

# The UK Civil Society Almanac 2012

Jenny Clark  
David Kane  
Karl Wilding  
Peter Bass

With support from:

 CIVILSOCIETY  
media

[civilsociety.co.uk](http://civilsociety.co.uk)

# Voluntary Sector Intelligence

Information you need to make decisions about the voluntary sector, from NCVO and TSRC

The analysis at the core of the Civil Society Almanac is based upon over 10 years' worth of data and evidence collected jointly by NCVO and the Third Sector Research Centre (TSRC). Working together, we already support clients in government, business and the voluntary sector with a range of products and services, from bespoke intelligence reports to simple lists of organisations that match your interests. Plus, all our work is delivered by our industry-leading team of analysts and researchers.

## For voluntary sector leaders

High quality, usable market intelligence and analysis are the basis for business planning in all successful organisations. The voluntary sector is no exception: a rapidly changing landscape (approximately 5,000 charities register every year) and ever-shifting funding streams make it more important than ever to understand where your organisation fits in. We can help you quickly benchmark against organisations selected by criteria such as sub-sector, place or income type.

## For policy makers and commissioners

As policy makers and commissioners seek to involve the voluntary sector and wider civil society in the co-production of services and building the 'Big Society' it is becoming more important to understand the scale and scope of the sector in your area. We can quickly provide bespoke contact lists or market size analyses, including the extent to which organisations already work with public bodies.

## For suppliers and those working with the voluntary sector

We can provide professional advisors and consultants with business intelligence, including trend analysis, market segmentation and forecasts.

## Why us?

We specialise in providing actionable evidence for decision makers. Our partnership combines academic rigour with a practical focus, underpinned by access to some of the most comprehensive data on the sector.

Whatever your requirements, speak to us today about how we can help you:

**Jenny Clark**  
Research Manager, NCVO  
020 7520 2484 or email  
[research@ncvo-vol.org.uk](mailto:research@ncvo-vol.org.uk)

See how we can help you at:  
[data.ncvo-vol.org.uk/intelligence](https://data.ncvo-vol.org.uk/intelligence)

# The UK Civil Society Almanac 2012

Jenny Clark  
David Kane  
Karl Wilding  
Peter Bass

Published by NCVO  
Regent's Wharf  
8 All Saints Street  
London N1 9RL

First published 1996  
This edition published March 2012

© NCVO 2012  
Registered Charity Number: 225922

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying or otherwise, without the prior permission of NCVO.

Design: SteersMcGillanEves Design Ltd  
Print: Newnorth Print Ltd

British Library Cataloguing in Public Data

A catalogue record for this book is available from the British Library

ISBN: 978-0-7199-0004-4

Our database of charities has been developed in partnership with, and funding for data entry from, the Third Sector Research Centre (TSRC). This data forms the basis of our analysis of UK general charities. TSRC acknowledges the receipt of financial support from ESRC, the Office for Civil Society, and the Barrow Cadbury Trust.

Charity data for Northern Ireland and Scotland has been kindly provided by the Northern Ireland Council for Voluntary Action (NICVA) and the Scottish Council for Voluntary Organisations (SCVO).

Every effort has been made to ensure the accuracy of the information contained within this publication. However NCVO cannot be held responsible for any action an individual or organisation takes, or fails to take, as a result of this information.

## Daniel Phelan

### Editor-in-chief, Civil Society Media

All of us at Civil Society Media are delighted to support NCVO and this 2012 edition of *The UK Civil Society Almanac*.

As a long-established social business focused on the information and training needs of charities and other civil society organisations, we're deeply aware of the crucial and growing role our sector plays in communities throughout the UK.

The editorial team at Civil Society Media places enormous value on accurate and timely information. That's how we've spent over 21 years, reporting breaking news and publishing essential and insightful sector data in our magazines *Charity Finance*, *Governance* and *Fundraising* as well as collectively online at [www.civilsociety.co.uk](http://www.civilsociety.co.uk).

Our own independent research provides commercially valuable benchmarking and analysis on a wide variety of strategic topics from audit fees to salary levels, shops performance to board gender balance, income trends to charity investment management – in fact, an enormous range of key issues that are meat and drink to the sector's professional managers and trustees.

We commend the authors of this Almanac as they identify the full scope, reach and scale of the whole of civil society in a single compendium. The unrivalled depth and breadth of the information in this Almanac provides the core data required in the continuing drive to achieve maximum influence on policy makers and to increase the positive impact of civil society organisations on society as a whole.

We look forward to building on the valuable work of this Almanac as 2012 unfolds and we hope that you will join us at [www.civilsociety.co.uk](http://www.civilsociety.co.uk) for that journey.



A handwritten signature in blue ink that reads "Daniel Phelan." The signature is written in a cursive style and is placed on a white rectangular background.



## Martyn Lewis CBE Chair, NCVO

This is a period of profound change for the voluntary organisations that work at the heart of civil society. In many cases battered by the harsh winds of the deepest recession in the post-war period, some organisations subsequently have had to adjust to steep and sudden changes in government spending. Social problems inevitably follow periods of economic difficulty: and voluntary organisations have been at the forefront of addressing the visible manifestations of social malaise, such as the riots, and the more hidden dimensions, such as personal debt and family breakdown. I feel proud to be part of a movement that has redoubled its efforts in dealing with difficult times and their consequences.

But feeling proud is not enough. I want NCVO to champion the work of voluntary organisations, many of whom are our members, in building a more civil society and in building a more social economy. I also want NCVO to ensure that policy makers and those working with the voluntary sector understand the impact of changes in the wider economy on our capacity and future direction.

The research presented in this Almanac, and the policy and campaigns programme that builds upon it, is a significant investment upon our part in meeting these aims. Now in its 11th edition, the 2012 Almanac is, I believe, the most widely used source of statistics on the voluntary sector. It has tracked the sector over what some people are already claiming as a 'golden age', one of more or less constant expansion. However, the messages in the current edition are, I am afraid, more downbeat. A smaller paid workforce, pressure on income streams and costs, and flat levels of volunteering are a worrying mix for all those with an interest in the health of voluntary action and the resilience of voluntary organisations. I am acutely aware that the period of austerity is far from over.

But this is neither a time to despair, nor to give up. On the contrary, the challenge for us all is to use the evidence within this volume to plot alternative courses ahead and to ensure that those developing policy and practice are informed by the best possible evidence. We will also continue to supplement the data presented here with the stories and experiences of those NCVO members and voluntary organisations working at the frontline. And it is these stories: of innovation; of managing with little or nothing; of caring for those who are most vulnerable in our society; of speaking up for those who are least heard; and of defeating seemingly impossible odds, that make me certain that in future we will describe a voluntary sector that renews itself and continues to be a crucial part of the economic and social fabric of the UK.



A handwritten signature in purple ink that reads "Martyn Lewis". The signature is written in a cursive style and is positioned to the right of the portrait.

## SECTION 1 CIVIL SOCIETY AT A GLANCE

### Question 01 03 What is Civil Society?

02 What are the financial resources of civil society? 05

03 How many people work in civil society? 07

04 How many beneficiaries and members do civil society organisations have? 09

05 How has civil society changed? 11

### Question 06 12 What is the relationship between social enterprise and civil society?

07 Will public service mutuals reshape civil society? 13

## SECTION 2 IN DEPTH: THE VOLUNTARY SECTOR

### INTRODUCTION

08 What do we mean by the voluntary sector? 17

### SCOPE

### Question 09 19 How many voluntary organisations are active in the UK?

10 Why are our estimates lower than the Charity Commission's figures? 19

11 How big is a typical voluntary organisation? 20

12 What major voluntary organisations have we excluded from our analysis? 20

### Question 13 21 Is the number of voluntary organisations increasing?

14 Which are the largest voluntary organisations in the UK? 21

15 Are there more voluntary organisations in some parts of the UK than in others? 22

16 What activities does the voluntary sector undertake? 23

17 Who and what benefits from the work of the voluntary sector? 23

### Question 18 25 What is the voluntary sector's involvement in public service delivery?

19 How do voluntary organisations work with those they support? 25

20 What do we know about grant-making voluntary organisations in the UK? 27

## FINANCE: THE BIG PICTURE

21 What is the voluntary sector's total income and expenditure? 29

### Question 22 31 How has the sector's income and expenditure changed?

23 What impact did the recession have upon the voluntary sector? 32

### Question 24 33 How big is the voluntary sector compared to the rest of the economy?

25 How is the voluntary sector's income distributed? 35

26 What are the sector's different sources and types of income? 36

## INCOME STREAMS

### Question 27 37 What is the sector's most dominant source of income?

28 Are smaller voluntary organisations more reliant than others upon particular sources of income? 37

29 Are some voluntary organisations more reliant than others upon particular sources of income? 38

30 How diverse is the voluntary sector's income? 39

31 What is the voluntary sector's most important type of income? 39

32 What is driving the increase in earned income? 40

## INCOME: IN FOCUS

### Question 33 41 What are the main trends in statutory funding?

34 How are public sector spending cuts affecting the voluntary sector? 43

35 What are the main trends in charitable giving? 45

36 What are the main trends in Lottery funding? 47

37 What are the main trends in legacy funding? 49

38 What are the main trends in investment income? 51

39 How much do organisations generate from their trading subsidiaries? 52



## EXPENDITURE

40	How much does the voluntary sector spend?	53
41	How do voluntary organisations report their expenditure?	53
42	Do large and small voluntary organisations spend money on different types of activity?	54

### Question 43 54

#### How is the voluntary sector's expenditure distributed?

44	How much does the voluntary sector spend on charitable activities, excluding grant-making?	55
45	How much does the voluntary sector spend on grant-making?	55

### Question 46 56

#### How much does the voluntary sector spend on fundraising and publicity?

## ASSETS

47	What can the sector's balance sheet tell us about its financial health?	57
48	How has the voluntary sector's net worth changed?	58
49	Is asset ownership in the voluntary sector widespread?	58

### Question 50 59

#### How much does the voluntary sector hold as reserves?

51	What are the different types of asset that voluntary organisations hold?	60
52	How many voluntary organisations own buildings and equipment?	60
53	Who owns buildings and equipment?	61
54	What are the voluntary sector's liabilities?	62
55	How much is the voluntary sector borrowing?	62

### Question 56 63

#### Is the voluntary sector a significant investor?

## WORK

57	How many people work in the voluntary sector?	65
58	What impact has the recession had on employment in the voluntary sector?	65

### Question 59 66

#### Who works in the voluntary sector?

60	Where are voluntary sector staff located?	66
61	What type of work is undertaken in the voluntary sector?	67
62	How secure are jobs in the voluntary sector?	67

### Question 63 68

#### What skills are required in the voluntary sector?

64	What training opportunities are there in the voluntary sector?	68
65	What are working patterns like in the voluntary sector?	69
66	What is the state of pay in the voluntary sector?	69
67	How much does the voluntary sector spend on staff costs?	70
68	How many people regularly volunteer in the UK?	71
69	What do volunteers do?	71

### Question 70 72

#### Who volunteers in the UK?

71	Has the number of people volunteering changed over time?	73
72	What would it cost the sector to replace volunteers with paid staff?	73
73	How many trustees of voluntary organisations are there in the UK?	74

## SECTION 3 DATA BANK

Scope	77
Income	79
Expenditure	81
Assets	82

## SECTION 4 APPENDICES

Methodology	85
Glossary	87
Acronyms and abbreviations	88
The authors	88
Reference list	89
Acknowledgements	91
Fast facts	92

# Sir Stuart Etherington

## Chief Executive, NCVO

The 2012 *Almanac* once again aims to provide a comprehensive overview of the scope and changing nature of civil society. It is published amidst ongoing confusion about the myriad of organisations that lie between the state, the market and the household. Yet the diversity – untidiness, even – that is characteristic of the civil society space does not imply organisations share little in common. They exist for public benefit, not private gain; driven by their particular mission or purpose, to further their cause; to better meet the needs of their beneficiaries. And as writers from Alexis de Tocqueville to Václav Havel have argued, they are a vital check on the power of the state.

Civil society is not synonymous with the voluntary sector; it is much wider. However, an active and independent voluntary sector is a vital and vibrant element of civil society and a catalyst for voluntary action and participation. The focus of much of the *Almanac* is the voluntary organisations at the heart of civil society: the voluntary sector.

Using the latest data available – which for the voluntary sector is mostly 2009/10 – we describe a sector dealing with the largest recession for over fifty years and its impact. The cumulative impact of inflation is particularly important: unless stated, we describe trends in real terms, adjusted for the impact of inflation. Nevertheless, inflation and its impact on income and expenditure, is itself an important issue, highlighting that the sector's fortunes are related to the macro economic environment, and not just the social and political context.

**This is a broad and powerful social and economic movement.** Whether your focus and language is on charities, social enterprises, trade unions, community groups or voluntary action, groups and organisations with a public benefit mission are both numerous and economically significant. Whilst public understanding of civil society mostly relates to charities, there are other centres of gravity: with co-operatives and housing associations adding economic weight to civil society. We estimate the collective turnover of civil society organisations to be £170 billion, with two million paid employees. Similarly, an estimated 600,000 informal, unregistered ('below the radar') organisations represent the breadth and reach of associational life.

**The boundaries of civil society are blurring.** Driven by an ageing population and a public policy agenda seeking alternatives to the state provision of services, public bodies are being 'spun out' into charitable and mutual structures. We expect the civil society space increasingly to be crowded, whilst the further emergence of 'hybrid' organisations is blurring the boundary with the state and the private sectors. Independence, distinctiveness, value and values remain key issues for civil society.

### **The mid-2000s: a golden age for the voluntary sector?**

In a decade bookended by recessions, the period 2002-2008 may have been a golden age for the voluntary sector. At £38 billion, in 2007/08 the sector's income was the highest we have recorded, even though this included one-off grants<sup>1</sup> totalling £700 million by a number of governments to fund a large-scale immunisation programme. Growth in the sector has been a much longer term affair – we estimate there were only 98,000 active organisations in 1991 in our definition of the UK voluntary sector – but much of the growth in income was in this 'golden age'. Many smaller organisations will point out they did not share in this growth. Nevertheless, 2007/08 was 'peak funding' for the sector.

**Too many charities?** Growth in the number of organisations appears to have slowed – our estimate of 153,000 active organisations in 2001 has risen to almost 164,000 in 2009/10. This slowdown may reflect better gate-keeping by regulators, a shift to other organisational forms and simply better data. As more inactive organisations have been removed from regulators' registers our estimates of micro and small organisations have been reduced.

### **Recession and the voluntary sector: reduced income...**

The 2008/09 recession led to a one-year real-terms reduction in income of £1.6 billion. If the immunisation grant to GAVI in 2007/08 is excluded, a fall of £0.9 billion still remains significant. Income recovered by £200 million in 2009/10, but in real terms the sector's income is less than in 2006/07. These figures are adjusted for inflation, but even in cash terms the sector experienced a fall in income between 2007/08 and 2008/09.

**...but additional spending to meet need.** Despite a fall in income, organisations responded to the recession and its aftermath – including the widely reported increases in demand for services – by increasing expenditure by £400 million in 2008/09 and by another £700 million in 2009/10. It is significant that this net increase was driven by a much bigger increase in spending on charitable activities of £1.7 billion in the recession. Although grant making fell in the recession year we estimate this reduction was less than the fall in grant makers' income as they 'smoothed out' the recession. In short, we believe the sector was seeking to mitigate the impact of the recession by swimming against the tide, increasing activity to meet demand.

**Inflation also has been driving up costs.** The increases in spending described above are adjusted for inflation. In cash terms the increases are greater, a cumulative increase in overall expenditure of £3.4 billion in the last two years. But the real increase was only £1.1 billion, suggesting £2.3 billion of additional spending in 2008-10 was on the increased cost of goods and services.

<sup>1</sup> For 2007/08 we recorded statutory grants of £700 million to Global Alliance for Vaccines and Immunisation (GAVI) and the International Finance Facility for Immunisation (IFFIm). More information on GAVI can be found at [www.gavialliance.org](http://www.gavialliance.org).

**Public sector income supported the sector during recession.** If the immunisation grant to GAVI is excluded from our analysis, the trend is clear: income from statutory sources increased every year since 2000/01 in real terms. Income for the public sector was £13.9 billion in 2009/10, 38% of total income. At the same time, a clear shift in the financial relationship with the state has occurred: at the beginning of the decade contracts were less than 50% of total income from government. We estimate contracts are now 79% of statutory income.

**The 'grants squeeze'.** The total real-terms value of grants to the voluntary sector has fallen since 2005/06, confirming much anecdotal evidence. The recession proved a difficult year for those seeking grants: excluding the GAVI grant, public sector grants reduced by £500 million compared with 2007/08. Reductions in grants from lottery distributors were also noticeable in both 2007/08 and 2008/09. Grants from both voluntary sector and private sector funders remained static.

**Giving down, buying up?** Our evidence shows that charitable giving declined in the recession, but that earned income from the public increased. This won't be news to many of you – but evidence from donors is now matched with proof from the charities they support. The recession may have accelerated a longer term shift in the way the public choose to support organisations, away from donations to purchases (though donations have begun to recover). Looking at the longer term, it is notable that earned income from public service contracts, trading and sales – what might be termed social enterprise activity – has driven nearly all of the growth in the sector over the last decade.

**The voluntary sector workforce: a mix of paid staff and volunteers.** We estimate 765,000 paid staff now work in the voluntary sector, equivalent to 2.7% of the UK workforce. The voluntary sector paid workforce is roughly the same size as the number employed in the restaurant and catering sector. Many smaller organisations are not employers, while the workforce is heavily concentrated in social care. Surveys of the population indicate that the proportion volunteering has remained flat throughout much of the decade, with a quarter of people volunteering at least once a month. The Third Sector Research Centre has argued that organisations in all sectors are now reliant upon a 'civic core' of committed individuals who are giving a disproportionate share of time and money – which may moderate the sector's ability to rebalance the ratio of paid staff and volunteers, particularly as the number of paid staff has now begun to fall.

**Is a bigger voluntary sector a more resilient voluntary sector?** Looking back over a decade of expansion, we continue to have concerns over the financial resilience of the sector – it looks like many organisations have spent every last penny just to keep their heads above water. Data for 2009/10 indicates that 99% of total incoming resources was spent on current expenditure. Equally worrying, the sector's aggregate free reserves were £42.2 billion in 2009/10: in real terms, £4.1 billion lower than at the beginning of the decade. The recession is again a factor here: many organisations (including grant making trusts and foundations) have dipped into reserves to fund current expenditure, which we believe contributed to falling dividend and interest income in 2009/10, the following year. Indeed, were it not for a recovery in investment values in that year the picture would be significantly worse.

**Balancing the books.** Much of our analysis is based upon data for 2009/10; in effect, the last year of the Labour government. Much has happened since, both politically and economically. We would draw attention to factors likely to shape these trends: continued high inflation; the rise in VAT; and of course reductions in public expenditure. There is much anecdotal evidence that reductions in public spending are impacting upon voluntary organisations: our own estimates suggest that the sector will face a £1.3 billion drop in income from statutory sources by 2015/16 – and as these figures assume a proportionate cut to the sector, these estimates are likely to represent a baseline figure and the real hit to the sector may be much higher. Given the importance of statutory income to the voluntary sector economy, it is difficult to forecast over the medium term a return to the resource levels of 2007/08. A recovery in levels of charitable giving, indicated by our surveys of individual donors, is insufficient to replace the likely reductions in statutory income.

Amidst a difficult climate for income and expenditure, and a limited pool of reserves, evidence from surveys of the workforce suggests that the sector can only be counter-cyclical for so long. Paid staff account for 38% of expenditure – so it is perhaps unsurprising that our most up-to-date data, that for workforce, has reported a 9% reduction in the number of paid staff for the year to the fourth quarter of 2011. This represents a loss of eight staff members every hour, of every day.

**The voluntary sector: the heart of civil society.** Amidst the clear and present dangers brought about by the most challenging macro-economic and fiscal outlook we have experienced for generations it is important to remember that voluntary organisations continue to draw upon a steely capacity for resilience. And there are signs that the sector will renew itself. We do not forecast a wave of mergers or closures, but we expect more strategic collaboration and restructuring to deal with austerity. We believe the political and policy environment is supportive: as the mutualisation agenda demonstrates, there is faith in the governance and business models employed across civil society. New philanthropic foundations are being established every year. We continue also to see a ferment of ideas and innovation at the grassroots: often using new technologies, the next generation of social entrepreneurs are finding new ways to leverage and harness those willing to give time and money. And above all, the groups and organisations that span civil society continue to receive high levels of public trust and support. And it is this support that makes me believe we will weather the storm and emerge a leaner, stronger sector, committed as ever to the goals of a stronger civil society and a more social economy.





---

<b>01</b>	What is civil society?	<b>03</b>
<b>02</b>	What are the financial resources of civil society?	<b>05</b>
<b>03</b>	How many people work in civil society?	<b>07</b>
<b>04</b>	How many beneficiaries and members do civil society organisations have?	<b>09</b>
<b>05</b>	How has civil society changed?	<b>11</b>
<b>06</b>	What is the relationship between social enterprise and civil society?	<b>12</b>
<b>07</b>	Will public service mutuals reshape civil society?	<b>13</b>

---

## 01 What is civil society?

What should we call the activities and organisations that inhabit the space between the state, businesses and individuals? Few, if any, issues cause so much dissatisfaction and disagreement amongst those working in that diverse universe of organisations sometimes referred to as the third sector, or the voluntary and community sector, or the NGO sector, or the nonprofit sector. And so on. For some people, there isn't even such a thing as a sector: the universe is just too diverse. For others, the focus on organisations ignores the individual or collective action that has always taken place in the public sphere. This isn't just an abstract problem: how can we sustain and grow something that we can't even put a name on?

Inevitably contested, the concept of 'civil society' advanced by Mike Edwards does however help.<sup>1b</sup> This definition of civil society is about more than just a group of organisations, though the role of voluntary groups and organisations is central: it is associational life that brings people together and allows civic values and skills to develop. But civil society is also defined by values: the values associated with the 'good society' which aims for social, economic and political progress. Finally, civil society is defined as a space: the public sphere where debate and deliberation allows the negotiation of the common interest.

Against a backdrop of enduring values and a consistent overall definition, however, much has changed and will continue to change in civil society. Whether due to the demographic pressures of an ageing society, or the financial pressures of the 2008/09 recession and its aftermath, there is underway a long-term rebalancing of the roles and responsibilities of citizens, the state and civil society. The voluntary sector is still at civil society's heart, but recent years have seen the continued blurring of the boundaries between civil society, the state and the market. This is most evident in the development of social enterprise and in the 'charitisation' and mutualisation of public bodies. These are set to become increasingly significant parts of the civil society landscape, though one implication is that with every year it becomes more difficult to clearly set out the associational dimension of civil society.

This graphic, which is based upon work by Adalbert Evers and Jean-Louis Lavelle,<sup>1c</sup> presents civil society at its centre. Organisations at or near the boundaries of civil society are often said to be 'hybrids', sharing the characteristics of different sectors: social enterprise, for example, sits at the boundary with the market. Social movements sit at the boundary with communities. Over time, these boundaries are changing – as is the location of organisations. Finally, whilst the focus of much of the Almanac are the charities that constitute the voluntary sector, the graphic reminds us that a much broader range of organisational forms inhabit the civil society space.

### Types of UK civil society organisations, by income, 2009/10<sup>1a</sup>

*Note: For further information on the number of organisations and financial characteristics of each type of organisation, see section 3.*

FORMAL  
INFORMAL

PUBLIC  
PRIVATE

Sports Clubs  
143,000  
5.1

# 900,000

Estimated number of civil society organisations in 2010<sup>1a</sup>

# £228 BILLION

The value of assets controlled by civil society organisation in 2010<sup>1a</sup>

# COMMUNITIES

**ABBAYFIELD SOCIETIES ADVOCACY GROUPS AIR AMBULANCE SERVICES  
ANIMAL PROTECTION ARMED FORCES CHARITIES BENEVOLENT SOCIETIES**

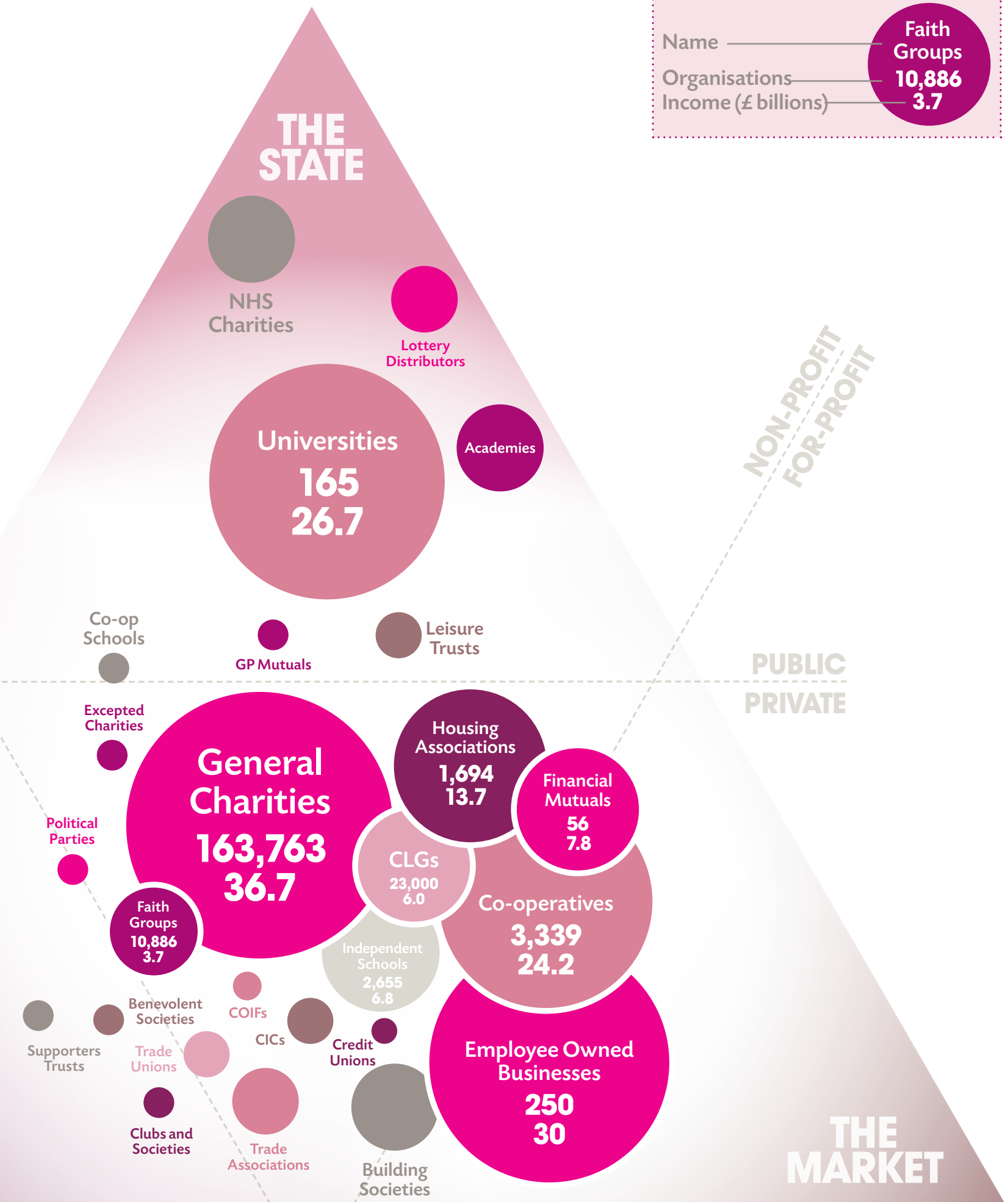


Name \_\_\_\_\_

Organisations \_\_\_\_\_ **10,886**

Income (£ billions) \_\_\_\_\_ **3.7**

**Faith  
Groups**



NON-PROFIT  
FOR-PROFIT

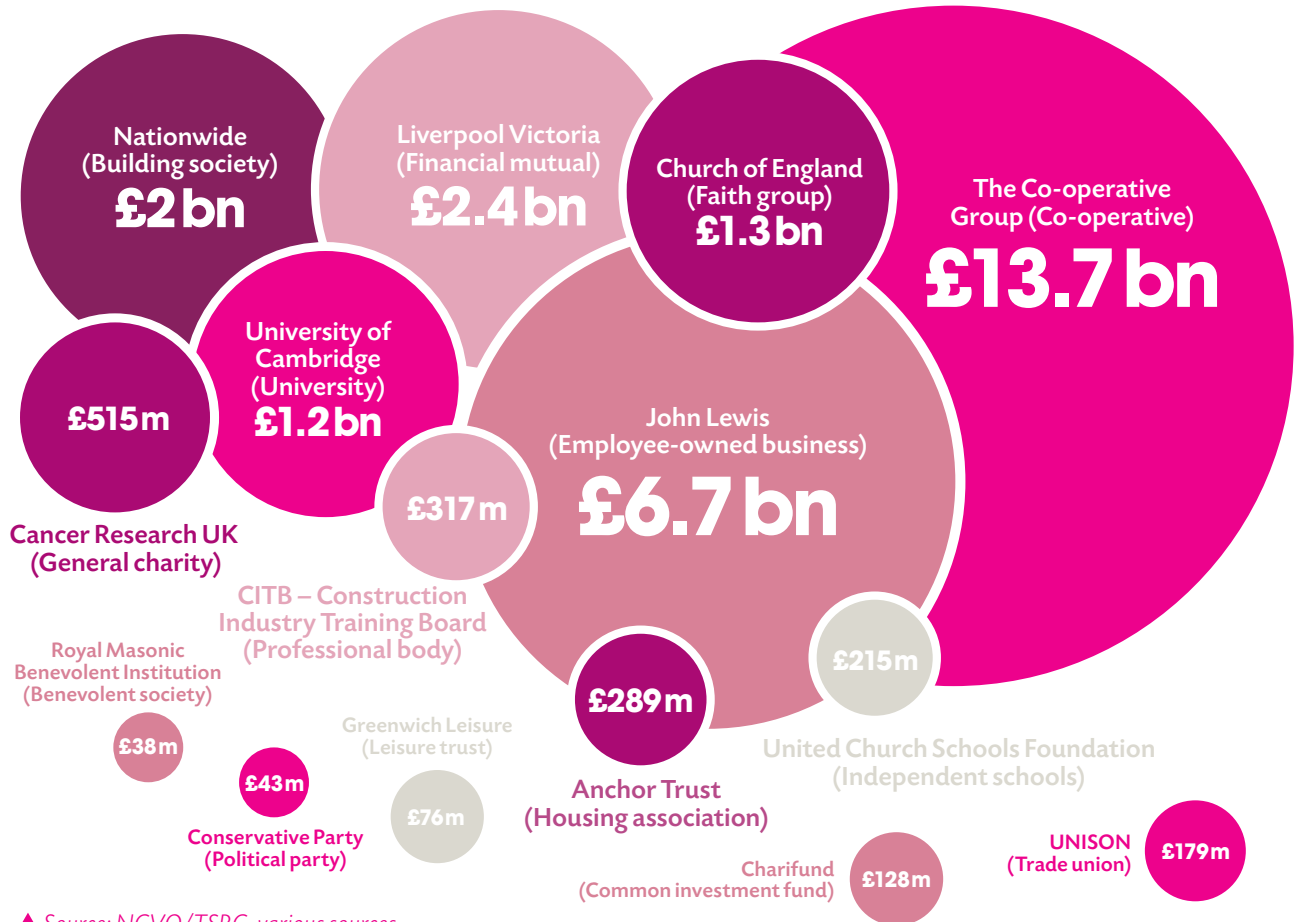
PUBLIC  
PRIVATE

THE  
MARKET

**BRASS BANDS BUILDING SOCIETIES CARE SERVICES CHURCHES CITIZEN'S ADVICE BUREAUX  
CIVIC SOCIETIES COMMON INVESTMENT FUNDS COMMUNITY DEVELOPMENT**

# 02 What are the financial resources of civil society?

The largest UK organisation of each civil society type, 2009/10



▲ Source: NCVO/TSRC, various sources

## The economically important types of civil society organisation

Civil society organisations have an annual combined income of £170.4 billion. Voluntary organisations make up the largest part of civil society in financial terms – accounting for the largest share of income, expenditure and assets. Employee owned businesses (with an estimated income of £30 billion), universities (£26.7 billion) and co-operatives (£24.2 billion) are the other major sectors in terms of income. The next largest sector in terms of assets is housing associations – with assets of £63.4 billion.

**£170.4 BILLION**

Income of civil society organisations.<sup>2a</sup>

## Civil society's assets

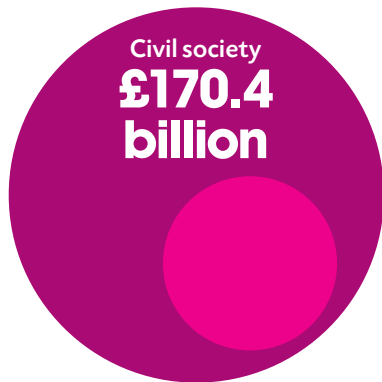
Civil society organisations control substantial assets valued at £228.4 billion. This figure will include some cash deposits, but the majority of the value consists of fixed assets such as property and investments. This is most likely an under-estimate, as civil society organisations are also often the custodians of significant but historic or inalienable assets such as churches, sites of historical importance or cultural value and areas of natural beauty. This figure also excludes the assets of financial services industries, such as building societies and mutual insurance providers, since they mostly represent customer deposits.

For some organisations, owning assets – usually buildings – is essential to their work. For instance the principal assets of housing associations are the buildings they own that provide homes for thousands of families. On a smaller scale thousands of charity-owned village halls provide a space for community life in rural areas. Other groups hold assets to generate income – many foundations are funded through returns on an invested endowment; while some hold assets simply in order to carry out their day-to-day work, providing everything from office space to playing fields.

**COMMUNITY FOUNDATIONS COMMUNITY INTEREST COMPANIES  
COMPANIES LIMITED BY GUARANTEE COMMUNITY TRANSPORT**



Total income of the UK voluntary sector and civil society, 2009/10 <sup>2a</sup>



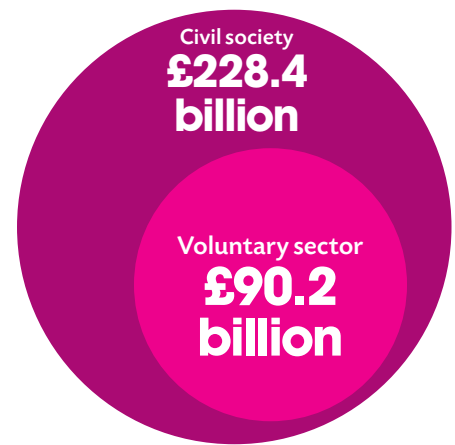
Voluntary sector  
**£36.7 billion**

Total expenditure of the UK voluntary sector and civil society, 2009/10 <sup>2a</sup>

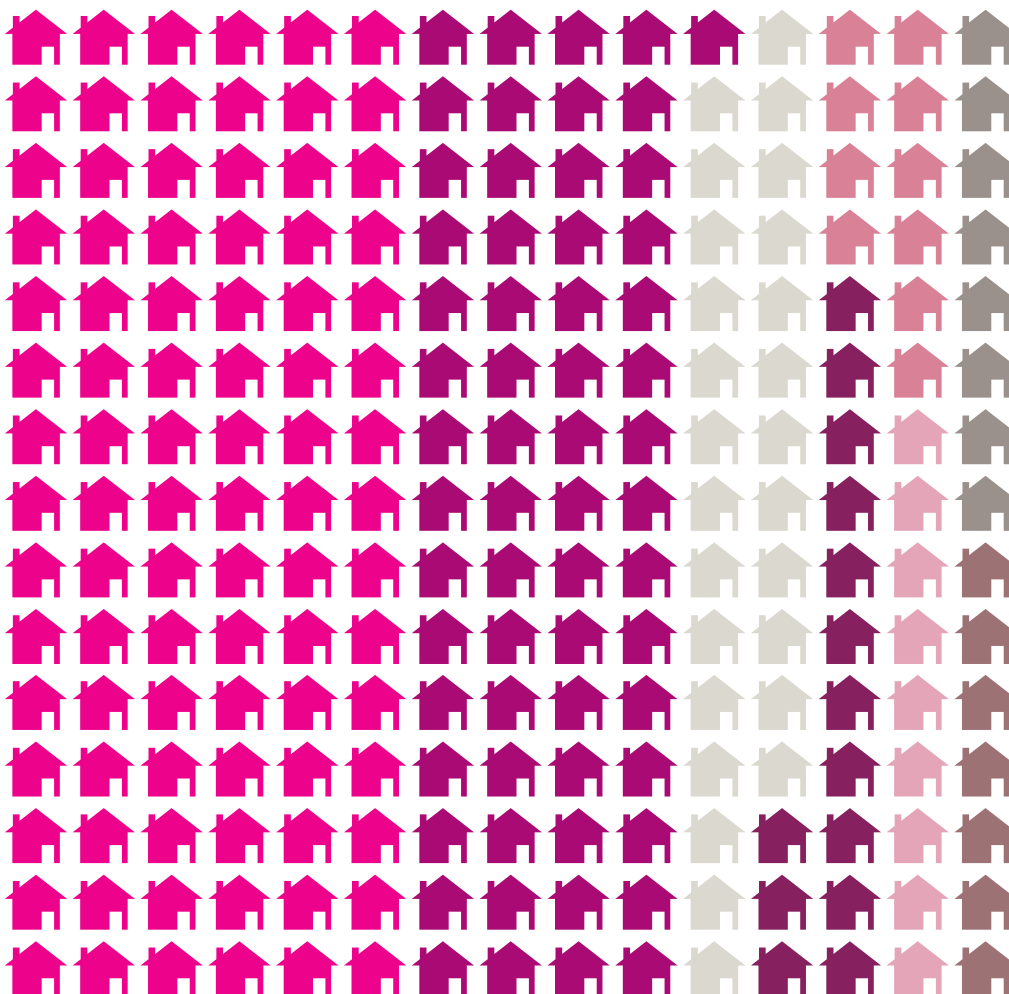


Voluntary sector  
**£36.3 billion**

Total net assets of the UK voluntary sector and civil society, 2009/10 <sup>2a</sup>



UK civil society's major assets, 2009/10 (£ billions) <sup>2a</sup>



= £1 billion

- General charities
- Housing associations
- Universities
- Faith groups
- Employee owned businesses
- Independent schools
- Co-operatives
- Others

# £228.4 BILLION

Combined value of assets of civil society organisations. <sup>2a</sup>

**CONSUMER GROUPS CO-OPERATIVES CO-OPERATIVE TRUST SCHOOLS  
COUNCILS FOR VOLUNTARY SERVICE CREDIT COUNSELLORS CREDIT UNIONS**

# 03 How many people work in civil society?

## Paid staff

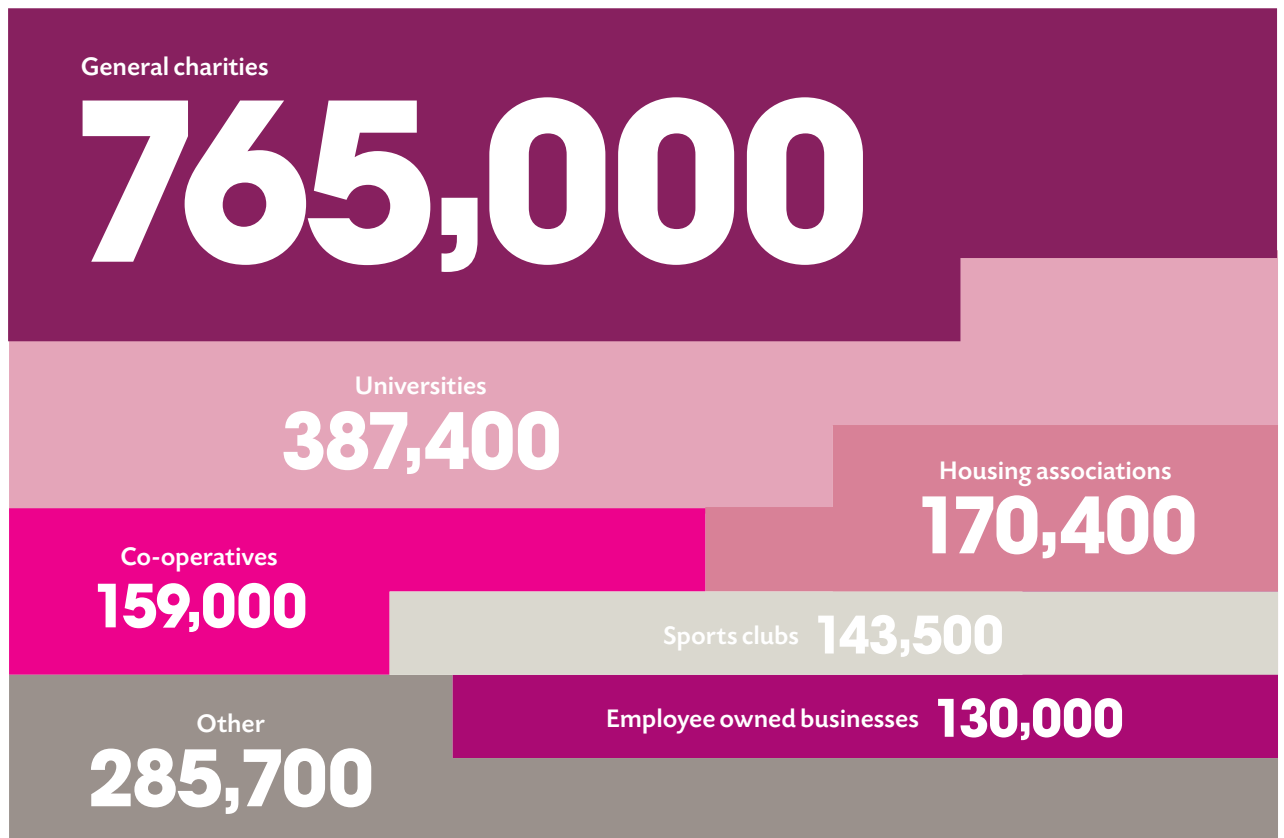
An estimated 2.0 million people are employed within civil society organisations falling within the civil society definition used in this Almanac. This is equivalent to 7% of the total UK workforce and is larger than the NHS workforce (1.4 million people, the UK's single largest employer).

When compared to an industry sector, it is clear that civil society organisations are major employers – employing as many people as the construction sector (2.0 million). Voluntary organisations employ 765,000 people and account for more than one-third (37%) of the civil society workforce, the largest employer within civil society.



## Paid staff by type of civil society organisation, UK, 2009/10

▼ Source: NCVO/TSRC, various sources



INDEPENDENT SCHOOLS INDUSTRIAL AND PROVIDENT SOCIETIES  
 INFRASTRUCTURE BODIES LEISURE TRUSTS LIFEBOATS

# Volunteers

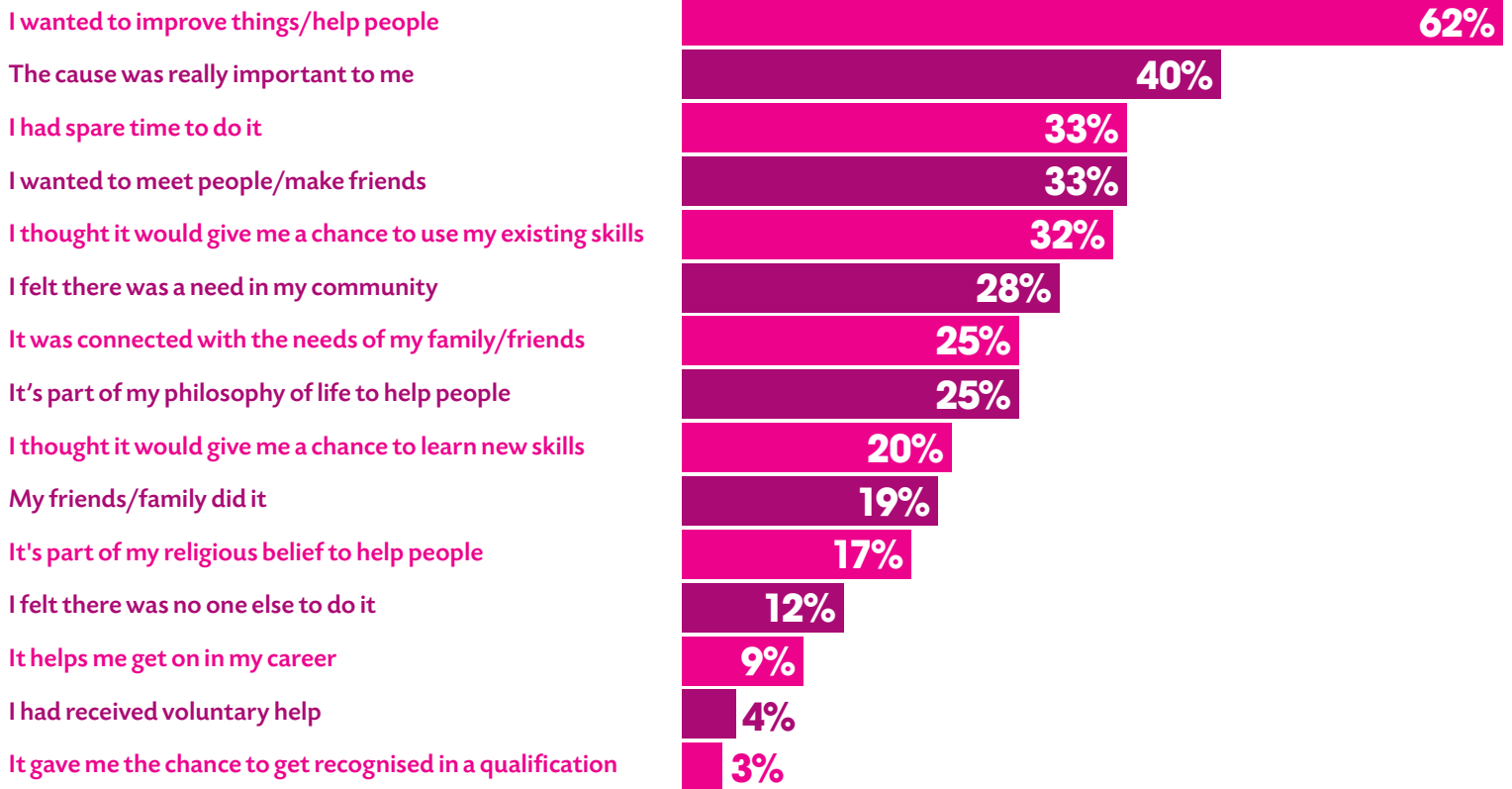
During 2010/11, 39% of adults in England said that they had volunteered formally at least once in the previous 12 months, with 25% volunteering formally at least once a month.<sup>3b</sup>

*Formal volunteering means giving unpaid help through groups, clubs or organisations to benefit other people or the environment.*

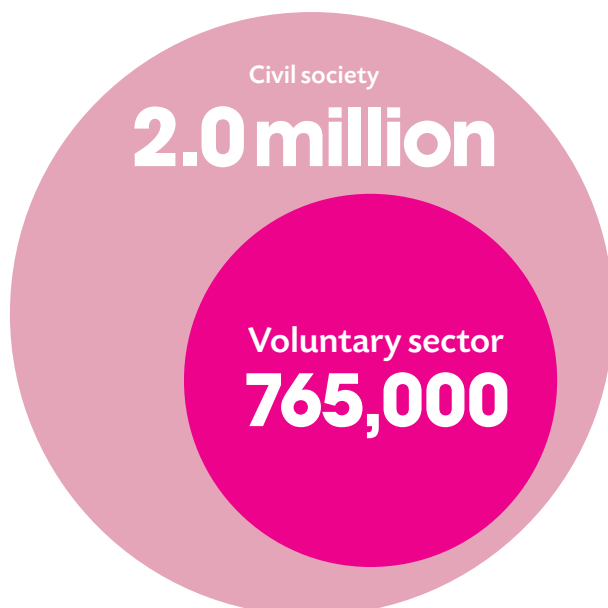
This equates to 16.6 million people in England volunteering formally at least once a year and 10.6 million people in England volunteering formally once a month. If the survey results were equally valid for the UK adult population as a whole, these estimates would increase to 19.8 million (once a year) and 12.7 million (once a month).

## Why do people volunteer?

Source: CLG, 2010



Number of paid staff in the UK voluntary sector and civil society, 2009/10<sup>3c</sup>



Number of people who formally volunteer once a year and once a month in the UK, 2010/11<sup>3b</sup>

Once a year

**19.8 million**

Once a month

**12.7 million**

**LIMITED LIABILITY PARTNERSHIPS LIONS CLUBS MOSQUES MOTHERS UNIONS  
MUSEUMS MUTUAL SOCIETIES NURSERIES NURSING HOMES OUT OF SCHOOL CLUBS**

# 04 How many beneficiaries and members do civil society organisations have?

## How many people benefit?

Civil society organisations in the UK exist to support a wide range of beneficiary groups, including people from the UK and across the world, animals and the environment. This means that trying to accurately estimate how many people benefit is challenging, and virtually impossible. Many UK-based organisations have a global reach, whilst the

breadth of needs and interests met by civil society organisations makes it difficult to not be a direct or indirect beneficiary of their work. The estimates in the table below should be read with this caveat in mind.

▼ Source: NCVO, various sources

### Civil society's beneficiaries and members: published estimates

	Number	Type of relationship
General charities	124,900,000	Beneficiaries
Sports clubs	27,398,950	Members
Building societies	25,000,000	Members
Faith groups	17,500,000	Active practitioners
Co-operatives	10,290,000	Members
Financial mutuals and friendly societies	8,500,000	Members
Trade unions	7,328,905	Members
Housing associations	6,727,000	Members
Clubs and societies	4,200,000	Members
Universities	2,093,630	Students
Credit unions	808,700	Members
Political parties	640,000	Members
Independent schools	616,456	Pupils
Football/rugby supporter trusts	270,000	Members
Employee owned businesses	130,000	Employees

23%

The proportion of GB employees who were trade union members in 2010.<sup>4a</sup>

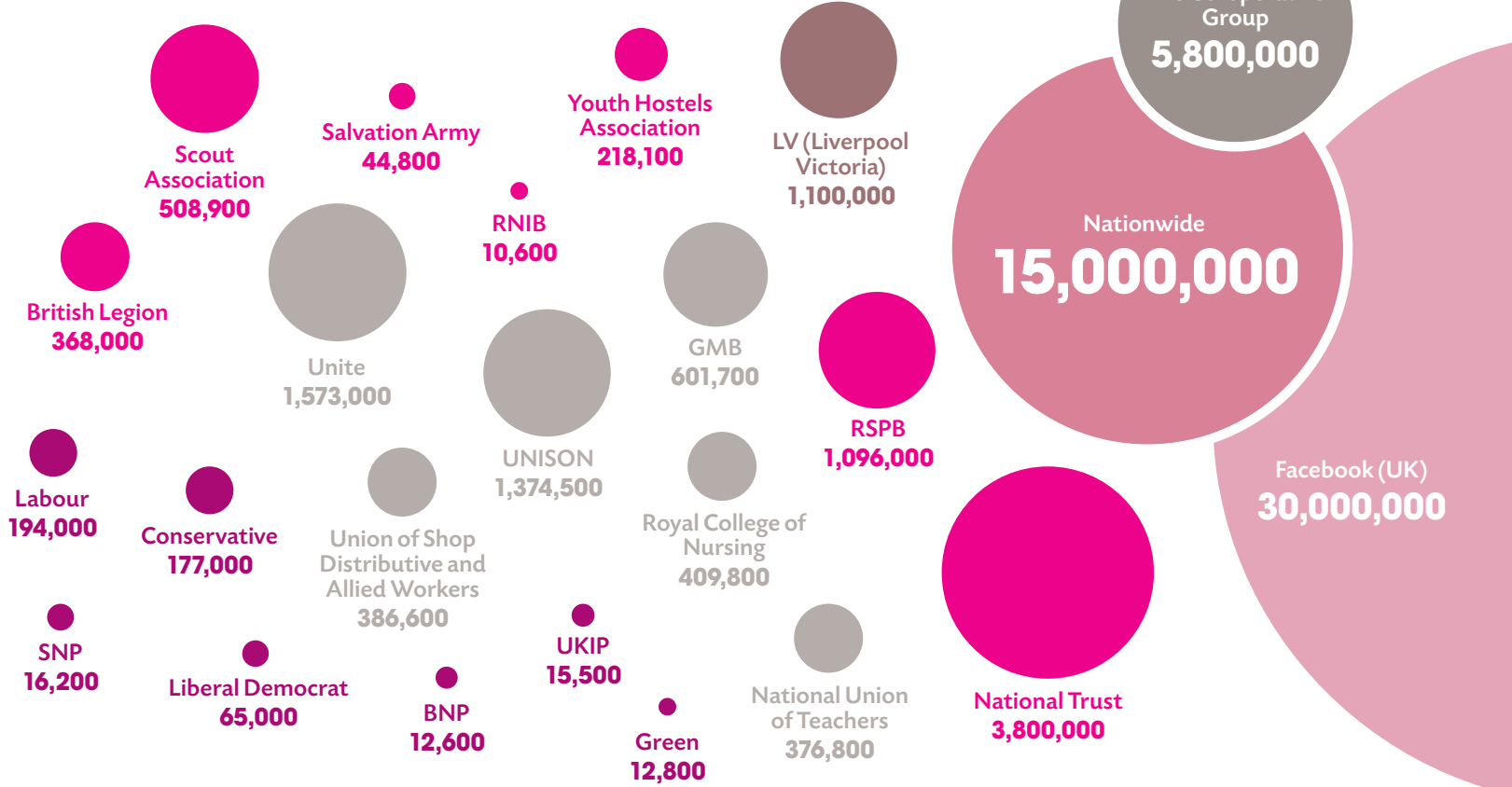
6,727,000

The number of housing association members in 2010.<sup>4b</sup>

PARENT TEACHER ASSOCIATIONS PLAYGROUPS POLITICAL PARTIES  
RACE EQUALITY COUNCILS REFUGEE SUPPORT REGISTERED CHARITIES

### Number of members for a selection of organisations, 2010<sup>4c</sup>

■ Political parties 
 ■ Voluntary organisations 
 ■ Unions 
 ■ Co-operative  
■ Social Network 
 ■ Mutual insurer 
 ■ Building society



## Membership

There are membership organisations across all parts of civil society, from local informal groups to large national organisations with millions of members. These organisations play an active role in civic life, from campaigning on environmental issues to organising social events.

