

Measuring the value of the VCS in Calderdale

August 2021



Acknowledgements

We are grateful for the spirit of collaboration with which the VCS and anchor organisations participated in this project, in spite of the project's short timeframe and the pressures on many organisations due to the ongoing Covid-19 pandemic.

Centre for Local Economic Strategies

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Contents

Executive Summary.....	4
1. Introduction and context	7
2. Analysis of direct spend	15
3. Analysis of wider impact of suppliers...	27
4. Policy review	29
5. Considering the impact of the VCS in Calderdale	35
6. Consultation.....	38
7. Recommendations	43
Appendix 1	48
I. List of interviews.....	48

Executive Summary

The Centre for Local Economic Strategies (CLES) is delighted to present this report to Calderdale Council (the Council), Calderdale Clinical Commissioning Group (CCG) and the Community Foundation for Calderdale (CFfC). In April 2021, we were asked to measure the value of the Voluntary and Community Sector (the VCS) in Calderdale, and to explore ways in which the sector could be helped to thrive as part of the inclusive economy strategy. The impetus for this work was a review of the funding arrangements, to quantify local spend between the VCS and the Council, the Calderdale Clinical Commissioning Group (the CCG) and the Community Foundation for Calderdale (the CFfC).

In this project, the concept of value has been considered broadly, looking not just at the economic footprint of the VCS but its contribution to the social fabric of the area. At CLES, we contend that the VCS is integral to an inclusive economy and central to community wealth building, but there are limits to its role. The VCS should not be seen or treated as a substitute for properly funded, high quality public services. The value the VCS brings is not simply being a cheap alternative to public or private sector delivery, but through its ability to identify where it is best placed to deliver choice and to best meet the needs of service-users in the communities where it is so deeply embedded. As such, there needs to be an honest conversation about what the VCS can and should deliver and this should be supported by fair funding arrangements.

The current environment all too often leads to the VCS becoming overburdened. This is the case in many places, not just in Calderdale. Despite the stress this puts on the sector and the people within it, it continues to deliver. The Covid-19 pandemic has shown us the tenacity, passion and commitment of the VCS sector to supporting their communities, particularly in times of crisis.

Much of the resilience of the VCS comes from the deep personal commitment of the people within the sector. There are organisations in Calderdale that provide vital support like the VSI Alliance, but there are persistent problems that stem in part from a cumbersome operational infrastructure and an unpredictable funding system. It must be recognised that the VCS is not invincible. The challenging conditions the sector has faced for some years have worsened under Covid-19, and this has taken a toll on a highly skilled but all too often poorly paid VCS workforce. Urgent action must be taken to improve matters.

We hope that the findings in this report will serve to support the anchor organisations to make changes within their power to enable the VCS in Calderdale

to survive, thrive and sustain. We saw a real appetite from the three anchors and their colleagues in the VCS to do something truly transformational in Calderdale using this report as the catalyst for change. To be successful, this commitment must move beyond the strategic aspiration of some key leaders into bold action that can be operationalised across the anchor organisations and can be felt on the ground.

We believe that the actions the anchors subsequently take in recognition of the VCS's vital role have the potential to lay solid foundations for change not only in Calderdale, but across the country.

Methodology

We began by conducting a spend analysis and supplier survey to quantify the local economic impact of the VCS.

Alongside our quantitative analysis, we reviewed key strategic documents from the Council and partners regarding their vision for the VCS in Calderdale and how they currently fund the sector. Against this backdrop, we interviewed key members of the three anchor organisations to understand how they currently measure the impact that the sector makes in Calderdale both in terms of grant funding and delivering on contracts.

Using a list of groups and contacts provided by the Council, we also consulted with range of representatives from the VCS to understand their perceptions of the sector and how it operates across the borough. We sought to speak to a range of organisations from small to large, those receiving grants and delivering contracts and from a variety of fields within the sector. We contacted organisations from a range of sectors including advice, employability, poverty, homelessness, food poverty, health, disability, equalities, arts and culture and adult and children's services. We also spoke to organisations that had completed asset transfers. In total, we held semi-structured interviews with 12 individuals and groups drawn from existing networks. A full list is included in Appendix 1.

Findings and recommendations

We found that the VCS is highly valued across Calderdale. It is considered agile, innovative and cost-effective. It can reach individuals and groups that the Council and CCG struggle to support. Our data analysis confirms that the sector is a key actor in the local economy, not just in raw financial terms but also the likelihood of organisations using local employment and purchasing goods and services from local businesses. This supports the findings from the consultation stage, where representatives of the sector were able to articulate their contribution to the area through hiring and training local staff, buying from local suppliers and using land and other assets in a socially generative manner. The VCS is well-networked with other VCS organisations but also with public and private sector partners and the community. There is a lively volunteering culture in parts of Calderdale that is noteworthy, and whilst certain organisations have inspired other places such a culture is not easily replicable.

The pressures on certain VCS organisations are immense in terms of demand for services, the complexity of service-users' needs, burdensome funding processes and time-consuming impact monitoring. Working with the Council and the CCG can be cumbersome which can detract from service delivery. There is a threat from external providers and national programmes that risks service duplication, often at a poorer quality, and confuses service-users. A lack of core funding means too many organisations operate in precarity which creates stress for paid staff. Many in the sector feel that parity of esteem does not translate from strategy to operations.

Our recommendations are aimed at transforming aspiration into action. The recommendations break down into three categories: Commissioning and procurement, and sectoral support and areas for further data analysis.

There are some areas where swift action can be taken and others which will require more consideration. Some of the recommendations are technical, some are more policy-focused and others relate to culture and practice.

Across all these recommendations political leadership and consistent collaboration with the sector will be key. There needs to be meaningful commitment to these actions across the three anchor organisations and a recognition of the role they can play in supporting the VCS to survive, thrive and sustain across Calderdale. Most importantly, if the Council and partners are committed to building true parity of esteem with the VCS, the sector's voice must be placed front and centre.

1. Introduction and context

The Centre for Local Economic Strategies (CLES) was asked by Calderdale Council (the Council) to measure the value of the Voluntary and Community Sector (the VCS) in Calderdale. The impetus for this work was a review of the funding arrangements between the sector, the Council and other anchor institutions. In this research, the concept of value has been considered broadly, looking not just at the economic footprint of the sector but its contribution to the social fabric of the area.

This report presents the findings of research undertaken by CLES between May and July 2021. Through the research, we have sought to identify the economic benefits of spending by three anchor institutions in Calderdale on the local VCS, and to examine the role the VCS plays in the borough's inclusive economic growth strategy from both the perspective of the VCS sector and the anchor organisations.

The three anchor organisations included in this report are the Council, the Calderdale Clinical Commissioning Group (the CCG) and the Community Foundation for Calderdale (the CFfC).

In this report, we recognise that the VCS is characteristically diverse and the term is typically used to describe a range of different types of organisations including charities, development trusts, co-operatives and area-based community organisations. In addition, voluntary and community organisations vary in terms of their size, funding and geographical coverage

Report structure

The report is structured as follows:

Section 1 introduces the purpose of the report, explains the context in Calderdale and the methodology used in the research. This section introduces the concept of an inclusive economy and the role that the VCS plays in a thriving place and how community wealth building principles can be used to support its development.

Section 2 provides an evidence-based analysis of the procurement spend on the top 300 suppliers for the financial year 2019/20 and 2020/21 for each of the three Calderdale anchor organisations involved in the work.

Section 3 examines what happens to the procurement spend once it reaches the top 300 suppliers of the three anchor organisations. It presents the findings of the

supplier survey and identifies the re-spend or 'multiplier' effect of the VCS in the local economy.

Section 4 outlines the messages set out in key policy documents and strategies relating to what the Council and partners have committed to achieving with regards to supporting the growth of the VCS in Calderdale.

Section 5 explores the conversations with anchors on impact indicators and summarises the key thoughts and findings that emerged from these early conversations.

Section 6 summarises the findings of consultations with various representatives of the VCS. The purpose of the consultation was to listen and relay the perspective of the sector back to the three anchors. The consultations also served to examine what role the VCS is currently playing in Calderdale and whether this aligns with what the Council and partners have committed to in strategic documents.

Section 7 closes with practical recommendations for the Council and other anchor institutions on how they can advance their commitment to expanding and supporting the work and the role on the VCS in Calderdale's economy without overburdening it. It draws on suggestions from the sector on changes that could be made to support the health, growth and resilience of the VCS.

Why this work is important

It is increasingly obvious that our current economic growth model is failing some locations and communities. Even before the Covid-19 pandemic, the UK was the only developed economy in which wages fell while the economy was actually growing, albeit meagrely.¹ The impact of austerity cuts on public services following the 2008 financial crisis has been brutally revealed by the pandemic. 14 million people are now living in poverty in the UK – more than one in five of the population, including four million children and two million pensioners.² The updated Marmot Review has revealed a stalling life expectancy for the first time in a century.³ There is a crisis in social care and despite repeated promises no viable national policy plan has been forthcoming.

Zero hours contracts were at a record high prior to the Covid-19 pandemic – with almost a million people having no guaranteed work from one week to the next. The furlough system has been a safety net for some businesses and employees, but many other including some self-employed individuals and those with no recourse to public funds have been left exposed. For many, the VCS has been a lifeline.

The UK, and particularly England, is one of the most highly centralised countries in the world. It also has longstanding and persistent geographical disparities in

¹ How wages fell in the UK while the economy grew [Read.](#)

² Joseph Rowntree Foundation (2020). UK Poverty 2019/20: The leading independent report. [Read.](#)

³ M Marmot et al (2020). Health Equity in England: The Marmot Review 10 Years On. Institute of Health Equity. [Read.](#)

economic and social conditions.⁴ The powers of local authorities to effect meaningful change and respond to local needs are constrained constitutionally and fiscally. They are reliant on working with partners from the public, private and third sector to deliver services that once sat clearly within the domain of local councils.

There has been a strong policy drive placed on the VCS to move away from grant income towards more earned income, alongside a greater marketisation of the public sector. Austerity's impact on public finances has meant less money for both grants and services.

The Calderdale context

Calderdale has many strengths as a place, not least its spectacular natural beauty which draws residents, businesses and visitors. It has a varied geography – largely rural but with key urban centres like Halifax, Hebden Bridge and Todmorden. It has a higher than average business density of 650 per 10,000 per population.⁵ There are over 8,500 businesses in the district,⁶ many of which are VCS organisations. There is a large and growing creative and digital business sector,⁷ and the visitor economy brings £344m each year into the local economy.⁸ The tourism sector is bouncing back after a particularly challenging past 17 months where Covid-19 led to the cancellation of events and the closure of attractions and businesses.

Calderdale also has persistent challenges. Residents have higher levels of ill health and lower levels of attainment compared to national averages. When combined with a higher rate of low paid and insecure jobs, a 'productivity gap' exists between Calderdale and the Leeds City Region, as well as England as a whole.

