



Key findings from the Northern Rock Foundation Third Sector Trends Study in North East England

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We also acknowledge the role of our fellow researchers: Emma Dunkerley and Ian Zass-Ogilvie, at St Chad's College; and, Dr Victoria Bell and Dr Peter van der Graaf at Teesside University who were heavily involved in undertaking fieldwork and preliminary analysis in the TSO50 and TSO1000 studies in 2010 and 2012.

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Introduction and key findings

This report provides a digest of findings from the Northern Rock Foundation Third Sector Trends study. The paper focuses on the situation in North East England only and provides headline statistics for each of its four sub-regions: Northumberland, Tyne and Wear, County Durham and Tees Valley.

Unlike previous working papers, which have been more analytical in content, this report simply provides readers with key statistics to improve sector intelligence. A list of working papers which contain the methodological approach, underpinning analytical principles, in-depth findings and discussions implication can be found in an appendix to this report.

The principal findings from this paper on the structure of the Third Sector in North East England are as follows:

Size, composition and purpose of the Third Sector

- It is estimated that there are about 6,900 Third Sector organisations in North East England, of which 83% (~5,038) are registered charities and 25% (~1,730) Companies Limited by Guarantee.
- It is likely that there are many more 'below the radar' unincorporated voluntary and community organisations in the region. This could raise the number of organisations groups operating in the region in excess of 15,000.
- The most popular beneficiary groups across North East England are: older people (36% ~ 2,485); children and young people (32% ~2,234), health and mental health issues (26% ~1,824); people with physical disabilities (25% ~1,747); and, people in rural areas (21% ~1,476) or deprived urban areas (18% ~ 1,281).
- About 47% of TSOs (~3,260) operate only at village or neighbourhood level; 21% of TSOs (~1,426) work across one local authority; and, 32% of TSOs (~2,235) operate at a wider level (from regional to international levels). It is likely that up to three times as many voluntary organisations and groups operate at the local level when below the radar groups are taken into account.
- About 25% of TSOs (~1,746) mainly serve rural areas; 40% (~2,733) serve a mixture of urban and rural areas; and, 35% of TSOs serve urban or inner city areas (~2,422).
- About 29% of TSOs (~1,987) provide primary services (such as training, social care, accommodation); 14% provide secondary services such as information, advice and guidance (~980); and 14% of TSOs (~987) provide services to the Third Sector itself such as grant makers, infrastructure support or research

Employment in the Third Sector

- It is estimated that in 2014 there were 36,250 full time equivalent employees (FTEs) in the Third Sector in North East England: a fall of about 750 FTEs employees since 2008.
- Third sector jobs account for about 3.1% of North East regional employment.
- The estimates suggest an increase in the number of TSOs which employ people: rising from about 3,090 in 2008 to 3,200 in 2014.
- The average number of FTEs per organisation appears to have fallen slightly since 2010 from 12.3 FTEs to 11.3 FTEs.
- In 2010 it is estimated that 35% (13,457) of Third Sector FTE employees worked part-time. This appears to have risen to 43% (15,585) in 2014.
- The total cost of Third Sector salaries is estimated to have fallen from £712m in 2008 to £698m in 2014.

Volunteers in the Third Sector

- It is estimated that the number of volunteers has risen from 143,000 in 2008 to 149,000 in 2014. The number of volunteers appears to have peaked in 2012 (151,000).
- The average number of volunteers per TSO has changed little over time, remaining at around 21-22 per organisation.
- The estimated time invested by volunteers has risen from 10.3m to 10.7m hours between 2008 and 2014.
- The estimated economic value of volunteer time, as determined by the 'replacement cost' (had people been employed to do their work) has risen from between £66.9m and £144m in 2008 to between £70m – 150m in 2014.
- The ratio of volunteers to FTEs in TSOs appears to have risen between 2010 and 2014 from 3.8 to 4.1.

Changes in income levels

- Across North East England, 67% of TSOs experienced income stability. TSOs in the more rural areas of Northumberland (76%) and County Durham (72%) were most likely to have stable income. This is mostly due to the larger number of small TSOs in these areas.
- About 11% of TSOs had significantly rising income in the last two years across North East England. TSOs in urban Tyne and Wear were twice as likely to have rising income when compared with rural Northumberland (15% and 8% respectively).
- TSOs in the urban areas of Tees Valley (27%) and Tyne and Wear (24%) were most likely to have significantly falling income compared with 16% in Northumberland and 18% in County Durham. This is mainly due to the higher proportion of larger TSOs in the urban areas.

- TSOs located in the poorest areas were more than four times as likely to have lost significant levels income in the last two years (30%) when compared with the richest areas (7%). Medium sized TSOs operating in poorer areas are much more likely to have had falling income (40% in the poorest areas compared with just 6% in the richest).

Reliance on different sources of income

- Smaller TSOs (income below £50,000) have become more reliant upon grants rising from 27-39% of smaller TSOs. A similar rise can also be noted for earned income rising from 9% to 20%. Conversely, reliance on other sources of income has declined including: investment income (falling from 22% to 13%); gifts (falling from 33% to 27%); and subscriptions (falling from 36% to 23%).
- Medium sized TSOs (£50,000-£250,000 income) have increasing reliance on grants (rising from 48% in 2010 to 60% in 2014). The importance of earned income is also rising for medium sized TSOs (from 13% to 32%). Reliance on delivering work to contract has fallen from 36% to 26% between 2010-2014. Reliance on investment income, gifts and subscriptions has fallen over time for medium sized organisations.
- Amongst larger TSOs (£250,000 income or higher) reliance on grants has increased from 39% to 43%. The relative importance of contracts has declined from 53% in 2010 to 46% in 2014. Reliance on earned income is on an upward, but not linear, trend from 18% in 2010 to 28% in 2014. Investment income, in kind support, gifts and subscriptions are regarded as of lesser importance, in relative terms, by larger TSOs.

Assets and use of reserves

- Around 65% of TSOs do not have wholly owned property assets and only 8% of TSOs have equity in mortgaged properties. About 40% of TSOs in North East England have stocks and other investments and about 65% of TSOs have fixed assets (such as vehicles, equipment, etc.). Most TSOs have reserves in their current account (87%).
- Some TSOs (13%) have used reserves over the last two years reserves for 'positive' purposes such as investment in new activities (including, for example, buying property, developing a new service, employing a development worker, etc.).
- About 15% of TSOs have drawn on some of their reserves for essential spending such as salaries or rent and a further 5% have drawn heavily on reserves for such purposes.

Borrowing money

- Over 40% of the biggest TSOs (£1m or more income) have a 'tangible' interest in borrowing compared with just 7% of the smallest TSOs (income below £5,000).
- 22% of the biggest TSOs (income of £1m or more) have actually borrowed money in the last two years compared with 4% of medium sized organisations (£50,000-25,000 annual income) and 9% of larger TSOs (income between £250,000 and £1m).

Delivering contracts

- Most TSOs (85%) are aware of opportunities to bid for contracts, but 44% are not interested in doing so as it runs counter to their organisational objectives. Over 58% of TSOs are not interested in bidding for contracts in partnership.
- Some TSOs are not bidding for or doing contracts because they perceive barriers to such work (24%). It is not known, however, what percentage of such organisations would enter into the contract marketplace if such barriers were removed.
- The percentage of TSOs which are actively engaged in bidding for or doing contracts is relatively small (16%).
- Partnership working to deliver public sector contracts has increased considerably between 2008-10 and 2012-14: rising from 10% to 18% of TSOs which have successfully bid to do such work.
- Almost 15% TSOs are considering the possibility of bidding in partnership for contracts.

Relationships with the public sector

- 77% of TSOs agree or strongly agree that public sector organisations value the work they do; 73% of TSOs feel that public sector organisations understand their role; 70% TSOs state that public sector organisations respect their independence.
- Fewer TSOs feel that public sector organisations inform them on issues of importance to them (56%): involve them in decision making (36%) or act on their opinions/consultations (35%).

Relationships with the private sector

- 35% of TSOs state that private sector businesses give them money to do their work; 22% state that businesses offer free facilities and about a quarter of TSOs receive expert advice from private sector businesses.
- Larger TSOs are much more likely to be the recipients of money from private sector companies to help them do their work (18%, compared with 14% of medium and 12% of small TSOs).
- Relatively few TSOs benefit from the provision of volunteers from private sector companies. Small organisations are the least likely to get such help (6%) compared with 9-10% of medium and larger TSOs.
- Medium sized TSOs benefit the most from the provision of expert advice from private sector companies (12%) compared with 7-8% of smaller and larger TSOs.

Working relationships within the Third Sector

- 65% of smaller TSOs have useful informal relationships with other TSOs; 54% work closely, but informally, with other TSOs; and, 22% work in formal partnership with other organisations in the Third Sector.
- Medium sized and larger TSOs are much more likely to have useful informal relationships with other organisations in the Third Sector (92% compared with 65% of small TSOs)
- Large TSOs are the most likely to have formal working relationships with other TSOs (65%) when compared with medium sized organisations (49%) or smaller organisations (22%).

Expectations about the future

- There is a widespread expectation that the need for TSOs services will increase (57%).
- Only about 9% of TSOs expect that funding from statutory bodies will increase in the next two years.
- Almost half of TSOs think that expenditure will increase in the next two years (47%).
- About 40% of TSOs think that statutory organisations expectations of their work will rise in the next two years.
- About 37% of TSOs expect that partnership working will increase in the next two years.
- Perhaps surprisingly, 33% of TSOs expect that their income will increase in the next two years.
- About 17% of TSOs think that the number of contracts they hold will increase in the next two years. More than double the number of TSOs in urban areas believe this to be the case.

Preparation for future challenges

- Larger TSOs are the most active in attempting to increase earned income (60%), followed by changing the way they run services (52%); working more closely with another TSO (46%); and working more closely with a public sector organisation (41%).
- Larger TSOs are less active in several domains: only 32% are trying to increase individual donations; and, 18% are working more closely with private sector companies. There is little evidence of interest in increasing the volume of activity or moving into new areas of activity (9%) and very limited activity surrounding merging with another TSO (5%).
- The order of priorities to change practices amongst medium sized organisations is similar to the largest TSOs. But the intensity of activity is generally 10-15% lower than for the largest organisations. Activity is most prevalent in increasing earned income (47%), working more closely with another TSO (36%); changing the way services are run (32%); increasing individual donations (27%); and, working more closely with a public sector organisation (25%).

- As with the largest TSOs, there is minimal action being undertaken by medium sized TSOs to effect a merger with another TSO (5%) and rather less activity involving entering new areas of work or scaling up activity (2%). Activity surrounding work with the private sector is more limited (10%) than with larger TSOs (18%).
- The smallest organisations are much less likely to be changing their practices. Small TSOs are much less likely to be taking action to earn income (23%) when compared with larger organisations (60%); and less likely still actively to be changing the way they run their services (9% of small organisations or groups compared with 52% of the largest TSOs).
- The most likely areas of new activity are, in order of priority: increasing earned income (23%), working more closely with another TSO (16%) and increasing donations (14%). Taking action to work more closely with the public sector, or change the way they do things, is a priority for only about 9% of smaller TSOs.

2

The Third Sector Trends Study

This report presents key findings from the Northern Rock Foundation Third Sector Trends study in 2014 in North East England as a whole and for each of its four sub-regions: Northumberland, Tyne and Wear, County Durham and Tees Valley.

The Third Sector Trends study was designed to examine how TSOs fare over time in the context of change. As a long-term longitudinal study, it was possible to devise a methodology which observed the Third Sector from a number of vantage points.

This included:

- **The TSO1000:** a survey of TSOs in the study region (the North East of England and Cumbria) was planned to take place in three phases. The first survey, attracting 1,055 responses, took place in 2010. The second survey was completed in 2012 and drew in 1,700 responses. The final survey took place in 2014 and attracted 1,318 responses.
- **The TSO50:** a longitudinal study of fifty Third Sector organisations which was planned to take place over a period of seven years beginning in 2009. The second phase of the research fieldwork of the TSO50 was completed in 2012. The research involved observation, interviews and statistical research on a representative sample of organisations. A third and final phase of work is planned to take place in 2015.
- **Foresight Panels:** in 2010 three foresight panels were established, in Cumbria and in two areas of North East England (Northumberland and Tyne and Wear, and County Durham and Tees Valley). In 2010, 12 focus groups took place with the panels, together with three short on-line questionnaires to gauge opinion on sector wellbeing from a representative group of Third Sector, private sector and public sector stakeholders.

Work on the Third Sector Trends Study has been complemented by a number of related research projects.¹ These projects have widened the scope of the exploration of third sector activity by researching the interactions between the public and private sectors and the third sector.

The findings presented in this report are based on a robust research methodology which has evolved over the last eight years to produce comparable time-series data. The sample structure has been checked against comparable national studies to ensure that findings are as reliable as possible – and especially so when making estimates about sector employment and volunteering.²

Due to the disaggregation of sub-regional data in this report, the options for longitudinal analysis and the exploration of the situation of organisations of different sizes, structures or purpose is limited. Consequently, where further explanation is

¹ Studies have been undertaken for the Institute for Local Governance, Sunderland City Council, Northumberland County Council, Stockton Borough Council, Garfield Weston Foundation, Charity Bank and Involve Yorkshire and Humber. A full listing of publications from the Third Sector Trends study and related research is provided at the end of this report.

² Full details on comparability checks can be found in Chapman and Robinson (2014b) which are available from the authors.

required, evidence summaries are presented which are drawn from in-depth analytical work on the complete North East England and Cumbria data set.³

The report is divided into the following sub-sections:

- Employment in the Third Sector
- Volunteers in the Third Sector
- Legal form of Third Sector organisations
- Spatial area of operation of Third Sector organisations
- Purpose and beneficiaries of Third Sector organisations
- Income of Third Sector organisations
- Organisational assets and use of reserves
- Delivery of public services by contract
- Relationships within and between sectors
- Expectations and preparation for the future

³ Analytical longitudinal analysis on the relationship between organisation size and patterns of operation have already been reported in a headline findings report, see: Chapman and Robinson (2014b). More recent findings which are summarised in this report are explained in more depth in briefing papers which are available from the authors.

3

Employment in the Third Sector

Figure 1 shows the estimated number of full-time equivalent (FTE) employees in the Third Sector in North East England.

- It is estimated that in 2014 there are about 6,900 TSOs in North East England.
- It is estimated that in 2014 there were 36,250 FTEs in the Third Sector in North East England: suggesting a fall of about 750 FTEs employees since 2008.⁴
- The Third Sector workforce accounts for about 3.1% of regional employment.⁵
- There has not been a consistent decline in FTEs according to these estimates. The number of FTEs rose in 2010, presumably because of salary income that remained in the 'pipeline' following the 2008 financial crisis.

While these are estimated levels of employment, the pattern broadly follows national trends, using Charity Commission data, produced by the NCVO.⁶

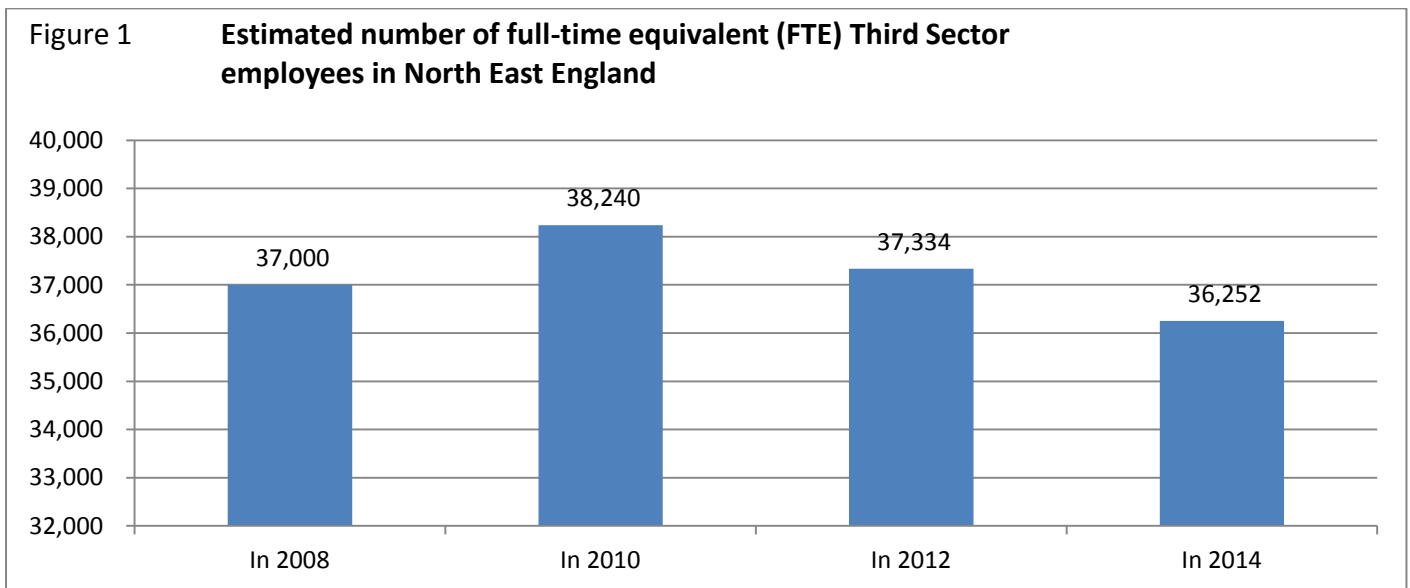


Figure 2 provides estimates on the number of employing organisations in the Third Sector and the average number of employees within such organisations.

