

The National Council for Voluntary Organisations – Written evidence (FFF0050)

Summary

- Charities are a vital part of the public services ecosystem and need to be included in workforce planning.
- Low pay makes it hard for charities to recruit and retain the right staff and is largely driven by underfunding and competitive commissioning processes. Significant numbers of charities have vacancies they struggle to fill. This creates instability for organisations, and inconsistency for people who use services.
- Resource and partnership working between charities and authorities can ensure that staff have the pay, development, skills and support needed to deliver quality support.
- Volunteers also play important roles in public service delivery. Strategic planning and investment can help ensure they have a good experience, develop appropriate roles, and maintain good relationships between staff and volunteers.
- There is a digital skill gap in the voluntary sector, but more charities have started using digital technology since the pandemic. Support and investment are needed to upskill charity staff and people who use services and provide equipment, but non- digital options need to also be available for people who remain excluded by digital services.
- People who use services must be involved in workforce planning and should also be supported to take up delivery and leadership roles in services.

About

1. The National Council for Voluntary Organisations (NCVO) is the largest representative body for charities and voluntary organisations in England. NCVO has over 17,000 members ranging from large 'household name' charities to small community organisations. NCVO is also the national body for volunteering in England.
2. NCVO is part of the Civil Society Group. The [CSG](#) is an informal collaboration of organisations representing members and groups from across the charity sector and wider civil society.

The voluntary sector workforce

3. The voluntary sector has a paid workforce of 951,611. The voluntary sector workforce has grown by 20% since 2010. While substantially smaller than both the public and private sectors, it has seen the fastest growth over the last decade. The majority of voluntary sector employees work in smaller organisations with fewer than 50 paid staff members. Over a third of the voluntary sector workforce are employed in social work. The human health and scientific research and development sectors have seen the most rapid growth in jobs over the last year. Part-time contracts are more common in the voluntary sector

than in other sectors. Voluntary sector employees are also slightly more likely to be on temporary contracts.

Voluntary sector pay

4. Research from 2017 found that across the charity sector 26.2% of charity workers earn less than the Living Wage.ⁱ This is driven by underfunding, and particularly cuts to local authority and public service funding.
5. Whilst Living Wage accredited charities are found across all industry types, they are predominantly located in Health and Social Work Activities (36.5%) and Education (16.7%), as well as a significant number in the category of 'Other Service Activities'. The parts of the charity sector with the highest rates of pay below the Living Wage are Residential Care (45.4%) and Education (29.9%).
6. Smaller charities are more likely to pay below the Living Wage, with 77.2% of low paid employees working for charities with less than 50 employees, which is higher than in the wider economy (62.3%).
7. Whilst there are thousands of charity workers below the Living Wage in every region or nation, the percentage of the workforce earning below the Living Wage is highest in the East Midlands (40.6%), the North East (34.8%) and Wales (33%).

Charities delivering public services

8. Many charities are commissioned by authorities to provide public services, while others provide services using other income such as donations. In 2018/19, government remained the second largest income source for the sector, behind the public. Income from government stands at £15.8bn and makes up 28% of the sector's total income. The government made up from two fifths to more than half of all income for some subsectors including employment and training organisations (57%), playgroups and nurseries (45%), law and advocacy (44%), social services (43%) and umbrella bodies (41%).ⁱⁱ
9. More than half of charities who responded to New Philanthropy Capital's State of the Sector survey held a public sector contract. 59% of these subsidise their public sector contract(s) with income from other areas such as public fundraising.ⁱⁱⁱ For example, North East Dartmoor Care (NED Care) CIO provide social care in Devon.^{iv} Before they set up, there was market failure in an area of very high demand. They have provided around 35,000 hours of care since being CQC-registered in 2017, but their council contracts do not cover the true cost of delivery so they have to cross- subsidise from a restricted legacy fund donated for this purpose. This fund is diminishing every month. For every hour of care provided to a local authority client, NEDCare is out of pocket by around £5.80.

Recruitment, retention and training

Recruitment

10. Recruiting staff is a big challenge for charities, as is ensuring staff wellbeing. In 2021, Charity Job reported that 44% of charity respondents had hard-to-fill vacancies, the fourth worst-hit sector behind catering, healthcare, and manufacturing.^v In October 2021, we asked voluntary organisations about their ability to fill job vacancies this year compared with their normal expectations for this time of year. 30% of the respondents found it more difficult to fill vacancies compared to 6% who found it easier to fill vacancies in their organisation.^{vi}

Pay

11. Low pay, as outlined above, makes it hard to attract the right employees into roles and retain them. Charities have reported being asked by contracting authorities to pay higher wages, but the increased cost is not reflected in the contract value. We know that around two thirds of charities delivering public services, subsidise value of the contract to ensure quality. Low pay is driven by a competitive approach to commissioning public services, which prioritises low cost over quality and seeks to drive down cost year-on-year. Short term funding cycles and late funding decisions also create job insecurity. If funding is not in place, charities are forced to let people go and rehire when the funding materialises.

