



Estimates of Central Government Expenditure on Voluntary and Community Organisations, 2002/03 to 2003/04



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Organisations, 2002/03 to 2003/04

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Principal findings

- This report summarises the findings of the survey of central government departments' and their agencies'/ non-departmental public bodies' (NDPBs') spending through voluntary and community organisations for the years 2002/03 and 2003/04. We have sought to ensure that the survey is as thorough and accurate as possible but, as this information is not generally held centrally, spending may be under-reported in departments' responses. As such, the findings presented here are estimates of central government spending rather than precise amounts.
- The survey indicates that central government spending on voluntary and community organisations increased substantially between 2001/02 and 2002/03, and again in 2003/04. At current prices (i.e. cash), the totals were £3,598 million in 2001/02, £4,307 million in 2002/03 and £4,948 million in 2003/04. The cash total increased by 20% between 2001/02 and 2002/03, and by 15% between 2002/03 and 2003/04. At constant (2002) prices (i.e. corrected for inflation), it increased by 16% between 2001/02 and 2002/03, and 12% between 2002/03 and 2003/04.
- Between 2001/02 and 2002/03, the increase was primarily a result of increases in non-housing-association spending. At current prices, non-housing-association spending increased by 20% between 2001/02 and 2002/03, whereas it barely rose (0.4% in cash terms) between 2002/03 and 2003/04. At constant (2002) prices, non-housing-association expenditure increased by 16% between 2001/02 and 2002/03, but appeared to have declined by 2% between 2002/03 and 2003/04.
- Given the difficulties of making accurate estimates from this kind of survey, this decline is very small in magnitude and, on the basis of one-year alone, may suggest there has been a pause in the big increases observed in recent years, rather than a fall. Despite this pause, non-housing association spending remains at a historic high. In real terms, it has increased steadily, to well over twice the level in 1997-98.
- In contrast, housing association funding, the largest single component of government spending on the voluntary sector, grew in both years. In cash terms, housing association funding increased by 20% between 2001/02 and 2002/03, and by 41% between 2002/03 and 2003/04. At constant (2002) prices, it increased by 17% between 2001/02 and 2002/03, and 37% between 2002/03 and 2003/04.
- In both 2002/03 and 2003/04, there were differences in the distribution of reported spending per capita among the various nations of the UK. Spending per capita was higher in Northern Ireland than in England, Scotland or Wales.
- In 2002/03 and 2003/04, there were also differences in the distribution of reported spending per capita between the various standard regions in England. In both years, spending per capita was greatest in London and lowest in the Eastern region.
- In 2002/03 and 2003/04, the largest share of government spending on the voluntary sector was routed at housing associations (34% in 2002/03 and 45% in 2003/04), followed by economic, social and community development (15% in 2002/03 and 10% in 2003/04).
- In 2002/03 and 2003/04, most departments reported spending a relatively small proportion of their total expenditure on voluntary and community organisations (1.4% and 1.6%, respectively). The Office of the Deputy Prime Minister (ODPM) (now Communities and Local Government (CLG)) spent the largest proportion (37% and 35% in the two years, respectively). This includes the amount spent on housing associations. Excluding housing, the Department for Culture, Media and Sport was the highest spender proportionally (12% of its total expenditure in both years).

Long-term trends

- Since 1982/83, reported government spending on voluntary and community organisations (both non-housing-association spending and spending on housing associations) has shown distinct peaks and troughs.
- Non-housing-association spending reached an initial peak in 1987/88, then fell to a low point in 1992/93, and recovered slightly before falling to another trough in 1997/98. Since then, it has risen strongly to more than twice the level of 1997/98. In 2002/03, it reached its highest point historically in real terms.
- Spending on housing associations reached its highest level ever in 1992/93, then fell back to a low point in 1998/99, but has recovered in recent years.
- Since 2000/01, spending on voluntary and community organisations has grown even faster than the government's total expenditure, even though the total of government expenditure has itself grown strongly in that period. However, throughout the period 1982/83 to 2003/04, spending on these organisations has accounted for only a small share of all government expenditure. From the early 1980s until the mid to late 1990s, it accounted for between 1.5% and 2.0% of government expenditure, then declined to less than 1% in the 1990s. In 2003/04, the comparable proportion was 1.4%.¹

1. In looking at long-term trends, the spending totals from the annual surveys are adjusted to bring them on to comparable terms by smoothing out historic omissions in reporting by departments (see page 24). Thus, the proportion of central government total expenditure spent on the voluntary and community sector in 2003/04 is calculated as 1.4%, rather than the actual headline figure of 1.6% recorded for that year.

Introduction

This report provides estimates of payments to voluntary and community organisations by central government departments and their associated agencies and NDPBs in the UK, and builds on similar surveys undertaken since 1979/80. Here, 'spending' means expenditure funded by the Exchequer; it excludes spending by local councils, the NHS (except in Scotland, see below), and European and Lottery monies.

This report follows the format of the previous published report, which set out information for the years 1982/83 to 2001/02.² It revises the published figures for 2001/02, in order to take account of information omitted by some agencies for that year; it provides new survey information for the years 2002/03 and 2003/04, and it updates information on trends in spending from 1982/83 onwards, so that previously published data is superseded.

This report provides the following information about central government spending on the voluntary and community organisations.

For the years 2002/03 and 2003/04, it provides information on:

- all spending;
- funding of housing associations by the Housing Corporation in England (not including local authority-sponsored schemes), the Northern Ireland Executive's Department for Social Development Housing Division in Northern Ireland, Communities Scotland (formerly Scottish Homes) in Scotland, and the National Assembly for Wales's (NAW's) Housing Division, in Wales;³
- spending by nation (England, Wales, Scotland and Northern Ireland);
- spending analysed by standard regions in England;
- spending by department;
- direct and indirect spending;
- spending by service; and
- spending on organisations that provide services to women, people from ethnic minorities, people with disabilities, and sexual minorities (gay/lesbian, bisexual and transsexual people).

For the years 1982/83 to 2003/04, it includes information on:

- trends in spending on voluntary organisations in real terms;
- trends in spending on voluntary organisations as annualised growth rates; and
- trends in spending on voluntary organisations as a proportion of central government's total expenditure.

The Charities Aid Foundation (CAF) carried out the collection and analysis of information for the years 2002/03 and 2003/04 on behalf of the Research, Development and Statistics Directorate (RDS) of the Home Office. The Northern Ireland Executive, the Scottish Executive, and the NAW provided information for Northern Ireland, Scotland and Wales respectively (in some cases supplemented by research by CAF). The data on spending on the voluntary sector in England and Northern Ireland for these years have not been published hitherto. The data for Scotland are based on material gathered and made public by the Scottish Executive's Social Inclusion and Voluntary Issues Unit; the data for Wales are based on material produced and made public by the National Assembly's Voluntary Sector Partnership Council (NAW VSPC). The Scotland and Wales figures have been re-analysed so as to make them comparable with the England and Northern Ireland data.

For the most part, the Scotland and Wales figures do not depart from the original data; exceptions are the result of obvious inconsistencies, either with the definition of voluntary or community organisations, or the definition of government payment used in the survey of departments in England and Northern Ireland. An example of the first would be the removal of payments to the National Institute of Adult Continuing Education (NIACE) from the Welsh raw data (NIACE has charitable status, but is also an NDPB, payments from which have already been counted by the Department for Education and Skills (DfES) in the England survey); or the removal of payments of over £8 million to voluntary-aided schools in Wales – the Home Office survey does not count

2. Central Government Funding of Voluntary and Community Organisations, 1982/83 to 2001/02 (*Research, Development and Statistics Directorate, Home Office, 2004*).

3. 'Housing association funding' comprises the basic funding of housing associations by these four agencies or divisions in the four countries. It does not include the funding of housing associations for specialised purposes via other routes, for example by the Home Office for the accommodation of offenders.

these schools as part of the voluntary sector, but as part of the maintained education system. An example of the second would be the Arts and Sports Councils money in Wales which was provided by Lottery funds, not the Exchequer (removing this for the sake of consistency reduces the NAW VSPC-published figures for the Wales Arts and Sports Councils by about a half). Spending on the voluntary sector by NHS bodies in England, Wales and Northern Ireland is not covered by the survey, but the Scottish practice is to include spending by the Scottish NHS health boards (but not the provider trusts) as agencies in its published figures. Thus, the estimates for Scotland presented here include spending by the Scottish NHS health boards.

All departmental names and responsibilities are those in use and current during the collection and analysis of the data, 2002 to 2005, when the Home Office Active Communities Directorate retained the responsibility for policy on the voluntary sector. Similarly, the report refers to the ODPM rather than CLG, and so on. Figures in the text are rounded to whole numbers in most cases, in order to improve readability and to reflect that they are estimates rather than precise amounts. The tables of data retain more detailed figures reported by departments. Sources of information other than the CAF, NAW and Scottish Executive survey exercises (e.g. population figures, departmental expenditure totals) are given on page 32.

The collection of data necessarily arrives some time after accounts are audited. The process of analysing data is also very lengthy. This accounts for the significant time lag between the reporting years and publication date.

Please note that figures given in tables are rounded and so may not add up exactly to the totals given.

Section 1: Spending on voluntary and community organisations, 2002/03 and 2003/04

All spending on voluntary and community organisations

Table 1 sets out the totals of central government spending on voluntary and community organisations in the UK, as reported by central government departments and their associated agencies and NDPBs, at current and constant (2002) prices, or 'real terms'. The table provides separate totals, which include and exclude the funding of housing associations by the four housing agencies and divisions ('non-housing-association spending'), with the total for housing association funding by the four shown separately.

As far as possible, the figures for 2002/03 and 2003/04 have been collected on terms comparable with previous years. However, new data which remedied previous omissions were received from the Department for Work and Pensions (DWP); this data recorded spending by the agency Jobcentre Plus under the various New Deal programmes on voluntary-provided services for people not in employment. Similarly, the DfES Learning and Skills Councils provided hitherto unreported data for the last 10 years on spending on specialist colleges: examples of these would include colleges for the visually impaired, operated by the Royal National Institute for Blind People. These items have been added to the published total for 2001/02 retrospectively, making that year's figure higher by £274 million; this improves the comparability of 2001/02 data with that of the current years, thereby avoiding an (incorrect) apparent leap in recorded spending between 2001/02 and 2002/03.

Despite these corrections, which increased the total for 2001/02, it is clear that central government spending on voluntary organisations increased substantially between 2001/02 and 2002/03, and again in 2003/04. At current prices, the reported totals were £3,598 million in 2001/02, £4,307 million in 2002/03 and £4,948 million in 2003/04. The cash total increased by 20% between 2001/02 and 2002/03, and by 15% between 2002/03 and 2003/04. At constant (2002) prices (i.e. corrected for inflation), it increased by 16% between 2001/02 and 2002/03, and 12% between 2002/03 and 2003/04.

Between 2001/02 and 2002/03, the increase was primarily a result of growth in non-housing-association spending. At current prices, non-housing-association spending increased by 20% between 2001/02 and 2002/03. By contrast, this

massive growth was not maintained between 2002/03 and 2003/04: in cash terms it barely rose (0.4%). At constant (2002) prices, non-housing-association expenditure increased by 16% between 2001/02 and 2002/03, but appeared to have declined by 2% between 2002/03 and 2003/04. Thus, although non-housing expenditure was at its absolute peak in 2002/03, the 2003/04 figure remains high when compared with earlier years.