⁴ In the survey questionnaire, respondents were asked to record how many full-time and part-time staff they had in 11 bands. For the analysis, the middle point of each band was used, where possible, to estimate how many people were employed. Part-time headcount estimates were reduced to 1.8 per Teethe data were scaled up using a multiplier to reach an estimated total population of TSOs using Kane and Mohan's analysis (2010) as a baseline (which also incorporated estimates for other TSOs which were not registered charities such as Industrial and Provident Societies and Community Interest Companies). The multiplier was different for each year depending upon the size of the survey sample (1,050 in 2010, 1700 in 2012 and 1350 in 2014). These data were cross-tabulated by organisational size, using Charity Commission income brackets in order to weight the data by national estimates of sector composition.

⁵ For details of regional employment and method of calculating the Third Sector contribution, see Appendix 1

⁶ For detailed comparisons with national data, see Chapman and Robinson (2014b).

- The estimates suggest an increase in the number of TSOs which employ people: rising from about 3,090 in 2008 to 3,200 in 2014.
- The average number of FTEs per organisation appears to have fallen slightly since 2010 from 12.3 FTEs to 11.3 FTEs.

Figure 2 Estimated number of employing TSOs and average FTE employees	Estimated Full-time equivalent employees	Estimated number of TSO employers	Estimated average number of FTE employees
2008 (baseline ⁷)	37,000	3,087	11.98
2010	38,240	3,115	12.27
2012	37,334	3,162	11.81
2014	36,252	3,208	11.30

Figure 3 shows estimates for the balance between part-time and full-time staff in TSOs in North East England.⁸ The percentage share of full-time and part-time employees seems to be changing in the North East

In 2010 it is estimated that 35% (13,457) of Third Sector FTE employees worked part-time. This appears to have risen to 43% (15,585) in 2014. It is suspected that this may be partly accounted for by an increase in the number of full-time staff who have 'temporarily' agreed to take reduced hours since 2010 due to reduced income of many TSOs. This assertion is supported by evidence from the TSO50 study which has run alongside the TSO1000 surveys.

Figure 3 Estimated proportion of part-time and full-time staff	Estimated number of FTE employed staff	Estimated number of full-time employed staff	Estimated percentage of full-time employees	Estimated number of part-time FTE employed staff	Estimated percentage of part-time employees
2010	38,240	24,782	64.8	13,457	35.2
2012	37,334	23,026	61.7	14,307	38.3
2014	36,252	20,666	57.0	15,585	43.0

Figure 4 presents estimates on the economic value of Third Sector employee salaries from 2008 to 2012.

⁷ Baseline statistics are derived from Kane and Mohan's (2010a) estimates.

⁸ These estimates need to be treated with some caution. In 2012, NCVO concluded, using 2010 data, that about 38% of staff worked part time in the voluntary sector (higher than in the private sector (25%) and public sector (30%)). Source: <http://data.ncvo.org.uk/a/almanac12/what-are-working-patterns-like-in-the-voluntary-sector/>. At that time, NCVO did not discern much change in this ratio over previous years. It is not possible accurately to estimate the actual number of part-time staff as it is not known how many, on average, part-time staff make up an FTE. NCVO uses a ratio of more than 2 part-time staff to each FTE, but it is not possible to confirm from the available data whether it applies to North East England.

Two estimates are provided. The first is based on the average North East England salary while the second is based on 80% of this figure. The latter figure is thought to be the more reliable estimate.⁹

Using the lower estimate, the evidence suggests that the value of salaries has fallen from £712m in 2008 to £698m in 2014.¹⁰

Figure 4 Estimated economic value of FTEs in salary terms	Value of employees @ average North East wage	Value of employees @ 80% of average North East wage
2008	£891,108,000	£712,886,400
2010	£920,972,160	£736,777,728
2012	£899,152,056	£719,321,644
2014	£873,093,168	£698,474,534

Figure 5 shows the extent to which TSOs report change in their employee and volunteer workforce over the last two years. TSOs which do not have employees are excluded from the analysis.

- About 56% of TSOs report that the number of full-time and part-time employees has been stable over the last two years. The highest levels of stability are found in Northumberland for both full- and part-time employees.
- Across North East England, 18% of TSOs had rising numbers of full-time employees in the last two years. Increasing numbers were more prevalent in Tyne and Wear (21%), but least so in Northumberland (11%).
- In the two years preceding 2014 26% of TSOs had falling numbers full-time employees. TSOs in Tyne and Wear were most likely to be losing staff (30%).
- About a quarter of TSOs had rising numbers of part-time staff. There are no discernible differences between sub-regions.
- Nearly 19% of TSOs had falling numbers of part-time staff across the North East Tees Valley TSOs were most likely to be losing part-time staff over the last two years (26%).

⁹ NCVO data (2013) suggest that average weekly wages in the VCSE was £373 (£19,396 annual wage) compared with £457 (£23,764 per annum) in the private sector and £477 (£24,804 per annum) in the public sector. The voluntary sector average wage is 78% of public sector average wages and 81% of private sector averages. See: <http://www.3rdsectorworkforce.org.uk/what-is-the-state-of-pay-in-the-voluntary-sector/>. Additional 'on costs' of NI and Pensions could push up the expenditure costs by a further 20-30% (although pension elements are currently likely to be lower than public sector costs as charities may not operate a pension scheme – or make contributions to private pensions). Charities will be obliged to enrol employees in pension schemes by 2017 and will have to contribute a minimum of 3% of salary costs providing that employees are aged over 22 and earn more than the minimum wage). These costs are substantially lower than in the public sector and parts of the private sector. Source: <https://www.gov.uk/pension-rules-for-charities>.

¹⁰ While these are estimates, analysis of TSOs' expenditure suggest that the figures are in the right range. In 2007/08, for example, expenditure was estimated by Kane and Mohan (2010a) at around £937m (scaled up *pro-rata* from Kane and Mohan's estimate for general charities). This provides further indication that the average wage is probably about 80% of the North East average wage.

Figure 5 Change in the proportion of full-time employees and part-time employees (2014)	Northumber-land	Tyne and Wear	County Durham	Tees Valley	North East
Increase in full-time employees	11.0	21.1	18.1	16.5	17.6
Full time employees stable	64.8	48.9	58.3	61.2	56.2
Fall in full-time employees	24.2	30.0	23.6	22.4	26.3
N=	91	190	72	85	438
Increase in part-time employees	24.6	27.0	25.3	22.5	25.3
Part time employees stable	62.3	53.6	58.2	51.7	56.1
Fall in part-time employees	13.1	19.4	16.5	25.8	18.5
N=	122	211	91	89	513

4

Volunteers in the Third Sector

Figure 6 presents estimates on the number of volunteers working in the Third Sector between 2008 and 2014.¹¹

- It is estimated that the number of volunteers has risen from 143,000 in 2008 to 149,000 in 2014. The number of volunteers appeared to have peaked in 2012 (151,000) and has fallen back a little since then.
- The average number of volunteers per TSO has changed little over time, remaining at around 21-22 per organisation (inclusive of trustees/ directors/ committee members).
- The estimated time invested by volunteers has risen from 10.3m to 10.7m hours between 2008 and 2014.
- The estimated economic value of volunteer time, as determined by the 'replacement cost' had people been employed to do their work, has risen from between £66.9m and £144m in 2008 to between £70m – 150m in 2014.
- The estimates suggest an upward trend in the economic value of volunteering from 2008 to 2012, after which there has been a small decline.
- The ratio of volunteers to FTEs in TSOs appears to have risen between 2010 and 2014 from 3.8 to 4.1.¹²

Figure 7 presents reported levels of stability, decline or rising numbers of volunteers over the last two years by TSOs in North East England. This analysis excludes TSOs which did not have any volunteers.

- About a quarter of TSOs had rising numbers of volunteers in the last two years. Increasing numbers were most common in Tyne and Wear 28%.
- About 15% of TSOs in North East England had falling numbers of volunteers in the previous two years: percentages in sub-regions are similar at 12-14% with the exception of Tees Valley where nearly 20% lost volunteers.
- Most TSOs had a fairly stable volunteer workforce in the region (61%). Stability was most prevalent in the more rural counties of Northumberland and County Durham.

¹¹ The method used to estimate employees was repeated using John Kane and Mohan's (2010a) range of volunteer estimates as a baseline. The survey asked two questions on volunteering – how many volunteers (excluding trustees/committee members) and how many trustees. This was done to produce more reliable estimates. In the calculation of volunteer estimates, the average number of trustees (14) was adopted. Estimating the time given by volunteers work is contested by academics. For this analysis, Kane and Mohan's estimate is adopted which is broadly in line with other plausible estimates. The replacement cash cost of volunteers is difficult to estimate so two measures were adopted – minimum wage and average North East wage. This was done to calculate the replacement cost of volunteers had they been paid to do their work. No attempt has been made to estimate the social 'value' of volunteering – i.e. the social benefit above and beyond the estimated replacement cost by paid workers.

¹² Using different methods to estimate the proportion of volunteers to each FTE, Kane and Mohan (2010a) suggested an estimated in the range of 2.5 and 5.8: the mid-point being 4.15.

Figure 6 Estimated number of volunteers, time invested and equivalent salary values	Estimated number of Volunteers	Estimated average number of volunteers per TSO	Estimated time worked by volunteers	Estimated value of time contribution by volunteers (2014 minimum adult wage = £6.50)	Estimated value of time contribution by volunteers (2013 average wage = £13.96)
2008 (base)	143,000	21.54	10,296,000 ¹³	£66,924,000	£143,732,160
2010	145,930	21.78	10,506,993	£68,295,454	£146,677,621
2012	151,308	22.25	10,894,175	£70,812,135	£152,082,678
2014	148,948	21.59	10,724,222	£69,707,441	£149,710,135

Figure 7 Change in the proportion of volunteers (2014)	Northumber-land	Tyne and Wear	County Durham	Tees Valley	North East
Increase in volunteers	20.4	28.1	24.5	21.4	24.3
Volunteers stable	65.4	57.4	63.6	58.7	60.8
Fall in volunteers	14.2	14.5	11.9	19.8	14.8
N=	162	256	143	126	687

¹³ This figure is calculated using the formula drawn from the TSO1000 analysis – and is a little lower than Kane and Mohan's (2010a) 1.5m estimate.

5 Legal form of Third Sector Organisations

Figure 8 shows what percentage of TSOs had a specific legal status as a charity or company.

- About 83% of TSOs are registered charities, of which 73% are independent organisations while about 11% are branches of larger charities.
- About 25% of TSOs are Companies Limited by Guarantee (CLG). There is a higher proportion of CLGs in Tyne and Wear (30%).
- Currently there are few Community Interest Companies (about 4% of all TSOs): the proportion appears to be highest in the urban areas of Tees Valley (6%) and Tyne and Wear (4%).¹⁴
- About 2% of TSOs are Industrial and Provident Societies (a legal form often used for cooperatives).
- The term 'social enterprise'¹⁵ has no legal status, as such, but data were collected on the percentage of TSOs which ascribed this title to themselves. Across North East England as a whole, 4.8% described themselves as such. The population of social enterprises in Northumberland is the highest in the region at 8.1%.

Figure 8 Legal status of TSOs in North East England (2014) (as a percentage of TSOs in each category)	Northumberland	Tyne and Wear	County Durham	Tees Valley	North East	Estimated North East TSOs N= ¹⁶
Registered charity - independent	71.6	72.9	76.5	70.3	72.8	5,038
Registered charity - Branch of larger organisation	11.8	9.7	8.4	12.7	10.5	727
Company Limited by Guarantee (CLG)	25.1	30.2	18.4	21.5	25.0	1,730
Community Interest Company (CIC)	2.4	4.4	2.8	5.7	3.8	263
Industrial & Provident Society (IPS)	2.4	1.9	1.1	2.5	2.0	138
Social enterprise	8.1	4.0	3.4	3.8	4.8	332
N=	211	321	179	158	818	6,923

¹⁴ Since the Third Sector Trends study began, a new legal form has been established: the Community Interest Organisation (CIO). Those TSOs which have this status are recorded as 'other' in the dataset and it is not possible to determine how many CIOs exist at present. Future waves of the study would include this as a separate category as anecdotal evidence suggests that it is becoming a more popular legal form

¹⁵ Many other TSOs work in a social enterprising way without describing themselves as such. In all three waves of the TSO1000 surveys, around 13% of TSOs, which specifically describe themselves as 'social enterprises' were found not to earn any income.

¹⁶ These estimates are used by multiplying the number of TSOs in the sample to bring them up to the size of the total estimated population (excluding estimates for 'below the radar' organisations. For 2007/08, Kane and Mohan (2010a) estimated that there were 4,763 registered charities and 693 Companies Limited by Guarantee, suggesting a small increase in numbers between 2008 and 2014.

6 Spatial area of operation of TSOs

Figure 9 shows what percentage of TSOs work only locally, within a local authority or at a wider level.

- 47% of TSOs (~3,260) in North East England work only at a local neighbourhood or village level. In the more rural area of Northumberland, the percentage is much higher at 63% whilst the most urban area, Tyne and Wear, the percentage is 36%.
- About 21% of TSOs (~1,426) work across one local authority. No discernible differences are observed for the sub-regions of the North East
- 32% of TSOs (~2,235) operate at a wider level (from regional to international levels). Such TSOs are most prevalent in the most urban area in the region, Tyne and Wear (44%) and are least numerous in Northumberland (18%).

Figure 9 Area of operation of TSOs (2014)	Northumberland	Tyne and Wear	County Durham	Tees Valley	North East	Estimated North East TSOs N= ¹⁷
TSOs operate at a local neighbourhood or village level	62.6	35.7	54.2	41.4	47.1	3,260 ¹⁸
TSOs operate on a local authority wide level	19.0	20.7	22.0	21.0	20.6	1,426
TSOs operate at a wider level (from regional to international)	18.5	43.6	23.7	37.6	32.3	2,235
N=	211	319	177	157	864	6,921

Figure 10 presents data on the types of urban, rural or mixed spatial areas which TSOs mainly serve.

- About 25% of TSOs (~1,746) mainly serve rural areas across the North East the proportion is much higher in Northumberland, a predominantly rural area (56%) compared with just 3% in urban Tyne and Wear.
- About 40% of TSOs (~2,733) serve a mixture of urban and rural areas: variations by sub-regions are not particularly marked (except for Northumberland where the proportion is lower at 32%).
- About 35% of TSOs serve urban or inner city areas (~2,422). TSOs in Tyne and Wear (56%) and Tees Valley (44%) are most likely to operate in urban areas/inner city areas, compared with just 12% in Northumberland.

¹⁷ These estimates are used by multiplying the number of TSOs in the sample to bring them up to the size of the total estimated population (excluding estimates for 'below the radar' organisations).

¹⁸ This is likely to be a significant under-estimate. There will probably be up to three times as many informal organisations operating at the local level.

Figure 10 TSOs serving mainly rural or urban areas (2014)	Northumberland	Tyne and Wear	County Durham	Tees Valley	North East	Estimated North East TSOs N= ¹⁹
Mainly in rural areas?	56.0	3.4	38.0	13.6	25.3	1,746
A mixture of rural and urban areas?	32.0	40.3	44.6	42.9	39.6	2,733
Mainly in urban areas?	12.0	41.9	15.1	37.4	28.2	1,946
Mainly in inner city areas?	0.0	14.4	2.4	6.1	6.9	476
N=	200	298	166	147	811	6,902

¹⁹ These estimates are used by multiplying the number of TSOs in the sample to bring them up to the size of the total estimated population (excluding estimates for 'below the radar' organisations).

7 Purpose and beneficiaries of TSOs

Figure 11 shows what proportion of TSOs provide mainly primary, secondary or tertiary services.

About 29% of TSOs (~1,987) provide primary services in the North East. The percentage of TSOs providing such services is higher in the most urban areas of Tyne and Wear (32%) and Tees Valley (29%).

