

What can a Third Sector Trends study across the North of England tell us that we need to know?

We need third sector, public sector and private sector organisations to encourage voluntary organisations, community groups and social enterprises to respond to this major study.

It is vital that as many organisations and groups as possible find out about the study so that they have a chance to respond – so we need you to tell them about it in newsletters and to send links to the survey through by email to your address lists.

The study will take place right across the North of England in three separate surveys:

- In North West England (funded by IPPR\North and Garfield Weston);
- In Yorkshire and the Humber (funded by Joseph Rowntree Foundation); and,
- In North East England (funded by the Community Foundation for Tyne and Wear and Northumberland).

The study will start across the whole of the North of England in September 2016. In Greater Manchester, the study will start in July 2016 to complement a separate study by Greater Manchester Centre for Voluntary Organisation (GMCVO) which begins in September.

We need help in contacting large and small organisations in each of the regions in order to produce good quality data on what is going on from the local authority level right up to the whole of the North.

To help show what the value of the work can bring, we have prepared a short paper to show what the study can do.

What do we need to know about the third sector in the areas where they operate?

We have asked a number of stakeholders in the third sector, public sector and private sector what their key issues of concern are about investing in charitable organisations and groups to do good work in their areas. These are some of the main issues.

- Many organisations tell us that charities and community groups come back to them again and again instead of trying to take different routes towards gaining funding? The study will explore the extent to which this is true, and look at the characteristics of organisations which do, or are willing to move away from 'well trodden paths' to funding.
- With continuing pressure on local authority and other public sector funding, local charitable funding bodies (such as community foundations or philanthropic trusts) find that more and more charitable organisations are coming to them for support. The question is how to justify targeting support in such a way as to get the best possible benefit in the areas that need it most. Our studies will provide the evidence to do this.

- With so many charitable organisations making claims about how they support different beneficiary groups, the task of disentangling who really needs the support the most is difficult without solid evidence. This study will show which organisations are struggling the most using key indicators (such as their use of reserves for vital costs, diminishing income, etc.)
- Often local authorities and health authorities and community foundations say that they want to get a better understanding of the benefit their investments bring to the community, but don't want to over-burden smaller organisations with too many reporting rules. The study will be able to demonstrate the social impact of smaller organisations in a number of ways:
 - How organisations work collectively to support their communities
 - How organisations' work cumulatively benefits the community when they work autonomously but in complementary ways.
 - How partnership arrangements can help or hinder smaller organisations achieve social impact
 - How smaller or medium sized organisations find out about the impact of what they are trying to achieve.
- There is much talk in the Third Sector about public sector contracts being 'the only game in town'. But actually, this is not true, only about 15-18% of organisations deliver contracts in the sector as a whole. Grants remain vital for most organisations – but is there a case sometimes for making loans rather than grants if they are provided to support organisations developing their trading activity. We will be able to provide evidence to show where the demand may exist – even in smaller organisations.

We will be able to tell you what is happening, in big picture terms, in the sector in your area, region and across Northern England?

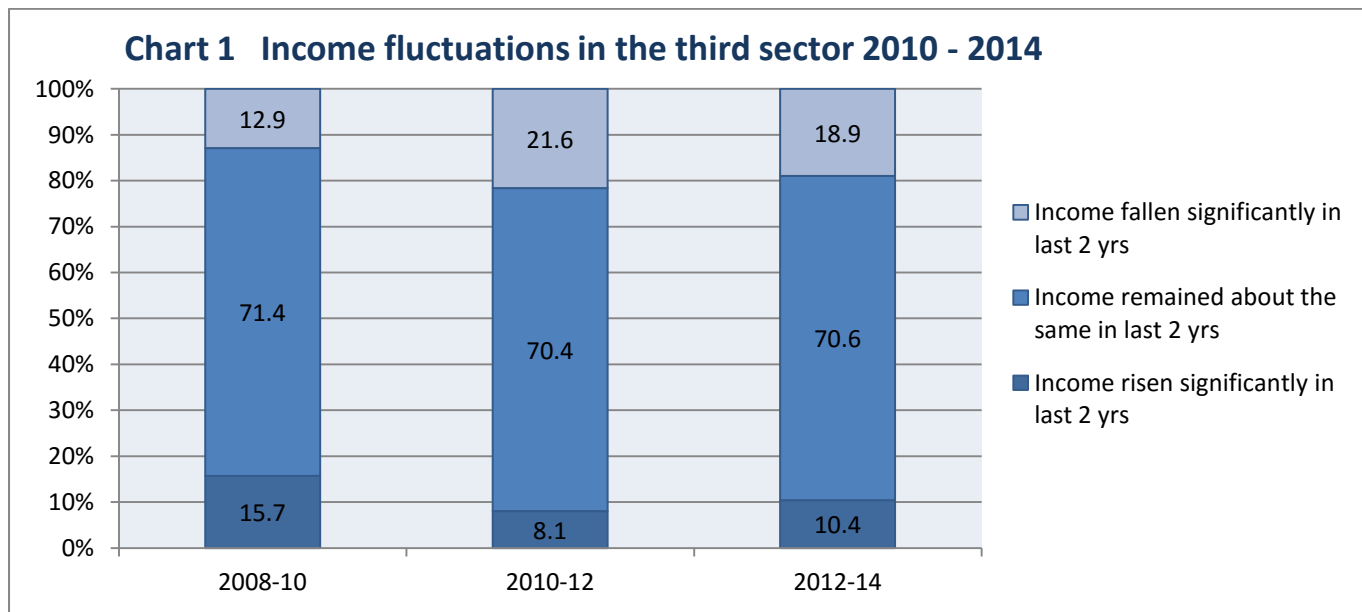
These are just a few of the issues the Third Sector Trends study can explore

- We can make well evidenced estimates on the changing shape, size and structure of the sector as a whole (comparing with previous TST data and from a major national government study in 2010 on each local authority area).
- We can also produce data reports for any local authority area, sub region or county so you can see what is happening in the area your Community Foundation serves.
- We can explore the different experiences, practices and expectations of organisations by size, purpose, geographical location, legal form, and so on – this will help funders identify the kinds of organisations which may be able to benefit most from grants.
- We can make good estimates of the level of employment and volunteering in the sector and determine where employment or volunteering is growing or contracting.
- We can show which areas of beneficiary need are doing well or experiencing difficulties.
- We can calculate the economic value of the sector using robust estimates and also monetise the value of volunteering.

