Economic Impact of the Third Sector in Southend on Sea

Southend Third Sector[1] organisations make a vital contribution to the local economy by attracting some £25m of funds annually. The Sector also provides jobs and volunteer roles for some 3000 people.

The positive impact of the sector is vast but difficult to quantify. Consider for example the social value of someone with mental ill-health volunteering at a lunch club for the elderly; his health improves because he has a focus to his day and is making a difference to someone's life; as a result he needs less medication and visits to mental health professionals. Additionally, the elderly people at the club benefit from reduced isolation, social interaction and a hot meal.

In the summer of 2011 SAVS carried out a short online survey amongst its 297 members to help identify the economic value of the Third Sector in Southend. To date 50 replies have been received and a highlight summary of the survey findings is provided below.

Volunteering

- The 50 organisations involved in the survey have a total of **2,015 volunteers**
- These volunteers alone gave **240,300 hours** of volunteering
- The equivalent paid for time is estimated at **£3.3 million**[2]

People Employed

- These organisations employed **980 staff**, of which 592 live in Southend
- The total salary bill was **£10.2 million**

Finances

- The total income for these organisations was **£24.5 million**
- **£16.9 million** of this was raised from outside Southend
- Together they injected **£18.4 million** into the local Southend economy

[1] **This includes voluntary and community organisations, charities and social enterprises; however the Third Sector can also include most co-operatives, mutuals and housing associations**

[2] **Based on the 2008 Annual Survey of hours and earnings from the Office of National Statistics**

Commentary

From these results we can see that from just 50 Third Sector Organisations, the contribution to the economy in terms of funds attracted to Southend, the number of local people employed and the amount spent in Southend is significant.

The current position of the Third Sector in Southend has been built up over many years through the hard work and dedication of individuals and the strong partnerships that have been built up between statutory

and Third Sector organisations.

Local investment of £7.6m by Southend Borough Council and NHS SE Essex (part of the total £24.5m income) is crucial to attracting the additional funds to Southend. Local support is vital. Without it, it is highly likely that the £16.9m generated over and above the income from the Council and PCT would not have been brought to Southend.

Local investment has also achieved a high level of return, creating an equivalent of £20.2 million of financial value if we include the economic value of volunteer time. As indicated above the Social value would add significantly more and would require different and more resource intensive analysis – something for the future perhaps.

Variances in the size and composition of respondent organisations make it impossible to predict the actual results for the total SAVS 297 member organisations. However, we are confident the results give a credible indication of the likely value of the sector and fulfil our aim of demonstrating that the Third Sector makes an important contribution to the economy in Southend.

Having demonstrated its ability to attract significant inward investment and create enormous added social value it is clear that with continued local financial and policy support, Southend's Third Sector can provide the town with its own truly Big Society.

NOTES

Southend Association of Voluntary Services (SAVS)

SAVS has a membership of 297 organisations and we estimate there are an additional 300 voluntary and community groups operating in Southend. It is highly likely that the 300 who are not members of SAVS are small community groups with no directly employed staff and little income.

The Survey

Limited resources for this piece of research, both time and financial, meant we used the online research tool "Survey Monkey" to ask our 297 members 8 questions.

We received 50 responses from Third Sector organisations ranging in size from those with no paid staff and minimal income to those with income in the millions and a paid workforce of up to 100.

The questions we asked were:

In 2010/11,

1. How many volunteers did you involve?
2. How many hours did these volunteers give?
3. How many staff did you employ?
4. How many live in Southend?
5. What was your total salary bill?
6. What was your total annual income?
7. How much of this did not come from Southend Borough Council or NHS SE Essex?
8. How much of your total income did you spend in Southend?

Alison Semmence
CEO, SAVS
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