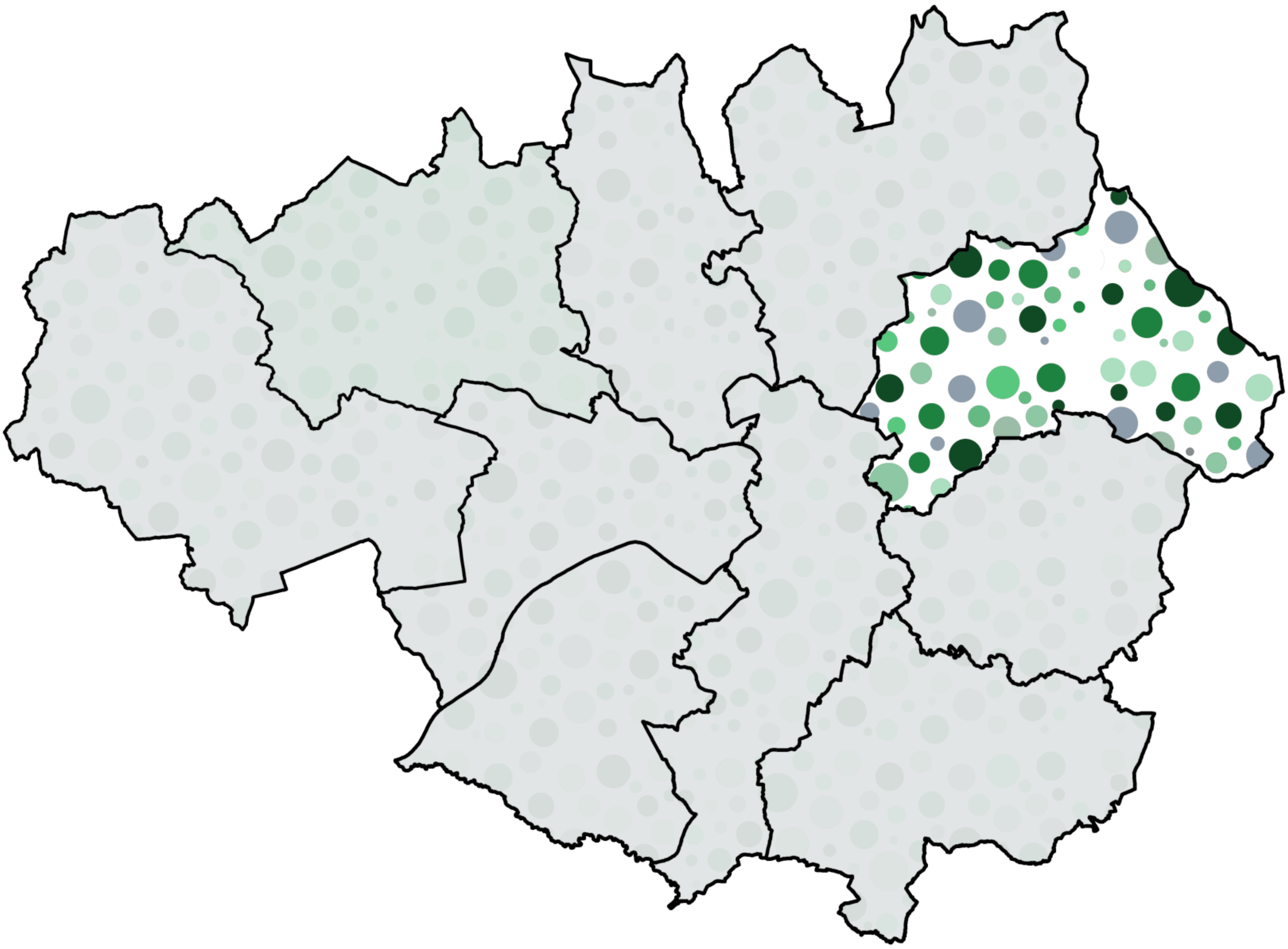
Voluntary Action Oldham

Borough of Oldham State of the Voluntary Sector 2013

A report on social and economic impact



Sheffield Hallam University | Centre for Regional Economic and Social Research

Borough of Oldham State of the Voluntary Sector 2013

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Sheffield Hallam University

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This research has been commissioned by a partnership of local support and development organisations in Greater Manchester and undertaken by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University. This Borough of Oldham report forms part of a wider collection of reports: there is a Greater Manchester wide report and a report for each of the six other local authority areas participating in the study[1]. The full collection reports can be downloaded from the CRESR website (http://www.shu.ac.uk/research/cresr/reports) and the websites of the project partners.

In completing the report we are particularly grateful to members of the Research Steering Group[2] and the Voluntary Action Oldham team 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 sector who took the time to complete a questionnaire.

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

Definitions

This report is about the 'state of the voluntary sector in Oldham'. 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 sector in Oldham, we mean **voluntary organisations**, **community groups**, the **community work of faith groups,** and **those social enterprises** and **community interest companies** where there is a wider accountability to the public via a board of trustees or a membership and all profits will be reinvested in their social purpose.

Foreword

Voluntary Action Oldham are in a unique position to see on a daily basis the amazing work of the voluntary community and faith sector across the borough of Oldham. The economic downturn means that it's important now more than ever that we have the evidence to demonstrate to others the significant social and economic impact of the voluntary sectors' work.

Even knowing so many of the groups in Oldham, it's still remarkable that over 800 of the 1100 groups in Oldham are micro organisations operating 'below the radar' run by the vast majority purely on volunteers with operating costs of less than £10,000 per year.

Given the significant contribution by volunteers in Oldham, over 79 thousand hours of time, it's hardly surprising that the work of our sector can sometime be seen as 'free'. However it's important we recognise that everything has a cost and even micro organisations need funding to enable people to donate their time to local good causes.

This research highlights that micro and small organisations are particularly under threat. Many have been using their reserves to meet shortfalls in funding but this is unsustainable. Even where this isn't the case, two fifths of all organisations and particularly the medium to large are also financially vulnerable if funds are severely reduced or withdrawn as they don't have enough reserves to meet 3 months of their operating costs. Whatever the size of the organisation it's clear that further reductions in public sector funding, increasing competition for grants and limited local donations means it's critical that we support organisations to better understand the market place to enable them to reposition themselves to give them the very best chance of survival.

Whilst this research highlights the specific social and economic contribution that the voluntary, community and faith sector makes in Oldham, we also know that this isn't achieved in isolation. It's essential that we work cooperatively with each other and with our statutory and private sector partners to ensure the vital work the sector does will continue and that the contribution local people want to make to their community is supported.

Thank you to all the groups who took the time to complete the survey that has informed this research. Without you we couldn't evidence the difference you make and get such a powerful insight into the makeup of our local sector.

There's lots of data included in this research, I hope you find it interesting but more importantly that this stimulates even more opportunities for the voluntary sector to play its part in achieving Oldham's ambition of being a productive place with health, aspiration and sustainable communities.

Liz Windsor-Welsh

Chief Executive of Voluntary Action Oldham

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Executive Summary

The state of the voluntary sector in the Borough of Oldham: 10 key questions answered

This report provides the main findings of quantitative research aimed at improving understanding of the social and economic impact of the work undertaken by voluntary organisations, community groups, social enterprises and faith groups in the Borough of Oldham (Oldham). The study had two main objectives:

- to produce reliable, statistically significant and current data on the voluntary sector in Oldham
- to provide intelligent information on the key issues affecting the voluntary sector in Oldham.

In this executive summary we answer 10 key questions about the voluntary sector and its role across the borough.

Q1. How many organisations are there?

There are an estimated **1,112 organisations** operating in the voluntary sector in Oldham. This estimate includes formally registered organisations, such as charities, social enterprises and co-operatives, but it also includes a large number of 'below the radar' organisations that are not formally registered or incorporated. Overall, it is estimated that 78 per cent of organisations are micro (annual income under £10,000) in size, 14 per cent are small (annual income between £10,000 and £100,000), 7 per cent are medium sized (annual income between £100,000 and £1 million), and 1 per cent are large (annual income greater than £1 million).

Q2. How much is the voluntary sector in Oldham worth?

The total income of the voluntary sector in the borough was an estimated **£56 million in 2011/12 but year-on-year reductions in income have been identified.** It represents a reduction of two per cent compared to 2010/11 and follows a larger reduction between 2009/10 and 2010/11 when the total income of the sector reduced by an estimated six per cent, from £61 million to £57 million.

The majority of income is concentrated in large and medium sized organisations even though the majority of organisations are micro or small. Micro and small organisations account for over 90 per cent of organisations in the sector but less than one fifth of total income. By contrast medium and large organisations account for less than 10 per cent of the sector's organisations but receive more than four fifths of its income. Income is concentrated particularly heavily in the largest organisations, with two fifths of all income (41 per cent) into the sector received by only 12 organisations.

It is estimated paid staff and volunteers working within the voluntary sector in Oldham contribute equivalent to £115 million worth of 'Gross Value Added' GVA to the economy; this is comparable to 0.2 per cent of the value of Greater Manchester's GVA[3].

Q3. Where does the voluntary sector in Oldham receive its funding from?

Public sector sources

Overall, **55 per cent of respondents reported having at least one source of public sector funds**. The two most frequently identified public sector funding sources were:

- Oldham Council (39 per cent)
- other public sector bodies (six per cent).

Only 4 per cent of respondents received funding from national Government Departments and 3 per cent received funding from NHS Oldham.

Other sources

Overall, **79 per cent of respondents received funds from at least one non-public sector source**. The most frequently identified sources of other funds were:

- fundraising (41 per cent of respondents)
- grants from charitable trusts and foundations (24 per cent)
- membership fees and subscriptions (24 per cent) and,
- grants from National Lottery distributors (23 per cent).

Q4. How sustainable is the voluntary sector in Oldham?

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

- 44 per cent of respondents reported increasing their expenditure but only 33 per cent had experienced an increase in income
- 41 per cent of respondents reported a decrease in income but only 29 per cent reduced their expenditure
- 37 per cent reported a reduction in their financial reserves compared to only 21 per cent reporting an increase.

This means that a significant number of organisations have spent more money than they received in the past 12 months: 29 per cent of respondents provided an expenditure figure for 2011/12 that was greater than their income. This could be indicative of a longer term trend in response to the economic downturn and subsequent reductions in the sector's income. In light of this trend it seems likely that the sustainability of a significant number of organisations could be under threat.

[3] Please note the Gross Value Added of volunteers is not currently included with official reporting, therefore the value of Greater Manchester's GVA does not include that of volunteers.

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

- 16 per cent had reserve levels of less than one month's expenditure
- a further 23 per cent had reserve levels of less than three month's expenditure.

This suggests that a number of organisations that are dependent on external funding, particularly medium and large organisations that need high levels of income to carry out their work, could be particularly vulnerable should their funds be severely reduced or withdrawn.

Q5. Who works in the voluntary sector and what do they do?

Paid Staff

The voluntary sector in Oldham employed an estimated **1,400 full-time equivalent (FTE)[4] paid staff.** This was six per cent of the estimated total number of FTE paid staff working within the voluntary sector in Greater Manchester.

It is estimated that paid employees of Oldham organisations contribute equivalent to £44.1 million worth of GVA to the economy per annum; this represents 0.1 per cent of Greater Manchester's GVA.

Forty three per cent of FTE paid staff were employed in large organisations with an income of at least one million pounds. In comparison the 1,019 micro and small organisations employed 12 per cent of FTE paid staff.

Volunteers

In 2012/13, an estimated **25,500 volunteers** were part of the sector workforce in Oldham, contributing an estimated **79,100 hours** of their own time per week.

It is estimated that volunteers in Oldham organisations contribute equivalent to £70.9 million worth of GVA to the economy per annum[5].

Assessment of the breakdown of volunteers by job role reveals:

- 25 per cent of volunteers were in management roles, for example committee/board members
- 11 per cent of volunteers were in administrative roles
- 62 per cent of volunteers were in roles delivering services.

Work placements

An estimated **140 FTE work placements** contributed to the voluntary sector's workforce in 2012/13.

Q6. How good are relationships with local public sector bodies?

Survey respondents had dealings with a range of local public sector bodies. The **three most prominent were Oldham Council, NHS Oldham, and Greater Manchester Police**:

- Oldham Council: 70 per cent had some dealings with the Council

[4] FTEs are calculated on the basis that one worker in one paid full time job for a year would be one FTE and if that person worked half time they would be 0.5 FTE.
[5] Please note the Gross Value Added of volunteers is not currently included with official reporting.

- NHS Oldham (the Primary Care Trust): 53 per cent had some dealings with NHS Oldham
- Greater Manchester Police: 53 per cent had some dealings with the Police.

This highlights the central importance of the Council, NHS Oldham, and the Police to the voluntary sector's work. The relationship between the voluntary sector and its local public sector partners is therefore crucial to its ability to operate effectively. To this end survey respondents were asked about the quality and effectiveness of their relationships with key public sector bodies. Responses to these questions followed a clear trend in which **the voluntary sector's experiences of working with Oldham Council were broadly similar** to working with other local public sector bodies.

Q7. How well does the voluntary sector work with commercial businesses?

The relationship between the voluntary sector and commercial businesses is likely to increase in importance over the next few years as funding from public, charitable and philanthropic sources becomes less readily available. However, the survey evidences suggests there is some way to go: around one quarter of survey respondents had frequent direct dealings with local commercial businesses and similar proportions were positive about their relationship with the commercial sector. Overall, **only 21 per cent of respondents felt that the commercial business community in Oldham was a positive influence on their organisation's success** - this is 6 percentage points less than the Council and 12 percentage points less than other public sector bodies.

Q8. How well does the voluntary sector work together?

Compared to the public and commercial sector, **respondents were more positive about their relationships with other voluntary and community sector organisations**. Collaborative working is a key feature of the sector's work: just under two-thirds of respondents had frequent and direct dealings with other organisations in the voluntary sector. Respondents were generally positive about these relationships: 57 per cent were satisfied with opportunities to work together to influence decisions and 52 per cent were satisfied with opportunities to work together to deliver services.

Q9. Does the voluntary sector get the support it needs?

Survey respondents were asked if their organisation currently received support from a list of named local support and development organisations based in the Oldham area[6]. Voluntary Action Oldham provided support to nine in ten survey respondents (91 per cent). Other organisations provided support to far fewer organisations but this is likely to be a function of the fact that they were not borough wide and tended to support groups within defined local areas (i.e. wards or neighbourhoods) or those working with specific beneficiary groups (i.e. faith based).

Survey respondents were also asked the extent to which they were satisfied with the support available from these local support and development organisations. Overall, 70 per cent of organisations were satisfied with the support available from local support and development organisations in Oldham. **Of the organisations that had received support 78 per cent were satisfied.** These findings provide an important endorsement for the work that these organisations do to provide help, advice and support across the voluntary sector in Oldham.

[6] The options were: Voluntary Action Oldham, Children and Young Peoples Hub, Oldham Local Involvement Network, Oldham Interfaith Forum, Local District Forums, The Enterprise Centre, Oldham Community Accountancy Service, Oldham Council for Voluntary Youth Services, Forum for Age, The Lesbian and Gay Foundation, Blue Orchid, Other organisations

Q.10. What are the key challenges facing the voluntary sector in Oldham?

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

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

Introduction

1

The voluntary sector plays an important part in the life of the borough of Oldham (Oldham): it is estimated that 1,112 organisations are working every day to improve the lives of local people and communities through a wide range of services. They are supported by a large workforce of paid staff and unpaid volunteers and provide advice, help, support and resources in areas often missed out by mainstream public and private sector provision.

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

The study had two main objectives:

- to produce reliable, statistically significant and current data on the voluntary sector in Oldham
- to provide intelligent information on the key issues affecting the voluntary sector in Oldham.

The research involved a large postal survey of organisations based in and supporting the people and communities of Oldham. A web based survey was also distributed. At least partial responses were received from 121 of the 547 organisations that were sent a survey questionnaire: this represents an **overall response rate of 22 per cent**. For certain questions the analysis also draws on the responses of 18 organisations that operate Greater Manchester wide but deliver a proportion of their activity in Oldham. These respondents participated in a web based questionnaire administered by Greater Manchester Centre for Voluntary Organisation (GMCVO).

The questionnaire was based on the one developed for a study undertaken in Salford 2010 study, but was revised following input from the Research Steering Group. It also included questions from the Cabinet Office's National Surveys of Third Sector Organisations (2008) and Charities and Social Enterprises (2010) to enable findings about the voluntary sector in Oldham to be compared to the national picture[7].

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

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

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

When reading the report it is important to acknowledge two key points. First, the results reported are based on the survey responses received. Therefore it is possible that if a different sample of organisations had taken part in the survey different results may have emerged. It is estimated that the results reported are within +/- 7.8 percentage points of the true value.

Secondly, in a number of instances the report presents grossed up estimates for all organisations within the area; for example estimates are provided of income, staffing and volunteers. These have been created using the estimated average for micro, small, medium and large organisations within Greater Manchester who took part in the survey. The averages are then multiplied by the estimated number of organisations within these size bandings within the area. These have then been summed to provide aggregate area level results. Please note it has been assumed here that the estimated averages for Greater Manchester organisations are representative for organisations within Oldham. So for example it is has been assumed that the estimated average income of approximately £301,000 for medium sized organisations across Greater Manchester is representative of the income for medium sized organisations within Oldham. Appendix 1 provides more detail on this estimation approach.

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

- **chapter 2** briefly outlines the context for the research through discussion of recent policy debates and developments
- **chapter 3** is the first of four evidence based chapters, this chapter describes the anatomy of the voluntary sector in Oldham
- **chapter 4** assesses the income, expenditure and sustainability of the voluntary sector in Oldham
- **chapter 5** reports on the size and form of the voluntary sector's workforce
- **chapter 6** explores relationships and partnership working with key local public sector bodies
- **chapter 7** explores relationships with commercial businesses
- **chapter 8** explores relationships with other voluntary and community organisations, and satisfaction with local support and development providers
- **chapter 9** is the conclusion and highlights the main findings from the research.

Context for the Research

2

This research comes during a key period in the development of voluntary organisations, community groups, faith groups and social enterprises operating at every level. The period between 1997-2010 provided a very positive political and economic climate for the voluntary sector and its activities with unprecedented levels of policy attention, including major investment in national sector-wide programmes and support for 'strategic partners' to provide voice and policy input to government. According to the National Council for Voluntary Organisations (NCVO) the voluntary sector grew considerably during this period[8]: there were only 98,000 active voluntary organisations in 1991 but by 2001 there were 153,000, and 164,000 by 2009/10; income increased 77 per cent from £20.7 billion in 2000/01 to £36.7 billion in 2009/10; likewise expenditure was up 83 per cent from £19.8 billion in 2000/01 to £36.3 billion in 2009/10.

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

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

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

sector's funding in 2007/08. This likely reduction in funding from public sector sources follows a period during which competition for other resources available to voluntary sector organisations, particularly grants and philanthropic donations, has already intensified[10]. These changes in the economic environment in which the sector operates are likely to put pressure on the financial health of voluntary organisations and community groups of all shapes and sizes but the impact of the economic downturn goes beyond income and expenditure. There is growing evidence to suggest organisations are trying to meet greater levels of need from existing and new beneficiaries – particularly in areas such as advice services - and this will only be exacerbated by the likely effects of the Government's programme of welfare reform.

Oldham is an integral part of the Greater Manchester city region – the largest economy outside of London and the South East. Greater Manchester has a clear growth agenda linked to making the most of economic opportunities – especially in the regional centre and around Manchester Airport – and a radical approach to public service reform. In common with many former mill towns, however, Oldham faces significant economic and social challenges, with long-term structural issues overlain by problems created by the current economic downturn and re-structuring of the welfare state. The Borough has been making great strides in the educational sector although serious health inequalities remain with low life expectancy compared to national averages. Economic re-structuring remains a key priority but with a falling employment rate (from 72% in 2001 to 67% in 2009), a low skill base for its population, (17.2% with no skills compared to 13.4% in Greater Manchester), challenging public transport links to the out-lying estates and a higher than average number of children living in poverty (27% of dependent children under the age of 20 are living in poverty compared to 20.6% for England) it is clear that there is no quick fix.

In spite of these issues, Oldham is proud to proclaim itself as a Co-operative Borough and is ambitious about making Oldham a 'productive place with health, aspiration and sustainable communities'. The recently produced Oldham Plan highlights the Oldham Partnerships' priorities in re-dressing the above imbalances by making Oldham:

- a place to invest with confidence
- a dynamic and skilled and relevant workforce for the future
- an enterprising and cooperative culture
- well-connected communities and businesses
- a healthy, confident and empowered population.

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

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

3

The Anatomy of the Voluntary Sector in Oldham

This chapter develops a picture of the core features of the voluntary sector in Oldham. It focuses on a series of general questions in which respondents were asked about their group or organisation: what it is, what it does, who for, where and how?

This chapter considers seven questions in turn:

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

3.1. How many organisations are there in the voluntary sector in Oldham?

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

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

- a sample of **537** organisations compiled from information held on Voluntary Action Oldham's database
- official Cabinet Office figures indicate that the total number of registered organisations in the voluntary sector in Oldham is **308**[11]

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

- research by NCVO and the University of Southampton[12] which found that on average there are 3.66 BTR organisations per 1,000 population. If this figure is applied to Oldham[13], it can be estimated that there are **804** BTR organisations in the borough.