In some cases membership brings tangible benefits – discounted admission, publications or events, and in others it is a way of showing support for a particular cause or set of values. For mutual and co-operative organisations the nature of the relationship may be more about consuming than participating, but the members are also the owners of the business, and have a role in their governance.

While the memberships of political parties and trade unions have fallen since the 1960s and 1980s respectively, membership of voluntary organisations has not witnessed the same decline overall. Some organisations have increased their membership whilst some have lost members.

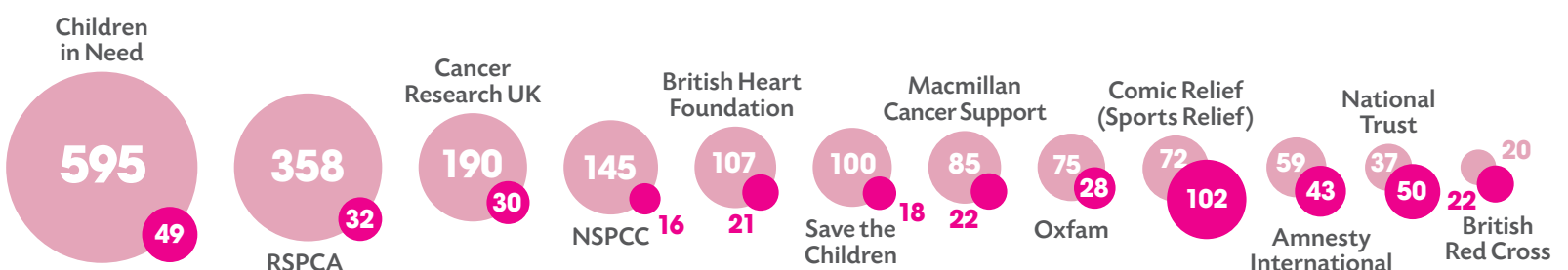
## How many supporters do charities have online?

In addition to traditional membership models, civil society organisations are increasingly seeking to communicate directly with their beneficiaries and supporters through social media. While the size of their audience on social networks is not necessarily a good measure of success, it provides an interesting indication of their reach. Together, just these 10 charities have garnered more than 2 million interactions online.

▼ Source: *Visceral Business*,<sup>4d</sup> Twitter, Facebook, retrieved January 2012

### Social media audience of selected major charities (thousands of likes and followers), January 2012<sup>4d</sup>

■ Facebook likes 
 ■ Twitter followers



**RETIREMENT HOMES PROTARY CLUBS ROYAL NAVAL ASSOCIATIONS SAMARITANS SCHOOL FUNDS**  
**SCOUTS SOCIAL CLUBS SOCIAL ENTERPRISE SPORTS CLUBS SYNAGOGUES THEATRES**

# 05 How has civil society changed?

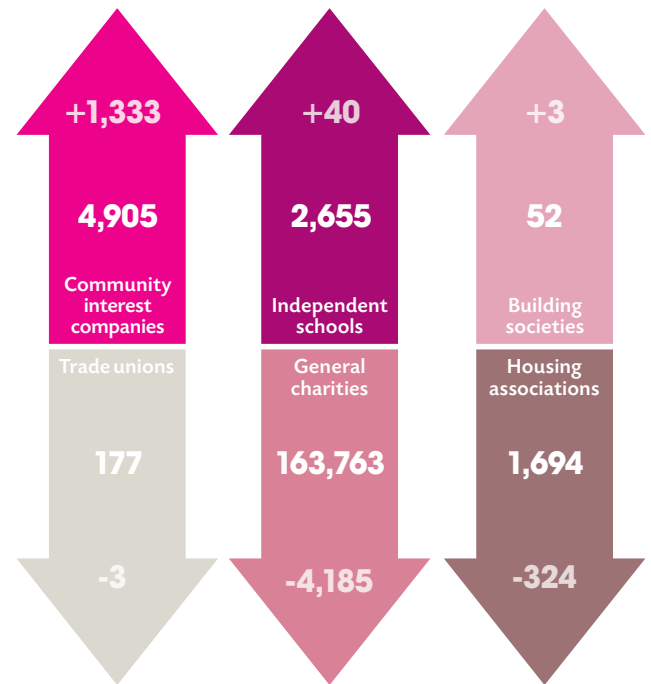
## How many civil society organisations are there?

We estimate there are around 900,000 civil society organisations in the UK. To obtain this estimate, data from a variety of sources was compiled together. Tracking the number of organisations over time is challenging, due to the variety of sources and changes to methodology. This figure consists of an estimate of 600,000 unincorporated organisations, based on research conducted in 2001.<sup>5a</sup>

We can be more certain of the changes that are based on official registers. General charities experienced a decline in number between 2008/09 and 2009/10 but we believe this is largely due to administrative action rather than a sign of decline. These figures are explored in more detail in Question 13 of this Almanac. The number of community interest companies increased significantly with a net increase of 1,333 for the year.

► Source: NCVO/TSRC, various sources

Which organisation types have grown and decreased between 2008/09 and 2009/10?



## The changing nature of charitable status

The changing environment in which charities operate is raising new challenges in the face of which the existent legal forms often lack the necessary flexibility. Moreover, a number of recent developments in law have important implications for the concept of charity itself.

Firstly, the Finance Act 2010 introduced a new definition of charity for tax purposes, and in particular rules requiring that the persons managing the charity must pass a 'fit and proper person' test in order to receive tax reliefs. The implications of such a change are far reaching: the new provisions link an organisation's entitlement to tax reliefs not only to the nature of the institution, but also to the individuals responsible for running it, and ultimately to their ability to pass the test. Furthermore, charities now have to deal with fundamental definitions, including the meaning of 'charity' itself, that are inconsistent with and parallel to those already operated by the Charity Commission.

Secondly, over the past months two sets of judicial proceedings have turned the spotlight on the amount of public benefit that an organisation must provide in order to achieve and maintain its charitable status. They are indicative of a broader debate that the sector will eventually have to address. Specifically, now that the old fashioned perception of charity no longer stands, how far do we want to push the boundaries of private profit?

The word 'charity' has so much history and culture attached to it that these questions will inevitably lead to heated debates, but it is necessary to undertake a review so that the concept of charitable status matches the public's understanding. This is essential to maintain the high levels of trust and confidence that our sector has enjoyed throughout the centuries.<sup>5c</sup>

**1,694**

The number of housing associations in the UK.<sup>5b</sup>

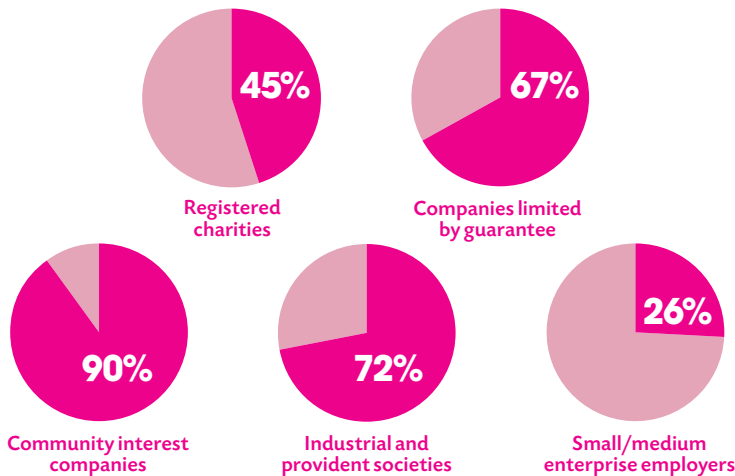
**3,339**

The number of co-operatives in the UK.<sup>5b</sup>

**DISASTER AND FAMINE RELIEF EMERGENCY AND RELIEF SERVICES  
EXEMPT CHARITIES EXCEPTED CHARITIES FAITH GROUPS**

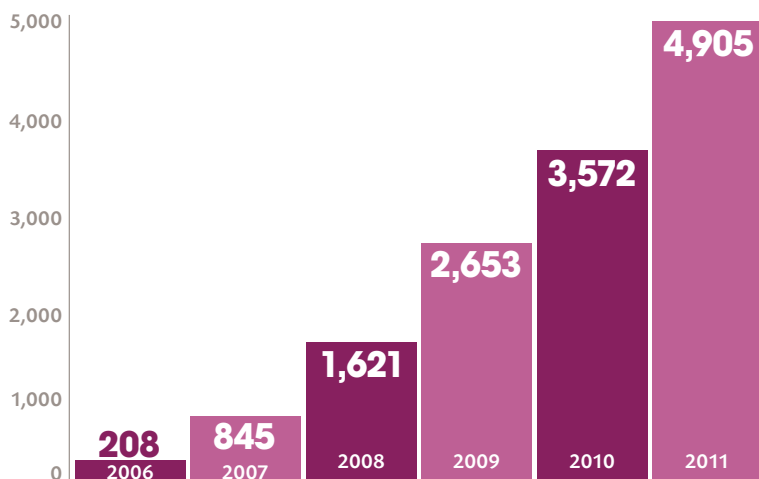
# 06 What is the relationship between social enterprise and civil society?

## Proportion of organisations that consider themselves to be a social enterprise by type, 2009/10



▲ Source: NSCSE 2010, BIS Small Business Survey 2010

## The number of community interest companies, 2006 – 2011



As is the case with civil society, the scope of social enterprise varies considerably depending how it is defined. The definition adopted by the UK government (BIS) defines social enterprises as those businesses that self-identify as a social enterprise and as a “business with primarily social or environmental objectives, whose surpluses are principally re-invested for that purpose in the business or community, rather than mainly being paid to shareholders and owners”; and further requires that they generate at least 25% of their turnover from trading and distribute less than 50% of their profits to owners or shareholders.

Just over one-quarter (26%) of small and medium employers said they are social enterprises, but only 7% met the full definition, with a further 19% self-identifying as social enterprises but not meeting all of the criteria.<sup>6a</sup>

The national survey of charities and social enterprises uses a similar definition to BIS. This estimates that nearly half of registered charities (45%), two-thirds of companies limited by guarantee (67%) and nine-tenths (90%) of community interest companies are social enterprises.<sup>6b</sup>

An alternative approach is to view social enterprise as an activity rather than a type of organisation. This approach views organisations like co-operatives, companies limited by guarantee, and charities as engaged in social enterprise when they trade goods and services. Earned income from trading is an increasingly important source of income for voluntary sector organisations, explored in question 32 of this Almanac.

## The rise of community interest companies

Community interest companies (CICs) are a relatively new type of limited company, intended to promote social entrepreneurship. CICs are established for a community purpose, with an asset lock to ensure that any assets and profits are used to further these purposes. The first CICs were established in 2005, and there are now 4,905 CICs on the register.

◀ Source: CIC Regulator

# 45%

The proportion of registered charities who identify as a social enterprise.<sup>6b</sup>

# £900 MILLION

The turnover of CICs in 2010.<sup>6c</sup>

**FOOTBALL SUPPORTER TRUSTS FOUNDATIONS FRIENDLY SOCIETIES GALLERIES GIRL GUIDES HOSPICES HOSPITAL LEAGUE OF FRIENDS HOSPITAL RADIO HOUSING ASSOCIATIONS**



# 07 Will public service mutuals reshape civil society?

The organisations that occupy the civil society space have traditionally had common characteristics and aims: formal, self-governing, non-profit distributing, with an element of voluntarism and independence from the state. But this distinctiveness is increasingly being challenged: the boundaries between civil society, the state and the market are blurring. Nowhere is this clearer than in the case of public service mutuals and other transfers to the voluntary sector. Are these hybrid organisations replacing the state? Or renaming it? This is a small but rapidly growing group of organisations, possibly of importance beyond their size.

and funding for a programme of advice and support will significantly expand a process started under the previous administration. It appears also to shift the emphasis from the charitable form to the mutual/cooperative form.

The current wave of mutuals is at an early stage: data is scarce. The 22 Pathfinder mutuals span a wide range of public services: examples include Salvere, a Community Interest Company (CIC) with 53 staff providing personalised care services, and SEQOL, a CIC with staff formerly of the Primary Care Trust (PCT) and local authority which delivers integrated care services. By December 2011,<sup>7c</sup> seven pathfinders were operational.

## What are public-service mutuals?

A key aim of the Big Society agenda<sup>7a</sup> is the outsourcing (or 'spinning out') of public services to worker cooperatives, known as public service mutuals. In this context, mutuals are organisations with a range of legal structures, but where employee control has a significant role in the operation. These organisations continue to deliver public services under contract.

A much greater expansion is envisaged: by 2015, it is hoped one in six public servants may have formed themselves into mutuals and social enterprises. This represents more than a million staff, and would be a 50% increase on our estimate of 2 million staff currently working for civil society organisations. Such an expansion would fundamentally change our understanding of the size, scope and role of civil society organisations.

The transfer of organisations and staff from the public sector to the voluntary sector and beyond is not new: it has been responsible for some of the growth described in the Almanac. But the establishment of the Mutuals Taskforce<sup>7b</sup>

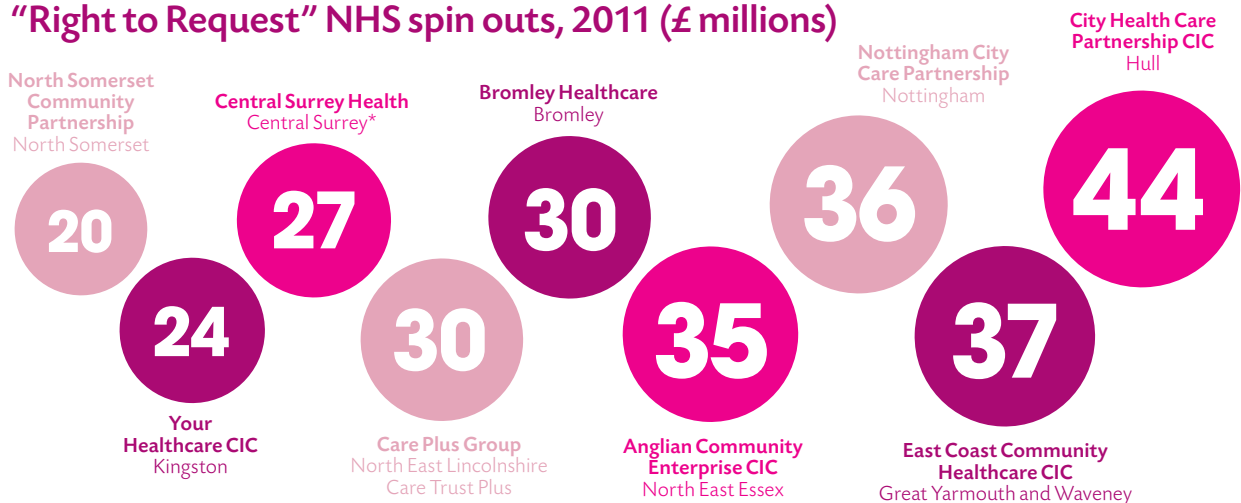
**1 in 6**

The proportion of public servants the Mutuals Taskforce hopes to encourage to form mutuals and social enterprises by 2015.<sup>7i</sup>

**£886 MILLION**

The value of public services delivered by NHS 'spin outs' by the end of 2011.<sup>7d</sup>

## Estimated annual turnover of the largest "Right to Request" NHS spin outs, 2011 (£ millions)



**TOWNSWOMEN'S GUILDS TRADE ASSOCIATIONS AND PROFESSIONAL BODIES  
TRADE UNIONS TRAINING PROVIDERS TRUSTS UNIVERSITIES**



## Public service mutuals: health services

The NHS has led the recent wave of mutualisation. Under a programme known as the Right to Request, PCT staff have been encouraged to form social enterprises. Seven pathfinder social enterprises were created before 2008, 20 have been created as a result of the programme, with a further 30 transfers underway in 2011. Most are incorporated as CICs owned by their staff. Social enterprises formed through this programme will deliver contracts worth £886 million by 2012.<sup>7d</sup> An estimated 24,000 NHS employees will have been transferred in the process, around 10% of the staff previously employed by PCTs.

The first social enterprise to 'spin-out' of the NHS was Central Surrey Health in 2006. Co-owned by its 700 nurses and therapists, it provides community nursing in Surrey. Central Surrey Health's annual turnover in 2009/10 was almost £27 million, and it has been widely recognized for providing integrated services that improve outcomes for patients. There have also been some much smaller scale spin-outs – 22 of the 50 Right to Request projects involved less than 50 members of staff. In contrast to the transfer of housing stock, none of the social enterprises so far spun out of the NHS own any substantial assets.

# £740 MILLION

The estimated turnover of leisure trusts in 2010.<sup>7e</sup>

# £460 MILLION

The value of property endowment being transferred to the Canal and River Trust.<sup>7g</sup>

▼ Source: Estimated contract value, PCT annual accounts and various sources.

\* Spin-out predates Right to Request programme.

## Public service charities: leisure services

Preceding the wave of mutualisation in the NHS, many local authorities outsourced the provision of leisure services through the establishment of leisure trusts. In most cases the trusts have been established as registered charities (though this is not always apparent), often with ownership of leisure centres and other sports facilities. In 1997, there were 40 leisure trusts,<sup>7f</sup> but there are now more than 100, with an estimated turnover of £740 million in 2010.

Cost savings – specifically exemption from a large percentage of business rates – have driven this agenda. However, increasingly councils are being encouraged to consider leisure trusts for strategic reasons – to improve services, increase public engagement and to find new sources of investment for the UK's ageing stock of public sports and recreation facilities.

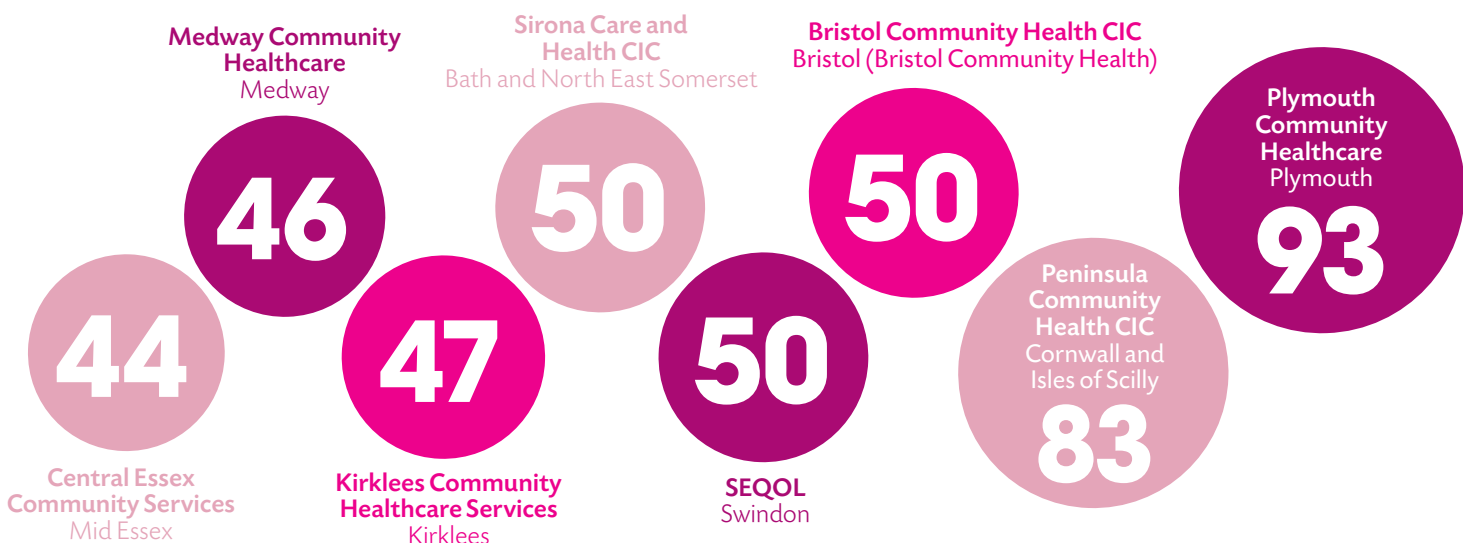
Some of the largest leisure trusts now operate leisure facilities across several localities. Most widely cited is Greenwich Leisure Ltd (GLL), spun-out from Greenwich Borough Council in 1993 with the transfer of seven leisure centres. GLL now manages more than 100 facilities in 23 locations across London and the South East, and will be the legacy operator of some of the facilities built for the 2012 Olympic Games.

## Public bodies and charitable status

Transferring the control of assets to organisations with charitable or independent status is not a new idea. The largest example has been the transfer of social housing stock from local councils to housing associations. Since 1988, more than 1.2 million homes have been transferred in England alone.<sup>7h</sup>

There has been a history of 'charitisation' – where government bodies are established as registered charities in addition to being accountable to the Secretary of State. For example, the British Council, a non-departmental public body (NDPB) of the Foreign Office, is the UK's largest registered charity by income (although under the general charities definition it is excluded from our analysis of the voluntary sector in section 2.).

More recently, British Waterways ceased to be a public corporation accountable to DEFRA, and instead become a new charity in England and Wales called the Canal and River Trust (although a new public body will be created in Scotland). A long term contract for funding is now in place, but significantly the £460 million commercial property endowment of the old public body – mostly a portfolio of properties adjacent to waterways – will be transferred. This means that the new trust is likely to be among the wealthiest charities in the UK. Similarly, NESTA – the National Endowment for Science, Technology and the Arts – with assets worth £328 million in 2011 – is also to become an independent charity.



**UNIVERSITY OF THE THIRD AGE VICTIM SUPPORT VILLAGE HALLS VOLUNTEER BUREAUX  
VOLUNTARY ORGANISATIONS WILDLIFE TRUSTS WOMEN'S INSTITUTES WOMEN'S REFUGES YMCAS**

---

# IN DEPTH: THE VOLUNTARY SECTOR

# 2

---

Introduction	17
Scope	19
Finance: The Big Picture	29
Income Streams	37
Income: In Focus	41
Expenditure	53
Assets	57
Work	65

---

# 08 What do we mean by the voluntary sector?

In our review of civil society in section 1 we highlighted that civil society is much contested: not everyone agrees what it is, or in the case of civil society associations, what is 'in'. Furthermore, our knowledge of the characteristics and dynamics of civil society remains in its infancy.

In contrast, we know much more about the organisations that comprise the voluntary sector, what we have termed the 'core' of civil society. This section looks at the voluntary sector in more depth, and highlights issues we believe have resonance for wider civil society.

NCVO has been tracking change in the core voluntary sector since the early 1990s, but we have focussed our analysis on change over the last decade. The timeline below aims to help readers contextualise the latest elements of this change.

▼ Source: ONS, various sources

## Definition of the voluntary sector

This section is largely based upon analysis of organisations which meet the "general charities" definition. Starting with all registered charities, we exclude those that are controlled by government, independent schools, religious organisations and some others. This definition is explained further in question 10.

While we call this the "general charities" definition, for these organisations we use the terminology "voluntary sector" and "voluntary organisations" throughout the Almanac. Although many of these organisations have paid staff, a defining characteristic is their voluntary nature, whether in governance through a trustee board, in finance through donations and grants, or in resources through the help of volunteers.

## Financial analysis

Throughout the Almanac, we explore the financial situation of the voluntary sector over time. To ensure we compare like-with-like we inflate all financial figures to the latest year of data, March 2010. All financial figures and comparisons are therefore in real terms. The impact of inflation on the figures is explored in question 22.

## Timeline, 2004-2011<sup>8a</sup>



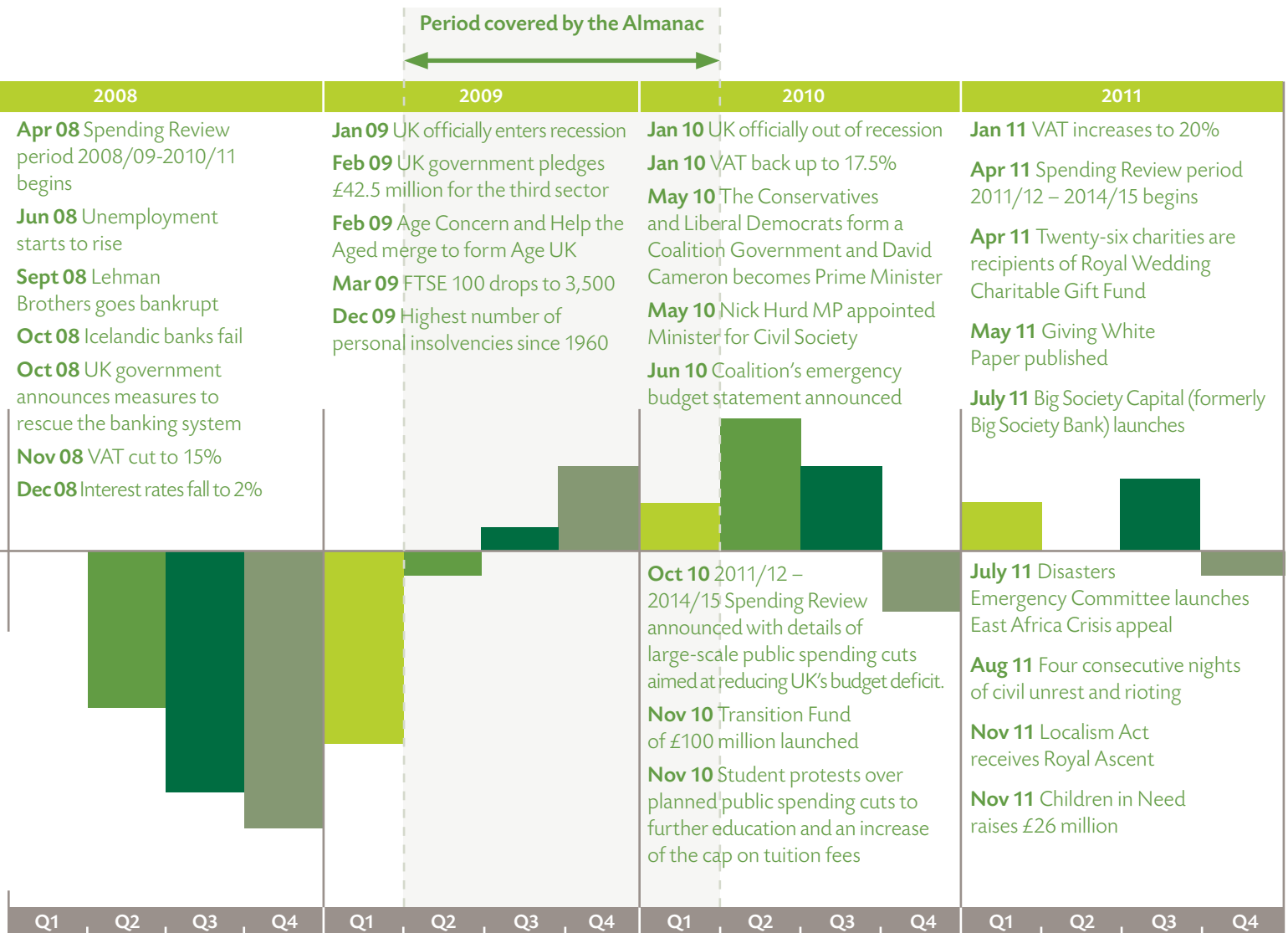
## Analysis by size

Within the Almanac, organisations are divided into five groups based on their income. Each group is named to make it easier to discuss the findings and place them in context.

Income of charity	Name
Less than £10,000	Micro charities
£10,000 to £100,000	Small charities
£100,000 to £1 million	Medium charities
£1 million to £10 million	Large charities
More than £10 million	Major charities

## Analysis by sub-sector

Voluntary organisations conduct a wide range of activities, which are often grouped into sub-sectors or industries. The International Classification of Non-profit Organisations (ICNPO) is designed for voluntary organisations and other non-profit groups, and so is the most useful for comparisons between groups of organisations. In reality many organisations undertake multiple activities (e.g. housing and advice) for different beneficiaries, but our analysis groups organisations into a single category based upon their primary activity, a sometimes subjective decision. For the figures presented in this Almanac some categories have been grouped together. For further information, see question 16.



# 09 How many voluntary organisations are active in the UK?

In our definition of the voluntary sector there were over 160,000 active organisations in the UK in 2009/10. Active organisations are those that have submitted an annual return in the last 3 years. In the UK there are 2.6 voluntary organisations for every thousand people.<sup>9a</sup> This is equivalent to one voluntary organisation for every 380 people. This estimate does not include 'below the radar' non-registered informal groups, which are numerous. The private sector is 27 times larger than the voluntary sector with just under 4.5 million enterprises.<sup>9b</sup>

▼ Source: NCVO/TSRC, Charity Commission

## Number of UK voluntary organisations, 2009/10

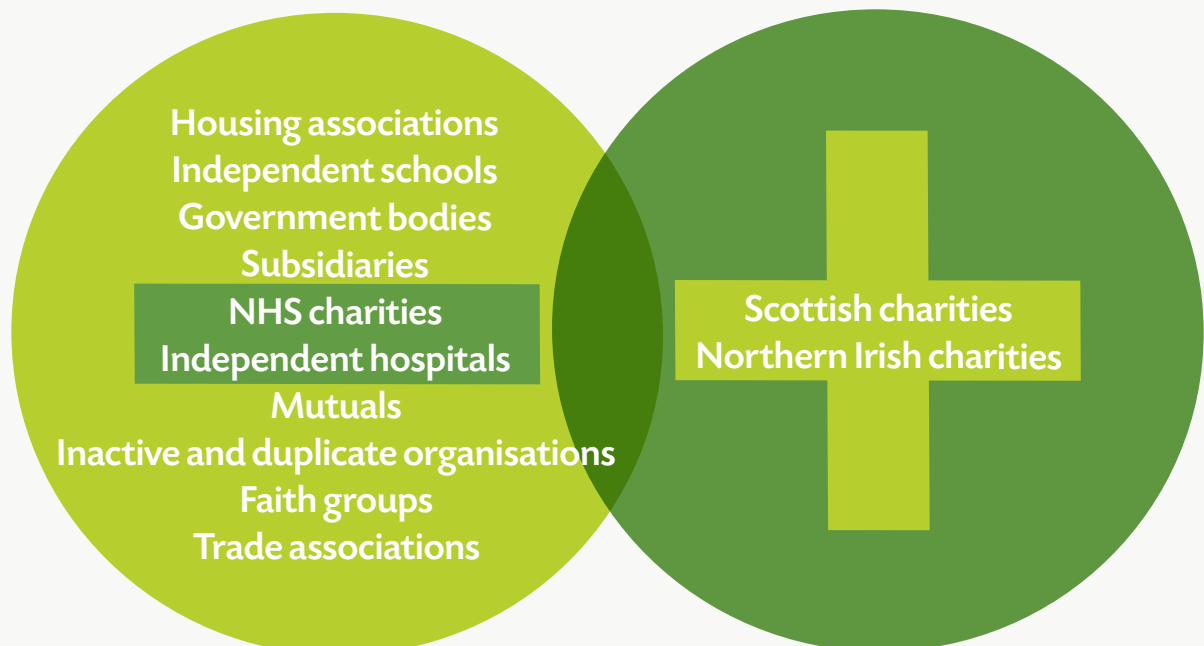
How big?	Micro Less than £10,000	Small £10,000 to £100,000	Medium £100,000 to £1 million	Large £1 million to £10 million	Major More than £10 million	Total
How many?	<b>87,683</b>	<b>51,090</b>	<b>20,432</b>	<b>4,084</b>	<b>474</b>	<b>163,763</b>

# 10 Why are our estimates lower than the Charity Commission's figures?

Compared to the Charity Commission's register, which covers England and Wales, we report more organisations but less income. To produce estimates of the size of the UK voluntary sector, we apply a "general charities" definition to the register of charities and similar registers covering Scotland and Northern Ireland. Developed by the Office for National Statistics, the definition excludes organisations primarily because:

- they are inactive or because they are duplicates or subsidiaries of other organisations;
- they belong elsewhere in civil society. These include housing associations, independent schools such as Eton College, government bodies, faith groups (whose main objective is the promotion of religion) and trade associations;
- they have charitable status, but are not independent of government. These include NHS charities and quangos such as the British Council.

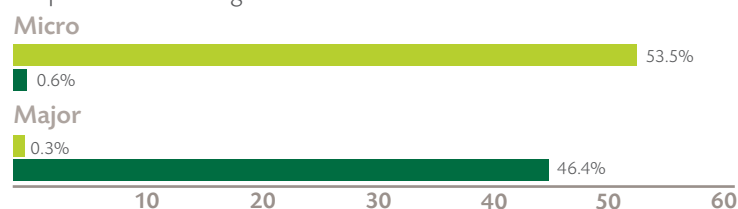
## Removals and additions to create the voluntary sector definition, 2009/10



# 11 How big is a typical voluntary organisation?

## Micro and major organisations' share of total income, 2009/10 (%)

Proportion of: ■ organisations ■ income



The majority of the UK's voluntary organisations are very small: just under 88,000 (54% of the 'population') have an annual income of less than £10,000, and we have categorised these as micro. Many are small: a further 51,000 (31%) have an income of less than £100,000. However, these small and micro organisations account for 5.5% of the sector's total income, are unlikely to employ paid staff, and rely more on donations from individuals than larger organisations.

In contrast, the 474 major voluntary organisations with incomes above £10 million account for 46% of all charitable income. These organisations are more likely to operate nationally or internationally and have paid employees, whilst some have branch structures that enable them to operate at a local level. Due to the threshold for registering with the Charity Commission, there are many more organisations operating "below-the-radar". Estimates of these organisations vary, with some estimates proposing as many as 600,000.<sup>11a</sup>

◀ Source: NCVO/TSRC, Charity Commission

## Voluntary sector organisations: income indicators, 2009/10

	Micro	Small	Medium	Large	Major	Total
Number of organisations	87,683	51,090	20,432	4,084	474	163,763
Proportion of organisations (%)	53.5	31.2	12.5	2.5	0.3	100.0
Total income (£ millions)	236.9	1,781.9	6,322.3	11,325.8	17,014.5	36,681.4
Proportion of income (%)	0.6	4.9	17.2	30.9	46.4	100.0
Mean income (£)	2,700	34,900	309,000	2,773,000	35,896,000	224,000
Median income (£)	3,039	26,364	232,662	1,953,690	20,220,025	8,474

# 12 What major voluntary organisations have we excluded from our analysis?

The Charity Commission's register of charities contains 14,900 entities with a combined income of £22.5 billion that do not fall into our general charities definition (see question 10). The majority are excluded because they are independent schools or universities, or because they are religious organisations whose primary purpose is the promotion of religion. They include many organisations that the public may not realise are registered charities, such as exam boards. For information on the ten largest voluntary organisations included in our analysis see question 14.

▼ Source: NCVO/TSRC, Charity Commission

## Excluded: the ten largest registered charities excluded from our definition of the voluntary sector, 2009/10

Registered charity name	Reason for exclusion	Income (£ millions)
The British Council	Government body	705
The Arts Council of England	Government body	604
Nuffield Health	Independent hospital	553
CITB – ConstructionSkills	Government body	317
Anchor Trust	Housing association	289
United Church Schools Foundation	Independent school	215
The Girls' Day School Trust	Independent school	204
CFBT Education Trust	Independent school	151
Assessment and Qualifications Alliance	Government body	144
MHA Care Group	Housing association	123

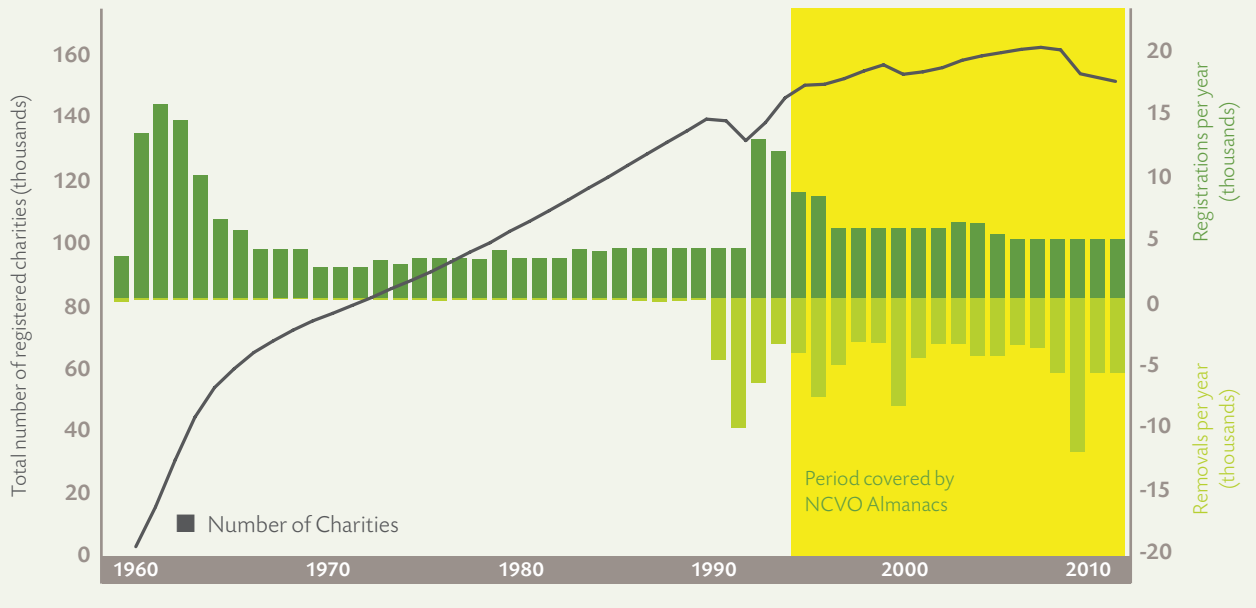
# 13 Is the number of voluntary organisations increasing?

Since the register of charities was launched in the 1960s, the number of charities has grown steadily, with at least 2,500 organisations registered every year. In 2010, 4,448 new general charities were registered. Both registrations and removals are unrelated to economic conditions: the peaks and troughs shown are the result of administrative action by the Charity Commission, not recessions. In 2007 the Charity Commission started a Register of Mergers, by January 2012 it had records of over 900 mergers.<sup>13a</sup>

The UK is not alone in seeing such growth, a worldwide trend referred to as a “dramatic associational revolution”.<sup>13b</sup> For example, the total number of nonprofits, or tax-exempt organisations, in the United States has grown rapidly in recent years, increasing by 27% from 1995 to 2005 alone. In each year over the past decade, the Internal Revenue Service has approved, at a minimum, 50,000 new nonprofit organisations.<sup>13c</sup> What is not known is whether the public is happy with a constant stream of new registrations, and whether there is a “correct” number of voluntary organisations per head of the population.

▼ Source: NCVO, Charity Commission

## General charities in England and Wales: registrations, removals and number, 1961 – 2011



# 14 Which are the largest voluntary organisations in the UK?

The sector’s spending power largely resides with large and major voluntary organisations: over three quarters of total current expenditure (£27.7 billion) is spent by 4,558 organisations (or 3% of organisations). The Wellcome Trust, with an expenditure of £799.8 million, is the largest organisation in our definition of the sector. Question 12 identifies the 10 largest registered charities we have excluded from our analysis.

The ten largest voluntary organisations are mostly, but not entirely, household names. The main exception to this is The Gavi Fund Affiliate (which was set up in 2000 to support immunisation).<sup>14a</sup>

► Source: NCVO/TSRC, Charity Commission

## The ten largest voluntary organisations by total expenditure, 2009/10 (£ millions)

Wellcome Trust	799.8
Cancer Research UK	467.0
The National Trust	406.1
The Gavi Fund Affiliate/IFFIm	396.5
Oxfam	294.8
Barnardo's	232.8
British Heart Foundation	203.1
Action for Children	199.3
Royal Mencap Society	188.6
The British Red Cross Society	181.0



# 15 Are there more voluntary organisations in some parts of the UK than in others?

## Headquarters skew the distribution

The map is based on organisations' registered address with the Charity Commission. This means the activities of national and international organisations are mapped in the local authority which hosts their headquarters. One consequence is that the low population and prevalence of office space and legal facilities in the City of London means it has nearly one charity for every ten people, over ten times the ratio for any other local authority.

If income values are assigned to these organisations the picture becomes even more skewed. Almost one third of voluntary sector income (30%) in the UK can be assigned to organisations based in seven central London boroughs: Islington, Camden, Westminster, Lambeth, Southwark, the City of London and Hackney. Voluntary organisations choose to locate in these areas to be close to the professional, legal and political services nearby, although their activities may take place throughout the UK and across the world.

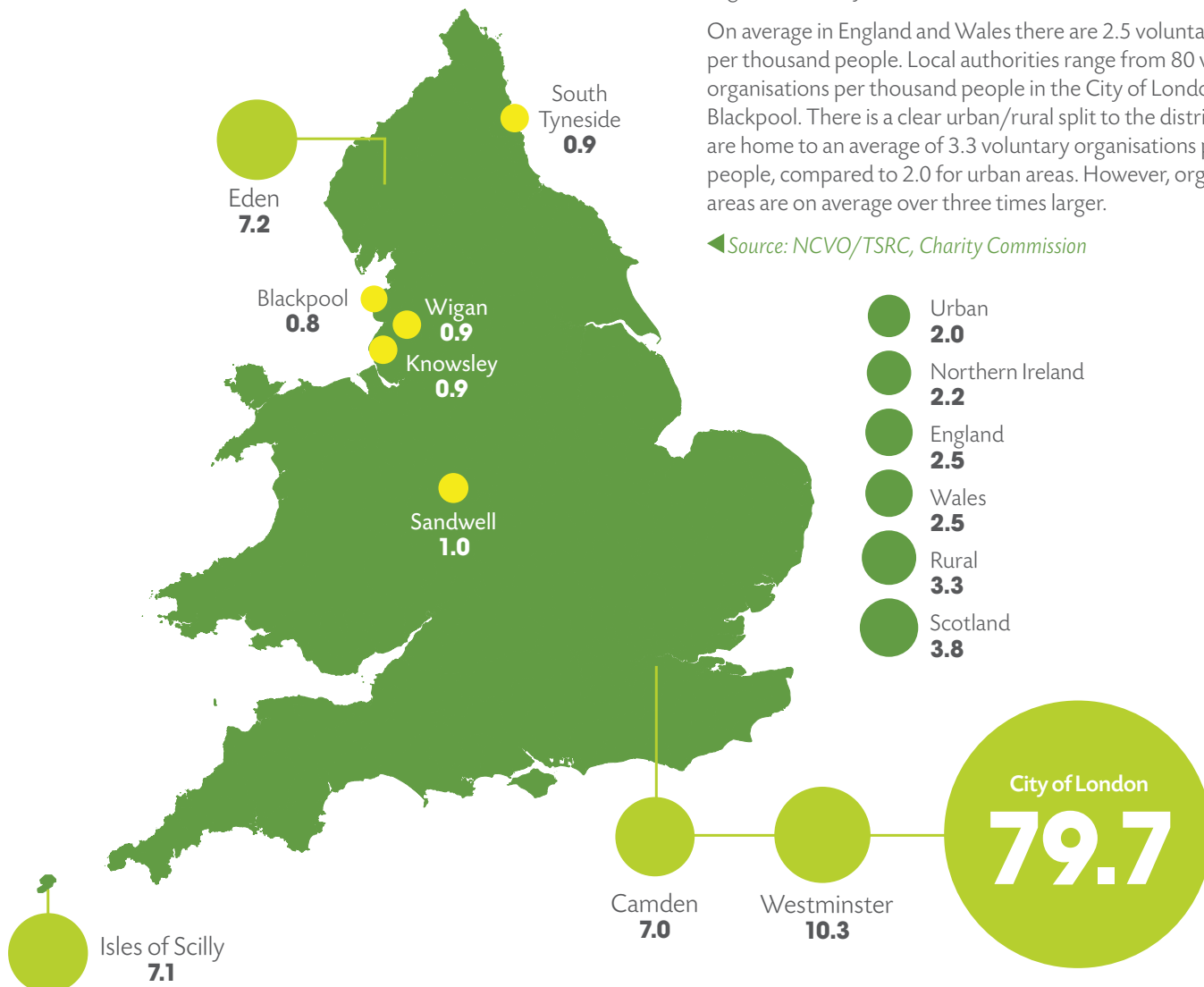


## The ten local authority areas, with the most and least voluntary organisations, 2009/10 (per 1,000 people)

The map highlights the number of voluntary organisations per thousand people for local authorities in England and Wales. The geographies demonstrated here are complex and uneven, and voluntary organisations form only part of the civil society picture; other types of civil society organisation may have a different distribution.

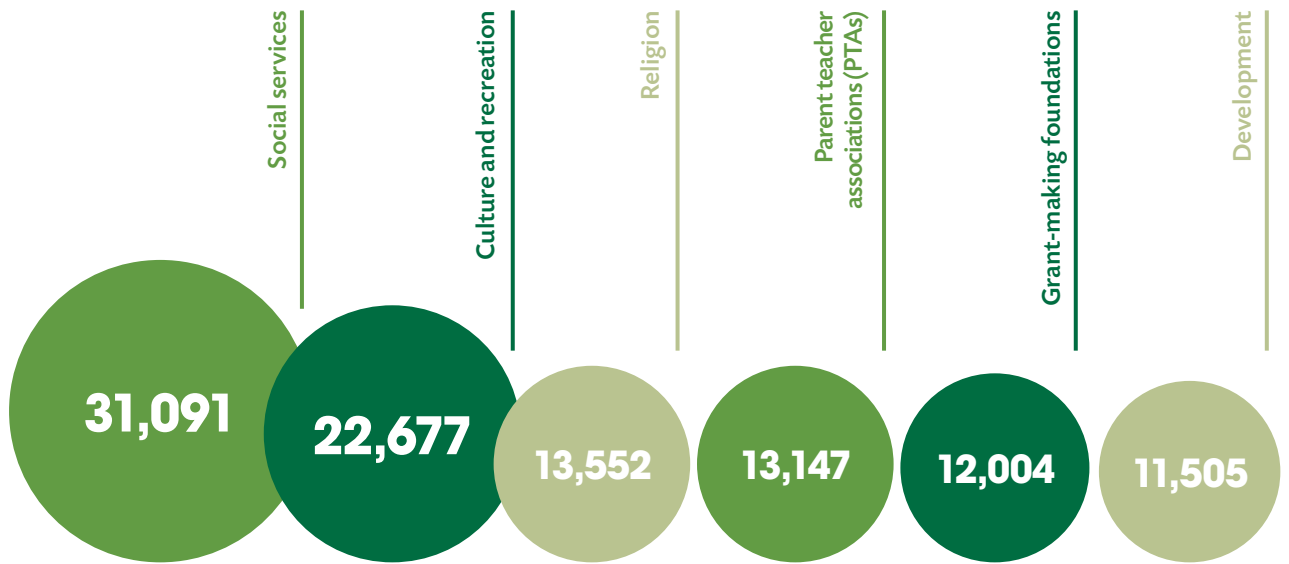
On average in England and Wales there are 2.5 voluntary organisations per thousand people. Local authorities range from 80 voluntary organisations per thousand people in the City of London to just 0.8 in Blackpool. There is a clear urban/rural split to the distribution: rural areas are home to an average of 3.3 voluntary organisations per thousand people, compared to 2.0 for urban areas. However, organisations in urban areas are on average over three times larger.

◀ Source: NCVO/TSRC, Charity Commission



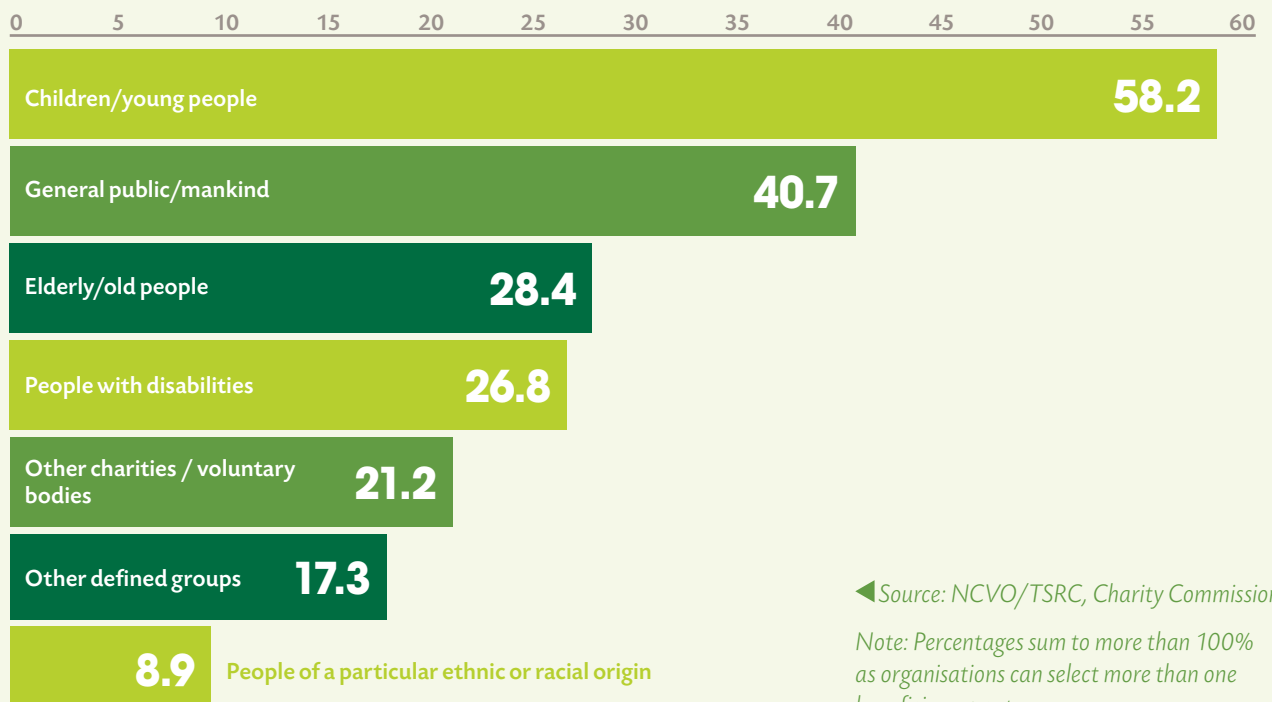
# 16 What activities does the voluntary sector undertake?

