

South Yorkshire Policy Briefing

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This Week's Policy Highlights:

- A [recent report by Durham University](#) analyses the contribution of the voluntary, community and social enterprise sector (VCSE), and finds that despite building up financial reserves over recent years they are struggling to retain employees and volunteers.
- The ONS has released the latest [House Price Index for June 2023](#) and whilst house prices continue to rise, prices in South Yorkshire remain below national and regional averages.
- Latest [ONS](#) figures show that economic inactivity rose from 23% to 24.8% in South Yorkshire this year, while the claimant count across local authorities remained steady in July.

The Importance of Voluntary, Community and Social Enterprises



Voluntary, Community and Social Enterprises in South Yorkshire

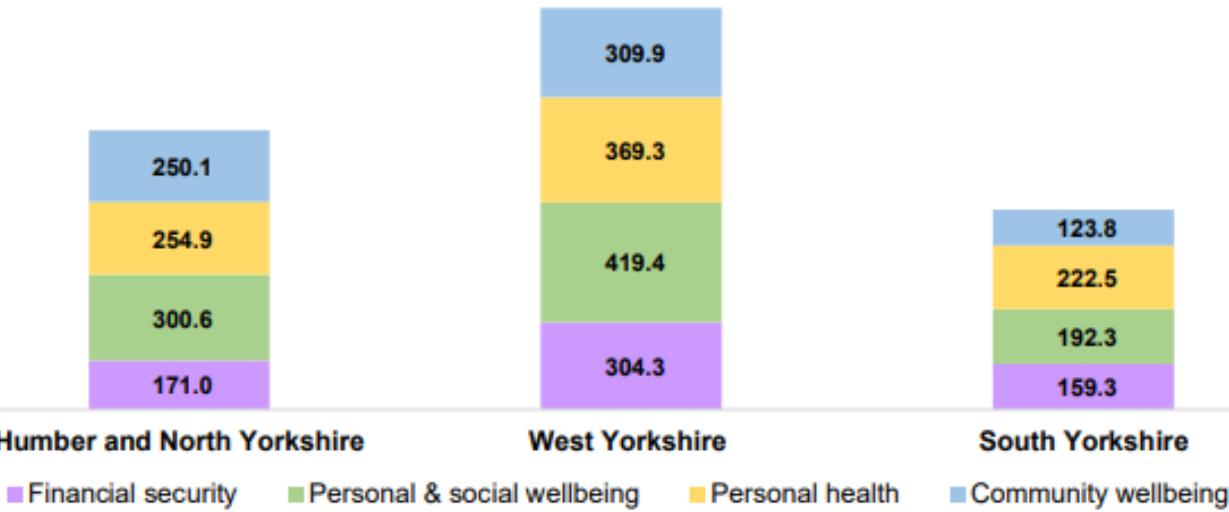
A [recent report by Durham University](#) has analysed the contribution of the voluntary, community and social enterprise sector (VCSE) in Yorkshire and the Humber.

It showed South Yorkshire has 2,900 organisations, with 16,000 employees and 63,000 regular volunteers.

In South Yorkshire especially, VCSEs have a significant impact, where the value per 1,000 resident population is the greatest.

It is important to note that relatively more 'energy' (i.e. effort) is spent on financial security in South Yorkshire, in comparison to the generally more affluent area of Humber and North Yorkshire.

Figure C **Distribution of energy by area of social purpose and impact in Yorkshire and Humber sub regions** (£millions of invested energy)



The Impact of COVID on VCSEs

COVID can be seen to have had some impact on VCSEs, though not to the extent that was originally believed.

Many VCSEs emerged from the pandemic with bigger reserves compared to pre-pandemic: 4% in 2022 compared to 26% in 2013 – for the whole of Yorkshire.

However, as a result of uncertainty and other impacts of COVID, many VCSEs have been unwilling to use their reserves, preferring instead to hold on to them.

The report's authors attribute the lack of use of reserves as negatively impacting the development of employees and volunteers of VCSEs, and limiting new programmes. To compare, just 9% use of reserves were used in 2022 compared to 16% in 2019.

