Digest of key findings from the Third Sector Trends study in Bradford 2016

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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.

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

http://www.communityfoundation.org.uk/third-sector-trends-study

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 Bradford 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 Bradford for which I am immensely grateful. Bradford had the highest volume of returns of any local authority area in the North of England (representing a 14% response rate).

I am immensely grateful to the many people in Third Sector organisations in Bradford 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.

More analytical work on the operation of the Third Sector in Yorkshire and the Humber, drawing upon data from the Third Sector Trends study, will be published by St Chad's College in early July 2017.[1]

2 Data sources

This analysis draws upon data from the following sources. The Yorkshire and the Humber Third Sector Trends surveys undertaken in 2013 and 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 and 2013.

[1] All Third Sector Trends working papers are available at http://www.communityfoundation.org.uk/third-sector-trends-study.

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 Bradford 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 Bradford, the sample is relatively small (2013: n=76, 2016 n=167), so caution needs to be taken in the interpretation of the data. To show representativeness of findings, comparisons are made with West Yorkshire and 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 Bradford sample is similar to West Yorkshire and Yorkshire and the Humber. There are, however, fewer smaller TSOs in the sample (-12%) which means that the findings will reflect a bigger representation of medium sized (+8%) and larger organisations (+4%).

Figure 1 **Third Sector Trends Sample** (2016)	**Bradford**	West Yorkshire	Yorkshire & the Humber
Smaller TSOs (income below £50,000)	**40.2**	48.3	51.4
Medium (50,001-£250,000)	**31.7**	23.6	22.6
Larger TSOs (£250,000 and above)	**28.0**	24.0	24.2
N=	**164**	478	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 Bradford*

To aid interpretation of 2016 Third Sector Trends data, the first step of the analysis is to estimate how large the sector is in Bradford. 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 was 1,155 in 2008, so it may be assumed that the current population of TSOs is in the range of 1,200 – 1,270. 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 2,500 – 3,000 organisations.

Figure 2 **Number of TSOs in Bradford** (2008)	**General charities**	**Community Interest Companies**	**Companies Limited by Guarantee**	**Industrial and Provident Societies[3]**	**Faith Groups**	**Total**
Bradford	**814**	**11**	**187**	**76**	**67**	**1,155[4]**
West Yorkshire	3,559	62	614	62	267	4,563

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 Bradford would not be particularly dissimilar from 2008 figures (if adjusted for inflation). However, as this report shows, there has been more income decline amongst Bradford TSOs than is the case for West Yorkshire or Yorkshire and the Humber.

Figure 3 **Number of TSOs in Bradford[5]** (2008)	Income	Expenditure	Assets	Number of general charities	Population	% charities per 1000 population
Bradford	**£95.5m**	**£90.1m**	**£137.6m**	**814**	**501,700**	**1.62**
West Yorkshire	£524.1m	£484.1m	£696.6m	3,559	2,200,000	1.62

The number of paid staff employed by TSOs in Bradford was estimated in 2008 to be 6,608 which represented 3.1% of the local labour market. If these estimates are broadly similar in 2016, it could be stated that the value of employees to the local economy (at 80% of average wages) would be £140m.

[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] TSTS estimated that the number of TSOs in Bradford was 1,146 in 2008 and 1,052 in 2010.

[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.

