



HERTFORDSHIRE
INFRASTRUCTURE CONSORTIUM

The economic and social impact of the voluntary and community sector in Hertfordshire.

Report on a research project conducted for
Hertfordshire Infrastructure Consortium by Obsidian Consulting.
Publication: 20th June 2006

Contents	Page
Background	2
Definition	2
Demographics and issues arising	3
Method	4
The Size of the VCO sector in Hertfordshire	6
Macro Survey	7
Micro Survey	10
Follow-up Survey	17
Evaluating the Sector:	18
▪ to Society;	21
▪ to Funders;	22
▪ to Volunteers/Participants;	24
▪ to Beneficiaries/Clients	25
Conclusions	26
Recommendations	28
References and Acknowledgements	29
Annex: Chart; Proportions of funding x source	

Introduction

Voluntary and Community Organisations [VCOs] play an important role in society and an increasingly important one in the delivery of services. The sector comprises a large number of often very small, local initiatives with particular focus and skills; as well as larger, professionally run social enterprises. Together, these play important parts in the lives of citizens and in the support for communities for which government and other provide funds.

Understanding of the value of these activities is essential: to justify continuance of funding; to create the respect for such work among all stakeholders; to inform others of activities with which they may wish to engage; and to enable best practice to be shared. Many VCOs are very small and their activities unpublicised. Identification of these can often only be achieved in or by the communities they serve.

A consortium of Local Infrastructure Agencies has been formed in Hertfordshire which seeks to understand the scope of the voluntary and community sector within the county and its value to the wider, regional community by commissioning a research project, supported by Herts Infrastructure Consortium and ChangeUp. Obsidian Consulting was contracted to undertake this research after competitive tendering.

Definition

“Because of its diversity, it is not easy to define the voluntary sector. Voluntary sector organisations vary enormously in size, from small local groups staffed exclusively by volunteers, to large national charities that are household names with complex infrastructures and many hundreds of staff. Broadly speaking, however, the sector can be said to comprise organisations that are:

- * Independent of government and constitutionally self-governing (although governance structures can take a number of forms, charities, for example, are defined by the purpose of the organisation and whether or not they conform to charitable law, rather than by their legal structure)*
 - * Value-driven - in other words, they exist for the good of the community, in that their primary purpose is to promote social, environmental or cultural objectives in order to benefit society as a whole, or particular groups within it*
 - * Not established for financial gain - they re-invest any surpluses to further their primary objectives (rather than distribute surpluses to shareholders, for example)*
- [everychildmatters.gov.uk]

In consultation with the Steering Group, the following were specifically excluded from consideration: Parish Councils; Schools (though not PTAs); Hospitals (though not hospices or patient groups); and Trade Unions.

NB: This report summarises the findings of a multi-strand consultancy project. Graphics are for illustration only and may on their own be misleading.

Demographics and Issues arising

The population of the United Kingdom at the 2001 census was 58.8m. Nationally, the voluntary sector is estimated to have had income in 2004 totaling over £26bn, of which 45% derived from earned income (selling goods and services), 45% from grants and donations and 8% from investment returns [NCVO]. 38% came from government bodies.

The population of Hertfordshire at the last census (2001) was 1.034m; 1.75% of the population of UK; 2.1% of that of England. The total income of the voluntary sector, as identified through this survey, in 2005 was c£1.165m, of which 37% derived from subscriptions and sales; 32% from grants, fundraising and donations; and 20% from public sources.

The county is structured politically into 10 Local Authorities:

Local Authority Area	Pop. 2001 Census
Broxbourne	87,054
Dacorum	137,799
East Herts	128,919
Hertsmere	94,450
North Herts	116,908
St Albans	129,005
Stevenage	79,715
Three Rivers	82,848
Watford	79,726
Welwyn/Hatfield	97,553
Total Herts	1,033,977

Some of the following characteristics of Hertfordshire may influence volunteering by its residents:

- Proximity to London and the M25: inviting inflated house prices, causing some deprivation; commuting away from home during the daytime; external focus for activities.
- Straddling the major arteries North of London: again suggesting travel as a counter to community focus.
- The rural Northern section; sparser population density; lower incomes; poorer access to services.
- No single major city; New Towns and Market Towns surrounded by Green Belt constitute the main housing areas, often combining wards of high deprivation with areas of high wealth. Restrictive services.

Method

Briefing and oversight for the project was provided by the Steering Group, particularly through the lead member, Laura Cronshaw of St Albans CVS [LC]. Legacy data and other information sources were provided or identified by LC and Andrew Burt of Herts CC.

The project comprised two key deliverables: as comprehensive as possible a database of VCOs in the county; and an evaluation of the sector. It was a requirement that both elements should be conducted in ways which could be repeated in future years, to measure trends. It was agreed that evaluation could only be achieved once the sector had been as clearly quantified as possible.

Phase 1: Data Collection

Phase 1 of the project set out to create a comprehensive database of VCOs in each of the 10 Local Authority areas in the county. Desk research was undertaken to benchmark questions and identify sources of information (see Annex for references). Three existing databases were obtained, from: Herts County Council (www.hertsdirect.org.uk); Guidestar (www.guidestar.org.uk); and Herts CVS. These were in differing formats but were successfully merged and de-duplicated to create a master database for the county. In total, 12,801 VCOs were identified as having discreet addresses within the county (organisations with several addresses but the same name are listed for each address). A further 2,865 organisations listed in Herts databases which have addresses only outside the county; and 1,796 with no postal address in Herts through which to verify them are not included in this analysis. The grand total of VCOs in some way identified through the databases available was thus 16,887.

Phase 2a: Macro Survey In order to obtain greater detail of the scale and nature of volunteering, both economic and numerical a survey of as many VCOs as possible was set up. Because of the number of potential respondents involved, direct mail was unaffordable within the budget available so it was decided that universal access to a survey accessible on the Internet would be most effective. This was created by Obsidian, who also devised the questionnaire in consultation with the Steering Group. Opinion and insights were expressly not sought in this, to make the completion of the form as simple and quick as possible, in order to maximise participation. The selection of categories for multiple choice questions was, wherever, possible aimed at compatibility with the structure of other data gathering for the sector. Respondents were invited to register willingness to participate in further investigations, especially related to the value of the sector.

Stakeholders were invited to distribute the questionnaire or encourage linking to it by as many VCO contacts as possible; and a mass e-mail was circulated to the contacts on the new master database offering e-addresses, encouraging both response and forwarding to others. Publicity for the survey, its reasons and benefits was undertaken through appropriate media (flyer; e-mail) selected by the Steering Group, where affordable. Hard copies of the questionnaire were made available to any unable to access the Internet.

The Steering Group is grateful for the support of Herts CC for both access to data and support in the mass e-mailing to nearly 8000 contacts.

Phase 2b: Micro Survey In order to validate the data identified by the survey and databases, a micro-level study was conducted, in which volunteers surveyed their own communities (exemplar wards, guided by Hertfordshire Prosperity Investing in Communities profiles) representative of typical subsets of Herts population:

- Inner city/urban, deprived: Stevenage Bedwell (exc. Town Centre)
- Urban mixed: Stevenage Broadwater
- Smaller town mixed: St Albans Clarence
- Predominantly rural: Pirton

The purpose of this was to establish the number of VCOs and volunteers per 1000 head of population in typical subsets of the county. This enabled differences in VCO category to be identified in various types of community and will be repeatable for trend analysis in future.

