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THE UK CIVIL SOCIETY ALMANAC 2018

SUMMARY

Cazenove Capital

NCVO

CHAMPIONING VOLUNTARY ACTION

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Almanac authors and contributors
Claire Bénard
John Davies
Joy Dobbs
Lisa Hornung
Véronique Jochum
Marc Lawson
Amy McGarvey

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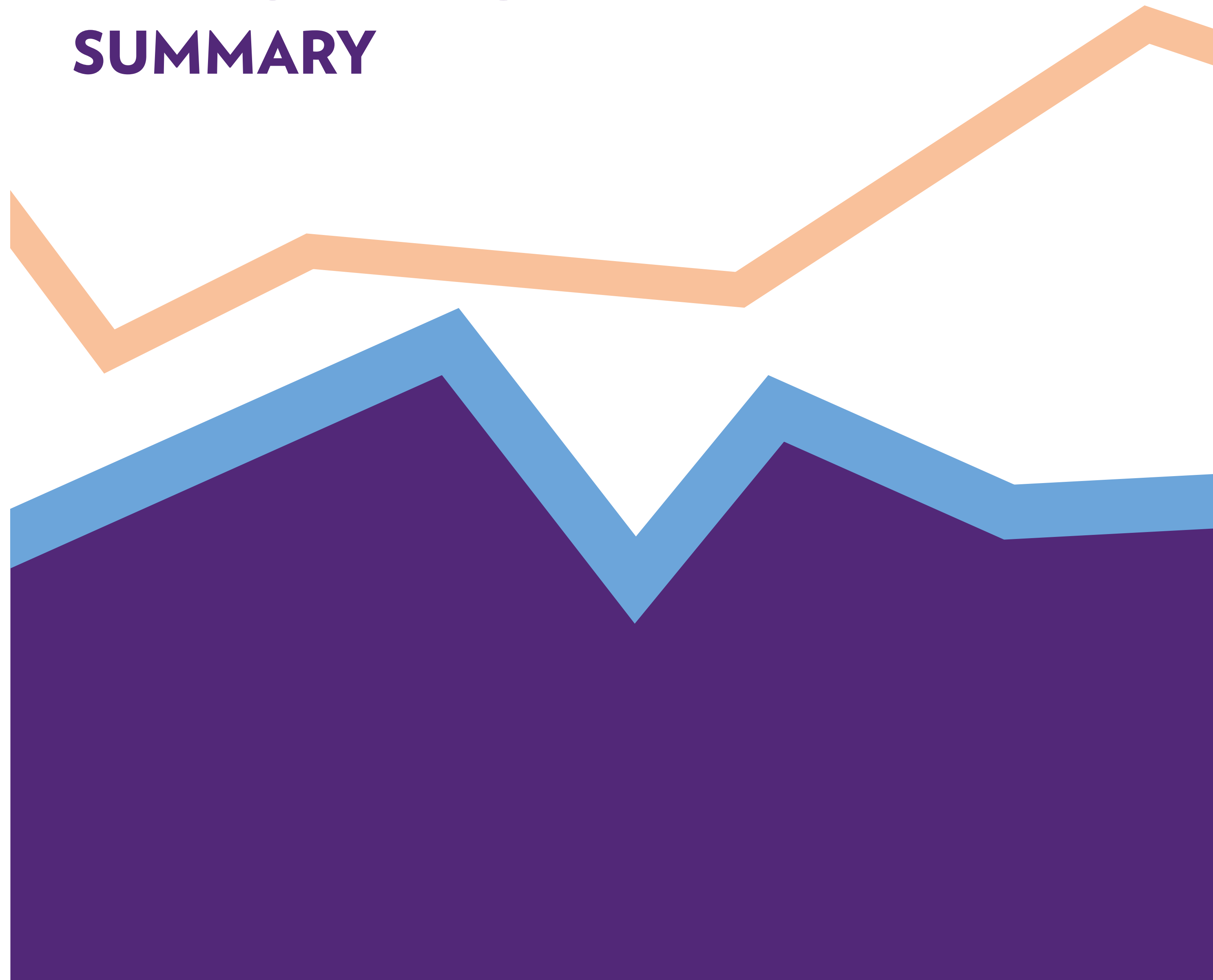
SUMMARY



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FOREWORD

Cazenove Charities is pleased to sponsor the 17th edition of the NCVO Almanac. Since its launch, the Almanac has provided strong evidence of the significant contribution made by the voluntary sector. This year's edition therefore serves as an important reminder of the depth, breadth and impact of the sector, at a time when its credentials are being questioned.

We are the trusted partner of 900 charitable organisations with the responsibility for helping each of them achieve their own investment objectives, whatever their size and purpose. Whilst investment income only represents about 7% of the sector's total income, it is often an important component of those organisations that have endowments and this research suggests that over 63% of voluntary organisations have some form of investment income.

However, it is the wider picture that remains so impressive and important, with charitable spending increasing year on year in the face of a falling proportion of this income coming from government. The sector also employs about 880,000 people, around three fifths the size of the NHS workforce.

We are delighted to continue supporting the Almanac and trust that you will find the data and analysis both interesting and helpful in support of your individual organisations and the wider voluntary sector.

Cazenove Capital

Giles Neville
Head of Charities
Cazenove Capital
www.cazenovecharities.com

INTRODUCTION

Welcome to the NCVO UK Civil Society Almanac 2018, the essential resource for data, trends and insights on the sector. Whatever your reasons for reaching for this publication – whether you work for a charity, in finance, or are a researcher or a civil servant – I hope you find it useful and informative.

Recovering from the financial crisis
The financial figures here are for the year 2015/16, they are adjusted for inflation and exclude some organisations with charitable status (see methodology). They paint a picture of a sector recovering from its post-crisis plateau.

The sector now numbers 166,000 charities. The sector's total income increased by 4% to £47.8bn, with a slight fall in government income being more than offset by growth in income from the public. Spending increased by 2.6% to £46.5bn. Across the whole of the sector, 85p of each pound spent went on delivering organisations' charitable missions, with 14p spent on fundraising, and 1p on governance costs. Between them, charities contributed £15.3bn to the country's economy.

The sector's assets rose above the level seen in their 2007/8 pre-financial crisis peak for the first time, while total reserves increased by 5% to £46.5bn.

Only around three percent of all voluntary organisations have an annual income of over £1m, but these larger organisations account for 81% of the sector's total income. As ever, the Almanac is a reminder that most voluntary organisations are small and operate locally, with over four in five organisations having an annual income of under £100,000.

The public are charities' most important source of income…
In total, nearly half the sector's income comes from the public. Over the past few years, income from individuals has driven the increase in the sector's total income, with that increase itself predominantly coming from earned income, such as membership fees or charity shop sales, rather than donations. Income from the public grew by £1.5bn, 7%, with £0.8 billion of this growth in earned income and £0.6 billion in donated income.

2015/16 was the year in which we saw widespread public concern about fundraising methods, culminating in a review of fundraising regulation. Despite this, donations to charities from individuals continued to increase. This is not, however, a cause for complacency. We cannot quantify the income lost to charities from those who chose not to donate because of their concerns about fundraising methods. Moreover, we do not know what contribution the high-profile stories will have made to eroding trust in charities over time. That is why it remains crucial that charities continue to demonstrate high standards in order to reinforce public trust.

…while income from government has fallen back slightly
The sector received £15.3bn of its income from the government in 2015/16, a very slight fall back to its level two years prior. Government income to the sector has historically tracked departmental spending, and this year saw the start of the period of the 2015 spending review, which set out £18bn in cuts to departmental spending by 2020. Looking at the distribution of government income, larger charities continued to fare better. This may reflect their greater ability to succeed in a commissioning environment which increasingly tends to favour organisations which can bid and deliver at scale.

Millions of us volunteer for charities
11.9 million over 16s volunteered at least once a month in 2016/17, just under one in four of us in the UK. Levels of less regular volunteering are higher, with 37% of the population giving their time at least once in the last year. Behind these figures, we are increasingly aware that the way in which people are getting involved in society is changing. People get involved in a wider range of activities, while evidence points to a new generation of volunteers who want more flexible opportunities.

The voluntary sector workforce is growing and changing
In June 2017, the voluntary sector employed over 880,000 people. This is an increase of 4% since June 2016. The voluntary sector remains heavily female dominated with only a third of the sector being male, compared to 59% in the private sector. But that seems slowly to be changing, with the proportion of men in the voluntary sector workforce increasing from 35% to 37% between June 2016 and June 2017, continuing the recent trend of small year-on-year increases.

Over 94% of employees in the sector come from the United Kingdom, 4% from another European country, including Ireland, and 3% from the rest of the world. Since June 2016, 7,800 EU nationals have left the voluntary sector, a 20% decrease in the number of employees from European countries. This reverses the long-term trend of gentle increases and returns the number of EU employees to 2014 levels.

No room for complacency
We can and should celebrate the fact that the UK voluntary sector continued to grow, doing more than ever for the people and causes it works for. But I know that aggregate numbers can disguise a great deal of variation in experience on the ground.

While some charities are going from strength to strength, others are struggling with the ongoing local government spending squeeze, or being pushed out of an increasingly competitive public services market.

Income from the public was strong in the year under examination, but many have suggested that the transition to a longer-term approach to fundraising methods and the impact of changes to data law could mean future fundraising returns will be lower in the short term.

There seems to me no shortage of risks for the sector and for the individual charities within it. But I know that if anyone can meet the challenges we face, it's the dedicated and resourceful people I'm honoured to meet every day in this sector.

With best wishes

Sir Stuart Etherington
Chief Executive, NCVO

FAST FACTS

voluntary organisations
166,001

paid workforce
880,556

37% male

63% female

37% volunteer at least once a year

22% volunteer at least once a month

£22.3bn
income from individuals

£15.3bn
income from government

£33.1bn
spending on charitable activities (excluding grants)

£46.5bn
total spending

£15.3bn
contribution to UK economy

Voluntary organisations

	2015/16	2010/11–2015/16
Number of voluntary organisations	**166,001**	

	2017	2012–2017
Paid workforce (headcount)	**880,556**	
Gender		
Male	321,626	
Female	558,929	
Employment status		
Full time	562,885	
Part time	316,784	

	2016/17	2013/14–2016/17
Percentage of people formally volunteering		
At least once a month	22%	
At least once a year	37%	

Voluntary sector finances

	2015/16	2010/11–2015/16
Total income	**£47.8bn**	
Income from individuals	£22.3bn	
Income from government	£15.3bn	
Total spending	**£46.5bn**	
Spending on charitable activities	£33.1bn	
Spending on grants	£6.5bn	
Spending on generating funds	£6.4bn	
Spending on governance	£0.6bn	
Net assets	**£121.3bn**	
Contribution to the UK economy	**£15.3bn**	

SIZE AND SCOPE

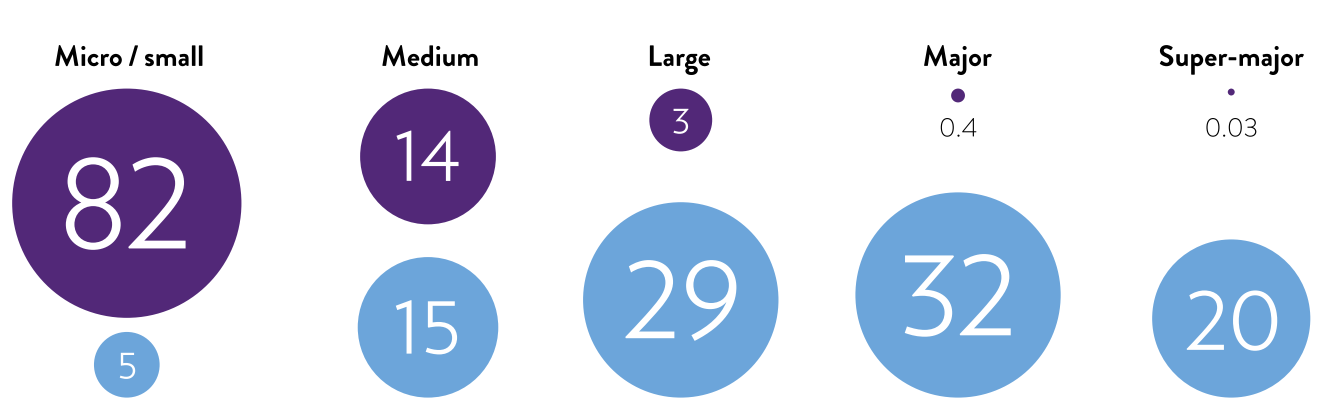
The voluntary sector is a vital part of the fabric of society in the UK. It is very diverse, hosting a wide variety of organisations ranging in size, aims and activity. Our analysis of the sector is based on our 'general charities' definition (see methodology) which allows comparison of figures from year to year.

166,001 voluntary organisations in the UK

By size

Organisations with an annual income of £100,000 or less make up over four-fifths (81%) of the sector but account for only 5% of the sector's income. Four-fifths of income is generated by organisations with an income of £1m or more, though they only make up 3% of organisations

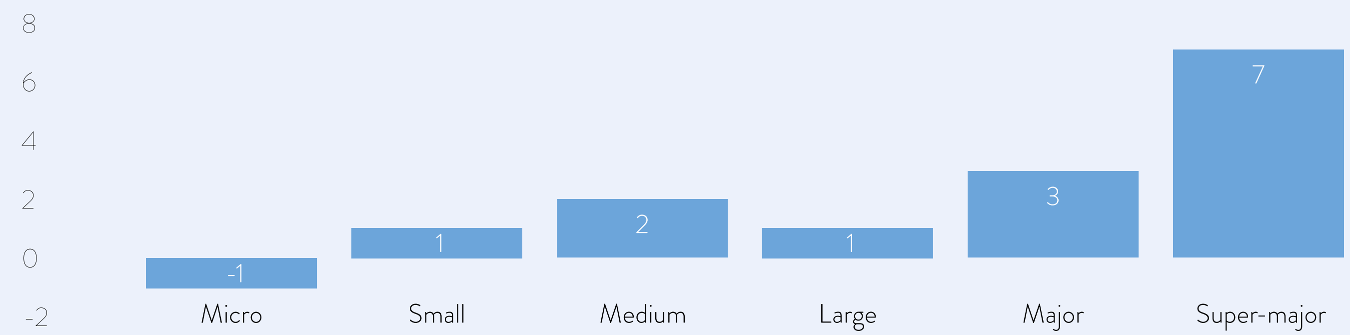
Proportion of organisations and income by income band, 2015/16 (%)
Source: NCVO, Charity Commission



Change from last year

Super-major and major organisations increased in number by the biggest proportion in 2015/16

