Digest of key findings from the Third Sector Trends study in East Yorkshire and the City of Kingston upon Hull

Tony Chapman
St Chad's College
Durham University

November 2017

Third Sector Trends Study

The Third Sector Trends study was conceived and originally commissioned by Northern Rock Foundation with research conducted by the Universities of Southampton, Teesside and Durham. The Community Foundation Tyne & Wear and Northumberland was a co-funder of the research and is now responsible for its legacy. The Community Foundation is now collaborating with partners including St Chad's College at the University of Durham, Joseph Rowntree Foundation and IPPR North to expand and continue the research.

Published by Policy & Practice
St Chad's College
Durham University
18 North Bailey
Durham
DH1 3RH

November 2017

All Third Sector Trends Study reports are available at this address:

http://www.communityfoundation.org.uk/knowledge-and-leadership/third-sector-trends-research/

1 Introduction

This paper provides headline indicators of the current situation of the Third Sector (which includes voluntary and community organisations and social enterprise) in East Yorkshire and City of Kingston upon Hull drawing upon the most recent data which are available.

The research analysis was undertaken by St Chad's College, Durham University. *Joseph Rowntree Foundation* commissioned this study in Yorkshire and the Humber and I would like to thank Emma Stone, Director of Policy and Research, for her advice and support throughout the project.

Many organisations have helped to promote the study in the public sector and the third sector. Several local councils, health authorities and Big Lottery helped to promote the study by sending details to their lists of contacts. Support was also given by the region's sub-regional infrastructure bodies and community foundations, together with most local Councils for Voluntary Services and Rural Community Councils.

We gained a great deal of support and encouragement from local infrastructure organisations and public-sector organisations in East Yorkshire and Hull for which I am grateful.

I am immensely grateful to the many people in Third Sector organisations in East Yorkshire and Hull and across Yorkshire and the Humber who contributed to this study by completing the questionnaire. I hope that the findings will be useful for them and for the whole sector.

Given the limited data available for analysis the report is, essentially, descriptive. Consequently, the paper should be read as a research briefing rather than a considered analytical study of the sector and preferably in conjunction with the main Yorkshire and the Humber report.[1]

2 Data sources

This analysis draws upon data from the following sources. The Yorkshire and the Humber Third Sector Trends survey undertaken in 2016. The National Survey of the Third Sector (NSTS) conducted by Ipsos/Mori for the Office of the Third Sector in 2008 and 2010. The Northern Rock Foundation Third Sector Trends Baseline Study of Yorkshire and Humber published in 2010.

[1] The Yorkshire and the Humber report is available here: https://www.stchads.ac.uk/research/research-news/yorkshire-humber-third-sector-trends-study-published/ All other Third Sector Trends working papers are available at http://www.communityfoundation.org.uk/knowledge-and-leadership/third-sector-trends-research/.

3 The Third Sector Trends Study

The online survey took place from September to December 2016. A total of 1,083 responses were received in Yorkshire and the Humber. Additionally, 1,012 responses were received in North East England and 1,462 in North West England – producing a total survey response of 3,557. This represents a response rate of 10.6% for the survey based upon NCVO[2] estimates on the population of TSOs in Yorkshire and the Humber of 10,248.

The analysis which follows mainly presents undifferentiated Third Sector Organisation (TSO) responses in East Yorkshire and Hull to a wide range of questions asked in 2016. This limits the extent of understanding to some extent as they represent answers from a wide range of organisations of different sizes, practices, areas of thematic interest or organisational ethos.

Some analysis is undertaken of TSOs by three income categories but this is only possible in a limited number of areas of analysis due to sample size. More detailed analysis of TSO activity by size, practice, beneficiaries and so on, can be found in the main Yorkshire and Humber Third Sector Trends report, but analysis is not undertaken at local authority level.

In East Yorkshire and Hull, the sample is relatively small (2016 n=146), so caution needs to be taken in the interpretation of the data. To show representativeness of findings, comparisons are made with the whole region.

A baseline study of the size and structure of the Third Sector was undertaken in 2008 as part of the Third Sector Trends study. This research also included analysis of sector employment and volunteering. While these data are now quite out of date, they provide a sound basis for estimating the size of the sector.

As Figure 1 shows, the structure of the East Yorkshire and Hull sample is dissimilar to Yorkshire and the Humber. There are more smaller TSOs in the sample (+17%) which means that the findings will reflect a bigger representation of less formally structured organisations which employ none or very few staff.