Whilst Calderdale as a whole does not experience extreme levels of poverty (it is ranked 77 most deprived out of 326 local authorities in the latest statistics⁹), it does have pockets of extreme deprivation – such as a Lower-layer Super Output Area (LSOA) ranked in the top 1% most deprived areas in the country.¹⁰ By some measures the area is also getting more deprived over time.¹¹ Like many areas in Britain, the sheer depth of socio-economic inequality and the accompanying health disparities in Calderdale were starkly revealed by the Covid-19 pandemic.

⁴ A Pike et al. (2019) Submission to HCLG Select Committee Inquiry on Progress on Devolution in England: a submission by the centre for Urban and Regional Development Studies (CURDS), Newcastle University. [Read.](#)

⁵ Calderdale Council (2018) Inclusive Economy Strategy for Calderdale 2018-2024

⁶ Ibid

⁷ Ibid

⁸ Ibid

⁹ ONS (2019) Indices of Multiple Deprivation

¹⁰ The English Indices of Deprivation provide a set of relative measures of deprivation based on seven domains of deprivation for a small area geography used in deprivation statistics of approximately 1,500 people; IMD 2019

¹¹ For example, the Inclusive Economy Strategy shows in 2015 it was ranked 89th out of 326 local authorities, compared to 105th in 2010.

Parts of the borough have also suffered significant damage from severe flooding notably in 2012, 2015 and again in 2020. The floods brought intense disruption and caused considerable damage to residential, commercial and community property. The floods brought home the reality of the climate emergency in Calderdale. They also served to bring people together and strengthen networks between the public and private sector and community groups.

The VCS

The VCS is a broad church in the UK and Calderdale is no exception. It includes grassroots organisations that are run on a volunteer-only basis, charities that work with a mixed model of paid staff and volunteers through to generative businesses such as cooperatives and mutuals. Some VCS organisations are funded by grants, others deliver contracts and many are funded by a combination of the two with supplemental fundraising. Some rely on fundraising from private donors or national donors like the Big Lottery Fund, and in some cases use this to make up for shortfalls in funding for programmes. Most of the organisations we spoke to during the consultation stage of this work use a mixed model, and some supplement their funding with commercial activities including renting premises to the Council and other tenants.

The VCS is a significant part of Britain's socio-economic landscape with many interesting examples of innovative practice and social entrepreneurialism. It is agile and able to support certain groups that public authorities can struggle to reach. Many organisations spring from grassroots community groups, filling needs that are not readily met by other sectors. Its ethos of collaboration sets it apart from the prevailing economic model of economic growth and wealth extraction. There has been a shift in perception in the VCS's role in recent years which has increased the emphasis on its ability to be self-sufficient through earned income. In some cases it acts as a key service delivery partner to many local authorities and other public sector actors like NHS trusts and CCGs.

Yet across the UK the sector is showing signs of strain as service-users' needs are becoming more complex, funding becomes scarcer and calls for evidence of impact become more persistent. This strain existed before the Covid-19 pandemic but the stresses have been laid bare by the pressure created by a combined global health, economic and social crisis.

As we explain below, at CLES, we see the VCS as an integral part of an inclusive economy and central to community wealth building, but there are limits to its role. There needs to be an honest conversation about what the VCS can and should deliver and this should be supported by fair funding arrangements. The sector should not be overburdened. Its value is created not by being the cheap option, but by identifying where it is best placed to deliver choice and meet the needs of service-users. Within an inclusive economy, there should also be opportunities for the VCS to operate in the commercial economy but this should not be driven by the need to supplement funding shortfalls for outsourced public contracts.

The sector relies heavily on its paid staff many of whom have faced long-standing intense pressures but these have been exacerbated considerably by the pandemic. There are tremendously talented people working in the sector who are highly skilled, but pay is poor and turnover is high as people leave for more secure and better paid employment including in the public sector. The value created by these individuals is consistently underappreciated in the market economy.

Calderdale's VCS is not immune from these pressures. There are great examples of innovation and good practice coming from the borough, but some of these have sprung from necessity rather than by design. There is great depth of human and social capital in the borough which contributes to an active volunteering culture but it is not spread evenly or easily replicable. Like many organisations, some of Calderdale's VCS is facing the double challenge of a dramatic increase in demand, but precarity around funding and staffing. There is a reliance on volunteers to supplement the work of paid staff but this can create dependency and risks a return to a Big Society model¹² that ultimately hollows out the capacity of the public sector.¹³

What is an inclusive economy?

Calderdale has set out its vision to develop an inclusive economy and sees a thriving local VCS as fundamental to achieving this goal. Community wealth building principles which focus on shaping a fairer and more democratic local economy are integral to achieving this vision. Below, we explain briefly some of the background to these concepts.

An inclusive economy is an economy which is focussed on broader goals than economic growth. It seeks to balance social and ecological priorities with economic ones. An inclusive economy must be distinguished from inclusive growth. Inclusive growth is about what happens socially to economic growth after the fact. Whilst helpful, this aim is limited (and limiting), given the scale of the social issues and economic challenges facing our society.

An inclusive economy is a deeper concept, which considers how social benefits flow from, or feed into, economic activity and one where the economy is intrinsically married to social goals, social justice, environmental sustainability and prosperity for all. This is not inclusion after the fact of growth. Instead an inclusive economy seeks to develop inclusion with or without growth. A thriving VCS is essential to an inclusive economy with values like collaboration, social justice and mutual support running central to the mission of social enterprises and charities.

¹² The Big Society model found prominence under Prime Minister David Cameron in 2010 with the idea that it would harness the power of social action, public service reform and community empowerment to create meaningful change. It has subsequently fallen out of political discourse but the ideology around the idea rumbles on. A link to Cameron's first speech on the topic can be found here [Read](#).

¹³ CLES offers a critique of the Big Society model in February 2020 paper - An economy for all: the role of community power - [Read](#).

What is community wealth building?

As a fundamental driver of an inclusive economy, community wealth building is a people centred approach to local economic development which aims to build on the existing wealth and assets within a place. It aims to redirect the flow of wealth so that it delivers tangible economic and social benefits for people particularly those who are most disadvantaged. Through community wealth building we are seeing a democratic, social and economic movement, which seeks to provide resilience where there is risk and local economic security where there is precarity.

Community wealth building has a particular focus on the activities of anchor institutions. Anchor institutions are large established organisations, rooted in local communities, which can improve local economic and social wellbeing through the use of their spend, employment practices and use of land and assets. By purposefully directing their spending to more generative local suppliers, such as those in the VCS, anchor institutions can use their economic heft to create a fairer and more just local economy.

At the heart of the community wealth building approach are five principles for harnessing existing resources to enable local economies to grow and develop from within, building their resilience and social cohesion whilst respecting planetary boundaries.

We have worked with dozens of local authorities and other organisations across the UK to develop the community wealth building movement, with each locality taking on a different blend of activities based on the five principles set out below on page 14.

Methodology

We explain below the methodology for this project.

Spend analysis and supplier survey

We analysed the procurement spend of three anchors across Calderdale, particularly the extent to which up to the top 300 suppliers to the Council are based in three key geographical areas of focus – Calderdale, West Yorkshire (including Calderdale) and Outside of West Yorkshire. As two out of the three anchors had less than 300 suppliers each, comparisons between the three are not 'like-with-like' and should not be compared in this way.

As well as interrogating the extent of spending in these three geographies, through the mapping exercise we identified the geographical ward where the Calderdale-based suppliers were located and the extent to which their suppliers were based in highly deprived neighbourhoods. We placed a particular emphasis on the spend with VCS organisations including identifying their geography and sector.

We also explored the wider impact of the top 300 suppliers to Calderdale anchors, to understand the extent to which suppliers to Calderdale anchors (regardless of

their location) re-spend back in the Calderdale economy through their own supply chains and employment.

Review of VCS strategy

Alongside our quantitative analysis, we reviewed strategic policy documents to examine what the Council and partners have committed to achieving with their vision for supporting the growth of the VCS in Calderdale. Against this backdrop, we interviewed key members of the three anchor organisations to understand how they currently measure the value and impact of the VCS in Calderdale both in terms of grant funding and efficacy of contract delivery.

Consultation stage

We then consulted with various representatives of the VCS to get a 'state of play' of the sector, uncover challenges, understand what is currently being delivered by the VCS, how this is being measured and whether this aligns with what the Council has committed to in its strategy.

We conducted eight individual interviews, held two focus groups and attended two forums remotely using a list of potential consultees from the Council. We sought to speak to a range of organisations from small to large, those receiving grants and delivering contracts and from a variety of fields within the sector. A full list of the interviewees is found in Appendix 1.

Community wealth building

Five principles



Fair employment and just labour markets

Anchor institutions have a defining impact on the prospects of local people. Recruitment from lower incomes areas, paying the living wage and building progression routes all improve local economies.

Progressive procurement of goods and services

Developing dense local supply chains of businesses likely to support local employment and retain wealth locally: SMEs; employee-owned businesses; social enterprises, cooperatives and community business.

Plural ownership of the economy

Developing and growing small enterprises, community organisations, cooperatives and municipal ownership is important because they are more financially generative for the local economy – locking wealth in place.

Socially just use of land and property

Deepening the function and ownership of local assets held by anchor institutions, so that financial and social gain is harnessed by citizens. Develop and extend community use – public sector land and facilities as part of “the commons”.

Making financial power work for local places

Increase flows of investment within local economies by harnessing and recirculating the wealth that exists, as opposed to attracting capital. This includes redirecting local authority pension funds, supporting mutually owned banks.



2. Analysis of direct spend

In this section of the report, we identify and highlight the spend of the three Calderdale anchors on procuring goods and services from their top 300 suppliers in the financial year 2019/20 and 2020/21.

Collective anchor spend analysis

The purpose of this analysis is to understand what the anchors are spending their money on, where it is being spent, and with whom. The analysis was undertaken across the two financial years to address any possible impact on spend in 2020/21 due to the Covid-19 pandemic. Another purpose of this work is to understand the extent to which there are opportunities to grow and deepen local supply chains. As such, prior to undertaking this analysis, we requested the removal of suppliers that relate to spending that is not discretionary or influenceable. For example, the Council removed spend on business grants, payments to pension funds, bank charges and schools.

For each of the institutions (Calderdale Council, Calderdale Clinical Commissioning Group and Community Foundation for Calderdale) we analysed up to the top 300 suppliers (by value of spend). The CCG and CFfC had less than 300 suppliers in total, so in total across the three anchors this collective analysis covers 661 suppliers in 2019/20 (181 for CFfC, 185 for the CCG and 295 for CC) and 693 suppliers in 2020/21 (214 for CFfC, 184 for the CCG and 295 for CC). **As such, it is not possible to - and readers should avoid - directly comparing each anchor's data 'like-with-like'.** Instead, consideration should be given to the goods and services the organisation demands, the associated local and regional business base and the extent to which it could meet this demand, alongside the procurement and commissioning policies of the individual organisations.

