

Third Sector Research Centre

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**How dependent is the third sector on public
funding? Evidence from the National Survey of
Third Sector Organisations**

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How dependent is the third sector on public funding? Evidence from the National Survey of Third Sector Organisations

Abstract

There is considerable interest in the amount of public funding which third sector organisations receive. We present a new perspective on the topic by analysing data from the National Survey of Third Sector Organisations (NSTSO), a representative sample of 48,000 third sector organisations in England. We begin by reviewing available data sources, concluding that the NSTSO is a good source for estimating the proportion of third sector organisations which receive public funding. Therefore, we use the survey data to provide information on the numbers of organisations which received public funding in 2008, and the numbers which considered it their most important income source. We show how exposure to public funding varies between organisations: those that were bigger, newer, those located in more deprived areas, and those serving socially excluded or vulnerable people were more likely to receive public funding than other organisations. Finally, we consider the relationship between the patterns revealed and organisation-level perceptions of the adequacy of funding and reserves.

Keywords

Third Sector, charity, public income, statutory income.

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1. Introduction

A notable feature of recent developments in the third sector in the UK has been growing reliance on public funding by third sector organisations. Commentators have tended to emphasise the amount of total sector income derived from such resources, with coverage in 2010 pointing to the very real possibility that more than half now originated from the public purse.¹ However, this is only one perspective and other reasonable questions to ask would include the proportion of organisations which receive income from the public sector, their perception of the importance of that income to their funding base, and, for those who do receive statutory income, its significance as a proportion of total resources. In each case it would appear relevant to be able to disaggregate the overall picture by charity size, location and purpose.

Arriving at an estimate of the scale of public sector funding, and of the number of organisations which receive it, is not entirely straightforward. In principle this could be done by aggregating payments by government departments, by subnational government, and other relevant bodies to third sector organisations, or by aggregating receipts of public sector funds recorded in the accounts of third sector bodies. However, both of these have their difficulties. Systems of national accounts do not always identify flows of funds to third sector organisations. The UK government has a business database, the Inter-Departmental Business Register (IDBR) which has been used by Kane and Clark (2009) through which, in principle, it ought to be possible to track payments by government to nonprofit institutions, but the nonprofit flag on this database is thought not to be comprehensive. Individual government departments do not always record spending information in a manner that easily permits tracking of flows of funds to individual organisations although some reports exist which estimate aggregate spending by Department (Mocroft, various dates). Practice by subnational government is also variable. It is conceivable that current moves towards “open data” on the part of government – such as the release of the COINS database – will allow more sophisticated analysis although even these databases, which name individual organisations in receipt of public funding, will only be as good as the methods used to match lists of recipients to lists of known third sector organisations.

An alternative is to explore the extent to which relevant data are available from annual reports and accounts of third sector organisations. A great deal of effort has been expended in capturing data from charity accounts. Nevertheless, authoritative commentators caution against uncritical reliance on charity accounts as sources for the quantification of particular income streams (Morgan, 2010). In particular, the extent to which it is possible unequivocally to identify income from the public sector from these sources is questionable, despite the use of common guidelines by charity accounts (the Statement of Recommended Practice). Not all charities report the details of their income sources consistently; for example, we may have single categories such as “incoming resources from charitable activities” which will aggregate together monies received from a range of sources such as central or local government, or from payments received from individuals. More detail may be available in notes to the accounts and keyword searches may permit matching to names of sources. Broadly speaking,

this approach is the one taken by Guidestar to the capture of data for registered charities: notes attached to financial transactions in the accounts are transcribed, and keyword searches are then used to identify statutory sources. The value of this approach depends on how exhaustive the list of keywords is and how well it can cope with the range of ways in which names of income sources are recorded in accounts. One particular question would be whether or not intermediate bodies through which substantial public monies are disbursed to charities would be classified as a public sector income source for the ultimate recipient of the funds.

There are, then, some difficulties in assessing the extent to which organisations rely upon the public sector, and further complications arise because when data are captured for charities the emphasis tends to be on the larger organisations (thus, Guidestar capture data from reports of charities above a certain threshold size – typically around 50,000 of the largest charities). Coverage for smaller organisations is limited although NCVO, in the process of generating its annual Almanac, does sample reports and accounts for smaller entities. NCVO estimates that around 38 000 voluntary organisations "have a direct financial relationship with the state". (The UK Civil Society Almanac: Clark et al, 2010)

The advantage of this approach is that it gives us some purchase on the total amount of income received by third sector organisations from the public sector, at least to the extent that it is possible to identify this from notes to accounts. Existing data tends to be skewed towards larger organisations which generally provide considerable detail in their Trustees' annual reports. However, it is likely that this method is less helpful for identifying the number (and therefore the proportion) of organisations which receive funding from the public sector, partly because of the emphasis in data capture on larger entities, and partly because of the possibility for overlooking elements of the funding mix which are properly classified as public sector.

The risk of excluding smaller organisations, in particular, is something to which researchers need to respond. There is concern that the perspectives of small organisations are not reflected adequately in debates around, for example, the concentration of resources in the large charities (the Tescoisation debates: Backus and Clifford, 2010; Clifford and Backus, 2010). But capturing substantial additional data for a more extensive sample of small organisations is expensive. However, an alternative perspective on public funding is available which allows a more detailed analysis of the funding position of small organisations, while also providing greater detail on the type of statutory bodies which provide it. This is the National Survey of Third Sector Organisations (NSTSO), first conducted in 2008 (Cabinet Office et al. 2010).

This survey achieved 48,000 responses from a representative sample of charities and other third sector organisations. It asked detailed questions about income sources and in particular asked about the statutory bodies from which funding was received (both local and central government) and about the nature of funding received from them (e.g. grants versus contracts). It also asked the sources of income considered to be the most important to organisations.

Our purpose in this paper is therefore to use the NSTSO data to present, for the first time, a detailed picture of the numbers of third sector organisations which receive income from statutory sources, the types of statutory sources upon which they draw, and their perceptions of the importance

of such sources of income to their activities. We begin with a brief description of NSTSO, and in particular its definition of organisations considered for inclusion in the survey, the design of the survey including sampling considerations, and the nature of the questions it asks and how far they can be considered to provide reliable information on statutory sources of income. We then present a summary of the main patterns derived from the survey, broken down by type of organisation (legal form), beneficiary, size, function, and geographical location. In further work we will develop a multivariate analysis which explores the relationship between several possible influences on whether or not an organisation receives public funding –these could be due to a combination of the characteristics discussed above.

2. The National Survey of Third Sector Organisations

This survey ran in 2008 and a second survey is in the field at the time of writing (October 2010; for details of the current survey, see <http://www.nscsesurvey.com/>). The purpose was originally to evaluate the extent to which third sector organisations considered that local statutory bodies were acting in a way that was conducive to a thriving third sector. The proportion of organisations answering in the affirmative was part of a basket of national performance indicators on which local authorities could choose to be assessed; it is sometimes referred to as “national indicator 7” (NI7). As well as asking a range of questions about the extent to which third sector organisations felt that statutory bodies were supportive, the survey included considerable detail about the characteristics of respondents.

Survey population

Considerable discussion took place regarding the definition of the population for inclusion in the survey, reflecting wider terminological debates about the meaning of the term “third sector”. The then Labour government’s definition comprised a number of elements, including values and public purpose. An inclusive approach was initially taken, attempting to include all non-profit organisations which could be “seen to serve social, cultural and environmental objectives”, but the definitional criteria are not met by all third sector organisations. Aside from charities based outside England (10,000), the principal exclusions comprised moribund/inactive organisations (those that had not filed a return to the Charity Commission for 3 years or more), organisations identifiable as small grant-making charities (c20,000 charities), and organisations that are non-departmental public bodies.

There was some discussion about entities such as independent and other non-state schools, universities and higher education colleges, political parties and trade unions, and branches and subsidiaries unless they are separately incorporated. The decision taken was to include these where they were registered TSOs using one of the usual forms (including charities, companies limited by guarantee, community interest companies or industrial and provident societies).

Selecting third sector organisations registered as companies limited by guarantee, or as Industrial and Provident Societies, also posed challenges. The benefits of the activities of many such organisations can often be restricted to particular groups of people, such as property management companies in leasehold blocks of flats, or professional and trade associations. However, many appear

to have been excluded on the basis of their standard industrial classification (SIC) code -- the academic-use version of the survey data includes these for these legal forms, but there appear to be none with an SIC below 7300. This would exclude a number of third sector organisations active in areas such as waste management or environmental concerns, such as recycling initiatives, or community transport schemes. Part of the problem here is caused by reliance on SIC, which is chosen by individuals at the time they register a company, so there is no independent classification drawing on other information supplied, as is the case with registered charities.

The result of these exclusion criteria was that some 129,000 charities were included in the sampling frame (compared to around 170,000 charities on the Charity Commission register). In addition some 40,000 companies limited by guarantee, Industrial and Provident Societies, and Community Interest Companies (CICs) were included.

The survey asked organisations about their beneficiaries, purpose or mission, and the kinds of roles and activities undertaken by organisations. In the former category the options included a number of potential client / user beneficiary groups (BME communities, people with mental health needs, faith communities, homeless people, etc). The question about purpose or mission presented options such as culture and leisure, equalities or civil rights, criminal justice, or capacity building. Finally, organisations were asked what roles they undertake; these might include delivery of services, provision of resources of various kinds (buildings, facilities, volunteers, finance), advancing cultural awareness, or advocacy and campaigning among others. Respondents were asked to list as many different kinds of beneficiaries, purposes, and roles as were appropriate, and they were also requested to indicate which of these categories they regarded as the most important, though in the latter question multiple responses were still possible. For this reason, it is only possible to classify an organisation as working exclusively with a particular beneficiary group if, in answering the relevant question, they have only offered one response. This is also true for purpose or mission, and for the roles undertaken by organisations.

