



Making a Difference: Research on the Voluntary and Community Sector in Derbyshire

May 2011

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May 2011

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Summary

The voluntary and community sector in Derbyshire: 10 key questions answered

Q1. How many organisations are there?

There are an **estimated 4,936 voluntary and community organisations** operating across Derbyshire. This estimate includes formally registered organisations, such as charities, social enterprises and co-operatives, and a large number of 'below the radar' organisations that are not formally registered or incorporated. Overall, 62 per cent of organisations are micro in size (annual income under £10,000), 26 per cent are small (annual income between £10,000 and £100,000), ten per cent are medium sized (annual income between £100,000 and £1,000,000), and two per cent are large (annual income greater than £1,000,000).

Q2. Who benefits from their work?

An estimated 5,500,000 clients, users or beneficiaries benefit from the services provided by the voluntary and community sector in Derbyshire each year. This includes people who are clients of multiple organisations, and the beneficiaries of organisations serving large populations. There are also variations by organisation size and type. For example, one large voluntary organisation working in health and social care had more than 55,000 service users last year. By contrast, several micro and small community arts groups worked with 10 people or fewer.

The types of **people supported are diverse and wide ranging.** The groups being served by the largest proportions of organisations are characterised by age (young people, children and older people) and gender (women and men). Individuals with health issues are also served by relatively high proportions of organisations.

There are smaller numbers of organisations working with people from black and minority ethnic groups, and other groups such as migrants and refugees: less than 3 per cent of organisations work with these populations.

The majority of organisations have a local focus: more than 8 out of 10 respondents (84 per cent) identify a particular local authority district as a main focus of their work.

Q3. What does the voluntary and community sector in Derbyshire do?

The VCS in Derbyshire **works across a diverse range of service areas** and the proportion of organisations working in each area varies. The largest proportion of organisations work in the area of arts, culture and leisure (30 per cent), some 8 percentage points higher than any other area of work. Of the other most frequently identified service areas, between 1 in 10 and 1 in 4 organisations work in health and well-being (22 per cent), community development (17 per cent), and education, training and research (13 per cent).

Q4. How much is the voluntary and community sector in Derbyshire worth?

It is estimated that **the total income of the sector was at least £340,000,000 in 2009/10:** this represents an increase of £3,600,000 compared to 2008/09 and £17,400,000 from 2007/08. This income is concentrated in large and medium sized organisations. Micro and small organisations account for much more than half of organisations in the sector but only 14 per cent of total income. By contrast medium and large organisations account for less than a quarter of the sector's organisations but receive 88 per cent of its income.

Q5. Where does the voluntary and community sector in Derbyshire receive its funding from?

Public sector sources

Overall, **62 per cent of respondents report at least one source of public sector funds**. The four most frequently identified public sector funding sources are Derbyshire County Council (35 per cent), local district council (21 per cent), Derbyshire Primary Care Trust (12 per cent), national government departments (five per cent).

These four bodies also provide the majority of public sector funding in terms of actual value (99 per cent).

Other sources

Overall, **90 per cent of respondents receive funds from at least one non-public sector source**. The most frequently identified sources of other funds are fundraising (48 per cent of respondents); membership fees and subscriptions (44 per cent); charging for goods and services (27 per cent); interest (26 per cent); grants from trusts/foundations (26 per cent).

Lottery grants provide the most funding by value (28 per cent) followed by grants from trusts and foundations (23 per cent), charging for goods and services (22 per cent), and loans and other finance (12 per cent).

Q6. How sustainable is the voluntary and community sector in Derbyshire?

The financial sustainability of the VCS is an important and current issue. In this regard **the survey highlights some areas for concern**:

- 46 per cent of respondents report increasing their expenditure but only 35 per cent have experienced an increase in income
- 34 per cent of respondents report a decrease in income but only 22 per cent have reduced their expenditure.

This means that **there are a significant number of organisations that spent more money than they received in the past 12 months**: 28 per cent of respondents provided an expenditure figure for the past 12 months that was greater than their income. This could be a short term trend in response to the economic situation but if it continues in the longer term the sustainability of these organisations could be threatened.

The precarious financial situation of some organisations is further emphasised by the state of their reserves:

- 18 per cent of respondents had no reserves
- 24 per cent had insufficient reserves to cover one month's expenditure
- 39 per cent had insufficient reserves to cover three month's expenditure.

This suggests that **up to 2 in every 5 voluntary and community organisations in the county could become vulnerable quite quickly should their funds be severely reduced or withdrawn**. It is more likely to be the medium and large organisations in this category that are most at risk: they have greater financial commitments and require higher levels of income to carry out their work.

Q7. Who works in the sector and what do they do?

Paid Staff

The voluntary and community sector in Derbyshire employs an estimated 17,000 people. This equates to about 10,000 full time equivalent employees (FTE)¹. Two fifths (43 per cent) are employed in large organisations with a further third (36 per cent) employed in medium sized organisations. By comparison micro and small organisations combined are estimated to employ only 1 in 5 of the sector's paid staff.

However, it is important to highlight that **more than two-thirds (70 per cent) of voluntary and community sector organisations do not employ any paid staff** at all.

Volunteers

It is estimated that **106,000 volunteers contribute to voluntary and community sector activity in Derbyshire** providing an estimated 218,000 hours of their own time per week. This includes an estimated:

- 40,000 voluntary committee and board members providing a total of 43,000 hours per week
- 106,000 volunteers providing a total of 175,000 hours per week.

This means it would take almost 6,000 FTE paid staff to replace the work undertaken by volunteers in Derbyshire. **This voluntary activity therefore has considerable economic value** which can be measured by estimating the amount that it would cost to pay employees to do the work carried out by volunteers². Based on responses to the survey it is estimated that:

- it would cost at least £67,000,000 each year to employ staff to do the work provided by volunteers in the county³
- the actual annual cost of employing staff to do the work of volunteers could be as high as £124,000,000 each year⁴.

Q8. How good are relationships with local public sector bodies?

Nearly 9 out of 10 survey respondents (88 per cent) have dealings with local and national public sector bodies. **The most prominent public sector bodies are Local Borough Councils, Derbyshire County Council, and Derbyshire Primary Care Trust:**

- **Local Borough Councils:** 77 per cent had some dealings with their local Borough Council
- **Derbyshire County Council:** 76 per cent had some dealings with the Council
- **Derbyshire Primary Care Trust:** 41 per cent had some dealings with the Primary Care Trust.

Moreover, **the survey findings highlight the central importance of local authorities and local level councils to many voluntary and community sector organisations.** More than

¹ FTEs are calculated on the basis that one worker in one paid full time job for a year would be one FTE and if that person worked half time they would be 0.5 FTE.

² This is the approach recommended by Volunteering England

³ This assumes the national minimum wage for adults: £5.93 introduced in October 2010

⁴ This assumes the median gross hourly wage for full time employees in Derbyshire: £10.89 for 2010

three-quarters of respondents (76 per cent) identify some form of local authority or council as their most frequent public sector contact.

Given the important links that exist between voluntary and community organisations and public sector bodies the quality of these relationships is crucial to the sector's ability to operate effectively. The survey responses suggest an overall trend in which **the voluntary and community sector's experience of working with the public sector is generally positive**. Public sector bodies appear particularly effective in the ways they value, understand and respect organisation's activities and independence, but are less effective in the ways they involve and respond to organisations' views in the development and delivery of policies and services.

However, **there is still some room for improvement**. Only about half of respondents were satisfied with their ability to influence the decisions of their most frequent public sector contact, with the same proportion saying this contact had a positive influence on their organisation's success.

Q9. What is the social return on investment provided by the voluntary and community sector in Derbyshire?

There are a **wide range of outcomes** associated with the activities of the VCS. These include improvements in skills, health and quality of life amongst clients and service users; the acquisition of skills, and in some cases employment amongst volunteers; improvements to the environment and local community life; and improvements to local services.

A monetary value can be placed on some of these outcomes, using proxies which attribute a market value to non-market goods. Where this can be done the **value of outcomes generally outweighs the investment (in terms of time and money) made in the VCS in Derbyshire**.

However, there is a **lack of evidence of the outcomes associated with VCS activity** and the VCS in Derbyshire needs support to help it identify, and collect evidence of, the outcomes associated with its work.

Q10. What does the future hold for the voluntary and community sector in Derbyshire?

The future for the VCS in Derbyshire (as elsewhere) is uncertain. There are challenges and opportunities facing the VCS over the next few years. There are positive relationships between the VCS and the public sector in the county, and these provide a strong foundation for moving forward. Against this background it is important that:

- **VCS organisations are able to demonstrate their worth to funders and service providers** Infrastructure organisations have a key role to play in helping the VCS collectively to 'upskill' in this area
- **the VCS is appropriately represented on new and emergent partnership structures**
- **productive and ongoing dialogue between the VCS and the public sector continues to underpin decisions and policy development**
- **the VCS is encouraged to consider how it responds to these challenges and opportunities.**

1. Introduction

The voluntary and community sector (VCS) plays an important part in the everyday life of Derbyshire: it is estimated that nearly 5,000 organisations of every shape and size are working continuously to improve the lives of local people and communities through a vast range of services and activities. These organisations are supported by a large workforce of paid staff and unpaid volunteers who provide advice, help, support and resources in areas often missed out by mainstream public and private sector provision. This is particularly important in a large rural county such as Derbyshire, in which a large proportion of the population lives in relatively isolated locations and where there are several pockets of severe deprivation.

This report provides the main findings of research aimed at demonstrating the social and economic value of the work undertaken by voluntary and community sector organisations in Derbyshire. The research was commissioned by Voice for the Voluntary Sector⁵ and undertaken by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University

The study has a number of objectives:

- to produce reliable, statistically significant and current data on the scale and scope of the voluntary and community sector in Derbyshire
- to provide robust data on the economic contribution of the sector
- to demonstrate the social return on investment of the work undertaken by voluntary and community sector organisations in Derbyshire, and the added value that this brings.

The remainder of this report has been structured into the following chapters:

- **chapter 2** briefly outlines the context for the research through discussion of recent national and local policy debates and developments
- **chapter 3** provides information on the research methods used in the study
- **chapter 4** is the first of four chapters based on survey evidence, this chapter describes the size, shape and scope of the sector in Derbyshire
- **chapter 5** assesses the sector's income, expenditure and sustainability
- **chapter 6** reports on the size and form of the sector's workforce
- **chapter 7** is the final survey chapter and explores relationships and partnership working with key local public sector bodies
- **chapter 8** reports on case studies which have addressed the added value and social return on investment of the work of VCS organisations
- **chapter 9** contains conclusions and highlights the main findings from the research
- **Appendix One** contains a report for each of the SROI case studies.

⁵ Voice for the VCS is a project funded by the BIG Lottery and hosted by Rural Action Derbyshire. Its aim is to help frontline voluntary and community organisations understand more about the Derbyshire Partnership Forum and Local Area Agreement. The Voice project comes to an end in May 2011 and this research was funded through an under spend in the project budget, with the agreement of BIG Lottery.

2. Context

This research comes at a key moment for voluntary and community organisations operating at every level. The past 10 years have been something of a 'golden age' for voluntary and community activity, particularly in terms of policy attention and the levels of funding available. But the future for whole sector looks more uncertain: from national charities to local community groups, social care providers to environmental projects, the next few years are likely to present a series of opportunities and challenges, the outcomes of which will have an important bearing on the future direction and long term sustainability of many organisations.

Under the New Labour Government (from 1997 to 2010), the voluntary and community sector enjoyed a period of unprecedented policy attention and it now plays an important role in economic, political and social life. Following the General Election of May 2010, and the formation of the Conservative-Liberal Democrat coalition, the sector has remained at the forefront of Government policy. In particular, the sector has an important role to play in the 'Big Society' agenda, a series of policies aimed at shaping individual and social action and the services that people and communities receive. Amongst the 5 core themes of the Big Society, 3 are of immediate and direct relevance to the sector as a whole:

- **more powers for communities** (for example, through training new community organisers and giving powers to communities in planning decisions)
- **encouraging people to take an active role in their communities** (for instance, through measures to increase volunteering and philanthropy/charitable giving)
- **support for co-ops, mutuals, charities and social enterprises** (notably through giving public sector employees opportunities to run services through various not for profit organisational forms).

In many ways these proposals do not represent a major break from the past: to some extent reference to each of these objectives can be found in the policy positions of the previous Government. But, on the surface at least, these proposals offer considerable opportunities for the VCS: to work with local communities to shape the areas in which they live; to benefit from more opportunities for volunteering and increased levels of charitable action; and to develop new and innovative ways to engage in the delivery of local services. Many of the Government's aims for the Big Society are articulated in the Localism Bill, which was published in December 2010, and sets out a series of policy changes which aim to devolve power away from central government and towards local people. They include: new freedoms and flexibilities for local government which aim to help locally elected representatives respond to the needs of local people; new rights and powers for communities and individuals to drive forward improvement in local services by 'challenging' to take over the delivery of local services, bidding to take over local assets and amenities, instigating local referendums and challenging excessive rises in local taxation; and reform to make the planning system more democratic and more effective, and ensure that decisions about housing are taken locally.

However, a key difference between these proposals and those of previous administrations is that the 'Big Society' needs to be understood in the context of the economic downturn and considerable reductions in public expenditure. This is contrast to the rise in income from public sector sources which the VCS has experienced over

the last decade: the National Council of Voluntary Organisations (NCVO)⁶ estimate that statutory funding of the sector increased by 60 per cent between 2000/01 and 2007/08, and overall, it accounted for 36 per cent of the sector's funding in 2007/08. Although the full impact of cuts in public spending on the sector will not be known for several months, even years, media reporting suggests that at a national level on average organisations are facing cuts of eight per cent in 2010/11⁷ alone.

In Derbyshire, these cuts are already making an impact. The local authorities, along with those all across the country, have had to make decisions about how to reduce expenditure over the coming years. In the financial year (2011/12) Derbyshire County Council's budget has been cut across all service departments resulting in an overall reduction in expenditure of seven per cent (£40m). And in the borough councils too spending reductions will be implemented over the coming years. All the local authorities in the county have expressed a desire to protect frontline services and many of these cuts will be achieved through efficiency gains⁸ and reductions in staffing. But it is perhaps inevitable that there will be some changes to local services, possibly resulting in new or increased charges for service users, changes to eligibility, or changes to the ways in which services are configured or delivered.

There will also be changes in local organisations and partnerships which will alter the ways that local services are managed and where, and how, key decisions about local services and resources are made. The Derbyshire Partnership Forum, which has previously been the mechanism within Derbyshire for delivery of local targets under the Local Area Agreement, is under review and a new structure is planned. Primary Care Trusts, which have been responsible for the commissioning of local primary care services, are likely to be abolished in 2013 and responsibility for public health will transfer to local government. Consortia of General Practitioners are likely to be responsible for commissioning health services on their patients' behalf. Regional Development Agencies which had held responsibility for the regional co-ordination of planning and economic development will be abolished by 2012 and replaced by local economic partnerships (LEPs): public-private sector partnerships with a strategic responsibility to drive business growth and job creation by working collaboratively to tackle issues such as housing and local infrastructure, transport, skills and inward investment. The LEP for Derbyshire will cover Derbyshire and Nottinghamshire and include the unitary authority areas of Derby and Nottingham.

These changes will impact on the VCS and on its clients, service users and beneficiaries in many different ways over the coming years. VCS organisations might need to address changes in their own resources (arising perhaps through reductions in grants, non-renewal of contracts for the delivery of services, or changes to donations and fundraising income); they might need to respond to changes in the needs of their beneficiaries (some VCS organisations might experience a increase in demand for their services, others a reduction, particularly as household budgets and resources are constrained) and some might find themselves needing to explore new ways to work with agencies in the public and private sector.

Clearly then, these are challenging times for the VCS, in Derbyshire and nationally. There are grounds for optimism. As outlined at the start of this chapter, the VCS is an important contributor to local social, economic and political life and is at the forefront of the Government's plans for a renewed civic society. The importance of the VCS is

⁶ Figures derived from Clark, J *et al.*, (2010) *The UK Civil Society Almanac 2010*. London: NCVO.

⁷ On 15 December 2010 'Third Sector Online' reported that charities expect a drop in statutory funding of more than £1bn over the next year, according to research by Charity Finance Directors' Group, the Institute of Fundraising and PricewaterhouseCoopers.

⁸ this relates to ways in which local authorities can reduce the costs of delivering services, and might involve reducing administration costs, improving planning and budget control, looking at different ways to deliver services (perhaps involving new partnerships), changing job roles and responsibilities and so on.

recognised across Derbyshire and there is a commitment to build on the generally positive relationships between the public sector and the VCS already developed in the county.

But there are questions and issues to be addressed, including

- what is the best way for the VCS to work with, and be represented on, new structures and partnerships?
- how can the VCS in Derbyshire benefit from opportunities arising from the rationalisation of public assets, and support for new forms of service delivery?
- how can the VCS influence the decisions that affect it?
- how should the VCS best respond to an increased emphasis on cost and value for money?
- how will the needs of beneficiaries change and how will VCS organisations respond to these changes?

The answers to these questions will need to be worked through by VCS organisations, in collaboration with public and private sector partners. Answers will of course vary for different organisations working in different parts of the voluntary and community sector. For instance, the implications of cuts in public spending may be very different for a small organisation running a local village hall when compared to a larger organisation which is engaged in contracting for the delivery of adult social services.

But it is important that options and solutions are based on a clear understanding about the value of the VCS in Derbyshire. Against this background, this research provides in depth evidence about the VCS in Derbyshire in 2011 and answers some important questions. For example, what is the size, scale and scope of the sector? Who benefits from it? What are its prospects for the future? The report is intended to provide evidence to help the VCS, and its partners, address the opportunities and challenges with which it is currently faced, and to navigate the 'choppy waters' which may lie ahead.

This chapter has outlined the context for the research on the voluntary and community sector in Derbyshire. The next chapter goes on to outline the research methods used in the study.

3. Research Methods

This chapter describes the research methods used in the study of the VCS in Derbyshire. The research involved a number of techniques including a large postal survey of voluntary and community organisations based in and supporting the people and communities of Derbyshire, a series of interviews with public sector stakeholders, and 5 social return on investment (SROI) case studies. Each of these is discussed separately, below.

The research was conducted in Derbyshire between February and May 2011. It does not cover the unitary authority area of Derby, as funding arrangements for the project through which the research was commissioned (Voice for the VCS) specify that it works in the areas which fall under the jurisdiction of Derbyshire County Council.

Postal Survey

The survey was carried out during April 2011. A copy of the questionnaire was sent to a sample of 2,500 organisations drawn from the databases of local VCS support and development organisations. The sample was stratified to ensure a relatively equal response from organisations in each of the eight local authorities covered by Derbyshire County Council. In total 476 questionnaires were returned completed: **an overall response rate of 21 per cent.**⁹

The survey provided data on various aspects of the sector including:

- **the scale and scope of its activity**, including the roles organisations undertake, the people they support, and the areas they benefit
- **the financial profile of its work**, including income and expenditure, sources of funding, and financial sustainability
- **the workforce**, including paid staff, trustees and committee members, and volunteers
- **relationships with the public sector**, including Derbyshire County Council, local district and town councils, various NHS Trusts, and a range of other statutory bodies.

Qualitative Interviews

Semi-structured interviews were carried out with 5 individuals at Derbyshire County Council whose remit included a responsibility for liaising with or working with the VCS. Interviews covered strategic engagement; commissioning; funding; partnership and liaison; and future changes to funding, commissioning, policy and service delivery.

⁹ 130 questionnaires were returned undelivered and a further 81 were returned incomplete. The adjusted sample size was therefore 2,289

Social Return on Investment Case Studies

Social Return on Investment (SROI) is a methodology for valuing the benefits of the activities of voluntary and community sector organisations. It was first developed in the 1990s in the United States and has since been developed in the United Kingdom by the New Economics Foundation. In 2009 a report funded by the Office of the Third Sector in the Cabinet Office was published by the SROI-Network. Since then there has been growing interest in the use of SROI from national and local funding organisations from the public sector, grant making trusts and lenders.

At its heart SROI seeks to place monetary values on the impacts of an organisation to different stakeholders: these are wide ranging and include funders, employees and volunteers of the organisation, its service users and partner organisations. SROI provided the overarching methodology for five case studies:

- Derbyshire Alcohol Advice Service (Clinical Service)
- Derbyshire Mental Health Advisory Group
- Derbyshire Wildlife Trust (Reserves Programme)
- Glapwell Junior Football Club
- Home Start High Peak.

Further discussion of the SROI case studies is contained in chapter 8.

The next chapter is the first of four which contain the findings of the survey. It outlines the structure and composition of the VCS in Derbyshire.

4. The composition of the VCS in Derbyshire

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

This chapter consider seven questions in turn:

- how many organisations are there?
- what size are they?
- what types of organisations are there?
- how long have they been operating?
- what do these organisations do?
- who are their clients, users or beneficiaries?
- at what geographical levels do they operate?

How many organisations are there in the voluntary and community sector in Derbyshire?

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

In estimating the total number of organisations in Derbyshire we referred to information from three sources:

- records and databases held by the local support and development organisations supporting the research
- official Cabinet Office figures which indicate that the total number of registered organisations in the sector in Derbyshire is **2,154**¹⁰
- research by NCVO and the University of Southampton¹¹ which found that on average there are 3.66 BTR organisations per 1,000 population. If this figure is applied to the population of Derbyshire (760,200¹²), it can be estimated that there are **2,782** BTR organisations in the county.

¹⁰ This estimate was calculated as part of the 'National Survey of Third Sector Organisations' undertaken by Ipsos MORI for Cabinet Office in 2008

¹¹ Mohan, J et al (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

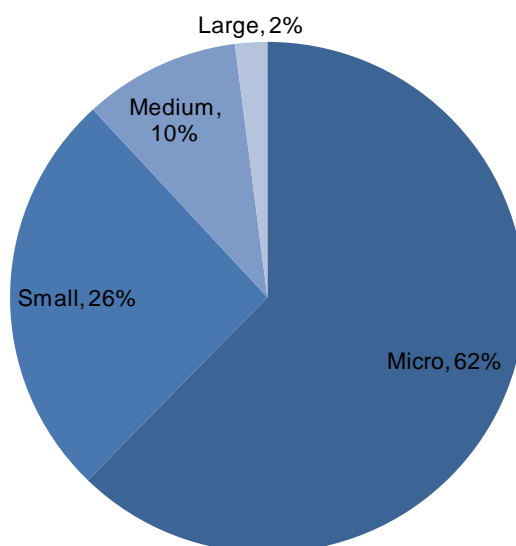
¹² Based on 2009 mid-year population estimates

Summing the official Cabinet Office and BTR¹³ figures produces an estimated figure of **4,936** for the total number of **organisations operating in the sector in Derbyshire**.

What size are VCS organisations Derbyshire?

The size of voluntary and community organisations is traditionally measured using their annual income¹⁴. When the distribution of VCS organisations in Derbyshire was explored by size category based on income for 2009/10, it showed that **the majority of organisations are either micro or small**: 62 per cent of the sector (an estimated 3,076 organisations) are micro in size (annual income under £10,000), 26 per cent are small (1,273 organisations, with an annual income between £10,000 and £100,000), 10 per cent are medium (488 organisations, with an annual income between £100,000 and £1,000,000), and 2 per cent are large (100 organisations, with annual income greater than £1,000,000).

Figure 4.1: Proportion and number of VCS organisations by organisation size



Source: Derbyshire State of the Sector survey 2011
Base: 345

This finding is consistent with national trends: NCVO¹⁵ estimate that 85 per cent of the sector is made up of micro or small organisations, 12 per cent are medium, and 3 per cent are large.