The analysis looks at levels of spend in Calderdale and West Yorkshire (including Calderdale), spend with suppliers in areas of deprivation, spend with SMEs, and spend with suppliers outside of West Yorkshire.

Total spend on suppliers

Across the three participating anchor institutions, a total of £390m and £394m was spent procuring goods and services in the financial year 2019/20 and 2020/21. Table 1 breaks this spend down by institution.

Even though the Covid-19 pandemic has caused a large increase in spending by Council, these figures do not show a significant increase in spend between 2019/20 and 2020/21, most likely because this analysis is seeking to understand 'discretionary spend' and, as stated above, items such as business grants within the Council's data have been excluded.

Table 1: Total spending on top 300 suppliers by anchor

Financial Year	Calderdale Council	Calderdale CCG	CFfC	Total
2019/20	£125,620,891	£263,470,142	£865,097	£389,956,130
2020/21	£128,988,276	£264,204,548	£1,191,194	£394,384,018

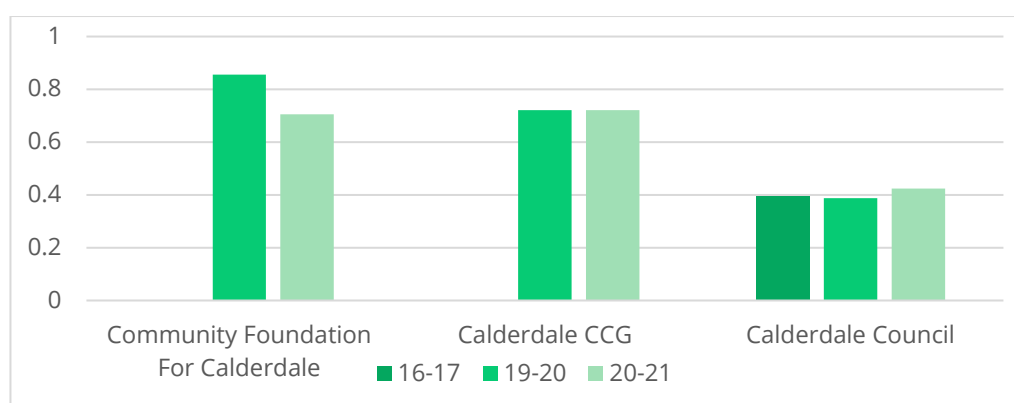
Spend with suppliers in Calderdale

The total spend by all three anchors procuring goods and services from suppliers that are based in, or have a branch within Calderdale's council boundary is displayed below for both years.

Table 2: Spending in Calderdale on top 300 suppliers by anchor

Financial Year	Calderdale Council	Calderdale CCG	CFfC	Total
2016/17	(40%)	-	-	-
2019/20	£48,755,284 (39%)	£190,047,798 (72%)	£739,767 (86%)	£239,542,848 (61%)
2020/21	£54,770,444 (42%)	£190,680,953 (72%)	£840,953 (71%)	£246,292,350 (62%)

Figure 3: Spend in Calderdale



We conducted an earlier analysis of the Council's spend on local suppliers for the financial year 2016/17.¹⁴ The chart above compares the original analysis of the

¹⁴ CLES analysis 2016/17 – available upon request.

Council's spend in financial year 2016/17. At that point, the value of the Council's top 300 suppliers was £140m with a local spend of £55.7m (39.6%). Therefore, whilst the value of the top 300 suppliers has reduced by around £10m since 2016/17¹⁵, when compared with the most recent spend data (2020/21), the amount retained in the local area is broadly the same (£54.7m in 2020/21 vs £55.7m in 2016/17). Please note that we did not conduct a similar analysis for the CCG or the CFfC in 2016/17 so no comparative data is available for the other anchors.

For Calderdale based suppliers, we have also identified their location within each of Calderdale's 17 wards. Of the £193m spent with Calderdale based suppliers by all three anchors for both financial years, the largest spend is in Skircoat ward at £297m (primarily due to the location of the Calderdale Royal Hospital as part of the CCG's spend with Calderdale & Huddersfield NHS Foundation Trust). This is followed by Town ward at £74m (influenced by the CCG's spend with the Council) and Park (influenced by large contracts by the Council with VCS organisations such as Halifax Opportunities Trust and Next Step Trust, as well as significant spend from the CCG in the form of the Pennine GP Alliance and to a care provider in the ward). In total, there has been spend in all 17 of the area's wards. The details of spend for all wards can be found in Table 3.

Table 3: Spend by ward (2019/20 and 2020/21 spend combined)

Ward	Calderdale CCG	Calderdale Council	CFfC	Grand Total
Skircoat	£295,419,583 (78%)	£1,874,431 (2%)	£38,182 (2%)	£297,332,196
Town	£46,515,659 (12%)	£26,652,383 (26%)	£743,746 (47%)	£73,911,788
Park	£8,882,498 (2%)	£14,551,082 (14%)	£168,119 (11%)	£23,601,699
Ovenden	£2,097,266 (1%)	£21,091,225 (20%)	£63,159 (4%)	£23,251,650
Calder	£6,613,501 (2%)	£2,688,955 (3%)	£126,147 (8%)	£9,428,604
Sowerby Bridge	£1,779,380 (0%)	£7,086,645 (7%)	£32,172 (2%)	£8,898,196
Todmorden	£2,723,447 (1%)	£5,759,837 (6%)	£65,432 (4%)	£8,548,716
Greetland and Stainland	£2,439,538 (1%)	£4,001,622 (4%)	£4,338 (0%)	£6,445,498

¹⁵ The exact reason for this decline is unknown – it may be the impact of austerity on total budgets, or it may be the nature of spend in that year (for example a higher or lower degree of capital project spending). It emphasises the need to repeat this analysis on a regular basis so longer-term trends can be established.

Ward	Calderdale CCG	Calderdale Council	CFfC	Grand Total
Ryburn	£1,682,306 (0%)	£4,632,271 (4%)	£47,726 (3%)	£6,362,303
Luddendenfoot	£696,166 (0%)	£5,576,571 (5%)	£45,644 (3%)	£6,318,381
Northowram and Shelf	£736,058 (0%)	£4,715,084 (5%)	£3,341 (0%)	£5,454,483
Elland	£2,616,384 (1%)	£1,362,802 (1%)	£69,972 (4%)	£4,049,158
Brighouse	£2,209,783 (1%)	£1,288,833 (1%)	£54,605 (3%)	£3,553,221
Rastrick	£2,133,828 (1%)	£530,608 (1%)	£16,999 (1%)	£2,681,435
Hipperholme and Lightcliffe	£2,362,830 (1%)	£259,848 (0%)	£10,752 (1%)	£2,633,429
Illingworth and Mixenden	£1,756,524 (0%)	£422,467 (0%)	£43,710 (3%)	£2,222,701
Warley	£64,000 (0%)	£1,031,066 (1%)	£46,675 (3%)	£1,141,741
Grand Total	£380,728,751 (100%)	£103,525,728 (100%)	£1,580,719 (100%)	£485,835,198

Spend with suppliers in areas of deprivation

For Calderdale based suppliers only, we have analysed the extent to which spend is with suppliers that are based in areas of deprivation. For this measure we have used the overall deprivation domain from the 2019 Indices of Multiple Deprivation using Lower-layer Super Output Areas.¹⁶

Across the three participating anchor institutions and for both financial years 2019/20 and 2020/21, a total of:

- £1,758,721 was spent procuring goods and services across suppliers (equivalent to 1% of spend with the top suppliers in Calderdale) with suppliers that are in the top 1% most deprived areas nationally;

¹⁶ Lower Layer Super Output Areas (LSOA) are a geographic hierarchy designed to improve the reporting of small area statistics in England and Wales. They are built from groups of contiguous Output Areas and have been automatically generated to be as consistent in population size as possible, and typically contain from four to six Output Areas. The Minimum population is 1000 and the mean is 1500. Out of 128 LSOAs in Calderdale, 39 lie within the top 20% areas nationally, 20 LSOAs within the top 10% most deprived areas nationally and 1 LSOA within the top 1% most deprived areas nationally.

- £108,520,174 was spent procuring goods and services across suppliers (equivalent to 51% of spend with the top suppliers in Calderdale) with suppliers that are in the top 10% most deprived areas nationally;
- £130,058,990 was spent procuring goods and services across suppliers (equivalent to 1% of spend with the top suppliers in Calderdale) with suppliers that are in the top 20% most deprived areas nationally.

The amount of spend in areas of deprivation as a proportion of all spend in Calderdale is detailed in Table 4 below. Across the two financial years the CCG and Council are spending a similar proportion of spend in deprived areas across financial years, whereas the CFfC's level has decreased between 2019/20 and 2020/21, perhaps in part due to the different allocation of grants during Covid-19 versus the pre-pandemic period.

Figure 4: Percentage of Calderdale-spend in areas of deprivation

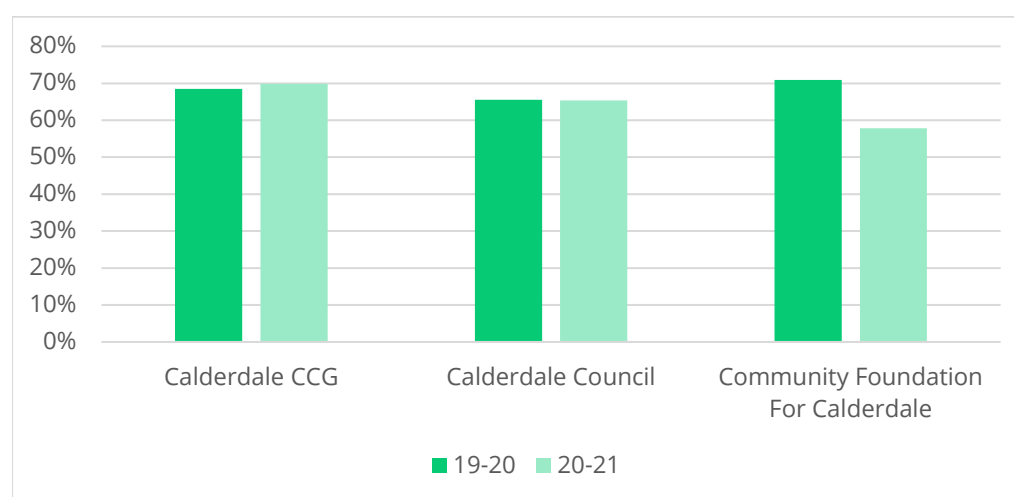


Table 4: Spend in areas of Calderdale that lie within the top 20% most deprived areas nationally

Anchor	2019/20	2020/21
Calderdale CCG	£29,964,435 (69%)	£31,347,229 (70%)
Calderdale Council	£31,947,829 (66%)	£35,782,716 (65%)
Community Foundation For Calderdale	£524,839 (71%)	£489,508 (58%)
Grand Total	£62,437,103 (67%)	£67,619,453 (67%)

