



Community Foundation

Vital Signs North East: Community



Community

How philanthropy can help every North East community be stronger, more welcoming and more resilient in response to the challenges of uncertain times



About this Vital Signs report

Vital Signs is a Community Foundation resource presenting information about a range of issues affecting our area. It draws on statistics, published research, local expertise and knowledge gathered through funding across the region to 'take the pulse' of communities and inform a better philanthropic response to their needs. We see it as the start of a conversation and would love to hear your views about the ambitions of local communities and what more philanthropy and charitable funding could do to meet them.

This is our seventh Vital Signs North East 2024 report. It examines how philanthropy can help communities in our region be stronger, more welcoming and more resilient.

Vital Signs will explore ten themes during 2024:

Economy – How can philanthropy help build a strong regional economy where everyone benefits from increased prosperity?

Education – What opportunities can charitable funding create for people to learn, develop skills and achieve their potential?

Health – How can charitable funders improve the overall health of our region, and reduce differences in health outcomes between richer and poorer people?

Homes – Can philanthropists help ensure that there are decent, secure homes for everyone who needs them?

Environment – What support can philanthropy provide to help communities look after the environment and ensure the region rises to the challenge of climate change?

Access – How can philanthropists help people overcome the barriers they face in getting access to opportunities and services?

Community – What can charitable giving contribute to the task of ensuring our communities are strong, welcoming and able to cope with the challenges of uncertain times?

Culture – How can philanthropy help foster the North East's unique culture, from iconic theatres, museums and concert halls to diverse community arts, heritage and sports groups?

Justice – How can charitable funding support work to protect people from crime, prevent discrimination and give opportunities for offender rehabilitation?

Living standards – How should philanthropic funds support those faced with a decline in living standards due to economic pressures and rising costs?

In addition to reporting on each of these themes we will produce a brief printed summary of our findings.

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We cannot seek achievement for ourselves and forget about progress and prosperity for our community... Our ambitions must be broad enough to include the aspirations and needs of others, for their sakes and for our own.

Cesar Chavez, US civil and labour rights activist

A note on terminology

In this report we use the following geographic terms:

“The North East” or “The North East region”: this refers to the North East English region which will soon cover the Tees Valley Combined Authority and new North East Combined Authority

Tees Valley: this refers to the area covered by the Tees Valley Combined Authority comprising Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees

The North East sub-region: this refers to the area to be covered by the new North East Combined Authority comprising Northumberland, Newcastle-upon-Tyne, North Tyneside, South Tyneside, Gateshead, Sunderland and County Durham.

Executive summary

This publication is one of a series of Vital Signs reports that the Community Foundation Tyne & Wear and Northumberland is publishing in 2024 looking at the needs and aspirations of communities from Northumberland to Teesside and how philanthropy can help meet them.

It's difficult to think of a word that could conjure up so many different thoughts depending on personal and social context than 'community.' It is certainly widely used by people, by our institutions and in our politics, but often with very different meanings. Here we are focused on how philanthropy – giving by individuals, businesses and institutions – can strengthen what's positive about community. We are thinking particularly about communities of place but also those who may be deliberately or unconsciously excluded because of being in communities of interest or

identity. And we are concerned especially with civil society and the organisations in it through which many of us have positive experiences of community (or negative ones, where civil society is weak). We have deliberately not set out to cover online communities which would require a different lens and analysis, though there are references in the report to the provision of digital services and support.

Many of the challenges we highlight in this report are found across different parts of the UK, for example decline in volunteering and stagnation in charitable giving. Others are especially acute in North East England, including the double disadvantage found in so-called 'left-behind' neighbourhoods. But we highlight too the strengths the region has to build from, including its vibrant charities and community organisations, and track record of giving back through home-grown philanthropic institutions.



Want to know more?

You can download all our Vital Signs reports as they are produced via our website at www.communityfoundation.org.uk/vitalsigns

The Community Foundation believes charitable giving and funding can have a significant impact on community life in three key areas.

1

Supporting resilience and strong bonds in and between communities, and with those in power by:

- backing activities which encourage and increase civic participation, such as voter registration, citizens assemblies, grassroots organising and democracy reporting.
- providing long-term, core support for community anchor organisations especially in areas facing disadvantage and disappearance of social infrastructure.
- supporting co-ordinated responses to natural disasters and emergencies through trusted intermediaries which can address immediate need and longer-term recovery.

2

Enabling more and better giving, philanthropy and volunteering by:

- sharing experience and acting collectively, including by providing match incentives to inspire and engage others.
- ensuring gift and grant amounts take account of inflation.
- businesses committing to donate 1% of pre-tax profits and employers to offering work-based volunteering as standard.
- investing in organisations' capacity to recruit, train and support volunteers.

3

Strengthening civil society organisations by:

- providing longer-term, less restricted support, enabling organisations to recruit and retain staff and volunteers and meet their core running costs.
- offering expert pro bono help especially around governance, strategy and finance.
- investing in civil society networks, infrastructure and data use.