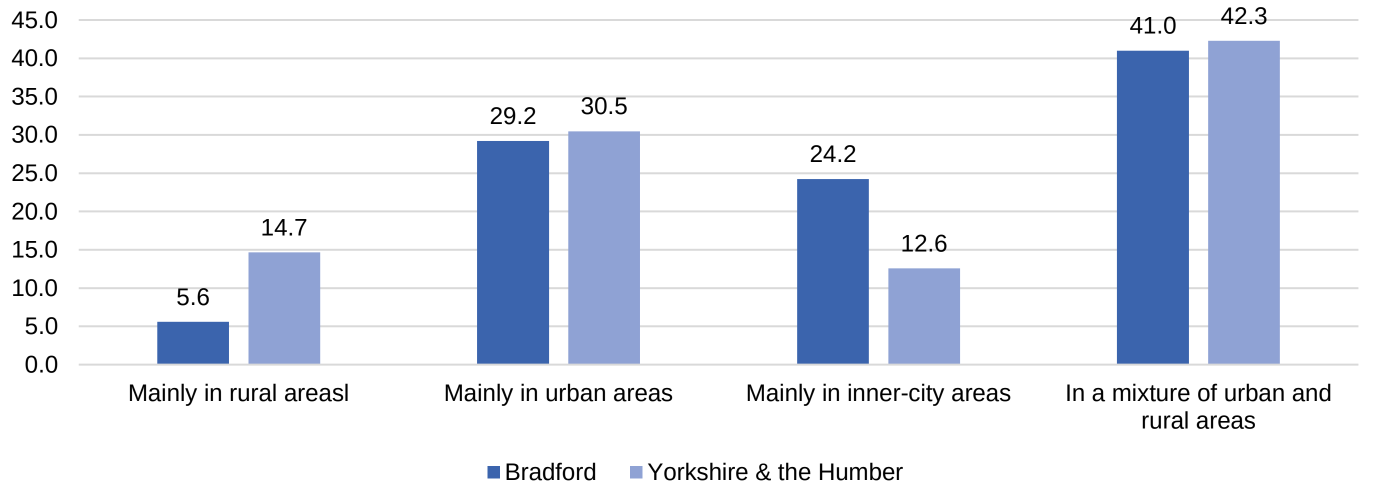
The number of volunteers was estimated at 29,850 in 2008. Using standardised estimates on the average number of hours contributed annually by volunteers, the total value of volunteering in hourly terms would be 2,149,000 hours. The replacement value of volunteers would be £15.5m (at minimum wage level), and £26.1m at 80% of average wages.

Figure 4 shows the geographical range worked by TSOs in Bradford using TST data. It is evident that a majority of TSOs work within the local authority (72%) and that 30% work only at a very local level. The percentages in Bradford mirror those of West Yorkshire and Yorkshire and the Humber quite closely although fewer TSOs in Bradford work at regional level or beyond.

Figure 4 **Spatial range at which TSOs work** (2016)	**Bradford**	West Yorkshire	Yorkshire and the Humber
Work within a single neighbourhood or village	**29.6**	30.7	29.5
Working only in Bradford	**42.0**	42.2	40.5
Work within West Yorkshire	**16.0**	11.5	13.9
Work in Yorkshire and the Humber	**5.6**	7.9	8.5
Work beyond regional level	**6.8**	7.7	7.6
N=	**167**	479	1,071

Figure 5 presents TST data on the percentage of organisations and groups operating in predominantly urban or rural areas in Bradford. Over half of TSOs operate mainly in urban (29%) and inner-city areas (24%). That stated 41% work in a mix of urban and rural areas, or mainly in rural areas (6%).

Figure 5 **TSOs working in rural and urban areas of Bradford** (2016)



3.2 Organisational purpose and beneficiaries served

The purpose of TSOs in Bradford is shown in Figure 6. It is clear from these data that more TSOs in Bradford are engaged directly in primary service delivery than in West Yorkshire (27%) or Yorkshire and the Humber (29%).[6]

TSOs in Bradford also appear to be more likely to be engaged in the delivery of secondary services such as information, advice and guidance (30%). These differences may be accounted for by the structure of the sample where there are fewer small TSO respondents in Bradford (see Figure 1).

Of those smaller TSOs which serve the public through community, sports, arts and heritage and other such activities, it is evident that there is a more even balance between those which meet immediate needs and those which are oriented towards, for example, social, sporting and arts and music groups or societies.[7]

Figure 6 **Principal service function of TSOs** (2016)	**Bradford**	West Yorkshire	Yorkshire and the Humber
Primary services (direct services to beneficiaries such as training, accommodation, social care, etc.)	**38.7**	27.1	28.5
Secondary services (indirect services to beneficiaries such as advice and guidance, information, etc.)	**30.3**	24.4	19.9
Tertiary services (infrastructure organisations, grant making foundations, campaign and research bodies)	**11.0**	11.8	10.8
Smaller TSOs which attend to immediate social or personal needs	**11.6**	23.2	27.6
Smaller TSOs which seek to provide social, sporting, arts, music, societies, animals or environmental benefit	**8.4**	13.5	13.2
N=	**155**	406	926

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 Bradford are more likely to cater for the needs of people in disadvantaged areas, people and households in poverty and children and young people.

There are also more TSOs serving the interests of Black, Asian and minority ethnic communities in Bradford – as would be expected given the population profile of the City.

[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.