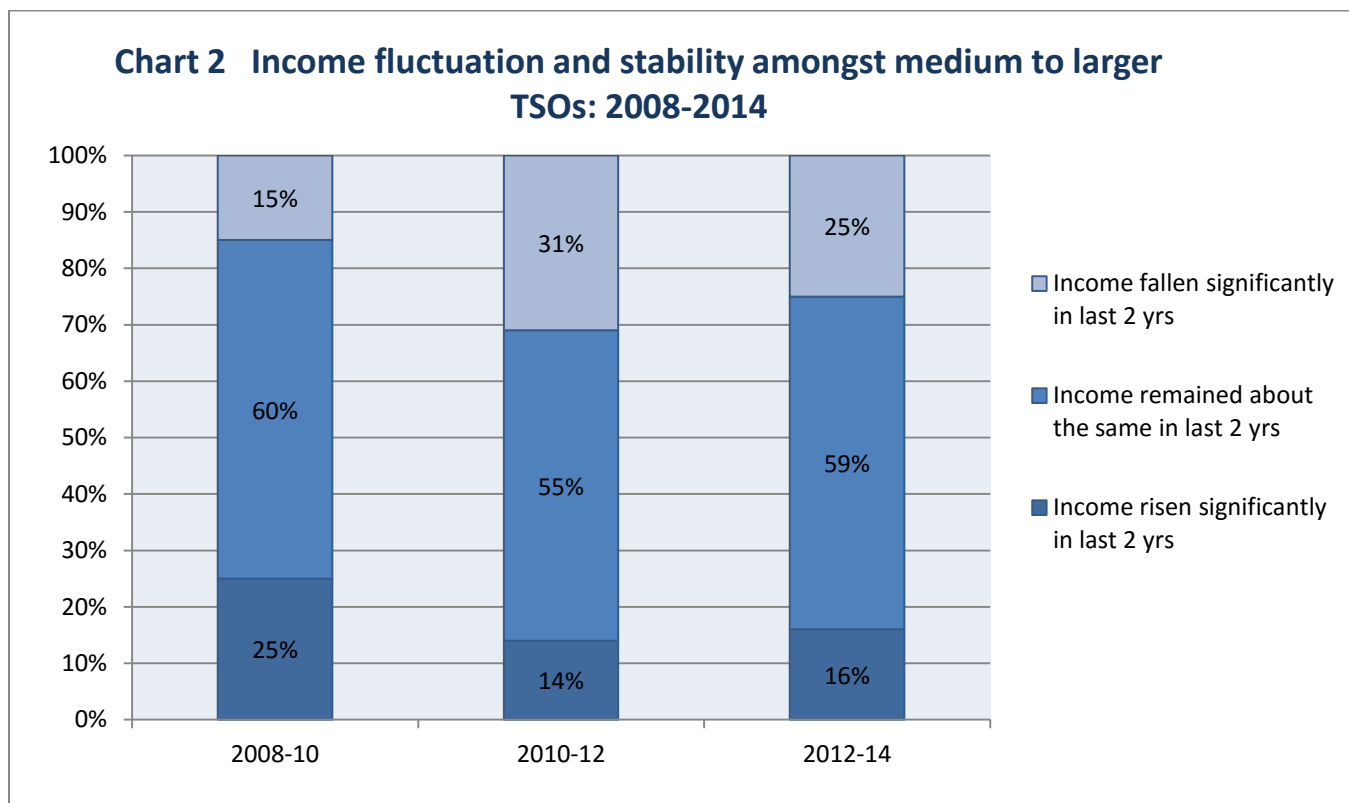
In Yorkshire, Cumbria and North East England we already have time series data to assess the trends in much more detail, but in the North West (including Cumbria); we can also make good estimates of changes in sector structure and dynamics drawing upon the rest of the data we collect.

Going under the surface of the headline findings

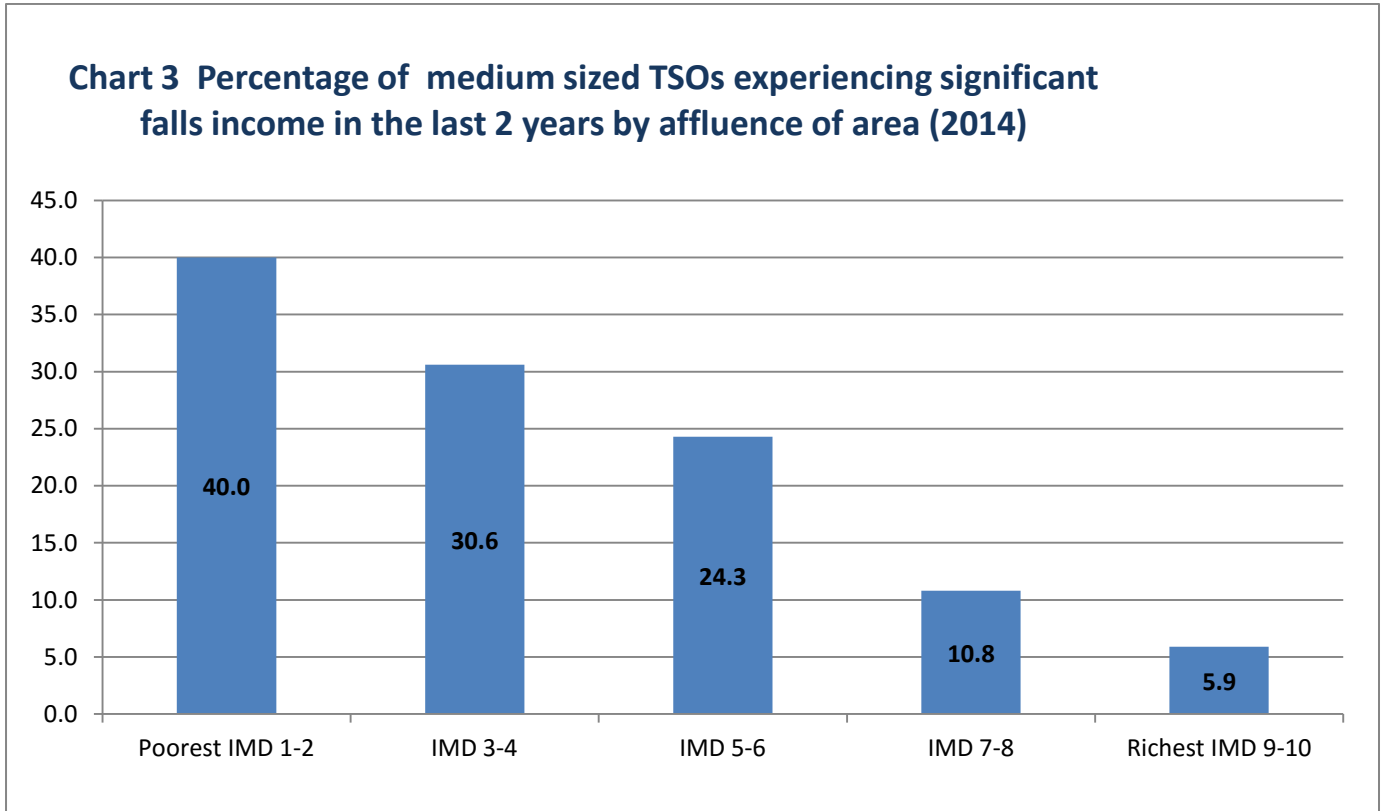
The study can get under the surface of headline findings. NCVO has shown that funding for the sector has remained much more stable than everyone 'feels' is the case, although it is recognised that public sector funding has declined considerably. Third Sector Trends data shows that there is quite a lot of stability too, as shown in Chart 1, **but when we look under the surface in tables that follow, we find very interesting differences.**



