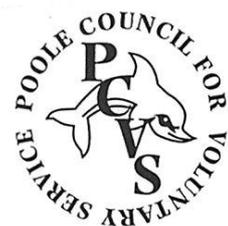


# Valuing Dorset's VCSE Sector.

Creating jobs and stimulating the local  
economy where it's needed most.

March 2014



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# Executive summary

This report is based on an autumn 2013 survey undertaken by Dorset's three Councils for Voluntary Service, to establish a picture of Dorset's voluntary and community sector's role in economic development, and in delivering training services to socially excluded groups. This paper has been signed off by a small working group of local VCSE organisations, and is the starting point for the development of the sector's role in the delivery of Dorset Local Enterprise Partnership's European funding strategy.

## Dorset's VCSE sector

The voluntary, community and social enterprise (VCSE) sector in Dorset contains around 2,300 registered VCSEs in Dorset and another 4,600 unregistered. The total annual income of the sector is about £300M, with the VCSE employing 12,900 people, or 4.3% of the Dorset workforce. The sector is significantly more likely to provide part-time work, for women, older and disabled workers. In Dorset there are about 94,000 volunteers providing almost seven million hours per year, a replacement value of about £93.5M per year<sup>1</sup>. They provide a wide range of services including skilled professional roles and critical 24/7 front-line services such as the RNLI (lifeboats and lifeguards).

## VCSE contribution to Dorset's economy

The VCSE sector in Dorset has a strong track record of working with those who are furthest from the workplace, and many organisations have the expertise, track record and competencies to achieve good success rates in working with these groups. The VCSE is a highly efficient sector, making use of match funding and donated time (volunteers), goods and services to multiply the cash investment it receives (for every £1 invested by the public sector, VCSEs can attract on average nearly £2 in additional income).

Dorset VCSEs deliver a range of services that support economic development, training/education, health and social care, culture, housing/accommodation, community led local development, environment, equality and diversity. 84% of Dorset VCSEs believe they contribute towards economic benefit by:

- Purchasing local services and goods;
- As a significant employer;
- Attracting external funding;
- Providing services efficiently and effectively;
- Preventing individuals creating a 'cost' to businesses and the state;
- Increasing skills and employability, particularly amongst those furthest from the workplace;
- Providing low cost facilities;
- Providing services to the public;
- Improving the local area so making it a better place to live and work.

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<sup>1</sup> Based on the median hourly wage

## Dorset VCSE's contribution to LEP growth priorities

### Social Enterprise

The 2013 People's Business report shows that social enterprises are creating jobs and stimulating local economies where they're needed most. Nearly two fifths operate in the UK's most deprived communities, compared to 12% of traditional SMEs. Half of social enterprises actively employ people who are disadvantaged in the labour market, including ex-offenders, people with disabilities and the long-term unemployed. The government NSCSE survey in 2010 identified that there were about 1,200 social enterprises in Dorset, 52% of all registered VCSEs. With a sector that has yet to be fully developed, there is strong potential for growth.

### Health & social care

The VCSE sector is well known as an innovator of services, in particular those relating to social welfare. Health and social care is already a significant sub-sector of the VCSE and has significant potential to grow. In Dorset, the Better Together initiative promises radical change in the way health and adult social care services are delivered and is a significant opportunity to grow the VCSE sector.

### Skills and employability

19% of surveyed VCSEs considered they directly assist people into work and training. The VCSE has a good track record in job creation. A recent evaluation of the Community Jobs Scotland scheme showed that 1,420 jobs were created for 16-24 year old long term unemployed. After 6 months 39% went on to long term employment (51% with their original employer and 49% with another) and 9% to further or higher education. This out performs other existing and previous job creation schemes, e.g. the Work Programme which records outcomes of 14.7% for all clients.

### VCSE community reach into priority communities and individuals

The VCSE has frequently been recognised as an important contributor of intelligence on individual and community needs. In 2008, a survey in Bournemouth found that on average each VCSE had contact with 678 people. In our LEP survey, 122 organisations reported total contact with 110,000 individuals, and the sector has considerable reach into local communities.

### Barriers to VCSE growth

Although the VCSE is already a significant contributor to economic and social well-being in Dorset, it faces barriers common to many SMEs, and has potential to do much more through addressing the following sector specific challenges:

- Funding: responding to reductions in statutory grants, maximising other grants, accessing social investment;
- Appropriate business support;
- Skills (ICT, Fundraising, Strategic planning, Volunteer management).

## EU SIF and BIG Lottery strategy

The November 2013 survey of Dorset's VCSE sector focussed on the following questions to support the development of the social inclusion element of Dorset's EU SIF strategy:

- identify which groups in Bournemouth, Dorset and Poole the VCSE believed had the greatest difficulties accessing training and employment;
- provide evidence of the reach of the VCSE to socially excluded groups;
- provide data on how VCSEs are currently working with socially excluded groups to gain access to training and work.

The survey content and methodology was approved by a working group of eleven voluntary organisations from across Bournemouth, Dorset and Poole, was open from 5 November to 25 November 2013, and accessed by 303 VCSEs. The survey identified the following **priority socially excluded groups** with the greatest barriers to entering work and training:

- **Mental health** - poor mental health was associated with many of the other survey categories, with a client's multiple issues often not being dealt with simultaneously. Other issues identified were lack of confidence and social skills, and gaps in CVs.
- **Young people** - lack of qualifications, skills, and motivation were all mentioned. The lack of good placements/apprentices/training, and transport issues in both urban and rural areas were mentioned as ongoing issues for young people.
- **Rural areas** - unsurprisingly the common barrier is lack of affordable transport.
- **Long term unemployment** - because of their lack of recent work experience, and associated low level qualifications, the long term unemployed were identified as a group requiring intensive support from VCSE organisations. Commonly this leads to a spiral of low self-esteem, confidence and a poverty trap.

## Effective ways of working with socially excluded groups

When asked what specific ways of working the VCSE had found to overcome identified barriers, survey respondents highlighted the importance of the following interventions:

- **Volunteering** - many respondents said that volunteering helps as an introduction to the world of work, in developing skills, self-esteem and confidence. Some respondents also gave examples where volunteering had directly led to training and/or employment;
- **Confidence and self esteem** - many VCSE programmes are explicitly aimed at increasing these as a prerequisite to entering training and work;

- **Mentoring** - frequently mentioned as a successful method, particularly with young people and those leaving prison;
- **Advice** - providing good quality, and accessible, advice and guidance;
- **Money** - mention was made of financial management advice/training and loans.

When asked if VCSE organisations had any experiences of approaches with socially excluded groups that did not work, the most common comment was that programmes too often are not adaptable to the needs of the individual user, or too short term to deliver sustainable change, i.e. one size does not fit all. Therefore the VCSE survey recommends that the EUSIF strategy includes specific mention of mental health as a priority group and that programmes are likely to be more successful with a holistic approach to supporting people including elements of volunteering, building confidence/self-esteem, mentoring, advice and money management.

### Summary of recommended priorities for the EU SIF

No.	Recommendation	Timescale
R01	<b>Development of a Dorset wide preparation for work programme</b> to address the multiple issues of individuals through a programme of mentoring, volunteering, work experience and mental health support. This preparation for work programme would act as a pathway to more formal training and work experience programmes including the proposed Dorset Pathway Programme, and apprenticeships.	Summer 2014
R02	<b>Provide social enterprise support service</b> to address limited access to specialist advice and support for social enterprises in Dorset, to complement the proposed Growth Hub for private sector SMEs, providing support in not for profit specialisms from legal structures to funding.	Summer 2014
R03	<b>Maximise the BIG Lottery Opt - In</b> , a unique opportunity for the VCSE who already has experience of working with, and being funded by BIG, who are used to co-production and outcomes based funding, and will allow a great deal of flexibility and control with local deliverers. BIG's investment would allow the Dorset LEP and local providers, greater flexibility to meet need, to innovate and to change delivery to meet need as necessary.	Summer 2014
R04	<b>Explore the setting up of a Local Impact Fund</b> as an innovative way of attracting new investment to Dorset and to support development of the social enterprise sector. Invest in the development work necessary to establish the size and scale of future VCSE markets with a focus on the	2015

	changes in health and social care, an opportunity to develop a viable financing model in the next one to two years.	
<b>R05</b>	<b>Make use of VCSE expertise for the EU SIF cross cutting themes</b> to support the LEP in addressing social exclusion, serving the needs of discriminated against groups, and addressing low carbon and sustainable development priorities.	<b>Summer 2014</b>

## About

This report is based on a countywide survey of Dorset's VCSE sector undertaken in autumn 2013, to develop a picture of the VCSE's role in economic development, and in delivering training services to socially excluded groups.

The survey was prepared by Dorset's three Councils for Voluntary Service (CVS): Dorset Community Action (DCA), Bournemouth CVS, and Poole CVS and sent out to their combined membership. CVSs support the VCSE, in a similar way to how the Chambers of Commerce and other organisations support private business. Between them they have a formal membership of 479 VCSEs and provide services, information, etc. to 1576 organisations per year.

The statistics within this report are based on the findings from the 303 organisations who responded to the survey. Supporting data and case studies have been used from a number of national and local sources and are referenced throughout.

This report has been written to highlight the role of the VCSE sector in supporting the Dorset LEP's economic development strategy and to outline how it can help deliver the EU SIF and BIG Lottery strategies.

This paper has been signed off by a VCSE LEP Working Group, brought together by the CVSs (see Appendix for a list of members) and other VCSE organisations that have expressed an on-going interest in the development of the LEP, the EU SIF and economic development generally.

We would like to thank all the groups who took the time to complete the survey - this report would not have been possible without the valuable information you provided.



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# Part One

## 1.1 What is the voluntary, community and social enterprise sector?

Charity has a very strong public branding and is the fourth most trusted UK institution<sup>2</sup>. However people's perception of a charity is usually inaccurate in believing that:

- No-one is paid;
- Charities are run on a shoe string or no money at all;
- Run by amateurs;
- Services will be low quality;
- They are unreliable.

