority (63 per cent) had volunteers in 2002 and continue to have volunteers in 2008.
- 4.13. However, of those cohort organisations involving volunteers in 2008 and responding to the appropriate survey questions, the majority report that their number of volunteers has increased since 2002 (Figure 4.2):

Figure 4.2: Change in volunteer levels 2002-2008



(N=51)

- 4.14. It appears that a higher number of organisations with no paid staff have experienced an increase in their number of volunteers compared to those organisations who employ staff (74 per cent compared to 53 per cent respectively). Organisations with paid staff have more frequently experienced a decline in their number of volunteers since 2002 compared to those who do not employ staff (35 per cent compared to 27 per cent). However, this pattern should be interpreted with caution due to the small sub-sample on which they are based.

Trustees/management committee members

- 4.15. The total number of voluntary management committee or board members involved in the cohort organisations is estimated to have declined by three per cent from 658 in 2002 to 638 in 2008. Within the cohort organisations, female committee/board members continue to outnumber male members, with females making up approximately 53 per cent of the total committee/board members and males comprising 47 per cent of the total in both 2002 and 2008. Overall, the number of male committee/board members across the cohort organisations has declined by four per cent (from 310 to 297) between 2002 and 2008, while the total number of female committee/board members has declined by two per cent (from 348 to 341) between 2002 and 2008.
- 4.16. From the survey, and again assuming an unbiased response, the total number of hours contributed to the cohort organisations by management committee/board

members has declined by 34 per cent from 3,676 per month in 2002 to 2,429 per month in 2008. In 2002, female committee/board members contributed 48 per cent of the total and male members contributed 52 per cent of the total. This gap has grown slightly in 2008, with male committee/board members now contributing 55 per cent of the total hours and female members contributing 45 per cent. The number of hours contributed by male board/committee members has fallen by 30 per cent (from 1,910 to 1,336) between 2002 and 2008, while the number of hours contributed by female members has declined by 38 per cent (from 1,766 to 1,093).

- 4.17. Six per cent of respondents responding to the appropriate survey questions in 2002 and 2008 (n=69) cited that their organisation did not have a voluntary management committee or board in 2002 and do not have a committee/board in 2008. Three per cent had no committee/board in 2002 but now have a committee/board in 2008. Four per cent reported that they had a committee in 2002 but no longer do so in 2008. The majority (87 per cent) had a board/committee in 2002 and continue to have one in 2008.
- 4.18. Of those respondents reporting that their organisation has a management committee/board in 2008 and responding to the appropriate survey questions (n=59), 37 per cent report that their number of committee/board members has increased since 2002. 17 per cent have retained the same level of committee members, and 46 per cent have experienced a decline in their number of committee/board members.

Income

- 4.19. Respondents from 64 organisations provided information regarding the organisation's income range in both 2002 and 2008 (Table 4.3):
- 50 per cent of organisations had an income of up to £5,000 in 2002. In 2008, this proportion had increased slightly to 52 per cent
 - four-fifths (80 per cent) of organisations had up to £50,000 annual income in 2002 and this had increased marginally to 83 per cent in 2008
 - there continues to be relatively few organisations with large incomes. In 2002, only 15 per cent of the cohort had incomes exceeding £100,000. By 2008, this has declined slightly to 13 per cent. However, the percentage of organisations with incomes in excess of £250,000 has increased from eight per cent in 2002 to 11 per cent in 2008.

Table 4.3: What was your organisation's total income for the most recently completed financial year?

Income range	2002		2008	
	Frequency	%	Frequency	%
Less than £1,000	18	28.1	16	25.0
£1,000-£2,500	6	9.4	8	12.5
£2,501-£5,000	8	12.5	9	14.1
£5,001-£10,000	10	15.6	5	7.8
£10,001-£25,000	6	9.4	7	10.9
£25,001-£50,000	3	4.7	8	12.5
£50,001-£100,000	4	6.3	3	4.7
£100,001-£250,000	4	6.3	1	1.6
Over £250,001	5	7.8	7	10.9
Total	64	100.0	64	100.0

- 4.20. But the total income for the sector has increased. The estimated total annual income for the cohort organisations, based on the responses of our cohort sample and assuming an unbiased response, was £6.7 million in 2002. This is estimated to have increased by 39 per cent to £9.3 million in 2008. This suggests that the sector's income is growing at a faster rate than the economy in Rotherham, which increased by 4.5 per cent per annum between 1994 and 2003 (RMBC 2006).
- 4.21. But growth has been concentrated in a minority of organisations. Of cohort organisations responding to the appropriate survey questions (n=64), one-third (33 per cent) cite that they fall within the same income band as they did in 2002, and 25 per cent report that their annual income band is lower in 2008 than it was in 2002. 42 per cent have moved up at least one income band between 2002 and 2008. Although this suggests that the funding 'cliff edge' has not yet impacted as severely as anticipated on the VCS in the Borough, it is worth noting that those organisations with an income of less than £100,000 per annum have experienced declining levels of funding more frequently than larger organisations, particularly those with incomes in excess of £250,000. Again, this pattern should be treated with some caution due to the small sub-samples on which they are based.
- 4.22. The next Chapter discusses the future for the VCS in Rotherham by presenting responses to a series of questions which asked voluntary and community organisations to reflect on future opportunities and challenges.

5. What is the future for Rotherham VCS?

5.1. This Chapter considers future opportunities and challenges anticipated by voluntary and community organisations in Rotherham. This perceptual data provides useful insights into the potential future support needs of the sector. In turn, the Chapter explores:

- the life expectancy of voluntary and community groups in Rotherham
- the changes anticipated in relation to people, income, expenditure and external links
- the funding sources and strategies organisations are pursuing to secure their future.