- Fewer TSOs provide secondary services (14%, ~980) across the North East, but they are most prevalent in the urban areas of Tyne and Wear (21%) and Tees Valley (15%).
- About 14% of TSOs (~987) provide services to the Third Sector itself (such as grant makers, infrastructure support or research). There is little variation in the proportion of such TSOs across sub-regions.
- Smaller TSOs which do not deliver direct or indirect services as such are the most prevalent in North East England (43%); they are more likely to be operating in more rural counties of Northumberland (54%) and County Durham (50%).

Figure 11 TSOs providing different types of services (2014)	Northumberland	Tyne and Wear	County Durham	Tees Valley	North East	Estimated North East TSOs N= ²⁰
Primary services (direct services to beneficiaries such as training, accommodation, social care, etc.)	25.6	32.4	25.7	29.1	28.8	1,987
Secondary services (indirect services to beneficiaries such as advice and guidance, information, etc.)	8.1	20.6	8.9	15.2	14.2	980
Tertiary services (including grant makers, infrastructure organisations, research bodies)	12.8	14.0	16.8	13.9	14.3	987
Smaller organisations (TSOs which do not provide services as such but cater for other needs such as sport, leisure, community activity, etc.)	53.6	33.0	48.6	41.8	42.8	2,953 ²¹
N=	211	321	179	158	869	6,907

Figure 12 shows the percentage of TSOs serving the needs of particular groups of beneficiaries. In many cases, TSOs service the needs of a range of beneficiaries and responded positively to more than one category of beneficiary.

²⁰ These estimates are used by multiplying the number of TSOs in the sample to bring them up to the size of the total estimated population (excluding estimates for 'below the radar' organisations).

²¹ This category is likely to be a serious under-estimate and there may be up to three times as many 'below the radar' organisations which are not registered or incorporated.

- 54% of TSOs serve people in general (~3,731) and as such can be regarded as general charities or organisations. They are more populous in the more rural counties of Northumberland (61%) and County Durham (66%).
- The most popular beneficiary groups across North East England are: older people (36% ~ 2,485); children and young people (32% ~2,234), health and mental health issues (26% ~1,824); people with physical disabilities (25% ~1,747); and, people in rural areas (21% ~1,476) or deprived urban areas (18% ~ 1,281).
- In Northumberland, the top three beneficiary areas are people in rural areas (41%); older people (35%); and, children and young people (34%).
- In County Durham, the top three beneficiary areas are: older people (43%); and, children and young people (31%); and, people in rural areas (30%).
- In Tyne and Wear, the top three beneficiaries areas are older people (35%); children and young people (34%); and people with health or mental health issues (30%).
- In Tees Valley, the top three beneficiaries areas are older people (29%); children and young people (27%); and people with health or mental health issues (25%).

Figure 12 Beneficiaries served by TSOs (2014)	Northum-berland	Tyne and Wear	County Durham	Tees Valley	North East	Estimated North East TSOs N= ²²
People in general	60.7	44.5	66.5	48.1	53.6	3,731
Older people	35.5	35.2	42.5	29.1	35.7	2,485
Children and young people	33.6	34.3	31.3	26.6	32.1	2,234
People with health or mental health difficulties	19.9	30.5	26.8	25.3	26.2	1,824
People with physical disabilities	22.7	28.3	25.1	21.5	25.1	1,747
People in rural areas	41.2	8.1	29.6	11.4	21.2	1,476
People in disadvantages urban areas	13.3	21.8	14	23.4	18.4	1,281
Unemployed/workless people	12.3	19.9	17.9	17.1	17.1	1,190
Carers	8.1	17.1	14	12.7	13.5	940
Infrastructure organisation	7.1	10.3	10.1	9.5	9.3	647
Housing and Homelessness	7.1	10.6	8.9	10.8	9.4	654
People of a particular ethnic or racial origin	3.8	11.2	6.1	6.3	7.5	522
People with concern about gender and sexuality	0.9	5.6	3.9	3.2	3.7	258
N=	211	321	179	158	869	6,961

²² These estimates are used by multiplying the number of TSOs in the sample to bring them up to the size of the total estimated population (excluding estimates for ‘below the radar’ organisations).

8 Income of Third Sector organisations

The levels of income TSOs gained in the last financial year are shown in Figure 13 in five bands.

- The majority of TSOs had an income below £50,000 in the last financial year (57% ~3,956) of whom 22% (~ 1,538) had below £5,000 income (*this is likely to be a significant underestimate of the size of this part of the sector due to large numbers of 'below the radar' groups*).
- TSOs in the more rural counties of Northumberland (68%) and County Durham (68%) were most likely to have income below £50,000. In Tyne and Wear, only 45% of TSOs had income below £50,000.
- Larger TSOs (with income above £250,000) are concentrated in the urban areas of: Tyne and Wear (27%), Tees Valley 24%).
- The number of TSOs in the sample with income above £1m is likely to be exaggerated significantly due to sample bias: a more realistic estimate will be in the region of 250 organisations. Within the sample, there were four times as many of the biggest TSOs (£1m plus income) in urban Tyne and Wear (11%) compared with rural Northumberland (3%).

Figure 13 TSO income in five bands (2014)	Northumber- r-land	Tyne and Wear	County Durham	Tees Valley	North East	Estimated North East TSOs N= ²³
Micro (under £5,000)	30.0	15.5	23.9	23.7	22.2	1,538 (~4,500 ²⁴)
Small (£5,001-£50,000)	37.7	29.1	43.8	32.9	34.9	2,418
Medium (50,001-£250,000)	17.4	28.2	21.6	19.1	22.6	1,566
Larger (£250,001-£1m)	12.1	15.8	4.5	17.8	12.9	894
Biggest (£1,000,001 or more)	2.9	11.4	6.3	6.6	7.4	513 (~255 ²⁵)
N=	207	316	176	152	851	6,927

Figure 14 shows the extent to which income has changed significantly over the last two years in each sub-region and across North East England as a whole.²⁶

²³ These estimates are used by multiplying the number of TSOs in the sample to bring them up to the size of the total estimated population (excluding estimates for 'below the radar' organisations).

²⁴ It is likely that there could be up to three times as many such informal groups and organisations operating in the region below the radar.

²⁵ This is likely to be an over-estimate as the largest TSOs with income above £1m were over-represented in the sample: twice the number expected when compared with national data, see: Chapman and Robinson (2014b) Figure 5, p. 12.

²⁶ A detailed appraisal of the interaction between size of TSO and income fluctuation from 2010 to 2014 is presented in Chapman and Robinson (2014).

- Across North East England, 67% of TSOs experienced income stability. TSOs in the more rural areas of Northumberland (76%) and County Durham (72%) were most likely to have stable income. This is largely due to the larger number of small TSOs in these areas.
- About 11% of TSOs had significantly rising income in the last two years across North East England. TSOs in urban Tyne and Wear were twice as likely to have rising income when compared with rural Northumberland (15% and 8% respectively).
- TSOs in the urban areas of Tees Valley (27%) and Tyne and Wear (24%) were most likely to have significantly falling income compared with 16% in Northumberland and 18% in County Durham. This is mainly due to the higher proportion of larger TSOs in the urban areas.

Figure 14 Change in levels of income in the last two years (2014)	Northumber-land	Tyne and Wear	County Durham	Tees Valley	North East
Risen significantly	7.7	14.9	10.2	9.9	11.3
Remained about the same	75.8	61.0	72.3	63.2	67.3
Fallen significantly	16.4	24.1	17.5	27.0	21.4
No reply	207	315	177	152	851

In depth analysis of income changes has been undertaken for the whole Third Sector Trends dataset (for North East England and Cumbria) to explore whether TSOs of varying sizes have been affected differently over the last few years.

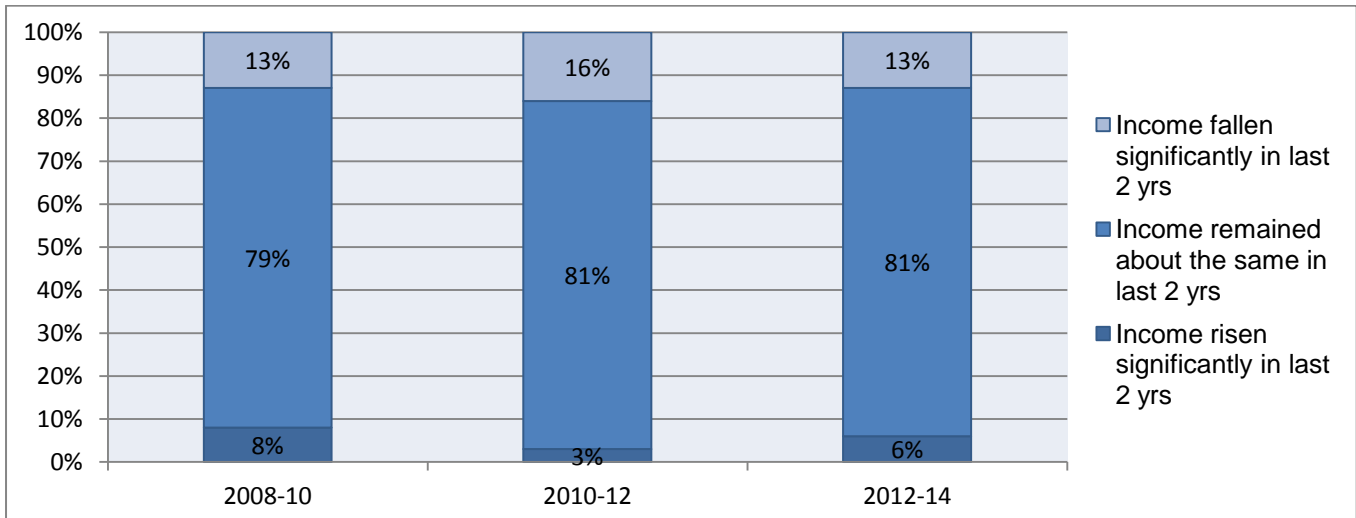
Figures 15(a) and 15(b) compare, in turn, the situation of smaller 'less formal' TSOs and larger 'more formal' TSOs.

Smaller less formal TSOs

Figure 15(a) shows that the vast majority of smaller TSOs (with income below £25,000 in the last year) have experienced a measure of income stability over time. It is clear that:

- About 80% of smaller TSOs have experienced income stability between 2008-2014.
- About 8% of smaller TSOs had rising income in 2008-2012. This fell to 3% in 2010-12, but in 2012-14 about 6% had rising income.
- In 2008-10, 13% of smaller TSOs had significantly falling income. In 2010-12 the situation seemed to worsen with 16% reporting significantly falling income, but by 2012-14, only 13% of TSOs reported falling income.

Figure 15(a) **Income fluctuation and stability amongst smaller TSOs: 2008-2014**

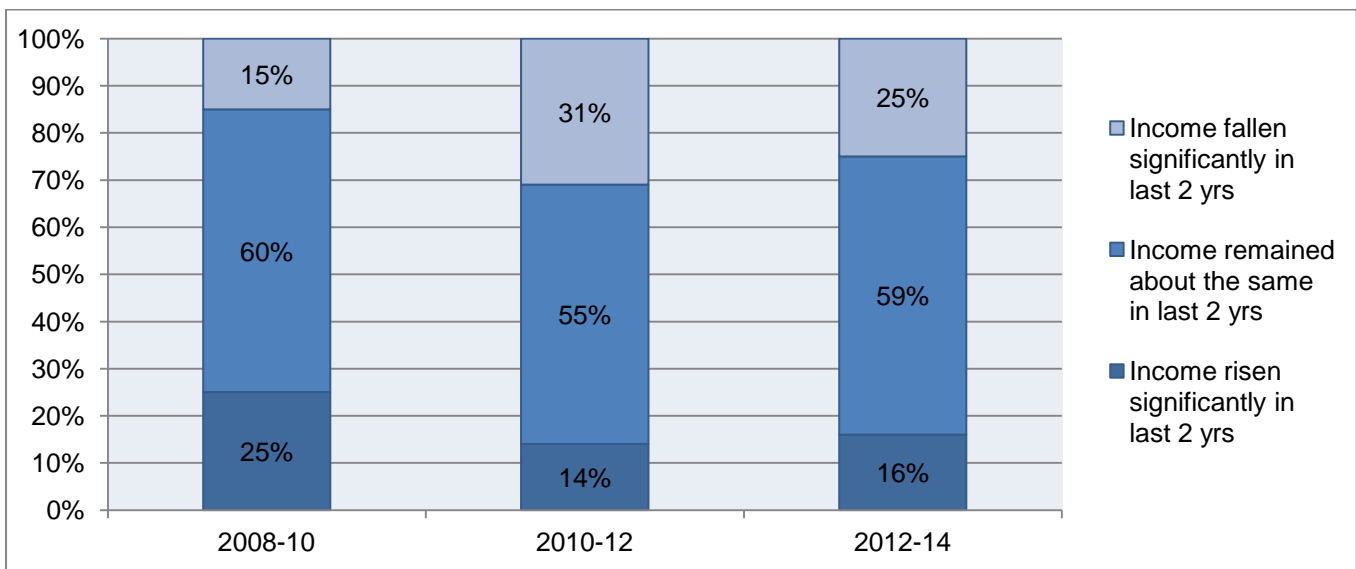


Larger, more formal TSOs

As Figure 15(b) shows, amongst larger, more formal TSOs (with income above £50,000), there is more evidence of income fluctuation between 2008-2014.

- The percentage of larger TSOs experiencing income stability has remained fairly constant at between 55-60% over six years.
- The percentage of TSOs with significantly rising income has reduced since 2008-10 from 25% to 16% in 2012-14. But this does not represent a downward trend as there is some evidence of recovery in the last two years from only 14% of TSOs reporting rising income in 2010-12.
- The percentage of TSOs experiencing significantly falling income was at its highest in 2010-12 (31%). And while the proportion with falling income has not returned to levels of 2008-10 (15%), there are signs of improvement. But still, 25% of TSOs experience significantly falling income in 2012-14.

Figure 15(b) **Income fluctuation and stability amongst larger TSOs: 2008-2014**

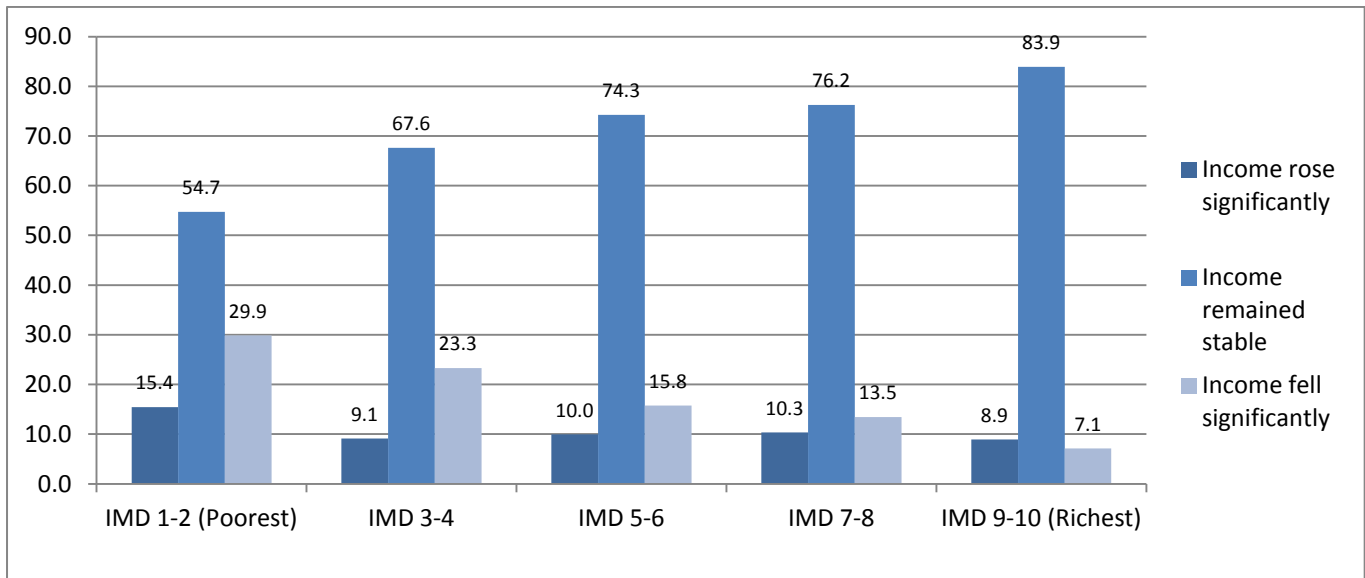


The situation of TSOs in poor or affluent areas

TSOs in areas of deprivation have not fared as well, economically, as their counterparts in more affluent areas over the last two years.²⁷ Figure 16(a) shows the extent to which TSOs experienced significantly rising, stable or significantly falling in come in the last two years.

