



CHESHIRE AND MERSEYSIDE STATE OF THE SECTOR

Review 2023

A comprehensive review of the size, scale and scope of the voluntary, community, faith and social enterprise sector in Cheshire and Merseyside

Acknowledgements

This report has been produced for and on behalf of NHS Cheshire and Merseyside in partnership with the Voluntary, Community, Faith and Social Enterprise Sector Infrastructure Bodies within Cheshire and Merseyside.

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Forewords



The comprehensive insights gathered in this report highlight how essential the VCFSE sector is for supporting communities and people in Cheshire and Merseyside (C&M). Powerful statistics demonstrate how socially and economically important the sector is to the functioning of our society and healthcare systems. In C&M we have nurtured strong partnerships with the VCFSE sector as part of the development of the C&M ICB and we have witnessed the positive impact of this collaboration. The recommendations in this report outline the ways to drive forward our aspirations for the sector including increased investment and greater parity, through further strengthening this partnership, helping us to realise our vision for the health and wellbeing of communities in C&M.

Raj Jain

Chair of NHS Cheshire and Merseyside



Our VCSFE sector plays a pivotal role in improving population health across Cheshire and Merseyside. This vital state of the sector report demonstrates how over 30% of our community organisations are focused on delivery in wellbeing, health and social care, with their second largest area of focus on tackling community inequalities. The sector clearly has a massive role in helping to support our local communities, and it is brilliant to see the value of this captured across Cheshire and Merseyside for the very first time.

Prof Ian Ashworth

Director of Population Health
 NHS Cheshire and Merseyside



The opportunities that this report summarises, based upon the evidence contained in this report, provide tangible actions to act upon to ensure that the VCFSE sector in C&M has the capacity and resilience to operate as equitable system partners. The infrastructure for this already exists, through CVSs operating at place and our sub-regional infrastructure networks (VS6 Partnership and Cheshire and Warrington Infrastructure Partnership) and we are ready and waiting for systems to answer our call to action, and work together to build truly strong, healthy, and prosperous communities.

Rev Canon Dr Ellen Loudon

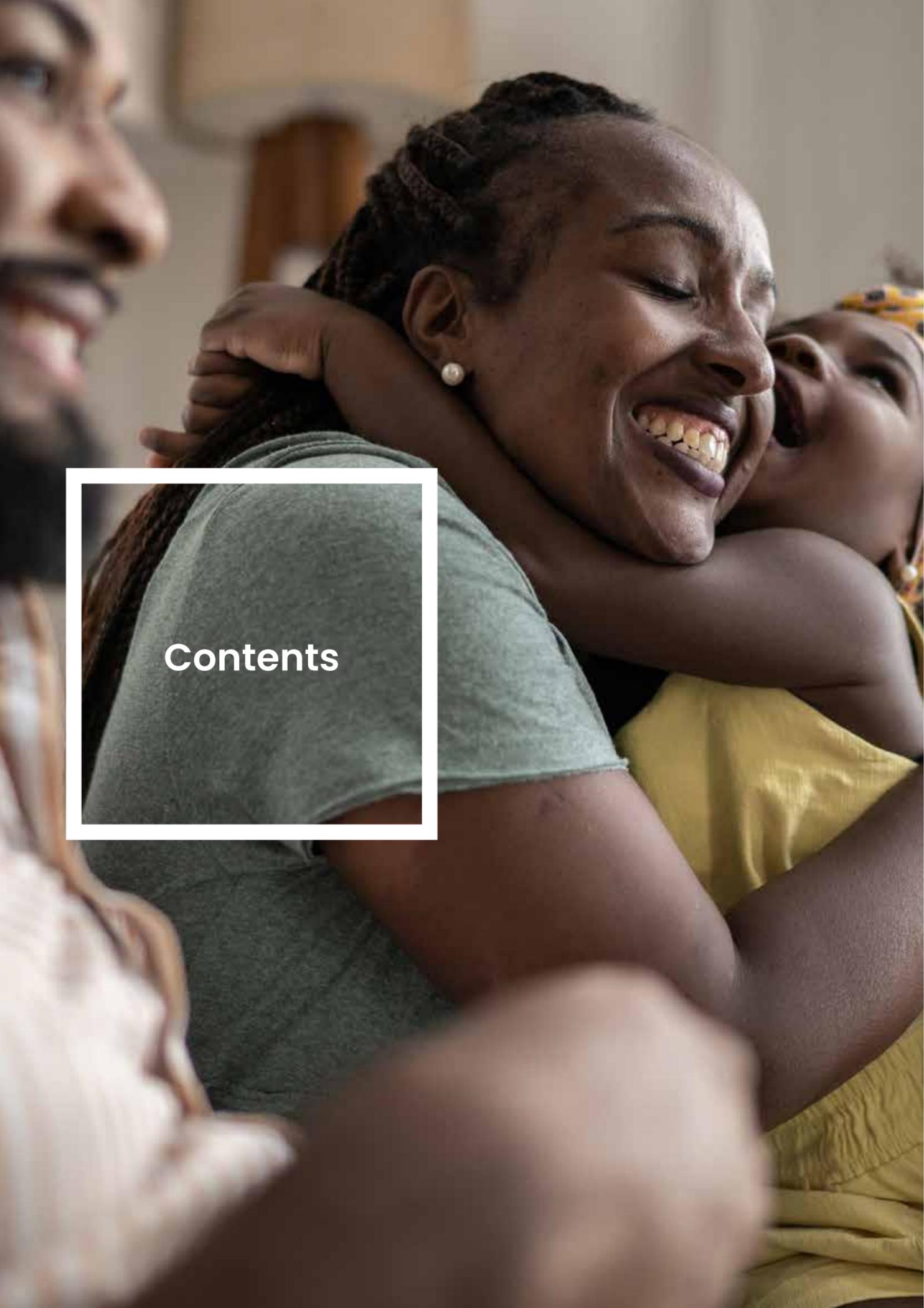
Co-Vice Chair, Cheshire and Merseyside Health and Care Partnership



Cheshire and Merseyside is fortunate to have such a vibrant, successful and ambitious VCFSE Sector. NHS Cheshire and Merseyside is looking to our VCFSE sector partners to work with and meet the needs of our residents more than ever before - with this ask of the sector comes a responsibility from the ICB to support the VCFSE organisations to grow and play a greater role in the system. The sector makes an enormous contribution to supporting and creating opportunities for change across our population, which enables the ICS to work together for the better. We are proud and grateful for the progress we've made together during the past 12 months, committing additional resource and looking to place the sector on an equal footing as other partners around the ICB and promote greater parity.

Clare Watson

Assistant Chief Executive
 NHS Cheshire and Merseyside



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Cheshire and Merseyside Headlines



Top 3 priorities for the sector over the next 12 months

- Sourcing funding
- Recruiting and retaining volunteers
- Developing organisational planning and strategies

19,656
VCFSE organisations

26% Registered charities
24% Social businesses
47% Below the Radar organisations

Greater diversity of legal structures compared to national trends

The sector is well established with 2/3 groups over 10 years old

Main source of income

25% Fundraising & donations
16% Charging for goods and services
14% Local Authority grants

59% of groups planning to grow their activity over the next 12 months

The sector's main relationships are with local authorities and CVS infrastructure organisations

36,372
Employees

Value of sector workforce
£868.8 MILLION
(per year)

Income of groups surveyed per annum

56% under £100k
44% over £100k

Typically working at local neighbourhood or local authority level

The value of donations are falling. £20 in 2017 will be worth just **£14.90** in 2024

36% of groups reporting a decrease in reserves

Increase in spending is linked to COVID-19 and Cost of Living pressures

22% of groups receive referrals from other organisations, both VCFSE and statutory organisations

353,562
People volunteering

145,173 regular volunteers
470,361 hours per week
24.5 million hours per year
11,759 FTE

£896.6 MILLION
GVA to Cheshire and Merseyside economy

VCFSE sector buildings are most commonly rented through private landlords

60% of groups increased their spending in last 12 months but only 35% have seen an increase in income

31% of organisations provide health and wellbeing services

Value of volunteering
£266.6 MILLION
(per year)



Introduction

Across the country it is recognised that the voluntary, community, faith and social enterprise (VCFSE) sector plays a hugely important role in supporting our communities through a variety of different ways and as a sector it is a highly valued and trusted institution by members of the public.

The VCFSE sector is also a key strategic partner for public sector organisations providing research, consultation and commissioning services on top of providing frontline service delivery across an almost endless number of themes relating to community need and addressing inequalities.

However, whilst the sector is mostly understood in terms of its philanthropic and charitable aims at a surface level, what is not as well-known is the inner working of the VCFSE sector, particularly in Cheshire and Merseyside (C&M). Therefore, on behalf of the VCFSE sector across C&M, we are pleased to present this “Cheshire and Merseyside State of the Sector” report for 2023.

This report provides a comprehensive understanding of the VCFSE sector across C&M, utilising both primary and secondary data to build the story of the sector particularly in the face of the significant challenges that it has faced over the last two decades.

Austerity, Brexit, COVID-19 and the cost of living crisis have all meant that the sector has had to operate through unstable times where demand is high and the necessary resource to respond is scarce.

As well as these challenges, this report also highlights the strengths of the sector in the face of adversity such as its ability to deliver life changing services during times of hardship, its adaptability and flexibility, its important role in prevention and early intervention, and the sector’s community assets.

In particular, this report looks at these challenges and opportunities through the lens of the following topic areas:

- **The size and scale of the VCFSE sector in Cheshire and Merseyside**
- **The sector’s legal structure and financial situation**
- **The sector’s workforce including volunteers**
- **The different areas of work and type of beneficiaries of the sector**
- **Partnership working with the sector**
- **Measuring social impact**
- **Looking towards the future and future priorities**



“ The findings discussed throughout this report were developed through analysis of existing data on the VCFSE sector, such as official Charity Commission data, and a purposely developed State of the Sector survey distributed across VCFSE organisations in C&M with over 390 responses.



Combining both these national and locally gathered insights together has helped to develop this deep dive into the state of the sector in C&M on a level that has not been attempted before. This is a new methodology to a state of the sector report for the region and aims to provide a consistent approach for developing an understanding of the sector from a regional perspective looking down into places.

This landmark report for the VCFSE sector in C&M provides not only a comprehensive view of the sector in 2023 but can also be used as a core evidence base for the sector in its strategic work with public sector partners and to support these partners to better understand the crucial role and depth of the VCFSE sector as key strategic partners socially and economically. This report can also support VCFSE organisations at a local level to better demonstrate the impact of the sectors work in their places and support commissioning and funding applications.

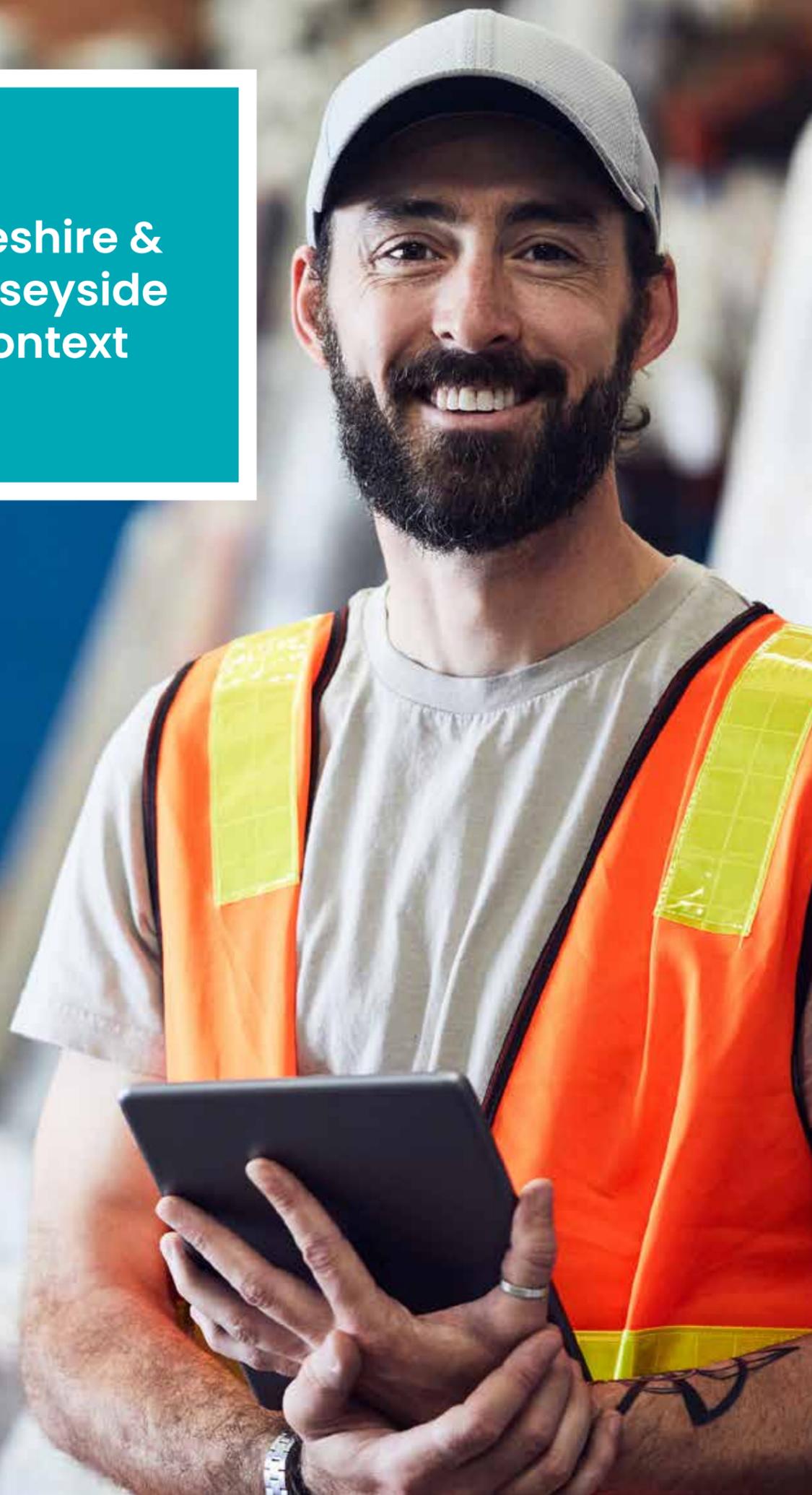
This report was produced as part of a collaboration between NHS Cheshire and Merseyside, Voluntary Sector North West, the VS6 Partnership in Liverpool City Region, and the Cheshire and Warrington Infrastructure Partnership.

On behalf of this partnership, the authors would like to express their gratitude to the organisations that took part in the State of the Sector survey utilised in this report, and extend our gratitude to all VCFSE organisations operating across the region who support communities in C&M.



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Cheshire & Merseyside Context



Population

According to Office of National Statistics estimates for mid-2021, C&M is home to over 2.5 million people with over one million households in the region¹.

This is broken down by sub-region and place in the table below:

Place	Population
Cheshire East	400,528
Cheshire West	357,699
Warrington	211,227
Cheshire Total	1,098,031
Halton	128,577
Knowsley	154,974
Liverpool	484,488
Sefton	279,692
St Helens	183,391
Wirral	320,600
Merseyside Total	1,423,145
Cheshire & Merseyside Total	2,521,17

The Institute of Healthy Equity, commissioned by Cheshire and Merseyside Health and Care Partnership, published their "All Together Fairer" report focused on the health inequalities across C&M in 2021.

The report provides a comprehensive review of the social determinants of health in C&M and sets the scene for the health inequalities that residents throughout the region face.

Key findings from the All Together Fairer report highlight the challenges facing communities in C&M:

- One third of the population of C&M live in the most deprived 20% of neighbourhoods in England
- The average Indices of Multiple Deprivation (IMD) score for C&M is 28.6 compared to the 19.6 England average
- Knowsley is the second most deprived borough in England followed by Liverpool as the third most deprived borough
- Life expectancy is below the average in C&M except for Cheshire West and Cheshire East
- The COVID mortality rate was 5% higher than the average in England and Wales, with the mortality rate for those living in the most deprived areas being 2.23 times higher than the least deprived
- 15% of children live in absolute poverty households and 18% living in relative poverty households in C&M.



¹ Office for National Statistics (2022): Population estimates for the UK, England, Wales, Scotland, and Northern Ireland mid 2021

In addition to place-based CVSs, within C&M there are two sub-regional partnerships bringing together the CVSs from each sub-region, along with other thematic infrastructure organisations, to provide a voice for the VCFSE sector to shape local policy for the benefit of communities.

These are:

VS6 Partnership (VS6)	Liverpool City Region (Merseyside) Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral
Cheshire and Warrington Infrastructure Partnership (CWIP)	Cheshire Cheshire West, Cheshire East, Warrington,

These partnerships work closely with public sector organisations across C&M to ensure that the VCFSE sector is represented within policy, decision making and service design. In particular, the key touchpoints include the Liverpool City Region Combined Authority and the Cheshire and Warrington Local Enterprise Partnership. Importantly, VS6 and CWIP each have a representative on the NHS Cheshire and Merseyside Health and Care Partnership making sure that the role of the VCFSE sector is understood and promoted through the health and care system as a key strategic partner particularly within early intervention and prevention.

Additionally, the VCFSE representatives are a point of contact for the health and care system to engage with the VCFSE organisations providing opportunities to influence service design as well as funding and commissioning opportunities.

The structure of the VCFSE sector in Cheshire and Merseyside

The region of C&M is home to 8 voluntary sector infrastructure organisations, also known as Council for Voluntary Services (CVS).

Each CVS operate as a strategic Place Lead for VCFSE organisations across a local authority geography. They have a number of core functions including leadership and advocacy, community development, providing practical support, and nurturing volunteering.

The following CVSs represent the VCFSE sector within each of the 9 boroughs in C&M:

Cheshire
Cheshire West Voluntary Action
CVS Cheshire East
Warrington Voluntary Action
Merseyside
Halton & St Helens VCA*
One Knowsley
Liverpool CVS
Sefton CVS
Wirral CVS

*Halton is one of the 6 boroughs making up Liverpool City Region however in some circumstances it is also geographically identified as being part of Cheshire. For the purpose of this report Halton is represented in the context of Liverpool City Region (Merseyside)

Number of VCFSE organisations

Number of registered charities ⁴	5,171	26.3%
Community Interest Companies (CICs)	1,293	6.6%
Companies Limited by Guarantee (CLGs)	3,481	17.7%
Registered Societies	292	1.5%
Community Sports Clubs	192	0.9%
Below the radar groups ⁵ (BTR)	9,227	47%
Total	19,656	

As can be seen from the table above, the estimated size of the VCFSE sector in C&M reveals that there are over 19,500 organisations in the region.

Registered charities

At the time of writing there are 169,198 charities registered with the Charity Commission, therefore the registered charities within C&M represent 3% of all registered charities in England and Wales. Whilst there are 2.3 registered charities per 1,000 people in the UK⁶, in C&M there are 2 registered charities per 1,000 people.

Social businesses

Community Interest Companies (CICs) and Companies Limited by Guarantee (CLGs) are considered the most prevalent legal forms utilised by social businesses by Social Enterprise UK⁷. Of the 163,030 registered businesses within C&M as of 2022⁸, CICs and CLGs make up approximately 3% of all these businesses.

² <https://charitybase.uk/>

³ <https://findthatcharity.uk/>

⁴ This number includes faith groups registered with the Charity Commission. Data has been analysed by constituency area based upon the locations of charity registered addresses.

⁵ Calculated using the well established analysis of Mohan et al. (2010) of 3.66 below the radar groups (BTR) per 1,000 people. Mohan J., Kane D., Wilding K., Branson J., & Owles F. (2010) *Beyond 'flat-earth' maps of the third sector: Enhancing our understanding of the contribution of 'below-the-radar' organisations*. Northern Rock Foundation Briefing Paper.

⁶ NCVO (2022): [UK Civil Society Almanac 2022](#)

⁷ Social Enterprise UK: [All about Social Enterprise](#)

⁸ Inform Direct: [2023 Review of UK Company Formations](#)

Size and scale of the VCFSE sector in Cheshire and Merseyside

This section of the report summarises the analysis of secondary data to estimate the size and scale of the VCFSE sector in C&M.

Whilst there are no official figures regarding the absolute size of the VCFSE in C&M, an estimate can be calculated by looking at existing data on the sector and using established formulas to work out sector size.

All data analysed has been cross-referenced with other databases to ensure as much accuracy as possible. This secondary data includes analysis of:

- **Charity Commission for England and Wales**
- **Companies House**
- **Aggregated databases via Charitybase.uk² and FindthatCharity.uk³**
- **National and regional data including the NCVO Almanac 2022**

Additionally, data regarding the formation of new companies shows that whilst private limited companies make up the vast majority of newly formed businesses, of all other company types CICs were the second most common making up 33% of all newly formed businesses in C&M in 2022. C&M CICs also make up 4.3% of all SME businesses in the Northwest⁹.

Size of the VCFSE sector by income

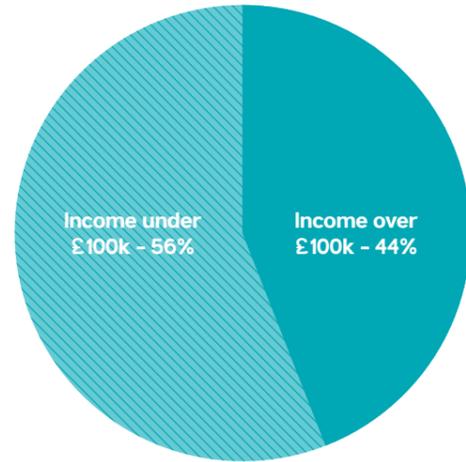
It is difficult to estimate the VCFSE sector's income accurately as there is no straightforward, established method of gathering this information due to the size and diversity of the sector.

The charity commission does report income however this is limited to registered charities only and therefore does not reflect the diversity of the sector.

BTR groups are more likely to have a micro-small level of income¹⁰ however make up the majority of the VCFSE sector in C&M (47%). From the state of the sector survey, 84% of BTR surveyed groups have an income of less than £100,000 per annum, compared with only 45% of registered charities suggesting that BTR groups in C&M have much smaller incomes than other registered groups. Despite these smaller levels of income, BTR groups are vital and distinctive components of the fabric of communities, creating social and economic value and reducing demand on the health system at very minimal cost as reported by the Lloyds Bank Foundation¹¹.

The same report also identifies the importance of CVs in being able to reach these small organisations and their role in facilitating communication and information sharing through these groups.

However, it is interesting that NCVO figures show that nationally 80% of registered charities have an income of less than £100,000¹² suggesting that registered charities across C&M have higher income levels than national trends.



Size of the sector in C&M by income as reported by 2023 State of the Sector survey respondents

Whilst there are no available comparisons for C&M as a region, previous research conducted into the size and scope of the VCFSE sector in Liverpool City Region from 2015 found similarly to the chart above that organisations with an income of under £100k make up 59% of the sector¹³.

The value of the VCFSE sector workforce

Paid staff

Based on the NCVO Almanac's (2022) statistic that the VCFSE sector employs around 3% of the UK workforce, we can estimate the number of paid staff working in the C&M VCFSE sector. In 2021 it was reported that there were 1.2million economically active people in C&M, representing 58% of the region's working age (16+) population¹⁴. Utilising NCVO's figure, it is estimated that there are 36,372 people working in the C&M VCFSE sector.

In 2021 the average hourly pay for all employees was £13.57 as reported by the government¹⁵ however a recent report from Pro Bono Economics found that, on average, people employed in the charity sector are paid 7% less per hour than people working elsewhere in the economy¹⁶. This equates to an average hourly pay of £12.62 for those working in the VCFSE sector. Based on the average working week of 36.4 hours¹⁷, the VCFSE sector workforce in C&M contributes **£868.8 million** per year¹⁸.

Volunteers

Using a similar method, NCVO reported that one in 5 people (17%) aged over 16 volunteered at least once a month in 2020/21 with only 7% reporting being consistently involved in volunteering. Therefore, it can be estimated that out of 2,073,895 of the working age population of C&M (both economically active and inactive), there are 352,562 people volunteering at least once a month and 145,173 regular volunteers.

Nicol Economics states that for those who "regularly volunteer" do so for an "average of 3.24 hours per week"¹⁹ therefore for C&M it can be estimated that regular volunteers provide 470,361 hours of volunteering per week and 24.5million hours per year across the region, equivalent to 11,759 full time jobs²⁰. Applying the Real Living Wage to these hours, currently £10.90 per hour, it is estimated that regular volunteers in C&M contribute **£266.6 million**²¹ per year to the region.

Total value

The above figures provide the total value of the VCFSE workforce in C&M as **£1.13 billion** per year²².



The value of the Cheshire and Merseyside VCFSE sector

NCVO report that the voluntary sector contributes approximately 0.9% towards the UK economy utilising an established method developed with ONS²³. Whilst data is not available regionally, the Gross Value Added (GVA) of each borough in C&M has been calculated using ONS data providing an estimated total GVA for C&M local authorities of £70billion²⁴. Taking 0.9% of this figure and adding the estimated economic value of volunteers, as calculated in the previous section, the total GVA of the C&M VCFSE sector is **£896.6 million**.

⁹ Money.co.uk: "UK small business statistics 2023"

¹⁰ McCabe A., & Phillimore, J. (2009) "Exploring below the radar: issues of theme and focus". University of Birmingham

¹¹ Lloyds Bank Foundation (2021) "The value of small in a big crisis"

¹² NCVO (2022): "UK Civil Society Almanac 2022"

¹³ Jones, G., & Meegan, R. (2015). "Measuring the size and scope of the voluntary and community sector in the Liverpool City Region". Liverpool John Moores University

¹⁴ Office for National Statistics (2023): "Employment in local authorities, England and Wales: Census 2021"

¹⁵ Gov.UK (2022): "Average hourly pay"

¹⁶ Pro Bono Economics (2022). "The price of purpose? Pay gaps in the charity sector"

¹⁷ Office for National Statistics (2023): "Average actual weekly hours of work for full-time workers"

¹⁸ 36,372 workers

£12.62ph x 36.4hrs = £459.37 per week

£459.37 * 52 = £23,887 per year

£23,887 x 36,372 workers = £868,822,911 per year

¹⁹ Power to Change (2020). "Assessing the value of volunteers in community businesses"

²⁰ 470,361 /40 hours per week FTE

²¹ Regular volunteers 145,173 x 3.24 hours = 470,361 hours

RLW – 10.90 x 470,361 hours per week = £5,126,935 per week

£5,126,935 * 52 weeks per year = £266,600,620

²² £868,822,911 (workforce) + £266,600,620 (volunteering)

=£1,135,423,531

²³ NCVO (2022): "UK Civil Society Almanac 2022"

²⁴ Office for National Statistics (2023): "Gross Value Added (GVA)"

2

Cheshire and Merseyside State of the Sector Survey Findings

Methodology

In order to best capture the state of the sector in C&M and following examples of other similar research projects across the country, an online survey was designed and distributed across the region.

The survey was developed following a period of desk research into other state of the sector projects, the NCVO almanac, Third Sector Trends reports and a review of current policy and challenges facing the sector utilising local intelligence and insights.

All C&M CVS organisations were also involved in the design of the survey, and the final draft of the survey was signed off from their perspectives.

Once finalised, the survey contained 52 questions in total with a mixture of multiple choice, closed and open questions. The survey was distributed via the infrastructure partnerships covering C&M and through each CVS to reach VCFSE groups at place. The survey was also advertised on partner websites and social media platforms on a regular basis in order to reach the most organisations as possible.

For organisations that struggled to access the survey online, CVS organisations were provided with the questions in paper form to complete with answers then entered into the online survey manually for analysis.



Based upon the estimated number of VCFSE groups calculated in the previous section of this report being 19,656, a sample size of approximately 377 was required for statistically significant findings from this survey²⁵. A total of 392 organisations completed the survey therefore it can be assumed that findings from this survey are representative of the VCFSE sector in C&M as a whole.

How to read this report

The report is broken down into a number of themes and topic areas to tell the story of the VCFSE in C&M as told by the data. These areas are:

- Profile of the sector
- VCFSE workforce
- Main activities of the sector
- Community assets of the sector
- Current challenges
- Looking to the future
- Measuring the impact of the sector.

Each section includes a graph or chart with an accompanying explanation of the data to explore it further. In some cases, where appropriate, data from this survey has been benchmarked against national surveys of VCFSE groups to highlight common trends or discrepancies.

