

The UK Civil Society Almanac 2009

EXECUTIVE SUMMARY



Celebrating ninety
years of NCVO

Civil Society: An Overview

The 2009 edition of the Civil Society Almanac aims to provide a single overview of the size, scope and dynamics of the groups, societies and organisations that comprise civil society. Using data from a range of sources, it draws together long-term trends using the latest possible information.



1.1 CIVIL SOCIETY

Civil society organisations cover a much wider range of groups, societies and organisations than just those with charitable status. As in the 2008 edition, general charities (those organisations with charitable status) remain at the core of this revised publication to enable a sense of continuity. The inclusion of organisations with different traditions (such as trade unions) or those at the boundaries (such as independent schools) will not find agreement amongst all readers, but we've sought to clearly identify each of the component parts to enable disaggregation.

The 2009 Almanac is published at a time of considerable economic uncertainty for all, including individuals, businesses, governments and civil society organisations. It remains too early to tell what the impact will be on wider civil society or on the charities that represent much of its economic weight. Inevitably the information in the Almanac lags behind the current financial year, but we believe it accurately illustrates the sector as it approached the downturn. Therefore, many of the trends and characteristics provide the basis for understanding how the sector will deal with the impact of the downturn.

Civil society is vibrant and growing.

In 2006/07 there were 870,000 civil society organisations in the UK with a total income of £116 billion and assets of £210 billion. These organisations range from small community organisations through to a significant number of large organisations. These organisations make a vital social contribution to life in the UK.

Civil society's formal resources extend far beyond charities.

General charities are an important building block in the civil society economy, but cooperatives, universities and housing associations also expend significant resources. Collectively, these four types of organisation account for over three-quarters of the income and assets of civil society. This reflects the breadth of civil society organisations as they originate from three distinct strands of the civil society tradition – charitable activity, mutualism and education.

1.2 GENERAL CHARITIES

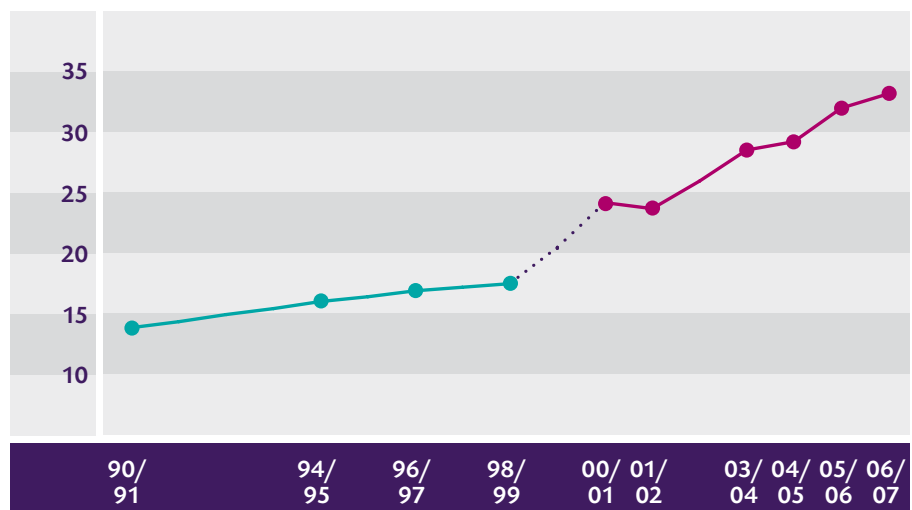
The sector approached the economic downturn in relatively good health.

A number of indicators suggest that the sector approached the downturn in a stronger position than previous recessions: higher average incomes, increases in the sector's total income, assets and paid workforce, and giving and volunteering steady or increasing. The year 2006/07 marked yet another year of expansion for the sector with a net addition of 6,800 general charities. There are now almost 171,000 general charities in the UK.

The sector's long-term income growth continued.

So far this decade we have seen consistent annual real term increases in income. In the latest year (2006/07), general charities' income had increased by an impressive 3.3% to £33.2 billion. This growth was slower than last year, particularly for the smallest organisations, indicating that some belt-tightening may have already been occurring in anticipation of the downturn.

General charities income, 1991–2007 (£ billions)



Source: NCVO, GuideStar Data Services

The sector's resources are distributed unevenly across the UK. Although London and the South East are home to a disproportionate number of organisations, a clearer picture is emerging of where national charities expend their resources. Regions such as the North East and Wales benefit from a greater level of charitable expenditure than our estimates previously suggested.

The sector's resources are focused towards social care and culture and recreation. Organisations involved in social services, culture and recreation, and health activities make up the majority of the sector's economic activity with social services organisations receiving one-quarter of the sector's income.

Earned income now makes up over half of charities' income, equating to £17 billion. This continues a long-term trend, and is driven largely by the provision of greater levels of public services under contract. Also, charities are clearly becoming more entrepreneurial in response to the changing landscape around them.

