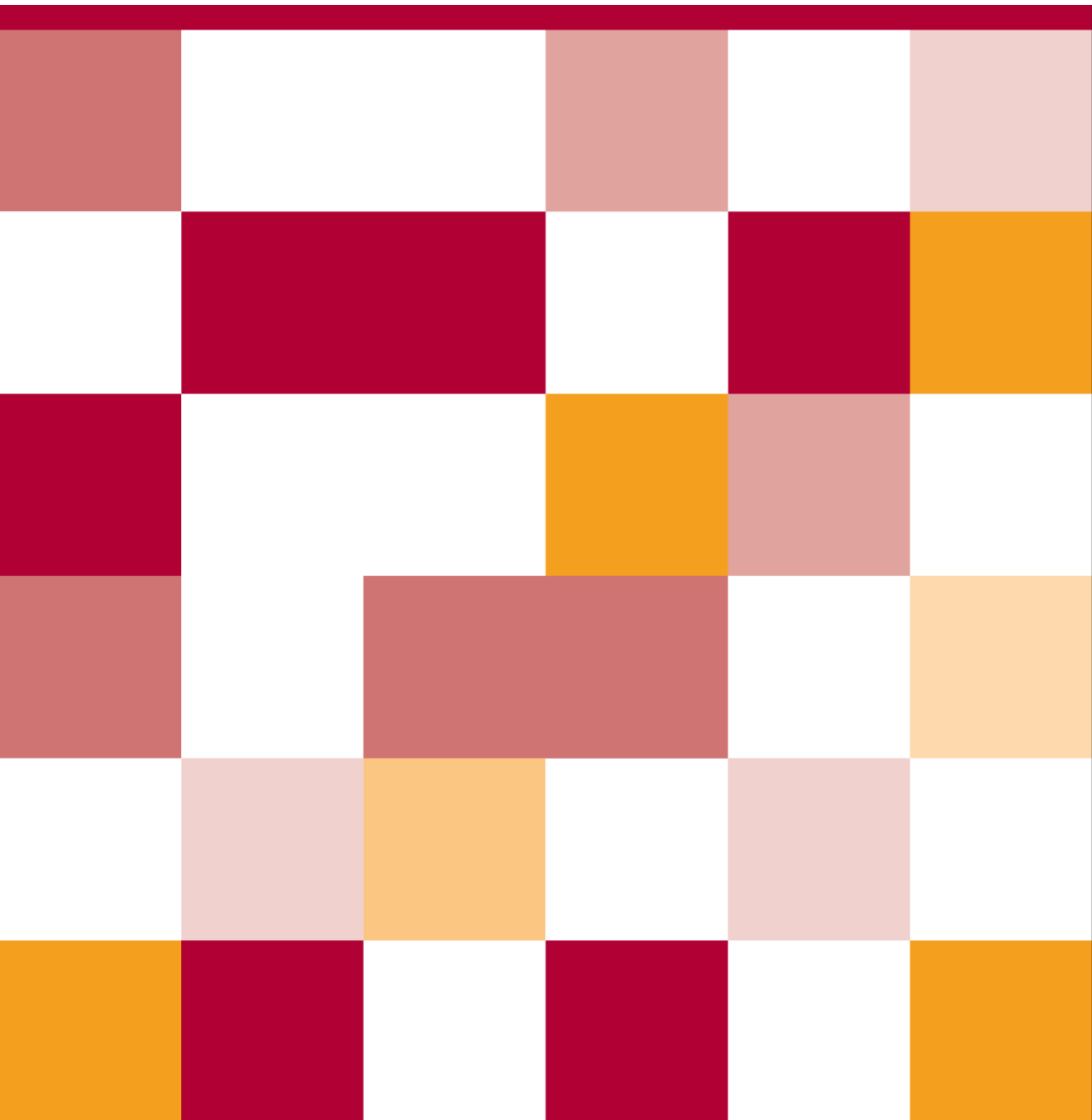




State of the Sector Panel Survey

Report 4: Human and Capital Resources



State of the Sector Panel Survey

Report 4: Human and Capital Resources

A report describing the human resource issues that panel members experienced and their capital resources including their use of Information Technology and the types of accommodation they occupied

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January 2009

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Main findings¹

Human resources: Employees

- In 2004/5, panel members who had employees had lost, on average, one in seven of their paid staff in the previous year; 30% had lost no employees but almost as many, 27%, had lost a fifth.
- In 2002/3 and 2003/4, 15% of organisations reported significant difficulties with recruiting employees and a further 29%-30% reported some difficulty. In 2004/5, these proportions had fallen to 10% and 26%.
- The most common problems with attracting and keeping employees were salary related; such problems were reported by over a third of members who had difficulties with recruitment or retention.
- Two thirds described their organisation as a better than average employer and almost all the others described it as average.

Human resources: Volunteers

- In 2004/5, panel members with volunteers had lost, on average, 13% of their management board volunteers and 15% of their other volunteers in the previous year. About two fifths (39%) of panel members who had volunteers on their management board had retained all these volunteers over the past year. At the other extreme, a quarter (26%) had lost 20% or more. The figures for other volunteers were similar.
- Over a third of panel members (38%) said that they had difficulty recruiting volunteers for the management board and a similar proportion had difficulty recruiting other volunteers (37%).
- The very large organisations (with incomes of £10million or more) had least difficulty recruiting and retaining volunteers.

Capital resources: Information Technology (IT)

- In 2004/5, 92% of panel members used some form of IT system: 89% had access to the internet, 86% used e mail and 71% had their own website. The proportion with a website increased from 67% in 2002/3 to 71% in 2004/5 but, otherwise, there was little change over the course of the survey in the use of IT systems.
- Among panel members who used IT, about one quarter said that lack of, or inadequate IT systems had held them back in the past year although less than one in 20 had been held back to a great extent.
- In all years of the survey, the majority of panel members said that expenditure on IT had either increased or stayed the same over the previous year. However, the proportion reporting that expenditure had increased fell from 60% in 2002/3 to 54% in 2004/5.

Capital resources: Accommodation

- About a fifth (22%) of organisations said that their current premises were unsuitable for their needs and a similar proportion (21%) said that they were planning to move in the next year

¹ Figures refer to 2004/5 unless otherwise stated.

Introduction

1. This is the final report in a series of four publications presenting the main findings from the State of the Sector Panel Survey (SOSP). It examines the human resource issues that panel members experienced, including the recruitment and retention of employees and volunteers, their terms and conditions and the types of training provided. It also describes voluntary organisations' capital resources – their use of Information Technology and the types of accommodation they occupied. The final section looks at panel members' planning and financial processes.

2. A summary of the survey objectives and methodology, together with a description of the main characteristics of the participant organisations, is given in the [Introductory Report](#). Full details of the survey design are given in the [Technical Report](#).

3. Some of the figures and tables show findings from each year of the survey so that any changes over time can be observed. Analyses which relate to a single year of the survey are taken from the most recent year in which the data were collected, 2004/5.

Human Resources: Employees

4. Over three quarters of organisations (78% in 2004/5) had employees. These panel members were asked about the benefits and services offered to employees, whether they had any recruitment or retention problems and the types of training they provided.

Terms and conditions

5. Almost all organisations with employees provided a contract of employment (97%), procedures for dealing with grievances (95%) and consultation on work issues (93%). A similar high percentage (95%) offered paid holidays of whom three quarters allowed at least 21 days leave (tables not shown).

6. Different forms of flexible working were relatively common: 94% of organisations offered part-time working, 88% allowed time off in lieu, 72% offered flexitime and over a half allowed people to work from home (56%) or to job share (55%). However, the 'family-friendly' benefits rarely extended to the provision of child care which was offered by just 11% of organisations.

7. Over two thirds (71%) of organisations with employees operated an in-house or external pension scheme. Of these, over a half (56%) offered a stakeholder pension scheme with most of the others offering either a final salary or a money purchase scheme (22% for both) (table not shown).

8. Among the 46% of organisations whose pay rates were linked to an external scale, the majority (87%) were linked to Local Authority scales (table not shown).

Recruitment and retention issues

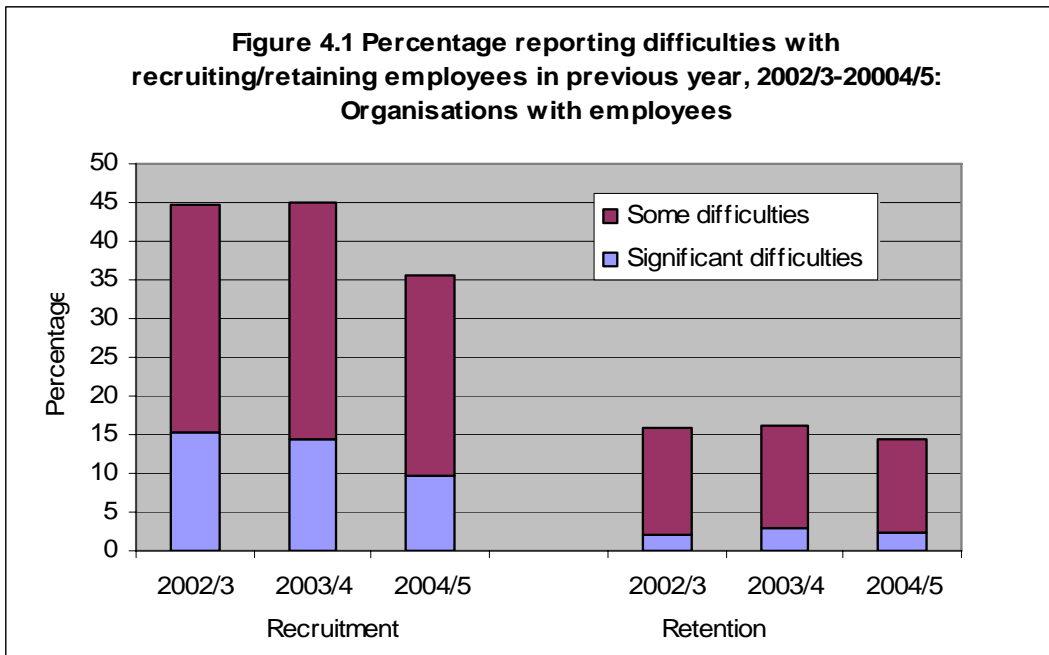
9. In 2004/5, panel members who had employees had lost, on average, one in seven of their paid staff in the previous year; 30% had lost no employees but almost as many, 27%, had lost a fifth. As would be expected, smaller organisations, as indicated by income, were more likely than larger organisations to have retained all their staff. However, the *proportion* of staff lost also increased with income, although the gradient was not steep. The average percentage of employees lost in the last year rose from 13% among organisations with incomes under £10,000 to 15% among those with incomes of £1million or more.

