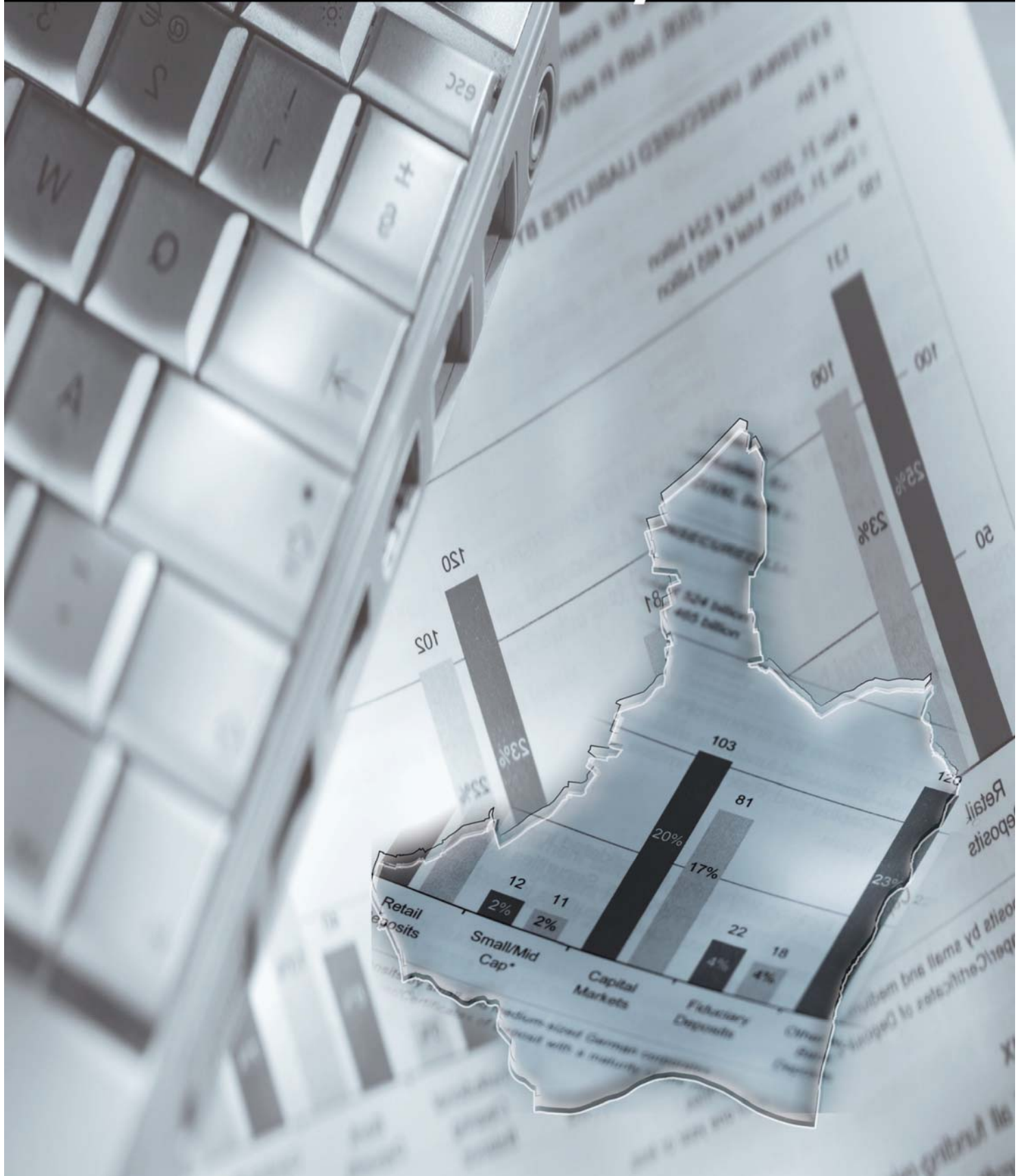


# State of the Sector 2008/2009



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## Foreword

The Third Sector, also known as the Voluntary and Community Sector, has a long history of serving and representing local communities, and particularly the most vulnerable members of our society.

There are over 400 Third Sector Organisations in Barking & Dagenham, ranging in size and activity. These organisations provide vital public services and ensure that the voices of local communities are heard. They also provide opportunities for voluntary activity and community involvement, empowering people to take control of the issues affecting their lives.

Barking & Dagenham's Third Sector Organisations are managed by local residents and carry out tremendous work in the borough. Without them, the public sector would simply be unable to respond effectively to local needs

With so many independent Third Sector Organisations it is not always easy to see and appreciate the fantastic contribution that the sector makes to life in the borough. This State of the Sector report was commissioned by Barking & Dagenham ChangeUp Consortium in order to get a more detailed picture of the Third Sector and to start to measure the contribution that the sector makes locally.

The research findings detailed in this report are very impressive. They show a vibrant and enterprising Third Sector which is more developed than previously perceived, but which has nonetheless not lost the ethos of community involvement and participation through volunteering. Indeed, the report shows that volunteers and unpaid trustees in the Third Sector last year made an incredible in-kind contribution to the local economy of almost £30 million.

The Third Sector is constantly changing and developing. We will therefore be undertaking a State of the Sector survey at roughly the same time every year in order to map developments and trends within the sector and to further increase our local knowledge and understanding. I would like to take this opportunity to thank all those organisations that took part in this survey. I would also urge all organisations to participate in the next survey, which will be / conducted later this year, to enable us to gain an even more detailed and accurate picture of local Third Sector resources and activities.

This State of the Sector report is a timely reminder of just how important the Third Sector is, and the vital role it plays in civic society. It will help to improve understanding of the Third Sector by our strategic partners and our funders, and will be a useful tool for the sector to lobby for increased influence and resources.



Carl Blackburn  
Director of Barking & Dagenham CVS  
Chair of Barking & Dagenham ChangeUp Consortium



## Executive Summary

The Third Sector in Barking & Dagenham, comprising voluntary, community and faith organisations, social enterprises and not-for-profit organisations, is a great asset to local communities in the borough.

Over 120,000 people benefited from Third Sector services and activities in 2007/08, which equates to 74% of the local population<sup>1</sup>.