- The proportion of organisations using reserves for critical needs has remained fairly similar from 2013 to 2022.
- There is strong evidence to show that VCSE organisations are currently being cautious about the use of reserves to invest in new developments (9% in 2022 compared with 16% in 2019).

Figure 6.8 Comparative data on the ownership and use of reserves in Yorkshire and Humber, 2013- 2022



- We have used our reserves for both investment and essential costs
- Yes, we have used our reserves for essential costs (such as salaries, bills, rent, etc.)
- Yes, we have used our reserves to invest in new activities (such as buying property, developing a new service, employing
- No, we have not drawn on our reserves
- No, we don't have any reserves

The Cost of Living Crisis – What it Means for VCSEs

The main impact of the cost of living crisis for VCSEs is the issue of retaining staff and volunteers. When surveyed, 17% of sector responses in South Yorkshire said that retention has become more difficult compared to 3% who said that it was easier.

Since VCSEs also face cost pressures, they have focussed on financial prudence over increasing levels of pay. An important impact of this has been unmet demands for higher pay, which has resulted in some strikes in national charities. It has also contributed to staff retention and recruitment issues.

An increased number of VCSEs are using reserves to pay for essential costs such as wages and other overheads.

Table 4.4 Recruitment and **retention** of employees (Third Sector Trends survey data, 2022)

	Holding on to our existing staff		Recruiting new staff	
	It has become quite a lot harder	It has become quite a lot easier	It has become quite a lot harder	It has become quite a lot easier
Humber and North Yorkshire	14.0	5.0	41.5	6.4
West Yorkshire	23.8	4.2	47.5	5.0
South Yorkshire	17.1	2.6	37.8	5.4
Northumbria	24.6	3.8	54.1	3.9
Tees Valley	27.1	5.1	52.8	5.7
Greater Manchester	21.3	4.5	41.6	3.4
Liverpool City Region	17.9	3.0	46.2	3.1
West Midlands	21.5	6.2	41.7	3.1
West of England	25.9	1.9	49.0	8.2
Cambridgeshire and Peterborough	Insufficient data			
Statistical neighbours	20.9	4.2	46.1	4.6
Statistical strangers	20.8	1.7	41.9	2.8
England and Wales	19.8	3.0	43.0	4.0

Conclusions and the Future of VCSEs

Despite the uncertainty and financial pressures many VCSE leaders are optimistic about the future.

The work of VCSEs, particularly in South Yorkshire, is vital. They are more engaged in local social and public policy events and meetings compared to the national average, 77% and 71% respectively. Given the region's relatively high rate of deprivation, their attention to issues such as personal finance issues is hugely important.

Less staff, and reluctance to use existing funds and reserves runs the risk that services are scaled back. For example, those requiring support in rural areas may be more exposed because where service delivery is more difficult and costly.

Overall, many current and future difficulties faced by VCSEs appear to be largely a consequence of financial pressures and worries – both of their own employees and volunteers.

