Manchester Community Central
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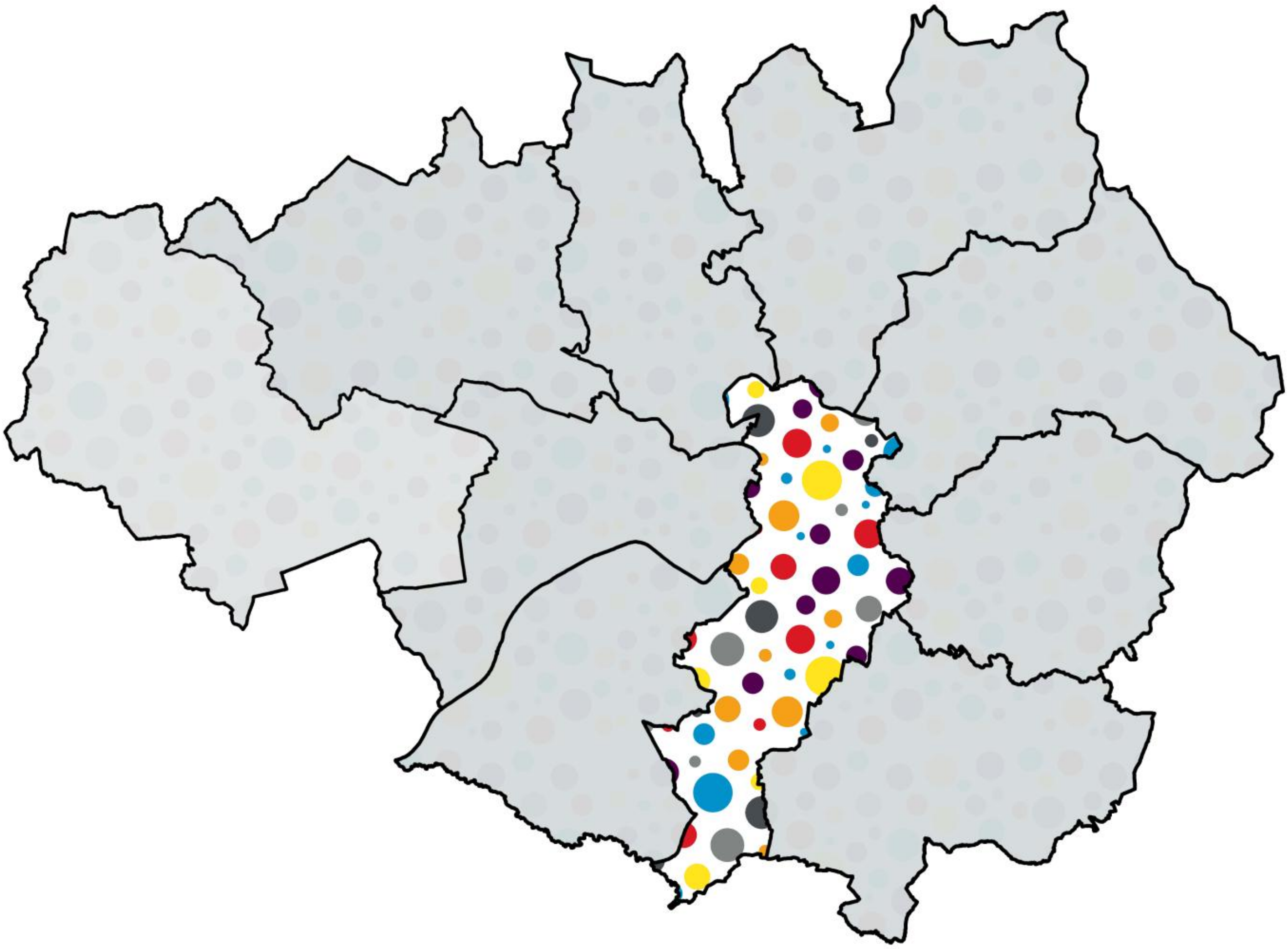
City of Manchester State of the Voluntary Sector 2013

A report on social and economic impact



Sheffield Hallam University

Centre for Regional Economic and Social Research

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Acknowledgements

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

In completing the report we are particularly grateful to members of the Research Steering Group[2] and the Manchester Community Central team for their support in developing and administering the survey and for their input into earlier drafts of the report. We are also grateful to the many employees and volunteers from across the voluntary sector who took the time to complete a questionnaire.

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

Definitions

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

Foreword

I am very proud to be able to present this survey which is the first of its kind for the city of Manchester. Before I go any further I would like to thank everyone who contributed to the survey and our neighbouring support and development organisations, particularly Salford CVS, for working in partnership to make this happen. It has been a long-held ambition of mine to be able to show the full extent of the enormous contribution which voluntary organisations, community groups, social enterprises and the community work of faith groups make to the city.

If there is one thing I hope this report will do, it is to change your perception of this sector.

Everyone knows about charities: the vast majority of people could probably name a dozen charities without having to think for too long. However, that vast majority of people would probably all name the same dozen or so charities: large national and international charities which do fantastic work but which tend to dominate public awareness. This report will show you the real scale of the sector.

A common story from people who work in this sector is someone asks you what you do for a living and when you say you work for a charity they assume that a) you work in a shop and b) you don’t get paid. This report will show you the real scale of employment and volunteering in the sector.

Why should all this matter? Consider the fact that every day our local and national media monitor the health of private sector: how are profits, what can we do to grow new businesses and support entrepreneurs? When we look at the latest figures on employment we assume this is really about the private sector and, to a lesser extent, the public sector. Overall the health of the private sector is taken as the symbol of the health of the economy. This report and the accompanying reports from the other areas of Greater Manchester will show you that there is an enormous part of our economy, sometimes called the “social sector”, which is often overlooked.

Like many of the major cities, Manchester is facing the combined effects of recession, public sector spending cuts and long standing deprivation in local communities. The results presented in this report show how the voluntary, community, faith and social enterprise sector is working to support people through these difficult times – and how much that support is at risk as pressures increase. The last Census results showed that Manchester is the fastest growing city in the UK with the scale and diversity of our population increasing rapidly. There is a massive opportunity to nurture and grow our sector and our social economy as a fundamental part of Manchester’s success.

Mike Wild
Chief Executive
Macc – Manchester’s local voluntary and community sector support organisation.

May 2013

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Executive Summary

The state of the voluntary sector in the city of Manchester: 12 key questions answered

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

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

In this executive summary we answer 12 key questions about the voluntary sector and its role across the city.

Q1. How many organisations are there?

There are an estimated **3,093 organisations** operating in the voluntary sector in the city of Manchester. This estimate includes formally registered organisations, such as charities, social enterprises and co-operatives, but it also includes a large number of 'below the radar' organisations that are not formally registered or incorporated. Overall, it is estimated that 64 per cent of organisations are micro (annual income under £10,000) in size, 17 per cent are small (annual income between £10,000 and £100,000), 13 per cent are medium sized (annual income between £100,000 and £1 million), and five per cent are large (annual income greater than £1 million).

Q2. Who benefits from their work?

It is estimated that the voluntary sector in city of Manchester made **7.7 million interventions with clients, users or beneficiaries** in the previous year.

The overall client group is diverse and wide ranging. 'Everyone' was listed as a main client group for 33 per cent of organisations. The following were also listed as a main client, user or beneficiary group for at least one in five organisations:

- young people aged 13 to 25 years (25 per cent)
- women (23 per cent)
- older people (21 per cent)
- Black and Minority Ethnic communities (20 per cent).

The majority of organisations had a local focus: 40 per cent identified particular city of Manchester neighbourhoods or communities as their highest main geographic focus and a further 17 per cent stated the whole local authority was their highest main geographic focus.

Q3. What does the voluntary sector in the city of Manchester do?

The voluntary sector in the city of Manchester works across **a diverse range of thematic service areas**. However, the proportion of responding organisations working in each area varies. This most likely reflects local needs and funding opportunities.

More than a fifth of organisations worked in each of the following four areas:

- community development (43 per cent)
- health and well-being (40 per cent)
- education, training and research (36 per cent)
- and arts, heritage and culture (21 per cent).

Q4. How much is the voluntary sector in the city of Manchester worth?

The total income of the voluntary sector in the city was an estimated **£477 million in 2011/12 but year-on-year reductions in income have been identified.** It represents a reduction of two per cent compared to 2010/11 and follows a larger reduction between 2009/10 and 2010/11 when the total income of the voluntary sector reduced by an estimated five per cent, from £508 million to £484 million.

The majority of income is concentrated in large and medium sized organisations even though the majority of organisations are micro or small. Micro and small organisations account for more than four fifths of organisations in the voluntary sector but less than ten per cent of total income. By contrast medium and large organisations account for less than a fifth the sector's organisations but receive more than 90 per cent of its income. Income is concentrated particularly heavily in the largest organisations, with more than two thirds of all income (69 per cent) into the sector received by 168 organisations.

It is estimated paid staff and volunteers working within the voluntary sector in city of Manchester contribute equivalent to £721.8 million worth of 'Gross Value Added' GVA to the economy; this is comparable to 1.5 per cent of the value of Greater Manchester's GVA[3].

Q5. Where does the voluntary sector in the city of Manchester receive its funding from?

Public sector sources

66 per cent of respondents reported having at least one source of public sector funds. The three most frequently public sector funding sources were:

- Manchester City Council (36 per cent)
- national Government Departments (eight per cent)
- other public sector bodies (eight per cent).

Collectively, only 7 per cent of respondents received funding from NHS Manchester.

Other sources

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

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

- fundraising (29 per cent of respondents)
- grants from charitable trusts and foundations (24 per cent)
- charging for goods and services (18 per cent)
- grants from National Lottery distributors (17 per cent).

Q6. How sustainable is the voluntary sector in city of Manchester?

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

- 47 per cent of respondents reported increasing their expenditure but only 38 per cent had experienced an increase in income
- 38 per cent of respondents reported a decrease in income but only 26 per cent reduced their expenditure
- 35 per cent reported a reduction in their financial reserves compared to only 26 per cent reporting an increase.

This means that a significant number of organisations have spent more money than they received in the past 12 months: **30 per cent of respondents provided an expenditure figure for 2011/12 that was greater than their income.** This could be indicative of a longer term trend in response to the economic downturn and subsequent reductions in the voluntary sector's income. In light of this trend it seems likely that the sustainability of a significant number of organisations could be under threat.

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

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

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

Q7. Who works in the voluntary sector and what do they do?

Paid Staff

The voluntary sector in city of Manchester employed an estimated **12,400 full-time equivalent (FTE)[4] paid staff in 2012/13**. This was 53 per cent of the estimated total number of FTE paid staff working within the sector in Greater Manchester.

It is estimated that paid employees of city of Manchester organisations contribute equivalent to £390.0 million worth of GVA to the economy per annum; this represents 0.8 per cent of Greater Manchester's GVA.

[4] FTEs are calculated on the basis that one worker in one paid full time job for a year would be one FTE and if that person worked half time they would be 0.5 FTE.

Seventy per cent of FTE paid staff were employed in large organisations with an income of at least one million pounds. In comparison the 2,520 micro and small organisations employed just four per cent of FTE paid staff.

Volunteers

In 2012/13, an estimated **94,300 volunteers** were part of the voluntary sector workforce in city of Manchester, contributing an estimated **370,400 hours** of their own time per week.

It is estimated that volunteers in city of Manchester organisations contribute equivalent to £331.8 million worth of GVA to the economy per annum[5].

Assessment of the breakdown of volunteers by job role reveals:

- 20 per cent of volunteers were in management roles, including committee/board members
- 9 per cent of volunteers were in administrative roles
- 68 per cent of volunteers were in roles delivering services.

Work placements

An estimated **700 FTE work placements** contributed to the voluntary sector's workforce in 2012/13.

Q8. How good are relationships with local public sector bodies?

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

- Manchester City Council: 82 per cent had some dealings with the Council
- NHS Manchester (the Primary Care Trust): 46 per cent had some dealings with NHS Manchester
- Manchester University: 58 per cent had some dealings with the University.

This highlights the importance of the City Council, NHS Manchester, and the University to the voluntary sector's work. The relationship between the voluntary sector and its local public sector partners is therefore crucial to its ability to operate effectively. To this end survey respondents were asked about the quality and effectiveness of their relationships with key public sector bodies. Responses to these questions followed a clear trend in which **the voluntary sector's experiences of working with Manchester City Council were broadly similar** to that of working with other local public sector bodies. 44 per cent of respondents felt Manchester City Council was a positive influence on their success compared to 43 per cent for their most frequent other public sector contact.

Q9. How well does the voluntary sector work with commercial businesses?

The relationship between the voluntary sector and commercial businesses is likely to increase in importance over the next few years as funding from public, charitable and philanthropic sources becomes less readily available. However, the survey evidence suggests there is some way to go: less than quarter of survey respondents had frequent direct dealings with local commercial businesses and similar proportions were positive about their relationship with the commercial sector. Overall, **only 26 per cent of respondents felt that the commercial business community in Manchester was a positive influence on their organisation's success** - this is

[5] Please note the Gross Value Added of volunteers is not currently included with official reporting.

18 percentage points less than the City Council and 17 percentage points less than other public sector bodies.

Q10. How well does the voluntary sector work together?

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

Q11. Does the voluntary sector get the support it needs?

Survey respondents were asked if their organisation currently received support from a list of named local support and development organisations based in the Manchester area[6]. Manchester Community Central/Macc (70 per cent) and GMCVO (40 per cent) provided support to the highest proportion of survey respondents. Other organisations provided support to far fewer organisations but this is likely to be a function of the fact that they were not city wide and tended to support groups within defined local areas (i.e. wards or neighbourhoods) or those working with specific beneficiary groups (i.e. faith based).

Survey respondents were also asked how satisfied they were with the support available from these local support and development organisations. Overall, **54 per cent of organisations were satisfied with the support available from local support and development organisations** in Manchester. Of the organisations that had received support 70 per cent were satisfied. These findings provide an important endorsement for the work that these organisations do to provide help, advice and support across the voluntary sector in Manchester.

Q.12. What are the key challenges facing the voluntary sector in Manchester?

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

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

[6] The options were: Manchester Alliance for Community Care, Manchester Community Central, Manchester Council for Community relations, Manchester BME Network, Voluntary Youth Manchester, Learning Skills and Employment Network, Manchester Environmental Resource Centre, Faith Network 4 Manchester, Third Sector Essentials, Community Accountancy Service, GMCVO

Introduction

1

The voluntary sector plays an important part in the life of the city of Manchester: it is estimated that 3,093 organisations are working every day to improve the lives of local people and communities through a wide range of services. They are supported by a large workforce of paid staff and unpaid volunteers and provide advice, help, support and resources in areas often missed out by mainstream public and private sector provision.

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

The study had two main objectives:

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

The research involved a large postal survey of organisations based in and supporting the people and communities of the city of Manchester. A web based version of the survey was also distributed. At least partial responses were received from 315 of the 2,044 organisations that were sent a survey questionnaire: this represents an **overall response rate of 15 per cent**. For certain questions the analysis also draws on the responses of 25 organisations that operate Greater Manchester wide but deliver a proportion of their activity in the city of Manchester. These respondents participated in a web based questionnaire administered by Greater Manchester Centre for Voluntary Organisation (GMCVO).

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

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

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

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

When reading the report it is important to acknowledge two key points. First, the results reported are based on the survey responses received. Therefore it is possible that if a different sample of organisations had taken part in the survey different results may have emerged. It is estimated that the results reported are within +/- 5.0 percentage points of the true value.

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

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

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

Context for the Research

2

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

Since 2010 the major parties have continued to see the voluntary sector playing an important and expanding role in the social and economic development of the country, including in delivering public services and engaging citizens and communities. The current coalition Government has voiced its support for the sector through its vision for a Big Society and policy initiatives such as the Localism Act (2011), Public Services (Social Value) Act (2012) and Giving Green and White Papers (2010 and 2011). Within these proposals there has been much greater emphasis on citizen-led social action and investment in programmes such as the National Citizen Service and Community Organisers that reflect new Government priorities. Although there have been fewer national sector-wide programmes some of the policy trends developed by the previous Government have continued to receive support: this includes encouragement for the voluntary sector's involvement in public service delivery and support for 'social investment' funding (i.e. loans and other equity models), based on the assumption that this will help the voluntary sector develop more sustainable market-based business models.

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

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

cent between 2000/01 and 2007/08, and overall, it accounted for 36 per cent of the voluntary sector's funding in 2007/08.

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

The city of Manchester faces particular local challenges. As the 2011 State of the City report[11] showed, life expectancy in Manchester continues to lag behind the national average. Boys born in Manchester can expect to live 4.5 years less than the national average and girls 3.5 years less. Although this is an improvement on recent years, it remains an indication of the high levels of multiple deprivation in some of the city’s communities. The cuts to local government spending have hit Manchester particularly hard enforcing budget cuts on key service areas such as social care. Manchester City Council has made effort not to cut the overall level of funding to the voluntary sector disproportionately and this has mitigated the potential funding ‘cliff edge’ which local voluntary organisations feared in March 2011. In fact, one paradoxical consequence has been that the staff changes within the City Council have in some cases delayed plans to review and cease / reduce funding to voluntary organisations. This slowing down of the anticipated impact has provided valuable breathing space for some organisations to conduct their own restructuring or find alternative resources while others have survived on a combination of extended funding arrangements and use of reserves in order to meet the increased demand for services.

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

[10] On the prospects for grants see for example Macmillan, R. (2007). 'Understanding the idea of ‘grant dependency’ in the voluntary and community sector'. *People, Place & Policy Online*, 1 (1): 30-38.
On the prospects for giving and philanthropy see for example Pharoah, C. (2011a). *Charity Market Monitor 2011*. London: CaritasData, and, Pharoah, C. (2011b). 'Private giving and philanthropy – their place in the Big Society'. *People, Place & Policy Online*, 5(2): 65-75.
[11] http://www.manchesterpartnership.org.uk/downloads/download/5/state_of_the_city_report_2011

3

The Anatomy of the Voluntary Sector in the City of Manchester

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

This chapter considers seven questions in turn:

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

3.1. How many organisations are there in the voluntary sector in city of Manchester?

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

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

- a sample of **2,044** organisations compiled from information held on Manchester Community Central's database

- official Cabinet Office figures indicate that the total number of registered organisations in the voluntary sector in the city is **1,267**[12]
- research by NCVO and the University of Southampton[13] which found that on average there are 3.66 BTR organisations per 1,000 population. If this figure is applied to the city of Manchester[14], it can be estimated that there are **1,826** BTR organisations in the City.

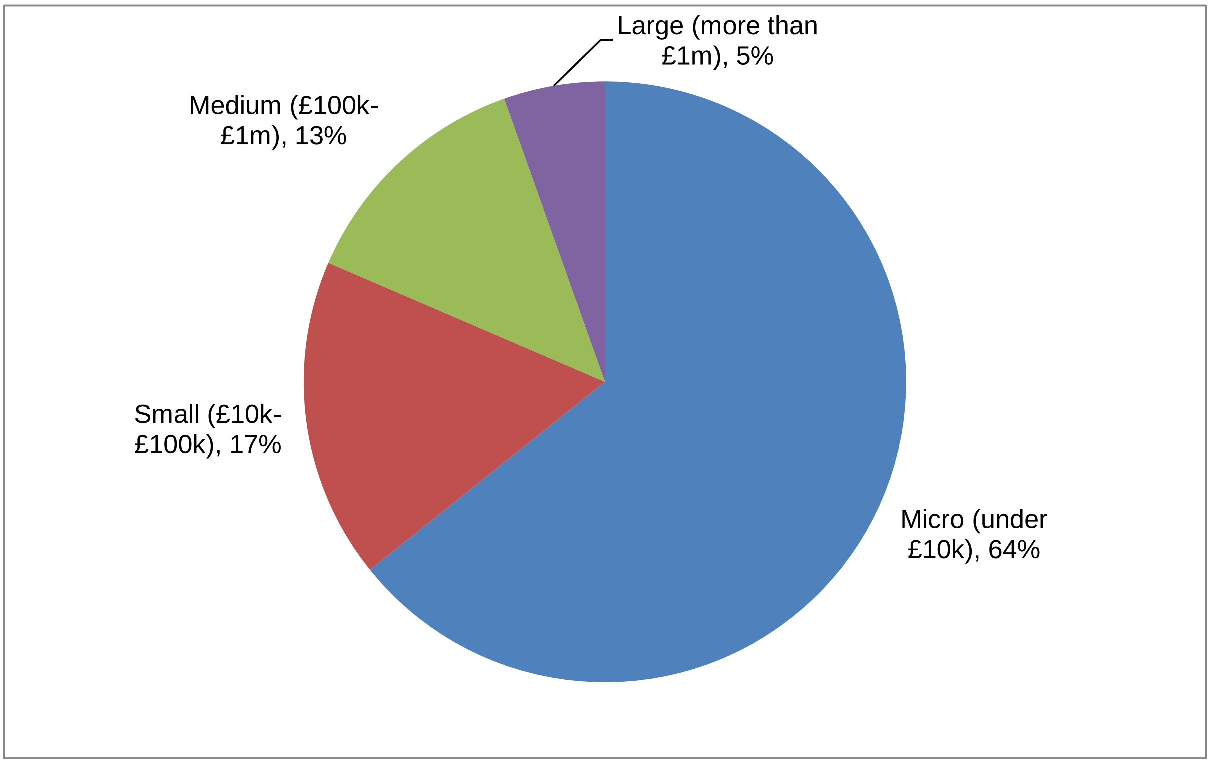
Summing the official Cabinet Office figures and BTR[15] estimates produces an estimated figure of **3,093** for the total number of organisations operating in the voluntary sector in the city of Manchester. In addition to voluntary organisations based in the city of Manchester, there are a number of organisations based elsewhere in Greater Manchester providing services to people in the City. Based on responses to surveys undertaken in other areas as part of this study, it is estimated that there are at least **73 of these organisations**.