How long is the life expectancy of voluntary and community organisations in Rotherham?

5.2. Respondents were asked to state the expected lifespan of their organisation (Table 5.1).

- echoing the study of the VCS organisations in the North East (see Chapter 2) (Chapman et al, 2006) respondents in Rotherham are fairly optimistic about the longevity of their organisation. Well over half (56 per cent) expect their organisation's lifespan to be in excess of 25 years and a further 17 per cent indicated an expected organisational lifespan of between 10 and 25 years.
- 27 per cent that expect their organisation's lifespan to be less than 10 years; 19 per cent less than five years, 13 per cent less than three years and five per cent less than 12 months.

Table 5.1: What is the expected lifespan of your organisation?

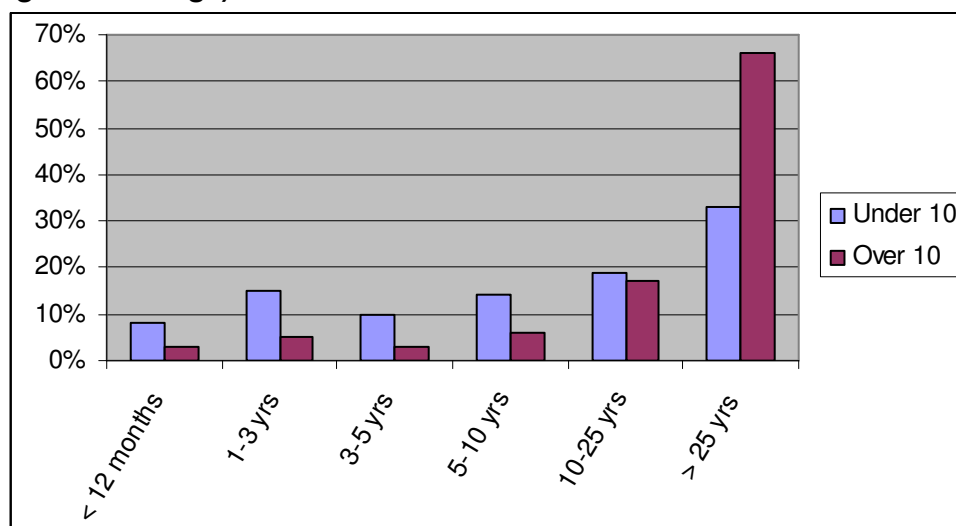
	Frequency	%	Cumulative per cent
Less than 12 months	11	5.0	5.0
Between 1 and 3 years	18	8.1	13.1
Between 3 and 5 years	12	5.4	18.6
Between 5 and 10 years	19	8.6	27.1
Between 10 and 25 years	38	17.2	44.3
More than 25 years	123	55.7	100.0
Total	221	100.0	100.0

5.3. Respondents indicating that their organisation would close within the next 12 months were asked to express why (n=11). Six of the respondents expecting their organisation to close down within the next 12 months attributed this to grant funding coming to an end, which was unlikely to be replaced by alternative funding. Four stated that a contract/service level agreement was ending, which was unlikely to be renewed. One reported that there was no longer a need for the organisation's

services/activities, and one cited an inability to attract/retain volunteers with the required skills as the reason for closure.

- 5.4. Considering the expected lifespan of organisations in relation to their current length of existence reveals, perhaps unsurprisingly, that respondents in organisations that have been established longer than 10 years appear to be more optimistic about the longevity of their organisation, with 66 per cent expecting their organisation to have a lifespan in excess of 25 years, compared to 33 per cent of respondents in organisations that have been established 10 years or less (Figure 5.1).

Figure 5.1: What is the expected lifespan of your organisation? (by organisation age)



N=72 under 10; 145 over 10

What changes do organisations anticipate in the next three years?

- 5.5. Respondents were asked to consider how a range of 10 issues (relating to people, income and expenditure, and external links) might change for them over the next three years. In responding to the 10 issues, respondents were asked to highlight whether they felt each issue would:

- decrease slightly or significantly
- stay the same
- increase slightly or significantly.

Table 5.2 identifies the direction of change (if any) perceived by survey respondents against each of the 10 issues.

Table 5.2: Expectations of change over the next three years

Issues	Decrease significantly %	Decrease slightly %	Stay the same %	Increase slightly %	Increase significantly %
People					
Ease of recruiting staff	10.9	15.1	59.7	8.4	5.9
Ease of recruiting volunteers	11.3	18.8	48.8	16.3	5.0
Ease of recruiting trustees	10.1	14.3	61.3	11.8	2.5
Income and expenditure					
Our income overall	13.1	13.1	36.4	26.2	11.2
Our expenditure overall	6.0	8.5	33.7	35.2	16.6
The total value of grant funding	23.9	10.6	43.0	14.8	7.7
Funding from statutory bodies	20.2	14.3	47.1	13.4	5.0
The value of our contracts	18.2	5.1	53.5	17.2	11.1
External links					
Our involvement in networks and partnerships	6.6	4.4	49.3	19.9	19.9
The need to use external support	2.2	2.8	39.7	55.3	31.3

5.6. The responses from participating organisations are discussed in paragraphs 5.7 to 5.35 under three key headings:

- people
- income and expenditure
- external links.

However, it should be noted that the responses to this question provide no detail on the current situation for voluntary and community sector organisations. Therefore there is no way of telling the degree to which the anticipated changes will impact positively or negatively on respondents. For instance, almost 11 per cent of respondents anticipated that it would become significantly harder to recruit staff over the next three years. But the implications of this might be very different for an organisation that has hitherto managed to recruit staff with relative ease, compared to one which is already struggling with recruitment issues.

People

5.7. The questionnaire explored three aspects of the 'people' element of the VCS:

- ease of recruiting staff
- ease of recruiting volunteers
- ease of recruiting trustees.

