



Estimates of Local Government Expenditure on Voluntary and Community Organisations, 2000/01 to 2003/04



The format should be similar to the Helping Out report, as follows for the Local Govt report:
Estimates of Local Government Expenditure on Voluntary and Community Organisations, 2000/01 to 2003/04

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Principal findings

Overall estimates

- The aggregate estimate for local government spending provided to voluntary and community organisations across the whole of the UK was £4,327 million in 2003/04 at current prices. This estimate does not include locally sponsored funding of housing associations or rate relief.
- Estimates at constant prices suggest that there has been a substantial increase in this kind of spending by local government between 2001/02 and 2003/04. During this period, estimates of expenditure grew from £2,608 million in 2001/02 to £4,205 million in 2003/04 (both at 2002 prices), an increase of 61% in real terms.
- Local government expenditure on the voluntary and community sector increased in all four years covered by this report, from 2000/01 to 2003/04, but as an indicator of underlying growth, it is more useful to look at change in expenditure over the three years from 2001/02 to 2003/04. This is because of the introduction of new methodology for estimating local government spending from 2001/02 onwards.
- Over the four years between 2000/01 and 2003/04, estimates of expenditure also went up from £1,632 million in 2000/01 to £4,205 million in 2003/04 in real terms (2002 prices). Part of this increase resulted from the introduction of the new method of estimation in the second year of this four-year survey period.
- The new method of estimation in England attempts to cope with the declining response rate to the survey and correct for under-reporting by local government. There were also substantial changes in the methods used in Wales and Scotland at the same time.

Long-term trends

- Since 1984/85, local government spending on the voluntary and community sector is estimated to have risen five-fold, from £858 million to £4,205 million (2002 prices), using the new method of estimation, and three-fold, to about £2,746 million, under the traditional method.
- Since 1984/85, local government spending on the voluntary and community sector is estimated to have risen as a proportion of all local government expenditure from 1.1% to 1.9% in the mid-1990s, and to 3.7% by 2003/04.

1 Summary

1.1 Introduction

This report provides estimates of expenditure on voluntary, charitable and community organisations by local government in the UK, for each of the four financial years 2000/01 to 2003/04. The estimates attempt to encompass all grants, fees, service-level agreements, and agency and contractual payments. Payments to housing associations for the funding of housing development are not included; data on rate relief given to voluntary, charitable and similar bodies in England and Wales are shown separately. The estimates are presented in the form of figures at current prices – that is to say, uncorrected for inflation – and also at constant prices – i.e. in real terms – in order to permit analysis of change in levels of spending.

The estimates (and particularly the figures for English councils) include an element of modelling, combining data from a number of detailed case studies and official government returns, and are not a comprehensive survey of out-turn as such. Currently, there is no statutory requirement on English councils to collect and maintain data on spending on the voluntary and community sector separate from all other payments to outside providers, with the result that any survey of this kind has to take account not only of response rates of less than 100%, but also the possibility of inaccuracy in figures reported by respondents. (The extent of these difficulties and the methods used to cope with them are explained briefly in the body of the report, and in greater detail in the separate Technical Appendix.) This means that, while these are the best estimates available at the moment, they should be treated with circumspection.

1.2 All-UK estimates

The aggregate estimates for expenditure across the whole of the UK suggest that there has been a substantial increase in UK local government spending on voluntary and community organisations for the four years between 2000/01 and 2003/04. During this period, the estimates of expenditure went up from £1,548 million in 2000/01 to £3,916 million in 2002/03 and £4,327 million in 2003/04. In real terms, the estimates of expenditure went up from £1,632 million in 2000/01 to £3,916 million in 2002/03, and to £4,205 million in 2003/04 (2002 prices).