However the reality is very different not just for those organisations that are charitable in law, but also the many other organisations that are voluntary or community organisations. There is no universally accepted definition of a voluntary or community organisation but one often used is that they are:

- Independent of government and constitutionally self-governing, usually with an unpaid voluntary management committee;
- Value-driven - they exist for the good of the community, to promote social, environmental or cultural objectives in order to benefit society as a whole, or particular groups within it;
- Not run for financial gain - they re-invest any surpluses to further the 'good' they create for the community.

### Definition

The term '**social enterprise**' has been in common term use in recent years although with no universally accepted definition. Government defines social enterprises as:

*"Businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners."*

Social enterprise is a generic term that relates to trading activity and can include charities and other not-for profit organisations that gain income from trading e.g. village halls and community centres. The Social Enterprise Mark has some useful benchmarks to define when a charity or a voluntary organisation is a social enterprise, including that 50% of turnover should come from trading rather than donations (including grants).

[www.socialenterprisemark.org.uk](http://www.socialenterprisemark.org.uk)

<sup>2</sup> nfpSynergy's annual public survey in 2013 reported that 66% of the public trusted charities quite a lot or a great deal. The top three were the Armed Forces, Scouts and Guides (also part of the VCSE) and the NHS. As a comparison small businesses were trusted by 60%, supermarkets by 39%, local authorities by 26%, banks by 19%, multinationals by 16% and central government by 16%.

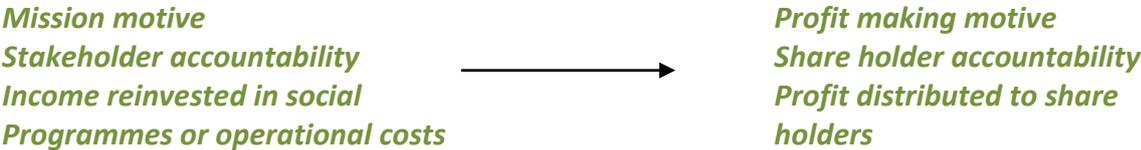
The above definitions will therefore include:

- charities (registered and unregistered);
- community groups;
- Community Interest Companies (CIC);
- friendly societies;
- community co-operatives;
- many registered social landlords;
- social clubs;
- many sports clubs;
- churches and other faith groups, and;
- voluntary organisations.

This collection of organisations has had different names over the years including voluntary and community sector, not-for-profit, third sector, civil society, etc. For the purpose of this paper we will use the term voluntary, community and social enterprise or VCSE. The sector can be represented as a continuum as shown below:

**Continuum between non profit and for-profit organisations**

Traditional non profit e.g. community group	Non profit with income generating activities e.g. charity	Social enterprise e.g. CIC	Socially responsible business	Business practising social responsibility	For profit business
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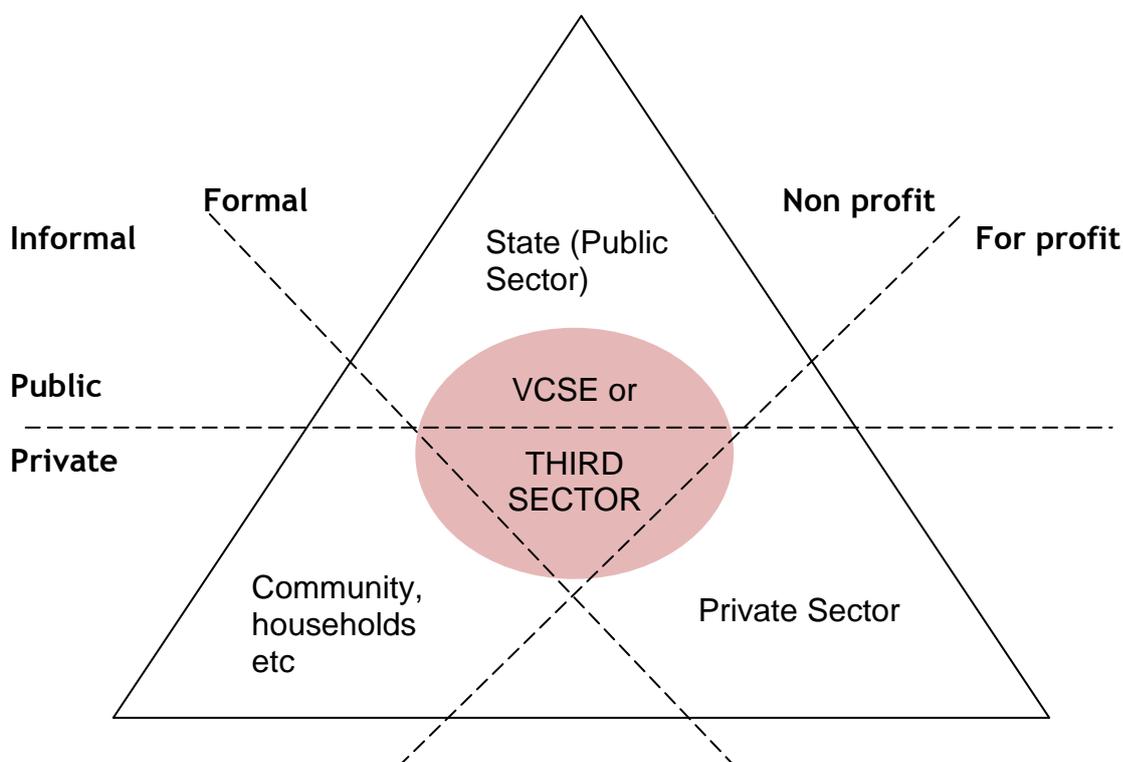
Certain VCSEs, such as charities, CICs and Charitable Industrial and Provident Societies, will have an ‘asset lock’. This means that there is a legal lock to ensure:

- that any profits/surplus are reinvested back into the VCSE (for some CICs there can be some restricted profit sharing);
- that the VCSE must seek ‘market’ value for whatever it purchases or sells, and;
- if wound up any remaining assets must be used for a similar, charitable purpose.

Although this makes traditional investment difficult it does mean that investment is permanently protected and cannot be passed to another, e.g. a LEP investment in a company that results in growth could be realised by the shareholders with a loss to Dorset, whereas to a charity any growth would continue to benefit Dorset.

## 1.2 Where does the VCSE sit in relation in other sectors?

In simple terms, the VCSE provides services to communities where the a) private sector is unable to make a profit, and b) the public sector may not have the capacity and expertise to do so, as represented below:



Source: Third Sector Research Centre, Working Paper No.26, 2009

## 1.3 Characteristics of VCSEs

There are around 2,300 registered VCSEs in Dorset and another 4,600 unregistered organisations. Each organisation will meet a unique community need, so there is little duplication and often unmet demand that current organisations cannot meet. Co-operation between VCSEs is fairly common since VCSEs are driven to meet community need and that is often best achieved working with others, rather than seeing others as 'competitors'.

**Table 1**

	<b>Bournemouth</b>	<b>Dorset</b>	<b>Poole</b>	<b>DORSET</b>	<b>England</b>
No. VCSEs	1,500 <sup>3</sup>	4,200 <sup>4</sup>	1,200 <sup>5</sup>	6,900	500,000
Registered charities, etc. <sup>6</sup>	403	1,576	323	2,302	154,851
% social enterprise <sup>5</sup>	53%	50%	57%	52%	51%
Registered businesses <sup>7</sup>	6,945	20,315	6,440	33,700	2.53M

<sup>3</sup> The Hidden Sector, BCVS 2013

<sup>4</sup> Telling the Story, DCA, 2009

<sup>5</sup> Estimate calculated as proportion Bournemouth of as similar sector

<sup>6</sup> NSCSE 2010

<sup>7</sup> Dorset for You

In Dorset, larger charities with incomes of more than £1M per year include:

- National HQ of the RNLI (£175M);
- Bournemouth Churches Housing Association (£19.5M);
- Autism Wessex (£9.6M);
- Dorset Wildlife Trust (£4.7M);
- Lighthouse (£3.7M);
- Bournemouth YMCA (£3.2M).

75% of VCSEs though are in the main small and local. Nationally 52% have an income of under £10,000 (micro) and a third between £10,000 and £100,000 per year (small). Local statistics reflect national ones. Most VCSEs in Dorset are SMEs in terms of their size, and face many of the same challenges as private sector SMES, such as capacity to make use of opportunities to grow, lack of specialisms (e.g.HR, strategic planning, finance), skills shortages, ability to network/engage with support programmes, etc. Micro VCSEs are more likely to be self-help and/or neighbourhood based organisations, meeting a community need but will have social, health or environmental outcomes which will have a beneficial impact (directly or indirectly) on the local economy.

#### 1.4 The VCSE as an employer

The VCSE employs 12,900 people which represent 4.3% of the Dorset workforce. This is:

- More than four times the number employed in agriculture (0.9%) or quarrying (1%);
- Twice the number in information and communication (2.4%);
- A quarter of those employed in health (15.1%) and;
- A third in retail (12.3%).

Table 2 shows employment figures for some of the Dorset sub-sectors.

**Table 2<sup>8</sup>**

<b>Sector</b>	<b>No. employed</b>	<b>% Dorset labour force</b>
Agriculture	2,800	0.9%
Mining/quarrying	3,000	1.0%
Information & communication	7,200	2.4%
Health	45,000	15.1%
Retail	36,600	12.3%
Advanced engineering	4,000	1.3%
Creative & digital	7,900	2.7%
Financial & business services	37,700	12.7%
Environmental goods & services	3,500	1.2%
Food & drink	12,500	4.2%
VCSE	12,902	4.3%

Skills Third Sector reported in June 2013 that in 2011/12 the VCSE workforce increased nationally by 6% compared with a 2.1% increase in the private sector and 0.6% increase in the public sector (Labour Workforce Survey). The VCSE in Dorset is

<sup>8</sup> Dorset for You

also significantly more likely to provide work on a part-time basis, for women, older and disabled workers. National estimates<sup>9</sup> show that:

- Almost a third (32%) of VCSE workers in 2011 were employed in workplaces of less than ten employees, higher than in the private sector (26%);
- More than two-thirds (68%) of the VCSE workforce were women, compared to the private sector (39%);
- Almost four in ten (39%) of paid staff working in the VCSE sector are aged fifty and over, compared to around a third (33%) of the public sector and just over a quarter (27%) of the private sector workforce;
- The VCSE, public and private sectors all employ roughly the same proportion (10%) of black and minority ethnic people;
- Almost one-fifth (18%) of the VCSE workforce has a disability, a higher proportion than both the public (16%) and private sectors (14%);
- Employees are also more likely to be part-time (40% of the workforce) than in the public (30%) and private (25%) sectors.

