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Nottinghamshire State of the Voluntary Sector 2015

A report on social and economic impact

Sheffield Hallam University | Centre for Regional Economic and Social Research

Nottinghamshire
State of the Voluntary Sector 2015

Centre for Regional Economic and Social Research

Sheffield Hallam University

Beth Patmore

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Acknowledgements

This research has been commissioned by Nottinghamshire County Council and undertaken by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University.

In completing the report we are particularly grateful to members of the Nottinghamshire Voluntary Sector Liaison Group for their support in developing and administering the survey and their help in arranging and facilitating the qualitative elements of the project.

We are also grateful to the many employees and volunteers from across the voluntary sector who took the time to complete a questionnaire or participate in an interview or focus group. We would also like to thank the voluntary sector commissioners who participated in the qualitative research.

Definitions

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

Foreword

This report has been commissioned by Nottinghamshire County Council to provide, for the first time, a baseline which will support the development and delivery of a joint programme of work with the voluntary and community sector and other partners across the County.

The Community Empowerment and Resilience Programme aims to help build capacity in local communities which will resolve local issues and meet local needs alongside recognising the need to delay or prevent costly intervention from public services. This programme will be delivered in partnership through collaborative working by enabling communities to be more empowered and resilient through the support of a strong and effective community and voluntary sector.

The report provides a wealth of information which shows that Nottinghamshire is home to a large and diverse community and voluntary sector which occupies an important strategic position between policy development, service provision and everyday life. Nottinghamshire is facing an era of unprecedented financial challenges for public services and, by necessity, the way in which budget reductions, rising costs and increased demand for services are tackled requires transformational change.

This report offers a snapshot of the community and voluntary sector in 2015 as a period of increasing change continues. The aim of commissioning this study is to generate wider debate that will help shape a stronger future for the voluntary and community sector in Nottinghamshire. The messages for consideration include the need for the voluntary sector, collectively, to set a clear direction for the future through collaboration to help influence public services and to play a role in the design and delivery of services. The areas for consideration coming out of this report provide a significant opportunity to cement relationships based on mutual trust and respect and to target resources and build community capacity in order to help communities to help themselves.

Cllr Alan Rhodes
Leader Nottinghamshire County Council

Catherine Burn

Sarah Collis

John O'Brien

Nottinghamshire Together

"This report shows that voluntary activities within communities, often through small organisations, can help create the most change in individual's lives and contribute significantly to improved health and wellbeing. The connection to localities and the importance of prevention is brought out in this report and I am keen to harness the strength of this local intelligence which shows how this level of trust can attract volunteers and local resources"

Joyce.

Cllr Joyce Bosnjak
Deputy Leader & Chair of Health & Well Being Board

"The messages coming from this report gives all partners a unique opportunity to enable the public and voluntary sectors to collaborate as equals and pursue an interdependent approach to respond to the needs of our communities in Nottinghamshire"

Glynn

Cllr Glynn Gilfoyle
Chair of Community Safety Committee

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Introduction

1

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

The key objective of the research was to provide a comprehensive overview of the sector in Nottinghamshire in 2015 and a baseline position for the Council to use to help inform their work as they seek to transform service delivery.

The research involved a large postal survey of organisations supporting the people and communities of Nottinghamshire. A web-based survey was also designed and a link to the electronic survey sent out along with the postal questionnaires. This enabled organisations to complete the survey online if they preferred. At least partial responses were received from 200 of the 1263 organisations that were sent a survey questionnaire (154 postal and 46 online): this represents an **overall response rate of 16 per cent.** The web-based survey was also distributed by Nottinghamshire County Council and their partners, reaching organisations not included in the original sample. A further 41 responses were collected via this method, meaning a total of **241 responses were collected overall** during May-July 2015, suggesting a higher overall response rate of about 18 per cent.

The Voluntary Sector Liaison Group provided input into the development of the questionnaire which also included questions from the Cabinet Office's National Survey of Third Sector Organisations (2008) and Charities and Enterprises (2010).

The questionnaire provided data on various aspects of the voluntary sector including:

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

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

Secondly, in a number of instances the report presents 'grossed up' estimates for all organisations within the area; for example estimates are provided of income, staffing and volunteers. These have been created using the estimated average for micro, small, medium and large organisations within Nottinghamshire who took part in the survey. The averages are then multiplied by the estimated number of organisations within these size bandings within the area. These have then been summed to provide aggregate area-level results.

To provide a further depth of understanding in relation to trends emerging from the State of the Sector Survey, four focus groups and 18 stakeholder interviews were conducted. The focus groups were held midway through the survey administration and conducted at large events aimed at local front-line voluntary and community organisations. Specifically these events were the Ageing Well Conference (two focus groups), Bassetlaw Food Bank Annual General Meeting (one focus group) and the Rural Social Isolation Conference (one focus group). This method of purposeful and convenience sampling was chosen due to the sector's diverse nature and a recognition of the limited time local front-line organisations have available to engage in activities outside regular business and service delivery duties. The presence of the researchers at these functions and the purpose of the focus groups were circulated prior to the event.

The focus groups were conducted at the end of each event, lasting approximately 30-45 minutes, and digitally recorded where consent was obtained. Generally, the focus groups contained 6-12 participants from front-line voluntary and community organisations across Nottinghamshire, although in two instances district councillors who had involvement with the Voluntary and Community Sector (VCS) joined in the discussions. The topics discussed in the focus groups concentrated on three key themes which had emerged from an analysis of the survey midway through administration: the 'state of the sector' (opportunities available, key challenges facing the sector), quality and effectiveness of relationships (between front-line voluntary and community organisations, and; local public sector bodies; other front-line organisations; and local infrastructure organisations), and capacity and capability-building needs (access to and type of support desired). Summary transcripts of the focus groups were produced from digital recordings (three focus groups) or by a note-taker who was present at the time of facilitation (one focus group).

In addition to the focus groups, 18 telephone interviews were undertaken with key VCS stakeholders across Nottinghamshire in June-August 2015. Stakeholders were selected by the research team from contact lists provided to construct the survey sample in addition to contacts put forth by the Voluntary Sector Liaison Group. The initial sample was constructed so that a commissioner of the VCS, a front-line voluntary and community organisation involved in public service delivery and a local infrastructure organisation from each district, in addition to those who operated county-wide, would be selected to enable the most comprehensive view of the state of the sector. In total, 18 of the 25 interviews came to fruition:

- seven commissioners of the VCS (Ashfield, Bassetlaw, Gedling, Newark & Sherwood, Rushcliffe, two county-wide)
- five front-line voluntary and community organisations (Ashfield, Bassetlaw, Gedling, Newark & Sherwood, Rushcliffe)
- six local infrastructure organisations (Bassetlaw, Gedling, Newark & Sherwood, three county-wide).

The stakeholder interviews explored three key themes, similar to those covered in the focus groups: opportunities and challenges facing the sector; relationships within and beyond the sector; and capacity and capability-building/support the sector may need in the future. The themes covered in the interviews remained the same for each stakeholder group but the questions asked were altered to take into account the different perspectives and experiences of each stakeholder group. Interviews were conducted over the phone, lasting between 30-45 minutes. These were digitally recorded and fully transcribed.

All of the qualitative data collected were analysed using interpretative content analysis. This technique is based on qualitative data indexing (Dey, 1993; Coffey and Atkinson, 1996), which facilitates comparative analysis by gathering all data on a particular topic under one heading (Frankland and Bloor, 1999, p. 145). Emerging patterns and connections among the headings are then drawn out and grouped together in similar categories or themes.

Context for the research

2

This research comes during a period of slow economic recovery following the recent long-term economic downturn. Considerable reductions in public expenditure have taken place over recent years and with the election of the Conservative Government in May 2015, austerity measures are set to continue for the foreseeable future. The Voluntary and Community Sector (VCS) has experienced significant cuts to the funding it receives from Government, with income from Government contracts falling by £1.7bn since its peak in 2009/10 and grants from central and local Government falling by 49.3 per cent (£2bn) between 2007/09 and 2013/14.[1]

This reduction in Government income follows a period of considerable growth for the sector during the years 1997-2010 when it received unprecedented levels of policy attention, including major investment in national sector-wide programmes. While the VCS continues to be seen by the major political parties as playing an important and expanding role in the social and economic development of the country, the policy environment had changed somewhat since 2010. While some previous policy trends have continued to receive support, including encouragement for the sector's involvement in public service delivery, there have been fewer national programmes and a much greater emphasis on citizen-led social action

Locally, the reductions in public expenditure have been felt acutely in Nottinghamshire. As part of the Coalition Government's plan to reduce the deficit, it reduced funding for local government in England, and Nottinghamshire County Council has experienced, and is continuing to experience, declining Government grants.

In April 2015 the first parts of The Care Act also came into force. The Care Act represents the greatest change in the way social care is delivered for decades and brings new duties and responsibilities for the County Council including working with other organisations to:

- provide good information and advice to enable people to stay independent, and to get the right help at the right time as needs change
- recognise that we are all interdependent and need to build supportive relationships and resilient communities
- ensure social care support helps disabled people to be independent, reducing or preventing the need for long term services
- ensure services are much better joined-up around individual needs and those of carers
- improve people's overall wellbeing in partnership with the person, their family and community.

[1] *A Financial Sustainability Review* (2015) NCVO

The reductions in public spending, combined with increasing demand for services and the new duties and responsibilities brought about by The Care Act, have led the County Council to seek to transform the way services are delivered.

In response to these increasing pressures and new duties, the County Council has drawn up a new approach to ensure they can continue to deliver services in a sustainable way, publishing 'Redefining Your Council (RYC)' in June 2014. The RYC Programme Portfolio includes a 'Community Empowerment and Resilience Programme' recognising the significant role the VCS should have in this transformational change. This new approach envisages an increasing role for the VCS in service delivery, drawing on capacity within local communities to help shape and deliver services in local areas, helping in turn to reduce reliance on Council-run services.

With the VCS at the heart of this transformational change, a comprehensive understanding of the social and economic impact of the VCS in Nottinghamshire is now required to help underpin the work of the Council in this area and this report seeks to provide this understanding.

3

The anatomy of the voluntary sector in Nottinghamshire

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

3.1. How many organisations are there in the voluntary sector in Nottinghamshire?

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

In estimating the total number of organisations in Nottinghamshire we drew on information from two sources:

- official Cabinet Office figures indicate that the total number of registered organisations in the voluntary sector in Nottinghamshire is **1,730**[2]
- research by The National Council for Voluntary Organisations (NCVO) and the University of Southampton[3] which found that on average there are 3.66 BTR organisations per 1,000 population. If this figure is applied to Nottinghamshire,[4] it can be estimated that there are **2,933** BTR organisations in the County.

Summing the official Cabinet Office figures and BTR[5] estimates produces an estimated figure of:

4,663 organisations ***in total operating in the voluntary sector in Nottinghamshire***

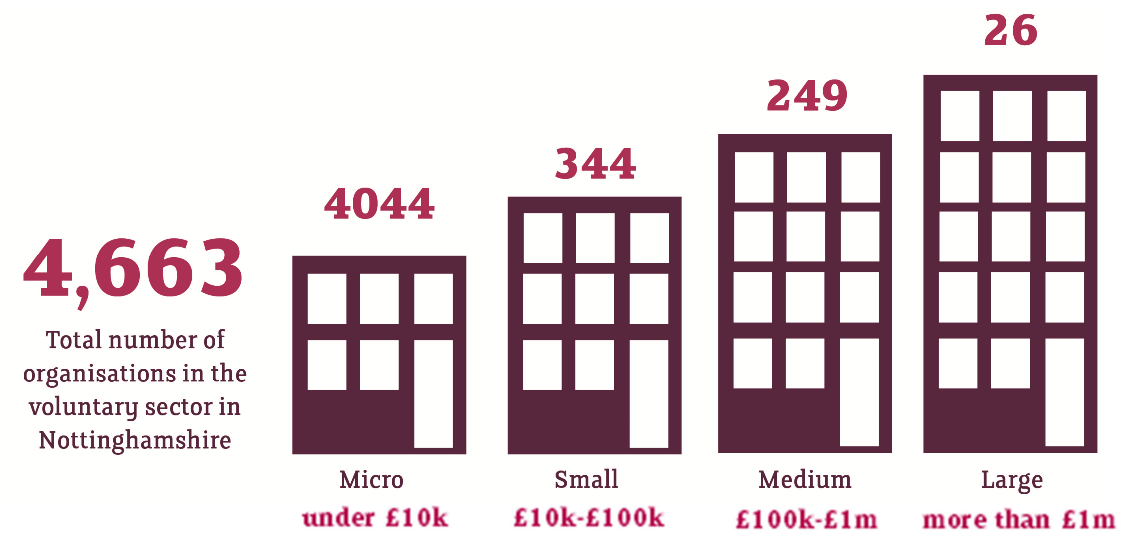
[2] This estimate was calculated as part of the 'National Survey of Charities and Social Enterprises' undertaken by Ipsos MORI for Cabinet Office in 2010.
[3] Mohan et al. (2010). *Beyond 'flat-earth' maps of the third voluntary sector: enhancing our understanding of the contribution of 'below-the-radar' organisations*. Northern Rock Foundation Briefing Paper.
[4] Based on Office for National Statistics 2014 population estimates.
[5] It is important to note that the BTR figure is an estimate based on an average across 46 local authorities. The BTR research found significant variability, with some local authorities reaching over seven BTR organisations per 1,000 population, and in one case exceeding 10.

3.2. What size are organisations in Nottinghamshire?

The size of organisations is traditionally measured using their annual income.[6] When the distribution of Nottinghamshire organisations was explored by size category based on income for 2014/15, it showed that **the majority of organisations were either micro or small**. But the survey was under-representative of BTR organisations (only 36 per cent of survey respondents were identified as BTR), so this did not present an accurate picture of the actual distribution. The figures were therefore adjusted based on the assumption that the estimated 3,400 organisations not included in the survey sample were BTR and micro in size.[7] The outcome of this process is shown in Figure 3.1, which demonstrates that the majority (87 per cent of organisations) of the voluntary sector organisations are micro in size.

Introducing the BTR figure produces a much higher estimate for the number and proportion of micro organisations and emphasises the finding that a very large proportion of organisations in the voluntary sector in Nottinghamshire are very small (94 per cent micro or small). This is largely consistent with national trends: NCVO[8] estimate that 83 per cent of the voluntary sector is made up of micro or small organisations, 14 per cent are medium, and three per cent are large. The rural character of Nottinghamshire is likely to be the reason why the figure for micro and small organisations is larger in Nottinghamshire than nationally.

Figure 3.1: Proportion of Nottinghamshire voluntary organisations by size



Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 198

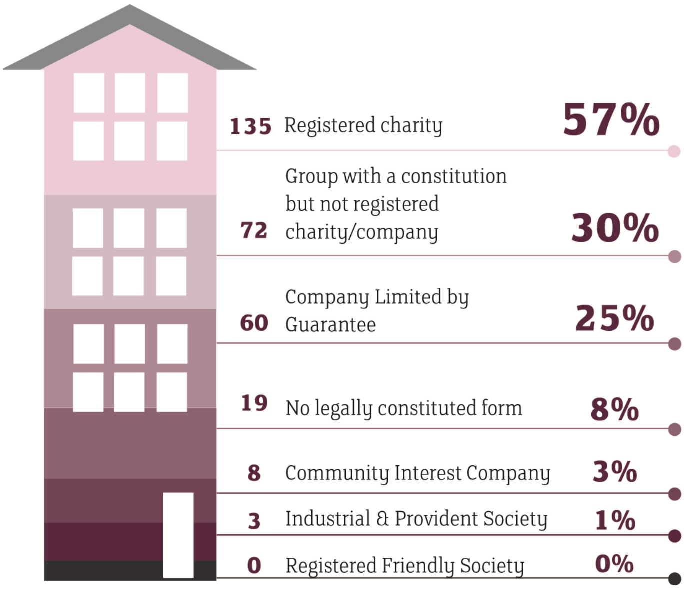
3.3. What types of organisations operate in the voluntary sector in Nottinghamshire?

Respondents to the questionnaire were asked to identify the legal status of their organisation. For this question it was possible for organisations to select registered charity in addition to identifying their legal form. Figure 3.2 below shows that 30 per cent of organisations were a group with a constitution, but not registered charities

[6] In exploring organisation size we used the categories developed by NCVO for use in their Almanac series: Micro (under £10K); Small (£10k-£100k); Medium (£100k-£1m); Large (more than £1m).
[7] The basis for these assumptions is discussed in more detail in the methodological annex.
[8] *A Financial Sustainability Review* (2015) NCVO.

and that separate to identifying their legal status the majority of respondents, 57 per cent, identified that their organisation was a registered charity.

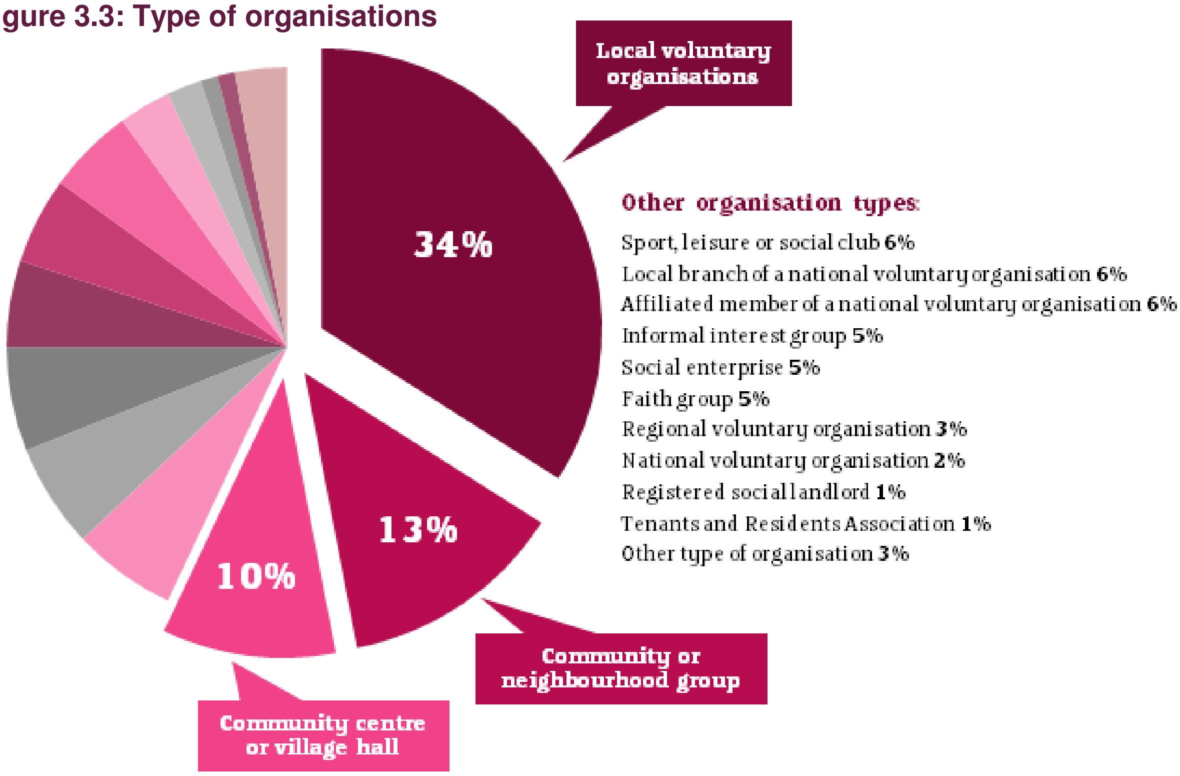
Figure 3.2: The legal status of organisations



Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 237
Note: 'Registered Friendly Society' was an option on the questionnaire but received no responses.

Respondents were also asked to identify which category from a list of 'organisation types' best described their organisation. The results indicate that many organisations in the voluntary sector are likely to have a local focus. Figure 3.3 shows that the largest proportion, **34 per cent, identified their organisation as being a local voluntary organisation**. This proportion is over double that for the next most common type. National organisations were less common.

Figure 3.3: Type of organisations



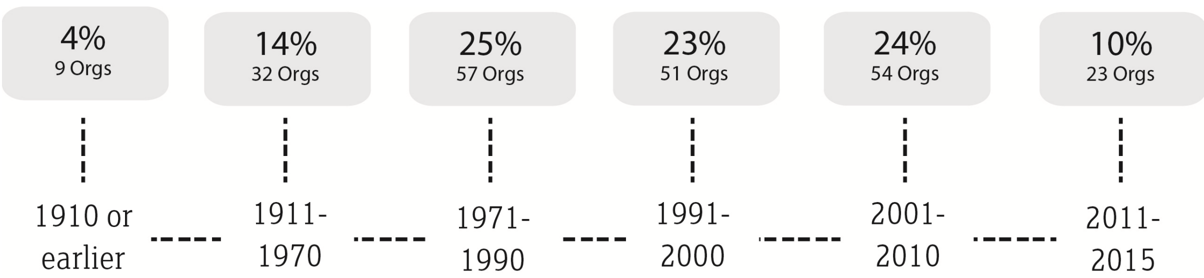
Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 238

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

The questionnaire asked respondents to indicate when their organisation was formed. Assessment of organisations by the year in which they were formed provides an indication of how established the voluntary sector is in Nottinghamshire.

The responses received build a picture of a voluntary sector that has a fairly well-established core. However, the voluntary sector in Nottinghamshire has also seen the formation of many new organisations since 2001. Figure 3.4 shows that 34 per cent of organisations responding to the survey had been formed since 2001. Furthermore, an additional 23 per cent were formed between 1991 and 2000; this means **almost three-fifths (57 per cent) of organisations were formed in the last 24 years.** This suggests that there has been considerable growth in the voluntary sector over the last two decades. At the other end of the spectrum 18 per cent of organisations had been formed before 1971, including four per cent formed in 1910 or before.

Figure 3.4: Year in which organisations were formed



Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 226

It is important to conclude this section by drawing an important qualification. Although the results suggest that it is likely that the voluntary sector in Nottinghamshire has experienced growth in the number of organisations established in the last 20 years or so, it may not be as dramatic as the figures suggest. By definition, the survey is of organisations still operating in Nottinghamshire in 2014/15, not those which have closed down or ceased operations. Of the organisations which have survived through to 2014/15, the results suggest that a high proportion were established in the last 20 years. But some of the organisations established before, and since, may have subsequently closed down. Because we do not know the rate of closure over time we cannot be certain that the aggregate number of organisations being established or surviving is increasing.

3.5. What does the voluntary sector in Nottinghamshire do?

To elicit a picture of what the voluntary sector in Nottinghamshire does the survey asked respondents to identify up to three main areas in which their organisation operates. Figure 3.5 presents the results to this question and confirms the message that the voluntary sector in Nottinghamshire works in a diverse range of thematic service areas. However, the proportion of responding organisations working in each area varies. This is most likely dependent on need and funding opportunities. **The area with the largest proportion of organisations operating is health and well-being (39 per cent).** Sixteen per cent of organisations also work in social care, an area closely related to health and well-being. Over one-quarter of organisations work in the following three areas: education, training and research; sport and leisure; and community development.

Figure 3.5: Main areas in which organisations work

Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 236
Note: 'Animal welfare' was an option on the questionnaire. Only one organisation stated this was a main area they worked in which when rounded totals 0%.