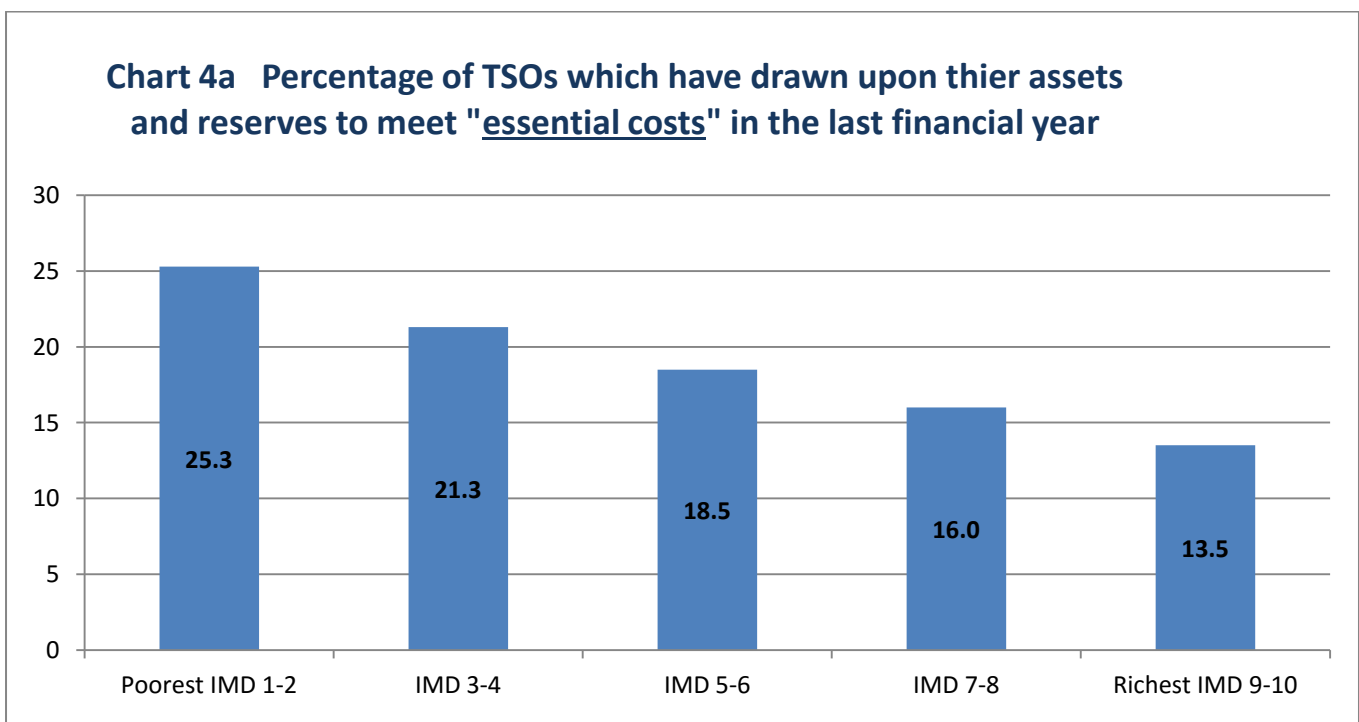
When we look at **medium and larger sized third sector organisations** (but not including the very big national TSOs), income fluctuations are more pronounced. The situation was worst in 2010 in terms of significantly falling income for these TSOs – but what will happen in 2016?



A major finding is that **income decline is the most acute for medium sized TSOs working in poorer areas** (using the Indices of Multiple Deprivation) - with more cuts around the corner will things get worse?

