

Rochdale state of the voluntary, community and social enterprise sector 2017 : A report on social and economic impact

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Rochdale State of the Voluntary, Community and Social Enterprise Sector 2017

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Sheffield Hallam University**

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In completing the report we are particularly grateful to members of the Research Steering Group³ and CVS Rochdale for their support in developing and administering the survey and for their input into earlier drafts of the report. We are also grateful to the many employees and volunteers from across the voluntary, community and social enterprise sector who took the time to complete a questionnaire.

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¹ 10GM is a joint venture by the Greater Manchester Voluntary Sector Infrastructure Organisations (Action Together in Oldham and Tameside, Bolton CVS, CVS Rochdale, Macc, Salford CVS, VCAT, Wigan & Leigh CVS)

² The other areas are: Bolton, Manchester, Oldham, Salford, Stockport, Tameside and Wigan.

³ The following organisations were represented on the Research Steering Group: CRESR, Salford CVS (lead partner), Greater Manchester Centre for Voluntary Organisation (GMCVO), Bolton CVS, Macc, Action Together in Oldham and Tameside and CVS Rochdale.

Definitions

This report is about the 'state of the voluntary, community and social enterprise sector in Rochdale'. At various times the voluntary sector has been known as the 'voluntary and community sector' or the 'third sector' whilst the current Government talks a lot about 'civil society'. In this report, when we talk about the voluntary sector in Rochdale, we mean **voluntary organisations, community groups, the community work of faith groups, and those social enterprises** where there is a wider accountability to the public via a board of trustees or a membership and all profits will be reinvested in their social purpose.

Foreword

CVS Rochdale is proud to present our first State of the Voluntary, Community & Social Enterprise Sector report 2017. This report means that for the first time we are able to see the impact of our sector against a Greater Manchester picture which is useful in the Greater Manchester Devolution context.

We have always been aware of the amazing work done by voluntary, community, faith and not for profit social enterprise organisations within our borough, however this report now provides evidence to others of the significant social and economic impact the sector makes. It is staggering that an estimated 1,180 organisations provided 1.4 million interventions with residents in the past year.

With ongoing austerity measures and subsequent public service reform it is more important than ever to have the evidence to demonstrate the social and economic impact the sector's work makes within the Borough of Rochdale. It is therefore useful to know that the sector has an estimated income of £98 million in 2014/15. There are however ongoing concerns that 78 per cent of organisations within our borough have at least one source of public sector funding.

The research highlights the significant contribution of volunteers. They donate a massive 79,800 hours of their time per week, which equates to an estimated economic contribution of £72.2 million per year. The growth of volunteering is likely to be a feature within the sector as funding declines, however it is important that volunteering and community action is recognised as having a cost attached to it.

The research highlights the need for the funding and support of micro and small organisations as they make up 90 per cent of the sector, but receive less than 10 per cent of total income. In contrast medium and large organisations only make up 10 per cent of the sector, yet receive over 90 per cent of its income. According to the survey income is concentrated particularly heavily in the largest organisations.

This research demonstrates the specific social and economic contribution made by the voluntary, community, faith and social enterprise sector in the Borough of Rochdale. It must be recognised that this doesn't occur in isolation. It is therefore essential that we continue to work co-operatively with each other and with our public and private sector partners to ensure that the amazing and vital work continues and that the volunteer time donated by local people remains valued and supported.

Thank you to all of the organisations and groups who took the time to complete the survey that has informed this research as we wouldn't have been able to produce this document without it.

We hope that everyone reading this report will find it interesting and informative.

Michelle Warburton

Chief Executive Officer

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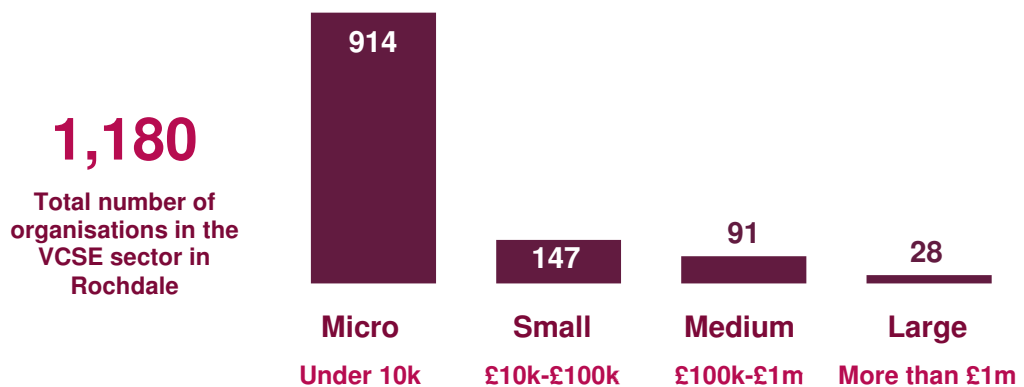
Executive Summary

This report provides the main findings of research aimed at improving the understanding of the social and economic impact of the voluntary, community and social enterprise (VCSE) sector in Rochdale. The key objective of the research was to provide a comprehensive overview of the sector in Rochdale at the start of 2017.

In this summary we answer eleven key questions about the sector and its role across Rochdale.

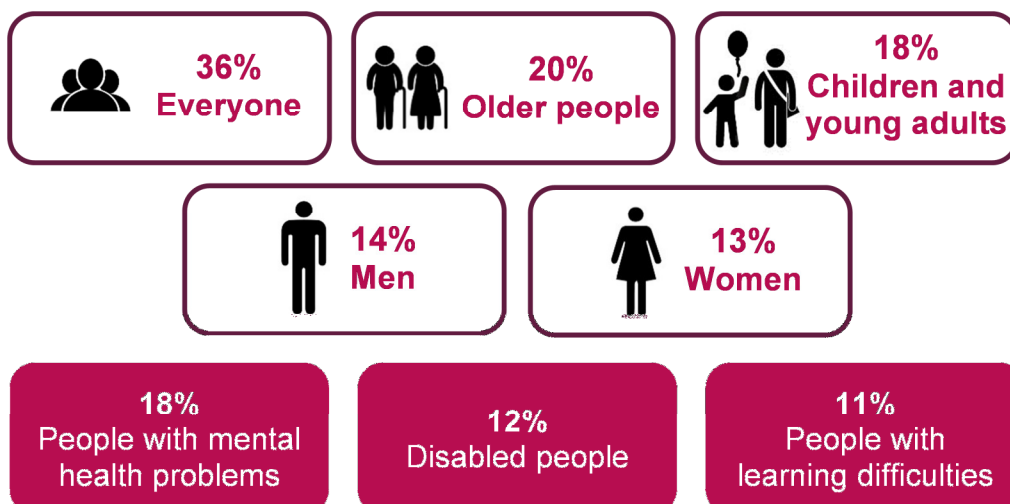
Q1. How many organisations are there?

There are an estimated **1,180 organisations** working in the VCSE sector in Rochdale and the vast majority of organisations are micro or small (less than £100,000):



Q2. Who benefits from their work?

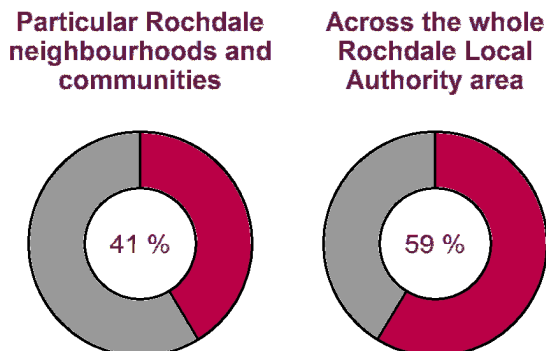
The client groups served by the largest proportions of organisations can be broadly characterised as being demographic. People with mental health problems are also a main client, user or beneficiary group for 18 per cent of organisations. Over one third of organisations surveyed identified 'everyone' as their main clients, users or beneficiaries.



It is estimated that the VCSE sector in Rochdale made:

1.6 million interventions with clients, users or beneficiaries in the past year

The VCSE sector works at a range of different geographical levels: both across and beyond Rochdale; the local authority area, and specific communities and neighbourhoods within it, are the main focus for a majority of organisations:



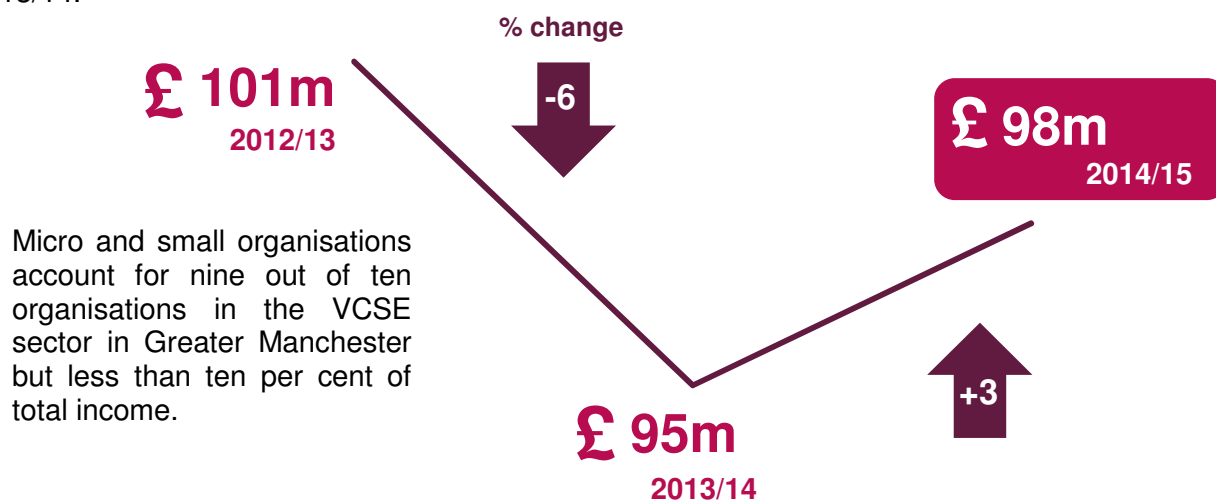
Q3. What does the VCSE sector in Rochdale do?

The areas with the greatest proportion of organisations working in them are:



Q4. What is the income of the VCSE sector in Rochdale?

Total income in 2014/15 is estimated to be **£98m**, an increase of three per cent compared to 2013/14.



Micro and small organisations account for nine out of ten organisations in the VCSE sector in Greater Manchester but less than ten per cent of total income.

Across Greater Manchester **micro and small organisations** experienced **year on year reductions** in total income between 2012/13 and 2014/15.

By contrast medium and **large organisations** saw a reduction in total income between 2012/13 and 2013/14 but then **an increase** between 2013/14 and 2014/15. But income is still below 2012/13 levels.

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

81% have at least one source of **non-public sector funds**

INCLUDING:

Fundraising (received by 56 per cent of respondents)

Grants from charitable trusts and foundations (39 per cent)

Membership fees/subscriptions (39 per cent)

78% have at least one source of **public sector funds**

INCLUDING:

Rochdale Borough Council (received by 55 per cent of respondents)

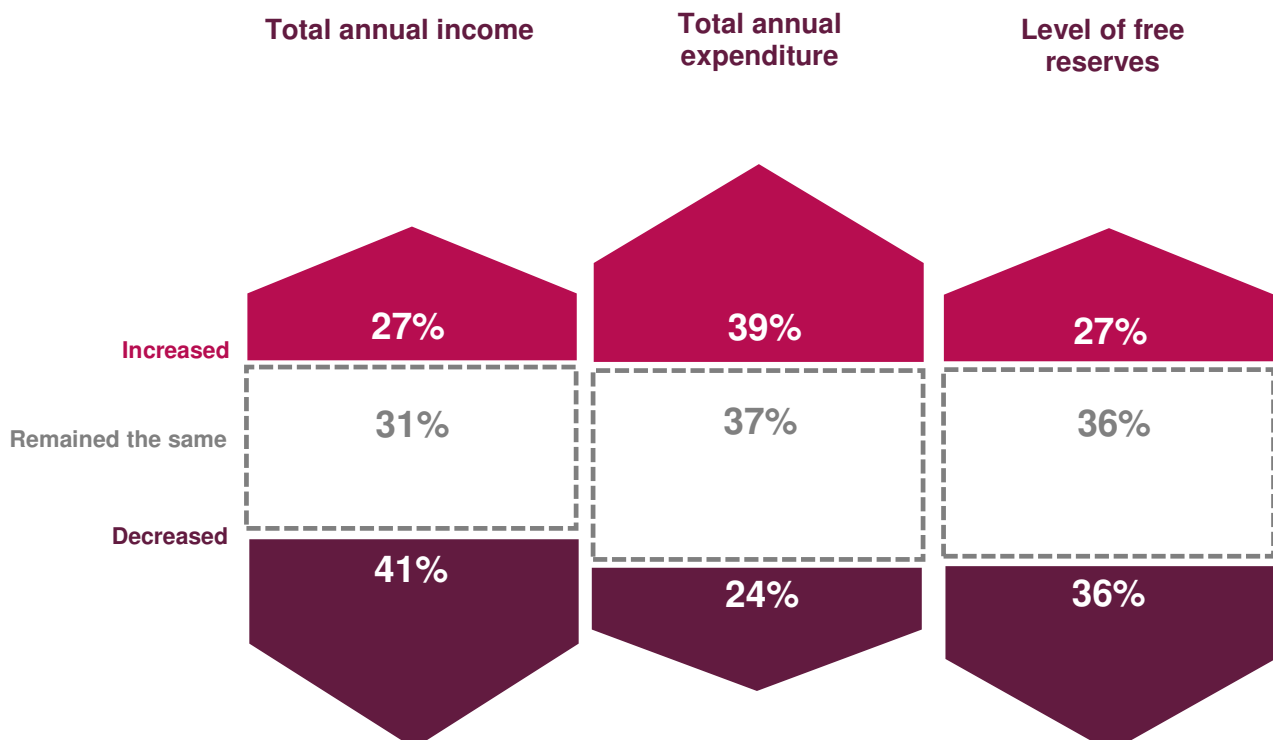
NHS Heywood, Middleton & Rochdale CCG (Social Investment Fund (SIF) funding) (21 per cent)

NHS Heywood, Middleton & Rochdale CCG (main funding) (16 per cent)

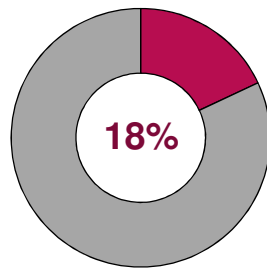
Q6. How sustainable is the VCSE sector in Rochdale?

The survey highlights some areas for concern:

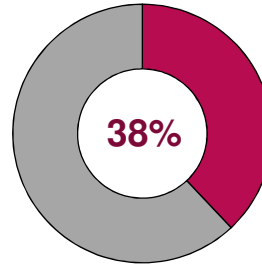
- **39 per cent** of respondents reported increasing their expenditure but only **27 per cent** had experienced an increase in income
- **41 per cent** of respondents reported a decrease in income but only **24 per cent** reduced their expenditure
- **36 per cent** reported a reduction in their financial reserves compared to **27 per cent** reporting an increase.



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



Proportion of organisations with reserves less than one month's expenditure



Proportion of organisations with reserves less than 25 per cent of annual expenditure

Q7. Who works and volunteers in the VCSE sector?

The sector is supported by:

34,300 volunteers & committee/
board members (26,400 volunteers
and 7,900 committee/board members)



who donated
79,800 hours
of their time per week



£72.2 million per annum
= estimated economic contribution
of volunteers



The VCSE sector is also a significant employer. There are an estimated:

2,100 FTE paid staff
employed in the VCSE sector in Rochdale

£ 67.2 million per annum
contributed to the economy by paid employees of Rochdale
VCSE sector organisations

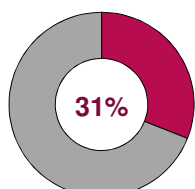
Q8. How good are relationships with public sector bodies?

Survey respondents had dealings with a range of local public sector bodies:

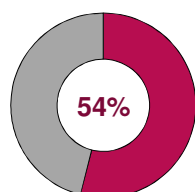
92% had some dealings with **Rochdale Borough Council**

61% had some dealings with **NHS Heywood, Middleton & Rochdale CCG**

53% had some dealings with **Greater Manchester Police**



...of VCSE organisations are satisfied with their ability to influence Rochdale Borough Council; lower than the proportion satisfied with their ability to influence their most frequent other public sector contact (51 per cent)

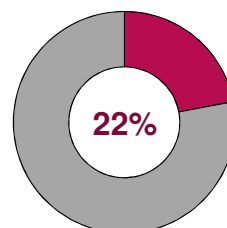


...of VCSE organisations felt Rochdale Borough Council is a positive influence on their success, similar to the proportion who felt their most frequent other public sector contact was a positive influence on their success (53 per cent)

Q9. How well does the VCSE sector work with private businesses?

71% had some dealings with **local private businesses**

... **22 per cent** of respondents felt that the private business community in Rochdale was a positive influence on their organisation's success



Agree private businesses a positive influence

0% are members of a **private sector-led consortium**

Q10. How well does the VCSE sector work together?

70% had a 'great' or 'fair amount' of contact with **other VCSE organisations** in Rochdale (24 per cent with VCSE organisations in Greater Manchester)

36% ...satisfied with opportunities to network with other VCSEs

37% ...satisfied with opportunities to work together to deliver services

43% ...satisfied with opportunities to work together to influence decisions

24% are members of a **formal VCSE consortium**

Q11. What are the key issues facing the VCSE sector in the future?

Respondents were asked about the strategies they are actively pursuing or planning to pursue. Over three-fifths of respondents were already doing or planning to do the following:

65% work more closely with another voluntary/not-for-profit organisation
63% increase earned income

Respondents were also asked to consider the factors they anticipated assisting or constraining their organisation over the next 12 months:

Assisting

TOP FACTORS:

Engagement with public sector bodies (50 per cent assisting or greatly assisting)

Ability to secure grant funding from public sector bodies (46 per cent)

Constraining

TOP FACTORS:

The local economy (45 per cent constraining or seriously constraining)

Ability to recruit volunteers with sufficient skills (40 per cent)

Introduction

This report provides the main findings of research aimed at improving the understanding of the social and economic impact of the voluntary, community and social enterprise (VCSE) sector in Rochdale. The research was commissioned by CVS Rochdale as part of 10GM⁴ with GMCVO and undertaken by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University.

The key objective of the research was to provide a comprehensive overview of the sector in Rochdale at the start of 2017.

The research involved a web-based survey of organisations supporting the people and communities of Rochdale. The research took place between September 2016 and January 2017.

Appendix 1 provides further detail on the research methodology.

⁴ 10GM is a joint venture by the Greater Manchester Voluntary Sector Infrastructure Organisations including Salford CVS (lead partner on this research), Action Together in Oldham and Tameside, Bolton CVS, CVS Rochdale, Macc and Wigan and Leigh CVS.