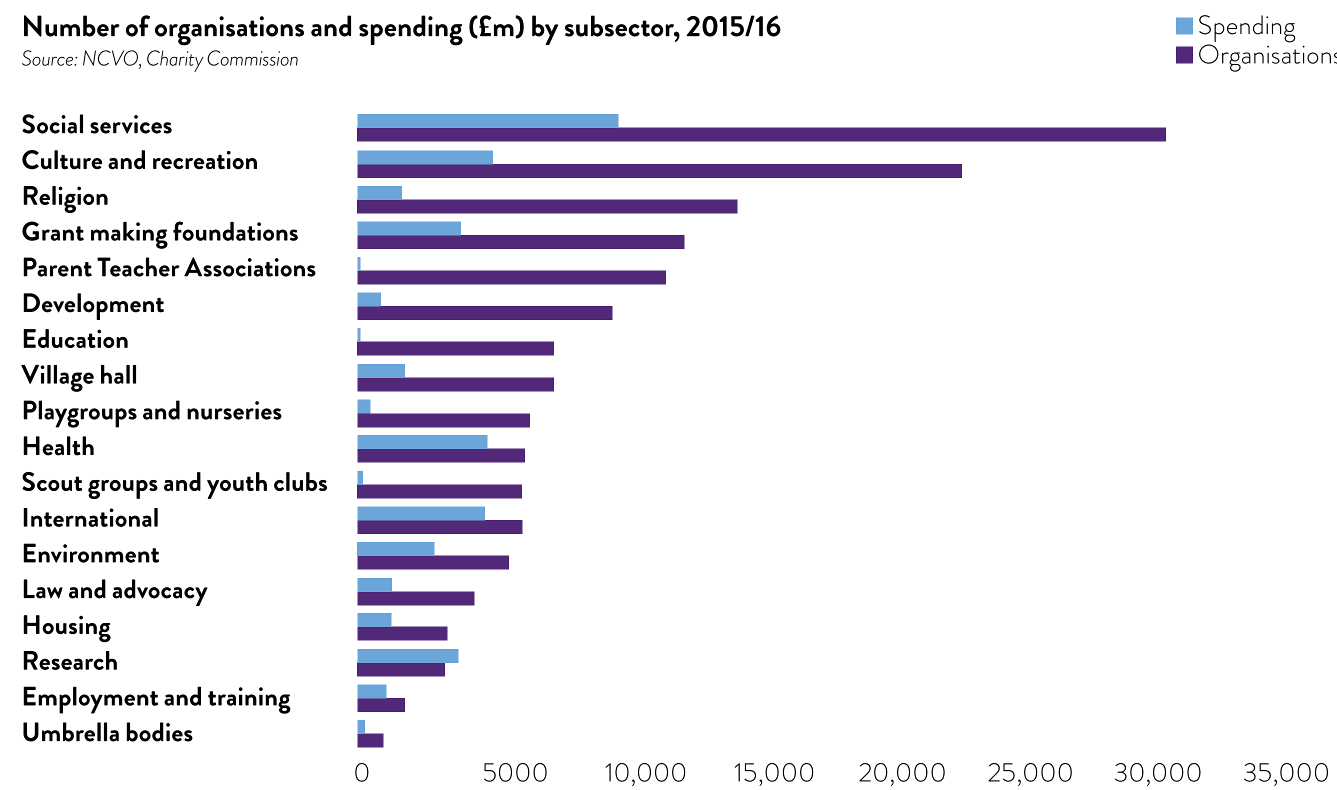
Percentage change in number of organisations by income band, 2014/15 to 2015/16 (%)
Source: NCVO, Charity Commission



By subsector

Social services provision is the most common charitable activity, both by number of organisations and spending

Number of organisations and spending (£m) by subsector, 2015/16
Source: NCVO, Charity Commission



Find out how income, expenditures and assets are split between organisations of different size and sector at: **data.ncvo.org.uk**

FINANCE

The voluntary sector spent £46.5bn in 2015/16, which represents 97% of the sector's total income.

Find out how much large charities contributed to the growth in income and spending at: **data.ncvo.org.uk**

Snapshot

The difference between income and spending (£1.3bn) does not necessarily imply that the sector has surplus income: capital expenditure on equipment or buildings is spread over the life of the asset, whilst the total income includes items that are spent over multiple years

Income and spending of the UK voluntary sector, 2015/16 (£bn)

Source: NCVO/TSRC, Charity Commission

INCOME 47.8bn

INDIVIDUALS	22.3	Donations	7.8
		Legacies	3.1
		Fees for services	6.7
		Fundraising	4.7
GOVERNMENT SOURCES	15.3	Grants	3.8
		Contracts and fees	11.4
VOLUNTARY SECTOR	4.1	Grants	3.2
		Earned	0.7
		Other income	0.1
INVESTMENTS	3.4		
PRIVATE SECTOR	2.0	Donations	1.0
		Earned	1.0
NATIONAL LOTTERY	0.7		

SPENDING 46.5bn

CHARITABLE ACTIVITIES	33.1		
GRANTS	6.5		
COST OF GENERATING FUNDS	6.4	Cost of income generating activities	5.9
		Cost of managing investments	0.5
GOVERNANCE	0.6		

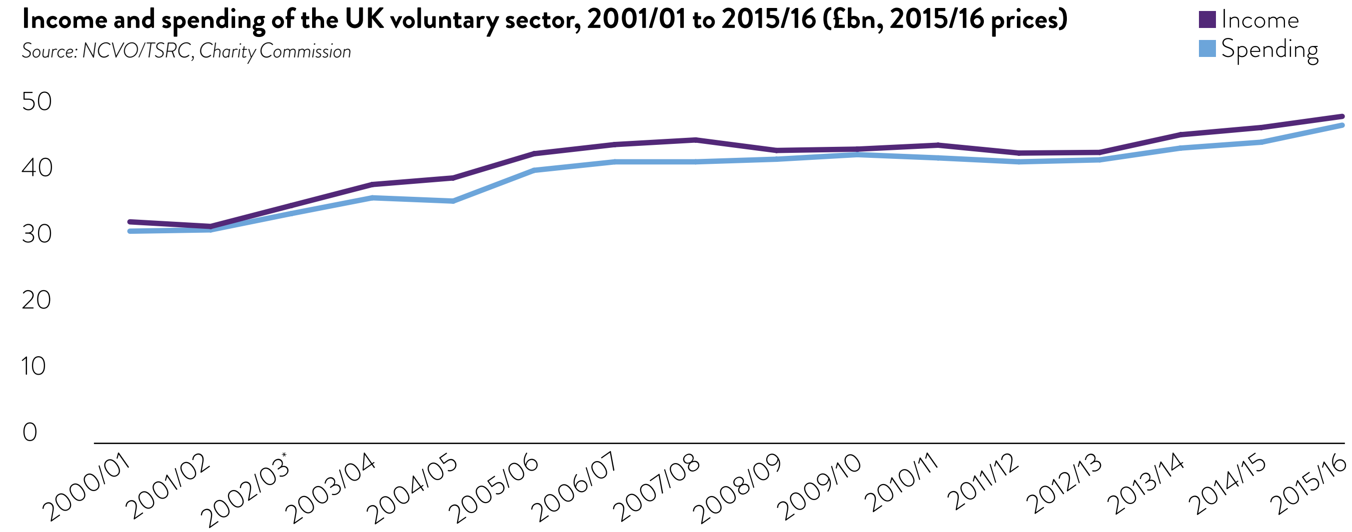
RETAINED INCOME AND CAPITAL EXPENDITURE 1.3

Over time

Income and spending of the UK voluntary sector increased from previous year, by £1.6bn (4%) and £2.6bn (6%) respectively

Income and spending of the UK voluntary sector, 2001/01 to 2015/16 (£bn, 2015/16 prices)

Source: NCVO/TSRC, Charity Commission



ECONOMIC VALUE

There are several ways to quantify the contribution of the voluntary sector to the wider economy. The number of people employed and the gross value added (GVA) are two important indicators. The Almanac uses a method developed together with the ONS to estimate the GVA of the sector.

Added value

The contribution of the sector was similar to the GDP of Estonia in 2016

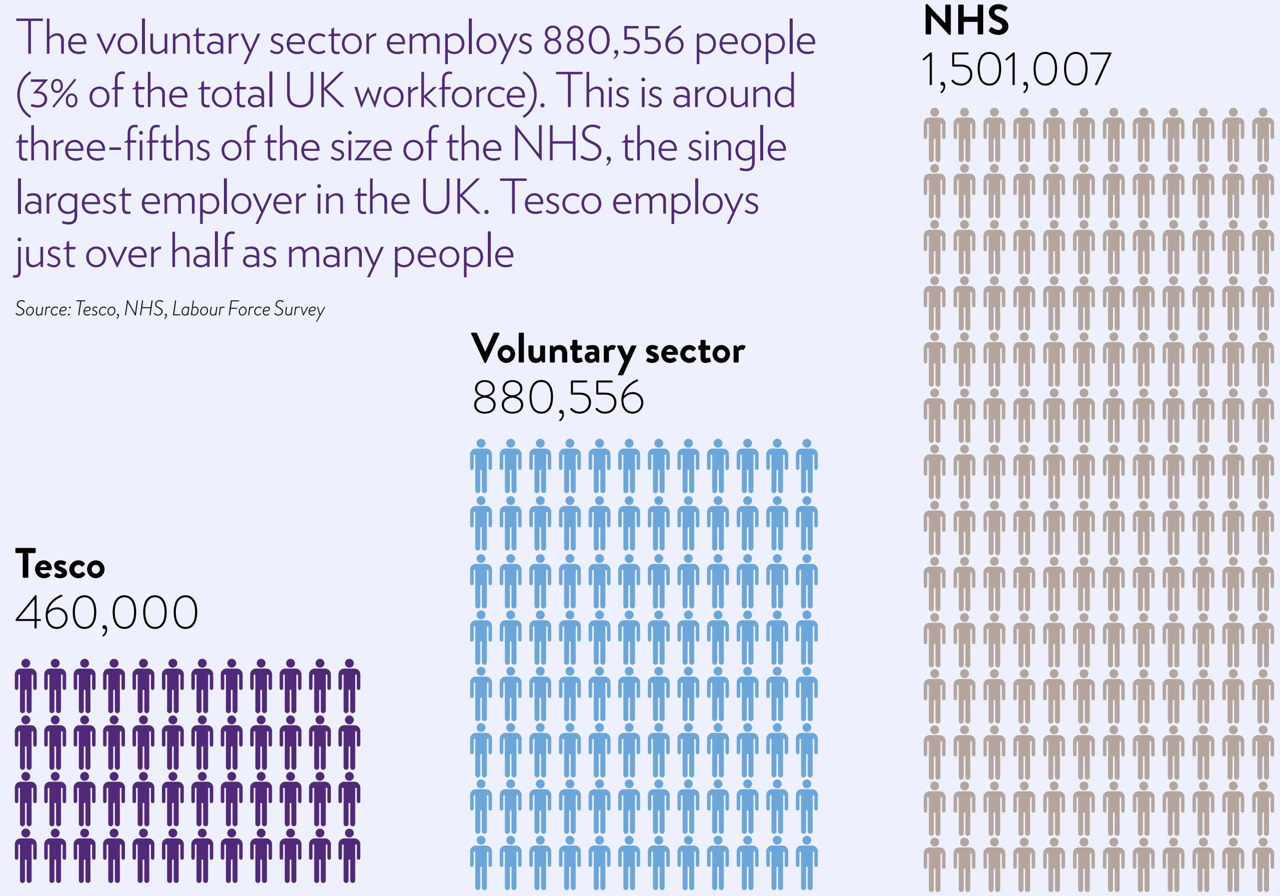
£15.3bn
the GVA of the voluntary sector

Figures have been converted from USD to GBP
Source: World Bank, HMRC exchange rate, NCVO

Workforce

The voluntary sector employs 880,556 people (3% of the total UK workforce). This is around three-fifths of the size of the NHS, the single largest employer in the UK. Tesco employs just over half as many people

Source: Tesco, NHS, Labour Force Survey



Volunteering

The value of formal volunteering was estimated to be £22.6bn in 2015

Source: ONS

£22.6bn

Find out how the sector's GVA compares to last year at: **data.ncvo.org.uk**

GEOGRAPHY

Voluntary organisations are not distributed evenly throughout the UK. The location of charities in our analysis reflects where they are registered, not necessarily where their beneficiaries or main activity are located. Many national and international organisations have their headquarters in London but run charitable activities across the UK and overseas.

Nationwide

The location of every voluntary organisation in England, Wales and Scotland in 2015/16 based on their registered address

Source: NCVO, Charity Commission

Number of voluntary organisations in England, which represents over 80% of all UK voluntary organisations

133,505

Find out more about the geographical distribution of assets at: **data.ncvo.org.uk**

By region

Voluntary organisations in London account for almost half the income of the voluntary sector in England

Voluntary sector income by region in England, 2015/16

Source: NCVO, Charity Commission

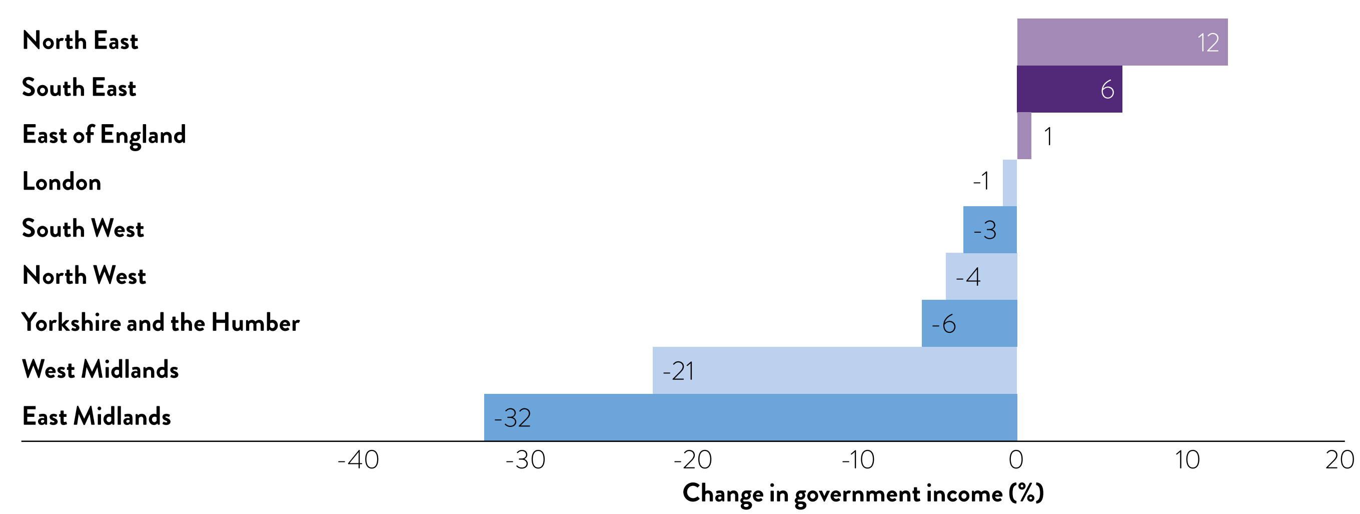
London	£20.4bn
South East	£5.8bn
South West	£3.5bn
North West	£2.8bn
East of England	£2.7bn
West Midlands	£2.3bn
Yorkshire and the Humber	£1.8bn
East Midlands	£1.6bn
North East	£1.0bn

Change in government funding from last year

In 2015/16, organisations in the majority of regions in England received less income from government than in 2014/15

Change in government income by region in England, 2014/15 to 2015/16 (%, 2015/16 prices).

Source: NCVO, Charity Commission



BENEFICIARIES

Voluntary organisations serve a broad range of purposes, such as supporting people with disabilities, improving the environment and working with children, across the UK and internationally. They do so in a number of ways, from grant making to the provision of services or facilities, or campaigning.