3.2. What size are organisations in the city of Manchester?

The size of organisations is traditionally measured using their annual income[16]. When the distribution of voluntary organisations in the city of Manchester was explored by size category based on income for 2011/12, it showed that **the majority of organisations were either micro or small**. But the survey was under-representative of BTR organisations (only 36 per cent of survey respondents were identified as BTR), so this did not present an accurate picture of the actual distribution. The figures were therefore adjusted based on the assumption that the estimated 1,049 organisations not included in the survey sample were BTR and micro in size[17]. The outcome of this process is shown in figure 3.1, which demonstrates that 64 per cent of the sector (an estimated 1,987 organisations) are micro in size, 17 per cent are small (533 organisations), 13 per cent are medium (405 organisations), and five per cent are large (168 organisations). This is consistent with the trend across Greater Manchester.

[12] This estimate was calculated as part of the 'National Survey of Charities and Social Enterprises' undertaken by Ipsos MORI for Cabinet Office in 2010
[13] Mohan, J et al (2010). *Beyond 'flat-earth' maps of the third sector: enhancing our understanding of the contribution of 'below-the-radar' organisations*. Northern Rock Foundation Briefing Paper
[14] Based on Office for National Statistics 2010 population estimates
[15] It is important to note that the BTR figure is an estimate based on an average across 46 local authorities. The BTR research found significant variability, with some local authorities reaching over seven BTR organisations per 1,000 population, and in one case exceeding 10.
[16] In exploring organisation size we used the categories developed by NCVO for use in their Almanac series (see e.g. Clark, J *et al*., 2010)
[17] The basis for these assumptions is discussed in more detail in the methodological annex

Figure 3.1: Proportion and number of city of Manchester voluntary organisations by organisation size.



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 207

Introducing the BTR figure produces a much higher estimate for the number and proportion of micro organisations and emphasises the finding that **a very large proportion of organisations in the sector in the city are very small**. This is consistent with national trends: NCVO[18] estimate that 85 per cent of the sector is made up of micro or small organisations, 12 per cent are medium, and three per cent are large.

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

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

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

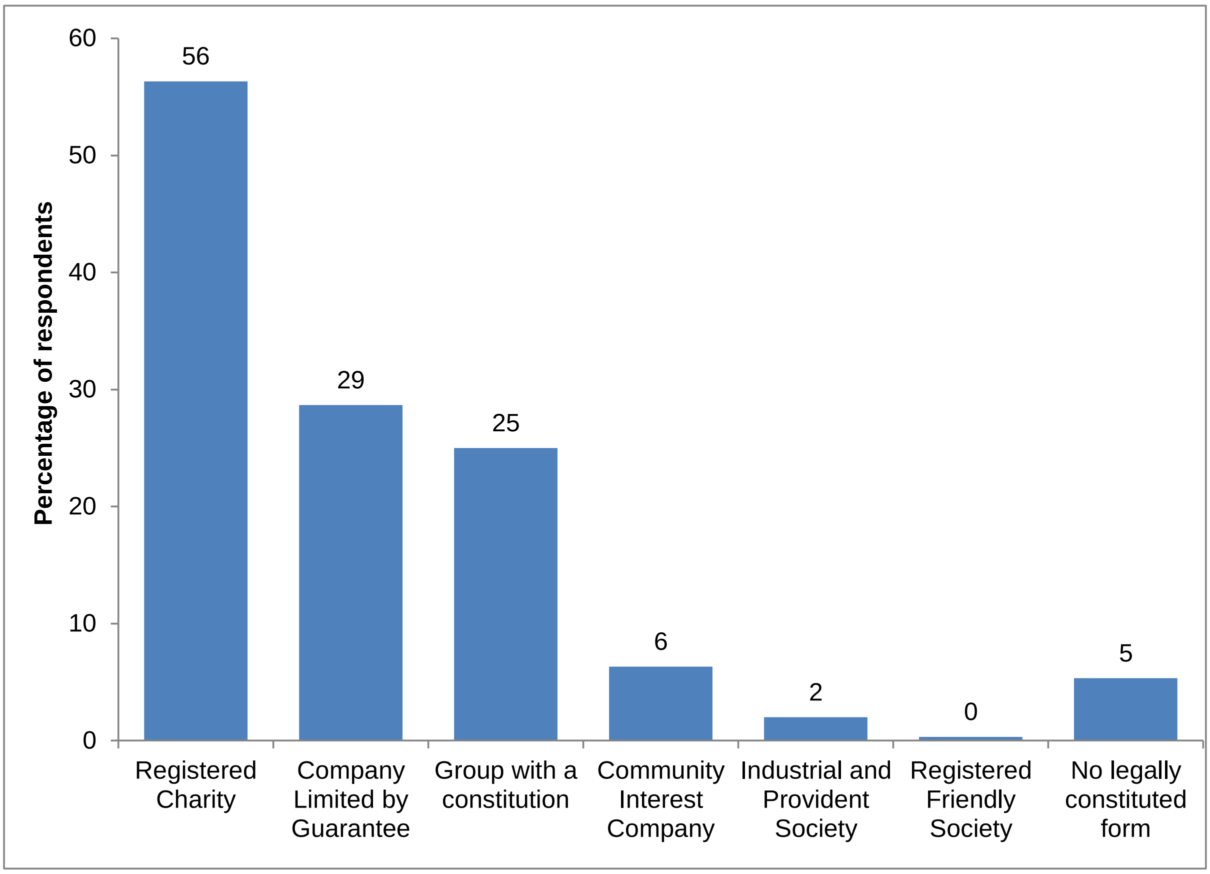
- 29 per cent of organisations were companies limited by guarantee
- 25 per cent were a group with a constitution, but not registered charities
- five per cent of organisations responding to the survey had no legally constituted form
- separate to identifying their legal status the majority of respondents, **56 per cent, identified that their organisation was a registered charity.**

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

Across Greater Manchester it was estimated:

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

Figure 3.2: The legal status of organisations

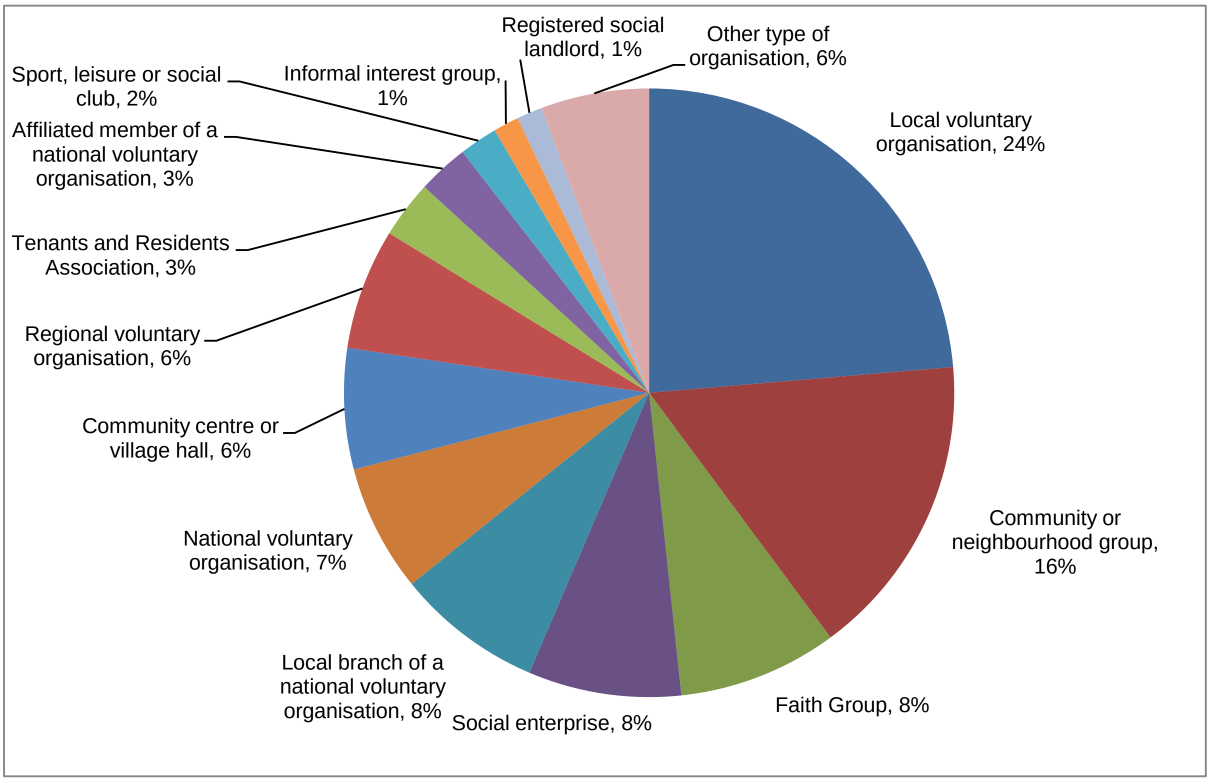


Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 300

In the second question respondents were asked to identify which category from a list of 'organisation types' best described their organisation. The results indicate that many organisations in the voluntary sector are likely to have a local focus; a theme developed later in this chapter. Figure 3.3 shows that the largest proportion, **24 per cent, identified their organisation as being a local voluntary organisation**. The next most common type were community or neighbourhood groups (16 per cent). National organisations were less common: just 15 per cent of organisations were either a national voluntary organisation (seven per cent) or a branch of a national voluntary organisation (eight per cent).

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

Figure 3.3: Type of organisations



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 296

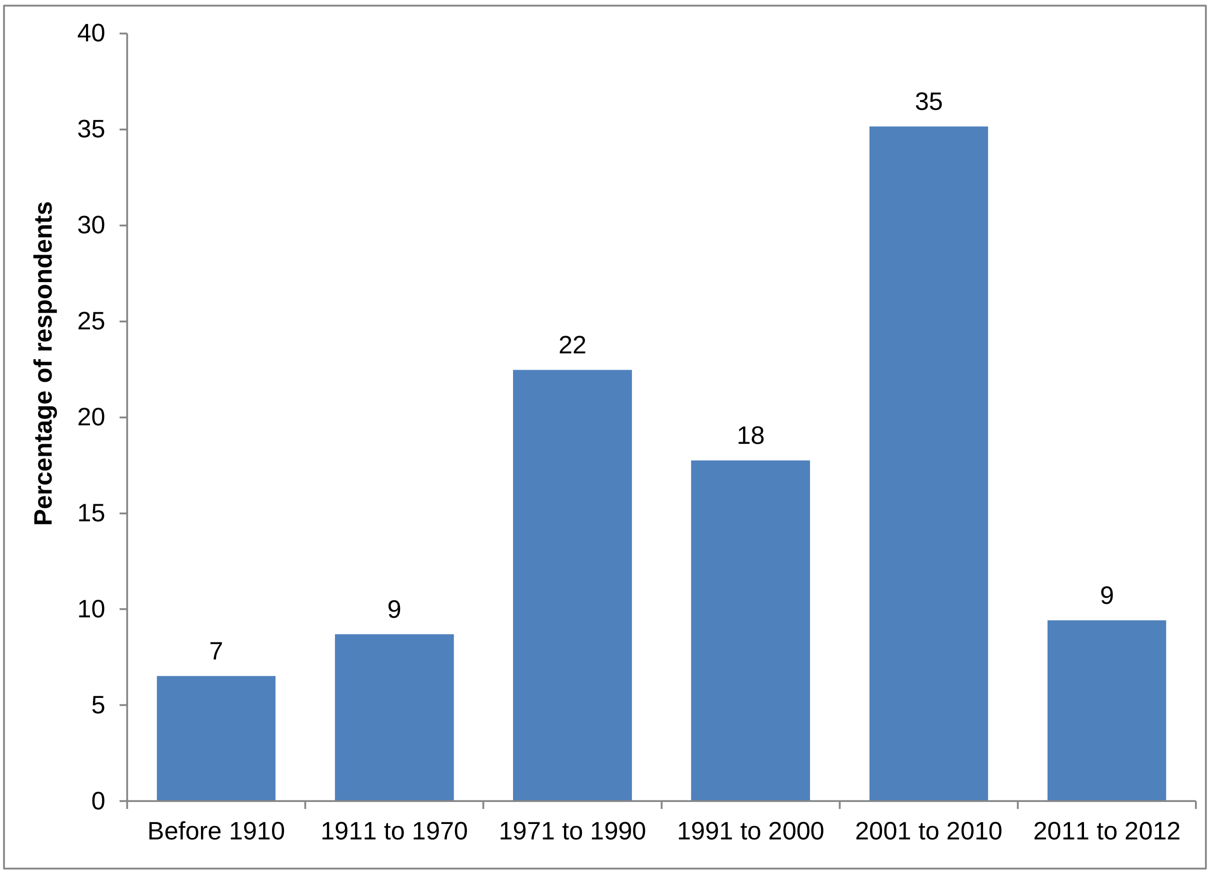
3.4. How long have organisations in the voluntary sector been operating?

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

The responses received build a picture of a sector that has a fairly well established core. However, the voluntary sector in the city of Manchester has also seen the formation of many new organisations since 2001. Figure 3.4 shows that 44 per cent of organisations responding to the survey had been formed since 2001, including 38 per cent in the past ten years (i.e. since 2003). Furthermore, an additional 18 per cent were formed between 1991 and 2000; this means **62 per cent of organisations were formed in the previous 22 years.** This suggests that there has been considerable growth to the sector over more recent years. At the other end of the spectrum 15 per cent of organisations had been formed before 1971, including seven per cent formed in 1910 or before.

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

Figure 3.4: Year in which organisations were formed



Source: Manchester State of the Voluntary Sector survey 2012/13
Base: 276

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

3.5. What does the voluntary sector in the city of Manchester do?

To elicit a picture of what the voluntary sector in the city of Manchester does the survey asked respondents to identify up to three main areas in which their organisation operates. Figure 3.5 presents the results to this question and confirms the message that the sector in the city of Manchester worked in a diverse range of thematic service areas. However, the proportion of responding organisations working in each area varies. This is most likely dependent on need and funding opportunities.

Figure 3.5 shows more than a fifth of organisations worked in each of the following four areas:

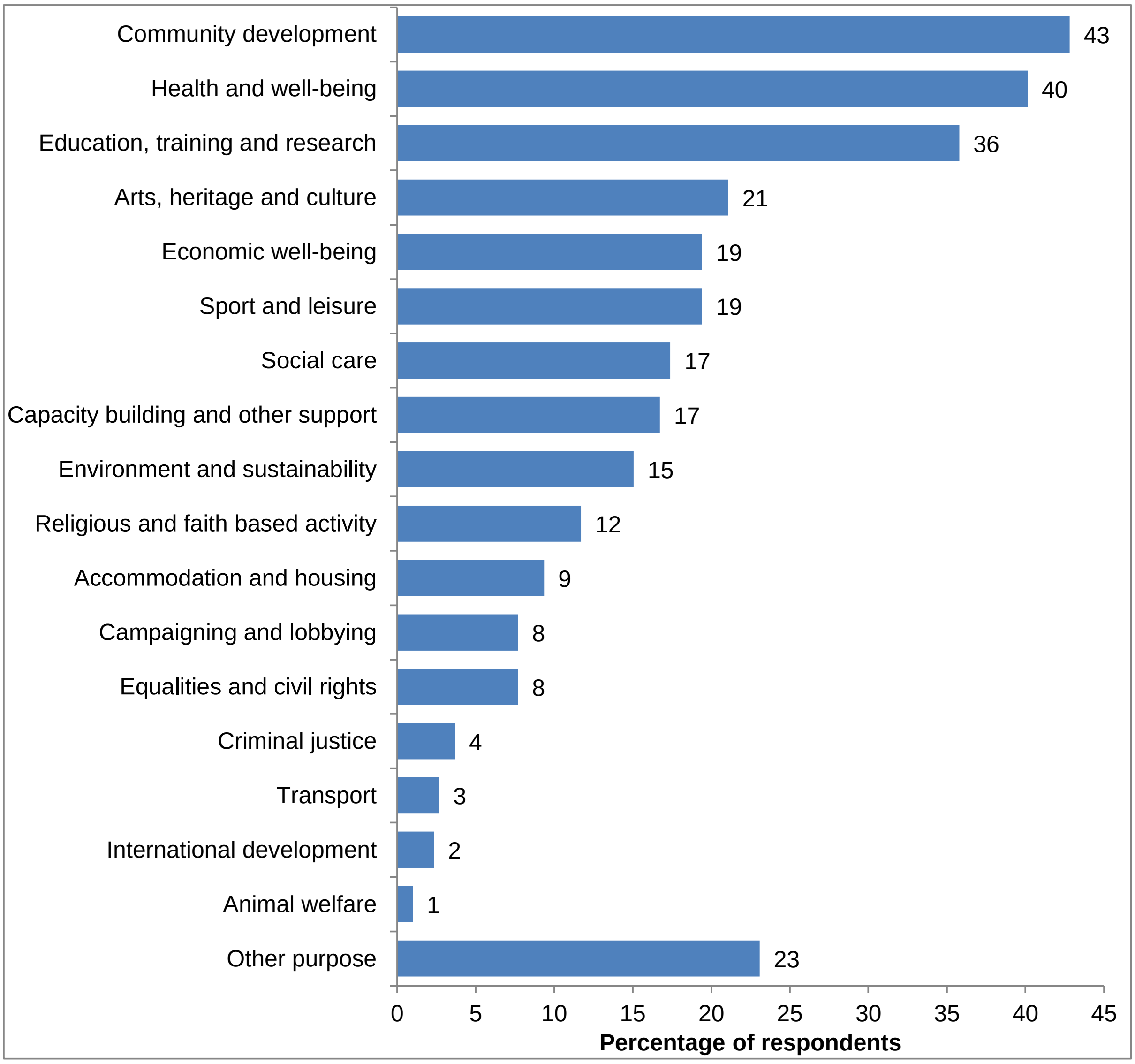
- community development (43 per cent)
- health and well-being (40 per cent)

- education, training and research (36 per cent)
- arts, heritage and culture (21 per cent).

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

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

Figure 3.5: Main areas in which organisations work



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 299

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

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

Summing across the 214 organisations that responded gives a total of 862,000 interventions. The responses received can be extrapolated for the estimated 3,093 organisations thought to be operating in the voluntary sector in city of Manchester to provide an estimate of the total number of interventions by city of Manchester organisations. Working through the calculation it is estimated that **city of Manchester organisations had 7.7 million interventions with clients, users or beneficiaries** in the past year.

The questionnaire also asked respondents to identify up to three groups that make up the main clients, users or beneficiaries of their organisation. Figure 3.6 shows that, as might be expected, the voluntary sector in the city of Manchester served a diverse and wide ranging client group. In many cases, client groups were served by relatively small numbers of organisations: ten per cent of organisations or fewer served 12 of the client groups listed.

Figure 3.6 shows a third of organisations identify 'everyone' as a main client, user or beneficiary group. The specific client groups served by the largest proportions of organisations can be broadly characterised as being demographic: age - children (19 per cent), young people (25 per cent), and older people (21 per cent) - and gender - women (23 per cent) and men (19 per cent).

The relatively high proportion of organisations supporting children and young people may represent a temporary situation before the effects of public spending cuts cascade down into funding for voluntary sector organisations: it will be interesting to monitor how the proportion of organisations who work mainly with children and young people changes with reductions in funding in this area.

