

# Understanding and Strengthening the VCSE Sector in Worcestershire

## Report 2: Sector Overview



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# Introduction

This is the second report presenting findings from the 'Understanding and Strengthening the VCSE' research project.

This report provides details of the focus, scale, workforce and funding sources of VCSE organisations in Worcestershire, identified from the Phase 2 survey. Full details of the methodology and sample can be found in Report 1: Project Overview.

## Background

The Worcestershire VCSE Alliance provides a platform for Voluntary, Community and Social Enterprise organisations to collectively amplify their impact, learn from each other and support positive change within their communities. The Alliance works with statutory agencies to bridge the gap that exists between voluntary and public sectors, helping to improve public services to better meet the needs of the local population.

The Worcestershire VCSE Alliance has undertaken a major research and evaluation project "Understanding and Strengthening the VCSE", funded by Worcestershire County Council. The research outputs focus on providing a robust evidence base to inform a VCSE strategy that will strengthen the sector as a whole.

## Research Outputs

The initial details and findings of the "Understanding and Strengthening the VCSE" research project are presented across six reports.

- 1. Project Overview:** this report provides details of the research methodology and response sample, along with a summary of headline findings
- 2. Sector Overview:** this report provides details of the focus, scale, workforce and funding sources of VCSE organisations in Worcestershire
- 3. Strengths and Opportunities for VCSE Organisations in Worcestershire:** this report provides an overview of what VCSE organisations in Worcestershire identify to be their strengths and opportunities.
- 4. Beneficiary Trends and gaps in the provision of services for communities:** this report provides intelligence from VCSE organisations in Worcestershire on witnessed trends in the needs of beneficiaries they support and gaps in the services supporting communities.
- 5. Challenges and Support Needs of VCSE Organisations in Worcestershire:** this report outlines the challenges reported by VCSE organisations in Worcestershire, alongside a review of key factors that respondents identify as having the potential to increase the positive impact and sustainability of their organisations.
- 6. Relationships between VCSE and Public Sector Organisations in Worcestershire:** as part of Worcestershire VCSE Alliance's objective to facilitate effective communication, engagement and understanding between the VCSE and statutory sectors, this report provides the VCSE sector's view on priorities to strengthen relationships with public sector organisations for the mutual benefit of organisations and communities.





## Terms used within this report

### Size of Organisation

This report uses the NCVO UK Civil Society Almanac categories for size of organisation, which can be viewed at: [ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2024](https://ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2024).

These are based on annual income:

- **Micro** (less than £10,000)
- **Small** (£10,000 to £100,000)
- **Medium** (£100,000 to £1m)
- **Large** (£1m to £10m)
- **Major** (more than £10m)

Please note that this classifies organisations based on their overall income, not their income or expenditure related to activities in Worcestershire.

### Location

This report presents subgroup data based on the main location of delivery reported by respondents:

- **Single District** (organisations that mainly deliver services in one Worcestershire district)
- **Multi-District** (organisations that mainly deliver services in two or more Worcestershire districts)
- **Multi-Area** (organisations that mainly deliver services in Worcestershire and one or more neighbouring counties or regions)
- **National/International** (organisations that deliver services across the UK and/or abroad)

## Findings

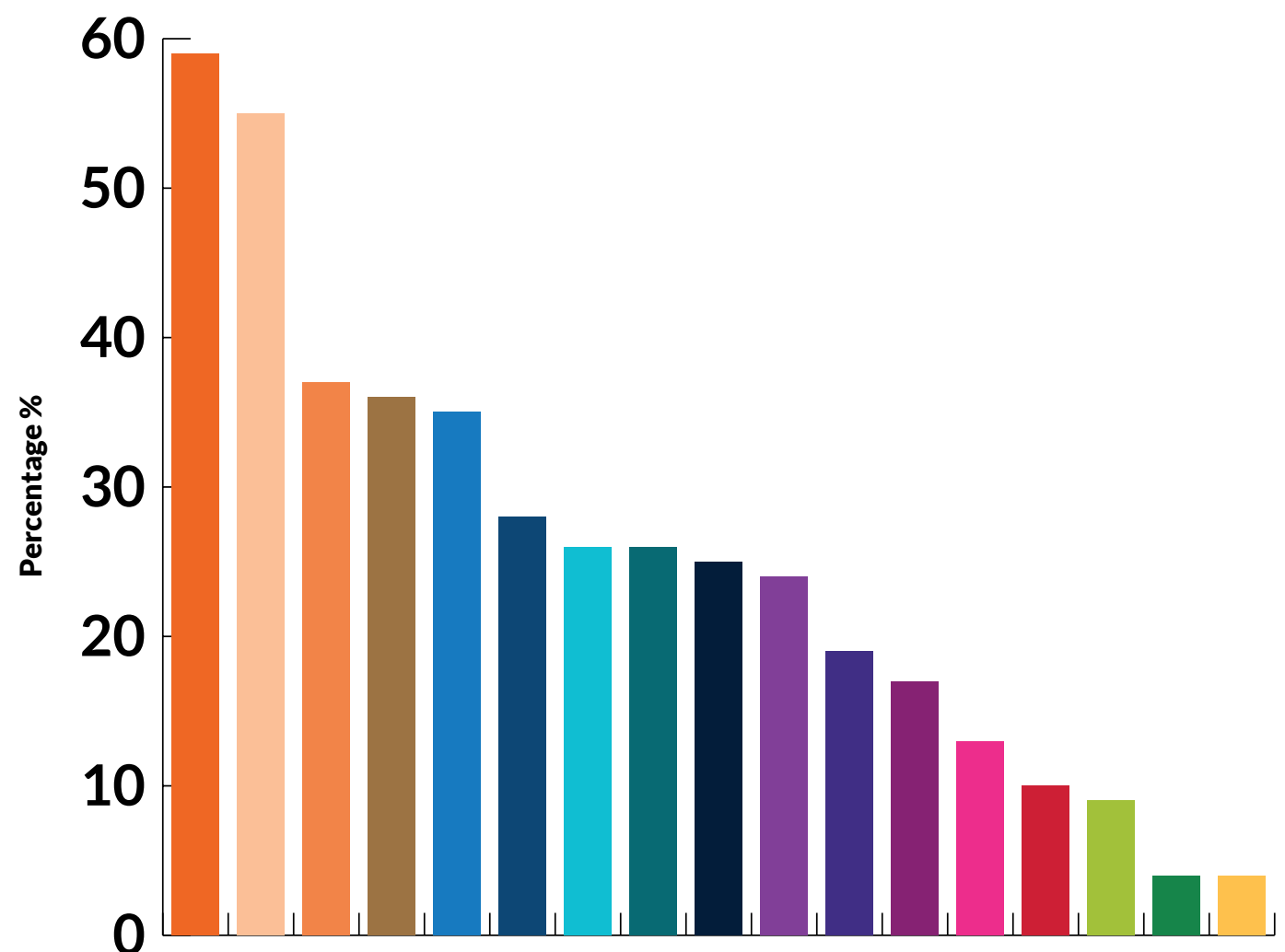


## Focus of VCSE Organisations in Worcestershire

Survey respondents were asked to identify the areas that form a significant part of their organisation's activities. Over half of respondents reported activities that provided Community Support, with a similar proportion reporting work that provided Mental Health support.

Around a third of respondents reported activities in each of the following areas: Disability and/or Age-Related Support, Social Activity or Hobby, Advice and Guidance and other Social Support.

### Focus Area

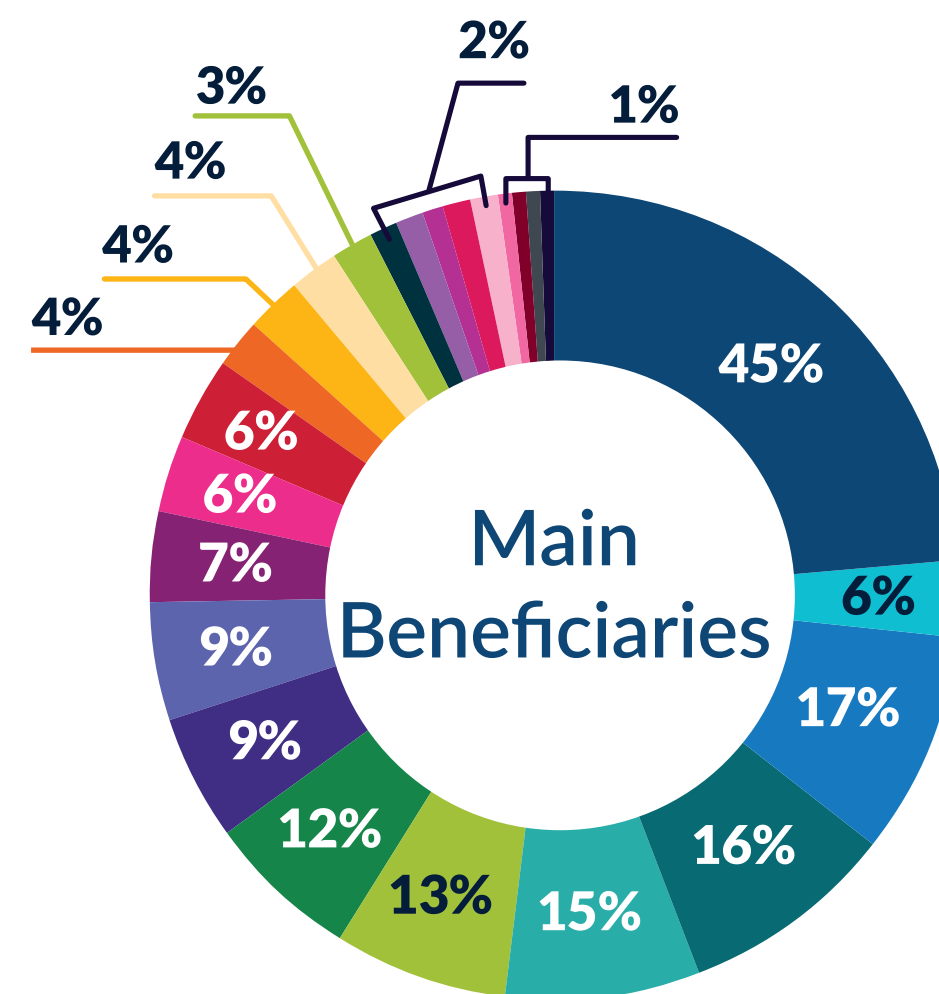


#### Key

- Community Support
- Mental Health
- Disability and/or Age-Related Support
- Social Activity or Hobby
- Social Support (e.g. advice and guidance, housing)
- Education
- Youth Work
- Physical Health
- Crisis Support
- Fundraising and/or Grant Making
- Managing a Community Asset (e.g. Community Centre, Playing Field or Village Hall)
- Sport or Physical Activity
- Support for Frontline Organisations
- Animal and/or Environment
- Arts
- Faith-Based Activities
- Heritage

89% of organisations deliver activities with impact in more than one area. 51% of organisations deliver activities with impact in four or more impact areas.

This indicates that the VCSE Sector in Worcestershire delivers activities with a broad range of benefits for local people and communities. Services and activities are typically focussed on the broad needs of people and communities, in contrast to the typical public sector approach of services organised by provider specialism.



#### Key

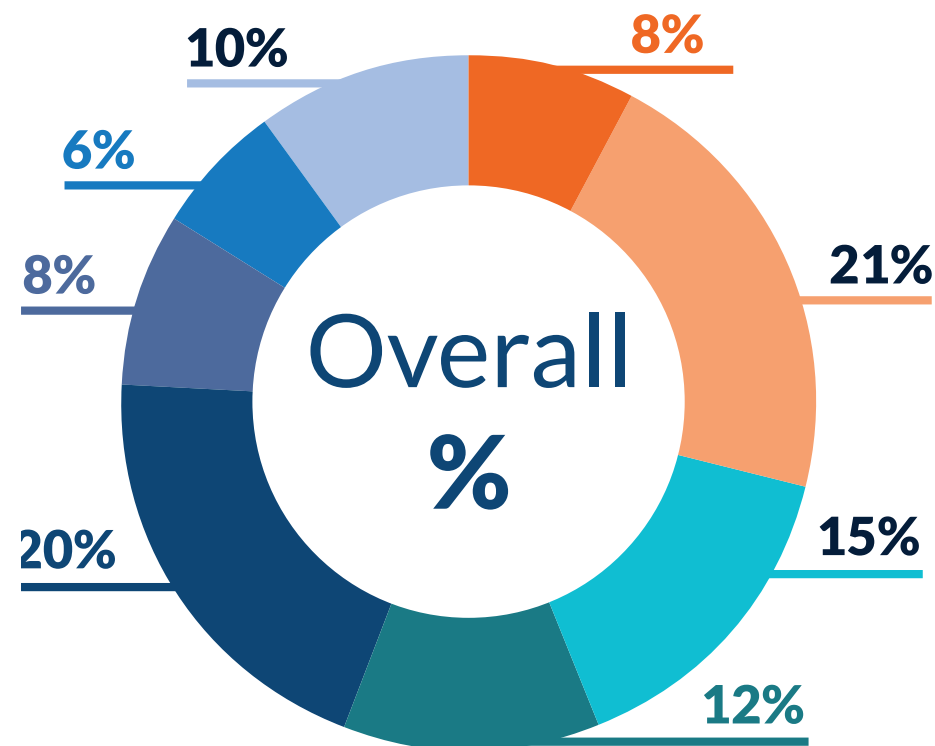
- Whole Community
- Membership organisation/ Infrastructure support/Animal or environment)
- Children
- Families/Parents
- Older People
- Mental Health Problems (People with)
- Young People
- Learning Disabilities (People with)
- Physical Disabilities (People with)
- Long Term/ Chronic Illness (People with)
- Carers
- Women
- Men
- Low Income Households
- Sensory Impairments (People with)
- Unemployed people
- Armed forces, serving or ex-services
- Homeless People
- LGBTQ+
- Offenders/Ex-offenders
- Survivors of Abuse/Victims of Crime
- Black, Asian and Minority Ethnic groups
- Gypsy, Roma and Traveller communities
- Refugees/ Asylum Seekers
- Substance Misusers



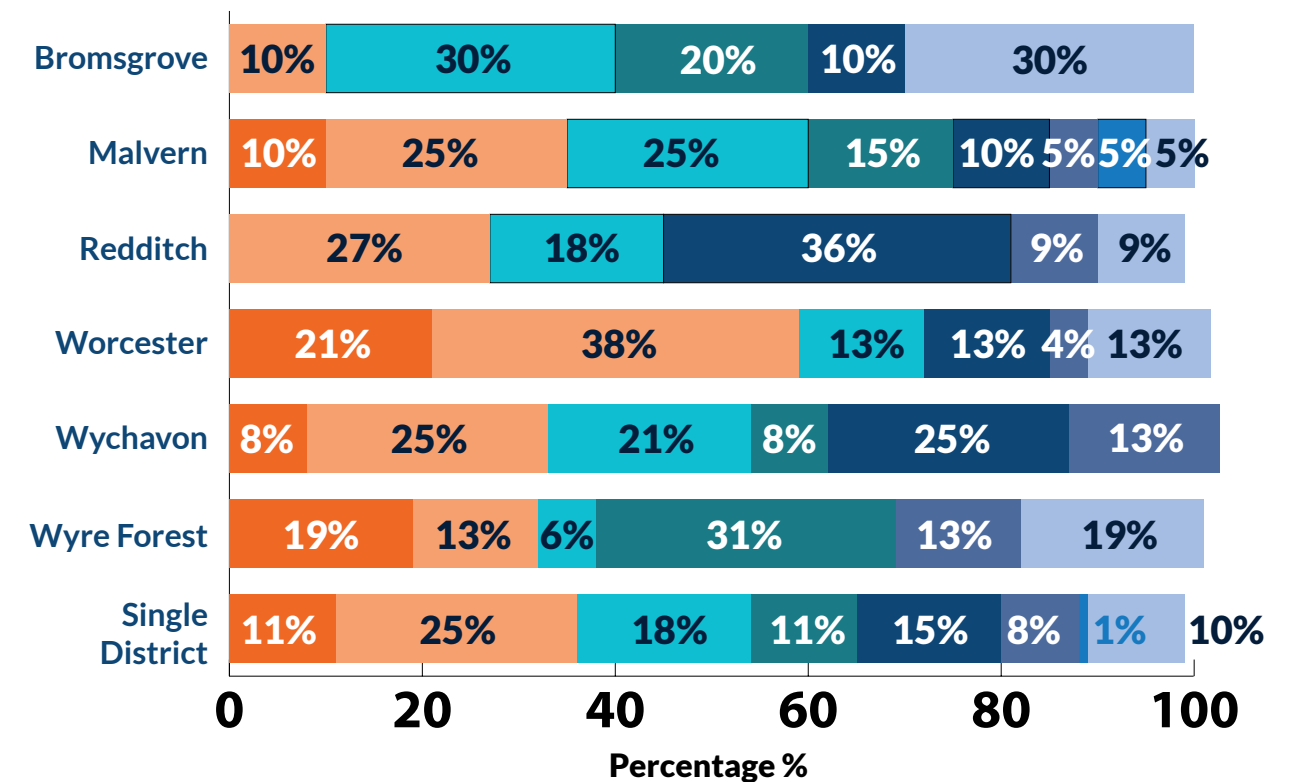
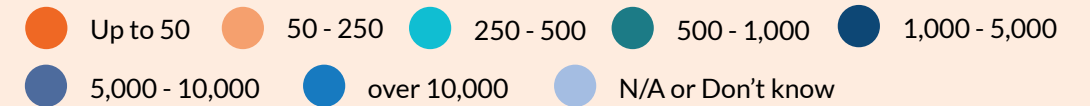
## Scale of VCSE Organisations in Worcestershire

Survey respondents were asked to estimate the number of direct beneficiaries their organisation had worked with in Worcestershire during the past year.

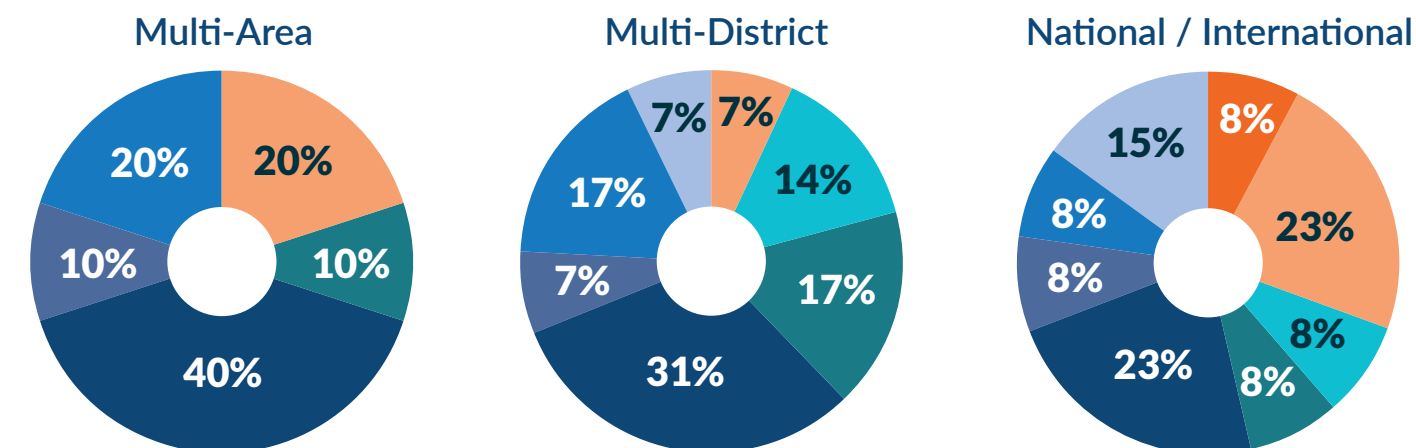
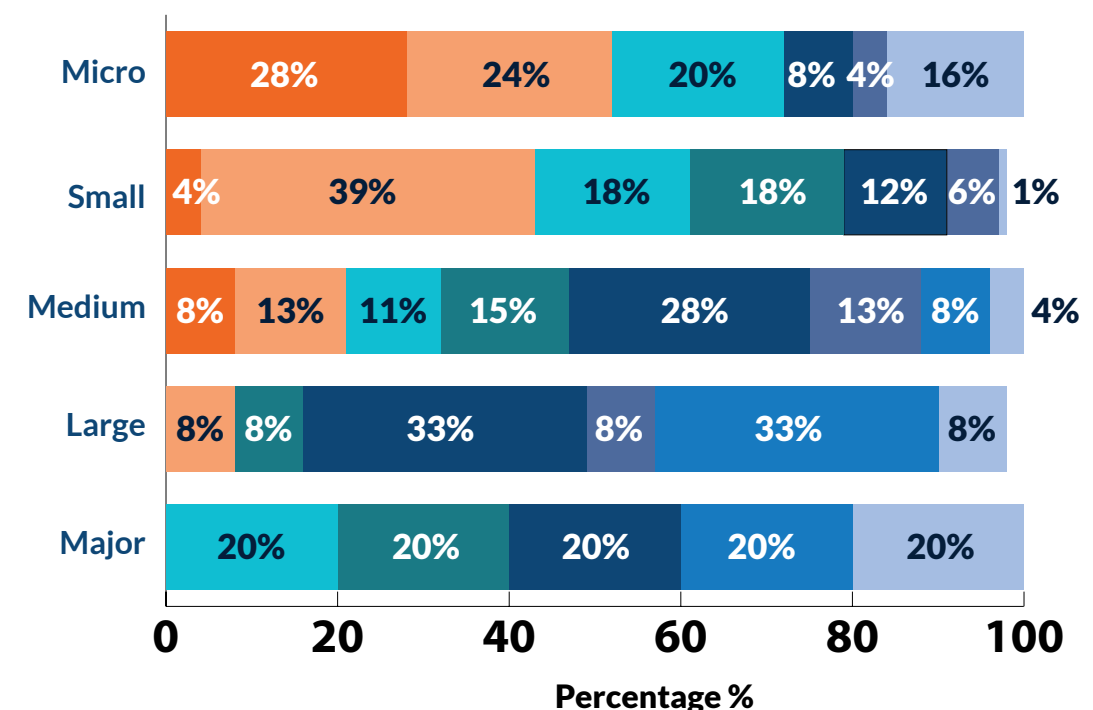
The median average was in the range of 250-500 direct beneficiaries for each organisation.



### Key



However, there is considerable variation across the sector, with some small organisations reporting large numbers of direct beneficiaries (for example those running community events), and some larger organisations reporting relatively small numbers of direct beneficiaries in Worcestershire (for example those that provide intensive support to a specific group of people, or national organisations with a small presence in Worcestershire).

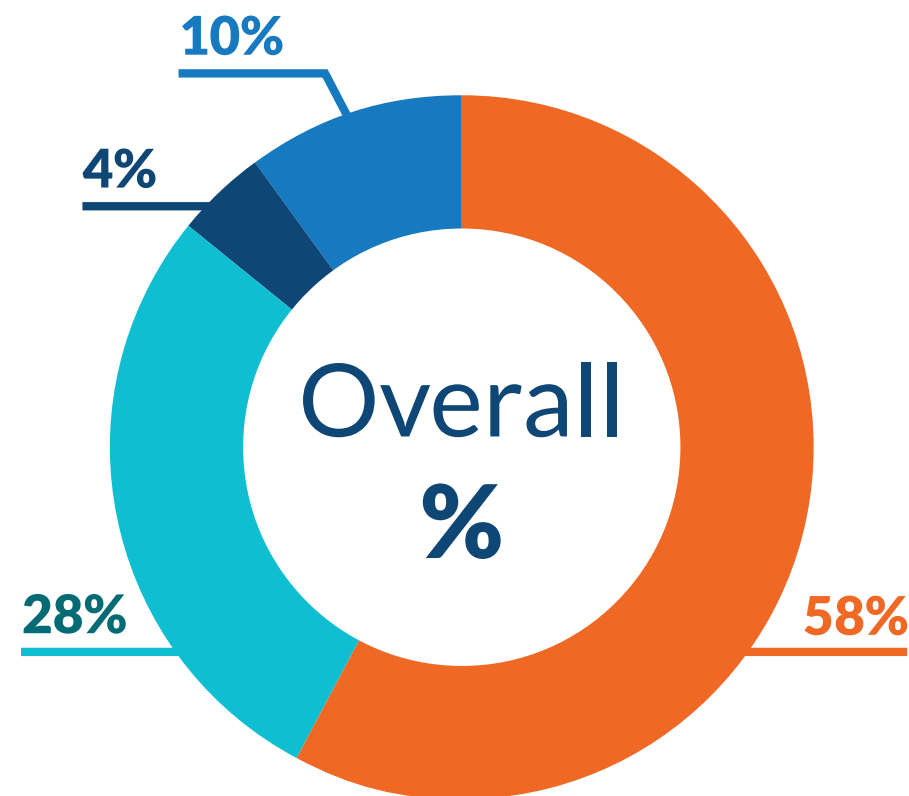


The size of organisation is related to the number of direct beneficiaries.

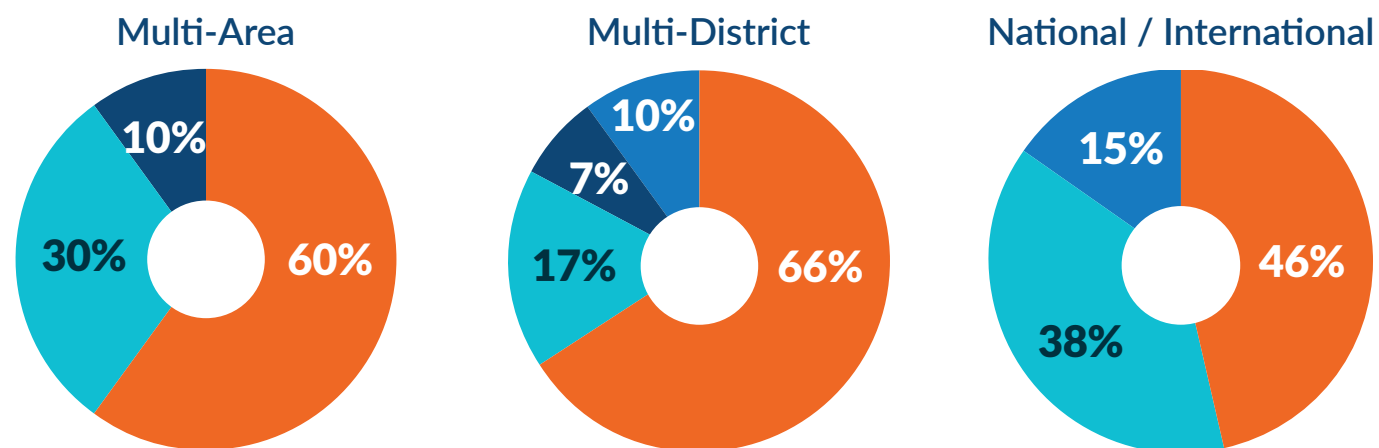


## Trends in Demand for Services

Survey respondents were asked to indicate how their number of direct beneficiaries in the past year compared to numbers in previous years.