The profile of organisations is smaller than the national average, but those organisations operating in the borough are further developed in terms of their legal structures than previously perceived. 10% of organisations in the borough are also national charities, whose activity is often overlooked.

The profile of organisational income in Barking & Dagenham highlights a greater reliance on grants and donations than the national profile. 28% of income is characterised as coming from the generosity of donations, legacies and membership fees. This is over double the national average.

Organisations in the borough are very optimistic and forward thinking. 48% had seen their turnover grow in the previous twelve months, and over 50% felt that it would continue to grow in the future.

The public sector plays a large role in funding and supporting the Third Sector, but its contribution equates to less than 50% of income, importantly reducing the reliance of the Third Sector on the public sector.

The diversity of activities of organisations in the borough is enormous, with a great focus on providing information, advice and guidance and support around health and social care and prevention of long term illness and disability.

The contribution to the local economy of trustees and volunteers delivering activities and services is phenomenal - worth a total of £28,903,524 last year.

The Third Sector faces challenges as it always has, but overall locally the sector appears to be developing and responding well to social and economic change.

The Third Sector has a key role to play in supporting local communities within Barking & Dagenham, as well as creating employment, volunteering and work placement opportunities.

This research provides a useful snapshot of the Third Sector in Barking & Dagenham, and shows that the sector is robust when compared to national findings. We will repeat this research annually in order to track developments and trends, and we hope that other London boroughs will conduct similar research so that we may make useful comparisons.

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<sup>1</sup> mid 2004 = 164,572 (Office of National Statistics)

## Introduction

Barking & Dagenham ChangeUp Consortium commissioned this piece of mapping and research in order to create a snapshot of the Third Sector in the borough.

The survey and report was conducted by Ian Beever, an independent consultant, to ensure impartiality and avoid easy assumptions.

An in-depth questionnaire was completed by 76 organisations of varying sizes, activities and beneficiaries. According to Guidestar (the research agency used by the Government to analyse Third Sector Organisations) there are 394 organisations in Barking & Dagenham registered as charities. Using this as our baseline figure we have managed to secure a 19% return rate.

Participation in the research was not as high as we had hoped but after repeated mailshots, group visits, telephone calls and interviews it was decided that this figure was the best we could hope for in this year's survey. It is also reflective of response rates in other boroughs where similar exercises have been conducted.

There are a range of factors which can contribute towards poor participation in such mapping exercises:

- Contact name and address not always being the most appropriate
- Lack of capacity within organisations to complete the questionnaire
- Refusal to disclose organisational information
- Suspicion about the motivation for information gathering

Once the returns were analysed we also identified that a small number of organisations had returned the questionnaire more than once, and some had included incorrect information or left sections blank. A process of data cleansing and verification was therefore undertaken. Returns were checked with the Charity Commission online database, where possible, and inaccuracies corrected before analysis was undertaken.

This report aims to present the findings of the research and also to put them into some national context. This will enable Barking & Dagenham ChangeUp Consortium to explore key issues affecting the Third Sector locally and to plan support and interventions more effectively in the future.

Barking & Dagenham ChangeUp Consortium plans to conduct this State of the Sector survey annually in order to assess and analyse the changing profile of the sector locally. We hope that Third Sector Organisations will see the value of this report, and that this will lead to an improved response rate and more detailed completion of the questionnaire. This will result in more detailed findings and make this report even more useful in analysing and promoting the work of the Third Sector, and in campaigning for increased resources.

# Third Sector Organisations

There are 20,080 general charities in London<sup>2</sup>, which equates to a ratio of 3.3 charities per adult population. This figure does not include those smaller organisations which are not registered as charities.

**Using the Guidestar data, Barking & Dagenham has 2% of the charitable organisations on London. It is therefore a relatively small sector, but is further developed than previously perceived.**

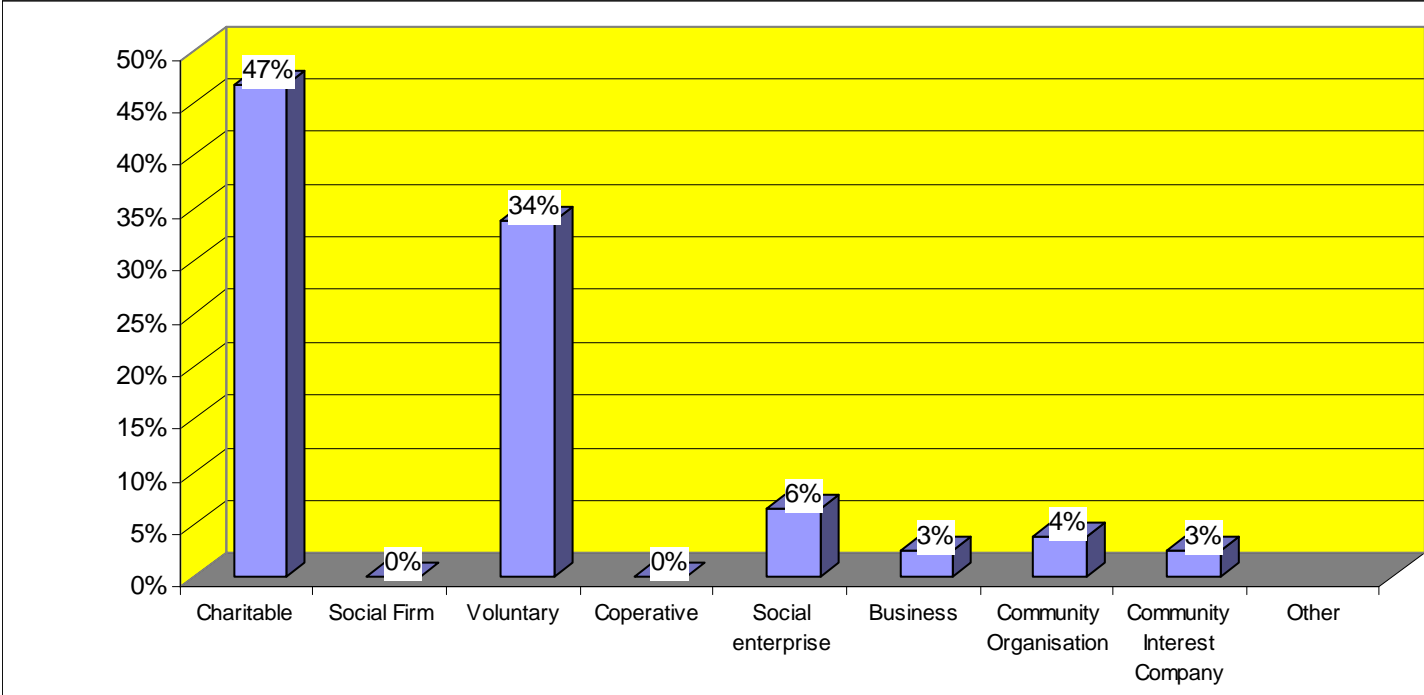
The common perception of the Third Sector in Barking & Dagenham is that it comprises mainly smaller organisations and is lesser developed than other comparable London boroughs. The research counteracted this perception by showing a proliferation of organisations that were already incorporated.