Spending on housing associations by the four agencies and divisions (for the four countries in the UK), has seen only moderate growth in recent years, and actually fell by 0.3% in real terms between 1999/2000 and 2000/01, though it remained the largest single component of all central government spending on voluntary organisations. By contrast, housing association funding grew strongly in both years surveyed here. In cash terms, housing association funding increased by 20% between 2001/02 and 2002/03, and by 41% between 2002/03 and 2003/04. At constant (2002) prices, it increased by 17% between 2001/02 and 2002/03, and 37% between 2002/03 and 2003/04.

There is an unusual pattern in these figures which deserves closer examination. Since the late 1990s, there has been evidence of a sustained rise in government spending on voluntary organisations, and particularly the non-housing-association component of that spending, until a historical peak was reached in 2002/03. This has been followed by what appears to be a small fall in non-housing spending in real terms in 2003/04; the grand total was held up only by the surge in spending on housing. Looking at the content of the returns from the various departments, we can identify a number of factors that may have contributed to the increases in government spending up to 2002/03. These include the following:

- **The introduction of new policies or programmes aimed at voluntary organisations**

For example, in 2001/02 the Department for Transport, Local Government and the Regions (DTLR), later becoming the ODPM, introduced the New Deal for Communities (£82 million); and the Department of Trade and Industry (DTI) introduced the Phoenix Development Fund (£3 million). In 2002/03, the DfES introduced the Children's Fund, with an estimated expenditure of £81 million on voluntary organisations in that year, and again in 2003/04; in 2002/03 the DfES Local Network

Table 1: Central government spending on voluntary and community organisations, 2002/03 and 2003/04: aggregate survey results

Year	All spending (£ million)	Excluding four housing agencies/divisions (£ million)	Expenditure by four housing agencies/divisions (£ million)
At current prices			
2001/02	3,598	2,309	1,289
2002/03	4,307	2,759	1,548
Percentage increase	19.7	19.5	20.1
2003/04	4,948	2,774	2,178
Percentage increase	14.9	0.4	40.7
At constant (2002) prices			
2001/02	3,709	2,380	1,329
2002/03	4,307	2,759	1,548
Percentage increase	16.1	15.9	16.5
2003/04	4,809	2,692	2,117
Percentage increase	11.6	-2.4	36.7

Fund reported spending of £19 million, and £36 million in 2003/04. Such increases are true increases.

■ **Increases in the size and/or take-up of existing programmes by voluntary organisations**

For example, the Home Office's Justice for Victims Unit's expenditure on Victim Support and related bodies rose from £19 million in 2000/01 to £30 million in 2003/04, while Home Office drug prevention programme spending rose from £21 million in 2001/02 to £53 million in 2003/04. Expenditure by the DfES Sure Start division on national organisations and other centrally funded projects rose from £6 million in 2001/02 to £9 million in 2002/03, and £14 million in 2003/04. Such increases are true increases.

■ **Re-definition and re-routing of existing expenditure and service provision**

For example, before 2000/01, local councils provided emergency accommodation to asylum seekers and claimed reimbursement from central government. From 2000/01, the Home Office funded various voluntary bodies to provide this service (£60 million in 2000/01, £93.4 million in 2001/02, £94 million in 2002/03 and £84 million in 2003/04). Such increases are true increases

in the use of the voluntary, as opposed to the statutory sector, although they do not necessarily imply any change in the level of services provided to the public.

■ **Inclusion of hybrid organisations and partnerships**

The definition of voluntary or community organisation used in this research is broad, and includes any non-profit-making body that is not an agency of government and that operates at arm's length from government in its day-to-day working. However, some arms are longer than others and some departments included hybrid organisations and partnerships of indeterminate status in their returns. These organisations may be accepted as voluntary under the broad definition, but it could be argued that they are in fact a kind of agency, which should report on the distribution of their spending: in practice, some of the partnership's spending may be allocated to local statutory bodies in order to provide activities. The inclusion of the spending on these organisations may be an over-statement of the increase resulting from their inception, rather than a true increase, and in future years it may be possible to clarify their status and to adjust the returns. Some of the larger partnership schemes are as follows:

- ODPM: New Deal for Communities (£82 million in 2001/02, £163 million in 2002/03, £260 million in 2003/04);
- Home Office: Drug Action Teams (£21 million in 2001/02, £22 million in 2002/03, £53 million in 2003/04) and Crime and Disorder Reduction Partnerships (£94 million in 2001/02, £105 million in 2002/03, £84 million in 2003/04);
- DTI: Regional Development Agencies' Single Regeneration Budget schemes (£158 million in 2002/03 and £131 million in 2003/04); and
- Scottish Social Inclusion Partnerships (£48 million in 2001/02, £48 million in 2002/03, £48 million in 2003/04).

The inclusion of all spending on partnerships may have over-stated the rate of increase in spending on voluntary organisation since the late 1990s, but to some extent this is counter-balanced by the omission of spending on local Sure Start partnerships. Like many of the partnerships, they may be considered as independent and therefore voluntary agencies in their own right. Their funds are held and distributed via local councils as 'responsible authorities' (for the most part), and have not been reported by the DfES hitherto. Sure Start local partnerships were given £394 million in 2003/04. (This does not include the expenditure under the General Sure Start Grants scheme, totalling £213 million in 2003/04, which is paid to the 149 local education authority councils, and not merely held by them on behalf of a separate partnership.)

■ Better reporting

Because this kind of spending on voluntary organisations, and research into it, has been given higher priority across government, there has been an observable improvement in the accuracy and comprehensiveness of information provided by departments, and there may be a resulting increase in the amount of spending reported. Such increases are not true increases.

Close observation of the departments' returns suggest that all of these factors contributed to the large increases in the total of central government spending on voluntary organisations between 1999/2000 and 2002/03. Though there may have been an element of over-statement of the underlying increase, the general picture of a substantial move upwards remains valid.

How, then, does spending appear to have fallen in 2003/04? Falls in cash terms or increases below inflation were reported by, for example, the Ministry of Defence (MOD), DfES, Department of Health (DH), Foreign and Commonwealth Office (FCO), DTI, Department for Constitutional Affairs (DCA), Home Office and the NAW. Cash increases were reported by a minority: ODPM, Department for Culture, Media and Sport (DCMS), Department for Environment, Food and Rural Affairs (Defra), Department for International Development (DFID), DWP, the Scottish Executive and Northern Ireland Executive (see Tables 7 *et seq.* below). Closer examination of some of the departments' returns raises questions about the long-term validity of these figures and reinforces the point that these are estimates rather than accurate counts. The following stand out as potentially significant:

- In 2003/04, a new reporting system was implemented in Wales, which provided details of payments to named organisations by the NAW divisions (in former years, the Wales survey provided simple totals for policies or divisions only). The details for this year suggest a fall in Assembly spending on voluntary organisations of nearly £53 million, which seems unlikely.
- The DCA underwent reorganisation, losing some functions relating to children and families to the DfES. However, it is not possible to attribute all the fall of nearly £14 million to this reason, and there may have been under-reporting as a result of reorganisation.
- In 2002/03, the MOD provided details of payments of over £6 million to the RAF Museum. These payments had not been reported in 2001/02 and did not recur in 2003/04; it is not clear whether this £6 million was a one-off payment. There were no details given for funding of Army Cadet Forces in 2003/04; as is customary in this survey, the previous year's figures were used to construct a realistic total. The net effect was to produce the appearance of a fall in MOD spending on voluntary organisations.
- Further, we should note the continuing decline of the Single Regeneration Budget (SRB), administered via the Regional Development Agencies of the DTI. The estimates based on SRB out-turn fell by £27 million between 2002/03 and 2003/04.

If we were to reinstate these four items in simple cash terms, the apparent decline in non-housing spending would have

been reversed and a modest increase of 1% registered in real terms. Tentatively, we suggest that it is more likely that there has been a pause in the big increases observed in recent years; spending remains at a historically high level and one year's figures are not sufficient to indicate a major reversal of recent years' (possibly over-stated) rise. This tentativeness reflects the difficulties of this kind of survey, where each department carries out its own internal survey. Departmental accounting systems do not provide the information sought automatically, and the scope for verification is limited.

Funding of housing associations by the four housing agencies and divisions

Housing association funding is a somewhat unusual but nevertheless important part of central government spending on the voluntary sector. It is anomalous because it is for capital purposes, 'bricks and mortar', rather than for projects or programmes. It is important because spending by the four housing agencies and divisions forms the largest single component of government spending on all voluntary organisations. The proportion of housing association funding was as high as 70% in earlier years; it has declined since the early 1990s, so that this kind of expenditure accounted for 36% of all spending in 2001/02 at current prices, 36% in 2002/03, and 44% in 2003/04. Nevertheless, housing policy remains one of the main determinants of the level of central government spending on voluntary organisations and even relatively minor changes in policies by the departments responsible for the provision of public housing will affect the total spent on voluntary organisations substantially. The effect of any minor changes in housing policy will therefore mask relatively major changes in policies by other departments. For these reasons, this report presents figures that distinguish a total for 'non-housing-association spending' from spending by the Housing Corporation in England, Communities Scotland housing association funding, and the Northern Ireland and NAW housing divisions' housing association funding. These four agencies' and divisions' spending constitutes the bulk of spending on housing associations, though other departments or agencies may spend money on, for example, supported housing or hostels. This latter expenditure is for welfare purposes and is treated as part of the 'non-housing-association spending' totals.

The remainder of this section of the report analyses all reported government spending on voluntary and community

organisations for the years 2002/03 and 2003/04, at both current and constant (2002) prices. The second section of the report (page 24), which reviews trends over the years 1982/83 to 2003/04, analyses 'adjusted' spending. Adjusted spending takes account of known omissions from the published totals in earlier years. The omissions have been replaced with estimates, while the disjunction that would result from the sudden inclusion of SRB and New Deal data (a leap of nearly £200 million in the first years for which data became available) is avoided by **removing** their figures. These two programmes were known to have been active over a number of years, but the earlier years' data cannot be estimated reliably. These adjustments are designed to display the underlying trends more clearly.

Spending on voluntary and community organisations by nation

Table 2 sets out central government spending on voluntary and community organisations in the UK by nation, as reported by the various departments in England, Wales, Scotland and Northern Ireland under the terms set out on page 4, at current prices. The totals for Wales and Scotland are not identical to the NAW and Scottish Executive figures because of the minor corrections to ensure comparability, noted above, and the addition of money spent by England or UK-based departments (e.g. DWP, the Home Office) on voluntary organisations operating in Wales or Scotland. Spending on organisations that operate in more than one nation was divided among those nations in proportion to their population. Spending on organisations that operate in the UK, but where no national base was specified, was allocated to the category 'UK-wide'; national plus UK spending make up all domestic spending. Spending on organisations that are based in the UK but operate primarily overseas and any spending on overseas-based bodies was allocated to the category 'Overseas'.

Table 3 sets out all reported central government spending on voluntary organisations by nation, and separates spending on housing associations by the four housing agencies and divisions from all other spending on voluntary organisations, showing the figures at constant prices, correcting for inflation. Table 4 converts the figures in Table 3 into spending per head of population. These figures should be regarded as a good, but not precise, indication of the distribution of spending by nation.