UK House Price Index: June 2023



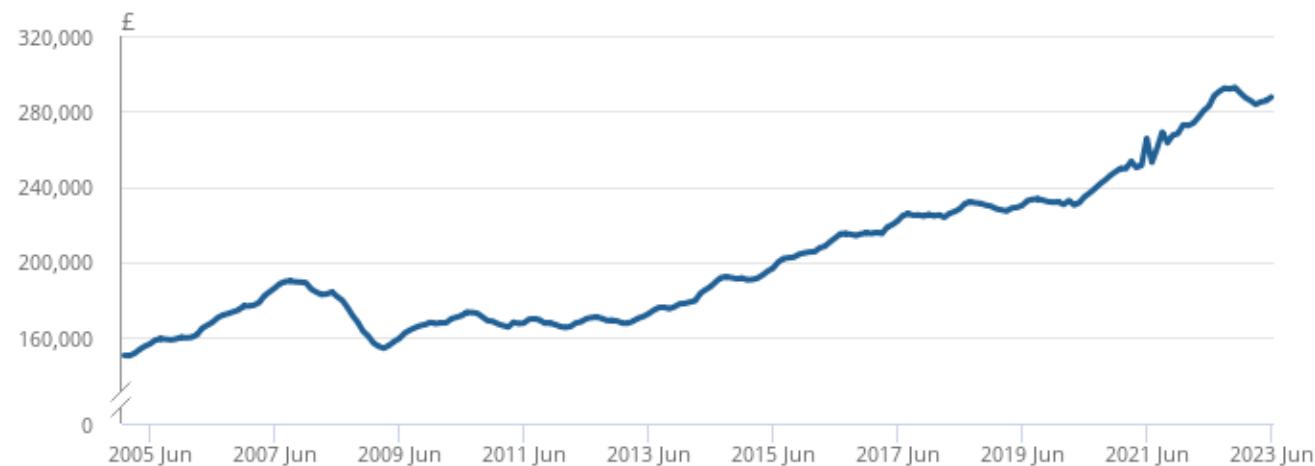
UK House Prices

[Recent analysis by the ONS](#) of the latest house price data for June 2023 shows the average UK house price annual inflation was 1.7% in the 12 months to June 2023.

This was down from the revised estimate of 1.8% in the 12 months to May 2023, and the recent peak in annual inflation of 14.0% in July 2022. This equates to the average UK house price sitting at around £288,000 in June 2023 (however, this is a provisional estimate).

This is an increase of £5,000 compared to a year ago, but remains £5,000 below the recent peak in November 2022.

Figure 2: The average UK house price was £288,000 in June 2023 (provisional estimate)
Average house price, UK, January 2005 to June 2023



Differences across the UK

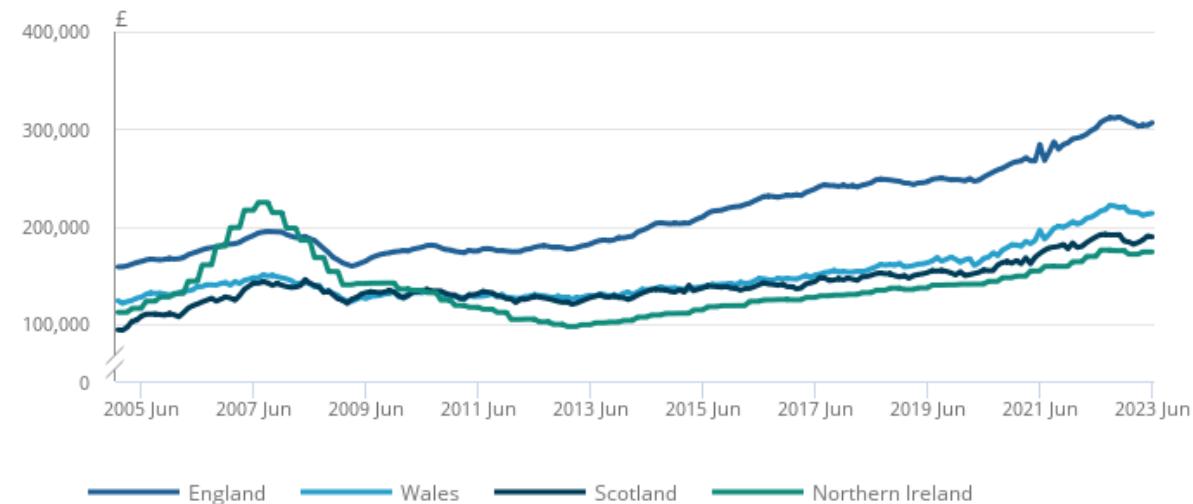
By country England's house prices remained the highest in the UK which sits at an average of £306,000 in June 2023 which is a 1.9% increase over the last year.

Wales house prices increase by 0.6% over the last 12 months putting the average price at £213,000 in June. However, Scotland had little change in the last year and as of June the average price sits at £189,000.

Across England, the North East had the highest percentage change in the last 12 months, however, it continued to have the lowest average house price at £161,000.