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

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

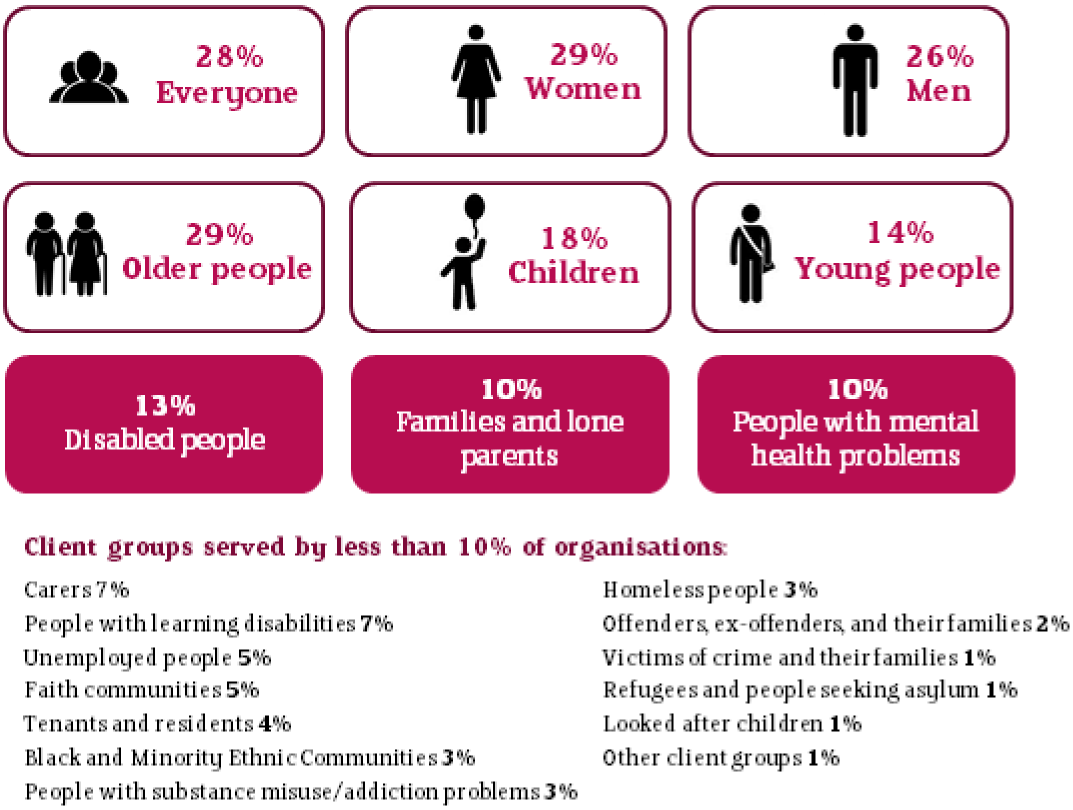
Summing across the 213 organisations that responded gives a total of 312,000 interventions. The responses received can be extrapolated for the estimated 4,663 organisations thought to be operating in the voluntary sector in Nottinghamshire to provide an estimate of the total number of interventions by Nottinghamshire organisations. Working through the calculation it is estimated that Nottinghamshire organisations had:

4.5 million interventions ***with clients, users or beneficiaries in the past year***

The questionnaire also asked respondents to identify up to three groups that made up the main clients, users or beneficiaries of their organisation. Figure 3.6 shows that, as might be expected, the voluntary sector in Nottinghamshire serves a diverse and wide-ranging client group. In many cases, client groups are served by relatively small numbers of organisations: 10 per cent of organisations or fewer served 15 of the client groups listed.

Figure 3.6 shows the client groups served by the largest proportions of organisations can be broadly characterised as being demographic: gender - women (29 per cent) and men (26 per cent) - and age - older people (29 per cent), children (18 per cent) and young people (14 per cent). Over a quarter of organisations identified 'everyone' as their main clients, users or beneficiaries.

Figure 3.6: Main client groups of Nottinghamshire organisations

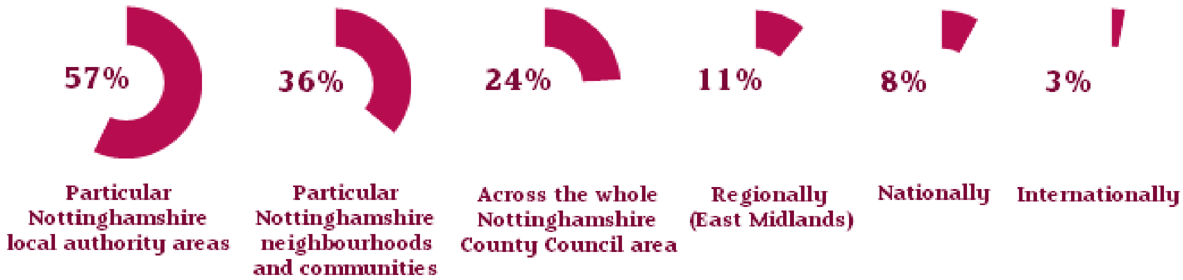


Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 238

3.7. At which geographical levels does the voluntary sector operate?

The survey asked respondents to identify the main geographical levels at which they operated – this ranged from the neighbourhood level, to those operating across England, the UK or overseas. In this question respondents were asked to pick up to three main geographic levels, the results of which are presented in Figure 3.7. This shows that the **local area is a main focus for a majority of organisations** with over half (57 per cent) identifying particular Nottinghamshire local authority areas as a main focus of their work and a further 36 per cent identifying particular Nottinghamshire neighbourhoods or communities as a main focus.

Figure 3.7: Main geographic focus



Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 237

Using the responses to this question it is also possible to identify the highest geographic area that is the main focus (see Figure 3.8 below). This analysis finds that for almost half (47 per cent) their highest main geographic focus was particular Nottinghamshire local authority areas.

Figure 3.8: Highest geographic focus

Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 237

Finances and income

4

This chapter provides an overview of the finances and income of the voluntary sector in Nottinghamshire. It includes estimates of the overall income received by the voluntary sector between 2012/13 and 2014/15, analysis of the different sources of income received (public sector and non-public sector) and their relative contribution, and an assessment of the financial sustainability of the voluntary sector.

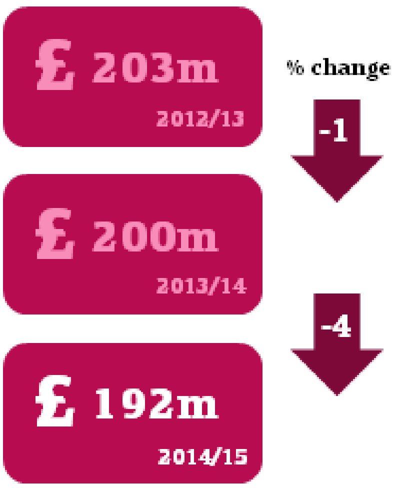
4.1. Income

Based on the average (mean) income of respondents to the survey, and drawing on the assumptions used to estimate the total number of organisations in Nottinghamshire, the following is estimated:[9]

£192 million ***the total income of the voluntary sector in Nottinghamshire in 2014/15***

However year-on-year reductions in income have been identified. It represents a reduction of four per cent compared to 2013/14 when the total income of the voluntary sector is estimated to have been £200m and follows a smaller reduction between 2012/13 and 2013/14. These data are outlined in more detail below.

Figure 4.1: Estimated annual income of the voluntary sector in Nottinghamshire (2012/13-2014/15)



Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 198 All figures are in 2014/15 prices

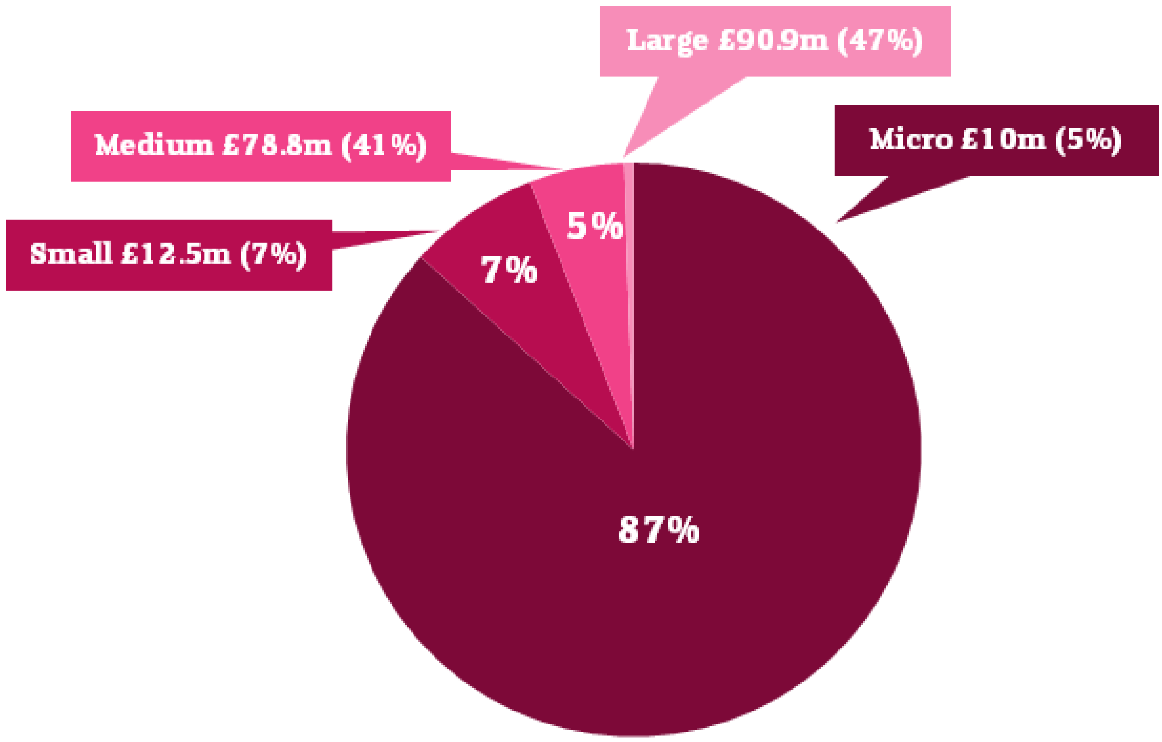
[9] This figure is based on a weighted average (mean) for each size category for respondents from across Nottinghamshire. The methodology is explained in more detail in the methodological appendix.

This decline in income should be viewed in the wider national context discussed in Chapter 2. NCVO report that overall voluntary sector income in England has fallen from £42.1bn in 2007/08 to £40.7bn in 2013/14 and the sector's income has not recovered in line with the wider economy.[10] With austerity measures set to continue until at least 2018 and public sector funding for the sector continuing to be squeezed, this trend seems likely to continue.

When the voluntary sector's income is explored in more detail it shows noticeable variations according to organisation size.[11] In 2014/15, the majority of income was concentrated in large and medium-sized organisations even though the majority of organisations were micro or small. This is outlined in more detail in Figure 4.2.

This shows that **micro and small organisations account for more than four-fifths of organisations in the voluntary sector but just 12 per cent of total income**. By contrast medium and large organisations account for just six per cent of the voluntary sector's organisations but receive almost 90 per cent of its income.

Figure 4.2: Proportion of organisations and proportion of income by organisation size (2014/15)



Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 198

Analysis of income data from survey respondents identified further variations according to organisation size when we explored how income levels had changed between 2012/13 and 2014/15. These are summarised in table 4.1.

[10] *A Financial Sustainability Review* (2015) NCVO - Up until 2011 the sector's income was broadly correlated with UK GDP, after which it sharply declined.
[11] In exploring organisation size we used the categories developed by NCVO for use in their Almanac series: Micro (under £10K); Small (£10k-£100k); Medium (£100k-£1m); Large (more than £1m).

Table 4.1: Estimated change in annual income by organisation size (2012/13-2014/15)

	Micro (under £10k)		Small (£10k-£100k)		Medium (£100k-£1m)		Large (more than £1m)	
	Income	*% change*	*Income*	*% change*	*Income*	*% change*	*Income*	*% change*
2012/13	£12.4m		£14.4m		£72.9m		£102.9m	
2013/14	£12.5m	1	£13.6m	-6	£75.6m	4	£97.9m	-5
2014/15	£10.0m	-20	£12.5m	-8	£78.8m	4	£90.9m	-7

Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 198
All figures are in 2014/15 prices

This shows that across Nottinghamshire the small and large organisation categories experienced year-on-year reductions in total income between 2012/13 and 2013/14. By contrast medium organisations experienced a year-on-year increase. Micro organisations experienced a large reduction between 2013/14 and 2014/15 proportionally, however this decrease represents a much smaller fall in absolute terms.

4.2. Sources of income

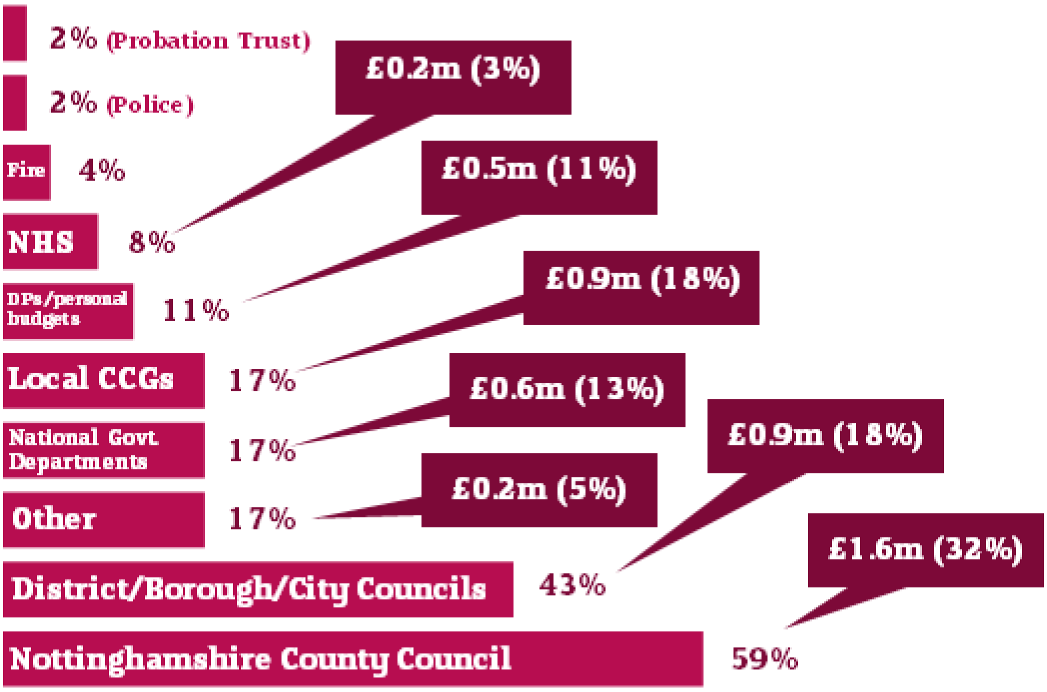
4.2.1. Public sector income

Survey respondents were asked to identify the public sector bodies from which they received funding in 2014/15. Overall, **53 per cent of respondents reported having at least one source of public sector funds**. The results are outlined in Figure 4.3.

This shows that **Nottinghamshire County Council was the most frequently-identified source of public sector funding** (59 per cent) followed by District/Borough/City Councils within Nottinghamshire (43 per cent). Eleven per cent of organisations also identified income from Direct Payments or Personal Budgets as a source of funding, income which is also likely to have come from Nottinghamshire County Council.

The survey also asked respondents with public sector income whether they had received a formal funding agreement for each source. Of the two largest sources, 68 per cent of Nottinghamshire County Council funding, and 34 per cent of District/Borough/City Councils within Nottinghamshire funding, was made with a formal agreement. These figures should however be treated with caution as the number of respondents answering this question was noticeably lower (n=80).

Figure 4.3: Public sector funds received by Nottinghamshire voluntary sector organisations and their relative value (2014/15)

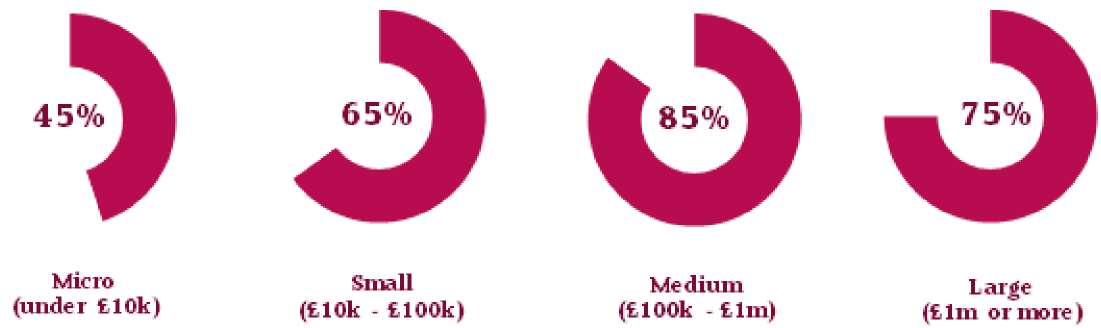


Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: funds received (128), relative value (116)
Note: When rounded, 0% of funds recorded for Fire and Rescue, Police and Probation Trust

Figure 4.3 also provides an insight into the relative value of public sector funds. It shows that **income from Nottinghamshire County Council accounted for almost one-third of all public sector funds received.** District/Borough/City Councils within Nottinghamshire provided almost one-fifth of funds and the same proportion was provided by Nottinghamshire local Clinical Commissioning Groups.

When survey respondents are broken down by organisation size the following number of respondents fall into each category: 101 micro organisations, 54 small, 39 medium and four large. When public sector income was examined by these categories, micro organisations were less likely than small, medium and large organisations to have at least one source of public sector income. This is outlined in more detail in Figure 4.4.

Figure 4.4: Proportion of Nottinghamshire organisations in receipt of public sector funds by organisation size (2014/15)



Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 198

This indicates that public sector funding is a particularly important source of funding for large and medium-sized organisations and suggests that these organisations will be most susceptible to cuts in public sector funding.

When public sector funding is explored further, variations according to the areas in which organisations work are also revealed. Over three-quarters (76 per cent) of organisations working in community development stated that they received public sector income. This was higher than the other three areas examined; health and well-being (61 per cent); education, training and research (59 per cent); and sport and leisure (55 per cent).[12]

4.2.2. Other sources of income

Survey respondents were also asked to identify any other sources of income (i.e. non-public sector) they received in 2014/15. Overall, **78 per cent of respondents received funds from at least one non-public sector source**. The data are outlined in more detail in Figure 4.5.

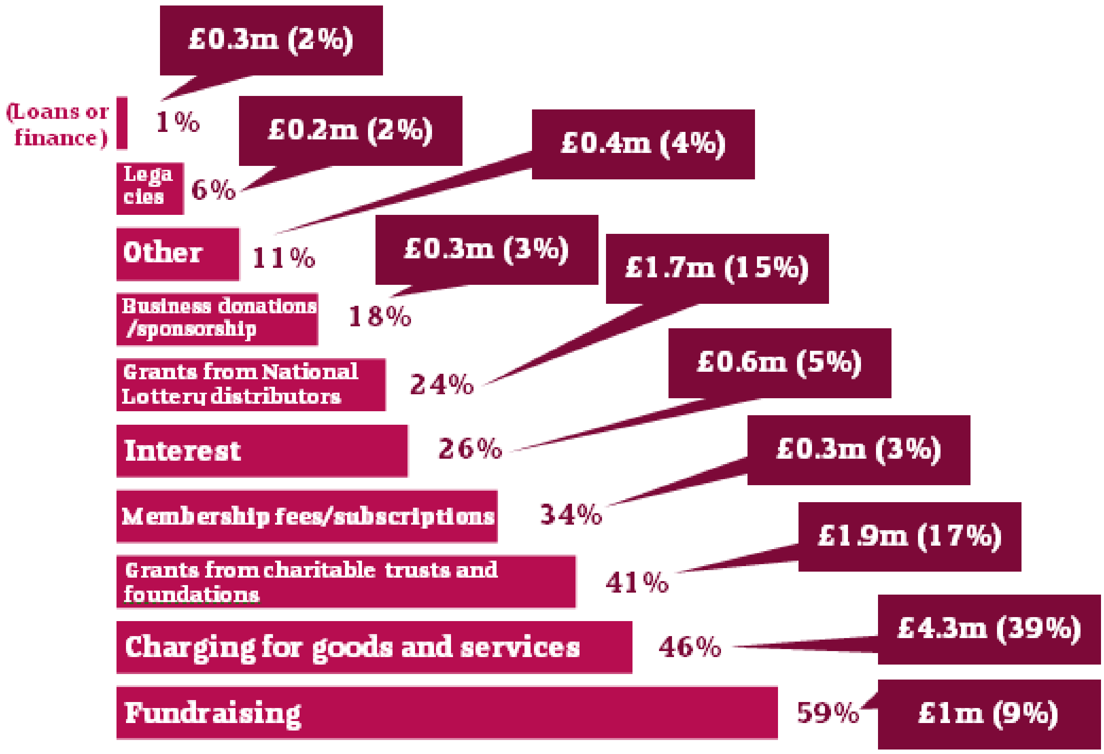
This shows that fundraising was the most frequently-identified source of other funds (59 per cent of respondents) followed by charging for goods and services (46 per cent) and grants from charitable trusts and foundations (41 per cent).

Figure 4.5 also provides an insight into the relative value of non-public sector funds. This shows that income from charging for goods and services provided the most value (39 per cent), followed by grants from trusts and foundations (17 per cent).

The importance of fundraising and particularly charging for goods and services appear to be growing across the sector more widely. NCVO points to a significant rise in income from individuals as a proportion of total voluntary sector income in England, with the proportion of total sector income from individuals increasing from 40 per cent to 48 per cent between 2007/8 to 2013/14. The largest source of this growth came from fees charged for services as organisations have sought to attract funding away from decreasing government resources.[13] A recent study undertaken in North East England also found the importance of earned income (trading) has been growing for both medium-sized and large voluntary sector organisations in the region.[14] This transition is not however without risks, requiring a reliance on a continued market for organisations' services.

[12] These were the top four areas identified by respondents receiving sufficient responses to carry out further analysis.
[13] *A Financial Sustainability Review* (2015) NCVO
[14] Chapman & Robinson (2015) K*ey findings from the Northern Rock Foundation Third Sector Trends Study in North East England*

Figure 4.5: Other funds received by Nottinghamshire voluntary sector organisations and their relative value (2014/15)

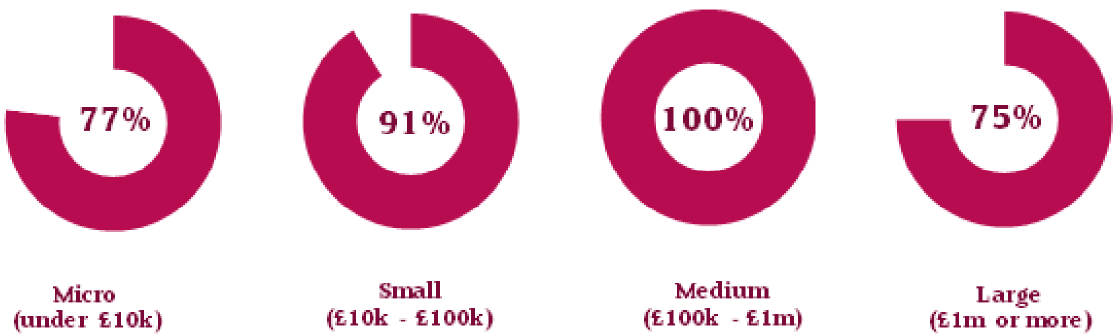


Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: funds received (187), relative value (160)

Unlike public sector income there were no major variations according to organisation size: a majority (three-quarters or more) of each size of organisation had income from non-public sector sources. This is demonstrated by Figure 4.6.

