

A Realist Evaluation of the State of the **Oldham Voluntary, Community and Social Enterprise Sector 2021**



University of
Salford
MANCHESTER



Authors

Michelle Howarth

Philip Martin

Graeme Sherriff

Paul Hepburn

Roze Witkam

Contents

Acknowledgements	5
Contact Information	5
Foreword	6
Executive Summary	8
Realist Evaluation Approach	10
Section 1: Context	13
Definitions	13
Context for the Research	13
Retrospective: Oldham 2017–19	15
Wellbeing of Communities and Influence of the VCSE Sector	18
Current Context: COVID-19	19
Current Context: Brexit	21
Current Context: Black Lives Matter	21
Findings: Impact of COVID-19, Brexit and Black Lives Matter	22
Repurposing of Organisations in Response to COVID-19	25
Section 2: Mechanisms and Processes	27
Estimated Strength of the Survey	27
What the Voluntary, Community and Social Enterprise Sector in Oldham Does	27
Size, Number and Types of VCSE Organisations in Oldham	28
How the VCSE Sector Makes a Difference to People	29
Main Clients/Users/Beneficiaries of VCSE Organisations in Oldham	31
Geographical Area Within Which the VCSE Sector Operates in Oldham	32
Organisational Maturity	33
Income and Expenditure	33
Section 3: Sector Outcomes	43
Partnership Working	43
The VCSE Workforce in Oldham	45
Primary Response to the Impact of COVID-19 on VCSE Organisations in Oldham	50
Section 4: The Future	57
Workforce	57
Partnerships	58
Funding	60
Section 5: Conclusion, Afterword and Recommendations	62
Report References	67

Figures

Table 1: Worked Example of Extrapolation (Total Income)	11
Figure 1: Size of Organisations in Oldham	29
Figure 2: Main Areas of Work in the VCSE Sector	30
Figure 3: Main Clients/Users/Beneficiaries of the VCSE Sector	31
Figure 4: Main Geographical Areas of Work	32
Figure 5: Organisational Maturity	33
Table 2: Income Representation in Percentages.	34
Table 3: Income 2012–20	35
Figure 6: Other Sources of Funding	38
Figure 8: Changes in Total Annual Income	40
Figure 9: Changes in Total Annual Expenditure	40
Figure 10: Changes in Level of Free Reserves	41
Figure 11: Financial Turnover	42
Figure 12: Direct Dealings with Private and VCSE Organisations	45
Figure 13: Changes in Total Number of Employees.	47
Illustration 1: Primary Impact of COVID-19 on VCSE Organisations	49
Illustration 2: Primary Response to the Impact of COVID-19 on VCSE Organisations	51
Illustration 3: Primary Impact of COVID-19 on the People that VCSE Organisations Serve	53

Acknowledgements

This research has been commissioned by Action Together as part of 10GM alongside GMCVO and the other key infrastructure organisations within Greater Manchester and undertaken by the Centre for Social and Health Research at the University of Salford. To describe growth patterns and trends and draw some comparisons, this survey is based on previous State of the Sector questions originally developed by Sheffield Hallam University. This report forms part of a wider collection of reports which may be downloaded from www.10gm.org.uk.

The research team would like to thank the State of the Sector steering group for their support in developing the survey and tireless efforts to ensure that this survey reflected the work of the VCSE sector. We would also like to thank all of the VCSE organisations who participated in this survey and the focus groups.




Our thanks are also extended to Dr Andrea Gibbons, who designed the survey in collaboration with the VCSE State of the Sector steering group, and Martyn Willcock, who facilitated the focus groups.

Contact Information

For Centre for Social and Health Research

-  Dr Michelle Howarth
-  Address:
University of Salford,
Mary Seacole Building,
Frederick Rd Campus,
Salford,
Manchester
M6 6PU
-  Tel: 0161 295 2873
Email: m.l.howarth2@salford.ac.uk

For Action Together

-  Laura Windsor-Welsh
-  Address:
12 Manchester Chambers,
West Street,
Oldham
OL1 1LF
-  Tel: 0161 339 2345
Email: Lauraww@actiontogether.org.uk

Foreword

For over a decade, Action Together have joined other community and voluntary infrastructure organisations across Greater Manchester to conduct the State of the Sector research. Over that time, we've seen big changes to the sector, but never more so than in the last year. COVID-19 has changed all aspects of our lives, and with it the way the voluntary, community, and social enterprise (VCSE) sector works, during a time when charities and volunteers were essential in the response to the pandemic. The overall size of the sector hasn't dramatically changed, but it is fragile and still struggles with short-term funding, high competition for grants, and securing the resources it needs to grow.

The sector is resilient and, by its nature, diverse, doing incredible and essential things that help to tackle inequality, reduce hardship and enrich people's lives. In this report, you'll learn about the important work that the sector does and the support it needs to continue benefiting our communities.

The report emphasises the importance of micro and small organisations embedded across neighbourhoods in Oldham. Many VCSE groups are local anchor organisations, with a focus on place and strong roots and ties to the community. These links and knowledge were invaluable in communicating with and supporting local communities throughout the pandemic, though these groups are also the most fragile, often relying on individuals or a small number of supporters to stay afloat.

Even before the pandemic, we continued to see a large number of groups across Oldham focused around health and wellbeing. These groups form a key link in our social prescribing work through the Oldham Cares Thriving Communities programme. Alongside these findings, it's instructive that 47% of groups surveyed were formed in the last decade. This demonstrates how smaller groups are setting up to fill gaps in community support.

The network of groups we work with was vital throughout the pandemic, from the early days of the first lockdown through Test and Trace and into the vaccination programme. VCSE groups showed their flexibility and openness to change by staying open during the pandemic, being quick to adapt to new services and ways of working, and few used the option to furlough, so they could continue to meet the needs of local people.

The sector also demonstrated its ability to lead during a crisis, particularly in the community work that it is best placed to deliver. Local anchor organisations in Oldham showed their value through the COVID community champions work, forming a key part of community engagement in the mass vaccination rollout. Investment and support in these organisations is shown to pay off in the knowledge and trust they share with the communities they work in.

Alongside changing ways of working, organisations had more pressure on their services. This came from increased demand and different asks as new service users came into contact with the sector. We saw this when Action Together lent some support to Oldham Foodbank, and it's backed up by some of the focus group findings. While the survey shows the sector in Oldham was responsive and adaptable, often

out of necessity, it's unsustainable for the sector to continue to adapt without further support and investment.

It's also important to recognise the incredible voluntary response to the pandemic. At Action Together, we've registered a record number of volunteers in the last year, while also seeing a new profile of volunteer coming forward, often as a result of the furlough scheme. Action Together has also given extensive support to the new mutual aid groups that sprang up across the borough. This points to a public eagerness to be involved in community action, and we adapted our volunteer process and roles to make it easier and quicker for people to get involved in the emergency response.

The pandemic exacerbated a number of long-standing challenges for the sector, with funding continuing to be the main area where support is most needed. In the report, you'll see a low number of local organisations accessed reserves; this is due to them not having reserves to call on. Forty-five per cent of groups reported decreased earnings last year, and we know the groups Action Together work with have had to stop their usual fundraising activities or close venues, hitting their ability to raise money. Action Together's funding support is consistently the most requested from local groups, and while we've helped more groups access funding than ever before, it's still a fraction of what is needed.

The pandemic has, unequivocally, shone a light upon the inequalities that exist across communities in Oldham. Community insight and experiences of inequality and the Public Health England Disparities report, in terms of disproportionate impact of serious illness from COVID-19, transmission, and later vaccine take-up, have demonstrated how existing issues of inequality had been exacerbated and the urgent action required. The VCSE in Oldham has played a critical role in supporting communities where inequalities are present and also in amplifying the voice of people's experiences in communities.

There are green shoots of recovery as we aim to build back better. Partnership working continues to develop, with key connections being made through the pandemic. The report includes some interesting findings about community partnership models. Groups have learnt new skills in digital working, and at Action Together we've been able to reach more people through an enhanced digital offer. Mutual Aid points to a new profile of group and way of working. We need to harness and build on the work of social enterprises and cooperatives that contribute to community wealth, provide pathways to work for the most excluded, and provide a means for local people to access and share buildings and other assets. And the significance of the paid and unpaid workforce of the VCSE sector should not be overlooked; we need to drive forward large-scale organisational development to ensure the sector can transform and adapt its offer for the benefit of a changing country.

Thank you to all the charities, voluntary groups, organisations and staff who helped produce this report. At Action Together, we're passionate about people power and amplifying the voices of people that often go unheard; this will be essential if collectively we are to realise the recommendations of the recent GM Independent Inequalities Commission report and work together to help our communities build back better.

Liz Windsor-Welsh: Chief Executive at Action Together CIO



Executive Summary

The State of the VCSE Sector 2021 Survey included eight key sections, which encouraged respondents in each of the 10 Greater Manchester localities to describe their organisations, workforce, volunteers and impact, the work that the VCSE sector undertook in each of those localities and the impact of the global COVID-19 pandemic on their work and communities. In total, the survey comprised 104 questions designed to capture accurate and representative data about the state of the VCSE sector. We sought to establish essential findings for each locality and also for Greater Manchester as a whole.

Headlines for

Oldham

**1,326**

voluntary organisations,
community groups and
social enterprises making
a difference in Oldham



annual income
<10K

70%

are micro organisations

**12%**

of the sector identify as
being a social enterprise

£

**£90.4
million**

total income of the sector
(2019/2020)

**84%**

of organisations have at least
one source of non-public sector
funds, bringing significant value

**38%**

of the organisations have
used their reserves in the
past 12 months (66%
due to COVID)

**45,720**

volunteers (including
committee/board members),
giving 166,910 hours each
week valued at £82 million
per annum (based on Living
Wage £9.50 per hour)

**85%**

have had some direct
dealings with other VCSE
organisations, 83% with
Oldham Council and 49%
with private organisations

Realist Evaluation Approach

The web-based survey was distributed across Oldham and a total of 181 were returned during July- October 2020 which includes partial completions. The survey was undertaken as part of the wider survey across all 10 localities in Greater Manchester and forms part of the data set for the Greater Manchester State of the Sector report. The questionnaire was based upon that developed by Sheffield Hallam University for the 'Greater Manchester State of the Voluntary Community and Social Enterprise Sector 2017' research undertaken in 2017 (Damm et al. 2017). The University of Salford's approach has been to build upon this work done by Sheffield, thereby enabling a comparison over time, but by employing a more realist methodology Salford has emphasised a qualitative analysis to describe the particular context within which agencies are working and, in doing so, help illuminate any prescriptive policy intervention.

The survey used an overarching realist evaluation methodology to understand the sector in three dimensions: Context, Mechanisms and Outcomes. This has facilitated rich descriptions of all aspects of the VCSE sector, including what activities take place (Mechanisms), what impacts these have on relationships, funding, communities and individuals (Outcomes) and the contextual factors, including scale and scope, that underpin these mechanisms and outcomes (Context). We have triangulated data from focus groups across 15 organisations to ensure that the changing social, political and economic environment is presented. To capture the impact of COVID-19, we included specific questions in both the survey and the focus groups to fully understand the implications of the global health crisis for local organisations. This survey was undertaken during the COVID-19 global pandemic, which led to unprecedented changes in society, employment, education and healthcare systems. It is likely that many organisations who would typically respond to such surveys may not have been able to complete this due to adverse circumstances.

When reading this report, it is important to acknowledge two key points. First, the results reported are based on the survey responses received. Accordingly, it is possible that if a different sample of organisations had participated in the survey different results might have been obtained. It is estimated that the results reported within this report are within 6.9 percentage points of the true values.

Secondly, on a number of occasions the analysis in this report has followed the methodology provided by Sheffield Hallam in their previous research. As such, certain statistics presented here have been extrapolated from the survey responses to provide estimates of totals for all organisations. These include: total income; the number of organisations with at least one source of private sector income; the number of volunteers/committee and board members; the number of hours they contribute; the number of employees and full time equivalents; and the numbers of clients, users and beneficiaries of the sector.

In each case, a four-stage method was applied to calculate the overall totals:

- ▶ Stage one: calculate the Greater Manchester averages for each of the four size bands of organisations, namely, 'micro', 'small', 'medium' and 'large' (column A in Table 1 below)
- ▶ Stage two: estimate the number of organisations in each borough using the distribution provided by Sheffield Hallam (column B)
- ▶ Stage three: multiply the estimated number within each size band by the average income to give the total income for each size band (column C)
- ▶ Stage four: sum the income for each size band to give a sector-wide total (total in column C)

Table 1: Worked Example of Extrapolation (Total Income)

	Average income by size (A)	Estimated no. of organisations (B)	Total income (C)
Micro	£1,199.96	1,444	£1,733,087.70
Small	£35,588.15	341	£12,123,819.46
Medium	£221,123.89	192	£42,391,192.08
Large	£2,269,172.54	45	£102,875,939.08
Total			£159,124,038.31

As well as enabling comparisons, this method also helped quieten the statistical 'noise' caused by a number of large organisations that would, if this method had not been applied, have produced upwardly biased estimates. In other words, a small number of large organisations produce a high mean value, which is not representative of the sector, which is estimated to overwhelmingly consist of 'micro' organisations. So, not taking account of differences by size of organisation would have produced higher estimates for the sector. It has been assumed that estimated averages for Greater Manchester organisations are representative of organisations within Oldham. In the table above, for example, it is assumed that the average income for a small Greater Manchester organisation is representative of a small organisation in Oldham. Using the distribution of organisation size from Sheffield's research enables a better comparison across time.

The report is divided into five key sections, which describe the context, mechanisms and outcomes. Section 1 describes the context, which includes the definition of the VCSE sector, the context for the research, detailing the impact of COVID-19, and a focus on the VCSE sector's contribution to wellbeing. Section 2 describes the work of the VCSE sector, including the number of organisations, geography, organisational maturity, numbers of clients, interventions and income. Section 3 describes the partnership working, workforces, response to COVID-19, communities experience racial inequalities and the future. Section 4 describes the future of the VCSE sector in terms of the funding, partnerships and workforce developments needed to sustain the sector. Section 5 provides a call to action based on the report findings.





Section 1: Context

Definitions

This report is about the state of the voluntary and community sector in Oldham. This sector is also often referred to as the 'third sector', whilst the current Government often refers to 'civil society'. In this report, we have used the same definition used in the previous State of the Sector report (Damm et al. 2017). In this report we refer to and use the term 'voluntary, community and social enterprise (VCSE) sector', which embraces 'voluntary organisations, charities, community groups, the community work of faith groups, and those social enterprises and community interest companies where there is wider accountability to the public via a board of trustees or a membership and all profits will be reinvested in their social purpose'.

Context for the Research

For over 20 years, the NCVO's Civil Society Almanac has monitored the overall health and shape of the VCSE sector in the UK. During this time, it has recorded an overall growth in the size of the sector. Following a significant contraction after the financial crash in 2008, the Almanac shows that the VCSE sector had begun to recover and recorded the largest ever workforce (909,088 employees) in the 2020 report. (1)

The 2020 Almanac indicated that, despite a slight drop in the number of organisations, the sector's overall income had increased to its highest ever levels; however, the proportion of that made up by Government funding [£15.7 billion in 2017/18] had decreased to its lowest share. (1) Despite ministers' declarations that austerity was over in 2019, the amount of money being provided to local authorities and other major public services has continued to decline, with a drop of nearly £16 billion over the period between 2010 and 2020. As a result, the Local Government Association reported that local authority 'support for the voluntary sector has been reduced'. (2) The Almanac noted that even though the vast majority [81%] of organisations continued to be micro and small, the proportion of larger VCSE organisations [with an income of over £1 million per annum] continued to grow.

It estimated that the VCSE sector as a whole contributed £18.2 billion to the UK economy, with Children and Young People 'the most common beneficiary group'. (3)

Sources and Further Reading

1. National Council of Voluntary Organisations (2020) The UK's Civil Society Almanac 2020. Data. Trends. Insights.
2. Local Government Association (2018) Local government funding: Moving the conversation on.