Table 2: Reported central government spending on voluntary and community organisations, including housing association funding, in the UK, 2002/03 and 2003/04, by nation (current prices)

	2002/03			2003/04		
	Total (£ million)	Percentage of total	Percentage of domestic	Total (£ million)	Percentage of total	Percentage of domestic
England	3,085	72	76	3,644	74	77
Wales	220	5	5	160	3	3
Scotland	381	9	9	386	8	8
Northern Ireland	170	4	4	201	4	4
UK-wide	206	5	5	322	7	7
<i>Sub-total domestic (non-overseas)</i>	4,062	94	100	4,712	95	100
Overseas	246	6		236	5	
<i>Total UK</i>	4,307	100		4,948	100	

Between 2002/03 and 2003/04, spending per capita barely increased in the UK as a whole; the funding of housing associations increased substantially and kept the overall total buoyant. Per capita spending on non-housing organisations declined (in both cash and real terms) in all countries except Northern Ireland.

In earlier years, spending per capita among the four nations of the UK tended to be lower in England and Wales and higher in Scotland and Northern Ireland. Wales spending per capita has increased substantially in recent years, reaching its highest point in 2002/03 and then dipping in 2003/04 (although, as noted above, this may be the result of changed reporting methods in Wales). By 2003/04, Wales, Scotland and England non-housing per capita spending were more closely aligned, and the major differences remained in spending on housing associations; and Northern Ireland continues to be a high per capita spender on the non-housing voluntary and community sector.

Spending on voluntary and community organisations in England by region

Table 5 sets out reported central government spending on voluntary and community organisations in England analysed by standard (Government Office) region, and calculates regional spending as a proportion of the total. Table 6 converts these figures into spending per head of population. The largest single group of organisations in receipt of money

is national organisations, or organisations with national (England-wide) coverage; however, there may have been cases where the departments failed to specify a region for some local activity in receipt of money, leaving it with the appearance of 'England-wide' spending. Altogether, well over a third of all spending on voluntary organisations in England was allocated to the category 'England-wide' in 2002/03, and somewhat less than a third in 2003/04. Spending on organisations that were reported as operating in one or more region was divided equally between those regions (a very small number of cases); where three or more regions were specified, the spending was treated as 'England-wide' (an insignificant number of cases). These figures should be regarded as a general indication of the distribution of spending nationally and by region, rather than a precise measure.

Differences in the distribution of spending per capita among the various regions, observed in earlier reports, continued to be marked in 2002/03 and 2003/04. In all recent years, spending per capita was greatest in London: half as much again as the per capita figure for England as a whole in 2002/03, and **twice as much** as England as a whole in 2003/04. The East Midlands and the East of England had the lowest per capita spending (about a third of the figure for England as a whole); again, this is fairly consistent over time. The relatively generous spending allocated to London might reflect the concentration of headquarters of national voluntary organisations, or the prevalence of social problems which

Table 3: Reported central government spending on voluntary and community organisations in the UK, 2002/03 and 2003/04, by nation, including and excluding spending on housing associations, at constant (2002) prices

	2002/03			2003/04		
	Non-housing association (£ million)	Four housing agencies/divisions (£ million)	Total including four housing agencies/divisions (£ million)	Non-housing association (£ million)	Four housing agencies/divisions (£ million)	Total including four housing agencies/divisions (£ million)
England	1,870	1,215	3,085	1,764	1,778	3,541
Wales	149	71	220	95	60	155
Scotland	196	185	381	170	205	375
Northern Ireland	93	77	170	122	73	196
UK-wide	206	0	206	313	0	313
<i>Sub-total domestic (non-overseas)</i>	<i>2,514</i>	<i>1,548</i>	<i>4,062</i>	<i>2,463</i>	<i>2,117</i>	<i>4,580</i>
Overseas	246	0	246	229	0	229
<i>Total UK</i>	<i>2,759</i>	<i>1,548</i>	<i>4,307</i>	<i>2,692</i>	<i>2,117</i>	<i>4,807</i>

Table 4: Reported central government spending on voluntary and community organisations in the UK, 2002/03 and 2003/04, by nation, including and excluding spending on housing associations, per capita, at constant (2002) prices

	2002/03			2003/04		
	Non-housing (£ per capita)	Four housing agencies/divisions (£ per capita)	Total including four housing agencies/divisions (£ per capita)	Non-housing (£ per capita)	Four housing agencies/divisions (£ per capita)	Total including four housing agencies/divisions (£ per capita)
England	37	24	62	35	35	71
Wales	50	24	74	32	20	53
Scotland	39	36	75	33	40	74
Northern Ireland	55	45	100	71	43	114
UK-wide	3	0	3	5	0	5
<i>Sub-total domestic (non-overseas)</i>	<i>42</i>	<i>–</i>	<i>68</i>	<i>41</i>	<i>–</i>	<i>77</i>
Overseas	4	–	4	4	–	4
<i>Total UK</i>	<i>46</i>	<i>26</i>	<i>72</i>	<i>45</i>	<i>35</i>	<i>80</i>

Table 5: Reported central government spending on voluntary and community organisations by English regions and all England, including the Housing Corporation, 2002/03 and 2003/04, at constant (2002) prices

	2002/03		2003/04	
	Reported spending (£ million)	Percentage of England total	Reported spending (£ million)	Percentage of England total
North West	210	7	246	7
North East	85	3	108	3
Yorkshire and the Humber	144	5	153	4
West Midlands	124	4	172	5
East Midlands	90	3	118	3
East	116	4	162	5
South West	112	4	159	5
South East	200	7	417	12
London	661	21	993	28
England-wide/unspecified	1,344	44	1,013	29
<i>Total England</i>	<i>3,085</i>	<i>100</i>	<i>3,541</i>	<i>100</i>

Table 6: Central government spending on voluntary and community organisations: English regions per capita, including the Housing Corporation, 2002/03 and 2003/04, at constant (2002) prices

Region	2002/03 (£ per capita)	2003/04 (£ per capita)	Percentage increase/decrease 2002/03 to 2003/04
London	89	134	50
South East	25	51	109
North East	33	42	27
North West	31	36	17
West Midlands	23	32	39
South West	22	32	43
Yorkshire and the Humber	29	30	6
East	21	29	39
East Midlands	21	27	31
England-wide/unspecified	27	20	-25
<i>Total England</i>	<i>62</i>	<i>71</i>	<i>15</i>

Data ranked by 2003/04 order.

form the target for central government's policies and programmes. Lower spending per capita in some of the regions could be a result of lower prevalence of social problems; alternatively, it might suggest a less robust local voluntary sector. However, it is more likely that the continuing differences in spending per capita among the regions suggest that central government spending on voluntary organisations is not equitably distributed.⁴ It should also be admitted that the enormous range of social policies represented by the composite measure 'spending on voluntary and community organisations' does not use a uniform scale of assessment of local need or a single system of allocation. In such circumstances, we might expect the resulting distribution to have a degree of clustering.

Spending on voluntary and community organisations by department

Table 7 sets out central government spending on voluntary organisations by department for 2002/03 and 2003/04. It distinguishes between direct spending and indirect spending, and between non-housing-association spending and housing association funding.

The names and responsibilities of the departments are those current in 2002/03 and 2003/04. In both years, the Charity Commission, HM Customs and Excise, the No.10 Policy Unit and HM Treasury reported that they had not made any payments to voluntary organisations.

Table 7: Spending on voluntary and community organisations by all UK government departments: reported out-turn, 2002/03 and 2003/04 (current prices)

	2002/03 (£)	2003/04 (£)
Cabinet Office		
Direct spending	2,441,961	2,269,339
Attorney General: Crown Prosecution Service		
Direct spending	4,191	23,799
Department for Culture, Media and Sport (DCMS)		
Direct spending	1,989,391	2,918,343
Indirect spending:		
Arts Council of England	261,330,000	277,039,000
British Tourist Authority/English Tourism Council (2003/04 Visit Britain)	21,500	1,000
Commission for Architecture and the Built Environment (CABE)	558,399	1,215,783
English Heritage	17,991,785	14,941,746
Film Council	14,879,000	19,818,701
Resource (Council for Museums, Archives and Libraries)	14,918,490	14,048,000
Sport England	13,503,000	13,382,000
Sport UK	12,533,611	13,962,849
All agencies and NDPBs	335,735,785	354,409,079
<i>DCMS total</i>	<i>337,725,176</i>	<i>357,327,422</i>

4. This was also the conclusion of research carried out by the Centre for Urban and Regional Development Studies (CURDS) at the University of Newcastle, which analysed funding provided for the alleviation of deprivation by central government departments, the SRB, the National Lottery, the European Union (European Social Fund) and grant-making trusts. Alderman N., Coombes M. and Raybould S. (2000), Mapping funding initiatives tackling poverty and deprivation in England: Supplementary report, CURDS, University of Newcastle, S17–S18.

Table 7: Spending on voluntary and community organisations by all UK government departments: reported out-turn, 2002/03 and 2003/04 (current prices) (continued)

	2002/03 (£)	2003/04 (£)
Ministry of Defence		
Direct spending	31,325,426	30,817,129
Department for Education and Skills (DfES)		
Direct spending	297,240,920	259,923,547
Indirect spending:		
Basic Skills Agency	3,945,265	2,067,750
British Educational Communications and Technology Agency (BECTA)	389,025	–
Children and Family Court Advisory and Support Service (CAFCASS)	(part of Lord Chancellor's Department)	865,460
Learning and Skills Councils	184,186,326	185,110,008
Sector Skills Development Agency	62,050	39,500
National College for School Leadership	–	81,578
National Institute of Adult Continuing Education (NIACE)	1,450,831	1,976,069
Qualifications and Curriculum Authority (QCA)	400,000	120,000
Connexions Partnerships	10,100,000	19,400,000
Connexions – Positive Activities for Young People	–	10,680,525
Teacher Training Agency	–	366,436
All agencies and NDPBs	200,533,497	220,707,326
<i>DfES total</i>	<i>497,774,417</i>	<i>480,630,873</i>
Department for Environment, Food and Rural Affairs (Defra)		
Direct spending	21,792,331	12,618,146
Indirect spending:		
Countryside Agency	10,932,026	9,087,760
English Heritage	–	154,494
English Nature	3,295,327	5,339,750
Environment Agency	–	789,507
Joint Nature Conservation Committee	733,113	789,088
Meat and Livestock Commission	46,000	–
National Forestry Company	17,147	23,265
Rural Development Service	–	4,815,864
All agencies and NDPBs	15,023,613	20,999,728
<i>Defra total</i>	<i>36,815,945</i>	<i>33,617,874</i>
Foreign and Commonwealth Office (FCO)		
Direct spending	7,000,300	5,463,755
Indirect spending:		
Westminster Foundation for Democracy	3,470,131	3,038,146
All agencies and NDPBs	3,470,131	3,038,146
<i>FCO total</i>	<i>10,470,431</i>	<i>8,501,901</i>
Department of Health		
Direct spending	32,539,425	28,201,759

Table 7: Spending on voluntary and community organisations by all UK government departments: reported out-turn, 2002/03 and 2003/04 (current prices) (continued)