Context for the Research

2

This research comes during both a period of slow economic recovery following the recent long-term economic downturn and a rapidly changing political backdrop as the UK prepares to exit the European Union and the devolution agenda gains pace.

NCVO report that between 2012/13 and 2013/14 the income and spending of the voluntary and community sector in the UK increased, the first notable net growth since the peaks of 2007/08 and 2009/10 respectively.⁵ Total income has increased by just over £2.4bn to £43.8bn and now exceeds the 'peak income' seen in 2007/08 (£43.2bn). NCVO also report that following a decrease in income from government after 2009/10, income from government increased between 2012/13 and 2013/14 by around £0.5bn, although this remains below 2009/10 levels. The majority of this increase was in the largest charities which means the impact might not be felt as keenly at a local level. Income from individuals has also increased by just over £1bn between 2012/13 and 2013/14 and is now at its highest ever level.

While these figures provide reasons to be optimistic there is still need for caution. With the election of the Conservative Government in May 2015, austerity measures are set to continue for the foreseeable future and VCSE organisations are likely to feel the impact of these measures. This includes the Government's commitment to a continuing programme of welfare reform which is likely to result in increasing demand for some services as benefits are restricted or withdrawn. The total anticipated reduction by 2020/21, from both pre and post-2015 welfare reforms in Rochdale, is predicted to be £129m per year or equivalent to £960 per working age adult per year.^{6,7} These reforms are likely to continue to put pressure on VCSE organisations both in terms of their financial health and the need to meet greater levels of need from existing and new beneficiaries.

Locally, the reductions in public expenditure have been felt acutely in Rochdale. As part of the Coalition Government's plan to reduce the deficit, it reduced funding for local government in England. Across Greater Manchester local authorities have experienced, and are continuing to experience, a decline in Government funding.

Against this background this research provides in depth data about the 'state of the VCSE sector' in Rochdale at the start of 2017. The research provides a comprehensive overview of the sector in Rochdale for partners to draw upon and help harness the potential of the sector.

⁵ UK Civil Society Almanac (2016) NCVO.

⁶ Beatty and Fothergill (2016) *The Uneven Impact of Welfare Reform: The financial losses to places and people*.

⁷ Note: These figures are based on HMRC Budgets and Autumn Statements from between 2010 and 2015. In the 2016 Autumn statement the Pay-to-stay measure was scrapped and so this has been taken account of in the figures. The estimate of cuts due to the LHA Cap in social housing was increased by a further £160m p.a. which is not taken account of in the figures. The Universal Credit Taper was also increased by 2p in the pound, an increase in funding of £570m p.a., which is not included in the figures presented here.

What the Voluntary Community and Social Enterprise Sector in Rochdale does

This chapter develops a picture of the core features of the voluntary, community and social enterprise (VCSE) sector in Rochdale. It focuses on a series of general questions in which respondents were asked about their group or organisation: what it is and what it does.

3.1. How many VCSE organisations are there in Rochdale?

Estimating the number of organisations represents a major challenge. This is because a large proportion of organisations are small, local and **not formally constituted** as charities, limited companies or other recognised forms which require registration (e.g. industrial and provident societies). As a result they do not appear on formal central records such as those held by the Charity Commission or Companies House so are considered '**below the radar**' (BTR). Any estimate of the total number of organisations in an area therefore requires information on the numbers of registered and unregistered (i.e. BTR) organisations.

In estimating the total number of organisations in Rochdale we drew on information from the following sources:

- The Register of Charities in England and Wales, which indicated **293** registered charities with postcodes in Rochdale.
- The ratio of charities to non-charities provided in the 'National Survey of Charities and Social Enterprises' (NSCSE), undertaken by Ipsos MORI for the Cabinet Office in 2010. This was used to gross the estimate upwards to a total of **396** registered organisations, to take account of non-charitable social enterprises.
- Research by NCVO and the University of Southampton⁸ which found that on average there are 3.66 BTR organisations per 1,000 population. If this figure is applied to Rochdale⁹, it can be estimated that there are **784** BTR organisations in the borough.¹⁰

⁸ Mohan, J et al. (2010). *Beyond 'flat-earth' maps of the third sector: enhancing our understanding of the contribution of 'below-the-radar' organisations*. Northern Rock Foundation Briefing Paper

⁹ Based on Office for National Statistics 2015 population estimates

¹⁰ It is important to note that the BTR figure is an estimate based on an average across 46 local authorities. The BTR research found significant variability, with some local authorities reaching over seven BTR organisations per 1,000 population, and in one case exceeding 10.

Summing the estimated numbers for both registered and BTR organisations produces an estimated figure of:

1,180 organisations *in total operating in the VCSE sector in Rochdale.*

3.2. What size are organisations in Rochdale?

The size of organisations is traditionally measured using their annual income¹¹. Exploring the distribution by size category based on income for 2014/15 across Greater Manchester showed some inconsistency with the distribution found in the 2013 study. Therefore, in order to provide the most robust estimate of organisations in the VCSE sector by size, data from both waves of the survey have been used to estimate the proportion of organisations within each size category. As Rochdale did not participate in the 2013 study, in order to provide the most reliable figures possible, the distribution of organisations across Greater Manchester as a whole has been used to estimate the number of organisations within each size banding in Rochdale.

When the distribution of organisations across Greater Manchester was explored by size category based on income for 2014/15, it showed that **the majority of organisations were either micro or small**. But the survey was under-representative of BTR organisations (only 33 per cent of survey respondents were identified as BTR), so this did not present an accurate picture of the actual distribution. The figures were therefore adjusted based on the assumption that the estimated 8,006 organisations not included in the survey sample were BTR and micro in size¹².

The outcome of this process is shown in figure 3.1, which demonstrates that an estimated 77 per cent of the VCSE sector (914 organisations in Rochdale) are micro in size, 12 per cent are small (147 organisations), eight per cent are medium (91 organisations), and two per cent are large (28 organisations).

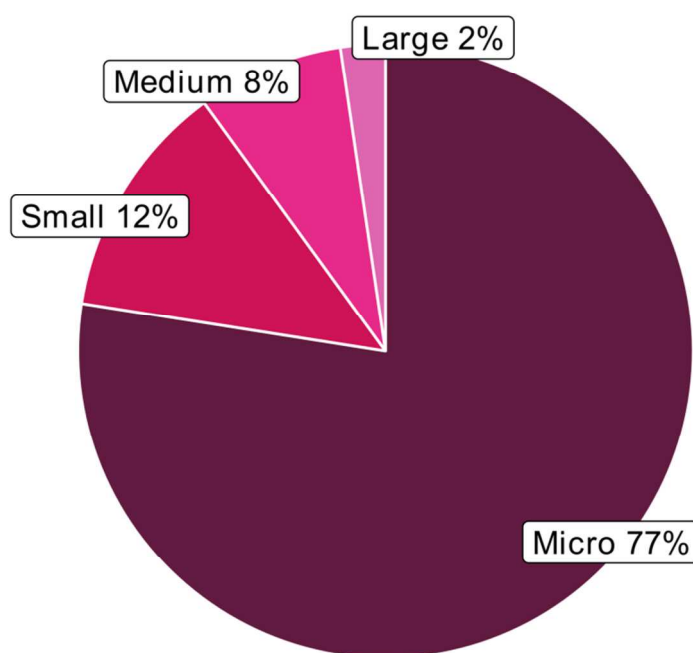
Introducing the BTR figure produces a much higher estimate for the number and proportion of micro organisations and emphasises the finding that a large proportion of organisations in the VCSE sector in Greater Manchester are very small (90 per cent micro or small). This is similar to the national picture: NCVO¹³ estimate that 83 per cent of the VCSE sector is made up of micro or small organisations, 14 per cent are medium, and three per cent are large.

¹¹ In exploring organisation size we used the categories developed by NCVO for use in their Almanac series (see e.g. Clark, J *et al.*, 2010)

¹² The basis for these assumptions is discussed in more detail in the methodological annex

¹³ UK Civil Society Almanac (2016) NCVO.

Figure 3.1: Proportion of Greater Manchester VCSE organisations by size (estimated)



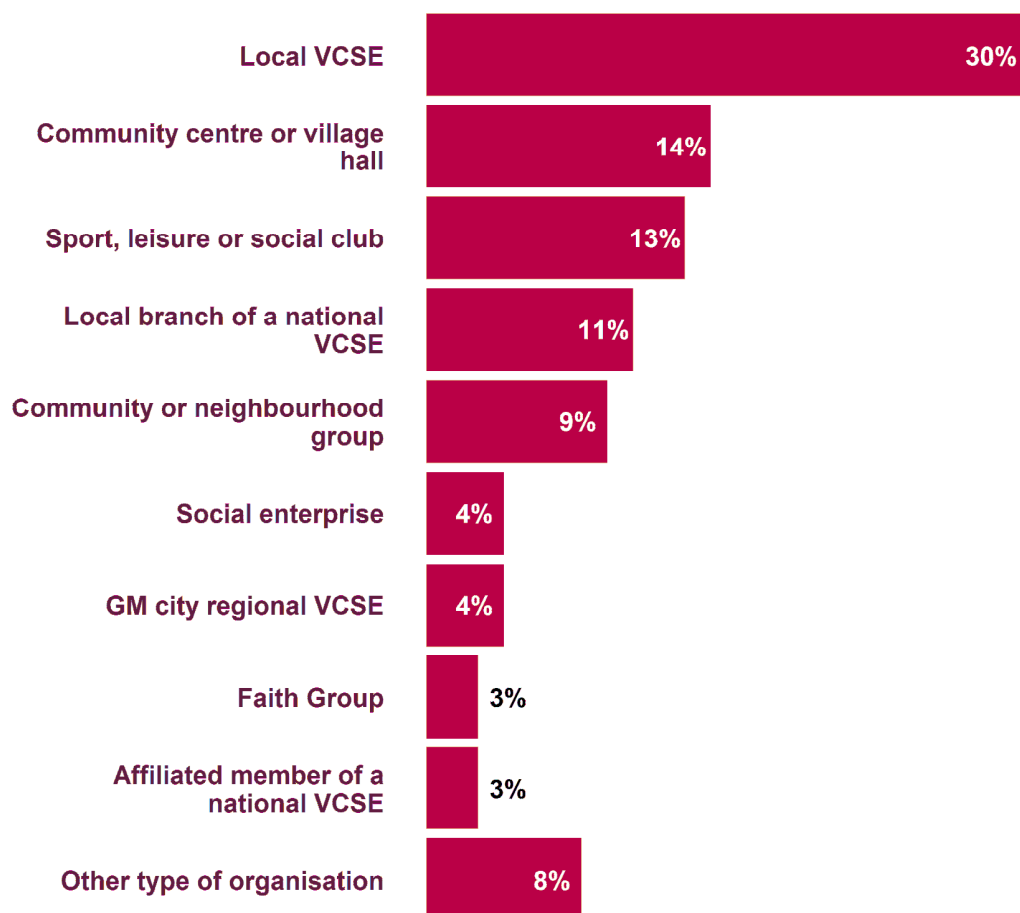
Source: Greater Manchester State of the VCSE sector survey 2016/17
Base: 720

3.3. What types of organisations operate in the VCSE sector in Rochdale?

Respondents to the questionnaire were asked to identify which category from a list of 'organisation types' best described their organisation. The results indicate that many organisations in the VCSE sector are likely to have a local focus. Figure 3.2 shows that the largest proportion, **30 per cent, identified their organisation as being a local voluntary organisation**. A further 14 per cent identified themselves as a community centre or village hall. National organisations were less common: just 11 per cent of organisations stated they were a branch of a national voluntary organisation.

Across Greater Manchester local voluntary organisations (22 per cent) and community or neighbourhood groups (15 per cent) accounted for 38 per cent of respondents, similar to in Rochdale (39 per cent). National organisations were more common at the Greater Manchester level.

Figure 3.2: Type of organisations



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 76

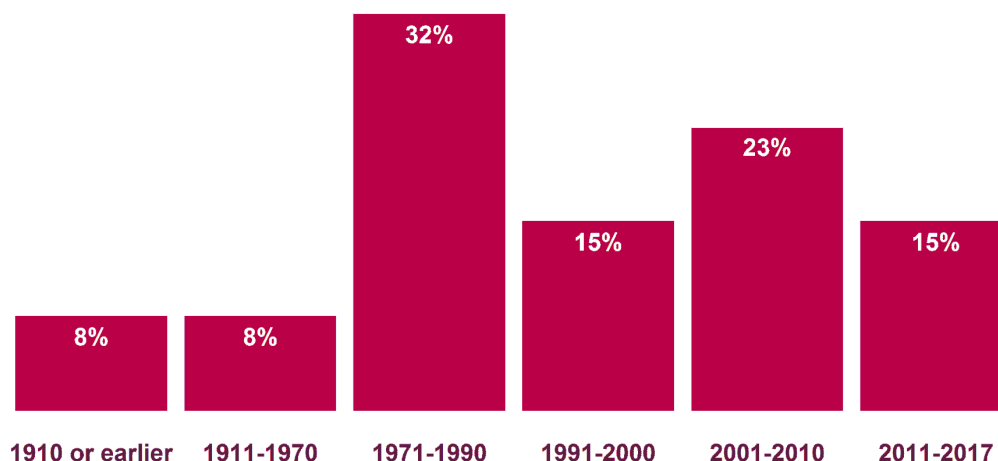
3.4. How long have organisations in the VCSE sector been operating?

The questionnaire asked respondents to indicate when their organisation was formed. Assessment of organisations by the year in which they were formed provides an indication of how established the VCSE sector is in Rochdale.

The responses received build a picture of a VCSE sector that has a fairly well established core. However, the VCSE sector in Rochdale has also seen the formation of many new organisations since 2001. Figure 3.3 shows that 38 per cent of organisations responding to the survey had been formed since 2001, including 32 per cent in the past 10 years (i.e. since 2006). Furthermore, an additional 15 per cent were formed between 1991 and 2000; this means over **half (53 per cent) of organisations were formed in the last 25 years**. At the other end of the spectrum 15 per cent of organisations had been formed before 1971, including eight per cent formed in 1910 or before.

The pattern for organisations responding to all of the Greater Manchester surveys was broadly similar. 43 per cent of respondents had been formed in the past 10 years. Six per cent of Greater Manchester organisations had been formed before 1911.

Figure 3.3: Year in which organisations were formed



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 66

It is important to conclude this section by drawing an important qualification. Although the results suggest that it is likely that the VCSE sector in Rochdale has experienced growth in the number of organisations established in the last 20 years or so, it may not be as dramatic as the figures suggest. By definition, the survey is of organisations still operating in Rochdale in 2016/17, not those which have closed down or ceased operations. Of the organisations which have survived through to 2016/17, the results suggest that a high proportion were established in the last 20 years. But some of the organisations established before, and since, may have subsequently closed down. Because we do not know the rate of closure over time we cannot be certain that the aggregate number of organisations being established or surviving is increasing.

3.5. What does the VCSE sector in Rochdale do?

To elicit a picture of what the VCSE sector in Rochdale does, the survey asked respondents to identify up to three main areas in which their organisation operates. Figure 3.4 presents the top ten main areas selected and confirms the message that the VCSE sector in Rochdale works in a diverse range of thematic service areas. However, the proportion of responding organisations working in each area varies. This is most likely dependent on need and funding opportunities.

Figure 3.4 shows:

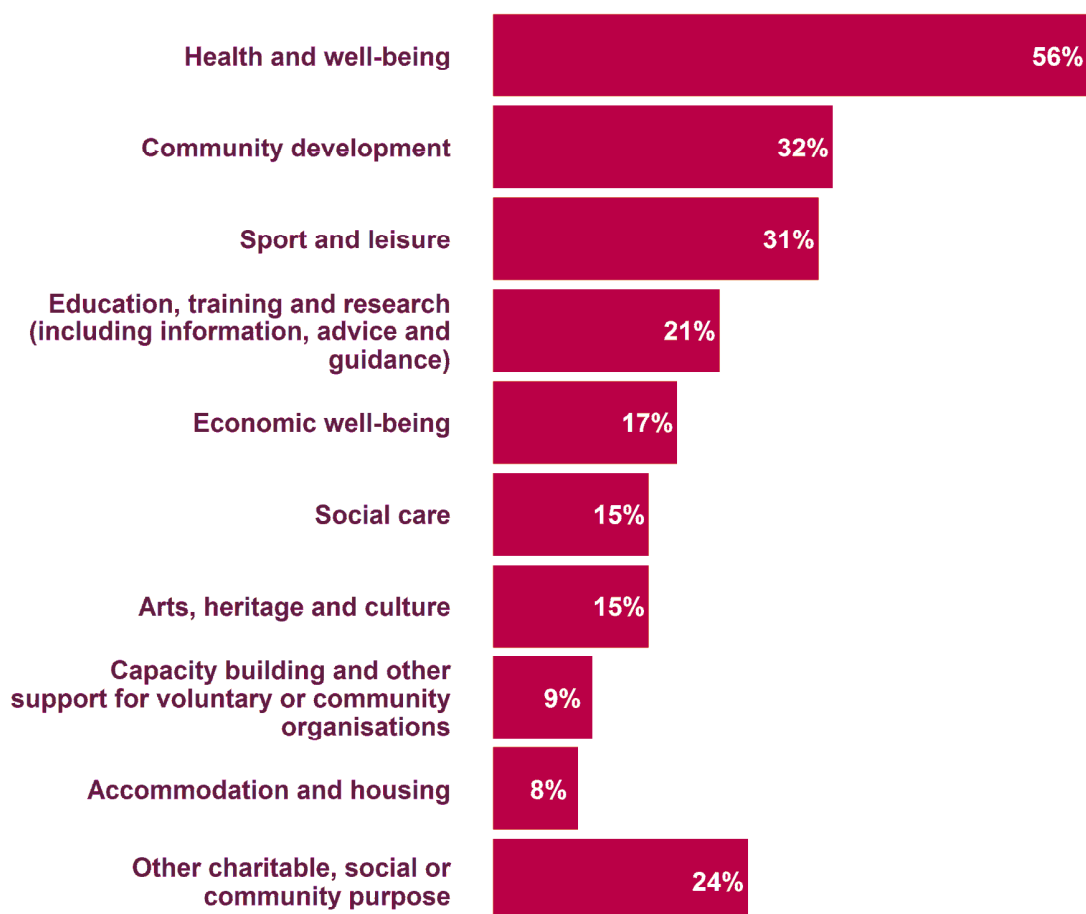
- 56 per cent **of organisations worked in the area of health and well-being**
- 32 per cent worked in community development
- 31 per cent worked in sport and leisure
- 21 per cent worked in education, training and research.

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

- health and well-being (46 per cent)
- community development (39 per cent)
- education, training and research (26 per cent)

- and sport and leisure (25 per cent).

