



The Contribution of the voluntary, community and social enterprise (VCSE) sectors to LEP objectives

**Will Cook and Katie Schmuecker
IPPR North**

Executive Summary

IPPR North was commissioned by the York and North Yorkshire Partnership Unit, North Yorkshire and York Forum and Your Consortium Ltd (formerly the North Yorkshire Learning Consortium) to assess the contribution of the voluntary, community and social enterprise (VCSE) sectors to meeting the objectives of the newly formed Local Enterprise Partnership (LEP).

This report presents the findings of a survey conducted with VCSE organisations in the York and North Yorkshire area. There were 238 respondents, which equates to 7 per cent of the known VCSE sector. The sample is broadly representative of the sector both geographically and in terms of their main area of activity. However, larger organisations may be over represented in our sample. The results have been weighted when grossed up to overall figures on the basis of the geographic location and area of activity weighting. Confidence Intervals have been calculated to the 95 per cent level, although in some areas we have provided a best estimate.

Aspects of economic development activity where VCSE organisation contribute:

VCSE sector organisations employ people, buy goods and services from other organisations and businesses and create demand for other organisations and business. The majority (70 per cent) invest in their staff, providing training and learning opportunities. Volunteers also receive formal and informal training.

Many organisations make a contribution through the services they provide. For some, such as employment and training service providers, this link is relatively direct and obvious. But it is not only these organisations that deliver hard economic outputs. Forty five per cent of the beneficiaries helped into work over the last 24 months by our survey respondents were supported by organisations that work outside these areas. Organisations working primarily in health, the arts and culture and leisure and social sectors all made significant contributions to supporting people into employment.

Many organisations also describe their economic contribution in terms of supporting people and increasing their self-esteem and confidence. However, this activity is inherently difficult to quantify.

Over half (55 per cent) of organisations believe they currently contribute to the Local Enterprise Partnership (LEP) objectives, especially in relation to promoting enterprise and aspiration (21 per cent), enabling the care sector to meet rising need (21 per cent) and delivering rural programmes (20 per cent).

Identify relevant VCSE sector outputs and outcomes and quantify their contribution to economic development objectives:

Overall, two of the VCSE sector's most significant contributions to economic development are as an employer and a supporter of volunteers:

- **As an employer:** At our best estimate, the VCSE sector employs 7 per cent of the sub-region's workforce, which is more than the energy and water sector

and is comparable to the agriculture and fishing, transport and communications, other services and construction industries.

- **As a supporter of volunteers:** An estimated 139,241 volunteers are supported by VCSE organisations. If this time was charged at the national minimum wage, it would have a value of £116,194,043 per year.

The sector also contributes to economic development through the services it delivers to its beneficiaries in York and North Yorkshire:

- **Supporting people to enter employment:** Based on the survey responses we estimate the VCSE sector helps between 2,854 and 7,574 people into employment annually. This is equivalent to between 8 and 21 per cent of the people that ceased claiming Job Seekers Allowance (JSA) last year.
- **Supporting people to sustain employment:** Only 15 respondents specified how many of their beneficiaries were still in employment 12 months after being supported to enter employment. These organisations had a 65 per cent success rate in supporting people to enter and sustain employment.
- **Supporting volunteers to enter employment:** We estimate between 1,186 and 2,608 volunteers enter employment annually. This is equivalent to between 3 and 7 per cent of those leaving JSA last year.
- **Training:** Over two years, the 91 training organisations responding to our survey supported 4,688 beneficiaries to gain a formal qualification.
- **Supporting start-ups and expansion in the VCSE and private sectors:** Over two years, the 17 support organisations that responded to our survey supported 76 start-ups and 420 expansions.
- **Raising aspirations:** Over a third of VCSE organisations in the sub-region include raising their beneficiaries' aspirations to enter employment or training among their objectives, and over the last two years, across the sub-region, 34 respondents reported completing 311 projects with the specific intention to 'raise the aspirations of the community'.

Areas where there may be opportunities to expand the contribution of the VCSE sector to economic development:

Awareness of the LEP varies between areas, and there are opportunities to increase awareness in Craven, Harrogate and Ryedale, as well as among organisations providing advice and information and education and training. Greater awareness will assist more organisations to identify how they can align their activities with the LEP's priorities.

Seventy per cent of VCSE organisations have been adversely affected by the economic climate, especially organisations that employ staff and those with larger annual incomes. Organisations are also relatively pessimistic, with an estimated 36

per cent planning to take on staff in the future, compared to 63 per cent of VCSE organisations and 70 per cent of private businesses nationally.

Key support needs and barriers to growth were identified as:

- **Barriers:** lack of financial capacity, the economic climate and the restructuring or retraction of traditional funding. This suggests short- to medium-term support is required to enable the sector to make the transition to new ways of working and new income streams.
- **Support needs:** financial planning and continuity of funding, facilitation of effective partnerships and collaborations, recruitment and training of staff and volunteers, demonstrating impact and value for money and marketing and business support.

Growing the care sector has been identified as a particular priority. The survey results suggest the main barriers to growth in this sector are the same for the sector overall. However care organisations identified support to measure impact and effectiveness and to obtain quality marks alongside financial planning as the key priorities. They were also the most pessimistic about their prospects for hiring more staff in future.

Recommendations

A number of recommendations flow from this research. These have been subdivided into recommendations for VCSE organisations, for VCSE support and development organisations and for the LEP itself.

Recommendations to VCSE organisations:

- **Measure impact:** As contracting and commissioning becomes a more and more important source of income, organisations must be able to demonstrate their impact. Too few organisations were able to respond to questions about their quantitative impact in our survey. Systematic collect of data on outputs – such as number of beneficiaries, number of job starts, number of courses completed and qualifications gained, and number of organisations supported to start up would be a good start.
- **Establish volunteer development plans to support employment outcomes:** To grow the 1 per cent of volunteers that enter employment annually, organisations should ensure volunteer development plans are in place to support volunteers to progress. Where relevant this should include gaining skills to take up employment. There is scope for further multi-agency work on maximising the benefits of volunteering for those seeking employment.
- **Think in economic development terms:** Many organisations have social objectives, but organisations should also consider their economic contribution, particularly in relation to the priorities being established by the LEP, and where organisations might be able to align their activities without experiencing “mission drift” they should do so. Priority areas for the LEP where this survey suggests the VCSE sector is currently less active include tourism and the food and agriculture sectors. There may be opportunities for the sector to expand its role in these areas, for example through new social enterprises, and by organisations working in arts, culture and heritage contributing to tourism.

Recommendations to VCSE support and development organisations:

- **Review services to ensure growth and development are being supported in the current context:** Much of the VCSE sector is undergoing a transition as the economic and policy landscape changes around them. This survey reveals the key barriers to growth and priority support needs identified by frontline organisations. Support and development organisations should conduct a rapid review of their support offer to ensure they are providing for these needs.
- **Identify growth areas within the sector:** Support and development and some other infrastructure organisations, play a crucial role as hubs of intelligence that must not be allowed to fall by the wayside. They should act as horizon scanners for the sector, identifying areas of growth or high demand, such as the care sector.
- **Seek active engagement with the LEP board:** Support and development organisations should seek to engage with the LEP Board, facilitating wide VCSE engagement to feed in views from the sector and communicate to the Board how the sector can contribute to the LEP objectives.

Recommendations to the LEP:

- **Identify concrete areas where the VCSE sector can contribute:** Board members should consider the evidence offered by this and other similar reports, and identify how the VCSE sector can support the LEP to achieve its objectives.
- **Promote LEP activities and priorities:** Now that the LEP Board is in place, it should promote its activities and priorities to enable other stakeholders, including the VCSE sector, to align their activities with the LEP priorities where appropriate. This is particularly important where awareness is currently lower.
- **Provide opportunities for the VCSE sector to input into the LEP's decision making processes.** Channels should be established for focused VCSE engagement in areas where the sector has a particular contribution to make (such as employment services or training), for example through LEP task and finish groups. A wider stakeholder grouping (including the VCSE alongside other stakeholders) could also be established to offer advice and scrutiny to the Board.

1) Introduction

In April 2011 IPPR North was commissioned by the York and North Yorkshire Partnership Unit, North Yorkshire and York Forum and Your Consortium Ltd (formerly the North Yorkshire Learning Consortium) to assess the contribution of the voluntary, community and social enterprise (VCSE) sectors to meeting the objectives of the newly formed Local Enterprise Partnership (LEP).

This report presents the findings of a survey conducted with VCSE organisations in the York and North Yorkshire area. The objectives of the survey were to:

- To identify aspects of economic development activity where VCSE organisations are contributing;
- To identify relevant VCSE sector outputs and outcomes that make a contribution to economic development;
- To quantify the contribution of the sector to economic development objectives;
- To identify areas where there may be opportunities to expand the contribution of the VCSE sector to economic development.

This report is split into four sections. The rest of this section sets out the current policy context and briefly review some relevant literature. The second section provides details of the methodology undertaken before moving on in section three to present the results of the survey. The final section summarises the key findings and offers some recommendations for action.

1.1) *Policy context*

The economic development policy landscape is changing. The coalition government was quick to abolish the regional development agencies (RDAs), which were responsible developing a vision and strategy for economic development under the previous government. In their place, Local Enterprise Partnerships (LEPs) are being established. These partnerships between local authorities and private sector businesses operate at a smaller geographic scale compared to the RDAs, and their boundaries more closely match the economic footprint or 'functional economic area' of places.

The primary remit of LEPs is to grow the private sector economy, in order to contribute to the government's desire to rebalance the economy away from a perceived overreliance on public sector employment. Beyond this, the remit of LEPs has been quite loosely defined, leaving space for local partnerships to shape their own roles. Ministers have, however, suggested a variety of potential roles for LEPs ranging from planning, housing and regeneration to engagement with employment and skills agendas (Cable and Pickles 2010). But in the spirit of localism, LEPs have not been given a tasking framework, or top down targets to meet. Instead, it is for local stakeholders to work together, to coordinate their collective resources and draw in external resources where possible to pursue their local economic priorities.

These changes are being made against a backdrop of deep budget cuts as the government seeks to eliminate the deficit over a four year period. Economic

development has taken its share of the cuts. The newly created Regional Growth Fund (RGF) has become the primary vehicle for funding economic development activity from the public purse, but it has a budget of £1.4 billion over three years, while the RDAs spent a similar amount in 2010/11 alone (Cox and Schmuecker 2010). Local government too has seen its “spending power” reduce by an average of 4.4 per cent in 2011/12, although the average reduction in the York and North Yorkshire area was 5.4 per cent. Given the limited public spending available for economic development, there is a premium on building smart coalitions of stakeholders to work together to achieve agreed priorities. As a consequence, as coalitions of the willing are formed to take on the economic challenges particular to each area, it is essential that they draw on all the resources available to them (Schmuecker and Tehrani 2011).

