

# Local health and social wellbeing

The contribution of the voluntary,  
community and social enterprise sector in  
Buckinghamshire, Oxfordshire and  
Berkshire West

**SUMMARY REPORT**



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The contents of the report express the views of the authors and do not necessarily reflect the views or policies of the commissioning partners.

## Third Sector Trends Study

Data in this report are drawn from the Third Sector Trends study which was conceived and originally commissioned by Northern Rock Foundation with research conducted by the universities of Southampton, Teesside and Durham. The Community Foundation Tyne & Wear and Northumberland was a co-founder of the research and is now responsible for its legacy.

The Community Foundation and St Chad's College are currently collaborating with partners including: Power to Change, Barrow Cadbury Trust and Millfield House Foundation to undertake the Third Sector Trends Study survey and analysis in 2022-23

All publications from the Third Sector Trends study are available free to download at this address:

<https://www.communityfoundation.org.uk/knowledge-and-leadership/third-sector-trends-research/>

## Commissioning partners



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The study has run intensively for the first time in South East England and London. We have benefitted enormously from discussion with and insights from stakeholders in the VCSE sector, local authorities and the NHS. We would particularly like to thank Stephen Barnett for his support and encouragement throughout the process.

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<https://healthalliancebob.org.uk/>

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# 1 Purpose of the report

The local voluntary, community and social enterprise sector (VCSE) is a 'home grown' resource, formed of many organisations and groups which were set up to tackle a wide range of local social, environmental and economic issues.

As independent minded and autonomous entities, VCSE organisations decide what their objectives should be, garner the resources to get things done, develop and use working practices that suit them best and develop relationships with other organisations as and when this helps them to achieve their aims.

Collectively, the local VCSE sector achieves a great deal for its beneficiaries by strengthening people's resolve to tackle difficult problems or supporting them to achieve their ambitions. And when working in complementary ways with other organisations and agencies, it can help improve the social fabric of neighbourhoods and communities.

So it is not surprising that the VCSE's contribution to local wellbeing is much appreciated by local public bodies, such as the police and fire services, local authorities and the National Health Service.

Valuing the work of the local VCSE sector is one thing, but understanding how that value is produced and for what purpose is another. So this research report was commissioned by the NHS Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board to find out more about sector structure, purpose, energy and impact at a local level.

To understand what's going on properly, it is necessary to look beyond the boundaries of a locality so that comparisons can be made with similar or different kinds of areas. Otherwise it cannot be known which aspects of the work of the local VCSE sector are distinctive, effective or particularly challenging.

Using comparative statistical analysis, this report builds a comprehensive picture of sector strengths and its willingness to work alongside or in partnership with local public agencies, businesses and other VCSE organisations.

This constitutes the first phase of a two part programme of work. The second stage will be to explore in further depth the local situation using qualitative research methodologies with VCSE organisations and public sector/NHS stakeholders.

## 2 Summary of key findings

### **Sector size and structure**

The VCSE sector in Buckinghamshire, Oxfordshire and Berkshire West is composed of about 7,500 registered organisations. The majority are registered with the Charity Commission as charities, charitable companies, trusts and Charitable Incorporated Organisations (87%). There are also Community Interest Companies (7% of the sector) Cooperatives, Community Benefit Societies and Registered Societies (4%) and Community Amateur Sport Clubs (3%).

Most VCSE organisations are small and have income below £50,000 (65%) which is the same as the national average. Organisations with income between £50,000 and £1 million compose 30 per cent of the sector (it is also 30% nationally) and organisations with an income between £1-25 million constitute just over 5 per cent of the sector (5% nationally).

As Buckinghamshire, Oxfordshire and Berkshire West is a relatively affluent area, it would not be expected that the VCSE sector is distributed evenly across areas of affluence or deprivation (as defined by the Indices of Multiple Deprivation). The majority of organisations are concentrated in the 7<sup>th</sup> to the 10<sup>th</sup> deciles (90%), with just 1 per cent in the poorest areas (IMD 1-2).

VCSE organisations do not necessarily limit their work to the locality within which they are based. In Buckinghamshire, Oxfordshire and Berkshire West, 39 per cent work beyond the boundaries of their local authority whilst 42 per cent limit their work to their immediate neighbourhood or village.

### **VCSE sector workforce**

It is estimated that there are 44,500 employees in the area. This includes 11,000 in Buckinghamshire, 24,000 in Oxfordshire and 9,500 in Berkshire West.

The VCSE workforce as a percentage of all local employment in the area is large in comparable terms – at around 5%. But this percentage is high because many members of the resident population commute to London. There is also a much higher than average level of VCSE sector employment in Oxford.

The VCSE sector is of comparable size to the construction industry (42,750); and almost double the size of public administration (25,500). While the sector is much smaller than health (96,000) and education (102,000), it should be noted that many VCSE employees may be included within these statistics as there is no separate industrial employment category for the VCSE sector.

Employee retention problems are challenging many organisations in Buckinghamshire, Oxfordshire and Berkshire West: 13 per cent of organisations say that retaining staff has become quite a lot harder in the last two years. Difficulties in the recruitment of new employees affects 36 per cent of VCSE organisations in Buckinghamshire, Oxfordshire and Berkshire West – bigger organisations are struggling more.

There are about 162,00 regular volunteers in the area: 46,900 in Buckinghamshire, 80,200 in Oxfordshire and 34,800 in Berkshire West. The proxy replacement value of

volunteers at the national living wage would be £115 million, and at 80 per cent of average local wages: £224.9 million.

Most VCSE organisations in Buckinghamshire, Oxfordshire and Berkshire West could not continue without the support from volunteers (87%). So it is worrying that many VCSE organisations have struggled to hold on to volunteers who joined them during the pandemic (26%) and many organisations say that they have struggled to hold on to older volunteers (44%).

About 15 per cent of organisations report that they now have more younger volunteers (aged under 30). A fifth of organisations say that they have become more ethnically diverse since the pandemic began (21%). There is little evidence to show that people began volunteering because they wanted to work online (8%).

Diversity in leadership is currently limited in Buckinghamshire, Oxfordshire and Berkshire West.

- Leadership by people from minority ethnic or mixed ethnicity groups is quite low when compared against local demographics (see Table 2.1): constituting just 5 per cent of chairs and just over 5% per cent of chief officers (compared with 8% of chairs and 10% of CEOs nationally).
- Women are chairs in 39 per cent of organisations (it is 46% nationally), but hold 66 per cent of chief officer roles (62% nationally).
- Graduates hold 77 per cent of chairs and 70 per cent of chief officer roles (nationally it is 70% and 63% respectively).
- People with disabilities hold 3 per cent of chairs and 5 per cent of chief officer roles, this is well below national levels (10% and 8% respectively).