Figure 3.4: Top 10 main areas in which organisations work



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 75

Respondents who indicated they worked in the area of health and well-being were asked to specify the specific areas in which they operate. Of the 42 respondents who answered this question, 35 (83 per cent) stated they worked in health and well-being in general. 30 respondents (71 per cent) indicated they worked in mental health and 17 respondents (40 per cent) said they worked in the area of learning disability. Responses were similar for Greater Manchester overall.

In a similar vein, respondents who identified education, training and research as a main area of work were asked to specify the areas they worked within this theme. Of the 16 respondents who answered this question, 12 (75 per cent) stated they worked in information, advice and guidance, 11 (69 per cent) said they worked in education and the same number (11 respondents) said they worked in lifelong skills.

Who the Voluntary Community and Social Enterprise Sector in Rochdale works with

This chapter focuses on who the VCSE sector in Rochdale works with and where.

4.1. Who are the clients, users or beneficiaries of the VCSE sector in Rochdale?

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

Summing across the 63 organisations that responded gives a total of 340,000 interventions overall. Doing the same for the 62 organisations who provided a figure for Rochdale gives a total of 244,000 interventions in Rochdale. The responses received can be extrapolated for the estimated 1,180 organisations thought to be operating in the VCSE sector in Rochdale to provide an estimate of the total number of interventions by Rochdale organisations. Working through the calculation it is estimated that Rochdale organisations had:

1.6 million interventions with clients, users or beneficiaries in the past year overall

1.4 million interventions with clients, users or beneficiaries in the past year in Rochdale

The questionnaire also asked respondents to identify up to three groups that make up the main clients, users or beneficiaries of their organisation.

Figure 4.1 shows that, as might be expected, the VCSE sector in Rochdale serves a diverse and wide ranging population. In many cases, client groups are served by relatively small numbers of organisations: 10 per cent of organisations or fewer serve 14 of the client groups listed.

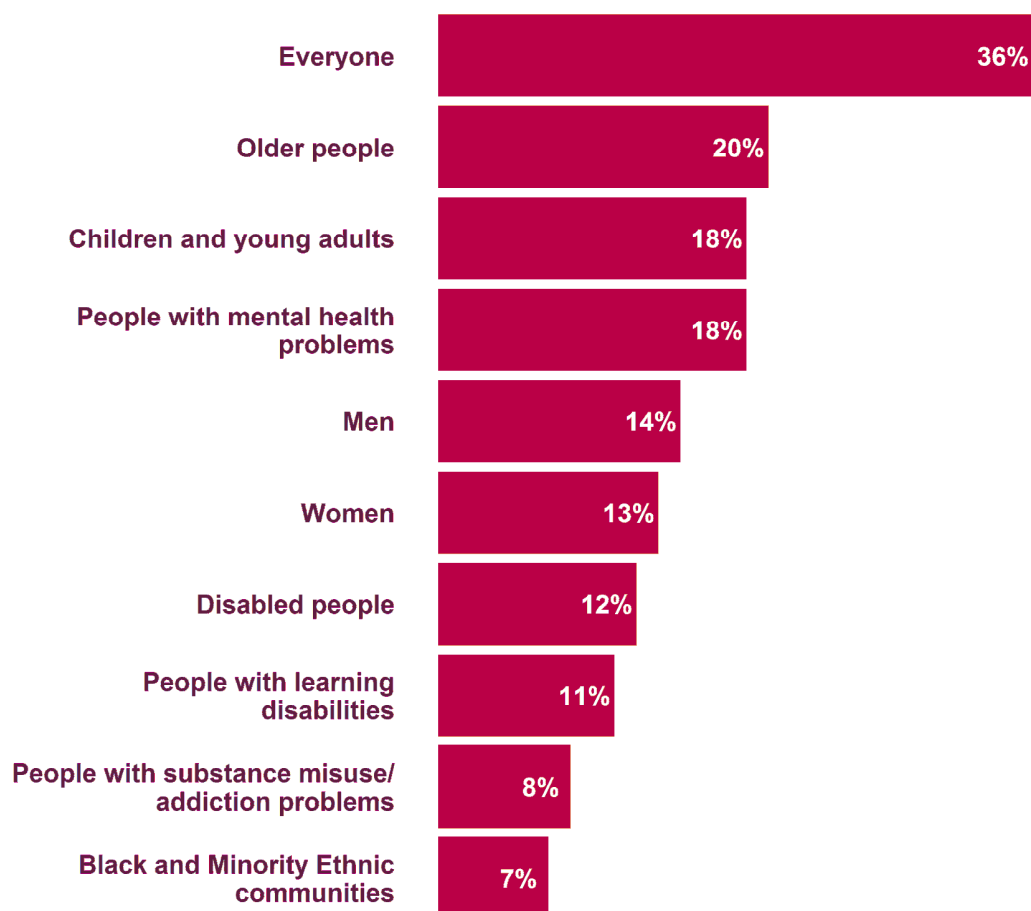
Figure 4.1 shows that the client groups served by the largest proportions of organisations can be broadly characterised as being demographic: - older people (20 per cent), children and young adults (18 per cent), men (14 per cent) and women (13 per cent).

Over one third (36 per cent) of organisations identify 'everyone' as their main clients, users or beneficiaries. Individuals with health issues are also served by relatively high proportions of organisations. People with mental health problems are a main client, user or beneficiary group for 18 per cent of organisations and disabled people make up a main, client or user group for 12 per cent of organisations.

Analysis of responses to the Greater Manchester survey found a broadly similar pattern with general and demographic client groups also being the most common beneficiary groups identified, although the ordering was slightly different:

- everyone: 33 per cent
- children and young adults: 23 per cent
- older people: 17 per cent
- women: 15 per cent
- men: 12 per cent.

Figure 4.1: Top 10 main client groups of Rochdale organisations

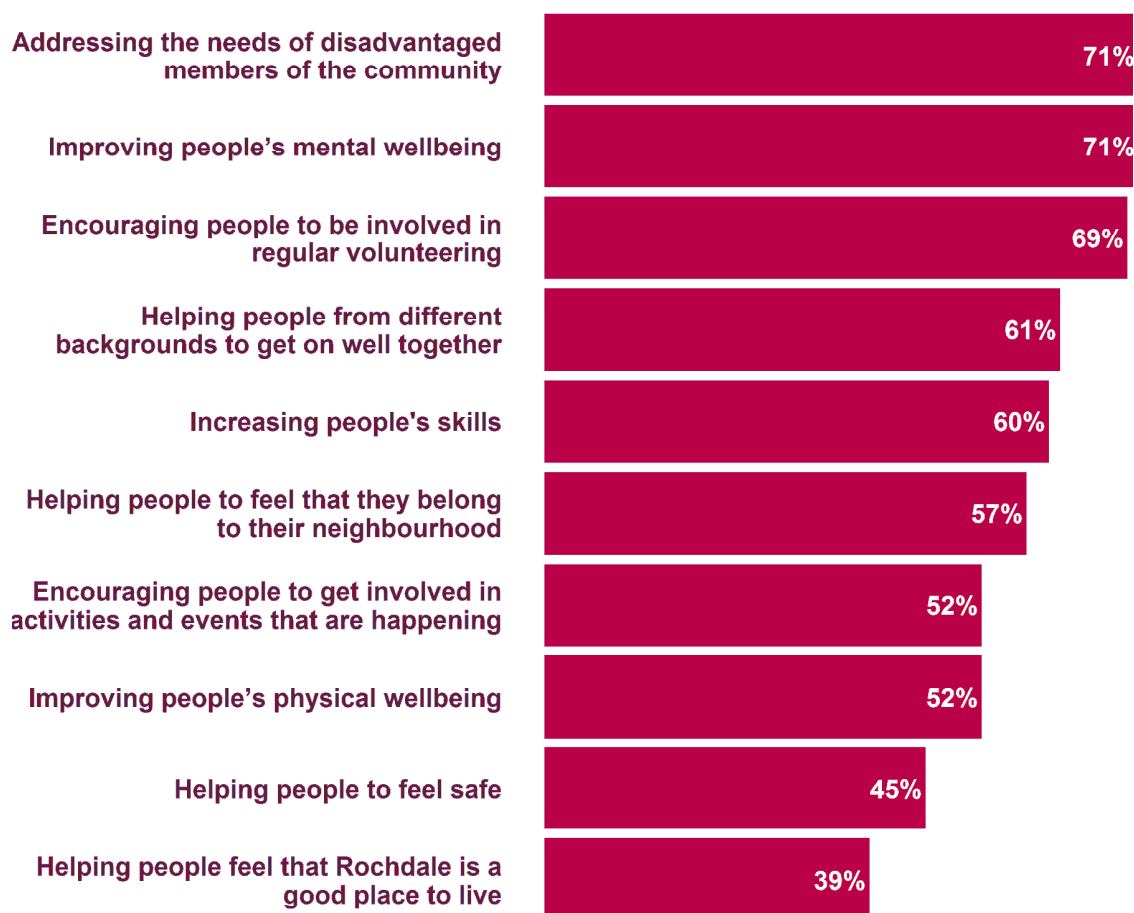


Source: Rochdale State of the VCSE sector survey 2016/17
Base: 76

Respondents to the survey were asked to identify the ways in which their organisation makes a difference for its service users/client group(s). This question demonstrates the key role that the VCSE sector has in fostering strong and cohesive communities within Rochdale and highlights the importance of the VCSE sector as an essential part of the social fabric of the borough. As figure 4.2 shows, around seven out of ten or more organisations felt they are addressing the needs of disadvantaged members of the community (71 per cent), improving people's mental wellbeing (71 per cent) and encouraging people to be involved in regular volunteering (69 per cent).

Improving people's mental wellbeing, addressing the needs of disadvantaged members of the community and increasing people's skills were the three most common responses across Greater Manchester.

Figure 4.2: Top 10 ways in which organisations make a difference



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 75

4.2. What geographical levels does the VCSE sector operate at?

The survey asked respondents to identify the main geographical levels at which they operate – this ranged from the neighbourhood level, to those operating across England, the UK or overseas. In this question respondents were asked to pick out up to three main geographic levels, the results of which are presented in figure 4.3. This shows that the **local area is a main focus for a majority of organisations:**

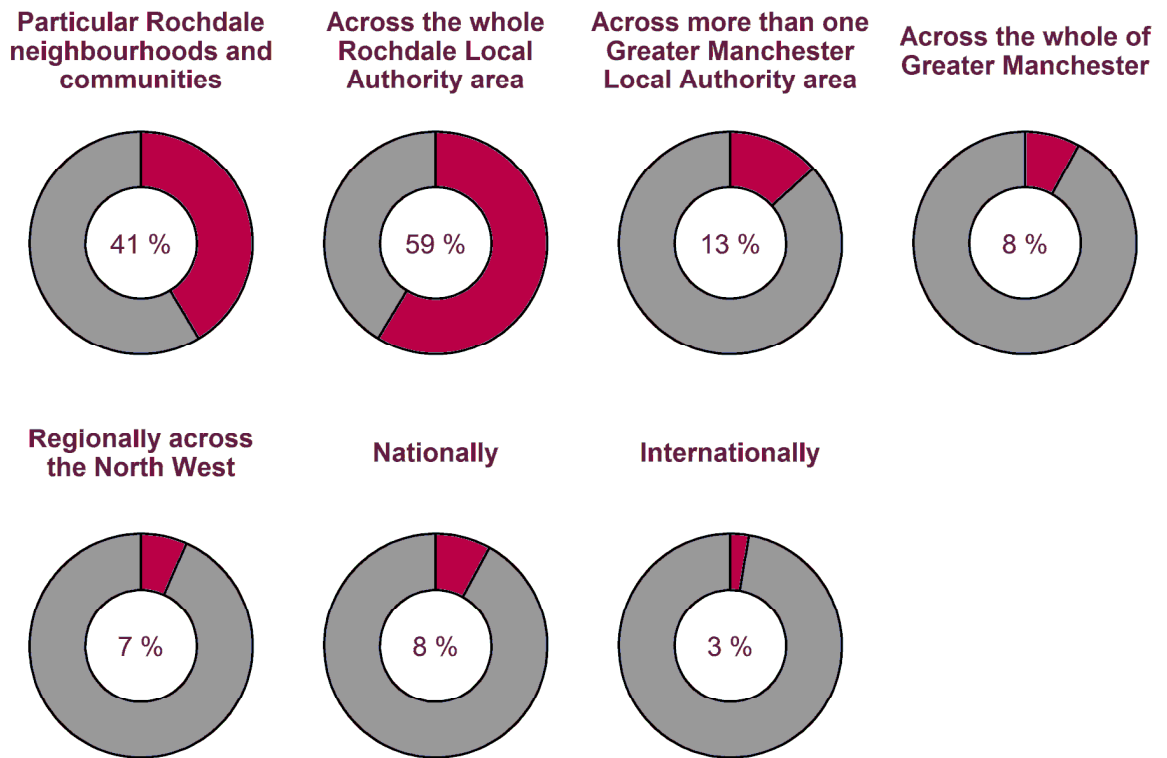
- 59 per cent identified the whole of the Rochdale local authority area as a main focus of their work.
- a further 41 per cent identified particular Rochdale neighbourhoods or communities as a main focus.

Eight per cent of organisations cited that a main geographic area at which they work was national and three per cent indicated a main geographic area at which they work was international.

The picture for Greater Manchester organisations shows that 44 per cent identified particular neighbourhoods and communities as a main geographic focus and 40 per cent identified the whole of their local area as a main focus. Over one in ten (11 per

cent) organisations across Greater Manchester as a whole said they worked nationally while three per cent indicated a main geographic focus was internationally.

Figure 4.3: Main geographic focus



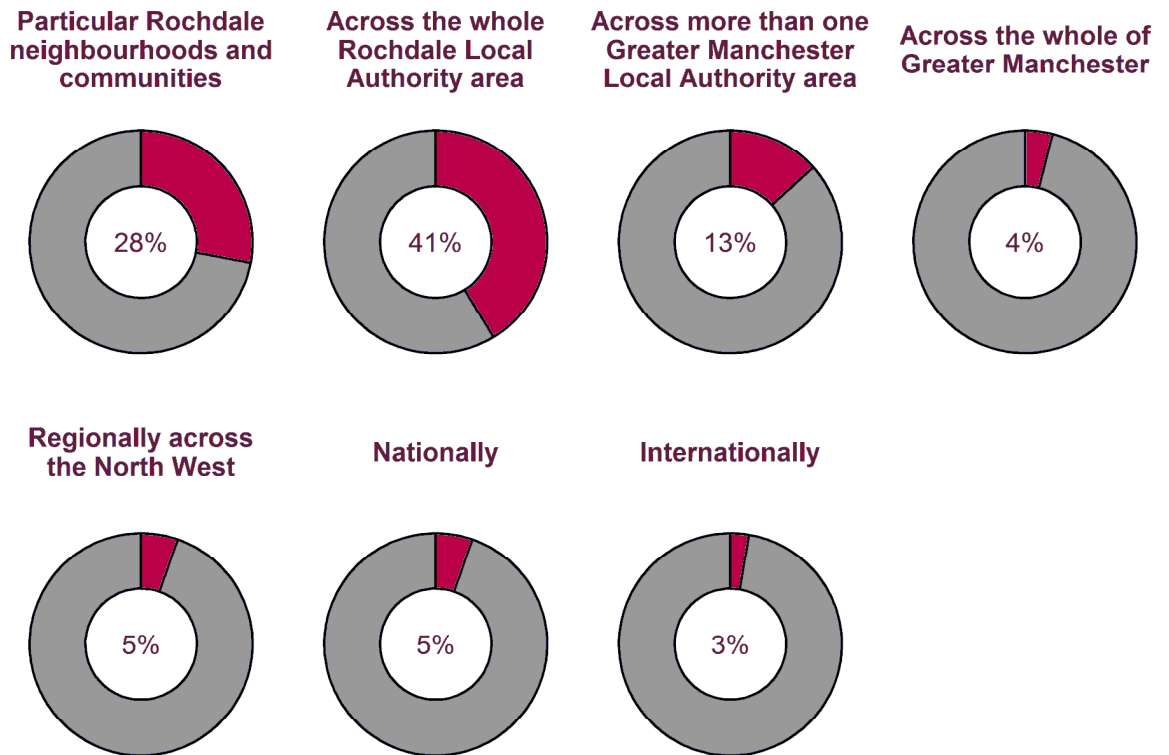
Source: Rochdale State of the VCSE sector survey 2016/17
Base: 75

Using the responses to this question it is also possible to identify the highest main geographic area that an organisation carries out its activities (see figure 4.4 below). The highest geographic area that could be identified was internationally.

This analysis finds that for two-fifths (41 per cent) their highest main geographic focus was across the whole of the Rochdale local authority area and for 28 per cent it was particular Rochdale neighbourhoods and communities.

Across Greater Manchester as a whole 34 per cent identified particular local neighbourhoods and communities as the highest main focus, while for 27 per cent of respondents their local authority area was their highest main focus.