However, a significant part of this change arises from the introduction of a wholly new method of estimation of this

type of expenditure for councils in England in the second year (2001/02) of this four-year survey period. There were also substantial changes in the methods used in Wales and Scotland at the same time. The new method was introduced to cope with the declining response rate to the survey and under-reporting of expenditure by councils. It combines data from the actual surveys for 2001/02, 2002/03 and 2003/04 with data on council departments' total expenditure drawn from official government returns to the Department of Health (DH), the Department for Education and Skills (DfES) and the Office of the Deputy Prime Minister (ODPM) for those years, in order to produce a more reliable estimate for the three years (see sections 1.13 and 1.14 below).

This means that the increase in the estimates between **2001/02 and 2003/04**, calculated using the new methods, is a more useful indicator of underlying growth in recent years: expenditure grew from £2,530 million in 2001/02 to £4,327 million in 2003/04 in cash terms; in real terms (2002 prices) **expenditure grew from £2,608 million in 2001/02 to £4,205 million in 2003/04, an increase of 61% in real terms.**

1.3 Long-term trends

Since 1984/85, local government spending on the voluntary and community sector is estimated to have **risen five-fold, from £858 million to £4,205 million in real terms**, under the new method of estimation used in this report (and is estimated to have risen three-fold, from £858 million to £2,746 million, using the old method of estimation) (2002 prices). As a proportion of all local government expenditure, spending on voluntary and community organisations was only about **1.1%** in 1984/85, increasing to about **1.9%** in the mid-1990s, and to **3.7%** in 2003/04. While this remains a relatively small proportion, the doubling of the proportion by the mid-1990s and a further doubling since then together represent substantial increases.

Because of the introduction of the new methods of estimation in 2001/02, the series of figures for local government spending on these organisations shows a very sharp increase after 2000/01. A fairly sharp increase is registered even when the traditional method of estimation is employed.

However, the apparent discontinuity or leap from 2000/01 to 2001/02 in local government spending on voluntary and community organisations is almost certainly not a true one.

There is now good evidence to suggest that the surveys, which were the sole basis for earlier estimates of spending, under-reported social services and education spending on voluntary or non-profit-making organisations and have done so for some years. Given that the rise in local government's own total expenditure after 1997/98 is substantial, spending on these organisations would probably have risen more steadily from about 1997/98 to 2001/02, rather than leapt.

Thus, the general upward movement in the estimates mirrors increases in UK local government expenditure as a whole. UK local government's total expenditure rose steadily after 1997/98, reaching its highest levels, 128% of the 1984/85 base, in 2001/02, and over 140% in 2003/04. Social services expenditure as a whole (England only) rose even more steeply: in 2002/03, it reached nearly 180% of the 1993/94 England total (available data series only reaches back as far as that year). **Spending on voluntary organisations would almost certainly have risen steadily from about 1997/98 to 2001/02, rather than leaping suddenly from the level suggested by previous surveys in the late 1990s.**

1.4 Estimated spending on the voluntary and community sector by councils in England

Spending in England increased in real terms over the four years as follows:

England	£ million (at 2002 prices)	£ per capita (at 2002 prices)
2000/01	1,307	25
2001/02	2,173	43
2002/03	2,977	59
2003/04	3,245	65

This represents an increase of about **49% between 2001/02 and 2003/04** in real terms.

1.5 Estimated spending on the voluntary and community sector by councils in Wales

Spending in Wales is also estimated to have increased in real terms over the survey period. Part of this increase is also a result of changes introduced to survey methods in Wales.

Wales	£ million (at 2002 prices)	£ per capita (at 2002 prices)
2000/01	37	12
2001/02	70	24
2002/03	(No survey)	–
2003/04	122	41

This represents an increase of about 74% between 2001/02 and 2003/04 in real terms. However, there may have been some residual under-reporting in the 2001/02 survey during a period of improvement in the Wales survey.

1.6 Estimated spending on the voluntary and community sector by councils in Scotland

The Scotland figures also show large increases in real terms; again, these may be explained partly by changes in the survey method from 2001/02, which produce higher estimates. The figures from 2001/02 onwards are drawn from the online version of the Scottish Council of Voluntary Organisations' Almanac, and are based on a study of recipient organisations' income. The results are as follows:

Scotland	£ million (at 2002 prices)	£ per capita (at 2002 prices)
2000/01	155	29
2001/02	214	42
2002/03	677	133
2003/04	687	135

This represents an increase of about **221% between 2001/02 and 2003/04** in real terms. Scotland recorded the highest per capita spending on the voluntary and community sector by local government in the UK in 2002/03 and 2003/04.