²⁵ Calculated at <https://www.qualtrics.com/blog/calculating-sample-size/> with a confidence level of 95% and margin of error of 5%



Data caveats

It is important to note that whilst the survey on the whole is statistically representative of the VCFSE sector across C&M, there are variances at a sub-regional and borough level. For example, only 4% of survey respondents were organisations from the borough of Halton compared with other boroughs ranging from 11 to 16%.

Therefore, it could be concluded that Halton responses are not necessarily reflective of the Halton VCFSE sector specifically. Initial learning from the approach has been the requirement for a longer lead in time to enable CVS at place to produce area based engagement strategies.

External benchmarking draws on several ongoing sector surveys which are updated several times each year, as a result groups being asked about their experiences in these surveys may have been asked in a different time period to how the sector has responded to this survey.

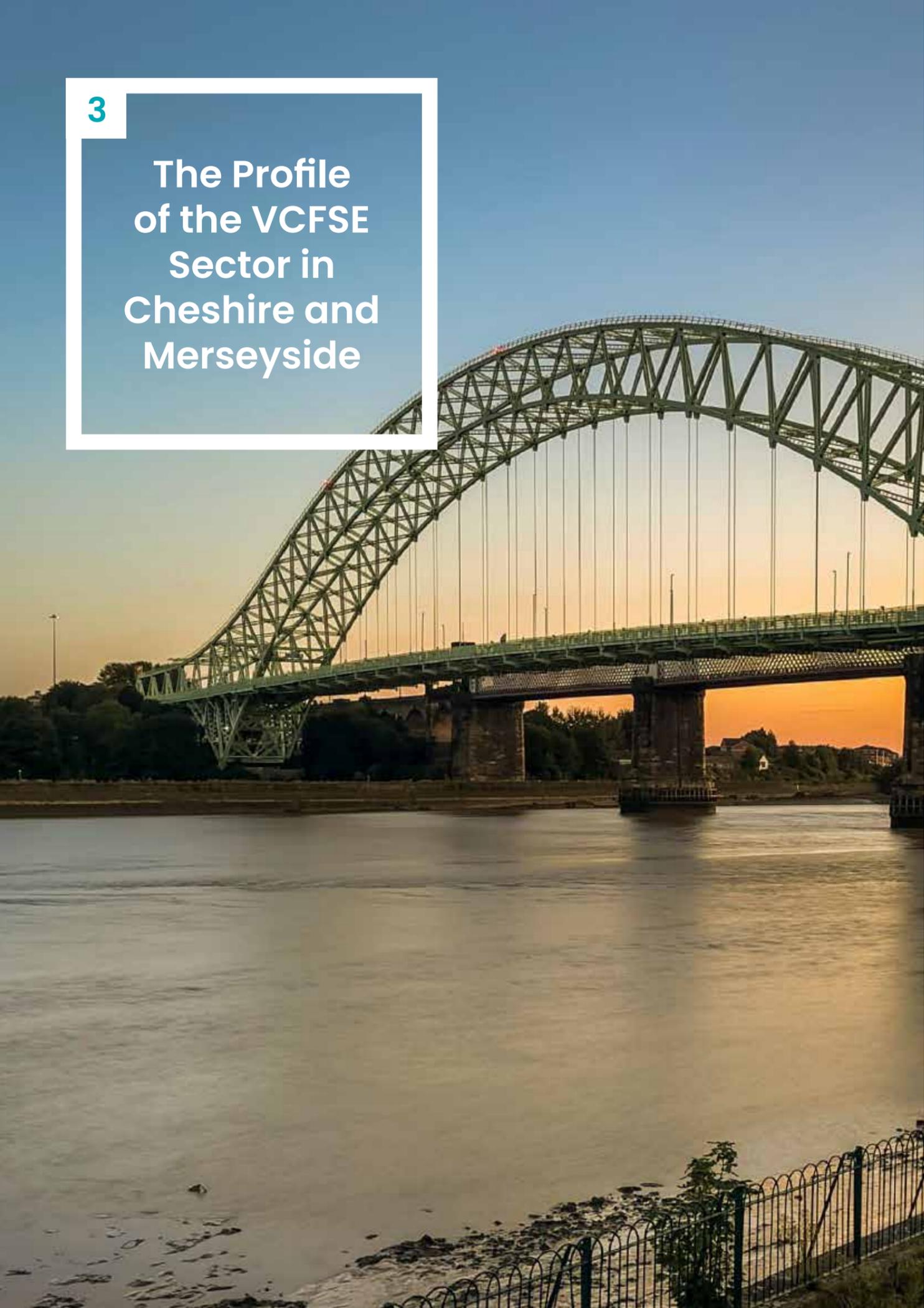
Therefore, in these cases comparison should be drawn with caution. Additionally, these wider national surveys use questions and classifications that vary to degrees with how this survey was designed; where possible, national survey findings have been extrapolated against to create a meaningful reference.



“ The findings discussed throughout this report were developed through analysis of existing data on the VCFSE sector, such as official Charity Commission data, and a purposely developed State of the Sector survey distributed across VCFSE organisations in C&M with over 350 responses.

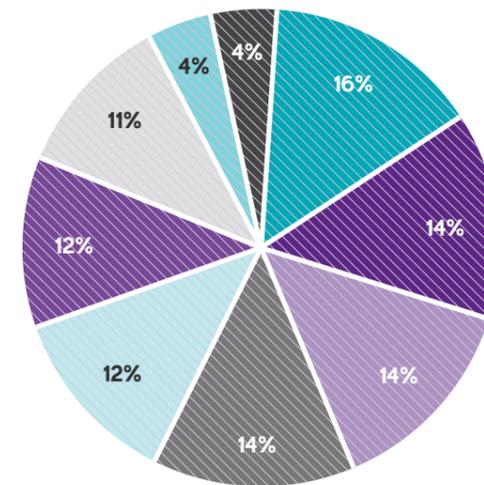
3

The Profile of the VCFSE Sector in Cheshire and Merseyside



Survey responses by borough

The spread of organisations that responded to the survey was fairly even across most of the boroughs, however it was slightly more difficult to achieve higher response rates in the boroughs of Halton and St Helens which represent only 4% of respondents each.



Liverpool	Knowsley	Cheshire West
Warrington	Sefton	Cheshire East
Wirral	Halton	St Helens

Legal Structures

Charity (registered and CIO)

There are several legal forms associated with the term 'charity' (incorporated charity/charitable company; charitable incorporated association; and unincorporated charity).

Social economy groups tend to favour this form as it is regulated to ensure that it delivers positive benefits to the wider public; it can most easily apply for the widest range of gift finance (grants, donations, etc); and in recognition of any trading it undertakes being exclusively in pursuit of further delivering its charitable purposes (none of its surpluses are able to be shared amongst private individuals or other groups), these are exempted from tax.

Co-operative

A co-operative can be recognised as both a distinct legal form (regulated by the FCA), but also incorporated within Company law. It is an organisation that is created by a group of people (members) who share a common need/interest which they recognise they can better achieve collectively than by their individual efforts alone.

Although this definition also applies to partnerships, co-operatives have a defining set of values and principles to ensure that they also act with regards to democratic accountability, ethical practices, and concern for the wider community.

Community Amateur Sports Club (CASC)

Groups that are created to support and promote certain types of sporting activities at an amateur/community level can be registered as a CASC with HMRC only, to gain benefits relating to gift aid, and tax reliefs of some trading activities it may undertake.

As such, they are a form of charity, but not subject to the same full legislation as charities registered with the Charity Commission.

Community Benefit Society

This is a form of co-operative, but although it has a body of members who control it collectively through democratic processes, its principal purpose is to create benefit for the wider community rather than its individual members. It is structured to enable investment to be raised from its community in the form of 'community shares' (which may or may not offer a return to the individual member). In respect of its community purpose, it can also apply for charitable tax status with HMRC.

Community Interest Company (CIC)

Introduced by the government in 2004, this is not a stand-alone legal form, but rather an 'add-on' to an existing company (limited either by guarantee or shares). It offers an additional layer of regulation in the form of an extra regulator that the company is accountable to and requires the mandatory adoption of the features that social economy organisations have the option to otherwise adopt in their legal form as a company (social purpose, limit on distribution of surpluses, and protection of assets).

Company – limited by guarantee

Some social economy organisations are unable to gain charitable status because their specific purposes fall outside the scope of those allowed to be recognised in charity law (a charity can only be registered if it exists to achieve one of 12 regulated principal purposes²⁶). Company law also allows for more flexibility in the governance of an organisation than charities can adopt; and many social economy organisations 'lock in' their social purposes, restrict the ability for any surpluses to be shared amongst private individuals, and protect any assets gained for the benefit of the community (in the same way that a charity does) using provisions in Company law.

Company – limited by shares

Offering the same flexibility as a company limited by guarantee, this form of company allows for investment from private individuals and bodies in return for an 'equity stake' (which may or may not have associated voting rights). Such an arrangement sees the investor receive a return on their investment from future trading surpluses.

Limited Liability Partnership (LLP)

In common with other partnerships, an LLP is formed by several people or organisations coming together to collectively pursue a shared goal that they would otherwise struggle to do alone. Partners are responsible for the shared partnerships' ongoing success and distribute the surpluses their shared activities generate between themselves. In being formally registered as an LLP, members of a partnership are protected from liabilities that may arise from undue actions of other partners, which they would otherwise be liable for.

Sole Trader

Many social economy organisations are founded by a 'social entrepreneur': an individual who is seeking to influence change and introduce new services and activities within an area or community. As such, they are focussed on developing their service first, and subsequently adopt a distinct legal form later. During this start-up period, the social entrepreneur acts and trades in their own name as a sole trader: this means that they personally own all the assets and materials of the emerging group but are also fully personally liable for any risks or debts it incurs.

Trust

A form of charity, Trusts are created to administer and manage a specific asset (money, land, or building) in pursuing specific charitable goals. However, they are not able to engage in any trading activity.

Unincorporated Association

Upon registering or incorporating, a group becomes liable to undertake ongoing administrative tasks and must act within the framework set by the regulator for the respective form, with regards to governance, activities, etc. Many smaller, 'below the radar' groups are formed to deliver hyper-local or occasional activities that carry low risk and require little funding or other resource. As such, being subject to the additional ongoing regulation and administration of being registered or incorporated is disproportionate to their circumstances and would otherwise stifle their ability to deliver any activity. Unincorporated associations have a constitution which sets out the shared expectations of how the group will behave, and it is accountable to its members only who are liable for any risks or debts it may incur.

Legal structures in Cheshire and Merseyside

Respondents were asked to identify the legal structure of their organisation from a list of known arrangements for VCFSE organisations, including options for unincorporated organisations.

Historically, traditional sector organisational types are heavily present throughout the sector such as registered charities and companies limited by guarantee. This has been replicated in the results with half of all organisations identifying as a registered charity or a charitable incorporated organisation (CIO). However, in addition to the most common legal structures, answers to the "other" response have revealed that, unusually, there are church bodies and schools also recorded. This suggests that the VCFSE sector is more widely self-identifying than might be otherwise usually understood.

Based on these responses it was not possible to identify how many social enterprises or community businesses there may exist within the wider VCFSE sector. The definition of such bodies is not restricted to their legal form, but rather that most of their income is derived through commercial traded means.

²⁶ Charity Commission for England and Wales (2023): "Guidance: Charitable purposes"

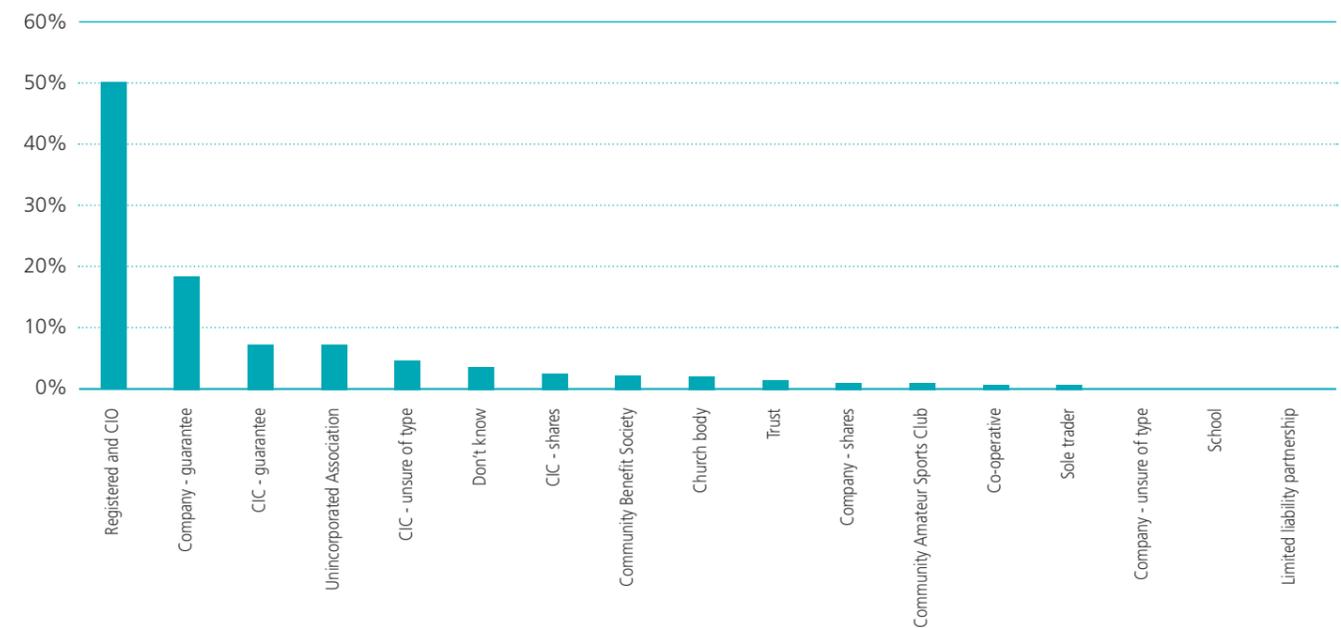
²⁷ Local Trust (2020): "Below the radar: Exploring grants data for grassroots organisations"

All of the organisations in the graph would be eligible to trade in such a way. However, for organisations that identify as a Community Interest Company (CIC), these make up 13.8% of all responses, along with 18.6% of organisations identifying as a Company Limited by Guarantee (CLG) and 0.7% Company Limited by Shares (CLS).

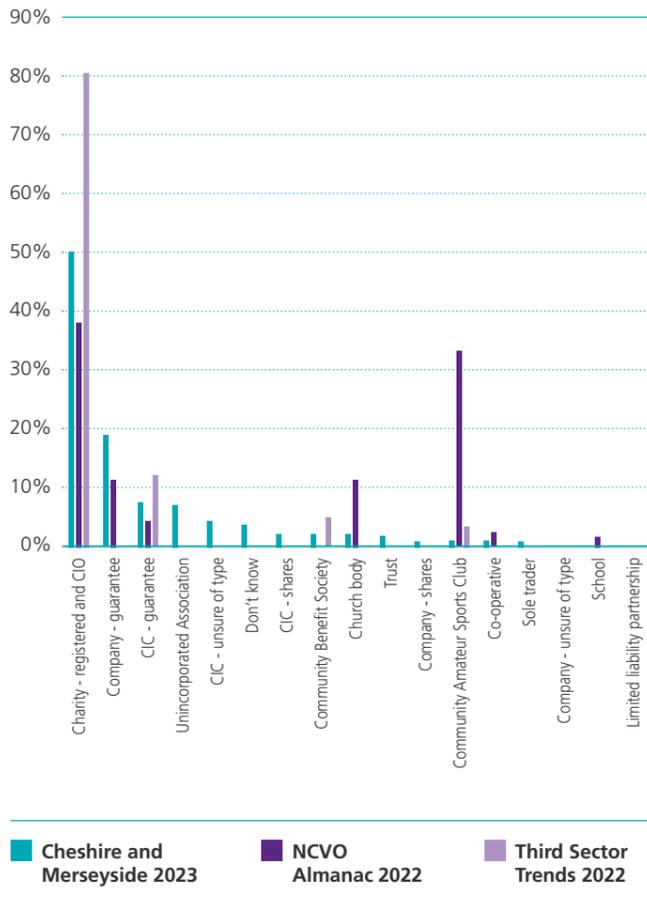
The profile of responses also suggests that the survey has been able to capture the views and experiences of 'Below the Radar' groups (groups who are not registered with any statutory or other regulatory body). These groups are not usually recognised in formal mapping exercises of the sector but are estimated to make up an estimated 11% of the sector²⁷. In this survey, 6.8% of respondents identified as an unincorporated association.

As 'unincorporated associations' are groups that are not formally incorporated and therefore not registered with any statutory or regulatory body, that they make up 11% of groups in the survey indicates that their voices and experiences have been appropriately captured within it. Additionally, 3.3% of respondents were unsure of the legal structure of their organisation.

Potentially these respondents were from an unincorporated organisation and therefore were not aware of the opportunities for becoming a legal entity or perhaps the survey was completed by a member of staff unsure of the legal specifics.



C&M legal structures vs national trends



A comparison of the C&M responses against national trends also highlights that the sector is more diverse in its chosen forms and structures than would otherwise be expected (based on there being more overall use of different organisational types – including those with share ownership models); but there are notably fewer formal sports groups and co-operatives in C&M overall in comparison with national data.

However, this external benchmarking should be viewed with caution as there is variance in what should be taken as the national benchmark.

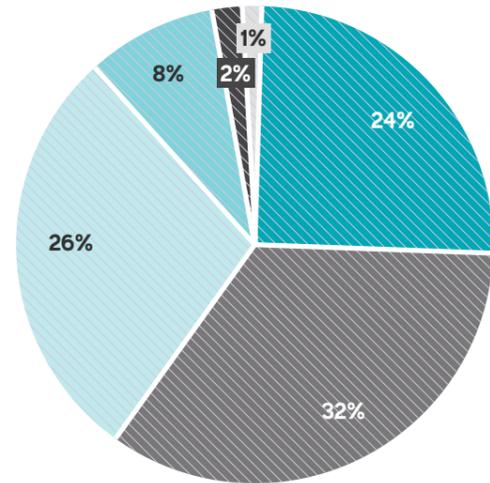
This is likely because each of these benchmarks have created their own set of legal form classifications and mapped the sector against these accordingly.

Income and expenditure

Income size

The VCFSE sector in C&M is predominantly made up of micro and small sized organisations, with organisations having incomes of less than £100,000 per annum making up over half of all respondents (56%); although there are some exceptions to this, with a very small minority of large organisations reporting having income in the £millions (11%).

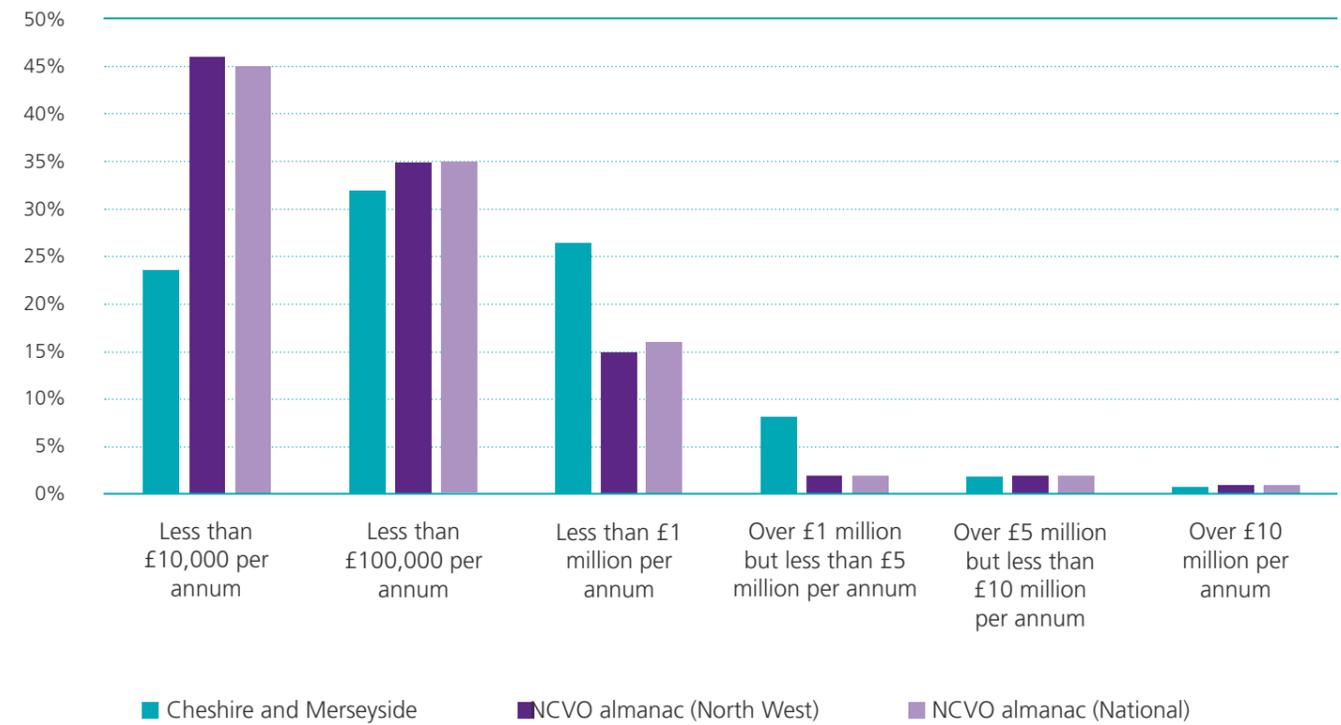
Medium sized organisations, or those with an income between £100k and £1million, make up over a quarter of survey responses (26%)²⁸.



- Less than £10,000 per annum
- Less than £100,000 per annum
- Less than £1 million per annum
- Over £1 million but less than £5 million per annum
- Over £5 million but less than £10 million per annum
- Over £10 million per annum

The sector in C&M would appear to be much smaller than might be expected when income ranges are compared to national averages:

C&M VCFSE income size vs regional and national trends



It is apparent that the sector in C&M has fewer smaller, locally based groups than should be expected, according to the 392 responses to the state of the sector survey, in comparison with regional and national trends; and that it is more dominated by larger groups than is the norm. Whilst this might offer a higher overall financial stability to the sector, it reduces the variety and scope of support that a larger number of smaller groups would be able to offer between them, in best meeting and responding to, the changing needs of local communities.

Similarly, large VCFSE organisations (those with an income between £1m and £10m) are over represented in C&M in comparison with regional and national trends, with those organisations with an income between £1m and £5m over double that of NCVO data.

However, the data collected in this survey presents only a snapshot of the breadth of the VCFSE sector in C&M. There are possible explanations for this variance in sector income size data from this survey and national trends.

It is possible that smaller organisations did not have the capacity to complete the survey, or the survey was too lengthy (which was raised in a “final comments” text box at the end of the survey), and vice versa for larger organisations who may have had more time to dedicate to this survey.

²⁸ NCVO categorise the size of voluntary sector organisations as:
 Less than £10,000 – Micro
 £10,000 to £100,000 – Small
 £100,000 to £1m – Medium
 £1m to £10m – Large
 £10m to £100m – Major

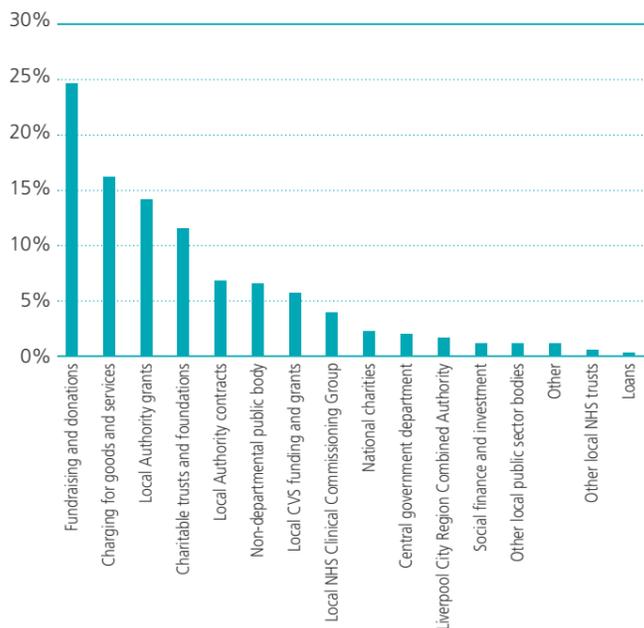
Sources of Income

Respondents were asked to identify their organisations main source of income and funding over the last 12 months. Based on groups’ responses, the main source of income for the sector by frequency of use is through fundraising activities and donations (25%), suggesting that the majority of the sector in C&M is reliant on the generosity of the general public to fund the delivery of its services.

The second most common type of income that the sector then generates is through charging for goods and services (16%), such as charges for its activities, membership fees, hire of spaces, class fees, etc. This is followed by Local Authority grants (14%) as the third most common source of income for the VCFSE sector in C&M.

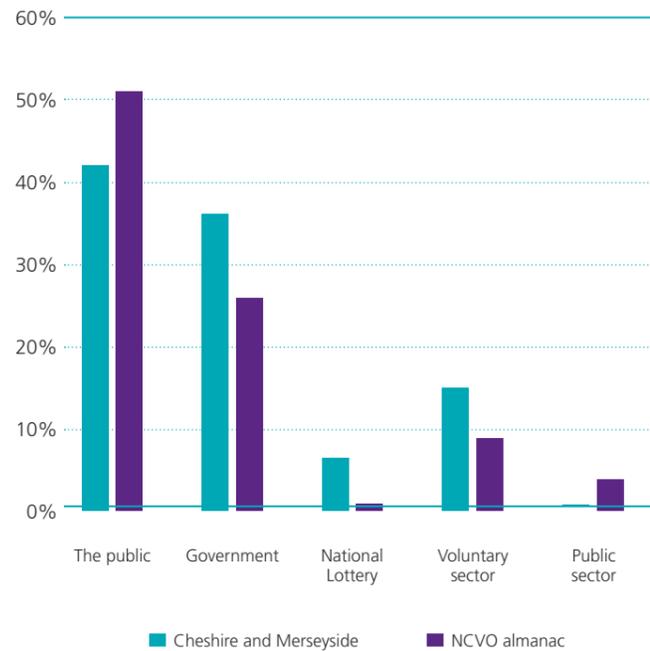
Other notable sources of income include funding from charitable trusts and foundations, non-departmental public bodies (such as the Arts Council and National Lottery Funding), Local Authority contracts and commissioning, and local funding from place based CVS organisations.

Main source of income



The data would appear to indicate that the sector does not necessarily rely on public sector funding to sustain its services and impact, however, in correlating these findings to national benchmarks as reported in NCVO’s Almanac 2022, it would appear that the breadth of response options is masking a different reality – one in which the sector is actually more reliant on the wider public sector (as grants and contracts), and larger grant making bodies:

C&M income type vs national trends



Additionally, the cost of living crisis has changed the way that the general public are engaging with charities in terms of donations and giving. Research by the Benefact Group in their inaugural “Value of Giving” report shows that whilst the number of people donating to charities has increased up from 64% in 2019 to 76% in 2022, the value of these donations has actually decreased²⁹. They reported that the value of these donations nationally fell sharply from £9.3billion in 2022 to £4.3billion in 2022, and the average amount given over a year has almost halved since the pandemic (from £261 to £101 per year).

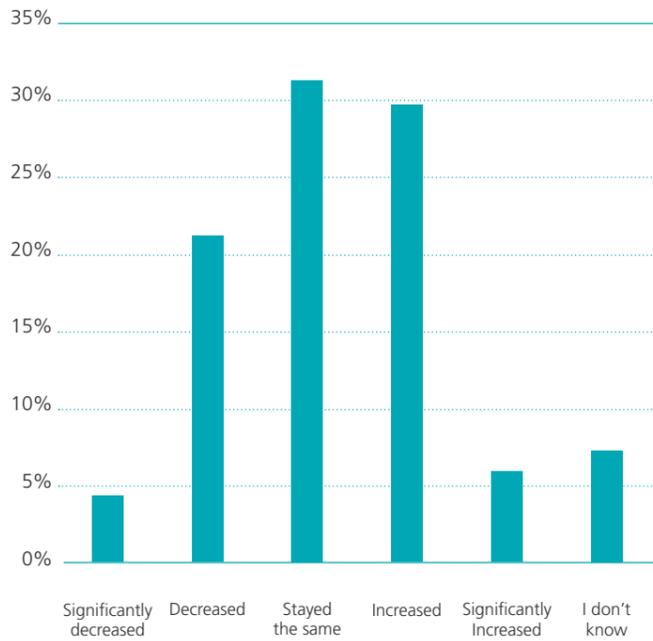
On top of this, donations are falling in value due to high rates of inflation with projections showing that a £20 direct debit set up in 2017 will be worth just £14.90 in 2024³⁰.