Development

12. Employee motivation and retention is greatly supported by development opportunities.^{vii} Larger organisations are more likely to be able to provide and/or pay for these formal opportunities. There is great value in small, local charities, so authorities and charities need to work together to ensure staff in these organisations have access to training and development opportunities. This partnership working and planning is vital for sub-sectors that are experiencing a huge shortage of qualified workers. The issue of training and development is closely connected to pay. Where charities do offer training and development, some report staff taking advantage of this training and then moving on to higher paid yet similar roles in local authorities.

Flexible working

13. Since the pandemic, many organisations have shifted to remote or hybrid working. We know from our recent work with ACEVO that there is growing interest in more flexible ways of working.^{viii} Where appropriate for service delivery, we think flexibility can help to support and retain employees.

Transforming workforce effectiveness

Wellbeing

14. Charities have highlighted increased pressures on both leaders and

more junior staff, particularly since the start of the pandemic.^{ix} We hear of small charity leaders in particular stepping down, causing concerns about succession and the future stability of organisations. Our research shows that demand for support from charities has increased since the start of the pandemic, and this creates huge pressure on staff and volunteers particularly in organisations that are struggling to fill vacancies.

Digital

15. In 2019 we published research on digital skills capability in the charity sector.^x Our researchers found that over a third, 36%, of voluntary sector employers believed their staff were lacking digital skills. Our researchers found that the voluntary sector is doing a little worse on digital skills than the private sector, but better than the public sector. Our research in 2021 to assess the impact of the pandemic found that 82% of organisations reported the use of digital technology by their staff members to work or volunteer remotely.^{xi} A significant number of these organisations were not using this technology before the pandemic. Of almost 350 survey respondents, 45% reported an improved accessibility of their services as result of their online operations while 17% reported reduced accessibility. A majority of respondents to the survey also said that the level of digital skills required by staff and volunteers in their work has increased (73%). Some of the areas where these new skills were required were in teleconferencing such as Microsoft Teams, Skype or Zoom (17%), email communication (9%), online security (9%), and handling online transactions (7%). The data also reveals the most reported barriers organisations are facing to increasing or improving their use of digital technology are: the skills of current staff/volunteers (20%); cost of equipment or software (17%); skills of service users (15%); and, access of service users to equipment (14%).

16. While many organisations, employees and people using services will have benefited from online services, digital exclusion is a real concern. Plans for services need to be inclusive of a range of different needs and abilities. This could include upskilling and providing equipment to staff, volunteers and service users, or keeping in-person options where that is most effective for people using services.

Relational skills

17. Relational skills are vital for the work charities do with people and communities. The quality of relationships is critical to ensure services make a difference.^{xii} Retaining good staff is vital particularly where they have built trusting relationships with people facing very difficult circumstances. Maintaining continuity of staff is also important in providing trauma-informed care and support, for example by avoiding a need for people to have to tell their stories repeatedly to different people.^{xiii}

Transforming workforce structures

New ways of working

18. Many charities are investing in working differently with the people they serve as well as employees, including recognising their strengths and expertise.^{xiv} Organisations are exploring different structures and cultures to facilitate this shift. An example of this would be cooperative models such as the Equal Care Coop, that share power between people who give and receive support.^{xv}

Collaboration and coproduction

19. Charities are part of the public service ecosystem, from commissioned service delivery to working with communities to design services that meet needs and aspirations. They bring capacity, expertise and deep relationships with people who need support. However, charities and the communities they represent are often an afterthought when services are planned. The Health and Social Care Integration White Paper hardly references the voluntary sector. Collaborative working with charities and real coproduction with people who use services must be the foundation to develop workforce plans. Early coproduction with people who use services can be more effective and improve engagement with services.^{xvi}