Similarly little variation was found when other sources of income were examined by the areas in which organisations work. Over three-quarters of organisations working in each of the four areas considered (health and well-being; education, training and research; sport and leisure; and community development) received non-public sector funds.

Figure 4.6: Proportion of organisations in receipt of other funds by organisation size (2014/15)

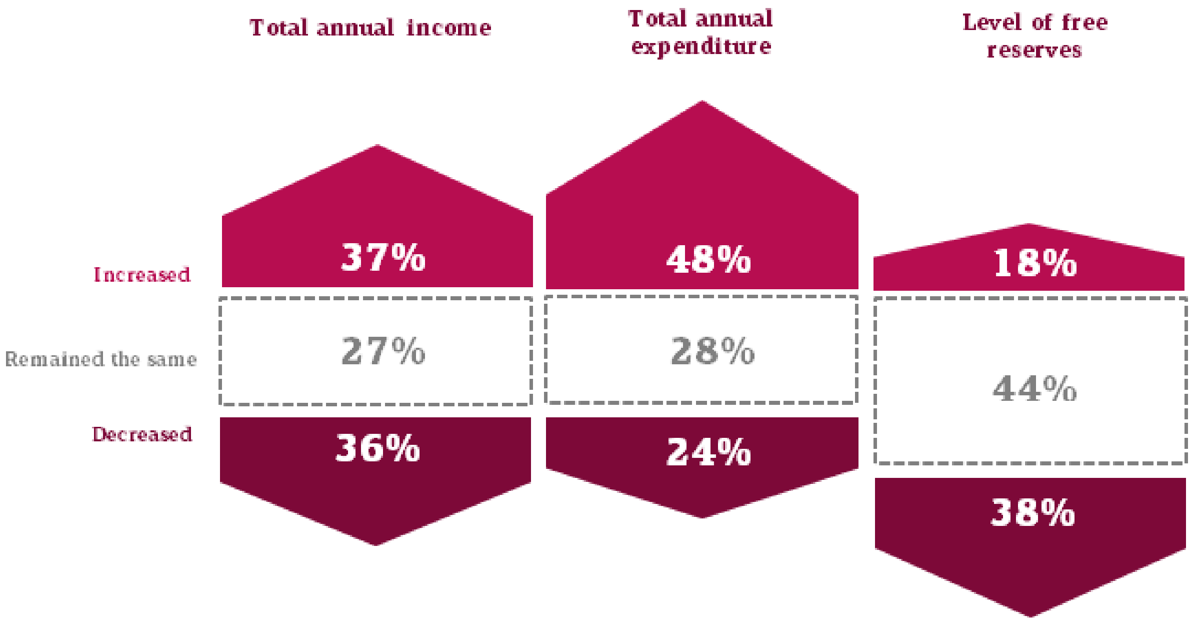


Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 198

4.3. Financial sustainability

The survey asked respondents about how their organisation's financial situation had changed in the past 12 months (i.e. during the current financial year). The results are outlined in Figure 4.7.

Figure 4.7: Change in financial circumstances in the last 12 months



Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: annual income (207), annual expenditure (203), level of free reserves (188)
Note: 'cannot say' response has been excluded from the analysis

This raises some concerns: 48 per cent of respondents reported increasing their expenditure but only 37 per cent had experienced an increase in income and only 18 per cent report an increase in reserves; in addition, 36 per cent of respondents reported a decrease in income but only 24 per cent reduced their expenditure and 38 per cent reported a reduction in their financial reserves. This means that **there were a sizeable number of organisations that spent more money than they received in the past 12 months:** 37 per cent of respondents provided an expenditure figure for 2014/15 that was greater than their income. This suggests a considerable number of organisations are using their reserves to supplement their income, potentially leaving them in fragile financial position.

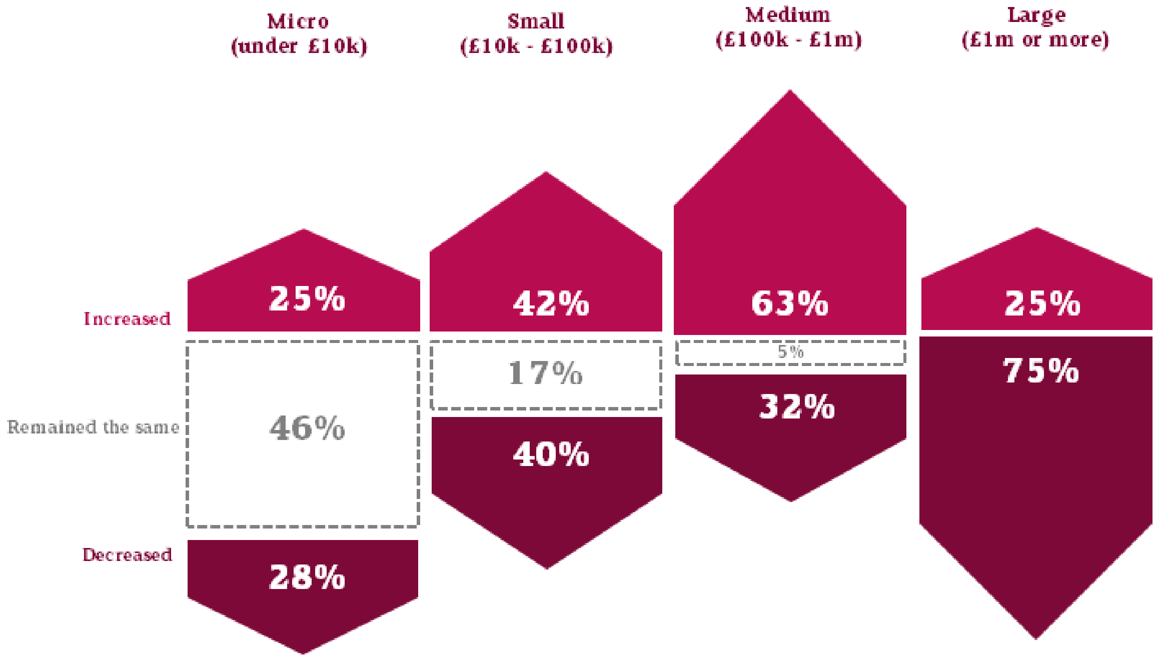
This decrease in the level of free reserves should be viewed in the national context. NCVO report that the sector currently holds £21.2bn in current assets (the vast majority of these being savings in bank accounts acting as reserves for charities) which is around £2.8bn less than it did in 2007/08. Current assets dropped almost 8 per cent for 2011/12 - 2012/13, following a relatively static period.[15] This suggests that it is not just organisations in Nottinghamshire which may have been left in fragile financial position but organisations across the Country.

Figures 4.8a and 4.8b show change in income and expenditure over the last 12 months by organisation size. Across all organisation sizes, a greater proportion of respondents reported an increase in expenditure than reported an increase in income.

[15] *A Financial Sustainability Review* (2015) NCVO

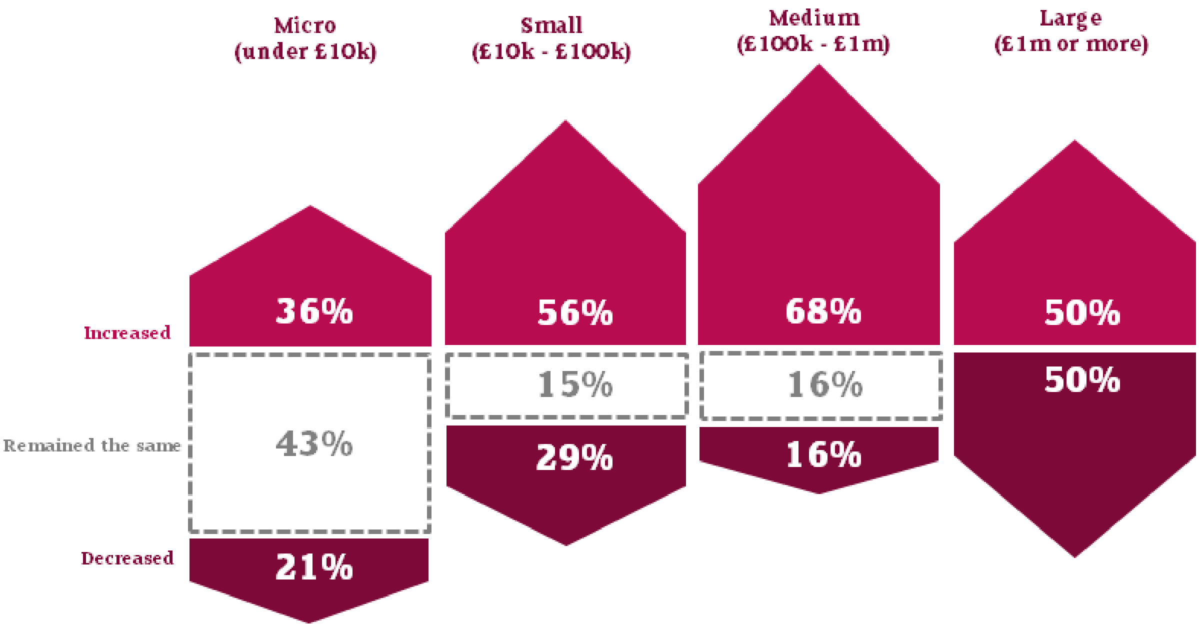
When change in income and expenditure over the last 12 month is examined by the areas in which organisations work, a greater proportion working in each of the four areas considered (health and well-being; education, training and research; sport and leisure; and community development) also reported an increase in expenditure than reported an increase in income, with the largest difference reported by organisations working in sport and leisure (23 per cent reported an increase in income while 35 per cent reported an increase in expenditure).

Figure 4.8a: Change in income in the last 12 months by organisation size



Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 189
Note: 'cannot say' response has been excluded from the analysis

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

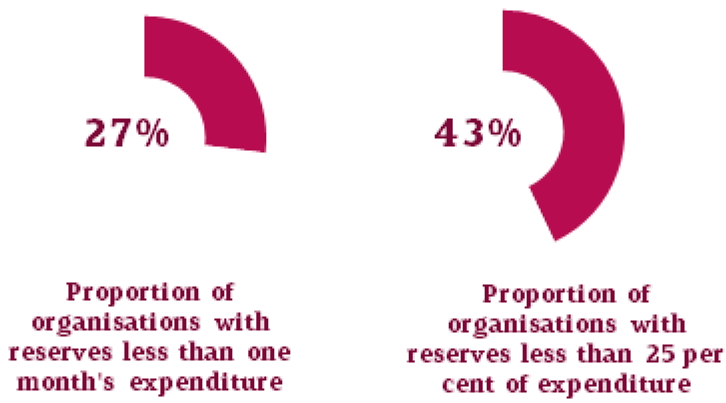


Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 189
Note: 'cannot say' response has been excluded from the analysis

Further analysis of the financial reserve levels reported by respondent organisations provides an additional insight in to the financial health of the voluntary sector. Reserves are important as they provide organisations with funds to fall back on in the short term should other sources of funding reduce or be withdrawn. They also provide organisations with the flexibility to develop new and innovative activity that might not have attracted external funding from the outset. Organisations with low reserves relative to expenditure are therefore more likely to be restricted in their ability to adapt if key external funding is lost. In order to explore this issue in more detail reserves (2014/15) were calculated as a proportion of expenditure (2014/15) for each respondent. The results are shown in Figure 4.10.

This shows that **27 per cent had reserve levels of less than one month's expenditure**, and 43 per cent had reserves that covered less than three months' expenditure. This suggests that around two-fifths of all organisations in the voluntary sector could be vulnerable should their funds be severely reduced or withdrawn. A similar study undertaken in Greater Manchester in 2013 found a similar picture with 41 per cent of organisations surveyed having reserves that covered less than three months' expenditure.[16] In reality it is likely to be the medium and large organisations in this category that are most at risk: they have greater financial commitments and require higher levels of income to carry out their work.

Figure 4.10: Financial vulnerability of organisations in Nottinghamshire



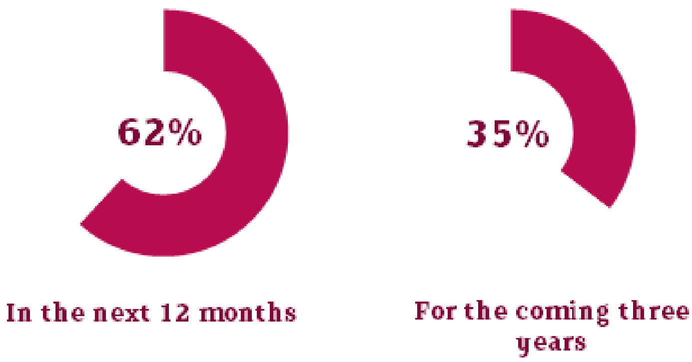
Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 184

Survey respondents were also asked to what extent they believed their organisation's sources of income were secure for both the next 12 months and for the coming three years. Over three-fifths felt their sources of income were secure for the next 12 months (17 per cent 'very secure' and 44 per cent 'fairly secure') but only just over one-third felt they were secure for the coming three years (eight per cent 'very secure' and 28 per cent 'fairly secure'). Worryingly 28 per cent believe their organisation's sources of income are not secure for the next 12 months and 45 per cent believe they are not secure for the coming three years.

When responses to these questions are considered by the area in which organisations work, those working in community development appear least confident about the security of their income sources. Over one-third (34 per cent) thought their sources of income were not secure for the next 12 months and 57 per cent thought they were not secure for the coming three years.

[16] Dayson et al. (2013) *Greater Manchester State of the Voluntary Sector 2013*

Figure 4.11: Security of sources of income of organisations in Nottinghamshire



Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: next 12 months (207) and for the coming three years (203)

5

The workforce

This chapter looks at the human resources employed within the voluntary sector in Nottinghamshire: paid staff, community work placements, apprenticeships and volunteers. The survey asked organisations to record:

- the number of full time equivalent (FTE)[17] members of paid staff that they employ
- the number of FTE people on community work placements that are part of their workforce
- the number of FTE people on apprenticeships that are part of their workforce
- the number of volunteers that are part of their workforce, the number of hours each week that they contribute and their broad role type.

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

5.1. How many FTE paid staff are employed in the voluntary sector in Nottinghamshire?

Based on the average number of FTE paid staff employed by respondents to the survey, and drawing on the assumptions used to estimate the total number of organisations in Nottinghamshire, it is estimated that there were **8,100 employees** and:

4,800 FTE paid staff ***employed by the voluntary sector in Nottinghamshire in 2014/15***

Gross Value Added (GVA), the value of goods and services produced, is a key measure of the economic contribution of organisations or voluntary sectors. It can be estimated for paid employees working in Nottinghamshire organisations by multiplying the number of FTE paid staff by the estimated GVA per FTE employee.[18]

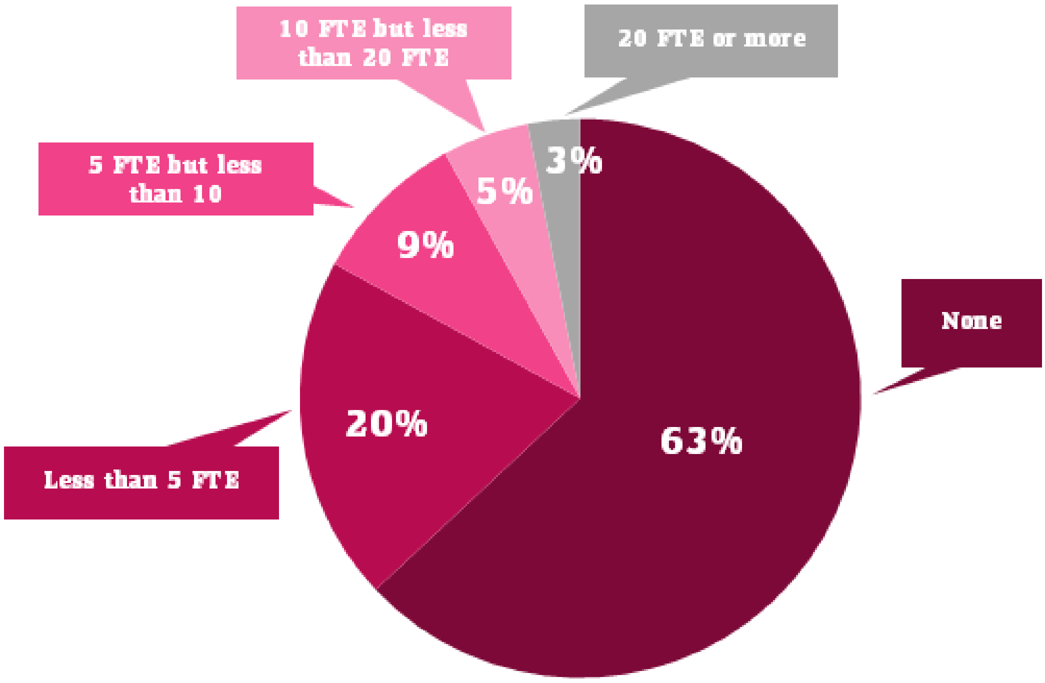
[17] FTEs are calculated on the basis that one worker in one paid full time job for a year would be one FTE and if that person worked half time they would be 0.5 FTE.
[18] This study used East Midlands GVA per employee averaged across the following three voluntary sectors: public administration and defence,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

From this calculation the following is estimated:

£167.8m *contributed to the economy per annum by paid employees of Nottinghamshire voluntary sector organisations*

Figure 5.1 presents a breakdown of responding organisations by the number of FTE paid staff they employed. Over four-fifths of organisations employed less than five FTE paid staff members. Included in this figure were 63 per cent of organisations that did not employ any paid staff. Further analysis reveals that the majority of these were micro organisations with income of less than £10,000. At the other end of the spectrum three per cent of organisations employed 20 or more FTE paid members of staff.

Figure 5.1: Organisations by numbers of FTE paid staff



Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 214

5.2. How many FTE community work placements and apprenticeships are employed in the voluntary sector in Nottinghamshire?

Five per cent of responding organisations reported that a proportion of their workforce were on community work placements. This represents a total of 84 community work placements across 12 organisations. Twenty-five of these placements were identified as FTE.

Seven per cent of responding organisations reported that a proportion of their workforce were on apprenticeships. This represents a total of 57 apprenticeships across 17 organisations. Thirty-two of these placements were identified as FTE.

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

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

86,200 volunteers ***were part of the voluntary sector's workforce in Nottinghamshire in 2014/15***[19]

146,900 hours ***of their time provided by these volunteers per week***

There are two broad approaches to valuing the contribution of volunteers. One method, and this study's preferred approach, is to value the output that they produce. In effect this is the value to society of the goods and services that volunteers produce. This can be estimated by multiplying the number of FTE volunteers by the estimated GVA per FTE employee.[20] From this calculation:

£145.3 million per annum ***estimated as the economic contribution of volunteers in Nottinghamshire organisations***[21]

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

In the second method, the value of the input of volunteers is used to value the contribution of volunteers.[22] This is the amount that it would cost to pay employees to do the work carried out by volunteers. As such, this can be considered to be the benefit to organisations.[23] However, this benefit might also be passed onto society via lower prices for goods and services due to lower costs of production. The input value of volunteers can be calculated by multiplying the number of hours that volunteers give per week by an estimate of how much it would cost to employ someone to do that work. There are a number of widely-accepted hourly rates that could be used to estimate this value, these include: the national minimum wage; the local median wage; the local mean wage; and the reservation wage. The latter, the

[19] It is likely that a number of these volunteers could be the same person volunteering for multiple organisations; additionally, residents from outside of Nottinghamshire volunteering within Nottinghamshire; and conversely there will be Nottinghamshire residents volunteering for organisations outside of Nottinghamshire

[20] This study used East Midlands GVA per employee averaged across the following three voluntary sectors: public administration and defence, education and health and social work ONS

[21] Please note currently the work of volunteers is not included within official GVA figures

[22] This is the approach recommended by Volunteering England

[23] This assumes that there are no additional costs faced by organisations in using volunteers: for example extra management costs

hourly rate associated with the actual role of volunteers, is the preferred option; however incomplete responses to the breakdown of volunteers by their role prevented an accurate calculation using this method. Therefore the preference in this study has been to provide a range using the national minimum wage (low estimate) and the local median wage (high estimate). In reality the true value of the input provided by volunteers will lie between the two estimates. It is estimated:

- assuming the national minimum wage for adults[24] it would cost **£49.6 million annually to employ staff to do the work provided by volunteers in Nottinghamshire organisations**
- assuming the median gross hourly wage for full time employees in the East Midlands[25] it would cost **£90.8 million annually to employ staff to do the work provided by volunteers in Nottinghamshire organisation.**

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

Figure 5.2: Organisations by numbers of volunteers

Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: 213

Assessment of the breakdown of volunteers by job role reveals:

- 65 per cent of volunteers were in roles delivering services
- 21 per cent of volunteers were in management roles
- 14 per cent of volunteers were trustees
- 11 per cent of volunteers were in administrative roles.

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

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

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

[24] £6.50 for 21 years and older in 2015
[25] £11.89 for 2014

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

Paid employees:

- 68 per cent of organisations employed a similar number of paid employees than a year ago
- of organisations reporting a change, an equivalent percentage of organisations reported an increase in paid staff (16 per cent) as did a decrease (16 per cent).

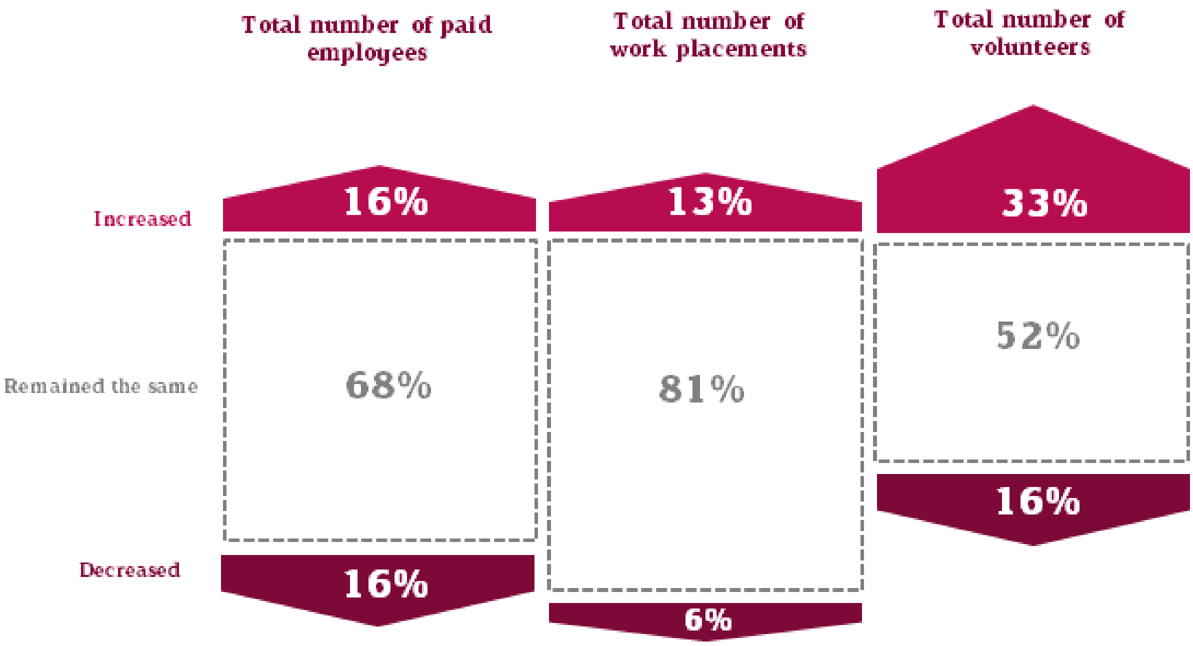
Work placement:

- 81 per cent of organisations reported having a similar number of work placements to a year ago
- 13 per cent of respondents reported an increase in their number of work placements over the previous year.

