

York and North Yorkshire Partnership Executive Item 3 19th FEBRUARY 2009

THE THRIVING THIRD SECTOR IN YORK AND NORTH YORKSHIRE: SUPPORTING AND FACILITATING ECONOMY AND ENTERPRISE

EXECUTIVE SUMMARY

The Third Sector makes an important contribution to the economy of York and North Yorkshire. It employs more than 10,000 people, has revenue of £270m, delivers volunteering activity valued at £103m and contributes 1.5-3% to the sub-regional GDP. The Third Sector works in partnership with others, for example to help deliver LAA targets; to regenerate neighbourhoods; to deliver public services and to promote social enterprise. There are opportunities to strengthen this partnership working; to contribute to creating an environment for a thriving Third Sector and to invest in the Third Sector to improve its impact and effectiveness.

INTRODUCTION

This paper is a part of a series being presented to each of the thematic partnerships across the NYSP. The purpose of the series is to enable NYSP partners to explore the contribution and value of the Third Sector; seeking to enable each of the thematic partnerships to lend support and commitment to the creation of an 'environment for a thriving Third Sector'.

Developed with the input from a range of Third Sector partners who operate across the sub region and with the support of the York and North Yorkshire Partnership Unit the paper provides an opportunity to examine how the Third Sector contributes to economic development in the sub region and to highlight opportunities for the sector to engage further with partners.

The paper is divided into four sections. The first provides an overview of the Third Sector in York and North Yorkshire. The second examines how the sector contributes to economy and enterprise. With the third drawing some conclusions and the fourth section making recommendations for the Partnership to consider.

1 THE THIRD SECTOR IN YORK AND NORTH YORKSHIRE

What is the third sector?

'Third Sector' is increasingly being used as an umbrella term, which includes voluntary organisations and community groups (both registered charities and other organisations), social enterprises, faith based groups, mutuals & co-operatives who:

- Are independent of national, regional, and local government
- Are 'value driven'- that is they pursue economic, social or environmental objectives rather than primarily aiming to make a profit
- Reinvest any surpluses in the pursuit of their objectives
- Are governed by trustee boards who are usually unpaid volunteers

A Thriving Third Sector: A study of North Yorkshire and the City of York, commissioned by the York and North Yorkshire Infrastructure Consortium this report was produced by the University of Teesside in October 2008. The report

estimates there are over 3,000 third sector organisations in the sub region and headline findings include;

- The sector employs in excess of 5,000 full-time and 5,500 part-time staff.
- In addition the estimated number of days undertaken in voluntary work is 207,000 per year.
- There are between 12-15,000 trustee / board places.
- The revenue of the sector is approximately £270m.
- The contribution of the sector to sub regions GDP being between 1.5 and 3%.
- The estimated equivalent value of volunteering activity £103million per year.

A full copy of this report will shortly be available on the NYFVO website www.nyfvo.org.uk.

Just under 80% of the Third Sector Organisations in York and North Yorkshire are registered charities. 7% describe themselves as social enterprises. Around 75% of organisations are very well established, having been in existence for over ten years. 47% of organisations in the sub-region are affiliated to or branches of larger organisations, and tend to have larger numbers of staff and volunteers than independent organisations. About one third of organisations are very small, volunteer run community based groups with an income under £10,000, whilst 15% have income exceeding £500,000.

Who do they work with?

Third sector organisations provide a wide range of activities, support and services with the main beneficiaries, in terms of the numbers of organisations working with each client group (in descending order) being:

- Older people
- People with physical disabilities
- Young People
- Women's issues
- Children
- Mental Health issues
- Men's issues
- Families
- People with learning disabilities
- Disadvantaged people in rural and urban areas
- People with low skills and education
- Homeless/badly housed people
- Black and minority and ethnic issues
- People with drug/alcohol addictions
- Ex-offenders
- Migrant workers
- The environment
- Asylum seekers
- Lesbian, gay or bisexual issues

How are they funded?

The Third Sector is uniquely placed to utilise funds from a variety of sources including charitable foundations and corporate trusts along with funding from UK and European economic development programmes.

