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A thriving Third Sector: a study of North Yorkshire and City of York



Professor Tony Chapman
and Robert Crow

November 2008

This project was funded by

**York and North Yorkshire
Infrastructure Consortium**
Supporting the Third Sector



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Acknowledgements

We would like to thank all the organisations which have generously given their time in completing our questionnaires. We are also grateful to Helen Black who made very useful comments on drafts of the report. Emma Bailey and Beth Baxter, Social Futures Institute research assistance, also provided support to the project at dissemination events and we wish to record our thanks for their contribution.

We would like to thank Capacity Builders and the York and North Yorkshire Infrastructure Consortium for funding this project.

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EXECUTIVE SUMMARY

Introduction

This report presents findings from a new study of the third sector for the *York and North Yorkshire Infrastructure Consortium* (YNYIC). The data analysis explores a number of areas of interest, including: the area of operation of third sector organisations (TSOs); organisational form and governance; income; employees and volunteers; training; beneficiaries of organisational activity;

tendering for and delivering public services; and, planning for the future.

A key aim of this research was to replicate a study of the sector in 2000 by Leeds Metropolitan University. In addition, it was intended that comparisons could be drawn with a study by the University of Teesside of North East England in 2005. Through its comparative analysis the report provides some insights into how the sector is faring and its future outlook.

Methodology

The survey questionnaire was based upon, and replicates aspects of the following studies:

- Leeds Metropolitan University Policy Research Institute report into the Third Sector in North Yorkshire and York (Dowson *et al.*, 2000) prepared for the North Yorkshire Forum for Voluntary Organisations.
- Social Futures Institute report into the impact of funding changes on the Third Sector in North East England (Chapman *et al.*, 2006) funded by Government Office for the North East.
- University of Manchester Centre for Local Governance research into the role of the Third Sector in public service delivery (Richardson *et al.* 2007) (unpublished) funded by the North West Improvement Network.

The structuring of questions was undertaken to allow for the replication of aspects of each of these studies and to utilise 'tried and tested' questions to assure confidence in the data and provide opportunities for comparative analysis.

A sample of 1,682 TSOs was drawn from a database provided by YNYIC which was cross matched and cleaned to ensure accuracy. The number of questionnaires returned by post (366) and email (61) represents a 25% response rate. All responses were coded into SPSS for analysis.

In this summary, we present the principal findings of the study.

Main findings

Area of operation of third sector organisations

The study demonstrates that the third sector has strong penetration across North Yorkshire and City of York. While there is a greater concentration of TSOs in more urban areas, the population of organisations in the most rural areas is significant.

TSOs in semi-rural districts are the most likely to work at the local district level, followed by mainly urban areas. TSOs based in the most rural areas are least likely to work solely in their own district. Smaller organisations tend to focus their activities locally and larger ones work further afield. Organisations with incomes above £250,000 are very likely to operate beyond sub-regional boundaries.

The pattern of activity of TSOs in rural areas is complex and does not lend itself readily to generalisation. There is some evidence to suggest that TSOs in the most rural areas are smaller in size (as measured by income) and are more likely to be involved in the delivery of front-line primary services, but these differences are small. Overall, there is no evidence to suggest that TSOs operating in the most rural areas are more or less likely to be dependent on earned income.

Organisational form and governance

Almost 77% of the sample are registered charities. However, TSOs describe themselves in a variety of ways, the most popular being: 'charities' (59%) and 'voluntary organisations' (44%) or as 'community organisations' (25%). The number of TSOs describing themselves as social enterprises and cooperatives is very low (7%). But this does indicate that few organisations are involved in trading or undertaking contract work.

The majority of TSOs have Boards of Trustees (directors). Equal numbers of the remaining TSOs have either executive management committees or non-executive management committees. If there are between 2,500-3,000 TSOs in North Yorkshire and City of York, then it can be assumed that there are in the region of 12-15,000 board or committee positions to fill. The actual number of trustees is likely to be lower, however, due to multiple board membership.

Almost 47% of TSOs in the sample were affiliated to, or branches of, larger organisations. Affiliated organisations tended to have larger numbers of full- and part-time employees and volunteers. They also are more likely to work across district and local authority boundaries. Affiliated organisations are equally likely to be involved in the delivery of front-line 'primary' services (such as training, social care or community transport) than non-affiliated organisations.

Income and economic contribution of the sector

When measured by income, it is clear that about a third of organisations are very small, with income lower than £10,000 a year. Only about 15% of the sample has income above £500,000 a year.

The most important sources (by type, not value) of income are: individual donations (17%), earned income from trading (14%) contracts to deliver public services (13%) and local authority grant aid (13%). Following this, the main sources of income are local and regional charitable trusts, lottery funds and national charitable trusts.

In monetary terms, contracts/service level agreements and grants are the most important to TSOs, although earned income and gifts are also very important sources of funding. Contributions in kind are of lower importance, but the evidence suggests a relatively high level of dependence on such sources of support.

It is difficult to determine precisely the value of the sector in monetary terms from a survey of this kind, however, we estimate that the sector is likely to earn not less than £173m if measured by its salary budget alone. Adopting the same principles as the Leeds Metropolitan University study of 2000, we would predict that the revenue of the sector for 2007-2008 would be not less than £270m.

While it is not possible accurately to predict the contribution of the sector to the local economy in monetary terms, our estimates suggest that the sector's contribution is substantial. If the same analytical procedures are adopted as in the Leeds Metropolitan University study of 2000, then it could be the case that the sector contributes between 1.5 and 3% of GDP in the area.

The predicted economic value of the sector is achieved substantially through the enormous contribution of volunteers. At minimum, we estimate that volunteers contribute the equivalent of £103m of work time to the local

economy – that is around 1.5m hours or 207,000 working days.

The sector often expresses serious concerns about future funding. But about 35-40% of organisations expect their income to rise over the next five years. A little over a half of the respondents felt that income would remain broadly the same. Only about 10% of the TSOs considered that income would decrease and very few thought that income would decrease significantly.

TSOs delivering front-line 'primary services' are the most optimistic. 'Secondary service' TSOs (which provide for example: advocacy, information, advice and guidance etc.) are less confident about future sources of funding. 'Tertiary TSOs' (such as local infrastructure organisations and those concerned with campaigning and research) are generally optimistic about future funding. The bigger organisations are the most confident about their future financial security.

Employees and volunteers

Over 44% of organisations have no full time employees. Around 25% of TSOs only have between 1 and 5 employees. About 5% of TSOs in the sample have over 250 employees.

Part-time employment is prevalent in the sector. While 30% of TSOs have no part-time workers, over a third have between 1-5 part-time staff and 20% of TSOs have 6 – 25. Approximately 5% of TSOs have over 100 part-time staff.

The indications are that the level of employment in the sector has increased significantly since 2000. Our estimates suggest that the TSOs in the study employed around 5,000 full-time staff and about 5,400 part-time staff. This relatively large estimate may derive partly from the inclusion of some very large TSO employers. However, even a conservative estimate for the sector as a whole would suggest that employment has increased by between 15-25% since 2000. This study indicates that the balance between full-time and part-time staff may have shifted to some extent in favour of full-time employees, but this finding is tentative.

The level of volunteer activity in the sector is significant. Only 5% of organisations have no volunteers. About 35% of organisations have between 1-10 volunteers; 35% have between 11 and 50; a further 22% have over 50 volunteers. TSOs which are engaged in the delivery of front-line 'primary services' tend to have larger numbers of volunteers.

TSOs' are optimistic about maintaining current levels of employment and volunteering. Indeed,

33% of organisations expect to increase the numbers of paid employees and 38% expect to increase the numbers of volunteers. Whether these expectations are realistic may be a subject for debate in the qualitative phase of the research.

There is no evidence to suggest that the sector finds recruitment of employees, trustees and volunteers as an issue for concern. Expectations about the prospects for the successful recruitment of staff, trustees and volunteers in future are also high. About 60% of TSOs think that the ease of successfully recruiting staff will remain about the same in the future.

Training

Over 47% of organisations in North Yorkshire have a training budget. Around 50-55% of full-time employees receive training in-house or externally, whilst a fifth use distance learning. Levels of investment in training have, however, decreased since 2000.

Levels of part-time employee training are slightly higher at around 57-63%. Only about 40% of organisations buy-in external training for trustees.

A key training priority is fundraising (40%) but an equal number of TSOs state that they do not need any training in this area. Indeed, 60% of TSOs feel that they need no training in tendering and commissioning. These findings are perhaps surprising given the relatively strong emphasis on the importance of gaining contracts which has been indicated above.

Relatively little importance is placed on training for key aspects of organisational management. It could be the case that staff in the sector are already very well qualified, up to date in their knowledge, and require no further training support. Training for financial management is given a particularly low priority; this may weaken organisations operationally and strategically. That said, TSOs are much more likely to recognise the importance of training in financial management, business planning, providing training and strategic management than was the case in 2000.

Beneficiaries of organisational activity

The main beneficiary groups of the sector, in descending order, are older people, people with physical disabilities, young people, women's issues, children, mental health issues, men's issues, families, people with learning difficulties, disadvantaged people in rural and urban areas,

people with low skills and education, and unemployed/workless people.

It is expected that beneficiary reliance on services will increase significantly over the next few years. It is difficult to determine how accurate this prediction is, but it suggests that the sector as a whole feels that it is not yet able to fulfil beneficiaries' needs.

Tendering for and delivering public services

Government is putting significant pressure TSOs to tender for contracts to deliver public services. The evidence suggests that this message is not getting through to some organisations: 17% of TSOs are not aware of such opportunities; 26% state that such opportunities go against their 'core values'; 30% are not bidding due to lack of information, lack of support and other barriers to tendering. Only 11% are currently bidding and 13% are delivering contracts for which they have tendered competitively. These percentages are higher than in a comparative study of the North East of England in 2005, suggesting that activity may be increasing.

Opinions on the role of the sector as a whole in the delivery of public sector services show that 46% of respondents think the sector is already playing a large enough role; about 5% argued the sector should play less of a role; 49% thought the sector should play more of a role. Larger TSOs have the most positive attitudes about delivering front-line primary services. Tertiary organisations (many of which are infrastructure organisations), have the least positive view.

Over 50% of organisations expect to become involved in contracts to deliver public services. TSOs delivering primary services are the most positive, with about 60% expecting to become involved. Organisational size impacts on interest in contracts: only 28% of small organisations compared with over 65% of the largest intend to pursue contracts.

Relatively few TSOs describe themselves as 'social enterprises' (around 5%). However, the evidence suggests that the sector is enterprising if measured by its involvement in delivering contracts and engaging in other trading activity.

About a third of TSOs earn more than half of their income from contracts or trading, 28% earn up to 50% of their income this way, while 38% have no earned income. Larger front-line primary service TSOs are the most dependent on earned income.

Planning for the future

The study demonstrates a high level of stability in the sector. About 77% of TSOs have been established for more than 10 years and 13% for between 5 and 10 years. Very few organisations expect to close in future. Indeed, 98% expect to achieve long-term sustainability. In this sense, the sector is shown to be in a buoyant mood.

Achieving sustainability may depend on TSOs having a flexible view about activities in order to tap new sources of income. Over a third of organisations are planning to increase earned income. Only about a fifth of organisations intend to change the way that they run their services in order to sustain activity. Arguably, this figure is too low, especially in terms of strategic planning.

Many TSOs prioritise increasing individual donations. Whilst this may be possible for some organisations, reliance on charitable giving is arguably misplaced for the sector as a whole. Much of the national research evidence on charitable giving suggests that this source of income is not rising significantly. Philanthropic support from the private sector may be a growing source of future income, but there is not much evidence to suggest that this is prioritised at present by the Third Sector in North Yorkshire.

It is clear that only a very few organisations prioritise working with other TSOs in partnership to achieve sustainability (13%), and fewer still would contemplate merging with another organisation (7%). Some organisations have ambitions to take over services from other TSOs, but they are very few in number. Fewer still seek to have their services 'mainstreamed' by a public sector body running services in their place.

It is interesting to note that over half of TSOs expect that partnership working will increase over the next five years, and 15% expect it to grow significantly. While comparisons with 2000 are broadly similar, it appears that expectations about partnership working have declined. These findings clearly require further examination and debate.

Expectations about the future have changed between 2000 and 2008 in terms of income and expenditure. TSOs are more cautious in their expectations than was the case 8 years ago. Interestingly, attitudes about the importance of contracts remain about the same.

Conclusions

The evidence presented in this report suggests that the Third Sector is in a relatively buoyant mood in North Yorkshire and the City of York. The sector is confident about its future, as measured by its expectations about sustainability. The sector is also confident about its ability to maintain levels of funding in future to continue its work. On the whole, the sector believes that there is much work yet to be done to meet the needs of beneficiaries and expects that demand for its services will increase over time.

The sector clearly makes a significant contribution to the local economy through employment and trading activities. Much of this economic contribution comes from the voluntary action of people in the area who give their time and expertise to third sector organisations. It is equally evident that the sector makes a major contribution to civil society through its service to beneficiaries and by giving opportunities for voluntary action.

While the sector is very confident about its future, the evidence suggests that it is not fully aware of the opportunities which may become available to deliver public sector services in future. Many organisations do not want to get involved in the delivery of contracts because they feel that this runs counter to their core values. Where there is awareness of such opportunities and interest in the delivery of contracts, there is also significant worry about barriers against achievement. The explanation for this is complex. On the one hand there is a sense that the sector is not being fully supported so as to deliver such contracts. On the other, there is an indication that the sector does not prioritise training of its staff to tackle this issue, nor are most organisations engaging in strategic planning to position themselves to become engaged.

This study has produced a number of insights about the size, activity and contribution of the sector and has explored its future prospects. What we have not been able to evince directly from the statistical analysis is the extent to which the sector is ready and willing to tackle changes in the economic, political and social environment over the next few years.

The report presents, in addition to its key findings, a number of questions for debate. It is our intention to facilitate such debate when we present the main findings of the research to interested parties following the publication of this report.

The questions we think the sector might usefully address are as follows:

- To what extent can actual and perceived barriers to TSO engagement in public sector procurement be overcome so as to maximise the impact of the sector for beneficiaries?
- How can the sector better demonstrate the 'added value' it contributes to the area in economic and social terms and what does the sector need to do to ensure that the evidence base is maintained over time?
- Why is the sector so optimistic about future funding if it is evident that most TSOs are not planning to change their practices to tap new sources of funding from contracts or trading? How can TSOs be better prepared by infrastructure organisations to meet this challenge?
- Why do TSOs tend not to work together in consortia or partnership within and across district / local authority boundaries? Is there more scope for 'inter-trading' between organisations to maximise the benefit to the sector? How might infrastructure organisations contribute to the development of an environment which will foster such cooperation?
- The evidence suggests that the sector is not investing sufficiently in training and staff development, especially in key areas of financial management and strategic planning. Why is this the case and does the sector need to do something about it? What role should infrastructure organisations play in this, and how could such work be funded?

These are challenging questions which we think the sector needs to address in order to prepare for the future.

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1. Introduction

This report presents findings from a new study of the third sector in North Yorkshire and City of York for the *York and North Yorkshire Infrastructure Consortium* (YNYIC). The report provides an overview of the principal findings from an analysis of the data which have been collected to describe the shape and structure of the sector and to assess its prospects for future development.

The data analysis explores a number of areas of interest, including: the area of operation of TSOs; organisational form and governance; income; employees and volunteers; training; beneficiaries of organisational activity; tendering for and delivering public services; and, planning for the future.

A key aim of this study was to replicate an analysis of the sector undertaken in 2000 by Leeds Metropolitan University. In addition, it was intended that comparisons could be drawn with a study by the University of Teesside of North East England in 2005. Through its comparative analysis the report provides some insights into how the sector is planning for the future and also gives some indication of the extent to which it has changed in structure and outlook over the last eight years.

1.1 Policy Context

In the UK there is a growing debate on the role the third sector should play in contributing to the development of civil society and to building sustainable communities. This point of view is advocated strongly at national government level (Gershon 2004; HMTreasury 2006a, 2006b; Office of the Third Sector 2006a, 2006b; see also 2004; Home Office 1998; Lewis 1999, Osborne and McLoughlin). As Gordon Brown, Prime Minister recently observed in his preface to a major consultation report on the future role of the third sector in the UK.

I believe that a successful modern democracy needs at its heart a thriving and diverse third sector. Government cannot and must not stifle or control the thousands of organizations and millions of people that make up this sector. Instead, we must create the space and opportunity for it to flourish, we must be good partners when we work together and we must listen and respond... the heart of our approach is our desire to support those thousands of small community organizations who play such a vital role in our society

(Cabinet Office 2007, 3).

In terms of funding there is an increasing drive from central government for the Third Sector to engage in public sector service delivery. The Office of the Third Sector (2006a) intends to monitor government departments on their development of model contracts which should include social causes. The commissioning frameworks of these departments will also have input from the Third Sector in their development and be subject to scrutiny to ensure they are not prejudicial to the Third Sector.

It is also intended that the administrative loading of contracting on the third sector should be examined with a view to its reduction and benchmarking systems will be introduced to enable equal comparison of the Third Sector with other public or private sector contractors. Over time it is also intended to widen Futurebuilders

funding to all Third Sector organisations delivering public services to ensure effective service delivery and support and widen the range of provision the Third Sector can support (OTS, 2006a). The continued need for grants for TSOs is acknowledged by central government. However, competition for these resources is expected to continue for the foreseeable future as the effects of the changing funding environment in 2006 diminish over time. Many TSOs will continue to need training and support from their local infrastructure organisations (LIO) in order to compete at an efficient level for these resources.