Ease of recruiting staff

5.8. With reference to ease of recruiting staff, 60 per cent of respondents expect no change, while 40 per cent anticipate some degree of change; over one quarter (26 per cent) feel recruiting staff will become more difficult and 14 per cent feel recruiting staff will become easier.

- 5.9. Comparing those organisations that employ paid staff with those that do not reveals some differences: 16 per cent of respondents from organisations employing paid staff believe recruiting staff will become harder, compared to 21 per cent of respondents from organisations with no paid staff. A slightly higher proportion of respondents from organisations with no paid staff (16 per cent) expect recruitment of staff to become easier over the next three years compared to 11 per cent of those that currently employ staff.

Ease of recruiting volunteers

- 5.10. A higher proportion of respondents in the overall sample (51 per cent) expect some degree of change in relation to ease of recruiting volunteers, with 30 per cent expecting it to become more difficult and 21 per cent anticipating it will become easier. Almost half of respondents (49 per cent) expect no change.
- 5.11. Comparing those organisations that employ paid staff with those that do not reveals that recruiting volunteers is anticipated to be more difficult by respondents from organisations with paid employees (38 per cent compared to 25 per cent). One quarter (25 per cent) of respondents from organisations with no employees believe recruiting volunteers will become easier compared to 17 per cent of respondents from organisations that employ staff.
- 5.12. Respondents from organisations established in excess of 10 years appear to be more pessimistic than younger organisations regarding volunteer recruitment, with 36 per cent feeling recruitment of volunteers will become more difficult over the next three years, compared to 19 per cent of respondents from organisations established for 10 years or less.

Ease of recruiting trustees

- 5.13. In terms of ease of recruiting trustees, 61 per cent of respondents in the overall sample expect no change regarding ease of recruitment; almost one quarter (24 per cent) anticipate it will become more difficult and 14 per cent feel recruiting trustees will become easier.
- 5.14. Respondents from organisations with paid staff anticipate that recruiting trustees will be harder than those with no paid staff (33 per cent compared to 17 per cent). A slightly higher proportion of respondents from organisations with no paid staff (17 per cent) believe recruiting trustees will become easier compared to those who employ paid staff (12 per cent).

Income and expenditure

- 5.15. The questionnaire explored anticipated trends in relation to
- overall income
 - overall expenditure
 - value of grant funding
 - value of contracts
 - funding from statutory agencies.

These are discussed in paragraphs 5.16 to 5.30, below.

Income

- 5.16. More than a third of survey respondents (36 per cent) expect their organisation's income to remain the same. Of those anticipating some level of change, 26 per cent expect the organisation's income to decrease and 37 per cent anticipate an increase.
- 5.17. Comparing those organisations that employ paid staff with those that do not reveals that a higher proportion of respondents in organisations employing paid staff (37 per cent) expect their overall income to decrease compared to those that do not employ staff (21 per cent).
- 5.18. In terms of organisational age, respondents from organisations established for longer than 10 years expect their organisation's income will increase more frequently than those in organisations established for 10 years or less (40 per cent compared to 30 per cent respectively).

Expenditure

- 5.19. Similarly to the proportion of respondents expecting no change in their income, 34 per cent of the overall sample expect their organisation's expenditure to remain the same. Over half (52 per cent) expect an increase in expenditure and 15 per cent expect their expenditure to decrease.
- 5.20. A higher proportion of respondents in organisations employing paid staff expect their expenditure to decrease (22 per cent) compared to those that do not employ staff (11 per cent). A similar proportion of organisations with and without paid employees believe their expenditure will increase (50 per cent and 53 per cent respectively).
- 5.21. Similarly to the pattern for income, respondents from organisations that have been in existence over 10 years expect an increase in expenditure more frequently than those that have been established less than 10 years (58 per cent compared to 39 per cent).

Grant funding

- 5.22. Looking more specifically at types of funding, a higher proportion of survey respondents in the overall sample anticipate a decrease in the value of grant funding (35 per cent) than those who expect an increase (23 per cent) - 43 per cent anticipate no change in the value of grant funding.
- 5.23. A reduction in grant funding is anticipated more frequently among respondents in organisations employing paid staff (44 per cent) compared to those who have no paid employees (28 per cent). Over a quarter (26 per cent) of respondents from organisations with no paid staff believe that the total value of grant income will increase over the next three years, compared to 19 per cent of those with paid staff.
- 5.24. Respondents from organisations established for 10 years or less appear to be more pessimistic than longer established organisations regarding grant funding, with almost half (48 per cent) expecting a decrease in the value of grant funding over the next three years and only 12 per cent expecting an increase. This compares to 28 per cent of respondents in organisations over 10 years old expecting a decrease in grant funding and 28 per cent expecting an increase.

Contracts

- 5.25. Considering the entire sample again, 28 per cent of respondents felt their income from contracts would increase over the next three years and 18 per cent felt it would decrease - 54 per cent anticipated no change in the level of contract funding.
- 5.26. 34 per cent of organisations with paid staff expect an increase in the value of contract income compared to 22 per cent of those without paid employees. But 25 per cent of organisations with paid staff and 11 per cent of those without paid employees expect a decrease in the value of contracts over the next three years.
- 5.27. Similarly to the pattern for expectation around grant funding, survey respondents from younger organisations (those established 10 years or less) expected a decrease in the value of contracts compared to those in organisations over 10 years old (28 per cent compared to 14 per cent).