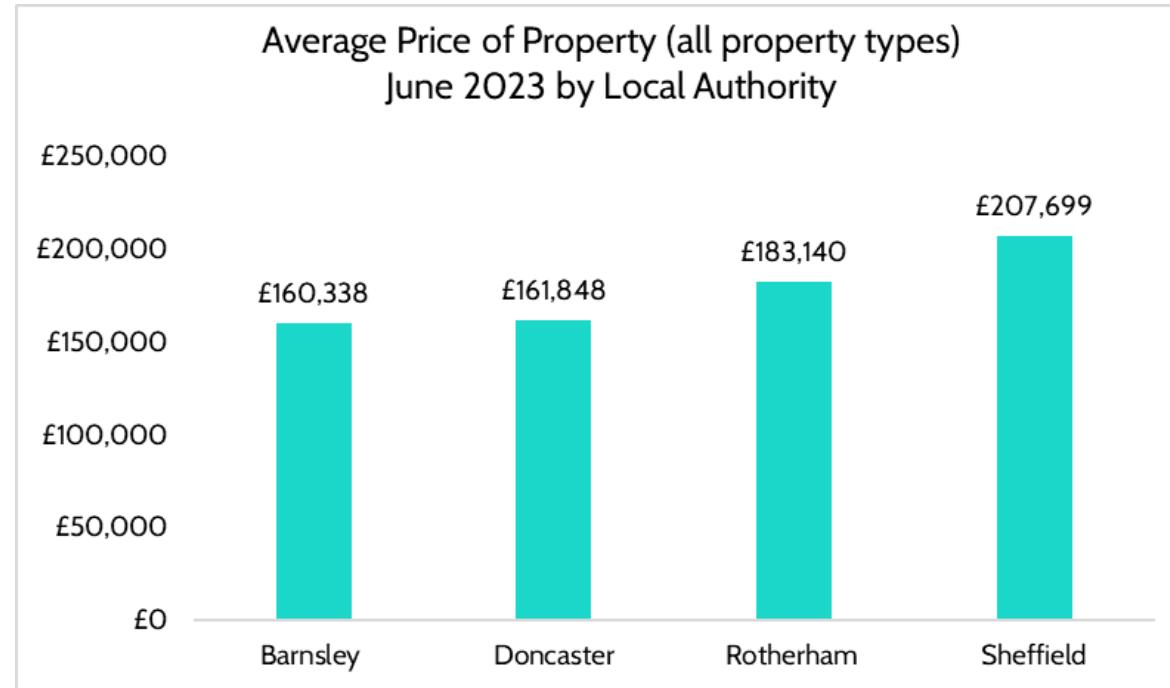
London's average price remained the highest at £528,000 but it had the lowest annual house price inflation.

Figure 3: England house prices remain the highest in the UK
Average house price by country, UK, January 2005 to June 2023