A number of other variables allow refinement of the analysis. A question about the scale of operation allows us to exclude, if desired, organisations operating outside the UK. We also have data on numbers of employees and volunteers, and a banded question on income or turnover. Finally, organisations were asked about whether, for the preceding 12 months, they had had sufficient resources, including levels of funding and reserves, to meet their main objectives.

Classification

Given the diversity of organisations included in the survey, it is helpful to classify them according to what they do – and then examine the prevalence of state funding within each of these categories. The survey asks questions to organisations about their beneficiaries (who?), their area of work (what?), and their role (how?). However, the categories used don't correspond directly to those used in the International Classification of Nonprofit Organisations (ICNPO), developed by Salamon and Anheier (1992, 1996) and used to classify organisations in the Civil Society Almanac (Clark et al., 2010). They also don't straightforwardly and uniquely map on to the funding areas of particular government departments. For this reason, we present results based on the categories used in the survey.

Overall assessment

Appendix A provides details of the sample design, and discusses issues associated with non-response. It is important to acknowledge the limitations of the survey, in terms of the potential influence of non-response bias, when presenting results from the NSTSO. However, this is the best data source available. When compared to alternatives such as statistical databases compiled from reports and accounts of charities, it is much more comprehensive and representative. The results represent an important first insight into the extent to which third sector organisations of all kinds and sizes draw upon statutory sources of income, and into variations between local authorities and types of organisation in the extent to which they do so. These results would be complemented – and potentially corroborated – by qualitative research evidence which provides insights into the processes that give rise to spatial variations in the prevalence of statutory funding.

3. Defining and analysing exposure to public expenditure streams

Two kinds of question were asked in this survey about whether or not organisations receive funding from a range of local or national statutory bodies. The former include local authorities, local NHS bodies, police or fire authorities, and regional development agencies; other options include funding received through partnerships involving statutory bodies, and other local statutory funding. National statutory bodies included central government departments, non-departmental public bodies (such as the Arts Council England, Sport England, Capacitybuilders, the Big Lottery Fund, the Housing Corporation), and any other national statutory funding. In both cases respondents were given the option of identifying whether funding was received in the form of a grant or a contract. We have therefore combined responses to these questions so that an organisation is regarded as receiving public money if it has responded positively to any of the options in these two questions. In total approximately 36% of organisations reported receiving some income from statutory sources. Approximately 25% of respondents indicated that they had received funding from local sources in the form of grants, and 13% that they had received contract income. There was some overlap between these, and there will also be some overlap with those reporting income from national sources. Here the headline figures were that 19% reported income in the form of grants and a further 6% reported contract income from national statutory bodies.

The second set of questions is about the kind of income received by the third sector organisations, rather than the bodies from which they receive it. It asks whether income is received from any of the following: donations and fundraising; membership fees or subscriptions; grants from nonstatutory bodies; the national lottery; grants or core funding including service level agreements; earned income from contracts; and income from investments. It then asks a supplementary question about which of these income sources is the most important for the organisation's success. We have taken the categories of grants or core funding, and earned income from contracts, to be broadly equivalent to income from the public sector. Approximately 13% of respondents stated that these sources were the most important for their success. This does not, incidentally, imply that they formed the largest part of an organisation's income.²

When it comes to estimating which income sources were most important to the success of organisations, some inconsistencies arise. Some organisations indicate that a particular source was most important to them without having named it in response to the previous question, which asked for a list of all other sources of income. We have eliminated such invalid responses from analysis.

It is important to note that this source could underestimate the extent to which third sector organisations receive statutory funding if the answers provided by respondents only related to direct relationships with statutory bodies, rather than to indirect relationships (e.g. if money was passed to them through a contractual relationship with a larger third sector organisation, or via an intermediary grant-making body).

4. Results

We estimate that around 36% of organisations in the third sector received of some public money, and that 14% (23,000 organisations) regarded statutory funding as their most important source of income. However there are important variations depending on legal form, size, beneficiary, purpose, role, and geographical location. Many of these are interrelated. For example we are more likely to find organisations dealing with specific categories of disadvantage in large urban areas, while public funds are channelled to those locations because of the pattern of need. A fuller analysis will be provided in a later version of this paper but for now we concentrate on presenting our analysis of the overall patterns.

Organisations receiving any public money

In this section the percentages refer to organisations which gave positive answers to the questions about the statutory bodies from which they received public money.

Legal form (Table 1): incorporated charities (charitable companies), and CICs are most likely to be receiving public money (61% and 57%) compared to unincorporated charities (31%) and Industrial and Provident societies (31%).

Size (Table 2): the survey data present some fine-grained statistics particularly for smaller organisations about the likelihood of receiving public funding. As can be seen, the larger the organisation, the greater the likelihood of drawing on at least some public funding, with at least half of organisations with an income of £150,000 or more being likely to receive some public money, and around two thirds of organisations with income of greater than £5 million receiving public funding. For small organisations this is the most detailed information we have from any source about income from the statutory sources. Although entities with an income of less than, say, £10,000 are less likely than their larger counterparts to receive public funding, there are still up to 10,000 such organisations reporting that they receive at least some income from such resources.

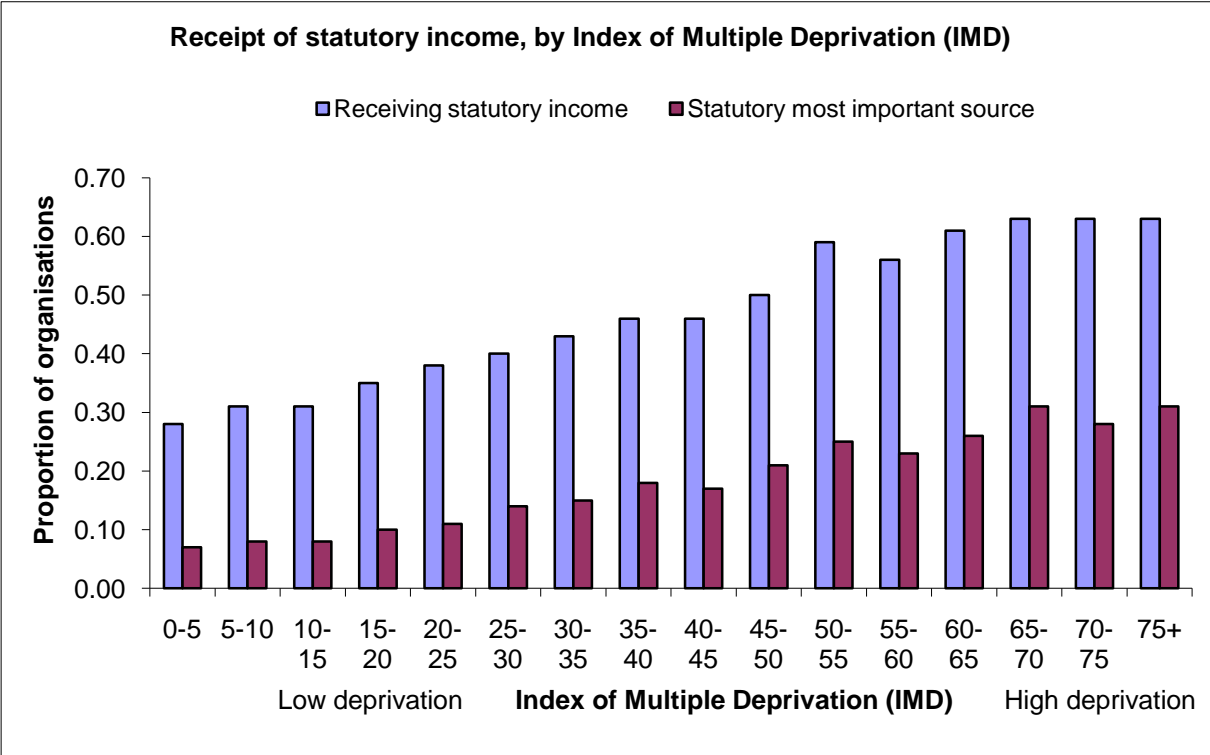
Region (Table 3): there is a broad North-South contrast -- in London and the south-east 33% of organisations received public money compared to 42% and 43% in the north-west and north-east respectively.

Local authority (Table 4; Figure 1): in some local authorities estimates are based on relatively small numbers of responses. It is therefore important to be aware of the confidence intervals around them. If we take the figure for Knowsley, for example, at 65% this is the highest proportion receiving public funding in the country. However, this is an estimate based on 91 responses, weighted to allow for nonresponse. Even so, as can be seen, 95% confidence intervals calculated around this figure are

quite wide. The headline figure is 65% and we can be confident that the true figure lies between 55% and 75%. It may therefore be appropriate to rely on the lower of the two confidence intervals as an estimate of the proportion of third sector organisations in each local authority that receive public funds. If we do this, there are 21 local authorities in which 40% or more of third sector organisations are receiving at least some of their funding from the public sector. These include three London boroughs (Tower Hamlets, Islington, and Hackney), Luton, and then most of the remainder are urban authorities in the Midlands or the North of England. Conversely, at the other end of the spectrum, we find that fewer than 25% of third sector organisations receive public funding in a number of local authorities in the more prosperous parts of southern England, as well as several suburban London boroughs, though Stockport, Trafford, and Solihull are also in this category.

Area of operation (Table 5): organisations were asked about the scale at which they operated. There appears to be a suggestion that organisations most likely to be receiving public funds were those operating at the scale of local authorities (whether these be Borough, district or county council) rather than at the regional, national or international scale. Organisations operating at the level of neighbourhoods were rather less likely to indicate they received public funds. This is probably because many of these are small and, as we have already seen, income is very strongly associated with the likelihood of reliance on public money.

Level of deprivation (Table 6): a banded figure for the index of material deprivation (IMD) of the local area in which an organisation is based is attached to the survey data and we find a clear gradient associated with deprivation. In the most disadvantaged areas, some 60% of organisations receive public funds. This would benefit from further analysis to take account of the size and characteristics of organisations; many large charities are located in areas that are classified as disadvantaged, such as parts of central London, and the deprivation index for their immediate locality is by no means a good description of the characteristics of the area that they serve.