Funding from statutory agencies

- 5.28. Less than half of survey respondents in the overall sample (47 per cent) anticipate no change in the level of funding from statutory bodies over the next three years; over a third (35 per cent) expect funding from statutory bodies to decrease and 18 per cent believe it will increase.
- 5.29. A reduction in funding from statutory bodies is expected more frequently by organisations with paid staff (40 per cent) compared to those who do not employ staff (28 per cent). In addition, a higher proportion of respondents in organisations with no employees (21 per cent) expect an increase in funding from statutory bodies compared to those that employ staff (16 per cent).
- 5.30. Again, a higher proportion of respondents in organisations less than 10 years old (44 per cent) expect a decrease in funding from statutory bodies than those in organisations established longer than 10 years (29 per cent); 10 per cent of respondents in younger organisations were expecting an increase in funding from statutory bodies over the next three years, compared to 24 per cent in organisations over 10 years old.

External Links

- 5.31. A final element of this part of the questionnaire asked whether respondents anticipated changes in relation to their involvement in networks and partnerships and their need for external support.

Involvement in networks and partnerships

- 5.32. 49 per cent of respondents expect their involvement in networks and partnerships to stay the same; 40 per cent anticipate an increase in involvement over the next three years and 11 per cent expect their involvement to decrease.
- 5.33. Comparing organisations that do and do not employ staff reveals that more organisations with employees believe their involvement in networks and partnerships will increase than those that have no employees (46 per cent and 33 per cent respectively). However, a greater proportion of respondents from organisations that employ staff (16 per cent) also believe their involvement will decrease compared to those that do not employ staff (7 per cent).

Need for external support

- 5.34. Finally, respondents were asked to anticipate their need for external support, which may provide some indication of how the level of demand for infrastructure support/services may change in the near future. Two fifths (40 per cent) of survey respondents in the overall sample expect their need for support will remain the same; just five per cent anticipate that it will decrease; and 55 per cent expect that it will increase.
- 5.35. A larger proportion of respondents from organisations that do not employ staff expect their need for external support will increase than those with paid staff (59 per cent compared to 49 per cent). In addition, a slightly larger proportion of those with paid staff (eight per cent) believe their need for external support will decrease, compared to respondents from organisations without employees (four per cent).

What funding and other strategies are voluntary and community sector organisations pursuing to secure their future?

- 5.36. Respondents were asked to provide information about which sources of funding they had explored in planning for their organisation's future (Table 5.3):
- 59 per cent of organisations participating in the survey are actively seeking future funding through 'fundraising' activities such as collections, events and donations
 - the other most commonly cited areas are grants (34 per cent are seeking future grant funding from Rotherham Council and 55 per cent report exploring other grant opportunities) and membership fees/subscriptions (44 per cent)
 - contracts, service level agreements and loan opportunities are being less frequently explored as potential future funding sources by voluntary and community organisations.

Table 5.3: What sources of funding are you actively seeking?

	Frequency	%
Fundraising (e.g. collections, events, donations)	133	59.1
Other grant(s)	124	55.1
Membership Fees/ Subscriptions	100	44.4
Grant(s) from Rotherham Borough Council	77	34.2
Sales of Goods and Services	61	27.1
Business donations and sponsorship	51	22.7
None of the above	28	12.4
Contract(s) or Service Level Agreement(s) with Rotherham Borough Council	26	11.6
Interest (bank/endowments/investment)	26	11.6
Other Contract(s) or Service Level Agreement(s)	24	10.7
Other	10	4.4
Loans	9	4.0

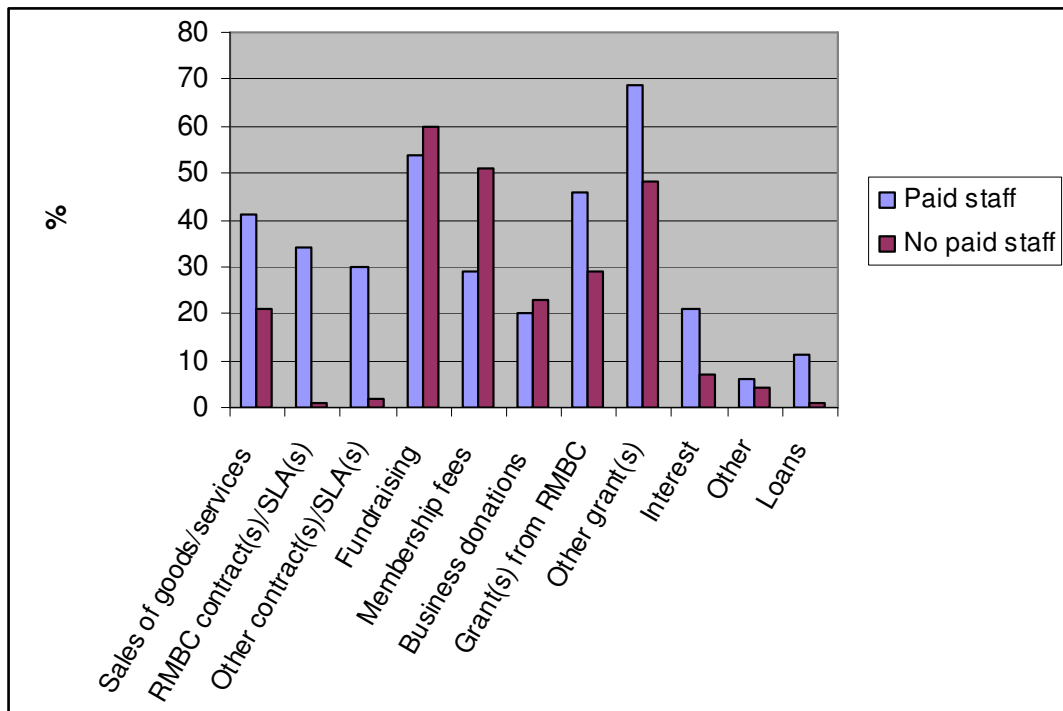
N=225

Multiple responses possible, per cent column does not add up to 100 per cent

- 5.37. Comparing the income sources being sought by organisations within the sample that employ paid staff to those that do not reveals some notable differences, which are similar to those reported in relation to current sources of income in Table 3.11. Earned income sources such as sales of goods and services and contracts/service