One of the most common features of the VCSE is its use of volunteers. National statistics show that 25% of adults volunteer at least once per month and 39% once a year. In Dorset we estimate that there are about 94,000 volunteers providing almost seven million hours per year. These volunteers will be providing a wide range of services from low skill/basic roles to very skilled and highly professional services, including the governance of multi-million organisations as unpaid trustees. Some critical front-line services rely on volunteers such as RNLI (lifeboats and lifeguards), CAB (benefit advisers) and the Samaritans (listeners) to provide consistently high quality services which may be required 24/7.

## 2. Range of VCSE services in Dorset

VCSEs in Dorset provide a wide range of services dependent on their purpose, income and area they serve. Table 3 shows the main areas the 2,300 registered VCSEs consider they work in, and their main area of activity.

**Table 3<sup>10</sup>**

<b>Area of work</b>	<b>% (No.) who work in area</b>	<b>% (No.) main area</b>
Education and lifelong learning	40%(928)	24%(560)
Leisure	37%(845)	23%(532)
Community development/mutual aid	33%(761)	18%(406)
Health and well being	28%(644)	17%(391)
Culture	28%(645)	15%(345)
Accommodation/housing	11%(254)	8%(185)
Training	21%(483)	7.5%(173)
Economic well being	16%(368)	7%(161)
Cohesion/civic participation	26%(592)	5%(121)
Heritage	13%(302)	5%(113)
Environment/sustainability	11.5%(266)	3%(73)
Equalities/civil rights	6%(136)	2%(42)

<sup>9</sup> Civil Society Almanac, NCVO, 2013

<sup>10</sup> NSCSE, 2010

Many of these activities directly support the ambitions and priorities of the LEP. In our online survey, VCSEs were asked if they believed they contributed towards the economic benefit of the area(s) they worked in. 107 (84%) of respondents said they did, both directly and indirectly by:

- Purchasing local services and goods;
- As a significant employer;
- Attracting external funding;
- Providing services efficiently and effectively;
- Preventing individuals creating a ‘cost’ to businesses and the state;
- Increasing skills and employability, particularly amongst those furthest from the workplace;
- Providing low cost facilities;
- Providing services to the public;
- Improving the local area so making an area a good place to live and work.

Dorset’s VCSEs deliver a range of services that support economic development, training/education, health and social care, culture, housing/accommodation, community led local development, environment, equality and diversity.

**2.1 Education and training**

From our survey, education and lifelong learning was the most common activity, with 40% of VCSEs delivering this service, with 24% as their main activity. 170 of surveyed VCSEs provide training as their main activity. 19% of VCSEs considered they directly assisted people into work and training. 25 organisations provided detail in Table 4 on the 4,200 clients they work with each year, an average of 184 clients per organisation. It is worth noting that 27% of providers supply additional and innovative approaches to training the unemployed.

**Table 4**

Activity	% VCSE	Users/year	
		Total	Ave.
Informal and community based learning and capacity building activities	47.1%	496	41
Reducing NEETs /disengagement	35.3%	434	43
Support for offenders/ ex-offenders without work	35.3%	414	52
Support for workless/those facing redundancy	29.4%	139	35
Support for older workers	26.5%	176	25
Additional and innovative approaches to training the unemployed	26.5%	277	46
Brokering opportunities for young people/employees	23.5%	169	28
Barriers to work in troubled families	20.6%	282	40
Targeting communities with high levels of poverty/social exclusion	20.6%	273	39
Access to ITC facilities and/or training	20.6%	372	62
Self-employment as a route out of worklessness	17.6%	80	16
Overcoming lack of rural employment opportunities	17.6%	112	19
Support progression of low paid people in low skilled work	17.6%	58	15
Combatting discrimination in the workplace	17.6%	65	13

Providing benefits advice to enable people to stay or move into work and/or training	17.6%	168	42
Debt advice and money management	11.8%	176	35
Other	11.8%	210	53
Developing the capacity of social entrepreneurs	8.8%	83	21
Basic skills including ESOL	8.8%	101	34
Addressing skills gaps at all levels in SMEs and social enterprises	8.8%	47	24
Support for those with disabilities (including mental health)	8.8%	6	2
General or industry specific business skills in rural areas	5.9%	78	16
Providing grants/equipment etc. to enable people into work or training	5.9%	5	2

#### **CASE STUDY: Future Roots**

A successful social enterprise that has diversified a traditional farm business to offer educational and employment readiness services to socially excluded young people across Dorset. It now has contracts with 18 schools, has expanded into Somerset and its sales income has increased year on year and created employment for seven FTEs. It is now negotiating a second site near Dorchester. 88% of the NEET young people who attend progress onto education, employment or training.

## **2.2 Health and well-being**

Health and well-being is an important activity amongst VCSEs. The LEP has identified this as a potentially important area of growth for Dorset. VCSE organisations are an important employer of health and social care staff and have a reputation for innovation and development.

#### **CASE STUDY: Crumbs**

Established as a disability training charity, CRUMBS has, since 1997, developed a workplace, pre-employment programme of learning. Training is under-taken through dedicated baking/ cooking/ service delivery programmes, which is accessed by a mixed-disability workforce - unique in this area. All the trainees are local adults with mental illness, learning disabilities, stabilised addiction and acquired head injury. Emphasis is on skills and confidence: improving health and employability. It operates a successful high street café in Boscombe, and recently started a luncheon service to residents in a large Housing Association block of self-catering flats.

## **2.3 Culture and heritage**

Culture is an important activity with those undertaking heritage activities, contributing to an improved place for living and working and promoting Dorset as a Tourism destination, an important economic activity in Dorset.

### **CASE STUDY: Swanage Railway**

The Swanage Railway Trust (SRT) is the registered charity that controls the Swanage Railway via its trading subsidiary, the Swanage Railway Company. In 2012 the income of SRT rose by 12.7% to £2.8 million (£2.2 million from trading) generating a free surplus of about £364,000, with assets of about £3 million. It employed 44 staff, used some 400 volunteers and carried about 210,000 passengers.

## **2.4 Housing and accommodation**

Housing and accommodation is a middle ranking activity. However many of the VCSEs undertaking this activity are larger organisations including some registered social landlords and other housing providers (e.g. Bournemouth Churches Housing Association, East Boro Housing Trust). Importantly, Community Land Trusts are a growing provider of affordable accommodation, a priority for attracting and retaining local employees and skills in Dorset.

### **CASE STUDY: Community Land Trusts**

A Community Land Trust (CLT) is a community-led organisation that provides land and buildings to meet the long term needs of its community. It offers a way to provide permanently affordable housing as well as meeting spaces, workspaces, shops, pubs, farms and gardens. It holds these assets in trust, for community benefit. It may be more likely to attract funds, loans and donations of land (and people time) than other developers so making schemes more affordable to build and run. CLT schemes so far completed in Dorset include:

- Buckland Newton - 10 affordable homes allocated to families in 2011;
- Worth Matravers - 5 affordable homes for rent allocated to local families in 2012.

Other CLT schemes In development include:

- Symene - 10 affordable homes (planning application made);
- Toller Porcorum - 6 affordable homes & new post office (planning application made);
- Upper Marshwood - 7 affordable homes (planning application made);
- Maiden Newton - 14 affordable homes (planning application to be made);
- Boscombe – 11 affordable homes & renovation of a derelict listed building as a hub for the creative industries, expected completion June 2014.

More information at: [www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk)

## **2.5 Community Led Local Development**

Community based approaches to solving local problems is a key strength of the VCSE and brings together several sub-sectors. In Dorset the community planning model has been well established since 2002, with Community Partnerships set up around market towns and their surrounding areas. More recently, Bournemouth 2026 has grown out of

the local strategic partnership to become a registered charity focussing on social, environmental and economic regeneration, e.g. leading on the Boscombe Community Land Trust.

#### **CASE STUDY: Community Partnerships & Development Trusts in Dorset**

Community Partnerships enable organisations, such as Parish & Town Councils, voluntary and community organisations, statutory authorities, businesses and individuals to work together to address community and economic development issues in their area.

Community Partnerships are constituted as not for profit organisations, to enable them to apply for funding, enter into contracts, etc. They are run by volunteers, with support from local authorities. Current economic activity includes:

- Shaftesbury District Task Force developing the economic benefit of events and festivals;
- SturQuest supporting design brief commissioning, consulting, partnering in the design & development, for North Dorset Business Park;
- Current strong community involvement in town centre regeneration through Town Teams in Gillingham, Blandford and Shaftesbury;
- North Dorset CP's supporting work developing the economic impact of the Dorset Trailway through tourism;
- North Dorset CP's Improving local transport through the North Dorset Travel Study, community transport initiatives, Wheels to Work projects etc;
- Neighbourhood Planning supporting development and growth, through Town & Parish Councils, with strong community involvement;
- Lyme Regis Development Trust – providing an ICT training Centre and business space.

## **2.6 Environment and sustainability**

VCSEs have a strong track record of supporting environmental sustainability with brand leaders such as the National Trust, Wildlife Trusts, Friends of the Earth and Greenpeace. However locally based VCSEs have always been important voices and deliverers of environmental, low Carbon, and sustainability services.

#### **CASE STUDY: Communities Living Sustainably (CLS) in Dorset [www.clsdorset.org.uk/](http://www.clsdorset.org.uk/)**

CLS is a partnership project led by Dorset Community Action. Launched in March 2013, with BIG Lottery funding of £900,000 for three years, the project team is supporting communities in the Dorchester and Bridport areas, to better adapt to the effects of climate change. Community based sustainability, and environmental projects range from local food, eco schools, greener choices, to community energy projects. The CLS programme is building upon the many climate change and sustainability initiatives in West Dorset, and brings together various non governmental organisations, community groups, local authorities and small businesses.