The policy context for the VCSE sector is also changing as the government pursues its Big Society agenda, and seeks to redraw the relationship between the state and society, with more responsibility placed on communities and individuals. There are three objectives: empowering communities, encouraging social action and opening up public service delivery. Organisations in the VCSE sector are crucial intermediaries without whom the Big Society will not flourish. A key part of this agenda is public service reform, and the government is keen to develop a more mixed economy of public services, with organisations in the private and VCSE sectors delivering more services (HM Government 2011).

These changes are significant for VCSE organisations and may offer opportunities as traditional forms of funding – particularly grant aid from local authorities – recede. Commissioning is anticipated to become a more important means of income for more organisations, although not all regard delivering public services as part of their remit. However, for VCSE organisations to participate in public service delivery a number of long standing barriers to participation in commissioning will need to be addressed. On the part of the VCSE sector, these include the need to form consortia with other organisations to achieve sufficient capacity to deliver at scale, and to continue to develop means of demonstrating impact and effectiveness. On the part of the public sector it includes the need to address the heavy burden of bureaucracy that accompanies much commissioning, and the need to take a more creative approach (Schmuecker 2011).

Greater social action, including volunteering, is also part of the government’s Big Society agenda. To boost volunteering the government is establishing a National Citizens Service for young people. But this priority is also finding expression through other routes, such as the emphasis on volunteering as a means of gaining skills for employment through the new Work Programme for the longer term unemployed and young unemployed. This is likely to result in greater demand for organisations to support volunteers, at a time when many organisations are under financial pressure as a result of the public sector budget cuts and increased demand for services (See for example Wilding 2010, Holt 2011 and Schmuecker 2011).

1.2) *The VCSE sector and economic development*

The VCSE sector works in a number of the policy areas the LEPs will potentially cover, yet their involvement in LEPs to date has been mixed (Schmuecker and

Tehrani 2011). In recent years the VCSE has sought to demonstrate its contribution to the economy and to economic development more broadly. A number of studies have sought to assess the contribution of the sector to Gross Value Added in the economy, and to measure how important it is as an employer. This has included studies specific to the Yorkshire and Humber region (see for example the National Survey of Charities and Social Enterprises as well as Lewis 2001; MacMillan 2005; Craig 2005; Kane and Mohan 2010; Mohan et al 2011).

The most direct way in which VCSE organisations contribute to economic development is as actors in the local economy, buying goods and services from other organisations and companies. The sector is also relatively large in terms of employment, with an estimated 800,000 people employed by the sector nationally (Mackay and Moro, 2011). Recent research has estimated the VCSE sector in the York and North Yorkshire area contributes between 1.5 and 3 per cent of GDP in the area (Chapman and Crow 2010).

However, unlike other organisations, VCSE sector organisations frequently support volunteers as well as employees. For many, voluntary work is undertaken as an expression of commitment to a cause or community, or with a desire to 'give something back'. For others it provides a valuable source of social interaction. But for those that are not in work, or are seeking a career change, voluntary work can be a means of gaining new skills, experience and confidence (NCVO 2010). In this way volunteering can contribute to economic development by assisting the take up employment.

Like other sectors, the VCSE sector is highly diverse, and some areas of its activity are more directly relevant to economic development than others. For example, those providing employment or training services, working with young people not in employment, education or training (NEETs) or providing business and enterprise support clearly have a direct bearing on economic development, while those working in animal welfare have less of a role to play. There are also a host of areas of activity between these two extremes, where the sector has an indirect or more intangible effect on economic development. For example, this would include VCSE organisations working to provide housing, build community capacity, raise the aspirations of the socially excluded, and support the stabilisation of those with multiple and complex needs. Through this work organisations can sow the seeds of change, which may, over time, culminate in people entering paid employment or starting a business.

The table below, drawn from the National Survey of Charities and Social Enterprises, shows most organisations identify themselves as mainly working in education and lifelong learning, leisure, community development and mutual aid and health and wellbeing. Fewer organisations work in areas that make a more direct contribution to economic development through service delivery, such as training, employment support and business support.

Table 1: Main area of activity for VCSE organisations (%)

	National	North Yorkshire	York
Education and lifelong learning	28	29	32
Leisure (including sports and recreation)	21	28	17
Community development and mutual aid	17	21	14
Health and well-being (e.g. medical, health, sickness, disability, mental health)	17	12	13
Culture (including arts and music)	13	15	12
Religious/ faith-based activity	13	8	13
Training	10	8	8
Economic well-being (including economic development, employment and relief of poverty)	8	6	9
Cohesion / civic participation	6	6	6
Accommodation/housing	6	6	5
No answer given	6	6	6
Heritage	5	5	7
Capacity-building and other support for charities, social enterprises and/or voluntary organisations	5	5	6
Other *	5	6	4
Environment / sustainability	4	5	5
International development (e.g. overseas aid, famine relief)	4	3	3
Equalities / civil rights (e.g. gender, race, disabilities)	2	1	4
Criminal justice	1	0	0
Animal welfare	1	1	1
Cannot say	1	1	0

Source: National survey of charities and social enterprises

1.3) About the VCSE sector in North Yorkshire & York

Previous research has been undertaken into the size, shape and economic contribution of the VCSE sector in the Yorkshire and Humber region in general, and in York and North Yorkshire in particular.

According to Kane and Mohan (2010) in 2007/08 there were 10,914 general charities in the Yorkshire and Humber region, and 3,447 in North Yorkshire and York. Similarly, Champion and Crow (2010) report there are 3,870 charities in the sub-region. This research, like our own, focuses on the 'known sector' – organisations that are registered charities or known to support and development organisations

such as Councils for Voluntary Services. However, more recently, research has sought to map ‘below the radar’ organisations, finding 90 unregistered organisations for every 100 registered organisations in the Yorkshire and Humber region. In the York and North Yorkshire area the ratio is lower, and it is estimated that there are 1,151 unregistered organisations and 4,173 registered organisations (Involve 2011).

Kane and Mohan (2010) estimate general charities in the Yorkshire and Humber region had a collective income of £1.6 billion, expenditure of £1.5 billion and had assets worth £2.3 billion in 2007/08. Table 2 sets out the same information for general charities in the York and North Yorkshire area.

Table 2: Income, expenditure and assets of general charities in York and North Yorkshire, 2007/08¹

	Income (£m)	Expenditure (£m)	Assets (£m)	Number of general charities	Number of people (000s)
York	129.3	121.9	234.5	655	195.4
Craven	10.1	9.1	25.3	334	56.2
Hambleton	16.5	13.6	49.7	517	87.1
Harrogate	58.6	57.2	154.5	733	160.5
Richmondshire	8.5	7	28.9	268	51.5
Ryedale	56.9	49.3	134.1	312	53.5
Scarborough	22.3	21.8	39.9	355	108.5
Selby	9.8	8.7	40.3	273	82
North Yorkshire	312	288.6	707.2	3447	794.7

Source: Kane and Mohan 2010

Some of these organisations are in a relatively precarious position in terms of their income, as charities in the Yorkshire and Humber region are more reliant on public sector sources for their income. If Lottery funding is included, half of charities rely on public sector sources compared to 38 per cent nationally (Kane and Mohan 2010). Given the scale of the public sector cuts, this puts some organisations in a difficult position.

However, while the data on income, expenditure and assets presents a useful broad brush picture of one aspect of VCSE economic contribution, it is important to note that the presence of a large charity in a particular area can skew the picture. For example, the largest charity in Ryedale District accounts for nearly half of the area’s

¹ These data are based on postcode of the organisation’s main office. This means results can be skewed by the headquarters of national or region-wide charities.

charitable income, and in York City the figure is nearly a quarter (Kane and Mohan 2010).

Moving away from income, expenditure and assets, the sector also contributes to the economy by employing people. Mohan et al (2011) find 29 per cent of general charities in the Yorkshire and Humber region employ staff, with charities employing between 34,300 and 48,200 staff and non-charitable VCSE organisations employing between 14,200 and 24,500 staff. Together this is equivalent to 3 per cent of the paid workforce. They estimate the equivalent figures for North Yorkshire and York to be 4.7 and 4.2 per cent respectively (Mohan et al 2011). Other research into the sector in York and North Yorkshire has put this figure at 2 per cent (Chapman and Crow 2010). This means the sector is a more significant employer than the energy and waste sector, and almost as large as the agriculture and fishing sector.

There are also a large number of active volunteers in the Yorkshire and Humber region, with an estimated 335,400 volunteers giving 25.2 million hours of voluntary service each year. An estimated 57,369 of those volunteers are active in North Yorkshire and 27,242 in York (Mohan et al 2011). Another study of York and North Yorkshire estimates there are 87,563 people giving 840,605 working days of voluntary action, with a monetary value of £83,107,813 (Chapman and Crow 2010).

1.4) Growing the York and North Yorkshire Economy: The new LEP

On 10 February 2011 the government gave the go ahead for the creation of the York and North Yorkshire Local Enterprise Partnership (LEP). The LEP covers the City of York, the districts of North Yorkshire and the East Riding. The board comprises seven private sector members, one university Vice Chancellor and six local authority representatives. One member of the board is from the VCSE sector.

The initial strategic priorities for the LEP submitted to the government as part of the approval process were:

- To invest in the role of York as Economic driver for the sub region
- Secure investment in the provision of broadband including next generation
- Promote enterprise and raise aspirations
- Invest in business tourism and the visitor economy
- Support for a coastal regeneration
- Reduce the barriers restraining high growth businesses in rural areas
- Support the food and the agricultural sector
- Enable the care sector to meet rising needs
- Deliver rural programmes

Following the inaugural meeting of the board in June, the LEP priorities were revised and replaced with:

- Agri-Food;
- Tourism;
- High Speed Broadband;
- Business Support;
- Business Networks;
- Coastal Regeneration; and
- Skills and Training.

Alongside engagement in the LEP through the involvement of a VCSE sector Board member, the sector has also positively engaged with bids to the Regional Growth Fund. Most notably, Your Consortium led a multi-sector bid for investment in growing the care sector in the sub-region. The bid was submitted in July 2011.

This report seeks to assess the contribution of the VCSE sector to economic development in general, and the objectives of the LEP in particular.

2) Methodology

A questionnaire was developed in conjunction with the project commissioners covering agreed areas of how the VCSE sector might contribute to local economic development.

