



Community Impact Bucks

A BETTER LIFE TOGETHER

Voluntary
Community
Charity

*"The sector needs report
produced by CIB is essential
when setting our strategy
and business planning."*

Jennifer Allott
Chiltern Citizens Advice

**State of the Sector Report
2017**

Why do charities in Bucks matter?

Recent research shows that **80% of people in the UK think charities play an essential role in their local community; not surprising as 8 out of 10 of us used the support of a charity in the last 12 months.**

In 2015, 83% of UK households benefitted from the support of a charity service

In 2015, 83% of UK households benefitted from the support of a charity service¹. These charities in Bucks range from air ambulance and first responders to provision of mental health services and local community groups. These groups rely on local volunteers and local funding. It is likely that you are helping through your donations or volunteering (67% of us donate to charity every year and 41% of us volunteer). Bucks is home to about 2,500 charities and about 1,800 unregistered voluntary groups.

This report seeks to provide a picture of the local voluntary sector and the national context, including opportunities and challenges. Solutions are not readily available but must be found; some proposals for a long term thriving voluntary sector in Bucks have been identified within the report.

The Bucks charity and voluntary sector is a microcosm of the national picture – that is a world of two very different stories. The large, national charities and the small local organisations.

67% of us donate to charity every year and 41% of us volunteer

The largest 3% of charities receive 80% of the income

What do you think of when someone says “the voluntary or charity sector in Bucks”?

For most of us the first thought will probably be the well-known charities with incomes exceeding £1 million, of which there are over a hundred in the county². Across the UK the largest 3% of charities receive 80% of the income.

...more than half of them have an income of £25,000 or less...

...17% have no reserves at all

Money matters ...

Bucks' local charities attract less money from all sources than those with wider scope, particularly when it comes to private sector funding, and more than half of them have an income of £25,000 or less³. Many of them have very small reserves, and 17% have no reserves at all³, making their existence precarious at best - and yet it is the smaller charities that are most likely to have a purely local focus.

When Community Impact Bucks surveyed local voluntary organisations in Summer 2017, half of them reported some increase in income during 2016/17⁴. While this sounds like good news, it needs to be understood in the context of a sizeable and continuing increase in demand for the services these organisations offer, predominantly locally. We cannot be confident that resources are keeping up with demand and in a recent survey of Bucks charities^d, the threat of unsustainable demand exceeding ability to service was second only to funding as a risk to the future sustainability of charities.



...low turnover does not represent a lower impact on the people that the charity supports!

The big picture is that most of us rely on the support of local and national charities at one time or other during the year. Half the voluntary groups in Bucks have a limited turnover and these are most likely to hold virtually no reserves. In reality, that means that they are at risk from changes in circumstances.

These comments relate only to finances, and it is worth noting that low turnover does not represent a lower impact on the people that the charity supports.

What's going on in the sector

- Most charities in Bucks have slightly more money this year but costs and demand are exceeding resources.
- The largest charities receive the greatest increase in funds - many local small charities who are seeing funding falling don't have the resources to diversify or are not able to take advantage of opportunities.



The number of hours given to volunteering is falling

- The top 1% of national charities receive nearly half of the income to the entire sector.
- Bucks charities are predominantly small with less than £25,000 turnover and have 15 volunteers for every paid member of staff.
- The number of hours given to volunteering is falling although the number of volunteers is staying stable.
- Charities in Bucks tell us that their greatest challenges are: funding, demand on services, and finding volunteers (including trustees). Their greatest support needs are funding, help finding volunteers and trustees and marketing.
- In Bucks charities want to network, share resources and learn from each other. (Over 80%^d)

- State funding is reducing and Brexit has made charities less optimistic about their future. The funding opportunities are more competitive than they have ever been.
- Opportunities for future success will rely on collaboration, trading and better engagement with business around Corporate Social Responsibility (CSR).
- Small charities receive over half their money through donations but earned income is increasing as a source of income.

