The structure, dynamics and impact of the third sector in Essex

new analysis from Third Sector Trends

About the author

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The contents of the report express the views of the authors and do not necessarily reflect the views or policies of the commissioning partners.

Third Sector Trends Study

Data in this report are drawn from the Third Sector Trends study which was conceived and originally commissioned by Northern Rock Foundation with research conducted by the universities of Southampton, Teesside and Durham. The Community Foundation Tyne & Wear and Northumberland was a co-founder of the research and is now responsible for its legacy.

The Community Foundation and St Chad's College are currently collaborating with partners including: Power to Change, Barrow Cadbury Trust and Millfield House Foundation to undertake the Third Sector Trends Study survey and analysis in 2022-23

All publications from the Third Sector Trends study are available free to download at this address:
https://www.communityfoundation.org.uk/knowledge-and-leadership/third-sector-trends-research/

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Contents

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1 Introduction

1.1 Purpose of the report

The local voluntary, community and social enterprise sector (VCSE) is a 'home grown' resource, formed of many organisations and groups which were set up to tackle a wide range of local social, environmental and economic issues.

As independent minded and autonomous entities, VCSE organisations decide what their objectives should be, garner the resources to get things done, develop and use working practices that suit them best and develop relationships with other organisations as and when this helps them to achieve their aims.

Collectively, the local VCSE sector achieves a great deal for its beneficiaries by strengthening people's resolve to tackle difficult problems or supporting them to achieve their ambitions. And when working in complementary ways with other organisations and agencies, it can help improve the social fabric of neighbourhoods and communities.

So it is not surprising that the VCSE's contribution to local wellbeing is much appreciated by local public bodies, such as the police and fire services, local authorities and the National Health Service.

Valuing the work of the local VCSE sector is one thing, but understanding how that value is produced and for what purpose is another. So this research report was commissioned by Essex Community Foundation to find out more about sector structure, energy and impact at a local level.

To understand what's going on properly, it is necessary to look beyond the boundaries of a locality so that comparisons can be made with similar or different kinds of areas. Otherwise it cannot be known which aspects of the work of the local VCSE sector are distinctive, effective or particularly challenging.

Using comparative statistical analysis, this report builds a comprehensive picture of sector strengths and its willingness to work alongside or in partnership with local public agencies, businesses and other VCSE organisations.

1.2 Geographies

The following geographies will be the focus of analysis of the report.

- The project's principal geographical focus will be the ceremonial county or proposed combined authority of Essex which includes:
    - Southend on Sea and Thurrock unitary authorities.
    - Essex County Council (including the following districts: Basildon, Braintree, Brentwood, Castle Point, Chelmsford, Colchester, Epping Forest, Harlow, Maldon, Rochford, Tendring and Uttlesford).
- Comparative data will be drawn on at regional level with East of England and at a national level for England and Wales.
- Comparisons with statistical neighbours and statistical strangers are also presented to assess the structure and dynamics of the local third sector in Essex.

1.3 Data sources

The report will use data from several sources:

- Third Sector Trends databases on registered voluntary, community and social enterprises (VCSEs) collated in 2022 with 187,000 cases across England and Wales.
- Third Sector Trends 2022 survey data which includes 6,070 cases collected between June and September. The database can be used to look specifically at returns for individual localities – but can also be modelled to produce indicative findings for types of areas. [1]
- There is no scope for time series data analysis in East of England in 2022, but such analysis at a wider level is used periodically to make general statements about change in sector structure and dynamics as reported in national Third Sector Trends reports.
- Office for National Statistics (ONS) and government department statistics on local demographics, health, social and economic wellbeing in areas.
- National datasets on VCSE finances including reports from the Charity Commission, the NCVO UK Civil Society Almanac and 360Giving.

[1] All Third Sector Trends 2022 reports can be found at this address: https://www.communityfoundation.org.uk/knowledge-and-leadership/third-sector-trends-research/. Recent work on the contribution of the VCSE sectdor to public health in South East England and Essex has also been undertaken which can be found here: Chapman, T. and Wistow, J. (2023) Local health and social wellbeing: the contribution of the voluntary, community and social enterprise sector in Buckinghamshire, Oxfordshire and Berkshire West, Durham: Policy&Practice. https://www.stchads.ac.uk/wp-content/uploads/2023/06/FULL-REPORT-The-contribution-of-the-VCSE-sector-to-local-health-and-social-wellbeing-in-Buckinghamshire-Oxfordshire-and-Berkshire-West-June-2023.pdf. The methodology employed by Third Sector Trends can be seen here: Chapman, T. (2022) Third Sector Trends in England and Wales 2022 research methodology, Durham: Policy&Practice, St Chad's College, Durham University. https://www.stchads.ac.uk/wp-content/uploads/2022/10/Third-Sector-Trends-Research-Methods-2022.pdf

Section 2
Area context

This section of the report provides a basis for the interpretation of VCSE data in subsequent analysis by presenting a brief socio-economic statistical profile of Essex.

2.1 Demographic profile

Population data are presented in Table 2.1 for Essex and its constituent local authorities. Ethnicity demographics are also presented. There is considerable variation in levels of diversity across local authorities and districts. Thurrock is the most ethnically diverse area while Maldon is the least. In general terms, major urban centres tend to be more diverse than town and country areas in Essex – with the exception of Castle Point which has a low level of diversity for a predominantly built-up area.

Table 2.1 **Demographic profiles in Essex local authorities** (Source: ONS 2021)

	Asian or Asian British	Black, African, Caribbean or Black British	Mixed or multiple ethnic groups	White	Other ethnic group	Total resident population (NOMIS)[2]
Southend-on-Sea	5.5	2.9	3.1	87.5	1.1	180,600
Thurrock	6.9	11.9	3.0	76.7	1.5	175,900
Basildon	4.3	4.7	2.6	87.4	0.9	187,700
Braintree	1.6	1.2	1.9	94.4	0.5	155,700
Brentwood	5.1	2.3	3.1	88.4	1.1	77,100
Castle Point	1.7	1.3	1.6	94.7	0.5	89,700
Chelmsford	5.3	2.6	2.6	88.4	0.9	181,800
Colchester	5.1	3.5	2.9	87.2	1.5	192,400
Epping Forest	7.2	2.9	3.6	84.1	2.2	134,900
Harlow	5.9	6.2	3.3	82.7	1.8	93,400
Maldon	1.1	0.4	1.3	96.3	0.3	66,600
Rochford	1.4	0.7	1.7	95.3	0.3	86,200
Tendring	1.2	0.6	1.6	95.8	0.4	148,900
Uttlesford	1.9	0.8	2.2	93.9	0.7	91,900
Essex	**4.2**	**3.4**	**2.6**	**88.7**	**1.0**	**1,862,800**

[2] Source: ONS Census 2021 Population data Population and household estimates, England and Wales - Office for National Statistics (ons.gov.uk) https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationandhouseholdestimatesenglandandwales/census2021#population-sizes-and-changes-for-regions-and-local-authorities (downloaded 7th January 2023). A more textured analysis of ethnicity profiles by local authority areas can be accessed using an interactive map provided by the ONS Ethnic group, England and Wales - Office for National Statistics (ons.gov.uk).

2.2 Social profile

When exploring the structure, dynamics and energy of the VCSE sector in localities, it is essential to get a good understanding of local socio-economic profiles in order to find out how well VCSE sector capacity matches local need.

The English Indices of Deprivation (generally referred to as the Indices of Multiple Deprivation or IMD) provide useful comparative data on the social and economic situation of local authority areas. As Table 2.2 shows, making simple statements on area characteristics is not straight forward

Using the rank of average scores, Essex is characterised by considerable variation across areas which fall into three broad categories: most affluent area concentration (Uttlesford, Brentwood, Rochford and Chelmsford), intermediate mix of affluence and deprivation (Maldon, Braintree, Epping Forest, Castle Point and Colchester), and concentration of less affluent areas (Southend-on-Sea, Thurrock, Basildon, Harlow and Tendring). It is notable that Tendring, a coastal town and country area, is an area with concentrations of deep deprivation.