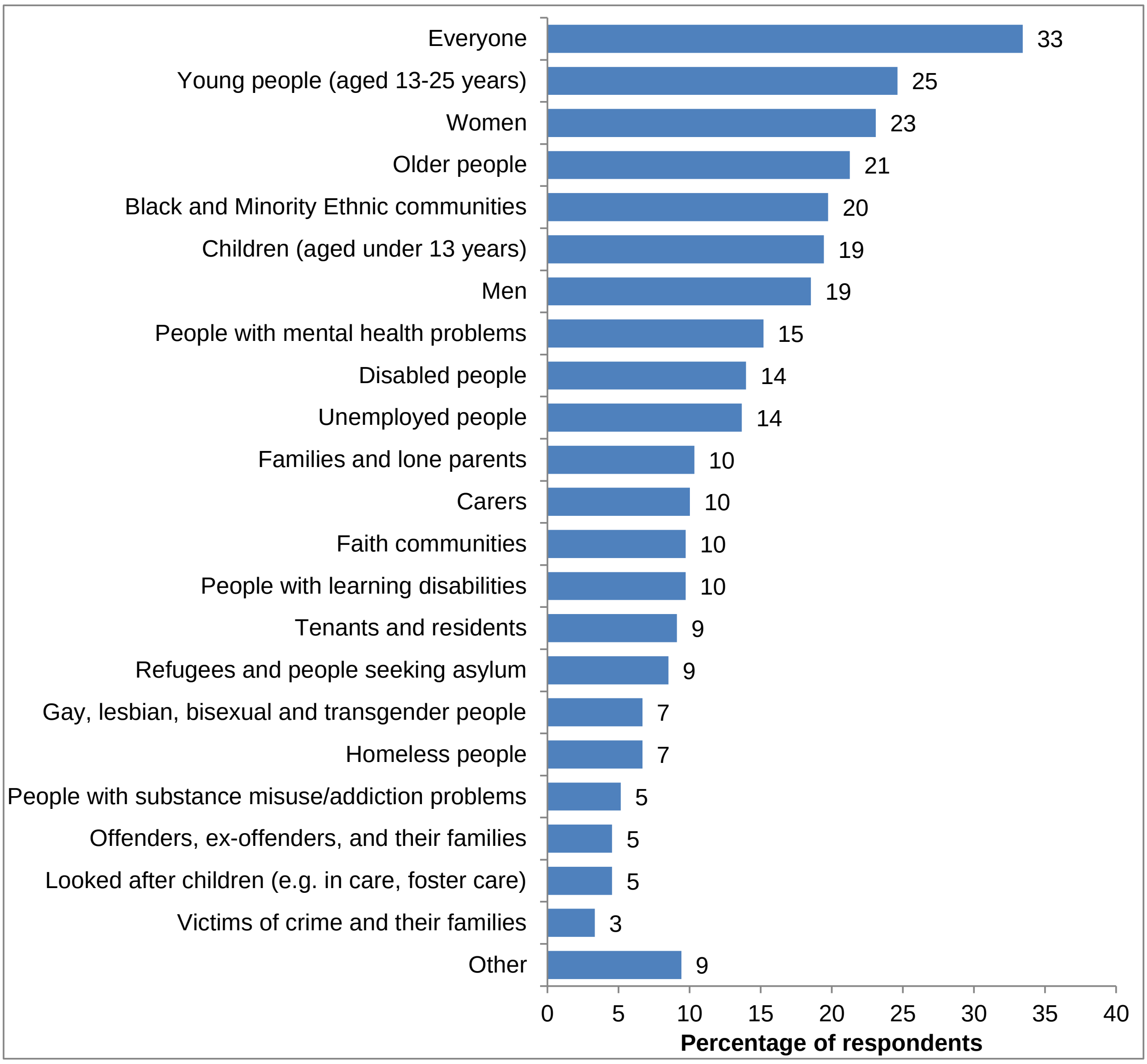
Notably a fifth of organisations in the city of Manchester identified BME communities as a main client, user or beneficiary group.

Individuals with health issues were also served by relatively high proportions of organisations. People with mental health problems and disabled people were a main client, user or beneficiary group for 15 per cent and 14 per cent of organisations respectively.

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

- everyone: 31 per cent
- women: 26 per cent
- young people (aged 13-25 years): 24 per cent
- men: 23 per cent
- older people: 23 per cent.

Figure 3.6: Main client groups of city of Manchester organisations



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 329

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

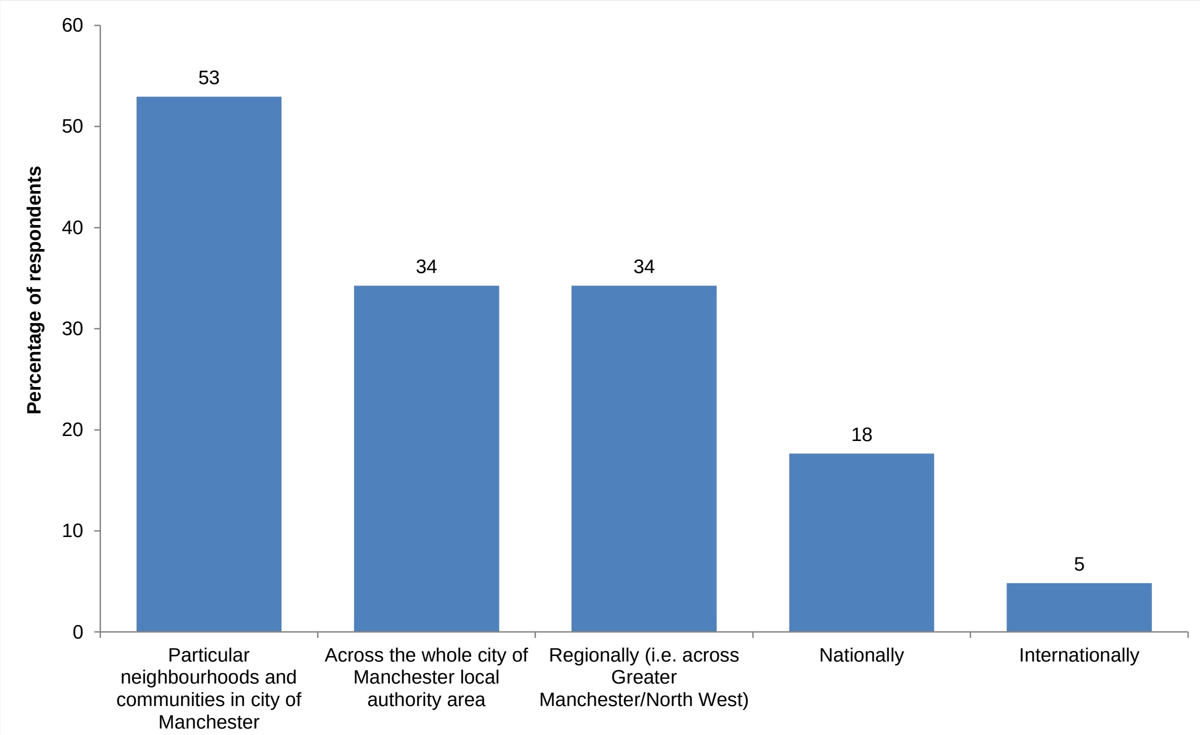
The survey asked respondents to identify the main geographical levels at which they operated – this ranged from the neighbourhood level, to those operating across England, the UK or overseas. In this question respondents were asked to pick out up to three main geographic levels, the results of which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

- over half (53 per cent) identified particular city of Manchester neighbourhoods or communities were a main focus
- 34 per cent identified the whole of the city of Manchester local authority area as a main focus of their work.

Compared with other local authoritues within Greater Manchester high proportions of organisations cited that a main geographic area at which they worked was either national (18 per cent) or international (five per cent).

Across all Greater Manchester organisations 57 per cent identified particular neighbourhoods and communities as a main geographic focus. The percentage of organisations who said they worked nationally and internationally was lower across Greater Manchester as a whole: 11 per cent and four per cent respectively.

Figure 3.7: Main geographic focus



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 289

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

- for 40 per cent of organisations their highest main geographic focus was particular city of Manchester neighbourhoods or communities
- for 17 per cent of organisations their highest main geographic focus was the city of Manchester LA area
- for 24 per cent of organisations their highest main geographic focus was the region
- for 14 per cent of organisations their highest main geographic focus was the nation as a whole
- and for five per cent of organisations their highest main geographic focus was international.

Comparing this breakdown with that for organisations across all of Greater Manchester identifies a similar trend. However the distribution in the city of Manchester is more skewed towards nationally and internationally focused organisations.

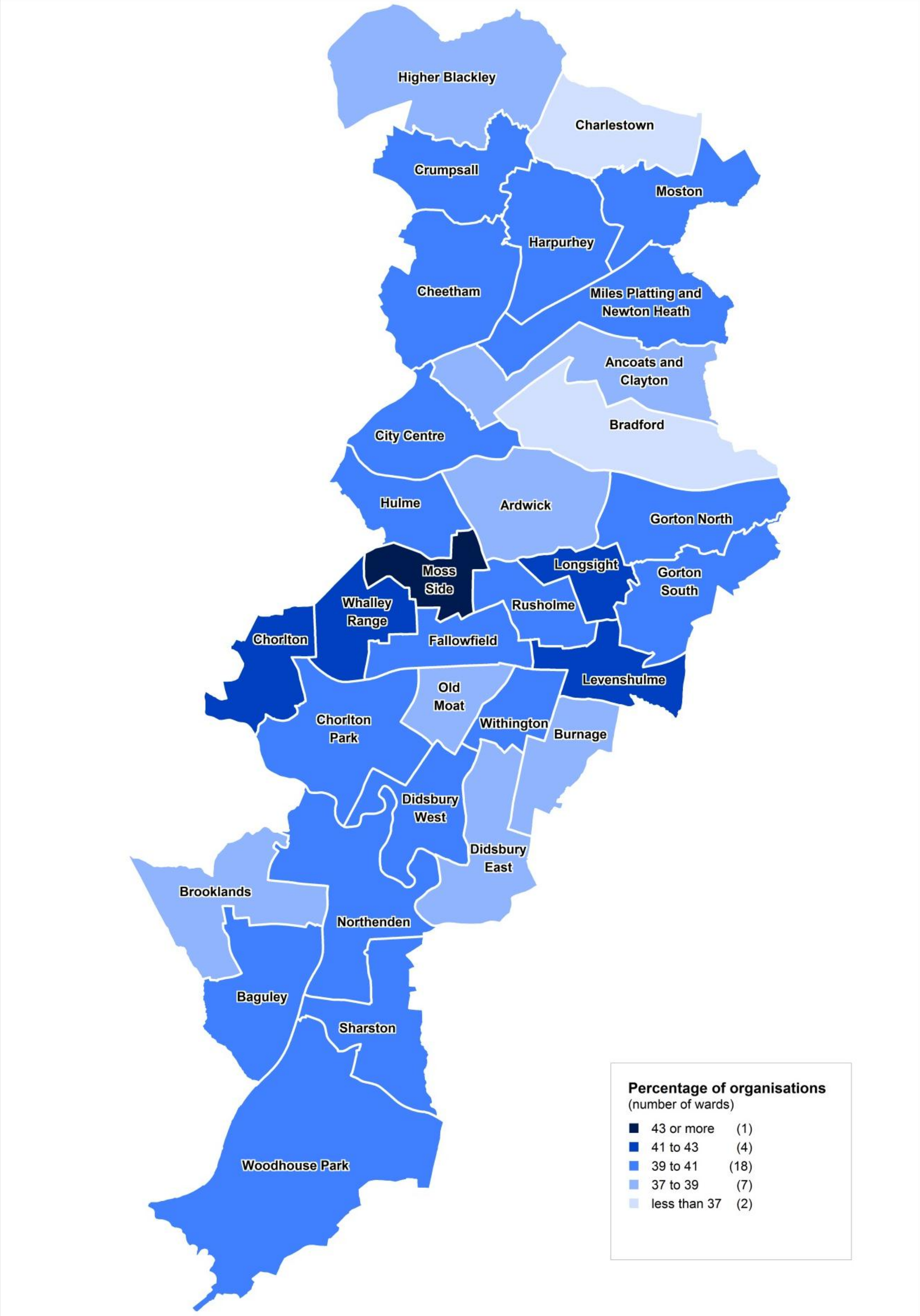
Respondents who reported that the whole city of Manchester local authority area or particular city of Manchester neighbourhoods or communities are a main geographic focus of their organisation were asked to identify in which wards their work was focused. Map 3.1 shows the percentage of all organisations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

Moss Side has the highest proportion - largest number - of city of Manchester organisations that identified it as a main focus of their work: 43 per cent. In addition 41 per cent of city of Manchester organisations identified Chorlton, Longsight, Whalley Range and Levenshulme as a main focus.

The two wards which are a main focus for the lowest proportions - least numbers - of city of Manchester organisations were:

- Bradford (36 per cent)
- Charlestown (37 per cent).

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



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 289

4

Finances and Income

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

4.1. Income

Based on the average (mean) income of respondents to the survey across Greater Manchester, and drawing on the assumptions used to estimate the total number of organisations in the city of Manchester, it is estimated that **the total income of the voluntary sector in the city was almost £477 million in 2011/12**[19] - around 48 per cent of the total income of the voluntary sector in Greater Manchester. However, **year-on-year reductions in income have been identified**: it represents a reduction of two per cent compared to 2010/11 and follows a larger reduction between 2009/10 and 2010/11 when the total income of the sector reduced by an estimated five per cent, from £508 million to £484 million. This data is outlined in more detail in table 4.1.

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

	Total Income	% Change
2009/10	£508m	
2010/11	£484m	-5
2011/12	£477m	-2

Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 207
All figures are in 2011/12 prices

This decline in income between 2009/10 and 2011/12 needs to be considered in the context of national trends discussed in chapter 2. Although there are no figures for the city during the 2000/01-2007/08 period, nationally the voluntary sector's income grew by an average of five per cent a year over these six years[20]. If it is assumed that

[19] This figure is based on a weighted average (mean) for each size category for respondents from across Greater Manchester. The methodology is explained in more detail in the methodological appendix.
[20] See Clark, J *et al.,* (2010)

the voluntary sector in the city developed at a similar rate during this period, then **the decline in income last three represents the first long term economic contraction in the sector in at least 10 years**. This is likely to be an indication of the effect of the economic downturn of the past few years which, as discussed in chapter 2 is likely to have led to a reduction in income from the public sector sources, from charitable donations, and independent funders. **This trend seems likely to continue**, as further large reductions in public sector spending are expected over the next few years and the economy continues to falter.

When the voluntary sector's income is explored in more detail it shows significant variations according to organisation size[21]. In 2011/12, the majority of income was concentrated in large and medium sized organisations even though the majority of organisations were micro or small. This is outlined in more detail in figure 4.1.

Figure 4.1: Proportion of voluntary organisations in the city of Manchester and proportion of income by organisation size (2011/12)

Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 207

This shows that **micro and small organisations account for more than four fifths of organisations in the voluntary sector but less than ten per cent of total income**. By contrast medium and large organisations account for less than a fifth of the voluntary sector's organisations but receive more than 90 per cent of its income. Income is concentrated particularly heavily in the largest organisations, with more than two thirds of all income (69 per cent) into the voluntary sector received by 168 organisations.

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

Analysis of income data from survey respondents from across Greater Manchester[22] identified further variations according to organisation size when we explored how income levels had changed between 2009/10 and 2011/12. These are summarised in table 4.2.

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

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

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

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

4.2. Sources of Income

4.2.1. Public sector income

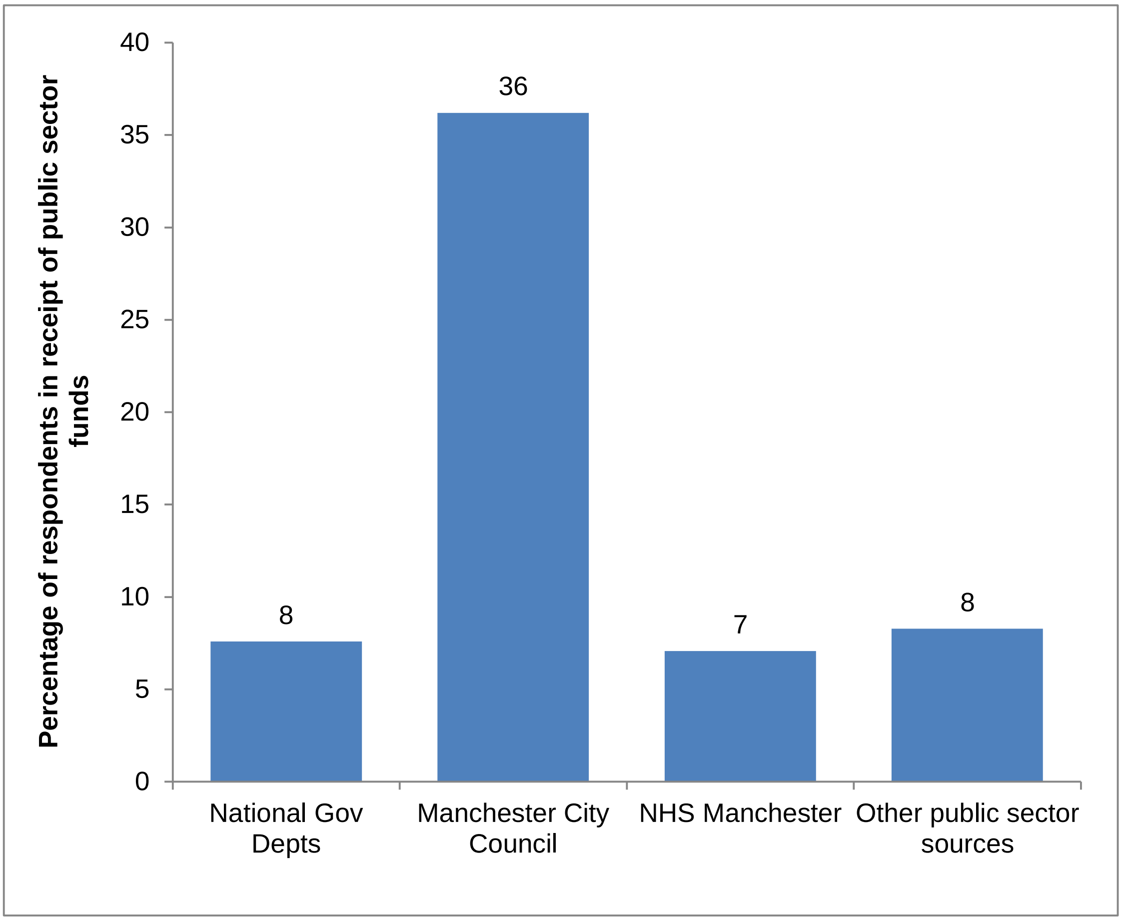
Survey respondents were asked to identify the public sector bodies from which they received funding in 2011/12. Overall, **66 per cent of respondents reported having at least one source of public sector funds**. The results are outlined in figure 4.2.

This shows that **Manchester City Council was the most frequently identified source of public sector funding** (36 per cent) followed by national Government Departments and other public sector bodies (both just 8 per cent). Only 7 per cent of respondents receive income from NHS Manchester. This pattern was reflected across Greater Manchester, where local authorities consistently emerged as the most frequent source of public sector funds.

The survey also asked respondents with public sector income whether they had received a formal funding agreement for each source. Among these sources, 77 per cent of Government department funding, 84 per cent of Manchester city council funding, and 73 per cent of NHS Manchester funding, was made with a formal agreement.