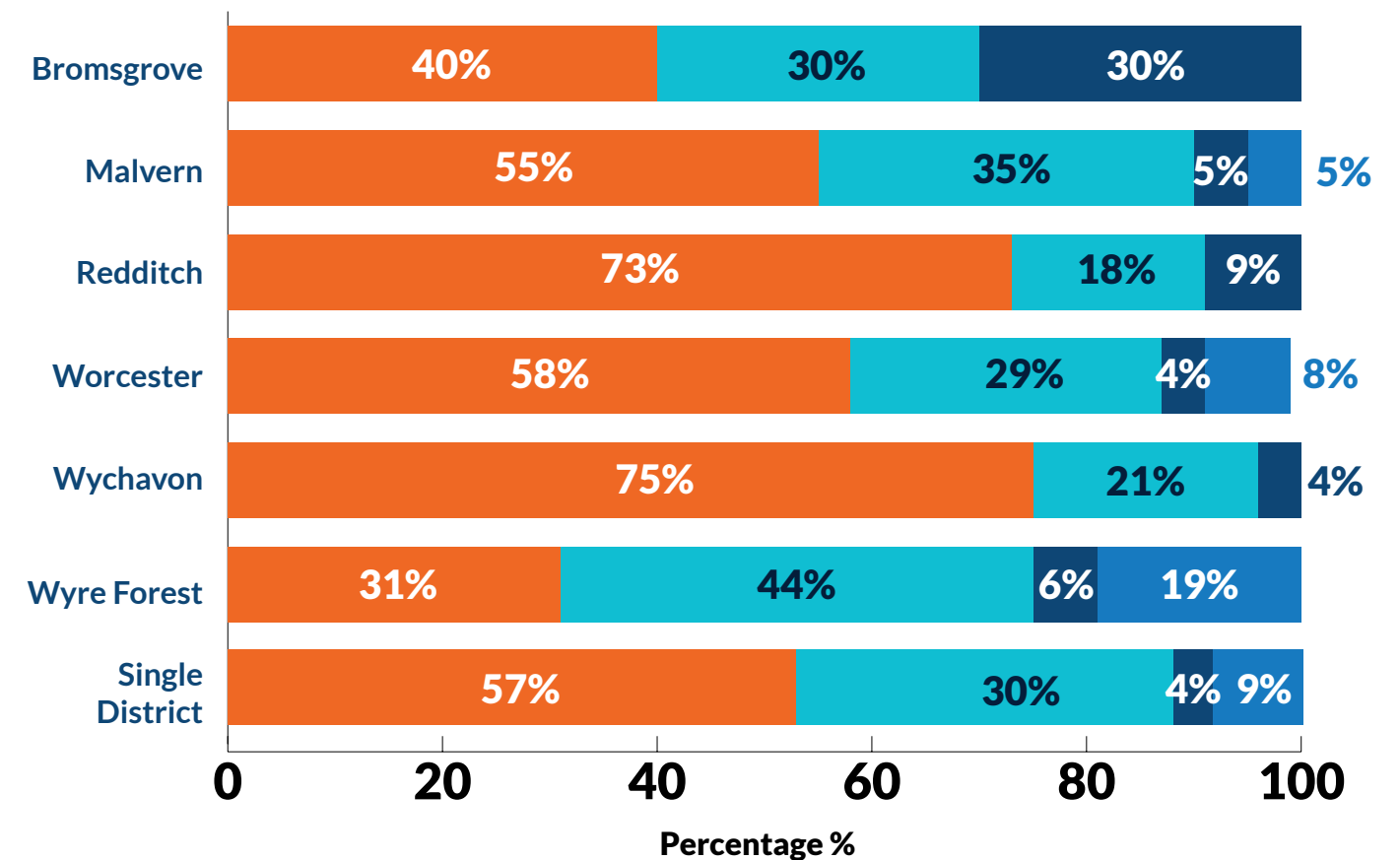
**Key** More About the same Less Don't know



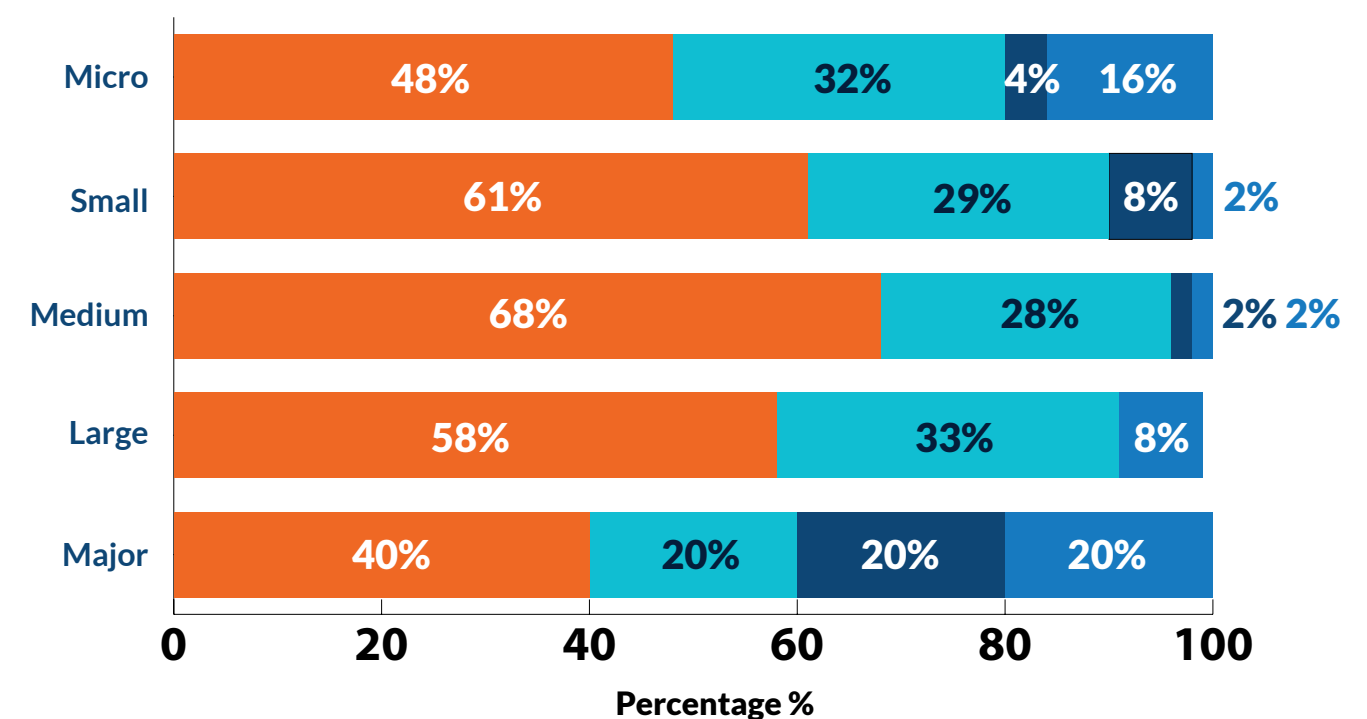
Overall, 58% of respondents indicated an increase in beneficiary numbers, indicating widespread increasing demand for the services and activities of VCSE organisations in Worcestershire.

Number of direct beneficiaries that organisations have worked with in the past year compared with previous years, districts data.

**Key** More About the same Less Don't know



Particularly high increases were reported by organisations from Redditch and Wychavon. Medium sized organisations (those with an annual income between £100,000 and £1million) reported the highest increase in the number of direct beneficiaries.



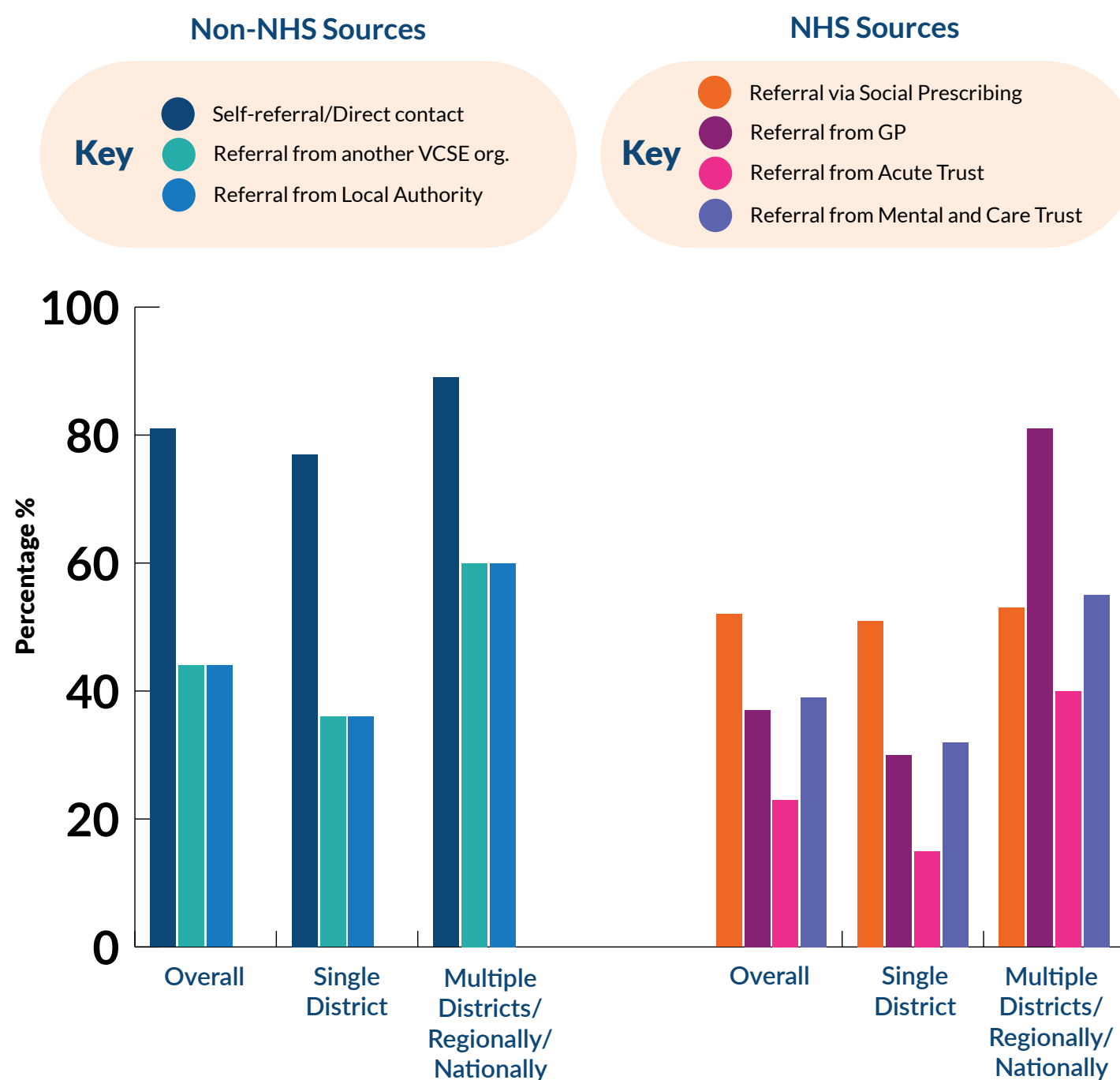


## Modes of Service Delivery

Survey respondents were asked to indicate how the people they work with engage with their organisation.

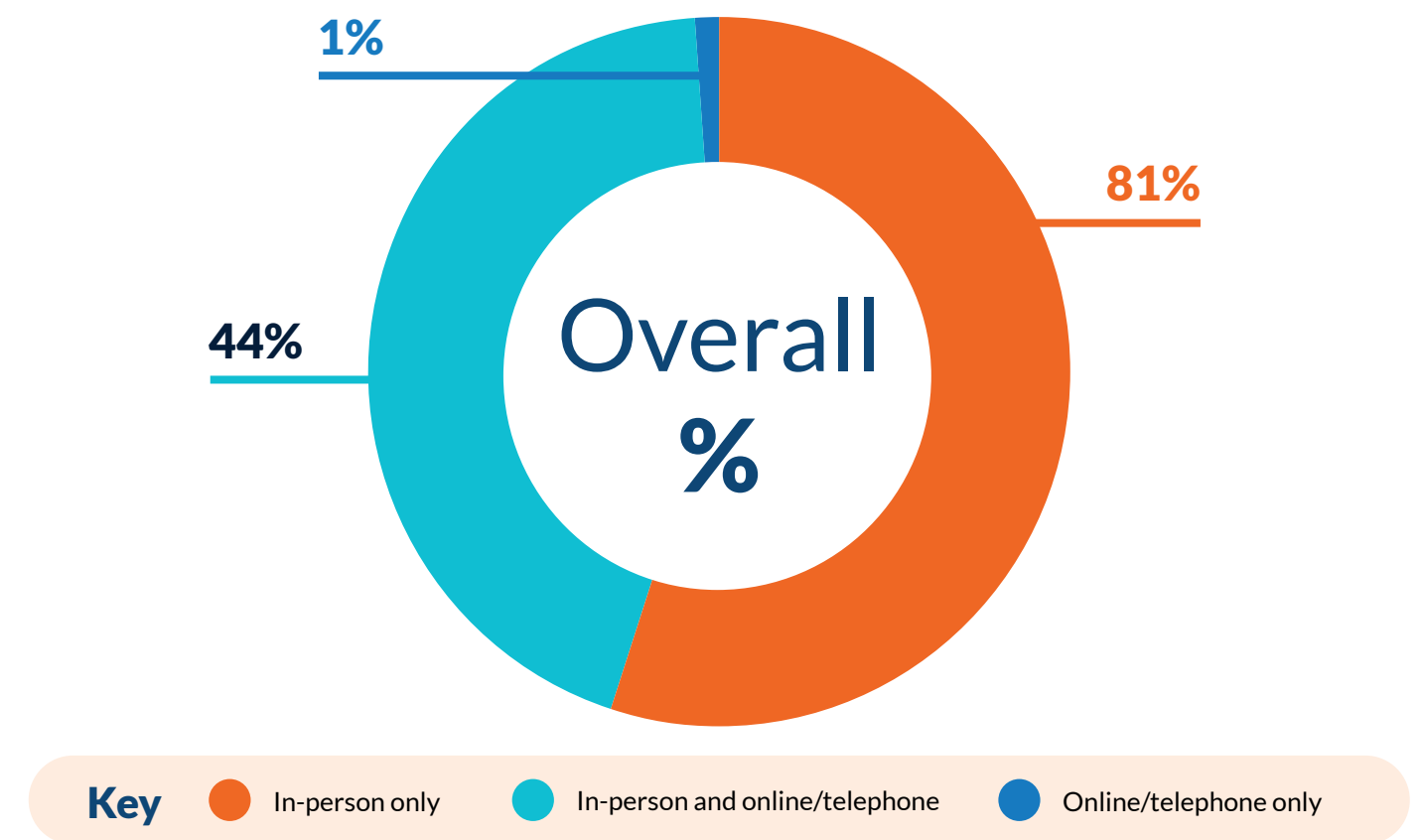
The majority of organisations engaged with beneficiaries through direct contact, accepting self-referrals to support services. Just over half of organisations received referrals via Social Prescribing and/or other NHS routes, with just under half receiving referrals from other VCSE organisations and/or local authorities.

How do people you work with engage with your organisation?

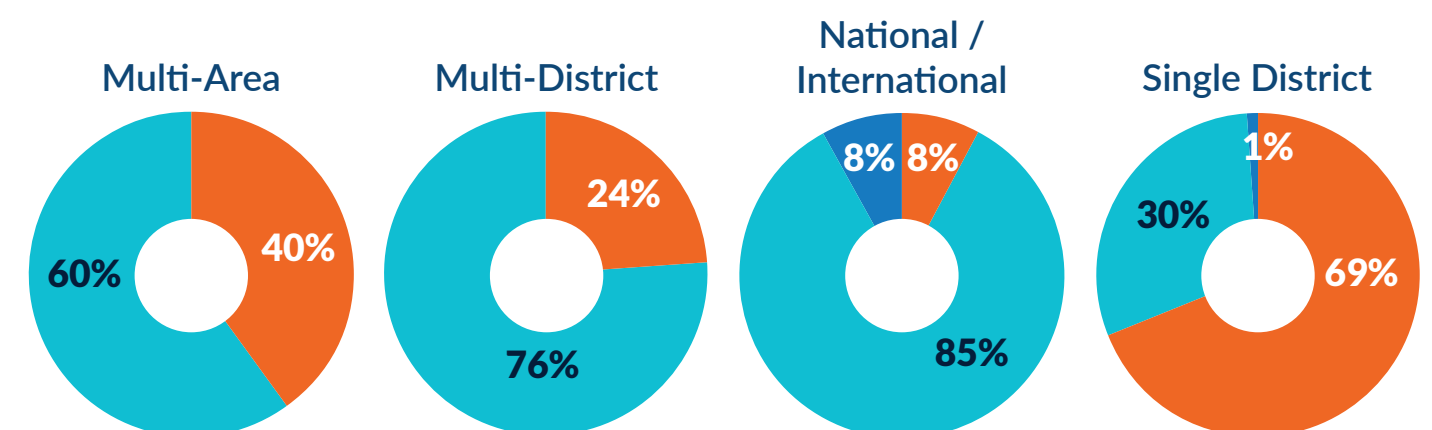


VCSE organisations operating across more than one district were more likely to receive referrals from public sector organisations than do those working in a single Worcestershire district, except for Social Prescribing referrals which shows a consistent pattern across single and multi-district organisations.

Modes of service delivery.

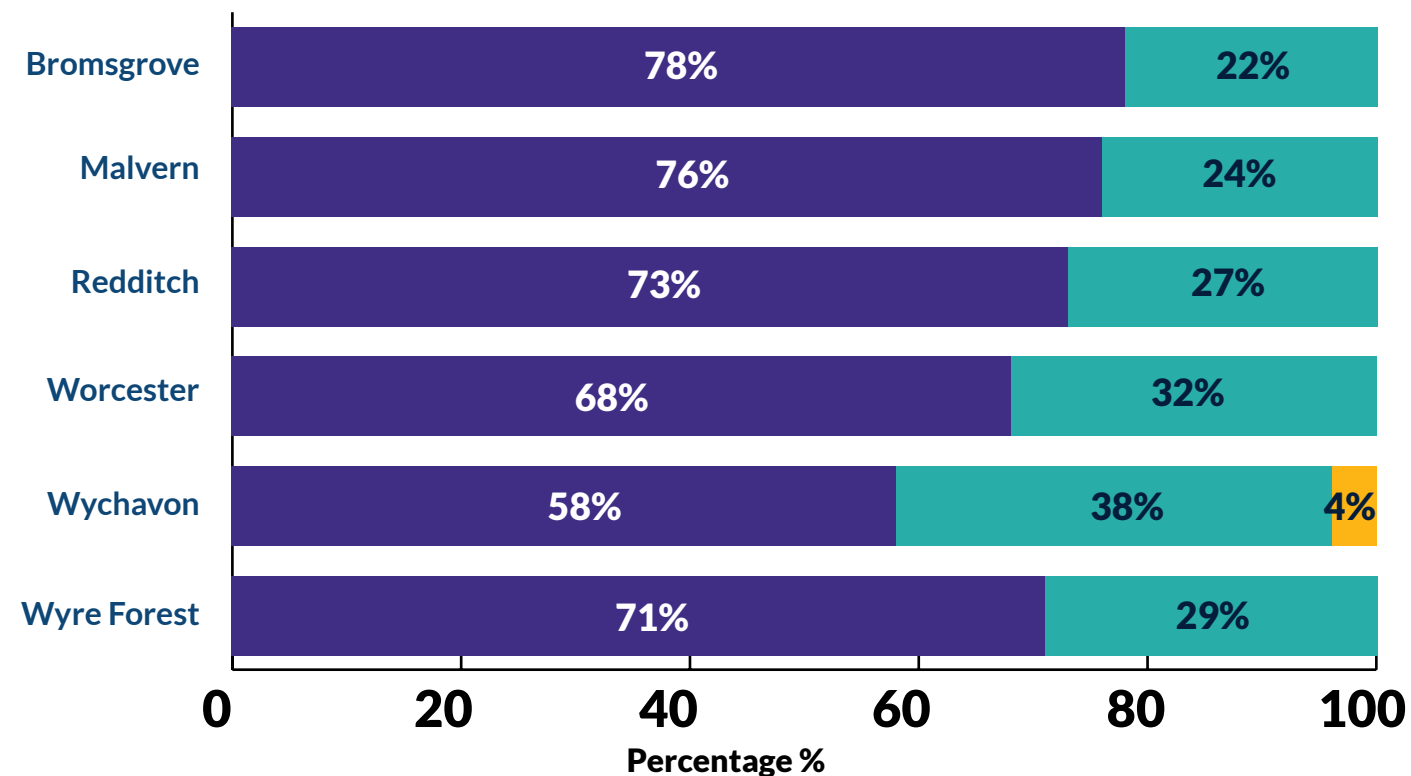


It was suggested that this may be due to Social Prescribing typically involving GPs who are likely to have local knowledge and connections, whereas other public sector referrers possibly favour larger organisations whether due to lack of knowledge or lack of inclination to engage with other options.

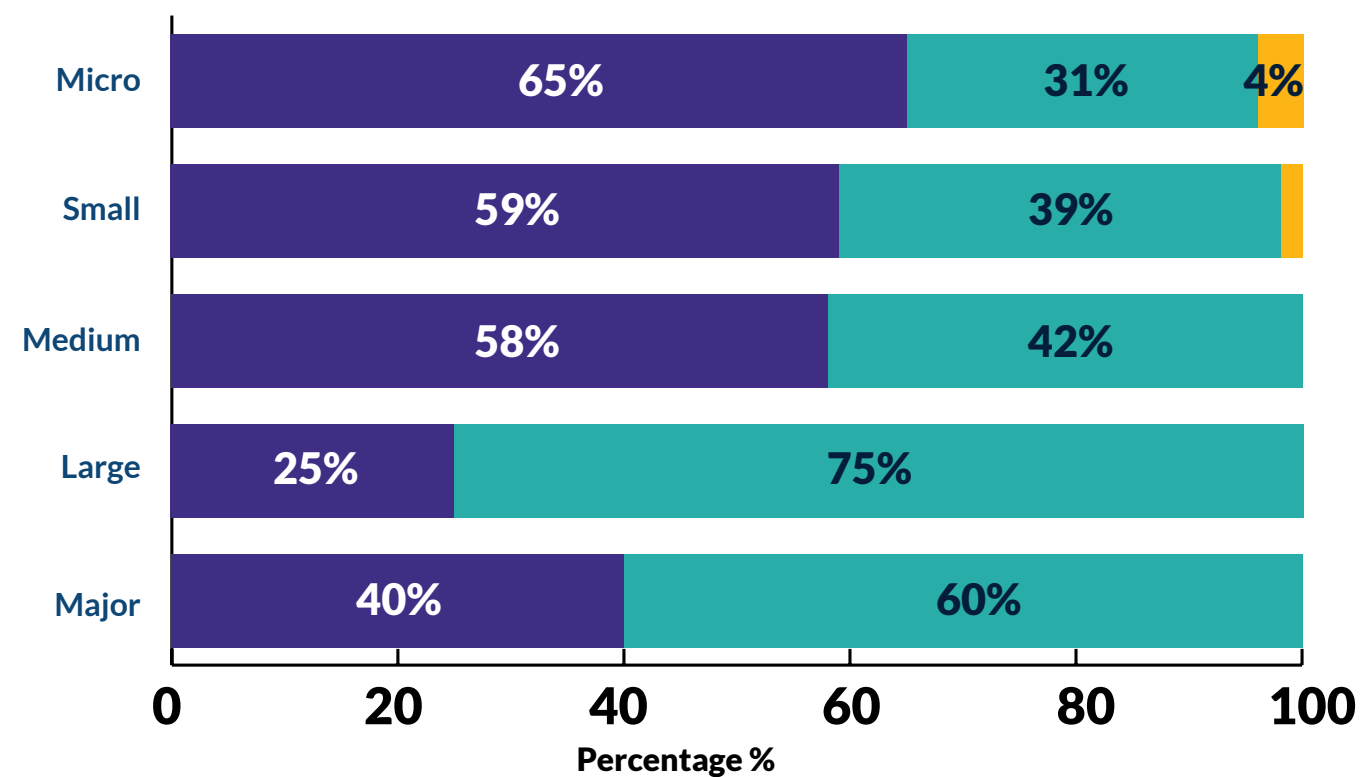




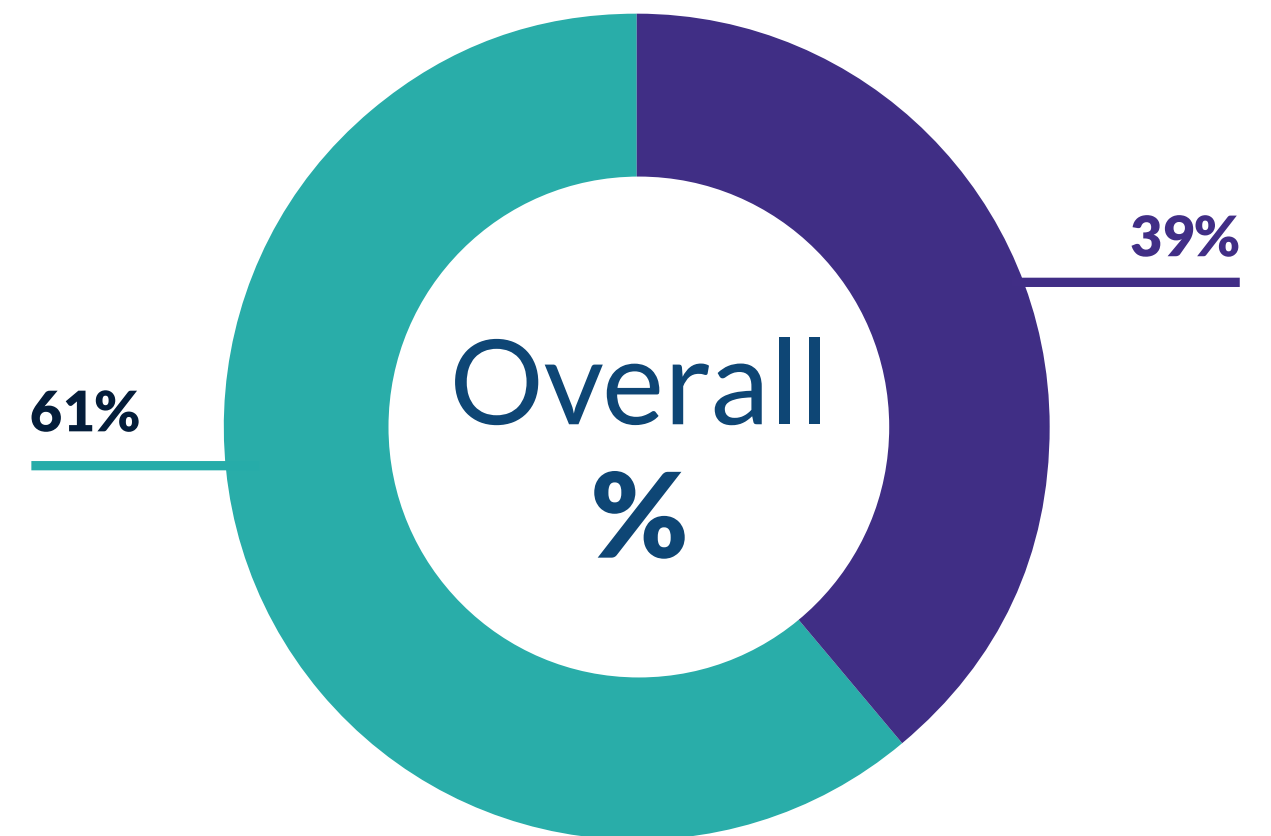
The vast majority of VCSE organisations in Worcestershire who responded to the survey provide in-person services. Over half of responding organisations provided in-person services only, though there was a notable difference based on organisation size, and between those organisations working in a single Worcestershire district and those working across a larger geographical area.