Figure 7 **Meeting the needs of beneficiaries by TSOs in Bradford (**2016)	Bradford	Yorkshire and the Humber	Percentage difference from regional level
Children and young people	**50.3**	40.3	+10%
Older people	**29.3**	39.3	-10%
People with mental health conditions	**20.4**	31.8	-11%
People with physical health conditions	**21.5**	26.3	-5%
People with physical disabilities	**18.6**	26.1	-7%
People in disadvantaged urban areas	**32.9**	23.4	+9%
People or households living in poverty	**29.3**	20.8	+8%
Unemployed/workless	**19.2**	20.1	=
People in rural areas	**6.6**	16.0	-9%
Carers	**14.9**	15.4	=
People with homelessness/housing issues	**11.9**	13.2	=
People of a particular ethnic or racial origin	**13.2**	8.4	+5%
People with concerns about gender/sexuality	**5.4**	4.9	=

3.3 Income, assets and reserves

This section considers change in organisational income over the last two years for TSOs in Bradford using TST data. Figure 8 shows that the majority of TSOs in Bradford had stable income (61%) which is similar to West Yorkshire (62%) and Yorkshire and the Humber (64%). Data are also provided for 2013 in Bradford, but response rates to that survey were low and should not therefore be regarded as reliable.

In Bradford, 12% of TSOs had significantly rising income between 2014-16 which is lower than in West Yorkshire (18%) and Yorkshire and the Humber (18%). This suggests that the sector is under more financial pressure in Bradford. This seems to be borne out by the percentage of TSOs with significantly declining income in Bradford (27%) which is considerably higher than in West Yorkshire (20%) and Yorkshire and the Humber (19%).

Figure 8 **Change in levels of income** **in the last two years 2016** (2013 in parentheses)	Bradford	West Yorkshire	Yorkshire & the Humber
Income risen significantly	**12.1 (18.4)**	17.8 (12.7)	17.7 (12.8)
Income remained about the same	**61.2 (52.6)**	62.4 (61.8)	63.7 (63.7)
Income fallen significantly	**26.7 (26.7)**	19.7 (25.5)	18.6 (23.6)
N=	**165 (76)**	482 (416)	1,074 (988)

It may be the case that these differences are caused by the sample structure in Bradford, so the analysis is repeated by size of organisation, as shown in Figure 9. These data show that:

- ***Smaller TSOs*** in Bradford were less likely to have had significantly rising income (12%) than West Yorkshire and Yorkshire and the Humber (15%). Smaller TSOs in Bradford were much more likely to have had significantly falling income (24%) when compared with West Yorkshire and Yorkshire and the Humber (15%).
- ***Medium sized TSOs*** were less likely to have significantly rising income (14%) when compared with West Yorkshire and Yorkshire and the Humber (18%). Significantly falling income was more common in Bradford (29%) than West Yorkshire (24%) or Yorkshire and the Humber (23%).
- ***Larger TSOs*** were half as likely to have had significantly rising income in Bradford (11%) than West Yorkshire (21%) or Yorkshire and the Humber (23%). Significantly falling income was, however, at a more similar level (26%) to West Yorkshire (24%) or the whole region (22%).

The findings therefore indicate that medium sized TSOs in Bradford seem to be under considerable pressure where compared with the sub-regional and regional averages.

Figure 9	***Bradford***			***West Yorkshire***			***Yorkshire and the Humber***		
Income changes in last two years by TSOs' size (2016)	Small TSOs	Medium TSOs	Larger TSOs	Small TSOs	Medium TSOs	Larger TSOs	Small TSOs	Medium TSOs	Larger TSOs
Risen Significantly	**12.1**	**13.5**	**10.9**	15.2	18.2	20.9	14.5	17.9	23.2
Remained about the same	**63.6**	**57.7**	**63.0**	70.0	58.3	54.8	70.9	59.2	54.8
Fallen significantly	**24.2**	**28.8**	**26.1**	14.8	23.5	24.3	14.5	22.9	22.0
N=	**66**	**52**	**46**	230	132	115	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 Bradford is similar to sub-regional and 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)	**Bradford**	West Yorkshire	Yorkshire & the Humber
No reserves	**19.5**	22.4	20.2
Reserves not used	**34.8**	34.1	35.2
Reserves used for development	**16.1**	14.5	15.6
Reserves used for essential costs	**25.2**	23.3	22.7
Reserves used for a mix of purposes	**9.0**	5.7	6.2
N=	**155**	455	1,013

Figure 11 considers the extent of TSOs cash reserves in Bradford and compares this with the Yorkshire and the Humber average. It is evident that percentage differences are very small. However, because there are fewer small TSOs in the Bradford sample than on average in Yorkshire and the Humber this has given a skewed result.