The Thriving Third Sector; A Study of North Yorkshire and City of York identified the following principle sources of income for Third Sector organisations in 2008:

- Contracts and SLAs to deliver public services
- Local authority grant aid
- Individual donations
- Earned income

York and North Yorkshire Infrastructure Consortium

The Consortium is a partnership of the Local Infrastructure Organisations in the sub region (also known as CVS), York Racial Equality Network (YREN), Rural Action Yorkshire (RAY, formally Yorkshire Rural Community Council) and North Yorkshire Forum for Voluntary Organisations (NYFVO). Full details of Consortium members may be found in Annexe One of this report.

Working together to support the Government's Change Up agenda (to modernise third sector Infrastructure funded by Capacitybuilders) members of the Consortium are 'umbrella' organisations providing information, advice and support to 'frontline' Third Sector Organisations across the sub region. Consortium members also provide support for the Third Sector to engage with District LSPs, the NYSP and the Without Walls Partnership.

One of the key achievements of the Consortium has been the creation of a Common Database and a web based VCS Directory www.vcsdirectory.org.uk for the Sub Region. This initiative aims to co-ordinate information about the Third Sector and improve delivery of infrastructure support, avoiding duplication and maximising efficiencies. The new VCS Directory will enable partners from the NYSP and Without Walls to undertake more comprehensive consultation and communication with sector.

Currently the database holds records of some 1,400 organisations and recent NYSP investment will increase this to 2,500 organisations by March 2010. In addition, York CVS is planning a comprehensive mapping of organisations in the City of York (estimated at c.1000) and these details will also be included in the database and VCS Directory.

North Yorkshire Learning Consortium (NYLC)

The NYLC was established in late 2007 via Learning and Skills Council funding to provide a strategic voice, secure contracts for the Third Sector Organisations and promote workforce development. In its first year it has secured a mainstream Train to Gain contract which is delivering a wide range of NVQs and skills for life activities within the sector. They are also promoting sector workforce development via the Skills Pledge and Train to Gain Brokers.

Members of NYLC and the Infrastructure Consortium are working together on workforce mapping and the development of a workforce strategy for the sector over the coming year.

2. THIRD SECTOR ECONOMY AND ENTERPRISE

The third Sector has a recognised role in national, regional and sub-regional development policies. The key areas of engagement include:

- The Local Area Agreements for North Yorkshire and the City of York
- Local regeneration and development strategies
- Local strategies to tackle worklessness and disadvantage
- Provision of local services, particularly in isolated rural areas
- Generating new jobs e.g. through development of social enterprises

- Responding to demographic change e.g. migrant workers and older people
- Responding to opportunities for public service delivery
- Working with partners to meet the challenges of recession

2.1 Local Area Agreements 2008 – 2011

The 'Environment for a Thriving Third Sector' (NI7) is a new national indicator within the national indicator set and is designed to capture the overall contribution made by local statutory agencies to the environment in which Third Sector Organisations operate. Evidence of a thriving Third Sector will form part of the Comprehensive Area Assessment.

In the briefing to local strategic partnerships in April 2008 regarding NI7 The Office of the Third Sector notes the importance of the Third Sector to strong, active and empowered communities: that a vibrant, diverse and independent Third Sector is a vital part of a fair and enterprising society and that the Sector can help communities to be more cohesive and inclusive, and help individuals to have more say over issues that affect them.

The indicator has been adopted by both the Without Walls Partnership (N17) and the NYSP (L65) and a baseline is to be established following the results of a national survey of selected registered third sector organisations undertaken in autumn 2008. The results of the first survey have been produced and full results can be found at www.nstso.com. An analysis of the results is currently being undertaken locally and will inform the development of action plans to support the achievement of the indicator.

In North Yorkshire the NYSP Executive has supported a proposal from the Rural/Stronger Partnership to establish a **strategic steering group of NYSP partners** to oversee this work. It is recommended that a representative from the Partnership Executive becomes a member of this steering group.