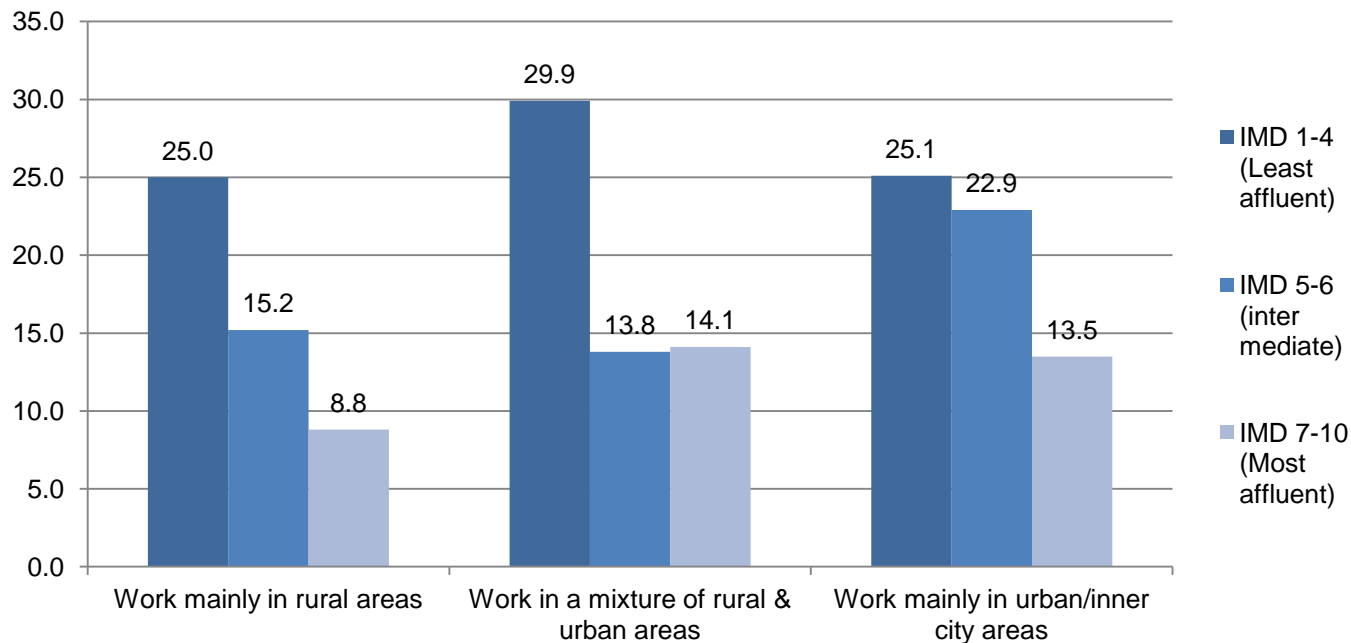


What is clear is that **organisations in the poorest areas are drawing more heavily on their assets to survive** – we need to know if this situation will get worse too – leaving some kinds of TSOs financially vulnerable (Chart 4a).

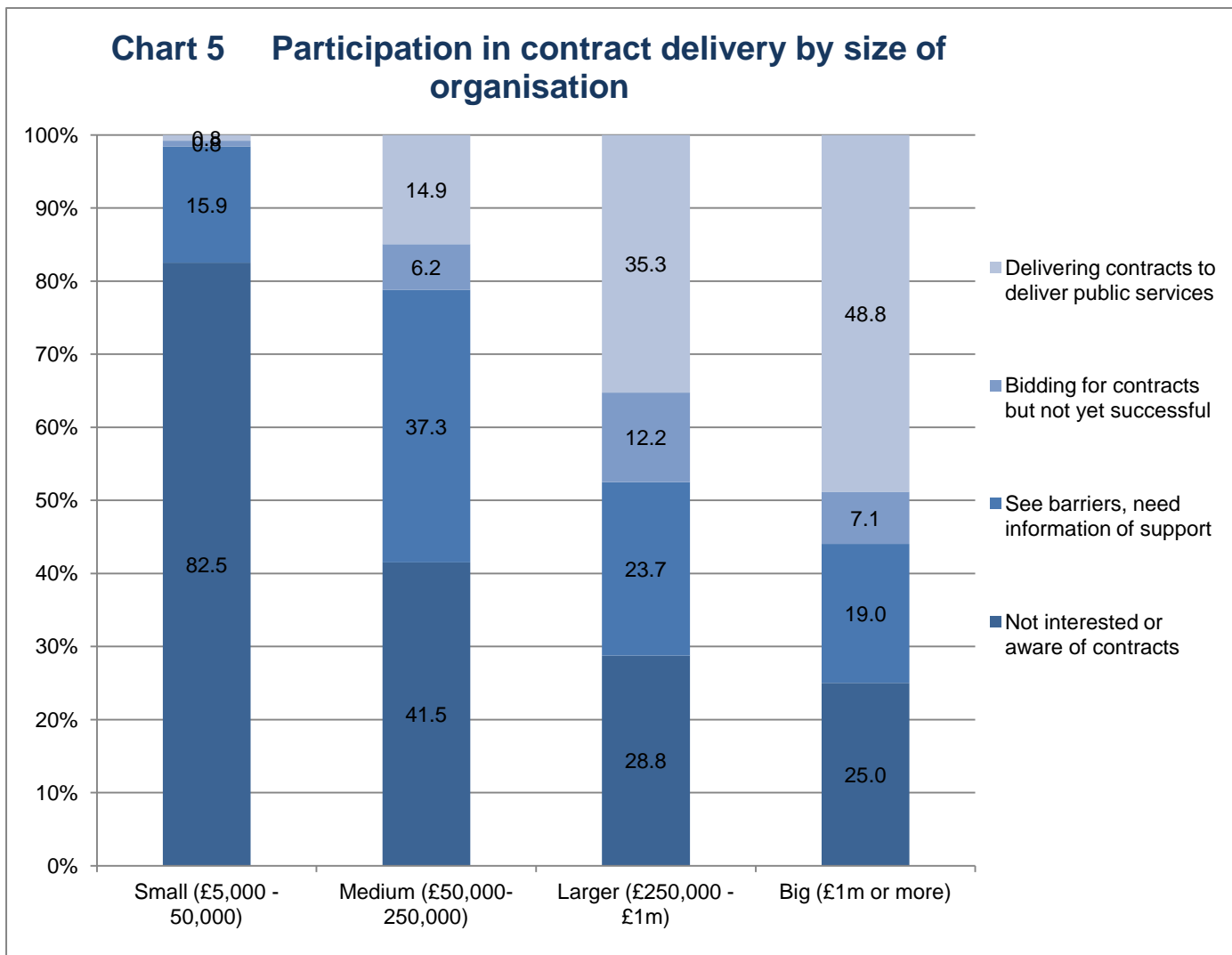


The experience of organisations in rural and urban areas vary, previous research has shown, but even more importantly, it can be demonstrated that **organisations in poor rural and urban areas are struggling more than in the richer areas** (Chart 4b). This is an important finding for funding organisations because levels of need are generally higher in these hard pressed areas.