Strong, inclusive, resilient communities in the North East – and how philanthropy can help build them

With such a broad idea as ‘community,’ the starting point for this report is to be clear about our focus. In a 2021 article Dr Toby Lowe, a North East academic, helpfully describes how any concept of ‘community’ must account for, among other things:

- different types of communities – those of place, but also ones of interest and identity which are dispersed – and the fact that people can be part of many communities at once;
- positive feelings about community, but without assuming communities are always good;
- the sense of identity, belonging and pride we have in being part of a particular community, and how that’s different for those *not* in that community.

Dr Lowe goes on to define ‘community’ as a group of people with a shared story that defines an aspect of who they are – they build the history of that community into their own and see the world through a lens of its shared stories.ⁱ

Two other useful ideas underpin the report. First, *social capital* which describes the scale and nature of our connections with others in and between communities, and how those connections support and provide a range of material benefits to individuals and society. This has been described by the World Bank as the glue that holds society together, with the prominent political theorist Francis Fukayama calling it “...*the sine qua non [i.e. indispensable component] of stable liberal democracy.*”ⁱⁱ

Second *civil society*, a term we’ve used across our Vital Signs reports to mean people with common interests coming together to do things voluntarily out of care for others, creativity or to pursue a cause. This can be

informally through friendship, family or online networks, or through organisations including charities and other local groups.ⁱⁱⁱ Civil society is both a visible manifestation of social capital and a space where it can be accumulated and used as a force for good within societies. In 2018, an independent inquiry into the future of civil society stated:

“Without the many social benefits produced by civil society the state could not cope and the private sector could not flourish... civil society continues to play a big and necessary role in all our lives... bringing people together, building their confidence and capability, offering a helping hand to those in crisis, delivering services, challenging injustice.”^{iv}

This role has rarely been more important. The inquiry also pointed to trends that have the potential to diminish levels of social capital, disrupt communities and perhaps ultimately pose a threat to our democracy: growing inequality, rising loneliness, reduced trust in public institutions, displacement of people, with impacts especially marked for working class and minority communities, and young people. And these findings pre-dated the Covid-19 pandemic and cost-of-living crisis which have created further pressures on society and its institutions.

This report looks at how philanthropy can help strengthen communities in North East England through enriching social capital and broadening civic engagement, by targeting communities in places that are ‘left behind’, by growing a culture of giving and volunteering, and by investing in civil society organisations.

Social capital and civic engagement

North East England is often characterised as somewhere with strong community ties and a 'sense of place', which would suggest high levels of social capital here as being an asset for the region.

The government's Community Life Survey gathers information from adults aged 16 and over in England, including about their neighbourhood and community. Data gathered in 2021-22 were published in May 2023.^v In some, there is little to differentiate the North East from other regions or England as a whole – for example, the percentage of adults who say they chat to their neighbours. But there are some differences. A slightly higher percentage of people here (65%) feel they 'belong to their immediate neighbourhood' than the England average (63%), and the South East (62%). By contrast, a smaller percentage of North East residents say their area is one where people of different backgrounds get on well together (81%) than in England (84%) or the South East (86%).

These may be continuing evidence of different types of social capital being stronger or weaker in the region, as highlighted in 2008 research done by IPPR North^{vi} as part of the then North East Social Capital Forum set up by the Community Foundation Tyne & Wear and Northumberland. That report contrasted bonding social capital (relationships between people with shared backgrounds) with bridging social capital (looser networks with people from different backgrounds). The former is often positive for family and social support networks, but can also be inward-looking and excluding, while the latter is often seen as a prerequisite for raising aspirations and supporting social mobility. Arguably, North East England needs investment in both. The section below on community resilience sets out the case for community-led responses which can be strengthened with more bonding social capital. But some of the region's key economic and educational challenges, as set out in our related Vital Signs reports, require building the bridging form too.

A third form of social capital – *linking* – describes connections with people in positions of power. This is connected to 'civic participation', for example contacting a local official, signing a petition or attending a rally. Here the Community Life Survey data for North East England show some areas for concern. For example, only 26% of people reported civic participation in the past 12 months compared to 34% in England and 36% in the South East. And 25% said they felt able to influence local decisions, compared to 27% in each of England and the South East. Voter turnout is another indicator where the region is behind. In the 2019 General Election, across the North East turnout stood at 64% compared to the England average of 68%, and 70% in the South East. The whole region is now served by combined authorities with directly elected mayors and devolved powers, in theory bringing decision-making closer to communities. But there is no sign this has stimulated stronger civic participation. Turnout was just 31% in the May 2024 elections for the mayors in both the North East^{vii} and Tees Valley.^{viii} Potentially making things worse, concerns have been raised about the impact of the introduction of photo ID requirements for voting in poorer communities, with research identifying Middlesbrough, Gateshead and other parts of the North East as potential photo ID black spots (i.e. fewer people have passports and there are lower levels of car ownership requiring a driving licence).^{ix}

What are the risks of living in a society where people have fewer links to those elected to represent them? At a basic level, it could result in government bodies making poorer policy decisions. But it could also drive greater mistrust and polarisation in society overall, with a focus on grievances leading – in the extreme – to civil unrest.