- TSOs in the poorest areas (IMD 1-2) were more than four times as likely to have lost income significantly in the last two years (30%) when compared with the richest areas (7%).
- TSOs in the richest areas (IMD 9-10) were much more likely to maintain stable income (84%) than in the poorest areas (55%).
- TSOs in the poorest areas (IMD 1-2) were more likely to have significantly rising income in the last two years (15%) when compared with the most affluent areas (IMD 9-10 = 8%).

Figure 16(a) **Percentages of TSOs’ income change in richer and poorer areas (2014, North East England and Cumbria data)**



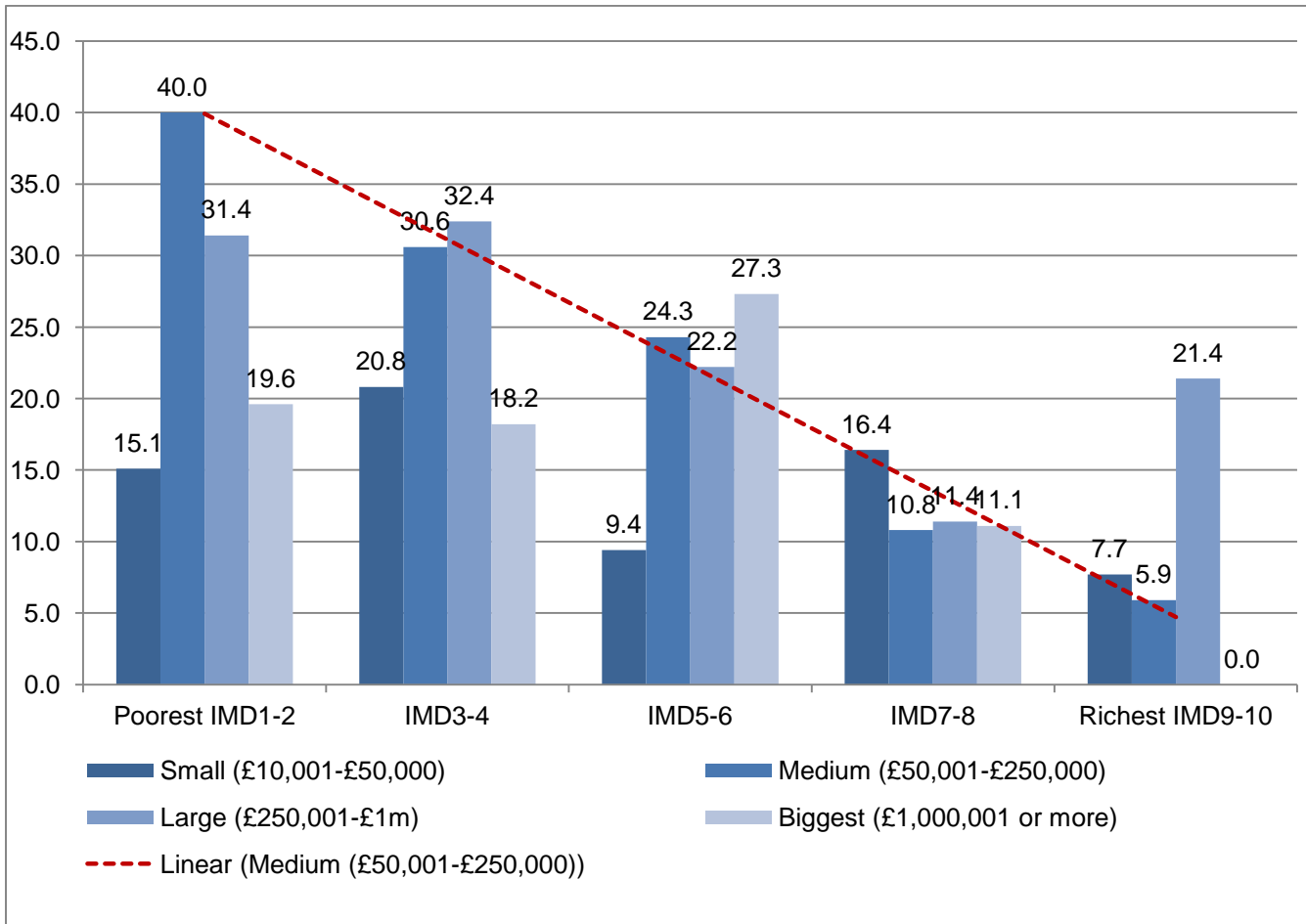
To find out whether the above findings are an anomaly produced by sample bias, in Figure 16(b), TSOs are compared by size and the relative affluence of the area within which they operate.

- **Small organisations** are affected by the relative affluence or deprivation of the area within which they are located, twice as many TSOs in poor areas (IMD 1-2) had significantly falling income (15%) when compared with the most affluent areas (IMD 9-10, 8%).
- **Medium sized TSOs** operating in poorer areas are much more likely to have had falling income (40% in the poorest areas compared with just 6% in the richest).

²⁷ TSOs were sorted by post-code to locate them on the ten point Indices of Multiple Deprivation. These were then collapsed into quintiles to ease the interpretation of data. For a more detailed discussion of the methodology and in-depth analysis, see Chapman 2015 (forthcoming)

- The same pattern exists for **larger organisations** too, but the effect is less pronounced (falling from 31% in the least affluent areas to 21% in the most affluent).
- The pattern for the **biggest organisations** is more difficult to discern – but as they tend to practice across a much wider area in operational terms the data are, in any case, less meaningful.

Figure 16(b) **Percentage of TSOs of different sizes experiencing significant falls income in the last 2 years by affluence of area**



Reliance on different sources of income

No data have been collected in the Third Sector Trends study on ‘actual’ levels of income from different sources.²⁸ Instead, data have been collected upon perceptions of the extent of reliance of TSOs on different sources of income. 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.

²⁸ 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.

Figure 17 shows what percentage of TSOs state that different sources of income are amongst the 'most important' or 'of importance' to them.²⁹ The data do not show how much money they are reliant upon from each source, but shows their perception of overall reliance.

- TSOs are dependent upon a range of income sources, very few are reliant on just one source of income; even the larger 'social enterprising' TSOs tend to be heavily reliant on grants, for example.³⁰
- Grants are regarded by the Third Sector as source of income upon which TSOs are most reliant (69%). This level of reliance differs little by sub-region.
- Contracts form an important income source it is claimed by 32% of TSOs.³¹ Reliance is stronger in the urban areas of Tyne and Wear (42%) and Tees Valley (34%) where larger TSOs tend to be concentrated.
- Earned income (excluding contracts) is of importance to 37% of TSOs. This level of reliance is largely undifferentiated across sub regions.
- Investment income is of importance to only 14% of TSOs. Tees Valley TSOs are the least reliant on such sources of income (8%).
- In-kind support (from business, the public sector or other TSOs) is of importance to a third of TSOs. Similar levels of reliance exist in Northumberland, Tyne and Wear and County Durham (29-32%), but reliance is higher in Tees Valley (44%).
- About 43% of TSOs rely upon sponsorship income and about 29% upon subscriptions – these levels of reliance are similar across sub-regions.
- Very few TSOs (3%) are reliant upon borrowed money (see further analysis below on purposes for borrowing) at the present time.

Figure 17 Sources of income that are 'most important' or 'important' to TSOs (2014)	Northumberland	Tyne and Wear	County Durham	Tees Valley	North East
Grants	64.4	72.9	69.3	67.7	69.2
Contracts	21.8	42.1	25.6	33.6	32.3
Earned income (exc. Contracts)	39.8	33.9	36.0	39.4	36.7
Investments	15.2	14.7	13.7	8.4	13.5
In-kind support	30.8	29.3	32.0	44.2	32.9
Sponsorship	43.1	42.6	45.2	42.0	43.2
Subscriptions	29.5	25.4	31.6	32.9	29.1
Borrow	4.3	3.5	1.7	1.9	3.0

²⁹ The remaining categories on the questionnaire were of 'some importance', 'of little importance' and 'of no importance/not relevant'. Respondents gave a response to each of the categories to give a clear indication of relative reliance rather than asking them to prioritise sources of income.

³⁰ For a detailed analysis, see Chapman and Robinson (2014).

³¹ This claim is puzzling as most of the data collected in this study points to just 15-18% of TSOs relying on income on contracts to delivery public services. In answering this question, 61% of TSOs stated that contracts were not relevant to them or they did not reply to the question. The fact that TSOs may be delivering contracts to other clients may partially explain the claim that 33% rely on contracts, but nevertheless, the percentage still seems to be too high and should therefore be treated with caution.

Figure 18(a) shows the level of reliance on different income sources for smaller TSOs between 2008-2014.

- There has been a significant growth in relative reliance upon grants rising from 27-39% of smaller TSOs. A similar rise can also be noted for earned income rising from 9% to 20%.
- Conversely, reliance on other sources of income has declined for smaller TSOs in relative terms including: investment income (falling from 22% to 13%); gifts (falling from 33% to 27%); and subscriptions (falling from 36% to 23%).

It needs to be restated that these percentages refer to proportions of TSOs which state that such income is important or very important to them and do not refer to the *levels of income* as such.

What is abundantly clear, however, is that the smaller TSOs rely most heavily on grants, gifts and subscriptions.

Figure 18(a) **Smaller TSOs' reliance on income sources 2010-2014**

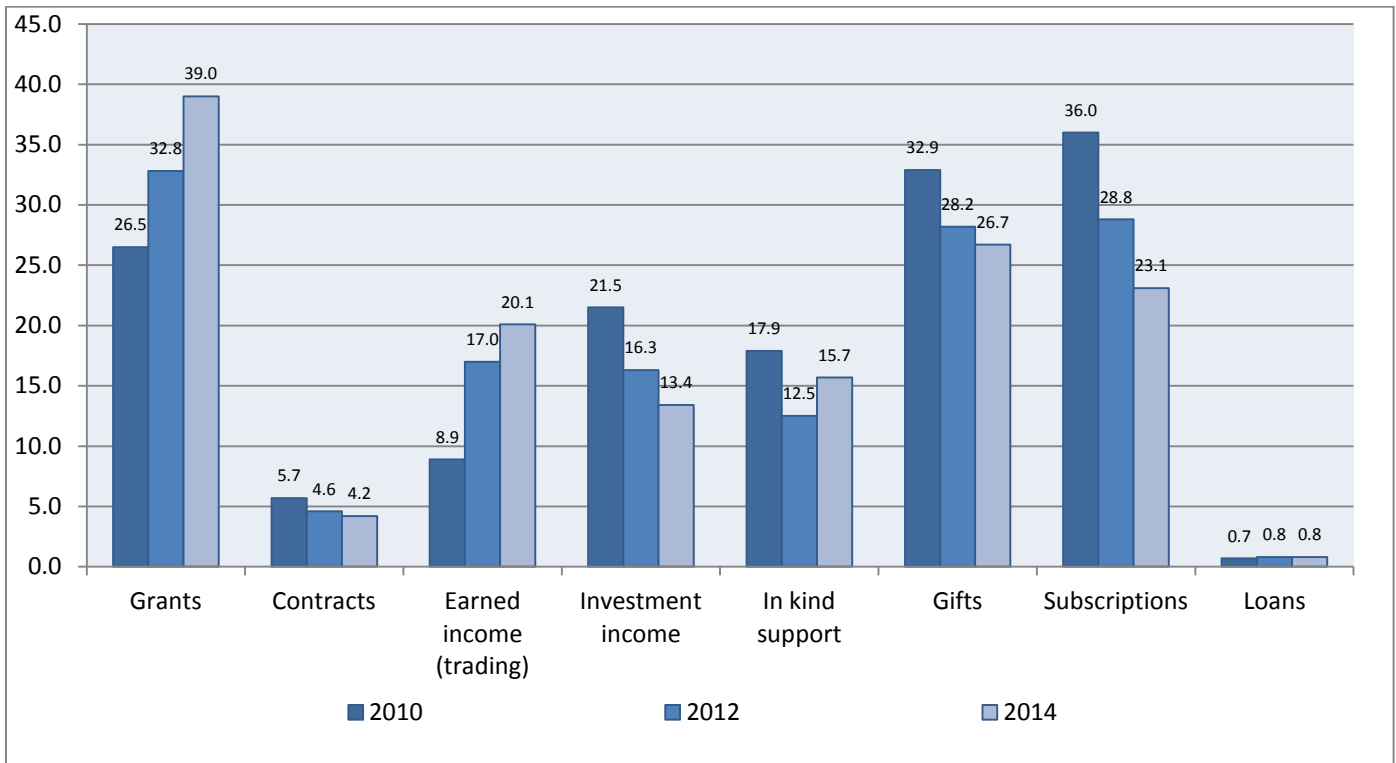


Figure 18(b) repeats the analysis for medium sized TSOs (with income between £50,000 and £250,000 in the previous financial year).

- Medium sized TSOs show very strong and increasing levels of reliance on grants (rising from 48% in 2010 to 60% in 2014). Medium sized TSOs' level of dependence on grants is much higher in 2014 (60%) when compared with smaller TSOs (39%).
- The importance of earned income is also rising for medium sized TSOs (from 13% to 32%).

- Delivering work to contract has fallen from 36% to 26% between 2010-2014, although this is not a continuous trend.
- The relative importance of investment income, gifts and subscriptions has fallen over time for medium sized organisations.

The overall indication, for medium sized TSOs, is an increased perception of dependence on grants and earned income in tandem with a decreased reliance on investment income, subscriptions and gifts.