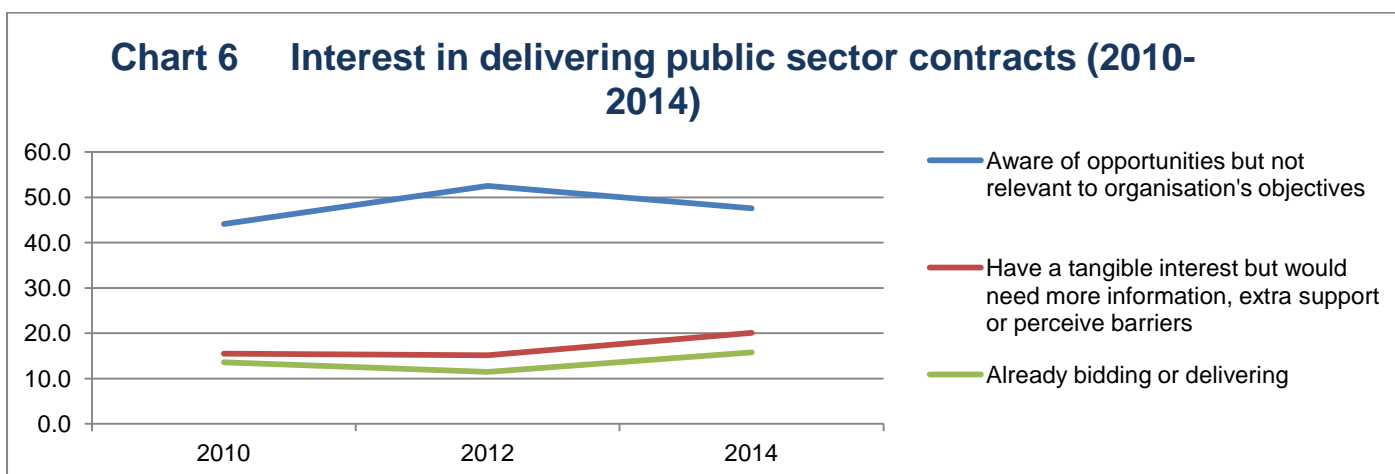
Figure 4b TSOs with substantially falling income by affluence of area



Part of the problem is heavier reliance on contracts to deliver public services in a period of austerity – the bigger organisations are much more likely to deliver contracts and can therefore be more vulnerable in areas where local authorities are hard hit by cuts (See Chart 5).



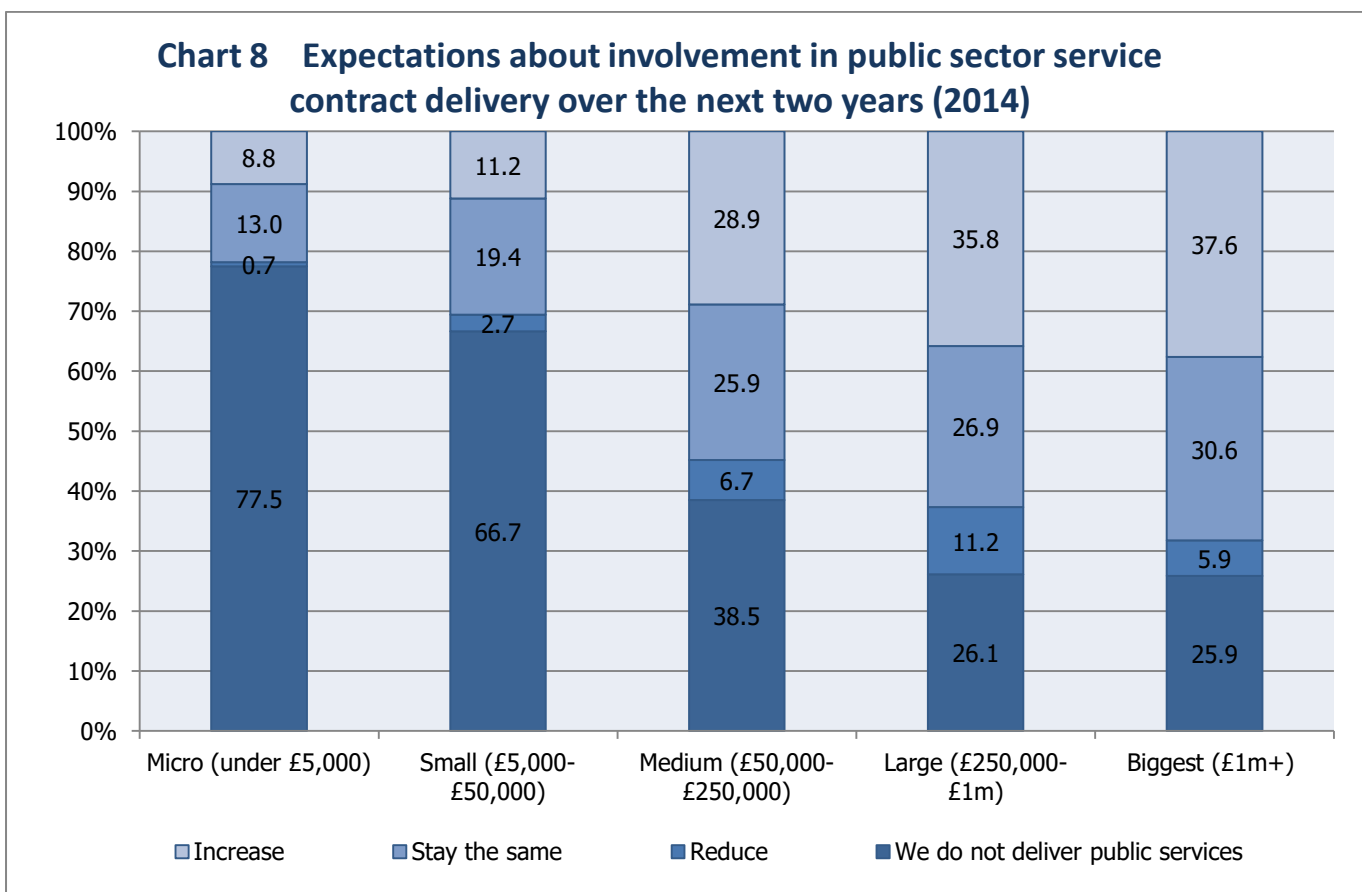
We have to be aware that **many organisations do not get involved in delivering contracts** – so how will all these other organisations cope in future if grants become even less common? Will participation in this kind of work increase...? (Chart 6)