Figure 1 **Third Sector Trends Sample** (2016)	**East Yorkshire and Hull**	Yorkshire & the Humber
Smaller TSOs (income below £50,000)	**68.3**	51.4
Medium (50,001-£250,000)	**14.5**	22.6
Larger TSOs (£250,000 and above)	**17.2**	24.2
N=	**145**	1071

[2] Civil Society Almanac 2016: https://data.ncvo.org.uk/a/almanac16/geography-2/

3 Key findings

3.1 *Size and structure of the Third Sector in East Yorkshire and Hull*

To aid interpretation of 2016 Third Sector Trends data, the first step of the analysis is to estimate how large the sector is in East Yorkshire and Hull. Baseline statistics were assembled in 2008 based on Guidestar data. These data included all non-profit organisations except for schools, universities, housing associations and public hospitals.

While these data are now quite old, it is known from national data and from Third Sector Trends data that the structure of the Third Sector has not changed dramatically since then – suggesting net growth of not more than 10% of TSOs.

Figure 2 shows that the number of TSOs in East Yorkshire and Hull was 1,575 in 2008, so it may be assumed that the current population of TSOs is in the range of 1,600 – 1,700. It is likely, however that there could be many more informal organisations which sit underneath the radar of official statistics.

Often it is estimated that there are 1.2 informal TSOs for every formal organisation – which would bring the overall population of TSOs up to between 3,500 – 3,750 organisations and informal groups although this cannot be verified empirically in East Yorkshire and Hull.

Figure 2 **Number of TSOs in East Yorkshire and Hull** (2008)	General charities	Community Interest Companies	Companies Limited by Guarantee	Industrial and Provident Societies[3]	Faith Groups	Total
East Yorkshire	**936**	**1**	**66**	**31**	**71**	**1,105**[4]
City of Kingston upon Hull	**333**	**1**	**98**	**17**	**21**	**470**
Total	**1,269**	**2**	**164**	**48**	**92**	**1,575**

Figure 3 presents 2008 baseline estimates on sector income, assets and expenditure within the charitable sector. As sector income has remained similar at national level, it may be assumed that current income in East Yorkshire and Hull would not be particularly dissimilar from 2008 figures (if adjusted for inflation).

[3] The term Industrial and Provident Society (IPS) became redundant following the *Co-operative and Community Benefit Societies Act 2014* in Great Britain (but not Northern Ireland). IPSs are now known as ‘co-operative’ or ‘community benefit societies’. In the Third Sector Trends study, such societies are included providing that they invest profits wholly towards social purposes rather than private personal benefit.

[4] NSCSE estimated that the number of TSOs in East Yorkshire was 964 in 2008 and 523 in the City of Kingston upon Hull.

Figure 3 **Number of TSOs in East Yorkshire and Hull[5]** (2008)	Income	Expenditure	Assets	Number of general charities	Population	% charities per 1000 population
East Yorkshire	£39.7m	£40.1m	£111.7m	936	258.700	3.6
City of Kingston upon Hull	£91.1m	£81.9m	£254.1m	333	335,000	0.9
Total	£130.8m	£122.0m	£365.8m	1269	593,700	2.1

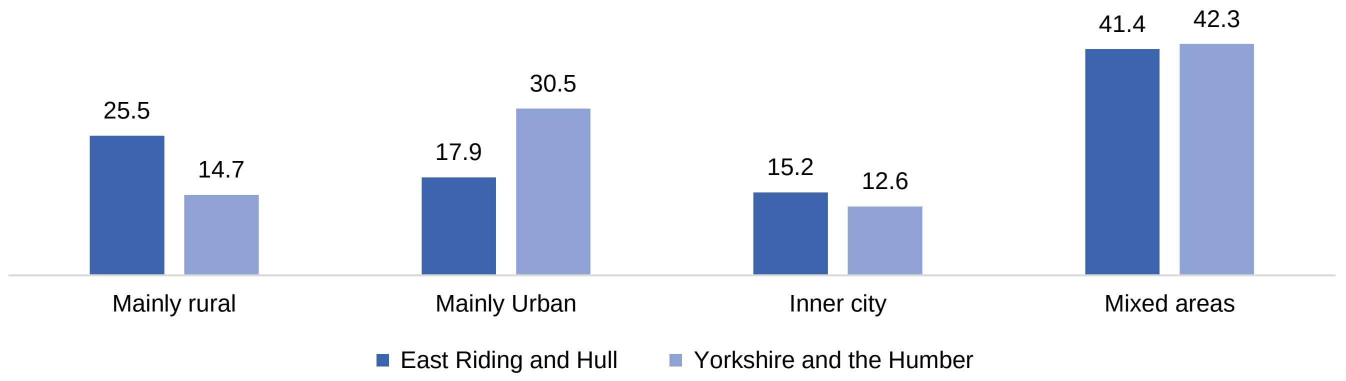
Figure 4 shows the geographical range worked by TSOs in East Yorkshire and Hull using TST data. It is evident that a majority of TSOs work within the local authority (65%) and that 38% work only at a very local level. The percentages in East Yorkshire and Hull mirror those of Yorkshire and the Humber only in a limited way. There is a larger proportion working locally, due to the disproportionately large number of small TSOs in the sample.