Figure 4.4: Highest geographic focus



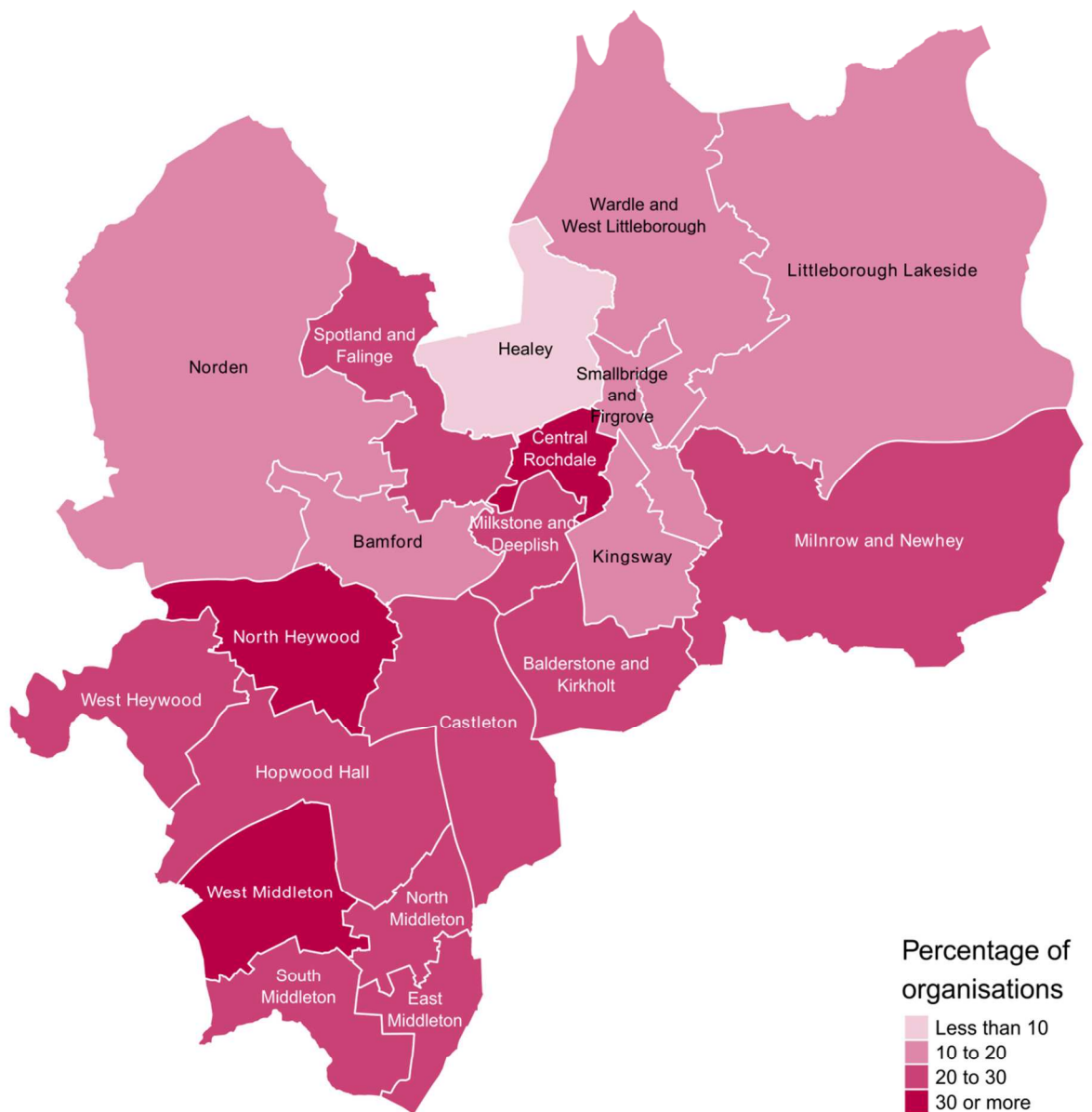
Source: Rochdale State of the VCSE sector survey 2016/17
 Base: 75

Respondents who reported that the whole Rochdale local authority area or particular Rochdale neighbourhoods or communities were a main geographic focus of their organisation, were asked to identify in which wards their work focused on. Map 4.1 shows the percentage of all organisations that identified each of Rochdale's wards as a main focus of their work.

Almost one third (31 per cent) of Rochdale organisations identified Central Rochdale, North Heywood and West Middleton, as a main focus.

Healey was the ward which was a main focus for the lowest proportion (seven per cent).

Map 4.1: Percentage of organisations that identify Rochdale's wards as a main focus of their work



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 29

Finances and Income

This chapter provides an overview of the finances and income of the VCSE sector in Rochdale. It includes estimates of the overall income received by the sector between 2012/13 and 2014/15, analysis of the different sources of income received (public sector and non-public sector) and their relative contribution, and an assessment of the financial sustainability of the VCSE sector.

5.1. Income

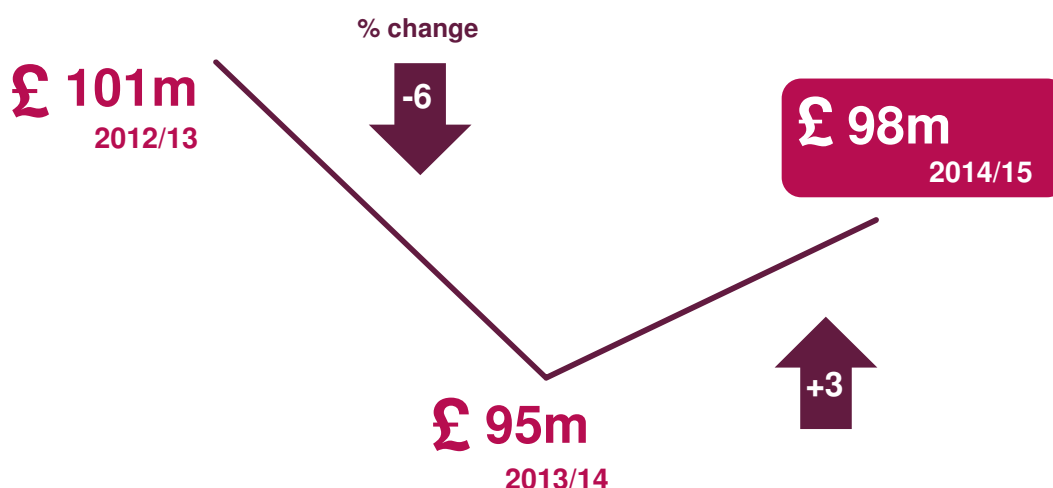
Based on the average (mean) income of respondents to the survey across Greater Manchester, and drawing on the assumptions used to estimate the total number of organisations in Rochdale, the following is estimated¹⁴ -

£98 million *the total income of the VCSE sector in Rochdale in 2014/15*

This total income estimate represents an increase of three per cent compared to 2013/14 when the total income of the VCSE sector was an estimated £95 million. This follows a reduction between 2012/13 and 2013/14 of an estimated six per cent in the total income of the sector. This data is outlined in more detail in figure 5.1.

¹⁴ This figure is based on a weighted average (mean) for each size category for respondents from across Greater Manchester. The methodology is explained in more detail in the methodological appendix.

Figure 5.1: Estimated annual income of the VCSE sector in Rochdale (2012/13-2014/15)



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 56 All figures are in 2014/15 prices

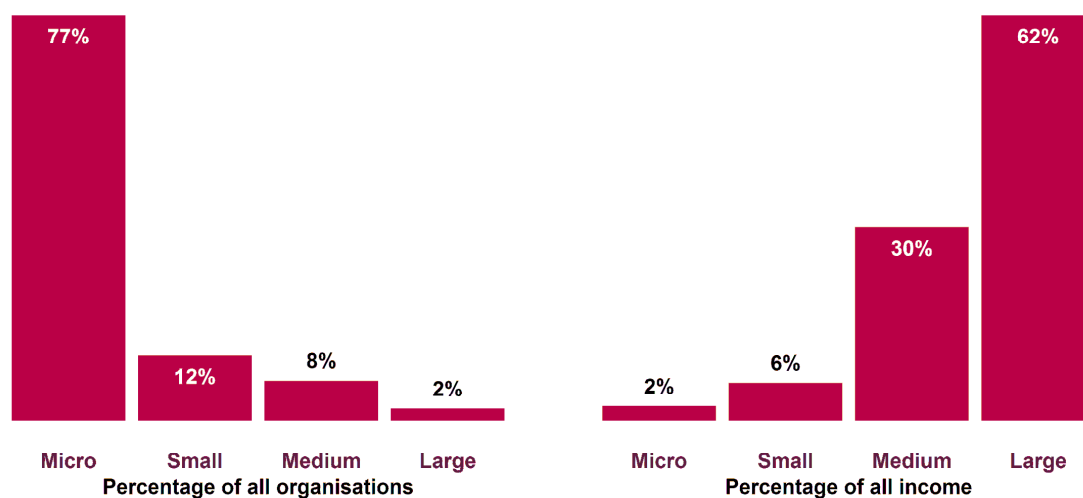
This change in income should be viewed in the wider national context discussed in Chapter two. The picture is somewhat more positive than in the previous 2012/13 study. Between 2012/13 and 2013/14 the income and spending of the VCSE sector in the UK increased, representing the first notable net growth since the peaks of 2007/08 and 2009/10 respectively. While the data above shows a decrease in Rochdale between these two years results indicate a more recent upturn in the local area. However, with austerity measures set to continue for the foreseeable future and public sector funding for the sector continuing to be squeezed, there is still need for caution.

Analysis of income data from survey respondents across Greater Manchester¹⁵ showed notable variations in income according to organisation size¹⁶. In 2014/15, the majority of income was concentrated in large and medium sized organisations even though the majority of organisations were micro or small. This is outlined in more detail in figure 5.2.

¹⁵ It was not possible to undertake sufficiently robust analysis of these trends at the Rochdale local authority level

¹⁶ In exploring organisation size we used the categories developed by NCVO for use in their Almanac series (see e.g. Clark *et al.*, 2010)

Figure 5.2: Proportion of organisations and proportion of income by organisation size (all Greater Manchester organisations: 2014/15)



Source: Greater Manchester State of the VCSE sector survey 2016/17
Base: 720

This shows that **micro and small organisations account for nine out of ten organisations in the VCSE sector but less than ten per cent of total income.** By contrast medium and large organisations account for just one in ten of the VCSE sector's organisations but receive more than 90 per cent of its income. Income is concentrated particularly in the largest organisations, with around three fifths of all income (62 per cent) into the VCSE sector received by only 374 organisations.

Further variations according to organisation size were identified when we explored how income levels had changed between 2012/13 and 2014/15. These are summarised in table 5.1.

Table 5.1: Estimated change in annual income by organisation size (all Greater Manchester organisations: 2012/13-2014/15)

	Micro (under £10k)		Small (£10k-£100k)		Medium (£100k-£1m)		Large (more than £1m)	
	Income	% change	Income	% change	Income	% change	Income	% change
2012/13	£32.3m		£84.9m		£413.9m		£829.2m	
2013/14	£31.0m	-4	£82.4m	-3	£382.8m	-8	£785.1m	-5
2014/15	£30.0m	-3	£77.0m	-7	£391.5m	2	£822.6m	5

Source: Greater Manchester State of the VCSE sector survey 2016/17
Base: 720 All figures are in 2014/15 prices

This shows that across Greater Manchester the micro and small organisation categories experienced year on year reductions in total income between 2012/13 and 2014/15. For micro organisations this is a continuation of a trend identified in the 2012/13 survey where these organisations experienced a reduction of more than 10 per cent between 2010/11 and 2011/12. In contrast the 2012/13 survey identified a small increase in income between 2010/11 and 2011/12 for small organisations.

By contrast medium and large organisations saw a reduction in total income between 2012/13 and 2013/14 but then an increase between 2013/14 and 2014/15. For

medium organisations this could indicate the start of a reversal in a trend identified in both the 2010 and 2012/13 surveys where year-on-year reductions in income were identified. This income volatility is a significant challenge in the operating context for medium and large organisations.

5.2. Sources of Income

5.2.1. Public sector income

Survey respondents were asked to identify the public sector bodies from which they received funding in their most recent financial year. Overall, **78 per cent of respondents reported having at least one source of public sector funds**. This is higher than the figure for Greater Manchester as a whole (68 per cent).

Funding from Rochdale Borough Council was the most frequently identified source of public sector funding (55 per cent). One fifth (21 per cent) received funding from NHS Heywood, Middleton & Rochdale Clinical Commissioning Group (Social Investment Fund (SIF) funding) and 16 per cent from NHS Heywood, Middleton & Rochdale Clinical Commissioning Group (main funding).

This pattern was reflected across Greater Manchester, where local authorities consistently emerged as the most frequent source of public sector funds.

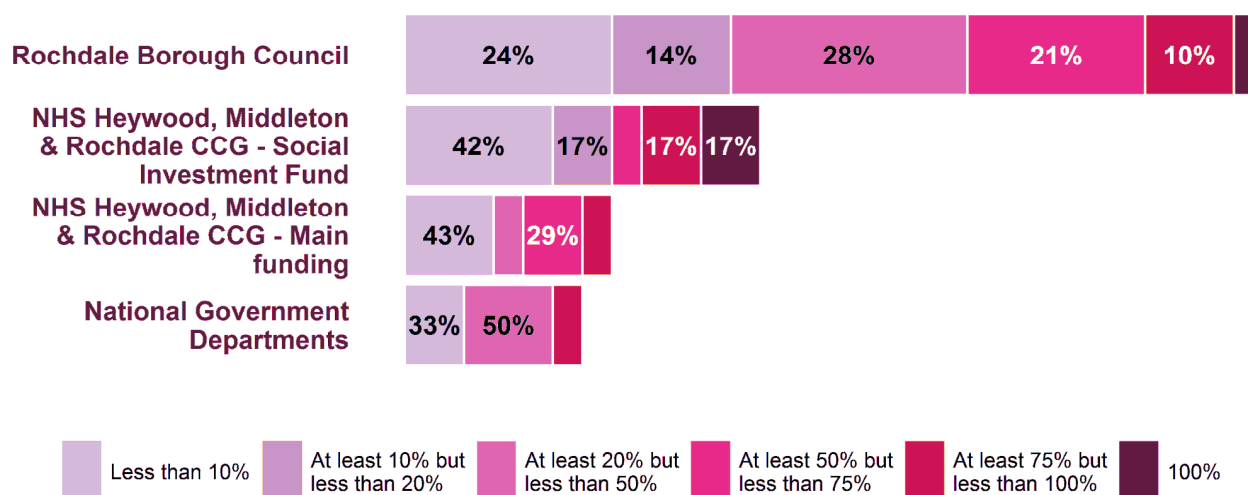
Respondents were also asked to estimate the proportion of their group or organisation's total income that each source of public sector income represented. Figure 5.3 shows the four most common sources of public sector funding received and the estimated proportion of total income this represents.

Figure 5.3 shows that for those receiving funding from Rochdale Borough Council this represented less than 10 per cent of their total income for one quarter (24%) of organisations. In contrast for 14 per cent this funding represented at least 75 per cent of income overall.

The survey also asked respondents with public sector income whether they had received a formal funding agreement for each source. 87 per cent of Rochdale Borough Council funding was made with a formal agreement.

Where formal agreements are in place for 41 per cent of organisations at least one of these agreements is on a payment by results basis.

Figure 5.3: Public sector funds received by Rochdale respondents (2014/15)

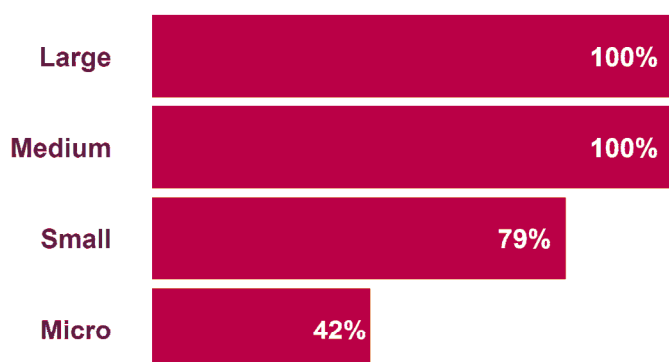


Source: Rochdale State of the VCSE sector survey 2016/17
Base: 6-29

The survey also revealed notable variations in public sector income received by organisations of different sizes. Micro organisations were less likely than small, medium and large organisations to have at least one source of public sector income. This is outlined in more detail in figure 5.4.

This shows that only 42 per cent of micro organisations that responded to the survey received public sector funding compared to 79 per cent of small organisations, 100 per cent of medium organisations and 100 per cent of large organisations.

Figure 5.4: Proportion of Rochdale organisations in receipt of public sector funds by organisation size (2014/15)



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 51

5.2.2. Other sources of income

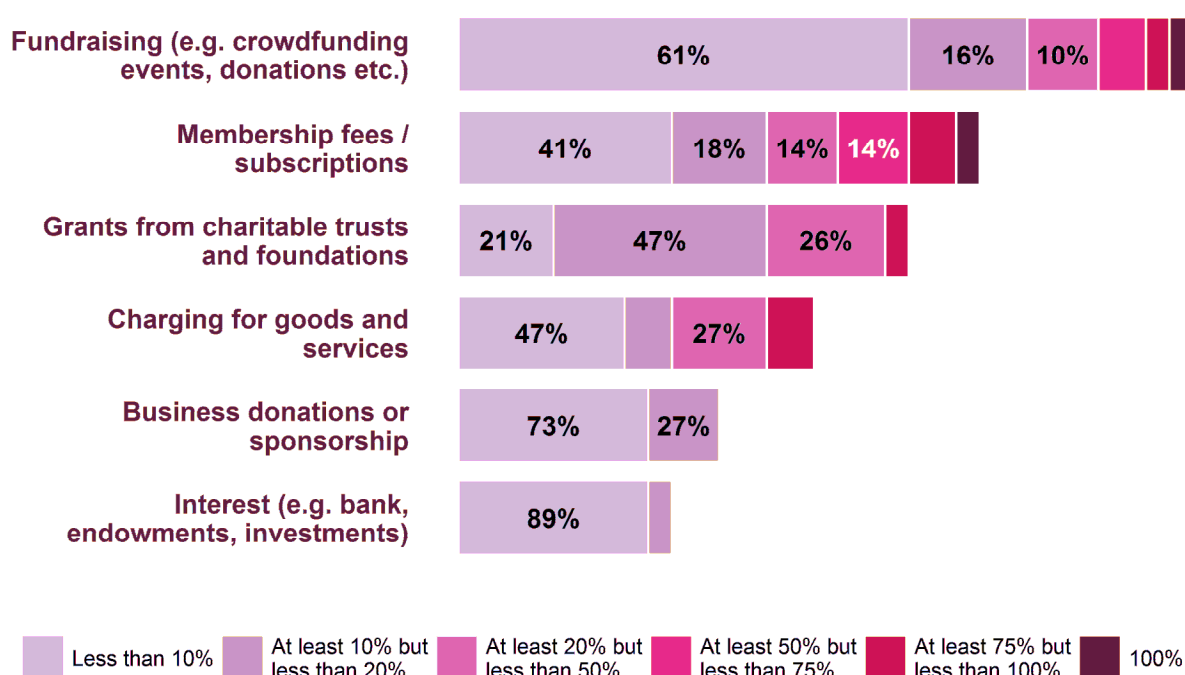
Survey respondents were also asked to identify any other sources of income (i.e. non-public sector) they received in 2014/15. Overall, **81 per cent of respondents received funds from at least one non-public sector source**. Across Greater Manchester 84 per cent of respondents received non-public sector income.

Fundraising was the most frequently identified source of other funds (56 per cent of respondents) followed by grants from charitable trusts and foundations (39 per cent) and membership fees/subscriptions (39 per cent). Fundraising was also the most common type of other funding received across Greater Manchester as a whole.

Respondents were also asked to estimate the proportion of their group or organisation's total income received from each of the non-public sector funding sources. Figure 5.5 shows the most prominent sources of non-public sector funding received and the estimated proportion of total income this represents.

Figure 5.5 shows that for 61 per cent (19 respondents) of those receiving income from fundraising, this funding represented less than 10 per cent of their total income. At the other end of the spectrum for 13 per cent of organisations (4 respondents) this represented at least 50 per cent of their total income.