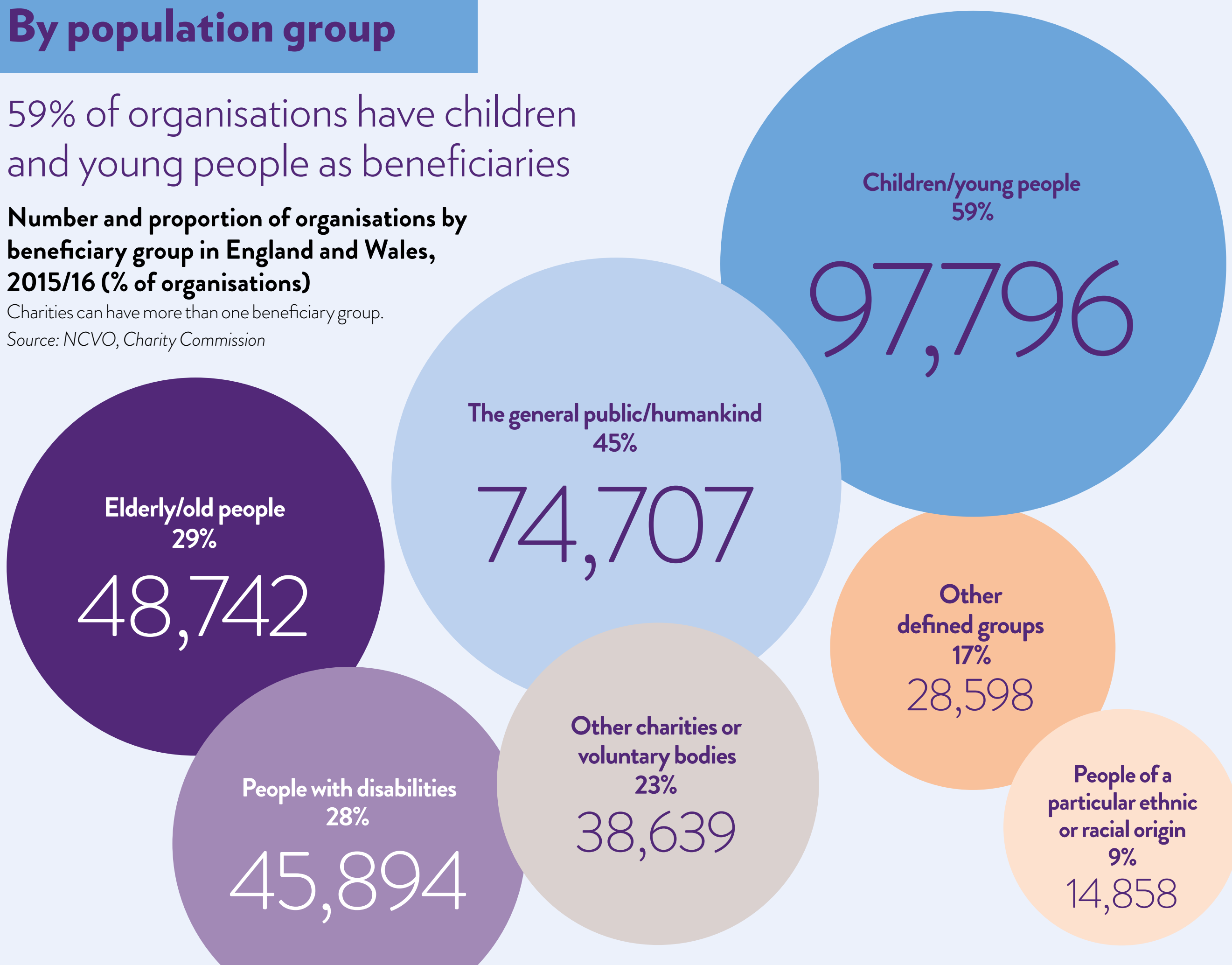
By population group

59% of organisations have children and young people as beneficiaries

Number and proportion of organisations by beneficiary group in England and Wales, 2015/16 (% of organisations)

Charities can have more than one beneficiary group.

Source: NCVO, Charity Commission



Find out more information on the general public's interaction with the voluntary sector at: **data.ncvo.org.uk**

By activity

The most common activity is direct provision of services

Number of organisations by type of activity in England and Wales as a percentage of total number, 2015/16 (%)

Charities can have more than one activity type.

Source: NCVO, Charity Commission

Provides services	36
Provides buildings/facilities/open space	30
Makes grants to organisations	29
Provides advocacy/advice/information	22
Provides human resources	21
Makes grants to individuals	21
Other charitable activities	13
Acts as an umbrella or resource body	9
Sponsors or undertakes research	8
Provides other finance	6

By geographical scope

Larger organisations are more likely to operate nationally and overseas. However, 4 in 10 organisations with an income between £10m and £100m operate locally

Area of operation of voluntary organisations in England and Wales by income band, 2015/16 (% of organisations)

Source: NCVO, Charity Commission

	Local	National	National and overseas	Overseas
Micro	79	12	3	5
Small	78	13	4	6
Medium	69	19	5	7
Large	60	25	7	8
Major	39	42	8	10
Super-major	4	73	4	18

VOLUNTEERING

Many people volunteer in the UK, donating their time to a range of different causes, from caring for the elderly to providing shelter to the homeless. Volunteering rates in the UK remain high, with 37% of people over the age of 16 formally volunteering through a group, club or organisation at least once a year in 2016/17.

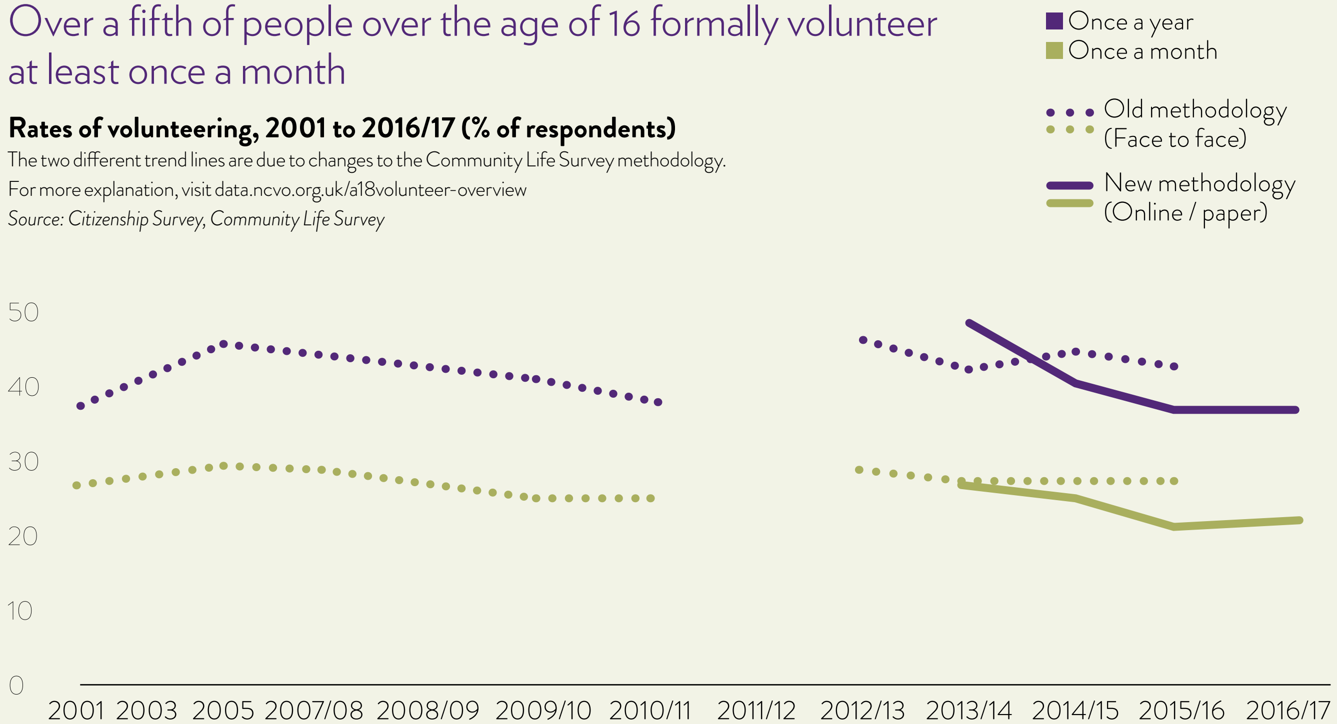
Over time

Over a fifth of people over the age of 16 formally volunteer at least once a month

Rates of volunteering, 2001 to 2016/17 (% of respondents)

The two different trend lines are due to changes to the Community Life Survey methodology. For more explanation, visit data.ncvo.org.uk/a18volunteer-overview

Source: Citizenship Survey, Community Life Survey



11.9 million

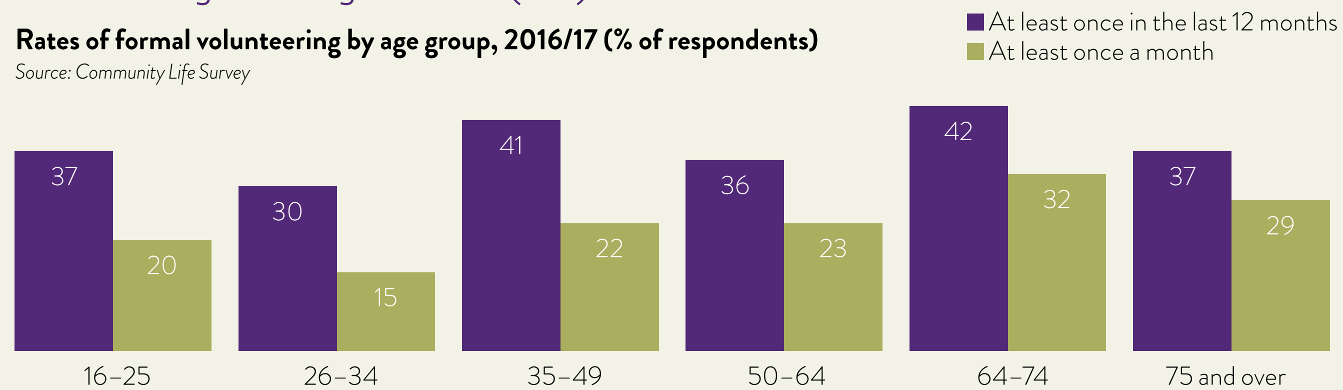
people formally volunteered at least once a month in 2016/17

By age

Rates of formal volunteering vary by age group. In 2016/17 the highest rates of regular formal volunteering were among 65 to 74 year olds (32%), with the lowest rates among those aged 26-34 (15%)

Rates of formal volunteering by age group, 2016/17 (% of respondents)

Source: Community Life Survey

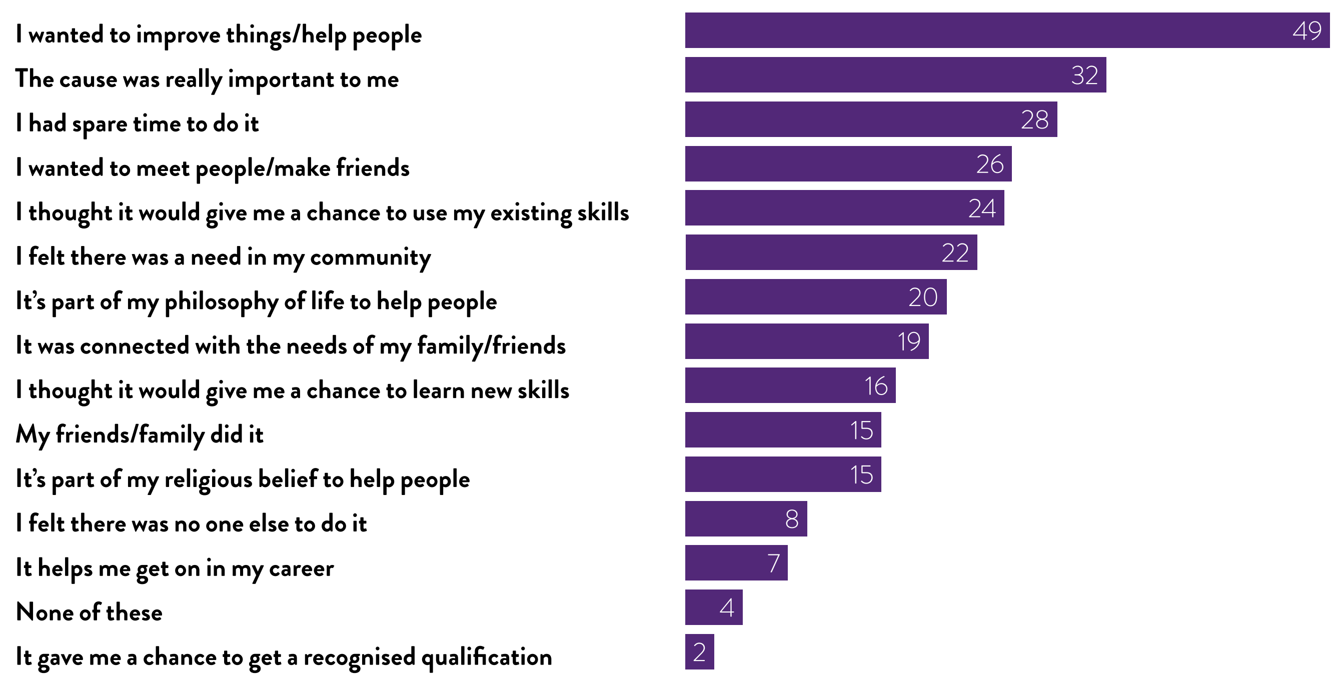


By motivation

Wanting to improve things or help people is the most common motivation for volunteering

Volunteer motivation breakdown, 2016/17 (% of respondents)

Source: Community Life Survey



Find out more about the profiles and motivations of volunteers at: **data.ncvo.org.uk**

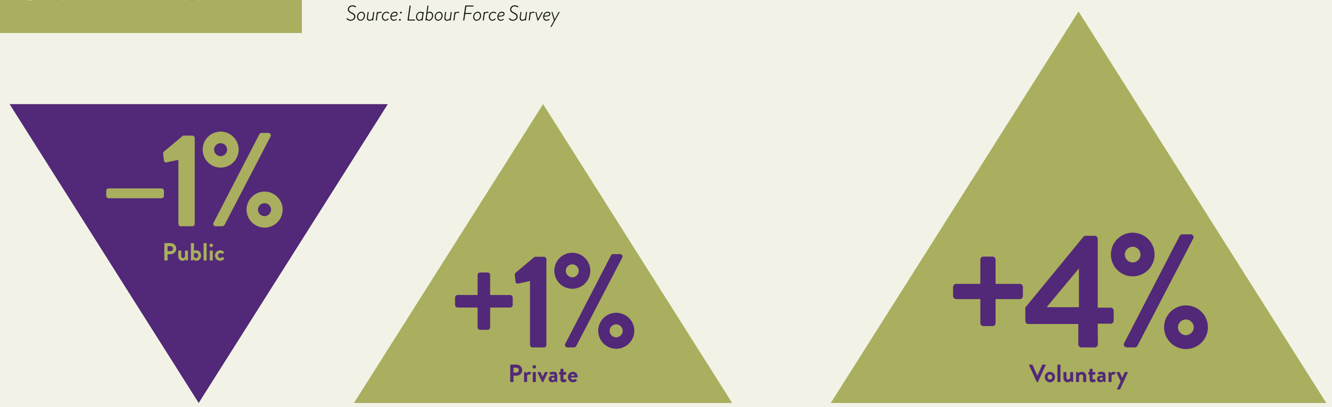
WORKFORCE

Voluntary organisations employ nearly a million people in the UK. The voluntary sector workforce experienced higher growth than the workforce in the public and private sectors.