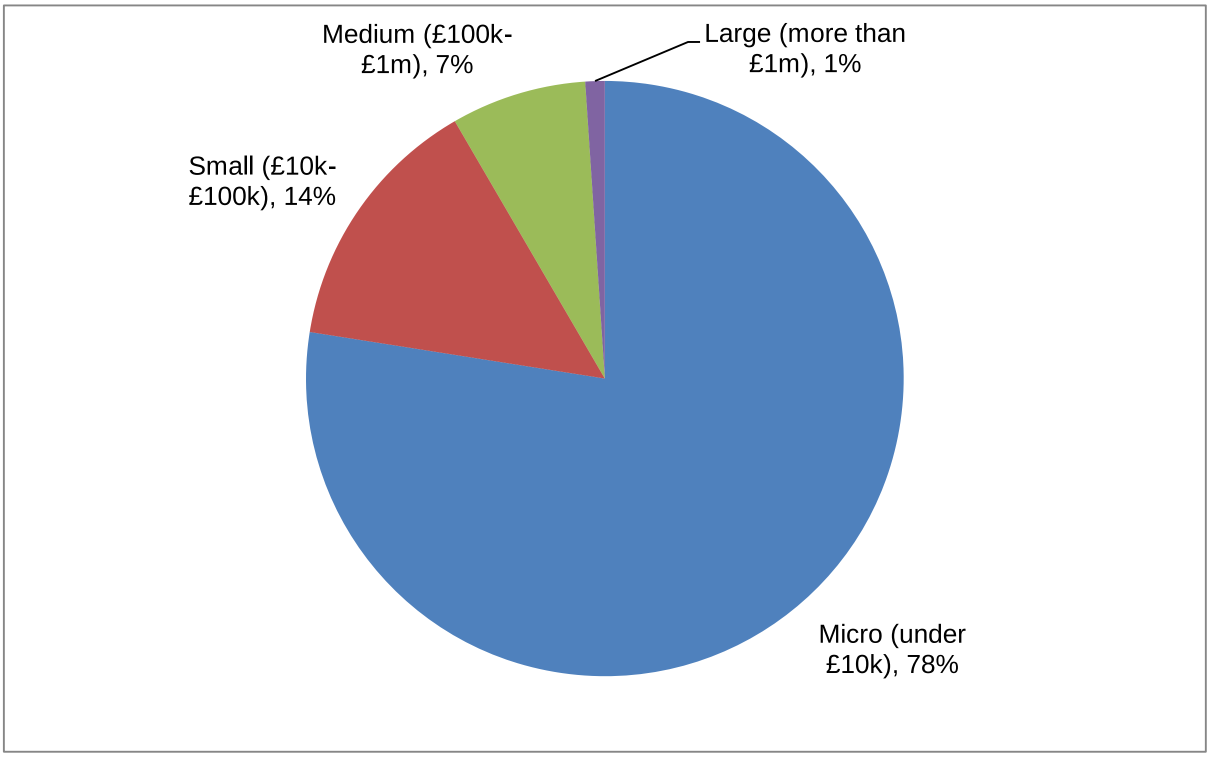
Summing the official Cabinet Office figures and BTR[14] estimates produces an estimated figure of **1,112** for the total number of organisations operating in the voluntary sector in Oldham. In addition to organisations based in Oldham, there are a number of organisations based elsewhere in Greater Manchester providing services to people in the borough: **based on responses to surveys undertaken in other areas as part of this study, it is estimated that there are at least 48 of these organisations.**

3.2. What size are organisations in Oldham?

The size of organisations is traditionally measured using their annual income[15]. When the distribution of Oldham organisations was explored by size category based on income for 2011/12, it showed that **the majority of organisations were either micro or small**. But the survey was under-representative of BTR organisations (only 36 per cent of survey respondents were identified as BTR), so this did not present an accurate picture of the actual distribution. The figures were therefore adjusted based on the assumption that the estimated 565 organisations not included in the survey sample were BTR and micro in size[16]. The outcome of this process is shown in figure 3.1, which demonstrates that 78 per cent of the sector (an estimated 862 organisations) are micro in size, 14 per cent are small (157 organisations), seven per cent are medium (81 organisations), and one per cent are large (12 organisations). This is consistent with findings from across Greater Manchester.

[12] 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
[13] Based on Office for National Statistics 2010 population estimates
[14] 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.
[15] 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)
[16] The basis for these assumptions is discussed in more detail in the methodological annex

Figure 3.1: Proportion and number of Oldham organisations by organisation size



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 94

Introducing the 'below the radar' figure produces a much higher estimate for the number and proportion of micro organisations and emphasises the finding that a very large proportion of organisations in the voluntary sector in Oldham are very small. This is consistent with national trends: NCVO[17] estimate that 85 per cent of the voluntary sector is made up of micro or small organisations, 12 per cent are medium, and three per cent are large.

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

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

In the first question respondents were asked to identify the legal status of their organisation. For this question it was possible for organisations to select registered charity in addition to identifying their legal form. Figure 3.2 shows:

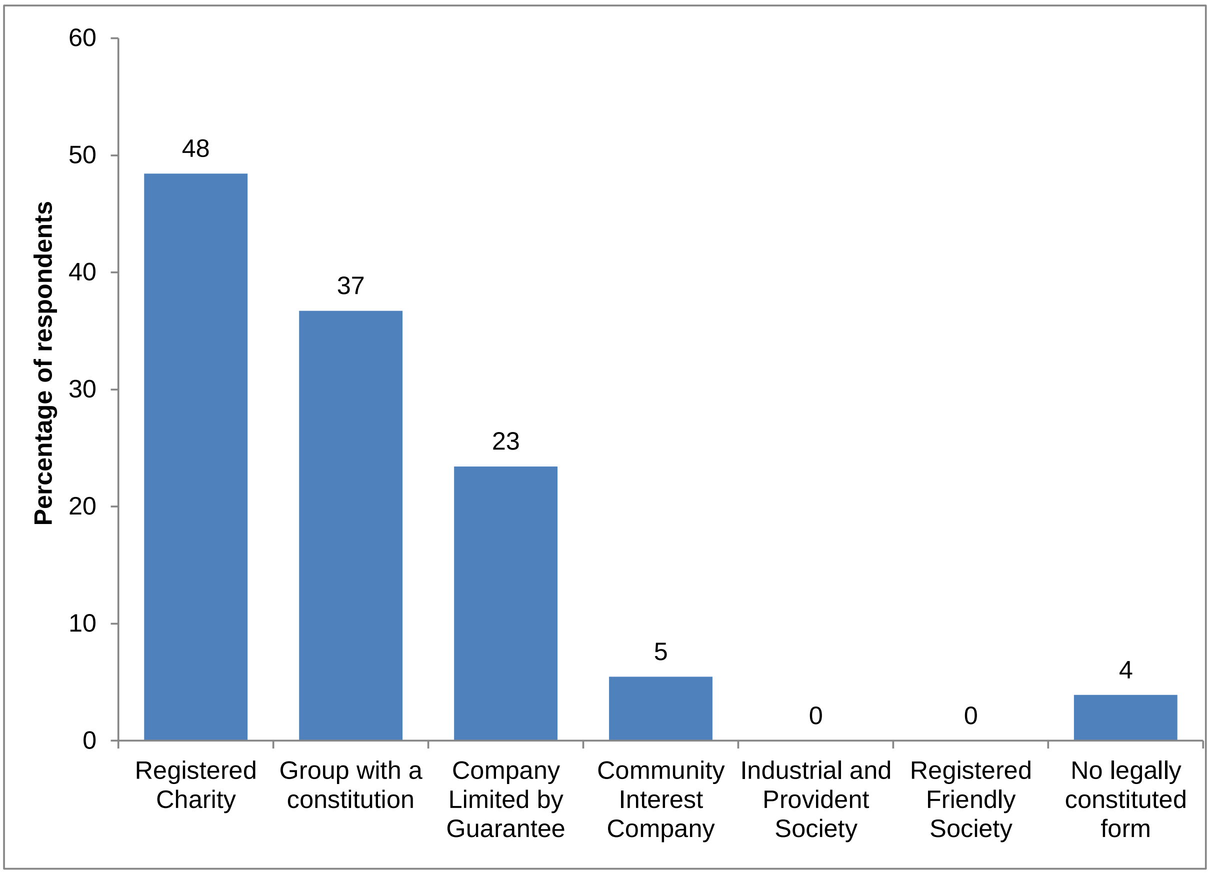
- 37 per cent of organisations were a group with a constitution, but not registered charities.
- 23 per cent of organisations were companies limited by guarantee
- four per cent of organisations responding to the survey had no legally constituted form
- separate to identifying their legal status nearly half of respondents, **48 per cent, identified that their organisation was a registered charity.**

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

Across Greater Manchester was estimated:

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

Figure 3.2: The legal status of organisations

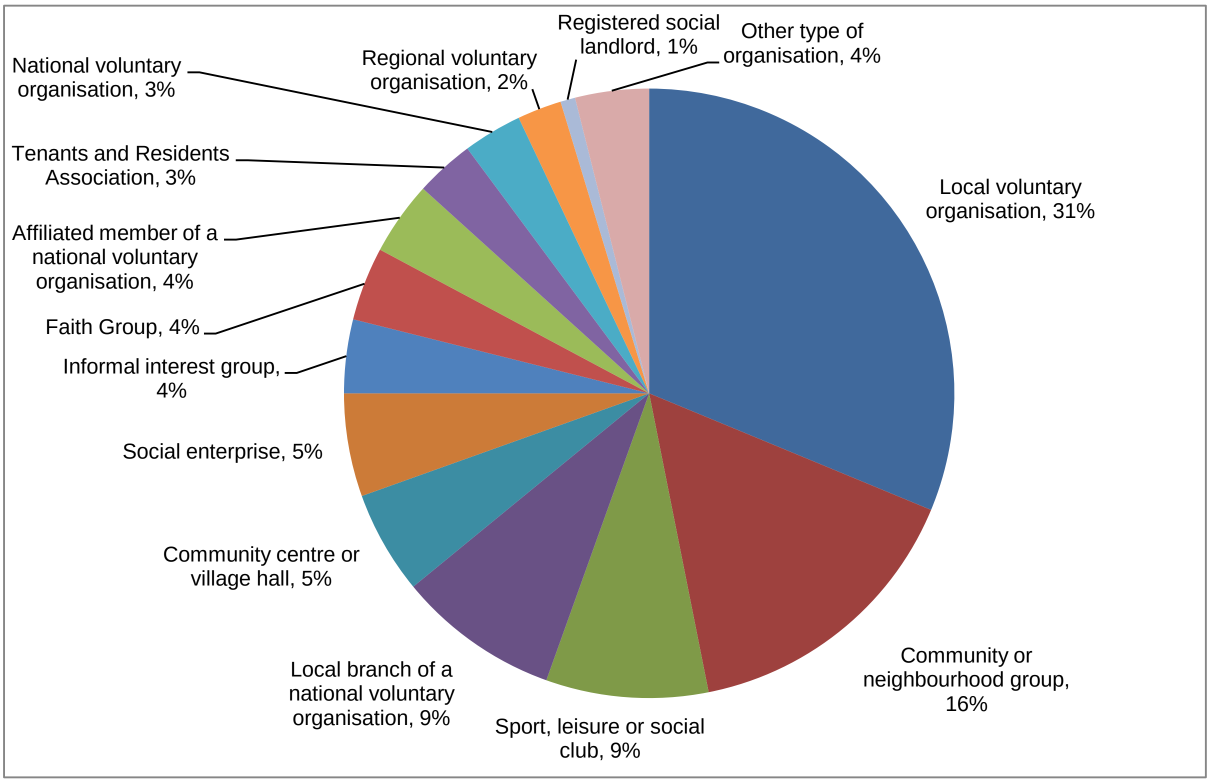


Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 128

In the second question respondents were asked to identify which category from a list of 'organisation types' best described their organisation. The results indicate that many organisations in the sector are likely to have had a local focus; a theme developed later in this chapter. Figure 3.3 shows that **31 per cent identified their organisation as being a local voluntary organisation**. This was nearly double the proportion for the next most common type: community or neighbourhood groups (16 per cent). National organisations were less common: just 12 per cent of organisations were either a national voluntary organisation (three per cent) or a local branch of a national voluntary organisation (nine per cent).

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

Figure 3.3: Type of organisations



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 128

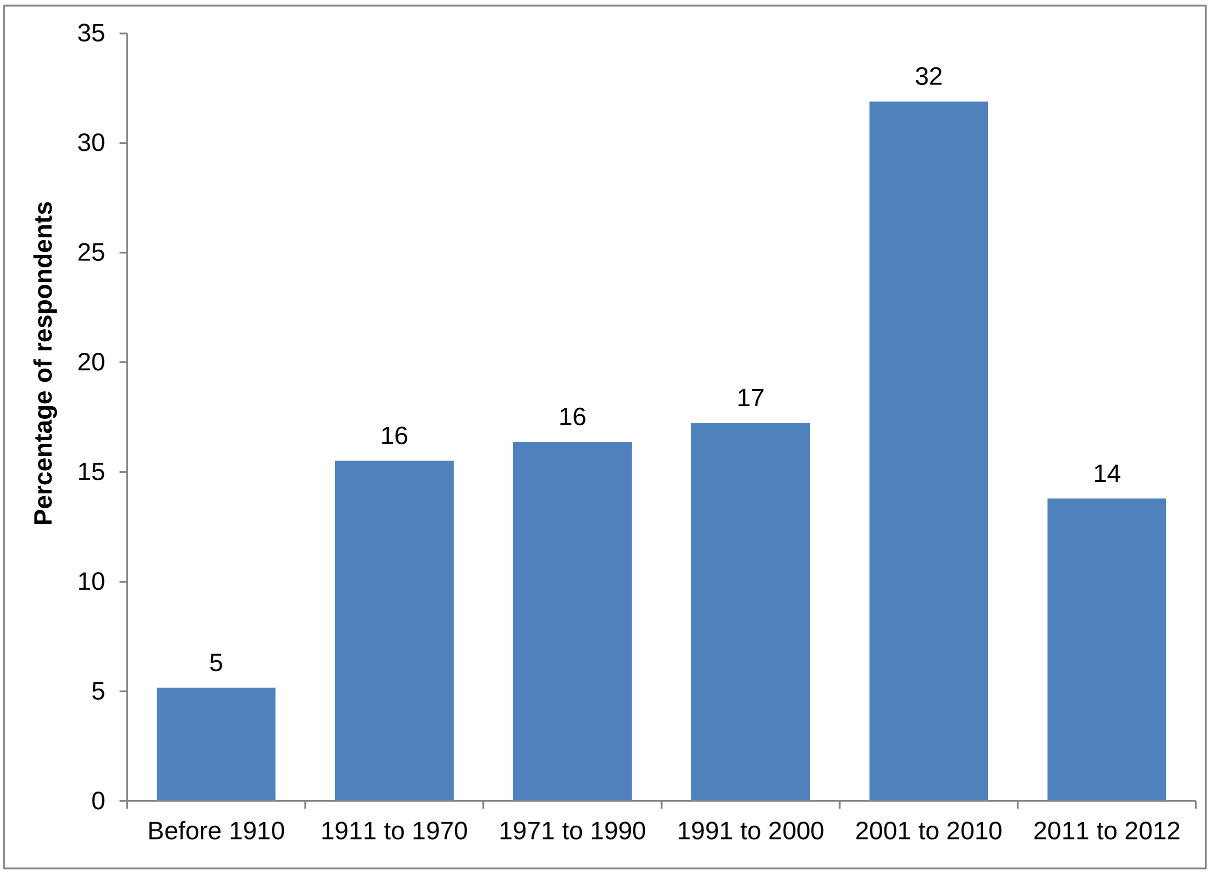
3.4. How long have organisations in the voluntary sector been operating?

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

The responses received build a picture of a voluntary sector that has a fairly well established core. However, the voluntary sector in Oldham has also seen the formation of many new organisations since 2001. Figure 3.4 shows that **46 per cent of organisations responding to the survey had been formed since 2001, including 39 per cent in the past 10 years (i.e. since 2003)**. Furthermore, an additional 17 per cent were formed between 1991 and 2000; this means 63 per cent of organisations were formed in the last 22 years. These results suggest that there has been considerable growth to the voluntary sector over more recent years. At the other end of the spectrum 21 per cent of organisations had been formed before 1971, including five per cent formed in 1910 or before.

The pattern across Greater Manchester was similar. Thirty seven per cent of respondents had been formed in the past 10 years, including a slightly lower figure, 10 per cent of organisations, which had been formed since 2011. Seven per cent of Greater Manchester organisations had been formed before 1911.

Figure 3.4: Year in which organisations were formed



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 116

It is important to conclude this section by drawing an important qualification. Although the results suggest that it is likely that the sector in Oldham has experienced growth in the number of organisations established in the last 10 years or so, it may not be as dramatic as the figures suggest. By definition, the survey is of organisations still operating in Oldham in 2012/13, not those which have closed down or ceased operations. Of the organisations which have survived through to 2012/13, the results suggest that a high proportion were established in the last 10 years. But some of the organisations established before, and since, may have subsequently closed down. Because we do not know the rate of closure over time we cannot be certain that the aggregate number of organisations being established or surviving is increasing.

3.5. What does the voluntary sector in Oldham do?

To elicit a picture of what the voluntary sector in Oldham does the survey asked respondents to identify up to three main areas in which their organisation operated. Figure 3.5 presents the results to this question and confirms the message that the voluntary sector in Oldham 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 3.5 shows more than a quarter of organisations worked in each of the following four areas:

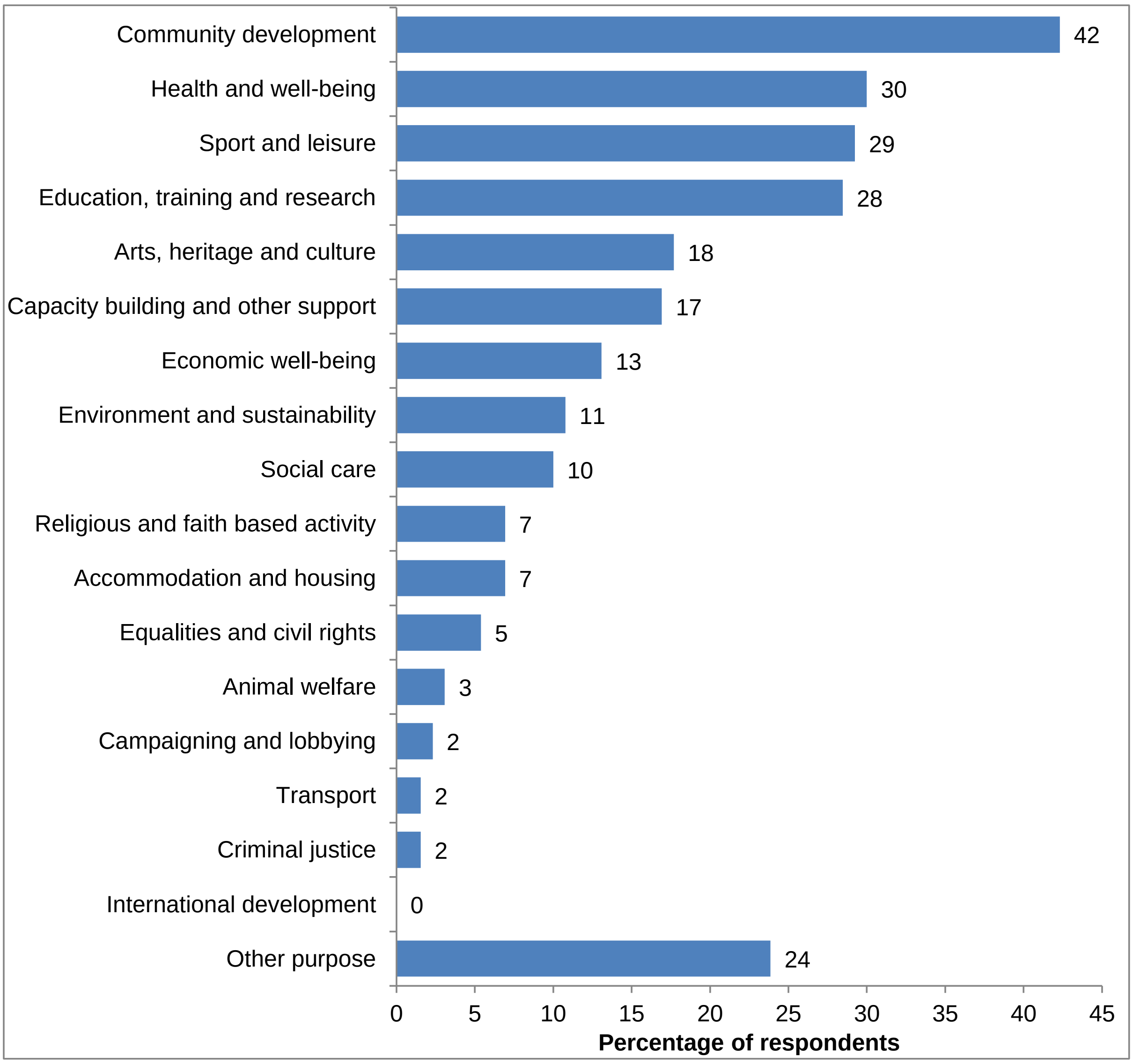
- community development, including working with to tackle inequality and disadvantage (42 per cent)

- health and well-being (30 per cent)
- sport and leisure (29 per cent)
- and education, training and research (28 per cent).