Figure 18(b) **Medium sized TSOs’ reliance on income sources 2010-2014**

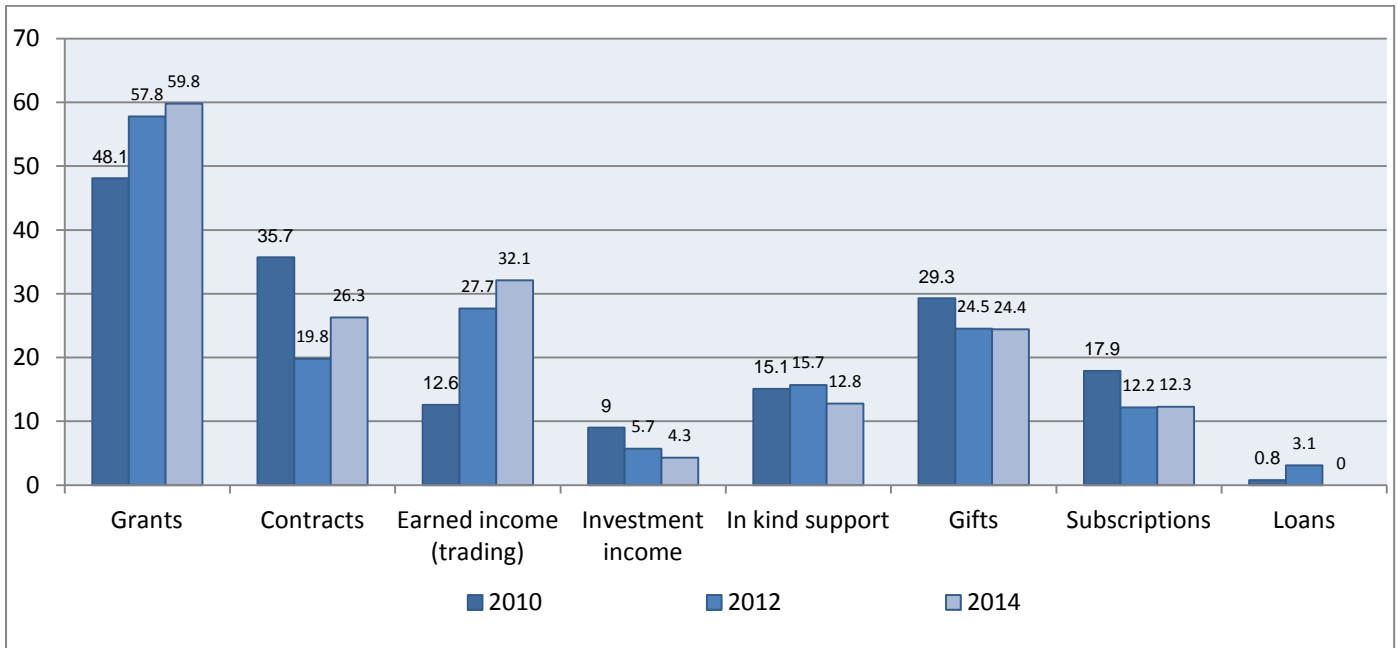


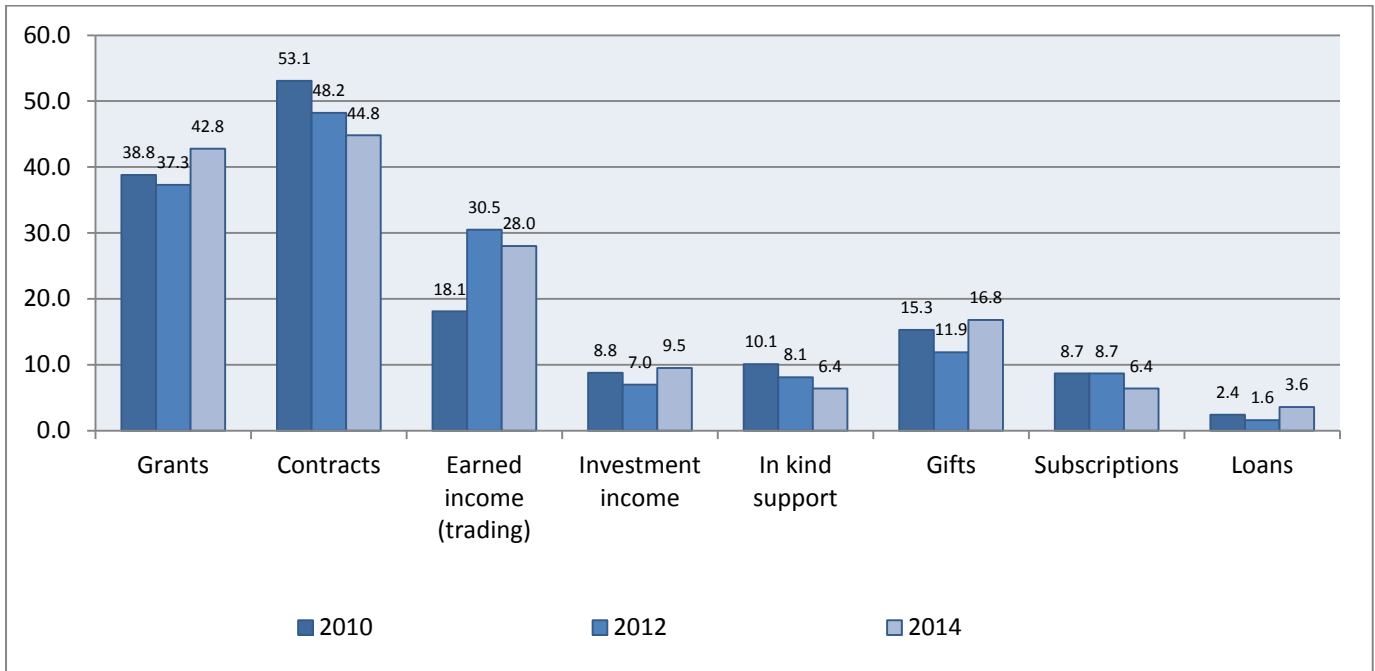
Figure 18(c) presents data on larger organisations (with income above £250,000 in the last financial year).

- Almost 43% of larger TSOs stated in 2014 that grants were important or very important to them – compared with about 60% for medium sized TSOs.
- Reliance on grants has increased from 39% to 43%, stemming what looked like a decline in 2012 when reliance was 37%.
- Contracts are of considerable importance to larger TSOs, but their relative importance has declined from 53% in 2010 to 46% in 2014.
- Reliance on earned income is on an upward, but not linear, trend from 18% in 2010 to 28% in 2014.
- Investment income, in kind support, gifts and subscriptions are regarded as of lesser importance, in relative terms, by larger TSOs.
- Perceived reliance on borrowed money is minimal for larger organisations at present at about 4%, although this is higher than in previous studies and above the level of medium and small sized TSOs.

Larger TSOs are clearly more dependent upon grants, contracts and other sources of earned income than on other sources of income or in-kind support. But it is

important to note that these data nevertheless indicate reliance on a wide range of income sources rather than a single income source.

Figure 18(c) **Larger TSOs' reliance on income sources 2010-2014**



9 Organisational assets and use of reserves

Many TSOs have very limited levels of assets, as is indicated in Figure 19. The relatively limited asset base in the Third Sector as a whole is, perhaps, indicative of its financial vulnerability.³²

- Around 65% of TSOs do not have wholly owned property assets. The property asset base of TSOs appears to be stronger in Northumberland and County Durham where around 43% of have wholly owned property compared with the urban areas of Tees Valley (30%) and Tyne and Wear (27%).
- Few TSOs have equity in mortgaged properties (8%) – this percentage is largely undifferentiated by sub region.
- Only about 40% of TSOs in North East England have stocks and other investments. Northumberland TSOs seem are more likely to have such assets (46%) compared with other sub regions, but they are still in a minority.
- Most TSOs have reserves in their current account (87%). TSOs in Northumberland are the least likely to have no money in their current account (8%).
- About 65% of TSOs have fixed assets (such as vehicles, equipment, etc.). Levels of fixed assets are undifferentiated by sub region.

	Northumberland	Tyne and Wear	County Durham	Tees Valley	North East
Wholly owned property	56.9	73.2	57.5	69.5	65.3
Equity on mortgaged property	91.9	90.8	95.3	90.7	92.0
Stocks and investments	53.6	62.4	59.0	61.9	59.5
Current account assets	8.4	16.0	13.9	14.5	13.4
Fixed assets	36.9	34.6	33.5	35.2	35.1

Figure 20 shows the extent to which TSOs have drawn upon their reserves over the last financial year. These data indicate whether reserves have been used for different purposes to give an indication of the general financial wellbeing of the sector as a whole.

- About 22% of TSOs have no reserves of any kind. TSOs in County Durham and Tees Valley appear to be the most likely to have no assets. A further 35% do have reserves but have not drawn upon them in the previous year.
- Some TSOs (13%) have used reserves for 'positive' purposes such as investment in new activities (including, for example, buying property, developing a new service, employing a development worker, etc.). TSOs in Northumberland appear

³² A much more detailed analysis of the relationship between assets and organisational wellbeing is available. See Chapman (2014); Chapman and Robinson (2014)

to have been the most likely to do so (16%) compared with between 10-12% in other areas.

- About 15% of TSOs have drawn on some of their reserves for essential spending such as salaries or rent and a further 5% have drawn heavily on reserves for such purposes. Levels of use of reserves of this kind are similar across all sub regions.

Figure 20 Extent to which TSOs have drawn upon assets in the previous year (2014)	Northumber-land	Tyne and Wear	County Durham	Tees Valley	North East
No, we don't have any reserves	19.0	20.6	26.8	25.9	22.4
No, we have not drawn on our reserves	32.7	38.9	35.8	31.6	35.4
Yes, we have used 'some' of our reserves to invest in new activities (such as buying property, developing a new service, employing a development worker)	14.2	11.5	7.8	10.8	11.3
Yes, we drawn 'heavily' on our reserves to invest in new activities (such as buying property, developing a new service, employing a development worker)	1.9	0.9	1.7	1.9	1.5
Yes, we have used 'some' of our reserves for essential costs (such as salaries, rent etc.)	14.2	16.5	14.0	13.9	15.0
Yes, we have drawn heavily on our reserves for essential costs (such as salaries, rent etc.)	6.2	4.7	6.1	4.4	5.3
We have used 'some' reserves for both investment and essential costs	6.2	2.5	3.9	7.0	4.5
We have drawn 'heavily' on reserves for both investment and essential costs	1.4	1.9	1.1	2.5	1.7
Other	3.3	2.2	1.1	1.3	2.1
N=	193	308	171	147	819

10 TSO interest in borrowing money

There is much interest in government at the present time on encouraging TSOs to engage with social investment programmes (such as social impact bonds) by borrowing working capital. But few TSOs borrow money. This is likely to be due to a mix of cultural resistance to the idea and a lack of tangible assets against which to secure loans.³³

As Figure 21 indicates, over 97% of TSOs have not borrowed money in the last two years.

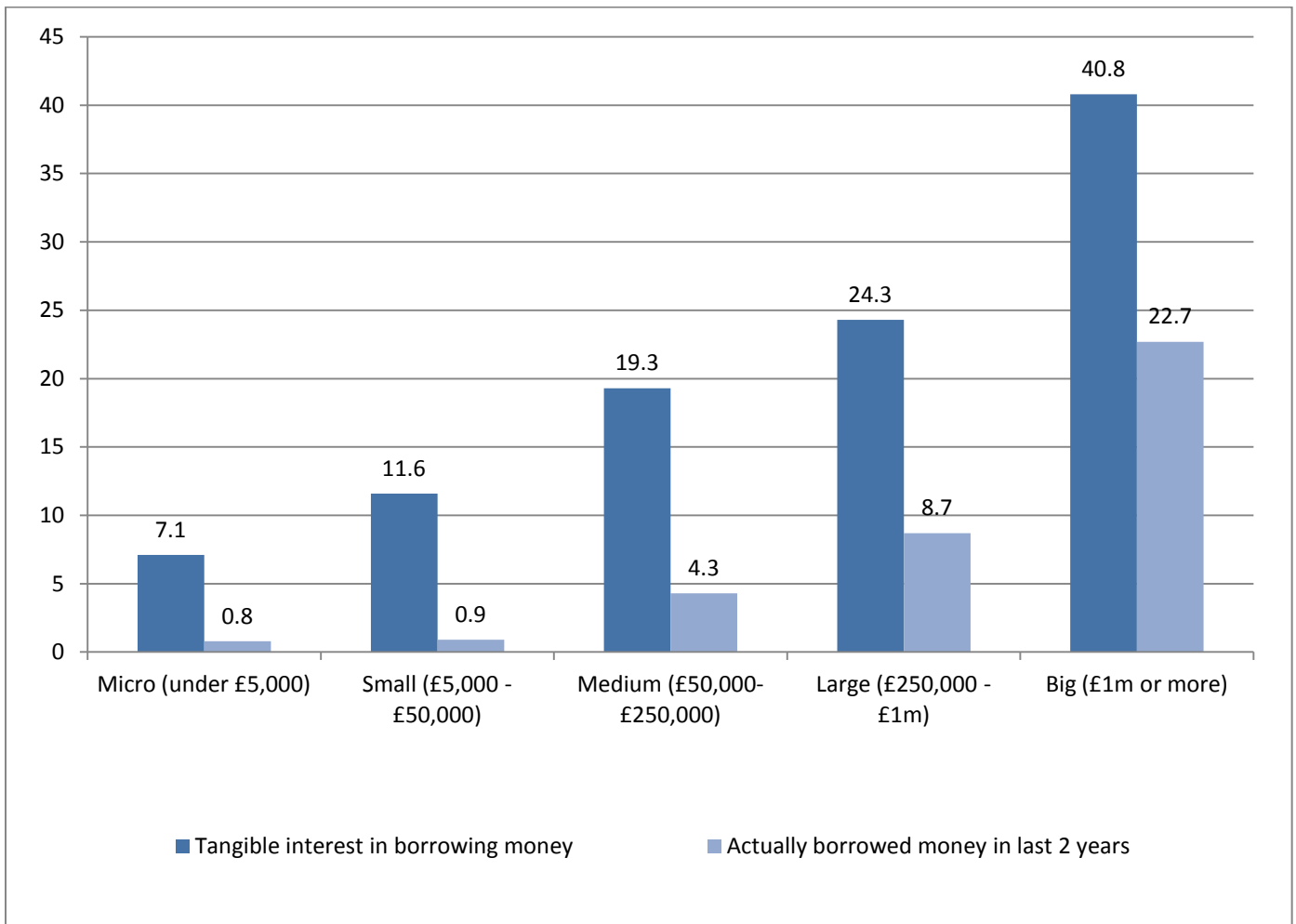
Figure 21 Percentage of TSOs which have borrowed money in the last two years (2014)	Northumber-land	Tyne and Wear	County Durham	Tees Valley	North East
We have not borrowed money in the last two years	97.1	97.4	98.8	96.7	97.5
We have borrowed money to invest in the development of new activities or services (e.g. any form of investment capital)	1.5	1.0	1.2	2.0	1.3
We have borrowed money to bridge a gap in our cash flow (e.g. any form of working capital)	1.0	0.7	0.0	0.7	0.6
We have borrowed money to buy a property (e.g. a mortgage)	0.0	0.7	0.0	0.7	0.4
We have borrowed money to upgrade a property to deliver a better service	0.5	0.3	0.0	0.0	0.2
We have borrowed money to upgrade a property to earn income (e.g. from rent or retail activity)	0.0	0.0	0.0	0.0	0.0
N=	206	305	170	153	834

Larger TSOs are much more likely to borrow money than smaller ones, as indicated by Figure 22 (which includes data from across Yorkshire and North East England and Cumbria).

Over 40% of the biggest TSOs have a ‘tangible’ interest in borrowing compared with just 7% of micro TSOs. 22% of the biggest TSOs have actually borrowed money in the last two years compared with 4% of medium sized organisations (£50,000-25,000 annual income) and 9% of larger TSOs (income between £250,000 and £1m).

³³ For detailed analysis, see Chapman (2014).

Figure 22 **TSOs which have borrowed money in the last two years or have a tangible interest in borrowing by size of organisation** (Cumbria, North East England & Yorkshire data N=2200)



More detailed analysis has been undertaken on the inter-linkage between organisational assets and reserves which used Third Sector Trends data from North East England, Cumbria and Yorkshire and the Humber.³⁴

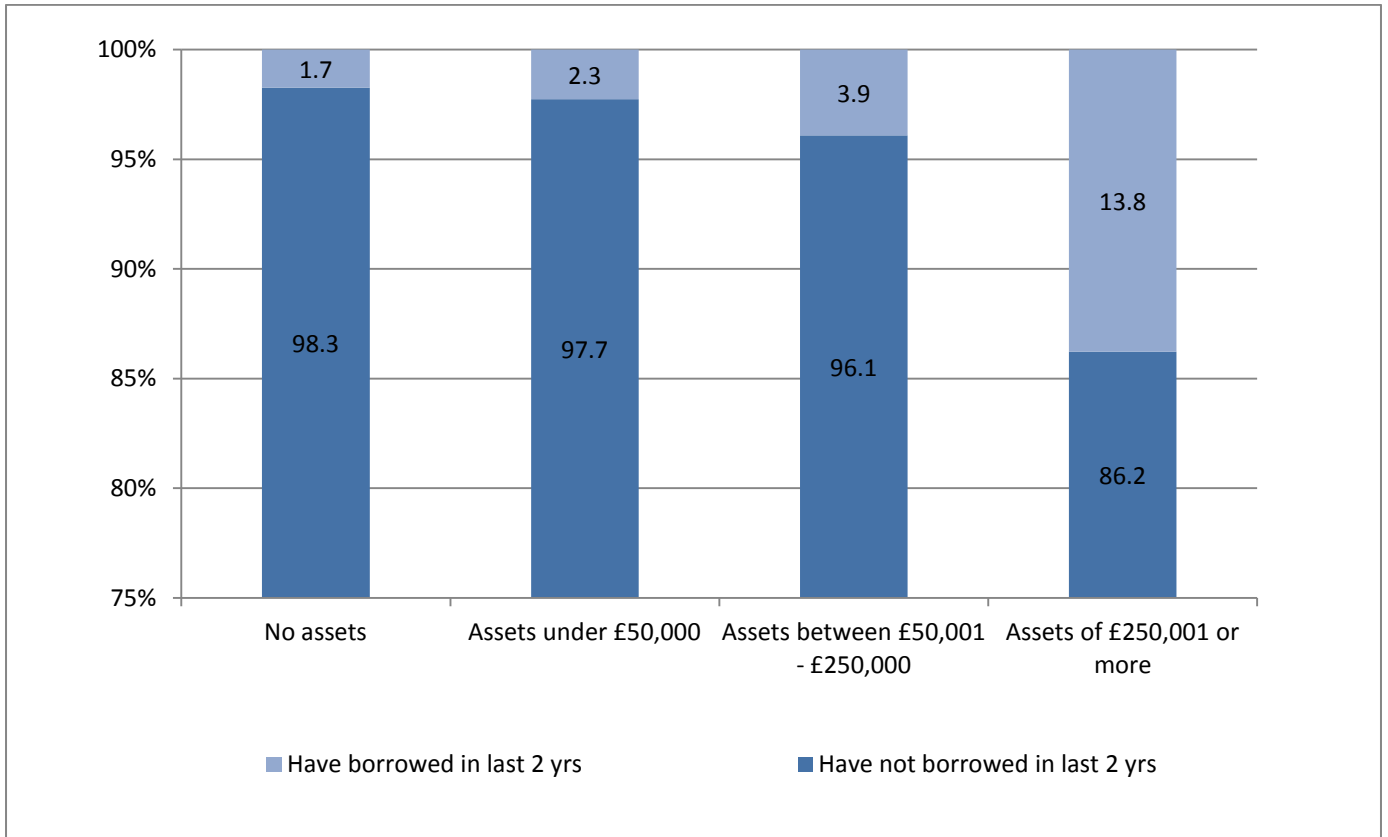
Figure 23 shows the extent to which the asset base of TSOs interact with interest in taking loans. Assets are defined in broad terms to include property which is wholly owned, equity on a property with a mortgage, investments and fixed assets. Many TSOs have a combination of these four types of assets, but they are categorised according to the highest level of assets held in any one of these categories.

