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central government
FUNDING
of
voluntary & community
organisations

1982/83 to 2001/02

Ian Mcroft and Meta Zimmeck

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Key findings

- Total central government funding of voluntary and community organisations increased substantially between 1999/2000 and 2001/02. At current prices actual total funding was £2,238.4 million in 1999/2000; £2,755.3 million in 2000/01; and £3,323.7 million in 2001/02. It increased by 23.1 per cent between 1999/2000 and 2000/01 and by 20.6 per cent between 2000/01 and 2001/02.
- These increases were primarily caused by increases in non-housing association funding. At current prices actual non-housing association funding increased by 43.1 per cent between 1999/2000 and 2000/01 and by 37.4 per cent between 2000/01 and 2001/02.
- In contrast, housing association funding, the largest single component of central government funding, stagnated. At current prices actual housing association funding increased by 5.9 per cent between 1999/2000 and 2000/01 and by 1.2 per cent between 2000/01 and 2001/02.
- In 2000/01 and 2001/02, there were differences in the distribution of total funding per capita among the various nations of the UK. Total funding per capita was much lower in England and Wales than in Northern Ireland and Scotland.
- In 2000/01 and 2001/02, there were also differences in the distribution of total funding per capita among the various Government Office Regions in England. In both years, total funding per capita was greatest in London and lowest in the East.
- In 2000/01 and 2001/02 departments allocated a relatively small proportion of their total spending – 1.2 per cent and 1.4 per cent, respectively – to voluntary and community organisations. The Department for Culture, Media and Sport allocated the largest proportion (16.2 per cent and 14.2 per cent, respectively).
- In 2000/01 and 2001/02 departments allocated the largest proportion of total funding to development, employment and housing, including housing associations (54.8 per cent in 2000/01 and 46.3 per cent in 2001/02).
- Following a long decline, total funding (adjusted series at constant [2000] prices) bottomed out in 1998/99, and since that time it has increased by nearly two fifths. Non-housing association funding bottomed out somewhat earlier, in 1992/93, and has climbed steadily since that time. In 2001/02, it was at its highest point since 1987/88.
- Funding of voluntary and community organisations accounts for only a small share of all government spending (adjusted series at constant [2000] prices). From the early 1980s until the mid-1990s, it accounted for between 1.5 and 2.0 per cent of all spending. In 2000/01 and 2001/02 it accounted for around 1 per cent.

Introduction

The Home Office has lead responsibility for the voluntary and community sector in England. As part of its remit, it has provided information on the funding of voluntary and community organisations by central government departments, including the devolved administrations, and their associated agencies and non-departmental public bodies (NDPBs) in the UK since 1979/80. In earlier years this information was of variable quality, but in recent years, given its importance as a tool for monitoring central government's involvement of voluntary and community organisations in the delivery of public services and departments' prioritisation of its collection, its quality has improved. The information contained in this report is the most accurate and consistent ever collected and supersedes that contained in previous reports.

This report follows the format of the previous published report, which set out information for the years 1982/83 to 1999/2000¹. It revises provisional information for 2000/01 presented in the report of the Cross-Cutting Review of the Role of the Voluntary and Community Sector in the Delivery of Public Services². It provides new information for the years 2000/01 and 2001/02. It updates information on trends in funding from 1982/83 onwards.

This report provides the following information about central government funding of voluntary and community organisations:

- for the years 2000/01 and 2001/02
 - total funding, both actual and comparable
 - funding of housing associations
 - funding by nation (England, Northern Ireland, Scotland and Wales)
 - funding by Government Office Regions in England
 - funding by department
 - direct and indirect funding
 - funding by service area
 - funding of organisations which provide services to women, people from ethnic minorities and people with disabilities
- for the years 1982/83 to 2001/02
 - trends in total funding
 - trends in total funding, as annualised growth rates
 - trends in total funding, as a proportion of total Government spending.

This report does not contain information about funding of voluntary and community organisations by other government bodies - local councils, National Health Service, police authorities, fire authorities, European Union – or by the National Lottery.

This report is based on research and analysis carried out for the Home Office by the Charities Aid Foundation.

Funding of voluntary and community organisations in the years 2000/01 and 2001/02

Total funding of voluntary and community organisations

Tables 1 and 2 set out total central government funding of voluntary and community organisations in the UK at current prices and at constant (2000) prices. Table 1 sets out actual total funding, as reported by central government departments and their associated agencies and NDPBs. Table 2 sets out comparable total funding, adjusted to compare like with like. Both tables

¹ *Central Government funding of voluntary and community organisations, 1982/83 to 1999/2000* (Research, Development & Statistics Directorate, Home Office, 2001).

² *The Role of the Voluntary and Community Sector in Service Delivery: A Cross-Cutting Review* (HM Treasury, 2002), which may be accessed on <http://www.hm-treasury.gov.uk>.

distinguish funding excluding funding of housing associations (“non-housing association funding”) and funding of housing associations (“housing association funding”).³

There were substantial increases in total funding between 1999/2000 and 2001/02.

Actual total funding: In 1999/2000 actual total funding, as reported by departments and their agencies and NDPBs, at current prices was £2,238.4 million; in 2000/01, £2,755.3 million⁴; and in 2001/02, £3,323.7 million. At current prices, it increased by 23.1 per cent between 1999/2000 and 2000/01 and by 20.6 per cent between 2000/01 and 2001/02. At constant (2000) prices it increased by 17.9 per cent between 2000/01 and 2001/02.

Comparable total funding: The amounts of actual total funding set out above for 1999/00, 2000/01 and 2001/02 are not, strictly speaking, comparable. The figures for both 2000/01 and 2001/02 include funding of voluntary and community organisations in Northern Ireland and under the Single Regeneration Budget (SRB), whereas those for 1999/2000 do not. If the figures for 2000/01 and 2001/02 be adjusted to reflect this (by removing £279.9 million and £338.7 million, respectively), then at current prices comparable total funding increased by 10.6 per cent between 1999/2000 and 2000/01 and by 20.6 per cent between 2000/01 and 2001/02. At constant (2000) prices it increased by 9.0 per cent between 1999/2000 and 2000/01 and by 17.9 per cent between 2000/01 and 2001/02.

The increases in total funding were primarily caused by increases in non-housing association funding and not, as in earlier years, by increases in housing association funding. The increases in non-housing association funding are among the largest increases recorded in the last twenty years.

Actual non-housing association funding: At current prices actual non-housing association funding increased by 43.1 per cent between 1999/2000 and 2000/01 and by 37.4 per cent between 2000/01 and 2001/02. At constant (2000) prices, it increased by 34.3 per cent between 2000/01 and 2001/02.

Comparable non-housing association funding: At current prices comparable non-housing association funding increased by 22.6 per cent between 1999/2000 and 2000/01 and by 38.7 per cent between 2000/01 and 2001/02. At constant (2000) prices it increased by 20.9 per cent between 1999/2000 and 2000/01 and by 35.6 per cent between 2000/01 and 2001/02.

Actual housing association funding: At current prices actual housing association funding increased by 5.9 per cent between 1999/2000 and 2000/01 and by 1.2 per cent between 2000/01 and 2001/02. At constant (2000) prices it actually decreased by 1.1 per cent between 2000/01 and 2001/02.

Comparable housing association funding: At current prices comparable housing association funding increased by only 0.3 per cent between 1999/2000 and 2000/01 and by 1.5 per cent between 2000/01 and 2001/02. At constant (2000) prices it decreased by 1.1 per cent between 1999/2000 and 2000/01 and by 0.8 per cent between 2000/01 and 2001/02.

3 “Housing association funding” includes funding of housing associations by the Housing Corporation in England; the Department for Social Development, part of the Northern Ireland Executive, in Northern Ireland; Communities Scotland (formerly Scottish Homes) in Scotland; and the Housing Division, part of the National Assembly for Wales, in Wales. It does not include funding of housing associations via other routes: by, say, the Home Office for accommodation of ex-offenders or the Department of Health for health outreach to homeless people.

4 The total of £2,695.3 million, cited in the *Report of the Cross-Cutting Review*, has been increased by £60.0 million to include funding provided by the Home Office for emergency accommodation for asylum seekers (information returned after publication of the *Report*).

Table 1: Actual total central government funding, non-housing association funding and housing association funding of voluntary and community organisations in the UK, 1999/2000 to 2001/02, at current prices and at constant (2000) prices (£)

Year	Actual non-housing association funding (£)	Actual housing association funding (£)	Actual total funding (£)
At current prices			
1999/2000	1,034,769,504	1,203,628,518	2,238,398,022
2000/01*	1,480,940,578	1,274,329,279	2,755,269,857
% increase	43.1	5.9	23.1
2001/02	2,034,329,318	1,289,379,573	3,323,708,891
% increase	37.4	1.2	20.6
At constant (2000) prices			
1999/2000	1,049,461,972	1,220,718,578	2,270,180,550
2000/01*	1,480,940,578	1,274,329,279	2,755,269,857
% increase	41.1	4.4	21.4
2001/02	1,988,591,708	1,260,390,589	3,248,982,297
% increase	34.3	-1.1	17.9

* Figures for 2000/01 are the same at current and at constant prices, because 2000 is the base year for constant prices.

Table 2: Comparable total central government funding, non-housing association funding and housing association funding of voluntary and community organisations in the UK, 1999/2000 to 2001/02, at current prices and at constant (2000) prices (£)

Year	Comparable non-housing association funding (£)	Comparable housing association funding (£)	Comparable total funding (£)
At current prices			
1999/2000	1,034,769,504	1,203,628,518	2,238,398,022
2000/01*	1,268,438,833	1,206,939,266	2,475,378,099
% increase	22.6	0.3	10.6
2001/02	1,759,681,305	1,225,284,102	2,984,965,407
% increase	38.7	1.5	20.6
At constant (2000) prices			
1999/2000	1,049,461,973	1,220,718,578	2,270,180,550
2000/01*	1,268,438,833	1,206,939,266	2,475,378,099
% increase	20.9	-1.1	9.0
2001/02	1,720,118,577	1,197,736,170	2,917,854,747
% increase	35.6	-0.8	17.9

* Figures for 2000/01 are the same at current and at constant prices, because 2000 is the base year for constant prices. Excludes funding in Northern Ireland and under SRB.

There are a number of factors which may have contributed to these increases in total central government funding:

- *Increases in the size and/or take-up by voluntary and community organisations of existing programmes.* For example, the Home Office's Justice for Victims Unit increased funding of Victim Support and related bodies from £19.1 million in 2000/01 to £25.6 million in 2001/02. Increases of this type are true increases.
- *The introduction of new policies or programmes aimed at voluntary and community organisations.* For example, in 2001/02 the Department for Transport, Local Government and the Regions ([DTLR], formerly the Department for the Environment, Transport and the Regions [DETR], and now the Office of the Deputy Prime Minister) introduced the New Deal for Communities (£81.5 million); and the Department of Trade and Industry, the Phoenix Development Fund (£3.1 million). Increases of this type are true increases.

