

# Scoping the Sector 2014

## The True Value of the Sector

Estimating the value of a volunteer hour and applying it to the voluntary, community and social enterprise sector of Stockton-on-Tees.



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## Introduction

Scoping the Sector, now in its second year, aims to monitor the size, shape and health of the Voluntary, Community and Social Enterprise (VCSE) Sector in the Borough of Stockton-on-Tees annually.

This year, Scoping the Sector is focussing on the true value of the sector. This report aims to put a monetary figure on the work of volunteers in the Borough. The work of volunteers is what drives our sector, and without it we would struggle to provide such a vast array of services.

The next page looks at the findings of previous Scoping the Sector reports, and looks into research from around the country to put a monetary value on the worth of one volunteer hour. This monetary figure will be referred to throughout the report to give a figure for the “true worth” of the voluntary, community and social enterprise sector in Stockton-on-Tees.

The Scoping the Sector 2014 report uses a sample of 145 VCSE organisations, representing 44% of our 333 members.

For more information on Scoping the Sector or any of the data in this report, please contact Tom Coates on [tom.coates@catalyststockton.org](mailto:tom.coates@catalyststockton.org) or call 01642 733906.

## Background and Research

### Scoping the Sector 2013: Strengths, weaknesses and estimates for 2014.

Now in its second year, Scoping the Sector is a baseline report monitoring the size, shape and health of the voluntary sector in Stockton-on-Tees.

In 2013, the first Scoping the Sector report was released. This was a mapping exercise looking to give an estimate of the number of paid and unpaid people operating in the Stockton-on-Tees voluntary sector, and also estimate how much money is brought into the borough via the sector.

The findings of the report estimated that:

- The Stockton-on-Tees VCS employs 2,216 people in the borough.
- There are more than 4,721 active volunteers in the VCS in the borough.
- An annual total of £25million was brought into the borough of Stockton-on-Tees through the VCS.

NCVO (2010) estimated that 2.7% of the working population is employed by the voluntary and community sector – an increase of 0.7% compared to 2001. The sharpest increase was observed during 2008/09 and 2009/10 periods. Using the trend line, it is assumed that 3% of the working population had jobs in the sector in 2013. This figure would give a total of 2,070 VCS jobs based on the working population in Stockton-on-Tees. The estimate given by the previous Scoping the Sector of 2,216 indicates a healthy voluntary and community sector in Stockton-on-Tees.

The NCVO report estimated that around 25% of the population volunteers at least once a month. In the borough of Stockton-on-Tees, this would be equal to a total of 47,900 regular volunteers. The estimate in Scoping the Sector is obviously a long way from this number. However, Scoping the Sector is only looking at the number of volunteers who are active in the voluntary and community sector. This therefore discounts any volunteers at schools, council events, private events or even community events which are not run by VCS organisations. We would expect to see a number closer to around 10-15% of the population (between 19,160 and 28,740).

The annual income for the sector in 2013 was valued at an impressive £25,657,604. It is expected that this number will not increase by a significant amount, however the added value of volunteer work added to this will give us a good estimate of the complete value of the work that our sector carries out.

### The Value of One Volunteer Hour

Volunteers contribute a tremendous amount to our sector. This can vary from hands-on voluntary work, to free training provision, to in-kind support - the list of ways that people can contribute through volunteering is endless.

Because the way in which we can volunteer is so diverse, it presents a challenge when trying to put an exact value to the monetary worth of volunteering. A number of different associations have carried out research and given their own estimates of worth to the value of one volunteer hour. Some of this research has been selected and included for the background of this study.

Heritage Lottery Fund (2009) values volunteering on a daily basis, and has set three levels of value:

- Unskilled tasks can be costed at up to £50 per day. Examples include gardening, stewarding and general maintenance work.
- Skilled tasks can be costed at up to £150 per day. Examples include dry stone wall building, data verification or educational workshop leading.
- Professional tasks can be costed at up to £350 per day. Examples include architectural plans, writing a business plan and creating interpretation strategies.