There are also some wide variations within and across these broad categories which should be noted. For example, while Tendring scores the lowest overall score on the IMD, it has a high score for access to housing and services. Uttlesford, the most affluent area in Essex, by contrast, scores second lowest (after Harlow) on access to housing and services.

Table 2.2 **Indices of Multiple Deprivation** (Source: ONS 2021)

District or unitary authorities in descending rank order (from most affluent to least affluent areas)	**IMD - Rank of average rank**	**IMD - Rank of proportion of LSOAs in most deprived 10% nationally**	**Income - Rank of average rank**	**Education, Skills and Training - Rank of average rank**	**Health Deprivation and Disability - Rank of average rank**	**Barriers to Housing and Services - Rank of average rank**
Uttlesford	295	297	308	277	313	44
Brentwood	287	195	279	252	291	140
Rochford	286	195	258	124	290	194
Chelmsford	260	195	248	237	272	67
Maldon	211	195	208	121	233	149
Braintree	203	195	192	117	196	179
Epping Forest	200	195	198	136	266	134
Castle Point	182	168	163	27	186	189
Colchester	181	184	180	196	157	50
Southend-on-Sea	129	94	95	100	124	233
Thurrock	116	134	109	49	173	76
Basildon	111	80	111	34	147	70
Harlow	100	195	62	42	93	35
Tendring	32	48	36	12	34	211

2.3 Public health profile

In recent years there has been a shift in policy emphasis in many societies away from life expectancy towards the assessment of 'healthy life expectancy'.[3] In England, data are collected by the ONS on self-perceptions of health.[4] Healthy life expectancy is defined as follows:

> ***"The healthy life expectancy measure adds a 'quality of life' dimension to estimates of life expectancy by dividing it into time spent in different states of health. Health status estimates are based on the following survey question; 'How is your health in general; would you say it was… very good, good, fair, bad, or very bad'. If a respondent answered 'very good' or 'good' they were classified as having 'good' health. Those who answered 'fair', 'bad', or 'very bad' were classified as having 'not good' health and equate to those in 'poor' health."***

Healthy life expectancy statistics provide a useful benchmark for the analysis of spatial variations in public health. Unfortunately, data are only published at upper-tier local authority levels.

Table 2.3 **Healthy Life Expectancy in statistical neighbour areas** (Source: ONS 2021)

	Men's life expectancy at birth	Men's healthy life expectancy at birth	*Years of ill health*	Women's life expectancy at birth	Women's healthy life expectancy at birth	*Years of ill health*
Southend-on-Sea	79.6	62.1	17.4	83.1	65.3	17.9
Thurrock	79.3	65.6	13.7	82.6	62.8	19.8
Essex	80.3	65.4	15.0	83.6	66.5	17.1
Home counties statistical neighbours	**80.7**	**68.6**	**12.1**	**84.2**	**67.9**	**12.1**
London statistical neighbours	**80.3**	**63.6**	**16.7**	**84.2**	**63.8**	**20.4**

More detailed statistics are available from the Office for Health Improvement and Disparities (formally Public Health England) on a range of indicators for lower tier local authority areas. A set of summary statistics are presented in Table 2.4.[5] These data indicate wide disparities in public health on several dimensions for adults and children. The indicators broadly mirror those presented on the Indices of Multiple Deprivation shown in Table 2.2.

A usual graphical representation of public health is presented in Figure 2.1 which maps the percentage of people reporting a limiting long-term illness. Tendring has the highest concentration while Uttlesford has the lowest.

[3] Welsh, C., Matthews, F. and Jagger, C. (2021) 'Trends in life expectancy and healthy life years at birth and age 65 in the UK, 2008–2016, and other countries of the EU28: An observational cross-sectional study', The Lancet Regional Health, https://www.thelancet.com/journals/lanepe/article/PIIS2666-7762(20)30023-5/fulltext

[4] Source: Public Health England, 2017. https://www.gov.uk/government/publications/health-profile-for-england/chapter-1-life-expectancy-and-healthy-life-expectancy

[5] Source: Office for Health Improvement and Disparities, downloaded 10th October 2023: https://www.localhealth.org.uk/#bbox=520930,252675,165144,102061&c=indicator&i=t3.l_term_ill&selcodgeo=E07000072&view=map10

Figure 2.1 **Percentage of people reporting a limiting long-term illness in Essex** (Source: OHID, 10th October 2023)

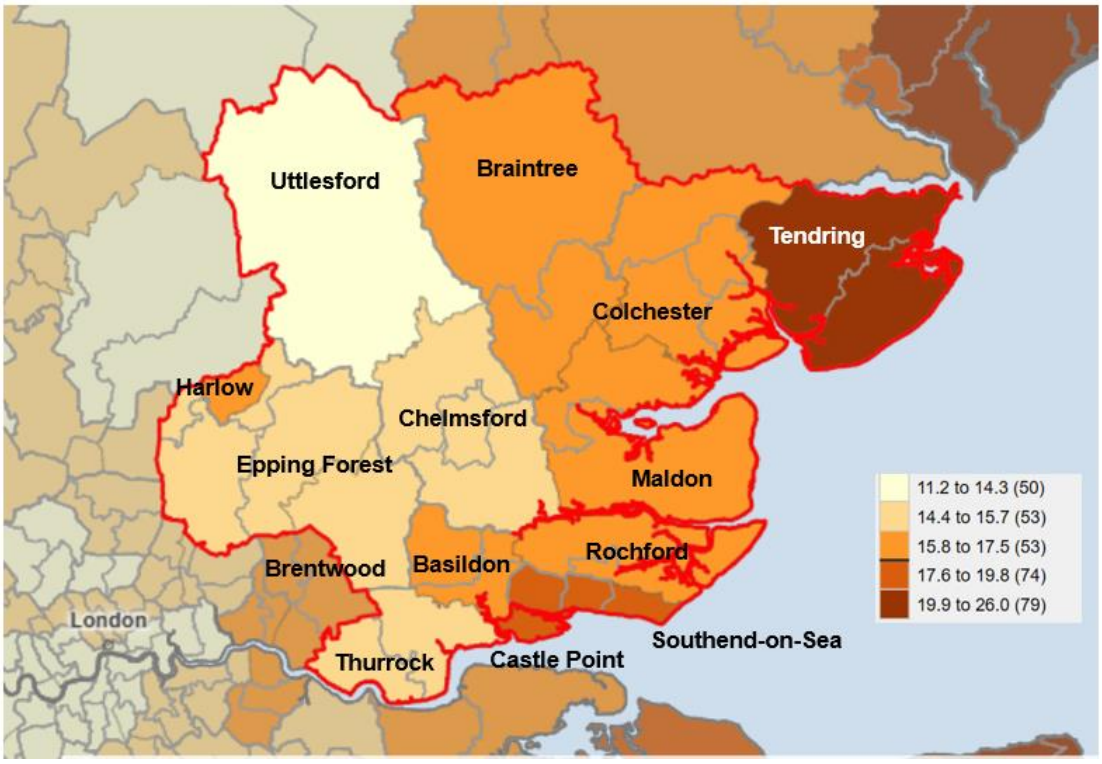


Table 2.4 **Public health by district and unitary authority** (Source: OHID, 10th October 2023)

