



## BRIEFING PAPER

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# Charities and the voluntary sector: statistics

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## Summary

There are different estimates for the size, income and activities of the voluntary sector. According to the NCVO there were around 160,000 voluntary organisations in the UK in 2012/13. In contrast the Charity Commission estimates there were 164,000 charities in England and Wales as of 30 September 2014.

The most common activity of UK voluntary organisations was the provision of social services (18%), followed by cultural and recreational services (14%) and religious activities (8%).

The estimated income of the UK voluntary sector was £40 billion in 2012/13, according to the NCVO. Earned income contributed 56% of this total, voluntary income 37% and investments 7%. Total income has fallen, in real terms, each year since 2009/10. Alternatively, according to the Charity Commission the estimated income of charities in England and Wales was £64 billion as of 30 September 2014. Two fifths of charities earned less than £10,000 per annum.

Voluntary sector income from government was £13 billion in 2012/13, according to the NCVO. 30% of this income went to organisations performing social services, 14% to health.

Social investment is the provision of repayable finance – such as various loan types, mortgages and other secured investments – to charities and social enterprises in order to fund social as well as financial returns. Social investment was central to the government's conception of the Big Society. In 2011/12 the market was valued at £202 million. 756 investments were made by 29 existing social banks or other investor types. Of these organisations, four social banks accounted for 82% of market value.

In 2014/15 the National Lottery granted £1.9 billion to its good-causes distributors. This included £0.3 billion to the Arts, £0.4 billion to Sports, £0.3 billion to the Heritage Lottery Fund and £0.8 billion to the Big Lottery Fund. According to the NCVO, the National Lottery accounted for about 1.2% of UK voluntary sector income in 2012/13.

75% of adults in England had, in 2014/15, given to charity in the four weeks prior to survey. Of those who had given to charity, 17% had given less than £4 and 14% over £50. Around £7.0 billion was received from donations, gifts and legacies by the UK voluntary sector in 2012/13.

In 2014/15 approximately 47% of adults in England volunteered at least once a month on either a formal or informal basis.

# 1. About the sources

The [National Council of Voluntary Organisation's](#) (NCVO) [UK Civil Society Almanac](#) and the [Charity Commission](#) are the primary sources for data on the third sector in the UK.

The NCVO is an independent charitable company limited by guarantee to which organisations may apply for membership; NCVO currently has approximately 11,000 member organisations.<sup>1</sup> It has published the UK wide Civil Society Almanac on an annual basis since 1996. The Charity Commission is a government watchdog the duties and responsibilities of which are laid out in the [Charities Act 2011](#); among other duties, it is responsible for the registering of eligible organisations in England and Wales and ensuring charities meet their legal requirements.

Each of these sources will be referred to alternately throughout this note. Data from each is not, however, directly comparable: NCVO and Charity Commission statistics differ in both geographic extent and the way in which they identify charitable organisations. The net result of these differences is, to quote the NCVO Almanac, that “the Almanac reports more organisations but less income”.<sup>2</sup>

Specifically, the NCVO UK Civil Society Almanac:

- Applies the “general charities” definition to the register of charities in England & Wales and similar registers covering Scotland and Northern Ireland. This definition is developed by the Office for National Statistics.
- Excludes, according to the general charities definition, organisations that are inactive or subsidiaries of other organisations.
- Excludes organisations that “belong elsewhere in civil society” such as housing associations, independent schools or faith groups.
- Excludes organisations that hold charitable status but are not independent of government.

In contrast the Charity Commission’s [Register of Charities](#) records all organisations that:

- Are recognised as charitable in law; and
- Hold most of their assets in England and/or Wales; or
- Have all or the majority of their trustees in England and/or Wales; or
- Are companies incorporated in England and/or Wales.

Statistics from both the NCVO and the Charity Commission are referred to below so to provide readers with a range and depth of statistical information.

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<sup>1</sup> National Council Voluntary Organisations; [About Us](#) (accessed 27<sup>th</sup> November 2014)

<sup>2</sup> National Council Voluntary Organisations; [Why are our estimates lower than the Charity Commission's figures?](#) (Accessed 27 November 2014)

## 2. The voluntary sector: size & scope

This section provides statistics on the size and scope of the third sector. It does so by examining the number and geographic range of voluntary organisations and their activities.

### 2.1 Size of the sector

In 2012/13 there were approximately 160,045 voluntary organisations operating in the UK, according to the NCVO Almanac. **Figure 1** displays the number of voluntary organisations per region in 2012/13.