Traditionally, people often connected with local civic issues via newspapers, radio and TV in their areas. But the UK in common with other western democracies has seen a significant decline in local news media – with an average 19% year-on-year fall in circulation in the second half of 2023.^x The average circulation for most of the region's

well-known daily titles in 2023 was in the few thousands.^{xi} According to the Charitable Journalism Project,^{xii} there are now fewer local newspapers than at any time since the 18th century. According to Ofcom, 83% of 16-24-year-olds access news content online, mainly via social media.^{xiii} The BBC maintains a strong presence via Radio Newcastle, Radio Tees and Look North, and it supports the local democracy services funding 165 reporters who are allocated to local news organisations across the UK. The House of Commons Digital, Culture, Media and Sport Committee has recommended that it is made easier for local news organisations to achieve charitable status and to encourage more philanthropy in this area.^{xiv} Community radio stations already exist, some of which have registered as charities or community interest companies. Meanwhile, the North East saw the launch of The QT, backed by angel investors, set up to offer a subscription-based news, features and comment website, though at the time of writing it has had to cease publication.^{xv}

Civil society organisations have long played an important role in building relationships between communities who are often most left out of mainstream discussions and those in power, including through consultation, advocacy and campaigning.^{xvi} Globally, as well as nationally, this role for the sector may be seen as more important than ever.

The Westminster Foundation for Democracy states:

'The ability of citizens to interact with political institutions is critical to the future of democratic systems. Civil society organisations are a channel to engage constructively with government. This helps ensure government provides adequate services and adopts evidence-based policies.'^{xvii}

Grassroots activism, and the linked formation of organisations run by and for communities they serve, is key to how civil society can organise to address power imbalances in society. Citizens UK is one example – an umbrella body for local groups seeking to bring about change in their areas – including Tyne & Wear Citizens.^{xviii} Others seek to more fundamentally challenge the status quo through campaigning, as seen in response to climate change and racial injustice. And some philanthropic funders have sought to do more to invest at this level. An example is the Joseph Rowntree Charitable Trust's Grassroots Movement Fund, which aims to "put more power into the hands of those working to address inequality and injustice, and create new systems that put equity, justice and peace first."^{xix}



Alternative models for civic participation have also emerged which seek to complement rather than replace politicians and elections. For example, citizens assemblies or juries are groups which come together to consider an issue, hear from experts and propose solutions. Poverty Truth Commissions have formed in different parts of the country – including north of Tyne, Gateshead and Stockton – where those with lived experience work with public and business leaders to address underlying issues of inequality.^{xx}

Our findings suggest that a key priority for philanthropy should be supporting activities which bring people together and build connections. While this should focus on bonds within communities, donors and funders should also consider ways to create bridges between different types of people and places. This links to findings around opportunity and social mobility highlighted in our Economy and Education reports.

Charitable givers should also consider ways to support civic participation. This could be activities which encourage people to register to vote and take part in elections. Or it could be by supporting alternative methods of participation like citizens juries and assemblies, grassroots and campaigning organisations that seek to give a voice to those who may otherwise be excluded. Opportunities may also arise for philanthropy to invest in emerging organisations which support local news and democracy reporting.

Community resilience

When we focus on communities as neighbourhoods, villages and towns, it's important to consider the different experiences people may have because of where they live as well as their own social and economic circumstances.

Local Trust, a charity set up to run a Lottery-funded programme targeting funding in 150 places in England, has identified 224 'left behind' neighbourhoods which it defines as those lacking spaces to meet, connectivity (physical and digital) and community engagement. High levels of deprivation alongside a disappearance of

'social infrastructure' (like community centres, residents' associations, libraries, cafés and shops etc.) means these areas can be described as 'doubly disadvantaged.'^{xxi} The decline is often long-term and associated with deindustrialisation and changes in patterns of work, retail, housing and leisure. The contrast with people living in places with stronger social infrastructure is that they do better on health, jobs, education, skills and income. 56 of the 'left behind' areas Local Trust lists are in North East England, with at least one in each of the 12 local council areas except Darlington and North Tyneside.^{xxii}

The region has seen several government schemes come and go focused on improving social and economic outcomes in such places. But these area regeneration initiatives have been critiqued for their failure to create long-term change. For example, when jobs are created but don't go to local people, or when economic activity just moves from one location to another rather than growing overall.^{xxiii} And philanthropy has not been immune from making the same mistakes. A recent policy briefing from the regional Insights North East body based on research by Professor John Tomaney and others argues:

"Philanthropy has filled in some of the gaps... but it can reproduce some of the problems of the state: lack of long-term commitment, the imposition of top-down priorities, lack of transparency and accountability, and faulty valuation of costs and benefits."^{xxiv}