Data gathered have been collated and presented in tabular, graphic and report formats appropriate for facilitating analyses and updating.

NB: Caution must be exercised over attributing significance to figures derived from a small sample.

Phase 3: Adding Value

Desk research accessed prior learning about how organisations assess themselves or are assessed by others. This information was used to inform drafting of Survey 2, addressed to those of the Survey 1 respondents who had indicated willingness to engage further. This method was chosen over running focus groups in order to allow repetition in future.

Interviews were held with representatives of stakeholders, including funders, volunteers and communities to obtain views on the value of the sector, its services and their future.

Phase 4: Reporting

Gaps and hot-spots of volunteering activity; demand and barriers to service provision; and issues relating to quality and value are identified and interpreted to inform strategy for the sector.

Actions for stakeholders are proposed.

Repeatability

The design of this project throughout has had an eye to making it possible to repeat it in future, enabling change to be tracked. Survey 1 was road-tested and

proved robust and useful. Changes may be made in the light of issues of the time but should be treated as additions rather than changes to existing questions if comparability is to be achieved. Survey 2 was constructed and launched under time constraints, without road-testing. It contains some minor weaknesses of which the Steering Group are aware and which should be corrected if it is used again. The Ward profiles are not 100% comprehensive but given the same method and resources would be expected to yield similar levels of value if repeated. They have proved a useful comparator for the survey-obtained data.

The Size of the VCO Sector in Hertfordshire

In order to establish both the number of discreet organisations comprising the VCO sector in Hertfordshire and create a database for survey purposes, the first phase of this project, through desk research, established the key database resources available affordably.

Herts CC's Hertsdirect website lists some 12,000 organisations under the heading "Community and Voluntary Organisations". Guidestar, the newly formed information company for the charities sector, listed some 4300 organisations in Hertfordshire. Herts CVS had a list of some 1800 associated organisations.

These three disparate and differently structured lists formed the basis of the first task: the creation of a master list of VCOs in Herts. The three lists were merged and de-duplicated using a mix of ICT tools, with the following data resulting:

Local Authority	VCOs	No per 1000 of Population
Broxbourne	722	8.29
Dacorum	1,684	12.22
E. Herts	1,963	15.23
Hertsmere	1,210	12.81
N.Herts	1,802	15.41
St Albans	1,935	15.00
Stevenage	781	9.80
3 Rivers	646	7.80
Watford	989	12.40
Welwyn Hatfield	1,069	10.96
Herts Total	12,801	12.38

A master database for the county and each Local Authority area has been supplied to the Steering Group.

Macro Survey Findings






















The main survey attempted contact with 7,706 organisations filtered from the master database, approached by e-mail supported by publicity materials notifying VCOs of the survey link. Steering Group members invited their own contacts to participate and distributed publicity materials advertising the survey URL. A response from exactly 600 organisations of all shapes and sizes resulted – far more than might have been expected from a postal questionnaire. This equates to 7.8% response to the e-mail; or 10% if non-personal addresses (info@ etc) are discounted. Bearing in mind the widespread obstacle of spam filters, this in our view is a satisfactorily representative sample.

We asked

Where does the organisation carry out its activities?			
Town(s) / Neighbourhood(s):		45.5%	273
District(s) / Borough(s):		26.2%	157
Countywide:		12.3%	74
National:		16.0%	96

Most VCOs are community based. Relatively few VCOs are based on the county as an area for activity. More have a national profile but it can be assumed that the smaller the organisation, the more localised will be its activity.





























What is the "PRINCIPAL" focus or interest of your organisation?			
Addiction & substance abuse:		0.3%	2
Animals:		1.3%	8
Armed Services:		0.0%	0
Arts/Music/Culture:		7.3%	44
Black & Minority Ethnic Groups:		0.7%	4
Carers:		0.8%	5
Children:		9.2%	55
Community Action & Development:		2.7%	16
Crime prevention / Safety:		0.5%	3
Disability -- Learning Difficulties:		2.7%	16
Disability -- Physical/Sensory:		3.0%	18
Disability -- Mental Health:		1.3%	8
Disaster Relief / Aid:		0.3%	2
Domestic Violence / Abuse:		0.3%	2
Education, Training & Skills:		4.7%	28

Elderly & Older People:		2.2%	13
Employment / Unemployment:		0.3%	2
Environment, Conservation & Regeneration:		2.5%	15
Families & family support:		3.0%	18
Gender issues & sexuality:		0.0%	0
Health & Medical Conditions:		3.7%	22
Housing & Homelessness:		1.8%	11
International development:		0.3%	2
Isolation & Social exclusion:		0.3%	2
Legal rights & Justice:		0.3%	2
Leisure & Social activities:		5.5%	33
Men & Men's issues:		0.2%	1
Museums & Heritage:		2.0%	12
Philanthropy:		0.3%	2
Politics / Political Groups:		0.5%	3
Poverty relief:		0.3%	2
Prisoners & Ex-offenders:		0.3%	2
Refugees / Asylum seekers:		0.0%	0
Religion & Faith:		6.0%	36
Sports & Outdoor pursuits:		11.2%	67
Transportation:		0.3%	2
VCS Support & Development:		1.3%	8
Women & Women's issues:		1.3%	8
Youth (13+):		1.5%	9

This suggests that the most commonly cited focuses for VCO activity are:

1. Sports and Outdoor pursuits
2. Children
3. Arts, Music and Culture

We asked respondents to identify the legal structure of their organisation. 26% were incorporated registered charities; a further 18% unincorporated registered charities; only 4% were limited companies; 3% Community Interest Companies (CIC) and 7% cooperatives or user-led organisations. The balance of 42% who did not identify themselves as any of the prompted categories contained many clubs; churches undertaking voluntary activities; individuals running undertaking voluntary work; and “groups” and “committees” without a legal framework.

What are the main activities or services provided to users?		
Advice & Information:		221
Advocacy:		61
Animal care / shelter:		8
Befriending or Support:		117
Campaigning:		72
Charity shops:		10
Counselling / Mediation:		68
Daycare / Day Centre / Respite:		32
Domestic help / Gardening:		10
Equipment hire/loan:		21
Financial Services:		12
Fundraising (for others):		62
Grantmaking (to others):		38
Healthcare (inc Hospices):		31
Housing & Accommodation:		20
ICT Support & services:		11
Leisure / Social club:		176
Office Services:		13
Playscheme / Childcare:		81
Recycled / Donated goods:		14
Research:		32
Speakers or Trainers:		60
Training & Education:		184
Translation or Interpretation:		8
Transportation:		18
Venues / Halls for hire:		58
Volunteers (providers of):		58
Other (<i>please specify</i>):		221

The most common services provided are thus:

1. Advice and Information

2. Training and Education
3. Leisure

It was a surprise that a third of respondents found themselves falling outside the categories listed. In fact, almost every response selecting “Other” could have been categorized in the list. We have not chosen arbitrarily to reallocate these; but the full and staggeringly diverse detailed list of responses is available for study.