**Figure 1: Distribution of voluntary organisations by area 2012/13**

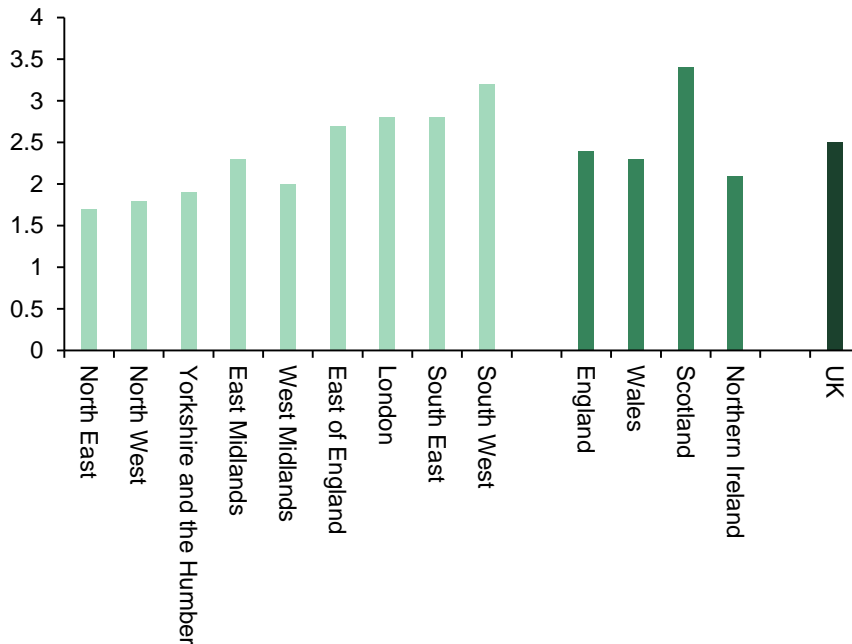
| Area                     | Number of organisations | Organisations per 1,000 people |
|--------------------------|-------------------------|--------------------------------|
| North East               | 4,405                   | 1.7                            |
| North West               | 13,050                  | 1.8                            |
| Yorkshire and the Humber | 10,078                  | 1.9                            |
| East Midlands            | 10,611                  | 2.3                            |
| West Midlands            | 11,225                  | 2                              |
| East of England          | 16,371                  | 2.7                            |
| London                   | 23,559                  | 2.8                            |
| South East               | 24,323                  | 2.8                            |
| South West               | 17,153                  | 3.2                            |
| England                  | 130,775                 | 2.4                            |
| Wales                    | 7,132                   | 2.3                            |
| Scotland                 | 18,225                  | 3.4                            |
| Northern Ireland         | 3,913                   | 2.1                            |
| <b>UK</b>                | <b>160,045</b>          | <b>2.5</b>                     |

Source: [NCVO UK Civil Society Almanac](#)

The South East has the highest number of any region of England with approximately 24,300 organisations and 15.2% of the UK total. Northern Ireland has the lowest number of any single area with approximately 3,900 organisations (2.4%).

**Figure 2** shows data on the number of voluntary organisations per 1,000 people within regions of England, England, Scotland, Wales, Northern Ireland and the UK. This data shows that, per person, voluntary organisations are most concentrated in Scotland where 3.4 organisations exist per 1,000 people. The UK average is approximately 2.5 organisations per 1,000 people.

**Figure 2: UK organisations per 1,000 people per English regions and Scotland, Wales and Northern Ireland 2012/13**



Source: [NCVO UK Civil Society Almanac](#)

The Charity Commission provides alternative data on the number of charitable organisations in England and Wales. While the NCVO recorded around 139,000 organisations in England and Wales in 2011/12, as the year's end of 2012 the Charity Commission's Register of Charities recorded 163,000 organisations. This was an increase of approximately 1% (by roughly 1000 organisations) on the total recorded the previous year by the Register of Charities.<sup>3</sup>

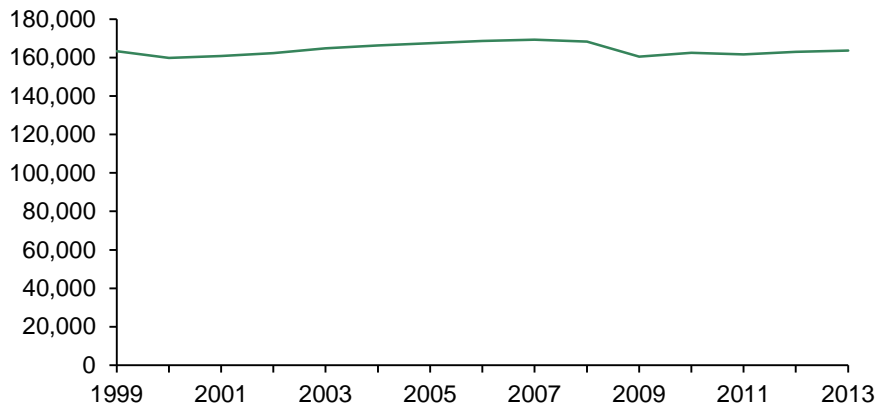
**Figure 3** displays data from the Charity Commission for the total number of charities in England & Wales 1999 – 2013. The total number of organisations in the Register of Charities fell by 4.7% (7,800) between 2008 and 2009. Despite this the number of charities in England and Wales has remained relatively constant since the new millennium. In 2013 there were around 164,000 charities, 1% fewer than a decade earlier. As of 30 September 2014 the Charity Commission recognised 164,000 charities.<sup>4</sup>

<sup>3</sup> Please refer to Section 1 for explanation of this disparity.