3. Maitland et al., The UK Civil Society Almanac 2020. What can the latest data tell us about charities' challenges now and the future? Presentation, 9 June 2020.

At the Greater Manchester city-region level, this picture was reflected in two important documents published by the Greater Manchester VCSE Leadership Group in January 2020. This group was set up as a 'coalition of the willing' seeking to promote the role and involvement of the VCSE sector and communities in Greater Manchester in devolution. Members of the Leadership Group can act as 'catalysts and connectors' on behalf of the sector and advocate at a strategic level for the role of the VCSE sector in all 10 localities and across the city-region. A Greater Manchester VCSE Policy Position Paper (1) and the Greater Manchester Voluntary, Community and Social Enterprise (VCSE) Commissioning Framework and Delivery Plan (2) were written and published following significant engagement with the breadth of the VCSE sector in Greater Manchester.

The Position Paper noted the impact of the national political context at the city-region level and that the VCSE sector was under growing pressure due to cuts in public funding since 2010. This was driven by both reduced investment and increasing demand from communities, leading to many VCSE organisations finding themselves in a cycle of responding to crises while struggling to survive. In 2019, it was estimated that local government spending in Greater Manchester had fallen by £582 million. While the majority of this reduction was not spending allocated to VCSE organisations, it has limited the capacity of councils to maintain existing funding and develop new areas of activity. It has also meant that the range of local government services has been under severe restrictions, and so individuals and communities have been required to self-fund activities and services previously delivered directly by local authorities or simply do without services that they would normally have accessed. In some cases, this has undermined attempts to implement early intervention and preventative approaches in order to reduce the costs of more acute services. These pressures, alongside the introduction of greater constraints on welfare benefits, have meant that existing VCSE organisations have had to significantly adapt their operating models, and new organisations have formed in order to address an increasing range of unmet needs.

The Position Paper recognised this challenge as one that was shared across the ecosystem of 'services for the public' (i.e., not only the 'public sector'). The Paper set out a roadmap for how the VCSE sector would become more recognised and engaged as a partner in the delivery of services for the public, embedded within public service governance, consultation and commissioning, as well as delivery. It envisioned an approach to the development of the sector that aligned with key strategic documents such as the Greater Manchester Strategy. The Position Paper sought to describe a VCSE Ecosystem Model paralleling the 'Unified Public Services' approach outlined in the Greater Manchester Model White Paper, which promoted integrated neighbourhood-based services.

This was accompanied by the Commissioning Framework and Delivery Plan, which set out a series of recommendations with the aim of placing the VCSE sector 'as essential partners and providers within the commissioning process' [p. 6], alongside the Greater Manchester Combined Authority (GMCA) and the Greater Manchester Health and Social Care Partnership

(GMHSCP), which manages the devolved health and social care budget for the city-region.

These papers built upon other strategies whose scope stretches across all 10 localities of Greater Manchester and that have significant impacts on VCSE organisations. These include the VCSE Accord, a trilateral arrangement agreed in 2017 by the VCSE sector, the Mayor of Greater Manchester and the Greater Manchester Combined Authority.

Sources and References

1. Greater Manchester VCSE Leadership Group (2020) Voluntary organisations, Community groups and Social Enterprises (VCSE) in Greater Manchester – the next 10 years. A Greater Manchester VCSE Policy Position Paper, January 2020.
2. Greater Manchester VCSE Leadership Group (2020) Greater Manchester Voluntary, Community and Social Enterprise (VCSE) Commissioning Framework and Delivery Plan.

Retrospective: Oldham 2017–19

The 2017 State of the Sector report identified 1,231 VCSE organisations in Oldham, which placed it seventh by size of the sector among the 10 GM boroughs. Of these, 89% were classified as 'micro' or 'small' organisations [an income of <£100,000 per annum]. This equated to 7.8% of the GM total.

A total of 2,200 FTE staff were estimated to be employed in the sector. Four out of every 10 groups based in Oldham classed their main purpose as Health and Wellbeing or Community Development, with one in three focused on Sport and Leisure or Education, Training and Research.

The 2019 Index of Multiple Deprivation (1) ranked Oldham as the 19th most deprived of the 317 English local authorities, which positioned it one place better than Salford [18th] and four ahead of Rochdale [15th] but nine behind Tameside [28th]. It was rated 5th most deprived on the Crime domain, 21st for Income Deprivation and 40th for Health Deprivation and Disability but, more positively, was deemed to be 304th in terms of Barriers to Housing and Services. The Income Deprivation Affecting Children Index [IDACI] stated that over 23% of children were living in income-deprived families.

As with neighbouring Rochdale, a third of all LSOAs fell into the 10% most deprived in England, but these were mainly concentrated in the town centre areas of St Mary's, Coldhurst and Alexandra.

As part of the JSNA process, Oldham Council produced a report entitled 'Oldham in Profile'. The latest iteration was produced in 2019 and provided an overview of population, economy, health and wellbeing, and education in the Borough. In education, Oldham performed in line with its 'statistical neighbours' in most areas. Early Years and KS2 levels remained underperforming, which was attributed to children entering education 'at a lower level of development than most of the rest of the UK' because of higher deprivation in general and higher proportions of children with EAL.

Public sector jobs [especially in the Local Authority and NHS] have become a greater proportion of the workforce, reaching around 20% of all employment in Oldham. This suggested the Borough faced a 'clear vulnerability to the continued public sector contraction'. Overall, 'Oldham's economy still remains over-dependent upon relatively low-skilled and low-wage enterprise', with many new jobs in 'low value service or health occupations' and thus lower wage levels. Average incomes were the second lowest in GM, with only Tameside worse. (2)

Oldham in Profile also highlighted that employment rates were lower in the Borough than the overall rate for Greater Manchester, which was attributed in part to the proportion of economically inactive residents, especially those with long-term illness/disability or choosing not to work. (2) Recent data from the Office for National Statistics showed that in November 2020 higher proportions of Oldham's resident population were claiming out-of-work benefits than the North West and national rates, with the proportion in the 18–24 age group notably higher. (3)

Data from the Profile (2) and the Office for National Statistics (3) confirmed that the Borough's skills base remained an area of considerable concern. Oldham had lower proportions of working age residents qualified at NVQ Levels 1–4 and higher levels of those with no qualifications than Greater Manchester, the North West or England, which was described in the Profile as a 'significant deficit'. Further analysis by the Local Government Association identified Oldham as lagging behind its geographical neighbours on the following measures: the percentage of the working age population qualified to Level 2 and above, the percentage of over-16s who are physically active, the proportion of child protection cases reviewed on time and the number of households on the housing waiting list. (4) Public Health England's 2019 profile of Oldham also pinpointed the statutory homelessness rate as an area of growing concern. (5) However, the LGA indicated that Oldham performed better than its neighbours in terms of the amounts spent per head on education and social care, patients experienced far fewer days' delay in accessing social care, and fewer households were in temporary accommodation. (4)

While in general most of Oldham's health indicators tracked the Greater Manchester averages, one area of concern lay in the excessive consumption of alcohol among a minority of young people. Public Health England data also flagged the hospital admission rate for alcohol-related conditions among adults as an issue, although this was not notably higher than the North West average. Indicators that did show higher rates than the regional averages included smoking prevalence in adults in routine and manual occupations and the incidence rate of TB. (5)

Other issues of concern in 'Oldham in Profile' included overcrowding among multigenerational families in terraced housing, which was particularly an issue in the Werneth, Coldhurst and St Mary's neighbourhoods. Fuel poverty also broadly mapped onto these areas, with the proportion of households in fuel poverty in Coldhurst over 25%. Child poverty was calculated at 21.6% for the whole Borough but ranged from 8% in Saddleworth to over 60% in Coldhurst. (2)

Sources and References

1. LGA, Indices of Deprivation 2019.
2. Oldham Council, Oldham in Profile. Business Intelligence Service, April 2019.
Available online at: <http://www.oldham-council.co.uk/jsna/oldham-profile/>
3. NOMIS, Labour Market Profile – Oldham. Available online at: <https://www.nomisweb.co.uk/reports/lmp/la/1946157084/report.aspx?town=Oldham>
4. LGA Research Report. Headline Report for Oldham Metropolitan Borough Council.
5. Public Health England (2020) Oldham Local Authority Health Profile 2019.
Available online at: <https://fingertips.phe.org.uk/static-reports/public-health-outcomes-framework/at-a-glance/E08000004.html?area-name=Oldham>

Oldham: 2020

Wellbeing of Communities and Influence of the VCSE Sector

In 2010, the Marmot report argued that the ability of the third sector to reach out and work collaboratively across communities provides a unique opportunity to support networks, partnerships and the community infrastructure needed to support resilience. The work through the community infrastructure, predominantly based on unpaid and voluntary endeavour, highlights the major role that the third sector has in supporting communities. Moreover, in the later Marmot (2020) report, Greater Manchester was recognised as a city-region with one of the lowest life expectancies in England. However, the development of the Greater Manchester Health and Social Care Partnership in 2016 has led the strategic direction of the region. In doing so, the GMCA works with a devolved health and care system, using a place-based system to help tackle social determinants of ill-health and reduce inequalities. According to NHS England, the voluntary, community and social enterprise (VCSE) sector 'is an important partner for statutory health and social care agencies and plays a key role in improving health, well-being and care outcomes'. The Department of Health and Social Care have embedded the importance of the VCSE sector in a range of strategy documents to ensure that the work of the sector in improving health and wellbeing and reducing inequalities is promoted. During 2020, the work of the VCSE sector in promoting health and wellbeing was key in supporting communities and individuals. COVID-19 highlighted how the VCSE sector has been impacted and, significantly, the health and wellbeing impact on communities. In the North West, this is particularly relevant as mortality rates are higher than the national average, as are suicide rates. The Local Authority Health Profiles for Oldham suggest that outcomes for other key indicators such as heart disease and life expectancy are worse than the national average, apart from suicide rates, which are similar to the national average.

Since the last State of the Sector Survey (2017), the VCSE Health and Wellbeing programme has been launched (April 2017). This involves a partnership with the Department of Health and Social Care, NHS England and Public Health England to enable a collaborative approach to improving wellbeing and reduce inequalities through a programme of transformation, which influences local-level arrangements. Thus, the VCSE sector has an important role to play in the wider Oldham Locality Plan (2016–21), which reports that:



'VCSE groups that are catalysts for change from within communities and naturally connect and empower local people to be active citizens and take greater control of their lives... We recognise that there is significant capacity and investment in our communities beyond the public sector. In particular, we outline the crucial contribution that voluntary, community and social housing organisations are making to the wellbeing and

health of our population. We need to ensure that we continue to work with and support these organisations as part of the system. In addition, we need to recognise the role of carers in promoting health and reducing demand.'

The VCSE sector has worked as part of the Greater Manchester Population Health Plan to support a person and community-centred approach (PCCA), which was designed to provide support for individuals to develop resilience, knowledge and confidence to manage their own wellbeing. The PCCA enabled people to become more active in their wellbeing and engaged with the VCSE sector to produce social added value to deliver wider benefits to the community. Social prescribing is a key component of GM person and community-centred approaches, and the VCSE sector has had a huge part to play in embedding effective social prescribing arrangements into the GM health and social care system. Since 2015, the PCCA Team has been supporting the 10 localities of Greater Manchester to utilise community assets to 'take on, sustain and go further in adopting the core characteristics of person and community centred approaches'. Social prescribing link workers often support beneficiaries by connecting them into local activity and provision tailored to them. This is also an approach that embeds capacity-building elements to support the VCSE ecosystem through volunteering and voluntary action.

It is recognised that during 2020 COVID-19 had a significant, often negative, impact on the VCSE sector in terms of income generation, loss of staff through furlough and reduced functionality as a result of social distancing measures. The impact on the wellbeing of communities and individuals was significant, which has subsequently influenced the State of the Sector Survey. Findings from this 2020 survey have therefore taken into consideration this impact and qualitatively described the effect and the VCSE sector's response to the crisis.

Current Context: COVID-19

Coming in the existing context of increased pressures on services and activities, the COVID-19 pandemic emerged as the biggest threat to the VCSE sector across the UK. Much government and charitable funding has been directed towards priorities related to COVID-19 and away from other activities. The lockdowns and restrictions enacted to tackle the spread of the virus have not only meant many organisations have not been able to deliver services in the same way, but the wider economic stress has also significantly reduced the charitable donations and investments flowing to the sector. At the same time, there was a need for the sector to make rapid transformations and respond at a local level in order to support communities during the pandemic. Over the last 13 months, the sector has responded not only to health issues arising as a result of the pandemic but also to the new economic and social pressures arising from lockdown, such as an increase in domestic abuse and mental health conditions such as anxiety and depression. (It should be noted here that, unlike other parts of the country, Greater Manchester has been under the most restrictive measures almost constantly since the first lockdown started in March 2020.)

The surge in unemployment since the pandemic began may be one indication that the demand placed on the sector will rise even after the current roadmap to the lifting of restrictions ends. Between March and October 2020, the UK saw a rise of 1.4 million (112%) in the number of people claiming unemployment-related benefits. (4)

An increased demand for support around health and wellbeing issues, particularly anxiety-related problems, but also the long-term physical effects of the pandemic and the legacy of interrupted care and treatment, is evidenced by a number of early studies (5, 6), including one based on data from Salford. This is likely to mean that many more people will seek help from the VCSE sector.

The impact of the pandemic will have long-term effects on the sector. The boost to funding in key areas for the VCSE sector, such as adult social care, identified in the 2019 Spending Review, may be short-lived due to the huge financial pressures on government budgets. This is all the more important given that nationally over one third of the VCSE workforce are focused on the social work arena. (7)

A number of surveys have been undertaken since March 2020, which provide a range of headline data against which the VCSE sector in GM can be measured. An early report in March 2020 by the Institute of Fundraising and others (1), assessing the initial impact on the charity sector, estimated that charities would see their annual income fall by a third, even though demand was predicted to rise. Revised estimates from the survey in April and May (2) suggested total income would fall by a quarter (or £12.4 billion for the sector as a whole).

Headlines from the September COVID-19 Charity Tracker Survey (3) included:

- ▶ Nearly half of the participating charities indicated their financial prospects were worse than they had previously forecast. This disproportionately affected smaller charities, nearly two thirds of which revised their forecasts downwards, whereas only two fifths of larger organisations did.
- ▶ 25% of respondents had already made staff redundant, with more expecting to do so. Redundancies were concentrated in larger organisations. Overall, 43% of respondents were reducing posts.
- ▶ In the final quarter of 2020, should the pandemic worsen again and more restrictions be implemented, over half of organisations expected they would not be able to meet demand, due to either mounting calls on the service or their own reduced capacity. A greater proportion of small charities expected to be in this position.
- ▶ A third of all organisations surveyed had only 1–3 months of reserves. According to NCVO, 9% of organisations have either no cash reserves or not enough to last them a month.

A report by The Small Charities Coalition (4) suggested a third of respondents had funding for no more than 12 months and that, while one in 10 expected to make redundancies, a quarter planned to reduce staff hours in the near future. Only 37% were already set up for remote working, and many did not have the IT capabilities or resources to do so. The report also noted concerns that digital-only services could potentially exclude a range of clients for a variety of reasons, including digital poverty and exclusion.

Current Context: Brexit

It is acknowledged that Brexit has created huge challenges with regard to immigration, workforce and volunteers. The State of the Sector Survey was undertaken whilst Brexit negotiations were still under way, resulting in much economic uncertainty. In addition, the majority of VCSE organisations did not have access to free or affordable legal advice to help them plan for the impact of Brexit. Though we are yet to understand the full impact of our withdrawal from the EU, partnerships and resources may be negatively impacted for those charities who receive EU funding, resulting in a shortfall in funding. Coupled with the global pandemic, the pressure on VCSE organisations and the sector as a whole to continue supporting communities is heightened. This survey takes account of the political and economic climate and reports, where possible, on the impact on VCSE organisations within each locality.