[22] It was not possible to undertake sufficiently robust analysis of these trends at a local authority level

Figure 4.2: Public sector funds received by city of Manchester respondents (2011/12)

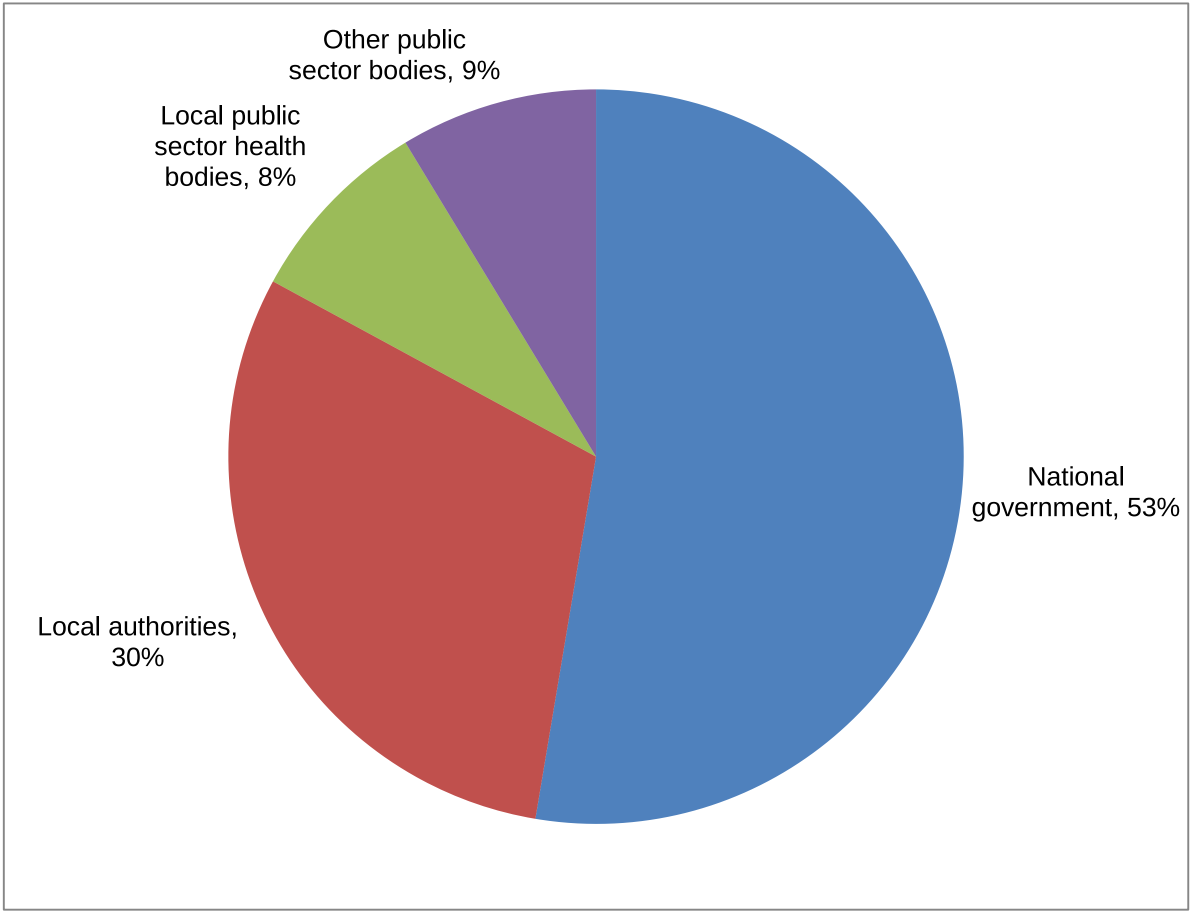


Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 207

An insight of the relative value of public sector funds can be gained through analysis of the Greater Manchester wide responses[23]. These are summarised in Figure 4.3 which shows that income from National Government Departments accounted for more than half of all public sector funds received. By contrast local authorities provided around a third of funds, and health bodies and other public sector bodies less than a tenth each. It is important to recognise that this figure is affected by a number of large national public sector contacts: across Greater Manchester the average value of income from national Government sources was £586,000, including three organisations with more than £1 million from national Government departments. By contrast the average value of local authority income was only £76,000 and for health bodies was £134,000.

[23] It was not possible to undertake sufficiently robust analysis of this data at a local authority level

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

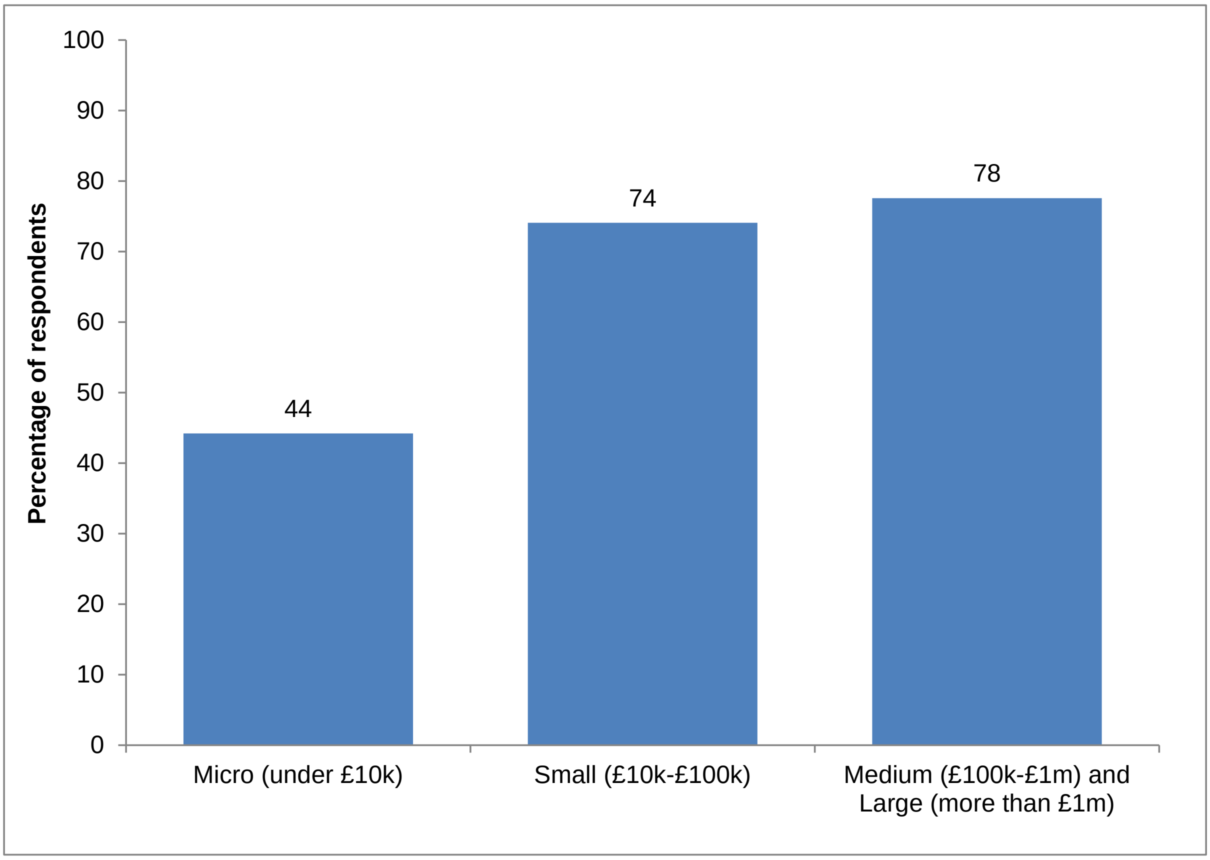


Source: Greater Manchester State of the Voluntary Sector survey 2012/13
Base: 437

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

This shows that only 44 per cent of micro organisations that responded to the survey received public sector funding compared to 74 per cent of small organisations, and 78 per cent of medium and large organisations. This indicates that public sector funding is a particularly important source of funding for small, medium and large sized organisations and suggests that these organisations will be most susceptible to cuts in public sector funding.

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



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 207

4.2.2. Other sources of income

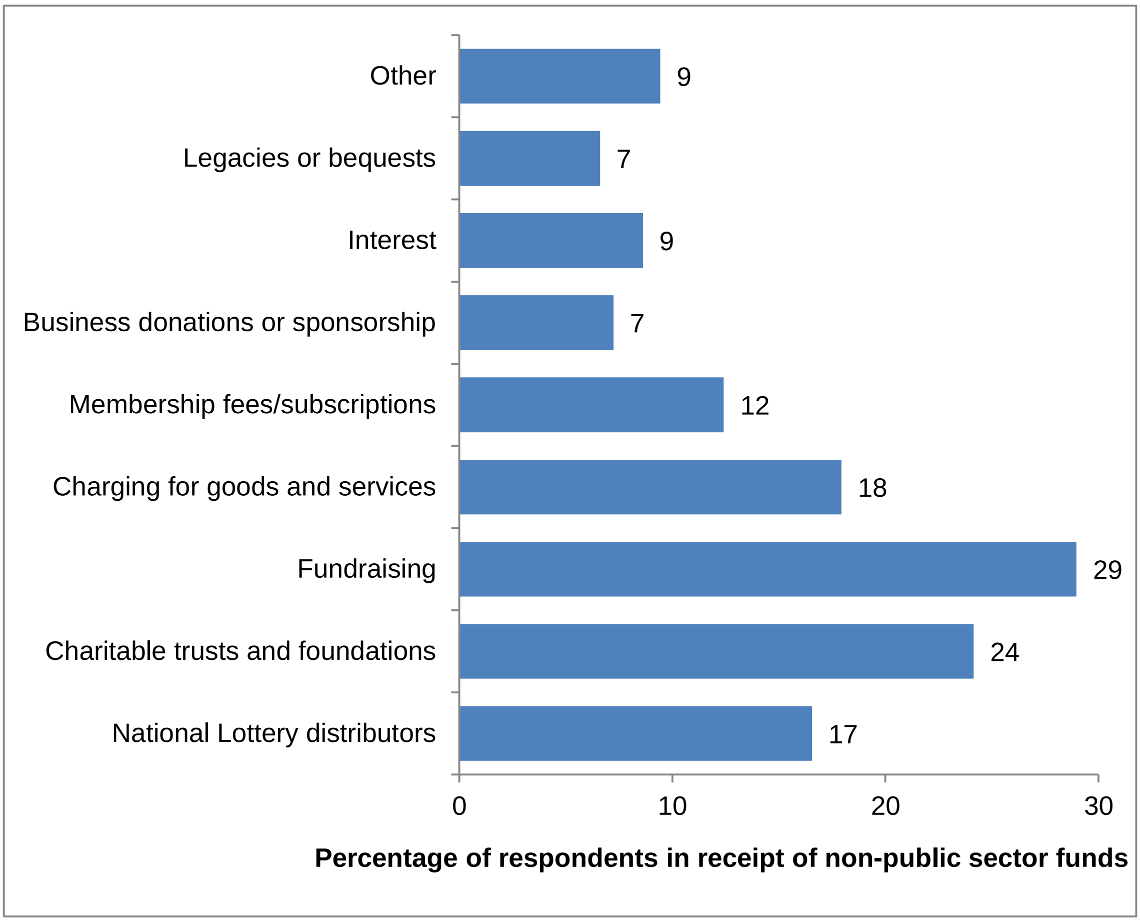
Survey respondents were also asked to identify any other sources of income (i.e. non-public sector) they received in 2011/12. Overall, **71 per cent of respondents received funds from at least one non-public sector source**. This is outlined in more detail in figure 4.5.

This shows that fundraising was the most frequently identified source of other funds (29 per cent of respondents) followed by grants from charitable trusts and foundations (24 per cent), charging for goods and services (18 per cent) and grants from National Lottery distributors (17 per cent).

An insight of the relative value of non-public sector funds can be gained through analysis of the Greater Manchester wide responses[24]. These are summarised in Figure 4.6 which shows that income from charging for goods and services provided the most value (28 per cent), followed by fundraising (21 per cent), lottery grants (18 per cent) and grants from trusts and foundations (15 per cent). It therefore seems that non-public sector income is more evenly distributed, in terms of value, than public sector income, which was dominated by large national government contracts.

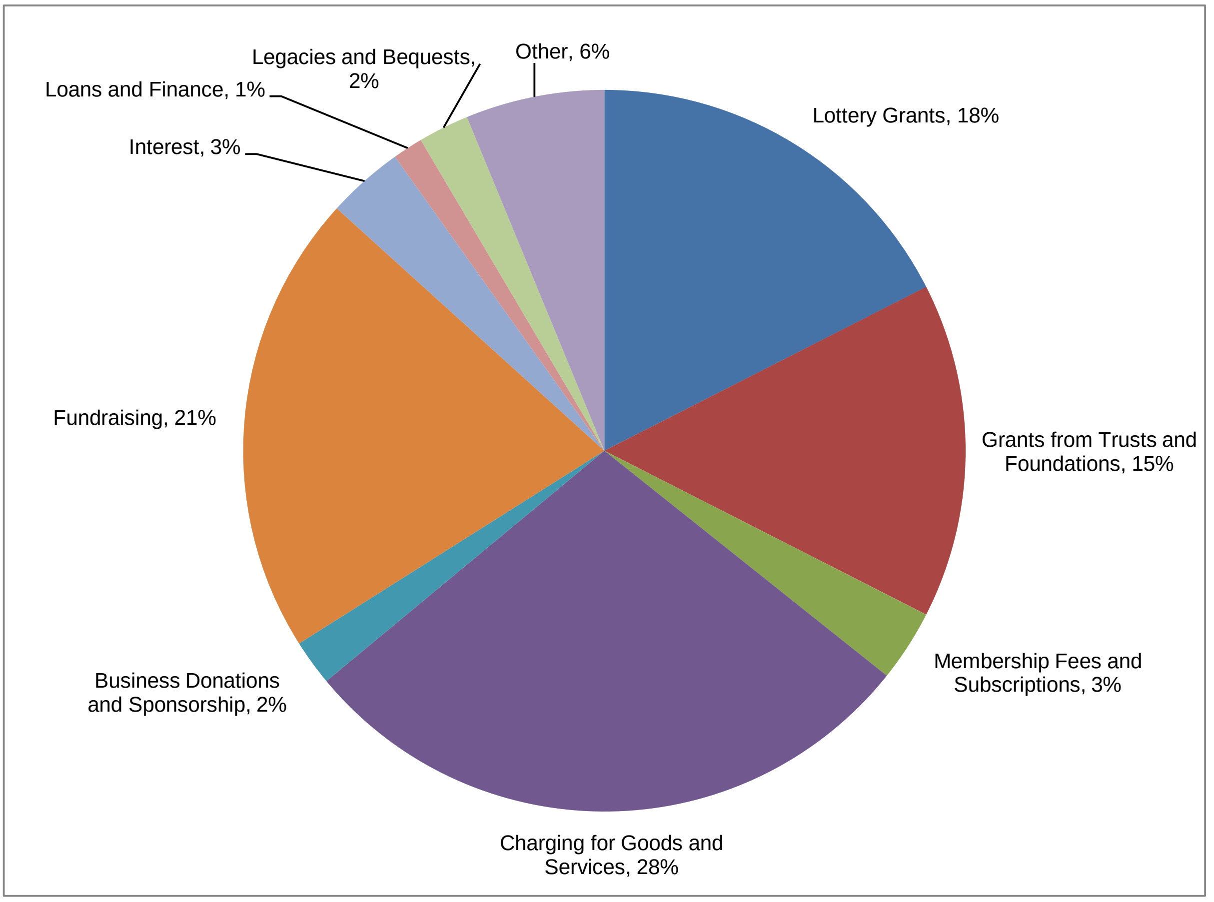
[24] It was not possible to undertake sufficiently robust analysis of this data at a local authority level

Figure 4.5: Other funds received by City of Manchester respondents (2011/12)



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 207

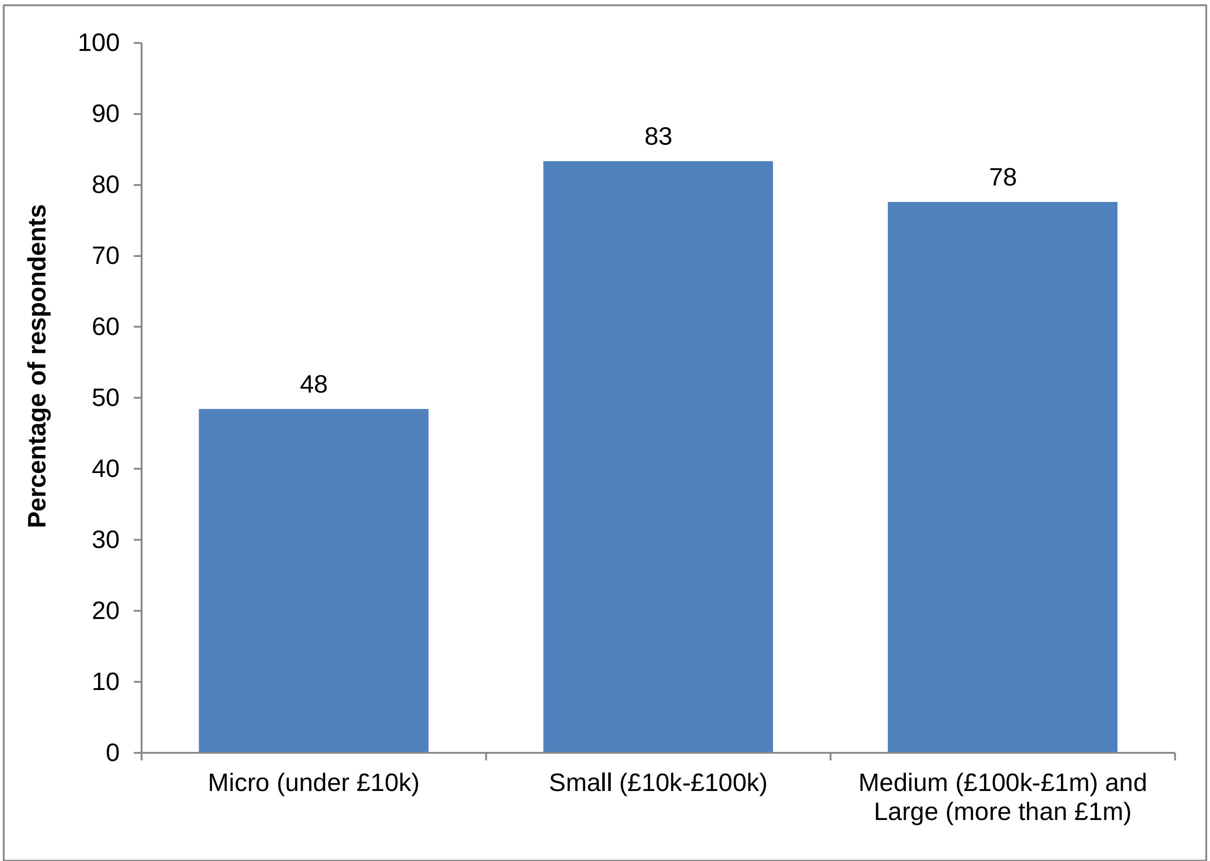
Figure 4.6: Relative value of non-public sector funds by received by Greater Manchester voluntary organisations (2011/12)