Table 4.1 Percentage of employees who had left in previous year by income, 2004/5

Percentage of employees who had left in previous year	Income					Total
	Under £10,000	£10,000 less than £100,000	£100,000 less than £1m	£1m less than £10m	£10m or more	
	%	%	%	%	%	%
None	38	41	29	20	13	30
Under 10%	18	12	19	23	29	19
10%-19%	19	19	25	28	35	24
20% or more	24	28	26	28	23	27
Total	100	100	100	100	100	100
						<i>Means</i>
Mean percentage	13.28	14.96	14.62	15.42	15.05	14.71
						<i>Numbers</i>
<i>Base:</i>						
<i>Organisations with employees</i>	319	516	1120	550	102	2607

10. The proportion of panel members who reported having difficulties with recruiting employees decreased between the first two years of the survey and the most recent year. In 2002/3 and 2003/4, 15% of organisations reported significant difficulties with recruitment and a further 29%-30% reported some difficulty. In 2004/5, these proportions had fallen to 10% and 26%.

11. There was no consistent change over time in the proportions reporting retention problems. In 2004/5, 2% of panel members said that they had significant difficulties retaining staff and a further 12% said that they had some difficulty.



12. The likelihood of experiencing recruitment problems tended to increase with the organisation's income. Among those with incomes under £100,000, 30% reported problems in the previous year compared with 44% of those with incomes of £10million or more (table not shown). Retention problems were also most common in the highest income band: 23% of members with incomes of £10million or more had had difficulties retaining staff in the previous year compared with 13%-16% of those in lower income bands (tables not shown).

13. The most common types of recruitment problems were salary related (reported by 38% of members who had difficulties with recruitment in the previous year) and lack of applicants with suitable skills (37%), experience (19%), qualifications (16%) or generally (15%) (Table 4.2). Among those reporting skill shortages, recruiting people with the requisite experience of the sector was a particular problem, mentioned by a quarter. However, less than one tenth of this group (representing less than 1% of all organisations with employees) mentioned shortages of people with IT skills. This accords with analysis presented in Report 1 of this series showing the low proportion mentioning IT issues being a constraint on their activities² (table not shown).

14. Salary was also the most common problem with retaining staff, reported by 35% of those who had had retention difficulties in the last year. Other problems included insecure job tenure, for example, because the job was a short-term contract or casual (18%) and limited opportunities for career development (15%) (Table 4.3).

²http://www.cabinetoffice.gov.uk/media/120329/sosp_report_1.pdf

Table 4.2 Types of difficulties recruiting employees, 2004/5

Types of recruitment difficulties	Percentages¹
Unattractive salary	38
Lack of applicants with suitable skills	37
Lack of applicants with suitable experience	19
Lack of applicants with suitable qualifications	16
Lack applicants	15
Unattractive terms and conditions	14
Location	7
Competition with other voluntary organisations	7
Insecure job tenure(short term/casual work)	5
Lack of resources/expertise in recruitment	4
Low public awareness of organisation	2
Reputation of organisation	2
Other	2
<i>Base: Organisations who had difficulties recruiting employees in previous year</i>	984

¹ Percentages may add to more than 100 because of multiple responses

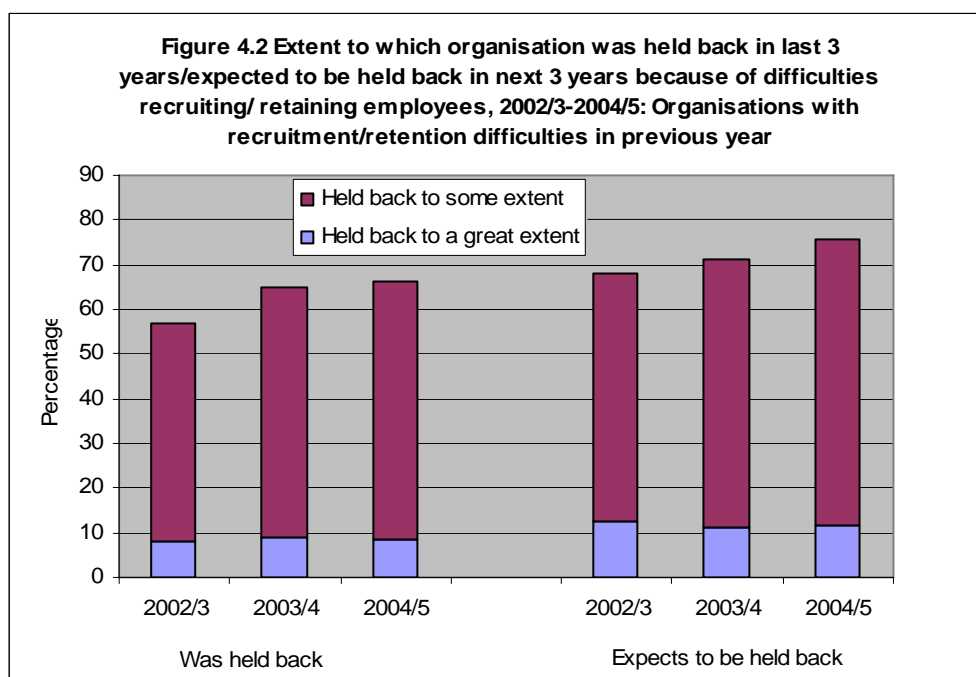
Table 4.3 Types of difficulties retaining employees, 2004/5

Types of retention difficulties	Percentages¹
Unattractive salary	35
Insecure job tenure(short term/casual work)	18
Opportunities for career development	15
Unattractive terms and conditions	13
Lack of funding to retain post	11
Personal issues	8
Insecurity about the organisation's future	8
Competition with other voluntary organisations	7
Pressure of work	7
Demand for different/new skills	7
Competition with private sector organisations	5
Competition with public sector organisations	4
Poor management	3
Unpleasant atmosphere	2
Poor employee performance	2
Location	2
Lack of facilities for disabled people	0
Other	1
<i>Base: Organisations who had difficulties recruiting employees in previous year</i>	195

¹ Percentages may add to more than 100 because of multiple responses

15. Over three quarters (79%) of organisations who had difficulty recruiting employees and nearly a half (48%) of those who had retention problems said that there were particular types of post that they found difficult to fill. Care staff and support workers were the most problematic both for recruitment and retention. Otherwise, senior managers were the most difficult to recruit while administrative staff tended to be the most difficult to retain (table not shown).

16. In 2004/5, two out of three members (67%) who had had recruiting/retention problems in the previous year thought that such issues had held their organisation back over the last three years, although less than one in ten (9%) thought that they had been restricted to a great extent. The proportion reporting that they had been held back by these problems increased over the survey period from 57% in 2002/3 to 67% in 2004/5. Expectations of future restrictions due to recruitment or retention problems showed a similar pattern. Among those reporting such problems in the previous year, the proportion expecting to be held back in the next three years increased from 68% in 2002/3 to 76% in 2004/5.



Training

17. All organisations with employees were asked about the types of training that they had provided in the previous year. Table 4.4 shows the main types mentioned and Table A4.3 gives the full list. Overall, 90% of organisations had provided some form of training, the most common being Health and Safety (provided by 50% of panel members with employees in 2004/5). Just under a third had provided First Aid courses (31%) and IT training (29%) while a quarter (25%) had given training in some aspect of professional development.

18. Among the small group who had not provided any training, two thirds said that their employees did not require training. Just 10% (representing 1% of all organisations with employees) said that it was through lack of funds (table not shown).

Table 4.4 Main types of training provided to employees in past year, 2004/5

Main types of training provided to employees in past year	Percentages ¹
Health & safety	50
First aid	31
Using computers/IT	29
Professional development	25
Managing employees	18
Induction	16
Client handling	13
Finance/accounts	12
Food hygiene	11
Managing contracts	11
Medical	10
No training provided	10
	<i>Numbers</i>
<i>Base: Organisations with employees</i>	<i>2333</i>

¹ Percentages may add to more than 100 because of multiple responses

Overall views about organisation as an employer

19. Overall, panel members had a favourable opinion of their organisation as an employer. Two thirds described their organisation as a better than average employer and almost all the others described it as average. These proportions were consistent over the course of the survey. Panel members working in the largest organisations, with incomes of £10 million or more, were most likely to say that their employer was better than average, 80% compared with 64% to 68% among those in smaller organisations (table not shown).

Table 4.5 Views about organisation as an employer, 2002/3-2004/5

Compared with other voluntary or community sector organisations, this organisation is:	Survey year		
	2002/3	2003/4	2004/5
	%	%	%
A better than average employer	70	69	67
An average employer	29	30	32
A below average employer	1	1	1
Total	100	100	100
			<i>Numbers</i>
<i>Base: Organisations with employees</i>	2712	2727	2738

Human Resources: Volunteers

20. Almost all panel members (93% in 2004/5) had volunteers on their management board or committee and nearly three quarters (72%) had other volunteers. These proportions showed no change over the three years in which the survey was carried out nor did they show any variation with income. The main reasons organisations did not have volunteers on their management board were that they felt that they were not required, that there was no formal board or that the board only included paid members (tables not shown).