The North Yorkshire County Council Local Area Agreement (North Yorkshire County Council, 2007, 33) stresses the role of the Third Sector in Local Area Agreement (LAA) formulation, monitoring and delivery. LIOs have promoted the involvement of the Third Sector in the development of Community Strategies across Local Strategic Partnerships and have acted as information points about the process of LAA development to local Third Sector (North Yorkshire County Council, 2007, 34). The Third Sector is represented on all thematic partnerships within the North Yorkshire Strategic Partnership (NYSP) with the aim for the LAA to showcase the principles of the North Yorkshire compact (NYCC, 2007, 34). The influence of the Third Sector on the development of the LAA is indicated by the creation of an additional thematic partnership within the NYSP to consider cross-cutting thematic issues arising in the contexts of communities. This is the 'Stronger Thematic Partnership.'

The Third Sector's role in the development of LAA programmes is evolving. Members of the Third Sector have lead responsibility for some designated specific outcomes. An example of this is in relationship to the promotion and development of volunteering within the LAA framework. The York Local Area Agreement development process also involved the Third Sector to a considerable degree. This was based on the principles detailed and agreed to within the York compact. The York Compact Group made recommendations to *Without Walls* as to how to involve the Third Sector within the LAA development and implementation process. Updates on the development of the LAA have been publicised through the monthly newsletter of a local LIO (York CVS).

The Chief Executive of York CVS was appointed as temporary Chair of the Multi-Agency Steering Group which is responsible for the development of the LAA and represents VCS interests on *Without Walls*. 'Hard to reach groups and communities' were targeted through the work of the Inclusive York Forum which developed a check-list of cross-thematic priority outcomes which have become a part of the LAA development process (*Without Walls*, 2007, 28).

The approach used by each lead partnership towards VCS involvement differed, some utilised special LAA events while others made use of existing communication structures. The need to adopt new commissioning processes that do not disadvantage the Third Sector is recognised within the LAA as is the requirement for additional funding streams to develop the capacity of the Third Sector as a consequence of the increasing delivery of public services. Third Sector groups are involved in all lead partnerships, with the exception of the 'Economic Development Board' of *Without Walls* and are thus able to bring the needs, expertise and experience of the Third Sector to these bodies.

An emergent issue for the Third Sector in North Yorkshire relates to proposals within the Sub-National Review (HM Treasury, 2007) which include:

- Greater devolution of powers to regions to allow for the influencing of investment priorities.
- Permissive powers for the establishment of Multiple Area Agreements (MAAs) to allow local authorities to work across administrative boundaries.
- The merging of the Regional Economic Strategy and the Regional Spatial Strategy into a single strategy which will be the responsibility of 'Yorkshire Forward' the regional development agency (RDA).
- Scrutiny of the role of the RDA to be transferred to local authorities and the Minister for the region.

The Leeds City Region MAA delivery commenced in July 2008. (Leeds City Region Multi-Area Agreement, 2008, 49) The City Region covers much of the North Yorkshire region, the implications for the structure and functioning of the third sector in North Yorkshire and York are striking. The addition of Barnsley and Calderdale authorities which are 'significantly rural' (Local Authority District Classification 2005) and Bradford, Leeds, Kirklees and Wakefield which are 'major urban' (Local Authority District Classification 2005) will result in a change in the overall needs profile of the region. The remaining district councils in the North Yorkshire area are represented through the presence of North Yorkshire County Council. The Leeds City Region MAA has a geo-social division within its structure between an urbanised southern sector and a more ruralised northern sector towards the north east of England and the Tees Valley City Region.

The Regional Forum (2007) notes there are major issues regarding accountability to, and the role of, the Third Sector in these proposals. These include:

- The extent to which the equality, diversity and sustainability aspects of development in its wider sense be strengthened. The proposals as they stand are dominated by the economic aspects of development.
- What is the role of the Third Sector in the new structures which will be developed to address the proposed changes? Will the Third Sector continue to have a place in ensuring the design, management and planning of programmes addresses the needs of communities in which such programmes will occur?
- How will the diversity and range of the Third Sector as a whole within the City Region be reflected within membership of the new emergent bodies?

There are also issues arising from these proposals for rural economies. The mechanisms which are in place to ensure the proposals are 'rural proofed' in practice as well as intent must be robust ensure the 'deeply rural' areas of the north of the Leeds City Region are not marginalised? The concern is that the economic developments in the major urban authorities may be diffused too greatly for effectiveness by the time their impact, if any, is delivered to the rural areas of the region. In effect the urban authorities may act not as disseminators of improving economic development. Given that the two key focus points of the MAA relate to transport development and the necessity for upskilling the existing workforce, this outcome may be avoided.

It is not yet known how the establishment of City Regions may affect the Third Sector, however, it is clear that changed funding arrangements and the increasing emphasis on the delivery of public services by the Third Sector may have wide-ranging consequences. The Office for the Third Sector has identified particular areas of need (OTS, 2006a) including, but not limited to:

- The continuation and development of service delivery in the social and health care sectors.¹
- Delivery of content in the Pathways to Work programme for those in receipt of Incapacity Benefit.²
- The delivery of learning and skills programmes to Level 2, as detailed in the Leitch Report (2006).
- The delivery of learning and skills programmes to offenders.
- The role of the Third Sector could grow in prison and probation services delivery.

Building on existing practice within the Third Sector, parental, family and childcare support services are identified as probable areas for future growth. It is indicated this could also include the operation of Sure Start Children's Centres and extended school activity provision. Of relevance to the sub-region is the possibility of expansion of community transport activities. In such a predominantly rural area these service activities are a key feature in terms of community cohesion, meaningful activity provision and rural regeneration. Given the rise in fuel costs this is however a somewhat difficult area for the Third Sector to operate in unless there is provision within tenders and contracts to recoup these costs.

The political and economic environment is clearly in a state of flux at the time of writing this report which leaves many unknowns for the future of the sector. Certainly, there are indications that one impact of the 'credit crunch' may be reduced income to the sector from government, corporate or individuals (*Third Sector* 1st October 2008, 6-7). Similarly, a possible change in government in the next two years may lead to significant changes in the policy landscape, as indicated in the Conservative party's recent Green Paper *Voluntary Action in the 21st Century*. While this report cannot predict the impact of such factors, it can explore the preparedness of the third sector for change.

¹ The North Yorkshire and York NHS PCT is in the processes of reviewing its commissioning, contracting and procurement procedures in relation to the Third Sector. In terms of commissioning the focus will be on the ways in which TSOs contribute to the delivery of national and local NHS objectives and targets. For contracting and procurement purposes the focus is on the introduction of SLA with outcome based commissioning and effective financial resource use. The PCT is also promoting the value of tendering to the Third Sector and is moving towards the development of longer term tenders based on the achievement of specified outcomes. (Bradbury, M. "The Context of Commissioning", *The York and North Yorkshire Third Sector and Social Enterprise Event*, 22nd February 2008, Thirsk, NYFVO/ Business Link, 2008).

² The content element of this programme focuses on enhancing job-searching skills and overcoming barriers to work. However, there may be a conflict between the terms of the tender where sanctions are in place for non-compliance by DWP and the wider aim and ethos of the respective TSOs in their work with client groups. Such concerns are illustrative of the move towards the public sector and its practices and away from the ethos of the Third Sector in terms of beneficiary delivery.

2. Methodology

The questionnaire which was designed for use in this study is attached in Appendix B. The structure of the questionnaire is based upon, and replicates aspects of the following studies:

- Leeds Metropolitan University Policy Research Institute report into the VCS in North Yorkshire and York (Dowson *et al.*, 2000) prepared for the North Yorkshire Forum for Voluntary Organisations.
- Social Futures Institute report into the impact of funding changes on the VCS in North East England (Chapman *et al.*, 2006) funded by ONE North East.
- University of Manchester Centre for Local Governance research into the role of the VCS in public service delivery (Richardson *et al.*, 2007) (unpublished) funded by the North West Improvement Network. Aspects of this survey were based on the Social Futures Institute research identified above.

The structuring of questions was undertaken to allow for the replication of aspects of each of these studies and to utilise 'tried and tested' questions to increase confidence in the data and allow for comparative analysis.

The initial draft of the questionnaire was undertaken by a team of researchers at the Social Futures Institute in discussion with Eddie Dryden of the North Yorkshire Forum for Voluntary Organisations. Following the completion of this phase of preparation the full draft of the complete questionnaire was presented to the YNYIC for comment and amendment. Piloting was undertaken through distribution at a YNYIC conference event in February 2008.

The initial release of questionnaires was sent out in waves over a period of two weeks against a mailing list provided by YNYIC. Prior to use the mailing list was 'cleaned' to remove duplicate entries. Organisations which were clearly not members of the Third Sector or whose beneficiaries were felt to be outside the remit of the Third Sector were also excluded at this point.

At this stage a total of 1,689 individual questionnaires were distributed by post. Of these, 17 were returned by Royal Mail as undeliverable and five organisations were reported as being 'no longer active.' The mailing list was amended to reflect this information. Consequently the 'active' sample size was 1,667. Two weeks after the initial release, 1,360 e-mails were issued to members of the mailing list as a reminder. The questionnaire was attached to this mailing.

A total of 325 e-mails were 'undeliverable' giving a total of 1,019 active e-mail addresses for the reminder. A further 16 e-mail addresses were duplicates. The e-mailing list was amended to reflect this information. Of these e-mail addresses, nine were not linked to any further organisational information bringing the sample size for this stage of the research to 1,676 organisations. One organisation volunteered to forward the e-mail questionnaire to six 'sister' organisations who were VCS organisations but not listed on the original mailing list. This brought the overall sample size to 1,682. Following a discussion by the YNYIC regarding the 329 initial exclusions, it was requested that all VCS organisations and registered charities in the list be contacted. Excluding duplications this totalled 26 organisations. Of these 26 a total of 10 returns were received.

As of the 4th of August 2008 the return sample size was 427. Of these, 366 were from postal mailing and 61 were e-mailed returns. This represents a response rate of 25 per cent from the final address information utilised. It is recognised there may be margins of error in the findings through non-response and the fact that some applicable organisations may not be registered with YNYIC. All the responses have been coded into the SPSS statistical package for analysis and used in the production of this report.

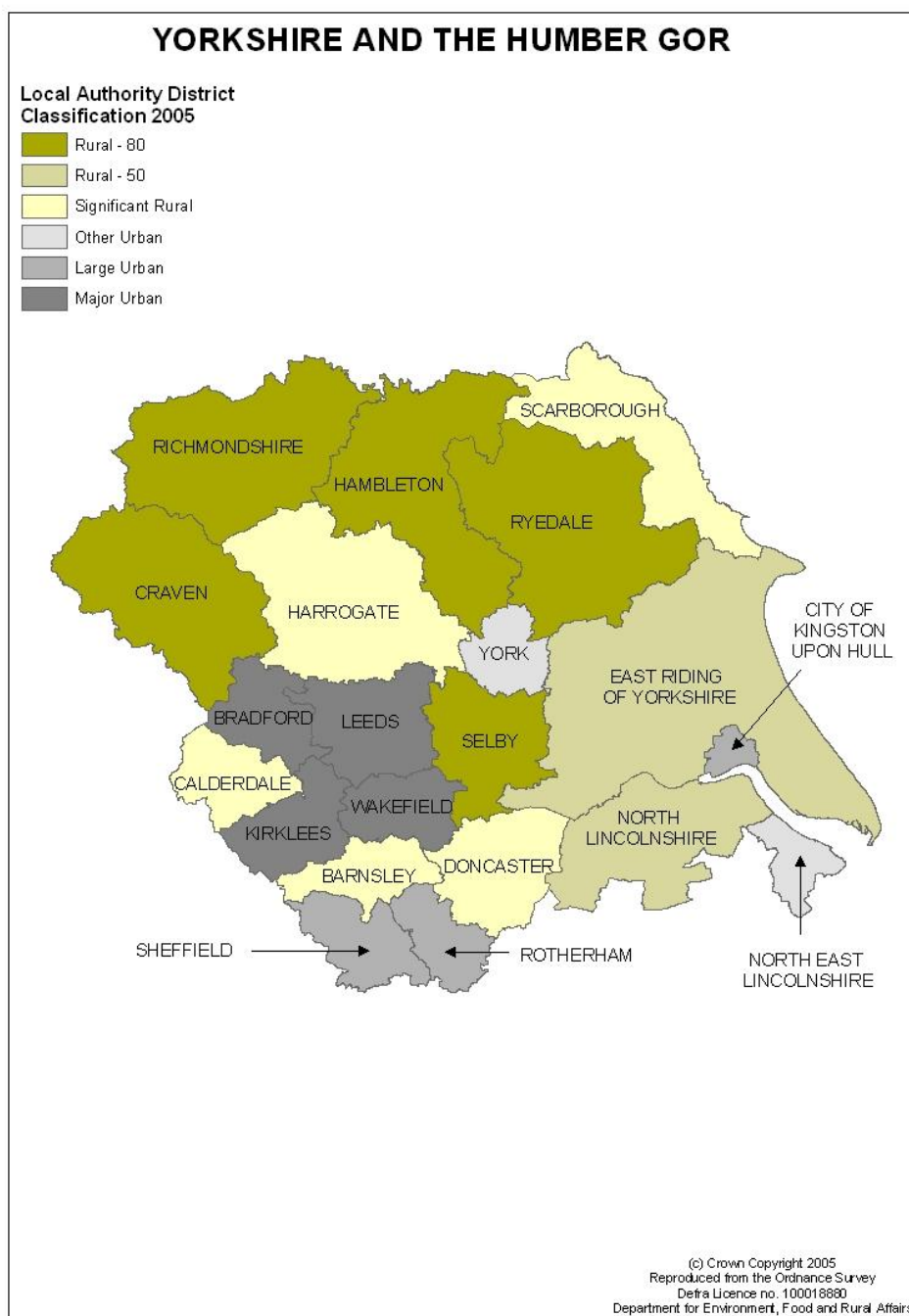
Confidence in the data accuracy was assured, as far as practicable, by the use of multiple reference points to key questions. This allowed for the consistency of responses to be monitored. In asking about the future role and activity of the TSOs several questions were included to allow for a triangulation of responses and consistency checking. The characteristics of the VCS in North Yorkshire and York are illustrated by the following basic data from this research.

- Just over 78 per cent of TSOs were registered charities with just under 2 per cent in the process of registering to become so.
- These data indicate a high level of stability in the sector with 77 per cent having been established over 10 years ago. Just under 13 per cent were established between 5 and 10 years ago.
- Over 98 per cent of the organisations expect to be sustainable in the long term. Under 2 per cent expect to close within the next three years.
- Unsurprisingly, the organisations operate at different geographical levels.
 - Just under 16 per cent within the local postcode area
 - Just under 28 per cent local authority wide
 - 9 per cent across more than one local authority area
 - Just under 16 per cent within a sub-regional area
 - Just over 6 per cent across Yorkshire and the Humber
 - Just over 7 per cent across the Northern Way
 - Just under 9 per cent nationwide
 - 9 per cent internationally

In determining whether or not organisations were based and operating in urban or rural areas the Defra (2005) *LA Classification*³ was adopted to provide an indicator for each of the local authority areas within the study. The map below illustrates these results.

³ Available from <http://www.defra.gov.uk/rural/ruralstats/rural-definition.htm> (accessed 10th April 2008)

Figure 2.1 Rural-Urban Spatial Structure of the Yorkshire and the Humber Region



Source: http://www.defra.gov.uk/rural/ruralstats/rural_atlas/atlas_maps/99.jpg (accessed 10th April 2008)

Of the eight districts/local authorities within this study, five are classifiable as 'rural-80'. This means that they have 80 per cent of their population in rural settlements and larger market towns. These are Craven, Hambleton, Richmondshire, Ryedale and Selby. Two of the local authorities, Harrogate and Scarborough, are classifiable as 'significant rural' with more than 37,000 of the population, or more than 26 per cent, in rural settlements and larger market

towns. City of York local authority is classifiable as 'other urban' with fewer than 37,000 or less than 26 per cent of the population in rural settlements and larger market towns. (Defra, 2005).

In order to avoid possible confusion in analysis due to the absence of a 'rural-50' presence and the 'large urban' and 'major urban' classifications, the research-valid spatial categories were renamed as follows: 'Other urban' was renamed 'urban', 'significant rural' was re-named 'semi-rural' and 'rural-80' was renamed 'rural'.

3. Findings

In this section we present our findings about the Third Sector in North Yorkshire. There are several sub-sections which deal with the following issues: area of operation of TSOs; organisational form and governance; income; employees and volunteers; training; beneficiaries of organisational activity; tendering for and delivering public services; and, planning for the future.

3.1 Area of operation of TSOs

Figure 3.1 shows the distribution of the sample by district. As would be expected, the majority of TSOs are located in the more urbanised districts of City of York, Harrogate and Scarborough. Urban areas comprise about 60 per cent of the sample in total. While there are more TSOs in the more urban areas, it should not necessarily be assumed that they operate on a wider canvas than those which are established in semi-rural or rural areas. Indeed, as Table 3.1 indicates, TSOs in more urban areas are more likely to operate mainly in these areas than work across district boundaries.