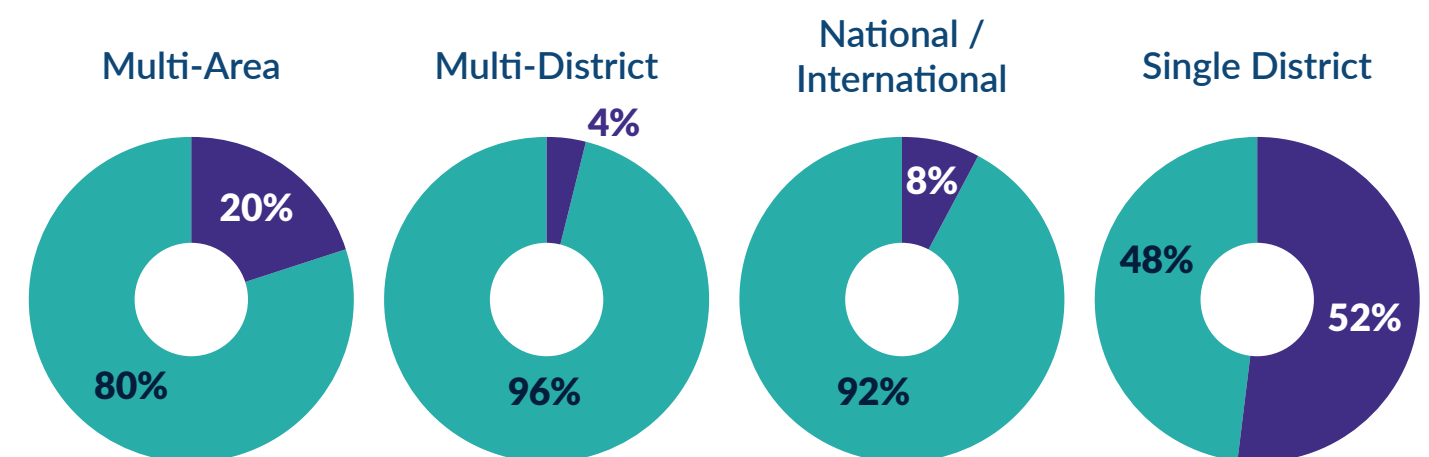
**Key** In-person only In-person and online/telephone Online/telephone only



## In-person service delivery.



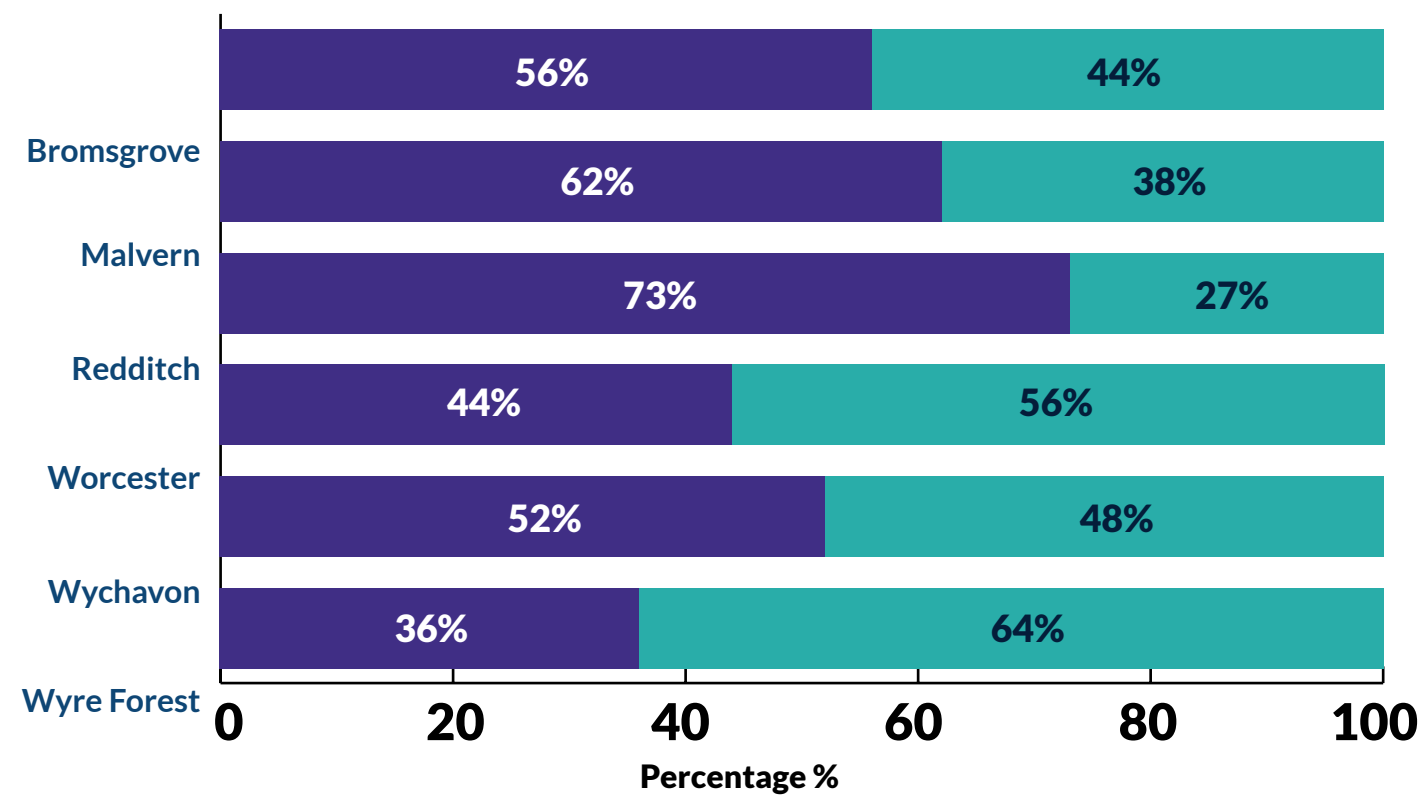
**Key** In-person single location In-person multiple location



In some cases, increased geographical reach is achieved through online and/or telephone services rather than an increased physical presence, though organisations working across a larger area are more likely to deliver in-person services at multiple locations.



In-person service delivery statistics for different districts.



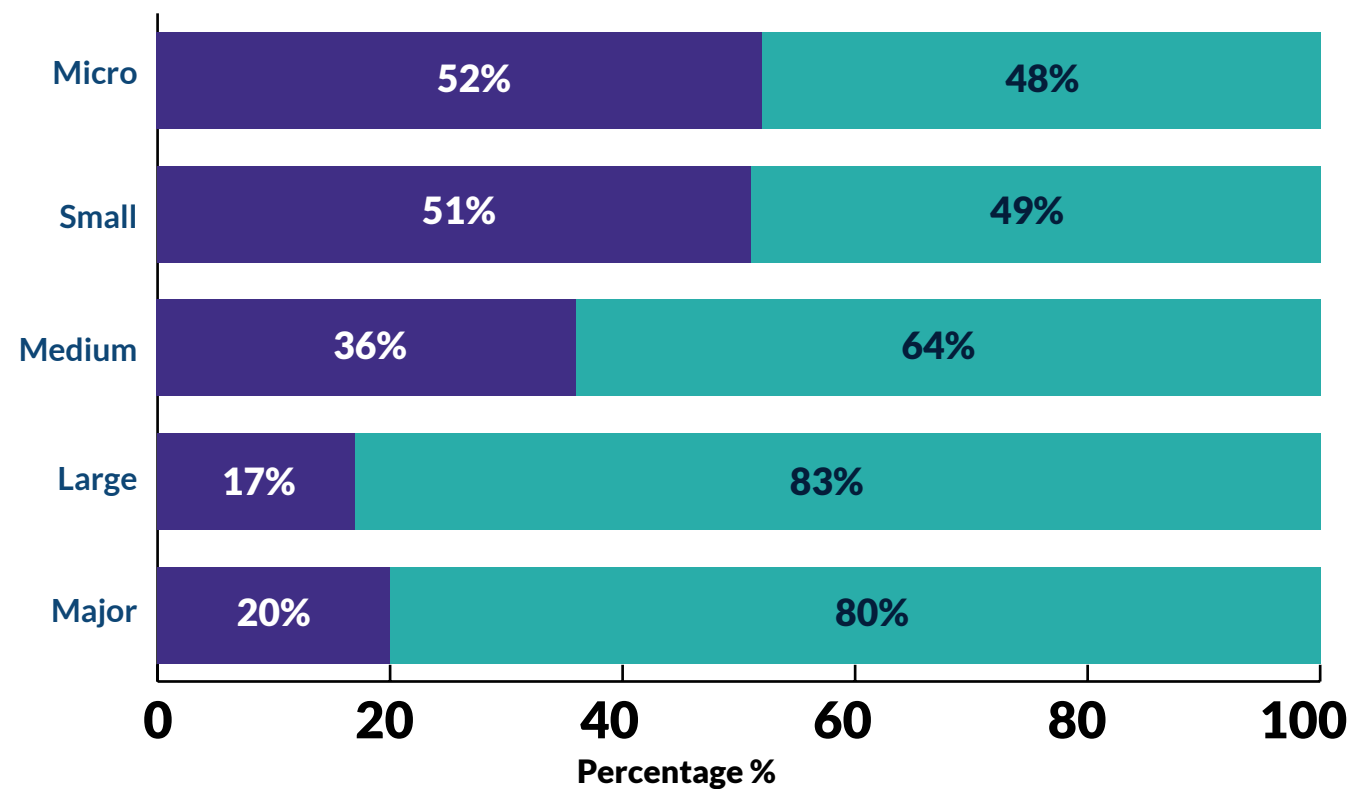
**Key**



In-person single location



In-person multiple location



## VCSE Workforce

## in Worcestershire

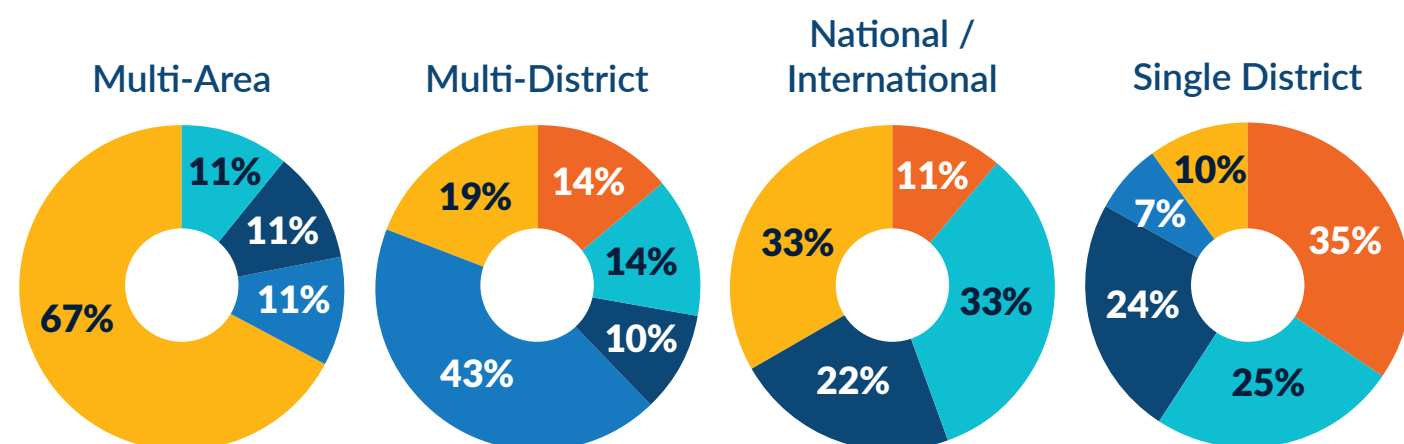
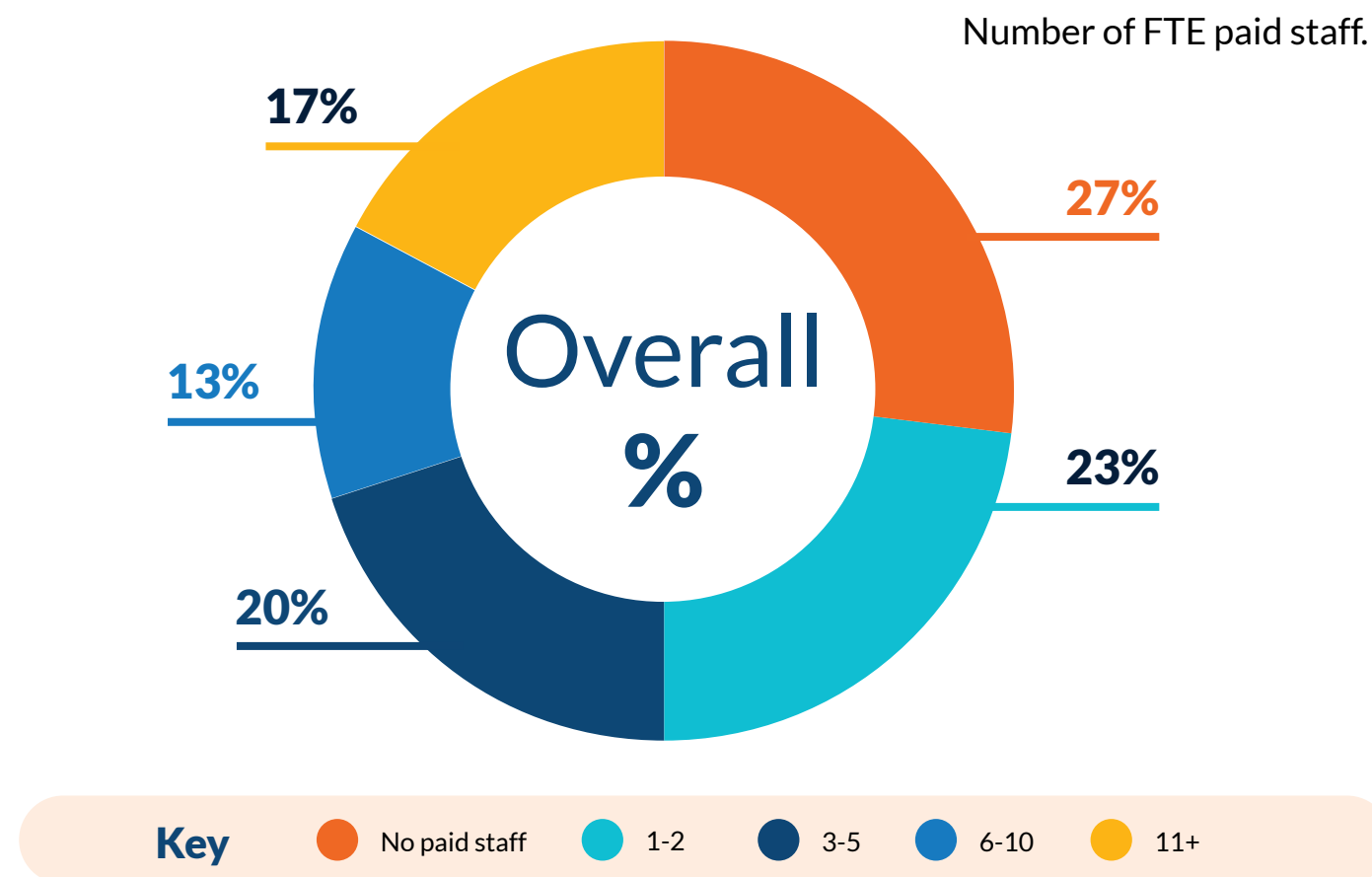


## Paid Staff

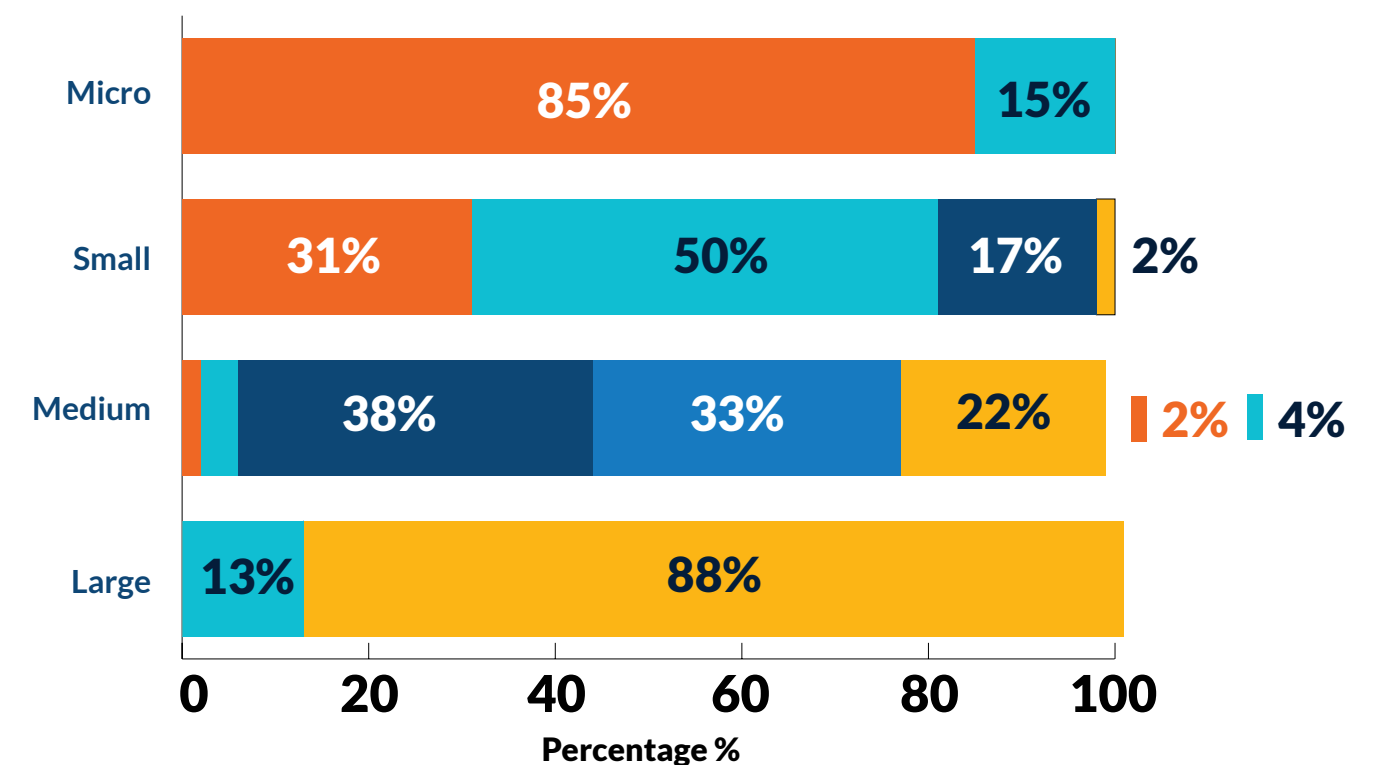
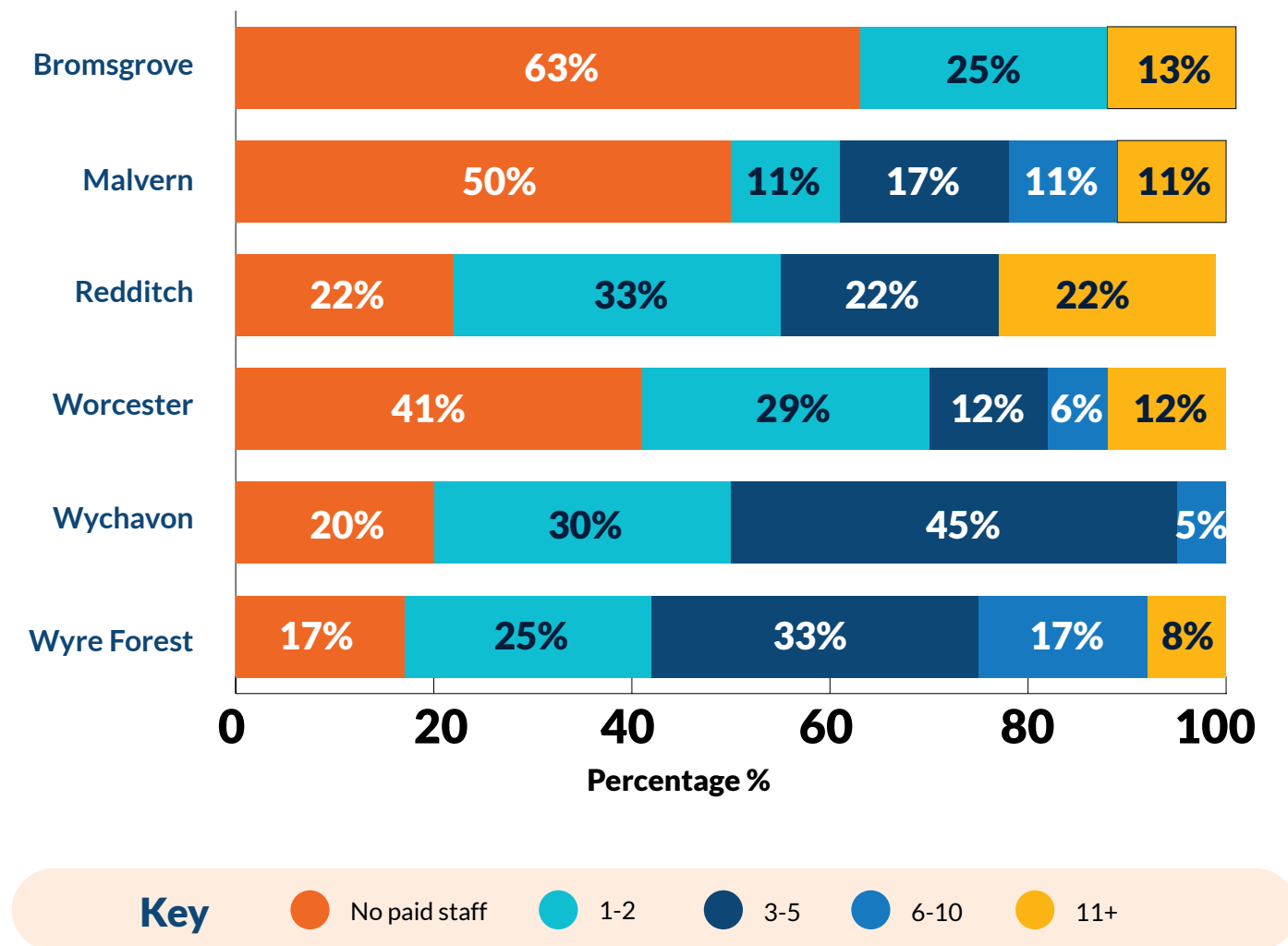
The VCSE sector in Worcestershire has a significant workforce of both paid staff and volunteers. Survey respondents had a median average of four full-time equivalent (FTE) paid staff. However, 85% of micro organisations and 31% of small VCSE organisations have no paid staff.

Similarly, 35% of organisations working in a single district of Worcestershire have no paid staff. This does vary across the county: more than 80% of VCSE organisations in Wychavon and Wyre Forest have paid staff, compared with less than half of those in Bromsgrove and Malvern Hills districts.

One in five medium-sized organisations have no full-time staff, with just 46% of medium-sized VCSE organisations having more than two full-time members of staff. Please note that workforce data from 'Major' organisations has not been included in the charts due to low response numbers from this group for this set of questions.