level agreements are being sought more frequently by organisations with paid staff. Voluntary income, in the form of grants, is also being pursued more frequently by organisations employing paid staff. Voluntary income from fundraising and membership fees/subscriptions is being sought more frequently by organisations with no paid staff (Figure 5.2). Although a similar proportion of respondents from organisations with and without paid staff indicated that interest from investments contributed to their overall income in last financial year, a higher proportion of organisations with paid staff are actively seeking this as a future source of income. Participating organisations with paid staff are also beginning to consider loan finance as a means of future income.

Figure 5.2: What sources of funding are you actively seeking (by employment of staff)



5.38. Compared to the overall sample, organisations with an income of £10,000-£250,000 more frequently report seeking voluntary income in the form of grants, fundraising and business donation/sponsorship. They also cite actively seeking earned income from sales of goods and services more frequently than the overall sample (Table 5.4).

Table 5.4: What sources of funding are you actively seeking? (by organisation size)

	Overall sample (%)	Orgs with £10k - £250k income (%)
Fundraising (e.g. collections, events, donations)	59.1	67.2
Other grant(s)	55.1	70.5
Membership Fees/ Subscriptions	44.4	39.3
Grant(s) from Rotherham Borough Council	34.2	42.6
Sales of Goods and Services	27.1	36.1
Business donations and sponsorship	22.7	31.1
None of the above	12.4	9.8
Contract(s) or Service Level Agreement(s) with Rotherham Borough Council	11.6	18.0
Interest (bank/endowments/investment)	11.6	18.0
Other Contract(s) or Service Level Agreement(s)	10.7	11.5
Other	4.4	4.9
Loans	4.0	4.9
N	225	69

- 5.39. In terms of the numbers of funding sources being pursued by individual organisations, 12 per cent of respondents in the overall sample reported that they were not actively seeking any of the funding sources (including 'other'), 16 per cent were actively seeking one funding source and a further 18 per cent were seeking two. The largest proportion of respondents (20 per cent) was actively seeking three sources of funding. The proportion of survey respondents actively pursuing multiple funding sources then falls to 14 per cent for four funding sources, 12 per cent for five sources and eight per cent for six or more income sources.
- 5.40. Table 5.5 provides an indication of the other strategies that are being considered by voluntary and community organisations in Rotherham to ensure continuity of their work and whether these strategies are currently being achieved.
- the most commonly considered strategies focus on securing income: 35 per cent of survey respondents report that they are actively considering increasing individual donations, and 31 per cent are considering increasing earned income
 - other strategies relate to adapting or developing working practices, including changing the way that services or activities are run (23 per cent) and working more closely with other voluntary/not-for-profit organisations
 - fewer respondents report that their organisation is considering measures such as mergers (10 per cent), taking over a service/project from another organisation (six per cent), changing the organisation's legal status (five per cent) or relocating a project/service to the public sector (two per cent).

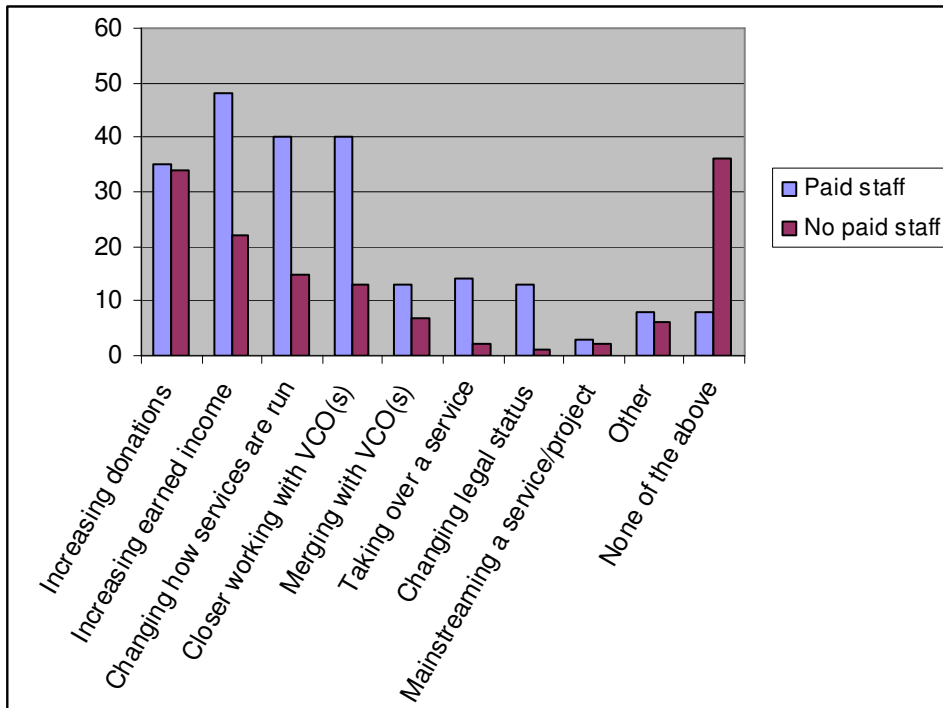
Table 5.5: What other strategies are you actively considering?