The data show that there is quite a strong association between levels of assets and borrowing in the last two years:

- About 4% of TSOs with assets valued between £50,000-£250,000 took loans; compared with 14% of TSOs with assets valued above £250,000.
- Only about 2% of TSOs with no assets or assets below £50,000 borrowed money.

³⁴ See Chapman (2014)

Figure 23 **Propensity of TSOs to borrow according to their asset base** *Cumbria and North East England (2014), Yorkshire and Humber (2013)*



11 Delivery of public services by contract

The percentages of TSOs engaging in the delivery of services by contract in the North East are shown in Figure 24.

- Most TSOs (85%) are aware of such opportunities but 44% are not interested as this runs counter to their organisational objectives. TSOs in urban areas are less likely to eschew the idea of bidding for contracts. This is mainly due to the concentration of larger TSOs in urban areas.³⁵
- Some TSOs are not bidding for or doing contracts because they perceive barriers to such work (24%). It is not known, however, what percentage of such organisations would enter into the contract marketplace if such barriers were removed.
- The percentage of TSOs which are actively engaged in bidding for or doing contracts is relatively small (16%). They are, however, much more numerous in urban areas where more contracts are let and there is a concentration of larger TSOs which have the interest, capability and capacity to do such work.

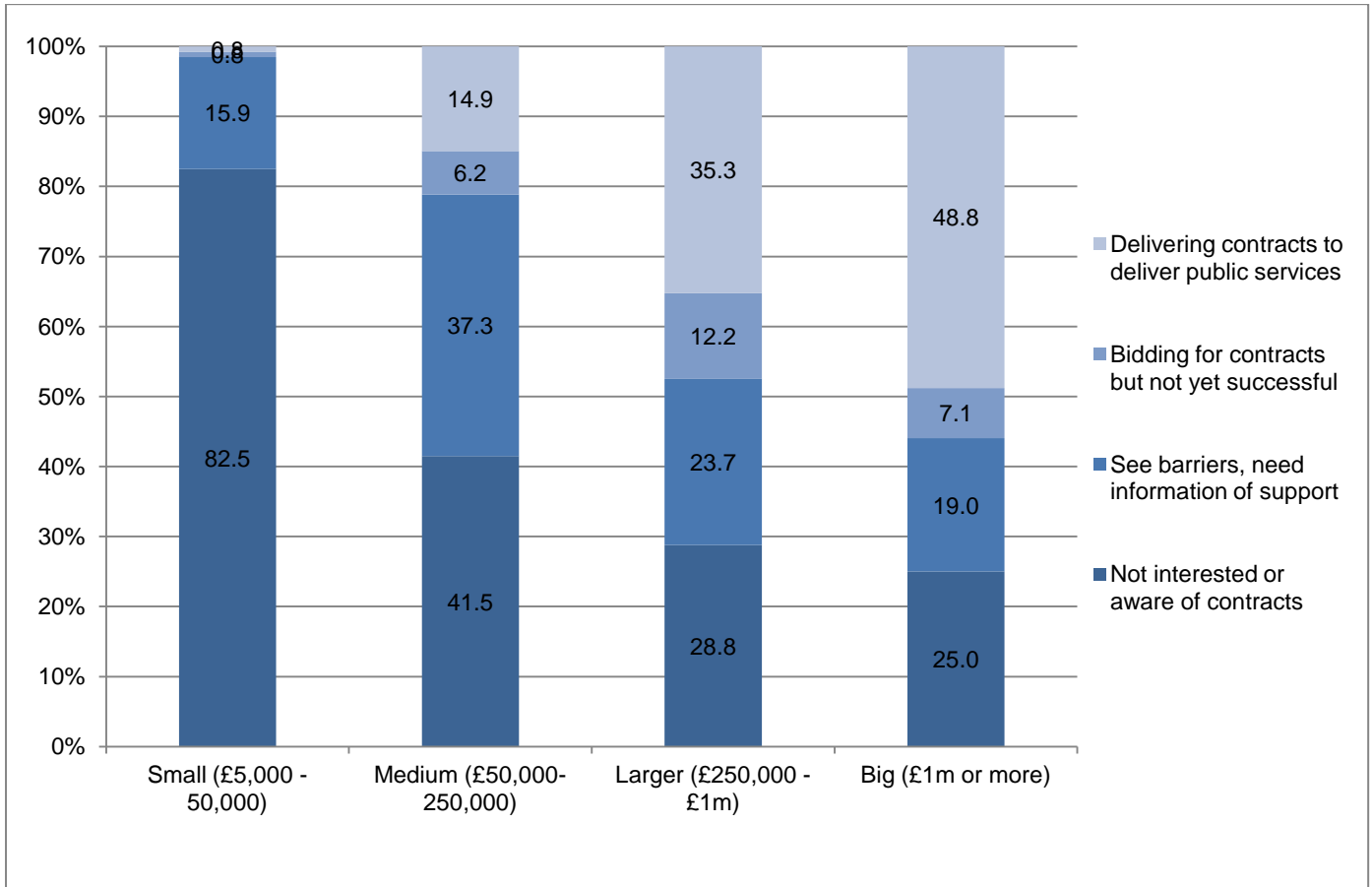
Figure 24 Percentage of TSOs interested in working to contract to delivery public services (2014)	Northumberland	Tyne and Wear	County Durham	Tees Valley	North East
We are not aware of these opportunities	18.7	15.9	14.0	11.6	15.4
We are aware of these opportunities but they are not relevant to our organisation's objectives	49.2	37.0	52.6	44.2	44.4
We are aware if these opportunities but need more information	4.1	4.9	5.3	6.1	5.0
We are interested in this option but would need extra support to do this	9.3	10.7	8.8	12.2	10.3
We are interested in this option but feel there are barriers in the tendering process	6.7	9.4	8.8	9.5	8.7
We are already bidding to deliver public sector services	2.6	3.9	2.9	5.4	3.7
We are already delivering public sector services for which we have tendered	9.3	18.2	7.6	10.9	12.6
N=	193	308	171	147	819

Amongst TSOs, there is considerable variation in the levels of participation in contract working. As Figure 25 shows, in 2014 organisations were progressively more likely to engage in contract working as they grow in size: rising from less than 1% for very small TSOs to 49% for the biggest organisations.

³⁵ See Chapman and Robinson (2014)

It should, nevertheless, be noted that even amongst the biggest TSOs, 25% consider that delivering contracts is not appropriate for their mission and a further 19% only have a 'tangible' interest in doing such work which may never translate into bidding for or delivering contracts, even if barriers to engagement were removed.

Figure 25 **Participation in contract delivery by size of organisation (2014 North East England and Cumbria)**



Partnership bidding

TSOs which are interested in bidding for contracts often do so in partnership. This is generally due to the way that local authorities or other government agencies issue lets. Figure 26 shows what percentage of TSOs in North East England have been successful in winning contracts or are currently bidding for contracts.

- TSOs in the urban areas of Tyne and Wear (24%) and Tees Valley (18%) are more likely to have been successful in winning contracts in partnership. They are also more likely to be bidding but without success to date (9%).
- Almost 15% TSOs in North East England are considering the possibility of bidding in partnership for contracts. Interest is strongest in Tyne and Wear (19%).
- Over 58% of TSOs in North East England are not interested in bidding for contracts in partnership. Reluctance to do so is strongest in the less urban areas of Northumberland (67%) and County Durham (60%) where there are fewer large TSOs and fewer contract opportunities.

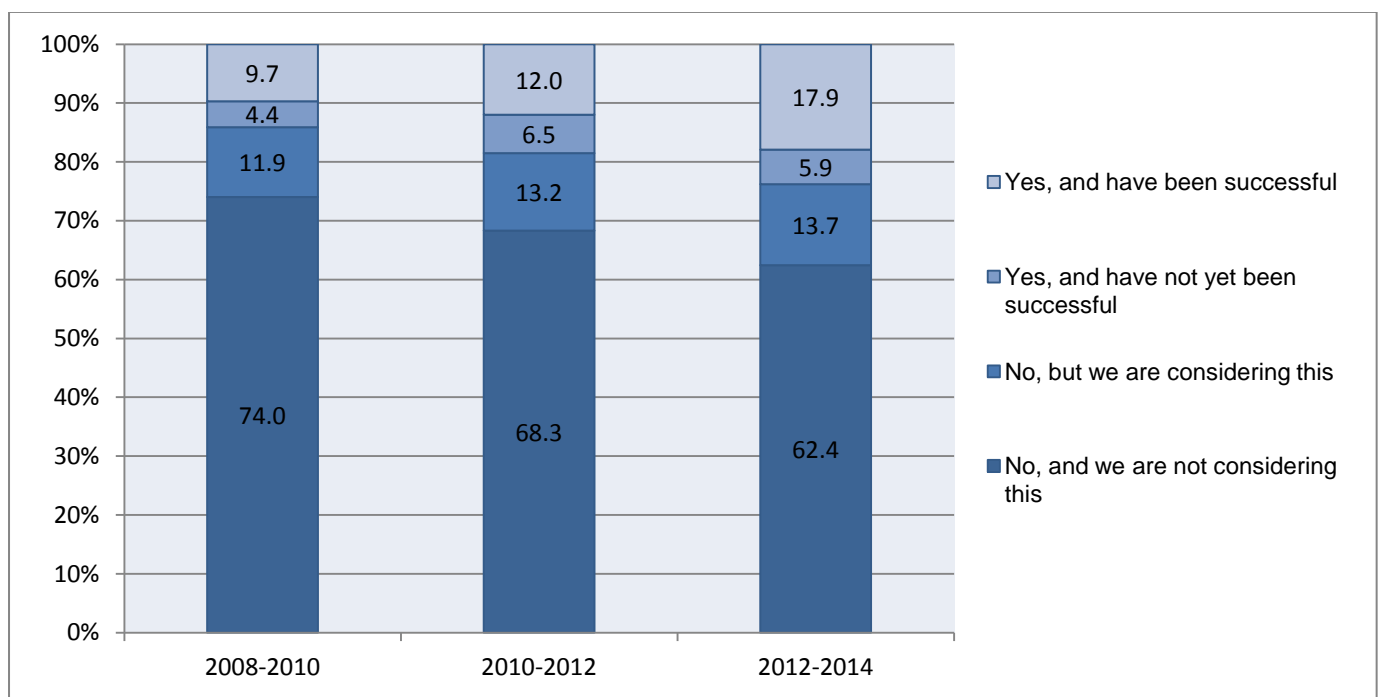
Figure 26 Willingness of TSOs to enter into contracts in partnership (2014)	Northumber-land	Tyne and Wear	County Durham	Tees Valley	North East
Yes and have been successful	14.8	24.3	16.4	17.9	19.2
Yes and have not been successful	6.2	9.7	4.0	9.6	7.6
No, but we are considering this	11.9	19.0	11.9	12.8	14.7
No and we are not considering this	67.1	47.0	67.8	59.8	58.5
N=	210	321	177	156	864

Local authorities or other public sector bodies generally want to maximise the impact of work undertaken by contract by encouraging partnership or consortia bidding. Consequently, there is often an explicit or implicit expectation built into tender documentation that smaller TSOs should be incorporated into partnership bids to ensure that their ability to reach and engage with people in communities of place or interest can capitalised upon.

As Figure 27 shows, when considering the Third Sector as a whole, partnership working to deliver public sector contracts has increased considerably between 2008-10 and 2012-14: rising from 10% to 18% of TSOs which have successfully bid to do such work.

Furthermore, the percentage of TSOs which have been bidding for such work but have not yet been successful has increased from 4% to 6%. That stated, the majority of TSOs remain disinterested in the delivery of contracts in partnership; although the proportion of TSOs which take this view has fallen from 74% to 62% since 2008-10.

Figure 27 **Participation in delivery of contracts working in partnership** (North East England and Cumbria 2008-2014)



12 Relationship within and between sectors

Relationships with the public sector

Figure 28 shows the extent to which TSOs 'agree' or 'strongly agree' that they feel valued by public sector organisations on a range of issues.

- Over 77% of TSOs in North East England agree or strongly agree that public sector organisations value the work they do. Across each of the sub regions are broadly similar (between 75-78%).
- About 73% of TSOs in North East England feel that public sector organisations understand their role; these views are consistent across sub regions.
- More than 70% of TSOs state that public sector organisations respect their independence. This view is broadly similar across sub regions.
- Fewer TSOs feel that public sector organisations inform them on issues of importance to them (56%). Percentages are broadly similar across sub regions.
- Only 36% of TSOs think that they are involved in public sector decision making processes on issues of concern to the third sector. More positive attitudes are noted in Tyne and Wear and County Durham (40%) compared with Tees Valley and Northumberland (31%).
- About 35% of TSOs think that public sector organisations act on third sector opinions/responses to consultations. TSOs in Tyne and Wear are the most positive in this respect (41%).

Figure 28 TSOs which agree or strongly agree with statements about relationships with the public sector (2014)	Northumberland	Tyne and Wear	County Durham	Tees Valley	North East
They value the work of our organisation	76.2	78.1	75.4	78.3	77.1
They understand the nature and role of our organisation	72.9	73.6	72.4	73.2	73.1
They respect our organisation's independence	69.0	71.6	68.1	74.0	70.7
They inform our organisation on issues which affect us or are of interest to us	56.7	54.5	59.7	53.0	55.8
They involve our organisation appropriately in developing and implementing policy on issues which affect us	31.1	39.9	40.3	31.0	36.3
They act upon our organisation's opinions and/ or responses to consultation	31.0	41.3	33.4	33.3	35.8

Figure 29(a) shows the views of smaller TSOs (which are less formal, have less than £25,000 income and rarely employ staff) about relationships with people in the public sector. The chart demonstrates that the vast majority of TSOs think that their work is valued, that their independence is respected and that their role is understood. There was a slight dip in confidence in 2012, but this has more than recovered in 2014.

These data also show that there is a rising sense of confidence in three categories: 'feeling informed', 'being involved' and the public sector 'taking action' on the basis of consultation. More than half of TSOs now think this is the case.

Figure 29(a) **Percentage of smaller 'less formal' TSOs which 'agree' or 'strongly agree' with a series of statements about relationships with the public sector** (North East and Cumbria, 2014: data refer only to those TSOs which have a relationship with the public sector)