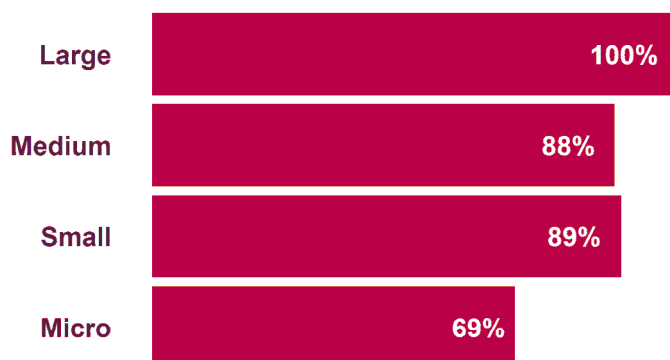
Figure 5.5: Other funds received by Rochdale respondents (2014/15)



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 9-31

Micro organisations were less likely than small, medium and large organisations to have income from non-public sector sources. This is demonstrated by figure 5.6.

Figure 5.6: Proportion of organisations in receipt of other funds by organisation size (2014/15)

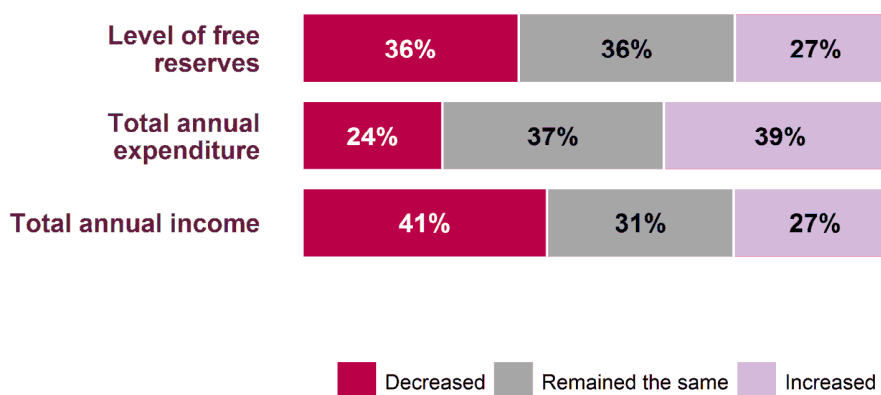


Source: Rochdale State of the VCSE sector survey 2016/17
Base: 52

5.3. Financial Sustainability

The survey asked respondents about how their organisation's financial situation had changed in the past 12 months (i.e. during the current financial year). The results are outlined in figure 5.7.

Figure 5.7: Change in financial circumstances in the last 12 months



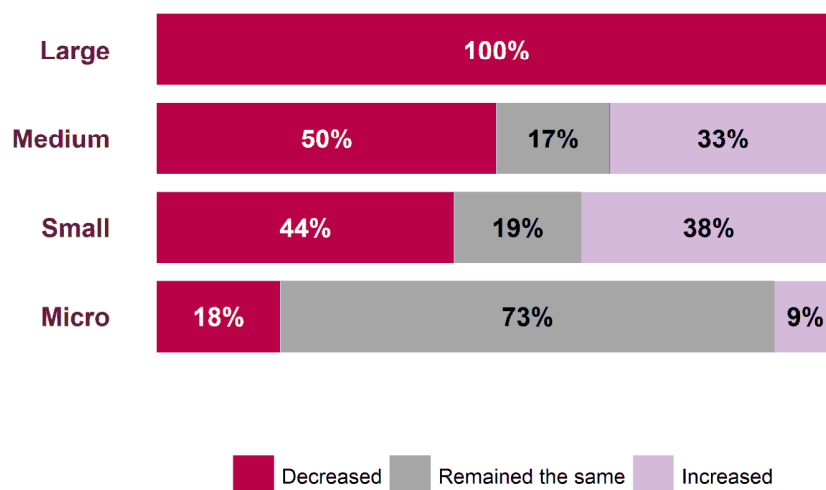
Source: Rochdale State of the VCSE sector survey 2016/17
Base: 51 (income), 51 (expenditure), 44 (free reserves)
Note: 'cannot say' response has been excluded from the analysis

This raises some concerns: 39 per cent of respondents reported increasing their expenditure but only 27 per cent had experienced an increase in income and only 27 per cent reported an increase in reserves. In addition, 41 per cent of respondents reported a decrease in income but only 24 per cent reduced their expenditure.

15 per cent of respondents provided an expenditure figure for 2014/15 that was greater than their income. **This means that there were a notable number of organisations that spent more money than they received in the past 12 months.** It therefore appears that the sustainability of a sizeable number of organisations could be under threat.

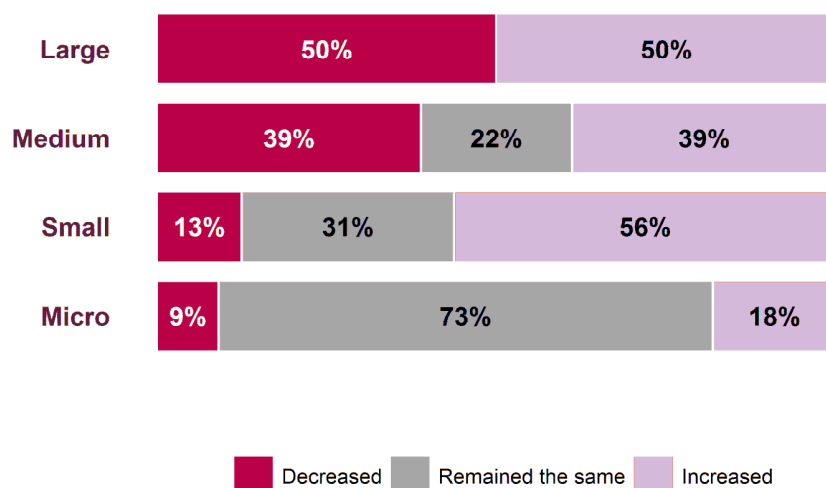
Explored by organisation size, collectively, the data indicates that the sustainability of large organisations is of particular concern: 100 per cent of large organisations reported a decrease in their income in the past 12 months but only 50 per cent had reduced their expenditure (note this is based on responses from just two large organisations). This is outlined in more detail for all sizes of organisations in figures 5.8a and 5.8b below.

Figure 5.8a: Change in income in the last 12 months by organisation size



Source: Rochdale State of the VCSE sector survey 2016/17
 Base: 47
 Note: 'cannot say' response has been excluded from the analysis

Figure 5.8b: Change in expenditure in the last 12 months by organisation size

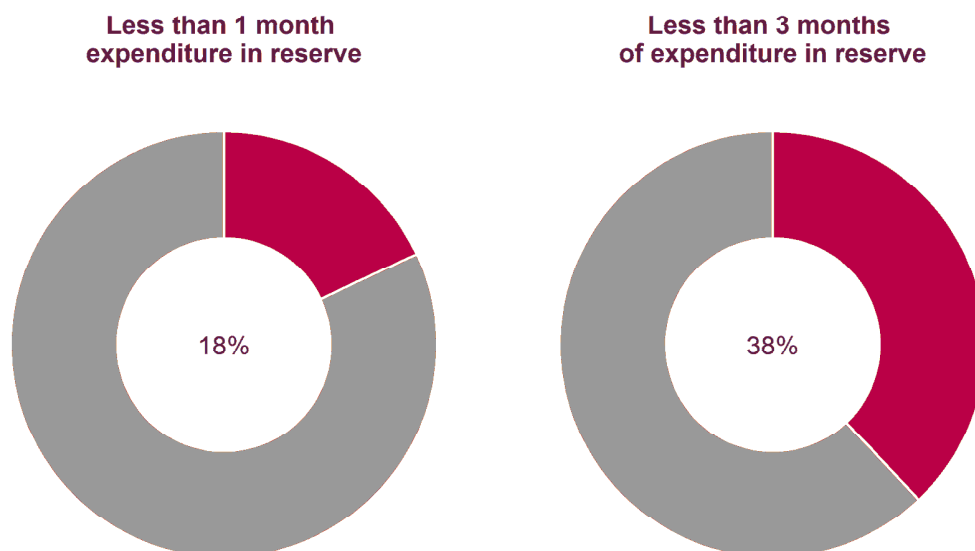


Source: Rochdale State of the VCSE sector survey 2016/17
 Base: 47
 Note: 'cannot say' response has been excluded from the analysis

Further analysis of the financial reserve levels reported by respondent organisations provides an additional insight in to the financial health of the VCSE sector. Reserves are important as they provide organisations with funds to fall back on in the short term should other sources of funding reduce or be withdrawn. They also provide organisations with the flexibility to develop new and innovative activity that might not have attracted external funding from the outset. Organisations with low reserves

relative to expenditure are therefore more likely to be restricted in their ability to adapt if key external funding is lost. In order to explore this issue in more detail reserves (2014/15) were calculated as a proportion of expenditure (2014/15) for each respondent. The results are shown in figure 5.9.

Figure 5.9: Financial vulnerability of organisations in Rochdale

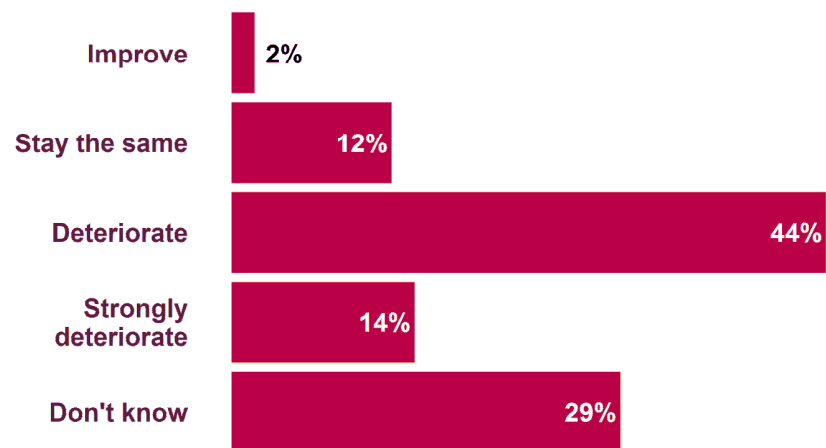


Source: Rochdale State of the VCSE sector survey 2016/17
Base: 50

This shows that **18 per cent had reserve levels of less than one month's expenditure**, and a further 20 per cent had reserves that covered less than three month's expenditure. This suggests that almost two-fifths of all organisations in the VCSE sector could be vulnerable should their funds be severely reduced or withdrawn. Across Greater Manchester, a larger proportion (46 per cent) of organisations had reserves that covered less than three month's expenditure.

Survey respondents were also asked how they thought the environment for funding/income for the VCSE sector will change over the next year. Figure 5.10 shows the responses received to this question. This shows that almost three-fifths (58 per cent) of organisations in Rochdale thought the environment will deteriorate compared to just two per cent who felt the environment is set to improve. 12 per cent saw the environment for funding/income staying the same. These results were similar to across Greater Manchester as a whole where 56 per cent thought the environment will deteriorate and seven per cent saw the environment improving.

Figure 5.10: Change in the environment for funding/income in the next year



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 59

Paid Employees

This chapter looks at the paid workforce of the VCSE sector in Rochdale.

6.1. How many FTE paid staff are employed in the VCSE sector in Rochdale?

Based on the average number of FTE paid staff employed by organisations responding to the survey across Greater Manchester, and drawing on the assumptions used to estimate the total number of organisations in Rochdale, it is estimated that:

2,100 FTE paid staff were employed in the VCSE sector in Rochdale in 2016/17

This represents **3,200 employees**.

This was seven per cent of the estimated total number of FTE paid staff working within the VCSE sector in Greater Manchester.

Gross Value Added (GVA), the value of goods and services produced, is a key measure of the economic contribution of organisations or sectors. It can be estimated for paid employees working in Rochdale organisations by multiplying the number of FTE paid staff by the estimated gross value added (GVA) per FTE employee¹⁷. From this calculation it is estimated:

£67.2m contributed to the economy per annum by paid employees of Rochdale VCSE sector organisations

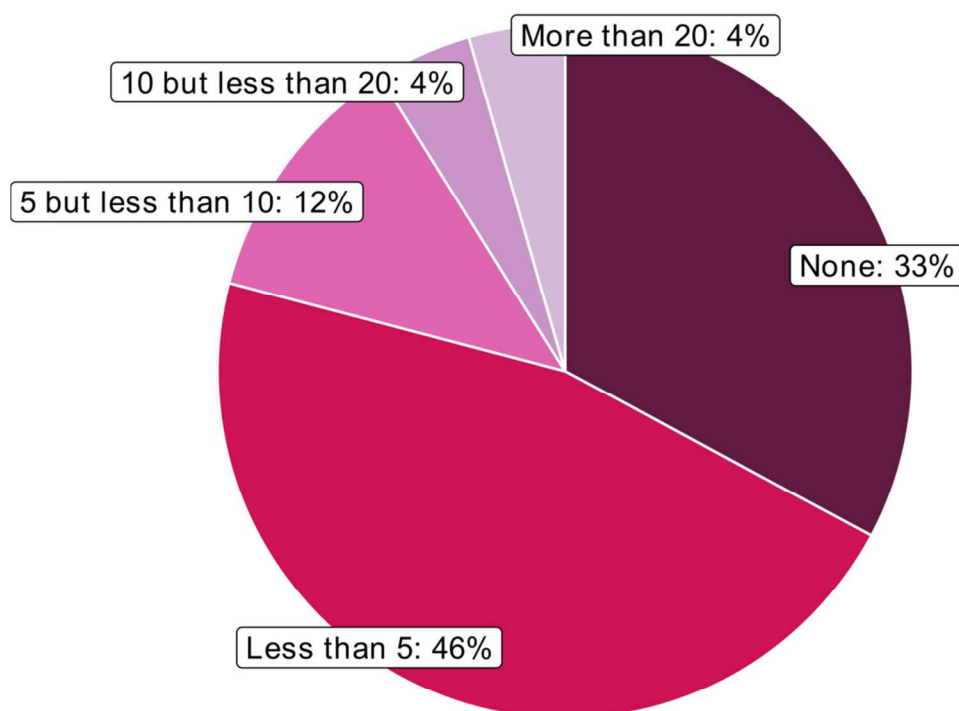
Over half (55 per cent) of FTE paid staff were employed in large organisations with an income of at least one million pounds. In comparison the 1,061 micro and small organisations employed just 15 per cent of FTE paid staff. The remaining 30 per cent were employed in medium sized organisations. Results indicate large and medium sized organisations are significant employers in Rochdale.

Figure 6.1 presents a breakdown of responding organisations by the number of FTE paid staff they employed. Four-fifths (79 per cent) of organisations employed less than five FTE paid staff members. Included in this figure were 33 per cent of organisations that did not employ any paid staff. Further analysis reveals that the majority of these were micro organisations with income of less than £10,000. At the other end of the spectrum four per cent of organisations employed 20 or more FTE paid members of staff.

¹⁷ This study used Greater Manchester GVA per employee averaged across the following two VCSE sectors: education and human health and social work activities.

Compared with the Greater Manchester sample as a whole, a greater proportion of organisations within Rochdale appeared to have FTE paid staff: 67 per cent in Rochdale compared with 49 per cent in Greater Manchester.

Figure 6.1: Organisations by numbers of FTE paid staff



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 67

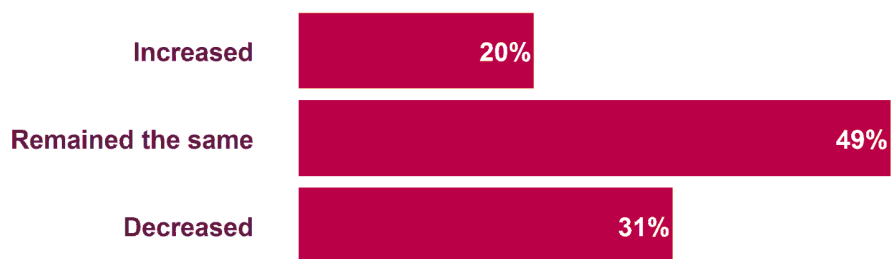
6.2. How has the VCSE sector's workforce changed in the last 12 months?

The survey asked respondents whether the number of staff in their organisation's workforce had 'increased', 'remained the same' or 'decreased' this year compared to the previous year. Figure 6.2 presents the results to this question, the key findings of which are:

Paid employees:

- 49 per cent of organisations employed a similar number of paid employees compared to a year ago
- 20 per cent of organisations reported an increase in paid staff which was lower than the percentage that reported a decrease (31 per cent)
- across Greater Manchester 22 per cent of organisations reported an increase in their number of paid employees; while 16 per cent reported a decrease.

Figure 6.2: Change in aspects of the workforce (paid staff) in the last 12 months



Source: Rochdale State of the VCSE sector survey 2016/17

Base: 61

Note: 'cannot say' response has been excluded from the analysis

Volunteers

This chapter looks at the volunteers within the VCSE sector in Rochdale.

7.1. How many volunteers are part of the VCSE sector workforce in Rochdale and what is their economic contribution?

Based on responses to the survey across Greater Manchester on questions exploring the numbers of volunteers and committee/board members and the hours which they contribute, and drawing on the assumptions used to estimate the total number of organisations in Rochdale, it is estimated there are:

34,300 volunteers or committee/board members in the VCSE sector's workforce in Rochdale in 2016/17⁸

This includes:

26,400 volunteers in the VCSE sector's workforce in Rochdale in 2016/17

7,900 committee/board members in the VCSE sector's workforce in Rochdale in 2016/17

This figure for volunteers represents 12 per cent of Rochdale's total population (214,200) and seven per cent of the estimated total for Greater Manchester organisations.

It is also estimated that:

79,800 hours of their time provided by these volunteers and committee/board members per week

This represents seven per cent of the estimated number of volunteer and committee/board member hours for all Greater Manchester organisations.

¹⁸ It is possible in cases where a person is volunteering for more than one organisation they could have been counted more than once; additionally, there will be residents from outside of Rochdale volunteering within Rochdale; and conversely there will be Rochdale residents volunteering for organisations outside of Rochdale.

There are two broad approaches to valuing the contribution of volunteers. One method, and this study's preferred approach, is to value the output that they produce. In effect this is the value to society of the goods and services that volunteers produce. This can be estimated by multiplying the number of FTE volunteers by the estimated gross value added (GVA) per FTE employee.

From this calculation:

£72.2 million per annum *estimated as the economic contribution of volunteers and committee/board members in Rochdale organisations*

The use of estimated GVA per FTE employee to measure the value of the output produced by volunteers assumes that paid employees would not be used in the absence of volunteers to produce the same level of goods and services. In such a situation the value of output is the value of the labour input (wages and benefits) plus the value of the capital input (for example office space and computers). If paid employees would be used to produce the same level of goods and services then the value of capital input would be borne whether or not volunteers were used. Therefore the value of the output from volunteers would be just the value of the labour input. This value would be roughly equivalent to the value estimated from the input method of valuation which is outlined in the next paragraph.