Age of organisation (Table 7): from other work done in TSRC we know that a greater share of charities have been founded over the past decade in some of the more disadvantaged parts of the country than is the case in the more prosperous regions. We suspect that this may be associated with regeneration initiatives. Some confirmation of this is provided by banded data on the registration date of charities (the data are not available in the survey for other legal forms). It appears that charities registered since 2000 are significantly more likely to be in receipt of public funds than charities registered in previous periods. A corollary may be that sudden withdrawal of funds would have a disproportionate effect on younger organisations which seem more likely to be located in disadvantaged areas. In turn, these areas are likely to have a weakened third sector presence to begin with.

Volunteers and staff (Tables 8 and 9): unsurprisingly, employment is strongly related to the likelihood of receiving public funds. Of organisations employing at least 10 staff, over 70% receive public funding in some form. The position is less clear with regard to volunteering. The likelihood of receiving public funds is not associated with variations in the numbers of volunteers -- it doesn't rise as the numbers of volunteers change.

Beneficiary group (Table 10): organisations were asked to state the kinds of people whose needs they met. They could state up to 3 possible responses. This means that the total number of responses exceeds the numbers of organisations in the survey, but nevertheless we can still pick out some patterns from the responses. The table is ordered in terms of the proportion receiving public money and it can be seen that organisations dealing with particularly disadvantaged groups or with particular social problems were much more likely to be receiving funding (though relatively small in number). At the top there is a general category of socially excluded or vulnerable people in which the proportion receiving the money is 69%, followed by around 60% for people with mental health needs, offenders and ex-offenders, people with learning difficulties, and victims of crime, and then percentages in the mid-fifties for homelessness, asylum seekers, and addiction.

Main areas of work (Table 11): organisations are much more likely to be receiving public funding if they work in criminal justice, equalities and civil rights, capacity building and other support for third sector organisations, or social cohesion and civic participation, in all of which at least 50% of organisations say they receive public funds. Conversely proportions are much lower for culture and leisure, heritage, animal welfare, religious / faith-based activity, and international development.

Main roles (Table 12): unsurprisingly the most frequent responses here were from organisations which help people access service benefits, deliver public services, carry out capacity-building roles, and which provide advice to individuals.

We went on to explore the main sources of income for those organisations that received public funds. Recall that organisations were asked to report on the type of income source that was most important for their organisation's success. This does not necessarily mean that the income source in question accounted for the majority of income, but it is a guide to what organisations themselves believed. The important point to note here is that although a substantial minority of third sector organisations receive public money, within that subset of the third sector population, only 30% saw the public sector as their most important source of funding. Donations and fundraising were regarded as

more important by 17% of organisations that receive public funding, and membership fees were regarded as the most important source by 10% of organisations that received public money.

A further investigation was carried out into organisations' perceptions of their financial situation. The survey asked whether they felt that they had sufficient resources of various kinds to meet their main objectives; two of the options were the financial reserves, and their overall level of income. Here it is notable that there are differences between organisations receiving public funding and those which don't. Organisations that receive public money are more likely to say that their overall level of funding was insufficient than organisations not receiving public money (49% compared to 32%), and they were more likely to say that levels of reserves were insufficient (42% compared to 25%). This suggests some possible concern about the vulnerability of organisations receiving public funding. It may also indicate that going after public funding is a reaction to such perceived status.

Organisations for whom public funding is their most important source of income

We find a broadly similar pattern to the above. In terms of legal form, 34% of incorporated charities, 31% of CICs, and 18% of CLGs regard the public sector as the most important income source (Table 13). Regional rankings remain the same, with the North East, North West and Yorkshire and Humberside tied in first place at 17% (Table 15). In terms of area of operation, again it is organisations operating at the local authority scale which appear to be most likely to rely on public funding (Table 17). As far as size of organisation, defined in terms of income, is concerned, there is again a recognisable gradient, with fewer than 5% of organisations with income below £10,000 regarding the public sector as the most important source, but for organisations with an income greater than £100,000, the figure is 25% rising to over one third for organisations with a turnover exceeding £500,000 (Table 14). There is a strong connection with employment but not with volunteering (Tables 20 and 21), which is consistent with national evidence demonstrating that while employment in the sector has risen, driven to a degree by the growth of public sector contracts, volunteering *rates* nationally have been relatively stable.

In terms of beneficiary groups (Table 22), of client group for which at least 20% of organisations declared that the public sector was their most important source of income: a general category of "socially excluded / vulnerable people" (33%) followed by mental health (31%), victims of crime (26%), people with learning difficulties (26%), offenders and ex-offenders (24%), and homeless people (22%). As with exposure to public funding more generally, the table of main areas of work (Table 23) is headed by criminal justice (32%), capacity building (29%), equalities / civil rights (28%), though health and well-being is ranked fourth on this indicator (22%). Finally, in terms of roles performed (Table 24), helping people access services (31%) delivery of public services (29%), capacity building (26%) and providing advice to individuals (24%) head the rankings.

We analysed the relationship between age of organisation (defined in terms of year of registration with the charity commission) and dependence on the public sector (Table 19). There is a steeper gradient between different periods of registration in the case of organisations which regard the public sector as their most important source of income, than for organisations which receive public funding. Charities registered in the 2000 – 2008 period are 2.5 times more likely to regard the public sector as their most important source of income than charities registered prior to 1970.

A similar point can be made for the IMD (Table 18): organisations whose addresses place them in the most deprived parts of the country (IMD of 65 or more) are nearly 4 times as likely to regard the public sector as the most important source of income than organisations in areas with an IMD below 10.

Organisations that regard the public sector as their most important source of income are highly likely to say that their overall level of funding was insufficient; 55% said that this was the case, compared to all organisations receiving public money (49%) and compared to organisations not receiving public money (32%). Furthermore they were more likely to say that levels of reserves were insufficient (45%, compared to 42% and 25% respectively). This suggests some possible concern about the vulnerability of organisations receiving public funding.

5. Conclusions

This work contributes a new perspective to our understanding of the extent to which third sector organisations rely on public funding. A key insight is that whereas the proportion of third sector income received from such sources, in the aggregate, is around 50%, the proportion of organisations which receive this income is approximately 36%. Analyses of subsets of the data suggest, perhaps unsurprisingly, that this is because statutory income is much more significant to larger third sector organisations than to small ones. And despite criticisms that voluntary organisations are unduly dependent on the state, in fact only 13% of organisations state that statutory sources are the most important component of their income.

Nevertheless, in some geographical locations, and in some parts of the sector, reliance on public funding appears to be much greater. The local authority perspective provided by this data set is particularly interesting. A map of the proportion of organisations receiving public funds (Figure 1), and of the proportion for whom the public sector is their most important source of income (Figure 2), shows intriguing parallels with maps of the distribution of registered charities: reliance on public funding appears to be greatest in areas that have fewer third sector organisations to begin with. This perhaps implies that public funding is compensating for a degree of "market failure" in the third sector. If we consider the pattern of organisations considering that the public sector is their most important source of funding, there is clear overrepresentation in certain regions. The Northeast has 3.8% of third sector organisations, but 4.6% of organisations for whom statutory sources are the most important source of income; in the case of the Northwest the respective figures are 10% and 12%.

There is much scope for further work on these variations. For example, we find some interesting relationships between the age of organisations and the likelihood of receiving public funding, or between the level of deprivation in the locality in which an organisation is based and the likelihood of receiving public funding. But these are likely to be related if, as we believe to be the case, new organisations have been established in response to the availability of regeneration funding in certain parts of the country. It is also likely that the distribution of need varies between local authorities. What we therefore need is an approach to analysis which will differentiate between compositional effects and contextual effects. Variations between local authorities are likely to reflect, in large measure, the mix of third sector organisations there.

It is inevitable that publication of this paper at this time - the week of the Comprehensive Spending Review - will invite speculation on the likely effects on the third sector of forthcoming public expenditure reductions. Our view is that the effects on individual organisations, or on the funding of organisations in particular localities, will reflect a complex set of influences which defy easy modelling and prediction. Furthermore, although we have emphasised the extent of reliance on the public sector in this paper, organisations do have other income sources and even among the 36% who record that they receive some statutory funding, around one third regard donations and fundraising as their most important income source. In addition, the data source does not allow us to assess the effects of funding scenarios for different government departments on the sector. What is very clear from this paper is that certain geographical areas and elements of activities of the sector rely heavily on public funding and are also financially vulnerable. This suggests that policymakers need to take particular care in judging the likely effects of the reductions in expenditure over the next few years.

End notes

¹ <http://www.guardian.co.uk/society/joepublic/2010/apr/21/charities-anxiety-state-funding>

² It can readily be seen that if an organisation had say N income sources, then the largest single component of its income, in percentage terms, might only be marginally greater than 100/N%; thus, for an organisation with 5 sources, the largest element might only be fractionally greater than 20% if the other sources were all the same size.

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Appendix: sampling design; nonresponse

A1. Sampling

The NSTSO was designed to provide a representative sample of third sector organisations in each of the 149 upper-tier local authorities in England. The aim was to generate enough responses from each local authority to calculate a reliable estimate for NI7. Therefore, within each local authority, the sample was stratified by organisation type (charity, community interest company, company limited by guarantee or industrial and provident society) and by income (for charities only, since the coverage of income information for noncharitable organisations was less complete).

The sampling fractions used varied by local authority. In some local authorities, questionnaires were sent out to all organisations in the sampling frame; in others, a sample was selected. Therefore, sampling weights are used to adjust for the differences in the probability of being included in the survey according to local authority. The number of responses ranged from under 100 in Hartlepool, Slough, Knowsley and Rutland, to over 600 in several large county councils. Note that the totals in the tables provided by the online analysis tool at the NSTSO website <http://www.nscsesurvey.com/wave1results/> are the unweighted counts of number of respondents, before weights are applied to adjust for the probability of selection in the sample and for unit nonresponse. The numbers will therefore differ from those presented here.

