

THE RIPPLE EFFECT:

THE ECONOMIC CONTRIBUTION OF
THE VOLUNTARY, COMMUNITY AND
FAITH SECTOR IN LEEDS

A SUMMARY



FROM A RESEARCH REPORT BY

Leeds

Voice

It is time to take stock of the sectors size, weight and capability capacity.

Our research project to give a picture of the voluntary, community and faith sector's expenditure in Leeds, its workforce, both paid and unpaid, the source of the sector's income, the size and make up of the sector's organisations, a feeling for the sustainability of those organisations and where the sector's services fit in relation to current policy and delivery plans. In addition to this, it considers the 'added value' or 'social return of investment' received when the voluntary, community and faith sector is delivering a service.

These statistics give an accurate picture of the economic contribution of the sector and should, we hope, result in the voluntary, community and faith sector being more widely recognised as an equal economic partner in the development and support of the city as a regional capital and as a vital lifeline to the cities most deprived communities.

This executive summary gives an overview of the study findings.

The full research report is on the Leeds Voice website; www.leedsvoice.org.uk

- **Expenditure**

The 324 responding organisations reported a total expenditure in 2005 - 2006 of £85,214,819. Assuming that the sample of 324 is representative of the 1824 groups that received the questionnaire and extrapolating this figure out gives an estimated total annual expenditure for the voluntary, community and faith sector in Leeds in 2005 - 2006 of £429,397,473. This figure is significant when compared to the GDP of the city which is estimated at £9 -10 billion.

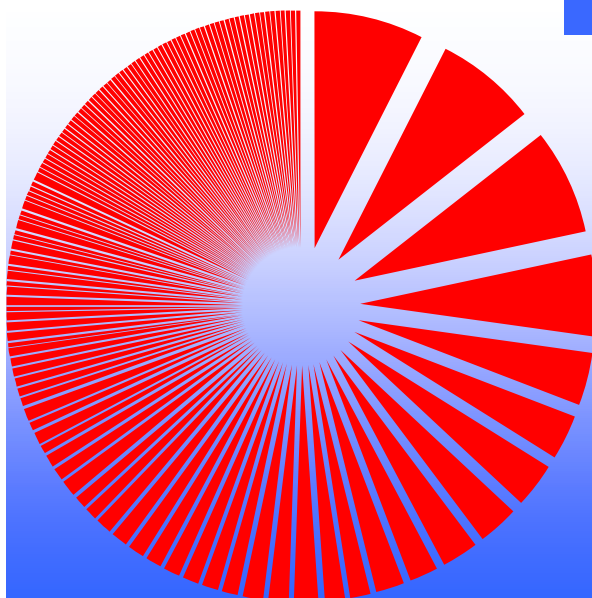
- **Staff**

The survey respondents employed a total of 4,564 members of paid staff in 2005 - 2006; made up by 2,253 fulltime employees, 1,307 part time employees and 1,004 casual or sessional workers. A rough calculation assuming the respondents are representative of the wider sector provides an estimated figure of 22,820 staff employed by the sector in Leeds. This figure is comparable to the construction sector in Leeds which employed 22,500 in 2005

- **Volunteers**

The survey respondents employed a total of 19,097 unpaid volunteers in 2005 - 2006; made up by 208 fulltime volunteers, 2,232 part time volunteers and 16,661 casual volunteers. A basic calculation assuming respondents are representative of the wider VCF sector in Leeds provides an estimated wage replacement value of £64,757,655.

Expenditure by Individual Organisation



This graph depicts each individual organisation's expenditure as a proportion of total expenditure in Leeds. The four biggest organisations account for more than 25% of total expenditure.

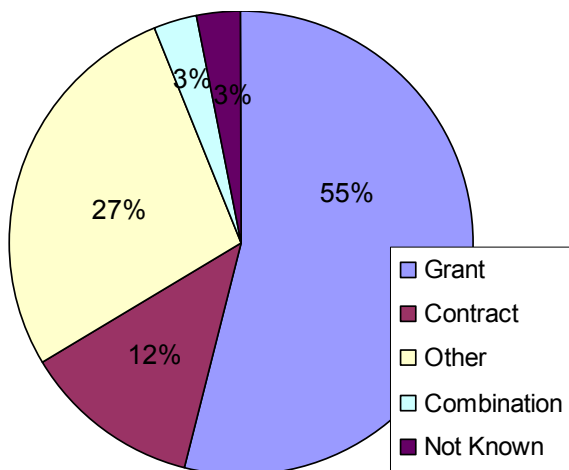
- Changes in Income**

Organisations with an income between £10 000 and £500 000 experienced the greatest fluctuation in funding, with a high number of organisations benefiting from an increase in income, and a similarly high number suffering from decreases compared with other bands. This was particularly pronounced in the £100 000 - £500 000 band.