21. The following analyses describe the terms and conditions, recruitment and retention problems and training provided by panel members for the two types of volunteer: those on the management board and those who were not on the management board, referred to as 'other volunteers'. The percentages are based on organisations which had each type of volunteer.

Terms and conditions

22. In general, panel members offered volunteers on the management board and other volunteers similar terms and conditions. Thus, among organisations who had such volunteers, about three quarters paid travel expenses and about a half reimbursed people for meals. Lower proportions provided payment for accommodation costs (36% and 27%), expenses related to a disability (34% for volunteers on the management board and 29% for other volunteers), for childcare expenses (24% and 22%) and for carers' expenses (20% and 16%).

23. Panel members were equally likely to provide job descriptions for their management board and other volunteers (56% and 58%) but the latter were the more likely to have grievance procedures (65% compared with 45%) and performance appraisal (39% compared with 17%). Conversely, limits on the number of year's service applied mainly to volunteers on the management board: (34% of organisations had such limits for their management board volunteers of whom about a third were limited to one year's service).

Table 4.6 Terms and conditions of volunteers, 2004/5

Volunteer terms and conditions	Volunteers on management board	Other volunteers
		<i>Percentages¹</i>
Travel expenses	72	75
Meals expenses	49	55
Expenses for costs associated with disability	34	29
Reimbursement for accommodation costs	36	27
Childcare expenses	24	22
Carers' expenses	20	16
Job description	56	58
Grievance procedures	45	65
Limit on number of year's service	34	4
Performance appraisal	17	39
Pay (over and above expense)	2	3
Reimbursement for loss of earnings	4	3
Personal development plan ²	17	
Consultation on strategy ³		64
Contract ³		20
None of above	11	9
		<i>Numbers</i>
<i>Base: Organisations with volunteers on management board/other volunteers</i>	3364	2602

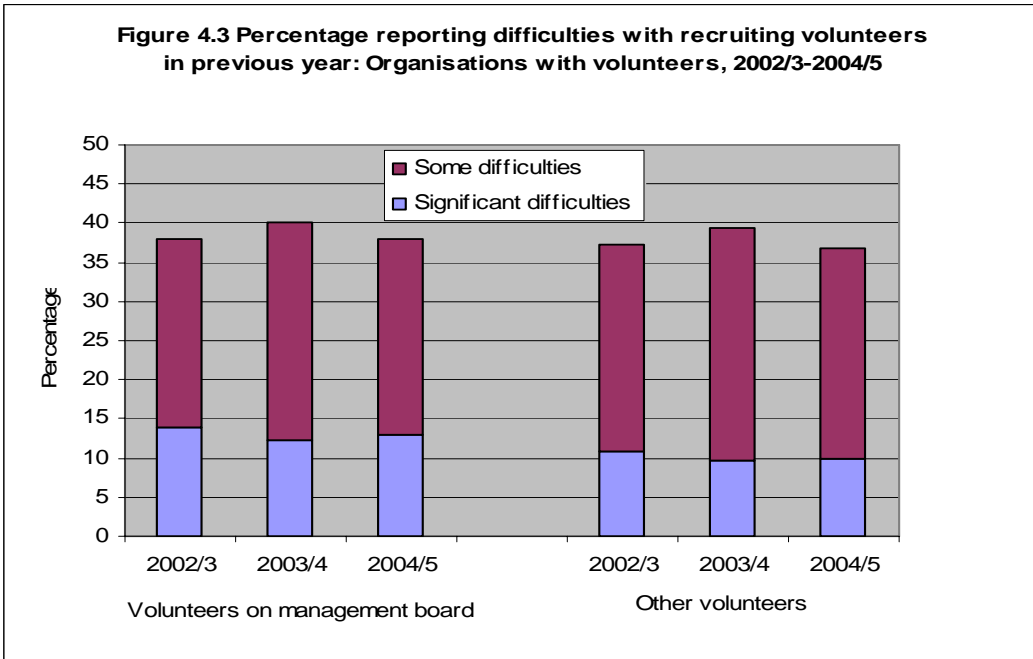
¹ Percentages may add to more than 100 because of multiple responses

² Not asked about other volunteers

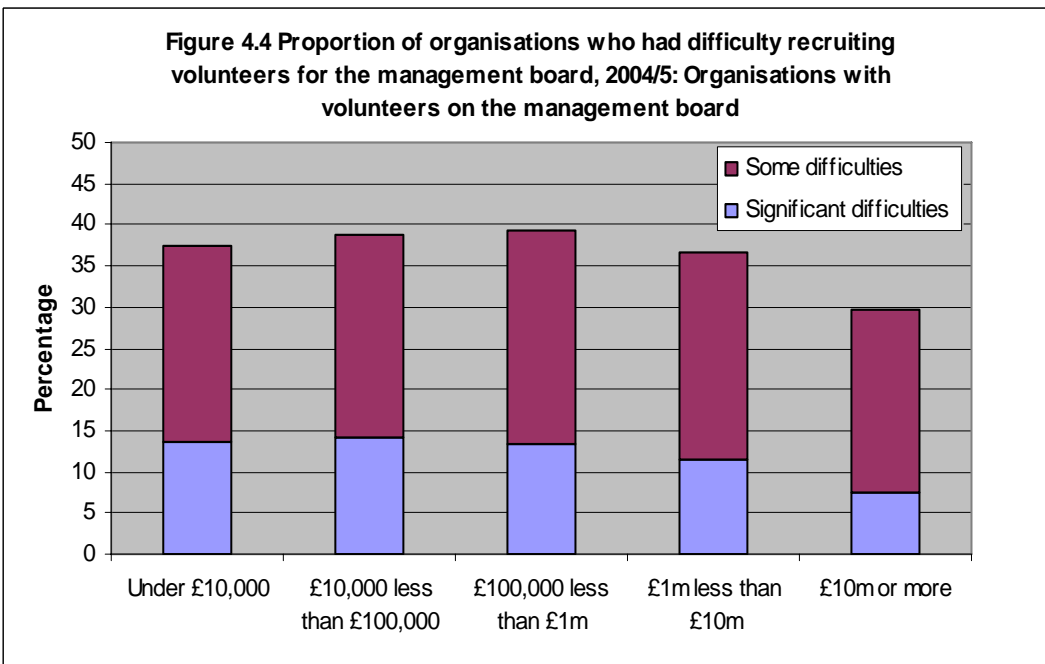
³ Not asked about volunteers on management board

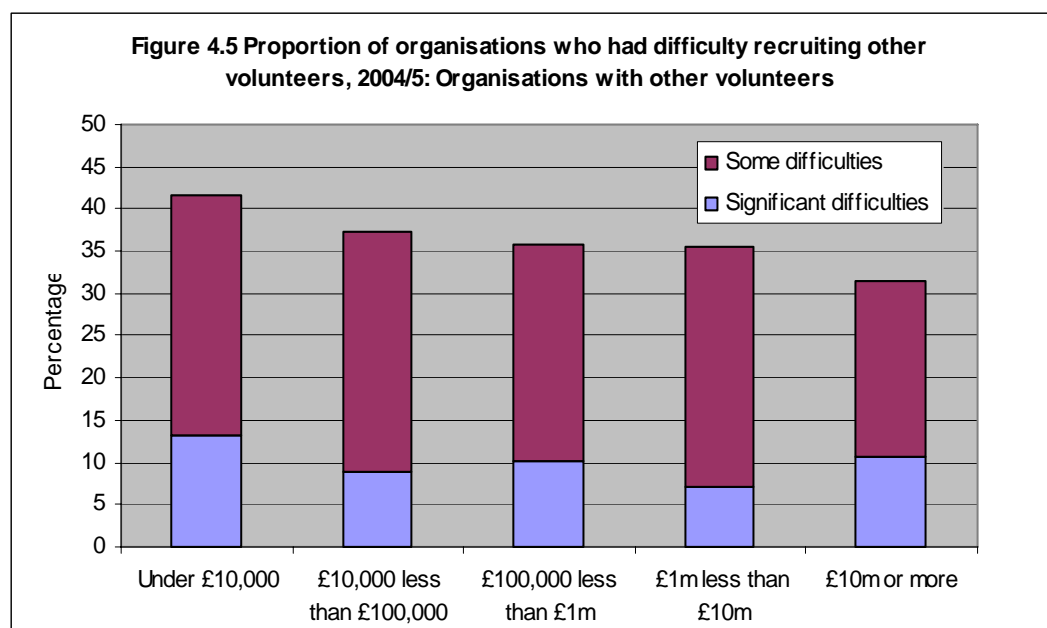
Recruitment of volunteers

24. Over a third of panel members (38%) said that they had difficulty recruiting volunteers for the management board, including 13% who had significant problems. The corresponding proportions for difficulties recruiting other volunteers were similar (37% and 10%) as were the proportions recorded for both groups in previous years of the survey.



25. The very large organisations (with incomes of £10 million or more) were less likely to report problems with recruiting volunteers for the management board than those in lower income bands (30% compared with 38%-39%). The pattern for other volunteers was not quite the same although the largest organisations again had the least difficulty. However, the proportion reporting problems tended to decrease across the income bands, from 41% among those in the lowest band to 32% among those in the highest.





26. The main problems with recruiting volunteers of both types were the lack of applicants, particularly finding people with the time available: 58% of those who had problems recruiting management board volunteers and 50% of those with problems recruiting other volunteers reported difficulties of this kind. Lower proportions mentioned shortages of people with suitable skills (20% and 16%) or qualifications (10% and 6%).