Micro Survey:

The technique of surveying VCO activity in disparate, representative wards was only partially successful. The results from the four “Community Detectives” were so significantly divergent as to suggest that there was insufficiently common methodology or time allotted.

WARD	Pop '01	VCOs	Vols	VCOs/1000
N. Herts Pirton	1,169	40	229	47
St Albans Clarence	6,069	26	65	4
Stevenage Broadwater	12,005	9	48	0.4
Stevenage Bedwell	6,544	65*	272*	9.32
Total	25,787	140	614	
Average				5.4
* Town Centre not included in survey				

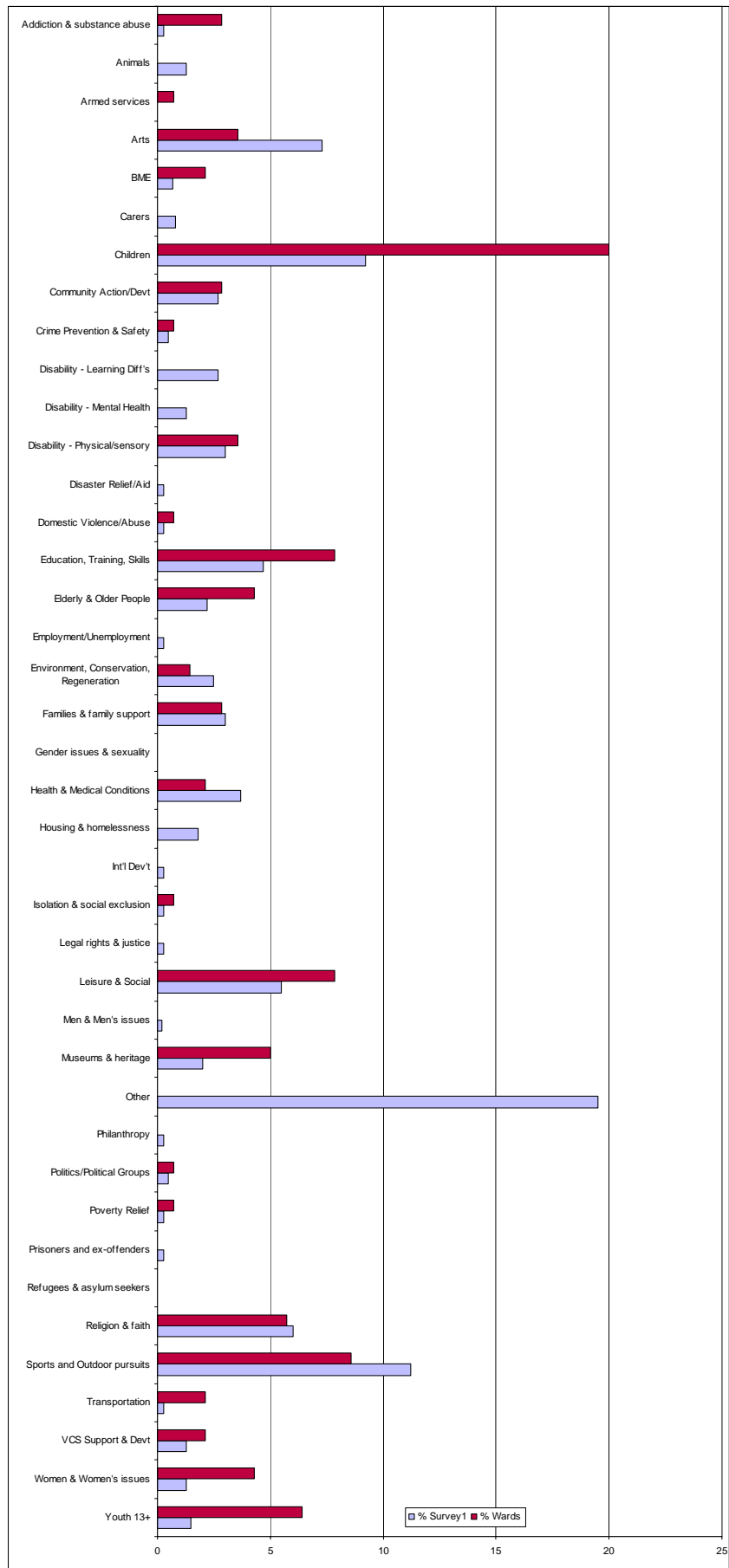
The evidence from 2 wards suggests that at the community level, the presence and activity of VCOs is at least as great as or even greater than indicated by the wider data. On the other hand, were the data obtained in the other wards accurate, this would indicate a wide disparity in activity in different communities.

The evidence of activity identified is sound but we suspect that some activities were not detected, to varying degree across the four areas. This makes drawing of conclusions from the above data problematic. Were the extraordinarily high level of volunteering demonstrated in Pirton reflected county-wide, even the 12,801 VCOs detected would be only a proportion of the total. It is, however, our view that villages, as discreet communities with a far higher degree of self-sufficiency and being more inward-facing than sub-sets of larger towns, may generate very high community activity.

Whilst the focus of those living in residential suburbs may be more drawn to the greater facilities of the town centre or even London, were conclusions to be drawn from the much lower figures obtained in St Albans Clarence and Stevenage Broadwater, this would belie the evidence of the county database, which indicates some 12 VCOs per 1000 head of population. This survey may offer more value in charting the focus of VCOs:

VCO FOCUS	Clarence	Broadwater	Bedwell	Pirton	Total
Addiction & substance abuse	2		2		4
Animals					0
Armed services	1				1
Arts			1	4	5
BME			3		3
Carers					0
Children	4	4	17	3	28
Community Action/Dev't			1	3	4
Crime Prevention & Safety				1	1
Disability - Learning Diff's					0
Disability - Physical/sensory	4		1		5
Disability - Mental Health					0
Disaster Relief/Aid					0
Domestic Violence/Abuse	1				1
Education, Training, Skills			8	3	11
Elderly & Older People	3	1	2		6
Employment/Unemployment					0
Environment, Conservation, Regeneration	1			1	2
Families & family support	2		2		4
Gender issues & sexuality					0
Health & Medical Conditions	3				3
Housing & homelessness					0
Int'l Dev't					0
Isolation & social exclusion	1				1
Legal rights & justice					0
Leisure & Social		1	7	3	11
Men & Men's issues					0
Museums & heritage			1	6	7
Philanthropy					0
Politics/Political Groups				1	1
Poverty Relief			1		1
Prisoners and ex-offenders					0
Refugees & asylum seekers					0
Religion & faith		1	5	2	8
Sports and Outdoor pursuits	1		5	6	12
Transportation			1	2	3
VCS Support & Dev't	1		1	1	3
Women & Women's issues	2		2	2	6
Youth 13+		2	5	2	9
Other					0
VCOs identified	26	9	65	40	140
Vols identified/estimated	65	48	272	229	614

Combining and comparing this data with that obtained in the Macro Survey (above) verifies which categories of focus are more prevalent:



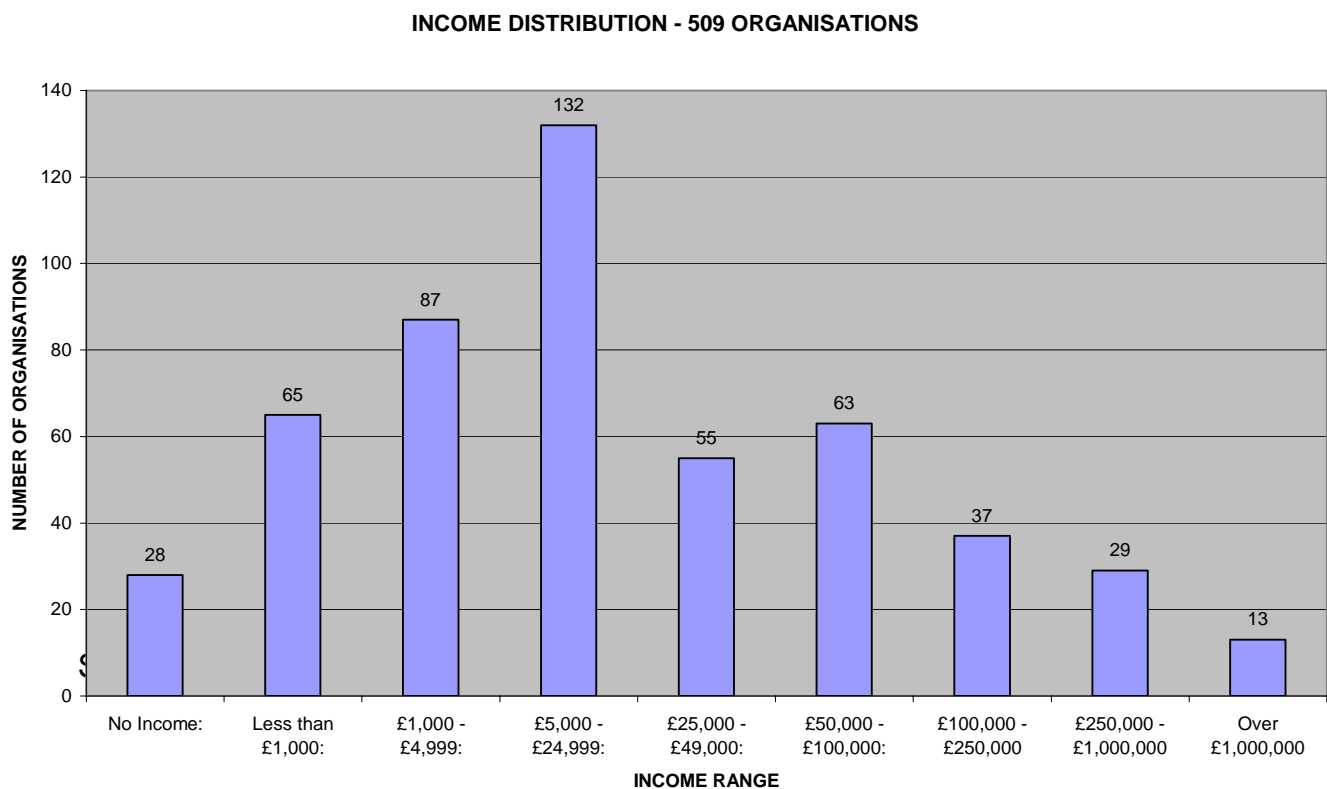
This suggests that the sector's largest focus is on:

- Children
- Sports and outdoor pursuits
- Leisure and social
- Education, training and skills

It has not been possible to draw as much from the Micro survey as anticipated though were the same "Community Detective" to apply similar methodology in all wards examined, more significant comparisons could be made. We do not therefore believe that this experiment has been without value.

Finance:

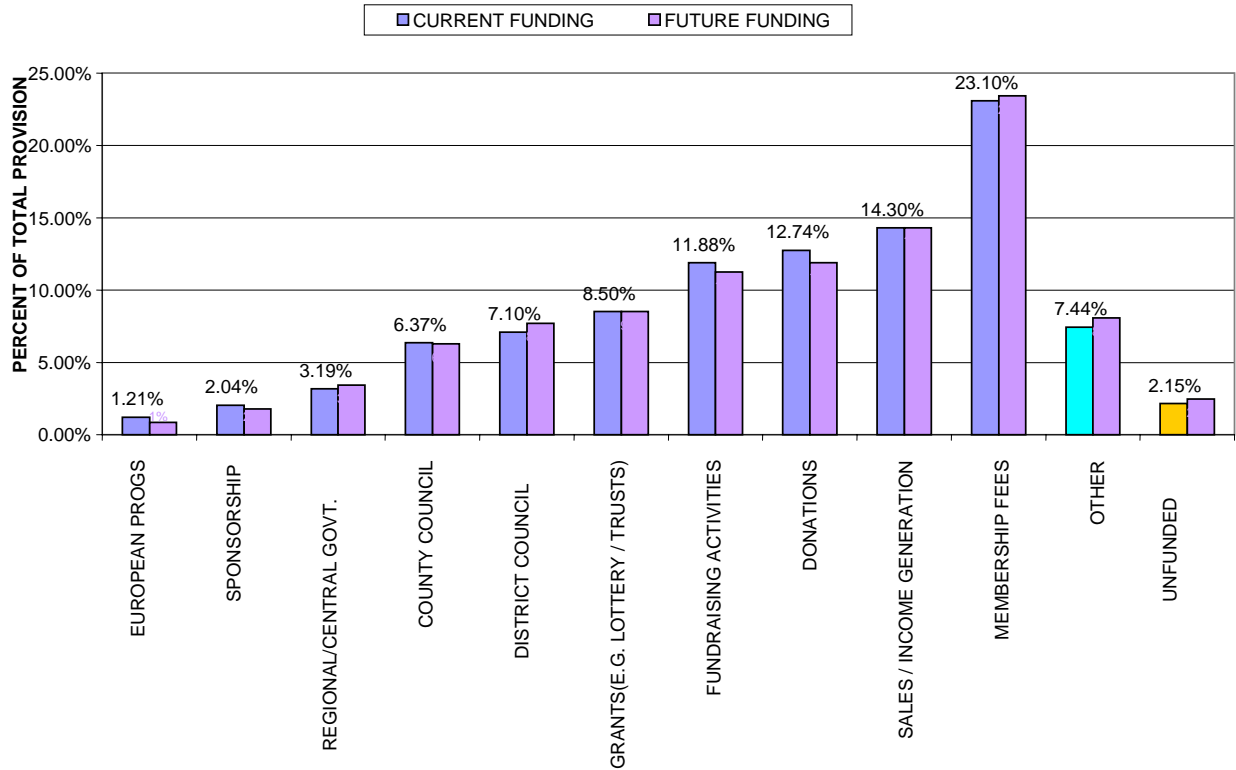
We asked about turnover. The respondents reported their turnover in the current year as follows. Taking the median point in each range as the average turnover, this would yield some £46m from 509 organisations, an average of £91,000 per VCO. Extrapolated to the sector as a whole in Herts, this equates to a revenue value of £1,165m.



[For valuation purposes, the median figure in each range was taken, except the over-£1m category where £1m was used].