Volunteers:

- 33 per cent of respondents reported increased numbers of volunteers now compared to a year ago
- in comparison 16 per cent of organisations reported a decrease in volunteer numbers.

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



Source: Nottinghamshire State of the Voluntary Sector survey 2014/15
Base: paid employees (152), work placements (108), volunteers (203)
Note: 'cannot say' response has been excluded from the analysis

6

Relationships with the public sector

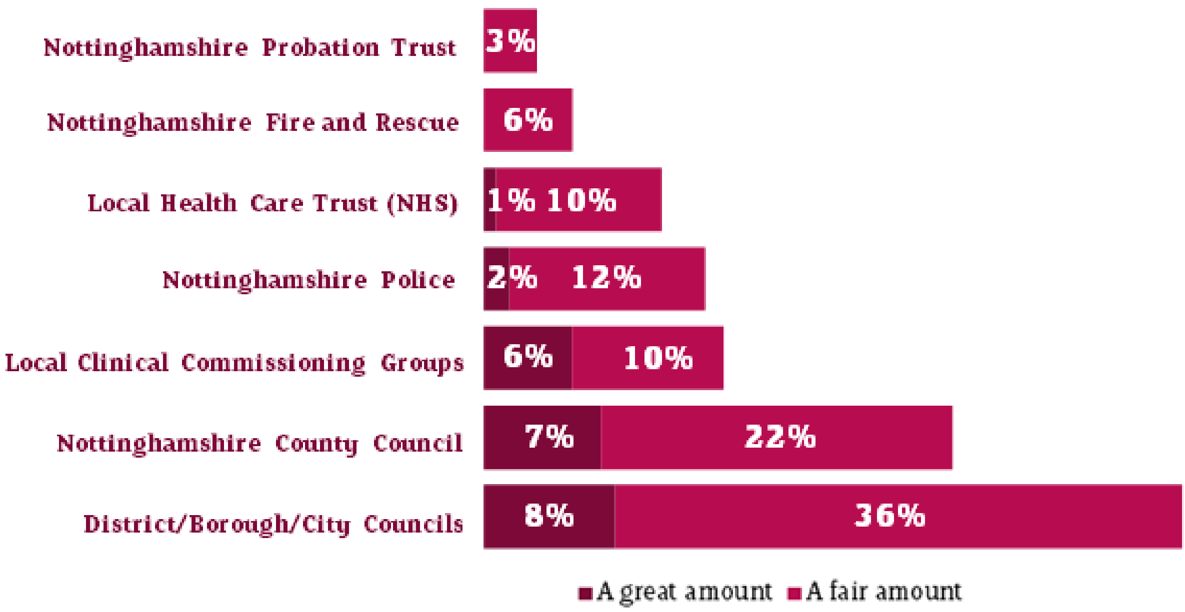
Chapter 4 revealed the importance of public sector funding for the voluntary sector in Nottinghamshire: just over half of survey respondents received income from public sector bodies to support their work. This chapter considers these relationships in more detail by exploring survey respondents' experiences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

6.1. Dealings with local public sector bodies

Survey respondents were asked about the extent of their dealings with each of the main public sector bodies covering the county of Nottinghamshire. An overview of their responses is provided in Figure 6.1.

This shows that survey respondents had dealings with a range of local public sector bodies. The three most prominent were the District/Borough City Councils, Nottinghamshire County Council and local Clinical Commissioning Groups (CCGs).

Figure 6.1: Dealings with local public sector bodies



Source: Nottinghamshire State of the Voluntary sector survey 2014/15
Base: 119-217

Respondents who said they had some dealings with Nottinghamshire County Council were asked in which service areas their organisation/group engages with the Council. Two-fifths (42 per cent) said they engaged with the Adults' service area, 29 per cent indicated they engaged with the Children's service area, 16 per cent with Health, 14 per cent with Transport and almost two-fifths (37 per cent) stated they engaged with other service areas not listed.

6.2. Quality of relationships with local public sector bodies

Survey respondents were asked about the quality and effectiveness of their relationships with key public sector bodies. The responses to these questions are shown in Figure 6.2 below.

Respondents were asked to provide an answer for Nottinghamshire County Council and their most frequent contact from the list of other public sector bodies. From this list of other public sector bodies only District/Borough City Councils elicited sufficient responses to be considered separately. The results of each question are summarised in Figure 6.2.

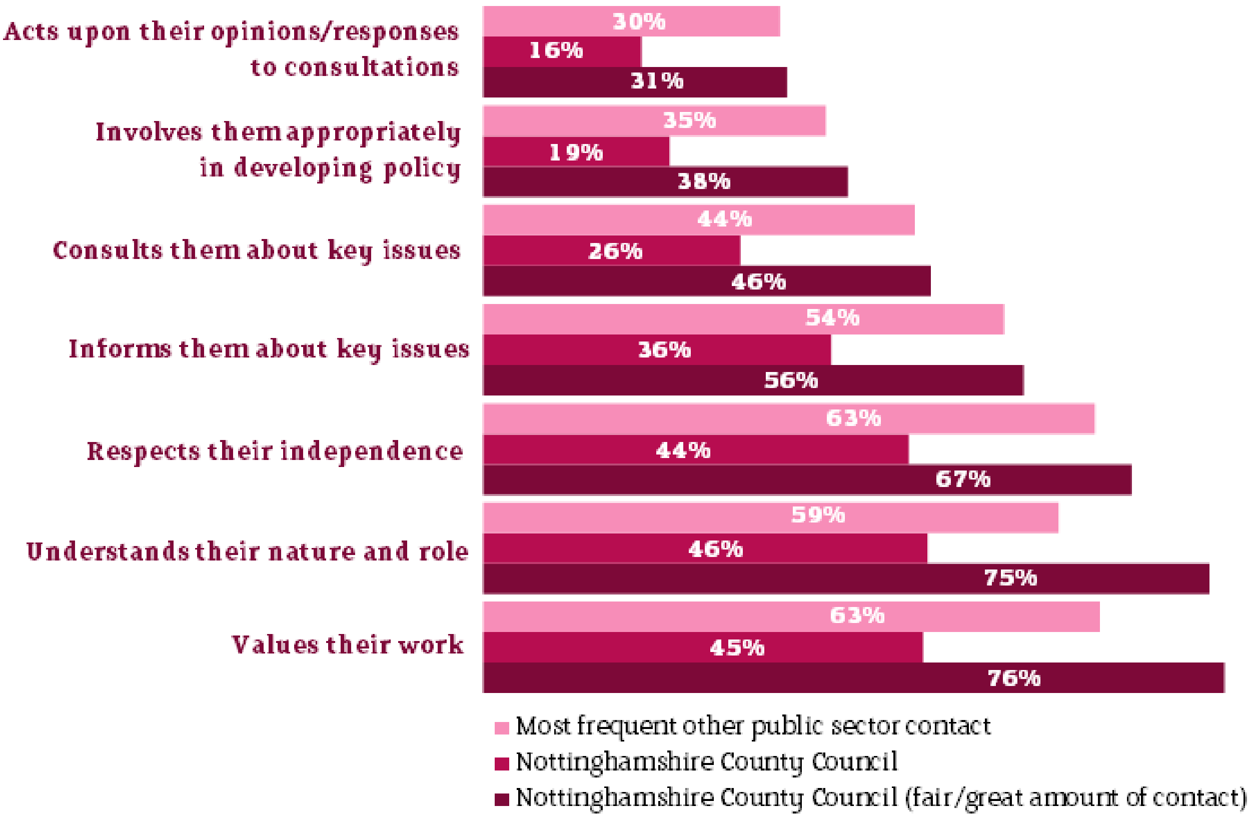
When responses from all organisations surveys are examined it appears there is an overall trend in which the voluntary sector's experience of working with Nottinghamshire County Council was less positive than with other local public sector bodies. However this may not be a fair comparison as organisations with minimal or no contact with the Council will have provided a response whereas those responding regarding their most frequent contact are likely to have a much more established relationship.

Indeed when relationships are examined regarding Nottinghamshire County Council and organisations who said they have a great or a fair amount of direct dealings with them, responses are much more positive, with three-quarters or more saying the Council values their work and understands their nature and role. These results are roughly in line with a recent study undertaken in the North East of England which found that 77 per cent of voluntary organisations in the region agreed or strongly agreed that public sector organisations value the work they do, 73 per cent felt that public sector organisations understand their role and 70 per cent stated that public sector organisations respect their independence.[26]

The data also show that the voluntary sector's experiences of working in partnership with local public sector bodies were quite mixed. While 63 per cent of respondents said that their most frequent other public sector contact valued their work, just 30 per cent felt that they acted on their views. This is again similar to the picture in the North East where agreement was lower regarding public sector organisations informing voluntary sector organisations on issues of importance to them (56 per cent), involving them in decision making (36 per cent) or acting upon their opinions/consultations (35 per cent).

[26] Chapman & Robinson (2015) K*ey findings from the Northern Rock Foundation Third Sector Trends Study in North East England*

Figure 6.2: Relationships with Nottinghamshire County Council and other key public sector bodies

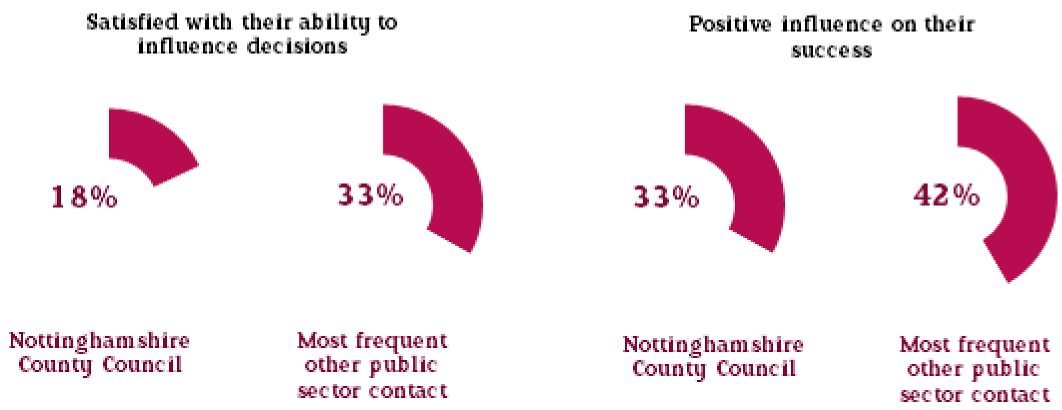


Source: Nottinghamshire State of the Voluntary sector survey 2014/15
Base: Nottinghamshire County Council (207-209), most frequent public sector body (140-142), Nottinghamshire County Council - fair/great amount (140-142)

The survey findings regarding relationships with local public sector bodies are reinforced by responses to two further questions which asked the extent to which organisations were satisfied with their ability to influence public sector decisions of relevance to their organisation and the extent to which they thought local statutory bodies influenced their success.[27] The results of these questions are summarised in Figure 6.3.

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

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



Source: Nottinghamshire State of the Voluntary sector survey 2014/15
Base: satisfaction with ability to influence (159/139) and positive influence on success (156/137)
Note: 'not applicable' response has been excluded from the analysis. This option was asked regarding Nottinghamshire County Council only.

This shows that 18 per cent of respondents were satisfied with their ability to influence Nottinghamshire County Council decisions of relevance to their organisation and 33 per cent said that the Council had a positive influence on their organisation's success.

In addition, 33 per cent of respondents said they were satisfied with their ability to influence key decisions of their most frequent other public sector contact and 42 per cent said this contact had a positive influence on their success.

For both Nottinghamshire County Council and respondents' most frequent other public sector contact the picture was more positive than the national picture. Nationally, in 2010, only 16 per cent were satisfied with their ability to influence local public sector bodies and 18 per cent said that local public sector bodies had a positive influence on their organisation's success.

6.3. Funding from local public sector bodies

Respondents were also asked to reflect on their experiences of public sector funding in terms of how successful they had been and how easy they found applying for funding or bidding for contracts.

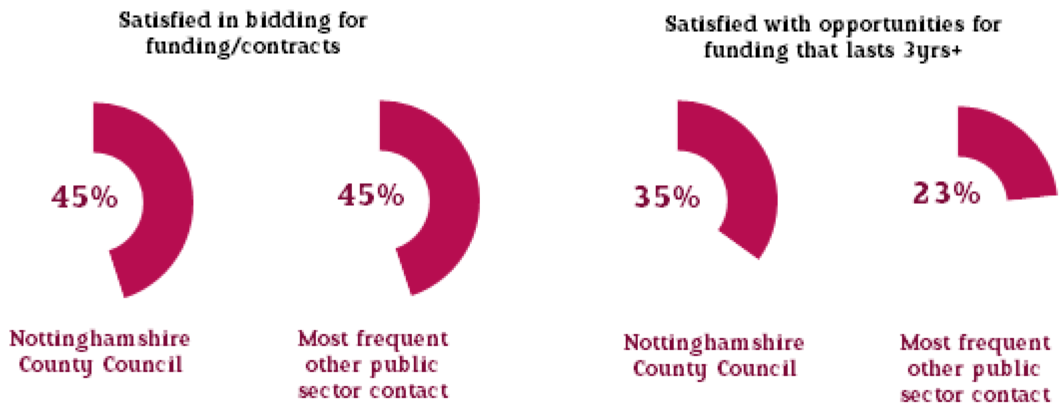
Half (50 per cent) of respondents said they were successful in bidding for contracts with their most frequent other public sector contact, while only one-fifth (19 per cent) of respondents said their organisation generally finds it easy applying for funding or bidding for contracts from public sector bodies.

How satisfied organisations were with bidding arrangements and how satisfied they were with the level of opportunity to bid for long-term funding are shown in Figure 6.4. Satisfaction with bidding arrangements was identical for the most frequent public sector contact and Nottinghamshire Council while satisfaction with opportunities for funding lasting three years or more was higher for Nottinghamshire County Council.

Once again the picture for both Nottinghamshire County Council and respondents' most frequent other public sector contact was more positive than at a national level.

Nationally just 14 per cent were satisfied with bidding arrangements for local public sector contracts and just five per cent were satisfied with the opportunities for funding or contracts with local authorities that last three years or longer.

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



Source: Nottinghamshire State of the Voluntary sector survey 2014/15
Base: satisfaction in bidding (137/127) and satisfaction with opportunities for funding 3yrs+ (127/125)
Note: 'not applicable' response has been excluded from the analysis. This option was asked regarding Nottinghamshire County Council only.

6.4. Qualitative perspectives on local public sector bodies (survey responses)

Following on from quantitative questions regarding the nature of respondents' relationships with local public sector bodies, respondents were also asked to provide further qualitative (i.e. written) information about these relationships.

Nottinghamshire County Council

Positive comments received tended to reflect the role of County Council funding streams in maintaining or strengthening the provision of organisations:

'Funding and advice/support help us to make our services available to disadvantaged.'

'Without NCC grant we would be struggling to maintain our service. The 3 year commitment to fund us is welcome as it underpins our sustainability of operations for years ahead and aids our planning.'

'The support we received while preparing our funding application was very positive and being awarded the amount we requested allowed our project to install the play equipment we wanted.'

However non-financial support was also important:

'County officers value what we do and refer groups to us. It's a longstanding and good relationship.'

'Our group have been guided through the processes of applying for Grant Aid when it felt overwhelming. They are responsive to queries and keep us informed of any funding which we may benefit from in the private sector.'

'We have been working closely with NCC to develop their response to the Care Act. We have offered solutions and have been listened to and engaged in developing new information services. We feel highly respected as specialists in our field by both officers and elected members and believe we have a very positive working relationship with the authority.'

Lack of funding from the Council was a feature of the more negative comments received:

'The club used to receive an annual grant from NCC. This paid approximately half the rent for the hall. This has stopped since 2011.'

'We used to get a small amount of funding, £500 a year… We now get £0. We cannot rely on any funding from Notts CC and therefore our work is limited.'

'The last funding we received from NCC was in 2010, since then we have survived on local councillors' contributions and Age UK grants.'

There were also several comments which focused on lack of communication or consultation from the Council:

'I don't feel that "3rd Sector" organisations' work and impact on communities is taken seriously enough, nor are we given enough of a "voice" when it comes to influencing NCC budgeting and priority setting.'

'There is very little dialogue or interest.'

'I feel that decision regarding childcare in general and funding etc. are made without true consultation - decision have already been made.'

'Lack of communication, despite chasing, only informed about advice strategy the day it went 'live' despite a year of asking! Seems a communication vacuum. However, staff positive and helpful once linked.'

Other public sector bodies

Comments were generally more positive when respondents were asked to provide qualitative feedback on their relationship with their most frequent other public sector body. This could in part be due to their most frequent contact in many cases also being a key funder:

'Our most frequent other public sector contact funds us appropriately per client. Listens to our concern, offers practical solutions in order to overcome those issues. Supports the work we do both in finance but also in principle. Does not contribute to workload. Most of all understands the clients we support and their needs, which is of paramount important to us and treats us and our clients with the respect they deserve.'

'We have had a long partnership with the CCG which has developed and strengthened over the years. This is helped due to staff at both the CCG and our organisation frequently communicating.'

'[The District Council] has always been very easy to work with, and understands the needs, and values the work carried out by the centre.'

However not all comments received were positive, with lack of funding opportunities again emphasised:

'Although they are supportive of all we do and 'sing our praises' that rarely transforms into practical or financial support.'

'Funding is harder to achieve; 'due to financial cutbacks' is the only response we get.'

Lack of communication and consultation was also a key theme:

'There are always occasions where public opinions could be sought and they aren't.'

'Volunteers get frustrated at (the Council's) poor judgements, inactions, lack of true consultation and failure to stick to arguments. One law for them, another for rate payers has often been spoken. We lose volunteers who tire of being taken for granted. Consultation is just a sham.'

'Absence of constructive dialogue and feedback on representations made.'

6.5. Qualitative perspectives on relationships between the voluntary sector and local public sector bodies (interviews and focus groups)

Voluntary organisations (VOs) who participated in the focus groups and the stakeholder interviews reported a 'mixed picture' in terms of their relationships with local public sector bodies. Some stakeholders and focus group participants felt they had good relationships with their District Council, the County Council (NCC) and/or local Clinical Commissioning Groups (CCG), whereas others found all or some of these groups difficult to build relationships with:

A representative from a countywide VO felt relationships with local authorities are good as there are dedicated officers in some district councils but there is little contact with CCGs. Bassetlaw District Council was described as good at knowing what is going on in the VCS in that area (Focus Group 1)

One voluntary organisation was not convinced their local council is interested in the voluntary sector whereas another felt they had a good relationship with their local council. This same participant also highlighted good relations with the County Council but felt this was dependent on which department you were engaging with. Overall they felt the communication from NCC is poor apart from those specific departments' (Focus Group 2)

Largely all the groups engaged felt they had very good relationships with the district and county councils as well the police and police and crime commissioners. In this focus group VOs have won grant aid from a statutory (or combination of statutory agencies) like the county council, police and crime commissioners and district councils. One participant does mention they are 'lucky' because there is tradition of good relationships between the VCS, the private sector and statutory bodies in their district [Bassetlaw] (Focus Group 4)

'We work very well with the District Council and Nottinghamshire County Council and off shoots from the council like SureStart. I make a point to work well with those types of agencies' (Stakeholder Interview - VO)

'Not long ago two county councillors came out to visit and find out what is going on in my area and the surrounding areas which I found very positive. Later in the

year, I have been invited to the Health and Well-Being Board meeting with the voluntary sector and they have asked that [my organisation] is put on the agenda which I think is very positive. You don't get this with the CCGs [in their district]. You come to a meeting and we will tell you what we think you need to know and then clear off before you can ask questions' (Stakeholder Interview - VO)

The reasons participants felt these relationships were mixed was due in part to a number of different factors such as lack of communication, personalities of individuals, rapidly changing public service delivery landscape and the reduction in public sector spending. Importantly, all of these factors are interrelated, making it difficult to consider any area in isolation, creating a complex picture in terms of these relationships. Voluntary organisations felt communication and engagement between the sectors was to an extent dependent on the personalities of the individuals involved:

Two participants indicated that they feel the relationships tend to vary depending on where in the public sector (county or district councils) or the service delivery area. Some are better at responding or listening then others. 'It is difficult to award a score as it very much depends on who you happen to be working with.' (Focus Group 3)

'For the CCG I feel it comes down to personalities a bit, as previous deputy head of CCG, she was a real people person, brilliant at engagement. She left and the person who worked under her. Since then the communication and engagement is non-existent. I have tried to contact the person who took over or email him and don't get anything in return and I find that disappointing.' [Stakeholder Interview- VO]

Indeed it was generally agreed across the group that it depends which specific department you have contact with or which individual councillor is involved as to the level of communication and quality of the relationship which occurs. Similarly a CVS representative highlighted how councillors are sent to their organisation by the Council to attend meetings and this can be very on-off depending on how much interest the individual takes. The participant from a VO also highlighted how they may do some great work with a councillor or team but the parameters change or expand and then there is another person you need to chase and this can take months. They also highlighted individual interest of councillors as key. (Focus Group 2)

'I have been to a number of events organised for the whole of Nottinghamshire with the other CCGs there and lots of VOs from around the county and I am struck frequently by the very different relationships that are there. Because I hear the voluntary sector organisations saying, 'you can't get to talk to anybody at the CCG'. 'I don't know what it is, you get passed around from person to person and nobody wants to talk to you.' [Stakeholder Interview – Commissioner]

The changing political landscape and the reduction in public sector spending appear to further compound the quality and effectiveness of the relationships between these sectors. Here, individuals who the voluntary sector have established relationships with, may leave due to local elections or due to restructuring or reductions within the public sector agencies. As a result, voluntary organisations have to navigate a complex landscape to determine who they should be speaking to before gaining access and attempting to re-start the relationship-building process:

The political process with elections leading to a change of personnel and portfolios moving around was highlighted by one VO as making communication *exceptionally difficult as you are not dealing with one static individual. The participant from the VO also highlighted how they may do some great work with a councillor or team but the parameters change and then there is another person you need to chase and this can take months. (Focus Group 2)*

One participant spoke of the layers within the Councils and how it sometimes isn't clear where the relevant access point is. They described having to look at a series of websites to find the relevant person or someone who might put them in touch with them. (Focus Group 1)

Moreover, the reduction in public sector spending has resulted in a reduction of staff within public sector bodies hampering their capacity in terms of engaging with the VCS given its size and diversity:

'I can remember when I came onto this council that the issue wasn't….there was enough people in the county council and the district for every group to have someone at every meeting but you don't see anybody now because there isnt anybody. I can remember the team being 30 or 40 people and now it is 4. So the organisations don't get information through.' (Focus Group 3)

The interviewee states they don't 'want to be defeatist' but they have seen their support in certain services by the district council drop. There used to be a development officer which helped them to set up groups and that has been lost. When they dealt with the county council in the grant aid department in the past, the department was 'very proactive'. 'You might get a couple of phone calls a year, a member might pop by and visit or come to your board meeting. But due to the cuts this doesn't happen anymore as they don't have the capacity.' Although they do agree the current person running grant aid is very good.' (Stakeholder Interview - VO)

The participant from the CVS also felt, with regard to the Councils, that they are sometimes as 'helpless as we are' and so whilst they are well-meaning they are limited as to what they can achieve [due to a lack of capacity]... (Focus Group 2)

Relationships between voluntary organisations and public sector organisations have long been known to be multi-layered and dynamic, influenced by both national and local policy environments.[28] The policy landscape has witnessed a shift in the nature of the relationship between the state and sector since the financial crisis of 2008 and the subsequent deficit reduction programme implemented by the coalition government in 2010,[29][30][31] Largely, perceptions are that both sectors are currently grappling with the changing nature of the relationship between the sector and the state.