This survey was sent out to all 3,543 contacts on the North Yorkshire and York Forum (NYYF) database of voluntary, community and social enterprise (VCSE) organisations. Where possible, organisations were invited to respond by completing an online survey, although in some cases a postal survey was sent out. Although we cannot be sure that this sampling frame covers all possible VCSE organisations in York and North Yorkshire, other research confirms that the number of organisations on the database is reflective of the number of known or registered VCSE organisations in the area:

	Kane and Mohan	National Survey of Charities and Social Enterprises
Number of organisations	3,447	3,142

Sources: Kane and Mohan (2010); Cabinet Office 2010a and 2010b

However, other research suggests there is a considerable number of 'below the radar' organisations. When these are included the number of organisations in the sector is estimated to be 5,324 (Involve 2011). With this in mind our results should be considered in relation to the 'known' sector, rather than the entire sector.

The survey was promoted by the NYYF, Your Consortium and YNYPU to maximise the response rate. Overall, 238 organisations responded to the survey, which equates to 7 per cent of the VCSE sector in the York and North Yorkshire area. It should be noted that this sample is by definition self-selected, however, in comparison to the known profile of organisations within the NYYF database, analysis of the survey respondents reveals the sample to be broadly representative of the wider sector in terms of geographic location. The sample is also broadly representative of the wider sector in terms of area of activity, with organisations active in education and training, health and housing slightly overrepresented.

To address these issues the results of the survey have been weighted when grossed up to overall figures on the basis of the geographic location and area of activity.

Confidence intervals have also been calculated to the 95% confidence level, however, due to the sample size and the variability within it, some confidence intervals are very wide. In these instances we have provided a best estimate.

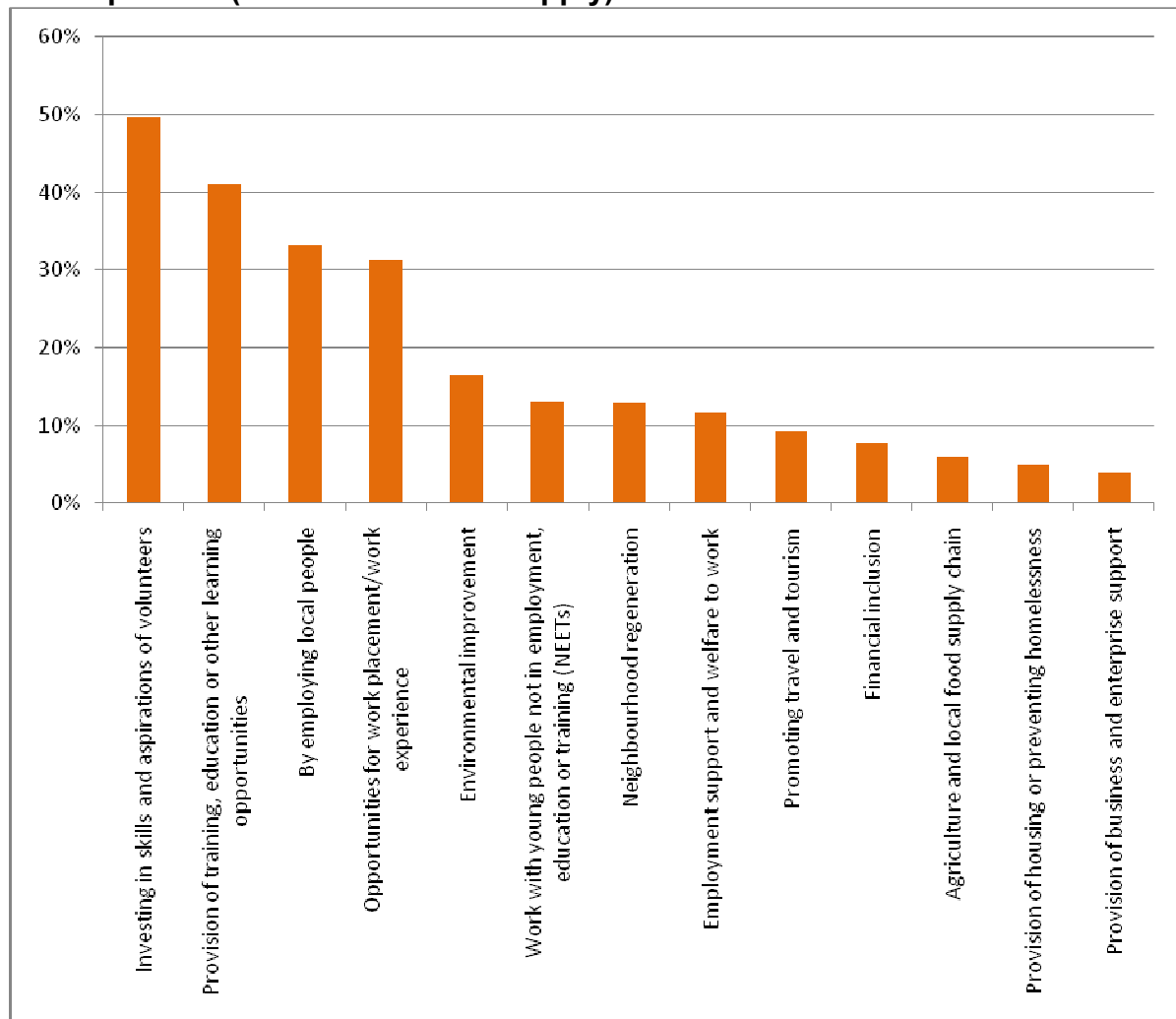
Larger organisations also appear to be over represented in our survey. Our weighted results suggest an average of 9 full time equivalents (FTEs) per organisation, which is higher than the average 3.5 to 8 FTEs estimated by Chapman and Crow (2010). These caveats should be borne in mind when considering the results

The survey asked respondents both about their general contribution to economic development, as well as including specific questions for those working in the fields of employment and training, regeneration and community development, infrastructure (development and support organisations) and business support and health and social care.

3) Results

Organisations identified a number of ways in which they contribute to local economic development (more than one option could be chosen). The most frequently chosen option was investing in the skills and aspirations of volunteers, with an estimated 49.6 per cent of organisations in the York and North Yorkshire area contributing in this way. Other frequent means of contribution were provision of training education or other learning opportunities (40.9 per cent), employing local people (33.2 per cent) and offering opportunities for work placements or work experience (31.2 per cent).

Figure 1: How does your organisation contribute to local economic development? (Please tick all that apply)



We also gave respondents the opportunity to use a free text box to specify other ways they think they contribute to economic development. Common responses include the provision of information and signposting people to other organisations or opportunities, supporting people with disabilities or experiencing mental ill-health to find or remain in work, generating business for other local businesses and the provision of childcare or transport services. Some examples include:

“Improved mental health and kept people in work or enabled [them to] return to work.”

“Local pubs provide pre-theatre lunch and dinner and local taxis, coaches, bed and breakfasts and hotels etc. all get business from the theatre”

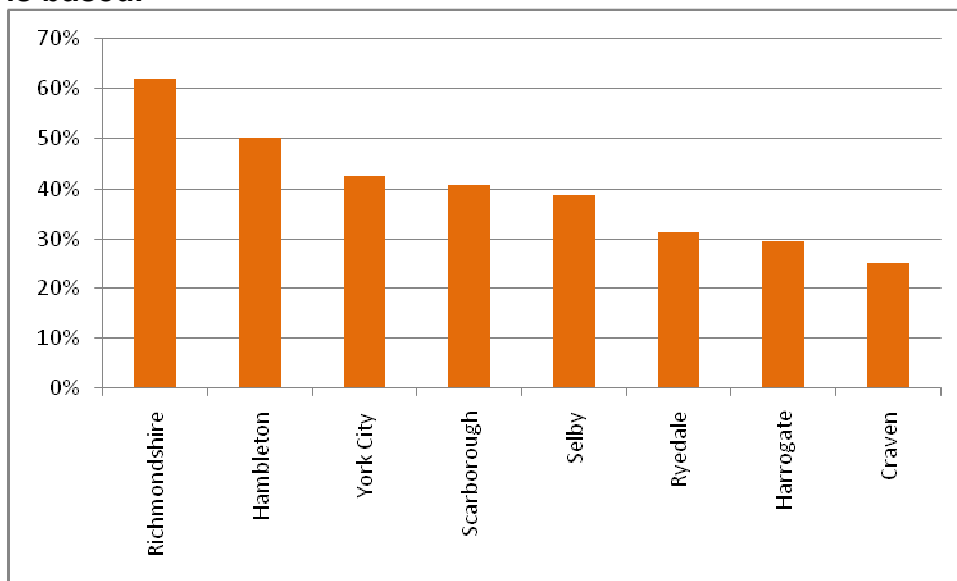
“We aim to empower marginalised young people and adults, we hope that their work enables them to gain skills and confidence which may move them closer to the employment market.”

The survey also asked respondents specifically about the new Local Enterprise Partnership (LEP), and how they can contribute to its work. Awareness of the new

LEP was relatively high, with an estimated 51 per cent of organisations aware of its establishment. There was however some variation in awareness by both geography and area of activity.

Half or more of organisations in Richmondshire and Hambleton were aware of the establishment of the LEP, while only between a quarter and a third of organisations in Craven, Harrogate and Ryedale were aware. Some targeted communication about the establishment of the LEP may be needed with organisations in these areas.

Figure 2: Awareness of the establishment of the LEP by where an organisation is based.