Figure 4 **Spatial range at which TSOs work** (2016)	**East Yorkshire and Hull**	Yorkshire and the Humber	% variation
Work within a single neighbourhood or village	**37.5**	29.5	+8
Working only in East Yorkshire and Hull	**27.1**	40.5	-13
Work within East Yorkshire	**18.6**	13.9	+4.7
Work in Yorkshire and the Humber	**8.3**	8.5	=
Work beyond regional level	**9.0**	7.6	+1.4
N=	**144**	1,071	

Figure 5 presents TST data on the percentage of organisations and groups operating in predominantly urban or rural areas in East Yorkshire and Hull. Over a quarter of TSOs operate mainly in rural areas (26%). Many fewer work in inner city and urban areas than the regional average which reflects the spatial distribution of population in the area.

[5] Data from Mohan, J. et al. (2013) Paid work and volunteering in the third sector in Yorkshire and the Humber, Newcastle, Northern Rock Foundation.

Figure 5 **TSOs working in rural, urban and inner city areas (2016)**



3.2 Organisational purpose and beneficiaries served

The purpose of TSOs in East Yorkshire and Hull is shown in Figure 6. It is clear from these data that more TSOs in East Yorkshire and Hull are engaged directly in primary service delivery (32%) than in Yorkshire and the Humber (29%).[6]

TSOs in East Yorkshire and Hull also appear to be more likely to be engaged in the delivery of secondary services such as information, advice and guidance (23%).

Of those smaller TSOs which serve the public through community, sports, arts and heritage and other such activities, it is evident that more TSOs are addressing issues such as social, sporting and arts and music groups or societies (22%) than immediate social or personal needs (15%).[7]

Figure 6 **Principal service function of TSOs** (2016)	East Yorkshire and Hull	Yorkshire and the Humber	% variation
Primary services (direct services to beneficiaries such as training, accommodation, social care, etc.)	**32.1**	28.5	+4
Secondary services (indirect services to beneficiaries such as advice and guidance, information, etc.)	**22.6**	19.9	+3
Tertiary services (infrastructure organisations, grant making foundations, campaign and research bodies)	**8.0**	10.8	-1
Smaller TSOs which attend to immediate social or personal needs	**15.3**	27.6	-12
Smaller TSOs which seek to provide social, sporting, arts, music, societies, animals or environmental benefit	**21.9**	13.2	+8
N=	**137**	926	

[6] Primary service delivery generally refers to activity delivered for a commissioning body such as a local authority or charitable foundation by contract or grant. In some cases, service delivery can be achieved by self-funded activity (in the case of a social enterprise, using its surpluses) or client funded delivery which is rarer.

[7] This category generally refers to small organisations, most of which operate on a wholly voluntary basis. Sometimes the work of the organisation is undertaken to meet the needs of discrete groups of people, many of whom may also be the volunteers who run the organisation (such as a local operatic society). On other occasions, they may be devised to meet the needs of a target group, such as facilitating 'lads and dads' football teams to help tackle youth issues.

As Figure 7 shows, the percentage of TSOs tending to beneficiary needs vary to some extent from the regional averages. While sample size limits the value of this analysis, it is useful to note that TSOs in East Yorkshire and Hull are more likely to cater for the needs of people in rural areas, disadvantaged areas, people and households in poverty.

There are fewer TSOs serving the interests of Black, Asian and minority ethnic communities in East Yorkshire and Hull – as would be expected given the demography of the area.