Number of voluntary organisations by ICNPO category, 2009/10



# 17 Who and what benefits from the work of the voluntary sector?

Beneficiaries of voluntary organisations in England and Wales, 2009/10 (%)



◀ Source: NCVO/TSRC, Charity Commission

Note: Percentages sum to more than 100% as organisations can select more than one beneficiary group.

Voluntary organisations conduct a wide range of activities, which are often grouped into sub-sectors or industries. The International Classification of Non-profit Organisations (ICNPO) is designed for voluntary organisations and other non-profit groups, and so is the most useful for comparisons between groups of organisations. In reality many organisations undertake multiple activities (e.g. housing and advice), but our analysis groups organisations into a single category based upon their primary activity, a sometimes subjective decision. For the figures presented in this Almanac some categories have been grouped together.

▼ Source: NCVO/TSRC, Charity Commission

Social services organisations make up the largest sub-sector, with 31,100 organisations (19%), covering a wide range of activities from care of the elderly to services for the blind. Organisations classified within the social services group include Age Concern, the British Legion and Mencap. This is nearly twice as many organisations as the number of primary schools in England (16,971).<sup>16a</sup>

There are also numerous culture and recreation organisations (22,700 organisations), for example the North of England Zoological Society, and development organisations (11,500 organisations), for example Tower Hamlets Community Transport.



[data.ncvo-vol.org.uk/A12Q17](http://data.ncvo-vol.org.uk/A12Q17)

## The number of charity beneficiaries by size of organisation's income, in England and Wales, 2008 (%)<sup>17a</sup>

	1-49	50-99	100-499	500-999	1000-4999	5000+
£10,000 or less	54	13	22	7	5	0
£10,000-£250,000	26	13	24	13	14	11
£250,000-£1 million	12	7	20	12	22	27
£1 million or more	3	5	27	13	18	33
All organisations	39	12	22	10	9	8

◀ Source: Charity Commission

Note: Excludes 'don't knows'.

## Who benefits?

Voluntary organisations in the UK exist to assist a wide range of beneficiary groups, covering all demographic groups within the UK population, as well as the environment, animals and people across the world. The most popular beneficiary group is children and young people (58%); organisations that benefit them include the 28,000 playgroups, nurseries, scout groups and parent-teacher associations. Emerging evidence from the recession suggests organisations are trying to meet greater levels of need from existing and new beneficiaries – particularly in areas such as advice services.

## How many beneficiaries are there?

Research on charities suggests 39% of organisations serve up to 50 beneficiaries, though some of the largest organisations each identified over 1 million beneficiaries. The array of activities and beneficiaries means it is very difficult to accurately estimate the number of beneficiaries: some people are in effect multiple beneficiaries, others are overseas. Using the mid-point in each group as a basis for extrapolation would suggest a beneficiary population of 125 million; in effect double the UK population.

# 18 What is the voluntary sector's involvement in public service delivery?

Although contracting out to voluntary organisations began in earnest in the mid-1980's, the sector's involvement in public service delivery has grown rapidly in recent years in both scale and scope, fuelled by policy goals of a mixed economy of providers and meeting the increasing needs (and demands) of an ageing, atomised population.

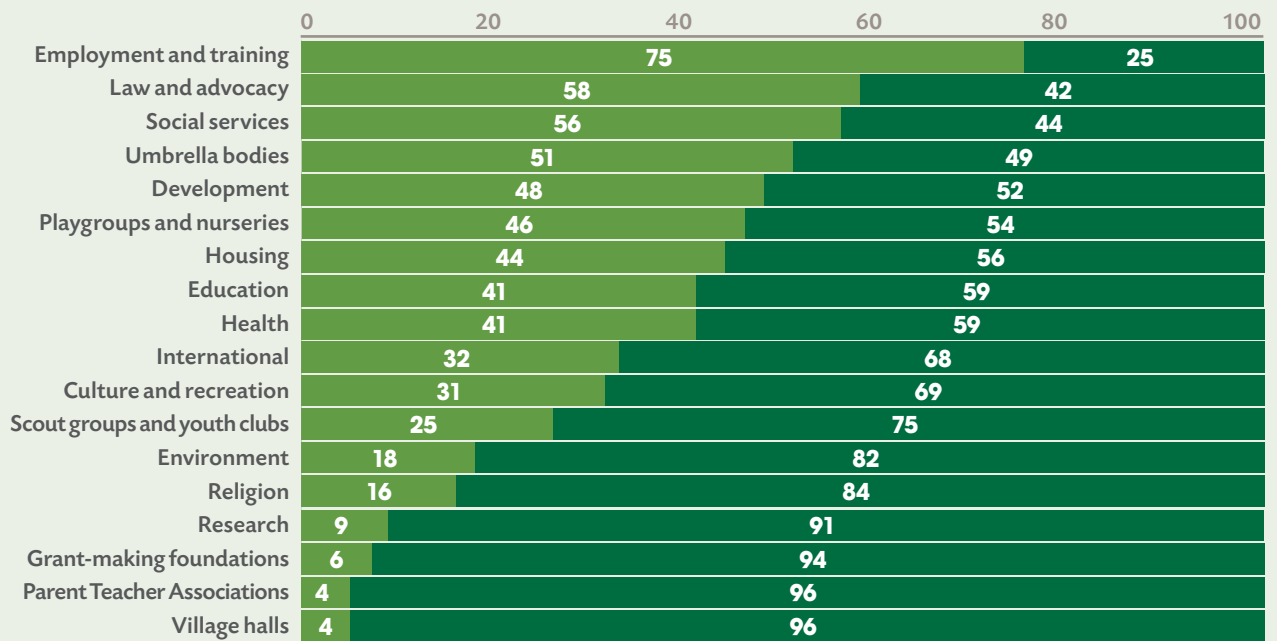
Over the period since 2000 the sector's statutory income has grown faster than total public spending, suggesting that the voluntary sector has become a more important contributor to GDP and a notable player in the provision of public services. It is important to remember, however, that even with recent growth, expenditure on the voluntary sector accounts for only 2% of total government spending.

## Income from statutory sources by sub-sector, 2009/10 (% of each sub-sector's income)

Although social work activities predominate, the voluntary sector provides services across a broad range of areas. Measuring involvement by the proportion of income received from statutory sources, there are five sub-sectors that receive more than half of their overall income from statutory sources. The employment and training sub-sector tops the list, receiving three-quarters (75%) of

its income from statutory sources. Apart from social services (56%), the other sub-sectors receiving more than half of their income from statutory sources are: law and advocacy (58%); umbrella bodies (51%) and community development (48%).

▼ Source: NCVO/TSRC, Charity Commission



# 19 How do voluntary organisations work with those they support?

Voluntary organisations support their beneficiaries in a number of ways, from direct monetary aid, to provision of services or facilities, to enabling other organisations. Almost one-third of the sector (31%) makes grants to voluntary bodies, which can then support their beneficiaries (see question 20 for more information on grant-making voluntary organisations). Similarly, 30% of the sector

operates by providing services to their own beneficiaries. This is related to the sector's increasing role in public service delivery (see question 18 for further information).

► Source: NCVO/TSRC, Charity Commission

Note: Percentages total to more than 100% as organisations can select more than one function.

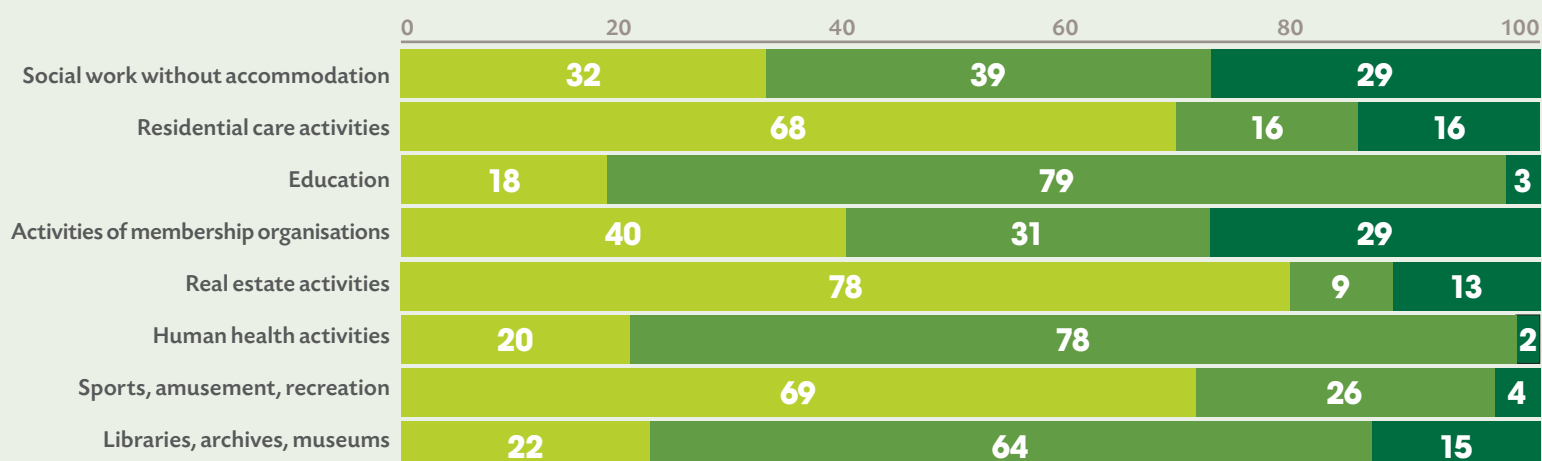
## The eight industry categories with the largest number of voluntary sector employees by sector, 2010 (% by SIC code)

Well over half of the voluntary sector workforce (57%) is employed within health and social care equating to 437,000 people. Within this, more than one-third (37%) of the sector's workforce were employed in 'social work activities without accommodation'.<sup>18a</sup> Voluntary sector employees account for a significant 29% of the overall UK workforce within 'social work activities without accommodation'. A further

115,000 people were employed in 'residential care activities', making up 16% of the residential care activities workforce.

▼ Source: Labour Force Survey. Base: All people aged 16 and over

■ Private sector ■ Public sector ■ Voluntary sector



## What barriers do voluntary organisations face to win public service contracts?

A number of official reports have drawn attention to structural problems in public service commissioning in relation to the voluntary sector.<sup>18b</sup> Recent evidence<sup>18c</sup> shows that many of these problems endure, in relation to contracts funded by both central and local government. Almost a fifth of registered charities surveyed were dissatisfied with opportunities for three-year or longer contracts (20% for contracts funded locally and

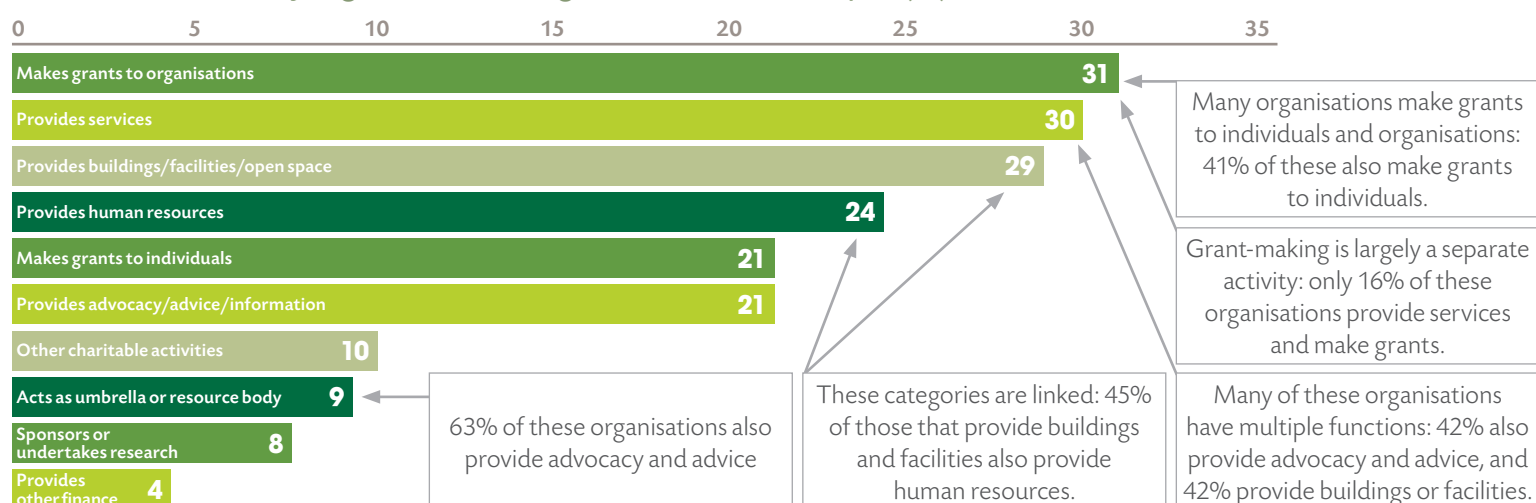
17% centrally), with only 5% satisfied with this element. Dissatisfaction with the ability to recover overheads (as well as direct costs) was also high, reported by 17% of registered charities for contracts funded locally and 15% for contracts funded centrally; levels of satisfaction were again only five per cent.

▼ Source: National survey of charities and social enterprises

## Registered charities satisfaction and dissatisfaction with local and central funding, 2010 (%)

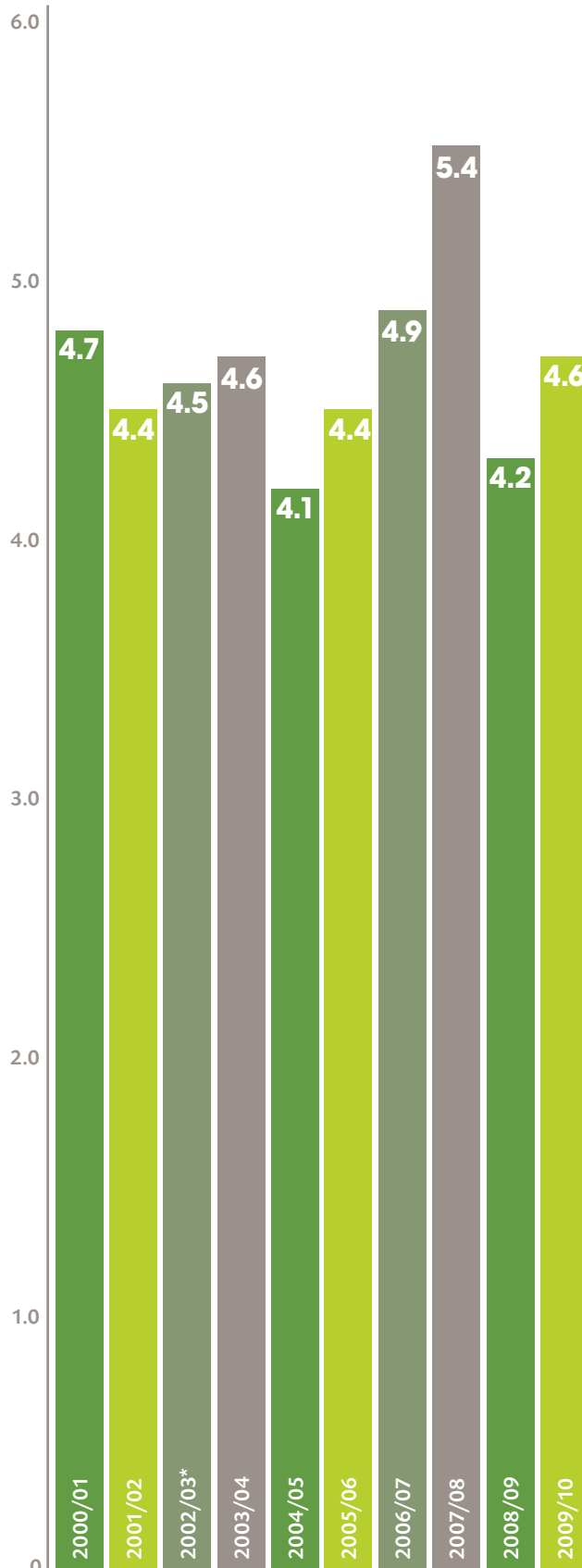
	Local funding		Central funding	
	Satisfied	Dissatisfied	Satisfied	Dissatisfied
Range of contracts available	5	13	3	13
Process involved in applying for funding and bidding for contracts	10	19	8	19
Opportunity for three year or longer local funding /contracts	5	20	5	17
Ability to recover overheads as well as direct costs through statutory funding	5	17	5	15

## Functions of voluntary organisations in England and Wales, 2009/10 (%)



# 20 What do we know about grant-making voluntary organisations in the UK?

## Who receive grants from voluntary organisations, 2009/10 (£ billions)



## What is the annual value of grants made by voluntary organisations?

Voluntary organisations can fulfil their charitable aims by supporting other voluntary organisations, individuals and research activities. This is core business for the sector, with grant-making the primary function of 31% of organisations. In 2009/10, 40,400 voluntary organisations made grants totalling £4.6 billion, £1.3 billion of which was made by the ten largest grant-makers. Changes from year to year are often driven by a small number of 'one-off' grants but it is also worth noting that grant-makers often try to smooth out fluctuations in their own income, leading to a relatively stable trend line.

◀ Source: NCVO/TSRC, Charity Commission

\*2002/03 data is inferred

## The ten largest voluntary sector grant-makers by total expenditure on grants, 2009/10 (£ millions)

	Expenditure	Grants expended	Assets
Wellcome Trust	800	531	11,949
The Gavi Fund Affiliate/IFFIm	388	293	130
Cancer Research UK	467	147	182
British Heart Foundation	203	59	52
The Football Foundation	56	55	-7
Oxfam	295	54	68
The Leverhulme Trust	57	54	1,575
International Planned Parenthood Federation	82	51	72
The United Kingdom Committee for Unicef	66	45	3
Christian Aid	96	42	21
<b>Total</b>	<b>2,509</b>	<b>1,332</b>	<b>14,045</b>

## Who are grants made to?

In 2003/04, 52% of grants were made to other voluntary organisations, 43% to statutory organisations (mainly research with universities and support for schools and hospitals), 4% in direct grants to individuals and 1% to other institutions.<sup>20a</sup> If these figures are applied to the total grants made in 2009/10,<sup>20b</sup> £2.4 billion was spent on grants to other voluntary organisations and £2.0 billion was spent on supporting statutory organisations including university research. Our definition of the voluntary sector in turn shows that £2.1 billion is received in income from grant-making voluntary organisations: this implies £200 million goes to other parts of civil society.

▼ Source: NCVO/TSRC, Charity Commission

## Who receives grants from voluntary organisations, 2009/10 (£ billions)



## How do grant-makers generate their income?

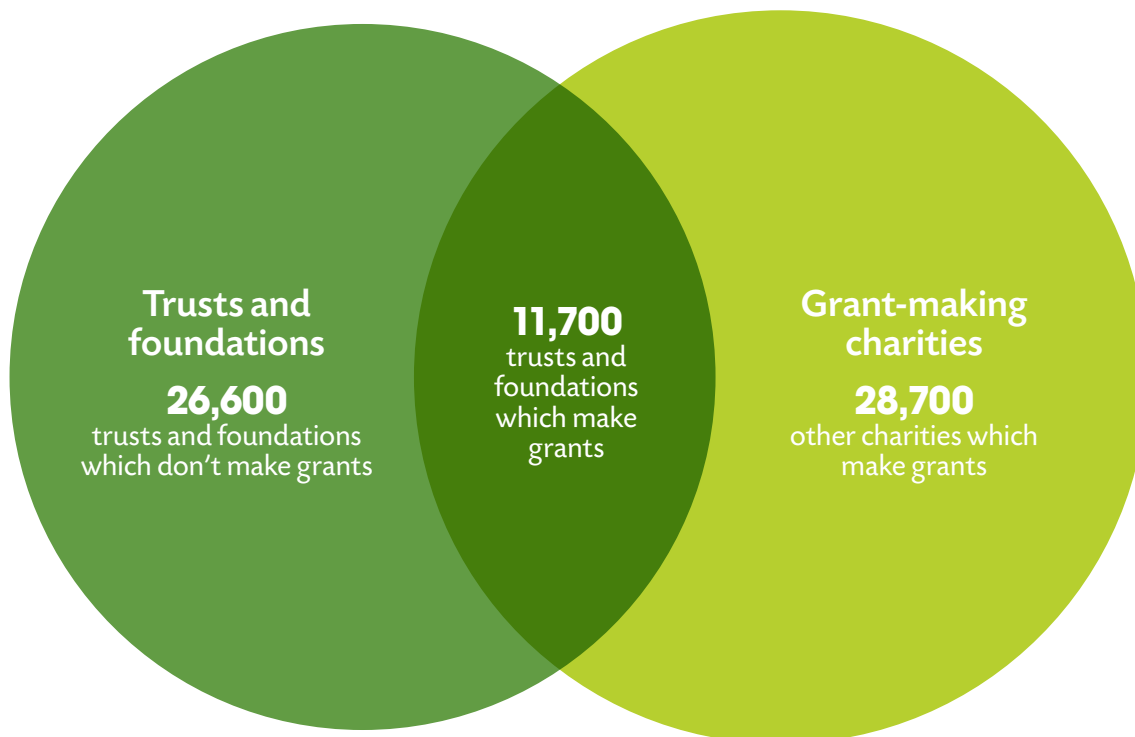
An estimated six-tenths of the sector's assets (£53.4 billion) are held by voluntary organisations that make grants. Endowment and investment assets provide a source of income for many grant-making voluntary organisations, although donations from individuals and companies are also important sources. Grant-makers with large assets have long-term investment strategies that take into account the possibility of recession; however falls in property prices or stock market values have had an impact on funds available for distribution. Our evidence suggests that this has meant that grant-making fell during the recession though less than might have been anticipated.

## Who makes grants?

Confusion still abounds about grant-making: trusts, foundations and grant-makers are used synonymously but they mean different things. A foundation is a type of trust whose income derives from an endowment of land or invested capital: but not all trusts and foundations make grants, some directly undertake their own charitable activity. Conversely, many operating charities make grants, though this may not be their main activity. The grant-making universe comprises over 40,000 organisations – but only 11,700 are grant-making foundations, and even within this group a relatively small number of large grant-makers dominate. Sixty organisations account for half of the total amount of grants made (£2.3 billion).

▼ Source: NCVO/TSRC, Charity Commission

## Number of grant-making voluntary organisations and trusts and foundations, 2009/10



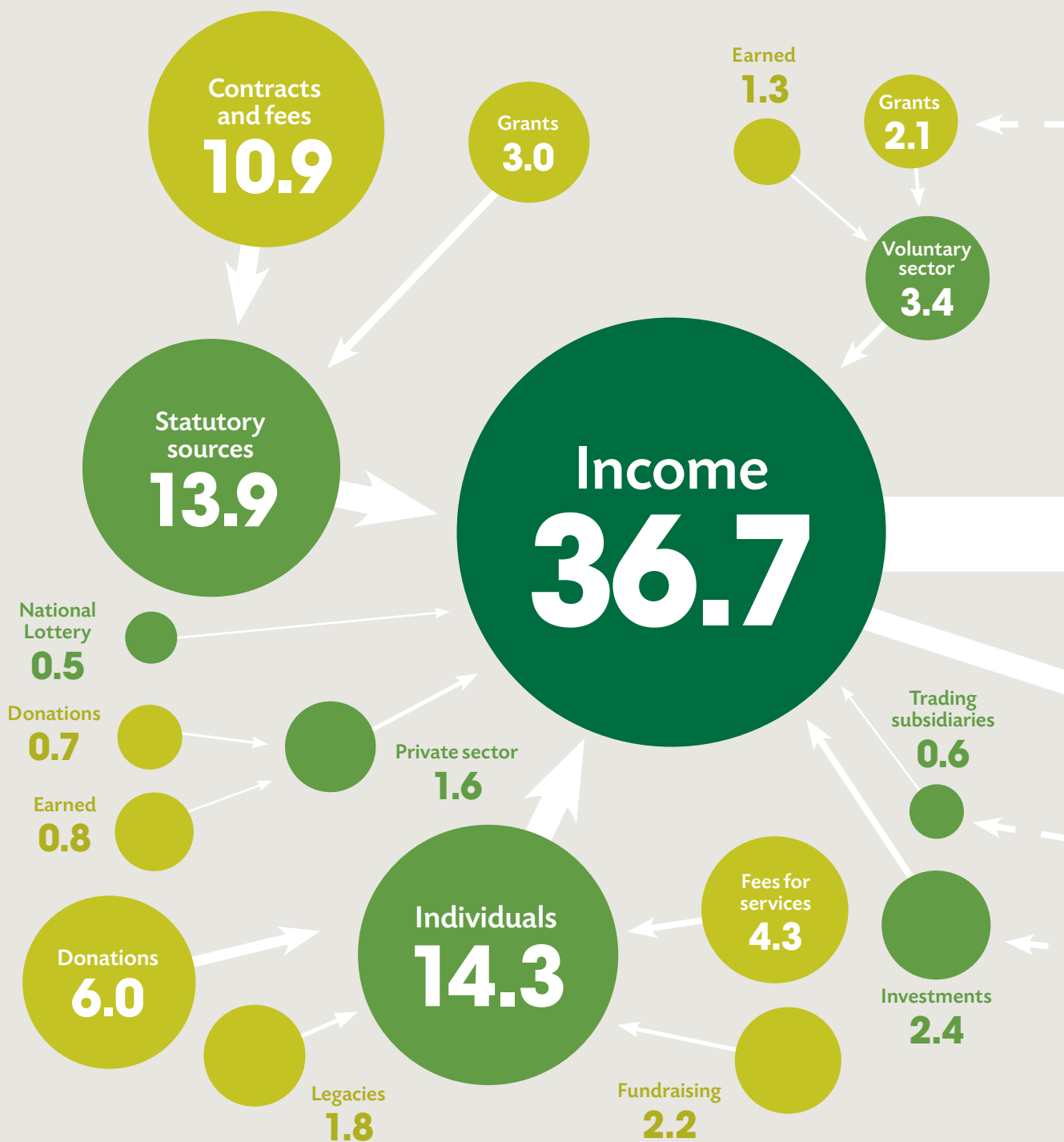
# £1.1 BILLION

Contribution to medical research in 2010/11 by 127 members of the Association of Medical Research Charities.<sup>20c</sup>



# 21 What is the voluntary sector's total income and expenditure?

The voluntary sector's income and expenditure, 2009/10 (£ billions)



The total income of voluntary organisations in 2009/10 was £36.7 billion. We estimate £2.1 billion of total income is received from other grant-making organisations in the sector and is arguably double-counting of income (See question 20 for further information). A net £34.5 billion is generated from sources outside of the sector.

In the same year current expenditure stood at £36.3 billion, 99% of total income. However, this does not necessarily imply that the sector has an operating surplus: capital

expenditure on equipment or buildings is not taken into account, whilst total income includes items such as legacies that are spent over multiple years.

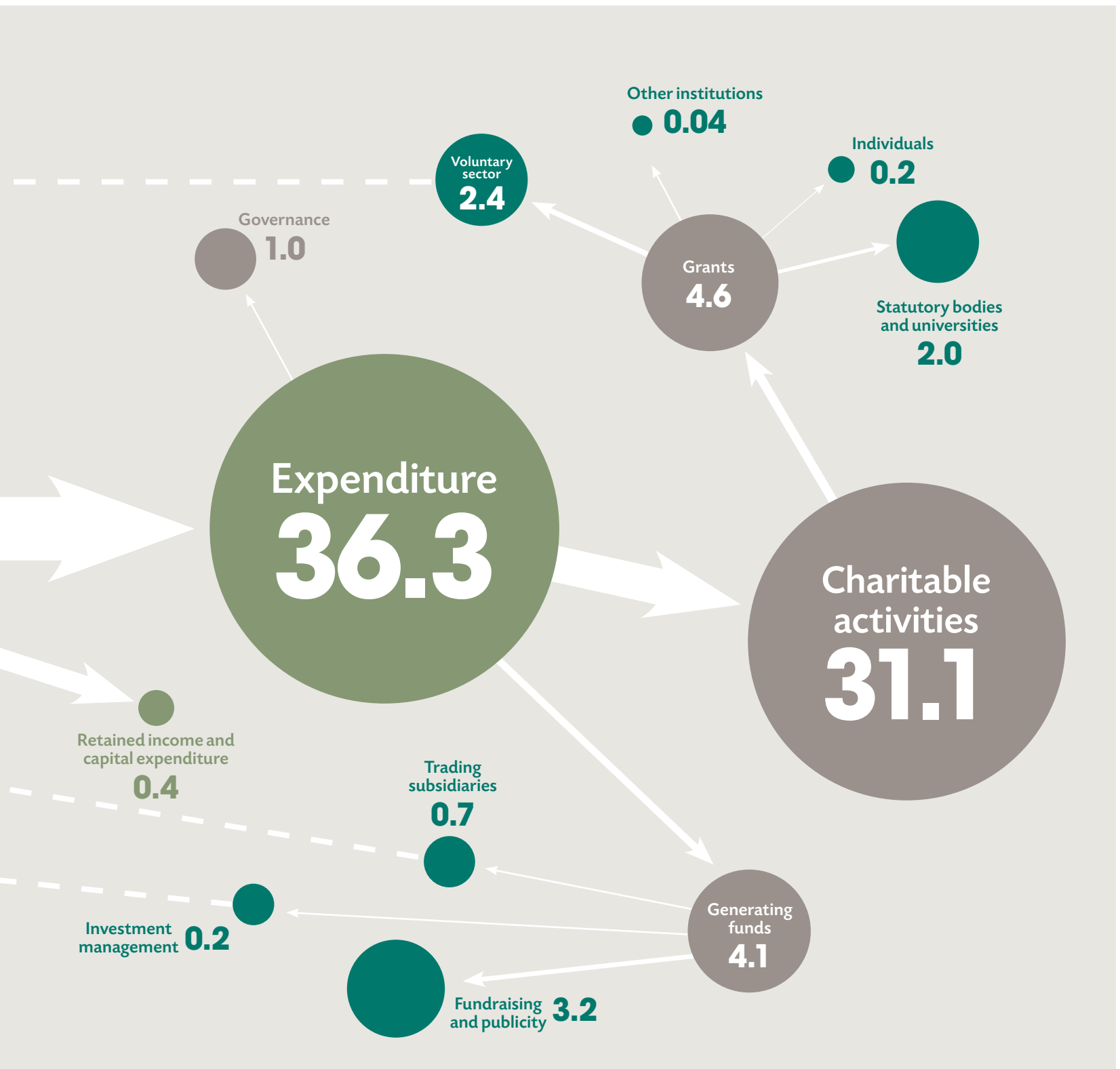
The £395 million surplus of total income over current expenditure is smaller than in previous years. It may highlight the increased difficulty faced by many organisations trying either to build reserve levels or allocate a surplus to capital investment.

▲ Source: NCVO/TSRC, Charity Commission



# £36.3 BILLION

Total current expenditure of the voluntary sector<sup>21a</sup>



# £600.9 BILLION

Total current expenditure of Government<sup>21b</sup>

## 22 How has the sector's income and expenditure changed?

The voluntary sector at the end of the last decade looked a great deal larger than it did at the beginning. Both income and expenditure have grown considerably in cash terms; income increased from £20.7 billion in 2000/01 to £36.7 billion in 2009/10 (77%), and expenditure increased from £19.8 billion in 2000/01 to £36.3 billion in 2009/10 (83%).

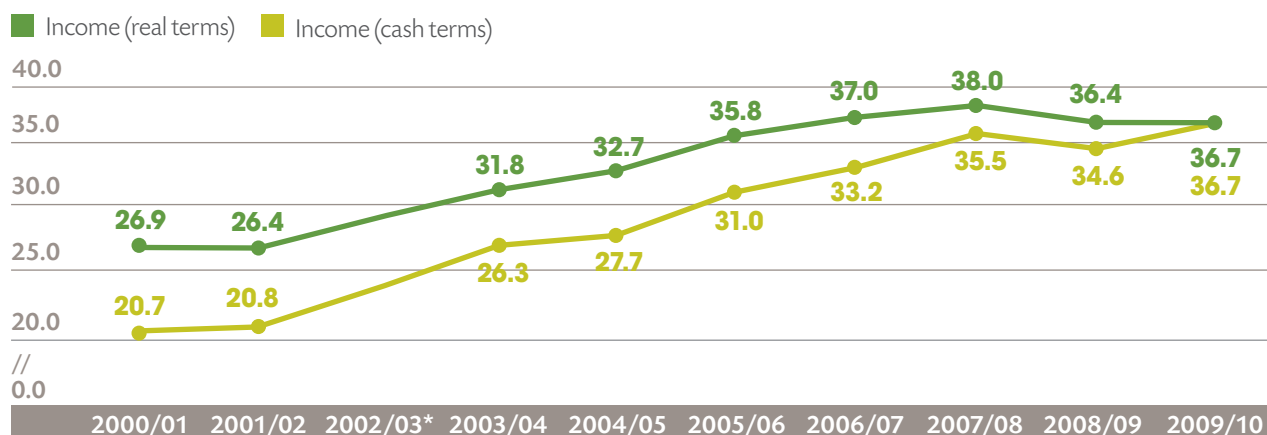
What is clear from the charts is that the impact of inflation needs to be taken seriously in any consideration of trends in income and expenditure, particularly as 'raw' figures overstate growth. After adjusting for inflation (RPIX), the real terms increase in income over the decade has been £9.7 billion (36%), whilst the real terms increase in expenditure has been £10.6 billion (41%).

Since 2000/01, income has increased on average by £1.1 billion a year (3.5%) in real terms. Over the same period,

the sector's expenditure annually grew by £1.2 billion a year (3.9%) in real terms. It is notable that in years when income has fallen, expenditure has continued to increase, in both real and cash terms.

It seems for the medium term that 2007/08 was the year of peak funding for the sector. This in part confirms evidence from our survey of individuals' charitable giving,<sup>22a</sup> which suggested the same pattern for donations. Focussing on recent years, the 2008/09 recession and subsequent inflationary environment have coincided with a squeeze on the sector's real income and a rise in expenditure. Whilst since 2007/08 the sector's income has grown by 3.3% in cash terms, in real terms it is 3.6% lower in value. In 2009/10 the gap between spending and income was at its smallest for ten years, with the sector spending 99% of its income that year.

Voluntary sector income in real and cash terms, 2000/01 – 2009/10 (£ billions)



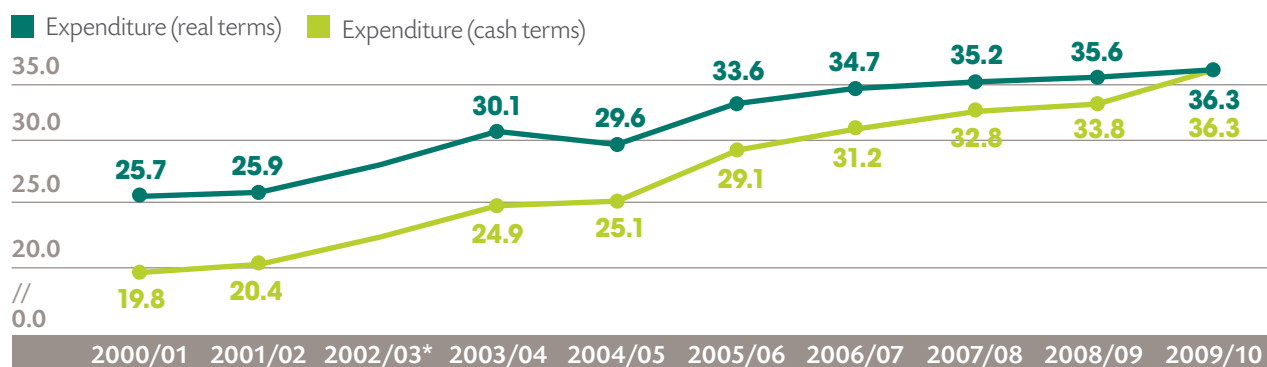
Applying the standard inflation rate to overall estimates of income and expenditure can provide only an approximate picture of the impact of inflation on the sector, because inflation affects different voluntary organisations in different ways. For example, income in the form of grants does not generally increase with inflation, whereas the costs of voluntary organisations do increase. The resulting inflation gap or squeeze has exacerbated the financial difficulties of some organisations, particularly those who have also faced increased demand for their services.

On the other hand, staff wages account for a substantial proportion of the costs of some voluntary organisations and wages have not generally increased at the rate of inflation; recent figures<sup>22b</sup> show voluntary sector wages to have increased at a rate slightly higher than the Average Earnings Index but much lower than the Retail Prices Index.

▼▲ NCVO/TSRC, Charity Commission.

Note: 2002/03 figures are inferred

Voluntary sector expenditure in real and cash terms, 2000/01 – 2009/10 (£ billions)



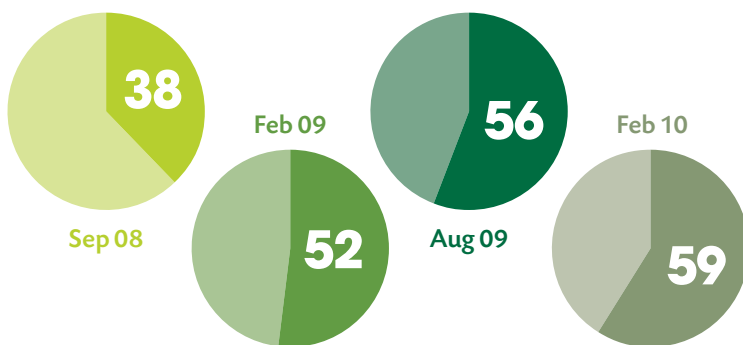
# 23 What impact did the recession have upon the voluntary sector?

## How badly did the recession hit the voluntary sector?

During 2008 and 2009 the UK experienced the longest post-war recession on record with six consecutive quarters of contraction. This most immediately and visibly impacted upon the private sector. But subsequent reductions in public spending amidst a period of low growth have increasingly impacted upon the public and voluntary sectors. At the beginning of 2010, 59% of charities reported that they were affected by the recession.<sup>23a</sup> During each quarter of 2011, the majority of voluntary sector leaders surveyed reported that the financial situation of their organisation had worsened over the previous 12 months.<sup>23b</sup>

▼ Source: Charity Commission<sup>23a</sup>

### Proportion of charities that have been affected by the economic downturn, 2008 – 2010 (%)



## What types of organisations were more likely to be affected?

The recession did not affect all parts of the voluntary sector equally; the diverse nature of charities means that they are exposed and vulnerable in different ways.

Charity Commission research suggests that larger charities – defined as those with incomes over £100,000 – have been hit hardest with 79% affected. The very smallest charities, whilst facing their own set of challenges, appear to have been more insulated from changes in the wider economy.<sup>23a</sup>

# 19%

Proportion of charities reporting an increase in demand for services related to the economic downturn, February 2010<sup>23a</sup>

## How did the recession hit voluntary sector employment?

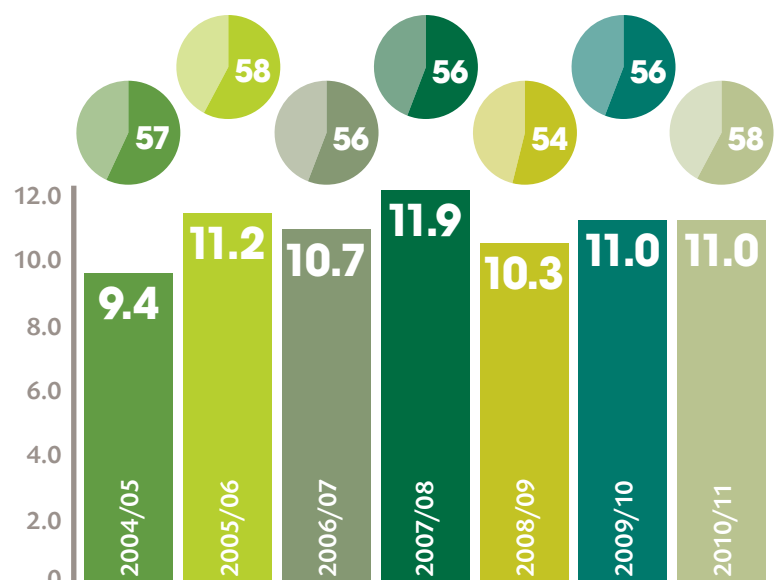
Between 2008 and 2010, employment within the voluntary sector was still increasing by 14.6% to 765,000 employees. In contrast, the public sector workforce grew by just 1%, whilst the private sector workforce decreased by 3.6%.<sup>23c</sup> It was only towards the end of 2010 that employment growth within the voluntary sector began to slow. Latest quarterly figures show a significant decrease of 70,000 people working in the voluntary sector (8.7%) between quarter 3 2010 and quarter 3 2011.<sup>23d</sup> The introduction of a new spending review period in April 2011 saw the closure of a number of voluntary sector funding streams, the impact of which is now becoming evident from our data.

## Did the recession effect charitable giving in the UK?

Between 2007/08 and 2008/09 the proportion of people who gave money to charity decreased by two percentage points to 56%, alongside a 13% decrease in the total amount given to charity. If the recession hit giving though, levels recovered reasonably quickly and between 2008/09 and 2010/11 levels of giving increased year on year with 58% of the population giving money to charity by 2010/11. Since 2008/09 giving has grown by 6.1% in real terms to £11.0 billion in 2010/11. Given that there have been real term drops in both take home pay and disposable income over the same period, a clear conclusion is that the public's determination to give to charity has remained strong during the recession.<sup>23e</sup>

▼ Source: NCVO/CAF<sup>23e</sup>

### The proportion of adults giving to charity and the total annual amount donated, inflation adjusted, 2004/05 – 2010/11 (£ billions, %)



## Has the recession increased levels of volunteering?

Latest research suggests that rates of formal volunteering declined during the recession, from 43% of people formally volunteering once a year in 2007/08 to 39% of people in 2010/11. The reasons for this fall are not yet clear but as the figures have been increasing between 2001 and 2007/08 it appears that the recession (and its aftermath) is likely to be a significant driver of this trend.

Some have argued reduced capacity in volunteer involving organisations and intermediaries has been a factor. Similarly whilst we know that rising unemployment offers people more time (lack of time being a significant barrier to volunteering); we also know that those out of work are generally less likely to volunteer than those in work (34 per cent compared to 42 per cent for formal volunteering).<sup>23f</sup>

# 70,000

Decrease in number of voluntary sector employees between quarter 3 2010 and quarter 3 2011<sup>23d</sup>

## 24 How big is the voluntary sector compared to the rest of the economy?

### Voluntary sector contribution to the economy

The contribution to the economy of different industries is measured by calculating their gross value added (GVA); which is an estimate of production or output, similar to Gross domestic product (GDP). Voluntary organisations are included in Office for National Statistics (ONS) estimates, but 'Nonprofit Institutions Serving Households' (NPISH) are not synonymous with the voluntary sector. It is important to note that contribution to GDP or GVA is not simply turnover, a mistake frequently made. NCVO developed a method in the early 2000s to estimate the voluntary sector's contribution. We acknowledge that this method has its limitations, and will develop and refine this method in the future, with advice from the ONS.

Using this method, we estimate that the voluntary sector contributes £11.7 billion to UK gross value added, equivalent to 0.8% of the whole of the UK GVA.<sup>24a</sup> The voluntary sector makes a contribution to the UK economy comparable to other sectors: for example, the GVA of agriculture is £8.3 billion.

### What is the contribution of volunteers to the economy?

The measure of gross value added used above only includes the value of paid work. To get a full picture of the contribution of the voluntary sector to the economy, the extensive output of volunteers should be taken into account. In question 72, we suggest the value of this output for the whole of the UK (the number of volunteer hours times the median wage) is £23.1 billion.<sup>24b</sup>

### What is the relative size of the voluntary sector workforce?

The voluntary sector is a major employer. An estimated 765,000 people work in voluntary sector organisations. This is 2.7% of UK workforce, and compares with 25% who work for public sector employers, and 72% who work for private sector employers. The voluntary sector paid workforce is roughly the same size as the number employed in restaurant and catering in the UK (around 770,000).

### How much is £36.7 billion anyway?

The combined income of all 164,000 voluntary organisations in the UK, is of a similar magnitude to the UK revenue of Tesco (£38.6 billion for 2009/10).

### Method for calculating voluntary sector GVA

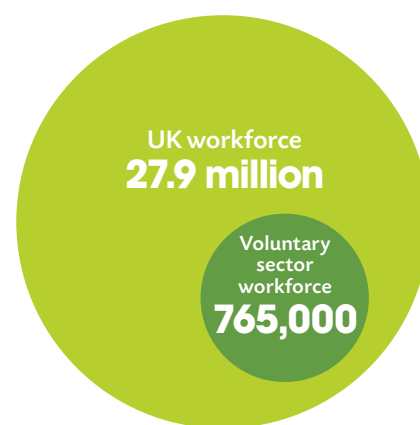
Staff costs	£14.0 billion
<i>Plus</i>	
Expenditure on goods and services	£17.8 billion
<i>Minus</i>	
Income from sales of goods and services	-£20.1 billion
<i>Equals</i>	
Voluntary sector's gross value added	£11.7 billion

# £23.1 BILLION

The estimated value of output of volunteers.<sup>24b</sup>

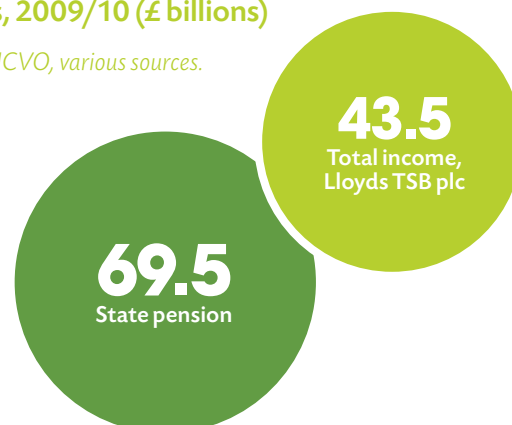
### The relative size of the voluntary sector workforce, 2010

▼ Source: NCVO / TSRC / Skills-Third Sector



### Selected private and public sector activities, 2009/10 (£ billions)

▼ Source: NCVO, various sources.



## The State and the voluntary sector

After more than 10 years in the making, the first consolidated, whole of government accounts were produced for 2010.<sup>24c</sup> We can now compare all government expenditure to similar income categories found in the accounts of voluntary organisations to measure their contribution to public services.

Total government expenditure in 2009/10 was £666 billion, of which £13.6 billion (2%) is estimated to have been spent on voluntary organisations. However this tends to under-estimate the contribution of the sector, since much of the total expenditure is transfer payments such as the state pension and tax credits, as well as the cost of employing public sector staff to deliver services directly.

Several sub-categories are of particular relevance to voluntary organisations. Of grants and subsidies totalling £66.2 billion, we estimate £3.1 billion was received by voluntary organisations, 4.7% of the total. This figure includes lottery grants as well as grants made by central government departments and local authorities.

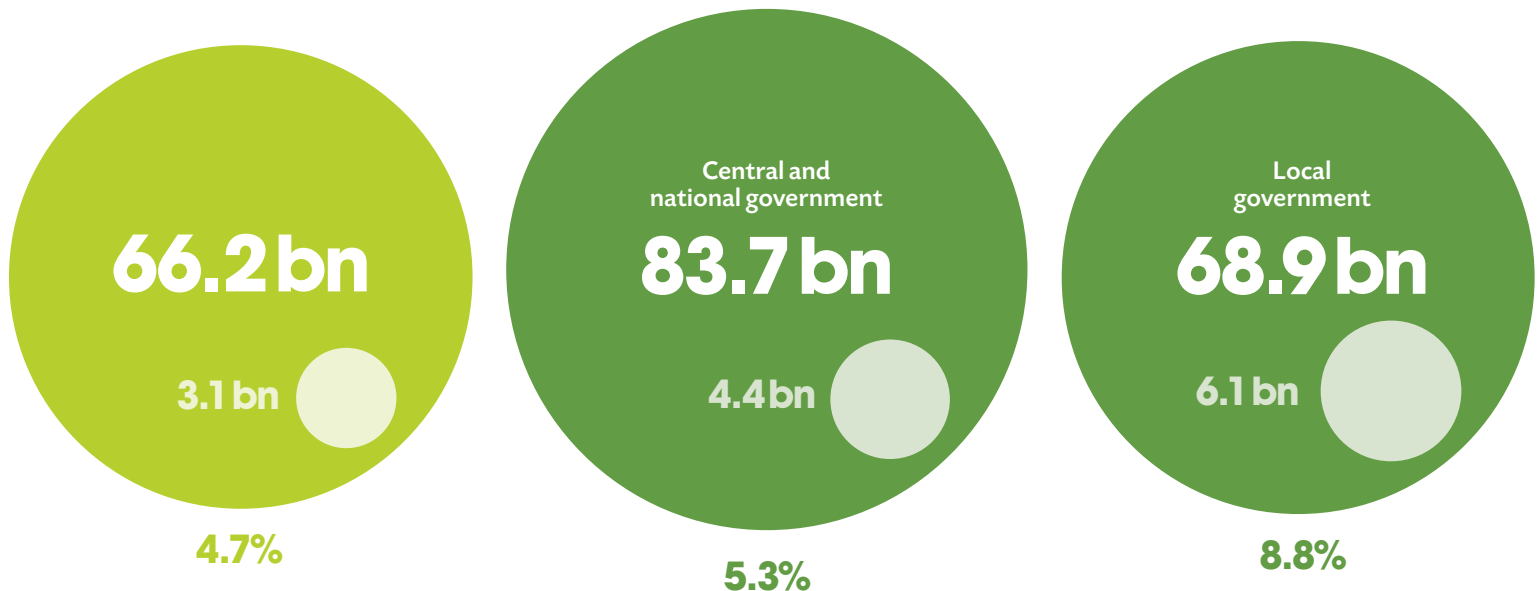
The remainder consists of substantial payments to other parts of civil society such as universities, and payments to private companies, for instance to subsidise privatised rail transport. For expenditure on goods and services, a separate figure is provided for central government (including the NHS) and local government. Central government contracts delivered by the voluntary sector amounted to £4.4 billion, 5.3% of the total of £83.7 billion. The voluntary sector accounted for a larger share of local government procurement, 8.8% (£6.1 billion worth of contracts out of the total of £68.9 billion). This reflects the part the voluntary sector plays in the provision of services at a local level, across the whole population, from child protection to care for the elderly.

For now, we only have one year's data but future years' accounts will enable us to track trends over time, in particular the 'Big Society' aspirations for voluntary sector organisations.

▼ Source: NCVO/TSRC, Charity Commission, Whole of Government Accounts.