## 2.7 Equality and diversity

The VCSE have a significant role in promoting equality and diversity. Organisations such as Dorset Race Equality Council may cover all aspects, cover a specific sub-sector e.g. Access Dorset (disability), or be specific to a particularly discriminated against and disadvantaged group such as Aspergers or HIV+. Services provided include:

- Advice to employers and service providers;
- Advice and support to individuals;
- Direct services to individuals;
- Advocacy and public awareness raising.

VCSE organisations can support employers and service providers to engage with equality groups and individuals, to be more sensitive to their needs, help identify barriers/challenges and solutions, as well as challenge discrimination when it occurs.

### **CASE STUDY: Dorset Race Equality Council**

DREC is a registered charity that:

- Informs and educates regarding race/ethnic relations;
- Raises awareness of race/ethnic equality issues with both public sector organisations and private businesses;
- Challenges prejudice and disadvantage and promote the importance of a diverse society;
- Informs minority ethnic individuals of their rights;
- Strengthens community relations in Dorset;
- Works with partner organisations to influence policy and combat racial discrimination and racial violence;
- Upholds both the letter and the spirit of UK and EU law.

## 3. Creating jobs and stimulating the local economy where it's needed most.

### 3.1 The VCSE is a valuable contributor to regeneration

VCSEs can improve the physical and community aspects of locations, i.e. regeneration, so making them more appealing to those living and working in an area. Statistics from Social Enterprise UK shows that social enterprises are three times more likely than other SMEs to start up in the 20% most deprived communities (see Table 8, p.22).

The 2013 People's Business report shows that social enterprises are creating jobs and stimulating local economies where they're needed most. Nearly two fifths operate in the UK's most deprived communities, compared to 12% of traditional SMEs - and half of social enterprises actively employ people who are disadvantaged in the labour market, including ex-offenders, people with disabilities and the long-term unemployed.

**CASE STUDY: RNLI**

The RNLI spent £18 million to open, in 2004, the award winning College building in Poole Harbour. Last year it started work on a £11 million (of its own money) redevelopment of another area of its site to build its own all weather lifeboats that will create 90 jobs. During this year's Apprenticeship Week it announced a doubling of places on its boat building programme. In 2012 the RNLI had a total income of £175 million, of which 92% is donated, and about half of its 1,200 staff are based in Poole.

**3.2 Attracting inward investment**

There is often a common perception that the VCSE is principally funded by the public sector. Research in East Sussex in 2010 showed that the sector was not over reliant on state funding. When asked to indicate their three main sources of funding 714 organisations gave responses as shown in Table 5.

**Table 5**

Source of Income	% that receive significant income from the source
Grants (trusts, lottery, etc)	56%
Own fund raising activities	54%
Private donations	53%
Local councils	35%
Earned income/trading	22%
Central government	6%
NHS	9%
Other	6%

NCVO estimate that in 2010/11, VCSEs in the UK had a total income of £38.3b which can be broken down as shown in Table 6.

**Table 6**

Source of Income	%
Individuals (sales and donations)	43.0%
Statutory sources (grants and contracts)	37.0%
Lottery distributors	1.3%
Voluntary sector (grants and contracts)	8.4%
Private sector (sponsorship, contracts, grants)	4.4%
Investment income	6.0%

Research has shown that for every £1 invested by the public sector, VCSEs can attract on average nearly £2 in additional income. VCSEs have the ability to attract government, EU funds and trust funding not available to either the statutory or private sectors. For instance there are about 7,500 grant-making trusts and foundations in the UK, giving a total of approximately two billion in grants each year to charities. Local fundraising is also an important generator of income and is comparable to sales income for the private sector. Despite the recession, statistics show that donations have not been affected by the current financial situation. The latest statistics from the Charity Commission show a 3.7 per cent increase in overall income in the past year to September 2013. Although the local sector already raises a significant amount in fundraising with some support it could increase this amount and

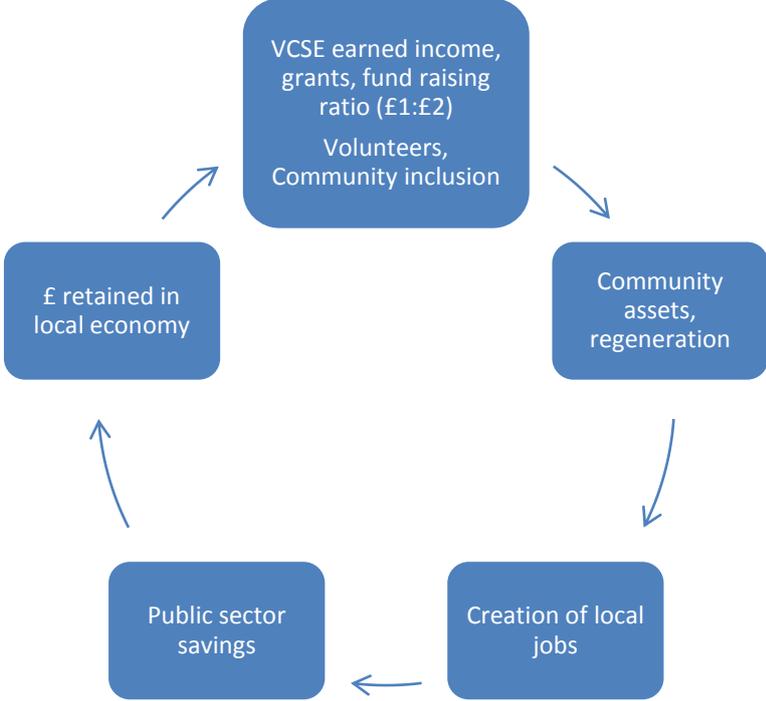
so benefit the economy through increased employment, purchase of local goods and services, as well as benefiting social and physical environments.

**CASE STUDY: IGNITE**  
 A project of Bournemouth Churches Housing Association which received £430,000 of BIG Lottery money in 2009 to fund personal development programmes with unemployed, vulnerable adults. In three years, 760 long term unemployed reported an increase in confidence after gaining a qualification and 218 found employment. BIG has agreed another three years of funding of £450,000.

Another source of finance that is more likely to be accessed by the VCSE in the future is social investment. Social investment or loan finance is any investment activity which has a social outcome and a financial return, and nationally is estimated to be £202 million a year. This market is rapidly increasing, growing by a quarter in 2011-12 and some estimating it will be worth £1 billion by 2016. For instance in February 2014, a new £20 million loan fund was launched for local social organisations that provide health, social care, education and training services.

**3.3 Reinvesting back into the local economy**

The diagram below illustrates how the VCSE is very effective at developing local economies particularly in economically excluded communities through the recycling of resources:



Although most VCSEs have small annual turnovers, the total for Dorset is about £300M which is significant (see Table 7). As most Dorset VCSEs will have an ‘asset lock’, nearly all of this money will be used in the local economy i.e. no profits will ‘leak’ out of the area. Despite some public perception that VCSEs rely on state money,

Table 7 also shows that in Dorset 72% of organisations do not receive any state funding.

**Table 7**

	<b>Bournemouth</b>	<b>Dorset</b>	<b>Poole</b>	<b>BDP</b>	<b>England</b>
VCSE Income	£66.5M <sup>11</sup>	£174M <sup>12</sup>	£53M <sup>13</sup>	£293.5M	£38.3B <sup>14</sup>
Private sector turnover	£6,970M	£15,540M	£7,450M	£29,960M <sup>15</sup>	£2,807B <sup>16</sup>
% VCSE turnover	1.0%	1.1%	0.7%	1.0%	1.4%
No state funding <sup>17</sup>	60%	75%	70%	72%	70%
VCSE Employees	2,811 <sup>10</sup>	7,838 <sup>11</sup>	2,253 <sup>12</sup>	12,902	732,000 <sup>13</sup>
Employees (total) <sup>15</sup>	73,700	151,100	73,000	297,700	26.6M
% workforce	3.8%	5.2%	3.1%	4.3%	2.8%
No. volunteers	8,500 <sup>10</sup>	79,000 <sup>11</sup>	6,800 <sup>12</sup>	94,300	12.7M <sup>13</sup>
Volunteer hours/year	1.5M <sup>10</sup>	4.2M <sup>11</sup>	1.2M <sup>12</sup>	6.9M	2.5B <sup>13</sup>
Replacement value	£20.5M <sup>10</sup>	£57M <sup>11</sup>	£16M <sup>12</sup>	£93.5M	£34B <sup>13</sup>

### 3.4 The VCSE saves the state and economy money

The sector is very efficient and effective. The services it provides are very often lower cost than other providers as they are often subsidised through fundraised income and have lower input costs because of donated time (volunteers) and services (in kind). Similarly some organisations provide low cost venues and facilities in the local area which help with footfall, and incur less financial and environmental cost due to decreased travel for services users. Our survey respondents identified these factors as savings to individuals, organisations and the state resulting in money being available for spending elsewhere.

Many VCSE activities have a preventative outcome, creating savings on the use of more costly public services, allowing spending elsewhere. Specific mention was made by some VCSEs of their work in helping people to return to work so reducing welfare spend and increased exchequer receipts and local spending by those back in employment.

The use of volunteers has already been mentioned. Significant labour is provided by volunteers covering a wide variety of roles and skills. Table 7 estimates the replacement value based on the median salary for Dorset at 93.5 million pounds a year. When added to the estimated cash income for the sector of 293.5 million pounds the result is 387 million pounds a year of economic activity. From our online survey respondents commented that the use of volunteers decreased the cost of providing services, usually to the statutory sector, who can then use those savings elsewhere and that the VCSE organisation itself would have more cash to spend on local goods and services.