There are a wide range of other targets within each of the Local Area Agreements (LAAs) in the sub region to which the Third Sector contributes. The following provide just two examples:

- The NSYP LAA target for **reducing the number of benefit claimants** focuses exclusively on Scarborough town, which has the highest concentrations of workless people in the sub-region. Here, the Third Sector worked closely with Scarborough Borough Council to deliver an EU Objective 2 programme over the last 4 years and continues to be involved as a partner in the development of initiatives to improve access to employment.
- Volunteers are the cornerstone of many Third Sector activities and, when properly resourced, volunteers are a huge asset for local organisations and the communities they serve. They provide a personal approach to local services and can contribute to reducing rural isolation. Volunteering offers an opportunity for people to use their skills and experience, of retired people for example, and can be a route into employment for those who need new skills or experience. Both LAAs have targets which aim to support increase in **volunteering activity** in the sub region.

2.2 Local regeneration and development strategies

The sector makes a substantial contribution to economic and social regeneration, engaging the "hard to reach" and 'hard to help'; delivering support and training

for disadvantaged people and providing community-based premises for training and other employment related activity.

Third Sector organisations are particularly effective in responding to multiple disadvantage and unemployment where barriers from debt, family and community breakdown, and mental health problems need to be addressed along with training and skills.

Third Sector organisations support **economic inclusion**, connecting people to economic opportunities through a range of mechanisms including 'Community Anchors'. These are multi-purpose, community led organisations that provide holistic solutions to local problems and challenges, bringing out the best in people and agencies. They are there for the long term and are often the driving force in community renewal.

For example the **Green Lane Centre Whitby** combines business, training and community facilities in a disadvantaged part of the town. It was opened in 2008 and was a partnership development between Scarborough Borough Council and Coast & Moors Voluntary Action, with funding from Yorkshire Forward and other public sector sources.

As providers of learning, skills and employability services and as employers Third Sector Organisations contribute towards the **People and Skills** priority grouping of the Sub Regional Investment Plan (SRIP). Third Sector Organisations offer a wide range of learning opportunities from softer non accredited community learning (PCDL) to first steps learning focussed on progression and employment (NLDC) through to employer responsive, fully accredited learning via Train to Gain and ESF funding.

Currently 145 Third Sector Organisations throughout the sub-region are being supported by North Yorkshire Learning Consortium to build their capacity to deliver learning, skills and employability services. This may be by accessing funds to deliver services, achieving recognised quality standards (Matrix/IIP), receiving information and advice to access the many opportunities available from Train to Gain and assistance to develop their own organisational training plans.

Supporting **workforce development** in Third Sector Organisations is a priority of both the York and North Yorkshire Infrastructure Consortium and North Yorkshire Learning Consortium and following a request by NYPU, in January 2009 York CVS produced a report 'Voluntary Sector Learning and Skills Overview'; this will be used to support workforce planning and the development of a Workforce Strategy for the Sector in the sub region.

The Third Sector organisations contribute significantly and are an integral part of the **tourism, retail and hospitality industries**. In 2008/2009 Harrogate and Ripon Councils for Voluntary Service jointly delivered a contract for Yorkshire Forward to support the development of customer care skills for Third Sector organisations in the Market Towns of Boroughbridge and Knaresborough through the 'Welcome to Excellence' Programme to support and enhance the visitor and cultural offer of the towns.

Although widely dispersed, **worklessness** and **disadvantage** exist in rural areas. The North Yorkshire Rural Evidence Base (2007) shows that there are significant "pockets" of deprivation across the Ryedale Wolds, the Filey area and to the north of Whitby. Work related benefit levels are significantly high in the Ryedale Wolds, coastal communities and southern Selby district. Third Sector Organisations play a significant role in supporting individuals to access services

and employment opportunities in rural areas for example through the provision of rural community transport schemes;

- **RYECAT** based in Malton, is the sole community transport service in Ryedale and provides a range of services across the district, including the provision of **ring & ride** covering the remote North Wolds villages where there is little or no public transport. **RYEPOD** launched in January 2008 is designed to accommodate a wide range of activities from mobile youth club to information centres.
- **Selby District Community Transport**; based at Selby District AVS runs a number of services and schemes that support both local Third Sector Organisations and members of the community to access services and support. The **Scheduled Service** is provided daily from outlying villages in the Selby District to a designated employer, ensuring people living in rural villages with no access to public transport are able to get to their place of work. The **Social Car scheme** also undertakes contract work for NHS, NYCC and Yorkshire ambulance service providing on average 40 trips a week. Funding the service comes from a variety of sources, including contracts with NYCC, PCT, fees and earned income.