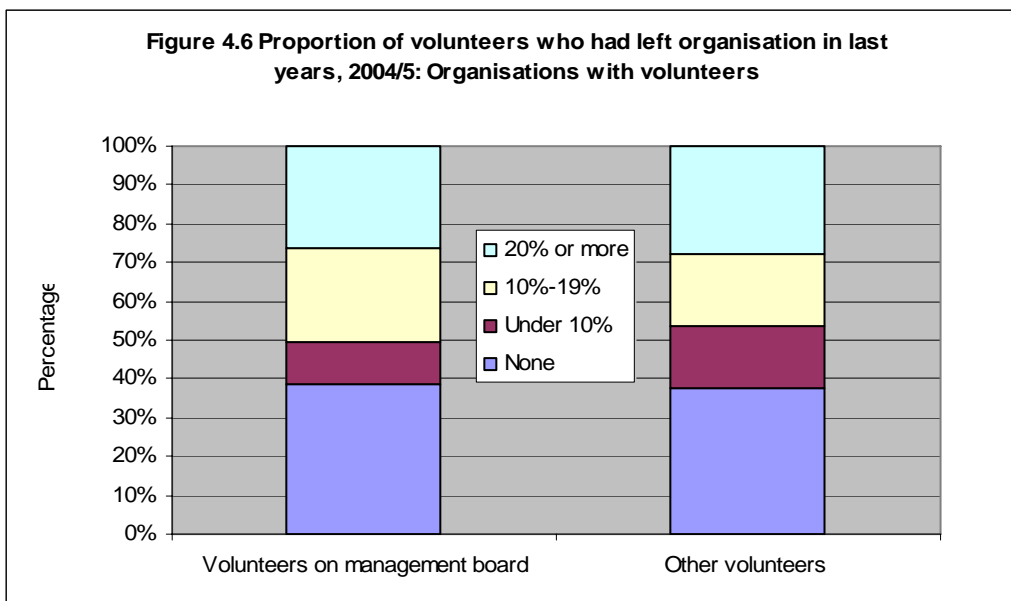
Table 4.7 Types of difficulties recruiting volunteers, 2004/5

Types of recruitment difficulties	Volunteers on management board	Other volunteers
		Percentages ¹
Lack applicants with available time	58	50
Lack of applicants with suitable skills	20	16
Lack of applicants with suitable experience	10	6
Lack of applicants with suitable qualifications	5	3
Lack applicants	29	31
Unattractive conditions of employment	4	8
Reasons related to post (eg legal responsibilities)	9	4
Personal circumstances	0	3
Local area	0	3
Competition with other voluntary organisations	0	4
Lack of resources/expertise in recruitment	0	7
Reputation of organisation	0	3
Other	13	11
<i>Base: Organisations who had difficulties recruiting volunteers on management board/other volunteers in previous year</i>	1240	929

¹ Percentages may add to more than 100 because of multiple responses

Retention of volunteers

27. About two fifths (39%) of panel members who had volunteers on their management board had retained all these volunteers over the past year. At the other extreme, a quarter (26%) had lost 20% or more. The figures for other volunteers were similar.

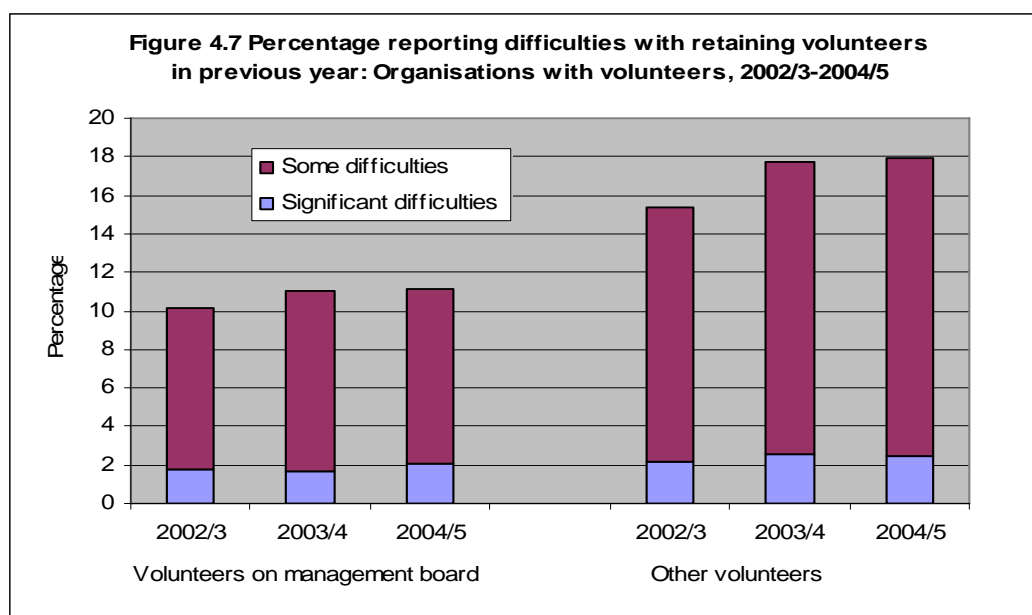


28. The retention rate for volunteers on the management board showed no consistent pattern of variation with the size of organisation, as indicated by income, but the largest organisations had relatively high drop-out rates for other volunteers. Among such organisations, the mean percentage of other volunteers who had left in the previous year increased from 13% among organisations with incomes under £10,000 to 19% for those with incomes of £10million or more.

Table 4.8 Percentage of volunteers who had left in previous year by income, 2004/5

Percentage of volunteers who had left in previous year	Income					Total
	Under £10,000	£10,000 less than £100,000	£100,000 less than £1m	£1m less than £10m	£10m or more	
Volunteers on management board	%	%	%	%	%	%
None	43	42	38	35	31	39
Under 10%	9	12	10	13	12	11
10%-19%	23	20	25	27	37	24
20% or more	26	26	27	25	20	26
Total	100	100	100	100	100	100
						<i>Means</i>
Mean percentage	12.30	12.57	13.20	12.51	12.19	12.75
Other volunteers	%	%	%	%	%	%
None	43	39	36	37	30	38
Under 10%	15	14	16	18	17	16
10%-19%	20	17	20	18	19	19
20% or more	22	30	29	26	34	28
Total	100	100	100	100	100	100
						<i>Means</i>
Mean percentage	13.21	15.46	15.51	15.05	18.54	15.16
						<i>Numbers</i>
<i>Base: Organisations with volunteers on management board</i>	501	714	1302	666	127	3310
<i>Base: Organisations with other volunteers</i>	321	473	876	404	64	2138

29. Panel members appear to have had fewer difficulties with retaining volunteers than recruiting them. In 2004/5, 11% reported problems with retaining management board volunteers and 14% reported problems retaining other volunteers. Hardly any panel members said that they had significant difficulties. The picture in earlier years of the survey was similar.



30. Income variations in retention rates showed the same pattern as those in recruitment. The largest organisations were less likely than those with lower incomes to report problems with retaining management board volunteers (4% compared with 9%-12%) while the proportions reporting problems retaining other volunteers tended to decrease across the income bands, falling from 22% among those in the lowest band to 17% among those in the highest (Table A4.5).

31. Among those who had had difficulties retaining volunteers in the previous year, three quarters said the problems were related to the volunteers' personal circumstances, for example, they had work or family commitments or they were taking educational courses. However, a substantial minority, about a third, mentioned issues connected with the job itself or serving on the board, including stress, the responsibilities that were entailed and concerns about liability. These problems applied equally to the retention of management board and other volunteers.

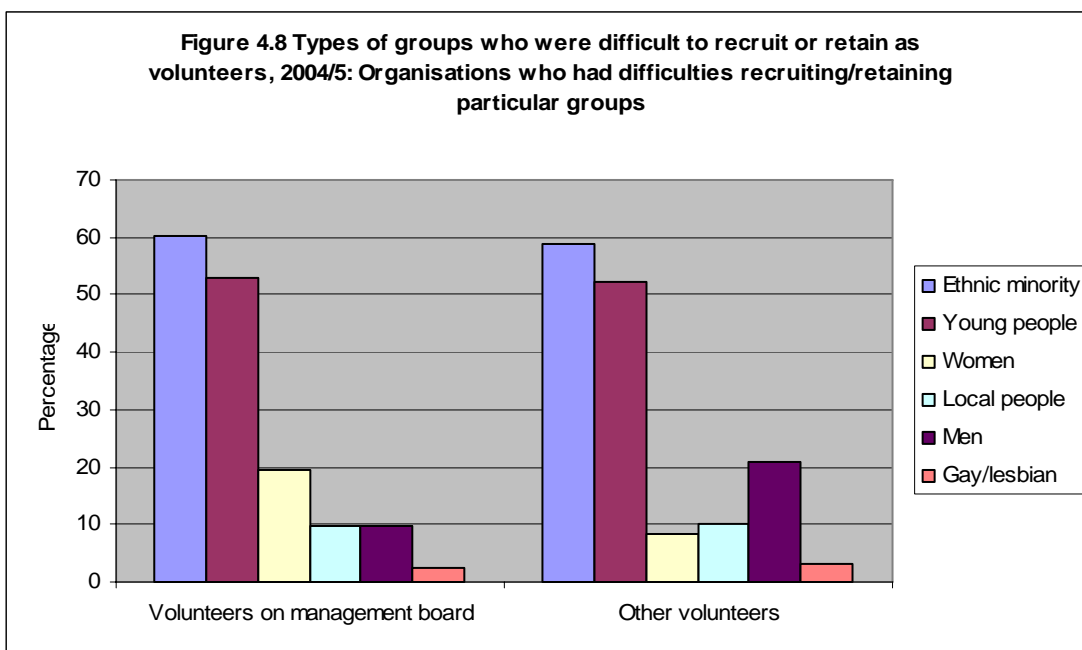
Table 4.9 Types of difficulties retaining volunteers, 2004/5

Types of recruitment difficulties	Volunteers on management board	Other volunteers
		<i>Percentages¹</i>
Personal circumstances (eg work, family, educational commitments)	75	78
Reasons connected with the work or management board (eg stress, responsibility, concerns about liability)	30	32
Reputation/experience of organisation	10	0
Other	9	7
		<i>Numbers</i>
<i>Base: Organisations who had difficulties retaining volunteers on management board/other volunteers in previous year</i>	360	450

¹ Percentages may add to more than 100 because of multiple responses

Recruitment and retention issues

32. In 2004/5, about a third (35%) of panel members said that they had difficulty recruiting or retaining particular groups of people as volunteers on their management board. For attracting other volunteers, the proportion was about a quarter (27%). These proportions fluctuated over the course of the survey and there was no overall trend. Among those who said they had such problems, three fifths had difficulty recruiting or retaining people from ethnic minorities and a half had difficulties attracting young people. These groups were equally difficult to attract as either management board volunteers or other volunteers.