In the second method, the value of the input of volunteers is used to value the contribution of volunteers¹⁹. This is the amount that it would cost to pay employees to do the work carried out by volunteers. As such, this can be considered to be the benefit to organisations²⁰. However, this benefit might also be passed onto society via lower prices for goods and services due to lower costs of production. The input value of volunteers can be calculated by multiplying the number of hours that volunteers give per week by an estimate of how much it would cost to employ someone to do that work. There are a number of widely accepted hourly rates that could be used to estimate this value; these include: the national minimum wage or national living wage, the local median wage, the local mean wage and the reservation wage. The preference in this study has been to provide a range using the national living wage (low estimate) and the local median wage (high estimate). In reality the true value of the input provided by volunteers will lie between the two estimates. It is estimated that:

- assuming the national living wage for adults²¹ it would cost **£29.9 million annually to employ staff to do the work provided by volunteers in Rochdale organisations**
- assuming the median gross hourly wage for full time employees in Greater Manchester²² it would cost **£53.4 million annually to employ staff to do the work provided by volunteers in Rochdale organisations.**

Figure 7.1 presents a breakdown of responding organisations by the number of volunteers that they use. Just one per cent of respondents indicated they had no volunteers. Two-fifths (41 per cent) indicated they had between one and nine

¹⁹ This is the approach recommended by Volunteering England

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

²¹ £7.20 for 25 years and older in 2016

²² £12.86 for 2016

volunteers. The proportion of organisations who indicated they had 50 or more volunteers was seven per cent.

Across Greater Manchester as a whole a greater proportion of organisations indicated they had 50 or more volunteers (18 per cent).

Figure 7.1: Organisations by numbers of volunteers



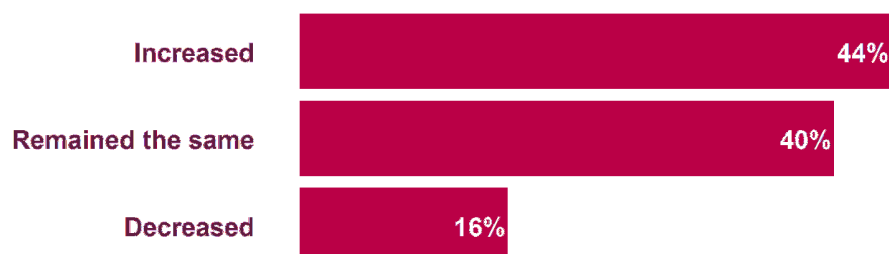
Source: Rochdale State of the VCSE sector survey 2016/17
Base: 73

7.2. How has the VCSE sector's workforce changed in the last 12 months?

The survey asked respondents whether the number of volunteers in their organisation's workforce had 'increased', 'remained the same' or 'decreased' this year compared to the previous year. Figure 7.2 presents the results to this question, the key findings of which are:

- 44 per cent of respondents reported increased numbers of volunteers now compared to a year ago
- in comparison 16 per cent of organisations reported a decrease in volunteer numbers
- just over two fifths (42 per cent) of Greater Manchester organisations reported an increase in their number of volunteers over the previous year, compared with 13 per cent who reported a decrease.

Figure 7.2: Change in aspects of the workforce (volunteers) in the last 12 months



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 70
Note: 'cannot say' response has been excluded from the analysis

Partnership Working: the Public Sector

This chapter considers the relationship between the VCSE sector and the public sector, exploring organisations experiences of partnership working with Rochdale Borough Council and other public sector bodies.

8.1. Dealings with local public sector bodies

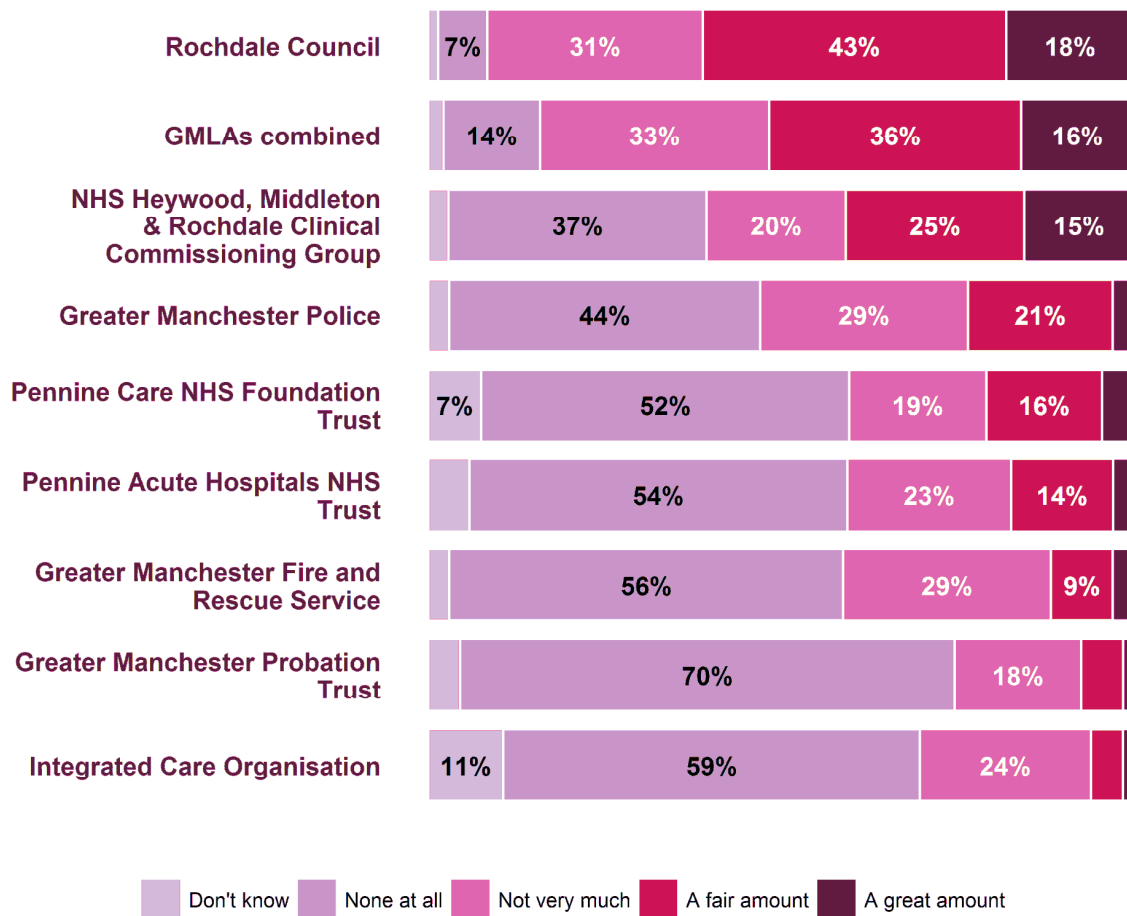
Survey respondents were asked about the extent of their dealings with each of the main public sector bodies covering the Borough of Rochdale. An overview of their responses is provided in figure 8.1, along with the local authority figure for Greater Manchester combined.

This shows that survey respondents had dealings with a range of local public sector bodies. The most prominent were Rochdale Borough Council, NHS Heywood, Middleton & Rochdale Clinical Commissioning Group and Greater Manchester Police:

- **Rochdale Borough Council:** 92 per cent had some dealings with the Council; including 18 per cent who had a 'great amount' of dealings and 43 per cent who had a 'fair amount' of dealings
- **NHS Heywood, Middleton & Rochdale Clinical Commissioning Group:** 61 per cent had some dealings with the CCG; including 15 per cent who had a 'great amount' of dealings and 25 per cent who had a 'fair amount' of dealings
- **Greater Manchester Police:** 53 per cent had some dealings with Greater Manchester Police including three per cent who had a 'great amount' of dealings and 21 per cent who had a 'fair amount' of dealings.

Local authorities consistently emerged as the most prominent public sector contact for respondents to this study across Greater Manchester. Overall, 16 per cent of respondents said they had a 'great amount' of dealings with their local authority and 36 per cent said they had a 'fair amount'.

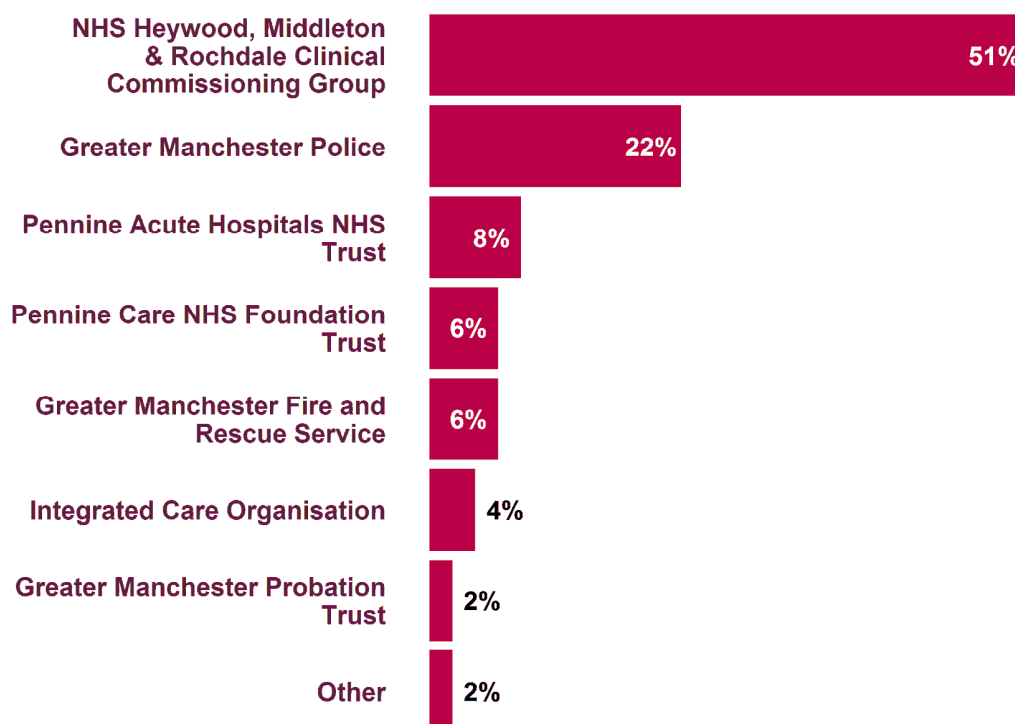
Figure 8.1: Dealings with local public sector bodies



Source: Rochdale / Greater Manchester State of the VCSE sector survey 2016/17
 Base: 66-72 (Rochdale), 1,080 (Greater Manchester)

Survey respondents were asked to indicate their most frequent public sector contact other than their local authority. Figure 8.2 shows the responses received to this question with NHS Heywood, Middleton & Rochdale CCG the most commonly cited followed by Greater Manchester Police.

Figure 8.2: Most frequent public sector contact other than local authority

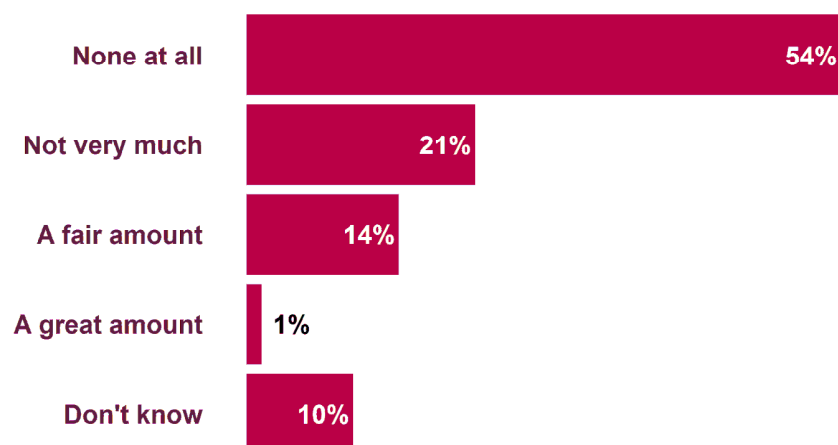


Source: Rochdale State of the VCSE sector survey 2016/17
Base: 51

Respondents were also asked to consider the extent to which their organisation has direct dealings with any emerging Greater Manchester structures (e.g. Greater Manchester Combined Authority, The Office of the Police and Crime Commissioner, The Health and Social Care Devolution Team etc.). Figure 8.3 presents the results to this question.

Over one third (36 per cent) had some dealings with any of the emerging structures including 14 per cent who had a 'fair amount' of dealings. Results were similar across Greater Manchester where 38 per cent had some dealings, including two per cent who had a 'great amount' of dealings and 10 per cent who had a 'fair amount' of dealings.

Figure 8.3: Dealings with emerging Greater Manchester structures



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 72

8.2. Relationships with local public sector bodies

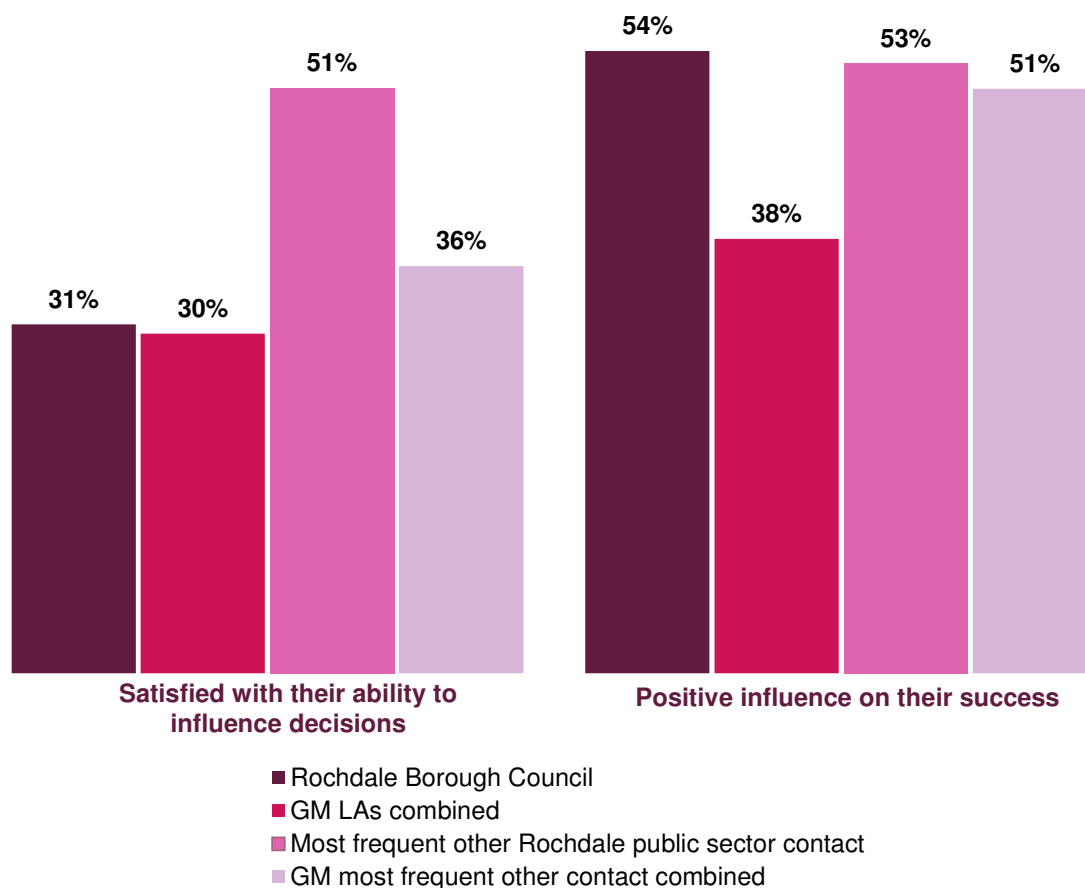
Survey respondents were also asked two further questions about the extent to which their organisations were satisfied with their ability to influence public sector decisions of relevance to their organisation and the extent to which they thought local statutory bodies influenced their success²³. The results of these questions are summarised in figure 8.4. A comparison with the Greater Manchester average is also provided.

Figure 8.4 shows that 31 per cent of respondents were satisfied with their ability to influence Rochdale Borough Council decisions of relevance to their organisation and 54 per cent said that the council had a positive influence on their organisation's success. When compared to the Greater Manchester combined figures, satisfaction with their ability to influence their local authority was similar (30 per cent) while the proportion who agreed their local authority has a positive influence on their success was greater (just 38 per cent across Greater Manchester).

In addition, 51 per cent of respondents said they were satisfied with their ability to influence the key decisions of their most frequent other public sector contact and 53 per cent said this contact had a positive influence on their success. These are more positive than the Greater Manchester combined figures (36 per cent and 51 per cent respectively).

²³ This latter measure was used in 2008 and 2010 to provide evidence of local authority performance against 'National indicator 7: the environment for a thriving third sector'.

Figure 8.4: Proportion of organisations who said they were satisfied with their ability to influence public sector decisions of relevance to their organisation and who said local public sector bodies influence their organisation's success



Source: Rochdale / Greater Manchester State of the VCSE sector survey 2016/17
 Base: Rochdale: 59/43 (ability to influence), 57/45 (positive influence); Greater Manchester: 897/570 (ability to influence), 889/605 (positive influence)

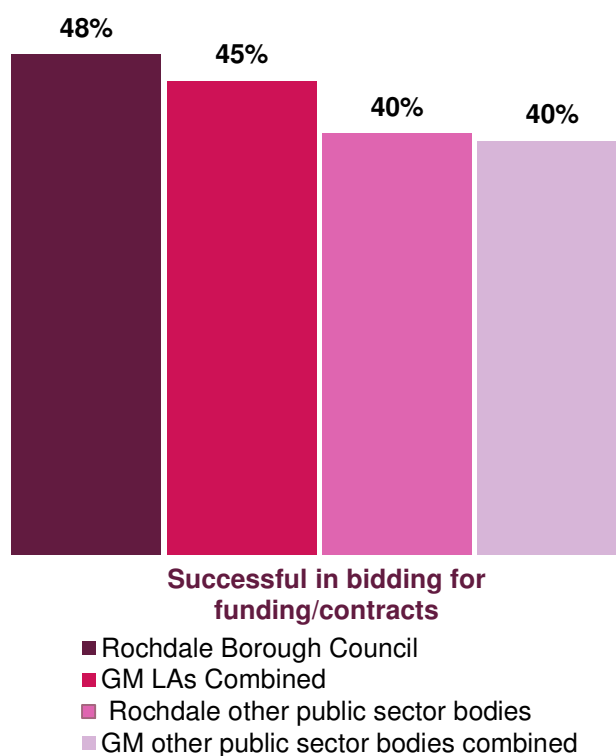
8.3. Funding from local public sector bodies

Respondents were also asked to reflect on their experiences of public sector funding in terms of how successful they had been; how satisfied they were with bidding arrangements, and how satisfied they were with the level of opportunity to bid for long-term funding.

Figure 8.5 shows responses to the question which asked organisations to consider how successful they had been in applying for funding or bidding for contracts. Results are split between perceptions of Rochdale Borough Council and of other public sector bodies. A comparison with the Greater Manchester average is also provided.