	2002/03 (£)	2003/04 (£)
Home Office		
Direct spending	385,478,765	388,122,949
Indirect spending:		
Commission for Racial Equality (CRE)	4,417,283	4,623,497
Probation Service	18,875,486	17,615,243
Youth Justice Board (YJB)	8,761,484	7,469,838
All agencies and NDPBs	32,054,253	29,708,578
<i>Home Office total</i>	<i>417,533,018</i>	<i>417,831,527</i>
Inland Revenue		
Direct spending	481,789	603,059
Department for International Development		
Direct spending	229,562,486	230,403,113
Lord Chancellor's Department/Department for Constitutional Affairs (DCA)		
Direct spending	6,560,550	514,000
Indirect spending:		
Legal Services Commission	67,530,000	58,527,789
All agencies and NDPBs	67,530,000	58,527,789
<i>Lord Chancellor's Department/DCA total</i>	<i>74,090,550</i>	<i>59,041,789</i>
Department of Trade and Industry (DTI)		
Direct spending	32,503,719	36,848,983
Indirect spending:		
Regional Development Agencies including SRB	188,845,000	166,385,680
All agencies and NDPBs	188,845,000	166,385,680
<i>DTI total</i>	<i>221,348,719</i>	<i>203,234,663</i>
Department for Transport (DfT)		
Direct spending	543,756	1,306,715
Indirect spending:		
Driving Standards Agency (DSA)	31,547	32,556
Maritime and Coastguard Agency (MCA)	750	774
Strategic Rail Authority (SRA)	15,000	15,480
All agencies and NDPBs	47,297	48,810
<i>DfT total</i>	<i>591,052</i>	<i>1,355,525</i>
Office of the Deputy Prime Minister (ODPM) (total including housing association funding)		
Direct spending	261,863,304	306,670,713
Indirect spending:		
Coalfields Regeneration Trust	10,602,662	19,357,200
Housing Action Trusts	18,252,987	24,741,827
Housing Corporation	1,214,749,332	1,829,086,370
All agencies and NDPBs	1,243,604,981	1,873,185,397
<i>ODPM total</i>	<i>1,505,468,286</i>	<i>2,179,856,110</i>

Table 7: Spending on voluntary and community organisations by all UK government departments: reported out-turn, 2002/03 and 2003/04 (current prices) (continued)

	2002/03 (£)	2003/04 (£)
Department for Work and Pensions (DWP)		
Direct spending	416,494	619,583
Indirect spending:		
Jobcentre Plus (New Deal, etc.)	194,748,659	199,375,907
All agencies and NDPBs	194,748,659	199,375,907
<i>DWP total</i>	<i>195,165,154</i>	<i>199,995,490</i>
National Assembly for Wales/Cynulliad Cenedlaethol Cymru		
Direct spending excluding housing associations	79,378,000	36,925,761
Housing associations	71,170,000	62,208,303
<i>Total direct spending</i>	<i>150,548,000</i>	<i>99,134,064</i>
Indirect spending:		
Arts Council for Wales	13,083,000	2,362,000
Countryside Council for Wales	1,571,000	1,540,000
Education and Learning Wales	10,316,000	14,214,000
Environment Agency for Wales	241,000	241,000
Sports Council for Wales	4,176,000	4,100,000
Wales Development Agency	6,812,000	9,360,000
Wales Tourist Board	519,000	1,403,000
Welsh Language Board	1,662,000	3,600,000
All agencies and Assembly-supported public bodies	38,380,000	36,820,000
<i>NAW total</i>	<i>188,928,000</i>	<i>135,954,064</i>
Scottish Executive		
Direct spending excluding Communities Scotland housing association funding	43,389,907	51,401,603
Communities Scotland housing association funding	184,863,000	211,300,000
<i>Total direct spending</i>	<i>228,252,907</i>	<i>262,701,603</i>
Indirect spending:		
Highlands and Islands Enterprise	–	1,936,000
Scottish Social Services Council	1,552,100	1,848,650
Scottish health boards	15,693,025	19,585,565
National Museums of Scotland	20,000	–
Scottish Natural Heritage	4,126,960	5,939,312
Social Inclusion Programme (SIP)	47,800,000	47,636,000
Scottish Arts Council	42,654,000	32,639,465
Scottish Enterprise	13,758,796	1,772,000
Sport Scotland	3,396,945	3,396,945
All agencies and NDPBs	129,001,826	114,753,937
<i>Scottish Executive total</i>	<i>357,254,733</i>	<i>377,455,540</i>

Table 7: Spending on voluntary and community organisations by all UK government departments: reported out-turn, 2002/03 and 2003/04 (current prices) (continued)

	2002/03 (£)	2003/04 (£)
Northern Ireland Executive		
Direct spending excluding housing associations	65,904,940	65,595,939
Housing associations	77,193,091	75,443,293
<i>Total direct spending</i>	<i>143,098,031</i>	<i>141,039,232</i>
Indirect spending:		
Arts Council Northern Ireland	6,769,433	6,571,964
Community Relations Council	2,708,587	3,481,219
Department of Agriculture and Rural Development Agencies	144,900	–
Department of the Environment agencies	2,667,228	2,083,250
Equality Commission for Northern Ireland	17,236	–
Foras na Gaeilge	715,736	–
Northern Ireland Events Company	27,200	255,000
Northern Ireland Film and Theatre Company	–	414,060
Northern Ireland Housing Executive	1,080,644	39,751,926
Northern Ireland Tourist Board	57,630	67,535
Planning Service	–	520,127
Police Authority for Northern Ireland	588	–
Prison Service Northern Ireland	375,854	518,934
Probation Board for Northern Ireland	2,294,738	1,481,467
Social Security Agency	–	199,000
Sports Council Northern Ireland	5,634,840	2,046,398
Ulster-Scots Agency	604,805	–
Youth Council for Northern Ireland	1,750,545	2,520,758
All agencies and NDPBs	24,849,964	59,911,639
<i>NI Executive total</i>	<i>167,947,995</i>	<i>200,950,871</i>
<i>Total UK direct departmental spending</i>	<i>1,833,643,747</i>	<i>1,810,199,830</i>
<i>Total UK agencies and NDPBs</i>	<i>2,473,825,007</i>	<i>3,137,872,015</i>
<i>All UK spending</i>	<i>4,307,468,754</i>	<i>4,948,071,845</i>
<i>Of which:</i>		
<i>Total housing association funding</i>	<i>1,547,975,423</i>	<i>2,178,037,966</i>
<i>Total excluding housing association funding</i>	<i>2,759,493,331</i>	<i>2,770,033,879</i>

Figures for Sport Scotland and DfT agencies estimated 2003/04; for other omissions, see detailed notes on each department in Annex C.

Direct and indirect spending on voluntary and community organisations

In both 2002/03 and 2003/04, the survey found that central government spending on voluntary organisations reported by agencies and NDPBs such as the Youth Justice Board, the Arts Council Northern Ireland, Sport Scotland and the Wales Development Agency (indirect spending) exceeded that of

direct spending by departments themselves. In 2002/03, departments reported that they spent £1,834 million in direct spending (43% of all spending in the UK) and their agencies/NDPBs, £2,474 million (57%). In 2003/04, departments spent £1,810 million (37%) directly, while their agencies/NDPBs spent £3,138 million (63%). The movement in favour of indirect spending was primarily the result of the substantial

increase in the funding of housing associations by the Housing Corporation. This returned the ratio of direct to indirect spending from the (historically unusual) 2:3 of 2002/03 to a more traditional 1:2 in 2003/04.

Table 8 shows each department's (and its agencies') reported spending on voluntary organisations as a proportion of the UK total spent on voluntary organisations. The ODPM and its agencies provided the largest share of the total in both 2002/03 and 2003/04 (35% and 44%, respectively) because of its funding of housing associations via the Housing Corporation. The other departments that provided significant proportions of the total were (in rank order, both years) the DfES, the Home Office, the Scottish Executive and DCMS. Together, these five departments accounted for about three-quarters of the total spent.

If we remove housing association funding, the rank order becomes DfES first (18% of the total in 2002/03 and 17% in 2003/04), followed by the Home Office, DCMS, ODPM, DFID and DTI in both years. These six departments accounted for about three-quarters of non-housing-association spending. Figure 1 represents the distribution of non-housing-association spending graphically.

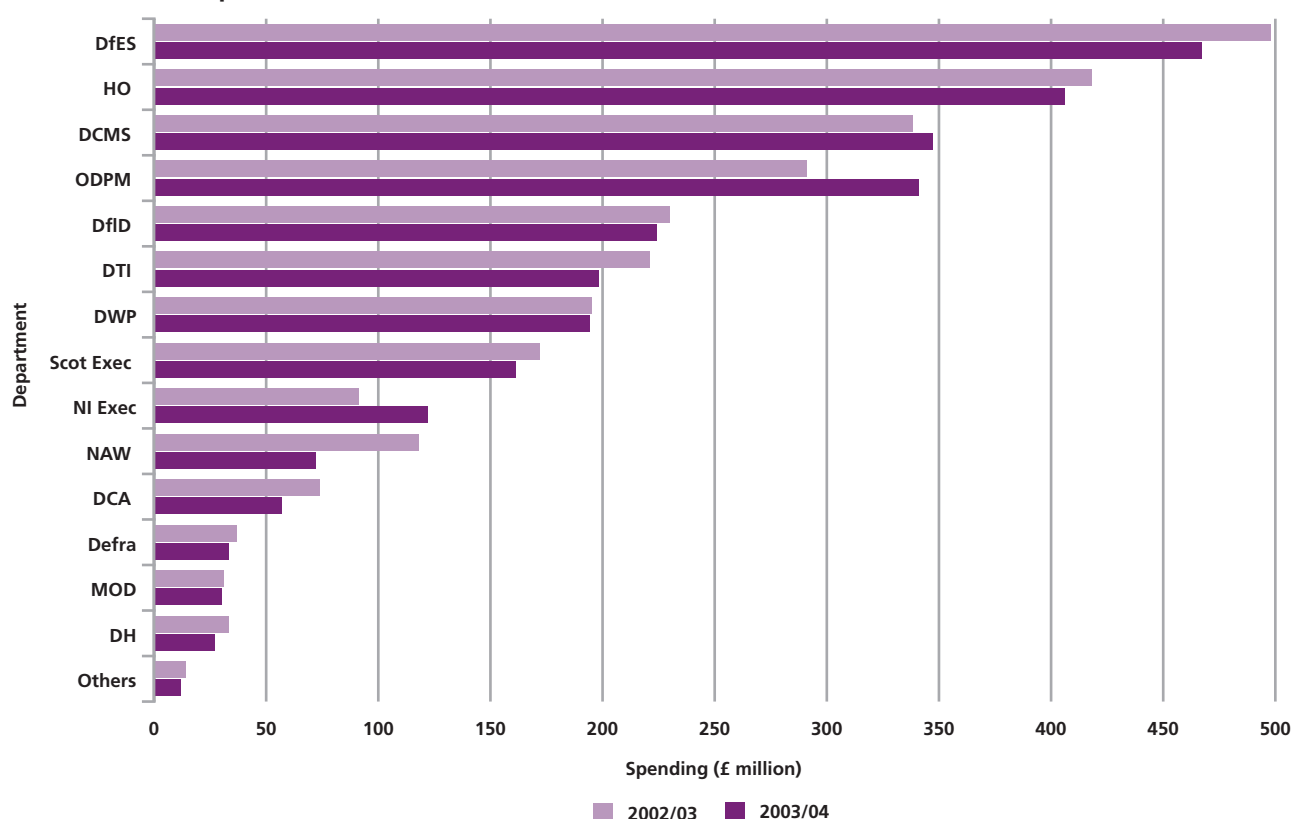
Table 9 shows the reported total spent on voluntary organisations as a proportion of departments' own total expenditure (resource budgets) in 2002/03 and 2003/04. As in previous years, UK departments together spent a relatively small proportion of their total expenditure on voluntary organisations: 1.4% in 2002/03 and 1.6% in 2003/04. Individually, the ODPM (including the Housing Corporation) spent the largest proportion (37% and 35%, respectively), followed by the DCMS and DFID.