<sup>4</sup> Charity Commission; [Recent charity register statistics: Charity Commission](#) (accessed 28 November 2014)

**Figure 3: Total number of charities in England & Wales 1999–2013**

*As of 31 December of each year*



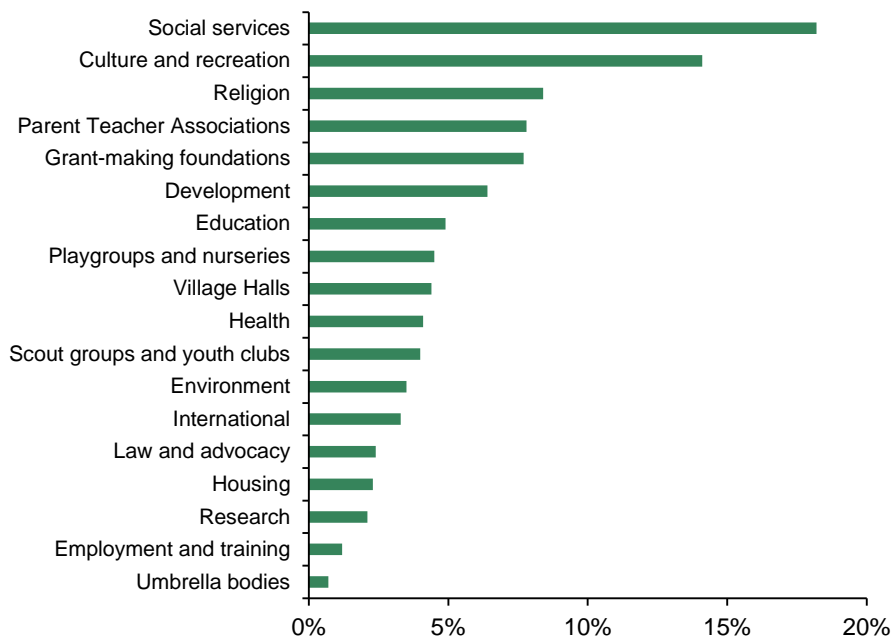
Source: Charity Commission; [Charity Register Statistics](#)

## 2.2 Areas of activity

The NCVO allocates voluntary organisations to discrete categories according to their principle area of economic activity using definitions created by the [International Classification of Non-profit Organisations](#) (ICNPO). **Figure 4** shows the distribution of voluntary organisations by area of activity in 2012/13.

In 2012/13 the primary economic activity of 18.2% (29,103) of voluntary organisations was the provision of social services; 14.1% (22,526) were engaged in culture and recreation; 8.4% (13,430) were categorised as religious. Excluding umbrella bodies, the category to make up the lowest proportion of total UK voluntary organisations by activity was employment and training (1.2% - 1,942 organisations).

**Figure 4: Distribution of voluntary organisations by area of activity 2012/13**



Source: [NCVO UK Civil Society Almanac](#)

## 3. Funding & finance

This section examines the income of the voluntary sector together with the sector's key income sources, including social investment, the National Lottery and charitable donations.

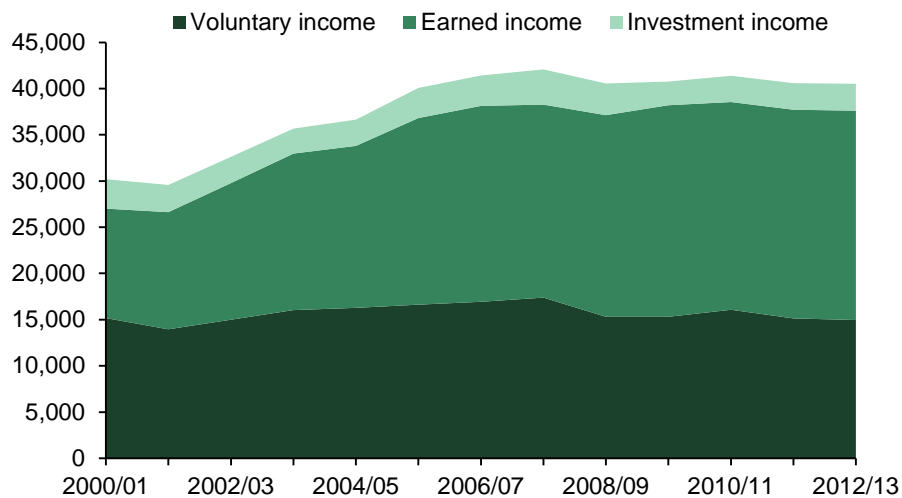
### 3.1 Income

Alternative measures of voluntary sector income are provided by the NCVO Almanac and the Charity Commission.