- *Re-definition and re-routing of existing funding and service provision.* For example, before 2000/01 local authorities provided emergency accommodation to asylum seekers and claimed reimbursement from central government. From 2000/01, the Home Office funded voluntary and community organisations to provide this service (£60.0 million in 2000/01 and £93.4 million in 2001/02). Increases of this type are true increases, although they do not necessarily imply a change of provision to end-users.
- *Inclusion of hybrid organisations and partnerships.* The definition of "voluntary and community organisation" used in this research is broad and includes any non-profit-making body which is not an agency of government and which operates at arm's length from government in its day-to-day working. However, some arms are longer than others, and some departments included in their returns hybrid organisations and partnerships of indeterminate status which make bids to government, disburse funding and monitor performance. For example, in 2001/02 the Home Office included Crime and Disorder Reduction Partnerships in its returns (£94.1 million). Increases of this type may or may not be true increases, and in future years, as the nature of these hybrid organisations and partnerships becomes clearer, it will be possible to take a view as to their status and to adjust the figures accordingly.
- *Better reporting.* Because funding – and research about funding – of voluntary and community organisations has been given high priority across government, there has been an improvement in the accuracy and comprehensiveness of information provided by departments and possibly in the amount of funding reported. Increases of this type are not true increases.

It is likely that all these factors contributed to some extent to the large increases in total central government funding between 1999/2000 and 2001/02, and it is also likely that these increases were, for the most part, true increases.

The rest of this section of the report, about the years 2000/01 and 2001/02, analyses actual, not comparable, funding at current prices. The next section of the report, about trends over the years 1982/83 to 2001/02, analyses "adjusted" funding (which has been uplifted to account for funding, with the exception of SRB funding, known to be missing) at both current and constant (2000) prices.

Funding of housing associations

Housing association funding is a somewhat anomalous, but nevertheless important, part of central government funding of voluntary and community organisations. It is anomalous because it is for capital purposes, "bricks and mortar", rather than for projects or programmes. It is important because it is the largest single component of central government funding. At current prices in 1999/2000 it accounted for 53.8 per cent of total funding; in 2000/01, for 46.3 per cent; and in 2001/02, for 38.8 per cent. While this proportion was as high as 70 per cent in previous years, it has been in decline since the early 1990s. In effect, housing policy is one of the main determinants of central government funding of voluntary and community organisations, and even relatively minor changes in policies by departments responsible for social housing affect total funding in ways which may swamp relatively major changes in policies by other departments. For these reasons, this report presents figures, as appropriate, which distinguish non-housing association funding and housing association funding.

Funding of voluntary and community organisations by nation

Table 3 sets out total central government funding of voluntary and community organisations in the UK by nation in 2000/01 and 2001/02 and shows this as a proportion of total and domestic funding. Table 4 sets out total central government funding, non-housing association funding and housing association funding by nation. Table 5 converts the figures in Table 4 into funding per head of population. Funding of organisations which operate in one or more nation, about 3 per cent of the total, was divided on a case-by-case basis, either equally or proportionately by population, between those nations, and no funding was divided between more than two nations.⁵ Funding of organisations which operate in the UK but not in any specific nation

5. Around one per cent was divided equally and around two per cent was divided proportionally by population.

was allocated to the category "UK-wide". Funding of organisations based in the UK but which operate primarily overseas was allocated to the category "Overseas". These figures should be regarded as a good, but not precise, indication of the distribution of funding by nation.

Between 2000/01 and 2001/02 total funding per capita increased by nearly a fifth (19.8 per cent) in the UK, but it increased to a greater extent in Wales and Northern Ireland (where it did so at a rate double that of the UK as a whole) than it did in Scotland and England.

In 2000/01 and 2001/02 there were large differences in the distribution of total funding per capita among the various nations of the UK. Total funding per capita was much lower in England and Wales than in Northern Ireland and Scotland. Indeed, in both years total funding per capita in England was about half of that in Northern Ireland and two-thirds of that in Scotland. Total funding per capita in England was only slightly less than that in Wales in 2000/01 but about three-quarters of that in 2001/02.⁶ Between 2000/01 and 2001/02 housing association funding per capita was relatively stable but non-housing association funding per capita increased significantly in all four nations.

Table 3: Total central government funding of voluntary and community organisations in the UK, 2000/01 and 2001/02, by nation, at current prices (£)

	2000/01			2001/02		
	Total funding (£)	% of total funding	% of total domestic funding	Total funding (£)	% of total funding	% of total domestic funding
England	1,862,704,538	67.6	72.8	2,188,206,146	65.8	70.2
Northern Ireland	120,797,818	4.4	4.7	148,163,823	4.5	4.8
Scotland	310,672,865	11.3	12.1	350,454,282	10.5	11.2
Wales	118,963,806	4.3	4.7	168,390,337	5.1	5.4
UK-wide	144,032,048	5.2	5.6	263,269,455	7.9	8.4
<i>Domestic (non-overseas)</i>	<i>2,557,171,075</i>	<i>92.8</i>	<i>99.9*</i>	<i>3,118,484,043</i>	<i>93.8</i>	<i>100.0</i>
<i>Overseas</i>	<i>198,098,782</i>	<i>7.2</i>	<i>N/A</i>	<i>205,224,848</i>	<i>6.2</i>	<i>N/A</i>
<i>Total UK</i>	<i>2,755,269,857</i>	<i>100.0</i>	<i>N/A</i>	<i>3,323,708,891</i>	<i>100.0</i>	<i>N/A</i>

*Does not add up to 100.0 per cent due to rounding.

Table 4: Total central government funding, non-housing association funding and housing association funding of voluntary and community organisations in the UK, 2000/01 and 2001/02, by nation, at current prices (£)

	2000/01			2001/02		
	Non-housing association funding (£)	Housing association funding (£)	Total funding (£)	Non-housing association funding (£)	Housing association funding (£)	Total funding (£)
England	894,965,272	967,739,266	1,862,704,538	1,211,143,044	977,063,102	2,188,206,146
Northern Ireland	53,407,805	67,390,013	120,797,818	84,068,352	64,095,471	148,163,823
Scotland	137,772,865	172,900,000	310,672,865	173,033,282	177,421,000	350,454,282
Wales	52,663,806	66,300,000	118,963,806	97,590,337	70,800,000	168,390,337
UK-wide	144,032,048	0	144,032,048	263,269,455	0	263,269,455
<i>Domestic (non-overseas)</i>	<i>1,282,841,796</i>	<i>1,274,329,279</i>	<i>2,557,171,075</i>	<i>1,829,104,470</i>	<i>1,289,379,573</i>	<i>3,118,484,043</i>
<i>Overseas</i>	<i>198,098,782</i>	<i>0</i>	<i>198,098,782</i>	<i>205,224,848</i>	<i>0</i>	<i>205,224,848</i>
<i>Total UK</i>	<i>1,480,940,578</i>	<i>1,274,329,279</i>	<i>2,755,269,857</i>	<i>2,034,329,318</i>	<i>1,289,379,573</i>	<i>3,323,708,891</i>

⁶ This large variation between the two years was probably produced by an improvement in reporting by the National Assembly for Wales.

Table 5: Total central government funding, non-housing association funding and housing association funding of voluntary and community organisations in the UK, 2000/01 and 2001/02, per capita by nation, at current prices (£)

	2000/01			2001/02			Increase 2000/01 to 2001/02 (%)
	Non-housing association funding (£)	Housing association funding (£)	Total funding (£)	Non-housing association funding (£)	Housing association funding (£)	Total funding (£)	
England	18.27	19.75	38.02	24.52	19.78	44.30	16.5
Northern Ireland	31.73	40.04	71.78*	49.76	37.94	87.71*	22.2
Scotland	27.21	34.15	61.36	34.17	35.03	69.20	12.8
Wales	18.16	22.86	41.02	33.56	24.35	57.91	41.2
UK-wide	2.46	0.00	2.46	4.46	0.00	4.46	81.3
Overseas	3.38	0.00	3.38	3.48	0.00	3.48	3.0
Total UK	25.25	21.73	46.98	34.45	21.84	56.29	19.8

*Does not add up to the sum of non-housing association funding and housing association funding due to rounding.

Funding of voluntary and community organisations by region

Table 6 sets out total central government funding of voluntary and community organisations in England by Government Office Region in 2000/01 and 2001/02 and shows this as a proportion of total funding. Table 7 converts these figures into funding per head of population. Funding of organisations which operate in England but not in any specific region, about a third of the total, was allocated to the category "England-wide". These figures should be regarded as a broad indication of the distribution of funding by region.

In 2000/01 and 2001/02 there were differences in the distribution of total funding per capita among the various regions. In both years total funding per capita was greatest in London (twice that for England as a whole), followed at a distance by the North East and the North West, and it was lowest in the East (about a third of that for England as a whole). The relatively generous funding allocated to London may reflect the concentration of headquarters of national and international voluntary and community organisations and of social problems targeted by central government's programmes. However, differences in funding per capita among regions outside London suggest that central government funding was not equitably distributed.⁷

Table 6: Total central government funding of voluntary and community organisations in England, 2000/01 and 2001/02, by Government Office Region, at current prices (£)

	2000/01		2001/02	
	Total funding (£)	% of total funding	Total funding (£)	% of total funding
East	62,345,855	3.3	88,316,577	4.0
East Midlands	62,112,433	3.3	76,372,979	3.5
London	502,591,904	27.0	535,909,825	24.5
North East	62,592,021	3.4	111,593,938	5.1
North West	161,725,626	8.7	163,721,140	7.5
South East	119,151,326	6.4	163,798,788	7.5
South West	104,113,965	5.6	95,170,105	4.3
West Midlands	104,981,795	5.6	113,301,735	5.2
Yorkshire & Humber	87,895,432	4.7	93,571,052	4.3
England-wide	595,194,181	32.0	746,450,007	34.1
Total England	1,862,704,538	100.0	2,188,206,146	100.0

⁷ This was also the conclusion of research carried out by the Centre for Urban and Regional Development Studies (CURDS) at the University of Newcastle-upon-Tyne, which analysed funding provided for the alleviation of deprivation by central government departments, SRB, National Lottery, European Union (European Social Fund) and grant-making trusts. Neil Alderman, Mike Coombes and Simon Raybould, *Mapping Funding Initiatives tackling poverty and deprivation in England: Supplementary Report* (CURDS, University of Newcastle-upon-Tyne, 2000), S17-S18.

Table 7: Total central government funding of voluntary and community organisations in England, 2000/01 and 2001/02, per capita by Government Office Region, at current prices (£)

	2000/01 (£)	2001/02 (£)	Increase/decrease 2000/01 to 2001/02 (%)
East	11.60	16.35	+40.9
East Midlands	14.94	18.26	+22.2
London	70.74	73.33	+3.7
North East	24.81	44.30	+78.6
North West	24.00	24.19	+0.8
South East	14.93	20.42	+36.8
South West	21.21	19.28	-9.1
West Midlands	19.96	21.45	+7.5
Yorkshire & Humber	17.76	18.83	+6.0
England-wide	12.15	15.11	+24.4
<i>Total England</i>	<i>38.02</i>	<i>44.30</i>	<i>+16.5</i>

Funding of voluntary and community organisations by department

Table 8 sets out total central government funding of voluntary and community organisations by department for 2000/01 and 2001/02. It distinguishes between direct funding and indirect funding and between non-housing association funding and housing association funding. Table 9 shows departments' funding as a proportion of total central government funding. Figure 1 graphically represents this distribution.

The names and responsibilities of the departments are those current in 2000/01 and 2001/02. In both years the Charity Commission, the Crown Prosecution Service, HM Customs and Excise, No.10 Policy Unit, the Scottish Office, HM Treasury and the Welsh Office reported that they had not provided any funding. In 2001/02 the Department of Social Security reported that it had not provided any funding, but in 2001/02 the Department for Work and Pensions, which succeeded it, did report funding.