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

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

Figure 3.5: Main areas in which organisations work



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 130

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

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

Summing across the 95 organisations that responded gives a total of 326,000 interventions. The responses received can be extrapolated for the estimated 1,112 organisations thought to be operating in the voluntary sector in Oldham to provide an estimate of the total number of interventions by Oldham organisations. Working through the calculation it is estimated that **Oldham organisations had 1.4 million interventions with clients, users or beneficiaries** in the past year.

The questionnaire also asked respondents to identify up to three groups that make up the main clients, users or beneficiaries of their organisation. Figure 3.6 shows that, as might be expected, the voluntary sector in Oldham served a diverse and wide ranging client group. In many cases, client groups were served by relatively small numbers of organisations: ten per cent of organisations or fewer served 13 of the client groups listed.

Figure 3.6 shows 37 per cent of organisations identified 'everyone' as a main client, user or beneficiary group. The following specific client groups were listed as a main client, user or beneficiary group for at least one in five organisations:

- children aged under 13 years (31 per cent)
- young people aged 13 to 25 years (30 per cent)
- women (27 per cent)
- men (23 per cent).

It will be interesting to monitor how the proportion of organisations who work mainly with children and young people changes with reductions in funding in this area.

Also of note:

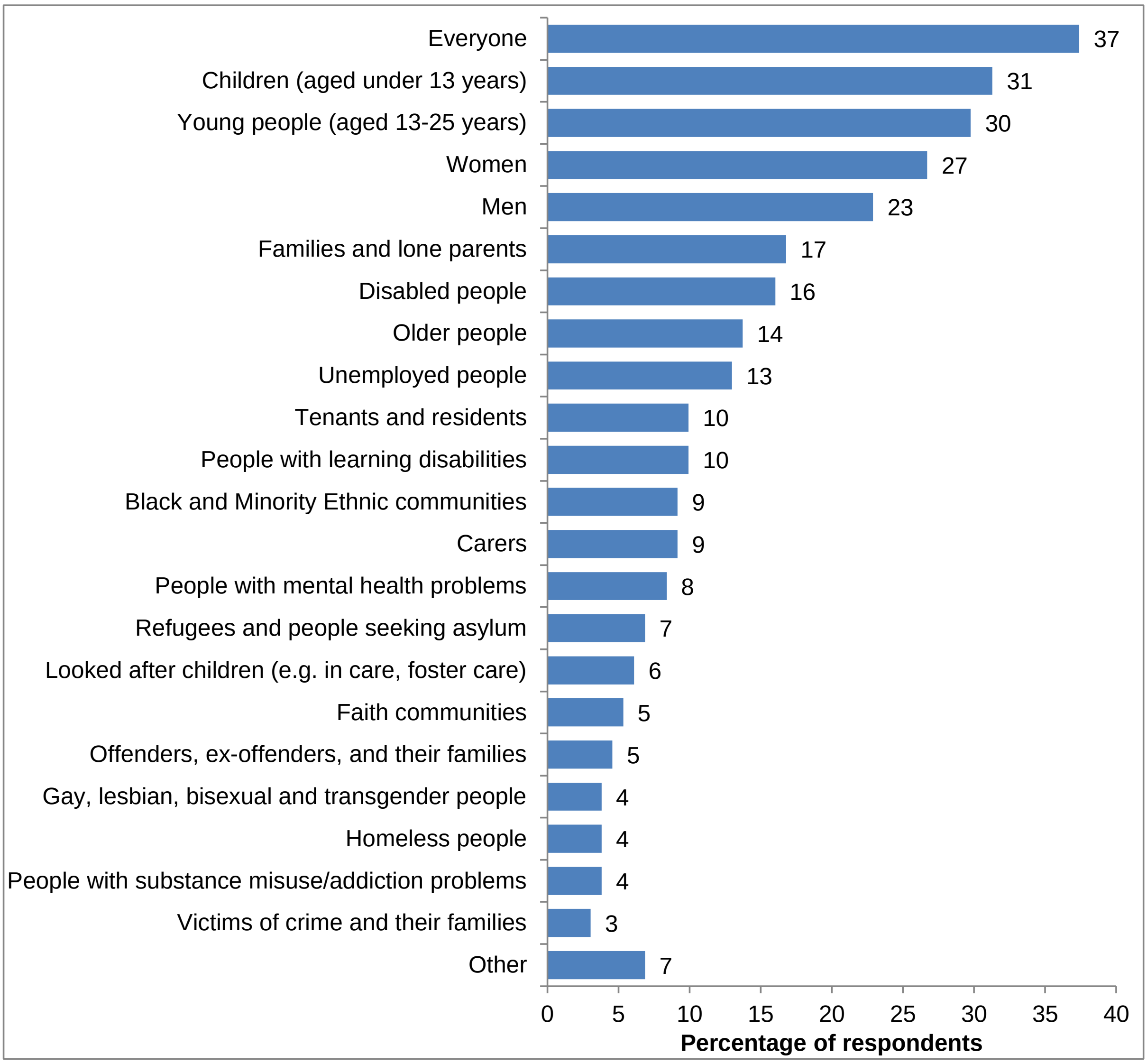
- 17 per cent of organisations in Oldham identified families and lone parents as a main client, user or beneficiary group
- disabled people were a main client, user or beneficiary group for 16 per cent of organisations respectively.

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

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

- men: 23 per cent
- older people: 23 per cent.

Figure 3.6: Main client groups of Oldham organisations



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 131

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

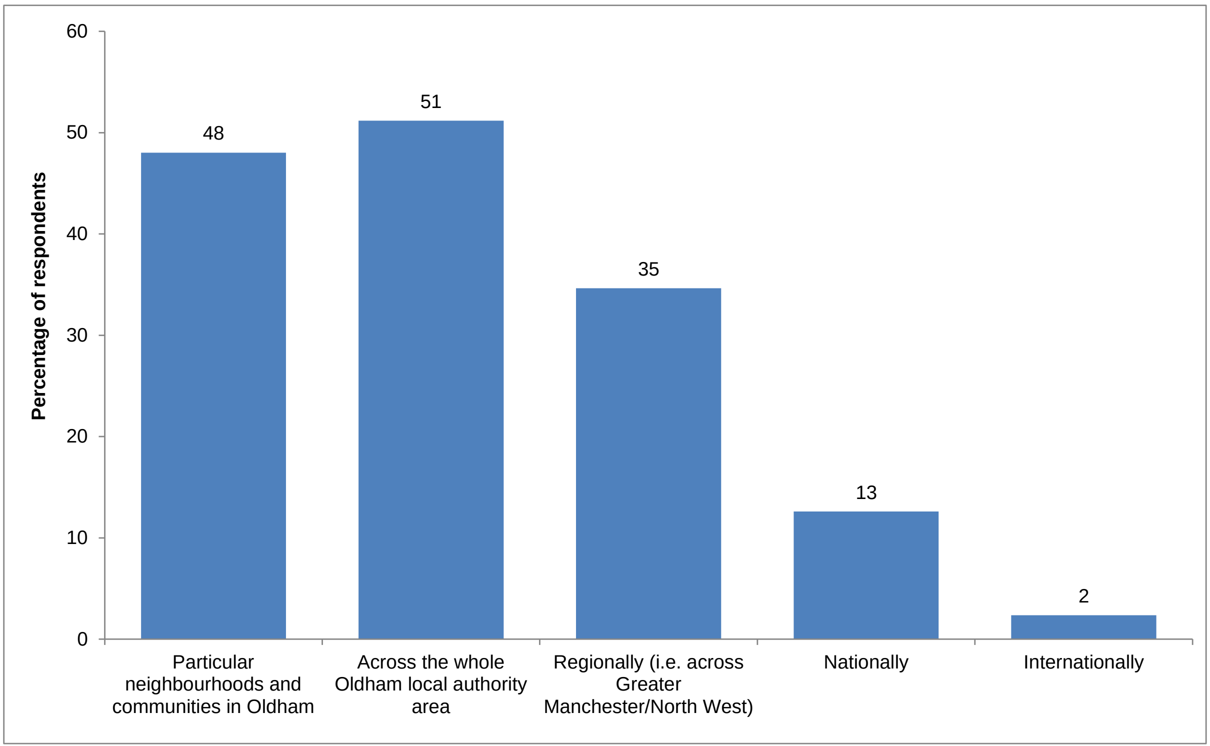
The survey asked respondents to identify the main geographical levels at which they operated – this ranged from the neighbourhood level, to those operating across England, the UK or overseas. In this question respondents were asked to pick out up to three main geographic levels, the results of which are presented in figure 3.7. This shows that the **local area is a main focus for many organisations**:

- 48 per cent identified particular Oldham neighbourhoods or communities were a main focus
- 51 per cent identified the whole of the Oldham local authority area as a main focus of their work.

A modest proportion of organisations cited that a main geographic area at which they worked was either national (13 per cent) or international (two per cent).

The picture for Greater Manchester organisations shows that 57 per cent identified particular neighbourhoods and communities as a main geographic focus. The percentage of organisations who said they worked nationally and internationally was 11 per cent and four per cent respectively.

Figure 3.7: Main geographic focus



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 127

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

- for 32 per cent of organisations their highest main geographic focus was particular Oldham neighbourhoods or communities
- for 29 per cent of organisations their highest main geographic focus was the whole Oldham local authority area
- for 26 per cent of organisations their highest main geographic focus was the region
- for 11 per cent of organisations their highest main geographic focus was the nation as a whole
- and for two per cent of organisations their highest main geographic focus was international.

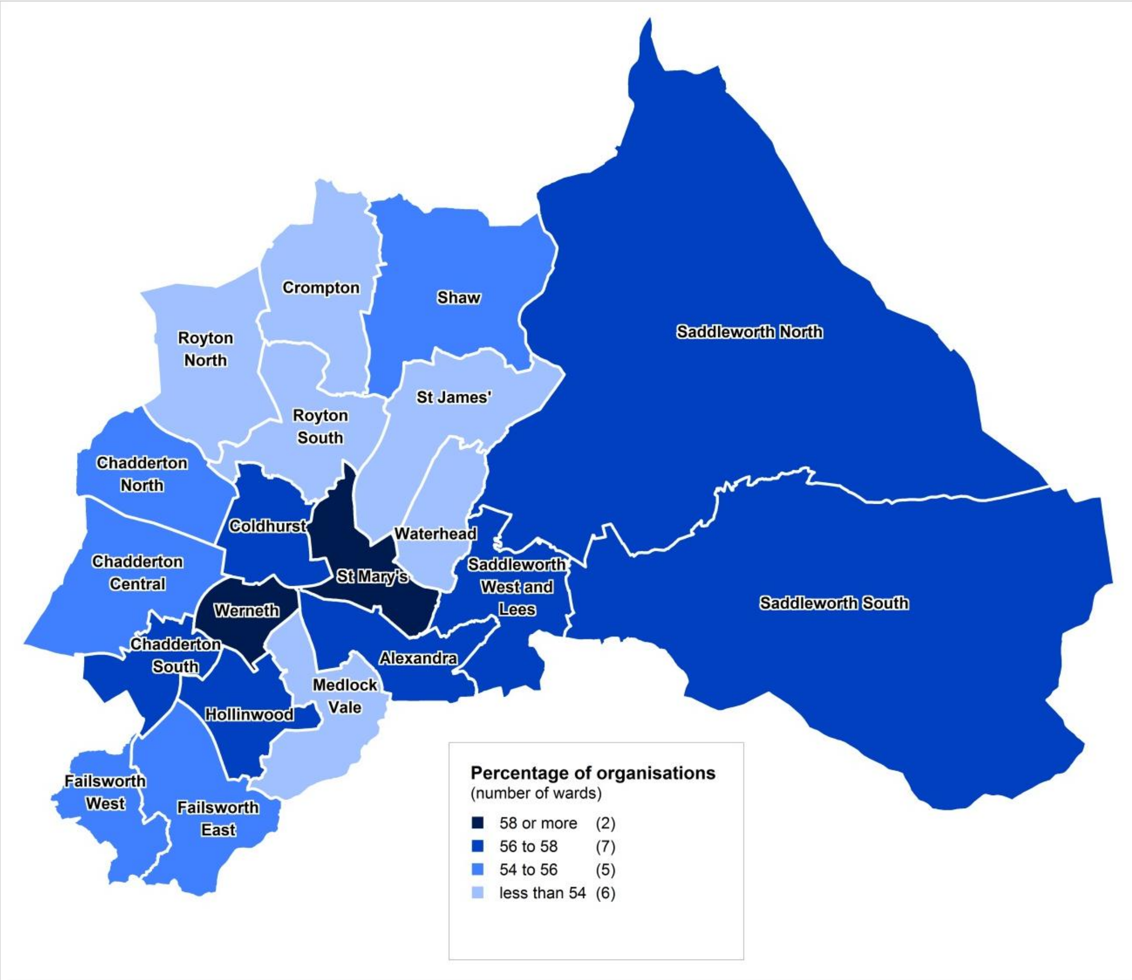
Respondents who reported that the whole Oldham local authority area or particular Oldham neighbourhoods or communities are a main geographic focus of their organisation were asked to identify in which wards their work was focused. Map 3.1 shows the percentage of all organisations that identified each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

St. Mary's and Werneth have the highest proportions - greatest numbers - of Oldham organisations that identified them as a main focus of their work: 59 per cent.

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

- Waterhead (53 per cent)
- Crompton (53 per cent).

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



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 127

Finances and Income

4

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

4.1. Income

Based on the average (mean) income of respondents to the survey across Greater Manchester, and drawing on the assumptions used to estimate the total number of organisations in Oldham, it is estimated that **the total income of the voluntary sector in the borough was almost £56 million in 2011/12**[18] - around six per cent of the total income of the voluntary sector in Greater Manchester. However, **year-on-year reductions in income have been identified**: it represents a reduction of two per cent compared to 2010/11 and follows a larger reduction between 2009/10 and 2010/11 when the total income of the voluntary sector reduced by an estimated six per cent, from £61 million to £57 million. This data is outlined in more detail in table 4.1.

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

	Total Income	% Change
2009/10	£60.7m	
2010/11	£57.0m	-6
2011/12	£55.7m	-2

Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 94
All figures are in 2011/12 prices

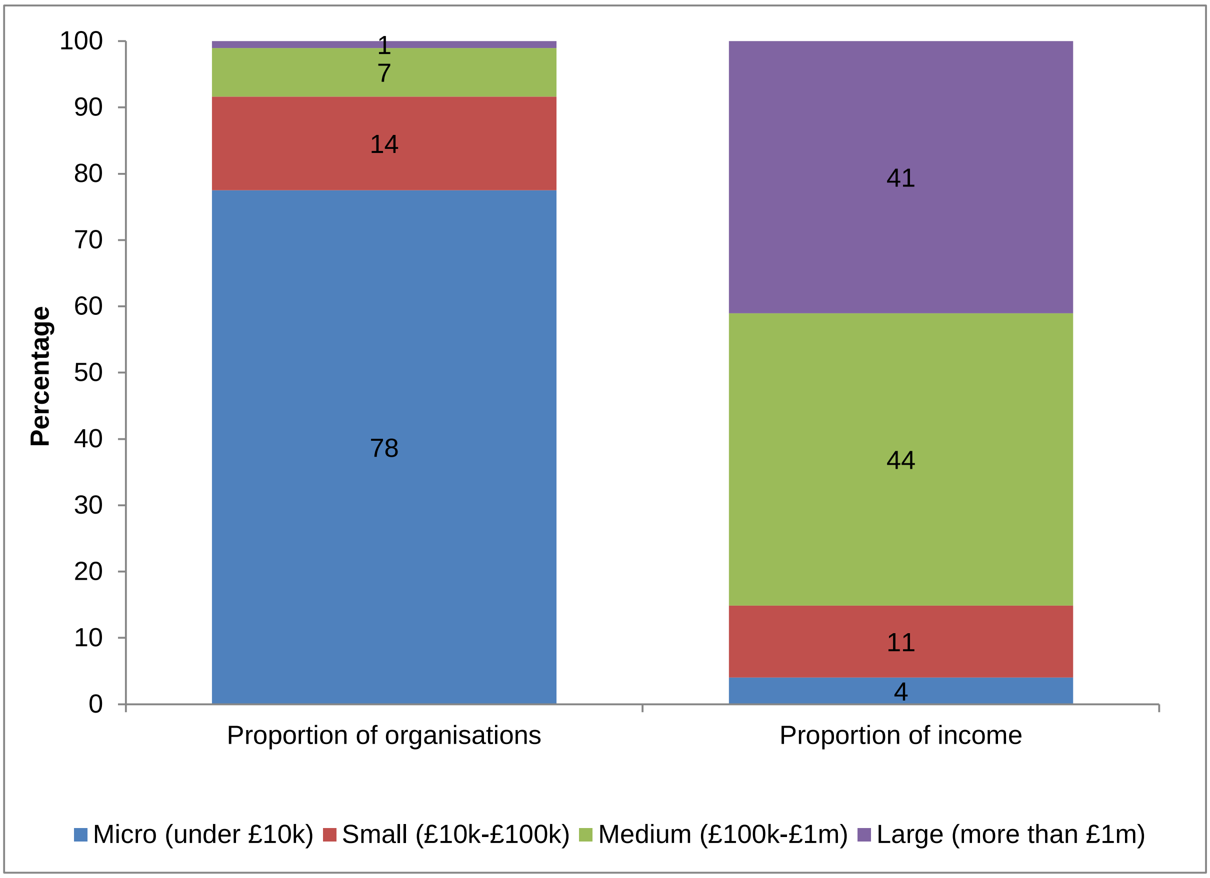
This decline in income between 2009/10 and 2011/12 needs to be considered in the context of national trends discussed in chapter 2. Although there are no figures for Oldham during the 2000/01-2007/08 period, nationally the voluntary sector's income

[18] 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.

grew by an average of five per cent a year over these six years[19]. If it is assumed that the voluntary sector in Oldham developed at a similar rate during this period, then **the decline in income over the last three years represents the first long term economic contraction in the voluntary sector in at least 10 years**. This is likely to be an indication of the effect of the economic downturn of the past few years which, as discussed in chapter 2 is likely to have led to a reduction in income from the public sector sources, charitable donations, and independent funders. **This trend seems likely to continue**, as further large reductions in public sector spending are expected over the next few years and the economy continues to falter.

When the voluntary sector's income is explored in more detail it shows significant variations according to organisation size[20]. In 2011/12, the majority of income was concentrated in large and medium sized organisations even though the majority of organisations were micro or small. This is outlined in more detail in figure 4.1.

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



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 94

This shows that micro and small organisations account for over 90 per cent of organisations in the voluntary sector but less than one fifth of total income. By contrast medium and large organisations account for less than 10 per cent the voluntary sector's organisations but receive more than four fifths of its income. Income is concentrated particularly heavily in the largest organisations, with two fifths of all income (41 per cent) into the sector received by only 12 organisations.

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

Analysis of income data from survey respondents from across Greater Manchester[21] identified further variations according to organisation size when we explored how income levels had changed between 2009/10 and 2011/12. These are summarised in table 4.2.

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

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

Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 1,018
All figures are in 2011/12 prices

This shows that across Greater Manchester the medium and large organisation categories experienced year on year reductions in total income between 2009/10 and 2011/12. Medium organisations experienced a particularly large reduction of more than 10 per cent between 2009/10 and 2010/11. By contrast micro organisations experienced a small increase between 2009/10 but a large reduction of more than 10 per cent between 2010/12 and 2011/12 and the income of small organisations remained relatively stable.

4.2. Sources of Income

4.2.1. Public sector income

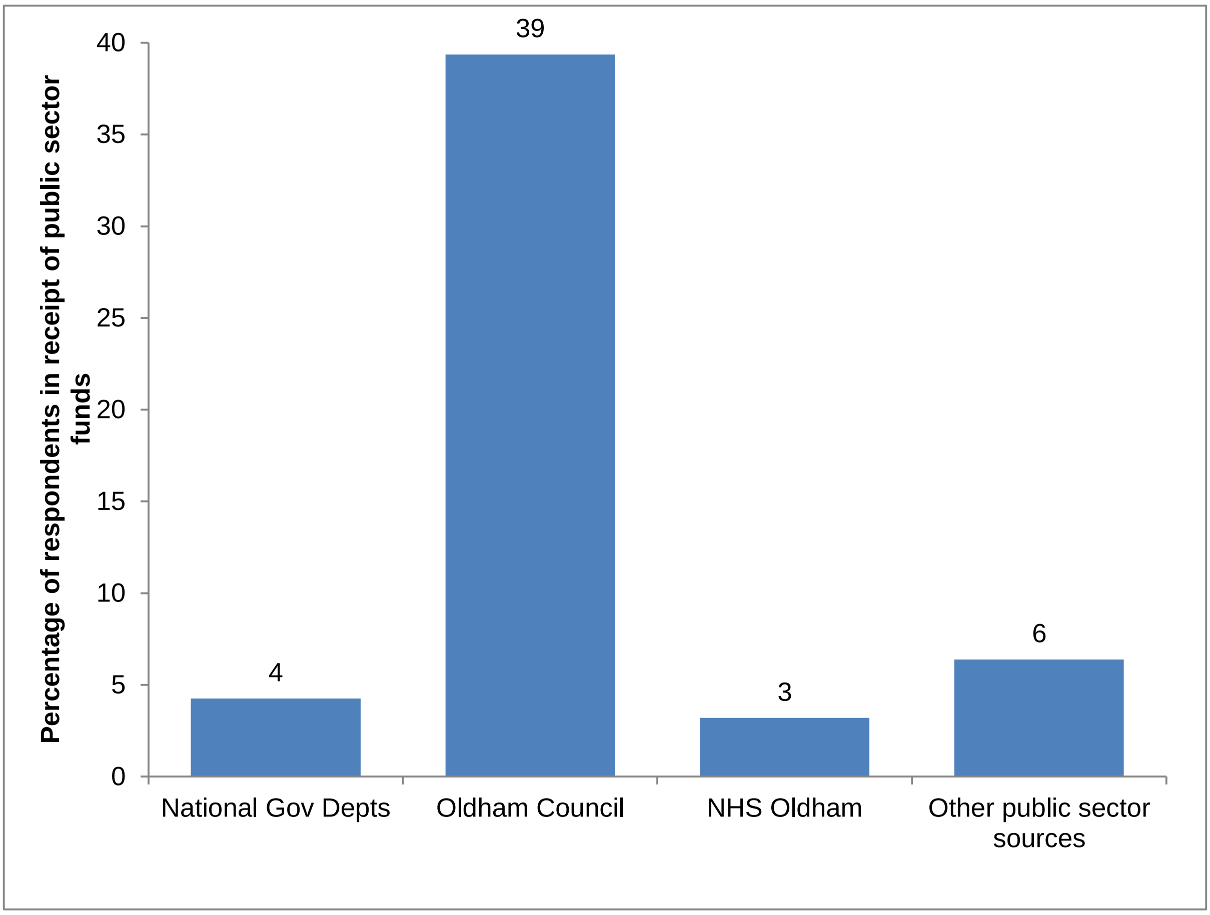
Survey respondents were asked to identify the public sector bodies from which they received funding in 2011/12. Overall **55 per cent of respondents reported having at least one source of public sector funds**. The results are outlined in figure 4.2.