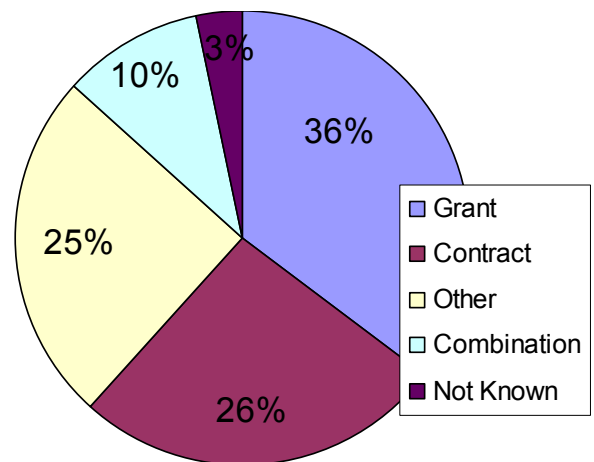
Organisations with over £500 000 were most likely to have benefited from an increase in funding in the last financial year. Over twice as many organisations in this bracket reported a larger increase than the average.

- Types of Income**

Count of Funding Arrangements



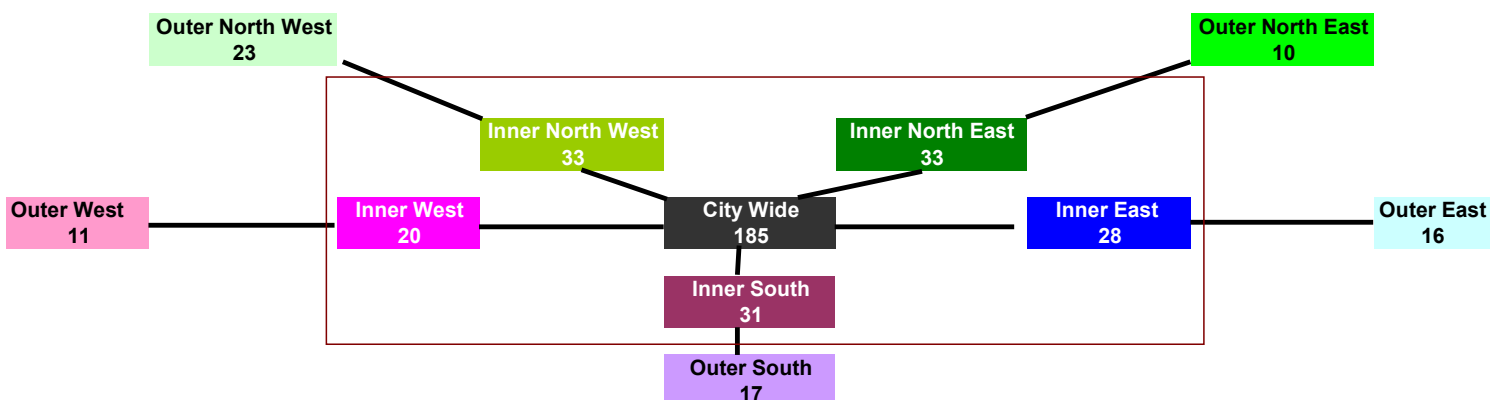
Income Value of Funding Arrangement



The responses indicated that grants form the majority of individual income arrangements within the voluntary, community and faith sector in Leeds (53.9%) with contracts only making up a small proportion (12.4%) of the funding arrangements. Other sources of income, mainly self-generated, account for a further 27.5% of funding arrangements.

When other sources of income (generally self-generated) and grant funding are taken together, they make up 60% of the value of income for the sector in Leeds and so only a relatively small amount of voluntary, community and faith sector funding comes from contracts (26%).

Count of Organisations Operating Within Different Geographical Areas of Leeds



This figure overleaf illustrates a concentration of activity within the inner city areas as opposed to the outer city areas. This reflects the statistics that 71% of organisations identified their organisations as working within the Safer and Stronger Communities theme of the LAA (2005-7), where the neighbourhood renewal funding and agenda is concentrated.

- **Added Value**

Added value is an economics term increasingly used in social accounting to refer to the social, environmental or economic benefits which an organisation delivers to the community they work within or for; sometimes referred to as 'social added value' or 'community benefits'.

The statistics in the full study only illustrate the tip of the iceberg. The voluntary, community and faith sector provide a host of added value outcomes. Assigning a financial value to this added value can be problematic as they are the impacts that automatically come along with the core service as a result of the way the service is delivered.

Some Examples Given By Respondents Are:

- Preparing people for employment through volunteering opportunities, formal and informal learning and building self-esteem and confidence, particularly those most at risk of unemployment.
- Reduction in financial exclusion through good independent advice, advocacy and support, improving benefit take up, welfare services and access to housing.
- Maintenance of public green space by volunteers, creating healthy, sustainable environments, with pride and ownership by the local community.
- Supporting independence and active lifestyles through home care and preventative work with vulnerable people reduces admissions to hospitals through accidents, falls and avoidable ill health.
- Sustainable development of individuals and communities in achieving their full potential using an empowerment model.
- Encouraging mental and emotional wellbeing through social activities, developing friendships and supporting active lifestyles.

This summary of the full research report provides a selection of hard hitting statistics.

The full report will be available at www.leedsvoice.org.uk from the 18th January

Leeds Voice would like to thank all the respondents who took part in the research

Leeds Voice

54-58 Concourse House
432 Dewsbury Road
Leeds, LS11 7DF
0113 277 2227 / info@leedsvoice.org.uk
www.leedsvoice.org.uk

Strengthening and representing the voluntary, community
& faith sector in Leeds. A Leeds Initiative Partner.