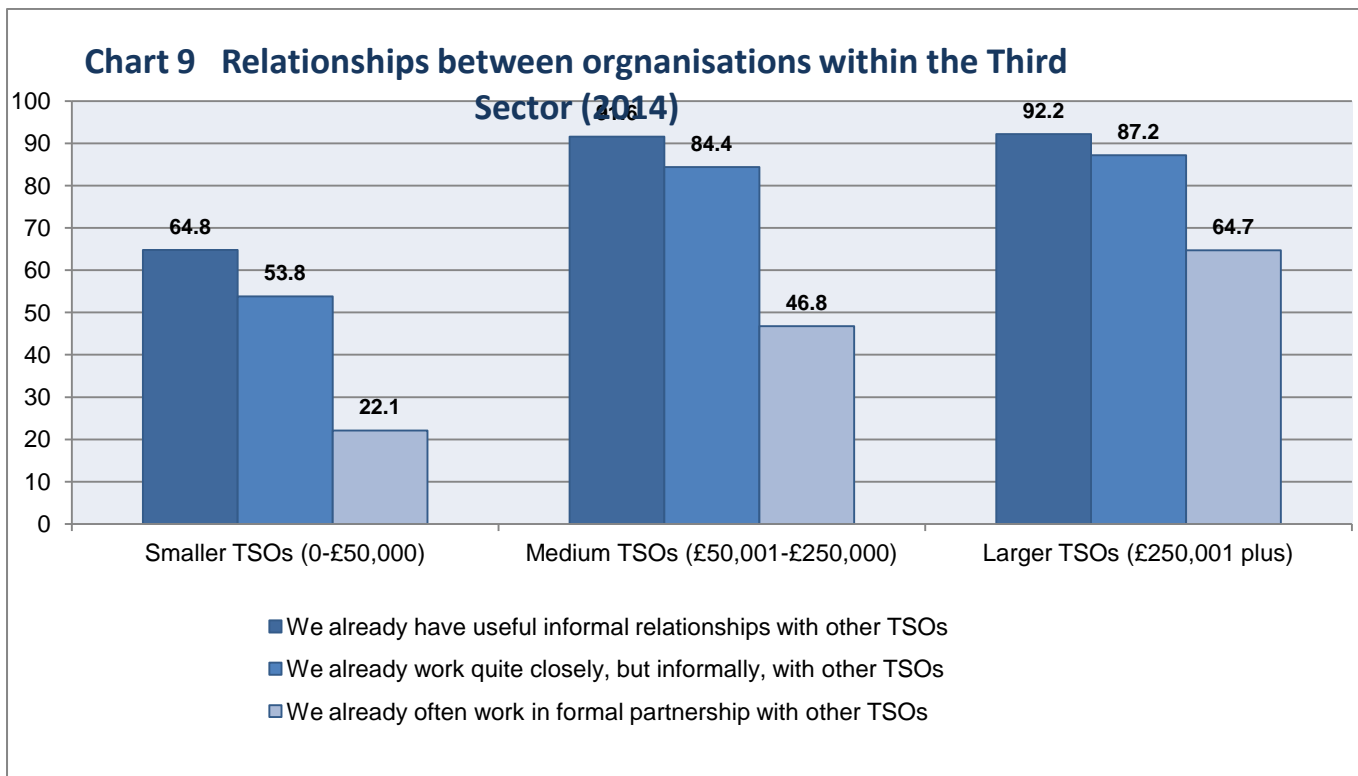
Partnership working is rising too to deliver public sector contracts... but we need to find out if this results in spreading money and effort too far (Chart 7) are partnership bids and tenders the best way forward?



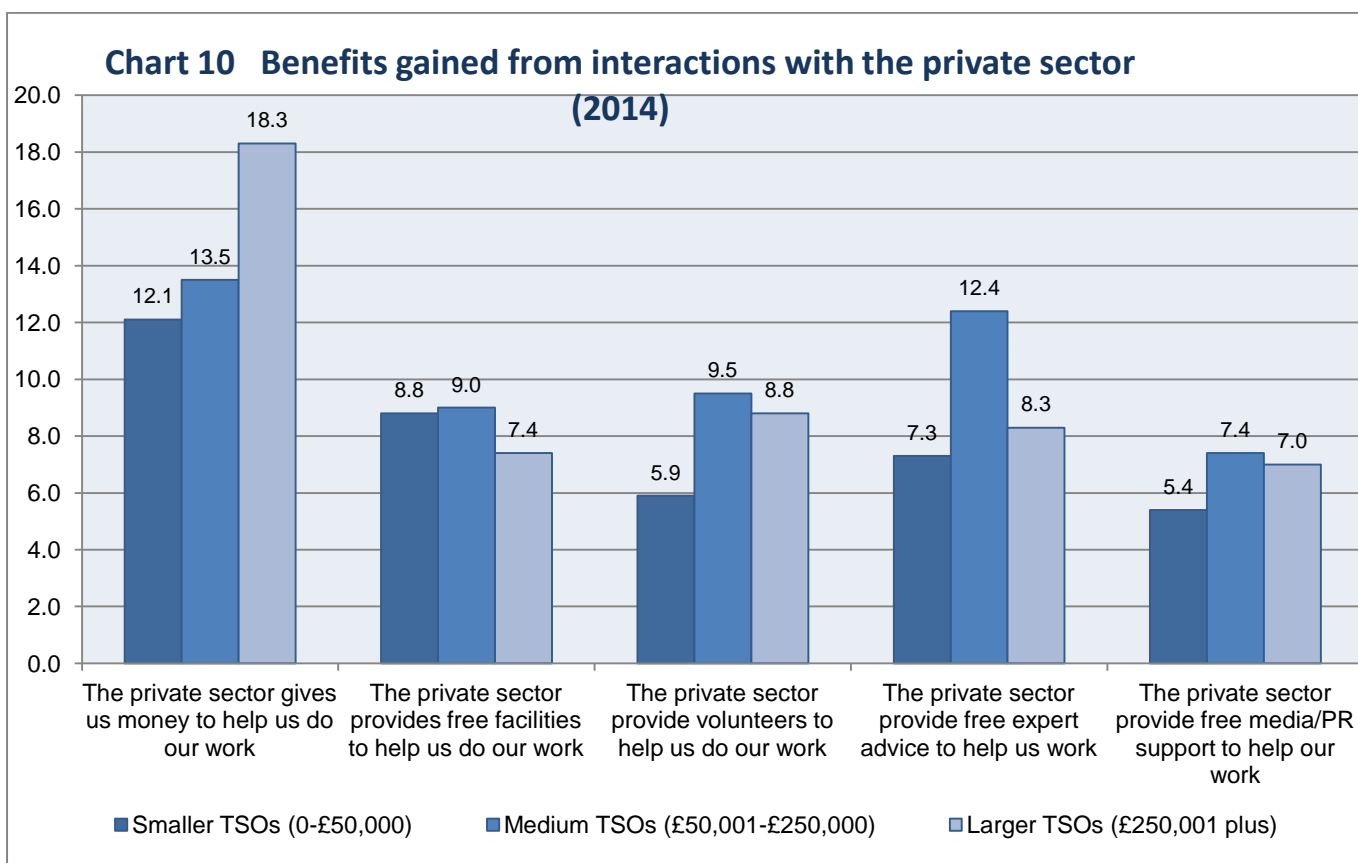
Many organisations, especially the bigger ones, **expect that contract working will increase**, but are they right... is it wise to put all their eggs in one basket in this respect? (Chart 8)