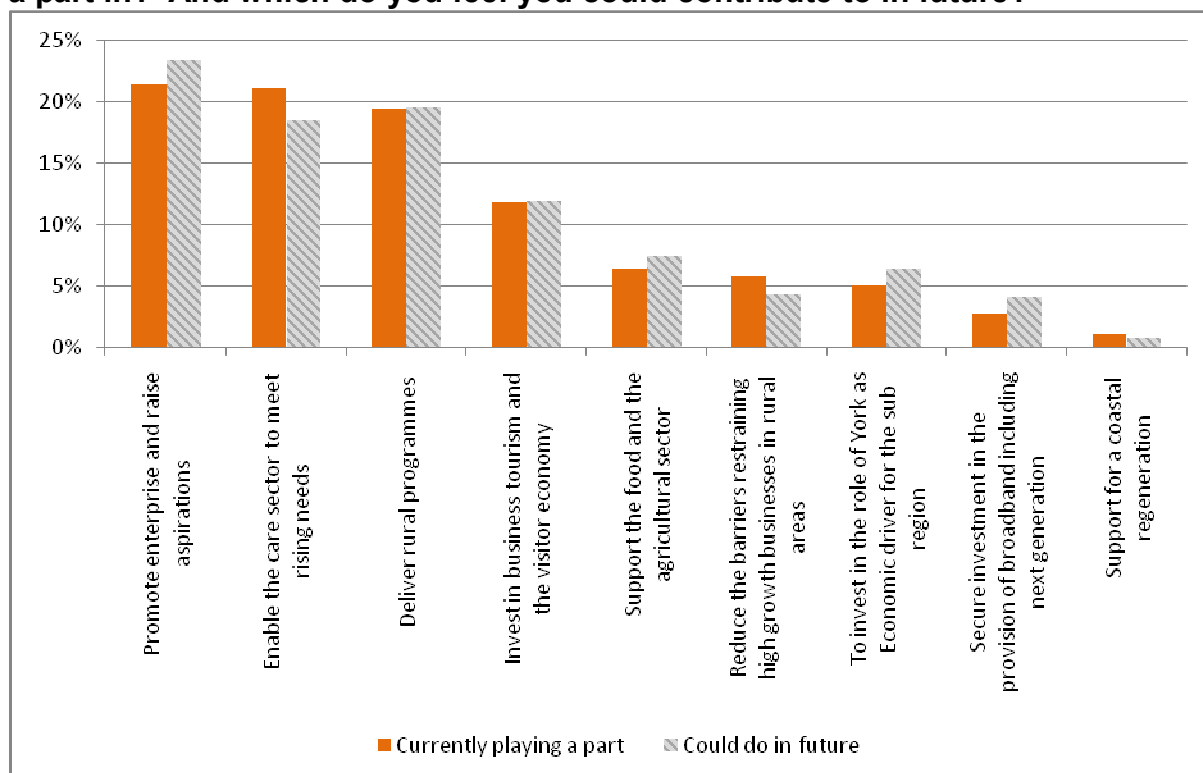
Looking at those organisations that work in activities most closely related to economic development, awareness of the LEP was fairly high. The table below sets out the level of awareness in some key sectors within the VCSE sector, however, the small sample sizes should be noted. Nonetheless, these findings suggest there is room for awareness raising among organisations working in key sectors such as advice provision and education and training.

Table 3: Awareness of LEP among organisations working in key sectors

Main area of activity	% of sample	% aware of LEP
Advice and information	13%	46%
Education and Training	12%	46%
VCS Support and Development Organisations	5%	70%
Community/Economic Development	3%	71%

The York and North Yorkshire application to become a LEP set out in nine ‘strategic action points’ for the area. We asked organisations whether they thought they could contribute to these objectives.² Overall, an estimated 55 per cent of organisations consider themselves to have a contribution to make to these strategic actions. There are three actions where the sector believes it can make the greatest contribution: promoting enterprise and raising aspirations; enabling the care sector to meet rising needs; and delivering rural programmes.

Figure 3: Which strategic actions do you feel your organisation currently plays a part in? And which do you feel you could contribute to in future?



² This research was commissioned before the LEP objectives were amended. The survey therefore asked about the strategic priorities outlined in the bid to become a LEP.

As might be expected, the strategic priority ‘To invest in the role of York as Economic driver for the sub region’ was particularly important for those organisations based in York, with 15% of organisations currently playing a part and 33% saying they could do so in future. Likewise with Scarborough in respect of ‘Support for coastal regeneration’ with 19% currently playing a part and 31% saying they could do so in future.

3.1) **Employment & training**

The sector plays a dual role in employment and training. On the one hand many organisations employ staff, and provide both staff and volunteers with training, on the other hand, some organisations deliver frontline services providing employment support and training opportunities.

Based on the survey, we estimate 37 per cent of organisations work in the field of education, training and employment services either as their main activity or as part of an organisation’s objectives. This section looks both at the sector as an employer and a supporter of volunteers, and as a service deliverer.

3.1.1) **Sector as employer and host of volunteers**

Based on the survey, we estimate just over half of VCSE organisations employ staff in York and North Yorkshire. Our best estimate is 37,637³ people in the North Yorkshire and York area are employed by the VCSE sector, which is equivalent to 7 per cent of the workforce⁴. Although higher than other estimates from previous studies of the VCSE sector in North Yorkshire and York, the sample size of our study means that it is unlikely to be statistically significantly different from other estimates. The table below compares our figures to those produced by Chapman and Crow 2010 and Mohan et al 2011. Both of these earlier studies produced results that fall within the margin of error for our results.

Table 4: IPPR North survey results compared to other studies: employment

	IPPR North Survey	Chapman & Crow	Mohan et al
% employing staff	54%	56%	N/A
% of workforce employed by VCS	7%	2%	4.8%*

** This figure was derived by dividing figures in column 3 with figures in column 1 in table 2 in the report’s appendix.*

If we accept our best estimate of 7 per cent of the workforce employed by the VCSE sector in North Yorkshire and York, the sector is a larger employer than the energy and water sector (which employs 1 per cent of the workforce). It also means that the VCSE sector employs a similar proportion of the workforce as the agriculture and

³ 32,142 Full time equivalents

⁴ Workforce defined as the working age population.

fishing (5 per cent) transport and communications (6 per cent), other services (6 per cent) and construction sectors (7 per cent).⁵

The VCSE sector also contributes to staff development by training its staff. Based on the survey, we estimate that 26,265 employees undertook staff training in the last year, which is equivalent to 70 per cent of all staff

But it is not simply through direct employment that the sector has an impact. It also supports a large number of volunteers. Based on the survey responses, we estimate organisations in North Yorkshire and York work with 139,241 volunteers. That is equivalent to 22% of the population, however it should be noted that some individuals may volunteer for more than one organisation. Nonetheless, this estimate is broadly in line with those produced by previous research as the table shows.

Table 5: IPPR North survey results compared to other studies: volunteering

	IPPR North Survey	Chapman & Crow	Mohan et al
% with volunteers	92%	95%	N/A
% of population volunteers	22%	24%	17%*

** This figure was derived by calculating their estimated number of volunteers as a proportion of the mid year population estimate for 2008*

The survey also asked how many hours per week were worked by volunteers. Based on the response, we estimate 367,517 hour of voluntary work is carried out each week in North Yorkshire and York, which is equivalent to 2,548,115 days per year. If this time was charged at the national minimum wage, the equivalent monetary value of this voluntary work is £2,234,501 per week or £116,194,043 per year.

Over the course of a year, we estimate between 1,186 and 2,608 volunteers entered paid employment. To put this in perspective, that is approximately 1 to 2 per cent of those volunteering, and between 3 and 7 per cent of the number of people that ceased claiming Job Seekers Allowance (JSA) last year (the claimant off-flow). However, it should be noted that this is not the same as saying 3 to 7 per cent of all those unemployed that entered employment did so as a result of volunteering. This is for a number of reasons. First, not all JSA off-flow is into employment (for example some claimants may die or move onto different benefits). Second, not all of those unemployed and entering employment will have claimed JSA. Third, over the course of one year some people will repeatedly stop and start claiming JSA as they move between employment and unemployment. Fourth, and most importantly, from the information provided in the survey we are not able to say that volunteering *caused* people to enter employment, only that volunteers *did* enter employment.

5 Figures are for employment by sector (by major SIC code) are taken from the Annual Population Survey. They are for the period January - December 2010.

Nonetheless, these figures help to set the contribution of the sector in a wider context and perspective.

3.1.2) Sector as a deliverer of employment services

The sector plays an important role in assisting people to find, enter and sustain employment through the services it delivers. Based on the survey results, our best estimate is that the sector helps 5,214 into employment annually, although as a result of the sample size and variation in the answers, this estimate ranges between 2,854 and 7,574 people per year annually.

Again, to put these figures in perspective, we compared them to the Job Seekers Allowance off-flow rate. Our best estimate of the number of people supported to enter employment is equivalent to 14 per cent of the JSA off-flow rate. This suggests the sector makes a significant contribution to welfare to work. Indeed, even if we take a more cautious approach and use the figure from the low end of our estimate range, this is equivalent to 8 per cent of the off-flow rate, while the high end is equivalent to 21 per cent. However, it should be noted that all the caveats sets out at the end of section 3.1.1 are also relevant here. Nonetheless, this contribution is particularly significant when we consider the VCSE sector tends to works with some of the least employment ready individuals with the most complex barriers to employment.

Interestingly, a highly diverse range of organisations have contributed to this employment effort. Perhaps unsurprisingly, organisations providing advice and information and education and training support the largest number of people to enter employment, but organisations primarily working in health, arts and culture, leisure and social, voluntary and community sector support and development and fundraising support all made sizeable contributions to the number of people entering employment. Over a 24 month period, 45 per cent of the people respondents reported helping into work were assisted by organisations that did not identify advice, information, education or training as their main area of work. Due to the sample size and variability in the answers, we are not able to estimate these figures for the wider sector.

Table 6: Organisations helping people to enter employment by main area of activity

Main Activity	Number entering employment over the last 24 months
Advice and information	585
Education and Training	551
Health	239
Arts and Culture	183
Leisure and Social	120
VCS Support and Development Organisations	105
Fundraising	100
Village Hall / Community Centre	65
Advocacy	38
Counselling	30
Drugs and Alcohol	25
Transport	22
Campaigning	10
Housing and Homelessness	10

For this contribution to really be significant, beneficiaries must be entering sustained employment, rather than alternating between low pay and no pay. The survey asked a follow up question of how many of the people entering work were still in work 12 months later, but only 14 organisations gave a response. This low response rate suggests many organisations are not collecting sufficient data to demonstrate their impact. However, it should be acknowledged that for many of the organisations delivering employment outcomes, employment support is not their primary area of activity. Of the 23 organisations that identified employment services as their primary area of activity, 16 were able to estimate the number of people helped into employment and 10 of these could identify whether employment was sustained.

The 14 organisations that did respond to this question reported supporting 341 beneficiaries into employment over a 24 month period, of whom 220 were still in employment 12 months later. For these organisations, 65% of those entering employment sustained employment for at least a year.

3.1.3) Sector as a deliverer of training

The number of beneficiaries trained by the 91 organisations involved in education, training and employment services in our sample is shown in the table below, demonstrating the diversity in the scale of operations between organisations. Overall, these organisations helped 4,688 beneficiaries to gain a formal training qualification through their services in the past 24 months.

Table 7: Number of people placed on training programme or receiving training during the last 24 months

Number of people	Number of organisations in survey
0-10	10
11-20	6
21-30	4
31-40	5
41-50	3
51-100	6
101-500	11
500+	2

The VCSE sector in York and North Yorkshire is also key deliverer of government-funded training programmes. Records from Your Consortium indicate that 1,844 learners benefited from programmes delivered by members of Your Consortium in the recent period, as shown in Table 8.