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

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

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

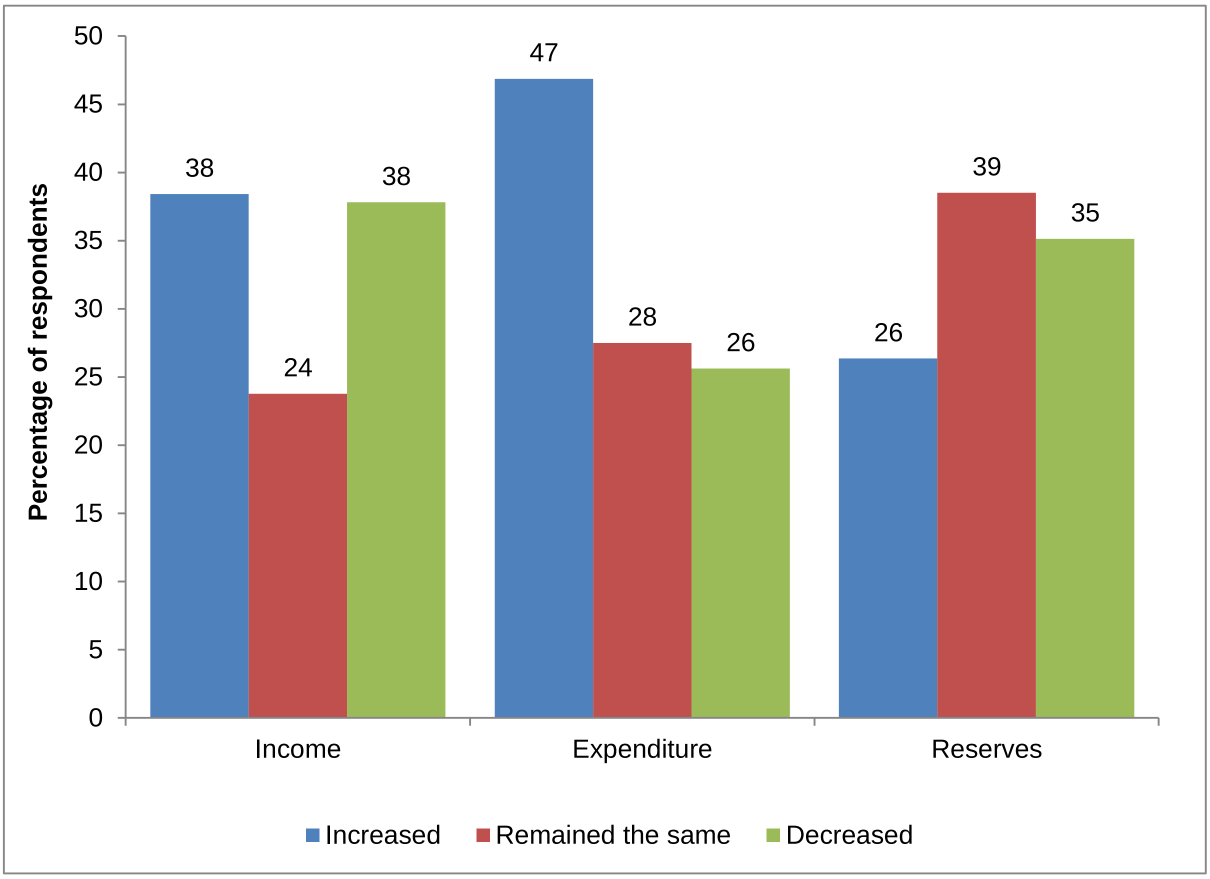


Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 207

4.3. Financial Sustainability

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

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

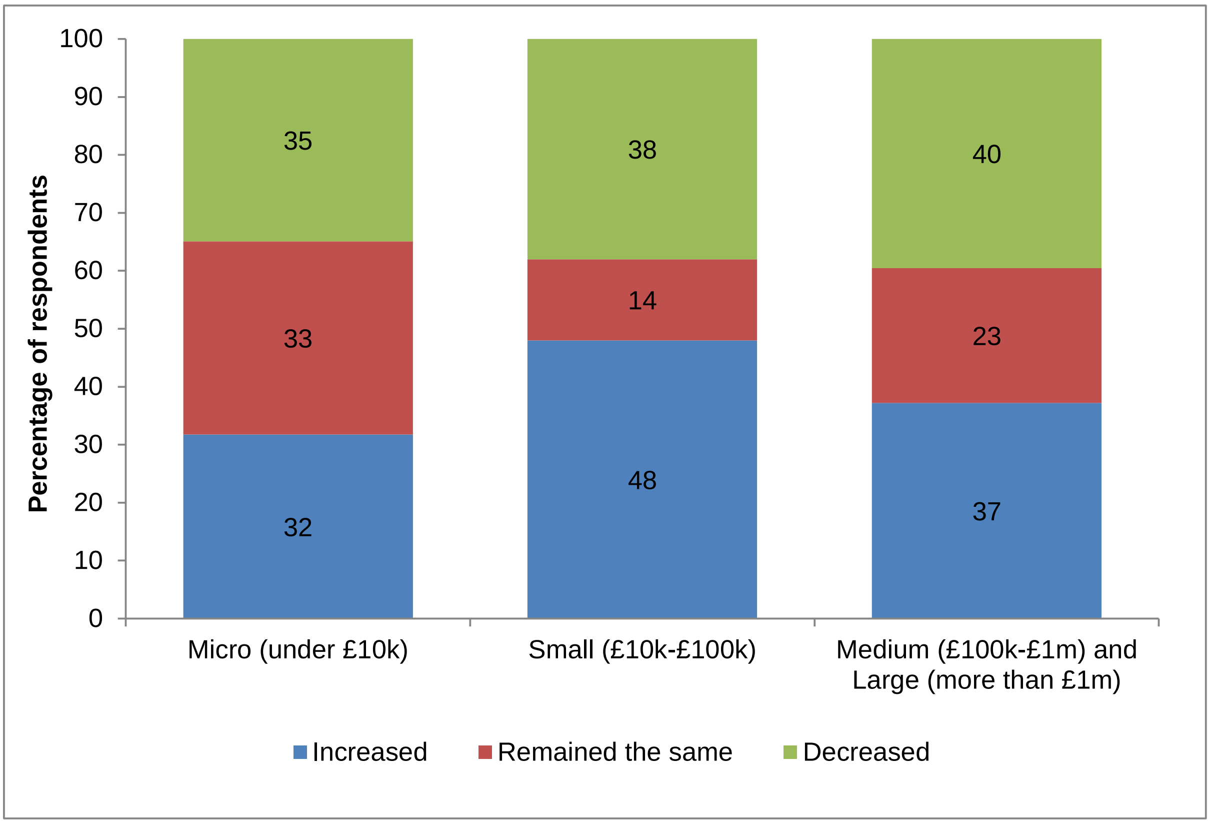


Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 164, 160, 148

This raises some concerns: 47 per cent of respondents reported increasing their expenditure but only 38 per cent had experienced an increase in income and only 26 per cent report an increase in reserves; in addition, 38 per cent of respondents reported a decrease in income but only 26 per cent reduced their expenditure and 35 per cent reported a reduction in their financial reserves. This means that **there were a significant number of organisations that spent more money than they received in the past 12 months**: 30 per cent of respondents provided an expenditure figure for 2011/12 that was greater than their income. This could be indicative of a longer term trend in response to the economic downturn and subsequent reductions in the voluntary sector's income. In light of this trend it seems likely that the sustainability of a significant number of organisations could be under threat.

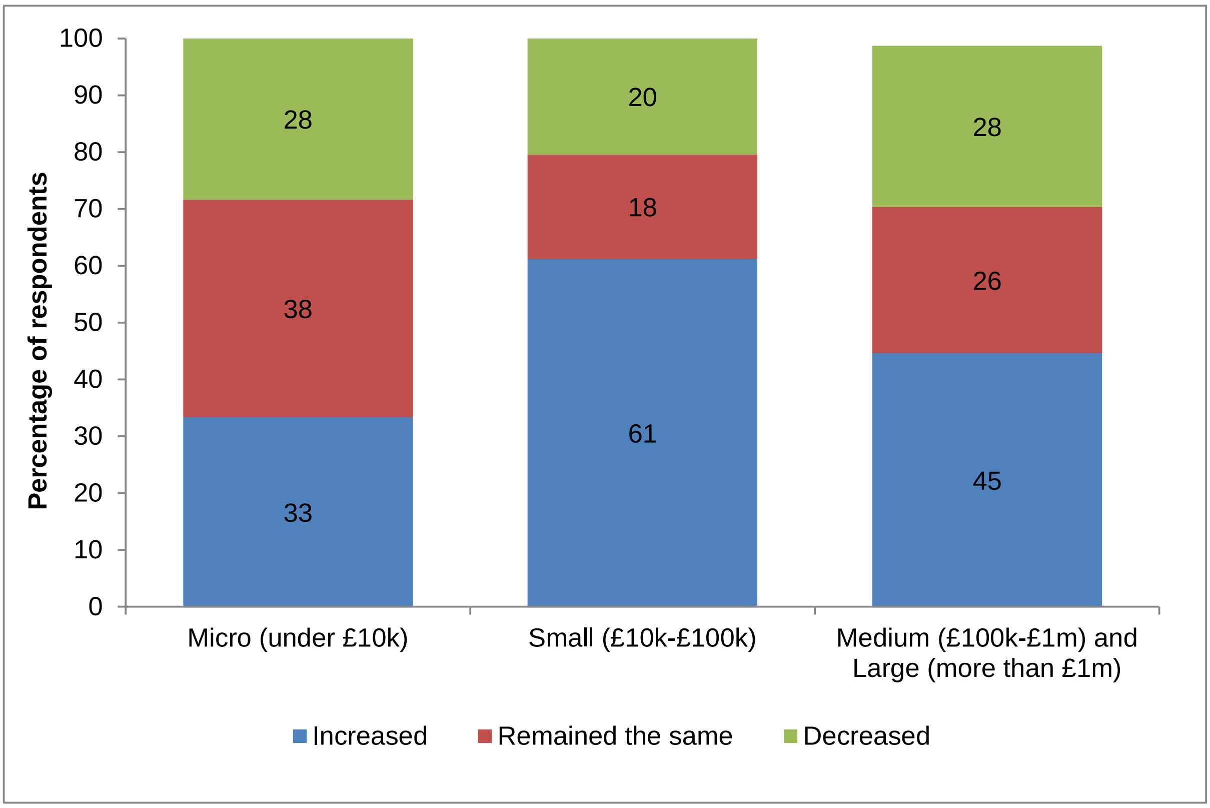
Explored by organisation size, the data suggests that the sustainability of small sized organisations is of particular concern: 61 per cent of small organisations reported increasing their expenditure in the past 12 months but only 48 per cent increased their income. This is outlined in more detail for all sizes of organisations in figures 4.9a and 4.9b overleaf.

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



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 164
Note: 'cannot say' response has been excluded from the analysis

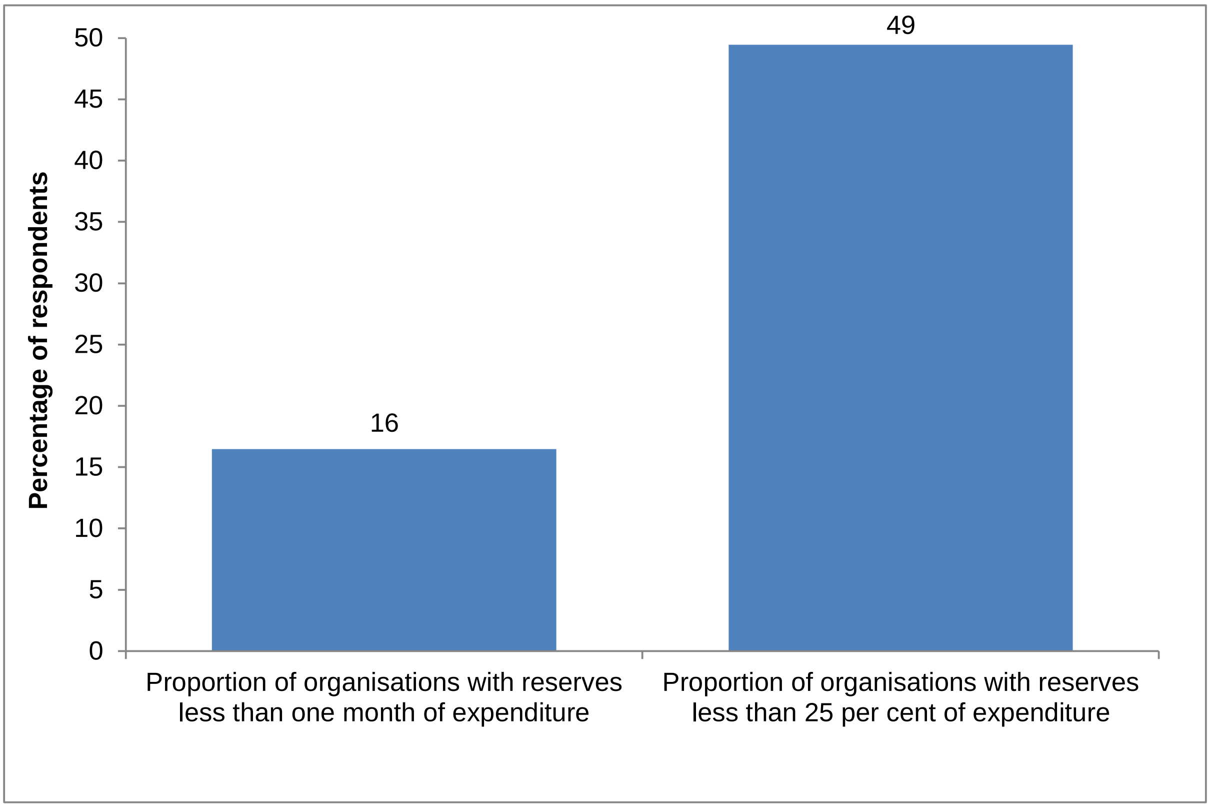
Figure 4.9b: Change in expenditure in the last 12 months by organisation size



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 160
Note: 'cannot say' response has been excluded from the analysis

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

Figure 4.10: Financial vulnerability of voluntary organisations in the city of Manchester



Source: City of Manchester State of the Sector survey 2010
Base: 91

This shows that **16 per cent had reserve levels of less than one month's expenditure**, and a further 33 per cent had reserves that covered less than three months expenditure. This suggests that almost half of all organisations in the voluntary sector could be vulnerable should their funds be severely reduced or withdrawn. In reality it is likely to be the medium and large organisations in this category that are most at risk: they have greater financial commitments and require higher levels of income to carry out their work.

5

The Workforce

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

- the number of full time equivalent (FTE)[25] members of paid staff that they employ
- the number of FTE people on work placements that are part of their workforce
- the number of volunteers that are part of their workforce, the number of hours each week that they contribute and their broad role type.

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

5.1. How many FTE paid staff are employed in the voluntary sector in city of Manchester?

Based on the average number of FTE paid staff employed by respondents to the survey across Greater Manchester, and drawing on the assumptions used to estimate the total number of organisations in city of Manchester, it is estimated that the 3,093 organisations in city of Manchester employed **12,400 FTE paid staff (17,200 employees)** in 2012/13. This was 53 per cent of the estimated total number of FTE paid staff working within the voluntary sector in Greater Manchester.

Gross Value Added (GVA), the value of goods and services produced, is a key measure of the economic contribution of organisations or sectors. It can be estimated for paid employees working in city of Manchester organisations by multiplying the number of FTE paid staff by the estimated gross value added (GVA) per FTE employee[26]. From this calculation it is estimated paid employees of city of Manchester organisations contribute £390.0 million to the economy per annum.

Seventy per cent of FTE paid staff were employed in large organisations with an income of at least one million pounds. In comparison the 2,520 micro and small organisations employed just four per cent of FTE paid staff.

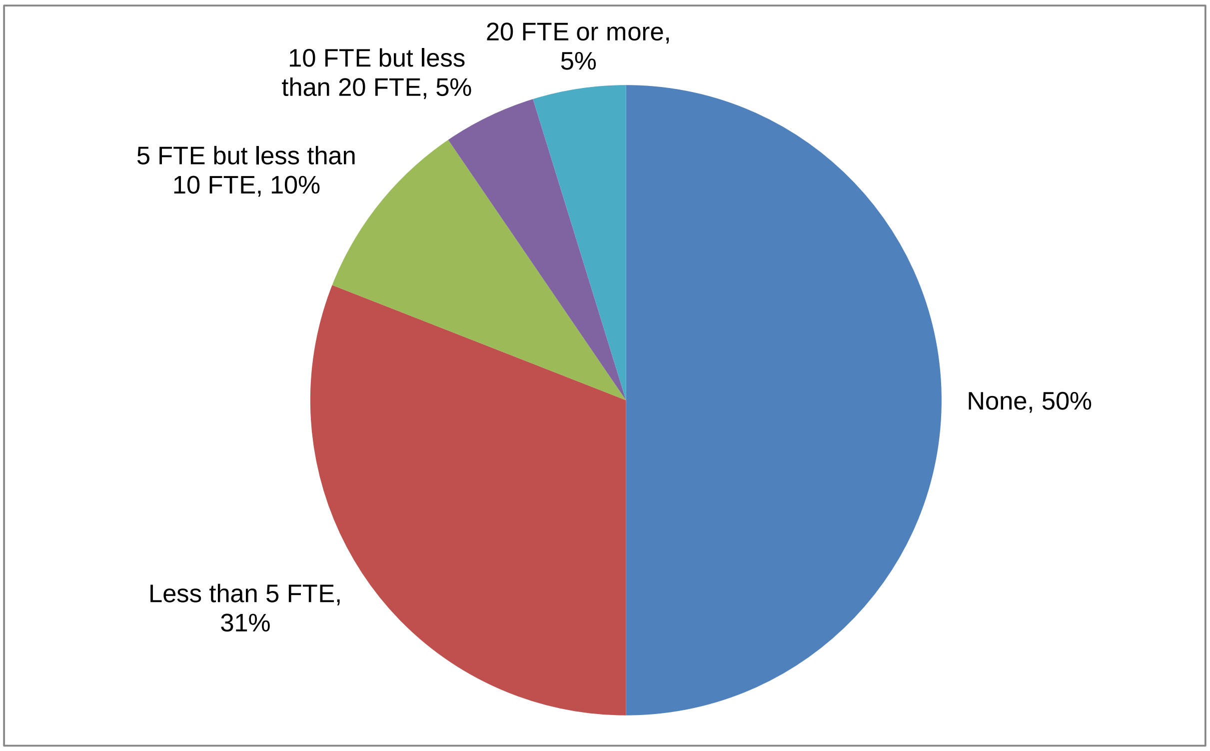
Figure 5.1 presents a breakdown of responding organisations by the number of FTE

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

paid staff they employed. Half of organisations did not employ any paid staff and a further 31 per cent employed less than 5 FTE employees. At the other end of the spectrum just five per cent of organisations employed 20 or more FTE paid staff.

Compared with the Greater Manchester sample as a whole, a higher proportion of organisations within the city of Manchester had FTE paid staff: 50 per cent compared with 36 per cent in Greater Manchester.

Figure 5.1: Organisations by numbers of FTE paid staff



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 126

5.2. How many FTE work placements are employed in the voluntary sector in city of Manchester?

Thirty one per cent of responding organisations reported that part of their workforce were on work placements (e.g. students or trainees). This was double to figure for Greater Manchester as a whole. Similar to the previous section, survey responses can be extrapolated to the total number of organisations thought to be operating in the voluntary sector in the city of Manchester to provide an estimate of the total number of FTE work placements in the voluntary sector. From this calculation there were **an estimated 700 FTE work placements** contributing to the workforce in the city of Manchester in 2012/13. This was 37 per cent of the estimated total across Greater Manchester.

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

This section assesses the contribution of volunteers to the voluntary sector in city of Manchester.

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

- **94,300 volunteers** were part of the voluntary sector's workforce in city of Manchester in 2012/13; this represents just under 19 per cent of city of Manchester's total population (502,900)[27] and 28 per cent of the estimated total for Greater Manchester organisations
- these volunteers provided an estimated **370,400 hours of their time per week**; this was 35 per cent of the estimated number of volunteer hours for all Greater Manchester organisations.

There are two broad approaches to valuing the contribution of volunteers. One method, and this study's preferred approach, is to value the output that they produce. In effect this is the value to society of the goods and services that volunteers produce. This can be estimated by multiplying the number of FTE volunteers by the estimated gross value added (GVA) per FTE employee[28]. From this calculation **the economic contribution of volunteers in city of Manchester organisations is estimated to be £331.8 million per annum[29]**.

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

In the second method, the value of the input of volunteers is used to value the contribution of volunteers[30]. This is the amount that it would cost to pay employees to do the work carried out by volunteers. As such, this can be considered to be the benefit to organisations[31]. However, this benefit might also be passed onto society via lower prices for goods and services due to lower costs of production. The input value of volunteers can be calculated by multiplying the number of hours that volunteers give per week by an estimate of how much it would cost to employ someone to do that work. There are a number of widely accepted hourly rates that could be used to estimate this value; these include: the national minimum wage, the local median wage, the local mean wage and the reservation wage. The latter, the hourly rate associated with the actual role of volunteers is the preferred option; however incomplete responses to the breakdown of volunteers by their role prevented an accurate calculation using this method. Therefore the preference in this study has been to provide a range using the national minimum wage (low estimate) and the local median wage (high estimate). In reality the true value of the input

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

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

- assuming the national minimum wage for adults[32] it would cost **£119.2 million annually to employ staff to do the work provided by volunteers in city of Manchester organisations**
- assuming the median gross hourly wage for full time employees in the North West[33] it would cost **£230.0 million annually to employ staff to do the work provided by volunteers in city of Manchester organisations**.