The emphasis from researchers and civil society bodies is on more effective approaches led by residents, built on existing social infrastructure, with links to businesses and which are long term and well resourced. But most of the money from Westminster (and, of course, from the EU) for such schemes has gone, with successor initiatives and programmes – such as 'levelling up' and the shared prosperity fund – having a different emphasis. However, partly in response to a campaign driven by Local Trust and other bodies, the Government has committed a significant portion of new funding from 'dormant assets' to a new 'community wealth fund' to be run by the National Lottery

Community Fund targeting towns with fewer than 20,000 residents that have high levels of disadvantage and low social capital.^{xxv}

The role of 'community anchor organisations' is key in doubly disadvantaged places. While many institutions in a town, city or county have an important role in creating and reinforcing social and economic ties (for example, councils, housing associations, schools and universities),^{xxvi} community anchors are independent, led by residents and run a range of inter-connected services and activities often from their own premises. For existing community anchors, the chance to take over ownership of the buildings or land they run can be transformative. But transferring assets, which are often in the hands of public bodies, can be a long and complex process. The umbrella charity Locality reported in 2020 that fewer than half of local authorities had a policy for community asset transfer. It also found that transfer was often based on shorter-term leaseholds rather than full ownership via a freehold, making it harder for the community organisations involved to lever finance and develop business plans. In other neighbourhoods, the challenge is to set up community anchors because none exist, or existing bodies are weak. Whitley Bay Big Local^{xxvii} provides a North East example. Part of a Local Trust programme, residents in the town led an initiative which eventually saw the purchase of the town's former job centre and its transformation into a community hub. As we have stated in several Vital Signs reports, the capacity of local groups to take on such challenges as existing or new organisations – and to access the professional advice required – may in many cases be a barrier to them achieving more for their areas.

There is a strong relationship between the factors that would categorise a place as 'left behind' and the ability of communities (and their anchor organisations) to prepare for and respond to disasters and emergencies. This is made more acute because the probability of such events occurring, and their potential impact, are not evenly distributed. A powerful example was seen in the 2017 London Grenfell Tower fire, when 72 people died.^{xxviii} Grenfell, the Manchester Arena bombing and terrorist attacks in London the

same year all saw mass individual fundraising and public donations in response, facilitated by online giving platforms. Because of concerns about whether such fundraising was always effective and reaching intended beneficiaries, the National Emergencies Trust was set up to ensure a co-ordinated approach to future disasters of a similar scope. That was quickly put in practice with the pandemic, which saw NET's coronavirus appeal raise close to £100m and support over 14,000 projects across the UK.^{xxix} £76m was distributed by community foundations who, as partners for NET, enable the national organisation to deploy quickly without having to set up a new infrastructure. As anchor institutions themselves, community foundations have also played a role in responding to situations including floods, storms and fires. In doing so, they often work with local resilience forums (LRFs) which comprise public bodies, including emergency services, alongside civil society organisations. Their purpose is to plan and prepare for localised disasters and emergencies.^{xxx} There are three LRFs in the North East, which share their geographies with the police: Cleveland, Durham and Darlington, and Northumbria.

The unequal impact of Covid-19 in places perhaps reveals important lessons about what could happen because of climate change if more is not done to build local resilience in disadvantaged areas – a subject explored further in our Vital Signs Environment report.

The evidence indicates that in 'left behind' areas, there is a need for targeted, core and long-term philanthropic support to ensure the development and capacity of social infrastructure for example community centres and other 'anchor' organisations. This will also help to ensure the resilience of these communities when faced with disasters or emergencies (including those arising from climate change). But when such situations arise, it is important that donors and funders look to trusted intermediaries nationally and locally, providing cash wherever possible, and avoiding the creation of multiple and competing responses.

Giving, philanthropy and volunteering

Alongside its reputation for strong community ties, the North East is often characterised as an area where people are keen to give back and help others – reflecting an overall sense of the British as a generous people. Does data back this up?

A 2017 Newcastle University project run in partnership with the Community Foundation Tyne & Wear and Northumberland surveyed the history of philanthropy in the region from the years following the Norman conquest of 1066. Its website states:

“Our region would be very different today, less culturally and socially rich, if not for philanthropy. Acts of generosity in the past significantly impact on our everyday lives in the present. Many of our schools, libraries, hospitals, universities, churches, parks and gardens and community organisations are rooted in philanthropy, inspired across generations by care for others and desire for better society.”^{xxxix}

Significant ‘home grown’ philanthropy includes charitable trusts and foundations endowed by Sir James Knott, Sir William Leech, Reginald Mann and Alan Reece. But among other findings, the Newcastle University research points to the importance of social activism and of the region’s giving having always been about more than its ‘mega-donors.’^{xxxix}

The Charities Aid Foundation (CAF) has been tracking household giving in the UK over several decades. Its most recent report^{xxxix} (based on 2023 data) highlights a reliance on a dwindling number of donors, with the typical donation static at £20 and so increasingly eroded by inflation. This is also reflected in the Community Life Survey, which reports that the percentage of people giving to charitable causes was 66% in 2021-22 – up from a low of 63% in 2020-21 survey but far down on 75% reported in 2019-20. Overall giving is increasingly being driven by some donors making larger gifts, rather than more people giving overall. These trends are of concern because of the value of philanthropic support to civil society organisations. Not only does giving by the public and by charitable

fundors represent over a third of the sector’s total income, that support tends to be what charities and community organisations rely on to work more flexibly and to do things that governments and businesses are less likely to support.