1.7 Estimated spending on the voluntary and community sector in Northern Ireland

The total spent by the Northern Ireland local statutory bodies is estimated to be as follows, in real terms:

Northern Ireland	£ million (at 2002 prices)	£ per capita (at 2002 prices)
2000/01	132	73
2001/02	151	88
2002/03	139	81
2003/04	150	88

These figures grew by only 14% in real terms between 2000/01 and 2003/04 (and apparently not at all between 2001/02 and 2003/04), but they have not been subject to revision of the methods used. Northern Ireland has recorded consistently higher per capita spending on the voluntary sector than the overall UK per capita figure for some years.

1.8 Expenditure by service in England

The under-reporting of local government spending on the voluntary and community sector in previous surveys was principally in social services and education departments' spending. Estimates that correct for this under-reporting obviously increase the existing predominance of education and social services together, from 71% of all spending on voluntary and community organisations in 2000/01 to 87% in 2003/04. These estimates reflect an expansion in voluntary provision of all forms of community care as well as youth, special and pre-school education. Such an expansion is partly a result of policy change towards more provision by the voluntary and community sector, and partly a result of increases in the level of service provision overall (see sections 1.13 and 1.14 below).

1.9 Estimated spending by English region

The new method of estimation introduced in this report permits an analysis of expenditure by standard region, which was not possible using the former survey method although, because of the estimation process used, regional estimates are less reliable than the national ones. The pattern in estimated spending per capita across regions is similar to that observed in central government spending on the voluntary and community sector, with, for example, councils in the East Midlands spending less, at £50 per capita in 2003/04, the North-West more, at £68 per capita in 2003/04, and London, always highest, at £84 per capita in 2003/04.

For full details of all estimates in both cash (current prices) and real (constant prices) terms, see the tables in Appendix A.

1.10 Business rate relief: England and Wales

	£ million (at current prices)	£ million (2002 prices)
2001/02	689	711
2002/03	715	715
2003/04	692	673

This form of support is declining in relative importance when set alongside the apparently rising totals of cash spent in both England and Wales. Rate relief added a further 30% to the estimated total spent on all voluntary and community sector and similar organisations in 2001/02 in England and Wales, 23% in 2002/03, and only 20% in 2003/04.

Note that rate relief totals are **not** included in the survey estimates but are additional to them.

1.11 Local government expenditure and the voluntary and community sector as a whole

Increasing the involvement of the voluntary and community sector in the direct provision of services is a government policy. The information presented in this report is crucial for the assessment of progress in increasing the level of voluntary provision in local services.

However, many voluntary sector commentators believe that funding from councils is decreasing, rather than rising. The most likely explanation for the apparent contradiction between this and the evidence of these estimates is two-fold: first, the size of the voluntary sector has expanded and its shape has changed since the 1990s because of the rate at which services formerly provided by the public sector were transferred to new charitable trusts, and because of the creation of a number of new agencies through enterprise and community development funds. It is important to take this into account when considering the growth in expenditure suggested by these estimates. Second, councils are concentrating expenditure more on essential services, and increasing levels of such services may be provided by non-profit-making organisations, including residential care homes and recreation and sports services. For the most part, the beneficiaries of this process in financial terms will be voluntary bodies concerned with social services and education. At the same time, many new regeneration and community

development organisations have been funded during this period of rising local government expenditure. The net effect of these policies could well be that some 'traditional' voluntary organisations are experiencing static or even decreasing funding.