Table 8: Individual departments' reported spending on voluntary organisations as a percentage of all central government spending on voluntary organisations, 2002/03 and 2003/04

	2002/03 (%)	2003/04 (%)
Office of the Deputy Prime Minister	35	44
Department for Education and Skills	12	10
Home Office	10	8
Scottish Executive	8	8
Department for Culture, Media and Sport	8	7
Department for International Development	5	5
Department of Trade and Industry	5	4
Northern Ireland Executive	4	4
Department for Work and Pensions	5	4
National Assembly for Wales/Cynulliad Cenedlaethol Cymru	4	3
Lord Chancellor's Department/Department for Constitutional Affairs	2	1
Department for Environment, Food and Rural Affairs	1	1
Department of Health	1	1
Ministry of Defence	1	1
Foreign and Commonwealth Office	*	*
Cabinet Office	*	*
Department for Transport	*	*
Inland Revenue	*	*
Crown Prosecution Service	*	*
<i>Total</i>	100	100

* = less than 1%; data ranked by 2003/04 order.

Figure 1: Reported spending on voluntary and community organisations by principal departments 2002/03 and 2003/04, not including the four housing agencies/divisions, at constant (2002) prices



Spending on voluntary and community organisations by type of service

The Home Office/CAF survey asked departments in England and Northern Ireland to code payments by purpose. It should be noted that this is not a precise exercise, but simply gives an indication of the approximate division of spending by purpose. The various respondents in departments' internal sections may have interpreted the categories slightly differently; moreover, practice might vary from year to year, as a result of changes in personnel. In some cases, they failed to complete this data item on the survey form, so that the Home Office/CAF research team was obliged to code the purpose of the payment according to what appeared to be the aims of the department's policy division/section, simply by examining the division's/section's title.

Similarly, the NAW's and Scottish Executive's own surveys did not ask for coding by purpose, so the Home Office/CAF researchers coded the Welsh and Scottish data in the same way, by inferring the approximate purpose from the name of the sponsoring or purchasing division, section, etc. To repeat, this is not a precise analysis, but an approximate guide to the division of government spending on the voluntary and community sector by purpose.

Spending that serves more than one purpose (e.g. supporting a youth group to run an environmental project) was divided equally between those types of services, up to a maximum of two. The aim of the coding by type of service was to indicate the departments'/agencies' policy or intention in spending money, rather than reflecting the basic aim of the organisation.

Table 9: Central government departmental resource budgets and percentage reported spent on voluntary and community organisations, 2002/03 and 2003/04, at current prices

	2002/03		2003/04	
	Resource budget (£ million)	Percentage of resource budget	Resource budget (£ million)	Percentage of resource budget
Attorney General's Department	487	*	576	*
Cabinet Office	6,200	*	6,871	*
Chancellor's Departments (HM Treasury, Inland Revenue, HM Customs and Excise)	19,510	*	24,483	*
Department for Culture, Media and Sport	2,750	12.3	2,871	12.4
Ministry of Defence	42,588	0.1	35,925	0.1
Department for Education and Skills	28,283	1.8	29,978	1.6
Department for Environment, Food and Rural Affairs	4,119	0.9	4,864	0.7
Foreign and Commonwealth Office	1,545	0.7	1,585	0.5
Department of Health	6,274	0.5	8,077	0.3
Home Office	13,126	3.2	11,761	3.6
Department for International Development	3,647	6.3	3,921	5.9
Lord Chancellor's Department/Department for Constitutional Affairs	3,442	2.2	3,258	1.8
Department of Trade and Industry	7,105	3.1	5,281	3.8
Department for Transport	9,264	*	10,918	*
Office of the Deputy Prime Minister	4,111	36.6	6,203	35.1
Department for Work and Pensions	107,246	0.2	112,227	0.2
Northern Ireland Executive	13,386	1.3	12,853	1.6
Scottish Executive	18,777	1.9	20,694	1.8
National Assembly for Wales/Cynulliad Cenedlaethol Cymru	9,476	2.0	10,560	1.3
<i>Total all departments surveyed†</i>	<i>301,336</i>	<i>1.4</i>	<i>312,906</i>	<i>1.6</i>

HM Treasury/National Statistics (2005) Public Expenditure Statistical Analyses 2005 (Cm 6521): Table 1.5: Resource Budgets 1999/00 to 2007/08; † total not equal to bottom line of Table 1.5; NHS and local government removed from total for comparability. * = less than 0.1%.

Table 10 sets out central government reported spending on voluntary organisations in the UK by service/purpose in 2002/03 and 2003/04 at constant (2002) prices, and shows the total for each service as a proportion of the grand total; Figure 2 represents this distribution in graphical form. In both years, the largest proportion of all spending on voluntary organisations was through spend on housing associations (34% in 2002/03 and 45% in 2003/04), followed by economic, social and community development (15% in

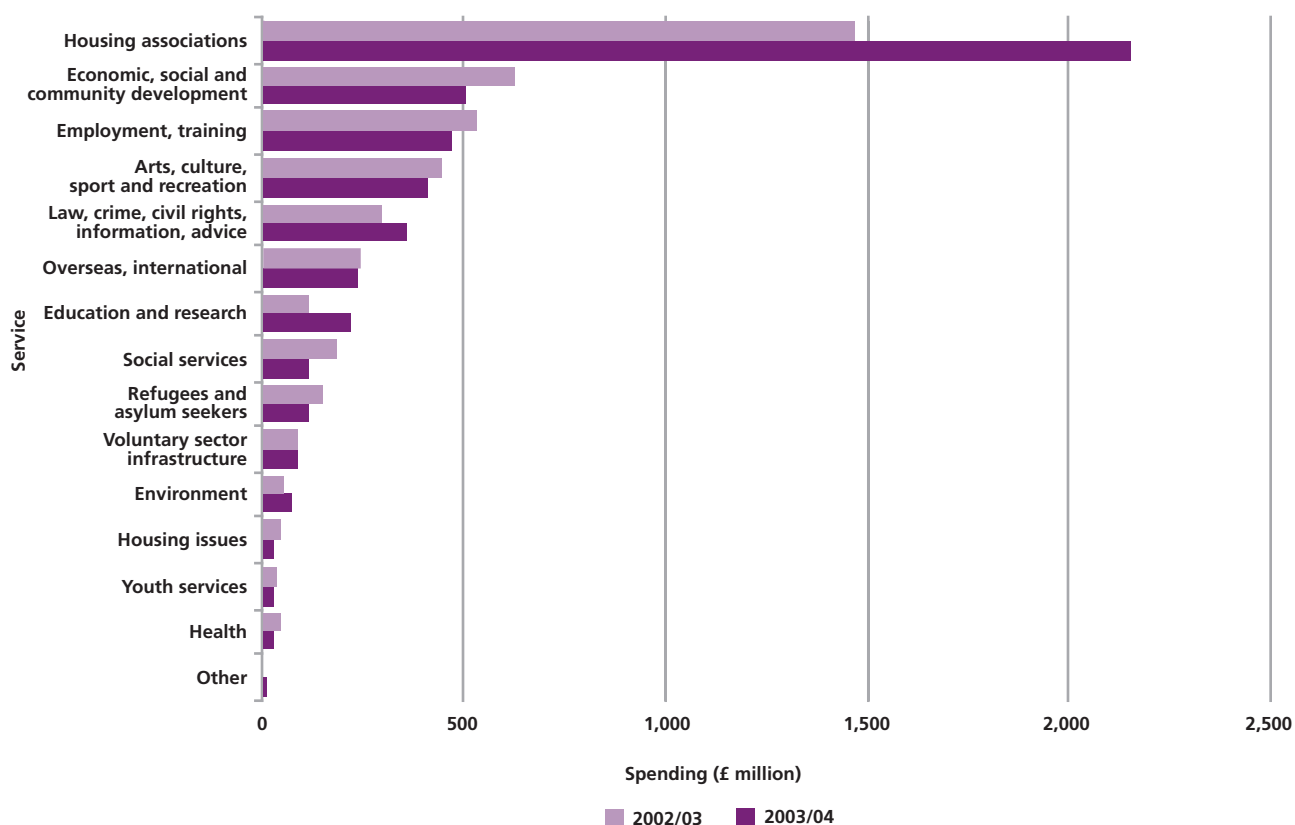
2002/03 and 10% in 2003/04). Spending on training and employment (12% in 2002/03 and 10% in 2003/04) and arts, culture, sport and recreation (10% in 2002/03 and 9% in 2003/04) were also important components. It may be surprising that health and social services were not higher on the list; however, statutory provision of these services is largely the responsibility of local government and the NHS. Spending on these traditional concerns of the voluntary sector is concentrated at the local level.

Table 10: Reported central government spending on voluntary and community organisations in the UK, 2002/03 and 2003/04, by type of service, at constant (2002) prices

	2002/03		2003/04	
	All spending including four housing agencies/divisions (£ million)	Percentage of total	All spending including four housing agencies/divisions (£ million)	Percentage of total
Housing associations	1,465	34	2,144	45
Economic, social and community development	625	15	502	10
Employment, training	528	12	467	10
Arts, culture, sport and recreation	439	10	412	9
Law, crime, civil rights, information, advice	298	7	356	7
Overseas, international	238	6	232	5
Education and research	114	3	215	5
Social services	180	4	118	3
Refugees and asylum seekers	146	3	112	2
Voluntary sector infrastructure	91	2	91	2
Environment	52	1	68	1
Housing issues	48	1	31	1
Youth services	37	1	28	1
Health	44	1	25	1
Transport	4	*	5	*
Business/professional organisations, trade unions	1	*	2	*
Other/not possible to allocate	0	*	0	*
Religious organisations	0	*	0	*
Animals	1	*	0	*
<i>Grand total</i>	<i>4,308</i>	<i>100</i>	<i>4,809</i>	<i>100</i>

Data ranked in 2003/04 order; * = less than 1%.

Figure 2: Reported central government spending on voluntary and community organisations in the UK, 2002/03 and 2003/04, by service



Reported spending on voluntary and community organisations that provide services targeted toward women, people from ethnic minorities, people with disabilities and sexual minorities

Table 11 sets out the survey returns for central government spending on voluntary organisations that provided services to women, people from ethnic minorities, people with disabilities and sexual minorities (gay/lesbian, bisexual and transsexual people) in 2003/04. It also expresses these figures as a proportion, not of government spending on voluntary and community organisations as a whole, but of the 'relevant total'. This figure encompasses only those survey returns that specified recipient organisations by name, as opposed to providing an aggregate figure for a policy or agency; it also excludes overseas spending.

This data item was requested in the survey forms circulated to departments in England and Northern Ireland by the Home Office/CAF. For the most part, the information provided by departments was of variable quality; departments may have had policies that took account of disadvantaged groups' needs, but were unable to link this information to a sub-analysis of spending on voluntary organisations separate from the main direction of policy, while the NAW and Scottish Executive internal surveys did not request this item as part of their data gathering. Therefore, the lists of names of organisations were checked and re-coded on the evidence of organisations' names wherever possible, e.g. Women's Aid, Black Training and Enterprise Group, Royal National Institute for Deaf People, Lesbian and Gay Foundation. All refugee and asylum-seekers' groups were deemed to be concerned with ethnic minorities by definition.