Sources for these funds, current and forecast are:

HERTS VOLUNTARY & COMMUNITY ORGANISATIONS - FUNDING BY SOURCES



From this it can be inferred that:

- members contribute the largest (23%) proportion of income for VCOs;
- public sources (Europe; National; Local) on average fund c20% of the sector's requirements;
- sales generate 14%.

A more detailed breakdown is shown in the Annex.

22. When does your "PRINCIPAL" funding terminate?			
Not known:		11.4%	52
Within 6 months:		5.7%	26
Within 1 year:		14.8%	68
Within 2 years:		3.1%	14
Within 3 years:		2.6%	12
Not time-dependent:		62.4%	286

We asked about numbers of both staff and volunteers. Responses as to numbers of each working differing patterns of time per week have been aggregated; and extrapolated to give a county-wide picture:

Staff:

	No from SURVEY SAMPLE (600):	Hrs/Wk (assumed)	Staff hrs/wk	Staff hrs/yr (48wks)	Extrapolated for Herts** (12,801)
FULL TIME STAFF (working more than 30 hours per week)	1026	35	35,910	1,723,680	36,774,713
PART TIME STAFF working between 20 and 30 hours per week	359	25	8,975	430,800	9,191,118
PART TIME STAFF working between 10 and 20 hours per week	529	15	7,935	380,880	8,126,075
PART TIME STAFF working between 2 and 10 hours per week	348	6	2,088	100,224	2,138,279
PART TIME STAFF working less than 2 hours per week	96	1	96	4,608	98,312
TOTAL	2358		55,004	2,640,192	56,328,496

At the mean full-time wage rate for Hertfordshire of £14.73/hr and part-time rate of £8.81, this extrapolation results in an estimated annual wage bill for the Herts VCO sector of c£714m (61% of estimated revenue).

Volunteers:






	No from SURVEY SAMPLE (600):	Hrs/Wk (assumed)	Vol hrs/wk	Vol hrs/yr (48wks)	Extrapolated for Herts** (12,801)
FULL TIME VOLUNTEERS (working more than 30 hours per week)	103	35	3,605	173,040	3,692,674
PART TIME VOLUNTEERS working between 20 and 30 hours per week	204	25	5,100	244,800	5,224,032
PART TIME VOLUNTEERS working between 10 and 20 hours per week	961	15	14,415	691,920	14,765,572
PART TIME VOLUNTEERS working between 2 and 10 hours per week	7775	6	46,650	2,239,200	47,784,528
PART TIME VOLUNTEERS working less than 2 hours per week	6221	1	6,221	298,608	6,372,294
TOTAL	15264		75,991	3,647,568	77,839,100

The average number of volunteers per VCO responding to the survey was 25.44. Extrapolated to the county total of VCOs (12800), this would suggest some 325,000 volunteers in the County – except that many typical volunteers are serial

volunteers, supporting several activities at any time. Using the same wage rates as for staff, the equivalent annual wage bill would be £708m



To the above total should be added the work of 96,149 unpaid carers cited in the 2001 census for the county.



We also explored the standards applicable to volunteers.

Does your organisation have any of the following accreditation systems?		
None:		407
Investor-in-People (IIP):		43
Business Excellence Model (BEM):		1
Practical Quality Assurance System for Small Organisations (PQASSO):		10
Other (please specify):		83

“Other” accreditations are mostly sector- or activity-specific.

The fact that a majority of VCOs have no accreditation is not necessarily important. Most have no need to achieve any particular standard. However, that proportion which seeks external funding may increasingly find itself required to meet some standard in order to satisfy funder requirements.

Do you as standard practice offer training to paid staff?			
Yes:		56.3%	233
No:		43.7%	181

Do you as standard practice offer training to your volunteers?			
Yes:		66.8%	322
No:		33.2%	160

This difference in training provision may be because volunteers (a) need less training to do their work (b) have always been offered less training or (c) cannot be made to do things.

Follow-on Survey

The second survey, of 355 respondents to Survey 1 (59%) who expressed willingness to be further consulted, drilled further into their attitudes to issues connected with funding and evaluation. 131 (37%) responded. Some of the findings are shown elsewhere in the report but the main section invited responses to a series of statements. The results were as follows:

Statement	%Strongly Agree	%Agree	%Disagree	%Strongly Disagree	Discussion Point
We intend to do without public funds	19.5	25.8	37.5	17.2	Over half anticipate public funding...
We are willing to do extra things to gain more funding	23.6	52	16.5	7.9	.. and are willing to do more to get it,
So long as our volunteers and clients are happy we need no other measure	8.9	37.9	41.1	12.1	Including measurement they probably do not currently do
There ought to be standard ways of measuring the value of what VCOs do	8.2	50.8	32.0	9.0	Can the sector or its funders act together..
Funders will increasingly demand adherence to standards	23.3	58.6	14.7	3.4	..not only in their demands
We will not compromise our aims in order to obtain funding	48.8	47.2	2.4	1.6	Yet willing to do extra things ?
Voluntary organisations should be prepared for performance measurement	12.6	65.5	17.6	4.2	
Society should be more aware of the voluntary sector's work	67.5	30.2	2.4	0.0	Near-unanimity; but what should be done ?
Additional funding would save our services	26.0	34.1	33.3	6.5	
More inspection will overstretch our resources	24.2	49.2	23.3	3.3	Dilemma 1: more resource is required to get the funds to pay for the resource....
Voluntary organisations need to be more professional to merit public funding	10.7	52.9	33.9	2.5	..and the professionalism
Delivery of services for local government will put off volunteers	6.9	45.7	43.1	4.3	Dilemma 2: how to take volunteers to new standards.

In Survey 1 we had asked:

What would happen if your organisation did not exist?			
Clients would, in the main, have to rely on fully funded public services:		9.4%	44
Clients would, in the main, go without the support or services that we provide:		90.6%	425

If repeated across the county and used as the basis for determining the proportion of the work of the voluntary sector which would have to be borne by

the public purse, the latter would have to grow by £176m (9.4% of assumed sector revenue of £1.165m; plus 9.4% of the “cost” of replacing all volunteers in the county of £708m).

Evaluating the Sector

“Very little research has been done on measuring the sector’s collective impact. The Nonprofit Sector: For What and For Whom? (Salamon et al, 2000) is an attempt to establish the impact of the sector in a number of countries and to highlight the ways in which it differs from the public and private sectors. Like the Independent Sector research, this paper was a response to the gap in the sector’s knowledge about its own impact, and presented results of a comparative study that looked at the impact of nonprofit organisations in a range of countries. It identifies a number of features of impact measurement. These include the fact that impact is something more than just outputs, that the process of measuring impact must be systematic, and that it must not be blind to the possible negative impacts of the activity in question”. “Measuring Impact”, NCVO

In attempting to ascribe value to the wide range of activities undertaken by the voluntary and community sector, quantification is useful but insufficient.

“The study finally concluded that .. it was impossible to find a reliable financial measure of the value to society, the organisation or the volunteer of voluntary effort. ... there appears to be no alternative to the use of wage rates as a proxy for the value of work carried out” (Economic and Social Audit of the Community and Voluntary Sector in Brighton & Hove)

Sport England concluded something similar in their analysis in 2002, adopting the average hourly wage for the year as the basis for their calculations.

