

## Appendix 1

### THIRD SECTOR WORKFORCE STATEMENT 2018

#### Introduction

The third sector is the term used to describe the range of organisations that are neither public nor private sector; the organisations are often referred to as 'not for profit', or more accurately 'not for personal profit'. The sector is diverse in its nature and includes registered charities, associations, social enterprises, mutuals and co-operatives.

The diversity and breadth that characterises the third sector can make workforce planning and mapping difficult. The funding and policy environment alters frequently and the sector is faced with uncertainty on a regular basis, therefore it is forever changing and evolving to both meet funding requirements and the needs of the community.

Within Dumfries and Galloway, there are presently over 2300 third sector organisations (TSO's), of which 854 are registered charities - this is not inclusive of national organisations and charity shops- who are all working towards different outcomes and service area(s). From the recent workforce planning carried out by Third Sector Dumfries and Galloway, a number of themes have been identified that are impacting the sector across the region.

#### Key Challenges

##### Funding

TSO's are funded in various ways to maintain their services including funding from statutory services like the NHS or local authority, grants, fundraising and donations. Funding is generally split between core funding and project funding.

The widespread use of tendering to allocate contracts or commissioned work from statutory bodies can result in it being more difficult for TSO's to work collaboratively, making it more a competitive arena at a time when TSOs need to be more economising and look towards the sharing of resources.

Reduction in funding from statutory bodies has become a primary challenge for many organisations, leaving them at a juncture of needing to source other funding streams or to become more enterprising.

Although TSO's support the increase in the national living wage (NLW) the shift cannot be absorbed by all organisations and where there is no increase in funding in line with the increase in wages this has a direct impact, resulting in TSOs having to find savings within their existing budgets. This will impact on service provision with services being provided on a much lower budget.

The restricted funding streams- and the resources taken to source these - adds an extra element of pressure as the amount of funding available is not always comparable to the funds that are needed to sustain service provision. Often funding streams can only be used to deliver new and innovative projects and cannot be used to deliver core services, making the sustainability of services difficult. Each funding source has a different structure and a

different obligation to meet to achieve their funding outcomes. Where this type of funding is not found, TSO's have to fundraise or collect donations causing further strain on a restricted workforce. Securing funding can also be dependent on competencies in bid writing to be successful.

### Staff recruitment and retention

The third sector is an important source of employment in Dumfries and Galloway and is increasingly providing services previously provided by the public sector. However, the ability of the sector to provide such services is dependent on the quantity and quality of suitable labour with staff recruitment and retention being highlighted as problematic. There are a number of issues and reasons to explain this, namely inadequate career progression, precarious job security and relatively lower wages.

Third sector organisations cannot offer the same competitive wages as other sectors and wages are not always reflective of the level responsibility given. This, paired with poorer terms and conditions – as well as short term or fixed term contracts that are offered- can impact on recruitment and retention.

In rural locations, such as Dumfries and Galloway, there is the added challenge of travel costs and so for those contracted to work short hours or split shifts the wage received is not always sufficient. All this plays a part in lessening the attractiveness of the role, and in turn, can make it difficult for TSO's to fill vacancies and retain staff as demonstrated by higher turnover.

### Volunteer recruitment and retention

The third sector is increasingly providing services previously provided by the public sector. In addition to paid members of staff volunteers play a significant role in delivering services. Levels of volunteering have remained relatively stable over the last 9 years, however trying to recruit new volunteers or retain newly trained individuals can be problematic.

Much like the problem faced with recruiting paid staff, trying to find individuals suitable for volunteering roles can be difficult. This can be exacerbated by further barriers like person specifications that are needed to carry out the role, for example, access to their own transport.

The recruitment of trustees is a particular problem within the third sector. Trustees are themselves volunteers and play an important role in ensuring TSO's are run in the interest of those they are there to support i.e. the beneficiaries. They have the ultimate responsibility for governing the organisation and directing how it is managed. Being unable to recruit volunteers into the role of trustees can put the organisation at risk.

A significant challenge is 'volunteer fatigue' whereby volunteers are seen to burnout. There is a level of responsibility expected of volunteers without the add-on of being paid to carry out the role. In Dumfries and Galloway volunteers are often involved in numerous projects, increasing the pressure to carry out their duties or take on projects, as they do not have the capacity to do this.

It is important to recognise the contribution volunteering makes to the region. The value of volunteering can be measured in three ways: the economic value of goods and services created by volunteers i.e. the GDP-equivalent value of volunteering services; the personal value, in particular, the benefits felt by volunteers themselves; and the social value i.e. the benefits to the wider community.

Focussing on the individual, volunteering can bring great improvements to the health and wellbeing of those volunteers who participate and to their personal and professional development, allowing them to go on to other positive destinations or progress on the employability pathway.

### Future requirements

The value and professionalism of the third sector needs to be recognised and the contribution it makes to the community through the scope and scale of services acknowledged.

Working with statutory partners can ensure that the knowledge and experience of the sector informs strategic planning and decision-making. There is a willingness from the sector to engage with these processes, but with increased demand on services, reduced resource and limited funding it can be difficult for the third sector to participate without additional resource.

To have greater stability for the sector funding cycles needs to be expanded, for example, to a minimum of three years. This would allow for longer-term planning, particularly as the demand for services is expected to continue to increase.

Efforts need to be made to improve staff and volunteer retention with suggestions to resolve this pointing towards better training opportunities for those offering their time.