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

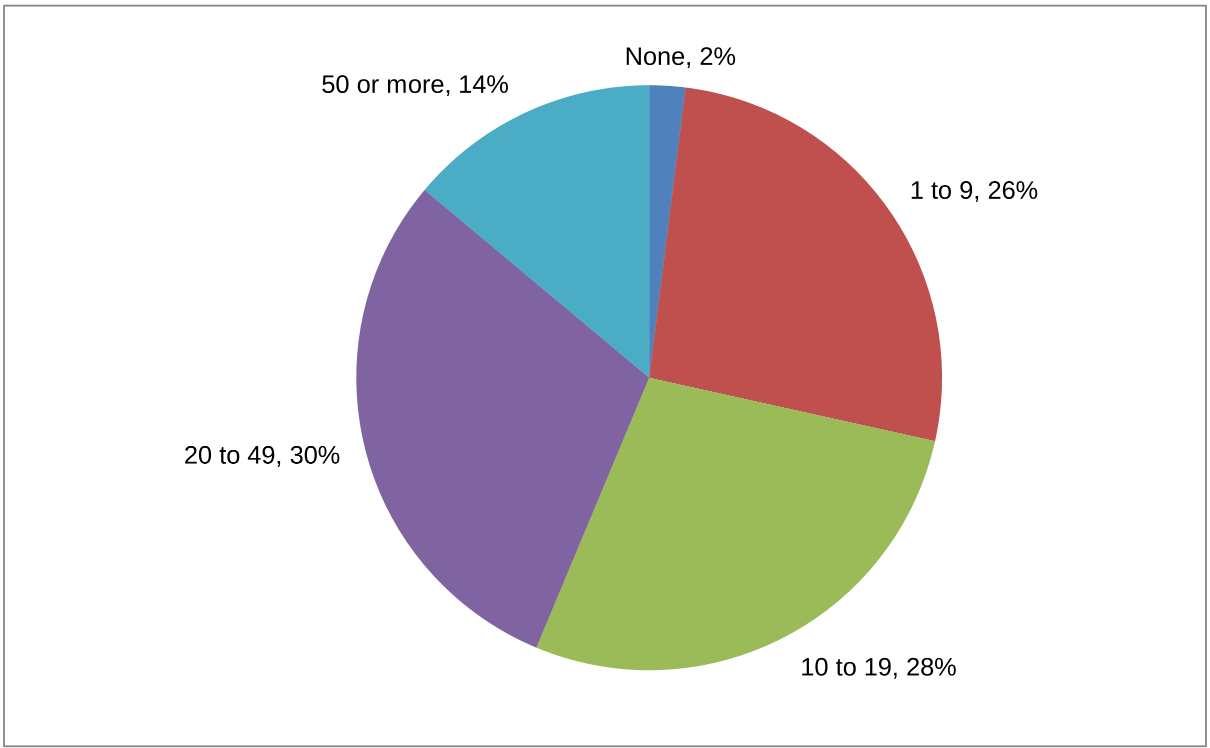
- just two per cent of organisations reported having no volunteers
- 26 per cent of organisations had between one and nine volunteers
- 28 per cent of organisations had between 10 and 19 volunteers
- 30 per cent of organisations had between 20 and 49 volunteers
- 14 per cent of organisations had 50 or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

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

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

[32] £6.19 for 21 years and older in 2012
[33] £11.94 for 2012

Figure 5.2: Organisations by numbers of volunteers



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 151

Assessment of the breakdown of volunteers by job role reveals:

- 20 per cent of volunteers were in management roles, including committee/board members
- nine per cent of volunteers were in administrative roles
- 68 per cent of volunteers were in roles delivering services.

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

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

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

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

Paid employees:

- 60 per cent of organisations employed a similar number of paid employees to a year ago
- of organisations who reported a change more organisations reported an increase in paid staff (23 per cent) than a decrease (17 per cent); however there is anecdotal evidence to suggest increases may have been for part time posts and post with short term contracts

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

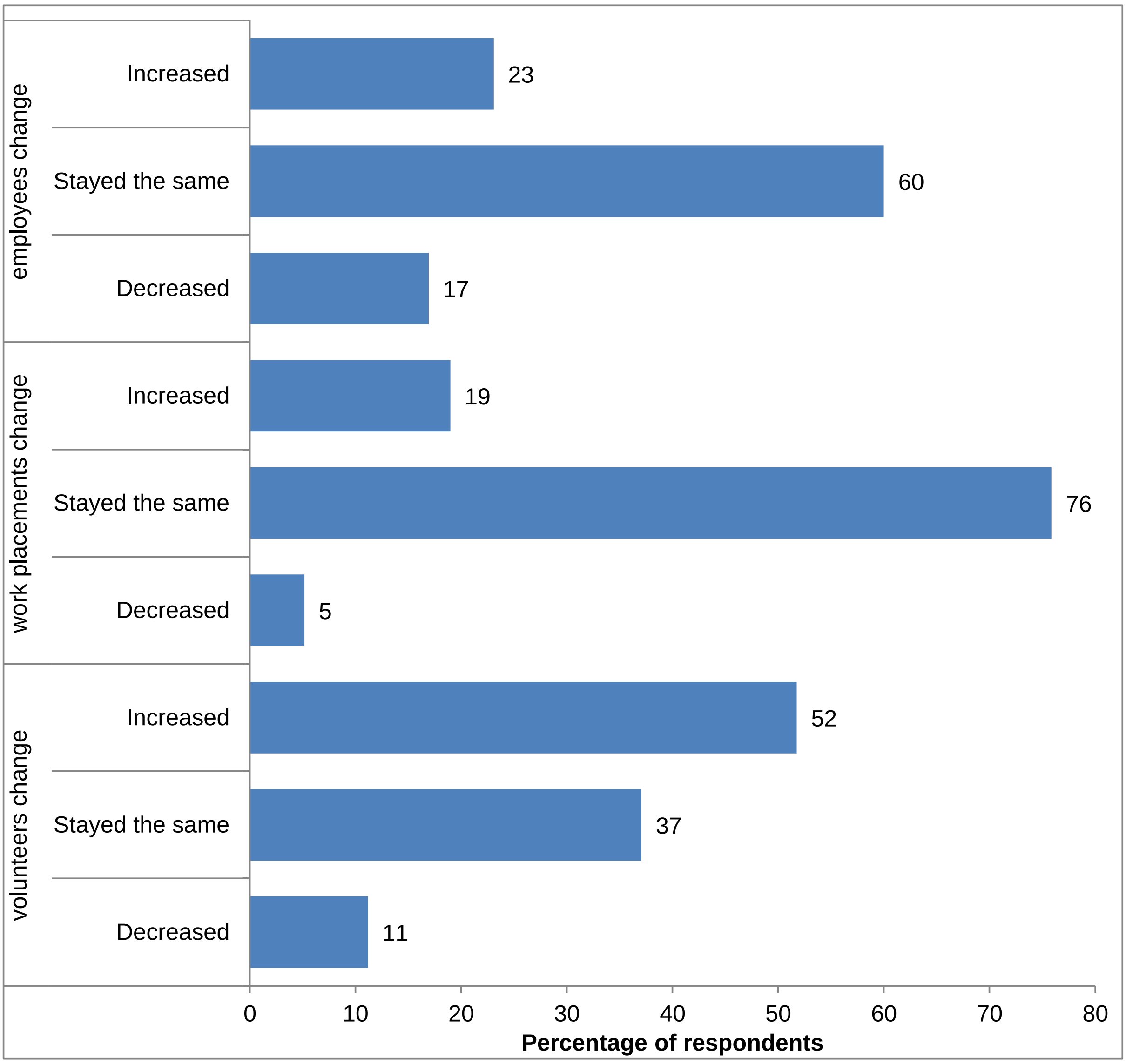
Work placement:

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

Volunteers:

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

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



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: paid employees (130) work placements (116) volunteers (143)
Note: 'cannot say' response has been excluded from the analysis

6

Partnership Working: the Public Sector

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

6.1. Dealings with local public sector bodies

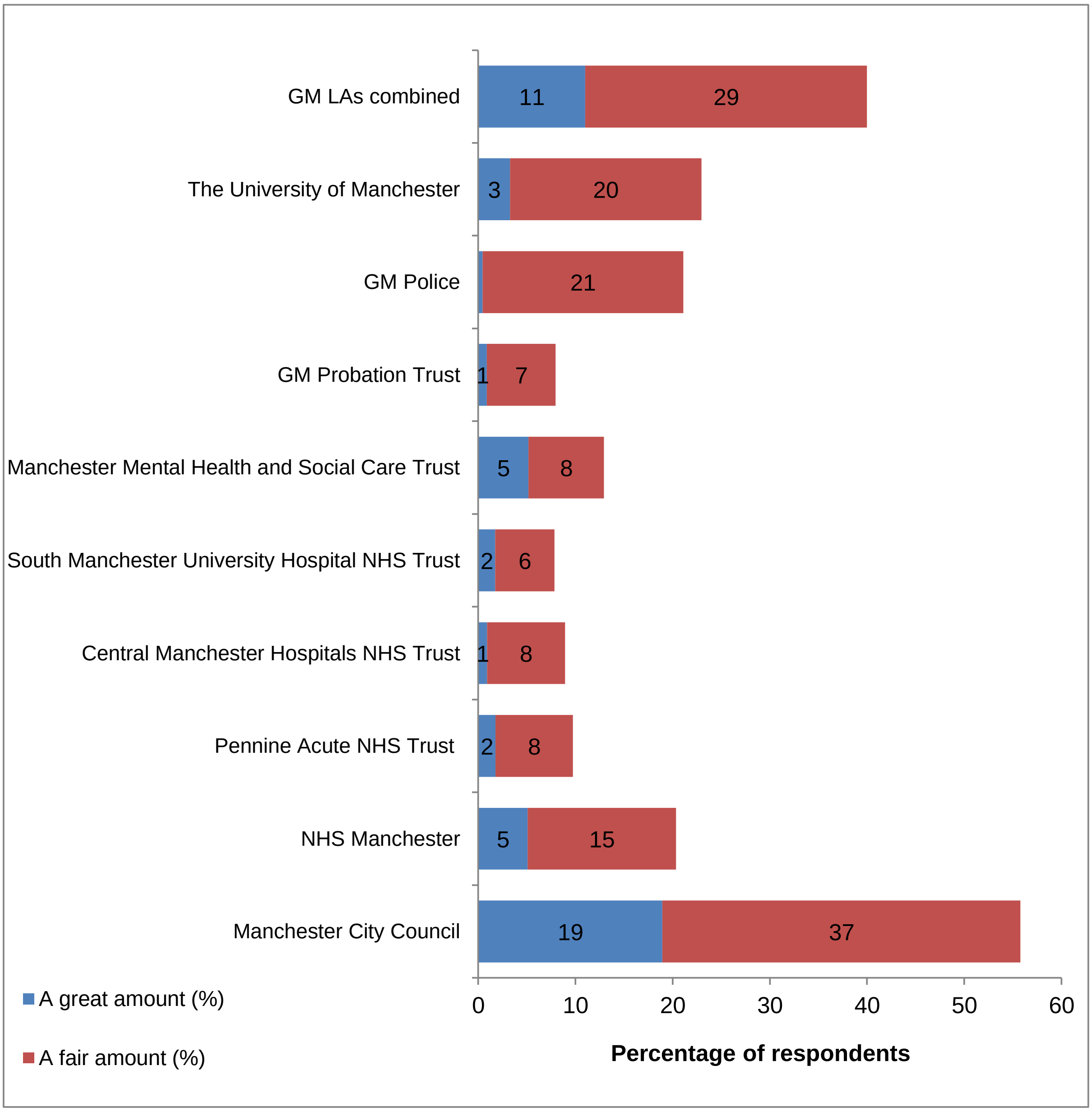
Survey respondents were asked about the extent of their dealings with each of the main public sector bodies covering the city of Manchester. An overview of their responses is provided in figure 6.1, along with the local authority figure for Greater Manchester combined.

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

- **Manchester City Council:** 82 per cent had some dealings with the Council; including 19 per cent who had a 'great amount' of dealings and 37 per cent who had a 'fair amount' of dealings
- **NHS Manchester (Primary Care Trust):** 46 per cent had some dealings with NHS Manchester; including five per cent who had a 'great amount' of dealings and 15 per cent who had a 'fair amount' of dealings
- **The University of Manchester:** 58 per cent had some dealings with the University; including three per cent who had a 'great amount' of dealings and 20 per cent who had a 'fair amount' of dealings.

Local authorities consistently emerged as the most prominent public sector contact for respondents to this study across Greater Manchester. Overall, 11 per cent of respondents said they had a 'great amount' of dealings with their local authority and 29 per cent said they had a 'fair amount'. The Manchester figure is higher than this, showing that 56 per cent of respondents had a great or fair amount of dealings with Manchester City Council. This is higher than for any other local authority in Greater Manchester.

Figure 6.1: Dealings with local public sector bodies



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 112-126

6.2. Relationships with local public sector bodies

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

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

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

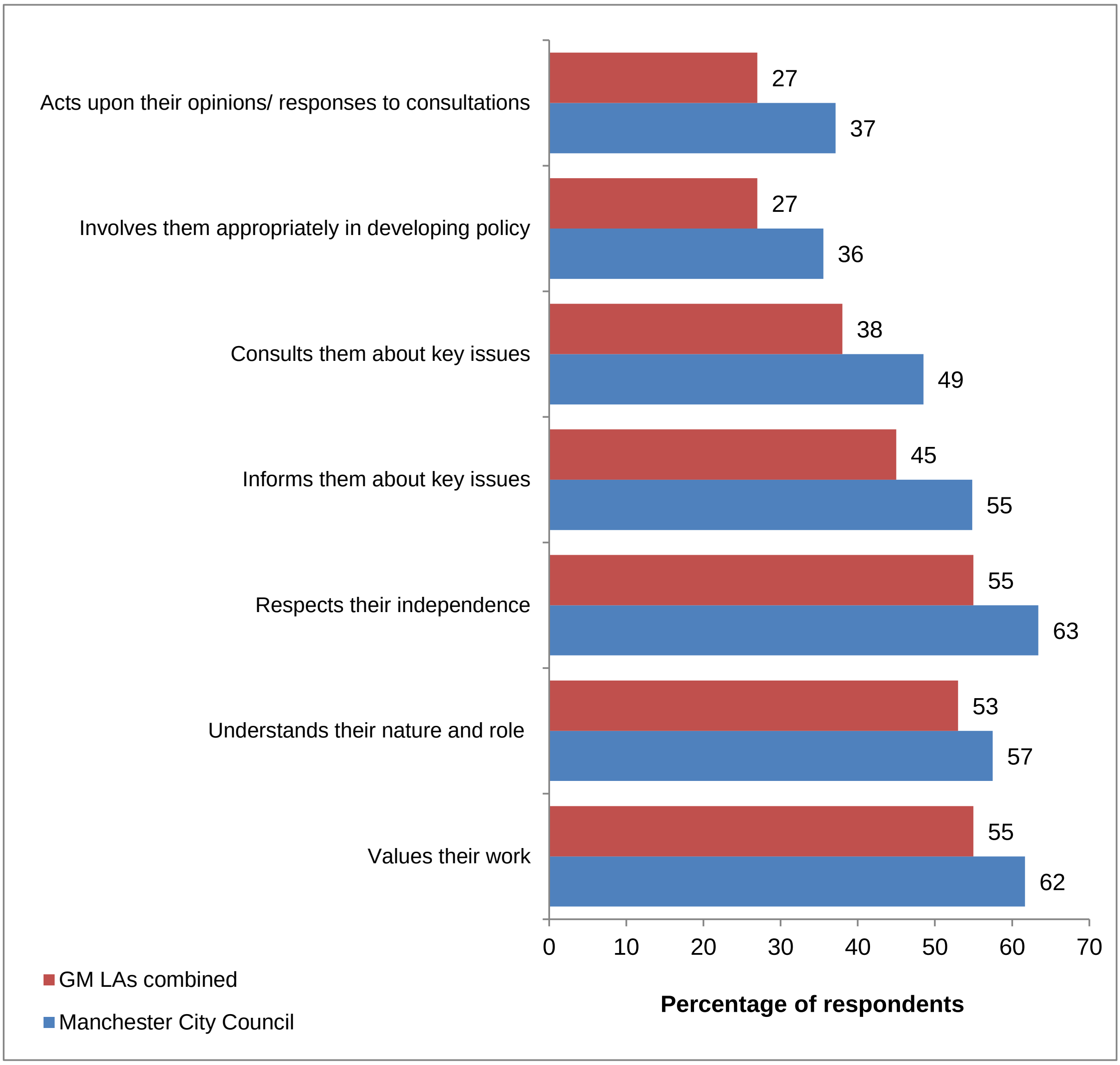
Figures 6.2a and 6.2b show that the sector's experiences of working in partnership with local public sector bodies were quite mixed:

- **valuing their work:** 62 per cent of respondents said that Manchester City Council valued the work they did. In addition, 65 per cent of respondents said that their most frequent other public sector contact valued their work
- **understanding their role:** 57 per cent of respondents said that Manchester City Council understood the role and nature of their organisation's role. In addition, 63 per cent of respondents said that their most frequent other public sector contact understood their role
- **respecting their independence:** 63 per cent of respondents said that Manchester City Council respected their organisation's independence. In addition, 64 per cent of respondents said that their most frequent other public sector contact respected their independence
- **informing about key issues:** 55 per cent of respondents said that Manchester City Council kept their organisation informed about issues which affected them or were of interest to them. In addition, 48 per cent of respondents said that their most frequent other public sector contact kept them informed
- **consulting about key issues:** 49 per cent of respondents said that Manchester City Council consulted their organisation about issues which affected them or were of interest to them. In addition, 41 per cent of respondents said that their most frequent other public sector contact consulted them
- **involving in policy development:** 36 per cent of respondents said that Manchester City Council involved their organisation appropriately in developing and carrying out policy on issues which affected them. In addition, 37 per cent of respondents said that their most frequent other public sector contact involved them in policy development
- **acting on their views:** 37 per cent of respondents said that Manchester City Council acted upon their organisation's opinions and/or responses to consultations. In addition, 37 per cent of respondents said that their most frequent other public sector contact acted on their views.

This suggests that the voluntary sector's experience of working with Manchester City Council was broadly similar to that of working with other local public sector bodies. This is also borne out in responses to two further questions which asked the extent to which organisations were satisfied with their ability to influence public sector decisions of relevance to their organisation and the extent to which they thought local statutory bodies influenced their success. The results of these questions are summarised in figure 6.3.

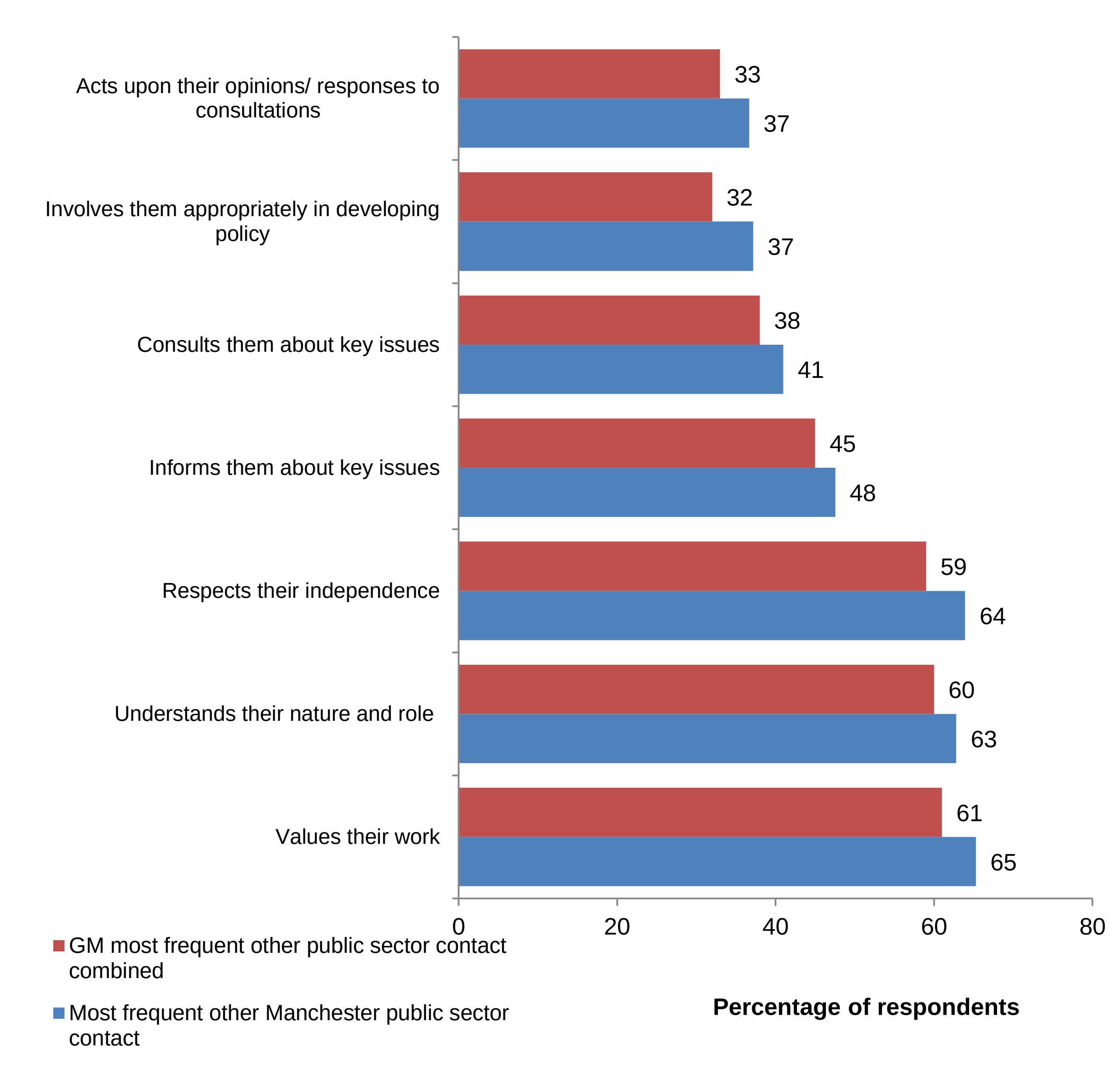
Once again this shows that the voluntary sector's experience of working with Manchester City Council was broadly similar to other local public sector bodies. This was a slightly different trend to that across Greater Manchester where other public sector bodies were often viewed more favourably than the council. Importantly, respondents to this survey were considerably more positive about their relationship with the public sector than the 2010 national survey.