It should be made absolutely clear that this cannot be considered to be a wholly satisfactory method, particularly for Wales and Scotland, and cannot ensure accuracy where organisations' names do not suggest their nature explicitly, but the results are important and of interest. These figures should be regarded as an indication of the minimum spent on these groups and should be used with caution.

Table 11 provides data for 2003/04 only, because only a relatively small proportion of departments and agencies provided usable details in the earlier year. The 'relevant total' was only about a third of the total spent in 2002/03, whereas it covered most spending (about 88%) in 2003/04. The massive increase is mainly a result of the provision of recipient associations' names by the Housing Corporation, as opposed

to simple regional totals. It should also be noted that departments' reporting has improved gradually as the question regarding spending on women's, ethnic minorities' and disabled people's groups has been asked repeatedly in successive years. The departments were asked about spending on groups concerned with sexual minorities for the first time in 2003/04; the apparent response is low at the moment but, on the evidence of the others, it may improve in coverage and accuracy in subsequent years.

Table 11: Reported central government spending on voluntary and community organisations for disadvantaged groups, 2003/04, at current prices

	Women	Ethnic minorities	Disabled	Sexual minorities	All government spending: 'relevant total'
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
England and UK-wide	18,157	192,363	128,477	637	3,971,443
<i>Percentage of England/UK total</i>	1	5	3	*	100
Scotland	812	1,097	7,546	368	174,121
<i>Percentage of Scotland total</i>	1	1	4	*	100
Northern Ireland	4,629	721	16,585	24	125,774
<i>Percentage of NI total</i>	4	1	13	*	100
Wales	2,114	273	422	–	60,489
<i>Percentage of Wales total</i>	4	1	1	–	100
Total UK	25,713	194,453	153,030	1,028	4,331,827
<i>Percentage of all-UK total</i>	1	5	4	*	100

* = less than 0.5%.

Section 2: Spending on voluntary and community organisations, 1982/83 to 2003/04

Research into central government spending on voluntary organisations has been conducted with varying degrees of consistency and rigour since it began in 1979/80. In the years 1979/80 to 1981/82, it covered only direct spending by departments. Before 1995/96, it did not distinguish policies or programmes with which spending was associated; before 1997/98, it did not collect information about payments to named organisations (without information on policies and programmes, and organisations' names, verification of the data is almost impossible).

An earlier report showed that historical trends in central government spending on voluntary organisations appeared to follow a somewhat jagged course. Most of the apparent jaggedness in the historical series can be explained by the inconsistent omissions of departments and agencies, and the sudden inclusion of major policies such as SRB. For these reasons, this section examines historical trends in the series for government spending on voluntary organisations, which has been adjusted to take account of these: the omissions have been replaced with estimates and the disjunction that would result from the sudden inclusion of SRB and New Deal data (a leap of nearly £200 million in the first years for which data became available) avoided by removing their figures. The estimates are not intended to be absolutely accurate, but sufficient to allow underlying trends in the historical series to be observable without extraneous troughs and peaks. As a result, the underlying historical trend is revealed more clearly by this adjusted series, though the annual totals for each year from 1982/83 to 2003/04 may depart from the headline figures published.

The main problems with previously published figures, which were taken account of in producing the adjusted series, were as follows.

- **Spending in Northern Ireland**
There was no information available for spending in Northern Ireland in the years 1990/91, 1991/92, 1998/99 and 1999/2000. This has been estimated simply with reference to the amount spent in adjacent years and on observed trends over time, and amounts to about £74 million in the earliest year and about £142 million in the last year.
- **Spending by Arts Councils**
There was no information available for spending by the four national Arts Councils in the years 1985/86 to 1992/93, and by the Northern Ireland Arts Council in 1995/96 to 1999/2000. This has been estimated by extracting information on expenditure from published annual reports and by assuming that all spending recorded went directly to voluntary or community organisations. It amounts to between £100 million and £170 million in each of the years 1985/86 to 1992/93.
- **Spending provided by the Sports Council for Great Britain**
There was no information collected on spending by this NDPB in 1992/93. This has been estimated approximately by reference to the amount spent in adjacent years, and amounts to about £15 million.
- **Spending by the Lord Chancellor's Department**
There was no information collected on spending by this department in the years 1985/86 to 1992/93. This has been estimated by the same method of approximation used for Northern Ireland and the Sports Council above, and amounts to between £0.7 million and £1 million in each of the missing years.
- **Spending by the Home Office's agencies**
There was no information collected on spending by these agencies in the years 1995/96 to 1997/98. This has been estimated using the method described above, and amounts to between £1 million and £3 million in each of the missing years.
- **Spending by the Department of Employment**
There was no information collected on direct spending by this department in the years 1989/90 to 1991/92. This has been estimated using the method described above, and amounts to between £38 million and £44 million in each of the missing years.
- **Spending by Learning and Skills Councils**
Although information on spending by the Manpower Services Commission as part of its work-creation schemes in the mid-1980s was included in earlier data-collection exercises, spending by its successor bodies, the Training and Enterprise Councils (TECs), may not have been. However, spending by TECs' successor bodies, the Learning and Skills Councils, was included in 2001/02 and for successive years (£67 million in 2001/02, £100 million in 2002/03 and £81 million in 2003/04). In 2002/03, the Learning and Skills Councils

respondents also identified the omission of information on provision of specialist college places for the disabled, for example; these were voluntary and charitable establishments outside the maintained education system. Data on expenditure in the years from 1994/95 (£29 million) to 2003/04 (£105 million) were provided, which were added to the published totals.

■ Spending via SRB partnerships

Although spending on voluntary organisations from the Department for the Environment, Transport and the Regions' (DETR's) Traditional Urban Programme was included in earlier data-collection exercises, spending through SRB, which was distributed regionally to local partnerships by agencies of the DTI (formerly agencies of DETR/DTLR) was not. However, estimates of this expenditure were included from 2001/02 onwards (£191 million in 2001/02, £158 million in 2002/03 and £131 million in 2003/04). The SRB programme had been in existence for some years, but there is no reliable method of estimating the initial years' expenditure at the moment.

■ New Deal for people not in employment

New Deal for the Unemployed began in 1997/98, to be followed by New Deal for the Disabled, and others. No data on provision of elements of these schemes by voluntary organisations was obtained until 2002/03, when £195 million was identified and reported by the agency Jobcentre Plus.

The remaining figures and tables are based on the series of published figures adjusted to take account of these omissions, the 'adjusted series'. However, no adjustments were made to figures for spending on housing associations by the four agencies/divisions, so that Figure 3a (Funding of housing associations by the four housing agencies and divisions, 1982/83 to 2003/04, at constant (2002) prices) is not affected by any adjustments to previously published data.

Trends in all government spending on voluntary and community organisations, 1982/83 to 2003/04

Table 12 sets out central government spending on voluntary and community organisations in the years 1982/83 to 2003/04 at constant (2002) prices adjusted as described above for comparability over the years. Figure 3 represents the

figures in Table 12 at constant (2002) prices graphically, and shows two trend lines, one for all spending including housing association funding by the four agencies/divisions (upper line) and the other excluding the housing association funding (lower line). The four agencies' divisions' funding of housing associations alone is displayed in Figure 3a, while Table 13 sets out an index of spending at constant (2002) prices which has 1982/83 as its base.

Government spending on voluntary organisations rose from the base year of 1982/83 and reached an initial peak in 1987/88. It dipped slightly, then rose to a higher level in 1992/93, when it was more than double its original level in 1982/83. After a long decline to historically low levels at the end of the 1990s, spending has recovered in recent years.

The two initial peaks can be explained as follows. Spending **excluding** the four housing agencies/divisions (lower line of Figure 3) rose from the base year of 1982/83 and reached its highest point in 1987/88. This surge reflects measures to regenerate inner cities and combat unemployment (which stood at 12% in 1984). The Manpower Services Commission's spending via the Community Programme reached its maximum at £564 million in 1987/88, when it amounted to **almost half** the non-housing-association spending. Thereafter, non-housing-association spending declined to 1992/93, when it was at its lowest level since 1982/83. After minor variations at a historically low level, this form of spending began to increase substantially in 1999/2000. In 2002/03, it reached its highest level ever, as successive new policies came into force (e.g. New Deal for Communities).

The funding of housing associations by the four agencies/divisions followed a different course: it increased substantially in the late 1980s to reach its maximum in the early 1990s. This reflected measures to combat the deepening crisis of homelessness, particularly the unusual Housing Market Package (to permit the bulk purchase of public housing on the open market). Thereafter, their spending on housing associations declined to its lowest level in the years studied here in 1998/99. Since that time, it has risen steadily in response to demand for new dwellings from a rising population. This is demonstrated clearly in Figure 3a, which shows spending on housing associations by the four agencies/divisions separately from other spending on voluntary organisations.

Table 12: Adjusted series: estimates of all central government spending on voluntary organisations, 1982/83 to 2003/04, at constant (2002) prices

Financial year	Adjusted series including four housing agencies/divisions, constant (2002) prices (£ million)	Adjusted series excluding four housing agencies/divisions, constant (2002) prices (£ million)
1982/83	2,222	865
1983/84	3,412	1,222
1984/85	3,409	1,542
1985/86	3,822	1,761
1986/87	3,930	2,010
1987/88	4,056	2,077
1988/89	3,545	1,788
1989/90	3,882	1,323
1990/91	4,184	1,273
1991/92	4,854	1,011
1992/93	5,254	961
1993/94	4,808	1,133
1994/95	4,267	1,209
1995/96	3,478	1,284
1996/97	3,184	1,212
1997/98	2,505	1,117
1998/99	2,436	1,204
1999/2000	2,599	1,314
2000/01	2,792	1,511
2001/02	3,317	1,988
2002/03	3,955	2,407
2003/04	4,488	2,371

Figure 3: Estimates of central government spending on voluntary and community organisations in the UK: adjusted series, 1982/83 to 2003/04, at constant (2002) prices

