



# A Sustainable Funding Framework for Volunteer Centres

## EXECUTIVE SUMMARY

**November 2006**



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Volunteering England. Funded by Capacity Builders as part of the  
ChangeUp programme delivered by the Volunteering Hub

## Introduction

There has been an increased emphasis by Government in recent years on the role that volunteering can play to help deliver key public policy agendas. Volunteer centres support organisations and individuals to improve the number and quality of volunteer opportunities. In order to provide professional and high quality services they need long term, sustained, predictable, and reliable core funding. Setting the level of that funding has so far been left to the discretion of individual local authorities and other funders with no guidelines as to how to determine the cost of services required for volunteer centres to operate effectively.

Volunteering England has identified six core functions that volunteer centres perform in providing volunteering infrastructure<sup>1</sup>: brokerage; marketing volunteering; good practice development; developing volunteering opportunities; policy response and campaigning; and strategic development of volunteering. Volunteer centres are configured in different ways to deliver these, with some integrated with councils for voluntary service and some delivering direct services using volunteers as well.

Northampton Volunteering Centre was commissioned by the Volunteering Hub, funded by Capacity Builders as part of the ChangeUp programme to identify the components, outcomes and formula of a sustainable funding framework for quality accredited volunteer centres, including models for unitary authorities and two-tier authorities (that is county and district councils). From the outset of the project, it was expected that the funding formula would need to provide a sliding scale or continuum of funding levels that reflected demographic and geographical factors.

This piece of work has identified the key factors affecting the cost and performance of volunteer centre services, identified the true cost of providing some of the services, and developed a formula that allocates resources at a local authority level and a number of possible delivery mechanisms. It has also given a view on which services should be included in a core funding model, and which are more appropriate to be delivered locally.

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<sup>1</sup> More detail about the core functions is available from <http://www.volunteering.org.uk/volunteerdevelopmentagencies/whatdovolunteerdevelopmentagenciesdo.htm>

## Project Overview

A project board provided overarching direction to the work, and the project undertook the following activities<sup>2</sup>:

- Assessment of the current level of market penetration of volunteering and volunteer centres from the Citizenship Survey. This demonstrated the propensity of different groups to volunteer and the overall rate of volunteering. From this, an Access Frontier Model was adapted to identify different segments of the population based on how easy or difficult they were likely to be for volunteer centres to reach.
- An analysis of information from the Annual Member Review. This provided broad information about the nature of funding, staffing and enquires about volunteer centres and showed that The highest median core funding identified for delivery of volunteer centre core functions, is for inner city centres £52,705 (total funding including projects and direct services £156,000) with the lowest for rural centres, £24,046 (total funding £46,000). However, per head of population, rural volunteer centres receive the highest core funding, followed by small town, inner city and urban centres. Independent volunteer centres are funded more highly than integrated. Of the core funding provided for volunteer centres, 25% comes from other third sector organisations, 24% from county councils, 15% from unitary authorities, 14% from district councils, 5% from central government and 5% from the National Health Service. Issues of definitions and consistency mean that this information needs to be treated cautiously.
- Telephone interviews were undertaken with a sample of volunteer centres and Volunteering England regional development officers. This identified that nearly all funding for volunteer centres was based on historic agreements with only two funding to any formula, one based on population and other on area and deprivation scores in addition. The interviews also demonstrated the vast range of different delivery structures developed by volunteer centres.
- A desktop review of written materials and telephone conversations with national and local organisations to investigate current funding formulae within the voluntary and public sectors. This identified

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<sup>2</sup> Background information can be found on the website [www.fundingframework.org.uk](http://www.fundingframework.org.uk)

that Scottish Volunteer Centres receive funding from the Scottish Executive and from local authorities and have a funding formula based on £50k fixed funding for each organisation plus a top up based on the local government settlement for each area. Rural Community Councils also have a national formula linked to particular outputs required by Defra.

- Collection of information on performance and current cost structures from a sample of volunteer centres was undertaken so that the formula was based on accurate costs for delivery of volunteer centre core functions across a range of different situations and also gave information about whether volunteer centres considered that their performance was adequate across the six core functions with this level of funding.
- This information was then used to develop two options for funding formulae that were published for written consultation, focus groups with volunteer centres and telephone interviews with funders.

## The formula

The final formula is intended to cover the costs of volunteer centres' basic delivery of the six core functions, excluding any specialist projects, which the project team felt were better delivered locally.