This shows that **Oldham Council was the most frequently identified source of public sector funding** (39 per cent) followed by other public sector bodies (6 per cent). Only 4 per cent of respondents receive income from national Government Departments and collectively only 3 per cent of respondents received income from NHS Oldham. This trend was reflected across Greater Manchester, where local authorities consistently emerged as the most frequent source of public sector funds.

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

[21] Due to a low response to this question it was not possible to undertake sufficiently robust analysis of these trends at a local authority level

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

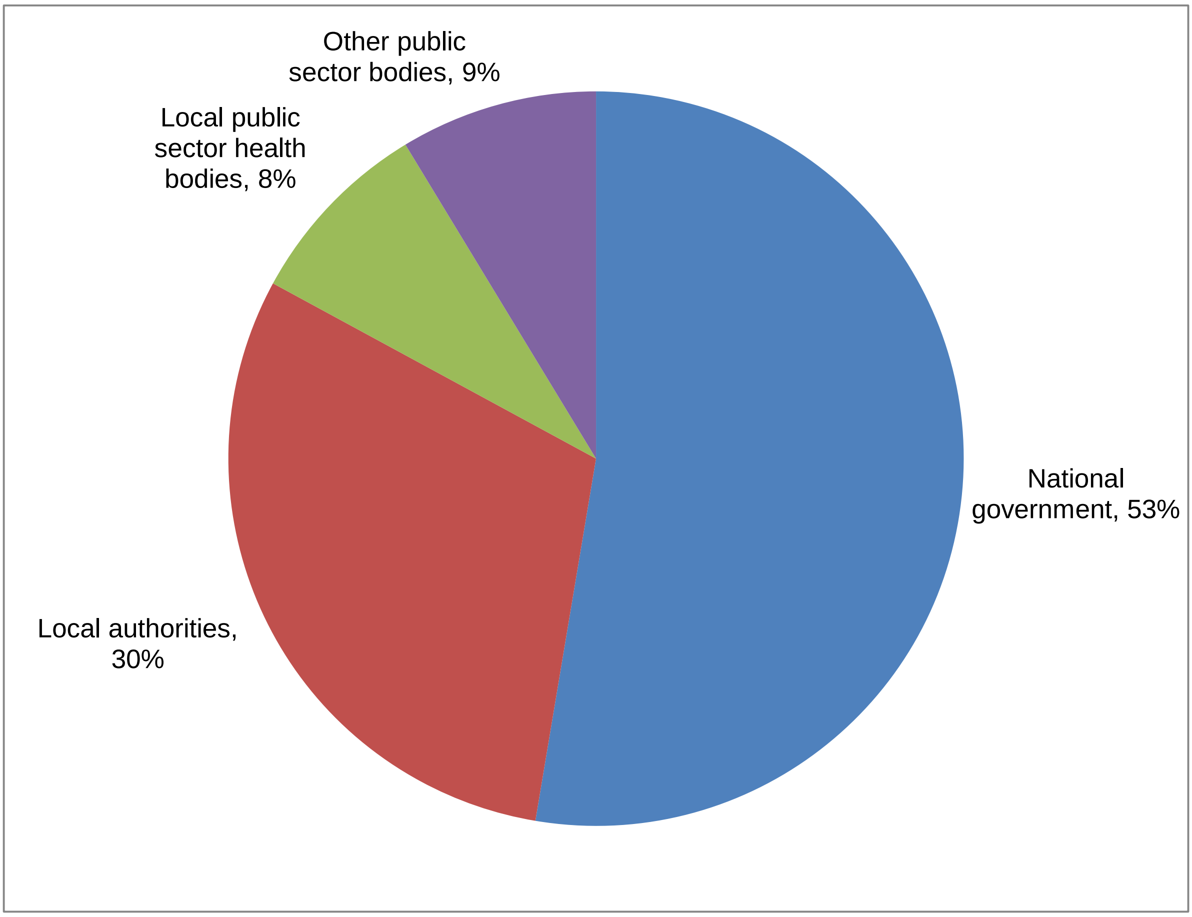


Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 94

An insight of the relative value of public sector funds can be gained through analysis of the Greater Manchester wide responses[22]. These are summarised in Figure 4.3 which shows that income from National Government Departments accounted more than half of all public sector funds received. By contrast local authorities provided around a third of funds, and health bodies and other public sector bodies less than a tenth each. It is important to recognise that this figure is affected by a number of large national public sector contacts: across Greater Manchester the average value of income from national Government sources was £586,000, including three organisations with more than £1 million from national Government departments. By contrast the average value of local authority income was only £76,000 and for health bodies was £134,000.

[22] Due to a low response to this question it was not possible to undertake sufficiently robust analysis of this data at a local authority level

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

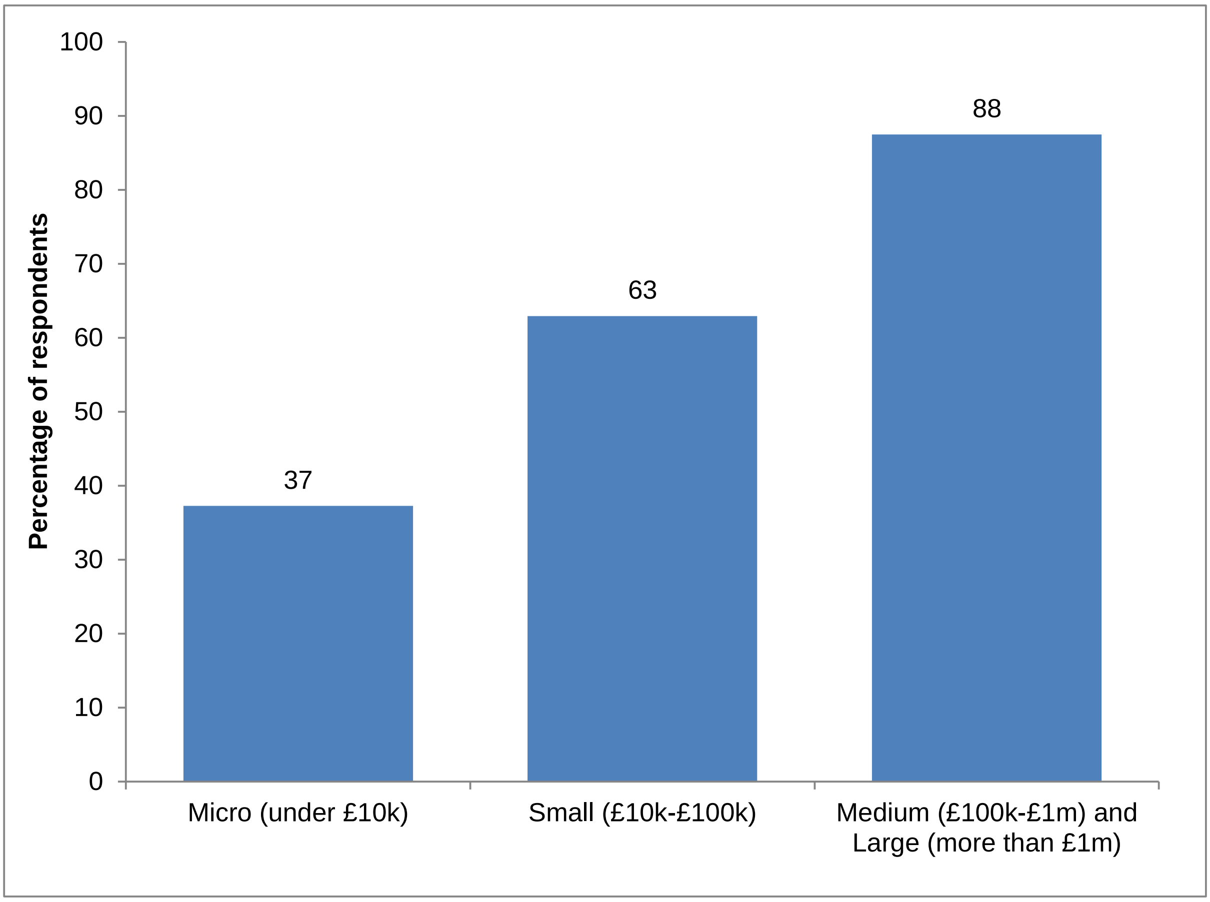


Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 437

The survey also revealed significant variations in public sector income received by organisations of different sizes. Micro organisations were less likely than small, medium and large organisations to have at least one source of public sector income. This is outlined in more detail in figure 4.4.

This shows that only 37 per cent of micro organisations that responded to the survey received public sector funding compared to 63 per cent of small organisations and 88 per cent of medium and large organisations. This indicates that public sector funding is a particularly important source of funding for large and medium sized organisations and suggests that these organisations will be most susceptible to cuts in public sector funding.

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



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 94

4.2.2. Other sources of income

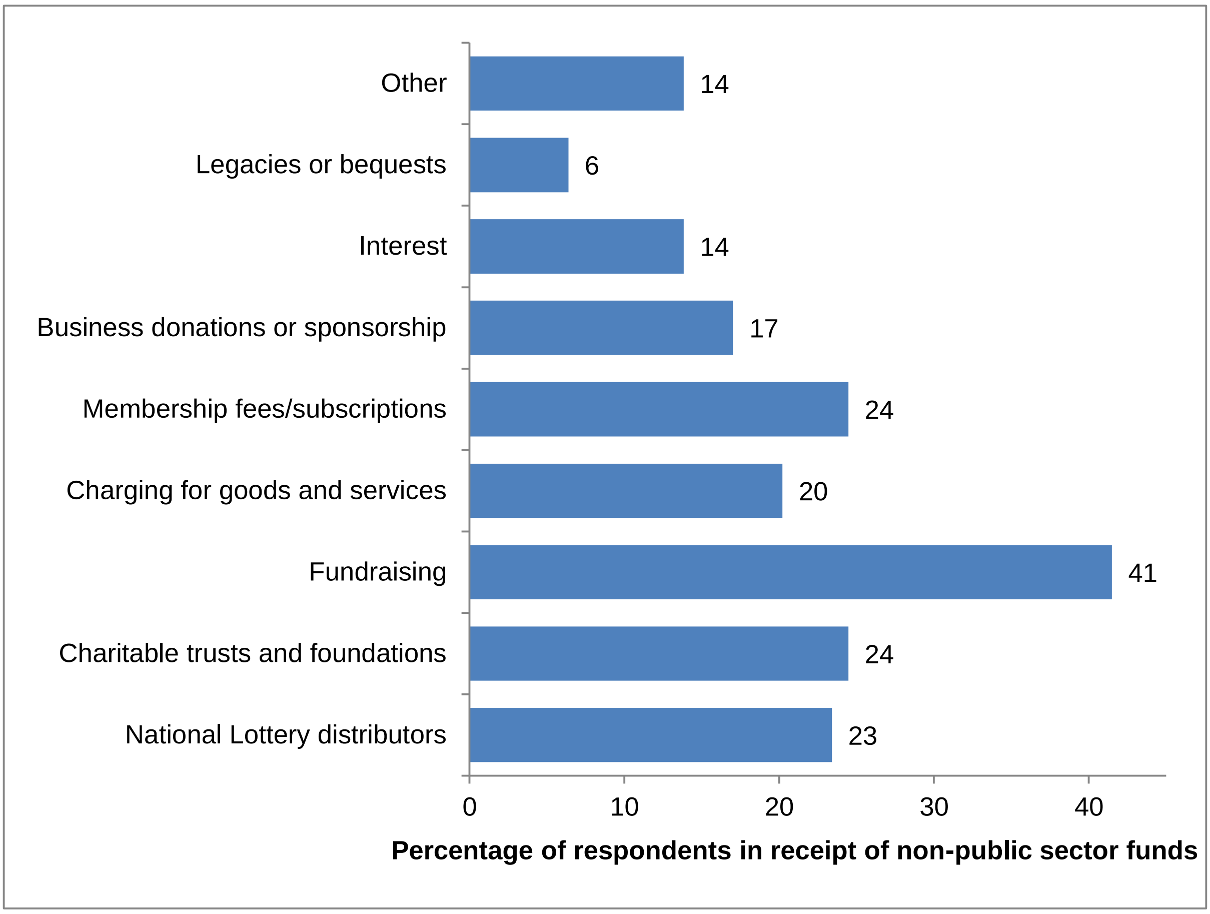
Survey respondents were also asked to identify any other sources of income (i.e. non-public sector) they received in 2011/12. Overall, **79 per cent of respondents received funds from at least one non-public sector source**. This is outlined in more detail in figure 4.5.

This shows that fundraising was the most frequently identified source of other funds (41 per cent of respondents) followed by grants from charitable trusts and foundations (24 per cent), membership fees and subscriptions (24 per cent) and grants from National Lottery distributors (23 per cent). The trend was broadly similar across Greater Manchester.

An insight of the relative value of non-public sector funds can be gained through analysis of the Greater Manchester wide responses[23]. These are summarised in Figure 4.6 which shows that income from charging for goods and services provided the most value (28 per cent), followed by fundraising (21 per cent), lottery grants (18 per cent) and grants from trusts and foundations (15 per cent). It therefore seems that non-public sector income is more evenly distributed, in terms of value, than public sector income, which was dominated by large national government contracts.

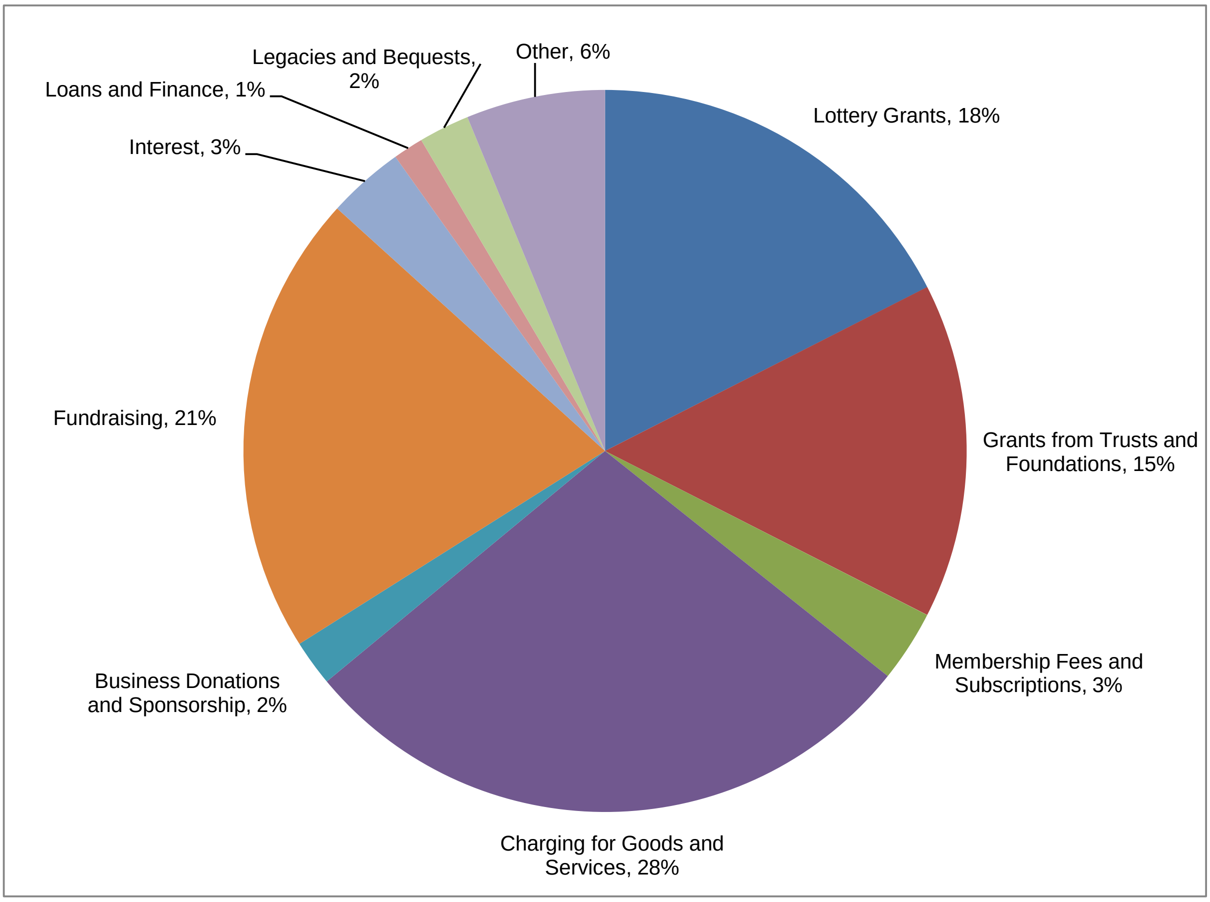
[23] Due to a low response to this question it was not possible to undertake sufficiently robust analysis of this data at a local authority level

Figure 4.4: Other funds received by Oldham respondents (2011/12)



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 94

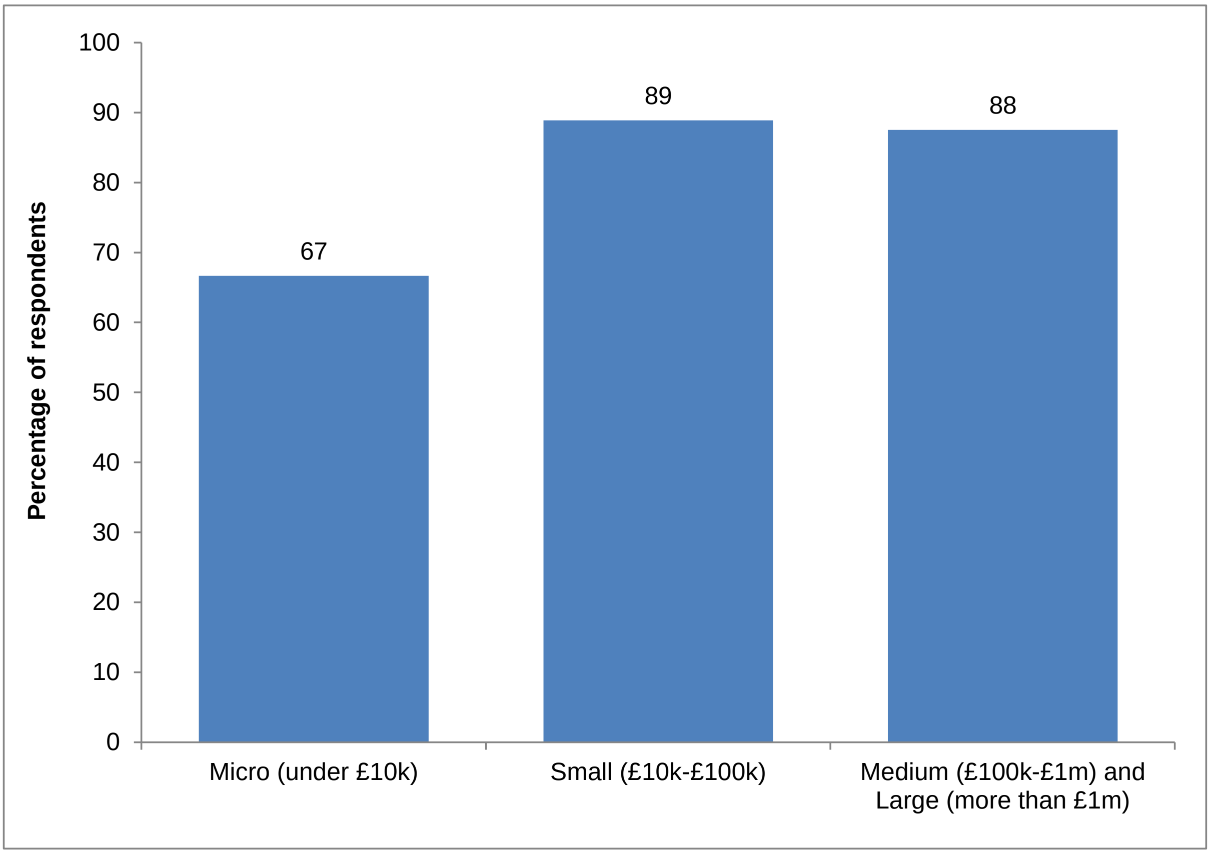
Figure 4.6: Relative value of non-public sector funds by Greater Manchester respondents (2011/12)



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

The survey also revealed variations in non-public sector income received by organisations of different sizes. Micro organisations were less likely than small, medium and large organisations to have income from non-public sector sources. This is demonstrated by figure 4.7.