A2. Non-response

When analysing survey data, it is important to consider how nonresponse may influence the results. There is nonresponse associated with nonreturn of the questionnaire ('unit nonresponse'), and, for those that did return the questionnaire, nonresponse to certain questions ('item nonresponse').

Unit nonresponse

In all, questionnaires were sent out to 104,931 organisations. Some 48,939 organisations responded (including 40,692 charities, 5,622 noncharitable companies limited by guarantee, 271 community interest companies and 2,354 industrial and provident societies), a response rate of 47%. Survey documentation indicates there were no major differences in response rates according to organisations' income, or by other characteristics such as the beneficiary group served by the organisation. However, there were major differences between local authorities in response rates, ranging from 28% to 60%. Local authority weights adjust for differences in response rates between local authorities, but they do not adjust for differences in response rates according to variables not observed in the sampling frame.

In a survey which is concerned with relationships between the third sector and local or national government, we cannot rule out the possibility that organisations in receipt of statutory funds would have more interest in returning the questionnaire, whereas those not receiving statutory income may be less likely to respond. If this was the case, this would to an overestimate, rather than an underestimate, of the extent of reliance on statutory sources of income.

What is the impact of any non-response bias on the geographical aspect of the analysis, comparing local authorities in terms of the proportion of organisations in receipt of statutory income? Making the assumption that the relationship between whether an organisation receives statutory income and whether the organisation responds to the survey is the same in each local authority, the ranking of local authorities in terms of the proportion of organisations which receive statutory funding will be robust – even if there is an overestimate within each local authority.

Note, however, that if there are other factors which are associated with both whether an organisation responds to the survey and whether an organisation receives statutory income, this assumption will not hold.

Item nonresponse

Around 72% of the organisations that returned the questionnaire did not answer all the questions but 80% of them answered more than 32 questions (out of 35). The questions that organisations tended to answer less were related to income and its sources. This can be explained by the fact that these topics are sensitive and sometimes considered confidential.

As missing data can lead to biased results, different methods have been developed to deal with it according to the missing data mechanism, which considers the relationship between the extent to which data are missing and the values of the variables. According to Little and Rubin (2002), there are three different missing data mechanisms: missing completely at random (MCAR) when the missingness does not depend on the values of the data, missing or observed; missing at random (MAR) when the missingness depend on the observed values but not on the missing values; and missing not at random (MNAR) when the missingness depends on the missing values (also called non-ignorable).

In this case the data is MAR and it is adequate to use multiple imputation which was first proposed by Rubin in 1978. The idea of multiple imputation is to replace each missing value a certain number of times, say M with $M > 1$, generating M complete datasets. The values imputed are draws from a distribution so they contain some variation. The M datasets are analyzed using standard methods and the obtained results are combined or pooled together. In this way it is possible to represent the uncertainty of the imputed values. In general only a small number of imputations is required (between 5 and 10).

A3. Confidence intervals

Note that the confidence intervals presented in the report are based on an assumption that those that didn't respond to the survey are a random sample of the population.

Tables

NOTE: We present estimates but because these are based on sample data we also give confidence intervals indicating the expected range of our estimates. Thus, for incorporated charities (table 1) the proportion who receive some income from public funding is estimated to be 62%, but the confidence intervals show that we would be confident that the true figure, were we to gather results for all organisations, would lie between 61 and 64%. We would advise caution in using the local authority figures in particular, as estimates are based on small numbers, so confidence intervals are correspondingly wide. It may be best to rely on the lower band of the confidence intervals.

Tables 1-12 list the proportion of organisations receiving public funding, according to different categories of a particular variable.

Table 1: proportion by legal form

	Proportion that receive public fund (according to questions 13 and 26)	Std. Err.	[95% Conf. Interval]	
Incorporated charities	0.62	0.01	0.61	0.64
Unincorporated charities	0.31	0.00	0.30	0.31
CLGs	0.40	0.01	0.38	0.41
CICs	0.57	0.03	0.51	0.64
IPS	0.29	0.01	0.27	0.31

Table 2: proportion by income (size)

	Proportion that receive public fund (according to questions 13 and 26)	Std. Err.	[95% Conf. Interval]	
No income	0.20	0.01	0.18	0.22
1 to 500	0.17	0.01	0.15	0.19
£501 to £1,000	0.16	0.01	0.14	0.18
£1,001 to £2,000	0.18	0.01	0.16	0.19
£2,001 to £3,000	0.21	0.01	0.19	0.23
£3,001 to £5,000	0.24	0.01	0.23	0.26
£5,001 to £7,000	0.23	0.01	0.21	0.25
£7,001 to £9,000	0.27	0.01	0.25	0.29
£9,001 to £10,000	0.27	0.01	0.25	0.29
£10,001 to £12,500	0.28	0.01	0.26	0.30
£12,501 to £17,500	0.31	0.01	0.29	0.33
£17,501 to £20,000	0.34	0.01	0.31	0.36
£20,001 to £30,000	0.38	0.01	0.36	0.40
£30,001 to £40,000	0.42	0.01	0.39	0.44
£40,001 to £60,000	0.46	0.01	0.44	0.48
£60,001 to £80,000	0.48	0.01	0.46	0.51
£80,001 to £100,000	0.48	0.01	0.45	0.51
£100,001 to £150,000	0.49	0.01	0.46	0.52
£150,001 to £200,000	0.52	0.02	0.49	0.56
£200,001 to £300,000	0.51	0.01	0.48	0.53
£300,001 to £500,000	0.57	0.01	0.54	0.59
£500,001 to £1,000,000	0.60	0.01	0.57	0.63
£1,000,001 to £5,000,000	0.63	0.01	0.60	0.66
£5,000,001 plus	0.67	0.02	0.63	0.71

Table 3: proportion by region

	Proportion that receive public fund (according to questions 13 and 26)	Std. Err.	[95% Conf. Interval]	
East Midlands	0.38	0.01	0.37	0.40
East of England	0.34	0.01	0.32	0.35
London	0.33	0.01	0.32	0.34
North East	0.43	0.01	0.41	0.45
North West	0.42	0.01	0.40	0.43
South East	0.33	0.01	0.32	0.35
South West	0.37	0.01	0.36	0.39
West Midlands	0.38	0.01	0.37	0.40
Yorkshire and the Humber	0.39	0.01	0.38	0.41

Table 4: proportion by local authority

	Proportion that receive public fund (according to questions 13 and 26)	Std. Err.	[95% Conf. Interval]	
Knowsley	0.65	0.05	0.55	0.75
Nottingham ua	0.52	0.03	0.46	0.57
Tower Hamlets	0.52	0.03	0.46	0.58
Kingston upon Hull, City of ua	0.51	0.03	0.45	0.57
Liverpool	0.50	0.03	0.45	0.55
Manchester	0.50	0.03	0.45	0.56
Newcastle upon Tyne	0.50	0.03	0.44	0.55
Salford	0.51	0.04	0.44	0.59
Durham	0.48	0.02	0.44	0.52
Islington	0.49	0.03	0.43	0.54
Halton ua	0.52	0.05	0.42	0.61
Leicester ua	0.48	0.03	0.42	0.55
St. Helens	0.51	0.05	0.41	0.60
Wolverhampton	0.48	0.04	0.41	0.55
Birmingham	0.46	0.02	0.41	0.51
Luton ua	0.49	0.04	0.41	0.57
Hackney	0.46	0.03	0.40	0.52
Hartlepool ua	0.50	0.05	0.40	0.60
Sandwell	0.47	0.04	0.40	0.54
Sunderland	0.46	0.03	0.40	0.52
Sheffield	0.44	0.02	0.40	0.49
Lambeth	0.44	0.03	0.38	0.49
Tameside	0.46	0.04	0.38	0.54
Cornwall	0.42	0.02	0.38	0.46
Telford and Wrekin ua	0.46	0.04	0.38	0.53
Wigan	0.45	0.04	0.38	0.53
Doncaster	0.44	0.03	0.38	0.49
Peterborough ua	0.45	0.04	0.38	0.52
Shropshire	0.42	0.02	0.37	0.46
Cumbria	0.41	0.02	0.37	0.45
Calderdale	0.43	0.03	0.37	0.49
Bradford	0.42	0.03	0.37	0.47
Warrington ua	0.44	0.04	0.37	0.52
South Tyneside	0.46	0.05	0.37	0.56