In 2000/01 and 2001/02 DETR/DTLR provided the largest share of total funding (44.8 per cent and 35.0 per cent, respectively), due to its funding of housing associations via the Housing Corporation. In 2000/01 other departments which provided significant proportions of the total were (in rank order) the Scottish Executive; the Department for Culture, Media and Sport (DCMS); the Home Office; the Department for International Development (DfID); and the Department for Education and Employment (DfEE). In 2001/02 they were (in rank order) the Home Office; the Scottish Executive; DCMS; the Department for Education and Skills (DfES); and the Department of Trade and Industry (DTI). In this year the Home Office replaced the Scottish Executive/DCMS (jointly) as the second largest provider of funding, primarily due to the expansion of its programmes aimed at the prevention/reduction of crime; and DCMS fell back to fourth place. Other changes in the rank ordering of departments were the result of changes in their responsibilities – for example, the creation of the Department for the Environment, Food and Rural Affairs (DEFRA) and its assumption of responsibility for the countryside and the environment from DETR/DTLR and DTI's assumption of responsibility for regional development agencies, including responsibility for SRB funding, from DETR/DTLR.

Table 8: Total central government funding of voluntary and community organisations in the UK, 2000/01 and 2001/02, by department, at current prices (£)

	2000/01 (£)	2001/02 (£)
Cabinet Office		
Direct funding	2,473,216	2,441,961
Department for Culture, Media and Sport		
Direct funding	92,147	134,000
Arts Council of England	232,955,000	239,407,000
British Tourist Authority/English Tourism Council		21,500
Commission for Architecture and the Built Environment (CABE)	253,071	252,423
English Heritage	18,738,489	11,151,859
Film Council	17,721,314	19,372,000
National Endowment for Science, Technology and the Arts (NESTA)	100,640	
National Museum of Science and Industry		25,000
Resource (Council for Museums, Archives and Libraries)	6,824,462	9,679,377
Sport England	15,133,200	15,208,000
Sport UK	9,785,019	5,396,937
Indirect funding	301,511,195	300,514,096
TOTAL	301,603,342	300,648,096
Ministry of Defence		
Direct funding	17,988,574	23,210,968
Department for Education and Employment/Department for Education and Skills		
Direct funding	133,606,306	206,279,837
Basic Skills Agency	2,663,563	4,824,658
British Educational Communications and Technology Agency (BECTA)	338,000	72,150
Construction Industry Training Boards		642,300
Employment Service	43,634,570	
Learning and Skills Councils		67,363,663
Learning and Skills Development Agency		98,850
National Institute for Adult and Continuing Education (NIACE)		1,496,672
Qualifications and Curriculum Authority (QCA)	1,076,400	1,700,000
Indirect funding	47,712,533	76,198,293
TOTAL	181,318,839	282,478,130
Ministry of Agriculture, Fisheries and Food/Department for the Environment, Farming and Rural Affairs		
Direct funding	949,288	10,374,319
Countryside Agency		27,224,872
English Nature		3,613,961
National Forest Company		10,572
Indirect funding		30,849,405
TOTAL	949,288	41,223,724
Foreign and Commonwealth Office		
Direct funding	6,273,366	8,484,607
Westminster Foundation for Democracy	4,014,201	3,909,368
Other agencies	127,054	
Indirect funding	4,141,255	3,909,368
TOTAL	10,414,621	12,393,975
Department of Health		
Direct funding	40,228,103	29,707,770
Home Office		
Direct funding	139,946,192	325,069,251
Commission for Racial Equality	4,713,169	4,960,008

	Probation Service	23,759,576	20,013,891
	Youth Justice Board	25,488,353	7,825,001
Indirect funding		53,961,098	32,798,900
TOTAL		193,907,290	357,868,151
Inland Revenue			
Direct funding		30,736	1,030,736
Department for International Development			
Direct funding		187,818,531	193,893,467
Lord Chancellor's Department			
	Direct funding	4,204,120	5,228,626
	Children and Family Court Advisory and Support Service (CAFCASS)		995,025
	Judicial Studies Board		139,000
	Legal Services Commission		50,557,473
Indirect funding		33,119,271	51,691,498
TOTAL		37,323,391	56,920,124
Department of Trade and Industry			
Direct funding		20,355,015	24,643,663
	Regional Development Agencies including SRB		204,083,527
Indirect funding			204,083,527
TOTAL		20,355,015	228,727,190
Department for the Environment, Transport and the Regions/Department for Transport, Local Government and the Regions			
Direct funding (including SRB in 2000/01)		212,516,959	162,392,301
	Coalfields Regeneration Trust	12,810,800	18,228,940
	Countryside Agency	8,819,698	
	English Nature	1,701,689	
	Housing Action Trusts	2,041,249	4,461,901
	National Forest Company	11,314	
	Regional Development Agencies (excluding SRB)	27,768,875	
SUB-TOTAL		53,153,625	22,690,841
	Housing Corporation (housing associations)	967,739,266	977,063,102
Indirect funding		1,020,892,891	999,753,943
TOTAL		1,233,409,850	1,162,146,244
Department of Social Security/Department of Work and Pensions			
Direct funding			695,946
Northern Ireland Executive			
Direct funding excluding housing associations		38,975,476	67,329,170
Housing associations		67,390,013	64,095,471
Total direct funding		106,365,489	131,424,641
	Arts Council Northern Ireland	4,911,712	5,806,900
	Community Relations Council	2,758,038	1,878,092
	Department of Agriculture and Rural Development Agencies		144,900
	Department of the Environment Agencies		560,976
	Enterprise Ulster		2,500
	Equality Commission for Northern Ireland	78,421	42,860
	Northern Ireland Housing Executive		1,080,644
	Northern Ireland Museums Council		21,835
	Northern Ireland Tourist Board	809,337	22,551
	Police Authority for Northern Ireland		84,800
	Prison Service Northern Ireland		136,000
	Probation Board for Northern Ireland	2,206,024	2,206,740
	Southern Education and Library Board		24,000

	Sports Council Northern Ireland	1,646,456	2,435,723
	Youth Council for Northern Ireland	1,837,881	1,578,701
Indirect funding		14,247,869	16,027,222
TOTAL		120,613,358	147,451,863
<i>Scottish Executive</i>			
Direct funding		34,915,165	38,812,441
	Central Council for Education and Training of Social Workers		1,506,890
	Community Learning Scotland		47,340
	Scottish Health Boards		14,358,733
	Health Education Board for Scotland		310,500
	Highlands and Islands Enterprise		3,664,000
	New Futures Fund		4,087,136
	Royal Commission on Ancient and Historical Monuments of Scotland		10,000
	Scottish Natural Heritage		4,753,214
	Social Inclusion Programme (SIP)		48,000,000
	Scottish Arts Council		34,839,000
	Scottish Enterprise		11,993,832
	Sport Scotland		2,965,460
SUB-TOTAL		92,302,768	126,536,105
	Communities Scotland (housing associations)	172,900,000	177,421,000
Indirect funding		265,202,768	303,957,105
TOTAL		300,117,933	342,769,546
<i>National Assembly for Wales/Cynulliad Cenedlaethol Cymru</i>			
Direct excluding housing associations		17,638,613	42,550,000
Housing associations		66,300,000	70,800,000
Total direct funding		83,938,613	113,350,000
	Arts Council for Wales	10,499,362	10,817,000
	Care Council		205,000
	Countryside Council for Wales	954,136	876,000
	Education and Learning Wales (ELWa)	2,113,000	2,000,000
	Sports Council for Wales	3,368,000	3,674,000
	Wales Development Agency	3,950,183	6,096,000
	Wales Tourist Board	91,000	210,000
	Welsh Language Board	1,803,476	2,873,000
Indirect funding		22,779,157	26,751,000
TOTAL		106,717,770	140,101,000
<i>TOTAL DIRECT FUNDING</i>		<i>991,701,820</i>	<i>1,277,174,534</i>
<i>TOTAL INDIRECT FUNDING</i>		<i>1,763,568,037</i>	<i>2,046,534,357</i>
<i>TOTAL HOUSING ASSOCIATION FUNDING</i>		<i>1,274,329,279</i>	<i>1,289,379,573</i>
<i>TOTAL NON-HOUSING ASSOCIATION FUNDING</i>		<i>1,480,940,578</i>	<i>2,034,329,318</i>
<i>TOTAL FUNDING</i>		<i>2,755,269,857</i>	<i>3,323,708,891</i>

Table 9: Departments' funding of voluntary and community organisations in the UK, 2000/01 and 2001/02, as a proportion of total central government funding, at current prices (%)

	2000/01 (%)	2001/02 (%)
Cabinet Office	0.1	0.1
Department for Culture, Media and Sport	10.9	9.0
Ministry of Defence	0.7	0.7
Department for Education and Employment/Department for Education and Skills	6.6	8.5
Ministry of Agriculture, Fisheries and Food/Department for the Environment, Farming and Rural Affairs	0.0	1.2
Foreign and Commonwealth Office	0.4	0.4
Department of Health	1.5	0.9
Home Office	7.0	10.8
Inland Revenue	0.0	0.0
Department for International Development	6.8	5.8
Lord Chancellor's Department	1.4	1.7
Department of Trade and Industry	0.7	6.9
Department for the Environment, Transport and the Regions/Department for Transport, Local Government and the Regions	44.8	35.0
Department of Social Security/Department of Work and Pensions	0.0	0.0
Northern Ireland Executive	4.4	4.4
Scottish Executive	10.9	10.3
National Assembly for Wales/Cynulliad Cenedlaethol Cymru	3.9	4.2
Total	100.1*	99.9*

*Does not add up to 100 per cent due to rounding.