What types of organisations operate in the VCS in Derbyshire?

The questionnaire asked two questions to obtain information about the types of organisations in the sector in Derbyshire.

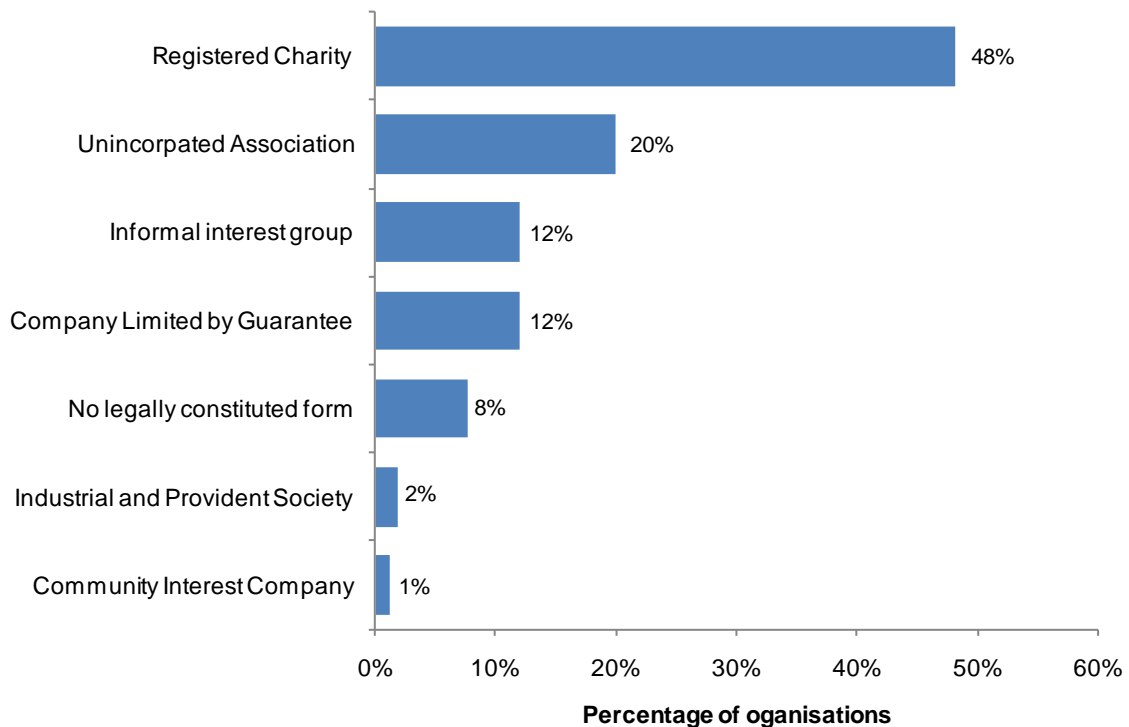
¹³ It is important to note that the BTR figure is an estimate based on an average across 46 local authorities. The BTR research found significant variability, with some local authorities reaching over seven BTR organisations per 1,000 population, and in one case exceeding 10.

¹⁴ In exploring organisation size we used the categories developed by NCVO for use in their Almanac series: Micro = annual income under £10 thousand; Small = £10 thousand to £100 thousand; Medium = £100 thousand to £1 million; Large = more than £1 million (see e.g. Clark, J *et al.*, 2010)

¹⁵ *Ibid*

In the first question respondents were asked to identify the legal status of their organisation. Figure 4.2 shows that **the largest proportion of respondents, nearly half, identified that their organisation is a registered charity.** A further fifth of organisations are unincorporated associations, about 1 in 8 are companies limited by guarantee or informal interest groups and around 1 in 12 have no legally constituted form. Relatively low numbers of respondents are Industrial and Provident Societies or Community Interest Companies.

Figure 4.2: The legal status of VCS organisations in Derbyshire

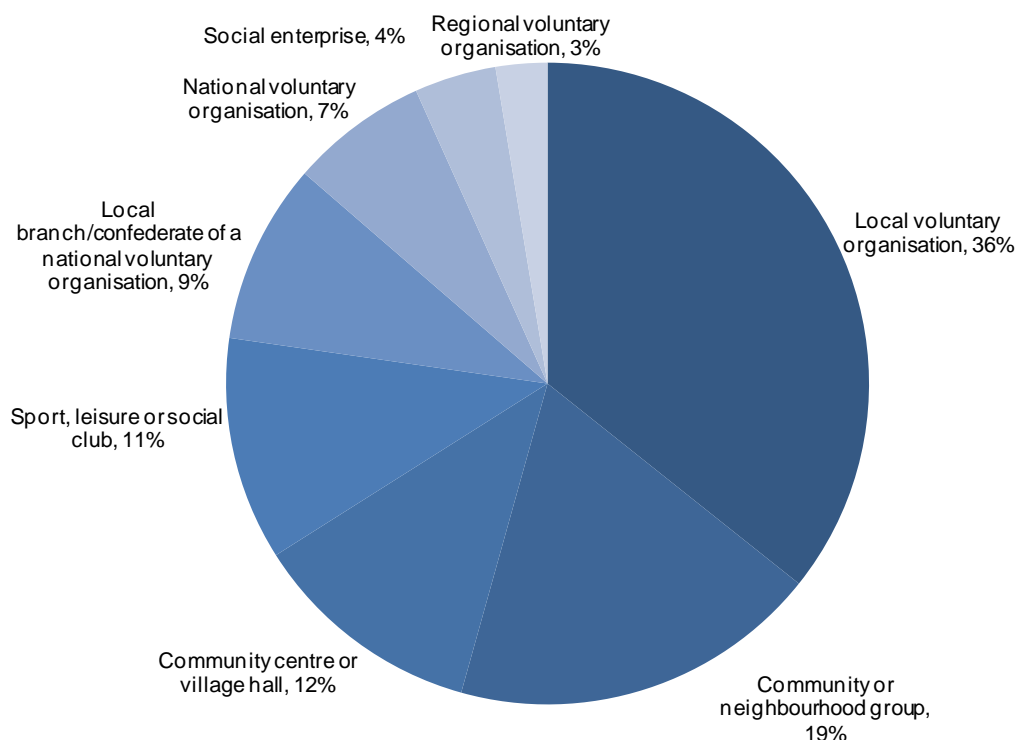


Source: Derbyshire State of the Sector survey 2011
Base: 472

In the second question respondents are asked to identify which category from a list of 8 'organisation types' best describes their organisation. The results indicate that many organisations in the sector are locally orientated. Figure 4.3 (overleaf) shows that the largest proportion, **36 per cent, identified their organisation as being a local voluntary organisation.** This proportion is almost double that of the next highest type: community or neighbourhood group (19 per cent). Other types of local organisation such as community centres and village halls (12 per cent), and sports, leisure and social clubs (11 per cent), are less frequently identified.

By comparison national and regional organisations are less commonly located in Derbyshire: fewer than 1 in 10 organisations are either a national voluntary organisation (7 per cent) or a branch of a national voluntary organisation (9 per cent) and only 3 per cent are regional voluntary organisations.

Figure 4.3: Types of VCS organisations in Derbyshire



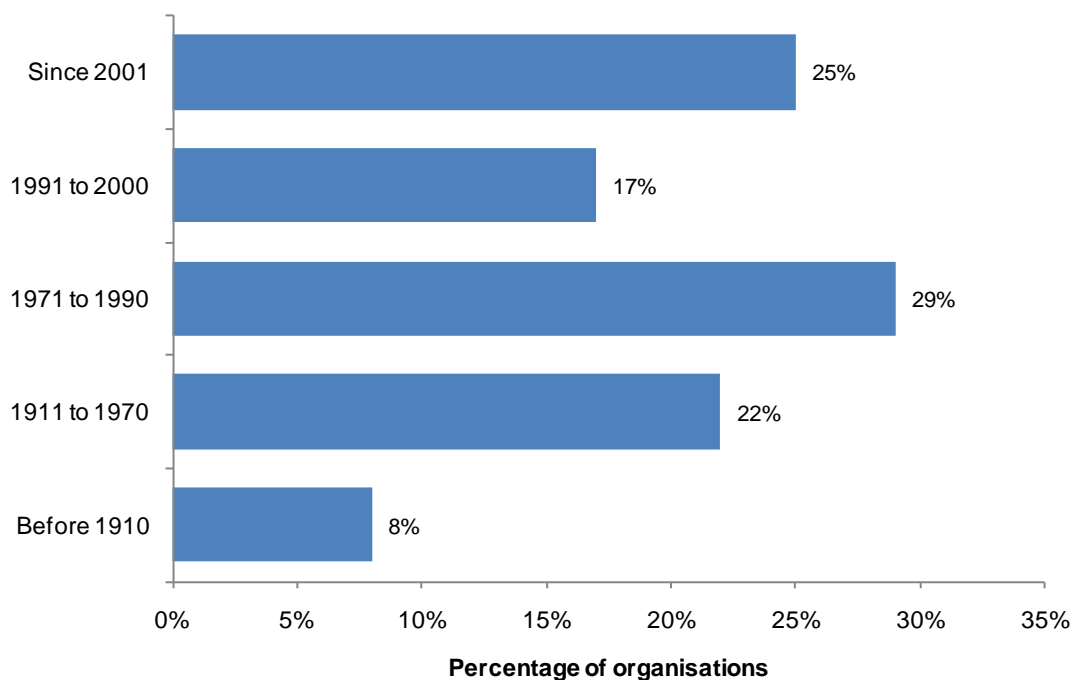
Source: Derbyshire State of the Sector survey 2011
Base: 462

How long have organisations in the VCS been operating?

The questionnaire asked respondents to indicate when their organisation was formed. This is intended to provide an indication of how well established the VCS in Derbyshire is. This data also provides an indication of patterns: for example time periods where greater numbers of organisations have been formed.

The responses received (see figure 4.4 overleaf) paint a picture of a sector with a fairly well established core: more than half (58 per cent) of organisations in the county are more than twenty years old. However, the sector in Derbyshire has also seen the formation of many new organisations over recent years: a quarter (25 per cent) of organisations responding to the survey were formed within the past 10 years, with an additional 17 per cent formed between 1991 and 2000. This suggests that there has been considerable growth in the sector over the last two decades. At the other end of the spectrum nearly a third (30 per cent) of organisations were formed more than 40 years ago, including just over one in twelve organisations (eight per cent) that were formed more than 100 years ago.

Figure 4.4: Year in which organisations were formed



Source: Derbyshire State of the Sector survey 2011
Base: 415

The data presented in this section is accompanied by an important qualification. Although the results suggest that there are a substantial number of 'newer' organisations in the VCS in Derbyshire, we cannot say that this has resulted in the overall 'expansion' of the sector. By definition, the survey is of organisations that were still operating in the county at the beginning of 2011, and does not include those which have closed down or ceased operations. Of the organisations which have survived through to 2010, the results suggest that a majority were established more than 20 years ago. But some of the organisations established before, and since, may have subsequently closed down. Because we do not know the rate of closure over time we cannot be certain that the aggregate number of organisations being established or surviving is increasing.

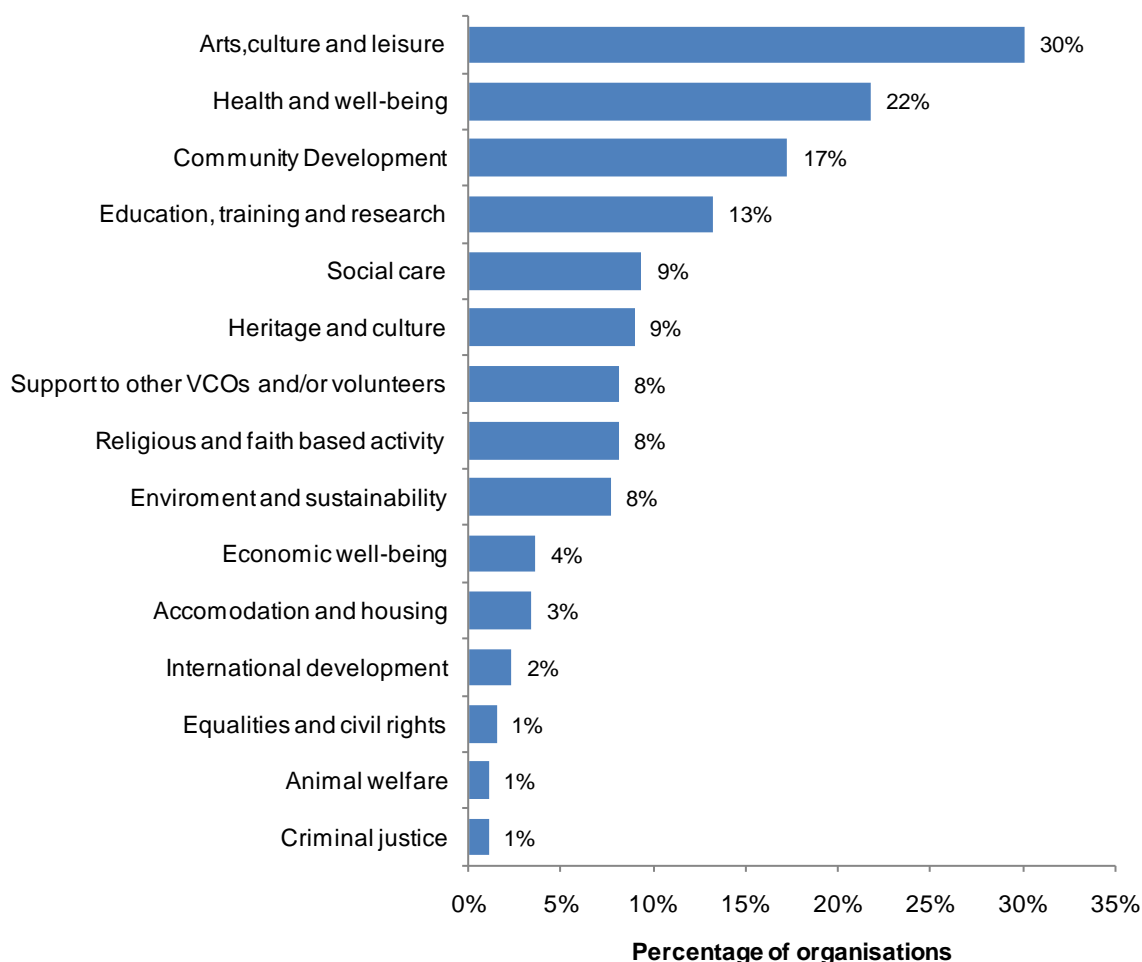
What does the VCS in Derbyshire do?

To gain a picture of what the voluntary and community sector in Derbyshire does, the survey asked respondents to identify up to 3 main areas in which their organisation operates (from a list of 15 categories). Figure 4.5 presents the responses to this question: it shows quite clearly that the VCS in Derbyshire works across a broad range of thematic service areas. However, the proportion of organisations working in each area varies considerably. This is likely to be driven by localised needs and the availability of funding opportunities; both of which will themselves be linked.

Figure 4.5 (overleaf) shows that nearly **one third of organisations work in the area of arts, culture and leisure (30 per cent)**. This is some 8 percentage points higher than any other area of work, and represents the high proportion of micro and small organisations in the VCS in Derbyshire, many of which are engaged in local sporting arts and cultural activities. Between 1 in 10 and 1 in 4 organisations work in each of the following areas: health and well-being (22 per cent); community development (17 per cent); and education, training and research (13 per cent). Less than 1 in 10 respondents

reported that their organisation worked in each of the remaining 11 thematic service areas.

Figure 4.5: Main areas in which VCS organisations work



Source: Derbyshire State of the Sector survey 2011
Base: 469

Who are the clients, users or beneficiaries of the VCS in Derbyshire?

The questionnaire asked respondents to provide an estimate of the total number of individual clients, users or beneficiaries that their organisation has supported in the last year. Summing across the 363 organisations that were able to provide a number of individual clients, users or beneficiaries suggests around 643,000 clients were supported over the past 12 months.

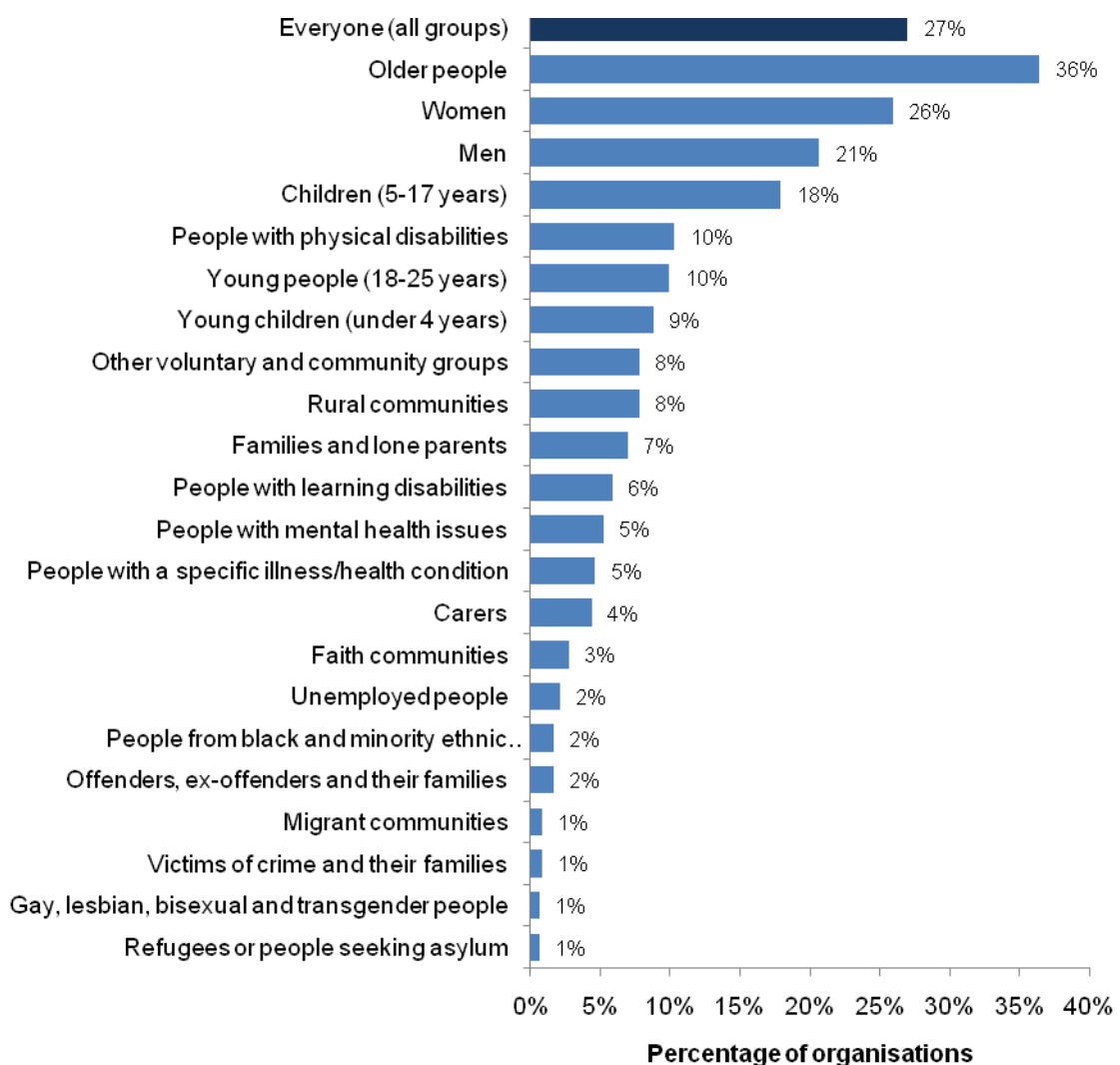
The responses received can be extrapolated for the estimated 4,936 organisations thought to be operating in the VCS in Derbyshire to provide an estimate of the total number of clients, users or beneficiaries served by the sector in Derbyshire¹⁶ Working through the calculation it is estimated that **5,500,000 clients, users or beneficiaries benefitted from the services provided by the VCS in Derbyshire** in the past year. This compares to a population of around 760,000 in the county. However, it is important to note that this does not equate to 5,500,000 individuals. The estimated total number of

¹⁶ This estimate is based on figures supplied by the respondents themselves, and assumes that the survey response is representative. However, a small number of 'outlying' organisations which reported serving very large populations have not been included in the calculation.

clients, users or beneficiaries will include people who are clients, users or beneficiaries of multiple organisations (including those who are beneficiaries of organisations which serve large populations); some people who reside outside of the Derbyshire county line (including within Derby City); and in a few instances people who have been counted as multiple clients, users or beneficiaries at the same organisation. There are also large variations by organisation size and type. For example, one large voluntary organisation working in health and social care had more than 55,000 service users last year. By contrast, several micro and small community arts groups worked with 10 people or fewer.

The questionnaire also asked respondents to select from a list of 23 categories up to 3 groups that make up the main clients, users or beneficiaries of their organisation. The results are set out in figure 4.6.

Figure 4.6: Main client groups of VCS organisations in Derbyshire



Source: Derbyshire State of the Sector survey 2011
Base: 475

This shows that, as might be expected, **the VCS in Derbyshire serves a diverse and wide ranging client group.** Although more than a quarter (27 per cent) of organisations said they worked with all groups in society, in many cases, individual client groups are served by relatively small numbers of organisations: nearly half of the client groups listed are served by 5 per cent or fewer of organisations in the county.

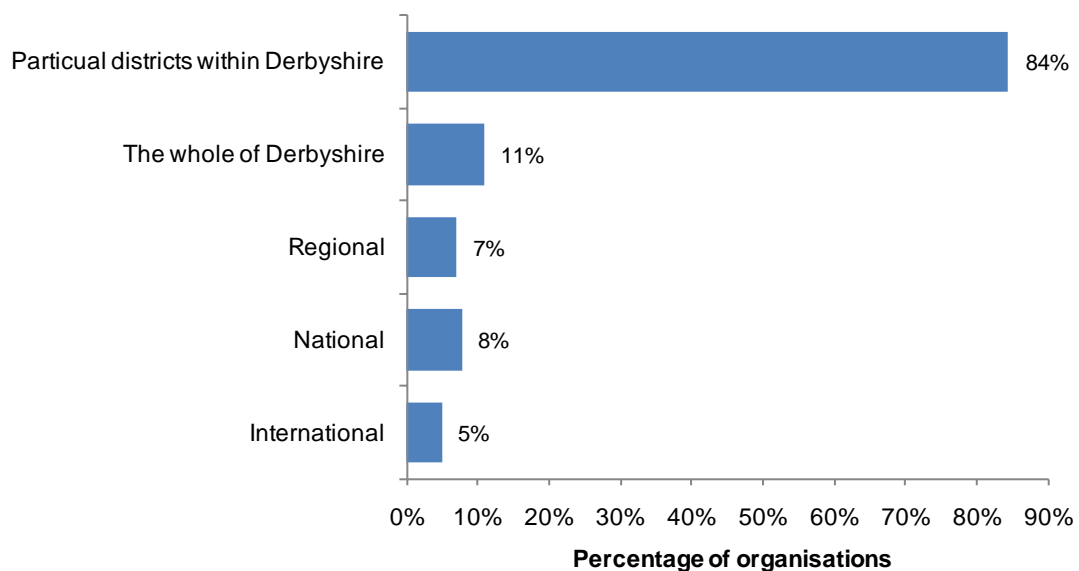
The client groups served by the largest proportions of organisations are typically defined by age (young people, children and older people) and gender (women and men). Individuals with health issues are also served by relatively high proportions of organisations: people with different types of disabilities or health problems are a main client, user or beneficiary group for between 5 and 10 per cent of organisations.