Figure 7

Meeting the needs of beneficiaries by TSOs in East Yorkshire and Hull (2016)	East Yorkshire and Hull	Yorkshire and the Humber	% variation
Children and young people	**41.8**	40.3	+1
Older people	**37.7**	39.3	-1
People with mental health conditions	**33.6**	31.8	+2
People with physical health conditions	**30.1**	26.3	+4
People in disadvantaged urban areas	**28.8**	23.4	+5
People in rural areas	**27.4**	16.0	+12
People with physical disabilities	**26.0**	26.1	=
Unemployed/workless	**25.3**	20.1	+5
People or households living in poverty	**24.0**	20.8	+4
People with homelessness/housing issues	**17.9**	13.2	+3
Carers	**10.3**	15.4	-5
People of a particular ethnic or racial origin	**7.5**	8.4	-1
People with concerns about gender/sexuality	**4.1**	4.9	-1

3.3 Income, assets and reserves

This section considers change in organisational income over the last two years for TSOs in East Yorkshire and Hull using TST data. Figure 8 shows that the majority of TSOs had stable income (64%) which is the same as the regional average for Yorkshire and the Humber (64%).

In East Yorkshire and Hull, 16% of TSOs had significantly rising income between 2014-16 which is slightly lower than in Yorkshire and the Humber (18%).

The same percentage of TSOs had significantly declining income the East Yorkshire and Hull to the regional average (19%).

Figure 8 **Change in levels of income in the last two years 2016**	East Yorkshire and Hull	Yorkshire & the Humber	% variation
Income risen significantly	**15.8**	17.7	-2
Income remained about the same	**64.4**	63.7	=
Income fallen significantly	**19.2**	18.6	=
N=	**146**	1,074	

A finer tuned analysis by organisational size is presented in Figure 9. These data show that:

- ***Smaller TSOs*** in East Yorkshire and Hull were less likely to have had significantly rising income (12%) than Yorkshire and the Humber (15%). Smaller TSOs in East Yorkshire and Hull were slightly more likely to have had significantly falling income (18%) than the regional average (15%).
- ***Medium sized TSOs*** were more likely to have significantly rising income (24%) when compared with Yorkshire and the Humber (18%). That stated, significantly falling income was more common in East Yorkshire and Hull (29%) than Yorkshire and the Humber (23%).
- ***Larger TSOs*** were equally as likely to have had significantly rising income in East Yorkshire and Hull (24%) as in Yorkshire and the Humber (23%). Significantly falling income was also at a lower level (16%) compared with the whole region (22%).

The findings therefore indicate that medium sized TSOs in East Yorkshire and Hull seem to be under considerable pressure when compared with larger and smaller organisations.

Figure 9 **Income changes in last two years by TSOs' size** (2016)	***East Yorkshire and Hull***			***Yorkshire and the Humber***		
	Small TSOs	Medium TSOs	Larger TSOs	Small TSOs	Medium TSOs	Larger TSOs
Risen Significantly	**12.2**	**23.8**	**24.0**	14.5	17.9	23.2
Remained about the same	**69.4**	**47.6**	**60.0**	70.9	59.2	54.8
Fallen significantly	**18.4**	**28.6**	**16.0**	14.5	22.9	22.0
N=	**98**	**21**	**25**	543	262	259

A useful indicator of the pressures TSOs are under is the extent to which they have used their reserves for essential costs (such as salaries, rent and utility bills). The findings presented in Figure 10 show that the situation in East Yorkshire and Hull is similar to regional levels – with only a small difference in the percentage of TSOs using reserves for essential costs.

Figure 10 **Use of reserves in sub-regions** (2016)	East Yorkshire and Hull	Yorkshire & the Humber	% variation
No reserves	**19.4**	20.2	=
Reserves not used	**38.1**	35.2	+3
Reserves used for development	**11.2**	15.6	-4
Reserves used for essential costs	**26.1**	22.7	+3
Reserves used for a mix of purposes	**5.3**	6.2	-1
N=	**146**	1,013	

Another useful indicator of organisational wellbeing is to examine the percentage of TSOs which have had rising or falling numbers or employees, as shown in Figure 11. The data only include TSOs which employ staff which means that the sample size is somewhat reduced – meaning that reliability is open to question.

The indications are that in East Yorkshire and Hull, TSOs have been a little more likely to increase the numbers of full-time employees (24% compared with the regional average of 21%). The percentage of TSOs with falling numbers of full-time employees is lower (13%) than the regional average (24%).

In East Yorkshire and Hull, TSOs were more likely to have increasing numbers of part-time employees (36%) compared with Yorkshire and the Humber (33%).

The percentage of TSOs in East Yorkshire and Hull with falling numbers of part-time employees was a good deal lower (9%) than and Yorkshire and the Humber (19%).

