FAST FACTS

Civil society		2005/06
	Number of organisations	865,000
	Total income	£108.9 billion
	Civil society paid workforce headcount	1,367,000

General charities		2005/06	2004/05
	Number of general charities	164,195	164,415
	Total income	£31.0 billion	£28.3 billion
	Voluntary income	£12.9 billion	£12.5 billion
	Earned income	£15.6 billion	£13.6 billion
	Investment income	£2.5 billion	£2.2 billion
	Income from individuals	£11.5 billion	£10.7 billion
	Income from government	£10.5 billion	£9.0 billion
	Income from National Lottery	£0.6 billion	£0.5 billion
	Income from other sources	£8.4 billion	£8.1 billion
	Total current expenditure	£29.1 billion	£25.7 billion
	Expenditure on charitable activities	£21.1 billion	£18.1 billion
	Expenditure on grants	£3.8 billion	£3.5 billion
	Expenditure on generating funds	£3.3 billion	£2.5 billion
	Expenditure on management and administration	£1.0 billion	£1.6 billion
	Net assets	£86.1 billion	£79.5 billion

Giving		2006/07	2005/06
Mean amount donated per person in last four weeks		£16	£16
Proportion giving to charity	Men	48%	53%
	Women	59%	60%

Workforce		2005	2002
UK paid voluntary sector workforce headcount		611,000	567,000
Employment status	Full time	61%	65%
	Part time	39%	35%
Gender	Female	69%	68%
	Male	31%	32%

Volunteering		2005	2003
Number of people volunteering	at least once a month	29%	28%
	at least once a year	45%	42%

The *Civil Society Almanac* is an indispensable guide to the sector for chief executives, trustees, funders, academics and anyone interested in the sector. It gives an essential overview of where civil society organisations get their money from, how they spend it and how the sector is changing. This is a comprehensive information resource that will help organisations understand how they compare to their peers.

This groundbreaking research looks at higher education, museums, housing associations, co-operatives, trade unions, political parties and more. The almanac is the first publication to provide a comprehensive map of civil society organisations and their financial breakdown. Based on GuideStar UK data and other sources, it combines easy-to-read graphics with in-depth tables.

'the sector's most important reference book'

Ed Miliband MP, Minister for the Cabinet Office

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This is the Executive Summary of the Civil Society Almanac, NCVO's groundbreaking research, which, for the first time ever, provides a comprehensive map of civil society organisations and their financial breakdown.

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giving voice and support to civil society

ncvo

The UK Civil Society Almanac 2008

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Civil Society: An Overview

The Civil Society Almanac represents our first attempt to identify the number, scope and value of the groups, societies and organisations that comprise civil society. This represents a significant shift from previous Almanacs, which focused on 'general charities', those organisations with charitable status that have traditionally been viewed of as the core of what is increasingly termed the third sector. The general charities definition remains at the core of this revised publication so as to enable a sense of continuity.

Civil society covers a much broader range of groups, societies and organisations than just those with charitable status. Moreover, the associational life mapped in the Almanac is, it has been argued, just one dimension of civil society. The inclusion of organisations with different traditions (such as co-operatives) or those at the boundaries (such as universities) will not find agreement amongst all readers, but we have sought to clearly identify each of the component parts to enable disaggregation.

The difficulty of covering such a broad range of entities, with no clear boundaries with the market and the state, inevitably means that the level of information available varies among the different parts of civil society. Nevertheless, we are confident that our estimates are robust. We will be refining our methodology in future almanacs to continue to improve our estimates.

1.1
CIVIL SOCIETY

There were 865,000 civil society organisations with a total income of £109 billion in 2005/06.
While most of these are small community based organisations that have little income, there are also a significant number of large organisations with resources of many millions of pounds that have a strong influence on British society.

General charities, co-operatives, universities and housing associations dominate the civil society economic landscape.
Between them they account for over three-quarters of the income and assets of civil society organisations. They originate from three relatively distinct strands of the civil society tradition – charitable activity, mutualism and education. This reflects the breadth of civil society and its multi-layered contribution to life in Britain.

1.2
GENERAL CHARITIES

The long-term trend of general charities' expansion continues.
The total income of general charities increased by almost 10% in real terms to £31 billion from the previous year, while expenditure increased by almost 15% to just over £29 billion. This growth far outstrips the UK economy and continues the increasing economic impact of general charities. This expansion shows no signs of slowing down in the near future with the emphasis by government on increasing the role of the sector in public service delivery and the expansion of enterprising activity. Whether the uncertainty around the UK economy in 2008 has an impact on general charities remains to be seen.