**76% of organisations were incorporated**

## Types of Organisation

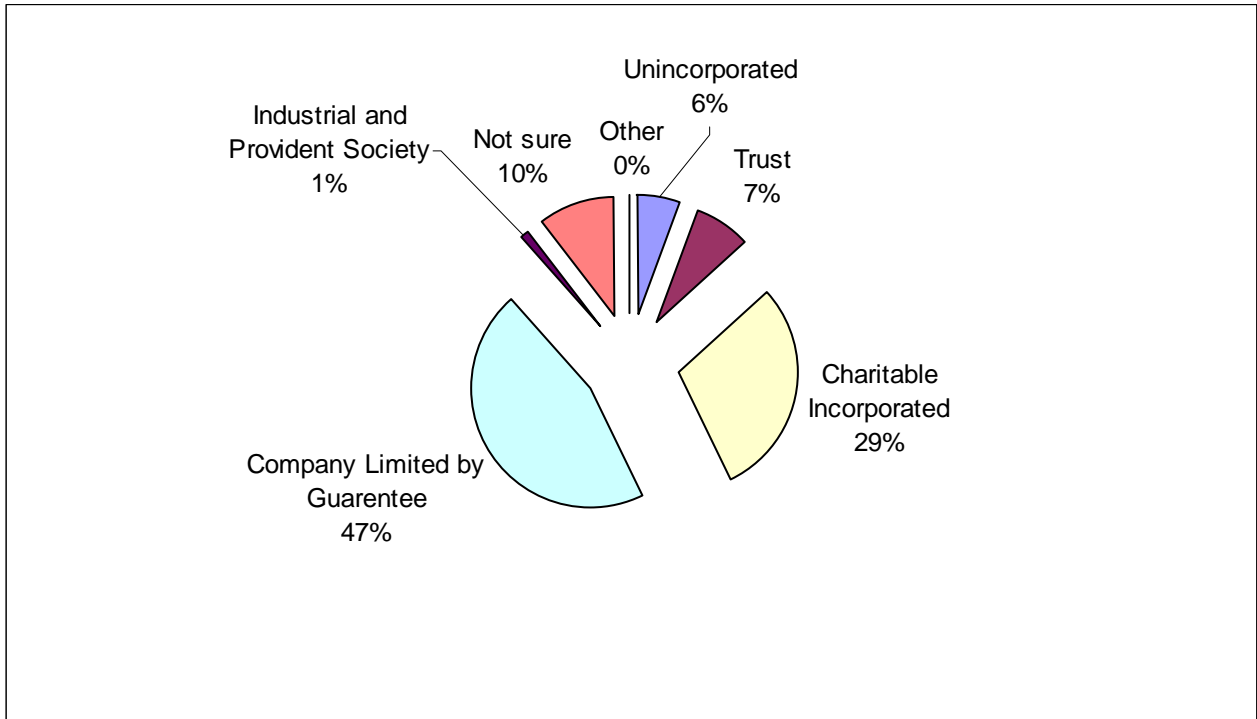
Nearly half of the organisations that participated in the research defined themselves as charitable, with a further 34% seeing themselves as voluntary organisations.

The most notable factor in the types of organisations in the borough is the movement towards social enterprise and Community Interest Companies (CIC). 9% of organisations identify as entrepreneurial or trading, a reflection of the sector responding to Government policies as well as a drive for sustainability.



## Legal Entity of Organisations

The types of legal entity of respondents further counteract perceptions of Third Sector Organisations in the borough. There appears to be a higher level of organisational development than previously thought.



There were some concerns in this area, notably that 10% of respondents did not know the legal entity of their organisation. When correlated with the perception of the organisation, it appears that people are clear of their charitable status but less clear of the legal standing of the organisation that sits behind it.