[28] Alcock, P. and Kendall, J. (2011), 'Constituting the third sector: processes of decontestation and contention under the UK Labour government in England', *Voluntas,* 22: 3, 450–69.

[29] Macmillian, R. 2013, Decoupling the state and the third sector? The 'Big Society' as a spontaneous order. Voluntary Sector Review, 4, 2, 185-203

[30] Rees, J, 2014, Public sector commissioning and the third sector: old wine in new bottles?, *Public Policy & Administration,* 29, 1, 45-63

[31] Wells, P. 2013, When the third sector went to market: the problematic use of market failure to justify social investment policy, Voluntary Sector Review, 4, 1, 77-94

Box 1. Perceptions on the changing nature of the relationships between the voluntary sector and the state

'I think it is an interesting one as it is changing however it needs to change much further and more quickly because previously, local authorities were in the driving seat in the relationship because of the fact that they would either procure the services or they had the money. That is becoming….it is because they are wanting to continue to have influence and in an effect still drive things going forward but they haven't got the money. They haven't got the influence they have had previously….but they still are trying to….work in the same way probably because both officers and elected members are still not in their own mind shifted their own perspective…In the past we are all sat around and we are going to tell you what to do. Well now that is not the case and we are sat around saying 'this is what we need to do, how can we do it'. So it is quite shift.' (Stakeholder Interview – VO)

'[referring to prime contractor models]…Some people are trying to pull everyone [in the VS] together in a bidding consortia which is good and helpful but it is the type of landscape no one has been in before… the commissioners have not been in it, the commissioners have never commissioned in this way but have decided this is what they will do and then they are asking us as providers to participate and we have never participated before and with Prime providers who have never done it before…The jury is out on this… '(Stakeholder Interview – LIO)

'I also think a lot of organisations have still not come to terms with the fact that we are never going to go back to where we were 5 or 10 year ago. It is a different world now and it is not going to go back.' (Stakeholder interview – VO)

Voluntary and local infrastructure organisations (LIO) also frequently cited that '*Big Society doesn't work'* or asked '*What Big Society?'* and have little optimism for the future of the sector in the current landscape. Frequently fears were expressed around organisations from outside Nottinghamshire coming in and winning contracts or larger voluntary organisations 'swallowing up smaller local groups':

> *'Where there is contracting or commissioning we are finding on more than one occasion that large charities, large national charities are coming in and squeezing the smaller ones out. So for example there are at least 2 or 3 in Nottinghamshire I know that have lost out to national providers. And still don't know where they will be subcontracted or not. And this is entirely out of their hands and are a significant threat to their future. (Stakeholder Interview – Commissioner)*

> *'I would say the opportunities to get funding have diminished considerably and the financial pressures that local authorities are under, more and more local authorities are cutting, what historically was called in our area grant aid….and I would say nationally the emphasis is on the government through the communities department putting money through to big organisations' (Stakeholder Interview – VO)*

Positively, even in the restricted funding environment, local public sector bodies (e.g. District and County Councils, CCGs) in Nottinghamshire have continued to run grant aid programmes to continue to support the sector. Although the size and number of grants available have diminished, there is recognition of the important contribution the sector makes to communities and individuals across the county. This is reported as an important 'lifeline' for some groups, particularly those that are not interested in getting involved in public service delivery through contractual mechanisms.

Summary: Relationships with the public sector

Voluntary organisations reported a ‘mixed picture’ in terms of their relationships with local sector bodies. Some stakeholders and focus group participants felt they had good relationships with their District Council, County Council and/or local Clinical Commissioning Groups. Whereas others found all or some of these groups were difficult to build relationships and/or work with. Participants attributed this variability in relationships down to factors such as:

- reduction in public sector spending
- rapidly changing public service delivery landscape
- lack of communication
- personalities of individuals.

These above factors are further compounded by the changing nature of the relationship between the voluntary sector and the state both nationally and locally as formal support for voluntary organisations, for example through grants, has reduced, while the move towards them contracting to deliver public services has continued apace. Both sectors appear to be grappling to manage this change in dynamic caused by this shift in the policy and funding landscape. Moreover it appears this shift has resulted in scepticism concerning policies and eroded trust between the sector and the state, in turn impacting on relationships. On a positive note, even in the restricted funding environment local public sector bodies have continued to run grant aid programmes albeit the size and number have diminished from previous years. This was recognised as an important ‘lifeline’ for some groups.

6.6. Qualitative perspectives on the voluntary sector's ability to influence public sector bodies (interviews and focus groups)

In terms of being able to influence local public sector bodies, again this appears to vary depending on service delivery area, geography and personality of commissioners according to local front-line organisations. Some voluntary organisations and a number of LIOs we spoke to felt they were able to influence their local public sector bodies (see examples on page 34-35). Conversely others struggled to establish relationships to enable them the opportunity to influence, whilst others felt if they are invited to a conference or meetings, voluntary organisations s are presented to in what is felt is ‘top down approach’ where they feel there is little chance to feed into priorities or decision-making:

> *Multiple members from front line organisations whose beneficiary groups are older people, feel that relationships with public sector bodies are ‘top down, rather than a bottom up consultative process’ as the information is told to the group and they are left to deal with it. A number of representatives point out that older people's groups do not have representation on the Health and Well Being Boards. One in particular feels the consultation and representation for his beneficiary group is 'very much tokenism, rather than being part of the system and being of influence about issues that count very much to older people’. (Focus Group 3)*

> *‘it is relatively good.... We have good links with the County’s grant team and the adult and community learning team who we apply to for grants. That team has been really useful in terms of telling us about their priorities as well as listening to our priorities. Outside of that, it is just the road shows and they are anonymous. The event where we met the heads of services felt was very much*

like a 'one way street' where they said here is what we are doing… I didn't feel we got a chance to have a voice…' (Stakeholder Interview - VO)

'I think there is a level of distrust but that is determined by the political landscape and lets not beat around the bush this sector does rely heavily on networks and relationships and if you are in, you are in. If you are out, you are out.' (Stakeholder Interview – LIO)

'In Mid Notts they are looking at a Prime provider commissioning model. In terms of making that decision I know there was absolutely no conversation with the voluntary sector. It was when they made the decision and brought it to the table that they went 'oh crikey, didn't think about that'. It felt like we were helping them understand what the risk was for their projects and services by going to that provider model. Risks they hadn't anticipated or thought through...the very tiny organisations are going to struggle to participate' (Stakeholder Interview – LIO)

During interviews with commissioners it emerged that some of the influencing ability of the sector lies in its ability to articulate how they can contribute to their priorities. Generally, the commissioners we spoke to see the value in the voluntary sector but with the increasing priority placed on social outcomes and value for money commissioners need to see an evidence base and be clear where that organisation can help them address their priority areas:

'Independent funders are now becoming much more concerned with outcomes. Charities are not geared up to… a lot of them are struggling to gear up to that change in reporting [shift from outputs to outcomes].' (Stakeholder Interview – Commissioner)

'I think a lot of the sector is…I think there are some bits that truly haven't moved and still just think well we should give them some money because they are doing a good job. And we would all like to do that and we can't. It has got to be contributing to a direction of travel we are going in or a core group of people that can be supported in a different way. To actually show that they have looked and come in saying we know what you are talking about. We know one of your priorities is this. This is how we can help.' (Stakeholder Interview – Commissioner)

'So it is certainly something that needs further attention I would say, It is all well and good saying contact has been made with 25 different organisations or 90 people have come forward as potential volunteers but what is the outcome. I think that is the challenge they have been grappling with locally [reporting outcomes for intangible and long-term projects, things like a change from outputs to outcomes] and haven't come out the other end with something that is able to convince some people in [my] organisation, like the councillors that it is full value for money.' (Stakeholder Interview – Commissioner)

Some of the organisations that have been successful at influencing public sector bodies cite going to commissioners with 'solutions' focused on addressing priority areas for the different bodies:

From the discussions with this FLO they have been quick to identify the niche and show how [they] can help get the country through the NHS budget constraints and focus on prevention. They have been very good at positioning and selling themselves as a way to fill this void. The representative says their focus in on identifying problems and looking at how they can solve them. So they turn up 'at commissioners' doors with solutions'. We put proposals to *commissioners and they say yes. But a bit of this is because what they are doing is innovative and 'we are coming at things from a new angle'. For example, 'commissioners know they have to do something around [a particular agenda] but they don't know what, and so we have come to them with 'right we can do this for you' and they go alright then. (Stakeholder Interview - VO)*

'I would love someone to knock on my door and say 'are you paying for people to go to a day hospital, we could offer this, this and this instead'. Are you paying for respite care which has to be a week or a fortnight at a time? We can offer two hours at a time, half a day at a time…' (Stakeholder Interview – Commissioner)

Moreover, those who have been successful are seen as 'experts' with local knowledge or access to hard to reach or vulnerable groups. Having experience of working with the voluntary sector and particularly experience of a track record in terms of delivering public services appeared to be crucial to how effective voluntary organisations were at influencing local and national public sector organisations:

'It's a bit chicken and egg. You have got to have trust and confidence in the organisation to justify it. Money is so much tighter…and you have got to have a history of trust…' (Stakeholder Interview – Commissioner)

'It is about taking that leap of faith…we are fortunate that our commissioners saw [another model] as being beneficial and because they understand the sector and have a good relationship with the sector provision. But for other areas I can think of…they will take a long time to come around to that way of thinking it is about education as well.' (Stakeholder Interview – LIO)

Box 2. Example of influencing local public sector organisations and public service provision

The Social Prescribing Pilot Service in Bassetlaw is an example of the voluntary sector influencing commissioning practices and service design. Social prescribing largely involves the commissioning of services that will prevent worsening health in people by linking them with non-medical forms of support within the community. Drawing on innovative social prescribing pilot launched in Rotherham in 2012, Bassetlaw CVS (BCVS) and Bassetlaw CCG worked together to develop a similar programme within their district to help elderly, frail and socially isolated patients to access services and activities provided by voluntary and community groups to help reduce hospital episodes and improve social outcomes for service users. Members of BCVS and Bassetlaw CCG visited the Rotherham service and adapted learning from this model to fit the context within Bassetlaw. BCVS manages the service by receiving referrals from GPs/Community Nurse/Social Workers. Here a Voluntary and Community Services Advisor meets with the patients to discuss which voluntary or community services could benefit the patients' health and wellbeing. The service was started in March 2015 and the CCG and voluntary sector meet regularly to further develop and co-produce the service. It is too early on to consider social and economic benefits of the programme but early feedback from service users and GPs is positive in regards to improvements in their well-being.

Some of the issues highlighted by voluntary sector organisations in regards to influencing commissioning in Nottinghamshire are equally appearing in recent studies in public sector commissioning across England.[32] It appears that when financial priorities take precedence over other concerns the whole commissioning cycle can get lost in the mix. For example, in a recent study by Clinks,[33] whilst there were elements of good practice in terms of involving the sector in needs assessment and service design, smaller organisations were more likely to feel that they were consulted too late or that their involvement was a 'tick box exercise'. Studies conducted by the Institute for Government found similar trends as well and in response suggest that for these public service markets to work, there needs to be a much more open and iterative engagement between providers of public services (state, private and public sectors) and those setting the rules (i.e. commissioners). In effect by acting as 'market stewards' commissioners should take a whole-system view of the development of a diverse market by attending both the diversity of providers and the diversity of voices articulating the needs and influencing service design. This is particularly salient as commissioning teams start to reduce in size and have less direct contact with service users and front-line staff and therefore the need to gather intelligence from external organisations is paramount.

Additionally, prime contractor and sub-contracting models, which are increasingly emerging, by their nature limit voluntary sector influence as they are governed by contract priorities and complex arrangements.[34] Where in the past, the sector acted as a critical friend to the state, highlighting shortfalls in welfare and public service provision there has been increasing restrictions on community voice and advocacy activities since 2010 more broadly.[35]

[32] Livingstone, I. and Macmillan, R, 2015, More than a provider: the voluntary sector, commissioning and stewardship for a diverse market in criminal justice. Voluntary Sector Review, 6, 2, 221-30; Gash, T., Panchamia, N., Sims, S., Hotson, L., 2013, Making public service markets work: Professionalising government's approach to commissioning and market stewardship, London: Institute for Government. Hucklesby A., and Corcoran, M. (2013), Voluntary Sector Involvement in Criminal Justice: Controversies and Challenges, London: Voluntary Sector Studies Conference, 15 May.

[33] Livingstone, I, 2014, More than a provider: The role of the voluntary sector in the commissioning of offender services, London: Clinks

[34] Milbourne, L. and Cushman, M., 2015, Complying, transforming or resisting in the New Austerity? Realigning social welfare and independent action among English voluntary organisations. Journal of Social Policy, 44, 3, 463-485.

[35] Baring Foundation (2014), *Independence Undervalued: The Voluntary Sector in 2014,* London: Baring Foundation; see also Lobbying, Non-Party Campaigning and Trade Union Administration Act.

Summary: Influencing public sector organisations

Again voluntary organisations report a ‘mixed picture’ in terms of their ability to influence local public sector bodies and again this appears to fluctuate depending on the service delivery area, geography and experience/knowledge of commissioners. Positively, voluntary organisations who report success in terms of influencing commissioners find they do so when:

- they approach commissioners with ‘solutions’ which are focused on addressing priority areas for the different bodies
- are perceived as experts with an understanding of local knowledge and access to hard to reach groups
- there is an existence of ‘trust’ based upon experience or knowledge of working with voluntary sector to deliver services.

Conversely in some areas voluntary organisations either struggled to establish relationships and communication/relationships or felt interactions were ‘top-down’ with limited opportunity to feed into priorities and decision making. These experiences do not appear unique from a review of the literature. Here it is found that elements of the whole commissioning cycle can ‘get lost’ as commissioners grapple with balancing limited funding against local priorities. Moreover prime contractor and sub-contracting arrangements are starting to become more prevalent and by their very nature limit the sector’s influence due to strict priorities and complex arrangements. Whilst central government are pushing for the withdrawal of the state from public service delivery in favour of marketisation, studies highlight the importance of commissioners staying involved in the design and oversight of these markets. In effect by acting as ‘market stewards’ commissioners can ensure diversity of providers and the diversity of voices articulating the needs and influencing service design.

6.7. Qualitative perspectives on funding (interviews and focus groups)

Applying for grants and bidding for contracts still remains a difficult task for the sector. Historically this is not a new issue as factors such as lack of internal capacity and adequate reserves required for pre-qualification and professionalisation served as barriers to engaging with funding sources well before the Coalition government came into power.[36] Currently a similar picture emerges here in within Nottinghamshire. Generally interviewees and focus group participants report that voluntary organisations lack most significantly the time and to a lesser extent the internal skills and knowledge, to apply for funding and bid for tenders (see Box 3). Largely, organisations face circumstances where demand for services has increased and funding opportunities have decreased. This has resulted in a situation where internal capacity has shrunk and those that remain in the organisation are so consumed with the day-to-day that they lack the time to ‘stick their head above the parapet’ and develop a strategic vision in terms of the their funding strategies. As a result organisations bid for small pots of short-term funding in an attempt to keep the doors open without consideration as to how they can develop in the future. This is being reported generally for the smaller voluntary organisations but there were still some instances where similar instances were happening in the larger organisations. For those organisations interviewed who have been successful in winning funding (be it grants or tenders) had board members who were experienced in fundraising and bid

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[36] Rees, J, 2014, Public sector commissioning and the third sector: old wine in new bottles?, *Public Policy & Administration,* 29, 1, 45-63; Hedley S and Joy I (2012) When the Going Gets Tough: Charities’ Experience of Public Service Commissioning. London: New Philanthropy Capital.

writing and could call on them for support, had accessed support from local infrastructure organisations (in terms of identifying opportunities and feedback on applications) and/or a key member of staff was experienced in fundraising or bid writing.

Box 3: Perspectives on applying or bidding for funding

'I think groups are generally very stretched at the moment and there isn't anybody in most groups that have that remit to just do funding applications so groups re generally going from project to project and struggling to see the bigger picture and the wider implications of what their organisation does and just concentrating so much on projects, or the day and there isn't anybody in particular in those groups that can dedicate the time or has the knowledge to be able to do their long-term funding strategies… ' (Stakeholder Interview – Commissioners)

'The nature of commissioning. It is complex, mysterious and embryonic in some areas. And any organisation that is trying to engage with that is having a nightmare. But some of the more sophisticated and well-funded are struggling to navigate the commissioning environment so small front-line don't really stand a cat in hells chance and I don't think they have for a number of years… my biggest frustration with the sector, it's about the lack of funds and the smaller organisations that have their heads down and are working hard and don't have the time to be strategic'. (Stakeholder Interview – LIO)

'Also, may I just say some of the language…I got an email from an LIO and I am pretty savvy and it was full of acronyms, if you want to take part in N2D2 platform for this and platform for that and I had absolutely no idea what it meant. If I was a grass roots org I would have been like…what…as it was I tried. If you wanted to get involved you had to go online and fill out a platform and it was language I had never heard of at all. If that is an opportunity it was well missed now because I didn't know what it is was.' (Stakeholder Interview - VO)

A VO representative described how in the past there were lots of adverts for fundraising roles in the VCS and how these were difficult jobs with a high burn-out rate, and that now due to funding cuts these jobs were now tacked on to everyone else's jobs as the funding is gone to even pay for a fundraiser. A representative front line organisation also described how organisations were now constantly chasing small pots of money and the another representative agreed that funding pots were now smaller and much more short-term resulting is lots of time and energy being spent flapping about trying to find the next measly bit of funding to keep going for another few months at some time (Focus Group 2)

'Aside from our projects, I don't think some of our network really understands…They are so caught in the business of doing that they don't think about how they could be developing'. (Stakeholder interview – VO)

'This commissioner is aware when we come tendering that the capacity of VCO to respond to tenders is limited. They state they have an absolutely excellent provider of services for women and children affected by domestic abuse but the county council did a massive tendering thing around varying aspects of domestic abuse and just the tendering process and the complexity of it and the size of it was prohibited to people. Even when they broke it down into small

er lots of services allegedly to give people chance to apply for bits. But if you still have this ridiculously complicated set of forms that take ages to fill in, that sort of thing you are precluding the small local organisation and what you are getting is starting to get the big players with a national infrastructure so your Barnardos that have got people who can sit down and fill the 80 pages.' (Stakeholder Interview – commissioner)

From discussions with infrastructure organisations and commissioners, commissioning in some areas is still at an embryonic stage which can make it challenging for the sector when trying to seek funding. For one large area they are considering creating a provider alliance from which a consortia of voluntary organisations could bid for contracts but this that is still in development. As one person suggested this could open a lot of opportunities but the challenge is surviving till then. From discussions with commissioners it clear that they want small local groups with the networks and knowledge to be involved with service delivery but the '*challenge is understanding how you commission at the micro level as well as the macro level…so there is not one [commissioning] answer*'. Arguably, commissioners are experienced at commissioning larger organisations to deliver services but how to involve the smaller organisations appears to be a challenge. Subcontracting and collaboration through consortia are possible answers but these each pose their own challenges which will be considered in Chapter 8.

Positively, four local infrastructure organisations from across Nottinghamshire and Derbyshire are developing a model through which the voluntary sector can bid to deliver services funded through the local enterprise partnership aimed at tackling social inclusion (D2N2). This social inclusion consortium can target up to £13m over a three year period to be aimed at three programmes (Towards Work, Financial Inclusion and Multiple & Complex Needs) and matched at source by the Big Lottery Building Better Opportunities Fund. Also, a £50m local grant was awarded to a consortium of voluntary organisations under Big Lottery's Small Steps, Big Steps programme aimed at working in early years and early intervention. In addition, another consortium of voluntary organisations won a £10m grant for Big Lottery funding aimed at those with multiple and complex needs supporting those going through the criminal justice system. In both these instances, Nottingham CVS played an instrumental role in bringing together local organisations to win these pots of funding.

Summary: Applying or bidding for funding

Applying for grants and bidding for contracts still remains a difficult task for the sector. Historically this is not a new issue as factors such as lack of internal capacity (skills and time) and adequate reserves required for pre-qualification and professionalisation have served as barriers to engaging with funding sources well before the Coalition government came into power. Generally interviewees and focus group participants report that front-line organisations lack most significantly the time and to a lesser extent the internal skills and knowledge, to apply for funding and bid for tenders. The reduction in public spending over the past few years has resulted in increased demand for services and limited opportunities to win funding. Therefore many VOs report being too consumed with managing the day-to-day and lacking the space to either respond or think strategically about their funding strategies. This largely appears to be affecting the smaller organisations although some larger organisations are struggling to maintain funding. There are some examples of the sector pulling together consortia through which smaller VOs will be capable of bidding for and winning contracts to deliver services.

7

Relationships with commercial businesses

This chapter moves on to explore respondents' experiences of working with the commercial sector. This is new territory for many voluntary and community organisations: Chapter 4 revealed that only 18 per cent of survey respondents received any income through business donations. Survey respondents were asked about their direct dealings and experiences of working with commercial businesses in Nottinghamshire.

7.1. Working with commercial businesses

Survey respondents were asked to indicate the extent to which they had direct dealings with commercial businesses in Nottinghamshire. 59 per cent reported that they had some direct dealings and…

…11 per cent ***of organisations had a 'fair' amount of direct dealings with commercial businesses in Nottinghamshire***

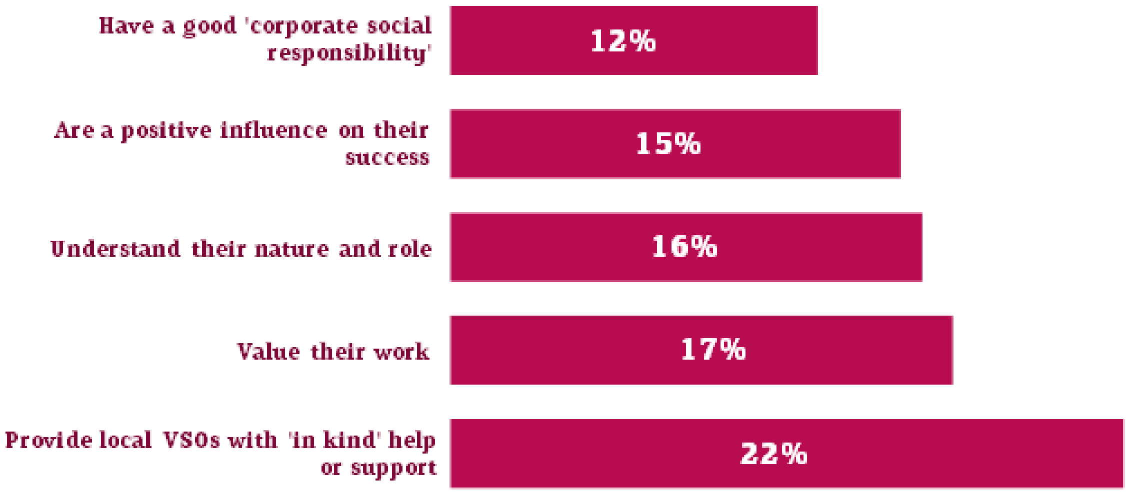
Only one organisation stated that they had a great amount of direct dealings with commercial businesses in Nottinghamshire. A similar study undertaken in Greater Manchester in 2013 found that 16 per cent of voluntary sector organisations in the area had a great or fair amount of contact with commercial businesses, suggesting relationships with commercial businesses may be at an early stage not only in Nottinghamshire but across the Country.[37]

As with public sector bodies, survey respondents were also asked about their perceptions of commercial businesses. The responses to these questions are shown in figure 7.1.