Current Context: Black Lives Matter

A significant number of VCSE organisation services are delivered within, and by people from, communities experiencing racial inequalities. In 2020, the death of George Floyd at the hands of police in Minneapolis led to prominent global campaigns and protest and the resurgence of the Black Lives Matter movement. At the same time, many communities were struggling to cope with the impact of the first wave of COVID-19. Evidence suggests that groups and organisations within communities experiencing racial inequalities are more likely to have been affected, particularly micro and small organisations. In recognising the impact and severity of both COVID-19 and inequalities experienced by Black communities, the Greater Manchester VCSE Leadership Group published the following statement:

'All Black, Asian and minority ethnic (BAME) communities, and BAME-led organisations, are an integral part of the fabric that makes up Greater Manchester (GM)... The GM VCSE Leadership Group welcomes the GMCA proposal to establish a Race Equality Panel (3 June 2020). We also support a GM-specific review of the impact of COVID-19 on BAME communities. We pledge to play our part in ensuring this agenda moves from words to actions.' [GM-VCSE-Leadership-Group-BAME-Statement.pdf](https://vcseleadershipgm.org.uk)

In January 2021, GM=EqAI released a language guidance toolkit which recommended the disuse of BAME as a term. The language now used in the report includes 'Communities Experiencing Racial Inequalities' rather than 'BAME'. This change in language has been supported by the partners who commissioned this research.

However, the survey was undertaken prior to the change in language, which has resulted in the inclusion of BAME as a terminology in relation to the raw data originating from the survey and the focus groups. Where possible, the language has been corrected in core statements in the reports, but direct quotes and raw data have retained the term 'BAME'.

https://www.gmcvo.org.uk/system/files/GM%3DEqAI%20Inclusive%20Language%20Summary%20Slide%201_0.pdf

To capture the impact of the current context on the VCSE sector, we included specific questions in both the survey and the focus groups to fully understand the implications of the COVID-19 crisis for local organisations. We then triangulated qualitative responses from the survey with data from the focus groups. We also held a Greater Manchester focus group specifically for people experiencing racial inequalities to discuss the work of VCSE organisations and the sector as a whole. The next section provides insight into the impact of COVID-19 and Black Lives Matter on communities experiencing racial inequalities within the VCSE sector.

Findings: Impact of COVID-19, Brexit and Black Lives Matter

Our findings show that COVID-19 has brought much-needed attention to the needs and experiences of communities experiencing racial inequalities. The pandemic has further entrenched existing inequalities, with issues such as poor mental health, domestic violence and food poverty being exacerbated in areas that were already experiencing deprivation and poverty. Moreover, it became clear from both the focus groups and available Government data that the rates of COVID-19 infections were higher in people from communities experiencing racial inequalities due to various reasons, including health inequalities and socioeconomic factors.

We explored the impact of Black Lives Matter within the focus groups across the localities. In one of the focus groups, one of the participants stated that:



'local authority organisations, public organisations want to talk, and they want to get in the room'

However, it was stressed that it is important that problems are not only talked about, but also addressed. Participants in the focus groups agreed that more work needs to be done, but that it is work in progress. One participant stated:



'a focus group is positive in terms of measuring and recording what's happening. But then it's also important to follow up and actually take some sort of action with those in power so that there can be a long-lasting change and move towards transformative social change within society.'

Another issue highlighted in the focus groups was the increase in hate crime observed since COVID-19 emerged. Police data indicated a 300 per cent increase in reports of hate crime from British Chinese and East and South East Asians in the first quarter of 2020 in comparison with the same periods in 2018 and 2019. Similarly, the Hate Crime Awareness programme has identified that a lot of hate crime incidents are not reported, because many of the victims do not know how to report them or have previously had a poor or no response, which thereby discouraged people from reporting further incidents. In our focus groups, one participant added that in her locality race crime has increased too. However, she also stated that when victims report it, there is no feedback to the victim; the victim does not feel valued.

There were significant issues relating to funding, particularly in communities experiencing racial inequalities. Much of the discussion focused on funding security and being able to continue delivering vital services to the community. Issues relating to funding insecurity from within the focus groups highlighted a number of examples, as follows:



'My biggest shout across to commissioners is: whilst there's all of this going on, actually in your contracting, in your grant programmes, how many BAME communities are in there? Actually what does the next six months, approach the end of this financial year and beyond mean?'



'Look funders, look central government, look local authorities, we are providing vital services to your constituents and to your residents and to your voters and to your taxpayers. What are we getting in return? Please, please don't forget us in your policies.'



'When you look at the organisation in itself – like * mentioned – it's a massive struggle. Who supports us? But we're supporting hundreds and hundreds of people behind us, with little or no resources.'***



'But there needs to be more of a coordinated effort in terms of health, smaller, medium enterprises and smaller voluntary and not-for-profit organisations – and also other ones as well – come together and be able to bid for and tender for contracts from the Government. It seems like a lot of Black minority groups are often the ones who are not in those kind of streams because they may not have the financial background, or they may not have the contract readiness ability or the staffing resources, so they can't actually apply for these type of contracts.'

Around the time of the focus group conversations, there was significant discussion of funding for communities experiencing inequalities. In April 2020, campaign group Charity So White called on funders to put communities experiencing racial inequalities at the centre of their COVID responses and commit to ring-fencing 20% of their funds towards VCSE organisations working with these communities. Following this, organisations such as Comic Relief and the National Survivor User Network adjusted their policies.

There were also suggestions from within the focus groups that VCSE infrastructure organisations within Greater Manchester could provide more support and assistance around contract readiness, providing training so that organisations can apply for contracts and tenders. However, this comment may actually be symptomatic of bigger challenges faced by the sector, including an increasingly competitive environment linked to changes in public sector spending and commissioning approaches.

Brexit was also discussed, although at the time of the focus groups there was still significant uncertainty regarding the Brexit deal and the practical implications for individuals and communities. This, combined with the impacts of COVID, resulted in limited insight on the topic beyond the concerns surrounding refugees, migrants and asylum seekers from an Eastern European background post Brexit.

These findings suggest that there is a recognition that partnership working is integral to VCSE organisations to enable the sector to function effectively and maximise its impact. There is a need, therefore, to ensure that commissioners offer flexible approaches that can support collaboration among VCSE organisations to ensure a sustainable, impactful VCSE sector.

Interestingly these observations very much dovetail with the work of the GM VCSE Leadership Group and the recommendations of their VCSE Commissioning Framework and Delivery Plan, published in January 2020 VCSE Commissioning Framework and Delivery Plan | www.gmcvo.org.uk

Repurposing of Organisations in Response to COVID-19

We asked the survey respondents to indicate if they had repurposed their services in response to COVID-19, and 29.8% of the respondents indicated that they had fully repurposed their services. A larger percentage (55.2%) indicated that they had not repurposed their services. Combined with the qualitative data, the responses of VCSE organisations in Oldham to COVID-19 were split, and whilst many organisations had repurposed, the qualitative data indicates that this was predominantly due to the loss of contracts and funding and increased demand. The triangulated findings suggest that the VCSE sector in Oldham was responsive to the crisis and was able to adapt (where needed) to ensure that communities and individuals were supported.

We asked participants in the focus groups to describe how they had responded to COVID-19. Participants described how they had adapted their work to be online through Facebook and other types of social media:



'We're taking initiatives to develop our computer skills and our use of Facebook more, so that the, we've engaged with the community in doing school uniforms, which we know are really, really critical for people's stress levels if you haven't got a blazer for your child.'

Other participants described how they had taken the time to explore how they could do things differently to support the community, as the following excerpt illustrates:



'we took the opportunity to revamp our, what we do with food. The way that we do food is we have 10 items of ordinary, basic stuff that every normal English person knows what to do with, cereal and bread and jam and beans and stuff and some things. Then, alongside that, we've got freezers with ready meals in. We bought new, we were granted from Forever Manchester some money to buy new freezers, so we've got new, bigger freezers, which are now fully stocked. Tesco, we've got slots with Tesco, where they failed us at Christmas, so we've engaged with them. They're fully up and running.'

As a result of COVID-19, the UK Government implemented the Coronavirus Job Retention Scheme, which enabled all employers who had employees on PAYE to furlough some workers. The Government provided financial support of up to 80% of an employee's salary to help reduce redundancies. The scheme was introduced in March 2020 and is due to complete at the end of March 2021, and it may have impacted on paid staff within the VCSE sector. We therefore included a survey question that asked respondents to indicate the maximum percentage of employees furloughed at any one time.

- ▶ Out of 181 organisations who responded, 80% reported that they did not have to furlough any employees.
- ▶ A smaller percentage (12%) of organisations reported that they had furloughed up to 30% of employees.
- ▶ A total of 2% of the organisations had furloughed between 31% and 50% of employees.
- ▶ Only 3% of organisations had furloughed between 51% and 99% of employees.
- ▶ A total of 3% of organisations had furloughed 100% of employees at any one time.



Section 2: Mechanisms and Processes

This section discusses the mechanisms and processes used to support the VCSE sector. The section will describe the work of the VCSE sector, the number and size of the organisations, the geography in which organisations operate, the number of clients and beneficiaries and the types and numbers of interventions provided. The final part of this section will provide a descriptive analysis of the sector's income and expenditure.

Estimated Strength of the Survey

The total number of survey responses for Oldham was 181. This response rate allows for a 6.9% margin of error based on a 95% confidence interval. This limits comparability with the previous State of the Sector report, and caution needs to be applied with the findings as, if the survey were repeated, it may yield different results.

What the Voluntary, Community and Social Enterprise Sector in Oldham Does

In estimating the total number of organisations in Oldham, we used the national Register of Charities in England and Wales. To estimate the total population of Oldham, we utilised the ONS estimates of population in England, Wales, Scotland and Northern Ireland (2019) data sets. To estimate the number of social enterprises, we used the Greater Manchester Social Enterprise Survey (2020).

- ▶ The estimated population of Oldham is 237,110.
- ▶ According to the UK Register of Charities in England and Wales (in 2020), there are 259 registered charities in Oldham.
- ▶ It is estimated that there are 3.66 below-the-radar (BTR) organisations per 1,000 population (Mohan et al. 2010), which indicates that there are approximately 868 BTR organisations in Oldham. This represents an increase of 154 BTR organisations operating in Oldham since the last State of the Sector Survey in 2017. It is possible that these organisations are not represented in the total number of survey responses.
- ▶ According to the Greater Manchester Social Enterprise Survey (2020), there are 199 social enterprises operating in Oldham.

A total of 181 organisations responded to the survey question about organisational size (see Figure 1). An estimated total of 12% of organisations are social enterprises. Social enterprise has grown, both in charities and voluntary organisations undertaking trading activity (including public service delivery) and distinct social enterprise organisations. In their survey of 2019, Social Enterprise UK estimated that 42% of social enterprises were less than five years old, with the vast majority growing their income or covering costs. This creates a very dynamic environment and makes comparisons with previous years more challenging as the sector changes.

Combining the number of registered charities in Oldham (259) with the estimated number of BTR organisations (868) and the total number of social enterprises (199), it is estimated that there are 1,326 organisations operating in Oldham. This figure is higher than that recorded in the 2017 report, which estimated that there were 1,231 organisations operating in the VCSE sector in Oldham.

Size, Number and Types of VCSE Organisations in Oldham

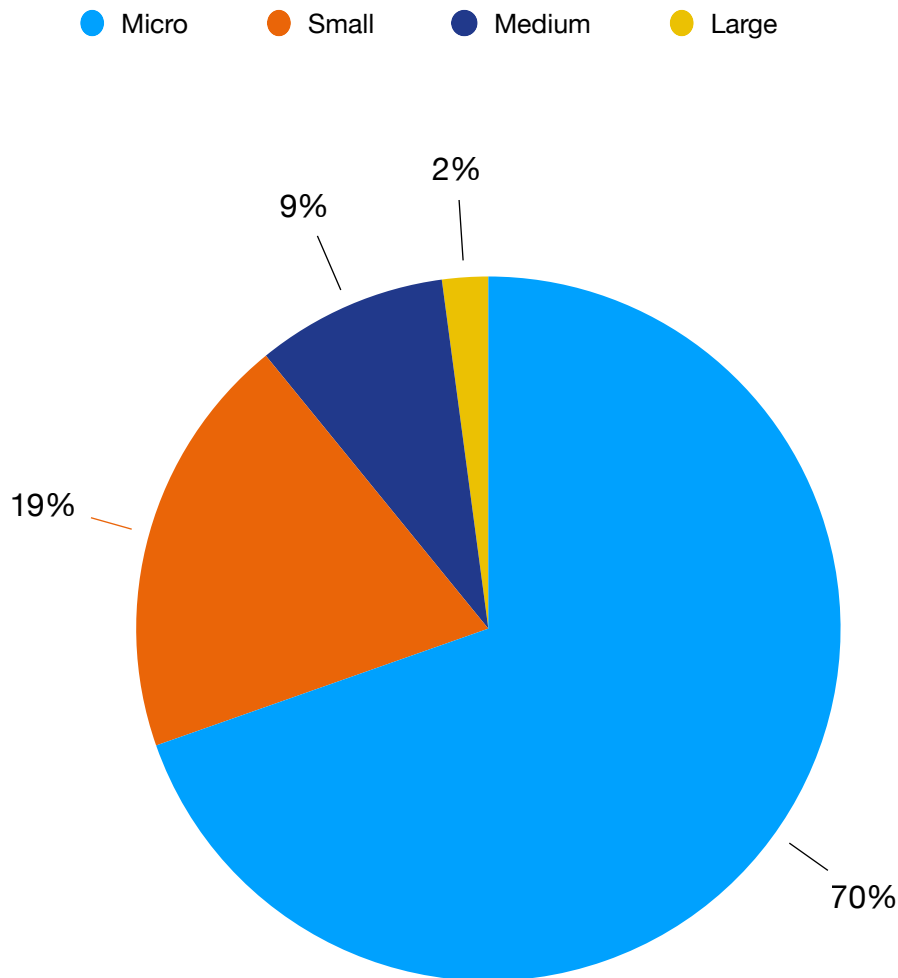
We used the NCVO Almanac (2020) categories to calculate the size of the organisations. Classifications were based on the following criteria:

- ▶ Micro – less than £10,000 per annum
- ▶ Small – less than £100,000 per annum
- ▶ Medium – less than £1 million per annum
- ▶ Large – over £1 million but less than £10 million per annum

Our analysis indicates that a total of 923 organisations were classified as micro. This represents the majority of organisations and reflects the trend in the 2017/18 NCVO Almanac. A total of 258 organisations were classified as small, a further 116 organisations were classified as medium, and 28 were classified as large (see Figure 1).