Table 8 Members of Your Consortium delivering government funded training programmes by period and number of learning episodes

Funding Programme	Number of learning episodes	Programme Duration
Train to Gain	237	August 2010 - July 2011
Apprenticeships	28	August 2010 - July 2012
Future Jobs	180	November 2009- August 2011
Think Positive	136	May 2010- July 2011
Adult Engagement	126	September 2009-December 2010
Skills for Jobs	79	November 2010-July 2011
Community Grants	774	March 2009-November 2010
NLDC 2010/11	284	August 2010-July 2011
TOTAL	1,844	

3.2) Business & enterprise support

17 of our respondents identified themselves as providing business and enterprise support. Due to the small number of organisations responding to this part of the survey, it is not possible to make inferences about the wider sector.

Nonetheless our respondents, if they are typical, demonstrate the important role VCSE sector organisations can play in supporting enterprise. This includes private sector enterprise as well as social enterprises and other voluntary and community organisations. In 2009 and 2010 our survey respondents reported supporting 76

organisations and enterprises to start up. To put this in perspective, in the North Yorkshire and York area, 2,870 new businesses were created during 2009.⁶ Over the same period 420 organisations and enterprises were reportedly supported to expand or grow by the same 17 organisations.

Table 9: Number of organisations respondents supported to start up or grow

Type organisation	Supported to start up	Supported to expand/grow
Voluntary or community sector	57	403
Social enterprise	8	15
Private sector	11	2

When asked about the sorts of services provided, advice and guidance and networking were the most frequently offered.

3.4) Outreach to the socially excluded and raising aspirations

A key role for the VCSE sector is working with individuals experiencing social exclusion, and supporting people to overcome complex challenges in their lives, including raising peoples' aspirations to take up education, training or employment.

Overall, an estimated 38 per cent of VCSE organisations in the North Yorkshire and York area include raising their beneficiaries' aspirations to enter employment or training among their objectives.

We asked respondents to specify in a free text box how they raise beneficiaries' aspirations. Common responses referred to supporting people, encouraging them, building confidence and self-esteem. Organisations also provided informal training and support, for example by helping people to complete application forms and providing training to volunteers. Some examples of responses include:

"We provide apprenticeships and support volunteers to develop their skills through training and development to add to their CV."

"Motivate and build self-esteem and encourage goal setting and future planning."

"As a sheltered employment project we are a stepping stone toward open employment for adult with learning difficulty. Historically we have relied on other organisations to support our users into employment. We are now starting to set up micro employment and social enterprises to match the users we think [we] can support to move on"

"We often get people who have complex social and health needs working with us and we can provide a context where we offer them not only the opportunity to occupy themselves, but to access debt advice, health advice from our community nurses,

⁶ ONS Business Demographics - data for 2010 are not yet available

attend groups such as AA, and other support groups... All this means that we can provide a support network that encourages people to tackle the issues that keep them out of employment."

The survey also asked organisations working in regeneration, community development and the environment about the number projects they carried out with different objectives. Thirty four survey respondents reported carrying out 311 projects to raise the aspirations of the community. The only objective that featured in more projects was improving the quality of the built environment.

Table 11: Estimated number of projects completed in the last 24 months with the following objectives:

	Improving the quality of the built environment	Improving the quality of the living/ natural environment	To do with community cohesion	To raise the aspirations of the community	To help develop or build community assets (e.g. a community centre or learning centre)
Number of organisations in survey delivering projects	16	25	37	34	27
Total number of projects in survey	461	69	200	311	202

3.5) Care: a growing sector

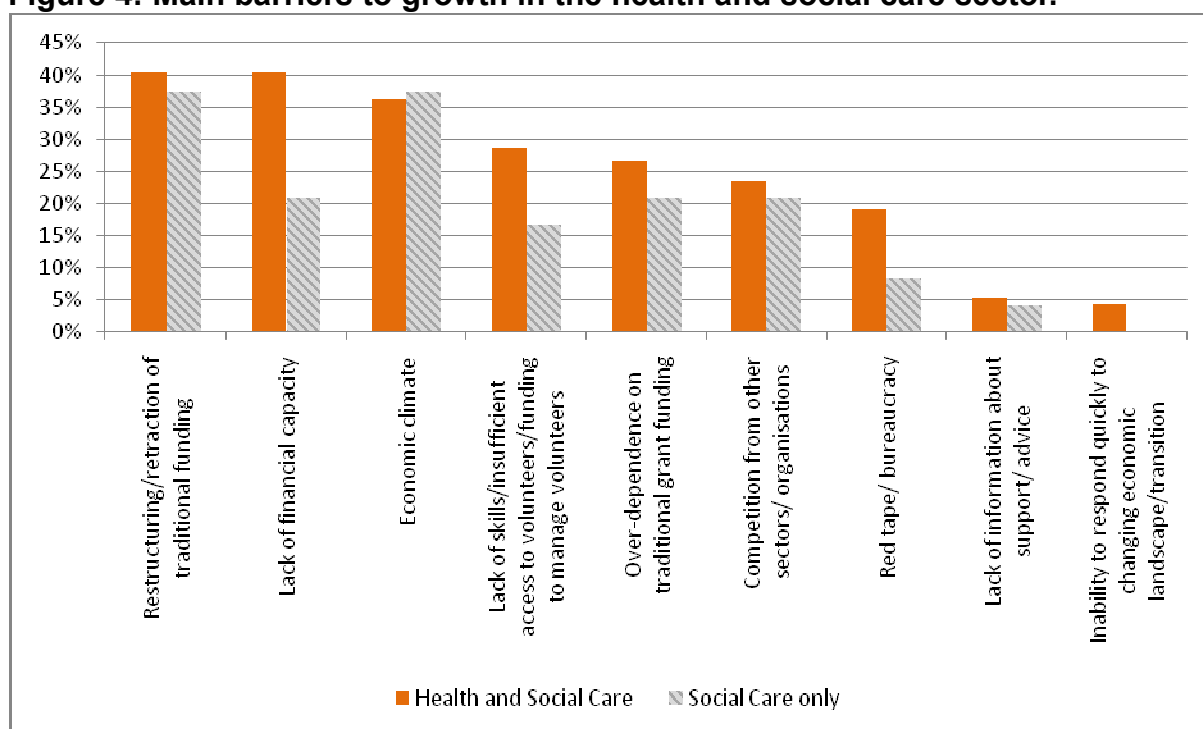
The North Yorkshire and York Local Economic Assessment identified the care sector as a major challenge for the sub-region (York and North Yorkshire Partnership Unit 2010). This issue was picked up in the application to form a York and North Yorkshire LEP, which included among its priorities to 'enable the care sector to meet rising needs' to be delivered by raising aspiration and skills within the health and social care sector and promoting and encouraging new enterprises and social enterprises within this sector (York and North Yorkshire Partnership Unit 2011).

The sub-region's ageing population makes the care sector particularly pertinent. And while this is an area that the VCSE sector has worked in for many years, the context for delivering care is changing. As the personalisation agenda becomes more prevalent, organisations are increasingly shifting away from the delivery of block contracts and toward attracting individual to purchase their services directly.

Our survey results suggest the care sector is anticipating some growth, with an estimated 38% of organisations working in health and social care planning to take on additional staff in future years, however, this is more pessimistic than other sectors of the economy and other VCSE sectors (see section 3.6.2). Organisations in the care

sector identified a number of barriers to growth, most notably the restructuring or retraction of traditional funding, a lack of financial capacity and the wider economic climate. However some barriers are more important to the health care sector than the social care sector, as figure 4 shows. Respondents from the social care sector were less likely to identify as many barriers, with lack of financial capacity, lack of skills, access to skills or funding to manage volunteers and red tape all identified as bigger barriers by the health sector than the social care sector.

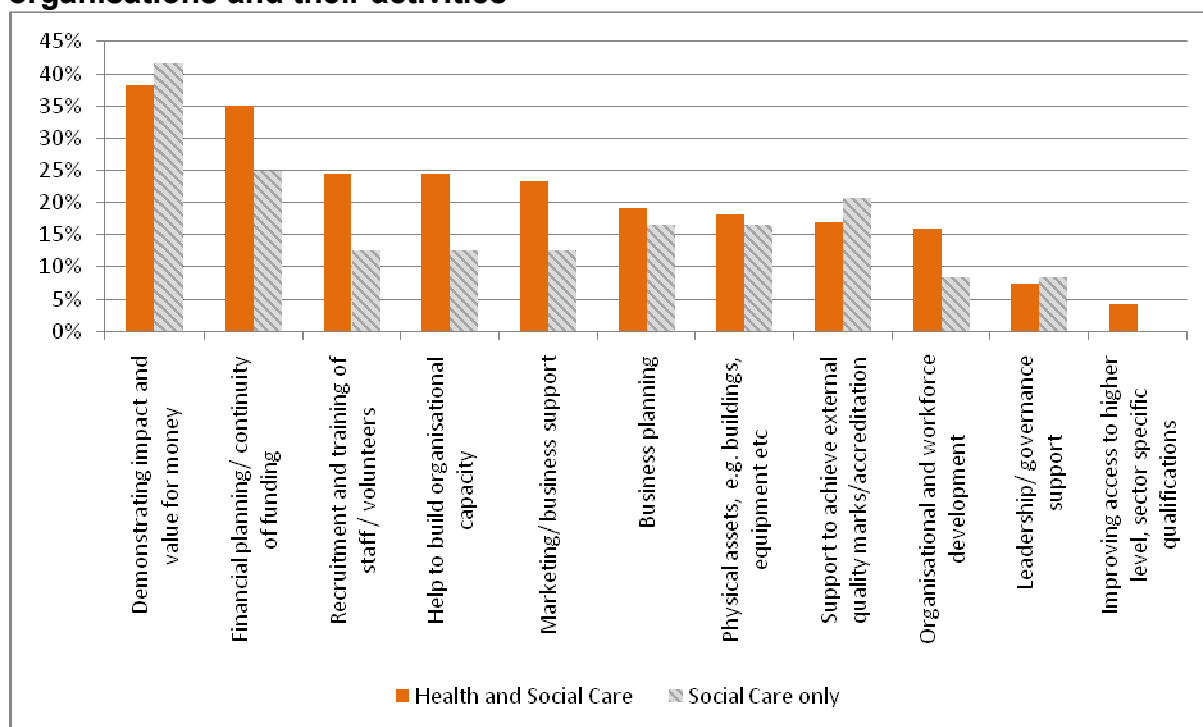
Figure 4: Main barriers to growth in the health and social care sector.



