



# State of the sector report

## 2016

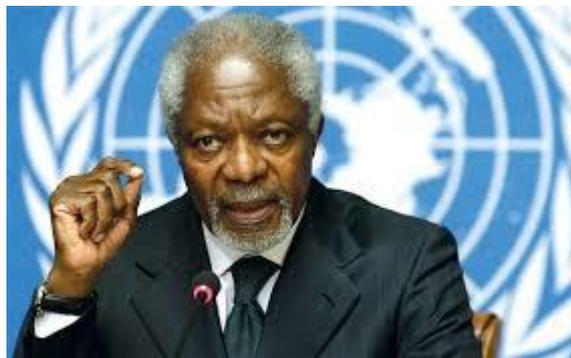
Voluntary

Community

Charity

"If our hopes of building a better and safer world are to become more than wishful thinking, we will need the engagement of volunteers more than ever."

*Kofi Annan*



**The intention of this report is to provide a “snapshot” of the voluntary and charity sector in England as a whole with a particular focus on Buckinghamshire. This information will assist Community Impact Bucks in designing its services in order to best meet the needs of the sector today and in the near future. We hope that the paper can inform others working in the sector.**

## State of the sector 2016: Buckinghamshire facts & figures



**2,574** registered charities in Buckinghamshire

Dominated by 3 areas...

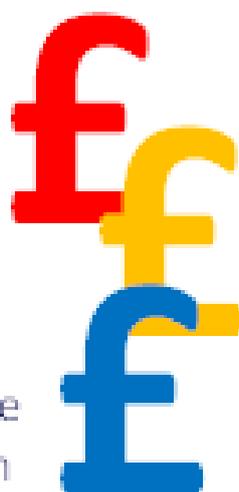
- 61% children & young people
- 28% elderly people
- 25% people with disabilities

### income

Total income 2015/16  
**£697,413,000**

But...

- 80% of charities have turnover of less than £100k pa
- 50% of charities have turnover of less than £25k pa



### challenges

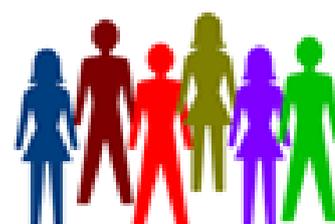
Top challenges facing charities...

- Funding
- Recruiting & retaining volunteers
- Demand for services
- New responsibilities

### volunteers

Around **100,000** regular volunteers in Bucks

- 16-24 year olds and over 65s most likely to volunteer
- Value of volunteering between **£130million - £150million** per year



## **Executive Summary**

The voluntary and community sector, when taken as a whole, is thriving - with younger people seeking to volunteer and more companies recognising the value of supporting community and charity than ever before. That is the overall picture. However beneath that headline there is a *tale of two charities*: one, the large, national organisation that employs 100's of staff and 1,000's of volunteers seems to be well funded by both state and public, in fact having a greater income than ever before. The other story is very different; the small, local charity is suffering from cuts from local and national funding and grants, limited access to European or large national grants, increasing demand for services and a competitive market place in the search for donors.

In the report "Vital Signs" 2016, Heart of Bucks reference strong communities as a feature of Buckinghamshire. The resilience of these communities and their ability to respond to devolved responsibility is a mixed picture. Some, such as Winslow, have developed a community model that is all encompassing, establishing a social enterprise in order to manage their own services.

*"It seeks to identify gaps in general services and provision to the Winslow community and to provide what is realistically achievable to fill these."*

Others have developed transport schemes, Good Neighbours Projects, or set up companies and trade in order to fund local services.

There is no doubt that communities will need support in order to take on greater responsibility and develop their own sustainable resources.

The financial status of many small charities is precarious with half of all small charities nationally having no reserves to call on (NCVO UK Civil Society Almanac 2014). 50% of charities in Bucks turn over less than £25,000 pa and 80% turn over less than £100,000 pa (CIB data 2016). This local picture mirrors the national picture despite Bucks being the third wealthiest county in the country.

Research tells us that the skills gap nationally is widening between charities and SME's in some key areas, chiefly marketing and digital skills, but gaps remain in other areas. This is a concern, charities need to keep pace with their beneficiaries, donors and sponsors. It is no surprise that this issue is reflected locally but CIB training needs analysis identifies: fund raising, attracting high quality volunteers and trustees and strategic planning as key skills required for resilience – the latter being of great concern. It is recorded that 80% of charities in Bucks do not have a business plan (CIB survey 2015).