Figure 1: Size of Organisations in Oldham



How the VCSE Sector Makes a Difference to People

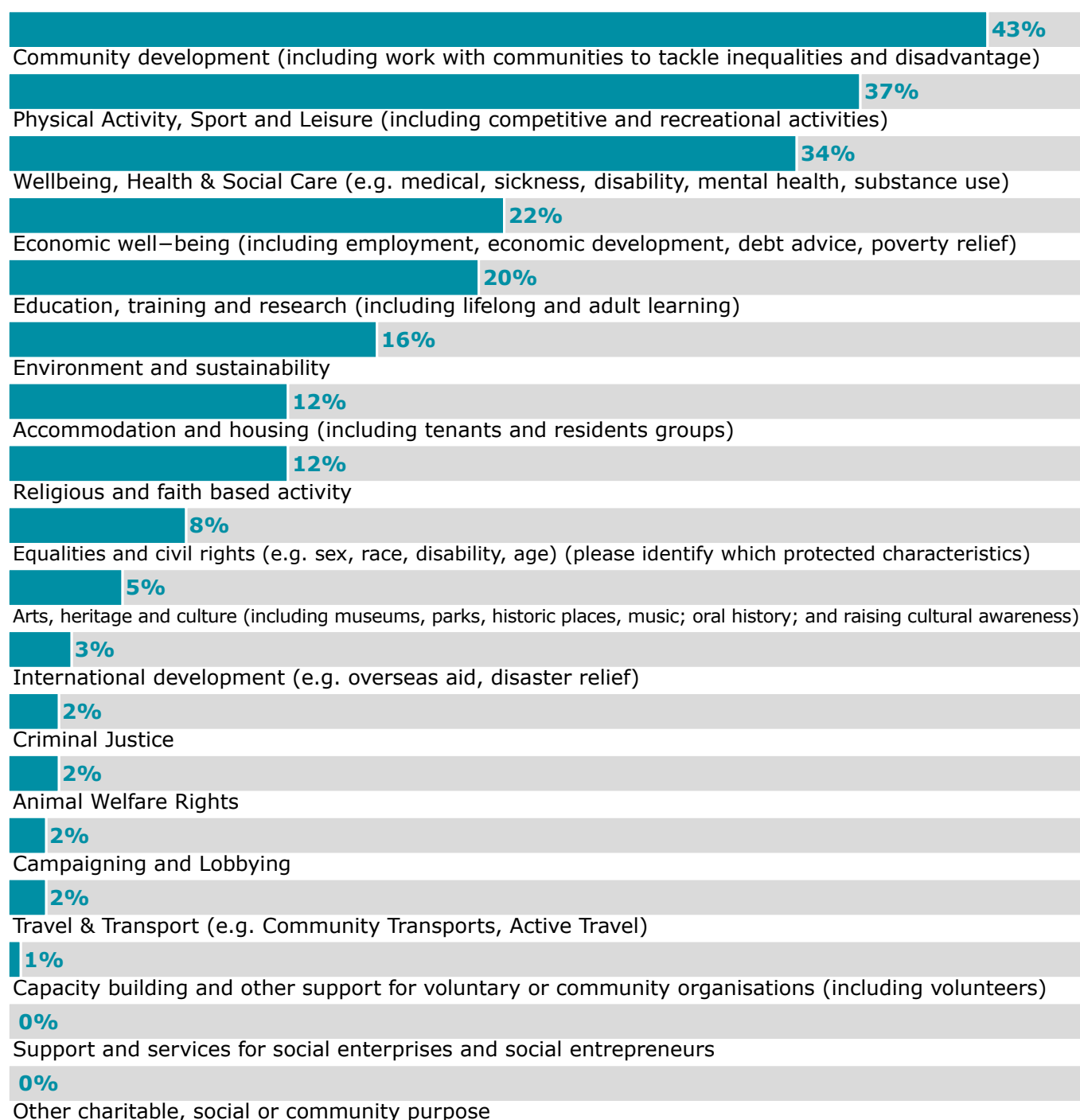
The VCSE sector in Oldham makes a difference to people's lives by helping to improve wellbeing; working with communities to develop resilience; supporting and encouraging physical activity; empowering individuals through education and training; and supporting sustainability through supporting employment opportunities and key skills development.

Through the survey, organisations were asked to identify their three main areas of work (Figure 2). The top three main areas of work identified by survey respondents in Oldham were:

- ▶ Wellbeing, Health and Social Care (34%)
- ▶ Community Development (43%)
- ▶ Physical Activity (37%)

Whilst these findings are similar to those reported in 2017, the margin of error limits their comparability. The previous top four areas were Health and Wellbeing (43%), Community Development (41%), Sport and Leisure (32%) and Education, Training and Research (29%).

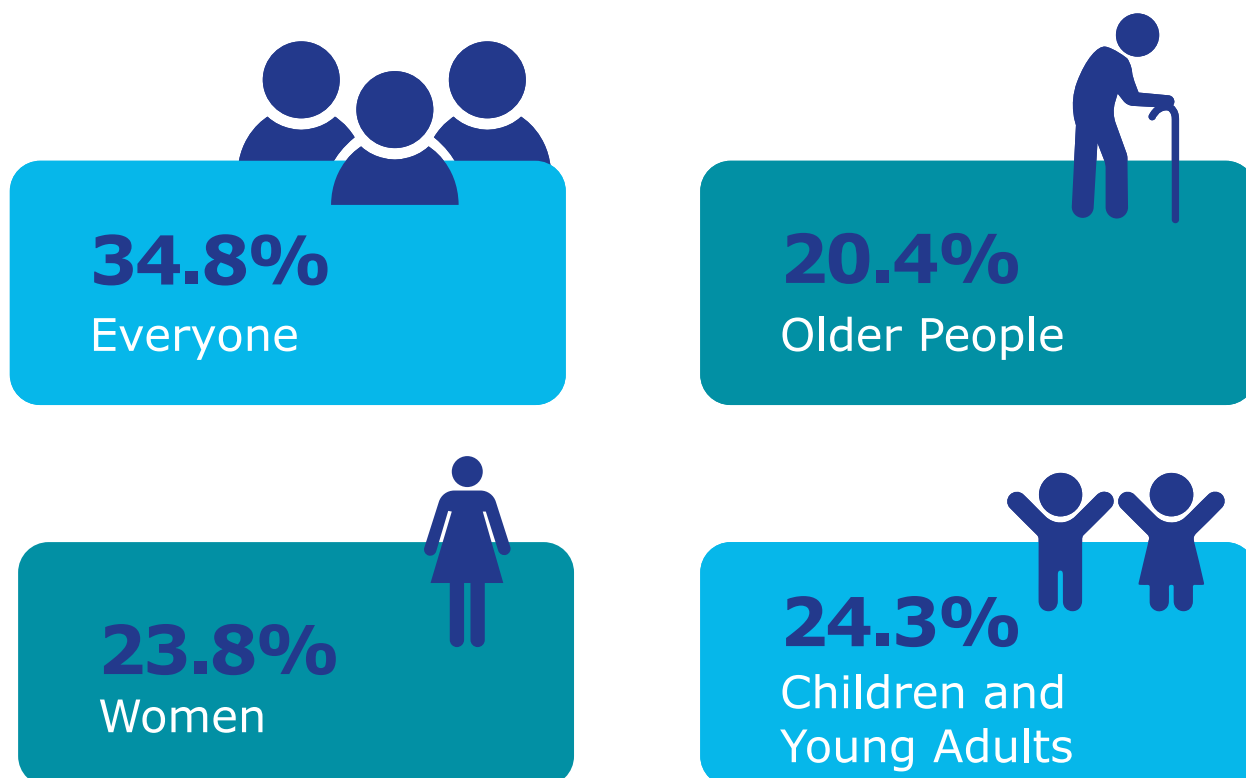
Figure 2: Main Areas of Work in the VCSE Sector



Main Clients/Users/Beneficiaries of VCSE Organisations in Oldham

Respondents were asked to select up to three main beneficiaries/clients that they worked with (see Figure 3). For those who responded, the four most common client groups were: 'Everyone', 'Older People', 'Women Specifically', 'Children and Young Adults'.

Figure 3: Main Clients/Users/Beneficiaries of the VCSE Sector



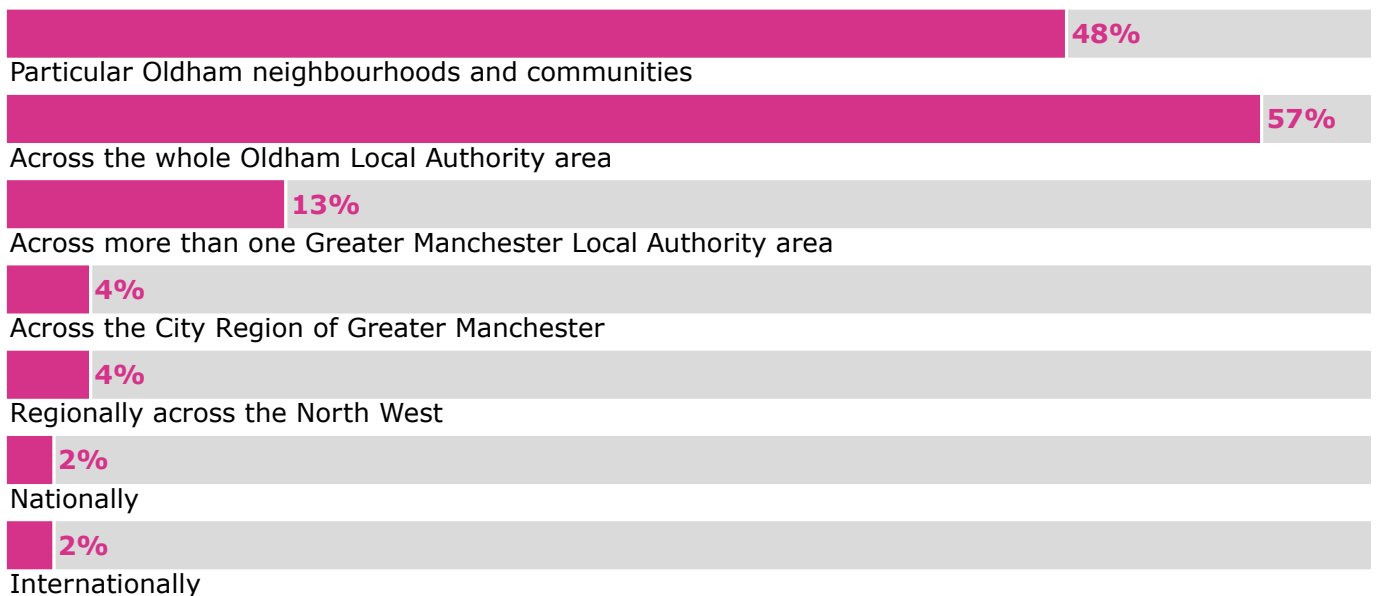
These figures are similar to those reported in 2017, which indicated that the four main client groups were everyone (44%), children and young adults (22%), older people (14%) and women specifically (11%). Whilst these findings are similar to those reported in 2017, the margin of error limits their comparability. The data suggests that organisations work with a diverse population, often with mixed groups providing flexible support for a range of people.

Geographical Area Within Which the VCSE Sector Operates in Oldham

Survey respondents were asked to indicate the main geographical areas in which they operate. The response options provided included particular neighbourhoods, local authority, across more than one GM local area, regionally, nationally and internationally (Figure 4). We asked respondents to select up to three main areas.

- ▶ The majority (57%) of the respondents reported that they worked across the whole of the Oldham local authority area, which indicates that the local area is the main focus for the majority of organisations.
- ▶ Just under half (48%) indicated that they worked across particular Oldham neighbourhoods and communities.

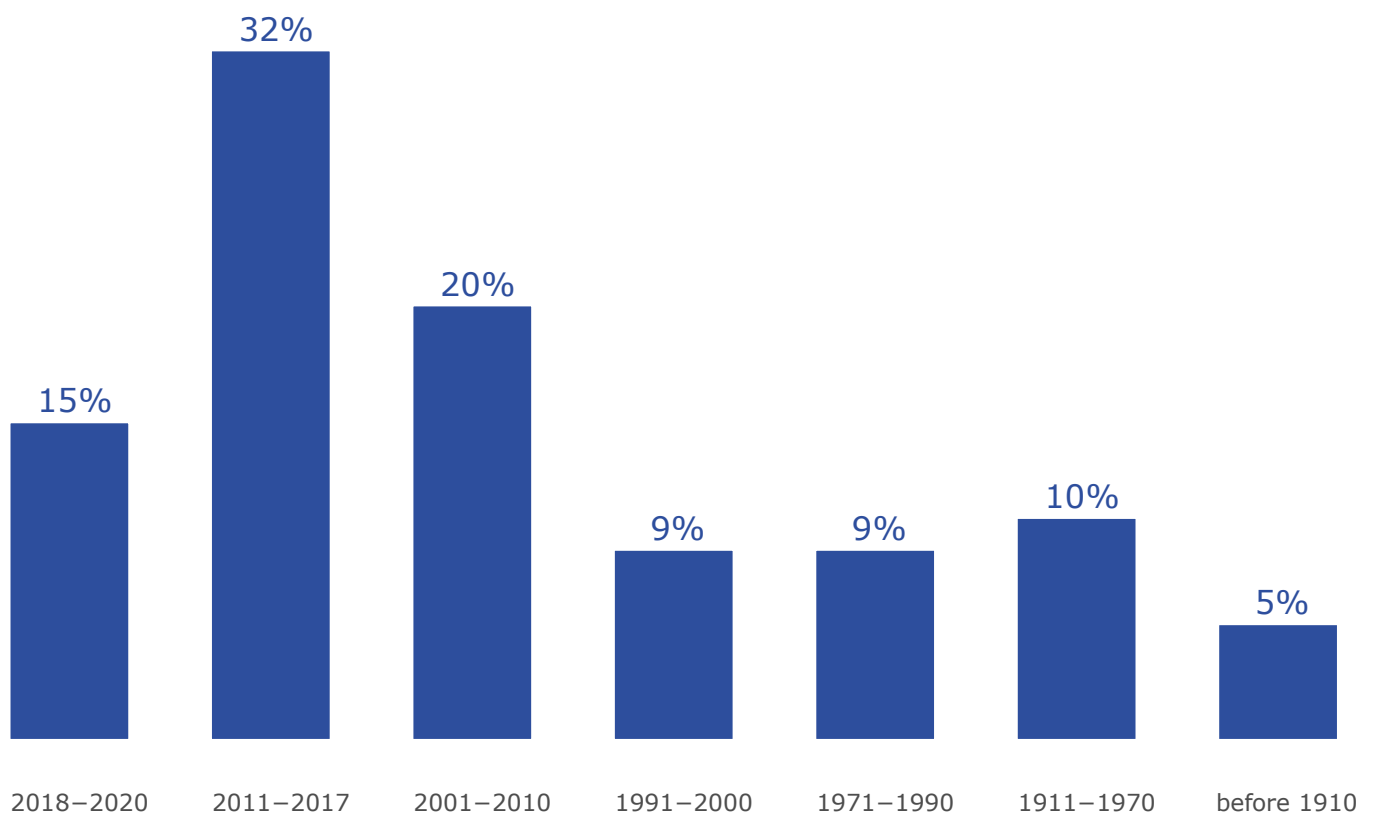
Figure 4: Main Geographical Areas of Work



Organisational Maturity

We asked respondents to indicate in which year their organisation was formed. This was to ascertain the level of organisational maturity as an indication of how established the VCSE sector is in Oldham (see Figure 5). A large number of organisations (47%) in Oldham were formed post 2011, whereas 43% were formed prior to 2000; so, since 2000, 76% of organisations were established. Similar developments were reflected in the 2017 survey, and caution should be taken with the interpretation of the estimates, as the survey by its nature only tracks the organisations that are currently operating in the Borough. As a result, it does not monitor sector churn, e.g., those organisations that have closed or withdrawn from the Borough or may have merged with other organisations.

Figure 5: Organisational Maturity



Income and Expenditure

This section describes organisations' reported income, expenditure and sustainability. However, since the last report in 2017 there have been a number of factors that have affected the level of funding VCSE organisations receive. This is not just in terms of growth or decline but in markets and funders shifting a focus for funding. The interaction between these factors creates a complex and dynamic environment, which creates challenges for the comparison of individual snapshots over time. We based our estimations on the average (mean) income of respondents to the survey across Greater Manchester and used the same assumptions that were used in the previous 2017 report to estimate the total number of organisations in Oldham.

The total income for the Oldham VCSE sector in 2019/20 was estimated to be £90.4 million.

The latest income figures (2016–20) have been estimated on the basis of the distribution by size of organisation and provide a robust estimate, as we were able to draw on the previous report from 2016/17. The breakdown of income by organisational size was not available for 2012/13, 2013/14 and 2014/15, and we are not able to show the estimated figures for 2015/16. So, to demonstrate the estimated trajectory of income over the past eight years, we have included the estimated totals from 2012/13 and 2013/14 and included income by organisational size for 2016 onwards (see Table 3).