Figure 3.1 Distribution of sample by district (percentages)

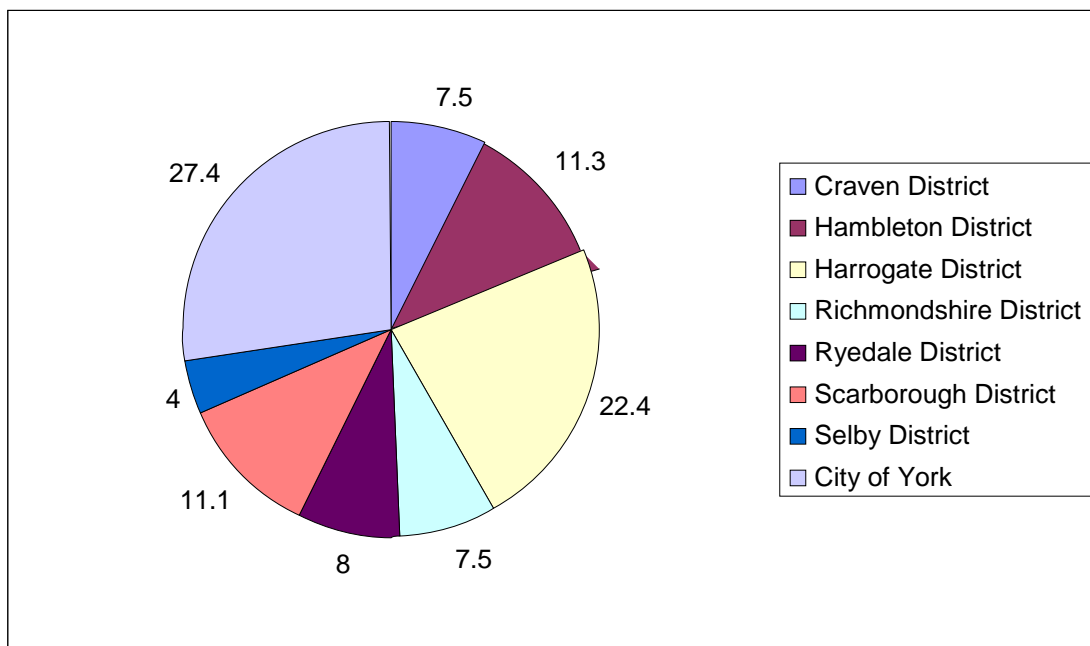


Table 3.1 **Frequency of operation of TSOs in North Yorkshire**
(row percentages)

District	Mainly	Frequently	Rarely	N=
Craven	17.8	22.3	12.2	197
Hambleton	21.5	23.2	17.5	228
Harrogate	40.6	15.7	13.7	249
Richmondshire	20.6	21.6	14.2	218
Ryedale	21.2	23.1	19.3	212
Scarborough	22.5	17.6	15.3	222
Selby	15.0	24.3	14.6	206
City of York	45.9	16.4	8.2	183

Table 3.2 shows the extent to which TSOs operate mainly within their local district, at local and sub-regional level, and beyond the sub-regional level. These data do not produce a clear-cut relationship between urban or rural location and the extent of localised operation. TSOs in semi-rural districts are the most likely to focus their work at the local district level, followed by mainly urban areas. TSOs based in the most rural areas are least likely to focus their work in operational terms in their own district.

Table 3.2 **Area of operation by urban-rural location of TSOs**

Area	Within local District	Local and sub regional	Greater than sub-regional	N=
Urban	45.0	24.8	30.3	109
Semi-rural	51.5	21.6	26.9	134
Rural	39.0	29.9	31.2	154
All	44.8	25.7	29.5	397

Table 3.3 extends this analysis by comparing organisational size (as measured by income) by area of operation of TSOs. In this table a clearer association is shown whereby smaller organisation tend to focus their activities locally and larger ones work further afield. These findings are broadly consistent with those collected in the study of NE TSOs undertaken in 2005. It is particularly clear in North Yorkshire, however, that organisations with incomes above £250,000 are very likely to operate beyond sub-regional boundaries.

Table 3.3 Area of operation by size of TSO

Income	Within local District	Local and sub regional	Greater than sub-regional	N=
Below £50,000	52.7	24.4	22.9	205
£50,000 - £250,000	50.6	31.8	17.6	85
£250,000 or more	24.0	23.0	53.0	100
All	44.9	25.6	29.5	390

In much of the analysis which follows we continue to compare the activities of TSOs in urban, semi-rural and rural areas as spatial variations in population terms are particularly marked in the sub-region.

3.2 Organisational form and governance

It is interesting to note that almost 47 per cent of TSOs in the sample were affiliated to, or branches of, larger organisations. Table 3.4 provides some clues about the differences between such organisations. In terms of income, it is evident that differences are not particularly marked, although affiliated organisations are more likely to be larger organisations. That said, affiliated organisations are also more likely to be smaller organisations too. In terms of organisational function, differences are not particularly clear, although there are fewer tertiary affiliated organisations as would be expected. This is because many of these organisations are stand-alone infrastructure organisations, where affiliation is by partnership rather than legal structure (such as federal or franchise models). The main difference between the two organisational types emerges in terms of area of operation; affiliated organisations are much more likely to work across sub-regional boundaries. What is not clear, however, is the extent to which this refers to the activity of the particular branch of the organisation, or to the larger federation. Unfortunately we have no data to explore this matter further.

Table 3.5 shows how organisations describe themselves. Organisations were not obliged to restrict their definition to one title. This is why the sum of the column is over 100 per cent. These data indicate that the most common definition which is adopted is 'charity', comprising almost 59 per cent of the sample. This is followed by 'voluntary organisation', accounting for a further 44 per cent of the sample. A further 25 per cent describe themselves as a 'community organisation'. The number of organisations describing themselves as social enterprises and cooperatives seems to be particularly low, although we have no comparable data to confirm this. Later in this report we interrogate these data further to examine the extent to which social enterprise activity has penetrated the sector as a whole.

Table 3.4 **Affiliated and non-affiliated TSOs by income, function and area of operation (row percentages)**

	Under £50,000	£50,000 £249,999	£250,000 or more	N=
Affiliated TSOs	56.0	14.9	29.1	175
Non-affiliated TSOs	50.2	27.5	22.3	211
	Primary	Secondary	Tertiary*	N=
Affiliated TSOs	50.8	34.7	8.9	124
Non-affiliated TSOs	53.9	32.5	12.3	154
	Within local District	Local and sub regional	Greater than sub-regional	N=
Affiliated TSOs	33.9	23.3	42.9	189
Non-affiliated TSOs	52.6	27.7	19.7	213

* the row percentages in the organisation function variable do not round to 100% as the 'other' category has been excluded from the analysis

Table 3.5 **How organisations usually describe themselves**

	N=	as a % of whole sample
Community organisation	108	25.3
Voluntary organisation	187	43.8
Charity	250	58.5
Social enterprise	24	5.6
Cooperative	5	1.2
Other	36	8.4

Organisations principal functions are defined in this study by three main categories. 'Primary' refers to 'front line' organisations which deliver services such as training or social care. 'Secondary' refers to organisations which, for example, provide information, advice and guidance. Tertiary organisations are either infrastructure organisations or organisations primarily concerned with research, campaigning and advocacy. As Table 3.6 shows, the majority of organisations in this sample provide primary support services. Primary support organisations are very much more likely to be larger (as measured by income). As the report progresses we will explore the reasons for these differences in more detail.

Table 3.6 **Main organisation activity by income**
(row percentages)

	Under £50,000	£50,000 - £249,999	£250,000 or more	All
Primary support services	28.7	28.0	43.4	53.1
Secondary support services	50.6	29.2	20.2	33.1
Tertiary Support services	57.1	17.9	25.0	10.4
Other	66.7	11.1	22.2	3.4

Table 3.7 presents data on organisational governance. In the entire sample it is clear that the majority of TSOs have Boards of Trustees (directors). Equal numbers of the remaining TSOs have either executive management committees or non executive management committees. TSOs which are mainly concerned with the delivery of primary services are most likely to have a Board of Trustees. This would be expected as this group is comprised of larger organisations, as shown in the second panel of this table. Organisational governance is not strongly affected by the spatial location of TSOs. This is indicated in the third panel of the table, although it is apparent that more organisations in rural areas have non-executive management committees.

Table 3.7 **Organisational governance by TSO function, size and area**
(row percentages)

	Primary	Secondary	Tertiary*	All
Board of trustees (directors)	59.9	28.8	9.0	68.9
Executive management committee	42.5	45.0	7.5	15.6
Non-executive management committee	29.7	48.6	18.9	14.4

	Under £50,000	£50,000 - £249,999	£250,000 or more
Board of trustees (directors)	30.8	29.4	39.8
Executive management committee	75.0	12.5	12.5
Non-executive management committee	82.8	12.1	5.2

	Urban	Semi rural	Rural
Board of trustees (directors)	27.4	34.7	37.9
Executive management committee	25.4	39.0	35.6
Non-executive management committee	27.6	24.1	48.3
Other	40.0	20.0	40.0

* the row percentages in the organisation function variable do not round to 100% as the 'other' category has been excluded from the analysis

3.3 Income

In this section, an appraisal is made of the level of income of different kinds of organisations, and of organisations which operate in different locations in North Yorkshire. Following this, we examine present sources of income and opinions about the future financial prospects of TSOs. Table 3.8 provides a basic overview of income distribution across all organisations. It is clear from this table that about a third of organisations are very small, with income lower than £10,000 a year. Only about 16 per cent of the sample have income above £500,000 a year. In the table, income bands are split into three sub-groups: smaller, medium and larger (as measured by income). These bandings are the same as those used in the NE study undertaken in 2005 and, also, a study undertaken in the NW by Manchester University in 2007.

It is interesting to note that the proportion of organisations in the NE with very low income is much smaller than in North Yorkshire. This is probably due to the much higher level of government funding in neighbourhood renewal areas in the NE due to the prevalence of multiple deprivation in the area. The NE has also been particularly successful in leveraging Lottery funds and has been well supported by Northern Rock Foundation.

Table 3.8 **TSO income** (column percentages)

	North East (2005)	North Yorkshire (2008)
Smaller		
Under £10,000	18.8	35.8
£10,000 - £24,999	8.4	10.2
£25,000 - £49,999	8.7	6.9
Medium		
£50,000 - £99,999	12.8	11.2
£100,000 - £249,999	22.7	10.4
Larger		
£249,000 - £499,999	12.5	9.5
£500,000 - £999,999	6.6	3.3
£1000,000 +	9.6	12.9
N=	335	394

Table 3.9 illustrates the 'principal' sources of funding for TSOs. Due to the small-scale nature of this study we were unable to explore sources of income in a very complex way. Consequently, we presented respondents with a list of income sources and asked them to mark off the three most important sources of income for their organisation. The list which follows therefore represents a composite view of principal sources of income. It is important to note that the table does not indicate the *actual level* of income. These data show that the most important sources of income are individual donations, earned income, local authority grant aid, and contracts to deliver public services. Following this, the main sources of income are local and regional charitable trusts, lottery funds and national

charitable trusts. As would be expected, European funds are not particularly important, due to limited availability in this and other areas since 2006. When compared with NE England, it is clear that dependence on local authority grant aid and contract work is considerably higher in North Yorkshire. Government regeneration programme funds, by contrast, are of no real importance in North Yorkshire while in NE England 12 per cent of TSOs state that this is a vital source of income. Dependence on charitable trusts also appears to be higher in the NE, probably due to the generosity of Northern Rock Foundation., local authority grant aid and individual donations appear to be rated as more important in North Yorkshire.

Table 3.9 Principal sources of funding

	North East	North Yorks
Local authority grant aid	17.3	12.7
Contract to deliver public services*	-	13.4
Government regeneration programme	12.0	0.9
Regional Development Agency single programme	2.6	1.1
Central government department	3.2	2.0
European programme	3.9	0.9
Community fund / big lottery	11.3	5.0
Other lottery distributor	2.4	2.0
Charitable trusts (local or regional)	17.0	9.9
Charitable trusts (national)	7.1	5.8
Earned income (trading)	11.3	14.0
Individual donations	4.2	17.5
Company sponsorship or donations	2.1	4.1
Other	5.9	**

Note: These percentages represent the sum of three responses of TSOs as a proportion of the whole sample (n=848 for 2008)

* These categories were combined in the NE study.

** The 'other' category was coded separately in the North Yorkshire study.

Table 3.10 provides an indication of the importance of different sources of funding to organisations in undertaking their work. In this table row percentages are presented as each organisation was asked to make an assessment of the importance of each source of income according to a six point scale. This scale ranged from 'most important' to 'least importance'. The question provides a more finely tuned assessment of the importance of funding sources, but still does not give a precise indication of *actual levels* of income. These data indicate that contracts/SLAs and grants are the most important to TSOs, although earned income and gifts are also very important sources of funding. Contributions in kind are of lower importance, but the data do show a high level of dependence on such sources of support.

Concerns about future funding are commonly expressed by third sector organisations. The data presented in Table 3.11 indicate that TSOs are nevertheless generally quite optimistic about their future funding levels. Across the sector it is evident that about 35-40 per cent of organisations expect their income to rise over the next five years. A little over a half of the respondents felt that income would remain broadly the same. Only about 10 per cent of the TSOs

considered that income would decrease and very few thought that income would decrease significantly.

When considering the characteristics of these organisations in each of the separate panels of the table, it is evident that organisational function, size and location impacts to some extent on these levels of optimism. Taking organisation function first, it is evident that TSOs delivering primary services are more optimistic than secondary service organisations about future sources of funding, although these differences are not as clearly marked as in the NE study. There are too few tertiary organisations in the sample to make a clear comparison with other types, but there is evidence here to suggest that infrastructure organisations and those concerned with campaigning and research are generally optimistic about future funding.

Table 3.10 **Importance of funding for different elements of work**
(row percentages)

	Most Important	Highly important	Important	Not very important	Low importance	Least important	N=
Contracts/ SLAs	45.2	14.0	8.8	4.8	7.5	19.7	228
Grants	38.6	26.8	16.6	7.1	3.7	7.1	295
Earned income	26.4	19.0	17.8	9.5	13.2	14.0	242
Gifts	23.1	18.2	22.1	13.9	8.6	14.2	303
Contributions in kind	12.0	16.2	19.9	22.0	13.7	16.2	241

Organisational size (measured by income) impacts on expectations about future funding in a clearer way. In this section of the table it is clear the bigger that organisations are, the more confidence they have about their future financial security. These findings are consistent with the NE study, undertaken in 2005. It is also the case that a greater proportion of the 'larger' organisations anticipate decreases in funding, than that of the small and medium sized TSOs.

There are no clearly discernable patterns in the third panel of the table which refers to the spatial location of organisations. TSOs located in semi-rural areas seem to be the least optimistic, but it is not clear to us at this stage why this should be and this issue may be usefully explored in future research projects.

Table 3.11 **Expectations about income levels over next 5 years**
(column percentages)

	Primary	Secondary	Tertiary	All
Increase significantly	14.0	13.4	23.1	14.6
Increase	33.1	20.7	19.2	26.5
Remain about the same	46.3	48.8	46.2	47.4
Decrease	5.9	13.4	11.5	9.9
Decrease significantly	0.7	3.7	0.0	1.6
N=	136	82	26	253

	Under £50,000	£50,000 - £249,999	£250,000 or more	All
Increase significantly	10.1	15.4	12.9	12.0
Increase	14.0	30.8	37.6	24.1
Remain about the same	64.6	47.4	35.5	53.0
Decrease	9.0	6.4	12.9	9.5
Decrease significantly	2.2	0.0	1.1	1.4
N=	178	78	93	349

	Urban	Semi-rural	Rural	All
Increase significantly	17.3	10.9	10.2	12.5
Increase	25.5	16.4	26.3	22.9
Remain about the same	44.9	63.6	54.0	54.5
Decrease	10.2	8.2	8.0	8.7
Decrease significantly	2.0	0.9	1.5	1.4
N=	98	110	137	345

3.4 Employees and volunteers

Patterns of employment in the Third Sector in North Yorkshire are explored in Table 3.12. This table demonstrates that over 44 per cent of organisations have no full time employees. This is not surprising given that a similar number have income levels below £25,000 a year. It is evident that around 25 per cent of TSOs only have between 1 and 5 employees; 5 per cent of TSOs in the sample, however, have over 250 employees.

Part-time employment is prevalent in the sector. Whilst around 30 per cent of TSOs have no part-time workers, over a third have between 1 and 5 part-time staff. Furthermore, about 20 per cent of TSOs have between 6 and 25 part-time staff. Approximately 5 per cent of organisations have very large numbers of part-time staff. Background analysis of the questionnaire data suggests that these organisations are affiliated to larger federations and so may exaggerate the level of part-time staff employment in the North Yorkshire area.

The level of volunteer activity in the sector is significant. Only 5 per cent of organisations have no volunteers. About 35 per cent of organisations have between 1-10 volunteers; 35 per cent have between 11 and 50; a further 22 per cent have over 50 volunteers. In this preliminary analysis of the data it is useful to explore the extent to which organisational size and function affects the numbers of volunteers. The first panel of Table 3.13 indicates that larger organisations are much more likely to have significant numbers of volunteers. Smaller and medium sized organisations also clearly use the services of volunteers in very large numbers. It is apparent from the second panel of the table that organisations which are engaged in the delivery of primary services tend to have larger numbers of volunteers.

Table 3.12 **Employees and volunteers**
(column percentages)

	Full-time	Part-time	Volunteers
0	44.8	29.3	5.4
1	13.1	15.7	3.5
2-5	14.1	21.9	13.6
6-10	8.3	11.4	20.1
11-25	6.2	9.0	19.5
26-50	5.2	4.3	16.0
51-100	1.4	2.5	10.0
101-250	2.1	1.5	4.6
250+	4.8	4.3	7.3
N=	290	324	369

Table 3.12a shows how many organisations have full or part time staff and volunteers according to the specific beneficiary groups they serve. Organisations delivering social care tend to have numerically high levels of full and part time staff types together with volunteers. For example, of the 174 organisations

reported engaging with older people, 66 employed full time staff, 102 employed part time staff and 149 used volunteers. Further census-level research would be required to determine the role of employees or volunteers within these organisations.

Table 3.14 repeats this pattern of analysis. In terms of full-time employment, it is clear that organisational size and function has a major impact on levels of employment.