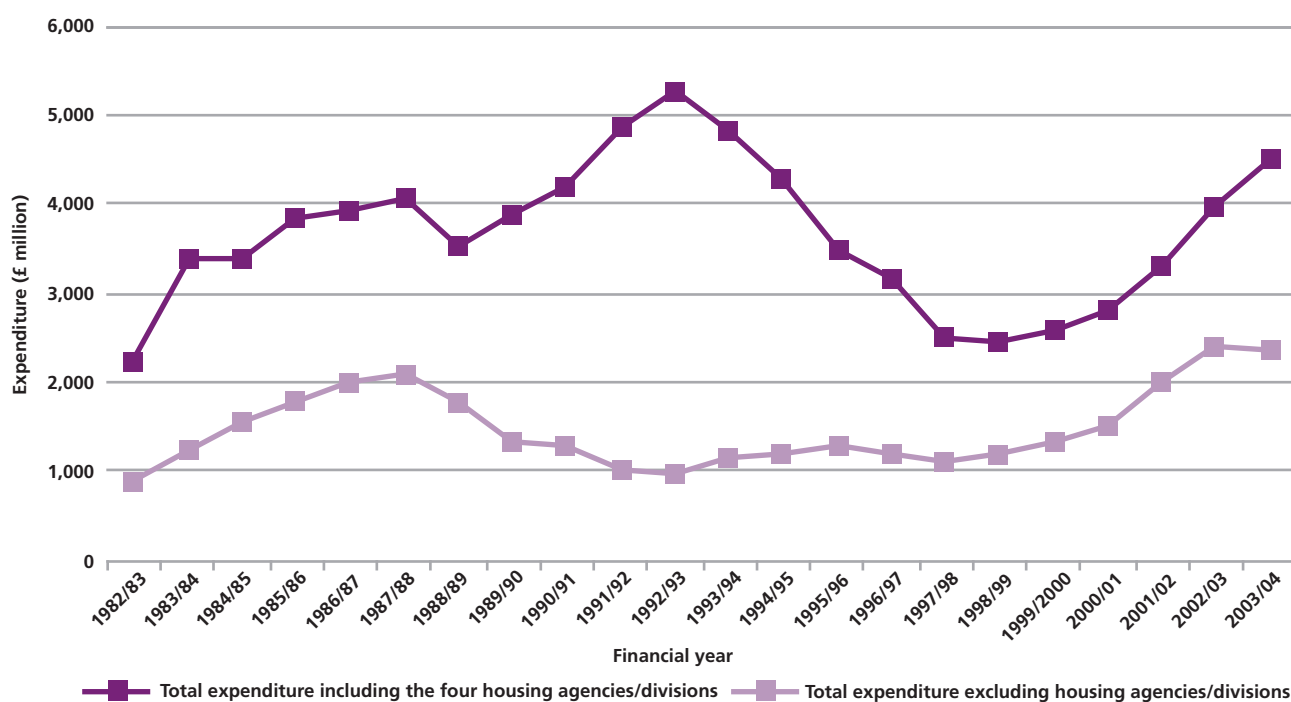


Figure 3a: Funding of housing associations by the four housing agencies and divisions, 1982/83 to 2003/04, at constant (2002) prices

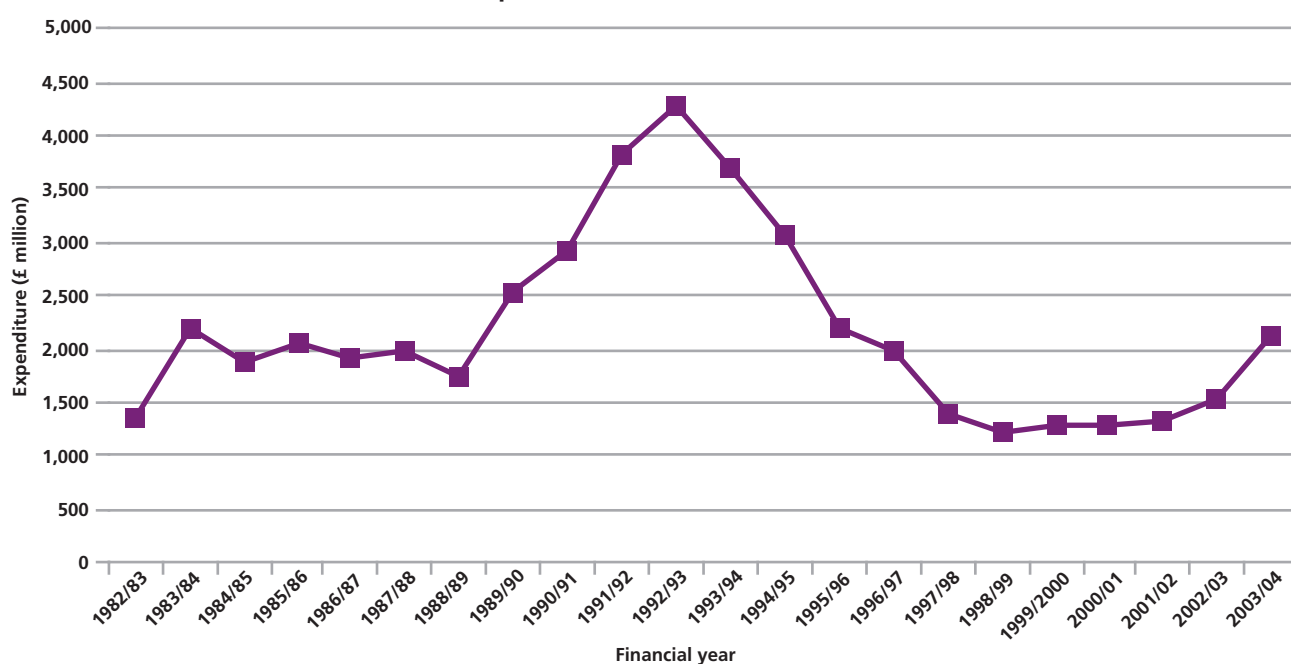


Table 13: Indices of growth of central government total expenditure and estimates of spending on voluntary organisations, adjusted series, 1982/83 to 2003/04, at constant (2002) prices

Financial year	Central government total expenditure (Index of growth in real terms)	Adjusted series including four housing agencies/divisions (Index of growth in real terms)	Adjusted series excluding four housing agencies/divisions (Index of growth in real terms)
1982/83	100	100	100
1983/84	100	154	141
1984/85	105	153	178
1985/86	105	172	204
1986/87	105	177	232
1987/88	107	183	240
1988/89	105	160	207
1989/90	109	175	153
1990/91	110	188	147
1991/92	114	218	117
1992/93	119	236	111
1993/94	124	216	131
1994/95	128	192	140
1995/96	129	157	148
1996/97	128	143	140
1997/98	127	113	129
1998/99	126	110	139
1999/2000	127	117	152
2000/01	134	126	175
2001/02	138	149	230
2002/03	144	178	278
2003/04	153	202	274

Source: Office for National Statistics; 1982/83 base year.

Trends in spending as annualised growth rates

Table 14 sets out annualised growth rates of the estimates of central government spending on voluntary and community organisations in the years 1982/83 to 2003/04 at constant (2002) prices. It shows that, in general, spending on these organisations expands and contracts more markedly than government expenditure as a whole: in recent years, for

instance, spending on both housing and non-housing organisations has grown at a faster rate than government expenditure as a whole. In other words, central government departments appear to treat this kind of expenditure as a more flexible or discretionary element, to be increased or reduced in response to economic exigencies or policy responses to major concerns such as homelessness, unemployment or crime.

Table 14: Annualised growth in central government total expenditure and estimates of spending on voluntary organisations, adjusted series, 1982/83 to 2003/04, at constant (2002) prices

Financial year	Central government total expenditure, annualised growth (%)	Adjusted series including four housing agencies/divisions, annualised growth (%)	Adjusted series excluding four housing agencies/divisions, annualised growth (%)
1982/83	–	–	–
1983/84	0.4	53.5	41.3
1984/85	4.3	–0.1	26.2
1985/86	0.2	12.1	14.2
1986/87	0.5	2.8	14.2
1987/88	1.3	3.2	3.3
1988/89	–2.1	–12.6	–13.9
1989/90	3.9	9.5	–26.0
1990/91	1.4	7.8	–3.8
1991/92	3.9	16.0	–20.6
1992/93	4.3	8.2	–5.0
1993/94	4.0	–8.5	17.9
1994/95	3.2	–11.2	6.7
1995/96	0.7	–18.5	6.2
1996/97	–0.8	–8.5	–5.6
1997/98	–0.8	–21.3	–7.8
1998/99	–0.7	–2.8	7.8
1999/2000	0.5	6.7	9.2
2000/01	5.8	7.4	14.9
2001/02	2.9	18.8	31.6
2002/03	4.3	19.2	21.1
2003/04	6.1	13.5	–1.5

Trends in spending on voluntary and community organisations as a proportion of government total expenditure

Table 15 shows central government spending on voluntary and community organisations as a proportion of government total expenditure.

From the early 1980s, central government spending on voluntary organisations accounted for between 1% and 2%

of government total expenditure for about 10 years. Thereafter, the proportion fell steadily until it reached its lowest level in 1997/98 (spending excluding housing association funding) or 1998/99 (all spending). Since then, the proportion has climbed to levels comparable with earlier years, though it is clear that this kind of expenditure remains a very small proportion of the total, even when we include spending on housing by the four agencies and divisions.

Table 15: Estimates of spending on voluntary organisations, adjusted series, 1982/83 to 2003/04, at constant (2002) prices, as a proportion of central government total expenditure

Financial year	Adjusted series including four housing agencies/divisions, as a proportion of government total expenditure (%)	Adjusted series excluding four housing agencies/divisions, as a proportion of government total expenditure (%)
1982/83	1.0	0.4
1983/84	1.6	0.6
1984/85	1.5	0.7
1985/86	1.7	0.8
1986/87	1.7	0.9
1987/88	1.8	0.9
1988/89	1.6	0.8
1989/90	1.7	0.6
1990/91	1.8	0.5
1991/92	2.0	0.4
1992/93	2.1	0.4
1993/94	1.8	0.4
1994/95	1.6	0.4
1995/96	1.3	0.5
1996/97	1.2	0.4
1997/98	0.9	0.4
1998/99	0.9	0.4
1999/2000	1.0	0.5
2000/01	1.0	0.5
2001/02	1.1	0.7
2002/03	1.3	0.8
2003/04	1.4	0.7

Appendix A: Technical note

As noted on page 4, the Charities Aid Foundation (CAF) carried out the collection and analysis of information for the years 2002/03 and 2003/04 on behalf of the Research, Development and Statistics Directorate (RDS) of the Home Office. The Northern Ireland Executive, the Scottish Executive, and the National Assembly for Wales provided information for Northern Ireland, Scotland and Wales, respectively.

Appendix B: Other sources of information

Index for converting current prices to constant (2002) prices

Series YBGB: *Gross Domestic Product (Expenditure) at Market Prices Deflator, Seasonally Adjusted, 2002 = 100; Monthly Digest of Statistics*, as at August 2005, supplied by the Office for National Statistics (ONS). The deflator is for calendar years, not standard financial years.

Central Government expenditure

(Unpublished) table LGFS1.5F, ONS, which forms the data for Table 9.2 in *Local Government Financial Statistics*. This table provides a series for 'Total Managed Expenditure' (all statutory expenditure from 1982/83 to 2004/05) but permits removal of public corporations and local government from the total; supplied by ONS.

Individual departments' expenditure for 2002/03 and 2003/04

Public Expenditure Statistical Analyses 2002/03 (Cm 6521), April 2005, HM Treasury/ONS; Table 1.5: Resource Budgets 1999/2000 to 2007/08. The total for all government expenditure is not equal to the bottom line of Table 1.5 because the expenditure on the NHS and local government has been removed from the total for comparability.

Population figures

Population: England and Wales: Table 9 Mid-2004 Population Estimates: Quinary age groups and sex for local authorities in England and Wales; estimated resident population, ONS Census website 31 August 2005; Scotland: 04 MYPE: Table 1 Estimated population by age and sex, Scotland: 30 June 2004, General Register Office for Scotland, website 2 September 2005; Northern Ireland Table A: Resident Population Estimates Mid-2004: Quinary age groups by sex, Demography and Methodology Branch, NISRA, website 2 September 2005.

Single Regeneration Budget

The DTI (and its predecessor departments) does not collect detailed information on spending through SRB partnerships. The DTI accounts for SRB spending at regional level, through Regional Development Agencies (RDAs), and does not keep detailed accounts centrally. Further, the RDAs do not hold information about the distribution of spending on local bodies by partnerships. The Centre for Urban and Regional Development Studies (CURDS), University of Newcastle,

provided estimates of actual spending on 'voluntary and community bodies' for the years 2000/01 and 2001/02. This work, sponsored by the Community Fund, used the methodology developed for research into the recipients of initiatives to tackle poverty and deprivation in 1998/99. It involved consulting SRB managers in RDAs, allocating partnerships to categories based on the level of involvement of voluntary sector organisations ('none', 'some', 'leading'), and then computing their spending accordingly (at 10%, 40% and 80% of the total, respectively); unpublished information provided by Mike Coombes. See Alderman N., Coombes M. and Raybould S., *Mapping funding initiatives tackling poverty and deprivation in England: Final Report* (CURDS, 1999) and *Supplementary Report* (2000); see particularly, Annex 16 of the *Supplementary Report*, Estimating 'in scope' SRB funding.