	Frequency	%	% achieving this now
Increasing individual donations	65	34.6	17.5
Increasing earned income	58	30.9	22.6
None of the above	51	26.4	38.6
Changing the way that services or activities are run	43	22.9	22.0
Working more closely with another voluntary/not-for-profit organisation	42	22.3	20.9
Merging with one or more similar organisations	18	9.6	3.4
Other	12	6.4	7.3
Taking over a service or project from another organisation	11	5.9	6.2
Changing the organisation's legal status, governing document etc	9	4.8	6.2
A public body taking over a service or project	4	2.1	1.1

N=188. Multiple responses possible, per cent column does not add up to 100 per cent. per cent achieving this now column is per cent of overall sample

- 5.41. Comparing the strategies that are being considered by organisations that do and do not employ paid staff reveal some areas of difference (Figure 5.3). For example, 48 per cent of respondents from organisations employing paid staff are considering increasing earned income to ensure continuity of their work, compared to 22 per cent of respondents from organisations with no paid staff. Organisations employing paid staff are also more often considering changing the way that services/activities are run and working more closely with another voluntary/not-for-profit organisation. Although taking over a service or project from another organisation and changing the organisation's legal status/governing document are less common strategies, again, respondents from organisations with paid staff are giving more consideration to such approaches. Respondents in organisations with no staff are much more likely to report that they are not considering any of these strategies compared to those with paid staff (36 per cent and 8 per cent respectively).

Figure.5.3: What other strategies are you actively considering? (by employment of staff)



6. Use of the cohort in future research

- 6.1 Chapter Four has outlined the changing nature and circumstances of the voluntary and community sector in Rotherham by analysing the responses of a cohort of 82 organisations responding to both the 2002 and 2008 surveys. These organisations represent 30 per cent of respondents to the 2008 survey and approximately 8 per cent of voluntary and community sector in Rotherham.
- 6.2 As outlined in the Introduction to this report, one of the objectives of the research, specified in VAR's invitation to tender, was to develop a cohort of voluntary and community organisations in Rotherham, through which future research into the circumstances and needs of the sector might be conducted.
- 6.3 This Chapter considers the suitability of the 2008 cohort as a vehicle for the future research activities of VAR.
- 6.4 One key issue to consider is the extent to which the cohort might be seen to be representative of the Rotherham voluntary and community sector as a whole. In the absence of knowledge about all voluntary and community organisations in the Borough (which could only be achieved through a 100 per cent response to the survey), the profile of respondents to the 2008 survey serves as a suitable proxy against which to assess the representativeness of the cohort.
- 6.5 There are a number of criteria against which the representativeness of the cohort could be assessed, but there are perhaps five key indicators which define the nature of voluntary and community sector organisations, and which were included in both the 2002 and 2008 cohorts:
- employment of paid staff (as a key indicator of the distinction between voluntary and community organisations)
 - level of income
 - key income sources
 - main areas of work
 - main service users/ beneficiaries.
- 6.6 30 per cent of organisations in the 2002/8 cohort employ paid staff, compared to just over 32 per cent of all organisations responding to the 2008 survey. Therefore, in terms of the split between voluntary and community organisations, the cohort is broadly representative of the sample as a whole.
- 6.7 Tables 6.1 to 6.4 outline the profiles of all respondents to the 2008 survey and cohort organisations in relation to income (scale and sources), areas of work and service users/ beneficiaries.

Table 6.1: Income (scale) 2008 respondents and 2002/8 cohort

Income Category	% 2008 respondents	% (02/08) cohort
Less than £1,000	26	28
£1,000 to £2,500	12	14
£2,501 to £5,000	13	12
£5,001 to £10,000	11	7
£10,001 to £25,000	9	10
£25,001 to £50,000	8	11
£50,001 to £100,000	5	4
£100,001 to £250,000	8	4
£250,001 to £500,000	3	3
Over £500,000	5	8

- The income profile of the 02/08 cohort is broadly similar to that of all 2008 survey respondents. There is a slightly lower percentage of organisations in the cohort in the £5,001 to £10,000 income bracket and a slightly higher percentage of organisations in the cohort with annual incomes exceeding £500,000.

Table 6.2: Income (source) 2008 respondents and 2002/8 cohort

Income Source	% 2008 respondents	% (02/08) cohort
Grant(s) from RMBC	22	18
Other grants	37	32
Contract(s)/service level agreement(s) with RMBC	10	17
Other contract(s)/service level agreement(s)	5	7
Membership fees/ subscriptions	47	58
Sales of goods and services	20	20
Business donations and sponsorship	10	14
Fundraising	49	52
Interest	20	31
Loans	0	0
Other	17	20

- The 2002/8 cohort is less reliant on grant funding than the total of 2008 respondents and more likely to have contract(s) and/or service level agreements with Rotherham Metropolitan Borough Council and other service delivery agencies, although the differences are not large. More significant differences in income sources between 2008 respondents and the 2002/8 cohort are around the generation of income through membership fees and/or subscriptions (47 per cent of all 2008 respondents and 58 per cent of the cohort) and interest (20 per cent of all 2008 respondents and 31 per cent of the cohort).

Table 6.3: Area of work 2008 respondents and 2002/8 cohort

'Main' area of work	% 2008 respondents	% (02/08) cohort
Health	4	6
Welfare and social care	6	10
Environmental activities/ conservation/ heritage	4	5
Animal welfare	0	0
Arts and cultural activities	8	10
Leisure/ recreation/ sport	23	16
Accommodation/ housing/ homelessness	1	1
Supporting or working with other vol/com groups	3	3
Community safety / criminal justice	2	3
Economic & community development/ regeneration	2	1
Childcare/ play/ youth work	13	9
Education/ research/ training	5	3
Other charitable, social or community purposes	27	33

- Organisations concerned with leisure/recreation/sports and childcare/play/youth work are slightly under represented in the 2002/8 cohort. Those undertaking other charitable, social or community purposes are slightly over represented.