The final formula recommended is therefore:

$$\text{Funding amount} = (\text{£}56,000 + (\text{POPULATION} - 9.2) \times 85.25 + (\text{AREA} - 290) \times 0.193 + (\text{IMD} - 5.09) \times 1711.8 + (\text{AUTHORITIES} - 1) \times 5094.4) \times \text{ACA}$$

Where

- POPULATION = population of county, unitary, metropolitan or London borough in thousands of people.
- AREA = land area of sub-region in hectares
- IMD = Index of Multiple Deprivation average score for local authority area
- AUTHORITIES = number of authorities within the sub-region (one for unitary authorities and London and Metropolitan boroughs)
- ACA = area cost adjustment to recognise extra costs in London, the south east and some areas in the midlands, south west and northwest.

These figures and the overall calculations for each of the sub-regions are provided in appendix one in the main report, with a step-by-step guide to the calculation in appendix two.

This is based on calculations using the factors above not information from individual volunteer centres in any local authority area. This means that it can only be a guide, as there are some variables internal to individual organisational delivery such as premises and overheads costs and organisational structure that such a national formula cannot account for.

Most volunteer centres who commented thought that the figures for their areas were reasonable and realistic, although there was some concern about the distribution overall between counties and unitaries.

The formula is capable of being updated, either when new figures become available, for example for population or the Index of Multiple Deprivation, and through an annual increase linked to inflation.

Further research needs to be done in some areas, including the appropriate configuration and costs of rural delivery, and effect on costs or performance of working with specific client groups.

Using the funding formula, it is estimated that it would cost £22m to core fund volunteer centres in England, compared to an estimated current funding level of £17.5m using information from the Annual Member Review and the information collection pilot. This is a minimum figure as some volunteer centres have not reported their data.

Local funders are likely to be reluctant to commit to a funding approach that will require additional resources without extra sources of revenue being identified. However, there was also a desire from funders as well as volunteer centres to introduce more logical mechanisms for allocating available resources. This formula could provide a form part of a "toolkit" for authorities to use when determining funding levels, and would be one component for consideration by authorities alongside other local knowledge concerning the levels of need in their communities and value for money considerations. Funders can then either add to this (in respect of commissioning additional direct services or because they are aware of significantly higher levels of need that they wish to target in their locality) or reduce (on the basis of delivering efficiencies by amending service delivery models).

## Models of delivery

The research has deliberately not attempted to detail a single operational model for volunteer centre services because there are a variety of models in operation across the country. In addition, because there is no consistent and agreed definition of performance that can be used to assess the relative benefits of different models of delivery, and no clear consensus on how to measure successful outcomes of work with individual volunteers or volunteer involving organisations and groups. This means that it is not possible to identify with any certainty what difference might be made by any particular configuration of services.

Instead our work has largely concentrated on the delivery of functions rather than particular organisational structures. This does not mean that all delivery mechanisms are equal; some are too expensive to be sustainable and others do not provide the breadth or depth of services required by users.

In order to calculate the formula, we have made some assumptions, based on discussions with volunteer centres and the information that was provided to us as part of the pilot. There may be reasons why individual volunteer centres will depart from these assumptions, and these can be negotiated locally.

## Organisational structure

Included	Not included
For unitary authorities, including Metropolitan and London boroughs, one volunteer centre per authority	Costs of developing under-resourced services or reconfiguring existing services.
For two tier authorities, central planning and coordination of some core functions and back office services. Economies of scale through central management and/or through saving management costs through integration of volunteer centres with other organisations or delivering direct services	

Delivery of the six core functions to meet needs of local population	Specialist projects that deliver functions to particular client groups or to meet specific public sector targets
Central premises for volunteer centres with outreach costs kept to a minimum through using existing community buildings	Separate volunteer centre premises in each district for two-tier authorities
Local presence in districts for at least part of the week	Local coordination of all functions
Reasonable salaries for staff, which may be higher than some volunteer centres are currently paying	

Some sample models of delivery are contained in section 5.2 of the main report, with particular concentration on possible configurations for counties.

### Delivery of core functions

The following table suggests how core functions can be coordinated centrally and delivered locally, particularly for volunteer centres in two-tier authorities.