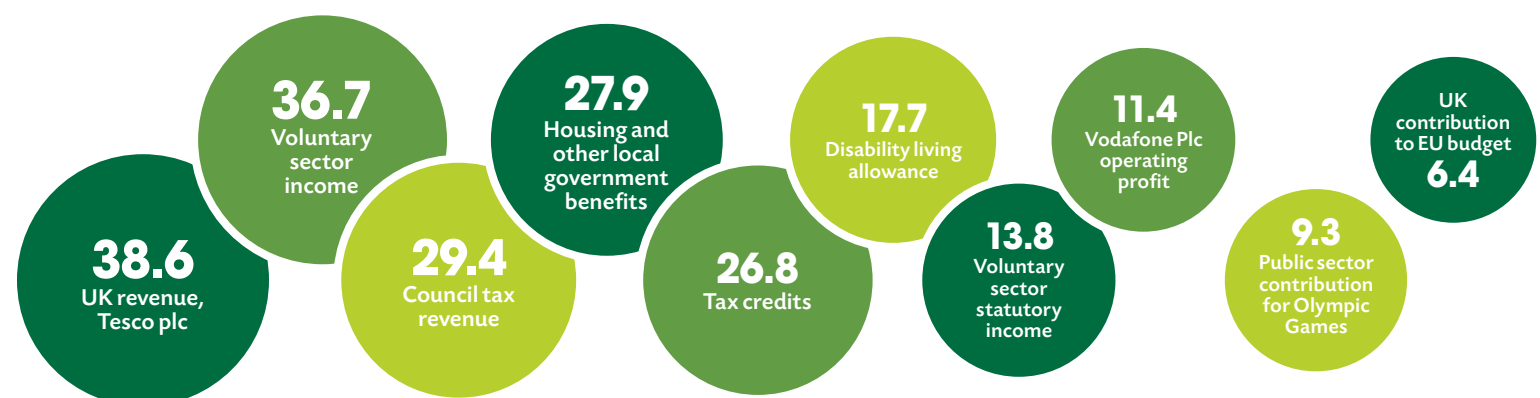
### Government expenditure on the voluntary sector, by spending category, 2009/10

■ Grants and subsidies ■ Purchases of goods and services



# £11.7 BILLION

The voluntary sector's gross value added.<sup>24a</sup>



## 25 How is the voluntary sector's income distributed?

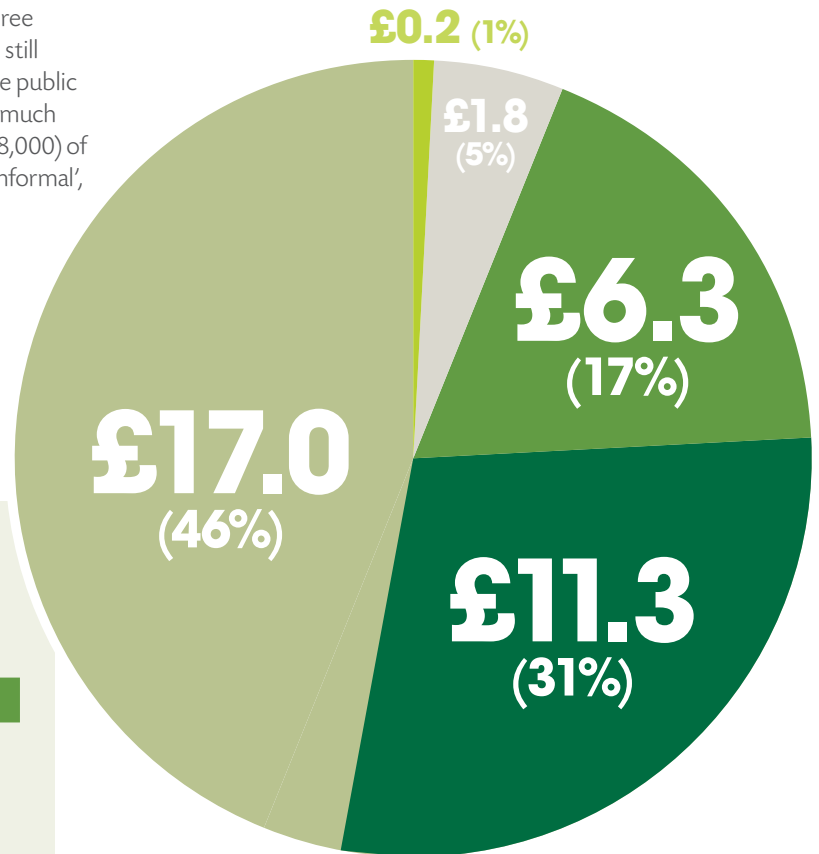
### Share of total income by size of organisation, 2009/10 (£ billions, %)

Large and major organisations receive just over three quarters (77%) of the sector's income. In fact, it is still generally the 474 major charities (0.3%) that shape public and media perception of the sector and generate much of its formal resources (46%). The large number (88,000) of micro organisations operates largely in a world of 'informal', albeit valuable, resources such as volunteer time.

► Source: NCVO/TSRC, Charity Commission

■ Micro    ■ Small  
■ Medium    ■ Large    ■ Major

**474**  
Major voluntary organisations between them share £17.0 billion.

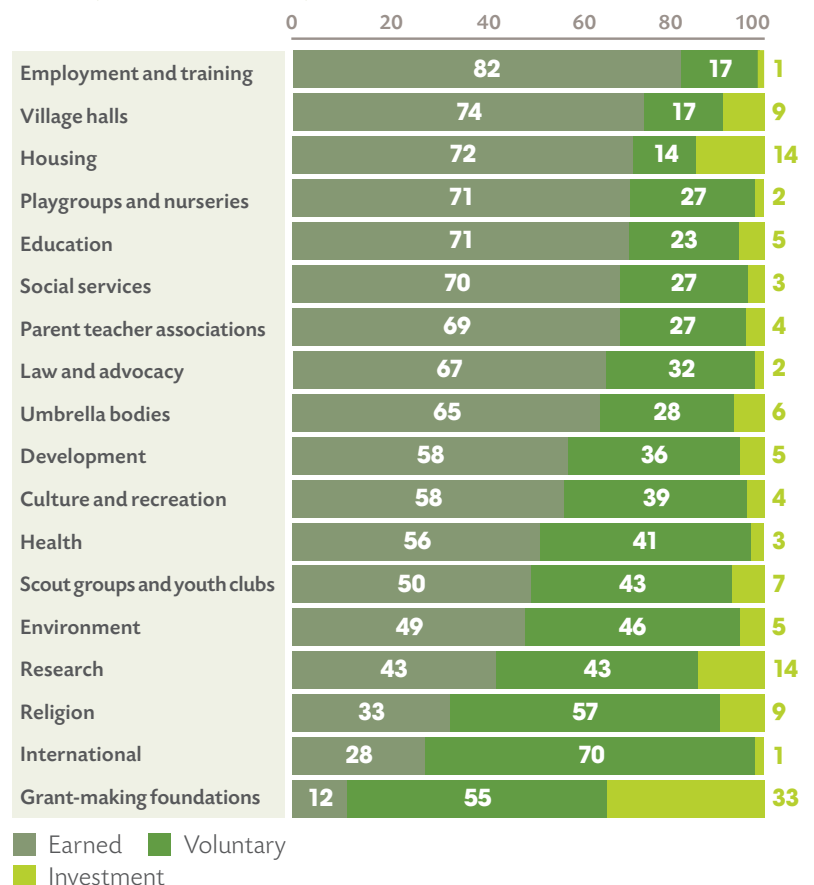


### Income type by sub-sector, 2009/10 (% of income)

The shift to earned income has been widespread across the sector. The employment and training, housing, and education sub-sectors earn the greatest proportion of their income and are less dependent on grants and donations. These three sub-sectors all relate to public service delivery. Only three sub-sectors – international organisations, religious organisations and grant-making foundations – receive the majority of their income through grants and donations. Investment income is particularly important to grant-making foundations, research organisations (this includes many of the large research foundations) and housing organisations. It is important to note that these figures show the overall picture for each sub-sector, and do not show the wide variety of income sources for individual organisations.

► Source: NCVO/TSRC, Charity Commission

**87,683**  
Micro voluntary organisations between them share £237 million.





# 26 What are the sector's different sources and types of income?

## Typology of voluntary organisations' income types and sources, 2009/10 (£ millions)

Source	Type	Earned	Voluntary	Investment	Total
<b>Individuals</b> The general public, excluding payments from charitable foundations set up by individuals.		<b>6,564.7</b> Fees for services provided; Fees for goods; Membership subscriptions with significant benefits; Fundraising by charities where benefit is received in return; Rent from property where providing accommodation is a charitable purpose.	<b>7,784.5</b> Individual donations (gross, including Gift Aid reclaimed); Covenants; Legacies; Membership subscriptions without significant benefits.		<b>14,349.2</b>
<b>Statutory sources</b> Government and its agencies in the UK, the European Union and international governments.		<b>10,913.4</b> Public sector fees; Payments for contracted services.	<b>2,971.0</b> Funding grants; Grants to charitable intermediaries.		<b>13,884.3</b>
<b>National Lottery distributors</b>			<b>487.6</b> Grants from National Lottery distributors.		<b>487.6</b>
<b>Voluntary sector</b> Such as trusts and grant-making foundations.		<b>1,253.0</b> Services provided under contract.	<b>2,142.5</b> Grants from charitable trusts; Grants distributed by charitable intermediaries.		<b>3,395.4</b>
<b>Private sector</b> Excluding payments from charitable foundations set up by businesses.		<b>804.4</b> Sponsorship; Research or consultancy; Patent royalties.	<b>747.6</b> Corporate grants and gifts.		<b>1,552.0</b>
<b>Internally generated</b> Trading subsidiaries and the proceeds from investments.		<b>565.9</b> Gross turnover of trading subsidiaries.		<b>2,446.9</b> Dividends; Interest payments; Rent from investment property; Doesn't include gains on the value of investments.	<b>3,012.8</b>
<b>Total</b>		<b>20,101.3</b>	<b>14,133.1</b>	<b>2,446.9</b>	<b>36,681.4</b>

- >10% rise in income since 2008/09
- Income relatively static since 2008/09
- >10% fall in income since 2008/09

▲ Source: NCVO/TSRC, Charity Commission

Note: Implementing this approach is not without problems. In particular, the distinction between earned and voluntary income is open to interpretation, for example in the treatment of performance related grants.



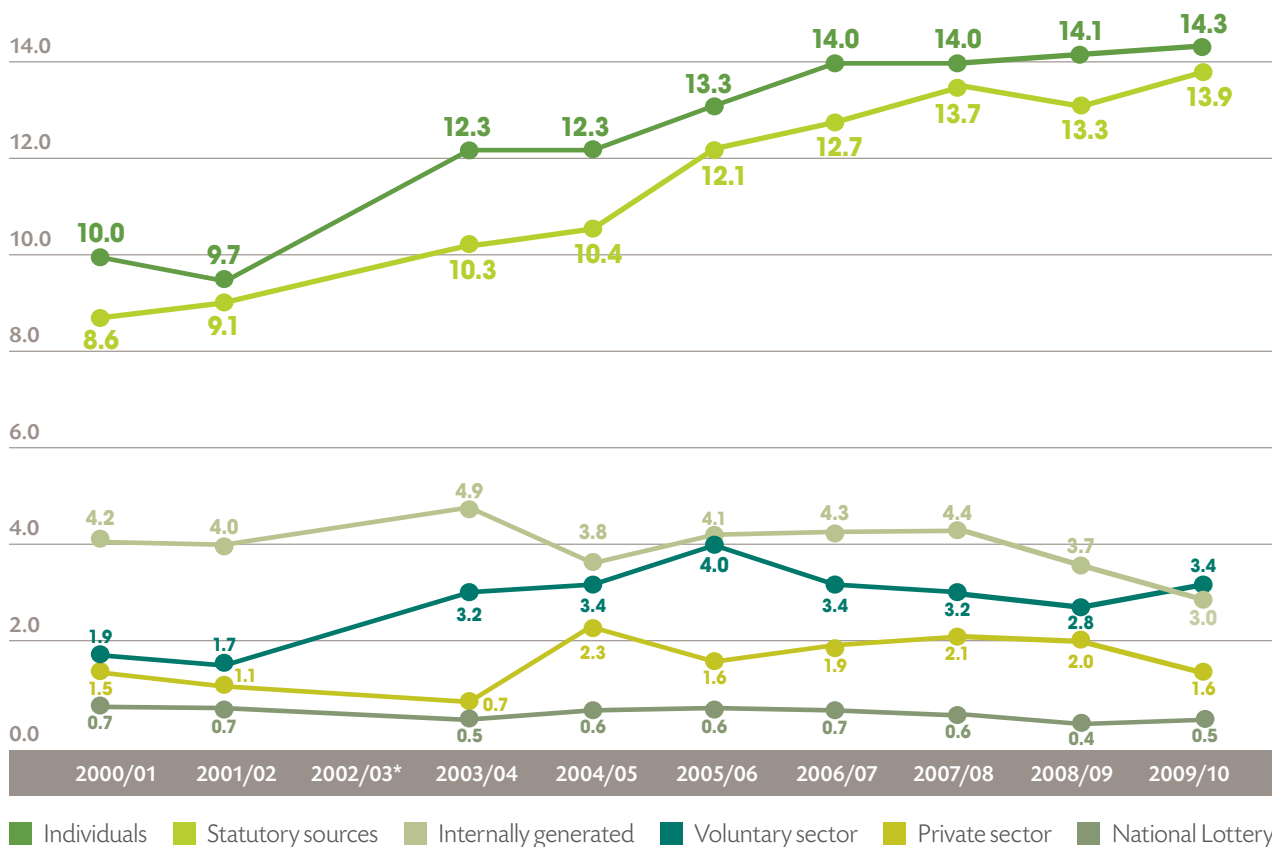
# 27 What is the sector's most dominant source of income?

The voluntary sector receives income from two main sources: individuals and statutory bodies. Individuals are still the sector's main source, providing £14.3 billion in 2009/10 (39% of total income) via donations and purchases. Contracts and grants from statutory bodies, worth £13.9 billion, generate almost as much of the sector's income (38%). Together, statutory bodies and individuals account

for just over three-quarters of the voluntary sector's income at 77%. The proportion of the sector's income that comes from statutory sources has steadily increased from 32% in 2004/05 to 38% in 2009/10.

▼ Source: NCVO/TSRC, Charity Commission.  
\*2002/03 figures are inferred.

Source of income to voluntary organisations, 2000/01 – 2009/10 (£ billions)



# 28 Are smaller voluntary organisations more reliant than others upon particular sources of income?

The small and micro organisations that make up the vast majority of the sector are particularly reliant upon public support received through gifts and purchases (which includes membership dues). Almost two thirds (65%) of micro organisations' income is from individuals; it is half of small organisations' income. Whilst these organisations are less reliant upon government funding, anecdotal evidence suggests reductions in statutory grants have, for many, made sustainability more difficult.

Smaller organisations are also more reliant upon self-generated income. In practice this often means interest on cash held at the bank. Low interest rates (0.5% since March 2009) mean that this source of income is likely to reduce during 2010 and 2011 for all organisations.

Income from government contracts and grants is more important for organisations above the £100,000 threshold. These averages inevitably disguise a much closer financial relationship between some organisations and the statutory sector.

► Source: NCVO/TSRC, Charity Commission

# 29 Are some voluntary organisations more reliant than others upon particular sources of income?

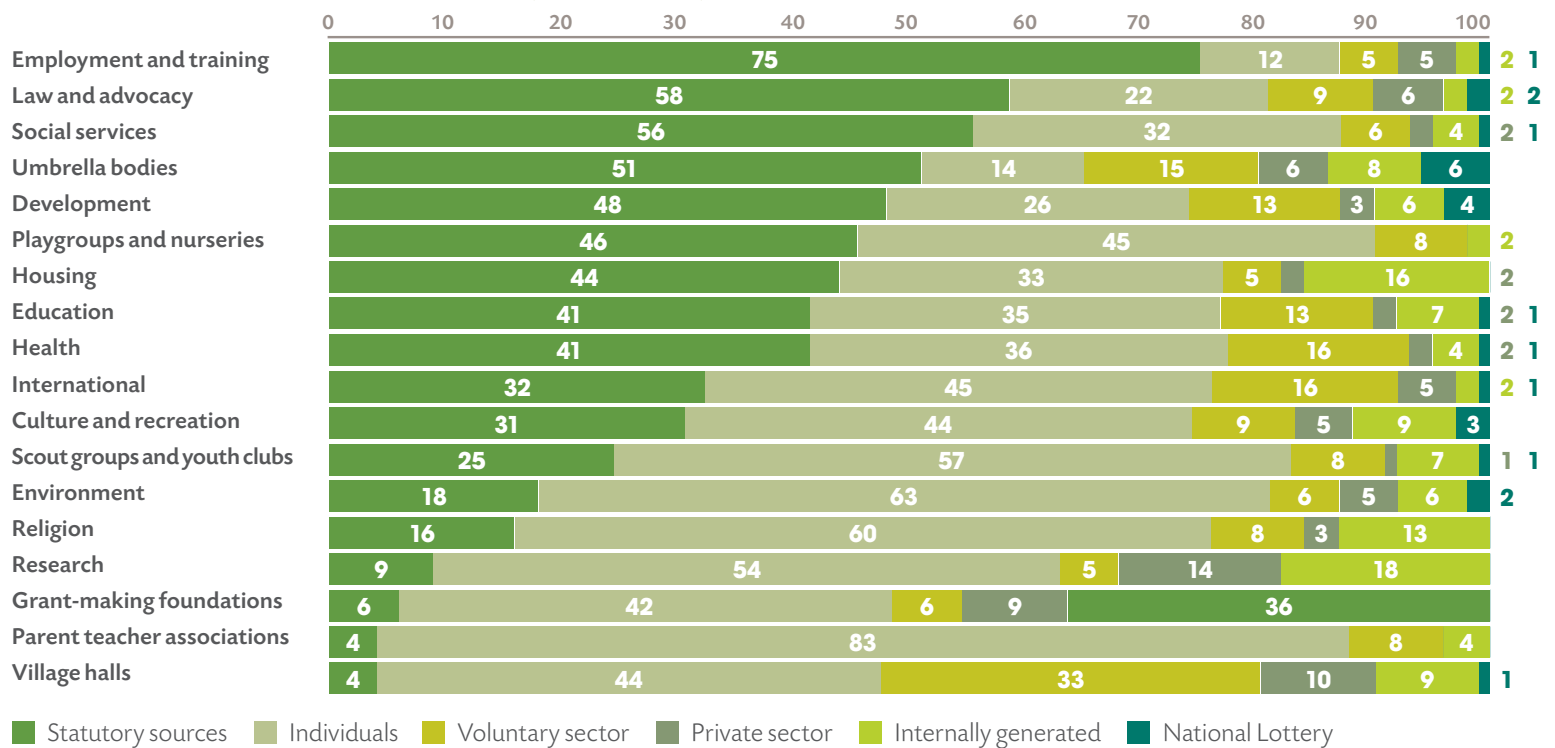
The differing funding mixes of organisations – summarised here by an analysis of sub-sectors – implies that future changes in sector funding will not have the same impact across the sector. For example, employment and training organisations generate three-quarters of their income (75%) from statutory sources whilst law and advocacy organisations generate nearly six-tenths of their income (58%) from statutory sources. Both may therefore be considered at most risk from reductions in public expenditure. Parent teacher associations (PTAs) and environmental organisations generate most of their income from the public (83% and 63% respectively), and are therefore less dependent on statutory sources for their income.

## 56%

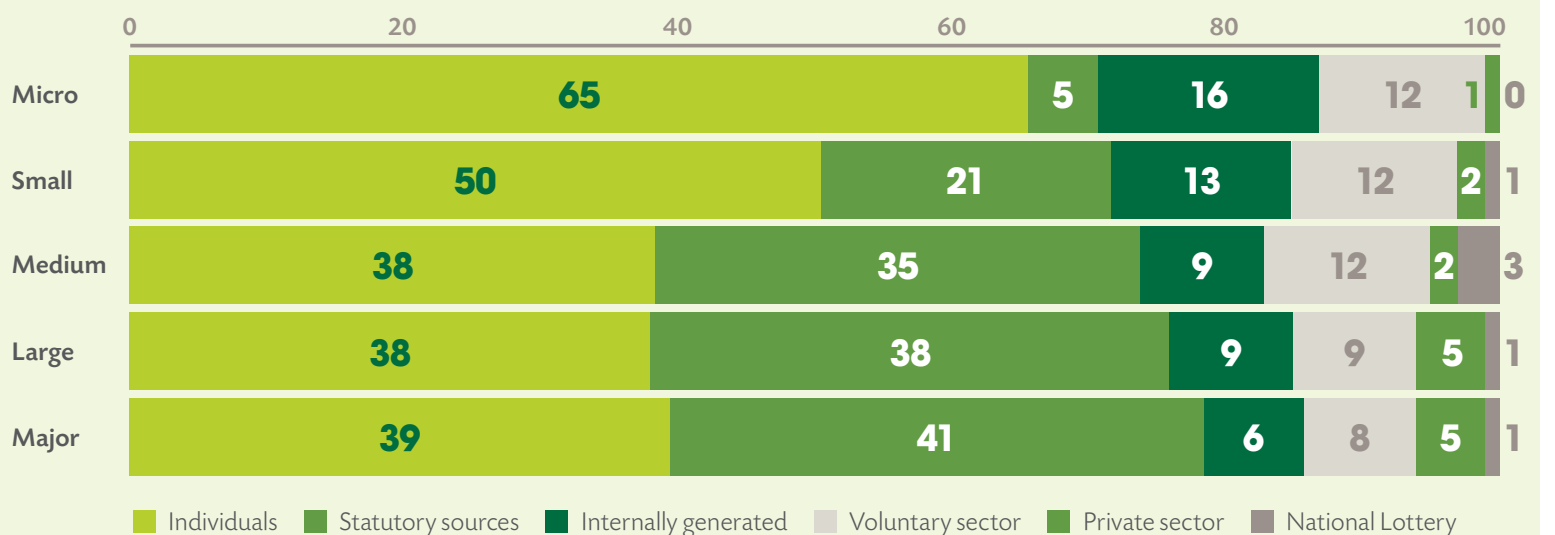
The proportion of voluntary sector social services organisations' income that is from statutory sources.

Source: NCVO/TSRC, Charity Commission

Income sources by sub-sector, 2009/10 (% of income)



Source of income to voluntary organisations by size of organisation, 2009/10 (%)



## 30 How diverse is the voluntary sector's income?

# 73,100

Number of organisations that get the majority of their income from individuals.

Nearly half of all voluntary sector organisations (45%) receive the majority of their funding from individuals. Looking more closely, nearly one-fifth of all organisations (17%) receive the majority of their income from individuals' donations whilst for another 12% this is through fundraising (which charity accounts report separately).

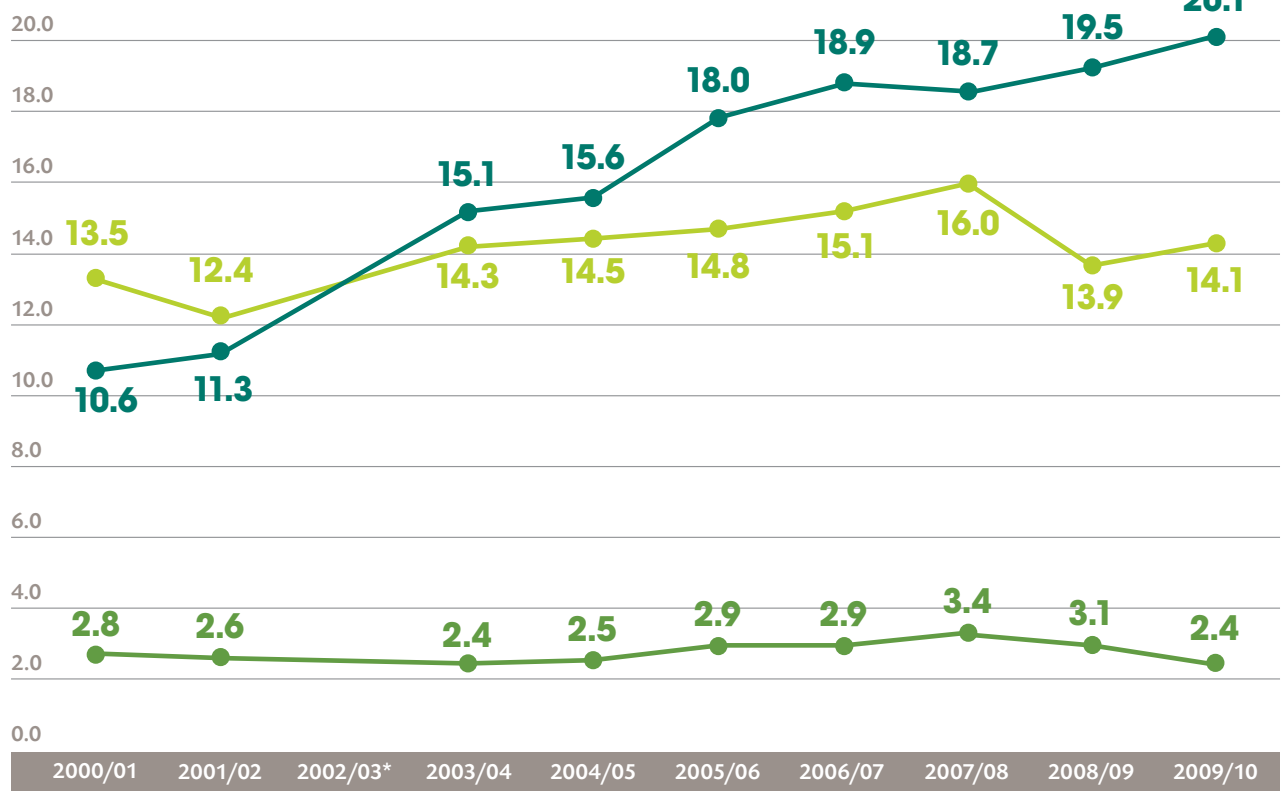
For just over one in ten organisations (11%), statutory bodies are the majority provider of their income. Much public debate recently has been about the over-dependence of organisations on state funding, but our analysis suggests that only 10,500 (6% of the sector) received the majority of their income from statutory contracts. Even fewer – 5900 organisations – received a majority of their income from statutory grants.

► Source: NCVO/TSRC, Charity Commission

[data.ncvo-vol.org.uk/A12Q31](http://data.ncvo-vol.org.uk/A12Q31)

## 31 What is the voluntary sector's most important type of income?

Type of income, 2000/01 – 2009/10 (£ billions)



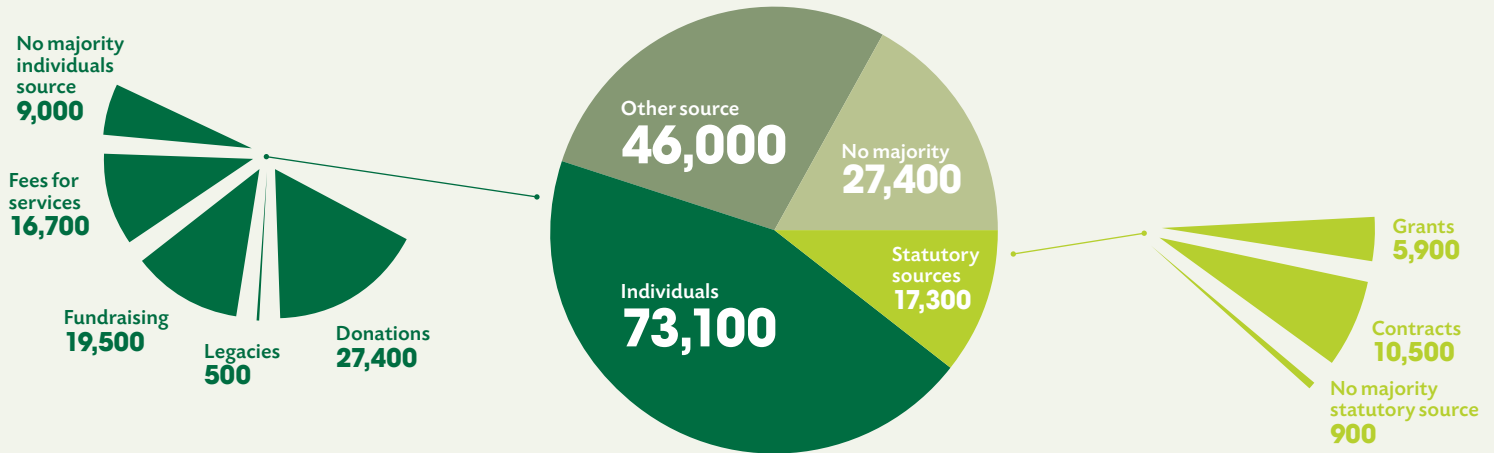
■ Earned ■ Voluntary ■ Investment

The voluntary sector's income can be classified into three types: voluntary income, earned income and investment income (see question 26 for further information about these types). Since 2003/04, earned income has been the sector's most important type of funding. In 2009/10 earned income accounted for over half (55%) of the sector's total income equating to £20.1 billion. Over four-fifths (84%) of this income is earned through charitable activities (such as delivering services under contract), with the remaining 16%

earned through fundraising activities (see question 32 for more information on earned income). Voluntary income from grants and donations was worth £14.1 billion (39%) in 2009/10. The sector relies on both earned and voluntary income for the majority of its funding. See question 38 for a discussion on investment income.

▲ NCVO/TSRC, Charity Commission  
\*2002/03 figures are inferred.

## Majority funders: number of organisations that receive more than 50% of their funding from one source, 2009/10



# 32 What is driving the increase in earned income?

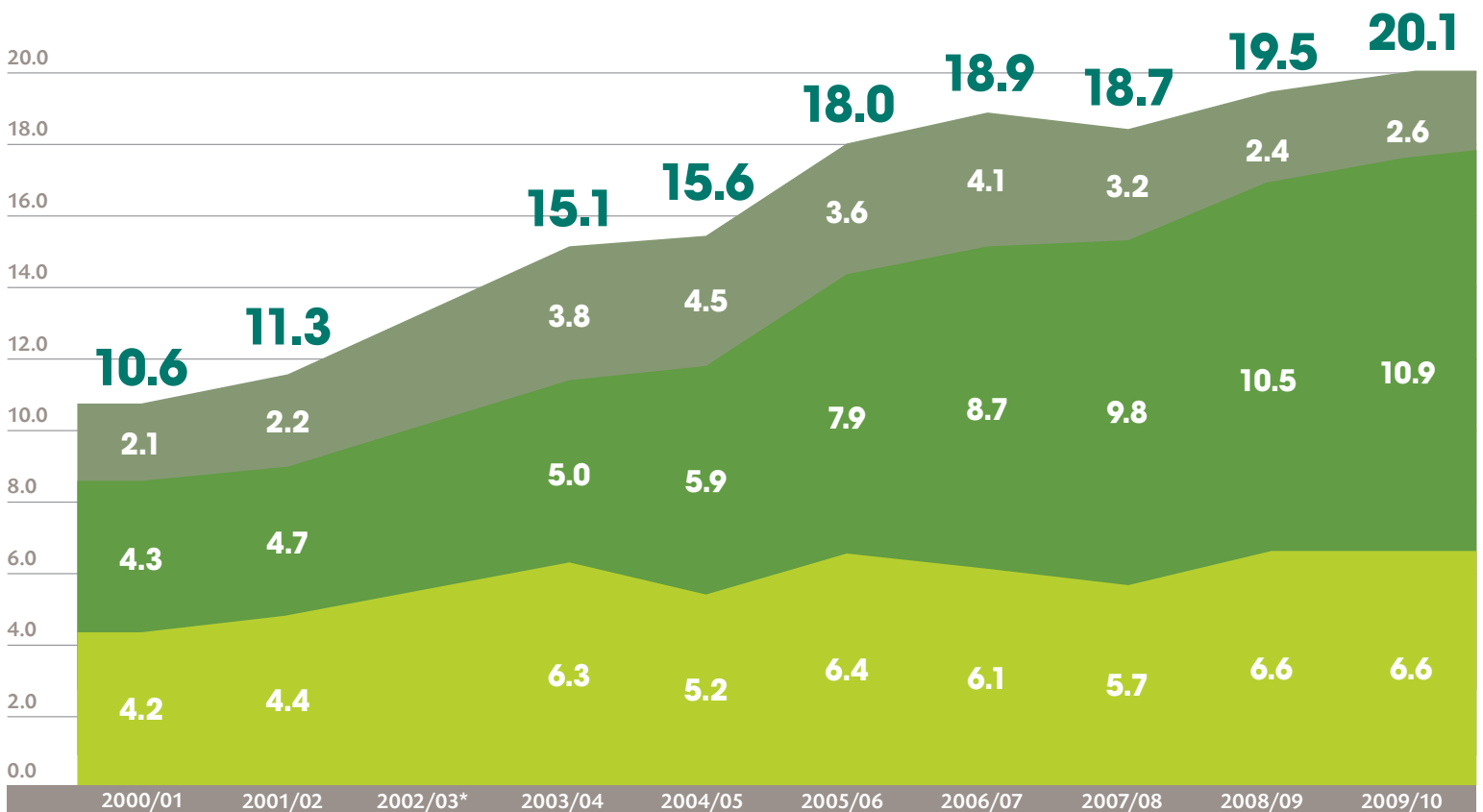
Earned income has increased by £9.5 billion in the nine years since 2000/01, a 90% increase. There are a number of factors driving this. Government policies have helped create the conditions for the sector to increase its involvement in service provision. Earned income from statutory sources – ‘contracting’ – has increased by 157% since 2000/01, and now stands at £10.9 billion.

Alongside contracting, the desire to achieve sustainability by diversifying income streams has often, in practice, meant many voluntary organisations are becoming more market-orientated: in effect, many are social enterprises. The sector now sells to the public goods and services worth £6.6 billion each year, yet it is still largely perceived to be entirely reliant upon voluntary donations. Trading in the current environment is, however, difficult: in real terms, sales to the public have not increased in the last year, whilst the medium-term trend is also flat.

▼ NCVO/TSRC, Charity Commission  
\*2002/03 figures are inferred.

■ Other sources ■ Statutory sources ■ Individuals  
■ Total earned income

## Earned income by source, 2000/01 – 2009/10 (£ billions)



# 33 What are the main trends in statutory funding?

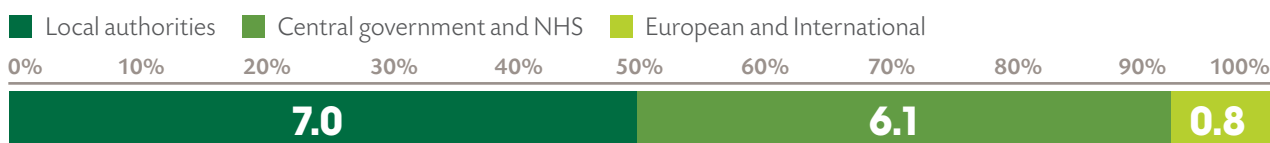
## Where does the sector's statutory funding come from?

Income from statutory sources totalled £13.9 billion in 2009/10. This includes resources from UK central, local and devolved administrations, international bodies, and overseas governments. Total income from statutory sources has increased by 61% in real terms from £8.6 billion in 2000/01. In cash terms, the increase is even greater (109%). Statutory income has increased every year except in 2008/09, which saw a decrease of £0.4 billion largely due to inflation. Between 2008/09 and 2009/10 statutory income again increased in real terms, by £569 million. Much of this growth has been driven by contracting. 2009/10 was likely the high water mark for this source for the foreseeable future.

The voluntary sector has an important financial relationship with local government. In 2009/10, 51% of statutory income, £7.0 billion, came from local authorities. The proportion has remained relatively stable, varying only between 50%-52% since 2004/05. It is worth noting that this income accrues to local and national voluntary organisations. A further 44% of statutory income (£6.1 billion) comes from central government and the NHS. European and international statutory sources provide approximately £0.8 billion in income (6%).

▼ Source: NCVO/TSRC, Charity Commission

### Statutory funding to the voluntary sector by tier of government, 2009/10 (£ billions)



## Grants and contracts

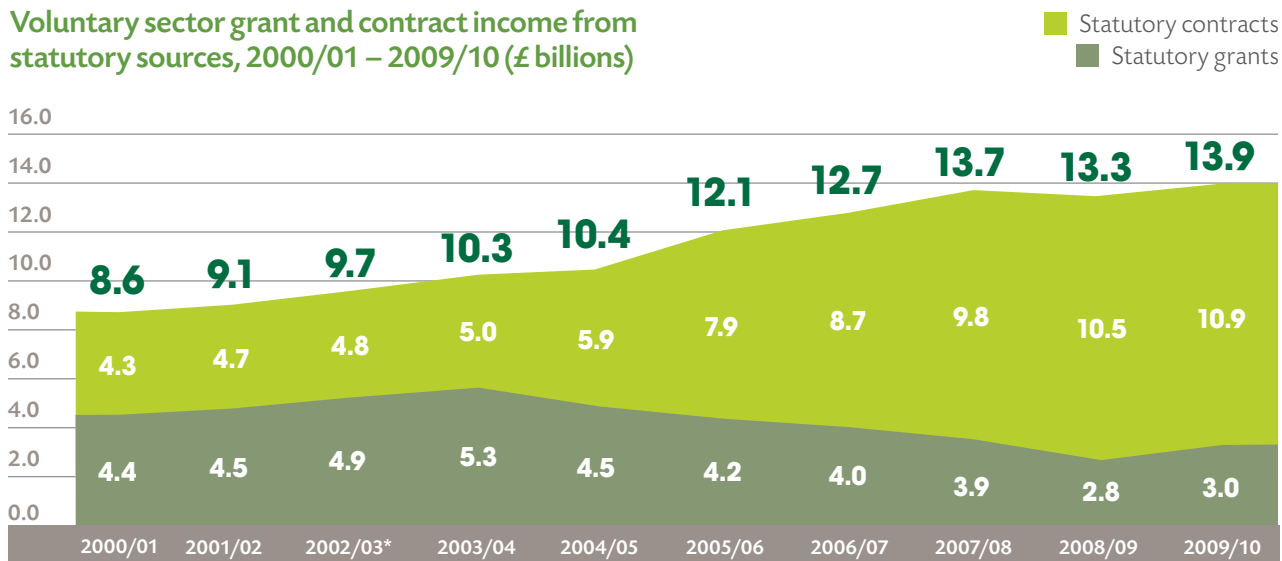
Statutory funders transfer resources to voluntary organisations using a number of mechanisms, but such flows can be summarised as either voluntary income (grants) or earned income (contracts). Contract income from statutory bodies was worth £10.9 billion in 2009/10, a real increase of £6.7 billion (157%) in ten years. Much of this growth took place in the second half of the decade as government

spending on public services increased.<sup>33a</sup> Between 2003/04 and 2008/09, grants from statutory funders declined year-on-year by £2.5 billion. Between 2008/09 and 2009/10 statutory grants increased slightly by £0.2 billion (7%).

▼ Source: NCVO/TSRC, Charity Commission

\*2002/03 figures are inferred.

### Voluntary sector grant and contract income from statutory sources, 2000/01 – 2009/10 (£ billions)



# £7 BILLION

Amount of money the voluntary sector receives from Local Authorities.<sup>33b</sup>

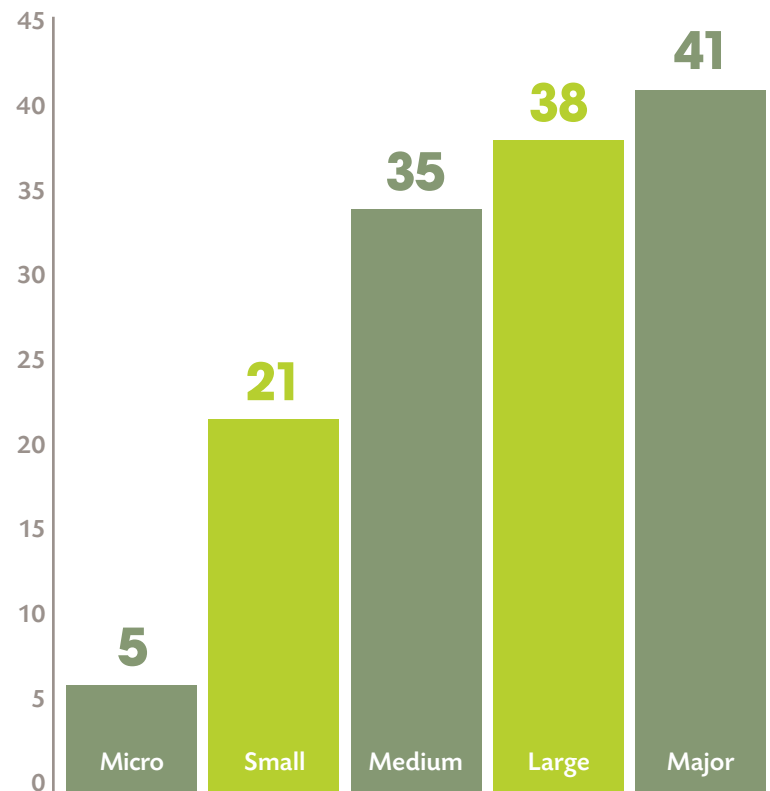
## Where does statutory funding go to in the sector?

Organisation size appears to be correlated with both the amount and relative importance of statutory income generated. Over four-fifths (81%) of the sector's statutory income is received by the 4,558 organisations with an annual income of £1 million or more. Major organisations received £7.0 billion in statutory contracts and grants whilst large organisations received £4.3 billion. Small and micro organisations – almost 139,000 in number – receive only 3% of total statutory income.

On average, organisations with an income greater than £100,000 receive 39% of their income from the state. Medium sized organisations receive 16% of total government funding to the sector – £2.2 billion – yet statutory funding accounts for 35% of their overall income. This is indicative of a wider problem: statutory funding is critical to the voluntary sector economy, but its small share of overall public expenditure suggests the state is less dependent upon the sector (see question 34 for further information on public sector spending cuts).

Voluntary sector organisations within the employment and training sub-sector generate three-quarters (75%) of their income from statutory sources. Three other sub-sectors generate over half of their income from statutory sources: law and advocacy (58%), social services (56%) and umbrella bodies (51%).

Statutory funding as a proportion of total income by size of organisation, 2009/10 (%)



## Statutory income and proportion of organisations that receive state funding, 2009/10

Source: NCVO/TSRC, Charity Commission

	Statutory income (£ millions)	Proportion of organisations that receive state funding (%)	Estimated number of organisations that receive statutory funding*
Micro	11.9	8	7,000
Small	375.2	38	19,000
Medium	2,202.7	56	12,000
Large	4,330.1	69	3,000
Major	6,964.5	76	362
<b>Total</b>	<b>13,884.3</b>	<b>25</b>	<b>41,000</b>

\*Numbers are rounded & do not sum exactly

# 38%

Proportion of the voluntary sector's funding that comes from statutory sources.

# 75%

Proportion of overall income that 'employment and training' voluntary organisations receive from statutory sources.

## How many voluntary sector organisations have a financial relationship with the state?

Three-quarters (75%) of all voluntary organisations do not receive any income from statutory sources. Conversely, 25% of the sector – 41,000 organisations – has a direct financial relationship with the state. Larger organisations are much more likely to receive funding from statutory sources. These estimates do not take account of other forms of support, such as Gift Aid or business rate relief. Just over half of all registered charities (53%) hadn't applied for local funding or bid for contracts from local statutory bodies over the last five years. Of those that had applied, just under two-thirds (64%) had been fairly or very successful.<sup>33c</sup>

Just over six-in-ten registered charities (61%) hadn't applied for national funding or bid for contracts from national statutory bodies over the last five years. Of those that had applied, half (50%) had been successful.<sup>33c</sup>

Just under one-in-ten registered charities (9%) are satisfied with national statutory funding or bidding arrangements whilst 16% were dissatisfied.<sup>33c</sup> Twenty-five per-cent of registered charities currently had direct dealings with local statutory bodies in their local area whilst 70% either had not much contact or none at all.<sup>33c</sup>

# 34 How are public sector spending cuts affecting the voluntary sector? <sup>34a</sup>

## What cuts have happened so far?

There is no one comprehensive source of information about the cuts so far. The Voluntary Sector Cuts website,<sup>34b</sup> a collaboration between 25 voluntary sector infrastructure organisations is one way for voluntary organisations to share their experience of cuts. Launched in January 2011, by January 2012, 509 cuts had been reported, with a value of over £77 million. Roughly two thirds of cuts reported identified local government as a source of their funding.

Regional surveys indicate that spending cuts are impacting on the level of services provided by voluntary organisations although, due to the sample size and methodology of the surveys, these need to be interpreted with caution. In London, one survey estimated that 51% of organisations had had to close or reduce the level of services they provide.<sup>34c</sup> A survey of organisations in the North East indicated that 73% of organisations had seen a decrease in funding over the previous six months.<sup>34d</sup>

# £77 MILLION

Value of cuts reported to the Voluntary Sector Cuts website during 2011.<sup>34b</sup>

## What do we estimate the reduction in government spending on the voluntary sector will be?

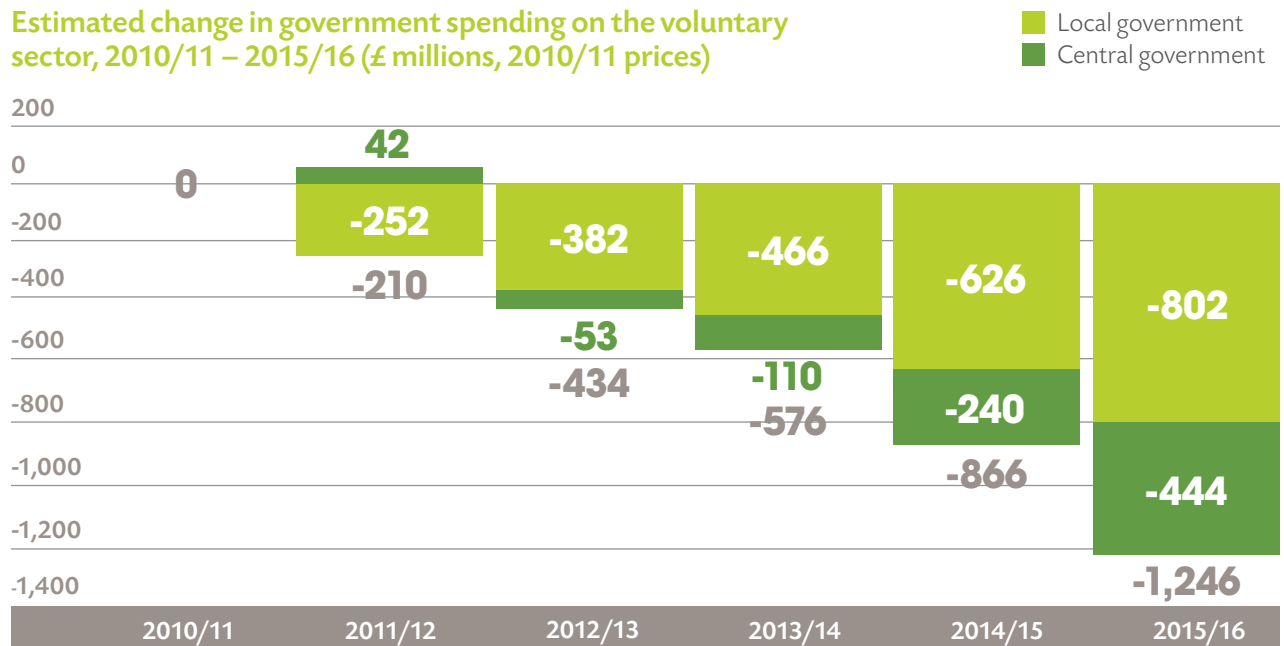
The formation of the coalition between the Conservatives and Liberal Democrats in May 2010 produced a deficit reduction plan with an ambitious target (the “structural” deficit<sup>34e</sup> eliminated by 2015) and a reliance on spending cuts to achieve this. Public expenditure is forecast to fall by roughly £30 billion in real terms between 2009/10 and 2015/16, a fall of 4%.

Local government spending is estimated to fall by 11.4% between 2010/11 and 2015/16. If these cuts are passed on to local charities this would suggest a fall in local government income to charities of around £800 million per year by the end

of the period. The equivalent figures for central government suggest a fall of around £450 million. The UK voluntary sector is therefore estimated to lose around £1.2 billion in public funding a year by 2015/16, a fall of 9.4%. Cumulatively, the sector stands to lose £3.3 billion over the spending review period (2010/11-2015/16). All these figures depend on voluntary sector income from government falling at the same rate as total government spending.

▼ Source: NCVO estimates based on Office for Budget Responsibility (2011) Economic and fiscal outlook supplementary tables

Estimated change in government spending on the voluntary sector, 2010/11 – 2015/16 (£ millions, 2010/11 prices)





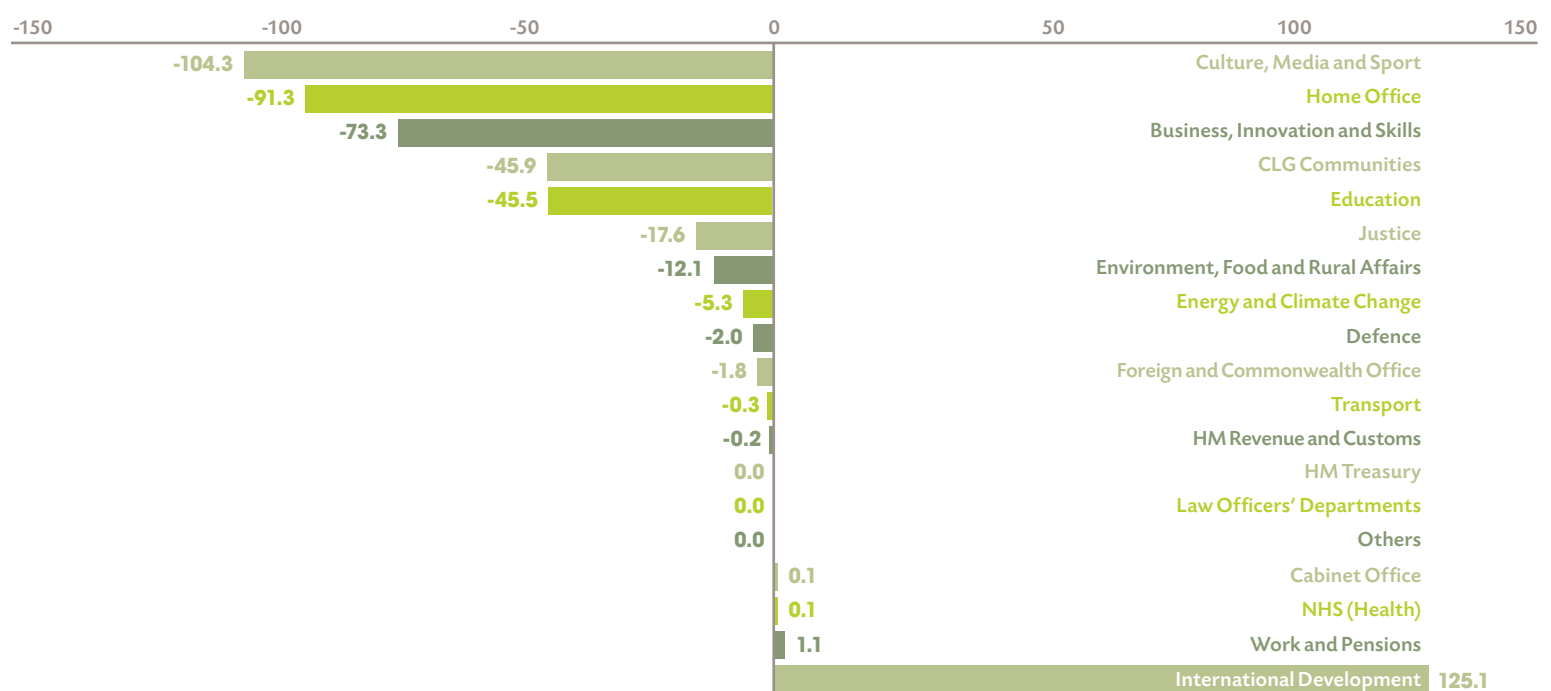
The central government figures can be broken down further by looking at spending by individual departments. By combining departmental spending figures with the amount spent by each department on the voluntary sector (and assuming that the proportion spent on the voluntary sector stays the same), we estimate the change in pounds spent between 2010/11 and 2014/15 for each department. The figures suggest some departments will see increases in funding for the voluntary sector – notably the Department for International Development. Some, however, see large falls – the Department for Communities and Local Government, the Home Office, BIS and the Department for Culture, Media and Sport.

▼ Source: NCVO estimates based on HM Treasury (2010) Spending Review

The real impact on the sector is likely to be significantly greater than the figures in this report suggests. Our analysis assumes that cuts will be applied evenly and proportionately to the sector but we are aware of many cases where significantly disproportionate cuts are being applied to the sector.