Understanding who gives, as well as how much they give, is worthy of focus. It is often argued that poorer people tend to give more as a proportion of their income than those with greater wealth. CAF’s statistical model projects giving data for the 650 parliamentary constituencies in the 2024 General Election.^{xxxix} Overall, it does find that some of the least affluent parts of the country are among the most generous. However, in the North East, Hexham, Newcastle upon Tyne North and Stockton West (generally better off areas) show up as the biggest givers based on donations as a proportion of household income. At the other end of the scale are much poorer areas: Blyth and Ashington, Newcastle Central and West, Newcastle East and Wallsend, and Middlesbrough and Thornaby East.

The challenge of how to grow more (and better) philanthropy – especially outside London – has long vexed think tanks, researchers and policy-makers. In 2023 the charity Pro Bono Economics called for the appointment of local philanthropy champions by elected mayors and local authorities.^{xxxix} In 2024 the centre-right group Onward^{xxxix} proposed the establishment of ‘Charitable Action Zones’ to address philanthropy’s skew towards London, with government matching donations targeting ‘left-behind’ areas. It also recommended development of more diaspora philanthropy by anchor institutions locally. One example cited was the North East Roots Fund set up by the Community Foundation Tyne & Wear and Northumberland.^{xxxix}

Indeed, community foundations have been at the heart of practical efforts to inspire and grow giving in their areas for over three decades as independent charities set up to match individual, family, business and other institutional donors with causes in their area. They do this by offering a form of donor-advised funds, often invested as part of an endowment but sometimes run on a revenue

model. Through these and other, discretionary, funds, community foundations award grants and other support, mainly to small, local charities and community organisations. North East England is served by accredited community foundations in Tyne & Wear and Northumberland and County Durham. Collectively, they held endowed assets of £108m at the end of March 2023 and awarded grants totalling £12.3m in that year. A separate Tees Foundation serves the south of the region.

Community foundations are often involved with schemes to incentivise and extend local giving. Match from government and others has enabled the growth of local philanthropic endowments.^{xxxviii} In the North East, County Durham Community Foundation has run a giving campaign 'Poverty Hurts' matching donations into a pooled fund enabling it to award grants addressing financial crisis and hardship.^{xxxix} Nationally, the charity The Big Give^{xl} runs match giving initiatives resourced by philanthropists to support individual charities to raise more funds. Crowd funding approaches have been championed by some public bodies, including the former North of Tyne Combined Authority.^{xli} And giving circles and other initiatives to encourage and enable people to donate collectively to shared causes have developed. Regional examples include the Community Foundation Tyne & Wear and Northumberland's Giving Network^{xlii} and Women's Fund.^{xliii}

Efforts to engage more businesses in giving and pro bono work has been another area for policy focus. CAF's research on FTSE 100 businesses showed their giving had dropped by 26% in the decade to 2023.^{xliv} It recommends companies donate at least 1% of pre-tax profits as 'good practice' and alignment with environmental, social and governance (ESG) goals and reporting. The North East already has a strong tradition of headquartered businesses giving back – notably the unprecedented 5% annual pre-tax profit committed to the former Northern Rock Foundation by the Newcastle-based bank from 1998 to 2008. But many other companies here donate through their own charities, community foundation funds or direct gifts; notable names include Barbour, Banks Group,

Greggs, Hays Travel, Newcastle Building Society, Sage plc and Ringtons. Several have made the 1% or more commitment proposed by CAF, for example technology consultancy Opencast,^{xlv} law firm Muckle LLP^{xlvi} and the Port of Tyne. But expanding giving to a wider range of businesses – especially smaller companies – can be a greater challenge and, for the business owners, it may be difficult to know where best to start. Community foundations and local sector infrastructure bodies have had successes with projects that broker relationships between small companies and charities. Examples include the Sector Connector projects run by Connected Voice in Newcastle and Gateshead^{xlvii} and by VODA in North Tyneside.^{xlviii}

North East data shows registered civil society organisations engage 152,100 regular volunteers. But, as well as a decline in giving of money, several surveys and studies have indicated that fewer people are giving their time to volunteer for charities. The Community Life Survey data for England shows formal volunteering has fallen over the past decade from 27% of adults to 16%. In North East England it stands at 14% compared to 18% in the South East (albeit *informal* volunteering is slightly higher in the North East at 27% than the England average of 26%). Similar findings come from CAF, and from the National Council for Voluntary Organisations 'Time Well Spent' research.^{xlix} The latter was based on a YouGov survey of 7,000 people in 2022 and found the most cited reason for the decline was people having less time to volunteer because of a change in circumstances. That might be having to work more hours or experiencing issues with childcare or other caring responsibilities. There were also signs that more people were worried about out-of-pocket expenses, especially those aged 18-24. We know that older people have traditionally been disproportionately represented among volunteers.ⁱ But it is among older people that a long-term decline in volunteering rates (pre-dating Covid) is apparent.ⁱⁱ