By contrast, there are fewer organisations working with people from black and minority ethnic groups, and other groups such as migrants and refugees: only 2 per cent of respondents work with people from black and minority communities and only one per cent work with migrant communities and refugees and people seeking asylum. Compared to England, Derbyshire has a low proportion of residents from black and minority ethnic communities, although their number is growing. Latest data from the Office for National Statistics (ONS) estimates that the black and minority population in Derbyshire was approximately 5 per cent of the total population in 2007.¹⁷

At what geographical levels does the VCS operate?

The survey asked respondents to identify the main geographical levels at which they operate. Responses ranged from those working at the district and county level, to those operating across England, the UK or even overseas. The results (see figure 4.7) show that the **local area is a main focus for a majority of organisations** in Derbyshire. More than 8 out of 10 respondents (84 per cent) identified a particular local authority district as a main focus of their work. No more than 1 in 10 respondents identified higher geographic levels as a focus: 11 per cent work across the whole of Derbyshire; 7 per cent work regionally; 8 per cent work nationally; and only 5 per cent work internationally.

Figure 4.7: Main geographic focus



Source: Derbyshire State of the Sector survey 2011
Base: 469

Using the responses to this question it is also possible to identify the highest geographic area that is the main focus of each organisation. This analysis reinforces the finding that much of the sector is locally focussed:

¹⁷ ONS population estimates 2007, note that this data is experimental. Latest national data available for 2005 suggests that the black and minority ethnic population in Derbyshire was 4.4 per cent, compared to 13.5 per cent for England as a whole.

- for 77 per cent of organisations their highest main geographic focus is particular Derbyshire local authority districts
- for 6 per cent of organisations their highest main geographic focus is the whole of Derbyshire
- for 5 per cent of organisations their highest main geographic focus is the Midlands region
- for 6 per cent of organisations their highest main geographic focus is the nation as a whole
- for 5 per cent of organisations their highest main geographic focus is international.

This chapter has presented evidence on the size and scope of the VCS in Derbyshire. It confirms that there is a substantial and well-established VCS which is working with over 5,500,000 with clients, service users and beneficiaries each year. The VCS works across many different service areas and with a wide range of people. Much of its work is locally focussed, demonstrating its importance to the social fabric of life in the county. The next chapter looks at the economic 'footprint' of the VCS in Derbyshire by exploring data on its income and finances.

5. Finances: income, expenditure and sustainability

This chapter provides an overview of the finances and income of the voluntary and community sector in Derbyshire. It includes estimates of the overall income received by the sector between 2007/08 and 2009/10, analysis of the different sources of income received (public sector and non-public sector) and their relative contribution, and an assessment of the financial sustainability of the sector against the backdrop of the 2008/09 economic downturn and ongoing public sector austerity measures.

Income

Based on responses to the survey, and drawing on the assumptions used to estimate the total number of organisations in Derbyshire, it is estimated that **the total income of the sector in the county was at least £340,000,000 in 2009/10**. This figure is based on the average (mean) annual income for micro, small and medium sized organisations, and assumes that the estimated 100 large organisations provided additional income of at least £100,000,000¹⁸.

Income change between 2007/08 and 2009/10 is explored in more detail in table 5.1. This shows the sectors' income is on an upward trajectory, having increased by an estimated £13,800,000 between 2007/08 and 2008/09 and a further £3,600,000 between 2008/09 and 2009/10. However, this overall trend has not applied to all organisations. There are large year on year increases in income recorded by medium sized organisations during this period, but a decrease in income between 2008/09 and 2009/10 for micro and small organisations.

The reduction in income growth between 2008/09 and 2009/10 might be an indication of the impact of the recession of 2008/09, with the reductions in income experienced by micro and small organisations suggesting that the effects could have been disproportionately felt at the bottom end of the size spectrum.

¹⁸ The low number of responses from large organisations meant that the mean income figure was statistically unreliable. The £100 million figure presented here represents the minimum possible income contribution from large organisations so is likely to be an underestimate.

Table 5.1: Estimated annual income of the VCS in Derbyshire 2007/08-2009/10

		2009/10 (£s millions)	2008/09 (£s millions)	2007/08 (£s millions)
Micro	<i>Value</i>	£8.7	£8.6	£8.2
	<i>Variance</i>	-£1.9	+£0.46	
Small	<i>Value</i>	£38.8	£41.7	£41.5
	<i>Variance</i>	-£3.0	+£0.26	
Medium	<i>Value</i>	£192.6	£186.0	£173.0
	<i>Variance</i>	+£6.6	+£13.1	
Total ^a	<i>Value</i>	£340.0	£336.3	£322.6
	<i>Variance</i>	+£3.6	+£13.8	

Source: Derbyshire State of the Sector survey 2011

Base: 324-344

All figures are in 2009/10 prices and have been rounded

^a The total figure assumes that the income of the estimated 100 large organisations remained constant at £100m between 2007/08 and 2009/10

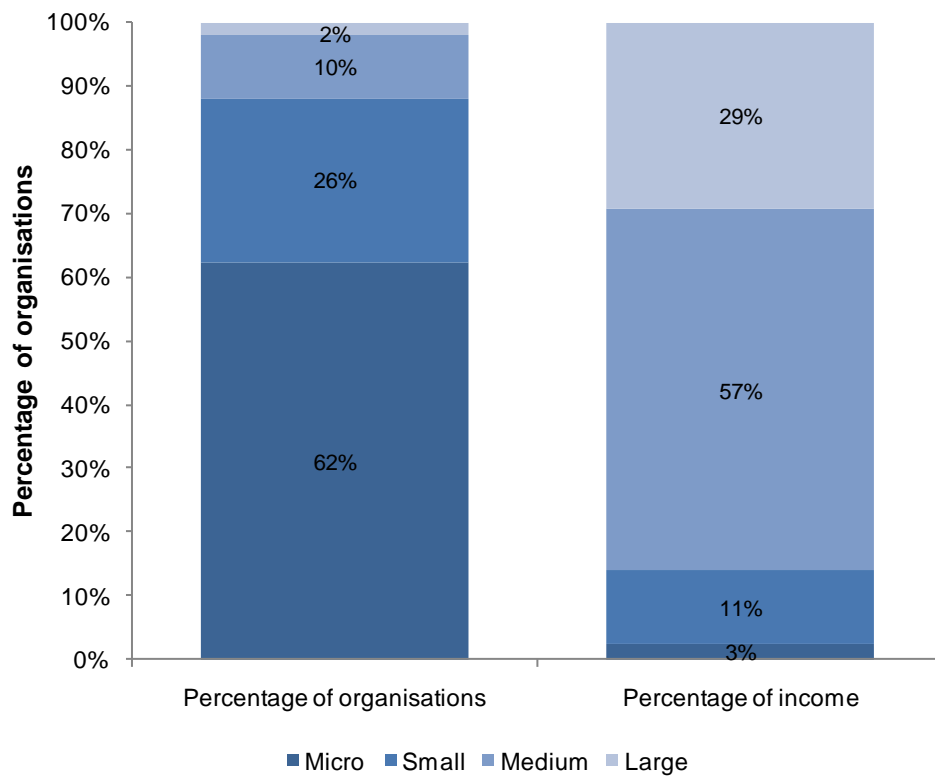
These figures are reflective of the national picture which saw year on year growth in the income of the voluntary and sector between 2000/01 and 2007/08. Although there are no figures for Derbyshire for this period, nationally the sector's income grew by an average of 5 per cent a year over these 6 years¹⁹.

Table 5.1 shows significant variations in the sector's income according to organisation size²⁰. In 2009/10, **the majority of income was concentrated in large and medium sized organisations** even though the majority of organisations were micro or small.

¹⁹ See Clark, J *et al.*, (2010)

²⁰ In exploring organisation size we used the categories developed by NCVO for use in their Almanac series: Micro = annual income under £10 thousand; Small = £10 thousand to £100 thousand; Medium = £100 thousand to £1 million; Large = more than £1 million (see e.g. Clark, J *et al.*, 2010)

Figure 5.1: Proportion of VCS organisations and proportion of income by organisation size



Source: Derbyshire State of the Sector survey 2011
Base: 344

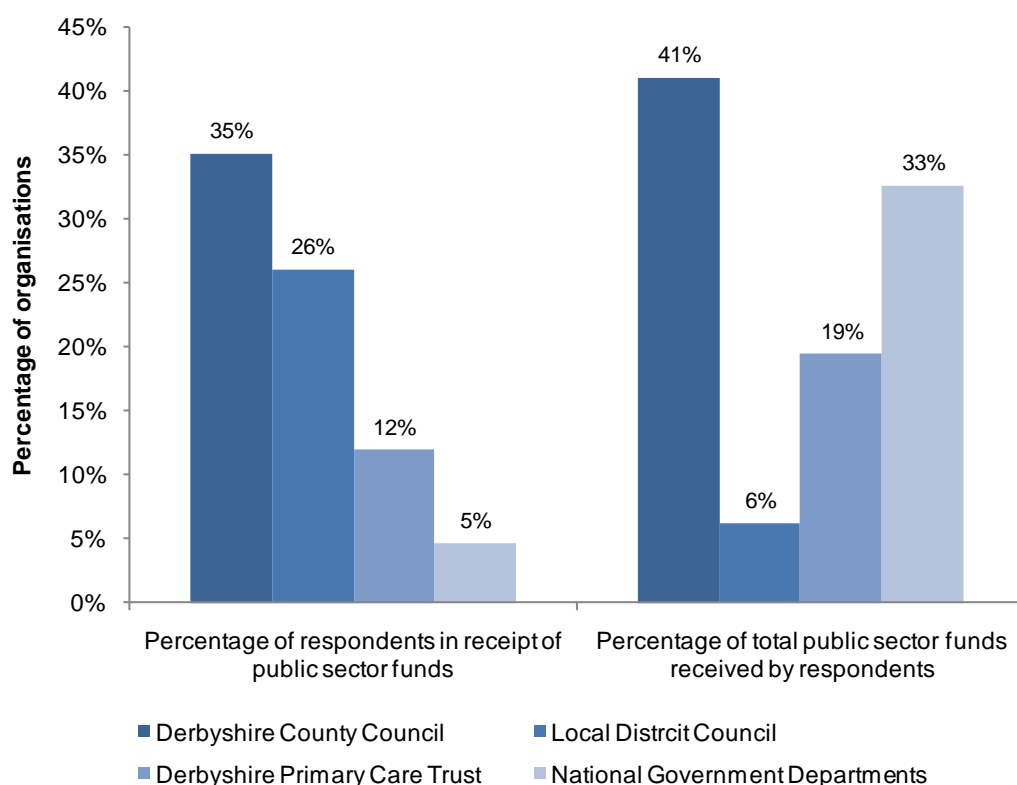
This shows that micro and small organisations account for more than three quarters of organisations in the sector but only 14 per cent of total income. By contrast medium and large organisations account for less than a quarter sector's organisations but receive 88 per cent of its income.

Sources of Income

Public sector income

Survey respondents were asked to identify the public sector bodies from which they received funding in 2009/10 and the value of that funding. Overall, **62 per cent of respondents reported having at least one source of public sector funds**. The 4 most frequently identified sources of public sector funding are Derbyshire County Council, local district councils, Derbyshire Primary Care Trust and National Government Departments. The results are outlined in figure 5.2.

Figure 5.2: Public sector funds received by VCS organisations in Derbyshire 2009/10



Source: Derbyshire State of the Sector survey 2011

Base = 388

Note: Fewer than two per cent of respondents received funding from the remaining public sector bodies included in the questionnaire

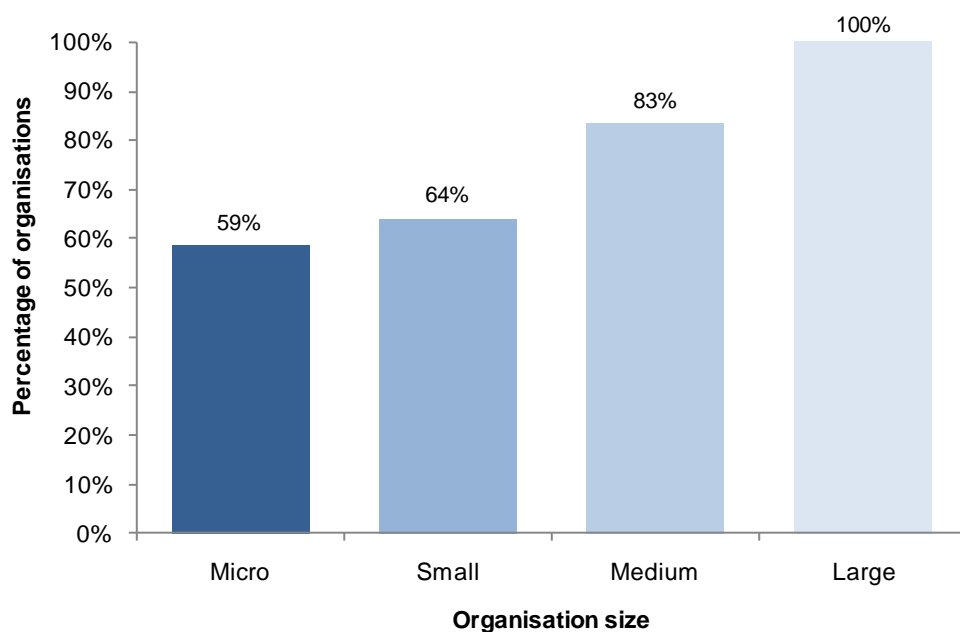
This shows that **Derbyshire County Council is the most frequently identified source of public sector funding** (35 per cent of respondents) followed by Local District Councils (25 per cent), Derbyshire Primary Care Trust (12 per cent), and National Government Departments (5 per cent).

These four bodies also provide the majority of public sector funding in terms of overall value (99 per cent of the total value of public sector funding) but this was distributed somewhat differently: Derbyshire County Council provides the largest amount of funding (41 per cent) followed by Government Departments (33 per cent) Derbyshire Primary Care Trust (19 per cent) and local district councils (six per cent). This is likely to reflect the fact that county and nationwide funding tends to involve larger values, often for national or regional work, while local (district council and NHS) funding is often for much lower values.

The survey also asked respondents with public sector income whether they had received a formal funding agreement for each source. Overall, respondents reported that **46 per cent of funding was provided with a formal agreement**. However, we do not know how respondents have defined 'formal agreement' and it may be that this subjective data is not an accurate reflection of the reality of funding arrangements in the county. Nevertheless, it is important to note that for over half the public sector income to the VCS, respondents believed that no formal funding agreement was in place. Of the four largest sources, respondents reported that 67 per cent of Government department funding, 65 per cent of Primary Care Trust funding, 46 per cent of County Council Funding, and 34 per cent of district council funding was made with a formal agreement.

The survey also revealed significant variations in public sector income received by organisations of different sizes. In particular, the proportion of organisations with at least one source of public sector income increases with organisation size. This is outlined in more detail in figure 5.3 and shows that 59 per cent of the micro organisations that responded to the survey received public sector funding compared to 64 per cent of small organisations, 83 per cent of medium organisations and 100 per cent of large organisations. This indicates that public sector funding is a particularly important source of funding for medium and large sized organisations. However, it also suggests that a large proportion of organisations of all sizes could be susceptible to cuts in public sector funding.

Figure 5.3: Proportion of VCS organisations in receipt of public sector funds by organisation size 2009/10

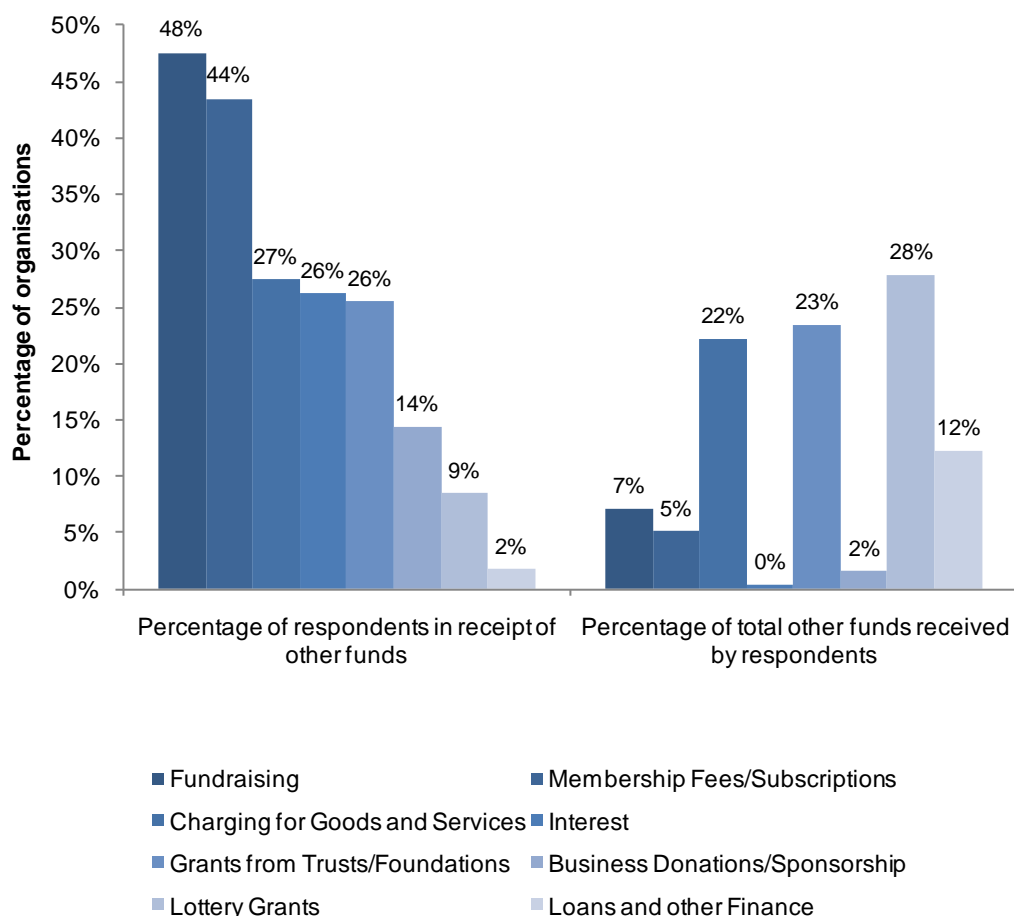


Source: Derbyshire State of the Sector survey 2011
Base = 315

Other sources of income

Survey respondents were also asked to identify any other sources of income (i.e. non-public sector) they received in 2009/10 and the value of that funding. Overall, **90 per cent of respondents received funds from at least one non-public sector source.** This is outlined in more detail in figure 5.4.

Figure 5.4: Other funds received by VCS organisations in Derbyshire 2009/10



Source: Derbyshire State of the Sector survey 2011
Base=424

Fundraising was the most frequently identified source of other funds (48 per cent of respondents) followed by:

- membership fees and subscriptions (44 per cent)
- charging for goods and services (27 per cent)
- interest (26 per cent)
- grants from trusts/foundations (26 per cent)
- business donations/sponsorship (14 per cent)
- lottery grants (9 per cent)
- loans and other finance (2 per cent).

By contrast **lottery grants provided the most funding by value** of other funds (28 per cent) followed by:

- grants from trusts and foundations (23 per cent)
- charging for goods and services (22 per cent)
- loans and other finance (12 per cent)
- fundraising (7 per cent)
- membership fees and subscriptions (5 per cent)

- business donations and sponsorship (2 per cent)
- interest (zero per cent).

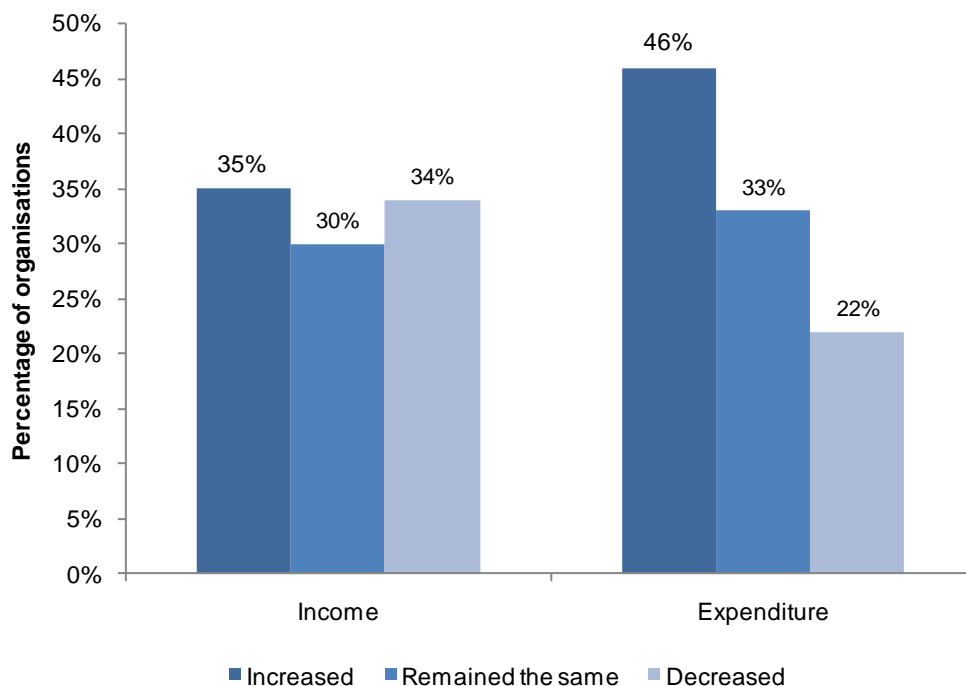
These differences are likely to be due to the type and scale of funding available from different sources. Grantmakers such as the National Lottery and Charitable Trusts or Foundations tend to provide funds on a large scale whereas philanthropic and individual sources of funds tend to be much smaller.

Unlike public sector income there are no significant variations according to organisation size: more than 8 out of 10 of each size of organisation have income from non-public sector sources.

Financial Sustainability

Following the economic recession of 2008/09, possible reductions in income from private sources, and cuts in public sector spending during the current and future financial years, the financial sustainability of the sector's organisations is an important and current issue. The survey therefore asked respondents about how their organisation's financial situation had changed in the past 12 months. The results are outlined in figure 5.5.