## Geographical Area of Benefit

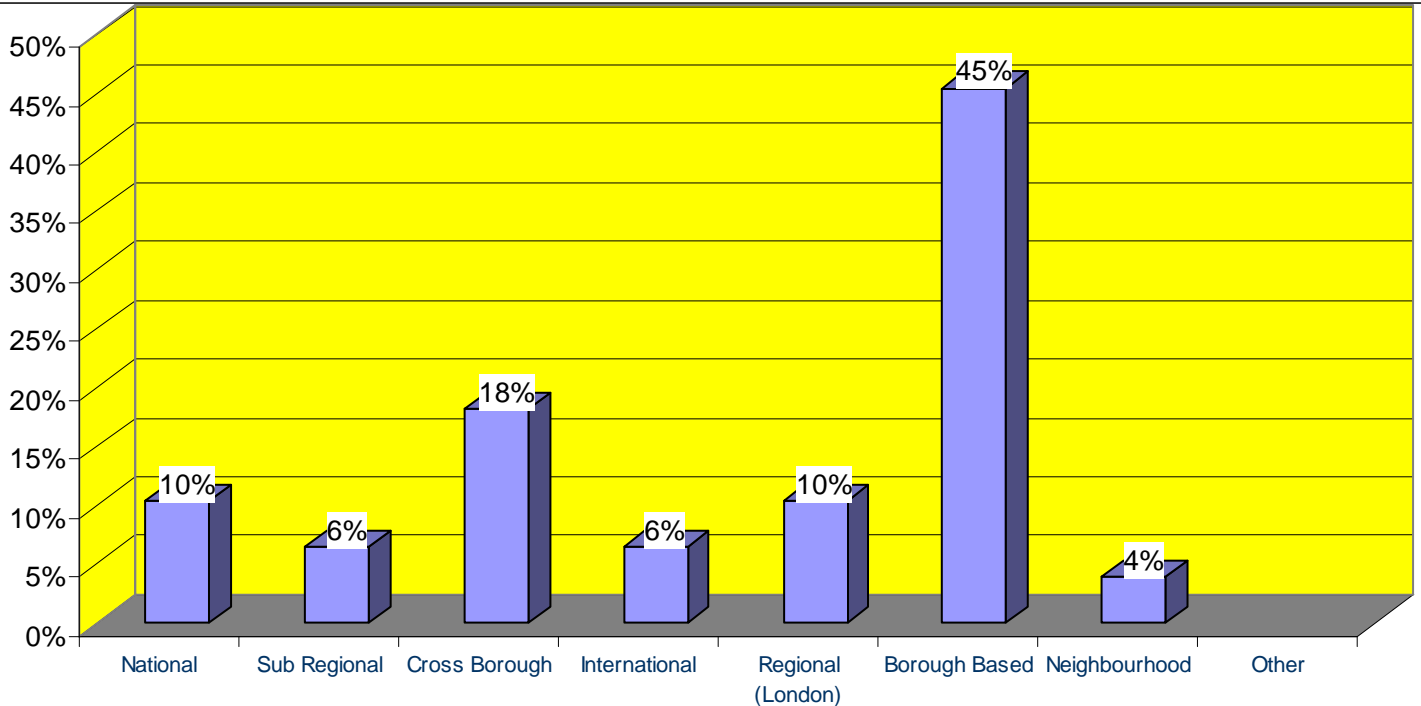
Respondents were asked to identify the geographical focus, or area of benefit, of their organisation.

**10% of Third Sector Organisations operating in the borough define themselves as national organisations**

Overall, the profile of organisations in Barking & Dagenham is very locally focused with 49% focussed on working exclusively within the borough's boundaries.

A significant figure of 6% of organisations operate internationally, which may be a reflection of some of the newer communities to the borough, who also work to support people in other countries.

The scale of national organisations operating in Barking & Dagenham is often overlooked. It would be interesting to explore whether these organisations are operating in the borough on contracts to deliver public services, or whether they have identified it as an area of deprivation or need and as a result are targeting resources to the area. The result of this further analysis will identify if national charities are bringing investment to the borough or presenting to deliver commissioned public services, which could have a direct impact on the development of local organisations.

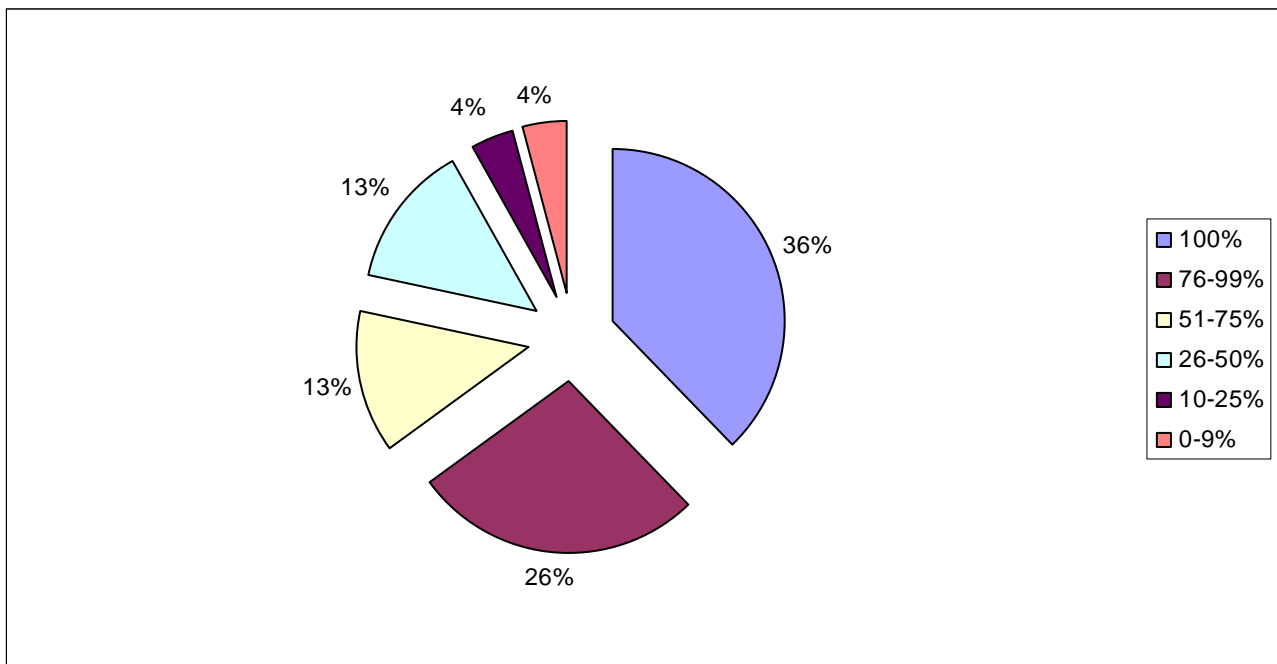


## ***Level of Activity in Barking & Dagenham***

Respondents were asked to identify the level of their organisation's activity that was based in Barking & Dagenham.

Only 36% of organisations delivered all of their organisational activity in Barking & Dagenham, despite the fact that 49% had described themselves as being borough based.

Factoring in those whose activity is in the upper quartile (ie. more than 75%), this figure rises to 62%. This may account for those beneficiaries who border on the borough but receive service from the borough based organisations. This would be in line with charitable areas of benefit which normally state the borough and surrounding areas.



## **Type of Activity**

Most Third Sector Organisations provide a wide range of services. For the purposes of this survey people were asked to define their organisation's primary and secondary activities.