Table 6.4: Service users/ beneficiaries 2008 respondents and 2002/8 cohort

'Main' clients/users	% 2008 respondents	% (02/08) cohort
Children and/or young people	26	22
Elderly people	16	15
People with disabilities and/or special needs	7	6
Black and minority ethnic communities	1	0
Asylum seekers/ refugees	0	0
Faith communities	2	1
Homeless people	1	1
Migrants/ migrant workers	0	0
General public	14	15
Other	31	38

- Organisations working with children and/or young people are slightly under represented in the 2002/8 cohort and those working with 'other' service users/ beneficiaries are over represented. There are no agencies working mainly with black and minority ethnic communities in the 2002/8 cohort, although these make up only one per cent of all respondents to the 2008 survey.

6.8 On the basis of the evidence outlined above, the cohort of respondents to both the 2002 and 2008 surveys provide a reasonably representative sample of voluntary and community sector organisations in Rotherham.

6.9 There is potential then, for VAR to work with these organisations to develop a 'panel' of organisations which VAR can consult about a range of issues affecting the voluntary and community sector as a whole. The ongoing participation of these organisations in future surveys would also facilitate further longitudinal, although retrospective, analysis of the changing nature of the VCS in the Borough.

- 6.10 However, it should be noted that although the 02/08 cohort is a workable size, it represents only three per cent of the voluntary and community sector in Rotherham. As a result numbers of organisations are very small in some of the categories listed above. Therefore where there are issues affecting specific sections of the voluntary and community sector, or those working in particular areas or with particular groups of service users, VAR may wish to consider alternative research strategies such as focus groups or targeted surveys. In particular, the cohort is not a suitable vehicle for researching the views of newer VCS organisations (as it contains only those organisations that have been in existence since 2002 or earlier) or those working mainly with BME communities.

7. Conclusions

7.1. The data presented in the preceding chapters portrays a diverse and thriving voluntary and community sector in Rotherham in 2008, but one which has experienced and will continue to experience a degree of change and uncertainty. This Chapter draws key conclusions from the data and highlights their implications, including, where relevant, support needs. The discussion is organised around 2 headings:

- structure
- resources.

Structure

7.2. The voluntary and community sector in Rotherham is dominated by small organisations which do not employ paid staff, or have very small staff teams (over 80 per cent of organisations have four paid staff or less). This is evidence of an active and engaged community sector and, as demonstrated in Chapter Three, voluntary and community organisations in the Rotherham are a key part of the social fabric of the Borough, contributing significantly to building strong, cohesive and sustainable communities. The VCS in Rotherham is well placed then, to contribute positively to current agendas around community involvement and empowerment outlined in Chapter Two, and it is important that suitable mechanisms are in place to enable the sector to engage with policy makers and service delivery agencies.

7.3. Indeed, there is evidence that the number of small organisations in the sector is growing. In 2002 less than 80 per cent of organisations in the cohort had an annual income of £50,000 or less, by 2008 this had grown to almost 83 per cent. There has also been growth at the 'top' of the sector with the proportion of organisations in the cohort with incomes in excess of £250,000 per annum increasing from just under 8 per cent in 2002 to almost 11 per cent in 2008. These developments mirror national trends. The NCVO Voluntary Sector Almanac for 2006 reports a continued increase in the number of charities with incomes under £10,000 per annum and a doubling of the number of charities with incomes in excess of £1 million per annum between 1995 and 2006 (NCVO 2006). These trends highlight some challenges for voluntary sector infrastructure organisations, including CVSs, which have historically worked most closely with organisations falling in the middle range in terms of income and staff size. In Rotherham less than 13 per cent of respondents in 2008 had an annual income between £50,001 and £250,000, and the proportion of cohort organisations falling within this income bracket fell from 13 per cent in 2002 to 6 per cent in 2008. If, as the evidence suggests, the sector is polarising there may be a need for VCS infrastructure support organisations to refocus some or all of their activities to ensure that the support needs of small community-based organisations are met. In this context it is interesting to note that 59 per cent of responding organisations which do not employ paid staff thought that their need for external support would increase over the next three years.

- 7.4. The VCS in Rotherham is diverse, and survey respondents identified a broad spectrum of activities and beneficiaries. There is a strong emphasis on recreation, childcare/play/youth work, arts and social care and children, young people and older people are key groups of beneficiaries. However, the survey has attracted very few responses from organisations working mainly with BME communities. BME groups make up a relatively small (although increasing) proportion of Rotherham's population (RMBC 2006) but there may be a need for more targeted research work to identify the structure, needs and impact of VCS groups working with BME communities.