Considering the support for the future development of social care organisations and their activities, the highest priorities identified were demonstrating impact and value for money and financial planning and the continuity of funding. However, it should again be noted that the priorities of the care sector differ somewhat from the health sector. For respondents from the care sector, support with achieving quality marks or accreditation and demonstrating impact are higher priorities compared with the health sector respondents. Health sector respondents meanwhile were more likely to highlight support with financial planning, recruitment and training of staff or volunteers, help to build organisational capacity, marketing and business support and organisational and workforce development.

These results should inform the support provided to organisations in order to fulfil the ambition to grow the care sector in North Yorkshire and York.

Figure 5: Support most needed to further develop health and social care organisations and their activities

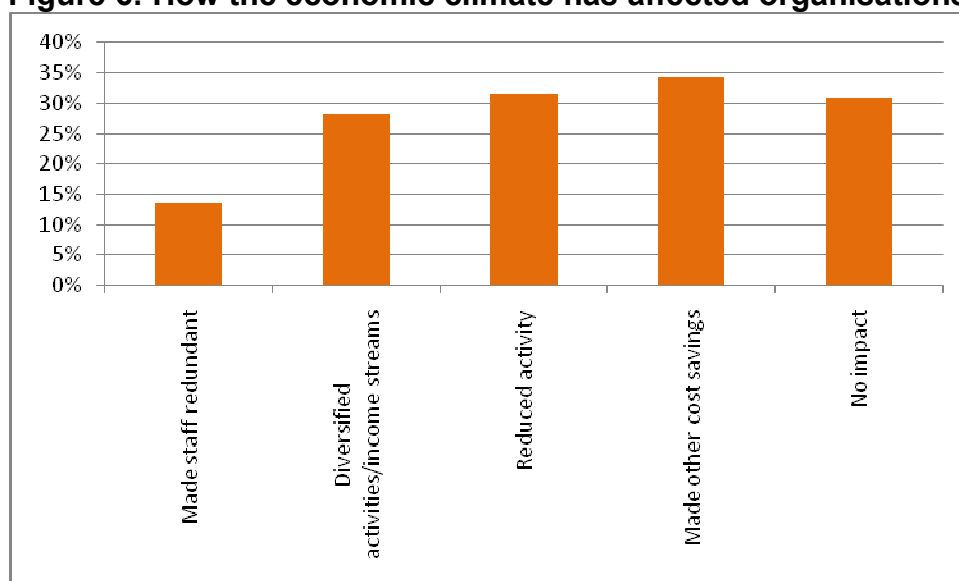


3.6) Thinking about the future

3.6.1) Impact of the economic climate

Most of the VCSE sector has not been immune to the impact of the economic downturn and this government’s decision to sharply cut public sector spending. As figure 6 shows, an estimated 70 per cent of organisations report some impact from this changed context. Those that have been affected have responded by making cost savings, reducing their activity, diversifying their income and/or making staff redundant. This suggests that many organisations have responded positively to address issues of sustainability, diversifying their income streams and activities. However, it also suggests reduced capacity within the sector.

Figure 6: How the economic climate has affected organisations



Looking beneath this broad headline reveals a differential impact on different parts of the sector. For example, organisations that do not employ any staff have been less affected by the economic climate, with half of these organisations experiencing no impact. However, as we discuss in sections 3.6.4 and 3.6.5, these organisations, which are predominantly those with smaller annual incomes, also identify more barriers to their growth and have greater support needs.

Furthermore, there are differences between organisations by size of income, as organisations with a large annual income have been more significantly affected compared to those with small incomes, particularly those with an annual income of less than £30,000. At least half of our respondents with an annual income of more than £30,001 report making cost savings, while between 40 and 50 per cent of organisations with an income of over £250,001 have diversified their activities and income streams and/or reduced their activity. It seems the largest organisations, in terms of income, have been most affected by the economic climate.

Table 12 Impact of the economic climate by annual income

	Made staff redundant	Diversified activities/income streams	Reduced activity	Made other cost savings	No impact
£30,000 or less	1%	14%	25%	13%	34%
£30,001 - £100,000	8%	43%	27%	54%	16%
£100,001 - £250,000	18%	39%	28%	56%	17%
Over £250,001	26%	49%	44%	51%	5%

3.6.2) Future expansion plans

Just over a third of VCSE sector organisations are optimistic about the future, with an estimated 36% plan to take on more staff in future years. However, it is not clear from the survey whether organisations have formal plans to expand or whether responses reflect an aspiration to expand. Furthermore, this demonstrates a lower level of optimism about the future when compared to other sectors and national surveys. The Spring 2011 CIPD/KPMG Labour Market Outlook reported 70 per cent of private sector businesses and 63 per cent of voluntary sector businesses planned to recruit staff in the second quarter of 2011 (CIPD / KPMG 2011).

The survey asked respondents about four broad areas of activity: education, training and employment services; regeneration, community development and the environment; health and social care; and infrastructure and business support. The level of future optimism varies between these four broad areas of activity, with health and social care organisations least optimistic about future employment compared to other areas. Given the care sector is a priority for growth, this is an area where support may be needed. As section 3.5 discussed, the social care sector highlighted restructuring and retraction of traditional funding and the wider economic climate as key barriers to growth. This suggests many organisations require short- to medium-term support for transition. Furthermore, social care organisations were most likely to identify measuring impact and value for money, financial planning and continuity of funding and achieving quality marks as areas where support is required. The slightly more optimistic outlook in the education, training and employment services sector may be reflective of the growth in demand from this sector due to the government's new Work Programme.

Table 13: Plans to take on more staff in future years by broad area of activity

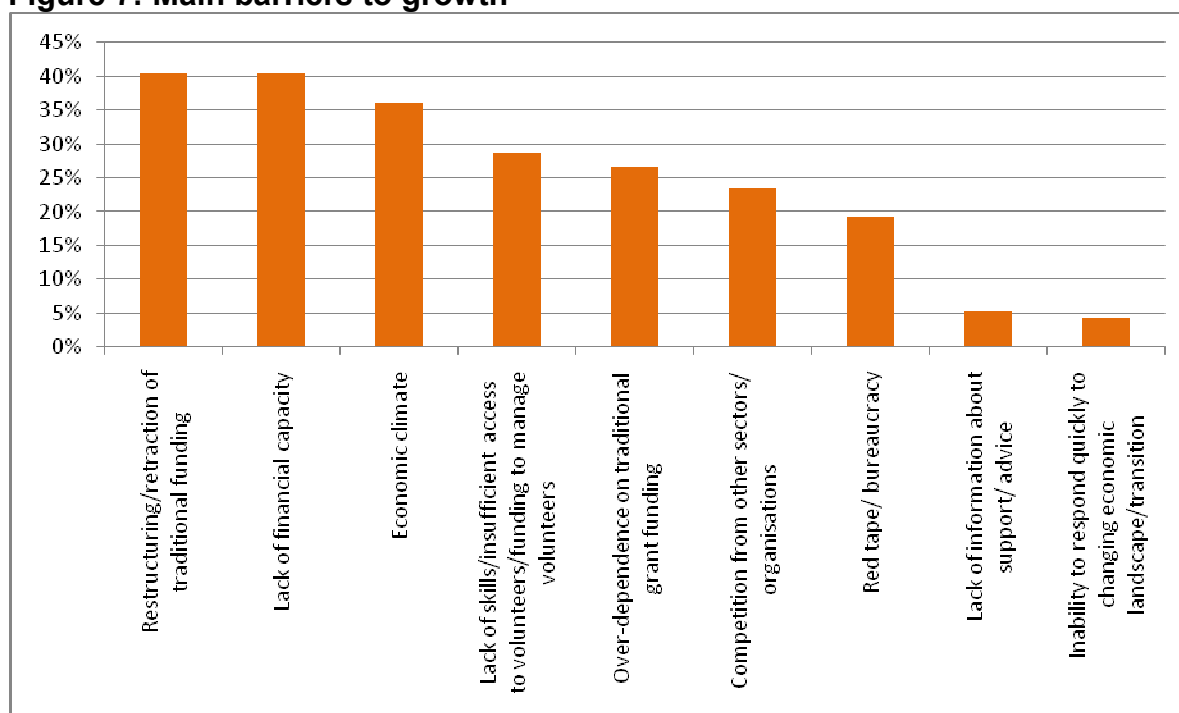
Education, training and employment services	Regeneration, community development and the environment	Health and social care	Infrastructure and business support
50%	47%	39%	62%

3.6.3) Barriers to Growth

Three clear barriers to growth emerge from the survey, with more than four in ten identifying lack of financial capacity, the wider economic climate and restructuring or retraction of tradition funding as barriers to their growth. One in three also identified over dependence on traditional grant funding. These responses emphasise the challenging transition that many parts of the sector is making away from relying on grant income and towards more commissioning and trading income. Organisations will require support to make this transition.

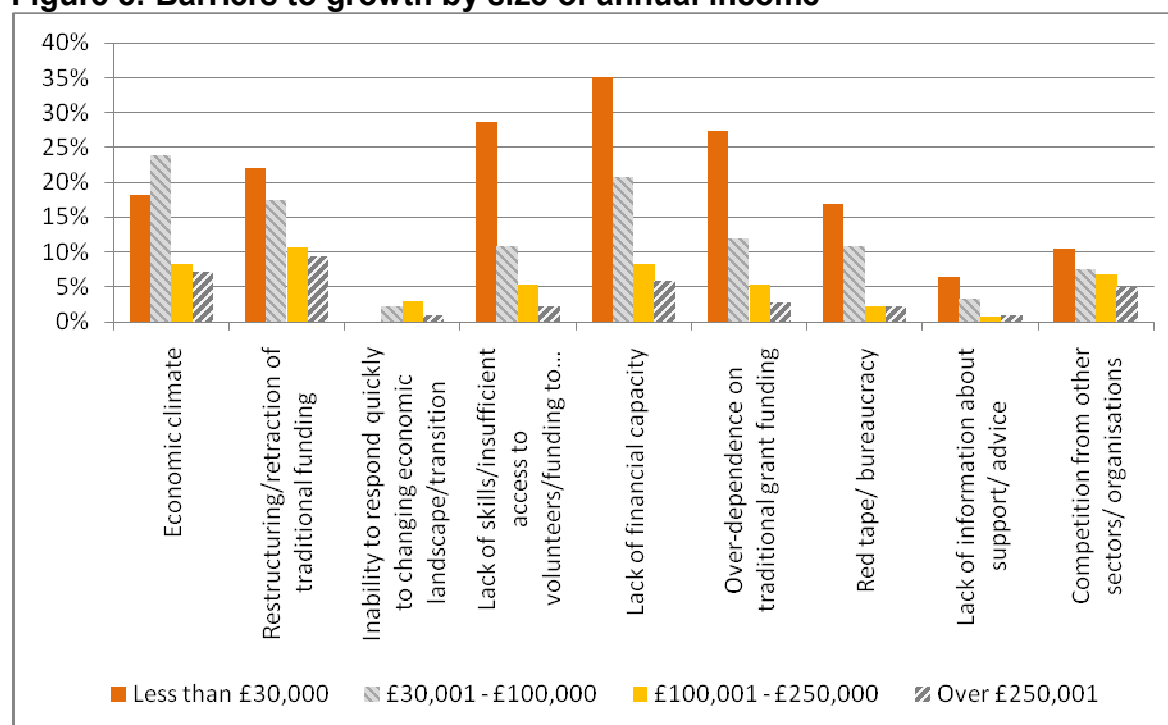
We also allowed respondents to identify other barriers through a free text box. One issue that emerged was the bureaucracy associated with public sector commissioning. This is likely to act as an impediment to organisations seeking to make the transition from grant income to public service delivery.