Figure 11 **Change in the proportion of full-time and part-time employees** (2016)	East Yorkshire and Hull	Yorkshire and the Humber	% variation
Increase in full-time employees	**23.9**	21.4	+2
Full-time employees stable	**62.7**	54.8	+7
Fall-in full-time employees	**13.4**	23.8	-10
TSO Employers, N=	**67**	562	
Increase in part-time employees	**35.8**	33.1	+1
Part time employees stable	**71.6**	47.9	+22
Fall in part-time employees	**9.0**	19.0	-10
TSO Employers, N=	**78**	721	

Figure 12 presents data on the extent to which TSOs rely on different sources of income. Data are not collected in the Third Sector Trends study on 'actual' levels of income from different sources.[8] Instead, perceptions of the extent of reliance of

[8] Previous attempts to collect such information have generally failed to present a convincing picture of Third Sector income, including work by the major government funded National Third Sector Studies in 2008 and 2010. The reason for this is largely to do with respondents not being willing to provide such information. This may be due to lack of easy access to such information or worries about divulging such data, In the Third Sector Trends study, a simpler approach was adopted, by asking TSOs the extent to which they valued different sources of income. Data do not therefore refer to the sum of income, but the extent of relative reliance on income sources.

TSOs on different sources of income are explored. This is a valuable source of information as it provides a clearer understanding of how the 'balance' of reliance on different income sources changes over time.[9]

It is apparent that TSOs in East Yorkshire and Hull are fairly equally dependent on grants and contracts as in Yorkshire and the Humber as a whole. Reliance on earned income, gifts and donations, and in-kind support are also similar, while reliance on subscriptions is higher in East Yorkshire and Hull (11%) than in Yorkshire and the Humber (6%).

Because the East Yorkshire and Hull survey sample has more small TSOs than the regional average, it is likely that the relative importance of contracts (11%) has been underestimated.

That said, the chart indicates that for TSOs in East Yorkshire and Hull, grants, gifts and donations are by far the most important source of income in relative terms, followed by earned income. The value attributable to investments and borrowed money is negligible.

Figure 12 **Relative levels of reliance on sources of income**

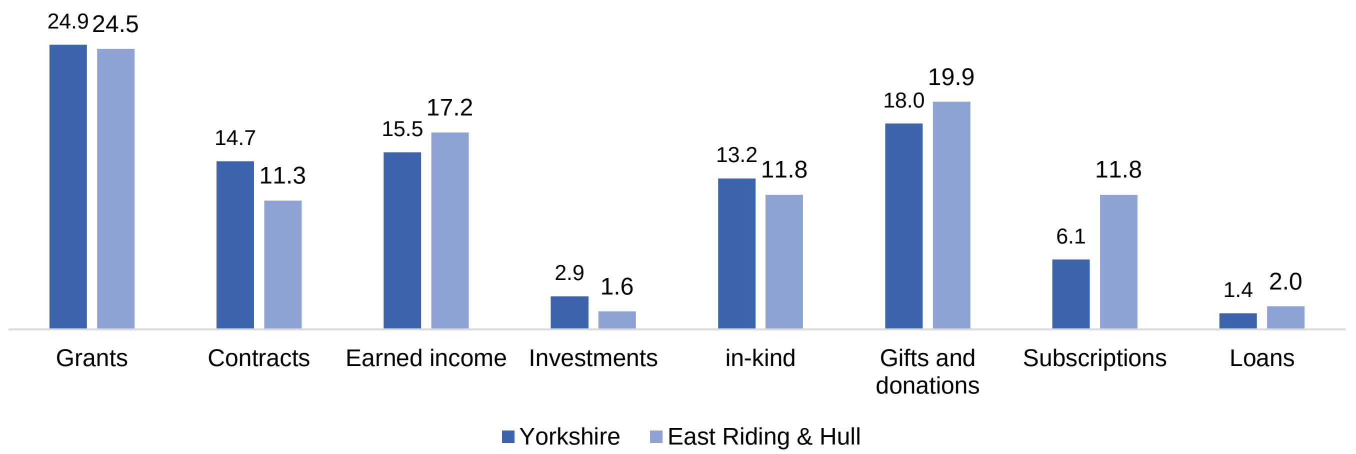


Figure 13 shows what proportion of income TSOs in East Yorkshire and Hull earn from trading or contracts. It is clear from these data that differences between East Yorkshire and Hull and Yorkshire and the Humber are generally small – apart from those TSOs earning less than 20% of their income.