The number of individuals involved, be they professionals running organisations, volunteers engaged in activities or members of the public receiving the benefits of these activities is indicative of how important these activities are but these “outputs” neglect the emotional or personal “outcomes” for individuals and communities arising. As quoted by NCVO, one expert’s view is that *“the best way to assess the outcomes of a service is to ask users whether their lives have improved as a result”*.


















Some VCOs (102/600) do conduct client satisfaction surveys as well as counting outputs; others use alternative means to measure soft outcomes.

To evaluate the sector as a whole requires examination of who benefits from the activities of VCOs; how well the latter perform these activities and how these may be ascribed some value. This section outlines some ways in which this may be undertaken.

32% of survey respondents obtain over 90% of their funds without recourse to funders whilst only 10.6% rely for 90% of funds on public sources. However, this latter figure represents 64 organisations in the survey sample; and if extrapolated to the total sector in the county, 1365.

In Survey 2, we asked the 131 respondents, who comprised roughly 50% service providers; 40% participant club; 10% good causes, who they thought most valued the activities of their organisations. They ranked these as follows [%]:

	% 1st	% 2nd	% 3rd	% 4th	% 5th
Funders	3	12	22	30	33
Community	24	35	24	9	8
Volunteers	10	31	27	24	8
Beneficiaries/participants	70	16	4	3	8
Others	9	8	16	15	52

Who are the main beneficiaries of the activities of your organisation?		
All sections of the community:		289
All in a specific neighbourhood:		68
Armed services:		7
Substance misusers:		17
Black and Minority Ethnic Groups:		54
Carers:		61
Children:		218
Community and voluntary organisations:		80
Families, parents, couples with problems:		76
Lesbian, Gay, Bisexual and transgender people:		22
Homeless people:		29
Isolated/socially excluded people:		69
Low income people:		70
Men:		129
Women:		154
Elderly and Older people:		105
People with Learning Difficulties:		82

People with Mental Health problems:		68
People with Physical/Sensory disabilities:		79
Offenders and ex-offenders:		28
Refugees and asylum-seekers:		16
Travellers and migrants:		7
Unemployed:		53
Victims of crime and abuse:		22
Young people (13+):		148
People with specific health issues; Hospital patients:		41
Other (<i>please specify</i>):		92

Children and young people together attract the most targeted support (366). Those with some form of disability grouped together are the next largest specified group (257). The community at large is cited by 289 respondents, presumably by organisations open to all rather than targeted.

Do you currently attempt to assess the value of your volunteers to the community served?			
Yes:		28.9%	134
No:		71.1%	329
If 'Yes' do you measure:-			
Client satisfaction:			102
Equivalent cost of salaried staff:			33
Savings to publicly funded services:			15
Other (<i>please specify</i>):			28

The minority of VCOs which measure performance in some way is perhaps explained by the fact that most do not have to meet requirements of external stakeholders. *“The view is that if we did not dance the crops would fail but this has never been tested as far as we know”* The “others” responses mostly focus on perceived appreciation of the activity of the organisation.

It is, though, quite surprising that such a large majority appear not even to consult members or users about their satisfaction, if only for service improvement purposes. This is not, though, borne out by the second survey's findings (sample of 131):

Measure	% Always	% Mainly	% Sometimes	% Never
Outputs	18.3	19.1	23.7	38.9
External audit	9.9	4.6	30.5	55.0
User survey/feedback	22.9	25.2	35.1	16.8
SROI	3.8	7.6	19.8	68.7
Sales/Demand	12.2	19.8	30.5	37.4
Clients' progress	26.7	14.5	16.8	42.0
Financial equivalence of work done	4.6	6.1	22.1	67.2
No formal process	28.2	13.0	16.0	42.7

Value to Society

To value the contribution to society – or more typically to a particular community – of the work of VCOs requires that there is a match between the needs of that community and what is delivered through volunteering. It must be presumed that some VCOs achieve such a match better than others but to investigate these particulars is beyond this general study. Clearly, organisations run solely for the benefit of the participants by themselves achieve a high match between need and delivery. The delivery is, however, limited to the participants so that the value may be seen as restricted when compared to that of an organisation even in the same field where volunteers help a greater number of participants to benefit from the activity. For example, a swimming club may be run by the members purely for their own enjoyment; or to engage others in learning and exercise.

Perhaps the real value of the sector in general lies in its undertaking activities (or undertaking them in ways) which either would not be undertaken by the public or private sectors. What can be speculated as a generality is that the usually specialized nature of the activities of any VCO will raise awareness of those activities, which may be an end in itself.

Some VCOs do conduct or have conducted upon them one form or another of Social Audit, that is to say an evaluation for the good they bring to society. Typically, this takes the form of ascribing a pecuniary value to the otherwise “free” work undertaken by volunteers and to the opportunity costs to society were individuals supported by the VCO not so supported. These forms of equivalence are sometimes referred to as “freakonomics” after a book by Steven Levitt and Stephen Dubner (pub. Wm Morrow); or as part of SROI – Social Return on Investment, developed by the New Economics Foundation for just such a

purpose. Essentially, these compare the cost to the State of supporting an individual who is unable for one reason or another to earn their own living, with the cost of a volunteering intervention which helps them not to depend on such State support. [Case Study: YMCA SROI on offenders]

Comprehensive calculation of this equivalence across the sector is beyond the capacity of this study, requiring intimate understanding of every VCOs activities. However, we have data on the level of volunteering undertaken, which allows a simplistic calculation of this kind. There is no such thing as a typical or average VCO but by extrapolation of the survey findings onto the scale identified in the desk research, a profile suggests itself for the sector. Were the volunteer numbers accurate, we can also suggest the value of their work by calculating the equivalent cost of employing similarly skilled people to do the same work. At what cost per person should this be calculated? It may be argued that much of the work done does not require high levels of skill – driving, clerical, manual etc, suggesting use of the Minimum Wage rate. However, taking the managerial skills of Trustees and specialist skills such as sports, coaching and emotional intelligence involved in many roles, it may be more appropriate to calculate on the average wage instead.

Perhaps the very diversity of the activities and participants in the sector is enough to define its value.

Value to Funders

Funding for VCOs, whether from governmental, commercial or charitable sources, may take a number of forms but in general is either altruistic (with no strings attached) or value-driven (anticipating some return). Altruistic grants may be taken not to require quantified “value” but even the sponsor of a football shirt is likely to hope for reflected glory.

Increasingly, we are told, funds will flow to VCOs in exchange for services. There is a superficial attraction in the use of volunteers to deliver services in their cost. Compared with using even minimum wage-earners, substantial savings may be apparent. It is apparent however that this is not and should not be the primary motivation for engagement between those seeking service delivery and the voluntary sector. VCOs are, by definition, of the community. They comprise individuals who are actively engaged with others, usually for a narrow purpose. This makes them expert in the field of their endeavour and thus particularly effective in undertaking related activities. As one funder put it, the main attractions of the sector to governmental bodies are:

- a. The sector is itself a big employer and contributor to the economy
- b. VCOs are major and effective deliverers of services already, especially to deprived or disadvantaged sections of the community
- c. VCOs are highly knowledgeable about these sections of the community, their needs and what is effective in reaching them.