Key Numbers

- There were 2,505 registered charities operating in Bucks as at 30 June 2017 (2,574 in the previous year)^b
- About 8% of those organisations working for the community in Bucks are Social Enterprises. (CIB survey 2017)
- Estimated total annual income for these charities was just under £1 billion^b

81% of the sector's total estimated income goes to just 5% of Bucks Charities

➤ The local charity sector economy is dominated by larger charities. These bodies tend to operate on a much wider scale than Bucks alone

➤ 81% of the sector's total estimated income goes to just 5% of Bucks charities^b

➤ Local charities in Bucks (i.e. those operating solely in the county) have a total estimated income of £84 million^b

- Nationally, private sector funding has averaged about 5p in the pound of all voluntary sector income over the 10 year period 2005/06 to 2014/15^c
- Nationally, private sector funding as a proportion of total income in micro and small organisations is only half what it is in the larger organisations (2.3% compared with 4.3%)^c
- The average income for Bucks local charities is estimated at around £33,500
- 57% of all charities in the county have income of £25,000 or less^b
- About half of the smallest voluntary organisations (income under £10,000) have no reserves at all according to the latest (2013/14) national figures^c

In 2017 only 2% of trustees were fully confident to take opportunities that carry financial risk

- Most small charities (nearly 80%) deliver services within their local community^c
- 49% of voluntary organisations in Bucks recorded an increase in income in 2016-17 (previous year 36%^d)
- 69% (rise from 53%) state that demand for services has increased. Furthermore a recent study "Taking the Pulse of the Small Charity Sector" August 2017 (FSI) reported workload, funding and demand for services the greatest challenges ahead.
- Only 2% of trustees were fully confident to take opportunities that carry financial risk.
- We estimate that around 175,000 adults in Bucks volunteer at least once a year, about two thirds of whom (115,000) volunteer on a regular basis (at least once a month).
- People aged 16–25 still report the highest rate of volunteering of any age group (but they offer less time than the older age groups).

Social Enterprise and Return on Investment

Funding strategy and marketing remained key areas for support by 30% of charities^d.

Income from investment showed little change overall; it still forms a high proportion of income for micro and small charities and the smallest proportion for major charities^k.

There is evidence that smaller charities may benefit from income earned via trading if it supports their mission. Sir Stuart Etherington, CEO of NCVO, has said, 'Charities have become increasingly entrepreneurial in recent times' yet only 16% of charities surveyed by CIB said they would like further support on business development and trading^d.

Funding strategy and marketing remained key areas for support by 30% of charities^d. Earned income continues to grow more quickly in comparison to donations^l. It is worth reflecting that earned income is not the same as surplus and it may cost charities in time, investment and other opportunity costs to trade. A report by FSI August 2017 only 2% of trustees were fully confident to take opportunities that carry financial risk.

16% of surveyed charities by CIB said they would like further support on business development and trading^d.



Return on investment for raising funds:

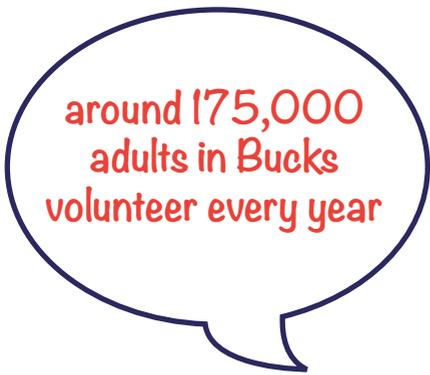
From a mixture of CharityFinancial and nfpSynergy data 2013 and other data from local organisations we have identified a rough guide to return on investment for fund raising:

| | |
|--|--|
| Grant making trusts: | ROI 10:1 (diminishing) |
| Trading: | ROI 2:1 |
| Local fund raising: | ROI 2:1 |
| Events: | ROI 3:1 (can be 5:1 with Pro bono etc) |
| Committed regular giving by standing order | 5:1 rising to 10:1 over the years |
| Legacies: | ROI 22:1 |
| Corporate donations: | ROI 5:1 |
| Major Donations: | ROI 6:1 |

... and people matter too

Of course, it would be quite wrong to evaluate the resources of the county's voluntary organisations solely in financial terms. The sector employs staff, and involves volunteers extensively. Nationally, there are an estimated 765,000 people working in the voluntary sector⁹. (This is about the same number as work in the restaurant and catering sector.) We estimate that in Bucks there are about 7,400 people working for charities⁹, some of whom will be employed by the bigger charities and work outside the county.