This shows that, compared to perceptions of public sector bodies (see figure 6.2), survey respondents had less positive perceptions of commercial businesses in Nottinghamshire. For example just 17 per cent of respondents felt that commercial businesses valued their work, compared to 63 per cent of respondents who said that their most frequent other public sector contact did so. Taking all things into account just 15 per cent of survey respondents felt that that the commercial business community in Nottinghamshire was a **positive influence on their organisation's success**.

[37] Dayson et al. (2013) *Greater Manchester State of the Voluntary Sector 2013*

Figure 7.1: Relationships with commercial businesses



Source: Nottinghamshire State of the Voluntary sector survey 2014/15
Base: 194-198

On the whole, the findings from this survey suggest that voluntary sector organisations in Nottinghamshire have some progress to make in developing their relationships with the commercial sector.

7.2. Qualitative perspectives on working with commercial businesses (survey responses)

Respondents were asked to comment qualitatively about their relationships with local businesses. Organisations had less engagement with commercial businesses on the whole than the public and voluntary sectors.

A number of comments focused on the difficulties in getting commercial businesses interested in their work:

> *'We find it hard to engage local commercial businesses, we are not a 'fluffy' charity and therefore it's a hard 'hook' to catch interest from this sector. We are actively working to engage new trustees with commercial experience and foster better links, however, it is a hard task with no real in roads.'*

> *'Not many commercial business wish to work with support voluntary groups. The feeling that they just get in the way.'*

> *'The business community have not shown any interest in supporting these services.'*

There was some concern that commercial businesses were concerned only with profit or image:

> *'Some help. But some are just in it for the money.'*

> *'They only like to work with the big organisations, more kudos with a higher profile charity or voluntary group.'*

> *'We receive fundraising and volunteer support from a growing number of larger businesses. Sometimes I think the support is offered in a way that is more benefit to the business than to us. We are a cheap way of ticking a box.'*

Some voluntary sector organisations however emphasised the importance of commercial businesses and the difference they have made:

> *'Individuals within local companies identify with the site and recognise our input. They support us with practical help, grants, discounts and free items. Some staff volunteer.'*

> *'The business community (Chamber, D2N2, Medilink etc. and local businesses etc.) are hugely supportive of us and understand what is needed and how to be sustainable as a charity today.'*

> *'The businesses that have supported our fundraising events have been very helpful and accommodating.'*

> *'We have had a great deal of support from corporate businesses over the past 5 years. It has enabled us to access pro-bono support and skills which have been invaluable.'*

There was also a sense among some respondents that engagement with the commercial sector needs to be developed:

> *'As a small charity we must learn all we can from commercial business as the sector is now one. Charities have a long way to go to change their identity and perception of purpose. We are now running as charity and commercial entity in tandem and balancing this can be incredibly tricky.'*

> *'We could have more involvement with local business as part of their corporate social responsibility. We could also deliver our services to their employees."*

> *"We are currently developing a membership scheme to attract businesses to become a 'friend' of your charity.'*

7.3. Qualitative perspectives on working with commercial businesses (interviews and focus groups)

Based on conversations with commissioners, LIOs and voluntary organisations, the building of relationships between the voluntary sector and commercial businesses is at an embryonic stage in Nottinghamshire. Some voluntary organisations reported never having had contact with any local commercial businesses. Others reported receiving donations in the form of money, equipment or materials needed for service delivery (e.g. 7-seater minibus and accompanying insurance, materials to refurbish grounds and food) and ‘manpower’ in the form of volunteers. Some voluntary organisations felt that larger private sector organisations might only want to work with larger voluntary organisations that have a national presence. Nevertheless, a handful of voluntary organisations in the area have built established relationships with very large commercial businesses in the area – like B&Q, Experian, Laing O’Rourke, and Aeon (see Box 4). In these examples, the relationships started through contact with the businesses’ volunteering schemes run as part of their corporate social responsibility programmes. In one case a voluntary organisation attended an ‘open day’ held at the business’ headquarters to engage with the local voluntary sector.

Overall, in these examples it appears that the relationships have in effect grown over time. Where initially, they might have started with the donation of volunteer time, equipment and materials, they matured into relationships where the ‘in-kind benefit’ received was the private sector sharing their business skills and knowledge around areas such a pricing, trading strategies, branding and marketing. Beyond engagement through more formal collaborations discussed above, voluntary organisations cited importing business links by attracting members from local businesses onto their boards.

Box 4: Examples of the relationships between voluntary organisations and private sector organisations

'Yes we do. We had the private sector helping us out in a few projects we did about trying to make the VCS more business like that we got some work there. We have had people on our board who have been donated through business in the community. We also work very closely, in the sense that our legal advice is donated to us. We also have quite a lot of volunteers….we had 120 volunteers the other day coming to work there and we are trying to develop that relationship a bit more. We touch the business sector in quite a lot of areas, we are no longer frightened of working with them. I think it is funny to think that at one stage we were a little nervous about people coming in and now we realise they have got some good ideas but they don't have all the answers and we are less possessive I think.' (Stakeholder Interview – LIO)

'Yes. We do and increasingly we see it as one of the big areas there is opportunity for us, obviously business through their CSR want to demonstrate they are involved in the local communities. So we get a lot of organisations who want to work with us and donate to us. We have a really strong relationship with [a large private sector organisation] and they have been really helpful in terms of a whole host of things at least in which they have given us staff that they have been paying that have been working with us and they have also donated materials and we had some of their senior people coming along and volunteering on one of our projects ….[the relationship] came from about 18 months or so ago there was a gathering at [their] headquarters…I don't know how the original event came about but a number of VCOs were invited along, we went along. We sorta, I thought there is a real opportunity here some of us didn't feel there were. But through keeping a dialogue open with them…getting to build a relationship with 2 or 3 of the people involved it has reaped real rewards for us. It is one that has been…that came about a bit by chance but we built on it.' (Stakeholder Interview – VO)

'Yes, they are great…I ask about the relationship and the interviewee says it has been built up over time with the staff and the person that looks after the volunteers opportunities. They remember us and at least once a term we get a call here is a group of volunteers who have time do you need something done? So it works from the point of view that we can apply and put little projects together to them in a project brief and individual members of staff can help….one is the team building approach for them and the other one is for the individual, so staff can be released for a couple of afternoons or days from normal day to day work to recently we had someone come and help us with our logo. Which that is great. If more bigger organisations did that, it would be really positive.' (Stakeholder Interview – VO)

Large charitable trusts like Lloyds Bank Foundation have recently launched grant funded mentoring schemes which pair mentors from the Lloyds TSB to act as a critical friend to the charity to help them develop their commercial business skills. Although these relationships have just started, the commissioner knows of two or three examples, which appear to be going 'great guns' in which the charity has taken quite a lot on board and look to have increased their trading income as well as improvements in other areas. Local District Councils have started to run events (e.g. Inspiring Mansfield and Ashfield) to encourage businesses to come along and share with the sector, and vice versa. North Nottinghamshire Place Board is another example, which is a private sector led board that looks at regeneration in the area. The Place Board has an envoy scheme where there are 50 local businesses attached to the network. This is a very new network but BCVS, a local infrastructure organisation, has been invited to join the board. These different initiatives demonstrate there is a desire to build relationships between the private and voluntary sectors in Nottinghamshire.

From conversations with key stakeholders, the perceptions were that for these links to be successful the private sector needed to be clear regarding what the benefit would be for both parties:

> *'I think to try and hook them in [local businesses] there has got to be some serious work done from a regeneration perspective locally with the councils to see where [private sector] would see the benefit of being involved. There were some good examples though that it is not necessarily of monetary value but of service value in return for some policy develop or domestic abuse support from a professional body.' (Stakeholder Interview – Commissioner)*

> *'It is about starting that relationship and finding common ground and what is going to be beneficial for the private sector organisation as well as the voluntary sector.' (Stakeholder Interview – LIO)*

Summary: Relationships with the commercial sector

Relationships between the voluntary sector and private sector are at an embryonic state within Nottinghamshire. Some district councils and private sector boards are running events to encourage relationships between the sectors to aid local regeneration, while charitable trusts are running mentoring schemes in which members of the business community act as critical friends in helping VOs to develop their business skills. Although some VOs reported never having had contact with any local commercial businesses, others reported receiving donations in the form of money, equipment or materials needed for service delivery (e.g. 7-seater minibus and accompanying insurance, materials to refurbish grounds, food) and/or 'manpower' in the form of volunteers. A handful of VOs have established relationships with very large commercial businesses in the area – like B&Q, Experian, Laing O'Rourke, and Aeon. Here, these relationships started through contact with the businesses' volunteering schemes run as part of their corporate social responsibility programmes. In these examples it appears that the relationships have in effect grown over time. Where initially, they might have started with the donation of volunteer time, equipment and materials, they matured into relationships where the 'in-kind benefit' received was the private sector sharing its business skills and knowledge around areas such a pricing, trading strategies, branding and marketing. Perceptions from stakeholders are that to make these relationships work both sectors needed to be aware of the benefit, which are not necessarily always financially driven.

8

Relationships with voluntary organisations and community groups

This chapter discusses survey respondents' views on their work with other voluntary and community voluntary sector organisations. This includes working collaboratively with voluntary organisations and community groups and accessing help and advice from local support and development organisations.

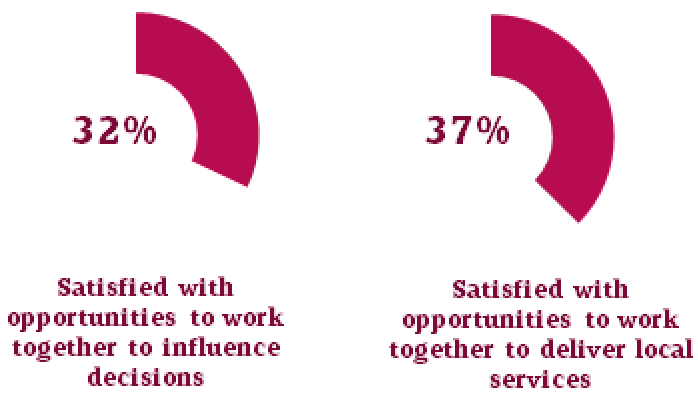
8.1. Working with other voluntary and community organisations

Survey respondents were asked about the extent to which they had direct dealings with other voluntary and community organisations in Nottinghamshire. 84 per cent had some direct dealings with other voluntary and community organisations and…

…50 per cent ***of organisations had a 'great' or 'fair' amount of direct dealings with other voluntary and community organisations in Nottinghamshire***

Respondents were asked to reflect on the opportunities they had to work with other voluntary and community organisations in terms of influencing local decisions and delivering local services. Figure 8.1 summarises the responses.

Figure 8.1: Satisfaction with opportunities to work with voluntary and community organisations



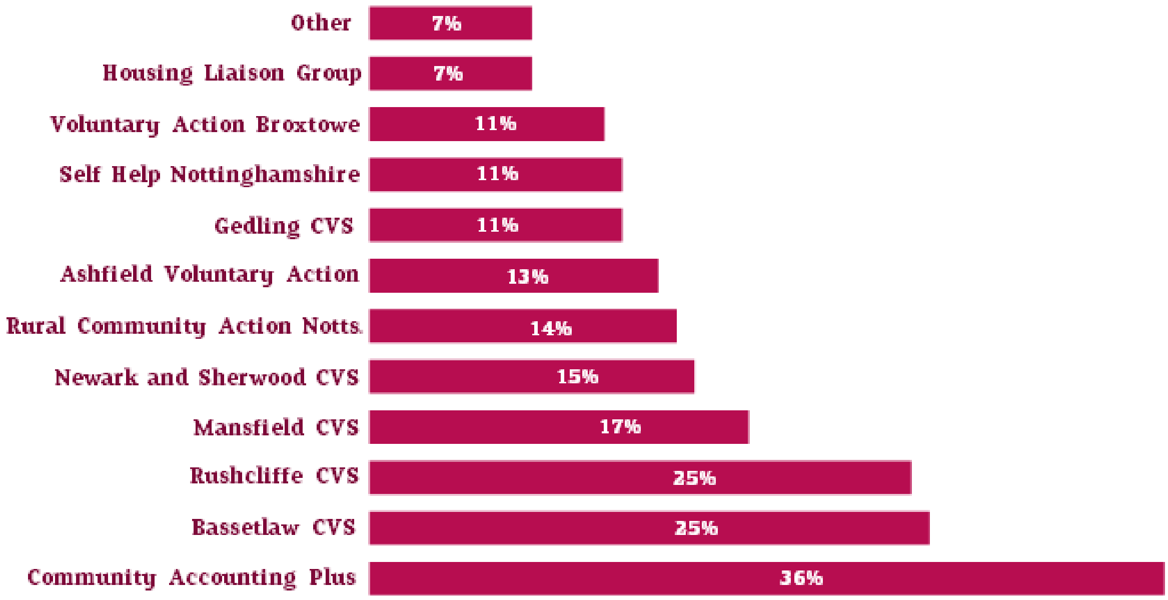
Source: Nottinghamshire State of the Voluntary sector survey 2014/15
Base: 203

This shows that 32 per cent of respondents were satisfied with the availability of opportunities to influence local decisions and that 37 per cent were satisfied with the availability of opportunities to work together to deliver local services.

8.2. Working with local support and development organisations

Survey respondents were asked if their organisation currently received support from a list of named local support and development organisations based in the Nottinghamshire area. The results are summarised in figure 8.2.

Figure 8.2: Local support and development organisations from which support received

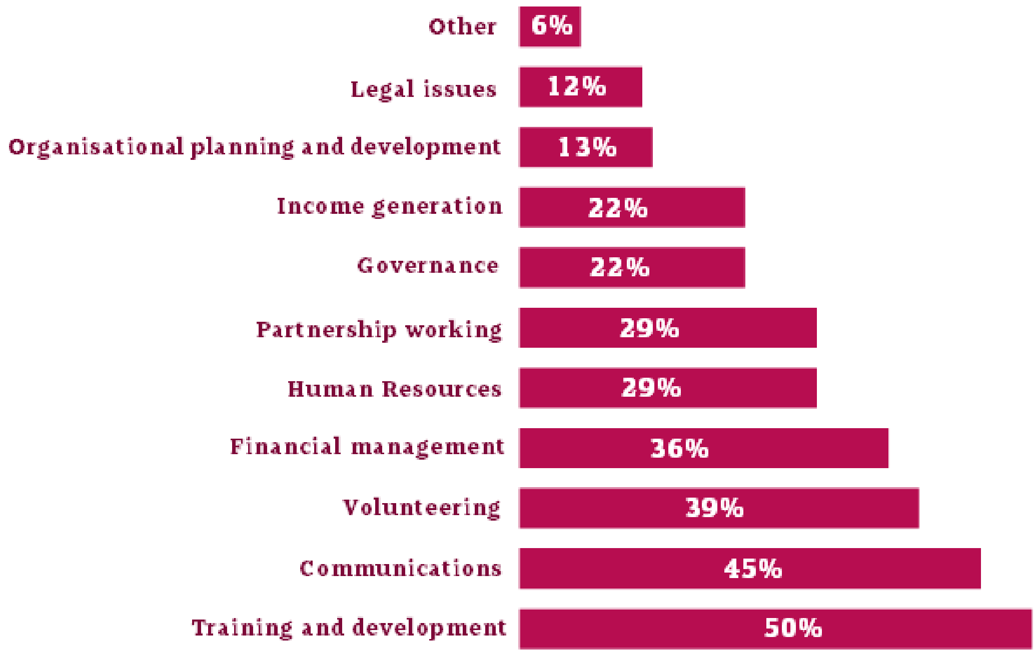


Source: Nottinghamshire State of the Voluntary sector survey 2014/15
Base: 122

This shows that Community Accounting Plus (CA Plus) provided support to the highest proportion of survey respondents (36 per cent), while one-quarter of organisations were supported by Bassetlaw CVS and the same proportion by Rushcliffe CVS.

Respondents were also asked if they had received support, in which areas they received support in. Half of respondents stated they had received support in the area of training and development. Over two-fifths had received support around communications and almost two-fifths had received support with volunteering.

Figure 8.3: Support received from local support and development organisations



Source: Nottinghamshire State of the Voluntary sector survey 2014/15
Base: 121

Survey respondents were also asked the extent to which they were satisfied with the support available from each of the local support and development organisations listed. There were not sufficient responses received to consider satisfaction with the organisations separately so instead responses have been combined and are shown in figure 8.4.

Figure 8.4 shows that overall 61 per cent of organisations were satisfied with the support available from local support and development organisations in Nottinghamshire. It also shows that of the organisations that had received support, 68 per cent were satisfied.

These findings provide an endorsement for the work that these organisations do to provide help, advice and support across the voluntary sector in Nottinghamshire.

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

Source: Nottinghamshire State of the Voluntary sector survey 2014/15
Base: all respondents (140) support recipients (121)
Note: 'not applicable' response has been excluded from the analysis

8.3. Qualitative perspectives on working with other voluntary organisations and local support and development groups (survey responses)

Survey respondents were asked to comment of their relationships with other voluntary organisations.

There were several examples in the responses received of respondents working together successfully with other voluntary sector organisations:

'In the past few years we have worked with other organisations to deliver projects on several occasions.'

'We have good working relationships with many organisations across the County and work together to deliver a service when necessary.'

'We work closely with many support agencies across Notts, share resources and have been funded for joint projects.'

'We sit on a number of landscape partnership that deliver improvements and learning to local communities in partnership with other VCS.'

Issues with finding opportunities to collaborate or the capacity to do so were however raised by a number of organisations:

'The opportunities are never presented to us.'

'Difficult to access networks - sometimes feels like a closed shop.'

'Due to limited/reduced funding we have had to reduce staff who would deal with VCS partners. We do try to keep in touch but it is limited and piecemeal. We would like to increase outreach and partnership working but as we cover such a large area it is difficult.'

'Everyone is too busy doing their own work - they don't look up and spot opportunities.'

'Our group/association does not have any dealings with any other organisations. What would be nice is a list of other organisations in and around the East Midlands, so we can communicate more with the groups.'

Some organisations felt that the current financial climate prevented collaboration with other organisations, with them having to compete for resources:

'Charities still work in 'silos' and are reluctant to share information which may be a potential competitor for funding.'

'Can work successfully on the ground for clients. Strategically - shrinking markets - diversification of provision - competition for contracts - makes things harder.'

'Voluntary organisations can be sceptical about partnerships, and are often worried they will not get a 'big enough piece of the pie'. Some more 'business-like' charities are interested only in the longevity of their organisation rather than what it best for victims. There can be mistrust.'

'There sometimes seems to be a feeling of ownership being 'precious' when it comes to other groups and organisations working together in similar organisations. Not always willing to share clients to help the client.'

There was also a sense in some of the comments that infrastructure support is being eroded in Nottinghamshire and this is having or likely to have a negative impact on voluntary organisations across the County.

> *'I do not feel there is enough support for developing an effective infrastructure of support to local voluntary organisations either in the county or city. There doesn't appear to be enough funding for forums to develop or be effective in local decision making. CVSs seem to be being cut back and this has an effect on us.'*

> *'Some feel in competition to each other and are not willing to share ideas, resources or contacts. Our local CVS organisation struggles to keep going and is therefore focused on their own survival.'*

> *'Information sharing has been good in the past via the infrastructure organisations BUT this will be tested moving forward with the loss of NAVO this year - the CVSs have not been as good in this respect - we need a countrywide resource. Our organisation is fortunate to have good connections cross the country in place for itself.'*

Survey respondents were also asked to provide qualitative feedback about the support they received from local support and development groups. They were asked about what was particularly good, and what could be improved, regarding the help, advice and support received.

Comments were overwhelmingly positive when referring to infrastructure support organisations:

> *'Bassetlaw CVS are always able to help and support when needed. Many of their courses are very suitable to the needs of our volunteers and often at low cost which helps us a great deal.'*

> *'We really appreciate the support, and cost, of CA Plus, having that level of expertise available is a huge benefit to us.'*

> *'It is always available, friendly, honest and we get positive answers. They don't go through committees and meetings and keep you waiting. They have a great knowledge of local activities and where to signpost for further help.'*

> *'The networking opportunities and information from Mansfield CVS have been excellent. They also provide us with payroll and HR support.'*

As above there was however concern that infrastructure support is being eroded, particularly with regard to CA Plus:

> *'CA Plus provides an excellent service, however the loss of their HR support is devastating for the sector.'*

> *'There is an unmet need within in the sector for HR support now that the CA Plus service has gone.'*

> *'CVS - the support has been limited and I understand that this has been due to changes to their organisation and also to the local authority restraints to fund as in the past.'*

> *'Our group has had great support from Ashfield Voluntary Action but they have had funding cuts and although they try it is getting harder for them to support the smaller organisations like ours.'*

There were also some suggestions on how support could be improved, most notably around communication and awareness:

'Be more active about support that can be offered e.g. was not aware that financial support could be offered.'

'More information given out to all the community groups in the East Midlands, to help the small groups improve on their organisations in the local communities.'

'One minute we receive information and then nothing for months. A more inclusive community support network would be beneficial.'

8.4. Qualitative reflections on working with other voluntary and community organisations (interviews and focus groups)

There was general agreement across our discussions with voluntary organisations, commissioners and local infrastructure organisations that there are elements of collaboration between voluntary organisations in and across Nottinghamshire. Significantly, many organisations (voluntary, public sector and infrastructure) recognise the importance of partnership working and collaboration. Specifically it is seen as an opportunity to help the sector weather the changing landscape and continue to play a role in the design and delivery of public services (see Chapter 9). Largely, stakeholders interviewed and focus group participants felt that the recent continued marketisation of public services and corresponding programme of public austerity has resulted in the emergence of a number of different barriers to voluntary organisations working together. Specifically that it has limited capacity to engage (both external and internal); cultures of silo-working, competitiveness and mistrust hamper collaborative efforts; tendency to favour informal versus formal collaborative arrangements.