When the size of TSOs is considered, it is evident that the situation for smaller TSOs is similar to the regional average. But twice as many medium sized TSOs (14%) organisations have no current account reserves compared with the regional average (7%). This result is mirrored, but to a lesser extent for larger TSOs (11% Bradford and 7% Yorkshire and the Humber).

Figure 11	Small TSOs (under £50,000 income)		Medium TSOs (£50,001 - £250,000 income		Larger TSOs (£250,001 or more income)		All TSOs	
Current account reserves by size of TSOs (2016)	**Bradford**	Yorkshire and the Humber	**Bradford**	Yorkshire and the Humber	**Bradford**	Yorkshire and the Humber	**Bradford**	Yorkshire and the Humber
No current account reserves	**13.8**	16.5	**14.3**	7.4	**11.4**	7.2	**13.2**	12.0
Up to £10,000	**67.7**	66.9	**32.7**	30.6	**4.5**	6.0	**39.6**	43.4
Up to £50,000	**18.5**	15.2	**36.7**	47.3	**34.1**	32.0	**28.3**	27.2
Over £50,000	**0.0**	1.3	**16.3**	14.7	**50.0**	54.8	**18.7**	17.4
N=	**65**	538	**14.3**	258	**44**	250	**159**	1,046

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 12. The data only include TSOs which employ staff which means that the sample size is somewhat reduced – meaning that reliability is open to question.

However, the indications are that in Bradford, TSOs have been less likely to increase the numbers of full-time employees (12% compared with the sub-regional average of 20%). The percentage of TSOs with falling numbers of full-time employees, by contrast, is about the same as the sub-regional average (26%), but a little higher than for Yorkshire and the Humber (24%).

In Bradford, TSOs were less likely to have increasing numbers of part-time employees (28%) compared with West Yorkshire (32%) or Yorkshire and the Humber (33%). The percentage of TSOs in Bradford with falling numbers of part-time employees was a good deal higher (26%) than West Yorkshire (21%) and Yorkshire and the Humber (19%).

Figure 12 **Change in the proportion of full-time and part-time employees** (2016)	**Bradford**	West Yorkshire	Yorkshire and the Humber
Increase in full-time employees	**12.1**	20.0	21.4
Full-time employees stable	**61.5**	54.1	54.8
Fall-in full-time employees	**26.4**	25.9	23.8
TSO Employers, N=	**91**	255	562
Increase in part-time employees	**28.2**	32.4	33.1
Part time employees stable	**46.0**	46.8	47.9
Fall in part-time employees	**25.8**	20.9	19.0
TSO Employers, N=	**124**	340	721

Figure 13 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 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 Bradford are more dependent on grants and contracts than in Yorkshire and the Humber as a whole. Reliance on earned income and in-kind support are similar, while reliance on gifts and donations is much lower in Bradford (11%) than in Yorkshire and the Humber (18%).

Because the Bradford survey sample has fewer small TSOs than the regional average, it is likely that the relative importance of contracts may have been exaggerated to some extent while the relative importance of gifts and donations may have been under-estimated.

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

Figure 13 **Relative levels of reliance on different income resources in Bradford and Yorkshire and the Humber** (2016)