Partnership working is important in the voluntary sector, especially to larger organisations – but should funders demand this in grants and contracts – especially if most smaller and many medium sized organisations are excluded? (Chart 9)

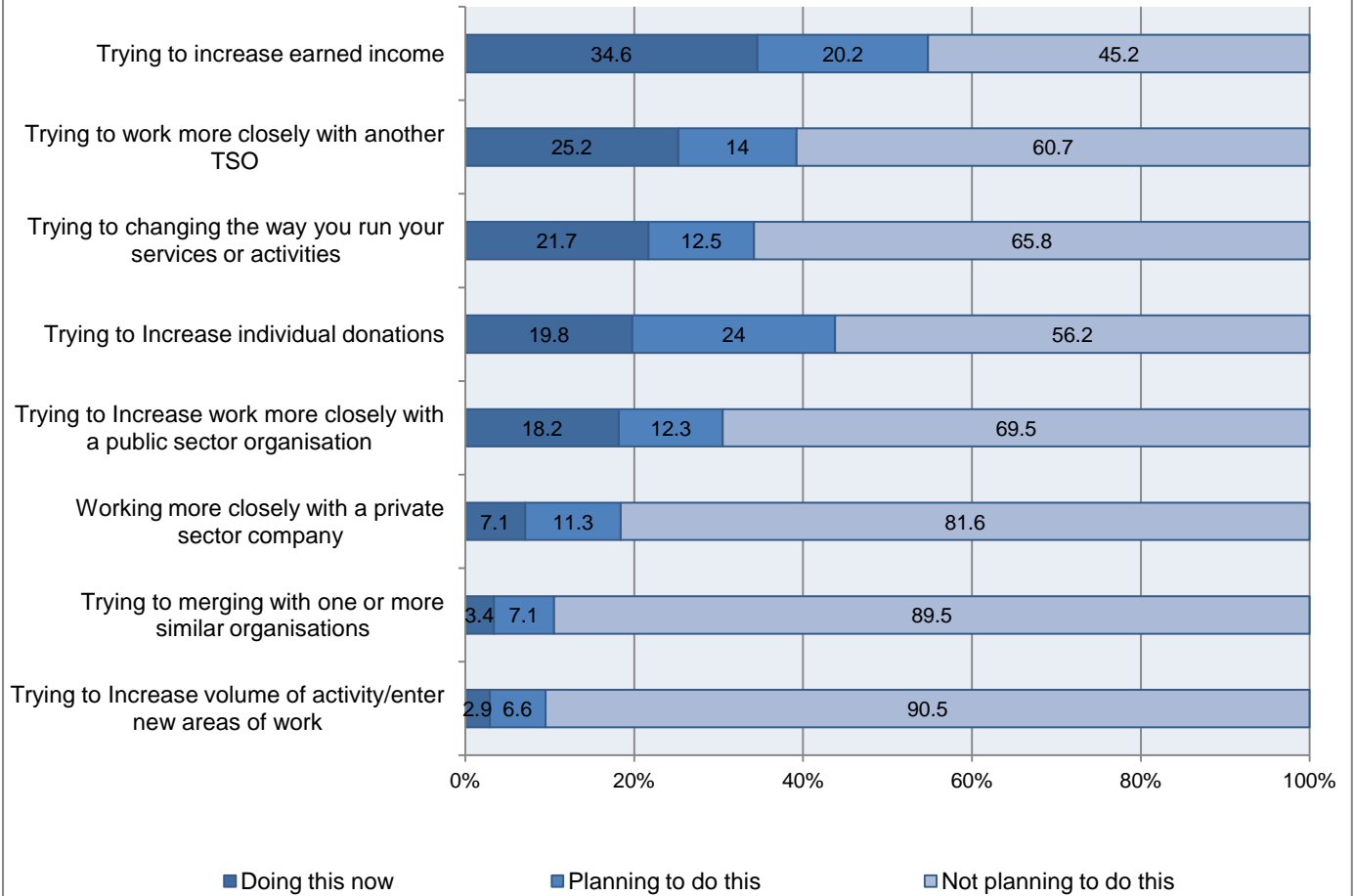


With reductions in government money and voluntary sector funding fairly flat, **is business going to make a difference in future?** At the moment it seems to be the bigger VCSEs which are benefiting most: how will things change? (Chart 10)