Investment in people is a vital element when sustaining or developing sector skills and ensuring the commitment of staff and volunteers. Levels of investment in training and staff development is lower in Buckinghamshire, Oxfordshire and Berkshire West than the national average. This is not due to structural variations in the VCSE sector and may be a matter for concern.

- 39 per cent of organisations provide training for staff and/or volunteers – the national level is 65 per cent.
- Provision of flexible working practices is more prevalent in Buckinghamshire, Oxfordshire and Berkshire West (52%), but still well below the national average (60%).
- 44 per cent of organisations invest in staff development compared with a national average of 53 per cent.

### ***Sector energy, purpose and impact***

The energy the VCSE sector has at its disposal is associated with, but not wholly reliant on its income. In Buckinghamshire, Oxfordshire and Berkshire West, VCSE sector income is around £1.9 billion.

When all aspects of sector energy are taken into account (including expenditure, volunteer time, sale of free goods and in-kind support), the financial value of the VCSE sector is £2 billion. The employment of this energy produces £7.4 billion of value in Buckinghamshire, Oxfordshire and Berkshire West: a ratio of 3.5:1. This represents £4.1million of energy invested per 1,000 members of the resident population.

Making sense of the impact of the work of the VCSE sector is challenging at national, regional and local level because it will never be possible to 'nail down' who does what, where and how precisely. Instead, it must be accepted that attribution of impact

will always be shared. No single organisation can achieve everything on its own and more often than not they achieve more by working alongside other organisations in the VCSE sector, public sector and private sector in complementary ways,

### ***VCSE sector financial sustainability***

VCSE organisations rarely rely on a single source of income to sustain their activities, instead they draw upon a wide range of income sources such as grants, contracts, earned income from self-generated trading, dividends from investments, in-kind support from other organisations, gifts and legacies, subscriptions from members; and, though much less often, borrowed money.

- Relatively few VCSE organisations in Buckinghamshire, Oxfordshire and Berkshire West rely on income from contracts to deliver public services (17%) and most of those organisations which do, are larger in size – about 30 per cent of the biggest organisations choose not to take on contracts.
- Grants are a mainstay of funding for many VCSE organisations: 47 per cent of organisations in Buckinghamshire, Oxfordshire and Berkshire West emphasise their importance in the funding mix (the national average is 62%).
- Earned income is important to about 28 per cent of VCSE organisations in Buckinghamshire, Oxfordshire and Berkshire West (the national average is 33%).
- Property assets can be of great value to VCSE organisations as they reduce costs of renting and can produce a source of income by providing a location to engage in trading, letting space or charging rates for the use of space. Property ownership in Buckinghamshire, Oxfordshire and Berkshire West, at 25% of VCSE organisations is below the national average (30%).
- The indications are that the VCSE sector in Buckinghamshire, Oxfordshire and Berkshire West is generally quite resilient: many organisations have seen income increase in the last two years (15%) and many have experienced income stability (60%). That stated, over a quarter have seen income fall (25%). Falling income may not be indicative of organisational financial crises – but, for many, a sign of organisational hibernation or reduced activity during the pandemic.
- The ownership of reserves is widespread in Buckinghamshire, Oxfordshire and Berkshire West. Only 16% of VCSE organisations have no reserves (the same as the national average). But organisations are holding on to their reserves (50%) rather than investing in new initiatives (9%). Caution is understandable given current financial concerns driven by energy costs, general inflation and higher wage demands.
- Many organisations are using reserves for essential costs (such as wages, energy costs, rents etc.) – in Buckinghamshire, Oxfordshire and Berkshire West this is just below the national average level (21% locally and 23% nationally).

### ***Expectations about the next two years***

Many VCSE organisations in Buckinghamshire, Oxfordshire and Berkshire West are quite optimistic about their prospects over the next two years. It cannot be known until the survey is repeated in 2025 whether these expectations are accurate – but based on previous rounds of this research programme, the likelihood is that they are over-optimistic.



- About a third of the sector is optimistic about income increasing in the next two years. This is quite consistent amongst statistical neighbours (34% - the national average is 33%).
- Private sector support is provided to about a quarter of VCSE organisations in Buckinghamshire, Oxfordshire and Berkshire West (24% - the national average is 25%).
- Grants from trusts and foundations: a quarter of VCSE organisations believe that grant income will increase (26% - the national average is 32%).
- Expectations about support from volunteers are high: a third of organisations in the area expect this to happen (31% - the national average is 34%).
- A fifth of VCSE organisations in the area expect that statutory funding will increase in the next two years (21% - the national average is 23%).

## ***Relationships and influencing***

Relationships within the VCSE sector in Buckinghamshire, Oxfordshire and Berkshire West are strong. Most organisations have useful informal relationships with other organisations or groups (70%). Slightly fewer work quite closely but informally with other organisations (60%). Formal partnership working is less common (26%). The level of informal, complementary or formal partnership working in Buckinghamshire, Oxfordshire and Berkshire West is substantially lower than at national average levels (72%, 65% and 34% respectively).

About half of VCSE organisations in Buckinghamshire, Oxfordshire and Berkshire West (49%) have working relationships with the private sector: a majority of which work mainly with local firms. The benefits of working with business are varied: in the last two years, 32 per cent of VCSE organisations received money, 22 per cent got in-kind support, 15 per cent had help from employee volunteers and 18 per cent received *pro bono* expert advice. Levels of beneficial engagement with private sector business is generally lower in Buckinghamshire, Oxfordshire and Berkshire West than at the national level.

Relationships with public sector organisations are strong.

- The vast majority of VCSE organisations in the area feel valued by local public sector bodies (92% - 93% at national level).
- Over two-thirds of organisations (69%) which have a relationship with the public sector, state that they feel informed about issues of importance to them (77% at national level).
- A majority of organisations (53%) feel that the local public sector involves them in the development and implementation of policy – a higher percentage than at national level (48%).
- About half of VCSE organisations in Buckinghamshire, Oxfordshire and Berkshire West (48%) state that the local public sector acts upon their responses to consultations (49% nationally).
- Local public sector bodies sought support from 44 per cent of local VCSE organisations during the pandemic (of those organisations which have a relationship with the public sector) – a much lower level than at national level (58%).

Much of the VCSE sector seeks to be an active partner in its relationships with public sector bodies. But a majority of organisations in Buckinghamshire, Oxfordshire and Berkshire West 'steer well clear of *political issues*' (75% compared with 72% nationally).