		Percentages						
	Deaths from causes considered preventable, under 75 years[6]	**Limiting long-term illness or disability**	**Reception: Prevalence of obesity (including severe obesity)**	**Smoking prevalence at 15 years, Regular or Occasional**	**Reception: Prevalence of overweight (including obesity)**	**Year 6: Prevalence of obesity (including severe obesity)**	**Life expectancy at birth for males** (years)	**Life expectancy at birth for females** (years)
Southend-on-Sea	104.6	18.5	9.7	9.9	22.0	20.7	78.7	82.5
Thurrock	102.4	15.6	10.7	4.7	23.1	24.7	78.6	82.4
Basildon	100.6	17.4	10.1	10.5	22.7	21.7	79.2	82.8
Braintree	81.1	16.4	10.8	10.5	23.7	19.4	80.1	83.2
Brentwood	76.3	15.6	7.3	10.5	19.0	15.0	81.0	84.6
Castle Point	91.3	19.0	10.7	10.5	22.7	20.8	79.7	83.1
Chelmsford	73.6	14.4	8.7	10.5	21.2	18.1	81.3	84.3
Colchester	85.4	15.8	8.6	10.5	20.5	18.6	80.2	83.4
Epping Forest	82.5	15.7	8.9	10.5	20.6	19.0	80.7	83.9
Harlow	107.1	17.1	9.9	10.5	22.3	24.0	78.4	82.6
Maldon	80.7	17.4	11.5	10.5	26.6	19.0	80.7	83.7
Rochford	72.2	17.0	7.8	10.5	20.0	17.2	81.2	84.3
Tendring	114.7	25.5	12.4	10.5	28.1	22.3	78.0	81.9
Uttlesford	64.1	13.6	6.7	10.5	17.5	13.9	82.5	85.3

[6] Standardised mortality ratio for deaths from causes considered preventable, aged under 75 years.

2.4 Labour market profile

Demographic, social and public health area profiles indicate that there are wide disparities in social wellbeing across local authorities in Essex. These variations may be partly due to the 'opportunity structures' in areas – such as decent quality employment, levels of pay and may help to explain variations in the skills and qualifications of the local workforce.

To appreciate the contribution the VCSE sector needs to make to local economy and society, it is helpful to have an overview of the characteristics of the local labour market. This sub-section draws upon Nomis labour market data to examine a range of factors, including: pay, occupational status and occupational distribution across industrial sectors.

The analysis must be preceded with a caveat. A distinction needs to be drawn between the resident population (as described in the above demographic, social and health profile data which is mainly gleaned from census statistics) and labour market data which refers to the labour force *working in the area* – but not necessarily *resident* in the area. In 2016, 916,000 people commuted into greater London and held 16 per cent of jobs.[7] Over 106,000 of these commuters were residents in East of England.

2021 census statistics are not yet fully available on travel to work areas. But evidence from the 2011 census statistics indicate major flows of the resident population out of the area and into London. This means that, for example, data on the qualifications of the workforce may not match the qualification levels of the resident population. The same applies to levels of pay – people who work in London may well be paid higher salaries than the resident population.

Table 2.5 **Average weekly wages in statistical neighbour and statistical stranger areas** (Source: Nomis, 12th September 2023)

	Weekly average wage	Estimated average annual wage
Southend-on-Sea	£600.8	£31,242
Thurrock	£632.2	£32,874
Basildon	£618.8	£32,178
Braintree	£688.1	£35,781
Brentwood	£692.4	£36,005
Castle Point	£660.6	£34,351
Chelmsford	£613.3	£31,892
Colchester	£633.7	£32,952
Epping Forest	£653.4	£33,977
Harlow	£615.1	£31,985
Maldon	£671.0	£34,892
Rochford	£603.7	£31,392
Tendring	£599.9	£31,195
Uttlesford	£708.1	£36,821
East of England	**£667.6**	**£34,715**
Great Britain	**£642.2**	**£33,394**

[7] See Brown, R., Eden, S. and Bosetti, N. (2018) Next-door neighbours – collaborative working across the London boundary, Centre for London: https://centreforlondon.org/reader/next-door-neighbours/chapter-1-connections-and-challenges/#connections

Table 2.5 shows average weekly wages within the Essex area labour force. These data can be misleading for the reasons given above, i.e. that local wage levels may be lower than actual household income where commuting is involved. Nevertheless, average wages are reported as highest in Uttlesford and Brentford, and lowest in Tendring and Southend on Sea.

Occupational status is often used as an indicator of the socio-economic position of individuals and households. Table 2.6 shows that in Essex, higher status and better paid jobs in management and the professions are more prevalent than in some areas than others. Uttlesford has the highest percentage of these jobs, while Harlow has the lowest.

Table 2.6 **Occupational structure in Essex** (by working population, not resident population, source: Nomis, 12th September 2023)

	Managers, professionals and associate professional occupations	Administrative and skilled trade occupations	Caring, leisure, sales and customer service	Process, plant & machine operatives and elementary occupations
Southend on Sea	51.2	20.1	14.2	14.5
Thurrock	46.1	23.6	10.2	20.1
Basildon	48.4	21.4	12.5	17.8
Braintree	39.6	28.2	24.0	8.2
Brentwood	58.0	16.5	17.3	8.2
Castle Point	36.6	25.8	17.4	20.2
Chelmsford	56.7	21.8	7.9	13.6
Colchester	57.2	23.0	6.9	12.9
Epping Forest	58.6	16.4	14.5	10.5
Harlow	32.4	20.3	26.3	21.0
Maldon	43.5	25.3	no data	no data
Rochford	43.9	29.8	16.8	9.5
Tendring	47.3	20.2	13.3	19.3
Uttlesford	59.0	19.8	15.8	5.4

Table 2.7 compares employment in industrial sectors for Essex with London and the Home counties. In Essex, compared with the home counties, there are higher proportions of employment in construction and manufacturing, but lower levels of employment in information and communication and scientific/technical sectors.

Table 2.7 **Employment in industrial sectors in statistical neighbour and statistical stranger areas**
(Source: Nomis, 12th September 2023)

	Essex	Home counties	London
Mining and quarrying	**0.1**	0.1	0.0
Manufacturing	**6.6**	5.8	2.1
Electricity, gas, steam and air conditioning supply	**0.1**	0.4	0.4
Water supply; sewerage, waste and remediation	**0.8**	1.0	0.3
Construction	**7.8**	5.7	3.5
Wholesale and retail trade; repair of vehicles	**15.7**	15.9	11.4
Transportation and storage	**5.4**	5.1	4.3
Accommodation and food service activities	**7.3**	7.3	7.4
Information and communication	**3.7**	5.5	8.4
Financial and insurance activities	**2.5**	2.8	8.0
Real estate activities	**1.7**	1.7	2.5
Professional, scientific and technical activities	**8.4**	9.2	14.2
Administrative and support service activities	**9.3**	8.9	9.7
Public administration and defence; social security	**2.9**	3.3	4.6
Education	**9.6**	9.6	7.3
Human health and social work activities	**13.7**	13.0	10.6
Arts, entertainment and recreation	**2.2**	2.3	2.8
Other service activities	**1.9**	2.1	2.5

Section 3
VCSE sector profile

3.1 Sector structure

The preceding analysis of social, health and labour market profiles was presented to help interpret variations in the structure, dynamics and impact of the VCSE sector in Essex. It is clear that there is considerable variation in local social and economic circumstances across Essex.

It is now well understood from Third Sector Trends that in areas suffering from extensive social and economic deprivation – demands for certain types of support shapes the way the local VCSE sector is structured compared with the way energy, purpose and impact of the VCSE sector is framed in areas which are more affluent.

3.2 Size of VCSE organisations

Table 3.1 shows the structure of the VCSE sector within Essex. As would be expected, there tend to be higher concentrations of micro and small organisations in more affluent town and country areas such as Uttlesford. Larger and big VCSE organisations, by contrast, are mainly focused in major urban areas (particularly Southend-on-Sea, Chelmsford, Harlow and Colchester).