Firstly participants felt that the reduction in funding is negatively impacting on the degree to which voluntary organisations collaborate through the knock-on effects it has had capacity. That is, voluntary organisations are experiencing a reduction in internal capacity and funding coupled with, in many in cases, increases in service demands. Here, stakeholders report that voluntary organisations are having to 'keep their head down' and focusing on the day-to-day to keep their doors open. This was found to limit the internal capacity to attend networking events and access the necessary headspace to think innovatively and creatively. Moreover, a reduction in the local voluntary sector infrastructure in Nottinghamshire has led to a decrease in the number of networking and partnership events on offer to the sector. At the Ageing Well Conference, focus group participants praised such events where the 'voluntary sector can showcase what they do and networking events to build relationships' as being a good thing.

'I think they have diminished as previously when, before austerity, I can remember when there were all these partnership groups where in effect and people would go along because there was money linked to it and you could actually…the partnership had an outcome that you would get involved in a project and get funded to deliver it. That has rescinded as that has started to pull away and organisations have stopped getting involved in partnerships like that…you would meet people and then discuss how you could work together. I think that has diminished as funding has fallen, then people have started to get in behind their own walls and try look after themselves by nature you need to try to ensure as on organisation that you can fund what you want to do going forward. But going back to the previous one, but the only way you do that is if you work collaborative and you look at the strengths at a number of

organisations so you get more by working together than by working individually'. (Stakeholder Interview – VO)

'We try. Yesterday I tried to forge links with [another VO] but it is when there is a lull in our workload if you like. We will plan it in at the beginning on the year but…we are doing that more because of the loss of some of the forum we would have attended and been able to meet people. So it is not as easy, I know [collaboration] is what we need to do…but it is really difficult. In terms of finding the time to be involved but identifying the opportunities to collaborate. When you are working part time it is difficult or it is a 'constant juggle' to be able to do the day to day basis…' (Stakeholder Interview – VO)

'So I think it is very much to do [lack of collaboration] to with, amongst things…with that capacity…and to be honest not to being able to stick your head about the parapet and look around and go somebody could be doing this with us we could do this differently.' (Stakeholder Interview – LIO)

'The challenge is that groups are working in very constrained environments and at one point people would have used their core funding to offset some of their innovative work but now people don't have that level of flexibility to take that chance and try working in a different way. The core is not covering what they are doing in the day to day. (Stakeholder interview – Commissioner)

'The other important element is capacity and resources to do that sort of networking. Charities don't have the capacity because they are having to focus more on service delivery due to increasing service demand. Things like CVS are unable to support networks in the way they used to before because of the diminished funding. So they are unable to do that. So the emphasis on more service delivery has been at the expense of good practice really'. (Stakeholder Interview – Commissioner)

Secondly factors of entrenchment or silo-working, increased competitiveness and mistrust are very much interrelated factors, which makes it difficult to consider them in insolation. Largely, commissioners and voluntary and infrastructure organisations reported pockets of silo-working occurring within the sector. This was attributed to stretched internal capacity of voluntary organisations and the desire to survive resulting in organisations wanting to retain an element of control. Arguably issues of mistrust and increased competitiveness in the funding environment, to an extent can further exacerbate this entrenchment, as well as affecting each other. One commissioner reported that he was aware of a couple of organisations who were brought into a consortia and had their ideas stolen and then were dropped at the last minute. Smaller organisations also are reported as often being fearful of entering into collaboration with larger organisations as they might end up being swallowed up or cut out of the picture completely. This further intensifies mistrust, perceptions of competitiveness and entrenchment through a desire to protect their own turf. Studies of voluntary organisation-public sector relationships [38] and inter-organisational relationships [39] generally, report that environments where relationships are increasingly governed by competitive interests and excessive levels of control

[38] Buckingham H (2009) Competition and contracts in the voluntary sector: Exploring the implications for homelessness service providers in Southampton. *Policy & Politics* 37, 2, 235–254. Milbourne, L. (2009) Remodelling the Third Sector: Advancing collaboration or competition in community based initiatives? Journal of Social Policy 38(2): 277–297; Mills A, Meek R and Gojkovic, D. (2011) Exploring the relationship between the voluntary sector and the state in criminal justice. *Voluntary Sector Review* 2, 2, 195–213. Milbourne, L., Cushman, M. 2013. From the Third sector to the Big Society: How changing UK government policies have eroded third sector trust. *Voluntas*, 24, 2, 485-508;

[39] Huxham, C. and Vangen, S. (2004). Managing to collaborate. London: Routledge.

(particularly through contractual frameworks) can adversely affect the developing or sustaining cross-sector trust.

‘I think it is more than competition. The competition is actually breeding an element of distrust amongst organisations. A couple of organisations I know have been brought into a consortia and they have had their ideas stolen and then dropped at the last minute.’ (Stakeholder Interview – Commissioner)

'I think among front line organisations there is a reticence to do that [collaborate] and I understand where it comes from if you are put in a market place with limited funds and the competition is just horrendous and the smaller you are the less likely you are prepared to give a little bit up of control. It is the bigger organisations that seem to be able to collaborate more easily. I am aware of quite a number of significant collaborations and if you look at the types of organisations which are involved they are quite large in the scale of things in the county. The smaller organisations are maybe 50-100k are less likely to want to collaborate as they are either swallowed by big ones and they don’t feel they have any control or they don’t know how to engage and don’t have the capacity to engage at that level. Whereas the bigger ones like ourselves [500k turnover plus] you can come together as peers and you can have a much more robust business conversation about how you are going to do your partnership. So I think it is very much to do with that capacity, size and trust…' (Stakeholder Interview – LIO)

‘But again to try and maintain that function whilst trying to make sure that everybody feels involved and removing that competitiveness….there is that mistrust underneath all the time, you know. Outside of the meeting you might get ‘you know they aren’t attending again and they should be here’…We do consider it to be a positive network…’ (Stakeholder Interview – Commissioner)

Lastly, there was a general consensus across research participants that the sector is tending to favour forming informal rather than formal collaborative relationships. Some people reported that organisations where fearful of participating in formal collaborations. Again issues of loss of control, internal skills and capacity, competitiveness, mistrust and ongoing austerity measures appear to be inhibiting organisations from pursuing such relationships:

There then seemed to be an agreement within the group that there are lots of informal links rather than formalised ones. Indeed the representative from the CAB stated that there is networking going on and links being made through events like the Seminar, but that when it comes to partnership level agreements or service level agreements you won't see much of this formalised type of working together. (Focus Group 2)

'I suggested when the CC grant aid was open would anybody [in their network] want to work together on a bid…because they had been working with all of them on their bids to the grant aid to ensure ‘they had the best application they could’ and I said why don’t we put in group bid?' and the tumbleweed just floated past. It would have been a perfect opportunity for them to work formally together as all the groups had worked together on other projects. [Individual name] felt their fear was if they went with everybody else they wouldn’t get anything. But her fear was if everyone put a little on in, either none of them would get it or just a couple would get it and it would be smaller. Largely they got slightly less than they wanted but not massively so but it was a really fear of everybody as this is the money they need to survive. The ability to relinquish control was not there.' (Stakeholder Interview - VO)

'A lot of people are talking about collaboration but the number people actually doing it are quite small. Just turning up at a meeting and have a conversation with somebody is not collaboration. To do it properly it is resource intensive but can have results.' (Stakeholder Interview - Commissioner)

Whilst these perceptions did permeate many discussions within the sector, there are examples of formal collaborations between voluntary organisations (e.g. Social Prescribing Pilot and Big Lottery's Small Steps, Big Steps programme and Multiple and Complex Needs Programme).

We asked stakeholders what they felt could overcome these barriers of mistrust and/or competiveness. Largely, they felt that organisations needed to have trust in their own organisation's ability as well as other organisations, have a clear business model, ensure the right skills mix on governance boards, and staying true to their mission.

'I think it is getting a lot better in the last year or so. How much people are prepared to collaborate I don't really know. There is two issues there. One is…trust and confidence with your own organisation. And the other of course is that individual trust of the other organisation. If we get both of those…if you are confident and really we ought to be…all of us ought to be prepared to sacrifice our organisation for the sake of the community if we thought that was the thing to do'. (Stakeholder Interview – LIO)

'And I suppose that is true in private business as well. I think that a lot of local organisations need to look at the structure or their board. And it is that shift from traditional trustee responsibilities to having a business model and key responsibilities and key skills at board level that can deliver on that. I don't think there are any hints and tips just a lead by example, standing true to your key constitution and aims and not deviating from that and building some trust'. (Stakeholder Interview - LIO)

Another interesting point highlighted by two commissioners is the need to focus on creating a shared purpose to the collaboration. Here, they feel that the focus on creating the contractual arrangements (like an SPV (Special Purpose Vehicle)) has meant less time and energy is spent on building a shared purpose between organisations and an increased chance of organisations fighting between themselves around who does what. To a degree they felt both sectors (public and voluntary) were at fault for this and that people can grossly underestimate the time consuming nature such a process can be for both parties.

Summary: Working with other voluntary and community organisations

There was general agreement across our discussions with key stakeholders that there are elements of collaboration between voluntary organisations in and across Nottinghamshire. Largely, stakeholders interviewed and focus group participants felt that the continued marketisation of public services and corresponding programme of public austerity has resulted in the emergence of number of key barriers to voluntary organisations working together:

Specifically that it has:

- limited capacity (both external and internal) to engage in collaborations
- contributed to the creations of cultures of silo-working, enhanced competitiveness and mistrust which hamper collaborative efforts
- tendency to favour informal versus formal collaborative arrangements.

Stakeholders felt this could be overcome by organisations having trust in their own organisation's ability as well as other partner organisations, having a clear business model, ensuring the right skills mix on governance boards and staying true to their mission. Two commissioners highlighted that both sectors are prioritising building the contractual elements and forgetting about the relational elements like building a shared purpose. This is particularly salient as this type of relationship building is time consuming in a rapidly changing landscape.

8.5. Qualitative reflections on working with local infrastructure organisations (interviews and focus groups)

Similar to the survey findings voluntary organisations expressed high degrees of satisfaction concerning their interactions with local infrastructure organisations. Organisations reported having excellent links and had accessed a variety of services such as volunteering, partnership working, training and development, communications, income generation, financial management and governance. In these cases the voluntary organisations felt that the support received enabled them to be successful:

> *'It is quite good actually. I have benefited from the relationship with the CVS. It is different for each one but the most productive working relationships I have had in the area. I have had the chance to bounce ideas off people and get peer support. I have advertised staff vacancies, used their bulletins for marketing, training and attracting volunteers. I have also gained advice on group development and capacity- building also.' (Stakeholder Interview - VO)*

> *'Generally good…But they provide us with a good stream of volunteers. We run successfully because we have 224 volunteers across the city and the county and it is those LIOs that support us with those individuals. Also the ebulletins the organisations send out that let us have a wider understanding when I am looking for charities, trusts and grant opportunities…they are invaluable as they sift through that information and they put out a list monthly I can skim and go into if something looks like it fits out criteria.' (Stakeholder Interview - VO)*

> *'It is very good. We have got a lot of different things we have worked together on in terms of projects, staffing, funding there is a whole host of things we have linked up on….[the support received] has allowed us to access funding we may or may not have otherwise been able to access, it has allowed us to develop links with other organisations that we wouldn't have done….it has made it much*

easier by the introductions and working alongside the CEO and their team to develop projects and partnerships' (Stakeholder Interview - VO)

One VO had received support and training courses from a local CVS which they were happy with. Another VO stated that they had had infrastructure organisations come to talk to them but they were not a permanent feature. It was then generally agreed by the group that that is the benefit of an infrastructure organisation being 'a resource that is there when you need it'. (Focus Group 2)

'In the early days, I did, I had lots of support in terms of fundraising. The LIO fundraising manager there gave me a lot of support and help on where to go and made sure I could access the right sources and if she saw a fund she thought I could apply to, she would help. There were a couple of new projects coming up and she suggested us for it in partnership with the old PCT. We got that contract.' (Stakeholder Interview - VO)

Whilst nearly two-thirds of voluntary organisations in the survey indicated they were satisfied with the support available from local infrastructure organisations, focus groups and stakeholder interviews offered a slightly different picture. A number of organisations felt that the capacity of voluntary infrastructure was shrinking. Voluntary organisations were aware that the capacity in the LIOs was stretched due to funding cuts. This largely mirrors trends nationally as central government has withdrawn investment in national infrastructure programmes and local spending is dramatically reduced.[40] A number of infrastructure organisations said they have had to scale back on the types of services they deliver to the sector in an effort to keep operating. Other LIOs have diversified their funding portfolio by charging for services or investing in profit making ventures to make up for significant losses in grant funding over the past few years. A number of voluntary organisations cited the closure of NAVO (Nottinghamshire Association for Voluntary Organisations) and the loss of the HR support services offered by CA Plus as disappointing as these contributed to development of the sector. Largely, perceptions were that infrastructure organisations have an important role to play in the development of the sector:

It was felt that if they were to disappear this would have a knock on effect on VCS organisations - 'if the CVSs are struggling then the groups are certainly going to be struggling' and 'if they're not there the whole structure of the sector starts to fall apart'. It was felt that infrastructure organisations and are a resource that needs to be available but are not something which is an obvious thing to fund. The recent closure of NAVO was highlighted as 'ridiculous and short-sighted'. There seemed general agreement that local infrastructure is being slowly destroyed. (Focus Group 2)

'The LIO staff is stretched and that is more down to their funding than them not being willing to do stuff. If I could have any wish list of what could you fix, is that actually roles like LIOs would actually be properly funded because the knock on effect on many other partners is huge.' (Stakeholder Interview - VO)

[40] Bubb, S. and Michell, R., 2009, 'Investing in third-sector capacity', in P. Hunter (ed) *Social enterprise for public service: How does the third sector deliver?,* London: Smith Institute, 73–81; Big Lottery Fund (2011) *Building capabilities for impact and legacy: a discussion paper,* London: Big Lottery Fund; Macmillan, R. 2013, 'Demand-led capacity building, the Big Lottery Fund and market-making in third sector support services' *Voluntary Sector Review* 4, 3, 385-394; Dayson, C. and Sanderson, E., 2014, Building capabilities in the voluntary sector: A review of the market, Birmingham: Third Sector Research Centre.

'We will miss the employment advice that we used to get through CA Plus. That is just invaluable we can't afford to pay solicitors for some of that employment advice and I think it is a real shame that is now going to not be available. It is a real shame, it will put people off right in the very beginning as there is no one out there to help with potential claims for discrimination or if you get into staff relation difficulties. It is hard work.' (Stakeholder Interview - VO)

'It depends on what kind of support you are talking about. I think [LIOs] are quite good at keeping groups informed. And I think they are quite good at trying to engage groups, but the actually physical, practical support that groups needs I don't think there is the capacity to do that anymore. (Stakeholder Interview - Commissioner)

Positively, major grant funders of the voluntary sector like Lloyds Bank Foundation and Big Lottery have moved to providing capacity and capability support alongside their traditional grant funding. For Lloyds they are managing their relationships more to help them develop further rather than just giving the money and leaving. An example here is the mentoring scheme where mentors from the Lloyds TSB support organisations in receipts of grants. With regard to the Big Lottery Fund, organisations who are awarded a grant through the Reaching Communities programme are given the opportunity to opt into an additional £15k to support the capacity and capabilities of the organisation. So it has nothing to do with the project but has to do with the organisation. For example this funding can spent on getting a consultant in to work with a voluntary organisation about their long-term future or training that might be required.

Summary: Relationships with infrastructure organisations

Similar to the survey findings voluntary organisations reported satisfaction with their interactions with local infrastructure organisations. Here organisations reported accessing a variety of support services such as volunteering, partnership working, training and development, communications, income generation, financial management and governance. These organisations expressed that the services they accessed had helped them to be successful. Due to the changing landscape in terms of the role and funding of the voluntary sector infrastructure, some key agencies (NAVO) and programmes (CA Plus HR support services) have been withdrawn which has been cited as loss by a number of voluntary organisations. Largely perceptions were that infrastructure organisations have an important role to play in the development of the sector.

8.6. Qualitative reflections on capacity and capability-building - moving forward (interviews and focus groups)

Discussions around building the capacity and capability of the sector going forward were dominated by calls for increased funding to the sector (via grants and commissioning) generally. As austerity measures are set to continue until 2018, the likelihood of increases in funding looks unlikely to happen. Beyond this, key areas highlighted were around collaboration, getting smaller organisations involved in commissioning and the delivery of services, ability to demonstrate impact/social outcomes, accessing space to be innovative, continuing support of the voluntary sector infrastructure. A number of these areas mentioned by individuals were also discussed in detail in the previous chapters as they are areas of importance in terms of the sectors future development as well as being areas of perceived weakness.

Firstly, collaboration (see section 8.4) between voluntary organisations (and other bodies) is perceived as way forward to enable the voluntary sector to remain (and increase) involved in the design and delivery of services. Yet the interviews and focus groups reported a number of barriers to effective collaboration which include capacity (internal and external) and increased levels of competitiveness and mistrust. There is space for capacity and capability-building in terms of building effective inter-organisational relationships (between both voluntary and public sectors), supporting smaller organisations to get involved in service delivery and developing the skills in the sector to build and maintain SPVs which are increasing growing in prevalence.

Secondly, the ability to demonstrate impact and delivery towards social outcomes were areas that commissioners felt the sector generally could improve as these are areas that have grown in importance in the current funding landscape.

Thirdly there is a capacity issue in terms of accessing the time and headspace to think outside the box. As one voluntary organisation reported they would like to experiment with new approaches to service delivery but because of financial and time constraints they lack the opportunity to do so. This is particularly important as in some cases funders will be looking for models of service delivery which have established track records in delivering outcomes and value for money. Lastly, organisations cited the continuation of funding to infrastructure organisations as essential to the capacity and capability building of the sector as they are seen as important conduit for this work. This will be a topic we will explore in more detail in Chapter 9.

Summary: Targeting future capacity and capability-building support

The key areas highlighted to target future capacity and capability-building support were:

- different facets of collaboration or consortia development, such as getting smaller organisations involved in commissioning and the delivery of services, building effective inter-organisational relationships (between both voluntary and public sectors), supporting smaller organisations to get involved in service delivery and developing the skills in the sector to build and maintain SPVs
- ability to demonstrate impact/social outcomes,
- accessing space to be innovative,
- continuing support of the voluntary sector infrastructure.

Key challenges facing the sector

9

9.1. Qualitative reflections on future key challenges for the sector (survey responses)

Survey respondents were asked to think about the future and what they thought were the main challenges facing their organisations in both the next 12 months and in the next 2-3 years.

In the immediate and long-term future, securing funding was the key challenge for many organisations, with several respondents expressing concerns about the future sustainability of their organisations:

> *"Although we are lucky to receive statutory funding there is a large whole in our budget that we have to raise in small grants and fundraising each year. We just never know how successful these will be. This year we have cut a staff member in readiness for tighter and tighter budgets."*

> *"Our Lottery grant comes to an end and unless we can find further funding, our staff will be made redundant."*

> *"Lack of funding due to central government cutback and less support for CVS in general."*

> *"Without additional funding we will not be here this time next year let alone in the next 2-3 years."*

A large number of organisations were also concerned about their future capacity and ability to both retain and recruit staff and volunteers.

> *"Recruiting enough volunteers to keep our activities running."*

> *"All getting older, volunteers can't go on forever."*

> *"Capacity - need more volunteers and public input."*

> *"Capacity is a big issue and with work placements and volunteers under more and more pressure to confirm to different agendas we are seeing people fearful of volunteering and being punished with sanctions."*

> *"Finding enough volunteers we are about to close a unit as no volunteers to take over."*

> *"Recruitment and retention of a quality workforce."*

9.2. Qualitative reflections on future key challenges for the sector (interviews and focus groups)

Similar themes emerged from the stakeholder interviews and focus groups as that highlighted in the survey such as: lack of funding; volunteering; communication; and voluntary sector infrastructure. A major challenge a lack of funding brings to the sector is its impact on a number of different areas such as organisation capacity, organisation sustainability, collaboration and culture change. Whilst some of these areas are challenges to the sector, in some cases these were also perceived as possible opportunities in terms of future development. Where possible these elements will be highlighted.

Discussions regarding the key challenges facing the sector were largely dominated by concerns regarding the reductions in public sector funding and the impact of this on the sector's long-term sustainability. The public sector austerity measures and changing face of the 'welfare state' started by the previous Coalition Government will continue until 2018 under the now Conservative-led government. This has created an environment where voluntary organisations (in some service delivery areas) are experiencing increasing demand for their services alongside reductions in their funding and internal capacity. This has impacted on the sector's long-term sustainability as some groups lack the necessary capacity to 'grow, develop or sustain' whilst others have ceased to exist. Although overall funding is diminishing, areas like self-care, end of life care and building relationship with GPs to deliver supported care in the community for example offer some opportunities. Whilst, changes to the funding landscape have cultivated a sense of worry and pessimism concerning the sector's future, some stakeholders had felt there were some positives emerging from these changes. Firstly, one of these was that it highlights the 'toughness' and 'resilience' of the sector:

> *'that [VCS organisations] are incredibly tough and incredibly resilient. There are organisations that I am staggered that they come back every year. On a commercial level they would have gone to the wall ages ago but they have found a way to get by.' (Stakeholder Interview – LIO)*

> *'you do end up getting by but that is one of the benefits of the sector…it is resilient and tenacious. But it would be far better for greater impact for people if we weren't scrubbing around and trying to find their feet again.' (Stakeholder Interview – VO)*

Secondly, is that these changes offer the sector a chance to consider how it could be more creative and innovative in the way it works and also scrutinize its own efficiency and effectiveness. One way this could be achieved is through more formal collaborations between voluntary organisations and possibly voluntary organisations and other sectors (private and public). From conversations with commissioners, infrastructure organisations and some of the voluntary organisations we spoke with, formal collaborations (such as consortia development) is a way to continue and increase the voluntary sectors involvement in the design and delivery of public services as the majority of funding opportunities emerging are large multi-level contracts. Whilst consortium development is an opportunity it is equally a challenge for sector. Overcoming issues of competitiveness, lack of capacity to engage, enabling the involvement of smaller local organisations and elements of mistrust will not be straightforward to achieve (see Chapter 8). Moreover, an important challenge in consortia development is the recognition that these relationships take facilitating. That is, it takes both time and skills to create a share purpose from which consortia is built and maintained, particularly in an environment which is rife with competition and mistrust. Some suggested that a way to overcome this would be to focus future capacity building funding on developing consortia. Others also felt that infrastructure organisations could in some instances be the right point of coalescence to develop, maintain and delivery these consortia. There are examples previously highlighted (see Chapter 6) of this currently happening.

> *'CVSs have been brilliant in the past at bringing these partnerships together. I think that is a real opportunity for the sector to work together to get sizable amounts of money. They have got that view across the whole VCS. If my colleagues would have come to me and asked my team to pull together this consortium, I think we would have failed because we would not have that full picture that our partners in infrastructure have, that is a real strength. I think, CVSs role there is a real strength of theirs that they can work their way through those muddy waters and support groups to actually work together and collaborate'. (Stakeholder Interview - Commissioner)*

> *'What needs to happen is the next set of money that comes out needs to be that consortia development because people are having to work differently. And it can't just be we are doing it and you can't be doing because we are doing it. It has to be we are all doing it'. (Stakeholder Interview – VO)*

One area which is inter-related to the challenges around funding and collaboration is the degree of culture change facing the sector. A number of organisations we spoke to felt that patches of the VCS have yet to accept the changes in the funding and political landscape. This has to some extent caused what stakeholders report as patches of 'survival mode' where organisations lack the capacity to see the 'bigger picture', the willingness to relinquish control and fear of change to embrace new ways of working or development. Thus organisations have to balance surviving with growing or development - which can place them at risk of being 'left behind'.