Central coordination	Local delivery
<ul style="list-style-type: none"> <li><i>Brokerage</i>: common information packs, processes, administration, monitoring and evaluation</li> </ul>	<ul style="list-style-type: none"> <li><i>Brokerage</i>: face to face work with individual volunteers</li> </ul>
<ul style="list-style-type: none"> <li><i>Marketing</i>: development of sub-regional websites, leaflets and other written materials, media campaigns and events</li> </ul>	<ul style="list-style-type: none"> <li><i>Marketing</i>: local events and local media, using sub-regional resources where possible</li> </ul>
<ul style="list-style-type: none"> <li><i>Good practice</i>: development of training, support around local forums and networks, written</li> </ul>	<ul style="list-style-type: none"> <li><i>Good practice</i>: delivered locally, either by sub-regional workers or some by local</li> </ul>

materials, telephone and email consultancy, some one-to-one support and advice	workers with sub-regional support, or by workers working across two or three districts depending on geography and demographics of sub-region
<ul style="list-style-type: none"> <li>• <i>Developing opportunities:</i> in specialist sectors or with particular communities of interest; some support to local workers in specialist fields</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Developing opportunities:</i> general development work with local organisations, supported sub-regionally, or support delivered over two or three districts by one worker</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Policy response and campaigning:</i> joint coordination and representation, collecting evidence from across sub-regions and linking up regionally and nationally</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Policy response and campaigning:</i> feeding local information into sub-region, possibly undertaking some local representation</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Strategic development of volunteering:</i> joint coordination and representation, ensuring consistency across the sub-region and linking up regionally and nationally</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Strategic development of volunteering:</i> feeding local information into sub-region</li> </ul>

### **Integrated and independent volunteer centres**

A small majority of volunteer centres are integrated into other organisations, mostly councils for voluntary service, and both types of organisation took part in the pilot. Volunteer centres that are independent valued the autonomy they had to influence strategies and to lever in funding, whilst integrated volunteer centres benefited from links with another organisation. There is evidence that integrated and independent volunteer centres are able to work well and no grounds for recommending one structure over another.

### **Geographical area of delivery**

There may be an argument that some of the smaller unitary authorities are too small to support an independent volunteer centre, and it will be more appropriate to look to join up with neighbouring areas. If a decision is made that a volunteer centre is necessary for the unitary, the minimum amount required is likely to be £93.5k

multiplied by the area cost adjustment contained in appendix one of the main report.

There were also representations from some of the larger counties that two or more “hubs” might be needed to cover large populations or geographic areas.

The formula can adapt to this by adding in a fixed cost for each of the hubs, and calculating using population, area, deprivation and number of authority scores for the relevant districts, but the decision to apply these changes should be made in the best interests of optimal service delivery rather than for political or historic reasons.

## **Recommendations**

### **Funding framework**

1. A toolkit for funders and volunteer centres is developed that incorporates the funding formula and helps decision making on configuration of volunteer centre services and associated costs.
2. To ensure consistent and comprehensive coverage of volunteering infrastructure, there is a strong case for core funding for volunteer centres to be made via central government as in Wales and Scotland, possibly with match funding from local authorities.

### **Volunteer centres service delivery**

3. More work is needed on the different cost and performance implications of working with specific communities.
4. A consensus needs to be developed on the most appropriate way for volunteer centres to support communities in rural areas, including looking at configuration of services, partnerships with other bodies, costs of delivery and where there is a need for more sensitive indicators to calculate funding needed.
5. More work is needed on the effectiveness of different mechanisms of support to increase the quality and quantity of volunteer placements and achieve successful end outcomes for individuals and organisations.
6. Work is undertaken on the advantages and disadvantages of different models of delivery within sub-regions, including developing more robust performance measures.
7. Volunteer centres should be encouraged to work more with volunteers to delivering core functions.

### **Performance management**

8. Work on developing consistency within Volunteering England's Annual Member Review is continued to provide robust information about volunteer centres' inputs and outputs. Volunteering England considers developing benchmarking indicators that can be used internally for strategic development.

### **Funding development**

9. There needs to be more promotion undertaken with funders about the delivery of Volunteering England core functions as distinct from the delivery of direct services.
10. A funders' reference group could be facilitated to support greater comparative assessment of contract terms and levels and costs of outputs and outcomes.

### **Strategic development**

11. Information on the financial value of volunteering to local authorities and the impacts on mainstream budgets is assessed and promoted.
12. There is clarification about how a greater recognition of the role of volunteering to help deliver strategic priorities, will be reflected in the financial settlement between central and local government.

### **Miscellaneous**

13. Volunteering England could provide more support to volunteer centres on generating independent income.
14. Volunteering England could provide more support to people who are working in sub-regions to implement change to combat isolation and provide professional and personal support.