Table 3.1 **Sector structure in Essex**[8] (Source: Third Sector Trends Register data 2022)

	Micro (income below £10,000)	**Small** (income £10,000-£49,999)	**Medium** (income £50,000-£249,999)	**Large** (income £250,000 - £999,999)	**Big** (income £1m-£25m)	**All VCSE orgs**[9]
Southend-on-Sea	34.2	28.3	20.2	13.2	4.0	431
Thurrock	26.8	42.9	20.5	8.5	1.3	345
Basildon	24.8	37.2	26.1	9.8	2.1	339
Braintree	44.3	31.9	18.1	3.2	2.4	464
Brentwood	35.5	33.0	22.0	7.5	1.5	262
Castle Point	32.6	35.9	23.9	6.5	1.1	130
Chelmsford	29.6	34.9	21.6	10.1	3.2	578
Colchester	34.0	28.0	25.4	8.1	4.5	600
Epping Forest	41.8	26.6	19.9	8.9	2.5	391

[8] The data in this table refer to all registered TSOs, but the size categories are estimated from data held on Charity Commission data only.

[9] Data on organisational size is only available for Charity Commission registered organisations (n=134,833), so data are scaled up to a national level (n=189,589). It is estimated that there are 200,000 VCSE organisations in England and Wales including those charities are exempted from registration and some CLGs on the Companies House register that cannot easily be identified as not-for-profit organisations.

Table 3.1 Continued/…	**Micro** (income below £10,000)	**Small** (income £10,000-£49,999)	**Medium** (income £50,000-£249,999)	**Large** (income £250,000 - £999,999)	**Big** (income £1m-£25m)	**All VCSE orgs**[10]
Harlow	31.1	27.7	26.9	10.1	3.4	175
Maldon	41.4	38.2	16.6	3.8	0.0	218
Rochford	29.2	38.0	27.7	2.9	2.2	177
Tendring	35.6	33.0	24.3	6.0	1.1	384
Uttlesford	48.1	27.9	17.6	4.3	1.9	483
Essex (all areas)	**35.8**	**32.3**	**21.7**	**7.5**	**2.5**	**4,976**
East of England	**39.6**	**28.8**	**21.4**	**6.7**	**3.6**	**20,161**
England and Wales	**34.7**	**28.4**	**22.7**	**8.9**	**5.2**	**200,000**

3.3 Legal form of VCSE organisations

To get more clues about variations in sector structural characteristics by types of area, Table 3.2 compares the legal form of organisations. Third Sector Trends analysis at national level shows that registered charities tend to be more prevalent in affluent town and country areas, while in poorer urban areas there are usually larger concentrations of Community Interest Companies (CICs) and registered societies (such as Cooperatives and Community Benefit Societies).

As expected, there is a similar pattern of distribution in Essex. The highest proportion of registered charities and Community Incorporated Organisations (CIOs) are in the more affluent areas of Braintree and Uttlesford. CICs tend to be concentrated in urban areas where social deprivation is more prevalent (particularly in Southend, Colchester, Harlow and Thurrock and to a lesser degree in Basildon, Chelmsford and Epping Forest).

Table 3.2 **Variations in sector structure by VCSE organisation legal form** (Third Sector Trends registers database, 2022)

	Registered charities	**Community Incorporated Organisations**	**Community Interest Companies**	**Community Amateur Sports Clubs**	**Registered Societies**	**N=**
Southend-on-Sea	66.9	13.2	12.9	2.7	4.2	431
Thurrock	69.3	11.8	12.4	2.2	4.3	345
Basildon	71.2	9.5	10.8	4.7	3.8	339
Braintree	82.2	3.9	3.9	5.5	4.4	464

[10] Data on organisational size is only available for Charity Commission registered organisations (n=134,833), so data are scaled up to a national level (n=189,589). It is estimated that there are 200,000 VCSE organisations in England and Wales including those charities are exempted from registration and some CLGs on the Companies House register that cannot easily be identified as not-for-profit organisations.

Table 3.2 Continued/…	Registered charities	Community Incorporated Organisations	Community Interest Companies	Community Amateur Sports Clubs	Registered Societies	N=
Brentwood	75.4	11.1	8.2	3.3	2.0	262
Castle Point	72.7	8.3	8.3	6.6	4.1	130
Chelmsford	76.6	8.5	9.1	3.0	2.8	578
Colchester	69.3	9.5	13.4	4.1	3.8	600
Epping Forest	74.0	10.7	9.9	3.3	2.2	391
Harlow	67.5	9.8	12.3	5.5	4.9	175
Maldon	74.4	6.4	5.9	6.9	6.4	218
Rochford	79.4	6.7	6.7	4.2	3.0	177
Tendring	69.8	9.2	5.9	9.2	5.9	384
Uttlesford	81.2	6.7	6.7	2.7	2.9	483
Essex	73.8	9.0	9.2	4.3	3.8	4,976
East of England	**75.4**	**9.0**	**8.5**	**3.6**	**3.5**	20,161
England and Wales	**70.0**	**10.3**	**11.8**	**3.3**	**4.6**	**189,959**

3.4 VCSE organisations by area affluence

Table 3.4 compares the percentages of VCSE organisations located in areas of greater or lesser affluence. This produces vital insights into the way the local sector is structured and may provide useful clues about variations in social purpose within the local VCSE sector.

As would be expected, the data reflect local social and economic circumstances across local authority areas. Southend-on-Sea, Tendring, Basildon and Thurrock have the highest concentrations of VCSE organisations in the poorest areas. This also helps to account for the larger proportion of bigger VCSE organisations in these areas where local needs are often catered for under contract from the public sector.

In the least deprived districts, VCSE organisations are obviously more likely to be concentrated in wealthier areas where patterns of demand for services vary from poorer districts.

Table 3.4 **Distribution of VCSE organisations across areas of affluence / deprivation** (ranked by the area with the highest concentration of deprivation in IMD 1-2: Source: Third Sector Trends Register data 2022))

	Poorest IMD 1-2	IMD 3-4	Intermediate IMD 5-6	IMD 7-8	Richest IMD 9-10	Number of VCSE organ-isations
Southend-on-Sea	30.1	21.9	13.7	13.7	20.6	402
Tendring	21.2	23.7	26.3	24.6	4.2	358
Basildon	20.9	23.4	14.9	14.6	26.3	316
Thurrock	16.5	34.2	22.0	20.2	7.1	322
Harlow	8.0	66.9	6.1	17.2	1.8	163
Castle Point	5.8	5.8	27.3	37.2	24.0	121
Colchester	4.6	18.6	23.0	32.5	21.3	560
Epping Forest	1.1	17.3	26.0	27.7	27.9	365
Braintree	0.7	5.8	36.5	40.9	16.2	433
Chelmsford	0.6	5.8	27.3	39.0	27.5	539
Brentwood	0.0	1.6	23.8	28.7	45.9	244
Maldon	0.0	6.4	37.4	39.4	16.7	203
Rochford	0.0	6.7	17.0	39.4	37.0	165
Uttlesford	0.0	0.0	12.0	49.7	38.4	451
Essex	**8.0**	**15.6**	**22.7**	**30.9**	**22.7**	**4642**
East of England	**7.4**	**15.5**	**25.0**	**26.1**	**26.0**	**20,161**
England and Wales	**15.8**	**19.2**	**22.2**	**22.4**	**20.4**	**186,521**

Section 4

4.1 *Employee estimates*

Third Sector Trends collates estimates on the number of employees and regular volunteers in localities, how much time they invest in sector activity and the estimated costs of employees' wages / proxy replacement value of regular volunteers. Table 4.1 shows the estimated number of employees in Essex.