However, this challenge is not solely an issue for fundraising and donations, with inflation impacting on almost all other sources of funding and finances including the falling value of grants and contracts and reserves covering less and less activity.

Changes to income over the previous 12 months

Respondents were asked to state how their organisations income had changed over the 12 months prior to the survey. The responses to this question would seem to suggest that overall, the sector is relatively ‘balanced’ in how many groups have seen incomes fall, remain static, or increase:

Change in income over last 12 months

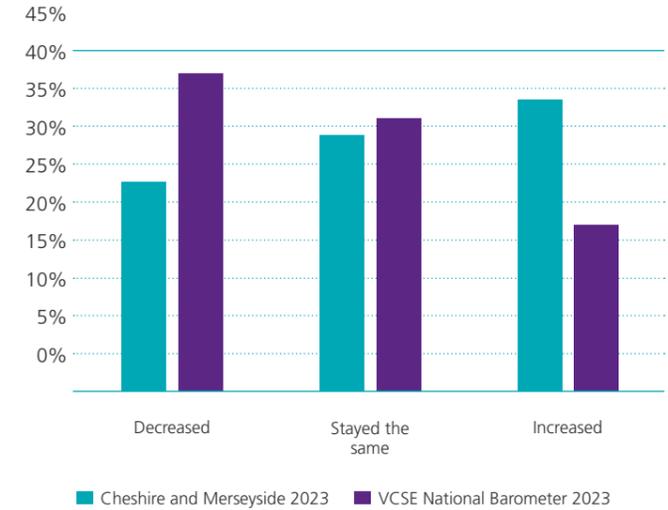


It is encouraging that many organisations across C&M have not experienced a significant decrease in income over the last 12 months, with only 4% of organisations identifying their income had significantly decreased.

Indeed, a more detailed analysis of responses to group them by a simpler metric of income having gone down/up/remained the same suggests that overall, the sector may have slightly grown in revenue.

This suggests a sector which performing better than expected financially in comparison with national trends³¹:

C&M change in income over last 12 months vs national trends



But this overall picture masks the volatility that groups are experiencing in income – whilst 1/3 have been able to remain static with regards to incoming revenue, and a similar amount seemingly manage to benefit from new opportunities to further grow their income, more than 1/4 of the sector are increasingly struggling to maintain the delivery of their support services and activities.

Additionally, as discussed earlier in this report, the impact of inflation on income and reserves means that, whilst income for some organisations may have stayed the same, the value of this money is not the same as it was 12 months ago.

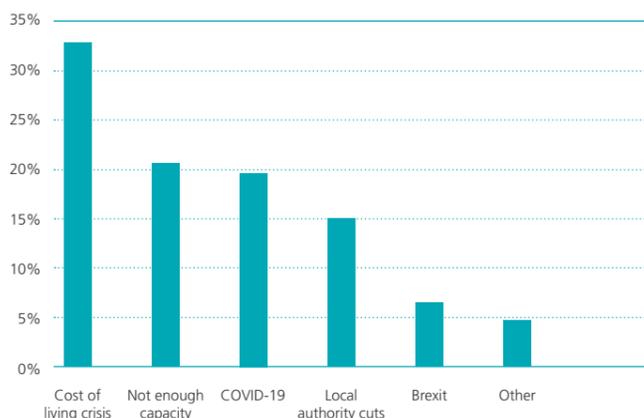
As inflation continues to rise, this problem will become more acute.

²⁹ Benefact Group: “The Value of Giving 2022”
³⁰ Pro Bono Economics (2022): “The cost of giving: What UK charities need to know about inflation”
³¹ Pro Bono Economics (2023): “Running hot, burning out: An analysis of the VCSE Sector Barometer, in partnership with Nottingham Trent University National VCSE Data and Insights Observatory”

Factors for income change

Groups were asked to identify what, if anything, had negatively impacted their income over the last 12 months.

Causes reported by groups as to why incomes have fallen



The most prevalent factors relate to inflationary pressures (the cost-of-living crisis which is seeing 60% of the general public reduce the amount they would have otherwise been donating to charitable and community causes³²), insufficient internal capacity with regards to staffing and volunteers to be able to generate income, and the ongoing legacy impact of the COVID pandemic. On average groups reported facing 2 of these issues simultaneously which is likely to put significant pressure on groups to address these challenges whilst trying to maintain their activities.

Local authority cuts was the fourth most common response, perhaps linked to the earlier findings that the sectors top source of income relates to fundraising and public donations and is not as reliant on public sector funding as might be assumed. Issues relating to Brexit were not a significant factor for loss of income for C&M groups. Reasons given under the 'other' column also highlight loss of income from traditional grant making trusts and loss of income from fewer beneficiaries who would normally be charged for services.

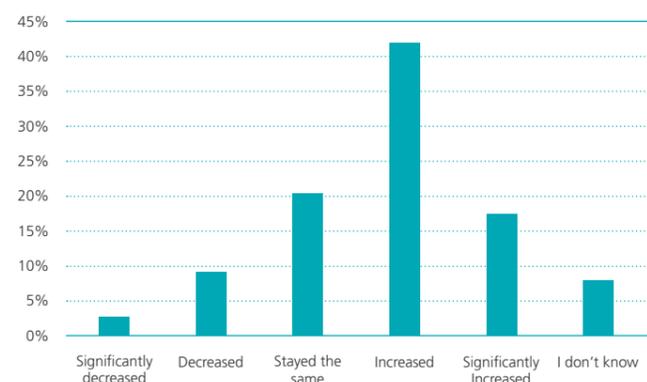
³² Savanta: "Cost of Living Poll – BBC – 16 January 2023"

³³ Pro Bono Economics "Running hot, burning out: An analysis of the VCSE Sector Barometer, in partnership with Nottingham Trent University National VCSE Data and Insights Observatory"

Changes to spending over the previous 12 months

Respondents were asked to identify how their organisations annual expenditure had changed in the last 12 months. The overall responses by 367 groups would seem to suggest that the sector is engaged in growing its activities based on the number of groups who have been spending more than in the previous year:

Change in spending over last 12 months



However, there are several other explanations that could account for this growth in spending. An analysis of spending against income suggests that this increase in spending has not been planned or will be easy to sustain. The graph on the next page shows that those with decreased income are reducing their spending at a rate lower than cuts to their revenue, those with stable incomes are starting to spend more and those with increased incomes are spending at a higher rate than their income growth.

It is possible that this expenditure could be linked to inflation and rather than being able to invest in growing their organisation, groups are having to spend more on their everyday activities. The significant jump in the cost of gas and electricity experienced in 2022/23 put pressure on many groups, particularly for those who have a physical premises to operate from.

National trends in the sector, as identified in the 2023 VCSE Barometer findings report, identified that over half of organisations are having to increase their spending on salaries in order to help retain their staff and recruit to their workforce³³.

Changes in income vs. changes in spending



If this is also the case in the sector locally, such ongoing increases in staffing costs will be increasingly difficult to sustain and could potentially lead to a loss of capacity and skills in the sector in the future. Additionally, some groups reported that the value of the current public sector contracts they have does not allow them to pay the national living wage, which will also likely be impacted by rising inflationary costs.

With many groups not matching changes in their spending with their income, it suggests that the causes for these changes are not due to planned growth. Indeed, the national VCSE Barometer for 2023 reported that nearly 80% of all groups across the sector had seen demand for their services and support grow in the previous 3 months, and there is an anticipation that this growth in demand will continue for at least the next 3 months. Therefore, it is likely that much of this increase in spending is to meet increasing demand on services.

Further analysis later in this report exploring the impact of COVID and cost of living suggests that groups are responding to changing needs in their communities as they arise. Whilst it is important to be able to respond to shifts in community needs, constant crisis response may be hard to sustain into the future and could see the sector increasingly weakening in its resilience to respond to future crises.

Changes to reserves over the previous 12 months

Respondents were asked to identify how their unrestricted reserve levels have changed over the last year.

Responses show that over a third of the sector in C&M are resourcing challenges relating to the cost-of-living crisis and rising demand through the use of reserves, with 36% groups reporting a decrease or significant decrease in their reserve levels. This is in keeping with national trends across the wider sector whereby many groups are typically reporting using reserves as the most common way that they are responding to rising costs³⁴.

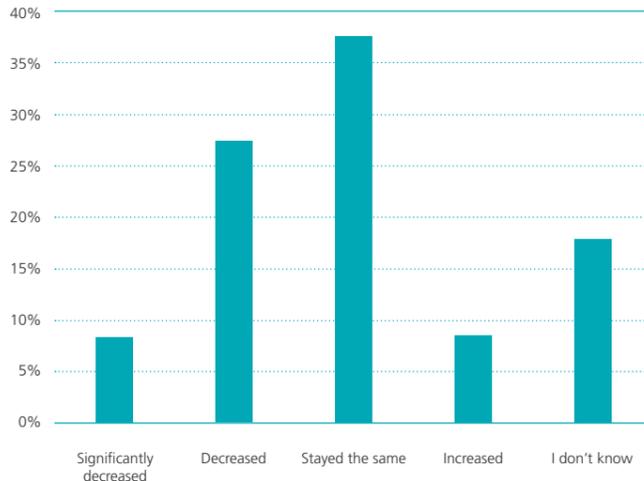
A similar number of groups reported that their reserves had stayed the same over the preceding 12 months (38%) perhaps indicating that although these groups were able to recover their reserves they have been unable to grow them with only 9% of groups seeing their reserves increase. 18% of groups reported that they did not know how their reserves had changed.

Whilst we can only speculate as to why groups did not know this information, findings from the survey could suggest that the increased demand on organisations has made this difficult to calculate or plan for.

³⁴ Pro Bono Economics (2022): "Breaching the Dam: An analysis of the VCSE Sector Barometer, in partnership with Nottingham Trent University's National VCSE Data and Insights Observatory"

Overall this suggests that the sector is now in a far weakened state to be able to meet future needs in communities without further external support:

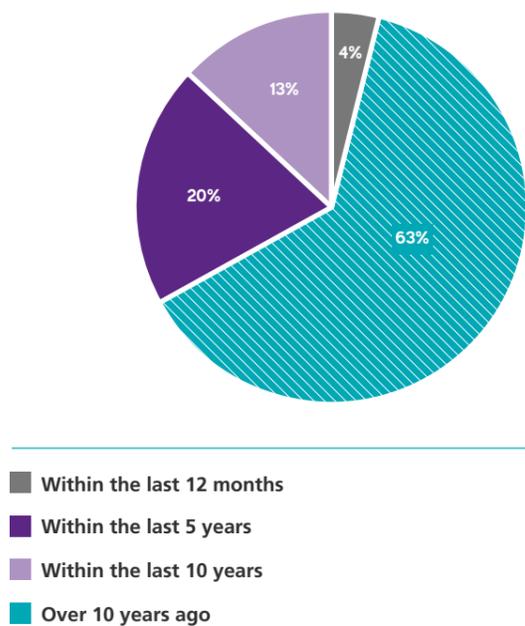
Change in reserves over last 12 months



How established the VCFSE is in Cheshire and Merseyside

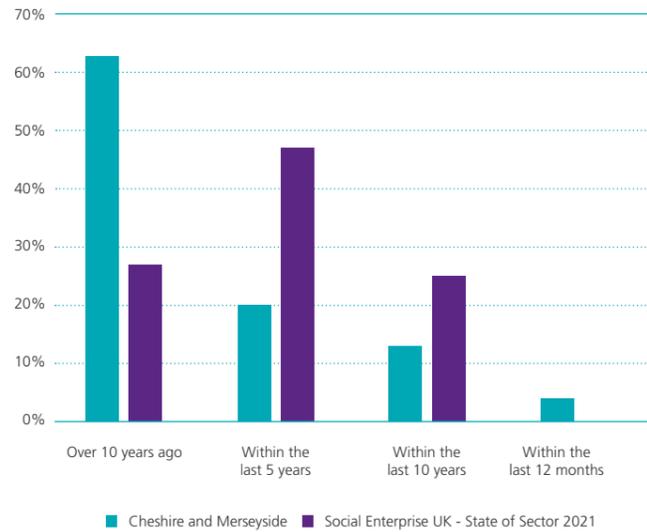
The sector in C&M would seem to be well established, with a clear majority of all groups being in operation for over 10 years:

Formation of groups in C&M



However, this is in contrast to national trends which suggests the VCFSE sector is usually expected to be more turbulent with larger numbers of 'younger' groups:

Age of groups in the sector vs. national trends



But the above benchmarking only considers the whole local VCFSE sector in comparison to social enterprises – there is far less data available on the age of groups across the wider sector nationally, although the NCVO Almanac identified that in 2021, the number of new VCFSE groups forming and registering was below what had come to be expected as average for each year which is a trend replicated in our C&M findings.

Potentially this suggests that across C&M places, innovation as represented by the formation of new groups could be being stifled, with fewer newer groups being formed. This could possibly be attributed to COVID and the cost-of-living crisis, with current financial environments making it difficult for newly formed organisations to grow and adapt. It may also increase the risk of future succession challenges in the sector with low numbers of new groups being formed to help build resilience more widely.

On the other hand, this showcases the resilience of some of C&M's established organisations with potentially more sustainable, consistent funding that are embedded within partnerships and pathways.

Additionally, innovation does not only come from new organisations, with more established VCFSE groups having the resilience to be able to innovate and take risks. However it is clear that without newly formed groups, the range of innovation potential for the sector as a whole will be more limited.

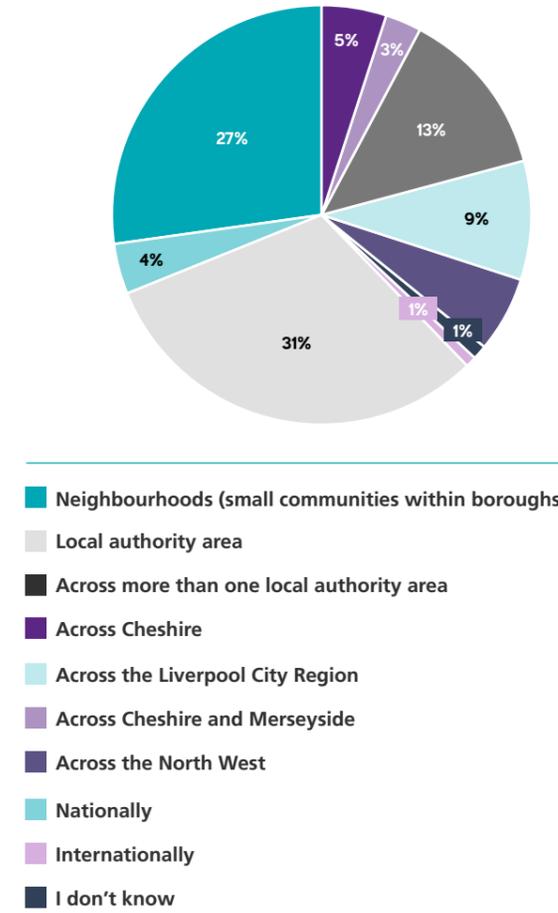
Scope of the sectors activities

Respondents were asked to identify within which geographic location in C&M they operate, such as operating within one or more local authority areas or more regionally. As the chart illustrates, groups in the sector are primarily positioned to deliver against the strategic priorities of public bodies at whole local authority levels, with 31% operating within their local authority area and an additional 13% operating across multiple local authority areas. 27% of respondents operate within neighbourhoods, defined here as small communities within boroughs, providing services at a hyper-local, grassroots level. This finding appears to match well with the earlier data around size of organisations, with 24% of organisations in C&M having an income of less than £10k per annum. However, there are further insights from this data discussed below which show this relationship is more complex than appears.

9% of respondents operate across a Liverpool City Region footprint, with a further 6% operating across Cheshire. Across the whole region, 3% of organisations work at a C&M level.

In terms of national reach, 4% of respondent organisations operate across the wider country, with 1% operating internationally.

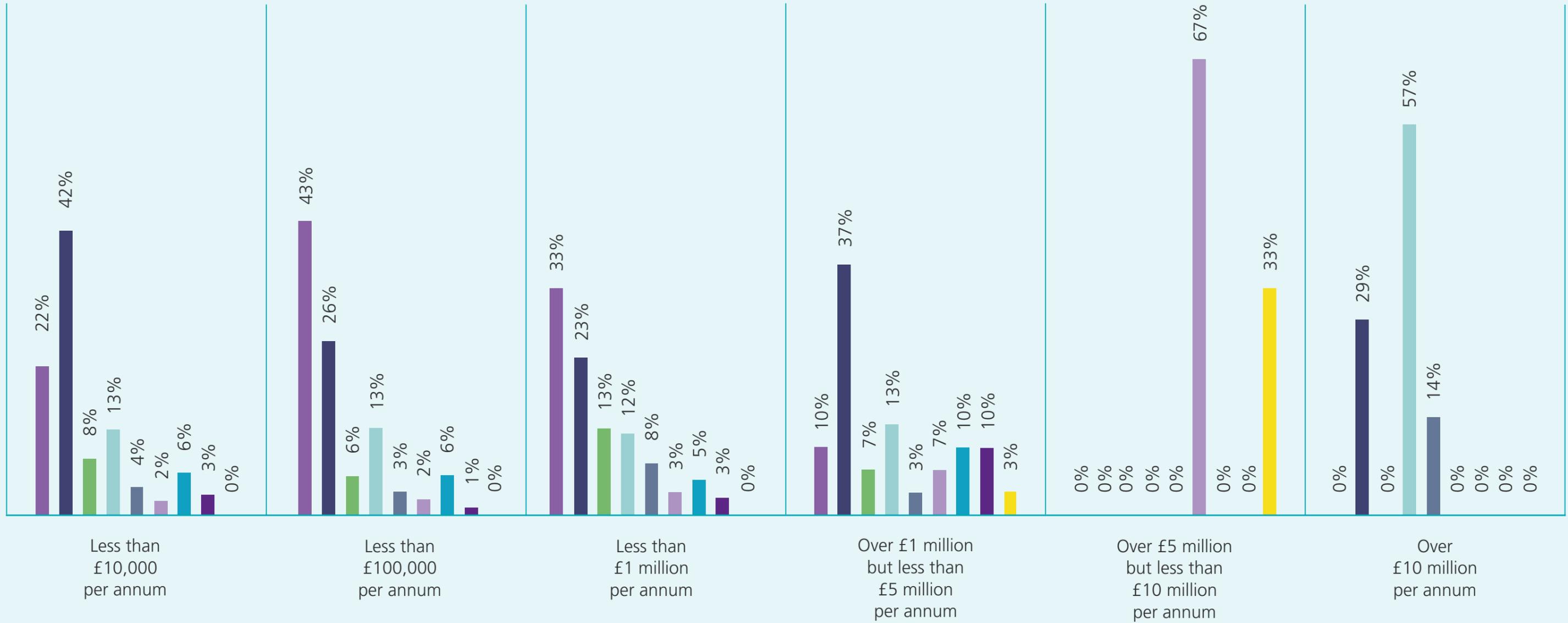
In which geographic area does your organisation carry out its activities



In comparing groups' income with the geographic area that they report covering, there are the expected trends that the largest groups tend to cover the largest areas, but there are also some findings of note:

- Micro groups (less than £10,000 income per annum) are just as likely to be covering a whole local authority area, as those groups with incomes in excess of £1m. This suggests that there may be potential for unrealised innovation to be captured and scaled for the benefit of better realising local authorities' strategic aims, on the basis that these smaller groups are likely be newer and needing to be more creative with their limited resources.
- Where groups have incomes of between £10,001 and £1m, their focus is most likely to be at a neighbourhood level: suggesting that groups operating at this scale may be best placed to support local authorities tackle issues that are identified at ward, and lower super output levels (also commonly referred to as being the 'hidden pockets of poverty and deprivation').

Relationship between groups' income and areas covered



4

The VCFSE workforce in Cheshire and Merseyside

Paid workforce

Respondents were asked to provide the approximate numbers of paid staff within their organisation. Approximately two-thirds of groups (64%) who responded to the survey reported that they employ paid staff in either a full-time (48% of all groups) or part-time capacity (53% of all groups), or a combination of the two.

An initial analysis of responses would seem to suggest that most organisations completing this survey that do employ paid staff, are larger than micro-level sized organisations (defined by employing more than 10 people, and with the average staffing numbers being in excess of 20) with some organisations employing hundreds or thousands of paid staff – the average numbers of full-time employees per group is 32, and for part-time, 22.

However, those organisations that employ such large numbers of paid staff in C&M are not representative of the sector in C&M as a whole, based on the usual income range of most groups to be able to sustain such high numbers of staff.

Taking this into account, a modal analysis was undertaken to identify the most common number of people employed per organisation, rather than the average across all respondents.

This reveals that the sector in C&M is largely under-resourced with regards to being able to offer and sustain paid employment, with the most common number of full-time staff for VCFSE organisations being just 1 employee, and 4 employees for part-time staff.

This echoes national trends from the 2023 VCSE Barometer which reports that 82% of groups surveyed are struggling to recruit staff, and over half have vacancies that they cannot fill³⁴ - a trend that becomes more pronounced and problematic as groups become larger³⁵. Reasons that such groups cite for these difficulties include factors linked to the cost of living crisis such as rising inflation and commissioning contract values failing to keep pace with inflation. The latter in particular was raised by several groups in this C&M.

However, other factors have become significantly more challenging including increasing competition for talent not just from other VCFSE organisations but the public and private sectors as well.



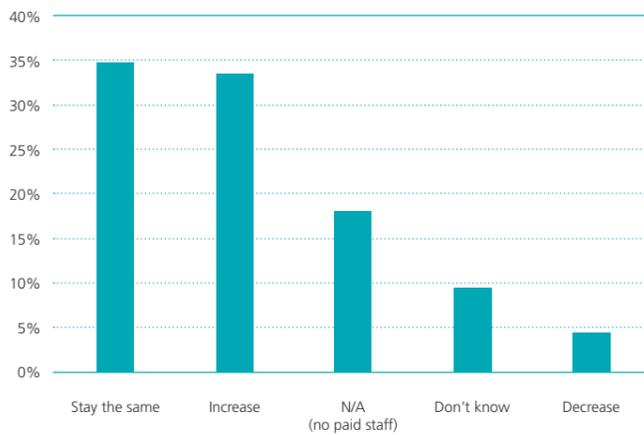
³⁵ Pro Bono Economics (2023): "Running hot, burning out: An analysis of the VCSE Sector Barometer, in partnership with Nottingham Trent University National VCSE Data and Insights Observatory"

³⁶ Pro Bono Economics (2023): "Shifting out of reverse: An analysis of the VCSE Sector Barometer, in partnership with NTU VCSE Observatory"

Planned changes to staffing

Respondents were also asked to identify whether they expected that the number of their paid employees will change in the next 12 months. Whilst the sector in C&M generally does not intend to reduce its staffing numbers in the future, with only 4% anticipating to do so, there would seem to be a clear dichotomy in its intentions to grow staffing beyond current levels (34%), and maintain them as they currently are (35%):

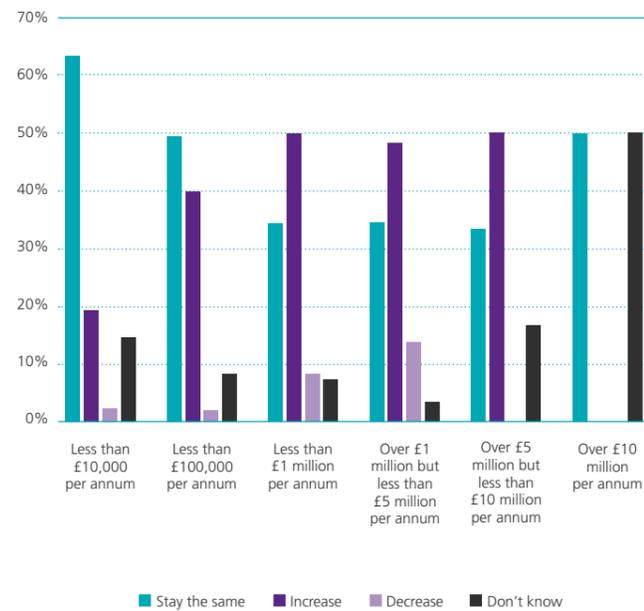
Intentions to change staffing levels in next 12 months



These amounts would seem to be largely in keeping with the wider national VCFSE sector trends as reported in the VCSE Barometer report, with approximately 1/3 of groups nationally expecting to grow their workforces in the coming 3 months³⁶, and less than 10% expecting to make redundancies.

It is positive to see that the majority of the VCFSE sector in C&M are not planning to reduce their workforce, with the sector likely to remain a significant employer across the region.

Relationship between group size and plans to increase staff



Reflecting on the sectors plans to change current staffing levels by cross-referencing with organisational size (as per the graph above) reveals that the smallest and largest groups in the sector appear to be the most cautious by prioritising maintaining current staffing levels, whereas our medium to large organisations all reported ambitions to further grow their staff teams.

However, it is worth noting that the number of our largest size groups (over £10million per annum) completing this survey is two in total, so caution must be taken in interpreting answers from this group.

Comments offered by groups against their responses about what staffing changes may be happening within themselves over the coming year reflect economic uncertainty and turbulence in their wider operating environment.

The comments also suggest that the findings in relation to short-term staffing plans should be read with caution:

- Some groups stated that a lack of funding was the reason why they were planning to 'stay the same' in terms of workforce size, suggesting that there is a larger proportion of the sector wishing to grow in size and delivery than otherwise indicated so.

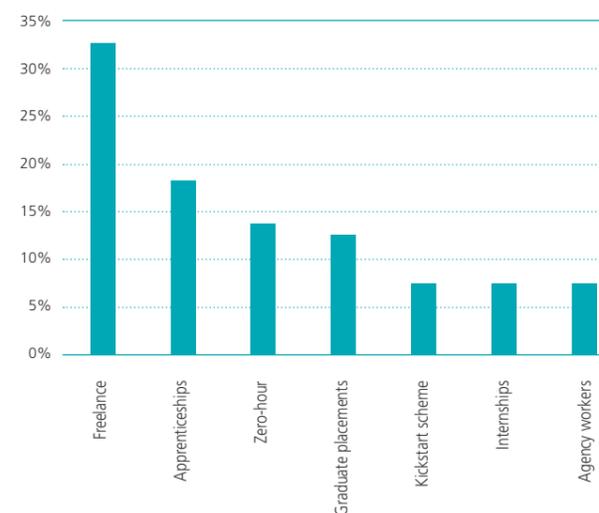
- Of the groups that indicated an intention to increase paid staffing numbers over the coming year, nearly twice as many stated the reason for doing was to meet increasing need in their communities³⁷, rather than having secured the financial resources needed to sustain such growth.

However, the risk of delaying recruiting additional staff may be hampering the sectors' ability to be able to meet the growing needs and demands for support from their communities across C&M. The national VCSE Barometer survey identified that of groups who stated they were struggling to recruit staff, over half of these were unable to deliver new services that they wished to due to recruitment challenges³⁸.

Use of non-salaried staff

The sector would appear to make limited use of other flexible forms of paid employment. 56% of all groups responding to the survey stated that their workforce was solely made up of either directly salaried staff or voluntary roles. Respondents were asked to identify if they employed anyone on alternative schemes of contracts. Of those who did utilise this form of employment, freelancers were the most popular non-salaried staff across C&M. Apprenticeships were the second most popular method, and employing people on zero-hours contracts was the third most common choice:

Use of non-salaried staff by sector



³⁸ Pro Bono Economics (2023): "Running hot, burning out: An analysis of the VCSE Sector Barometer, in partnership with Nottingham Trent University National VCSE Data and Insights Observatory"

³⁹ ibid

This would also seem to indicate the sector is working differently to how it might be otherwise expected to with regards to non-salaried staff. For example, the national VCSE Barometer survey identified that 29% of VCSFE groups nationally made use of agency workers⁴⁰ in comparison with only 8% of groups surveyed in C&M. The most likely reason for this is related to local groups' relative lack of financial capacity to be able to employ staff on temporary bases at higher rates of pay associated with these roles.

National and Real Living Wage

Respondents were asked to identify whether their organisation pays the Real Living Wage (currently £10.90) and the National Living Wage (currently £10.42), and to expand on the barriers to affording these pay levels if not. Positively, 88% of groups who employ paid staff are able to pay the Real Living Wage. Of the remaining 12% who did not pay their staff the Real Living Wage, all expressed a desire to do so, but consistently cited financial pressures as the key preventing factor. In some instances, respondents referenced specific funding and commissioning arrangements with public sector bodies as being a barrier to achieving this commitment.