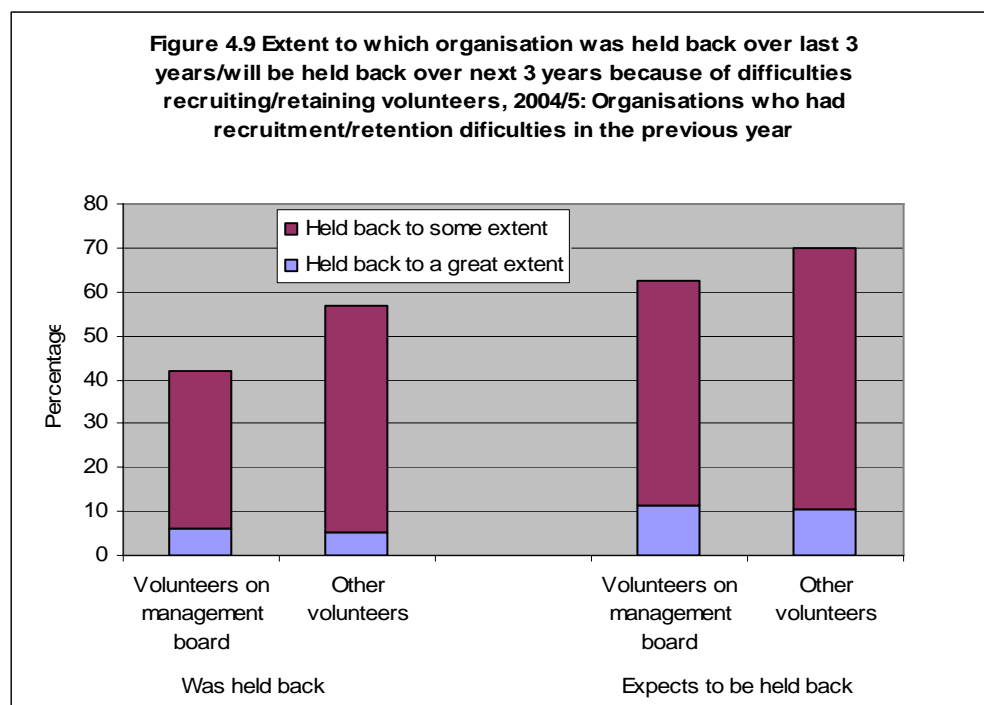
33. Panel members reported more widespread skill shortages among volunteers on the management board than among other volunteers. Overall, nearly two thirds (64%) of those with volunteers on their board mentioned skills that these volunteers were lacking, in particular finance (24%) legal (13%) and business skills (10%). In contrast, just over one third (37%) reported a skills shortage among other volunteers and there was no deficit in any particular field. Interestingly, as with employees, there does not appear to have been much concern about lack of IT skills among either type of volunteer.

Table 4.10 Types of skills that volunteers lack, 2004/5

Types of skills that volunteers lack	Volunteers on management board	Other volunteers
		<i>Percentages¹</i>
Finance/accounts	24	4
Legal	13	0
Business skills	10	4
Fund raising	9	3
Human resources	8	0
Marketing/media	7	0
Experience of sector	6	5
Strategy planning	5	0
Professional	4	3
Managing contracts	4	0
Using computers/IT	4	7
Managing employees	3	0
Social work	0	3
Other	16	24
No skills lacking	36	63
		<i>Numbers</i>
<i>Base: Organisations with volunteers on management board/other volunteers</i>	1786	1286

¹ Percentages may add to more than 100 because of multiple responses

34. Of those who had had difficulties recruiting or retaining management board volunteers in the previous year, 42% thought that this had held the organisation back over the previous three years and 62% expected to be constrained in the forthcoming three years. The proportions who were, or expected to be, held back because of problems attracting other volunteers were higher, 57% and 70%. The figures for earlier years of the survey showed an overall upward trend for problems with management board volunteers but there was no discernible pattern in the figures for other volunteers.



Training

35. Table 4.11 shows the main types of training provided to volunteers in the previous year; Table A4.11 gives the full list. Two thirds (69%) of organisations had provided some form of training in the previous year for volunteers on their management board and three quarters (78%) had provided training for other volunteers. The most common types of training provided by panel members for volunteers on the board were induction for new recruits (51%) and instruction in how to be a trustee (17%). Induction training was also the most common form of training provided for other volunteers (34%) along with health and safety (23%) and first aid (11%).

Table 4.11 Main types of training provided to volunteers in past year, 2004/5

Main types of training provided to volunteers in past year	Volunteers on management board	Other volunteers
		Percentages ¹
Induction	51	34
How to be a trustee	17	0
Finance/accounts	6	3
On the job training	5	8
Health and safety	4	23
No training provided	31	22
		Numbers
<i>Base: Organisations with volunteers on management board/other volunteers</i>		2600
		3356

¹ Percentages may add to more than 100 because of multiple responses

36. Among those who had not provided training in the previous year, most said that it was not required. Lack of funds was mentioned by only 7% of this group (table not shown).

Overall views about organisation as a user of volunteers

37. Panel members who had other volunteers (that is, volunteers who were not on their management board) were asked how their organisation compared with other voluntary organisations as a user of volunteers. Members were evenly split between those who thought their organisation was above average (46% in 2004/5) and those who thought it about average (48%). These proportions were the same in the two previous years of the survey. As was the case with views about the organisation as an employer, very few respondents thought their organisation was below average (6%). This proportion was a little higher among panel members in the largest and smallest organisations, 10% and 8%, than among those in organisations the middle income bands, 5% (table not shown).

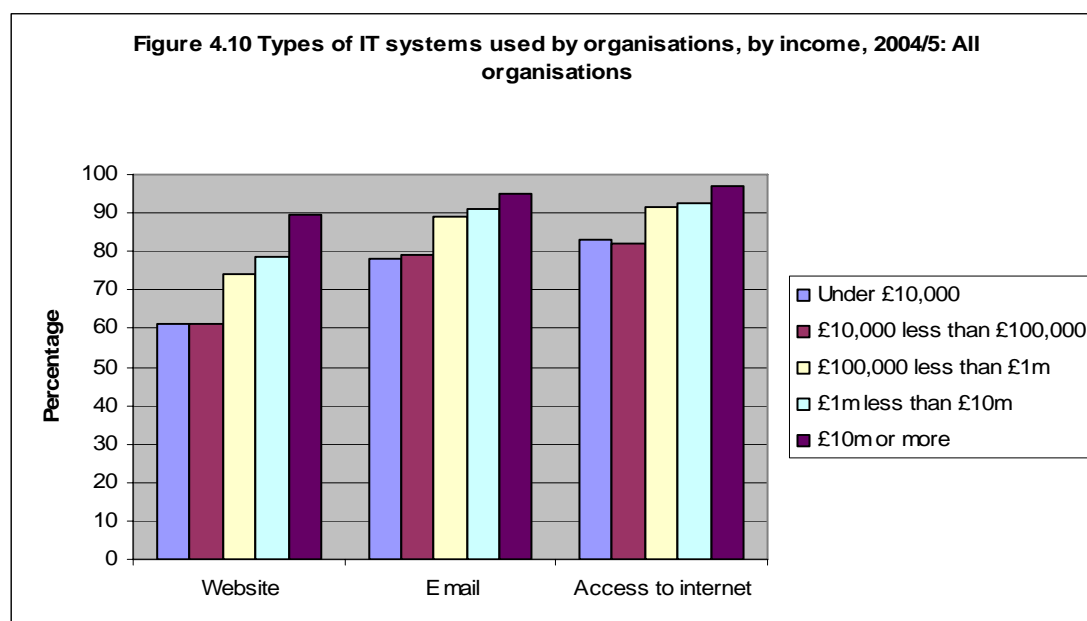
Table 4.12 Views about organisation as a user of volunteers 2002/3-2004/5

Compared with other voluntary or community sector organisations, this organisation is:	Survey year		
	2002/3	2003/4	2004/5
	%	%	%
A better than average user of volunteers	46	47	46
An average user	47	46	48
A below average user	7	7	6
Total	100	100	100
			<i>Numbers</i>
<i>Base: Organisations with volunteers</i>	2514	2460	2497

Capital resources: Information Technology (IT)

38. One of the aims of the survey was to examine the extent to which voluntary organisations were constrained by inadequate IT systems. In 2004/5, 92% of panel members used some form of IT system: 89% had access to the internet, 86% used e mail and 71% had their own website. The proportion with a website increased from 67% in 2002/3 to 71% in 2004/5 but, otherwise, there was little change over the course of the survey in the use of IT systems.

39. The prevalence of IT usage increased with income. Website ownership showed the most marked income variation, rising from 61% among organisations with incomes under £100,000 to 90% among those with incomes of £10million or more.



40. Among panel members who used IT, about one quarter said that lack of, or inadequate, IT systems had held them back in the past year although fewer than one in 20 had been held back to a great extent. These proportions remained stable over the survey period. No single factor predominated: similar proportions mentioned problems due to hardware (59%), software (65%) and lack of expertise (69%). Expectations of constraints due to IT factors in the next three years showed a similar pattern.