Table 3.12a **Patterns of employment and volunteering by TSO beneficiary groups** (row percentages)

	Paid full time employees		Paid part time employees		Volunteers	(N=2002)
All of the following	41	(74.5)	43	(78.2)	46 (83.6)	55
Older people	66	(37.9)	102	(58.6)	149 (85.6)	174
People with disabilities	79	(48.8)	99	(61.1)	137 (84.6)	162
Young people (16-24)	66	(44.9)	84	(57.1)	120 (81.6)	147
Women	53	(39.6)	77	(57.5)	111 (82.8)	134
Children (under 16)	43	(34.1)	65	(51.6)	102 (81.0)	126
People with mental health problems	66	(55.0)	88	(73.3)	101 (84.2)	120
Men	52	(44.8)	73	(62.9)	101 (87.1)	116
Families	48	(42.1)	69	(60.5)	101 (88.6)	114
People with learning difficulties	63	(57.8)	79	(72.5)	89 (81.7)	109
Disadvantaged people in rural areas	51	(49.0)	67	(64.4)	87 (83.7)	104
People with low skills/poor education	43	(58.9)	52	(71.2)	61 (83.6)	73
Disadvantaged people in urban areas	39	(54.2)	46	(63.9)	56 (77.8)	72
Unemployed/workless people	40	(58.0)	52	(75.4)	58 (84.1)	69
Homeless/badly housed people	38	(65.5)	43	(74.1)	46 (79.3)	58
Black and minority ethnic issues	38	(82.6)	37	(80.4)	41 (89.1)	46
People with drug/alcohol addictions	30	(68.2)	36	(81.8)	35 (79.5)	44
Ex-offenders	26	(59.1)	32	(72.7)	34 (77.3)	44
Victims of violence/crime	25	(58.1)	30	(69.8)	32 (74.4)	43
Migrant workers	21	(55.3)	28	(73.7)	31 (81.6)	38
The environment	10	(28.6)	15	(42.9)	27 (77.1)	35
Asylum seekers	19	(59.4)	24	(75.0)	29 (90.6)	32
Lesbian, gay or bisexual issues	24	(77.4)	23	(74.2)	29 (93.5)	31
Other (please state)	17	(30.4)	26	(46.4)	48 (85.7)	56

Table 3.13 Number of volunteers by organisational size

	0	1-5	6-10	11-25	26-50	51-100	101+	N=
Smaller organisations	5.6	19.9	23.5	20.9	20.4	5.1	4.6	196
Medium sized orgs	4.2	16.7	18.1	22.2	18.1	15.3	5.6	72
Larger organisations	5.3	16.9	12.5	14.8	6.8	18.2	31.8	88
Primary services	5.6	8.0	21.4	21.4	14.3	7.9	21.4	126
Secondary services	4.7	20.0	22.4	14.1	20.0	12.9	5.9	85
Tertiary services	11.5	19.2	26.9	26.9	3.8	3.8	7.7	26

Table 3.14 Number of full-time employees by organisational size and function

	0	1-5	6-10	11-25	26-50	51-100	101+	N=
Smaller organisations	88.3	11.6	0.0	0.0	0.0	0.0	0.0	120
Medium sized orgs	21.5	63.0	10.8	4.6	0.0	0.0	0.0	65
Larger organisations	4.2	24.2	16.8	14.7	14.7	4.2	21.0	95
Primary services	22.8	30.7	10.5	8.8	9.6	2.6	14.9	114
Secondary services	40.3	40.2	11.1	4.2	2.8	1.4	0.0	72
Tertiary services	47.4	21.2	11.1	10.5	5.3	0.0	5.3	19

Table 3.15 Expectations about future levels of employment in TSOs (column percentages)

	Paid staff		Volunteers	
	2000	2008	2000	2008
Increase significantly	7.1	9.0	6.4	8.6
Increase	25.7	24.9	29.2	29.6
Remain about the same	59.3	59.9	47.5	52.7
Decrease	5.6	5.4	14.0	8.0
Decrease significantly	2.4	0.7	2.8	1.2
N=	n/a	277	n/a	338

Figure 3.2 shows that TSOs which are independent or affiliated to other organisations have different patterns of employment. Non-affiliated organisations tend to have fewer full-time staff. As would be expected the affiliated organisations tend to be the most populous in employment terms. This pattern is also reproduced for part-time staff, as shown in Figure 3.3.

Figure 3.2 Full-time employees in affiliated and non-affiliated TSOs

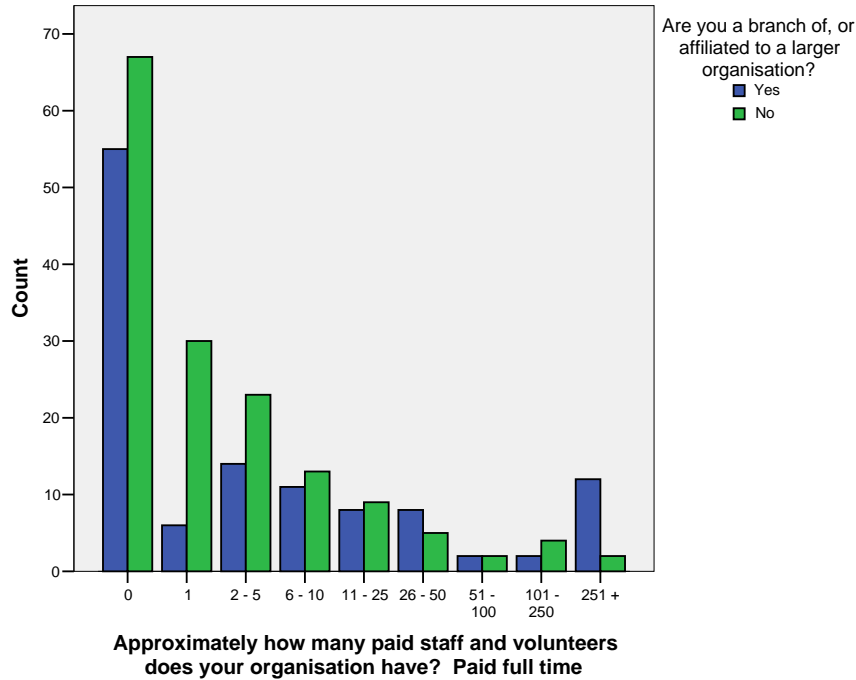


Figure 3.3 Part-time employees in affiliated and non-affiliated TSOs

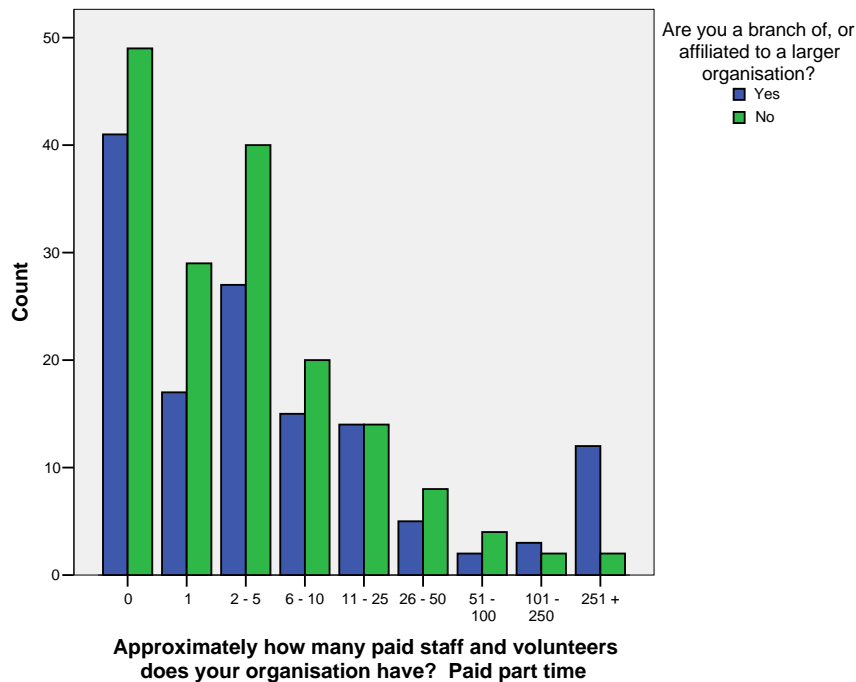


Table 3.15 presents data on TSOs' expectations about future trends in the employment of staff and volunteers. These data indicate significant optimism across the sector in at least maintaining current levels of employment and volunteering. Indeed, 33 per cent of organisations expect to increase the numbers of paid employees and 38 per cent expect to increase the numbers of volunteers. Whether these expectations are realistic may be a subject for discussion in the qualitative phase of the research. Differences between 2000 and 2008 are not particularly pronounced.

Expectations about the prospects for the successful recruitment of staff, trustees and volunteers are also high, as is indicated in Table 3.16. In terms of staff recruitment, about 60 per cent of TSOs think that the ease of successfully recruiting staff will remain about the same; a further 17 per cent feel that recruitment will become easier. In contrast, about a fifth of organisations think that it will become more difficult to recruit staff. TSOs are a little less optimistic about the ease of recruiting trustees. About a quarter of organisations expected that recruitment would become more difficult, although the majority felt that the situation would remain the same or become easier. The recruitment of volunteers in the future was viewed in a positive way. About a fifth of organisations thought that recruitment would become easier, although an equal number believed that it would become more difficult. It is interesting to note from comparisons between 2000 and 2008 that the mood of the sector appears to be more optimistic across the board.

Table 3.16 **Expectations about staff recruitment over next 5 years**
(column percentages)

	Ease of paid staff recruitment		Ease of trustee recruitment		Ease of volunteer recruitment	
	2000	2008	2000	2008	2000	2008
Increase significantly	1.8	4.7	2.4	4.2	2.9	6.2
Increase	8.8	12.0	7.6	11.3	13.5	14.9
Remain about the same	64.1	61.7	59.5	58.8	53.0	53.9
Decrease	19.8	19.7	20.5	23.2	21.5	21.4
Decrease significantly	5.5	1.8	10.0	2.5	9.5	3.7
N=	n/a	274	n/a	284	n/a	323

3.5 Training

Our research shows that over 47 per cent of organisations in North Yorkshire have a training budget. As Table 3.17 shows, the provision of training for staff, trustees and volunteers is delivered in-house, by external providers and by using distance learning. Between 50 and 55 per cent of full-time employees receive training in-house or externally, whilst a fifth use distance learning. Levels of part-time employee training are slightly higher at around 57 to 63 per cent of staff

receiving in-house or external training. Most volunteer training is delivered in-house. Distance learning is less prevalent, but still significant for volunteers. Trustee training tends to be lower than for employees and volunteers. Only about 40 per cent of organisations buy-in external training for trustees and the use of distance learning for trustees is much more limited.

Table 3.17 Percentage of TSOs training staff*

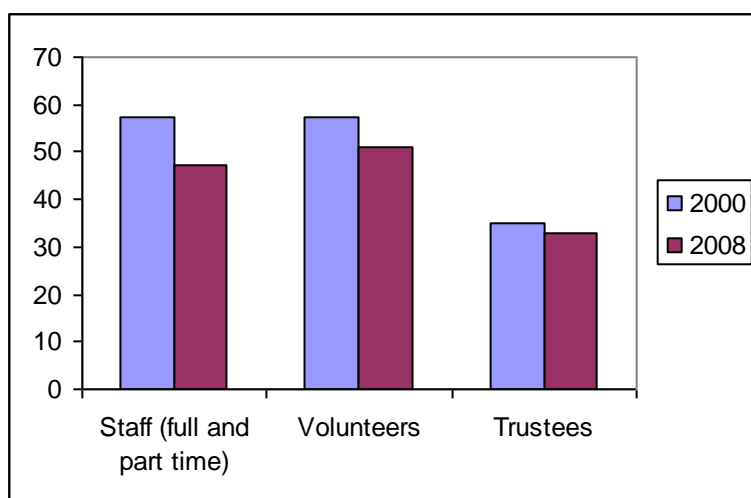
	In house	External	Distance learning
Full time employees	56.3	52.5	22.9
Part time employees	63.8	57.9	23.5
Volunteers	72.8	53.0	18.3
Trustees	46.6	39.9	9.0

* Note: the percentages in this table represent the number of organisations in the sample responding to each question and do not represent row or column percentages

The training needs of organisations are presented in Table 3.18. The main issues are placed in descending order of priority. The table shows that fundraising is prioritised by almost 40 per cent of organisations. It is interesting to note, however, that an equal number of TSOs state that they do not need any training in this area. Indeed, further down the table, it is evident that 60 per cent of TSOs feel that they need no training in tendering and commissioning. These findings are perhaps surprising given the relatively strong emphasis on the importance of gaining contracts which has been indicated above.

The data presented in this table are in some ways puzzling as very little importance is placed on key aspects of organisational management. It could be the case that staff in the sector are already very well qualified, up to date in their knowledge, and require no further training support. As Figure 3.4 shows, it seems to be the case that investment in training has decreased since 2000.

Figure 3.4 Training and staff development in TSOs 2000 and 2008 compared



This issue is explored further in Table 3.19, where three key elements of organisational practice are identified as fundraising and bidding; managing staff and volunteers; and, financial management. Taking *fund raising and bidding* first, it is clear that organisations providing secondary services put a higher priority on fundraising. This may be explained by the more beneficial funding environment at present for primary service organisations. Tertiary service organisations put a relatively low priority on training for fundraising, but as the category includes infrastructure organisations, it is likely that they already have considerable experience in this area of work. Medium sized organisations put much more priority on fundraising; this may also be explained by their lower propensity to be gaining larger and longer-term contracts.

Table 3.18 **Training needs** (row percentages)

	High priority	Low priority	Not needed
Fund raising and bidding	39.5	21.5	38.9
Marketing and publicity	27.6	28.5	43.9
Tendering and commissioning	25.1	15.5	59.5
Managing staff and volunteers	17.5	29.5	53.0
Strategic management	17.8	23.6	58.6
Business planning	16.7	27.1	56.2
Providing training	14.0	26.0	59.9
Financial management	13.2	29.4	57.4

Managing staff and volunteers is not prioritised by TSOs across the board suggesting that either leaders and managers in TSOs are already well equipped in this respect, or that they regard staff and volunteer management issues as unproblematic. Finally, training for financial management is given an even lower priority across the board. This is surprising when it comes to the very small organisations, for it is the very much larger organisations that have more complex funding formulas and budgetary needs. In a small study such as this, it was not possible to explore the level of qualifications of staff in TSOs. This would enable an analysis of the extent to which expertise is embedded within organisations. Our feeling, however, is that the low- or non-prioritisation of training in financial management may weaken organisations operationally and strategically.

It is evident from Figure 3.5 that organisations in North Yorkshire have shifted their emphasis on training needs quite significantly over the last eight years. The bar chart shows that organisations are much more likely to recognise the importance of training in financial management, business planning, providing training and strategic management than in 2000, even if a low priority is placed on such training as shown in Table 3.19.

Figure 3.5 Training priorities in 2000 and 2008

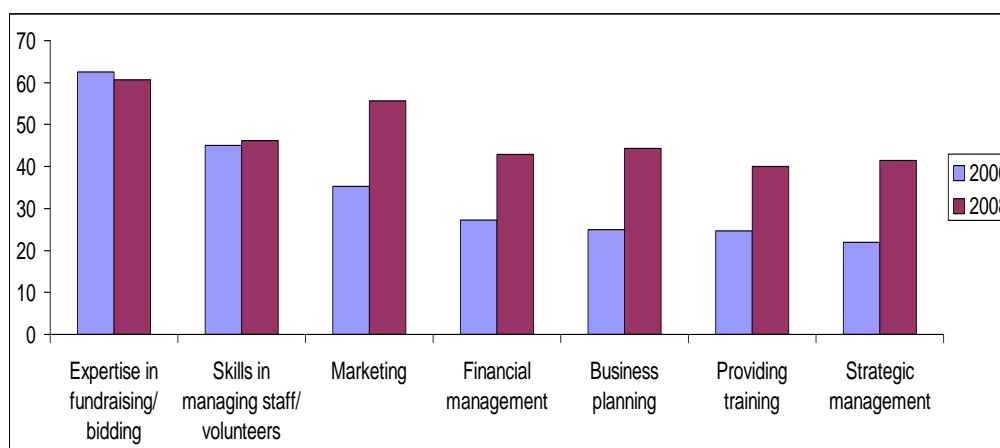


Table 3.19 Prioritisation of key training needs by organisational size and function (row percentages)

	High priority	Low priority	Not needed	N=
Fund raising and bidding				
Primary	36.9	27.7	35.4	130
Secondary	50.0	20.0	30.0	80
Tertiary	35.7	17.9	46.4	28
Small	37.8	16.9	45.3	172
Medium	54.8	27.4	17.8	73
Large	32.5	25.3	42.2	83
Managing staff and volunteers				
Primary	21.7	36.7	41.7	120
Secondary	20.0	30.7	49.3	75
Tertiary	11.1	25.9	63.0	27
Small	12.7	22.9	64.3	157
Medium	22.2	41.3	36.5	63
Large	24.7	31.8	43.5	85
Financial management				
Primary	13.9	33.9	52.2	115
Secondary	15.7	34.3	50.0	70
Tertiary	16.7	20.8	62.5	24
Small	10.1	25.0	64.9	148
Medium	22.6	43.5	33.9	62
Large	11.8	28.9	59.2	76

3.6 Beneficiaries of organisational activity

Table 3.20 provides a basic overview of the main beneficiaries of the sector. These data were collected by asking organisations to list the three most important beneficiary groups that they provided services for. The responses were then added together to summarise the situation. Respondents also had the option of stating that they served all beneficiary groups if this applied to them. In the table we have presented percentages in two ways: firstly, by actual response to the question, and secondly, as a proportion of the whole sample. Our intuition suggests that the figures in parentheses are probably the most accurate. The data are listed in descending order and with reference to this second percentage.