99.6% of groups employ people pay the National Minimum Wage. The remaining 0.4%, (equivalent to 1 responding organisation) cite historic contracting agreements as limiting their ability to pay the National Minimum Wage owing to the levels of payment they receive – however, they also state that this contract is due to be imminently reviewed, so anticipate being able to shortly rectify this.

Given that national trends identified in the VCSE Barometer survey identified that the majority of groups in the wider VCFSE sector have recently increased salaries as part of their responses to addressing workforce challenges⁴¹, that there are notable proportions of the sector locally who wish to do the same but are not able to suggests potential future staffing challenges in the future.

⁴⁰ Pro Bono Economics (2022): "Breaching the Dam: An analysis of the VCSE Sector Barometer, in partnership with Nottingham Trent University's National VCSE Data and Insights Observatory"

⁴¹ Pro Bono Economics (2023): "Running hot, burning out: An analysis of the VCSE Sector Barometer, in partnership with Nottingham Trent University National VCSE Data and Insights Observatory"

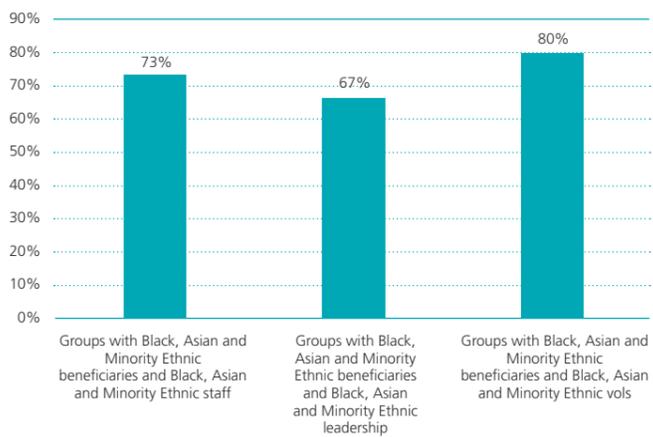
Workforce demographics

Respondents were asked to state how many paid employees they have recruited from Black, Asian and Minority Ethnic backgrounds with approximately 1/3 of organisations who employ people in C&M reporting doing so.

Overall, the sector's total paid workforce in C&M is comprised of 9% staff from Black, Asian and Minority Ethnic backgrounds – this compares to national sector employment trends as identified in the NCVO almanac of 10%⁴².

Whilst the average number of Black, Asian and Minority Ethnic employees in organisations who have recruited from multiple ethnicities is 5 per organisation, this masks a disproportionate small number of organisations with unusually high numbers of such employees. Therefore a modal analysis of responses to find the most frequent number of Black, Asian and Minority Ethnic employees per organisation shows that the majority of groups typically only have one employee from a Black, Asian and Minority Ethnic background.

Having Black, Asian and Minority Ethnic representation amongst staff and volunteers would seem to be highly important for groups whose primary intended beneficiaries are within these communities. For example, the graph below shows that of organisations whose intended beneficiaries are those from Black, Asian and Minority Ethnic backgrounds, 73% of these organisations have Black, Asian and Minority Ethnic staff. The number is higher for Black, Asian and Minority Ethnic volunteers (80%) and slightly lower for Black, Asian and Minority Ethnic leadership (67%).



⁴² NCVO (2022): "UK Civil Society Almanac 2022 (workforce)" (access of 'additional data' tables F4)

⁴³ Work-day.co.uk: "How many working days in year 2022?"

Respondents were also asked to identify the gender of their paid workforce, if known. The sector in C&M would seem to have a strong female representation within its workforce (71% female versus 27% male), more so than might be otherwise expected when compared to national trends:

Employees by gender and identity	Cheshire and Merseyside	UK (NCVO Almanac)
Male	27%	33%
Female	71%	67%
Transgender	2%	Not recorded
Non-binary	1%	Not recorded

In terms of outside the traditional gender binary, only 2% of the workforce in C&M were reported as being transgender, and 1% for those identifying as non-binary. However, it is important to note that this is likely to be unrepresentative of the workforce as a whole in C&M. Whilst some groups were able to share data about this, almost one third of respondents did not respond to this question and at least 10 formally chose not to report staffing numbers in this way stating that they either did not currently hold such information about their employees, or that they felt uncomfortable sharing it with anyone outside of their organisation.

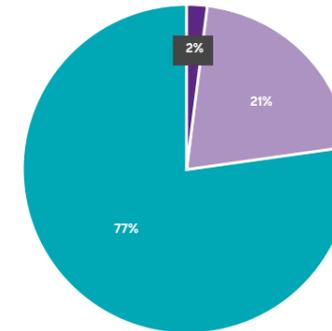
Volunteers

Respondents were asked to identify whether they used volunteers in their organisations work, how many volunteers their organisation has, and the number of volunteering hours provided by volunteers per week. In total, 343 groups reported being supported by volunteers (88% of all groups) with a total of 13,165 people in volunteer roles.

It was calculated that each of these volunteers offer an average of 2.5 hours per week, with volunteers across all groups collectively delivering 1,937,805 hours of volunteering per year. This is equivalent to 242,226 days each year in C&M. With a typical full-time employee working 250 days in each year⁴³, these from survey respondent's volunteers offer an equivalent additional 969 full time jobs to the sector.

Sector reliance on volunteers

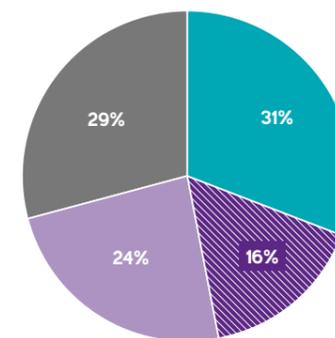
The majority of all respondents report that volunteering is essential for the running of their organisation, with only 2% of respondents stating they would be able to continue operating without volunteers.



- Very - We could not keep going as an organisation without volunteers
- Somewhat - Volunteers complement our existing services
- Not at all - we could keep going as an organisation without volunteers

Volunteer roles

Volunteers in C&M take on a variety of roles within organisations but would principally seem to be supporting groups' governance as trustees (29%), and providing front line service delivery (31%). Volunteers also support organisations through administration and business support functions (24%) and providing fundraising and bid writing support (16%).



- Front line delivery
- Fundraising and bid writing
- Admin and business support
- Trustee/Director

The importance of volunteers is likely to further grow in the future, with the majority of groups (57%) reporting that they intend to recruit additional volunteers in the coming 12 months to support an expansion of services to better meet growing demand for support within their communities, and some starting or planning to invest in new volunteer support and training programmes to this end.

This position of volunteers being critical for the sector to expand its services remains consistent with how it faced the COVID pandemic. An initial survey of the sector across the Liverpool City Region in early 2020 stated that in order to be able to develop and deliver the extended and new supports that people and communities needed, a third of organisations stated they would only be able to do so via volunteers⁴⁴.

Expected use of volunteers

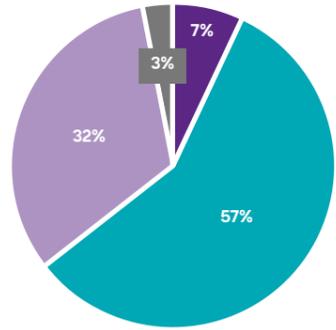
Of the 32% of groups who stated that they expect volunteer numbers to remain stable, many cited that this was because of challenges in recruiting volunteers rather than an indication of their desire to consolidate their current activities. This is in reflective of wider national trends as reported in the national VCSE Barometer survey that evidenced how volunteering levels have fallen to record lows as part of an ongoing declining trend⁴⁵.

If organisations in C&M are not able to successfully counter this trend, in being able to recruit volunteers as they hope to, then the sectors' ability to continue to meet growing needs and demands for its services will be hindered.

⁴⁴ VS6 Partnership (2020): "Collective impact of COVID-19 on VCFSE in the Liverpool City Region: A report of local survey findings"

⁴⁵ Pro Bono Economics (2023): "Running hot, burning out: An analysis of the VCSE Sector Barometer, in partnership with Nottingham Trent University National VCSE Data and Insights Observatory"

Groups' expected use of volunteers in coming 12 months



- Increase
- Stay the same
- Decrease
- I don't know

Volunteer demographics

Similar to survey questions regarding paid workforce, the C&M survey sought to better understand the demographics of its volunteering workforce.

Responses show that Black, Asian and Minority Ethnic volunteers make up approximately 6% of all volunteer roles across C&M organisations, with 48% all of organisations having volunteers from Black, Asian and Minority Ethnic backgrounds. A modal analysis shows the most common number of Black, Asian and Minority Ethnic volunteers per organisation is 2.

Correlating groups' responses further, it was identified that 80% of groups who offer specific services to Black, Asian and Minority Ethnic beneficiaries, have Black, Asian and Minority Ethnic representation amongst their volunteers.

As per the paid workforce section, respondents were asked to identify the gender of their volunteers, if known. Similar to the demographics of paid staff, the majority of volunteers within C&M are female (60%) showing that the combined workforce of the VCFSE sector across the region is female led.

Outside of the traditional gender binary, 0.3% of volunteers are recorded as being transgender and 0.4% as non-binary. Whilst some groups were able to share data about this, nearly 20% chose not to report volunteer numbers in this way.

Where this happened, they usually cited that they either did not currently hold such information about their volunteers or did not ask for it from volunteers.

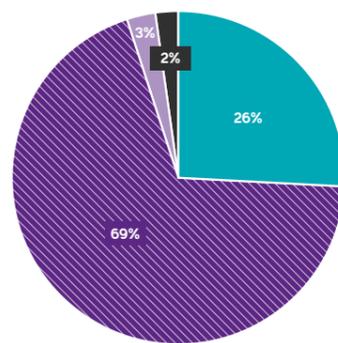
Volunteers by gender identity	Cheshire and Merseyside
Male	39.3%
Female	60.0%
Transgender	0.3%
Non-binary	0.4%

Leadership

Trustees

Of those organisations that reporting having Trustees within their organisational structure, it would appear that despite pressures and competing priorities on their time (as referenced in responses) Trustees, like volunteers, play a vital role in sustaining and continuing the work of groups throughout the sector with 69% of organisations stating that trustees are very involved in the running of their organisation.

Extent to which Trustees are actively involved in groups



- Very - Our trustees are very involved in helping guide our organisation
- Not at all - Our trustees are in name only/have little to no involvement in the running of our organisation
- Somewhat - Our trustees provide us with support but are not too involved
- I don't know

Black, Asian and Minority Ethnic representation

Respondents were asked to identify how many of their employees in leadership positions were from Black, Asian and Minority Ethnic backgrounds. Of the groups who employ paid staff, 21% identified that Black, Asian and Minority Ethnic employees held leadership roles. Whilst the average number of such staff is 3 across all such employing groups, this can be misleading as this figure includes larger organisations with a higher number of staff. Therefore, using a modal analysis this shows that most organisations have only a sole Black, Asian and Minority Ethnic member of staff in leadership roles.

Although this figure may appear low, it represents 67% of all groups who support Black, Asian and Minority Ethnic communities, having Black, Asian and Minority Ethnic representation in their staff leadership team.

Workforce Wellbeing

In keeping with the ethos of the sector, the majority of organisations in C&M have policies and procedures in place to support the wellbeing of their workforce (66%), with an additional 12% reporting that they supported their workforce mental health in alternative ways.

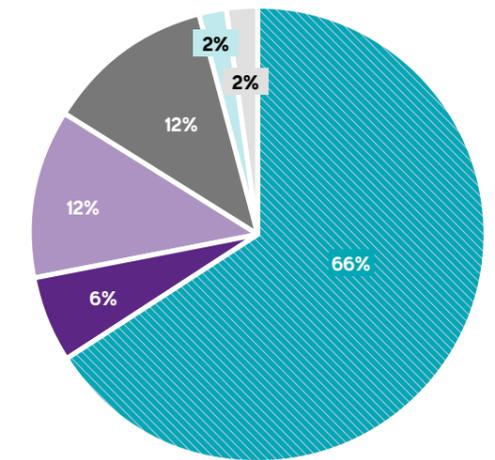
National sector trends reported in the VCSE Barometer further highlight the importance of supporting workforce wellbeing, with approximately 1 in 4 staff experiencing stress and burnout which is compounding additional challenges in retaining skilled staff⁴⁶.

A challenge that the wider sector across the country is facing with increasing intensity is more organisations stating that their volunteers' well-being has decreased over the last year as well as their paid staff⁴⁷.

Of the 78% reporting having recognised systems in place for their people – where these are formalised they included, clinical supervision, well-being days and activities, counselling, menopause policy, wellness plans, flexible and hybrid working, yoga, and health care cash plans.

Where practices are more informal, they included prayer groups and informal support between colleagues.

Extent to which groups have formalised procedures and policies to support well-being of staff and volunteers



- Yes
- No - We do not have enough capacity to do this
- No - This is something we are looking at for the future and would like support
- No - But we support our staff and volunteer mental health in another way
- I don't know
- No - My organisation has no other staff or volunteers

Of the remaining groups, the majority recognise the importance of having such practices and measures, but either struggle to develop them owing to not having sufficient internal resource (6%), or not being sure how to best approach doing so (12%).

⁴⁶ Pro Bono Economics (2023): "Running hot, burning out: An analysis of the VCSE Sector Barometer, in partnership with Nottingham Trent University National VCSE Data and Insights Observatory"

⁴⁷ Pro Bono Economics (2023): "Shifting out of reverse: An analysis of the VCSE Sector Barometer, in partnership with NTU VCSE Observatory"

5

Main activities of the VCFSE sector in Cheshire and Merseyside

Areas of Work

Respondents were asked to identify up to 3 main thematic areas of work that their organisation operates within. Respondents were provided with a pre-prepared list of potential themes but were also provided with an “other” option to capture any themes not listed.

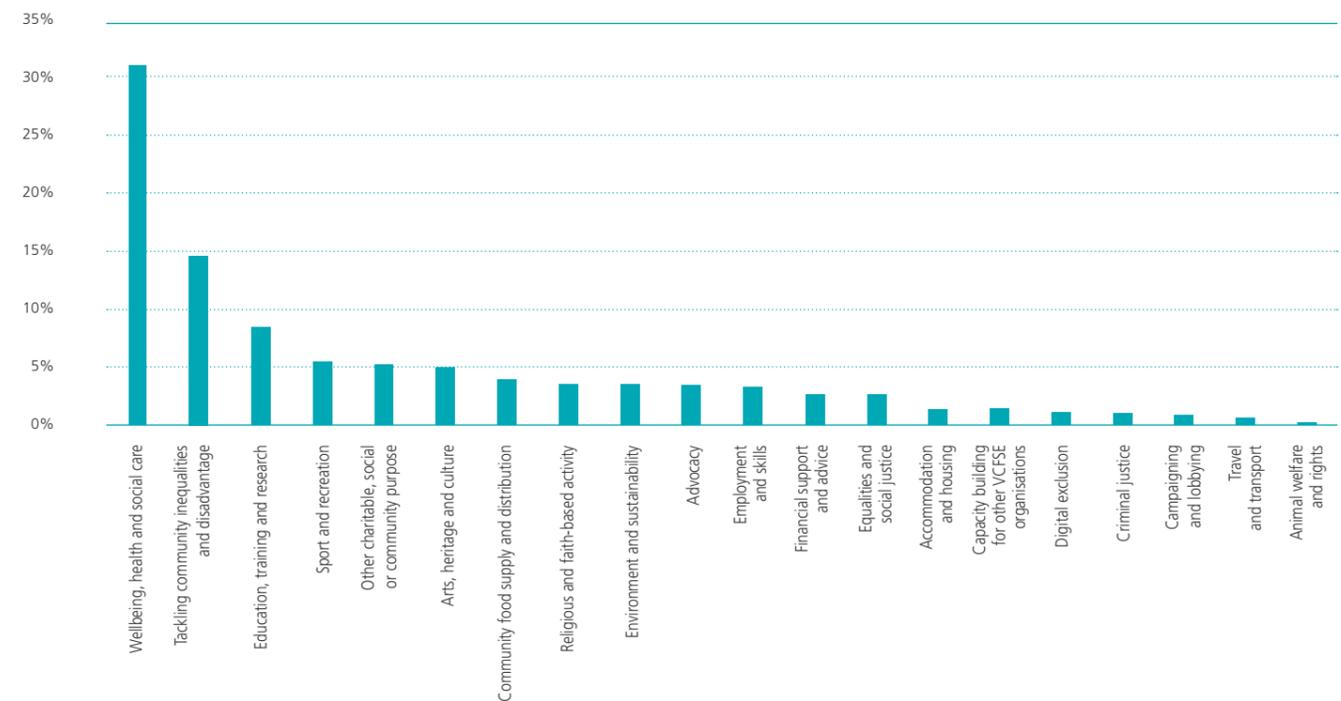
Whilst respondents were provided the opportunity to select up to three main themes appreciating the diversity of the sector, organisations typically deliver activities against an average of 2 main themes.

The most prevalent area of work for organisations was in the area of “wellbeing, health and social care” which accounted for 31% of all responses. With nearly a third of the sector providing health and care related services, this would suggest they are a significant provider of health related services across the region. Despite this, as previously reported in the income section of this report, only 4% of the sector report being funded via NHS CCG’s (or current equivalent) and 0.4% by NHS trusts. Acknowledging that public health is also the responsibility of local authorities, 14.2% of the sector are funded via local authority grants and 6.8% by local authority contracts however we cannot differentiate between how much of these grants and contracts are health related.

Therefore, it would be reasonable to assume that the majority of the sector provide a significant amount of health related services across the region but are not necessarily funded to do so by statutory organisations.

The table below shows the prevalence of the most common areas of work for VCFSE organisations in C&M:

Prevalence of main themes of work - all areas



This could be due to the sector delivering work around early intervention and prevention, which ultimately reduces pressure on statutory services but there is no obligation for them to fund this ancillary work.

Linked to wellbeing and health, the second most common area of work for the sector in C&M relates to “tackling community inequalities” (14.6%).

This is an important area of work for the sector, particularly as often community inequalities are the social determinants of health such as employment, education, poverty, and housing. It could be said that many of the work areas of the sector in the above graph naturally link to social determinants of health, and so the number of organisations “tackling community inequalities” could be much higher than reported.

“Education, training and research” is the third most common area of work in C&M (8.5%), highlighting the sectors pivotal role in skills development and providing key intelligence and insights via its research function.

Other prevalent areas of work for the sector include:	
Sports and recreation	5.5%
Arts, heritage and culture	5.1%
Community food supply and distribution	3.9%
Advocacy	3.5%
Religious and faith based activity	3.6%

It is of note to highlight the responses captured against the ‘other’ category, as this illustrates the further range of supports that the sector offers to all communities of type and interest. Examples of the most common areas of work not captured within the pre-prepared list include:

- Asylum seeker and refugee support
- Autism, dementia, and SEN
- End of life care and grief support
- Carers
- Family support
- Youth work
- Domestic abuse support services

The most common areas of work in C&M somewhat compares to national sector trends as reported in the NCVO Almanac, with “social services” being the most common area nationally which marries up well with “wellbeing, health and social care” for the region. However, C&M organisations have a higher number of health and social care focused activities (31%) than national trends (19%).

Cheshire and Merseyside	National
Wellbeing, health and social care (31%)	Social Services (19%)
Tackling community inequality and disadvantage (15%)	Culture and recreation (15%)
Education, training, and research (9%)	Religion (10%)
Sport and recreation (6%)	Grant-making foundations (7%)
Arts, heritage, and culture (5%)	Parent-Teacher Associations (7%)

Main areas of work in C&M vs national trends (NCVO Almanac)

The variances between regional and national trends could highlight the extent to which the sector locally is working to address needs and issues that are more prevalent in C&M than in other areas of the country.

This highlights needs for groups to be supported around themes and issues that go beyond what might be available to them through national resources which will have been developed in light of the findings of the Almanac’s reported data.

Beneficiaries

Main beneficiary groups

Respondents were asked to identify up to 3 types of beneficiary cohorts that their organisation supports. Again, a pre-prepared list was provided to respondents with an option to select an “other” choice which could be expanded on.

As can be seen from the chart below, the sector in C&M predominantly seeks to support everyone in need with 25% of respondents selecting this option. In terms of specific cohorts, the most common beneficiaries supported by the sector are children and young people (12%); people with mental health needs (10%) and families (8%).

Supporting the health and wellbeing of certain groups is of particular interest for C&M organisations.

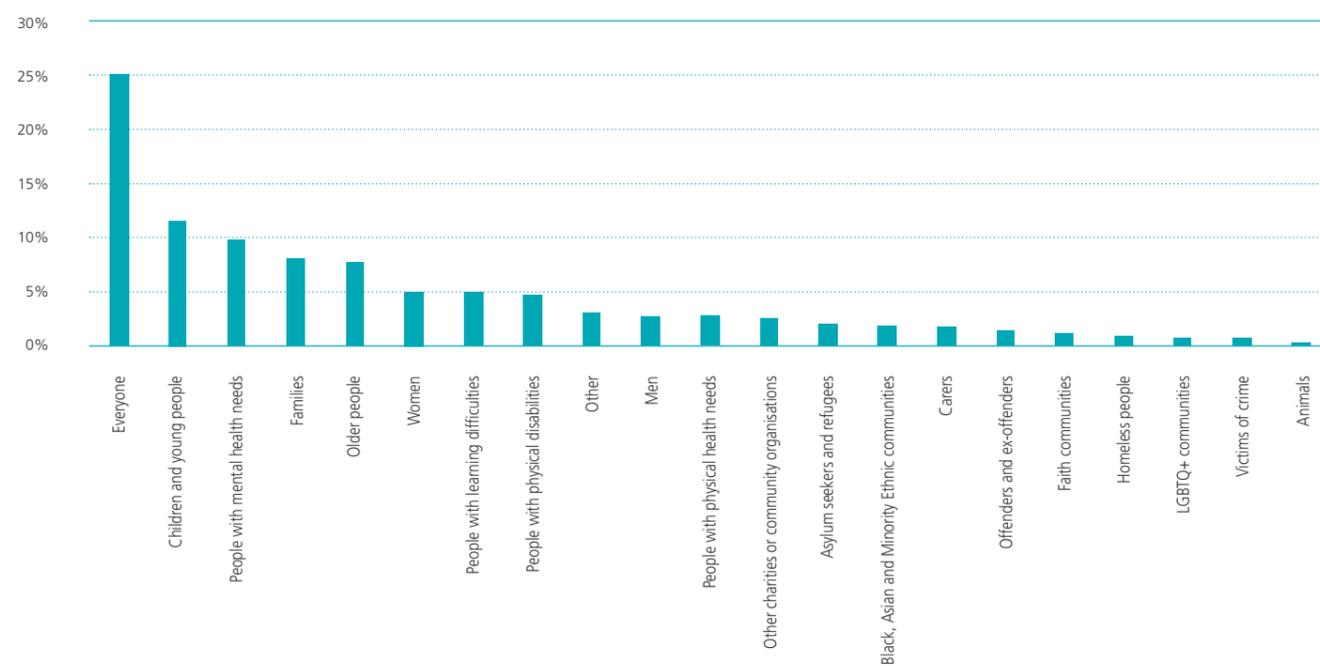
Alongside the third most common beneficiary group of people with mental health needs, supporting people with learning difficulties (5%) and people with physical disabilities (5%) were the seventh and eighth most common group respectively, from a list of 21 themes.

Of note are additional responses by groups to the ‘other’ prompt, which include:

- People at end of life
- Carers
- Substance misusers
- Neurodiverse
- People in poverty
- People with cancer
- People with HIV
- People with dementia.

Again, we can see that supporting people with wellbeing, health and care needs is a common theme amongst all responses.

Types of people supported by groups (beneficiaries)

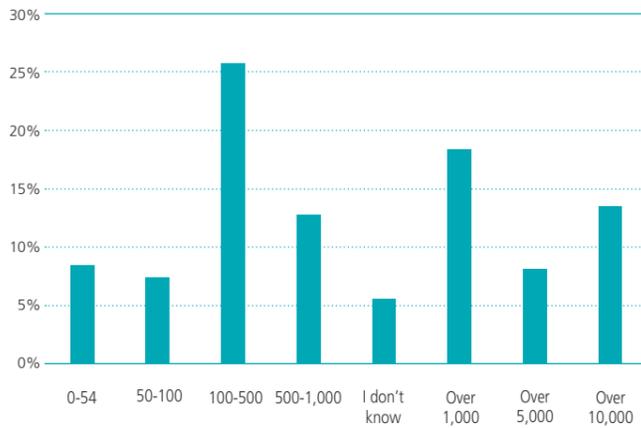


Numbers of people supported

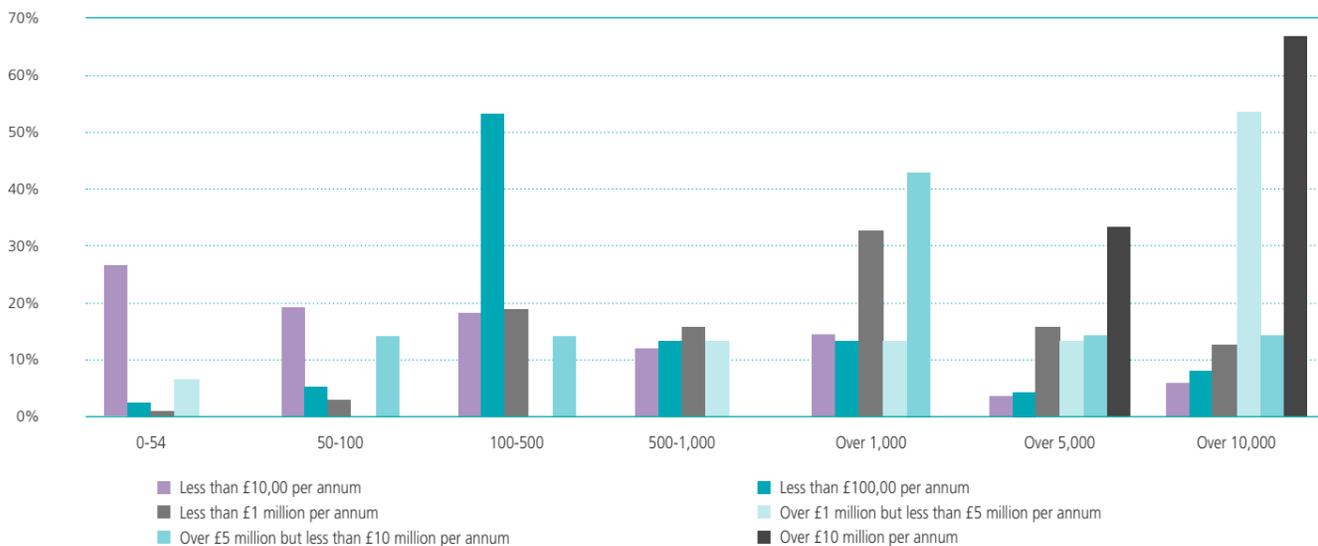
Respondents were also asked to indicate approximately how many beneficiaries they have engaged with and supported over the last 12 months to understand the potential scale of the impact of organisations across the region.

The findings suggest that groups are most likely to be supporting up to 500 people each year through their various supports and services, with 26% of organisations choosing this amount. Secondly, 18% of organisations have supported between 1,000 and 5,000 people in the last twelve months, and thirdly 14% of organisations have supported over 10,000 people in the last 12 months through their services.

Range of numbers of people supported by groups



Number of people supported vs groups income



Whilst we are unable to produce an exact figure of the numbers of people supported by the sector in C&M in a one year window, there is clearly a significant number of people across the region benefiting from the services of the VCFSE sector evidencing just how crucial the sector is in supporting people that might otherwise fall through the gaps.

Correlating the size of groups by their income to the numbers of people they have supported over the last 12 months reveals a general trend that might be expected, specifically that the larger a group is, the more people it supports. As can be seen in the graph below organisations with an income of over £10 million per annum support the highest number of people through their services (over 1,000, 5,000, and 10,000 people).

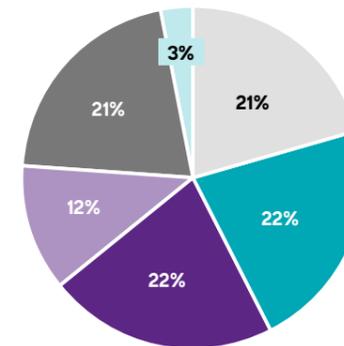
However, on the flip side there is an uneven distribution of groups within the over £5m but less than £10m income bracket against the numbers of people they support, with some organisations with this large income supporting between 0-54 people and others over 5,000. This suggests that some groups could be offering highly specialist and resource intensive services to specific groups of people. Alternatively, it could be that some of our organisations in C&M with higher incomes are not providing frontline delivery roles to people, such as our research, policy and grant-making organisations. Therefore, this generality of size to numbers of people supported should be treated with caution.