The profile of primary and secondary organisational activity is extremely diverse in Barking & Dagenham. The range of activities also differs to many other boroughs, where health and social care tends to be the main focus of the sector.

**Nearly 20% of organisations define their primary activity as the provision of information, advice and guidance.**

Health and social care is a major part of the Third Sector's work locally, with almost 12% citing health promotion and prevention activities as being fundamental.

Education and supplementary education is also a major role of the sector, and this is matched by an increasing role in supporting people into employment.

<b>Primary Activity</b>	<b>% of Organisations</b>
Information, Advice & Guidance	19.48
Health & Social Care	15.58
Education & Training (adults)	11.69
Promoting Health & well-being	11.69
Youth Work	11.69
Arts & Culture	10.39
Sport & Leisure	9.90
Counselling/Mentoring/Advocacy	9.09
Promotion of Faith	6.49
Supplementary Education	5.19
Housing	3.90
Infrastructure (supporting orgs)	3.90
Representation	3.90
Support into employment	3.19
Campaigning	2.60
Environment	2.60
Legal/Law	2.60

The profile of secondary activity almost exactly mirrors that of primary activity.

## **Beneficiaries**

The scale of activity in the Third Sector in Barking & Dagenham is phenomenal, with a wide range of communities benefiting from services, support, advice, leisure and recreational activities.

**Over 120,000 people benefitted from Third Sector activities in Barking & Dagenham in 2007/08**

The results of this part of the survey have to put in context, as the majority of respondents failed to complete the section correctly, ticking more than one box. Therefore, rather than providing a snapshot of the primary and secondary beneficiary communities, the table below demonstrates the range and scale of activity by community.

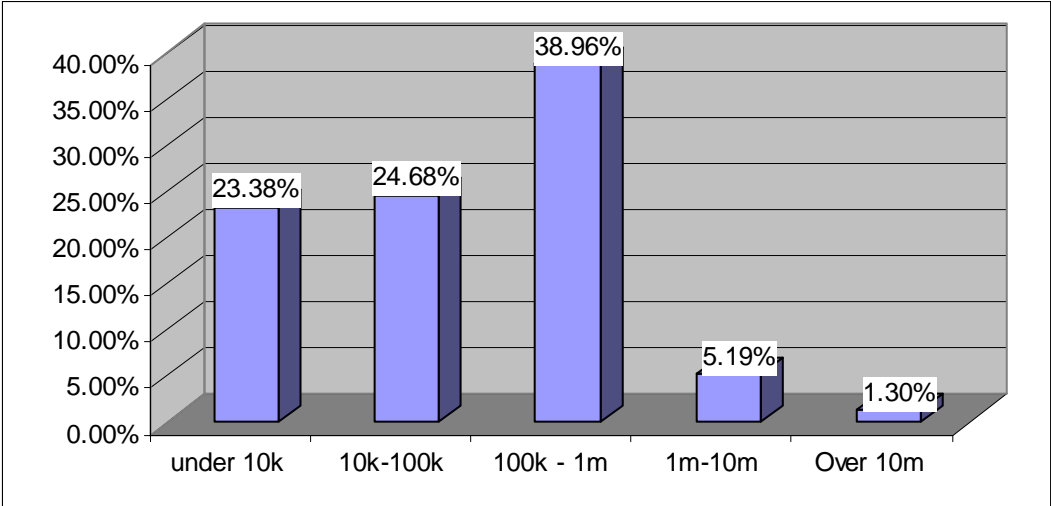
<b>Beneficiaries</b>	<b>% of Organisations</b>
Young People	19.48
Black & Minority Ethnic Communities	15.58
Children & Families	14.29
Older People	14.29
Women	12.99
People affected by HIV/AIDS	12.99
People with a Physical & Sensory Disability	10.39
Men	9.09
People with Mental Health problems	7.79
Lone parents	6.49
People with long term health conditions	6.49
Unemployed People	6.49
Carers	5.19
People with drugs & alcohol problems	5.19
People with learning difficulties	5.19
Lesbian, gay, bisexual and transgender communities	3.90
Homeless People	2.60

# Third Sector Income

**The profile of organisational income in Barking & Dagenham is very similar to the national profile. Especially in the income brackets of £10,000 – £100,000 and £100,000 – £1million, the results almost exactly mirror the national profile of the sector<sup>3</sup>.**

Where the data diverges from the national picture is in relation to organisations with an income below £10,000. Here Barking & Dagenham has a sectoral profile 16.59% greater than the national results.

What the borough does lack is any scale of Third Sector with an income over £1million. Only 6.5% of organisations operating in the borough fall into this category, compared to 30% nationally.



<sup>3</sup> The UK Voluntary Sector Almanac – State of the Sector 2007

## Types of Income

**The profile of income in Barking & Dagenham highlights a greater reliance on grants and donations than the national profile**

The diversity of income for the Third Sector continually changes to reflect a changing public policy environment and the need for sustainability.

**Earned income** is defined as fees for services, membership subscriptions, public sector fees for contracts, sponsorship, research and consultancy services and income from trading subsidiaries.

**Voluntary income** includes donations, gift aid, legacies, grants from public bodies and charitable trusts, and corporate grants and gifts.

**Investment income** includes interest payments, dividends and rent from investment property.

Comparing Third Sector Organisations in Barking & Dagenham to the national profile of income<sup>4</sup> we see a significant variance:

Income Type	National %	Barking & Dagenham %
Earned Income	48.2	30
Voluntary Income	44.1	67
Investment Income	7.8	3

The profile of income in Barking & Dagenham demonstrates a much smaller focus on earned income and investment income.