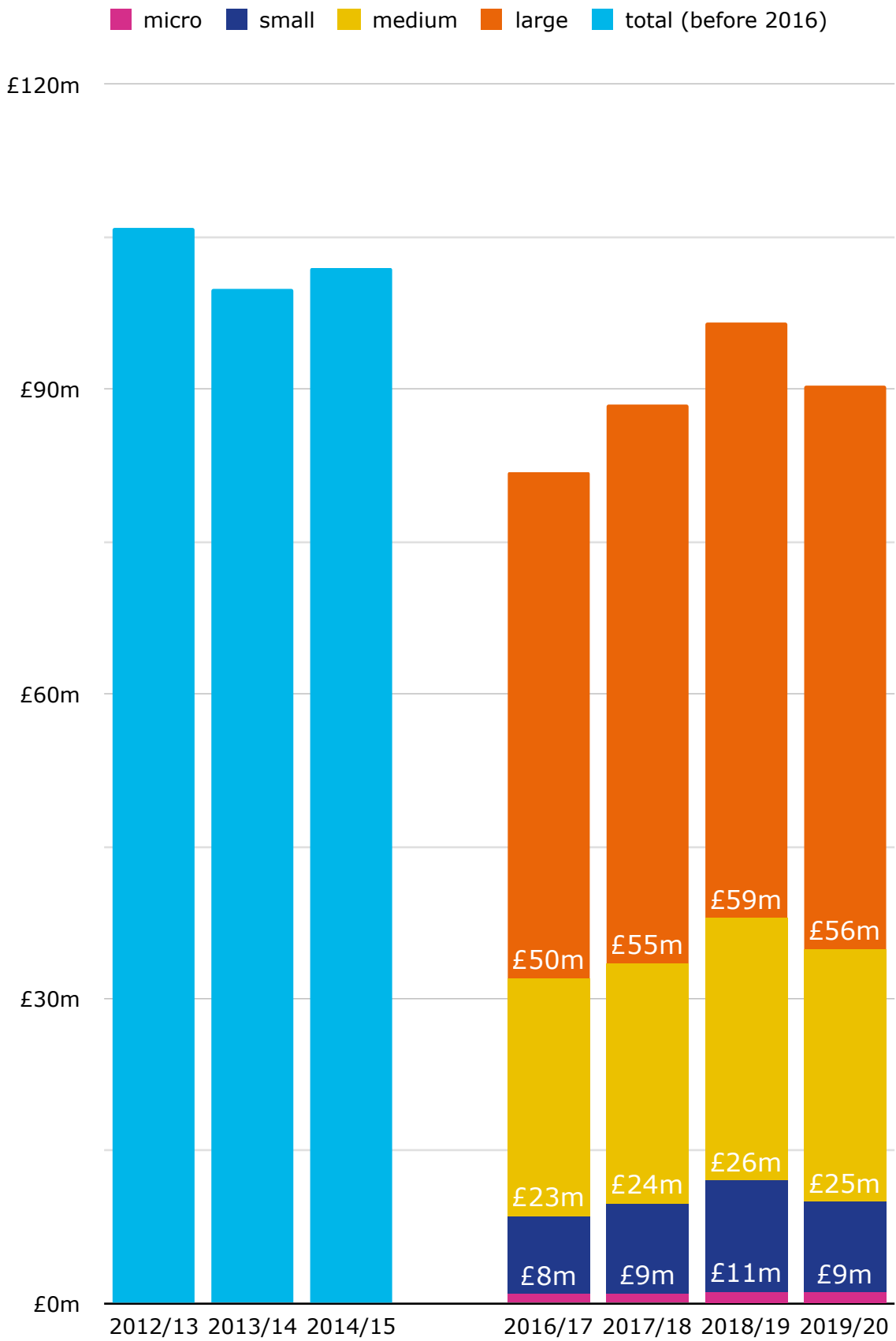
The previous 2017 report showed some small fluctuations in income between 2012 and 2015 and a small increase in income in 2014/15. However, there was a significant decrease in income between 2014/15 and 2016/17 of £20 million. There was some recovery from 2017/18 to 2018/19 of £15 million, but a decrease in income totalling £7 million has been reported for the 2019/20 financial year; however, the margin of error limits comparability. Please refer to table 2 for income representation in percentages.

Table 2: Income Representation in Percentages

Oldham Income by Organisation Size

	2016/17	% change	2017/18	% change	2018/19	% change	2019/20
Micro	£0.9m	11%	£1m	26%	£1.2m	-13%	£1.1m
Small	£7.8m	15%	£9m	21%	£10.8m	-18%	£8.9m
Medium	£23.4m	1%	£23.6m	10%	£25.9m	-4%	£24.9m
Large	£49.9m	10%	£55m	7%	£58.6m	-5%	£55.5m
Total	£81.9m	8%	£88.5m	9%	£96.5m	-6%	£90.4m

The figures in Table 3 present an analysis of income data from survey respondents across Greater Manchester, and variations were also observed by organisation size. The data demonstrates yearly changes and an estimated percentage reduction in income across the different sized organisations. The downward variation represents a trend across the organisations and sizes.

Table 3: Income 2012–20

The current financial picture reflects some aspects of national research such as the NCVO Almanac (Hornung et al 2020), in that, whilst larger organisations are smaller in number (3% of the sector) and micro organisations represent the majority of the sector in GM (71%), the latter have the least income. The larger charities continue to have a significant amount of the income. A potential reason for this may be changes in commission models, an example of which is payment by results (PbR) schemes. These schemes seek to transfer risk from public sector commissioners to the provider market with the expectation that this will drive innovation and efficiency. The ability to engage in such approaches requires an ability to manage risk and cover potential losses. Larger organisations can spread risk across a larger area so that natural variations in demand do not result in significant changes in costs. Smaller organisations are at a greater risk of seeing more significant cost variations if they work with small groups of people with varying demands. As a result, the delivery of public services is becoming increasingly dominated by larger providers.

Estimated Sources of Public Sector Income

In 2019 it was estimated that local government spending in Greater Manchester had fallen by £582 million. The majority of this reduction was not spending allocated to VCSE organisations, but it has limited the capacity of councils to maintain existing funding and develop new areas of activity. In addition, with the range of local government services restricted, this has required individuals and communities to self-fund activities and services previously delivered directly by local authorities. Existing organisations have had to change to adapt, and new organisations have developed in order to address unmet needs.

We asked the respondents to estimate what proportion of their organisation's/group's total income each source represented.

- ▶ Oldham Borough Council was the most frequently identified source of funding (62.4%).
- ▶ The second most common source of funding was Action Together (60.8%).
- ▶ A smaller number of respondents (45.3%) indicated that national government organisations were the third most common source of funding.

Of those receiving funding, it is estimated that 34.8% of organisations received less than 10% of their funding from Oldham Borough Council. National government departments provided 39.2% of the organisations who responded with 10% or less of their proportion of funding.

From the 2020 findings, the top three sources of funding were the Council, national government departments and Action Together.

- ▶ 37.6% of organisations reported funding from the Council was less than 10% of their total income.
- ▶ 10.5% of organisations reported funding from the Council was at least 10% but less than 20% of their income.
- ▶ 8.8% of organisations reported funding from the Council was at least 20% but less than 50% of their income.
- ▶ 2.2% of organisations reported that funding from the Council was at least 50% but less than 75% of their income.

Estimated Other Sources of Income in Most Recent Financial Year

We asked survey respondents to estimate what proportion of their organisation's/group's total income each source represented for each of the sources of other income their organisation/group received in the most recent financial year (i.e., 2018/19 or 2019/20). Our findings suggest that, although a large number of organisations received significant funding from the public sector, at least 84% of organisations were bringing in funding from another source, providing added value to the Borough and residents.

- ▶ **Fundraising (e.g., crowdfunding events, donations):** 21% of respondents received income through this type of funding, 17% indicated that they received less than 10% of their income in this way, and 7% received at least 20% but less than 50%. Only 1.1% indicated that they received 100% of their annual income through fundraising.
- ▶ **Membership fees:** 20% of respondents received income through this type of funding, 13% indicated that they received less than 10% of their income in this way, and 3% received at least 20% but less than 50%. Only 6.1% indicated that they received 100% of their annual income through membership fees.
- ▶ **Grants from charitable trusts and foundations:** 21% of respondents indicated that they received this type of funding, 13% indicated that they received less than 10% of their income in this way, and 7.7% indicated that they received at least 20% but less than 50%. Only 1.1% indicated that they received 100% of their annual income through grants from charitable trusts and foundations.
- ▶ **Charging for goods and services:** 14% of respondents indicated that they received this type of funding, 10% indicated that they received less than 10% of their income in this way, and 5% received at least 50% but less than 75%.

- Grants from National Lottery distributors (e.g., BIG):** 13% of respondents indicated that they received this type of funding, 10% indicated that they received less than 10% of their income in this way, and 5% received at least 20% but less than 50%.
- Business donations or sponsorships:** 14% of respondents indicated that they received this type of funding, 13.8% indicated that they received less than 10% of their income in this way, and 4% received at least 20% but less than 50%.
- Interest (e.g., bank endowments, investments):** 8% of respondents indicated that they received this type of funding, and 10% indicated that they received less than 10% of their income in this way.

Please refer to Figures 6 and 7 for a full breakdown of the responses.

Figure 6: Other Sources of Funding

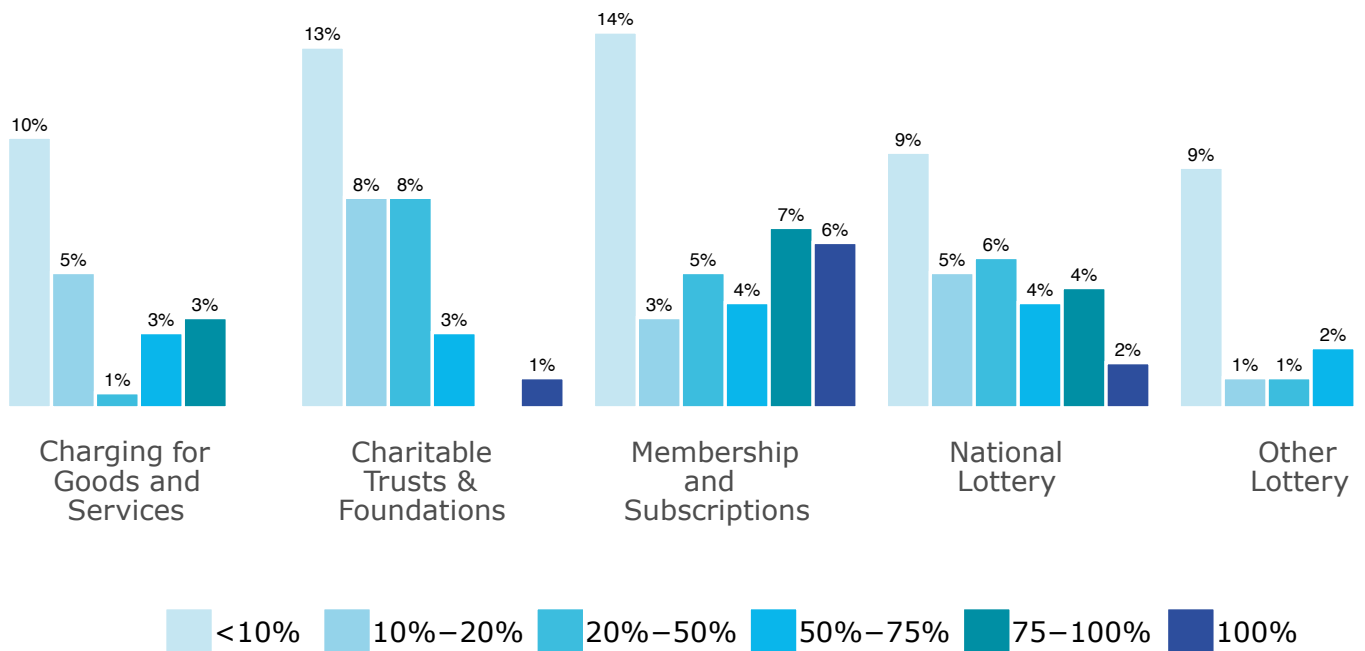
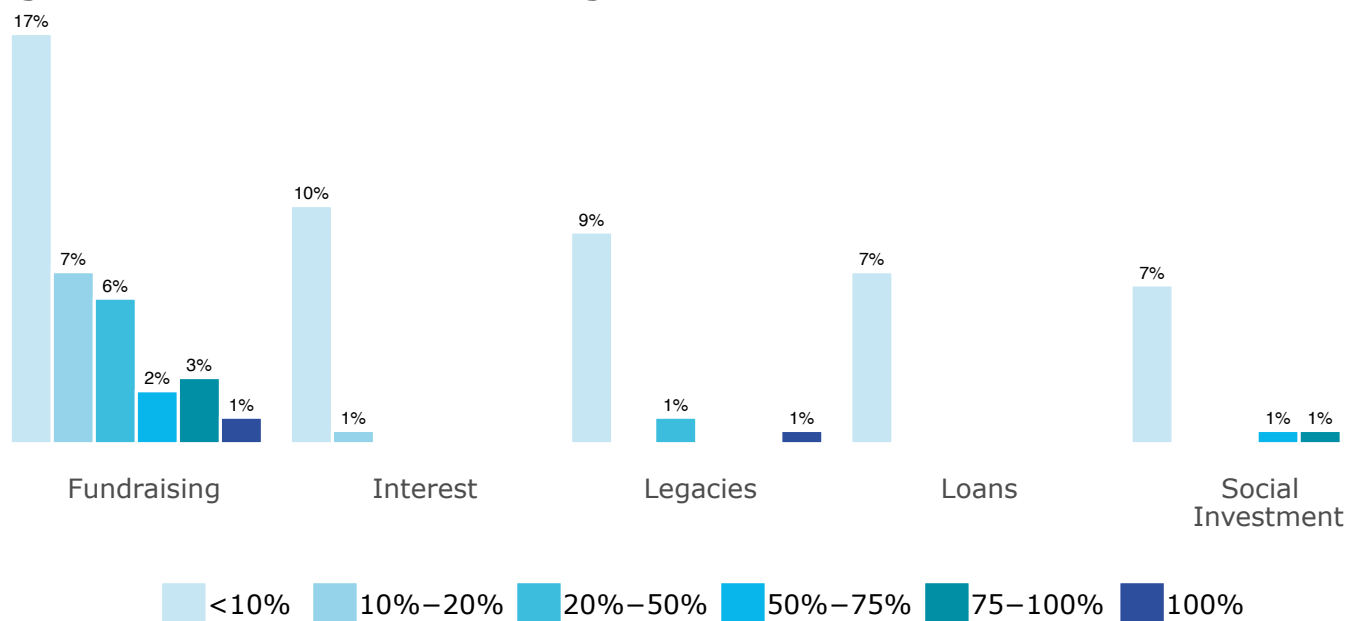


Figure 7: Other Sources of Funding

In recent years, there has been considerable interest in the role that community activity can play in reducing demand on public services. This has seen a shift in some funding from treatment services to more preventative social action. This can be seen in the inclusion of a significant programme of social prescribing in the NHS Long Term Plan of 2019. This has seen much more funding for community-level activity but also investment in public sector activity, such as social prescribing link workers in NHS Primary Care Networks.