**Figure 5** displays the earned, voluntary and investment income of the UK's voluntary sector 2001/02 – 2012/13. The NCVO estimated total income of the voluntary sector in 2012/13 as approximately £40 billion. This comprised of £23 billion (56%) from earned income, £15 billion (37%) from voluntary income and £2.9 billion (7%) from investment. Total income peaked in real terms over the 2001/02 – 2012/13 period at approximately £42 billion (2012/13 prices) in 2007/08.

#### **Figure 5 UK wide voluntary sector annual voluntary, earned and investment income 2001/02 – 2012/13**

*£ millions, April 2013 prices*



Source: [NCVO UK Civil Society Almanac](#)

The Charity Commission provides an alternative measure of the income of the charity sector; see Section 1 for explanation as to how and why estimates from the Charity Commission and the NCVO differ.

**Figure 6** provides statistics on the number of charities per income bracket in England and Wales as of 30 September 2014 according to the Charity Register.

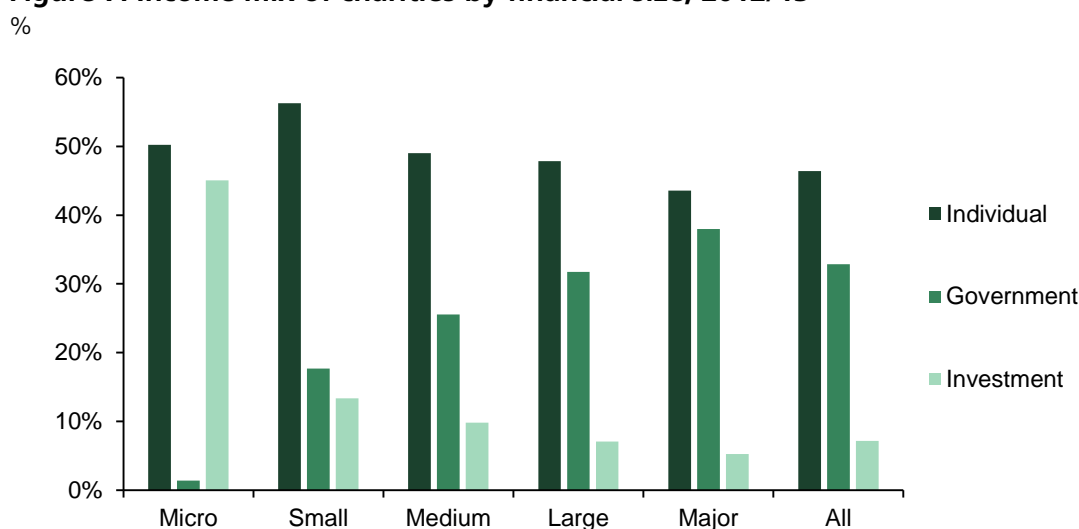


**Figure 6: Annual income of charities in England & Wales as of 30 September 2014**

| Annual income bracket  | Number of charities | %           | Annual income £bn | %          |
|------------------------|---------------------|-------------|-------------------|------------|
| £0 to £10,000          | 67,972              | 41.4        | 0.2               | 0.4        |
| £10,001 to £100,000    | 55,207              | 33.6        | 1.9               | 3.0        |
| £100,001 to £500,000   | 20,940              | 12.8        | 4.6               | 7.2        |
| £500,001 to £5,000,000 | 8,358               | 5.1         | 12.6              | 19.6       |
| £5,000,000 plus        | 1,990               | 1.2         | 44.7              | 69.8       |
| <b>Sub-total</b>       | <b>154,467</b>      | <b>94.1</b> | <b>64.1</b>       | <b>100</b> |
| Not yet known          | 9,630               | 5.9         | 0                 | 0          |
| <b>Total</b>           | <b>164,097</b>      | <b>100</b>  | <b>64.1</b>       | <b>100</b> |

Source: [Recent charity register statistics](#); Charity Commission

**Figure 6** shows a disparity between the number of organisations on the Register of Charities and the distribution of income. Organisations earning over £5 million comprise 1.2% of organisations while accounting for 69.8% of income. NCVO figures show a similar trend. In 2012/13 charities earning under £10,000 accounted for 49.3% of organisations and 0.6% of the sector's income, while charities earning over £10 million accounted for 0.4% of organisations and 47.9% of the sector's income.