This shows that 48 per cent of respondents were successful in bidding for funding or contracts with Rochdale Borough Council compared to a 40 per cent success-rate with other public sector bodies. At the Greater Manchester level, a similar proportion had been successful in bidding for funding or contracts from their local authority (45 per cent) and the proportion for other public sector bodies was identical (40 per cent).

Figure 8.5: Success bidding for funding and contracts

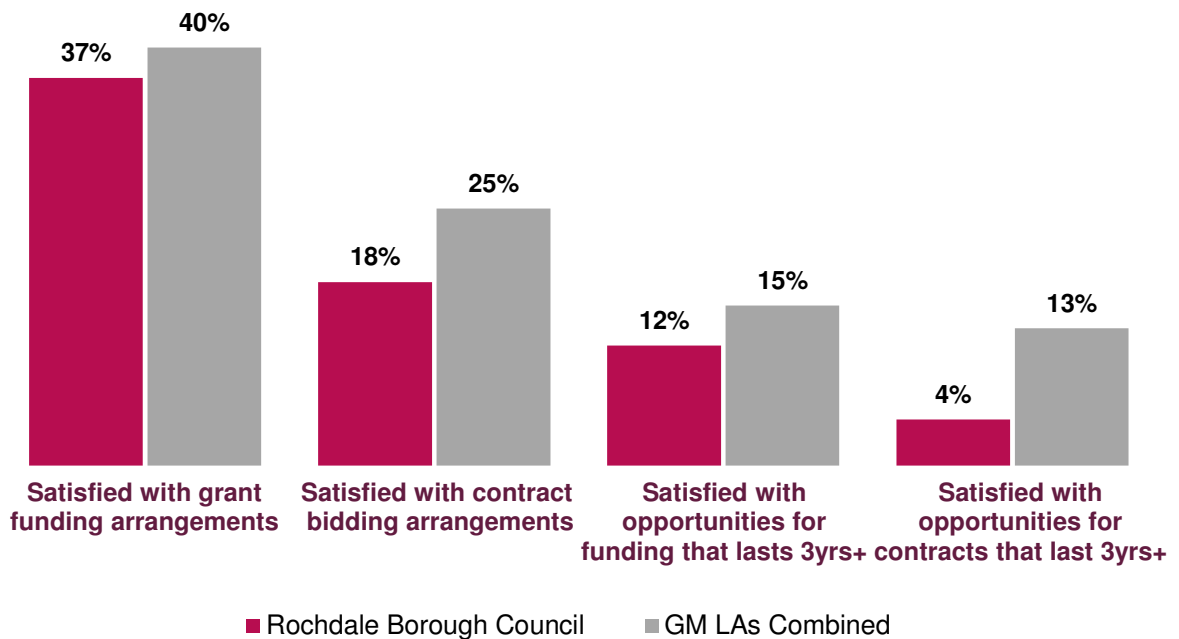


Source: Rochdale / Greater Manchester State of the VCSE sector survey 2016/17
Base: Rochdale: 71/72; Greater Manchester: 1,060/1,036

Respondents were asked specifically about Rochdale Borough Council and how satisfied they were with their grant funding and contract bidding arrangements and opportunities for funding and contracts lasting three years or longer. The responses are illustrated in figure 8.6. A comparison with the Greater Manchester local authority average is also provided.

Almost two-fifths (37 per cent) were satisfied with grant funding arrangements. Satisfaction with contract bidding arrangements was lower at just 18 per cent. Satisfaction with opportunities for funding lasting three years or longer was also lower at 12 per cent and lower still for opportunities for contracts lasting three years or longer (four per cent). The pattern was similar among the Greater Manchester combined figures, although the proportions satisfied were higher across Greater Manchester on every measure.

Figure 8.6: Experiences of bidding for funding and contracts with local authorities

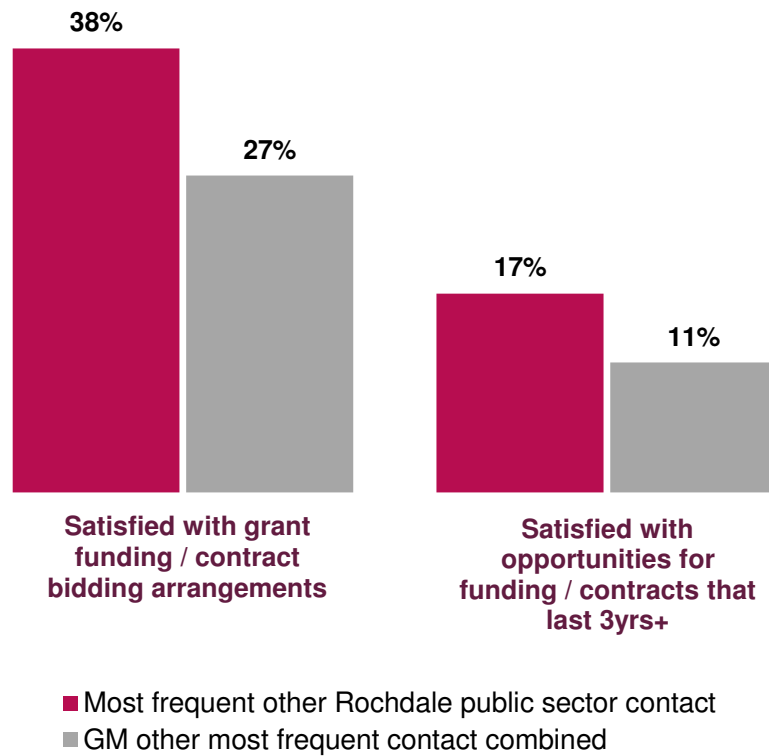


Source: Rochdale / Greater Manchester State of the VCSE sector survey 2016/17
 Base: Rochdale: 59 (grant funding arrangements), 51 (contract bidding arrangements), 52 (opportunities for funding), 45 (opportunities for contracts); Greater Manchester: 808 (grant funding arrangements), 631 (contract bidding arrangements), 703 (opportunities for funding), 605 (opportunities for contracts)

Survey respondents were asked to consider how satisfied they were with the grant funding and contract bidding arrangements of their most frequent other public sector contact. As figure 8.7 shows, 38 per cent indicated they were satisfied, a more positive figure than across Greater Manchester as a whole (27 per cent).

They were also asked about their satisfaction with opportunities for funding and contracts longer than three years. Almost one fifth (17 per cent) were satisfied, higher than the Greater Manchester combined figure (11 per cent).

Figure 8.7: Experiences of bidding for funding and contracts with other public sector bodies



Source: Rochdale / Greater Manchester State of the VCSE sector survey 2016/17
Base: Rochdale: 50 (funding/bidding arrangements), 47 (opportunities for funding/contracts); Greater Manchester: 705 (funding/bidding arrangements), 687 (opportunities for funding/contracts)

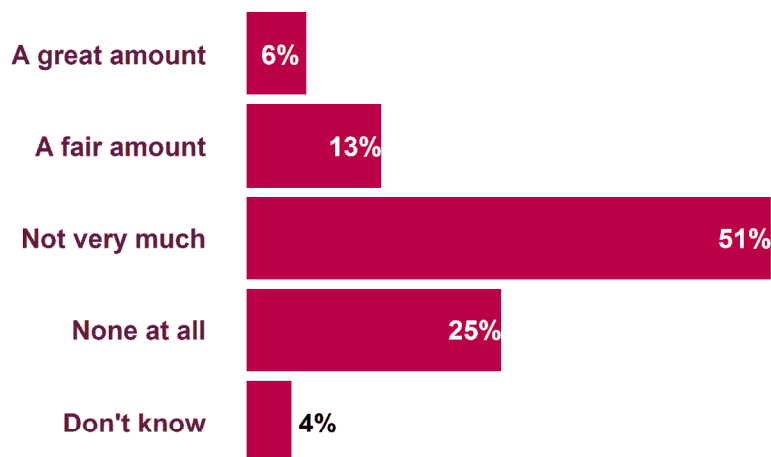
Partnership Working: the Private Sector

The previous chapter explored respondents' experiences of partnership working with public sector bodies. This chapter moves on to explore their experiences of working with private sector organisations. This area still appears to be new territory for many VCSE organisations. Survey respondents were asked about their direct dealings and experiences of working with private businesses in Rochdale.

9.1. Working with private businesses

Survey respondents were asked to indicate the extent to which they had direct dealings with private businesses in Rochdale. 71 per cent reported that they had some direct dealings, with 19 per cent having a 'great' or 'fair' amount of contact (figure 9.1). This is slightly lower than the average for Greater Manchester as a whole (21 per cent 'great' or 'fair' amount of contact).

Figure 9.1: Extent of direct dealings with private businesses

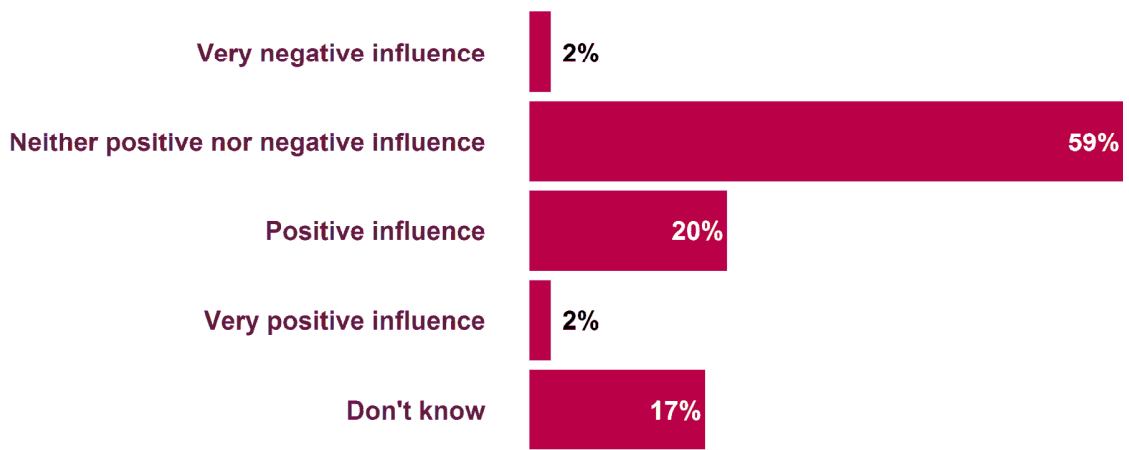


Source: Rochdale State of the VCSE sector survey 2016/17
Base: 68

There were no respondents who indicated they were members of a formal private sector-led consortium (two per cent of organisations overall across Greater Manchester did so), while six per cent of respondents said their organisation is in formal partnership with any private sector organisations (seven per cent across Greater Manchester as a whole).

Respondents were asked to comment on the influence private businesses have on their organisation's success. Taking all things into account, over one fifth (22 per cent) of survey respondents felt that the private business community in Rochdale was a positive influence on their organisation's success. This is lower than the proportion for Greater Manchester as a whole (31 per cent).

Figure 9.2: Private business community's influence on VCSE sector organisations' success



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 46

Partnership Working: Voluntary Community and Social Enterprise Organisations

The previous two chapters have explored respondents' experiences of working with organisations from the public and private sectors. This chapter discusses survey respondents' views on their work with other VCSE sector organisations.

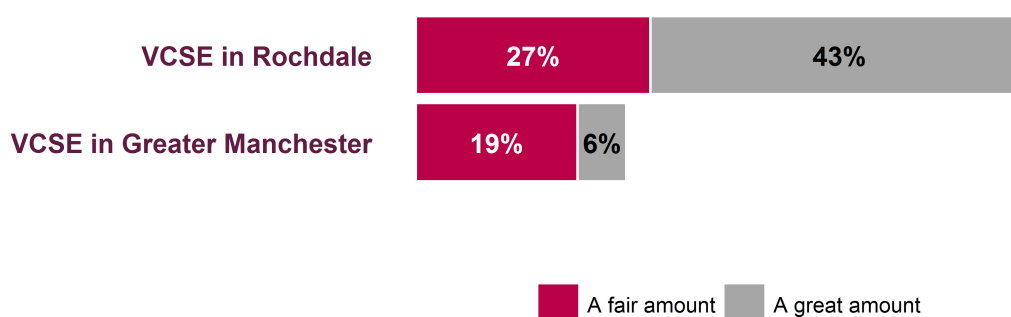
10.1. Working with other VCSE organisations

Survey respondents were asked about the extent to which they had direct dealings with other VCSE sector organisations in both Rochdale and Greater Manchester.

The vast majority (88 per cent) had some direct dealings with other VCSE sector organisations in Rochdale, and as figure 10.1 illustrates, 70 per cent had a 'great' or 'fair amount' of contact. Across Greater Manchester, 90 per cent had some direct dealings with other VCSE sector organisations in their local area and 67 per cent had a 'great' or 'fair amount' of contact.

The proportion of respondents reporting they had direct dealings with other VCSE sector organisations in Greater Manchester was lower (59 per cent), along with the proportion who had a 'great' or 'fair amount' of contact (24 per cent). The proportion reporting direct dealings across Greater Manchester as a whole was higher (70 per cent direct dealings and 37 per cent with a 'great' or 'fair amount' of contact).

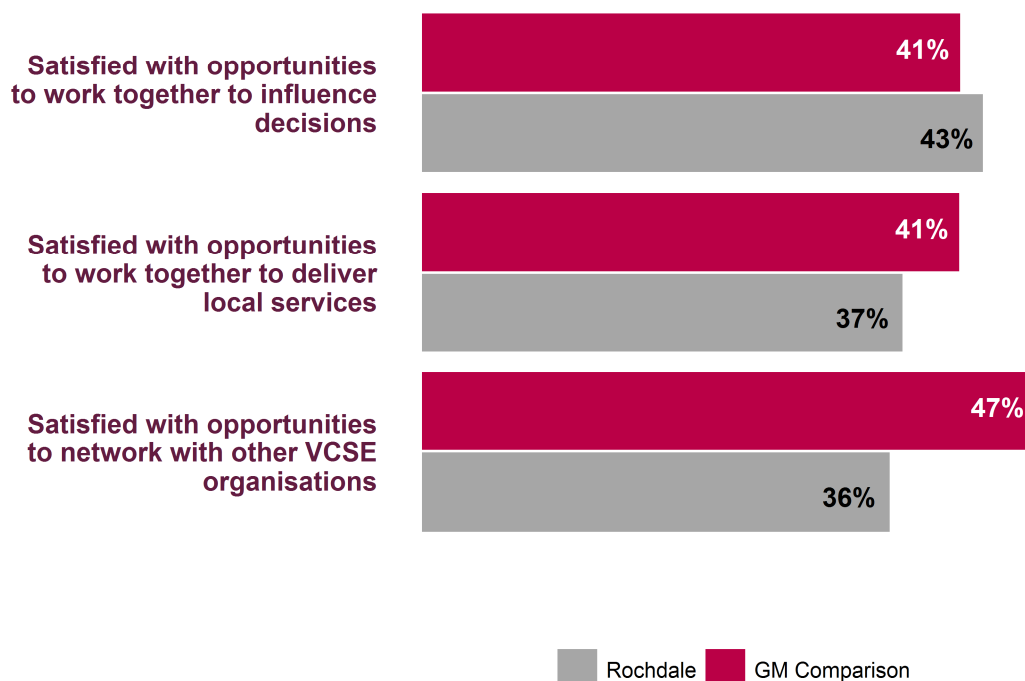
Figure 10.1: Extent of direct dealings with VCSE organisations



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 67 (Rochdale) / 54 (Greater Manchester)

Respondents were asked to reflect on the opportunities they had to work with other VCSE sector organisations in terms of influencing local decisions, delivering local services and networking. Figure 10.2 summarises the responses.

Figure 10.2: Satisfaction with opportunities to work with VCSE organisations



Source: Rochdale State of the VCSE sector survey 2016/17
 Base: 65 (influence decisions) / 65 (delivering services) / 64 (networking)

This shows that 43 per cent of respondents were satisfied with the availability of opportunities to influence local decisions and that 37 per cent were satisfied with the availability of opportunities to work together to deliver local services. Results across Greater Manchester were similar with 41 per cent satisfied with opportunities to influence local decisions and 41 per cent also satisfied with opportunities to work together to deliver local services. Just over one third (36 per cent) of respondents were also satisfied with opportunities to network with other VCSE organisations (47 per cent across Greater Manchester as a whole).

Almost one quarter (24 per cent) of respondents said their organisation is a member of a formal VCSE sector consortium. This is similar to the figure for organisations across Greater Manchester as a whole (22 per cent).

Sixteen per cent of respondents also indicated their organisation is in another type of formal partnership with other VCSE organisations to deliver specific services (13 per cent across Greater Manchester).

The Future

This chapter details the responses received to questions about the future in the survey of organisations.

11.1. Factors assisting or constraining delivery

Respondents were asked to consider the factors they anticipated assisting or constraining their organisation over the next 12 months. Figure 11.1 illustrates that 42 per cent or more of respondents thought the following factors would assist their organisation over the next year:

- **engagement with public sector bodies:** 50 per cent anticipated this factor assisting their organisation; including 18 per cent who saw this as 'greatly assisting' and 33 per cent 'assisting'
- **ability to secure grant funding from public sector bodies:** 46 per cent anticipated this factor assisting their organisation; including 22 per cent who saw this as 'greatly assisting' and 24 per cent 'assisting'
- **ability to employ staff with sufficient skills:** 42 per cent anticipated this factor assisting their organisation; including 24 per cent who saw this as 'greatly assisting' and 18 per cent 'assisting'
- **engagement with other VCSE organisations:** 42 per cent anticipated this factor assisting their organisation; including five per cent who saw this as 'greatly assisting' and 37 per cent 'assisting'.