Table 3.20 **Main beneficiaries of organisation**

	All*
All of the following groups	22.8 (13.1)
Older people	61.2 (42.2)
Physical disabilities	57.6 (38.9)
Young people (16-24 yrs)	53.1 (35.6)
Women's issues	50.2 (31.9)
Children under 16 years	47.5 (28.2)
Mental health problems	45.6 (28.8)
Families	45.0 (27.6)
Men's issues	44.7 (27.6)
Learning difficulties	43.0 (26.7)
Disadvantaged rural areas	39.6 (24.8)
Low skills/poor education	28.8 (17.3)
Disadvantaged urban areas	28.7 (17.1)
Unemployed/workless	27.7 (16.4)
Homeless / badly housed	24.0 (13.8)
BME groups	19.9 (11.2)
Drug or alcohol problems	18.9 (10.5)
Victims of crime	18.8 (10.5)
Ex offenders	19.3 (10.3)
Migrant workers	16.7 (9.1)
Environmental issues	15.9 (8.2)
Asylum seekers	14.3 (7.7)
Lesbian, gay and bisexual	13.9 (7.5)

* note: in parentheses, as a percentage of whole sample N= 427

Table 3.20a shows the number of organisations working with beneficiary groups who detailed their activities in terms of primary, secondary or tertiary support. From these findings it is evident that TSOs in North Yorkshire and the City of York are predominantly front-line focussed in addressing beneficiary need.

Table 3.20a Main function of TSO by beneficiary groups served (row percentages)*

	Primary		Secondary		Tertiary		(N=1447)
All of the following	16	(44.4)	11	(30.6)	9	(25.0)	36
Older people	69	(59.0)	39	(33.3)	8	(6.8)	117
People with disabilities	71	(62.8)	36	(31.9)	5	(4.4)	113
People with mental health problems	60	(60.0)	34	(34.0)	5	(5.0)	100
Young people (16-24)	67	(69.8)	25	(26.0)	4	(4.2)	96
Women	56	(62.2)	27	(30.0)	6	(6.7)	90
People with learning difficulties	58	(68.2)	24	(28.2)	2	(2.4)	85
Men	50	(61.0)	26	(31.7)	6	(7.3)	82
Families	45	(55.6)	28	(34.6)	6	(7.4)	81
Children (under 16)	47	(62.7)	20	(26.7)	5	(6.7)	75
Disadvantaged people in rural areas	46	(61.3)	22	(29.3)	6	(8.0)	75
People with low skills/poor education	35	(58.3)	19	(31.7)	5	(8.3)	60
Disadvantaged people in urban areas	31	(57.4)	17	(31.5)	6	(11.1)	54
Unemployed/workless people	30	(55.6)	21	(38.9)	3	(5.6)	54
Homeless/badly housed people	30	(63.8)	15	(31.9)	2	(4.3)	47
Black and minority ethnic issues	20	(52.6)	12	(31.6)	5	(13.2)	38
People with drug/alcohol addictions	24	(64.9)	13	(35.1)	0	(0.0)	37
Ex-offenders	24	(66.7)	11	(30.6)	1	(2.8)	36
Victims of violence/crime	21	(58.3)	14	(38.9)	1	(2.8)	36
Migrant workers	17	(56.7)	9	(30.0)	3	(10.0)	30
Asylum seekers	18	(66.7)	8	(29.6)	1	(3.7)	27
Lesbian, gay or bisexual issues	17	(65.4)	7	(26.9)	2	(7.7)	26
The environment	7	(43.8)	5	(31.3)	4	(25.0)	16
Other (please state)	20	(55.6)	13	(36.1)	3	(8.3)	36

*the row percentages do not total to 100% due to the removal of the 'other' category.

Table 3.21 **Expectations about the need of beneficiaries for our services over next 5 years** (column percentages)

	Primary	Secondary	Tertiary	All
Increase significantly	27.5	38.0	39.1	32.4
Increase	51.9	39.2	52.2	47.7
Remain about the same	18.8	21.1	9.1	18.3
Decrease	0.0	1.3	0.0	0.4
Decrease significantly	0.0	0.0	0.0	0.0
N=	131	79	23	241

	Under £50,000	£50,000 - £249,999	£250,000 or more	
Increase significantly	18.7	41.3	29.3	27.5
Increase	45.3	49.3	48.9	47.4
Remain about the same	34.5	9.3	21.7	24.5
Decrease	0.7	0.0	0.0	0.3
Decrease significantly	0.8	0.0	0.0	0.3
N=	139	75	92	306

	Urban	Semi-rural	Rural	
Increase significantly	36.9	24.0	24.0	27.5
Increase	52.4	42.0	46.3	46.6
Remain about the same	9.5	34.0	28.9	25.2
Decrease	1.2	0.0	0.0	0.3
Decrease significantly	0.0	0.0	0.8	0.3
N=	84	100	121	305

Table 3.21 presents data on TSOs' appraisal of increased beneficiary expectations over the next five years. This is an important factor to consider in the planning of organisational strategy. It is evident from summary statistics for the whole sample that in about 75 per cent of TSOs, there is an expectation that beneficiary dependence on their services will increase. Turning first to the panel in Table 3.21 it is clear that tertiary service TSOs consider that beneficiary need will increase very significantly indeed. Interestingly, primary service organisations take a more cautious view of the situation. Given that such organisations often have a more market-focused orientation, it may be the case that their expectations are well judged. In terms of organisational size, it is clear that medium sized organisations identify the greatest likely increase in beneficiary need. The spatial placement of TSOs also has an effect on future expectations of beneficiary reliance. Organisations operating in urban areas feel

that beneficiary reliance on them will increase. While the data presented in this table are difficult to interpret, there is a clear message from respondents that beneficiary reliance on services will increase significantly over the next few years. The extent to which this derives from a cultural expectation within the sector that may assume beneficiary need will remain high, or, whether beneficiary needs are *realistically* going to increase, is an open question.

3.7 Tendering for and delivering public services

Over the last few years, Government has put significant pressure on local authorities and government-funded agencies to encourage third sector organisations' involvement in the delivery of public services. Significant funds have been invested in the training of public sector officers to encourage them to procure services from the third sector. Similarly, capacity building funds have been invested in the third sector to raise awareness of opportunities for delivering public services, and to upskill TSOs so that they can engage in successful tendering.

The evidence presented in Table 3.22 suggests that this message is not getting through to many organisations as of yet. Across the sector as a whole, these data indicate that around 17 per cent of TSOs are not aware of such opportunities at the moment, and 24 per cent state that such opportunities go against their 'core values'. Around 30 per cent of TSOs are aware of opportunities but are not currently bidding due to lack of information, lack of support and other perceived barriers to tendering. In total, about 9 per cent are currently bidding and 11 per cent are delivering contracts for which they have tendered competitively. Compared with the NE England study in 2005, it is apparent that awareness of such opportunities is now greater. While more TSOs in North Yorkshire state that such work is against their core values, this may be partly explained by the lower level of availability due to lack of regeneration funds and Neighbourhood Renewal Fund (now Working Neighbourhoods Fund). That said, the level of bidding for and doing contracts is higher in North Yorkshire in 2008. This may be because of raised awareness, improved support, changing values or increased availability of funds. Unfortunately we can not determine from our data which are the best explanations.

In a related question, we asked respondents about the role of the sector as a whole in the delivery of public sector services: 46 per cent stated that the sector was already playing a large enough role; about 5 per cent argued the sector should play less of a role; 49 per cent thought the sector should play more of a role. These data indicate that the sector is clearly divided on this issue.

Table 3.22 **Organisational position on tendering for public services**
(column percentages)

	North East (2005)	North Yorks (2008)
Not aware of opportunities	25.5	16.9
Are aware but against core values	17.5	23.9
Are aware but need more information	17.2	9.9
Are aware but need more support	11.5	12.0
Are aware but put off by barriers	12.9	5.8
Already bidding for contracts	15.2	9.3
Already delivering contracts	*	11.4
N=	348	299

* in the NE we did not collect data to separate those who were bidding or already delivering contracts.

Table 3.23 shows that opinions vary depending on the service function, size or location of organisations. Primary service organisations are most positive about the delivery of public services. Interestingly, tertiary organisations (many of which are infrastructure organisations) have the least positive view. This is a significant finding as many such organisations are charged with the task of capacity building within the sector. Organisational size also has an impact on opinions, and larger organisations are clearly more favourable towards public service delivery. Interestingly, the location of organisations also has an impact upon attitudes, with TSOs in more urban areas being much less positive about tendering and the delivery of contracts than TSOs in semi-rural or rural areas.

Table 3.24 presents a more finely-tuned analysis of this issue by comparing the attitudes of organisation by their principal service functions. The first panel of the table refers to service function and indicates that primary service function organisations are most likely to be currently delivering contracts. This could be reasonably expected given that most tendering opportunities are placed within this area of service. The key point to make here is that very few primary organisations are engaging in such activity at present, and many see the delivery of public service contracts as being against their core values. This finding is surely a focus for debate in the sector.

In the second panel of the table it is clear that tendering activity and the running of contracts increases organisational size. Over 40 per cent of larger organisations fall into this category, compared with only 6 per cent of the smaller organisations. This is related to the increased capacity and capability of larger organisations, but may also be affected by organisational culture. We will attempt to explore this further at a later date. The main point here is that many smaller organisations are unaware of opportunities or consider them to be against their core values.

Turning finally to organisational location, it is clear that differences are less well marked. TSOs in urban areas are more aware of opportunities but are just as likely to state that such practice is against their core values. TSOs delivering contracts or bidding for them are broadly similar across the categories.

Table 3.23 The role of Third Sector as a whole in the delivery of public services (column percentages)

	Primary	Secondary	Tertiary	All
Already play a large enough role	38.6	51.2	53.8	45.1
Should play a bigger role	59.8	46.3	38.5	52.5
Should play less of a role	1.6	2.4	7.7	2.5
N=	127	82	26	244
	Under £50,000	£50,000 - £249,999	£250,000 or more	
Already play a large enough role	55.0	39.5	37.2	46.6
Should play a bigger role	36.8	60.5	61.7	49.0
Should play less of a role	8.2	0.0	1.1	4.4
N=	171	76	94	341
	Urban	Semi-rural	Rural	
Already play a large enough role	52.7	48.7	42.4	47.4
Should play a bigger role	40.9	47.8	53.8	48.2
Should play less of a role	6.5	3.5	3.8	4.4
N=	93	115	132	340

Table 3.24 **Tendering for public services by TSO function, size and location**
(column percentages)

	Primary	Secondary	Tertiary	All
Not aware of opportunities	12.1	7.7	20.0	12.0
Are aware but against core values	14.4	25.6	44.0	21.1
Are aware but need more information	15.9	9.0	4.0	12.0
Are aware but need more support	14.4	17.9	8.0	14.5
Are aware but put off by barriers	4.5	12.8	0.0	7.4
Already bidding for contracts	13.6	9.0	16.0	12.0
Already delivering contracts	19.7	9.0	4.0	14.0
Other	5.3	9.0	4.0	7.0
N=	132	78	25	242

	Under £50,000	£50,000 - £249,999	£250,000 or more	All
Not aware of opportunities	26.1	13.3	4.3	17.1
Are aware but against core values	32.7	10.7	18.3	23.7
Are aware but need more information	7.3	14.7	9.7	9.6
Are aware but need more support	8.5	14.7	17.2	12.3
Are aware but put off by barriers	2.4	13.3	6.5	6.0
Already bidding for contracts	3.0	12.0	17.2	9.0
Already delivering contracts	3.6	14.7	22.6	11.4
Other	16.4	6.7	4.3	10.8
N=	165	75	93	333

	Urban	Semi-rural	Rural	All
Not aware of opportunities	11.0	20.5	19.2	17.4
Are aware but against core values	26.4	24.1	21.5	23.7
Are aware but need more information	11.0	13.4	6.2	9.9
Are aware but need more support	8.8	12.5	13.8	12.0
Are aware but put off by barriers	6.6	4.5	6.2	5.7
Already bidding for contracts	11.0	5.4	10.0	8.7
Already delivering contracts	12.1	10.7	11.5	11.4
Other	13.2	8.9	11.5	11.1
N=	91	112	130	333

Respondents were asked to comment upon expectations regarding their own involvement in the delivery of public services. As shown in Table 3.25, some interesting findings emerge. Contrary to their expectations for the sector as a whole, many organisations seem to have a more positive expectation about their individual future involvement. Indeed, well over 50 per cent of organisations expect to become involved. Primary service function organisations are the most positive, with about 60 per cent expecting to become involved. When considering the impact of organisational size, the differences are even more marked, with

only 28 per cent of small organisations expecting to become involved compared with over 65 per cent of the largest. Organisational location does affect the propensity to get involved in public sector service delivery, but patterns are not clearly present and could be the result of local factors which are not directly related to urban, semi-rural or rural location.

Table 3.25 The role of individual TSOs in the delivery of public services by individual organisations*
(column percentages)

	Primary	Secondary	Tertiary	All
Expect involvement will increase	58.9	47.2	42.9	52.8
Expect involvement will stay the same	29.1	36.0	35.7	32.6
Expect involvement will reduce	0.7	3.4	0.0	1.5
Not sure what will happen	11.3	13.5	21.4	13.1
N=	141	89	28	267

	Under £50,000	£50,000 - £249,999	£250,000 or more	All
Expect involvement will increase	27.8	61.4	65.6	45.0
Expect involvement will stay the same	54.6	22.9	25.0	39.9
Expect involvement will reduce	1.0	4.8	0.0	1.6
Not sure what will happen	16.5	10.8	9.4	13.4
N=	194	83	96	373

	Urban	Semi-rural	Rural	All
Expect involvement will increase	45.7	40.7	47.3	44.7
Expect involvement will stay the same	40.0	46.3	36.3	40.6
Expect involvement will reduce	1.9	0.0	2.7	1.6
Not sure what will happen	12.4	13.0	13.7	13.1
N=	105	123	146	374

* these data include all forms of earned income including contracts / SLAs

Generating income from other forms of business activity is also an important priority for many organisations (in addition to the delivery of public services by contract). As Table 3.26 shows, around 40 per cent of organisations earn no income from selling services, whilst about a third gain more than half of their income from such activity. TSOs which have a strong primary service delivery function are the most likely to be involved in such activity. Similarly, the largest organisations are more likely to gain the majority of their income from such activity.

Table 3.26 Proportion of income from selling services
(column percentages)

	Primary	Secondary	Tertiary	All
None	19.4	40.0	48.3	29.8
Under 50 per cent	26.4	43.5	31.0	32.5
Over 50 per cent	54.3	16.5	20.7	37.7
N=	129	85	29	252

	Under £50,000	£50,000 - £249,999	£250,000 or more	All
None	60.4	17.5	13.0	39.0
Under 50 per cent	19.3	40.0	38.0	28.6
Over 50 per cent	20.3	42.5	48.9	32.4
N=	192	80	92	364

	Urban	Semi-rural	Rural	All
None	38.6	44.6	38.8	40.7
Under 50 per cent	26.7	23.1	30.9	27.1
Over 50 per cent	34.7	32.2	30.2	32.1
N=	101	121	139	361

It is difficult to determine the extent to which social enterprise is becoming embedded in the culture of the third sector in North Yorkshire as few organisations yet describe themselves as such, and few organisations are establishing themselves as Community Interest Companies. There is no accepted definition of social enterprise which is sufficiently inclusive to include all those organisations which actually engage in trading in a 'business like' way and earn at a substantial amount of their income this way.

In broad terms, social enterprises are acknowledged to be businesses that trade in order to achieve social objectives. The Government uses the following definition:

A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners (DTI, 2004).

This working policy definition is still very broad and left open to interpretation. Practitioners and academics have therefore sought to construct frameworks with which to identify distinct organisational features specific to social enterprises across a number of dimensions. What is acknowledged, by name alone, is that

there is something 'unique' about social enterprises differentiating them from other types of profit-making and non-profit making organisations. Boschee and McClurg, in an attempt to demonstrate the differences between entrepreneurship and social entrepreneurship, argue the following:

Traditional entrepreneurs frequently act in a socially responsible manner: They donate money to nonprofits; they refuse to engage in certain types of businesses; they use environmentally safe materials and practices; they treat their employees with dignity and respect. All of this is admirable, but their efforts are only indirectly attached to social problems. Social entrepreneurs are different because their earned income strategies are tied directly to their mission: They either employ people who are developmentally disabled, chronically mentally ill, physically challenged, poverty-stricken or otherwise disadvantaged; or they sell mission-driven products and services that have a direct impact on a specific social problem (e.g., working with potential dropouts to keep them in school, manufacturing assistive devices for people with physical disabilities, providing home care services that help elderly people stay out of nursing homes, developing and selling curricula) (2003, 3).

In order to qualify itself as a social enterprise, an organisation must therefore legitimate its own social objectives and its contribution towards them, demonstrating organisational sociality, where sociality is described by Nicholls and Hyunbae Cho as 'the extent to which an organisation intentionally and effectively pursues the advancement of social objectives' (2006, 101). This inevitably makes it difficult to construct a fixed set of parameters for defining social enterprise as notions of sociality are always open to interpretation and contestation.

Defourny (2001) outlines three levels upon which the 'social' nature of enterprise can be detected. Firstly, in terms of purpose, Defourny argues that the production surplus must be, absolutely or in part, 'socialised'. This means it must be reinvested into the socially-driven activity itself, or used for the benefit of others. Secondly, Defourny argues that most social enterprises continue, to some extent, to be financed by non-commercial resources allocated by public authorities. These resources are combined with those derived from the market. Thirdly, Defourny stipulates that social enterprises should maintain a level of autonomy by following the direction of their own decision-making body, but that such enterprises are founded upon a crucial 'participatory dynamic' whereby members' power is not proportional to any capital stake in the organisation.

In this report we recognise the complexity surrounding definitions of social enterprise, but side-step many of these issues about values. What we do instead is to look at the key characteristics of those organisations which 'do' social enterprise, whether they define themselves as such or not. We throw some light on the characteristics of such organisations by comparing those TSOs which earn no income from trading, earn less than half of their income that way, or earn more than half of their income from trading. When we use the term trading, we refer to earned income from trading or contracts – meaning that we exclude sponsorship money, gifts and endowments, and grant income from government or charitable sources.