A reduction in volunteering has wider societal impacts, because of the recognised value of giving time to people's own wellbeing, exposure to different life experiences, and skills development. But clearly if there are

fewer people who feel able to volunteer, there will also be a negative effect on charities' capacity to run services and activities. Research by Pro Bono Economics from its VCSE Barometer Survey run with Nottingham Trent University suggests that smaller charities have been hit hardest by a drop in volunteering.^{liii} That is logical, given micro and small organisations rely much more on volunteers to operate than larger charities. And they are much less likely to have resources dedicated to recruiting, training and supporting volunteers.

The University of Birmingham among others has recommended a strong focus on volunteer wellbeing to sustain engagement which requires investment by civil society organisations, funders and sector infrastructure bodies.^{liii} There is also a key role for employers. Pro Bono Economics has argued that there is a 'triple dividend' to be gained when institutions support volunteering during work time through better staff wellbeing, higher work productivity (including reduced sickness absence) alongside the resulting capacity and skilled help for charities. But it highlights that in the UK between 17 and 23 million employees do not have access to workplace volunteering.^{liv}

The findings indicate that more needs to be done to inspire and enable giving by everyone who can afford it – but especially the better off – to benefit people and places in the North East. The Community Foundation's view is that people and companies that already give could do more to share their stories, and they could consider financing match schemes and investing in collective initiatives as ways of incentivising others. Donors of all types should consider inflation in their charitable giving if they are to maintain the value of their generosity. And businesses in our region should make the pledge to give 1% of pre-tax profits to charity, including by pooling funds with others or working with community foundations as well as establishing own foundations. And employers of all types should commit to offering work place volunteering as a staff and community benefit. Philanthropy also has a vital role to play in supporting volunteering by helping civil society organisations build the capacity to recruit, train and support those wishing to give their time and skills for free.



Civil society organisations

The Covid pandemic and the subsequent rise in cost-of-living have both demonstrated – if evidence were needed – the critical role of civil society organisations. However, the Law Family Commission on Civil Society which published its final report in January 2023^{lv} argued that this was not reflected in government strategy or policy, and that more needed to be done to create conditions where charities, community organisations and volunteering would thrive. The report called for investment in the sector's productivity and effectiveness, including a 'radical shift' to long-term, flexible and core funding, alongside support for organisational development.

The Law Family Commission also called for better 'data infrastructure', and here is an area where North East England can claim to be ahead. We benefit from unique, long-term data on the scale and dynamics of civil society organisations in the Third Sector Trends Study.^{lvi} The Study, originated in 2008 by Northern Rock Foundation and continued by the Community Foundation Tyne & Wear and Northumberland, has widened over the years and now covers all of England and Wales in 2019. The most recent data are from 2022 and show that in the North East there were 6,900 registered civil society organisations, employing 37,000 people plus the already mentioned 152,100 regular volunteers. More people are employed by charities and community organisations than in agriculture, finance or real estate.^{lvii} And the cost of replacing volunteers with people paid at 80% of the average wage would be £146m. This represents significant social and economic added value to the region estimated at £5.9bn.^{lviii}

In some ways the sector here has much in common with what we see elsewhere in England and Wales, especially in other northern regions. However, there are fewer registered charities and community groups here per 1,000 people than in the South East or when compared to the national average, and the added value of the sector is also lower proportionately. This may reflect a general trend for there to be a higher concentration of registered civil society organisations in

more affluent parts of the country where arguably people have more personal capacity and networks to enable them to set up, run and support charities. It could also relate to historic reliance on public sector agencies in regions like the North East. In that context, we might expect there to be a greater proportion of informal (non-registered) groups in the region. However, data on such groups is patchy. Third Sector Trends research suggests it is plausible to assume there are perhaps 1-2 informal bodies for every registered civil society organisation, but the data does not point to this being higher in poorer regions. The Study argues that a stronger concentration of larger charities in places like the North East may reflect the role of such organisations in meeting urgent or critical needs financed through grants or contracts from institutional funders, including public bodies. And civil society organisations' location within regions is also instructive. In South East England, for example, only 6% are based in the fifth least affluent areas with 37% in the most affluent. In North East England, 26% are in the fifth least affluent places, with only 16% in the most affluent.



What are the challenges facing the sector in the North East? Again, many of the issues are national in scope. Financing is a key factor. The National Council for Voluntary Organisations (NCVO) launched a campaign in late 2023 responding to data showing 1 in 5 charities saying they could be forced to disappear without urgent funding.^{lix} This is supported regionally with funders anecdotally reporting an apparent increase in charity closures, though quantifiable data does not yet exist.