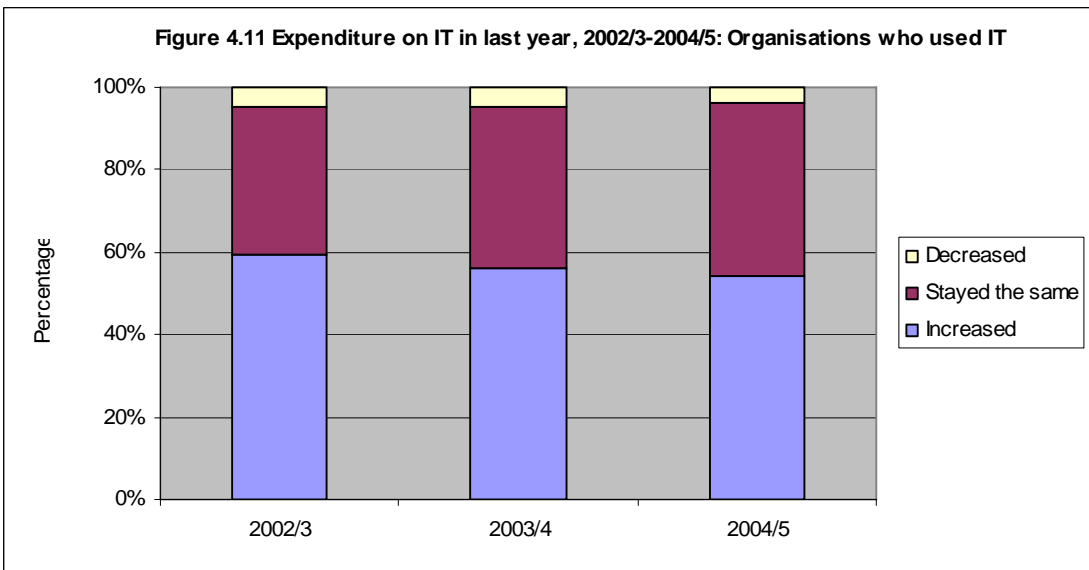
Table 4.13 Extent to which inadequate IT systems have held organisations back, 2002/3-2004/5

Extent to which inadequate IT systems have held organisations back	Survey year		
	2002/3	2003/4	2004/5
Over last year organisation ...	%	%	%
Was held back to a great extent	4	3	4
Was held back to some extent	22	22	20
Was not held back	74	75	76
Total	100	100	100
Over next 3 years organisation...	%	%	%
Will be held back to a great extent	4	2	2
Will be held back to some extent	22	17	20
Will not be held back	74	81	78
Total	100	100	100
			<i>Numbers</i>
<i>Base: Organisations who used IT</i>	3513	3274	3527

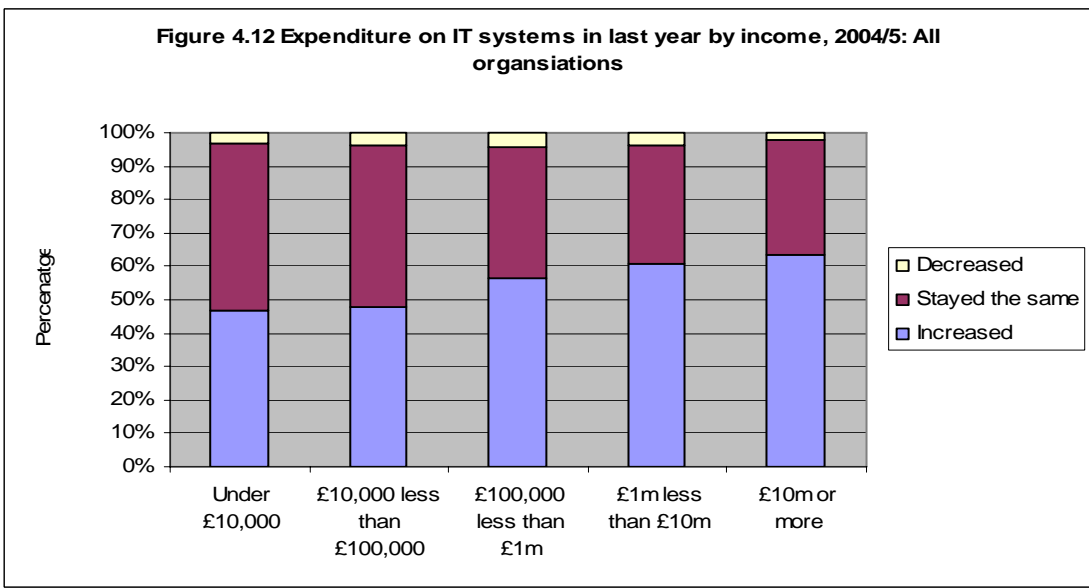
41. Larger organisations, who were the most likely to use IT systems, were also most likely to report that they were constrained by their facilities. The proportion who reported that they had been

held back in the last year rose from 21% among those with incomes under £100,000 to 27% among those with incomes of £10million or more (table not shown).

42. In all years of the survey, the majority of panel members said that expenditure on IT had either increased or stayed the same over the previous year. However, the proportion reporting that expenditure had increased fell from 60% in 2002/3 to 54% in 2004/5. Projected expenditure over the forthcoming three years showed the same pattern with 57% expecting an increase in 2002/3 compared with 51% in 2004/5.



43. Smaller organisations, as indicated by income, were less likely than larger organisations to report increased expenditure on IT. The proportion who said that their expenditure had increased over the past year rose from 47% among those with incomes under £10,000 to 64% among those with incomes of £10million or more.



Capital resources: Accommodation

44. This section describes features of the accommodation occupied by panel members. The figures showed little change over the three years in which the survey was carried out and so the findings are presented for the most recent year only. The data refer to the premises at which the respondent was based.

45. The most common tenures of panel members' premises were sole rental (33%), sole outright ownership (27%) and shared rental (18%). Only 8% were in accommodation for which there was no charge. Over a half (55%) had occupied their current premises for at least 10 years and nearly a third (30%) had been resident for at least 20 years.

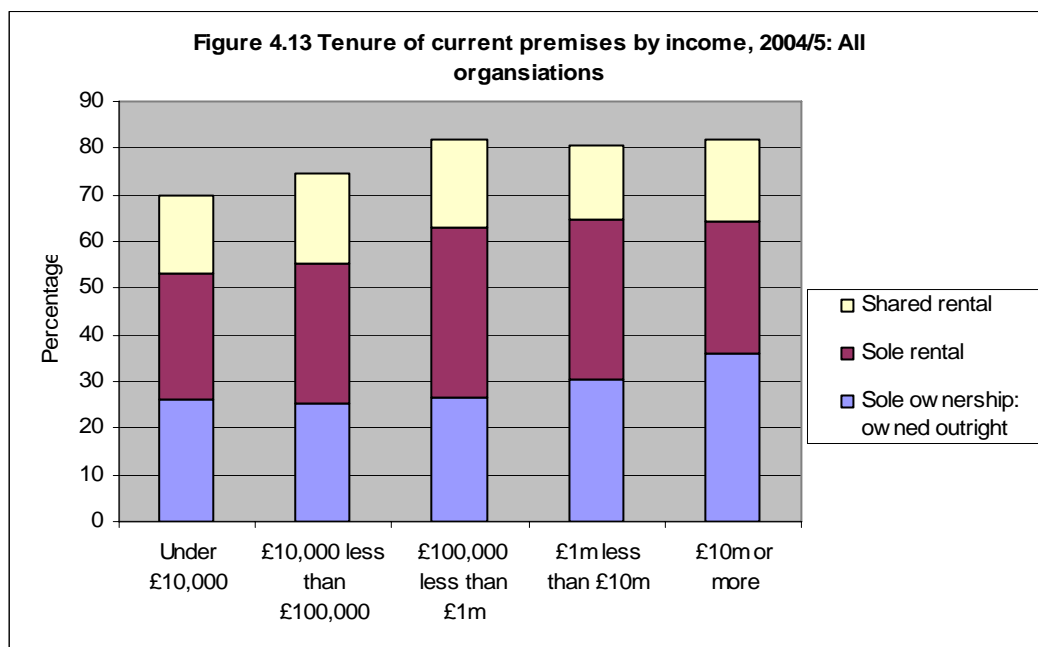
Table 4.14 Tenure and length of time at current premises, 2004/5

Tenure and length of time at current premises¹	
Tenure	%
Sole ownership: owned outright	27
Sole ownership: owned with mortgage	3
Sole rental	33
Shared rental	18
Rent free (donated space)	8
Other	11
Total	100
Length of time at current premises	%
Under 5 years	23
5 but less than 10 years	23
10 but less than 20 years	25
20 years or more	30
Total	100
	<i>Numbers</i>
Median (years)	10
Mean (years)	20
	<i>Numbers</i>
<i>Base: All organisations</i>	3515

¹ Data refer to the premises that which the respondent was based

46. Figure 4.13 shows the association between tenure and income for the three main tenures. The proportion who owned their accommodation outright increased with income rising from 26% among those with incomes under £100,000 to 36% among those with incomes of £10million or more. Renting was most common among organisations in the middle income range (56% among those with incomes of £100,000 up to £1million). Very few panel members (3%) had mortgaged

premises; this proportion was highest among the largest organisations (8% among those with incomes of £10 million or more).



47. Nearly two thirds (63%) of the panel members who owned their accommodation had premises which generated income, including 52% who obtained income from one-off rental agreements.

Table 4.15 Whether premises generate income, 2004/5

Whether premises generate income	Percentages ¹
Income generated through..	
One-off rental to other organisations	52
Short-term rental to other organisations	30
Long-term rental to other organisations	25
Rental to individuals	3
All whose premises generated income	63
No income generated	37
	<i>Numbers</i>
<i>Base: Organisations who owned their premises</i>	<i>1091</i>

¹ Percentages may add to more than 100 because of multiple responses

48. The main factors determining members' choice of their current premises were location (60%), cost (45%), convenience (33%) and space (22%). Location was the main consideration irrespective of the size of organisation but was particularly important for those in the highest income band. Cost was also a major determinant across all organisations but was of less concern to those in the highest income band than to those with lower incomes (tables not shown).