The evidence suggests that 28% of TSOs in East Yorkshire and Hull earn none of their income from trading or contracts while 34% of TSOs in East Yorkshire and Hull earn over 61% of their income.

[9] It is not possible yet to do trend analysis in Yorkshire and the Humber. Data from the North East and Cumbria are available since 2010 using four waves of biennial surveys, see Chapman (2017) Digest of findings from the Third Sector Trends study in North East England, Durham: St Chad's College, Durham University.

Figure 13 **TSOs' reliance on earned income by sub-region** (2016)	East Yorkshire and Hull	Yorkshire & the Humber	% variation
No earned income	**28.3**	27.2	+1
1% – 20% of income	**19.3**	26.5	-7
21% - 40% of income	**10.3**	8.2	+2
41% - 60% of income	**8.3**	7.7	=
61% - 80% of income	**9.7**	9.7	=
81% - 100% of income	**24.1**	20.8	+3
N=	**144**	1,066	

Earned income, as shown in Figure 13, refers to all forms of trading. Figure 14 by contrast, considers interest in delivering public sector services by contract. The data for East Yorkshire and Hull are broadly similar to Yorkshire and the Humber although there are some exceptions.

It is notable that 39% of TSOs in East Yorkshire and Hull are not interested in doing contracts as this is against their organisations' objectives. Many TSOs perceive barriers to undertaking contracts (12%), which is about the same as the regional average. Some TSOs feel that they need more information (6%) or need additional support to do contracts (8%).

While almost 14% of TSOs in East Yorkshire and Hull are undertaking contracts now and a further 1% are applying to do such work, the delivery of public sector contracts is very much a minority concern.

Figure 14 **TSOs' attitudes towards public sector contract delivery in East Yorkshire and Hull** (2016)	East Yorkshire and Hull	Yorkshire and the Humber	% variation
We are not aware of these opportunities	**21.0**	14.8	+6
We are aware of these opportunities but they are not relevant to our organisation's objectives	**38.5**	37.7	=
We are aware of these opportunities but need more information	**5.6**	5.2	=
We are interested in this option but would need extra support to do this	**7.7**	9.2	-1
We are interested in this option but feel there are barriers in the tendering process	**11.9**	10.6	+1
We are already bidding to deliver public sector services	**1.4**	5.0	-4
We are already delivering public sector services for which we have tendered	**14.0**	17.6	-4
N=	**143**	1,065	

Figure 15 shows the percentage of TSOs which have been bidding for funding in partnership in East Yorkshire and Hull, and Yorkshire and the Humber.

The comparative data suggest that TSOs in East Yorkshire and Hull are much less likely to be bidding in partnership, but this is likely to be due to the structure of the sample in East Yorkshire and Hull (which has more small TSOs).

The indications are, however, that partnership bidding in East Yorkshire and Hull is an important aspect of organisational activity. Comparative data suggest that success rates amongst those TSOs which bid or tender in partnership are high in East Yorkshire and Hull (72%) and are similar to Yorkshire and the Humber (71%).

Figure 15 **Participation in partnership bidding by TSOs in East Yorkshire and Hull** (2016)	East Yorkshire and Hull	Yorkshire and the Humber	% variation
Yes, and have been successful	**14.6**	23.2	-9
Yes, but not been successful	**5.6**	9.4	-4
No, but are considering this	**29.9**	24.5	+5
No and we are not considering this	**50.0**	42.9	+7
Percentage of TSOs which have been successful in partnership bidding	**72%**	**71%**	
N=	**144**	1,074	

3.4 Expectations about and planning for the future

The above analysis indicates that the Third Sector in East Yorkshire and Hull is under some pressure financially. But does this situation translate into a gloomy outlook for the future? According to respondents in East Yorkshire and Hull, as shown in Figure 16, there is a mix of considerable optimism and pessimism about what will happen in the next two years.[10]

- 39% of respondents expect income to rise over the next two years, although this estimation is lower than those surrounding rising expenditure (43%). That stated, 15% of TSOs think that income will fall while only 9% believe that expenditure will decline.
- Many TSOs are optimistic about increasing employee numbers (27%) and volunteer numbers (38%). While more than half of TSOs envisage no change in these respects, 12% think employee numbers will fall and 7% expect a reduction in volunteer numbers.
- Over three quarters of the Third Sector in East Yorkshire and Hull expect that the demand for their services will increase compared with only 2% who think that demand will fall.