Leeds	0.42	0.02	0.37	0.46
Wirral	0.42	0.03	0.37	0.47
Milton Keynes ua	0.42	0.03	0.37	0.48
Bristol, City of ua	0.41	0.02	0.37	0.46
Northumberland	0.40	0.02	0.36	0.45
Rotherham	0.42	0.03	0.36	0.48
Nottinghamshire	0.40	0.02	0.36	0.44
Somerset	0.39	0.02	0.35	0.43
Lewisham	0.41	0.03	0.35	0.48
Wiltshire	0.39	0.02	0.35	0.43
Portsmouth ua	0.42	0.04	0.35	0.49
Oldham	0.43	0.04	0.35	0.51
Haringey	0.41	0.03	0.35	0.47
Southwark	0.40	0.03	0.35	0.46
Rochdale	0.42	0.04	0.35	0.50
Lancashire	0.39	0.02	0.35	0.42
Blackburn with Darwen ua	0.43	0.05	0.34	0.52
South Gloucestershire ua	0.39	0.03	0.34	0.45
Southampton ua	0.40	0.03	0.34	0.46
Brighton and Hove ua	0.40	0.03	0.34	0.45
Coventry	0.40	0.03	0.34	0.46
York ua	0.39	0.03	0.33	0.44
Middlesbrough ua	0.42	0.04	0.33	0.50
Barnsley	0.40	0.03	0.33	0.46
Derby ua	0.40	0.04	0.33	0.47
Kirklees	0.38	0.02	0.33	0.43
North East Lincolnshire ua	0.41	0.04	0.33	0.50
Derbyshire	0.37	0.02	0.33	0.41
Barking and Dagenham	0.42	0.04	0.33	0.50
Cheshire	0.37	0.02	0.33	0.41
Stoke-on-Trent ua	0.40	0.04	0.33	0.48
Reading ua	0.40	0.03	0.33	0.46
Dudley	0.38	0.03	0.33	0.44
Wakefield	0.39	0.03	0.33	0.45
Devon	0.36	0.02	0.32	0.39
Swindon ua	0.38	0.03	0.32	0.44
Leicestershire	0.36	0.02	0.32	0.40
Gloucestershire	0.36	0.02	0.32	0.40
Hampshire	0.36	0.02	0.32	0.39
Plymouth ua	0.37	0.03	0.32	0.43
North Lincolnshire ua	0.39	0.04	0.32	0.46
Kent	0.35	0.02	0.32	0.39
Gateshead	0.38	0.04	0.32	0.45
Stockton-on-Tees ua	0.39	0.04	0.32	0.46
Newham	0.38	0.03	0.31	0.45
Waltham Forest	0.37	0.03	0.31	0.43
Norfolk	0.35	0.02	0.31	0.38
Walsall	0.37	0.03	0.31	0.44
Lincolnshire	0.35	0.02	0.31	0.39
Cambridgeshire	0.35	0.02	0.31	0.39
Redcar and Cleveland ua	0.39	0.04	0.31	0.46
Northamptonshire	0.34	0.02	0.30	0.38
Suffolk	0.34	0.02	0.30	0.38
East Sussex	0.34	0.02	0.30	0.38

Warwickshire	0.34	0.02	0.30	0.38
Southend-on-Sea ua	0.38	0.04	0.30	0.45
Bedfordshire	0.34	0.02	0.30	0.39
Dorset	0.34	0.02	0.30	0.38
East Riding of Yorkshire ua	0.34	0.02	0.30	0.38
Essex	0.33	0.02	0.30	0.37
Bournemouth ua	0.37	0.04	0.30	0.44
Camden	0.34	0.03	0.29	0.39
Brent	0.36	0.03	0.29	0.42
Staffordshire	0.33	0.02	0.29	0.37
Bury	0.37	0.04	0.29	0.45
Darlington ua	0.38	0.04	0.29	0.46
Worcestershire	0.33	0.02	0.29	0.37
North Yorkshire	0.32	0.02	0.29	0.36
Greenwich	0.34	0.03	0.29	0.40
West Sussex	0.32	0.02	0.29	0.36
Torbay ua	0.35	0.04	0.28	0.42
Oxfordshire	0.32	0.02	0.28	0.36
Blackpool ua	0.38	0.05	0.28	0.47
North Somerset ua	0.33	0.03	0.28	0.39
Sefton	0.34	0.03	0.28	0.40
Bolton	0.34	0.03	0.28	0.41
Herefordshire, county of ua	0.32	0.02	0.28	0.37
Redbridge	0.34	0.03	0.27	0.40
Ealing	0.33	0.03	0.27	0.39
Surrey	0.30	0.02	0.27	0.34
Hillingdon	0.32	0.03	0.26	0.38
Bracknell forest ua	0.35	0.04	0.26	0.44
Isle of Wight ua	0.32	0.03	0.26	0.37
Bath and North East Somerset ua	0.31	0.03	0.26	0.37
North Tyneside	0.32	0.03	0.26	0.38
Wandsworth	0.31	0.03	0.26	0.37
Buckinghamshire	0.29	0.02	0.26	0.33
Hertfordshire	0.29	0.02	0.25	0.33
Slough ua	0.35	0.05	0.25	0.45
Wokingham ua	0.29	0.03	0.24	0.35
Windsor and Maidenhead ua	0.29	0.03	0.24	0.34
Hammersmith and Fulham	0.30	0.03	0.24	0.36
Stockport	0.29	0.03	0.23	0.34
Bexley	0.30	0.03	0.23	0.37
Enfield	0.29	0.03	0.23	0.35
Medway ua	0.28	0.03	0.23	0.34
Thurrock ua	0.31	0.04	0.22	0.39
Westminster	0.27	0.02	0.22	0.32
Hounslow	0.28	0.03	0.22	0.34
Kensington and Chelsea	0.28	0.03	0.22	0.33
West Berkshire ua	0.27	0.03	0.22	0.32
Trafford	0.28	0.03	0.22	0.34
Croydon	0.27	0.03	0.22	0.32
Kingston upon Thames	0.28	0.03	0.22	0.35
Harrow	0.27	0.03	0.22	0.32
Bromley	0.26	0.02	0.21	0.31
Solihull	0.27	0.03	0.21	0.32
Merton	0.27	0.03	0.21	0.32

Sutton	0.27	0.03	0.21	0.33
Richmond upon Thames	0.26	0.03	0.21	0.31
Barnet	0.21	0.02	0.17	0.25
Poole ua	0.23	0.03	0.16	0.29
Rutland ua	0.24	0.05	0.15	0.33
Havering	0.20	0.03	0.14	0.26
City of london	0.13	0.02	0.08	0.17

Table 5: proportion by area of operation

	Proportion that receive public fund (according to questions 13 and 26)	Std. Err.	[95% Conf. Interval]	
Internationally	0.11	0.01	0.10	0.13
Nationally	0.24	0.01	0.23	0.26
Regionally	0.39	0.01	0.37	0.40
Your county council area	0.51	0.01	0.48	0.53
Your borough or district council area	0.46	0.01	0.44	0.47
Your local authority area	0.51	0.01	0.50	0.52
Your neighbourhood	0.33	0.00	0.32	0.34
Multiple answers	0.39	0.01	0.37	0.42
No answer	NA			

Table 6: proportion by Index of Multiple Deprivation 2007

	Proportion receiving statutory income (using q13 and q26)	Std. Err.	[95% Conf. Interval]	
0,1 to 5	0.28	0.008	0.26	0.29
5 plus	0.31	0.005	0.30	0.32
10 plus	0.31	0.005	0.30	0.32
15 plus	0.35	0.006	0.33	0.36
20 plus	0.38	0.008	0.36	0.39
25 plus	0.40	0.010	0.38	0.42
30 plus	0.43	0.011	0.41	0.46
35 plus	0.46	0.012	0.44	0.48
40 plus	0.46	0.014	0.44	0.49
45 plus	0.50	0.015	0.47	0.53
50 plus	0.59	0.016	0.56	0.62
55 plus	0.56	0.021	0.52	0.60
60 plus	0.61	0.021	0.57	0.65
65 plus	0.63	0.029	0.58	0.69
70 plus	0.63	0.030	0.57	0.69
75 plus	0.63	0.040	0.55	0.70
no match	0.49	0.079	0.33	0.64

Table 7: proportion by age of organisation

	Proportion receiving statutory income (using q13 and q26)	Std. Err.	[95% Conf. Interval]	
1960-69	0.31	0.006	0.29	0.32
1970-79	0.30	0.008	0.29	0.32
1980-89	0.32	0.007	0.31	0.33
1990-99	0.38	0.005	0.37	0.39
2000-2004	0.41	0.007	0.40	0.42
2005-2008	0.41	0.008	0.39	0.43

Table 8: proportion by number of staff (FTEs)

	Proportion that receive public fund (according to questions 13 and 26)	Std. Err.	[95% Conf. Interval]	
no FTE	0.22	0.00	0.21	0.22
one	0.39	0.01	0.38	0.41
two	0.45	0.01	0.43	0.47
3 to 5	0.59	0.01	0.58	0.61
6 to 10	0.69	0.01	0.67	0.71
11 to 30	0.71	0.01	0.69	0.73
31 to 100	0.74	0.01	0.71	0.77
101 plus	0.75	0.02	0.71	0.78
no answer	NA			

Table 9: proportion by number of volunteers

	Proportion that receive public fund (according to questions 13 and 26)	Std. Err.	[95% Conf. Interval]	
none	0.26	0.01	0.24	0.28
1 to 10	0.31	0.00	0.31	0.32
11 to 20	0.41	0.00	0.40	0.42
21 to 30	0.43	0.01	0.41	0.44
31 to 50	0.45	0.01	0.43	0.47
51 to 100	0.43	0.01	0.41	0.45
101 to 500	0.45	0.01	0.42	0.48
501 plus	0.57	0.03	0.51	0.64
no answer				

Table 10: proportion by beneficiaries

Category	Total	Received public funding	Proportion
Socially excluded / vulnerable people	7,743	5,309	0.69
People with mental health needs	6,150	3,681	0.60
Offenders, ex-offenders and their families	1,743	1,034	0.59
People with learning difficulties	8,039	4,690	0.58
Victims of crime and their families	1,184	687	0.58
Asylum seekers / refugees	2,548	1,442	0.57
Homeless people	3,547	1,975	0.56
People with addiction problems	2,420	1,307	0.54
Lesbian, gay, bisexual or transgender people	1,001	520	0.52
People from black and minority ethnic communities	10,089	5,090	0.50
Other third sector organisations	7,886	3,814	0.48
People with physical disabilities and/or special needs	15,110	6,881	0.46
Children (aged 15 or under)	50,309	22,894	0.46
Young people (aged 16 to 24)	31,129	13,212	0.42
The general public / everyone	62,586	23,906	0.38
Older people	31,599	11,616	0.37
People with particular physical needs	8,411	2,986	0.36
People with particular financial need	10,920	3,599	0.33
Men	27,154	8,582	0.32
Women	35,157	10,847	0.31
Other	11,406	3,388	0.30
Animals	2,291	539	0.24
No answer	8,422	1,908	0.23
Faith communities	12,047	2,296	0.19
Cannot say	1,244	177	0.14