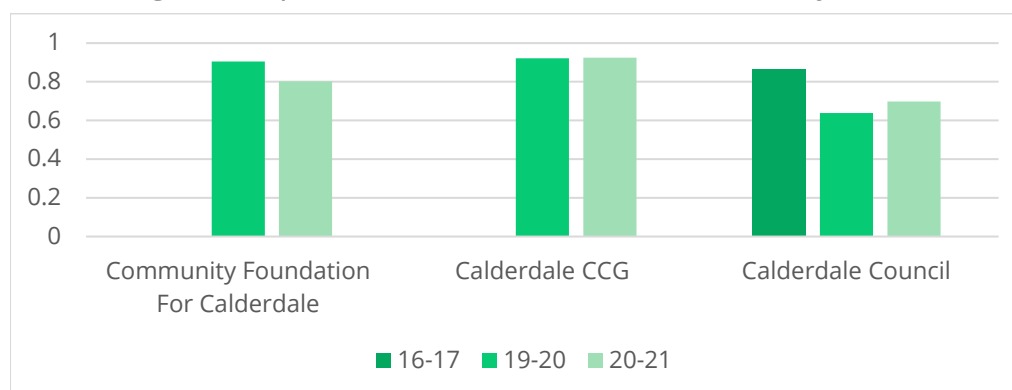
Spend with suppliers in West Yorkshire

The table below summarises the spend with suppliers which are based in West Yorkshire, by the three participating anchor institutions and across both financial years 2019/20 and 2020/21:

Table 5: Spend with suppliers in West Yorkshire (by anchor and financial year)

	2016-17	2019/20	2020/21
Community Foundation For Calderdale	-	£782,162 (90%)	£955,449 (80%)
Calderdale CCG	-	£242,661,178 (92%)	£244,295,903 (92%)
Calderdale Council	(86%)	£80,188,219 (64%)	£90,004,135 (70%)
Grand Total	-	£323,631,559 (83%)	£335,255,487 (85%)

Figure 5: Spend with West Yorkshire anchors by anchor



We have compared this to the original analysis of the Council's spend in financial year 2016/17¹⁷ when the Council had a total spend of £140m and a higher regional spend of 86.8%. As such, whilst there has been a reduction in spend within West Yorkshire, there has been an increase in spend within the Calderdale area.

¹⁷ CLES analysis available upon request.

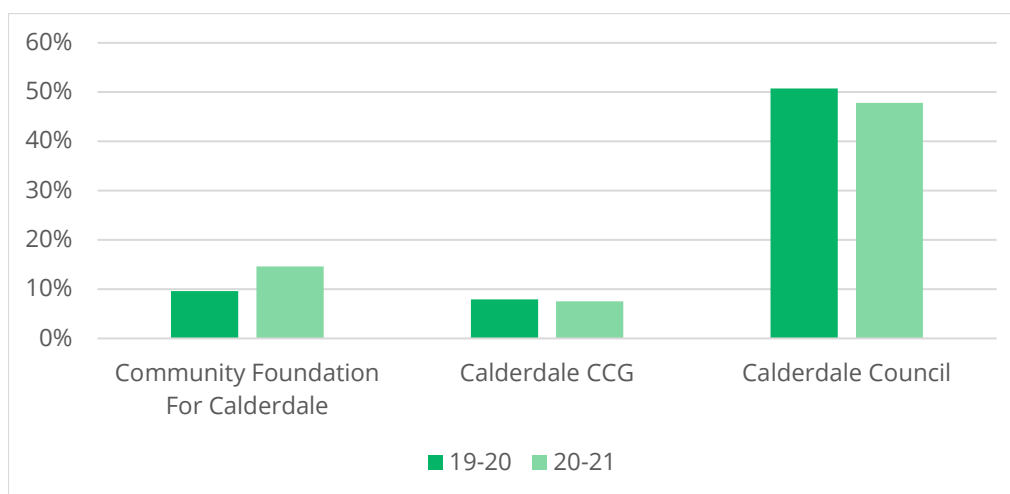
Spend with suppliers based outside of West Yorkshire

Table 6 below shows the spend across the three participating anchor institutions and for both financial years 2019/20 and 2020/21 with suppliers based outside of West Yorkshire.

Table 6: Spend with suppliers outside of West Yorkshire

	2019/20	2020/21
Community Foundation For Calderdale	£82,935 (10%)	£235,745 (20%)
Calderdale CCG	£20,808,964 (8%)	£19,908,645 (8%)
Calderdale Council	£45,432,672 (36%)	£38,984,140 (30%)
Grand Total	£66,324,571 (17%)	£59,128,531 (15%)

Figure 5: Spend with suppliers outside of West Yorkshire



We have drilled down into the key categories of this spend 'leakage' (across both financial years) and summarised this in Table 7 below:

Table 7: Sectors of Leakage (CCG and Council)

Sector	Calderdale CCG	Calderdale Council	Grand Total Leakage
Construction of other civil engineering projects not elsewhere classified		£17,224,671	£17,224,671
Other human health activities	£5,725,260	£8,545,490	£14,270,750
Other residential care activities not elsewhere classified	£1,949,112	£5,871,450	£7,820,562
Hospital activities	£4,702,848		£4,702,848
Construction of commercial buildings		£4,136,959	£4,136,959
Residential care activities for learning difficulties, mental health and substance abuse	£1,065,750	£2,201,524	£3,267,274

Whilst equivalent classification systems allow comparison between the CCG and Council's suppliers with the CFfC's non-grant suppliers, the CFfC provided their own sector classification, and the top areas of leakage (excluding 'unknowns') are listed below.

Table 8: Leakage Categories (CFC suppliers)

Sector	Leakage
Marketing	£41,099
UKCF	£33,317
Property Main	£10,075
IT	£7,795
Gas	£7,057

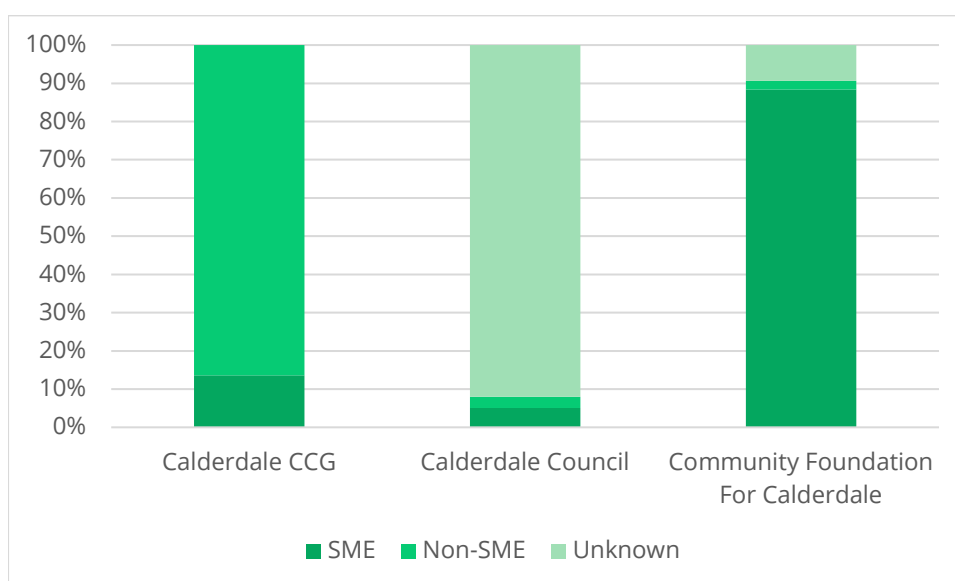
Spend with SMEs

The total spend and the percentage of spend with SMEs are listed below across the three participating anchor institutions.

Table 9: Spend in SMEs by anchor

Geography	Calderdale CCG	Calderdale Council	CFfC	Total
2019/20	£35,461,368 (13%)	£6,102,924 (5%)	£745,992 (86%)	£42,310,284 (11%)
2020/21	£36,461,209 (14%)	£6,860,792 (5%)	£1,056,534 (90%)	£44,378,535 (11%)

Figure 6: Percentage spend with SMEs (20/21) by anchor



When looked at as a proportion of spend (including unknown), it is clear that whilst the CCG has a very low proportion of spend with SMEs, and the CFfC has a very high proportion, the true level of SME spend by the Council is unknown as the analysis doesn't reflect lower value spend due to a high levels of unknown data.

Spend by business type

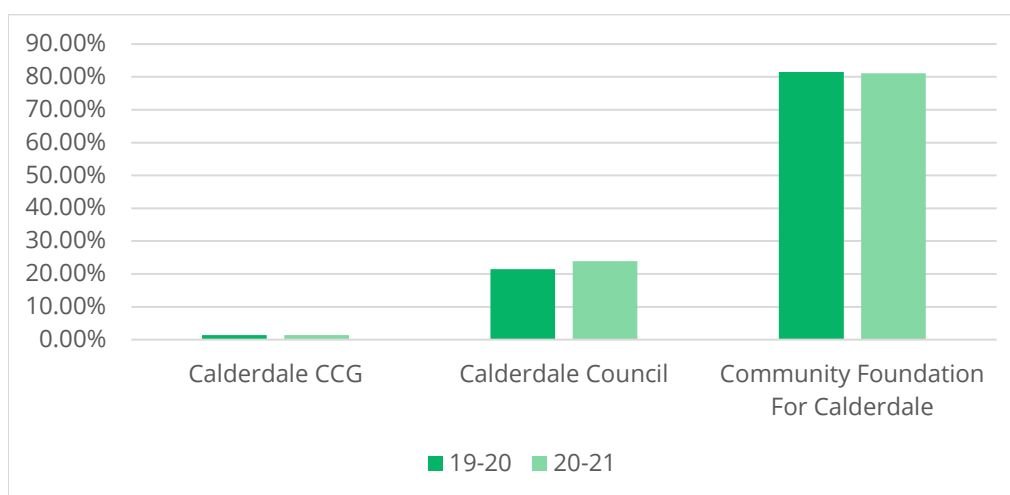
Table 9 shows the proportion of spend by each anchor between the public, third and private sectors as well as organisations classified as 'other' or 'unknown'.

Table 10: Spend by business type (2020/21)¹⁸

Anchor	Public	Other / Unknown	Private	VCS	Total
Calderdale CCG	£236,710,504 (90%)	£23,640 (0%)	£23,752,726 (9%)	£3,717,678 (1%)	£264,204,548 (100%)
Calderdale Council	£2,165,862 (2%)	£82,851,291 (64%)	£12,530,042 (10%)	£31,441,082 (24%)	£128,988,276 (100%)
Community Foundation For Calderdale		£178,658 (15%)	£41,169 (4%)	£954,891 (81%)	£1,174,718 (100%)
Total	£238,876,366 (61%)	£83,053,589 (21%)	£36,323,936 (9%)	£36,113,650 (9%)	£394,367,541 (100%)

It should be noted that, by the nature of their focus area, many local VCS organisations are small in size. As this exercise was concerned with the 300 top suppliers (by contract value), there may be a larger number of VCS organisations in the supply chain than this analysis shows.¹⁹ As such, these figures may be an underestimate.