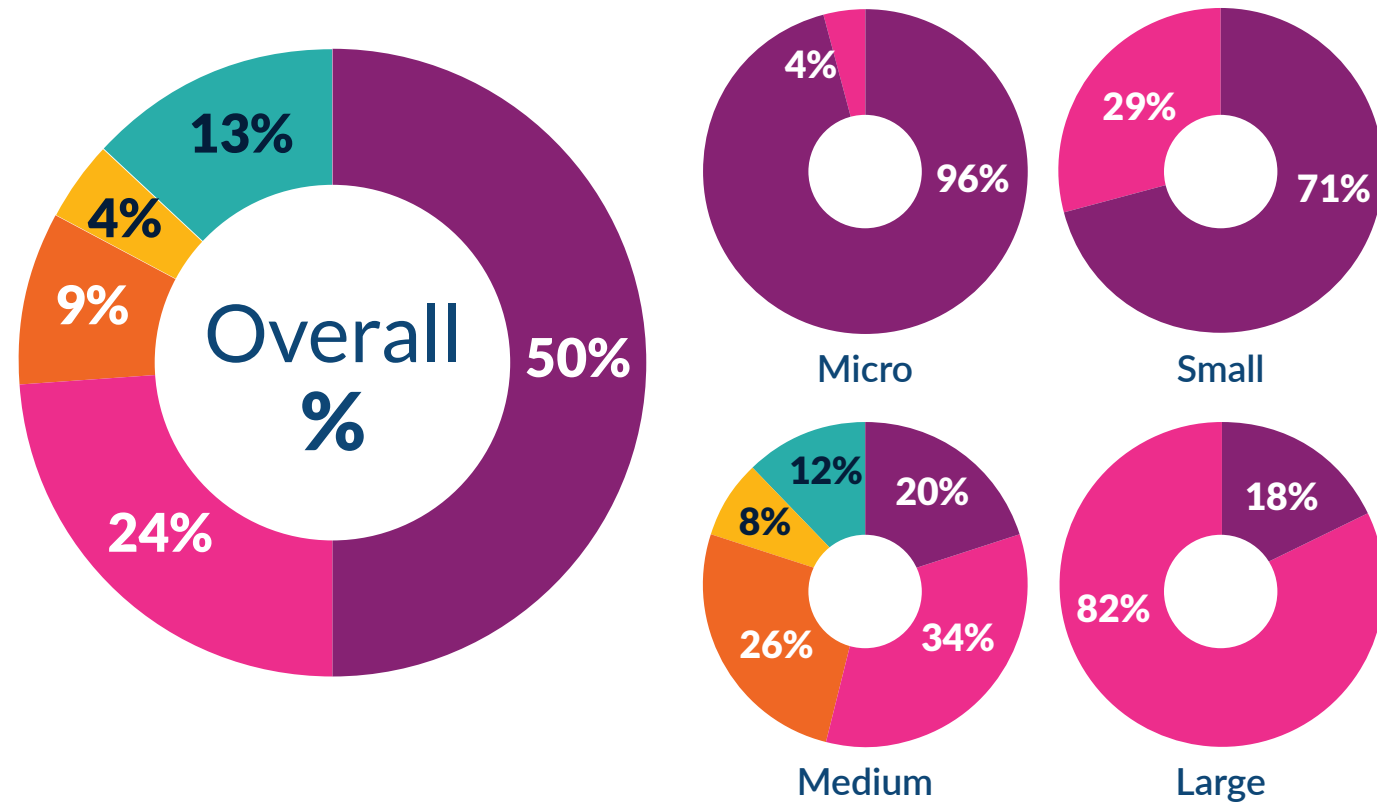
## Districts data on number of FTE paid staff.





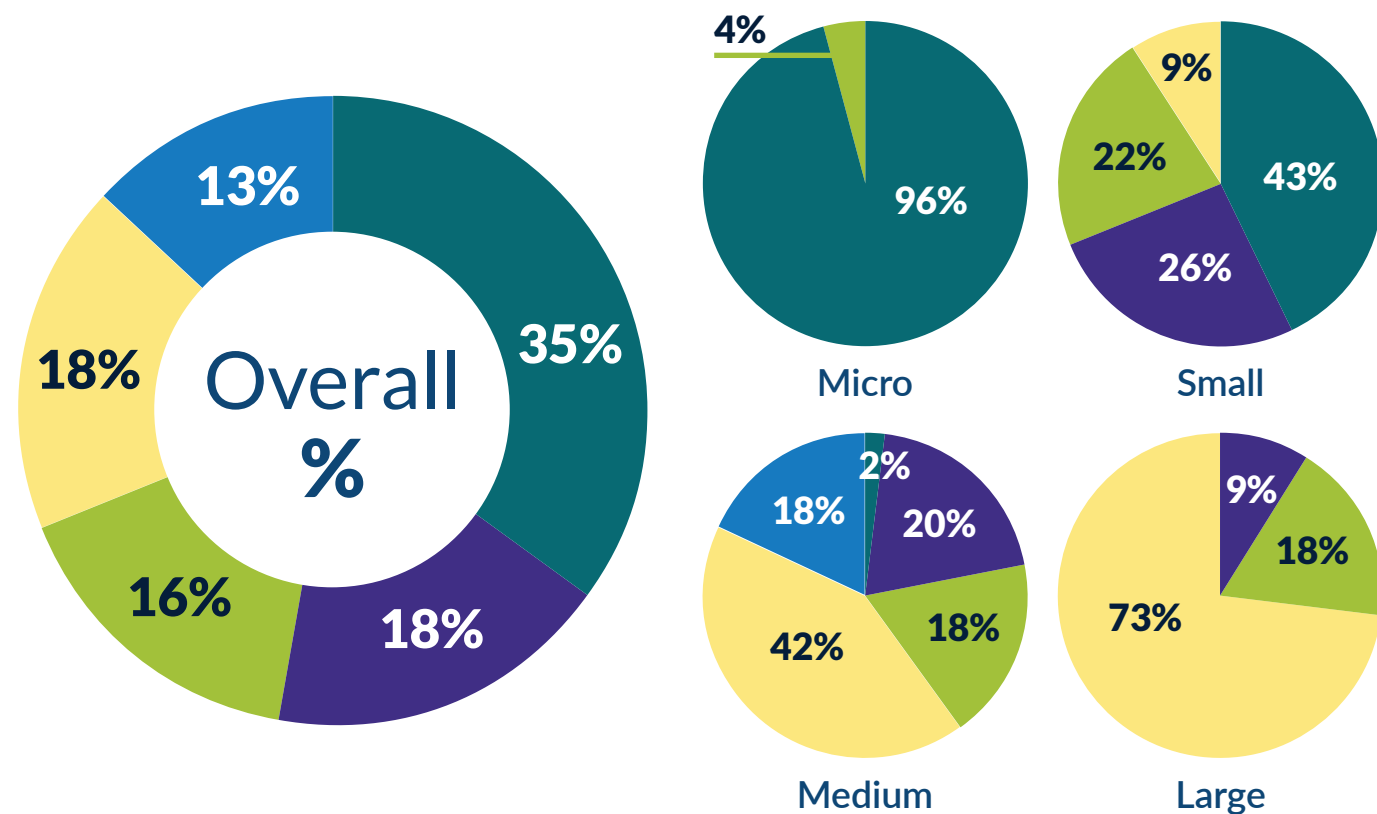
### Number of Full Time paid staff.

**Key** No full-time paid staff 1-2 3-5 6-10 11+



### Number of Part Time paid staff.

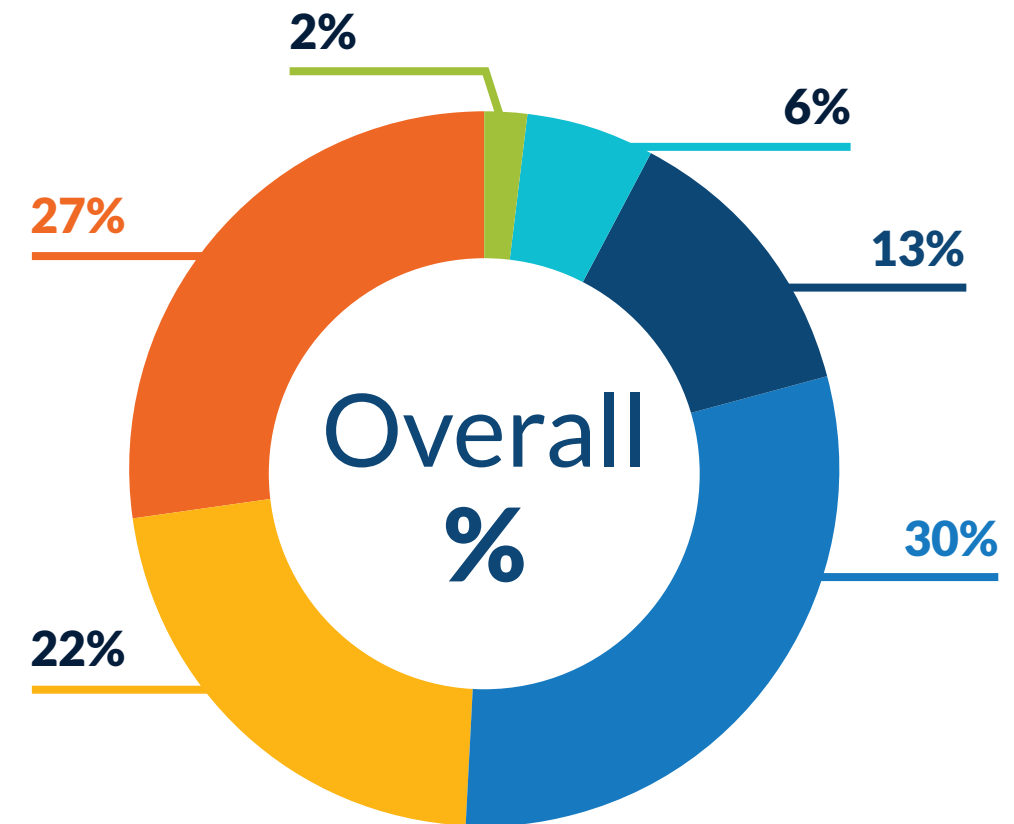
**Key** No part-time paid staff 1-2 3-5 6-10 11+



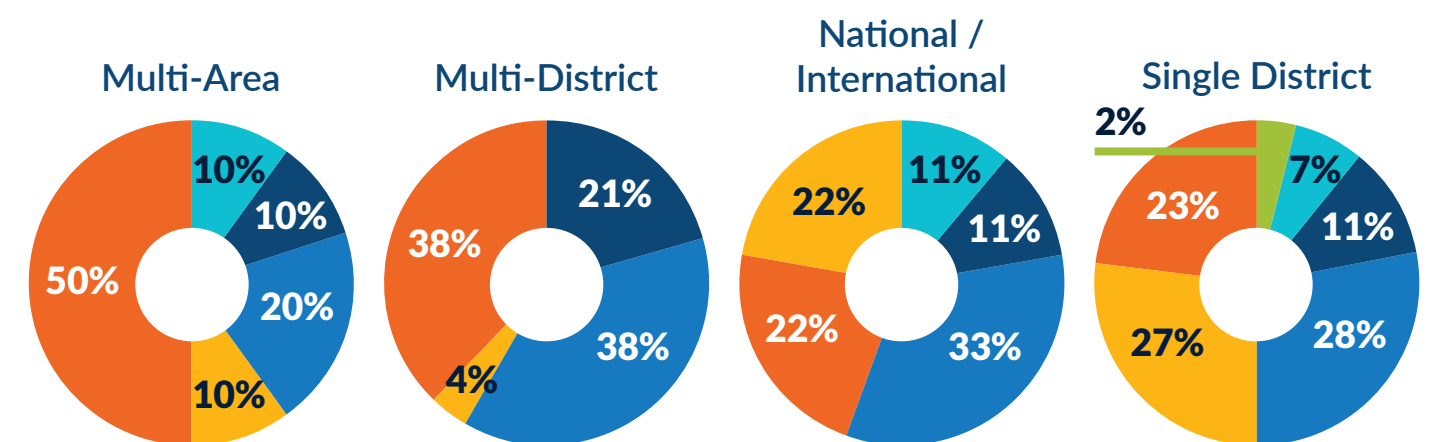
## Volunteers

The median average number of volunteers for Worcestershire VCSE organisations completing the survey is 25. Numbers of volunteers are broadly similar across the county, though somewhat lower in Redditch. Numbers of volunteers are related to size of organisation, with larger organisations generally benefitting from the support of a larger number of volunteers.

### Total number of volunteers.

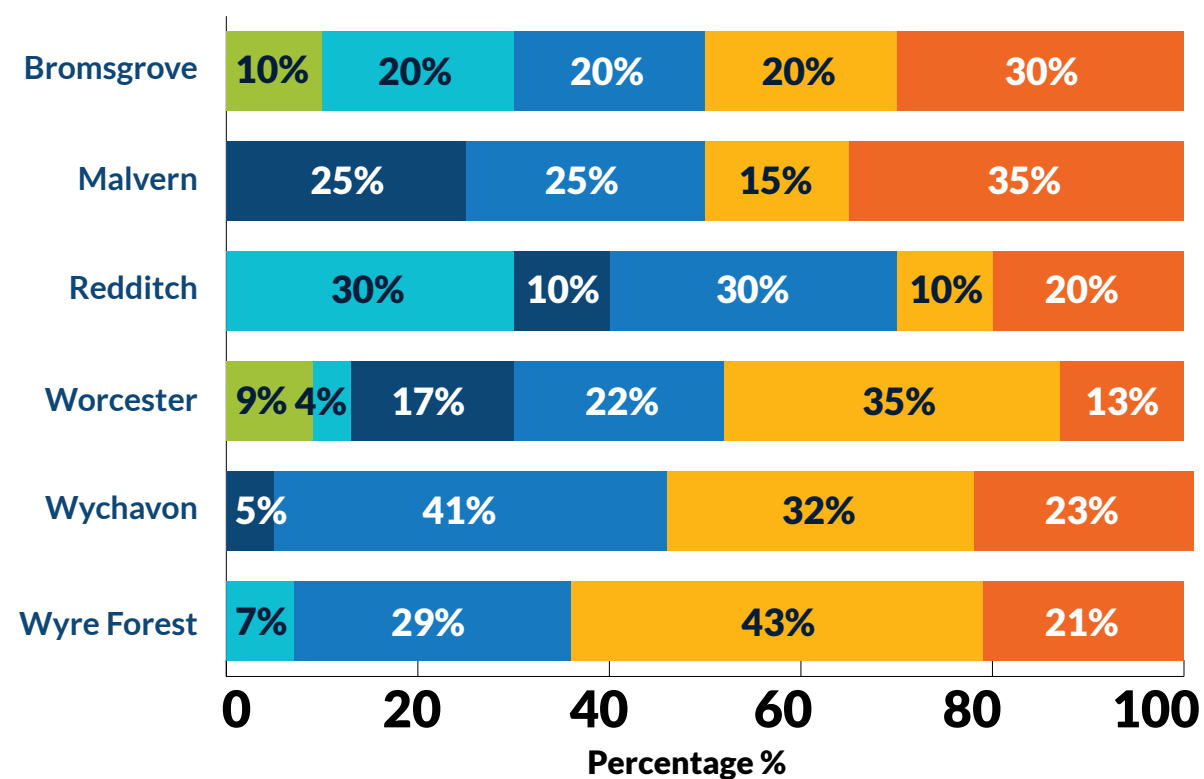


**Key** No volunteers 1-2 3-5 6-10 11-25 26-50 51+



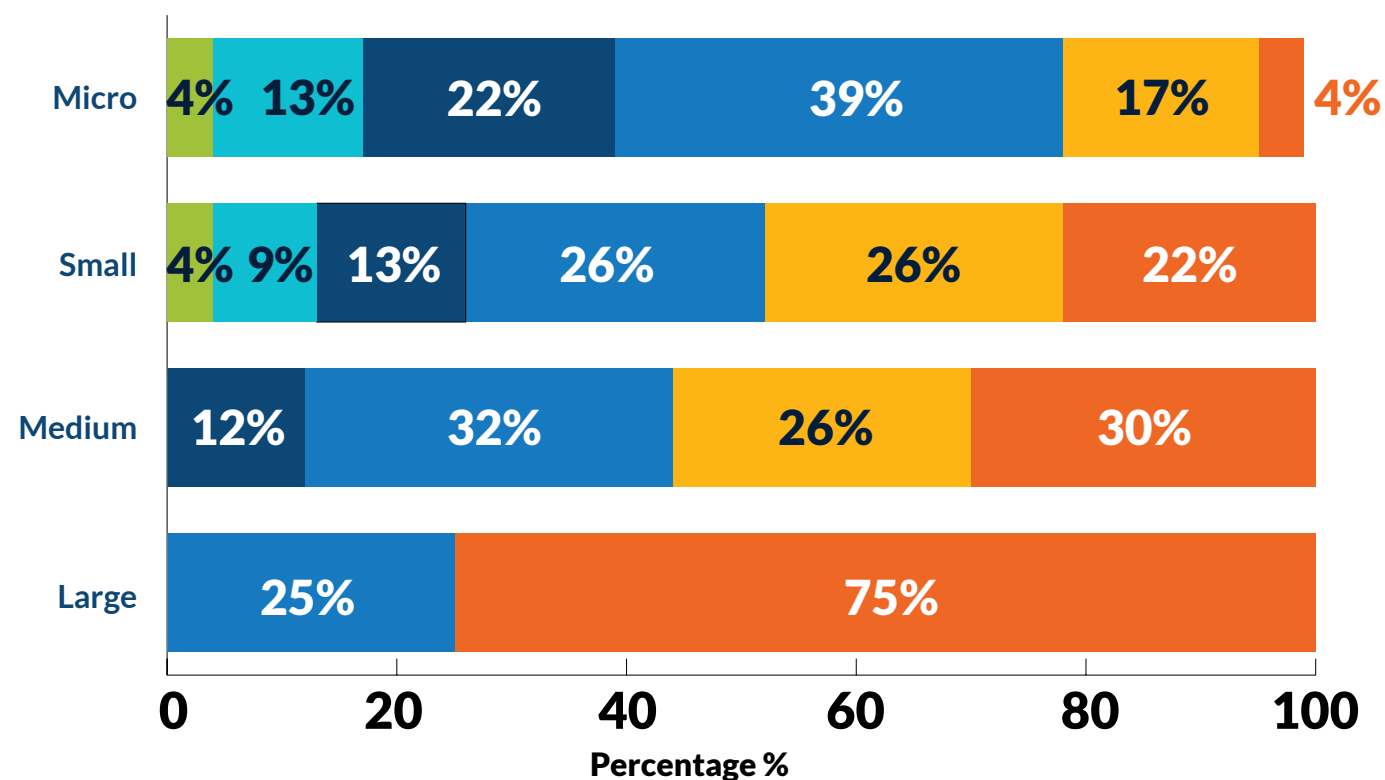


Number of volunteers by districts.

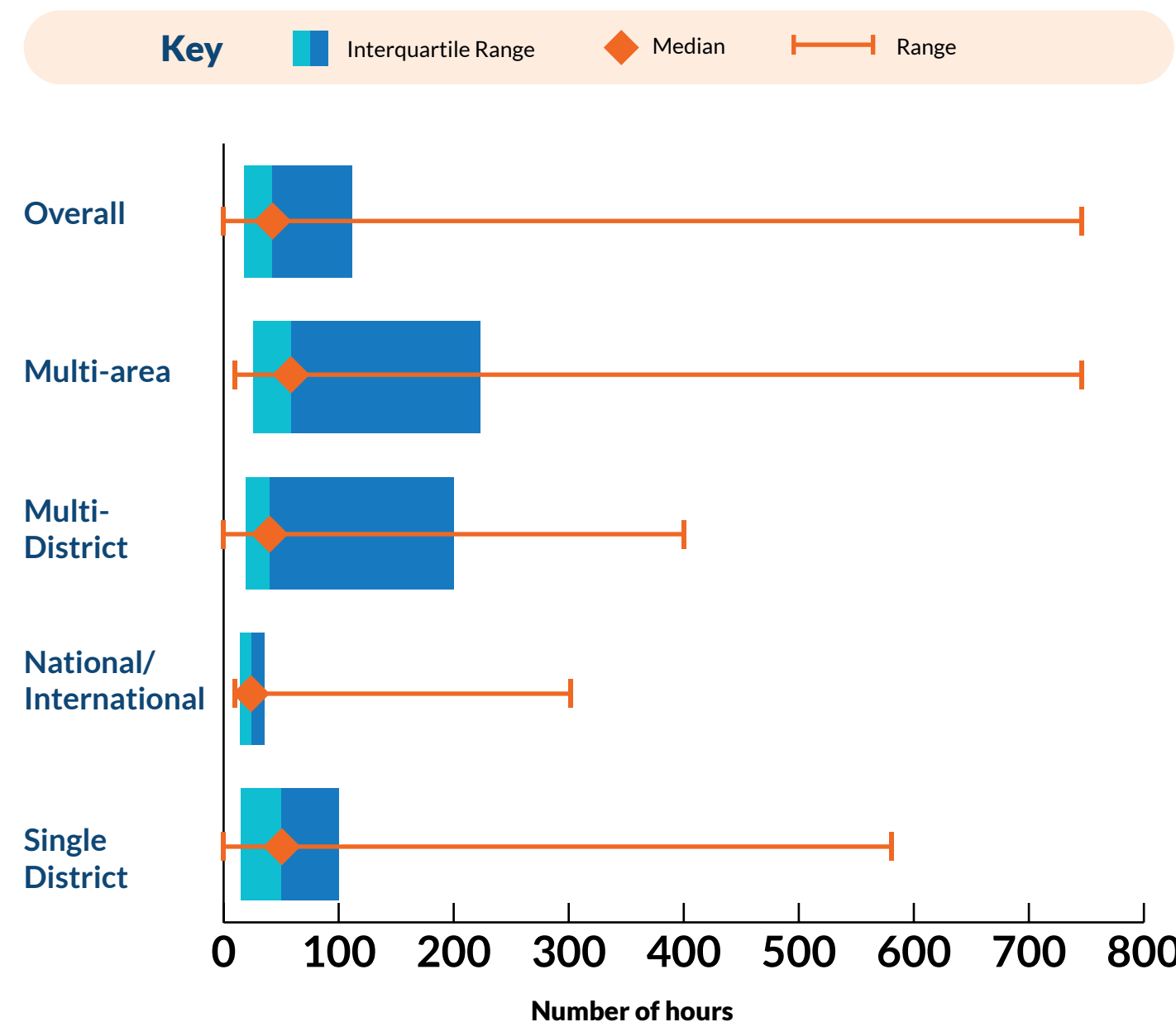


However, the volunteer numbers reported by respondents significantly increases between medium-sized and large organisations, compared with only modest increases between micro, small and medium-sized organisations.

Number of volunteers by organisation size.

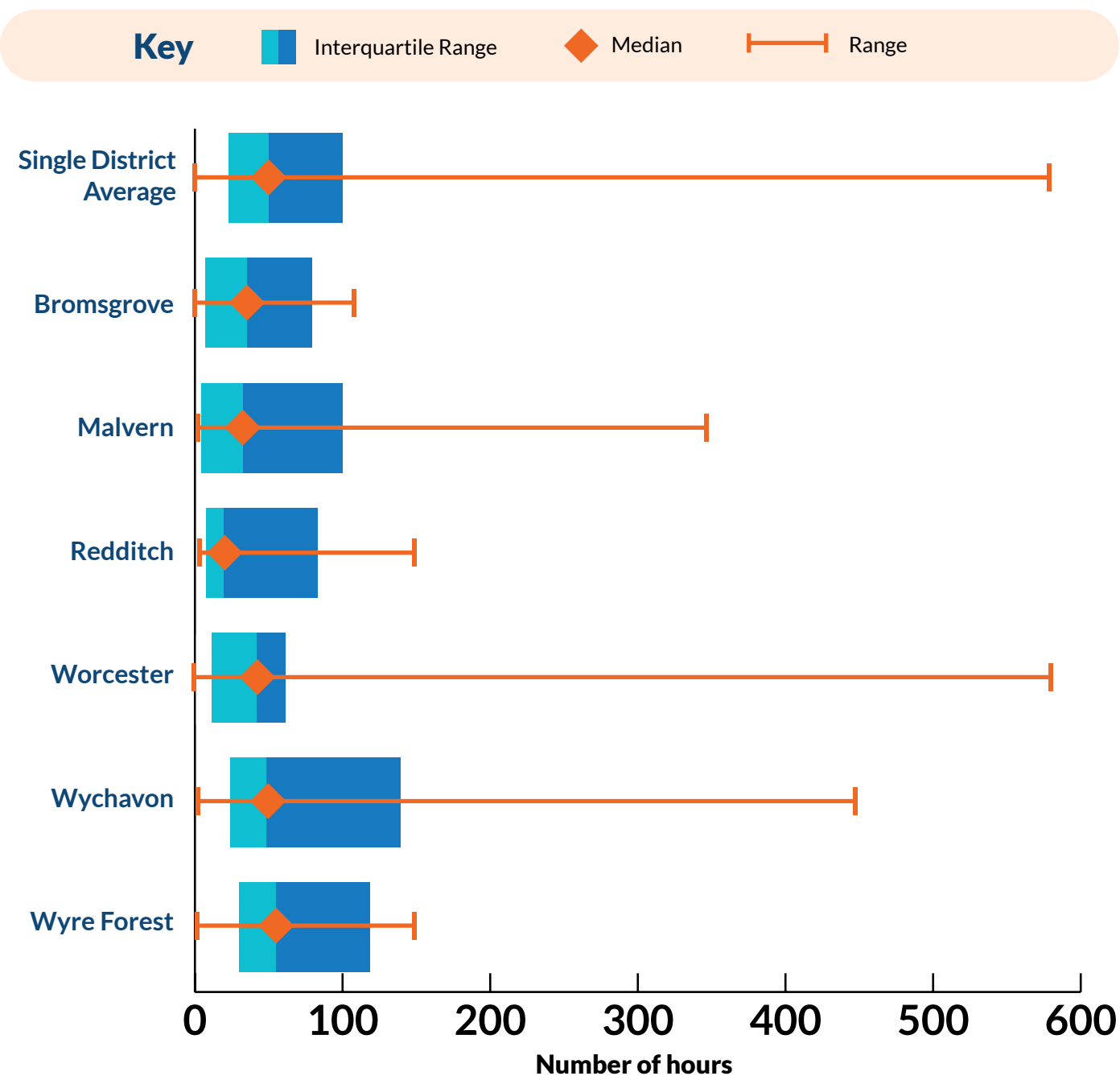


Overall number of hours contributed by volunteers to VCSE organisations in Worcestershire each week.