How the sector engages with its beneficiaries

Respondents were asked to identify the main ways their organisation engages with the people they support, with a pre-prepared list of potential engagement methods from which respondents could pick all that apply.

Findings show that groups typically use an average of 3 different methods to raise awareness of their support and engage with their target beneficiaries. The below chart illustrates the prevalence of each engagement method, with the most common being outreach activities (which are often structured to 'double up' with the delivery of support) and referrals from other groups both receiving 22% of responses. Although the 'other' category appears to be less chosen in comparison with other questions in the survey, responses captured here include groups relying on word-of-mouth, and encouraging self-referrals.

Methods of engagement with beneficiaries

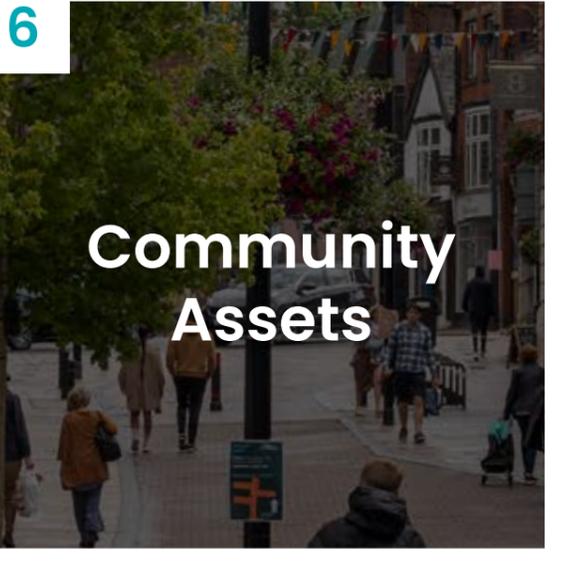


- Drop-in services
- Referrals from other organisations
- Outreach services
- Support via digital methods including telephone and online
- Social media, emails and website
- Other





6



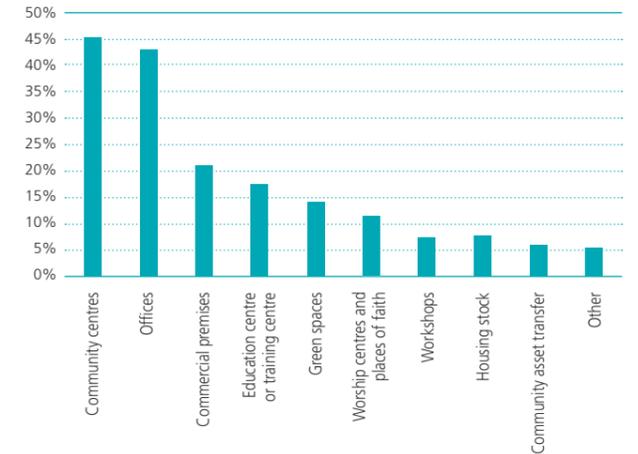
Community Assets

Physical community assets

Respondents were asked about their ownership or rental of physical assets within their communities across C&M. The VCFSE sector has a variety of community assets at their disposal which, while well utilised by the sector itself, the value and potential of these community facilities can sometimes be overlooked by public and private sector colleagues.

From a pre-defined list, respondents were asked to identify what physical community assets their organisation utilises. In its delivery of support to different communities across C&M, nearly three quarters of groups in the sector reported utilising a wide variety of physical assets, with the shown graph highlighting the various types of assets used:

Types of physical assets used by groups - all areas



In total, 73% of groups in the sector make use of some type of physical asset. The most frequently used facilities reported by respondents were community centres, with 45% of organisations using physical community assets reporting having these community assets in their portfolios. Offices were the second most common community asset (43%) followed by commercial premises such as charity shops, community cafes and food banks (21%). That the total of these different spaces exceeds 100% in the analysis indicates that on average, some groups utilise more than one type of asset.

Other assets such as training centres, green spaces, places of faith and housing stock were also utilised by the VCFSE sector in C&M showcasing the breadth, diversity, and innovation of the sector in its offer to communities across the region:

	Proportion of groups with asset
Community centres	45%
Offices	43%
Commercial premises	21%
Education centre or training centre	17%
Green spaces	14%
Worship centres and places of faith	11%
Housing stock	8%
Workshops	7%
Community Asset Transfer	6%
Other	6%

72 respondents (14%) indicated that they were not using any such physical community assets, but that they had identified a desire to do so. A further 70 respondents (13%) indicated that they did not have any such physical asset but did not wish to gain one.

However, in the national VCSE Barometer survey (2022) it was identified that where groups are making use of physical assets, such as those listed above, 20% have begun to make less use of them as a direct result of increasing running costs⁴⁸, and an initial 8% of all groups have also been forced to reduce their opening hours due to the same problem.

This issue of increased running costs is further identified in the National Community Buildings Barometer survey⁴⁹, where nearly half of groups reported their largest running cost being associated with the utilities needed to keep their buildings open.

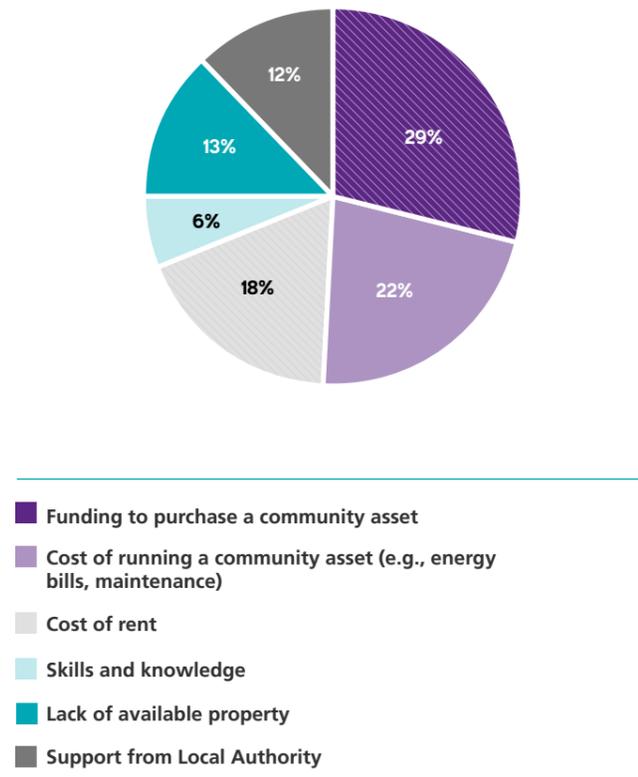
Traditionally, staffing has always been an organisations highest expenditure however changes in inflation and the cost of living are bringing significant challenges to organisations trying to deliver crucial services in a community setting.

Barriers to owning community assets

Respondents were asked about barriers to owning and running community assets to better understand the complexities associated with delivering a service within a physical building. In total 248 groups identified barriers to being able to gain physical assets when asked.

As this figure is higher than the 72 who previously identified that they did not use physical community assets but wished to, this indicates that groups in the sector who already have use of such assets wish to develop them further, but are constrained from being able to do so for a variety of reasons as the next chart illustrates:

Barriers to groups wishing to gain/extend physical assets

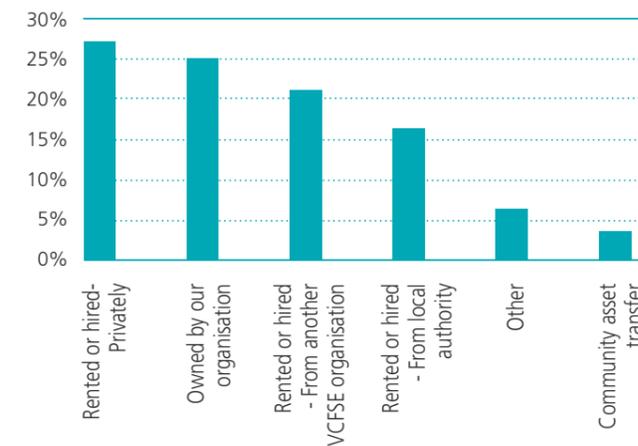


Funding is a significant barrier for organisations that wish to have a physical community asset with 29% of respondents reporting this as a challenge. Relating to this, the cost of running a community asset was also a barrier for 22% of respondents and similarly the cost of rent with 18% of respondents. Factors not relating to the financial pressures include a lack of suitable property available (13%), needing local authority support (12%) and lack of knowledge on how to secure a physical location for their organisation (6%).

Landlord profiles

Where respondents had a physical location where they operated from, they were asked to identify who the landlord is for this premises. Overall, where the sector utilises physical premises for the delivery of their activities, these would seem to rely on maintaining positive relationships with private landlords, and the goodwill of partnerships with other groups throughout the wider sector:

Landlord types for groups using physical premises



Renting or hiring a space through a private landlord is the most common option for those with a physical premises with 27% of all respondents selecting this option. Whilst this affords groups with some flexibility in terms of being able to move to different or more suitable premises, if necessary, it also presents challenges in terms of affordability particularly through the lens of inflation and cost of living price increases. Renters are being hit particularly hard through rising rents at the time of writing, and with cost of rent being an identified barrier to community asset ownership as identified above, this may impact the sustainability of the sector.

Physical assets that are owned by the organisation itself was the second most common form of asset ownership with 25% of all groups owning their own premises. Cost of running a building was identified as a significant challenge by respondents in this survey (22%) however owning a premises also provides additional income opportunities for groups including the hiring out of offices or rooms to external organisations. This is an opportunity that the sector appears to already benefit from, with 21% of all organisations renting their premises from other VCFSE sector organisations. Renting from a local authority was also a popular option, with 16% of all organisations stating that they utilise this method.

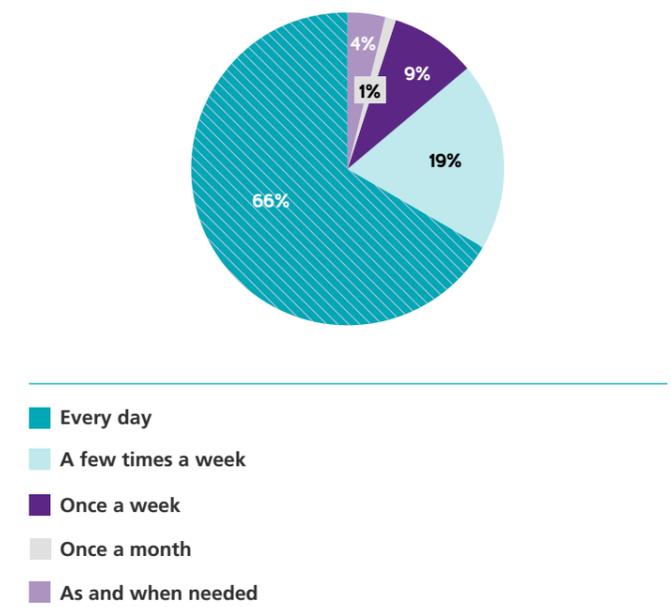
Along those lines, there were some organisations who have been the recipients of community asset transfers from their local authority although this is not as common with NHS estates.

Of interest under the 'other' heading cited by groups includes working with housing associations, Network Rail, schools, universities, and people's private homes – illustrating the variety and breadth of how the sector works throughout different types of locations in the delivery of its activities.

Use of physical premises

Where groups have physical premises, they would seem to be heavily reliant upon them for enabling the delivery of their activities with 66% of respondents using their premises on daily basis:

Frequency of use of main place of operation by groups



⁴⁸ Pro Bono Economics (2022): "Breaching the Dam: An analysis of the VCSE Sector Barometer, in partnership with Nottingham Trent University's National VCSE Data and Insights Observatory"

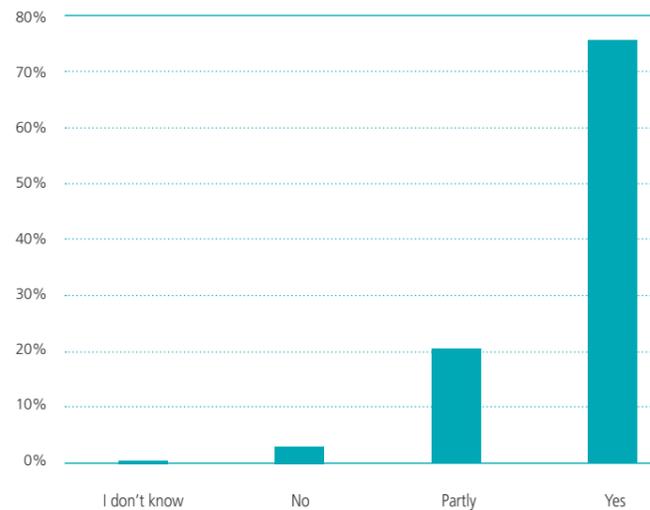
⁴⁹ Community Matters (2023): "Community Space Barometer"

How digitally skilled are VCFSE groups?

Respondents were asked to identify whether their organisation was “digitally enabled” which was defined using examples including having access to IT equipment, access to the internet and whether their staff were digitally skilled.

Looking at the responses, it is clear that the sector would seem to already be relatively well digitally included with 75.9% of organisations declaring themselves to be digital enabled:

Groups who are ‘digitally enabled’



However, 24.1% of all groups reported that they are only partly so (20.4%), or not at all digitally enabled (3.1%), with the remaining 0.6% being unsure.

These organisations were then asked to identify what support their organisation would require to become digitally enabled, with these groups’ principal needs being the digital upskilling of staff and volunteers (43%), and funding to be able to invest in the required digital equipment.

Only 7% of organisations stated they did not need to use digital technology to operate. 89% of organisations do not have issues with Wi-Fi connectivity, however this is still a barrier for some of our VCFSE organisations in C&M.

Type of support needed by groups	Proportion of groups not fully digitally enabled needing support
Training to develop the digital skills of staff and volunteers	43%
Funding to purchase digital equipment	39%
Connectivity to Wi-Fi	11%
My organisation does not need to use digital technology	7%
Other	1%



7

Partnership Working



Respondents were asked to identify whether they had good working partnerships both within the VCFSE sector itself and externally with the public and private sectors. Examples were provided of potential good working partnerships such as having good communication, funding support and opportunities, collaborative working, and advice and support.

Groups across all areas reported that on average, they have good collaborative working partnerships with 4 types of organisations in particular.

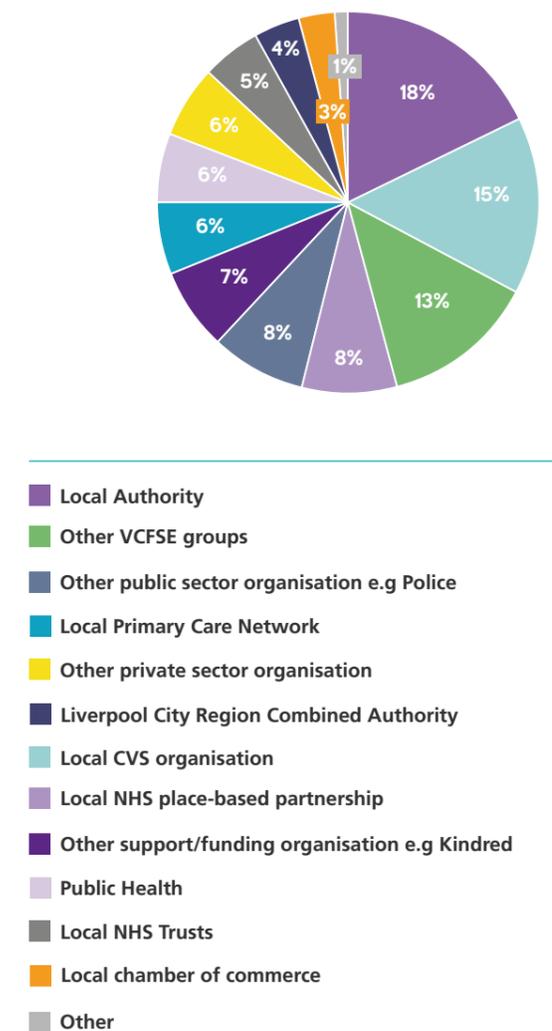
The most positive working relationship reported by groups was with their corresponding local authority (18%). Not far behind was having positive working relationships with their corresponding local CVS organisation with 15% of respondents identifying this. Similarly, having positive relationships with other VCFSE organisations was a popular choice with 13% of respondents.

Whilst the number of people identifying good working relationships with their local NHS place-based partnership is not as high as the previous three answers, still 8% of respondents identified this as a positive relationship. However, with 31% of VCFSE organisations in C&M working in the area of wellbeing, health and care it might be expected that this number could be higher.

The prevalence of each type of partnership highlights that the sector works closely with local authorities; relies heavily on local sector infrastructure bodies for support; and networks extensively with their peers throughout the wider sector.

Of interest are responses where groups identified 'other' positive working relationships. These included: housing bodies, national sector bodies, and educational providers (e.g., schools and universities).

Prevalence of partnership working with other groups - all areas



8

Current challenges facing the VCFSE sector in Cheshire and Merseyside



COVID-19 legacy

Since the onset of the COVID-19 pandemic in 2020, various rapid research studies were undertaken on the sectors' emergency response to the pandemic, the challenges facing the sector at the time and the impacts on the sectors resilience and sustainability.

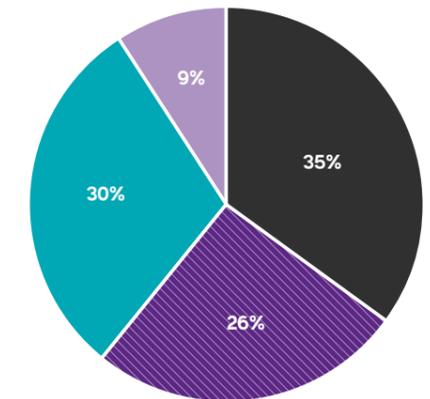
However, as many of these were conducted 'live', it was difficult for them to ascertain the full impact of the pandemic on VCFSE organisations in the long term. Now that the height of the crisis has passed (lockdowns have ended, restrictions on movement lifted, etc), groups are in a better position to be able to fully reflect and identify on what this period meant for them.

Impact of COVID-19 on sector income

Much was made at of the height of the pandemic of the immediate financial pressures on groups, and various interim and emergency grant programmes were introduced locally and nationally for the sector to be able to respond to the needs within their communities.

Whilst these schemes were largely successful in supporting and sustaining the incomes the groups needed during that time of response, now groups have had time to calculate and reflect on the last three years, it is clear that there is still a significant proportion of organisations that saw their incomes fall in this period. Respondents were asked to reflect on their financial position during the COVID response period, and consider how their finances were impacted:

Impact of COVID-19 on income during crisis



- Reduce in size
- Stay the same
- Grow in size
- I don't know



Overall, 35% of respondent organisation reported that their organisations reduced in size following the COVID pandemic. An initial scoping study at the start of 2020 into the collective impact of Covid-19 on the VCFSE sector across the Liverpool City Region identified that groups were typically expecting to lose in the region of 70% of their income.

Whilst this does not represent organisations in Cheshire and Warrington, if we were to take this as an example of projected financial impact and actual financial impact it could be argued that the impact on sector finances was not as bad as expected. However, nonetheless over a third of organisations have seen their income reduce in size due to the pandemic.

On the other hand, 30% of organisations saw their income grow in size over the course of the pandemic, and a further 26% identified that their income actually stayed the same. It was well reported that, generally, funding and grant guidelines were eased during the pandemic to allow money to more easily into communities to support the sector to respond quickly and effectively. This quicker transfer of funds may have enabled the VCFSE organisations to grow their income and may have supported some organisations to make up for what was lost.

A further 9% of organisations were unsure of the impact of the pandemic on their finances, suggesting that the impacts are still being felt and understood.

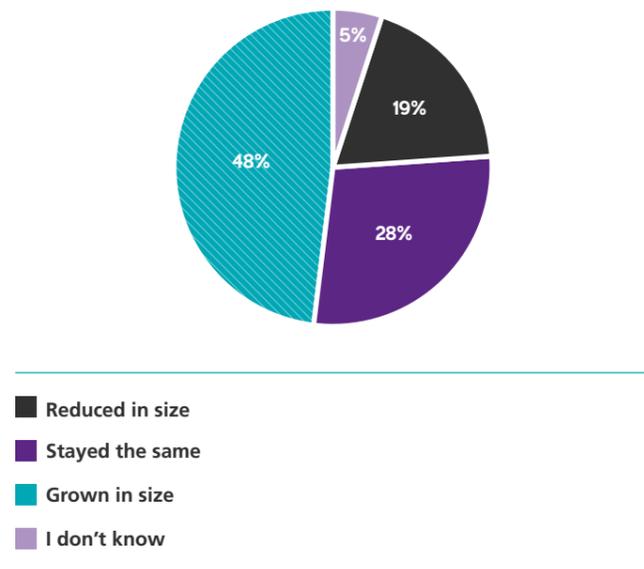
Change to scale of activities during the COVID-19 recovery period

There was much identified about how the sector responded to immediate needs within communities during the COVID crisis⁵⁰. The majority of groups in the sector not only introduced new supports for communities during the crisis response period (over 90% adapted their services to better meet people's and communities' changing needs) but have continued to support people, families, and others in the immediate aftermath of the crisis too.

⁵⁰ VS6 Partnership (2020): "Collective impact of COVID-19 on VCFSE in the Liverpool City Region: A report of local survey findings"

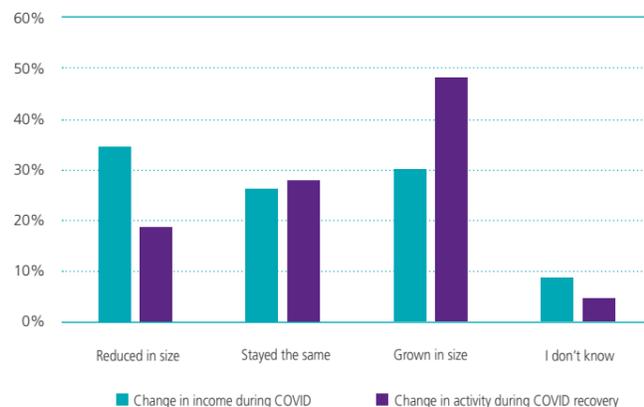
Respondents were therefore asked to reflect upon the scale of their organisation's activity in the COVID recovery period and identify how this activity has changed:

Change in scale of activities during COVID-19 recovery period



The graph above shows that majority of the VCFSE sector in C&M has grown in size in terms of their activities following the COVID pandemic, with only 19% of organisations having reduced services. Correlating this change in activity to change in income during COVID reveals that the sector has continued to go 'above and beyond' in what might have otherwise been expected of it with more groups increasing the scale of their activities than received additional income to be able to support doing so:

Changes in income vs scale of activities during COVID-19



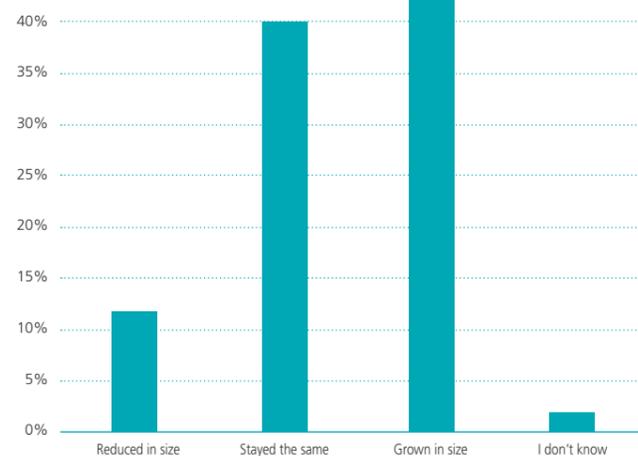
Cost of living crisis

As the VCFSE sector was still recovering from the impacts of COVID, the current cost of living crisis has now placed even more demand and strain on the sector to support communities through this consecutive crisis.

Respondents were asked to reflect upon the scale of their activity during the cost of living crisis and identify how their organisations offer has been impacted.

As the graph below shows the majority of the groups in the sector have sought to at least maintain, if not grow, the scale of support they offer to their respective communities:

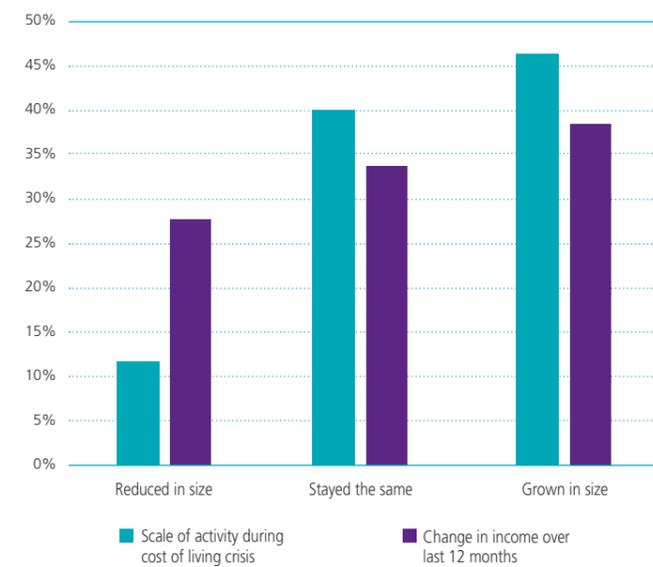
Change in scale of groups' activity during cost of living crisis



This approach of increasing activity and scale of support in response to growing needs during crisis periods seems to be based on the sectors' values and ethos, rather than easily having the resources to be able to do so.

As highlighted in the preceding section where groups reported increasing their activities during COVID at a rate greater than their income was changing, so the same would appear to be happening again during the cost-of-living crisis:

Change in scale of activities vs change in income during cost of living crisis



9

Looking to the Future

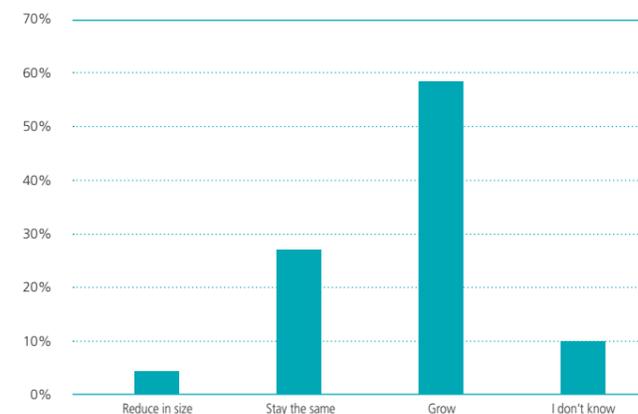


Projected activity

Respondents were asked to think about the scale of their organisation’s activity over the next 12 months and identify how this activity might change in this time period.

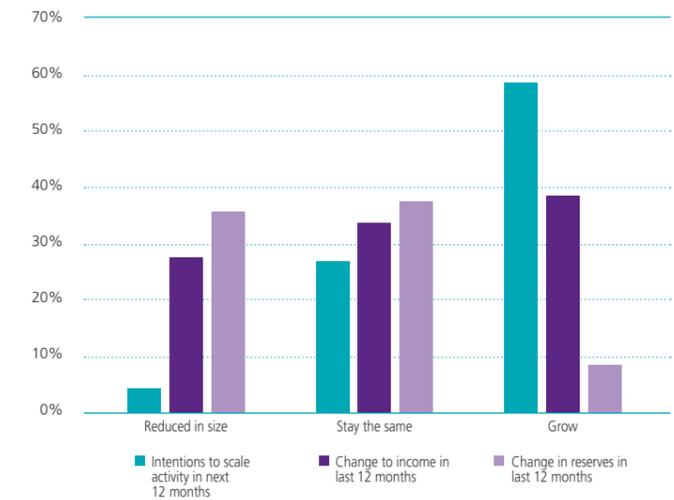
As has previously been identified, the sector appears to be prioritising the development and further scaling up of activity over the next 12 months, with 59% of organisations stating that their activity will grow in the next year and only 4% expecting to reduce their activity. Whilst respondents were not asked to consider this question through the lens of the cost of living crisis, it is likely that organisations are preparing to respond to increasing needs of their communities due to this uncertain time.