Figure 7: VCS Spend by anchor



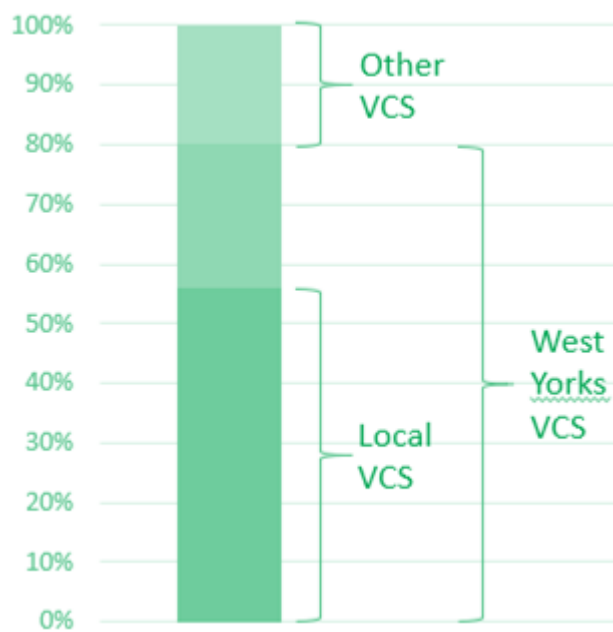
¹⁸ Percentage is total of anchor spend.

¹⁹ This will be the case only with the Council, who have more than 300 suppliers – the CCG and CFfC have less than 300 suppliers in the financial years covered so this analysis covers, in effect, their entire supply chain.

VCS spend by geography

In 2020/21, £36m of total spend by all three anchors was spent with the VCS. 56% of this spend was with Calderdale based suppliers and 80% was within West Yorkshire (including Calderdale).

Figure 8: VCS spend by geography



VCS spend by sector

As shown in the table below, the majority of spend across VCS organisations was spent on health and social care organisations, with significant amounts also spent on housing and community action organisations.

Table 11: VCS Organisations (by sector) (above £1m, excluding unknowns)

Sector	Spend
Social care	£5,735,997 (21%)
Health	£5,442,304 (20%)
Children services	£4,636,379 (17%)
Housing	£1,561,234 (6%)

Sector	Spend
Residential care	£1,447,559 (5%)
Elderly care	£1,429,927 (5%)
Community action	£1,176,007 (4%)
Young people care	£1,066,566 (4%)

3. Analysis of wider impact of suppliers

In this section of the report, we present the findings of our survey of the top 300 suppliers to Calderdale's three participating anchors in 2020/21, with the aim of understanding the extent to which the anchors' spending is re-spent within Calderdale. This is calculated by examining the spend of their suppliers, their own employees and their own supply chain. It explores the actual findings of the survey and uses data from responding suppliers to generate a proxy estimate for the top 300 suppliers.

Methodology

The survey of suppliers was sent electronically to the top suppliers of the three Calderdale anchors as assessed by value of 2020/21 suppliers – in total this was 693 suppliers. 76 organisations responded to the survey, which gives the survey a response rate of approximately 11%. To provide some context to the organisations that responded, the suppliers had a cumulative contract value of £181,261,240 (46% of the total spend with the top 300 suppliers). Some organisations who responded to the survey supplied goods and services to more than one anchor.

Re-spend of suppliers in Calderdale

Table 12 details the contract spend by the Council in 2019/20 with responding suppliers, and the amount re-spent by suppliers on their own employees and their own suppliers who are based in, or a resident of, Calderdale. The suppliers which responded to the survey re-spent over £3.1m on employees and their own suppliers who are resident or based in Calderdale, equivalent to 32p in every £1.

Table 12: Re-spend in Calderdale by responding suppliers

Type of re-spend	Contract spend by Calderdale anchors	Re-spend by suppliers	Proportion of local spend
Employees	£173,188,356	£41,906,023	£0.24
Suppliers	£178,302,906	£24,662,225	£0.14
Total	-	£66,568,249	£0.38

To examine the impact of the VCS on the local economy, we extracted the responses from suppliers to the CFfC (the anchor with the highest rates of suppliers in the VCS). For these suppliers, this figure is even higher - 63p for each £1. As such, Calderdale's VCS has a higher than average multiplier within the local economy. This finding backs up a view that was heard in the consultations, that the VCS sector is a key actor in the local economy, not just in raw financial terms but also the likelihood of them using local employment and purchasing goods and services from local businesses.

Using the information generated from all of the supplier survey responses, we can utilise proxies to derive estimates of the local re-spend by the contractors and suppliers which did not respond to the survey. Overall, the survey identified that suppliers to Calderdale anchors re-spend 38p in every £1 within the Calderdale boundary. By applying this ratio to the total spend in 2019/20 with Calderdale anchors suppliers of £390m, we estimate that Calderdale anchors suppliers re-spent £148m back in the Calderdale economy on local suppliers and employees of their own.

Our data analysis confirms that the sector is a key actor in the local economy, not just in raw financial terms but also the likelihood of them using local employment and purchasing goods and services from local businesses

4. Policy review

In the following section, we provide a short summary of our policy review. We were asked to review various strategic documents to assess what the Council and CCG have committed to regarding their vision for supporting the growth of the VCS in Calderdale. We examine how the sector has been included in the various strategies and share some thoughts on the Covid-19 recovery plan.

Policy review methodology

We reviewed the following documents provided to us:

- Inclusive Economy Strategy for Calderdale 2018-2024
- Calderdale Health and Wellbeing Strategy 2019 - 2024
- Calderdale Commissioning Strategy – July 2018
- Update on Calderdale Cares – April 2021
- Final Inclusive Economic Recovery Plan – March 2021

In addition, we reviewed publicly available information about Vision 2024, the Go4Growth programme, the Grants to Voluntary Organisations information on the Council's website and the We are Calderdale – Calderdale Data Works website.

Inclusive Economy

The Council set out its Inclusive Economy Strategy as part of Vision 2024 which marks the 50th anniversary of Calderdale in 2024. Vision 2024 aspires for Calderdale to be an enterprising and talented, distinctive, and kind and resilience place. It is built on a vision of a thriving, healthy, inclusive place that balances the needs of its people and the planet. An inclusive economy is described as one that is, "...a growing economy, which reduces inequality, and builds a financially and an environmentally sustainable future".²⁰

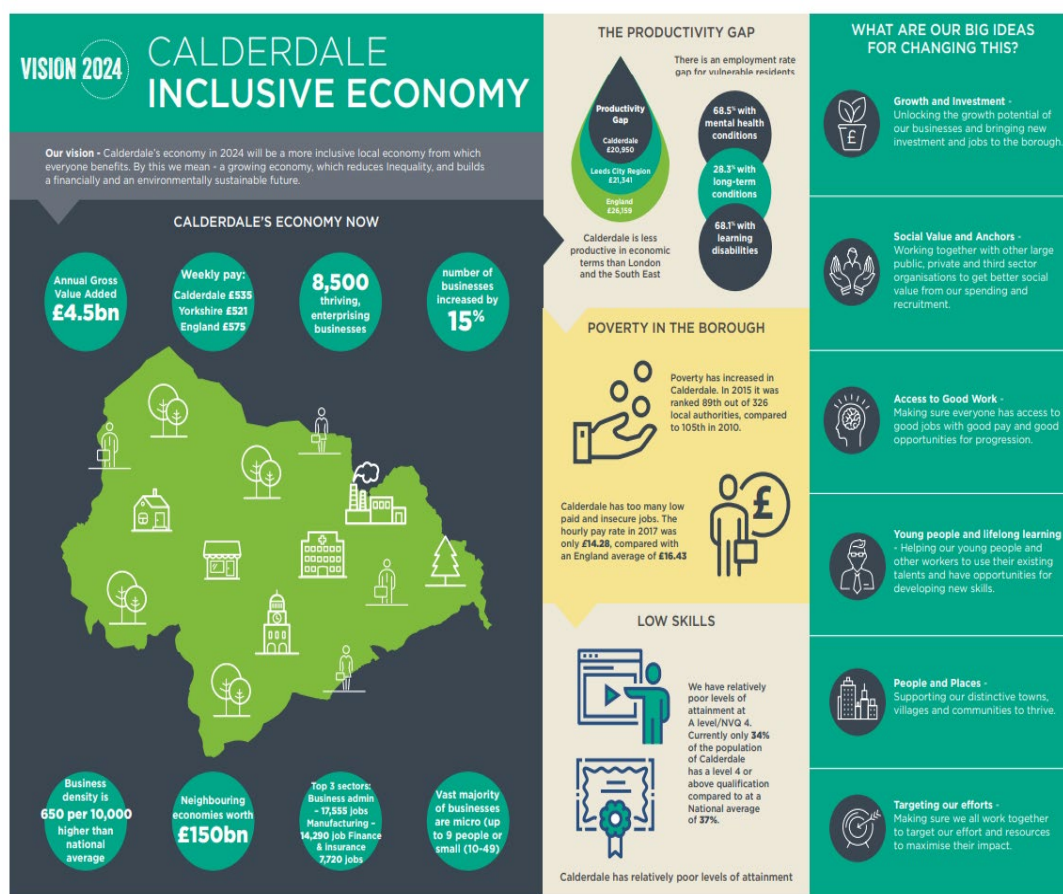
The Council's inclusive economic growth strategy is progressive. The intersectional relationship between economic, social and environmental outcomes on people's wellbeing is set centre stage. The role of anchor organisations in developing and enhancing social value through their spending and recruitment is a core objective in achieving the strategy. Likewise, the broader VCS and CFfC in particular are seen as instrumental in the effort and anchors in their own right. Existing VCS networks

²⁰ Inclusive economy strategy for Calderdale 2018-2024 page 8 [Read](#).

like the VSI Alliance are cited as foundations that can be built upon. Volunteering is also included as a vital ingredient in developing a kinder and more resilient place.

The presentation style of the Inclusive Economy Strategy is engaging. It is written in clear language and uses graphics that help convey the core messages. It also captures the scale of the issues at hand. Figure 1 below sets out some of the existing strengths in the areas but highlights persistent challenges around productivity, poverty and low skills. The problem created by inequality in the area is not minimised or sidelined.

Figure 1: Vision 2024 – Calderdale Inclusive Economy



Source: Inclusive Economy Strategy for Calderdale 2018-2024

The VCS feels very much part of the strategy but the VCS itself is not clearly defined. As we noted in the introduction above, the VCS by its very nature is diverse. In Calderdale, the VCS fulfills many functions from grassroots volunteer-only groups that green, grow and clean, as well as many others that add to the area's rich cultural fabric. Others act as stewards of local landmarks or community hubs. And then others provide vital services and support, including to the most marginalised groups. Its broader value is hard to quantify but it is something unique that is sorely missed when it is lost.