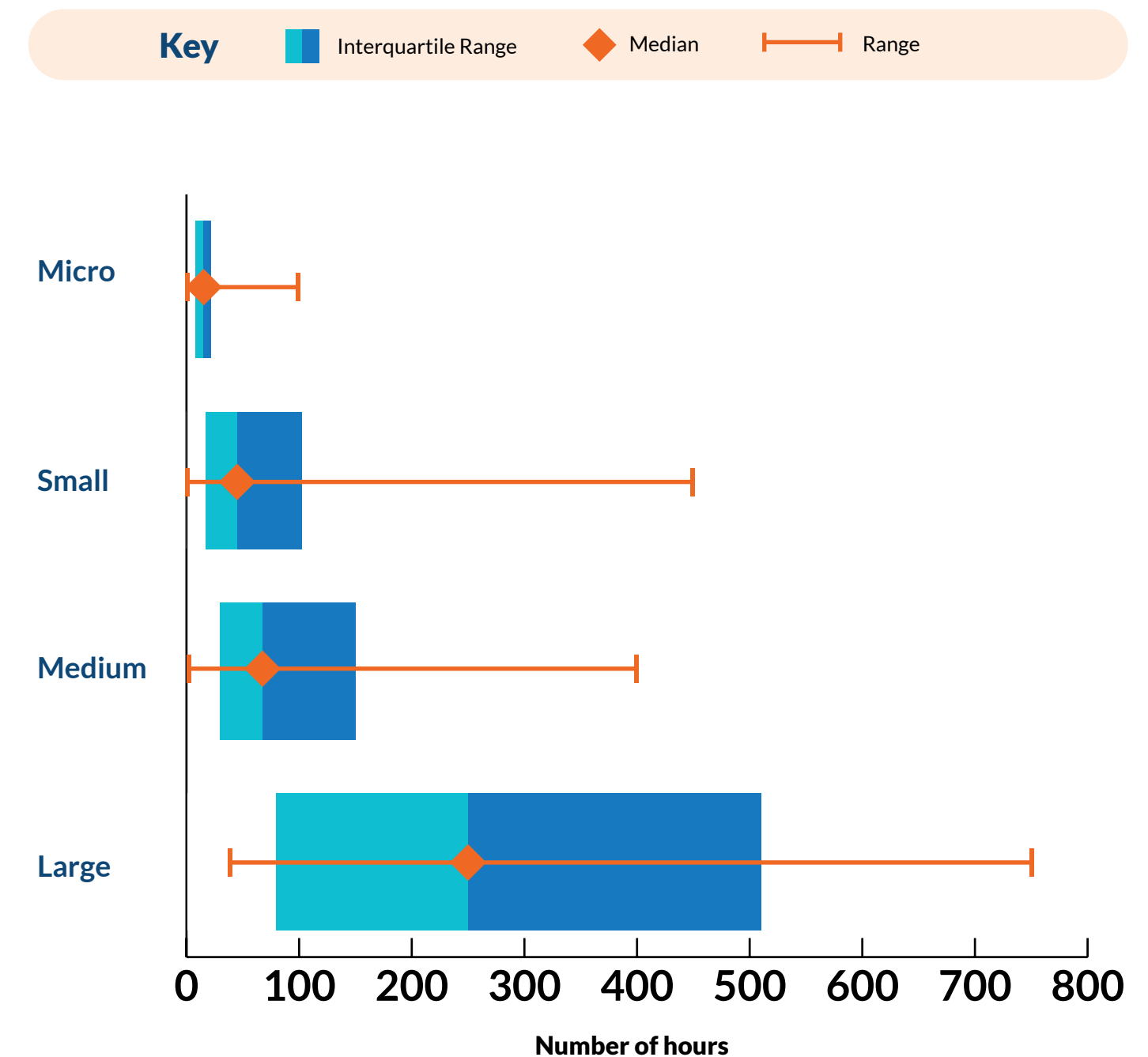


The overall amount of time contributed by volunteers is closely related to the number of volunteers. A median average of 50 hours per week of volunteer time was reported by survey respondents, indicating an average commitment of two hours per week per volunteer.

Overall number of hours contributed by volunteers to VCSE organisations each week within different districts.



Overall number of hours contributed by volunteers to VCSE organisations each week by organisation size.



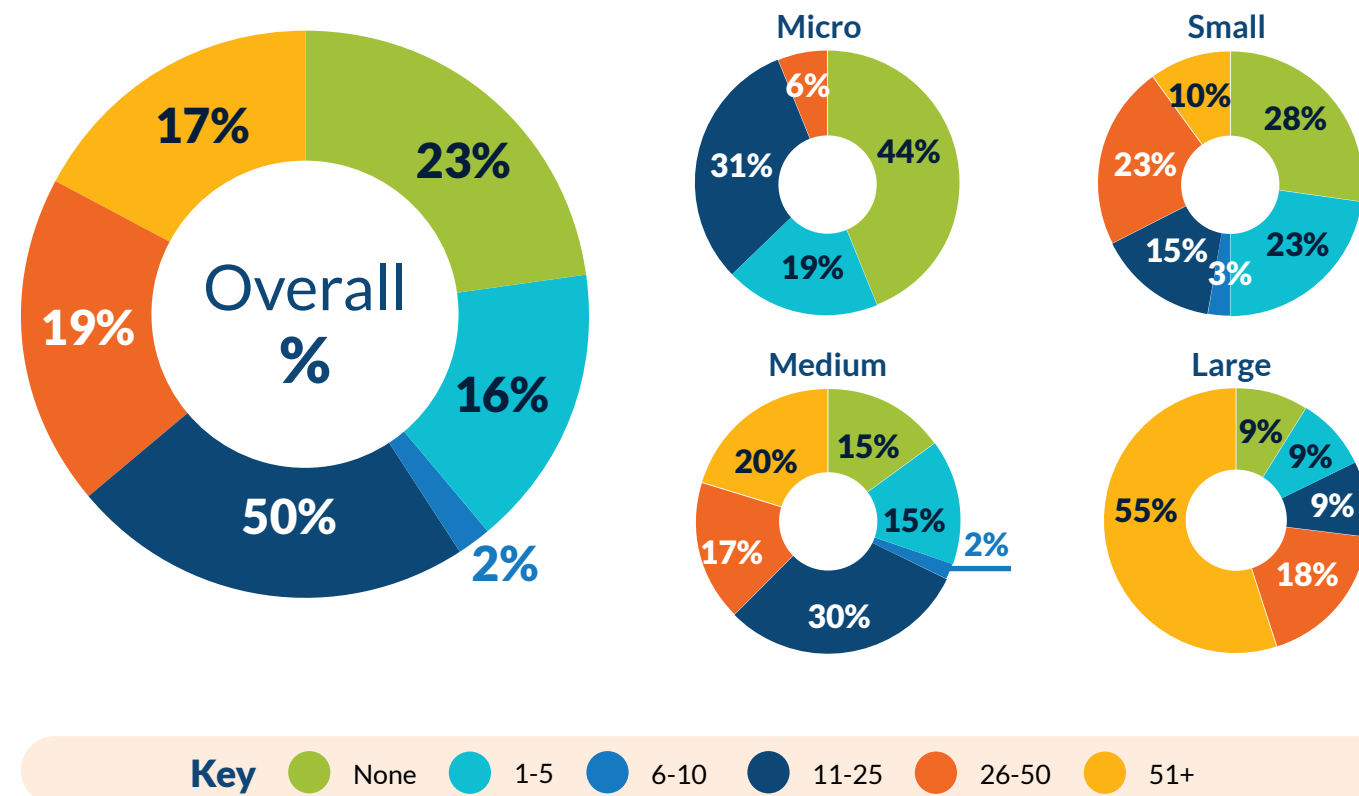
Again, average volunteer hours are closely related to organisation size. However, these averages disguise very large ranges, with some small organisations reporting volunteer contributions well above the average reported by large organisations.



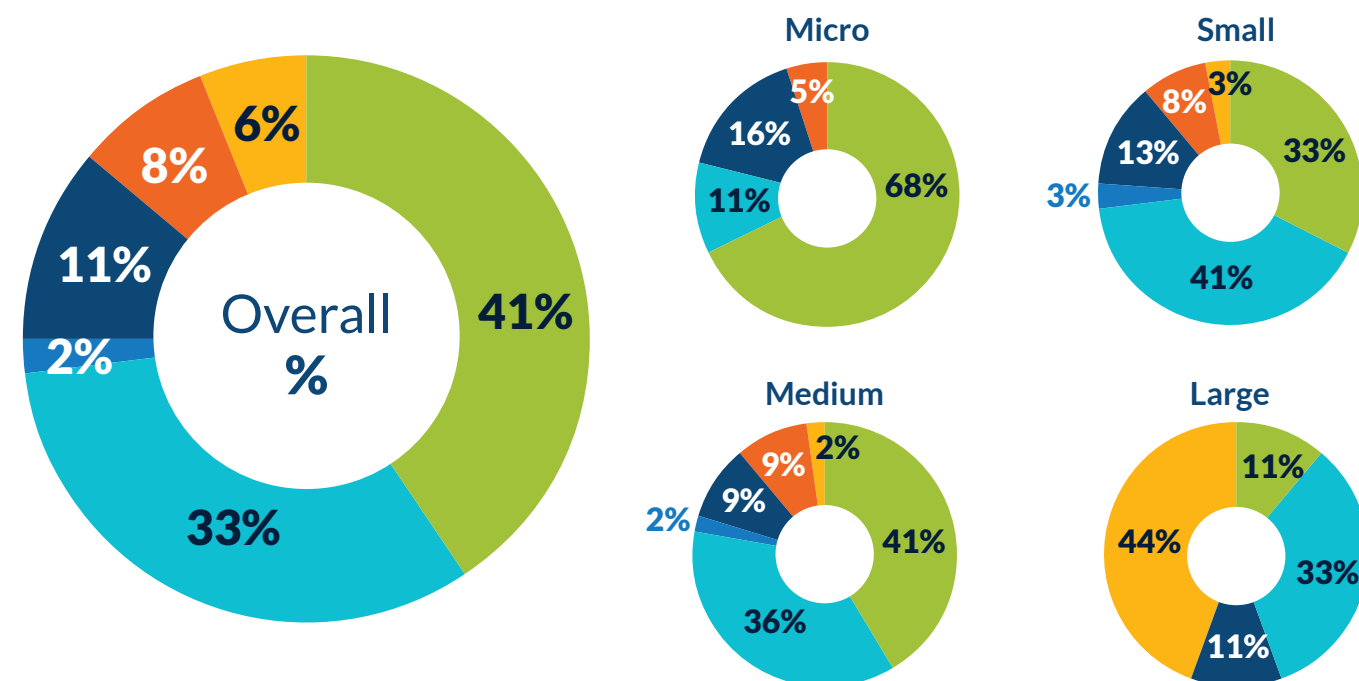
## Overall numbers of volunteer roles supporting VCSE organisations in Worcestershire.

Volunteers enable VCSE organisations in Worcestershire to deliver their activities and services through a variety of roles. These include administrative and governance roles, in addition to supporting the delivery of activities and services.

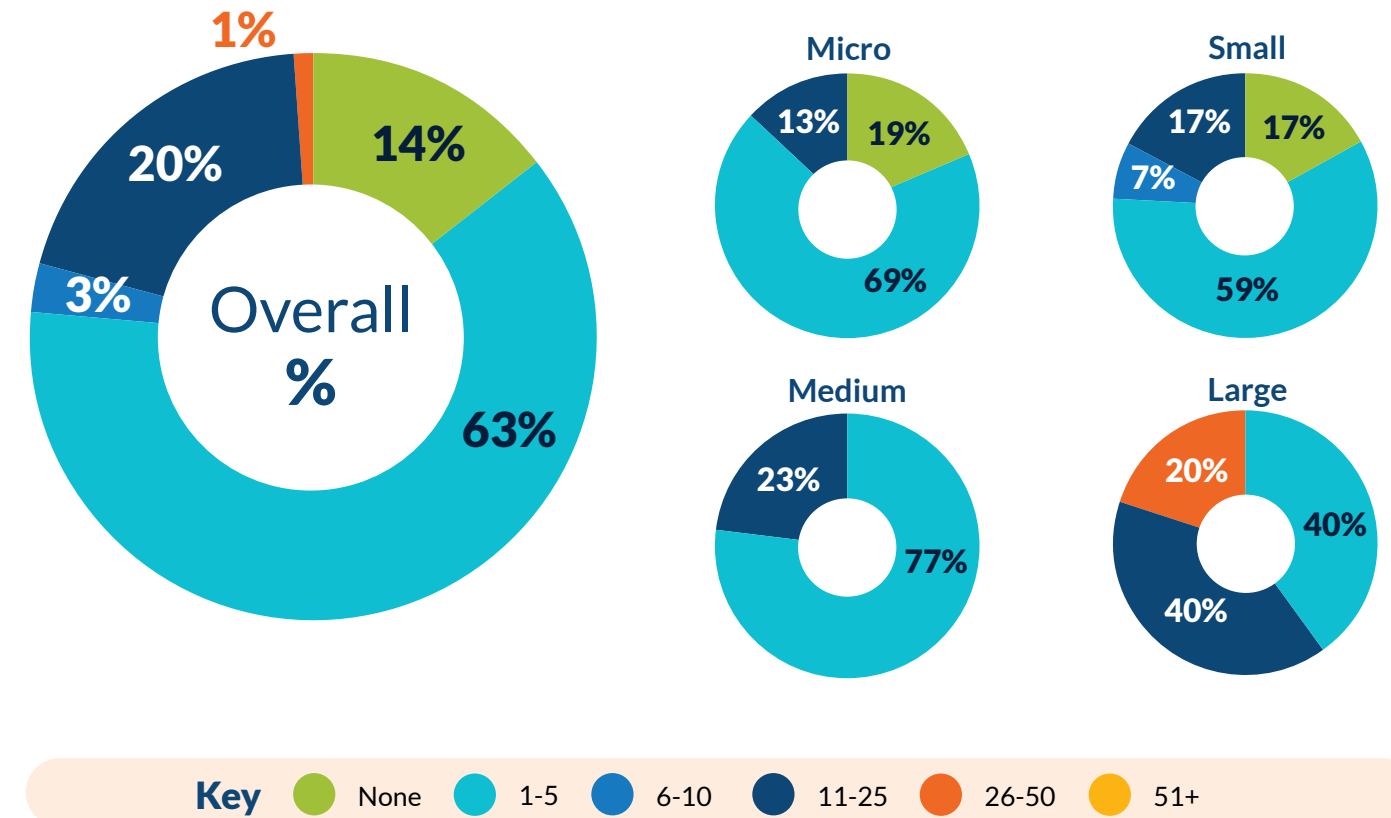
### 1. Number of Volunteers directly supporting beneficiaries



### 2. Number of Organisational Support Volunteers



### 3. Number of Committee Volunteers

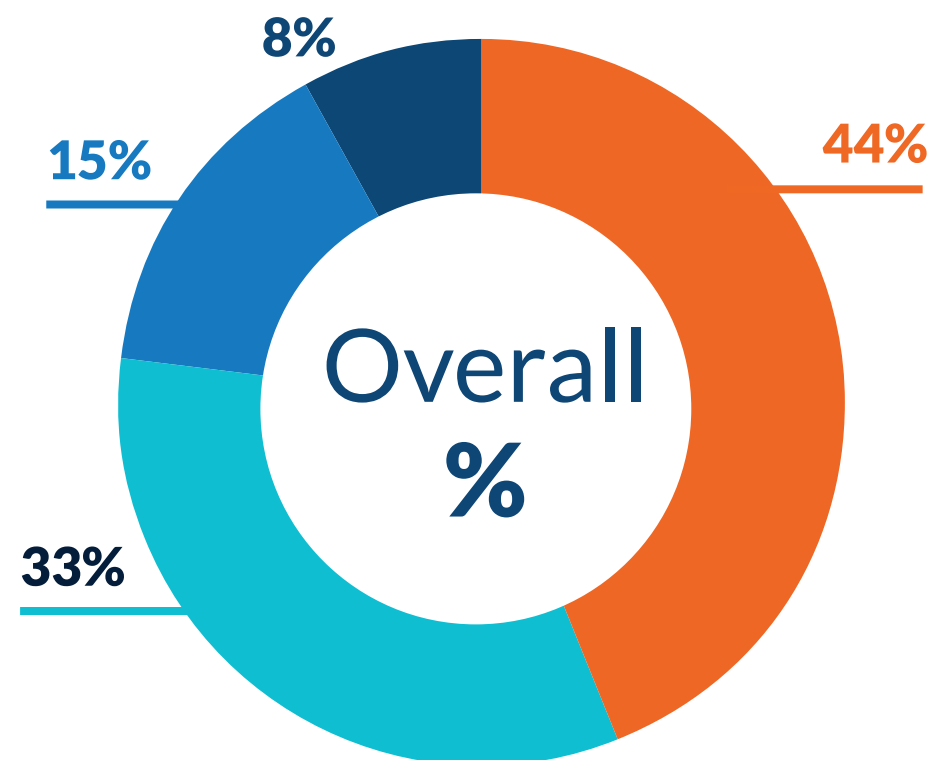


## Finances of VCSE Organisations in Worcestershire

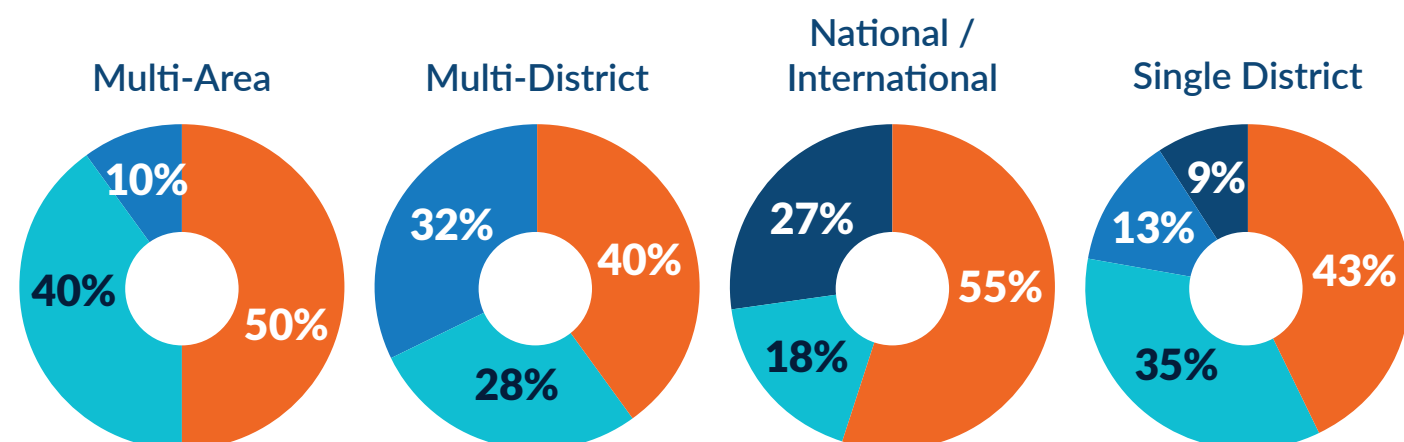
### Income and Expenditure

VCSE Organisations within Worcestershire are typically experiencing a challenging financial situation. There is considerable variation in the circumstances of individual organisations. For the sector as a whole, the overall picture is one of increasing income being outpaced by larger increases in expenditure. The result is around a third of respondent organisations reporting reductions in their levels of free reserves.

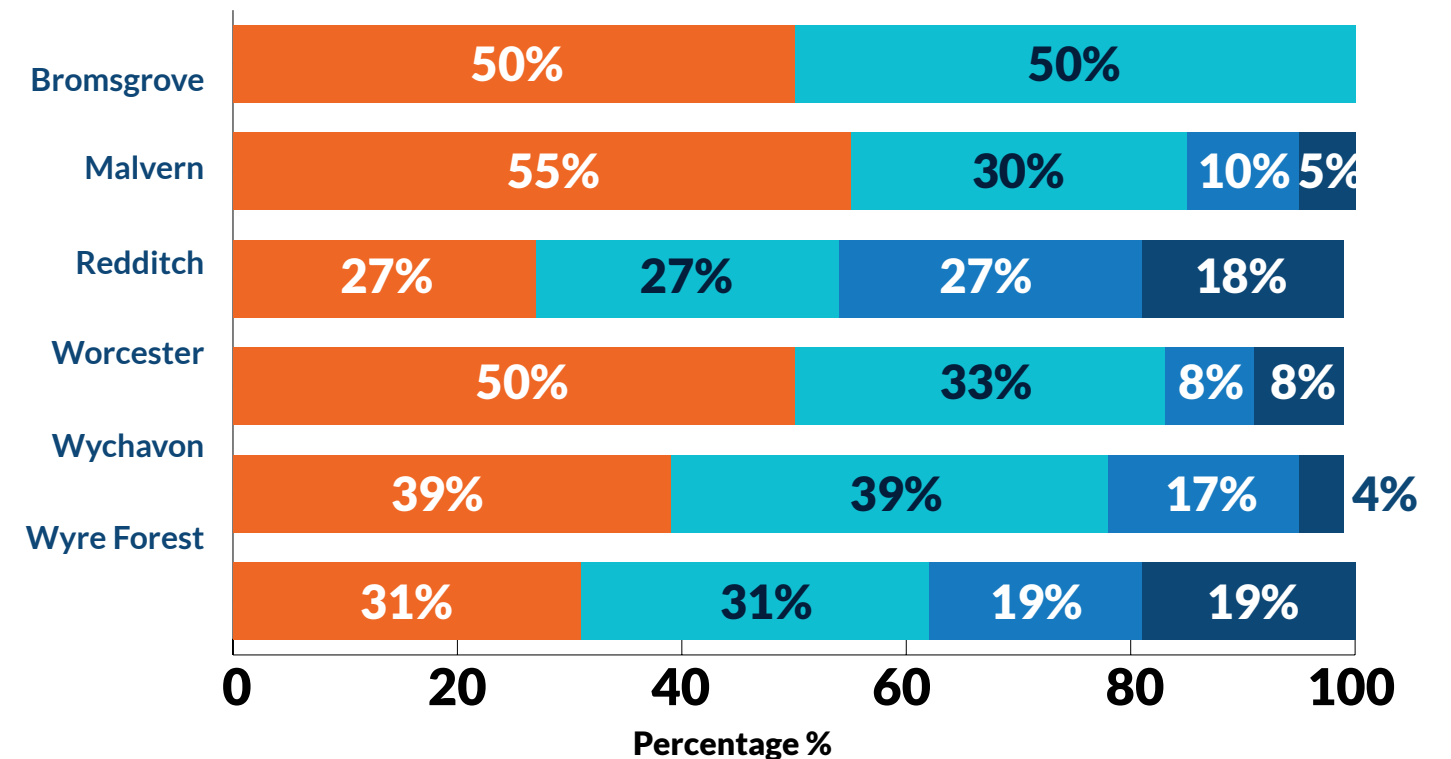
Changes in annual income over the last two years.



**Key** Increased About the same Decreased Don't know

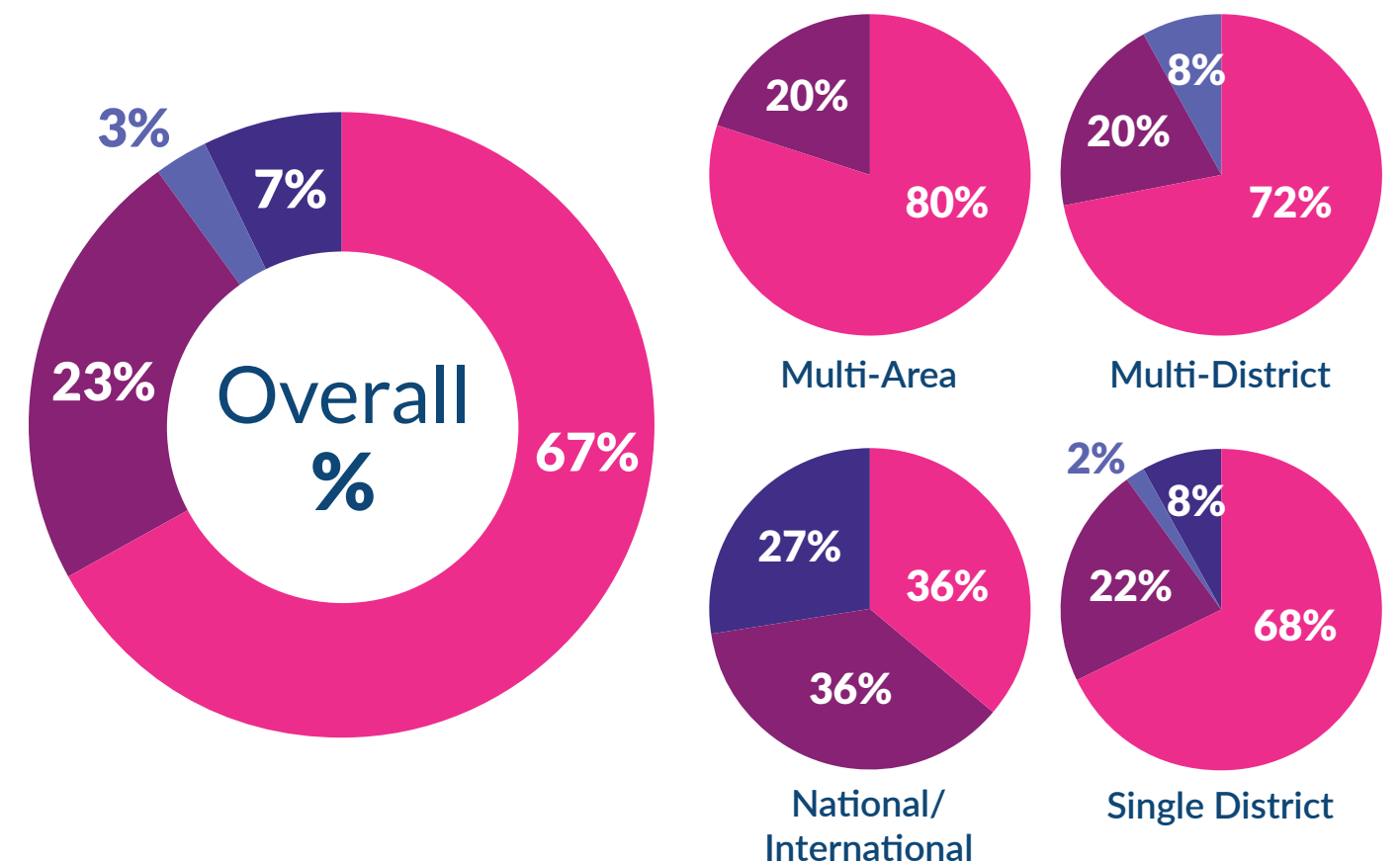


Changes in annual income over the last two years by district.