Figure 5.5: Change in financial circumstances in the last 12 months

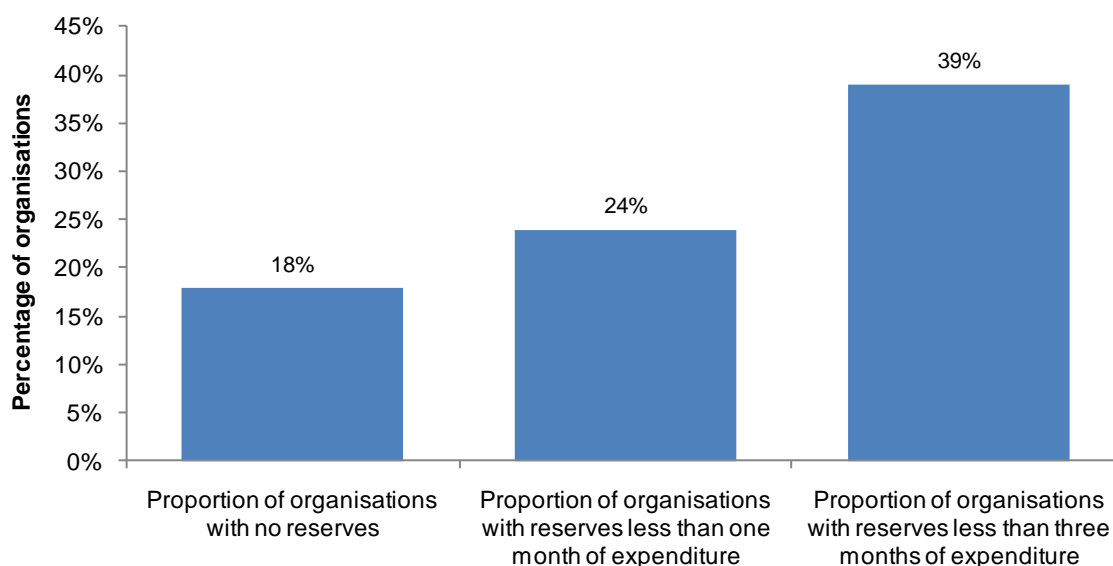


Source: Derbyshire State of the Sector survey 2011
Base=368/363/304

The results raise some concerns: 46 per cent of respondents report increasing their expenditure in the last twelve months but only 35 per cent experienced a concurrent increase in income. In addition, 34 per cent of respondents report a decrease in income during this period, but only 22 per cent reduced their expenditure. This means that **there are a significant number of organisations that spent more money than they received in the past 12 months**: 28 per cent of respondents provided an expenditure figure for the past 12 months that was greater than their income. This could be a short term trend in response to the economic situation but if it continues in the longer term the sustainability of many of these organisations could be threatened.

The survey also asked respondents to provide a figure for the total reserves held by their organisation at the end of the three most recent financial years (2007/08, 2008/09, 2009/10). Reserves are important as they provide organisations with funds to fall back in the short term should other sources of funding reduce or be withdrawn. They also provide organisations with the flexibility to develop new and innovative activity that might not attract external funding from the outset. Organisations with no reserves, or low reserves relative to expenditure, are therefore more likely to be restricted in their ability to adapt if key external funding is lost. In order to explore this issue in more detail reserves (2009/10) were calculated as a proportion of expenditure (2009/10) for each respondent. The results are shown in figure 5.6.

Figure 5.6: Financial vulnerability of Derbyshire VCS organisations (2009/10)



Source: Derbyshire State of the Sector survey 2011
Base = 306/299

This shows that **18 per cent of respondents had no reserves**, a further 6 per cent had reserve levels of less than one month's expenditure, and a further 15 per cent had reserves that covered less than 3 months expenditure. This suggests that up to 2 in every 5 voluntary and community organisations in the county could become vulnerable quite quickly should their funds be severely reduced or withdrawn. In reality it is more likely to be the medium and large organisations in this category that are most at risk: they have greater financial commitments and require higher levels of income to carry out their work.

This chapter has provided a picture of the economic contribution of the VCS in Derbyshire. It has demonstrated that income to the sector is considerable, and increasing overall, although there has been a recent fall in the income of smaller organisations. Public sector funding represents an important source of income to the sector, although a substantial proportion of income is also obtained via grants from trusts and foundations, and through charging for goods and services. However, analysis of the financial health of the sector suggests that increases in income have not been experienced by all parts of the sector, and that a large number of organisations have little in the way of financial reserves to cushion them against a potential drop in income. The next chapter looks at the VCS workforce in Derbyshire by exploring data on paid staff and volunteering.

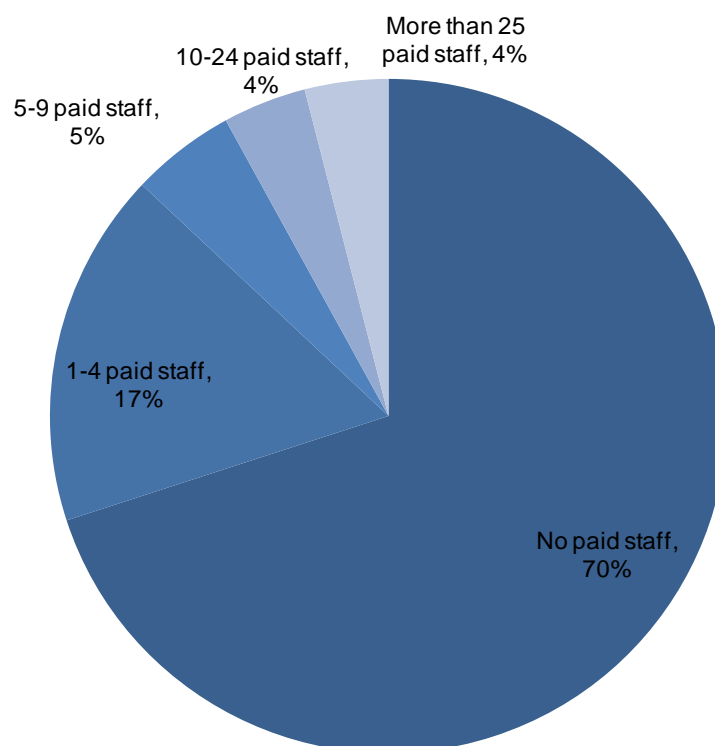
6. The Workforce

This chapter looks at the human resources used by the voluntary and community sector in Derbyshire: paid staff, voluntary committee and board members, and other volunteers. The survey asked respondents to provide figures about the number of people in each role and the amount of time they provide. It also asked organisations how each aspect of their workforce had changed in the last 12 months.

How many people are employed in the sector in Derbyshire?

Assuming the sample is representative of the wider sector in Derbyshire, survey responses can be extrapolated to provide an estimate of the total numbers of paid staff employed. From this calculation it is estimated that the 4,937 organisations in Derby **employ an estimated 17,000 people** (10,000 FTE). Two fifths (43 per cent) are employed in large organisations with a further third (36 per cent) employed in medium sized organisations. By comparison micro and small organisations combined are estimated to employ only 1 in 5 of the sector's paid staff.

Figure 6.1: VCS organisations by numbers of paid staff



Source: Derbyshire State of the Sector survey 2011
Base: 460

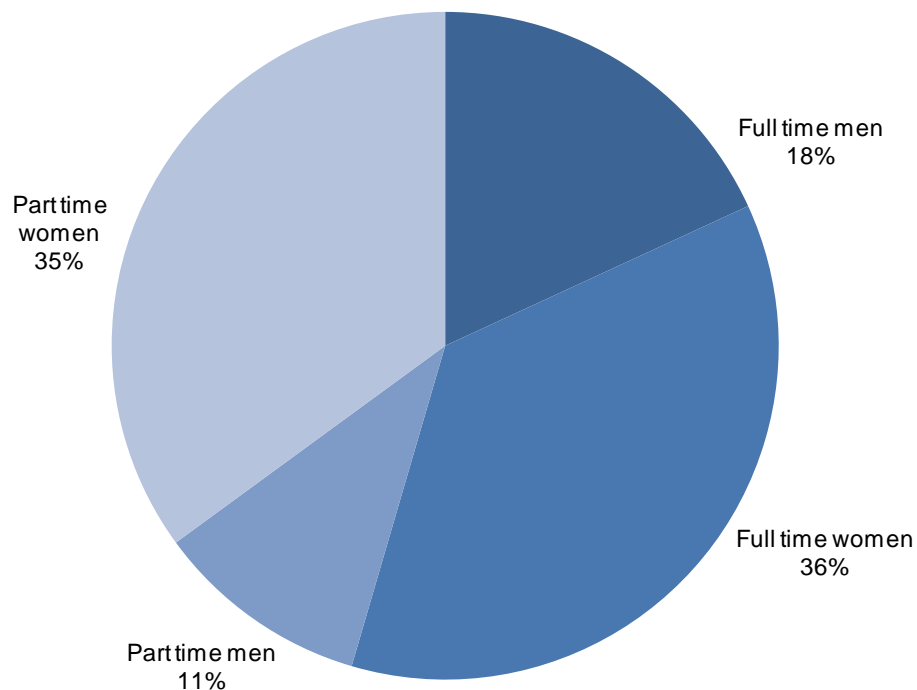
Figure 6.1 presents a breakdown of responding organisations by the number of paid staff that they employ. It shows that three-quarters of organisations employ less than 5 paid staff members. Included in this figure are the 70 per cent of organisations that do

not employ any paid staff. The large majority (84 per cent) of these are micro organisations with income of less than £10,000.

Of the remaining organisations that did employ paid staff 17 per cent of organisations employed between 1 and 5 staff; 5 per cent of organisations employed between 5 and 9 staff; 4 per cent of organisations employed between 10 and 24 staff; and 4 per cent of organisations employed 25 or more staff. Typically, the organisations with the highest annual incomes are more likely to employ a larger number of people.

The survey also allowed responses regarding paid staff to be broken down according working patterns (i.e. full or part time) and gender. This is set-out in figure 6.2 which shows that more than 7 out of 10 (71 per cent) of voluntary sector employees are women, split evenly between full time (36 per cent) and part time (35 per cent) working. By contrast less than 3 out of 10 employees are men, but men are more likely to work full time (18 per cent) than part time (11 per cent).

Figure 6.2: The voluntary and community sector paid workforce in Derbyshire by working patterns and gender



Source: Derbyshire State of the Sector survey 2011
Base: 140

How many volunteers are part of the voluntary and community sector workforce in Derbyshire and what is their economic contribution?

This section assesses the contribution of volunteers to the voluntary and community sector in Derbyshire. The survey collected data on 2 types of volunteer: voluntary committee and board members (i.e. trustees) and volunteers engaged in organisations' day to day activities.

Assuming the sample is representative, survey responses can be extrapolated to provide an estimate of the total number of both types of volunteers contributing to the

sector and the total number hours that they contribute. From these calculations it is estimated:

- there are **40,000 voluntary committee and board members** providing a total of 43,000 hours per week
- there are **106,000 volunteers** providing a total of 175,000 hours per week
- collectively there are **146,000 volunteers²¹ working in the voluntary and community sector in Derbyshire** for a total of 218,000 hours per week
- it would take almost 6,000 FTE paid staff to replace the work undertaken by these volunteers.

This voluntary activity has considerable economic value which can be measured by estimating the amount that it would cost to pay employees to do the work carried out by volunteers²². It can be calculated by multiplying the number of hours that volunteers give per week by an estimate of how much it would cost to employ someone to do that work. There are a number of widely accepted hourly rates that could be used to estimate this value including: the national minimum wage, the local median wage, the local mean wage and the reservation wage (the hourly rate associated with the actual role of volunteers). Given the level of data available, for this study we have opted to provide a range using the national minimum wage (low estimate) and the local median wage (high estimate). In reality the true value of the input provided by volunteers will lie between the two estimates. Given the results to the survey it is estimated that:

- it would cost at least **£67,000,000 each year to employ staff to do the work provided by volunteers in the county²³**
- the actual annual cost of employing staff to do the work of volunteers could be as high as **£124,000,000 each year²⁴**.

Figure 6.3 (overleaf) presents a breakdown of survey responses by the total number of volunteers (including voluntary committee/board members) that organisations use. Overall more than 19 out of 20 (96 per cent) voluntary community organisations receive some kind of input from volunteers: just under a third (29 per cent) have 9 volunteers or fewer, nearly two-fifths (37 per cent) have between 10 and 19 volunteers, just over one-fifth (22 per cent) have between 20 and 49 volunteers, and about 1 in 12 (8 per cent) have more than 50 volunteers.

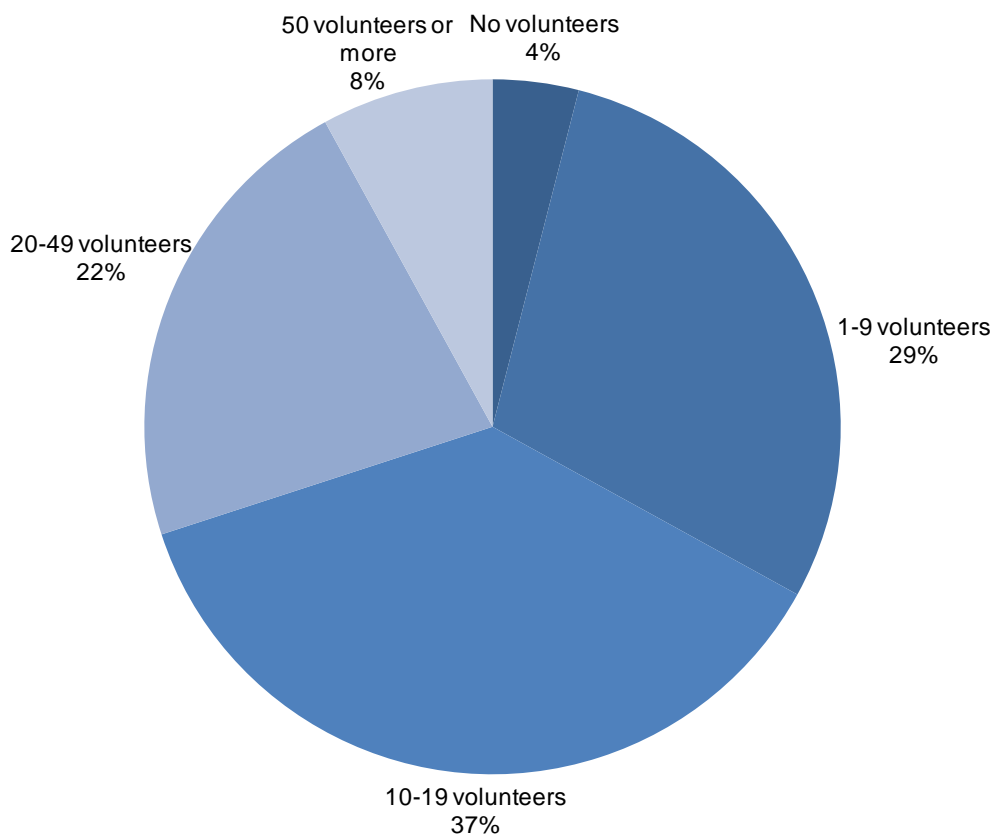
²¹ Note that this does not necessarily equate to individuals: people may volunteer for more than one organisation

²² This is the approach recommended by Volunteering England

²³ This assumes the national minimum wage for adults: £5.93 introduced in October 2010

²⁴ This assumes the median gross hourly wage for full time employees in Derbyshire: £10.89 for 2010

Figure 6.3: VCS organisations by numbers of volunteers



Source: Derbyshire State of the Sector survey 2011
Base: 451

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

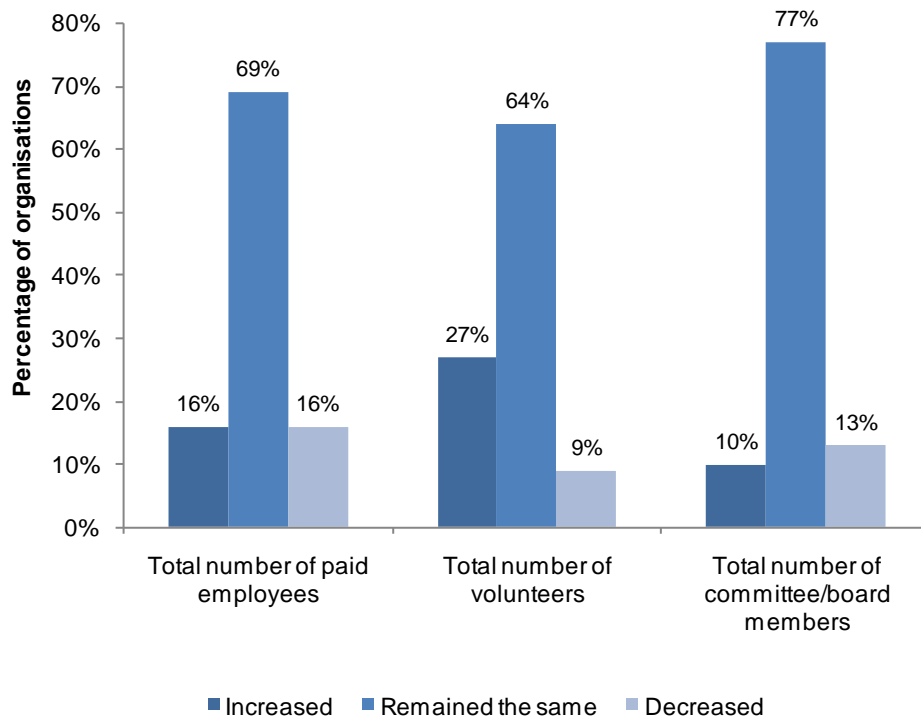
The final part of this chapter discusses how survey respondents said their workforce had changed in the past 12 months. The survey asked whether the following aspects organisation's workforce had increased, remained the same, or decreased in the last 12 months, in relation to

- the total number of paid employees
- the total number of volunteers
- the total number of trustees or committee members.

Figure 6.4 (overleaf) presents the results to these questions. It indicates that for a large part of the sector in the county the workforce has remained relatively static in the past 12 months:

- **Paid employees:** 69 per cent of respondents said this had remained the same compared to only 16 per cent of respondents who said it had increased or decreased
- **Volunteers:** 64 per cent of respondents said this had remained the same compared to 27 per cent who said it had increased and nine per cent who said it had decreased
- **Trustees and committee members:** 77 per cent said it had remained the same compared to ten per cent who said it had increase and 13 per cent who said it had decreased.

Figure 6.4: Change in aspects of the workforce in the last 12 months



Source: Derbyshire State of the Sector survey 2010
Base: 161/351/393

This chapter has highlighted key aspects of the VCS workforce in Derbyshire. A large number of people are working and volunteering in the sector. An astonishing 218,000 hours per week of unpaid labour is being contributed by volunteers at a minimum value of over £67,000,000 pounds per year. Interestingly, despite overall increases in income to the VCS, there has been little change in the numbers of employees or volunteers working in the sector. This may perhaps be an indication that those who are working in the sector are working harder than ever before. The next chapter is the final one to explore findings from the survey. It looks at relationships between VCS organisations and the public sector in Derbyshire.

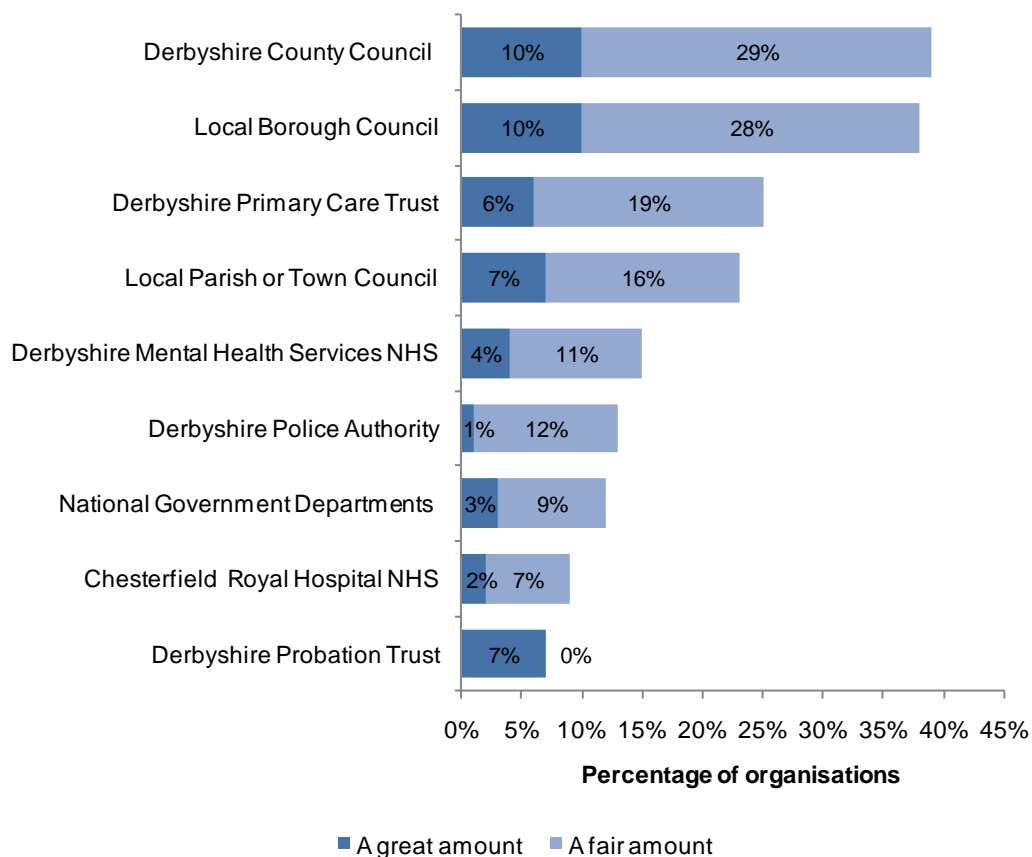
7. Working With the Public Sector

This chapter explores survey respondent's relationships with key public sector bodies. It includes the extent of their engagement the public sector and their views about how the main statutory bodies perceive their work.

Dealings with different public sector bodies

Survey respondents were asked about the extent of their dealings with each of the main public sector bodies covering all or parts of Derbyshire as well as National Government Departments. An overview of their responses is provided in figure 7.1.

Figure 7.1: Dealings with local public sector bodies



Source: Derbyshire State of the Sector survey 2011
Base: 216-301

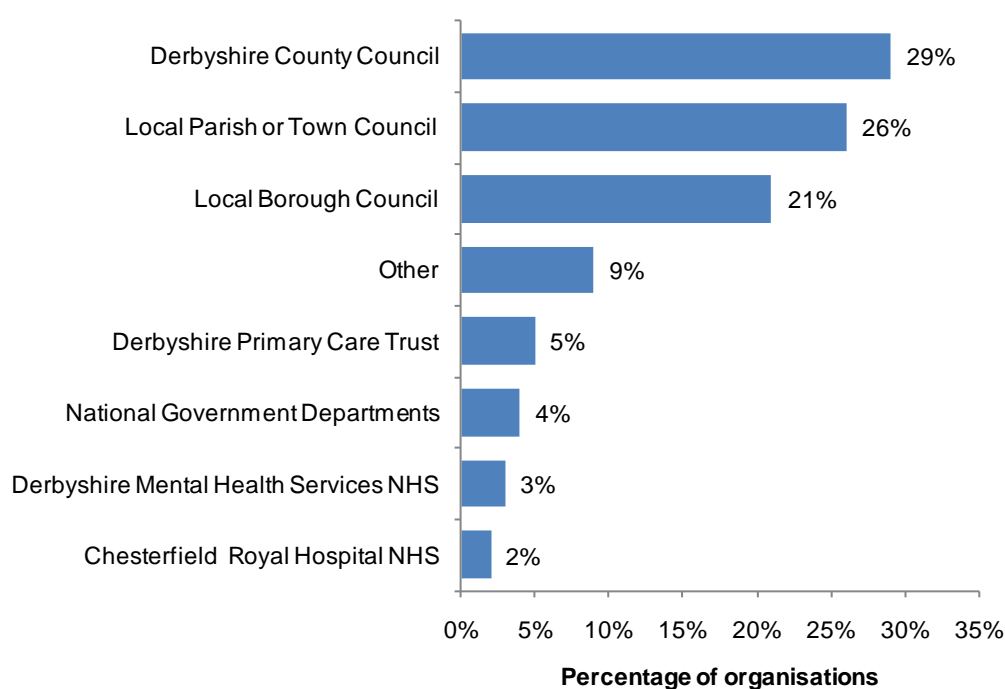
This shows that survey respondents had dealings with a range of local public sector bodies. **The most prominent public sector bodies are Local Borough Councils, Derbyshire County Council and Derbyshire Primary Care Trust:**

- **Local Borough Councils:** 77 per cent had some dealings with their local Borough Council; including ten per cent who have a 'great amount' of dealings and 19 per cent who have a 'fair amount' of dealings

- **Derbyshire County Council:** 76 per cent have some dealings with the Council; including ten per cent who have a 'great amount' of dealings and 29 per cent who have a 'fair amount' of dealings
- **Derbyshire Primary Care Trust:** 41 per cent have some dealings with the Primary Care Trust; including six per cent who have a 'great amount' of dealings and 19 per cent who have a 'fair amount' of dealings.