Figure 7: Main barriers to growth



The importance of these barriers did not vary substantially by the field in which the organisation works (ie education, training and employment services; regeneration, community development and the environment; health and social care; and infrastructure and business support). However, there was wider variation in the importance of difference barriers when the results are considered by the size of the organisation's income, with smaller organisation facing a wider range of barriers to growth. For organisations with an income of £30,000 or less, lack of financial capacity, over dependence on traditional grant funding and lack of skills emerge as key barriers. This finding contrasts with the results reported in section 3.6.1. While organisations with large incomes are more likely to report being affected by the economic climate, they are less likely to identify barriers to their growth. This may reflect greater organisational capacity to manage shocks.

Figure 8: Barriers to growth by size of annual income



3.6.4) Support required to grow

There is a more diverse picture of where support is most needed to further develop organisations and their activities (see Figure 9). Nearly half of respondents identified financial planning and continuity of funding as the key issue. Other common priorities were facilitation of effective partnerships and collaboration, the recruitment of staff and volunteers, demonstrating impact and value for money and marketing and business support. These support needs must be addressed for the sector to move from a position of reduced activity to one of growth.

Looking beneath these broad headlines, the amount of variation by sector was not significant, but by size of annual income was more substantial, as Figure 10 shows. Small organisations were more likely to identify support needs in a wider range of areas. Most notably support to recruit and train staff and volunteers, financial planning and the continuity of funding and support with physical assets.

Again these findings contrast with those reported in section 3.6.1. Despite being more adversely affected by the economic climate, respondents from organisations with larger incomes were less likely to identify support needs compared to those from organisations with smaller incomes.

Figure 9: Areas where support is most needed to further develop the organisation and its activities

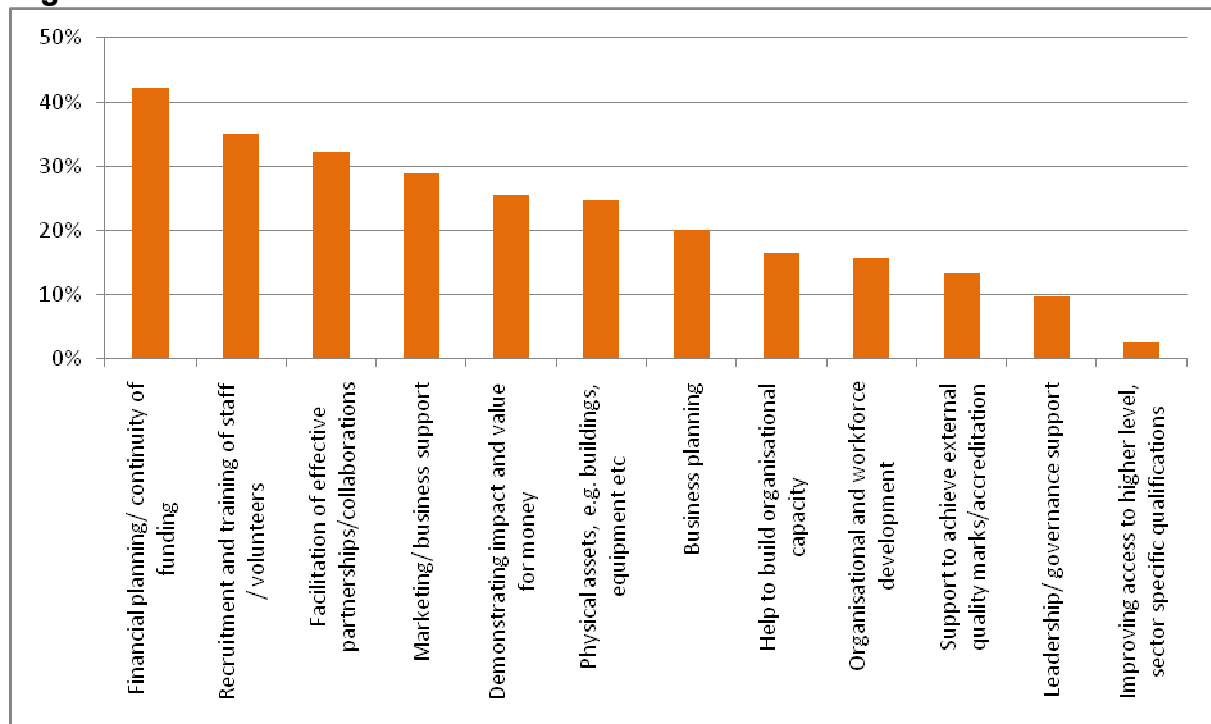
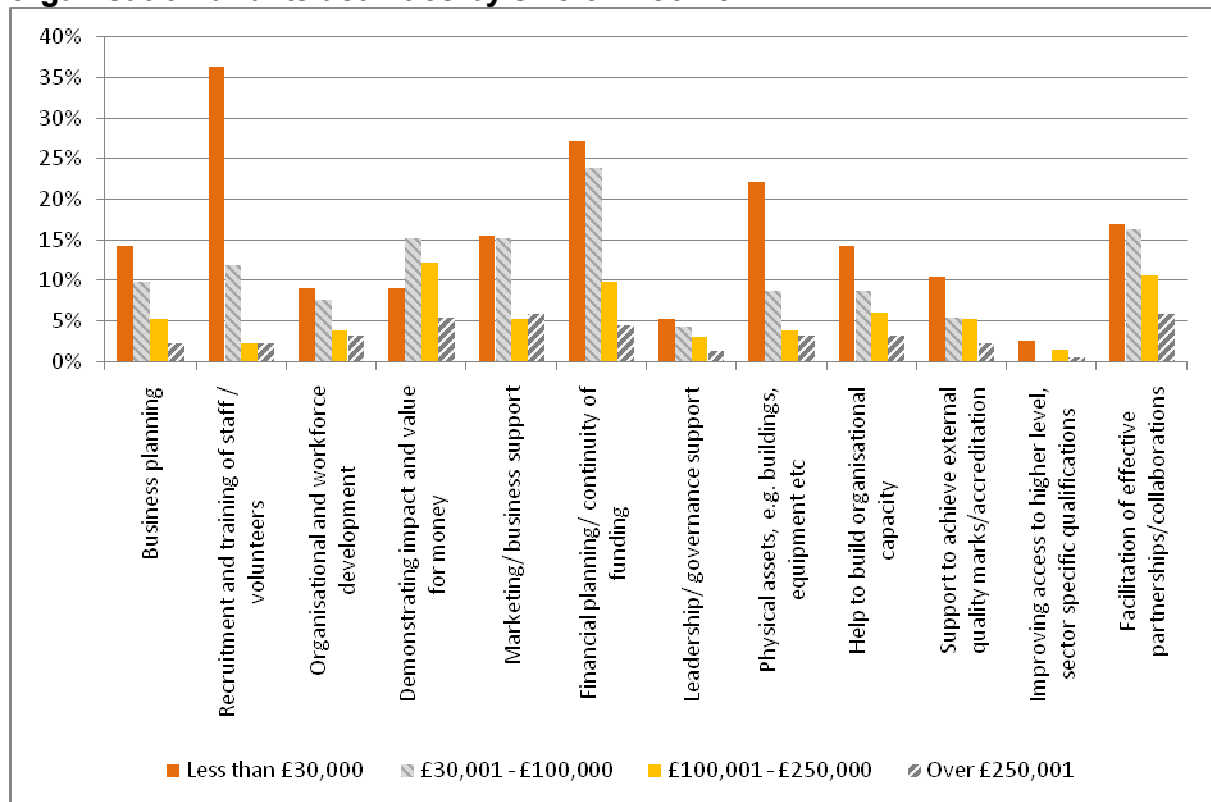


Figure 10: Areas where support is most needed to further develop the organisation and its activities by size of income



4) Conclusions and recommendations

4.1) Key messages

VCSE sector organisations contribute to economic development generally and the work of the LEP in particular in a variety of ways. These key messages respond to each of the objectives set out at the beginning of this research.

4.1.1) Aspects of economic development activity where VCSE organisation are contributing:

VCSE sector organisations contribute to economic development in a variety of ways, including by employing people, buying goods and services from other organisations and businesses and creating demand for other organisations and business. They also support a large number of volunteers who sometimes gain skills and experience that helps them enter employment. The majority invest in their staff and volunteers, providing them with training and learning opportunities. An estimated 70 per cent of staff undertook training last year.

Some VCSE organisations also contribute to economic development through the services they provide. For some, such as employment and training service providers, this link is relatively direct and obvious. However, many organisations that do not have primarily economic objectives also contribute to economic development. Our survey found organisations working in primarily in health, the arts and culture and leisure and social sectors supported large numbers of people into employment.

Many organisations also describe their economic contribution in terms of supporting people and increasing their self-esteem and confidence. However, this activity is inherently difficult to quantify.

Over half (55 per cent) of organisations believe they currently contribute to the LEP objectives, especially in relation to:

- Promoting enterprise and aspiration (21 per cent)
- Enabling the care sector to meet rising need (21 per cent)
- Delivering rural programmes (20 per cent).
- Contributing to coastal regeneration (19 per cent in Scarborough)
- Investing in York as the economic driver of the sub-region (15 per cent in York)

4.1.2) Identify relevant VCSE sector outputs and outcomes and quantify their contribution to economic development objectives:

Overall, two of the VCSE sector's most significant contributions to economic development are as an employer and a supporter of volunteers.

- **As an employer:** The VCSE sector is a significant employer in the sub-region. At our best estimate it employs 7 per cent of the workforce, which is more than the energy and water sector and is comparable to the agriculture and fishing, transport and communications, other services and construction industries.