**Figure 7: Income mix of charities by financial size, 2012/13**

Source: [NCVO UK Civil Society Almanac](#)

## 3.2 Income from government

Income from government was around £13 billion in 2012/13 for the UK voluntary sector, according to the NCVO. This comprised of £6.8 billion (51%) from local government, £5.8 billion (44%) from central government and £0.7 billion from international government (5%).

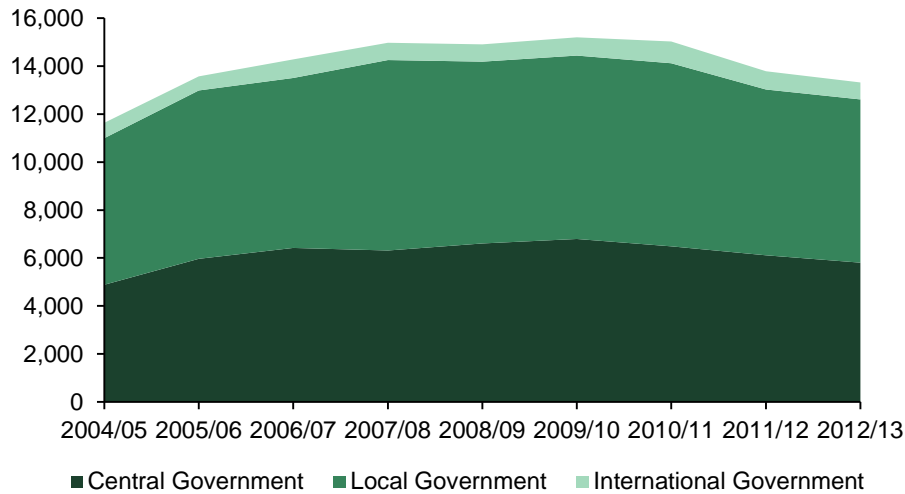
**Figure 8** shows a time series from 2004/05 to 2012/13.

The balance of government contracts to grants has shifted over the past decade: whereas in 2004/05 43% of government income to the voluntary sector was made through grants and 57% via contracts, in

2012/13 grants comprised 17% of income from government and contracts 83%.

**Figure 8: Voluntary sector income from government 2004/05 to 2012/13**

*£ millions, April 2013 prices*

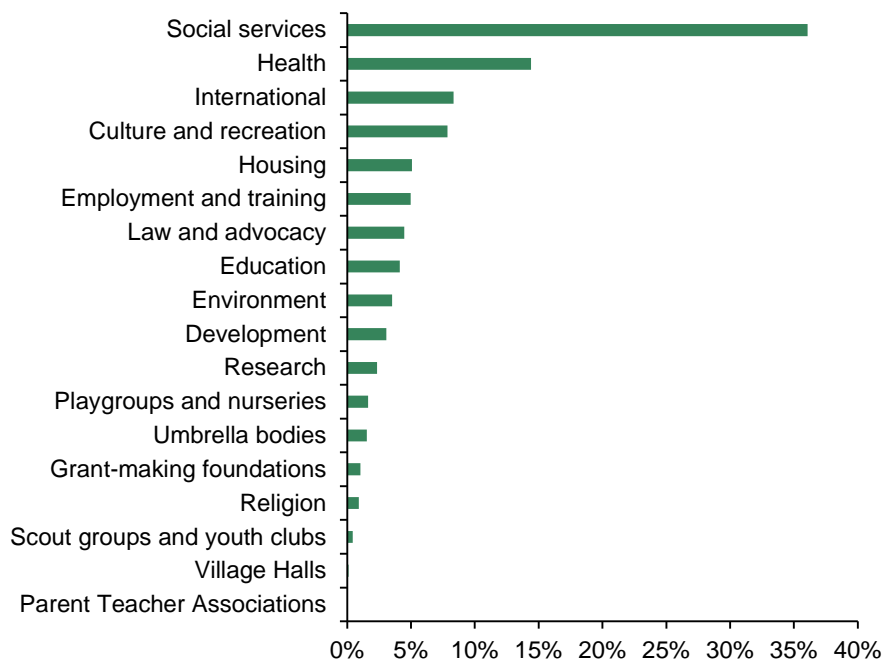


Source: data provided by the NCVO

Social service organisations received 36% of government income to the voluntary sector in 2012/13, according to NCVO analysis. Health organisations received 14% of income, organisations undertaking “international” activities 8% and cultural and recreational organisations 8%.