Voluntary income remains a defining characteristic of the sector. Grants, donations and legacies were worth £13.6 billion in 2006/07, equivalent to 41% of total income. Although voluntary income continues to grow in absolute terms, earned income is growing more quickly.

Three-quarters of charities receive no funding from government. Despite concerns regarding independence and dependence on government funding, our estimates suggest the large majority of general charities are not funded by government, particularly micro charities. In contrast, 25,000 charities receive more than three-quarters of their income from a statutory source, suggesting government funding is clearly focused.

General charities' expenditure stood at just over £31.2 billion in 2006/07, an increase of 3.3% over the past year.

A majority of this expenditure - £22.6 billion – was directly expended upon carrying out their charitable activities. The proportion of expenditure spent on conducting charitable activities is gradually increasing each year.

The sector's paid workforce grew by over 20,000 employees in 2006. Another long-term trend, this represents a cumulative increase of 24% in the last ten years. The workforce in 2006 stood at 634,000 employees. There appears to be little sign of this expansion slowing down, particularly as much of the growth in employment has been in sub-sectors dominated by public service delivery, such as social care.

Large numbers of adults are giving time...

The Citizenship Survey estimates 73% of adults were involved in some form of volunteering in 2007/08. Levels of volunteering however have remained static since 2001, with some evidence of a small fall since 2005. This suggests that extra efforts are needed within and outside the sector if we are seeking to encourage more people to get involved.

...and they are also giving money. The CAF/NCVO Individual Giving Survey estimates that 56% of adults – almost 28 million people - gave to charity each month in 2007/08. In addition to a small rise in the participation rate, evidence suggests that the average donation increased to £33 per donor whilst the median gift by donors each month was £11.

'In 2006/07 there were 870,000 civil society organisations in the UK with a total income of £116 billion.'

1.3 WIDER CIVIL SOCIETY

Housing associations

Housing associations are a significant element of civil society, delivering a range of services to benefit local communities.

In 2006/07 there were 1,830 housing associations in the UK with a total income of £10.9 billion and assets of £55.6 billion. Significant reconfiguration has occurred in the housing association sector, with the creation and expansion of group structures and a large number of mergers.

Universities

Funding council grants and tuition fees continue to provide the largest streams of revenue. This is particularly the case in larger universities, where they account for £8 billion and £5.4 billion of income respectively. Overall universities receive a total income of £21.3 billion. There is increasing expectation that universities operate in a market model, in order to 'compete' both nationally and internationally.

Co-operatives

Co-operatives income nearly equals that of general charities, making them a major part of civil society. There are over 4,500 co-operatives with an overall income of £26.3 billion in 2006/07. Like most parts of civil society, the majority of organisations in this part of the sector are small, with a few much larger associations. Most of the incoming resources are concentrated in the 80 largest co-operatives. Some of these organisations stretch back to the nineteenth century when the co-operative movement first flourished, while others are much more recent.

Social enterprise activity

Social enterprise activity accounts for the majority of the sector's income. Social enterprise is, in fact, the primary source of income for many types of civil society organisations accounting for £82 billion (71%) of the total incoming resources of civil society. Using a broader understanding of social enterprising activity, rather than one that links the concept to a particular organisational form, ensures the importance of social enterprise activity is not underestimated.

Type of income of general charities, 2000-2007 (£billions)

■ Earned ■ Voluntary ■ Investment



Source: NCVO, GuideStar Data Services

FAST FACTS

Civil Society		2006/07	2005/06 ¹
	Number of organisations	870,000	*2
	Total income	£116.0 billion	*2
	Civil society paid workforce headcount	1,347,000	*2

General Charities		2006/07	2005/06
	Number of general charities	171,000	164,000
	Total income	£33.2 billion	£32.1 billion
	Voluntary income	£13.6 billion	£13.3 billion
	Earned income	£17.0 billion	£16.2 billion
	Investment income	£2.6 billion	£2.6 billion
	Income from individuals	£12.6 billion	£11.9 billion
	Income from government	£11.5 billion	£10.9 billion
	Income from National Lottery	£0.6 billion	£0.6 billion
	Income from other sources	£8.6 billion	£8.7 billion
	Total current expenditure	£31.2 billion	£30.2 billion
	Expenditure on charitable activities	£22.6 billion	£21.9 billion
	Expenditure on grants	£4.4 billion	£3.9 billion
	Expenditure on generating funds	£3.6 billion	£3.4 billion
	Expenditure on governance	£0.7 billion	£1.0 billion
	Net assets	£91.3 billion	£89.2 billion