2.3 Provision of locally responsive services

Many third sector organisations grow out of local communities, often in response to unmet needs and have knowledge of their localities and an understanding of their local community.

The services and activities provided by Third Sector Organisations are flexible, often pioneering approaches to support and community activities which are based on individual user needs. Many are user led, often including user involvement within the organisations governance arrangements.

For example **Esk Moors Caring** has developed a remarkable range of services for the local elderly community around the Upper Esk Valley using a social enterprise model. Working in partnership with the local authority and the PCT it has also developed an innovative extra care housing scheme with Abbeyfield Housing.

North Craven Youth Cafes Project developed by Rural Action Yorkshire as one of the PSA4 intervention projects, aims to increase young people's social opportunities by using existing community buildings to create a safe place for young people to drop in, get refreshments and relax. An integrated approach has been developed to use the skills and resources of young people, third and public sector organisations to develop and manage the cafes and trading activities to support the sustainability of the project.

The Rural Evidence Base highlights areas across Richmondshire, northern parts of Harrogate, North York Moors, western Craven and the Ryedale Wolds as those with greatest accessibility issues and Third Sector organisations play an important role in reducing rural isolation and the provision of services to rural communities.

For example, **Hudson House Rural Enterprise Centre** is delivering a project in Swaledale developed as part of the PSA4 programme to pilot innovative ways of delivering services to remote rural areas, using IT and new technology. The project provides a 'face to face' service from Richmondshire DC, Richmondshire CAB, Richmondshire CVS and Hambleton & Richmond Carers Association into remote villages within the Dale.

The Wheels to Work project run by Northallerton & District Voluntary Services Association and funded by Hambleton and Richmondshire District Councils; NYCC; and Yorkshire Forward supports between 80 – 90 people a year to access work or training through support with the development of travel plans and the provision of bikes. Since the project started in May 2001, it has enable 600 people to access work or training and 200 people to undertake Modern Apprenticeships. 85% of people who have accessed the scheme have been successful in obtaining their own transport.

Village Halls are often the focal point of local community activities and the **Village Hall Portal** is a pioneering project run in partnership between Rural Action Yorkshire, NYCC and Rural Click. Village Halls and other Rural Community Buildings can access a wide range of support materials, publish information and engage with their users. The North Yorkshire Portal can be viewed at <http://www.ruralclick.com/cdps/majorcat.cfm?cid=14&maj=North%20Yorkshire>

2.4 Supporting Social Enterprise

The Office of the Third Sector describes Social Enterprises as ‘businesses with social objectives whose surpluses are principally reinvested for that purpose into the community, rather than being driven by the need to maximise profit for shareholders or owners’. Social enterprises operate in a wide range of industries from farmers markets and recycling to transport and childcare, often providing employment for disadvantaged people in work that meets social and community needs.

For example **Paperworks** in Harrogate is a Social Enterprise that provides crucial work experience and training to people with a range of learning or physical disabilities. Trainees gain experience working in a commercial environment delivering print finishing, packing and mailing services which benefit private and public sector businesses as well as local organisations, by enabling them to save vital in-house time allowing other activities.

York Credit Union promotes financial inclusion and is an important social enterprise. Work is well underway to expand this service to cover the whole of North Yorkshire, supported by the local authorities and other partners.

The Third Sector also provides workspace for new businesses for example **Richmond Station** which won the title of Social Enterprise of the Year 2008 at the recent Yorkshire and Humber Social Enterprise Awards.

Between 2005 and 2008, NYFVO Social Enterprise Development Project, delivering a sub contract from Business Link, provided information, advice and support to 370 organisations, including 50 new start ups and with 75 organisations benefiting from small grants to support business development.