European Funding

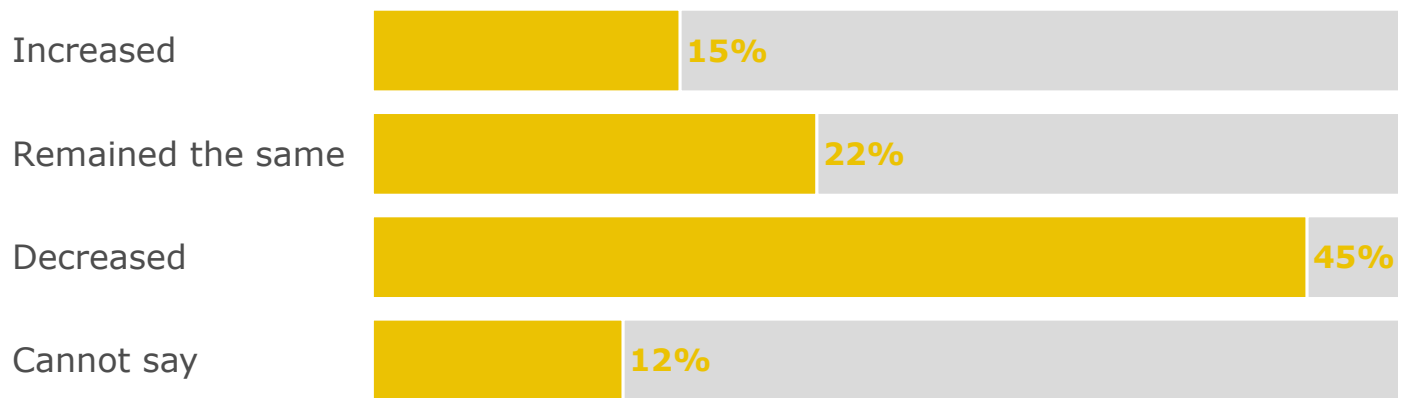
We asked respondents to indicate if they received European funding. Only 14 organisations responded; of these, the majority (78%) received less than 10% of their funds from European sources. Approximately 11% received between 20% and 50% of their funding in this way, and a similar percentage of respondents received at least 10% but less than 20% of their funding from European sources.

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 use the use of reserves, total annual expenditure and total annual income (reported separately below) to provide a picture of financial sustainability.

Changes in Total Annual Income

The respondents were asked about changes in their annual income. Only 15% of organisations reported an increase in their annual turnover, whilst a further 22% reported no change in their income. The number of organisations stating that their income had decreased was 45%, and 12% were unsure of the change in their income (see Figure 8).

Figure 8: Changes in Total Annual Income**Changes in Total Annual Expenditure**

We asked the respondents about changes in their annual expenditure, and just over a third of the organisations reported an increase in their expenditure, whilst a further 24% reported no change in their expenditure. A similar figure (25%) reported that their expenditure had decreased, and 17% of organisations were unsure (see Figure 9).

Figure 9: Changes in Total Annual Expenditure

Reserves

The data later reports on the use of reserves in the past year and changes noted in overall income across all groups. The majority (56%) of respondents had not used their reserves in the past 12 months; however, 44% reported that they had used reserves. Of those who had used reserves, 25% used reserves to cover a gap in funding, and 6% used reserves to cater for an increased demand. Others reported that the use of reserves was to cover unplanned costs (8%) and change the way that they work (5%). Of the 64 respondents who had used reserves, over half (45) reported that this was as a result of COVID-19. A total of 30% of respondents indicated that their reserves had decreased. A smaller percentage (9%) reported an increase in the level of reserves, and 29% reported that their reserves had remained the same.

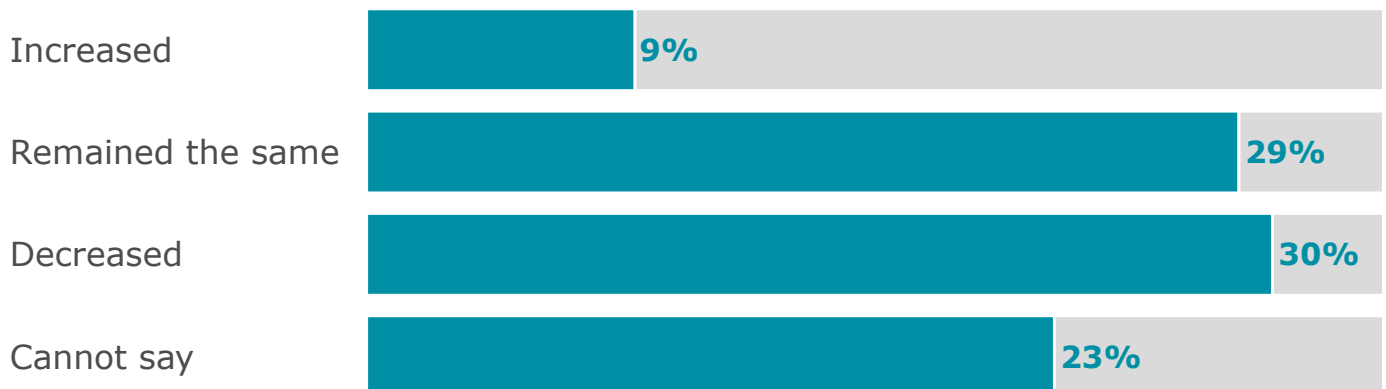


38%

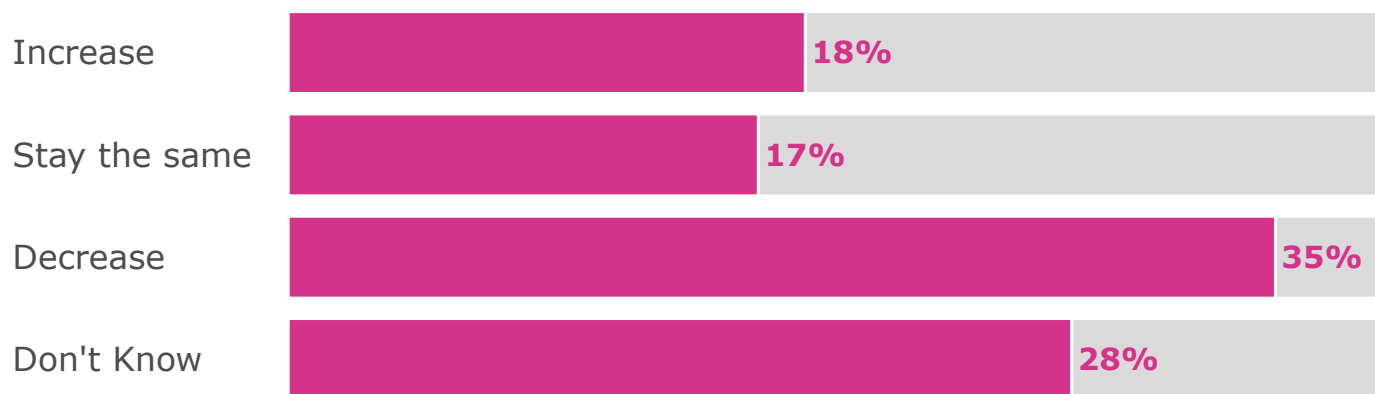
of the organisations have used their reserves in the past 12 months (66% due to COVID)

It should be noted that an organisation not using their reserves is not necessarily an indicator of financial stability. Smaller and newer organisations may not yet have established reserves due to their limited maturity, whilst similarly some larger organisations may not have been able to utilise their reserves due to the requirement of their reserves policy to maintain certain levels to remain solvent (see Figure 10).

Figure 10: Changes in Level of Free Reserves



The respondents were asked about their expectations regarding income for the next 12 months. The highest proportion of organisations (35%) estimated that their income would be reduced, 18% of organisations anticipated an increase in turnover, whilst 17% predicted that it would remain the same. A comparatively high number (28%) of organisations didn't know if their financial situation would improve or not (Figure 11).

Figure 11: Financial Turnover**Summary of Financial Situation**

A total of 45% of respondents indicated a decrease in income over the last 12 months; however, the expenditure picture was mixed, with 27% of respondents indicating an increase, 24% suggesting that expenditure had remained the same, and 25% reporting a decrease in expenditure. A total of 17% of respondents indicated uncertainty. These figures, coupled with the projected decrease (for 35% of respondents) in financial sustainability and a fairly unchanged use of reserves, indicate some concerns about the next 12 months. Moreover, our findings do not report on 2020/21 data, which is likely to have significant reductions forecast as a result of the ongoing global pandemic and its negative impact on the wider UK economy.

How organisations have responded to the ongoing pandemic is still somewhat of an unknown and is partly what this research seeks to uncover. Many organisations have seen reductions in funding, especially those unable to trade due to lockdowns. When responding to the crisis, some have taken advantage of support through government loans and furlough schemes to weather the crisis, whilst others have used funding from reserves in order to meet new demands. In addition, public and independent funders have launched a number of funding approaches to support responses and community activity, each with different targets. This has created a set of differential impacts on resource levels, which are not easily understood at this time.



Section 3: Sector Outcomes

This section describes the partnership working that operates in the VCSE sector, which has enabled the provision of a complex range of interventions. The work of paid employees and the number of volunteers is described to provide a picture of the partnerships needed to support the workforce, and the overall estimated size of the VCSE sector workforce.

Partnership Working

The Marmot report (2010: 161) reported that 'Partnership working has played a key role in policymaking to address health inequalities'. Partnership working is also crucial to help manage increasing demand for services when challenged by limited resources. Successful partnerships lead to improved outcomes from the same resources that can support communities. The VCSE sector operates in diverse communities and contexts and as such relies on successful partnerships to underpin high-quality activity. Hence, VCSE organisations work in partnership with a range of organisations, including private, public and others in the VCSE sector. This section reports on the extent of partnership working with the private and public sectors. We also consider the way in which organisations in Oldham has worked with VCSE organisations in Oldham and across GM and the influence on organisational success.

Working Relationships with Oldham Borough Council

It is understood that local authorities support the VCSE sector through flexible and responsive grants that can help empower resilient and thriving communities. The relationship between the VCSE sector and the respective local authority is significant and plays a vital role within the health and social care context. During 2020, this relationship became even more important as our financial data suggests that many organisations struggled due to the constraints created by the global pandemic. Oldham Council are a key funder/commissioner of the VCSE sector. We asked the survey respondents to estimate, overall, how satisfied or dissatisfied they were with their ability to influence Oldham Council decisions that are relevant to their organisation/group. The responses indicate a mixed experience of working with the Council.

- ▶ 7.7% of respondents were very satisfied, and 22.1% were fairly satisfied; however, 22.7% were neither satisfied nor dissatisfied.
- ▶ 12.7% were fairly dissatisfied, and 9.9% were very dissatisfied.

Success of Bidding or Applying for Funding from Oldham Council

The current uncertain economic climate caused by the global pandemic has had far-reaching negative impacts on the VCSE sector. On the basis of emerging evidence from research that has surveyed the impact of COVID-19, there is a need to ensure that VCSE organisations are supported to bid for funds and that investment should be easy to access, creating a level playing field with other sectors. Respondents were asked to indicate the estimated level of success with applications for funding from Oldham Council. The findings suggest that organisations had been fairly successful, with 17.1% indicating that they had been very successful and 24.9% indicating that they had been fairly successful. A total of 23.1% of organisations estimated that they had been either not very successful or not at all successful. This data suggests that the majority of applications from the VCSE sector to the Council had been successful.

Relationships with Local Public Sector

We asked respondents to describe their direct dealings with local public sector bodies. The three most prominent organisations were:

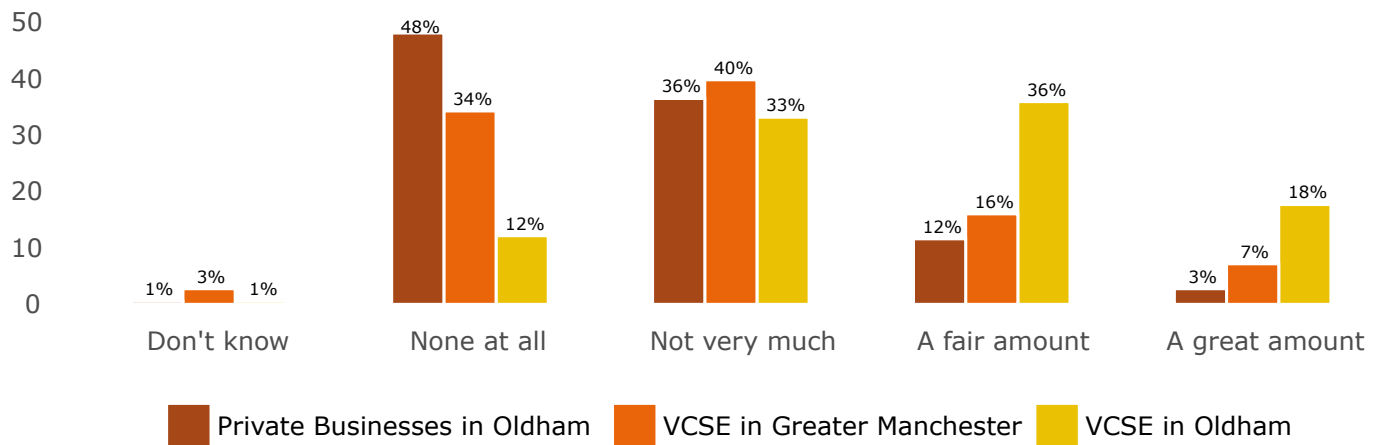
- ▶ **Oldham Cares:** 2.2% of respondents had had a great amount of dealings with Oldham Cares, and 9.4% had had a fair amount of dealings.
- ▶ **GM Police:** 3.9% of respondents had had a great amount of dealings, and 7.7% had had a fair amount of dealings.
- ▶ **Pennine Care:** 2.8% of respondents had had a great amount of dealings, and 7.2% had had a fair amount of dealings.

Partnerships with Other VCSE, Private and Other Organisations across Greater Manchester

We asked respondents to estimate their relationships with other VCSE organisations in Oldham. We also asked the respondents to identify the organisations that they worked with. Our findings suggest that organisations were diverse and the Oldham VCSE sector collaborated across GM quite well (see Figure 12).

- ▶ **GM Working:** 7% of respondents worked with other GM VCSE organisations a great amount, and 16% estimated that they worked across GM a fair amount.
- ▶ **Oldham VCSE Working:** 18% of respondents worked with Oldham VCSE organisations a great amount, and 36% estimated that they worked across Oldham VCSE organisations a fair amount.

Figure 12: Direct Dealings with Private and VCSE Organisations



Our findings highlighted a relatively small percentage of relationships with private organisations. This is also highlighted in the qualitative focus group findings in Oldham and across the other localities, which have highlighted some inequity in partnership working with the private sector, particularly in relation to funding opportunities.

The VCSE Workforce in Oldham

This section describes the workforce of the VCSE sector. We have calculated the number of paid employees and FTE. The VCSE workforce is also made up of a large number of volunteers. We have estimated the size of the volunteer workforce based on the survey responses and calculated the estimated economic burden based on the current UK Living Wage.

Paid Employees

We used the ONS data to estimate the number of paid employees (Employment in public, private and non-profit sectors - Office for National Statistics ons.gov.uk). The ONS data suggests that there are 2,659 paid employees in the Oldham VCSE sector, of which 1,622 are FTE. We estimated the economic contribution of the workforce by establishing the number of hours worked and calculating the cost using the UK national Living Wage (£9.50 per hour) as the baseline. Using this calculation, we estimated that the contribution of the paid staff in the VCSE sector equates to £29 million per annum.

We asked survey respondents to indicate whether their organisation paid all staff at least the Living Wage (as per the Living Wage Foundation). A total of 30% of respondents indicated that they paid the Living Wage, 55% indicated that this question was not applicable, and a small percentage (12%) indicated that they did not pay the Living Wage. Although this is not a representative sample, it reflects the commitment from Oldham VCSE organisations to be good employers and to ensure a quality of living for their employees.

The percentage of paid staff per organisation size was also estimated. Whilst the number of large organisations (n=28) was small in the locality, they employed a significant percentage of the total number of staff, equating to over half (55%) of the total number of staff employed in the sector. There were 116 medium organisations in the sector, which employed 30% of the total number of staff. Collectively, our findings indicate that, despite only representing 11% of the total number of organisations in the sector, medium and large organisations accounted for 85% of the total number of staff employed, but the smallest percentage of volunteers (17%).

Volunteers

This section describes the number and work of the volunteers within the VCSE sector in Oldham. We include the total number of volunteers working in the organisations that responded to the survey and volunteers who sit on committees or boards.