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

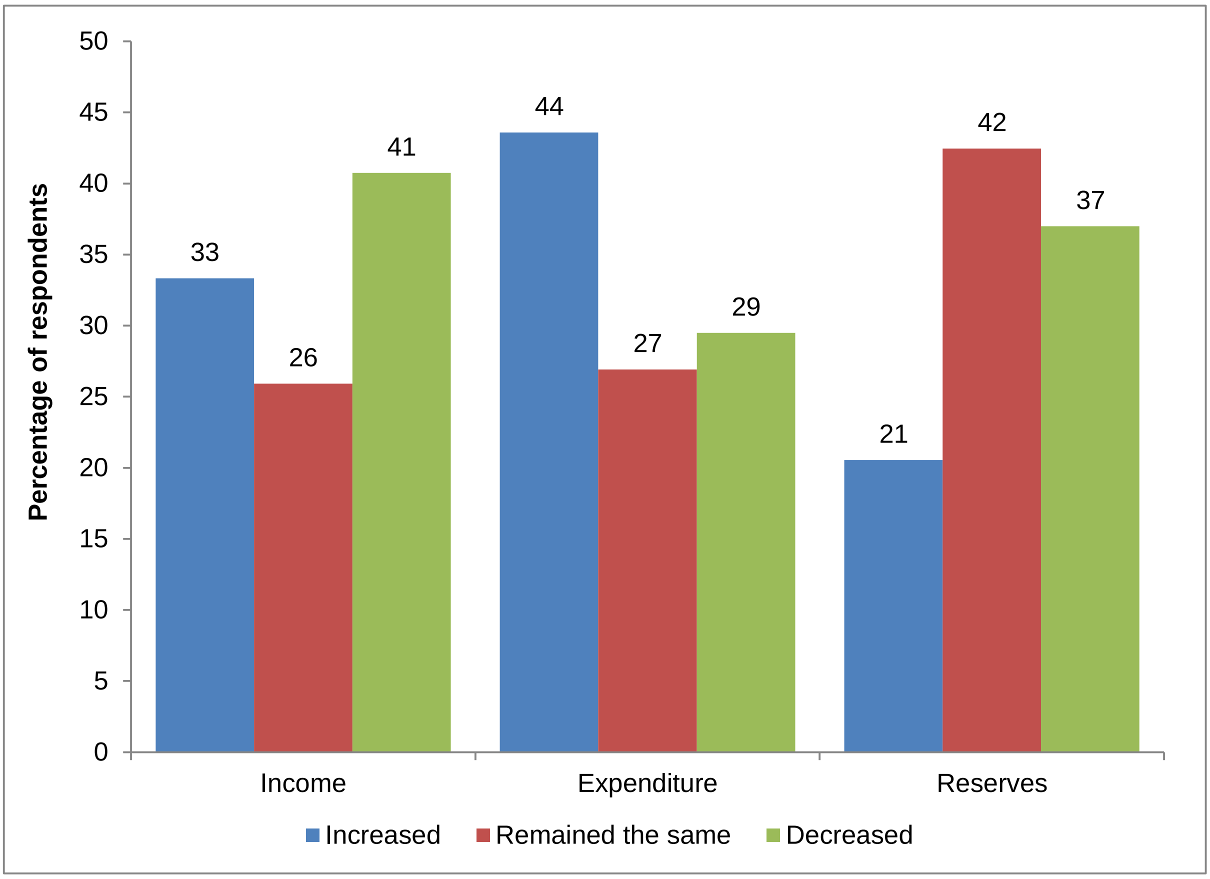


Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 94

4.3. Financial Sustainability

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

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



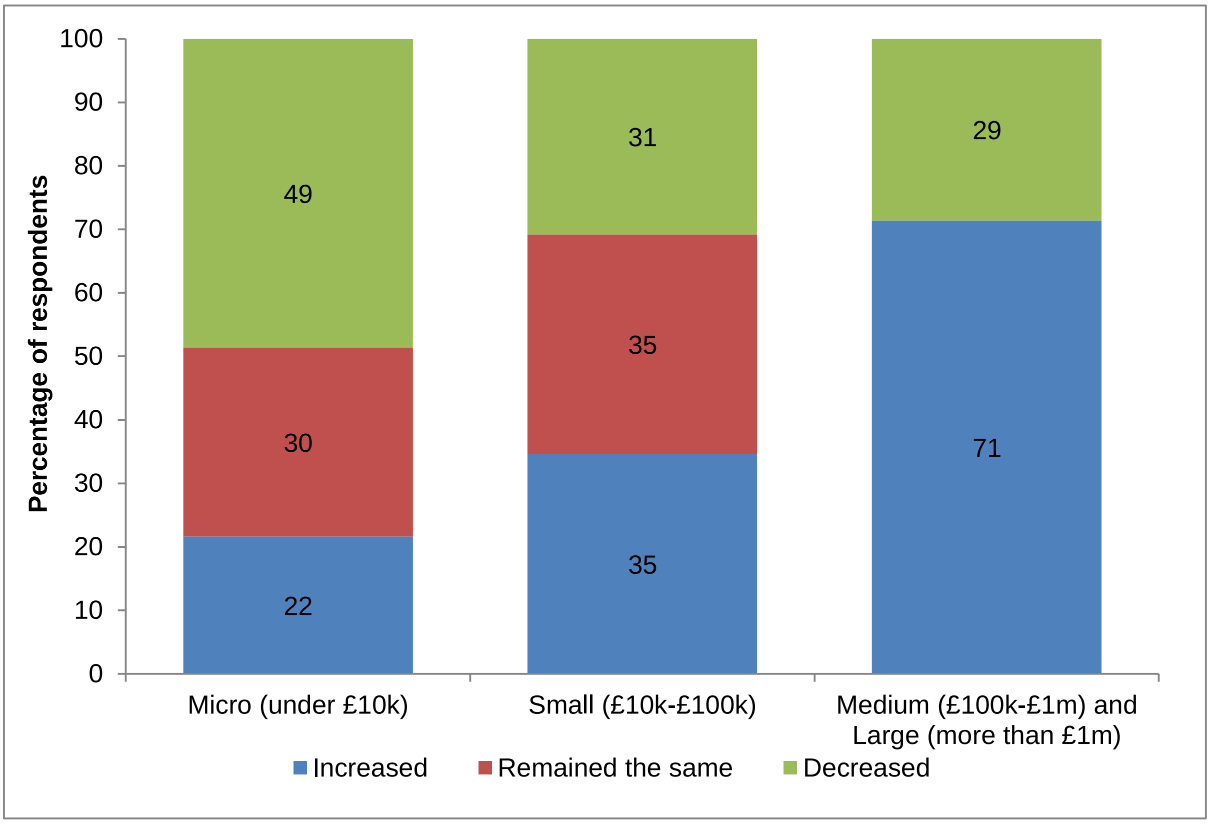
Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 81, 78, 73

This raises some concerns: 44 per cent of respondents reported increasing their expenditure but only 33 per cent had experienced an increase in income and only 21 per cent report an increase in reserves; in addition, 41 per cent of respondents reported a decrease in income but only 29 per cent reduced their expenditure and 37 per cent reported a reduction in their financial reserves. This means that **there were a significant number of organisations that spent more money than they received in the past 12 months**: 29 per cent of respondents provided an expenditure figure for 2011/12 that was greater than their income. This could be indicative of a longer term trend in response to the economic downturn and subsequent reductions in the voluntary sector's income. In light of this trend it seems likely that the sustainability of a significant number of organisations could be under threat.

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

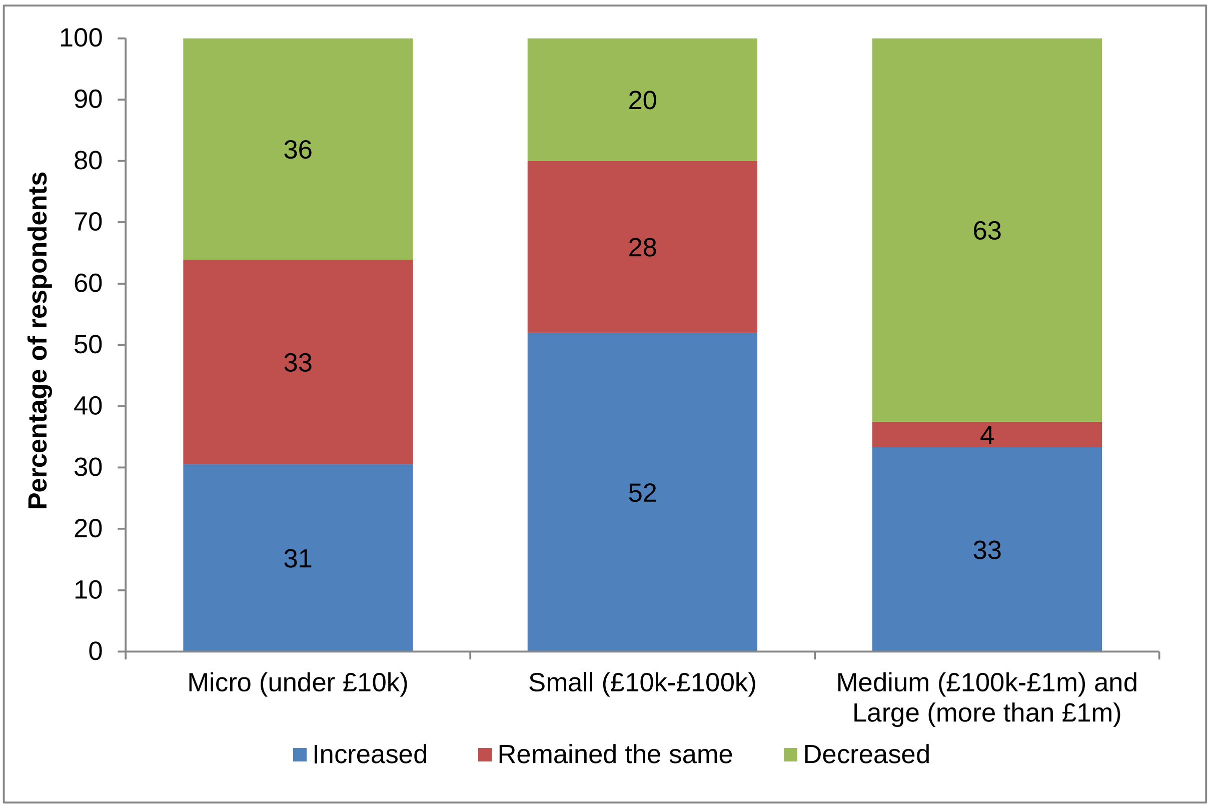
Collectively, the data indicates that the sustainability of micro and small sized organisations is of particular concern: 31 per cent of micro organisations reported increasing their expenditure in the past 12 months but only 22 per cent increased their income; 52 per cent of small organisations reported increasing their expenditure in the past 12 months but only 35 per cent increased their income. This is outlined in more detail for all sizes of organisations in figures 4.9a and 4.9b overleaf.

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



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 81
Note: 'cannot say' response has been excluded from the analysis

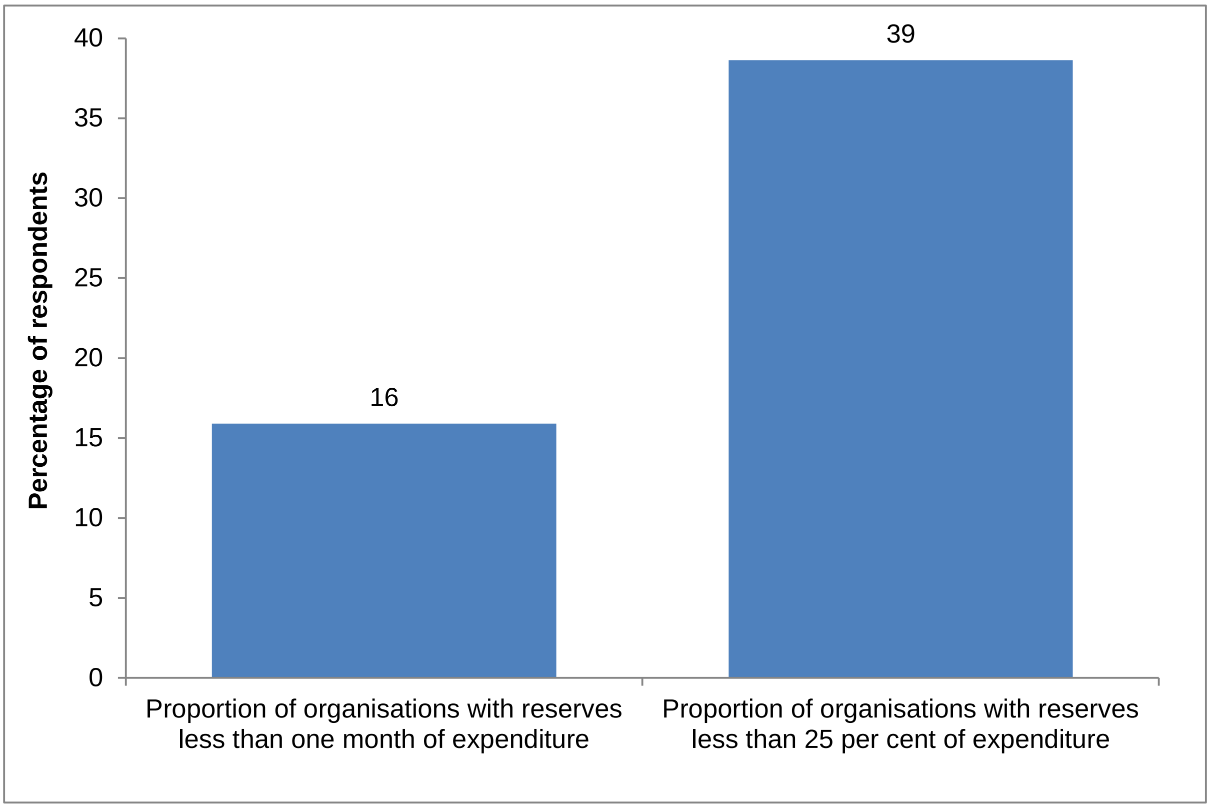
Figure 4.9b: Change in expenditure in the last 12 months by organisation size



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 78
Note: 'cannot say' response has been excluded from the analysis

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

Figure 4.10: Financial vulnerability of organisations in Oldham



Source: Oldham State of the Sector survey 2010
Base: 44

This shows that **16 per cent had reserve levels of less than one month's expenditure**, and a further 23 per cent had reserves that covered less than three months expenditure. This suggests that almost two-fifths of all organisations in the voluntary sector could be vulnerable should their funds be severely reduced or withdrawn. In reality it is likely to be the medium and large organisations in this category that are most at risk: they have greater financial commitments and require higher levels of income to carry out their work.

5

The Workforce

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

- the number of full time equivalent (FTE)[24] members of paid staff that they employ
- the number of FTE people on work placements that are part of their workforce
- the number of volunteers that are part of their workforce, the number of hours each week that they contribute and their broad role type.

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

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

Based on the average number of FTE paid staff employed by respondents to the survey across Greater Manchester, and drawing on the assumptions used to estimate the total number of organisations in Oldham, it is estimated that the 1,112 organisations in Oldham employed **1,400 FTE paid staff (2,100 employees)** in 2012/13. This was six per cent of the estimated total number of FTE paid staff working within the voluntary 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 Oldham organisations by multiplying the number of FTE paid staff by the estimated gross value added (GVA) per FTE employee[25]. From this calculation it is estimated paid employees of Oldham organisations contribute £44.1 million to the economy per annum.

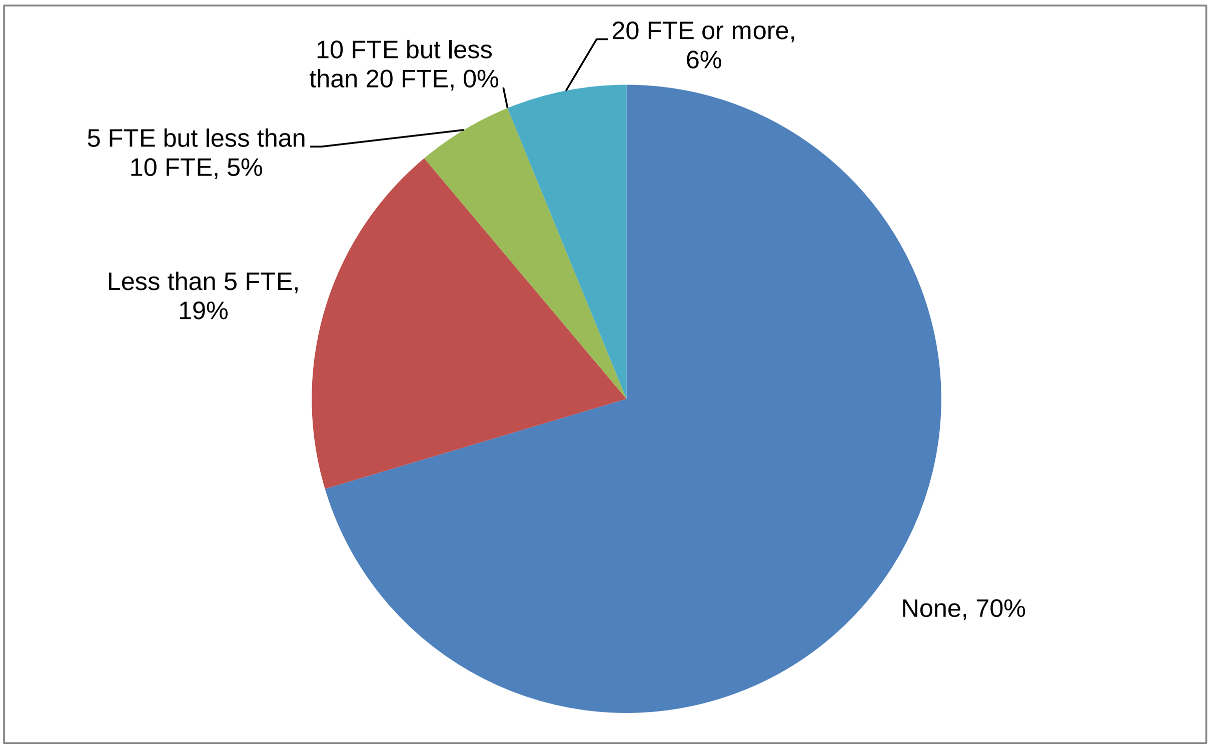
Forty three per cent of FTE paid staff were employed in large organisations with an income of at least one million pounds. In comparison the 1,018 micro and small organisations employed 12 per cent of FTE paid staff.

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

Figure 5.1 presents a breakdown of responding organisations by the number of FTE paid staff they employed. Seventy per cent of organisations did not employ any paid staff and a further 19 per cent employed less than five FTE employees. At the other end of the spectrum just six per cent of organisations employed 20 or more FTE paid staff.

Compared with the Greater Manchester sample as a whole, a lower proportion of organisations within Oldham had FTE paid staff: 30 per cent in Oldham compared with 36 per cent in Greater Manchester.

Figure 5.1: Organisations by numbers of FTE paid staff



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 81

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

Eight per cent of responding organisations reported that part of their workforce was on work placements (e.g. students or trainees). Similar to the previous section, survey responses can be extrapolated to the total number of organisations thought to be operating in the voluntary sector in Oldham to provide an estimate of the total number of FTE work placements in the sector. From this calculation there are **an estimated 140 FTE work placements** contributing to the workforce in Oldham in 2012/13, that is seven per cent of the estimated total across Greater Manchester.

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

This section assesses the contribution of volunteers to the sector in Oldham.

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

- **25,500 volunteers** were part of the voluntary sector's workforce in Oldham in 2012/13; this represents 11 per cent of Oldham's total population (225,200)[26] and seven per cent of the estimated total number of volunteers in Greater Manchester organisations
- these volunteers provided an estimated **79,100 hours of their time per week**; this was seven per cent of the estimated number of volunteer hours for all Greater Manchester organisations.

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[27]. From this calculation **the economic contribution of volunteers in Oldham organisations is estimated to be £70.9 million per annum[28]**.