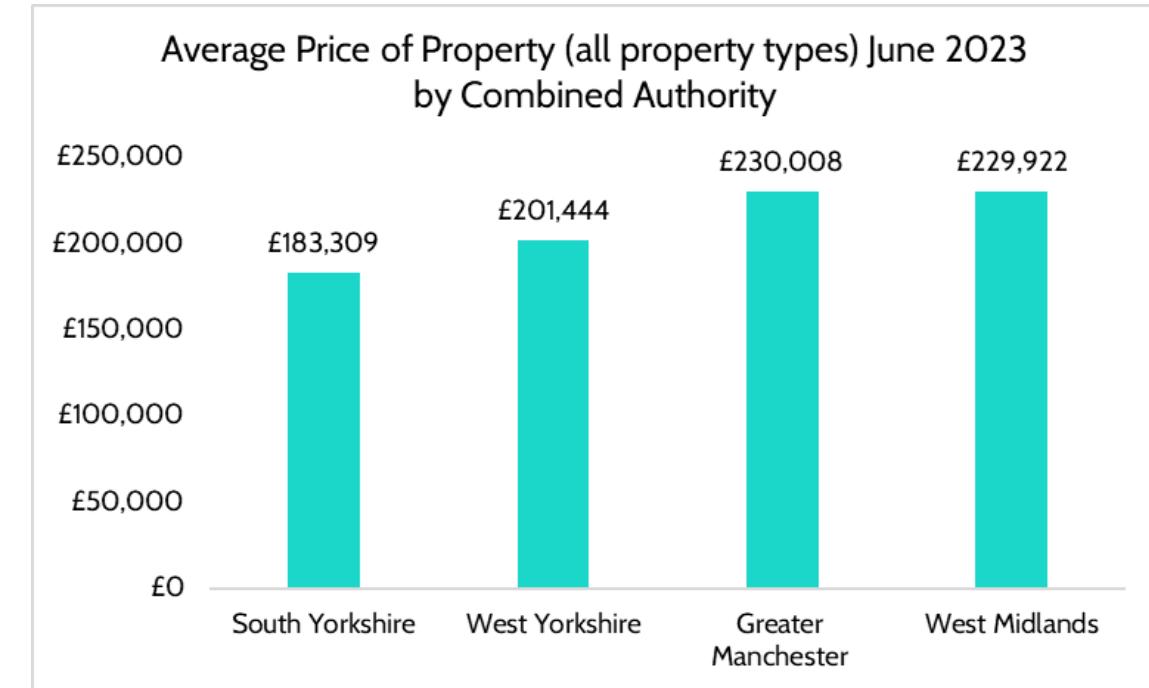


South Yorkshire

Source: Data from ONS, SYMCA tables



Within South Yorkshire the average property price was lowest in Barnsley, followed by Doncaster with Sheffield have the highest average price.



Compared to other Combined Authority areas, South Yorkshire has the lowest average property price as well as being lower than the Yorkshire & Humber average which sits at £208,867.

The Problem with High Housing Costs

With a greater proportion of people's income dedicated to servicing housing costs, households have less disposable income to spend in other areas of the economy.

Based on [November 2022 ONS House Price Index](#), the average price for a house in the UK is nearly 9 times the average income.

High housing costs has an impact on productivity, acting to disincentivise workers from relocating to areas with a thriving economy and job opportunities. At the same time, it puts greater pressure on low earners.