## Sources of Income

**Individuals in Barking & Dagenham demonstrate great support for the Third Sector, providing on average 28% of income, mainly through donations, membership fees and legacies, and by paying for some services.**

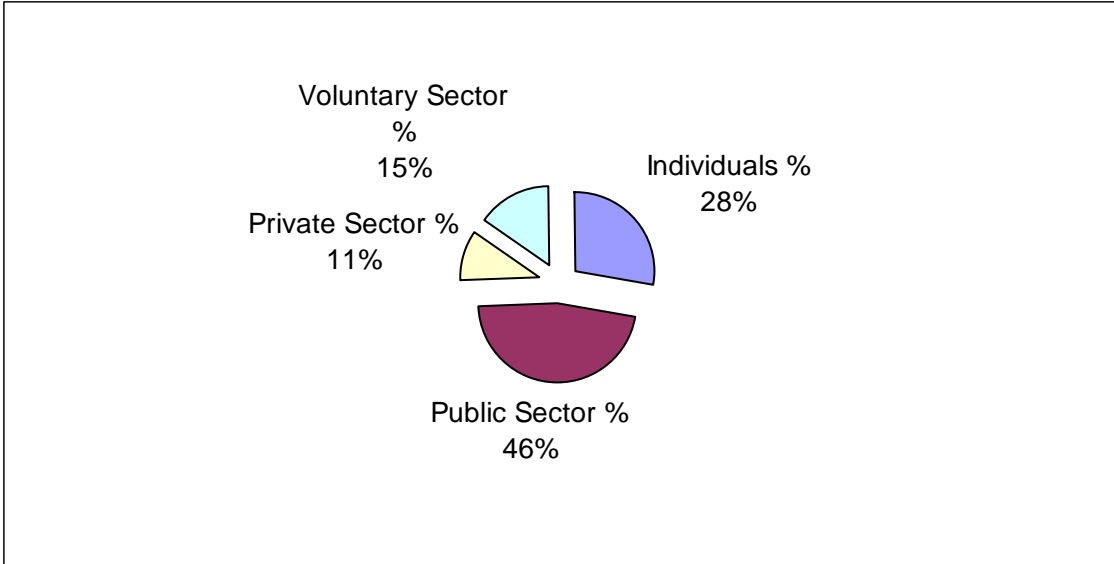
The public sector does provide the largest source of income for the Third Sector, spread across the local authority, NHS, Job Centre Plus, Learning and Skills Council, London Councils, Metropolitan Police and in some cases central Government departments.

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<sup>4</sup> The UK Voluntary Sector Almanac – State of the Sector 2007

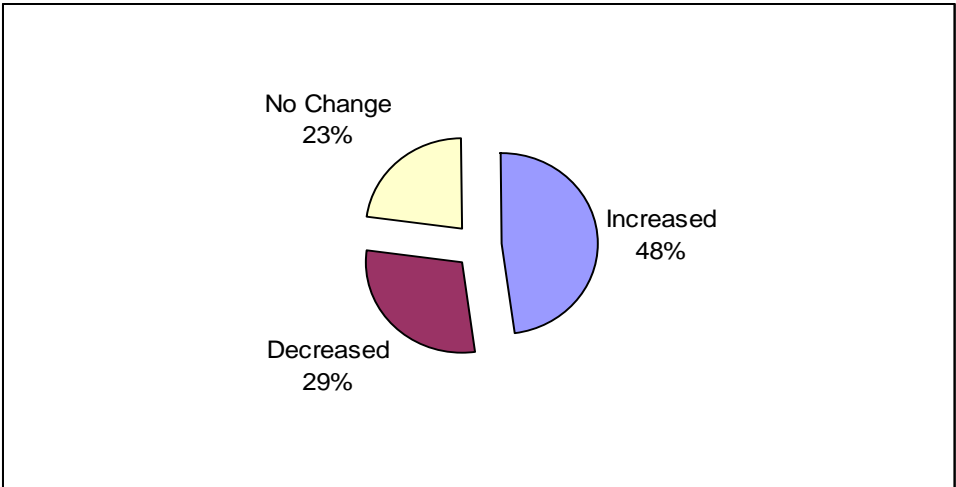
What is positive in the borough is the fact that Third Sector reliance on public sector funding has fallen below 50%.

**Third Sector Organisations in Barking & Dagenham generate more than double the national average from the private sector (3.9% nationally)<sup>5</sup>.**



**Income Change**

**Another positive trend for the Third Sector in Barking & Dagenham is the fact that 48% of organisations have seen their income grow in the last year.**



<sup>5</sup> The UK Voluntary Sector Almanac – State of the Sector 2007

## ***Confidence in the Future***

When the research was conducted, we were just entering the beginning of the recession. There was a question targeted at assessing organisations' optimism regarding future income. This could be used as a test of resilience and confidence in a changing policy and funding environment.

Now the recession is further advanced the Government has released funding streams to try and lessen the impact of the downturn on Third Sector Organisations. The results of this part of the survey must be placed in the context of the time that this survey was undertaken.

Overall the picture was very positive and local organisations had a lot of confidence in their future and ability to survive. No organisations saw themselves ceasing activity.

<b>Confidence Level</b>	<b>% of Respondents</b>
Organisation will cease	0%
Decrease greatly	9.09%
Decrease slightly	18.18%
Stay same	18.69%
Increase slightly	29.87%
Increase greatly	22.08%

It has to be stressed, however, that Third Sector Organisations are heavily dependent upon grants given over a number of years. This commitment from funders rarely changes mid-stream and it is only when an organisation is looking for new funds towards the end of a project that recessionary effects may be felt.

In addition, many charitable trusts rely on investment income to make grant awards. If they are hit by the recession then the grants they will be able to offer will be reduced, and this will clearly have a negative impact on Third Sector Organisations.

## Third Sector People

A core part of the research was to assess the contribution made by volunteers within the Third Sector in Barking & Dagenham to the local economy and broader society, whether by directly delivering services or acting on committees. Through this part of the research we aim to put a value on social capital.

### ***Trustees***

**The key facts and figures were: -**

- The total number of trustees recorded was 554
- The average management committee in Barking & Dagenham had 7 people
- Trustees on average spent 10.69 hours per month volunteering for their organisation

At a professional rate of £50 per hour, this equates to an in-kind investment by trustees of £296,113 per month in the borough. When scaled up (using the Guidestar baseline number of organisations of 394) then the total contribution to the borough is £1,576,660 per month, or £18,919,219 per year.

**Annually, Trustees are worth £18,919,219 to the Barking & Dagenham economy.**

There has long been a perception that the gender profile of the Third Sector is strongly female dominated. However, the profile of trustees in the borough is almost an equal split (49% men).