Table 11: proportion by main area of work

Category	Total	Received public funding	Proportion
Criminal justice	1389	969	0.70
Equalities / civil rights	4539	2804	0.62
Capacity-building and other support for TSO	5490	3288	0.60
Cohesion / civic participation	9316	5343	0.57
Training	18339	8832	0.48
Health and well-being	28271	13603	0.48
Environment / sustainability	7661	3559	0.46
Community development and mutual aid	27,349	12,550	0.46
Economic well-being	16733	7614	0.46
Accommodation/housing	11968	5079	0.42
Education and lifelong learning	48034	20226	0.42
Culture and leisure	52366	20071	0.38
Other	23612	8492	0.36
Heritage	8051	2858	0.35
Animal welfare	2053	360	0.18
Religious / faith-based activity	19107	2774	0.15
International development	6604	880	0.13
Cannot say	1,992	217	0.11
No answer	9,341	2,051	0.22

Table 12: proportion by main role

Category	Total	Received public funding	Proportion
Helps people access services or benefits	10310	6940	0.67
Delivery of public services	23113	14908	0.65
Capacity-building and other support for TSO	7312	4198	0.57
Provides advice to individuals	17042	8975	0.53
Provides staff and/or volunteers	12572	6270	0.50
Advocacy, campaigning, representation, information or research	17306	8357	0.48
Community development and mutual aid	28,476	12,737	0.45
Delivery of other services	26393	11737	0.44
Buildings and/or facilities	25001	10834	0.43
Advancing cultural awareness	12212	5243	0.43
Advancing religion and/or spiritual welfare by supporting religious or spiritual practice	17027	2376	0.14
Provides other finance	6199	752	0.12
Grant makers	19670	2246	0.11
Other	22798	8461	0.37
Cannot say	5266	1007	0.19
No answer	15774	4294	0.27

Tables 13-24 list the *proportion of organisations which consider public funding their most important income source*, according to different categories of a particular variable.

Table 13: proportion by legal form

	Proportion that consider public funding their most important source)	Std. Err.	[95% Conf. Interval]	
Incorporated charities	0.34	0.01	0.33	0.36
Unincorporated charities	0.09	0.00	0.08	0.09
CLGs	0.18	0.01	0.17	0.20
CICs	0.31	0.03	0.25	0.37
IPS	0.11	0.01	0.10	0.13

Table 14: proportion by income (size)

	Proportion that consider public funding their most important source	Std. Err.	[95% Conf. Interval]	
No income	0.05	0.01	0.04	0.06
1 to 500	0.04	0.01	0.03	0.05
£501 to £1,000	0.03	0.01	0.02	0.04
£1,001 to £2,000	0.02	0.00	0.02	0.03
£2,001 to £3,000	0.04	0.00	0.03	0.05
£3,001 to £5,000	0.04	0.00	0.03	0.04
£5,001 to £7,000	0.04	0.00	0.03	0.05
£7,001 to £9,000	0.05	0.01	0.04	0.06
£9,001 to £10,000	0.04	0.00	0.03	0.05
£10,001 to £12,500	0.07	0.01	0.05	0.08
£12,501 to £17,500	0.08	0.01	0.07	0.09
£17,501 to £20,000	0.08	0.01	0.07	0.10
£20,001 to £30,000	0.12	0.01	0.11	0.13
£30,001 to £40,000	0.14	0.01	0.12	0.16
£40,001 to £60,000	0.19	0.01	0.18	0.21
£60,001 to £80,000	0.22	0.01	0.20	0.25
£80,001 to £100,000	0.21	0.01	0.19	0.23
£100,001 to £150,000	0.25	0.01	0.22	0.27
£150,001 to £200,000	0.30	0.01	0.27	0.32
£200,001 to £300,000	0.28	0.01	0.25	0.30
£300,001 to £500,000	0.32	0.01	0.30	0.34
£500,001 to £1,000,000	0.37	0.01	0.35	0.40
£1,000,001 to £5,000,000	0.35	0.01	0.32	0.38
£5,000,001 plus	0.33	0.02	0.28	0.37

Table 15: proportion by region

	Proportion that consider public funding their most important source	Std. Err.	[95% Conf. Interval]	
East Midlands	0.14	0.01	0.13	0.16
East of England	0.12	0.01	0.11	0.13
London	0.14	0.00	0.13	0.15
North East	0.17	0.01	0.15	0.18
North West	0.17	0.01	0.16	0.18
South East	0.12	0.00	0.11	0.13
South West	0.13	0.00	0.12	0.14
West Midlands	0.15	0.01	0.13	0.16
Yorkshire and the Humber	0.17	0.01	0.15	0.18

Table 16: proportion by local authority

	Proportion that consider public funding their most important source	Std. Err.	[95% Conf. Interval]		Previous values
Nottingham ua	0.33	0.03	0.27	0.38	0.18
Knowsley	0.33	0.05	0.23	0.43	0.06
Liverpool	0.27	0.02	0.22	0.32	0.14
Sandwell	0.27	0.03	0.21	0.34	0.14
Wolverhampton	0.25	0.03	0.19	0.32	0.11
Leicester ua	0.25	0.03	0.19	0.30	0.10
Kingston upon Hull, City of ua	0.25	0.03	0.19	0.30	0.18
Bradford	0.22	0.02	0.18	0.26	0.19
Newcastle upon Tyne	0.22	0.02	0.18	0.27	0.18
Islington	0.23	0.03	0.17	0.28	0.13
Sheffield	0.22	0.02	0.17	0.26	0.16
Leeds	0.22	0.02	0.17	0.26	0.12
Blackburn with Darwen ua	0.26	0.04	0.17	0.34	0.20
Tower Hamlets	0.23	0.03	0.17	0.28	0.14
Salford	0.24	0.03	0.17	0.31	0.10
Birmingham	0.21	0.02	0.17	0.25	0.17
Lambeth	0.22	0.02	0.17	0.26	0.10
Manchester	0.21	0.02	0.17	0.26	0.12
Bristol, City of ua	0.21	0.02	0.16	0.25	0.16
Hackney	0.21	0.03	0.16	0.26	0.14
Halton ua	0.24	0.04	0.16	0.32	0.14
Derby ua	0.22	0.03	0.16	0.28	0.17
Southampton ua	0.21	0.02	0.16	0.26	0.11
Coventry	0.21	0.03	0.16	0.26	0.07
Reading ua	0.21	0.03	0.15	0.27	0.12
Southwark	0.20	0.02	0.15	0.24	0.18
Rochdale	0.21	0.03	0.15	0.27	0.11
Plymouth ua	0.19	0.02	0.14	0.24	0.10
Swindon ua	0.20	0.03	0.14	0.25	0.13
St. Helens	0.23	0.05	0.14	0.32	0.18
Stoke-on-Trent ua	0.20	0.03	0.14	0.27	0.11
Luton ua	0.22	0.04	0.14	0.29	0.10

Sunderland	0.19	0.03	0.14	0.25	0.15
Lewisham	0.19	0.03	0.13	0.24	0.09
Milton Keynes ua	0.18	0.02	0.13	0.23	0.14
Durham	0.16	0.02	0.13	0.20	0.15
Hartlepool ua	0.21	0.04	0.13	0.30	0.12
Kirklees	0.17	0.02	0.13	0.20	0.10
Camden	0.17	0.02	0.13	0.21	0.09
Greenwich	0.17	0.02	0.13	0.22	0.10
North East Lincolnshire ua	0.20	0.04	0.13	0.27	0.10
Waltham Forest	0.17	0.02	0.12	0.22	0.14
South Tyneside	0.21	0.04	0.12	0.29	0.13
Doncaster	0.17	0.02	0.12	0.21	0.14
Wirral	0.17	0.02	0.12	0.21	0.19
Warrington ua	0.18	0.03	0.12	0.24	0.21
Barking and Dagenham	0.19	0.04	0.12	0.26	0.09
Lancashire	0.15	0.02	0.12	0.18	0.12
Oldham	0.18	0.03	0.12	0.25	0.12
Telford and Wrekin ua	0.18	0.03	0.12	0.24	0.12
Portsmouth ua	0.17	0.03	0.12	0.22	0.18
Haringey	0.17	0.03	0.12	0.22	0.09
Bournemouth ua	0.18	0.03	0.12	0.24	0.08
Walsall	0.17	0.03	0.11	0.22	0.10
Peterborough ua	0.16	0.03	0.11	0.22	0.09
South Gloucestershire ua	0.15	0.02	0.11	0.19	0.09
Northumberland	0.14	0.02	0.11	0.18	0.07
Gateshead	0.17	0.03	0.11	0.22	0.20
Wigan	0.17	0.03	0.11	0.24	0.10
Gloucestershire	0.14	0.01	0.11	0.17	0.08
Rotherham	0.16	0.02	0.11	0.20	0.23
Norfolk	0.13	0.01	0.11	0.16	0.11
Bolton	0.16	0.03	0.11	0.21	0.15
Wakefield	0.15	0.02	0.11	0.19	0.26
Cheshire	0.13	0.01	0.10	0.16	0.20
York ua	0.14	0.02	0.10	0.18	0.13
Blackpool ua	0.18	0.04	0.10	0.26	0.18
Bury	0.16	0.03	0.10	0.22	0.22
Brent	0.15	0.03	0.10	0.21	0.11
Cornwall	0.13	0.01	0.10	0.16	0.17
Cambridgeshire	0.13	0.01	0.10	0.16	0.11
Wiltshire	0.13	0.01	0.10	0.15	0.22
Southend-on-Sea ua	0.16	0.03	0.10	0.21	0.20
Dudley	0.14	0.02	0.10	0.18	0.19
Hampshire	0.12	0.01	0.10	0.15	0.10
Surrey	0.13	0.01	0.10	0.16	0.11
Sefton	0.14	0.02	0.10	0.18	0.14
Bath and North East Somerset ua	0.13	0.02	0.10	0.17	0.12
Calderdale	0.14	0.02	0.10	0.18	0.20
North Tyneside	0.15	0.03	0.10	0.20	0.11
Leicestershire	0.12	0.02	0.10	0.15	0.13
Warwickshire	0.13	0.02	0.09	0.16	0.18
Barnsley	0.14	0.02	0.09	0.19	0.10
Tameside	0.15	0.03	0.09	0.21	0.11
Middlesbrough ua	0.16	0.03	0.09	0.22	0.13