Overview

Change in employee numbers to previous year by sector, 2017 (%)

Source: Labour Force Survey



880,556

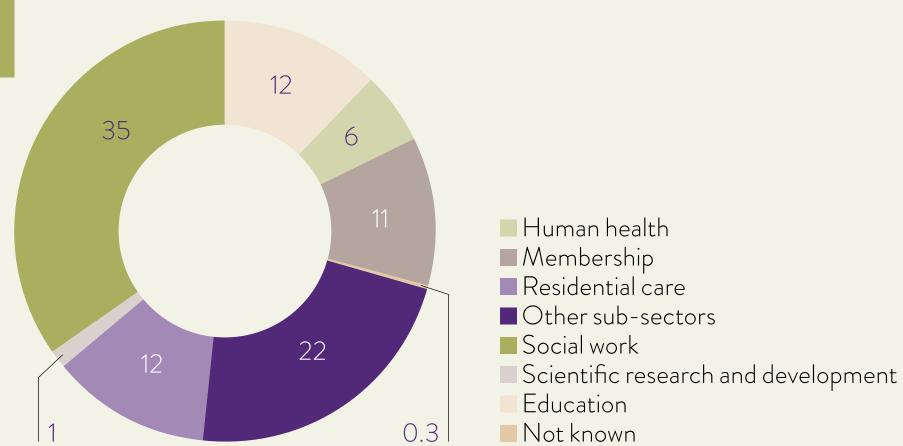
people are employed in the voluntary sector in the UK in June 2017

By subsector

Over a third (35%) of employees work in social work

Voluntary sector workforce by subsector, June 2017 (% of total workforce)

Source: Labour Force Survey



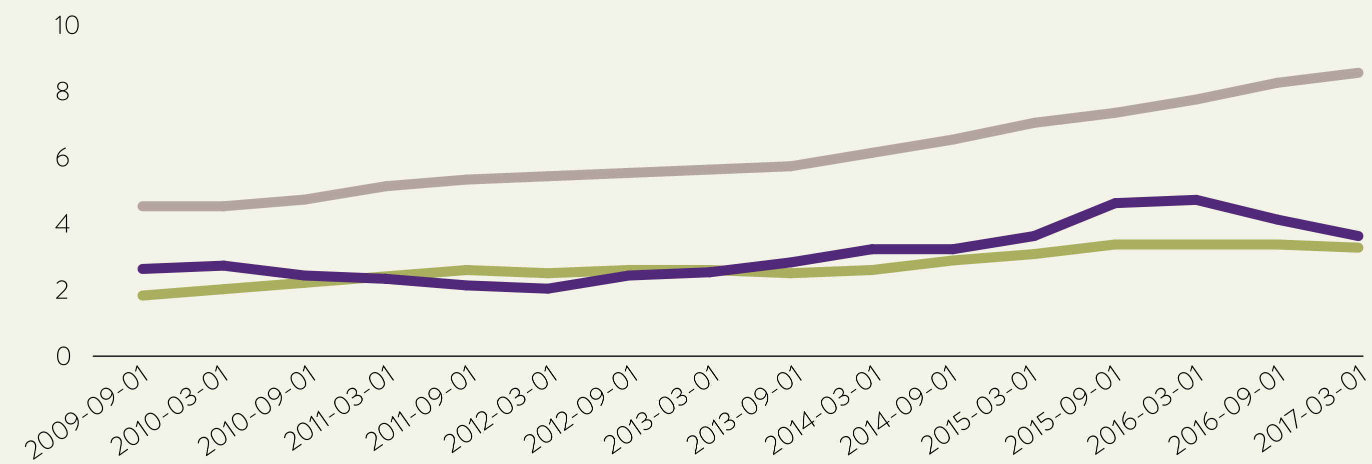
By nationality

The number of EU nationals working in the voluntary sector has decreased by 7,800 since June 2016

Voluntary
Public
Private

Proportion of employees who are EU nationals by sector, 2009 to 2017 (% of total workforce)

Source: Labour Force Survey

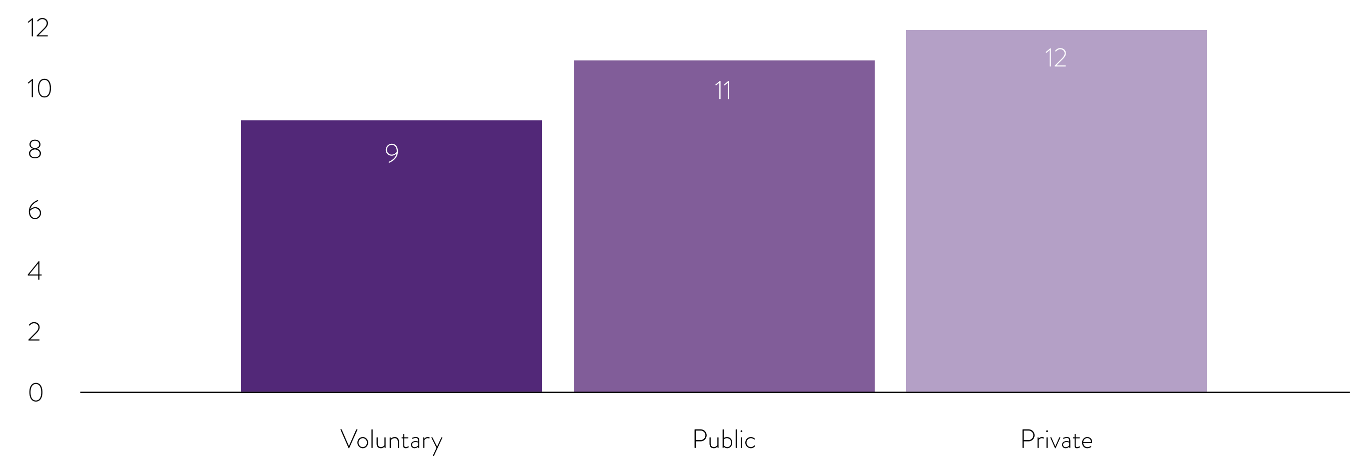


By ethnicity

The voluntary sector has a smaller proportion of employees from black, Asian and minority ethnic (BAME) groups than the public and private sectors

Proportion of employees from BAME groups by sector, June 2017 (% of total workforce)

Source: Labour Force Survey



Find out more about the profile of the voluntary sector workforce, including the gender split, at: **data.ncvo.org.uk**

INCOME

In 2015/16, income increased by £1.6bn (4%) to £47.8bn.

Overview

Voluntary sector income sources and types, 2015/16 (£m)

Trendlines are for 2010/11 to 2015/16 (2015/16 prices)

Source: NCVO, Charity Commission

	Voluntary	Earned		Total
	Donations and gifts Income freely given, usually as a grant, donation or legacy, for which little or no benefit is received by the donor	**Charitable activities** Gross fees for goods and services that are provided as part of the charity's mission	**Activities for generating funds** Gross fees for goods and services provided to generate funds	
Individuals The general public, excluding payments from charitable trusts set up by individuals	Individual donations (gross, including Gift Aid reclaimed); legacies; membership subscriptions without significant benefits **10,888.6**	Fees for services provided in pursuit of charitable objects: membership subscriptions with significant benefits; rent from property where providing accommodation is a charitable purpose **6,714.1**	Fundraising by charities where benefit is received in return: charity shop turnover; sales of merchandise; raffles and lotteries; fees for fundraising events **4,690.5**	**22,293.2**
Government Government and its agencies in the UK, the European Union and international governments	Funding grants; grants to charitable intermediaries **3,773.6**	Public sector fees; payments for contracted services **11,431.3**	Trading with public sector to raise funds **106.6**	**15,311.4**
Voluntary sector Charities such as trusts and grant-making foundations	Grants from charitable trusts; grants distributed by charitable intermediaries **3,242.8**	Services provided under contract that are in line with the recipient charity's mission **745.1**	Trading with other charities to raise funds **95.0**	**4,082.8**
Private sector Excluding payments from charitable foundations set up by businesses	Corporate donations and gifts in kind **1,024.3**	Sub-contracting; research; other services provided under contract **1,011.4**	Corporate sponsorship **361.9**	**2,035.7**
National Lottery	Grants from National Lottery distributors **680.9**			**680.9**
Investment The proceeds generated from investments and cash balances				**3,384.9**
Total	**Voluntary** **19,610.2**	**Earned (charitable activities)** **19,539.8**	**Earned (activities for generating funds)** **5,254.0**	**47,791.4**

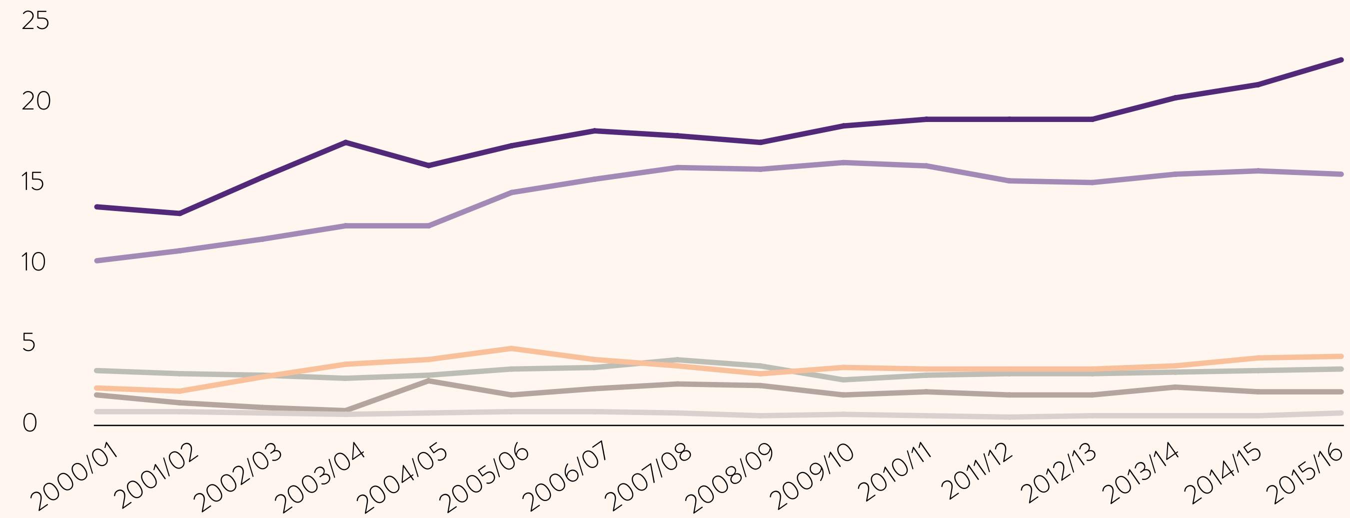
Income sources

Most sources of income increased or stayed the same in 2015/16, except for government income which fell by £186m.

Voluntary sector income by source, 2001/01 to 2015/16 (£bn, 2015/16 prices)

Source: NCVO, Charity Commission

- Individual
- Government
- Voluntary sector
- Investment
- Private sector
- National Lottery



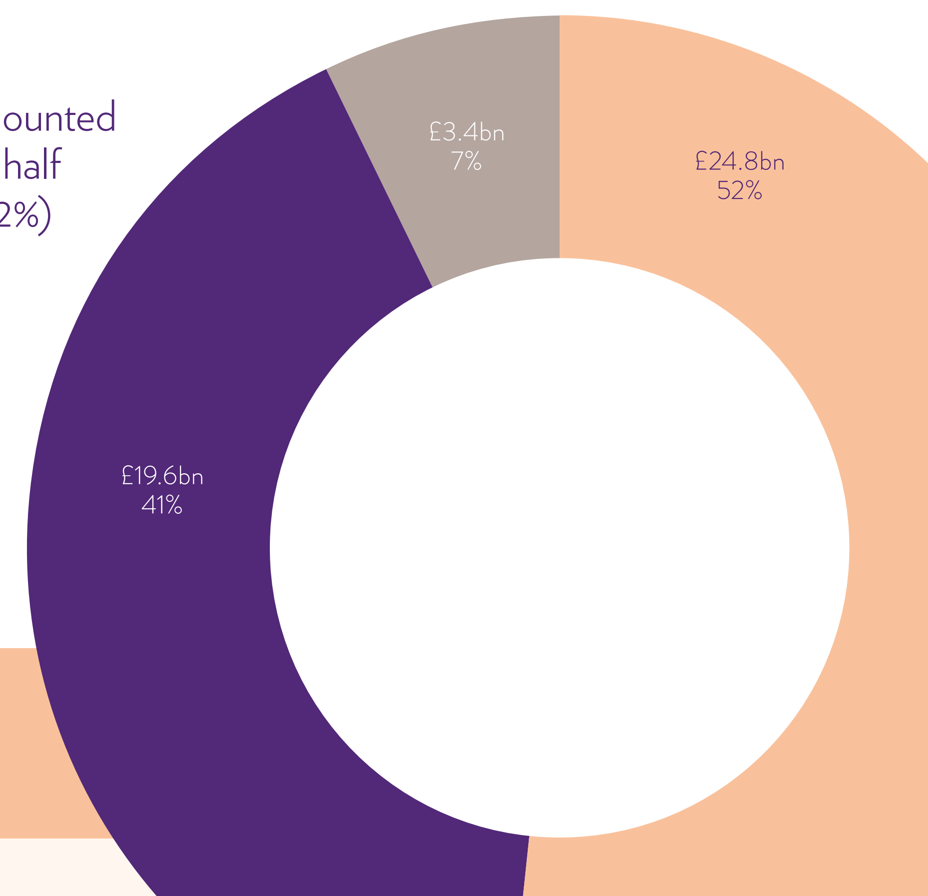
Income types

In 2015/16, earned income amounted to £24.8bn, representing over half of the sector's total income (52%)

Voluntary sector income by type (£bn, %)

Source: NCVO, Charity Commission

- Earned
- Voluntary
- Investment



Find out more about the voluntary sector's income sources and types at: **data.ncvo.org.uk**

INCOME FROM INDIVIDUALS

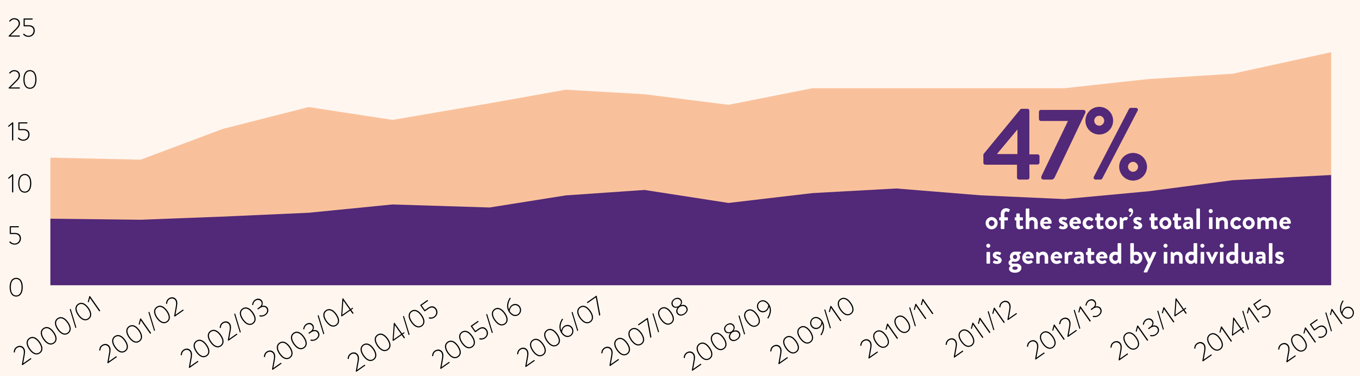
Individuals remain the largest source of income for the voluntary sector. In 2015/16, income from individuals amounted to £22.3bn, representing almost half of the sector's income. This income comprises individual donations, legacies, as well as earned income, for example income from charity shops and membership fees.