A fall in the size of grants provided from central government to local government, alongside a freeze in council tax, means that local government is a key area for cuts to spending. Percentage cuts varied by local authority, with reductions capped at 8.9% in the first year. The emerging picture shows that local authority areas with higher deprivation scores are facing larger cuts in their own funding. As voluntary organisations in these areas are more likely to be funded by statutory bodies they may well be more at risk of having their funding reduced or ended. They are also more likely to be working with marginalised groups.

## Predicted change in spending on the voluntary sector by central government departments between 2010/11 and 2014/15 (£ millions, 2010/11 prices)



## What are some of the possible impacts of public service cuts?

There is significant variance in the way that different parts of government and local authorities implement cuts. Many local authorities are making long-term, strategic decisions in partnership with their local voluntary sector but some are not and this is causing real damage.

A freedom of information request to local authorities by Compact Voice highlighted that over 50% of local areas stated that they have made cuts to the voluntary sector disproportionately to (i.e. greater than) the changes in their settlement. Around one-third indicated that they had made no changes to their funding provided to the voluntary sector.

Given that the majority of state funding is in the form of contract payments for service delivery, spending cuts and a diminished capacity for the voluntary sector will be felt across the country. The voluntary sector plays an essential role in preventative services, so what appear to be cash savings now may be storing up considerable challenges for the future.

Cuts will be felt unevenly across the sector, and some parts of the sector will be hit harder. Some organisations are able to absorb the impact of reduced spending, but due to low levels of financial resilience across the sector, many cannot. When organisations are forced to close, as many already have, they cannot simply be re-created if a tendering process happens at some point in the future. Their unique skills, connections with people and their relationships with the people they serve will disappear forever.

# £3.3 BILLION

The estimated reduction in public sector funding to the voluntary sector over the spending review period (2010/11 – 2015/16).<sup>34f</sup>

# 35 What are the main trends in charitable giving?<sup>35a</sup>

Giving to charity manifests itself in many different ways: from giving loose change to monthly direct debits; from giving to the homeless to international non-governmental organisations. Not all charitable giving is to charities. Donations might be made by individuals or collectively as families; donors could be children or adults. We capture some, though not all, of this complexity. Here we report on gifts to charity made by the UK adult population.

## What proportion of people give to charity?

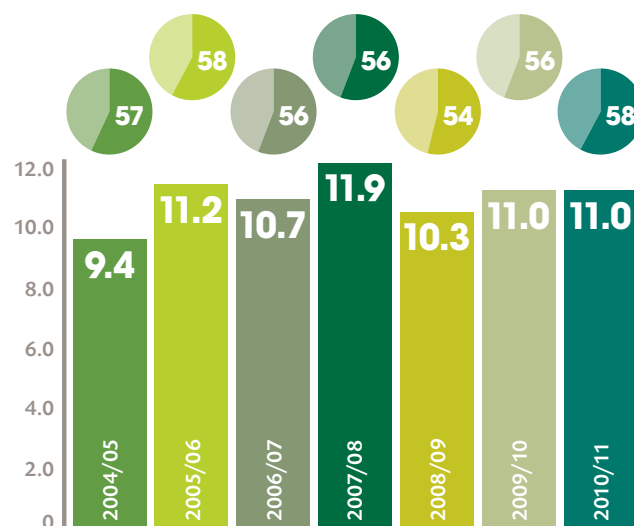
Charitable giving remains widespread: 58% of adults donated to charitable causes in a typical month in 2010/11, equivalent to 29.5 million adults. The proportion of adults giving is two percentage points higher than in 2009/10, when 56% donated, and continues the increase seen since the low point of 54% in 2008/09.

► Source: NCVO/CAF

## How much do people give?

The average, or mean, donation in 2010/11 was £31 per donor, the same as in 2009/10. The mean is, however, skewed upwards by a small number of very large donations; the median donation is arguably a better indicator. At £11 per month in 2010/11 this has decreased slightly from last year, but is still higher than in all other years since 2004/05. The estimated total annual amount donated to charity by adults in 2010/11 was £11.0 billion, the same as in 2009/10 after adjusting for inflation.

The proportion of adults giving to charity and the total annual amount donated, inflation adjusted, 2004/05 – 2010/11 (£ billions, %)



Looking at the total amounts given to charity over the last seven years, 2007/08 remains the year when the largest amount in real terms was donated (£11.9 billion after adjusting for inflation). Since 2008/09, charitable giving has grown by 6.1% in real terms. Given that there have been real terms drops in both take home pay and disposable income over the same period, a clear conclusion is that the public's determination to give to charity has remained strong during recession.

▼ Source: NCVO/CAF

## Median and mean amounts given per month, per donor, 2004/05 – 2010/11 (£)

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Median amount per donor	10	10	10	10	10	12	11
Mean amount per donor	24	28	29	32	30	31	31

## What is the impact of high-level donors?

A small number of donors continue to generate a large proportion of the total amount donated. In 2010/11, 7% of donors gave more than £100 per month, but these donors generated almost half (45%) of the total amount given to charity. The sector is clearly reliant on this group.<sup>35a</sup>

In 2009/10, there were 80 donations from individuals worth £1 million or more, made either directly or through a personal charitable trust or foundation. There were 20% fewer donations of this size in 2009/10 compared to 2008/09. The total value has also decreased, from just over £1 billion in 2008/09, to £782 million in 2009/10. However, the average (mean) value is similar, at £9.8 million in 2009/10, compared to £10.2 million in 2008/09.<sup>35b</sup>

## The number and value of million pound donations, 2008/09 – 2009/10

	2008/09	2009/10
Number of donations	100	80
Total value (£ millions)	1,000	782
Median value (£ millions)	10.2	9.8

▲ Source: Breeze, 2011<sup>35b</sup>

The causes favoured by these individual donations have changed this year. Higher education has dropped from the top cause (£22 million) (once money 'banked' in foundations is excluded from the calculation) to the fourth most popular destination, after international development (£55 million), arts and culture (£35 million), and human services and welfare (£33 million).<sup>35b</sup>

## Who gives?

In 2010/11, as in all previous years of the survey, women were more likely to give than men: 61% of women donated money to charity, compared with 56% of men. The average amounts given were also a little higher for women: the median donation among women was £13 compared to £10 among men. Patterns of giving vary with age. Looking at both gender and age, women aged 45-64 are the group most likely to give (67%). In 2010/11, as in 2009/10, they also gave the largest median amount (£20 compared to £11 for all adults).

Giving also varies by occupation group. In 2010/11, as in all previous years of the survey, people in managerial and professional occupation groups were the most likely to give (70%) and gave larger median amounts on average (£20), whilst people in routine and manual occupation groups were less likely to give (52%) and gave smaller median amounts on average (£8). Those in the intermediate occupation groups fell between the two extremes at 57%.

► Source: NCVO/CAF



## What causes do people give to?

In 2010/11, medical research was the cause supported by the largest proportion of donors, with 38% donating. The next most popular causes were hospitals (supported by 26% of donors) and children and young people (supported by 24% of donors). These have consistently been the most popular causes since the survey began in 2004/05. Medical causes take the greatest share of donations, accounting for 17% of the total amount. Religious causes, children and young people and overseas causes also account for a large share of the total.

► Source: NCVO/CAF

## How does Gift Aid contribute to the sector's income?

Gift Aid is part of a wider system of charitable tax reliefs worth £3.5 billion in 2010/11. £2.64 billion of this was claimed by voluntary organisations, through tax repayments, national non-domestic rates, VAT and stamp duty/land tax. The remainder, £880 million, was claimed by those giving to charity.<sup>35c</sup> Although Gift Aid is the most widely known scheme, relief from national non-domestic rates is worth slightly more to organisations. In 2010/11, 65,000 organisations reclaimed Gift Aid.<sup>35d</sup> This suggests one-third (39%) of all UK voluntary organisations reclaim Gift Aid.

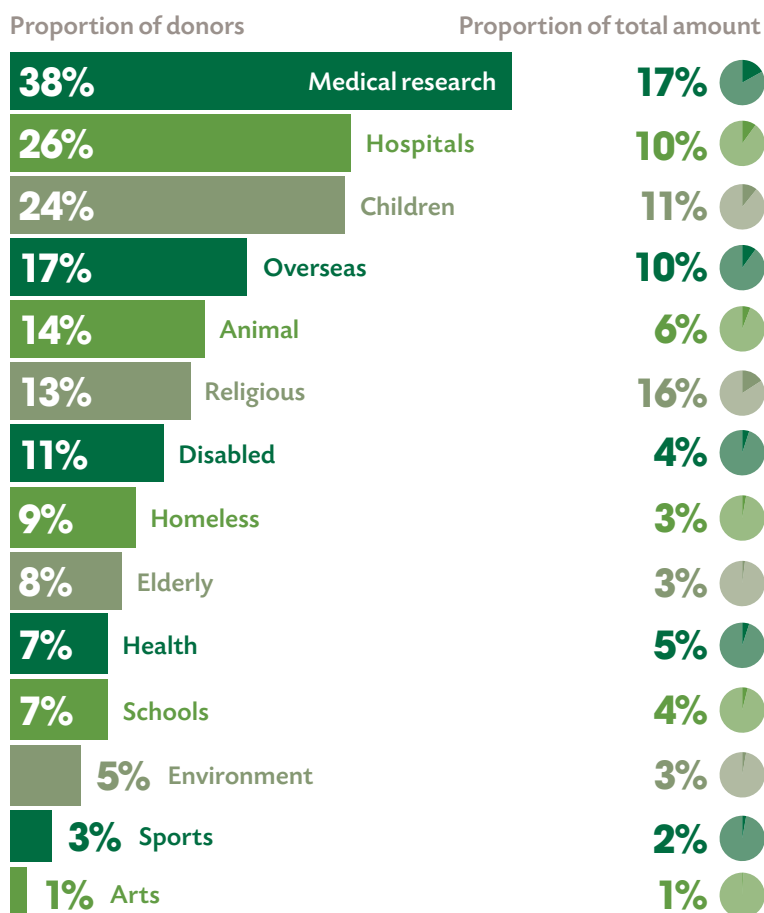
In 2010/11 the value of Gift Aid claims (which now include covenants) increased to £1.1 billion, the value of donations was estimated at £3.8 billion (net) and £4.9 billion (gross).<sup>35e</sup>

NCVO/CAF estimated that 42% of donors used Gift Aid in 2010/11, slightly higher than the proportion of 40% in 2009/10. Donors of larger amounts are more likely to use Gift Aid: 70% of donations over £100 a month attracted Gift Aid compared to 23% of donations under £10 a month.<sup>35a</sup>

## Proportion giving and median donation size by age and gender, 2010/11



## Proportion of donors giving to different causes and proportion of total amount donated going to different causes, 2010/11



▲ Source: NCVO/CAF

# 36 What are the main trends in Lottery funding?

## How is National Lottery funding distributed?

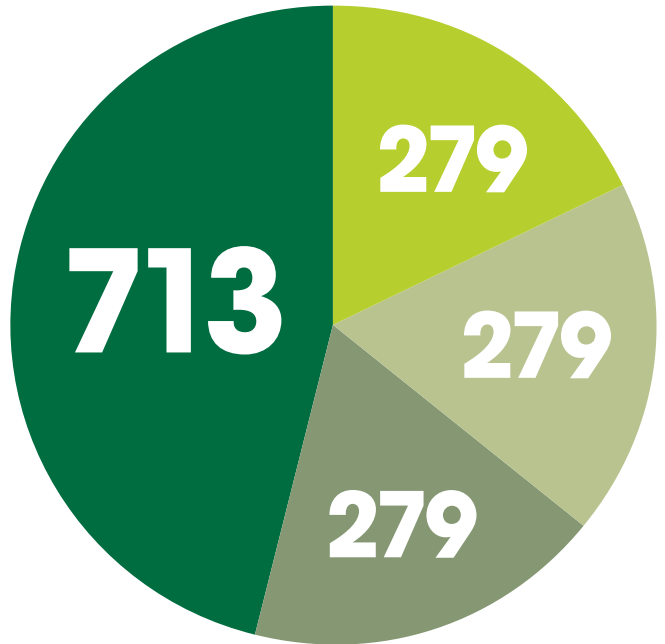
Funds from the National Lottery provide a significant source of income for the UK voluntary sector. There are currently 13 independent distributing bodies<sup>36a</sup> responsible for distributing Lottery money to 'good causes'. Five of these focus on sport (Sport England; Sport Scotland; Sport Northern Ireland; the Sports Council for Wales and UK Sport), five on the arts (Arts Council England; Arts Council of Wales; Arts Council of Northern Ireland; Creative Scotland; British Film Institute) and then there is the Heritage Lottery Fund, the Big Lottery Fund (which focuses on voluntary organisations, health, education and the environment) and the Olympic Lottery Distributor.

In 2010/11 £1.66 billion was available for distribution to good causes. £102 million was allocated to the Olympic Lottery Distribution Fund, whilst the National Lottery Distribution Fund (which covers the remaining 12 distributors) received £1.55 billion. The Big Lottery Fund (BLF) distributes 46% of the National Lottery Distribution Fund's allocation, accounting for £713 million. The remaining 54% is distributed equally between the Arts, Sports and Heritage (£279 million, 18% each).

► Source: National Lottery Distribution Fund  
**Total proceeds:** £1.55 billion

## National Lottery proceeds to distributing bodies, 2010/11 (£ millions)

■ Arts ■ Sports ■ Heritage ■ BLF



# £27 BILLION

Total amount raised for good causes by the National Lottery since 1994.

## How much has been raised by the Lottery for good causes?

Since its inception in 1994, over £27 billion has been raised by the Lottery for good causes, and over 374,000 grants have been made by September 2011.<sup>36b</sup> Seventy per-cent of all the Lottery grants made have been grants of less than £10,000 and therefore aim to assist smaller organisations and projects in particular.

## Who receives National Lottery funding?

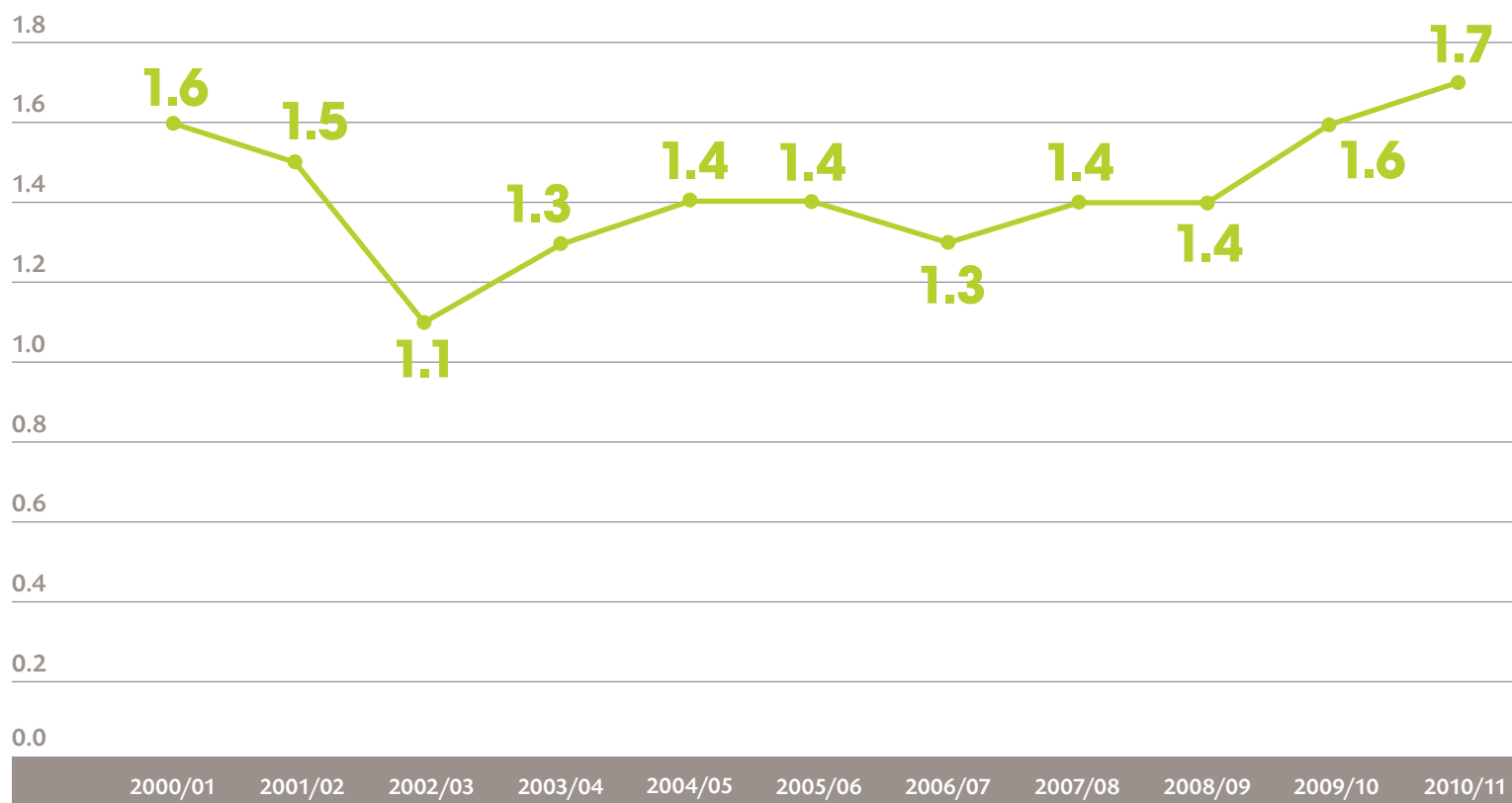
Evidence from voluntary sector organisations indicates they received £487.6 million from Lottery distributors in 2009/10. This accounts for 1.3% of the sector's total income. The voluntary sector therefore receives at least 32% of the Lottery-distributed funds.<sup>36c</sup> Lottery funding is most important to medium sized organisations, who receive 2.7% of their total income from this source. 60% of lottery funding – £290.4 million – is received by large and major organisations. This accounts for 1.0% of their total income.

# £1.8 BILLION

National Lottery contribution to London 2012 Olympic and Paralympic Games.<sup>36d</sup>

## Payments to the National Lottery Distribution Fund and the Olympic Lottery Distribution Fund, 2000/01 – 2010/11 (£ billions\*)

▼ Source: National Lottery Commission \*Not adjusted for inflation



## National Lottery funding by size of organisation, 2010/11

▼ Source: NCVO/TSRC, Charity Commission

	Micro	Small	Medium	Large	Major	Total
National Lottery (£ millions)	1.0	25.0	171.1	162.1	128.3	487.6
Lottery funding as a proportion of the sector's Lottery income (%)	0.2	5.1	35.1	33.3	26.3	100.0
Lottery funding as a share of their income (%)	0.4	1.4	2.7	1.4	0.8	1.3
<b>Total income (£ millions)</b>	<b>236.9</b>	<b>1,781.9</b>	<b>6,322.3</b>	<b>11,325.8</b>	<b>17,014.5</b>	<b>36,681.4</b>

# £488 MILLION

Amount from lottery distributors to the voluntary sector in 2009/10.

### How many grants does the BLF give out?

The BLF Board has stated that at least 90% of all their funding will be delivered through voluntary sector organisations. Since its inception in June 2004, the BLF has made awards of more than £3.6 billion<sup>36e</sup> to health, education, environmental and charitable purposes.

In 2007/08, the BLF received just under 30,000 full applications amounting to £2.8 billion. During this year, the BLF awarded 14,094 new grants at a value of £357 million. Each new award averaged £25,300. As of the end of March 2011, the BLF had 21,766 grants in management.

### Big Lottery Fund programmes, number and total value, 2010/11<sup>36f</sup>

	Number	Total value (£ millions)
Full applications received	29,734	2,775
New awards made	14,094	357
Grants in management	21,766	923

▲ Source: Big Lottery Fund

# 37 What are the main trends in legacy funding?

## What are legacies?

Legacies can be defined as “an amount of money or property left to someone in a will”.<sup>37a</sup> Charitable legacies provide a vital and significant, if volatile, income stream for voluntary organisations in the UK.

## What is the future of legacies?

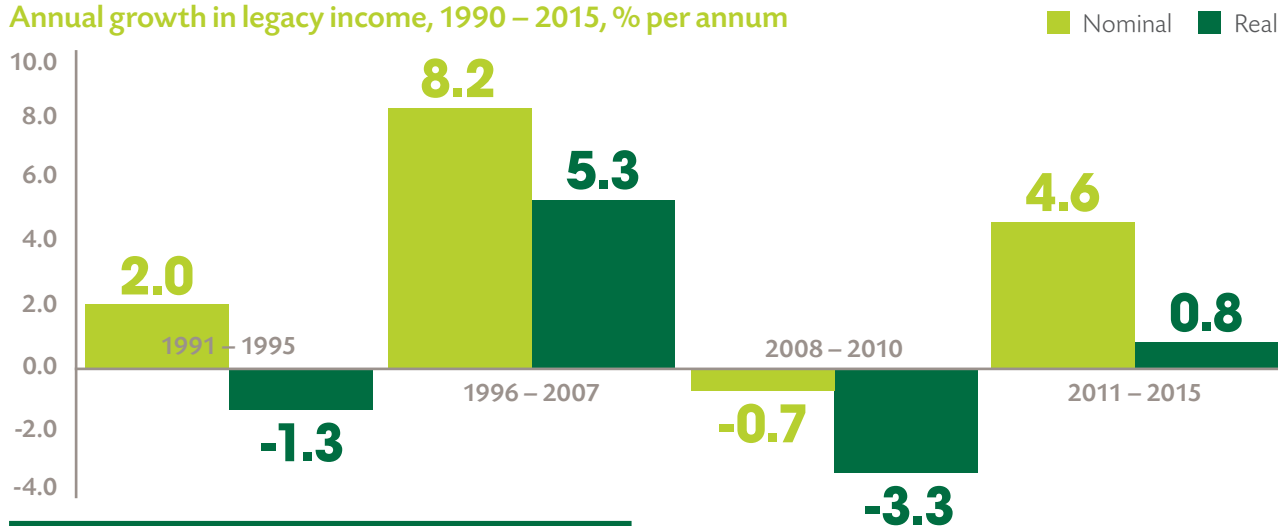
Whilst legacies have seen a slight recovery during 2010, Legacy Foresight believes the short to medium term outlook remains precarious with growth rates significantly lower than before. According to Legacy Foresight’s central forecasts, real legacy incomes will grow by less than 1% a year over the next four years.<sup>37b</sup>

▼ Source: Legacy Foresight<sup>37b</sup>

## How much does the voluntary sector receive in legacy income?

The voluntary sector received £1.8 billion in legacy income in 2009/10, 5.0% of total income. Overall, just over 3,300 organisations (2.0%) received legacy income in 2009/10. Recipients received on average £551,000.

### Annual growth in legacy income, 1990 – 2015, % per annum



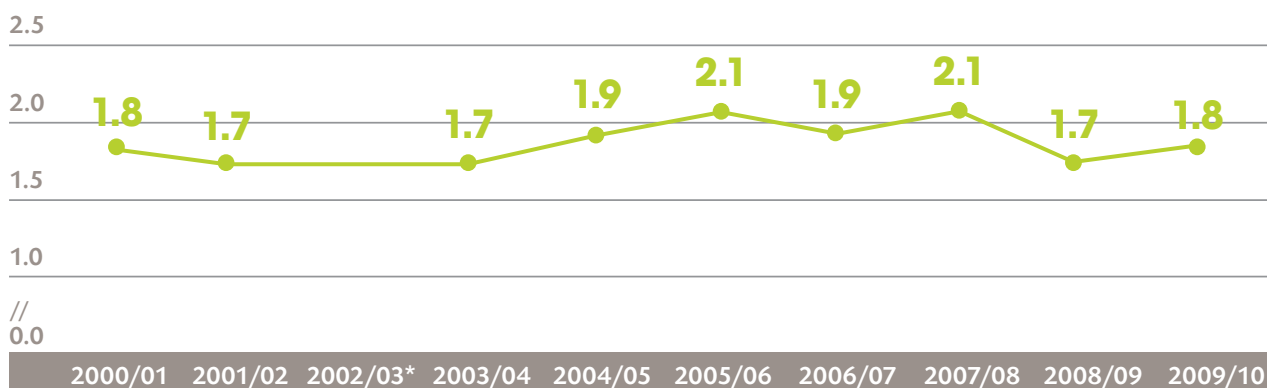
## How has legacy income changed over time?

Over the last decade, legacy income to the sector has fluctuated in real terms between £1.7 billion and £2.1 billion. In 2007/08, legacy income reached its peak level of £2.1 billion before decreasing by 18% between 2007/08 and 2008/09 due to the fall in house prices and investment values. Since 2008/09 legacy income to the sector has increased slightly back to £1.8 billion, the same amount as at the beginning of the decade.

Legacy income is generated from a small proportion of the population. Sixteen per-cent of wills at probate included a gift to charity. On average there were three charitable bequests per will. In all, just 7% of people die with a gift to charity in their will.<sup>37b</sup> Between 1988 and 2010, the number of charitable legacies rose from 66,000 to 106,000 – a growth rate of over 2% per annum.<sup>37b</sup>

▼ Source: NCVO/TSRC, Charity Commission  
\*2002/03 figures are inferred.

### Legacy income to the voluntary sector, 2000/01 – 2009/10 (£ billions)





## How likely are people to include a legacy in their will?

Nearly one-fifth (18%) of adults in the UK would now positively consider leaving a charitable gift in their will, up from 11% last year. A further 22% of adults are either in the process of including a charity in their will (11%) or have actually done so (11%).<sup>37c</sup>

## How big are organisations that receive legacy income?

Legacy income is skewed towards major organisations. Just under three-quarters (73%) of all legacy income is received by 154 major organisations. 32% of all major organisations receive some form of legacy income.

Source: NCVO/TSRC, Charity Commission

## The ten largest recipients of legacy income, 2009/10 (£ millions)

	Legacy income
Cancer Research UK	157.4
The Royal National Lifeboat Institution	93.8
Royal Society for the Prevention of Cruelty to Animals	74.9
British Heart Foundation	52.4
The National Trust for Places of Historic Interest or Natural Beauty	50.3
Macmillan Cancer Support	44.0
The People's Dispensary for Sick Animals	41.2
The Salvation Army	40.7
The Royal National Institute of Blind People	38.1
The Guide Dogs for the Blind Association	31.7

Over one-third (34%) of all legacies by value are received by ten household name organisations. Cancer Research UK is the biggest recipient of legacy income (£157.4 million in 2009/10). The Royal National Lifeboat Institution (RNLI) has the second largest amount of legacy income at £93.8 million which accounts for over half (56%) of their total income.

## What types of organisations do individuals bequeath legacies to?

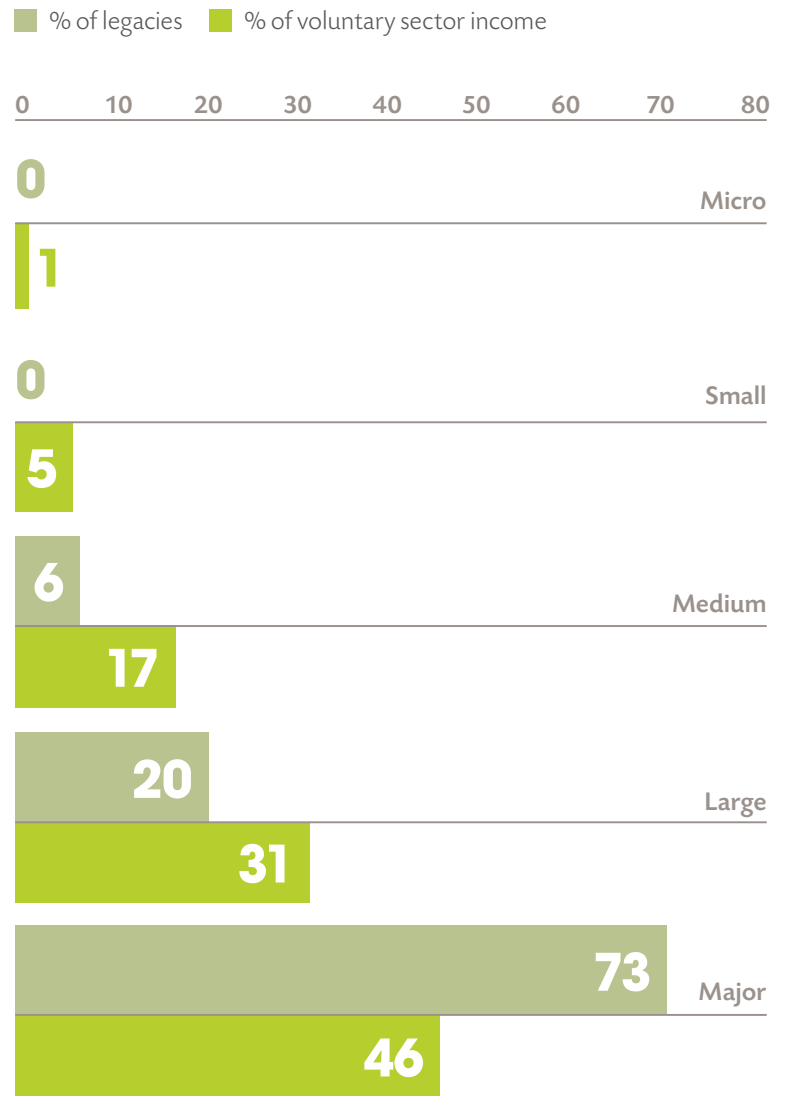
Legacy funding is particularly important to some sub-sectors. In 2009/10 social services organisations received one quarter (25%) of the sector's legacy income, equating to £478 million. Within this sub-sector, emergency and relief organisations (operating in the UK) receive 28% of their income from legacy funding.

Environmental organisations received £437 million in legacies in 2009/10. In particular, animal welfare organisations receive 31% of their income from legacies. Similarly, medical research organisations, part of the research sub-sector, receive nearly one-quarter (24%) of their income from legacies.

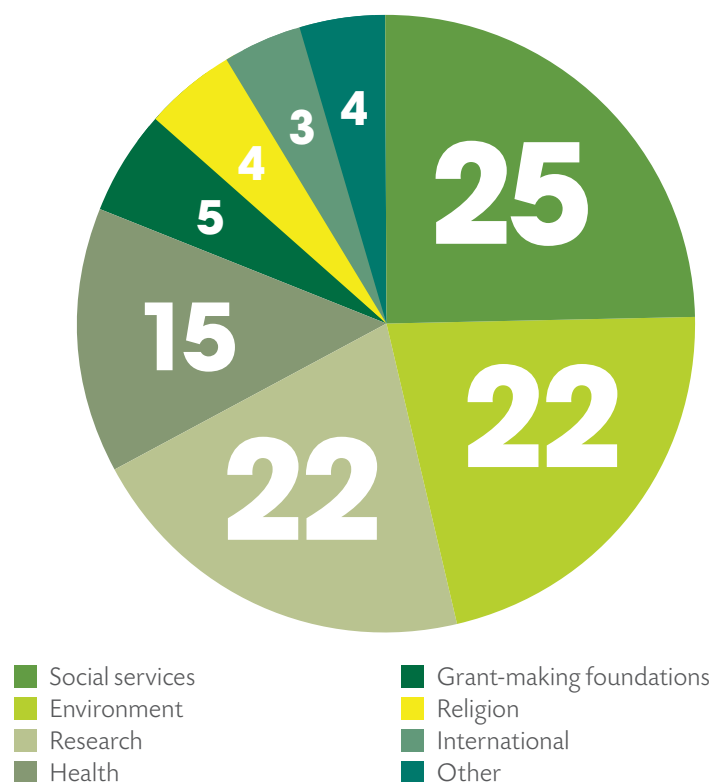
Research is showing that local charities such as wildlife trusts, hospices and ambulance trusts are outpacing national brands. Between 2005/06 and 2009/10, local charities enjoyed an average growth of 5.4% per annum, more than double that of larger national organisations at 2.5% per annum.

Source: TSRC/NCVO, Charity Commission

## Share of legacy income and voluntary sector income by size of organisation, 2009/10 (%)



## Destination of legacy income by sub-sector, 2009/10 (%)





## 38 What are the main trends in investment income?

### How much income is provided from the sector's investments and cash holdings?

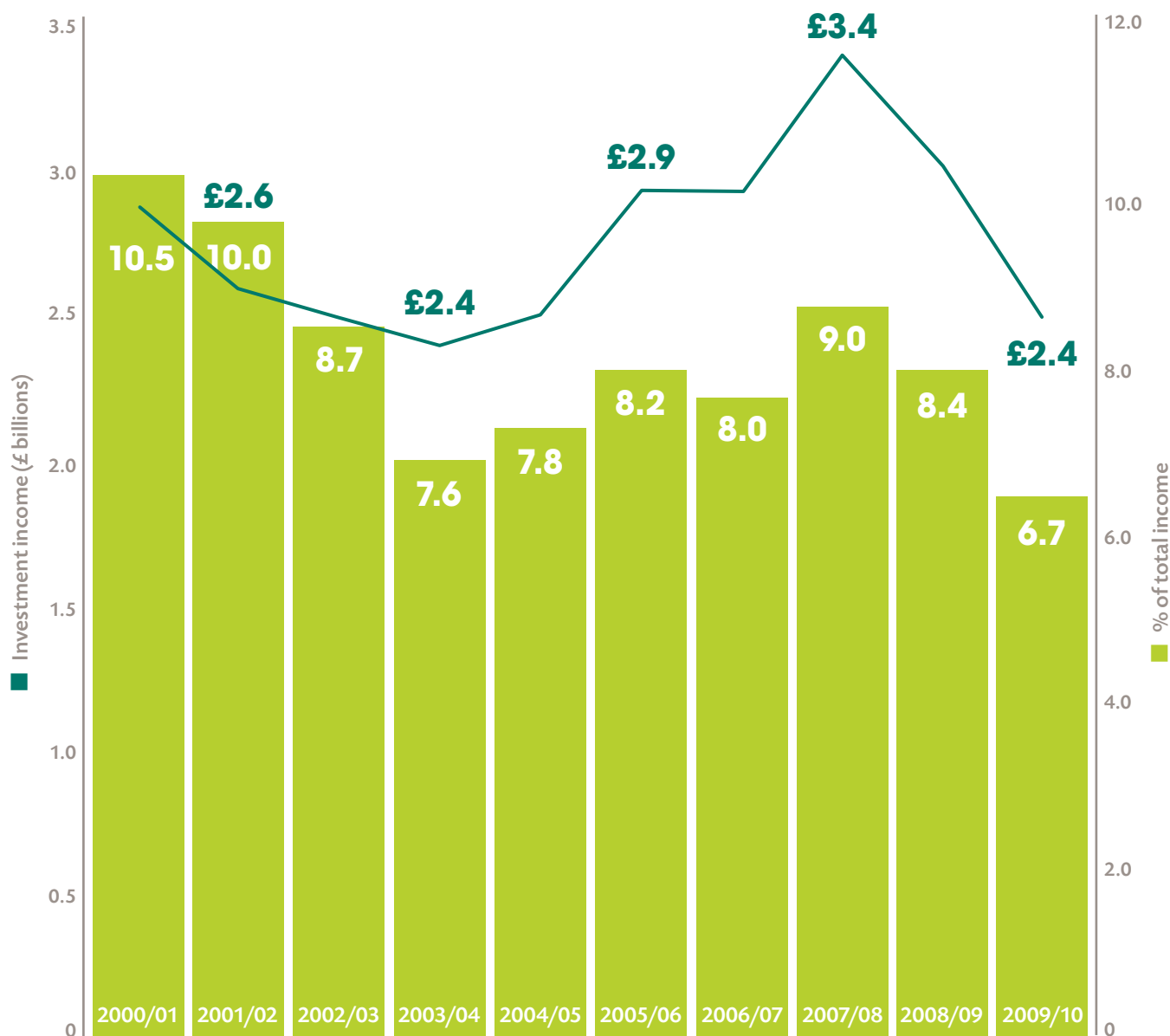
Income from investments and cash balances totalled £2.4 billion in 2009/10, equivalent to 6.7% of total income. This is the lowest share of income from investments since the NCVO Almanac series began.

Many organisations invest on a 'total returns' basis, which implies that gains and losses in the value of investment

should be taken into account when considering returns. As organisations can of course liquidate investments to fund expenditure or invest surpluses, changes in the total value of investments do not equate to net gains or losses, realised or otherwise, on investments.

▼ Source: NCVO/TSRC, Charity Commission

### Voluntary sector investment income, 2000/01 – 2009/10 (£ billions, % of total income)



### What are the different types of investment income?

Investment income is derived from investment assets and cash held as current assets. Dividends account for over half (56%) of investment income (£1.4 billion); rental income (£705 million)

is from investment property. If current assets held at year-end are indicative of balances throughout the year, interest income suggests interest was earned at a rate of 1.6%.

## What about changes in the value of investments?

Only some of the return from investments is shown in the form of income to the charity, a further proportion occurs as gains in those investments on the balance sheet. These gains in the value of investments occur when, for example, shares held or property owned rise in value. They are 'realised' if this additional value is converted into cash by selling the asset.

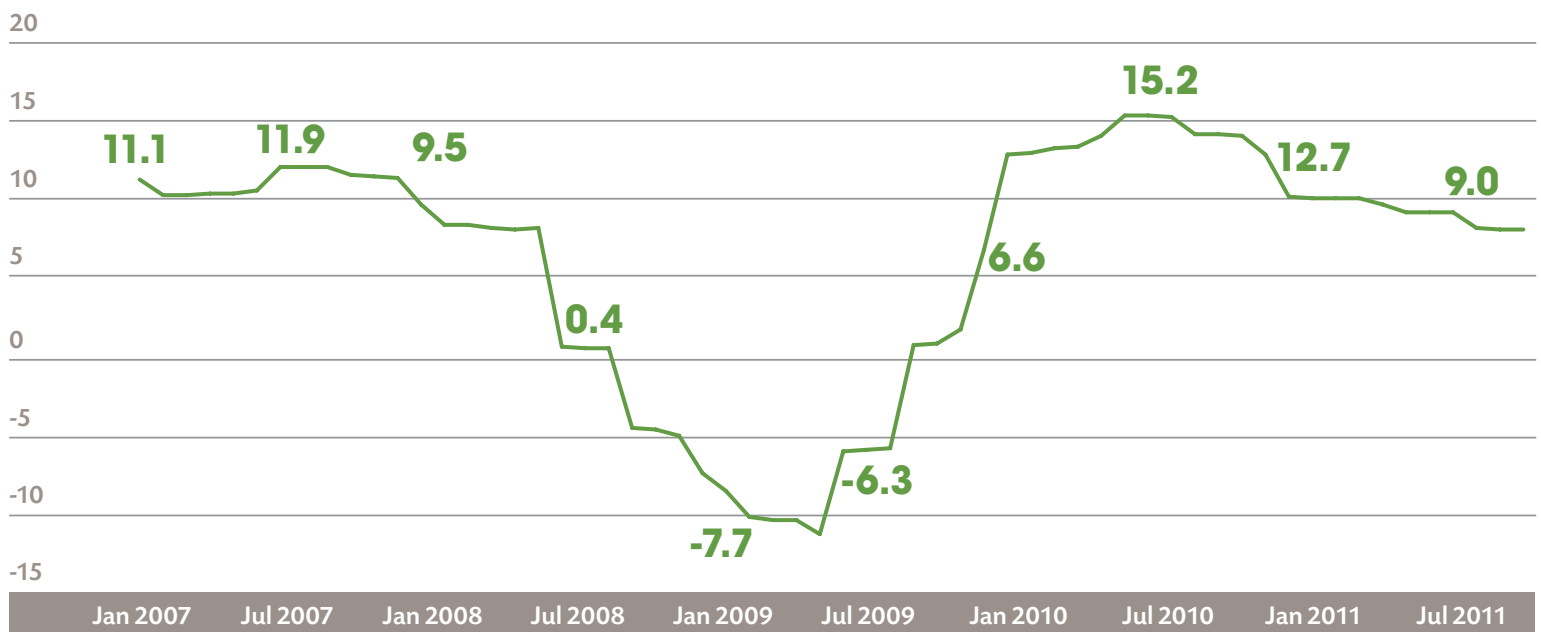
Data on changes to the value of investments is only available for larger organisations with incomes above £500,000. In 2007 (the year before the financial crisis and recession), these organisations had investment gains of £2.20 for every £1 in investment income.

Looking at investment income and investment gains together perhaps gives a truer picture of the performance of investments over the period. This figure for total investment return shows total returns of around 10% before the recession, dropping to a net loss of 10% at the height of recession. Returns have rebounded since then, reaching 15%.

These results lead to questions which deserve further work. Is the high rate of return (particularly the "bounce back" after recession) representative of the sector as a whole? How have different types of assets performed? And how will investments perform in continuing economic uncertainty?

▼ Source: NCVO/TSRC, Charity Commission

## Estimated investment returns for voluntary organisations with incomes greater than £500,000, 2007-2011 (%)



[data.ncvo-vol.org.uk/A12Q39](http://data.ncvo-vol.org.uk/A12Q39)

## 39 How much do organisations generate from their trading subsidiaries?

In 2009/10, 1,800 charities reported income from trading subsidiaries, totalling £566 million or 1.5% of total voluntary sector income. However, due to the treatment of subsidiaries in consolidated accounts, this figure should be treated as a minimum. Some organisations continue to report only the net contribution of trading subsidiaries which in turn implies we are underestimating the overall economic weight of the voluntary sector. Reported expenditure for these subsidiaries was £699 million, implying a loss of £133 million over the year, although again this figure should be treated with caution due to variations in the recording of income from these sources.

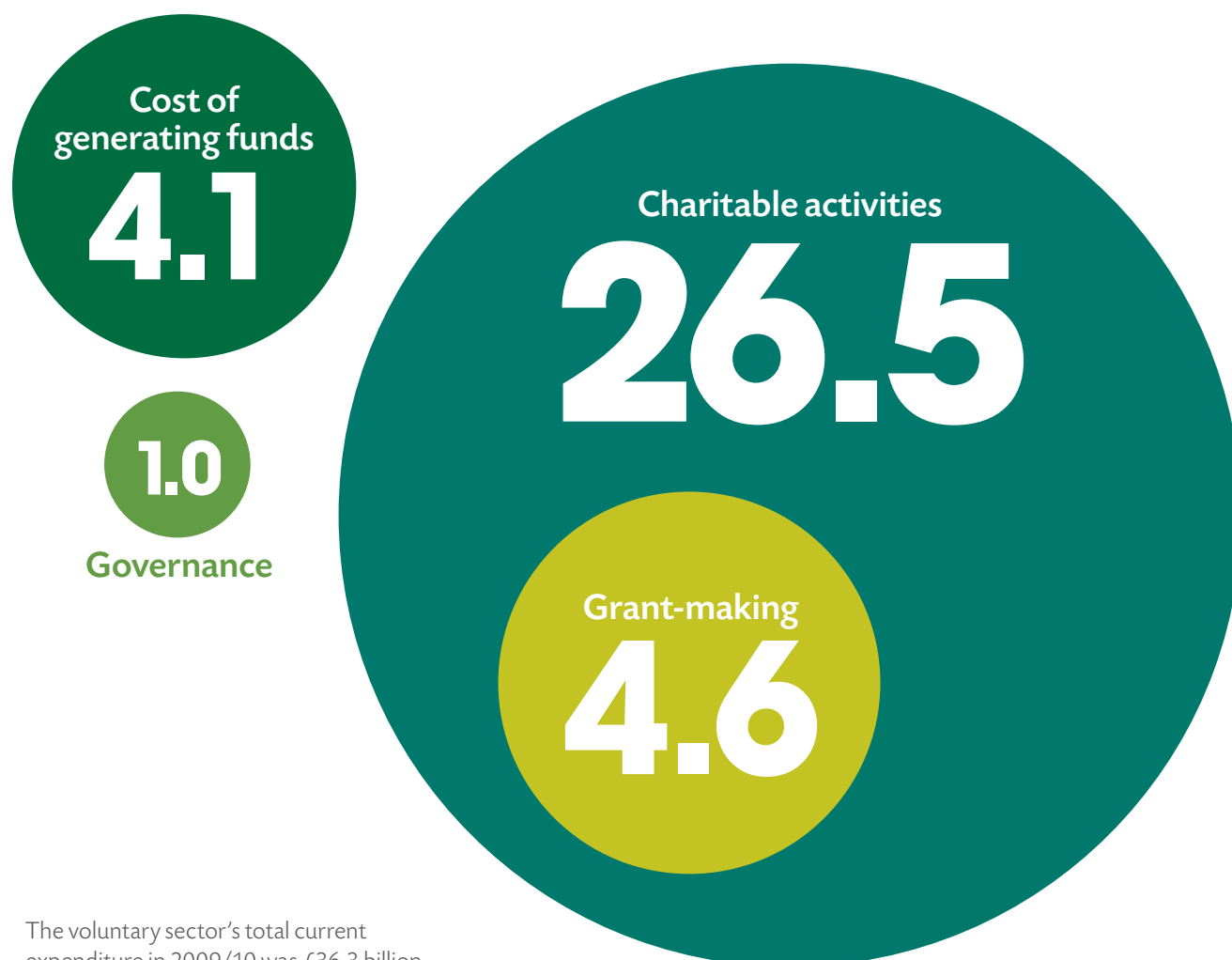
Charity shops are one source of subsidiary income, although it is important to note that they are not synonymous with trading: not all charity shops are housed within a trading subsidiary; and trading subsidiaries undertake a wider range of activities. The Charity Retail Association<sup>39a</sup> has a membership of over 330 charities. They estimate that there are over 160,000 volunteers working in 9,000 charity shops throughout the UK with profits of over £170 million.

# £566 MILLION

Income from trading subsidiaries in 2009/10

# 40 How much does the voluntary sector spend?

Voluntary sector expenditure by activity, 2009/10 (£ billions)



The voluntary sector's total current expenditure in 2009/10 was £36.3 billion. Expenditure is split between four main activities: charitable activities, grant-making, the cost of generating funds and governance. These are explored over the following pages.

▲ Source: NCVO/TSRC, Charity Commission

# 41 How do voluntary organisations report their expenditure?

The charities Statement of Recommended Practice (SORP 2005) requires organisations with incomes over £100,000 to report their expenditure using activity-based costing and accrual accounting. Smaller charities mostly prepare receipts and payments accounts, and choose their own reporting categories. This means that comparing them with larger organisations is not perfect: different accounting treatments may therefore account for some differences in spending allocation.

The SORP requires expenditure to be assigned to one of three categories: cost of generating funds, cost of charitable activities, and cost of governance. The totals for each category include all costs related to the activity, including staff costs,<sup>41a</sup> and management and administration. Grant-making – arguably just a different way of achieving charitable aims – is included within charitable activities in the SORP (although we report it separately in this chapter).

# 42 Do large and small voluntary organisations spend money on different types of activity?

\* These figures reflect the over-representation of grant-giving organisations in our 'micro' sample.

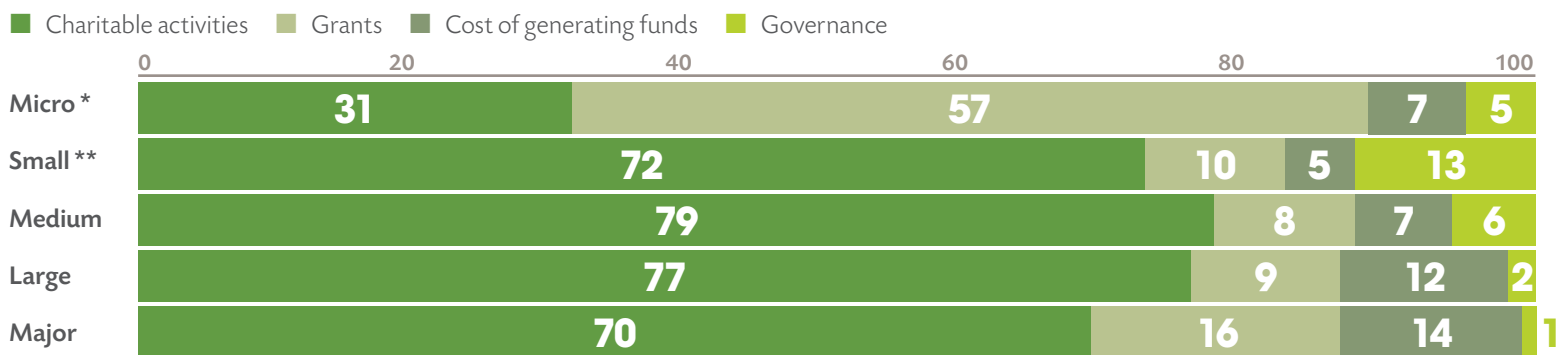
\*\* The high percentage of governance expenditure is caused by small charities reporting management and administration costs rather than assigning them by activity.

Medium sized voluntary organisations, spend the largest proportion on charitable activities, with charitable activities accounting for nearly four-fifths (79%) of expenditure. These average figures reflect the distribution of grant-makers (a small number of large foundations and numerous small 'pots of money') and mid-sized 'operating' charities. Major

organisations – the group that contains the large fundraising charities – unsurprisingly spends the highest proportion on generating funds (14% of expenditure). The lower fundraising costs of smaller organisations reflect the voluntary nature of fundraising in smaller organisations.

▼ Source: NCVO/TSRC, Charity Commission

## Expenditure by size of organisation, 2009/10 (% of expenditure)



# 43 How is the voluntary sector's expenditure distributed?

The delivery of social services accounts for a major proportion of the sector's spending – 31,100 organisations spent £8.7 billion in 2009/10, an average of £279,000 per organisation. Research organisations (including large medical research funders like Cancer Research UK) had the highest average expenditure, of £796,000, spending £2.9 billion in total. The smallest sub-sectors by expenditure are village halls, parent teacher associations, and scout groups and youth clubs – predominantly small, local and volunteer-based organisations.

Research, employment and training, and environmental organisations spend the highest proportion of their expenditure on generating funds (21%, 19% and 17% respectively) – this includes expenditure on trading subsidiaries and investment management.

► Source: NCVO/TSRC, Charity Commission

## Voluntary sector expenditure by sub-sector, 2009/10 (£ billions)



# £279,000

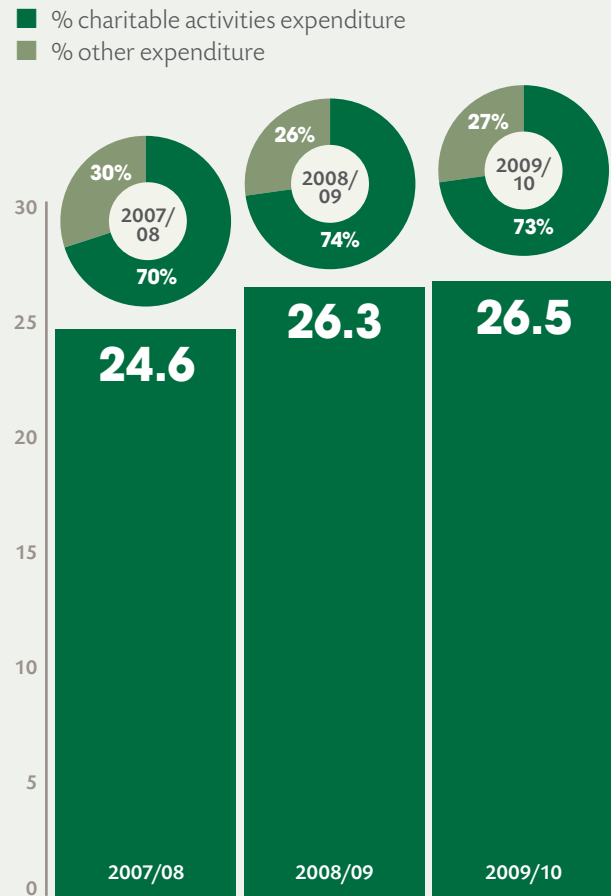
The average expenditure of social services voluntary organisations.