In addition to the paid staff, there are, of course, the volunteers from whom the sector gets its name. To put the role of the volunteer into perspective we estimate that there are on average at least 15 volunteers for every paid member of staff in Bucks and that their unpaid contributions are worth about £225 million across the county⁵. Indeed, the volunteers for local charities in Bucks add £1 in economic value for £1 received in income⁶. However, this value has dropped (nationally) in the most recent years because of a **decrease in the number of hours volunteered^c**.



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adults in Bucks
volunteer every year

Lets look at the lifeblood of the sector – volunteers!

So who are these people? We have national figures on volunteering but by using Community Impact Bucks data (2017) we believe that we can represent the local situation as well. According to national

figures from the NCVO Almanac more than one quarter of the population volunteer at least once a month, equal to more than 14 million people throughout the UK. Based on national figures, we estimate that around 175,000 adults in Bucks volunteer at least once a year, about two thirds of whom (115,000) volunteer on a regular basis (at least once a month). Our own data gathered from close to 100 responses puts the figure at nearly 100,000 (79,600 in registered charities and an estimated 17,800 volunteer with unregistered groups (2017).

NCVO adds that while the increases in volunteering by young people over the last five years appear to have levelled off, people aged 16–25 still report the highest rate of volunteering of any age group. The main barriers for young people getting involved in volunteering included: a lack of awareness of the opportunities, the financial and time cost, and a lack of opportunities for young peopleⁿ. Improving benefits for young volunteers, such as communication skills, building relevant work experience, and UCAS points have been used by some charities to engage younger volunteers. 'Digital volunteer' roles are also attractive to young people who use social media and communicate, bank, learn and shop online^p.

NCVO also reports that:

-  Men and women are equally likely to do formal volunteering, which is volunteering with official groups, clubs or organisations; women are more likely to report informal volunteering, which is giving unpaid help to other people, usually friends or neighbours.
-  The proportion of people volunteering over the last 12 months has increased in recent years, but at the same time, the average time spent volunteering per day has fallen. As a result the national value of formal volunteering fell from £22.8bn to £22.6bn between 2014 and 2015.
-  The most frequent reason given for volunteering was to improve things/help people (61%); conversely the most frequently given reason for not volunteering was work commitments (55%). The most commonly cited reason for stopping volunteering was lack of time due to changing home/work circumstances (52%).
-  Young people (aged 16-24) and those aged 65 to 74 are the most likely to volunteer on a monthly basis. Conversely, it is people of working age who are least likely to volunteer, presumably because of work commitments.
-  Occasional or one-off participation in employer-supported volunteering – that is, at least once in the last year – has remained at a similar level in 2015/16: 8.1% compared with 8.3% in 2014/15.

The most cited reasons for volunteering remain the same as 2015/16^m:

-  Wanted to improve things or help people (61%)
-  Cause was important to volunteer (39%)
-  Spare time to volunteer (34%)

- Chance to use existing skills (30%) or meet people (30%)
- Cause was personal to friends/family (26%) or felt a need for cause in the community (26%) .

Whatever the reason given we know that people live longer and feel better when they volunteer.

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What kinds of support do Bucks voluntary organisations most need?