Over time

Income from individuals increased by £1.5bn, almost twice the increase in 2014/15 (£0.8bn)

Income from individuals, 2001/01 to 2015/16 (£bn, 2015/16 prices)

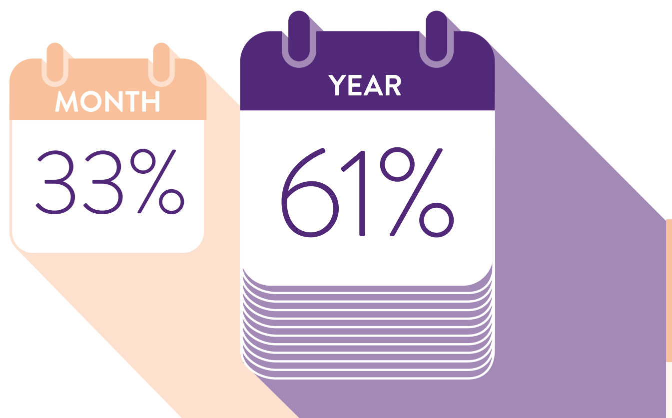
Source: NCVO, Charity Commission



Individual giving

33% of adults reported giving money to a charitable cause in a typical month and 61% in the previous twelve months.

Source: UK Giving 2016

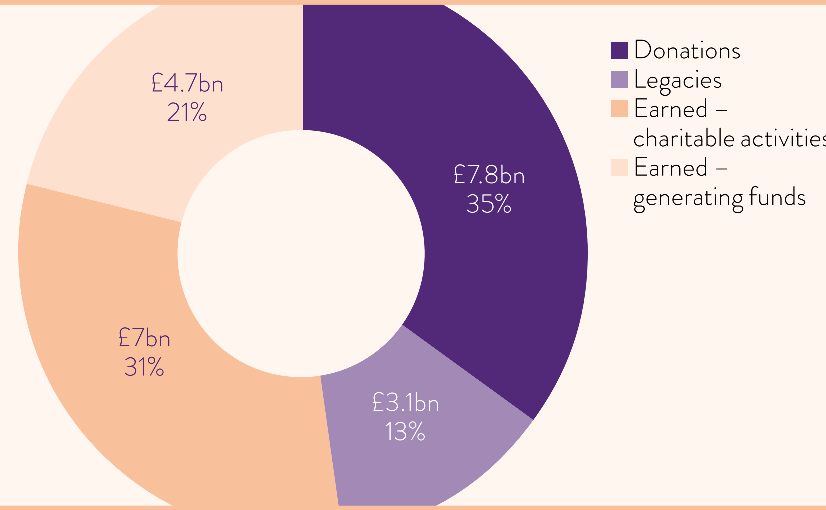


Type of individual income

Donations provide the largest share of the income received from individuals

Income from individuals, 2015/16 (£bn, %)

Source: NCVO, Charity Commission

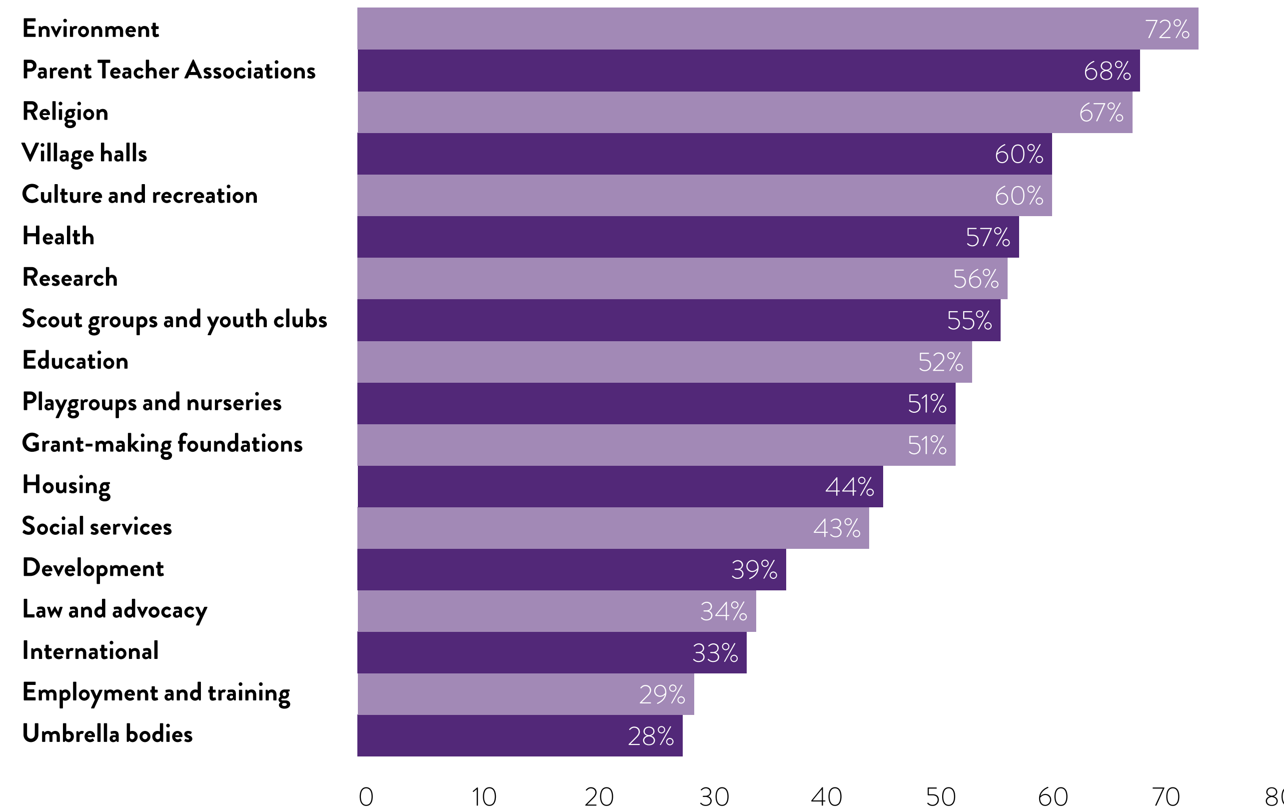


By subsector

In 2015/16, environmental organisations received the highest proportion of their income from individuals

Income from individuals as a share of total income by subsector, 2015/16 (%)

Source: NCVO, Charity Commission



Find out how the proportion of income from individuals varies by size of organisation at: **data.ncvo.org.uk**

INCOME FROM GOVERNMENT

Income from government makes up around a third (32%) of the voluntary sector's total income. However, it accounts for only around 2% of total government spending.

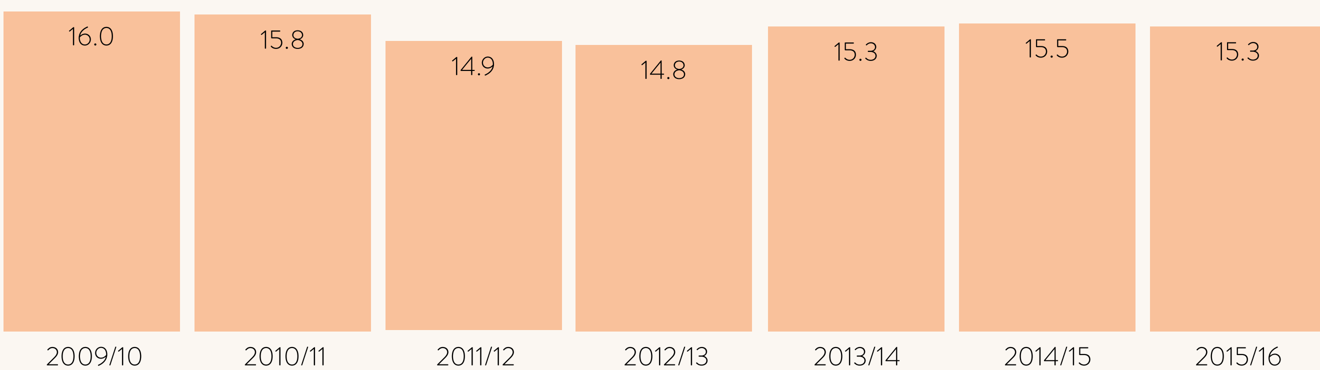
Find out more about how government income has changed over time at: **data.ncvo.org.uk**

Overview

There was a small decrease in income from government between 2014/15 and 2015/16

Government income, 2010/11 to 2015/16 (£bn, 2015/16 prices)

Source: NCVO, Charity Commission



75%

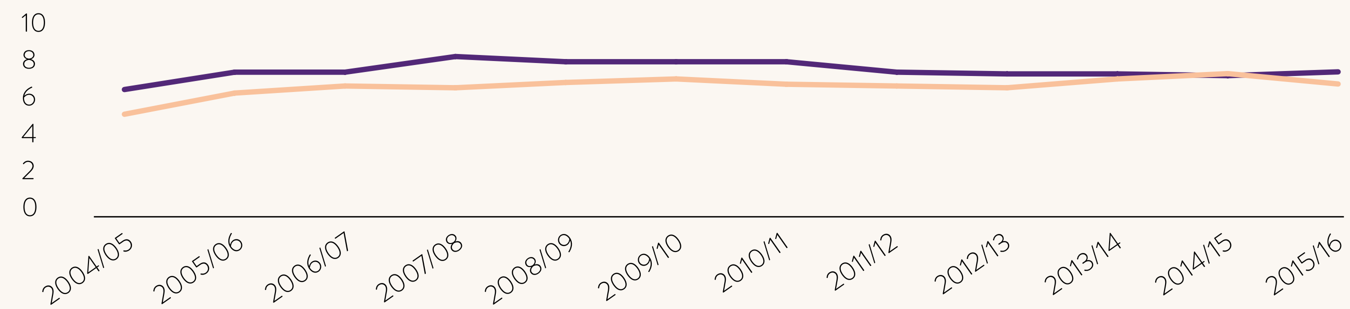
Proportion of the sector's government funding that was earned through contracts or fees in 2015/16

Local vs central government

In 2015/16 income from local government was greater than income from central government, as it has been for the last decade apart from 2014/15

Voluntary sector income by tier of government, 2004/05 to 2015/16 (£bn, 2015/16 prices)

Source: NCVO, Charity Commission



40%

percentage of income received from government in organisations with an income between £10m and £100m

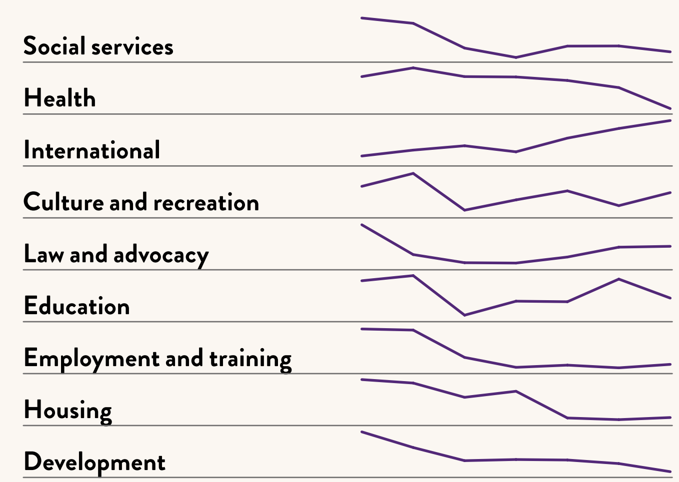
By subsector

The subsectors that have lost the most income from government since 2009/10 are employment and training (41%) and development (26%)

Income from government by subsector, 2009/10 to 2015/16 (£bn, 2015/16 prices)

This chart shows only the top nine sub-sectors with the highest income from government

Source: NCVO, Charity Commission



SPENDING

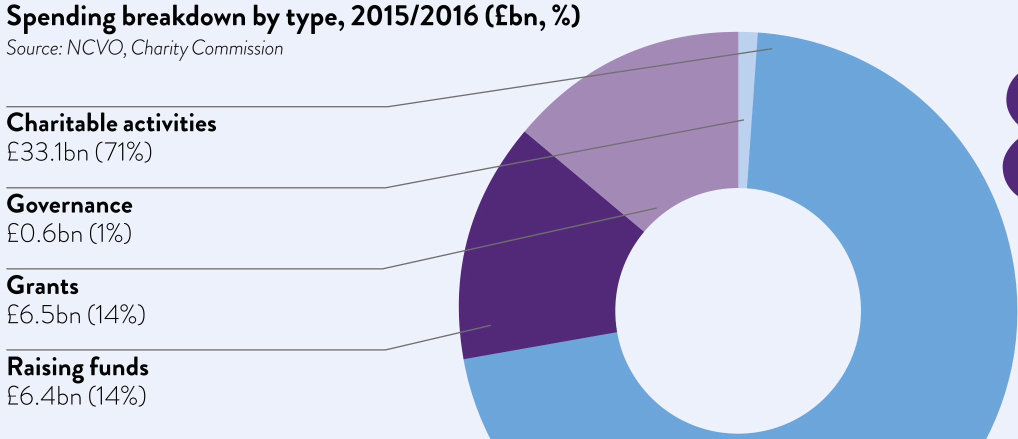
The vast majority of the money spent by voluntary organisations is used towards achieving their charitable aims, either through charitable activities or in the form of grants.