Income volatility remains a problem for many organisations.
One in ten of the largest charities had large swings in income over the two financial years from 2003/4 to 2005/06, rising to a third of the smallest charities. This volatility makes financial planning difficult and leads to increased uncertainty for staff. While some swings in income are unavoidable, this highlights the importance of both the Compact Funding Code, which tackles income volatility for those organisations which rely heavily on government funding, and careful financial planning to mitigate this uncertainty where possible.

Individual organisations' fortunes are mixed: many are doing well but many others are struggling.
Given the volatility of income between years, we believe expenditure is a better guide to charity fortunes. While many charities increased their expenditure, nearly one in five of the largest charities, rising to three out of every five of the smallest charities, decreased their expenditure between 2004/05 and 2005/06. While some of this decrease could be part of long-term strategies by organisations it is unlikely to account for all of it. Therefore beneath the overall healthy growth it must be remembered that many organisations are struggling.

Income growth was spread evenly across most regions and nations…
Yorkshire and the Humber and the South West experienced the strongest growth in income with only the North-East and Wales having falling incomes. This reflects the diversity of experiences across the UK and highlights the importance of tailoring initiatives to local conditions.

…with general charity density highest in affluent areas.
There are more charities per person in wealthier areas than in less well-off areas, even when large, national charities are discounted. This would indicate that charities generally form where there is prosperity rather than in areas of economic disadvantage. Further research is needed to understand this distribution.

'There were 865,000 civil society organisations with a total income of £109 billion in 2005/06.'

For the first time more than half of general charities income is earned...

This highlights the increasing importance of entrepreneurship in driving the expansion of the sector. As the boundaries continue to blur between the private sector and the charitable sector, entrepreneurial activity will become more important to survive the increasing competition. Yet general charities must also not forget what makes them distinct from other sectors of the economy – the values that underpin what they do.

...with most charities receiving no money from the State.

Over half of all charities receive no income from statutory sources, though in contrast a third of organisations are heavily reliant. This highlights a division in the sector between those with close financial ties with statutory agencies, and therefore highly dependent on continued funding, and those with no financial ties that are largely unaffected by changes in statutory funding levels. Over half of the largest charities receive little or no funding from the State, dismissing the idea that large charities are an arm of government.

Local government provides the most statutory income to general charities...

Income from local government was just under 50% of the total income from statutory sources, with just over 40% coming from central government. This highlights the importance of the relationship between local government and the sector and that local compacts are fully implemented.

...but grant income from government has been flat for five years.

This suggests that grants have been frozen rather than reduced, with statutory funders choosing instead to increasingly channel money through contracts. With different funding mechanisms being suitable to achieve different objectives, the statutory funders need to ensure that they choose appropriately when deciding which funding mechanism to use.

Returns on general charities' investment assets continue to fall...

For the 15% of charities that hold investment assets, returns on investment were approximately 3.4% in 2005/06. Moreover, there was wide variation in investment performance, with many charities earning much more than this, implying poor performance by many others. Despite this, expenditure on investment management rose sharply, suggesting this is an area that is being taken increasingly seriously by charities.

...as does giving by individuals, which has also fallen.

The NCVO/CAF 2006/07 survey of charitable giving suggests that giving by individuals has fallen, with all causes witnessing steady or declining incomes apart from religious causes. Moreover, the proportion of the population giving has fallen. This mirrors the fall in spending on fundraising by charities, though we cannot be sure this is the cause of the fall in giving. Charities that rely heavily on this form of income will need to diversify their income stream or prepare for a tougher funding environment.

The workforce has steadily increased, attracting highly qualified staff.

The Labour Force Survey shows that the paid voluntary sector workforce has increased by 26% in the last 10 years, rising to to 611,000 employees in 2005. One-third of employees have a degree level qualification and two-thirds are educated to A-levels and above. The increasing employment and professionalisation of the sector is enabling a voluntary sector career path that is becoming an increasingly attractive choice for graduates.

Formal volunteering is increasing but less people are willing to take positions of responsibility.

The Citizenship Survey suggests that 44% of the population formally volunteered at least once in 2005 compared to 39% in 2001. An estimated 1 million full-time workers would be needed to replace these volunteers at a cost of over £27 billion, highlighting the importance of ensuring that there is an environment which supports people in their wish to volunteer. However organising or running an event and being a committee member have both fallen in popularity. This suggests that although people are willing to undertake volunteering as participants they are less willing to do so as organisers.