# 44 How much does the voluntary sector spend on charitable activities, excluding grant-making?

Voluntary organisations spent £26.5 billion in 2009/10 carrying out their charitable activities, a figure which does not include grant-making. Whilst expenditure on charitable activities rose by £1.7 billion (7%) between 2007/08 and 2008/09, it was relatively static between 2008/09 and 2009/10 rising by just £200 million (1%). This might suggest organisations were beginning to control spending in what was a difficult economic environment. If grant-making is included, the voluntary sector spends 86% of its expenditure to directly achieve its mission. Expenditure on charitable activities is a better guide to trends in overall activity in the voluntary sector than income: the latter may include large one-off items (such as legacies or endowments) that are expended over a number of years.

► Source: NCVO/TSRC, Charity Commission

Voluntary sector expenditure on charitable activities excluding grant-making, 2007/08 – 2009/10 (£ billions)



# 45 How much does the voluntary sector spend on grant-making?

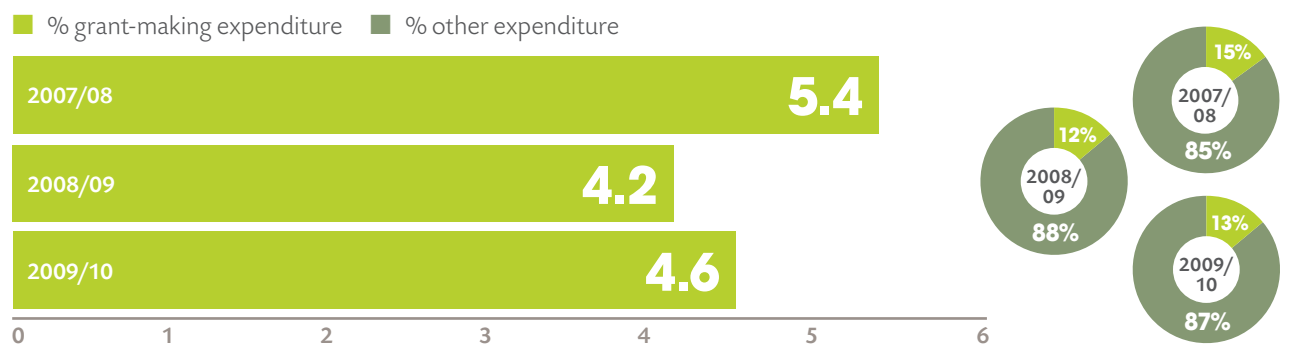
The voluntary sector spent £4.6 billion in 2009/10 (13% of its total expenditure) making grants to other voluntary organisations, individuals and statutory organisations. The level of grant making dropped sharply by 22% in 2008/09, but recovered in 2009/10 rising by 9%, although it was still £830 million less in real terms than in 2007/08.

A breakdown of the grant recipients is provided in question 20. Higher education institutions are a significant recipient of grants, receiving £2.0 billion, which are mostly made to fund

research. We estimate that 52% of grants are made to other voluntary organisations (£2.4 billion). Question 20 reports that the sector receives £2.1 billion in grants from voluntary organisations: this is in effect an internal flow of resources within the sector. The 'missing' £0.2 billion of grant expenditure is most likely accounted for by other civil society organisations not included in our 'general charities' definition of the voluntary sector.

▼ Source: NCVO/TSRC, Charity Commission

Voluntary sector expenditure on grant-making, 2007/08 – 2009/10 (£ billions)



# 46 How much does the voluntary sector spend on fundraising and publicity?

Voluntary organisations spent £4.1 billion on generating funds in 2009/10, £3.2 billion of which was spent on fundraising and publicity costs. These include the cost of asking for donations, and the cost of trading to raise funds. The remainder was spent on managing investments (£250 million) and trading subsidiary costs (£700 million), such as the purchase of goods for sale. Overall, organisations spend 8.8% of their income on fundraising and publicity costs.

Expenditure on fundraising and publicity fell by £18 million (1%) in real terms between 2008/09 and 2009/10. Over the same period, total income increased by £236 million. Large and major voluntary organisations spend the most on fundraising and publicity: this is 8% and 11% of expenditure respectively, or 86p in every £1 spent on fundraising and publicity by the sector. Major organisations spend almost 60p in every £1 of the sector's fundraising and publicity expenditure.

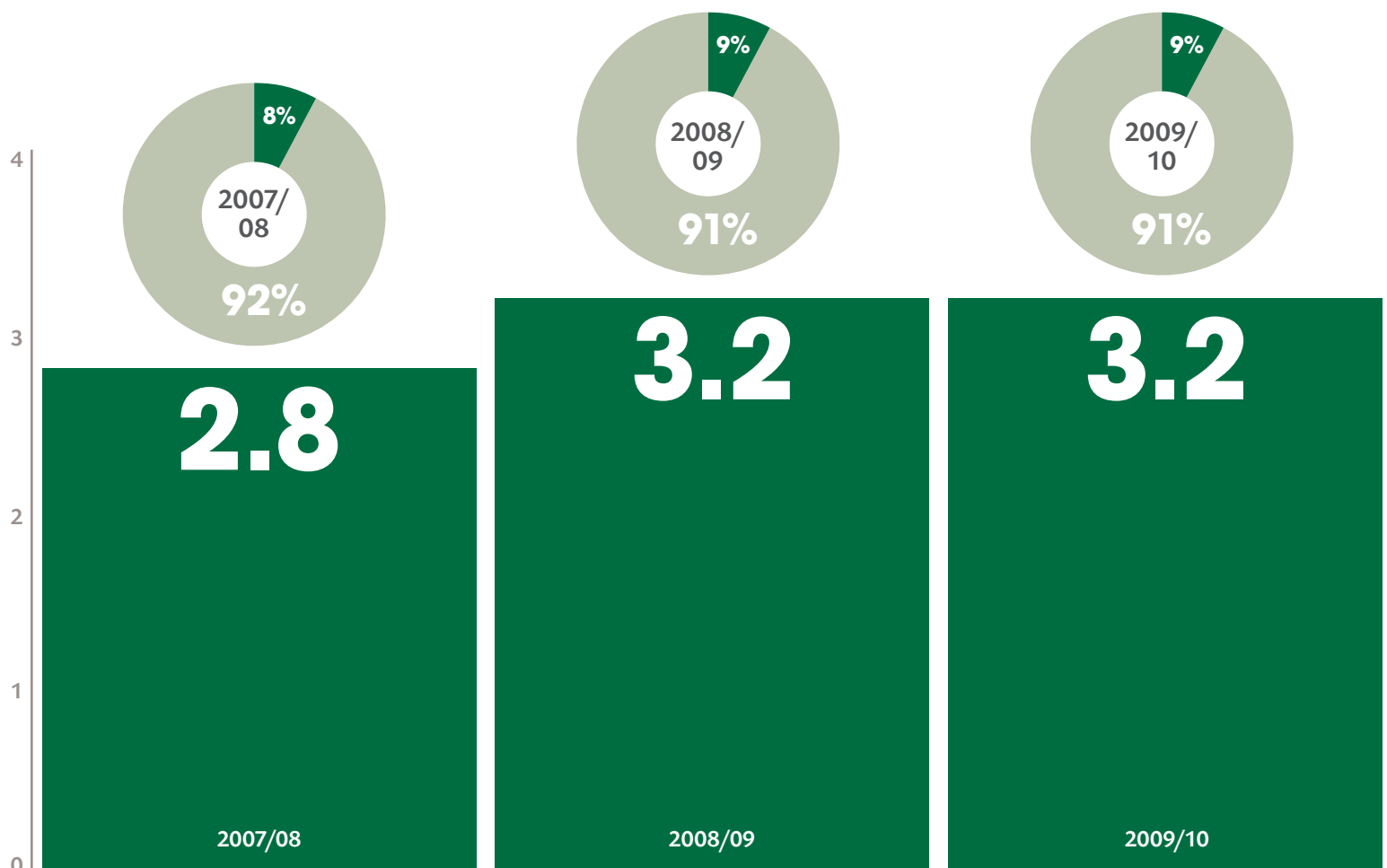
▼ Source: NCVO/TSRC, Charity Commission

## £1 SPENT = £5.45 RAISED

For every £1 spent on generating funds, voluntary organisations raised £5.45

### Voluntary sector expenditure on fundraising and publicity, 2007/08 – 2009/10 (£ billions)

■ % fundraising and publicity expenditure ■ % other expenditure



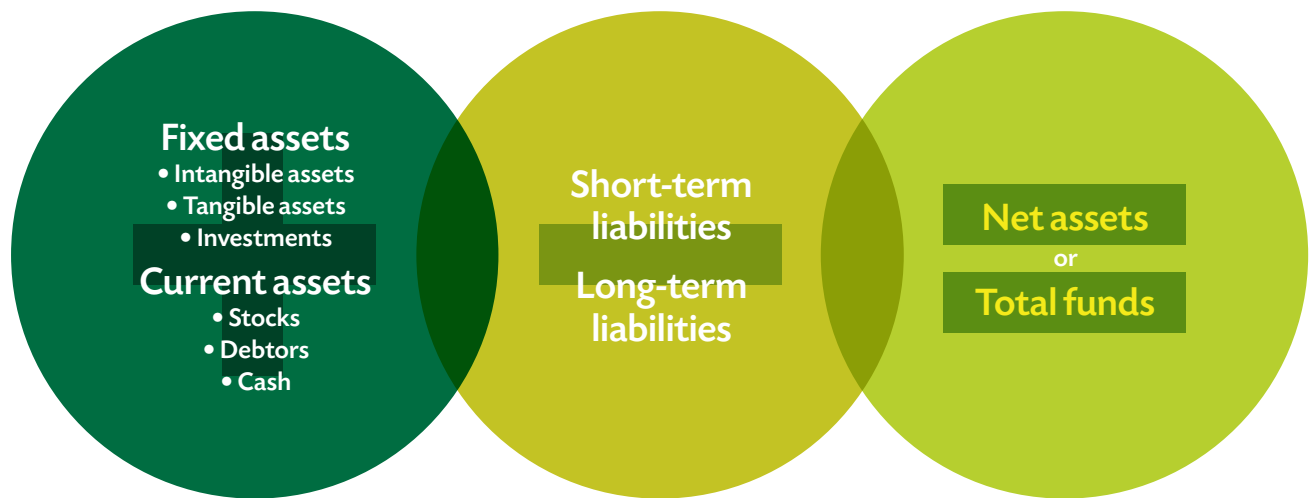
## £3.2 BILLION

Total amount spent on fundraising and publicity in 2009/10.

# 47 What can the sector's balance sheet tell us about its financial health?

## A simplified overview of assets, liabilities and funds

Is the voluntary sector in good financial health? The aggregate balance sheet shows the value of cash, property and investments organisations hold, taking into account loans and other debt to provide a snapshot of the total net worth of the sector.



# £90.2 BILLION

Voluntary sector net assets in 2009/10.

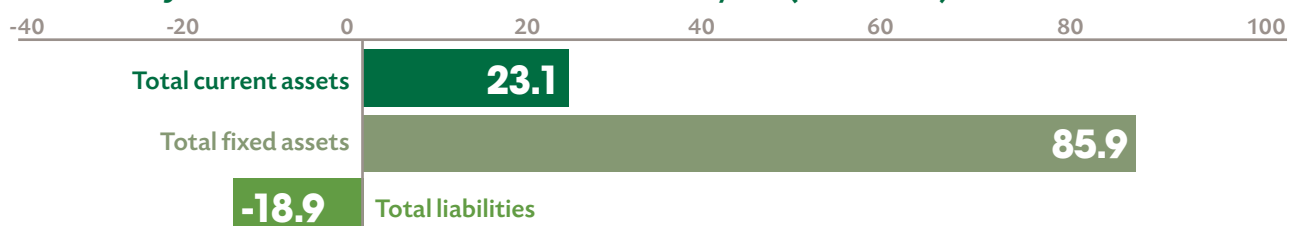
Many organisations hold assets, either to use in the course of their work, or to generate income. Buildings are frequently held for both purposes. The sector's assets are worth a combined £109.1 billion. What organisations own is set against what they owe to creditors, or liabilities. For some organisations, this includes long-term liabilities (payable after 12 months) such as mortgages, future grant commitments or pension liabilities. Net assets represent the net worth of the sector and equate to its total funds. When liabilities of £18.9 billion are subtracted from total assets, the sector's total funds notionally available for future distribution are worth a net £90.2 billion.

▼ Source: NCVO/TSRC, Charity Commission

## What are we missing?

The value of the sector's fixed assets is probably an under-estimate. Organisations' holdings of historic and inalienable assets such as art collections – which are often difficult to value – are unlikely to be included in our estimates. We are also likely to undervalue the assets of small charities that submit receipts and payments accounts.

## Voluntary sector assets and liabilities, 2009/10 (£ billions)





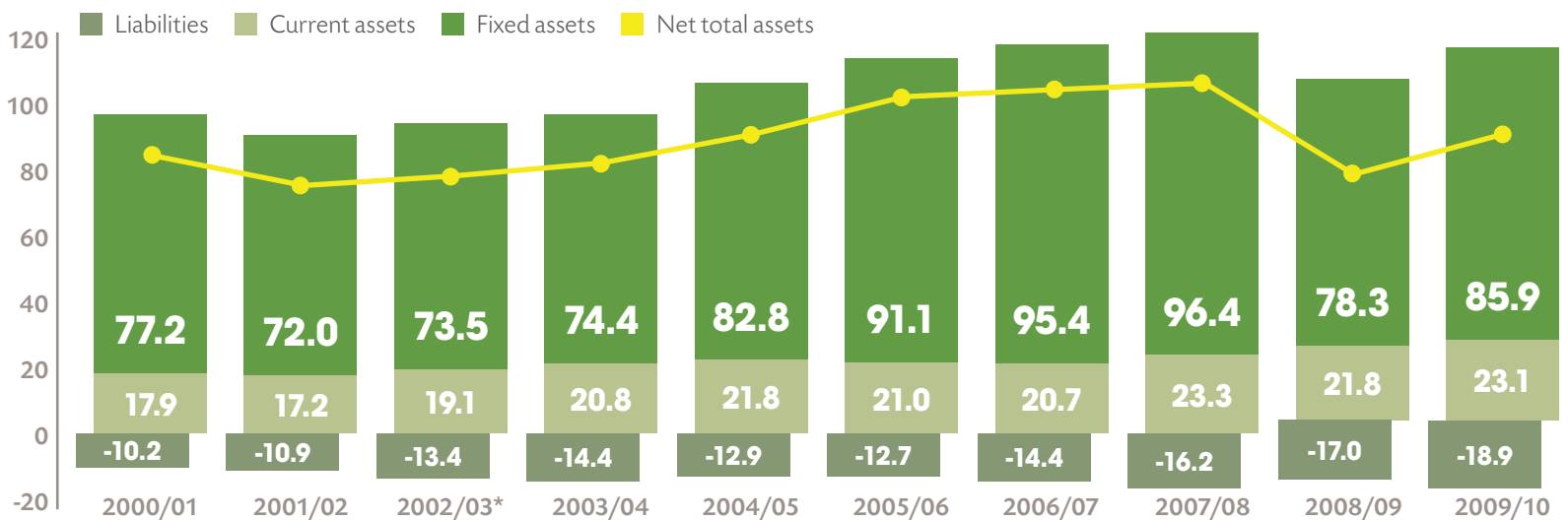
# 48 How has the voluntary sector's net worth changed?

For much of the last decade the voluntary sector grew, both in terms of the number of organisations and the level of expenditure. This was reflected in the growth in net assets, which between 2000/01 and 2007/08 typically represented three times annual expenditure. This has changed following the financial crisis – in 2008/09 net assets dropped to 2.3 times the level of expenditure but by 2009/10 levels had recovered slightly with net assets representing 2.5 times expenditure. Asset values

have fallen, including investment holdings – the largest component of fixed assets. Liabilities have also grown, to 18.9 billion in 2009/10, – partly due to an increase in pension deficits, again linked to investment performance, but short-term liabilities have also increased. As the sector takes on more loan finance we would expect liabilities to grow.

▼ Source: NCVO/TSRC, Charity Commission  
Note: 2002/03 figures are inferred.

## Components of total net assets, 2000/01 – 2009/10 (£ billions)



[data.ncvo-vol.org.uk/A12Q49](http://data.ncvo-vol.org.uk/A12Q49)

# 49 Is asset ownership in the voluntary sector widespread?

Almost 65,000 voluntary organisations own some kind of fixed asset – this is 40% of the sector. Like income, assets are concentrated in the largest organisations. Four organisations hold assets valued at more than £1 billion, and between them, they control 21% of the sector's wealth. The top 300 organisations by assets account for just over 50% of the total.

▼ Source: NCVO/TSRC, Charity Commission

## Voluntary sector asset holdings, 2009/10 (£ billions)



# 50 How much does the voluntary sector hold as reserves?

## What are reserves?

There is no rule about how much charities should hold as reserves; indeed, where organisations have a reserves policy, they may not be able to generate surpluses in order to implement it. The recession has again highlighted the issue, though the focus of debate has shifted from whether organisations are holding too much in reserve to whether they are holding sufficient reserves. The Charity Commission defines reserves as "that part of a charity's income funds that is freely available."<sup>50a</sup>

In practice, this means unrestricted funds, excluding funds designated for a specific purpose. Income funds that can only

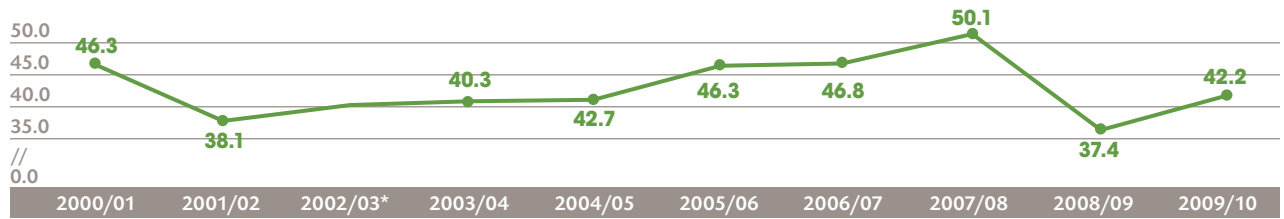
be realised by the disposal of fixed assets, and endowment funds, are also excluded. Varying accounting policies and insufficient data make accurate assessment of aggregate reserves challenging. We have approximated reserve levels by subtracting tangible fixed assets from unrestricted funds, correcting anomalies where appropriate.

We estimate that the voluntary sector held reserves worth £42.2 billion in 2009/10, recovering from a low of £37.4 billion in 2008/09. Just over one-quarter (27%) of registered charities reported that they had an insufficient level of financial reserves in 2010 whilst over half (57%) reported their level as sufficient.<sup>50b</sup>

## Voluntary sector reserve levels, 2000/01 – 2009/10 (£ billions)

Source: NCVO/TSRC, Charity Commission

Note: 2002/03 figures are inferred



# £42.2 BILLION

The voluntary sector's reserve level in 2009/10

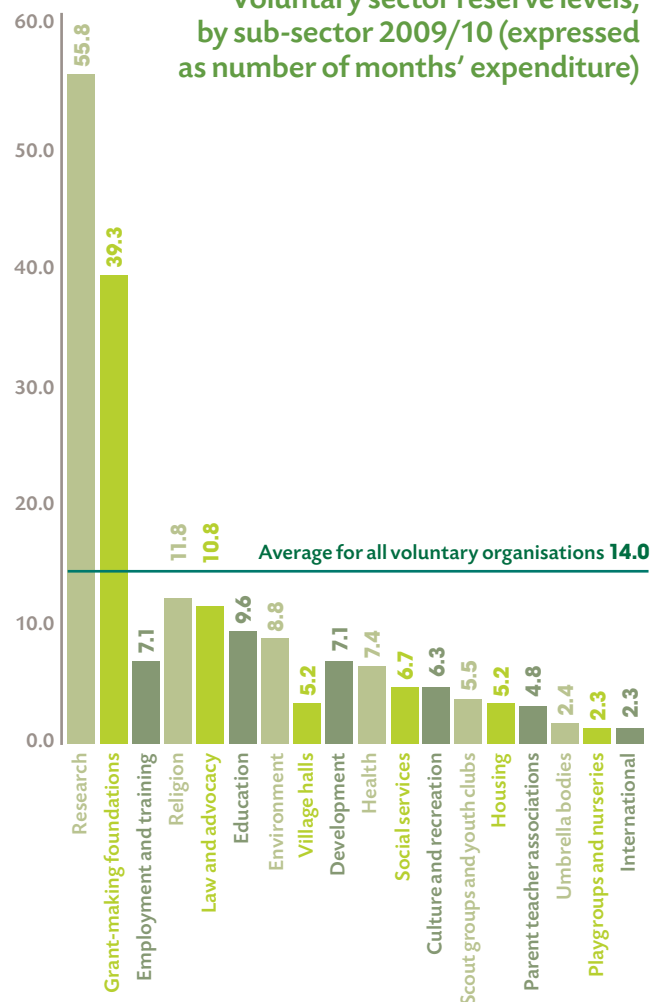
## The reserve levels of charities

The headline level of free reserves is more usefully expressed as the number of months' equivalent expenditure. The £42.2 billion held in reserves in 2009/10 equates to 14.0 months of expenditure. At the height of the recession in 2008/09 reserve levels dropped to just 12.6 months of expenditure, before increasing to 14.0 months in 2009/10. This remains significantly lower than the typical level of 17 months expenditure held before the financial crisis.

The sector's average of 14 months in reserves in 2009/10 is boosted by the significant unrestricted assets held by grant-making foundations and research bodies (most of which are grant-makers). When these are removed – leaving just 'operating' charities – reserves are equivalent to an average of just 7.4 months' expenditure. Our analysis indicates that 42% of these 'operating' charities do not hold any free reserves. The median free reserves level for operating charities with more than £10,000 income is 1.1 months' worth of expenditure. International voluntary organisations, umbrella bodies and playgroups and nurseries have under 2.5 months expenditure in reserve.

Source: NCVO/TSRC, Charity Commission

## Voluntary sector reserve levels, by sub-sector 2009/10 (expressed as number of months' expenditure)

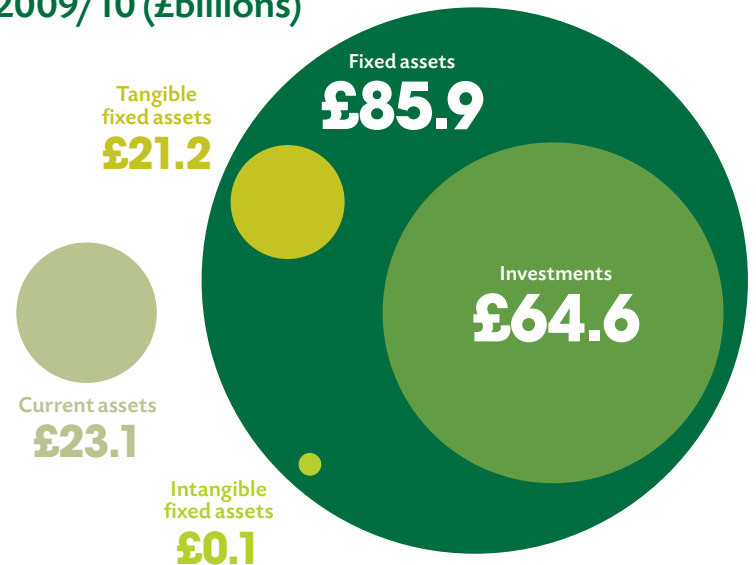


# 51 What are the different types of asset that voluntary organisations hold?

Organisations hold two main classes of asset: fixed assets (£85.9 billion) and current assets (£23.1 billion). Fixed assets include tangible fixed assets – the buildings and equipment owned by organisations to enable them to fulfil their mission, and investment assets (such as shareholdings or investment property), which organisations hold to generate income. Three-quarters (75%) of the value of fixed assets is represented by investment holdings. Intangible assets are either intellectual property or as a result of merger accounting rules, and are relatively rare. Current assets consist primarily of cash at the bank, stocks of unsold goods, and monies owed to organisations. This pattern of asset holding is largely static over time.

► Source: NCVO/TSRC, Charity Commission

Asset holdings: major categories, 2009/10 (£billions)



# 75%

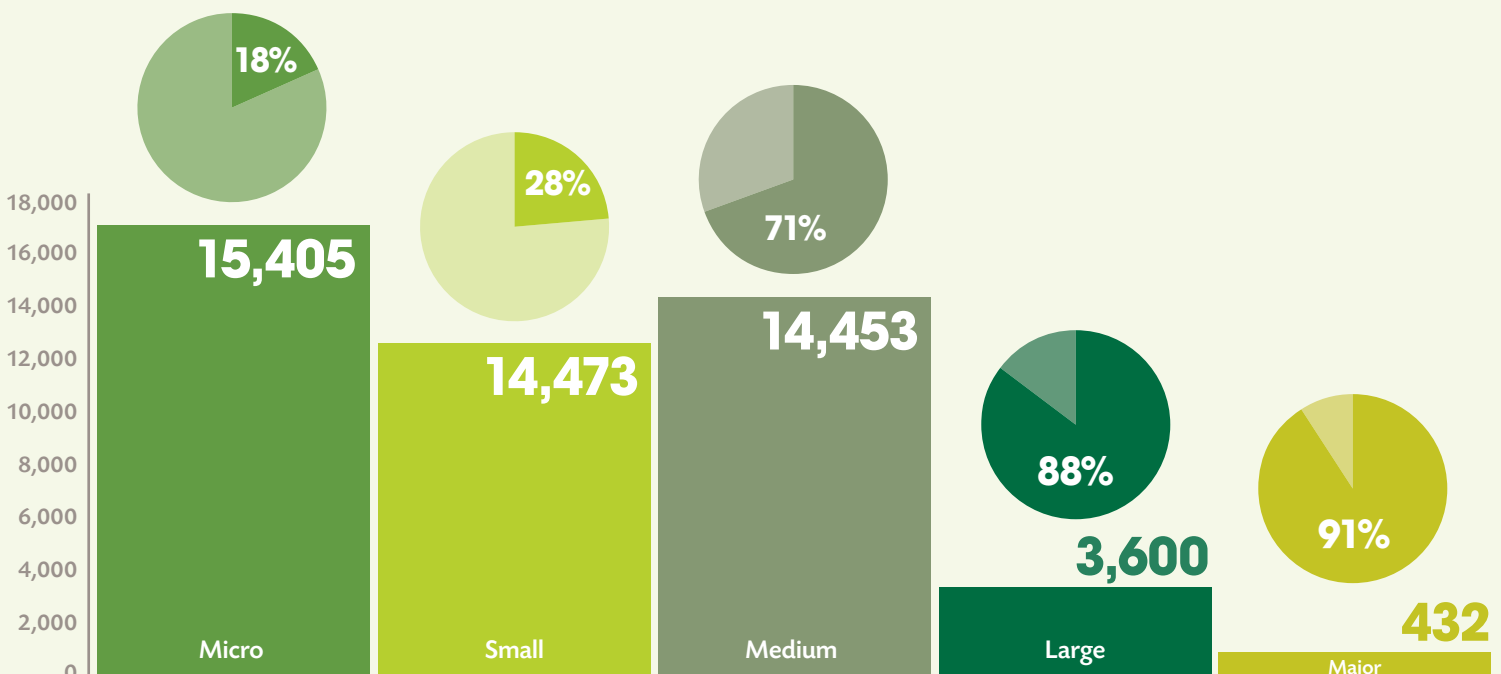
The proportion of fixed assets represented by investment holdings.

# 52 How many voluntary organisations own buildings and equipment?

We estimate that over 48,000 organisations hold some form of tangible fixed asset: 30% of the sector. Ownership rates are highest amongst the largest organisations: around 90% of major and large charities own some form of property, in contrast to only 18% of micro organisations.

▼ Source: NCVO/TSRC, Charity Commission

Number and proportion of voluntary sector organisations with tangible fixed assets, 2009/10



# 53 Who owns buildings and equipment?

The voluntary sector's holdings of tangible fixed assets – buildings and equipment with a substantial value – were worth £21.2 billion in 2009/10. This only includes property held for charitable purposes, and is thus an underestimate which excludes the value of investment property.

The average value of tangible fixed assets is £438,000. Almost a third of all tangible fixed assets (32%) are owned by the 432 major charities with each major charity holding on average £15.7 million.

▼ Source: NCVO/TSRC, Charity Commission

## Holdings of tangible fixed assets by the voluntary sector, 2009/10

	Micro	Small	Medium	Large	Major	Total
Charities with tangible fixed assets	15,405	14,473	14,453	3,600	432	<b>48,363</b>
Tangible fixed assets (£ millions)	206.1	1,635.3	4,699.5	7,857.0	6,772.2	<b>21,170.0</b>
Share of total (%)	1%	8%	22%	37%	32%	<b>100%</b>
Average tangible fixed assets (£ thousands)	13.4	113.0	325.2	2,182.5	15,676.4	<b>437.7</b>

## How does the voluntary sector compare to other sectors?

Although significant in absolute terms, the voluntary sector holds a small proportion (0.3%) of the UK's tangible assets (residential housing represents much of this value).

▼ Source: NCVO/TSRC, Charity Commission

## UK holdings of tangible fixed assets, 2009/10

	Tangible fixed assets (£ billions)	Share by sector (%)
Central government	294.0	
Local government	401.2	
Public non-financial corporations	194.0	
<b>Total public sector</b>	<b>889.2</b>	<b>14.1</b>
Private non-financial corporations	1,248.3	
Financial corporations	129.3	
<b>Private sector</b>	<b>1,377.7</b>	<b>21.8</b>
<b>Households &amp; other non-profits</b>	<b>4,024.7</b>	<b>63.8</b>
<b>Voluntary sector (2009/10)</b>	<b>21.2</b>	<b>0.3</b>
<b>UK</b>	<b>6,312.8</b>	<b>100</b>

## Asset transfer from local authorities: the story so far

Community assets can play a key role in strengthening communities, providing a focus for community life and a resource to support local enterprise. The Localism Act 2011 has introduced a new 'Community right to bid' which aims to give an opportunity for communities to put forward a proposal to take over a local asset when it is put up for sale. This could be a building or piece of land that has been identified as having 'community value' – for example a pub, community centre, or old town hall. In recognition that some local assets may be sold off quickly to save money, the provisions of the Localism Act mean that local authorities will have to allow communities a period of time to prepare and put forward a bid for the asset before it can be sold.

(NB at the time of writing no date has yet been set for the 'Community right to bid' to come into force, though it is expected to be in 2012.)

While many communities will be keen to save buildings and facilities that are important to them, bidding for and taking ownership of an asset is a complicated and difficult process for which organisations will need a viable income stream, a detailed business plan, and access to the relevant expertise and skills to manage it.

Support and guidance for organisations that are interested in taking on community assets is available from the Asset Transfer Unit [www.atu.org.uk](http://www.atu.org.uk).

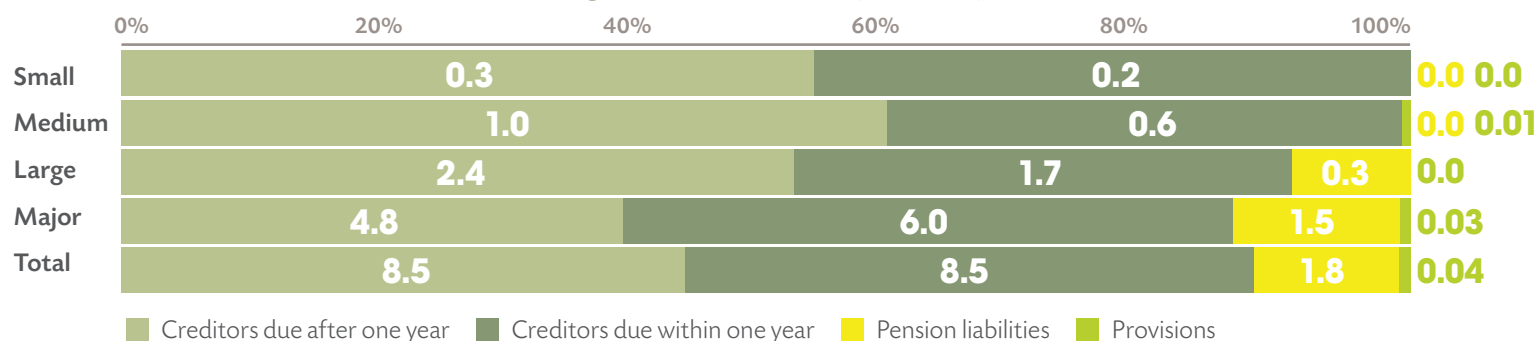
# 54 What are the voluntary sector's liabilities?

Voluntary organisations carry both short and long-term liabilities on their balance sheet, with the largest organisations in particular also carrying provisions for future liabilities. These are primarily

for pension fund commitments. Liabilities are valued at £18.9 billion in total, nearly half of which (45%) are long-term in nature.

▼ Source: NCVO/TSRC, Charity Commission

## The voluntary sector's liabilities by size of organisation, 2009/10 (£ billions)



# 55 How much is the voluntary sector borrowing?

## What are the recent changes in social finance and investment?

The social finance market within the UK, whilst remaining relatively small, is becoming an increasingly discussed and important part of the funding mix for civil society. The launch of Big Society Capital marks the realisation of an ambition held for some time to reinvest unclaimed assets into a social investment wholesaler to capitalise the market and to stimulate new growth and innovation. There are many other significant operators in the market already, and we would expect significant growth in assets, profile and investor numbers in the coming years.

The market has considerable potential, with a growing sense that both individual and institutional investors will be increasingly willing to receive 'blended' returns – those that deliver a mix of financial and social benefit. The shifting of a small percentage of current investments from 'mainstream' to 'social' investment could generate enormous benefits across the UK.

Social finance should not be viewed purely in terms of its potential to provide additional or new finance to existing civil society organisations. It has the potential to do more than that, and innovations including Social Impact Bonds could see a fundamental shift in the way in which public services are financed, success is defined and rewards are allocated. Civil society should see the potential of the market not only as a replacement for declining funding from other sources, including public spending, but as part of a wider move to embracing change in the way that we operate and finance our activities.

## How satisfied are charities with access to loan finance?

Only 2% of registered charities were satisfied with access to loan finance in their local area with the same proportion satisfied with access nationally. Six per-cent were dissatisfied with access locally alongside 7% nationally.<sup>55a</sup>

## What loans does the sector hold?

We believe a significant proportion of the sector's liabilities are accounted for by loan finance. Borrowing is primarily in the form of mortgage finance, although loans from trustees are cited in the accounts of smaller organisations. Data on this area is poor, particularly for small organisations, and changes may reflect better data as much as actual change.

Estimates produced for the years 1994/95 and 2001/02 suggested that loans doubled in value to £2.2 billion. If the 2001/02 ratio of loans to liabilities is applied to the 2009/10 estimate of total liabilities, this would imply loans worth £3.5 billion are held by the sector. Further work is clearly needed in this area to develop more accurate estimates.

▼ Source: NCVO/TSRC, Charity Commission

## Estimates of the total value of loans, 2001/02 – 2009/10 (£ millions)

	Loan finance	Total liabilities*	% of liabilities
2001/02	2,226.7	10,888.3	20.5
2008/09	3,253.5	15,909.1	20.5
2009/10	3,487.1	17,051.2	20.5

\* Excluding pension liabilities

Estimated total value of loan finance to voluntary organisations

# £3.8bn

## 56 Is the voluntary sector a significant investor?

Although much of the wealth invested by the voluntary sector is concentrated in a small number of organisations, the returns generated from investments are crucial to endowed charities and grant-making organisations and the many smaller charities that rely on grants to fund their work.

### How much are the voluntary sector's investments worth?

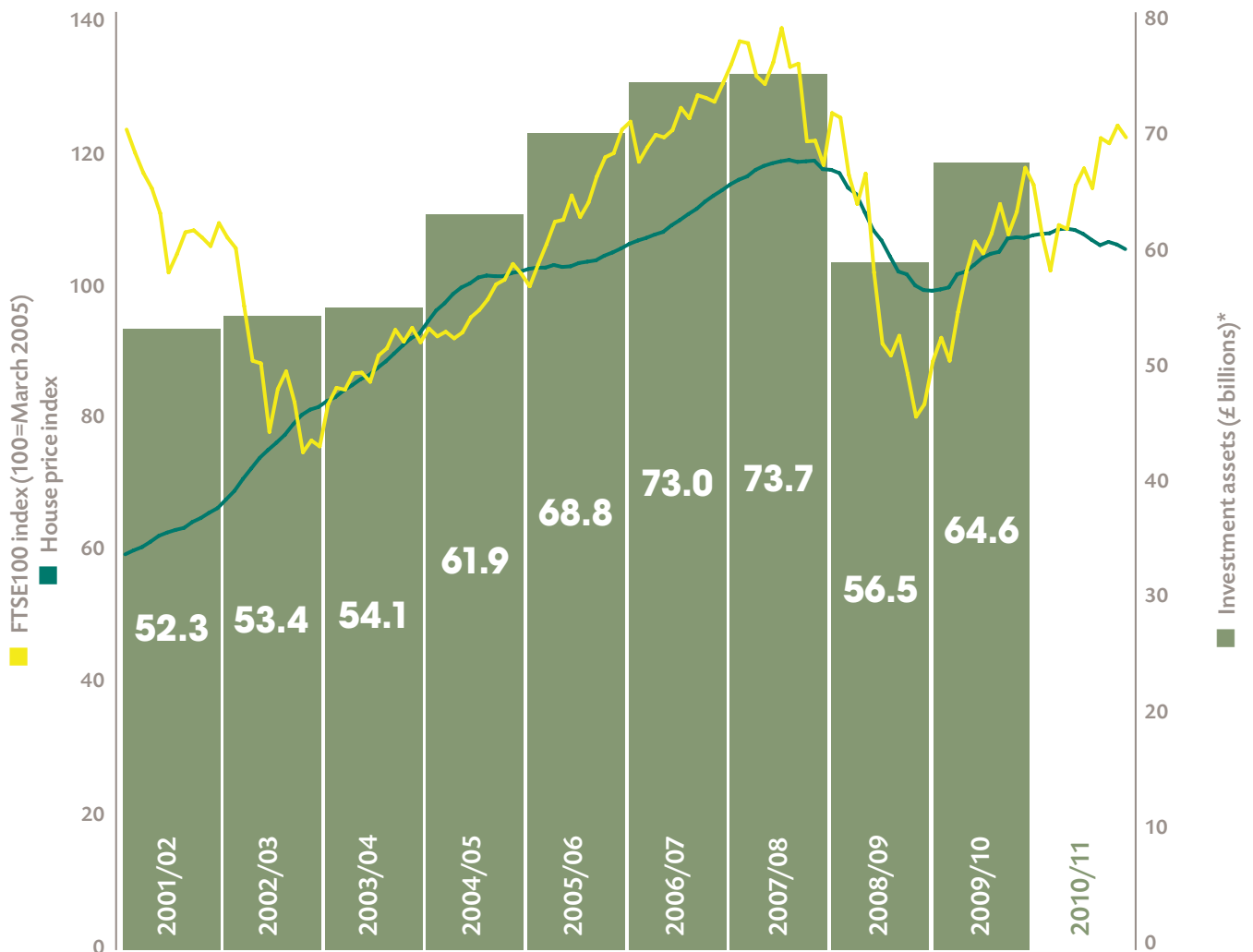
The sector's investment assets – primarily equities, government securities, unit trusts and investment property – were collectively worth £64.6 billion in 2009/10. The voluntary sector was not immune from volatile asset prices following the financial crisis of 2008. The fall in the stock market together with a fall in property values dented the value of investment assets in 2008/09 with the sector's investment assets falling by 23%. They recovered somewhat in 2009/10, increasing by 14%, although they have not yet reached their previous peak of £73.7 billion in 2007/08.

▼ Source: NCVO/TSRC, Land Registry, Yahoo Finance  
\*2011 assets data is not yet available

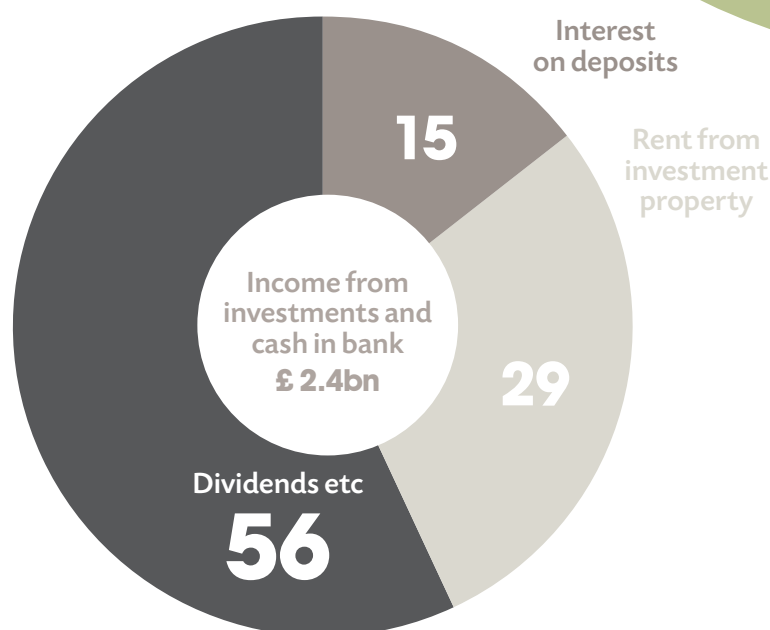
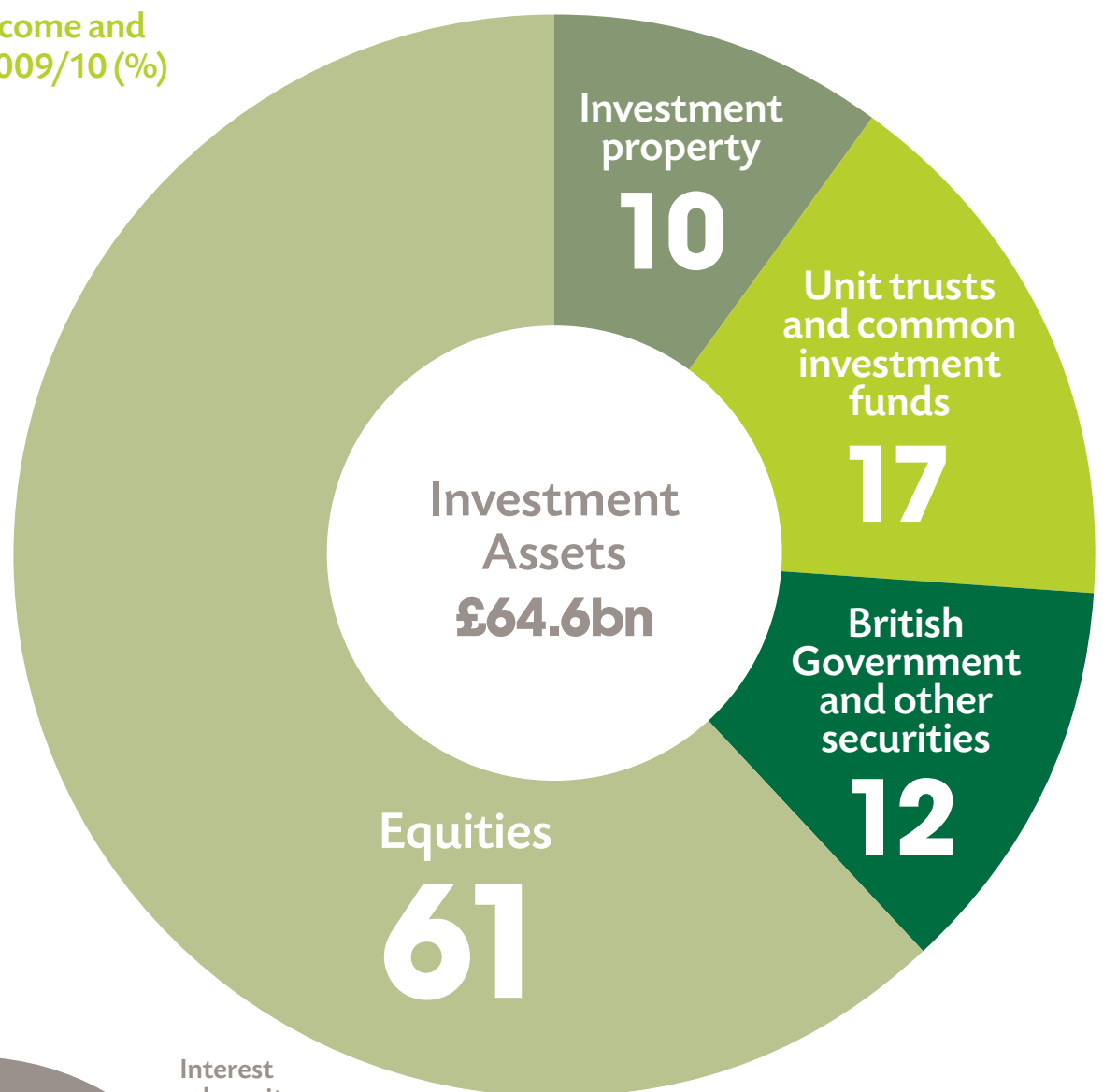
# £2.4 BILLION

Voluntary sector income from investments and cash holdings – equivalent to £15,000 a year for every voluntary organisation.

### The value of investment assets 2001/02 – 2010/11



**Investment: assets, income and management costs, 2009/10 (%)**



*See question 38 for more details on investment income*



**What type of investments does the sector hold?**

Our estimates of the different types of investment holdings are based upon 2001/02 ratios and therefore are only a guide. These suggest equities comprise almost two-thirds (62%) of the sector's investments – equivalent to £39.8 billion in 2009/10. In addition, we estimate that the sector's current assets include cash balances of £17.9 billion.

**How much does the voluntary sector spend on investment management?**

The cost of managing investments, including maintaining investment property and fees for investment managers was £246 million in 2009/10. Costs are equivalent to 10% of total income from investments and cash holdings. Charges equate to 12% of income from dividends and property only.



# 57 How many people work in the voluntary sector?

Analysis of the Labour Force Survey (LFS) estimates that in 2010, there were 765,000 people employed in the UK voluntary sector. Between 2001 and 2010 the voluntary sector workforce increased by two-fifths (40%). This represents an increase of 219,000 employees. Between 2002 and 2008 there was a steady increase in staff of between 1.7% and 4% each year. Between 2008 and 2009, and 2009 and 2010, the workforce increased at much quicker rates of 8% and 6.1%

respectively. The sector now employs around 2.7% of the UK workforce, a proportion that has slowly increased from 2% in 2001. In 2010, the voluntary sector employed an estimated 617,000 full-time equivalent (FTE) paid staff.

The public sector employed 7.1 million people in 2010, an increase of 763,000 since 2001. The private sector workforce experienced a decrease over the same time period of 169,000 people and in 2010 employed 20 million people (LFS).

# 58 What impact has the recession had on employment in the voluntary sector?

During the 2009 recession, employment levels within the voluntary sector were still increasing from 668,000 paid staff in 2008 to 765,000 in 2010, an increase of 14.6%. In contrast during the same time period, the public sector workforce stayed relatively static growing at just 1%, whilst the private sector workforce decreased by 3.6% (LFS).<sup>58a</sup>

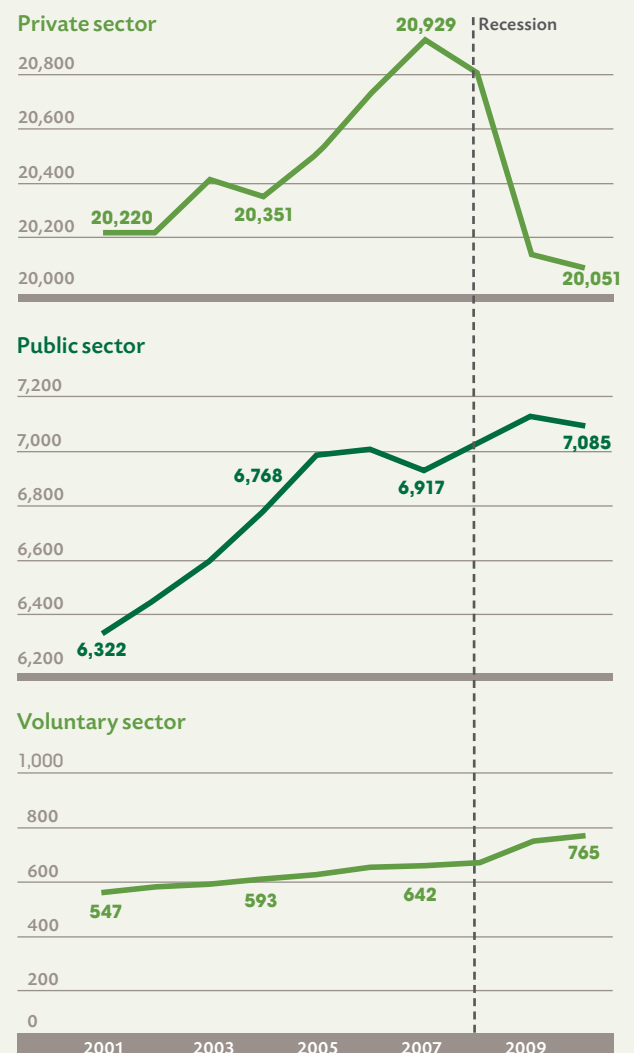
Latest quarterly figures<sup>58b</sup> show a significant decrease of 70,000 people working in the voluntary sector (8.7%) between quarter three 2010 and quarter three 2011. In comparison, public sector employment fell by 4.3% whilst private sector employment rose by 1.5% over the same period. It was at the end of March 2011 that a number of voluntary sector work programmes and funding streams came to an end and so the impact of this is just being seen within the data. In each quarter over the last twelve months, around one-third of voluntary sector leaders surveyed reported that they had actual plans to decrease paid staff within their organisation over the next three months.<sup>58c</sup>

Cuts to public sector funding are also impacting on the voluntary sector. With charities facing nearly £3 billion in cuts over the spending review period (2011–2015),<sup>58d</sup> This will of course have an impact on both the number and distribution of employees.

Prior to the recession, there was a higher level of job satisfaction amongst employees within the voluntary sector, than in both the public and private sectors. Moreover if employees moved from the private or public sectors to the voluntary sector, their level of job satisfaction increased. Overall, the difference between voluntary sector employee job satisfaction and private and public sector employee job satisfaction declined between 1992 and 2008.<sup>58e</sup> If current trends continue, job satisfaction amongst employees within the voluntary sector and the public sector may converge.

**Number of paid employees by sector, 2001–2010 (headcount, thousands)**

▼ Source: Labour Force Survey  
Base: All people aged 16 and over.



# 59 Who works in the voluntary sector?

In 2010, over half a million women (522,000) were employed in the voluntary sector alongside nearly one-quarter of a million men (244,000). More than two-thirds (68%) of the voluntary sector workforce are women which compares with the public sector (64%) but contrasts with the private sector (39%) (LFS). Whilst the overall numbers of men and women employed in the voluntary sector have both seen a yearly increase over the last decade, the relative proportion of each in the sector has remained fairly static.