Essex	0.12	0.01	0.09	0.14	0.11
Ealing	0.14	0.03	0.09	0.19	0.11
Northamptonshire	0.12	0.01	0.09	0.15	0.13
Buckinghamshire	0.12	0.01	0.09	0.15	0.28
Oxfordshire	0.12	0.01	0.09	0.14	0.12
Slough ua	0.18	0.04	0.09	0.27	0.19
North Yorkshire	0.12	0.01	0.09	0.14	0.11
Nottinghamshire	0.12	0.02	0.09	0.15	0.16
Wandsworth	0.13	0.02	0.09	0.18	0.18
Darlington ua	0.15	0.03	0.09	0.22	0.08
Derbyshire	0.12	0.01	0.09	0.14	0.14
Bedfordshire	0.12	0.01	0.09	0.15	0.19
Croydon	0.12	0.02	0.09	0.16	0.10
Cumbria	0.11	0.01	0.09	0.14	0.12
Harrow	0.13	0.02	0.09	0.17	0.11
Devon	0.11	0.01	0.08	0.13	0.18
Redbridge	0.13	0.02	0.08	0.18	0.14
Bromley	0.12	0.02	0.08	0.15	0.06
Newham	0.13	0.02	0.08	0.17	0.18
Somerset	0.11	0.01	0.08	0.13	0.23
Hammersmith and Fulham	0.13	0.02	0.08	0.18	0.14
Hertfordshire	0.11	0.01	0.08	0.13	0.21
Medway ua	0.12	0.02	0.08	0.16	0.09
Lincolnshire	0.10	0.01	0.08	0.13	0.11
Worcestershire	0.10	0.01	0.08	0.13	0.09
North somerset ua	0.11	0.02	0.08	0.15	0.10
Hillingdon	0.12	0.02	0.08	0.15	0.12
Wokingham ua	0.12	0.02	0.08	0.15	0.17
Stockton-on-tees ua	0.13	0.03	0.08	0.19	0.19
Merton	0.12	0.02	0.08	0.16	0.11
Kingston upon Thames	0.12	0.02	0.08	0.17	0.18
East riding of Yorkshire ua	0.10	0.02	0.07	0.13	0.19
Suffolk	0.10	0.01	0.07	0.12	0.09
West Sussex	0.10	0.01	0.07	0.12	0.11
Kensington and Chelsea	0.12	0.02	0.07	0.16	0.11
Staffordshire	0.10	0.01	0.07	0.12	0.18
Shropshire	0.10	0.01	0.07	0.12	0.10
Kent	0.09	0.01	0.07	0.12	0.16
Stockport	0.11	0.02	0.07	0.15	0.12
Richmond upon Thames	0.10	0.02	0.07	0.14	0.08
Dorset	0.09	0.01	0.07	0.12	0.16
Brighton and Hove ua	0.10	0.02	0.07	0.14	0.15
Bexley	0.11	0.02	0.07	0.16	0.17
North Lincolnshire ua	0.11	0.02	0.06	0.16	0.11
East Sussex	0.09	0.01	0.06	0.11	0.06
Redcar and Cleveland ua	0.12	0.03	0.06	0.17	0.18
Windsor and Maidenhead ua	0.10	0.02	0.06	0.13	0.10
Trafford	0.10	0.02	0.06	0.15	0.14
Hounslow	0.10	0.02	0.06	0.15	0.14
Enfield	0.11	0.02	0.06	0.15	0.16
Bracknell Forest ua	0.12	0.03	0.06	0.19	0.14
Sutton	0.10	0.02	0.06	0.14	0.15
Herefordshire, County of ua	0.09	0.02	0.06	0.12	0.11
Westminster	0.08	0.02	0.05	0.11	0.08

Solihull	0.09	0.02	0.05	0.12	0.09
Torbay ua	0.10	0.02	0.05	0.14	0.09
Thurrock ua	0.11	0.03	0.05	0.16	0.13
Isle of Wight ua	0.09	0.02	0.05	0.13	0.12
West Berkshire ua	0.08	0.02	0.04	0.11	0.09
Havering	0.08	0.02	0.04	0.13	0.14
Barnet	0.06	0.01	0.04	0.09	0.12
Poole ua	0.07	0.02	0.03	0.11	0.22
City of London	0.05	0.02	0.02	0.08	0.09
Rutland ua	0.04	0.02	0.00	0.09	0.12

Table 17: proportion by area of operation

	Proportion that consider public funding their most important source	Std. Err.	[95% Conf. Interval]	
Internationally	0.02	0.00	0.02	0.03
Nationally	0.08	0.00	0.07	0.09
Regionally	0.18	0.01	0.17	0.19
Your county council area	0.24	0.01	0.22	0.26
Your borough or district council area	0.18	0.01	0.16	0.19
Your local authority area	0.26	0.01	0.25	0.27
Your neighbourhood	0.09	0.00	0.08	0.10
Multiple answers	0.16	0.01	0.14	0.18
No answer	NA			

Table 18: proportion by Index of Multiple Deprivation

	Proportion saying stat income most important source	Std. Err.	[95% Conf. Interval]	
0,1 to 5	0.07	0.004	0.06	0.08
5 plus	0.08	0.003	0.07	0.08
10 plus	0.08	0.003	0.07	0.09
15 plus	0.10	0.004	0.09	0.11
20 plus	0.11	0.005	0.10	0.12
25 plus	0.14	0.007	0.13	0.15
30 plus	0.15	0.008	0.13	0.16
35 plus	0.18	0.009	0.16	0.20
40 plus	0.17	0.010	0.15	0.19
45 plus	0.21	0.013	0.19	0.24
50 plus	0.25	0.014	0.23	0.28
55 plus	0.23	0.017	0.19	0.26
60 plus	0.26	0.019	0.22	0.29
65 plus	0.31	0.028	0.26	0.37
70 plus	0.28	0.027	0.22	0.33
75 plus	0.31	0.039	0.24	0.39
no match	0.16	0.062	0.04	0.28

Table 19: proportion by age of organisation

	Proportion saying stat income most important source	Std. Err.	[95% Conf. Interval]	
1960-69	0.05	0.003	0.04	0.06
1970-79	0.06	0.004	0.06	0.07
1980-89	0.10	0.004	0.09	0.11
1990-99	0.13	0.003	0.12	0.14
2000-2004	0.14	0.005	0.13	0.14
2005-2008	0.13	0.005	0.12	0.14

Table 20: proportion by number of staff (FTEs)

	Proportion that consider public funding their most important source)	Std. Err.	[95% Conf. Interval]	
no FTE	0.04	0.00	0.03	0.04
one	0.15	0.01	0.13	0.16
two	0.20	0.01	0.19	0.22
3 to 5	0.30	0.01	0.28	0.31
6 to 10	0.36	0.01	0.34	0.38
11 to 30	0.41	0.01	0.39	0.43
31 to 100	0.41	0.02	0.37	0.44
101 plus	0.43	0.02	0.39	0.47
no answer	NA			

Table 21: proportion by number of volunteers

	Proportion that consider public funding their most important source	Std. Err.	[95% Conf. Interval]	
none	0.13	0.01	0.11	0.14
1 to 10	0.13	0.00	0.12	0.13
11 to 20	0.14	0.00	0.14	0.15
21 to 30	0.15	0.01	0.14	0.16
31 to 50	0.18	0.01	0.16	0.19
51 to 100	0.18	0.01	0.16	0.20
101 to 500	0.16	0.01	0.14	0.18
501 plus	0.19	0.03	0.14	0.24
no answer	NA			

Table 22: proportion by beneficiaries

Category	Total	Public funding is the most important source	Proportion
Socially excluded / vulnerable people	7,743	2,525	0.33
People with mental health needs	6,150	1,917	0.31
Victims of crime and their families	1,184	310	0.26
People with learning difficulties	8,039	2,081	0.26
Offenders, ex-offenders and their families	1,743	414	0.24
Homeless people	3,547	798	0.22
Other third sector organisations	7,886	1,774	0.22
People with addiction problems	2,420	529	0.22
Lesbian, gay, bisexual or transgender people	1,001	191	0.19
People from black and minority ethnic communities	10,089	1,865	0.18
People with physical disabilities and/or special needs	15,110	2,631	0.17
Asylum seekers / refugees	2,548	414	0.16
Children (aged 15 or under)	50,309	6,564	0.13
Young people (aged 16 to 24)	31,129	3,917	0.13
People with particular physical needs	8,411	1,023	0.12
People with particular financial need	10,920	1,224	0.11
Older people	31,599	3,179	0.10
The general public / everyone	62,586	5,947	0.10
Women	35,157	2,951	0.08
Men	27,154	2,027	0.07
Faith communities	12,047	430	0.04
Animals	2,291	75	0.03
Other	11,406	1,298	0.11
Cannot say	1,244	56	0.05
No answer	8,422	347	0.04

Table 23: proportion by main area of work

Category	Total	Public funding is the most important source	Proportion
Criminal justice	1389	442	0.32
Capacity-building and other support for TSO	5490	1,607	0.29
Equalities / civil rights	4539	1,284	0.28
Health and well-being	28271	6,110	0.22
Economic well-being	16733	3,399	0.20
Accommodation/housing	11968	2,231	0.19
Cohesion / civic participation	9316	1,644	0.18
Training	18339	3,073	0.17
Education and lifelong learning	48034	6,525	0.14
Environment / sustainability	7661	1,015	0.13
Community development and mutual aid	27,349	3,321	0.12