Intentions for scale of activity in the next 12 months



The sector’s overall intentions for the next 12 months in general would seem to indicate that despite loss of income and falling reserves to many groups, most are intending to at least maintain their levels of support, if not increase them at levels beyond their current financial means to sustain them:

Groups intentions to scale activity in the next 12 months vs. recent changes to their income and reserves



Priorities for the sector over the next 12 months

Groups were asked to identify up to 5 main priorities that they had identified were key for them over the coming 12 months from a list of potential areas of development.

By far the most popular priority area for groups over the next year was to source and apply for funding with 18.1% of organisations selecting this option. Considering the findings above show that many organisations are planning to grow their activity of the next 12 months despite not necessarily having the funding in place to do so this is an expected finding.

The prioritisation of income mirrors the wider sector, with the national Barometer reporting that only 1/3 of groups across the sector are expecting their incomes to increase.

Recruiting and retaining volunteers was the second most common choice with 11.9% of organisations identifying this as a priority area. As discussed previously, being able to recruit and retain volunteers is a challenge for the sector nationally at the time of writing, and with 77% of organisations in C&M relying heavily on volunteers offer their services combined with the expected increase in output over the next 12 months this is likely to remain a significant issue.

Developing organisational strategies and planning is the third highest priority area with 11.7% of respondents.

With many organisations looking to expand their delivery and workforce, this area will be essential to ensure that our VCFSE organisations have strong strategies behind their activities over the next 12 months.

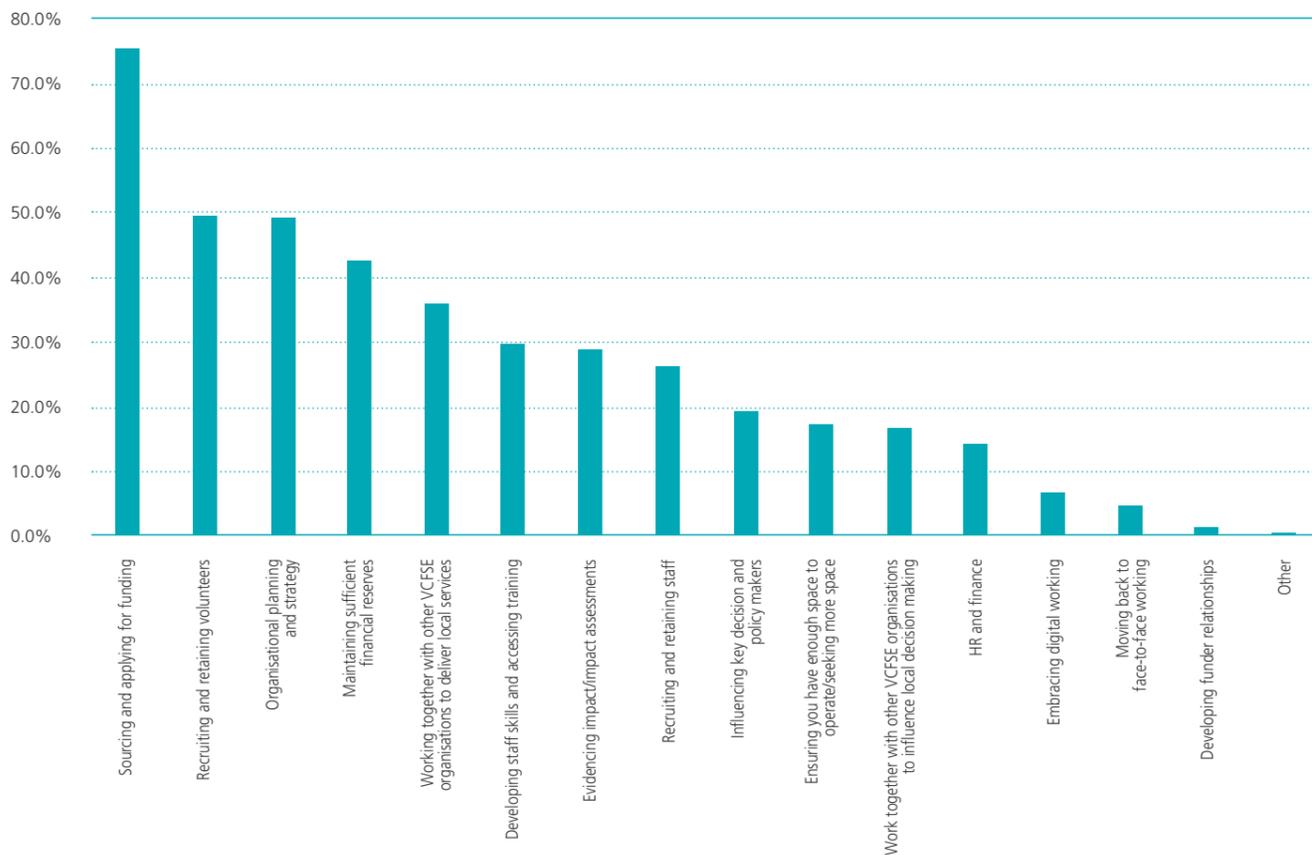
Linked to this, maintaining sufficient financial reserves was the fourth highest priority area highlighting that the sector is assessing its sustainability particularly in light of inflationary challenges.

The fifth most chosen priority area for the next 12 months was to work with other VCFSE organisations to deliver local services. Considering the current pressures on organisations to respond to ever increasing need in communities, working together with other groups and pooling resources may be beneficial in order to respond sustainably and strategically to current and future crises.

Comments cited under the 'other' heading further reveal pressures that groups in the sector are seeking to manage in how they set their priorities for the coming year:

“ Managing demand... because of the cost-of-living crisis, we are now helping around 7,500 people a year (a 50% increase)

Groups priorities for the coming 12 months

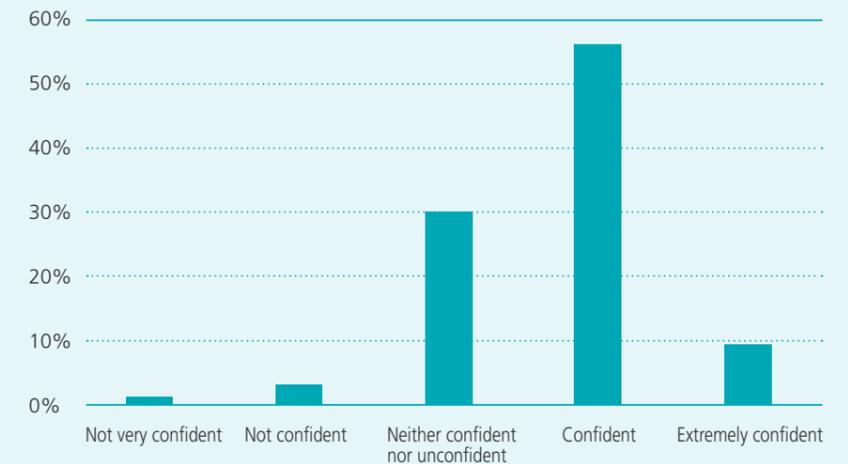


Confidence in delivering against sector priorities

Respondents were asked to state how confident they were that they would achieve the selected priorities over the next 12 months. Overall, despite groups identifying multiple and significant priorities that they will need to achieve in the coming 12 months (and in light of the previously identified financial pressures on them), most are confident that they will be able to achieve these:

Where groups expressed an ambiguity as to their level of confidence, or were unconfident, this predominately related to external financial pressures (inflation, uncertainty of grants). Groups were invited to expand on their answer to this question about confidence, with references to how they feel the sector is perceived as less important to the public sector. This is referenced to in terms of the capacity of the public sector as they manage their own internal issues (such as restructuring) and the expectation that the VCFSE sector step up to address issues facing communities but without the necessary financial commitment.

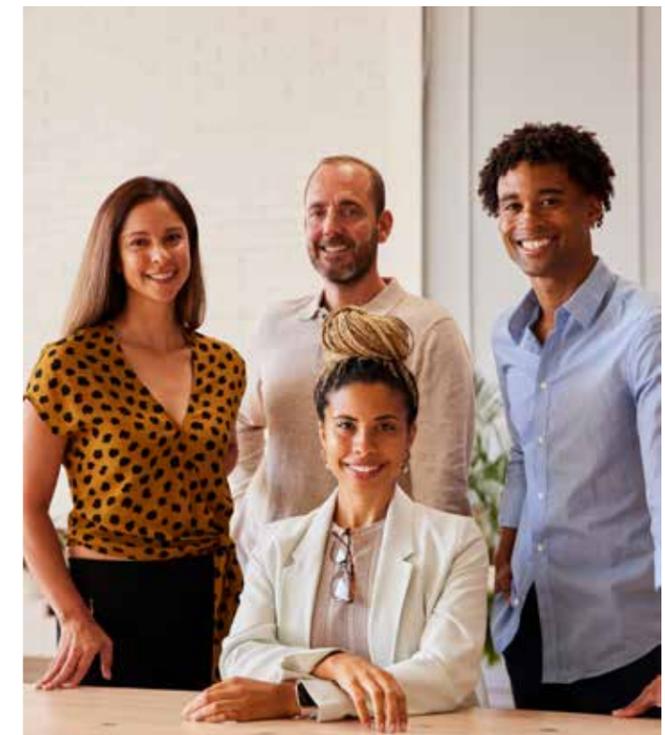
Groups' confidence in being able to achieve their priorities



The factors cited as underpinning the reason why groups have expressed confidence in their ability to achieve their stated priorities include:

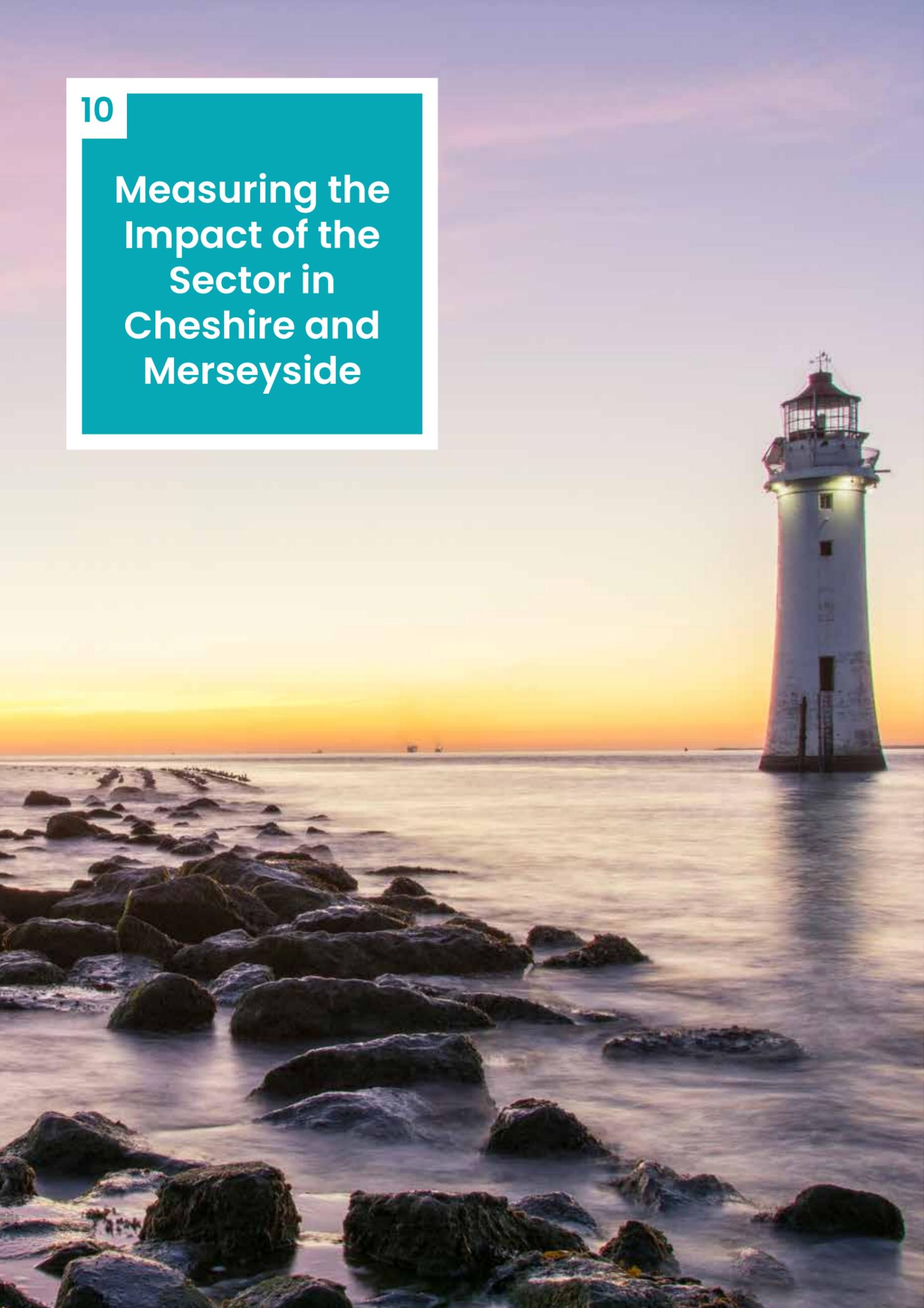
- recent award of external support
- recently having secured new income types
- partnerships with other groups
- planned introduction of new activities
- skills of existing staff team

Several groups stated their grounds or confidence as being their track record to date – This may be that some groups think that if they have always found ways to be sustainable and successful in the past, this means that they believe they will be able to do so again in the future. Alternatively, as groups may have weathered and overcome previous difficulties this has meant that they may have become robust at facing challenges with developed survival skills.



10

Measuring the Impact of the Sector in Cheshire and Merseyside



Does the sector measure its impact?

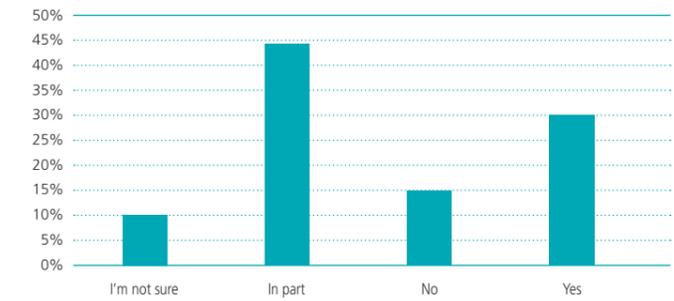
The VCFSE sector is often referred to as generating significant impact across a range of domains, such as providing cost savings to public sector services, providing significant outcomes at efficient cost and preventing people from needing more acute support by intervening at an earlier stage.

However, being able to measure organisational impact and social value is complex and requires specific skills and experience which many of our organisations do not necessarily have, not to mention having the funds to pay for an external consultant do this. However, in this current way of working, numbers are a priority and being able to evidence the value of the sector is crucial for securing funding particularly with public sector organisations.

Therefore, respondents were asked whether they measured their organisations social impact.

Of the 367 groups that responded to this question in the survey, most are able to articulate and evidence the benefits they are creating for communities and other audiences with 31% stating that they do measure their social impact and 44% stating that they measure this in part via specific projects rather than their organisation as a whole.

Extent to which groups measure their impact



However, the associated comments to these responses suggests that there may be some confusion within the sector as to the question of 'impact' and what qualifies it as being:

- Some groups stated that 'annual reports' were the basis for how the measure their impact in both the 'in part' and 'yes' options
- There seems to be some confusion as to why groups should be reporting their impact: "Not sure what benefit there would be in measuring social impact"; this would seem to be substantiated with numerous citations from groups being that their reason for/how they are doing it is based on a requirement from project funders, or a compliance issue with the regulator of their chosen legal form

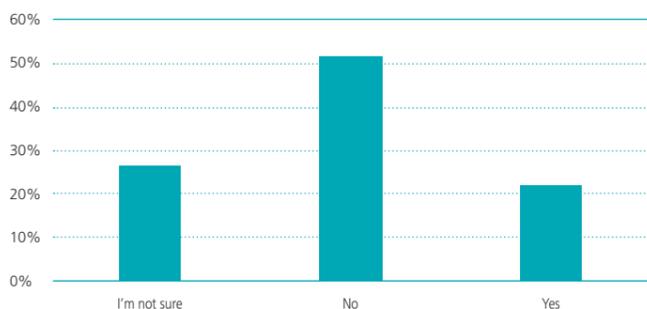


The reasons as to why groups were not reporting impact usually related to capacity and skills to be able to do so, but there were also some references to complex barriers to being able to measure their impact, such as language barriers.

How groups measure their impact

The above identified potential confusion regarding groups' reporting of their impact would seem to be further evidenced through how many subsequently reported using specific metrics or impact reporting frameworks: 75% of all groups said that they report on their impact, but only 22% were able to identify how they specifically did so.

Groups' use of specific metrics and frameworks to report impact



Groups were asked to state what measurement tools they used, if any, with over 60 different methods of measuring impact reported.

The range and extent to types of metrics and frameworks utilised by groups suggests that there is a great diversity of approaches being used across the wider sector which would make it highly challenging to consolidate and aggregate attempting to report its impacts as a whole.

This diversity also suggests confusion within the sector as to what is meant by 'impact', with various references given to measures that instead only record activity and outputs.

A few examples of the diversity of impact measurement tools are summarised below:

- Individual beneficiary monitoring and registration/demographic information
- TOMS
- Diocesan framework for parish development
- Crime and perceptions of crime
- Organisational membership data
- Interviews with beneficiaries and partner organisations
- Bespoke KPIs
- SROI
- Clinical outcomes



“ The reasons as to why groups were not reporting impact usually related to capacity and skills to be able to do so, but there were also some references to complex barriers to being able to measure their impact, such as language barriers.



Climate change and environmental impact

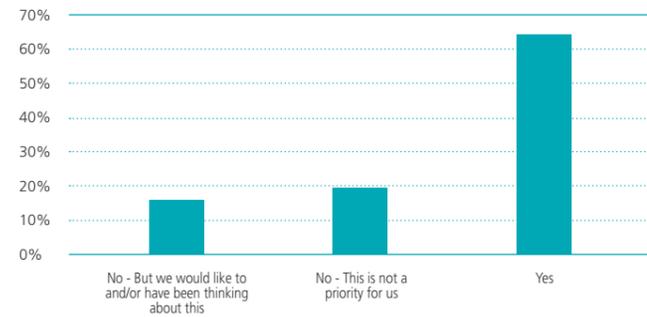
Climate change is a significant crisis facing current and future generations, and being able to support the VCFSE sector in C&M to respond to this challenge is essential.

With many local authorities and combined authorities declaring climate crises and their intentions to become net-zero, it is also important for the sector to understand its role strategically, so it is not left behind.

In order to try and assess the sectors current situation in terms of its role in responding to climate change and becoming more environmentally friendly, respondents were asked to identify whether their organisation was actively looking at ways to address its impact on the environment.

The sector would seem to be largely pro-actively addressing the environmental impacts of its activities based on the responses of 323 groups with 64% of respondents stating they were doing so:

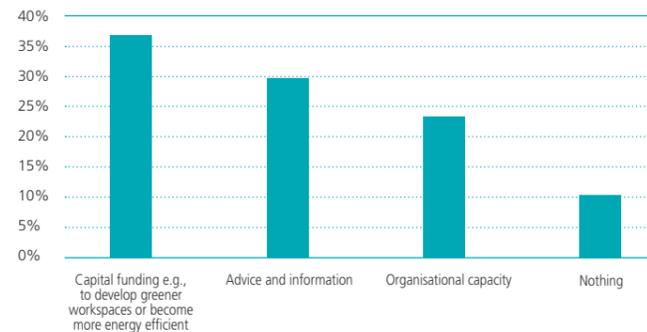
Groups actively looking to mitigate environmental impact of their activities



For those who expressed that they would like to, reasons commonly cited as preventing them from doing so related to: a lack of capacity, a lack of knowledge, or a lack of influence over the sites that they operated from.

Groups were also asked what supports might help them to begin or further manage and mitigate their environmental impacts.

Support needed to manage environmental impact



“ Unlike other questions in the survey, in this instance, most groups indicate that they would typically only need or would prioritise one of these options for support, with the most common support needed being capital funding to develop greener, more environmentally friendly workspaces.





11

Sub-regional Summary Reports

Cheshire Summary

Size and scope of the VCFSE sector in Cheshire

Number to registered charities	2,408	30%
Community Interest Companies (CICs)	312	4%
Companies Limited by Guarantee (CLGs)	1,615	20%
Registered Societies	99	1%
Community Sports Clubs	99	1%
Below the radar groups (BTR)	3,458	43%

Total 8081

Size of workforce

Number of paid staff	14,565
Number of volunteers (once a month minimum)	135,582
Number of regular volunteers	55,828
Volunteer hours per week	180,883

Value of workforce

Value of paid staff	£347.9 million per year
Value of volunteering	£102.5 million per year

Total £450.4 million per year

Economic contribution of the VCFSE sector in Cheshire

£416.2 million GVA per year

Summary of Cheshire Survey Responses

- **154** groups in Cheshire responded to the survey
- The majority of surveyed groups were registered charities (**51%**) with **10%** of groups reporting as unincorporated associations (below the radar). This is skewed in comparison to the total number of organisations in the sub-region as detailed above.
- **62%** of groups are over **10** years old, with only **5%** of groups reporting that their organisation was formed in the last 12 months.
- Groups are more likely to be working at either a whole local authority (**32%**), or local neighbourhood (**32%**) level.
- **68%** of surveyed groups are micro-small sized organisations earning less than **£100k** a per year.
- **28%** of groups main activities fall under wellbeing, health and social care as the most common area of work with **11%** operating across Cheshire.



This executive summary report should be read in tandem with the wider Cheshire and Merseyside State of the Sector report to help the reader relate findings to wider regional and national trends where it may be of interest to do so. Additionally, important data caveats are contained within the regional report to be aware of when interpreting these findings.

- In terms of beneficiaries, **25%** of groups report supporting “everyone” followed by children and young people (**11%**) and older people (**10%**).
- The most common source of funding for organisations is through fundraising and donations (**25%**) followed by charging for goods and services (**21%**), local authority grants (**13%**) and charitable trusts/foundations (**13%**).
- Of groups that employed paid staff, **42%** of these staff were full-time and **52%** were part-time.
- **81%** of organisations in Cheshire with paid staff pay the Real Living Wage or above.
- **97%** of organisations utilise volunteers with **87%** of these organisations reporting that volunteers are essential for the running of their organisation.
- The most popular priority for Cheshire groups over the next **12 months** is sourcing funding opportunities (**16%**) followed by recruiting and retaining volunteers (**13%**) and organisational planning and strategy (**10%**).

“ The most popular priority for Cheshire groups over the next 12 months is sourcing funding opportunities (16%) followed by recruiting and retaining volunteers (13%) and organisational planning and strategy (10%).



“ 28% of groups main activities fall under wellbeing, health and social care as the most common area of work with 11% operating across Cheshire.



Liverpool City Region (Merseyside)

Size and scope of the VCFSE sector in Liverpool City Region

Number to registered charities	2,763	24%
Community Interest Companies (CICs)	981	8%
Companies Limited by Guarantee (CLGs)	1,866	16%
Registered Societies	193	2%
Community Sports Clubs	93	1%
Below the radar groups (BTR)	5,679	49%
Total	11,575	

Size of workforce

Number of paid staff	21,807
Number of volunteers (once a month minimum)	216,979
Number of regular volunteers	89,344
Volunteer hours per week	289,475

Value of workforce

Value of paid staff	£520.9 million per year
Value of volunteering	£164 million per year
Total	£684.9 million per year

Economic contribution of the VCFSE sector in Liverpool City Region

£795.9 million GVA per year

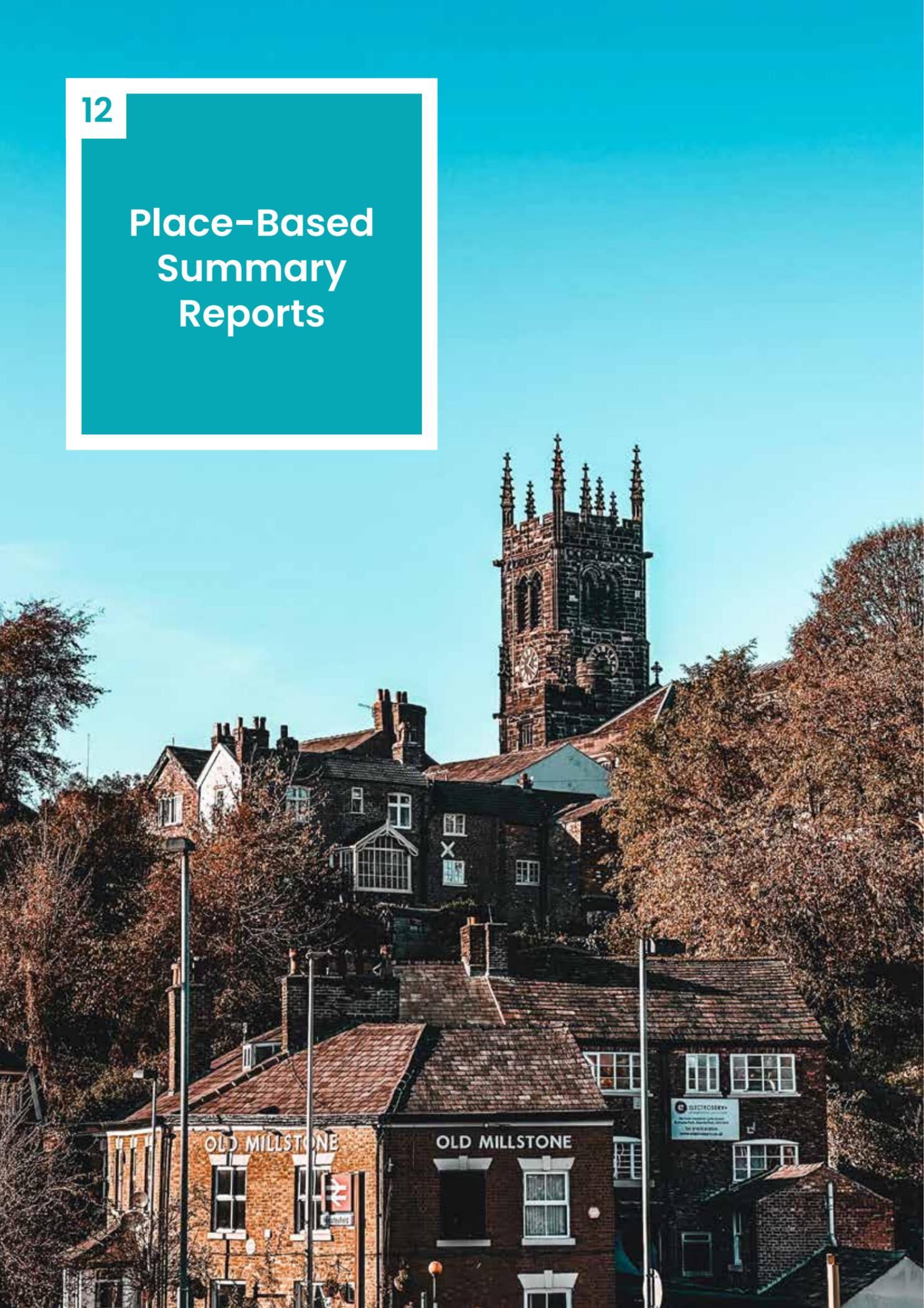
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Summary of Liverpool City Region Survey Responses

- **238** groups in Liverpool City Region responded to the survey (**2%** of the total size of the sector).
- The majority of surveyed groups were registered charities (**49%**) with **9%** of groups reporting as unincorporated associations (below the radar). This is skewed in comparison to the total number of organisations in the sub-region as detailed above in which BTR organisations make up the majority of the sector.
- **63%** of groups are over **10** years old, with only **3%** of groups reporting that their organisation was formed in the last 12 months.
- Groups are more likely to be working at either a whole local authority (**30%**), or local neighbourhood (**23%**) level, **15%** operating across the City Region.
- **68%** of surveyed groups are micro-small sized organisations earning less than **£100k** a per year.
- **28%** of groups main activities fall under wellbeing, health and social care as the most common area of work.
- In terms of beneficiaries, **25%** of groups report supporting “everyone” followed by children and young people (**12%**) and people with mental health needs (**11%**).
- The most common source of funding for organisations is through fundraising and donations (**22%**) followed by local authority grants (**14%**) and charitable trusts/foundations (**13%**).
- Of groups that employed paid staff, **53%** employed full-time staff and **54%** employed part-time staff.
- **67%** of organisations in Liverpool City Region with paid staff pay the Real Living Wage or above.
- **92%** of organisations utilise volunteers with **70%** of these organisations reporting that volunteers are essential for the running of their organisation.
- The most popular priority for Liverpool City Region groups over the next 12 months is sourcing funding opportunities (**17%**) followed by recruiting and retaining volunteers (**10%**), maintaining sufficient reserves (**10%**), organisational planning and strategy (**10%**).