1.12 Sources of data

The estimates are derived from several sources, which include:

- dedicated annual surveys of councils in England and Northern Ireland, carried out by the Charities Aid Foundation (CAF) for the Home Office;
- existing published data provided by the Welsh Council for Voluntary Action (WCVA), the Wales Local Government Data Unit (LGDU) and the Scottish Council for Voluntary Organisations (SCVO);
- data on English councils' expenditure by all individual departments provided by ODPM (now Communities and Local Government, DCLG);
- detailed data on education and social services departments' expenditure published by DfES and DH; and
- the Chartered Institute of Public Finance and Accountancy's national non-domestic rate relief data for England and Wales.

1.13 Response rates and under-reporting

It is becoming increasingly difficult to obtain England and Northern Ireland councils' participation in the traditional surveys: for example, the response rate for England has continued to decline from its original level of over 80% in 1984/85 to 57% in 2000/01 and 50% in 2003/04.

At the same time, extensive and detailed contact with individual councils has established that, of those that do respond, many are under-reporting their expenditure on voluntary and community organisations. This is particularly true of those that commission voluntary organisations to provide social services and activities related to education.

This under-reporting has been prevalent since the mid-1990s, when levels of contracting-out of services began to increase

markedly. The Recommendation 12 study for the Home Office¹ concluded that existing survey methods were not able to produce accurate figures, given that there is currently no statutory requirement on English councils to collect and maintain accurate data on spending on voluntary or non-profit-making organisations separate from all other payments to outside providers.

1.14 New methods of estimation

In order to cope with both the declining response rate and the under-reporting of expenditure, the method of estimating spending on the voluntary sector for England has been changed radically. The new method is a relatively complex one, which combines data from the actual surveys for 2001/02, 2002/03 and 2003/04 with data on council departments' total expenditure drawn from official government returns to DH, DfES and ODPM for those years, in order to produce a more reliable estimate for the three years. It should be emphasised that this method of producing estimates for English councils includes an element of modelling based on a number of detailed case studies and official government returns, rather than a survey of out-turn, and that while it is the best estimate available, it should be treated with circumspection.

From 2001/02, a more rigorous survey in Wales has improved reporting in the principality, while SCVO now uses a panel study of recipients from which to estimate Scottish councils' spending on the voluntary sector. Data from Northern Ireland councils use traditional methods of estimation by 'grossing up', but Northern Ireland councils' spending forms only a small part of the statutory sector's total in Northern Ireland and of local government expenditure on the voluntary and community sector as a whole.

Hence conclusions about growth of expenditure in recent years have been presented principally in terms of changes between 2001/02 and 2003/04, rather than over the full four-year period, in order to maintain a degree of methodological consistency. The new method used for calculating English councils' expenditure on the voluntary sector is described briefly on pages 7–9 below, and in detail in the separate Technical Appendix.

1. This study was commissioned by the Home Office following Recommendation 12 of The Role of the Voluntary and Community Sector in Service Delivery: A Cross Cutting Review (HM Treasury, 2002). Recommendation 12 stated that 'Government should establish a unified information system for data collection and analysis on government funding for the V[oluntary and] C[ommunity] S[ector].'

2 Introduction

This report presents estimates of local government expenditure on the third or voluntary sector, based on the results of the sixteenth to nineteenth surveys of councils in England and Northern Ireland carried out by the Charities Aid Foundation (CAF). It also draws information from work carried out by the Wales Council for Voluntary Action (WCVA), the Wales Local Government Data Unit (LGDU) and the Scottish Council for Voluntary Organisations (SCVO). The report provides estimates of expenditure on voluntary and community organisations by councils in the UK, including all grants, fees, service-level agreements, and agency and contractual payments to such organisations, for the four years 2000/01 to 2003/04. Payments to housing associations for the funding of housing development are not included. Data on rate relief given to voluntary, charitable and similar bodies in England and Wales are shown separately. The report itself and the CAF surveys of England and Northern Ireland were commissioned by the Home Office Research, Development and Statistics Directorate. (For a full list of all data sources, see Appendix B.)