Cost comparisons with the commercial sector are invidious in the light of these factors; and may even be unfavourable towards the VCO sector, which may require support in order to meet funder criteria. Their knowledge needs to be backed up by stability, competent management, quality standards and measurement if a VCO is to be contracted. *“Many organisations will need in depth support before they can consider trading at a sufficient quality and quantity to be able to deliver publicly funded services through the commissioning process”* (A Social Enterprise Strategy for Hertfordshire; Hertset, 2006). Such capabilities require critical mass, rendering contracting beyond the realistic reach of all but a small minority of VCOs, unless working in partnership with other organisations with complementary capacity, competences or location.

Measurement is particularly important in demonstrating that what is done in the name of an initiative actually delivers benefit. This is all too rarely undertaken both through neglect or lack of means to do so and through the difficulty of measuring the “soft” outcomes, which are often as or more valuable than the numerical outputs. Recently, a new attempt has been made to develop a means of measurement of outcomes for the voluntary sector, called the SOUL Record. This has been undertaken by CVS in Norfolk and will be available to the sector in Herts as a proven system which will allow scheme managers to present quantified data on previously unmeasured outcomes. The measurement of Social Return (as already used for example by YMCA Watford) is likely to grow, offering as it does both a fuller assessment of the impact of deliverer activity and a competitive advantage for VCOs over commercial competition.

“Funders are increasingly asking organisations to monitor and report on their outcomes. An outcomes approach can also be a central part of the organisational planning and development cycle, keeping VCOs focused on achieving their core aims.

The National Outcomes Dissemination Programme (NODP) has been designed to increase the number of voluntary and community organisations able to benefit from Charities Evaluation Services outcomes training, and at the same time to substantially increase the pool of people that can train others in the use of an outcomes focus”.

[NAVCS.org.uk]

VCOs need to be very self-critical when setting a stall out for contracting that their original social or charitable mission is not adversely affected by the work contracted. *“We are concerned with ensuring that charities retain their independence, remain focused on their objects and properly meet the needs of their beneficiaries”* (Policy Statement on Charities and Public Service Delivery; Charities Commission, June 2005). Our survey has shown a level of willingness to take on extra work in order to win funding. Adopting a tendering strategy will involve a substantial proportion of management time, especially for a small organisation, which can detract from principal activities. One manager interviewed suggested that 50% of her time is devoted to raising funds. Larger organisations may have resource dedicated to this function but smaller VCOs may take the eye off the ball as they pursue tenders. Attraction of new funds can create a “boom and bust” scenario, as one interviewee put it, where, at the end of the period of higher funding, capacity and public expectations created through it have to be shed.

The nature of the measurement required by funders is diverse. There appear to be no standards across Government bodies. The historic reliance on outputs seems to be waning as the realization grows that the activities of VCOs do not lend themselves to quantified measurement; but this shift will have to be accompanied by acceptance of and financial provision for new and preferably standardized soft outcome measurement techniques by those charged by policy makers with the evaluation process. Policy makers may find case studies rightly convincing but will their selective and unitary nature work in an essentially accountancy process ?

EEDA is increasingly moving away from bidding rounds to identification of local strategic needs and suppliers able best to satisfy these. It lacks local knowledge of the VCOs which might fulfill such roles.

Value to Volunteers and Participants

Volunteering – the giving of one’s time to activities without remuneration – offers significant rewards to the volunteer as well as to beneficiaries of services offered or activities undertaken. The willingness of so many people to give time and energy rewarded only with the satisfaction of contributing and the perceived value of the activities to themselves and others is evidence of this.

Outcomes may include: self-esteem; occupation; “putting something back”; learning new skills; satisfaction from the outcomes; company; achievement; health; fitness. Evidence from those interviewed suggests that putting something back; social factors; and volunteering as a stepping stone back into the world of work are the uppermost motivations. These are beyond financial value and we make no attempt to quantify these rewards.

There are factors which may be off-putting to some would-be volunteers in the contracting model. The demand that deliverers are inducted, accredited, trained and measured may be seen as unacceptable to those willing to give their time freely. Many volunteers resent the idea of financial equivalence for what they do. Outcomes which motivate volunteers, render other forms of evaluation of the sector irrelevant, were it not for the need for finance to support their undertakings. It may even be that to attempt to monetarise the rewards of volunteering would result in these activities looking inefficient and could de-motivate the volunteers, who might reckon that if their work is only worth the same as shelf-stacking in the eyes of society, they might as well stay at home. But this is not the point: for volunteers, what they do is worthwhile.

Value to Beneficiaries/Clients

Insofar as society comprises individuals, the value to society of voluntary organisations can be indicated, therefore, by the simple measure of the level of volunteering. A “volunteering index” allows comparison of activity between different communities [see chart p6]

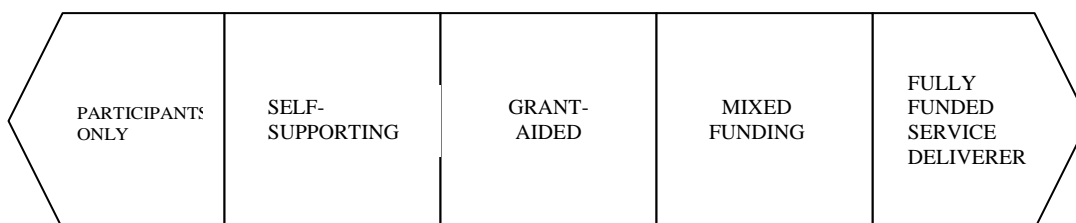
Such simplicity, however, belies the transactional nature of many voluntary activities, in which there are beneficiaries other than the volunteer. First there are individuals whose lives are made better thanks to the actions of others. Second, society or communities are relieved of burdens of care for these same individuals, which would otherwise be borne on the public purse or ignored to the detriment of those communities.

In relation to the benefits to individuals, again simple measures can show how many people receive the benefit of action by volunteers. Analysis has not been attempted in this survey. A more challenging approach would be the calculation of the effect on the individual and on the community were the volunteer not to be available. One measure used is to value volunteer time as if it were paid. The validity of this is somewhat fallacious in that it assumes that society would pay someone to undertake the activity of the volunteer, were s/he not available. [our survey indicates that this is a significant risk associated with continuity of funding] However, it does illustrate the input value of volunteers and is relatively simple to calculate. Either minimum wage level can be used, on the assumption that since volunteering is “free” it could only be replaced by the lowest cost labour; or an average wage for the locality, as has been used in some other studies [eg: “The scale and value of volunteering in sport in England”, Sport England 2002.]

Most market sectors evolve towards an “80:20” model – with 20% (or some other minor proportion) of providers carrying out 80% of activity. This is probably the case for the voluntary sector insofar as publicly funded activities are concerned, but as the volume analysis suggests, there are thousands of VCOs which exist on the goodwill of their participants and too small to attract government contracts, yet providing involvement of and support to thousands. The latter lack the critical mass or infrastructure which enables others to undertake the bidding process and contracts with measured outputs but in total actually care for or perform activities of irreplaceable value to communities.