Table 4.1 Estimated numbers of employees in Essex

	Total estimated part-time employees	Full-time equivalent part-time employees	Estimated full-time employees	Estimated total full time equivalent employees
Southend-on-Sea	2,010	600	1,530	2,130
Thurrock	930	280	680	960
Basildon	1,160	350	870	1,220
Braintree	1,270	380	890	1,280
Brentwood	780	230	570	810
Castle Point	310	90	230	320
Chelmsford	2,530	760	1,880	2,640
Colchester	2,800	840	2,070	2,910
Epping Forest	1,380	410	1,020	1,430
Harlow	820	250	610	860
Maldon	290	90	190	280
Rochford	510	150	360	510
Tendring	930	280	660	940
Uttlesford	1,260	380	890	1,270
Essex	**16,950**	**5,090**	**12,460**	**17,550**

4.1 Volunteer estimates

Estimated regular volunteer numbers are presented in Table 4.2 together with estimates of the days worked, the full-time equivalent number of volunteers and the proxy financial replacement value for each former district council area, local authority and county area.

Table 4.2 **Estimated number of volunteers and proxy financial replacement value**

	Total estimated regular volunteers	**Hours work** (x72 annually per regular volunteer)	**Value at National Living Wage** (£millions, at £9.90)	**80% average wage**[11]	**Value at 80% average regional wage** (£millions)
Southend-on-Sea	8,910	641,360	6.4	24,993	9.7
Thurrock	6,510	468,390	4.6	26,300	7.5
Basildon	6,650	478,990	4.7	25,742	7.5
Braintree	8,250	593,920	5.9	28,625	10.3
Brentwood	4,920	354,300	3.5	28,804	6.2
Castle Point	2,390	171,950	1.7	27,481	2.9
Chelmsford	11,580	833,380	8.3	25,513	12.9
Colchester	11,960	860,850	8.5	26,362	13.8
Epping Forest	7,530	541,800	5.4	27,181	8.9
Harlow	3,550	255,710	2.5	25,588	4.0
Maldon	3,720	267,730	2.7	27,914	4.5
Rochford	3,210	231,260	2.3	25,114	3.5
Tendring	7,020	505,490	5.0	24,956	7.6
Uttlesford	8,620	620,860	6.3	29,457	11.1
Essex	**94,810**	**6,825,000**	**67.6**	**27,772**	**110.3**
East of England	**443,600**	**31,900,000**	**303.0**		**478.0**
England and Wales	**4,335,200**	**312,100,000**	**2,965**		**4,575.0**

[11] Average county wages calculated from weekly average wages Table 2.5.

Section 5

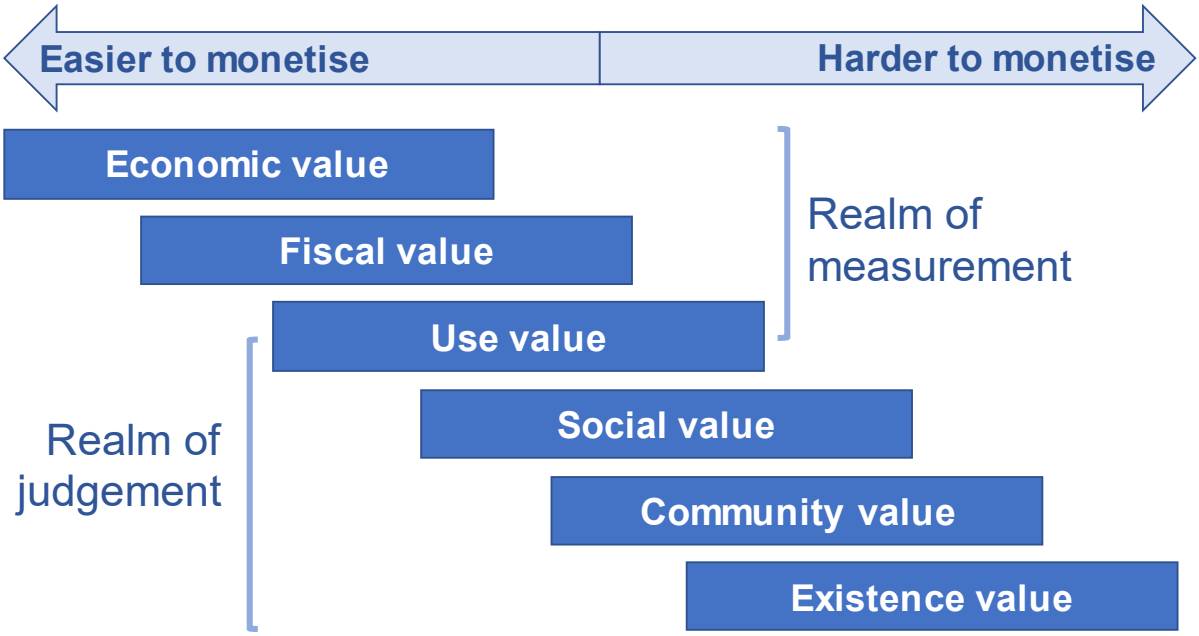
Sector energy and impact

5.1 *Defining sector value*

In a recent study undertaken in Yorkshire and Humber, a new methodology was developed to assess the energy which the VCSE sector has at its disposal to achieve social, environmental of economic benefit.[12] The approach involves the use of data on sector expenditure, the proxy financial value produced by regular volunteers, the value of in-kind support provided to the VCSE sector and the income produced from trading free goods in charity shops. These data are calculated at local authority level and then aggregated to estimate the financial value of the energy the VCSE sector has at its disposal in sub-regions.[13]

With good estimates of sector energy, it is possible to produce financial values for both 'tangible' and 'intangible' aspects of social, environmental and economic benefit (see Figure 5.1 together with brief definitions of categories of value in Box 5.1).

Figure 5.1 **Realms of measurement and informed judgement**



[12] The methodology is complex and cannot be summarised here. For a full explanation, see: Chapman, T. (2021) *The structure, dynamics and impact of the voluntary, community and social enterprise sector: a study of West Yorkshire Combined Authority, West Yorkshire & Harrogate Health and Care Partnership and Humber Coast and Vale Health and Care Partnership areas*, Durham: Policy&Practice.
https://www.researchgate.net/publication/354544242_The_structure_dynamics_and_impact_of_the_voluntary_community_and_social_enterprise_sector_a_study_of_West_Yorkshire_Combined_Authority_West_Yorkshire_Harrogate_Health_and_Care_Partnership_and_Humber_C

[13] The approach taken to analysis was adjusted in 2022 to take account of national variations in sector structure and energy and a more comprehensive national study of registered organisations. In the previous study, for example, the number of non-Charity Commission Companies Limited by Guarantees were estimated – while in 2022 they were collated from Companies House data. The number of unregistered faith organisation due to Charity Commission exemptions still had to be estimated on the basis of 2022 survey evidence. This means that previous findings cannot be compared directly with the present study in Yorkshire and Humber. The revised methodology used for the national study was devised to ensure that national comparisons were equitable. The revised register counts rely on estimates as described above, but are considered to be more reliable than the 2021 estimates.

Box 5.1 Defining tangible and intangible value[14]

Tangible values

Economic value: not all VCSE sector expenditure will remain in the local economy, for example, a proportion of organisational spending and employee wages will be assigned to mortgage payments or purchases of services and products from outside of the area. Some multiplier effect calculations use several rounds of impact assessment, where it is assumed that when money is spent in one company, that company will in turn spend this money again, and so on. That is avoided in this study because it cannot be known what proportion of that money is retained by VCSE sector organisations (and it is not appropriate for the sector to take credit for multiplier effects produced by other sectors). On balance, it is estimated that about 55%-75% of sector expenditure will be retained and recirculated in the area.