Measurement

The broad themes set out in Vision 2024 present challenges to measuring impact (as we discuss more fully in the next section). Furthermore, the cross-cutting nature and increasing complexity of many service-user needs mean that support must often be delivered by more than one organisation. The spirit of collaboration that threads through the local VCS creates value in itself but traditional measures do not capture this well. The Commissioning Strategy stresses the importance of co-design and co-production which feeds into better measurement, but it is not clear from our consultation with the VCS if this always plays out well in practice.

The Inclusive Economy Strategy uses the Joseph Rowntree Inclusive Economy outcome measurement alongside local measures to assess success stating:

“The key idea underpinning our strategy is that of common wealth: the public sector, business, the VCS and local people all thriving together. We will aim to develop the unique identity of each local place. Market towns with distinct identity, rural communities within beautiful natural settings, garden suburbs and Halifax Town Centre as a creative and cultural centre. A founding principle of our approach and this new Inclusive Economy Strategy is that business, public sector organisations, the voluntary and community sector and local people must work together if we are to create growth that benefits everyone. The combined efforts of all parts of our local society will be powerful and maximise our chances of success, bringing together everyone’s talents for the benefit of everyone.”²¹

This is a clear demonstration of a commitment to thinking more broadly about impact measurement and the contributions of various sectors. Nonetheless, this is not easy to operationalise. It requires a new way of thinking and working, and we would argue goes against the prevailing narrative. To be successful, this requires a cultural change across all sectors from seeing the VCS not as the goodwill partner but as an equal partner with true parity of esteem.

It may sound utopian, but a truly thriving inclusive place requires the collaborative culture intrinsic to the VCS to rub off on the other sectors. Instead the VCS is being asked increasingly to operate in a free market culture and compete with the private sector which runs counter to its inherent social generative approach.

Commissioning strategy

The Commissioning Strategy sets out a whole life approach to health and wellbeing that recognises the importance of early preventative action. It places importance on the need for tailored support and encourages self-care. This links closely to the Health and Wellbeing Strategy that also takes a holistic view and acknowledges the interplay of health inequalities with other wellbeing outcomes.

The intersectionality of service-users’ needs is acknowledged and the strategy states that services-users should be actively involved in the co-design and co-

²¹ Inclusive Economy Strategy for Calderdale 2018-2024 [Read](#).

production of programmes. The strategy outlines ways in which this could be done such as surveys, focus groups and individual consultations. The strategy notes that some service-users may need independent representation or advocacy, which we have assumed could be the VCS.

The Commissioning Strategy recognises the Council's role in shaping the market but notes that this must be done with other actors including statutory partners and the VCS. It calls for better engagement to achieve this and acknowledges the Council's role to lead on this point and to employ approaches that aim to grow the capacity and resilience of providers and communities.²²

Recovery

The Inclusive Recovery Plan was published in March 2021 with the aim of rebuilding the economy following the devastation of the first two waves of Covid-19. It sets out three priority areas for action – reduce inequalities and poverty, develop sustainable towns and the climate emergency.

The plan made clear the scale of the pandemic's impact on Calderdale noting:

- All sectors have been affected;
- Unemployment rose sharply;
- Young people employment prospects have been most severely affected economically;
- 10% of workers were furloughed in West Yorkshire and 11% in Calderdale;
- Footfall to town centres reduced dramatically.

The plan set out a timeline of three stages to respond to the pandemic's impact - 6-12 months Covid-19 reaction; 1-2 years foundations of recovery; 2-4 build back better. The plan also included broad examples of how progress would be measured such as developing a healthy workforce, increasing visitor numbers and reducing fuel poverty. The plan made it clear that the VCS should be central to the recovery not just as part of the strengthening the local social economy but also through community contributions like volunteering.

At the time of writing, the pandemic is still widespread although most restrictions have been lifted in mid-July. As such, plans for an economic recovery are still subject to many variables. Many organisations including the NHS, local authorities, charities and businesses are still in response mode, and not ready to focus clearly on recovery. Furthermore, there are still central government funded support programmes like the furlough scheme and the Universal Credit uplift that may be masking some of the pandemic's economic impact. In short, sadly Covid-19's long-

²² Commissioning Strategy – Integrated Commissioning and Contracting Team - Page 15

tail has made the plan premature, and the timing set out for the recovery stages will need to be revisited.

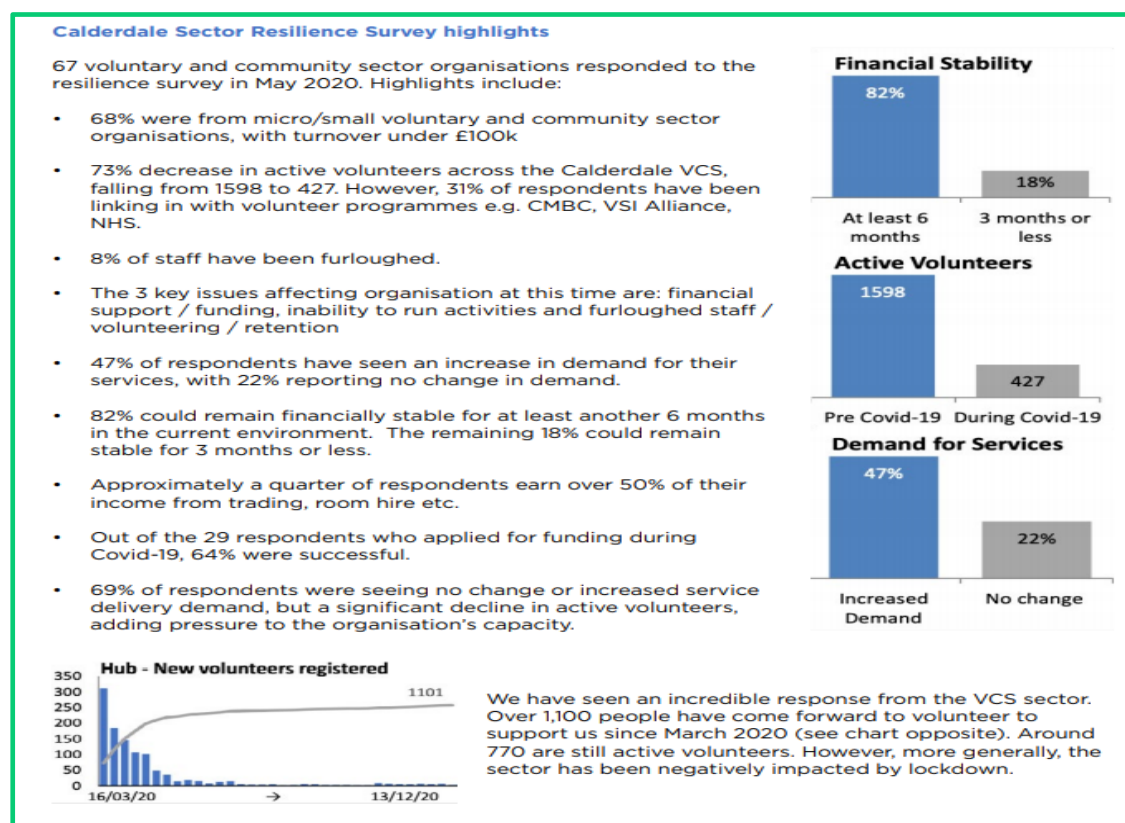
VCS Resilience Survey

The appendix of the recovery plan includes a summary of the Calderdale VCS Resilience Survey which was conducted in May 2020 by the VSI Alliance. The survey highlighted the challenges faced by the sector during the initial months of the pandemic. Figure 2 below shows some of the key points from the survey.

Over one year on, it would be worth conducting another survey to assess the current situation. We heard anecdotally during the consultation stage that some groups and organisations had fallen by the way side, but others had sprung up. We also heard that there had been a concentration of efforts towards certain sectors like food poverty and fuel poverty. At this stage in the pandemic, with the looming end of furlough, other areas such as employability skills, financial management and debt advice may be more pressing.

Consultation with the sector on its resilience and the most pressing needs of the sector could form part of wider changes recommended in this report. It is important to point out that whilst we heard that regular consultation does allow the voice of the sector to be heard, this can create a burden on small organisations. Also it needs to be accompanied by concrete action that brings positive change.

Figure 2: Calderdale VCS Resilience Survey Highlights



Source: Inclusive Recovery Plan, March 2021

Observations

In summary, the policy documents set out an aspirational strategy that is engaging and progressive. It is clear that the Council wants to work with VCS partners to build a better Calderdale and achieve the mission of being the Best Borough in the North.²³ The Council and CCG see the VCS as delivery partners and want to involve volunteers across the borough. They describe a collective effort that involves all sectors playing their part.

The CFFC is a key anchor in the strategy and works to support the sector across a range of areas. It is a vital link between public sector partners, businesses and the VCS. In particular, it has served as a link between corporate social responsibility endeavours and the sector. Along with other networks and alliances, it gives voice to the sector and identifies areas of shared concern. This allows it to draw in social investment and philanthropy. Its function as a nexus between sectors is essential in an inclusive economy.

We often see the challenge is taking the strategic and making it operational. This is evident in some of the challenges around commissioning, tendering and procurement. Frameworks, set timetables, administrative rigour and bureaucracy can take a strain on the VCS's creativity and agility. There is a challenge to balancing the necessary rigour of how to spend public funds and support service-users properly, with allowing the VCS to thrive. It is not an overstatement to say that no local authority has cracked this nut.

Calderdale has made some great strides, but there is still work to be done about really recognising the different way that the VCS operates and the challenges it faces. For small VCS organisations or volunteer-led groups, there is a challenge to working with larger and more bureaucratic anchors. As we discuss in the next section, the trick is to create opportunities for the VCS to deliver high-quality services without overburdening them or relying on their goodwill. Calderdale is not alone in facing this challenge. The willingness shown by the three anchor organisations to consider how to overcome these challenges collectively is a really important first step.

²³ Calderdale Council mission and priorities [Read](#).

5. Considering the impact of the VCS in Calderdale

In the following section, we provide a short summary of our findings on how to evaluate the impact of the local VCS. We were originally tasked with supporting Calderdale to develop a set of impact indicators that would better evaluate the sector's impact. The goal was to evidence a streamlining of the way the VCS is funded across the Council, CCG and CFfC.

Our starting point for this part of the work was to meet with the three anchor organisations to better understand their individual strategic direction, what their strategic aims and objectives are for the VCS and to be clear on the non-negotiable metrics for each organisation. It became clear during our discussions with each of the anchors that they were approaching the conversation about the impact of the VCS from different perspectives. What we learned in these conversations is detailed below.

Findings

There is a clear desire from all three anchors to support the VCS to thrive and to make the most of the VCS's unique position in the community to achieve shared objectives.

