

Commissioning & Procurement Select Committee Briefing

1. The UK Voluntary and Community Sector

- 1.1 The UK Civil Society Almanac 2013, published by the National Council for Voluntary Organisations (NCVO), describes the voluntary and community sector nationally as made up of 162,000 charities, employing 732,000 staff and supported by 23 million volunteers. Sector income is estimated at £38.3 billion; it spends £36.8 billion and holds assets worth £101 billion. £14.2 billion of total voluntary sector income came from government sources, of which 79% was from contracts and 21% from grants.
- 1.2 The sector is very diverse and within these headline figures there is enormous disparity of size, income and purpose. The figures above would not reflect the condition of the very smallest organisations because the Charity Commission has a registration requirement of £5,000 minimum annual income.
- 1.3 NCVO describes four main segments within the sector as a way of understanding business models and funding dependencies.
 - 1.3.1 Big Fundraisers are organisations with strong brand recognition and for whom fundraising provides a major source of income. 24% of total sector income came from donations in 2011/12, but some 15% of this was donated to 10 well-known charities. Big Fundraiser charities tend to be those that operate in the fields of medical research, hospitals and hospices or children and young people's services, but the group includes The National Trust and Oxfam.
 - 1.3.2 Service Providers are those whose income tends to be earned from the provision of services to beneficiaries. There was considerable voluntary sector growth between 2000/01 and 2010/11 and this is principally accounted for by the increases in this source of income. Most comes directly from contracts with central and local government and during the same period that saw marked overall growth, the balance between contracts and grants has also shifted markedly in favour of contracts. The risk for these organisations is that growth will not be sustained as public spending falls and the contracting environment becomes highly competitive.
 - 1.3.3 Grant-makers are voluntary organisations or foundations that use income to make grants to other organisations. Voluntary sector recipients account for about 46% of the total spend in this category with the remainder funding research and development. Grant-maker income comes from individual, corporate and statutory sources as well as from investments. In 2010/11 grant expenditure from this source fell to £4.3 billion from a high of £5.6 billion in 2007/08 (at 2010/11 prices), mirroring a fall in investment income.
 - 1.3.4 Community Groups or micro-organisations have an annual income less than £10,000. This group includes those that are too small to register with the Charities Commissions and so estimates of the size and health of this part of the sector is more difficult to determine. NCVO sources estimate that micro-organisations account for over half of all voluntary organisations in the UK but that they account for only 0.6% of total sector income. They are particularly reliant on individual donation, legacies and purchases, including membership fees. The vast majority of Community Group receive no statutory income. They are also highly reliant on volunteers to deliver their services. This group includes Scout groups and youth clubs, Village Halls, charitable playgroups, sports clubs and Parent-Teacher Associations.

2. Sector Support Arrangements: National Infrastructure

- 2.1 There are a number of organisations that support the voluntary and community sector at a national level. Three of the most significant are:
- National Council for Voluntary Organisations (NCVO) is the largest umbrella body for the voluntary and community sector in England. On January 1st 2013, Volunteer England merged with NCVO.
 - National Association for Voluntary and Community Action (NAVCA) is the national voice for local support and development organisations in England. Their role is to champion and strengthen voluntary and community action.
 - Many sector-specific organisations provide infrastructure support to parts of the sector including sports, arts and the environment.

3. Regional Infrastructure

- 3.1 RAISE is the main organisation operating at a regional level. It was established in 1999 and is the support organisation for the voluntary and community sector in South East England. Its remit is to work in partnership with policy-makers, stakeholders and funders to increase the potential of the sector and to improve quality of life within the communities they serve. RAISE has a particular focus on supporting health and social care.

4. Local Infrastructure

- 4.1 The term Local Infrastructure Organisations (LIO's) is generally understood to refer to Councils for Voluntary Service (CVS's) and Volunteer Centres (VC's). These organisations provide local infrastructure support to voluntary and community sector groups and organisations and contribute to overall community capacity. Some LIO's also provide direct community services under contract.
- 4.2 In Kent there are six CVS's that together cover the whole of the county. They vary in size with some serving one district and others serving up to four districts. Three CVS's have integrated Volunteer Centres and there are also seven separate local Volunteer Centres. All receive some funding from KCC and some receive district council funding.
- 4.3 Other organisations operating in and providing support services to the sector in Kent include Kent CAN, which has a county wide focus, and Action for Communities in Rural Kent which has a focus on rural communities. The latter is a voluntary organisation but supports rural business as well as community and volunteer-led groups.

5. Sector-led transformation

- 5.1 The voluntary and community sector has been engaged in on-going modernisation for many years; developing new partnerships for collective action, improving on-line services and becoming more efficient through mergers, partnership and shared services. LIO's work together through the Kent and Medway Infrastructure Partnership.
- 5.2 In 2012, the Cabinet Office, through the Big Lottery, funded a modernisation project "Transforming Local Infrastructure". This was designed to encourage mergers and improve web-based services. Kent received an award which was managed by the Big Society Cooperative and focused on developing integrated on-line support products for the sector known as Big Society Web.

5.3 The most recent collaboration is the development of VOICE. This is a new infrastructure partnership in the east of the county involving the Volunteer Centres in Dover, Ashford, Shepway and Thanet and CASE Kent, which is a CVS.

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