Fiscal value: it is not possible to gain a clear picture on the fiscal value of the contribution of the VCSE sector at present as there are no generalised datasets available from public sector bodies on cost savings at national or local level. There have been useful studies on fiscal benefits in, for example, reduction in usage of police, health and social services resource because of the activities of local VCSE organisations. Defining, in precise terms, the origin of such benefit is difficult because the value of sector activity accumulates from the actions of many types of VCSE organisations which are involved in a wide array of activities that directly or indirectly benefit public sector bodies. For example, in the field of health care, contributions have been identified from VCSE organisations which engage in sporting, recreational, artistic and cultural activities. On balance, it is estimated that at least an additional 45-65% of the value of VCSE sector energy can be set against direct fiscal savings to the state through the processes of prevention, replacement, additionality or deflection from public service use.

***Use value*:** multiplier effects of use values cannot easily be calculated on a case-by-case basis, let alone at sector level. But this does not mean that such value does not exist. For example, the recipients of VCSE organisations' support to tackle financial insecurity can bring immediate benefit (such as access to loans from credit unions, groceries from food banks; mentoring, employability support and borrowing clothes to attend job interviews; support to recover from illness or personal setbacks which facilitate a return to employment, and so on). While the immediate use value of VCSE sector services can be considerable, it would be unrealistic to argue that the full cost of producing use values can be translated into economic multipliers. It is known, for example, that employability support programmes have mixed levels of success for a multitude of reasons. Similarly, support to tackle issues such as drug or alcohol use *can* help produce attitudinal and behavioural change - but not always – and especially so when beneficiaries face a range of other insidious or unpredictable pressures. On balance, it is estimated that use values translate into an additional 25-45% of sector energy value into economic value.

Intangible values

The old saying, that someone 'knows the price of everything but the value of nothing' is pertinent in the context of this discussion. It is not possible to put a price on everything. But just because the value of some things is intangible does not mean that this form of value should be discounted from the analysis. There is a wealth of good qualitative research evidence available to demonstrate how intangible aspects of benefit are highly valued. One example is provided from a series of case studies undertaken by the author as part of a separate study.[15] The case study centred on a volunteer-led and run library in an isolated former industrial village. The library had come under community ownership due to an asset transfer from the local authority.

[14] A much longer discussion of the definition of tangible and intangible values can be found in the original analytical report for Humber, Coast and Vale and West Yorkshire in 2022 and can be located here: https://www.stchads.ac.uk/research/research-news/the-difference-the-third-sector-makes/

[15] Chapman, T. (2019) *The social process of supporting small charities: an evaluation of the Lloyds Bank Foundation Grow pilot programme*, London: Lloyds Bank Foundation: https://www.lloydsbankfoundation.org.uk/we-influence/our-research/developing-the-sector

When attempting to determine the economic value of the library a series of measures were contemplated such as the financial costs associated with each book loan. The results were not promising because on an annual basis few loans were made, meaning that the pro-rata cost when set against the expense of running the library was high. A second attempt at valuing the library on an economic basis considered the income brought in from the small kitchen/café and from renting space for small community clubs and societies. Again, the cost benefit appraisal did not produce promising results because, by strict economic measures, the library was 'losing' money.

Even from a volunteer point of view, the library produced mixed results in impact terms. Trustees, who were also active volunteers at the library, found that their responsibilities (of running the library, applying for grants, liaising with the local council library service, etc.) were onerous and there was limited scope to escape from these responsibilities as succession plans to relieve trusties of their responsibilities had come to nothing.

And yet, the library produced a great deal of intangible value for local individuals and the community in general. Substantive ***social value*** arose, for example, from its use by a group of secondary school children who, after getting off the school bus each evening, used the kitchen and library as a place to socialise and do their homework before parents arrived to pick them up later in the afternoon. The children benefitted because they had a place to go with friends, their parents were happy that they were safe and under quiet supervision, and neighbours and older relatives were relieved of the pressure of looking out for them.

From a ***community value*** perspective, the library was quite literally 'the only place in town' for people to arrange to congregate in clubs and societies, or to drop in to read, drink coffee or have a chat. The kitchen/café was free to use because it was uneconomic to run as a social enterprise – though there were items that people could buy if they chose such as biscuits, sweets or crisps. It was also a place where people could volunteer and keep themselves busy, socially connected and intellectually stimulated.

Arguably, the library's ***existence value*** was as important as its more direct social and community value. Most people in the former industrial village did not use it, many probably never would, but they knew it was there and could value the fact that help may be at hand if ever they or their families or neighbours needed to use its services. At the most fundamental level, it was a visible symbol that the village was associated with civil society rather than just being a collection of private households. This case study provides just one example of how intangible forms of value make a difference. In the study from which the example was drawn, there were 14 detailed case studies in spatially isolated and economically challenged communities: each made its contribution in entirely different ways.

Finding a way of *accounting* for the social value that the VCSE sector produces may not be easy to do, but there are some basic principles adopted in this study which can help make informed judgements on sector strengths.

- **Value produced by VCSEs is shared**: only very rarely, if ever, could an organisation claim to produce *all* the value that is required by its beneficiaries. Other organisations or groups also play a part as do people in private life (family, friends and neighbours), the private sector (local businesses) and public sector (health, education, police, fire and rescue and the local authority, etc.). While this might constitute some duplication or overlap at times, this is not necessarily a problem as social and personal needs require support of a multifaceted and continuous kind.
- **Value produced by the VCSE sector is cumulative**: because the responsibility for the production is shared, it is likely to accumulate. But it does so in unpredictable ways, depending on the circumstances facing beneficiaries. For example, support from one VCSE organisation may not produce benefit immediately, but can be realised later – perhaps in tandem with other forms of support or encouragement.

- **Value is not a constant**: it should be expected that the value the sector produces cannot always be 'targeted' or 'fully utilised', just as is the case with education or health systems. People make their own choices on what they want to take or leave from the advice or support they may receive. Or other factors beyond their control may increase or limit the extent to which value can be utilised. This makes it hard to determine the value of service or support given - relative to the energy invested.
- **Value does not last forever**: some of the value of the work undertaken by VCSE organisations will disperse and dissipate over time – other aspects will accumulate value. These processes occur as other interventions are established to tackle issues in new ways which often come about in response to social change and shifting social priorities. The work of the VCSE is rarely finished – so activity must continually be renewed.

If the technical task of valuing the work of VCSE sector is too daunting (because there are too many factors to take account of and too many unknowns), it is better to make simple and easily evidenced judgements that ring true.

5.2 Estimated VCSE sector value produced in Essex

Table 5.1 presents estimated financial values for sector energy expended in . This includes sector expenditure, proxy replacement values for volunteers, in-kind support and self-generated sources of income from sale of free goods (as in, for example, charity shops - all other trading is tied into expenditure calculations).

Estimates of whole sector economic value, tangible added value (economic, fiscal and use values) together with intangible value are shown in Table 5.2.

Table 5.1 **Estimates of sector energy in Essex**

	VCSE sector financial expenditure - (£millions)	**Proxy-replacement value of volunteer time in each area** (£millions)	**Proxy value of additional in-kind support in each area** (£millions)	**Proxy value of additional sources of self-generated income from free goods in each area** (£millions)[16]	**Total financial value of sector energy expended by the VCSE sector in each area** (£millions)
Essex	1,006.0	88.0	57.3	9.7	1,161.1
East of England	3,705,.2	478.0	211.8	35.7	4,430.8
Percentage contribution from Essex	27.2	18.4	27.1	27.2	26.2

[16] The approach to calculating the proxy value of in-kind support was substantially reviewed in the 2022 study and values are considerably higher than in the 2021 Yorkshire and Humber study. See Third Sector Trends in England and Wales: sector structure, purpose, energy and impact: https://www.communityfoundation.org.uk/wp-content/uploads/2022/11/Third-Sector-Trends-in-England-and-Wales-2022-structure-purpose-energy-and-impact-November-2022.pdf

Table 5.2 **Estimated 'tangible' and 'intangible' added value produced by the VCSE sector in Essex**[17]

Type of value	**Essex** (£millions)	**East of England** (£millions)
Total financial value of sector energy expended by the VCSE sector	1,161	4,431
Economic tangible added value	755	2,880
Fiscal tangible added value	639	2,437
Tangible use value	406	1,551
Total contribution of tangible value	1,800	6,868
Estimated social, community and existence intangible added value	1,161	4,431
Total value of sector	**4,122**	**15,729**
Value per 1,000 resident population (£millions)	**2.21**	**2.49**

[17] Multipliers are used for added value calculations as follows: economic value=65%, fiscal value=55% and tangible use value=35%.