Place-Based Summary Reports



Cheshire East

Context

Cheshire East has a population of approximately 400,528 people, and although life expectancy for both men and women is slightly higher than the England average, there are significant inequalities between local communities: between the most and least deprived areas there is a variance in life expectancy for women of 8 years, and 10 years for men.



Size and scope of the VCFSE sector in Cheshire East		
Number of registered charities	1049	30%
Community Interest Companies (CICs)	135	4%
Companies Limited by Guarantee (CLGs)	755	22%
Registered Societies	39	1%
Community Sports Clubs	40	1%
Below the radar groups (BTR)	1,466	42%
Total	3,484	

Size of workforce	
Number of paid staff	6,009
Number of volunteers (once a month minimum)	56,010
Number of regular volunteers	23,063
Volunteer hours per week	74,724

Value of workforce	
Value of paid staff	£143.5 million per year
Value of volunteering	£42.3 million per year
Total	£185.8 million per year

Economic contribution of the VCFSE sector in Cheshire East

£174.1 million GVA per year

Summary profile of the VCFSE sector in Cheshire East

- **46** Groups in Cheshire East responded to the survey (**12%** of all C&M boroughs).
- The majority of groups are registered charities (**46%**) with **13%** of groups reporting as unincorporated associations (below the radar).
- **63%** of groups in Cheshire East are over **10 years old**, with only **4%** of groups reporting that their organisation was formed in the **last 12 months**.
- Groups are more likely to be working at either a whole local authority (**33%**), or local neighbourhood (**35%**) level.
- The majority of surveyed groups in Cheshire East are micro (**34%**) and small (**32%**) organisations.
- **28%** of groups main activities fall under wellbeing, health and social care as the most common area of work.
- **27%** of groups report supporting “everyone” followed by **10%** targeting children and young people and **8%** each for older people, families, and people with learning difficulties specifically.
- The most common source of funding for organisations through fundraising and donations (**30%**) followed by funding via charitable trusts (**16%**), and charging for goods and services (**14%**).
- There are approximately **122 full-time** and **265 part-time** staff employed by surveyed organisations.
- **83%** of organisations in Cheshire East with paid staff pay the Real Living Wage or above.
- **98%** of organisations utilise volunteers, with a reported total of approximately **1,184 volunteers** and an average of **32** volunteers per organisation. These volunteers provide approximately **1,163 hours** of volunteering per week.
- The most popular priority for Cheshire East groups over the next **12 months** is sourcing funding opportunities (**15%**) followed by organisational planning and strategy (**14%**), and recruiting and retaining volunteers (**10%**). **66%** of groups reported feeling confident in being able to achieve these goals, with **32%** unsure.



Key Findings

Income and expenditure

The majority of groups in Cheshire East have seen their income and reserves fall or stay the same over the preceding 12 months, however the spending of many has increased (49%), which is attributed chiefly to the impact of the pandemic and subsequent cost of living crisis. However, despite this, 47% of groups plan to increase the scale of their activity over the next 12 months.

Workforce and volunteers

There are approximately 122 full-time and 265 part-time staff employed by surveyed organisations in Cheshire East. In comparison to the rest of C&M, Cheshire East organisations are slightly less likely to employ staff on a full-time basis and are typically likely to employ fewer numbers of people than the region as whole.

Cheshire East VCFSE staff and volunteers are not particularly diverse, with only 6% of staff reported to be from a Black, Asian and Minority Ethnic background (lower than the regional trend of 9%). Similar to regional trends, the workforce is predominantly female (69%).

Cheshire East groups expect their staffing position to remain static with over 40% expecting staffing levels to remain the same. Cheshire East organisations have a higher reliance on volunteers than C&M, with 98% of organisations report that volunteers are crucial to the running of their organisation and 63% expecting to increase their use of volunteers.

Groups in Cheshire East are more likely to have higher numbers of volunteers than the region as a whole.

Community assets and skills

Almost three quarters (72%) of organisations report utilising a community asset, with the most common types being office space (17%), community centres (14%) and commercial premises (12%).

This executive summary report should be read in tandem with the wider Cheshire and Merseyside State of the Sector report to help the reader relate findings to wider regional and national trends where it may be of interest to do so. Additionally, important data caveats are contained within the regional report to be aware of when interpreting these findings.

Where premises are rented, the most common landlord situation is for the premises to be rented privately (46%), or actually owned by the organisation themselves (31%). For groups that report barriers to having a community asset, this is usually related to having insufficient access to funding needed to purchase a building, and the understanding how to manage a physical community building.

In terms of education and skills, the majority of groups report being digitally enabled organisations however there is a high demand from those who require digital support for funding for equipment (43%) over staff training and development (29%).

Surveyed organisations in Cheshire East are less likely to be measuring and evidencing the impact of their work in comparison to C&M, with over 21% stating they do not measure their impact and 44% only partly.

Priorities and partnership working

Nearly 20% of groups reported having a positive working relationship with the local authority, and also their local CVS infrastructure organisation (19%). Percentages were low for relationships with NHS organisations, with 9% having a positive relationship with their local NHS place-based partnership, 6% with their NHS trusts and 6% with Primary Care Networks.

The most common priority area for Cheshire East groups over the next 12 months is sourcing funding opportunities (15%) followed by organisational planning and strategy (14%), and recruiting and retaining volunteers (10%). Cheshire East groups are more likely to be focused on developing funder relationships moving forward, however are less likely or able to want or be able to recruit and retain staff, nor work together with other VCFSE groups to influence local decisions. 66% of groups reported feeling confident in being able to achieve these goals, with 32% unsure.

Cheshire West

Context

Cheshire West has a population of approximately 357,699 people, and although life expectancy for both men and women is slightly higher than the England average, there are significant inequalities between local communities: between the most and least deprived areas there is a variance in life expectancy for women of 8 years, and 9 years for men.



Size and scope of the VCFSE sector in Cheshire West

Number to registered charities	977	31%
Community Interest Companies (CICs)	105	3%
Companies Limited by Guarantee (CLGs)	665	21%
Registered Societies	40	1%
Community Sports Clubs	36	1%
Below the radar groups (BTR)	1,309	42%
Total	3,132	

Size of workforce

Number of paid staff	5,317
Number of volunteers (once a month minimum)	50,211
Number of regular volunteers	20,675
Volunteer hours per week	66,987

Value of workforce

Value of paid staff	£127 million per year
Value of volunteering	£37.9 million per year
Total	£164.9 million per year

Economic contribution of the VCFSE sector in Cheshire West

£143.7 million GVA per year

Summary profile of the VCFSE sector in Cheshire West

- **54** Groups in Cheshire West responded to the survey (**14%** of all C&M boroughs).
- The majority of groups are registered charities (**62%**) with **8%** of groups reporting as unincorporated associations (below the radar).
- **57%** of groups in Cheshire West are over **10 years** old, with **11%** of groups reporting that their organisation was formed in the **last 12 months**.
- Groups are more likely to be working at local neighbourhood (**31%**), or a whole local authority / across all of Cheshire (**19%** each), level.
- The majority of surveyed groups in Cheshire West are micro (**29%**) and small (**29%**) organisations.
- **30%** of groups main activities fall under wellbeing, health and social care as the most common area of work.
- **23%** of groups report supporting “everyone” followed by **10%** targeting people with mental health needs, and children and young people (**9%**) specifically.
- The most common source of funding for organisations is through charging for goods and services (**22%**) follow by local authority grants (**20%**) and fundraising and donations (**18%**).
- There are approximately **272 full-time** and **267 part-time** staff employed by surveyed organisations.
- **87%** of organisations in Cheshire West with paid staff pay the Real Living Wage or above.
- **98%** of organisations utilise volunteers, with a reported total of approximately **5,176 volunteers** and an average of **115 volunteers** per organisation (however this is skewed by a small number of groups, as the most common number of volunteers is 20). These volunteers provide approximately **12,056 hours** of volunteering per week.
- The most popular priority for Cheshire West groups over the next **12 months** was sourcing funding opportunities (**15%**) followed by recruiting and retaining volunteers (**11%**). **72% of groups** reported feeling confident in being able to achieve these goals, with **28% unsure**.



Key Findings

Income and expenditure

The majority of groups in Cheshire West have seen their income and reserves fall or stay the same over the preceding 12 months, however their spending has increased (66%), which is attributed chiefly to the impact of the pandemic and subsequent cost of living crisis. However, despite this, 70% of groups plan to increase the scale of their activity over the next 12 months.

Workforce and volunteers

There are approximately 272 full-time and 267 part-time staff employed by surveyed organisations in Cheshire West. In comparison to the rest of C&M, Cheshire West organisations are slightly less likely to employ staff on a full-time basis and are typically likely to employ fewer numbers of people as the regional as whole.

Cheshire West VCFSE staff and volunteers are not particularly diverse, with only 3% of staff reported to be from a Black, Asian and Minority Ethnic background (lower than the regional trend of 9%). Similar to regional trends, the workforce is predominantly female (68%).

Cheshire West groups expect their staffing position to remain static with over 42% expecting staffing levels to remain the same. Cheshire West organisations have a higher reliance on volunteers than C&M, with 98% of organisations report that volunteers are crucial to the running of their organisation and 54% expecting to increase their use of volunteers. Groups in Cheshire West are more likely to have higher numbers of volunteers than the region as a whole.

Community assets and skills

Almost two thirds (65%) of organisations report utilising a community asset, with the most common types being community centres (19%), and offices (15%). Where premises are rented, the most common landlord situation is for the premises to be rented privately (30%), or rented from another VCFSE group (23%).

This executive summary report should be read in tandem with the wider Cheshire and Merseyside State of the Sector report to help the reader relate findings to wider regional and national trends where it may be of interest to do so. Additionally, important data caveats are contained within the regional report to be aware of when interpreting these findings.

For groups that report barriers to having a community asset, this is usually related to having insufficient access to funding needed to purchase a building, and the ongoing costs of running and maintaining a building.

In terms of education and skills, the majority of groups report being digitally enabled organisations however there is a high demand from those who require digital support for funding for equipment (37%) over staff training and development (33%).

Surveyed organisations in Cheshire West are less likely to be measuring and evidencing the impact of their work in comparison to C&M, with 12% stating they do not measure their impact and 40% only partly.

Priorities and partnership working

19% of groups reported having a positive working relationship with the local authority, and their local CVS infrastructure organisation (18%). Percentages were low for relationships with NHS organisations, with 9% having a positive relationship with their local NHS place-based partnership, 4% with their NHS trusts and 9% with Primary Care Networks.

The most common priority area for Cheshire West groups over the next 12 months is sourcing funding opportunities (15%) followed recruiting and retaining volunteers (11%). Cheshire West groups are more likely to be focused on developing funder relationships moving forward, however are less likely or able to be focussing on organisational planning or strategy. 72% of groups reported feeling confident in being able to achieve these goals, with 28% unsure.

Warrington

Context

Warrington has a population of approximately 211,227 people, and life expectancy for both men and women is in the region of 1 year less than the England average. Further, there are significant inequalities between local communities: between the most and least deprived areas there is a variance in life expectancy for women of 7 years, and 10 years for men.



Size and scope of the VCFSE sector in Warrington

Number to registered charities	382	26%
Community Interest Companies (CICs)	72	5%
Companies Limited by Guarantee (CLGs)	195	13%
Registered Societies	20	1%
Community Sports Clubs	23	1%
Below the radar groups (BTR)	773	53%
Total	1465	

Size of workforce

Number of paid staff	3,239
Number of volunteers (once a month minimum)	29,361
Number of regular volunteers	12,090
Volunteer hours per week	39,172

Value of workforce

Value of paid staff	£77.3 million per year
Value of volunteering	£22.2 million per year
Total	£99.5 million per year

Economic contribution of the VCFSE sector in Warrington

£98.4 million GVA per year

Summary profile of the VCFSE sector in Warrington

- **54** groups in Warrington responded to the survey (**14%** of all C&M boroughs).
- The majority of groups are registered charities (**45%**) with **10%** of groups reporting as unincorporated organisations (below the radar).
- **67%** of groups in Warrington are over **10 years old**, with no groups reporting that their organisation was formed in the last 12 months.
- Groups are more likely to be working at either a whole local authority (**46%**), or local neighbourhood (**35%**) level.
- The majority of surveyed groups in Warrington are micro (**34%**) and small (**45%**) organisations.
- **27%** of groups main activities fall under wellbeing, health and social care as the most common area of work.
- **24%** of groups report supporting “everyone” followed by **14%** targeting children and young people and **14%** older people specifically.
- The most common source of funding for organisations is through fundraising and donations (**27%**) followed by charging for goods and services (**25%**) and funding via charitable trusts (**13%**).
- There are approximately **2,854 full-time** and **2,207 part-time** staff employed by surveyed organisations.
- **82%** of organisations in Warrington with paid staff pay the Real Living Wage or above.
- **96%** of organisations utilise volunteers, with a reported total of approximately **1,687 volunteers** and an average of **40 volunteers** per organisation. These volunteers provide approximately **2,885 hours** of volunteering per week.
- The most popular priority for Warrington groups over the next 12 months was sourcing funding opportunities (**18%**) followed by recruiting and retaining volunteers (**16.4%**) and maintaining sufficient financial reserves (**10%**). **44%** of groups reported feeling confident in being able to achieve these goals, with **51%** unsure.



Key Findings

Income and expenditure

The majority of groups in Warrington have seen their income and reserves fall or stay the same over the preceding 12 months, however their spending has increased (42%), which is attributed chiefly to the impact of the pandemic and subsequent cost of living crisis. However, despite this, 42% of groups plan to increase the scale of their activity over the next 12 months.

Workforce and volunteers

There are approximately 2,854 full-time and 2,207 part-time staff employed by surveyed organisations in Warrington (this is skewed by two very large organisations employing 2,620 full-time and 2000 part-time staff). Without these two very large organisations of the smaller organisations who completed this survey 354 full-time and 206 part-time staff are employed. In comparison to the rest of C&M, Warrington organisations are slightly less likely to employ staff on a part-time basis but are typically likely to employ similar numbers of people as the regional as whole.

Warrington VCFSE staff and volunteers are not particularly diverse, with only 5% of staff reported to be from a Black, Asian and Minority Ethnic background only 2 known transgender employees however this is comparable with the wider region. Similar to regional trends, the workforce is predominantly female (67%).

Warrington groups expect their staffing position to remain static with almost half expecting staffing levels to remain the same. Warrington organisations have a higher reliance on volunteers than C&M, with 86% of organisations report that volunteers are crucial to the running of their organisation with 44% expecting to increase their use of volunteers.

Community assets and skills

Almost three quarters (73%) of organisations report utilising a community asset, with the most common types being office space (14%), community centres

(10%) and education centres (6%). Where premises are rented, the most common landlord situation is for the premises to be rented privately, or actually owned by the organisation themselves (21% respectively). For groups that report barriers to having a community asset, this is more related to affording ongoing maintenance and understanding how to manage a physical community building.

In terms of education and skills, the majority of groups report being digitally enabled organisations however there is a high demand from those who require digital support for staff training and development (55%) over funding for equipment (27%).

Surveyed organisations in Warrington are less likely to be measuring and evidencing the impact of their work in comparison to C&M, with a quarter stating they do not measure their impact and 42% only partly. This is a significant gap.

Priorities and partnership working

Nearly a quarter of groups reported having a positive working relationship with Warrington Borough Council (23%). Percentages were low for relationships with NHS organisations, with 8% having a positive relationship with their local NHS place-based partnership, 7% with their NHS trusts and 6% with Primary Care Networks.

The most common priority area for Warrington groups over the next 12 months is sourcing funding opportunities (18%) followed by recruiting and retaining volunteers (16.4%) and maintaining sufficient financial reserves (10%). Warrington groups are more likely to be focused on developing funder relationships moving forward, however are less likely to want or be able to measure their impact as part of this, nor funder influencing and relationship building. 44% of groups reported feeling confident in being able to achieve these goals, with 51% unsure.

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Halton

Context

Halton has a population of approximately 128,577 people, and life expectancy for both men and women is in the region of 2 years less than the England average. Further, there are significant inequalities between local communities: between the most and least deprived areas there is a variance in life expectancy for women of 9 years, and between 14 years for men.



Size and scope of the VCFSE sector in Halton

Number to registered charities	101	14%
Community Interest Companies (CICs)	44	6%
Companies Limited by Guarantee (CLGs)	86	12%
Registered Societies	15	2%
Community Sports Clubs	7	1%
Below the radar groups (BTR)	471	65%
Total	724	

Size of workforce

Number of paid staff	1,861
Number of volunteers (once a month minimum)	17,671
Number of regular volunteers	7,276
Volunteer hours per week	23,574

Value of workforce

Value of paid staff	£44.4 million per year
Value of volunteering	£13.3 million per year
Total	£57.8 million per year

Economic contribution of the VCFSE sector in Halton

£44.8 million GVA per year

Summary profile of the VCFSE sector in Halton

- 15 Groups in Halton responded to the survey (4% of all C&M boroughs).
- The majority of groups are registered charities (44%).
- 67% of groups in Halton are over 10 years old, with only 7% of groups reporting that their organisation was formed in the last 12 months.
- Groups are more likely to be working at a local authority (33%) or local neighbourhood (27%), level.
- The majority of surveyed groups in Halton are micro (15%) and small (46%) organisations.
- 33% of groups main activities fall under wellbeing, health and social care as the most common area of work.
- 45% of groups report supporting “everyone” followed by 10% targeting children and young people.
- The most common source of funding for organisations is from fundraising and donations (21%), and local authority grants (14% each).
- There are approximately 48 full-time and 33 part-time staff employed by surveyed organisations.
- 100% of organisations in Halton with paid staff pay the Real Living Wage or above.
- 80% of organisations utilise volunteers, with a reported total of approximately 215 volunteers and an average of 20 volunteers per organisation. These volunteers provide approximately 783 hours of volunteering per week.
- The most popular priority for Halton groups over the next 12 months is sourcing funding opportunities (19%) followed by recruiting and retaining volunteers, organisational planning and strategy, maintaining sufficient financial reserves, and influencing key decision and policy makers (9.6% each). 67% of groups reported feeling confident in being able to achieve these goals, with 25% unsure.



Key Findings

Income and expenditure

Half of groups in Halton have seen their income either fall or remaining the same over the preceding 12 months, however their spending has increased (71%), which is attributed chiefly to the impact of the pandemic and subsequent cost of living crisis. However, despite this, 57% of groups plan to increase the scale of their activity over the next 12 months.

Workforce and volunteers

There are approximately 48 full-time and 33 part-time staff employed by surveyed organisations in Halton. In comparison to the rest of C&M, Halton and St Helens organisations are notably less likely to employ paid staff and are typically likely to employ fewer numbers of people than the regional as whole.

Halton VCFSE staff and volunteers broadly as diverse as regional trends with regards to Black, Asian and Minority Ethnic representation within volunteers and staff. However, the workforce is more female (80%) than regional trends (67%).

Halton groups expect their staffing position to remain static with 33% expecting staffing levels to remain the same (and 17% expecting staffing numbers to decrease). Halton organisations have similar reliance on volunteers to C&M as a whole, but with a lower anticipation of volunteer numbers increasing over the coming year (42% vs 57%). Groups in Halton are also more likely to have fewer numbers of volunteers than the region as a whole.

Community assets and skills

Less than half (42%) of organisations report utilising a community asset, with the most common types being offices and community centres (16% each).

Where premises are rented, the most common landlord situation is for the premises to be outright owned by the group itself (42%) or rented from a local authority (25%). For groups that report barriers to having a community asset, this is usually related to the need to raise the investment needed to purchase one (58%).

In terms of education and skills, the majority of groups report being digitally enabled organisations however there is a high demand from those who require support for staff training and development (50%) over funding for equipment (17%).

Surveyed organisations in Halton equally likely to be measuring and evidencing the impact of their work in comparison to C&M.

Priorities and partnership working

27% of groups reported having a positive working relationship with the local authority, and their local CVS infrastructure organisation (18%). Percentages were low for relationships with NHS organisations, with 8% having a positive relationship with their local NHS place-based partnership, 0% with their NHS trusts and 0% with Primary Care Networks.

The most common priority area for Halton groups over the next 12 months is sourcing funding opportunities (19%) followed by recruiting and retaining volunteers, organisational planning and strategy, maintaining sufficient financial reserves, and influencing key decision and policy makers (9.6% each). Halton groups are more likely to be focused on developing funder relationships and influencing decision and policy makers moving forward, however are less likely or able to be focussing on recruiting and retaining staff. 67% of groups reported feeling confident in being able to achieve these goals, with 25% unsure.

Knowsley

Context

Knowsley has a population of approximately 154,974 people, and life expectancy for both men and women is in the region of 3 years less than the England average. Further, there are significant inequalities between local communities: between the most and least deprived areas there is a variance in life expectancy for women of 10 years, and 12 years for men.



Size and scope of the VCFSE sector in Knowsley

Number to registered charities	107	13%
Community Interest Companies (CICs)	81	10%
Companies Limited by Guarantee (CLGs)	79	9%
Registered Societies	11	1%
Community Sports Clubs	7	1%
Below the radar groups (BTR)	567	67%
Total	852	

Size of workforce

Number of paid staff	2,217
Number of volunteers (once a month minimum)	21,131
Number of regular volunteers	8,701
Volunteer hours per week	28,191

Value of workforce

Value of paid staff	£52.9 million per year
Value of volunteering	£15.9 million per year
Total	£68.9 million per year

Economic contribution of the VCFSE sector in Knowsley

£52.1 million GVA per year

This executive summary report should be read in tandem with the wider Cheshire and Merseyside State of the Sector report to help the reader relate findings to wider regional and national trends where it may be of interest to do so. Additionally, important data caveats are contained within the regional report to be aware of when interpreting these findings.

Summary profile of the VCFSE sector in Knowsley

- **55** Groups in Knowsley responded to the survey (**14%** of all C&M boroughs).
- The majority of groups are registered charities (**28%**) with **17%** of groups reporting as unincorporated associations (below the radar).
- **41%** of groups in Knowsley are over **10 years old**, with only **6%** of groups reporting that their organisation was formed in the last 12 months.
- Groups are more likely to be working at a local authority (**33%**) or local neighbourhood (**28%**), level.
- The majority of surveyed groups in Knowsley are micro (**33%**) and small (**29%**) organisations.
- **31%** of groups main activities fall under wellbeing, health and social care as the most common area of work.
- **26%** of groups report supporting “everyone” followed by **14%** targeting children and young people, and people with mental health needs (**9%**).
- The most common source of funding for organisations is from local authority grants (**23%**) and Local CVS grants and fundraising and donations equally (**13%**).
- There are approximately **602 full-time** and **504 part-time** staff employed by surveyed organisations. However, this figure is skewed by a single significantly larger employer than most groups in the area.
- **82%** of organisations in Knowsley with paid staff pay the Real Living Wage or above
- **90%** of organisations utilise volunteers, with a reported total of approximately **754 volunteers** and an average of **18 volunteers** per organisation. These volunteers provide approximately **1,150 hours** of volunteering per week.
- The most popular priority for Knowsley groups over the next 12 months is sourcing funding opportunities (**18%**) followed by organisational planning and strategy (**12%**) and maintaining sufficient financial reserves (**10%**). **73%** of groups reported feeling confident in being able to achieve these goals, with **21%** unsure.

Key Findings

Income and expenditure

In contrast with the wider region, the majority of groups in Knowsley have seen their income increase over the preceding 12 months, although for most groups, their reserves have decreased; against this their spending has increased (62%), which is attributed chiefly to the impact of the pandemic and subsequent cost of living crisis. 69% of groups plan to increase the scale of their activity over the next 12 months.

Workforce and volunteers

There are approximately 602 full-time and 504 part-time staff employed by surveyed organisations in Knowsley. In comparison to the rest of C&M, Knowsley organisations are likely to employ fewer numbers of people than the region as a whole.

Knowsley VCFSE staff and volunteers are relatively diverse, with similar levels of staff and volunteers reported to be from a Black, Asian and Minority Ethnic background to that of the wider region. Similar to regional trends, the workforce is predominantly female (64%).

Knowsley groups are slightly more expecting their staffing will increase (37% vs. 33% expecting to remain static). 90% of organisations report that volunteers are crucial to the running of their organisation and 57% expecting to increase their use of volunteers. Groups in Knowsley are more likely to have fewer numbers of volunteers than the region as a whole.

Community assets and skills

Three quarters (76%) of organisations report utilising a community asset, with the most common types being community centres (18%) offices (12%) and green spaces (10%). Where premises are rented, the most common landlord situation is for the premises to either be rented from another VCFSE group or outright owned by the group itself (20% each), or privately rented (18%).

For groups that report barriers to having a community asset, this is usually related to not having access to the funding required to purchase a building and a lack of available properties.

In terms of education and skills, the majority of groups report being digitally enabled organisations however there is a high demand from those who require digital support for funding for equipment (48%) over staff training and development (32%).

Surveyed organisations in Knowsley are more likely to be measuring and evidencing the impact of their work in comparison to C&M, with 42% stating they fully measure their impact as a whole organisation, and a further 42% partly.

Priorities and partnership working

21% of groups reported having a positive working relationship with the local authority, followed by other VCFSE groups and their CVS organisation. Percentages were low for relationships with NHS organisations, with 4% having a positive relationship with their local NHS place-based partnership, 2% with their NHS trusts and 5% with Primary Care Networks.

The most common priority area for Knowsley groups over the next 12 months are sourcing funding opportunities (18%) followed by organisational planning and strategy (12%). Knowsley groups are more likely to be focused on HR and finance, and embracing digital working moving forward, however are less likely or able to be focussing on developing funder relationships and ensuring they have enough space to work from. 73% of groups reported feeling confident in being able to achieve these goals, with 21% unsure.



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Liverpool

Context

Liverpool has a population of approximately 484,488 people, and life expectancy for both men and women is in the region of 3 years less than the England average. Further, there are significant inequalities between local communities: between the most and least deprived areas there is a variance in life expectancy for women of 9 years, and 11 years for men.



Size and scope of the VCFSE sector in Liverpool

Number to registered charities	1,177	27%
Community Interest Companies (CICs)	443	10%
Companies Limited by Guarantee (CLGs)	822	19%
Registered Societies	101	2%
Community Sports Clubs	15	1%
Below the radar groups (BTR)	1,773	41%
Total	4,331	

Size of workforce

Number of paid staff	6,749
Number of volunteers (once a month minimum)	68,514
Number of regular volunteers	28,212
Volunteer hours per week	91,407

Value of workforce

Value of paid staff	£161.2 million per year
Value of volunteering	£51.8 million per year
Total	£213 million per year

Economic contribution of the VCFSE sector in Liverpool

£180.3 million GVA per year

Summary profile of the VCFSE sector in Liverpool

- **62** Groups in Liverpool responded to the survey (**16%** of all C&M boroughs).
- The majority of groups are registered charities (**55%**) with only **1%** of groups reporting as unincorporated associations (below the radar).
- **68%** of groups in Liverpool are over **10 years old**, with only **3%** of groups reporting that their organisation was formed in the last 12 months.
- Groups are more likely to be working at the City Region (**34%**), or across more than one local authority area (**16%**) level.
- A high proportion of surveyed groups in Liverpool are micro (**14%**) and small (**43%**) organisations.
- **26%** of groups main activities fall under wellbeing, health and social care as the most common area of work.
- **21%** of groups report supporting “everyone” followed by **13%** targeting people with mental health needs, and children and young people (**12%**).
- The most common source of funding for organisations is from fundraising and donations (**20%**) and charging for goods and services and charitable trusts and foundations (**11%** each).
- There are approximately **879 full-time** and **320 part-time** staff employed by surveyed organisations. However, this figure is skewed by the survey including responses from a significantly larger employer than most other groups.
- **86%** of organisations in Liverpool with paid staff pay the Real Living Wage or above.
- **98%** of organisations utilise volunteers, with a reported total of approximately **2,824 volunteers** and an average of **66 volunteers** per organisation (however this is skewed by a small number of groups, as the most common number of volunteers per group is **7**). These volunteers provide approximately **6,090 hours** of volunteering per week.
- The most popular priority for Liverpool groups over the next 12 months is sourcing funding opportunities (**17%**) followed by maintaining sufficient financial reserves (**12%**). **68%** of groups reported feeling confident in being able to achieve these goals, with **25%** unsure.