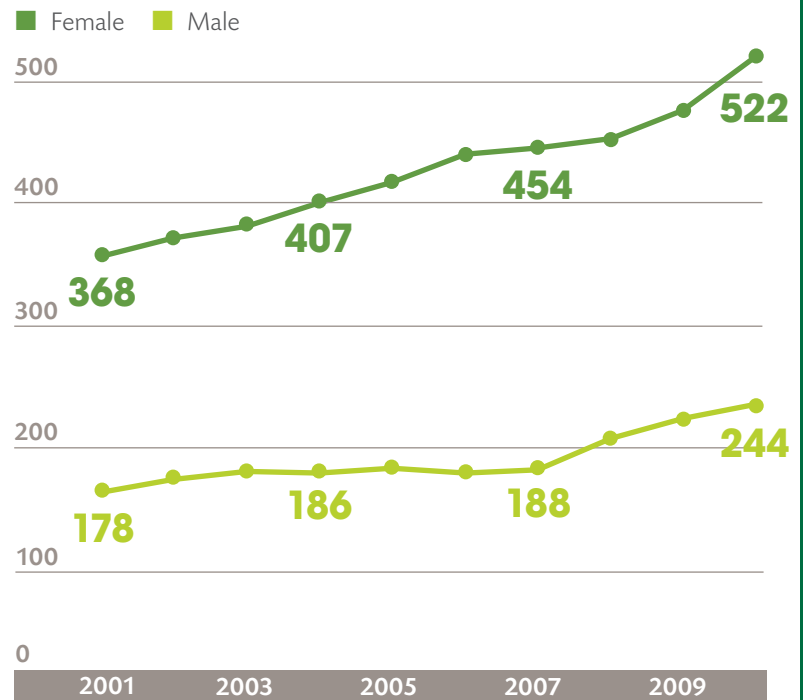
Within the voluntary sector there was an under-representation of women at the higher managerial/professional level, although not at the lower level; this was also the case in the private and public sectors. Whilst there were nearly twice as many women as men employed in the voluntary sector, only around one-tenth of women working in the sector reached the highest levels compared to a fifth of men. Whilst the same proportion of women as men attained lower managerial positions in the UK voluntary sector, access to the highest levels favoured men.<sup>59a</sup>

The voluntary sector workforce is slightly older than both the private and public sector workforce: over one-third (35%) of voluntary sector paid staff are aged over 50, compared to 32% of the public sector workforce and 27% of the private sector workforce. The voluntary sector employs a slightly lower proportion of black and minority ethnic people (7%) than in the public and private sectors (9% and 10% respectively) (LFS).

One-fifth (20%) of the voluntary sector workforce has a disability,<sup>59b</sup> a higher proportion than in both the public and private sectors (15% and 14% respectively). Of the 150,000 employees in the sector with a disability, 63,000 (42%) are both DDA disabled and work-limiting disabled (LFS).

► Source: Labour Force Survey. Base: All people aged 16 and over.

Voluntary sector employees by gender, 2001–2010 (headcount, thousands)



# 60 Where are voluntary sector staff located?

Just under one-third (32%) of the voluntary sector workforce lived in London and the South-East in 2010. The private and public sectors were also concentrated in these regions but to a lesser extent (28% and 24% respectively). The South-West and Scotland also had a high proportion of voluntary sector employees (11% each). Within the North-East, the number of voluntary sector employees grew significantly between 2007 and 2010 from 22,000 to 38,000 (LFS).

The large number of voluntary sector employees living in London and the South-East is in part due to the high number of charities who have headquarters within this area. Almost one-third (30%) of voluntary sector income in the UK can be assigned to organisations based in seven central London boroughs. Voluntary organisations choose to locate in these areas to be close to the professional, legal and political services nearby, although activities may take place throughout the UK and across the world.

Voluntary sector employees are mainly concentrated in small workplaces with just under one-third (31%) of voluntary sector workers in 2010 employed in workplaces with less than ten employees. This is markedly different to both the private and the public sectors (25% and 7% respectively). Overall, over half (51%) of the employees in the voluntary sector were employed in workplaces with less than 25 paid staff members. This is again a much higher proportion than within the private and public sectors (42% and 17% respectively) (LFS).

► Source: Labour Force Survey  
Base: All people aged 16 and over.

Number of employees per workplace by sector, 2010 (headcount, %)



# 61 What type of work is undertaken in the voluntary sector?

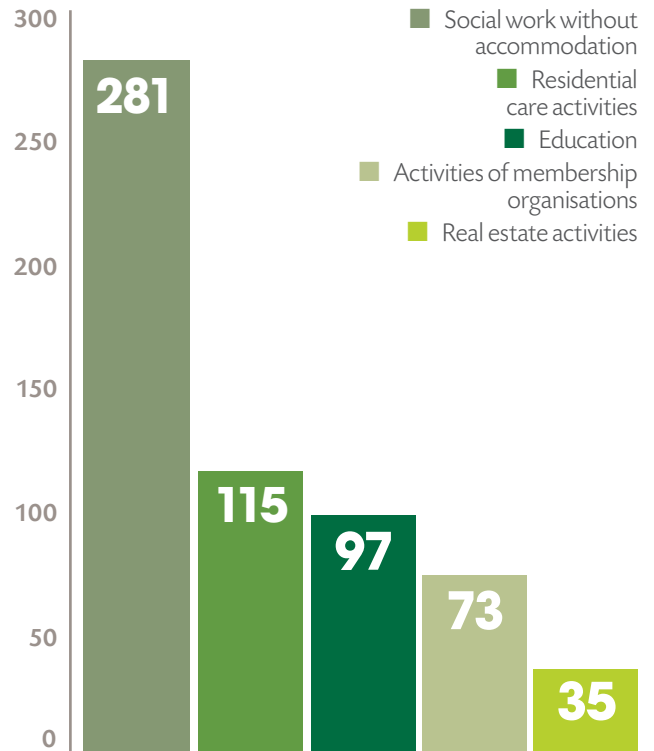
Analysis of the LFS estimates that in 2010, more than half (57%) of the voluntary sector workforce were employed in 'health and social work', equating to 437,000 people. Within this, more than one-third (37%) of the sector's workforce, amounting to 281,000 people, were employed in 'social work activities without accommodation'. Voluntary sector employees account for a significant 29% of the overall UK workforce within 'social work activities without accommodation'. A further 115,000 people (15% of the voluntary sector workforce) were employed in 'residential care activities'.

Looking in more detail at the 281,000 people who were employed in the voluntary sector within 'social work activities without accommodation', 26,000 were employed in 'child day-care activities' and 9,000 were employed in 'social work activities without accommodation for the elderly and disabled'.

Of the 115,000 people employed within the voluntary sector working in 'residential care activities', 43,000 were employed in 'residential care activities for people with learning disabilities, mental health and substance abuse', 38,000 were working in 'residential care activities for the elderly and disabled' and 10,000 were employed in 'residential nursing care activities' (LFS).

► Source: Labour Force Survey Base: All people aged 16 and over.

## The five largest voluntary sector employment industries, 2010 (headcount, thousands)



# 62 How secure are jobs in the voluntary sector?

Analysis of the LFS estimates that in 2010, just over nine out of ten (91%) voluntary sector employees were on permanent contracts. Both the private and public sectors had a higher proportion of employees on permanent contracts (95% and 92% respectively).

More than six in every ten (62%) temporary workers within the voluntary sector were on a fixed-term contract. This equates to 41,000 people. Within the public sector there is a slightly higher proportion of temporary employees on fixed-term contracts (66%) but there is a much lower proportion within the private sector (30%).

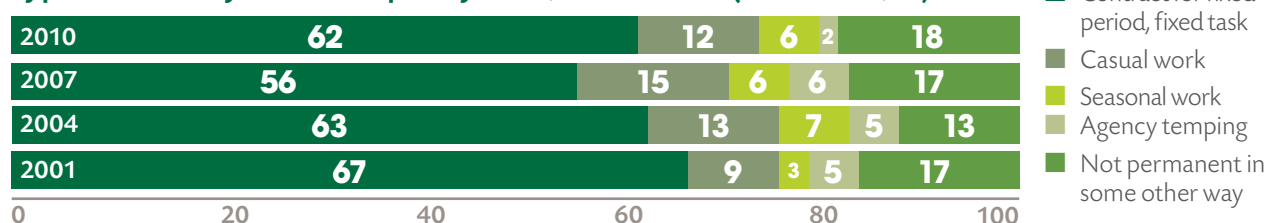
Within the voluntary sector, 35% of those employees on temporary contracts were on a contract lasting less than one year.

This is higher than within the public sector (32%) but lower than within the private sector (37%). An additional 18% of temporary employees within the voluntary sector were on contracts lasting between one and two years.

One in every ten (10%) voluntary sector employees were looking for a different or additional job in 2010, amounting to 73,000 people. This is a higher proportion than within the private and public sectors (7% and 6% respectively). Of these voluntary sector employees, more than four-fifths (83%) were looking for a new job to replace their main job whilst just under one-fifth (17%) were looking for an additional job. Just under one-quarter (23%) of those voluntary sector employees looking for a new job were doing so because they thought their current job may come to an end, equating to 14,000 people (LFS).

▼ Source: Labour Force Survey. Base: All people aged 16 and over.

## Type of voluntary sector temporary work, 2001 – 2010 (headcount, %)



# 63 What skills are required in the voluntary sector?

Voluntary sector employees were highly qualified with more than one-third (37%) holding a degree level qualification or higher. This is slightly lower than employees within the public sector (40%) but higher than employees within the private sector (21%). Overall more than seven in every ten (73%) voluntary sector employees held an A Level qualification, its equivalent or higher (LFS).

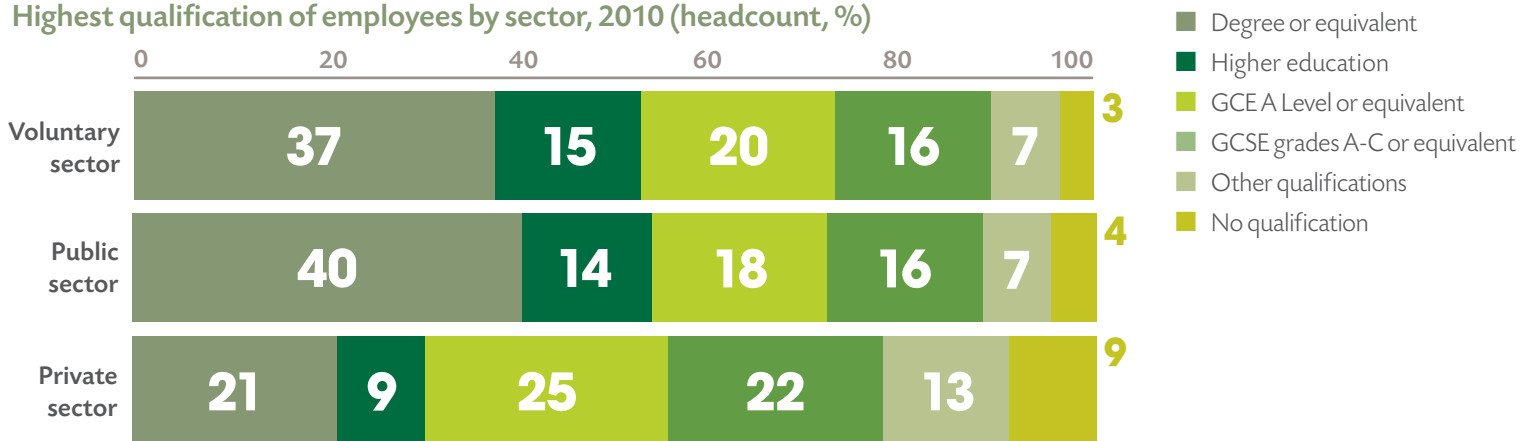
Whilst voluntary sector employees were highly qualified, it appears that these qualifications were not totally related to job roles. Just under one-fifth (18%) of voluntary sector employers reported that they have staff with skills gaps; this is up from 14% in 2007. Voluntary sector employers who had skills gaps within their organisation were more likely

to report skills gaps within manager and administrative/clerical staff (32% each) and personal services staff (29%). Of those employers who had skills gaps within their organisation, the main cause cited was lack of experience or the staff being recently recruited (70%). Other reasons included staff lacking motivation, the inability of the workforce to keep up with change, and a failure to train and develop staff (24% each) (NESS).

Six in every ten (60%) voluntary sector employers who had skills gaps within their organisation reported technical, practical or job-specific skills gaps. Whilst just under half reported problem solving, team working and management skills gaps (48%, 46% and 44% respectively) (NESS).

▼ Source: Labour Force Survey, Base: All employees aged 16 and over.

Highest qualification of employees by sector, 2010 (headcount, %)



# 64 What training opportunities are there in the voluntary sector?

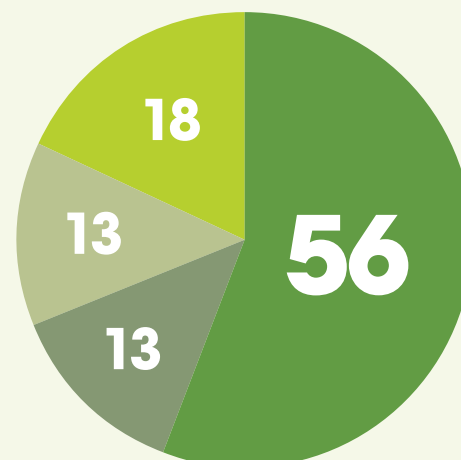
The majority of voluntary organisations (56%) provided both on-the-job and off-the-job training in their organisation however just under one-fifth (18%) provided no training at all. Over half (59%) of all voluntary sector employers that had provided training over the last year train staff of all grades, however managers are significantly more likely to receive training than other staff: 76% of voluntary organisations stated that they trained managers whilst only 17% trained elementary positions (NESS).

The number of training days per staff member remained similar to 2007. Just under half (49%) of the employers reported that on average they provided less than four days training per trainee per year, and only 5% provide more than 20 days per year. Of those voluntary sector employers that had offered training, over half (55%) had provided training to at least one member of staff to a nationally recognised qualification in the last twelve months, with 26% providing training to this standard for either one or two staff members (NESS).

Nearly two-fifths (38%) of voluntary sector employees had received job related training in the last 3 months. This is again slightly less than the public sector (40%) but much higher than in the private sector (21%). Half (50%) of all voluntary sector employees have undertaken activities to improve their knowledge and skills in the last 12 months. This is slightly less than within the public sector (52%) but much more than within the private sector (31%) (LFS).

Type of training offered within the voluntary sector, 2009 (%)

- Provide both off-the-job and on-the-job training
- Provide off-the-job training only
- Provide on-the-job training only
- Provide neither off-the-job nor on-the-job training



◀ Source: National Employers Skills Survey  
Base: All voluntary sector respondents.

# 65 What are working patterns like in the voluntary sector?

In 2010, 288,000 people were working part-time within the voluntary sector, amounting to 38% of the sector's workforce. In contrast 30% of the public sector and 25% of the private sector were employed part-time. Whilst the number of people working part-time in the voluntary sector has increased by 87,000 over the last ten years (43%), the proportion of the sector's workers who are employed part-time has only increased by 1%. Nearly half (45%) of the women employed within the voluntary sector were employed part-time compared to 22% of men. Men working within the voluntary sector were more likely to be employed part-time than in the private and public sectors (LFS).

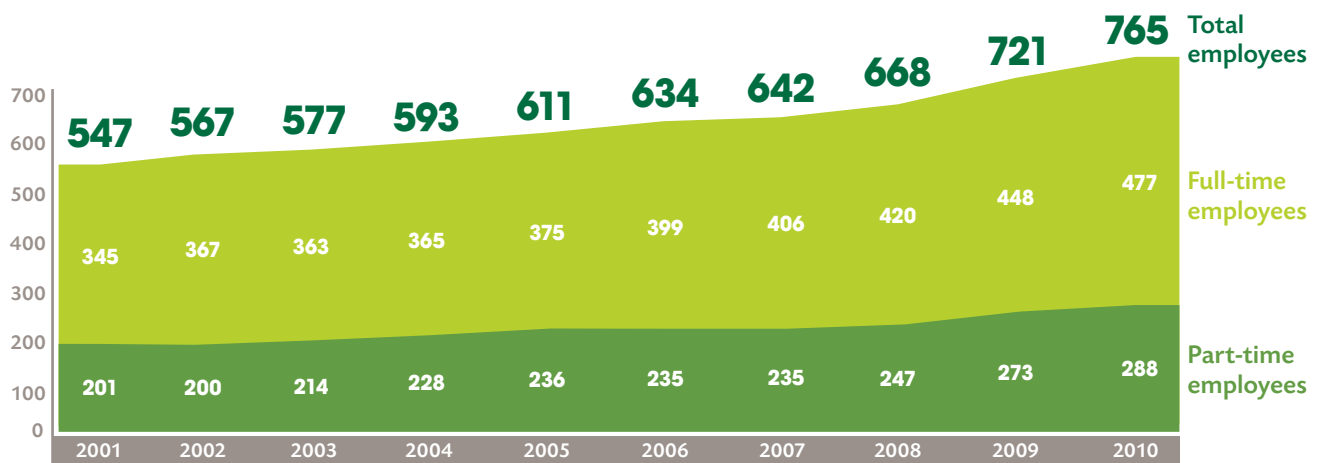
In 2010, over three-quarters (78%) of voluntary sector part-time employees did not want a full-time job. This proportion has decreased slightly from a high of 82% in 2006. The 2010 proportion is slightly higher within the public sector (82%) but lower within the private sector (63%).

Just over one in ten (12%) voluntary sector part-time employees were working part-time because they could not find a full-time job. This proportion has increased slightly from a low of 7% in 2004. The 2010 proportion is the same as in the public sector (12%) but lower than in the private sector (17%) (LFS).

Full-time employees in the voluntary sector were contracted to work on average 37.7 hours a week, excluding overtime, very similar to the public sector at 37.9 hours. Private sector full-time employees worked a slightly longer week of 40.8 hours. Voluntary sector part-time workers were contracted to work on average 18.2 hours a week, excluding overtime. This is slightly higher than within the private sector (17.6 hours) but less than within the public sector (19.3 hours) (LFS).

▼ Source: Labour Force Survey, Base: All people aged 16 and over.

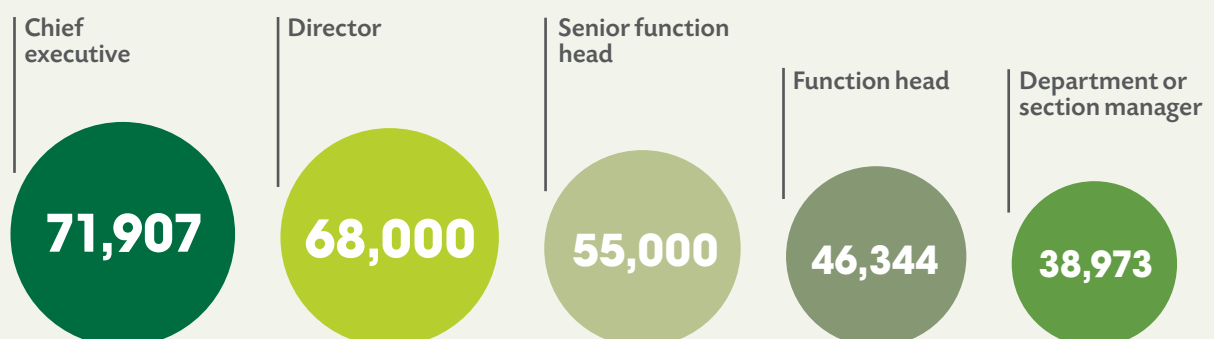
Part-time and full-time employment in the voluntary sector, 2001 – 2010 (headcount, thousands)



# 66 What is the state of pay in the voluntary sector?

▼ Source: XpertHR, 2010

Median voluntary sector total earnings by job role, 2010/11 (£, per annum)





# 67 How much does the voluntary sector spend on staff costs?

Expenditure on staff costs can be identified through the accounts of voluntary organisations. Staff costs cut across the range of expenditure categories within the accounts as organisations employ staff to undertake a range of activities, from income generation to service provision. Staff costs can include: the costs of employing staff who work for the charity whether or not the charity has incurred those costs, employers' national insurance costs, and pension costs and so are higher than employees' salary costs.

In 2009/10, voluntary organisations spent £14.0 billion employing staff. Over time it appears that staff costs have fallen as a proportion of total expenditure, from 43% in 2001/02 to 39% in 2009/10. Nearly nine-tenths (89%) of this expenditure goes on wages to the staff themselves, with a further 4% going on pension costs. In total, the voluntary sector spends £960 million on social security costs associated with employing staff – mainly employers' National Insurance contributions. These costs make up 7% of the cost of employing staff.

Nearly four-fifths of staff costs (79%) are incurred by large and major organisations. Large organisations in particular, spend 43% of their total expenditure on staff. This is unsurprising, given that over nine out of ten large (92%) and major (95%) organisations employ staff, compared to 27% of small and 4% of micro organisations. Overall, just over one fifth (22%) of voluntary organisations employ staff.

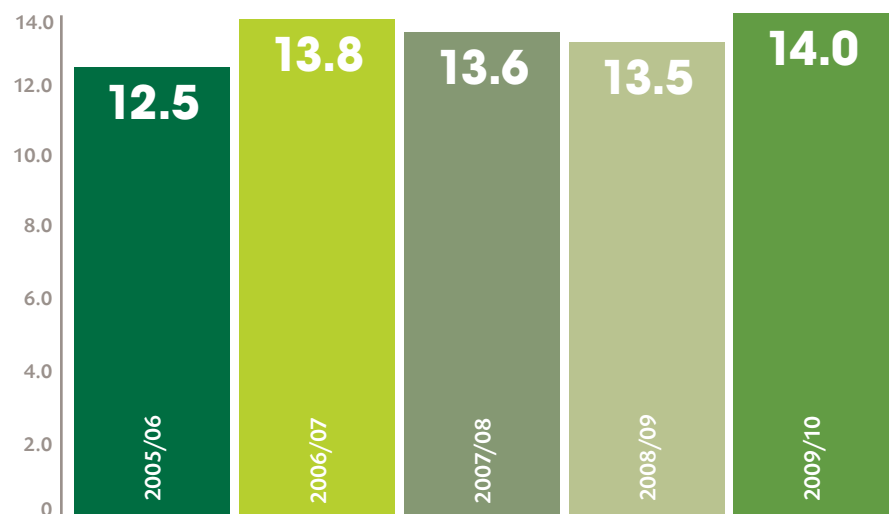
The average cost per FTE employee within the sector is £21,300, but this varies from £18,800 within medium organisations through to £22,600 within major organisations.

► Source: NCVO/TSRC, Charity Commission

## Voluntary sector expenditure on staff costs by size of organisation, 2009/10

	Micro	Small	Medium	Large	Major	Total
Wages and salaries	8.1	377.3	2,341.8	4,156.5	5,612.0	12,495.7
Social security	0.3	18.6	165.4	332.1	441.3	957.6
Pension costs	0.0	6.1	57.6	175.1	331.6	570.5
<b>Staff costs (£ millions)</b>	<b>8.4</b>	<b>402.0</b>	<b>2,564.8</b>	<b>4,663.7</b>	<b>6,384.9</b>	<b>14,023.8</b>
<b>Staff costs (% of expenditure)</b>	<b>2.5</b>	<b>21.1</b>	<b>40.6</b>	<b>43.0</b>	<b>37.8</b>	<b>38.6</b>
<b>Organisations that employ staff (%)</b>	<b>4</b>	<b>27</b>	<b>71</b>	<b>92</b>	<b>95</b>	<b>22</b>

## Voluntary sector expenditure on staff costs, 2005/06 – 2009/10 (£ billions)



[data.ncvo-vol.org.uk/A12Q66](http://data.ncvo-vol.org.uk/A12Q66)

Exploring gross hourly pay shows that within the voluntary sector it was £12.48, almost identical to the private sector (£12.49) but lower than in the public sector (£13.84). There was a clear difference between male and female gross hourly pay across all sectors. Men's gross hourly pay in the voluntary sector averaged £15.25, compared to £11.24 for women, a difference of £4.01. Women on average were paid 36% less than men (per hour) in the voluntary sector, the same as in the private sector (36%) whereas in the public sector the gap was 20% (LFS).

One in every six (17%) voluntary sector workers was a trade union or staff association member. This is higher than in the private sector (12%) but much lower than in the public sector (55%).

The movement in the voluntary sector's average earnings has continued to increase over the previous year (2.2%) but at a slower rate than in the previous seven years. It is a slightly higher rate of increase than the average earnings index (1.9%) but much lower than the retail prices index (4.7%). The median earnings for a CEO in 2010 were £71,907 whilst trainee non-professional staff received £13,661, a ratio of 5:1 (XpertHR, 2010). This ratio appears much lower than figures available for the private and public sectors. The Hutton Review highlighted that within the NHS the median salary of chief executives was twelve times that of the salary of the lowest paid staff. For FTSE 100 companies the median CEO earnings were 139 times that of UK median earnings.



# 68 How many people regularly volunteer in the UK?

During 2010/11, 39% of adults in England said that they had volunteered formally at least once in the previous 12 months, with 25% volunteering formally at least once a month.<sup>68a</sup>

This equates to 16.6 million people in England volunteering formally at least once a year and 10.6 million people in England volunteering formally once a month. If the survey results were equally valid for the UK adult population as a whole, these estimates would increase to 19.8 million (once a year), and 12.7 million (once a month).

*Formal volunteering means giving unpaid help through groups, clubs or organisations to benefit other people or the environment.*

# 19.8 MILLION

Number of UK adults who formally volunteered at least once a year.

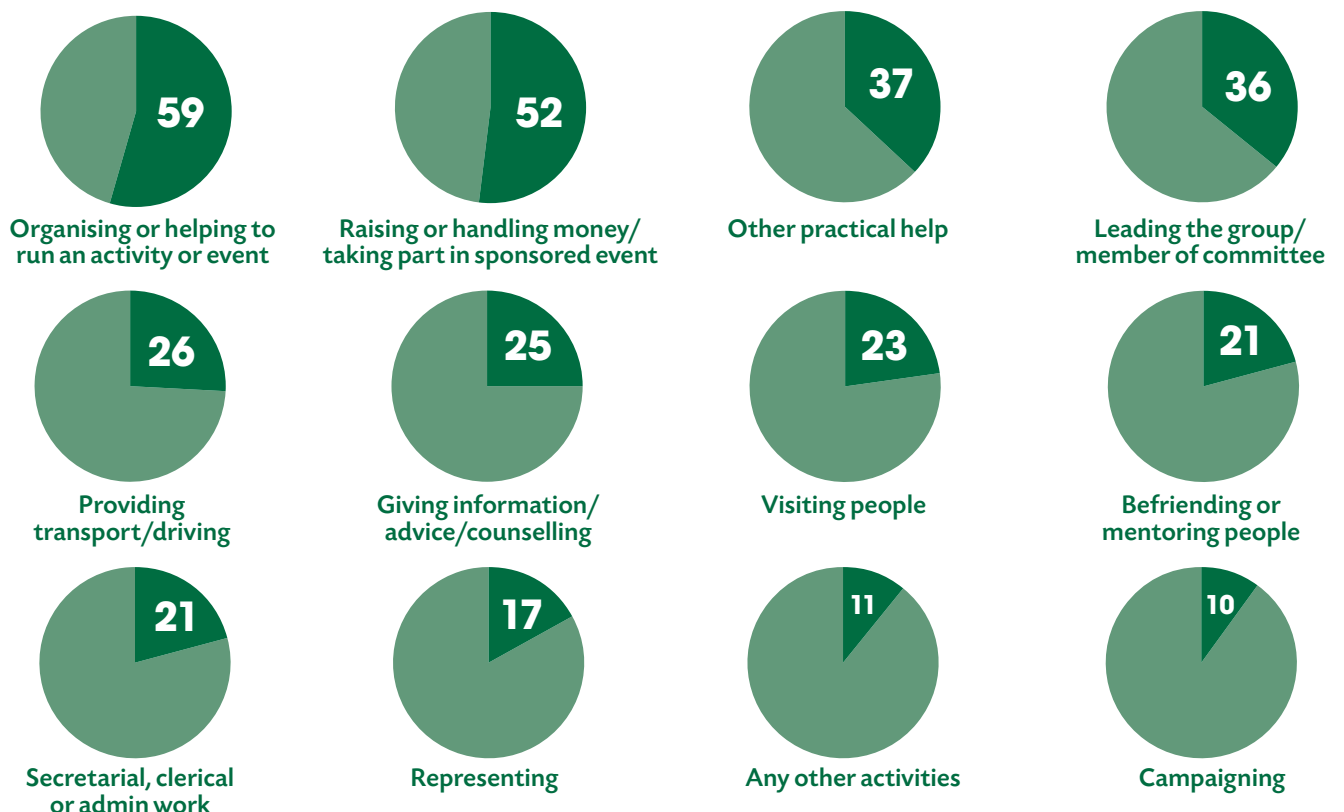
# 69 What do volunteers do?

Regular formal volunteers support different types of organisations in a range of fields. The most popular are sports and exercise (52%); hobbies, recreation, arts and social clubs (40%); and children's education/schools (34%).<sup>69a</sup> By far the most common activities undertaken

by regular formal volunteers are 'organising or helping to run an activity or event' (59%) and 'raising or handling money/taking part in sponsored events' (52%).

▼ Source: Communities and Local Government (2010)

## Formal volunteering activities undertaken at least once a month in the twelve months before interview, 2008/09 (%)





# 70 Who volunteers in the UK?

Participation in formal volunteering differs by employment status, age, ethnicity, disability and region. People in employment are more likely to volunteer than those who are economically inactive (42% and 34% respectively). Those living in the South West (49%), South East (49%) and East of England (41%) are more likely to volunteer than those living in the North East (29%) and London (32%). Forty-three per cent of people aged 35 to 49 formally volunteer at least once a year compared to one-third (33%) of those aged 26 to 34. Participation didn't differ by gender with 39% of men formally volunteering once a year compared to 38% of women.<sup>70a</sup>

► Source: Communities and Local Government (2011)

Note: All differences are statistically significant at the 5% level

**42% > 34%**

of people **in employment** formally volunteer at least once a year

of people who are **economically inactive** formally volunteer at least once a year

**40% > 32%**

of **white** people formally volunteer at least once a year

of people in **ethnic minority groups** formally volunteer at least once a year

**49% > 29%**

of people living in the **South-West** formally volunteer at least once a year

of people living in the **North-East** formally volunteer at least once a year

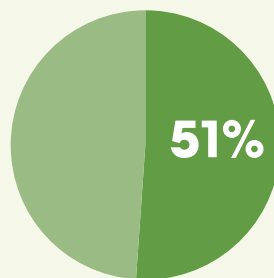
## PARTICIPATION IN FORMAL VOLUNTEERING DIFFERS BY EMPLOYMENT STATUS, AGE, ETHNICITY, DISABILITY AND REGION (CLG, 2011).

### A civic core

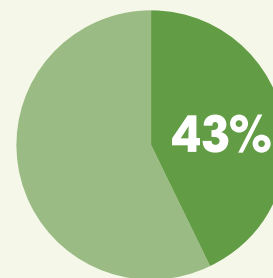
Research by the Third Sector Research Centre indicates that a relatively small subset of the population – the civic core – is responsible for most of the volunteering; charitable giving and civic participation that takes place.<sup>70b</sup> Just over a third (36%) of the adult population provide nearly nine-tenths (87%) of volunteer hours, just over four-fifths (81%) of the amount given to charity, and just over three-quarters (77%) of participation in different civic associations. The contribution of the

primary core to volunteering is particularly striking with 9% of the adult population accounting for 51% of all volunteer hours which highlights the significant level of involvement of a committed few. In terms of demographics, people in the civic core are more likely to be middle-aged, have higher education qualifications, actively practise their religion, be in managerial and professional occupations, and have lived in the same neighbourhood for at least 10 years.<sup>70b</sup>

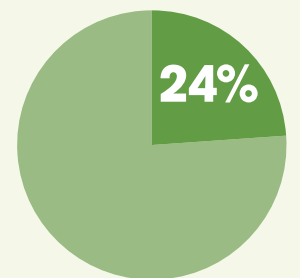
**9%** of the adult population =



Volunteer hours

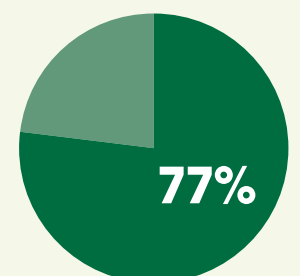
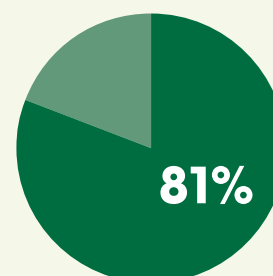
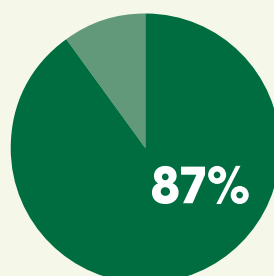


Charitable giving



Civic participation

**36%** of the adult population =



▲ Source: TSRC (2012)

# 71 Has the number of people volunteering changed over time?

During the beginning of the recession, evidence was beginning to suggest that volunteering levels were likely to increase during the recession with 87% of Volunteer Centres reporting an increase in the number of enquiries since the start of the recession.<sup>71a</sup>

Latest research suggests that rates of formal volunteering declined during the recession, from 43% of people formally volunteering once a year in 2007/08 to 39% of people in 2010/11. Twenty-five per cent of people reported that they volunteered formally at least once a month in 2010/11, the same proportion as in 2009/10, and lower than in all years between 2001 and 2008/09.<sup>71b</sup> The reasons for this fall are not yet clear but as the figures have been increasing between 2001 and 2005, it appears that the recession (and its aftermath) is likely to be a significant driver of this trend.

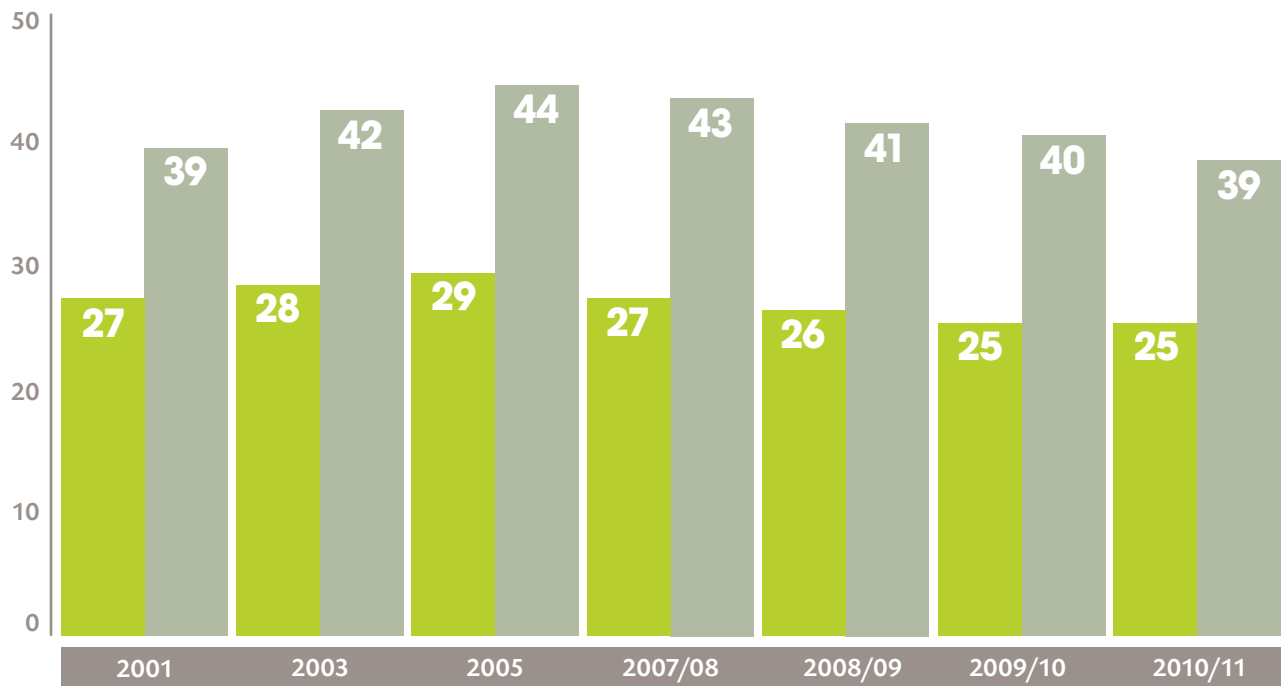
It may be that the beginnings of the recession did see a boost in interest in volunteering but that this interest was not converted into people actually volunteering. Some have argued reduced capacity in volunteer involving organisations and intermediaries has been a factor. Similarly whilst we know that rising unemployment offers people more time (lack of time being a significant barrier to volunteering); we also know that those out of work are generally less likely to volunteer than those in work (34 per cent compared to 42 per cent for formal volunteering).<sup>71b</sup>

Just over one in seven registered charities (15%) were satisfied with the support available in their local area from all bodies to help their organisation find volunteers whilst 10% were dissatisfied.<sup>71c</sup> Just over one-quarter of registered charities reported that they had insufficient numbers of volunteers over the last twelve months.<sup>71c</sup>

■ At least once a month ■ At least once in last year

▼ Source: *Communities and Local Government (2011)*

Participation in formal volunteering in England, 2001 – 2010/11 (%)



# 72 What would it cost the sector to replace volunteers with paid staff?

If the number of people in England who volunteer once a month (10.6 million people) were to be replaced with paid staff it would require 1.1 million full-time workers at a cost of £19.4 billion to the economy (based on the median hourly wage). If the same method was applied to the whole of the UK population, an estimated 1.3 million full-time

workers would be required, just under twice the number of full-time equivalent paid employees in the voluntary sector. This would be at a cost of £23.1 billion. It should be noted, however, that these estimates take no account of the costs of volunteer development or management.

# 73 How many trustees of voluntary organisations are there in the UK?

## What is a trustee?

Charity trustees are the people who serve on the governing body of a charity. They may be known as trustees, directors, board members, governors or committee members. Trustees have, and must accept, ultimate responsibility for directing the affairs of a charity, and ensuring that it is solvent, well-run, and meeting the needs for which it has been set up. The great majority of trustees serve as volunteers, and receive no payment for their work.

In 2009/10 there were 834,000 trustee board positions within voluntary organisations in the UK.<sup>73a</sup> The number of trustees is likely to be substantially less: research suggests 45% of trustees are members of two boards.<sup>73b</sup> We therefore estimate that there are 580,000 trustees in UK voluntary organisations. Just over one in seven (15%) registered charities reported that they had an insufficient number of trustees and management committee members in 2010.<sup>73c</sup>

## What proportion of trustees is female?

We estimate that just over 400,000 trustee positions in the UK are held by women, equating to 48% of all trustee positions. The majority of trustees on nearly four in every ten boards (39%) are female. Of these, 14% of boards are all female. Conversely, the majority of trustees on over half of all boards (51%) are male with 17% of boards being all male.

## How does the proportion of males and females on a board differ by sub-sector?

Whilst the overall number of trustees in the UK is split fairly equally between men and women, it masks a number of key differences. More than two thirds of trustees who are on the boards of religious and research organisations are male (67% and 66% respectively). Only four sub-sectors have a higher proportion of women on their boards than men. In particular, nearly nine-tenths of trustees (88%) who are on the boards of playgroups are female alongside eight-tenths (80%) of the board members of parent teacher associations (PTAs). When PTAs and playgroups are excluded, the ratio of men and women on charity boards changes from 52:48 to 57:43.

► Source: NCVO, Charity Commission

## Proportion of trustees by gender by sub-sector, 2009/10

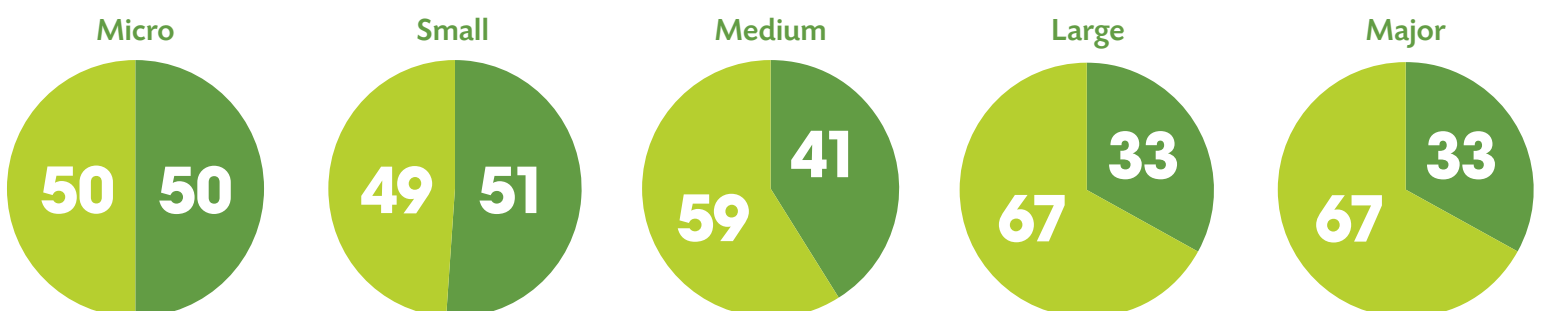


## How does the proportion of males and females on a board differ by size of organisation?

Micro and small charities have an equal split of male and female trustees (50:50 and 49:51 respectively); however, there are many more men on the boards of large and major charities than women (67:33 each). The larger a charity is, the more likely it will have a higher proportion of men on its board than women.

There are similarities between these findings and another recent study in to the gender of leaders within the voluntary sector which identified that whilst nearly half of all leaders were women (46%), they were particularly under-represented in larger charities.<sup>73d</sup>

▼ Source: NCVO, Charity Commission



---

# DATA BANK

# 3

---

Scope	77
Income	79
Expenditure	81
Assets	82

---

## Size of civil society by type of organisation, 2009/10

	Number of organisations	Income (£ millions)	Expenditure (£ millions)	Net assets (£ millions)	Paid staff	Data quality
General charities	163,800	36,700	36,300	90,200	765,000 <sup>1</sup>	Good
Universities	165	26,700	25,900	26,300	387,400	Good
Cooperatives	3,339	24,200	23,700 <sup>2</sup>	7,800 <sup>2</sup>	159,000	Good
Housing associations	1,694	13,700	13,000	63,400	170,400	Good
Independent schools	2,655	6,800	6,200	9,300	59,000 <sup>3</sup>	Good
Building societies	52	3,700	3,300 <sup>3</sup>		42,000	Good
Trade associations and professional bodies	231	2,200	2,200	1,900	17,000	Good
Trade unions	177	1,100	1,200	800	12,000	Good
Common investment funds	50	420	350	1,000		Good
Political parties	423	140	150	40	600	Good
Credit unions	424	40	30 <sup>3</sup>		1,000	Good
Employee owned businesses	250	30,000	27,600 <sup>2</sup>	10,000 <sup>2</sup>	130,000	Limited
Financial mutuals and friendly societies	56	7,800	7,700 <sup>2</sup>		17,200	Limited
Faith groups	10,886	3,700	3,600	14,200	43,700	Limited
Leisure trusts	101	740	720		21,400	Limited
Benevolent societies	1,576	300	280	1,700	3,200	Limited
Clubs and societies	6,600	280	260		11,400	Limited
GP co-ops and mutuals	34	120	110		7,500	Limited
Football/Rugby supporter trusts	170	10	10 <sup>2</sup>		200	Limited
Companies limited by guarantee	23,000	6,000	5,900	1,700	40,000	Poor
Sports clubs	143,000	5,100	5,000		143,500	Poor
Community interest companies	4,905	900	830 <sup>2</sup>		30,000	Poor
Excepted charities	4,000	400	400			Poor
Co-operative trust schools	159					Poor
Unincorporated organisations	600,000					Poor
Duplications	-63,100	-700	-700	0	-20,100	
<b>Total size of civil society (excluding estimated numbers)</b>	<b>900,000</b>	<b>170,400</b>	<b>100,600</b>	<b>210,600</b>	<b>2,041,000</b>	
<b>Total size of civil society (including estimates of missing values)</b>	<b>900,000</b>	<b>170,400</b>	<b>163,900</b>	<b>228,400</b>	<b>2,041,000</b>	

<sup>1</sup> NCVO/TSRC/Skills – Third Sector estimate using Labour Force Survey

<sup>2</sup> Estimate based on ratios from other parts of civil society and other data sources

<sup>3</sup> Teaching staff only

▲ Source: NCVO, Mutuo, various sources

For all these tables and more (expressed as numbers and percentages)  
go to [data.ncvo-vol.org.uk/databank](http://data.ncvo-vol.org.uk/databank)

## Distribution of voluntary organisations and their financial characteristics by region and UK country, 2009/10

	Number of organisations	Number of organisations (per 1,000 people)	Income (£ millions)	Expenditure (£ millions)	Assets (£ millions)
North East	4,584	1.8	865.0	818.0	1,464.0
North West	13,271	1.9	2,264.0	2,157.0	3,946.0
Yorkshire and the Humber	10,464	2.0	1,510.0	1,434.0	2,791.0
East Midlands	10,935	2.4	1,252.0	1,186.0	2,535.0
West Midlands	11,609	2.1	2,012.0	1,896.0	3,453.0
East of England	16,781	2.9	2,051.0	1,964.0	4,274.0
London	22,957	2.9	14,801.6	14,871.8	49,310.9
South East	24,621	2.9	4,369.0	4,081.0	8,718.0
South West	17,498	3.3	2,715.0	2,571.0	5,914.0
<b>England</b>	<b>132,720</b>	<b>2.5</b>	<b>31,839.6</b>	<b>30,978.8</b>	<b>82,405.9</b>
<b>Wales</b>	<b>7,527</b>	<b>2.5</b>	<b>978.0</b>	<b>942.0</b>	<b>1,677.0</b>
<b>Scotland</b>	<b>19,603</b>	<b>3.8</b>	<b>3,121.8</b>	<b>3,658.4</b>	<b>5,113.7</b>
<b>Northern Ireland</b>	<b>3,913</b>	<b>2.2</b>	<b>741.9</b>	<b>706.8</b>	<b>979.0</b>
<b>UK</b>	<b>163,763</b>	<b>2.6</b>	<b>36,681.4</b>	<b>36,286.1</b>	<b>90,175.6</b>

▲ Source: NCVO/TSRC, Charity Commission, SCVO, NICVA

## Distribution of voluntary organisations and their financial characteristics by area of activity, 2009/10

	Number of organisations	% of organisations	Income (£ millions)	Expenditure (£ millions)	Assets (£ millions)	Average income (mean, £)
Culture and recreation	22,680	13.8	3,890.1	3,805.6	5,417.6	171,522
Education	7,775	4.7	1,442.1	1,342.4	2,300.7	185,475
Parent teacher associations	13,143	8.0	189.3	156.9	278.5	14,400
Playgroups and nurseries	7,908	4.8	437.7	424.3	188.5	55,347
Research	3,625	2.2	2,438.2	2,887.0	15,790.5	672,616
Health	6,505	4.0	4,288.2	4,039.1	5,560.3	659,223
Social services	31,091	19.0	8,664.8	8,663.6	10,625.0	278,692
Scout groups and youth clubs	6,578	4.0	217.5	206.8	554.5	33,058
Environment	5,443	3.3	2,583.7	2,452.3	4,744.6	474,679
Development	11,504	7.0	919.1	906.2	1,487.6	79,890
Village halls	5,995	3.7	85.1	80.3	272.0	14,190
Housing	3,838	2.3	1,390.1	1,360.4	5,531.7	362,186
Employment and training	1,826	1.1	1,153.4	1,151.0	927.5	631,652
Law and advocacy	3,907	2.4	1,131.4	1,111.8	1,209.6	289,587
Grant-making foundations	12,004	7.3	2,800.1	2,914.1	27,753.8	233,263
Umbrella bodies	1,287	0.8	537.8	519.4	569.8	417,872
International	5,099	3.1	2,855.0	2,730.5	2,099.6	559,918
Religion	13,551	8.3	1,657.9	1,534.3	4,863.8	122,344
<b>Total</b>	<b>163,759</b>	<b>100.0</b>	<b>36,681.4</b>	<b>36,286.1</b>	<b>90,175.6</b>	<b>223,996</b>

▲ Source: NCVO/TSRC, Charity Commission



## Voluntary sector income by size of organisation, 2009/10 (£ millions)

	Micro	Small	Medium	Large	Major	Total	Number of organisations with income stream*
Individuals (excluding legacies)	64.6	401.9	1,157.3	1,643.7	2,688.1	5,955.7	87,756
Legacies	0.0	8.4	118.6	363.5	1,338.5	1,828.9	3,318
Statutory sources (excluding National Lottery distributors)	9.1	201.5	814.6	902.5	1,043.3	2,971.0	19,845
National Lottery distributors	1.0	25.0	171.1	162.1	128.3	487.6	6,593
Voluntary sector	9.9	127.2	469.5	523.9	1,012.0	2,142.5	27,755
Private sector	2.3	26.4	92.2	260.0	366.6	747.6	6,818
<b>Total voluntary income</b>	<b>87.0</b>	<b>790.5</b>	<b>2,823.3</b>	<b>3,855.7</b>	<b>6,576.7</b>	<b>14,133.1</b>	<b>100,047</b>
Individuals	88.4	484.3	1,143.0	2,242.8	2,606.3	6,564.7	83,930
Statutory sources	2.8	173.6	1,388.1	3,427.6	5,921.2	10,913.4	28,686
Voluntary sector	19.2	92.9	314.5	476.5	349.9	1,253.0	29,931
Private sector	0.9	12.4	63.8	269.2	458.1	804.4	8,534
Trading subsidiaries	0.0	4.5	51.5	265.5	244.3	565.9	1,793
<b>Total earned income</b>	<b>111.3</b>	<b>767.8</b>	<b>2,961.0</b>	<b>6,681.5</b>	<b>9,579.8</b>	<b>20,101.3</b>	<b>100,281</b>
Rent from property	5.6	53.3	177.3	347.5	120.9	704.6	9,496
Dividends etc	24.0	105.7	278.9	328.7	627.5	1,364.8	27,078
Interest on deposits	9.0	64.7	81.8	112.4	109.6	377.5	86,635
<b>Total investment income</b>	<b>38.6</b>	<b>223.7</b>	<b>538.0</b>	<b>788.5</b>	<b>858.0</b>	<b>2,446.9</b>	<b>112,638</b>
<b>Total incoming resources</b>	<b>236.9</b>	<b>1,781.9</b>	<b>6,322.3</b>	<b>11,325.8</b>	<b>17,014.5</b>	<b>36,681.4</b>	<b>150,848</b>
<b>Number of organisations with incoming resources</b>	<b>74,768</b>	<b>51,090</b>	<b>20,432</b>	<b>4,084</b>	<b>474</b>	<b>150,848</b>	

\* 12,915 organisations received no income in 2009/10

▲ Source: NCVO/TSRC, Charity Commission

For all these tables and more (expressed as numbers and percentages)  
go to [data.ncvo-vol.org.uk/databank](http://data.ncvo-vol.org.uk/databank)

## Voluntary sector income, 2000/01 to 2009/10 (£ millions, in April 2010 prices)

	2000/01	2001/02	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Individuals (excluding legacies)	4,091.2	3,593.4	4,302.3	5,118.8	4,815.0	5,976.5	6,201.6	5,818.6	5,955.7
Legacies	1,769.1	1,655.5	1,659.3	1,942.3	2,081.1	1,943.4	2,144.5	1,749.5	1,828.9
Statutory sources (excluding National Lottery distributors)	4,365.7	4,450.7	5,318.0	4,473.6	4,163.7	4,020.4	3,948.0	2,782.9	2,971.0
National Lottery distributors	719.1	699.0	522.6	625.5	645.9	652.4	560.0	439.5	487.6
Voluntary sector	1,529.1	1,389.7	2,014.2	1,783.6	2,397.7	1,762.7	1,826.3	1,837.7	2,142.5
Private sector	1,056.5	654.1	477.5	563.4	740.2	738.3	1,283.2	1,249.9	747.6
<b>Total voluntary income</b>	<b>13,530.7</b>	<b>12,442.4</b>	<b>14,293.8</b>	<b>14,507.3</b>	<b>14,843.6</b>	<b>15,093.8</b>	<b>15,963.7</b>	<b>13,878.1</b>	<b>14,133.1</b>
Individuals	4,182.8	4,441.7	6,346.1	5,238.0	6,422.8	6,097.7	5,673.7	6,578.2	6,564.7
Statutory sources	4,253.3	4,674.8	5,018.0	5,915.5	7,947.4	8,724.9	9,775.4	10,532.5	10,913.4
Voluntary sector	323.4	349.5	1,142.1	1,580.9	1,611.6	1,622.8	1,347.8	999.8	1,253.0
Private sector	484.7	475.0	173.5	1,695.9	824.7	1,149.3	862.4	796.5	804.4
Trading subsidiaries	1,335.4	1,376.7	2,437.5	1,207.4	1,190.8	1,322.1	998.2	581.7	565.9
<b>Total earned income</b>	<b>10,579.6</b>	<b>11,317.7</b>	<b>15,117.2</b>	<b>15,637.6</b>	<b>17,997.4</b>	<b>18,916.8</b>	<b>18,657.5</b>	<b>19,488.6</b>	<b>20,101.3</b>
Rent from property	358.6	389.9	650.4	570.6	633.6	656.2	552.7	747.1	704.6
Dividends etc	1,839.9	1,725.9	1,395.0	1,509.2	1,673.0	1,648.3	2,256.3	1,540.4	1,364.8
Interest on deposits	628.8	517.4	371.5	465.1	616.2	635.7	603.2	791.4	377.5
<b>Total investment income</b>	<b>2,827.3</b>	<b>2,633.2</b>	<b>2,416.9</b>	<b>2,544.8</b>	<b>2,922.8</b>	<b>2,940.2</b>	<b>3,412.1</b>	<b>3,079.0</b>	<b>2,446.9</b>
<b>Total incoming resources</b>	<b>26,937.6</b>	<b>26,393.3</b>	<b>31,828.0</b>	<b>32,689.7</b>	<b>35,763.8</b>	<b>36,950.8</b>	<b>38,033.3</b>	<b>36,445.8</b>	<b>36,681.4</b>