<sup>11</sup> The Hidden Sector, BCVS, 2013

<sup>12</sup> Telling the Story, DCA, 2009

<sup>13</sup> Estimate calculated as proportion of Bournemouth as a similar sector

<sup>14</sup> Civil Society Almanac, NCVO, 2013

<sup>15</sup> DCC estimates based on ONS and South West Observatory. As accurate data is not available at sub-regional level these estimates should be used with caution

<sup>16</sup> Dorset for You

<sup>17</sup> NSCSE, 2010

#### **CASE STUDY: Healthy Living Wessex**

Healthy Living Wessex, based in Weymouth, is a not for profit social enterprise working to improve the health and well-being of people both in the community and the work-place, by supporting lifestyle changes either for health or personal reasons. In 2012 the University of the West of England carried out an independent evaluation of the social value of their Big Lottery funded Activate Your Life project to address obesity that ran for 2 years (<http://eprints.uwe.ac.uk/16589/>). The researcher used the Social Return on Investment method that calculates a financial amount for the differences/outcomes created. It was calculated that for an investment of £209,964 from the lottery that just over £1.1 million of social value was created. Of this £82,000 (10.9%) was attributed to employers (i.e. less absence, more productive, take on jobs) and £197,437 to health and social care services (savings from fewer appointments etc.).

## **4. How will Dorset's VCSE sector contribute to the LEP's growth priorities?**

Dorset's VCSE is well placed to support Dorset LEP's strategy to raise employment, skills levels, and to enable an increase in the economic prosperity in Dorset. The VCSE sector's work closely aligns with the following SEP objectives:

### **4.1 Accelerating business growth: social enterprise**

The government NSCSE survey in 2010 identified that there were about 1,200 social enterprises in Dorset, 52% of all registered VCSEs (see Table 1). Social Enterprise UK report that 40% of the population is interested in starting a business and that one fifth of these would like to start a social enterprise. Recent research by Social Enterprise UK<sup>18</sup> compared statistics for social enterprises with other SMEs. They found that social enterprises are more likely to start up than other small businesses, particularly in the LEP priority health and social care sectors, more likely to be located in more deprived areas and to increase their turnover and workforce. A summary of some of the findings are in Table 8.

**Table 8**

	<b>Social Enterprises</b>	<b>Other SMEs</b>
Start up rate	3 x more than SMEs	
Start-ups in healthcare	15%	5%
Start-ups in social care	16%	8%
Work in 20% most deprived areas	38%	12%
Developed new product/service in last year	56%	43%
BME directors	28%	11%
BME leader	15%	Not known
Increased turnover in last year	38%	29%
Decreased turnover	22%	31%
Expect turnover to grow in next 12 months	63%	37%
Recruit locally	84%	Not known
Employ those disadvantaged from the labour market	52%	Not known
Expecting to increase employment in next 12 months	40%	20%
Median loan sought	£58,000	Not known

<sup>18</sup> The People's Business, Social Enterprise UK, 2013

## 4.2 Health & social care

The VCSE sector is well known as an innovator of services, in particular those relating to social welfare. Health and social care is already a significant sub-sector of the VCSE and has significant potential to grow. Features of VCSE delivery of health and social care services include:

- There are a large number of VCSE organisations working in **prevention**, particularly in the area of food and healthy eating initiatives, active living projects and support for early years and older people;
- The VCSE sector **collaborates with service users** to provide self-directed support, personalised service packages and training in self-management techniques;
- **Working closely with communities** is a key tenet of the VCSE approach. In many cases organisational structure and aims have been generated by community members to fill identified gaps in service provision;
- VCSE projects are frequently produced with the aim of **developing social networks, building social capital and reducing isolation** amongst vulnerable people. These positively target health through improvements in general wellbeing and the better dissemination of healthcare messages.

### **CASE STUDY: Diverse Abilities Plus**

A Dorset charity that has been supporting children and adults with physical disabilities and/or learning difficulties in Dorset for 57 years. The charity provides a range of assistance, support and education services (including a school) for children and young people, adults and their families. In the last 3 years its income has grown from £4.6m to £6m by winning contracts and raising £460,000 from the private sector. Its staff has grown from 250 to 370 over the same period. Its services in Dorset have grown by 40% for children in the last 2 years and adult services by 15%.

In Dorset, the Better Together initiative promises radical change in the way health and adult social care services are delivered in the future, by delivering:

- Improved health and social care for residents;
- A more seamless service for people who access adult social care and health in the Dorset area;
- Greater efficiencies and improved value for money.

Key projects include early intervention and prevention, helping people to stay independent for longer and receive care and support in/closer to their homes, and delay the need for long-term care and unnecessary hospital admissions. There is also a strong focus on extending the shared information and advice service to everyone. This will include services for people leaving hospital and more help in arranging services for people who fund their own care. The programme mirrors the way the VCSE already delivers services and is a considerable opportunity for the VCSE to support delivery of this programme.

### 4.3 Skills and employability

The VCSE already develops work readiness skills for those people hardest to reach and not in education, training, or employment, and so supports the four priority areas of the Employment and Skills Board of:

1. Up-skilling Dorset's current and future workforce to meet the needs of employers and contribute to economic growth;
2. Raising the aspirations, employability and entrepreneurial capability of Dorset's young people;
3. Supporting Welfare to Work initiatives that aim to address unemployment, poverty and families with complex issues to reduce the number of economically inactive people;
4. Creating an environment that supports successful enterprise start ups.

#### The VCSE has a successful track record in training and job creation

21% of registered VCSEs (i.e. 483 organisations) provide some form of training and for 7.5% (172) as their main activity. Training is likely to be informal, community based, as a preparation for more formal training and learning provided by others e.g. FE Colleges. However there are a number of organisations that do provide more formal activities.

The government published research in April 2013<sup>19</sup> into the sector's role in the delivery of learning and skills. It found that the sector:

- has a considerable role in learning and skills provision, particularly in relation to the most disadvantaged and excluded groups of learners;
- provides an important alternative option to mainstream provision for disengaged or 'hard to reach' learners and has an extensive role in outreach and learner support services, which are often the first step to engaging these learners;
- delivers to a higher proportion of female learners, people with learning difficulties and/or disabilities, black and minority ethnic (BME) groups, and people aged 65 and over;
- is able to operate successfully at community and sub-regional level and have a holistic approach to delivery, in which learning and skills is often part of a broader role in community, economic and social development;
- is able to demonstrate successful outcomes and significant impact for the learners it supports.

As well as training, the VCSE has a good track record in job creation. A recent evaluation of the Community Jobs Scotland Scheme showed that 1,420 jobs were created for 16-24 year old long term unemployed. After 6 months 39% went on to long term employment (51% with their original employer and 49% with another) and 9% to further or higher education. This out performs other existing and previous job creation schemes.

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<sup>19</sup> Third Sector engagement and participation in the learning and skills sector, BIS, 2013

### **CASE STUDY: Thorngrove Garden Centre**

A project of the national charity Scope which runs a commercial garden centre in Gillingham. Open to the general public and selling at shows it involves 25 disabled service users supported by 10 paid staff and over 20 volunteers. In recent years the centre has diversified into vegetable growing (mostly sold at the Gillingham Community Market) and carpentry.

Another route to training and employment is volunteering, which has been shown to increase self-esteem, confidence and skills to help people take up, or return to work and training. A recent independent evaluation by NCVO of a national programme, where volunteer centres were working with long term unemployed (78% had significant barriers and 53% had no GCSEs or equivalents) reported that 22% had moved onto permanent employment. This compares extremely well with the latest figures from the government Work Programme which records 14.7% for all clients i.e. not just those with significant barriers.

### **New Leaf Community Garden**

A 2.2 acre community allotment site at Throop, Bournemouth which since opening in March 2013 has engaged 157 members of the community contributing 4597 volunteering hours. Over a 6 month period 92 were involved in educational sessions. Since September 2013, 14 users have received a horticultural qualification.

## **4.4 VCSE reach into priority communities and individuals**

The VCSE has frequently been recognised as a highly important contributor of intelligence on individual and community needs. In 2008 a survey in Bournemouth found that on average each VCSE had contact with 678 people. In our LEP survey, 122 organisations reported total contact with 110,000 individuals and the sector has considerable reach into local communities. A percentage of Dorset's VCSEs will not provide services that would contribute directly to LEP delivery programmes, but would greatly assist in providing information about needs, advise on delivery programmes, and provide contact with priority communities and individuals. Our survey was accessed by 303 VCSEs and when asked to provide case studies of work seventeen were quickly provided. This response shows that the sector is willing to contribute information, views and evidence.

## **5. Barriers to growth and market failures - unlocking the ability of the VCSE to support growth**

Although the VCSE is already a significant contributor to economic and social well-being in Dorset, it has potential to do much more, though to do so has challenges and barriers to overcome, most of which it shares with private sector SMEs:

- Lack of easy access to capital;
- Lack of capacity to respond quickly to opportunities;

- Unable to compete against larger companies/VCSEs usually not based in Dorset;
- Skills shortages.

The VCSE also has some sector specific challenges:

### 5.1 Funding

The voluntary sector has seen considerable changes in its traditional income base over the last decade, and had to learn to deal with reductions in grant funding and a trend towards contracting relatively quickly. This loss of both national and local public sector funding has mostly affected medium to large size VCSE organisations and is an impediment to future growth. Ironically at a time when funding is being cut, there is no let up in demand for VCSE services. Soft loans to develop new and innovative approaches to service delivery are difficult to find. Therefore support in identification and applying to mainstream and more innovative funding e.g. social investment financial instruments would be highly beneficial to the sector.

An important way that the VCSE funds its work is through donated time, i.e. volunteering. The skills involved in recruiting and managing volunteers is not often prioritised by VCSEs, however the three CVSs, and the Volunteer Centres, have identified that more resources could be provided to support front line VCSEs to carry out this activity more effectively. Not only would it provide ‘funding’ for groups but would also provide an increased, and better quality, volunteering experience for individuals, including those who wish to volunteer as a route to training and work.

### 5.2 Appropriate business support

While many larger VCSE’s would regard themselves as part of the ‘mainstream’ business community, traditional business support services often do not have the required expertise to support the sector. Given that research shows that social enterprises are more likely to grow and succeed than other SMEs, meeting their advice and skills needs would be a highly efficient and effective investment by the LEP.

### 5.3 Skills

The VCSE has a number of skills shortages. Addressing these would significantly improve sector capacity. Skills Third Sector has identified that the most important skills shortages in VCSEs are:

- ICT;
- Fundraising;
- Strategic /forward planning;
- Volunteer management (identified locally).