The CIB charity and community skills gap survey in Bucks shows that voluntary groups do not feel ready, in many cases, to work effectively with corporate organisations and support is needed. This was further identified by charities and community groups attending the CIB Sector Conference on Building the Bridge in September.

Local surveys of charities have shown that many who were previously focused on their own mission and beneficiaries are now also looking to form stronger relationships with other charities in order to

share resources and ideas. They identify a need for more networking as a sector (81% of those questioned – CIB, September).

Volunteering is strong in Bucks and contributes immeasurably to the well-being of individuals and a vibrant community. The type of volunteering and age of the volunteers has changed. It is the young (16 – 24 year olds/Institute of Volunteering Research) who are now most engaged in volunteering. This is driven by schools and universities as well as a trend towards social conscience and interest.

Volunteering will become increasingly important to the county. In order to support the growing needs of the elderly (115,300 over 65 year olds by 2016 - BCC JS & N projections) and those suffering from mental health issues (1 in 14 over 65 year olds will suffer from Alzheimer's, (Alzheimer's Society 2016), the voluntary sector will face increasing demands and the organisations operating in these areas will only be as resilient as their ability to attract and inspire volunteers. It is important to recognise that the over 65's are also the second most common volunteers and volunteering can play a vital role in the health and wellbeing of those over 65.

People are volunteering in different ways that better suit a more frenetic lifestyle yet research suggests (over 60% state) that they are driven *"by a wish to help others"* despite the, now evidenced, significant value to the volunteers own lives (*volunteers are happier, healthier and live longer than those who do not volunteer!*).

Companies are recognising that CSR makes good business sense *"There is a growing demand for businesses not only to say they are ethical, but to prove they have ethical values embedded throughout their organisation."* Tim Melville-Ross CBE, president of the Institute of Business Ethics. Forbes studies show that *"Good Sponsorship is better than marketing."* Further that 83% of customers will make a choice based on an ethical position. An SME in Buckinghamshire reported that out of 14 recent applicants for jobs, 12 wanted to work for the firm based on the work the company does with charity.

Demand still outstrips the supply of services in the sector. Despite the wealth of volunteering there is a great need for more leaders in charities, trustees, volunteers, and resources in order to support a thriving and resilient sector.

With funding more elusive for many organisations, good networking and support in developing *"memorandum of understanding"* agreements are of significant value. CIB has a role in helping build these relationships and networks.

Training and one to one support continues to be needed. Charities forming strong and professional relations with commercial organisations will form part of the future resilience for the sector. These charities will need support to *"gear up"* and properly value their offer to business.

The role of expert volunteers in underpinning advice to the sector shows a significant return on investment and in future-proofing the sector this will be an increasingly valuable area of support.

Community groups are being encouraged to take on more responsibilities and are requesting advice on planning, business development, governance, volunteer advice and marketing training to equip them for a sustainable future. Some community groups are developing strong social enterprises and expanding services, others are not yet at this stage. Rural communities in Bucks are facing the

challenge of an ageing population and the issues of loneliness, illness, property maintenance and transport. Good Neighbour Schemes, Neighbourhood Planning and Community Transport schemes will form part of the resilience in rural communities.

It is clear that challenges lie ahead, many as yet unknown, however the voluntary and community sector continues to support the people of Buckinghamshire. The sector can thrive but requires investment to do so - it is yet unclear how much will come from the symbiotic relationships with business and how much will be self-generated.

In their report *Change for Good* which was launched at the House of Commons on 20 January 2015, the Independent Commission on the Future of Local Infrastructure published their key findings, which include:

- *There will always be a need for voluntary sector infrastructure as there will always be voluntary organisations in need of support, particularly new voluntary organisations and those in crisis.*
- *Many organisations are unused to operating in a changing and contested environment and find doing so challenging.*
- *The infrastructure landscape is not uniform, with some duplication and many gaps*
- *There is a great need for the voluntary sector in general, and infrastructure in particular, to improve its ability to demonstrate its impact and evidence what it does and why that is needed*
- *The combination of reducing resources and increasing demand for services is putting parts of the sector under intense pressure*
- *Like the general population, voluntary organisations are experiencing a digital divide.*

The report identifies key challenges, skills gaps and areas of change. To talk about “the sector” in Bucks is almost too broad. Some charities are doing well, some are working together or with business partners to increase reach or reduce costs, some are building great skills and organisational resilience amongst their team of volunteers and staff, others are being left behind in the increasingly competitive world of fund raising. Community groups are in many cases developing; some are leading the way by establishing their own Community Interest Companies or charities and taking on or expanding services needed by the community and others are not. Many groups are driven by the needs or issues around them but most of all what determines the success of the group is the vision and aspiration of its leaders.