Figure 1: Departments' funding of voluntary and community organisations in the UK, 2000/01 and 2001/02, as a proportion of total central government funding, at current prices (%)

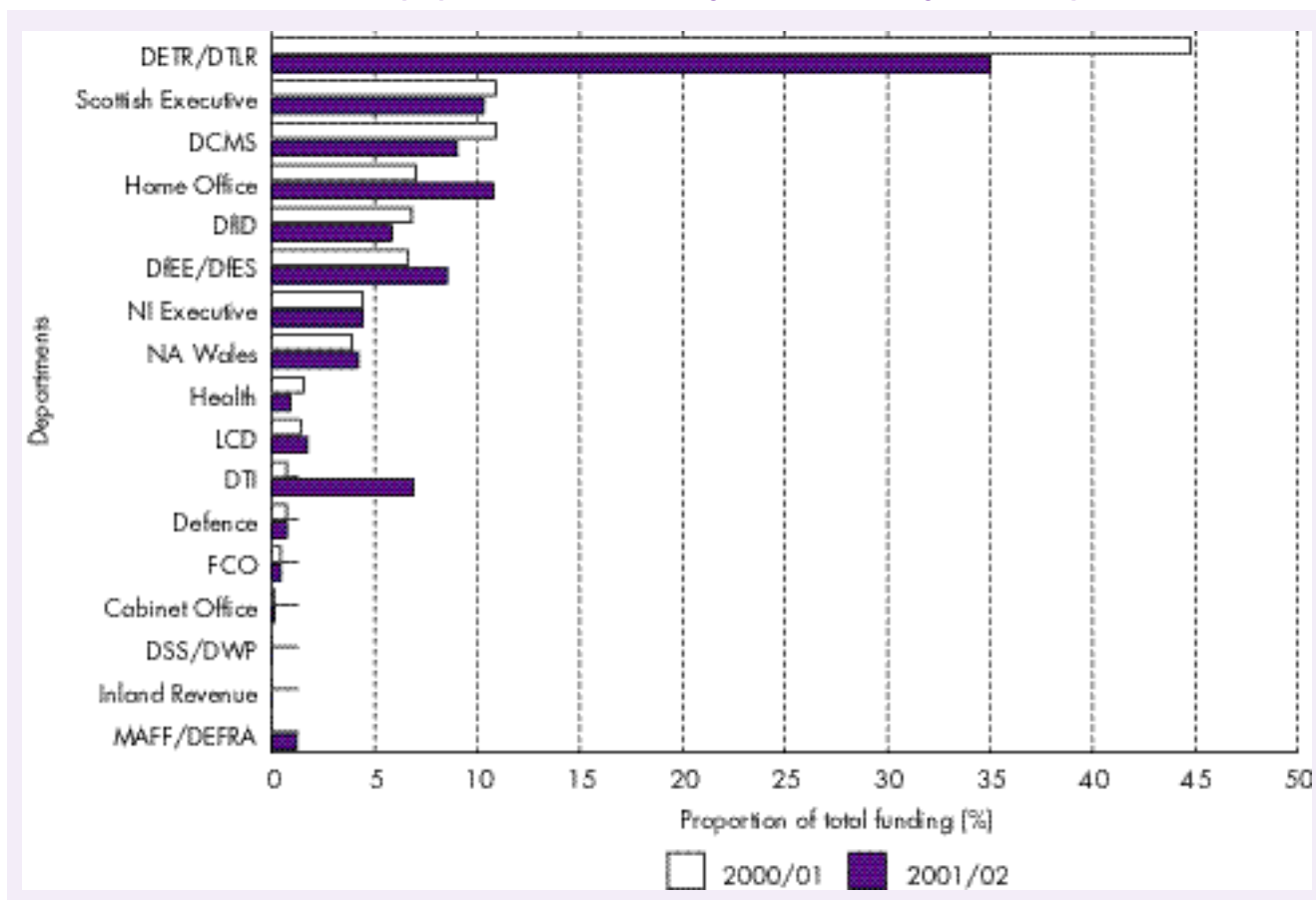


Table 10 shows funding of voluntary and community organisations as a proportion of departments' total spending in 2000/01 and 2001/02. In both years departments allocated a relatively small proportion of their total spending – 1.2 per cent in 2000/01 and 1.4 per cent in 2001/02 - to voluntary and community organisations. DCMS allocated the largest proportion (16.2 per cent and 14.2 per cent, respectively), followed (in rank order) by DETR/DTLR (including the Housing Corporation) and DfID.

Table 10: Departments' funding of voluntary and community organisations in the UK, 2000/01 and 2001/02, as a proportion of departments' total spending*, at current prices (%)

	2000/01		2001/02	
	Departments' total spending (£000)	Funding of voluntary and community organisations (%)	Departments' total spending (£000)	Funding of voluntary and community organisations (%)
Cabinet Office	2,512	0.1	2,693	0.1
Chancellor's Departments (HM Treasury, Inland Revenue, HM Customs and Excise)	3,842	0.0	4,384	0.0
Department for Culture, Media and Sport	1,865	16.2	2,124	14.2
Ministry of Defence	35,896	0.1	34,300	0.1
Department for Education and Employment/Department for Education and Skills	15,888	1.1	18,740	1.5
Ministry of Agriculture, Fisheries and Food/Department for the Environment, Farming and Rural Affairs	5,749	0.0	5,022	0.8
Foreign and Commonwealth Office	1,500	0.7	1,451	0.9
Department of Health	1,364	2.9	1,466	2.0
Home Office	8,857	2.2	10,088	3.5
Department for International Development	3,138	6.0	3,309	5.9
Lord Chancellor's Department	2,645	1.4	2,886	2.0
Department of Trade and Industry	6,450	0.3	4,286	5.3
Department for the Environment, Transport and the Regions/Department for Transport, Local Government and the Regions	10,076	12.2	12,122	9.6
Department of Social Security/Department of Work and Pensions	100,306	0.0	106,688	0.0
Northern Ireland Executive	10,348	1.2	11,730	1.3
Scottish Executive	14,334	2.1	16,095	2.1
National Assembly for Wales/Cynulliad Cenedlaethol Cymru	7,449	1.4	8,757	1.6
<i>Total all departments surveyed</i>	<i>232,219</i>	<i>1.2</i>	<i>246,141</i>	<i>1.4</i>

* Figures exclude spending by the Attorney General's Department and by local councils and the NHS in England (but not in Northern Ireland, Scotland and Wales).

Direct and indirect funding of voluntary and community organisations

In 2000/01 and 2001/02 central government funding of voluntary and community organisations was split roughly 1:2 between "direct" funding by departments themselves and "indirect" funding by agencies and NDPBs such as the Youth Justice Board, the Arts Council Northern Ireland, Sport Scotland and the Wales Development Agency. In 2000/01 departments provided £991.7 million in direct funding (36.0 per cent) and their agencies/non-departmental public bodies, £1,763.6 million (64.0 per cent). In 2001/02 departments provided £1,277.2 million (38.4 per cent) and their agencies/non-departmental public bodies, £2,046.5 million (61.6 per cent). Primarily as a result of the stagnation in the funding of housing associations by the Housing Corporation and Communities Scotland, there was a shift in the ratio of direct to indirect funding from around 1:3 in 1998/99 and 1999/2000 to 1:2 in 2000/01 and 2001/02.

In 2000/01 DETR allocated the largest proportion of direct funding (21.4 per cent), followed (in rank order) by DfID (18.9 per cent), the Home Office (14.1 per cent), DfEE (13.5 per cent) and the Northern Ireland Executive (10.7 per cent). In 2001/02 the Home Office allocated the largest proportion (25.5 per cent), followed (in rank order) by DfES (16.2 per cent), DfID (15.2 per cent) DTLR (12.7 per cent) and the Northern Ireland Executive (10.3 per cent).

In both 2000/01 and 2001/02 DETR/DTLR allocated the largest proportion of indirect funding (57.9 per cent and 48.9 per cent, respectively), followed (in rank order) by DCMS (17.1 per cent) and the Scottish Executive (15.0 per cent) in 2000/01 and by the Scottish Executive (14.9 per cent) and DCMS (14.7 per cent) in 2001/02.

Funding of voluntary and community organisations by service area

Table 11 sets out total central government funding of voluntary and community organisations in the UK by service area ("purpose")⁸ in 2000/01 and 2001/02 and shows this as a proportion of total funding. Figure 2 graphically represents this distribution. Funding of organisations which provide services cutting across the standard service areas, about five per cent of the total, was divided equally between those service areas, and no funding was divided between more than two service areas. The allocation of funding to the various service areas varied considerably within departments, between departments and their agencies/NDPBs and from year to year. These figures should be regarded as a broad indication of the distribution of funding by service area.

In both years departments allocated the largest proportion of total funding to development, employment and housing, including housing associations (54.8% in 2000/01 and 46.3 per cent in 2001/02), followed in 2000/01 by arts, culture, sport and recreation; social services; overseas/international; law, crime, civil rights, information; and education and research and in 2001/02 by arts, culture, sport and recreation; social services; law, crime, civil rights, information; and education and research.

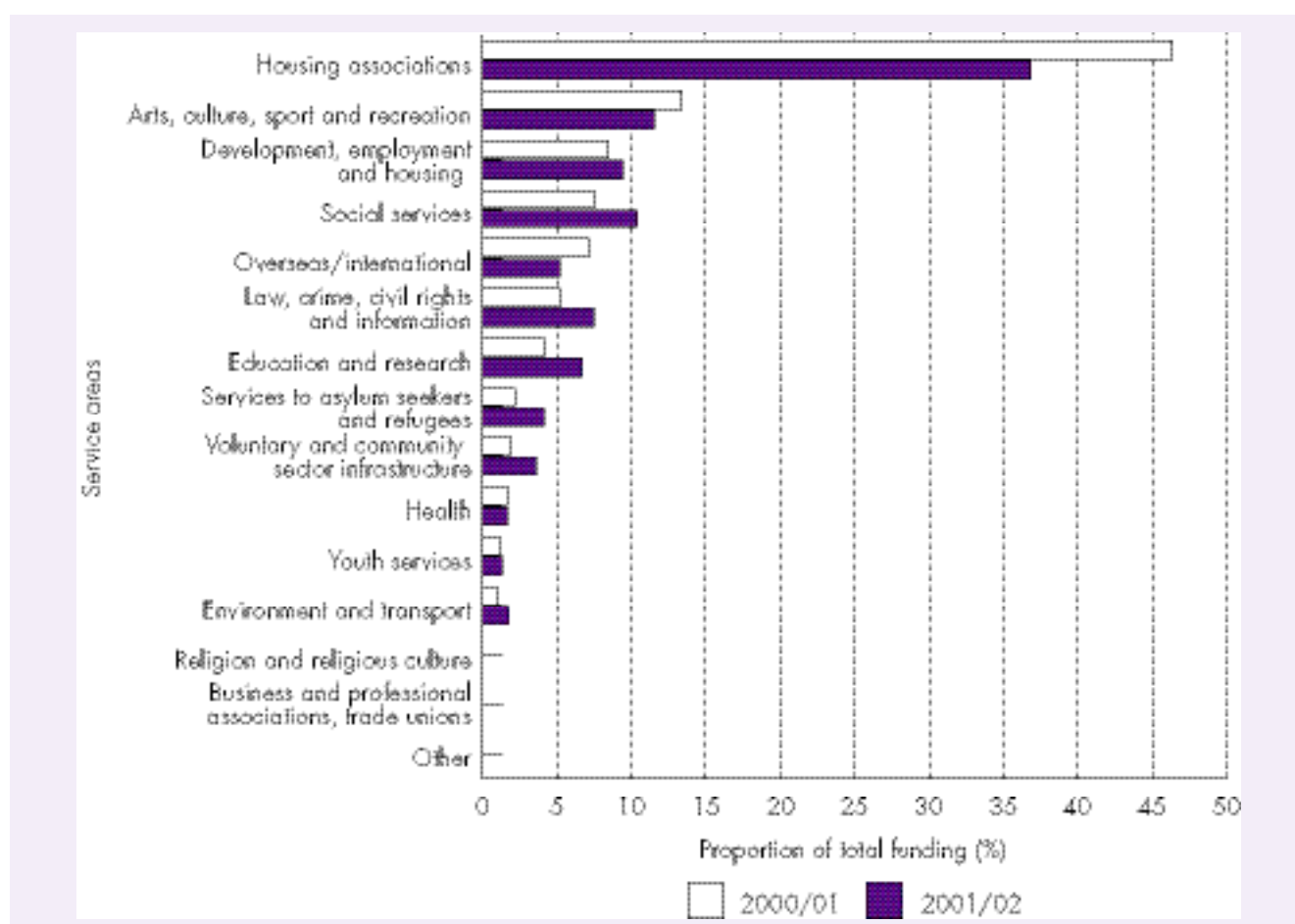
Table 11: Total central government funding of voluntary and community organisations in the UK, 2000/01 and 2001/02, by service area, at current prices (£)

	2000/01		2001/02	
	Total funding (£)	% of total funding	Total funding (£)	% of total funding
Arts, culture, sport and recreation	368,538,844	13.4	381,259,824	11.5
Business and professional associations and trade unions	1,101,628	0.0	1,023,519	0.0
Development, employment and housing (excluding housing associations)	231,930,554	8.4	313,448,550	9.4
Education and research	113,420,022	4.1	223,507,391	6.7
Environment and transport	26,101,996	0.9	56,664,305	1.7
Health	44,131,418	1.6	53,826,797	1.6
Housing associations	1,278,429,277	46.4	1,223,964,700	36.8
Law, crime, civil rights, information and advice	142,310,256	5.2	248,351,887	7.5
Overseas/international	195,687,411	7.1	172,891,349	5.2
Religion and religious culture	0	0.0	0	0.0
Services to asylum seekers and refugees	61,879,179	2.2	137,536,457	4.1
Social services	207,587,504	7.5	346,548,952	10.4
Voluntary, community and charitable organisations	52,205,566	1.9	120,607,819	3.6
Youth services	31,377,531	1.1	43,169,315	1.3
Other	568,671	0.09	08,026	0.0
Total UK	2,755,269,857	99.8*	3,323,708,891	99.8*

*Does not add up to 100 per cent due to rounding.

