An independent, expert report

The structure, dynamics and impact of the voluntary, community and social enterprise sector

A study of West Yorkshire Combined Authority West Yorkshire and Harrogate Health and Care Partnership, and Humber, Coast and Vale Health and Care Partnership areas

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Based on most credible, available data

Data drawn from Third Sector Trends Survey

Establishing a definitive evidence base for the sector


Commissioning partnership for this analysis
Overview of the voluntary, community and social enterprise (VCSE) sector in Humber, Coast and Vale Health and Care Partnership

It's probably bigger than you think

- Approx 14,900 organisations
  - 7,600 unregistered
  - 5,900 registered

That's 3.5 organisations for every 1,000 people.

Not evenly distributed in terms of place or communities of interest or practice. More deprived areas are less well served.

It's organic rather than a designed, unified system

- VCSE sector organisations make up about 3.4% of all businesses.
- About the same size as the information and communication industries.

Most organisations are financially stable

Data collected in 2019 showed 19% of organisations had rising income, 68% were stable and 13% were reducing.

The bulk of the sector (the smaller organisations) keep going on relatively low levels of income. Much of their energy comes from volunteers.

Volunteers are vital

- 127,700 volunteers giving at least 9.2 million hours is worth up to £125 million.
  - Adds between 6.7 and 10.5 per cent to sector income.

Valuing it as a whole...

Economic value

- Directly measurable: £1.08 billion
- Added value of up to: £2.00 billion

Social value

- Wider benefits to society: £1.10 billion

Total estimated value of the sector: £4.2 billion

It's larger than finance/insurance

The mutual aid groups that did so much during the Covid-19 pandemic are examples of unregistered groups. This estimate is based on the most detailed study to date.

This is an overview of the independent report: The structure, dynamics and impact of the voluntary, community and social enterprise sector by Tony Chapman, Professor of Policy and Practice at Durham University.

See the VCSE section section at www.humbercoastandvale.org.uk
What is the value of the VCSE sector in Humber, Coast and Vale Health and Care Partnership

When the Covid-19 pandemic arrived
The VCSE sector stepped up and delivered
This happens day in, day out (on a smaller scale).

VCSE Energy:
- People
- Assets
- Money

This approach recognises that the sector is:
- varied
- autonomous
- ambitious
- cooperative and complementary

And that value accumulates
(more comes out than goes in)

Added value includes
1. Public sector savings
2. Economic multipliers (the ripple effect)
3. Benefits of using the sector’s services (personal recovery, employment, independence etc).

Social value includes
1. Stronger communities
2. Better quality of life
3. Latent capacity (e.g., sector’s response to Covid-19).

Social and economic impact

Economic value
- Directly measurable
- £1.08 billion

Social value
- Added value of up to £2.00 billion
- Wider benefits to society
- £1.10 billion

Total estimated value of the sector is
- £4.2 billion

Social impacts:
- Personal health
- Personal wellbeing
- Financial security
- Community wellbeing

- Direct support on disability and mental and physical health issues.
- Training, education and life skills that create confidence, resilience and add to social capital.
- Better access to basic services, benefits, paid work and other routes out of poverty.
- Cohesion, ownership pride and inclusion. Good physical and cultural environment and facilities.
A new way of calculating value

Examples of conventional measures

GDP: Covers prostitution and drug-dealing but not volunteering.

Funding streams: Hard to disaggregate and follow to impact - boundaries are fuzzy and permeable.

Evaluation data: Takes resource so mainly only done by larger organisations at a single point in time.

Many of the benefits produced by the VCSE are statistically invisible.

A whole sector approach

Valuing what the sector does as it is rather than forcing sector activity into a systematic model

Step 1: Measure the energy
- The sector's resources are measurable using financial and proxy replacement values.

Step 2: Define types of value for sector impact
- 1. Economic value
- 2. Fiscal value
- 3. Use value
- 4. Social value
- 5. Community value
- 6. Existence value
- Easier to monetise and measure
- Less easy to monetise

Step 3: Estimates for financial impact of the sector on local economy
- Economic multipliers (the ripple effect). Take a conservative approach.

Step 4: Estimate the social contribution of the sector
- Not easily defined, need to make informed judgements.
Volunteering and employment in the VCSE sector in Humber, Coast and Vale Health and Care Partnership

23,200 employees delivering 38 million working hours a year

4.1% of all employees

Wages use 61% of sector income

Volunteers are essential

Nearly 80% of sector could not survive without them

The sector generally wants people who can volunteer regularly, bring skills and knowledge, and work independently.

Smaller organisations need volunteers most (often have none/few staff). But reliance still high amongst largest organisations.

127,700 volunteers giving at least 9.2 million hours a year is worth up to £125 million (adds between 6.7 and 10.5 per cent to sector income)

Data on diversity is sparse

Relatively few CEOs and chairs are people with registered disabilities and/or Black, Asian or from minority ethnic populations.

"We need to work together to eliminate the diversity problem at the source."

ACEVO - sector leadership organisation
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Valuing the Voluntary, Community and Social Enterprise sector (VCSE)

The sector is healthy and resilient:
- person-centred
- agile
- trusted
- able
- meets needs

Most VCSE organisations are:
- Small
- Independent

Working well together:
- Creating a clear vision
- Investing in the sector's strengths
- Trusting organisations as partners

VCSE Energy:
- People
- Assets
- Money
- Ideas
- Skills
- Experience
- Ambitions
- Principles
- Beliefs

Sector produces significant benefits:
- Local economy
- People and communities

Value accumulates:
- Essential for community-centred, strength-based health and wellbeing