Table 3.27 shows that organisational activity does not correlate directly with trading activity in a clear way. The definition, Community Interest Company fits social enterprise best in legal terms, but this is a relatively new legal status for organisations, and as expected, few have transferred or are considering changing legal status. It is, of course, possible for TSOs to be both charities and be companies limited by guarantee. This probably explains why TSOs which are earning more of their own income are more likely to be companies limited by guarantee.

Figure 3.6 demonstrates that almost 150 TSOs in the study had no earned income (38 per cent). The remaining organisations are distributed relatively evenly across the income bandings. In order to proceed with the analysis without reducing cell sizes too much, we have banded income levels into three categories: ‘no earned income’, ‘less than 50 per cent earned income’, and ‘over 50 per cent earned income’.

Figure 3.6 Extent of TSOs earned income from contracts or trading

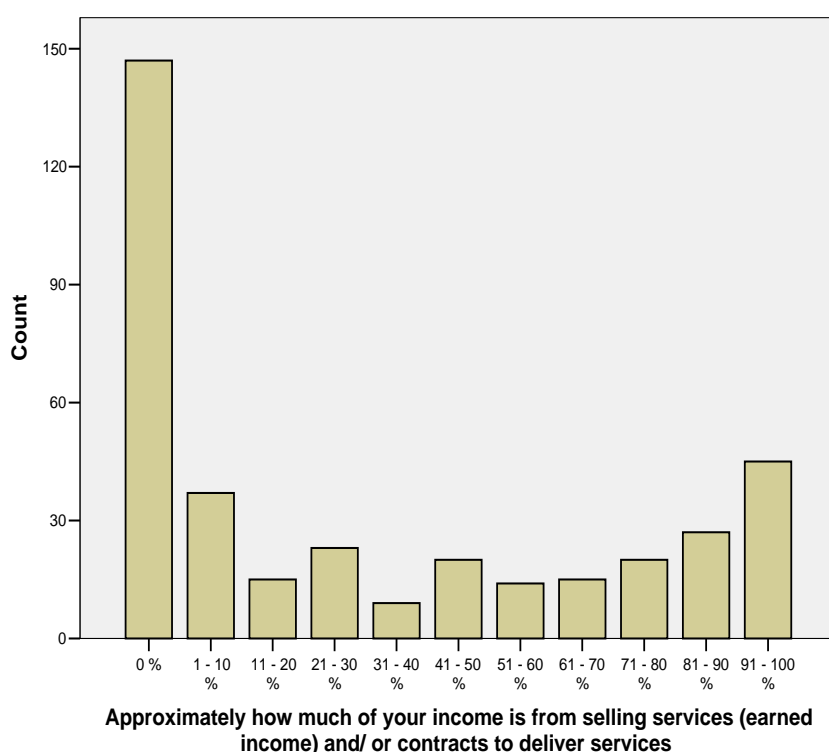


Table 3.27 Legal status of trading organisations (frequencies)

How do organisations usually describe themselves	No earned income	Less than 50% earned income	More than 50% earned income	N=
Unincorporated organisations	24	9	7	40
Companies limited by guarantee	19	31	40	90
Industrial and provident societies	1	1	5	7
Registered charity	92	68	83	243
Community interest companies	1	-	2	3

Table 3.28 indicates that size of TSO, as measured by income, affects the likelihood of trading, as would be expected. However, it is not clear that the extent of earned income is strongly affected by organisational size. That said, those TSOs which earn more than 50 per cent of income are more likely to be large organisations. In terms of organisational function, it is clear from the second panel of Table 3.31 that three quarters of TSOs which earn more than 50 per cent of their income deliver primary services – reducing to only a third of organisations which have no earned income.

Table 3.28 **Extent of trading by size and function of organisations**

	Under £50,000	£50,000- £249,000	£250,000 or higher	N=
No earned income	81.2	10.1	8.7	139
Up to 50% of income earned	35.1	32.0	33.0	97
Over 50% of income earned	31.3	29.8	39.1	115
	Primary	Secondary	Tertiary	N=
No earned income	33.8	46.5	19.7	71
Up to 50% of income earned	44.0	45.3	10.7	75
Over 50% of income earned	75.0	15.2	8.5	92

In the remaining analysis, we recognise that cell sizes are small and can only speculate about the accuracy of the findings. However, reporting these data is useful as it provides some basis for. Of those organisations which *do* expect their income to rise in the next two years, as shown in Table 3.29, there is evidence to suggest that those organisations which are most reliant on earned income are much more likely to be involved with primary service delivery.

Table 3.29 **Organisations which expect income to rise significantly over the next two years**

	Primary	Secondary	Tertiary	N=
No earned income	5.3 (2)	7.9 (3)	2.6 (1)	N=38
Up to 50% of income earned	28.9 (11)	10.5 (4)	2.6 (1)	
Over 50% of income earned	36.8 (14)	5.3 (2)	- (0)	

It is also apparent from Table 3.30 that organisations which are involved in primary service delivery are also the most likely to be in formal partnerships with other organisations. Similarly, they are also much more likely to be members of bidding consortia. This suggests strongly that these organisations, however they

define themselves in organisational terms, do seem to have some similar enterprising characteristics.

Table 3.30 Organisations which are currently in formal partnership agreements or in contract bidding consortia

In formal partnerships	Primary	Secondary	Tertiary	N=
No earned income	5.9 (4)	2.9 (2)	4.4 (3)	
Up to 50% of income earned	20.1 (14)	17.7 (12)	2.9 (2)	
Over 50% of income earned	36.8 (25)	7.3 (5)	1.5 (1)	N=68
In bidding consortia	Primary	Secondary	Tertiary	
No earned income	1.5 (1)	7.5 (5)	1.5 (1)	
Up to 50% of income earned	19.4 (13)	19.4 (13)	6.0 (4)	
Over 50% of income earned	37.3 (25)	3.0 (2)	4.5 (3)	N=67

Table 3.31 Interest in undertaking contracts by organisational function and extent of earned income

	Not aware of opportunities	Against core values	Identify barriers or need help	Bidding for or undertaking contracts	N=
Primary					
No earned income	6.7	33.3	46.7	13.3	15
Up to 50% earned	7.9	13.6	52.6	26.3	38
Over 50% earned	13.7	10.6	30.3	45.5	66
Secondary & Tertiary					
No earned income	17.7	44.1	26.5	11.8	34
Up to 50% earned	5.4	32.4	48.7	13.5	37
Over 50% earned	10.5	10.5	31.6	47.4	19

While the number of cases are small in the analysis presented in Table 3.31, there is evidence to suggest that, across the whole sample, organisations which are on the front line of service delivery are more likely to be bidding for or undertaking contracts. However, when such are organisations are compared with those which deliver secondary or tertiary services by level of income they generate, it is apparent that such differences are not pronounced. Indeed, amongst all organisations which earn more than half of their income just less than a half are bidding or doing contracts. What is more clear is that the more

organisations depend on earned income, the more likely they are to be bidding or doing contracts.

Table 3.32 Percentage of TSOs which are currently planning or achieving objectives

	No earned income	Earn less than 50% of income	Earn more than 50% of income
Planning to or achieving increases in earned income	22.4	67.0	72.0
Planning to or achieving increases in donations	31.4	64.9	43.2
Planning to or achieving a change in legal status	11.2	16.5	19.5
Planning to or achieving change in the way services are run	20.3	50.5	39.8
Planning to or achieving a merger with another TSO	10.5	11.3	14.4
Planning to or achieving a closer working relationships with other TSO	25.9	43.3	37.3
Planning to or achieving a take over of a service from another TSO	3.5	12.4	13.6

Table 3.32 provides mixed results on the extent to which TSOs are planning or achieving their objectives depending on the extent to which they currently depend upon earned income. There is evidence to suggest that the most successful income earners are most likely to expect their earnings to increase, but the differences are marginal. TSOs which earn less than 50 per cent of income from trading or services are significantly more likely to be working hard to increase the levels of donations (gifts), suggesting that their fundraising efforts are multi-dimensional. Some clearer associations do emerge, but the differences are limited. For example, it is apparent that the more earned income TSOs achieve affects their ambitions to change their legal status. Background data suggests that most are motivated towards a shift to CIC legal status – but not all. The higher achievement of earned income also seems to affect interest in merging with other TSOs and having an intention to take services from other TSOs.

3.8 Planning for the future

In this final section we assess the extent to which organisations are planning in for the future. Table 3.33 demonstrates that few organisations expect to close in future. Indeed, 98 per cent expect to achieve long-term sustainability. In this sense, the sector is shown to be in a buoyant mood.

Table 3.33 **Expected life span of organisation** (column percentage)

	All
Plan to close within 1- 2 years	0.8
Plan to close within 3 years	0.8
Plan to have long-term sustainability	98.5
N=	392

How organisations expect to achieve this depends partly upon their ability to move with the times and to plan strategically. As Table 3.34 shows, over a third of organisations are planning to increase earned income to achieve this. Many organisations also prioritise increasing individual donations. Whilst this may be possible for some organisations, such an emphasis on public charitable giving is arguably misplaced. About a fifth of organisations prioritise adapting the way that they run their services in order to sustain activity. Arguably, this figure is too low with regard to strategic planning within the sector and warrants further debate. Whilst some organisations have ambitions to relieve other TSOs of their services by taking them over, they are very few in number. Fewer still seek to have their services 'mainstreamed' by a public sector body running services in their place. It is clear that only a very few organisations prioritise working with other TSOs in partnership to achieve sustainability (13 per cent), and fewer still would contemplate merging with another organisation (7 per cent).

Table 3.34 **Planning for the future** (percentages as proportion of whole sample)

	Planning for the future	Achieving this now
Increasing earned income	34.7	11.9
Increasing individual donations	32.1	10.5
Changing legal status	9.8	4.4
Change the way services are run	22.2	8.4
Merging with one or more similar TSOs	7.0	3.7
Working more closely with other TSOs	23.4	8.0
Taking over a service from other TSOs	5.4	2.6
Having current service taken by public sector body	1.4	0.7

N=427

Table 3.35 **Planning for the future in North East England and North Yorkshire**
(percentages as proportion of whole sample)

	Planning for the future		Achieving this now	
	North East 2005	North Yorks 2008	North East 2005	North Yorks 2008
Increasing earned income	37.4	34.5	11.5	12.2
Increasing individual donations	16.0	31.6	3.9	10.5
Changing legal status	10.7	9.5	2.5	2.4
Change the way services are run	29.2	22.4	7.3	8.5
Merging with similar TSOs	7.9	7.3	2.0	3.4
Working more closely other TSOs	20.5	13.4	7.9	8.0
Taking over a service other TSOs	6.2	5.6	2.5	2.7
Losing service to public sector body	1.7	1.5	0.6	0.7

The low level of planning for partnership working in the future is surprising given the strong recent emphasis on such practices by government at local, regional and national levels. Across the study as a whole, 21 per cent of organisations report that they are or have been involved in formal partnership relationships with other third sector organisations in the last few years. It is interesting to note from Table 3.36 that over half of organisations expect that partnership working will increase over the next five years, and 15 per cent expect it to grow significantly. While comparisons with 2000 are broadly similar, it appears that expectations about partnership working have declined. These findings seem to contradict those presented in Table 3.35, so producing a puzzling anomaly in the way respondents perceived their situation. The results for the North East and North Yorkshire are broadly similar, but it is notable that in the North East, expectations about raising donations are very much lower.

Table 3.36 **Expectations about partnership working with other TSOs in the next 5 years**

	2000	2008
Increase significantly	21.3	14.7
Increase	29.8	39.5
Remain about the same	47.9	40.6
Decrease	0.3	2.6
Decrease significantly	0.6	2.6
N=	not given	266

Expectations about the future have changed between 2000 and 2008 in terms of income and expenditure also, as is shown in Table 3.37. Here it is evident that TSOs are rather more cautious in their expectations than was the case 10 years

ago. The third panel of the table which shows expectations about contract working indicates that attitudes were broadly the same in 2000 and 2008.

Table 3.37 **Expectations about income, expenditure and contracts in the next 5 years** (column percentages)

	Income		Expenditure		Contracts	
	2000	2008	2000	2008	2000	2008
Increase significantly	10.7	12.1	18.4	16.5	9.0	8.6
Increase	39.0	23.9	52.1	39.3	26.3	29.3
Remain about the same	30.1	53.4	24.5	40.5	60.5	54.7
Decrease	14.2	9.3	3.0	3.1	2.9	6.0
Decrease significantly	6.0	1.4	2.0	0.6	1.2	1.3
N=	n.d	356	n.d	351	n.d	232

4. Conclusion and summary of main findings

In this section, we present an overview of the principal findings of the study. Following this, some questions are raised for future debate in the sector arising from the research.

4.1 Summary of findings

4.1.1 *Area of operation of third sector organisations*

The study demonstrates that the third sector has strong penetration across North Yorkshire and City of York. While there is a greater concentration of TSOs in more urban areas, the population of organisations in the most rural areas is significant.

TSOs in semi-rural districts are the most likely to work at the local district level, followed by mainly urban areas. TSOs based in the most rural areas are least likely to work solely in their own district. Smaller organisations tend to focus their activities locally and larger ones work further afield. Organisations with incomes above £250,000 are very likely to operate beyond sub-regional boundaries.

The pattern of activity of TSOs in rural areas is complex and does not lend itself readily to generalisation. There is some evidence to suggest that TSOs in the most rural areas are smaller in size (as measured by income) and are more likely to be involved in the delivery of front-line primary services, but these differences are small. Overall, there is no evidence to suggest that TSOs operating in the most rural areas are more or less likely to be dependent on earned income.

4.1.2 *Organisational form and governance*

Almost 77 per cent of the sample are registered charities. However, TSOs describe themselves in a variety of ways, the most popular being: 'charities' (59 per cent) and 'voluntary organisations' (44) or as 'community organisations' (25 per cent). The number of TSOs describing themselves as social enterprises and cooperatives is very low (7 per cent). But this does indicate that few organisations are involved in trading or undertaking contract work.

The majority of TSOs have Boards of Trustees (directors). Equal numbers of the remaining TSOs have either executive management committees or non-executive management committees. If there are between 2,500-3,000 TSOs in North Yorkshire and City of York, then it can be assumed that there are in the region of 12-15,000 board or committee positions to fill. The actual number of trustees is likely to be lower, however, due to multiple board memberships.⁴

Almost 47 per cent of TSOs in the sample were affiliated to, or branches of, larger organisations. Affiliated organisations tended to have larger numbers of

⁴ The qualitative elements of the Northern Rock Foundation Third Sector Trends study, currently being undertaken by University of Teesside, is exploring the issue of multiple directorships in the third sector and exploring the extent to which key stakeholders contribute to the sector as a whole. While the study is at a preliminary stage, it is likely that many key stakeholders in the sector offer significant services across a range of organisations.

full- and part-time employees and volunteers. They also are more likely to work across district and local authority boundaries. Affiliated organisations are equally likely to be involved in the delivery of front-line 'primary' services (such as training, social care or community transport) than non-affiliated organisations.

4.1.3 Income and economic contribution of the sector

When measured by income, it is clear that about a third of organisations are very small, with income lower than £10,000 a year. Only about 15 per cent of the sample has income above £500,000 a year.

The most important sources (by type, not value) of income are: individual donations (17 per cent), earned income from trading (14 per cent) contracts to deliver public services (13 per cent) and local authority grant aid (13 per cent). Following this, the main sources of income are local and regional charitable trusts, lottery funds and national charitable trusts.

In monetary terms, contracts/service level agreements and grants are the most important to TSOs, although earned income and gifts are also very important sources of funding. Contributions in kind are of lower importance, but the evidence suggests a relatively high level of dependence on such sources of support.

It is difficult to determine precisely the value of the sector in monetary terms from a survey of this kind,⁵ however, we estimate that the sector is likely to earn not less than £173m if measured by its salary budget alone. Adopting the same principles as the Leeds Metropolitan University study of 2000, we would predict that the revenue of the sector for 2007-2008 would be not less than £270m.

While it is not possible accurately to predict the contribution of the sector to the local economy in monetary terms, our estimates suggest that the sector's contribution is substantial. If the same analytical procedures are adopted as in the Leeds Metropolitan University study of 2000, then it could be the case that the sector contributes between 1.5 and 3 per cent of GDP in the area.

The predicted economic contribution of the sector is achieved substantially through the enormous contribution of volunteers. At minimum, we estimate that volunteers contribute the equivalent of £103m of work time to the local economy – that is around 1.5m hours or 207,000 working days.⁶

The sector often expresses serious concerns about future funding. But about 35-40 per cent of organisations expect their income to rise over the next five years.

⁵ For a detailed explanation, see Appendix 1. These figures need to be adopted with caution, however, as there are no reliable benchmarks against which to measure them. Northern Rock Foundation's Third Sector Trends Study, which began in January 2008 is the first attempt at producing detailed estimates of the value of the sector by undertaking a census survey in the North East and Cumbria. A comparative study is also being undertaken by Southampton University in Yorkshire and Humberside which should produce robust data in the next 12 to 15 months.

⁶ There is little agreement in the academic literature on the value of volunteering to the economy, or indeed on the measurement of actual time contribution of volunteers. We have adopted conservative estimates of volunteering time so as not to exaggerate this, however, it may be the case that we have underestimated this contribution significantly. See Appendix 1 for a more detailed discussion of our approach.

A little over a half of the respondents felt that income would remain broadly the same. Only about 10 per cent of the TSOs considered that income would decrease and very few thought that income would decrease significantly.

TSOs delivering front-line 'primary services' are the most optimistic. 'Secondary service' TSOs (which provide for example: advocacy, information, advice and guidance etc.) are less confident about future sources of funding. 'Tertiary TSOs' (such as local infrastructure organisations and those concerned with campaigning and research) are generally optimistic about future funding. The bigger organisations are the most confident about their future financial security.