Section 6
Essex VCSE sector dynamics

6.1 Statistical neighbours and strangers

Third Sector Trends surveys are undertaken at a national level, covering England and Wales. The whole dataset is very large, with over 6,000 respondents. But at local level there are rarely enough data to do convincing analysis. Consequently, to take advantage of as much data as possible, comparable evidence is used on statistical neighbours and statistical strangers. For the analysis, fifteen ceremonial county areas were chosen which shared similar population characteristics. These data were explored on several dimensions using VCSE register data and local area statistics. Figure 6.1 lists the areas by order of similarity / difference.

Figure 6.1 **Results of statistical neighbour and stranger analysis**

Most similar ceremonial county areas
Cheshire
Kent
Lancashire
Hampshire
Cambridgeshire
Staffordshire
Devon
Lincolnshire
Suffolk
Merseyside
Hertfordshire
South Yorkshire
Tyne and Wear
Surrey
Least similar ceremonial county areas

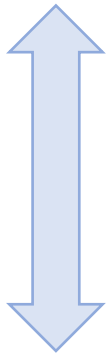
Figure 6.2 shows which areas were most similar to Essex against six criteria (other ceremonial county areas are not included in the diagram for purposes of clarity). Areas which were dissimilar from Essex fell into two distinct categories – those which were much more affluent town and country areas, mainly in South East and South West England; and those which were mainly urban less affluent areas – mainly in the Midlands and North of England. For this study, three comparator categories are used:[18]

- **Statistical neighbours**: this includes Essex and four other comparable areas with similar overall profiles: Cheshire, Hampshire, Kent and Lancashire.
- **More affluent statistical stranger areas**: areas include: Cambridgeshire, Devon, Hertfordshire and Surrey.
- **Less affluent statistical stranger areas** include: Merseyside, South Yorkshire, Staffordshire and Tyne and Wear.

[18] The counties of Suffolk and Lincolnshire were excluded because of the extent of internal variations in sector structure associated with underpinning socio economic differences.

Figure 6.2 **Selection of statistical stranger and neighbour areas against six criteria**

VCSE organisation density by most affluent areas	VCSE organisation density by most deprived areas	VCSE organisation density by resident population	VCSE organisation density by square mile	Area with the highest percentages of small or micro VCSE organisations	Area with the highest percentages of large or big VCSE organisations		
Hampshire	Hampshire	Tyne and Wear	Staffordshire	Lancashire	Lancashire	**3rd most similar**	**Higher scores**
Cambridgeshire	Suffolk	Merseyside	Cheshire	Kent	Hertfordshire	**2nd most similar**	
Cheshire	Cambridgeshire	Lancashire	Lancashire	Cheshire	Kent	**most similar**	
Essex							
Kent	Kent	Cheshire	Hampshire	Devon	Cheshire	**most similar**	
Staffordshire	Cheshire	Lincolnshire	Kent	Staffordshire	Devon	**2nd most similar**	
Lancashire	Lincolnshire	Hampshire	South Yorkshire	Suffolk	Staffordshire	**3rd most similar**	**Lower scores**



6.2 Volunteer and employee dynamics

Volunteers pay a pivotal role in the running of organisations and the delivery of services, especially so in smaller VCSE organisations. Table 6.1 shows reliance on volunteers in comparable areas. In Essex, the percentage match the national level quite closely – with one notable exception: fewer VCSE organisations say that they can rely on volunteers who can work unsupervised. That stated, there is stronger reliance on volunteers in Essex (89% could not keep going without them) than in all comparable areas.

Table 6.1 **Sector reliance on volunteers** (Source: Third Sector Trends survey data 2022)

Percentage of VCSE organisations which 'agree' or 'strongly agree', non-applicable are excluded	**We rely mainly on volunteers who commit time on a very regular basis**	**We rely mainly on volunteers who can work unsupervised**	**Many of our volunteers are our service users/beneficiaries**	**We could not keep going as an organisation or group without volunteers**	**It's been much harder to hold on to our older volunteers**	**We're losing some of the volunteers who joined us during the pandemic**
Statistical neighbours	81.4	72.4	67.8	85.1	43.7	25.9
More affluent statistical strangers	80.5	76.0	67.0	84.3	45.3	20.5
More deprived statistical strangers	79.1	69.4	58.7	79.6	50.8	30.5
Essex	**78.3**	**84.8**	**68.6**	**89.3**	**43.5**	**25.0**
England and Wales	82.3	75.8	67.0	85.1	48.0	26.0

Since the covid pandemic, there has been much concern at national level about difficulties in recruiting and retaining staff in the VCSE sector. As Table 6.2 shows, these concerns are much more prevalent in less advantaged statistical stranger areas and the least so in the most affluent areas. Compared with their statistical neighbours, organisations in Essex seem a little less concerned about problems associated with staff retention (16%).

Recruitment problems are the most severe in the more deprived statistical stranger areas and least so in the most affluent statistical stranger areas. In Essex, problems associated with staff recruitment are the about same as in its statistical neighbour areas (42%).

Table 6.2 **Employee retention and recruitment** (Source: Third Sector Trends survey data 2022)						
	Holding on to our existing staff			***Recruiting new staff***		
	It has become quite a lot harder	**Stayed about the same**	**It has become quite a lot easier**	**It has become quite a lot harder**	**Stayed about the same**	**It has become quite a lot easier**
Statistical neighbours	19.9	77.5	2.5	42.8	55.3	1.9
More affluent statistical strangers	15.4	81.7	2.9	33.7	61.2	5.1
More deprived statistical strangers	24.5	71.6	3.9	52.1	43.6	4.2
Essex	**16.1**	**82.1**	**1.8**	**42.3**	**55.8**	**1.9**
England and Wales	19.8	77.2	3.0	43.0	53.0	4.0

6.3 Financial wellbeing

Third Sector Trends uses a relatively crude indicator of sector financial wellbeing by asking about income change in the last two years. In England and Wales, 18 per cent of organisations reported rising income in 2022 compared with just 13 per cent in Essex (see Table 6.3). Essex is also way out of line with its statistical neighbours in this respect (which is at the national level) – but quite similar to affluent statistical stranger areas (13%).

This does not mean that Essex organisations were experiencing falling income, necessarily: in fact Essex is at the national average level (26%). Income stability is high in Essex (61%), though slightly lower than in the most affluent statistical stranger areas.

Table 6.3 **Financial wellbeing** (last two years: source: Third Sector Trends survey data 2022)				
	Risen significantly	**Remained about the same**	**Fallen significantly**	
Statistical neighbours	18.4	57.0	24.6	733
More affluent statistical strangers	13.4	62.6	24.1	449
More deprived statistical strangers	20.0	53.8	26.2	550
Essex	**12.7**	**60.9**	**26.4**	**110**
England and Wales	18.1	55.7	26.2	6,022

A more nuanced indicator of financial wellbeing is whether or not VCSE organisations have access to reserves or whether they have used reserves to meet essential/critical needs (see Table 6.4). The situation in Essex appears to be quite buoyant – only 10 per cent of organisation have no reserves (compared with 16% nationally and 14% in statistical neighbour areas). Furthermore, a very high percentage of organisations have not drawn on their reserves (58%): much higher than the national average (45%) or amongst statistical neighbours (49%). And yet,

use of reserves for essential costs is more closely in line with other areas (although slightly lower at 19% than the national average of 23%).