The February 2024 report from the national VCSE Sector Barometer highlighted 'disarray' in local government funding, with cuts and – in extreme cases – the council equivalent of bankruptcy.^{lx} The related threat to charities arises from reduced grants and contract income to the knock-on effect of higher demand for services from those the public sector is no longer supporting. Meanwhile, civil society organisations are facing increased costs resulting from inflation, particularly arising from energy prices but also wage pressures. And recruitment is already an issue. The VCSE Sector Barometer in March 2023 found that 71% of charity employers reported difficulties with recruitment.^{lxi} This is matched by the most recent Third Sector Trends data, which points to recruitment problems being especially acute in North East England.^{lxii} Perhaps unsurprisingly, there is evidence that these pressures are negatively impacting on those working in the sector. People's Health Trust's surveys of funded organisations show 44% of respondents being concerned about their own or colleagues' mental health and 82% of leaders concerned about staff burnout.^{lxiii}

Covid-19 saw some local charities and community organisations having to effectively go into hibernation, while others found new ways to offer services via digital platforms and online communities. Many of those that did so have continued to include an element of digital support in their offer. But the pandemic revealed significant capacity and capability gaps around digital skills and expertise in the sector. The 2022 Charity Digital Skills report stated:

"...there looks to be a greater divide emerging between the charities who are now approaching digital strategically and those who are at earlier stages. Small charities also tend to be at an earlier stage of digital, requiring tailored support and funding. Charities have told us about some significant funding and support needs, such as funding for devices, software and infrastructure, training and skills development. If these needs go unmet, it will diminish their impact."^{lxiv}

There are strong arguments that better, not just more, philanthropy is needed in response to these challenges. The Institute for Voluntary Action Research (IVAR) has an 'open and trusting' grant-maker scheme which asks funders to commit to improve charities' experience and better meet their needs.^{lxv} The approaches include a focus on simplified application processes, unrestricted and multi-year funding, and not asking for information at application or feedback stage that isn't used.

Philanthropy and charitable funding have a key role to play if charities and community organisations are to strengthen and grow as part of civil society, rather than decline. But managerial approaches seeking to treat the sector as something homogenous to be 'directed' are not suited to the challenge. As well as the much-needed expansion in the scale of philanthropy, charitable giving needs to shift to longer-term and core support for organisations (unrestricted where possible). And donors must let go of ill-informed ideas about not supporting 'admin' or 'overheads'. The recruitment and retention challenges for charities and community organisations will only be made worse if attitudes persist that the sector's workforce should be paid below market rates (if at all). Alongside funding, people and businesses can also make an important difference through offering pro bono help especially in areas of governance, strategy and finance. And there is a key role for philanthropy in ensuring civil society networks, infrastructure, data and digital capacity are all strengthened.

All aboard?

Building communities where everyone has the chance to belong

The way individuals experience 'community' is not always positive. Bonding social capital – discussed earlier in this report – can be defensive, looking to protect privileges and address perceived threats. That can be made worse when there is competition for resources. Those 'outside the bond' can feel threatened and excluded. And especially in challenging times, there can be conflicts between different types of community caused by prejudice, fear and by those seeking to stoke tensions. Civil society organisations are not immune from such behaviour, whether conscious or unconscious, since they are often set up to serve specific interests which may not align with others around them.

Where people seek to change things for their community – whether that be in a place or among a group with a shared identity of experience of discrimination – they may face personal pressure and burnout. Researchers have pointed to causes including association with an issue and taking responsibility for

addressing it, backlash from those opposed to change, disagreements within movements about approaches, and structural problems which perpetuate the conditions being challenged.

For those seeking to make communities stronger, more welcoming and more resilient through supporting charities and community organisations, it is important to consider who is and isn't included, whose voices are being heard and what efforts are being made to address barriers. There is no simple formula, and donors should recognise that communities may engage in different ways and that some networks will be informal. It's also the case that some grassroots leaders may find themselves pulled into multiple activities when they stick their head over the parapet – something that tends to be valued as being 'strongly networked' among the middle classes but which is often viewed with more suspicion in more marginalised groups.



Appendix 1:

Table of Indicators

	North East	England	South East	Date*
Percentage of adults who chat to neighbours at least once/month	72	72	73	2021/22
Belong to immediate neighbourhood	65	63	62	
Local area a place where people from different backgrounds get on well together	81	84	86	
Civic participation at least once in last 12 months	26	34	36	
Can influence decisions affecting local area	25	27	27	
Formal volunteering at least once in last month	14	16	18	
Informal volunteering at least once in last month	27	26	26	
Given to charitable causes in last 4 weeks	66	66	67	
General election turnout 2019	64.2	67.5	70.2	2019
Third sector organisations per 1000 people	2.7	3.4**	3.6	2021/22
Added value of sector per 1000 people	£2.3m	£3.2m**	£3.3m	

* Links to Source ** England and Wales



Philanthropy and community: case studies

How Sunderland Bangladesh International Centre helped people get their voices heard

Sunderland Bangladesh International Centre is a charity based in Hendon, Sunderland, which seeks to improve the lives of the local Bangladeshi community through advice, services and social support. It also works with other Black, Asian and minoritised ethnic groups. It seeks to ensure members of the community can engage effectively in the wider area and with decision-makers.