- Two thirds of VCSE organisations (66%) participate in formal activities (orchestrated by, for example, local authorities, health authorities or local infrastructure organisations) which address local social and public policy priorities (the national level is 71%).
- Almost two fifths (39%) of VCSE organisations in Buckinghamshire, Oxfordshire and Berkshire West campaign to influence local policy compared with 47 per cent nationally.
- Working behind the scenes to influence policy is an option many VCSE organisations choose to take (44% of VCSEs in Buckinghamshire, Oxfordshire and Berkshire West compared with 43% nationally).

## 3 Discussion and implications

This is the first time Third Sector Trends data have been used to examine the situation of the VCSE sector in detail in South East England. This means that some of the observations offered in this summary and discussion of implications emanate from much longer-term analysis in other parts of England.

In this sense, the conclusions drawn are offered as preliminary rather than concrete. In 2025, however, when the study is repeated for a third time across the entirety of England and Wales, it will be possible to develop much more robust trend analysis and build understanding of how areas with different characteristics operate.

This report, nevertheless, breaks new ground by comparing four sets of statistical neighbours in the *home counties*, *London*, major urban *combined authority areas* (mainly in the North and Midlands), and *town and country* areas, such as Cornwall, Cumbria and Suffolk which are more spatially distant from major urban or metropolitan areas.

### 3.1 A tale of three sectors<sup>1</sup>

Third Sector Trends analysis makes it possible discern substantive differences in the experiences of organisations and groups with different characteristics. A short-hand way of demonstrating this is by distinguishing between small informal, medium-sized semi-formal and larger more formal VCSE organisations. This section compares these three categories of organisations to prepare the ground for the policy analysis on the contribution of the VCSE sector to public health and community wellbeing in the second part of this discussion.

#### ***Bigger is better?***

Larger more formal VCSE organisations have income above £250,000 and comprise about 13 per cent of all organisations in Buckinghamshire, Oxfordshire and Berkshire West (14% nationally). Only about 5 per cent of organisations in the area have income between £1m-£25m (also 5% at national level). These organisations adopt progressively more formal structures the larger they become because their scale allows or demands a higher degree of occupational specialisation and the development of a complex division of labour.

Such organisations are more hierarchical and bureaucratic in structure (especially those with income over £1m) and they operate in a 'business-like' or 'professionalised' way: partly because of their scale – but also because of external policy pressures or statutory requirements to which they must accommodate.

Larger organisations are more likely to have a more secure asset-base than smaller VCSE organisations – but relatively few have substantial property and investment assets upon which they can rely. But unlike their private sector counterparts, they are less likely to have onerous financial liabilities such as loans and they are not beholden to the financial or operational demands of shareholders.

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<sup>1</sup> This section is an updated version of the conclusions from the last round of the Third Sector Trends study which has been revised in light of findings produced in this report for Buckinghamshire, Oxfordshire and Berkshire West.

Most larger VCSE organisations have a mixed portfolio of income sources including self-generated income from trading and fundraising. A majority also rely on grant funding to meet core costs and/or to undertake project work (and the indications are that such sources of funding are becoming progressively more important).

Nationally, about 51 per cent of VCSE organisations with income over £1m are involved with the delivery of public service delivery contracts - mainly for local authorities, the NHS or for government departments such as the Home Office or DWP.

The wider study has identified a slow, but progressive, shift away from such work as VCSE organisations recognise that the value of contracts is too low to meet the costs of delivery. And this is likely to continue as larger organisations are the most likely to be struggling to retain and recruit employees.

While there may be similarities, to assert (as smaller and medium-sized VCSE organisations often do) that larger organisations are all 'just like private sector businesses' is not true. Many larger VCSE organisations eschew the idea of taking on contracts to deliver public services. Sometimes such decisions are made on the basis of sound financial assessment of the opportunity costs of taking a contract on. In the home counties, only a quarter of the biggest organisations (with income over £1m) take on contracts.

Many larger VCSE organisations do not want to be paid to deliver services in prescribed ways on behalf of government agencies, charitable foundations or CSR programmes for big business. Instead, they want to marshal resources to tackle issues that they judge to be important and devise approaches to practice that can deliver the results they want to achieve. This is how most bigger organisations in Buckinghamshire, Oxfordshire and Berkshire West work. But of course, doing so still costs money – and this means that they have to stake successful claims on the value of their work to big charitable trusts and foundations, large businesses, philanthropists and the giving public or the state.

Bigger VCSE organisations need money to employ staff to deliver much of their practice. Especially when delivering contracts for public sector agencies, VCSE employers need to ensure that their workforce is skilled and disciplined to ensure that they get things done in a reliable and effective way. This is getting harder. In the home counties, 68 per cent of the biggest VCSE organisations (with income above £1m) are struggling with recruitment problems – nationally it is 74 per cent. Some aspects of training are required to meet statutory requirements, but the evidence shows that largest organisations in the home counties are still investing quite heavily in staff development (about 89% do so compared with 93% nationally).

Nationally, fundamental reliance on volunteers is much lower in larger organisations – this is often because the work that needs to be done in, for example, adult social care may be unattractive to volunteers. But volunteers can still add value to the work of employees by, for example, relieving the time of social care employees by performing befriending roles. In the home counties, fundamental reliance on volunteers is slightly higher than the national average in bigger organisations because fewer engage in contract delivery (63% and 57% respectively).

While the biggest organisations have some things in common (as would be required by the complexities surrounding the running of bigger organisations) but as is the case with smaller VCSE organisations, they vary greatly in their cultures, social mission and approaches to practice.

It would be a mistake, therefore, to assume that larger VCSE organisations will respond to incentives or accede to the demands of local authorities or the NHS, private companies or big trusts and foundations simply because they are big enough

to deliver complex programmes of work. As is the case with smaller VCSE organisations, many big organisations were established to meet the needs of beneficiaries that had been unrecognised, neglected or ignored by the state or private sector. In this sense, they remain firmly rooted in civil society.

### ***Small is beautiful?***

Small, informal organisations have an annual income below £50,000. They rarely employ staff and tend to operate quite informally in terms of their policies and practices – they operate mainly at a local level, but not exclusively so. They are largely or completely reliant on voluntarily given time to sustain their activity. These organisations are the bedrock of the Third Sector. In Buckinghamshire, Oxfordshire and Berkshire West, there are over 2,500 registered micro organisations with income below £10,000 (33% of the whole sector) and 2,300 small VCSE organisations (31% of the whole sector).