NYFVO and the Local Infrastructure Organisations have continued to work closely with the new Business Link and in particular the Social Enterprise Support team, to ensure that local organisations and members of communities have access to support services to develop enterprise activities in local communities.

Working with local authorities and other partners, NYFVO is planning to take this work forward through a new social enterprise development sub-group of the Y&NY Business Support Partnership. This group will support the co ordination of

additional resources targeting social enterprise that are to be made available through a number of routes into the sub region.

2.5 Responding to Demographic Change; Supporting Social Inclusion and promoting Community Cohesion

Compared with other parts of the region, North Yorkshire has a high proportion of older people and this figure is forecast to increase over the next few years.

Third Sector Organisations provide a wide range of services and support for older people across the sub region such as befriending schemes, meaningful day activities as well as direct practical services that enable people to be an integral part of their communities and have access to support they need.

The Third Sector also offers for opportunities for people to be involved and engaged in local decision making. For example the Better Government for Older People (BGOP) locality structures and groups, enables voices, concerns and needs to be heard and acted upon. Age Concern North Yorkshire is supporting the new Older Peoples Partnership Board, which aims to provide a voice for older people within the NYSP Adult Strategic Partnership (NYASP) Structure.

Whilst the sub region has relatively low numbers of people from BME communities; this number has been growing steadily particularly with the increase in the number of migrant workers. However, although only anecdotal evidence is suggesting that with the current economic climate the number of migrant workers is not growing as fast as originally predicted.

In North Yorkshire the Third Sector are members of the NYSP Equality Task group and have supported the development and dissemination of the North Yorkshire Welcome Pack for migrant workers coming to the sub region.

The Inclusive York Forum a sub group of the Without Walls Partnership is chaired by York CVS. The group draws representatives from the Third, public and private sectors and it is currently examining the impact of economic downturn on local communities.

Third Sector organisations play a crucial role in supporting social inclusion and promoting community cohesion. York Racial Equality Network (YREN) provides information and support to individuals, third and public sector organisations with the aim to enhance community cohesion. YREN as Vice Chair of North Yorkshire Police Independent Advisory Group is working with partners to assess current tension monitoring information and to support work with local organisations to promote cohesion across local communities.

2.6 Responding to opportunities for public service delivery

National government policy aims to increase the number of public services delivered by Third Sector Organisations. The Office of the Third Sector states that 'Public service reform means there are growing opportunities for Third Sector Organisations to get involved in improving service delivery. This can be by:

- Helping design services
- Giving a voice to service users
- Delivering services themselves
- Evaluating services

- Coming up with innovative ideas to improve delivery

The Government is working to achieve a fairer playing field for Third Sector organisations so they can win the contracts they are best placed to deliver.'

However, many Third Sector Organisations are finding access to public sector (including EU) funding increasingly difficult as grant aid is replaced by competitively tendered contracts. While the benefits of Third Sector involvement in regeneration are widely recognised, not least by national government many Third Sector organisations are facing difficulties in playing their full part within new, contractual funding regimes.

Third Sector Organisations need to have information, advice and support to enable them to engage fully, as equal partners, in commissioning processes and other funding regimes. This will ensure that the knowledge, information and experience of Third Sector Organisations is recognised and valued by all partners and not lost to the economy of the sub region.

Members of the York and North Yorkshire Infrastructure Consortium aim to continue to work with Local Authority, NYY NHS and other Commissioners to;

- support the maintenance of grant funding as appropriate
- provide the communication channels to support full consultation with Third Sector Organisations across the sub region regarding the development of new funding mechanisms
- support Third Sector Organisations to engage with the design of commissioning processes
- develop a programme of Third Sector Procurement Champions
- ensure the development of new processes comply with the two local Compacts
- provide information, advice and support to build the capacity of organisations to engage fully with new funding arrangements.

2.7 Working with partners to meet the challenges of recession

The sub-region has a relatively high proportion of workers in the vulnerable retail and manufacturing sectors. Regional forecasts show that, in Scarborough town alone, up to 3,000 jobs could be lost over the next two to three years.