CIB supports over 550 charities a year and carries out regular surveys of voluntary organisations in the county. The results from these surveys tell us that the greatest challenges facing charities and community groups in Bucks in 2017 are a mixture of ongoing and emerging issues. Help with funding has been a growing issue for the last 8 years, while the pressure of demand for services is a much more recent concern. This stress has occurred following Government reduction in investment in front line, non-statutory services and a reduction in funding for the charity sector. Nationally, charities' digital skills have improved, but are still at a disappointingly low level.

- Help with obtaining funding is a perennial problem which tops the list in our survey this year (2017) and also came top in 2013 and 2009
- Funding issues have become much more prominent over time, cited by 68% of charities in 2017
- Recruitment and retention of volunteers continues to be a top concern amongst charities
- Raising awareness of the organisation is another emerging concern, placed third in 2017 but not a top 5 issue in either 2013 or 2009
- Pressure of demand for services offered was fourth greatest challenge facing Bucks charities in 2017 but outside the top 5 in both 2013.^d
- Nationally, only 51% of charities have basic digital skills^h but this is an improvement on the previous year's figure of 42%
- 71% of charities nationally describe their board's digital skills as low or having room for improvementⁱ.

Further threats may come from outside the sector. Many charities fear the new rules around the General Data Protection Regulations (GDPR) will lead to decimation of their mailing lists^q. The NCVO has identified the extension of austerity, Brexit, and poor social mobility as key political challenges for charities in the next year, particularly around issues of inequality and what charities can do to participate meaningfully in the debate^r. Finally, charities are no longer the only organisations known for 'social good' and social platforms (and enterprises) offer

new opportunities for engagement and branding^f. Are there other ways for social action to thrive? How can charities stay relevant?

Support needed

There is a clear message. We need to address the skills gap, particularly in respect of:

-  **Leadership development**, business planning and trustee recruitment
-  **Funding** and income generation
-  **Volunteer recruitment** and management
-  **Digital skills**
-  **Collaboration and CSR**

Leadership and Trustees

There are currently just over 1 million trustees^s in the UK but 15% of registered charities reported an insufficient number of trustees in 2010^t. 32% and 24% of charities said they would like support on trustee recruitment and trustee responsibilities respectively. Graduates have been highlighted as particularly valuable as trustees^u; they are aware of market trends and their increasing appetite for volunteering has been cited above.

Theodora's Children Charity used trustees as 'an incredible resource' for getting the word out about the charity^v. Thames Hospice care found recruiting trustees from outside their network^w helped to attract people with other professional skills such as law, business, politics, and IT, while Beating Bowel Cancer looked to recruit new trustees as they expanded, especially people from diverse age groups and backgrounds 'to better reflect the people' they served^w.

In the local area, the Berks, Bucks & Oxon Wildlife Trust looked to recruit trustees to help form a new strategic plan, as well those with skills in agri-environmental work to help guide their volunteers. They now have trustees with zoology and microbiology degrees as well as trustees who specialise in conservation, accountancy, and policy advice³.

Digital Skills

An overwhelming 68% of charities said that digital will change the voluntary sector by 2027^x. Yet charities continue to struggle with digital:

-  61% of charities rate their digital fundraising skills as low or room for improvement^x
-  70% of charities rate their board's digital skills as low or room for improvement^x



➤ 80% of charities want their leadership to provide a clear vision of what digital could achieve for them^x

Yet charities are increasingly finding innovative ways that digital can serve their mission. For example^p:

➤ Heart of Bucks used Saucy Horse Production to design and create five videos showcasing local charities and not-for-profit projects to increase visibility and the number of donors. The audiences reported the videos as both moving and engaging⁴.

➤ LGBT Youth Scotland diversified support services by offering support through email and a Live Chat online.

➤ Scottish Rural Action is increasing its grassroots presence through moderated online forums.

Collaboration and CSR: a way forward

Collaboration is a way for charities to tackle the changes they face with added support. In Bucks a recent survey suggests that 41% are seeking or already have a corporate sponsor, 16% would consider merging with another charity, and 38% would like to share resources. How can this be done?