We asked respondents to indicate how many volunteers provided time for their organisation. Our findings suggest that there are a total of 45,720 volunteers supporting the VCSE sector in Oldham.

We also asked survey respondents to estimate the total number of volunteer hours per week. Our findings suggest that volunteers in Oldham provide over 166,910 hours per week. Micro organisations continue to provide the largest percentage of VCSE volunteers, which is estimated to be 52%. The total numbers of hours provided by volunteers per organisation size each week are estimated below.



45,720

volunteers (including committee/board members), giving 166,910 hours each week valued at £82 million per annum (based on Living Wage £9.50 per hour)

- ▶ 23,718 volunteers in micro organisations provide 120,865 hours per week, representing 72% of the total hours of volunteers in the VCSE sector.
- ▶ 8,170 volunteers in small organisations provide 2851 hours per week, representing 17% of the total hours of volunteers in the VCSE sector.
- ▶ 6,286 volunteers in medium organisations provide 12,487 hours per week, representing 7% of the total hours of volunteers in the VCSE sector.
- ▶ 7,546 volunteers in large organisations provide 5,042 hours per week, representing 3% of the total hours of volunteers in the VCSE sector.
- ▶ When calculating the estimated economic contribution based on the total number of hours per week and using the national Living Wage (£9.50 per hour), we determined that the estimated economic burden for volunteer hours and for volunteers working in committees and boards per annum is £82 million.

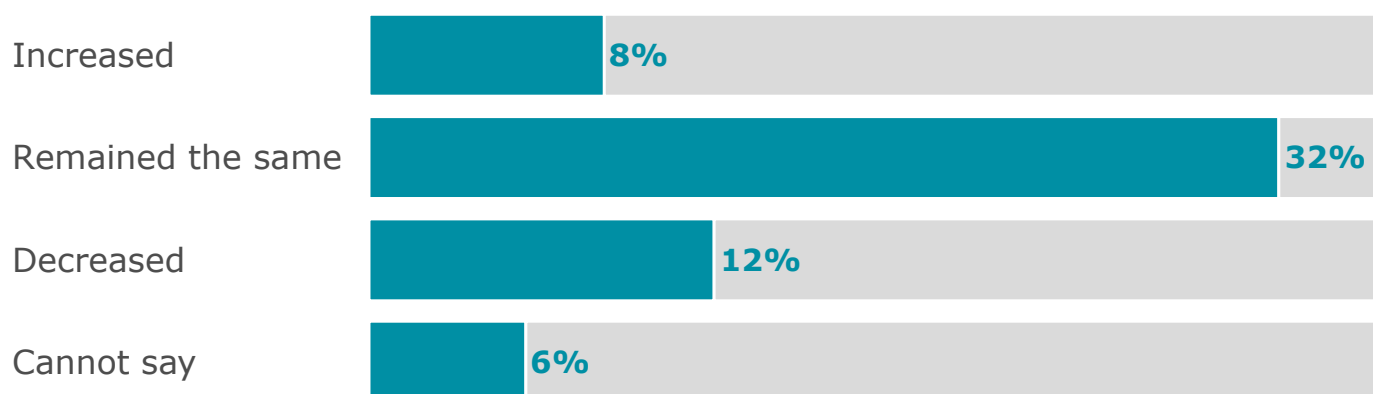
Changes in the VCSE Sector during the Last 12 Months

Respondents were asked to indicate how the VCSE sector had changed in the past 12 months.

Changes in Total Number of Employees

The largest number (32%) of respondents indicated that the workforce had remained the same. A total of 12% of respondents indicated that the workforce had decreased. A slightly smaller percentage (8%) reported that the workforce had increased. It was reported that the impact of COVID-19 on the workforce was not applicable by 47% of the respondents. Only a small percentage (11%) indicated that COVID-19 had had an impact, and the same percentage (11%) indicated that the change in the workforce was not due to COVID-19 (see Figure 13).

Figure 13: Changes in Total Number of Employees



The potential lack of impact of COVID-19 relating to the paid workforce is covered further in some of the qualitative insight in response to COVID-19. During the time of the survey, full job retention (furlough scheme) was in place. However, as the research indicated, this was not utilised by a large number of organisations, partly due to the fact that not all staff were actually eligible due to the criteria behind the scheme but also because ultimately it gave organisations a tough choice between financial income and mothball provisions, which was explained to the charities via an open letter from several national leaders within the sector.

Changes in Total Number of Volunteers

The largest number (43.6%) of respondents indicated that the volunteer workforce had remained the same. A total of 17.1% of respondents indicated that the volunteer workforce had increased, 4.4% could not say, and 28.2% of respondents reported a decrease in the number of volunteers. It was reported that the impact of COVID-19 on the volunteer workforce was not applicable by 17.7% of the respondents. A total of 11.6% of respondents reported that COVID-19 had not had an impact on volunteer numbers; however, the largest number (33.7%) reported that the change in the number of volunteers was as a result of COVID-19.

Interestingly, the majority of organisations (n=70) reported that the volunteer workforce had remained the same. Given the current global COVID-19 epidemic and other VCSE sector reports, the change doesn't seem to reflect other VCSE sector research. These findings are also echoed in the qualitative responses, which suggests that, whilst organisations adapted to change, the actual volunteer workforce remained the same. The qualitative data also highlights the increase in demand as a result of COVID-19.

Impact and Expenditure

Primary Impact of COVID-19 on the VCSE Sector in Oldham

We asked survey respondents to describe the primary impact that COVID-19 had had and also the impact on organisations and individuals. A thematic analysis of the raw qualitative data was undertaken to identify common themes. This section reports the qualitative data obtained. Word clouds have been used to highlight the most frequently reported feedback. We have also triangulated qualitative data from the focus groups to illustrate how COVID-19 has impacted on organisations and individuals and the response of the VCSE sector.

Primary Impact of COVID-19 on VCSE Organisations in Oldham

We asked what the primary impact of COVID-19 had been. Four key themes emerged: 'Suspension of face-to-face delivery', 'Reduced funding', 'Increased service demand' and 'Change of practice'. For many, COVID-19 led to a suspension of face-to-face delivery, leading to the need to adapt service provision and delivery. Whilst many organisations had had to close, a significant number continued to operate, but using adapted methods. Services were limited through the reduction in funding, the lack of opportunity to fundraise and the inability to generate income. This was despite an increase in demand caused by the impact of lockdown on mental wellbeing and physical activity and increased social isolation.

The qualitative focus groups highlighted the particular impact on income generation, and respondents stated that their services had essentially stopped as a result of COVID-19, as the following extract illustrates:



'All our income streams ceased on 14th March, right. All the schools closed, all the colleges closed, all the groups were unable to go. You can't socially distance 16 people on a minibus. You get these organisations that are saying, "Well, we've got a £25,000 grant, and our income streams are down by 50 per cent." Well, you've got organisations that income streams are down by 100 per cent and are still not getting any support.'

Primary Response to the Impact of COVID-19 on VCSE Organisations in Oldham

The survey also asked respondents to describe the primary response of their organisation to COVID-19. Four themes emerged from the qualitative responses, namely, 'Adaptation', 'Digital', 'Closure but open' and 'Keeping in touch'. Many organisations were faced with needing to adapt their service provision through implementing remote working and repurposing funds to enable a reimagined organisational focus. Organisations were able to respond quickly and adapt to the pandemic, providing food banks, telephone services and delivery of care packages. Organisations described how digital technology facilitated innovative developments, resulting in classes and activities being held online via Zoom, which enabled organisations and individuals to keep in contact. Whilst organisations 'closed', their work was ongoing, and many used the 'downtime' to develop new strategies for supporting the most vulnerable in their communities. Keeping in touch was integral to ensuring that those who were shielding and others who were at risk of becoming socially isolated and lonely were supported. Organisations described how they set up telephone services and peer support and introduced individuals to digital services to enable them to remain connected.

Organisations

We asked participants in the focus groups to describe the key challenges that they had faced. All agreed that it had been a very difficult year; despite this, the support had continued:



'Yes, it's been really a difficult year in that we've provided tons of support, a lot of our people were not digitally included, a lot of the people don't have credit, they don't have phones, don't have devices. Trying to remain in contact with them when you can't do face-to-face contact, it has been really, really difficult. I'm getting quite good at walking in the park and just talking very loudly, let's just say!'

Primary Impact of COVID-19 on the People that VCSE Organisations Serve

One of the last survey questions asked respondents to describe the impact that COVID-19 had had on individuals. Three key themes emerged from the qualitative thematic analysis, namely, 'Income reduction', 'Mental health' and 'Child care'. For many, the main impact of COVID-19 was on income generation. Many faced redundancy, whilst others were furloughed. Food poverty became an issue through a lack of employment, which resulted in a significant rise in food banks and delivery of food parcels by the VCSE sector. Families were negatively affected as schools closed, income was reduced and food poverty became an issue. The health and wellbeing of individuals and staff were negatively affected, resulting in fatigue, increased stress, higher levels of depression and reductions in physical activity. The increase in mental health issues led to an increased service demand as many people experienced fear, anxiety and increased vulnerability. Loss of connections with others exacerbated levels of loneliness and increased feelings of social isolation. Individuals were no longer able to meet up in groups, which impacted on general mental and physical wellbeing. The response of the VCSE sector may even have prevented a worst-case scenario through the quick and responsive ways in which organisations adapted to change to ensure that communities and individuals were supported.

Organisations Serve

We explored the impact in the qualitative focus groups. Participants described how working with other organisations had provided support for families and individuals through the distribution of furniture, white goods and other items:



'We did that on a Facebook page from our church, and that was again... that worked really well. Another local organisations came and took a whole carload up to the community centre. Then another local organisation came and took a half a load, and that really, and they distributed them in the areas where they were. We distributed to individual support workers who were coming for individual families.'

The mental health of staff was also highlighted as a challenge, as well as the need to remain motivated, as the following extract highlights:



'I think providing the support for the people that we run the projects for, predominantly, but also staff. Staff are working independently, alone, and used to working in a team and supporting each other. I think mental health of staff has been another challenge to get over as well, keeping the motivation and keeping everybody okay, and making sure that everybody is okay. It's been a challenge. I think that sometimes gets overlooked because we're all about the people that we're trying to support, but we've got to remember ourselves as well. I think that it's been a challenge for everybody.'

Qualitative Survey Responses Regarding the Impact of COVID-19 on VCSE Organisations

There were a total of 211 unique survey responses that described the impact of COVID-19 on VCSE organisations in Oldham. Key quotes have been included to reflect the three core themes that emerged from Oldham's qualitative survey response data set.

Funding

As was the case in other localities, the impact of COVID-19 had led to a significant reduction in funding across a range of sources. This was in part influenced by forced closure of services, buildings and activities. The loss of income from membership fees and 'subs' was highlighted in the qualitative data, coupled with loss of income from service charges and inability to trade.

- ▶ The players have missed out on an important means of relaxation and socialising. The young soloist we had planned for March had regarded playing with us as an important stepping-stone in her career as a musician.
- ▶ The audiences have missed the enjoyment of attending our concerts. **** church has lost £600 income towards their restoration fund (hire of performance venue for three planned concerts).

Digital Support

The enforced social distancing measures, coupled with 'lockdowns', resulted in reduced connectivity with clients/beneficiaries. This had significant implications for some of the most vulnerable. Many organisations responded by replacing face-to-face contact with virtual meetings, activities and support. A similar impact was reported across the 10 GM localities.

- ▶ We've tried to continue online using Zoom groups, but people aren't confident using them. Regular updates and postings on FB page of evidence-based support ideas.
- ▶ We have been in regular telephone contact with our regular attendees of senior citizens' health club, mental health drop-in etc. We have also provided some online physical activities. We believe these have had positive impact on people's mental wellbeing.
- ▶ We began by setting up a project to manufacture visors, which was a great way of keeping the community together. Since that ended, due to Government regulations, we have only been able to offer an online community and open the building to individual co-workers.

Increased Demand

As highlighted in other VCSE sector reports, lockdown, the closure of community centres and meeting places and the inability to meet face to face exacerbated feelings of isolation, anxiety and depression. This was also prevalent in the loss of income and the increasing need for people to access food banks and other sources of support. This resulted in an increased demand on VCSE organisations, many of which responded through supporting food bank services, setting up support shops and implementing innovative ways in which to engage with and support communities in need.

We increased the food cooperative from 30 to 100 members; we mail and email service materials; we cooperate more comprehensively with other food providers.

To help support these people with food shops, welfare calls, prescription collections and comfort packs and food parcels provided for these people as needed!

We set up a befriending support line. Community kitchen to serve hot meals. Packed and prepared food and care packs.

Managing emergency volunteers. Supporting the food banks and distribution of food. Grant distribution to local VCSE.

We have responded to a massive need for food and clothing support, which has shaped our future works.

Organising weekly phone calls, doorstep visits, food packs. We will in the following months do more drop-off such as care packages, as many girls and women are having to choose between personal hygiene and eating due to limits in finances.

At the beginning of lockdown, ***** funded and delivered 100 Easter eggs to the children and young people we work with. We sought a small local community response grant to enable us to provide activities packs for 100 families to help them cope with the lockdown in a creative and fun way. Staff volunteered to deliver these packs while undertaking welfare checks on their doorsteps. Throughout the pandemic, staff have continued to keep in touch with young people and families through phone calls and social media platforms. In addition, our staff have volunteered with Oldham Council's COVID-19 emergency helpline. They have been providing essential support and assistance to the most vulnerable and shielding residents, Oldham Foodbank, assisting with organising and delivery of emergency food parcels for families.



Section 4: The Future

In this section we have drawn on the qualitative responses from the focus groups and triangulated these with responses from the survey questions that asked what factors will assist or constrain future delivery.

Estimated Factors Influencing Future VCSE Work

We asked organisations to estimate the extent to which funding, staff and partnership working will either assist or constrain the future work of their organisation. The findings are reported separately below.

Workforce

As highlighted earlier in the report, the VCSE workforce represents 10% of the total employed workforce in Oldham. To understand how the workforce may be affected in the future, we asked survey respondents to estimate the factors affecting or constraining the VCSE workforce in Oldham. In particular, we asked the survey respondents to estimate the extent to which recruitment and retention of both voluntary and paid staff would constrain or assist the VCSE sector. The majority of respondents (50.8%) reported that the recruitment of staff was not applicable to their organisation, and 13.3% reported that the recruitment of volunteers would 'constrain' their organisation.

- ▶ **Ability to retain staff/staff turnover:** 6.1% of organisations responded that the ability to retain staff would greatly assist their organisation.
- ▶ **Ability to retain volunteers/volunteer turnover:** 14.9% of organisations responded that the ability to retain volunteers would greatly assist their organisation.

The percentage of responses across the survey data was small; however, the workforce was also discussed in the qualitative focus groups. Participants discussed how the ability to support the workforce would enable a more sustainable VCSE sector that could meet future demand. The VCSE sector was perceived to be a strong ally and in time of need had demonstrated how the workforce had supported the most vulnerable. The VCSE sector was perceived to be strong, but the workforce in Oldham needed to be supported as well, as the following excerpts illustrate:



'Staff are working independently, alone, and used to working in a team and supporting each other. I think mental health of staff has been another challenge to get over as well, keeping the motivation and keeping everybody okay, and making sure that everybody is

okay. It's been a challenge. I think that sometimes gets overlooked because we're all about the people that we're trying to support, but we've got to remember ourselves as well. I think that it's been a challenge for everybody.'



'My staff, my volunteers are suffering as well because, as was pointed out earlier, that mental health, because of the struggle that we're having to be able to deliver our services and the desire to get back to delivering services, it creates a frustration for them.'

Partnerships

The unpredictable political, economic and societal environment means that partnerships across a range of sectors will play a key role in the success of the VCSE sector. To understand how relationships may be affected in the future, we asked survey respondents to estimate the factors affecting or constraining the VCSE workforce in Oldham. In particular, we asked the survey respondents to estimate the extent to which relationships with other VCSE, public and private sector organisations would assist or constrain the VCSE sector.