The information presented in this report is central to one of the Government's stated policies: to increase the involvement of the voluntary and community sector in the direct provision of services. Information on expenditure on voluntary and community organisations by all parts of government was reviewed in *The Role of the Voluntary and Community Sector in Service Delivery: A Cross Cutting Review* (HM Treasury, 2002). Specifically, the Home Office was given the responsibility for increasing voluntary and community sector activity and increasing community participation. According to the targets from the 2002 Spending Review originally set out in Public Service Agreement (PSA) 8, the Home Office was to aim to increase such activity by 5% by 2006. Home Office PSA6, from the 2004 Spending Review, set a target to increase the capacity and contribution of the voluntary and community sector to provide more public services. This is now part of the Cabinet Office's PSA4.

Local government is the focal point for the provision and commissioning of important services to the public. Without accurate figures on current and past council expenditure on

voluntary and community organisations, there can be no datum line for assessing progress in increasing the level of voluntary provision in local services; nor can the Government compare the level of voluntary with private (profit-making) involvement in service provision at the local level. Hence the figures reported here are crucial in assessing the effectiveness of the policy as a whole.

However, it is becoming increasingly difficult to obtain councils' participation in the CAF surveys: the response rate for England has continued to decline from its original level of over 80% in 1984/85 to 57% in 2000/01 and 50% in 2003/04. Moreover, extensive and detailed contact with individual councils over several years has established that, even when they do respond, many are under-reporting their expenditure on voluntary organisations. This is particularly true of those that commission voluntary organisations to provide services related to children, families, education and adult (social)² services.

This under-reporting has been prevalent since the mid-1990s, when levels of contracting-out of services began to increase markedly. A separate study for the Home Office on improving the gathering of data on statutory spending on the voluntary and community sector³ concluded that no improvement to the existing survey method would be able to produce more accurate figures, because there is currently no statutory requirement on English councils to collect and maintain accurate data on spending on the voluntary and community sector separate from all other payments to outside providers. In other words, the data do not exist in that form.

2.1 New methods of estimation: England

This report attempts to model English councils' expenditure on the voluntary and community sector by a new approach developed as part of the Recommendation 12 study referred to above. This process involves comparing and combining actual survey responses with figures for councils' expenditure on the principal services, drawn from councils' statutory returns to the Department for Education and Skills (DfES), the Department of Health (DH) and the Office of the Deputy

2. During the years covered by these estimates, services to children and families were classified as 'personal social services' and treated in all published data series as social services rather than education. This report follows that convention. Further, all departmental names and responsibilities are those in use and current during the collection and analysis of the data (2002–2005), so the report refers to the Office of the Deputy Prime Minister (ODPM) rather than Communities and Local Government (CLG), and so on.

3. This study was commissioned by the Home Office following Recommendation 12 of the Treasury's cross cutting review of the role of the voluntary sector in providing services, referred to above.

Prime Minister (ODPM). The new method was used for calculating the estimates for 2001/02, 2002/03 and 2003/04 reported here.

The new method has four entirely separate strands for establishing figures for spending on the voluntary sector: three refer to spending by **education, social services** and **all other council departments** operated by the 149 English upper-tier and unitary councils only. The fourth strand provides an estimate for spending by **all departments operated by the 238 non-metropolitan district councils**, which are not responsible for social services and education.

In the case of spending by education departments (149 authorities, i.e. counties, unitary councils, London boroughs and metropolitan districts), data are drawn directly from certain lines in a statutory return to DfES (the 'Section 52' return on all education spending). The Home Office study on improving data gathering established which headings in the DfES Section 52 return would contain spending on non-profit-making organisations, and the figures for each council are drawn directly from this return, rather than using the incomplete and largely inaccurate survey returns.