Note: Figures for 2002/03 are not available

## Voluntary sector income source by size of organisation, 2009/10 (£ millions)

	Micro	Small	Medium	Large	Major	Total	Number of organisations with income source
Individuals	153.0	894.7	2,418.8	4,249.9	6,632.8	14,349.2	108,637
Statutory sources (excluding National Lottery distributors)	11.9	375.2	2,202.7	4,330.1	6,964.5	13,884.3	40,735
National Lottery distributors	1.0	25.0	171.1	162.1	128.3	487.6	6,593
Voluntary sector	29.1	220.1	784.1	1,000.4	1,361.8	3,395.4	50,182
Private sector	3.2	38.9	156.0	529.2	824.7	1,552.0	14,955
Internally generated	38.6	228.1	589.5	1,054.1	1,102.4	3,012.8	108,633
<b>Total income</b>	<b>236.9</b>	<b>1,781.9</b>	<b>6,322.3</b>	<b>11,325.8</b>	<b>17,014.5</b>	<b>36,681.4</b>	<b>150,848</b>

## Voluntary sector expenditure by size of organisation, 2009/10 (£ millions)

	Micro	Small	Medium	Large	Major	Total	Number of charities
Generating voluntary income	1.6	15.0	114.0	295.1	952.9	1,378.5	6,492
Fundraising and publicity costs	5.0	67.2	232.5	611.9	897.6	1,814.1	47,676
Trading subsidiary costs	0.0	1.3	53.2	290.3	353.7	698.5	2,144
Investment management costs	15.9	8.6	50.6	79.6	91.1	245.7	8,297
<b>Total cost of generating funds</b>	<b>22.4</b>	<b>92.0</b>	<b>450.3</b>	<b>1,276.9</b>	<b>2,295.2</b>	<b>4,136.8</b>	<b>59,638</b>
<b>Grants</b>	<b>191.8</b>	<b>186.7</b>	<b>487.5</b>	<b>995.2</b>	<b>2,708.6</b>	<b>4,569.7</b>	<b>40,446</b>
<b>Charitable activities</b>	<b>103.5</b>	<b>1,369.5</b>	<b>5,009.5</b>	<b>8,302.0</b>	<b>11,750.7</b>	<b>26,535.2</b>	<b>136,659</b>
Audit costs	3.2	10.3	44.4	35.6	19.3	112.9	34,361
Other governance costs	13.2	244.8	328.2	227.9	117.4	931.6	88,479
<b>Governance</b>	<b>16.5</b>	<b>255.1</b>	<b>372.6</b>	<b>263.5</b>	<b>136.7</b>	<b>1,044.4</b>	<b>100,477</b>
<b>Total current expenditure</b>	<b>334.2</b>	<b>1,903.3</b>	<b>6,319.8</b>	<b>10,837.6</b>	<b>16,891.2</b>	<b>36,286.1</b>	<b>152,614</b>
Number of organisations	with expenditure	76,583	51,090	20,393	4,075	473	152,614
	without expenditure	11,100	0	39	9	1	11,149

## Voluntary sector expenditure, 2000/01 to 2009/10 (£ millions, in April 2010 prices)

	2000/01	2001/02	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Fundraising and publicity costs	1,529.0	1,655.0	2,238.4	1,946.2	2,332.5	2,478.4	2,757.6	3,210.9	3,192.6
Trading Subsidiary costs	1,104.7	1,105.4	819.8	834.3	1,042.5	1,012.1	1,114.1	705.4	698.5
Investment management costs	-	-	92.5	101.7	385.3	458.7	491.9	244.2	245.7
<b>Total cost of generating funds</b>	<b>2,633.6</b>	<b>2,760.4</b>	<b>3,150.7</b>	<b>2,882.2</b>	<b>3,760.4</b>	<b>3,949.2</b>	<b>4,363.6</b>	<b>4,160.5</b>	<b>4,136.8</b>
<b>Grants</b>	<b>4,681.7</b>	<b>4,357.9</b>	<b>4,604.0</b>	<b>4,053.8</b>	<b>4,400.8</b>	<b>4,873.3</b>	<b>5,403.6</b>	<b>4,189.0</b>	<b>4,569.7</b>
<b>Charitable activities</b>	<b>16,445.2</b>	<b>16,755.1</b>	<b>20,226.2</b>	<b>20,920.0</b>	<b>24,314.1</b>	<b>25,199.3</b>	<b>24,637.7</b>	<b>26,336.3</b>	<b>26,535.2</b>
<b>Governance</b>	<b>1,968.6</b>	<b>2,043.9</b>	<b>2,079.7</b>	<b>1,792.9</b>	<b>1,154.1</b>	<b>725.0</b>	<b>787.4</b>	<b>904.6</b>	<b>1,044.4</b>
<b>Total current expenditure</b>	<b>25,729.1</b>	<b>25,917.3</b>	<b>30,060.6</b>	<b>29,648.9</b>	<b>33,629.5</b>	<b>34,746.8</b>	<b>35,192.2</b>	<b>35,590.4</b>	<b>36,286.1</b>

▲ Source: NCVO/TSRC, Charity Commission

For all these tables and more (expressed as numbers and percentages) go to [data.ncvo-vol.org.uk/databank](http://data.ncvo-vol.org.uk/databank)

## Voluntary sector assets and liabilities by size of organisation, 2009/10 (£ millions)

	Micro	Small	Medium	Large	Major	Total	Number of orgs with type of assets
Intangible fixed assets	0.0	15.9	94.2	12.8	-9.6	113.2	625
Tangible fixed assets	206.1	1,635.3	4,699.5	7,857.0	6,772.2	21,170.0	48,363
Investments	3,026.0	2,767.1	9,229.8	14,354.6	35,266.5	64,644.0	25,286
<b>Fixed assets</b>	<b>3,232.0</b>	<b>4,418.3</b>	<b>14,023.5</b>	<b>22,224.3</b>	<b>42,029.1</b>	<b>85,927.2</b>	<b>64,721</b>
Current assets	390.2	2,895.8	4,963.8	6,868.6	8,004.5	23,122.8	146,266
Creditors due within one year	3.5	313.5	951.4	2,376.1	4,823.5	8,468.0	58,184
<b>Net current assets</b>	<b>386.7</b>	<b>2,582.3</b>	<b>4,012.4</b>	<b>4,492.5</b>	<b>3,181.0</b>	<b>14,654.8</b>	<b>146,622</b>
<b>Total assets less current liabilities</b>	<b>3,618.7</b>	<b>7,000.6</b>	<b>18,035.8</b>	<b>26,716.8</b>	<b>45,210.1</b>	<b>100,582.1</b>	-
Creditors due after one year	0.1	241.5	577.9	1,748.5	5,970.6	8,538.6	8,180
Provisions	-0.2	2.2	12.5	3.0	27.1	44.6	540
Pensions	0.0	-0.1	-26.7	-315.3	-1,481.1	-1,823.2	796
<b>Net total assets</b>	<b>3,618.8</b>	<b>6,756.8</b>	<b>17,418.7</b>	<b>24,650.0</b>	<b>37,731.2</b>	<b>90,175.6</b>	<b>146,736</b>
<b>Number of organisations</b>	<b>with assets</b>	<b>75,511</b>	<b>46,484</b>	<b>20,199</b>	<b>4,074</b>	<b>468</b>	<b>146,736</b>
	<b>without assets</b>	<b>12,172</b>	<b>4,606</b>	<b>233</b>	<b>10</b>	<b>6</b>	<b>17,027</b>

## Voluntary sector funds by size of organisation, 2009/10 (£ millions)

	Micro	Small	Medium	Large	Major	Total
Unrestricted funds	456.0	4,329.2	10,988.7	13,538.5	23,363.4	52,675.8
Restricted funds	63.0	1,028.3	2,364.3	3,698.8	4,037.2	11,191.5
<b>Income funds</b>	<b>519.0</b>	<b>5,357.5</b>	<b>13,353.0</b>	<b>17,237.3</b>	<b>27,400.6</b>	<b>63,867.3</b>
<b>Endowment funds</b>	<b>3,099.8</b>	<b>1,395.9</b>	<b>4,080.6</b>	<b>7,554.3</b>	<b>10,585.7</b>	<b>26,716.3</b>
<b>Pension funds</b>	<b>0.0</b>	<b>3.4</b>	<b>-14.9</b>	<b>-141.6</b>	<b>-255.0</b>	<b>-408.0</b>
<b>Total funds</b>	<b>3,618.8</b>	<b>6,756.8</b>	<b>17,418.7</b>	<b>24,650.0</b>	<b>37,731.2</b>	<b>90,175.6</b>

## Voluntary sector assets and liabilities, 2000/01 to 2009/10 (£ millions, April 2010 prices)

	2000/01	2001/02	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Intangible fixed assets	-	-	24.0	50.2	23.3	29.4	20.0	144.8	113.2
Tangible fixed assets	18,717.8	19,675.7	20,290.6	20,879.7	22,201.0	22,363.2	22,630.6	21,636.6	21,170.0
Investments	58,531.5	52,276.4	54,070.0	61,918.4	68,838.0	73,024.7	73,742.9	56,506.7	64,644.0
<b>Fixed assets</b>	<b>77,249.3</b>	<b>71,952.0</b>	<b>74,384.6</b>	<b>82,848.3</b>	<b>91,062.4</b>	<b>95,417.2</b>	<b>96,393.5</b>	<b>78,288.1</b>	<b>85,927.2</b>
Current assets	17,908.0	17,180.9	20,839.9	21,805.8	21,029.2	20,704.3	23,301.1	21,809.2	23,122.8
Creditors due within one year	6,062.1	6,485.1	8,213.7	8,106.0	6,874.1	7,588.2	7,709.8	8,392.5	8,468.0
<b>Net current assets</b>	<b>11,845.9</b>	<b>10,695.8</b>	<b>12,626.2</b>	<b>13,699.8</b>	<b>14,155.1</b>	<b>13,116.1</b>	<b>15,591.3</b>	<b>13,416.7</b>	<b>14,654.8</b>
<b>Total assets less current liabilities</b>	<b>89,095.2</b>	<b>82,647.8</b>	<b>87,010.8</b>	<b>96,548.1</b>	<b>105,217.4</b>	<b>108,533.4</b>	<b>111,984.8</b>	<b>91,704.8</b>	<b>100,582.1</b>
Creditors due after one year	4,138.5	4,403.1	4,765.6	4,519.3	5,371.5	6,551.7	8,228.1	7,476.4	8,538.6
Provisions	-	-	1,429.2	266.0	487.4	283.6	223.9	40.2	44.6
Pension assets	-	-	-	-	-	-	-	-1,100.7	-1,823.2
<b>Net total assets</b>	<b>84,956.7</b>	<b>78,244.6</b>	<b>80,816.0</b>	<b>91,762.8</b>	<b>99,358.6</b>	<b>101,698.0</b>	<b>103,532.8</b>	<b>83,087.4</b>	<b>90,175.6</b>

---

# APPENDICES

# 4

---

Methodology	85
Glossary	87
Acronyms and abbreviations	88
The authors	88
Reference list	89
Acknowledgements	91
Fast facts	92

---

# Methodology

This Almanac is based on data from a wide range of sources. Due to the number of civil society areas covered and the variety of methods used, only a brief outline of the methodology can be given here.

## Voluntary sector

### Voluntary sector definition

As in previous Almanacs, the general charities definition is used within this Almanac to obtain estimates for the voluntary sector. This is to enable comparisons over time for this core part of the sector. The clear limits to the definition enable the production of robust, clearly defined estimates for both numbers of voluntary sector organisations and their financial characteristics. Included in this definition are those registered charities that meet the following criteria: formality, independence, non-profit distributing, self-governance, voluntarism and public benefit. We do, however, recognise its limitations as a definition and now include a range of other civil society organisations within the Almanac as well.

### Voluntary sector methodology

Financial information on voluntary organisations is based on their annual accounts submitted to the Charity Commission. The general charities definition is applied to all charities on the Commission's register, producing a usable population for England and Wales. Financial data for a sample of these organisations was obtained by entering data from the charities' annual accounts. 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.

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

- comparison of income, expenditure, assets and workforce data between this year and last year to look for particularly large increases and decreases, and
- construction of various ratios between financial variables (for example between income and expenditure, and investments and dividend income) to look for anomalies.

Those records where accounts were submitted in a foreign currency were converted to Pounds Sterling using an average of the exchange rate over the year. Organisations have a range of financial year ends, distributed throughout the year.

To ensure consistency all values were converted to April 2010 prices using the retail price index. Once cleaned, mean amounts are produced for all financial variables within each income band and are multiplied to the UK population size by income band. Supplementary data from the Scottish Council for Voluntary Organisations and the 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 size

Within the Almanac, voluntary organisations are divided into five groups based on their income. Each group is named to make it easier to discuss the findings and place them in context.

Income	Name
Less than £10,000	Micro
£10,000 to £100,000	Small
£100,000 to £1 million	Medium
£1 million to £10 million	Large
More than £10 million	Major

### Analysis by sub-sector

Voluntary organisations conduct a wide range of activities, which are often grouped into sub-sectors or industries. The International Classification of Non-profit Organisations (ICNPO) is designed for voluntary organisations and other non-profit groups, and so is the most useful for comparisons between groups of organisations. In reality many organisations undertake multiple activities (e.g. housing and advice), but our analysis groups organisations into a single category based upon their primary activity, a sometimes subjective decision. For the figures presented in this Almanac some categories have been grouped together.

### Charitable giving

Charitable giving data is from the NCVO/CAF UK Giving Survey, gathered by the Office for National Statistics in three waves between June 2010 and February 2011. For further information see UK Giving 2011 (NCVO/CAF, 2011)

[www.ncvo-vol.org.uk/giving](http://www.ncvo-vol.org.uk/giving)

## Voluntary sector – population and sample, England and Wales, 2009/10

	Micro	Small	Medium	Large	Major	Total
Registered with Charity Commission	84,950	49,106	20,322	5,088	913	160,379
General charities	75,053	44,161	17,110	3,493	430	140,247
Sample	190	1,181	2,466	3,121	423	7,381
Sample (% of general charities)	0.3%	2.7%	14.4%	89.4%	98.4%	5.3%

▲ Source: NCVO/TSRC, Charity Commission



## Workforce

Our employment figures are largely based on Labour Force Survey (LFS) data. The LFS surveys an estimated 60,000 private households every quarter. By pooling data for unique individuals from four quarters, it is possible to produce reliable estimates of the sector's workforce. Weighting is used within the LFS to compensate for non-response rates in certain groups and produce population estimates.

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'.

The most recent statistics on volunteering are available from the 2010/11 Citizenship Survey. For further information see Communities and Local Government (2011) Citizenship Survey: 2010 – 2011 (April 2010 – March 2011), England.

## Other parts of civil society

### Other organisations registered with the Charity Commission

Some organisations that are registered with the Charity Commission but excluded from the voluntary sector definition are included within other parts of civil society. For these organisations, a similar process was followed to that of voluntary organisations in order to produce figures for income, expenditure, assets and staff numbers. The parts of civil society this included are: trade associations and professional bodies, common investment funds, faith groups and benevolent societies.

### Mutuals

Data on co-operatives and mutuals was sourced from the Mutuals Yearbook 2011. Their data is sourced from the umbrella body for each of the types of mutual organisation. For further information see Mutuals Yearbook 2011 (Oxford Centre for Mutual and Employee-owned Business, 2009). Missing asset and expenditure figures were estimated using data from Co-operatives UK and ratios from previous almanacs.

### Universities

Financial data was sourced for all UK Universities from the Higher Education Statistics Agency (HESA). HESA data is based on the audited annual accounts of universities.

### Housing associations

Financial data for Registered Social Landlords was sourced for England from the Tenant Services Authority Global Accounts of Housing Providers and for Scotland from the Scottish Housing Regulator. To produce figures for the whole of the UK, estimates for Wales and Northern Ireland were produced using relative population figures.

## Independent schools

The number of schools, pupils, and staff were compiled from National Statistics published by the Department for Education in England, the Scottish Government, the Welsh Government and the Northern Ireland Executive. The results of the Independent Schools Council Census were used to exclude 190 for-profit independent schools. As most independent schools have charitable status, the income, expenditure and assets of registered charities in England and Wales were inflated to produce estimates for the whole of the UK, taking into account relative pupil numbers.

## Trade unions

Financial data was sourced for all trade unions in Great Britain from the Certification Office Annual Report and aggregated by NCVO to produce totals for the UK. The Certification Office is the regulator of trade unions and uses returned annual accounts to compile their data.

## Political parties

The number of organisations includes all organisations registered as a political party with the in the calendar year. Accounts published by the Electoral Commissions were inputted by NCVO, ensuring a 100% sample of parties and accounting units with incomes of over £250k, and a random stratified sample of other political parties and accounting units with incomes of over £25k. The financial estimates now include the income, expenditure and assets of branches and constituency associations of the largest political parties.

## Companies limited by guarantee

The estimates for Companies limited by guarantee draws on work done in prior years. A list of Companies limited by guarantee (CLGs) was purchased from Companies House. This list was matched with the Charity Commission register to identify and remove those CLGs which are also registered charities. Income and expenditure of these organisations are based on the average finances found in the Northern Rock Foundation Third Sector Trends study.

## Community interest companies

The number of Community interest companies (CICs) were obtained from the CIC regulator. Average income and employee numbers were estimated from responses to the National Survey of Charities and Social Enterprises and scaled up to produce an overall estimate.

## Sports clubs

Financial information on sports clubs was derived from average income and expenditure figures reported in the Sports and Recreation Alliance Survey of Sports Clubs 2011. The figure of 151,000 sports clubs in the UK was provided by the Sports and Recreation Alliance (formerly CPPR). It is derived from sportscotland's survey of sports clubs in Scotland, carried out in 1999 and published in 2001 (Allison, 2001). This was then adjusted to exclude for-profit sports clubs, an estimate again derived from the Survey of Sports Clubs.

# Glossary

## Balance sheet

A summary of the assets and liabilities of an organisation at a particular date, usually the end of the financial year.

## Benevolent societies

Societies established for charitable purposes. Benefits must be distributed wider than their members.

## Capital expenditure

Expenditure on equipment or buildings.

## Charitable activities

The activities that charities undertake to provide public benefit. Incoming resources from charitable activities result when these activities are performed in exchange for a fee, or through a contract to deliver public services.

## Charitable foundations and trusts

Charity whose primary purpose is awarding grants to other voluntary organisations, institutions or individuals.

## Charities Act

In December 2006 the government passed the Charities Act, an overhaul of the 400-year old charity law.

## Civil society

Civil society is the sphere where people come together to pursue their collective interests and make a positive difference to their lives and/or the lives of others.

## Community foundation

A fund-raising and grant-making charity established to generate resources for local charities in a specific geographic area (or 'community') and to promote the effective use of these resources.

## Community interest company

A limited company which operates as a business providing community benefit.

## Company limited by guarantee

An incorporated organisation which has a legal personality separate to that of its members. In the event of business ceasing, guarantors are liable to contribute a (usually very small) amount towards winding up the company.

## Co-operative

An autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

## Counter-cyclical

A trend which runs against fluctuations in the economy – for example an increase in government spending when the whole economy is in recession.

## Current assets

Assets that can be converted into cash within a year (i.e. cash in bank, petty cash, money owed to organisations and goods for sale).

## Depreciation

The gradual decrease in the value of assets held.

## Earned income

Income generated in exchange for goods and services through trading.

## Endowment

Restricted capital funds held for the purpose of generating income. Permanent endowments funds must be held indefinitely, while expendable endowments can be disposed of at the trustee's discretion.

## Excepted charities

Charities with a small annual turnover and no significant assets. They are 'excepted' from registration – they can choose to register if they wish to do so.

## Exempt charities

Charities that are not registered and are not subject to the supervisory jurisdiction of the Charity Commission (e.g. universities, leading museums).

## Fixed assets

Assets held on a long-term basis. They can be either fixed assets for charitable use (which include real estate and equipment) or investments.

## General charity

General charities are defined in National Account terms as 'private, non-profit-making bodies serving persons'. This excludes sacramental religious bodies or places of worship.

## Gift Aid

A tax relief on money donated to charity. Charities can reclaim the basic rate of tax presumed to have been deducted by the donor, thereby increasing the value of the donation.

## Housing stock

The number of structurally separate residential dwelling units available for non-transient occupation.

## Inalienable assets

Assets which cannot be sold, usually because a charity is required to hold them indefinitely under trust law as a result of a bequest.

## Industrial and provident societies

An organisation conducting an industry, business or trade, either as a co-operative or for the benefit of the community, and is registered under the Industrial and Provident Societies Act 1965.

## Legacy

A gift or bequest of personal property or money made by a will.

## Liabilities

That which organisations owe to creditors, either long-term (payable after 12 months) such as loans or pension provisions or short-term (payable during the next 12 months).

## Mutual society

An organisation which is owned by its members and run for their benefit.

## Non-profit sector

All non-profit organisations including those for private benefit, and those that are non-commercial (e.g. housing associations). The category includes quangos and other organisations close to government (e.g. universities).

## Registered charities

Charities registered with the Charity Commission. A charity must register if it has a permanent endowment, a total income of more than £5,000 a year or a rateable occupation of any land, including buildings.

## Reserves

That part of a charities income funds which are freely available.

## Restricted funds

Funds for which the donor has specified a use. These funds must be spent in accordance with the donor's wishes and trustees cannot make the decision to remove the restriction.

## Social enterprise

Trading for a social purpose. A wide range of organisations fit the definition of social enterprise. These include co-ops, community business, trading arms of charities and a variety of other businesses that use their trading activity to meet social goals.

## Statement of financial activities (SOFA)

Financial statement introduced especially for charities in the SORP. It replaces the income and expenditure account.

## Statement of recommended practice (SORP)

Official recommendation on the way a charity should report annually on its resources and activities.

## Statutory organisation

An organisation that is required by law to provide public services (i.e. statutory services) and receives central or local government funding.

## Statutory funding

Any funding that comes from a government source. Defined in the Almanac to include funding from bodies such as the United Nations.

## Third sector

Used as a synonym for voluntary sector.

## Trading subsidiaries

A company, owned and controlled by one or more charities, set up in order to trade.

## Trustees

The group of (unpaid) people responsible for the control and management of a charity.

## Turnover

In this publication, turnover is usually used as a synonym for income, and represents the money received by an organisation from its normal business activities.

## Unincorporated organisation

An association of people which has no legal constitution, and is not regarded as an entity separate from its members. Also known as informal organisations.

## Unrestricted funds

Funds held for the general purposes of the charity, to be spent within the stated objects.

## Voluntary income

Donations or grants that do not provide any return to the donor other than the knowledge that someone will benefit from the donation.

## Voluntary sector

The group of registered charities that meet the general charities definition outlined above.

# Acronyms and abbreviations

<b>ACF</b>	Association of Charitable Foundations	<b>DCLG</b>	Department for Communities and Local Government (also CLG)	<b>LFS</b>	Labour Force Survey	<b>ONS</b>	Office for National Statistics
<b>AMRC</b>	Association of Medical Research Charities	<b>DEC</b>	Disasters Emergency Committee	<b>NCVO</b>	National Council for Voluntary Organisations	<b>OSCR</b>	Office of the Scottish Charity Regulator
<b>ATU</b>	Asset Transfer Unit	<b>DTA</b>	Development Trusts Association	<b>NDPB</b>	Non-Departmental Public Body	<b>PTA</b>	Parent-Teacher Association
<b>BIS</b>	Department for Business, Innovation and Skills	<b>FSA</b>	Financial Services Authority	<b>NEET</b>	Not in Education, Employment or Training	<b>RSL</b>	Registered Social Landlord
<b>BLF</b>	Big Lottery Fund	<b>FTE</b>	Full-time Equivalent	<b>NESS</b>	National Employers Skills Survey	<b>SCVO</b>	Scottish Council for Voluntary Organisations
<b>BSA</b>	Building Societies Association	<b>GAVI</b>	Global Alliance for Vaccines and Immunisation	<b>NHS</b>	National Health Service	<b>SEN</b>	Special Education Needs
<b>CAF</b>	Charities Aid Foundation	<b>GDP</b>	Gross Domestic Product	<b>NHF</b>	National Housing Federation	<b>SIC</b>	Standard Industrial Classification
<b>CASC</b>	Community Amateur Sports Club	<b>GVA</b>	Gross Value Added	<b>NHS</b>	National Health Service	<b>SIC</b>	(92) 1992 Standard Industrial Classification
<b>CDDA</b>	Centre for Data Digitisation and Analysis	<b>HESA</b>	Higher Education Statistics Agency	<b>NIACE</b>	The National Institute of Adult Continuing Education	<b>SCIS</b>	Scottish Council of Independent Schools
<b>CEO</b>	Chief Executive Officer	<b>HMRC</b>	HM Revenue and Customs	<b>NICVA</b>	Northern Ireland Council for Voluntary Action	<b>SOC</b>	Standard Occupational Classification
<b>CIC</b>	Community Interest Company	<b>ICNPO</b>	International Classification of Non-Profit Organisations	<b>NMS</b>	National Minimum Standards	<b>SORP</b>	Statement of Recommended Practice
<b>CIO</b>	Charitable Incorporated Organisation	<b>IDBR</b>	Inter-Departmental Business Register	<b>NSCSE</b>	National Suvery of Charities and Social Enterprises (previously NSTSO)	<b>TSRC</b>	Third Sector Research Centre
<b>CLG</b>	Companies Limited by Guarantee	<b>IFFIm</b>	International Finance Facility for Immunisation	<b>NPISH</b>	Non profit institutions serving households	<b>VCO</b>	Voluntary and Community Organisation
<b>CofE</b>	Church of England	<b>IPS</b>	Industrial and Provident Society	<b>OBR</b>	Office for Budget Responsibility	<b>VCS</b>	Voluntary and Community Sector
<b>CQC</b>	Care Quality Commission	<b>ISC</b>	Independent Schools Council	<b>OCS</b>	Office for Civil Society	<b>WCVA</b>	Wales Council for Voluntary Action
<b>CSO</b>	Civil Society Organisation	<b>IVR</b>	Institute for Volunteering Research				

## The authors

**Jenny Clark** manages NCVO's quantitative research programme and leads NCVO's annual UK Civil Society Almanac programme and research exploring the voluntary sector's workforce. Previously Jenny managed the UK Workforce Hub and NCVO's workforce research programme. Jenny has an MSc with distinction in Advanced Social Research Methods and Statistics from City University and has completed an in-depth learning programme on consulting run by The Tavistock Institute based on its MA in Advanced Organisational Consulting.

Twitter: @jenlouiseclark

**David Kane** leads the quantitative analysis of data for NCVO's work on the size and scope of civil society, and was an author of the UK Civil Society Almanac 2008, 2009 and 2010 and the UK Voluntary Sector Almanac 2007. David leads NCVO's research to classify voluntary sector organisations and on its work on the opportunities that open data presents. David is a trustee of the Voluntary Sector Studies Network.

Twitter: @kanedr

**Pete Bass** is a freelance researcher and NCVO Associate specialising in data collection, cleaning, and analysis. In addition to work on the NCVO Almanac series, Pete has contributed to projects for NCVO on impact measurement, sub-sector analysis and the NCVO Foresight website. Recent work for other clients includes the ACEVO Pay Survey 2011, data processing for the Community Development Foundation's evaluation of Grassroots Grants and local engagement research for Compact Voice.

Twitter: @prbass

**Karl Wilding** is NCVO's Head of Policy and Research. He is a Senior Visiting Fellow at Cass Business School's Centre for Charity Effectiveness, where he also contributes to the Centre for Charitable Giving and Philanthropy. Karl is also a trustee of St Albans Centre for Voluntary Service. He blogs at [www.ncvo-vol.org.uk/karlwilding](http://www.ncvo-vol.org.uk/karlwilding).

For more details see <http://uk.linkedin.com/in/karlwilding>

Twitter: @karlwilding

## Reference list

## 01

- a) **NCVO**, various sources
- b) **Edwards** (2005) 'Civil society', the encyclopedia of informal education <http://ncvo.org/z8Km6y>
- c) **Evers et al**, Defining the Third Sector in Europe <http://ncvo.org/wYeQJ2> (pdf)

## 02

- a) **NCVO/TSRC**, various sources

## 03

- a) **NCVO/TSRC**, various sources
- b) **Communities and Local Government** (2011) Citizenship Survey: 2010 – 2011 (April 2010 – March 2011), England <http://ncvo.org/qCfvkX> (pdf)
- c) **Labour Force Survey**, various sources <http://ncvo.org/wvPDkK>

## 04

- a) **Labour Force Survey** <http://ncvo.org/wvPDkK>
- b) **Mutuo** (2011) *Mutuals Yearbook 2011* <http://ncvo.org/AeiOVI>
- c) **NCVO**, various sources
- d) **Visceral Business** (2012) *The Charity Social 100 Index* <http://ncvo.org/zuFRQX> (pdf)

## 05

- a) **McGillivray, A., Wadhams, C., and Conaty, P.** (2001) *Low-flying heroes: micro-social enterprise below the radar screen* (London: New Economics Foundation)
- b) **Mutuo** (2011) *Mutuals Yearbook 2011* <http://ncvo.org/AeiOVI>
- c) **NCVO** are currently undertaking a review of charity law: <http://ncvo.org/w3Qp4R>

## 06

- a) **BIS** (2010) *Small Business Survey 2010* <http://ncvo.org/wXIOos> (pdf)
- b) **Office for Civil Society** (2010) *National survey of charities and social enterprises (NSCSE)* <http://ncvo.org/xlxGUa>
- c) **NCVO, NSCSE, CIC regulator** <http://ncvo.org/xlxGUa> <http://ncvo.org/wmoBkn>

## 07

- a) **Cabinet Office** (2010) *Big Society Overview* <http://ncvo.org/yfzuvf>
- b) **Mutuals Taskforce** <http://ncvo.org/ApyXHF>
- c) **Cabinet Office** (2011) *Mutual Pathfinder Progress Report* <http://ncvo.org/yBARZO>
- d) **National Audit Office** (2011) *The Right to Request Programme* <http://ncvo.org/AuyXRJ>
- e) **Mutuo** (2011) *Mutuals Yearbook 2011* <http://ncvo.org/AeiOVI>
- f) **Audit Commission** (2006) *Public sports and recreation services: making them fit for the future* <http://ncvo.org/woQI95> (pdf)
- g) **DEFRA**, January 2012 <http://ncvo.org/yVb49R>
- h) **Pawson et al** (2009) *The Impacts of Housing Stock Transfers in Urban Britain* (Chartered Institute of Housing / JRF) <http://ncvo.org/wxUaiW>

## 08

- a) Q4 2011 is a preliminary estimate. <http://ncvo.org/xqSmBQ>

## 09

- a) Based on all ages, UK, Annual ONS Mid-Year Population Estimates 2010
- b) **BERR** (2010) *Business Population Estimates 2010* <http://ncvo.org/yxVH8K>

## 11

- a) **McGillivray, A., Wadhams, C., and Conaty, P.** (2001) *Low-flying heroes: micro-social enterprise below the radar screen* (London: New Economics Foundation)

## 13

- a) See **Kane, D.** (2010) *When two become one* <http://ncvo.org/esR9vy> for more details
- b) **Salamon & Sokolowski** (2004) *Global civil society: Dimension of the non-profit sector, volume two*
- c) **Stanford University Center on Philanthropy and Civil Society** (2009) *Anything goes: approval of Nonprofit Status by the IRS.* <http://ncvo.org/ykqOwQ> (pdf)

## 14

- a) For more information on **GAVI** and **IFFIm** visit <http://www.gavialliance.org/>

## 16

- a) **CILT** (2011) *How many primary schools are there in the UK?* <http://ncvo.org/wdqslp>

## 18

- a) Industries are classified using the Standard Industrial Classification 2007 (SIC 2007).
- b) **National Audit Office** (2005) *Working with the voluntary sector* <http://ncvo.org/ymzyo5>
- c) **Office for Civil Society** (2010) *National survey of charities and social enterprises (NSCSE)* <http://ncvo.org/xlxGUa>

## 20

- a) **NCVO** (2006) *UK Voluntary Sector Almanac 2006*
- b) Some voluntary organisations have taken on a greater role distributing government funds; proportions may therefore under-estimate grants to other voluntary organisations.
- c) **AMRC** (2012) *Who funds medical research in the UK?* <http://ncvo.org/xRr757>

## 21

- a) **NCVO/TSRC**, *Charity Commission*
- b) **HM Treasury** (2011) *Public expenditure statistical analyses* <http://ncvo.org/z2WiTD>

## 22

- a) **NCVO/CAF** (2011) *UK Giving 2011* <http://www.ncvo-vol.org.uk/giving>
- b) **Clark, McHugh and McKay** (2011) *The UK Voluntary Sector Workforce Almanac 2011* <http://ncvo.org/workforcealmanac>

## 23

- a) **Charity Commission** (2010) *Charities and the economic downturn: 4th economic survey of charities* <http://ncvo.org/xe0HpG> (pdf)
- b) **NCVO** (2011) *Charity forecast: A quarterly survey of sector leaders quarters 1, 2, 3 and 4* <http://ncvo.org/l3PJcZ>
- c) **Clark, McHugh, McKay** (2011) *The UK Voluntary Sector Workforce Almanac 2011* <http://ncvo.org/workforcealmanac>
- d) **Skills – Third Sector, TSRC and NCVO** (2012) *Charity workforce shrinks by nearly 9%* <http://ncvo.org/w7wVuQ>
- e) **NCVO** (2011) *UK Giving 2011* <http://www.ncvo-vol.org.uk/giving>
- f) **Communities and Local Government** (2011) *Citizenship Survey: 2010 – 2011 (April 2010 – March 2011), England* <http://ncvo.org/qCfvkX>



## 24

- a) **ONS** (2011) United Kingdom National Accounts – The Blue Book, 2011 Edition <http://ncvo.org/xzd8p0>
- b) It should be noted that these estimates take no account of the costs of volunteer development or management.
- c) **HM Treasury** (2011) Whole of Government Accounts, year ended 31 March 2010 <http://ncvo.org/wPU2vd> (pdf)

## 33

- a) Note that this shift partly reflects changed or improved accounting practices – in short, better recognition of when income is in fact a contract.
- b) **NCVO/TSRC**, Charity Commission
- c) **Office for Civil Society** (2010) National survey of charities and social enterprises (NSCSE) <http://ncvo.org/xlxGUa>

## 34

- a) The contents of this page include updated figures from those originally published in NCVO's Counting the Cuts report (<http://www.ncvo-vol.org.uk/cuts-report>). The updated figures include the latest data from the Office for Budget Responsibility, and voluntary sector data from 2009/10.
- b) **Voluntary Sector Cuts** <http://voluntarysectorcuts.org.uk>
- c) **LVSC** (2011) The big squeeze 2011 <http://ncvo.org/ziDpXz>
- d) **VONNE** (2011) Surviving or thriving <http://ncvo.org/zMGTLm>
- e) Defined by the Financial Times as "A budget deficit that results from a fundamental imbalance in government receipts and expenditures, as opposed to one based on one-off or short-term factors." <http://ncvo.org/wzacvb>
- f) **NCVO** estimates based on **Office for Budget Responsibility** (2011) Economic and Fiscal Outlook Supplementary Tables November 2011 <http://ncvo.org/xzbnMg>

## 35

- a) Unless stated otherwise, statistics used in this question are taken from **NCVO/CAF** (2011) UK Giving 2011
- b) **Breeze** (2011) The million pound donors report 2011, University of Kent <http://ncvo.org/ydlUNX> (pdf)
- c) **HMRC** (2011) Table 10.2 Costs of tax relief <http://ncvo.org/w3Ts8b> (pdf)
- d) **HMRC** (2011) Table 10.4 Gift Aid repayments to charities <http://ncvo.org/Ajg45H> (pdf)
- e) **HMRC** (2011) Table 10.3: Gift Aid and covenants <http://ncvo.org/xKvONv> (pdf)

## 36

- a) **National Lottery Good Causes:** About lottery grants <http://ncvo.org/xwPZHk>
- b) **DCMS:** The National Lottery <http://ncvo.org/wVBziK>
- c) Our definition of the voluntary sector is likely to exclude other civil society organisations that also receive lottery funds. The figure of 32% covers all distributors – it does not contradict the BLF's commitment of 60-70% allocated to the voluntary sector.
- d) **Olympic Lottery Distributor:** What we do <http://ncvo.org/A1AL7M>
- e) About the **Big Lottery Fund** <http://ncvo.org/zePNCn>
- f) **Big Lottery Fund** (2011) Annual Report and Accounts for the financial year ended 31 March 2011 <http://ncvo.org/wiEs7x> (pdf)

## 37

- a) **Oxford English Dictionary** (2011) <http://ncvo.org/yTwx2P>
- b) **Legacy Foresight** (2011) Legacy Market Snapshot <http://ncvo.org/xWEVBU>
- c) **Remember a Charity /nfpSynergy** (2011) <http://ncvo.org/yvQnCb>

## 39

- a) **Charity Retail Association** <http://ncvo.org/yQ8dt5>

## 41

- a) See question 67 for more information about staff costs

## 50

- a) **Charity Commission** (2010) Charities and reserves (CC19) <http://ncvo.org/z4A0AA>
- b) **Office for Civil Society** (2010) National survey of charities and social enterprises (NSCSE) <http://ncvo.org/xlxGUa>

## 55

- a) **Office for Civil Society** (2010) National survey of charities and social enterprises (NSCSE) <http://ncvo.org/xlxGUa>

## 58

- a) **Skills – Third Sector, TSRC and NCVO** (2011) The UK Voluntary Sector Workforce Almanac 2011 <http://ncvo.org/workforcealmanac>
- b) **Skills – Third Sector, TSRC and NCVO** (2012) Charity workforce shrinks by nearly 9% <http://ncvo.org/w7wVuQ>
- c) **NCVO** (2011) Charity forecast: A quarterly survey of sector leaders <http://ncvo.org/l3PJcZ>
- d) **NCVO** (2011) Counting the cuts <http://ncvo.org/r2jtY5> (pdf)
- e) **Donegani, C.P., McKay, S. and Moro, D.** (2011) How does job satisfaction change moving across sectors? A longitudinal analysis <http://ncvo.org/nvVwCs>

## 59

- a) **Teasdale, S., McKay, S., Phillimore, J. and Teasdale, N.** (2011) Exploring gender and social entrepreneurship: women's participation in the third sector and social enterprises, Voluntary Sector Review Vol (2), No (1) <http://ncvo.org/z0cuZf>
- b) This includes all people who meet the criteria for either Disability Discrimination Act (DDA) or work-limiting disability.

## 68

- a) **Communities and Local Government** (2011) Citizenship Survey: 2010 – 2011 (April 2010 – March 2011), England <http://ncvo.org/qCfvkX> (pdf)

## 69

- a) **Communities and Local Government** (2010) 2008-09 Citizenship Survey: Volunteering and Charitable Giving Topic Report <http://ncvo.org/qJAYqb> (pdf)

## 70

- a) **Communities and Local Government** (2011) Citizenship Survey: 2010 – 2011 (April 2010 – March 2011), England <http://ncvo.org/qCfvkX> (pdf)
- b) **Mohan, J and Bulloch, S** (2012), The idea of a 'civic core': what are the overlaps between charitable giving, volunteering, and civic participation in England and Wales? (TSRC Working Paper 73) <http://ncvo.org/yJn4eB>

## 71

- a) **IVR** (2009) A gateway to work? The role of Volunteer Centres in supporting the link between volunteering and employability <http://ncvo.org/wXzMiR> (pdf)
- b) **Communities and Local Government** (2011) Citizenship Survey: 2010 – 2011 (April 2010 – March 2011), England <http://ncvo.org/qCfvkX> (pdf)
- c) **Office for Civil Society** (2010) National survey of charities and social enterprises (NSCSE) <http://ncvo.org/xlxGUa>

## 73

- a) **NCVO**, Charity Commission
- b) **Cornforth, C** (2001) Recent trends in charity governance and trusteeship <http://oro.open.ac.uk/1274/>
- c) **Office for Civil Society** (2010) National survey of charities and social enterprises (NSCSE) <http://ncvo.org/xlxGUa>
- d) **Lewis, R** (2012) Close to Parity: challenging the voluntary sector to smash the glass ceiling <http://ncvo.org/yZx7NM> (pdf)

# Acknowledgements

Our database of charities has been developed in partnership with, and funding for data entry from, the Third Sector Research Centre (TSRC). This data forms the basis of our analysis of UK general charities. TSRC acknowledges the receipt of financial support from ESRC, the Office for Civil Society, and the Barrow Cadbury Trust.

The sampling frame for data capture was designed in consultation with and advice from TSRC staff.

## Centre for Data Digitisation and Analysis

Data entry was carried out by the Centre for Data Digitisation and Analysis (CDDA), Queen's University, Belfast and we would particularly like to acknowledge the work of Elaine Yeates in managing this element of the work. The following staff at CDDA were involved in the work:

### Director

Paul Ell

### Project Manager

Elaine Yeates

### Senior IT Support Officer

David Hardy

### Quality Assurance Team

Anthony Anderson

Karleigh Kelso

### Data Entry Team

Bryan Hardy

Christopher Gilbert

Emma McGurk

Daniel Moynagh

Samantha Stelges

Brigid Sloan

David Thompson

Kerri Whiteside

Laura Yeates

[www.qub.ac.uk/cdda](http://www.qub.ac.uk/cdda)

During the production of the Almanac and its underpinning research programme we have received invaluable support and advice from many sources. We would like to thank the following people for their contributions:

### Ken Brew

Michelle Brister

### CaSE Insurance/aQmen Ltd

Huw Evans

[www.caseinsurance.co.uk](http://www.caseinsurance.co.uk)

### Charities Aid Foundation

Liz Goodey, Richard Harrison, Malcolm Smith

[www.cafonline.org](http://www.cafonline.org)

### Centre for Voluntary Sector Research, Sheffield Hallam University

Gareth Morgan

[www.shu.ac.uk/cvsr](http://www.shu.ac.uk/cvsr)

### Charity Commission

Sheila Birch, Caroline Cooke, Margaret Eccleston, Sandy Mansfield, Kim Treanor

[www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)

### Civil Society Media

Daniel Phelan, Dominic Collard, Tania Mason

[www.civilsociety.co.uk](http://www.civilsociety.co.uk)

### Common Capital

Dan Gregory

[commoncapital.blogspot.com](http://commoncapital.blogspot.com)

### Legacy Foresight

Meg Abdy, Chris Farmelo

[www.legacyforesight.co.uk](http://www.legacyforesight.co.uk)

### Millipedia

Stephen Cooper

[www.millipedia.co.uk](http://www.millipedia.co.uk)

### NCVO

James Allen, Cynthia Akinsanya, Ellie Brodie, Nicole Catenazzi, Elizabeth Chamberlain, Luke Chaput de Saintonge, Joy Dobbs, Tom Elkins, Sir Stuart Etherington, Dan Fluskey, Matt Gilfeather, Megan Griffith-Gray, Simon Hill, Véronique Jochum, Ben Kernighan, Gillen Knight, Martyn Lewis CBE, Claire McDowell, Maurice McLeod, Mandy Murphy, Virpi Oinonen, Oliver Reichardt, Louise Rogers, Teresa Scott, Chloe Stables, Charlotte Stuffs, Andrew Walkey, Nick Wilson-Young

[www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)

### Northern Ireland Council for Voluntary Action (NICVA)

Stephen Bloomer

[www.nicva.org](http://www.nicva.org)

### Office for National Statistics (ONS)

Hisham Alhassan, Andrew Barnard

[www.statistics.gov.uk](http://www.statistics.gov.uk)

### Office for Civil Society

Rebecca Wyton

[www.cabinetoffice.gov.uk/big-society](http://www.cabinetoffice.gov.uk/big-society)

### Oxford Centre for Mutual and Employee-owned Business, University of Oxford

Henriette Lundgren, Jonathan Michie

[www.kellogg.ox.ac.uk/researchcentres/meob.php](http://www.kellogg.ox.ac.uk/researchcentres/meob.php)

### Remember a Charity

Rob Cope

[www.rememberacharity.org.uk](http://www.rememberacharity.org.uk)

### Scottish Council for Voluntary Organisations (SCVO)

Ilse Mackinnon, Ruchir Shah

[www.scvo.org.uk](http://www.scvo.org.uk)

### Skills Third Sector

Graham Leigh, James McHugh, Keith Mogford

[www.skills-thirdsector.org.uk](http://www.skills-thirdsector.org.uk)

### Sports and Recreation Alliance

Syann Cox

[www.sportandrecreation.org.uk](http://www.sportandrecreation.org.uk)

### SteersMcGillanEves Design Ltd.

Jon Ashford, Miriam Ashurst, Christian Eves, Ross Granger, Richard McGillan, Chloe Steers, Dan Weeks

[www.steersmcgillaneves.co.uk](http://www.steersmcgillaneves.co.uk)

### Third Sector Research Centre

David Clifford, Rachel Cooper, Nicki Elvins, Frida Geyne Rajme, Steve McKay, John Mohan, Inez Scudder, Peter Smith

[www.tsrc.ac.uk](http://www.tsrc.ac.uk)

### Wales Council for Voluntary Action (WCVA)

Bryan Collis

[www.wcva.org.uk](http://www.wcva.org.uk)

Finally, it would not have been possible to produce the Almanac without the continuing support from the Charity Commission for England and Wales, and in particular their provision of access to the charities register.

#### NCVO Research

NCVO's research aims to support the development of policy and practice in the voluntary and community sector. Further information on our work can be found at: [www.ncvo-vol.org.uk/research](http://www.ncvo-vol.org.uk/research)

#### NCVO Third Sector Foresight

NCVO Third Sector Foresight helps voluntary and community organisations to be more effective with strategic insight and planning tools. The Third Sector Foresight website [www.3s4.org.uk](http://www.3s4.org.uk) provides a searchable database of drivers shaping the future of the sector and a community of people interested in this area. [www.3s4.org.uk](http://www.3s4.org.uk)

#### NCVO Membership

NCVO is the home to over 8,200 member organisations, all with access to our host of exclusive benefits and services. Members get high quality, relevant information; tailored advice and support and money saving opportunities with our preferred suppliers. Their collective voice helps NCVO lobby Government whilst enjoying being part of a community of like-minded voluntary organisations with similar challenges [www.ncvo-vol.org.uk/membership](http://www.ncvo-vol.org.uk/membership)

# Fast facts

Civil society	2009/10	2008/09 <sup>1</sup>
Number of organisations	900,000	*2
Total income	£170 billion	*2
Civil society paid workforce (headcount)	2.0 million	*2

Voluntary organisations	2009/10	2008/09
<b>Number of voluntary organisations</b>	<b>163,763</b>	<b>167,948</b>
<b>Total income</b>	<b>£36.7 billion</b>	<b>£36.4 billion</b>
Voluntary income	£14.1 billion	£13.9 billion
Earned income	£20.1 billion	£19.5 billion
Investment income	£2.4 billion	£3.1 billion
Income from individuals	£14.3 billion	£14.1 billion
Income from statutory sources	£13.9 billion	£13.3 billion
Income from National Lottery distributors	£0.5 billion	£0.4 billion
Income from other sources	£8.0 billion	£8.5 billion
<b>Total current expenditure</b>	<b>£36.3 billion</b>	<b>£35.6 billion</b>
Expenditure on charitable activities (excluding grants)	£26.5 billion	£26.3 billion
Expenditure on grants	£4.6 billion	£4.2 billion
Expenditure on generating funds	£4.1 billion	£4.2 billion
Expenditure on governance	£1.0 billion	£0.9 billion
<b>Net assets</b>	<b>£90.2 billion</b>	<b>£83.1 billion</b>

Giving	2010/11	2009/10
Mean amount donated per person in last four weeks	£31	£31
<b>Proportion giving to charity</b>	Men	52%
	Women	61%

Workforce	2010	2009
UK voluntary sector paid workforce (headcount)	765,000	721,000
<b>Employment status</b>	Full-time	477,000 (62%)
	Part-time	288,000 (38%)
<b>Gender</b>	Female	522,000 (68%)
	Male	244,000 (32%)

Volunteering	2010/11	2009/10
<b>Proportion of people formally volunteering</b>	at least once a month	25%
	at least once a year	39%

<sup>1</sup> Adjusted to April 2010 prices.

<sup>2</sup> Due to changes in methodology and the availability of data the civil society results are not directly comparable year-on-year.





This publication can be made available in large print and alternative formats on request.

Please contact NCVO on 020 7713 6161 for more information.

**The UK Civil Society Almanac – 11th edition**

First published in 1996 as the UK Voluntary Sector Statistical Almanac, the 2012 edition is the reference publication for anybody interested in the voluntary sector and its role in civil society. Widely cited by the media, government policy makers and sector leaders, the Almanac offers a definitive overview of the voluntary sector's scope and characteristics, enhanced by analysis of long-term trends. Our analysis draws upon our own unique historical dataset, developed in partnership with the Third Sector Research Centre, plus data and evidence from a range of government and industry research. All of the tables and charts in the Almanac, and the data behind them, can be downloaded at [data.ncvo-vol.org.uk](http://data.ncvo-vol.org.uk).

This latest edition provides a compelling overview of the sector and wider civil society in difficult times. Faced with a deep recession and an aftermath of high inflation and low growth, our analysis illustrates a sector even more committed to public benefit, increasing its level of support for users and beneficiaries. It also highlights causes for concern, not least of which is the reduction in capacity we have begun to monitor. Even so, we present evidence that the sector continues to make a positive contribution to employment and economic growth. The Almanac vividly demonstrates that voluntary organisations are building a more social economy and a more civil society.

NCVO believes its members and those with a stake in civil society need the best quality evidence base to help them inform policy and practice and plan for the future. To find out more about our public policy work, visit [www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)



**National Council for Voluntary Organisations**  
Regent's Wharf  
8 All Saints Street  
London N1 9RL  
T: 020 7713 6161  
F: 020 7713 6300  
E: [ncvo@ncvo-vol.org.uk](mailto:ncvo@ncvo-vol.org.uk)  
[www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)

Textphone: 0800 01 88 111

Charity Registration: 225922  
The paper used for this publication is sourced from sustainable forests.



[civilsociety.co.uk](http://civilsociety.co.uk)

**Civil Society Media Ltd**  
15 Prescott Place  
Clapham  
London SW4 6BS  
T: 020 7819 1200  
F: 020 7819 1210  
E: [info@civilsociety.co.uk](mailto:info@civilsociety.co.uk)  
[www.civilsociety.co.uk](http://www.civilsociety.co.uk)



**Third Sector Research Centre (TSRC)**  
Park House  
40 Edgbaston Park Road  
University of Birmingham  
B15 2RT  
T: 0121 414 3086  
E: [info@tsrc.ac.uk](mailto:info@tsrc.ac.uk)  
[www.tsrc.ac.uk](http://www.tsrc.ac.uk)

NCVO members **£40**  
Non-members **£125**

ISBN 978-0-7199-0004-4



9 780719 900044