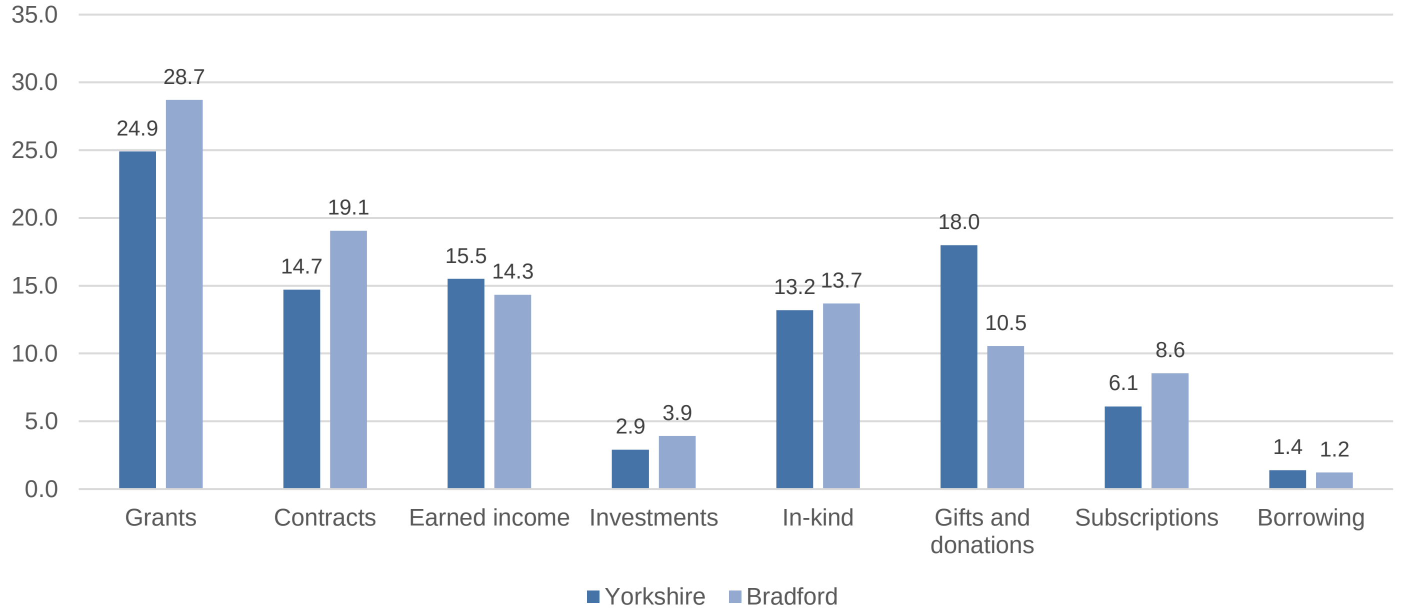


Figure 14 shows what proportion of income TSOs in Bradford earn from trading or contracts. It is clear from these data that differences between Bradford, West Yorkshire and Yorkshire and the Humber are small.

The evidence suggests that 28% of TSOs in Bradford earn none of their income from trading or contracts while 24% of TSOs in Bradford earn over 61% of their income.

[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.

[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 14 **TSOs' reliance on earned income by sub-region** (2016)	Bradford	West Yorkshire	Yorkshire & the Humber
No earned income	**28.2**	27.6	27.2
1% – 20% of income	**30.7**	29.9	26.5
21% - 40% of income	**9.8**	9.7	8.2
41% - 60% of income	**7.4**	6.9	7.7
61% - 80% of income	**7.4**	9.5	9.7
81% - 100% of income	**16.6**	16.4	20.8
N=	**100**	475	1,066

Earned income, as shown in Figure 14, refers to all forms of trading. Figure 15 by contrast, considers interest in delivering public sector services by contract. The data for Bradford are broadly similar to those of West Yorkshire and Yorkshire and the Humber although there are some exceptions.

It is notable that 37% of TSOs in Bradford are not interested in doing contracts as this is against their organisations' objectives. Many TSOs perceive barriers to undertaking contracts (17%), which is higher than West Yorkshire (11%). Some TSOs feel that they need more information (7%) or need additional support to do contracts (4%).

While almost 20% of TSOs in Bradford are undertaking contracts now and a further 6% are applying to do such work, the delivery of public sector contracts is very much a minority concern.

Figure 15 **TSOs' attitudes towards public sector contract delivery in Bradford** (2016)	Bradford	West Yorkshire	Yorkshire and the Humber
We are not aware of these opportunities	**9.9**	13.7	**14.8**
We are aware of these opportunities but they are not relevant to our organisation's objectives	**37.0**	37.9	**37.7**
We are aware of these opportunities but need more information	**6.8**	5.1	**5.2**
We are interested in this option but would need extra support to do this	**4.3**	9.3	**9.2**
We are interested in this option but feel there are barriers in the tendering process	**16.7**	10.7	**10.6**
We are already bidding to deliver public sector services	**5.6**	4.8	**5.0**
We are already delivering public sector services for which we have tendered	**19.8**	**18.5**	**17.6**
N=	**162**	**475**	**1,065**

Figure 16 shows the percentage of TSOs which have been bidding for funding in partnership in Bradford, West Yorkshire and Yorkshire and the Humber. The comparative data suggest that TSOs in Bradford are more likely to be bidding in partnership, but this is likely to be due to the structure of the sample in Bradford (which has fewer small TSOs).