If we look to Government, local and national, for funding in the sector it will be lean times ahead. However, we will continue to focus our support to help organisations build a robust strategy, skills, and governance in order to help organisations be better prepared to engage new partners in their future.

Community Impact Bucks along with our partner support organisations need to make sure that every community group and charity knows how to contact us and that we will respond to need anywhere in the county.

## Facts and Figures at a glance

- There are 162,965 registered charities in the UK<sup>1</sup>
- Total income was £43.8 billion
- The voluntary sector's economy is dominated by larger charities
- Income growth in the sector in 2013-16 is attributed to larger charities only
- Income increased between 2013/2014, predominantly seen by organisations with an income over £100m.
- UK voluntary sector paid workforce (headcount) is 827,000
- Based on the UK Charity Commission data, the top 10 charities make up nearly 10% of total income.
- Three of the most popular causes which people donated to in 2014-15 were medical research (33%), children and young people (30%), and hospitals and hospices (25%)
- Government funding provides 34% of income for charities.
- 3% of charities hold 85% of the sector's assets.
- Almost half (49%) of the smallest, micro-organisations, have no reserves at all.
- 70% of the population (16+) reported carrying out some volunteering in the past 12 months
- 47% of the population (16+) reported volunteering at least once a month
- Young people (aged 16-24) represent the highest overall sector of volunteers followed by ages of 35 – 49 and 65 plus
- The most frequent reasons given for volunteering were to improve things/help people (60%)
- 37% of people don't volunteer because of a lack of awareness of how
- 58% of charities across the UK were without basic digital skills, compared to 23% of SME's
- 83% of charities in the UK make an income below £100,000 - meaning that the growth is derived from 3% of charities in the pool, leaving the remaining in static or declining income growth.
- 55p in every £1 spent by charities comes from earned income.
- Currently businesses support less than 3% of funding to charities *NCVO 2014*

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<sup>1</sup> UK Civil Society Almanac, 2016, Based on 2013/14 data. [www.data.ncvo.org.uk/a/almanac16/fast-facts-5/](http://www.data.ncvo.org.uk/a/almanac16/fast-facts-5/)

## Local Facts and Figures at a glance

- There are 2,574 registered charities in Bucks
- Total income for the charity sector in Bucks 2015/16 was £697,413,000 (Charity Commission Data)
- The local voluntary sector economy is dominated by larger charities with 2.5% of Bucks charities turning over more than £10m each
- Over 50% of Bucks charities turn over less than £25,000
- Bucks voluntary sector paid workforce (headcount) is est 27,000 (CIB data)
- Bucks voluntary sector is supported by 88,000 – 120,000 volunteers. (CIB data/National data by county)
- Rates of volunteering are higher in rural areas
- Urban areas record 25% volunteered formally on a monthly basis, compared with 37% of those in rural areas. Bucks is a rural county.
- Total economic value of activity delivered through volunteers is between **£130,000,000 - £150,000,000** pa (NCVO extrapolated for Bucks)
- **36%** of charities in Bucks have recorded an increase in income in 2015-16
- **39%** recorded income stable and **22%** stated income fell in 2015-16
- **53%** state that demand for services has increased.

## The greatest challenges facing charities and community groups in Bucks in 2016 are:

- Funding
- Recruitment and retention of volunteers
- Pressure from demand for services offered
- New responsibilities (Parishes/Community Groups)

## The skills gap reflects a need to upskill charities in Bucks in:

- Recruiting and managing volunteers.
- Trustee recruitment
- Funding and income generation
- Developing corporate relationships

## Groups want development support in different ways:

- Web based solutions

- Phone call or email – issue by issue
- One to one with an advisor
- Training
- Networking

Much depends on the simplicity or otherwise of the issue but to be effective in transferring and reinforcing skills – training and coaching create long term behavioural change.

## **8 Recommended steps to build resilience in the charity and community sector in Bucks**

Community Impact Bucks is dedicated to helping charities and community groups thrive. This paper suggests some clear priorities in order to help develop the support available.

In order to thrive charities and community groups need more than just the absence of threat but the opportunity of development.

The threats that exist in 2016 have existed for many years. Funding and pressure of demand are set to increase, particularly given the potential reduction in national and local government funding, yet there may be opportunities arising in some areas.

### **Volunteering**

The report identifies changes in volunteering both in the age of volunteers and the way that volunteers wish to contribute.