The survey highlights the central importance of the public sector to the everyday work of voluntary organisations and community groups: **only 12 per cent of respondents said they had no direct dealings with the public sector.** In order to understand the relative importance of each public sector body, the survey asked respondents to identify their most frequent public sector contact. An overview of their answers is provided in figure 7.2.

Figure 7.2: Most frequent public sector contact



Source: Derbyshire State of the Sector survey 2011
Base: 252

This highlights the importance of local councils to many voluntary and community sector organisations. **More than three-quarters of respondents (76 per cent) identified some form of local authority or local level council as their most frequent public sector contact.** The most common most frequent public sector contact was Derbyshire County Council (29 per cent) followed by Local Parish or Town Councils (26 per cent) and Local Borough Councils (21 per cent).

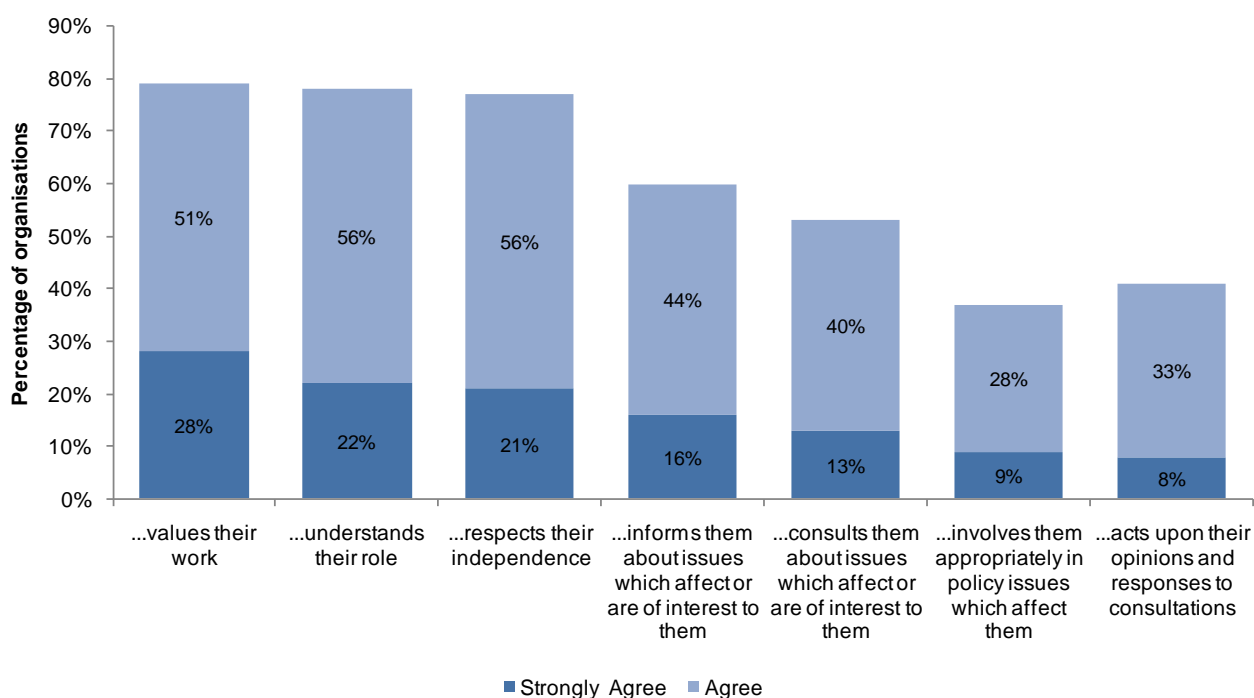
The previous two charts have highlighted the important links that exist between the voluntary and community sector and a range of public sector bodies. The quality of the relationships between the VCS and its public sector partners is therefore of central importance to its ability to operate effectively. To this end survey respondents were asked about the quality and effectiveness of their relationships with key public sector bodies. The questions covered the extent to which respondents said each public sector body:

Relationships with different public sector bodies

- values their organisation's work
- understands the nature and role of their organisation
- respects their organisation's independence
- informs their organisation about the issues which affect them or are of interest to them
- consults their organisation about issues which affect them or are of interest to them
- involves their organisation appropriately in developing and carrying out policy on issues which affect them
- acts upon their organisation's opinions and/or responses to consultations.

Respondents were asked to provide an answer for their most frequent public sector contact. The results of each question are summarised in figure 7.3.

Figure 7.3: Relationships with key public sector bodies



Source: Derbyshire State of the Sector survey 2011
Base: 301-330

- **valuing their work:** 79 per cent of respondents either agreed (51 per cent) or strongly agreed (28 per cent) that their most frequent public sector contact values their organisation's work
- **understanding their role:** 78 per cent of respondents either agreed (56 per cent) or strongly agreed (22 per cent) that their most frequent public sector contact understands the nature and role of their organisation
- **respecting their independence:** 77 per cent of respondents either agreed (56 per cent) or strongly agreed (21 per cent) that their most frequent public sector contact respects their organisation's independence
- **informing about key issues:** 60 per cent of respondents either agreed (44 per cent) or strongly agreed (16 per cent) that their most frequent public sector contact informs their organisation about issues that affect or are of interest to them

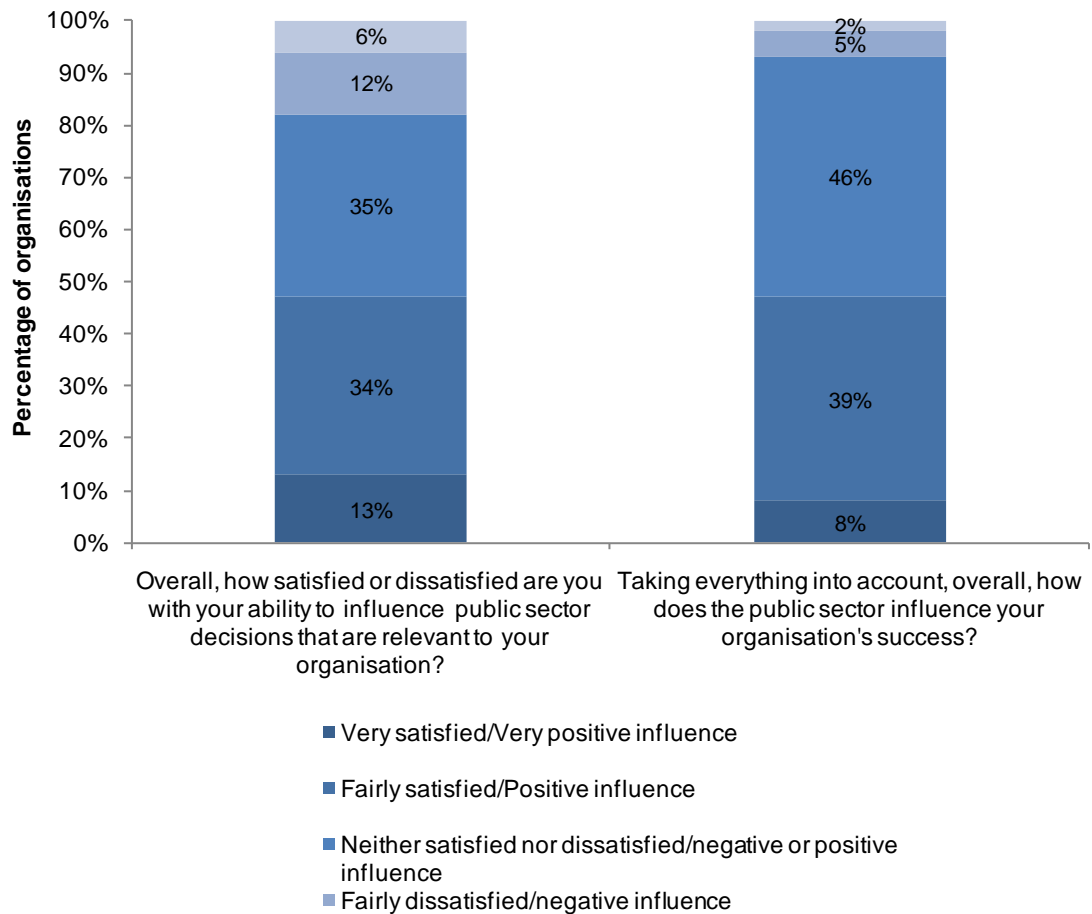
- **consulting about key issues:** 53 per cent of respondents either agreed (40 per cent) or strongly agreed (13 per cent) that their most frequent public sector contact consults their organisation about issues that affect or are of interest to them
- **involving in policy development:** 37 per cent of respondents either agreed (28 per cent) or strongly agreed (nine per cent) that their most frequent public sector contact involves their organisation appropriately in developing and carrying out policy on issues that affected them
- **acting on their views:** 41 per cent of respondents either agreed (33 per cent) or strongly agreed (eight per cent) that their most frequent public sector contact acts on their organisation's views or responses to consultation.

This suggests an overall trend in which **the voluntary and community sector's experience of working with the public sector is generally positive**. Public sector bodies appear particularly effective in the ways they value, understand and respect organisation's activities and independence, although they are perhaps less so in the ways they involve and respond to organisation's views in the development and delivery of policies.

However, the positive findings are somewhat tempered by responses to two further questions which asked the extent to which organisations were satisfied with their ability to influence their most frequent public sector contact when they are making decisions of relevance to their organisation and the extent to which they thought that contact influenced their organisation's success. The results of these questions are summarised in figure 7.4. (overleaf).

Figure 7.4 shows that, overall, 47 per cent of respondents were satisfied with their ability to influence the decisions of their most frequent public sector contact with the same proportion saying this contact had a positive influence on their organisation's success. This suggests that **there is significant room for improvement in more than half of all key relationships between voluntary and community organisations and public sector bodies**.

Figure 7.4: Proportion of organisations who said they were satisfied with their ability to influence public sector decisions of relevance to their organisation and who said local public sector bodies influence their organisation's success



Source: Derbyshire State of the Sector survey 2011
Base: 331/341

This chapter has looked at relationships between the public sector and the VCS. Almost all respondents have dealings with one or more public sector body and for most respondents, many aspects of these relationships are positive. VCS organisations on the whole feel understood valued, respected and well informed by their public sector partners. However, they are less confident about their ability to influence the decisions of the public sector, and over half of VCS organisations do not think that their most frequent public sector contact acts on their views or responses to consultation.

8. SROI case studies

This chapter summarises the findings of 5 case studies of VCS organisations which used a Social Return on Investment (SROI) approach to further explore the economic, social and environmental impact of the VCS in Derbyshire.

Social Return on Investment

SROI is based on stakeholders and uses financial proxies to place a value on outcomes that do not have a direct market price. Although it is not designed to be used exclusively by VCS organisations, it offers a useful approach to value outcomes which are of primarily social value and which are not traded on the open market.

SROI is based on seven principles:

1. Involve stakeholders

Understand the way in which the organisation creates change through a dialogue with stakeholders

2. Understand what changes

Acknowledge and articulate all the values, objectives and stakeholders of the organisation before agreeing which aspects of the organisation are to be included in the scope; and determine what must be included in the account in order that stakeholders can make reasonable decisions

3. Value the things that matter

Use financial proxies for indicators in order to include the values of those excluded from markets in same terms as used in markets

4. Only include what is material

Articulate clearly how activities create change and evaluate this through the evidence gathered

5. Do not over-claim

Make comparisons of performance and impact using appropriate benchmarks, targets and external standards.

6. Be transparent

Demonstrate the basis on which the findings may be considered accurate and honest; and showing that they will be reported to and discussed with stakeholders

7. Verify the result

Ensure appropriate independent verification of the account

Further information about the SROI methodology, and resources for SROI analysis can be found via the SROI network at <http://www.thesroinetwork.org> and in the Guide to Social Return on Investment published by the Cabinet Office in 2009.

SROI case studies

5 VCS organisations in Derbyshire acted as case studies, in which an SROI methodology was applied by the research team in an attempt to identify, and place a value on, the outcomes associated with the activities of those organisations.

Selection of the case studies was completed through a number of processes:

- a call for organisations willing to act as case studies was distributed by the research contact at Voice for the VCS via local events and networks
- details of responding organisations were passed to the research team at CRESR who selected a shortlist based on a number of criteria which included scope of activity, type of organisation and location (with a view to exploring the scope for using SROI methodology in a range of different scenarios)
- these shortlisted organisations were then contacted by the research team to discuss the potential for conducting SROI analysis within the timescale and resources available to the research project
- final selection was made on the basis of organisations which were able to work with the research team within the relevant timescales.

Therefore, it is important to note that the case studies are self-selecting in the first instance and, although the research team has endeavoured to ensure that the case studies cover a range of VCS activities, they are not intended to be representative of the VCS in Derbyshire as a whole.

The 5 case studies are:

- Derbyshire Wildlife Trust (Reserves Programme)
- Derbyshire Alcohol Advice Service (Clinical Service)
- Glapwell Gladiators Junior Football Club
- Home Start High Peak
- Derbyshire Mental Health Action Group.

In each case study a number of steps were followed:

- discussion and agreement on the scope of the SROI analysis
- stakeholder mapping
- impact mapping
- developing outcomes indicators
- identifying impact (accounting for issues such as deadweight and displacement)
- monetising benefits

- calculating SROI.

However, robust SROI analysis is dependent on the availability of outcomes data. It was not possible within the timescale and resources available to this project to conduct primary research to obtain new outcomes data and the research has therefore utilised existing outcomes data, where this has been available, to conduct the SROI analysis. Where this has not been available the research team have worked with the case study organisations to identify options and priorities for future data collection. In these case studies it has not been possible to fully monetise benefits or to carry out an SROI calculation.

A separate report on each case study is attached at Appendix One to this report. The remainder of this chapter summarises the findings of the case studies under four headings: stakeholders; inputs and outputs; outcomes and financial proxies; benefits.

Stakeholders

In each case study, discussion explored the stakeholders for the organisation, and the nature of their relationships with the organisation. As might be expected this revealed a **range of stakeholders who are benefiting in many different ways**. However, stakeholders can be categorised into four broad groups:

- *local people*: clients and service users; volunteers and trustees; employees; and local communities and the general public who benefit indirectly from the services that VCS organisations provide
- *public sector organisations*: direct benefits include the delivery of services (via contract) or saving associated with the services that VCS organisations provide (for example via recycling services which might contribute to reductions in emissions and landfill tax); and alternative forms of support to clients which might lead to exchequer savings through reductions in service use, reductions in support and benefit payments or increases in tax and NI contributions
- *private or commercial stakeholders*: who might benefit from cost savings associated with service delivery
- *other VCS organisations*: which might benefit from joint working and the referral of clients.

Example 1: Derbyshire Mental Health Action Group (MHAG) Stakeholder Relationships

Stakeholders	Nature of Relationship
Mental health service users/ MHAG members	<p>MHAG represents the rights of people with mental health problems.</p> <p>MHAG provides a forum within which service users can share experiences and develop strategies for improving mental health services through mutual action and participation</p> <p>Services users benefit from their active engagement in MHAG's activities and also from any improved services as a result of MHAG's campaigning. This activity may lead to a reduction of the social exclusion and stigmatisation of people with mental health problems.</p>
NHS Derby City and NHS Derbyshire County	<p>Provide funding through a SLA for MHAG</p> <p>MHAG provide a focus for a range of activities which are associated with the improvement of mental health services and the reduction of the social exclusion and stigmatisation of people with mental health problems.</p> <p>NHS Derby City and NHS Derbyshire County benefit through the SLA and from the feedback provided by MHAG</p>
Derbyshire Healthcare NHS Foundation Trust (Mental Health Trust)	<p>Provide Office at Kingsway Hospital for MHAG representatives to use Derbyshire Healthcare NHS Trust benefits from being able to engage with service uses through MHAG</p>
Derbyshire Mind	<p>Employs and supervises MHAG coordinators /provides office space for MHAG</p> <p>Derbyshire Mind are able to engage with service users through MHAG coordinators and also receive feedback re: mental health campaigns etc.</p>
MHAG Representatives (and active individual members)	<p>Representatives take an active role in MHAG meetings and take turns to chair meetings. Active members get involved in working groups and other activities.</p> <p>Representatives / active members benefit from increased skills and confidence and also improved self esteem that their active involvement brings. May improve employability.</p>
Derbyshire Police	<p>MHAG provide training to police recruits and Special Constables in mental health awareness</p> <p>MHAG is part of the Derbyshire Police External Disability Group looking at engaging with the disabled community</p>
Other statutory, private and voluntary sector mental health service providers	<p>Engage with service users through MHAG</p> <p>Receive feedback from MHAG on their activities</p>

Local Communities in Derbyshire

Through local events and conferences and other activities etc. MHAG challenges stigmatisation connected to mental health problems and raises awareness of mental health issues throughout communities in Southern Derbyshire and City of Derby

Inputs and outputs

The next stage of the SROI analysis is to identify the inputs and outputs associated with each of these stakeholders. Some inputs are monetary, in the form of grants or other funding. Other non monetary inputs include time (for instance the time given by volunteers or helpers) or in-kind support such as office space or expertise. Where possible, **a financial value is placed on inputs** in order to establish the full costs associated with the activities of the VCS organisation.

The outputs are primarily determined by the activities of the stakeholders (and the organisation). An example of inputs and outputs is given for the Glapwell Gladiators Junior Football Club.

Example 2: Glapwell Gladiators inputs and outputs

Inputs		Output	
	<i>Description</i>	<i>Value</i>	
Volunteers	Time – between 1 and 5 hours per week	£15,095 (costed at minimum wage)	1 training session per week (all year); 1 match per week (during season); team administration First aid and coaching qualifications (coaches) 2 OCN qualifications in group fund-raising and 'how to be a club secretary' (admin)
Club members	Time – approximately 3 hours per week A small weekly subscription	£970 total 'subs' for the year	3 hours structured physical activity per week
Local residents	Nothing (other than those who volunteer)	£0	1 community night attended by 200 people Potential future public realm improvements
Public services	Nothing	£0	No demonstrable outputs (although there may be outcomes from club-related outputs)
Sport England	A small grant	£2,052	Sustaining and growing 1 grassroots organization

Outcomes and Financial Proxies

Cost-benefit analysis looks at the differences between the financial value of the inputs and outputs of an organisation in order to establish whether a particular service represents value for money. However, SROI analysis looks at the outcomes identified with VCS activities by trying to identify what changes as a result of the organisation or service which is being studied.

There are a **wide range of outcomes associated with the activities of the VCS organisations** which acted as case studies for this research. These include improvements in skills, health and quality of life amongst clients and service users; the acquisition of skills, and in some cases employment amongst volunteers; improvements to the environment and local community life; and improvements to local services and policy development.

However, one of the key findings of the case studies is that **many organisations do not have evidence of the outcomes associated with their work**. It was not possible within the timescales of this project to undertake additional research to identify outcomes and our recommendations for individual case study organisations include suggestions for working with stakeholders to gather additional evidence in relation to the outcomes which they identify. It is likely that across the VCS in Derbyshire there is a **need for support to help VCS organisations and their stakeholders identify, and collect evidence, of the outcomes associated with their work**. Infrastructure organisations will have an important role to play in taking this work forward.

A **monetary value can be placed on some of these outcomes**, using proxies which attribute a market value to non-market goods. There are a wide range of financial proxies which can be used and suitable proxies were identified by the research team, in discussion with the case study organisations.

Examples of outcomes and financial proxies used in two case study organisations are given below:

- Derbyshire Wildlife Trust, in which a proxies were used to place a financial value on the social outcomes derived from the nature reserves managed by the Trust's volunteers, and the employment outcomes gained by a small number of long-term volunteers
- Home Start High Peak where, although it was not possible to complete the SROI calculation because of a lack of evidence on outcomes, consideration was given to appropriate indicators and financial proxies that could be used in a future SROI assessment.

Example 3: Derbyshire Wildlife Trust outcomes and financial proxies

Stakeholder		Outcomes		
		<i>Indicator</i>	<i>Source</i>	<i>Financial proxy</i>
Volunteers	Employment	3 FTE jobs gained by long term volunteers	DWT	Increase in annual earnings over benefits for a single individual working full-time (2009/10)
General Public	Ecosystems services derived from habitat	Quantity of land managed by DWT = 539 hectares	DWT	Value of different habitats per hectare (2010 prices)

Example 4: Home-Start High Peak outcomes and financial proxies

Stakeholder	Outcomes			
	Indicator	Source	Financial proxy	
Derbyshire County Council	Fewer referrals to social services and children's centres	Number of re-referrals from those that have received Home-Start support compared to those that hadn't	None available	Cost of social service interventions
	Fewer re-referrals to children's centres following end of children's centre involvement	Service users that received Home-Start support achieving more DCC/PCT target outcomes than those that did not	None available	Cost of children's centre interventions
Derbyshire PCT	Improved mental and physical health of families, leading to fewer visits for Health Visitors, GPs and other health services.	See service user benefits		
Tameside and Glossop PCT	As above	See service user benefits		
Sainsbury's	Improved image	Not really measurable		
	Meet Corporate Social Responsibility agendas	Not available		
DCC Community Leadership Scheme	Meet council agendas on health and well-being	Not really measurable – intervention too distant from outcomes		
Lloyds TSB Foundation	Improved image	Not really measurable		
	Meet Corporate Social Responsibility agendas	Not available		
Employees	Access to further training and potential career progression	Number of qualifications gained in year 2009/10	Data not available	Value of formal qualifications as measured by CRESR (2010)
		Career progression of employees as a result of qualifications	Data not available	Value of additional employee wages

Volunteers	Increased confidence through work, gaining employment as a direct result of volunteer experience, and carrying out further training.	Wage of employees in employment gained as a result of HSHP involvement	Data for total over last three years – not broken down by years	Median wage of employees in different professions
		Number of formal qualifications gained	Data for total over last three years – not broken down by years	Value of formal qualifications (as above)
Service Users	Improved family mental and physical health; improved behaviour in children; parents more able to manage household finances	Potential quality of life gains, and could lead to other measurable outcomes e.g. employment	Not measurable with the data provided	No appropriate measure available
		Reduced levels of debt / number of bankruptcies amongst beneficiaries	No data	
		The two most appropriate measures are visits to the GP, or visits from health visitors. However, as health visitor visits are likely to drop-off as children get older, the figure for GPs is taken.	JRF Report 'Young Families Under Stress', adjusted to number of outputs for High Peak Home-Start.	Unit costs of interventions

Benefits

As outlined above, it was not possible in all the case studies to gather sufficient evidence of outcomes to fully establish the value of the benefits associated with VCS activity. However, the examples outlined below provide evidence of the value of some of the social benefits of the work of VCS organisations in the county. In some instances, it has only been possible to value some outcomes, in others the availability of more extensive outcomes data has enabled a more complete calculation of social return on investment.

SROI assessment requires a judgement about what proportion of the outcomes that have been identified are a result of the organisation that is being studied, and how much might have happened anyway (deadweight), how much has resulted in changes to other organisations or people (displacement), and who else has contributed to the change (attribution). The examples below outline how these calculations were made in two case study organisations and the resulting values associated with the outcomes identified.

Example 5: Derbyshire Alcohol Advice Service: attributing change and calculating social return on investment

In discussion with DAAS it was decided that although people accessing the Clinical Service are clearly motivated to change their drinking behaviours, the experience of the service providers was that approximately 80 per cent of those joining the programme would continue drinking in the absence of the service. Thus the benefits to individuals and society have been reduced by 20 per cent.