Small VCSE organisations generate more energy than they consume. They do not need much money because their volunteers do most of their work for free. When they do need money, it is usually to help *facilitate* their work – not to pay for it. Money may be needed to refurbish a village hall, to buy kit for an amateur community sport club, to purchase a minibus to ferry people around, to get crafting materials for a club that helps to bring lonely or isolated people together or to rent a room for a weekly tea dance. Pound for pound, the money invested in these tiny organisations and groups produces a very significant social return.

The point that funding organisations should (and usually do) bear in mind is that the majority of small organisations and groups in civil society exist because they choose to give their time freely to make things happen. For many, money is not that important – which is indicated by the fact that in the home counties 70 per cent of these organisations did not rely on grant funding in the last two years (65% nationally in 2022).<sup>2</sup>

They are independent-minded entities which prefer to get on with things their own way – although many of them (62%) have useful but informal relationships with other organisations. For policy strategists to imagine that they are malleable and docile, just because they are small, would be a big mistake - they don't like being pushed around.<sup>3</sup> But the majority of charitable trusts and foundations do respect the fact that it is up to small VCSE organisations to decide what is important to them and define how they want to tackle issues.<sup>4</sup>

Grant making policies vary, obviously, but most foundations happily accept their responsibility to meet these needs. And because there are plenty of trusts and foundations on the block – small VCSE organisations can usually find a way of getting what they need if they are persistent.

It is gratifying to know that most charitable trusts and foundations (and also many local authorities) are fairly relaxed about not knowing how to measure or account for the value produced by the modest awards they make to small VCSE organisations. It would be considerably more expensive to assess the impact of such awards than the actual value of the grants. It would be a great shame if they succumbed to pressures from think tanks, politicians and academics to do otherwise.

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<sup>2</sup> Before the pandemic the percentage was closer to 50% indicating that many smaller organisations were less active or forced into hibernation during the pandemic.

<sup>3</sup> *ibid.* The social process of supporting small charities: <https://www.stchads.ac.uk/research/research-news/the-social-process-of-supporting-small-charities/>

<sup>4</sup> *ibid.* The strength of weak ties: how charitable trusts and foundations collectively contribute to civil society in North East England; <https://www.communityfoundation.org.uk/knowledge-and-leadership/third-sector-trends-research/>

## **Of the middling sort**

In medium-sized VCSE organisations (with income between £50,000 and £250,000) practices are semi-formal because they tend to employ a few people and there is little scope for occupational specialisation or a complex division of labour. Often, middling-sized VCSE organisations are the ‘embodiment’ of their leaders in cultural and value terms. While leaders are ambitious to achieve a great deal, their organisations are usually asset poor, rely mainly on grants and self-generated income to keep going and most have limited or no interest in delivering public sector contracts.

Even though reliance on employed staff is heavier than in small informal organisations, regular volunteers and trustees underpin their work in a significant way: 82 per cent of these organisations in the home counties say that they could not survive without regular volunteer support (this is the same percentage as the national level). There are about 1,650 medium-sized VCSE organisations in Buckinghamshire, Oxfordshire and Berkshire West.

Medium-sized VCSE organisations in the local Third Sector are more likely to rely upon public sector funding than their smaller counterparts – but only rarely to deliver public service contracts (just 8% do so in the home counties compared with 11% nationally). More often they are recipients of grants from community funds or NHS or local authority departmental awards to tackle specific issues.

During a long period of government austerity policies, medium-sized organisations struggled more than most to maintain income levels. With falling income, lower employee numbers and reliance on reserves to keep going – times were hard for many of these organisations, and especially when they were based in poorer areas. But the pandemic has improved the financial fortunes of many. Recognising the role of local medium-sized organisations, and especially those which are rooted in less affluent local neighbourhoods or spatially isolated rural areas, the public sector and foundations supported many of them generously during the pandemic – often approaching them to see if they needed help.<sup>5</sup>

Much of the funding they received was ‘unrestricted’, indicating that grant-making bodies trusted them to get on with the job in their locality rather than stipulating what needed to be done and examining whether or not it had the desired effect.

While grant funding is by far the most important source of income for medium-sized VCSE organisations, but in addition they rely on a range of other funding sources. From qualitative research in the VCSE sector Trends study it is known that medium-sized VCSE organisations maintain financial resilience by bending to circumstance. Only rarely would they choose to become too dependent on a single funding source for fear that by having all their eggs in one basket they could be vulnerable to fast changes in funding policy.

Up until 2020, debates about funding led by government, think tanks, universities and some VCSE representative bodies focused heavily on how to measure the value that organisations produce. It is understandable that funding bodies, and especially those associated with government, want to feel that they are accountable for their

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<sup>5</sup> A recent report from the Association of Charitable Foundations confirms that foundations invested grants more heavily during the pandemic, see Legraien, L. (2023) ‘Grant making by largest foundations rose by 13%, ACF reports’, Civil Society Media (26<sup>th</sup> May). [Grantmaking by largest foundations rose by 13% during pandemic, ACF reports \(civilsociety.co.uk\)](https://www.acf.org.uk/common/Uploaded%20files/Research%20and%20resources/Research/Foundation%20Giving%20Trends/ACF_FGT_2022.pdf). The full report Walker, C. (2023) *Foundation giving Trends 2023*. London: ACF, is available here: [https://www.acf.org.uk/common/Uploaded%20files/Research%20and%20resources/Research/Foundation%20Giving%20Trends/ACF\\_FGT\\_2022.pdf](https://www.acf.org.uk/common/Uploaded%20files/Research%20and%20resources/Research/Foundation%20Giving%20Trends/ACF_FGT_2022.pdf)

decisions. More often than not that desire for accountability centres on issues associated with 'value for money'.

Government expectations need to be proportionate. Of course big, ambitious, expensive social programmes which are delivered by (usually bigger) VCSE organisations should be well constructed to ensure that outcomes are achieved more or less in line with the social value they produce. But to plant equivalent expectations on modest financial investments in medium-sized VCSE organisations is usually inappropriate.

These debates were put on hold during the pandemic and funding flowed much more freely. But many funding organisations have been reviewing their strategies, including major players such as the National Lottery Community Fund, and the likelihood is that some foundations will start to tighten up funding procedures in the future. Already, a number of funding bodies and government departments are returning to the theme of how to improve the way organisations work by building their capacity, working in partnership, scaling-up and widening the range of their programmes of work, and so on. They would do well to look more closely at how ineffective many of these programmes were in the past.

It can be wearing, being stuck in the middle between the big VCSE organisations which have the capacity to do things at scale and have more power to negotiate what is required of them, and very small organisations and groups which can operate independently without need of much financial support because they rely almost wholly upon volunteers.