Moving beyond the organisations with charitable status at the heart of civil society, it is clear that a complex, diverse range of organisations share values or characteristics that identify them as part of civil society. This first Civil Society Almanac reports on some of the major component parts.

Universities: The largest universities are more successful in securing research grants and contracts.

The total income of universities in 2005/06 was £19.5 billion with an almost identical expenditure of £19.3 billion. However there was no one dominant source of income, with direct public funding, tuition fees and research grants all making up significant portions. While the smaller universities rely most heavily on direct public funding, the largest universities are far more successful in securing the available research grants and contracts.

Independent schools: Larger independent schools earned far more money per pupil than smaller independent schools.

The 2,500 independent schools in the UK had an income of £5.2 billion in 2005/06, amounting to £8,460 per pupil. However bigger schools earned significantly more income from each pupil enrolled than smaller independent schools. This suggests the larger independent schools will pull even further ahead financially.

1.3
WIDER CIVIL SOCIETY

Trade unions: Recent mergers have led to the creation of a smaller number of very large trade unions, giving rise to a significant concentration of resources.
In 2005/6 there were 193 trade unions in the UK with a combined income of £1.03 billion. A series of mergers in recent years now means that members and resources are concentrated in a smaller number of large trade unions, with the 26 largest unions accounting for 88% of the membership and 86% of income.

Political parties: Labour and the Conservatives rely far more on donations than most other political parties.
The total income of political parties in 2005/06 was £71.7 million. Labour and the Conservatives dominate the political scene in the UK, between them taking 84% of the total income of political parties. However almost half their income is made up of donations, with only 8% coming from membership subscriptions, contrasting with membership subscriptions accounting for 26% of total income for other parties. Given the long term decline in party membership, this is likely to affect the finances of the two largest parties less than the smaller parties.

Co-operatives: Co-operatives have a combined turnover almost as large as general charities.
Co-operatives had an income of £26.2 billion in 2005/06 with funds of £7.4 billion, £673 for each of the 11 million members. Although charities are often perceived as the economic engine of civil society, co-operatives are clearly comparative in their economic importance. They generated a healthy rate of return of almost 8% on their funds, indicating a strong economic performance over the year.

Housing associations: Housing associations have a significant role to play in the development of communities.
5.3 million people live in 2.3 million houses owned by housing associations in 2005/06. This represents roughly 10% of all UK homes. This is likely to rise further in the future as the stock transfer from local authorities that began in the 1990s continues. Given this prevalence, any initiative to build sustainable communities will need to be developed in tandem with housing associations.

Social enterprise activity: Social enterprise activity accounted for almost three-quarters of the entire income of the sector.
In 2005/06 £77 billion was earned through enterprising activity by civil society organisations. Therefore using a narrow definition of social enterprise that links the concept to a particular organisational form underestimates the importance of social enterprise as an activity within civil society as a whole. A broader understanding is needed to ensure that there is an appropriate mix of generic and specialist information and support available to all organisations engaging in social enterprise.

Other organisations: Faith groups, sports clubs and informal community groups are lacking detailed financial information.
Faith groups, other excepted charities, sports clubs and informal community groups that fall 'under the radar' lack comprehensive, easily available sources of information to allow a proper investigation of their financial state and therefore their circumstances and needs. We hope this lack of information will be addressed in future.

1.4
LOOKING AHEAD

The economic uncertainty that began in 2007 will continue into 2008, with an economic slowdown and lower interests both widely predicted. Uncertainty around the continued fall-out from the US sub-prime mortgage crisis as well as house and office space prices here in the UK will continue to adversely affect the economy. It remains to be seen how this will affect civil society, but the difficulties at Northern Rock plc highlight the dangers. Individuals are also less likely to give if they feel financially insecure.

The main political parties experienced wide swings in popularity in 2007 with the resurgent Conservative party ending with a commanding lead. This fierce rivalry has been good for civil society, with both the main parties pledging strong support. This support is likely to continue in 2008 as both the parties continue to see civil society as a way to ensure community development and social cohesion.

The Compact between government and the sector will be 10 years old in 2008. A main concern about the relationship has been the lack of implementation of Compacts by government. 2008 will be the second year of the Commission for the Compact, with the training of 2,000 commissioners, and the main delivery year for the public service delivery action plan. It will be an interesting year, which could see a beneficial impact on the relationship between government and the sector.

A joint Office of the Third Sector/Economic and Social Research Council funded Third Sector Research Centre is due to begin work in 2008. This is likely to lead to an improvement in the evidence base of the sector, as well as a better use of evidence to inform decision making.