[10] These data only apply to those TSOs which state that the issue is of relevance to them – hence the different numbers of responses to individual questions.

- Expectations about increasing statutory funding are high (20%) which may be over optimistic given the current fiscal constraints public sector bodies are facing. That stated, 39% of TSOs think this source of income will decline.
- Partnership working, many TSOs believe, will increase (47%) while very few (1%) expect this to decline.

Figure 16

Expectations about the future by TSOs in East Yorkshire and Hull (2016)[11]	Income	Expenditure	Numbers of paid staff	Numbers of volunteers	Need for our services	Statutory funding	Partnership working
Increase	39.3	43.2	27.4	38.3	71.9	20.2	46.7
Remain the same	45.7	48.2	60.7	54.9	26.0	40.4	52.4
Decrease	15.0	8.6	11.9	6.8	2.0	39.4	1.0
N=	140	139	84	133	135	109	105

But what is the Third Sector in East Yorkshire and Hull doing to address future challenges? Figure 17 shows what percentage of TSOs are preparing for change.

- 39% of TSOs are already acting to increase earned income from trading or contracts and a further 35% of planning to do this.
- 20% of TSOs are acting to increase gifts and donations and 38% are planning to do this.
- Very few TSOs are taking steps to borrow money (5%) and only 12% are considering this idea; 83% rule out the idea of borrowing money.
- 16% of TSOs are currently changing their practices and 25% are planning to do so – but 60% are not intending to change.
- Few TSOs are in the process of merging with another TSO (16%) and only 20% are considering this; 63% are not thinking about merging.

Figure 17

Future of East Yorkshire and Hull TSOs (2016)	Increase earned income	Increasing donations	Increasing borrowing	Changing practices	Planning to merge
Doing this now	39.0	19.9	4.8	15.8	16.4
Planning to do this	34.9	38.4	12.3	25.3	20.5
Not planning to do this	26.0	41.8	82.9	58.9	63.0
N=	146	146	146	146	146

Building the capability to achieve future objectives is an important part of planning and practice. Figure 19 shows how many TSOs in East Yorkshire and Hull put a high priority on various aspects of organisational development.

[11] Excludes respondents who stated that the issue was of no relevance to them.

- Fundraising (48%) and bidding for grants (47%) are the top priorities for TSOs in East Yorkshire and Hull in training and development terms, followed by marketing and PR (37%).
- Staff training, business planning, strategic management and financial management are the areas of development which the largest percentages of TSOs feel are not a high priority or are not needed.

It is, perhaps, a cause for concern that TSOs put issues surrounding fundraising, grant bidding and marketing above organisational development issues such as people, strategic and financial management.

Figure 19 **Preparations for the future by TSOs in East Yorkshire and Hull** (2016)	Marketing and publicity	Bidding for grants	Fund-raising	Business planning	Tenders for contracts	Strategic manage-ment	Staff training	Financial manage-ment
High priority	37.0	46.6	47.9	19.2	20.5	17.1	17.8	15.1
Low priority	37.7	27.4	30.8	35.6	25.3	37.7	42.5	37.0
Not needed	25.3	26.0	21.2	45.2	54.1	45.2	39.7	49.7
	146	146	146	146	146	146	146	146

- Finally, it is useful to consider the extent to which TSOs plan to work collectively or independently in the future. Figure 20 shows the percentages of TSOs which are currently acting or are planning to work more closely with organisations within the third sector, public sector or private sector.
- About 20% of TSOs are acting to work more closely with other community and voluntary organisations in the next two years while 28% are planning to do so. 52% of TSOs do not intend to work more closely with other TSOs
- Only 8% of TSOs are acting to work more closely with business organisations, while 14% are planning to do so; 77% are not considering this option.
- 16% of TSOs are doing something about working more closely with public sector organisations and 21% are planning to do so; but 63% of TSOs are not interested in this option.

Figure 20 **Percentage of TSOs in East Yorkshire and Hull planning to work with other organisations in the next two years** (2016)	Work more closely with other TSOs	Work more closely with business	Work more closely with the public sector
Doing this now	19.9	8.2	16.4
Planning to do this	28.1	14.4	20.5
Not planning to do this	52.1	77.4	63.0
N=	146	146	146

4. Summary of key findings

This report has drawn upon data from the Third Sector Trends study undertaken in Yorkshire and the Humber in 2016. The report uses a sub-sample of these data for TSOs based in East Yorkshire and Hull. The sample is relatively small (n=146), so caution needs to be taken in the interpretation of the data, and particularly so because there is an over-representation of smaller TSOs in the sample (68%) when compared with the regional average (51%).