Source: Schroders

House prices as a multiple of average earnings

Schroders



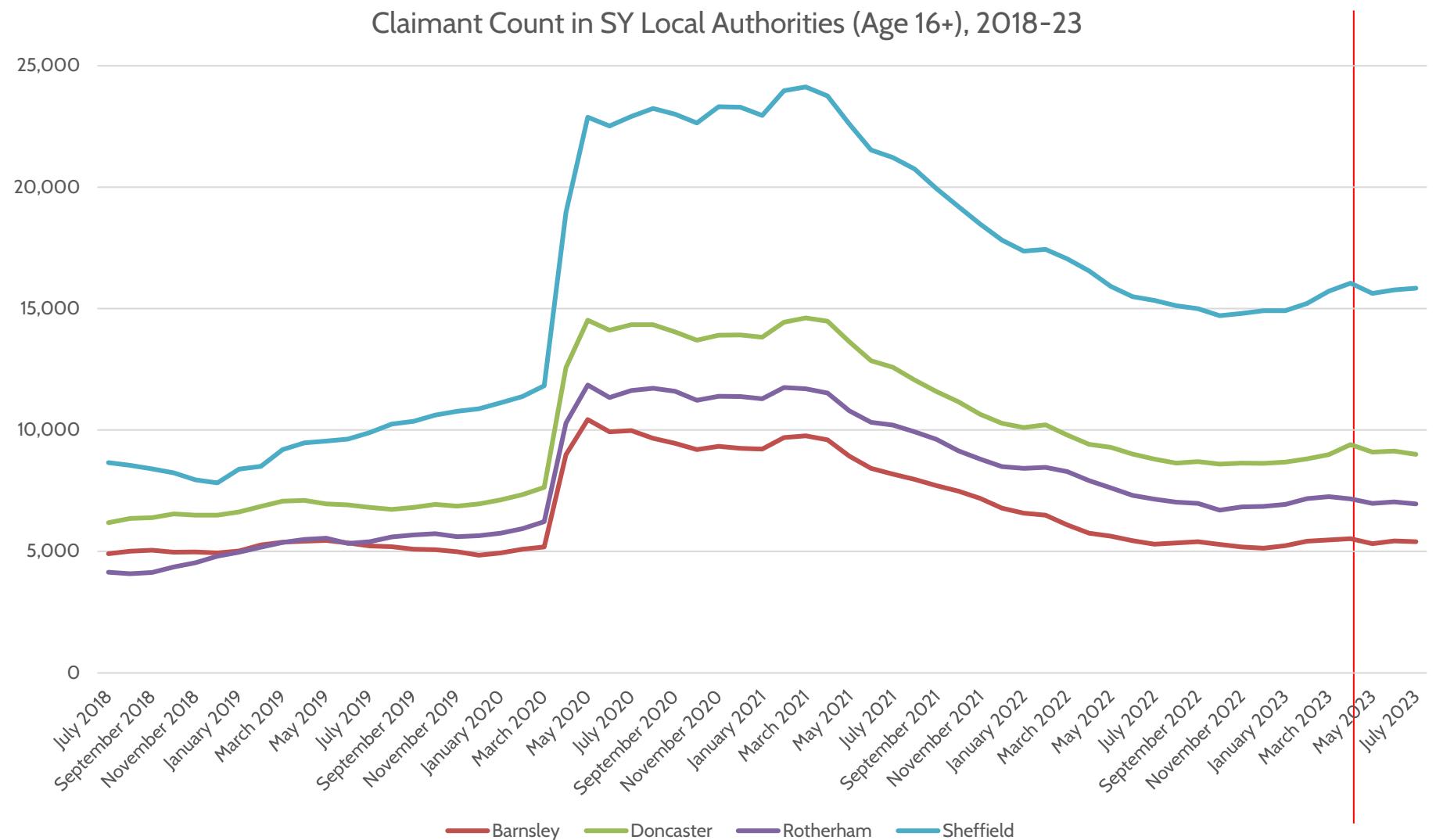
Economic Update – Labour Markets



Claimant Count

The latest data from [NOMIS](#) (ONS) indicates that the claimant count (measure of those claiming Job Seeker's Allowance) has remained flat across South Yorkshire in July at roughly 37,000, following a sustained increase since October 2022.

However, it is still 21% higher than in March 2020 and has stabilised above pre-pandemic levels since summer 2022.