8. For a description of these service areas see the Guidance in Annex B.

Figure 2: Total central government funding of voluntary and community organisations in the UK, 2000/01 and 2001/02, by service area (%)



Funding of voluntary and community organisations which provide services to women, people from ethnic minorities and people with disabilities

Table 12 sets out central government funding of voluntary and community organisations which provided services to women, people from ethnic minorities and people with disabilities in 2001/02. It also expresses these figures as a proportion, not of total funding but of “relevant total funding”, about which there was individual, as opposed to aggregate, information – about a fifth of total funding in 2000/01 and about a third in 2001/02. Information provided by departments was sketchy and of variable quality, and it was checked/recoded on the basis of organisations’ names (e.g. Women’s Aid, Black Training and Enterprise Group, Royal National Institute for Deaf People). Information was available for all four nations and for asylum seekers who were, for these purposes, deemed to be people from ethnic minorities. Information was not available for housing associations funded by the Housing Corporation, Northern Ireland Executive, Scottish Homes and National Assembly for Wales but was available for those funded by other departments. These figures should be regarded as an indication of the minimum funding allocated to these groups and should be used with caution.

In 2001/02 organisations serving people from ethnic minorities received the largest share of relevant total funding, followed by organisations serving people with disabilities and those serving women.

Table 12: Central government funding of voluntary and community organisations serving women, people from ethnic minorities and people with disabilities in the UK, 2001/02, at current prices (£)

	Funding of women's organisations (£)	Funding of ethnic minority organisations (£)	Funding of disability organisations (£)	"Relevant total" funding (£)
England	12,325,140	64,307,692	10,765,679	1,021,627,757
% of "relevant total" for England	1.2	6.3	1.1	
Northern Ireland	1,093,089	693,838	3,820,406	83,356,392
% of "relevant total" for Northern Ireland	1.3	0.8	4.6	
Scotland	389,078	437,224	4,312,116	38,812,441
% of "relevant total" for Scotland	1.0	1.1	11.1	
Wales	226,615	141,880	6,105,251	42,550,000
% of "relevant total" for Wales	0.5	0.3	14.3	
Total four nations	14,033,922	65,580,634	25,003,452	1,186,346,590
% of "relevant total" for four nations	1.2	5.5	2.1	
UK emergency accommodation for asylum seekers	0	93,400,000	0	
% of "relevant total" for UK	0.0	7.9	0.0	
Total UK	14,033,922	158,980,634	25,003,452	1,186,346,590
% of "relevant total" for UK	1.2	13.4	2.1	

Funding of voluntary and community organisations in the years 1982/83 to 2001/02

Research on central government funding of voluntary and community organisations has been conducted with varying degrees of consistency and rigor since it began in 1979/80. In the years 1979/80 to 1981/82 it covered only direct funding by departments. Before 1995/96 it did not distinguish initiatives or programmes with which funding was associated. Before 1997/98 it did not collect information about funding of named organisations. In all years there were omissions, although they varied from year to year in size and composition. In recent years research has identified gaps in both current and past coverage and has sought to fill these gaps by collecting the information retrospectively or by making appropriate estimates. This report contains the following, previously missing, information:

- Funding provided by Learning and Skills Councils.* Although information on funding provided by the Manpower Services Commission as part of its work-creation schemes in the mid-1980s was included in previous research, funding provided by its successor bodies, Training and Enterprise Councils (TECs), was not. However, funding provided by TECs' successor bodies, Learning and Skills Councils, was included in 2001/02, their first year of operation (£67.4 million), and will be included in future. It is hoped that future research will provide estimates of funding provided by TECs in earlier years.
- Funding provided through SRB.* Although funding provided by the Department of the Environment through its Urban Programme was included in previous research, funding provided through SRB, which was distributed regionally via partnerships by DETR/DTLR and DTI, was not. However, estimates of funding (£159 million and £191 million, respectively) were included in 2000/01 and 2001/02 (although they have been excluded from the adjusted series of historical trend information). It is hoped that future research will provide estimates of funding provided through SRB in earlier years.
- Funding in Northern Ireland.* There was no information available for funding in Northern Ireland in the years 1990/91, 1991/92, 1998/99 and 1999/2000. This has been estimated on "likely" terms (with reference to the amount of funding provided in adjacent years and on observed trends over time) and amounts to around £70 million in each of the earlier years and around £100 million in each of the later years.

- *Funding provided by Arts Councils.* There was no information available for funding 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 funding so recorded went directly to voluntary and community organisations. It amounts to between £100 million and £170 million in each of the years 1985/86 to 1992/93.
- *Funding provided by the Sports Council for Great Britain.* There was no information collected on funding by this NDPB in 1992/93. This has been estimated on likely terms and amounts to around £15 million.
- *Funding provided by the Lord Chancellor's Department.* There was no information collected on funding by this department in the years 1985/86 to 1992/93. This has been estimated on likely terms and amounts to between £0.7 million and £1 million in each of the missing years.
- *Funding provided by the Home Office's agencies:* There was no information collected on funding by these agencies in the years 1996/96 to 1997/98. This has been estimated on likely terms and amounts to between £1 million and £3 million in each of the missing years.
- *Funding by the Department of Employment.* There was no information collected on direct funding by this department in the years 1989/90 and 1992/93. This has been estimated on likely terms and amounts to between £38 million and £44 million in each of the missing years.

The previous report showed that historical trends in central government funding of voluntary and community organisations (total funding and non-housing association funding) appeared to follow a somewhat jagged course. In this report, however, which uses "adjusted" figures (revised to take account of gaps filled by retrospective collection or estimation, as described above), the historical trend appears to follow a clearer, and smoother, course.⁹ The rest of this section describes historical trends based on adjusted figures.

Trends in total funding of voluntary and community organisations

Table 13 sets out total central government funding and non-housing association funding of voluntary and community organisations in the years 1982/83 to 2001/02 at current prices and at constant (2000) prices. Table 14 sets out an index of total funding and non-housing association funding at constant (2000) prices which has 1982/83 as its base. Figure 3 graphically represents the figures in Table 14 at constant (2000) prices and shows two trend lines, the one for total funding (top line) and the other for total non-housing association funding (bottom line).

In the years between 1982/83 and 1989/90 and since 1997/98 the trend line for total funding mirrored that for non-housing association funding, albeit at a higher level. In the intervening years these trend lines diverged, as total funding increased and non-housing association funding decreased, and a large gap opened up between the two

Total funding rose from the base year of 1982/83 and reached an initial peak in 1987/88, which, as noted below, was primarily the result of high non-housing association funding. It dipped slightly and then rose to its highest point in 1992/93, when it was more than double its level in 1982/83 and more than double the level of non-housing association funding at the time. This surge in the late 1980s and early 1990s reflects measures to combat the deepening crisis of homelessness, particularly the extraordinary Housing Market Package (a one-off bulk purchase of social housing on the open market). Thereafter total funding declined and finally bottomed out in 1998/99. Since that time it has risen steadily and in 2001/02 regained the level of 1996/97.

Non-housing association funding followed a less dramatic course than total funding. It 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 per cent in 1984). The Manpower Services Commission's funding of the Community Programme peaked at

9. In particular, it has resulted in the filling in of the large dip in the line for non-housing association funding in the late 1980s and early 1990s, which was indicated by a dotted black line in Figure 5 of the previous report (p.10).

£564 million in 1987/88, when it amounted to almost half the total of non-housing association funding. Thereafter non-housing association funding declined to 1992/93, when it was at its lowest level since 1982/83 (the exact point at which total funding was at its highest level). It then continued at a steady pace until 1999/2000 when it began to increase. In 2001/02 it nearly equalled its highest level ever (1987/88).

Table 13: Total central government funding and non-housing association funding of voluntary and community organisations in the UK, adjusted series, 1982/83 to 2001/02, at current prices and at constant (2000) prices

Financial year	Total funding at current prices (£000)	Total funding at constant (2000) prices (£000)	Total non-housing association funding at current prices (£000)	Total non-housing association funding at constant (2000) prices (£000)
1982/83	1,008,813	2,114,912	392,813	823,507
1983/84	1,634,131	3,248,769	585,531	1,164,078
1984/85	1,704,717	3,240,907	771,221	1,466,200
1985/86	2,021,648	3,642,609	831,073	1,678,317
1986/87	2,145,909	3,738,517	968,590	1,911,963
1987/88	2,332,325	3,861,465	1,059,079	1,977,427
1988/89	2,169,224	3,378,854	951,859	1,704,115
1989/90	2,550,400	3,696,232	678,543	1,259,909
1990/91	2,958,140	3,986,712	621,789	1,212,775
1991/92	3,659,810	4,620,972	489,635	962,442
1992/93	4,113,973	4,998,752	563,219	914,028
1993/94	3,865,669	4,569,349	910,992	1,076,823
1994/95	3,453,011	4,019,803	957,036	1,114,128
1995/96	2,881,573	3,267,090	1,035,415	1,182,142
1996/97	2,724,413	2,987,295	1,006,016	1,112,137
1997/98	2,191,431	2,336,280	943,924	1,015,886
1998/99	2,187,943	2,269,650	945,712	1,045,522
1999/2000	2,386,501	2,420,386	1,034,770	1,148,958
2000/01	2,595,992	2,595,992	1,261,663	1,321,663
2001/02	3,132,417	3,061,991	1,843,038	1,801,601

Table 14: Index of growth of total central government funding and non-housing association funding of voluntary and community organisations, adjusted series, 1982/83 to 2001/02, at constant (2000) prices

Financial year	Index of growth of total funding base year = 1982/83	Index of growth of non-housing association funding base year = 1982/83
1982/83	100	100
1983/84	154	141
1984/85	153	178
1985/86	172	204
1986/87	177	232
1987/88	183	240
1988/89	160	207
1989/90	175	153
1990/91	189	147
1991/92	218	117
1992/93	236	111
1993/94	216	131
1994/95	190	135
1995/96	154	144
1996/97	141	135
1997/98	110	123
1998/99	107	127
1999/2000	114	140
2000/01	123	160
2001/02	145	219

Trends in total funding, as annualised growth rates

Table 15 sets out annualised growth rates of total central government funding of voluntary and community organisations in the years 1982/83 to 2001/02 at constant (2000) prices. It shows that, in general, funding of voluntary and community organisations expands and contracts more markedly than government spending as a whole. In other words, central government departments appear to treat this kind of funding as a more flexible or discretionary element, to be increased or decreased in response to economic exigencies or policy changes in high-profile areas such as homelessness, unemployment or crime.