VCSEs frequently lack capital to invest in ICT for service delivery and administrative functions. With modest investment, VCSE’s would benefit from improved systems to enable better marketing, fundraising and efficiencies.

## 6. VCSE sector summary

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Successful track record in training and job creation;</li> <li>• Social enterprises start up effectiveness;</li> <li>• Significant employer and purchaser of local goods and services;</li> <li>• Reinvesting back into the local economy;</li> <li>• Access to funding streams unique to the sector (loans, grants, donations);</li> <li>• High level of efficiency and effectiveness;</li> <li>• Provide routes into communities for other services.</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Lack of understanding of VCSE sector;</li> <li>• Reduced grants &amp; public sector funding;</li> <li>• Lack of sector specific business development support;</li> <li>• Key skills shortages;</li> <li>• Not positioned to bid for and deliver larger contracts.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Health &amp; Social Care &amp; transformation of public services;</li> <li>• Fundraising and social investment income could grow;</li> <li>• Access to match funding.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Contracting public sector funding;</li> <li>• Lack of easy access to capital;</li> <li>• Ability to compete against larger national companies/VCSEs.</li> </ul>

## 7. How will Dorset’s VCSE coordinate itself to deliver a programme of work?

While VCSE organisations are diverse and widely spread, co-operation is common, with several networks, formal and informal partnerships in Dorset. However, as with the private sector, the challenges of communication, co-ordination and representation require constant attention. Councils for Voluntary Service (CVSs) are well established charities working with frontline VCSEs that undertake functions very similar to the Chambers of Commerce and business support organisations such as WSX Enterprises by:

- providing specialist expertise, information and support to develop the skills that local people need to run successful organisations and groups;
- act as a channel of communication and provide a forum for VCSEs;
- spread good practice, prevent duplication of effort and support joint working;
- help groups find funding and make effective use of resources;
- promote equality and diversity by fostering a wider understanding of the needs of disadvantaged and under-represented groups;

- make sure policy makers understand the needs of local VCSEs;
- help public bodies engage effectively with local VCSEs;
- encourage more people to volunteer and get involved in voluntary and community action.

In Dorset there are three CVSs covering the three top tier local authority areas:

- Bournemouth Council for Voluntary Service (BCVS);
- Dorset Community Action (DCA);
- Poole Council for Voluntary Service (PCVS).

Between them they have a formal membership of 479 VCSEs and provide services, information, etc. to 1576 organisations. The three CVSs are all members of the national body NAVCA which allows them to network with other CVSs and provides a communication and representative route into national organisations, including central government. They also work collaboratively on initiatives that span the local authority boundaries, for instance criminal justice, health and the LEP. There are also specialist infrastructure organisations such as Dorset Youth Association serving those working with 0-19s, the three Volunteer Centres (two of which are located within Bournemouth and Poole CVSs) and Dorset Race Equality Council (see page 18).

The CVSs and other Dorset infrastructure organisations are widely experienced in bringing VCSEs together to communicate, liaise, plan and act together. For instance Dorset Youth Association has been supporting a regular e-network and meetings for VCSEs in the county working with 0-19s, and supported the development of a consortium to bid for contracts. The CVSs have a number of sub-sector forums including criminal justice, children and young people, health and well being. The CVSs could be resourced to support a new forum for VCSEs with an interest in economic regeneration, employment creation and skills development. Such a forum could include specialist web pages, e-alerts, meetings and conferences, training, etc. Another function could be the development of consortia and partnerships to deliver economic and skills programmes. Any such support structure would need detailed planning and consultation with frontline VCSEs and the LEP to ensure any structure and services were fit for purpose.

## Part two - EU SIF & BIG Lottery strategy

To help the development of the social inclusion element of Dorset's EU SIF strategy, in November 2013 the three CVSs launched an online survey of their collective VCSE contacts. The aim of the survey was to:

- identify which groups in Bournemouth, Dorset and Poole the VCSE believed had the greatest difficulties accessing training and employment;
- provide evidence of the reach of the VCSE to socially excluded groups;
- provide data on how VCSEs are currently working with socially excluded groups to gain access to training and work.

The survey content and methodology was approved by a working group of eleven voluntary organisations from across Bournemouth, Dorset and Poole, was open from 5 November to 25 November 2013, and accessed by 303 VCSEs. The survey was in two parts, the first part was for all VCSE's to complete, the second for the 54 (18%) of organisations who said they currently provided work readiness and training services.

### 8. Social inclusion survey results 2013 - themes, and excluded groups

VCSEs were asked to prioritise up to five groups that faced the most difficulties in entering training and work. The results were separated into those working in rural Dorset from those in urban Dorset, Bournemouth and Poole. If the results are weighted the following results are obtained in priority order.

**Table 9**

	<b>Poole</b>	<b>Bournemouth</b>	<b>Urban Dorset</b>	<b>All Urban</b>	<b>Rural Dorset</b>
1	Mental health	Mental health	Mental health	Mental health	Under 25s
2	Homeless	Homeless	Under 25s	Under 25s	Mental health
3	Health need/long term illness	Long term unemployed	Homeless	Homeless	Lack transport
4	Long term unemployed	Under 25s	Long term unemployed	Long term unemployed	Long term unemployed
5	Under 25s	Ex-offenders	Ex-offenders	Learning disabilities	Lone parents
6	Basic literacy & numeracy	Learning disabilities	Low qualifications	Troubled families	Low qualifications
7	Ex-offenders	Physical disabilities	Troubled families	Lone parents	Homeless
8	Low qualifications	Health needs/long term illness	Health need/long term illness	Ex-offenders	Low income
9	Learning disabilities	Low qualifications	Low income	Low qualifications	Learning disabilities
10	Troubled families	Basic literacy & numeracy	Learning disabilities	Health needs/long term illness	Basic literacy & numeracy
11	Physical disabilities	Troubled families	Basic literacy & numeracy	Physical disabilities	Troubled families
12	Drug and alcohol users/recovering	Lack of childcare	Drug and alcohol users/recovering	Basic literacy & numeracy	Physical disabilities
13	Lack of childcare	Gypsies/travellers	Physical disabilities	Low income	Ex-offenders
14	Over 55s	Low income	Lack of childcare	Lack of childcare	Health needs/long term illness
15	Lone parents	Lone parents	Lone parents	Lack transport	Over 55s
16	Low income	Refugees/asylum seekers	Refugees/asylum seekers	Carers	Debt/needing money advice
17	Lack transport	Debt/needing money advice	Debt/needing money advice	Drug and alcohol users/recovering	Lack of childcare
18	Refugees/asylum seekers	Black & Minority Ethnic	Carers	Over 55s	Gypsies/travellers
19	Digital exclusion	Over 55s	Lack transport	Gypsies/travellers	Carers
20	Gypsies/travellers	Lack transport	Black & Minority Ethnic	Black & Minority Ethnic	Women
21	Black & Minority Ethnic	Drug and alcohol users/recovering	Gypsies/travellers	Those made redundant	Drug and alcohol users/recovering
22	Carers	Carers	ESOL	Refugees/asylum seekers	Digital exclusion
23	Those made redundant	Digital exclusion	Over 55s	Debt/needing money advice	Those made redundant
24	Other	Other	Digital exclusion	Digital exclusion	Black & Minority Ethnic
25	ESOL	ESOL	Women	Women	Refugees/asylum seekers
26	Women	Those made redundant	Other	25-55s	25-55s
27	Debt/needing money advice	Women	25-55s	ESOL	ESOL
28	25-55s	25-55s	Those made redundant	Sight loss	Remote rural villages

## 8.1 Comparing rural and urban priorities:

- Mental health and under 25s are consistently in the top two rankings;
- Those who are homeless, the long term unemployed, lone parents, with low qualifications, and with learning disabilities are other common categories in the top 10;
- In rural areas, lack of transport was the third priority compared with fifteenth in urban areas;
- Urban areas place troubled families (sixth), slightly higher as a priority than in rural areas (eleventh);
- If the results are analysed separately for Bournemouth, Poole and Urban Dorset, although there are some changes in order of priorities, there are no significant differences in the top ten.

VCSEs were asked an open question on which groups they considered to be furthest from the workplace and why. The following summarises respondents comments:

- **Mental health** - many respondents pointed out that poor mental health is associated with many of the other categories and quite often multiple issues are not dealt with simultaneously. A common barrier was stigma, including media coverage, which may mean that employers do not want to take on someone with such needs. Also some respondents felt that some employers fail to make adaptations (e.g. phased start/return to work, taking of sick leave) or find support for their employees. Other issues are lack of confidence and social skills, and gaps in CVs.
- **Young people** - lack of qualifications, skills, and motivation were all mentioned. Some people also felt that young people, because of their previous experiences, lack a positive work ethic. However the lack of good placements/apprentices/training was mentioned as a problem. Transport was an issue for both urban and rural young people. Again those young people with barriers to work very often have other 'issues' which must also be addressed.
- **Rural areas** - unsurprisingly the common barrier is lack of affordable transport.
- **Long term unemployment** - because of their lack of past and recent work experience, and associated low level qualifications, the long term unemployed find it difficult to find employment. Commonly this leads to a spiral of low self-esteem, confidence and poverty trap.
- **Low income** - linked to many of the other categories but becomes a barrier when there is a need to travel for work and training.
- **Literacy and numeracy** - although seen as a key basic skill for employment respondents feel there is a lack of support.

## 8.2 VCSE recommendations for socially excluded priorities

The current EU SIF strategy does not mention mental health needs as a priority socially excluded group and clearly the VCSE considers this group to be the furthest from the workplace. Although very often poor mental health is associated with other issues it should be explicitly recognised in the strategy as a distinct priority.

Recognising mental health needs would also be appropriate for prevention. Recent research into workplace sickness by CIPD<sup>20</sup> shows that stress (fourth most common reason for short term and second for long term absence) and other mental health conditions are increasingly being presented. 40% of employers report there has been an increase in the past year. However a third of those organisations that report stress as one of the top five reasons for absence have no plans to take action.