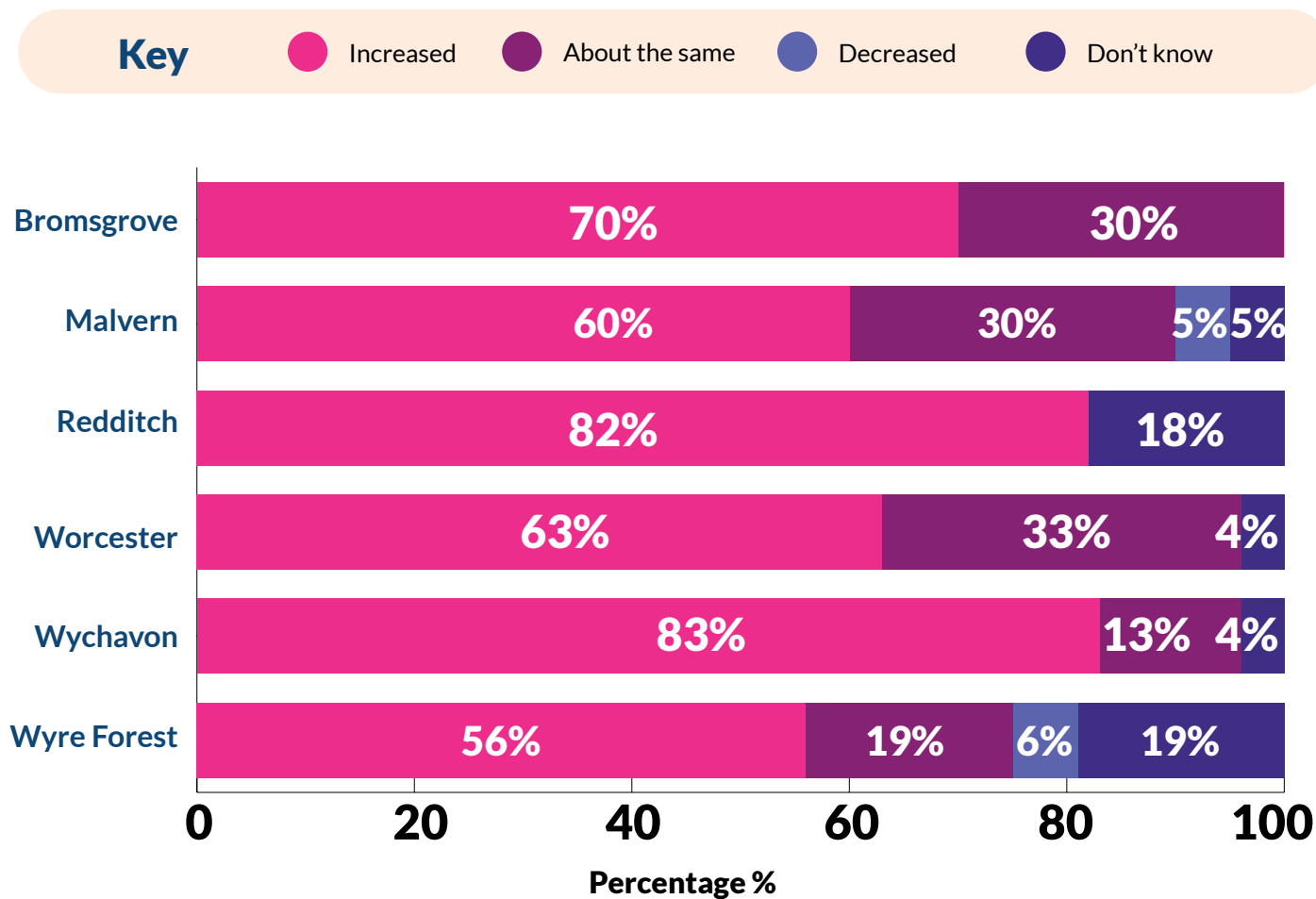
Changes in annual expenditure over the last two years.

**Key** Increased About the same Decreased Don't know





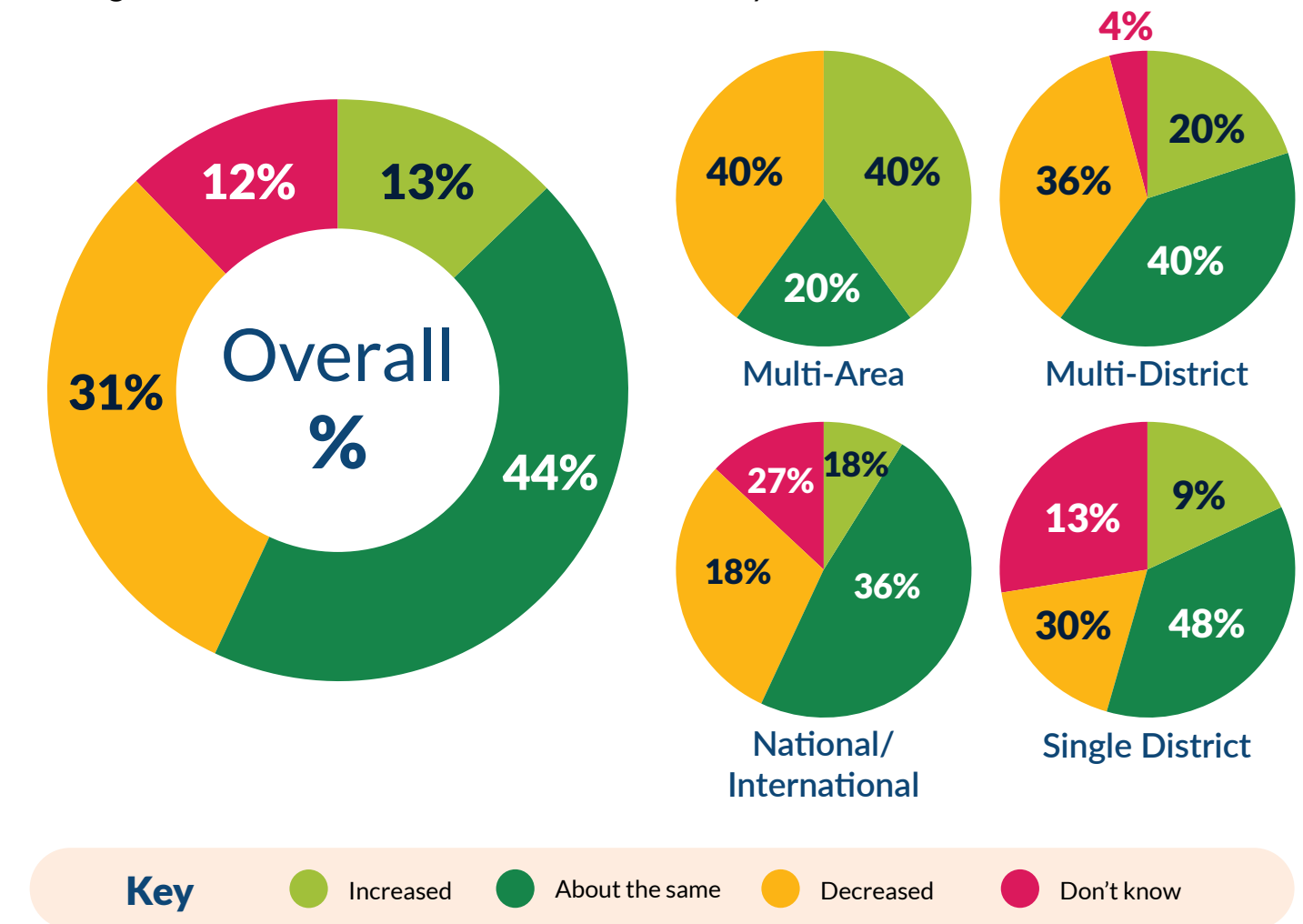
## Changes in annual expenditure over the last two years by district



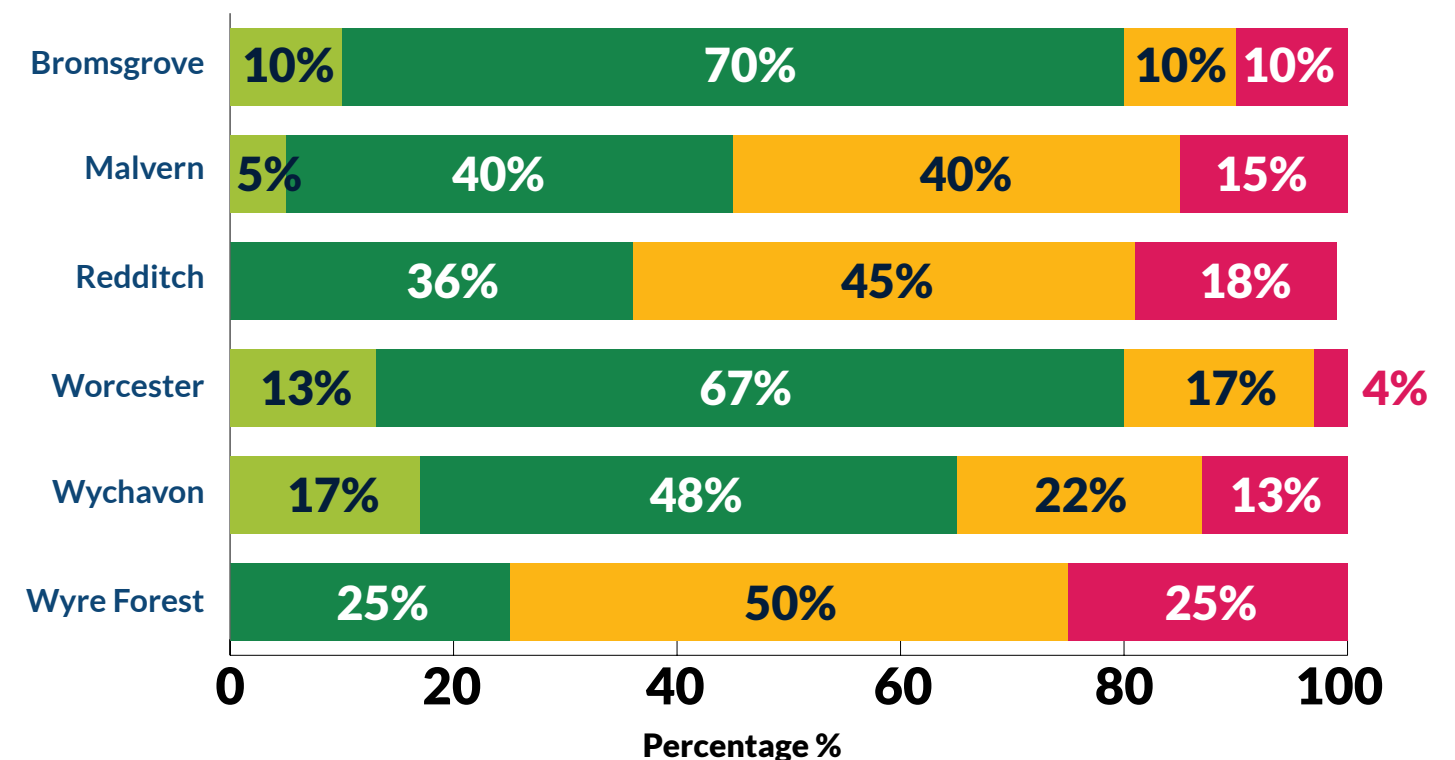
When asked about financial pressures, around 40% of respondents identified increased demand for services as a major pressure, with a similar proportion noting increased overhead costs. This was around twice as many as those identifying reduced grant income as a major pressure, though with one in five respondents noting grant income as a major financial pressure, this is still a significant challenge across the sector.

Overall, those typically larger organisations working across a wider geographical area were more likely to report financial challenges than typically smaller organisations working in a single Worcestershire district. The most significant difference is the proportion of those organisations noting financial challenges from public sector contracts, which are much more likely to be part of the income mix for larger organisations.

## Change in level of free reserves over the last two years.

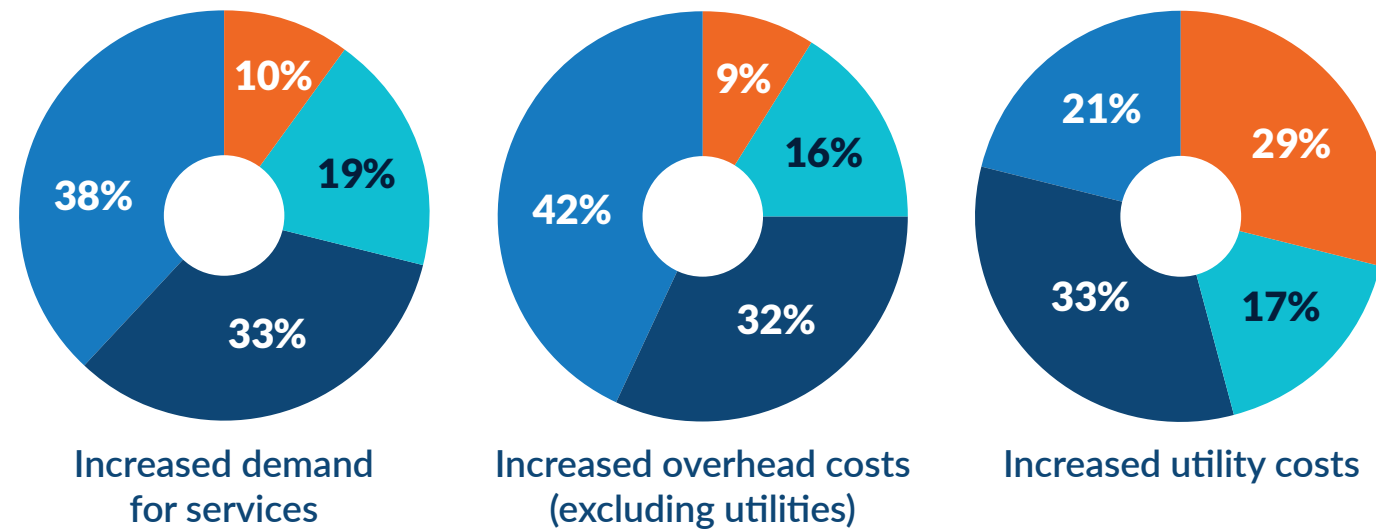


## Change in level of free reserves over the last two years by district.



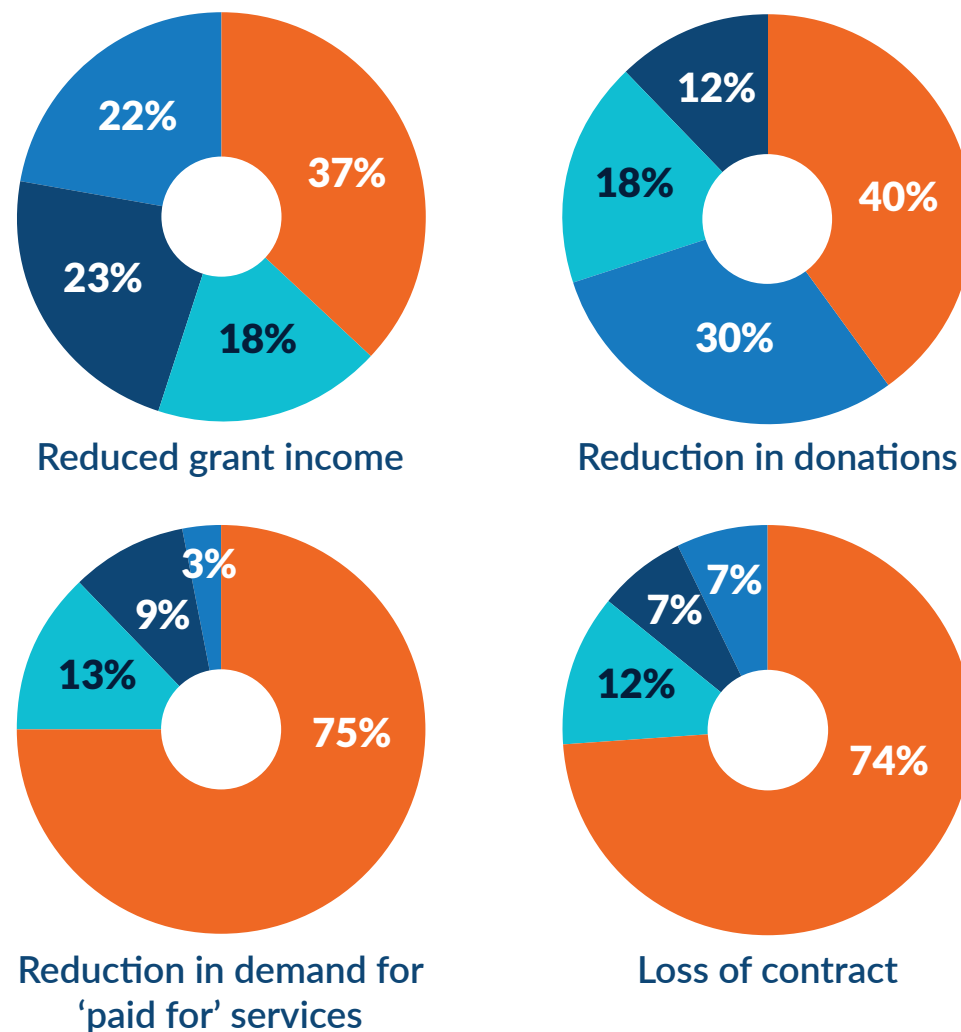
## Financial pressures reported by organisations.

### Increased costs



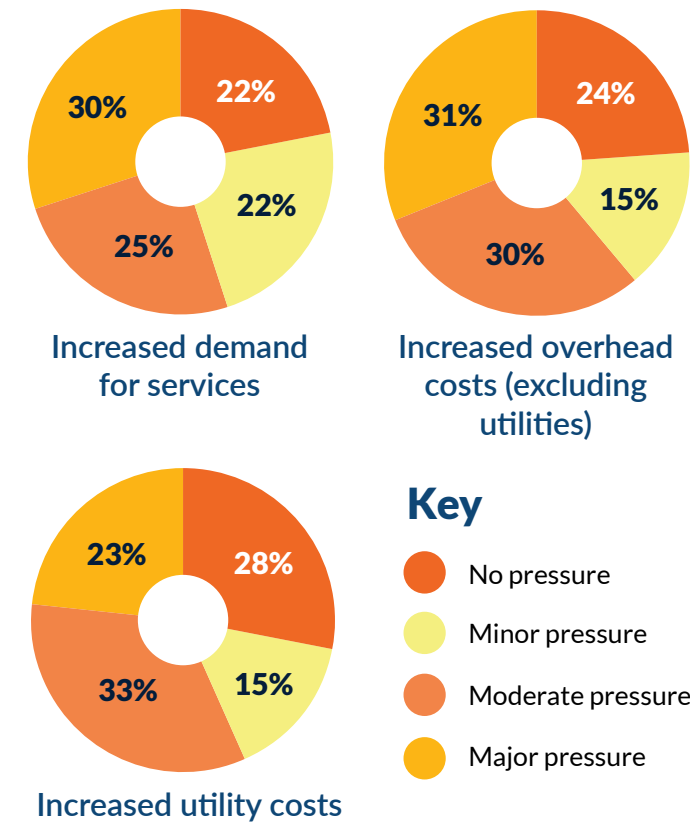
**Key** No pressure Minor pressure Moderate pressure Major pressure

### Reduced income



## Financial pressures reported by organisations working in a single district.

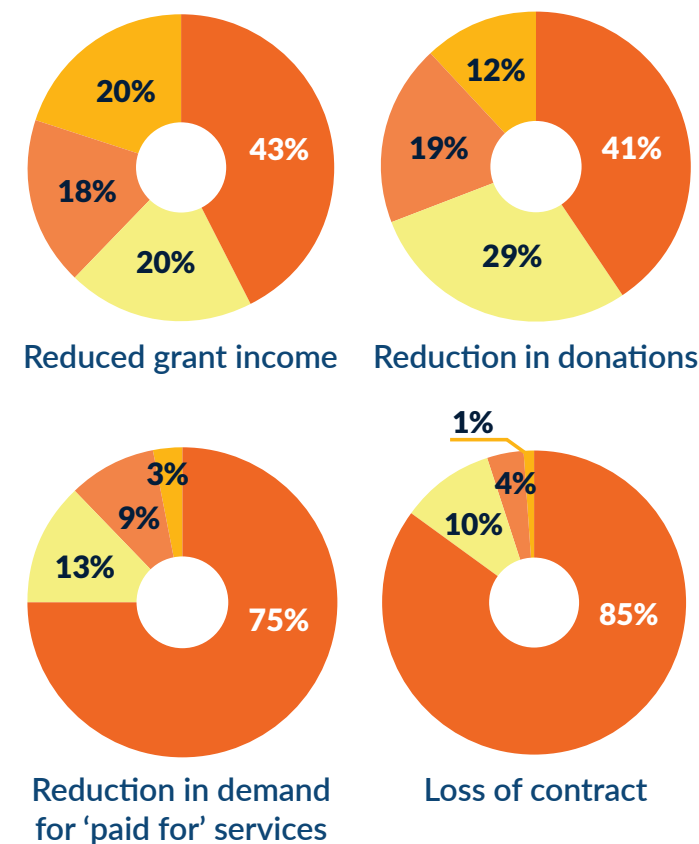
### Increased costs



#### Key

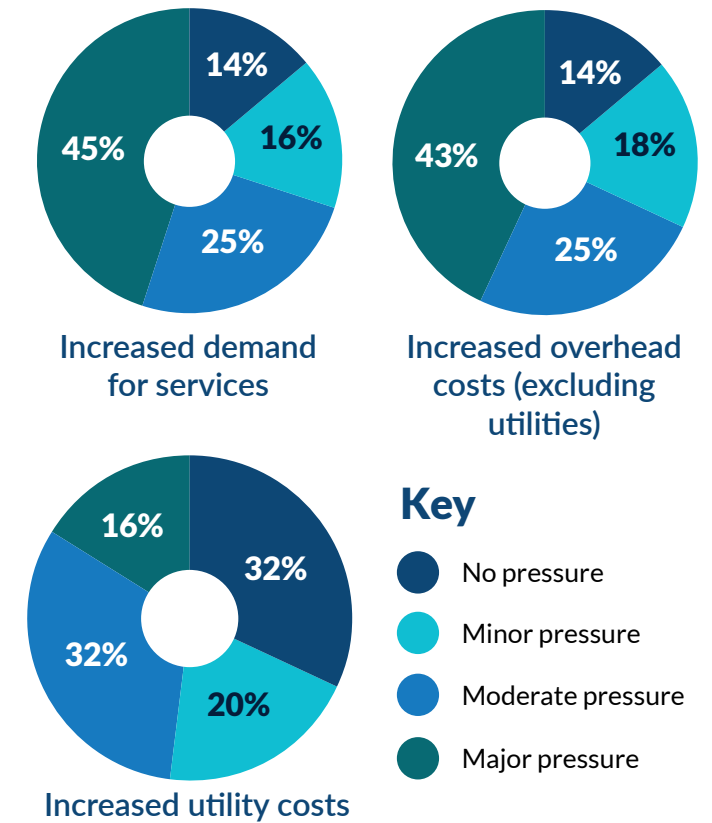
No pressure  
Minor pressure  
Moderate pressure  
Major pressure

### Reduced income



## Financial pressures reported by organisations working in multiple districts/regionally/nationally.

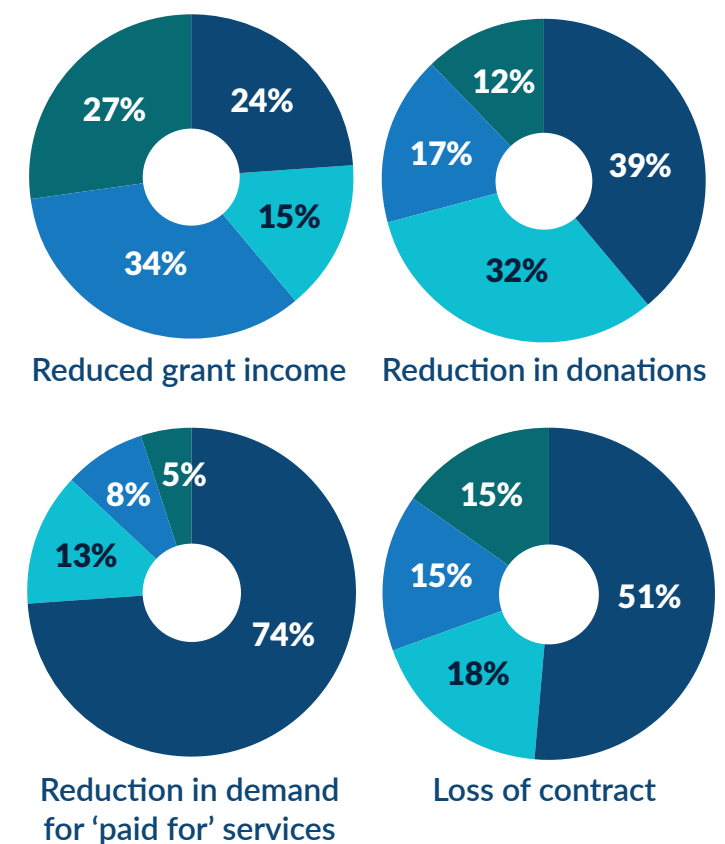
### Increased costs



#### Key

No pressure  
Minor pressure  
Moderate pressure  
Major pressure

### Reduced income



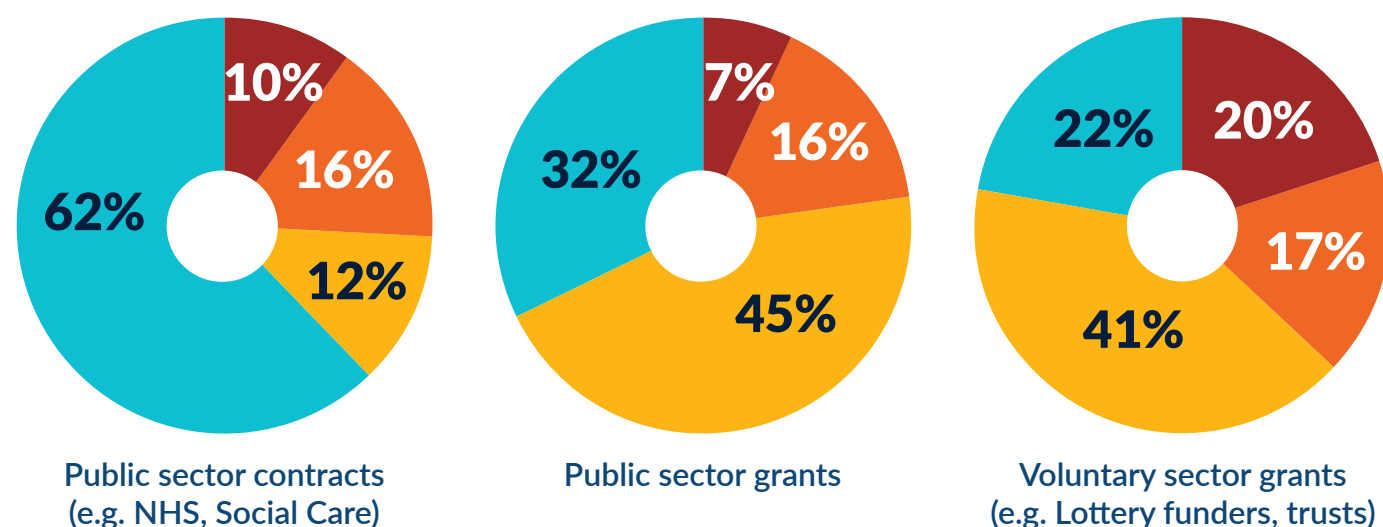


## Sources of Income

VCSE organisations in Worcestershire receive income from a range of sources. Typically, organisations will have a mix of income from grants, donations and income earned from service charges or fundraising operations. Voluntary sector grants are the single biggest source of funds, with 32% of respondents reporting that income from sources such as lottery funders and trusts make up at least a quarter of their annual income.