> *'I think some of the opportunities are opportunities that have been there for years and years. And those are working together and trying to throw out that tribal feeling of 'this is my role' and looking much more at the need of the individual and thinking how we can work together.' (Stakeholder Interview – LIO)*

> *'Also breaking out of everybody being in survival mode…and I think we could change one thing it would be to get people to approach things a little bit different. We are all trying to survive but actually, let's all work from the same page. We are not all going to agree on everything and that is fine, we don't have to agree on everything. But we can find a common area… things could be much better but maybe people don't want to or aren't working to make it better because it is easier to stick with what you know and of course change is scary but if you don't embrace it is about being left behind. I don't think people remember that actually we have survived more than this [reduction in funding] and been through tougher times and need to get back to being more creative about the way we do stuff. It is fear really, 'what are we going to do now'….well you have done more with less, you have been listed for longer than this…' (Stakeholder Interview – VO)*

> *'Some people just don't get that the world has changed. Some organisations have been more aware that we are operating in a different world and have been getting on with it so they have managed to ride this out. This isn't going to be palatable but funding is always going to be an issue…but the upside is we have a lot of stronger and leaner organisations if you survive this. I believe very strongly that we as a sector have really got to join the dots up for ourselves and find those alliances and look at how we collaborate. In doing that, we're much more resilient and I think it is trying to learn from the others that have a good strategic overview and an ability to see what is coming if you like to support the*

process of others, to act as mentors to these smaller organisations..' (Stakeholder Interview – LIO)

'I also think a lot of organisations have still not come to terms with the fact that we are never going to go back to where we were 5 or 10 year ago. It is a different world now and get used to it, it is not going to go back.' (Stakeholder Interview – VO)

Positively, some stakeholders felt the sector was improving in terms of embracing change as a number of organisations have diversified their funding portfolios and/or developed new ways or working: 'take heart there are some really strong organisations that really understood how to become lean and work within these types of constraints'; 'This conversation is not as negative as it might have been 2-3 years ago. I think there are some chinks of light and we are starting to see some things come through'.

Another area highlighted in the qualitative work as a significant challenge facing the sector, as in the survey responses, is volunteering. Largely, the main challenge is the increasing demand on, and for volunteers.

The idea of a 'civic core' [41] in society, where some people contribute a disproportionate share of the voluntary effort, is increasingly being felt by the voluntary organisations involved in the research. As funding reduces and service demand increases, organisations report concerns over 'burn-out' as they rely heavily on a core group of volunteers. A number of interviewees and focus group participants cited an ethical dilemma facing the voluntary sector where they need volunteers to keep going but where there is enough work for a full-time job, this should be paid a full time job. This issue of 'burn-out' is further exacerbated by organisations reporting challenges in terms of recruiting and retaining volunteers. Generally it was felt those who are heavily involved in volunteering are getting older and this pool needs refreshing with new and younger people – but people are not as interested in volunteering as they may have been in the past.

In regards to challenges, organisations felt the greater demand for volunteers is a challenge. One organisation felt many volunteers are older and they are going to need replacing but not a lot of young people are interested. Then there is an issue in training volunteers. And the issue that volunteers are a finite source really. Again this brings up the ethical dilemma of relying too heavy on volunteers. They need to them keep going but if there is enough work for a full-time job then that should be a full-time job as one participant says. Full pay for a full day's work the lady says. Again another participant felt one of the biggest challenges is volunteers. There is just not enough young people involved and quite a lot of the volunteers are old like he is and they need replacing. They have strict training programmes at his organisation so they aren't bothered by training volunteers, issue is getting them through the door and retaining them. (Focus Group 4)

The group spoke of the difficulties of recruiting volunteers, particularly in a rural context. Same volunteers in 'every group' - there is a risk they might burn out. Capacity, not capability is the issue with volunteers – in the sense they know what they are doing but need more people. Good volunteers often become employees, further reducing the pool of volunteers. One participant described how ex-service users often became volunteers and then employees - also often a case that people 'don't volunteer themselves'. Issue raised of young people in

[41] Mohan, J. 2011, Mapping the Big Society: perspectives from the Third Sector Research Centre. Working Paper 62, Birmingham: Third Sector Research Centre.

the area working further away and commuting - not as much a part of the community and less likely to volunteer. (Focus Group 1)

A participant also commented that the sector is reliant on goodwill and at the moment the pressure being put on those providing the goodwill is unfair and also commented how it is hard to associate the idea of the Big Society with the lack of ability to encourage the Big Society. Another participant also knocked down the idea of a Big Society stating 'it doesn't work'. (Focus Group 2)

She thinks the government are very wrong in expecting…'I have always worked full time and done some volunteering over the years….If people work full time they don't always want to be volunteering at weekends. Volunteering is a very personal sort of thing and you cannot expect volunteers to do what paid members of do.' (Stakeholder Interview – VO)

'The big barriers are enough volunteers and volunteers with time. There does seem to be a change in attitude in the sense that in the past quite a lot people gave time. It isn't necessarily in people's vocabulary volunteering. That is an area we have got to work on. I think people have got the abilities…but there is not as many…..you hear it all the time, it is the same people doing the same work…. But I think we are going to struggle now to get people to pick up some of that work and I think there is more expected of them.' (Stakeholder Interview – LIO)

Whilst the do-it.org website was perceived as a way to attract volunteers it was felt it was not the same as the face to face volunteering and networking events LIOs used to hold. This was particularly felt to have an impact on attracting certain groups of individuals (primarily elderly) who possibly want to be involved but do not have access to the necessary technology. Some voluntary organisations did report that social media could be a way to attract younger people and on the whole the sector is probably not as good at using IT and social media as they should be.

Following on from above, another challenge discussed involves communication. Here, the challenge is around communicating, and promoting, what the voluntary sector is and what it does. Perceptions were that the public (and in some cases areas of the public sector) do not understand what the voluntary sector is and these misconceptions can lead to people undervaluing what the sector has to offer. As discussed in Chapter 6, commissioners felt the sector struggled to articulate its impact and delivery towards social outcomes. With the advent of personalisation, marketing your organisation to service users as well as commissioners is becoming more necessary and relevant to longer-term sustainability. Whilst, IT and social media were seen as ways voluntary organisations can effectively reach a wide audience, the marketing, communication and IT skills are needed in house to achieve such activities. This raised questions whether smaller organisations have the internal capacity or time to be able to engage in such activities.

There also seemed to be some agreement that the work people are doing is not recognised or appreciated - 'If every volunteer went on strike for a week, the country would fall apart' People would not be taken to hospital, able to access GPs, home visits wouldn't happen, unpaid carers wouldn't provide care etc. There was general agreement that voluntary organisations are misunderstood. There was a feeling that the public believe voluntary organisations are funded by government and that people believe volunteers are paid. (Focus Group 2)

'Communication and promotion is key. I don't think is something we have clever or have done it well as a sector. I don't think we shout enough or promote what the sector achieves. An aspiration I have got for the new collaboration we are

putting together with Nottinghamshire Together is to try and find ways to raise the public profile of that the voluntary sector organisations are doing. So for us as an infrastructure organisation it would be helpful to be able to communicate more broadly, to be visible more often and I mean in terms of how we work with media or social media.' (Stakeholder Interview – LIO)

Lastly, shifts in the voluntary sector infrastructure in Nottinghamshire are seen as a challenge facing the sector. Changes in the political landscape have diminished funding available for capacity building both nationally and regionally. In conversations with a few infrastructure organisations they reported cutting back on the type and range of services delivered in an effort to keep operating. Some have diversified their funding portfolio by charging for services or investing in profit making ventures to make up for significant losses in grant funding over the past few years. In one instance a group of three CVSs had planned to merge into one CVS, in an attempt to continue providing services in the limited funding environment, by joining forces and reducing duplication. At the 11th hour, the merger fell through which has had a significant impact on the sustainability of two of the partner organisations. One organisation will be closing imminently and the other's long-term sustainability looks in jeopardy. Largely the failure of the merger was attributed to personality conflicts and protecting of turf by some of those involved in the merger process. Because of the merger failure, key knowledge, skills and expertise gained by these organisations could potentially be lost to the sector. This is particularly salient as voluntary organisations expressed high degrees of satisfaction concerning their interactions with local infrastructure organisations and accessed a wide variety of capacity building support services.

Largely, perceptions were that infrastructure organisations have an important role to play in the development of the sector. Given the changes in the funding landscape, it appears that the voluntary infrastructure in Nottinghamshire needs to adapt its ways of working to remain viable in the current climate. Some LIO representatives felt the changing infrastructure landscape was an opportunity to provide a more targeted and lean infrastructure in Nottinghamshire, streamlining service delivery by reducing duplication. Positively, local infrastructure organisations recognised the need to work in formal collaboration going forward into the future. Arguably, given past precedence this could indeed be challenging not only for local infrastructure organisations but also the local voluntary organisations they support.

Summary: Key challenges facing the sector

The key challenges reported to be facing the sector going forward are:

- Lack of funding - this impacts factors such as organisation capacity, organisation sustainability, collaboration and culture change
- Volunteering – specifically the increasing demand on, and for volunteers by the sector
- Communication – around communicating, and promoting, what the voluntary sector is and what it does to the general public as well as commissioners
- Nature of voluntary sector infrastructure - diminishing financial support for capacity building activities and recent failed merger threaten the sustainability and impact of infrastructure support in Nottinghamshire.

Conclusions

10

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

    - there are an estimated 4,663 organisations working in the voluntary sector
    - the vast majority of organisations are micro or small (94 per cent less than £100,000)
    - the areas with the greatest proportion of organisations working in them are: health and well-being; education, training and research; sport and leisure; and community development
    - the voluntary sector works at a range of different geographical levels: both across and beyond Nottinghamshire; the local authority area, and specific communities and neighbourhoods within it, are the main focus for a majority of organisations
    - it is estimated that the voluntary sector in Nottinghamshire made 4.5 million interventions with clients, users or beneficiaries in the previous year.

2. **The sector in Nottinghamshire is an important economic player, contributing significantly to GVA. But patterns in the amount of money the sector receives, the way organisations are spending their money, and the size of their financial reserves suggest the sustainability of many organisations is under threat.**

    - total income in 2014/15 is estimated to be £192m, a reduction of four per cent compared to 2013/14
    - a large proportion of organisations have very little money to fall back on if their funding reduces: just over one-quarter have reserves totalling less than one month of expenditure, and just over two-fifths have insufficient reserves to cover more than three months expenditure.

3. **The voluntary sector is a significant employer.**

    - in 2014/15 there were an estimated 4,800 FTE paid staff. In addition the sector was supported by 86,200 volunteers who combined donated 146,900 million hours per week
    - valuing the contribution of volunteers to Nottinghamshire organisations by the expected value of the output that they produced gives an estimated contribution of £145.3m.

4. **There is a mixed picture in Nottinghamshire regarding relationships between the voluntary sector and public sector bodies.**

- while 76 per cent of respondents who have a great or fair amount of contact with Nottinghamshire County Council said they valued their work, only one-third said they act upon their opinions/consultations
- some voluntary organisations who participated in the qualitative work felt they had good relationships with public sector bodies whereas others found all of some of these groups difficult to build relationships and influence. This was attributed to variability in factors such as:
  - reduction in public sector spending
  - rapidly changing public service delivery landscape
  - lack of communication
  - personalities of individuals.
- the above factors are further compounded by the changing nature of the relationship between the voluntary sector and the state both nationally and locally as formal support for voluntary organisations, for example through grants, has reduced, while the move towards them contracting to deliver public services has continued apace
- on a positive note, even in the restricted funding environment, local public sector bodies have continued to run grant aid programmes albeit the size and number have diminished from previous years. This was recognised as an important 'lifeline' for some groups.

5. **The ability of voluntary sector organisations to influence public sector bodies appears to vary depending on service delivery area, geography and personality of commissioners.**

- 18 per cent of respondents are satisfied with their ability to influence Nottinghamshire County Council decisions of relevance to their organisation while 33 per cent of respondents said they were satisfied with their ability to influence key decisions of their most frequent other public sector contact
- the picture in Nottinghamshire is more positive than at the national level. Nationally only 16 per cent were satisfied with their ability to influence local public sector bodies
- however, while some of the front-line and local infrastructure organisations who participated in the qualitative work felt they were able to influence their local public sector bodies, others either struggled to establish relationships and communication/relationships or felt interactions were 'top-down' with limited opportunity to feed into priorities and decision making
- those who were successful at influencing commissioners:
  - approached commissioners with 'solutions' which were focused on addressing priority areas for the different bodies
  - were perceived as experts with an understanding of local knowledge and access to hard to reach groups
  - noted an existence of 'trust' based upon experience or knowledge of working with voluntary sector to deliver services.

6. **Relationships between the voluntary sector and private sector are at an embryonic state within Nottinghamshire.**

- engagement with commercial businesses is relatively low with just 11 per cent of organisations having a fair amount of direct dealings with commercial businesses in Nottinghamshire (and just one organisation a great amount)
- only 17 per cent of respondents agree that commercial businesses value their work and 16 per cent agree that they understood the nature and role of their organisations
- however, there is a feeling that this engagement needs to develop
- some District Councils and private sector boards are running events to encourage relationships between the sectors to aid local regeneration. Whilst, there are charitable trusts running mentoring schemes, helping voluntary organisations to develop business skills
- a handful of voluntary organisations have established relationships with very large commercial businesses in the area which initially started through contact with the businesses' volunteering schemes run as part of their corporate social responsibility programmes.
- the qualitative work suggests the perception of stakeholders is that in order to make relationships work both sectors needed to be aware of the benefits, which are not necessarily always financially driven.

7. **There are elements of collaboration between voluntary organisations in and across Nottinghamshire however barriers exist to collaboration.**

- 50 per cent of respondents have direct dealings with other voluntary and community organisations
- there was feeling among qualitative research participants that public austerity has:
  - led to limited capacity (both external and internal) to engage in collaborations
  - contributed to the creation of cultures of silo-working, enhanced competitiveness and mistrust which hamper collaborative efforts
  - a tendency to favour informal versus formal collaborative arrangements.
- stakeholders who were interviewed, felt that to overcome this, organisations should have trust in their own organisation's ability as well as other partner organisations, have a clear business model, ensure the right skills mix on governance boards and stay true to their mission.

8. **There is high satisfaction with the support provided by infrastructure organisations but also concern that this support is being eroded.**

- 68 per cent of support recipients are satisfied with the support they received from local support and development organisations across Nottinghamshire and voluntary organisations participating in the qualitative research reported satisfaction with their interactions with local infrastructure organisations
- these organisations expressed that the services they accessed had helped them to be successful
- some key agencies (NAVO) and programmes (CA Plus HR support services) have recently been withdrawn which has been cited as a loss by a number of

voluntary organisations and contributed to a sense that voluntary infrastructure is shrinking

- the general perception among research participants was that infrastructure organisations have an important role to play in the development of the sector
- the following areas were highlighted through the qualitative work as areas to target future capacity and capability building support were:
  - different facets of collaboration or consortia development, such as getting smaller organisations involved in commissioning and the delivery of services, building effective inter-organisational relationships (between both voluntary and public sectors), supporting smaller organisations to get involved in service delivery and developing the skills in the sector to build and maintain SPVs
  - ability to demonstrate impact/social outcomes,
  - accessing space to be innovative,
  - continuing support of the voluntary sector infrastructure.

9. Applying for grants and bidding for contracts still remains a difficult task for sector.

- generally interviewees and focus group participants report that front-line organisations lack most significantly the time and to a lesser extent the internal skills and knowledge, to apply for funding and bid for tenders
- the reduction in public spending over the past few years has resulted in an increase demand for services and limited opportunities to win funding. Many voluntary organisations report being consumed with managing the day-to-day and lacking the space to either respond or think strategically about their funding strategies
- this largely appears to be affecting the smaller organisations although some larger organisations are struggling to maintain funding
- there are some examples of the sector pulling together consortia through which smaller organisations will be capable of bidding for and winning contracts to deliver services.

10. Lack of funding, volunteering, communication and VCS infrastructure were reported as the key challenges facing the sector in the future.

- the key challenge emerging from the qualitative work is lack of funding as it impacts on a number of different areas such as organisation capacity, sustainability, collaboration and culture change
- while some of these areas are challenges to the sector, in some cases these are also perceived as possible opportunities in terms of future development. For example surviving previous rounds of cuts to public sector spending was highlighted as demonstrating the toughness and resilience of the sector
- and while spending has been reduced, there are also areas of opportunity emerging for the sector to take on an increasing role in public service delivery through consortia
- arguably, formal collaborations bring their own challenges but there are opportunities to be grasped, as highlighted by the Social Prescribing Pilot in Bassetlaw, two Big Lottery programmes consortia led by Nottingham CVS and the D2N2 Social Inclusion Programme which starts this year.

- diminishing financial support for capacity building activities and a recent failed merger of three CVSs threatens the sustainability and impact of infrastructure support in Nottinghamshire. Positively some representatives from infrastructure organisations perceive the changing infrastructure landscape as an opportunity to provide a more targeted and lean infrastructure in Nottinghamshire, streamlining service delivery by reducing duplication.

Strengths, weaknesses and areas for consideration

11

The research has highlighted a number of areas which voluntary sector stakeholders should focus on:

1. Relationships between the voluntary sector and public sector bodies

Strengths

- the majority of voluntary sector organisations feel that public sector bodies value their work
- many organisations value highly the support provided by public sector bodies through their Officers and Service Teams
- there are examples where voluntary organisations have been successful in influencing commissioners, namely through their ability to articulate how they can contribute to their priorities or approaching commissioners with 'solutions' addressing priority areas
- the grant aid programmes run by public sector bodies appear to have been a successful method for engaging with smaller organisations.

Weaknesses

- agreement is low among voluntary organisations that public sector bodies act upon their opinions/consultations or involve them appropriately in developing policy
- some voluntary organisations have found it difficult to build relationships and influence public sector bodies, with some interactions being described as 'top heavy' with limited opportunity to feed into priorities and decision making
- involving smaller organisations in the commissioning process appears to be a challenge.

Areas for future consideration

Improving communication and collaboration between the voluntary sector and public sector bodies is key

Public sector bodies should consider:

- how they ensure communication with a diversity of voluntary sector organisations, including micro and small organisations, regarding the needs of the sector and service design, in order for co-production of commissioning and service delivery to truly occur

- this could involve continuing to facilitate events, such as the Ageing Well Conference held by Nottinghamshire County Council, which raise awareness of local strategic priorities and give the two sectors opportunities to collaborate and making sure these events are not being presented in a 'top-down' way

- how they can work together across the county to ensure there is consistency in the ways voluntary and community organisations are involved in commissioning
- how they make clear to the voluntary sector their commissioning intentions and priorities
- how they can sustain their grant aid programmes and make sure grant aided activities are aligned to local strategic priorities.

Voluntary sector organisations should consider:

- how the funding and political landscape has changed and that new ways of working and development, such as consortia development discussed below, may be required
- how they can work together to ensure the voluntary sector has a 'voice' which is communicated to public sector bodies and which demonstrates how they can assist them with their strategic priorities
- attending relevant events facilitated by public sector bodies and in turn inviting public sector bodies to voluntary sector held events
- making themselves familiar with public sector bodies commissioning intentions and priorities and how they can effectively demonstrate the contribution they can make.

2. Relationships between voluntary organisations

Strengths

- many voluntary organisations recognise the importance of partnership working and collaboration, particularly as an opportunity to continue to play a role in the design and delivery of public services
- several organisations indicated they are working together successfully with other voluntary organisations, albeit many in an informal capacity
- there is high satisfaction with the support provided by infrastructure organisations.

Weaknesses

- for some, there remains an element of mistrust and competitiveness which is preventing collaboration with other voluntary organisations
- there is concern that infrastructure support is being eroded in Nottinghamshire
- a recent failed merger of three CVSs also threatens the sustainability and impact of infrastructure support in Nottinghamshire.

Areas for future consideration

Developing collaboration between voluntary organisations is important for the sector to continue to play a role in the design and delivery of public service and supporting voluntary sector infrastructure is vital

With the majority of funding opportunities emerging being large multi-service contracts, formal collaborations such as consortia development appear to be one possible way of continuing and increasing the voluntary sector's involvement in the design and delivery of public services.

Public sector bodies consider:

- how they can encourage the development of consortia in key public service delivery areas and around key strategic priorities to ensure the sector is in a better position to tender when opportunities arise
- examine how voluntary sector infrastructure support can be sustained and developed.

Voluntary sector organisations should:

- have trust in their own organisation's ability as well as other organisations, have a clear business model, ensure the right skills mix on governance boards and stay true to their mission.

Voluntary sector infrastructure organisations should consider:

- how they too can encourage consortia and be proactive in brokering and promoting better links between the voluntary and public sectors
- how they might use the changing landscape as an opportunity to provide a more targeted and lean infrastructure in Nottinghamshire, perhaps examining how they could streamline service delivery through reducing duplication.

3. Relationships between the voluntary sector and the private sector

Strengths

- there is a desire to build relationships between the private and voluntary sectors in Nottinghamshire
- some voluntary organisations have built established relationships with commercial businesses in the area.

Weaknesses

- engagement with commercial business is relatively low and few voluntary organisations think commercial organisations value their work or understand the nature or role of their organisations.

Areas for future consideration

Developing collaboration between the voluntary and commercial sector is also important for the voluntary sector's future role in the design and delivery of public service

Voluntary sector organisations and commercial businesses should consider:

- creating a shared purpose to any collaboration, how this can be achieved and indicating what the benefit would be to both parties.

Public sector bodies should consider:

- how they can support any collaboration, perhaps involving private sector organisations in any events they facilitate where suitable, helping to play a part in the creation of a shared purpose as mentioned above.

4. Communicating and promoting the voluntary sector, including attracting and retaining volunteers

Strengths

- there is a large workforce of volunteers making a significant contribution to life in Nottinghamshire.

Weaknesses

- there is increasing demand on, and for volunteers with many organisations reporting that they are relying heavily on a core group of volunteers.
- perceptions are that the public (and in some cases areas of the public sector) do not understand what the voluntary sector is and these misconceptions can lead to people undervaluing what the sector has to offer

Areas for future consideration

There is a key challenge around communication and promoting what the voluntary sector is and what it does, including how to attract and retain more volunteers

Voluntary sector organisations should consider:

- how they can reach a wider audience, which could involve IT and social media in order to both attract volunteers and promote their work more generally
- if they don't have the marketing, communication and IT skills in-house to expand their audience, looking to other organisations, perhaps infrastructure organisations or commercial businesses, as sources of support to develop these skills.

Public sector bodies should consider:

- the role they can play in endorsing and communicating the value of the sector
- how they can work with infrastructure partners to ensure that support to develop the skills and capabilities needed to both attract and retain volunteers and promote the work of the sector is available across the county
- how this report represents an important starting point in this process and should be disseminated as widely as possible across the public, private and voluntary sectors, and provide the start-point for discussions about the future role of the voluntary and community sector within the county.

Appendix 1

A1

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

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

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

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

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

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

	Average income by size (a)	Estimated number of organisations (b)	Total income (thousands) (c)
Micro (under £10k)	£2,474	4044	£10,007,455
Small (£10k to £100k)	£36,317	344	£12,509,555
Medium (£100k to £1m)	£316,769	249	£78,803,373
Large (over £1m)	£3,562,361	26	£90,894,174
Total			**(b) £192,214,558**