- **As a supporter of volunteers:** An estimated 139,241 volunteers are supported by VCSE organisations. If this time was charged at the national minimum wage, it would have a value of £116,194,043 per year.

The sector also contributes to economic development through the services it delivers to its beneficiaries:

- **Supporting people to enter employment:** Our best estimate is that the VCSE sector helps 5,214 people to enter employment annually in North Yorkshire and York. This is equivalent to 14 per cent of the people that moved off job seekers allowance (JSA) last year. However, it should be noted that due to the sample size and variation in the responses, our estimate ranges from 2,854 to 7,574 people, or 8 to 21 per cent of those leaving JSA. The survey reveals a wide range of organisations have supported people to enter employment – not just employment and training service providers, but organisations primarily working in health, arts and culture and leisure and social activities too.
- **Supporting people to sustain employment:** Only 15 respondents specified how many of their beneficiaries were still in employment 12 months after being supported to enter employment. These organisations had a 65 per cent success rate in supporting people to enter and sustain employment.
- **Supporting volunteers to enter employment:** Over the course of a year, our best estimate is that 1,897 volunteers entered paid employment. That is approximately 1 per cent of those volunteering, and equivalent to 5 per cent of the people that moved off job seekers allowance last year. However it should be noted that due to sample size and response variation our estimate ranges from 1,186 and 2,608 volunteers, which is equivalent to between 3 and 7 per cent of those leaving JSA.
- **Training:** Over two years, the 91 training organisations responding to our survey supported 4,688 beneficiaries to gain a formal qualification.
- **Supporting start-ups and expansion in the VCSE and private sectors:** Over two years, the 17 support organisations that responded to our survey supported 76 start-ups and 420 expansions.
- **Raising aspirations:** Over a third of VCSE organisations in the sub-region include raising their beneficiaries' aspirations to enter employment or training among their objectives, and over the last two years, across the sub-region, 34 respondents reported completing 311 projects with the specific intention to 'raise the aspirations of the community'.

4.1.4) Areas where there may be opportunities to expand the contribution of the VCSE sector to economic development:

While the majority of organisations are aware of the LEP (55 per cent), the level of awareness varies between areas. Organisations in Craven, Harrogate and Ryedale

reported lower awareness of the LEP. Similarly, in some key sectors, such as organisations providing advice and information and those providing education and training, less than half of respondents were aware of the LEP. Greater awareness raising in these areas could assist more organisations to identify how they can align their activities with the LEP's priorities.

The sector is under some pressure as a result of the economic climate, which has had an adverse effect on 70 per cent of organisations. Those that employ staff and those with larger annual incomes have been particularly affected. Organisations in York and North Yorkshire are relatively pessimistic about the likelihood of taking on more staff in future. An estimated 36 per cent plan to take on staff in the future, compared to 63 per cent of VCSE organisations and 70 per cent of private businesses nationally.

While organisations with small incomes have been less effected by the economic climate, they are more likely to identify support needs and barriers to growth. The sector identified the following as key barriers to growth to overcome and priorities for support:

- The key barriers to growth are lack of financial capacity, the economic climate and the restructuring or retraction of traditional funding. This suggests short- to medium-term support is required to enable the sector to make the transition to new ways of working and new income streams.
- The key areas where support is needed are financial planning and continuity of funding, facilitation of effective partnerships and collaborations, recruitment and training of staff and volunteers, demonstrating impact and value for money and marketing and business support.

Growing the care sector has been identified as a particular priority. The survey results suggest the main barriers to growth in this sector are the same for the sector overall. However care organisations identified support to measure impact and effectiveness and to obtain quality marks alongside financial planning as the key priorities. They were also the most pessimistic about their prospects for hiring more staff in future.

4.2) Recommendations

A number of recommendations flow from this research. These have been subdivided into recommendations for VCSE organisations, for VCSE support and development organisations and for the LEP itself.

4.2.1) Recommendations to VCSE organisations:

- **Think in economic development terms:** Many organisations have social objectives, but organisations should also consider their economic contribution, particularly in relation to the priorities being established by the LEP, and where organisations might be able to align their activities without experiencing "mission drift" they should do so. Priority areas for the LEP where this survey suggests the VCSE sector is currently less active include tourism and the food and agriculture sectors. There may be opportunities for the sector to expand

its role in these areas, for example through new social enterprises, and by organisations working in arts, culture and heritage contributing to tourism

- **Measuring impact:** As contracting and commissioning becomes more and more important for VCSE organisations it is more important than ever that organisations are able to demonstrate their impact. Too few organisations were able to respond to questions about their quantitative impact in our survey. A good start would be to systematically collect data on outputs – such as number of beneficiaries, number of job starts, number of courses completed and qualifications gained, and number of organisations supported to start up. There are also a number of tools available to assist organisations to assess their impact.
- **Establish volunteer development plans to support employment outcomes:** The sector has a key role to play in supporting people – particularly the socially excluded – to move towards employment. This survey reveals the important contribution the sector makes to supporting people to enter employment, and what's more, this applies to volunteers as well as beneficiaries, and to VCSE organisations from across different parts of the sector, not just those that have employment as a primary objective. We estimate 1 per cent of volunteers enter employment annually. Organisations should ensure volunteer development plans are in place to support volunteers to progress. Where relevant this should include gaining skills to take up employment.

4.2.2) Recommendations to VCSE support and development organisations:

- **Review services to ensure growth and development are being supported in the current context:** Much of the VCSE sector is undergoing a transition as the economic and policy landscape changes around them. This survey reveals the key barriers to growth and priority support needs identified by frontline organisations. Development and support organisations should conduct a rapid review of their support offer to ensure they are providing for these needs.
- **Identify growth areas within the sector:** Support and development organisations are under pressure as their traditional sources of funding change. Nonetheless, along with some other infrastructure organisations, they have a crucial role as intelligence hubs that must not be allowed to fall by the wayside. They should act as horizon scanners for the sector, identifying areas of growth or high demand. For example, demand for debt advice and employment services may increase as the public sector redundancies come into effect; similarly, York and North Yorkshire's ageing population and increasing personalisation of budgets means there are areas of opportunity in social care services.
- **Seek active engagement with the LEP board:** Support and development organisations should seek to engage with the LEP Board, facilitating wide VCSE engagement to feed in views from the sector and communicate to the Board how the sector can contribute to the LEP objectives.

4.2.3) Recommendations to the LEP:

- **Identify concrete areas where the VCSE sector can contribute:** Board members should consider the evidence offered by this and other similar reports, and identify how the VCSE sector can support the LEP to achieve its objectives.
- **Promote LEP activities and priorities:** Now that the LEP Board is in place, it should promote its activities and priorities to enable other stakeholders, including the VCSE sector, to align their activities with the LEP's priorities. Communication efforts are particularly required in Craven, Harrogate and Ryedale where awareness of the LEP among VCSE organisations is lower.
- **Provide opportunities for the VCSE sector to input into the LEP's decision making processes.** The LEP Board has a member who works in the voluntary sector. Like all Board members, he has been appointed because of his individual skills and experience and it is not part of his remit to act in a wider role as a representative of the voluntary sector as a whole. Other channels should be therefore be established such as more focused engagement in areas where the sector has a contribution to make (such as employment services or training), for example through task and finish groups. A wider stakeholder grouping (including the VCSE alongside other stakeholders) could also be established to offer advice and scrutiny to the Board.

References

- Cabinet Office (2010a) *National Survey of Charities and Social Enterprises: Overall Report, York UA* London: Cabinet Office
- Cabinet Office (2010b) *National Survey of Charities and Social Enterprises: Overall Report, North Yorkshire* London: Cabinet Office
- Chapman T and Crow R (2010) *A Thriving Third Sector: A study of North Yorkshire and the City of York* Middlesbrough: Social Futures Institute.
- Chartered Institute of Personnel and Development (CIPD) and KPMG (2011) *Labour Market Outlook: Spring 2011* London: CIPD
- HM Government (2011) *Open Public Services White Paper* London: TSO
- Holt A (2011) "Cuts to the sector make a mockery of Big Society says TUC" *Charity Times* 8 February
- Involve Yorkshire & Humber (2011) *Below the Radar? Unregistered third sector organisations in Yorkshire and the Humber– Briefing* Leeds: Involve
<http://www.involveyorkshirehumber.org.uk/uploads/files/briefings/belowtheradarbriefing.pdf>

- Kane D and Mohan J (2010) *Mapping Third sector organisations in Yorkshire and the Humber* Newcastle: Northern Rock Foundation
<http://www.involveyorkshirehumber.org.uk/uploads/files/reports/yorkshire-and-the-humbermapping-report1412101-mc-final.pdf>
- McKay S and Moro D (2011) *Briefing Paper 28: The Growing Workforce in the Voluntary and Community Sectors: Analysis of the Labour Force Survey 1993-2009* Birmingham: Third Sector Research Centre
- Mohan J, Geyne Rajme F and Kane D (2011) *Paid work and volunteering in the third sector in Yorkshire and the Humber* Newcastle: Northern Rock Foundation
<http://www.involveyorkshirehumber.org.uk/uploads/files/reports/workforce-yorkshire-and-the-humber-final.pdf>
- NVCO (2010) *Pathways Through Participation: Briefing paper 4 – why participate? Understanding what motivates people to get involved*
<http://pathwaysthroughparticipation.org.uk/wp-content/uploads/2009/09/Briefing-paper-4-Why-participate1.pdf>
- Schmuecker, K (2011) *Can the Big Society be a Fair Society? A North East Perspective* London: IPPR
- Schmuecker, K and Tehrani E (2011) *Drawing on All Resources? The involvement of the voluntary and community sector and social enterprise in Northern Local Enterprise Partnerships* London: IPPR
- Wilding K (2010) “The Axe Man Cometh” NCVO Blog <http://www.ncvo-vol.org.uk/networking-discussions/blogs/209/10/05/25/axeman-cometh>
- York and North Yorkshire Partnership Unit (2010) *York and North Yorkshire Economic Assessment 2010* York: York and North Yorkshire Partnership Unit
<http://www.ynypu.org.uk/documents/Full%20Assessment%20-%20Final%20Draft%20-%20August%202010.pdf>
- York and North Yorkshire Partnership Unit (2011) “York and North Yorkshire Local Enterprise Partnership: Progress on LEP Actions” *Local Government North Yorkshire and York Cabinet Papers January 2011* https://www3.northyorks.gov.uk/n3cabinet_locgovnyy/reports_/20110128_/08yorkandnorthy/08yorkandnorthy.pdf