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

In the second method, the value of the input of volunteers is used to value the contribution of volunteers[29]. 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 organisations[30]. However, this benefit might also be passed onto society via lower prices for goods and services due to lower costs of production. The input value of volunteers can be calculated by multiplying the number of hours that volunteers give per week by an estimate of how much it would cost to employ someone to do that work. There are a number of widely accepted hourly rates that could be used to estimate this value; these include: the national minimum wage, the local median wage, the local mean wage and the reservation wage. The latter, the hourly rate associated with the actual role of volunteers is the preferred option; however incomplete responses to the breakdown of volunteers by their role prevented an accurate calculation using this method. Therefore the preference in this study has been to provide a range using the national minimum wage (low estimate) and the local median wage (high estimate). In reality the true value of the input

[26] It is likely that a number of these volunteers could be the same person volunteering for multiple organisations; additionally, residents from outside of Oldham volunteering within Oldham; and conversely there will be Oldham residents volunteering for organisations outside of Oldham
[27] This study used North West GVA per employee averaged across the following three sectors: public administration and defence, education and health and social work ONS
[28] Please note currently the work of volunteers is not included within official GVA figures
[29] This is the approach recommended by Volunteering England
[30] This assumes that there are no additional costs faced by organisations in using volunteers: for example extra management costs

provided by volunteers will lie between the two estimates. Given the results to the survey it is estimated that:

- assuming the national minimum wage for adults[31] it would cost **£25.5 million annually to employ staff to do the work provided by volunteers in Oldham organisations**
- assuming the median gross hourly wage for full time employees in the North West[32] it would cost **£49.1 million annually to employ staff to do the work provided by volunteers in Oldham organisations**.

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

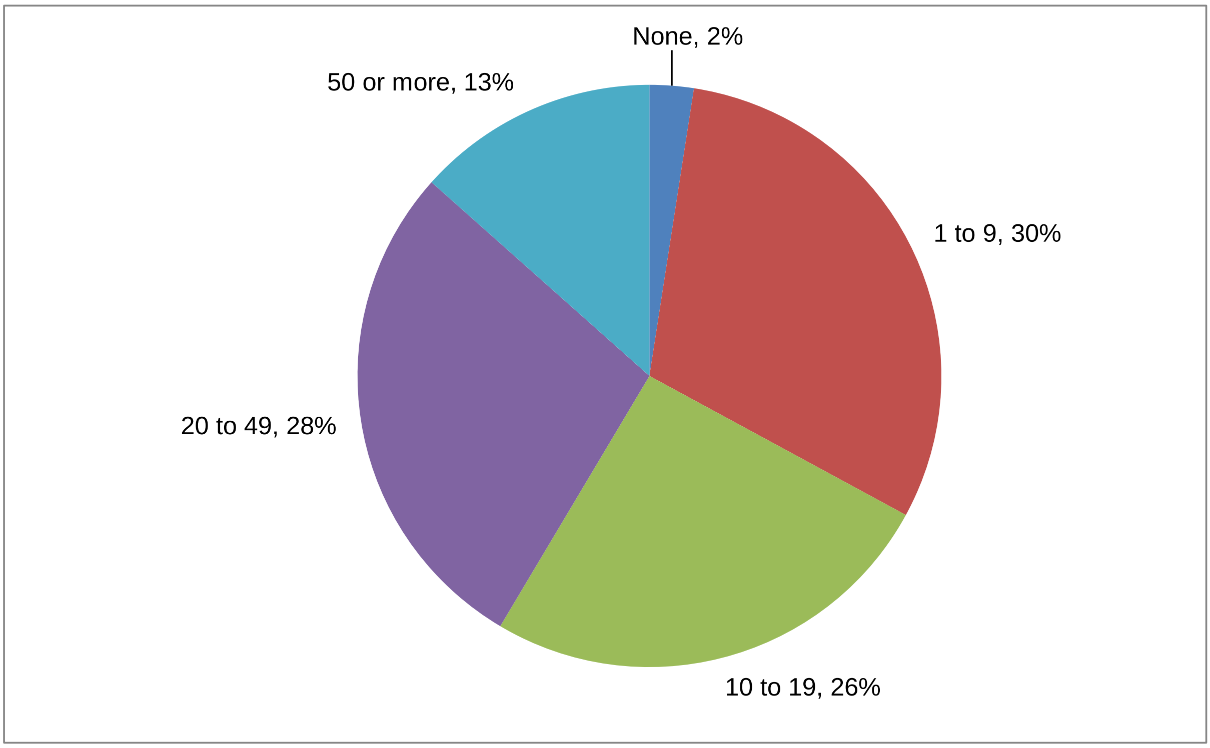
- just 2 per cent of organisations reported having no volunteers
- 30 per cent of organisations had between one and nine volunteers
- 26 per cent of organisations had between 10 and 19 volunteers
- 28 per cent of organisations had between 20 and 49 volunteers
- and 13 per cent of organisations had 50 or more volunteers.

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

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

[31] £6.19 for 21 years and older in 2012
[32] £11.94 for 2012

Figure 5.2: Organisations by numbers of volunteers



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 82

Assessment of the breakdown of volunteers by job role reveals:

- 25 per cent of volunteers were in management roles, such as committee/board members
- 11 per cent of volunteers were in administrative roles
- 65 per cent of volunteers were in roles delivering services.

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

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

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

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

Paid employees:

- 61 per cent of organisations employed a similar number of paid employees to a year ago
- of organisations reporting a change more organisations reported a decrease (22 per cent) than an increase (17 per cent)

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

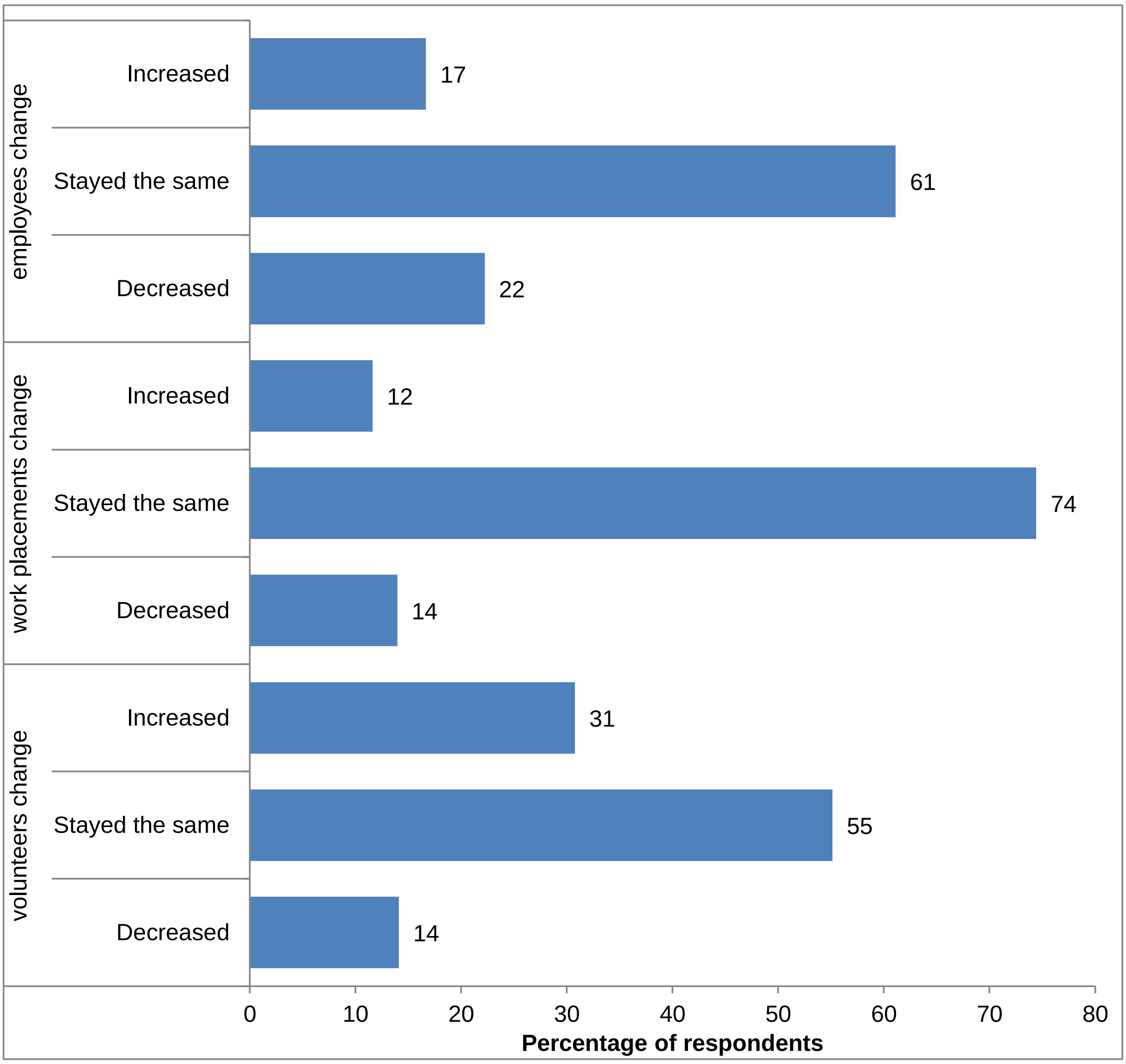
Work placement:

- 12 per cent of respondents reported an increase in their number of work placements over the previous year
- 14 per cent reported a decrease in the past year
- 14 per cent of Greater Manchester organisations reported an increase in their number of work placements compared with 8 per cent who reported a decrease.

Volunteers:

- 31 per cent of respondents reported increased numbers of volunteers now compared to a year ago; this might have been the result of an increasing number of short term volunteer placements sent from Job Centres via Volunteer Centres and those unable to find work, and those that have lost their job turning to volunteering to maintain skills and to gain new ones
- in comparison 14 per cent of organisations reported a decrease in volunteer numbers
- 55 per cent of organisations reported that their volunteer numbers were the same
- nearly two fifths of Greater Manchester organisations reported an increase in their number of volunteers over the previous year, compared with 11 per cent who reported a decrease.

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



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: paid employees (54) work placements (43) volunteers (78)
Note: 'cannot say' response has been excluded from the analysis

Partnership Working: the Public Sector

6

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

6.1. Dealings with local public sector bodies

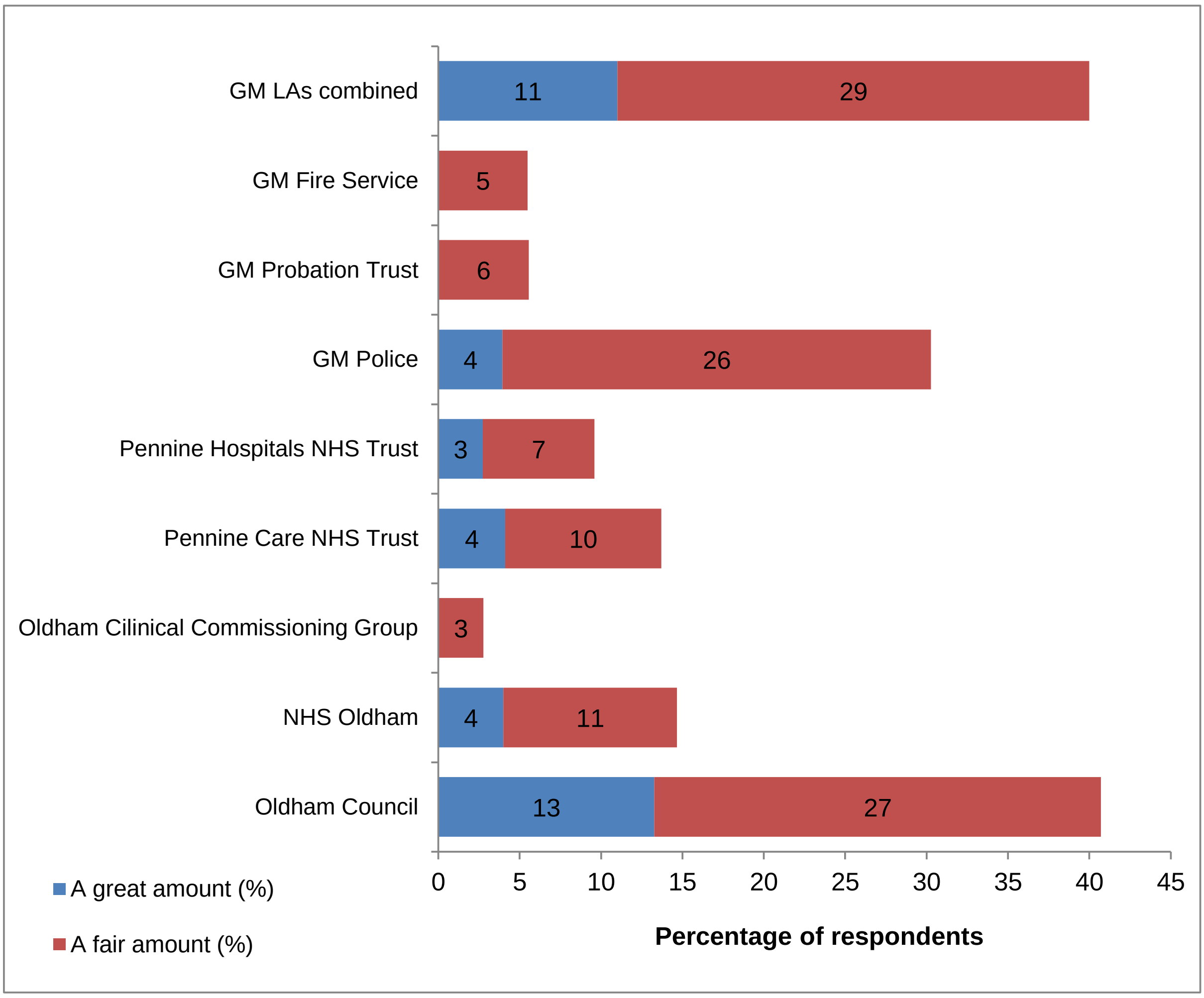
Survey respondents were asked about the extent of their dealings with each of the main public sector bodies covering the Oldham area. An overview of their responses is provided in figure 6.1, along with the local authority figure for Greater Manchester combined.

This shows that survey respondents had dealings with a range of local public sector bodies. The three most prominent were Oldham Council, NHS Oldham and Greater Manchester Police:

- **Oldham Council:** 70 per cent had some dealings with the Council; including 13 per cent who had a 'great amount' of dealings and 27 per cent who had a 'fair amount' of dealings
- **NHS Oldham (Primary Care Trust):** 53 per cent had some dealings with NHS Oldham; including 4 per cent who had a 'great amount' of dealings and 11 per cent who had a 'fair amount' of dealings
- **GM Police:** 53 per cent had some dealings with Greater Manchester Police; including 4 per cent who had a 'great amount' of dealings and 26 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, 11 per cent of respondents said they had a 'great amount' of dealings with their local authority and 29 per cent said they had a 'fair amount'. This is broadly replicated in Oldham.

Figure 6.1: Dealings with local public sector bodies



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 72-113

6.2. Relationships with local public sector bodies

The previous section highlighted the central importance of the Council, NHS Oldham, and Greater Manchester Police to the voluntary sector's work. The relationship between organisations and their local public sector partners is therefore important to their ability to operate effectively. To this end survey respondents were asked about the quality and effectiveness of their relationships with key public sector bodies. The questions covered the extent to which respondents said each public sector body:

- valued their organisation's work
- understood the nature and role of their organisation
- respected their organisation's independence
- informed their organisation about the issues which affected them or were of interest to them
- consulted their organisation about issues which affected them or were of interest to them
- involved their organisation appropriately in developing and carrying out policy on issues which affected them
- acted upon their organisation's opinions and/or responses to consultations.

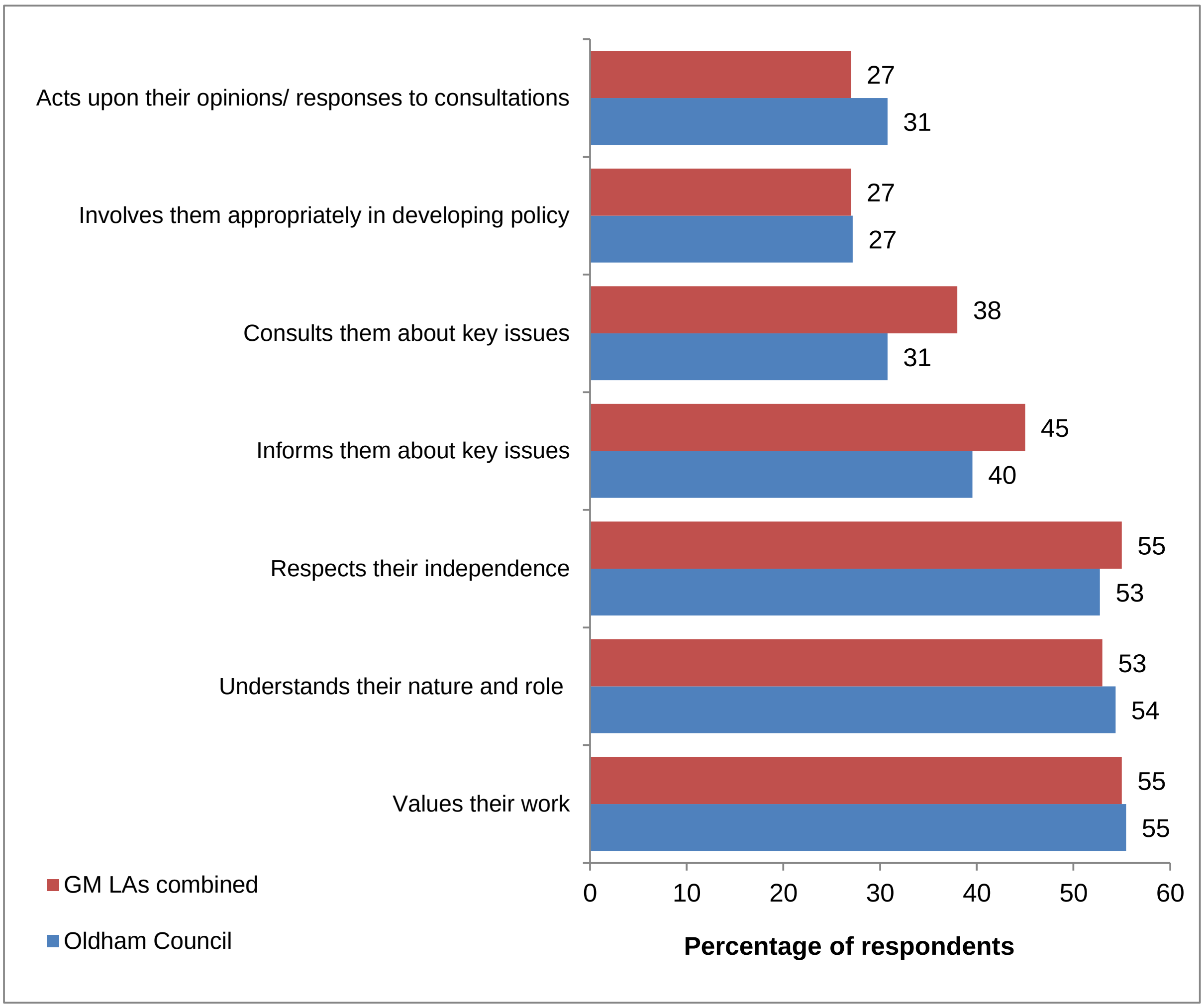
Respondents were asked to provide an answer for Oldham Council and their most frequent contact from the list of other public sector bodies. The results of each question are summarised in figures 6.2a and 6.2b. A comparison with the Greater Manchester average is also provided.

Figures 6.2a and 6.2b show that the voluntary sector's experiences of working in partnership with local public sector bodies were quite mixed:

- **valuing their work:** 55 per cent of respondents said that Oldham Council valued the work they did. In addition, 59 per cent of respondents said that their most frequent other public sector contact valued their work
- **understanding their role:** 54 per cent of respondents said that Oldham Council understood the role and nature of their organisation's role. In addition, 56 per cent of respondents said that their most frequent other public sector contact understood their role
- **respecting their independence:** 53 per cent of respondents said that Oldham Council respected their organisation's independence. In addition, 57 per cent of respondents said that their most frequent other public sector contact respected their independence
- **informing about key issues:** 40 per cent of respondents said that Oldham Council kept their organisation informed about issues which affected them or were of interest to them. In addition, 43 per cent of respondents said that their most frequent other public sector contact kept them informed
- **consulting about key issues:** 31 per cent of respondents said that Oldham Council consulted their organisation about issues which affected them or were of interest to them. In addition, 37 per cent of respondents said that their most frequent other public sector contact consulted them
- **involving in policy development:** 27 per cent of respondents said that Oldham Council involved their organisation appropriately in developing and carrying out policy on issues which affected them. In addition, 28 per cent of respondents said that their most frequent other public sector contact involved them in policy development
- **acting on their views:** 31 per cent of respondents said that Oldham Council acted upon their organisation's opinions and/or responses to consultations. In addition, 29 per cent of respondents said that their most frequent other public sector contact acted on their views.