The Centre received a grant from the Linden Fund at the Community Foundation Tyne & Wear and Northumberland to encourage and empower individuals to participate in civic decision-making in their neighbourhoods and the wider city. It sought to develop skills, knowledge and confidence so that people's voices could be heard and to bridge some of the social, economic and cultural barriers to participation. In part, the project was a response to analysis of community cohesion

in Sunderland which found Black, Asian and minoritised ethnic communities were growing but felt less able to influence decisions affecting their area.

The Centre ran activities to help people understand local priorities, structures in the city and ways to be involved and contribute, for example through NHS patient forums. Opportunities for volunteering with grassroots community groups were promoted and supported as well as building a strong network of volunteers at the Centre itself.

Overall the grant has helped us provide information and access opportunities for [Black, Asian and minoritised ethnic] individuals to become more proactive within their communities and localities by volunteering as way of building skills and knowledge.

Abu Sharma, Sunderland Bangladesh International Centre





How Alphabetti Theatre and Book Direct engaged through pro bono help and skills-based volunteering

Alphabetti Theatre is an award-winning charity running an artist-led, 75-seat theatre, located in Newcastle city centre. Alphabetti programmes and produces performance pieces, alongside peer learning for emerging and established artists. It believes 'great art should be for all, not just those who can afford it' as demonstrated by its weekly 'Pay What You Feel' offer. On average, it hosts 320 performances per year, working with around 1,450 artists and welcoming 15,000 audience members.

Alphabetti has ambitious plans and is reflecting on all aspects of its work in preparation for appointing a new Chief Executive in 2024. Its team came to the Community Foundation Tyne & Wear and Northumberland to seek pro bono support on a range of areas. One was to improve the website. David McNiven at digital marketing experts Book Direct came across the Community Foundation at a business networking event. He was enthusiastic about the flexibility of the pro bono offer and the opportunity to support local charities in a range of ways. Book Direct was matched by the Community Foundation with Alphabetti, and members of David's team carried out an assessment of the organisation's online messaging, ensuring it matched the inclusive welcome at the venue itself.



Involvement in the Community Foundation's pro bono support programme has been invaluable for our organisation. As a charity with limited funds during a cost-of-living crisis, it is very difficult to access certain services or make crucial improvements to the business while funds are needed elsewhere. Through the Community Foundation, we have been able to speak to experts in their fields, and receive bespoke guidance, resources, and assistance, without any pressure on the organisation. David from Book Direct evaluated the accessibility of our website and gave us valuable advice for short- and long-term improvements. He got feedback to us quickly and comprehensively and helped us make much needed improvements. We've now got really clear specifications that we can discuss with web designers going forward.

Esther Fearne, Alphabetti Theatre

The Book Direct team were delighted to support the Alphabetti Theatre via the Community Foundation. Our team of specialists suggested improvements to the Alphabetti website and worked closely with the team to deploy a series of optimisations to improve the website accessibility. Working with the Community Foundation enabled us to fine-tune our skills and provided us an opportunity to give back.

David McNiven, Book Direct

Philanthropy in action:

Why the Port of Tyne commits 1% of pre-tax profits to charitable causes

The Port of Tyne is a major deep-sea port and one of the biggest Trust Ports in the UK. It handles a wide range of cargo and passenger shipping, alongside providing warehousing and managing a large land and property portfolio. Turnover in 2022 was £48m.

The Port is an excellent example of a business that aims to create positive opportunities through corporate responsibility and community engagement that helps to transform the lives of people within its operating area. The Port has a clear and long-standing commitment to donating at least 1% annually of pre-tax profits. And it has placed a great emphasis on doing so through its fund at the Community Foundation Tyne & Wear and Northumberland, which it established in 2006. The Port draws on the Foundation's experience, backed by its Vital Signs research, and wider community knowledge to ensure the greatest impact.

Grants from the Port of Tyne Community Action Fund now total over £0.5m and have been made to a wide range of charities and community organisations which enrich lives, improve life chances and help improve health and wellbeing, particularly in communities affected by disadvantage. Matt Beeton, the Port's CEO has taken time to visit some of these groups and his approach is to ensure that their work is a focus of the Port's story of its corporate philanthropy.

Matt said: "As a Trust Port based in the North East of England we're mindful of our role as a regional citizen and our responsibility to the local communities we serve. We're immensely proud of our partnership with the Community Foundation to support some inspirational people and organisations doing brilliant things in their local communities."

Find out more: www.portoftyne.co.uk/about-us/corporate-responsibility



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Let's talk

We hope that this report will inspire more of you to give to causes that contribute to improving community. You can help inform our work on this and the other Vital Signs themes by completing the Vital Signs North East 2024 questionnaire. Just visit www.communityfoundation.org.uk/vitalsigns or scan the QR code below.

If you would like to discuss this report further, or what you could do to help, please contact us:

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