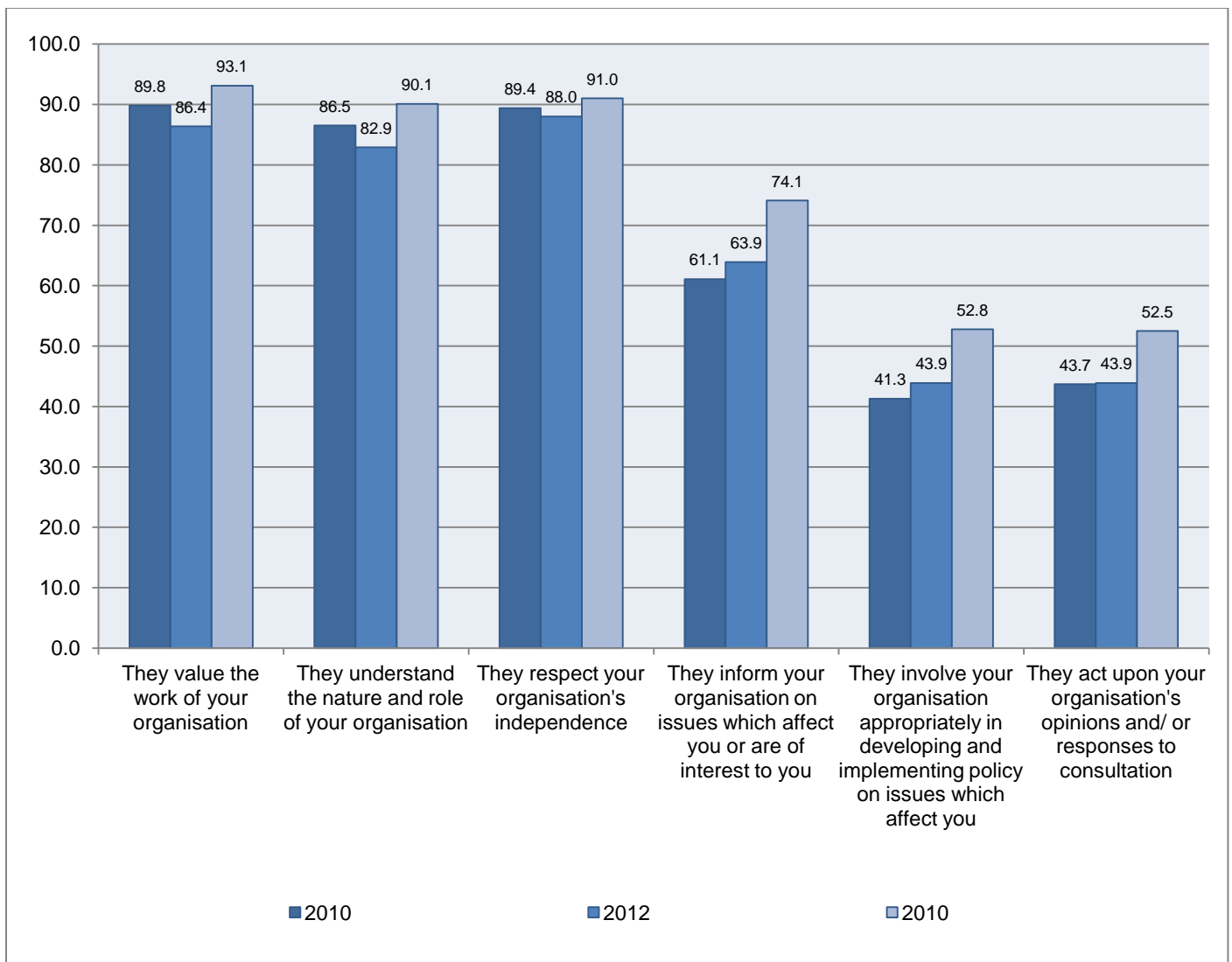
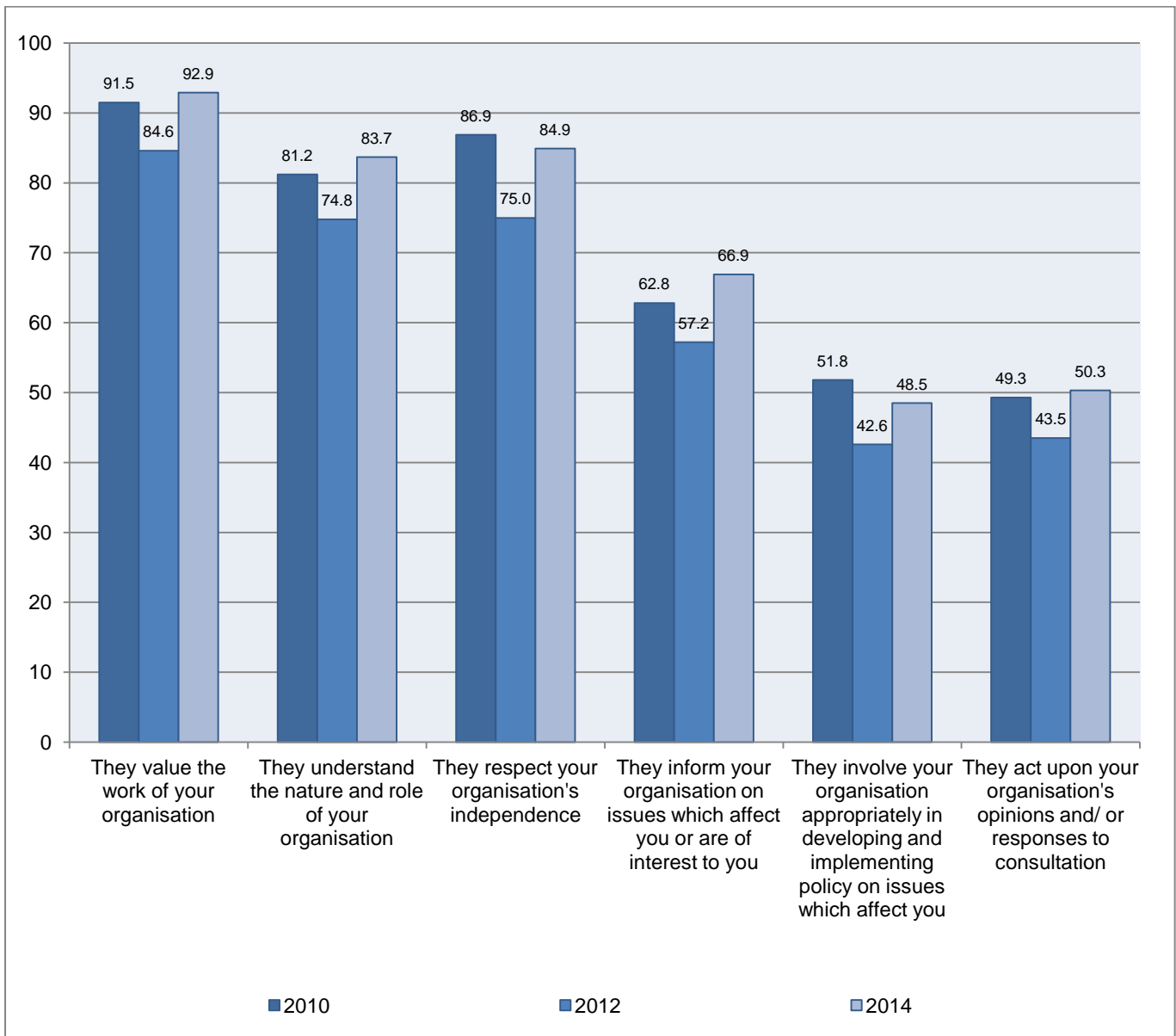


Figure 29(b) considers the situation for more formal TSOs (which have income above £50,000 per annum, generally employ staff and are more likely to be involved in contracts).

As in the previous chart, there is evidence of a bounce back in TSOs' confidence in their relationship with the public sector since 2012. In fact this effect is more pronounced for the larger TSOs. The lowered level of confidence which was expressed in 2012 may be explained by uncertainties produced at the time by significant reductions in public sector funding.

While confidence is very high in relation to TSOs' work being valued and understood and their independence respected, the proportion of more formal TSOs which feel that they are fully involved or their opinions acted upon is still just about equal to those who disagree.

Figure 29(b) **Percentage of larger 'more formal' TSOs which 'agree' or 'strongly agree' with a series of statements about relationships with the public sector (North East and Cumbria, 2014: data refer only to those TSOs which have a relationship with the public sector)**



Relationships with the private sector

Figure 30 indicates whether TSOs 'agree' or 'strongly agree' with a series of statements about their relationships with the private sector.³⁶

- Over 35% of TSOs state that private sector businesses give them money to do their work. The percentages are broadly similar across three sub regions (36-37%). The exception is County Durham where only 30% state that this is the case.
- Private sector businesses offer free facilities to help 22% of TSOs to do their work. The highest level of support in this respect occurs in urban Tyne and Wear (27%) and Tees Valley (22%), compared with 17-19% in more rural counties of Northumberland and County Durham.
- Volunteers from private sector businesses are more numerous in the urban areas of Tyne and Wear and Tees Valley (25%) than in the more rural areas of Northumberland and County Durham (13-14%).
- About a quarter of TSOs receive expert advice from private sector businesses. The offer of advice is more likely to be given in the urban area of Tyne and Wear (31%). In other areas only 20-24% of TSOs get such advice from businesses.
- Some TSOs get support from business in terms of media activity or public relations (18%). Such support is more prevalent in urban areas (21-22%) compared with more rural areas (13-15%).

Figure 30 TSOs which 'agree' or 'strongly agree' that they benefit from relationships with the private sector	Northumberland	Tyne and Wear	County Durham	Tees Valley	North East
They give us money to help us do our work	35.7	37.8	29.6	35.8	35.2
They provide free facilities to help us do our work	17.3	26.7	19.0	22.7	22.1
They provide volunteers to help us do our work	13.0	25.2	14.0	25.8	20.1
They provide free expert advice to help us work	19.5	31.3	22.2	23.8	25.3
They provide free media/PR support to help our work	13.2	20.6	14.9	21.5	17.8

Figure 31 assessed differences in the experiences of TSOs of different sizes.

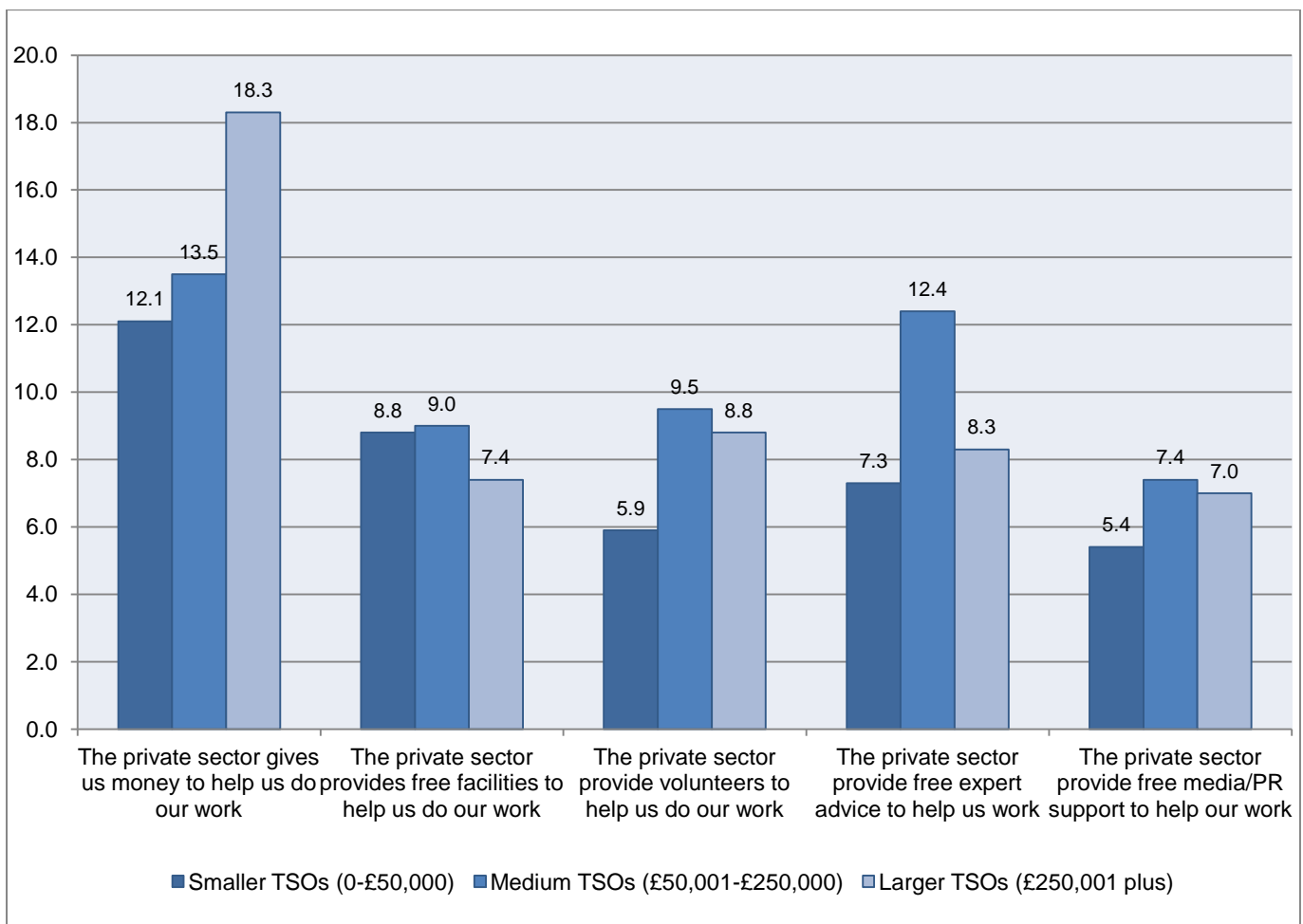
- Larger TSOs are much more likely to be the recipients of money from private sector companies to help them do their work (18%, compared with 14% of medium and 12% of small TSOs).

³⁶ This question was introduced to the survey in 2014 so there is no scope for comparative analysis over time.

- TSOs are more or less equally likely to benefit from the provision of free facilities to do their work by private sector companies irrespective of their size (between 7% and 9% of TSOs).
- Relatively few TSOs benefit from the provision of volunteers from private sector companies. Small organisations are the least likely to get such help (6%) compared with 9-10% of medium and larger TSOs. Smaller TSOs are less likely to get such help because they are inaccessible to companies.
- Medium sized TSOs benefit the most from the provision of expert advice from private sector companies (12%) compared with 7-8% of smaller and larger TSOs. This is likely to be due to higher demand for such support from medium sized organisations.
- Some TSOs get support from private sector companies with their communications work (such as public relations and/or media support). The level of support is low for all TSOs (at between 5-7%).

These data give some indications of the extent to which private sector companies support the Third Sector. What cannot be gleaned from these data, however, is the balance between the demand for such support and its supply and how this changes over time. This could be a fruitful line of enquiry in future should the study continue beyond 2015.

Figure 31 **Benefits gained from interactions with the private sector** (North East England and Cumbria, 2014)



Relationships within the Third Sector

Figure 32 shows the extent of engagement in informal or formal relationships between TSOs.

- Almost 78% of TSOs across North East England have useful informal relationships with other TSOs. The extent of such relationships are greater in Tyne and Wear (82%) where there is a dense population of TSOs, but the extent of informal relationships is also strong in all other areas (between 74-77%).
- 70% of TSOs work closely but informally with other TSOs in North East England.
- Formal partnership relationships are much less common in North East England (38%). In urban areas, where there are more larger organisations and more opportunities for contract working, the percentages are higher (40% in Tyne and Wear and 42% in Tees Valley) although differences from more rural counties are not particularly large.

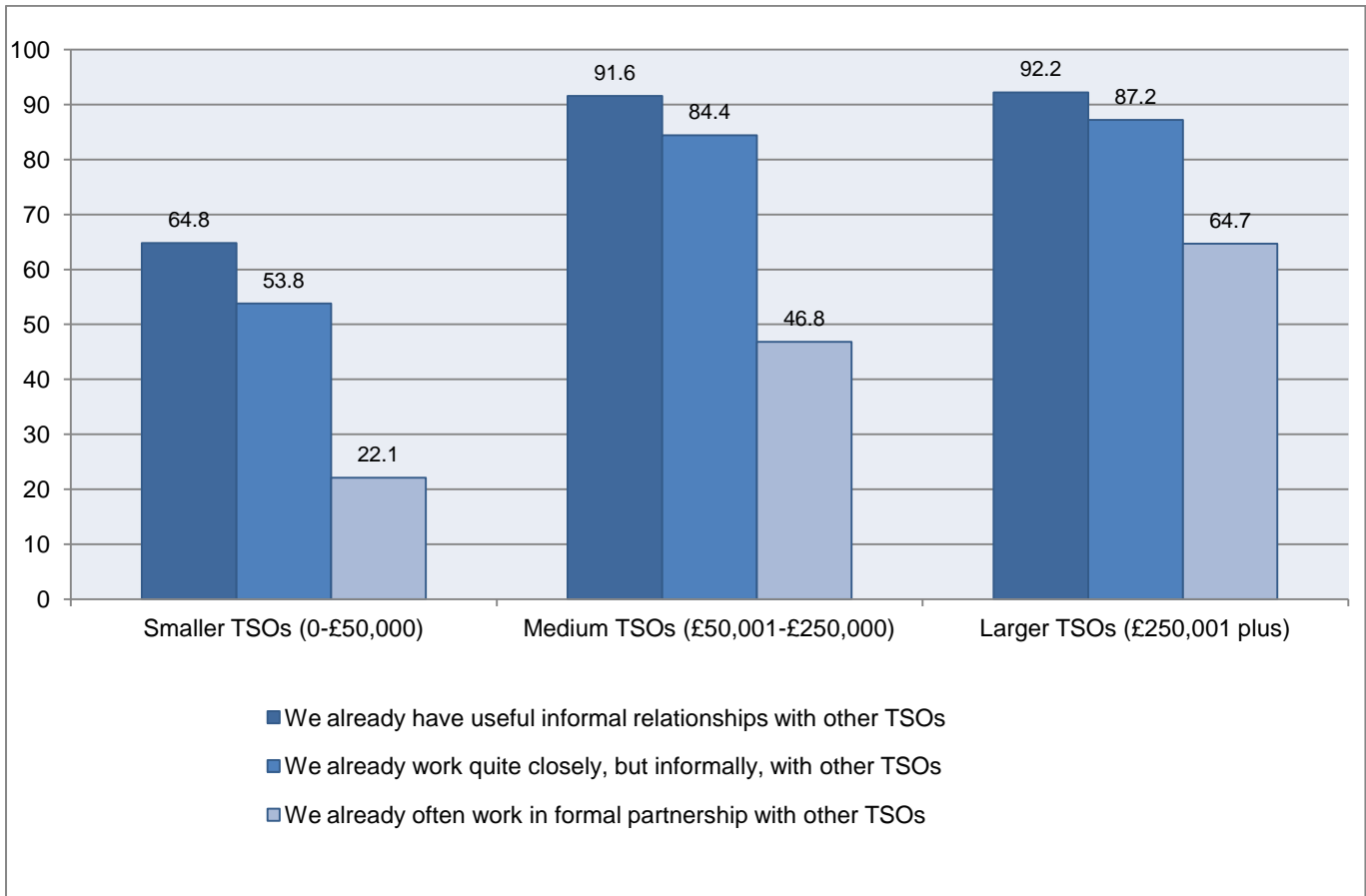
Figure 32 Extent of informal and formal relationships within the Third Sector (2014)	Northumber-land	Tyne and Wear	County Durham	Tees Valley	North East
We have useful informal relationships with other voluntary organisations and groups	74.1	82.1	76.6	73.8	77.6
We often work quite closely, but informally, with other voluntary organisations and groups	64.0	71.3	70.7	68.2	68.9
We often work in formal partnership arrangements with other voluntary organisations and groups	34.5	39.7	36.1	42.4	38.2

Figure 33 shows the extent to which TSOs of different sizes have formed positive relationships with other organisations within the Third Sector.