Resources

- 7.5. As outlined in Chapter Four, the VCS is contributing an increasing amount of income to the local economy, again mirroring national trends for increasing levels of VCS income (NCVO 2006). But there is evidence that for many VCS organisations levels of income have remained static or have fallen. 58 per cent of cohort respondents answering a question about changing levels of income between 2002 and 2008 reported that their income had remained static or decreased during that period. As discussed in Chapter Two, the funding environment for the VCS is changing and there is evidence (if contested) that in an environment in which competition for a potentially decreasing pool of grant funding intensifies, other sources of income generation will increase in importance. In particular income through contracts, sale of goods and services and alternative financing arrangements will play an increasing role in the financing of the sector. Commentators suggest that smaller and medium sized organisations will bear the brunt of this change. In Rotherham almost half of the VCS generates some or all of its income from fundraising (49 per cent) and/or memberships fees/subscriptions (47 per cent). But over 46 per cent of organisations with an annual income of £10,001 to £250,000 cited (non local authority) grant funding as a source of income and over 30 per cent of this group had grants from Rotherham Metropolitan Borough Council. In addition, 70 per cent of organisations in this income bracket identified non local authority grant funding as a key source of future financing, and nearly 43 per cent were seeking future grants from Rotherham Metropolitan Borough Council. There is an overall sense of optimism about future sustainability within the sector but it is important that organisations are encouraged to make a realistic assessment of future funding options, and those organisations whose activities cannot be sustained through subscriptions, donation and membership fees may need to be supported to consider ways in which earned income can be increased. As highlighted in the study of VCS organisations in the North East, there may also be issues in relation to the capacity of these organisations to undertake business and strategic planning and of the ability of governance structures to provide the support that these organisations require for ongoing sustainability.
- 7.6. In addition, it is likely that funders will place an increased emphasis on value for money (NCVO 2006) and VCS organisations will need to be able to demonstrate the impact and outcomes of their work in order to attract resources. Many VCS organisations will need support in this and, in particular, VCS organisations may need to be supported to identify the outcomes arising from their work, and to articulate the contribution of those outcomes, particularly in the context of the Local Area Agreement, but also in relation to the priorities of other funders.
- 7.7. But where grants and service delivery contracts are in place these need as far as possible to provide the conditions in which the VCS can develop and deliver services without continually pursuing short term funding arrangements. It is particularly worrying to note that less than half the service level agreements held by respondents with Rotherham Metropolitan Borough Council are for 3 years or more and only 15 per cent of grants and 11 per cent of contracts are for this duration.

- 7.8. The VCS in Rotherham in 2008 makes a significant contribution to the economic and social well-being of the Borough. The sector is a key local employer, providing nearly 4,000 jobs, almost eighty per cent of which are filled by Rotherham residents. The number of paid workers in the sector has increased since 2002 and there is an increasing reliance on part-time staff. Opportunities for flexible working may make employment in the voluntary sector an attractive option (particularly for women who make up the majority of VCS staff) but there are signs that some voluntary and community sector organisations are finding it increasingly difficult to recruit staff with the skills that they need. One quarter of organisations employing paid staff think it will become more difficult to recruit staff in the future. In the context of the increasing complexity and professionalisation which the sector is experiencing, it is important that the sector is supported to both develop the skills of existing staff and to recruit successfully when new staff are required. The sector has an impressive track record of local recruitment; VAR may need to work with voluntary organisations, and local training providers and employment agencies to ensure that where possible the skill requirements of the VCS are met locally.
- 7.9. And finally, there is a continued need to support VCS organisations to find and retain volunteers. There are signs that the numbers of volunteers working in the VCS in Rotherham are declining, and those that are volunteering are contributing a decreasing number of hours. 30 per cent of our respondents anticipated that it will become more difficult to recruit volunteers in the future, and in the context of the increasing complexity of the VCS it is important that prospective and current volunteers are not overwhelmed by unrealistic expectations or discouraged by a lack of support or skills to continue to make a vital contribution to the economic and social health of Rotherham.

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Appendix One: Methodology

This Appendix outlines the methodology used in the study. It reports on the sampling strategy, survey administration and outcomes, and analysis.

Sampling strategy

Voluntary Action Rotherham hold and maintain a database containing the contact details of voluntary and community organisations in Rotherham. At the time of this research, that database held 1256 entries. It was decided to include in the study all organisations thought to exist, rather than developing a sampling frame, in order to try and maximise the number of responses to the survey.

Survey administration and outcomes

The survey was undertaken between 21st January and 13th March 2008, including non-respondent follow-up activities. A questionnaire (attached at Appendix 2) was developed by Sheffield Hallam University and posted, with a return envelope, by Voluntary Action Rotherham to 1256 voluntary and community organisations.

Responses of some form were received from 442 organisations. However, a number of these signalled that the organisation was ineligible, had closed down, address details were incorrect, or the key contact person had changed. There were also a small number of duplicates. A key stage in the process was therefore to 'clean' and adjust the population figure by removing 107 organisations. The decisions that were made in this regard were as follows:

Response Type	N	
Valid response	258	
No response	814	
Other response	184	
<i>Address details incorrect or changed</i>	56	<i>Leave in the sample - organisation may still exist</i>
<i>Returned but states not relevant</i>	69	<i>Remove from the sample</i>
<i>Organisation ceased to exist</i>	29	<i>Remove from the sample</i>
<i>Ineligible - not VCS</i>	6	<i>Remove from the sample</i>
<i>Duplicates</i>	3	<i>Remove from the sample</i>
<i>Contact person no longer involved</i>	21	<i>Leave in the sample - organisation may still exist</i>
Other response - total	184	
Total	1256	

The final valid response, from an adjusted population of 1149, was 258 questionnaires. This represents an overall response rate of 27 per cent of the (adjusted) population. However, these frequencies are maxima as many organisations did not respond to every question.

Analysis

Data from returned questionnaires was entered by Voluntary Action Rotherham into an SPSS database created by Sheffield Hallam University. The main forms of analysis undertaken were:

- descriptive statistics: the frequency and percentages of organisations responding to each question and, for those questions with multiple responses, the *number of different responses* given

- comparison of results between different types of respondents:
 - by organisation size (income)
 - by staffing
 - by age of organisation

- extrapolations to estimate aggregate figures for the Rotherham VCS as a whole. The estimated totals are obtained by multiplying the estimated mean per organisation by the total number of organisations (1149)

- cohort analysis: descriptive statistics and extrapolations (described above) for the 82 organisations responding to both the 2002 and 2008 state of the sector surveys in order to highlight the changes that have occurred across and within the cohort organisations. Again, these frequencies are maxima as some cohort organisations did not respond to every question.

It is worth noting that the comparisons between different types of respondents should be treated with some caution, as the sub-sample size was generally small. Each sub-sample size is highlighted throughout the reporting process.