The size of the sector

- It is estimated that there are between 1,600 – 1,700 TSOs in East Yorkshire and Hull. It is likely, however that there could be many more informal groups which sit 'underneath the radar' – raising the overall population of TSOs and informal groups to between 3,500 – 3,750 in East Yorkshire and Hull.
- A majority of TSOs work within a single local authority (65%) and 38% work only at a local neighbourhood or village level.
- Over a quarter of TSOs operate mainly in rural areas (26%). Many fewer work in inner city and urban areas than the regional average which reflects the spatial distribution of population in the area.
- 32% of TSOs in East Yorkshire and Hull are engaged directly in primary service delivery (32%) while 23% are involved in the delivery of secondary services such as information, advice and guidance (23%).
- Amongst smaller TSOs, which serve the public through community, sports, arts and heritage and other such activities, it is evident that more TSOs are addressing issues such as social, sporting and arts and music groups or societies (22%) than immediate social or personal needs (15%).

Income, assets and reserves

- The majority of TSOs in East Yorkshire and Hull had stable income over the last two years (64%), 16% of TSOs had significantly rising income and 19% had significantly declining income.
- Many TSOs (26%) were drawing upon their reserves to meet essential costs such as rent, wages and utility bills.
- 14% of TSOs are engaged in public service delivery contracts, but 60% of TSOs in East Yorkshire and Hull are unaware of disinterested in this option.
- Many TSOs perceive barriers to undertaking contracts (12%) and some feel that they need more information (6%) or need additional support to do contracts (8%).
- Partnership bidding in East Yorkshire and Hull is an important aspect of organisational activity for about 20% of TSOs, and success rates tend to be high (72%) amongst those who apply.

Expectations about the future

- 39% of respondents expect income to rise over the next two years while 15% of TSOs think that income will fall.
- Many TSOs are optimistic about increasing employee numbers (27%) and volunteer numbers (38%);12% think employee numbers will fall and 7% expect a reduction in volunteer numbers.
- Over three quarters of the Third Sector in East Yorkshire and Hull expect that the demand for their services will increase compared with only 2% who think that demand will fall.

- Expectations about increasing statutory funding are high (20%) which may be over optimistic given the current fiscal constraints public sector bodies are facing. That stated, 39% of TSOs think this source of income will decline.
- Partnership working, many TSOs believe, will increase (47%) while very few (1%) expect this to decline.

Preparing for the future

- Building the capability to achieve future objectives is an important part of planning and practice but only a minority of TSOs put a high priority on various aspects of organisational development.
- Fundraising (48%) and bidding for grants (47%) are the top priorities for TSOs in East Yorkshire and Hull in training and development terms, followed by marketing and PR (37%).
- Many fewer put a high priority on certain aspects of organisational development: staff training (18%), business planning (19%), strategic management (17%) and financial management (15%).
- It is, perhaps, a cause for concern that TSOs put issues surrounding fundraising, grant bidding and marketing above organisational development issues such as people, strategic and financial management.

5. References

Chapman, T. (2017) A digest of findings from the Third Sector Trends Study in North East England, Durham: St Chad's College, Durham University.

Chapman, T. (2017) A digest of findings from the Third Sector Trends Study in Yorkshire and the Humber, Durham: St Chad's College, Durham University.

Chapman, T. (2017) A digest of findings from the Third Sector Trends Study in North West England, Durham: St Chad's College, Durham University.

Chapman, T. and Hunter, J. (2017) *Third Sector Trends in the North of England: a summary of key findings*, Manchester: IPPR North.

Chapman, T. (2014) *Third Sector Trends in Yorkshire and Humber*, Leeds: Involve Yorkshire and Humber.

Involve Yorkshire & Humber (2011) *Below the Radar? Unregistered organisations in Yorkshire and the Humber,* Leeds: Involve Yorkshire & Humber.

Kane, D. and Mohan, J. (2010) *Mapping registered Third Sector organisations in Yorkshire and the Humber*, Newcastle: Northern Rock Foundation Third Sector Trends Study Working Paper.

Mohan, J., Geyne, F. and Kane, D. (2013) *Paid work and volunteering in the third sector in Yorkshire and the Humber*, Newcastle, Northern Rock Foundation.

National Survey of Charities and Social Enterprises (2010) *Overall Report: East Yorkshire and Hull*, London: Cabinet Office, Ipsos Mori.


YX17 ONC