Our conversation with the Council and the CFfC and later with the CCG left us in no doubt that many of their high-level strategic objectives were aligned. Some of the clearest crossovers were around reducing inequality, poverty and disadvantage with a view to improving overall wellbeing. The VCS's role in delivering these objectives was clear to all and hinged on its connections to and understanding of the local community, as well as its ability to bend and flex provision to meet community need.

The routes taken to achieve shared objectives via the VCS are many and varied.

This is no surprise but raised questions around how plausible it would be to have a shared set of impact indicators that sit across contracted work for larger VCS organisations (the typical set up for the CCG and the Council) and grant-based work for smaller organisations (typical set up for the CFfC).

Measuring impact may not be the right starting point. Instead a better course of action may be agreeing joint strategic priority areas in more depth and

developing an action plan that builds on the recommendations from this report in collaboration with the VCS.

It became clear to us very quickly that each anchor organisation supports and works with the VCS in very different ways, but ultimately each anchor is striving to achieve similar objectives. Calderdale began to build a VCS strategy working group before the Covid-19 pandemic with a view to co-producing a strategy for the sector. But the impact of the pandemic saw this endeavour slip down the list of immediate priorities.

We strongly encourage the reformation of this group with high levels of representation from the VCS sector (small and large organisations) to make good on anchor commitments to give the sector parity of esteem. **It should be noted here that the sector representatives should not be expected to give their time for free to this group** – their time in building something with the anchors should be remunerated to take account of their time and expenses – this is parity of esteem.

The re-establishment of this group will allow the anchors to hear directly from the sector on the topics we have raised on its behalf in this report (and expanded further in the consultation section below), its experience with securing funding in Calderdale, what organisations are currently delivering and how they would feel about a changed relationship with the three anchor organisations.

Developing a truly collaborative VCS strategy with the VCS sector will be a positive step towards ensuring the true value the sector brings is always recognised opposed to the sector being seen as a ‘cheaper option’ than public or private sector provision of public services.

There is a danger that following consistent reductions in funding and the unprecedented demand on public services throughout the pandemic, and for no doubt a long time after, that the VCS will be thrown into competition against private sector organisations for local contracts. VCS organisations are often forced to promise to do ‘more with less’ to ensure they win the work, but this has huge consequences for the mental health of the staff and volunteers working in these organisations as they struggle to cope with the workload on reduced funding.

This practice of pitting VCS organisations against private sector organisations seeks to deepen the marketisation of the economy and public services. Community organisations and individuals should only be involved when they genuinely offer unique and significant added value to the delivery of public services. This is especially the case when the community sector offers services related to specific and bespoke needs and they have special expertise which can only be gained from close relationships with communities.

As we explain further below, the VCS organisations we spoke to as part of the consultation stage of this work told us that they felt that the significant added value that they bring to their service was often never credited or recognised by the anchor organisations that were funding them (either through lack of funding to

support more intensive 1:1 work or monitoring requirements that don't quite capture the worth of what they're doing).

There are some conversations to be had between anchors to understand each other's own expectations of the nature of their relationship with the VCS moving forwards.

During our conversations with each anchor, we learned that there is a sizable difference between each anchor's view of the VCS, what they feel they can or should be delivering and ultimately how the sector is or should be funded. It is unlikely that one approach to funding will win out over the others (and probably would be very unhelpful if it did). A diverse funding environment is an absolute requirement to effectively support a sector as broad and diverse as the VCS.

However, the shape, focus and longevity of that funding should be honed by the VCS strategy working group with a view to giving Calderdale a joined up and targeted approach to supporting the sector. This would enable it to deliver against Calderdale-wide shared priorities that cross organisational boundaries and also seek to strengthen, support and grow the VCS infrastructure across Calderdale.

6. Consultation

Following our policy review, and in conjunction with the spend analysis, we conducted consultations with various members of the VCS in Calderdale, as well as some council officers who work closely with the sector. Our aim was to get a 'state of play' of the sector, uncover challenges, understand what is currently being delivered and how this is being funded and whether this aligns to what the Council has committed to in strategic documents. We also sought to understanding the existing relationships in the sector and the extent to which the sector feels listened to by the Council, CCG and other funders.

Consultation methodology

We conducted eight individual interviews, held two focus groups and attended two forums remotely using a list of potential consultees from the Council. We sought to speak to a range of organisations from small to large, those receiving grants and delivering contracts and from a variety of fields within the sector. A full list of the interviewees is listed in Appendix 1.

The interviews, focus groups and forums were qualitative in nature with prepared questions but we created space for the interviewees to share their perspective with candour. We wanted to ensure that the interviews provided an insight into the frontline experience of the VCS in Calderdale. We also wanted to make sure that the consultations were constructive and solutions focused.

Common themes

We found that there was a strong desire to participate in the review and each interviewee shared their thoughts frankly and in a considered manner. There were clear areas of commonality but certainly not a uniform perspective. We have summarised the key feedback points below into strengths, weaknesses, threats and opportunities:

Strengths

- The sector is well-networked with other organisations, funders and other stakeholders. This limits duplication of services by local organisations, facilitates the sharing of knowledge and good practice and in some cases

has led to joint bidding through consortia such as that supported by Calipso;²⁴

- The floods in Calderdale were described as a catalyst for greater collective working and meant that many connections between sectors and organisations had been stress-tested prior to the Covid-19 pandemic. Two good examples included the cross-sectoral working in Sowerby Bridge between small businesses and the Council supported by the Rotary Club and other networks, and how the 2015 floods changed the working relationship between the Council and the community following the asset transfer of Hebden Bridge Town Hall. The hall was transformed into a physical community hub;
- The VSC is considered to be innovative and agile, and has developed programmes that have been replicated by other areas. In some cases, the innovation has come from necessity rather than by design;
- The theme of kindness set out by the Council in Vision 2024, whilst aspirational and hard to measure, does land well with external funders. Likewise the themes of resilience, enterprising, talented and distinctive also seem to be reflected by the diversity of the VCS in the borough;
- There are high levels of volunteering in the borough. This contributes to a sense of community spirit which was particularly valued during the floods and again in the pandemic. This is a visible demonstration of kindness in action, and contributes to the wellbeing of many people in the area;
- In some areas like Hebden Bridge and Todmorden, there is great depth of human and social capital that bolsters certain organisations with donations of time, ideas, energy, and money. This depth of resource is quite rare, contributes to a special alchemy in certain areas and is not easily replicable.²⁵

Weaknesses

- Funding processes for both contracts and grants are cumbersome and time-consuming. The pressure this places on small charities is considerable and detracts attention and energy from service provision;
- Funding and resource pressures on the public sector in general, and the Council in particular, are acknowledged by the sector as compounding a lack of funding provision, capacity and support. Some organisations try to

²⁴ Calipso is a Charitable Incorporated Organisation that will tender for and manage public sector contracts on behalf of consortia of local voluntary and community organisations. It has been set up to enable Calderdale's voluntary and community sector to respond to the emerging preference on the part of local commissioners to have fewer or single contracts with a consortia /supply chain of providers. [Read](#)

²⁵ This may stem in part from the radical history and identity of places like Hebden Bridge which continue to influence the VCS in Calderdale today.

avoid working with public sector partners because they are perceived as too slow or bureaucratic;

- National programmes or commissioning from external organisations like the Department of Work and Pensions can create a threat to local organisations, duplicate service provision and confuse service-users. The quality of national programmes may not be as good as it is not tailored for local needs, is driven by targets and local organisations can lose funding whilst still acting to support user needs;
- The sector understands the intersection of health with other aspects of wellbeing. Nonetheless, the CCG is seen as being harder to work with due to the constraints created by national frameworks which makes it harder to respond with agility to local needs.²⁶

Opportunities

- Evidence of impact can be useful for obtaining further funding but this does create pressure on charities. There is some question of how data monitoring is being used. The VCS would like more time and resource to contribute meaningfully to the co-design of programmes that could better support service-users;
- Many organisations in the sector bring in funding from donors and sources based outside of the borough such as Big Lottery Funding, Homes England and Sport England. This brings additional resource into the area which can then be used to support local communities including new jobs, training and spend on goods and services. This should be quantified better to recognise the contribution of the VCS;
- The sector feels valued by some senior officers and elected members at Council but this does not necessarily cascade throughout the organisation. Repeated and regular funding cycles can create a “begging bowl” stigma. In some cases the amount of money paid through grants or for contracts is sufficient but the process is overly burdensome. Quantifying and publicising the contributions made by the sector could be a catalyst for cultural change in how the VCS is perceived.

Threats

- VCS staff are often highly skilled but poorly paid. Stress levels are particularly high after a challenging 17 months of service delivery during Covid-19 but there are long-standing systemic issues. Funding concerns and poor pay translate into stress around job security and a high turnover of staff including to the public sector;

²⁶ This is a similar refrain to what have heard in other places. There are examples of places actively working to identify ways to work creatively around national frameworks.

- Some of the organisations rely heavily or entirely on volunteers. Many volunteers are older or have underlying health conditions which can make them vulnerable to Covid-19 and this created disruption for some organisations. There is also concern around succession planning for some organisations. A heavy dependency on volunteers can create dependency and is not the ideal model for all organisations;
- Service users' needs are growing and becoming more complex. There is some limited duplication of service locally, and some concern around funding being oriented towards certain needs i.e. food poverty which risks leaving other needs more exposed;
- Many organisations are still in response mode and not ready to think comprehensively about recovery. The true extent of the damage caused by Covid-19 will not be known until programmes like furlough or the Universal Credit uplift are withdrawn;
- The sector often presents itself as the cost-effective service provider, despite the widely acknowledged value created through its programmes. The intrinsic value of the sector comes from its ethos of collaboration and altruism. This requires a different kind of measurement from value for money. Pitching the VCS against the private sector promotes marketisation and competition that threatens the unique value of the sector.

Conclusions

In summary, it is clear the VCS is valued in terms of its contributions. Local VCS organisations in Calderdale deliver well-respected, high quality programmes and add to the social fabric of the area. Some have served as inspiration or exemplars for other places including the homelessness prevention work by SmartMove Calderdale including their *Smart Skills* programme,²⁷ the grassroots food growing by Incredible Edible²⁸ and the Street Angels²⁹ safety programme which has been replicated in places around the world.

Calderdale has experience of successful community asset transfers including Hebden Bridge Town Hall and Todmorden Learning Centre and Community Hub. The Calder Valley Community Land Trust has brought high quality, sustainable, social-rent homes into being drawing on the expertise of a volunteer board and its members.³⁰ The Equal Care Co-op is a generative local social enterprise that is providing social care at a fair wage.³¹ These are examples of community wealth building in action.

We asked each organisation if they feel they have parity of esteem with the anchors. Some did, but it is not a universal sentiment. For many organisations, they

²⁷ SmartMove Calderdale - Smart Skills – help to get accommodation & apply for work [Read](#)

²⁸ Incredible Edible – If you eat, you're in [Read](#)

²⁹ Halifax Street Angels [Read](#).