Criticism of medium-sized organisations, even if meant constructively, has been delivered by commentators who have an idea in mind about what the 'gold standard' should be for an effective organisation. There is an abundance of diagnostic tools to help show medium-sized charities where they are going wrong and well-meaning (but sometimes misplaced) advice to help them step up to the mark. Doubtless, more of it will be in the pipeline.

Advice offered to medium-sized VCSE organisations is often misplaced because it was modelled on the principles of how larger, more formal and hierarchical organisations work. It is not just a question of lacking 'capacity' and 'capability' to behave like bigger organisations however – middling-sized VCSE organisations are fundamentally different from larger organisations for several reasons.<sup>6</sup>

Firstly, many organisational leaders in middle-sized VCSE organisations actively resist the drive toward 'professionalism' and are suspicious of attempts to adopt that route. Many believe in more personal and cooperative flat structures rather than managerial hierarchies. Indeed, many VCSE organisation leaders came into the VCSE sector to escape from such organisational practices.

Secondly, they retain a higher level of dependence on volunteers (who cannot be managed and directed in the same way that big organisations can manage employees). This shapes the way they think and work. Volunteers can make a great contribution to the work they work, but they can be needy too. Two-thirds of medium-sized VCSE organisations in the home counties report that many of their volunteers are their service users (64% nationally). Middling-sized VCSE organisations are more willing to accept this than their bigger counterparts; and indeed, most see this as part of the reason for their existence.

Thirdly, middling-sized VCSE organisations tend to be locally focused. They do things for their community, but most feel that they are also part of their community. It is not surprising, therefore, that they are reluctant to scale up their activities across a

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<sup>6</sup> These ideas are developed further in the final report of the qualitative longitudinal study of 50 VCSE organisations operating in North East England and Cumbria which will be published in the summer by Community Foundation Serving Tyne & Wear and Northumberland.



wider area. They choose to work within a limited spatial area because their purpose is confined to helping their own locality or community of interest – not others'. This is not about narrow horizons so much as an investment in a meaningful place.

Fourthly, many leaders choose to remain the size they are because they do not want to undermine the equilibrium amongst their trustees, volunteers and employees who have committed their time and energy to the organisation over many years. Changing the mission, structure, scale and practices as consultants imposed upon them by funders often insist, can damage personal relationships irretrievably. 'Is it worth it', many ask, and especially so if there is tremendous uncertainty on what benefit might be gained from such sacrifices?

Finally, leaders also know that raising their own ambitions could upset the local VCSE sector equilibrium. Medium-sized VCSE organisations are generally quite good neighbours to one another. In the home counties, 70 per cent of medium sized organisations have useful but informal relationships with other local organisations. They have learned over the years to respect each other's practice strengths and are careful not to cross the boundaries or the 'patches' upon which they work. This is not just a '*voluntary sector thing*', It applies equally well to many small and medium-sized businesses which are continually criticised for their conservative attitude towards growth on the misplaced assumption that they have a low level of ambition or entrepreneurial zeal.

Being a middling-sized VCSE organisation is not, therefore, a symptom of obduracy or recalcitrance but a sign of good sense. Leaders understand the financial dangers of growth in a competitive social marketplace. Commentators would do well to remember that organisations don't have to grow to do things well.

There is a downside to all this. Leaders' laudable commitment to their mission, to their colleagues, to their beneficiaries and to the places where they work does not always serve them well when it comes to bringing in the money to keep going. Organisations can have a run of bad luck. These can be brought about by factors beyond their control – such as sudden changes in government, NHS or local authority policy or a shift in direction by a charitable trust or foundation upon whom they have come to depend.

And sometimes the cause of problems can be closer to home when organisational leaders fail to spot good opportunities or the potential dangers of taking on poor options. This can happen for all sorts of reasons such as when boards of trustees become combative, intrusive or just disinterested or when chief officers put too much of the burden upon their own shoulders and make poor decisions.

To be in the middle ground of the VCSE sector does not, in summary, mean that this a 'no place' – a liminal zone with no identity of its own. On the contrary, it is a *real* place with real purpose which needs to be respected and understood for what it is, rather than for what it is not (or is perceived to have failed to become). When that realisation is reached, it becomes clear that the policies local governments, local health authorities and charitable trusts and foundations should adopt for the middle ground must be different from those employed for the very small informal VCSE organisations or the much bigger professionalised ones.

### **3.2 VCSE sector impact in policy context**

The VCSE sector is keen to make a strong contribution to health, personal, social and community wellbeing in Buckinghamshire, Oxfordshire and Berkshire West – and as this report shows, in many respects, it is already doing so. The social impact measures used in this study indicate that the VCSE sector invests £7.4bn in social impact in Buckinghamshire, Oxfordshire and Berkshire West. It should come as no surprise, therefore, that many organisations are keen to take up opportunities to

engage with local social and public policy. They do so in the firm belief that they are already valued by local public sector organisations.

When health, public and social policy strategic initiatives are devised, emphasis is often stressed on the importance of including the VCSE sector in the definition and delivery of objectives. Some go further and aim to integrate VCSE organisations in collaborative governance initiatives.

This report shows that care needs to be taken when plans are drawn up to involve charities and social enterprises in formal partnership arrangements or to align with strategic public and social policy objectives. And certainly, it is unwise to raise expectations that sector opinion can be expressed as 'one voice' and sector interaction accessed through 'one door'.

The VCSE sector, taken as a whole, cannot and should not be expected to agree shared priorities. Civil society is not driven by principles surrounding fair distribution of services for all, as is the case in a welfare state. Instead, most organisations focus on particulars, not universals and defend their areas of interest vigorously. And while there will be alliances on specific issues from time to time, there can never be a fully shared set of values (beyond the legal right for such organisations to exist) on issues surrounding purpose, practice, need or social benefit. In a sector that is enormously ambitious to make a difference, this means that there is rivalry to highlight the importance of causes and competition to access finite resources of money, employees and volunteers.

The VCSE sector, ultimately, exists to respond to or elicit change. But that does not mean that organisations share the same values: some want to protect privilege, some want to challenge it – consequently, disagreement can often be close to the surface when expectations are raised about alignment with policy initiatives.

The workings of the VCSE sector might not be *neat*, but its members know what they are good at. And as champions of causes in need of financial support they welcome a pluralistic funding environment so they can avoid keeping all their eggs in one basket. This diminishes the risk of dependence on just one funding body and also strengthens their autonomy.