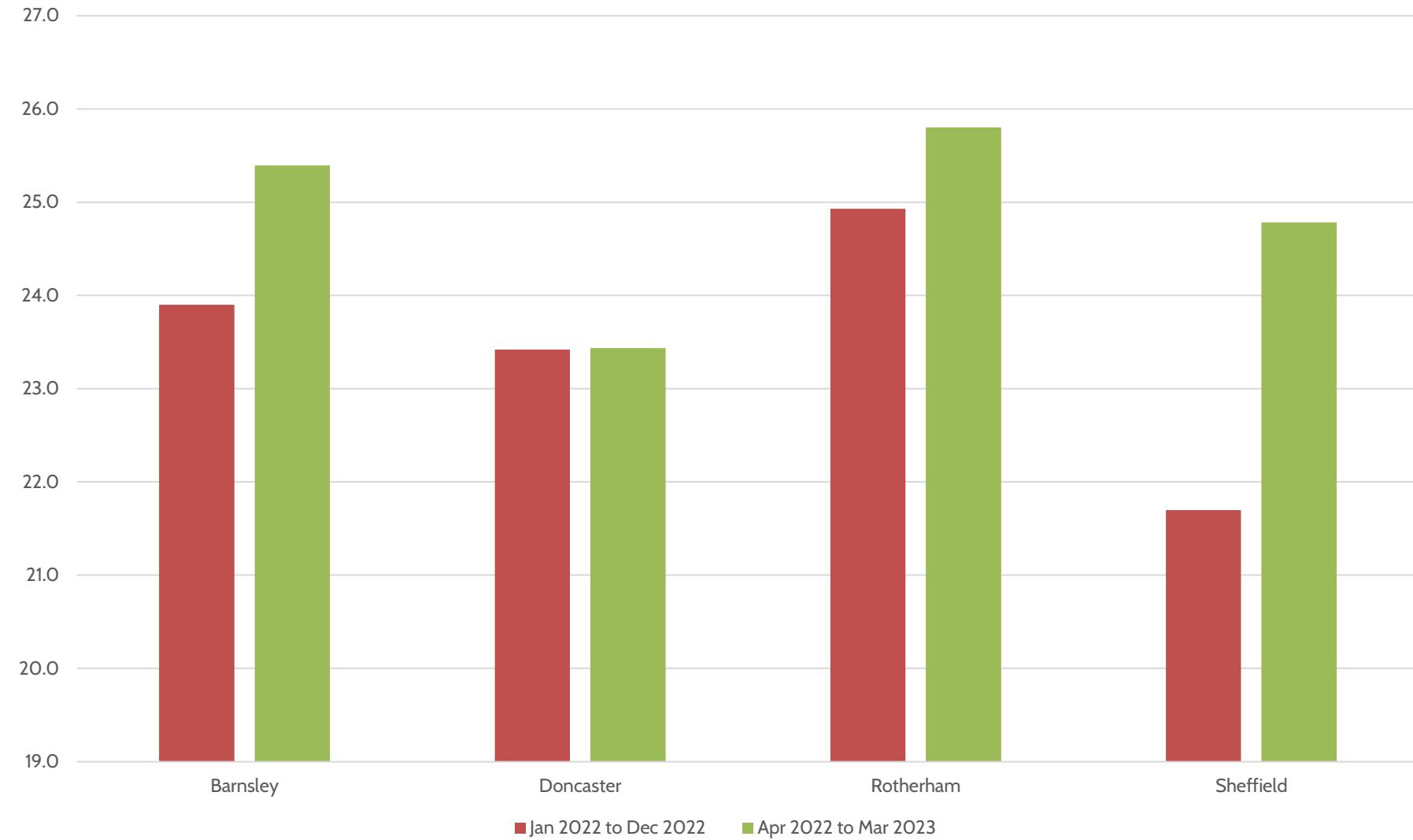
Economic Inactivity

Figures from the [ONS](#) show that the economic inactivity rate (which measures people not seeking or unable to work) has increased in South Yorkshire from 23% to 24.8% between Jan-Dec 22 and April 22-Mar 23.

By local authority, the biggest increase was in Sheffield at 3.1%, though it did have the lowest rate previously.

Meanwhile, Doncaster saw no change over this period.

Economic Inactivity Rate in SY Local Authorities (Age 16-64), %



Source: ONS

South Yorkshire Data & Intelligence Hub

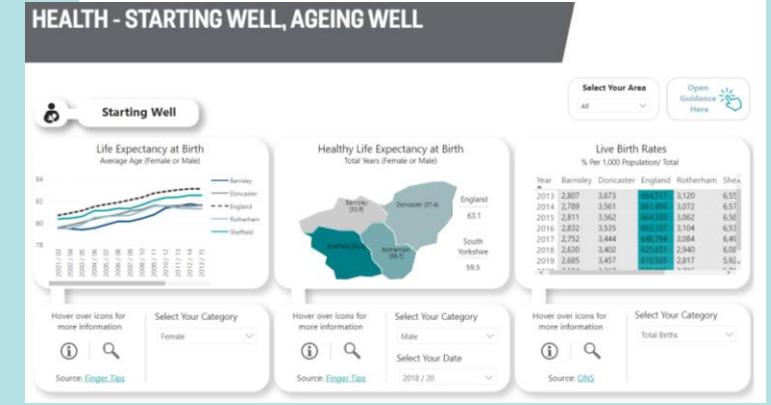
Want to access data and trends relating to South Yorkshire?

Head to the [South Yorkshire Data & Intelligence Hub](#), which provides a range of data useful for understanding the local economy, as well as social and environmental outcomes.

It also helps to understand relative performance and changes in data. See how it works on YouTube [here](#).

Whether you're a resident, employer, academic, researcher or just interested in data, this can help you understand South Yorkshire's economy and develop evidence-based solutions.

Visit the dashboard now at <https://southyorkshire-ca.gov.uk/Data-Intelligence-Hub>



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