The potential for others to influence the outcomes was also discussed. Although the outcomes that have been counted are solely for people who participate in the Clinical Service (and not those referred by DAAS to the Tier 3 service) it is likely that the outcomes for those involved in the Clinical Service will be influenced by others such as families, friends, and other professionals with whom they are in contact. Thus the outcomes for individuals and society have been reduced by a further 20 per cent.

Finally, we have considered the degree to which the job outcomes for volunteers are wholly attributable to the DAAS Clinical Service. There are no available guidelines for the likely net value of progression from volunteering to employment, but it is likely that the net value would be relatively low. Similar outcomes, such as jobs created (32 per cent net value) or people that gain jobs as a result of training (48 per cent), tend to have relatively low values, and given we do not have any indication from the volunteers as to how important they thought their experience was in gaining a job here, an estimate of 50 per cent net value is taken. This takes into account that direct experience with DAAS is a necessary pre-condition of gaining a job.

In our calculations we have also considered the outcomes that might accrue from DAAS activity over a five year period. Thus we have considered how much of each outcome will no longer be attributable to the DAAS Clinical Service in each year following 2009/10. This is called 'drop off'. For the job outcomes this has been calculated at 20 per cent so that if, at the end of five years, the volunteers were still in employment this would no longer be attributable to the skills and contacts they gained through volunteering with DAAS (as other more recent activities would have assumed greater importance).

The net value of the outcome associated with the DAAS Clinical Service in 2009/10 is **£637,370**. This gives an SROI ratio of **1: 1.56**. On the basis of these calculations, for every £1 invested in the DAAS Clinical Service there will be £1.56 of social benefits.

Over five years the benefits associated with the work of the DAAS Clinical Service will have a Net Present Value (NPV) of **£2,014,143**.

These values are significant. However, it is important to note that this SROI assessment has looked at only one aspect of DAAS's activities, and there may be other aspects of DAAS's work which have different social values.

This assessment is also **partial**. It has not been possible, for instance, to quantify or place a value on the changes to the families of clients who reduce their alcohol intake after participating in the Clinical Service, and there may be other benefits to service providers which have not been captured here. This analysis has also concentrated solely on outcome for those who have joined DAAS Clinical Service, and does not include those referred on to the Tier 3 service provider.

Example 6: Derbyshire Wildlife Trust: attributing change and calculating the social return on investment

We have assumed that only one of the people who gained employment with DWT might have taken up a job anyway - this is a calculation of deadweight. The calculation for deadweight considers that access to the job is largely a result of the skills and contacts built up through long term volunteering with DWT. A similar assumption applies to attribution and displacement, as the jobs were taken by highly skilled individuals who had been trained by solely by DWT and that other agencies which specialise in job search (e.g. Jobcentre plus) would not have been in a position to assist with access to these opportunities.

In relation to the outcomes associated with land management, discussion with DWT revealed that approximately 25 per cent of the reserves would be managed to support diversity in the absence of DWT (deadweight). Thus we have assumed that 75 per cent of this outcome is a result of the activities of the DWT Reserves Team. DWT is solely responsible for the management of the Reserves, and there is no other organisation offering similar services locally.

In our final calculations we have also considered the outcomes that might accrue from DWT activities over a five year period. Thus we have considered how much of each outcome will no longer be attributable to DWT in each year following 2009/10. This is called 'drop off'. For the job outcomes this has been calculated at 20 per cent so that if, at the end of 5 years, the volunteers were still in employment this would no longer be attributable to the skills and contacts they gained through volunteering with DWT (as other more recent activities would have assumed greater importance).

We have assumed that 100 per cent of the benefits associated with land management would be maintained for each of the five years, on the assumption that levels of activity will be similar.

On this basis we have calculated the inputs associated with the DWT Reserves Team in 2009/10 to have a value of **£294,073**. This is more than the income associated with Reserves Programme in that period because it includes the value associated with the input of volunteers.

The value of the outcomes associated with the work of the DWT Reserves Programme in 2009/10 is **£1,924,628**. This gives an SROI ratio for this period of **1:6.54**. On the basis of these calculations, for every £1 invested in the DWT Reserves programme there will be £6.54 of social benefits.

Over five years, the benefits associated with the work of the DWT Reserves Programme would have a Net Present Value (NPV) of **£8,936,966**.

These values are substantial, and derive primarily from the high values that people are willing to pay for preservation of the environment. However, it is important to note that this SROI assessment has looked at only one aspect of DWT's activities, and there may be other aspects of the Trust's work which have lower economic and social values.

In addition, it has not been possible to base this assessment on primary evidence of outcomes: we have calculated outcomes for society based on evidence derived from studies conducted elsewhere. This is an entirely legitimate approach (particularly in the absence of resources to conduct primary research) but it may be beneficial in future for DWT to consider the possibilities for validating this study by collecting additional primary data on outcomes.

This chapter has summarised the findings from SROI case studies carried out with VCS organisations in Derbyshire. Full reports on each of the case studies are attached at

Appendix One to this report. The research team followed an SROI methodology in order to attempt to establish the value of outcomes associated with the work of these organisations. In some cases a lack of available outcomes data has meant that it has only been possible to establish a partial assessment of the value of benefits. However, where a more complete SROI analysis has been possible, our evidence suggests that **the value of outcomes generally outweighs the investment (in terms of time and money) made in the VCS in Derbyshire.**

The final chapter of this report contains the conclusions to the research.

9. Conclusions

This research has sought to gather evidence through which to measure, and place a value on, the 'difference' that the local VCS makes to economic, social and political life in Derbyshire.

The research has revealed an extensive and varied VCS which is providing vital services and support to a wide range of clients, users and beneficiaries. A large proportion of the VCS is made up of small, local organisations which are often a fundamental part of the fabric of their communities. Key areas of activity include arts, culture and leisure; health and well-being; community development; and training and research, but there are VCS organisations working across a diverse range of service areas.

One of the striking features of the VCS in Derbyshire is the extent of volunteering: more than 100,000 volunteers are providing the services of an equivalent 6,000 full time paid staff members. These volunteers represent a huge resource for the county.

Income to the sector is considerable, and has increased in recent years, although much of this increase has been concentrated in large and medium sized organisations. But despite an overall upward trend there are some causes for concern in relation to the financial resilience of the sector: there is evidence that the income of smaller organisations is falling; over 60 per cent of organisations depend (at least in part) on public sector funding and there is evidence that some VCS organisations are spending more than they are receiving and have little or nothing in the way of financial reserves. Medium sized organisations which are heavily dependent on public sector income sources may be especially vulnerable over the coming years.

The social impacts of the VCS are considerable and this research has considered, in a very small way, how these impacts can be valued. There is much more work to be done in this area and there is in particular a need for VCS organisations, infrastructure bodies and public sector partners to work towards establishing more robust evidence of outcomes. But the evidence presented in this report suggests that there are substantial values associated with the outcomes of the VCS.

The future for the VCS in Derbyshire (as elsewhere) is uncertain. There are some difficult challenges facing voluntary and community organisations arising from cuts in public spending, changes in the local organisational landscape (and the emergence of new public sector organisations and partnerships); changes to commissioning and funding arrangements; and changes to the needs of individuals and communities.

But there are also opportunities which might emerge from new Government agendas around the 'Big Society' and Localism. These include the opportunity to work with local communities to shape the areas in which they live; to benefit from more opportunities for volunteering and increased levels of charitable action; and to develop new and innovative ways to engage in the delivery of local services.

These changes will impact differently on different parts of the VCS in Derbyshire. On the one hand, the small organisations which make up the majority of the VCS locally may be relatively unaffected. Those that are less dependent on public funding and which operate at a very small scale may continue to do so in much the same way that they

have always done: it is not always appropriate, or desirable, for VCS organisations to expand or to take on new responsibilities. But it is important that these organisations are not overlooked in all the changes that are taking place, and that they are supported to carry on delivering their services in the ways that they see fit.

But some parts of the VCS will be well placed to take on new, or perhaps increased, roles in service delivery, or to incubate new organisations which might take over assets, or establish new community-based services. These organisations will need to be supported too, to identify opportunities, and to work proactively with partner agencies to shape new approaches to meeting the needs of Derbyshire residents.

The research has revealed that there are positive relationships between the VCS and the public sector in the county, and these provide a strong foundation for moving forward. Against this background it is important that:

- **VCS organisations are able to demonstrate their worth to funders and service providers** - this report is a step in the right direction, but there is more to be done by individual organisations in identifying their achievements and collecting evidence to support their outcomes. **Infrastructure organisations have a key role to play in helping the VCS collectively to 'upskill' in this area**
- **the VCS is appropriately represented on new and emergent partnership structures** such as the Derbyshire Partnership and the local economic partnership
- **Productive and ongoing dialogue between the VCS and the public sector continues to underpin decisions and policy development.** In particular, there seems to scope for improvement in the degree to which VCS organisations feel able influence policy. This is a challenge for the public sector, particularly when it is faced with difficult decisions of its own, but it is vital that VCS organisations do not feel disengaged, or disassociated from new policy developments
- **the VCS is encouraged to consider how it responds to these challenges and opportunities.** It is not the purpose of this research to make recommendations about the future direction of the VCS in Derbyshire. Nevertheless it became apparent during the course of the research that there may be a need over the coming months and years for the VCS to think collectively, and creatively, about future directions and the ways in which it wishes to respond.

Appendix One: Case Study Reports

Case Study A: Home-Start High Peak

1. About the organisation

Home-Start High Peak is a charitable trust that works with families with young children to help them to deal with the challenges of parenting. Home-Start High Peak aims to:

- safeguard, protect and preserve the physical and mental health of children and their parents
- prevent cruelty to, or maltreatment of, children
- relieve sickness, poverty and need amongst children
- promote better standards of childcare in the High Peak area

The trust is part of the UK-wide Home-Start network. This case study covers the trust's activity in the 2009/10 financial year.

1.1 Nature of activities

The majority of HSHP's work involved volunteers visiting families in their homes to support them with a range of different problems, and develop parenting skills. The trust also provided families with advice on benefits and grants; and worked with a local children's centre to run a group for teenage parents, which provided peer support and professional advice about childcare and development.

In 2009/10, HSHP had a turnover of £87,651, consisting entirely of donations and grants from private and public sector organisations.

1.2 Staffing

The trust had three employees: one full time member of staff, and two part-time. They worked a total of 89.5 hours per week (2.4 fte).

1.3 Volunteers

There were a total of 47 volunteers, who worked a total of 215 hours per month, as shown in Table A1, below.

Table A1: volunteer hours

	Number	Total hours per month
Voluntary committee / board members	11	7
Volunteers	36	208

2. Funding

A number of public, private and third sector organisations provided funding to HCSP. The main grant providers were as follows:

- Derbyshire County Council and PCT provided £66,586 funding through a joint-service level agreement to provide services to families with children under the age of five.
- Sainsbury's (£1,000) and Lloyds TSB Foundation (£4,000) both provided grants to contribute to the running costs of the organisation. The Lloyds TSB Foundation grant was specifically aimed at towards the salary of the charity co-ordinator, volunteer travel and training, and core running costs.
- The Barnabas Charitable Foundation provided unrestricted funds of £1,000.

In addition, the trust received £11,665 in charitable donations from individuals and other charities.

3. Stakeholders

Each of the funders listed above may be considered stakeholders. In terms of public sector organisations, Home-Start High Peak work with DCC to support families and access children's centres, including a teenage mothers group run through the children's centres. PCT Health Visitors also refer families to Home-Start High Peak. Home-Start provides a service that the Health Visitors do not have time to fulfil themselves. The clearest benefit to these services is the potential for reduced referrals and use of physical and mental health services.

Individuals may benefit from the service in a number of ways. The most significant group of these is service users, who potentially benefit from improved physical and mental well-being. The full list of potential material stakeholders is outlined in Table A2, below. Employees and volunteers may benefit from improved skills, increased employment opportunities, and greater self-esteem or quality of life.

Table A2: Home-Start High Peak Stakeholder Relationships

Stakeholders	Nature of Relationship
Derbyshire County Council and Derbyshire PCT	<p>Joint Derbyshire County Council and PCT service agreement to provide support services to families with children under the age of five, especially those with lower level support needs that have been in receipt of social care service. Includes service to recruit and train volunteers.</p> <p>DCC benefits from HSHP support in three key ways:</p> <ul style="list-style-type: none"> ▪ Fewer referrals to social services and children's centres ▪ Fewer re-referrals to children's centres following end of children's centre involvement ▪ Improved mental and physical health of families, leading to fewer visits for Health Visitors, GPs and other health services.
Tameside and Glossop PCT	<p>HSHP provide services to families with children under the age of five. The PCT benefit from improved mental and physical health of families, leading to less strain on services.</p>
Sainsbury's	<p>Sainsbury's provided a small unrestricted grant to HSHP in 2009/10.</p> <p>They potentially benefit from improvements to their image, as well as meeting their corporate social responsibility goals</p>
Lloyds TSB Foundation	<p>Lloyds TSB Foundation also provided a small unrestricted grant to HSHP in 2009/10.</p> <p>Lloyds TSB also potentially benefit from improvements to their image, as well as meeting their corporate social responsibility goals</p>
Employees	<p>Beyond the direct benefits of being employed, employees have access to further training through the organisation and stakeholder organisations, which in turn may lead to career progression</p>
Volunteers	<p>Increased confidence through work, gaining employment as a direct result of volunteer experience, and carrying out further training.</p>
Service Users	<p>Improved family mental and physical health; improved behaviour in children; parents more able to manage household finances</p>

4. Inputs and outputs

For each of the stakeholders identified above we mapped the range of inputs and outputs. These are set out in table A3. This gives a total investment of £102,873 in 2009/10, if volunteer time is included.

Table A3: Home-Start High Peak Stakeholder Inputs and Outputs

Inputs			Output
	Description	Value	
Derbyshire County Council	Joint DCC and PCT service agreement , as well as a small grant from DCC to assist with the cost of family outings / trips	£66,986 in 2009/10	4 social service referrals to Home-Start
Derbyshire PCT			28 health service referrals to Home-Start
Tameside and Glossop PCT	A small investment of restricted funds	£3,000	9 referrals to Home-Start
Sainsbury's	A small grant of unrestricted funds	£1,000	No data
Derbyshire County Council Community Leadership Scheme	A small grant to assist with cost of family outings / trips	£400	No data
Lloyds TSB Foundation	Grant to contribute towards the salary of the Co-ordinator, volunteer travel and training, and core running costs.	£4,000	No data
Employees	Time	Total staff costs = £67,200 for 2009/10	
Volunteers	Time	Based on min. wage = $215 * 5.90 * 12 = £15,222$	215 volunteer hours per month
Service Users	Nothing, other than a small amount of time to see Home-Start volunteers	N/A	91 service users in 2009/10

5. Outcomes and potential financial proxies

Following from the above we mapped the outcomes that were likely to accrue to each stakeholder and considered how this might be reflected as a monetised benefit. This process is outline in detail in table A4.

Table A4: Home-Start High Peak Stakeholder Outcomes

Stakeholder		Outcome		
		Indicator	Source	Financial proxy
Derbyshire County Council	Fewer referrals to social services and children's centres	Number of re-referrals from those that have received Home-Start support compared to those that hadn't	None available	Cost of social service interventions
	Fewer re-referrals to children's centres following end of children's centre involvement	Service users that received Home-Start support achieving more DCC/PCT target outcomes than those that did not	None available	Cost of children's centre interventions
Derbyshire PCT	Improved mental and physical health of families, leading to fewer visits for Health Visitors, GPs and other health services.	See service user benefits		
Tameside and Glossop PCT	As above	See service user benefits		
Sainsbury's	Improved image	Not really measurable		
	Meet Corporate Social Responsibility agendas	Not available		
DCC Community Leadership Scheme	Meet council agendas on health and well-being	Not really measurable – intervention too distant from outcomes		
Lloyds TSB Foundation	Improved image	Not really measurable		
	Meet Corporate Social Responsibility agendas	Not available		
Employees	Access to further training and potential career progression	Number of qualifications gained in year 2009/10	Data not available	Value of formal qualifications, as measured by CRESR (2010) ²⁵ although this may not fit with a 'pure' SROI approach.
		Career progression of employees as a result of	Data not available	Value of additional

²⁵ CRESR (2010) *Valuing the Impact of Groundwork UK*: a value of £5,000 was attached to achievement of NVQ levels 2 and 3, based on increased income attributed to people who have achieved these qualifications. However, the NVQ is not a financial outcome in itself, and as such this number may not be appropriate for SROI – especially where small numbers are involved.

		qualifications		employee wages
Volunteers	Increased confidence through work, gaining employment as a direct result of volunteer experience, and carrying out further training.	Wage of employees in employment gained as a result of HSHP involvement	Data for total over last three years – not broken down by years	Median wage of employees in different professions
		Number of formal qualifications gained	Data for total over last three years – not broken down by years	Value of formal qualifications (as above)
Service Users	Improved family mental and physical health; improved behaviour in children; parents more able to manage household finances	Potential quality of life gains, and could lead to other measurable outcomes e.g. employment	Not measurable with the data provided	No appropriate measure available
		Reduced levels of debt / number of bankruptcies amongst beneficiaries	No data	
		The two most appropriate measures are visits to the GP, or visits from health visitors. However, as health visitor visits are likely to drop-off as children get older, the figure for GPs is taken.	JRF Report 'Young Families Under Stress', adjusted to number of outputs for High Peak Home-Start. ²⁶	Unit costs of interventions ²⁷

This demonstrates the range of different social returns accruing to various stakeholders.

6. Attributing change and calculating the social return on investment

The next step in the process was to look at the stakeholder outcomes that can be attributed to HSHP, and then attach a proxy value to these, based on the outcome map in section 5.

Table A5 outlines the gross outcomes and values based on the available data from HSHP and secondary data from the JRF report *Young Families Under Stress* and the availability of appropriate proxy measures.

It is important to note at the outset that the figure obtained maps only a small number of potential outcomes and values, owing to the lack of data available. As a result, *the values obtained will likely reflect only a small percentage of the overall SROI of the service.*

²⁶ This report looked at the role of Home-Start across the country, using a sample of Home-Start users. While HSHP's figures will no doubt vary from the national picture, given that the Home-Start delivery model is similar across the country, this was taken as a starting point to get some idea of the value of the service. To value HSHP, the results from the JRF survey have been adjusted to reflect the number of referrals to HSHP compared to the survey sample.

²⁷ Based on Curtis (2010) *Unit Cost of Health and Social Care 2010*

Table A5: Gross demonstrable outcomes and values

Stakeholder	Outcomes			
	Indicator	Outcome	Financial proxy	Value £
Volunteers	Employment gained as a result of involvement with HSHP	7 jobs in 3 years	Median wage for different professions, averaged across number of jobs and number of years ²⁸	£37,788.5 per year
Service Users	Public purse savings plus access to wider services	Varies across different services	Unit costs for e.g. GP visits, health visitors, educational psychologists	£22,335

The above table gives an overall gross SROI of £60,123 for the year 2009/10, or a **£0.58 return for every pound invested**. As noted, however these figures reflect just some of the overall potential outcomes – and are based on proxy data – and so should not be in any way read to indicate the SROI of HSHP as a whole. They instead show potential measures for a **part of the service**. If only public service investment is taken into account this figure becomes **£0.86 per pound invested**.

Calculating the benefit to service users involves an amalgamation of figures that reflect improved health – and therefore a reduced cost to the public purse in terms of number of visits to GPs or health visitors, for instance – and those that reflect increased access to wider services, such as speech therapy or educational psychologists. This involves counting reductions in some services as a positive value, while increases in others are seen as positive also. This means that for increased public cost is counted as a benefit to service users in some instances and a decreased cost is considered as a benefit in others. Volunteer values are determined from data covering outcomes over three years, using proxy data to determine wages.

The next step from this gross figure is to develop a net value, taking into account any deadweight, substitution, displacement, multiplier and drop-off. The data for physical and mental health outcomes comes from a secondary source, from which it is not possible to estimate substitution, multipliers or drop-off rates. However, the additionality of the service has been measured against a control population of families that did not use Home-Start: this is used to give the net figures in Table A6, below.

There are no available guidelines for the likely net value of progression from volunteering to employment, but it is likely that the net value would be relatively low. Similar outcomes, such as jobs created (32 per cent net value) or people that gain jobs as a result of training (48 per cent), tend to have relatively low values²⁹, and – given we do not have any indication from the volunteers as to how important they thought their experience was in gaining a job – here, a conservative estimate of 20 per cent net value is taken. This takes into account that, although in some cases experience is a necessary pre-condition of gaining a job, it may also be only one of a whole range of factors taken into account when making a decision about whether to employ somebody.

²⁸ Employment values taken from 2010 Annual Survey of Hours and Earnings (ASHE)

Analysis by Government Office Region by Occupation (National Statistics, 2010)

²⁹ Based on the English Partnerships (2008) Additionality Guide: http://www.thesroinetwork.org/publications/doc_download/30-english-partnerships-additionality-guide

Table A6: net physical and mental health outcomes and values

Stakeholder	Outcomes			
	Indicator	Outcome	Financial proxy	Value £
Volunteers	Employment gained as a result of involvement with HSHP	1.4 jobs over three years	Median wage for different professions, averaged across number of jobs and number of years ³⁰	£7,757.71
Service Users / Public Services	Reduction in public service costs + wider access to services	3.64	£36.1 per GP consultation	£19,109.60

This gives a net value of **£26,867** for 2009/10, or **£0.26** per pound invested. This figure increases to **£.38** per pound when only public investment is considered. Again it is important to note that this will not likely be an accurate measure of the total SROI of the organisation, and is simply indicative of some of the possible impacts on one aspect of the organisation's overall potential stakeholder impacts. **In order to develop a more rounded analysis of the SROI, further data would be required.**

7. Next Steps

At this stage the SROI analysis has mapped the potential outcomes and impacts from HSHP's activities but further primary data collection would be required in order to make a more robust assessment of social impact. The data requirements for each stakeholder are set out in Table A7, which would offer a starting point for a future SROI analysis.

³⁰ Employment values taken from 2010 Annual Survey of Hours and Earnings (ASHE) Analysis by Government Office Region by Occupation (National Statistics, 2010)

Table A7: Additional data requirements

Stakeholder	Data Requirements	Proposed Data Collection Method
DCC, Derbyshire PCT and Tameside and Glossop PCT	Number of re-referrals to mainstream support following HSHP intervention	Monitoring of service users use of mainstream services – e.g. children’s centres
DCC, Derbyshire PCT and Tameside and Glossop PCT	Number of GP visits, health visitor visits, or trips to A&E made by service users	Collection of baseline data from service users at start of intervention; follow-up surveys with service users to uncover change in use of services.
Employees	Qualifications achieved by employees per year and any outcomes associated to this	Employee monitoring
Volunteers	Qualifications and employment gained by volunteers per year as a result of involvement with Home-Start	Volunteer monitoring, and potential follow-up to volunteers.
Service Users (and potentially volunteers)	Improved quality of life	Use of ‘outcomes star’ to monitor service users self-reported change as a result of intervention (see Alcohol Advisory Group case study for more information on this, or http://www.outcomesstar.org.uk/). This may then allow for some valuation of quality of life changes
Service Users and Volunteers	Increased engagement in social activities / networks	Baseline data taken from families to give a ‘snapshot’ of social/leisure activities at start of intervention / becoming a volunteer, follow-up at end, and again one year on. This may allow valuation of increased quality of life
Service Users	Reduction in levels of debt or bankruptcies in service users	Baseline and follow-up questionnaires

Case Study B: Glapwell Gladiators Junior Football Club

1. About the organisation

Glapwell Gladiators JFC was founded in May 2005 by local residents in Glapwell, who felt that there were not enough opportunities in the area for local children to become involved in organised sporting activities. They began with two teams: one Under-9s and one Under-10s.