Volunteering

20. Volunteers are an important part of public service delivery, and we have seen the impact of this during the vaccination effort.^{xvii} Volunteers give their time to a variety of organisations delivering public services. Our Time Well Spent research found that 17% of volunteers give their time to the public sector.^{xviii} Our research on the experiences of volunteers in public services found that volunteers have lower levels of satisfaction, than those in other settings. Where volunteers are involved, it is vital to invest in volunteer management and design good volunteer roles.
21. Some felt that they were not always able to fulfil their role as much as they would have liked, often due to lack of resources, training and funding. Our Time Well Spent data found a desire for more training, with almost half (49%) of public sector volunteers who were already receiving some kind of training saying they would like or would have liked more training to help them carry out their volunteering. This was much higher when compared with civil society volunteers (38%). Public sector volunteers are also less likely to say their expenses would be reimbursed.
22. Our data highlights that over one in five (22%) public sector volunteers feel the organisation has unreasonable expectations of their time – higher than civil society volunteers (14%). Around a quarter (24%) of those surveyed agreed with the statement that volunteering can feel 'too much like paid work'. This was higher than among civil society volunteers (16%) and volunteers overall (19%). This is more likely to happen where there is a sense of obligation placed on volunteers by

organisations or those they volunteer with, to the extent that it may feel like their contribution is not voluntary anymore.

23. Positive relationships between paid staff and volunteers are important for volunteers to have a good experience. Tensions can arise most where there is a significant overlap of roles between volunteers and paid staff, or where volunteers are doing roles which used to be undertaken by paid staff.

Creating user-centred public services

Coproduction

24. Improving people's experience of public services and people who provide them requires a shift in culture as well as changes to pay and development opportunities. Several charities are working to include the people who use their services more in decision making. Service and workforce plans must be developed with people who use services and ensure user experience is at the heart of quality assurance and impact measurement. To be effective coproduction needs to happen early, planned strategically and resourced.

Lived experience

25. It is vital for people with lived experience of using services to be employed in delivery and leadership positions. This is an important step to improve quality and shift culture. User led organisations bring significant expertise in recruiting and managing people with lived experiences and could be a vital source of learning. New programmes like Elevate CJS (Elevating Lived Experience Voices Advocacy Training and Expertise in the Criminal Justice System), developed by the Criminal Justice Alliance, supports people with lived experience into leadership roles. It has been informed by two years of peer research and co-designed with members of CJA's Lived Experience Expert group. Participatory grant-making models can also provide useful lessons on empowering and recruiting people with lived experience.

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- i <https://www.livingwage.org.uk/sites/default/files/Living-Wage-Report.pdf>
 - ii <https://beta.ncvo.org.uk/ncvo-publications/uk-civil-society-almanac-2021/financials/what-are-the-trends-in-income-from-government/>
 - iii <https://www.thinknpc.org/resource-hub/stots2020/>
 - iv <https://www.thinklocalactpersonal.org.uk/innovations-in-community-centred-support/directory/Community-led-home-care-organisation/>
 - v <https://locality.org.uk/wp-content/uploads/2021/12/The-Community-Opportunity-Final-1.pdf>
 - vi https://recruiternews.charityjob.co.uk/charityjob-overview-autumn-2021/?_ga=2.44652836.163771811.1644484407-719170916.1633421183
 - vii <http://cpwop.org.uk/wp-content/uploads/sites/3/2021/10/RRR-October-Report.pdf>
 - viii https://www.powertochange.org.uk/wp-content/uploads/2021/06/PTC_CEEDR_Good_Work_Report_FA1.pdf
 - ix <https://beta.ncvo.org.uk/ncvo-publications/time-to-flex/#growing-interest-in-flexible-working>
 - x <http://cpwop.org.uk/wp-content/uploads/sites/3/2020/11/Respond-recover-reset-the->

[voluntary-sector- and-COVID-19-November-2020.pdf](#)

x <https://blogs.ncvo.org.uk/2019/08/19/digital-skills-in-the-charity-sector/>

xi <http://cpwop.org.uk/wp-content/uploads/sites/3/2021/08/RRR-August-21-Report.pdf>

xii <https://relationshipsproject.org/>

xiii <https://www.thinknpc.org/resource-hub/trauma-informed-approaches/>

xiv <https://www.thersa.org/reports/meeting-as-equals>

xv <https://www.equalcare.coop/>

xvi <https://www.iriss.org.uk/resources/insights/participation-its-impact-services-and-people-who-use-them>

xvii <https://committees.parliament.uk/publications/7496/documents/78687/default/>

xviii <https://beta.ncvo.org.uk/ncvo-publications/time-well-spent-volunteering-public-sector/1-glance/#what-is-the-volunteer-experience-like-in-public-sector-organisations>