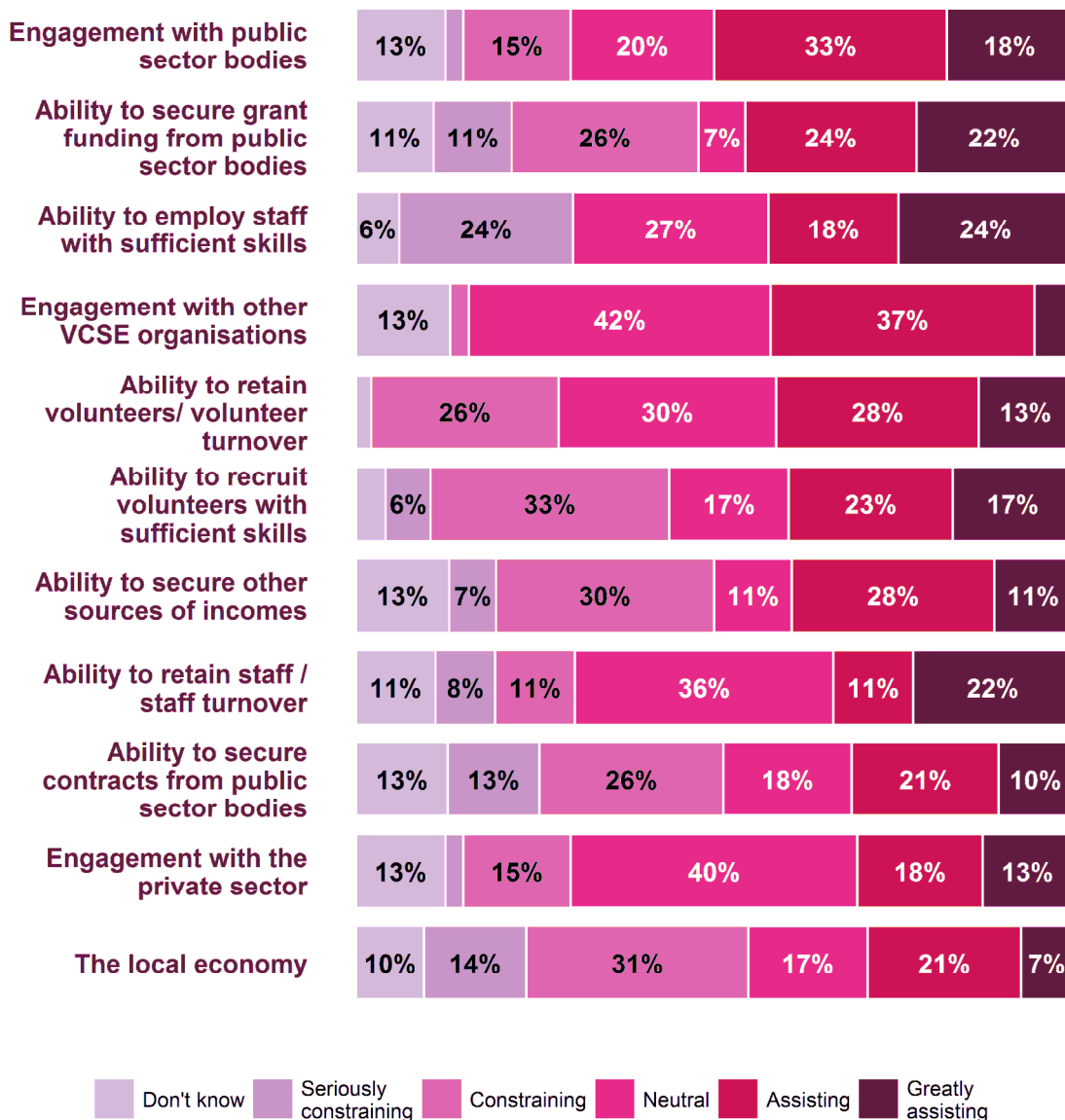
Results were different across Greater Manchester as a whole where engagement with other VCSE organisations was the most common factor selected with 50 per cent of organisations envisaging this factor assisting their organisation over the next 12 months.

In contrast two-fifths or more saw the following factors as constraining their organisation over the next 12 months:

- **the local economy:** 45 per cent anticipated this factor constraining their organisation; including 14 per cent who saw this as 'seriously constraining' and 31 per cent 'constraining'
- **ability to recruit volunteers with sufficient skills:** 40 per cent anticipated this factor constraining their organisation; including six per cent who saw this as 'seriously constraining' and 33 per cent 'constraining'.

Across Greater Manchester as a whole the local economy was also the most common factor selected, with 38 per cent anticipating this factor constraining their organisation over the following year.

Figure 11.1: Factors anticipated as assisting or constraining organisations over the next 12 months



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 33-48

Following on from quantitative questions regarding the factors organisations anticipated assisting or constraining their organisation over the next year, respondents were also asked to provide further qualitative (i.e. written) information about these factors.

There was a mixture of comments received focusing on both factors constraining organisations and assisting. Most of the comments focused on constraining factors concentrated on issues with accessing funding:

"As a small organisation we do not have the resources to focus on income generation from a variety of sources and so any efforts in those areas will simply add to workload. The lack of longer term funding prevents a focus on delivery and diverts resources to income generation instead."

"The community sector is suffering badly and we are not sure how we are going to survive in the future. Not much funding is available and therefore, we are unable to employ more or hold on to the current staff."

"Our main source of income will continue to come from the Lottery and trusts and foundations, with some increase in earned income. We are unable to retain staff when a grant ends, which is frustrating, and we also risk losing staff because of relatively low pay".

"Public money is getting harder and harder to locate as we are all applying to the same pots of money."

Comments focused on assisting factors covered both existing arrangements and future strategies:

"[Our organisation] has a great ability and the potential to recruit extra staff to meet the demands. We are applying for funding to support the work and increase capacity."

"Working in partnership with all agencies and bodies who support the improvement of the local area are important to enable the sharing of ideas and resources."

"We are also "branching out" in terms of influencing National and Regional policies and guidelines, mainly within the NHS and Local Authority Public Health arena. We see ourselves both as deliverers - developing and establishing best practices and activists in the areas we work."

"We have spent time developing a coherent strategy and building a reputation for delivery which should assist us in future activities."

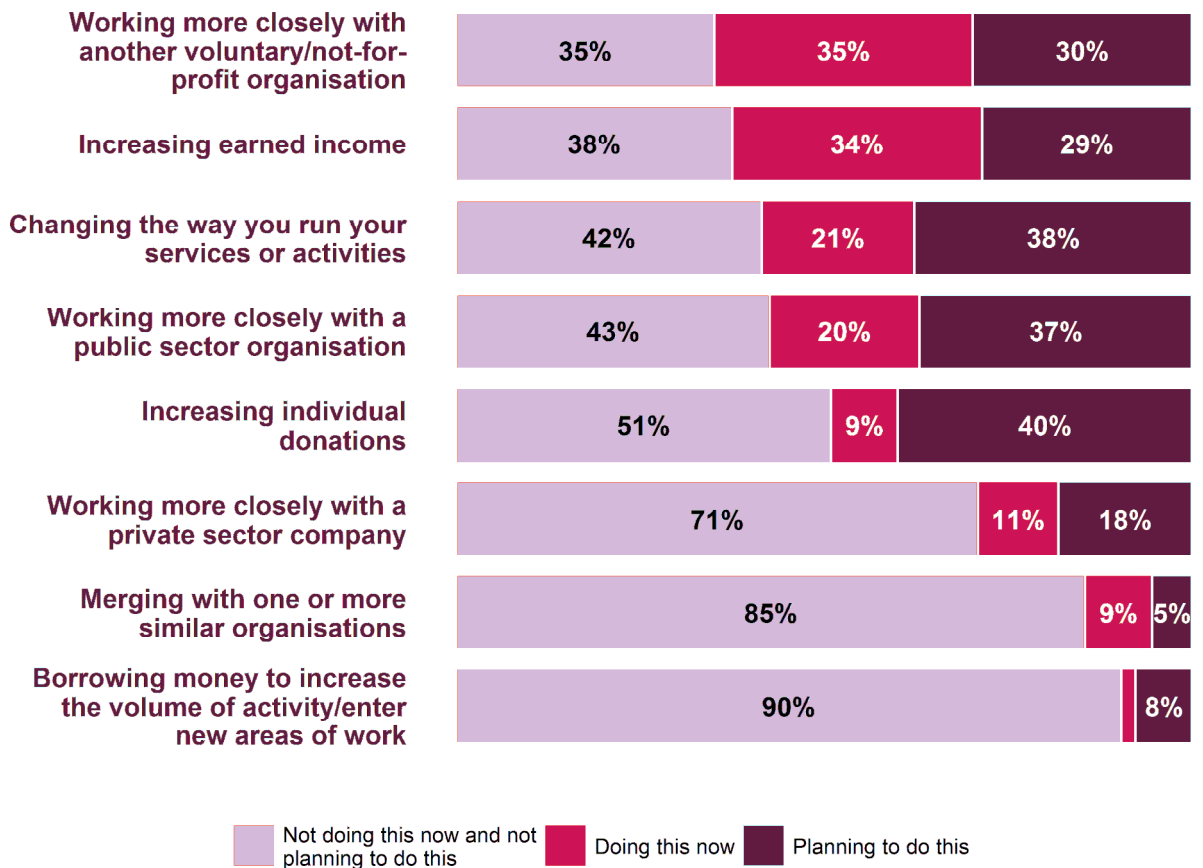
11.2. Current and future strategies

Survey respondents were asked what strategies they are actively pursuing or planning to pursue. Figure 11.2 summarises the responses received and shows that over three-fifths of respondents were already doing or planning to do the following:

- **working more closely with another voluntary/not-for-profit organisation:** 65 per cent were already pursuing or planning to pursue this strategy; including 35 per cent who are doing this now and 30 per cent who are planning to do this in the future
- **increasing earned income:** 63 per cent were already pursuing or planning to pursue this strategy; including 34 per cent who are doing this now and 29 per cent who are planning to do this.

Working more closely with another voluntary/not-for-profit organisation was also the most common strategy being pursued by organisations across Greater Manchester as a whole.

Figure 11.2: Strategies being planned or pursued



Source: Rochdale State of the VCSE sector survey 2016/17
 Base: 52-57

Conclusions

1. The VCSE sector in Rochdale occupies an important strategic position between policy development, service provision and everyday life.

There are an estimated 1,180 organisations working in the VCSE sector in Rochdale who are involved in many areas of activity.

The local area is the main focus for the majority of organisations; 41 per cent identified the whole of the Rochdale local authority area as their highest main geographic focus and a further 28 per cent identified particular neighbourhoods or communities in Rochdale as their highest main geographic focus.

The thematic areas with the greatest proportion of organisations working in them are: health and wellbeing; community development; sport and leisure; and education, training and research.

The VCSE sector plays a key role in fostering strong and cohesive communities within Rochdale and is an essential part of the social fabric of the borough. Around seven out of ten or more organisations felt they are addressing the needs of disadvantaged members of the community (71 per cent), improving people's mental wellbeing (71 per cent) and encouraging people to be involved in regular volunteering (69 per cent).

2. The sector in Rochdale is an important economic player, contributing significantly to GVA²⁴, but patterns in income, expenditure and the level of reserves suggest that the sustainability of many organisations may be under threat.

Total income of the VCSE sector in 2014/15 is estimated to be £98 million. This represents an increase of three per cent compared to 2013/14 when the total income of the VCSE sector was an estimated £95 million. The majority of organisations are micro or small although the majority of income is concentrated in large and medium-sized organisations.

The picture is more positive overall than in the previous Greater Manchester 2013 study which identified year-on-year reductions in income. However analysis of income data across Greater Manchester by organisation size revealed micro and small organisations experienced year on year reductions in total income between 2012/13 and 2014/15. By contrast medium and large organisations saw a reduction in total income between 2012/13 and 2013/14 but then an increase between 2013/14 and 2014/15.

²⁴ Gross Value Added (GVA), the value of goods and services produced, is a key measure of the economic contribution of organisations or sectors.

Two-fifths (39 per cent) of respondents reported increasing their expenditure but only 27 per cent had experienced an increase in income and only 27 per cent report an increase in reserves.

In addition, 41 per cent of respondents reported a decrease in income but only 24 per cent reduced their expenditure.

15 per cent of respondents provided an expenditure figure for 2014/15 that was greater than their income. These results indicate a sizeable number of organisations spent more money than they received in the last 12 months and that a considerable number of organisations are using their reserves to supplement their income, potentially leaving them in a fragile financial position.

3. The VCSE sector in Rochdale provides significant social value.

It is estimated that the VCSE sector in Rochdale made 1.6 million interventions with clients, users or beneficiaries in the previous year.

VCSE organisations work with a range of different people, especially older people and children and young people, but also people from vulnerable groups (for example those with health problems).

4. The VCSE sector is a significant employer.

In 2016/17 there were an estimated 2,100 FTE paid staff. In addition the sector was supported by 26,400 volunteers and 7,900 committee/board members who combined donated 79,800 hours per week.

Over two-fifths (44 per cent) of organisations responding to the survey reported increased numbers of volunteers compared to the previous year, while just 16 per cent of organisations reported a decrease in volunteer numbers.

Valuing the contribution of paid employees to Rochdale organisations by the expected value of the output that they produced gives an estimated annual contribution of £67.2 million. Doing the same for volunteers and committee/board members gives an estimated contribution of £72.2 million.

5. There is a mixed picture in Rochdale regarding relationships between the VCSE sector and public sector bodies.

Overall, 92 per cent of respondents in Rochdale had some dealings with Rochdale Council: 18 per cent had a great amount of dealings with the Council and 43 per cent had a fair amount of dealings.

Almost one third (31 per cent) of respondents were satisfied with their ability to influence Rochdale Council decisions of relevance to their organisation while 54 per cent said Rochdale Council had a positive influence on their organisation's success.

6. Engagement with private businesses is relatively low.

71 per cent of organisations had some direct dealings with private businesses, with 19 per cent having a 'great' or 'fair' amount of contact.

Over one fifth (22 per cent) felt that the private business community in Rochdale was a positive influence on their organisation's success.

7. The VCSE sector in Rochdale appears to be well connected internally although most contact appears to be informal.

The vast majority of organisations had some direct dealings with other VCSE sector organisations in their local area, including 70 per cent who had a 'great' or 'fair amount' of contact.

Almost one quarter of respondents said their organisation is a member of a formal VCSE sector consortium.

8. The sector still faces an uncertain future.

With austerity measures set to continue for the foreseeable future and public sector funding for the sector continuing to be squeezed, there are still reasons for caution within the sector.

Respondents appear to recognise this uncertainty and are pursuing a range of strategies to ensure their sustainability, in particular: generating earned income from other sources, partnership working and organisational change.

Appendix 1



Methodology

Survey of organisations

At least partial responses were received from 27 of the 442 organisations that were sent a survey questionnaire: this represents a response rate of six per cent. Another web-based version of the survey was also distributed by CVS Rochdale, reaching organisations also included in the original sample and beyond. In addition GMCVO distributed a version of the survey via their networks. A further 50 responses were collected via this method, meaning a total of **77 responses were collected overall** during September 2016 - January 2017, giving a higher overall response rate.

The survey was undertaken as part of a wider study in six other Greater Manchester boroughs: Bolton, the City of Manchester, Oldham, Salford, Stockport and Tameside.

The questionnaire was based on the one originally developed for the 'State of the Voluntary Sector Survey' undertaken in Salford in 2010. The questionnaire was revised for the 'Greater Manchester State of the Voluntary Sector' research undertaken in 2012/13 and again for this wave of the survey following input from the Research Steering Group. The Greater Manchester Chief Officers Group also provided additional oversight regarding the survey design and implementation.

The questionnaire provided data on various aspects of the VCSE sector including:

- **the scale and scope of its activity**, including the roles organisations undertake, the people they support, and the areas they benefit
- **the economic impact of its work**, including income and expenditure, sources of funding, the role of paid staff and volunteers, and financial sustainability
- **relationships with the public sector**, including Rochdale Borough Council, public sector health bodies, and a range of other local statutory bodies
- **relationships with other local organisations**, including VCSE organisations and private businesses.

When reading the report it is important to acknowledge two key points. First, the results reported are based on the survey responses received. Therefore it is possible that if a different sample of organisations had taken part in the survey different results may have emerged. It is estimated that the results reported are within +/- 10.9 percentage points of the true value.

Secondly, on a number of occasions the analysis in this report has used extrapolations from the survey responses to provide estimates of totals for all organisations that work in the VCSE sector including:

- the number of clients, users and beneficiaries of the sector

- the total income of the sector
- and the number of FTE paid staff and the number of volunteers and committee/board members that are part of the sector's workforce; including the hours per week that volunteers contribute.

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

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

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

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

	Average income by size (a)	Estimated number of organisations (b)	Total income (thousands) (c)
Micro (under £10k)	£2,438	914	£2,228,581
Small (£10k to £100k)	£38,844	147	£5,720,198
Medium (£100k to £1m)	£320,581	91	£29,071,135
Large (over £1m)	£2,201,023	28	£61,082,104
Total			(b) £98,102,017

Please note it has been assumed here that the estimated averages for Greater Manchester organisations are representative for organisations within Rochdale. So for example it has been assumed that the estimated average income of approximately £320,600 for medium sized organisations across Rochdale is representative of the income for medium sized organisations within the City of Manchester.

Using the Greater Manchester averages improves the reliability of the estimates.

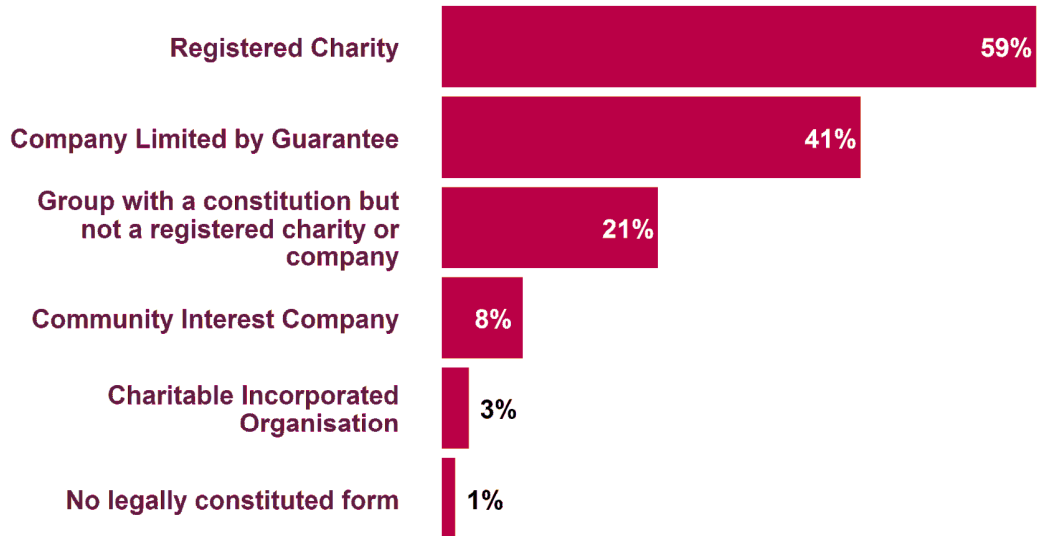
Legal status of responding organisations

Respondents to the questionnaire were asked to identify the legal status of their organisation. For this question it was possible for organisations to select registered charity in addition to identifying their legal form. Figure A1 below shows that 41 per cent were a company limited by guarantee, and 21 per cent of organisations were a group with a constitution and that separate to identifying their legal status almost three-fifths of respondents, 59 per cent, identified that their organisation was a registered charity. Just one per cent had no legally constituted form.

Across Greater Manchester:

- 30 per cent of organisations were a group with a constitution, but not a registered charity
- 28 per cent were a company limited by guarantee
- four per cent of organisations had no legally constituted form
- 49 per cent of organisations were registered charities.

Figure A1: The legal status of responding organisations



Source: Rochdale State of the VCSE sector survey 2016/17
Base: 75