The indications are, however, that Partnership bidding in Bradford 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 Bradford (65%) but lower than West Yorkshire (69%) and Yorkshire and the Humber (71%).

Figure 16 **Participation in partnership bidding by TSOs in Bradford** (2016)	**Bradford**	West Yorkshire	Yorkshire and the Humber
Yes, and have been successful	**26.4**	24.6	23.2
Yes, but not been successful	**14.1**	10.8	9.4
No, but are considering this	**23.3**	24.0	24.5
No and we are not considering this	**36.2**	40.6	42.9
Percentage of TSOs which have been successful in partnership bidding	**65%**	**69%**	**71%**
N=	**163**	480	1,074

3.4 Expectations about and planning for the future

The above analysis indicates that the Third Sector in Bradford is under some pressure financially. But does this situation translate into a gloomy outlook for the future? According to respondents in Bradford, as shown in Figure 17, there is a mix of considerable optimism and pessimism about what will happen in the next two years.[10]

- 33% of respondents expect income to rise over the next two years, although this estimation is much lower than those surrounding rising expenditure (49%). That stated, 26% of TSOs think that income will fall while only 12% believe that expenditure will decline.
- Many TSOs are optimistic about increasing employee numbers (27%) and volunteer numbers (39%). While about half of TSOs envisage no change in this respect, 23% think employee numbers will fall and 13% expect a reduction in volunteer numbers.
- Over three quarters of the Third Sector in Bradford expect that the demand for their services will increase compared with only 5% who think that demand will fall.
- Expectations about increasing statutory funding are high (27%) which may be over optimistic given the current fiscal constraints public sector bodies are facing. That stated, 43% of TSOs think this source of income will decline.
- Partnership working, many TSOs believe, will increase (58%) while very few (6%) expect this to decline.

[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.

Figure 17 **Expectations about the future by TSOs in Bradford** (2016)	Income	Expenditure	Numbers of paid staff	Numbers of volunteers	Need for our services	Statutory funding	Partnership working
Increase	32.7	49.4	26.8	38.6	76.1	27.0	58.2
Remain the same	41.5	38.6	50.4	48.4	19.0	30.1	36.2
Decrease	25.8	12.0	22.8	13.1	4.9	42.9	5.7
N=	159	158	123	153	163	163	141

But what is the Third Sector in Bradford doing to address future challenges? Figure 18 shows what percentage of TSOs are preparing for change.

- 36% of TSOs are already acting to increase earned income from trading or contracts and a further 36% of planning to do this.
- 15% of TSOs are acting to increase gifts and donations and 45% are planning to do this.
- Very few TSOs are taking steps to borrow money (7%) and only 11% are considering this idea; 82% rule out the idea of borrowing money.
- Just over a third of TSOs are currently changing their practices and 25% are planning to do so – but 40% are not intending to change.
- Very few TSOs are in the process of merging with another TSO (8%) and only 12% are considering this; 81% are not thinking about merging.

Figure 18 **Future of Bradford TSOs** (2016)	Increase earned income	Increasing donations	Increasing borrowing	Changing practices	Planning to merge
Doing this now	36.4	15.2	6.7	34.5	7.9
Planning to do this	35.8	44.8	10.9	25.5	11.5
Not planning to do this	27.9	40.0	82.4	40.0	80.6
N=	165	165	165	165	165

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

- Marketing and publicity is the top priority for TSOs in Bradford in training and development terms (41%), closely followed by bidding for grants (40%) and fundraising (38%).
- Staff training, strategic management and financial management are the areas of development which the largest percentages of TSOs state 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 Bradford** (2016)	Marketing and publicity	Bidding for grants	Fund-raising	Business planning	Tenders for contracts	Strategic manage-ment	Staff training	Financial manage-ment
High priority	41.2	40.0	38.2	33.9	29.1	25.5	23.6	16.4
Low priority	29.7	30.3	35.8	32.7	27.9	35.8	41.2	44.8
Not needed	29.1	29.7	26.1	33.3	43.0	38.8	35.2	38.8

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 40% of TSOs are acting to work more closely with other community and voluntary organisations in the next two years while 18% are planning to do so. 43% 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 23% are planning to do so; 69% are not considering this option.
- A third of TSOs are doing something about working more closely with public sector organisations and 16% are planning to do so; half of TSOs are not interested in this option.