Figure 3: Total central government funding of voluntary and non housing association and community organisations in the UK, adjusted series, 1982/83 to 2001/02, at constant (2000) prices

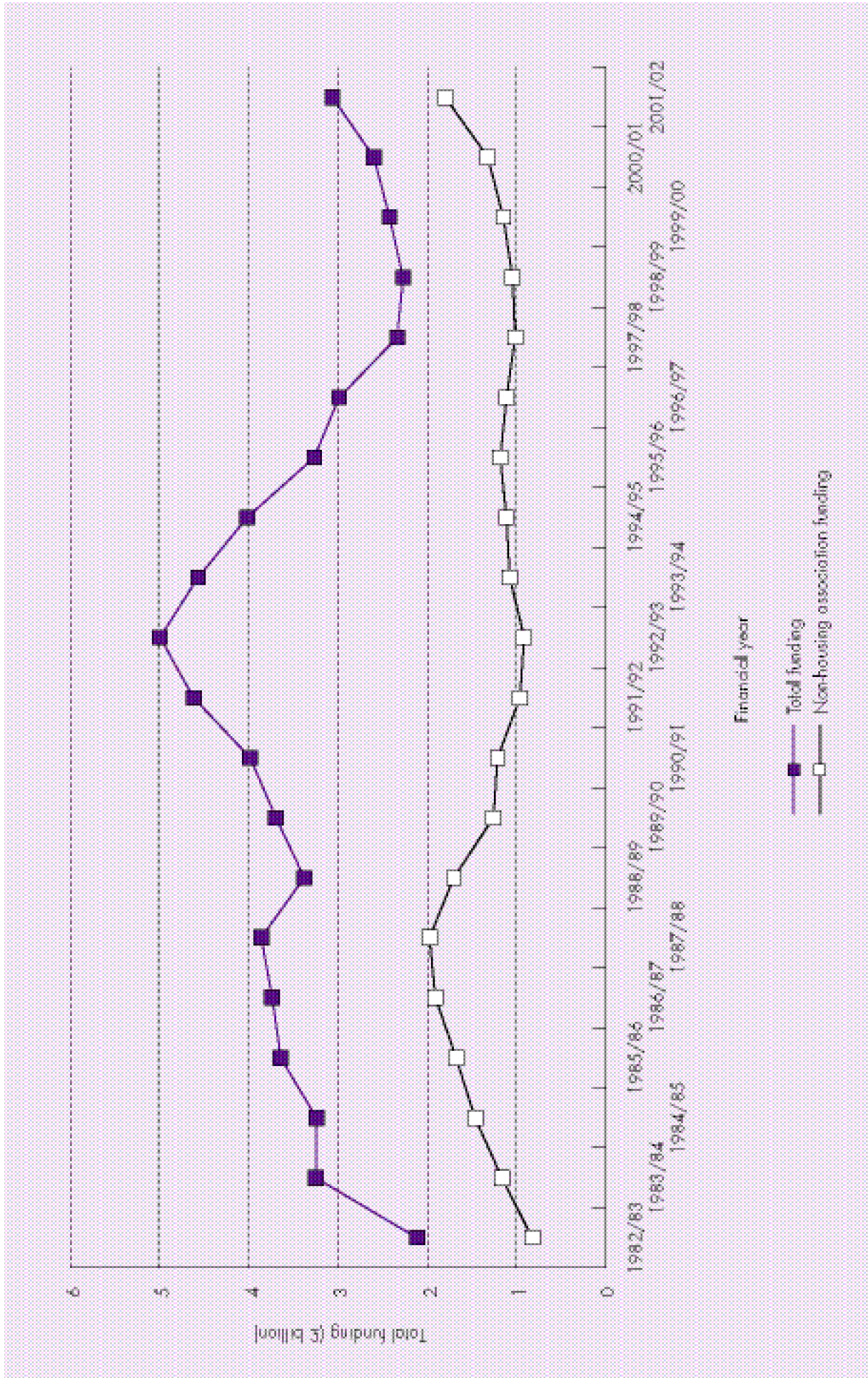


Table 15: Total central government funding and non-housing association funding of voluntary and community organisations in the UK, adjusted series, 1982/83 to 2001/02, as annualised growth, at constant (2000) prices

Financial year	Annualised growth of total funding (%)	Annualised growth of non-housing association funding (%)
1982/83	N/A	N/A
1983/84	62.0	49.1
1984/85	4.3	31.7
1985/86	18.6	20.8
1986/87	6.1	17.8
1987/88	8.7	8.8
1988/89	-7.0	-8.4
1989/90	17.6	-20.5
1990/91	16.0	3.5
1991/92	23.7	-15.3
1992/93	12.4	-1.3
1993/94	-6.0	21.1
1994/95	-10.7	5.1
1995/96	-16.5	8.9
1996/97	-5.5	-2.7
1997/98	-19.6	-6.1
1998/99	-0.2	5.8
1999/2000	9.1	12.4
2000/01	8.8	16.7
2001/02	20.7	39.4

Trends in total funding, as a proportion of total government spending

Table 16 shows total central government funding and non-housing association funding of voluntary and community organisations as a proportion of all government spending. Figure 4 graphically represents this distribution.

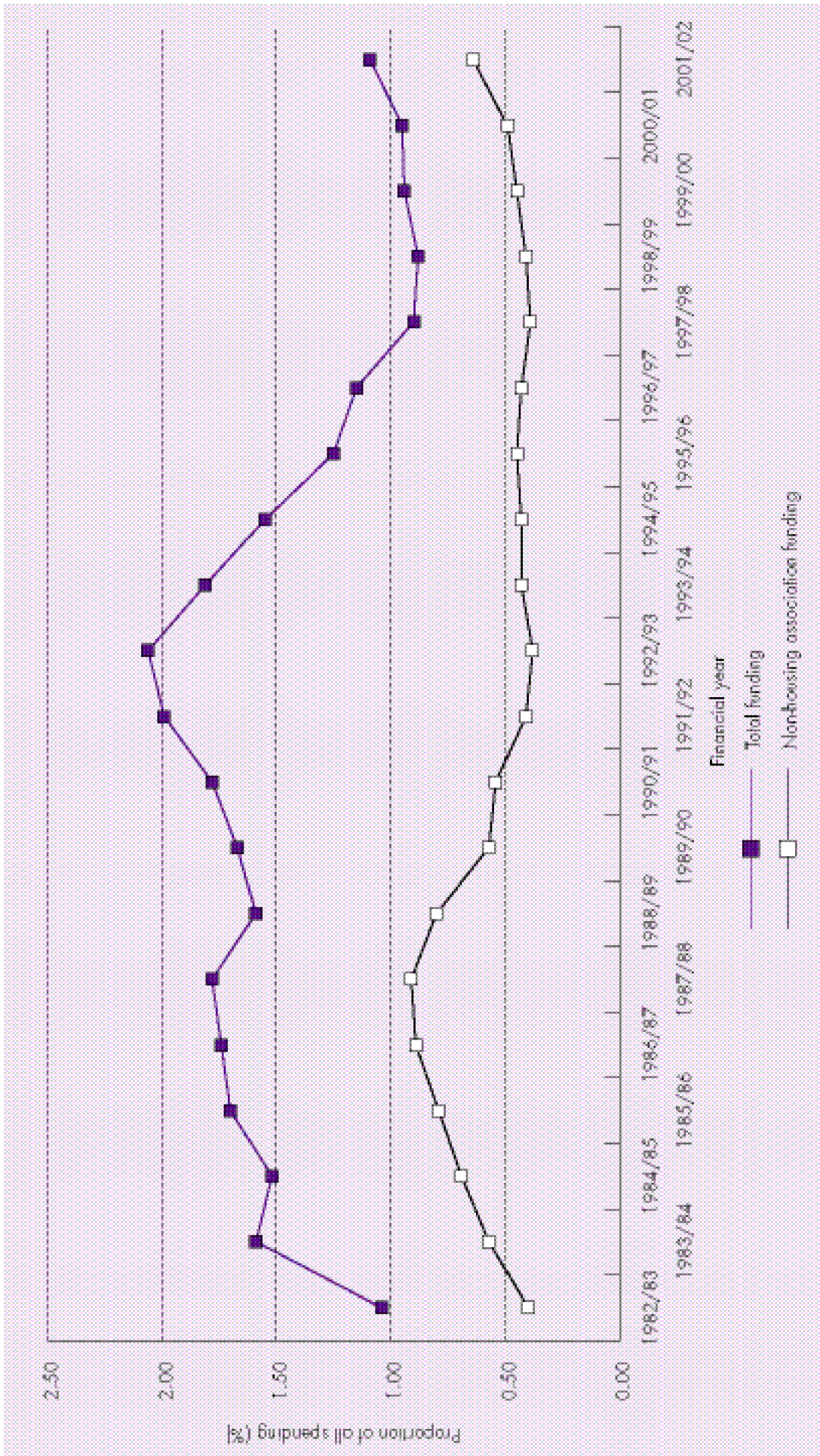
From the early 1980s until the mid-1990s total central government funding accounted for between 1.5 and 2.0 per cent of all government spending. In 2000/01 it accounted only for 0.95 per cent of all government spending; and in 2001/02, for 1.09 per cent.

Table 16: Total central government funding and non-housing association funding of voluntary and community organisations, adjusted series, 1982/83 to 2001/02, as a proportion of all government spending, at constant (2000) prices

Financial year	Total funding as a proportion of all government spending (%)	Total non-housing association funding as a proportion of all government spending (%)	All government spending (£ 000,000)*
1982/83	1.04	0.40	203,438
1983/84	1.59	0.57	204,390
1984/85	1.52	0.69	212,791
1985/86	1.70	0.79	213,741
1986/87	1.74	0.89	214,308
1987/88	1.78	0.91	217,296
1988/89	1.59	0.80	212,938
1989/90	1.67	0.57	221,013
1990/91	1.78	0.54	224,224
1991/92	1.99	0.41	232,778
1992/93	2.06	0.38	242,493
1993/94	1.81	0.43	251,914
1994/95	1.55	0.43	259,661
1995/96	1.25	0.45	261,390
1996/97	1.15	0.43	260,047
1997/98	0.90	0.39	258,186
1998/99	0.88	0.41	256,713
1999/2000	0.94	0.45	257,763
2000/01	0.95	0.49	271,880
2001/02	1.09	0.64	281,284

* Figures exclude spending by local councils but include that by the NHS.

Figure 4: Total central government funding and non-housing association funding of voluntary and community organisations, adjusted series, 1982/83 to 2001/02, as a proportion of all government spending, at constant (2000) prices (%)



Technical note

On behalf of the Research, Development and Statistics Directorate (RDS) of the Home Office, the Charities Aid Foundation (CAF) carried out the collection and analysis of information for the years 2000/01 and 2001/02 and the revision of the historical information from 1982/83 onwards. The Voluntary and Community Unit, Department for Social Development, Northern Ireland Executive; the Voluntary Issues Unit, Development Department, Scottish Executive; and the Voluntary Sector Branch, National Assembly for Wales provided information for Northern Ireland, Scotland and Wales, respectively (in some cases supplemented by research by CAF).