4.1.4 *Employees and volunteers*

Over 44 per cent of organisations have no full time employees. Around 25 per cent of TSOs only have between 1 and 5 employees. About 5 per cent of TSOs in the sample have over 250 employees.

Part-time employment is prevalent in the sector. While 30 per cent of TSOs have no part-time workers, over a third have between 1-5 part-time staff and 20 per cent of TSOs have 6 – 25. Approximately 5 per cent of TSOs have over 100 part-time staff.

The indications are that the level of employment in the sector has increased significantly since 2000. Our estimates suggest that the TSOs in the study employed around 5,000 full-time staff and about 5,400 part-time staff. This relatively large estimate may derive partly from the inclusion of some very large TSO employers. However, even a conservative estimate for the sector as a whole would suggest that employment has increased by between 15-25 per cent since 2000. This study indicates that the balance between full-time and part-time staff may have shifted to some extent in favour of full-time employees, but this finding is tentative.⁷

The level of volunteer activity in the sector is significant. Only 5 per cent of organisations have no volunteers. About 35 per cent of organisations have between 1-10 volunteers; 35 per cent have between 11 and 50; a further 22 per cent have over 50 volunteers. TSOs which are engaged in the delivery of front-line 'primary services' tend to have larger numbers of volunteers.

TSOs' are optimistic about maintaining current levels of employment and volunteering. Indeed, 33 per cent of organisations expect to increase the numbers of paid employees and 38 per cent expect to increase the numbers of volunteers. Whether these expectations are realistic may be a subject for future debate in the sector.

There is no evidence to suggest that the sector finds recruitment of employees, trustees and volunteers as an issue for concern. Expectations about the prospects for the successful recruitment of staff, trustees and volunteers in future are also high. About 60 per cent of TSOs think that the ease of successfully recruiting staff will remain about the same in the future.

⁷ See Appendix 1 for a fuller discussion of the methodology we have employed in making these estimates.

4.1.5 Training

Over 47 per cent of organisations in North Yorkshire have a training budget. Around 50-55 per cent of full-time employees receive training in-house or externally, whilst a fifth use distance learning. Levels of investment in training has, however, decreased since 2000.

Levels of part-time employee training are slightly higher at around 57-63 per cent. Only about 40 per cent of organisations buy-in external training for trustees.

A key training priority is fundraising (40 per cent) but an equal number of TSOs state that they do not need any training in this area. Indeed, 60 per cent of TSOs feel that they need no training in tendering and commissioning. These findings are perhaps surprising given the relatively strong emphasis on the importance of gaining contracts which has been indicated above.

Relatively little importance is placed on training for key aspects of organisational management. It could be the case that staff in the sector are already very well qualified, up to date in their knowledge, and require no further training support. Training for financial management is given a particularly low priority; this may weaken organisations operationally and strategically. That said, TSOs are much more likely to recognise the importance of training in financial management, business planning, providing training and strategic management than was the case in 2000.

4.1.6 Beneficiaries of organisational activity

The main beneficiary groups of the sector, in descending order, are older people, people with physical disabilities, young people, women's issues, children, mental health issues, men's issues, families, people with learning difficulties, disadvantaged people in rural and urban areas, people with low skills and education, and unemployed/workless people.

It is expected that beneficiary reliance on services will increase significantly over the next few years. It is difficult to determine how accurate this prediction is, but it suggests that the sector as a whole feels that it is not yet able to fulfil beneficiaries' needs.

4.1.7 Tendering for and delivering public services

Government is putting significant pressure TSOs to tender for contracts to deliver public services. The evidence suggests that this message is not getting through to some organisations: 17 per cent of TSOs are not aware of such opportunities; 26 per cent state that such opportunities go against their 'core values'; 30 per cent are not bidding due to lack of information, lack of support and other barriers to tendering. Only 11 per cent are currently bidding and 13 per cent are delivering contracts for which they have tendered competitively. These percentages are higher than in a comparative study of the North East of England in 2005, suggesting that activity may be increasing or that activity was already higher in North Yorkshire and York due to the different pattern of funding in the area (such as the lack of Neighbourhood Renewal Funds and lower levels of European Union support), or a combination of both factors.

Opinions on the role of the sector as a whole in the delivery of public sector services show that 46 per cent of respondents think the sector is already playing a large enough role; about 5 per cent argued the sector should play less of a role; 49 per cent thought the sector should play more of a role. Larger TSOs have the most positive attitudes about delivering front-line primary services. Tertiary organisations, many of which are infrastructure organisations, have the least positive view.

Over 50 per cent of organisations expect to become involved in contracts to deliver public services. TSOs delivering primary services are the most positive, with about 60 per cent expecting to become involved. Organisational size impacts on interest in contracts: only 28 per cent of small organisations compared with over 65 per cent of the largest intend to pursue contracts.

Relatively few TSOs describe themselves as 'social enterprises' (around 5 per cent). However, the evidence suggests that the sector is enterprising if measured by its involvement in delivering contracts and engaging in other trading activity.

About a third of TSOs earn more than half of their income from contracts or trading, 28 per cent earn up to 50 per cent of their income this way, while 38 per cent have no earned income. Larger front-line primary service TSOs are the most dependent on earned income.

4.1.8 Planning for the future

The study demonstrates a high level of stability in the sector. About 77 per cent of TSOs have been established for more than 10 years and 13 per cent for between 5 and 10 years. Very few organisations expect to close in future. Indeed, 98 per cent expect to achieve long-term sustainability. In this sense, the sector is shown to be in a buoyant mood.

Achieving sustainability may depend on TSOs having a flexible view about activities in order to tap new sources of income. Over a third of organisations are planning to increase earned income. Only about a fifth of organisations intend to change the way that they run their services in order to sustain activity. Arguably, this figure is too low, especially in terms of strategic planning.

Many TSOs prioritise increasing individual donations. Whilst this may be possible for some organisations, reliance on charitable giving is arguably misplaced for the sector as a whole. Much of the national research evidence on charitable giving suggests that this source of income is not rising significantly. Philanthropic support from the private sector may be a growing source of future income, but there is not much evidence to suggest that this is prioritised at present by the Third Sector in North Yorkshire.

It is clear that only a very few organisations prioritise working with other TSOs in partnership to achieve sustainability (13 per cent), and fewer still would contemplate merging with another organisation (7 per cent). Some organisations have ambitions to take over services from other TSOs, but they are very few in number. Fewer still seek to have their services 'mainstreamed' by a public sector body running services in their place.

It is interesting to note that over half of TSOs expect that partnership working will increase over the next five years, and 15 per cent expect it to grow significantly.

While comparisons with 2000 are broadly similar, it appears that expectations about partnership working have declined. These findings clearly require further examination and debate by the sector in future.

Expectations about the future have changed between 2000 and 2008 in terms of income and expenditure. TSOs are more cautious in their expectations than was the case 8 years ago. Interestingly, attitudes about the importance of contracts remain about the same.

4.2 Conclusions and issues for debate

The evidence presented in this report suggests that the Third Sector is in a buoyant mood in North Yorkshire and the City of York. The sector is confident about its future, as measured by its expectations about sustainability. The sector is also confident about its ability to maintain levels of funding in future to continue its work. On the whole, the sector believes that there is much work yet to be done to meet the needs of beneficiaries and expects that demand for its services will increase over time.

The sector clearly makes a significant contribution to the local economy through employment and trading activities. Much of this economic contribution comes from the voluntary action of people in the area who give their time and expertise to third sector organisations. It is equally evident that the sector makes a major contribution to civil society through its service to beneficiaries and by giving opportunities for voluntary action.

While the sector is very confident about its future, the evidence suggests that it is not fully aware of the opportunities which may become available to deliver public sector services in future. Many organisations do not want to get involved in the delivery of contracts because they feel that this runs counter to their core values. Where there is awareness of such opportunities and interest in the delivery of contracts, there is also significant worry about barriers against achievement. The explanation for this is complex. On the one hand there is a sense that the sector is not being fully supported so as to deliver such contracts. On the other, there is an indication that the sector does not prioritise training of its staff to tackle this issue, nor are most organisations engaging in strategic planning to position themselves to become engaged.

This study has produced a number of insights about the size, activity and contribution of the sector and has explored its future prospects. What we have not been able to evince directly from the statistical analysis is the extent to which the sector is ready and willing to tackle changes in the economic, political and social environment over the next few years.

The report presents, in addition to its key findings, a number of questions for debate. It is our intention to facilitate such debate when we present the main findings of the research to interested parties following the publication of this report.

The questions we think the sector might usefully address are as follows:

To what extent can actual and perceived barriers to TSO engagement in public sector procurement be overcome so as to maximise the impact of the sector for beneficiaries?

Clearly this question cannot be answered by the third sector alone as the establishment of cooperative relationships with public sector organisations produce their own dynamics. Related research undertaken by Social Futures Institute in other regions demonstrate that Third Sector and public sector officers can work within different professional discourses which can lead to serious misunderstandings about the efficacy of practices each sector adopts. Sometimes these competing discourses lead to the circulation of ideas which promulgate the production of cultural barriers to successful inter-sectoral working. In other words many of the barriers to cooperative working are perceived rather than real. That is not to say, of course, that structural constraints do not affect the way the sectors relate to each other through, for example, the efficacy of Compacts, the operation of procurement practices, and so on. All of these factors do require open debate, however, to increase understanding of each sector's resources, capability and options. Much work is already being undertaken nationally to encourage public sector commissioners to recognise the value of those TSOs which are ready to, or have the potential to engage in contract work for the public sector. Sustained debate at the local and sub regional level is important too and infrastructure organisations can play a key role in this.

How can the sector better demonstrate the 'added value' it contributes to the area in economic and social terms? What does the sector need to do to ensure that the evidence base is maintained over time?

Demonstrating added value quantitatively, as this project has shown, is an extremely complex issue. Until a census-style study of the sector is produced, as is planned in the Northern Rock Foundation Third Sector Trends research by Southampton University in collaboration with NCVO and Guidestar, the parameters for 'grossing up' or 'grossing down' economic impact and labour force data cannot be known. There is also a need for the development of tools to gauge qualitative measures of added value of the sector's activity in terms of building social capital, contributing to community sustainability, and so on. Partnerships between academic researchers and the sector are already developing across the UK with significant investment from the Office of the Third Sector in a new Centre for Third Sector Studies based at Birmingham University. It will take time, however, for such tools to be built and tested. Maintaining a watching brief on such developments is an important role for infrastructure organisations. Similarly, it is important for TSOs engaged in larger projects to explore the efficacy of new methodologies or to develop their own initiatives to demonstrate added value.

Why is the sector so optimistic about future funding if it is evident that most TSOs are not planning to change their practices to tap new sources of funding from contracts or trading? How can TSOs be better prepared by infrastructure organisations to meet this challenge?

From the data collected in this study, it is evident that the sector is in buoyant mood about its future. There is a possibility that this optimism was misplaced even at the time of study (prior to the global economic turmoil which has erupted in September 2008) for a number of reasons. Firstly, because of an expectation that public giving would grow; secondly, opportunities for income generation would increase through 'trading' activities; and thirdly, an expectation that government funding from various public sector bodies would continue to flow. Interestingly, the sector is less optimistic about its future when questions are asked about the Third Sector as a whole when compared with the prospects for individual TSOs. What is abundantly clear from this research is that the sector's optimism is not underpinned by strategic planning for organisational development or investment in training to ensure that employees and volunteers are prepared for change. This does not seem just to be a resource based issue (i.e. that there is insufficient time or funding for training) but a lack of recognition of its importance. Clearly, infrastructure organisations have an important role to play to identify future needs of the sector in strategic and workforce development terms, and identify ways of supporting the sector to achieve its potential.

Why do TSOs tend not to work together in consortia or partnership within and across district / local authority boundaries? Is there more scope for 'inter-trading' between organisations to maximise the benefit to the sector? How might infrastructure organisations contribute to the development of an environment which will foster such cooperation?

As was shown to be the case in a study of North East England, TSOs in North Yorkshire and the City of York show relatively little interest in working together to increase their footprint or impact when delivering services to beneficiaries. It is not clear from the evidence presented in this report why this should be - but the evidence on lack of commitment to partnership or consortium working is clear. We think it is important that the sector begins to discuss those factors which limit the opportunities for inter-trading within the sector as, perhaps, a first step in successful partnership or consortium working so that TSOs are able to access funds for larger scale public sector interventions. It is clear from recent government tendering processes that smaller TSOs are increasingly being excluded from bidding for some funding pots simply on the basis of their limited capacity or turnover. Consortia or partnership working could help to open doors for new sources of funding which could result in project working across district and local authority boundaries. There is, in our view, a role for infrastructure organisations to increase debate on such opportunities amongst those organisations which may benefit from such action. This is not to assert that all TSOs should seek to be involved in such work because the sector is diverse in its scale, interests and activities. However, our research shows that many TSOs are involved in new forms of income generation through trading and contracts even if they do not associate closely with the values of social enterprise. There is clearly scope for debate.

Why is the sector not investing sufficiently in training and staff development, especially in key areas of financial management and strategic planning? Does the sector need to do something about it? What role should infrastructure organisations play and how could such work be funded?

As noted above, the sector is currently investing little time or resource in strategic planning or in workforce development. The lowest levels of investment appear to be in management and leadership training for senior officers and for trustees or directors. Although there are discernable shifts in emphasis towards business focused training (such as financial planning and marketing, amongst other things) few TSOs are investing in this area. Of course it could be case that chief officers, trustees and directors are already well equipped in management and leadership skills and that investment is not necessary. But in a changing economic, political and social environment, we would argue that ideas and practices need to be refreshed and that recognition of the need to learn from others is always beneficial in terms of organisational development. The question for infrastructure organisations, in short, is to determine the extent of the need for investment and to help identify resources to meet such needs.

These are challenging questions which we think the sector needs to address in order to prepare for the future.

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Appendix 1

A methodological note on 'grossing up' data

In the 2000 study of the VCS in North Yorkshire by Leeds Metropolitan University, an attempt was made to 'gross up' the data from the survey. The authors made tentative claims about the contribution of the sector in employment economic terms. A critical reading of their report casts some doubt on the value of this exercise for a number of reasons.

- Firstly, an assumption was made that those organisations which did not respond to the survey call would be broadly similar to those which did respond. Therefore, it was presumed to be safe to gross up the numbers proportionately to the size of the whole sample. This assumption is probably not safe as it is now generally recognised that larger organisations are more likely to respond than smaller ones.
- Secondly, the report makes an assumption that the data base with which they were working was reasonably complete. In reality, such databases rarely capture fully the range of organisations in the sector proportionately.
- Thirdly, we think that the claim to have achieved a 50 per cent sample response in the 2000 study is probably a significant overstatement of the actual response rate. In 2000 2,200 questionnaires were sent out, but only 642 fully completed responses were returned. A 50 per cent response rate was assumed because many organisations to which questionnaires were sent were either closed or that there was significant overlap between respondents (i.e. more than one questionnaire was sent to different people in single organisations). In the present study, as our methodology section shows, we were much more careful in the cross-matching process when working with the initial data base in order to get a better estimate of our sample response rate of just less than 25%.

In a meta analysis of studies in Yorkshire and Humber, Lewis (2001) drew upon a range of studies at sub-regional, regional and national level to estimate the level of employment, volunteering and contribution to GDP in the region. Conclusions were cautious and tentative on the grounds that none of the existing studies shared the same methodological approaches and in all cases, guesswork was ultimately drawn upon to work out how to gross up data to regional level. Estimates of TSOs ranged from 20,000 to 48,500 in the region, and Lewis stated that there may be as many as 80,000 TSOs in the region. The Leeds Metropolitan University study estimated the number of TSOs at 3,000, but Lewis noted that this was a 'substantial underestimate'. Similarly, there were very significant variations in the estimates of employment, volunteering and income generation. Indeed, there has yet even to be reasonable agreement as to whether TSOs are more concentrated *per capita* in rural areas when compared with urban areas. There remains much argument as to the best way of measuring contribution of the sector to GDP. NCVO methodologies, discussed by Lewis, suggest that about 90% of the sector's contribution arises from the activities of just 10% of the largest organisations. As larger organisations are more likely to respond to questionnaires, this could mean that data ought to be 'grossed down' rather than up to take account of the huge variation in the volume of organisational activity.

Grossing up data is a hit and miss process, in sum, and we are very cautious indeed about making any claims about the size of the sector as a whole or its contribution to the economy. Using data in Table 3.18 on the number of volunteers, full-time and part-time staff, for example it would be possible to make estimates on the total number of persons within the sample, but presumptions would need to be made about where to estimate

across the bands. In a larger better resourced study it might have been possible to avoid banding of data in this way, but this would require closer investigation of TSO records than can be relied upon in postal questionnaires.

That said, we will now illustrate how grossing up of data might be done, even though we remain sceptical about its value. In each of the examples, we take the lowest point on each band to provide a conservative estimate.

The value of employees

Full time staff = approximately 5,128 staff
 x average sub-regional wages @ £22,245
 = £114,072,360

Part time staff = approximately 5,386 staff
 x 0.33 of average sub-regional wages
 = £59,905,785

Taken together this equals **£173,978,140**. Using the same estimates on income (at the lower end of the income bands stated by TSOs with the exception of those earning under £10,000 where this figure is entered into the formula) the income of the sector would be calculated at **£73,125,000**. As the majority of TSOs costs are staff costs, this might suggest that estimates on staffing levels have been exaggerated, but it could mean, by the same token, that TSOs have been conservative about their income to some extent in their questionnaire responses. There are a lot of unanswerable questions left to debate here, but certainly, the figures do not tally up.

The value of voluntary work

Calculating the economic value of volunteers and trustees is more complicated as there are no reliable averages on the contribution of average time of such staff.

In many local studies general estimates of volunteer contributions have been made - while these vary, common estimates are about 2.5 hours a week for volunteers (and a similar amount for trustees). We will use this estimate in an even more conservative way by assuming that volunteering occurs only across 40 weeks in a calendar year.