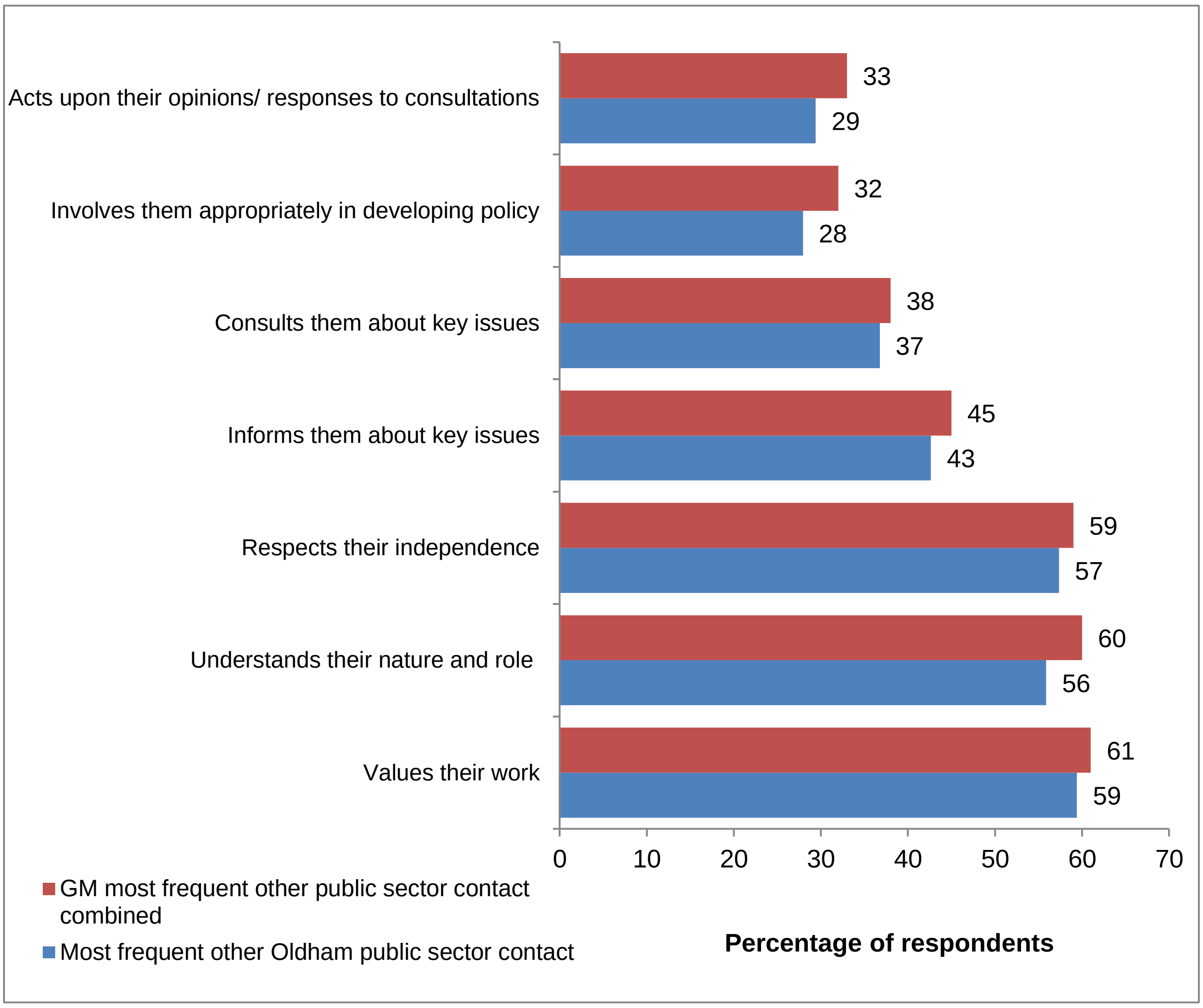
This suggests an overall trend in which the voluntary sector's experience of working with Oldham Council was less positive than with other local public sector bodies. However, this trend was reflected across Greater Manchester and the views of Oldham respondents were broadly comparable with the Greater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

Figure 6.2a: Relationships with Oldham Council



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 91-92

Figure 6.2b: Relationships with other most frequent public sector contact

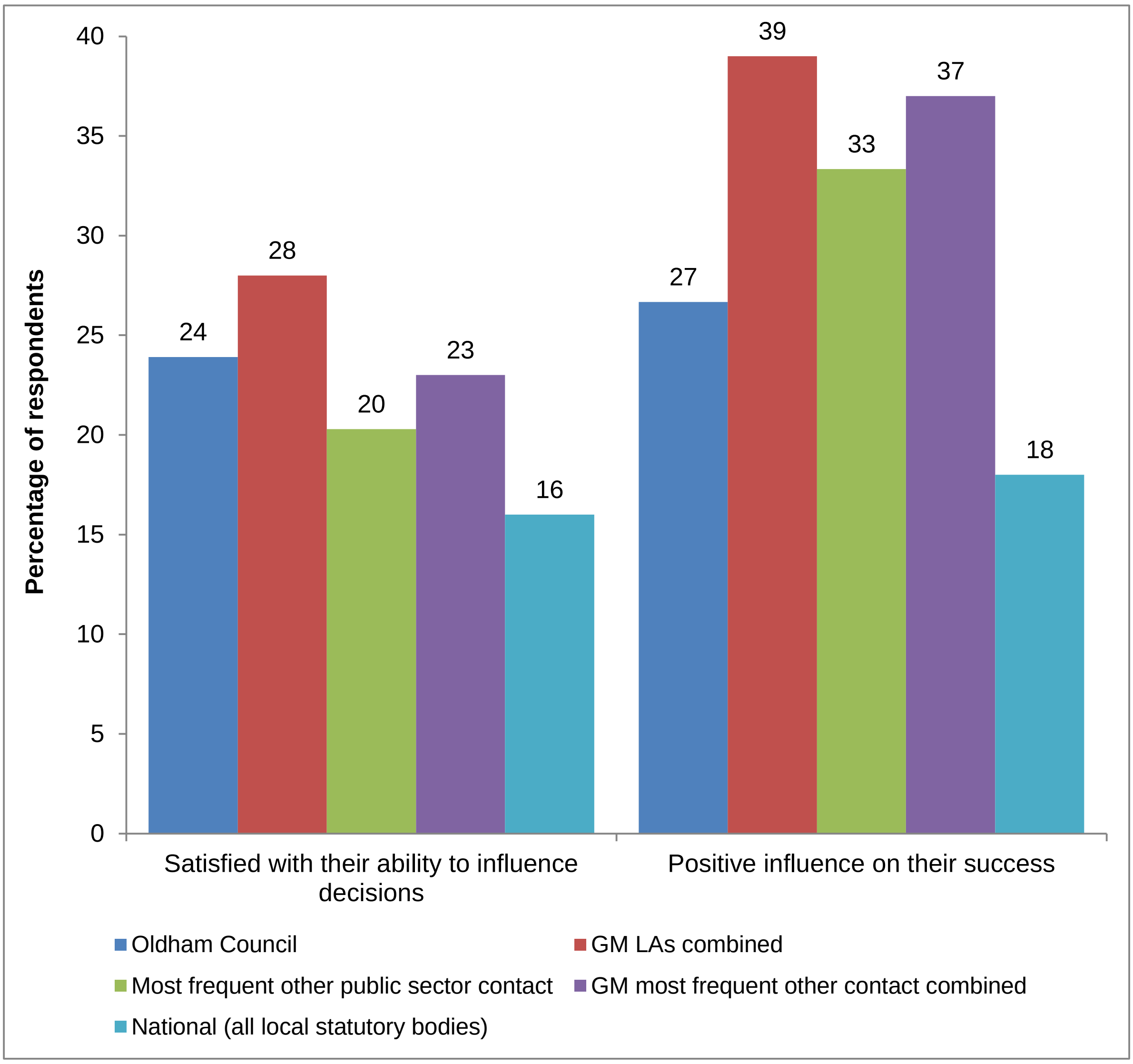


Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 68-69

The survey findings regarding relationships with local public sector bodies are reinforced by responses to two further questions which asked the extent to which organisations were satisfied with their ability to influence public sector decisions of relevance to their organisation and the extent to which they thought local statutory bodies influenced their success[33]. The results of these questions are summarised in figure 6.3. A comparison with the Greater Manchester average is also provided.

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

Figure 6.3: Proportion of organisations who said they were satisfied with their ability to influence public sector decisions of relevance to their organisation and who said local public sector bodies influence their organisation's success



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 92/90

This shows that 24 per cent of respondents were satisfied with their ability to influence Oldham Council decisions of relevance to their organisation and 27 per cent said that the council had a positive influence on their organisation's success. This is broadly consistent with the Greater Manchester combined figures and considerably higher than the national average.

In addition, 20 per cent of respondents said they were satisfied with their ability to influence key decisions of their most frequent other public sector contact and 33 per cent said this contact had a positive influence on their success. Again, this is broadly consistent with the Greater Manchester combined figures.

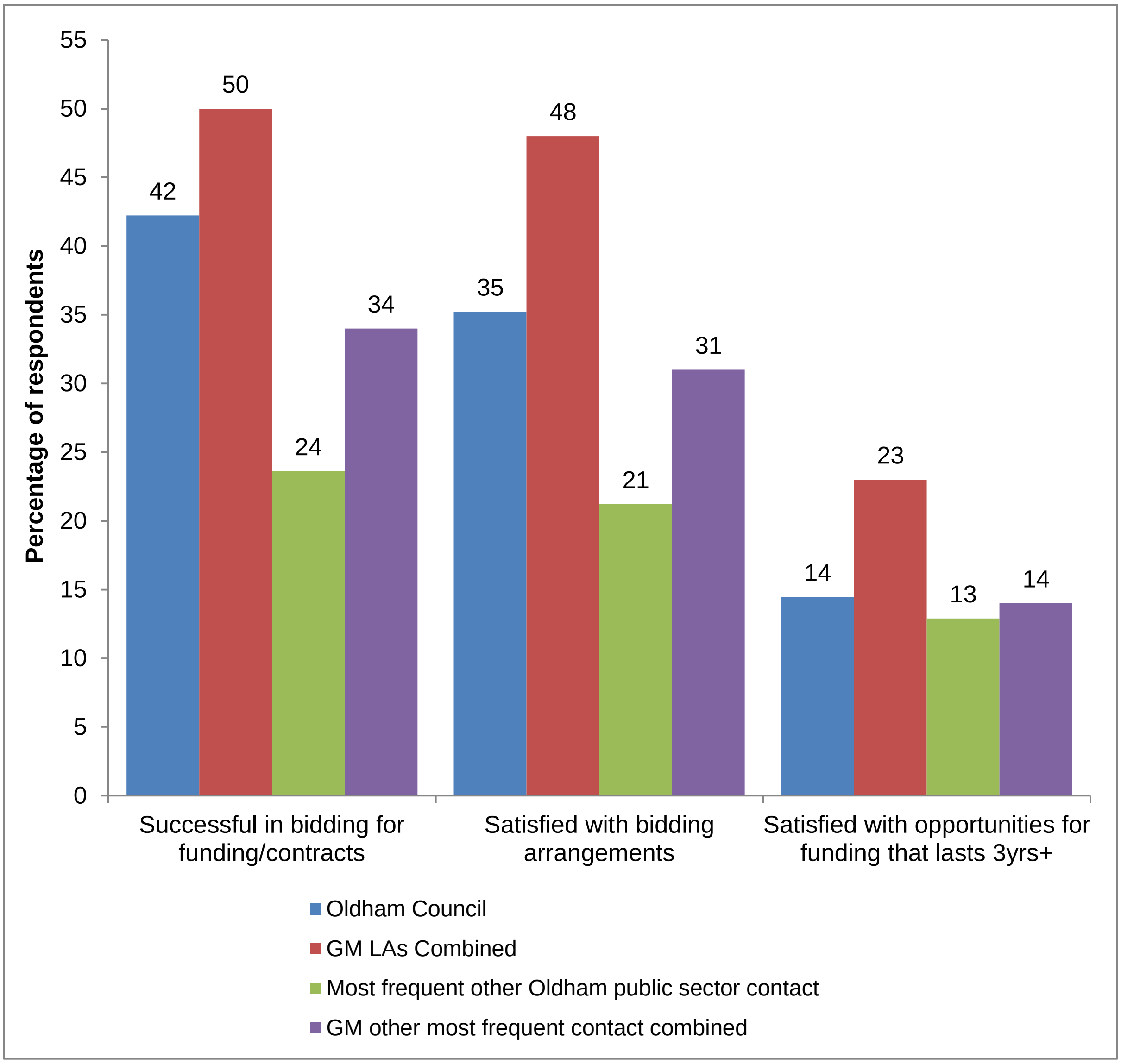
6.3. Funding from local public sector bodies

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

This shows that 42 per cent of respondents were successful in bidding for contracts with Oldham Council compared to a 24 per cent success-rate with other public sector bodies while 35 per cent were satisfied with bidding arrangements for Oldham Council contracts and 21 per cent for their most frequent other public sector contract. 14 per cent were satisfied with the opportunities for funding or contracts with Oldham Council that last three years or longer; and 13 per cent felt the same for their most frequent other public sector contact.

Oldham public sector bodies were generally rated a few percentage points lower than in other areas of Greater Manchester, with satisfaction with their provision of three year contracts particularly low.

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



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 83-90

6.4. Qualitative perspectives on local public sector bodies

Following on from quantitative questions regarding the nature of respondents' relationships with local public sector bodies, respondents were also asked to provide further qualitative (i.e. written) information about these relationships. The main findings, including an illustrative sample of responses (quotes), are provided below.

In the case of Oldham Council, positive comments tended to reflect the role of funding streams or council contracts in maintaining or strengthening the provision of organisations:

> *"We have an excellent partnership with OMBC."*

> *"(Oldham Council) are a key funder and supporter. Have had a major role in development and success of organisation."*

> *"We are a valued strategic partner of OMBC, mostly they make decisions that recognise and support us, although, some aspects of the council act differently on occasion."*

Experiences were mixed, however, and other groups felt that public sector bodies did not understand their work and that communication between the sectors could be improved. This was exacerbated by the public sector cuts:

> *"With the funding cuts and economic downturn OMBC over the last three years no longer supports the work we do in Oldham. As a social enterprise we used to hold various contracts with OMBC but all these have been ended. We have tried to secure other contracts but have not been successful."*

> *"(The Council are) Difficult to contact. (It is) Difficult to find the correct people to deal with. Council procedures are slow and frustrating to deal with."*

> *"Apart from councillor grants it is difficult to find out about the availability of OMBC grant funding."*

7

Partnership Working: Commercial Businesses

The previous chapter explored respondents' experiences of partnership working with public sector bodies. This chapter moves on to explore their experiences of working with the commercial sector. This is new territory for many voluntary and community organisations: chapter 4 revealed that only 17 per cent of survey respondents received any income through business donations. However, relationships with the commercial sector will become more important as funding from public sector, charitable and philanthropic sources reduces Survey respondents were asked about their direct dealings and experiences with each of working with commercial businesses in Oldham.

7.1. Working with commercial businesses

Survey respondents were asked to indicate the extent to which they had direct dealings with commercial businesses in Oldham. 64 per cent reported that they had some direct dealings, with 14 per cent having a 'great' or 'fair' amount of contact. This is slightly lower than the average for Greater Manchester as a whole (figure 7.1).

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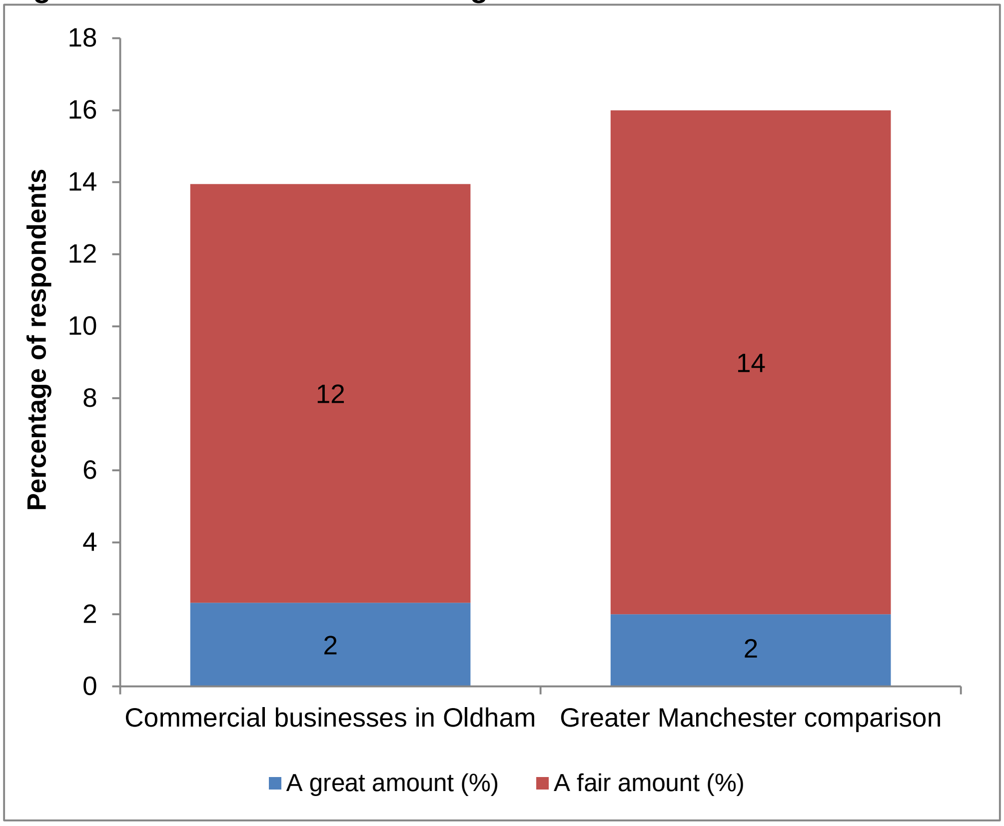
Figure 7.1: Extent of direct dealings with commercial businesses



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 84

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

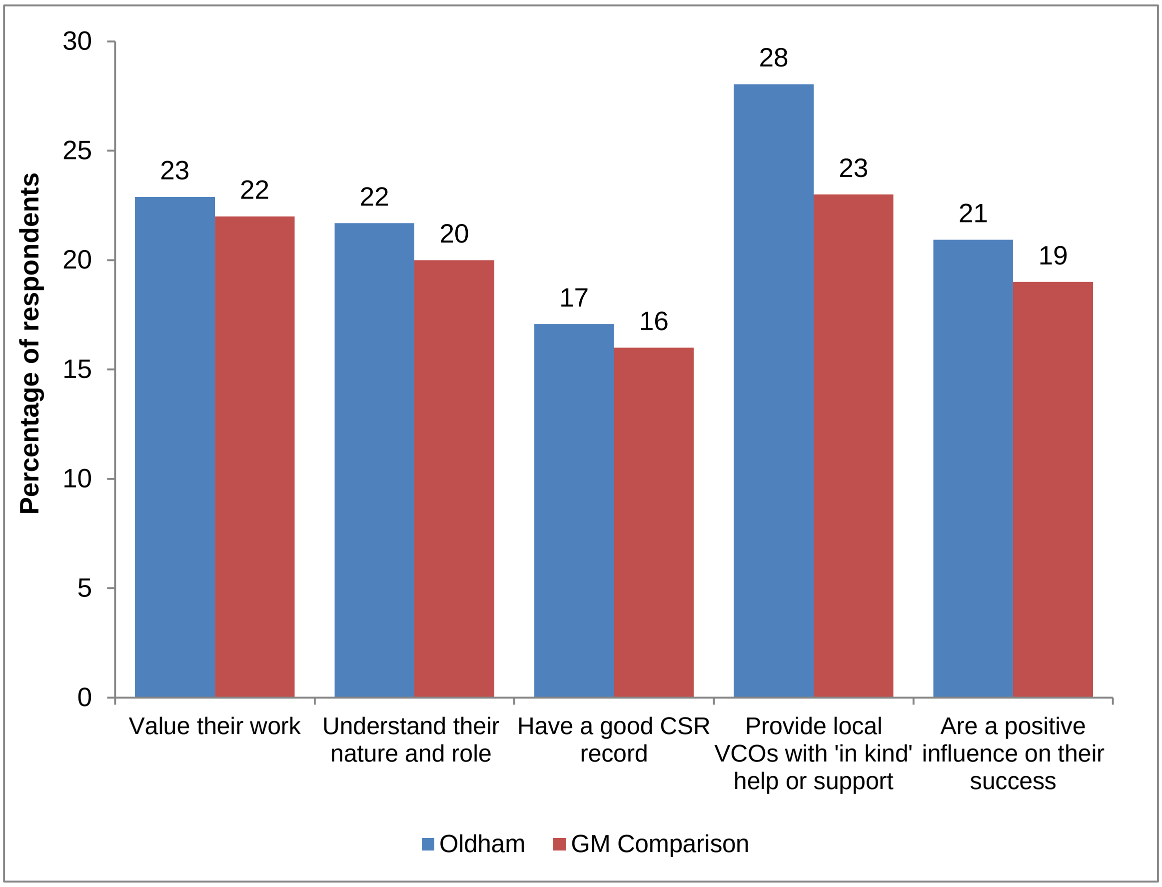
- valued their organisation's work
- understood the nature and role of their organisation
- had a good record in terms of corporate social responsibility
- provided local voluntary and community organisations/groups with 'in kind' help and/or support.

The results, including a Greater Manchester comparison, are summarised in figure 7.2. This shows that, compared to perceptions of public sector bodies (see figure 6.2), survey respondents had less positive perceptions of commercial businesses in Oldham, but that these were slightly more positive than for Greater Manchester as a whole:

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

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

Figure 7.2 Relationships with commercial businesses



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 17-83

7.2. Working with commercial businesses

Respondents were asked to comment qualitatively about their relationships with local businesses. The main findings, including an illustrative sample of responses (quotes), are provided below.