49. About a fifth (22%) of organisations said that their current premises were unsuitable for their needs and a similar proportion (21%) said that they were planning to move in the next three years (tables not shown). The need for more space was a major consideration, mentioned by over a half (60% and 56%) of these groups.

Table 4.16 Reasons for planning to move in next 3 years, 2004/5

Reasons for planning to move	Percentages¹
Need more space	56
Need less space	3
Need facilities for disabled people	14
Needs other facilities	18
Wants a better location	20
Needs somewhere more convenient	11
Need somewhere cheaper (or free)	10
Can afford somewhere nicer/more expensive	6
Has lost/will lose current premises	17
	<i>Numbers</i>
<i>Base: Organisations who were planning to move in next 3 years</i>	723

¹ Percentages may add to more than 100 because of multiple responses

Table 4.17 Reasons why current premises are unsuitable, 2004/5

Reasons why current premises are unsuitable	Percentages¹
Too small/not enough space	60
Too large/too much space	2
Inadequate facilities for disabled people	30
Other facilities inadequate	21
Premises not tailored to requirements	10
Not convenient	11
Too expensive	5
Poor location	8
Not nice enough	7
Expects to lose accommodation in future	2
	<i>Numbers</i>
<i>Base: Organisations who said their current premises were unsuitable and who were not planning to move in next 3 years</i>	335

¹ Percentages may add to more than 100 because of multiple responses

50. It is clearly important that voluntary and community sector organisations offer facilities for disabled people since they represent a substantial client group. The great majority of panel members had premises with full access for wheelchairs (86%) and most provided a toilet for disabled people (87%). About a third offered a hearing loop (36%) and a similar proportion (35%) had aids for visually impaired people.

Table 4.18 Whether premises offer facilities for disabled people, 2004/5

Facilities for disabled people	Percentages¹
Toilet for disabled people	87
Full access for wheelchairs	86
Hearing loop	36
Aids for visually impaired people	35
Other non-mobility aids	3
Other mobility aids	4
Other	2
	<i>Numbers</i>
<i>Base: All organisations</i>	<i>2948</i>

¹ Percentages may add to more than 100 because of multiple responses

51. The survey suggests that the number of panel members who were concerned about the lack, or inadequacy, of their provision for disabled people was relatively small: 30% of those who thought their current premises unsuitable and 14% of those planning to move cited this as a factor. These proportions each represent about 3% of all panel members.

52. Among those who considered their current premises unsuitable for their needs, nearly three quarter (72%) thought this had held them back in the previous year, including 17% who reported major constraints. Among panel members as a whole, a third (34%) thought that inadequate accommodation would hold them back in the forthcoming three years (table not shown).

Table 4.19 Extent to which unsuitable accommodation has held organisations back, 2004/5

Extent to which unsuitable accommodation has held organisations back	Percentages
Over last year organisation ...	%
Was held back to a great extent	17
Was held back to some extent	55
Was not held back	27
Total	100
	<i>Numbers</i>
<i>Base: Organisations whose current premises were unsuitable for their needs</i>	<i>776</i>

53. All panel members were asked about their expenditure on accommodation over the last year and their projection for the next three years. About a half (53%) said that their expenditure had remained the same over the previous year while 43% said that it had increased. These proportions were reversed for projected expenditure. Among the 17% of organisations who thought that deficiencies in their premises would hold them back to a great extent over the next three years, 78% were planning to increase their expenditure on accommodation (Table not shown).

Strategic planning and operational procedures³

54. Almost all panel members considered that their organisation had clear financial procedures (97%), clear budgeting and financial reporting (96%) and a similar proportion said that they had an Annual Report of activities that was publicly available (93%). Most had a Mission Statement setting out their vision and propose (87%). Lower proportions, but still a majority, had a strategic plan (74%), an operational plan (72%) or a fund raising plan (66%). Among those who had a strategic plan, nearly a half (45%) said that their plan covered at least four years and two thirds (66%) had revised their plan in the previous three years (tables not shown).

Table 4.20 Strategic and financial planning procedures, 2004/5

Strategic and financial planning procedures	Percentage who had the process¹
Clear financial procedures	97
Clear budgeting and financial reporting	96
Annual Report of activities available to the public	93
Mission statement	87
Strategic plan	74
Operational plan	72
Fundraising plan	66
	<i>Numbers</i>
<i>Base: All organisations</i>	<i>3600</i>

¹ Percentages may add to more than 100 because of multiple responses

55. As might be expected, larger organisations were more likely than smaller organisations to have the more formal planning and financial procedures: the proportion who had an operational or strategic plan increased from under 66% among organisations in the lowest income band to 87% among those in the highest band. However, there was surprisingly little income variation in the proportions reporting the other financial and planning procedures.

³ This section was included in 2004/5 only.

Table 4.21 Strategic and financial planning procedures, 2004/5

Strategic and financial planning procedures	Income					Total
	Under £10,000	£10,000 less than £100,000	£100,000 less than £1m	£1m less than £10m	£10m or more	
<i>Percentage of organisations who had the process¹</i>						
Clear financial procedures	95	96	98	98	99	97
Clear budgeting and financial reporting	93	95	98	97	97	96
Annual report of activities available to the public	90	91	95	96	95	93
Mission statement	83	83	91	90	93	87
Strategic plan	65	66	80	80	87	74
Operational plan	63	66	76	79	87	72
Fundraising plan	65	66	67	69	71	66
						<i>Numbers</i>
<i>Base: All organisations</i>	555	773	1436	746	147	3600

¹ Percentages may add to more than 100 because of multiple responses

56. Panel members were given a series of statements about operational procedures and asked to say whether each one applied to their organisation. Almost all panel members considered that their organisation was willing to learn from its mistakes (99%), that it had a clear vision and purpose (98%) and that they had strategic and operational leadership from their management (91% and 87%), although about a quarter (26%) thought that they were dependent on a single individual for leadership. Likewise, a high proportion thought that the organisation could reject funding opportunities that were not consistent with their objectives (85%). There was less unanimity about risk taking – 68% said that their organisation was willing to take risks.

Table 4.22 Operational procedures, 2004/5

Statements about operational procedures	Percentage who considered the statement applied to their organisation¹
Is willing to learn from its mistakes	99
Has a clear vision and purpose	98
The management committee/board provides strategic leadership	91
The director/chief executive provides operational leadership	87
Is able to reject funding opportunities if they are not consistent with its vision and strategic objectives	85
Is willing to take risks	68
Is dependent on a single individual for leadership	26
	<i>Numbers</i>
<i>Base: All organisations</i>	<i>3600</i>

¹ Percentages may add to more than 100 because of multiple responses

57. Looking to the future and beyond their own particular organisation, panel members thought that the main constraint likely to face the voluntary and community sector was funding: 47% of organisations mentioned a potential lack of funds and 13% were concerned about insecure funding. Nearly one in five (18%) anticipated constraints arising from government policies or regulations.

58. The previous sections discussed problems related to the recruitment and retention of employees and volunteers and issues associated with inadequate IT systems and accommodation facilities. It is worth noting that very few panel members spontaneously mentioned these factors as potential major constraints on the sector, despite having previously answered detailed questioning on these topics.

Table 4.23 Main constraints facing voluntary and community sector in future, 2004/5

Main constraints facing voluntary and community sector in future	Percentages¹
Lack of funds	47
Government policies/regulation	18
Insecure funds	13
Lack of leadership	10
Lack of volunteers	8
Lack of recognition	7
Bureaucracy	6
Inadequate facilities	6
Staff retention	4
Increased operational costs	3
Ineffective management	3
Lack of members/users	1
Other	31
	<i>Numbers</i>
<i>Base: All organisations</i>	<i>3600</i>

¹ Percentages may add to more than 100 because of multiple responses

Notes to tables

1. Percentages and numbers are based on weighted data unless otherwise stated.
2. Missing data arising from questions that were not answered are generally excluded from the bases for percentages and means and are not shown as separate categories in tables. The exceptions are questions where 'Don't know' was a valid response.
3. Most percentages sum to 100 (+/-1). These are denoted by a '%' sign at the top of the column and the total at the bottom of the column is shown as '100'. At questions where multiple answers were allowed, the column is headed 'Percentages' and no total percentage is shown. These percentages are based on the number of organisations answering the question and may therefore sum to more than 100.
4. Percentages are rounded to the nearest whole number. '0' represents zero or less than 0.5%.
5. Percentages are not calculated where the base is less than 30.
6. The Appendix tables show percentages and bases for figures shown in charts.