In terms of the ethnic profile of trustees, 52% were from White British backgrounds. The second largest concentration were from Indian and Black African communities, representing 15% of trustees each, followed closely by Pakistani communities representing 11%. All other communities were represented by between 1 and 5% of trustees.

The sector provides opportunities for disabled people to play an important role in leading the sector. 28% of organisations had disabled people as trustees.

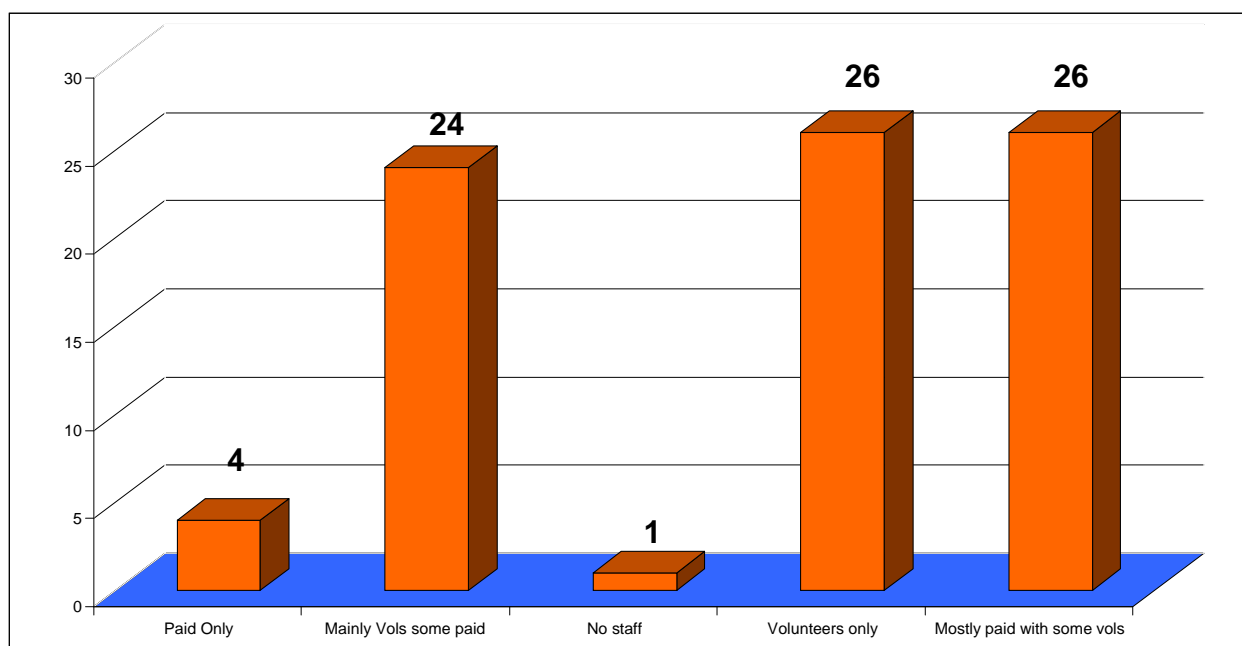
## Profile of Workforce

The importance of volunteers in sustaining the Third Sector and the support it provides to the borough's communities is identified by analysis of the workforce.

### 26% of organisations survive on volunteer support alone

The prevalence of organisations managing with an all volunteer workforce (26%) or mainly volunteers (24%) is partly explained by the number of new groups in the borough in their formative stages. However, a number of well established groups also manage to sustain their work with few or no paid staff.

Larger organisations are often very focused on securing funds to support paid staff activity, and fora and networks devote a lot of energy to this, which could marginalise smaller volunteer led organisations for whom this is less of an issue.



The fact that 50% of Third Sector Organisations in the borough are totally or mostly volunteer run results in capacity constraints of the sector when responding to change.

## Volunteers

**The estimated annual value of volunteers in Barking & Dagenham is £9,984,305**

Key facts and figures: -

- The total number of volunteers identified from the returns was 2,561
- Volunteers invest on average 11,729 hours per month in their communities (140,748 hours per year)

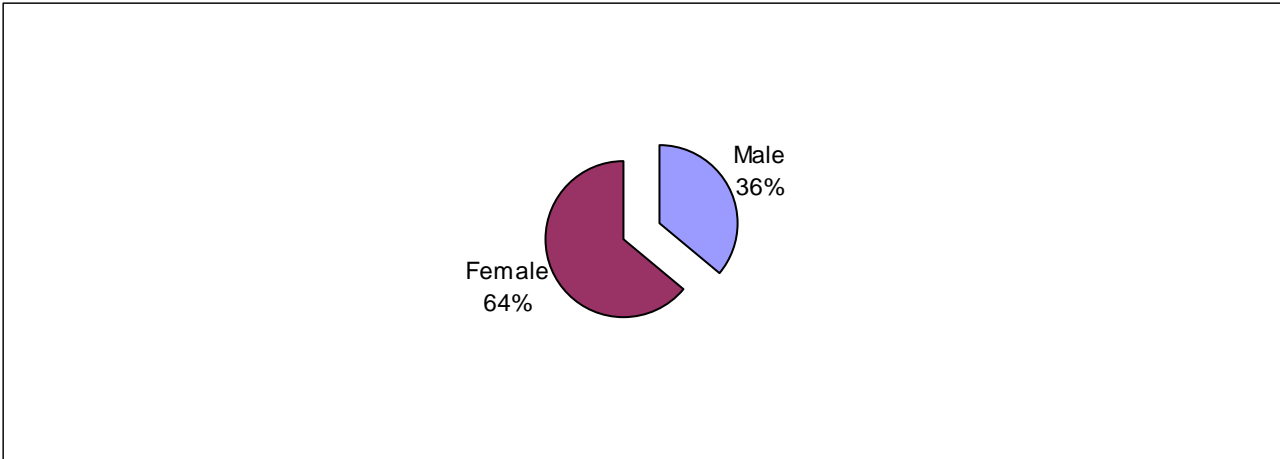
### Economic Value of Volunteering to Barking & Dagenham

Activity	Equivalent Salary PA	Monthly Value	Annual Value
Organising activities	£18,000	12,974	155,682
Handling Money	£22,000	18,694	224,331
Other Practical	£22,000	10,458	125,490
Running Group	£24,000	21,222	254,669
Transport/Driving	£23,500	9,839	118,070
Advice/Counselling	£27,000	16,742	200,899
Visiting People	£27,000	7,080	84,963
Secretarial	£23,000	30,823	369,880
Befriending	£27,000	11,781	141,374
Representing	£28,000	4,948	59,381
Campaigning	£28,000	2,213	26,551
Other Activities	£20,000	2,990	35,885
<b>Totals</b>		<b>£149,765</b>	<b>£1,797,175</b>

This analysis is of the returns received, which equate to roughly 18% of the sector locally. If these figures are extrapolated to embrace the whole sector, the economic value of volunteers increases to £9,984,305 annually. This figure still does not capture those volunteering as school governors, non executive board members on government agencies, and those volunteering in public bodies such as the NHS and the Police.