By spending type

The sector spent £39.5bn towards achieving its charitable aims in 2015/16

Spending breakdown by type, 2015/2016 (£bn, %)

Source: NCVO, Charity Commission



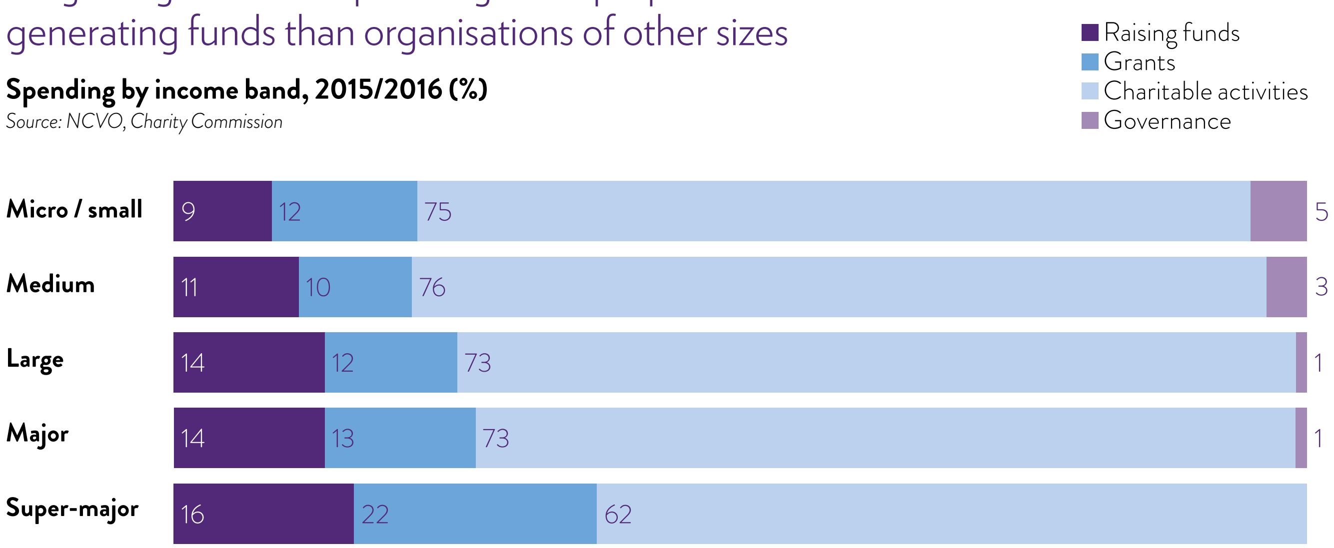
85% of the sector's spending went towards charitable activities or grant making

By size

Larger organisations spend a greater proportion on generating funds than organisations of other sizes

Spending by income band, 2015/2016 (%)

Source: NCVO, Charity Commission

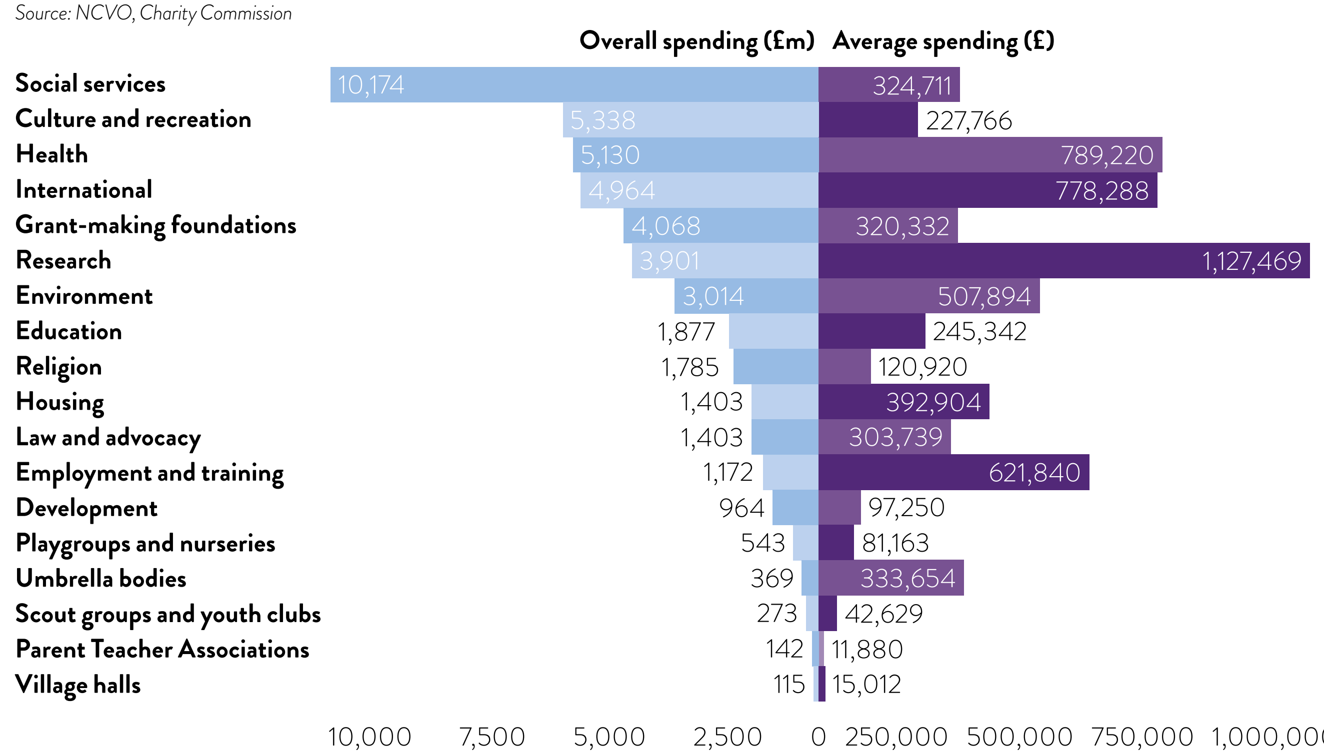


By subsector

Overall spending is highest for social services organisations but average spending is highest for research organisations

Overall and average spending by subsector, 2015/2016

Source: NCVO, Charity Commission



Top 10

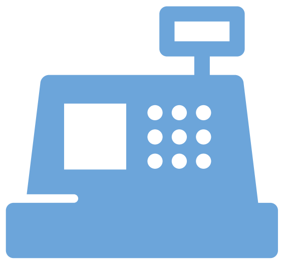
The Wellcome Trust had the highest level of spending of all voluntary organisations in 2015/16

Source: NCVO, Charity Commission

Charity name	Spending (£m)
Wellcome Trust	1,197.7
Save the Children International	779.5
Cancer Research UK	624.0
National Trust for Places of Historic Interest or Natural Beauty	541.2
Oxfam	418.0
The Save the Children Fund	385.9
British Heart Foundation	314.0
Barnardo's	291.1
The British Red Cross Society	258.7
Marie Stopes International	258.3

Find out more about how spending by type has changed over time at: **data.ncvo.org.uk**

RAISING FUNDS

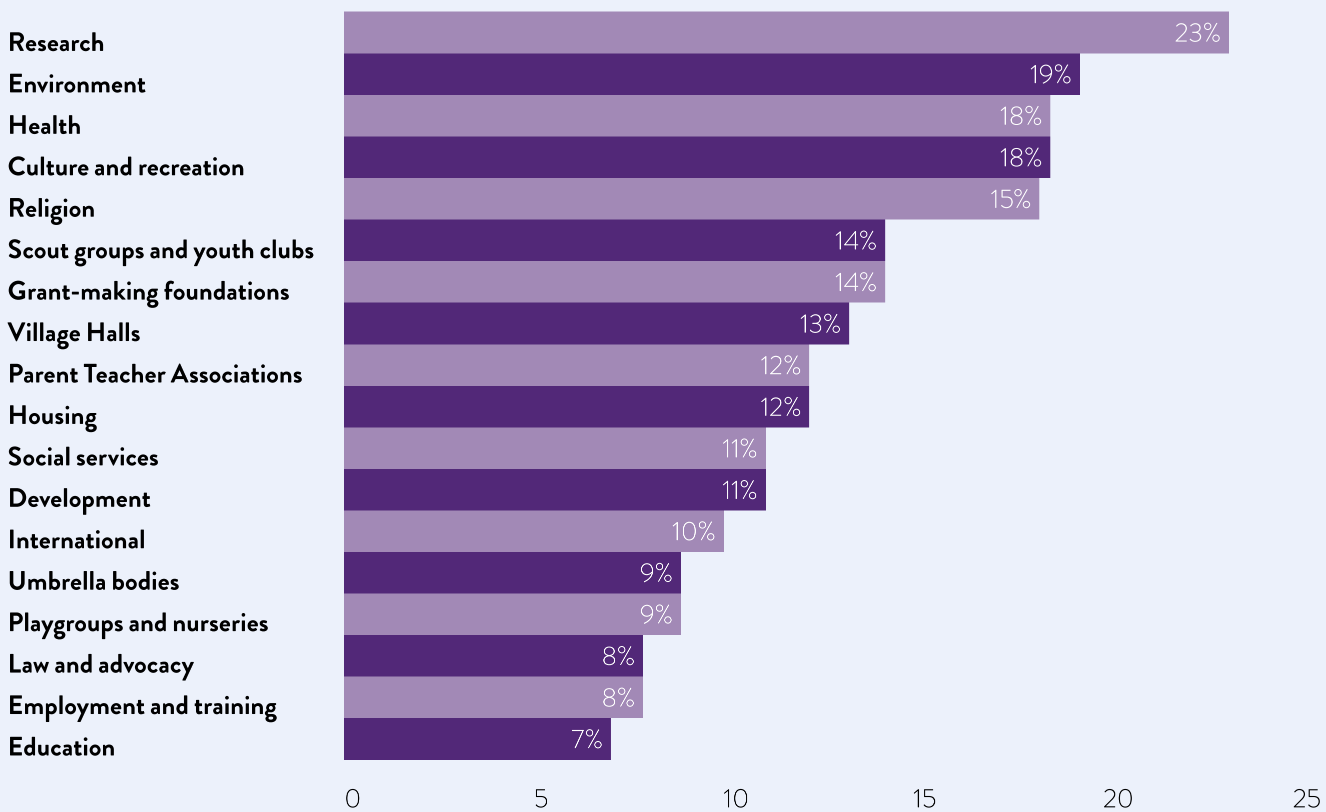


Voluntary organisations spend money to generate further income for their charitable activities. In 2015/16, this represented 14% of their total expenditure.

By subsector

The research subsector spends the most on activities for raising funds

Spending on raising funds by subsector, 2015/16 (% of expenditure)
Source: NCVO, Charity Commission

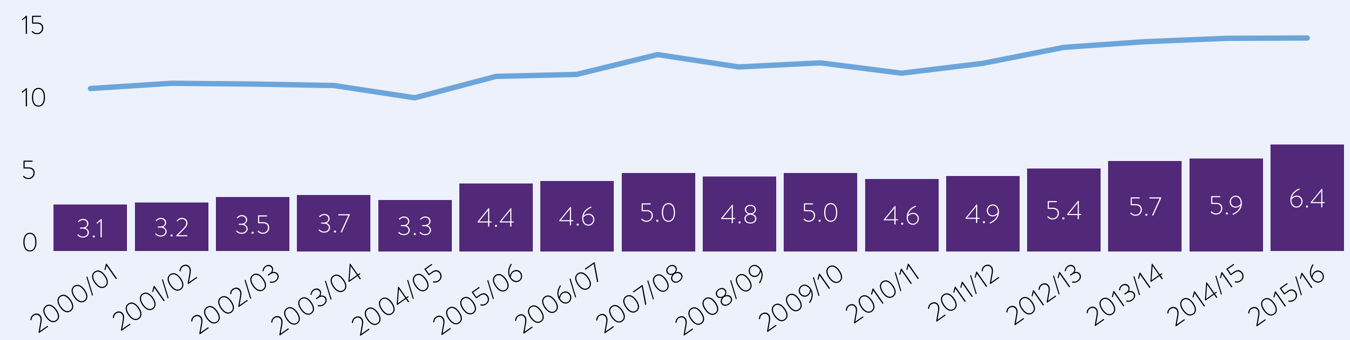


Find more information on how to interpret these figures at: **data.ncvo.org.uk**

Over time

Since 2000/01, the costs of raising funds have increased both in cash terms and as a proportion of total spending

Spending on raising funds, 2000/01 to 2015/16 (£bn, %, 2015/16 prices)
Source: NCVO, Charity Commission



By size

Super-major organisations spent the largest proportion on investment management followed by small and micro organisations

Spending on raising funds by income band, 2015/16 (%)
Source: NCVO, Charity Commission

Fundraising ratio

Spending on raising funds continues to yield significant results, with each pound spent resulting in £4.20 being raised

GRANT MAKING

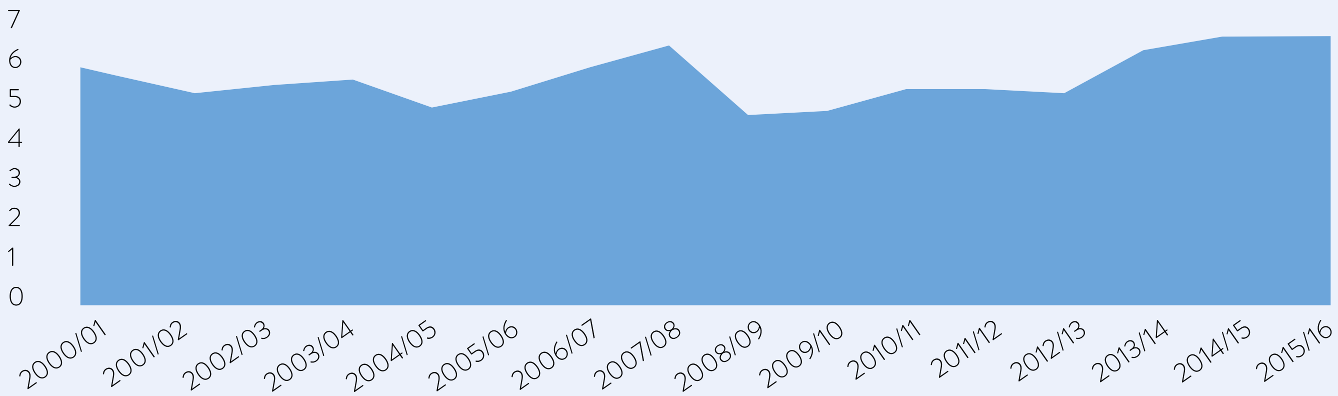
The voluntary sector includes both organisations that receive grants from other voluntary organisations such as trusts and foundations, and grant-making foundations themselves. The grants given out by the voluntary sector are distributed to other voluntary organisations but also to individuals, universities and government bodies.