Organisations had less engagement with commercial businesses on the whole than with the public sector and VCS, which was reflected in the majority of comments, but there was a feeling that this needed to change:

> *"(We) Need to explore opportunities to link with businesses for the future/ an unexplored and untapped potential source."*

> *"We have very limited experience in this matter."*

> *"We have never had time to approach any local businesses, but would appreciate any help financial or in-kind."*

> *"We have had very few dealings with commercial organisations in Oldham."*

For some respondents the lack of links was owing to businesses not understanding the role of VCS organisation and an over-riding concern for profit:

Where organisations did have links with businesses, this tended to be in the shape of *ad hoc*, small scale donations and support:

> *"The local businesses in our village always help and support our organisation with the donation of raffle prizes and attendance at community events."*

A small number of comments outlined the importance of commercial businesses to their work, however, including a suggestion the business community were becoming more important as a result of reducing revenue streams elsewhere:

> *"The commercial sector is out there and we have a responsibility to engage with it. It has not historically been a source of either money, nor support in kind and in the past it has not been particularly cost-effective to pursue these links when we could better be forming a relationship with the public sector or with trusts and foundations. We are aware that pressure from central government and the potential for future cuts in our grant revenue will make the formation of such contacts necessary. We also understand that it will be very difficult, if not impossible, to replace our grant aid money with sponsorship."*

> *"Local business and (our organisation) have been working closely to set up a project which has to date been very successful."*

8

Partnership Working: Voluntary Organisations and Community Groups

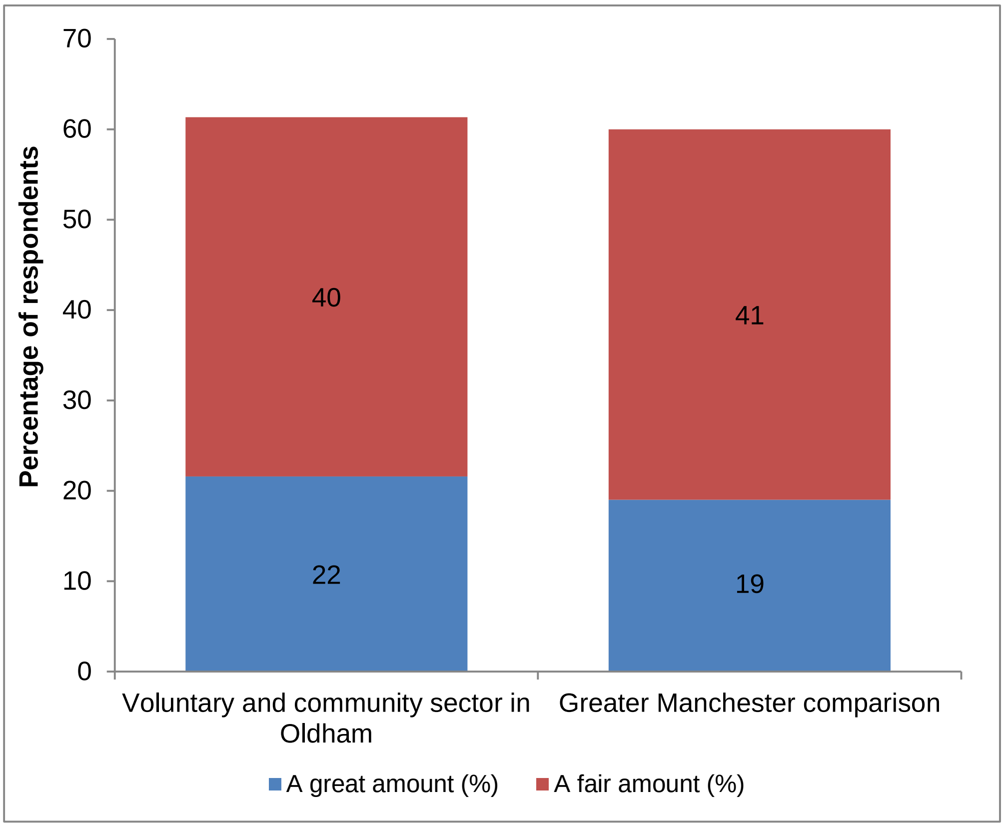
The previous two chapters have explored respondents' experiences of working with organisations from the public and commercial sectors. This chapter discusses survey respondents' views on their work with other voluntary and community sector organisations. This includes working collaboratively with voluntary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

8.1. Working with other voluntary and community organisations

Survey respondents were asked about the extent to which they had direct dealings with other voluntary and community organisations in Oldham. 91 per cent had some direct dealings with other voluntary and community organisations and 62 per cent had a 'great' or 'fair amount' of contact.

This is slightly higher than the figures for Greater Manchester combined, which show that 60 per cent had a 'great' or 'fair amount' of dealings with other voluntary and community organisations.

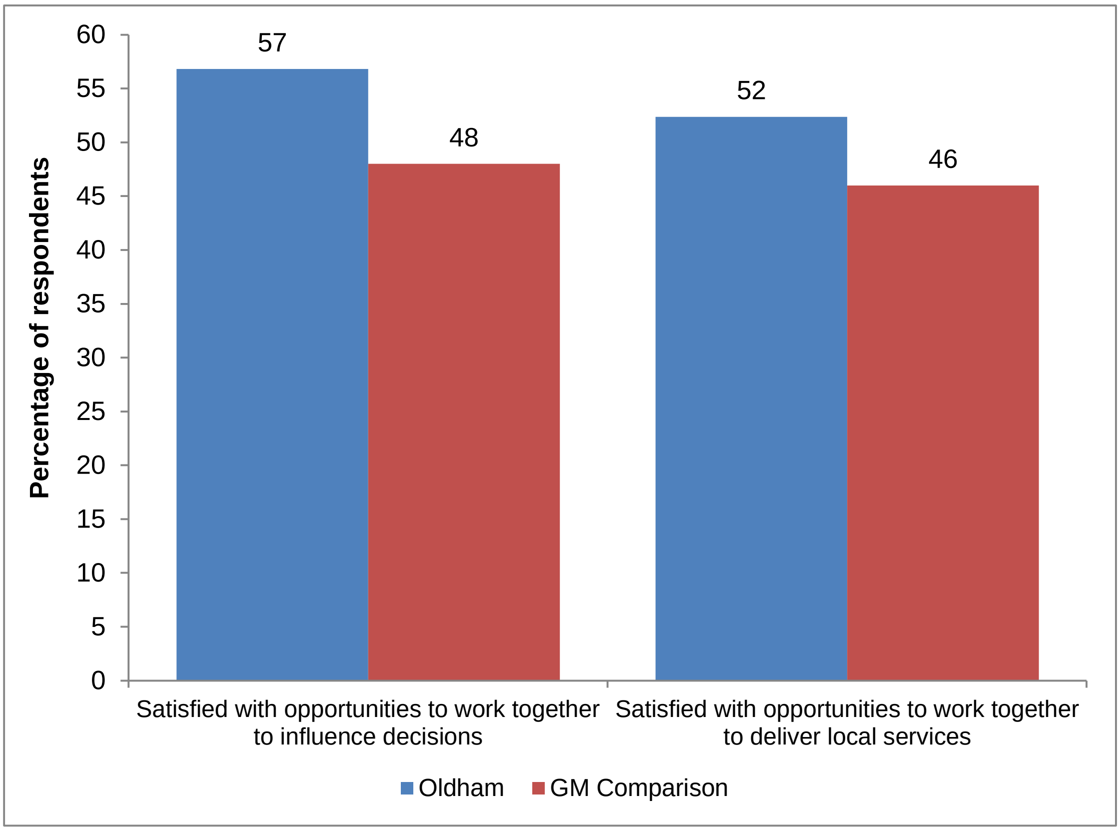
Figure 8.1: Extent of direct dealings with voluntary and community organisations



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 88

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

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



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 88 / 84

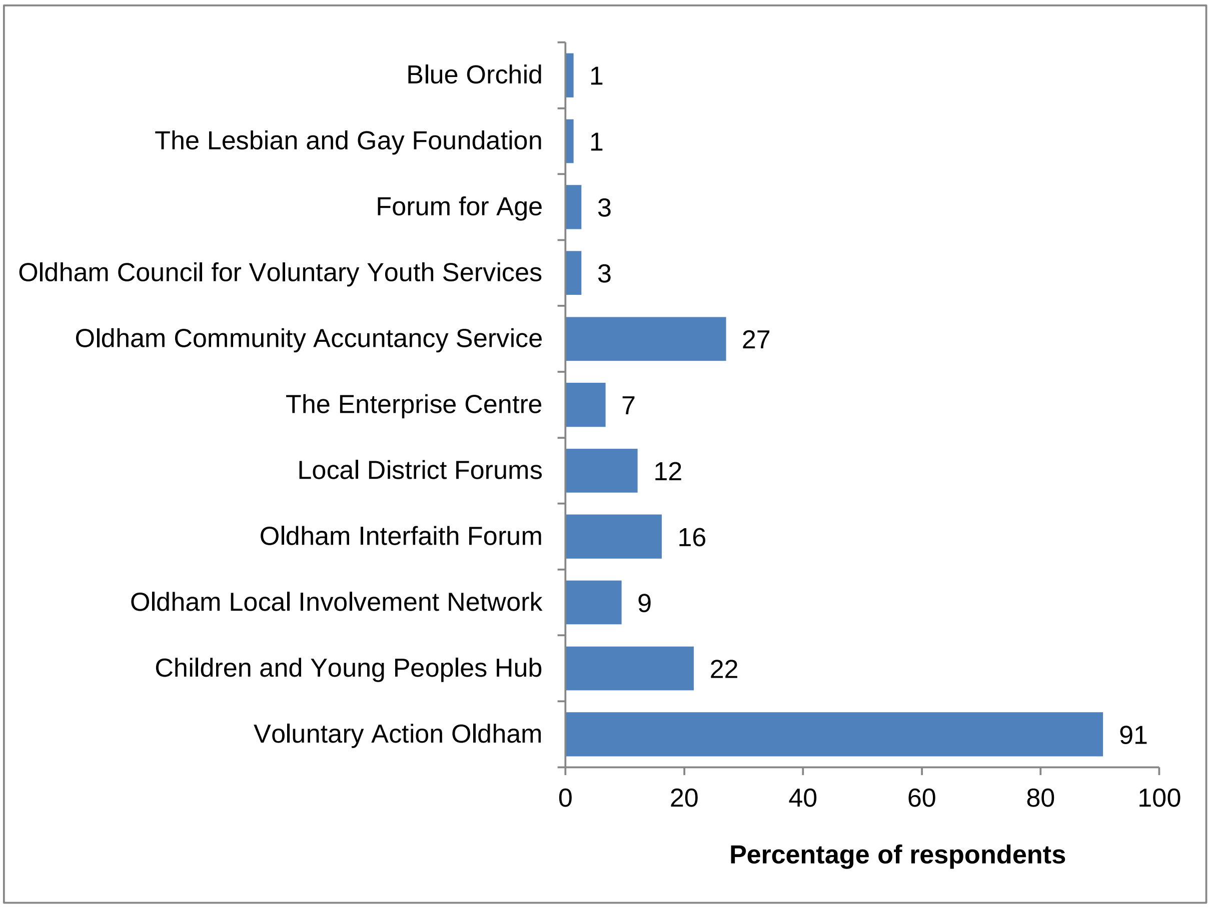
This shows that 57 per cent of respondents were satisfied with the availability of opportunities to influence local decisions and that 52 per cent were satisfied with the availability of opportunities to work together to deliver local services.

This is slightly higher than the figures for Greater Manchester combined, which show that 48 per cent were satisfied with opportunities to influence local decisions and that 46 per cent were satisfied with opportunities to work together to deliver local services.

8.2. Working with local support and development organisations

Survey respondents were asked if their organisation currently received support from a list of named local support and development organisations based in the Oldham area. The results are summarised in figure 8.3.

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



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 74

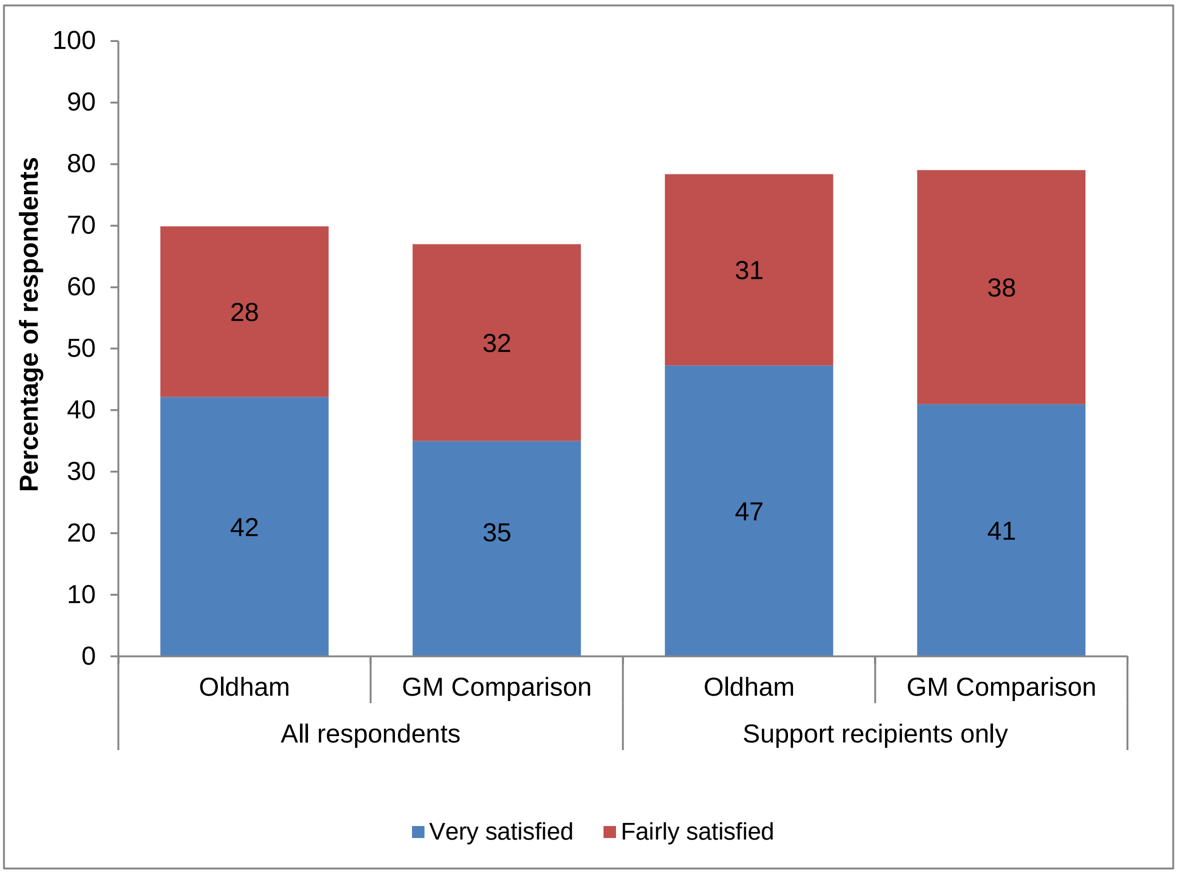
This shows that Voluntary Action Oldham provided support to the highest proportion of survey respondents (91 per cent). Other organisations provided support to far fewer organisations but this is likely to be a function of the fact that they were not borough wide and tended to support groups within defined local areas (i.e. wards or neighbourhoods) or those working with specific beneficiary groups (i.e. faith based).

Survey respondents were also asked the extent to which they were satisfied with the support available from these local support and development organisations. An overview of the results is provided in figure 8.4 (overleaf).

Figure 8.4 shows that overall 70 per cent of organisations were satisfied with the support available from local support and development organisations in Oldham. It also shows that of the organisations that had received support, 78 per cent were satisfied. This is broadly similar to the combined figures for Greater Manchester, which show that overall, 67 per cent of organisations were satisfied with the support available from local support and development organisations and that of the organisations that had received support, 79 per cent were satisfied.

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

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



Source: Oldham State of the Voluntary Sector survey 2012/13
Base: 136 / 86

Respondents were also asked to comment on their relationship with other VCS organisations. The main findings, including an illustrative sample of responses (quotes), are provided below.

Many of the positive comments discussed the range and importance of developing links with other VCS groups. Working together gives a stronger voice and potential influence for improving community services and opportunities. Sharing information opens up more possibilities.

> *"this is part of our core values: to foster and improve relationships throughout the voluntary sector - working together to address and solve, where possible, the issues relating to our relevant communities."*

> *"we always try and work with other organisation as we believe in achieving one goal and that is to help the local community."*

Others, however, said that they had little or no links with other organisations, although some felt that this is something that they needed to work on:

> *"Not sure there is sufficient engagement in the existing routes to influence decisions or to work together. I am sure this is being addressed and maybe tough times will lead to more engagement"*

> *"We have not so far approached other local voluntary organisations to work together. However, there are good opportunities available to meet with them and I believe that working together could produce a beneficial impact\outcome to our local community."*

Conclusions

9

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

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

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

Against this background, this research has provided in depth data about the 'state of the voluntary sector' in Oldham at the start of 2013 and answers some important questions. Information about the size, scale and scope of the sector, the role it plays in the social and economic life of the borough, and how it has been affected by public sector cuts and the economic downturn, has been collected, and where possible compared the wider picture emerging across Greater Manchester. From this analysis six important findings stand out:

1. **There are a wide range and a large number of organisations operating in Oldham who are involved in many areas of activity. As such the voluntary sector in the borough occupies an important strategic position between policy development, service provision and everyday life.**

    - there are an estimated 1,112 organisation working in the sector in Oldham
    - the vast majority (78 per cent) of organisations are 'micro' with income of less than £10,000
    - whilst the sector has a fairly well established core it had seen the formation of many new organisations over the past 10 years: of organisations responding to the survey 37 per cent had been formed since 2003
    - the sector cuts across many different policy and issue domains; in particular there were sizable concentrations of organisations working in the thematic areas of community development; health and well-being; sport and leisure; and education, training and research

- they worked with a whole range of different people, especially older people, children and young people, but also people from the most vulnerable groups (for example the unemployed and those with health problems)
- the sector works at a range of different geographical levels: both across and beyond Oldham; the local authority area, and specific communities and neighbourhoods within it, are the main focus for a majority of organisations.

2. **The voluntary sector in Oldham is an important economic entity, but patterns in the amount of money the voluntary sector receives, the way the organisations are spending their money, and the size of their financial reserves suggest the sustainability of many organisations is under threat.**

   The research has provided a detailed economic profile of the voluntary sector:

   - total income in 2011/12 was estimated to be £56 million, a reduction of two per cent compared to 2010/11
   - more than nine out of ten organisations' income was small (less than £100,000), but there were also a number of large organisations (12) with an income of more than £1 million
   - over half of organisations (55 per cent) received income from the public sector; Oldham Council and other public sector bodies are the most important public sector funders
   - almost eight out of ten organisations receive income from sources outside the public sector; fundraising, grants (from charitable trusts, foundations and the national lottery), and charging members of the public are particularly important revenue streams
   - a large proportion of organisations have very little money to fall back on if their funding is withdrawn: 16 per cent had reserves totalling less than one month of expenditure, and two fifths had insufficient reserves to cover more than three months expenditure.

3. **In 2012/13 there were an estimated 1,400 FTE paid staff and 140 FTE work placements employed in the voluntary sector. In addition the voluntary sector was supported by 25,500 volunteers who combined donated 79,100 hours per week.**

   This report has also gone beyond this headline number of volunteers to calculate a monetary value of their contribution:

   - valuing the contribution of volunteers to Oldham organisations by the expected value of the output that they produced gives an estimated contribution of £70.9 million
   - valuing the contribution of volunteers as an input - the amount that it would cost to pay employees to do the work done by volunteers - shows:
     - assuming the national minimum wage for adults it would have cost £25.4 million annually to have employed staff to do the work provided by volunteers in Oldham organisations
     - assuming the median gross hourly wage for full time employees in the North West it would have cost £49.1 million annually to have employed staff to do the work provided by volunteers in Oldham organisations.

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

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

   - 70 per cent of respondents had some dealings with Oldham Council, 53 per cent had some dealings with NHS Oldham, and 53 per cent had some dealings with Greater Manchester Police
   - fewer than one third of respondents were satisfied with their ability to influence public sector decisions and a similar proportion said local statutory bodies had a positive influence on their success.

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

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

   - Engagement with commercial businesses was relatively low, which was also reflected in a less positive view of commercial businesses than other sectors. 23 per cent of respondents thought that commercial businesses in Oldham value their work and 22 per cent thought that they understood the nature and role of their organisations
   - Engagement with other voluntary and community organisations and support organisations was much higher, with 91 per cent having direct dealings with other voluntary and community organisations and 78 per cent of support recipients were satisfied with the support they received from local support and development organisations.

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

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

   > *"reducing funding and increasing demand, [with a need to] change the way advice services are delivered in order to reach and support more people with less reliance on face to face delivery."*

   > *"Funding for core work is being cut each year. This is a concern."*

   > *"Funds available to apply for are decreasing so we have to work harder so secure the funds we need."*

Appendix 1

A1

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

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

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

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

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

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

	Average income by size (a)	Estimated number of organisations (b)	Total income (thousands) (c)
Micro (under £10k)	£2,600	862	£2,240,936
Small (£10k to £100k)	£38,472	157	£6,043,863
Medium (£100k to £1m)	£301,433	81	£24,551,183
Large (over £1m)	£1,961,837	12	£22,857,559
Total			**(d) £55,693,541**