As shown in this report, it is not possible to disentangle who does what in the VCSE sector. This is because approaches to practice are sometimes shared, definitions of purpose are diverse and constituencies of beneficiaries are complex. At best, it is only possible to define general areas of activity.

Currently, two major policy initiatives driven by government focus on engagement with the VCSE sector to contribute to strategic objectives for localities. Levelling Up policies<sup>7</sup> lack coherence – involving a mish-mash of strategies and funding streams that are focused on the laudable objective of rebalancing inequitable conditions across localities and regions. This makes it hard for VCSE organisations and their representative bodies to know how to engage with or respond to initiatives.

The NHS's Integrated Care Systems (ICSs) policy framework<sup>8</sup> is much more coherent, but this carries the risk of raising expectations of involvement of the VCSE sector in planning and aligning the sector to specific aspects of delivery. Administrative boundaries can add layers of complexity which VCSE organisations must learn how to negotiate.

The reality is that much of the activity of the VCSE sector addresses 'intangible' aspects of social value which is nevertheless of great importance to public health –

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<sup>7</sup> Department for Levelling Up, Housing and Communities (2022) *Levelling Up in the United Kingdom*, London: OGL, <https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>

<sup>8</sup> ICS strategy and implementation documentation can be found here: <https://www.england.nhs.uk/integratedcare/>

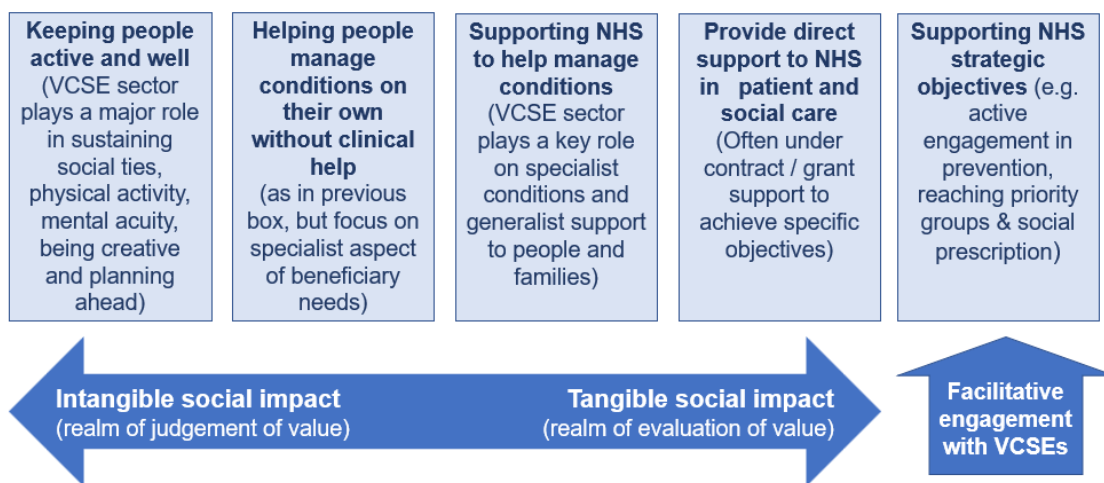
and particularly so in the realm of prevention or in complementary but autonomous aspects of activity which contribute to the alleviation of health conditions.

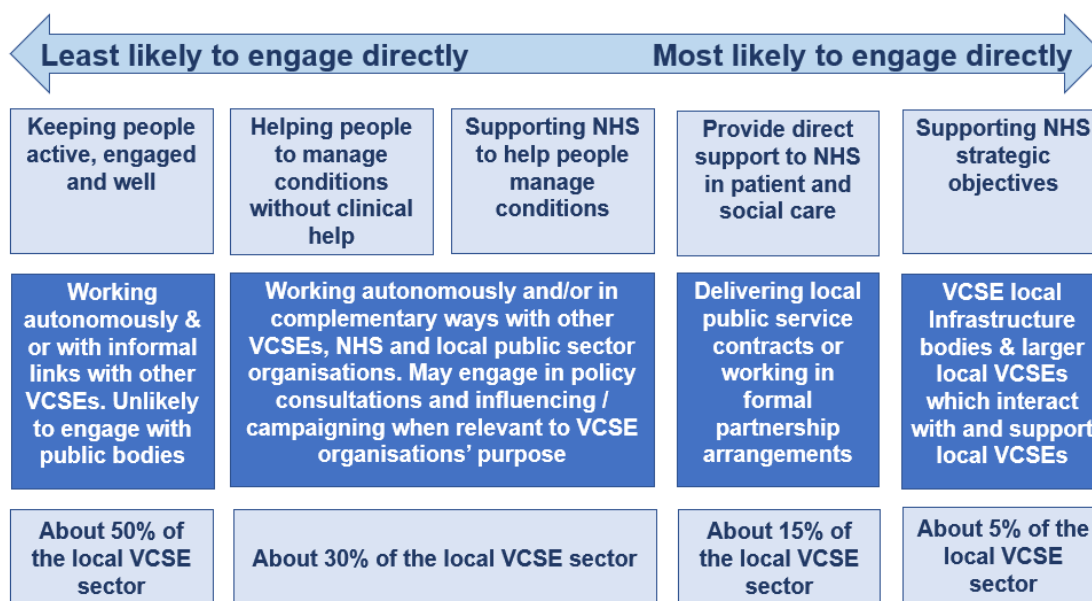
This can be a good thing. Because it means that the VCSE sector is already finding the resources to create the energy to tackle issues on its own terms which contribute to the greater public good (see Figure 8.1). Consequently, the NHS and local authorities can learn how to value that contribution and factor it into thinking about the purpose of ICSs – but without feeling the need to take responsibility for it, or to attempt to control it.

But there is a downside to this. The VCSE does not operate with the same levels of energy in poorer areas as it does in the richest. There are about two and a half as many small organisations and groups in richer areas, by resident population numbers, as there are in the poorest areas. And, of course, more affluent areas do not have more healthy, socially engaged and confident residents *because* they have a lot of charities – they have more charities because they are healthier, wealthier, socially confident and engaged.

The idea of ‘unleashing’ the hidden potential of poorer or more spatially isolated areas and ‘harnessing’ that energy (as some think tanks argue, somewhat perversely) to improve social wellbeing is therefore deeply flawed. People shape their priorities differently when in poverty and living in marginalised communities that have poorer facilities and where opportunities are limited.