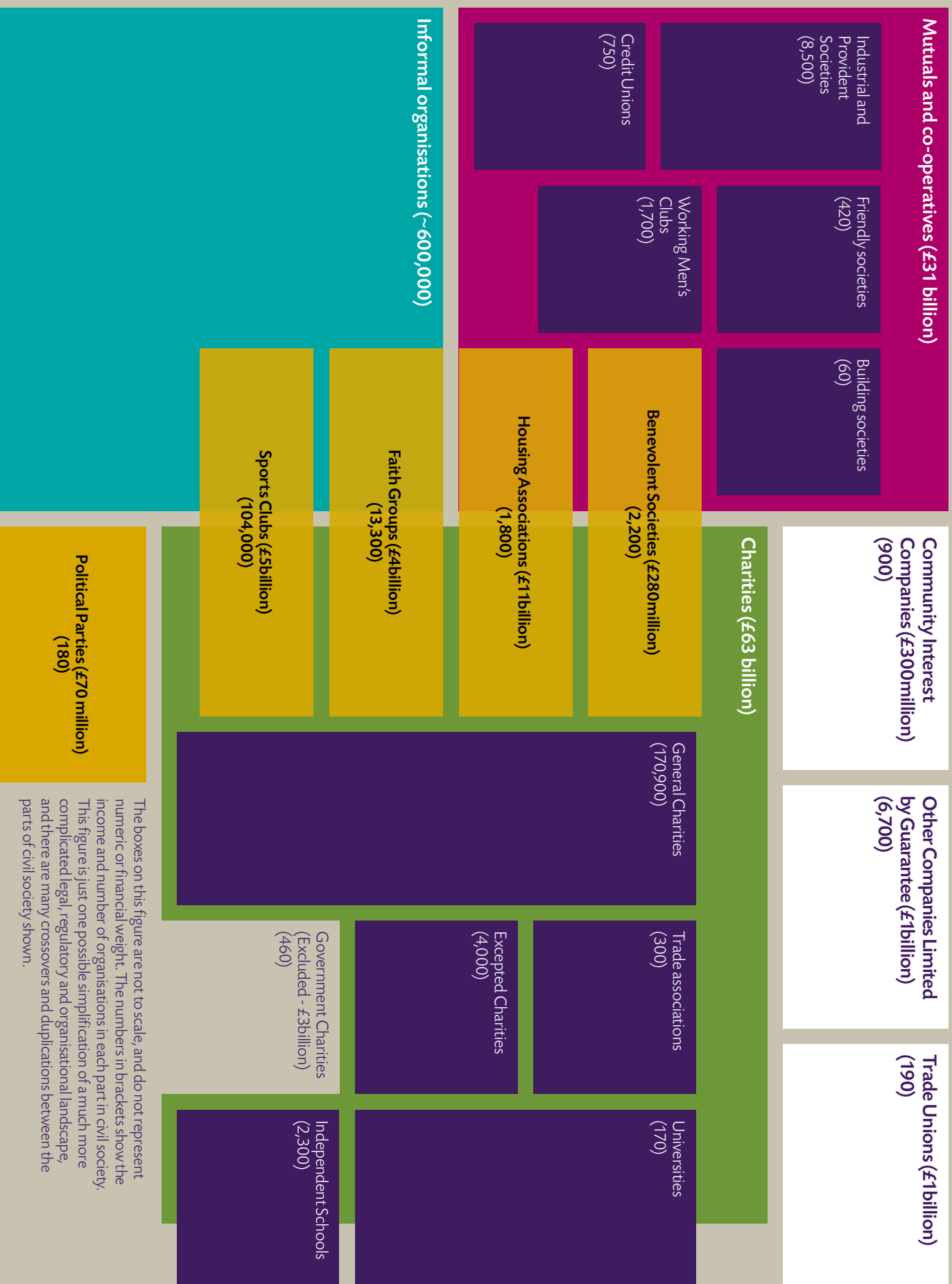
Giving		2007/08	2006/07
	Mean amount donated per person in past four weeks	£18	£16
Proportion giving to charity	Men	51%	48%
	Women	58%	59%

Workforce		2006	2005
	UK paid voluntary sector workforce headcount	634,000	611,000
Employment status	Full time	63%	61%
	Part time	37%	39%
Gender	Female	71%	69%
	Male	29%	31%

Volunteering		2007/08	2005
Number of people volunteering	At least once a month	27%	29%
	At least once a year	43%	45%

1 Adjusted to April 2007 prices

2 Due to improvements in methodology the civil society results are not yet directly comparable year-on-year



The boxes on this figure are not to scale, and do not represent numeric or financial weight. The numbers in brackets show the income and number of organisations in each part in civil society. This figure is just one possible simplification of a much more complicated legal, regulatory and organisational landscape, and there are many crossovers and duplications between the parts of civil society shown.



INVESTOR IN PEOPLE



This is the executive summary of The UK Civil Society Almanac 2009, NCVOs groundbreaking research providing a comprehensive map of the size and characteristics of civil society organisations.

'The NCVO Almanac remains the most widely-trusted reference on the sector.'

Kevin Brennan MP, Minister for the Third Sector

This publication can be made available in large print and alternative formats on request.



**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
www.ncvo-vol.org.uk

Textphone: 0800 01 88 111

Free advice and support
www.askNCVO.org.uk
HelpDesk: 0800 2 798 798
or helpdesk@askncvo.org.uk

Charity Registration: 225922

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