The EU SIF could look at supporting employers to provide early help to prevent mild mental health and stress growing into medium and long term sickness, causing a loss of productivity, skills, and increased costs of sick pay/cover, etc. (CIPD calculate the median cost per employee as £595).

## 8.3 Effective ways of working with socially excluded groups

When asked what specific ways of working the VCSE had found to overcome the barriers above the survey respondents highlighted the importance of the following interventions:

- **Volunteering** - comments included the use of volunteer buddying and mentoring schemes. Many respondents say that volunteering helps as an introduction to the world of work, in developing skills, self-esteem and confidence. Some respondents also gave examples of where volunteering had directly led to training and/or employment;
- **Confidence and self esteem** - many VCSE programmes are explicitly aimed at increasing these as a prerequisite to entering training and work;
- **Mentoring** - frequently mentioned as a successful method, particularly with young people and those leaving prison;
- **Advice** - providing good quality, and accessible, advice and guidance;
- **Money** - mention was made of financial management advice/training and loans.

Our VCSE survey recommends that the EU SIF strategy includes specific mention of **mental health as a priority group** and that programmes are likely to be more successful with a holistic approach to supporting people including elements of volunteering, building confidence/self-esteem, mentoring, advice and money management.

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<sup>20</sup> Absence Management, CIPD, 2013

### CASE STUDY: Bourne Valley Job Hub

The Bourne Valley Action Group, Poole Housing Partnership, Poole CVS (lead) and the Borough of Poole launched a job hub for the residents of the Bourne Estate in April 2013. The hub offers a variety of one to one support to participants including advice on job hunting and applying for jobs, IT skills and using the internet, advice on drafting CV's, interview skills and signposting participants to other support providers. In the first nine months of operation the hub has achieved the following:

- 101 participants supported, the majority (52%) have been unemployed for between a week and a year, however 25% have been unemployed for two years or more;
- 35 have found employment; whilst in total 49 participants have been supported to the interview stage;
- 7 have gone onto training.

This success is enabling Poole CVS to develop a new hub in Upton with Dorset Community Action and the local Beacon Project and a new hub is being launched for Poole Town centre involving new partners including the following housing providers; Spectrum, Synergy and Raglan.

## 9. EUSIF strategy - contribution to inclusion & supporting individuals

The survey asked VCSEs a series of questions about which socially excluded groups they worked with (154 responded), and how many per year (122 responded). The results are summarised in Table 10 with additional columns to show what percentage of all respondents worked with each group and the average number per organisation.

**Table 10**

Categories	No. of VCSE	% (base of 154)	No. of users/year*	Ave No.* per VCSE
Over 55s	91	59.1%	7,084	106
Women	88	57.1%	8,487	121
Under 25s	79	51.3%	19,853	301
Mental health	78	50.6%	5,323	99
Low income	74	48.1%	7,345	147
Physical disabilities	69	44.8%	4,576	88
Learning disabilities	68	44.2%	2,059	39
Health needs including long term illness	65	42.2%	17,677	376
25-55s	65	42.2%	6,969	131
Lone parents	62	40.3%	2,388	53
Low qualifications	56	36.4%	2,273	51
Carers	55	35.7%	2,125	51
Troubled families	50	32.5%	2,233	54
Those in debt/needing money	50	32.5%	4,798	117

advice				
Drug and alcohol users/recovering	50	32.5%	1,418	33
Lack transport	48	31.2%	3,935	96
Long term unemployed	47	30.5%	1,632	47
Basic literacy & numeracy needs	42	27.3%	2,148	58
Ex-offenders	40	26.0%	985	27
Black and Minority Ethnic groups	36	23.4%	2,365	66
Those made redundant	34	22.1%	428	15
Lack of childcare	32	20.8%	738	32
Gypsies/travellers	31	20.1%	443	14
Homeless	29	18.8%	994	34
Digital exclusion (lack access to IT etc)	29	18.8%	683	28
Refugees/asylum seekers	23	14.9%	75	3
English for Speakers of Other Languages	21	13.6%	705	34
Other	10	6.5%	1,273	127

\* based on 122 respondents

The results show that 122 organisations have contact with over 110,000 individuals per year. This figure requires some caution as an individual may be recorded as belonging to more than one socially excluded group and/or may be using more than one service. However these figures do show the reach of VCSEs into communities and contact with those who are socially excluded.

### 9.1 VCSE views on effective programmes

VCSEs were also asked if they would provide evidence of barriers and/or what works and almost half of those working with such groups (60) said they could, providing a valuable future resource in designing future programmes and in targeting funding on activities that are proven to work.

19% of the VCSE consider that they directly assist people into work and training and our survey identified 25 organisations working with more than 4,200 users a year on a wide range of activities. Organisations such as these are likely to be invaluable to the LEP in delivering its EU SIF because of:

- Their contact with priority beneficiaries;
- Their track record in delivery;
- Their experience of what does and does not work.

Organisations in our survey were asked to suggest other services that would meet the needs of excluded groups. Developing more volunteering, including development of more social action projects for young people, was a frequent suggestion. Some respondents felt that services needed to be more holistic so that the multiple issues of individuals could be addressed. Linked with this was the idea of a database of all training and workshops in Dorset. Projects that provided access to affordable transport and more local locations for training and support were also mentioned. Other suggestions included:

- Developing a project where in return for a business taking on someone, training them up and providing a job they receive a subsidy towards the salary;
- Support to make the setting up, management and financing of apprenticeships easier;
- Mentoring/support of families to establish routines and so develop readiness for work/training;
- Co-designing programmes with socially excluded groups;
- Subsidised training for voluntary organisations to provide coaching/training.

When asked if organisations had any experiences of approaches with socially excluded groups that did not work, the most common comment was that programmes too often are not adaptable to the needs of the individual user, or too short term to deliver sustainable change, i.e. one size does not fit all. Other observations were:

- Expecting young people to have the same level of commitment etc. as older people;
- Low take up of programmes due to underlying low level of basic skills, lack of confidence, poverty and transport;
- DWP advising users not to volunteer as they will lose benefits;
- The threat of sanctions is a poor motivator.

Organisations were also asked about what financial tools should be used to address social inclusion. A fairly common response was the provision of seed funding for new group activity and enterprises. Other suggestions included:

- More learner support funds and supported employment;
- Grants/loans given by credit unions;
- Rewarding those organisations that increase social value and use community assets;
- Business idea competitions;
- Bridging loans and overdraft facilities (particularly for EU funded programmes);
- Funding for transport;
- Continue to fund on-going work that is working (not for so called new and innovative);
- Subsidise key services such as childcare.

## 10. Our EU SIF priorities & recommended interventions

From our survey, the following thematic recommendations will form the basis of detailed planning work in spring/summer 2014. Continued work is also needed towards developing forums for communicating and developing ideas around the delivery of public services, understanding the scale of the future marketplace for the VCSE in health & social care, and other services.

### 10.1 What are our unifying programme principles?

1. **Local provider** led interventions and not national provider led initiatives are preferred;

2. **Length** of programme is 4-5 years rather than a 7 year programme on the basis that Dorset has a modest EU settlement and that we must position ourselves as a reliable delivery county, with a view to securing additional under spend later;
3. **Limit** the number of Dorset wide themes we tackle and ensure we deliver on this;
4. **Match** outcomes to business and labour market needs, and skills shortages;
5. **Address multiple issues** - mainstream services often only address one issue. Our programme should support the individual through a **partnership approach** to address this;
6. The VCSE sector has a role in creating better links with the private sector to provide **employer support** for people with multiple barriers to employment.

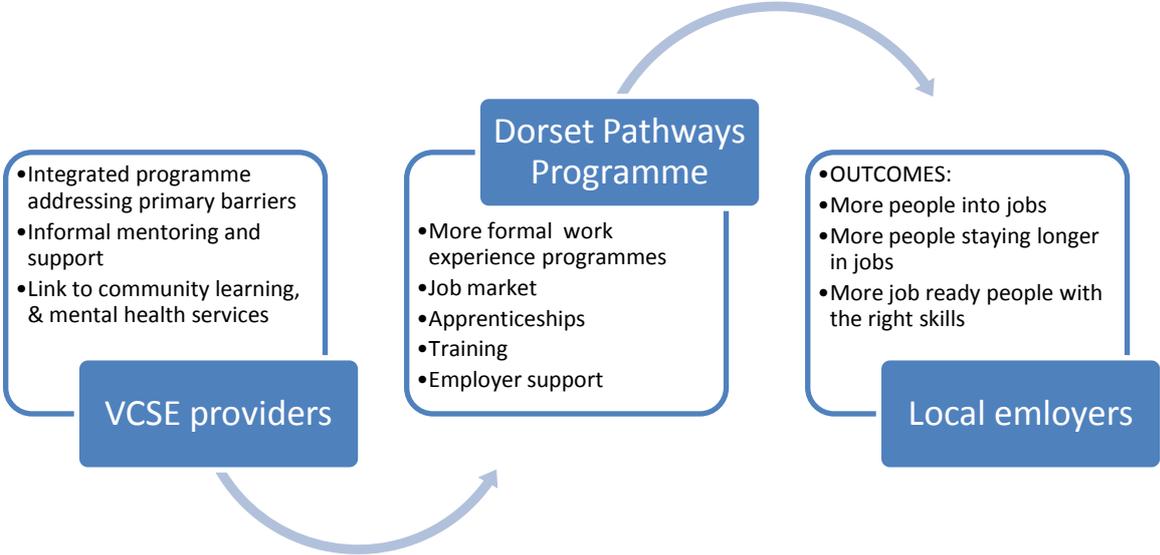
## 10.2 Supporting and improving the labour market and workforce

**Development of a Dorset wide preparation for work programme** to address the multiple issues of individuals providing the following support:

1. **Volunteering** programme as an introduction to the world of work, in developing skills, self-esteem and confidence, with progression routes into more formal training and/or employment. Development of more high quality volunteering roles (with accreditation), to not only benefit those who are socially excluded but also others such as graduates, skilled workers who wish to develop their CV, etc.
2. **Mentoring** programme, particularly for young people and those leaving prison. Utilise more experienced volunteers to work with users through buddying and mentoring. Focus to be on development of confidence and self esteem to facilitate entry into progression routes.
3. **Information, advice, and guidance** - providing good quality, and accessible, advice and guidance.
4. **Mental health** prevention support focussed on mental health and stress in the workplace. We define mental health as including non diagnosable conditions relating to self esteem, confidence etc.