Historical information on central government funding of voluntary organisations

Hansard reports cited by McQuillan J. (ed.) (1986) *Charity Statistics 1985/86*, Tonbridge, Kent: CAF; Saxon-Harrold S. (ed.) (1995) *Dimensions of the Voluntary Sector: How is the Voluntary Sector Changing?*, London: CAF; and Pharoah C. (ed.) (1997) *Dimensions of the Voluntary Sector: Key facts, figures, analysis and trends*, West Malling, Kent: CAF. The information for 1995/96 to 1997/98 was collected by the Active Community Unit, Home Office. The information for 1998/99 to 2003/04 was collected for RDS by CAF.

Appendix C: Notes on individual departments (where applicable), 2002/03 and 2003/04

Department for Culture, Media and Sport

As far as possible, the figures do not include payments from the Lottery. Some agencies provided only a single total for their spending (e.g. Arts Council England); in other cases, a detailed list of expenditure on all named organisations was provided. Prior to 2000/01, the Arts Council provided figures by region for local arts boards. Following reorganisation, in 2001/02, the Arts Council provided a single national figure only. Necessarily, this was allocated to the category 'England-wide'. Because the Arts Council is one of the largest-spending agencies, this change may have given the appearance of a shift in the distribution of regional and England-wide spending in favour of the latter in recent years.

Ministry of Defence

The department provided a particularly full report for 2002/03, which pushed its total up from £23.2 million in 2001/02 to £31.3 million; in particular, it provided details of payments of over £6 million to the RAF Museum. These payments to the RAF Museum had not been reported in 2001/02 and did not recur in 2003/04; it is not clear whether this was a one-off payment or lack of accurate reporting. There were no details given for Army Cadet Forces in 2003/04; the previous year's figures were used. The net effect was to produce the appearance of a slight fall in MOD spending on voluntary organisations.

Department for Education and Skills

Figures do not include local Sure Start partnerships (£394.1 million in 2003/04), funding of the Assisted Places Scheme (£39 million in 2002/03 and £20 million in 2003/04; this scheme is being phased out), the Music and Ballet Schools Scheme (£13 million in 2002/03 and £14 million in 2003/04), and funding of voluntary-aided and foundation schools. The figures do include funding of the University for Industry (£73 million in 2002/03 and £72 million in 2003/04), although the status of this organisation is somewhat ambiguous. The DfES presents particular problems to the staff who carry out the internal survey, because of the large number of internal units, sections, etc. which might have expenditure on voluntary or community organisations, the prevalence of new initiatives related to education and the number of inter-departmental reorganisations in recent years. These reorganisations have resulted in the transfer of responsibilities: the Department for Education and

Employment and Department of Social Security became DfES and DWP, followed by the acquisition of responsibilities for certain children's services from the DH and DCA (formerly the Lord Chancellor's Department). It is possible that some spending may have been omitted as a result of these changes.

Department for Environment, Food and Rural Affairs

Neither year's figures include payments under the various agricultural price-support mechanisms to voluntary organisations that constitute or own working farms. In 2000/01, Defra staff examined payments to four major land-owning charities (National Trust, Royal Society for the Protection of Birds, Wildfowl and Wetlands Trust and the Woodland Trust) and identified payments to these four of about £4 million from price-support schemes in that year; this gives some idea of the possible scale of any omissions.

Home Office

Internal respondents have consistently treated Drug Action Teams and Crime and Disorder Reduction Partnerships as voluntary organisations since their inception. The general rule that has been followed for all departments has been to accept their judgement after discussion of the broad definition of voluntary and community organisation used in this exercise and the characteristics of the case in question. Their spending was as follows: Drug Action Teams (£21 million in 2001/02, £22 million in 2002/03 and £53 million in 2003/04); Crime and Disorder Reduction Partnerships and related projects (£94 million in 2001/02, £105 million in 2002/03 and £84 million in 2003/04). Like the other partnership schemes, their status needs clarification so that either they are confirmed as voluntary or they are treated as NDPBs and asked to identify the named recipients of their expenditure.

Department for International Development

Figures refer to spending on organisations based in the UK. Hence they may understate the actual amount of spending by the department, particularly for emergency aid. The figures include spending on both overseas aid and promotion of development awareness in the UK; however, the total for development awareness may differ from the DFID published totals, because they include spending on projects in certain universities, which has been excluded here.

Department of Trade and Industry

The department's agencies do not identify individual recipients of SRB partnerships' spending. Since 2001/02, estimates for spending on voluntary organisations under SRB have been calculated using the method developed by the Centre for Urban and Regional Development Studies (CURDS), University of Newcastle (see Appendix B). Spending on the SRB programme as a whole is decreasing, so that the estimates derived from the SRB totals are likewise in decline (£191.3 million in 2001/02, £157.8 million in 2002/03 and £131.1 million in 2003/04).

This decrease is an important component of the fall in the total spent by Government on (non-housing) voluntary organisations in real terms recorded in 2003/04.

Department for Transport

No details for agencies provided in 2003/04; the previous year's data were used, updated for inflation. This is only a small amount (£48,810) and does not affect the total adversely.

Office of the Deputy Prime Minister

Spending by the Housing Corporation is reduced by the amount shown as 'local authority (council)-sponsored social housing schemes', where the immediate recipient is a council. This may reduce the total recorded by as much as a third, compared with Housing Corporation published figures. In 2003/04, the Housing Corporation provided full details of named recipient associations for the first time.

Reporting by the various Housing Action Trusts has been variable over a number of years, but the amounts involved are small and no effort has been made to cover them with estimated figures.

National Assembly for Wales

Wales's figures are obtained by an internal survey of the NAW departments carried out by the NAW Voluntary Sector Branch for the National Assembly's Voluntary Sector Partnership Council (NAW VSPC). Their figures have been re-analysed so as to make them comparable with the England and Northern Ireland material. As noted above (page 4), the figures for the NAW are less than the VSPC material, because of the removal of obvious inconsistencies in the application of the definition of voluntary and community organisation or the definition of

government payment used in the survey of departments in England and Northern Ireland. An example of the first would be the removal of payments to the National Institute of Adult Continuing Education (NIACE) from the Welsh raw data (NIACE has charitable status, but is an NDPB, payments from which have already been counted by DfES in the England survey), or the removal of payments of over £8 million to voluntary-aided schools in Wales; the Home Office survey does not count these schools as part of the voluntary sector, but part of the maintained education system. An example of the second would be some of the Arts and Sports Councils money in Wales which was provided by Lottery funds, not the Exchequer (removing this for the sake of consistency reduces the NAW VSPC-published figures for the Wales Arts and Sports Councils by about a half).

In earlier years, it is believed that there may have been substantial under-reporting of the Welsh expenditure. However, the process has been improved, so that it constitutes a much more thorough review of spending by the NAW. However, this means that some of the substantial increase in direct Assembly spending in 2002/03 and 2001/02 over that of 2000/01 may be a result of better reporting, rather than a true increase.

It was not possible to test the validity of the Wales returns because, prior to 2003/04, the figures collected by the NAW Voluntary Sector branch were predominantly in the form of totals for each policy division or agency; further, the NAW survey does not request all the items of data requested in the Home Office survey of England, UK and Northern Ireland departments, and some data items (e.g. type of service funded) have to be inferred from the title of the sponsoring division or agency. In 2003/04, a new reporting system was implemented in Wales, which provided details of payments to named organisations by the NAW divisions. The details for this year suggest a substantial fall in Assembly spending on voluntary organisations in cash, let alone real terms. Again, it is not possible to be confident that these figures have been collected on consistent and comparable terms over all the years under study.

All spending on voluntary organisations reported by the NAW and its Assembly-supported public bodies was £106.7 million in 2000/01, £140.1 million in 2001/02, £188.9 million in 2002/03 and £136.0 million in 2003/04.

Scottish Executive

The data for Scotland are based on material gathered and made public by the Scottish Executive's Social Inclusion and Voluntary Issues Unit consistently and thoroughly over a number of years. As with NAW data, their figures have been re-analysed so as to make them comparable with the England and Northern Ireland material. However, the Scottish survey does not request all the items of data requested in the Home Office survey of England, UK and Northern Ireland departments, and some data items (e.g. type of service funded) have to be inferred from the title of the sponsoring division or agency. The amounts recorded refer to 'offer' or 'planned expenditure', and are presumably not out-turn as requested in the Home Office survey. Sport Scotland appeared to be omitted for 2003/04, so the previous year's figure was used to prevent substantial understatement of the total. The totals for the Scottish Arts Council appear to be high in both 2002/03 and 2003/04, and hence might include Lottery funds, but it was not possible to verify this.

The Scottish data are similar to other UK departments in that some of the agencies provide totals only. Also, the Scottish practice is to include NHS health boards (but not the provider trusts) as agencies; and the Scottish Social Inclusion Partnerships suffer from the common problem of all 'hybrid' partnerships, i.e. that it is literally correct that they may count as voluntary organisations in themselves, but an unknown proportion of their expenditure may go to statutory bodies.

Northern Ireland

Northern Ireland's figures are obtained by an internal survey carried out by the Department for Social Development Voluntary and Community Activity Unit, for both Northern Ireland Assembly devolved departments and residual Northern Ireland Office (NIO) departments. Unlike the Scotland and Wales returns, this process uses the Home Office format and provides full listings of all organisations funded, so that some verification is possible, by checking each year's data with that of the previous year. The method also reflects the detail required by a series of Assembly Questions put down by interested Assembly Members for the 2001/02 session.

In the past, the Northern Ireland data were more variable; there was a two-year gap (1998/99 and 1999/2000) during the establishment of devolved government, and data for the

earlier years 1990/91 and 1991/92 had also been omitted, i.e. the entire province's expenditure. As noted above (page 24), these omitted years' expenditures were variously estimated to be between £74 million and £142 million.

The province receives substantial support from the European Community (EC), with different programme titles from those in England, Wales and Scotland. For 2001/02, most of the EC programme spending appeared to be reported on the main returns and had to be excluded. The 2002/03 returns appeared to omit all EC expenditure; 2003/04 returns include some EC expenditure, and these figures were excluded as far as possible. There may be some inconsistency of treatment.

Spending by nation

It should be noted that not all central government spending on voluntary and community organisations in Wales, Scotland and Northern Ireland passes through the devolved assemblies; for example, the Probation Service operates in England and Wales, hence the Home Office's figures for the Probation Service include spending on organisations in Wales. In Northern Ireland, the counterpart of the Probation Service remains an agency of the NIO rather than the Northern Ireland Assembly; and, in Scotland, probation services are provided by local council social work departments and are therefore not included in this survey. The analyses by nation (Tables 2, 3 and 4) take account of spending by departments with England/Wales, Great Britain and all-UK responsibilities. However, where totals are given by **department**, all such spending remains with its parent department and has not been reallocated to the NAW, Scottish Executive or Northern Ireland Executive/NIO.

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