In the 2009/10 season the club had five teams playing in the local junior football league at different age groups between 10 and 15. There were 80 children registered with the club.

1.1. Staffing

The Club do not employ any staff; it is entirely run by volunteers.

1.2. Volunteers

In 2009/10 there were a total of 20 volunteers, who volunteered a total of 312 hours per month, as shown in Table B1, below. The 11 coaches provided the majority of hours, with the Club's secretary and treasurer also volunteering 20 hours per month each.

Table B1: volunteer hours

Volunteer role	Number	Total hours per month
Coaches and assistants	11	242
Secretary and Treasurer	2	40
Other administrative volunteers	7	30

2. Funding

The Club is funded through contributions from Club members through weekly 'subs', and have received a number of grants over the last five years to contribute to equipment costs, and training of volunteers. In 2009/10 it received a grant of £2,053 from Sport England, used to fund the development of an extra team and procure new kits for the teams.

3. Stakeholders

The most significant material stakeholders were individuals: specifically, volunteers, children using the service, and by proxy their families. Sport England, as grant providers were the main 'external' stakeholder with direct input to the Club. Local residents were considered as potential material stakeholders, as were public services such as the NHS, schools, police force and social services, but there is insufficient evidence to value this. These stakeholders are included to show how their value may be calculated in future. The full list of stakeholders is shown in Table B2, below.

Table B2: Glapwell Gladiators JFC Stakeholder Relationships

Stakeholders	Nature of Relationship
Volunteers	<p>Volunteers run the Club and as such provide vital input to the organisation.</p> <p>They potentially benefit by gaining new skills or qualifications (and new employment or volunteering opportunities as a result), improved quality of life through increased physical activity, as well as increased confidence/self-esteem</p>
Club members (children – and parents by proxy)	<p>Club members give their time and pay a small subscription be part of the GGJFC. They benefit from increased physical activity and out of school activity in a structured environment, which combined may have potential benefits in terms of improved behaviour and educational achievement. There is also potential for improved physical and mental health as well as general quality of life</p>
Local Residents	<p>Local residents do not make any significant input – other than as volunteers – but may benefit from community events held by the Club, as well as potential for reduced ASB amongst children in the area (although this may be difficult to demonstrate). There are future plans for public realm improvements, which will have a positive impact on</p>
Public services	<p>Public services may benefit in the following ways:</p> <p>Reduction in visits to GPs, hospitals and other physical or mental health services Reduction in ASB – although probably only very small Improvement in educational achievement and behaviour (fewer exclusions)– again probably only a very small difference</p>
Sport England	<p>Sport England invested a small grant to the Club. They potentially benefit by meeting their corporate goals of growing and sustaining grassroots sporting activity.</p>
The Children’s University	<p>The Club is a member of the Children’s University, a scheme which promotes out of school learning activities. The Children’s University benefits by achieving goals of increasing children’s engagement in out of school activities (not considered a material stakeholder for the remainder of this valuation).</p>

4. Inputs and outputs

For each of the stakeholders identified above we mapped the range of inputs and outputs. These are set out in Table B3. This gives a total investment of **£20,060** in 2009/10, if volunteer time is included.

Table B3: Glapwell Gladiators inputs and outputs

Inputs			Output
	<i>Description</i>	<i>Value</i>	
Volunteers	Time – between 1 and 5 hours per week	£15,095 (costed at minimum wage)	1 training session per week (all year); 1 match per week (during season); team administration First aid and coaching qualifications (coaches) 2 OCN qualifications in group fund-raising and 'how to be a club secretary' (admin)
Club members	Time – approximately 3 hours per week A small weekly subscription	£970 total 'subs' for the year	3 hours structured physical activity per week
Local residents	Nothing (other than those who volunteer)	£0	1 community night attended by 200 people Potential future public realm improvements
Public services	Nothing	£0	No demonstrable outputs (although there may be outcomes from club-related outputs)
Sport England	A small grant	£2,052	Sustaining and growing 1 grassroots organization

5. Outcomes and potential financial proxies

Following from the above we mapped the outcomes that were likely to accrue to each stakeholder and considered how this might be reflected as a monetised benefit. This process is outline in detail in Table B4.

Table B4: Glapwell Gladiators Stakeholder Outcomes

Stakeholder		Outcome		
		Indicator	Source	Financial proxy
Volunteers	New coaching skills or qualifications	Formal coaching and admin qualifications (although not really suitable as an SROI outcome in itself)	Not available for 2009/10	Not really possible unless can be linked to NVQ level qualifications
		Use of new skills / qualifications to do other work / volunteering	Interview with Club treasurer and secretary	Increased wage as a result of new employment or value of volunteering (latter difficult to measure without further knowledge of activities – could potentially use minimum wage value of hours inputted to new volunteering activities)
Club members (children)	Improved physical health	Fewer visits to GPs, hospital or allied services	No data	Unit cost of services
	Improved educational attainment	Improved year-on-year educational attainment	No data	Additional future income (no short-term measure)
	Improved behaviour (in and out with school)	Reduced number of exclusions, fewer days absence from school, reduced ASB	No data	Additional future income as a result of improved behaviour (no short-term measure), reduced costs for schools/LEA, reduced cost to social services / police force
	Improved quality of life	Improvements in immediate well-being and long-term well-being	Club monitoring	There are proxy indicators that measure immediate improved quality of life for adults (based on value of sport in relation to income), but not for children.
Local residents	Increased use of community resources (through using facilities for football and community events)	Social capital (number of people feeling that they 'belong' to the area): although may be difficult to determine contribution of GGJFC to this	No data	No appropriate proxy

		Reduced travel / time accessing activities elsewhere	No data	Cost of travel to services
Public services	See club member outcomes			
Sport England	Sustain and grow grassroots organisation	SROI of GGJFC for year 2009/10		

This demonstrates the range of different social returns accruing to various stakeholders. As shown, the most clear potential benefits are to those immediately involved in the Club: volunteers and club members.

6. Attributing change and calculating the social return on investment

The next step in the process was to look at the stakeholder outcomes that can be attributed to the activities of GGJFC.

It is important to note at the outset that the table obtained maps only a small number of potential outcomes, owing to the lack of data available. As a result, *it has not been possible to generate an SROI investment ratio* for the club. Table B5 shows the two sets of outcomes that were captured by the data. Section 7 will look in more depth at how the Club might look to generate data in order to carry out an SROI in future.

Table B5: gross physical and mental health outcomes and values

Stakeholder	Outcomes			
	Indicator	Outcome	Financial proxy	Value £
Volunteers	Use of training to take part in volunteering elsewhere	3 people have used skills in other volunteering activities	£5.90 per hour of volunteering (based on minimum wage)	Insufficient data
Club members (children)	Improved quality of life	80 children playing football at least once per week	No suitable proxy ³¹ , although lifetime values are available	

It is hard to ascertain the net outcomes from the data provided. It is likely that the additionality is high for volunteers, as they became involved in the project as parents of children who were part of GGJPC: it is unlikely that they would have become involved in volunteering in a football club otherwise (that is, there is a low substitution rate). The net value for club members is likely to be lower than this, as children may also play for school football teams, or informally with friends. They are also likely to be involved in other forms of physical activity.

As noted, many of the benefits to children will accrue as future benefits, which are not captured in a one year valuation: for instance, children that play football once a week are

³¹ CASE (2010), *Understanding the value of engagement in culture and sport* gives proxy values for adults, based on substituted income, and also for children over a life-time. Children aged 11-15 that play football once a week are given a value of £10,093 over the course of their life, based on lifetime health benefits.

given an improved quality of life – measured by additional years of good health over a life time (Quality of Life Years) – valued at £10,093 over their lifetime by CASE (2010). This has the potential total lifetime value of **£807, 440**, assuming all club members receive this benefit.

7. Next Steps

At this stage the SROI analysis has mapped the potential outcomes and impacts from GGJFC activities, but further primary data collection would be required in order to make an assessment of social impact. The data requirements for each stakeholder are set out in Table B6, below, which would offer a starting point for a future SROI analysis. These may not all be feasible for a small organisation such as GGJFC; the table should instead be read as a menu of possibilities from which the Club may be able to generate data.

Table B6: Additional data requirements

Stakeholder	Data Requirements	Proposed Data Collection Method
Volunteers	Qualifications gained by volunteers per year	Monitoring of funded training
	Outcomes associated to qualifications – e.g. new employment / promotion or access to further volunteering opportunities	Survey of volunteers
	Improved quality of life	Use of outcome star (see Alcohol Advisory group case study, or tp://www.outcomesstar.org.uk/), which financial proxies may be determined
	Improved physical and mental health	Baseline and follow-up Survey of volunteers to monitor changing use of physical and mental health services as a result of volunteering, and/or reduced levels of obesity
Club members (children)	Increase in physical activity	Survey of club members
	Increase in physical health – reduced use of physical and mental health services	Survey to monitor changing use of physical and mental health services as a result of volunteering, and/or reduced levels of obesity
	Improved behaviour and educational attainment	Survey of members parents re. changes to home and school behaviour and educational attainment

Case Study C: Derbyshire Alcohol Advice Service (Clinical Service)

1. About the organisation

Derbyshire Alcohol Advice Service (DAAS) has been in existence since 1981. The organisation originally had 10 staff and was a provider support services to alcohol misusers in North Derbyshire. Until 2008/9 the organisation was funded by Derbyshire County Council and the Health Service. DAAS became a county wide (except Derby) provider in 2008/9.

DAAS's mission statement is 'to promote positive change throughout Derbyshire of anyone adversely affected by alcohol misuse'.

DAAS has 3 groups of beneficiaries:

- people drinking at harmful and moderately dependent levels of alcohol and their relatives and families
- Other health and social care professionals - DAAS provides advice and training
- Probation / criminal justice services – through work undertaken in prison.

1.1 Nature of activities

The SROI exercise relates to the Clinical Service provided by DAAS in 2009/10.

DAAS provides a Tier 2 level of support within the overall model of care for alcohol services. Those with severe alcohol dependency are referred to Tier 3 services.

Service users self-refer (usually by phone) or may be referred by other health and social care practitioners. A key aim is for clients to gain access to the service as quickly as possible (usually within 3 to 5 days of presenting). The service has a number of steps:

- 1) ask client what change they want to see
- 2) complete an alcohol outcomes star and select the areas of the outcomes star that the client wants to work on (usually the areas with the lowest score)
- 3) provide six counselling sessions
- 4) Monitor changes on the outcomes star.

There is an expectation that at the end of six sessions there will be a reduction in the number of units of alcohol being consumed by the client and a change in their drinking status.

A proportion of clients will return to the service after completion of the six sessions and it is possible that the brief nature of the intervention encourages repeat use of the service before long term change is achieved for some clients.

1.2 Staffing

DAAS currently has 22 staff.

1.3 Volunteers

There were 4 volunteers working with DAAS in 2009/10, 2 of whom have gone on to work with the service, leaving 2 remaining volunteers. The service has recently run a campaign to recruit new volunteers and a further 8 volunteers will start work soon.

2. Funding

DAAS is funded entirely through the Drug and Alcohol Action Team (DAAT) which is a partnership of multi agencies across Derbyshire (excluding Derby). Funding from DAAT in 2009/10 was £590,000. Of this, £406,303 related to the Clinical Service.

3. Stakeholders

In discussion with DAAS, the stakeholders for the organisation were identified. Each stakeholder and the nature of their relationship with DAAS is outlined in Table C1.

Table C1: Stakeholder Relationships

Stakeholders	Nature of Relationship
Service Users	Participation in the Clinical Service helps clients to manage their drinking resulting in most cases in reduced alcohol intake
Family members	Benefit from improved relationships as a result of clients drinking less
GPs and health practitioners	Less use of health services by those participating in Clinical Service
Tier 3 service provider (Addaction)	Many Tier 3 referrals come from DAAS
Probation Service	Probation Service workers refer clients to DAAS
Social Services	DAAS workers attend child protection conferences and prepare reports for safeguarding proceedings
Jobcentre Plus	Jobcentre Plus refers unemployed people with alcohol problems to DAAS
General Public	Can access information and literature on responsible drinking provided by DAAS
Community Safety Partnerships	DAAS works with Community Safety Partnerships to address crime and anti-social behaviour issues linked to alcohol misuse
DAAT (multi-agency partnership)	DAAS funding comes via DAAT

4. Inputs and outputs

For each of the stakeholders identified above we mapped the range of inputs and outputs associated with the DAAS activity with which they are involved. These are set out in Table C2.

Table C2: Stakeholder Inputs and Outputs

Stakeholder	Input		Output
	Description	Value £	
Service Users	Time	0	1352 clients referred to DAAS Clinical Service
Family Members	n/a	0	n/a
GPs and Health Practitioners	n/a	0	Not known
Tier 3 Service Provider (Addaction)	n/a	0	1145 clients referred to Addaction
Volunteers	Time (4 volunteers working 2 to 4 hours a week for 40 weeks a year)	2,320 (at minimum wage)	2 volunteers gained employment with DAAS
Probation Service	n/a	0	Not Known
Jobcentre Plus	n/a	0	Not Known
Social Services	n/a	0	Not known
General public	n/a	0	Not Known
Community Safety Partnerships	n/a	0	Not Known
DAAT	Funding for clinical service programme	406,343	1352 clients referred to DAAS Clinical Service

Thus we have calculated the value of inputs to the Clinical Service to be £408,663.

5. Outcomes and potential financial proxies

The next stage of the SROI assessment is to consider the outcomes and financial proxies associated with each of these stakeholders. This process is outlined in detail in Table C3. Some of the key outcomes of DAAS's work are likely to be associated with gains associated with working in partnership with other public agencies. These may include reductions in the use of health services amongst clients; less re-offending; improved job outcomes and a reduced need for social services intervention. There are also likely to be outcomes for the families of those participating in the Clinical Programme. However it has not been possible within the timescales of this research to obtain primary data on these outcomes, and one of

the findings of this case study is that DAAS may wish to consider building on this analysis to obtain further primary data on the outcomes associated with its work. This is discussed further in section 7.

Therefore, for the purposes of calculating the value of DAAS's work, a proxy has been used to account for a reduction in 'costs to society' associated with problem drinking. This has been calculated by assessing the number of DAAS clients who are no longer categorised as 'problem' drinkers after their engagement with the Clinical Service (that is women who report that they are drinking 14 units or less per week and men who report that they are drinking 21 units or less per week).

Two additional outcomes can be identified and a monetary value placed on them: personal benefits to clients associated with a reduction in numbers of units consumed per week (and which are evidenced by overall increases in outcome star scores), which has a proxy of the prices per unit of alcohol paid by harmful and hazardous drinkers; and the job outcomes for volunteers, for which a proxy of the increase in income associated with a move into employment has been used.

Table C3: Stakeholder Outcomes

Stakeholder		Outcomes		
		<i>Indicator</i>	<i>Source</i>	<i>Financial proxy</i>
Service Users	Better able to manage drinking resulting in improved social, emotional and health outcomes are measured by outcome star	Reduction in number of alcohol units per week consumed by hazardous and harmful drinkers	DAAS	Average price per unit of alcohol paid by hazardous and harmful drinkers
Family Members	Clients are drinking less and have better family relationships	Self reported change in family relationships (outcomes star); this data can't be quantified, in future it may be possible to gather data from families, either through questionnaires or group work	DAAS	Cost of divorce £13,000 in 2010
GPs and health practitioners	Reductions in alcohol intake lead to less use of health services	Reduction numbers of clients drinking at problem levels (more than 14 units per week for women and 21 units per week for men)	DAAS units on entry and exit data 2009/10	average cost per person to society of a 'problem drinker' = £2500 annually (2009) this includes impacts in relation to health and employment, crime and anti-social behaviour

Tier 3 Service Provider (Addaction)	Outcomes not known	n/a	n/a	n/a
Volunteers	2 volunteers gain employment	Number of jobs	DAAS	Gains in income associated with move from benefits to employment: increase in annual earnings over benefits for single individual working full-time (£4,307 per individual at minimum wage 2009/10)
Probation Service	Potential reduction in levels of re-offending linked to alcohol misuse: evidence from probation service re value of DAAS service			accounted for in proxy on reduced costs to society associated with problem drinkers
Jobcentre Plus	Improved employment outcomes for clients accessing DAAS			Accounted for in proxy on reduced costs to society associated with problem drinkers
Social Services	Freeing up resources associated with safeguarding children	Reduction in social worker contact hours and/or home visits	Data not available	Unit cost per hour of social workers in 2009/10 = £47 per hour for client work and £36 per hour for other work
Community Safety Partnerships	Reduction in levels of crime and anti-social behaviour linked to alcohol misuse			
General Public	Not known	n/a	n/a	Accounted for in proxy on reduced costs to society associated with problem drinkers
DAAT	Not known	n/a	n/a	Accounted for in proxy on reduced costs to society associated with problem drinkers

On this basis we have calculated the gross value of the measurable outcomes associated with the DAAS Clinical Service to be £997,776.

6. Attributing change and calculating the social return on investment

The next stage in the SROI assessment is to make a judgement about what proportion of the outcomes that have been identified is a result of the work of DAAS, and how much might have happened anyway (deadweight), how much has resulted in changes to other organisations or people (displacement), and who else has contributed to the change (attribution).

In discussion with DAAS it was decided that although people accessing the Clinical Service are clearly motivated to change their drinking behaviours, the experience of the service providers was that approximately 80 per cent of those joining the programme would continue drinking in the absence of the service. Thus the benefits to individuals and society have been reduced by 20 per cent.

The potential for others to influence the outcomes was also discussed. Although the outcomes that have been counted are solely for people who participate in the Clinical Service (and not those referred by DAAS to the Tier 3 service) it is likely that the outcomes for those involved in the Clinical Service will be influenced by others such as families, friends, and other professionals with whom they are in contact. Thus the outcomes for individuals and society have been reduced by a further 20 per cent.

Finally, we have considered the degree to which the job outcomes for volunteers are wholly attributable to the DAAS Clinical Service. There are no available guidelines for the likely net value of progression from volunteering to employment, but it is likely that the net value would be relatively low. Similar outcomes, such as jobs created (32 per cent net value) or people that gain jobs as a result of training (48 per cent), tend to have relatively low values³², and – given we do not have any indication from the volunteers as to how important they thought their experience was in gaining a job – here, an estimate of 50 per cent net value is taken. This takes into account that direct experience with DAAS is a necessary pre-condition of gaining a job.

In our calculations we have also considered the outcomes that might accrue from DAAS activity over a five year period. Thus we have considered how much of each outcome will no longer be attributable to the DAAS Clinical Service in each year following 2009/10. This is called 'drop off'. For the job outcomes this has been calculated at 20 per cent so that if, at the end of five years, the volunteers were still in employment this would no longer be attributable to the skills and contacts they gained through volunteering with DAAS (as other more recent activities would have assumed greater importance).

The net value of the outcome associated with the DAAS Clinical Service in 2009/10 is **£637,370**. This gives an SROI ratio of **1: 1.56**. On the basis of these calculations, for every £1 invested in the DAAS Clinical Service there will be £1.56 of social benefits.

Over five years the benefits associated with the work of the DAAS Clinical Service will have a Net Present Value (NPV) of **£2,014,143**.

These values are significant. However, it is important to note that this SROI assessment has looked at only one aspect of DAAS's activities, and there may be other aspects of DAAS's work which have different social values.

This assessment is also **partial**. It has not been possible, for instance, to quantify or place a value on the changes to the families of clients who reduce their alcohol intake after participating in the Clinical Service, and there may be other benefits to service providers

³² Based on the English Partnerships (2008) Additionality Guide:
http://www.thesroinetwork.org/publications/doc_download/30-english-partnerships-additionality-guide

which have not been captured here. This analysis has also concentrated solely on outcome for those who have joined DAAS Clinical Service, and does not include those referred on to the Tier 3 service provider.

7. Next steps

At this stage the SROI analysis has mapped the potential outcomes and impacts from DAAS's activities and has calculated the benefits associated with some of DAAS's work. However, further primary data collection would enable DAAS robust assessment of social impact can be made. The data requirements for each stakeholder are set out in Table C4.

Table C4: Additional data requirements

Stakeholder	Data Requirements	Proposed Data Collection Method
Families	Changes to family relationships; changes to use of health and social services; changes to behaviour and attainment of children	Group work with families; consideration could also be given to tracking the progress of a small number of families after participation in the Clinical Service
Tier 3 Service Provider	Outcomes for clients referred via DAAS	Routine collection of monitoring data; outcomes stars
Other health and social care professionals	Existing evidence confirms that health and social care professionals value DAAS service; this could be supplemented by evidence on changes to service use for DAAS clients (e.g. reductions in prescribing costs; less contact with social services etc)	Possible to compare monitoring data for DAAS clients with anonymised data for other health and social care clients in order to ascertain if any difference in patterns of service use over time.

Case Study D: Derbyshire Wildlife Trust (Reserves Programme)

1. About the organisation

Derbyshire Wildlife Trust (DWT) has its origins in the Derbyshire Naturalists' Trust which was formed in 1962 in response to proposals for the dumping of fly-ash in the botanically rich lime yards at Ticknall in the south of the county. Over time the Trust has grown from a small group of enthusiasts and volunteers managing two nature reserves to its current status as one of the foremost organisations in the county involved in conservation and protection of the environment.

The Trust aims to raise awareness of potential threats to wildlife and encourage individuals and organisations to take responsibility for caring for their local environment.

1.1 Nature of activities

The Trust carries out a range of activities:

- management of 40 nature reserves, covering 539 hectares of land including woodland, wetland and meadow areas
- management of a Register of Local Wildlife sites in the county
- the provision of advice on conservation issues to local authorities and landowners
- an environmental education programme for schools
- production of a range of publications including fact sheets, leaflets and books on wildlife gardening and walks.

Derbyshire Wildlife Trust has over 14,000 members and supports eight active local groups and six Wildlife Watch groups (for younger members).

The SROI analysis was carried out in relation the Reserves Programme, which represents a core activity for DWT and is where the majority of volunteer resources are engaged. The period of analysis was the financial year 2009/10.

1.2 Staffing

As at the end of March 2010 the Trust employed 34 staff working across 6 teams: management and administration; Marketing and Resource Development; Conservation; People and Wildlife; Reserves.

Staff employed in the Reserves team included the Reserves Manager, 3x Reserves Officers, 2x Reserves Assistants and a Volunteer Manager.

1.3 Volunteers

A total of 429 volunteers supported the Trust in all its work in 2010. The majority of their time went into helping look after the Trust's reserves. A total of 2,044 days (78 per cent of all volunteer time) was given by volunteers working on the reserves.

2. Funding

The Trust has a mixed portfolio of funding. Its main sources of income include:

- membership and corporate support
- grants from central and local government, the Big Lottery and charitable trusts
- donations, bequests and gifts
- income earned through consultancy and education activities
- taxes, interest and dividends.

In 2009/10 total income to the Trust was £1.4 million. Of this £204,400 was income allocated to the Reserves Programme.

3. Stakeholders

Through discussion with DWT a number of stakeholders were identified. Broadly these fall into four types: *funders and supporters; volunteers; landowners; residents and the general public.*

Each stakeholder and the nature of their relationship with DWT is outlined in table 1.