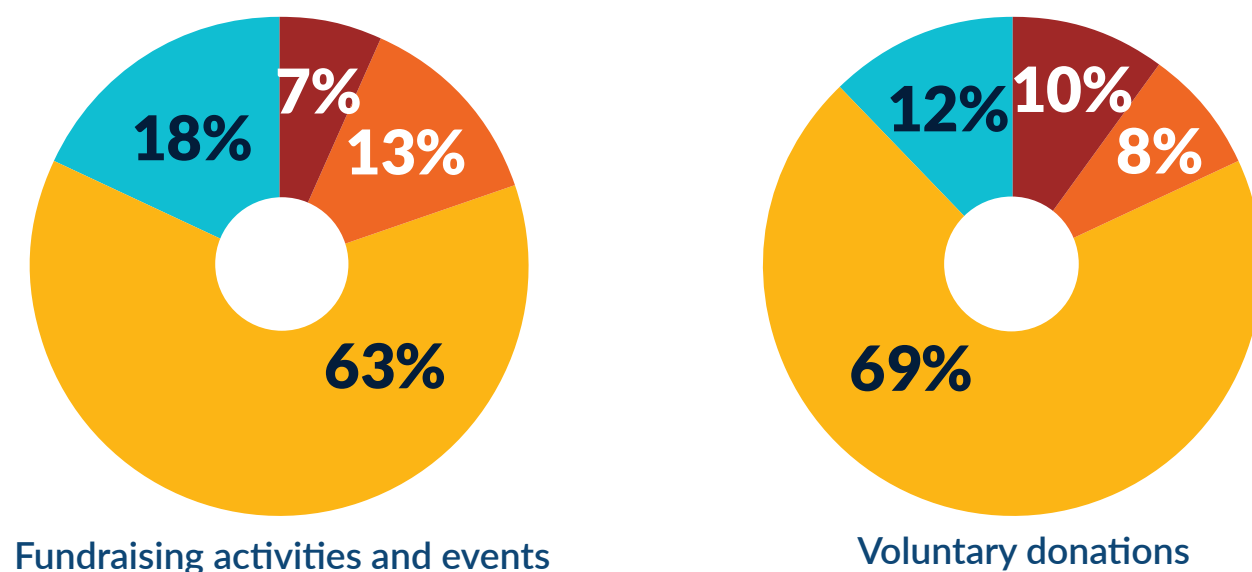
Overall percentage of income received over the past two years from the following sources.

### Grants and contracts

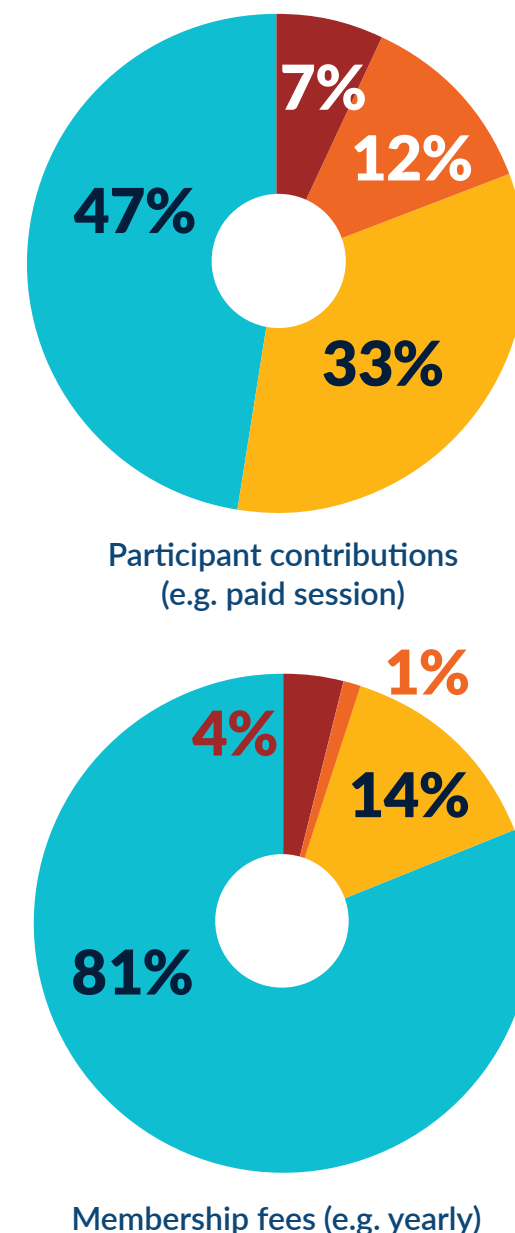


**Key** ● More than 50% ● Between 25% and 50% ● Less than 25% ● None

### Fundraising and donations

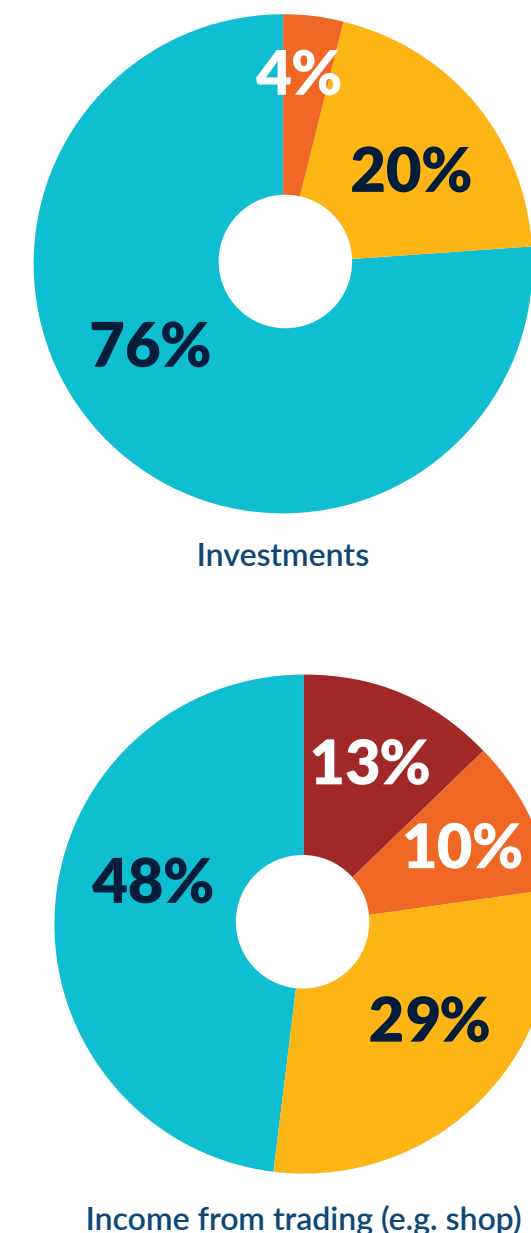


### Memberships and paid sessions



**Key** ● More than 50% ● Between 25% and 50% ● Less than 25% ● None

### Income from trading and investments



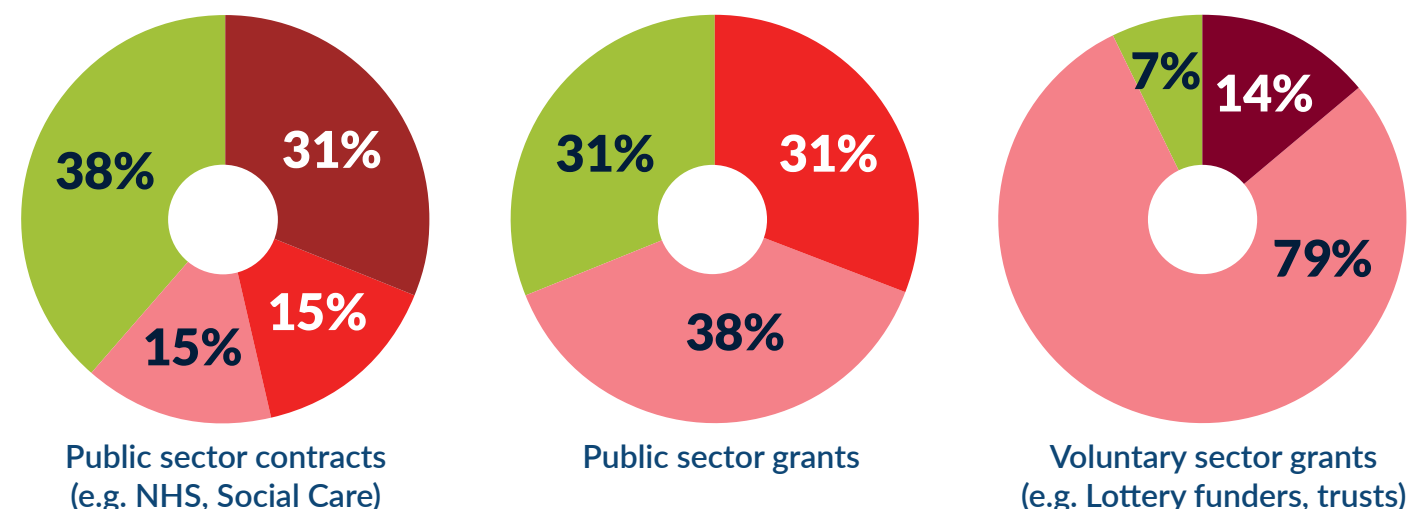
The sector has a wide range of income sources and mixes, with each organisation having its own unique set of circumstances and opportunities. However, there are some general patterns across the VCSE sector in Worcestershire as a whole, typically linked to the size of organisations.

Around a third of large and major organisations who completed the survey receive more than 50% of their income from public sector contracts. In contrast, less than one in ten small or medium-sized organisations receive contract income at this level.

Medium-sized organisations are most likely to rely on voluntary sector grants for their core income, and are also the most likely to note participant contributions as a significant income source. Small organisations generally have the most diverse mix of income sources, with micro organisations being the most likely to rely on voluntary donations and/or membership fees.

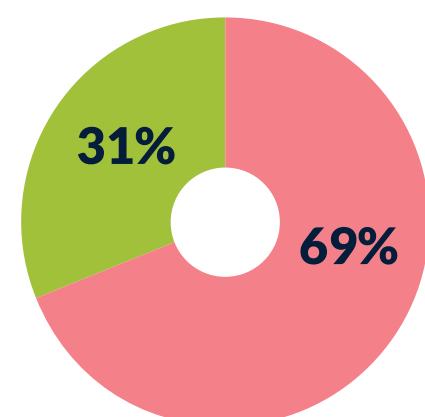
Overall percentage of income recieved for **Large or Major Organisations** over the past two years from the following sources.

### Grants and contracts



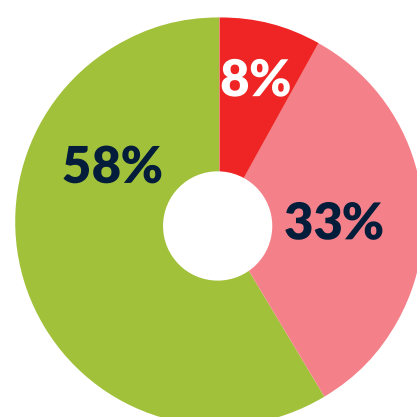
**Key** More than 50% Between 25% and 50% Less than 25% None

### Fundraising and donations



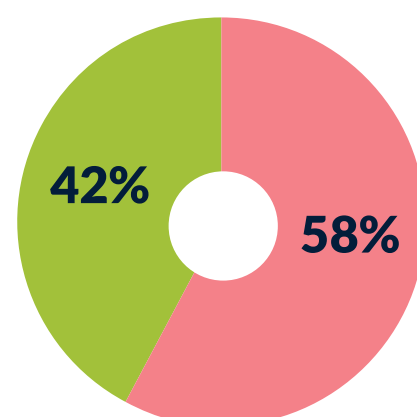
Fundraising activities and events

### Memberships and paid sessions

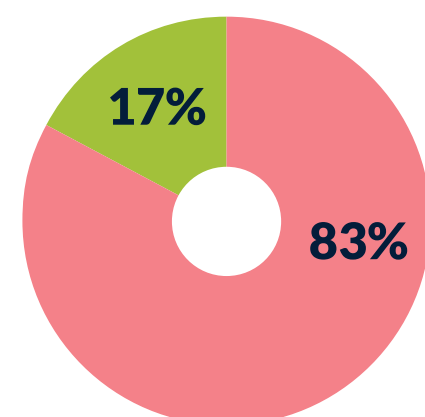


Participant contributions (e.g. paid session or activity)

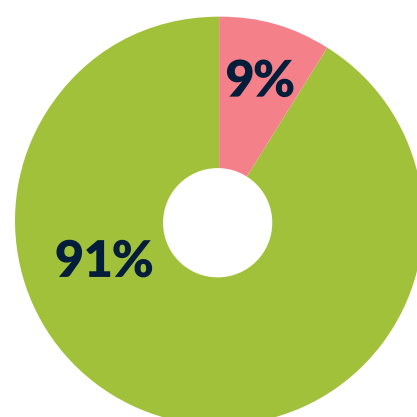
### Income from trading



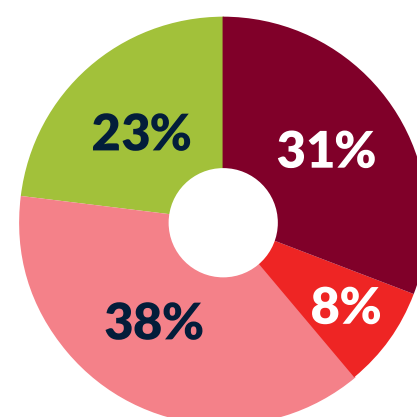
Investments



Voluntary donations



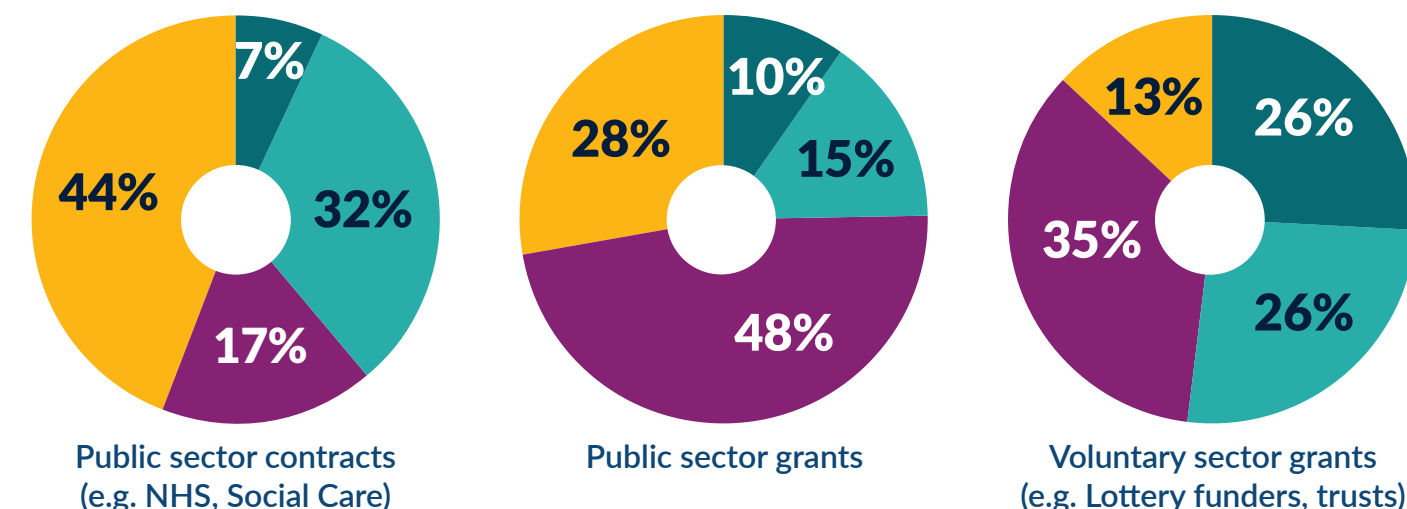
Membership fees (e.g. paid yearly)



Income from trading (e.g. shop, cafe, charges for services)

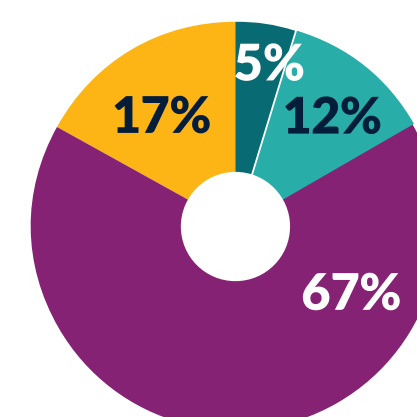
Overall percentage of income recieved for **Medium Organisations** over the past two years from the following sources.

### Grants and contracts



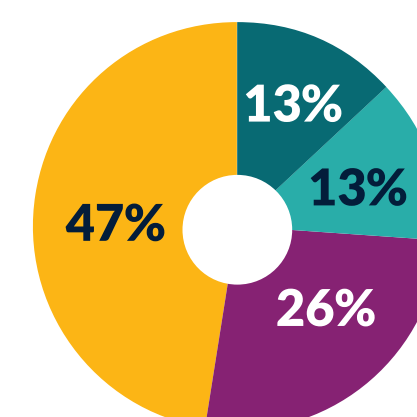
**Key** More than 50% Between 25% and 50% Less than 25% None

### Fundraising and donations



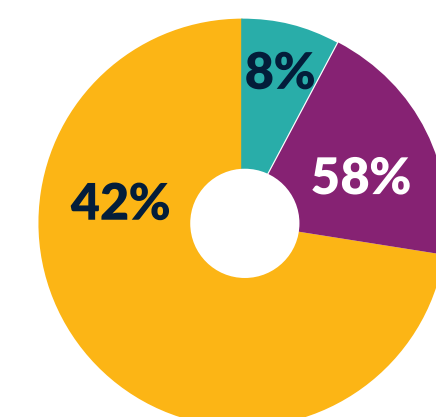
Fundraising activities and events

### Memberships and paid sessions

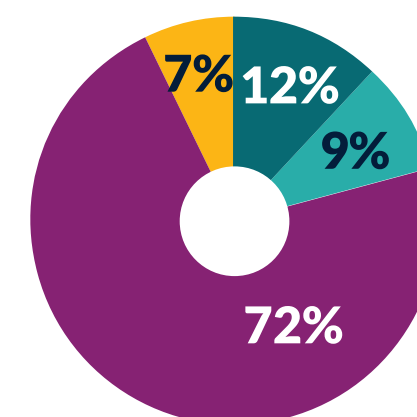


Participant contributions (e.g. paid session or activity)

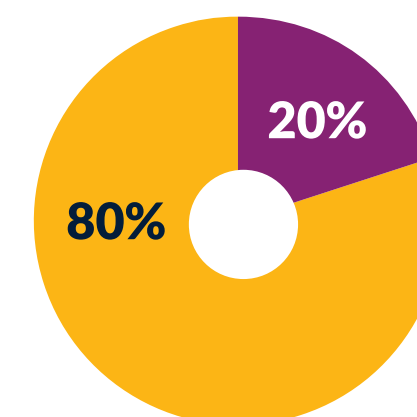
### Income from trading



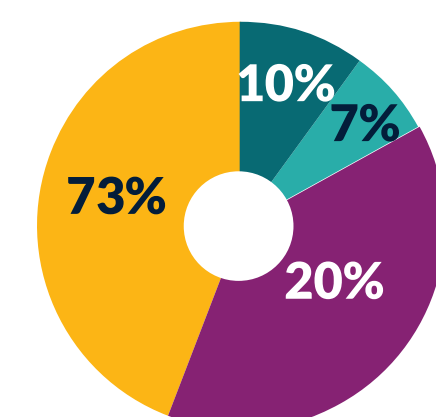
Investments



Voluntary donations



Membership fees (e.g. paid yearly)

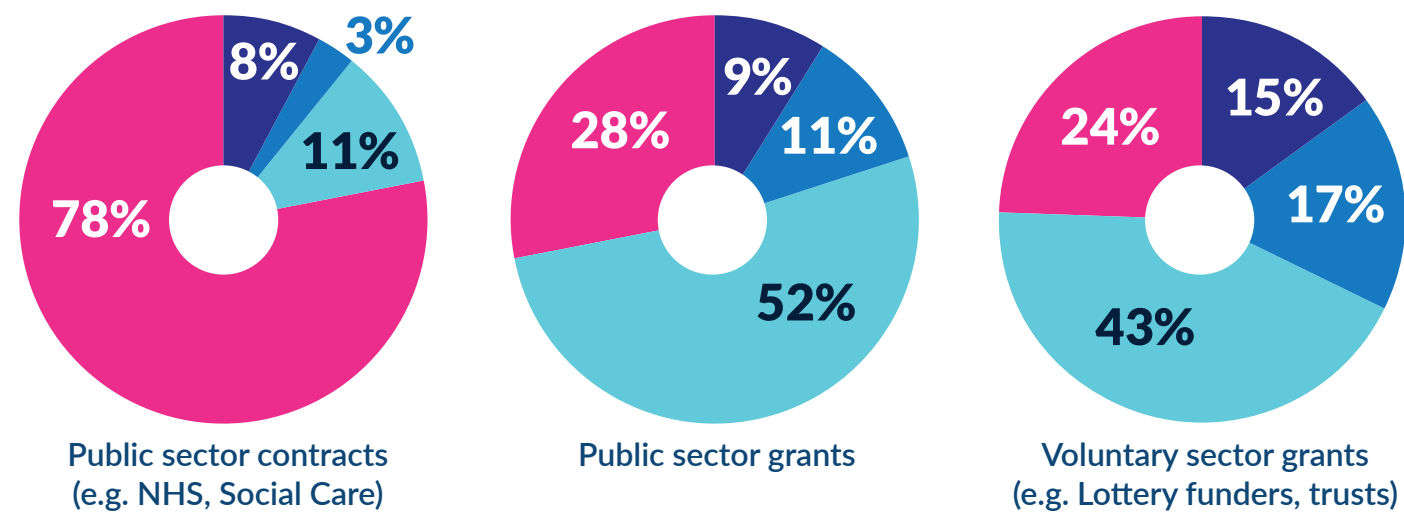


Income from trading (e.g. shop, cafe, charges for services)



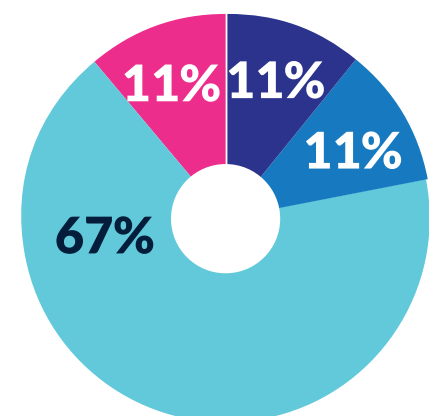
Overall percentage of income recieved for **Small Organisations** over the past two years from the following sources.

### Grants and contracts



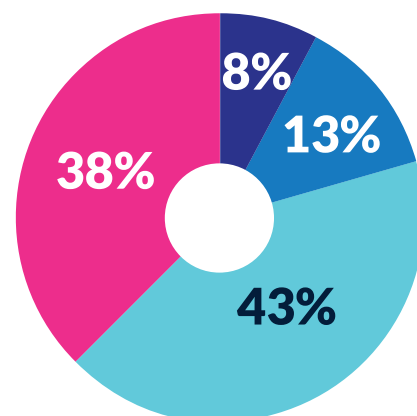
**Key** More than 50% Between 25% and 50% Less than 25% None

### Fundraising and donations



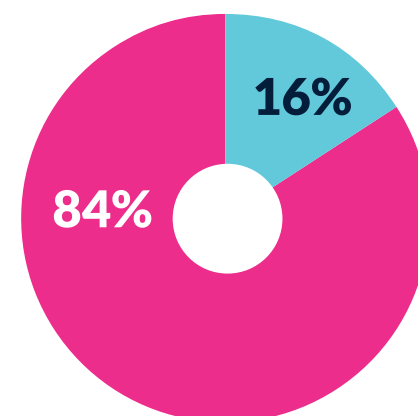
Fundraising activities and events

### Memberships and paid sessions

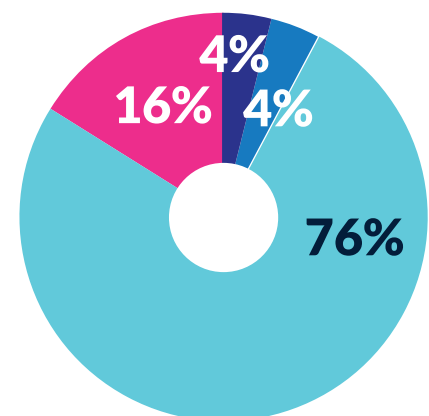


Participating contributions (e.g. paid session or activity)

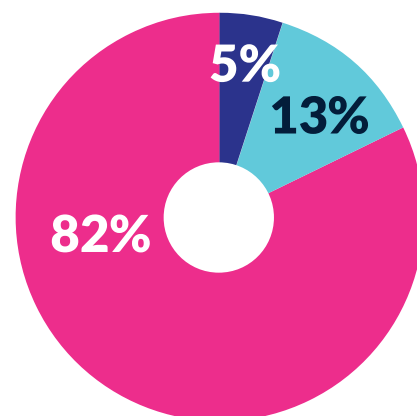
### Income from trading



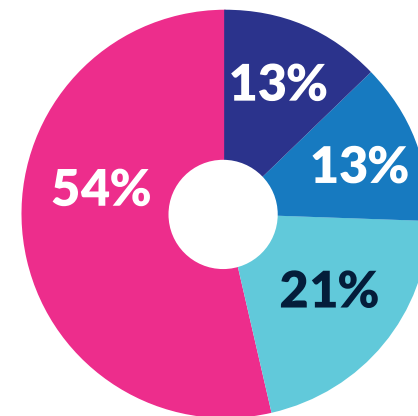
Investments



Voluntary donations



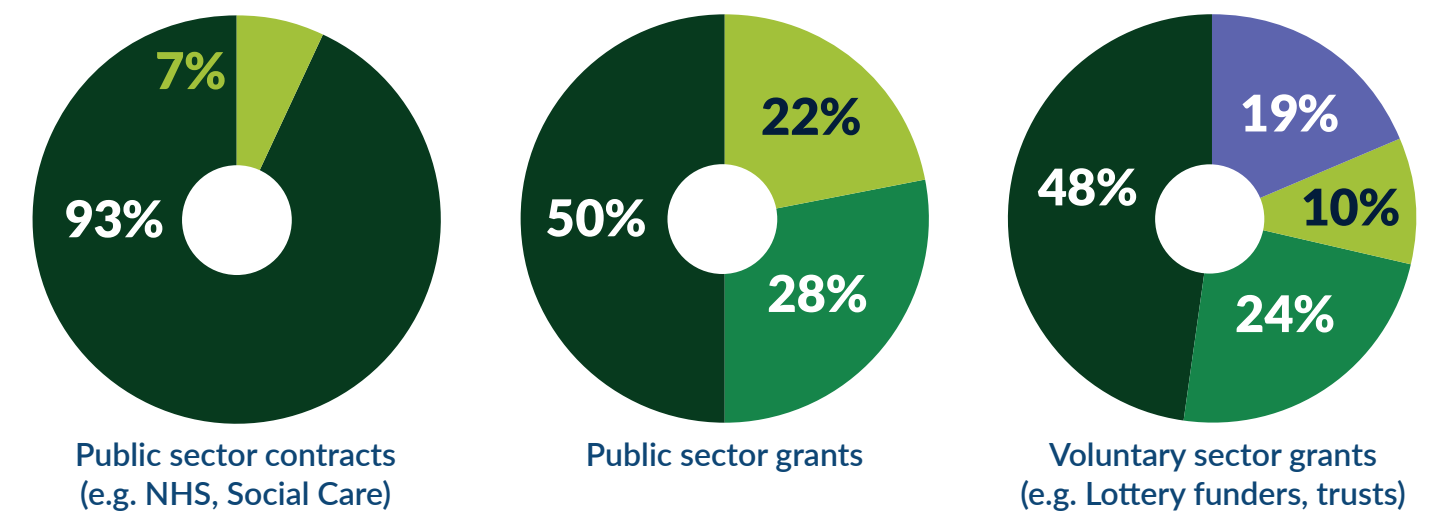
Membership fees (e.g. paid yearly)



Income from trading (e.g. shop, cafe, charges for services)

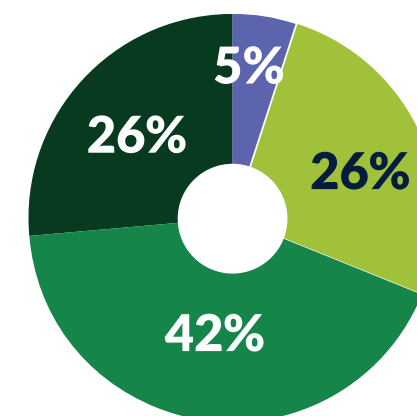
Overall percentage of income recieved for **Micro Organisations** over the past two years from the following sources.