This data is based on daily values, with no indication of hours per day. It is hard to give a general value for volunteering from this data; however it helps us by highlighting the variation of volunteer value depending on work type.

Volunteering England (2008) explains that the simplest way to estimate volunteer value is to use the average local rates of pay. This takes into account the varying types of voluntary work as shown in the previous paragraph.

Using the Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) 2013, Stockton North and Stockton South hold average hourly wages of £10.21 and £12.62 respectively. Taking into account the number of jobs measured on the ASHE in each constituency (32,000 North, 37,000 South), we can take an accurate average of £11.50\*. This number is based on data from the borough of Stockton-on-Tees, and so will be used throughout the report to represent the value of one volunteer hour.

## **One volunteer hour in Stockton-on-Tees = £11.50 value**

\*  $((32000 \times 10.21) + (37000 \times 12.62)) / (32000 + 37000) = 11.50232$

## Survey Findings

### Annual Income

To estimate the true value of the voluntary and community sector of Stockton-on-Tees, we must first estimate the amount of money coming into the borough through VCSE organisation. This can be done by taking an average from the responses in this survey.

An average annual income of £180,706.80 was received, which is an increase of £5,682.46 compared to the average in the Scoping the Sector 2013 report. This gives a total annual income of £18,974,214 from the 105 organisations that completed this part of the analysis.

As discussed in previous reports, we estimate the VCSE sector in the Stockton-on-Tees borough to be around 800 organisations. We must now estimate the income for the remaining 695 who are not used in this analysis. Many of these will be small organisations, groups and sports clubs that are unlikely to get involved with Catalyst.

As this is the case, an average income of £10,000 has been estimated for organisation not included in this analysis – the same figure used in the Scoping the Sector 2013 report. The total of £6,950,000 will be added to the total of £18,974,214 found above.

**This gives us a total income of £25,924,214 for the VCSE sector of Stockton-on-Tees.**

### Active Volunteers

A total of 133 respondents gave estimates on the amount of regular volunteers working with their organisations. An average from these responses was taken, resulting in an average result of 30 regular volunteers per organisation.

If this result is applied across the whole of the borough (estimated at 800 organisations), we get a result of 24,000 regular volunteers in the borough. This is around 12.53% of the population of Stockton-on-Tees.

This result correlates with the prediction at the start of this report of between 10-15% of the population regularly volunteering.

**There are a total of 24,000 regular volunteers in the borough of Stockton-on-Tees.**

### Volunteer Time

Unfortunately only 35 respondents gave estimates on the average volunteer hours that their organisation benefits from. This is not a figure high enough to generalise across the sector accurately, however the result will be used regardless to give a worth for the entire sector. Research from other bodies will also be referenced.

An average of 8.86 hours per volunteer per week was received from the Scoping the Sector report. This is similar to the conclusions of TimeBank (2014) which gives an estimate of 7.7 hours per week for people who regularly take part in informal volunteering.

**On average, a volunteer in Stockton-on-Tees gives 8.86 hours of time voluntarily per week.**

## Conclusion

In conclusion, this report can give a snapshot in time of the size and value of the voluntary and community sector in Stockton-on-Tees. Taking into account all of the separate conclusions in this report, we can put a monetary figure onto the **true value** of the voluntary, community and social enterprise sector in our borough. The figure is calculated using the following formula:

$$\text{Total income to the sector} + (\text{volunteer value} * (\text{no. volunteers} * \text{average hours per year}))$$

Therefore, we can take the following sum to find the true value in Stockton-on-Tees:

$$\text{True Value} = \text{£}25,924,214 + (\text{£}11.50 * (24,000 * (52 * 8.86)))$$

This gives our sector a true monetary value.

**True value of the VCS in Stockton-on-Tees = £153,082,934**