Over time

The voluntary sector spent a total of £6.5bn on grants in 2015/16

Spending on grants by voluntary organisations, 2000/01 to 2015/16 (£bn, 2015/16 prices)

Source: NCVO, Charity Commission

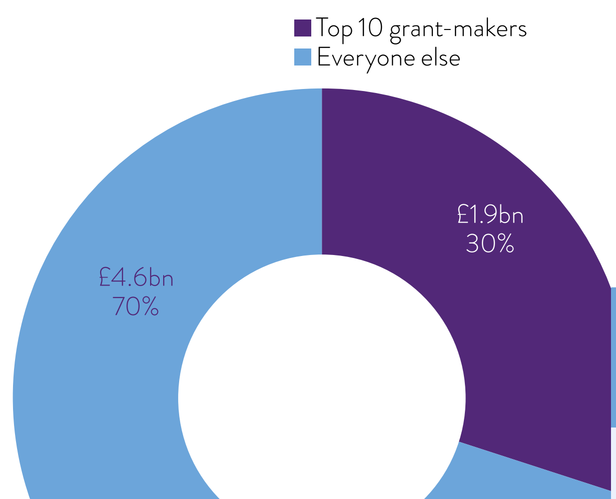


Top grant-makers

Grant making continues to be dominated by a small group of organisations: the ten largest grant-makers account for 30% of all grants made

Grants spent by top ten grant-makers, 2015/16 (£bn, %)

Source: NCVO, Charity Commission

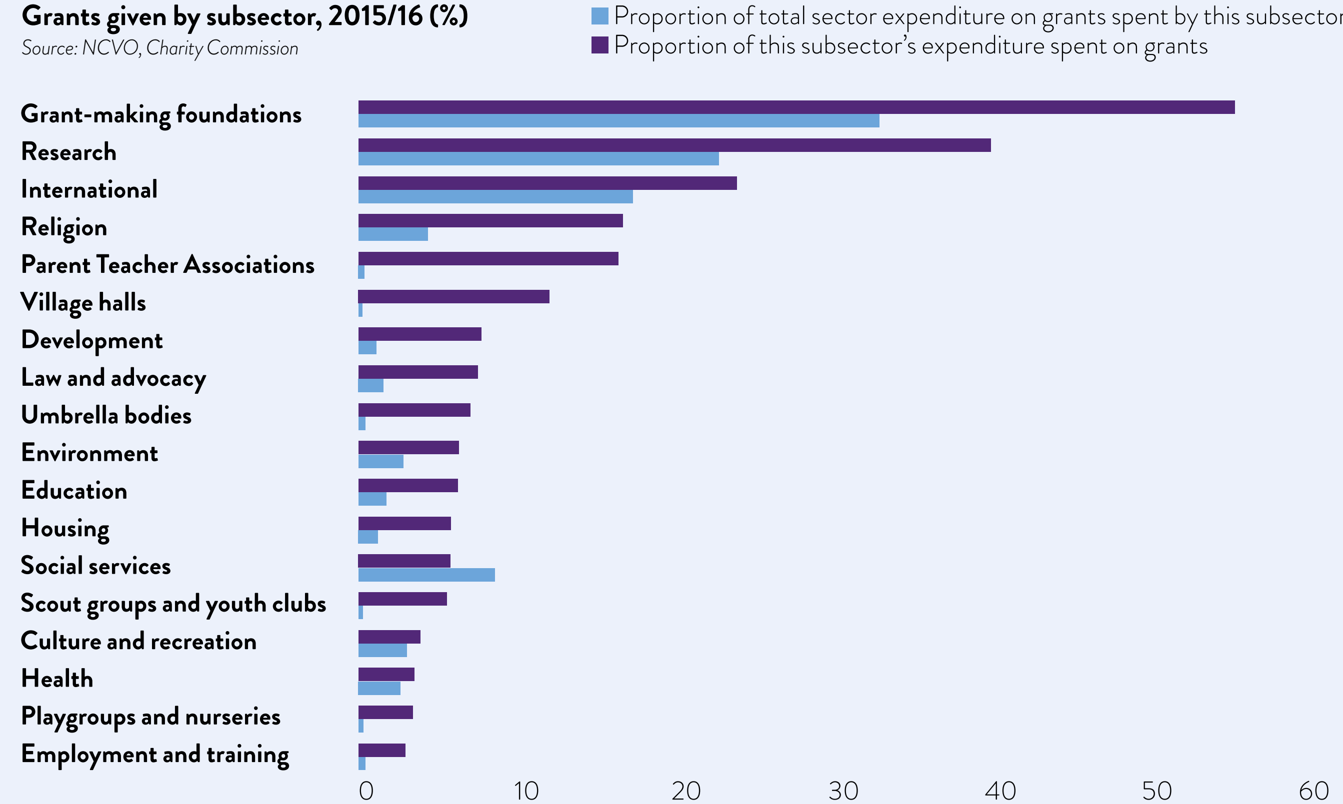


By subsector

Aside from grant-making foundations, the research and international subsectors spend the most on grants as a proportion of their total spending

Grants given by subsector, 2015/16 (%)

Source: NCVO, Charity Commission

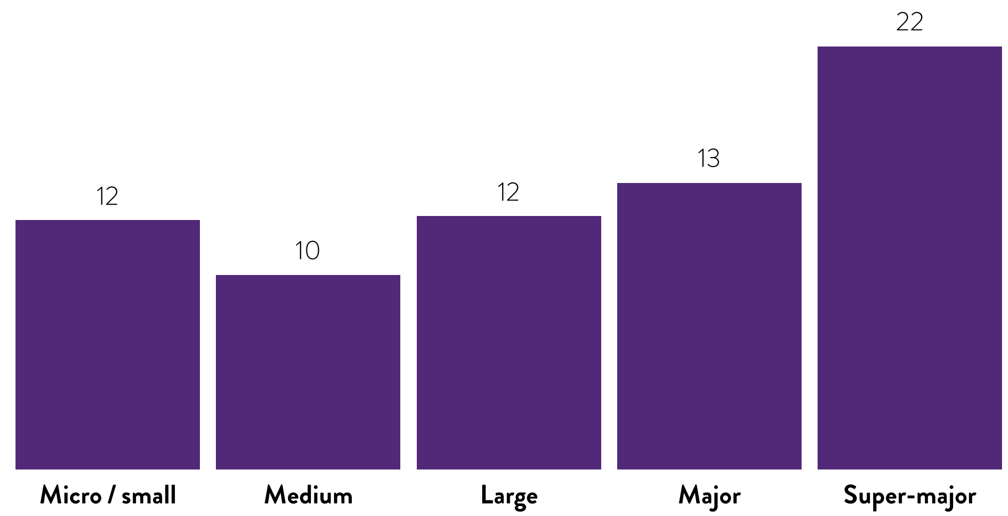


By size

Super-major organisations spent the most on grants as a proportion of their spending

Grant expenditure as a proportion of spending, 2015/16 (%)

Source: NCVO, Charity Commission



Find more in depth analysis on grant making at:
data.ncvo.org.uk

ASSETS

Over 88% of voluntary organisations hold assets which they commonly use to contribute towards their charitable activities or to help generate funds.

Fixed assets
- Intangible assets
- Tangible assets
- Investments

+

Current assets
- Stocks
- Debtors
- Cash

+

Liabilities
- Short-term (under one year)
- Long-term (over one year)
- Pension deficit

−

Net assets
Also called 'total funds' or 'net worth'

=

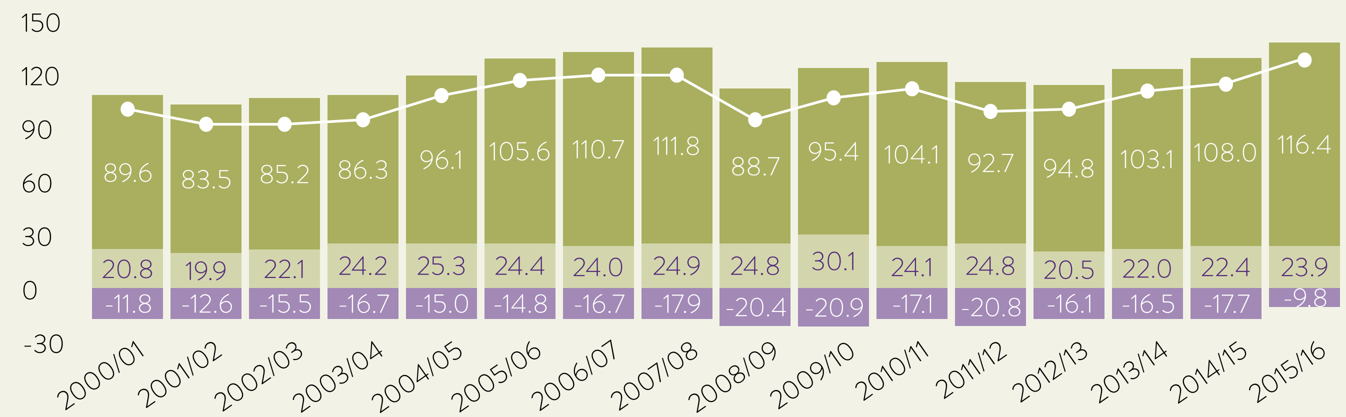
Over time

The net worth of the sector is greater than it was prior to the financial crisis, in 2007/08

Voluntary sector assets and liabilities, 2000/01 to 2015/16 (£bn, 2015/16 prices)

Source: NCVO, Charity Commission

Fixed assets
Current assets
Liabilities
Net total assets



Overview

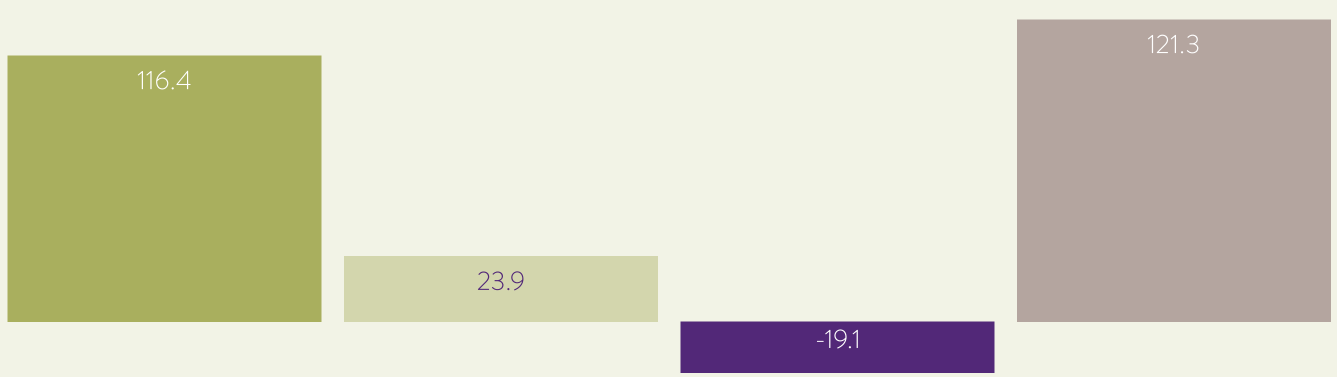
The voluntary sector's net assets were worth

£121.3bn in 2015/16

Assets and liabilities of the voluntary sector in 2015/16 (£bn)

Source: NCVO, Charity Commission

Fixed assets
Current assets
Liabilities
Net total assets



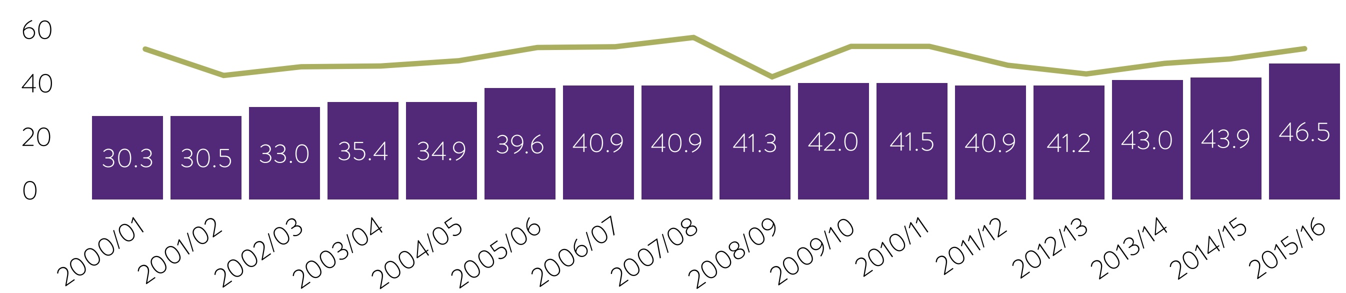
Level of reserves

The voluntary sector held reserves worth £53bn in 2015/16, an increase of 5% since last year

Spending and reserves, 2000/01 to 2015/16 (£bn, 2015/16 prices)

Source: NCVO, Charity Commission

Spending
Reserves



87%

of assets are held by just 3% of voluntary organisations

Find out more information on the distribution of assets by size of organisation at: **data.ncvo.org.uk**

LIABILITIES

Liabilities show the money that voluntary organisations owe to others, and can include loans, pensions, taxes owed, accruals, and grants committed in advance. They are classified as current/short-term (due within one year) or long-term (due in more than one year).

Overview

£19.2bn

Total liabilities of the voluntary sector in 2015/16

Type of liabilities

Over half (51%) of the sector's liabilities are current/short-term

Voluntary sector's liabilities by type, 2015/16 (£bn, %)

Source: NCVO, Charity Commission

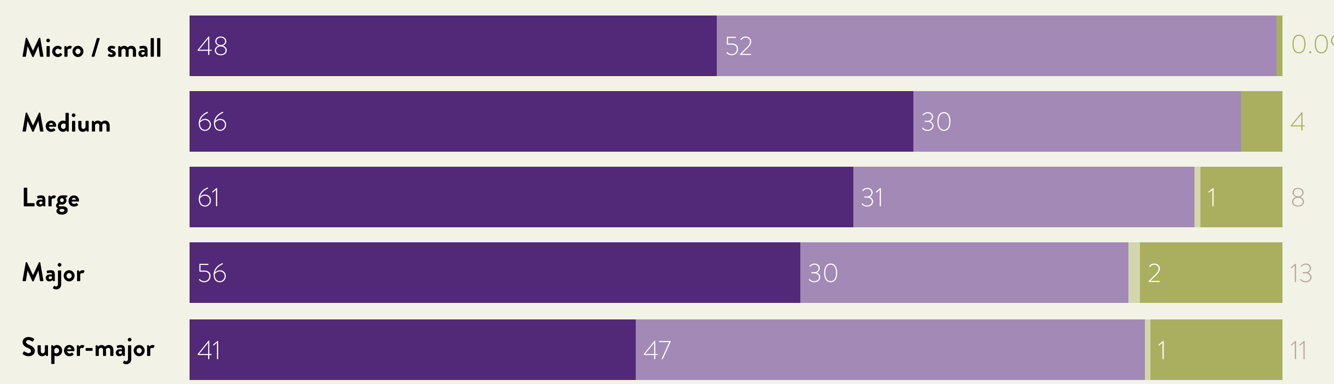
Find out more about the breakdown of liabilities by size of organisation at: **data.ncvo.org.uk**

By size

Medium organisations have the highest proportion of short-term liabilities

Liabilities by income band, 2015/16 (%)

Source: NCVO, Charity Commission

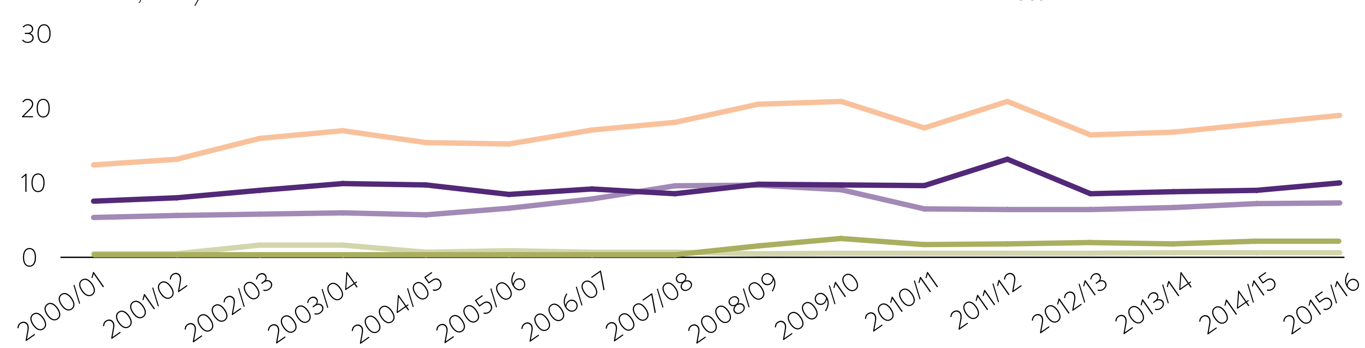


Over time

Liabilities have increased since 2012/13 but haven't returned to the 2011/12 peak

Voluntary sector liabilities by type, 2000/01 to 2015/16 (£bn, 2015/16 prices)

Source: NCVO, Charity Commission



Pensions

The increase in the sector's pension deficit levelled off in 2015/16, remaining at £2bn

Voluntary sector pension deficit, 2008/09 to 2015/16 (£bn, 2015/16 prices)

Source: NCVO, Charity Commission

INVESTMENTS

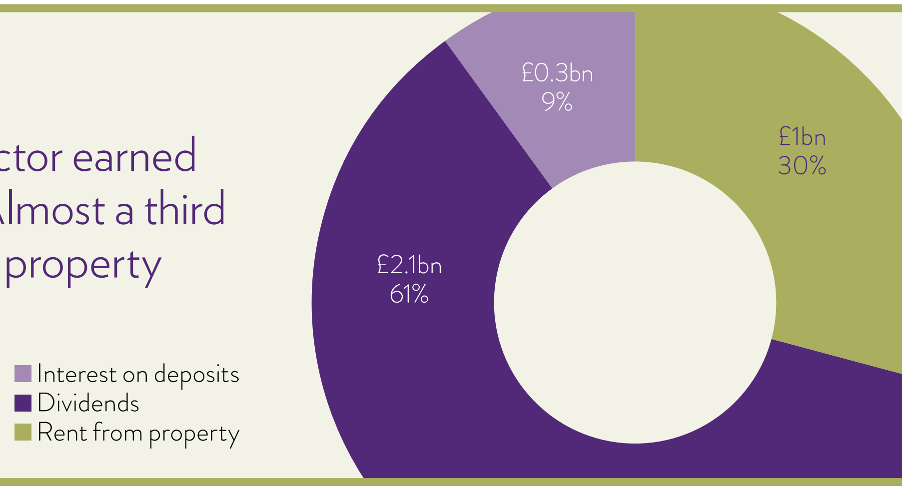
Investments are assets primarily in the form of equities, government securities, unit trusts and investment property. They provide an independent income source for voluntary organisations with assets to invest.