Table 6.4 **Financial reserves and their use** (Source: Third Sector Trends survey data 2022)

	No, we don't have any reserves	No, we have not drawn on our reserves	Yes, we have used our reserves to invest in new activities	Yes, we have used our reserves for essential costs	We have used our reserves for both investment and essential costs	N=
Statistical neighbours	14.0	48.8	9.0	21.3	6.8	731
More affluent statistical strangers	18.3	50.2	5.4	19.2	6.9	448
More deprived statistical strangers	17.3	42.9	9.5	24.3	6.0	548
Essex	**10.0**	**58.2**	**6.4**	**19.1**	**6.4**	**110**
England and Wales	16.3	45.2	8.8	22.8	6.9	6013

6.4 VCSE sector inter-relationships

Nationally, a majority of VCSE organisations maintain good relationships with other VCSE organisations and especially so at an informal level. Statistical neighbours align quite closely with national averages. Data for Essex are substantially out of line with these average levels: only 57 per cent work in useful informal relationships and only a fifth in more formal partnership arrangements (see Table 6.5). The small sample size may explain this anomaly – but if so, that would be surprising given that most Essex data are quite similar to its statistical neighbours.

The extent and depth of sector relationships tends to be higher in deprived statistical neighbour areas. Essex and its statistical neighbours occupy the middle ground in this respect, as the most affluent areas are the least likely to engage in partnership working – informally or otherwise.

Table 6.5 **Relationships within the VCSE** (Source: Third Sector Trends survey data 2022)

	We have useful informal relationships with other voluntary organisations and groups	We often work quite closely, but informally, with other voluntary organisations and groups	We often work in formal partnership arrangements with voluntary organisations and groups	N=
Statistical neighbours	70.1	61.2	34.2	726
More affluent statistical strangers	66.3	57.0	26.7	448
More deprived statistical strangers	79.6	72.9	36.4	549
Essex	**57.0**	**57.9**	**21.7**	**105**
England and Wales	73.3	64.7	34.3	6,004

We can explore this a little further by looking at the extent to which organisations in Essex try to influence local social and public policy. Here the data mirror national and statistical neighbour average more closely – nevertheless organisations in Essex seem to be considerably less likely to work in complementary or collaborative ways. As Table 6.6. shows. VCSE organisations in Essex are more likely to avoid political issues (80%) than in statistical neighbour areas. They are also less likely to attend relevant meetings (62%), campaign (34%) or to work behind the scenes to influence policy (32%).

It is worth noting that less affluent statistical stranger areas (mainly in major urban areas in the North and Midlands) organisations are much more likely to engage with social and public policy than statistical neighbour areas or indeed compared with the national level. In the most affluent statistical neighbour areas, VCSE organisations are the least likely to engage in inter-sector relationships.

To a large extent, these variations are due to structural differences in the local sector. In poorer areas, there tend to be more large organisations and in the richest areas – there is a much bigger proportion of small and micro organisations. Essex and its statistical neighbours, again, sit in the middle ground in this respect.

Table 6.6 **Sector orientation towards influencing local social and public policy** (Source: Third Sector Trends survey data 2022)

	We tend to steer well clear of political issues	We try to go to relevant meetings/events which relate to our kind of work	We campaign to further the interests of our beneficiaries	We tend to work behind the scenes to influence policy	N=
Statistical neighbours	75.1	70.5	44.0	40.0	723
More affluent statistical strangers	78.1	63.4	38.2	38.3	438
More deprived statistical strangers	66.3	79.2	55.5	49.1	540
Essex	**80.2**	**61.5**	**34.0**	**32.4**	**106**
England and Wales	72.3	70.9	47.0	42.8	5,891

6.5 Looking to the future

While the data on VCSE organisations' expectations on what would happen over the next two years are now nearly a year out of date, it is still useful to compare data with national and statistical neighbour and stranger areas.

Looking first at the percentage of VCSE organisations which have an 'optimistic' outlook, the evidence suggests that organisations in Essex sit quite closely with their statistical neighbours – with the clear exception of partnership working (30%) – providing more evidence to indicate that the VCSE sector in Essex is less involved in such relationships.

When looking at pessimistic outlooks, it is apparent that organisations in Essex are considerably more worried about sustaining volunteer support than in all other area types (19%). In other respects, expectations are broadly similar.

Table 6.7 **Expectations about the future** (next two years, source: Third Sector Trends survey data 2022)

	Income will…	Support from private businesses will…	Grants from charitable foundations will…	Support from volunteers will …	Working in partnership will …	Funding from statutory agencies will…
Optimistic (percentage of VCSE organisations which agree with the statement)						
Statistical neighbours	31.6	25.8	31.5	34.4	46.2	22.8
More affluent statistical strangers	29.8	16.5	23.5	27.9	36.8	13.2
More deprived statistical strangers	35.3	26.4	36.4	41.0	55.0	25.5
Essex	**28.6**	**26.9**	**34.2**	**31.5**	**30.3**	**21.3**
England and Wales	33.0	24.9	31.8	33.5	46.4	22.6
Pessimistic (percentage of VCSE organisations which disagree with the statement)						
Statistical neighbours	20.7	16.9	20.5	13.6	4.4	25.3
More affluent statistical strangers	16.8	16.5	20.6	14.6	2.9	29.4
More deprived statistical strangers	19.2	17.8	22.3	9.8	2.0	22.6
Essex	**18.1**	**15.4**	**21.5**	**18.5**	**3.9**	**18.0**
England and Wales	19.1	17.4	21.5	12.9	3.6	27.0

Section 7

Summary of key findings

Sector size and structure

The VCSE sector in Essex is composed of about 5,000 registered organisations. The majority are registered with the Charity Commission as charities, charitable companies, trusts and Charitable Incorporated Organisations (83%). There are also Community Interest Companies (9% of the sector) Cooperatives, Community Benefit Societies and Registered Societies (4%) and Community Amateur Sport Clubs (4%).

Most VCSE organisations are small and have income below £50,000 (68%) which is the same as the national average. Organisations with income between £50,000 and £1 million compose 29 per cent of the sector (it is also 30% nationally) and organisations with an income between £1million and £25 million constitute is below 3 per cent of the sector (5% nationally).

As Essex is an area with quite varied economic characteristics, it would not be expected that the VCSE sector is distributed evenly across areas of affluence or deprivation (as defined by the Indices of Multiple Deprivation). For the area as a whole, more than half of the sector (54%) is concentrated in more affluent areas (7th to the 10th deciles) while only 8 per cent of the sector is situated in the most deprived areas (1st and 2nd deciles).

VCSE organisations do not necessarily limit their work to the locality within which they are based. In Essex, 64 per cent work beyond the boundaries of their local authority whilst 41 per cent limit their work to their immediate neighbourhood or village.

VCSE sector workforce

It is estimated that there are about 17,500 VCSE full time equivalent employees in the area. The VCSE workforce as a percentage of all local employment in the area is large in comparable terms – at around 3%.

There is an estimated volunteer workforce 95,000 in Essex, producing almost 7 million hours work. The replacement cost of volunteers, if they were paid, would be between £68 million (at national living wage) and £110 million (at 80 per cent of average wages)

VCSE sector energy, purpose and impact

The energy the VCSE sector has at its disposal is associated with, but not wholly reliant on its income. In Essex, VCSE sector income is around £1 billion.

When all aspects of sector energy are taken into account (including expenditure, volunteer time, sale of free goods and in-kind support), the financial value of the VCSE sector is almost £1.2 billion. The employment of this energy produces £4.2 billion of value in Essex: a ratio of 3.5:1. This represents £2.3 million of energy invested per 1,000 members of the resident population.