- ▶ **Engagement with other VCSE organisations:** 18.2% of organisations responded that this would assist their organisation, and a further 6.1% indicated that this would 'greatly assist' their organisation.
- ▶ **Engagement with other public organisations:** 18.21% of organisations responded that this would assist their organisation, and a further 18% indicated that this would 'greatly assist' their organisation.
- ▶ **Engagement with other private organisations:** 8.3% of organisations responded that this would assist their organisation, and a further 2.2% indicated that this would 'greatly assist' their organisation.

In addition to the survey responses, we also explored the future needs of the VCSE sector through the qualitative focus groups. For some, partnerships and a strong infrastructure were key to the success of the VCSE sector. Partnership and the need for recognition of volunteers were highlighted as challenges that needed to be addressed, particularly in supporting value in the VCSE sector:



'We need to look for value, what we do value and how we value these things. The voluntary sector is often looked down as second class... Yes, the value of volunteers is sometimes missed off the bottom of the balance sheet.'

Another participant echoed this view when describing what a strategy may look like for the coming years:



'We need to be treated as equal partners. The voluntary sector contributes millions of pounds per year to the economy of the UK. During pandemics such as this, if it wasn't for the voluntary sector, we'd have collapsed. The food distribution and various other things, they've relied solely on the voluntary sector and the volunteers, not just the statutory bodies like ours, but people getting off their backsides and doing something. Don't we deserve a seat at the table to help discuss how we can improve services, how we can work collectively together and defeat situations like this?'

One participant highlighted a solution through the development of a 'community partnership':



'a community partnership, which is full of community groups that do this stuff voluntarily, and have that link then to the council, it would be a really good way forward and would connect everybody together. The councils are seeing that now. They know that they've got to work in partnership, they can't do it all by themselves. It's about making those right links and getting those right groups together, I think.'

The need for equal partnerships between organisations, particularly with private organisations and applications for funding, was also highlighted in focus groups in other localities, which suggests that this is a common area of concern.

Funding

Economic uncertainty caused through Brexit and restrictions imposed as a result of COVID-19 have resulted in changes in the funding and operation of many VCSE organisations. Funding is critical to the success of the VCSE sector. We asked the survey respondents to estimate to what extent funding from grants, the local economy and other sources would either assist or constrain funding.

- ▶ **Ability to secure contracts from public sector bodies:** 13.3% of respondents indicated that this would seriously constrain their organisation, with 7.2% responding that this would 'assist' their organisation.
- ▶ **Impact of the local economy:** 18.2% of respondents anticipated that this factor would seriously constrain their organisation over the next year.

The percentage of responses was small, suggesting that grant capture from these sources was not viewed as a significant enabler. However, the qualitative focus groups explored how the local infrastructure could be supported, and partnership was highlighted as opposed to securing contracts. We asked participants in the focus groups to describe challenges faced by their organisations. One participant talked about the need for adequate funding and the criteria for grant funding:



'A lot of the problems with the grant support is that it's all based around having premises and having business grants, or you've got rates and stuff.'

The triangulated data suggests that partnerships were key to creating equal funding opportunities, which also involved raising the profile of the work of the VCSE sector. Hence, we also asked the survey respondents to estimate to what extent Brexit would assist or constrain funding. The findings below suggest a mixed perspective of the impact of Brexit; most organisations suggested that this wasn't applicable. This also corresponds with earlier survey data that highlighted the small percentage of organisations in receipt of European funding.

- ▶ 1% of respondents anticipated that Brexit would greatly assist their organisation.
- ▶ 44% of respondents indicated that the influence of Brexit was not applicable to their organisation.
- ▶ 11% of respondents anticipated that Brexit would seriously constrain their organisation.

Similar questions were asked at the qualitative focus groups. Participants highlighted that they did use EU funding, and, as in the case of the quantitative data, some felt that they would be unaffected, whereas others, who did receive EU funding, felt uncertain about the future, as these two extracts highlight:



'Yes, we use quite a lot of European funding to run our projects; the emergency fund that I mentioned earlier for COVID is ESF funding. Yes, my job gets a little bit sketchy from around April to be fair; the funding runs out, and then I'm not sure where my job will be because we rely heavily on the ESF funding. ESF don't give this money easily; you have to jump through hoops to get it and prove there's a need, and there is a need. There's a great need for young people and older people that are at either end of the market, that have lost their jobs through COVID and really need that intensive support to get back in again. It would be an awful shame if this funding isn't replaced with something from Westminster, really.'



'I've got to be honest. I don't think there will be any problem with us with Brexit. I don't think, there's no direct positive impact either way for our organisation.'

These findings suggest that VCSE sector organisations who participated in the survey and qualitative focus groups appeared generally unconcerned about Brexit; however, common concerns about equal partnership working and the impact on funding opportunities were identified. Similar findings are reflected across all 10 Greater Manchester localities.



Section 5: Conclusion, Afterword and Recommendations

Conclusion

The data and evidence in this report are clear: the VCSE sector makes a significant contribution to our city-region, preventing need, reducing hardship, supporting those in crisis, driving social change and enabling recovery.

In Oldham, local VCSE organisations across Greater Manchester generate over £90.4 million in income, creating a range of services and activities as diverse as our communities. In doing so, VCSE organisations employ 2,659 people and mobilise 45,720 volunteers. The vast majority of VCSE organisations are neighbourhood-based, rooted in local communities and addressing significant inequalities in the day-to-day of what they do. The strong return on investment provided by the VCSE sector is also well evidenced, with preventative and early intervention work reducing the strain on the public purse in the longer term.

In recent years, the VCSE sector has become even more enterprising. While more traditional VCSE organisations have generated new trading approaches and are diversifying their income streams to support their long-term sustainability, over 12% now define themselves as social enterprises, reinvesting or donating their profits to create positive social change. This is a sector that is evolving and finding new ways to create change and bring additional resources and value into Oldham. As a sector, we continue to have strong relationships with our public sector colleagues, including the Local Authority, but we also have a growing connection with businesses (49%). These partnerships are driving wider conversations about what an inclusive economy that works in our communities' interest could look like.

This places the VCSE sector as a key player in revitalising and rekindling social and economic activity following the COVID-19 pandemic. Many organisations have adapted to new forms of work, mobilised increasing numbers of volunteers and developed creative solutions to the challenges of the pandemic. There is a significant opportunity to build on the learning and innovative practices developed over the last year and channel these into the creation of a better, fairer and greener economy in which citizens are empowered and there is greater social ownership of wealth, land and assets by communities.

However, this report shows that, despite this increased entrepreneurialism, the income of the VCSE sector is back in decline, and many organisations have needed to use their reserves in order to respond to the COVID-19 pandemic, whilst simultaneously weathering uncertainty about the long-term future of contracts and grants that enable them to do their vital work. Over time, this will inevitably reduce their ability to bear

risk, respond to demand and adapt to further change. As has been seen across the country, fundraising has been significantly disrupted, and many charitable funders have invested in responses to the pandemic, with longer-term project funding deprioritised. There are significant opportunities and benefits in supporting a thriving local VCSE sector and equally significant risks of losing much valued and needed activity if no action is taken.

The past year has prompted great reflection on the nature of our society and what we can do collectively to improve health and wellbeing, reduce entrenched inequalities and create a fairer world. This is why we have created the set of recommendations below, which lay out our vision for how we make this happen.

Afterword and Recommendations

As with previous State of the Sector reports, this report once again demonstrates the vital and central role that the VCSE sector occupies within Oldham, not only in the last year through the COVID-19 pandemic, but in the years preceding it. Our sector has long recognised the importance and value of prevention, population health work and the economic requirements for reducing poverty levels. It has striven to reduce the structural inequalities experienced by marginalised communities. As we slowly enter the recovery phase of the pandemic, it is essential that we transform learning into action: providing urgent support and intervention where needed, while developing longer-term sustainable solutions to social and economic inequities. There is now a time-critical opportunity to support the work of the VCSE sector as a means of increasing that impact within and across communities.

Firstly, it is now clearer than ever that **the VCSE sector should be embedded as a strategic partner as part of all local recovery plans and future emergency planning**. As this report shows, partnership working is a strength of the sector, and this was never more evident than during the pandemic, with strong examples across Greater Manchester. We need to build on this as we enter recovery. This should include all areas of recovery from mental health and domestic abuse support to economy and skills and interruptions in care. Local decision- and policy-makers have widely recognised the VCSE sector's response to the COVID-19 pandemic and ability to develop innovative solutions at speed. Now is the time to draw on the knowledge and expertise of our sector to address the other great issues of our time: the climate crisis, poverty and structural inequalities. This may involve places on formal public sector boards and strategic groups, but it is much more about building strategic relationships between sectors. Our sector has repeatedly shown its ability to create broad coalitions from across the public, private and VCSE sectors and its commitment to genuine partnership working where we can redress power imbalances, respectfully challenge each other when needed, and come together to achieve our shared ambitions, with the VCSE sector leading on behalf of the system when it is best placed to do this.

Alongside this, **the VCSE sector is a critical part of local economies and should be recognised as such**. As highlighted by this report, our sector is an income generator in its own right, a significant employer and a demonstrated leader in responding to crises and challenges. While discussions about economic recovery often

place emphasis on 'anchor institutions', as organisations rooted in place (literally written into their constitutions), the role of VCSE organisations as employers, enterprises and enhancers of the economic potential of places is frequently overlooked. The cultural and play spaces and leisure, learning and community activities run by VCSE organisations are contributors to the attractiveness of Greater Manchester as a place to live, grow and invest. As part of the ecosystem of place, the VCSE sector must therefore be supported, along with other aspects of local economies, to recover financially from the COVID-19 pandemic. This means bringing together the VCSE, public and private sectors to facilitate connections, partnerships and innovations. These partnerships should focus on collaborative efforts to address the economic and social challenges during the recovery period while also enabling VCSE organisations to rebuild their reserves, diversify their income streams and increase their fundraising capacity.

Thirdly, the report shows that sustainable funding is a concern, and, as we move beyond COVID-19, **there is a need to review commissioning approaches** to enable VCSE organisations – which are led by local communities – not just to continue to run local services but to grow and innovate as part of an inclusive economy. The Greater Manchester VCSE Commissioning Framework, published in 2020, offers a vision for a fundamental shift in culture, investment and process for the benefit of communities. Last year we saw the benefits of a flexible and agile approach to commissioning, as many funders removed restrictions on spending, allowing funding to be channelled to where it was needed. This meant that the VCSE sector could target resources appropriately, mobilise thousands of volunteers and respond to rapidly changing needs within communities through the different cycles of the pandemic. Going forward, we recommend that commissioners use the Framework to embed these approaches as a strategy, incorporating social value and co-design principles. Longer-term contracts would also support improved long-term planning and address the current funding uncertainties. This would create further opportunities for collaboration, not competition, amongst VCSE organisations and maximise the sector's ability to invest time, effort and resources in increasing its impact.

Furthermore, in line with the recommendations of the Greater Manchester Independent Inequalities Commission, there must be **meaningful mechanisms put in place to make co-design of local services the norm**. As this report highlights, our sector is rooted in place and in the communities it supports. The VCSE sector has a unique ability to gather intelligence at a neighbourhood level and across communities of place, interest and identity. We are powered by passionate local people who are committed to amplifying the voices of the most marginalised. By ensuring people with lived experience have a seat at the table and can meaningfully influence the decisions that affect them, we can begin to address structural inequalities and build services that meet the needs of those they serve. This must be done in a way that recognises inherent power imbalances and uses tested co-production principles to design and review public services.

Within the focus on economic recovery, there should be a **greater focus on community-led enterprise** (including social enterprises, co-operatives and mutuals) as an enabler of economic inclusion. The entrepreneurial capacity in the VCSE sector is clearly shown in this report through the diversification of income approaches that the

sector has developed during challenging times. A programme to build on this, equipping more individuals with skills and knowledge around enterprise and a strategic approach to fostering purpose-led enterprises can create new markets, new employment and greater economic inclusion for the city-region's diverse communities.

There is great potential for **building productive relationships between private businesses and VCSE organisations** to address inequalities. Businesses in all sectors need to live and breathe as part of the community they inhabit. While good corporate social responsibility policies are welcome, we believe that there is a need to invest in brokerage programmes for businesses and VCSE organisations to explore joint action and increase adoption of social value approaches, with our GM Social Value Network well positioned to lead on this. There is also an opportunity to focus on **public engagement with the local social economy** as never before: encouraging local people to donate time and donate financially (not just to VCSE organisations but also to community-led funds to support others facing hardship). This would involve collaborative work within the VCSE sector on local fundraising strategies and a 'Be Local, Be Social' programme around buying from local purpose-led enterprises.

Finally, we recommend a new approach to supporting and retaining the paid and voluntary VCSE workforce. VCSE sector staff and volunteers have worked tirelessly to respond to a soaring demand for services, often against a backdrop of uncertain funding. Workforce wellbeing and sustainability were highlighted through the focus groups as growing concerns. There is a need to support citizen and system leadership to harness the full potential of this substantial workforce.

We believe there is a unique opportunity to build on the massive appetite shown by the public to engage as active citizens through volunteering and social action: we are committed to continuing to work with those who have developed new community-led approaches to support in neighbourhoods. Our sector, however, while primarily voluntary, is also an employer and must be able to support, develop and nurture its workforce. We urge funders to recognise the value of being able to pay staff a real Living Wage and to be able to invest in proper training and support for staff and volunteers who dedicate their time to improving people's lives (which in turn delivers additional benefits for wellbeing and personal development). Through our local VCSE infrastructure bodies, we also recommend investing in significant organisational development programmes where they don't currently exist, so that the sector can continue to innovate and adapt to emerging community need.

Underpinning all of these recommendations is the principle of collaboration. Shared effort, shared investment and insight enable greater collective impact: the response to the pandemic was at its best when it leveraged a wide variety of resources from across sectors to create the support services, communications networks, practical organising and access to care that communities have needed. It has created space for innovations that will change the way all sectors work and collaborate, lowering the cost of starting businesses by supporting innovations such as shared workspaces, shared commercial kitchens, community-financed start-ups and community-owned spaces. There is scope for social and economic innovation to create a more inclusive approach, at the heart of which we will need a thriving and sustainable VCSE sector.

We firmly believe that enacting each of the recommendations above will support this aim. We offer our support in enabling you to implement these recommendations: our flexibility and our ability to adapt to reach, as well as our experience in reaching, parts of our local communities that are often untouched and unheard by decision-makers. By working in partnership, we can increase our communities' resilience, begin to deconstruct structural inequalities, reduce demand on public services, increase employment and engagement and build healthier, safer and more equal communities for all.



Report References

Damm C., Prinos I., & Sanderson E. (2017) State of the Voluntary, Community and Social Enterprise Sector

2017. Centre for Regional Economic and Social Research, Sheffield Hallam University.

Hanif, D. (2020) COVID-19 and the VCSE Mental Health Sector Briefing Paper.

Marmot M. (2010) Fair Society, Healthy Lives: strategic Review of health Inequalities in England Post 2010. London: Marmot Review

Marmot M., Allen J., Boyce T., Goldblatt P., & Morrison J. (2020) Health Equity in England: The Marmot Review 10 Years On. London: The Health Foundation.

Mohan J., Kane D., Wilding K., Branson J., & Owles F. (2010) Beyond 'flat-earth' maps of the third sector: Enhancing our understanding of the contribution of 'below-the-radar' organisations. Northern Rock Foundation Briefing Paper.

Hornung L., Chan O., Jochum, V., Lawson, M., McGarvey, A., Rooney, K. (2020) NCVO UK Civil Society Almanac; Data. Trends. Insights. NCVO: London

Pawson, R. & Tilley, N. (1997). Realistic Evaluation. London: Sage.

The UK Civil Society Almanac (2020) Data. Trends. Insights. NCVO, Sarasin & Partners.