### Grants and contracts



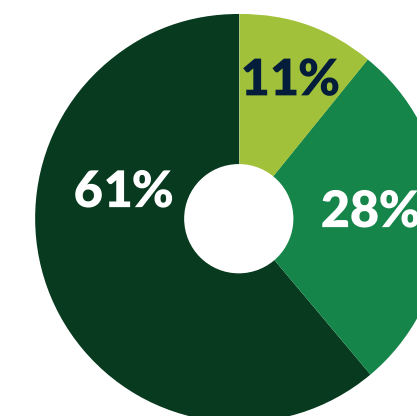
**Key** More than 50% Between 25% and 50% Less than 25% None

### Fundraising and donations



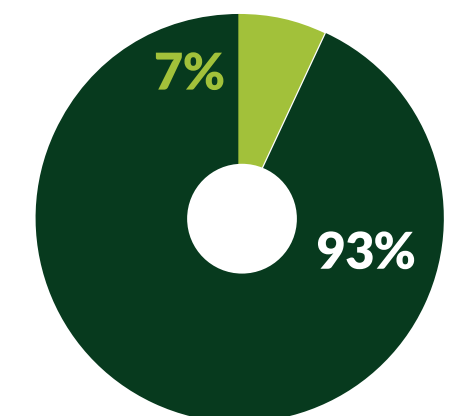
Fundraising activities and events

### Memberships and paid sessions

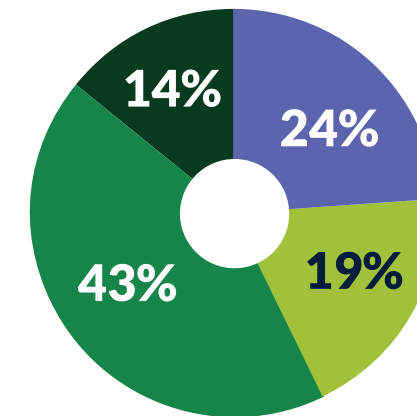


Participating contributions (e.g. paid session or activity)

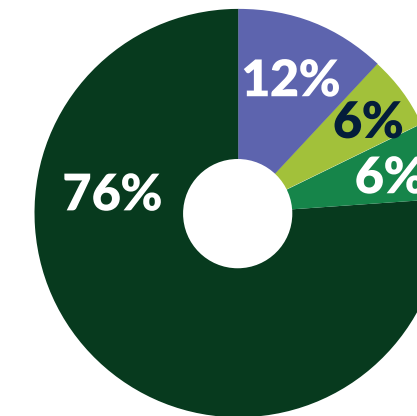
### Income from trading



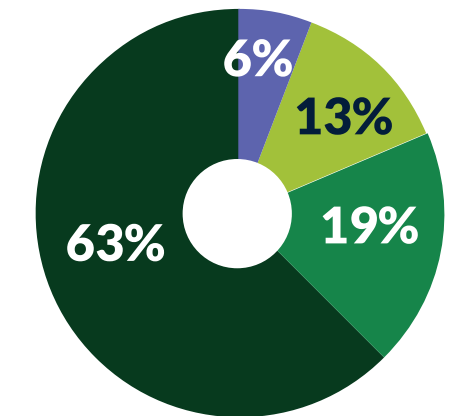
Investments



Voluntary donations



Membership fees (e.g. paid yearly)

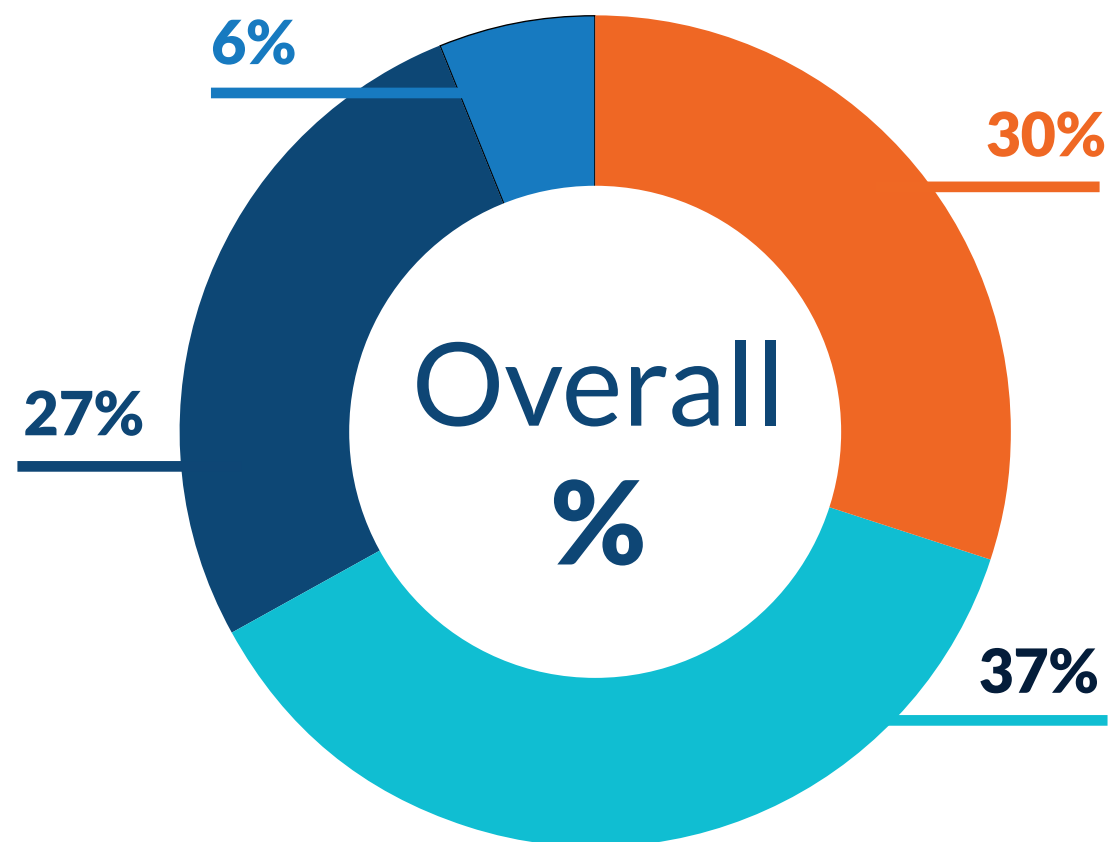


Income from trading (e.g. shop, cafe, charges for services)

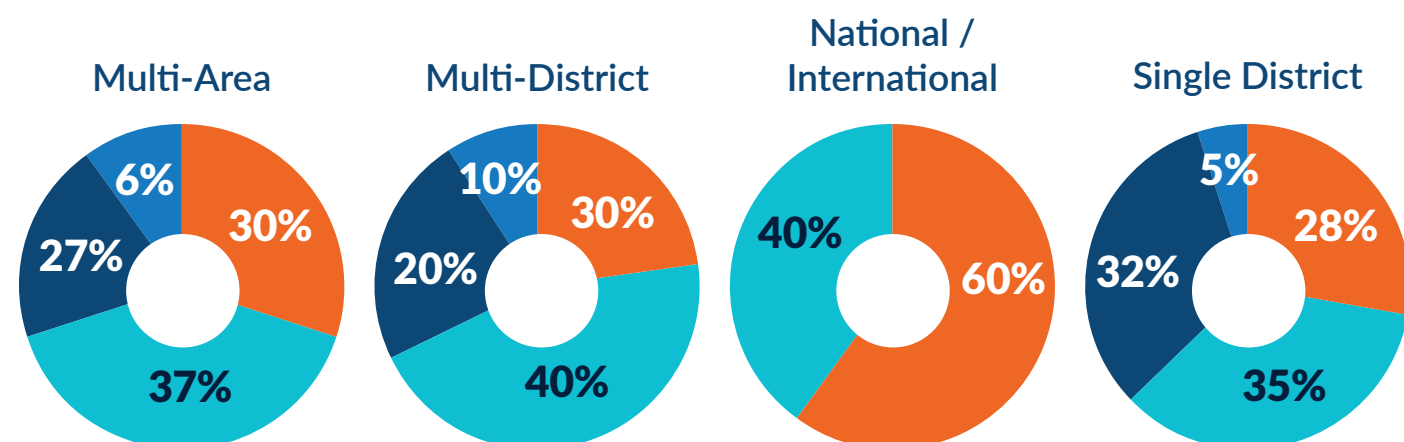
## Confidence of VCSE Organisations in Worcestershire

Respondents were asked how confident they feel about the future of their organisation. Two-thirds of respondents overall were either 'confident' or 'very confident' about the future of their organisation. Typically, respondents from larger organisations were more confident about the future of their organisation than those from smaller organisations.

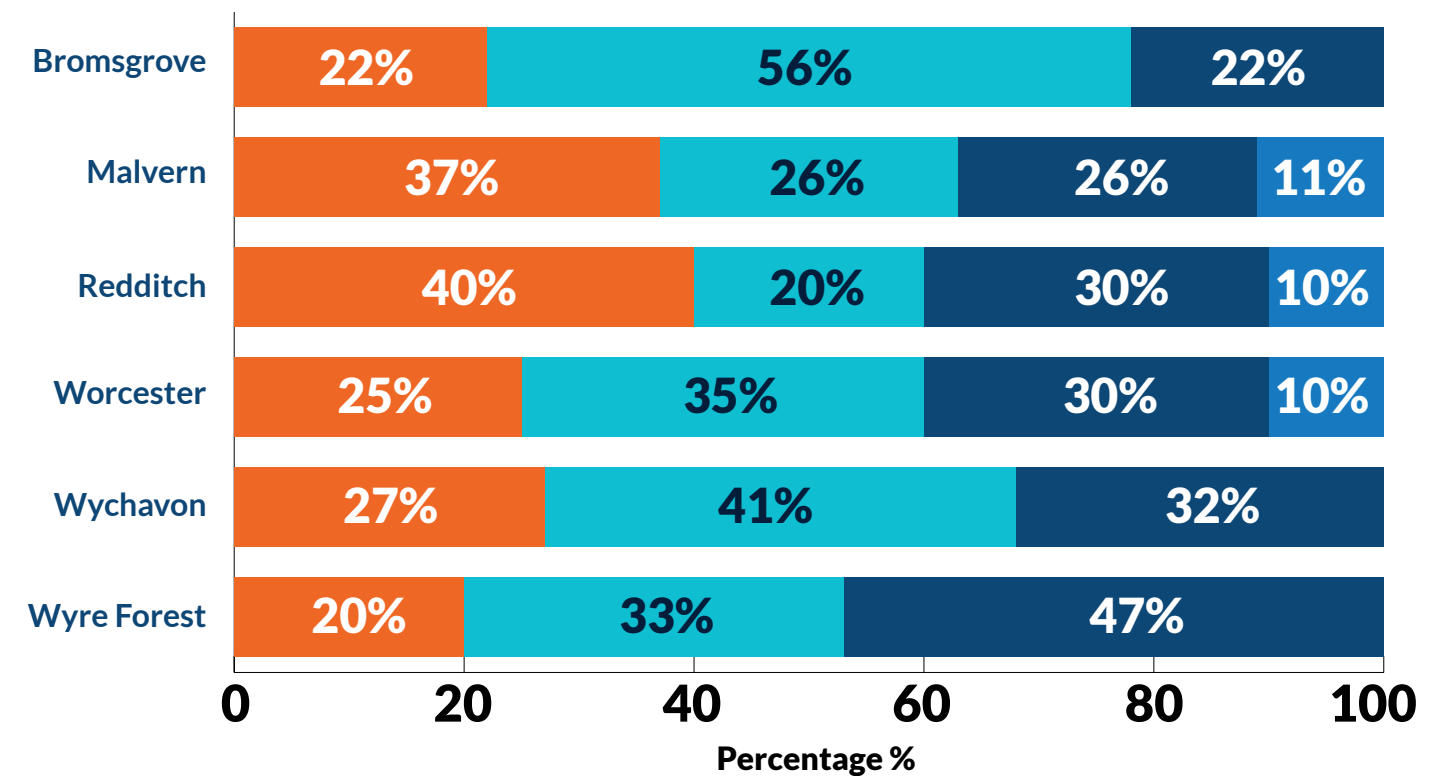
Survey respondents were asked to indicate how confident they feel about the future of their organisation.



**Key** Very confident Confident Somewhat confident Not very confident

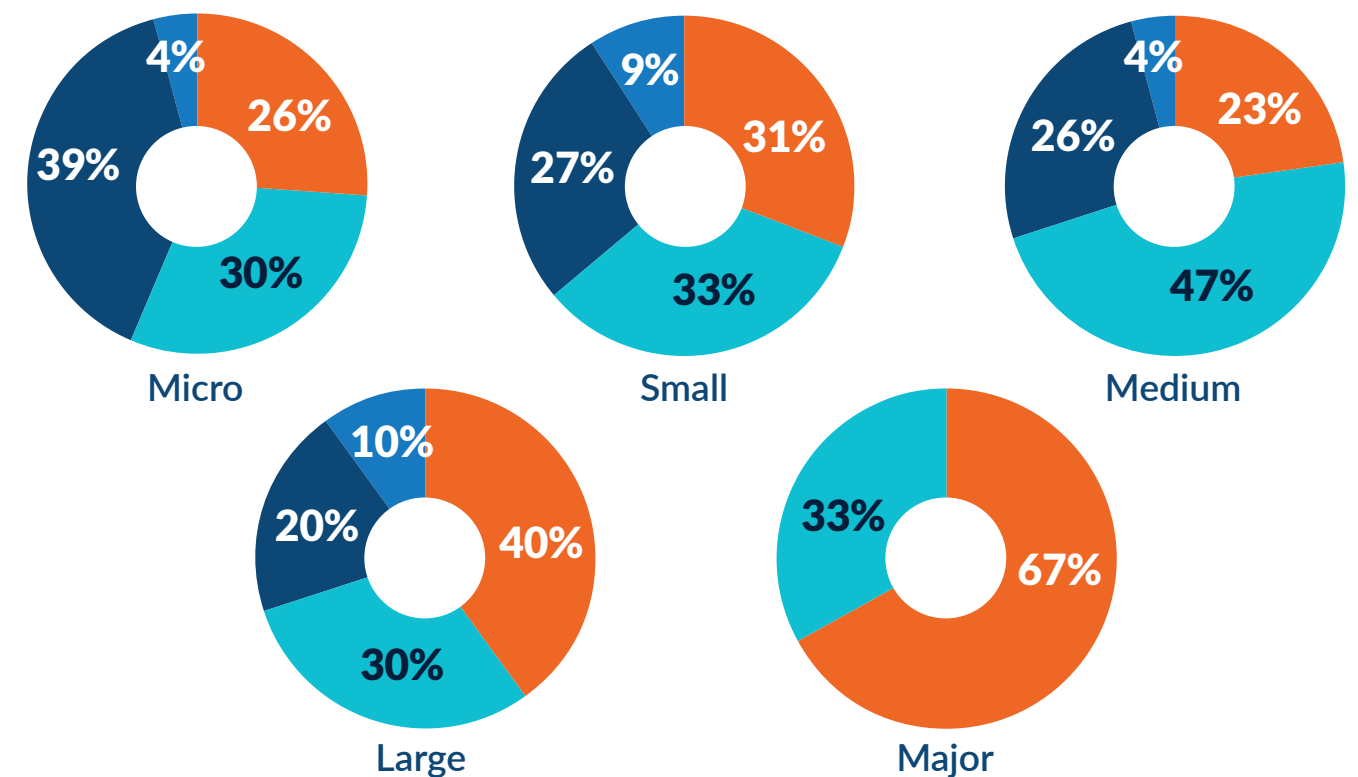


Survey respondents were asked to indicate how confident they feel about the future of their organisation throughout different districts.



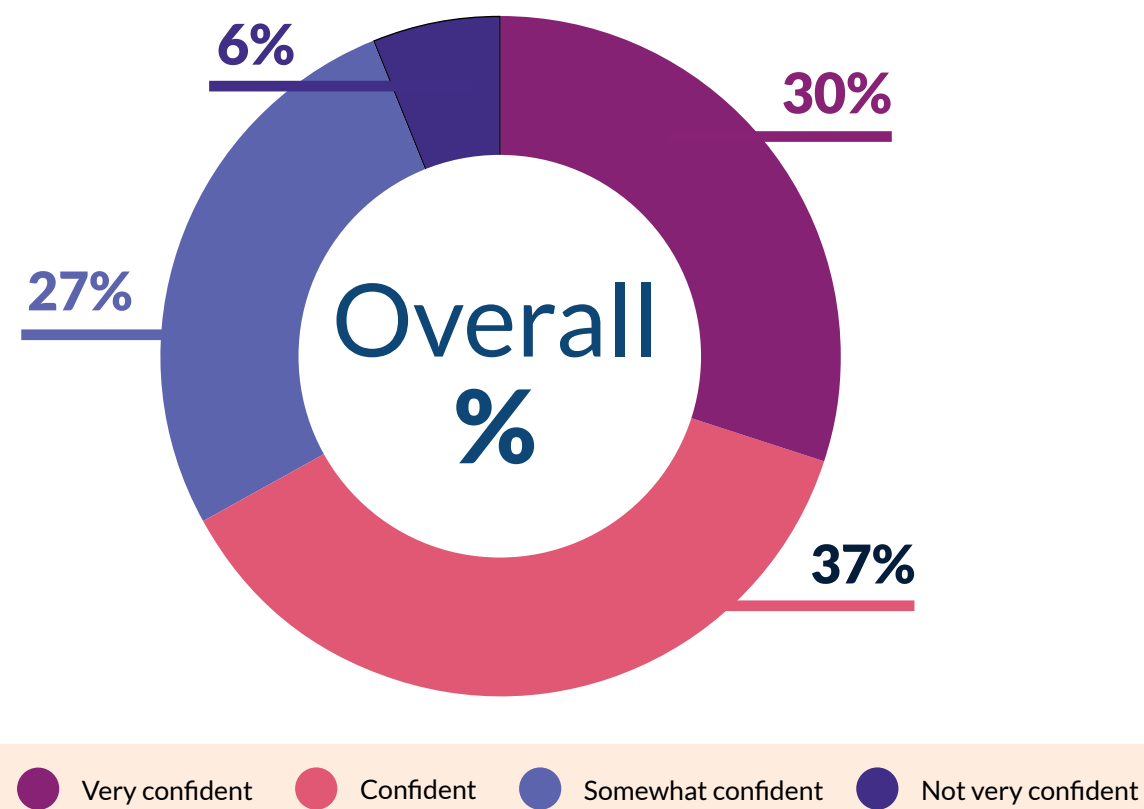
**Key** Very confident Confident Somewhat confident Not very confident

Notably, the greatest confidence was expressed by those from very new organisations established within the last two years, and long-established organisations that have been running for 20 years or more.

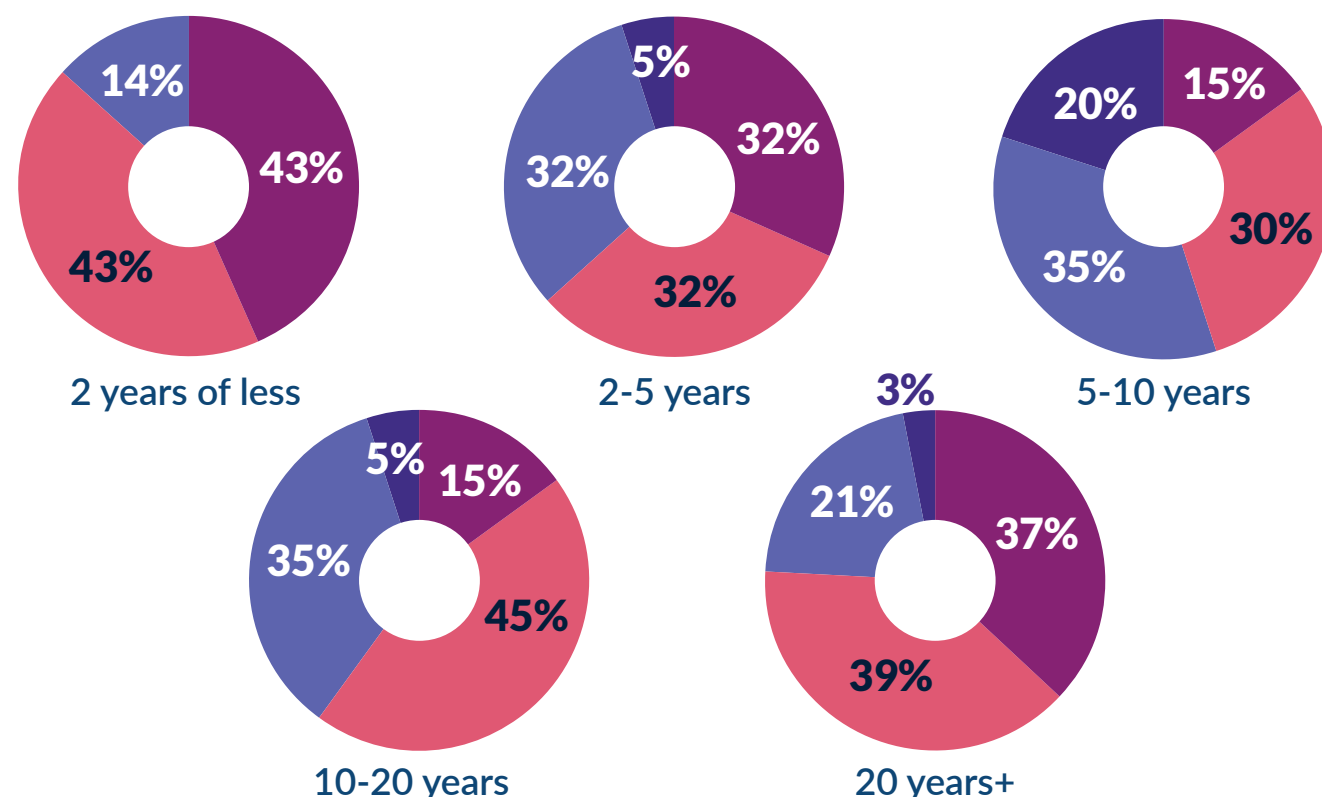




Confidence about future of organisation, by age of organisation.



Of those respondents from organisations established 5-10 years ago, 20% were 'not very confident' about the future of their organisation. This overall pattern may indicate particular challenges in the period where organisations transition from being a start-up organisation to being a sustainable established organisation.



## Concluding Remarks

Phase Two of Worcestershire VCSE Alliance's 'Understanding and Strengthening the VCSE' research project consisted of questionnaire research to better understand the demographic reach, capacity, social impact, financial value and challenges of the VCSE Sector in Worcestershire.

**This report is one of six presenting findings from the research. It provides details of the focus, scale, workforce and funding sources of VCSE organisations in Worcestershire.**

### A diverse sector

The overall picture is a of a diverse sector. There is no single picture of the scope, opportunities and challenges for VCSE organisations in Worcestershire. Collectively, the sector has a large workforce of paid staff and volunteers delivering a wide range of activities and services supporting individuals and communities- activities and services for which there is growing demand, and where the increasing costs of delivery are outpacing increases in resources.

### Multiple sectors in one?

Data examined for Phase One of this project suggested that the 'VCSE sector' in Worcestershire may be better understood as an amalgam of several different 'sectors', each with their own distinct characteristics, impact, opportunities and challenges. Appropriate 'sub-sectors' may or nor may not be based on the size of organisations based on income.

This reflected findings by *Tony Chapman (Durham University, 2022)*<sup>1</sup> suggesting that it is better to think of the VCSE sector as 'three sectors in one', with organisations of different sizes typically having very different purposes, reach, impact and support needs.

The Phase Two data reported here further supports that line of thought. Opportunities and pressures are felt unevenly across the sector. Organisation size, measured by income, is frequently a key variable in understanding these differences, though other factors such as age of organisation are also important.

### Embrace the diversity

Efforts to understand the sector based on shared experiences and key variables are important. However, what is perhaps more important is to emphasise the diversity of the VCSE Sector in Worcestershire. Organisations typically shape themselves based on local circumstances and in response to the needs of the individuals and communities with whom they work. To understand the sector, it is necessary to recognise this diversity and embrace the resulting complexity that enables it to thrive.

<sup>1</sup> [stchads.ac.uk/wp-content/uploads/2022/02/SUMMARY-REPORT-The-structure-dynamics-and-impact-of-the-VCSE-sector-in-Cornwall-and-Isles-of-Scilly-February-2022.pdf](https://stchads.ac.uk/wp-content/uploads/2022/02/SUMMARY-REPORT-The-structure-dynamics-and-impact-of-the-VCSE-sector-in-Cornwall-and-Isles-of-Scilly-February-2022.pdf)