Volunteers and trustee numbers = 15,590 people approx
 x 2.5 hrs per week = 38,975 hours
 x 40 weeks = 1,559,000 hours
 divided by 7.5 hr wk week = 207,866 working days
 divided by 45 wk weeks = 4,619 FTE employees

The value of volunteers and trustees using such a calculation would be

4,619 x average wages £22,245 = **£102,755,410**

The total value would therefore be

Full time staff = £114,072,360

Part time staff = £59,905,785

Volunteers = £102,755,410

£276,733,550 contribution to the local economy

Then there is the question of how much to gross up (or gross down) these figures to capture the value of the sector as a whole. As a 25 per cent response rate, the temptation may be to quadruple the number or maybe even multiply by 5 to take account of those organisations which had not been on the data bases. But clearly this would be a nonsense as there are too many unknowns to take into account. That said the exercise provides a platform for some interesting debate on the value of the sector and there is room at a later stage in the research for comparisons with claims made on the contribution of the sector in other areas.

We are cautious about grossing up data, even though we are aware of many studies which have done this at local, regional and national level. However, the recently commissioned Northern Rock Foundation Third Sector Trends study will attempt to produce reliable methodologies and statistics to achieve this. The work, which is being undertaken by Southampton University (in collaboration with NCVO and Guidestar), will involve the production of near-census quality statistics (including the 'under radar' smaller community organisations) for the third sector in the North East and Cumbria from which estimates can be extrapolated for the analysis of other data sets such as that which is reported upon in this study.

The same research team are also in the process of replicating this analysis in Yorkshire and Humberside and should report on their findings in the near future.



CONFIDENTIAL

This sheet will be stored separately from the questionnaire once the data has been processed to guarantee confidentiality. We ask you to complete this information in case we need to contact you to clarify any details you have provided.

Organisation name

Name of person completing this form

Position in organisation

Contact information

Telephone

Email

Address

Postcode

Please return by post or email to:

Robert Crow
Research Fellow
Social Futures Institute
University of Teesside
Middlesbrough TS1 3BA

01642 384477
r.crow@tees.ac.uk

1	Where is your organisation located?		<i>Office Use Only</i>
	Craven District	<input type="checkbox"/> 1	
	Hambleton District	<input type="checkbox"/> 2	LOCAT
	Harrogate District	<input type="checkbox"/> 3	
	Richmondshire District	<input type="checkbox"/> 4	
	Ryedale District	<input type="checkbox"/> 5	
	Scarborough District	<input type="checkbox"/> 6	
	Selby District	<input type="checkbox"/> 7	
	City of York	<input type="checkbox"/> 8	
2	Are you a branch of, or affiliated to a larger organisation?		
	Yes	<input type="checkbox"/> 1	
	No	<input type="checkbox"/> 2	BRANCH
3	When was your organisation established?		
	Within the last 12 months	<input type="checkbox"/> 1	
	Between 1 and 2 years ago	<input type="checkbox"/> 2	
	Between 3 and 4 years ago	<input type="checkbox"/> 3	
	Between 5 and 10 years ago	<input type="checkbox"/> 4	ESTWHEN
	Over 10 years ago	<input type="checkbox"/> 5	
4	How do you normally describe your organisation? (please tick all that apply)		
	Community organisation	<input type="checkbox"/> 1	
	Voluntary organisation	<input type="checkbox"/> 2	NORMDESC1
	Charity	<input type="checkbox"/> 3	NORMDESC2
	Social enterprise	<input type="checkbox"/> 4	NORMDESC3
	Cooperative	<input type="checkbox"/> 5	NORMDESC4
	Other (please state)	<input type="checkbox"/> 6	NORMDESC5 NORMDESC6 NORMDESCO1
5	Are you an infrastructure organisation? (e.g. CVS, BME network or organisation, etc)		
	Yes	<input type="checkbox"/> 1	
	No	<input type="checkbox"/> 2	INFSTORG
6	Is your organisation a registered charity?		
	Yes	<input type="checkbox"/> 1	
	No	<input type="checkbox"/> 2	
	In the process of registering	<input type="checkbox"/> 3	REGCHAR
7	What is your legal status?		
	Unincorporated association (e.g. an informal organisation)	<input type="checkbox"/> 1	
	Company limited by guarantee	<input type="checkbox"/> 2	
	Industrial and provident society	<input type="checkbox"/> 3	
	Registered charity	<input type="checkbox"/> 4	LEGSTAT
	Registered friendly society	<input type="checkbox"/> 5	
	Not a community or voluntary organisation	<input type="checkbox"/> 6	LEGSTATO1
	Community interest company (CIC)	<input type="checkbox"/> 7	LEGSTATO2
	Community development company (CDC)	<input type="checkbox"/> 8	
	Other (please specify)	<input type="checkbox"/> 9	

8 **Where does your organisation operate?**

(please tick all that apply)

- Within the post-code area of the organisation only 1
- City of York Unitary Authority 2
- Local Authority (District) 3
- Local Authority (County) 4
- More than one Local Authority area 5
- York and North Yorkshire 6
- Yorkshire 7
- Northern Region (Yorks and Humberside, North East, North West) 8
- Nationwide 9
- Internationally 10

POSTCODE
LOCALCOY
LOCALDIS
LOCALCOUN
MORELA
YRKNYRK
YRKSHUMB
NORTHWAY
NATIONAL
INTERNAT

9 **Do you work in any of the following areas?**

(please tick all that apply)

	Mainly	Frequently	Rarely	Never	
Craven District	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	WRKDC
Hambleton District	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	WRKHD
Harrogate District	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	WRKHARR
Richmondshire District	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	WRKRICH
Ryedale District	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	WRKRYE
Scarborough District	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	WRKSCAR
Selby District	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	WRKSELB
City of York	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	WRKYRK

10 **What was your organisation's income in the last financial year?**

- Under £10,00 1
- £10,000 – 24,999 2
- £25,000 – 49,999 3
- £50,000 – 99,999 4
- £100,000 – 249,999 5
- £250,000 – 499,999 6
- £500,000 – 999,999 7
- £1,000,000 plus 8

INCOME1

11 **Over the next two years, do you expect that your organisation's income is likely to:**

- Rise significantly 1
- Remain about the same 2
- Fall significantly 3

FUTRINC

12 **Approximately how many paid staff and volunteers does your organisation have?**

	Paid full time staff	Paid part time staff	Volunteers
0	<input type="checkbox"/> 1	<input type="checkbox"/> 1	<input type="checkbox"/> 1
1	<input type="checkbox"/> 2	<input type="checkbox"/> 2	<input type="checkbox"/> 2
2-5	<input type="checkbox"/> 3	<input type="checkbox"/> 3	<input type="checkbox"/> 3
6-10	<input type="checkbox"/> 4	<input type="checkbox"/> 4	<input type="checkbox"/> 4
11-25	<input type="checkbox"/> 5	<input type="checkbox"/> 5	<input type="checkbox"/> 5
26-50	<input type="checkbox"/> 6	<input type="checkbox"/> 6	<input type="checkbox"/> 6
51-100	<input type="checkbox"/> 7	<input type="checkbox"/> 7	<input type="checkbox"/> 7
101-250	<input type="checkbox"/> 8	<input type="checkbox"/> 8	<input type="checkbox"/> 8
251 plus	<input type="checkbox"/> 9	<input type="checkbox"/> 9	<input type="checkbox"/> 9

FULLTIME
PARTTIME
VOLTEER

13 **Do you provide training for:**

	In-house	External	Distance Learning
Staff (full time)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Staff (part time)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Volunteers	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Trustees	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
None of the above	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3

IHSFT
IHSPT
IHVOL
INHTR
INNONE

14 **Does your organisation have a training budget?**

Yes	<input type="checkbox"/> 1
No	<input type="checkbox"/> 2

ESFT, ESPT
EVOL, ETRS
ENONE

15 **Does your organisation need more training/ support in the following areas?**
(Please tick all that apply)

	High Priority	Low Priority	Not Needed
Managing staff/ volunteers	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Fund raising/ bidding	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Strategic management	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Financial management	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Business planning	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Training provision	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Marketing and publicity	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3
Tendering and commissioning process	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3

DLNONE
DLSFT, DLSPT
DLVOL, DLTRS
TRAINBUD
MSV
FRBID
STRATMAN
FIMAN
BUSPLAN
TRAINPRO
TENDCOM
OS1
OS2
OS3

Other skills (please specify)

16 **What kind of governing body does your organisation have?**

Board of Trustees (Directors)	<input type="checkbox"/> 1
Executive Management Committee	<input type="checkbox"/> 2
Non Executive Management Committee	<input type="checkbox"/> 3
Other (please define)	<input type="checkbox"/> 4

GOVERN
GOVERNOTH

17 **How many members does your governing body have?**

NOGOVS

18	<p>What is the <u>main</u> thing you do for your beneficiaries? (Please tick <u>one</u> only)</p> <p>Provide primary support services <input type="checkbox"/>1 <i>(e.g. providing accommodation, providing care services, providing training, CVS, BME etc.)</i></p> <p>Providing secondary support service <input type="checkbox"/>2 <i>(e.g. providing advocacy, providing advice and guidance)</i></p> <p>Provide tertiary support services <input type="checkbox"/>3 <i>(e.g. carry out research, carry out policy development, campaigning)</i></p> <p>An infrastructure organisation supporting the VCS <input type="checkbox"/>4</p> <p>Other (please state) <input type="checkbox"/>5</p>	MAINTSK
19	<p>Who are the <u>main</u> beneficiaries of your organisation? (Please tick all that apply.)</p> <p>All of the following <input type="checkbox"/>1</p> <p>Black and minority ethnic issues <input type="checkbox"/>2</p> <p>Migrant workers <input type="checkbox"/>3</p> <p>Asylum seekers <input type="checkbox"/>4</p> <p>Lesbian, gay or bisexual issues <input type="checkbox"/>5</p> <p>People with disabilities <input type="checkbox"/>6</p> <p>People with mental health problems <input type="checkbox"/>7</p> <p>People with learning difficulties <input type="checkbox"/>8</p> <p>Disadvantaged people in urban areas <input type="checkbox"/>9</p> <p>Disadvantaged people in rural areas <input type="checkbox"/>10</p> <p>Unemployed/workless people <input type="checkbox"/>11</p> <p>People with low skills/poor education <input type="checkbox"/>12</p> <p>Homeless/badly housed people <input type="checkbox"/>13</p> <p>Victims of violence/crime <input type="checkbox"/>14</p> <p>People with drug/alcohol addictions <input type="checkbox"/>15</p> <p>Children (under 16) <input type="checkbox"/>16</p> <p>Young people (16-24) <input type="checkbox"/>17</p> <p>Older people <input type="checkbox"/>18</p> <p>Families <input type="checkbox"/>19</p> <p>Women <input type="checkbox"/>20</p> <p>Men <input type="checkbox"/>21</p> <p>Ex-offenders <input type="checkbox"/>22</p> <p>The environment <input type="checkbox"/>23</p> <p>Other (please state) <input type="checkbox"/>24</p>	<p>BENFIT1 BENFIT2 BENFIT3 BENFIT4 BENFIT5</p> <p>BENFIT6 BENFIT7 BENFIT8 BENFIT9 BENFIT10</p> <p>BENFIT11 BENFIT12 BENFIT13 BENFIT14 BENFIT15</p> <p>BENFIT16 BENFIT17 BENFIT18 BENFIT19 BENFIT20</p> <p>BENFIT21 BENFIT22 BENFIT23 BENFIT24</p> <p>BENFITH1 BENFITH2 BENFITH3</p>

- 20 **What are the principal sources of funding for your work?**
(Please tick up to three)
- Local authority grant aid 1
 - Contract to deliver public sector services 2
(e.g. PCT, Social Services, Learning and Skills Council, Legal Services Commission, Service Level Agreement etc.)
 - Government regeneration programme (e.g. Sure Start) 3
 - Yorkshire Forwards Single Programme 4
 - Central government department (e.g. DEFRA) 5
 - European programme 6
 - Community Fund/Big Lottery Fund 7
 - Other lottery distributor 8
(Heritage Lottery Fund, Arts Lottery, New Opportunities Fund, Sports Lottery etc.)
 - Charitable trusts local or regional 9
 - Charitable trusts national 10
 - Earned income (e.g. from selling products or services) 11
 - Individual donations 12
 - Company sponsorship or donation 13
 - Other (please state) 14

MAINFNDG1
MAINFNDG2
MAINFNDG3

- 21 **How important are the following sources of funding for your work?**
(Please rank from 1 = most important to 6 = least important, use each number only once.)
- Gifts
 - Grants
 - Contribution in kind (room hire, photocopy etc)
 - Contracts/ Service Level Agreement (SLA)
 - Earned Income (e.g. shops, products, own services to other organisations)
 - Other (please state)

IMPGI
IMPGR
IMPCIK
IMPCSLA
IMPEI
IMPO1

- 22 **Approximately how much of your income is from selling services (earned income) and/or contracts to deliver services?**
- | | | | |
|-----------|----------------------------|------------|-----------------------------|
| 0 % | <input type="checkbox"/> 1 | 51 – 60 % | <input type="checkbox"/> 7 |
| 1 – 10 % | <input type="checkbox"/> 2 | 61 – 70 % | <input type="checkbox"/> 8 |
| 11 – 20 % | <input type="checkbox"/> 3 | 71 – 80 % | <input type="checkbox"/> 9 |
| 21 – 30 % | <input type="checkbox"/> 4 | 81 – 90 % | <input type="checkbox"/> 10 |
| 31 – 40 % | <input type="checkbox"/> 5 | 91 – 100 % | <input type="checkbox"/> 11 |
| 41 – 50 % | <input type="checkbox"/> 6 | | |

SELLSER

- 23 **What do you feel, in general, about the VCS role in the delivery of public services?** (e.g. delivering services on behalf of the public sector)
- They already play a large enough role 1
 - They should play more of a role 2
 - They should play less of a role 3

DPSS

24	Do you expect your organisation’s involvement in the delivery of public services in the next five years to...?	Increase <input type="checkbox"/> 1 Stay the same <input type="checkbox"/> 2 Reduce <input type="checkbox"/> 3 Not sure <input type="checkbox"/> 4	5YRDPS
25	Has your organisation been involved in procurement consortia and/ or partnership bidding?	Yes <input type="checkbox"/> 1 No <input type="checkbox"/> 2 We are considering this <input type="checkbox"/> 3	PCORPB
26	If ‘yes’ to Question 25 please briefly indicate your organisation’s views regarding this:		
27	Which of the following best describes your organisation’s position about tendering for public sector services? (Please tick one only)	We are not aware of these opportunities <input type="checkbox"/> 1 We are aware of these opportunities but feel they do not meet with our organisations core values <input type="checkbox"/> 2 We are aware of these opportunities but need more information <input type="checkbox"/> 3 We are interested in the option but would need extra support to do this <input type="checkbox"/> 4 We are interested in this option but feel there are barriers in the tendering process <input type="checkbox"/> 5 We are already bidding for public sector services <input type="checkbox"/> 6 We are already delivering public sector services <input type="checkbox"/> 7 Other (please state) <input type="checkbox"/> 8	TPSS TPSSO1 TPSSO2
28	Are you involved in any formal partnership agreements?	Yes <input type="checkbox"/> 1 No <input type="checkbox"/> 2	FORMPRT
29	If ‘yes’ to Question 28 please indicate which one(s)		
30	What is the expected life-span of your organisation?	Plan to close within the next 12 months <input type="checkbox"/> 1 Plan to close within 1 to 2 years <input type="checkbox"/> 2 Plan to close within 3 years <input type="checkbox"/> 3 Plan to be sustainable in the long-term <input type="checkbox"/> 4	LIFESPA

31 Over the next five years, what do you think is most likely to happen to your organisation?

	Increase significantly			Decrease significantly		
Income will increase/decrease	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	
Expenditure will increase/decrease	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	5YRI 5YRE
Number of paid staff will increase/decrease	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	5YRPS
Number of volunteers will increase/decrease	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	5YRVOL
Working in partnership will increase/decrease	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	
Contracts held will increase/decrease	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	5YRPART
Core services will increase/decrease	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	5YCONT
The need for our services will increase/decrease	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	5YRCORE
Statutory agencies expectations of our services will increase/decrease	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	5YRNEED
Funding from statutory bodies will increase/decrease	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	5YRSTATX 5YRSTAT
Ease of staff recruitment will increase/decrease	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	
Ease of trustee recruitment will increase/decrease	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	5YRSFREC
Ease of volunteer recruitment will increase/decrease	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	5YRTRSRC 5YRVOLRC

32 Are you actively considering any of these strategies to ensure that your beneficiaries are supported?

	Planning to do this	Achieving this now	
All strategies listed below	<input type="checkbox"/>	<input type="checkbox"/>	
Increasing earned income	<input type="checkbox"/>	<input type="checkbox"/>	ALLSTRAT
Increasing individual donations	<input type="checkbox"/>	<input type="checkbox"/>	EARNED
Changing your organisation's legal status	<input type="checkbox"/>	<input type="checkbox"/>	DONATION
Changing the way you run your services or activities	<input type="checkbox"/>	<input type="checkbox"/>	LEGSTATS
Merging with one or more similar organisations	<input type="checkbox"/>	<input type="checkbox"/>	CHANGE
Working more closely with another voluntary/ not-for-profit organisation	<input type="checkbox"/>	<input type="checkbox"/>	MERGE
Taking over a service or project from another Organisation	<input type="checkbox"/>	<input type="checkbox"/>	PARTNER
A public body taking over a service or project from you	<input type="checkbox"/>	<input type="checkbox"/>	TAKEOVER
			PUBSOVER
Other (please describe)	<input type="checkbox"/>	<input type="checkbox"/>	OTHSTR01 OTHSTR02

Please make any additional comments below:

NOTES