Figure 6.2a Relationships with the local authority



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 166-167

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

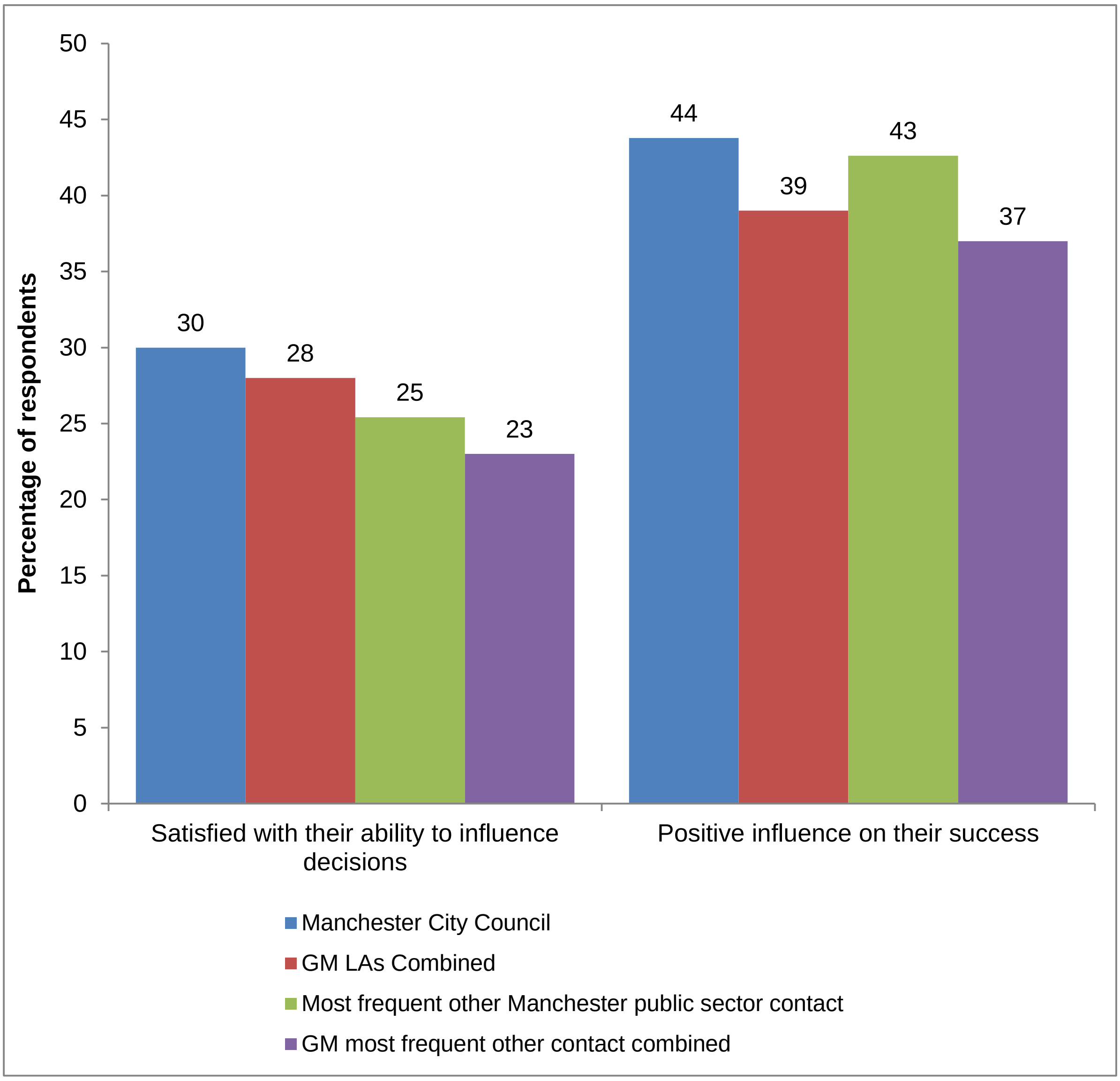


Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 120 - 122

The survey findings regarding relationships with local public sector bodies are reinforced by responses to two further questions which asked the extent to which organisations were satisfied with their ability to influence public sector decisions of relevance to their organisation and the extent to which they thought local statutory bodies influenced their success[34]. The results of these questions are summarised in chart 6.3. A comparison with the Greater Manchester average is also provided.

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

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



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 169 / 170

This shows that 30 per cent of respondents were satisfied with their ability to influence Manchester City Council decisions of relevance to their organisation and 44 per cent said that the council had a positive influence on their organisation's success. This is broadly consistent with the Greater Manchester combined figures and considerably higher than the national average.

In addition, 25 per cent of respondents said they were satisfied with their ability to influence key decisions of their most frequent other public sector contact and 43 per cent said this contact had a positive influence on their success. Again, this is broadly consistent with the Greater Manchester combined figures.

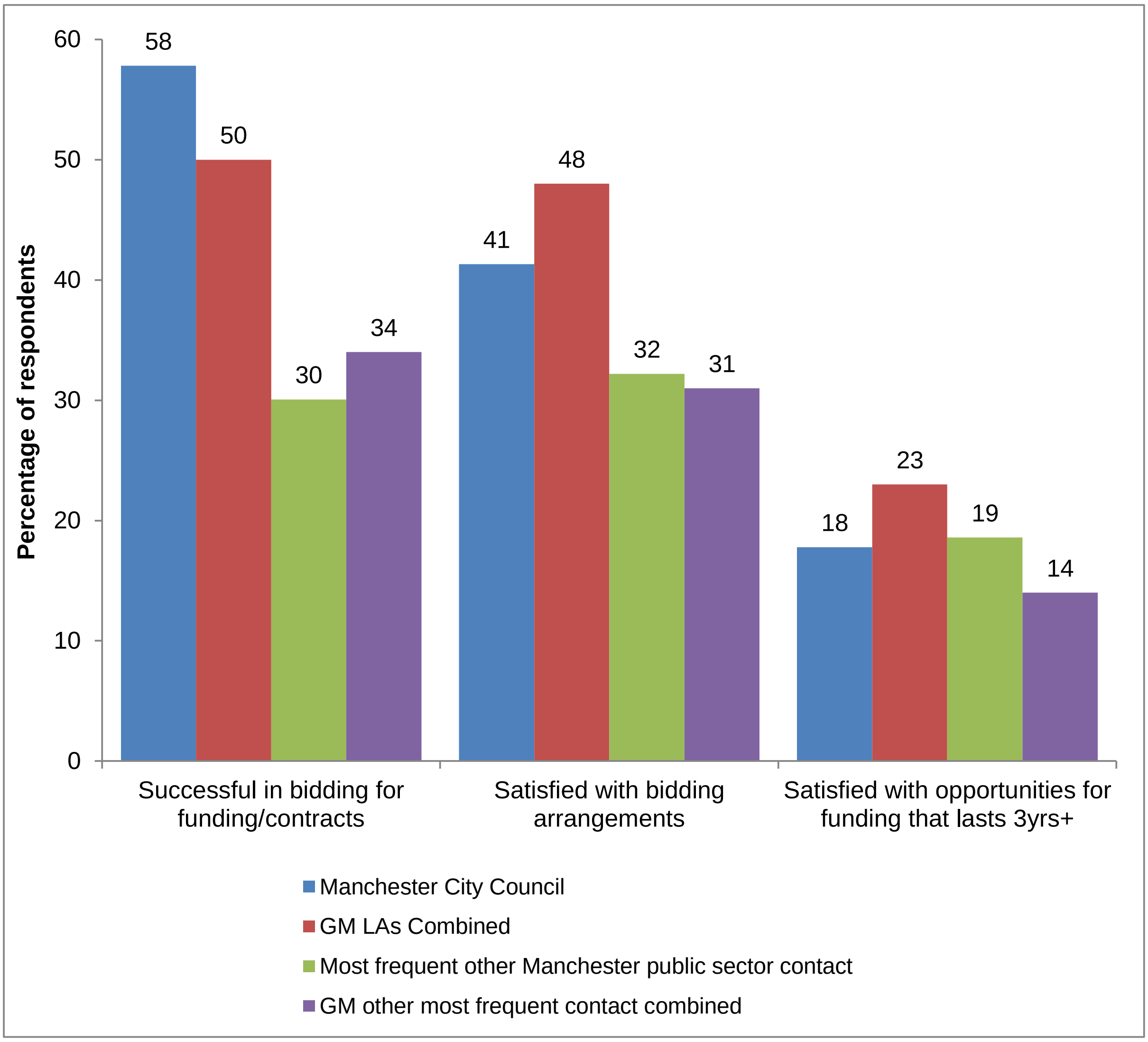
6.3. Funding from local public sector bodies

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

This shows that 58 per cent of respondents were successful in bidding for contracts with Manchester City Council compared to a 30 per cent success-rate with other public sector bodies. Satisfaction with bidding arrangements slightly higher for Manchester City Council than for other public sector contacts, with 41 per cent satisfied with bidding arrangements for Manchester City Council contracts and 32 per cent for their most frequent other public sector contract. 18 per cent were satisfied with the opportunities for funding or contracts with Manchester City Council that last three years or longer; and 19 per cent felt the same for their most frequent other public sector contact.

There is some consistency with the Greater Manchester combined figures between Manchester City Council and other local authorities, although respondents in Manchester were more successful in bidding for funding contracts with the Council than across Greater Manchester as a whole. This is reflects higher overall levels of engagement with the City Council than across Greater Manchester as whole, as discussed above. Across all three measures respondents were considerably more satisfied with local public sector bodies than in the 2010 national survey.

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



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 163 - 173

6.4. Qualitative perspectives on local public sector bodies

Public

Following on from quantitative questions regarding the nature of respondents' relationships with local public sector bodies, respondents were also asked to provide further qualitative (i.e. written) information about these relationships. Positive comments tended to reflect the role of funding streams or council contracts in maintaining or strengthening the provision of organisations:

> *"Without Manchester City Council and various funding opportunities it would not be possible to carry on delivering the support and help we give to local residents and community groups."*

Non-financial forms of support such as provision of training, advice and facilities were also important to survey respondents:

> *"The department that we liaise with (Economic Development Unit and MAES) are very constructive in working relationships and keen to support our*

organisation's sustainability. We also appreciate the occasional input / gestures of support from elected members."

"Homelessness services work very closely with the voluntary sector and value our contribution."

"We have a strong relationship with the Council across various departments which has been developed over many years. There is a good understanding from commissioners of the contribution made by our service and we are consulted about strategy and policy development."

"They are easily accessible and respond quickly to any query or question we may have."

However, there were some suggestions that public sector and particularly the council's commissioning processes were difficult to engage with and that communication around decision-making could be improved:

"Dealing with the Council is difficult and channels are unclear. I never know people in that organisation, it would be of help but finding them is not very easy."

"Although we have a good working relationship with a number of Manchester City Council officers, their decision making processes remain somewhat opaque."

"I think that the Council's commissioning process has been very poor. They have not listened to the feedback they get about what should be commission and how it should be done. They have gone for the most competitive approach to commissioning which means there has been a race for the bottom and they only thing that has really mattered is the price, rather than the quality of the service. The process has been destructive in terms of relationships between organisations. They have been poor about their assessment of the services that have been provided."

Partnership Working: Commercial Businesses

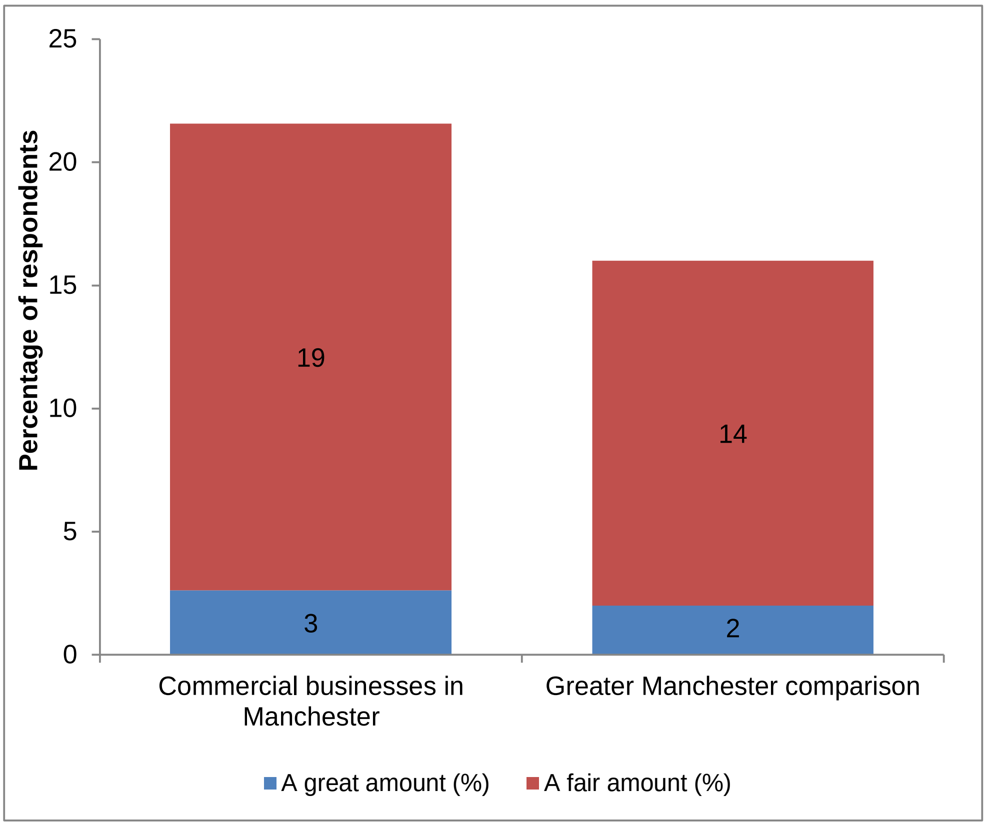
7

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

7.1. Working with commercial businesses

Survey respondents were asked to indicate the extent to which they had direct dealings with commercial businesses in Manchester. 67 per cent reported that they had some direct dealings, with 22 per cent having a 'great' or 'fair' amount of contact. This is higher than the average for Greater Manchester as a whole (figure 7.1).

Figure 7.1: Extent of direct dealings with commercial businesses



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 141

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

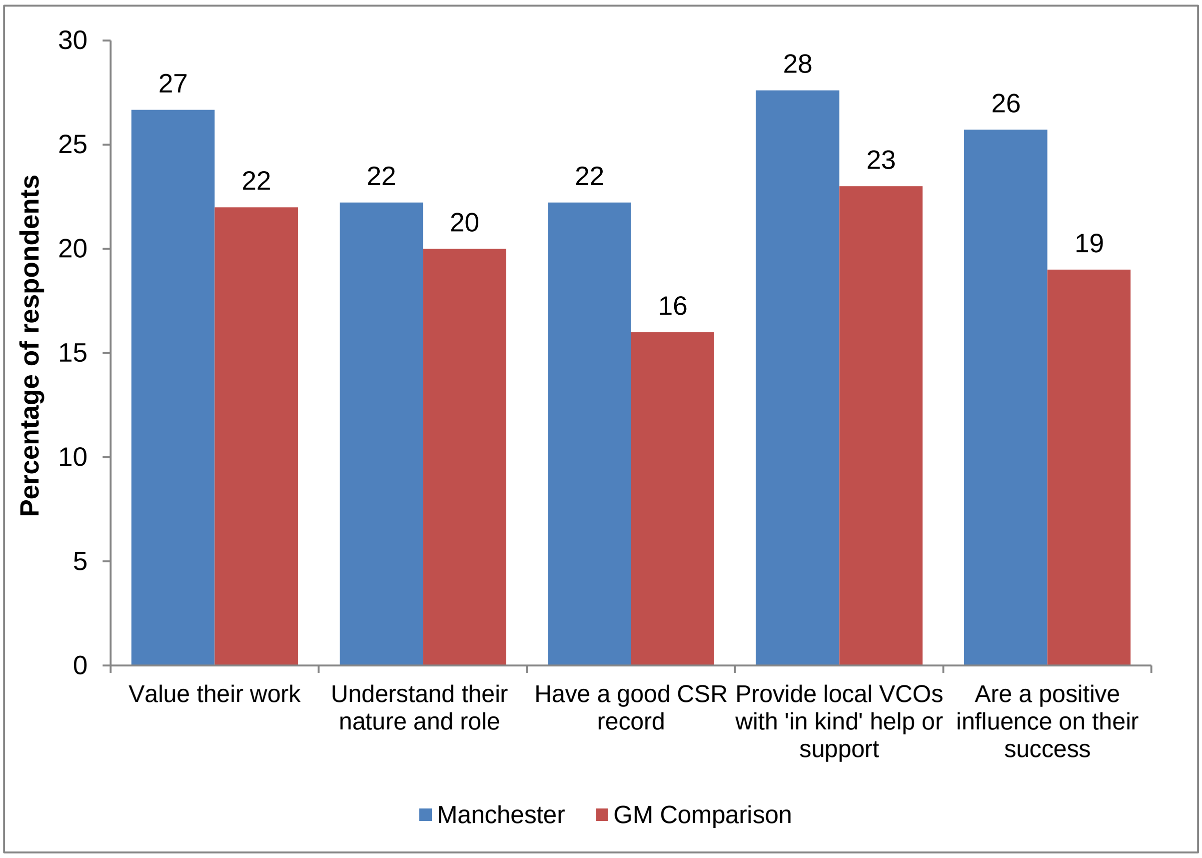
- valued their organisation's work
- understood the nature and role of their organisation
- had a good record in terms of corporate social responsibility
- provided local voluntary and community organisations/groups with 'in kind' help and/or support.

The results, including a Greater Manchester comparison, are summarised in figure 7.2. This shows that, compared to perceptions of public sector bodies (see figure 6.2), survey respondents had less positive perceptions of commercial businesses in the city of Manchester.

- 27 per cent of respondents felt that commercial businesses **valued their work**
- 22 per cent of respondents felt that commercial businesses **understood the nature and role of their organisation or group**
- 22 per cent thought that commercial businesses in the city of Manchester had a good record on **corporate social responsibility**
- 28 per cent felt that commercial businesses provided local VCOs with **'in kind' help or support**
- taking all things into account, just 26 per cent of survey respondents felt that the commercial business community in the city of Manchester was a **positive influence on their organisation's success**.

On the whole, however, these findings were more positive than for Greater Manchester as a whole.

Figure 7.2: Relationships with commercial businesses



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 31-135

7.2. Working with commercial businesses

Respondents were asked to comment qualitatively about their relationships with local businesses. Organisation had less engagement with commercial businesses on the whole than with the public sector and VCS, which was reflected in the majority of comments, but there was a feeling that this needed to change:

> *"Not much input from us into these relationships. If we put more in, I think we could get more out and we are planning to increase our efforts with local businesses."*

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

> *"They like to talk the talk on community issues as they think it is good PR, but have proved time and time again that they are only interested in commercial profit."*

> *"Local Business, do not do enough to aid small community groups unless there is an opportunity to advertise themselves."*

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

"The [supermarket] has provided us with some food items and as we run a food bank, they are willing to support us with provision of food items."

"Local businesses sometimes support local churches with donations for fundraising events."

A small number of comments outlined the importance of commercial businesses to their work, however, including a suggestion that the business community were more approachable than the public and voluntary sectors:

"We are able to work with them in a way that achieves mutual benefits - something that is difficult to achieve with CVS and Public Sector orgs in Manchester. But think might be because can just be up front and honest without causing offence. Everyone is so careful watching what they say that nobody says anything. I've seen more outrage in the private sector to the atrocities that people are facing under this age of austerity than I've seen from staff in the NHS / Adult Social Care and most shockingly for me, some Third Sector Orgs."