Appendix Tables

Table A4.1 Difficulties with recruiting employees in previous year, 2002/3- 2004/5

	Survey year		
	2002/3	2003/4	2004/5
Difficulties with recruiting employees in previous year	%	%	%
Significant difficulties	15	15	10
Some difficulties	29	30	26
No difficulties	51	50	59
Did not have to recruit anyone	4	5	5
Total	100	100	100
Difficulties with retaining employees in previous year	%	%	%
Significant difficulties	2	3	2
Some difficulties	14	14	12
No difficulties	83	82	85
Total	100	100	100
<i>Base: Organisations with employees</i>	2786	2816	<i>Numbers</i> 2804

Table A4.2 Extent to which recruitment/retention difficulties have held organisation back in last 3 years

	Survey year		
	2002/3	2003/4	2004/5
Extent to which recruitment/retention difficulties have held organisation back in last 3 years	%	%	%
Held back to a great extent	8	9	9
Held back to some extent	49	56	58
Not held back	43	35	34
Total	100	100	100
Extent to which recruitment/retention difficulties will hold organisation back in next 3 years	%	%	%
Held back to a great extent	12	11	12
Held back to some extent	56	60	64
Not held back	32	29	24
Total	100	100	100
<i>Base: Organisations who had difficulties recruiting/retaining employees in previous year</i>	1485	1321	<i>Numbers</i> 1086

Table A4.3 Types of training provided to employees in past year, 2004/5

Types of training provided to employees in past year	Percentages ¹
Health & safety	50
First aid	31
Using computers/IT	29
Professional development	25
Managing employees	18
Induction	16
Client handling	13
Finance/accounts	12
Food hygiene	11
Managing contracts	11
Medical	10
Legal skills	9
Cultural diversity	9
Specific qualifications	8
Job specific training	8
Youth work	8
Fund raising	8
Managing other volunteers	7
Disability awareness	6
On job training	5
Strategy planning	5
Problem solving	5
Social work/care work	4
External training	4
Individual training plan	4
Oral communication	4
Partnership working	3
Written communication	3
Marketing	3
Managing relationships	3
Other	18
No training provided	10
	<i>Numbers</i>
<i>Base: Organisations with employees</i>	2333

¹ Percentages may add to more than 100 because of multiple responses

Table A4.4 Difficulties with recruiting volunteers in previous year, 2002/3- 2004/5

Difficulties with recruiting volunteers in previous year	Survey year		
	2002/3	2003/4	2004/5
Volunteers on management board	%	%	%
Significant difficulties	14	12	13
Some difficulties	24	28	25
No difficulties	59	56	59
Did not have to recruit anyone	3	4	3
Total	100	100	100
Other volunteers	%	%	%
Significant difficulties	11	10	10
Some difficulties	26	30	27
No difficulties	60	57	61
Did not have to recruit anyone	3	3	3
Total	100	100	100
			<i>Numbers</i>
<i>Base: Organisations with volunteers on management board</i>	3331	3367	3357
<i>Base: Organisations with other volunteers</i>	2538	2588	2593

Table A4.5 Difficulties with recruiting volunteers in previous year by income, 2004/5

Difficulties with recruiting employees in previous year	Income					Total
	Under £10,000	£10,000 less than £100,000	£100,000 less than £1m	£1m less than £10m	£10m or more	
Management board volunteers	%	%	%	%	%	%
Significant difficulties	14	14	13	12	8	13
Some difficulties	24	25	26	25	22	25
No difficulties	58	57	58	61	67	59
Did not have to recruit anyone	5	4	2	2	4	3
Total	100	100	100	100	100	100
Other volunteers	%	%	%	%	%	%
Significant difficulties	13	9	10	7	11	10
Some difficulties	28	28	26	28	21	27
No difficulties	54	59	62	62	67	61
Did not have to recruit anyone	4	3	2	2	2	3
Total	100	100	100	100	100	100
						<i>Numbers</i>
<i>Base: Organisations with volunteers on management board</i>	510	724	1316	674	132	3356
<i>Base: Organisations with other volunteers</i>	384	545	1047	513	102	2591

Table A4.6 Difficulties with retaining volunteers in previous year, 2002/3- 2004/5

Difficulties with retaining volunteers in previous year	Survey year		
	2002/3	2003/4	2004/5
Volunteers on management board	%	%	%
Significant difficulties	2	2	2
Some difficulties	8	9	9
No difficulties	89	88	89
Total	100	100	100
Other volunteers	%	%	%
Significant difficulties	2	3	3
Some difficulties	13	15	15
No difficulties	84	81	82
Total	100	100	100
			<i>Numbers</i>
<i>Base: Organisations with volunteers on management board</i>	3338	3370	3360
<i>Base: Organisations with other volunteers</i>	2533	2582	2584

Table A4.7 Difficulties in recruiting/retaining particular groups as volunteers in previous year, 2002/3- 2004/5

Difficulties with recruiting particular groups as volunteers in previous year	Survey year		
	2002/3	2003/4	2004/5
Volunteers on management board	%	%	%
Significant difficulties	9	7	12
Some difficulties	31	23	23
No difficulties	58	67	63
Did not have to recruit anyone	2	3	3
Total	100	100	100
Other volunteers	%	%	%
Significant difficulties	5	9	8
Some difficulties	25	26	19
No difficulties	66	62	70
Did not have to recruit anyone	4	2	3
Total	100	100	100
			<i>Numbers</i>
<i>Base: Organisations with volunteers on management board</i>	3350	3330	3341
<i>Base: Organisations with other volunteers</i>	2575	2540	2579

Table A4.8 Types of groups who were difficult to recruit/retain, 2004/5

Types of groups who were difficult to recruit/retain as volunteers	Volunteers on management board	Other volunteers
		Percentages ¹
Ethnic minority	60	59
Young people	53	52
Women	19	8
Local people	10	10
Men	10	21
Gay/lesbian	3	3
Other	7	19
<i>Base: Organisations who had difficulties recruiting/retaining particular groups</i>		<i>Numbers</i>
		679

¹ Percentages may add to more than 100 because of multiple responses

Table A4.9 Extent to which difficulties recruiting /retaining volunteers held organisation back in last 3 years, 2004/5

Extent to which recruiting/retaining volunteers held organisation back in last 3 years	Survey year		
	2002/3	2003/4	2004/5
Volunteers on management board	%	%	%
Held back to a great extent	5	5	6
Held back to some extent	31	31	36
Not held back	64	64	58
Total	100	100	100
Other volunteers	%	%	%
Held back to a great extent	6	6	5
Held back to some extent	49	46	52
Not held back	45	48	43
Total	100	100	100
<i>Base: Organisations who had difficulties recruiting/retaining volunteers on management board in the previous year</i>		<i>Numbers</i>	<i>1779</i>
		1954	1818
<i>Base: Organisations who had difficulties recruiting/retaining other volunteers in the previous year</i>			
		1406	1305
			1282

Table A4.10 Extent to which difficulties recruiting /retaining volunteers will hold organisation back in next 3 years, 2004/5

Extent to which recruitment/retention difficulties will hold organisation back in next 3 years	Survey year		
	2002/3	2003/4	2004/5
Volunteers on management board	%	%	%
Held back to a great extent	8	8	11
Held back to some extent	46	46	51
Not held back	46	47	37
Total	100	100	100
Other volunteers	%	%	%
Held back to a great extent	9	11	11
Held back to some extent	57	52	59
Not held back	35	38	30
Total	100	100	100
<i>Base: Organisations who had difficulties recruiting/retaining volunteers on management board in the previous year</i>	1894	1775	1746
<i>Base: Organisations who had difficulties recruiting/retaining other volunteers in the previous year</i>	1385	1283	1260

Table A4.11 Types of training provided to volunteers in past year, 2004/5

Types of training provided to volunteers in past year	Volunteers on management board	Other volunteers
		<i>Percentages¹</i>
Induction	51	34
How to be a trustee	17	0
Finance/accounts	6	3
On the job training	5	8
Health and safety	4	23
Professional development	3	0
Legal skills	3	3
External training	3	0
Strategy planning	3	0
Managing relationships	3	0
Job specific training	2	7
Managing employees	2	0
Individual training plan	2	3
Using computers/IT	1	0
First aid	0	11
Food hygiene	0	6
Oral communication	0	4
Written communication	0	2
Client handling	0	9
Team working	0	2
Problem solving	0	3
Professional development	0	9
Secretarial	0	4
Disability awareness	0	4
Medical	0	5
Child/Youth	0	5
Other	15	22
No training provided	31	22
		<i>Numbers</i>
<i>Base: Organisations with volunteers on management board/other volunteers</i>	3356	2600

¹ Percentages may add to more than 100 because of multiple responses

Table A4.12 Types of IT systems used by organisations, by income

Types of IT systems used by organisations	Income					Total
	Under £10,000	£10,000 less than £100,000	£100,000 less than £1m	£1m less than £10m	£10m or more	
						<i>Percentages¹</i>
Access to internet	83	82	91	92	97	89
E mail	78	79	89	91	95	86
Website	61	61	74	79	90	71
Other	5	3	2	0	2	2
All	89	87	94	94	99	92
						<i>Numbers</i>
<i>Base: All organisations</i>	546	780	1402	722	149	3599

¹ Percentages may add to more than 100 because of multiple responses

Table A4.13 Previous and expected expenditure on IT systems, 2002/3-2004/5

Expenditure on IT systems	Survey year		
	2002/3	2003/4	2004/5
Over last year expenditure on IT has...	%	%	%
Increased	60	56	54
Stayed the same	36	39	42
Decreased	5	5	4
Total	100	100	100
			<i>Numbers</i>
<i>Base: Organisations who used IT</i>	3274	3291	3262
Over next 3 years expenditure on IT will...	%	%	%
Increase	57	52	51
Stay the same	39	44	45
Decrease	4	4	5
Total	100	100	100
			<i>Numbers</i>
<i>Base: All organisations</i>	3483	3504	3522

Table A4.14 Expenditure on IT systems in last year by income

Expenditure on IT systems	Income					Total
	Under £10,000	£10,000 less than £100,000	£100,000 less than £1m	£1m less than £10m	£10m or more	
Over last year expenditure on IT has...	%	%	%	%	%	%
Increased	47	48	56	61	64	54
Stayed the same	50	48	39	35	34	42
Decreased	3	4	4	4	2	4
Total	100	100	100	100	100	100
<i>Base: Organisations who used IT</i>	479	669	1302	670	143	<i>Numbers</i> 3263

Table A4.15 Tenure of current premises by income

Tenure of current premises	Income					Total
	Under £10,000	£10,000 less than £100,000	£100,000 less than £1m	£1m less than £10m	£10m or more	
	%	%	%	%	%	%
Sole ownership: owned outright	26	25	26	31	36	27
Sole ownership: owned with mortgage	3	2	3	4	8	3
Sole rental	27	30	37	34	28	33
Shared rental	17	19	19	15	18	18
Rent free (donated space)	9	11	7	8	5	8
Other	17	12	8	7	5	11
Total	100	100	100	100	100	100
<i>Base: All organisations</i>	540	773	1395	718	145	<i>Numbers</i> 3571