Sources of information

Index for converting current prices to constant (2000) prices: Series YBGB: Gross Domestic Product (Expenditure) at Market Prices Deflator. S.A., Monthly Digest of Statistics, as at October 2003, supplied by Office for National Statistics. The deflator is for calendar years, not standard financial years.

Central government spending: (unpublished) LGFS1.5F, Data for Table 9.2 in "[local] G[overnment] F[inancial] S[tatistics]", which lists Total Managed Expenditure Series (all statutory expenditure for 1982/83 to 2001/02), supplied by Office for National Statistics. Figures exclude spending by local councils but include that by the NHS.

Individual departments' spending for 2000/01 and 2001/02: Public Expenditure Statistical Analyses 2002-2003 (Cm.5401), April 2003; Table 1.7: Resource Budgets 1998-99 to 2003-04. Figures exclude spending by the Attorney General's Department and by local councils and the NHS in England (but not in Northern Ireland, Scotland and Wales).

Population figures: Mid-year estimates of population for England, Northern Ireland, Scotland and Wales and for English Government Office Regions in 2000 and 2001, supplied by Office for National Statistics, January 2004.

Single Regeneration Budget: DETR/DTLR/ODPM has not collected information on funding provided SRB. ODPM accounts for SRB funding at regional level, through regional development agencies (RDAs), and does not keep detailed accounts centrally. In addition it does not hold information about the distribution of funding among members of partnerships; that is, it only distinguishes voluntary and community organisations if they are lead (as opposed to ordinary) members of regeneration partnerships. For the years 2000/01 and 2001/02 the Centre for Urban and Regional Development Studies (CURDS), University of Newcastle-upon-Tyne, provided estimates of actual funding of "voluntary and community bodies". CURDS used the methodology developed for research, sponsored by the Community Fund, on initiatives tackling poverty and deprivation in 1998/99. This involved consulting with 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 funding accordingly (at 10%, 40% and 80% of the total, respectively). Unpublished information provided by Mike Coombes. See Neil Alderman, Mike Coombes and Simon Raybould, *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 and community organisations: Information for 1979/80 to 1994/95 was collected by RDS and reported to parliament. Reports in Hansard were cited by Judith McQuillan (ed.), *Charity Statistics 1985-86* (Tonbridge, Kent: CAF, 1986); Susan Saxon-Harrod (ed.), *Dimensions of the Voluntary Sector: How is the Voluntary Sector Changing?* (London: CAF, 1995); and Cathy Pharoah (ed.), *Dimensions of the Voluntary Sector: Key facts, figures, analysis and trends* (West Malling, Kent: CAF, 1997). Information for 1995/96 to 1997/98 collected by Active Community Unit, Home Office. Information for 1998/99 to 2001/02 collected for RDS by CAF.

Notes on individual departments, 2000/01 and 2001/02

Department for Culture, Media and Sport: Figures do not include Lottery funding. Some agencies provided figures for total funding only; in other cases (e.g. Arts Council England), a detailed list of funded organisations was separately available. In 2000/01 the Arts Council only provided figures by region for arts boards; all other funding was allocated to the category "England-wide". In 2001/02 all Arts Council funding was allocated to the category "England-wide". Because other agencies provided figures by region and because the Arts Council was the largest-spending agency, its lack of precision about funding by region may have given the appearance of a shift in the pattern of regional v. England-wide funding between the two years.

Ministry of Defence: The department did not provide figures on the provision of welfare services to the Armed Forces in Northern Ireland in 2000/01. It also provided incomplete figures on the funding of cadet organisations in 2000/01 and 2001/02 (Royal Navy and Sea Scout elements only). Since 1997/98 it has not distinguished between voluntary and community organisations and other types of organisations involved in Army and RAF cadet organisations. For these reasons fundings of Army and RAF cadet organisations has not been included.

Department for Education and Employment/Department for Education and Skills: Figures do not include funding of the Assisted Places Scheme, the Music and Ballet Schools Scheme and voluntary-aided and foundation schools; and funding provided by the Teacher Training Agency, which was unable to distinguish between voluntary and community organisations and other types of organisations. Figures include funding of the University for Industry, although the status of this organisation is somewhat ambiguous. Figures for funding under the New Deal for the Unemployed were reported by the department in 2000/01 but not reported by its successor, the Department of Work and Pensions, in 2001/02. Given the redistribution of the functions of DfEE between DfES and the DWP, it is likely that not all funding was reported.

Ministry of Agriculture, Fisheries and Food/Department for the Environment, Farming and Rural Affairs: The figure provided by the Countryside Agency was unconfirmed for 2001/02. In both years figures do not include payments to voluntary and community organisations which constitute or own working farms under the various price-support mechanisms.

Home Office: Funding for emergency accommodation for refugees in 2000/01 has been allocated to the category "UK-wide". Funding of Crime and Disorder Reduction Partnerships has been assumed to be funding of voluntary and community organisations. In future years it may be possible to identify named recipients.

Department for International Development: Figures refer to funding of organisations based in the UK. Hence they may understate the total amount of funding provided by the department, particularly for emergency aid.

Department of Trade and Industry: In 2001/02 the department took over responsibility for regional development agencies, except London, for which DETR retained responsibility. However, for the sake of consistency funding provided through all RDAs was allocated to DETR in 2001/02 and to DTI in 2001/02.

Department for the Environment, Transport and the Regions/Department for Transport, Local Government and the Regions: The department did not provide figures for the RDA One North East in 2000/01. The department could not identify individual recipients of partnership funding and only distinguished between voluntary and community organisations and other types of organisations if they were lead members of partnerships (e.g. SRB). Estimates for funding of voluntary and community organisations under SRB were provided by the Centre for Urban and Regional Development Studies, University of Newcastle upon Tyne (see above). In England the Housing Corporation provided figures for total funding by region.

Northern Ireland Executive: In 2000/01 the Executive provided figures derived from Answers to Written Questions in the Northern Ireland Assembly, which were supplemented by research carried out by CAF. In 2001/02 the Executive supplied figures based upon its survey of departments, and these were collated by CAF. For the sake of simplicity funding provided by the Northern Ireland Office was accounted for as direct funding by the Executive.

National Assembly for Wales: The Assembly provided more comprehensive and detailed information for 2001/02 than for 2000/01. In both years it provided figures for funding by policy area but was not to specify named recipients. The figure for Education and Learning Wales (ELWa) in 2001/02 has been estimated on likely terms.

Funding by nation: It should be noted that not all central government funding of voluntary and community organisations in Northern Ireland, Scotland and Wales passes through the devolved authorities. For example, the Home Office's figures for the Probation Service included funding of organisations in Wales. In Northern Ireland the counterpart of the Probation Service remains an agency of the Northern Ireland Office rather than the Northern Ireland Assembly; and in Scotland probation services are provided by local authorities and are therefore excluded. In such cases, where totals by department are set out, funding has remained with its parent department and not-reallocated to totals by nation. In cases where organisations operated in more than one nation, funding was divided on a case-by-case basis, either equally or proportionately by population, between those nations, and no funding was divided between more than two nations

Annex A

Detailed Advice for the Completion of Forms⁹

Please circulate these guidance notes to officers in the relevant branches and units of your department who may assist you in the gathering of the requested information. Given the rapidly evolving policy agenda, new programmes may have been set up since you or your colleagues provided information for 2000/01, so please ensure that you have covered new as well as existing programmes. You may find it helpful to maintain a list of all branches, units, agencies and non-departmental public bodies which you have contacted. Please keep a record of nil responses (no organisations funded by your branch, unit, agency, non-departmental public body, etc.) and non-responses (failure to reply).

Circulation to agencies and non-departmental public bodies

We are seeking comprehensive information, and we would be grateful if you would contact all agencies and non-departmental public bodies for which your department is responsible and which might fund voluntary and community organisations in any way. Officers who are co-ordinating the gathering of information are responsible for the identification of bodies as agencies and non-departmental public bodies. However, you may find that many of these have the appearance of voluntary and community bodies themselves, and indeed many have charitable status in their own right. If an agency or non-departmental public body is subject to a degree of departmental control (e.g., appointment of trustees, governors or members of an executive committee), then you should treat it as an arm of government and a distributor of funding to other voluntary and community organisations rather than as an independent recipient of funding.

Inclusion/exclusion of agencies/non-departmental public bodies

You **should not** provide information on the following types of funding:

- local authorities' own spending
- health authorities' and health trusts' own spending (however, you should treat the health education bodies of England, Northern Ireland, Scotland and Wales as agencies/non-department public bodies)
- spending on all universities and higher and further education establishments (however, you should include the funding of independent research institutes, such as the Policy Studies Institute and the Henry Doubleday Research Institute, if they are voluntary and community organisations and are in receipt of funding).

You **should** provide information on funding by:

- government offices of the regions
- regional development agencies
- learning and skills councils.

We have compiled a "prompt list" of possible agencies and non-departmental public bodies for most departments, but this is not definitive. If you would like a copy of this list or if you have any queries, please consult our researcher, Ian Mocroft (contact details given below, p.5). If you feel that it might be advisable for us to contact agencies or non-departmental public bodies directly, please supply contact details so that we can do so.

9. Information was collected on Excel spreadsheets under appropriate headings (not shown).

Funding provided through partnership or consortium schemes operated by local bodies (e.g. local authorities)

You may find that providing information on your department's funding of voluntary and community organisations active in partnership or consortium schemes is particularly difficult. Indeed in many cases information may be incomplete or unavailable. Where this is the case, and it is not possible to obtain a proper return of the names of each of the participating organisations and the amount of funding received by each of them, we would be grateful if you would supply the name of the partnership or consortium and estimate the amount of funding you provide to such schemes and the proportion of this funding allocated to voluntary and community organisations (please indicate clearly that the figure(s) given are estimates).

Information requested for 2001/02

We have enclosed two forms, one to record payments by government departments and the other to record payments by agencies and non-departmental public bodies, for 2001/02. We have provided these in both Excel spreadsheet format and Word document format for printing and circulation on paper, if required.

We are seeking the following information:

- name of department/agency/non-departmental public body (Qs1-3)
- name of person completing form and contact details (Qs4-6)
- name of policy, scheme, programme and relevant funding power (e.g. s.64 of the Health Services and Public Health Act 1968), if applicable (Qs7-8)
- whether organisation is involved in partnership scheme and nature of partnership (Q9)
- name of each organisation funded (Q10)
- amount of funding in financial year (Q11)
- type of funding: revenue or capital (Q12)
- type of funding: grant aid or service contract/service-level agreement (Q13)
- geographical coverage (overseas; UK-wide; England, Northern Ireland, Scotland, Wales; region of England) (Qs14-15)
- purpose of funding (Q16)
- whether the organisation is run by and/or serves special groups which are of particular interest to Government (women, people who are members of ethnic minorities, people with disabilities (Q17).

Providing information on Excel spreadsheets

You may find it most convenient to provide the requested information on Excel spreadsheets (see copies attached). Users of these spreadsheets will note that columns are numbered 1-17 and headed in the same way as the boxes on the paper forms. Each row corresponds to the funding of one named voluntary or community organisation. However, you will not need to repeat the answers to the first nine questions; you should type these answers once, and then instruct Excel to fill the cells below automatically.