**Figure 8.1 The VCSE sector’s contribution to Integrated Care Systems**





When people feel undervalued, it can undermine their sense of trust in those who want to help them. Engagement can be difficult and slow, often resulting in backward steps when things go wrong. And it means that assessments of progress have to be devised differently from better-off communities where some achievements are regarded as ‘normal’ but should be recognised as a ‘triumph’ in the poorest communities. As argued by Marmot<sup>9</sup>, this means that purposeful and inequitable investment in the VCSE sector by public or health authorities needs to be carefully thought through and targeted to achieve objectives that are meaningful to the people they aim to serve.

This is a complex environment to understand, navigate and negotiate. But if the objective to improve prevention of health conditions is to move closer to centre stage, as indicated in ICS strategies and in the recent Hewitt Review<sup>10</sup> to shift resources from ‘illness’ to ‘health’, then recognising and valuing what is happening on the ground now in the VCSE sector is vital.

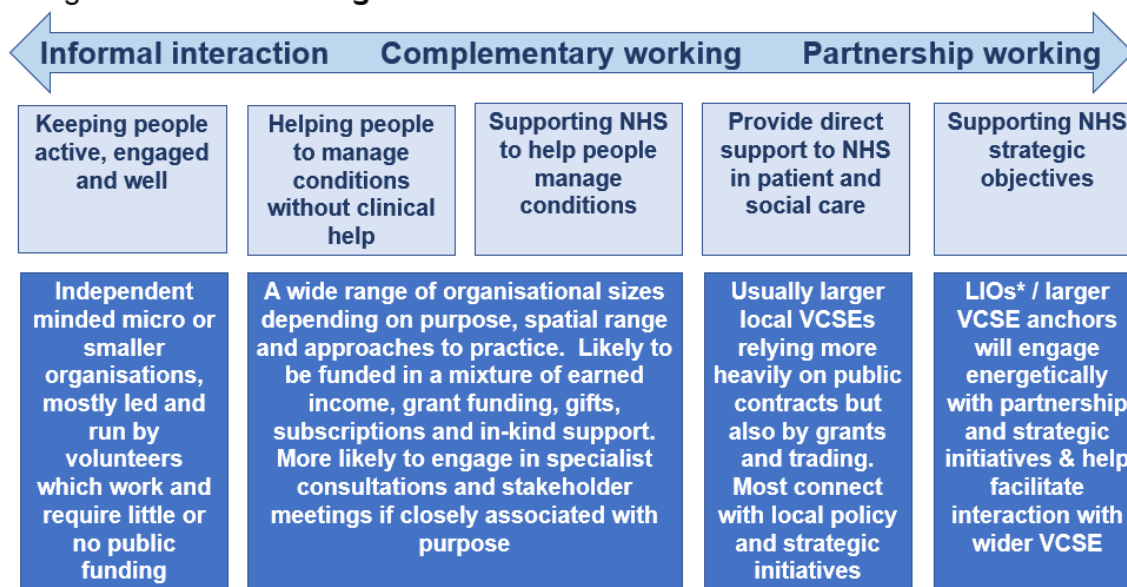
As Figure 8.2 indicates, about half of VCSE sector organisations are very unlikely to engage directly with ICS policies at a strategic level. Indeed, many may not recognise, nor be interested in articulating how their work adds value to public health. That may not matter to them, but it does not mean that their contribution should be not valued in holistic terms. And in some cases, they may have a more direct role to play, if they are enticed to do so, by – for example an effective link worker with their ear to the ground on new avenues for social prescription.

At the other end of the spectrum – those organisations which are given major grants, or are contracted to delivery services – engagement should be much easier in principle. Although current problems with employee retention and recruitment may worsen the scope for interaction if unit costs for service delivery remain too low and organisations continue to withdraw from this marketplace.

<sup>9</sup> Marmot, M., Allen, J., Boyce, T., Goldblatt, P. and Morrison, J. ( Health Foundation (2020) *Health Equity in England: the Marmot Review 10 years on*, London: Institute of Health Equity: [https://www.health.org.uk/publications/reports/the-marmot-review-10-years-on?psafe\\_param=1&gclid=Cj0KCQjwr82iBhCuARIsAO0EAZwSgDf6T2TZPnb8NZx3gzniFTM1VhUHsJtsc\\_vizHwugnMWJCJ4bEaAq6aEALw\\_wcB](https://www.health.org.uk/publications/reports/the-marmot-review-10-years-on?psafe_param=1&gclid=Cj0KCQjwr82iBhCuARIsAO0EAZwSgDf6T2TZPnb8NZx3gzniFTM1VhUHsJtsc_vizHwugnMWJCJ4bEaAq6aEALw_wcB)

<sup>10</sup> (2023) *Hewitt Review: an independent review of integrated care systems*, London: OGL, <https://www.gov.uk/government/publications/the-hewitt-review-an-independent-review-of-integrated-care-systems>

Figure 8.2 The strategic orientation of VCSEs



\*Local infrastructure organisations / CVSS

### Next Steps

This report has laid a statistical foundation on the current strengths of the VCSE sector and the challenges it faces. Because the analysis was undertaken in comparative context, it is possible to determine where the situation of the local sector is similar to or distinctive from other areas.

Analysis at a wide area level has its shortcomings. It is not, for example, possible to get finely tuned understanding of the impact of local conditions in Buckinghamshire, Oxfordshire and Berkshire West. Consequently, the NHS BOB VCSE Health Alliance has now commissioned a second phase of qualitative research to examine the detail below the statistical headlines.

The specific focus of this work is still being developed. But now it is clear that there is a pressing need to understand local sector employment conditions. In particular, qualitative researchers intend to undertake case studies to explore challenges surrounding staff and volunteer recruitment and retention.

The research will not be limited to members of the VCSE sector, but will be expanded to consider the perspectives of public authorities – especially those working in the field of public health. This will enable researchers to offer observations and recommendations on what might be done to alleviate or manage the consequences of current labour market conditions.

Additionally, it is likely that researchers will need to look in more depth at staff and volunteer training and personal development needs – not just to ensure that the workforce is properly prepared to undertake tasks – but also, crucially, to embed staff and volunteer commitment.

For the next phase of research, BOB VCSE Health Alliance has commissioned Jim Thomas and Lynda Tarpey of Hasca Ltd to undertake qualitative research to profile the professional and volunteer workforce within the VCSE sector. The key areas of focus for this research are: *skills and motivations; professional mobility and collaboration; wellbeing; diversity and lived experience.*

This work will take account of the different types and sizes of VCSE organisations highlighted by this report and it will scope opportunities for shared education and clinical placements in the context of the BOB integrated care system.

If you would like to contribute to this research during July to October 2023, please contact [jim.thomas@longhouseman.co.uk](mailto:jim.thomas@longhouseman.co.uk).