Table D1: Stakeholder Relationships

Stakeholders	Nature of Relationship
Members	Members pay an annual membership fee in return for magazines, access to wildlife events and guided walks, access to nature reserves and the opportunity to join conservation working groups.
Supporters and sponsors	This group of stakeholders includes individuals and organisations supporting the Trust through bequests, donations, fundraising, sponsorship and corporate involvement. In the case of corporate supporters, local businesses can access benefits including PR opportunities and opportunities for community and staff involvement in return for their support.
Volunteers and Trustees	<p>Volunteers provide a vital input into DWT. They work across the organisation but most of their input is in helping to manage the nature reserves.</p> <p>Volunteers gain practical experience and skills and may also enjoy improvements in quality of life through increased physical activity, and increased confidence and self esteem.</p> <p>A small number of long-term volunteers are engaged in an apprenticeship scheme and go on to gain employment with DWT.</p>
Landowners	DWT manages land to support biodiversity and advises landowners (including local authorities) on conservation issues.
Local Residents	Local Residents can access nature reserves for leisure activity and participate in DWT activities and educational events.

General Public	It is widely accepted that there are benefits to society associated with habitat and species conservation and support for biodiversity. These benefits include support for the ecosystem, and satisfaction derived from the knowledge that animals, plants and natural environments are being protected. These benefits are assumed to apply regardless of whether people access DWT reserves or are members of the organisation.
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Wildlife was also considered as a potential stakeholder for DWT since it benefits from the management of habitats. However, it is not possible in this instance to determine outcomes for wildlife and it was not considered as a material stakeholder for this study. Other studies have used willingness to pay approaches to place a value on the conservation of particular species but these are dependent on data relating to populations preserved or increased. This data was not available to DWT.

Some SROI studies identify staff as an organisational stakeholder. This study did not consider DWT staff as a material stakeholder as it was assumed that they would be working elsewhere in the absence of DWT. The costs of staff associated with the Reserves Programme are accounted for in the inputs of other stakeholders, outlined in Table 2, below.

4. Inputs and outputs

For each of the stakeholders identified above we mapped the range of inputs and outputs associated with the activities of the DWT Reserves Programme with which they are involved. These are set out in Table D2.

Table D2: Stakeholder Inputs and Outputs

Stakeholder	Input	Value £	Output
	<i>Description</i>		
Members	Membership Fees contribution to core costs associated with Reserves	28,863	14,000 Members, 8 local groups and six Wildlife Watch groups; magazines, events and activities
Supporters and Sponsors	Value of bequests, corporate support, donations, gift aid and fundraising associated with Reserves	8,138	24 corporate sponsors
Volunteers	Volunteer time associated with Reserves = 2044 days	88,914 (costed at national minimum wage 2009/10 and assumed 7.5 hours per day)	Management of 40 Reserves
Trustees	Time associated with governance of DWT = 9 days	740.48 (assumed 10 per cent of overall Trustee input and costed at median hourly wage)	Governance of organisation

Landowners	Value of grants, contracts, and landfill tax associated with Reserves	155,831	Improved land management
	Value of consultancy Reserves Team	10,191	Responses to 626 consultations
Local Residents	Education fees (Reserves Team)	1,396	695 children from 23 schools visited Whistlestop Centre; 27 schools and groups participated in Climate Challenge Project; 11 adult education sessions; range of other projects and website
General Public	Nothing	0	No outputs

5. Outcomes and potential financial proxies

Following from the above we mapped the outcomes that were likely to accrue to each stakeholder and considered how this might be reflected as a monetised benefit. Outcomes for some stakeholders were not known, and it was not possible within the timescales of this exercise to include these stakeholders in the research. One of the findings of the study is that if a future SROI assessment is undertaken, DWT should give consideration to identifying outcomes for key groups of stakeholders: members, volunteers, landowners and those participating in education activities.

However, as outlined in Table 1, there are outcomes for society as a whole arising from conservation and habitat management. These outcomes are derived from the benefits that people obtain from ecosystems and include:

- *provisioning services* such as food and fibre
- *regulating services* such as flood prevention, carbon storage and pollination
- *cultural services* such as spiritual, recreational, and cultural benefits
- *supporting services* such as nutrient cycling that maintain the conditions for life on Earth.

People do not usually have to pay for these services although they may still benefit from them. It is possible to place a value on these outcomes by exploring people's 'willingness to pay' for these ecosystems services. It was decided that, in the absence of more detailed evidence on outcomes for individual stakeholders, these more general benefits to society (which would include all DWT stakeholders) would be used to value the outcomes associated with DWT work.

The financial proxies used in the study are based on work which used evidence from 'willingness to pay' studies to place a value on ecosystems services and natural capital in Scotland³³ and identified a monetary value for different habitat types. The values obtained were for 2007. For this assessment the value of the benefits has been uplifted to 2010 prices

³³ Published as Williams, E., Firn, John, R., Kind, V., Roberts, M. and McGlashan, D. (2003) 'The Value of Scotland's Ecosystems Services and Natural Capital' in *European Environment* 13: 67-78.

in line with Treasury guidelines. We have assumed that these monetary values are transferable to Derbyshire, although it is important to note that there are likely to be issues associated with the scale at which benefits are assessed (which may be smaller for Derbyshire than in other studies) that have not been accounted for in this study.

One further outcome was identified, which is not accounted for in the benefits to the general population discussed above. That is employment outcomes for a small number of long term volunteers.

These outcomes, and the financial proxies associated with them, are outlined in Table D3, below.

Table D3 Stakeholder Outcomes

Stakeholder		Outcomes		
		<i>Indicator</i>	<i>Source</i>	<i>Financial proxy</i>
Volunteers	Employment	3 FTE jobs gained by long term volunteers	DWT	Increase in annual earnings over benefits for a single individual working full-time (2009/10)
General Public	Ecosystems services derived from habitat	Quantity of land managed by DWT = 539 hectares	DWT	Value of different habitats per hectare (2010 prices)

6. Attributing change and calculating the social return on investment

The penultimate stage in the SROI assessment is to calculate the proportion of these outcomes which result directly from the activities associated with the DWT Reserves Programme. This is done by assessing what might have happened without the DWT Reserves Programme (deadweight); who else contributed to the outcomes (attribution); and whether the outcomes have affected anyone else (displacement).

We have assumed that only one of the people who gained employment with DWT might have taken up a job anyway - this is a calculation of deadweight. The calculation for deadweight is low because access to the job is largely a result of the skills and contacts built up through long term volunteering with DWT. A similar assumption applies to attribution and displacement, which we have calculated at 100 per cent and zero on the basis that the jobs were taken by highly skilled individuals who had been trained by solely by DWT and that other agencies which specialise in job search (e.g. Jobcentre plus) would not have been in a position to assist with access to these opportunities.

In relation to the outcomes associated with land management, discussion with DWT revealed that approximately 25 per cent of the reserves would be managed to support diversity in the absence of DWT (deadweight). Thus we have assumed that 75 per cent of this outcome is a result of the activities of the DWT Reserves Team. Again, attribution and displacement have been calculated at 100 per cent and zero respectively as DWT is solely responsible for the management of the Reserves, and there is no other organisation offering similar services locally.

In our final calculations we have also considered the outcomes that might accrue from DWT activities over a five year period. Thus we have considered how much of each outcome will no longer be attributable to DWT in each year following 2009/10. This is called 'drop off'. For the job outcomes this has been calculated at 20 per cent so that if, at the end of 5 years, the

volunteers were still in employment this would no longer be attributable to the skills and contacts they gained through volunteering with DWT (as other more recent activities would have assumed greater importance).

We have assumed that 100 per cent of the benefits associated with land management would be maintained for each of the five years, on the assumption that levels of activity will be similar.

On this basis we have calculated the inputs associated with the DWT Reserves Team in 2009/10 to have a value of **£294,073**. This is more than the income associated with Reserves Programme in that period because it includes the value associated with the input of volunteers.

The value of the outcomes associated with the work of the DWT Reserves Programme in 2009/10 is **£1,924,628**. This gives an SROI ratio for this period of **1:6.54**. On the basis of these calculations, for every £1 invested in the DWT Reserves programme there will be £6.54 of social benefits.

Over five years, the benefits associated with the work of the DWT Reserves Programme would have a Net Present Value (NPV) of **£8,936,966**.

These values are substantial, and derive primarily from the high values that people are willing to pay for preservation of the environment. However, it is important to note that this SROI assessment has looked at only one aspect of DWT's activities, and there may be other aspects of the Trust's work which have lower economic and social values.

In addition, it has not been possible to base this assessment on primary evidence of outcomes: we have calculated outcomes for society based on evidence derived from studies conducted elsewhere. This is an entirely legitimate approach (particularly in the absence of resources to conduct primary research) but it may be beneficial in future for DWT to consider the possibilities for validating this study by collecting additional primary data on outcomes, as outlined below.

7. Next steps

At this stage the SROI analysis has calculated the monetary value of the benefits associated with the activities of the Reserves Programme. The majority of value has been calculated by using a 'catch all' proxy for the value of the different habitats managed by DWT through the Reserves Programme. This includes the benefits to society that derive from these habitats. However there may be further outcomes associated with the activities of DWT which could be identified through additional research with stakeholders identified in Table D1. These stakeholders, and the associated data requirements are outlined in Table D4. If additional outcomes are identified in a future SROI assessment care should be taken to ensure that they do not duplicate the outcomes which make up the values used in this survey. Data collection exercises might therefore focus on gathering evidence of additional outcomes derived from involvement with DWT (as opposed to the more generalisable outcomes associated with managed habitat which have been used here).

Table D4: Additional Data Requirements

Stakeholder	Data Requirements	Proposed Data Collection Method
Members	Measures of personal satisfaction derived from supporting DWT	Survey of Members
Volunteers	Qualifications gained, employment, promotion or access to further volunteering opportunities	Survey of Volunteers
	Improvements to Quality of Life	Survey of Volunteers
	Improvements to mental and physical health	Survey of Volunteers (baseline and follow-up data required) - may be possible to monitor use of health services before, during and after volunteering
Landowners	Changes in land stewardship	Consultation; brief follow-up survey of those receiving support and advice
Education participants	Changes in attitudes and behaviour; engagement in other DWT activities	brief follow-up survey of participants; work with schools to monitor changes in attitudes and behaviour of children

Case Study E: Mental Health Action Group (MHAG)

1. About the organisation

Previously known as the Derbyshire Patients' Council, MHAG was re-launched in 2005/6 to represent the rights of people with mental health problems in southern Derbyshire. The group covers the whole of Southern Derbyshire including Derby City, Amber Valley, Erewash Valley and South Derbyshire. MHAG meets every month and anyone with an issue around mental health is welcome. MHAG currently has around 200 members both individual and organisational.

1.2. Nature of activities

This SROI case study is undertaken for MHAG as a whole and includes all their activities. Unless otherwise stated, figures are included for the financial year 2010/11. It should be noted that at this time it has not been possible to put a value on MHAG's activities. Rather the evaluation undertaken represents a starting point for MHAG and provides some indication of the possible outcomes and value of MHAG's activities. Guidance on how MHAG might proceed with SROI in the future is given and areas where they may want to concentrate their efforts in terms of evidence gathering highlighted.

MHAG campaigns for the services and facilities of those with mental health problems in Southern Derbyshire and provides group advocacy at regular open meetings held at suitable venues around the County. In addition MHAG provides transport to the meetings for those who cannot drive.

Meetings are chaired by a service user, and the agenda includes updates on current campaigns and working groups, guest speakers from different organisations, and any new potential campaigns. MHAG is a user-led group, and all activities and campaigns are determined by the members. Users determine which campaigns are engaged, and what actions should be taken, and instruct MHAG staff accordingly.

MHAG provides opportunities for people to get involved with projects and working groups aimed at improving the lot of those with mental health issues. A newsletter is produced and distributed to all members subsequent to the meetings.

Campaigning represents the core of MHAG's activity and a several issues have been pursued in 2010/11 and include amongst other things: a continuing campaign to restore concessionary travel for people with mental health problems; a campaign to regain certain mental health Day Services in Derby; contacting the Care Quality Commission to look into complaints from members about the use of Community Treatment Orders; writing to the Department of Work and Pensions about the assessment process for Employment Support Allowance, providing detailed response to the Working Group on Disability Living Allowance Reform in Whitehall and establishing a Benefits Working Group.

MHAG also continues to deliver training in mental health awareness to police recruits and Special Constables.

1.2 Staffing

MHAG has two part-time (both 0.6 fte.) paid coordinators, employed by Derbyshire Mind. Based at Derbyshire Mind Offices, coordinators support the work of MHAG by arranging meetings and venues and producing agendas and newsletters.

1.3 Volunteers

MHAG currently has ten representatives who take an active role in internal policy meetings, and take turns chairing meetings. They are able to use an office based at Kingsway Hospital. As well as these representatives there are many other “active members”, who do not feel able to become full representatives, but who do get involved in working groups and other activities. All levels of ability are encouraged.

2. Funding

MHAG's funding is through a service level agreement with NHS Derby City and NHS Derbyshire County. The current funding agreement of £52,910 per annum lasts for two years from April 2009 to 31 March 2011. MHAG receives no other funding. Occasional small donations are received and accounted for, but no donations were received in 2010/11. Non cash contributions to MHAG include use of Derbyshire Mind offices and also an office at Kingsway Hospital which is available for representatives to use.

3. Stakeholders

Discussions with MHAG identified a large number of stakeholders. Generally these fall into four main types: members and service users; service providers, volunteers; local communities in Derbyshire. Each stakeholder and the nature of their relationship with MHAG is outlined in Table E1.

Table E1: MHAG Stakeholder Relationships

Stakeholders	Nature of Relationship
Mental health service users/ MHAG members	<p>MHAG represents the rights of people with mental health problems.</p> <p>MHAG provides a forum within which service users can share experiences and develop strategies for improving mental health services through mutual action and participation</p> <p>Services users benefit from their active engagement in MHAG's activities and also from any improved services as a result of MHAG's campaigning. This activity may lead to a reduction of the social exclusion and stigmatisation of people with mental health problems.</p>
NHS Derby City and NHS Derbyshire County	<p>Provide funding through a SLA for MHAG</p> <p>MHAG provide a focus for a range of activities which are associated with the improvement of mental health services and the reduction of the social exclusion and stigmatisation of people with mental health problems.</p> <p>NHS Derby City and NHS Derbyshire County benefit through the SLA and from the feedback provided by MHAG</p>
Derbyshire Healthcare NHS Foundation Trust (Mental Health Trust)	<p>Provide Office at Kingsway Hospital for MHAG representatives to use</p> <p>Derbyshire Healthcare NHS Trust benefits from being able to engage with service uses through MHAG</p>

Derbyshire Mind	Employs and supervises MHAG coordinators /provides office space for MHAG Derbyshire Mind are able to engage with service users through MHAG coordinators and also receive feedback re: mental health campaigns etc.
MHAG Representatives (and active individual members)	Representatives take an active role in MHAG meetings and take turns to chair meetings. Active members get involved in working groups and other activities. Representatives / active members benefit from increased skills and confidence and also improved self esteem that their active involvement brings. May improve employability.
Derbyshire Police	MHAG provide training to police recruits and Special Constables in mental health awareness MHAG is part of the Derbyshire Police External Disability Group looking at engaging with the disabled community
Other statutory, private and voluntary sector mental health service providers	Engage with service users through MHAG Receive feedback from MHAG on their activities
Local Communities in Derbyshire	Through local events and conferences and other activities etc. MHAG challenges stigmatisation connected to mental health problems and raises awareness of mental health issues throughout communities in Southern Derbyshire and City of Derby

4. Inputs and outputs

For each of the stakeholders identified above we mapped the range of inputs and outputs associated with the MHAG activity with which they are involved. These are set out in Table E2.

Table E2: MHAG Stakeholder Inputs and Outputs

Stakeholder	Input		Output
	<i>Description</i>	<i>Value £</i>	
Mental health service users / MHAG members	Attendance at monthly meetings	£0?	MHAG has around 200 members
Funders NHS Derby City and NHS Derbyshire County	Service Level Agreement	£52,910	Outputs relate to meeting activity performance indicators outlined in SLA.
Derbyshire Healthcare NHS Foundation Trust (Mental Health Trust)	Provide Office at Kingsway Hospital for MHAG representatives to use	Non cash contribution, (Is there a cost to NHS Foundation Trust; would it be empty otherwise?) If MHAG did not have this space what would they do otherwise?	Issues which effect services users are brought to the attention of Derbyshire Healthcare NHS Foundation Trust by MHAG
Derbyshire Mind	Employs and supervises MHAG coordinators	Salary costs £26,259.79* (already included in SLA of £52,910) *figure is for 2009/10	2 Coordinators employed (both posts are 0.6 FTE) so 1.2FTE in total
MHAG Representatives / active members	Number of volunteer hours	Is there a cost saving of not having to employ more MHAG staff?? If so could use this value	MHAG has 10 representatives
Derbyshire Police	Ten sessions	Free service provided. What is the cost saving to the Police of not having to pay for the training? Cost of mental health awareness training by the number of trainees	130 officers trained
Other statutory, private and voluntary sector mental health service providers	Attend MHAG meetings?	£0?	Receive feedback from MHAG

Local communities in Doncaster	Attendance at MHAG events? Contact with various groups such as the Derby Gypsy Liaison group	£0?	Local events and conferences? Information stalls at disability and career-related events etc.
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5. Outcomes and potential financial proxies

Following on from the above and where possible we have attempted to map the outcomes that may accrue to each stakeholder. Whilst based on informed discussions with MHAG these are largely assumed outcomes of MHAG's activities which give an indication of likely impact. Currently there is limited information to evidence these outcomes. Given the lack of evidence it has only been possible to suggest how this might be reflected as a monetised benefit in one instance. In some cases potential financial proxies are suggested. This process is outlined in detail in Table E3.

Table E3: MHAG Stakeholder Outcomes

Stakeholder	Outcomes	Social			
		<i>Indicator</i>	<i>Source</i>	<i>Financial proxy</i>	<i>Y/N</i>
Mental Health Service Users / MHAG members	Active members benefit from opportunities to engage and increased confidence and self esteem that this brings. Likely to have improved sense of empowerment as a result of being involved in MHAG. Change in the number of people who feel socially isolated as a result of being involved with MHAG	Number of representatives who report improved well being as a result of MHAG involvement. Extent to which service users feel that they can influence decisions being made which directly affect them as a result of their involvement in MHAG. Number of indicators needed e.g. change in the amount of time spent with other people; the number of	MHAG need to survey individual members to ask about the impact of their involvement		

			people that report they feel less isolated as a result of having made new friends; use of community, or statutory services such as libraries, clubs		
	Service users benefit from improved services				
	Cost saving to funders associated with MHAG providing independent representation for service users, both in hospital and in the community through SLA	Is there a net cost saving?		Ask service users about these services and impact on them	
Funders NHS Derby City and NHS Derbyshire County				Contact funders re: possible cost saving and to ascertain where MHAG service offers most value	Possibly value of cost saving?
	May experience change / improvement to services as a result of MHAG activity				
Derbyshire Healthcare NHS Foundation Trust (formerly MH Trust)	Benefits associated with SLA and access to service users through MHAG			Ask stakeholder where MHAG service offers most value	
Derbyshire Mind					
	Representatives benefit from increased confidence and self esteem and skills which may improve their employability.			Ask stakeholder where MHAG service offers most value (e.g. What is the impact of the coordinator's work on Mind? What difference do the MHAG coordinators make to Mind? What would Mind do	

MHAG Representatives / active members	<p>Trainees' benefit from increased awareness of mental health issues. If a free service there is a cost saving to the police of providing the training.</p> <p>May experience change / improvements to service provision</p> <p>Increased awareness of mental health issues</p>	<p>Number of representatives who report improved well being as a result of MHAG involvement.</p> <p>Number of representatives who now feel able to seek employment?</p> <p>Number of representatives who go on to secure further training?</p> <p>Number of representatives who go on to secure employment?</p>	<p>without MHAG?)</p> <p>Consult / survey MHAG representatives</p>	<p>Possibly look at annual cumulative salaries</p>
Derbyshire Police		<p>Number of trainees who report improved mental health awareness; also feel that the training will influence their behaviour when dealing with incidents</p>	<p>MHAG to consult trainees and Derbyshire police for evidence of the impact of training on the service. What is the value of the service to them?</p>	<p>Cost of similar training (Scottish Association of Mental Health provides half day Mental Health Awareness Training at £55 per delegate)</p> <p>£55 x130 trainees = £7150</p>
Other statutory, private and voluntary sector mental health service providers				
Local communities in Doncaster				
		<p>Helps to reduce stigmatisation of people with mental health problems</p>	<p>Consult key providers about the impact on their services etc. as a result of engagement with MHAG</p>	

6. Attributing change and calculating the social return on investment

It has not been possible to attribute change and calculate the social return on investment for MHAG.

7. Next steps

At this stage the SROI analysis has mapped the potential outcomes and impacts from MHAG's activities but further primary data collection is required before a robust assessment of social impact can be made.

Given the wide range of MHAG activities and the number of stakeholders involved, a sensible next step might be for MHAG to begin to gather information for one activity or area of their work in order to undertake a more thorough SROI. MHAG is primarily concerned with the involvement of its members and this is one area MHAG should concentrate on to demonstrate the value of its activities. In particular MHAG provides considerable benefit to both service users and providers by enabling them to engage directly. Service users also benefit through their participation in the organisation and the increased social interaction, enhanced self confidence and improved social support and skills this brings.

Discussions with MHAG have identified four key areas of activity on which they may want to concentrate their efforts:

1. Police Training
2. MHAG Transport Working Group and the campaign to restore concessionary travel for people with mental health benefits
3. Benefits Working Group and work around DLA Reform
4. MHAG Open monthly meetings

By concentrating on a number of discrete activities MHAG will be able to set the parameters for any future SROI.

Increasingly MHAG needs to be able to make decisions about where their efforts are likely to be most effective and using SROI as a predictive tool may help the organisation shape its future activities and also to estimate the potential benefits of their campaigns. For example, MHAG could possibly estimate what the likely impact of their campaign on restoring concessionary travel to people with mental health problems would be if it were successful. Information for estimating the potential value of this travel could be gathered from local transport users with mental health problems alongside information on fares from local bus companies.

MHAG now need to focus on evidence gathering. Some of the immediate data requirements that it would be useful for MHAG to gather are set out in Table E4 below.

Table E4: Additional data requirements

Stakeholder	Data Requirements	Proposed Data Collection Method
MHAG members and Service Users	Self reports on changes in confidence and self esteem. Evidence on the extent to which service users feel that they can influence decisions being made which directly affect them as a result of their involvement in MHAG. Also may want to	Survey of Individual members to find out about the impact of involvement has had on various aspects of their well being. (There are self esteem scales available that could be used to

	ask questions which relate to improved social inclusion and support / reduced social isolation.	try and quantify the effect)
Derbyshire Police	Ask trainees about how useful the training has been and whether they think it will influence their behaviour when dealing with incidents. Ask the Police Service directly about the benefits of the training to their service	Survey of police trainees who have taken part in the course and speak directly to key police personnel about the impact of the training
Volunteers and active members	Self reports on changes in confidence and self esteem. Number of representatives that go on to training or employment	MHAG could use qualitative interviews / discussions or focus groups to gather evidence from Representatives and active members on the effect their involvement has had on their quality of life, self esteem and confidence
Funders and key statutory, private and voluntary sector mental health service providers	Where do you think MHAG service offers most value to you as a stakeholder? What change or difference does it make having MHAG service? What would happen to mental health service users if MHAG didn't provide their service? Where would the impact be and on what other services if MHAG were not in place?	MHAG could consult / interview key service providers to find out about the impact of their activity on these providers and what area of MHAG activity is most valued by key providers