Copies of your department's previous returns are available on request from Ian Mcroft.

Quality of information provided

We rely on you for the quality of the information collected. In earlier years, some of the information provided was of variable quality. We realise that gathering this information is a difficult task, so here are some do's and don'ts which may help you:

- **do**, please, supply the correct name of the organisations funded (Q10): we need to have the full names of organisations rather than abbreviations, e.g. Association to Aid the Sexual and Personal Relationships of People with a Disability rather than just SPOD

- **do not**, please, substitute the purpose of the funding for the name of the organisation funded (Q10) e.g. Bail and Remand Support Scheme, rather than Stonham Housing Association (Bail and Remand Support Scheme), unless you have no record of the recipient of the funding (an unlikely event)
- **do**, please, in the case of national organisations, indicate whether you are funding the national organisation or a particular branch (Q10) e.g. Women's Aid Federation of England, Women's Aid Swansea
- if you fund more than one organisation as part of a consortium, **do**, please list all the organisations and put "(L)" after the name of the leading organisation (Q10)
- **do**, please, provide information on the total funding you provide to each organisation and not on every payment you make as part of your grant or service contract/service level agreement (Q11)
- **do**, please, provide information about the type of funding (capital/revenue and grant aid/service contract or service-level agreement (Qs12 and 13). Grant aid funding may include either support for an organisation's basic functioning (also known as "core grants") or grants for development and project work. This information will enable us to understand the mechanisms of funding (a central issue for implementing the recommendations of the Cross-Cutting Review on the Role of the Voluntary Sector in Service Delivery)
- **do**, please, provide information about the area of operations in which the organisations funded are operating (Qs 14 and 15); this will help us analyse the distribution of funding throughout the UK
- **do**, please, provide information about the purpose of the funding (Q16); this will help us analyse the distribution of funding among the various client groups (a central issue for the Cross-Cutting Review and also for other departments; we regularly receive requests for such information)
- **do**, please, provide information about whether or not funding is provided to support organisations run by and/or which serve special groups - women, people from ethnic minorities, people with disabilities (Q17); this information is needed for monitoring performance against our equalities programme
- **do not**, please, send us any old bits of information which are to hand
- **do**, please, provide the kind of information that you would like to have, even if this means doing a bit of digging.

Contacts for advice and further information

Please return the information requested to:

Ian Mcroft via ian.mcroft@virgin.net.

If you want further advice or information, please contact Ian Mcroft on:

tel: 01795 591404 or via
ian.mcroft@virgin.net

If you have any problems with transmission/receipt of information or if Ian Mcroft is not available, please contact Zoë Britt on:

tel: 01732 520156 or via
zbritt@cafonline.org

Postal address:

Ian Mcroft/Zoë Britt
Research Programme
Charities Aid Foundation
King's Hill
West Malling
Kent ME19 4TA

Annex B

Definition of Terms

“Funding”

“Funding” means out-turn, money actually spent by your department, agency or non-departmental public body on all voluntary and community organisations in the financial year in question. You should include any type of funding, irrespective of whether you treat it as a grant, grant-in-aid, capital grant, contract for services provided, fee for services or service-level agreement.

Please round up pennies to whole pounds but do not round up pounds to tens, hundreds or thousands. As far as possible, please record spending details as they are.

We accept that in some cases, agencies and non-departmental public bodies may not be able to provide information on funding of individual organisations. If that is the case, please provide budget figures or estimates of the amount spent.

“Geographical coverage”

Please classify funding as “overseas” (OS) where the organisation serves residents of foreign countries; “UK-wide” (UK) where the organisation serves residents of England, Northern Ireland, Scotland and Wales; “England” (E), “Northern Ireland” (NI), “Scotland” (S) or “Wales” (W) or some combination of these where the organisation serves residents of one or more countries.

If funding is for local purposes in England only, please classify by government office region: North-West and Merseyside (NW); North-East (NE); Yorkshire and Humberside (YH); West Midlands (WM); East Midlands (EM); Eastern (EA); London (LO); South-West (SW); South-East (SE).

“Purpose of funding”

Please use one or more of the following letter codes (to a maximum of four) to describe the broad purpose of the funding. “Purpose” refers to your department's intentions in providing the funding and not necessarily to the intentions of voluntary and community organisations in receipt of the funding. Thus if you fund an environmental organisation to provide educational material for schools; you would code it as B (education and research) and E (environment) (see below).

You will find that most funding fulfils the basic function of the sponsoring department, and will only need a single code. If you find that you need two or more codes (e.g. a service for homeless youth in trouble with the law), you should record those codes which apply to the funding as a whole and not attempt to allocate percentages or cash values to each sub-purpose.

We have used twelve main codes which for the most part accord with departments' responsibilities. However, we have added three extra codes in order to distinguish funding of youth services, services to asylum seekers and/or refugees and housing associations.

Code	Group
A	arts, culture, sport, recreation arts organisations, "heritage" museums, galleries, literature, theatre, cinema, sports, general recreational and social activities (non-welfare)
B	education and research pre-school play groups, schools (primary and secondary), independent research institutes, sciences, humanities, social sciences
D2	youth services
C	health primary health care, hospitals care, continuing care, mental health, health promotion and education, emergency services, AIDS, drugs and alcohol, general promotion of health of areas, communities and individuals
D	social services children's welfare, adults' and families' welfare, elderly, physical disabilities, learning disabilities, day care, community care, residential care, income maintenance (social security) for individuals and communities, general promotion of welfare of areas, communities and individuals
RA	services to asylum seekers and/or refugees
E	environment natural environment, animal welfare, built environment, pollution, recycling, transport
F	development and housing general social and community development, community centres, planning, amenities, economic development, rural and urban development, industry, promotion of individual industries, employment and training, housing issues, tenants' associations, homelessness
HSA	housing associations
G	law, crime, civil rights, information legal services, crime prevention, offenders, victims, rehabilitation of offenders, general advice services, citizenship, advocacy, rights, equal opportunities, minorities, women
H	voluntary, community and charitable organisations general development of voluntary and community organisations, voluntary and community sector infrastructure, promotion of volunteering, promotion of philanthropy and charity generally
I	international international relations, exchanges, disaster relief, promotion of development overseas
J	business and professional associations, trade unions
K	religion religion and religious culture (non-welfare)
L	other not otherwise classifiable; if in doubt refer to our researchers

“Special groups”

Please provide information on funding provided to organisations which are run by and/or serve people who are identifiable as belonging to the following categories - women, people who are members of ethnic minorities, people with disabilities.

We assume that organisations which are not so designated serve the general population without differentiation in the areas in which they operate.

We understand that it may be difficult to distinguish funding of such organisations, even though it is your department's policy to support such groups as a way of carrying out mainstreaming and promoting social inclusion. We therefore accept that there may be a degree of under-reporting; we shall indicate that this is the case in our report. We hope that in the future it will be possible to record such funding more accurately.

“Ethnic minority groups”

You will be aware that ethnicity is complex and is a matter for self-definition by the people concerned. However, for the purposes of this research, please provide information on funding provided to organisations which are run by and/or which serve people who are identifiable as belonging to the following categories defined in the 2001 Census:

- White - Irish
- White - other White background
- Mixed - White and Black Caribbean
- Mixed - White and Black African
- Mixed - White and Asian
- Mixed - Other Mixed background
- Asian or Asian British - Indian
- Asian or Asian British - Pakistani
- Asian or Asian British - Bangladeshi
- Asian or Asian British - Other Asian background
- Black or Black British - Caribbean
- Black or Black British - African
- Black or Black British - Other Black background
- Chinese or other ethnic background - Chinese
- Chinese or other ethnic background - any other ethnic background.

You should code funding of organisations which serve refugees and asylum-seekers who belong to one of the above groups as both “RA” in Q16 (purpose of funding) and as funding of an ethnic-minority organisation in Q17 (funding of organisations run by and for special groups).

Annex C

Definition of “voluntary/community organisation”

Voluntary/community organisations are extremely diverse, and therefore it is not easy to provide a brief definition. The Johns Hopkins Comparative Non-Profit-Making Sector Project, a well-established international research project, uses the following definition:

A voluntary/community organisation is:

- formal: it has a formally-constituted character (excludes informal groups, households, families and friends) and may be a company limited by guarantee, a housing association, an unincorporated association, a friendly society, etc.
- private: it is not a part of government, established by statute or royal charter, or under a substantial degree of executive control by government (excludes universities and non-department public bodies); it may include consortia composed of local authorities and others (e.g. local regeneration and development bodies), if the consortium is formally constituted and, at the very least, given a name
- self-governing: it has its own decision-making system and usually a formal constitution with procedures for accountability to independent trustees or its own members or constituents (e.g., excludes any so-called “self-help groups” which are in fact directly run by clinicians)
- non-profit-making and distributing: it does not distribute any surpluses to owners or members but spends them on serving its basic purpose (excludes commercial concerns but includes organisations which charge users or the public for services, undertake contracts for statutory bodies or operate commercial subsidiaries which trade and transfer profits to parent organisations)
- non-political: it is not engaged in supporting candidates for political office (excludes political parties but includes campaigning and pressure groups, even though they are not eligible for charitable status e.g. Greenpeace, Child Poverty Action Group)
- voluntary: it has an element of involvement of volunteers (some voluntary and community organisations appear to be entirely reliant on paid staff; however, their trustees or committee members are, in fact, their only volunteers).

While this definition applies to formal organisations (those with constitutions or rules and which probably are registered with the Charity Commission, local authority or intermediary bodies, etc.), you should not exclude less-formal groups based in neighbourhoods or local communities.

Annex D

Circulation and Coverage

We are circulating these guidance notes to officers identified as having the task of co-ordinating research in the following departments:

England/UK

Cabinet Office
Crown Prosecution Service (CPS)
Culture, Media and Sport (DCMS)
HM Customs and Excise (HMCE)
Defence (MoD)
Education and Skills (DfES)
Environment, Food and Rural Affairs (DEFRA)
Foreign and Commonwealth Office (FCO)
Health (DoH)
Inland Revenue (IR)
International Development (DfID)
Lord Chancellor's Department (LCD)
Policy Unit, No.10
Trade and Industry (DTI)
Transport, Local Government and the Regions (DTLR)
HM Treasury (HMT)
Work, Families and Pensions (WFP)

Northern Ireland

Voluntary Activity Unit

Scottish Executive

Voluntary Issues Unit

Wales National Assembly

Voluntary Sector Branch

Annex E

Policy Background

In our current research, we aim to cover the implementation of Government policy with regard to partnership with the voluntary and community sector at all levels of activity. This policy has been set out on several occasions (e.g. the Prime Minister's speech to the annual conference of the National Council for Voluntary Organisations in January 1999 and the current Home Secretary's speech to the same conference in February 2001). The principal written and current sources are the various national Compacts on relations between Government and the voluntary and community sector (1998) and the associated Codes of Good Practice, including that on funding, and the Report of the Cross-Cutting Review of the Role of the Voluntary and Community Sector in Service Delivery (2002). In this research we aim to implement this policy.

Following extensive consultation with government departments and other past and potential users of the information produced by this research, RDS revised the questionnaire and issued new guidance for the assistance of respondents and used these in the collection of information for the years 1998/99 to 2000/01. This revised methodology will, we hope, improve the quality of the information collected and, therefore, its usefulness.