³⁰ Calder Valley Community Land Trust - Quality homes, owned by our Community [Read](#)

³¹ Equal Care Co-op Calderdale [Read](#).

already calculate their role in the local economy and can articulate this clearly. Too often the sector feel that they need to promote themselves as the cheap option to ensure that they can secure the work. This leaves them overburdened and trying to deliver more with less, and sometimes scrabbling around for supplementary funding.

The VCS organisations, their staff and volunteers are deeply committed to Calderdale and their service-users, but there is grave concern about the precarity of funding and the burn-out of staff. At times, staff and volunteers within the VCS do not feel valued by statutory agencies and where a contractual relationship exists, they often feel that they are expected to work to anchor's timeframes and processes even when this creates internal difficulties for the VCS organisation.

The VCS wants to see and feel change; parity of esteem must translate from aspiration to action. This requires an honest conversation about what the VCS can and should deliver and this should be supported by fair funding arrangements. Changes to the funding processes, programme co-design methods and impact monitoring are as important as securing more generous and secure funding amounts.

Many of the challenges centred on the VCS in Calderdale and the pressures on the anchors are replicated across Britain. There is a commitment to change in Calderdale and this moment should be seized to do something transformational.

7. Recommendations

Our recommendations are aimed at transforming aspiration into action. The recommendations break down into three categories: commissioning and procurement, sectoral support and further data analysis. These recommendations add up to a suite of actions - some are technical, some are policy-focused and others relate to culture and practice. As a whole they would require significant effort and change from elected members and officers at the Council, as well as across and within the anchor organisations. Fundamentally, the ability of the VCS to create value must be recognised and not taken for granted as goodwill.

It is our view that, if implemented, our recommendations would represent a key shift in improving the health of the VCS and as such the social and economic fortunes of Calderdale residents. We recognise that many of the pressures on the VCS are not created by the Council or the CCG but by a broader culture that undervalues to the VCS. Nevertheless, we believe that Calderdale has an opportunity to do something truly transformational that can be a beacon to other places. Most importantly, if the Council and partners are committed to building true parity of esteem with the VCS, the voice of its representatives must be placed front and centre.

The starting point for our recommendations is to build on and strengthen the support infrastructure that is in place. Some positive change is already taking place but it is not enough. The VSI Alliance, the CFfC, Chief Officers Forum and Voluntary Action Calderdale amongst others do great work in tough conditions. Some of this support has been funded by the Council and the CCG in conjunction with the CFfC but it could go further and be more strategic.

Restarting the VCS strategy working group with broad representation from VCS organisations would make good the commitments of the anchors to give the sector parity of esteem. Sector representatives must be remunerated for their time and expenses. In addition, the role of CALIPSO could be reinvigorated to support more joint bidding by the VCS for services.

Furthermore, it is clear from the spend analysis and supplier survey that the VCS is already directing considerable spend into the local economy. This may stem from a more agile decision-making structure but there are no doubt lessons for the other anchors on how their spending can strengthen the local economy and create greater social value.

Commissioning and procurement

At CLES, we believe that the function of commissioning and procurement is vital to recovering from the Covid-19 pandemics and rebuilding local economies in a way that is more socially just and environmentally sustainable than the current national economic model.³² New procurement procedures³³ represent a real opportunity for local authorities and other anchors to harness their spend in a progressive and responsible way through contracting with local suppliers and SMEs, and utilising the full power of procurement to deliver maximum local economic, social and environmental benefit. We make several suggestions below:

- To ensure that procurement is embedded as a key corporate function in the Council, we recommend that **a cross departmental working group is formed to bring together a combination of officers in commissioning, procurement and contracts roles in commissioned services.** This group would be charged with taking forward recommendations outlined pertaining to advancing progressive procurement practice in Calderdale, including supporting enabling of social value through procurement, as well as taking a broader role to identify and work through blockages and challenges in procurement policy and practice and promote learning between service areas. In addition to this it is recommended that procurement be included as a standing item on relevant senior management and/or strategy group agendas, with an officer responsible for updating and escalating issues as necessary.

This group should work hand in glove with the VCS to **examine proactively how tendering process and renewals could be made less cumbersome** for the sector, for example through longer-term contracts, commissioning across council departments to reduce piecemeal contracting and deploying rolling contracts with lighter touch renewals. At contract renewals, change the questions of the sector to *what do you need to maintain your current level of service* and *what more could we do to support you?*

- The same task force should review procurement rule changes from the Cabinet Office's Action Note PPN 11/20 to explore how **a preference for local social enterprises can be built into commissioning for lower value public contracts.**³⁴ Such contracts can be transformational for small organisations and could turbo charge Calderdale's contributions to the *Go4Growth* programme.³⁵
- A task force should work with existing networks and programmes such as Calipso to **increase tailored support to improve the ability of small**

³² See CLES (2020) Rescue, Recover, Reform - a framework for new local economic practice in the era of COVID-19. [Read.](#)

³³ For example Procurement Policy Note PPN 11/20 (December 2020) relating to reserving below threshold procurements

³⁴ Procurement Policy Note 11/20: Reserving below threshold procurement – Cabinet Office 15 December 2020 [Read.](#)

³⁵ Council invests in local business development through Go4Growth programme [Read](#)

organisations for joint-bidding and shared delivery that will serve to address better the complex needs of service-users. Part of this should involve providing a longer lead-time for the sector to contribute meaningfully to co-design of programmes including how to monitor impact.

Sectoral support

It is clear that the VCS in some parts of Calderdale is under considerable pressure. Much of this pressure is from external factors including growing demand for services. Some of the pressure is within the anchor organisations' power to change.

- National programmes or organisations can inadvertently exacerbate the precarity of local organisations both in terms of staffing and funding. **Building and maintaining a map of the local VCS sector** would allow the Council, CCG, CFfC and other organisations to see what is being delivered locally before procuring partially duplicative services from external organisations. This would provide a clearer quantitative understanding of the size and scale of the VCS in Calderdale.
- It is typical to consider the security that the funding from the anchors provides to the VCS organisations, but this approach does not properly quantify the broader value that the VCS creates in Calderdale. For example, the savings to the state through preventative programmes or the contributions made to the cultural vitality of the area. The anchors should **quantify what would be lost to the local economy if key delivery partners or unique grassroots organisations collapsed.** Right now, the perilous nature of some VCS organisation's finances represents a liability to the Council and CCG in particular. This information should be used to provide additional support to vulnerable but vital local organisations. The value the VCS creates is something special and very hard to replace. We could support on this work including considering what indicators would assess value.
- A **provision for overheads and additional "emotional labour" should be built into contracts or supplementary grants should be made for core funding.** This will help to mitigate some job precarity and acknowledge the value created by the sector beyond frontline delivery.
- The intense mental health pressures on many employees within the sector need to be acknowledged and acted upon before they cause the VCS to collapse from within. Alongside reducing some of the pressures on this group from challenging tendering and shoe-string delivery, the CFfC, Council and CCG could explore **building a tailored programme of support services to the local VCS paid staff** that draws upon many of the qualities found within Calderdale.³⁶ This should be delivered alongside a wholesale review of the root causes of the issue and should not be seen as

³⁶ Charity Digital - How charities can support the mental health of employees [Read.](#)

a panacea. We understand that there may already be some work underway on this area.

Areas for further data analysis

- The **spend analysis should be repeated annually**. The Calderdale anchors should review the spend analysis and suppliers survey methodology so that they are able to undertake an annual review to track progress on implementing a new approach to both maximising social value from procurement and developing the VCS sector. We are happy to provide training to the Council and other anchors to do this, if helpful. The Council should look to incorporate a SME classification to new supplier forms and update existing records so this measure can be tracked over time.

The Council should also look to **build social value indicators into the survey based around strategic areas of focus and/or consultation**. For example, given low pay is a key challenge in the sector, the survey could track the degree to which suppliers pay the Real Living Wage or not. This can be undertaken through a Social Value Framework, which we could assist in developing if required.

- Calderdale anchors should also **undertake a “gap analysis”**. We have identified the extent of spend with non-regional suppliers – now anchors need to determine the extent of this spend that is potentially “influenceable” (by this we mean which contracts which could be potentially fulfilled by Calderdale and wider regional-based suppliers in the future).

This gap analysis should be supplemented by business data available from the local Chamber of Commerce and other relevant business development organisations to identify sectors with the greatest unmet potential to supply public sector anchors. Pre-procurement engagement, particularly with relevant VCS and/or ‘generative’ organisations³⁷ could then be undertaken with local businesses to make them aware of upcoming opportunities and to scope out their capacity, skills and capability to bid for and potentially win those opportunities. Together these tools can be a useful resource for commissioners to identify potential suppliers that can bid for procurement opportunities and consequently potentially increase the share of the Council and other anchor spending that is delivered by local socially, economically and environmentally generative organisations.

- The common finding of the VCS consultation was that the sector brought additional investment into the area via external grants such as from the National Lottery Community Fund. These funds are being used to

³⁷ These are businesses which have business ownership models with a structure and/or purpose that centres on ensuring local social and economic value is maximised. This is in contrast with those ownership models which are structured to deliver shareholder value as a priority. They also distribute the wealth that they create in a number of ways, including by ensuring high rates of local employment and spending in local supply chains, investing in local assets and sharing the surpluses they generate with workers, consumers or beneficiaries. Examples include co-operatives and community interest companies.

supplement gaps in local funding provision. The **extra funding that the sector brings into the area from external grants should be quantified and articulated**. These amounts are spent in the local economy including on employment and operating overheads and thus are part of the value created by the local VCS.

- We heard from the commissioners and the sector representatives that the VCS reaches certain groups and individuals that public bodies struggle to support. This **prevents some of these individuals and groups from needing more extensive and expensive support from statutory services**. Measuring the value of this preventive support would be complex and is beyond the scope of what CLES can provide. There could be an opportunity to work with an academic institution to **conduct this analysis and publish this research which could have far-reaching effects beyond Calderdale**.

The effect of these last two additional pieces of analysis would be to 'evidence the anecdotal' and enable additional funding to be unlocked so that the sector is not just able to secure its sustainability but also to thrive.

Appendix 1

List of interviews

Individual interviews:

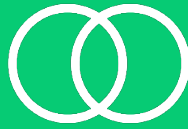
1. Angela Everson, Women Centre and chair of the Chief Officers Forum
2. Caroline Jones, Citizens Advice Calderdale
3. Helen Hunter, Healthwatch
4. Rachel Pickering, CMBC
5. Jane Leech, VSI Alliance
6. Stuart Rumney, Smartmove
7. Graham Mynott, Hebden Bridge Town Hall
8. Julie Thorpe, Todmorden Learning Centre and Community Hub

Focus Groups:

1. Poverty Network/Food Poverty Network
2. Community Anchors Network

Forums:

1. Equalities Network
2. Chief Officers Forum



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