**Figure 9: Income from government by organisational activity**

%



Source: data provided by the NCVO

### 3.3 National Lottery Funding

This section focuses on all grants made by the National Lottery to its Arts, Sports and Heritage distributors and the Big Lottery Fund. For detail on individual grants made by the National Lottery (and its distributors) or a breakdown of grants made over time per constituency, region or country see the Department of Culture, Media and Sport's (DCMS) [Lottery Grants Search tool](#).

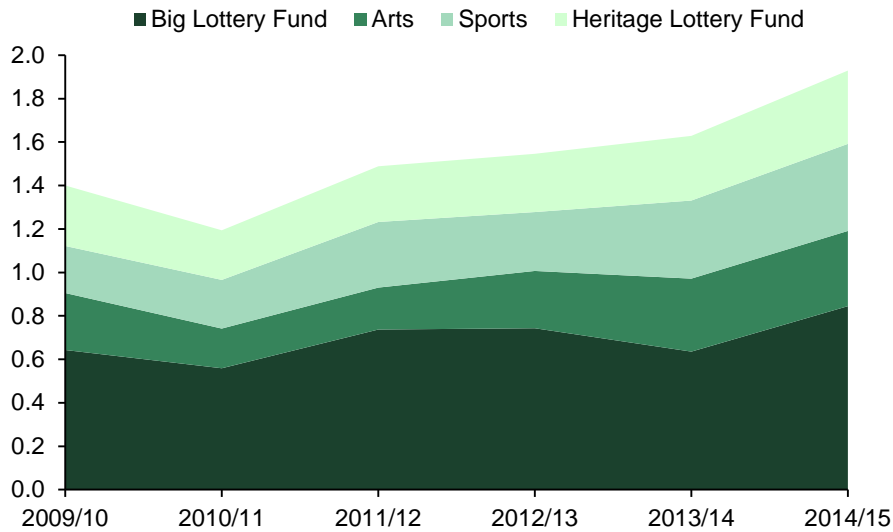
The National Lottery Distribution Fund (NLDF) accounts detail the money raised by the National Lottery and passed on to its distributors. There are several ways in which the amount passed on to distributors may be measured reflecting the steps via which Lottery proceeds are accounted for and distributed. Data presented here is the amount authorised for payment to distributing bodies, as explained below.

As of 2013/14, proceeds from the National Lottery are divided between investment funds for the Arts, Sports, Heritage Lottery Fund and Big Lottery Fund on an annual basis according to the ratio 1:1:1:2 respectively. Operational costs of running the NLDF and the Gambling Commission are deducted from these proceeds via the same ratio; investment income is also divided in this manner. DCMS then authorises an amount payable to each of the NLDF distributors, resulting in a net increase/decrease to the balance available per distributor. Data presented below is the amount authorised for payment to distributing bodies having taken into account the division of Lottery proceeds, operational costs, investment income and the resulting increase/decrease in funds available to each distributor.

**Figure 10** shows, in cash terms, the amount authorised for payment from the National Lottery Distribution Fund to the Arts, Sports, Heritage Lottery Fund and Big Lottery Fund. In 2014/15 approximately £345 million was granted to the Arts by the NLDF, £401 million to Sports, £337 million to the Heritage Lottery Fund and £845 million to the Big Lottery Fund.

**Figure 10: Amount authorised for payment to distributing bodies from the NLDF 2008/09 – 2014/15**

*£ billion cash terms*



Source: National Lottery Distribution Fund accounts 2009/10 – 2014/15

In years 2008/09 – 2012/13 money was transferred from the NLDF to the Olympic Lottery Distribution Fund (OLDF) created to finance the London 2012 Olympic Games. Data displayed in **figure 11** are amounts authorised for payment by the NLDF to individual distributors having taken into account transfers to the OLDF.

In total the NLDF committed to pay around £1.1 billion to the OLDF; approximately £638 million was transferred from funds otherwise allocated for the Big Lottery Fund, £161 million from funds allocated for the Heritage Lottery Fund, £124 million from funds allocated to Sports and £161 million from funds allocated to Arts.

**Figure 11** displays the amount transferred to the OLDF 2008/09 – 2012/13.

**Figure 11: Amount transferred to the Olympic Lottery Distribution Fund per NLDF Distributor 2009/09 – 2012/13**

*£ 000s*

| Distributor           | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
|-----------------------|---------|---------|---------|---------|---------|
| Arts                  | 10,847  | 43,387  | 43,388  | 43,388  | 20,208  |
| Sports                | 8,374   | 33,495  | 33,495  | 33,495  | 15,601  |
| Heritage Lottery Fund | 10,847  | 43,389  | 43,388  | 43,388  | 20,208  |
| Big Lottery Fund      | 42,932  | 171,729 | 171,729 | 171,729 | 79,983  |
| Total                 | 73,000  | 292,000 | 292,000 | 292,000 | 136,000 |