**R. 1. There is a clear requirement for greater opportunities to engage young people in volunteering in a way that appeals to them. Roles could be advertised to reflect the different ways that people tell us that they want to volunteer. Charities will need support to engage and inspire this army of younger volunteers both at delivery and board level.**

The report identifies that many people access volunteering roles on line. Older volunteers, who can benefit greatly in health and wellbeing from volunteering, risk being left behind if not digital savvy. One to one brokerage is an option that has many benefits but is costly to deliver.

**R.2. Those who can't access the internet effectively will be excluded from many opportunities. Support could be given to identify and train people to access on-line service.**

### **Digital:**

Charities need support to address the "digital gap" that is opening up between business and charities. Digital services help charities engage with donors, funders, beneficiaries and improve efficiency of administration. Organisations who excel in this area have access to:

- Fundraising platforms
- On line training and development platforms
- Volunteer matching services
- Connect with corporates on their level
- Platform for strategic partnering/collaboration amongst charities
- Networking & creating an online community
- Communication tools

**R.3. Charities report that they need support in understanding and unlocking the value of digital investment. Partnerships with commercial organisations could to help develop necessary skills. Digital dynamism is vital to attract the best volunteers, donors and sponsors.**

#### **Networking for resilience: Charity Sector**

Resources are limited and will continue to reduce as local government and national government is affected by cuts in local and potential loss of European funding.

CIB surveys identify that there is a clear appetite for greater networking amongst CEO's in geographical and sector specific organisations. There was relatively low interest in this being a virtual network.

In 2016 CIB and partners The Clare Foundation and Heart of Bucks, ran a pilot network engagement event for charity CEO's. It was oversubscribed and resulted in a unanimous desire to continue with the potential to share skills, resources, ideas and even mergers.

**R.4. Facilitated networking, specifically for charities with shared sector interests is required in order to build relationships that could lead to resilient partnerships.**

#### **Networking for resilience: Community Sector**

Many rural communities are taking opportunities offered by devolved responsibility. Services in communities range from support to the elderly, Good Neighbours Schemes to community transport schemes and village hall bookings.

**R.5. There is a need for facilitated networking between community groups leading to shared best practice and more resilient groups.**

#### **Building the Bridge: Funding and leadership resilience**

As noted, CSR continues to form part of businesses objectives. At the recent "Building the Bridge" Conference there was an overwhelming request for Community Impact Bucks to help charities better prepare to engage with business. Following the conference, a series of one to one meetings with local businesses identified that in order to better engage, businesses would like charities to have certain basic elements developed. These include: strategy, clear impact measures, some idea of value for money for their activities and a clear marketing message. CIB have been talking to partners about further support packages based on identified need.

**R.6. There is a need for specific support for charities preparing to engage with business.**

#### **Marketing and PR:**

Volunteering increases as awareness of opportunities increase, funding (donations) increases as awareness increases, sponsorship is more likely to be supported as awareness increases. It is apparent that one of the key areas of support needed in the sector in Bucks is training and development in the area of *raising awareness*. Specifically, for charities this is understanding the "story" the charity has to tell and learning how best to engage others in that story.

**R.7. Support is needed in developing marketing and communication strategies, utilising social media, PR, understanding the donor motivation and branding.**

**Training and Development:**

CIB's survey of how those working for charities wish to cover the skills gap showed that people want to access training and support in different ways: Most popular 41%, said they would prefer workshop style development. Second most popular being bespoke training tailored to their needs – although they wanted this to be provided free or at low cost. Other methods of covering skills gaps had lower percentages of responses but were still clearly some people's preferred method, including one to one support, online/webinar and mentorship.

**R.8. Training and development should be offered in a variety of ways including workshops, webinar/online training and one to one mentored support.**

It is clear from this report that the charity and community sector in Bucks is under threat having limited reserves, relying on reducing local authority support, feeling under pressure from increased demand and having recognised significant skills gaps in the workforce. Although all charities and communities are different there are some common needs that are important. It is also clear that charities generally are being left behind in the digital revolution.

To help charities and community groups to thrive in Buckinghamshire there needs to be a strong mix of support. This must include training and development with very direct and sector specific support focusing on marketing, PR and Communication, funding, volunteer engagement, digital development and specific, facilitated networking. It is also clear that charities wish to network both with charities in their field and local businesses.

Through working together Bucks infrastructure partners; Community Impact Bucks, Heart of Bucks, Bucks Business First, The Clare Foundation, Action for Youth and others can assist in the support of the sector to help develop Bucks into one of the most vibrant charity sectors in the country.

Bucks into one of the most vibrant charity sectors in the country.