Culture and leisure	52366	4,032	0.08
Heritage	8051	469	0.06
Religious / faith-based activity	19107	423	0.02
International development	6604	135	0.02
Animal welfare	2053	18	0.01
Other	23612	2,541	0.11
Cannot say	1,992	53	0.03
No answer	9,341	319	0.03

Table 24: proportion by main role

Category	Total	Public funding is the most important source	Proportion
Helps people access services or benefits	10310	3,222	0.31
Delivery of public services	23113	6,778	0.29
Capacity-building and other support for TSO	7312	1,873	0.26
Provides advice to individuals	17042	4,013	0.24
Advocacy, campaigning, representation, information or research	17306	3,502	0.20
Provides staff and/or volunteers	12572	2,322	0.18
Delivery of other services	26393	3,727	0.14
Community development and mutual aid	28,476	3,269	0.11
Advancing cultural awareness	12212	1,250	0.10
Buildings and/or facilities	25001	2,109	0.08
Provides other finance	6199	160	0.03
Grant makers	19670	463	0.02
Advancing religion and/or spiritual welfare by supporting religious or spiritual practice	17027	278	0.02
Other	22798	2,550	0.11
Cannot say	5266	160	0.03
No answer	15774	844	0.05

Figure 1: proportion of organisations receiving public sector funding, by local authority

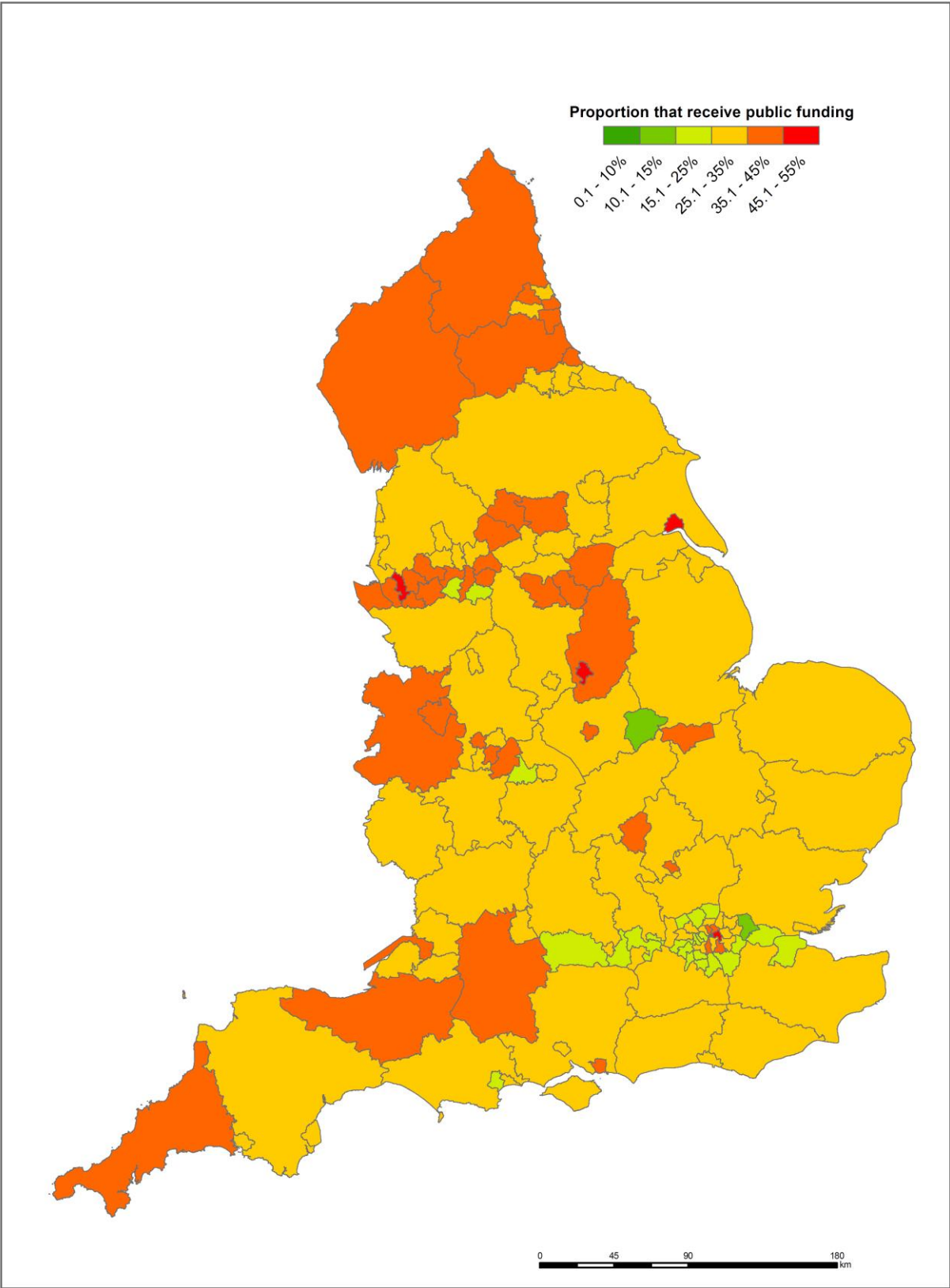
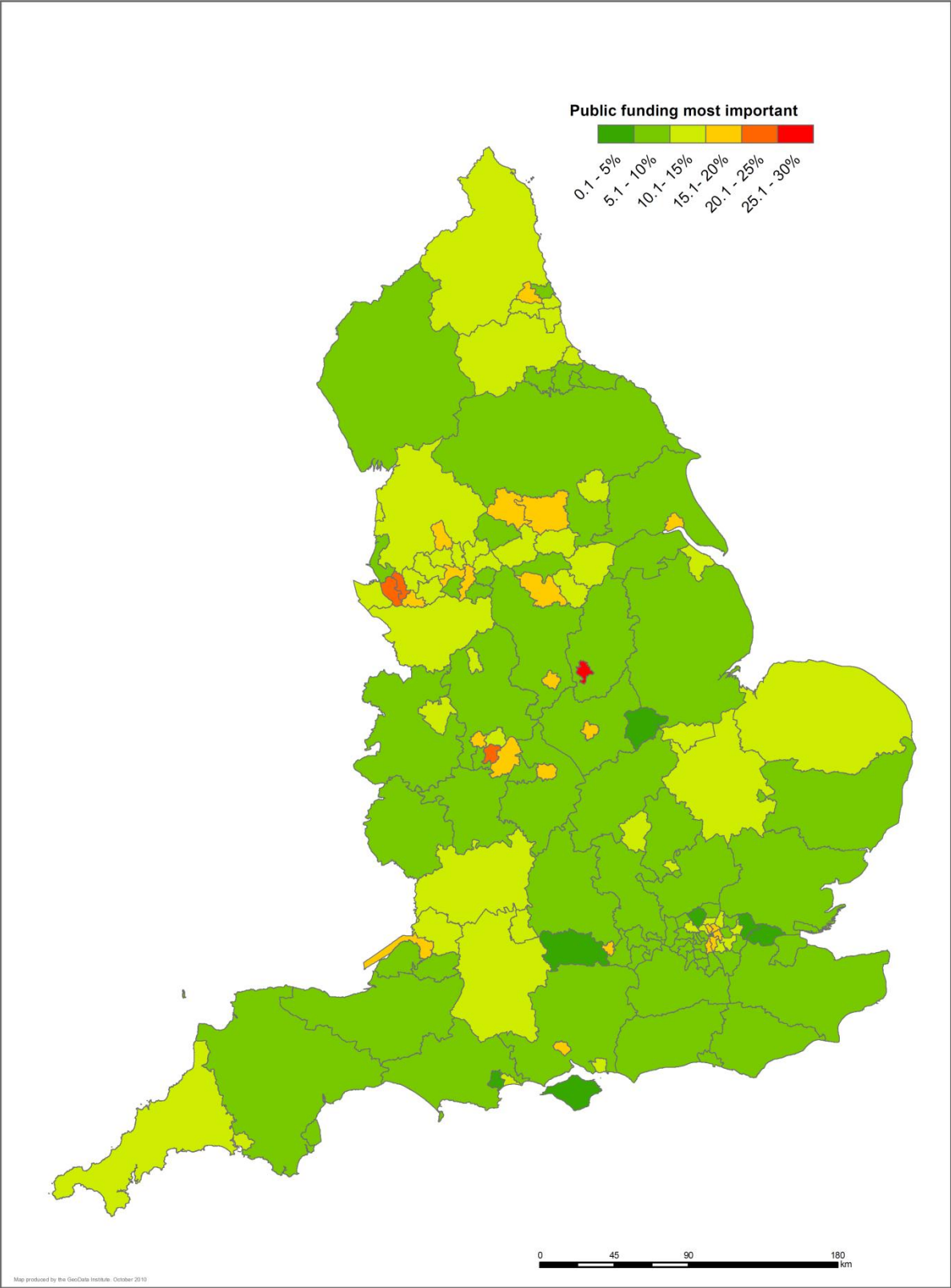


Figure 2: proportion of organisations for whom public sector funding is the most important income source, by local authority'



About the Centre

The third sector provides support and services to millions of people. Whether providing front-line services, making policy or campaigning for change, good quality research is vital for organisations to achieve the best possible impact. The third sector research centre exists to develop the evidence base on, for and with the third sector in the UK. Working closely with practitioners, policy-makers and other academics, TSRC is undertaking and reviewing research, and making this research widely available. The Centre works in collaboration with the third sector, ensuring its research reflects the realities of those working within it, and helping to build the sector's capacity to use and conduct research.

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Quantitative Analysis

This research stream is designed to improve our understanding of the third sector through a large-scale programme of quantitative work. It is designed to help us better explain the distribution of third sector organisations, analyse their contribution to society and the economy and understand their dynamics. We are interested in data not just on third sector organisations and their resources, but also on both financial inputs to the sector (funding flows from various sources) and human inputs (e.g. the paid workforce and volunteers).

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