Source: National Lottery Distribution Fund accounts 2009/10 – 2013/14

### 3.4 Social investment

Social investment is the provision and use of repayable finance to generate social as well as financial returns, central to Prime Minister David Cameron's conception of the [Big Society](#). Launched in 2011, the Government paper [Growing the Social Investment Market: A vision and strategy](#) detailed that:

We want to make it easier for social ventures to access the capital and advice they need to grow, unlocking the potential to improve more lives. So at the heart of our vision is nothing less than a new 'third pillar' of finance for social ventures, to sit alongside traditional giving and funds from the state.... Our vision calls for the creation of a new 'asset class' of social investment to connect social ventures with mainstream capital.<sup>5</sup>

[Big Society Capital](#), the 'Big Society Bank', was subsequently founded in order to grow the social investment market and the number of investors operating within it.<sup>6</sup>

**Figure 12** shows data on the value and volume of the social investment market as reported by the July 2013 paper [Growing the Social Investment Market: The Landscape and Economic Impact](#).

**Figure 12: Value and volume of the UK social investments by SIFI type 2011/12**

| Type of SIFI | Value £m   | %          | Average investment<br>£000s | Number     | %          |
|--------------|------------|------------|-----------------------------|------------|------------|
| Social Bank  | 166        | 82         | 723                         | 229        | 30         |
| Large SIFI   | 30         | 15         | 71                          | 427        | 56         |
| Small SIFI   | 5          | 3          | 56                          | 109        | 14         |
| <b>Total</b> | <b>202</b> | <b>100</b> | <b>264</b>                  | <b>765</b> | <b>100</b> |

**Source:**

City of London Economic Department; [Growing the Social Investment Market: the Landscape and Economic Impact](#) (July 2013)

**Notes:**

1 – SIFI: *Social Investment Finance Intermediary*

2 – 'Large' SIFIs are those investing a total greater than £1 million.

In 2011/12 the social investment market was valued at £202million. 756 investments were made by Social Investment Finance Intermediaries. 29 UK SIFIs were active over this period. The market remains highly concentrated: four social banks account for 82% of the social investment market by value in 2011/12 but 30% of the total number of investments only. 9 large SIFIs account for 15% of the market by value and 56% of the total number of investments. 90.2% of all social investments by value made in 2011/12 were secured loans or mortgages.

<sup>5</sup> HM Government; [Growing the Social Investment Market: A vision and strategy](#) (February 2011); page 17

<sup>6</sup> See the House of Commons Library Standard Note SN05876 [Big Society Bank](#) (13 June 2014)

### 3.5 Charitable donations

Individuals are the voluntary sector's single biggest source of income, according to the NCVO. In 2012/13 individuals – including money raised via donations, memberships, legacies, fundraising and charitable trading - accounted for £18.8 billion (46%) of the sector's total income. Approximately £7.0 billion of total income was from donations, gifts and legacies.

**Figure 13** displays annual voluntary sector income from individuals for the years 2003/04 – 2012/13. Data is broken down by earned income, donated income and legacies.

#### **Figure 13: Voluntary sector income from individuals 2000/01 - 2012/13**

*£ millions, April 2013 prices*



**Source**

[NCVO UK Civil Society Almanac](#)

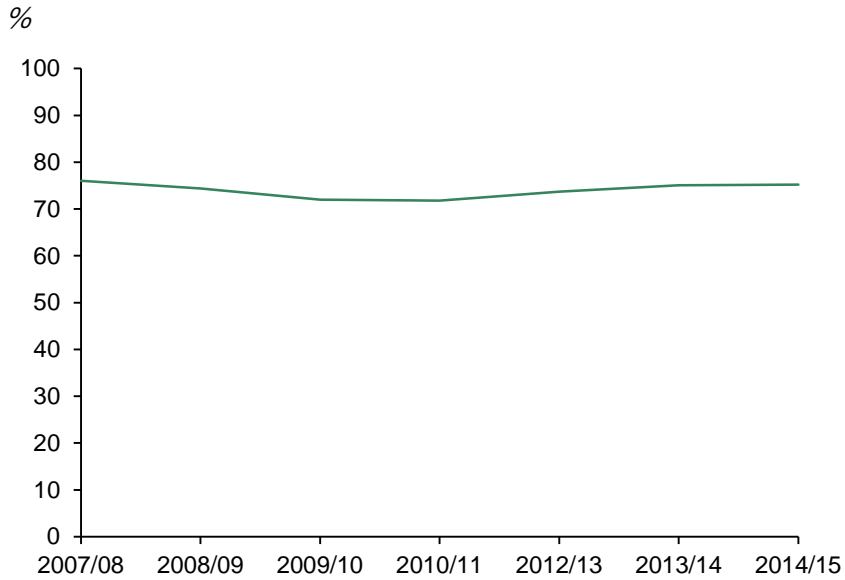
**Notes**

- 1 – Including fundraising by charities where benefit is received in return, charity shop turnover, sales of merchandise, raffles and lotteries, fees for fundraising events, fees for services provided & rent from property
- 2 – Individual donations (gross, including Gift Aid reclaimed) and membership subscriptions without significant benefits

The Cabinet Office [Community Life Survey](#), first undertaken in 2012, provides further information on individual charitable giving; data for the years 2001 – 2011 is available from the [Citizenship Survey](#) (now amalgamated in to the Community Life Survey).