The long-term unemployed and disadvantaged are likely to face particular difficulties in this situation and the Third Sector has a vital role to play when Welfare Reform will require many of the hardest to help individuals to access the labour market at a time when jobs are scarce.

The Third Sector is likely to see a rise in demand for personal support as well as learning, skills and employability services. Effective links between the Third Sector and existing provision, including Pathways to Work and emerging Flexible New Deal services will be key to the success of this process.

The down turn may also mean there is a rise in tensions between communities and individuals; anecdotally YREN has recently received reports regarding tensions between individuals. Third Sector Organisations are uniquely placed to work with partners to support individuals and communities to work together during the recession, ensuring that they have access to support and information that they need, supporting community engagement and promoting community cohesion.

Since reopening after Christmas the latest client statistics from the North Yorkshire Citizens Advice Bureaux show an increase of 23% of clients using their services. The main issues that are affecting people in North Yorkshire are debt, redundancy, insecure housing, and the impact on savings; further analysis of the statistics is currently being undertaken to feedback to the NYASP. This work will feed into the monitoring of the economic downturn which is to be under taken through NYPU.

York CVS is currently undertaking a short survey with the Sector in York to establish how organisations feel the recession is affecting them and their users. This information will help York CVS understand what support services local organisations may need and will enable information to be fed into local planning processes through third sector representatives on partnerships, and the Without Walls Partnership. The information will form part of the intelligence gathered by members of the Infrastructure Consortium across the sub region.

As part of the recently announced 'Real Help for Communities' Third Sector Action Plan, members of the Infrastructure Consortium will be able to access short term funding through Capacitybuilders to work with partners to support the Third Sector respond to the challenges of the economic downturn.

Working with NYPU it is hoped that this work will enable the Partnership Executive to gain further intelligence regarding the impact of the down turn on communities and on Third Sector Organisations.

3 CONTRIBUTION OF THE SECTOR AND OPPORTUNITIES FOR FURTHER PARTNERSHIP WORKING

'The sector clearly makes a significant contribution to the local economy through employment and trading activities. Much of this economic contribution comes from the voluntary action of people in the area who give their time and expertise to Third Sector Organisations. It is equally evident that the sector makes a major contribution to civil society through its service to beneficiaries and by giving opportunities for voluntary action.' **A thriving third sector: a study of North Yorkshire and the City of York October 2008.**

The third sector in York and North Yorkshire

- Plays a significant role to the economy of the sub region and is growing employment sector in its own right
- Offers volunteering opportunities, which contribute to the local economy, provide a potential route to employment and offer opportunities to develop new skills
- Includes social enterprises and enterprising organisations and promotes their development
- Has infrastructure support structures which support the growth and development of the sector and of volunteering, which require ongoing investment
- Is an advocate and conduit for local residents, communities of interest and disadvantaged groups and contributes to social inclusion and community cohesion
- Promotes local economic development and the regeneration of neighbourhoods

- Contributes to improving the skills of local people, particularly in disadvantaged communities and with non-traditional learners
- Is a contractor and potential contractor for public service delivery
- Is able to promote and support flexible and innovative solutions

The third sector can work with partners to

- Contribute further to the delivery of LAA targets and the Sustainable Community Strategies
- Respond to recession monitoring the impact and delivering services to assist local people
- Provide jobs for local communities and help people to access employment opportunities, for example by tackling barriers and offering training
- Promote and support social enterprise development
- Meet the challenges of demographic change
- Develop innovative ways of working including new ways to deliver health and community services
- Develop the role of the third sector in delivering public services
- Play a key role in developing local solutions to make national policy more effective

4 RECOMENDATIONS

- The partnership accepts this report, acknowledging the contribution of the Third Sector in the sub region
- The partnership nominates a representatives to be a member of the Strategic steering group established by the NYSP Executive to oversee the development of a third sector strategy
- The partnership supports activities that build Third Sector Organisations' capacity to contribute to the development of local priorities, engage with partners, supporting the achievement of better outcomes for the people and communities in York and North Yorkshire.

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