Investment income

In 2015/16, the voluntary sector earned £3.4bn from investments. Almost a third (30%) came from rent from property

Type of investment income, 2015/16 (£bn, %)

Source: NCVO, Charity Commission

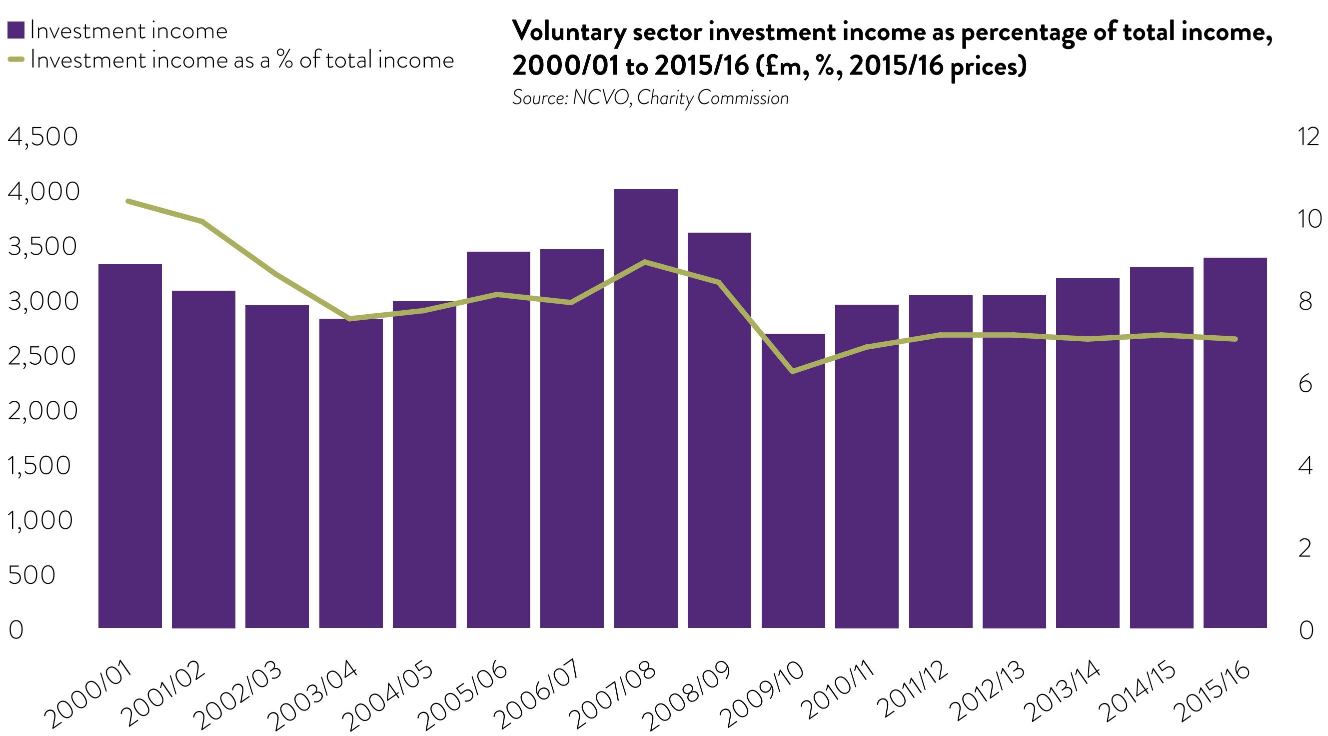


Over time

The sector's investment income as a percentage of total income remained stable in 2015/16

Voluntary sector investment income as percentage of total income, 2000/01 to 2015/16 (£m, %, 2015/16 prices)

Source: NCVO, Charity Commission

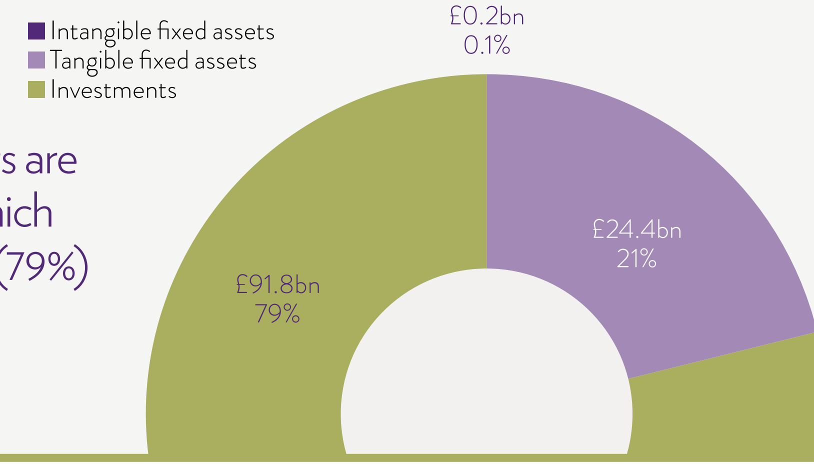


Fixed assets

The sector's investment assets are collectively worth £91.9bn, which represents almost four-fifths (79%) of the sector's fixed assets

Type of fixed assets, 2015/16 (£bn, %)

Source: NCVO, Charity Commission

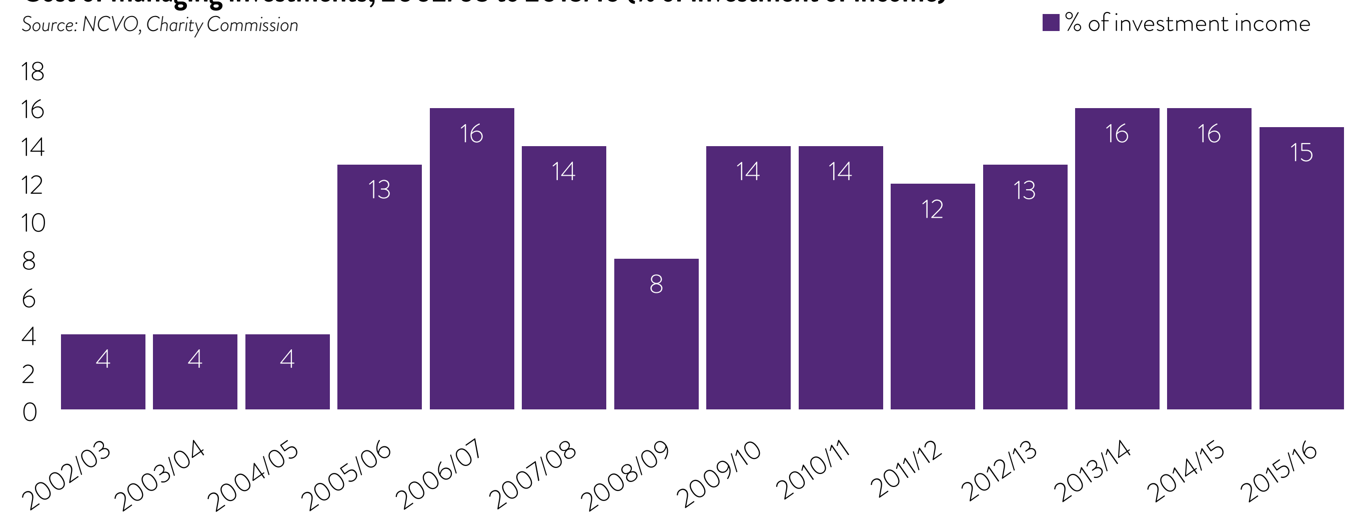


Investment costs

The relative costs of managing investments has remained largely static over the past 3 years

Cost of managing investments, 2002/03 to 2015/16 (% of investment of income)

Source: NCVO, Charity Commission



Investment value

£6.71

Pounds generated for each pound spent on managing investments in 2015/16

Find out how investments are distributed across organisations of different sizes at: **data.ncvo.org.uk**

METHODOLOGY

Voluntary sector definition

As in previous Almanacs, the 'general charities' definition is used to obtain estimates for the voluntary sector. The definition is based on common features of non-profit organisations and was originally constructed to also fit Office for National Statistics (ONS) national accounting purposes.

Included in the 'general charities' definition are those registered charities that meet the following criteria:

- **formality** (institutionalised to some extent)
- **independence** (separate from the state)
- **non-profit distributing** (not returning profits generated to owners or directors)
- **self governance**
- **voluntarism** (involving some meaningful degree of voluntary participation)
- **and public benefit.**

This definition excludes registered charities that do not meet these criteria, for example sacramental religious bodies or places of worship as well as organisations like independent schools, government-controlled bodies or housing associations.

Financial data production methodology

Key data source

Financial data for a sample of just under 7,600 of these organisations was obtained for the Almanac 2018 by entering data from the charities' annual accounts filed at the Charity Commission. This data entry process was carried out on behalf of NCVO and the Third Sector Research Centre by the Centre for Data Digitisation and Analysis at Queen's University, Belfast.

Sample design

The sample design was originally based on taking a random sample of general charities stratified by the size of organisation in terms of their annual income, because this variable is both a key determinant of sampling error and a key variable for analysis. Different sampling fractions are applied to the different sizes/strata, the fractions increasing with size, until for 'major' organisations (with incomes of more than £10m) all organisations are sampled. Data is weighted at the analysis stage to take account of the different sampling fractions.

Data cleaning

Before use, the data is cleaned to remove significant errors, and undergoes a series of checks to ensure validity.

Organisations have a range of financial year ends, distributed throughout the year. To ensure consistency, all values were converted to April 2016 prices using the retail price index (RPIX). The retail price index (RPIX) was also used for trend data to convert actual values from previous years to April 2016 prices.

Voluntary sector – population and sample, England and Wales, 2015/16

2015/16	Micro*	Small	Medium	Large	Major	Super-major	Total
Income	Less than £10,000	£10,000 to £100,000	£100,000 to £1m	£1m to £10m	£10m to £100m	More than £100m	
Registered with the Charity Commission	77,562	55,448	26,037	5,824	1,122	78	166,071
General charities	67,103	48,681	19,856	4,264	570	44	140,518
Sample	61	1,317	2,835	2,808	496	44	7,561
Sample (% of general charities)	0.1	2.7	14.3	65.9	87	100	5.4

*We have combined financial numbers for micro and small organisations throughout this report.

UK totals

Supplementary data from SCVO (Scottish Council for Voluntary Organisations) and NICVA (Northern Ireland Council for Voluntary Action) is used to produce estimates of the UK population. Due to rounding figures, some percentage totals may not sum to 100%.

Analysis by subsector

Subsectoral analysis is based on assigning charities to categories in the International Classification of Non-profit Organisations (ICNPO).

Analysis by income band

Within the Almanac, voluntary organisations are divided into six groups based on their income. Each group is named to make it easier to discuss the findings and place them in context. The sample data, however, is gathered in nine bands to accommodate Charity Commission registration thresholds. These bands are aggregated to produce the six bands used in the Almanac.

In 2016, we introduced a 'super-major' group including charities with more than £100m annual income. This income band was warranted because there had been a noticeable increase in organisations with income of over £100m.

Other data sources

Charitable giving

Charitable giving data is from the CAF UK Giving 2017, based on a survey of 1,000 individuals each month through the YouGov's online panel. The 2017 report is based on 8,000 interviews and is the first edition of the report in which the research has been conducted monthly.

Workforce

Our employment figures are largely based on Labour Force Survey (LFS) data, which is the only national data source that attempts to classify individual employment by sector (public, private and voluntary). The LFS surveys an estimated 38,000 private households every quarter. By pooling data for unique individuals from four quarters, it is possible to produce reliable estimates of the voluntary sector's workforce. Weighting is used within the LFS to compensate for non-response rates in certain groups and produce population estimates. The figures for each quarter presented in the Almanac are calculated by using a moving or rolling centred average over four quarters. This ensures some seasonality is smoothed out and that all four quarters are represented in any given quarterly figure.

To identify the sector a respondent is employed in, a two-stage self-classification process is used. Respondents are first asked whether they work for 'a private firm, business or a limited company' or 'some other kind of organisation'. Those respondents who choose the second option are then asked, 'what kind of non-private organisation is it?'. They are then presented with a range of options including 'charity, voluntary organisation or trust'. For the purposes of the analysis for the Almanac, responses to these questions were recoded into a sector variable and defined as 'private', 'public' or 'voluntary'.

Volunteering

This data draws on the Citizenship Survey (2001-2010/11) and Community Life Survey (2012/13-present), the best sources of data on rates of volunteering in England. The Community Life survey was commissioned annually by the Cabinet Office (since 2016/17 by the Department for Civil Society, Media and Sports) and carried out by TNS BMRB, and is designed to be representative of adults aged 16 and over in England.

There was a gap in the data when there was no survey in 2011/12, during the transition between the two surveys. The measures used here were common to both surveys. The data collection methods were also broadly similar. In the most recent change in 2016/17, the survey moved from being a face-to-face interview to an online/paper version which respondents complete themselves (self-completion with no interviewer assistance). This move meant significant savings in costs, allowing DCMS to increase the sample size from 3,027 in 2015/16 to 10,256 in 2016/17. However, it also has a significant impact on response rates and question responses, affecting trend data due to sample/response and mode effect.

The survey describes both 'formal volunteering', which takes place through a group, club or organisation, and 'informal volunteering', which takes place independently of such structures. Data is drawn from the most recent survey unless otherwise stated, which reports on volunteering during the year 2016/17, and includes the appropriate weighting.

Get more information on the Almanac methodology at: **data.ncvo.org.uk**

DATA.NCVO.ORG.UK

DATA. TRENDS. INSIGHTS

Society Building
8 All Saints Street
London N1 9RL
020 7713 6161
ncvo@ncvo.org.uk
ncvo.org.uk

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