8

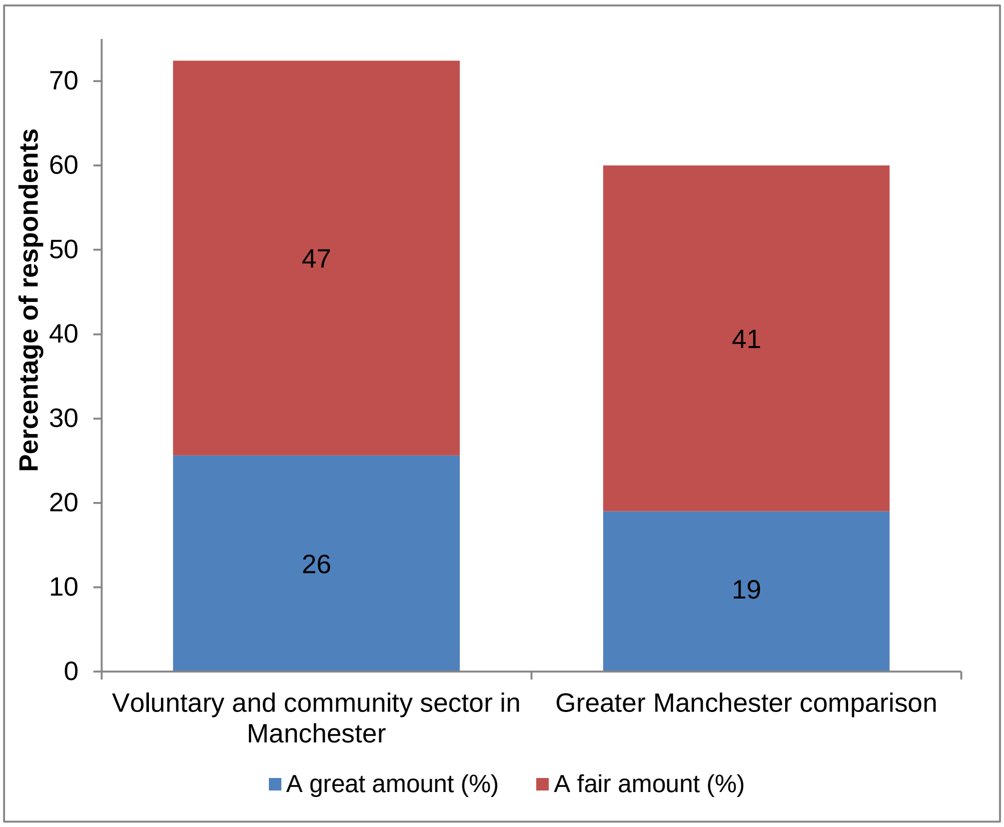
Partnership Working: Voluntary Organisations and Community Groups

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

8.1. Working with other voluntary and community organisations

Survey respondents were asked about the extent to which they had direct dealings with other voluntary and community organisations in the city of Manchester. 94 per cent had some direct dealings with other voluntary and community organisations and 73 per cent had a ‘great’ or ‘fair amount’ of contact. This is slightly higher than the figures for Greater Manchester combined, which show that 60 per cent had a ‘great’ or ‘fair amount’ of dealings with other voluntary and community organisations.

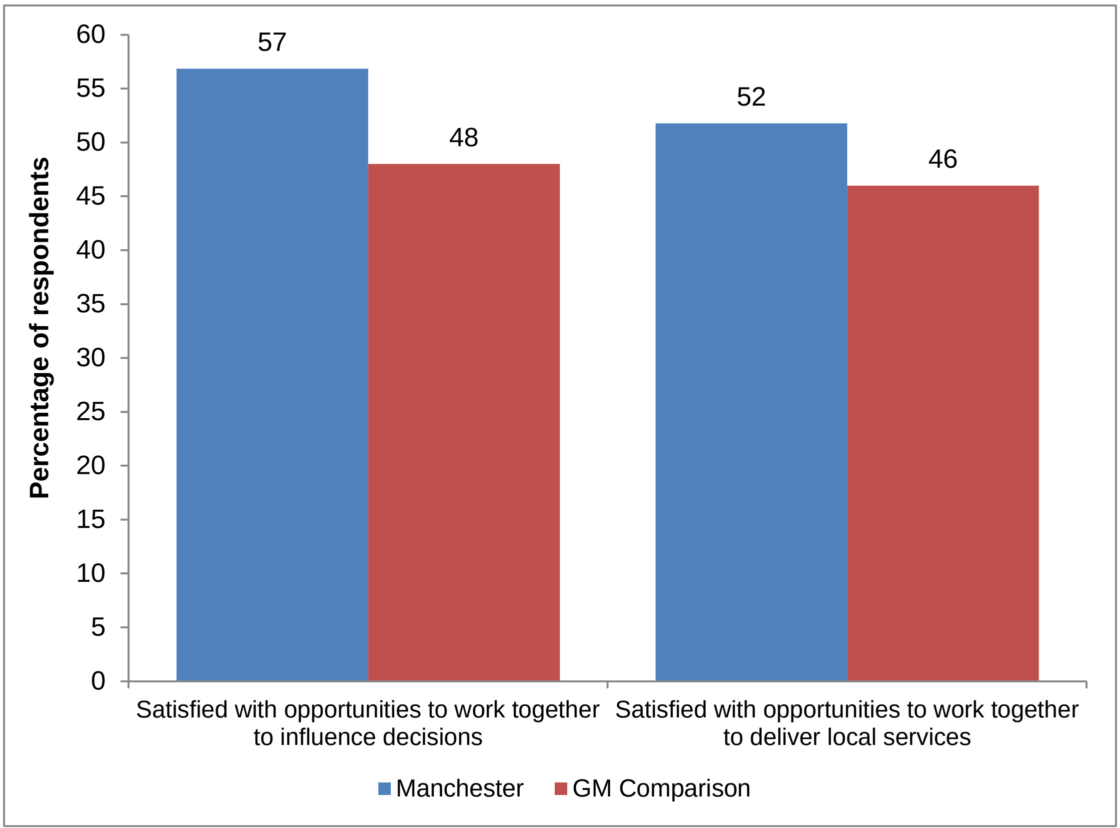
Figure 8.1: Extent of direct dealings with voluntary and community organisations



Source: Manchester State of the Voluntary Sector survey 2012/13
Base: 156

Respondents were asked to reflect on the opportunities they had to work with other voluntary and community organisations in terms of influencing local decisions and delivering local services. Figure 8.2 summarises the responses. It shows that 57 per cent of respondents were satisfied with the availability of opportunities to influence local decisions and that 52 per cent were satisfied with the availability of opportunities to work together to deliver local services. This is slightly higher than the figures for Greater Manchester combined, which show that 48 per cent were satisfied with opportunities to influence local decisions and that 46 per cent were satisfied with opportunities to work together to deliver local services.

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

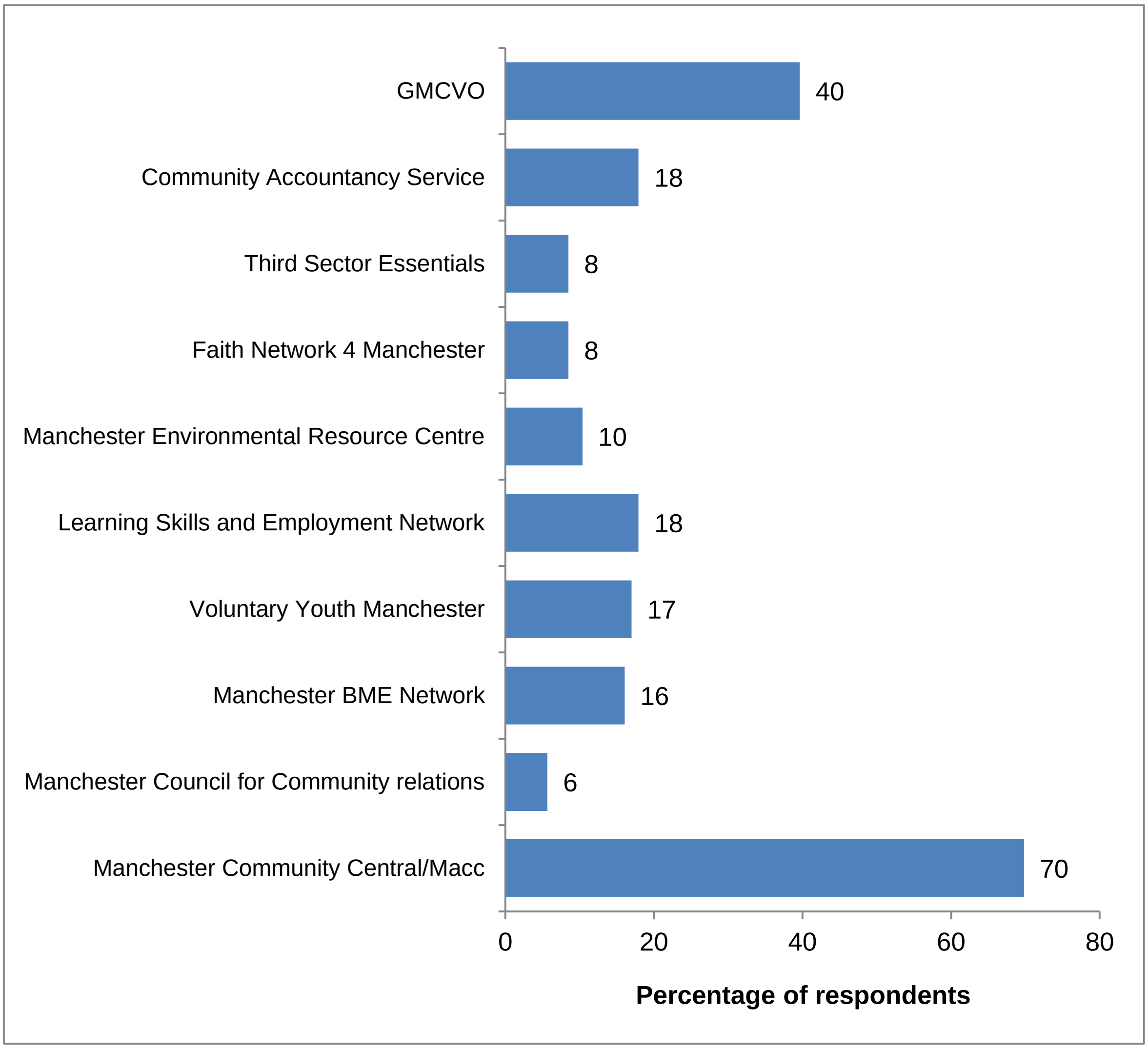


Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 146 / 141

8.2. Working with local support and development organisations

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

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



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 106

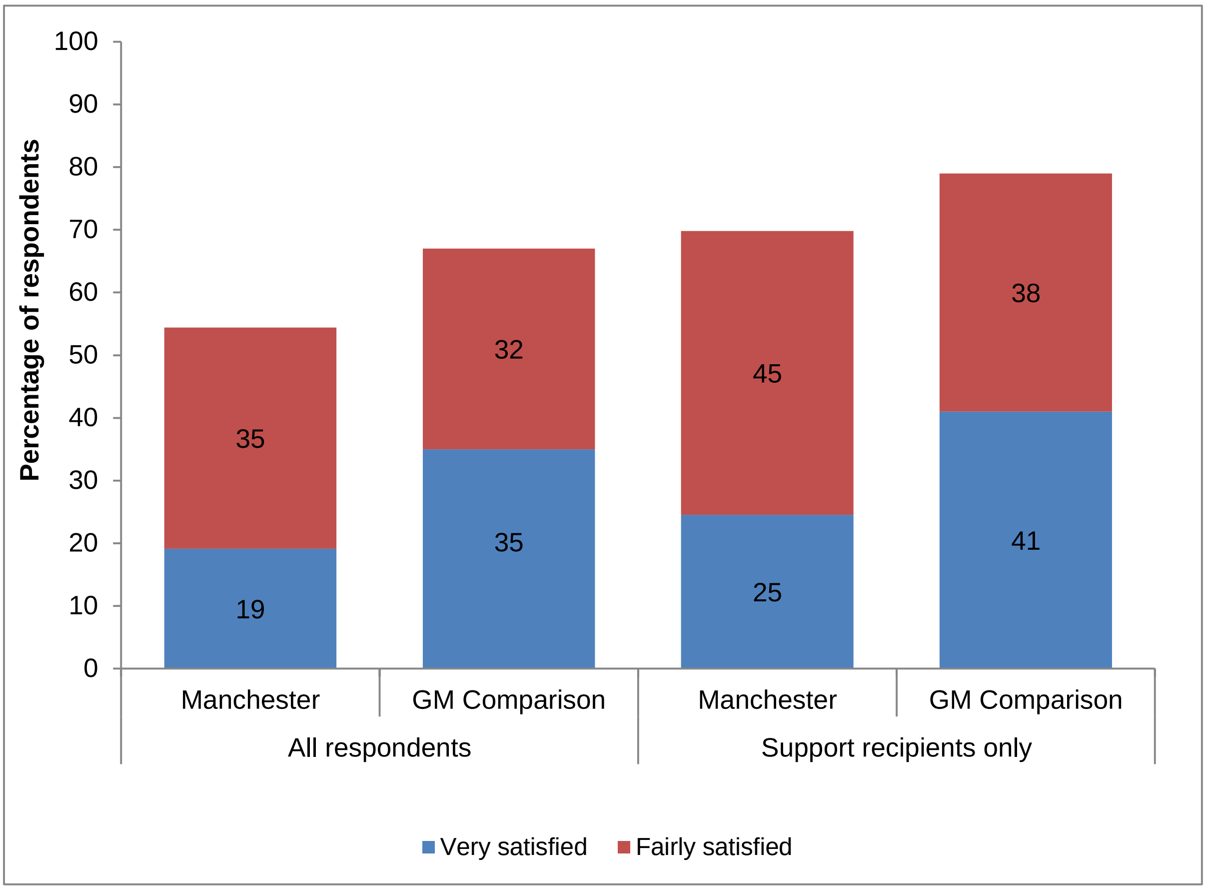
This shows that Manchester Community Central/Macc (70 per cent) and GMCVO (40 per cent), provided support to the highest proportion of survey respondents. Other organisations provided support to far fewer organisations but this is likely to be a function of the fact that they were working with specific beneficiary groups (i.e. faith based) or were not city wide and tended to support groups within defined local areas (i.e. wards or neighbourhoods) or those.

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

Figure 8.4 shows that overall 54 per cent of organisations were satisfied with the support available from local support and development organisations in the city of Manchester. It also shows that of the organisations that had received support, 70 per cent were satisfied.

These figures are slightly lower than the combined figures for Greater Manchester, which show that overall, 67 per cent of organisations were satisfied with the support available from local support and development organisations and that of the organisations that had received support, 79 per cent were satisfied. It is important to note here that Manchester Community Central was only launched in 2010 and as result does not have such an established presence or profile as equivalent support and development organisations in other areas of Greater Manchester.

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



Source: City of Manchester State of the Voluntary Sector survey 2012/13
Base: 136/106

Respondents were also asked to comment on their relationship with other VCS organisations. Comments were positive when referring to VCS support organisations:

> *"I think VYM and MACC generally do a good job with the resources they have. "*

> *"The Equality Hub (a function of Manchester Community Central) and the Equality Group in GMCVO is very useful in developing and delivering joint work and informing each organisation about key issues."*

More broadly across the voluntary sector, partnership working was seen as important and organisations were working together in a range of ways to develop services:

> *"We work closely with groups in our area to achieve common goals"*

> *"We have strong working relationships with a fairly large network of local groups and organisations. Which is a huge advantage for our group"*

> *"We have a good few partnerships with other organisations which generally work well. We are keen to increase this over the coming year to increase opportunities for people who have a learning disability to participate in their communities as things are becoming more and more difficult for this group of people."*

For some, however, working in partnership with other VCS organisations was something that could be developed further:

> *“More work is needed to link up with other local voluntary organisations to provide a rounded support service to the women in the group. “*

> *“More opportunity for networking would be welcome. and the chance to offer a truly joined up service with no loopholes. “*

> *“As a new CEO I have been surprised at the lack of networking compared to other areas I have worked in. “*

> *“We have little contact with other groups. “*

However, some felt that other organisations were not keen to work in partnership and the increasingly tight financial climate meant that some organisations saw themselves as unable to seek collaboration with other organisations:

> *“The third sector are working so tirelessly and unsupported on their own concerns that they don't have the time or energy to look up and work together on anything that is bigger than what they are already undertaking.“*

> *“(There is a) lack of trust amongst groups, constraints and restrictions of funders, and a lack of opportunities and interest in collaborating. “*

As the voluntary sector is always understaffed and under resourced it is difficult to have the time and staffing to get together and work together. Each group has to deal with their own services as a priority and it is often the case that there are little resources left to work on group activities outside of their own organisations.

> *“Getting groups communicating and working together is problematic. “*

> *“There is too much competition for small amounts of money. Would Asda and Tesco be asked to work together just because they are supermarkets? VCS are running businesses just the same. “*

Conclusions

9

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

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

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

Against this background, this research has provided in depth data about the 'state of the voluntary sector' in the city of Manchester in 2012/13 and answers some important questions. Information about the size, scale and scope of the sector, the role it plays in the social and economic life of the city, and how it has been affected by public sector cuts and the economic downturn, has been collected, and where possible compared with 2010 and the wider picture emerging across Greater Manchester. From this analysis six important findings stand out:

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

    - there are an estimated 3,093 organisation working in the voluntary sector
    - the vast majority (64 per cent) of organisations are 'micro' with income of less than £10,000
    - whilst the voluntary sector has a fairly well established core it had seen the formation of many new organisations over the past ten years: of organisations responding to the survey 38 per cent had been formed since 2003
    - the sector cuts across many different policy and issue domains; in particular there are sizable concentration of organisations working in the thematic

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

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

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

   - total income in 2011/12 was estimated to be £477 million, a reduction of two per cent compared to 2010/11
   - more than eight out of ten organisations' income was small (less than £100,000), but there were also a significant number of large organisations (168) with an income of more than £1 million
   - two-thirds of organisations (66 per cent) received income from the public sector; Manchester City Council, Central Government Departments and other public sector bodies are the most important public sector funders
   - seven out of ten organisations receive income from sources outside the public sector; fundraising, grants (from charitable trusts, foundations and the national lottery), and charging members of the public are particularly important revenue streams
   - a large proportion of organisations have very little money to fall back on if their funding is withdrawn: 16 per cent had reserves totalling less than one month of expenditure, and almost half had insufficient reserves to cover more than three months expenditure.

3. **In 2012/13 there were an estimated 12,400 FTE paid staff and 700 FTE work placements employed in the voluntary sector. In addition the voluntary sector was supported by 94,300 volunteers who combined donated 370,400 hours per week.**

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

   - valuing the contribution of volunteers to city of Manchester organisations by the expected value of the output that they produced gives an estimated contribution of £331.9 million.
   - valuing the contribution of volunteers as an input - the amount that it would cost to pay employees to do the work done by volunteers - shows:
     - assuming the national minimum wage for adults it would have cost £119.2 million annually to have employed staff to do the work provided by volunteers in the city of Manchester organisations
     - assuming the median gross hourly wage for full time employees in the North West it would have cost £230.0 million annually to have

employed staff to do the work provided by volunteers in the city of Manchester organisations.

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

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

   - 82 per cent of respondents had some dealings with Manchester City Council, 46 per cent had some dealings with NHS Manchester, and 58 per cent had some dealings with Manchester University
   - fewer than half of respondents were satisfied with their ability to influence public sector decisions and a similar proportion said local statutory bodies had a positive influence on their success.

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

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

   - engagement with commercial businesses was relatively low, which was also reflected in a less positive view of commercial businesses than other sectors. 27 per cent of respondents thought that commercial businesses in the city of Manchester value their work and 22 per cent thought that they understood the nature and role of their organisations
   - engagement with other voluntary and community organisations and support organisations was much higher, with 94 per cent having direct dealings with other voluntary and community organisations and 70 per cent of support recipients were satisfied with the support they received from local support and development organisations.

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

   In the immediate and long-term future securing funding was the key challenge for many organisations. This was particularly the case for those attempting to access public sector funding, and many expressed concerns about the future sustainability of their organisations in this context. Reduction in funding streams was also resulting in greater competition for what funding was available:

   > *"Gaining funding and competing against larger organisations that don't normally go for the same contracts and funding we have in the past."*

   > *"Cuts in Manchester city council are restricting the work we do. After losing funding for our project we are now working hard to find support to do this on a voluntary basis which is hard."*

   > *"As funding reduces from the City Council there will be an increase in competitiveness which could affect working relationships with other organisations."*

These issues came up against increasing demand for many services, in some cases as a result of government welfare reforms:

> *“The Welfare Reform Act [alongside] reduction in funding and the economic climate.”*

> *“Increased demand for our services due to welfare reforms.”*

Appendix 1

A1

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

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

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

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

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

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

	Average income by size (a)	**Estimated number of organisations (b)**	**Total income (c)**
Micro (under £10k)	£2,600	1,987	£5,166,756
Small (£10k to £100k)	£38,472	533	£20,516,242
Medium (£100k to £1m)	£301,433	405	£122,055,053
Large (over £1m)	£1,961,837	168	£329,220,570
Total			**(d) £476,958,621**