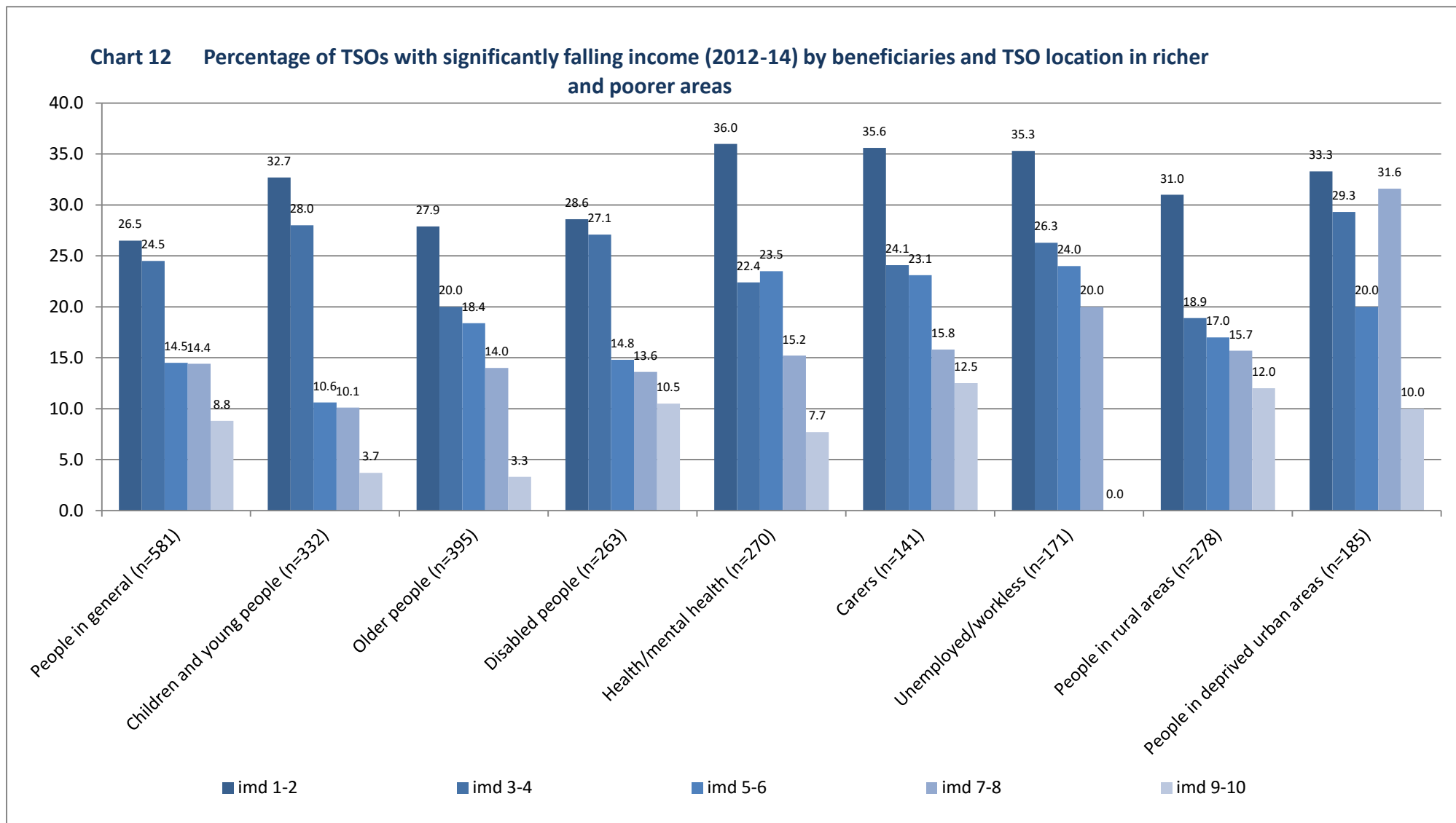


We need to know if organisations are planning effectively to tackle the challenges of the future if they are to be supported effectively. **Do TSOs need to change more quickly than they plan to?** (Chart 11)

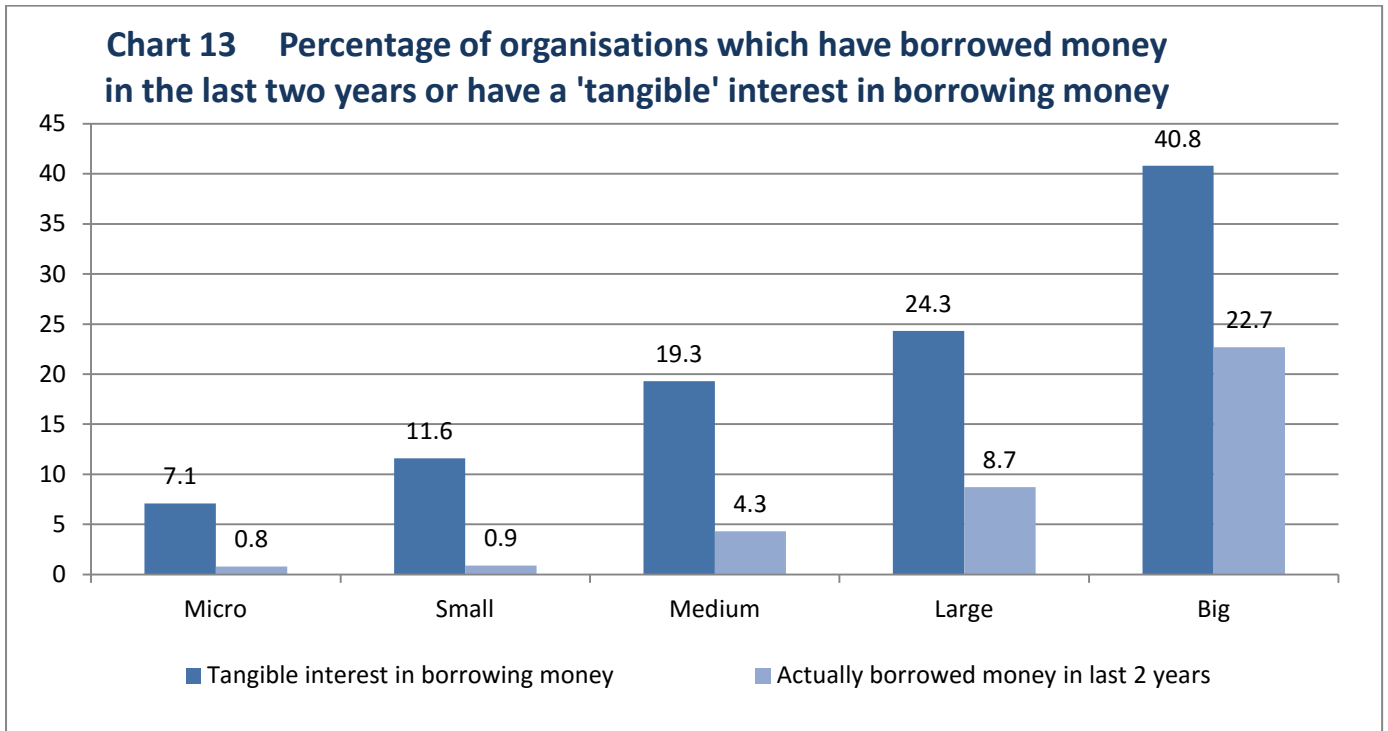
Chart 11 What are organisations doing to prepare for the challenges of the future?



It's not all about organisational survival, but about attending to the needs of beneficiaries. In serving the needs of different beneficiary groups, it is clear that in all areas, the VCSEs based in the poorest areas have been much more likely to have had significantly falling income over the last 2 years (2014). This is vital intelligence for local authorities, health organisations and charitable foundations when they make decisions about targeting and prioritising funding (Chart 12).



Social investment is popular with government, but how many VCSEs are seriously considering such an option? We need to know if demand changes, because if it doesn't policy makers need to know about that.



If you would like more information on what the Third Sector Trends study can explore in your area, please contact:

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