This preparation for work programme would act as a pathway to more formal training and work experience programmes including the proposed Dorset Pathway Programme, and apprenticeships. In this way we would intend to (1) maximise the benefits of the Dorset Pathway Programme, whose partners work with their supply chains to create both paid job placements and unpaid work experience, and (2) the VCSE's expertise in addressing the multiple barriers preventing the long term unemployed moving back into paid employment.

With partners across sectors playing to their individual strengths, we intend to create a viable progression route for those furthest from the job market to improve their skills and capabilities.



### 10.3 Supporting business growth and innovation

#### Development of a social enterprise support service

In recent work with WSX Enterprises in developing the Driving Urban Enterprise project, it is apparent that there is limited access to specialist advice and support for social enterprises in Dorset, and our recommendation would be to invest in such a service. This service would also link to expertise offered by the Dorman service. Our recommendation would be to provide a service to complement the proposed Growth Hub for private sector SMEs, providing support in not for profit specialisms including:

- Legal structures & governance frameworks;
- Funding;
- Setting up trading arms;
- Market analysis;
- Contracting;
- Balancing profit maximisation with core purpose and values;
- Selling benefits/USP of using/purchasing from VCSE.

### 10.4 Financing

#### Maximise the BIG Lottery Opt - In

The Big Lottery ‘Opt-in’ is a unique opportunity for local VCSEs. Many VCSEs have experience of working with, and being funded by, BIG. Two of the three CVSs have been accountable bodies for partnerships receiving significant investment from BIG

and so have met BIGs reporting and accountability procedures, as well as having experience of partnership bidding and delivery.

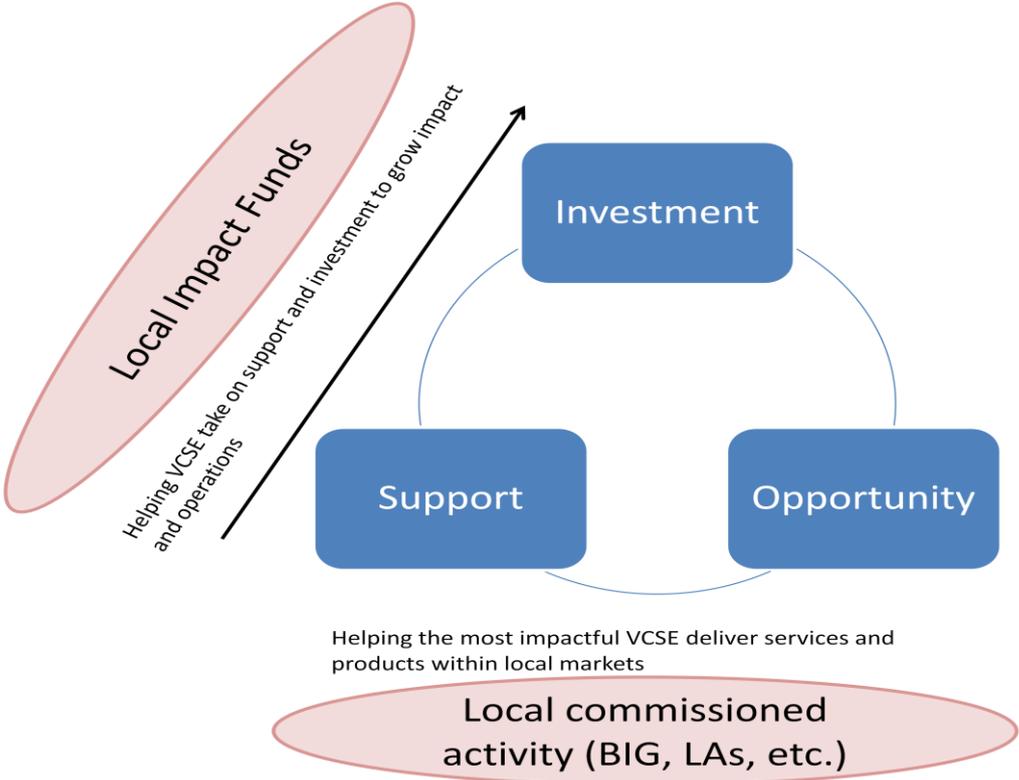
Currently BIG's indicative offer is £1.8M over four years. However we would recommend that the LEP increases this allocation over any offers from SFA and DWP. BIG are used to co-production and outcomes based funding, and will allow a great deal of flexibility and control with local deliverers. BIGs investment would allow the Dorset LEP, and local providers, greater flexibility to meet need, to innovate and to change delivery as barriers change.

BIG funding programmes are more likely to lead to local VCSE led services, which will develop the sectors capacity to leave a legacy after the life time of the EUSIF strategy. Based on the result of the VCSE survey, our respondents highlighted the need for a programme that:

- Recognises current successful work with targeted individuals, and our priority socially excluded groups;
- Has the ability to innovate to meet changing needs/barriers;
- Has the ability to work through partnerships;
- Can be adapted to localities and their assets and barriers;
- Supports services that are more joined up so that the multiple issues of individuals could be addressed.

### Explore the use of Local Impact Funds

With an ever changing funding landscape, we should explore the use of Local Impact Funds as a way to maximise EU funding.



Local Impact Funds mainly provide unsecured loans of under £250,000 to charities and social enterprises, and are designed to make a positive difference on a number of levels:

**Economic:** investments into charities and social enterprises to support their growth, allowing them to create more jobs, grow their turnover, improve their operations and engage economically with other organisations locally, increasing the contribution to Gross Value Added (GVA) activity. Investment might include bridging loans to cover running costs until a new contract starts, loans to expand workforces or purchase capital items, or to set up new organisations to meet a local need.

**Social:** investment in deprived areas to help achieve social inclusion amongst hard to reach groups, promote sustainable employment, increase targeted education, training and skills provision to disadvantaged people and develop innovative solutions to social problems.

Social enterprises say that access to finance is their single biggest barrier to growth and sustainability, and twice as many social enterprises as SMEs sought capital in the past 12 months (48% compared with 24%). The 2013 People's Business report showed that the average sum applied for by social enterprises was £58,000, suggesting a need for smaller-scale lending than is currently available to the sector from social investment sources. A good example is the Key Fund (<http://www.thekeyfund.co.uk/>), which currently operates a £20m ERDF Contract across the Yorkshire and Humber region covering 4 LEP areas and has been recognised as a best practice model for microfinance by the European Union.

### What do we need to do next to establish a Local Impact Fund?

Further work will be required to make a strong case for a Local Impact Fund in Dorset including establishing:

- Need and demand, and the 'market failure' or gap;
- Likely benefit to the area (no. of jobs created, business with improved performance, increase in businesses' turnover, increase to local GVA, etc);
- Investment return and sustainability for future investment into more charities and social enterprises.

In order to set up a Local Impact Fund, it will be important to establish relevant partnerships with local, regional and national players, and to have a plan for attracting private match funding. In Dorset, there is work required to establish the size and scale of future VCSE markets delivering public services, from local authorities, Clinical Commissioning Group, to Police and Crime Commissioner. The changes in health and social care is a future opportunity to develop a viable financing model in the next one to two years.

## 10.6 Other

### Promoting equality and combating discrimination

The VCSE has a long tradition of representing, and serving the needs of discriminated against groups. There already exist networks of groups that represent, and are run by such groups. Dorset REC runs a Diversity Forum across Bournemouth and Poole (average attendance of 30 VCSE equality groups) and Access Dorset has a network of 20 organisations run by disabled people. These networks have a fundamental role to play in supporting delivery of the EU SIF by:

- Providing routes direct to those that face discrimination;
- Advising on what will work and not work when engaging discriminated groups;
- Give expert advice to the LEP on developing its equality policies and scrutiny procedures.

### Reducing the Carbon footprint & sustainable development

The VCSE has a good track record in addressing low carbon and sustainable development priorities, both as organisations introducing processes that lead to lower carbon footprints, or in an advisory and service delivery role. Organisations such as da21, Dorset Energy Advice Centre, Dorset Reclaim provide services that aim to reduce carbon footprints. Collaborative projects such as Dorset Communities Living Sustainably are developing new services such as community energy schemes, etc. The development of community transport, transition towns, climate change, local food production and other projects can provide sustainable economic solutions to support the LEP in developing this cross cutting theme.

## 11. Conclusion

The VCSE in Dorset has a strong track record of working with those who are furthest from the workplace and face the largest barriers. Many VCSE organisations have the expertise, track record and competencies to achieve good success rates in working with such groups. The sector is well versed in looking at impacts, monitoring and the evaluation required for outcomes based funding programmes such as BIG. It also is a highly efficient sector, making use of match funding and donated time (volunteers), goods and service to multiply the cash investment it receives.

However the value of the VCSE in addressing barriers to work and training is not fully recognised and the issues (similar to all SMEs) of scaling up, ability to bid, economies of scale, put most of the VCSE at a disadvantage when bidding for contracts. Therefore although the VCSE would be a highly effective and efficient deliverer of LEP programmes, we would view adequate investment through the LEP as essential to fulfilling this potential.

# Appendix

## Members of VCSE Working Group

Alex Picot	Chief Executive	Dorset Community Action
Chris Beale	Chief Executive	Poole CVS
Steve Place	Senior Adviser	Bournemouth CVS
Bob Lowndes	Chief Executive	Autism Wessex
Blair Crawford	Chief Executive	Bournemouth YMCA
Dave Thompson	Chief Executive	Dorset Youth Association
Ginette Boyd	Programme Executive	Prince's Trust
Maria Clarke	Vice-Chair	Dorset Communities Forum
Marie Waterman	Manager	Volunteer Centre Dorset
Mark Powell	Chief Executive	Diverse Abilities Plus
Martin Hancock	Chief Executive	Bournemouth Churches Housing Association