- 65% of smaller TSOs have useful informal relationships with other TSOs; 54% work closely, but informally, with other TSOs; and, 22% work in formal partnership with other organisations in the Third Sector.
- Medium sized and larger TSOs are much more likely to have useful informal relationships with other organisations in the Third Sector (92% compared with 65% of small TSOs)
- Medium sized and larger TSOs are more likely than small TSOs to work closely or informally with other organisations in the Third Sector (84% and 87% respectively).

- Large TSOs are the most likely to have formal working relationships with other TSOs (65%) when compared with medium sized organisations (49%) or smaller organisations (22%).³⁷

Figure 33 **Relationships within the Third Sector** (Percentage of TSOs which 'strongly agree' with each statement: North East and Cumbria, 2014)



³⁷ The percentage of larger TSOs working in formal partnership arrangements is higher than shown in the discussion of partnership in contract working (see Figure 26). The reason for this is that not all formal partnership relationships operate within contractual terms to deliver services on the behalf of a public sector organisation.

13 Expectations and preparation for the future

Figure 34 shows what percentage of TSOs believe that each of a series of key factors will 'increase' or 'increase significantly' over the next two years. The factors are listed in descending order of importance for TSOs across North East England as a whole.

It should be noted that in previous rounds of the TSO1000, organisations have tended to be more ambitious about future change than is perhaps warranted. While optimism should be lauded in many respects, it can skew organisational strategy if too far out of line with the likely realities of the future.

- There is a widespread expectation that the need for TSOs services will increase (57%). Such expectations are stronger in the urban areas (and especially Tyne and Wear with 67%). Higher percentages in urban areas are mostly related to the higher proportion of larger TSOs in such areas and the availability of contracts to deliver services.
- Only about 9% of TSOs felt that funding from statutory bodies will increase in the next two years. The percentage of TSOs believing this to be the case is highest in Tyne and Wear (13%).
- Almost half of TSOs think that expenditure will increase in the next two years (47%). Such attitudes are found in similar proportions across all four sub regions.
- About 40% of TSOs think that statutory organisations expectations of their work will rise in the next two years – in this respect attitudes are stronger in the urban areas.
- About 37% of TSOs expect that partnership working will increase in the next two years. This is thought to be particularly likely by TSOs in Tyne and Wear (44%) but such organisations are in a minority.
- Perhaps surprisingly, 33% of TSOs expect that their income will increase in the next two years. TSOs in Northumberland are the least optimistic in this respect (29%).
- About 17% of TSOs think that the number of contracts they hold will increase in the next two years (which is broadly in proportion with the number of TSOs actually engaged in or bidding for such work). More than double the number of TSOs in urban areas believe this to be the case (this is likely to be due to the number of larger TSOs and opportunities to win contracts).

Figure 34 TSO expectations about the future (% expecting an 'increase' in the next two years) (2014)	Northumber-land	Tyne and Wear	County Durham	Tees Valley	North East
The need for our services will increase	49.5	67.1	49.7	54.6	57.0
Expenditure will increase	45.4	47.3	44.3	51.0	46.9
Statutory agencies expectations will increase	34.0	47.2	33.1	41.1	40.1
Working in partnership will increase	29.4	44.3	34.1	36.4	37.2
Income will increase	28.9	34.7	34.1	35.7	33.4
Contracts held will increase	13.4	20.7	9.4	20.1	16.5
Funding for statutory services will increase	7.5	12.5	7.7	9.9	9.9

Given the above findings about what TSOs expect to happen over the next two years, it is useful to report what actions are being taken to tackle such challenges by organisations.

Figure 35 presents data on the percentage of TSOs which are currently pursuing action to tackle the challenges and opportunities of the future. The categories of action are listed in priority order for North East England as a whole.

- Over 42% of TSOs are taking action to increase earned income (including trading and/or contracts). TSOs in Tyne and Wear (44%) and Tees Valley (47%) are most likely to be doing so, but this is largely due to the concentration of larger organisations in these areas.
- Due to the larger number of bigger TSOs in Tyne and Wear and Tees Valley, more TSOs (between 36-37%) are now working more closely with other TSOs when compared with more rural counties (29% in Northumberland and 27% in County Durham).
- Echoing the above findings, TSOs in the urban areas are more likely to be changing the way they run services (36%) compared with more rural areas.
- About 26% of TSOs across North East England are attempting to increase individual donations. TSOs in Tyne and Wear seem to be considerably more active in this respect (33% compared with 21-24% in other areas).
- Around a quarter of TSOs are attempting to work more closely with public sector organisations. More TSOs are doing this in urban areas (28-29%) compared with more rural counties (20-23%). As with above findings, this is likely to be due to the higher density large organisations in urban areas.
- Relatively few TSOs are taking action to work more closely with private sector companies (10%). TSOs in the urban areas are most likely to be doing so (10-12%) compared with more rural areas (6-9%).
- The prospect of merging with another TSO is limited in most areas (around 5% of TSOs are taking action to do so). Similarly, very few TSOs are taking action to borrow money to enter into new areas of work (around 5%).

Figure 35
Percentage of TSOs which have already taken action to tackle future challenges (2014)

	Northumber-land	Tyne and Wear	County Durham	Tees Valley	North East
Increasing earned income	36.7	44.4	40.8	47.4	42.4
Working more closely with another voluntary/ not-for-profit organisation	28.9	37.3	27.2	35.7	32.8
Changing the way you run your services or activities	21.1	35.7	28.5	36.2	30.7
Increasing individual donations	24.1	33.9	20.8	21.5	26.4
Working more closely with a public sector organisation	20.2	27.8	22.7	29.9	25.3
Working more closely with a private sector company	9.0	12.6	6.2	11.5	10.1
Merging with one or more similar organisations	4.8	5.9	4.9	6.2	5.5
Borrowing money to increase volume of activity/enter new areas of work	6.0	5.1	4.1	5.4	5.2

Figure 36 presents data on the percentage of TSOs across North East England and Cumbria which are taking action now to tackle challenges and chase opportunities in the future. Organisations which are currently planning to change, but not actually doing so, are not included in this analysis.

Largest organisations

- Larger TSOs are the most active in attempting to increase earned income (60%), followed by changing the way they run services (52%); working more closely with another TSO (46%); and working more closely with a public sector organisation (41%).
- Larger TSOs are less active in several domains: only 32% are trying to increase individual donations; and, 18% are working more closely with private sector companies.
- There is little evidence of interest in increasing the volume of activity or moving into new areas of activity (9%) and very limited activity surrounding merging with another TSO (5%).

Medium sized organisation

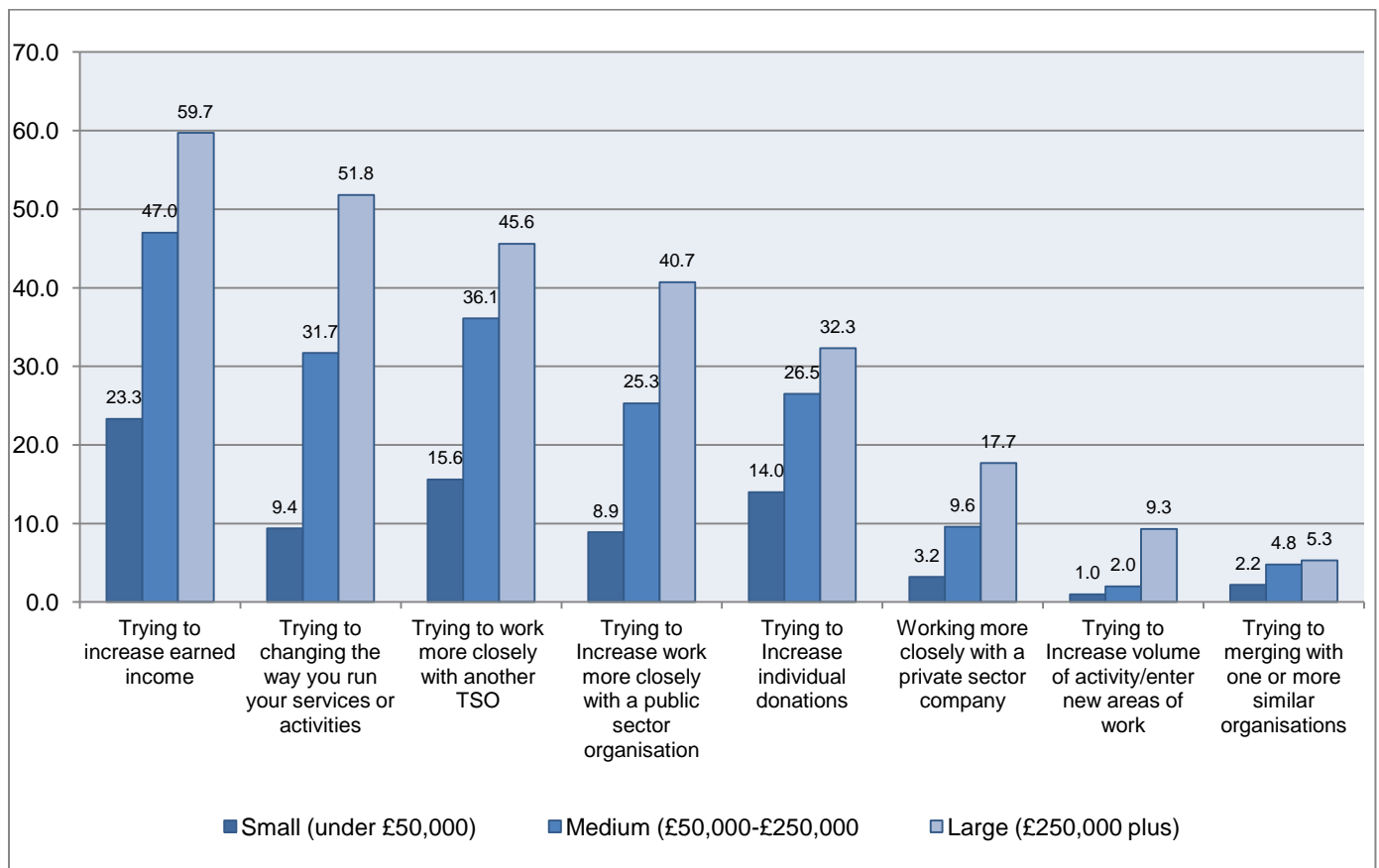
- The order of priorities to change practices amongst medium sized organisations is quite similar to the largest TSOs. But the intensity of activity is generally 10-15% lower than for the largest organisations.
- Activity is most prevalent in increasing earned income (47%), working more closely with another TSO (36%); changing the way services are run (32%); increasing individual donations (27%); and, working more closely with a public sector organisation (25%).
- As with the largest TSOs, there is minimal action being undertaken to effect a merger with another TSO (5%) and rather less activity involving entering new

areas of work or scaling up activity (2%). There is some activity surrounding work with the private sector (10% compared with 18% of larger TSOs).

Smaller organisations

- The smallest organisations are much less likely to be changing their practices. As has been shown in previous reports, small organisations tend to be quite resilient and durable as they depend almost completely on voluntary contributions of time to keep running. Money is a lesser concern, in short, than is the case for larger TSOs and therefore, less attention has to be given to strategic thinking to address change.
- The evidence presented in Figure 35 shows that small TSOs are much less likely to be taking action to earn income (23%) when compared with larger organisations (60%): and less likely still actively to be changing the way they run their services (9% of small organisations or groups compared with 52% of the largest TSOs).
- The most likely areas of new activity are, in order of priority: increasing earned income (23%), working more closely with another TSO (16%) and increasing donations (14%).
- Taking action to work more closely with the public sector, or change the way they do things, is a priority for only about 9% of smaller TSOs. Action to enter new areas of work is very rare (1% of small TSOs) and there is virtually no active interest in merging with another organisation (2%).

Figure 36 **Levels of current activity to change practices and strategies to tackle future challenges and opportunities by organisational size (North East England and Cumbria: 2014)**



14

Where to find further analysis

This section provides details of where to find further analysis from the Third Sector Trends study by topic. Many of the reports have wide-ranging content and are, therefore, often included under several topic headings.

All Northern Rock Foundation publications are available to download at no cost at this website address: <http://www.nr-foundation.org.uk/third-sector-trends.php>.

Trends analysis

Chapman, T. and Robinson, F. (2015) *Key findings from the Northern Rock Foundation Third Sector Trends Study in North East England*, Newcastle: Northern Rock Foundation.

Chapman, T. (2015) *Key findings from the Northern Rock Foundation Third Sector Trends Study in Cumbria*, Newcastle: Northern Rock Foundation.

Chapman, T. and Robinson, F. (2014) *Third Sector Trends in North East and Cumbria: headline trends 2008-2014*, Newcastle, Northern Rock Foundation.

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Appendix 1: ONS Regional employment statistics

Regional Labour market statistics, North East England, June 2014	Thousands employed ³⁸				% of North East Workforce			
	2008	2010	2012	2014	2008	2010	2012	2014
Agriculture, forestry & fishing	8	6	12	6	0.7	0.5	1.0	0.5
Mining & quarrying	2	3	3	2	0.2	0.3	0.3	0.2
Manufacturing	132	114	112	112	11.1	9.7	9.6	10.1
Electricity, gas, steam & air conditioning supply	4	8	8	10	0.3	0.7	0.7	0.9
Water supply, sewerage, waste & remediation activities	8	4	7	6	0.7	0.3	0.6	0.5
Construction	86	82	76	87	7.2	7.0	6.5	7.8
Wholesale & retail trade; repair of motor vehicles and motor cycles	181	166	158	149	15.2	14.2	13.5	13.4
Transport & storage	45	48	56	44	3.8	4.1	4.8	4.0
Accommodation & food service activities	74	66	75	58	6.2	5.6	6.4	5.2
Information & communication	32	30	33	26	2.7	2.6	2.8	2.3
Financial & insurance activities	31	26	25	24	2.6	2.2	2.1	2.2
Real estate activities	14	21	17	25	1.2	1.8	1.5	2.3
Professional scientific & technical activities	55	73	70	61	4.6	6.2	6.0	5.5
Administrative & support service activities	88	76	80	81	7.4	6.5	6.8	7.3
Public admin & defence; compulsory social security ²	88	112	79	74	7.4	9.6	6.8	6.7
Education	102	107	120	109	8.6	9.1	10.3	9.8
Human health & social work activities	170	170	176	168	14.3	14.5	15.1	15.1
Arts, entertainment & recreation	33	30	34	33	2.8	2.6	2.9	3.0
Other service activities	32	28	24	31	2.7	2.4	2.1	2.8
People employed by households, etc.	5	3	1	2	0.4	0.3	0.1	0.2
Third Sector Trends estimates³⁹	37	38	37	36	3.1	3.2	3.2	3.2
All jobs	1,190	1,171	1,168	1,111				

³⁸ Quarterly estimates are recorded for March in each year. Source: ONS *Regional Labour Market Statistics*, June 2014: http://www.ons.gov.uk/ons/dcp171778_364937.pdf.

³⁹ These estimates are not 'additional' to the sum of employees ONS record for North East England. In the SIC, such jobs would have been incorporated in other sectors, most particularly: *Accommodation and food service activities, Information and Communication, Public Administration and defence, compulsory social security, Education, Human health and social work activities, Arts Entertainment and recreation*, and, *other services and activities*,

Appendix 2: Publications from the Third Sector Trends study and related projects

Reports and working papers

- Chapman, T. (2015) *An assessment of third sector organisations' willingness to borrow money: evidence from Yorkshire, North East England and Cumbria*, Newcastle, Northern Rock Foundation.
- Chapman, T. and Robinson, F. (2014) *Third Sector Trends in North East England and Cumbria: headline trends 2008-2014*, Newcastle, Northern Rock Foundation.
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