**Figure 14** shows the percentage of adults in England to have given to charity in the 4 weeks prior to survey for years 2007/08 – 2014/15. In 2014/15 75% of individuals had given to charity in the four weeks prior to survey, a slight fall from 76% in 2007/08. Frequency of individual charitable giving was at its lowest (72%) in 2009/10 and 2010/11.

**Figure 14: Percentage of adults in England to have given to charity in 4 weeks prior to survey, selected years 2007/08 – 2013/14**



Source: Cabinet Office; [Community Life Survey & Citizenship Survey](#)

In each year 2014/15 men were on average 7% less likely to have given to charity in the four weeks prior to interview than women. Of those individuals to have given to charity in the four weeks prior to interview, in 2014/15 17% had given less than £4 and 14% over £50.

## 4. Volunteering

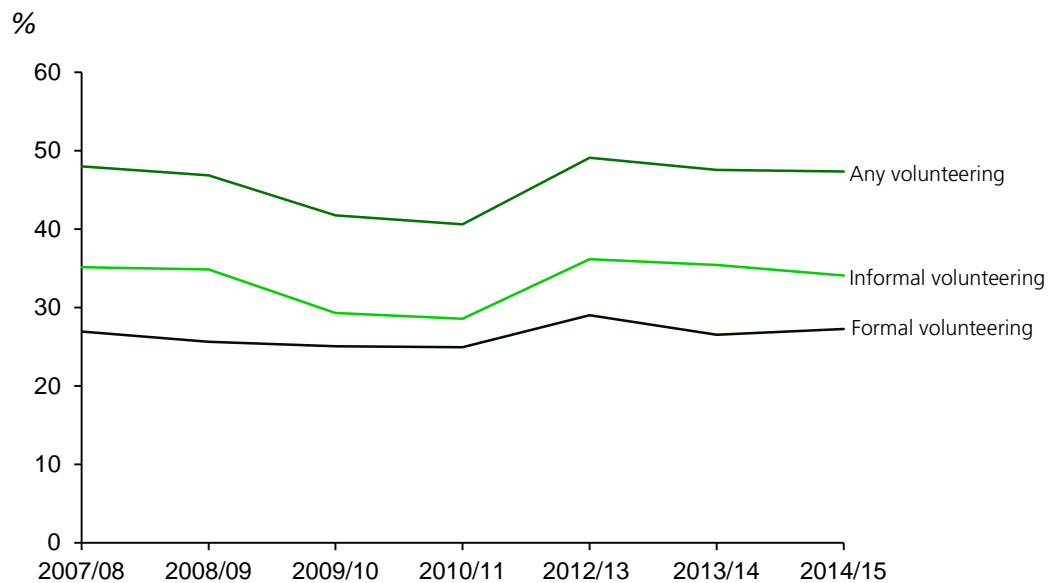
In 2014/15 47% of adults in England volunteered at least once a month on either a formal or informal basis, according to the Cabinet Office [Community Life Survey](#). This was a fall from the year previously, but a rise from 41% in 2010/11.

Rates of informal volunteering in 2014/15 (34%) fell slightly from a high in 2012/13 but remain above the low recorded in 2010/11. Rates of formal volunteering in 2013/14 (27%) likewise fell slightly from 2012/13 but remain unchanged from 2007/08.

**Figure 15** provides data on estimated volunteering rates in England 2007/08 – 2014/15.

Informal volunteering at least once a month is highest among 26 to 34 year olds (38%). Formal volunteering at least once a month is highest among 16 to 25 years olds (35%).

**Figure 15: Informal and formal participation of adults aged 16 & over in England in voluntary activities at least once a month 2007/08 – 2014/15**



**Sources**

For years 2007/08 – 2010/11: *Citizenship Survey*  
 For years 2012/13 – 2014/15: *Community Life Survey*

**Notes**

- 1 – ‘Formal volunteering’ includes, among other examples, activities such as sports coaching, running of social clubs, trade union activity and education for adults.
- 2 – ‘Informal volunteering’ includes, among other examples, baby-sitting, household chores on an informal basis and befriending elderly or vulnerable persons.



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