## Appendix

### Additional data tables

Table A1 VCSE sector size by local authority area						
	Micro (income below £10,000)	Small (income £10,000- £49,999)	Medium (income £50,000- £249,999)	Large (income £250,000 - £999,999)	Big (income £1m-£25m)	All TSOs <sup>11</sup>
Aylesbury Vale	320	292	170	50	41	873
Chiltern	185	193	100	42	26	547
South Bucks	87	109	69	32	18	315
Wycombe	195	255	155	46	23	673
<b>Buckinghamshire</b>	<b>787</b>	<b>849</b>	<b>493</b>	<b>170</b>	<b>108</b>	<b>2,407</b>
Cherwell	246	190	112	33	24	606
Oxford	229	224	226	146	152	978
South Oxfordshire	314	241	188	58	29	830
Vale of White Horse	345	239	168	54	32	838
West Oxfordshire	285	171	128	43	29	655
<b>Oxfordshire</b>	<b>1,418</b>	<b>1,066</b>	<b>822</b>	<b>334</b>	<b>266</b>	<b>3,906</b>
West Berkshire	228	222	136	36	36	658
Reading	117	121	174	64	40	517
Wokingham	135	198	145	39	18	535
<b>Berkshire West</b>	<b>479</b>	<b>542</b>	<b>455</b>	<b>139</b>	<b>95</b>	<b>1,710</b>
<b>NHS BOB ICS area</b>	<b>2,684</b>	<b>2,456</b>	<b>1,770</b>	<b>644</b>	<b>469</b>	<b>8,023</b>

<sup>11</sup> Data on organisational size is only available for Charity Commission registered organisations (n=134,833), so data are scaled up to a national level (n=189,589). It is estimated that there are 200,000 VCSE organisations in England and Wales including those charities are exempted from registration and some CLGs on the Companies House register that cannot easily be identified as not-for-profit organisations.

In the NHS BOB ICS area, there are about 7,500 registered organisations with income below £25 million. A small percentage of organisations earn in excess of £25 million and are included in the above table. The data are also scaled up to reflect the likely number of exempted organisations and those which may remain undetected on Companies House register (most probably CLGs or CLSs which are non-profits but are not registered as charities or identifiable as non-profits by other means).

In this study, these 'exempted' or 'other undetected' organisations are left out of the analysis because of uncertainties about their number or types of activities.

<b>Table A.2 Estimated employees in Buckinghamshire, Oxfordshire and Berkshire West<sup>12</sup></b>				
	<b>Total estimated part-time employees</b>	<b>Full-time equivalent part-time employees</b>	<b>Estimated full-time employees</b>	<b>Estimated total full time equivalent employees</b>
Aylesbury Vale	3,371	1,151	2,781	3,933
Chiltern	2,095	747	1,825	2,572
South Bucks	1,441	522	1,294	1,817
Wycombe	2,148	772	1,878	2,650
<b>Buckinghamshire</b>	<b>9,055</b>	<b>3,193</b>	<b>7,778</b>	<b>10,971</b>
Cherwell	2,052	707	1,701	2,409
Oxford	10,226	3,477	8,660	12,137
South Oxfordshire	2,621	950	2,323	3,273
Vale of White Horse	2,800	991	2,409	3,400
West Oxfordshire	2,384	834	2,031	2,865
<b>Oxfordshire</b>	<b>20,082</b>	<b>6,959</b>	<b>17,124</b>	<b>24,083</b>
West Berkshire	2,871	962	2,324	3,286
Reading	3,148	1,123	2,819	3,943
Wokingham	1,768	639	1,566	2,205
<b>Berkshire West</b>	<b>7,787</b>	<b>2,724</b>	<b>6,710</b>	<b>9,434</b>
<b>NHS BOB ICS area</b>	<b>36,924</b>	<b>12,877</b>	<b>31,612</b>	<b>44,488</b>

<sup>12</sup> Data reliability is compromised at local authority level because it is not known whether VCSE sector organisation employees are located within that area or are employed elsewhere. Part-time and full-time numbers, similarly, are generated using standardised multipliers. This may inflate or deflate the numbers at the local level.

Definitions of part-time staff are unclear from the perspective of survey respondents. It is assumed that the ratio is around 3:1 full-time equivalent employees but that may not be accurate as emerging qualitative evidence suggests that fractional employment is becoming more common: i.e. when staff are employed on a 0.8 FTE basis – which would not normally be counted as part time employment where average working hours will be around 16 per week. Many part-time staff may also work very few hours – such as when small organisations employ persons for perhaps just half a day a week to perform administrative or service roles.

**Table A.3 VCSE sector regular volunteer statistics by local authority area**

	Regular volunteers	Hours worked <sup>13</sup>	Value at National Living Wage (£millions)	Value at 80% of average area wage (£millions) <sup>14</sup>
Aylesbury Vale	16,737	1,205,067	11.9	21.0
Chiltern	10,720	771,815	7.6	13.4
South Bucks	6,521	469,523	4.6	8.2
Wycombe	12,929	930,917	9.2	16.2
<b>Buckinghamshire</b>	<b>46,907</b>	<b>3,377,322</b>	<b>33.4</b>	<b>58.8</b>
Cherwell	11,386	819,777	8.1	16.5
Oxford	24,401	1,756,836	17.4	35.4
South Oxfordshire	15,911	1,145,615	11.3	23.1
Vale of White Horse	15,965	1,149,494	11.4	23.2
West Oxfordshire	12,569	904,944	9.0	18.2
<b>Oxfordshire</b>	<b>80,231</b>	<b>5,776,666</b>	<b>57.2</b>	<b>116.4</b>
West Berkshire	12,791	920,966	9.1	18.3
Reading	11,547	831,402	8.2	16.5
Wokingham	10,438	751,561	7.4	14.9
<b>Berkshire West</b>	<b>34,777</b>	<b>250,3929</b>	<b>24.8</b>	<b>49.7</b>
<b>NHS BOB ICS area</b>	<b>161,916</b>	<b>11,657,917</b>	<b>115.4</b>	<b>224.9</b>

<sup>13</sup> Based on qualitative case study work, Third Sector Trends assumes that regular volunteers, on average, produce 72 hours of work per year – that is 6 hours per month.

<sup>14</sup> Average area wages are calculated at 80% of county averages: Buckinghamshire = £33,255, Oxfordshire = £28,271, Berkshire = £32,739. Area wages refer only to the local working population and not the resident population where average wages are likely to be higher due to higher salary levels of commuters.