Figure 20 **Percentage of TSOs in Bradford 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	38.8	7.9	32.1
Planning to do this	18.2	23.0	15.8
Not planning to do this	43.0	69.1	52.1
N=	165	165	165

4. A summary of key findings

Size and structure of the Third Sector in Bradford

- The current population of constituted TSOs in Bradford is estimated to be in the range of 1,200 – 1,270.
- Additionally, there may be between 1,200 – 1,500 of small informal organisations, groups and societies which sit 'under the radar' of official statistics.
- The number of paid staff employed by TSOs in Bradford is likely to be in the region of 6,600 full-time equivalent employees, representing 3.1% of the local labour market.
- The value of employees to the local economy (at 80% of average wages) would be £140m.
- The number of volunteers is estimated at about 30,000. the total value of volunteering in hourly terms is about 2,149,000 hours.
- The replacement value of volunteers would be £15.5m (at minimum wage level), and £26.1m at 80% of average wages.
- The Third Sector in Bradford operates mainly at a local level: 72% work within the boundaries of the local authority (72%) and 30% work only at neighbourhood or village level.
- Over half of TSOs operate mainly in urban (29%) and inner-city areas (24%), while 41% work in a mix of urban and rural areas, or mainly in rural areas (6%).

Income, assets and reserves

- The majority of TSOs in Bradford had stable income (61%) over the last two years
- 12% of TSOs had significantly rising income, while 27% had significantly falling income
- 20% of TSOs in Bradford have no financial reserves.
- 16% of TSOs invested reserves for development purposes, but 25% of TSOs have used reserves for essential costs (such as rent, wages or utility bills).
- Many medium sized TSOs (14%) organisations have no current account reserves
- In the last two years 12% of TSOs had rising numbers of full time employees, but 26% had falling numbers.
- TSOs were more likely to have increasing numbers of part-time employees (28%) while 26% had falling numbers of part-time staff.

Sources of income

- Grants are the most important source of income for the Third Sector in Bradford, followed by contracts and earned income from trading.
- While gifts and subscriptions are of importance to TSOs, borrowing and investment income is of negligible importance
- 28% of TSOs in Bradford do not earn any income from contracts or trading while 24% of TSOs earn over 61% of their income.
- 37% of TSOs in Bradford are not interested in delivering public sector contracts as this is against their organisations' objectives and 17% perceive barriers to undertaking contracts.

- Almost 20% of TSOs in Bradford are undertaking contracts and a further 6% are applying to do such work
- 26% of TSOs in Bradford have successfully applied for grants in partnerships. 65% of TSOs which have made such bids have been successful in the last two years.

Expectations about the future

- 33% of respondents expect income to rise over the next two years and 26% of TSOs think that income will fall.
- 27% of TSOs expect to increase employee numbers, but 23% think employee numbers will fall.
- 39% expect volunteer numbers to rise compared with 13% expecting a reduction in volunteers.
- 76% of TSOs in Bradford expect that the demand for their services will increase compared with only 5% who think that demand will fall

What are TSOs doing to meet future challenges?

- 36% of TSOs are acting to increase earned income from trading or contracts and a further 36% are planning to do this.
- 15% of TSOs are acting to increase gifts and donations and 45% are planning to do this.
- Only 7% of TSOs are taking steps to borrow money; 82% rule out the idea of borrowing money.
- Just over a third of TSOs are currently changing their practices to meet future challenges and 25% are planning to do so – but 40% are not intending to change.
- Only 8% of TSOs are in the process of merging with another TSO while 12% are considering this; 81% are not thinking about merging.

What kinds of development needs do TSOs identify?

- Marketing and publicity is the top priority for TSOs in Bradford in training and development terms (41%), closely followed by bidding for grants (40%) and fundraising (38%).
- Staff training, strategic management and financial management are the areas of development which the largest percentages of TSOs state are not needed.

Working with other organisations

- 40% of TSOs are acting to work more closely with other TSOs and 18% are planning to do so. 43% of TSOs do not intend to work more closely with other TSOs
- 8% of TSOs are acting to work more closely with business organisations, while 23% are planning to do so; 69% are not considering this option.
- A third of TSOs are doing something about working more closely with public sector organisations and 16% are planning to do so; half of TSOs are not interested in this option.

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