Conclusions: Opportunities and Barriers.

The value of an organisation in the voluntary sector depends on its stakeholders' needs. At one end of the spectrum, a group of individuals with a common interest may form an organisation (club; group) through which to practice that interest together. Such an organisation may have no need for external funds; may need no accreditation or quality standards; and may set its own rules regardless of any other influences. Its members are its only stakeholders. At the other end of the spectrum are VCOs which are in effect competing with commercial organisations as service deliverers. Their competitive advantage lies in their engagement with and expertise in a particular field, with the fact of involving volunteers in no way precluding or excusing them from acting in a thoroughly professional way. These have a variety of stakeholders: beneficiaries; volunteers; funders; trustees. The clarity of aims and needs of both of these types of organisation protect them from some of the issues facing those in between them on the spectrum.



- Make own rules
- Sales; subs
- Funds without strings to support altruistic objectives
- Potential contractor
 - a) if funded
 - b) if resourced to required standard
- Professional and competitive; but dependent ? sustainable ?

Any organisation should on occasion determine how well it performs its stated purpose. There is an increasing range of tools available for this, including user surveys, SROI, and soft outcomes measurement, as well as output audits. Measurement should certainly be regularized for any VCO seeking contract funds both to demonstrate good management and to ensure that original aims are not compromised by new activities.

Whilst some volunteers and VCOs will resent any attempt to monetarise their work, funders needs for measurement may drive up use of SROI. Care needs to be taken that the form of measurement is both relevant to the outcomes and acceptable to volunteers. There is a potential conflict between the objectives of volunteers (uncounted satisfaction), beneficiaries (soft outcomes) and the needs of funders (bids and measures).

There may also appear to be conflict between the very notion of volunteering and Government agendas. However, the latter may either subliminally or overtly be the stimulus for volunteering organisations as well as the basis for funding. The public is constantly bombarded with messages about obesity, activity, healthy

living, etc which may (or may not) inspire individuals to undertake activities which respond to them. Funds flowing alongside these messages presumably increase such interest.

Many VCOs are highly competitive organisations, run by experienced professional managers and even if Trustees or Boards may be volunteers, these are usually recruited because of their experience and expertise. If or as Government develops further its taste for engagement of VCOs in service delivery, more must be geared up to be convincing deliverers of Best Value.

A key value of the VCO sector lies in its relevance; its expertise in particular fields and its community base. Such knowledge often far exceeds that of commercial service suppliers. Funders or commissioners of services need to engage organisations fit for purpose. However, if county-wide provision of the right qualities is patchy; if a well-run aspirant lacks appropriate accreditations or quality standards; if there is a particular expertise not available to meet delivery criteria, a VCO may fail the relevance test. This suggests the need for would-be contracting VCOs to develop a strategic view regarding funding, setting out the requirements for achieving it in an action plan. This may include partnering with others to increase relevance, capacity and geographical reach.

Whilst today VCOs are generally not driven by funders' agendas and maintain their client- or outcome focus, the evidence of the main survey above suggests that there is already a significant reliance by some on public funds, which is predicted to grow. From the evidence available, it seems probable that funders will increasingly demand new professionalism from the VCOs they elect to partner. This will place demands on organisations for which they are not necessarily equipped, especially relating to tendering, measurement and accreditation.

It is important to recognize that, in a period of increasing interest and appreciation of the voluntary sector's capabilities, unnecessary burdens are not placed on those for whom these may be irrelevant. Non-contractors and organisations self-sufficient in their finances should not have to bear a bureaucratic burden merely because they are identified as being a part of the same sector as others for whom such processes are valid.

Taking as a guide the average turnover figure of £91k calculated from the responses to the survey reported above; multiplied by the number of VCOs identified on the master list (12,801), an estimate of the purely financial value of the sector in Herts can be reached: £1,165bn; or just over £1000 per head of population.

Recommendations

This report illustrates both an unexpected scale for the VCO sector in Herts but also highlights its diversity and inaccessibility. The data obtained has the potential to be of considerable value both to those wishing to communicate with VCOs and for VCOs, for example in locating potential partners or benchmarking. It has potential value for the sector in Hertfordshire in depicting the importance of the sector to governmental bodies, the Press and the public. It will quickly become out-dated and lose this value.

- A strategy for capitalizing on and updating this information should be a priority for the sponsors.
- A plan for funding and implementing its maintenance and updating is advised.

The base data obtained from the main survey is owned by Hertfordshire Infrastructure Consortium (HIC) and will, for the time being, be maintained by Herts CVS if funds permit, to form the means to repeat this project.

A “map” (actual or searchable database) of VCOs and their activities may aid funders in the selection of service providers. Funders or CVS on their behalf (a possible value-adding service) may be enabled to locate or bring together contractors with the right mix of know-how, location and willingness to tender effectively.

A further value-adding role for HIC may be to develop a toolkit to aid those VCOs which express interest in obtaining funding. This could include:

- advice on standards, accreditation, quality assurance etc.
- a reality check before committing resources to bidding. Support in measurement of impact on the organisation may be a part of this role.
- tools and advice as to how to tender effectively or support in preparing tenders.
- access to information about partnering or training opportunities should be readily available to organisations wishing to enhance their chance of winning tenders.

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Plus reports and sample questionnaires designed by CVS in St Albans, N. Yorks/York; Fareham; Brighton & Hove; Newcastle-upon-Tyne; and BL Cambs on the BME sector.

Acknowledgements

We are grateful for the views and expertise of those interviewed, particularly: Andrew Burt (Herts CC) Phil Willerton (Watford YMCA); Michael Bond (Age Concern); Marion Birch (Age Concern); John Wilkinson (EEDA); Julie Street (Volunteer Centre Stevenage); Carol Flint (Bedwell Community Centre); and members of East Mentoring Forum.

Thanks are due to the Community Detectives who undertook surveys of VCO activity in their home wards: Stuart Conlon; Tracy Dymond and Tracey Livermore;

and to the Steering Group members: Laura Cronshaw (Director, St Albans CVS - Chair); Andrew Burt (Herts County Council); Ann Jansz (Director, Stevenage CVS); Robin Charnley (Director, Hertsmere CVS); Mark Mitchell (Director, Dacorum CVS); Jacquie Hime (Director, North Herts CVS); Ian Richardson (Director, Broxbourne Voluntary Sector Development Agency and East Herts VOCAL); Heather Allen (Manager, Volunteer Centre Dacorum); Eliud Matindi (Development Worker, Herts. BME Partnership); David Grimshaw (Development Officer, Herts Council for Voluntary Youth Service); Andrea Eaves (Development consultant, ICT project).

Glossary

BME = Black and Minority Ethnic
CVS = Council for Voluntary Service
EEDA = East of England Development Agency
HIC = Hertfordshire Infrastructure Consortium
NAVCS = National Association of Councils for Voluntary Service
NCVO = National Council for Voluntary Organisations
SROI = Social Return on Investment
VCO = Voluntary and Community Organisation

Obsidian

Obsidian Consulting is a management consultancy based in the East of England. www.obsidian.co.uk. The lead consultant for this project was Tom Serpell.