➤ The Co-op has started publishing data on the money it gives to local causes, hoping the additional transparency will 'encourage co-operation between grant awarding bodies'^y

➤ A huge 89% of surveyed charities said they would like to be part of a network of local voluntary and community organisations^d

➤ Within such a network, sharing experience and practices, and identifying partners for collaborating to deliver services, were the top choices by charities^d

➤ Digital continues to be relevant with a majority of charities preferring a combination of face-to-face meetings and a virtual network for collaboration.^d

Simon Hopkins, CEO of Turn2Us describes, 'the next urgent challenge...must be to exploit the potential of digital to enable a major step up in collaboration. That collaboration should have one purpose: to get more help, more quickly, to people who need it.'^x

What is CSR?

Corporate Social Responsibility (CSR) refers to the energy that a commercial organisation



A huge 89% of surveyed charities said they would like to be part of a network of local voluntary and community organisations

puts towards community or charitable aims. Often this is local, often unrecorded and undervalued by both the company and the charity.

CIB has carried out research on local companies that work with charities and many that do not. The research identifies certain barriers preventing charities from developing long term relationships with corporate partners:

-  Charities are not prepared to find out enough about the businesses that they work with.
-  Charities do not keep the businesses involved in their development. Companies do not feel that they are being treated as a “partner” or “key account”. It is common for companies to complain of feeling they are kept in the dark about projects that they have funded.
-  Companies are not aware of the value of CSR to their bottom line and recruitment.

Innovations

We have endeavoured to draw together some of the trending innovations, and the charities driving them, for the near future of the sector:

-  **Fundraising** – Current innovations in the sector include crowdfunding platforms, corporate networking events and online funding platforms and payments. Hearing Dogs for the Deaf used a crowdfunding platform to raise money for a new ‘Pup-mobile’ van².
-  **Use of Applications** – Royal Society for Blind Children made a Wayfindr app to help young people navigate indoors into the Wayfindr Standard Zone^x. Carers UK has an app to help carers manage their role and coordinate it with others¹.
-  **Personalisation** – Service users are demanding a more interactive and personal experience² so charities are encouraged to think outside of the box, including an openness to taking risks, focusing on the user, transparency, engaging for feedback, using technology and, ultimately, flexibility².

Conclusion:

There remains about 2,500 registered charities in Bucks of which the vast majority have a limited turnover of under £100,000 with most under £25,000 and many without reserves. National and local traditional funding sources have reduced by 54% over the last ten years and some reports suggest the funding will all but dry up in 4 years (Guardian 2016).

As every one is unique, there is never a typical charity but there is a typical profile of charity in Bucks and it is:

- Driven to serve local people
- Has less than 5 staff - (25% have no paid staff!)
- Has upto 50 volunteers working with them
- Supports between 250 and 500 people a year!
- Average turnover less than £33,000 per year (most less than £25,000)
- Really keen to network, share ideas and resources with other charities
- Very concerned about demand exceeding nor ability to support
- Very concerned about funding, finding volunteers and recruiting the right trustees.

In Bucks, 80% of us rely at one time or another on charities. Coupled with the ageing population, increased loneliness and isolation, high levels of youth mental health issues and rising homelessness, it should and will matter to us what happens to local charities.

Although the numbers of people volunteering is consistent from last year the amount of time committed is falling. This is an alarming trend but not surprising – anecdotal evidence is suggesting care responsibilities and economic need is putting pressure on the availability of volunteering hours.

Opportunities for charities to thrive exist but they require change. The national and local data suggests that the way forward includes support for **leadership** of charities, developing long term funding solutions or business development opportunities.

With an eye on return on investment charities will also need to have a funding strategy that meets their needs, resources and trustees' appetite for risk. Collaboration with other organisations - either to share resources or building relationships with commercial partners under CSR - shows clear benefits to both organisations. The world of volunteering is clearly changing and charities need to develop volunteering strategies to respond to the younger, limited hours resource.

Sources:



In Bucks, 80%
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St Francis' Children's Society



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