The social capital of volunteers also provides excellent opportunities for match funding bids and in demonstrating added value in commissioning and tendering processes.

The gender profile of volunteers involved in delivering activities differs radically to that of trustees, with women playing a much larger role in service delivery.



By contrast, the profile of disabled volunteers mirrors that of disabled trustees (20%).

The ethnic profile of volunteers is less diverse than that of trustees:

- 66% of volunteers class themselves as White British
- 9% of volunteers class themselves as African
- 4% of volunteers class themselves as Caribbean
- 4% of volunteers class themselves as Indian

All other ethnic groups scored between 1 and 3%

One interesting fact from analysing the ethnic profile of volunteers was that 4% defined themselves in the "other" category and when explored were mainly from Kurdish and Iranian backgrounds, demonstrating once again that newer communities are contributing positively and putting something back into society.

***Paid Staff in the Third Sector***

The Third Sector in Barking & Dagenham employs a large number of people, and thereby contributes significantly to the local economy.

This survey was unable to measure the number of paid staff employed within the Third Sector in Barking & Dagenham and the roles which they undertake. This information would be extremely interesting and useful, and methods for gathering and analysing this information in the future are currently being assessed.

A separate survey conducted by IPSOS Mori gave a per capita figure (ie. per 1,000 people) for Third Sector employees in the borough of 2.57, which is significantly lower than the national figure of 12.69.

## Tackling Unemployment

The role of the sector in supporting people into or back to work and addressing the worklessness agenda was highlighted through the research.

Currently 69% of Third Sector Organisations offer work placements

84% stated that their organisation had the capacity and interest to offer work placements in the future. In the current economic climate, this offers a wonderful resource to be maximised in partnership with the Barking & Dagenham Strategic Partnership.

Volunteering has also long been recognised as a route into employment, particularly for people with few recognised formal qualifications or those returning to work after a long absence. The Third Sector, with its volunteer support mechanisms and more flexible working patterns, can play a significant role in tackling unemployment in Barking & Dagenham.

## Barking & Dagenham ChangeUp

ChangeUp is a government initiative to develop strong and effective Third Sector infrastructure support. ChangeUp aims to ensure that by 2014 the needs of frontline Third Sector Organisations will be met by support which is available nationwide and structured for maximum efficiency, offering excellent provision which is accessible to all while reflecting and promoting diversity, and is sustainably funded.

Barking & Dagenham ChangeUp Consortium brings together local Third Sector infrastructure (also known as second tier) organisations and relevant public sector agencies in order to plan and co-ordinate the support to frontline organisations.

Led by Barking & Dagenham CVS, the ChangeUp Consortium has been successful in improving the support to the Third Sector:

- Support services for Third Sector Organisations have been better co-ordinated so that organisations can more easily access information about what support is available and from whom
- Gaps in support have been identified and filled, and duplication of services reduced
- The support offered by infrastructure organisations has been tailored to meet the specific needs of local Third Sector Organisations
- New services and areas of work have been tested through pilot projects
- Additional new resources have been brought into the borough to work on identified priority areas

Barking & Dagenham ChangeUp Consortium has commissioned research and analysis in order to gain a more detailed knowledge and understanding of the issues and needs of local Third Sector Organisations. The Consortium will use the findings of this annual State of the Sector survey to target and further improve the support offered to local Third Sector Organisations.

If you would like to know more about Barking & Dagenham ChangeUp,  
please contact

**Barbara Drozdowicz,**

Barking & Dagenham ChangeUp Officer on

**020 8227 5477**

or **[barbara.drozdowicz@bdcvs.org.uk](mailto:barbara.drozdowicz@bdcvs.org.uk)**

## Barking & Dagenham CVS

Barking & Dagenham CVS is the umbrella organisation for the Third Sector in Barking & Dagenham. We promote and support the sector, helping it to be effective, influential, flexible, responsive, value based, community led and well resourced.

We work at a strategic level to promote and represent the interests of the sector, and provide practical support and direct services to organisations and the people who run them.

### **Supporting Communities and Organisations**

Barking & Dagenham CVS does not claim to be "The Voice" of the Third Sector in Barking & Dagenham. We firmly believe that the sector has many voices, all of them legitimate, and it is this very diversity that gives us our strength. Instead, the CVS supports communities and the organisations that represent them to make their voices heard in their own way, and we provide a platform from which all communities are able to influence local policy makers and service providers.

We work with communities to help them identify and assess their needs, and then work with them and other agencies to evaluate and develop the most appropriate means of ensuring that those needs are best met given limited available resources.

### **Championing the Third Sector**

Barking & Dagenham CVS acts as the bridge between the Third Sector and strategic bodies such as London Councils, the London Development Agency, the Local Authority and the NHS. We champion and promote the work of the sector to these strategic bodies, participate in consultations and lobby for appropriate and sustainable funding for the sector.

### **Working in Partnership**

Barking & Dagenham CVS works with people who are interested in developing voluntary action, whether they be from voluntary, community, statutory or private organisations.

We work in partnership with organisations, which share our vision and values in Barking & Dagenham and neighbouring boroughs.

For more information about Barking & Dagenham CVS visit our website,  
**[www.bdcvs.org.uk](http://www.bdcvs.org.uk)** or 'phone **020 8227 5487**

Contact:

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Improving support  
for a stronger third sector