Key Findings

Income and expenditure

The majority of groups in Liverpool have seen their income and reserves fall or stay the same over the preceding 12 months, however their spending has increased (55%), which is attributed chiefly to the impact of the pandemic and subsequent cost of living crisis. However, despite this, 60% of groups plan to increase the scale of their activity over the next 12 months.

Workforce and volunteers

There are approximately 879 full-time and 320 part-time staff employed by surveyed organisations in Liverpool. However, this figure is dominated by a single large employer - in comparison to the rest of C&M, Liverpool organisations are likely to be employing slightly lower numbers of staff on full or part time bases.

Liverpool VCFSE staff and volunteers are particularly diverse, with 23% of staff reported to be from a Black, Asian and Minority Ethnic background (notably higher than the regional trend of 9%). Similar to regional trends, the workforce is predominantly female (63%).

Many Liverpool groups expect their staffing position to increase (47%), although 6% expect staffing numbers to decrease. Liverpool organisations have a higher reliance on volunteers than C&M, with 98% of organisations reporting that volunteers are crucial to the running of their organisation and 60% expecting to increase their use of volunteers.

Community assets and skills

Four fifths (81%) of organisations report utilising a community asset, with the most common types being offices (23%) and community centres (15%). Where premises are rented, the most common landlord situation is for the premises to be rented privately (34%), or outright owned by the group itself (26%).

For groups that report barriers to having a community asset, this is usually related to lacking access to the funding needed to purchase a building.

In terms of education and skills, the majority of groups report being digitally enabled organisations however there is a high demand from those who require digital support for staff training and development (52%) over funding for equipment (35%).

Surveyed organisations in Liverpool are more likely to be measuring and evidencing the impact of their work in comparison to C&M (42% vs 31%).

Priorities and partnership working

16% of groups reported having a positive working relationship with their local CVS infrastructure organisation and the local authority (15%). Percentages were low for relationships with NHS organisations, with 8% having a positive relationship with their local NHS place-based partnership, 7% with their NHS trusts and 6% with Primary Care Networks.

The most common priority area for Liverpool groups over the next 12 months is sourcing funding opportunities (17%) followed by maintaining sufficient financial reserves (12%).

Liverpool groups are more likely to be focused on recruiting and retaining staff and developing funder relationships moving forward, however are less likely or able to be focussing on developing skills and accessing training, and ensuring they have enough space to operate from. 68% of groups reported feeling confident in being able to achieve these goals, with 25% unsure.

This executive summary report should be read in tandem with the wider Cheshire and Merseyside State of the Sector report to help the reader relate findings to wider regional and national trends where it may be of interest to do so. Additionally, important data caveats are contained within the regional report to be aware of when interpreting these findings.

Sefton

Context

Sefton has a population of approximately 279,692 people, and life expectancy for both men and women is in the region of 1 year less than the England average. Further, there are significant inequalities between local communities: between the most and least deprived areas there is a variance in life expectancy for women of 12 years, and 14 years for men.



Size and scope of the VCFSE sector in Sefton		
Number to registered charities	479	24%
Community Interest Companies (CICs)	135	7%
Companies Limited by Guarantee (CLGs)	327	16%
Registered Societies	18	1%
Community Sports Clubs	26	1%
Below the radar groups (BTR)	1,024	51%
Total	2,009	

Size of workforce	
Number of paid staff	3,950
Number of volunteers (once a month minimum)	39,506
Number of regular volunteers	16,267
Volunteer hours per week	52,705
Value of workforce	
Value of paid staff	£94.3 million per year
Value of volunteering	£29.8 million per year
Total	£124.2 million per year

Economic contribution of the VCFSE sector in Sefton

£70.8 million GVA per year

Summary profile of the VCFSE sector in Sefton

- **47** Groups in Sefton responded to the survey (**12%** of all C&M boroughs).
- The majority of groups are registered charities (**60%**) with **12%** of groups reporting as unincorporated associations (below the radar).
- **87%** of groups in Sefton are over **10 years old**, with no groups reporting that their organisation was formed in the last 12 months.
- Groups are more likely to be working at either a local neighbourhood (**40%**) or local authority (**32%**) level.
- Many of the groups in Sefton are micro (**22%**) and small (**20%**) organisations.
- **27%** of groups main activities fall under wellbeing, health and social care as the most common area of work.
- **28%** of groups report supporting “everyone” followed by **13%** targeting older people, and children and young people (**11%**) specifically.
- The most common source of funding for organisations is through fundraising and donations (**33%**) followed by charging for goods and services (**16%**).
- There are approximately **727 full-time** and **566 part-time** staff employed by surveyed organisations. However, this is skewed by a small number of significantly large employers.
- **71%** of organisations in Sefton with paid staff pay the Real Living Wage or above.
- **95%** of organisations utilise volunteers, with a reported total of approximately **2,147 volunteers** and an average of **53 volunteers** per organisation. These volunteers provide approximately **3,500 hours** of volunteering per week.
- The most popular priority for Sefton groups over the next 12 months is sourcing funding opportunities (**16%**) followed by recruiting and retaining volunteers (**11%**). **59%** of groups reported feeling confident in being able to achieve these goals, with **39%** unsure.



Key Findings

Income and expenditure

The majority of groups in Sefton have seen their income and reserves fall or stay the same over the preceding 12 months, however their spending has increased (57%), which is attributed chiefly to the impact of the pandemic and subsequent cost of living crisis. However, despite this, 58% of groups plan to increase the scale of their activity over the next 12 months.

Workforce and volunteers

There are approximately 727 full-time and 566 part-time staff employed by surveyed organisations in Sefton. In comparison to the rest of C&M, Sefton organisations are typically likely to employ fewer numbers of people.

Sefton VCFSE staff and volunteers are not particularly diverse, with only 1% of staff reported to be from a Black, Asian and Minority Ethnic background (lower than the regional trend of 9%). Similar to regional trends, the workforce is predominantly female (79%).

Only 23% of Sefton groups expect their staffing position to remain static - 40% expect staffing levels to increase, and 7% to decrease over the coming 12 months. Sefton organisations have a higher reliance on volunteers than C&M, with 95% of organisations reporting that volunteers are crucial to the running of their organisation and 66% expecting to increase their use of volunteers. Groups in Sefton are more likely to have higher numbers of volunteers than the region as a whole.

Community assets and skills

Four fifths (80%) of organisations report utilising a community asset, with the most common types being community centres (20%) and office space (18%). Where premises are rented, the most common landlord situation is for the premises to be actually owned by the organisation themselves (29%) or rented from a local authority (27%).

For groups that report barriers to having a community asset, this is usually related to having insufficient access to funding needed to purchase a building, and the ongoing costs of operating and maintaining a physical community building.

In terms of education and skills, the majority of groups report being digitally enabled organisations however there is a high demand from those who require digital support for staff training and development (41%) over funding for equipment (29%).

Surveyed organisations in Sefton are more likely to be measuring and evidencing the impact of their work in comparison to C&M, with 34% stating they measure their impact in full and a further 48% in part.

Priorities and partnership working

17% of groups reported having a positive working relationship with their local CVS infrastructure organisation, and 15% with their local authority. Percentages were low for relationships with NHS organisations, with 8% having a positive relationship with their local NHS place-based partnership, 7% with their NHS trusts and 7% with Primary Care Networks.

The most common priority area for Sefton groups over the next 12 months is sourcing funding opportunities (16%) followed by recruiting and retaining volunteers (11%). Sefton groups are more likely to be focused on developing funder relationships and working with other VCFSE groups to influence local decisions moving forward, however they are less likely to be focussing or able to ensure they have enough space to deliver their activities from. 58% of groups reported feeling confident in being able to achieve these goals, with 39% unsure.

This executive summary report should be read in tandem with the wider Cheshire and Merseyside State of the Sector report to help the reader relate findings to wider regional and national trends where it may be of interest to do so. Additionally, important data caveats are contained within the regional report to be aware of when interpreting these findings.

St Helens

Context

St Helens has a population of approximately 183,391 people, and life expectancy for both men and women is in the region of 2 years less than the England average. Further, there are significant inequalities between local communities: between the most and least deprived areas there is a variance in life expectancy for women of 10 years, and between 11 years for men.



Size and scope of the VCFSE sector in St Helens

Number to registered charities	261	23%
Community Interest Companies (CICs)	67	6%
Companies Limited by Guarantee (CLGs)	89	8%
Registered Societies	13	1%
Community Sports Clubs	19	2%
Below the radar groups (BTR)	671	60%
Total	1120	

Size of workforce

Number of paid staff	2,620
Number of volunteers (once a month minimum)	25,497
Number of regular volunteers	10,540
Volunteer hours per week	34,150

Value of workforce

Value of paid staff	£62.5 million per year
Value of volunteering	£19.3 million per year
Total	£81.1 million per year

Economic contribution of the VCFSE sector in St Helens

£44.8 million GVA per year

Summary profile of the VCFSE sector in St Helens

- **14** Groups St Helens responded to the survey (**4%** of all C&M boroughs).
- The majority of groups are registered charities (**53%**) with **13%** of groups reporting as unincorporated associations (below the radar).
- **57%** of groups in Halton and St Helens are over **10 years old**, with only **7%** of groups reporting that their organisation was formed in the last 12 months.
- Groups are more likely to be working at a local authority (**43%**) or across multiple local authority areas (**29%**), level.
- The majority of surveyed groups in St Helens are micro (**33%**) and small (**42%**) organisations.
- **24%** of groups main activities fall under wellbeing, health and social care as the most common area of work.
- **31%** of groups report supporting “everyone” followed by **15%** targeting children and young people, and people with mental health needs (**12%**).
- The most common source of funding for organisations is from local authority grants (**23%**) and fundraising and donations, charging for goods and services (**15%** each).
- There are approximately **64 full-time** and **102 part-time** staff employed by surveyed organisations.
- **63%** of organisations in St Helens with paid staff pay the Real Living Wage or above – this is notably lower than the regional amount (**88%**), but the reasons are consistent in being a desire to do so but lacking sufficient income to be able to implement this.
- **92%** of organisations utilise volunteers, with a reported total of approximately **809 volunteers** and an average of **74 volunteers** per organisation (however this is skewed by a small number of groups, as the most common number of volunteers is 15). These volunteers provide approximately **1,595 hours** of volunteering per week.
- The most popular priority for St Helens groups over the next 12 months is sourcing funding opportunities and maintaining sufficient financial reserves (**16%** each) followed by recruiting and retaining volunteers (**13%**). Only **50%** of groups reported feeling confident in being able to achieve these goals, with **25%** unsure.



Key Findings

Income and expenditure

The majority of groups in St Helens have seen their income remain the same (54%) and nearly half seen reserves fall (46%) over the preceding 12 months, however their spending has increased (46%), which is attributed chiefly to the impact of the pandemic and subsequent cost of living crisis. However, despite this, 54% of groups plan to increase the scale of their activity over the next 12 months.

Workforce and volunteers

There are approximately 64 full-time and 102 part-time staff employed by surveyed organisations in St Helens. In comparison to the rest of C&M, St Helens organisations are notably less likely to employ paid staff and are typically likely to employ fewer numbers of people than the regional as whole.

St Helens VCFSE staff are not particularly diverse, with only 2% of staff reported to be from a Black, Asian and Minority Ethnic background (lower than the regional trend of 9%), however, groups are more likely to involve volunteers from a Black, Asian and Minority Ethnic background (64%) than the regional trend (48%). Similar to regional trends, the workforce is predominantly female (75%).

St Helens groups expect their staffing position to remain static with 42% expecting staffing levels to remain the same. St Helens organisations have a higher reliance on volunteers than C&M, with 92% of organisations reporting that volunteers are crucial to the running of their organisation and 57% expecting to increase their use of volunteers. Groups in St Helens are more likely to have higher numbers of volunteers than the region as a whole.

Community assets and skills

Nearly half (42%) of organisations report utilising a community asset, with the most common types being commercial premises and offices (16% each).

Where premises are rented, the most common landlord situation is for the premises to be outright owned by the group itself or rented privately (27% each). For groups that report barriers to having a community asset, this is usually related to the ongoing costs of running and maintaining a building.

In terms of education and skills, the majority of groups report being digitally enabled organisations however there is a high demand from those who require digital support for funding for equipment (56%) over staff training and development (11%).

Surveyed organisations in St Helens are slightly less likely to be measuring and evidencing the impact of their work in comparison to C&M, with 23% stating they do not measure their impact but 54% do partly.

Priorities and partnership working

17% of groups reported having a positive working relationship with the local authority, and their local CVS infrastructure organisation (9%). Percentages were low for relationships with NHS organisations, with 11% having a positive relationship with their local NHS place-based partnership, 5% with their NHS trusts and 6% with Primary Care Networks.

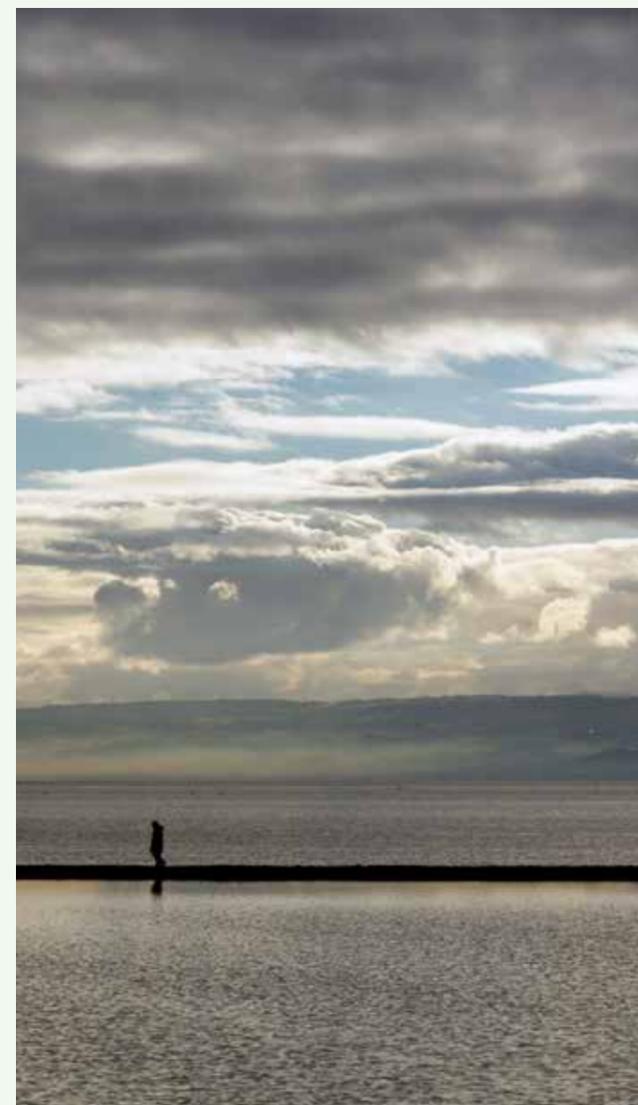
The most common priority area for St Helens groups over the next 12 months is sourcing funding opportunities and maintaining sufficient financial reserves (16% each) followed by recruiting and retaining volunteers (13%).

St Helens groups are more likely to be focused on maintaining sufficient financial reserves, developing funder relationships, and working with other VCFSE groups to deliver local services moving forward, however are less likely or able to be focussing on organisational planning and strategy. Only 50% of groups reported feeling confident in being able to achieve these goals, with 25% unsure.

Wirral

Context

Wirral has a population of approximately 320,600 people, and life expectancy for both men and women is in the region of 2 years less than the England average. Further, there are significant inequalities between local communities: between the most and least deprived areas there is a variance in life expectancy for women of 11 years, and 14 years for men.



Size and scope of the VCFSE sector in Wirral		
Number to registered charities	638	25%
Community Interest Companies (CICs)	211	8%
Companies Limited by Guarantee (CLGs)	463	18%
Registered Societies	35	2%
Community Sports Clubs	19	1%
Below the radar groups (BTR)	1,173	46%
Total	2,539	

Size of workforce	
Number of paid staff	4,411
Number of regular volunteers	18,348
Volunteer hours per week	59,448

Value of workforce	
Value of paid staff	£105.3 million per year
Value of volunteering	£33.6 million per year
Total	£139 million per year

Economic contribution of the VCFSE sector in Wirral	
Total	£84.2 million GVA per year

This executive summary report should be read in tandem with the wider Cheshire and Merseyside State of the Sector report to help the reader relate findings to wider regional and national trends where it may be of interest to do so. Additionally, important data caveats are contained within the regional report to be aware of when interpreting these findings.

Summary profile of the VCFSE sector in Wirral

- **45** Groups in Wirral responded to the survey (**11%** of all C&M boroughs).
- The majority of groups are registered charities (**53%**) with no groups reporting as unincorporated associations (below the radar).
- **58%** of groups in Wirral are over **10 years old**, with only **2%** of groups reporting that their organisation was formed in the last 12 months.
- Groups are more likely to be working at either a local authority (**47%**) or a local neighbourhood (**20%**) level.
- Many of the groups in Wirral are micro (**10%**) and small (**36%**) organisations.
- **30%** of groups main activities fall under wellbeing, health and social care as the most common area of work.
- **24%** of groups report supporting “everyone” followed by children and young people, families, and people with mental health needs (**12%** each) specifically.
- The most common source of funding for organisations through fundraising and donations (**26%**) followed by charitable trusts and foundations (**17%**).
- There are approximately **487 full-time** and **384 part-time** staff employed by surveyed organisations.
- **84%** of organisations in Wirral with paid staff pay the Real Living Wage or above.
- **87%** of organisations utilise volunteers, with a reported total of approximately **1,424 volunteers** and an average of **42 volunteers** per organisation. These volunteers provide approximately **3,189 hours** of volunteering per week.
- The most popular priority for Wirral groups over the next 12 months is sourcing funding opportunities (**17%**) followed by working with other VCFSE groups to deliver local services and evidencing impact (**11%** each). **78%** of groups reported feeling confident in being able to achieve these goals, with **19%** unsure.



Key Findings

Income and expenditure

Although half of groups in Wirral have seen their income increase over the preceding 12 months, and most reporting their reserves either falling or staying the same over the same period, the majority have increased their spending (71%), which is attributed chiefly to the impact of the pandemic and subsequent cost of living crisis. However, despite this, 64% of groups plan to increase the scale of their activity over the next 12 months.

Workforce and volunteers

There are approximately 487 full-time and 384 part-time staff employed by surveyed organisations in Wirral. In comparison to the rest of C&M, Wirral organisations are more likely to be employing paid staff, although at lower numbers compared to the region as a whole.

Wirral VCFSE staff and volunteers are typically diverse, with 10% of staff reported to be from a Black, Asian and Minority Ethnic background (comparable to the regional trend of 9%). Similar to regional trends, the workforce is predominantly female (77%).

Only 28% of Wirral groups expect their staffing position to remain static - 53% expect staffing levels to increase, and 5% to decrease over the coming 12 months. 87% of organisations report that volunteers are crucial to the running of their organisation and 59% expecting to increase their use of volunteers.

Community assets and skills

Three quarters (77%) of organisations report utilising a community asset, with the most common types being community centres (22%) and office space (17%). Where premises are rented, the most common landlord situation is for the premises to be actually owned by the organisation themselves (29%) or rented from another VCFSE group or a private landlord (24% each).

This executive summary report should be read in tandem with the wider Cheshire and Merseyside State of the Sector report to help the reader relate findings to wider regional and national trends where it may be of interest to do so. Additionally, important data caveats are contained within the regional report to be aware of when interpreting these findings.

For groups that report barriers to having a community asset, this is usually related to having insufficient access to funding needed to purchase a building, and a lack of support needed from their local authority.

In terms of education and skills, the majority of groups report being digitally enabled organisations however there is a high demand from those who require digital support for staff training and development (38%) over funding for equipment (31%)

Surveyed organisations in Wirral are less likely to be measuring and evidencing the impact of their work in comparison to C&M, with only 26% stating they measure their impact in comparison to the regional trend of 31%.

Priorities and partnership working

15% of groups reported having a positive working relationship with other VCFSE groups, and 14% with both their local authority and their local CVS infrastructure organisation. Percentages were low for relationships with NHS organisations, with 9% having a positive relationship with their local NHS place-based partnership, 6% with their NHS trusts and 6% with Primary Care Networks.

The most common priority area for Wirral groups over the next 12 months is sourcing funding opportunities (17%) followed by working with other VCFSE groups to deliver local services and evidencing impact (11% each). Wirral groups are more likely to be focused on developing funder relationships and evidencing their impact moving forward, however are less likely or able to be focussing on working with other VCFSE groups to deliver local services. 78% of groups reported feeling confident in being able to achieve these goals, with 19% unsure.

Prioritise and enable relationships between the VCFSE sector and NHS

The findings from this report tell us that VCFSE groups in C&M are operating in increasingly volatile operating environments, with constant pressure to respond to ever increasing demand for services. Linked to this, groups are spending more but with reduced levels of income, suggesting that groups are responding to increasing community needs but with less resources to do so. This also suggests that people are coming to VCFSE organisations as their needs are not always being met by our health and care systems. Indeed, the most common area of work for the sector in C&M is within health and care, making the sector a valuable partner within NHS transformation.



However, while the VCFSE sector is responding to levels of activity in health and care, the survey findings also show that relationships between the sector and NHS organisations are underdeveloped, with only 8% of groups identifying having working relationships with their local NHS partnerships. There is therefore an opportunity here for the C&M Integrated Care Board to prioritise and enable relationships with the VCFSE sector and establish this during these early stages of ICB development.

This could be through collaborative networks and alliances with the VCFSE and the public sector, such as those already developed within Cheshire and Wirral. This will lead to long-term mature and robust relationships and a more effective, strategic approach to delivering cross-sector health and care delivery.

Opportunities

The state of the sector survey findings in this report provide an in-depth story of the diversity of the VCFSE sector across C&M and crucial insights into its role in supporting the health and wellbeing of communities across the region. It also highlights some key opportunities for us to build upon for future working and developing genuine partnerships between the VCFSE sector within the health and care system.

The following opportunities and ambitions have been informed by the findings from the C&M state of the sector report.

By unlocking the capacity of the VCFSE sector in its role within health and care, we can work together to adopt new ways of working that truly reflect and address the needs of communities, tackle health inequalities and develop a C&M where everyone can prosper.

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Opportunities

Increasing VCFSE resilience and sustainability through identified investment

The VCFSE sector in C&M is approaching a tipping point in relation to income vs expenditure, with increasing amounts of money being spent on responding to unprecedented demand.

On top of this, the sectors long-term sustainability is at risk with over a third of organisations reporting a decrease in their reserve levels meaning it is less resilient to respond to future needs without further external support. If this trend continues, there is a risk of developing gaps within community support which will put increasing pressure on surviving groups and ultimately statutory health services.

There is an opportunity through the C&M Integrated Care Board to commit to enhancing the VCFSE sector’s resilience and sustainability by identifying flexibility within NHS budgets to allocate increased VCFSE spending.

This will enable the sector to meet increasing demand whilst reducing health inequalities and providing long-term cost savings to NHS system partners.

The VCFSE sector as community partners in supply chains

NHS anchor institutions have the ability to unlock capacity within the private sector through supply chains to help develop resilient income streams for the VCFSE sector.

The state of the sector findings show that one fifth of the sector sources its income from the charging for goods and services.

Anchor institutions have a role to play in opening the door for the VCFSE sector to become embedded within these supply chains as key community partners. With this embedded in operations, it will keep more local supply chains, provide better value for money and increase social value.

Extend NHS workforce development to create opportunities for the VCFSE workforce

The VCFSE sector in C&M has a robust workforce with over 36,000 paid staff and over 350,000 volunteers providing 2.5 million hours a week of volunteering time, equivalent to almost 12,000 full-time jobs. This is a significant workforce and resource with the number of VCFSE paid staff alone equating to almost half (46%) of the entire NHS workforce in C&M (79,354)⁵¹.

There is an opportunity for the VCFSE sector and NHS to work together to increase the skills and capacity of the combined workforce and develop a strong offer for staff through a skills exchange. By extending NHS workforce development opportunities for the sector, the sectors capacity and ability to develop a skilled workforce, including the nurturing of emerging leadership, operationally and strategically.

Conversely, the VCFSE sector can support the development of the NHS workforce via its own expertise in responding to demand and building community insights and intelligence.



Commissioning for Social Value at place

As an anchor institution the NHS has a crucial role in developing its social value and impact within communities across the C&M Commissioning is a key way of unlocking social value, and proportional funding is the key enabler.

In this report, groups cited financial pressures as a preventing factor in paying their staff the Real Living Wage. In some instances, respondents referenced funding arrangements with the NHS as barriers to committing to this, with some commissioning contracts not accounting for inflation and cost of living increases with groups having to sacrifice paying their staff a living wage to meet contract.

There is an opportunity here to review and redesign procurement and commissioning strategies, and by doing so setting a high standard across all sectors of providing social value through the commissioning of VCFSE organisations and corporate social responsibility.



Identify and unlock capacity in NHS estate

This report identifies that almost three-quarters of groups make use of a diverse array of physical community spaces ranging from community centres and education centres to green spaces and workshops.

This presents a unique opportunity for the health and care system to access communities within places at hyper-local levels and to reach those hard to reach communities.

However, nationally one fifth of groups with community assets are reducing their use of them as a direct result of increased running costs.

Similarly, in this report 22% of groups found the cost of running a premises prohibitive, with 12% stating that support from statutory organisations would be requisite. A review of NHS estates in C&M would identify options for unlocking latent capacity by repurposing suitable estates with a focus on the VCFSE sector.

Additionally, exploring a Community Asset Transfer policy for NHS organisations in C&M as a key approach for NHS estate management would further enable this unlocking of capacity.



⁵¹ <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics/january-2023>

Summary



Summary

The data within this report shows that there are over 19,500 VCFSE organisations operating in the region employing over 36,000 people with over 351,000 people volunteering at least once a month providing over 24.5million hours of volunteering a week equivalent to 11,759 full-time jobs. The C&M VCFSE sector generates £896.6 million GVA to the regional economy per year, equating to 0.9% of the regions total GVA. Almost half of VCFSE sector in C&M is made up of below-the-radar organisations rooted in their local communities and neighbourhoods, operating with small incomes mostly sourced through fundraising and donations.

Insights from the state of the sector survey of VCFSE organisations in C&M show that the sector faces a multitude of challenges following the COVID-19 pandemic, the cost of living crisis and inflationary pressures which are impacting on the sectors finances and capacity. However, despite these challenges, the VCFSE sector in C&M are increasing their activities evidencing the agility and resilience of the sector in the face of hardship and its commitment to supporting communities. This is particularly apparent within the sectors role as key providers of wellbeing, health and social care services with almost a third of organisations operating within this area of work but with only 4% of the sector reporting that they are funded by NHS organisations. The sector is also active across many aspects of the C&M economy including education and training, sports and recreation, arts and culture, food supply, equalities and social justice, sustainability, and criminal justice evidencing the real diversity of the sector.

It is evident through this research that the VCFSE sector contributes significantly to the social and economic fabric of C&M and has a crucial function as both strategic and operational partners in order to support communities through current and future crises and challenges. In order to support the sector to be able to do this, particularly the mobilisation of the regions below the radar and grassroots organisations, a strong co-ordinated VCFSE local infrastructure network is critical. Survey responses show that priorities for the sector over the next 12 months are funding, recruiting volunteers and organisational planning.

These are all key functions for CVS organisations, therefore well-resourced and sustainable local infrastructure will be essential in order to maintain and further develop a healthy VCFSE ecosystem in C&M.



This report contains a number of key opportunities that have been highlighted in order to better unlock the capacity and potential of the VCFSE sector, improve partnership working across sectors and develop ambitious plans to cement the sector as equal strategic and operational delivery partners within C&M. By strengthening the VCFSE sector in C&M, we are also empowering communities, investing in the future of communities, building capacity to tackle health inequalities and unlocking economic and social value for the region.

The C&M state of the sector research is a major achievement and provides a thorough analysis of the VCFSE sector in the region. It is hoped that the methodology used in this report along with the learnings gained from this project will act as a blueprint for future research that develop a long-term understanding of the state of the VCFSE sector in C&M.

CHESHIRE AND MERSEYSIDE STATE OF THE SECTOR

2023 Review

For more information about the VCFSE
sector in the North West visit

www.vsnw.org.uk

For more information about the VCFSE
sector in the Liverpool City Region visit

www.vs6partnership.org.uk

For more information about the VCFSE
sector in Cheshire and Merseyside visit

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