Spending by social services departments on the voluntary and community sector in the 149 English councils with responsibility for personal social services (PSS) is a projection based on data drawn from case study work with over 20 of these councils and official government data on social services spending. The case studies identified 12 councils that were able to provide accurate figures on social services expenditure which could be used to derive the percentage of commissioning outside the council going to voluntary organisations (the median of the group was 14%). The unitary councils in Wales spent a nearly identical proportion on social services provided by voluntary bodies, and the Scottish councils' social work departments reported a similar but slightly higher figure. This percentage was applied to data on PSS spending by outside providers published by DH for all 149 PSS councils for 2001/02, 2002/03 and 2003/04.⁴

Spending by all council departments other than social services and education (recreation, housing, transport, etc.), and all spending by the 238 non-metropolitan district councils, accounts for a minority of council expenditure in total, and

also for a minority of the amounts spent by councils on the voluntary sector (between 13% and 20% of estimated spending by all councils on the voluntary sector between 2001/02 and 2003/04). The Recommendation 12 work established that, unlike the patchy reporting present in education and social services, expenditure on voluntary organisations by all other departments, and by the non-metropolitan district councils, is generally well reported, and should be accepted as reliable.

For all council departments other than education and social services in the 149 county and unitary councils, and all spending by the 238 non-metropolitan district councils, the figures are produced by a more straightforward projection of the non-responders' results based on the answers from the 50% of councils that responded to estimate spending. The estimate for the non-responders is calculated by applying the average proportion of the total expenditure spent on the voluntary and community sector by the 50% of councils that responded to the official (ODPM) totals for expenditure by each of the non-responding councils. Unlike the methods used for producing social services and education estimates, this could be affected by skew, in that the characteristics of responding councils might differ from the non-responders. However, statistical checks of validity indicate that, for each type of council, there is no skew between respondents and non-respondents in their distributions of total expenditure per head, the principal relevant characteristic.

Finally, the estimated grand total for councils in England is produced by adding together the separate figures from the above parts (149 county and unitary councils' figures from education, social services and all other departments, plus the estimate for all non-metropolitan district councils).

It should be emphasised that this method of producing estimates for English councils contains an element of modelling, and is not solely based on a survey of out-turn. However, the new method's strength is that it is based on extrapolation from councils' actual expenditure recorded in official returns, rather than the traditional method of simply grossing up survey responses that are known to be inadequate. A detailed explanation of the new method, and its development from earlier methods, is given in a separate Technical Appendix.

4. Except for a small minority of local authorities where the survey out-turns appeared to be reliably reported (see the Technical Appendix for further details).

2.2 Methods of estimation: Wales, Scotland and Northern Ireland

In recent years, the surveys in Wales and Scotland have been carried out by WCVA and SCVO, so that the all-UK estimates have been produced using published Scottish and Welsh material. For some years, therefore, the CAF survey has been limited to the English and Northern Ireland councils, plus various statutory boards and trusts in Northern Ireland.

In 2000/01, contact with WCVA and SCVO established that they were not able to continue with their own surveys. Hence, the only way of producing an estimate of Scottish and Welsh local councils' spending on the voluntary sector was to rely on past survey figures up-rated to allow for inflation and economic growth. Since then, a more thorough survey of Welsh councils' spending on the voluntary sector has been commissioned by the National Assembly for Wales. This was carried out by the LGDU Wales for the financial years 2001/02 and 2003/04. Its figures are incorporated in the UK estimates reported here. In Scotland, SCVO has produced a more up-to-date estimate for local government funding of the voluntary sector, which uses a very different method. The Scottish figures for 2001/02 and since are based on a panel study of a representative group of organisations and an analysis of their sources of income, rather than a direct survey of Scottish councils. These SCVO figures are incorporated in the UK estimates presented in this report. The estimates for the Northern Ireland councils continues to use the traditional methods of estimation by grossing up, but Northern Ireland councils' spending forms only a small part of the statutory sector's total in Northern Ireland. Most of the statutory spending in the province is from health and social services boards and health trusts, and education and library boards, from which information is available directly (although this information does present different problems which are outlined in the Technical Appendix, published separately).

3 Estimates of UK councils' spending on the voluntary and community sector

This section of the report summarises the data for the four years 2000/01 to 2003/04. Only the principal figures are quoted in the main text, with bar charts as illustrations. The full tabular presentation is available in Appendix A. The main results presented here provide detailed estimates for council expenditure on voluntary and community organisations, using the new method of estimation for English councils, plus current data for Wales, Scotland and Northern Ireland as available.

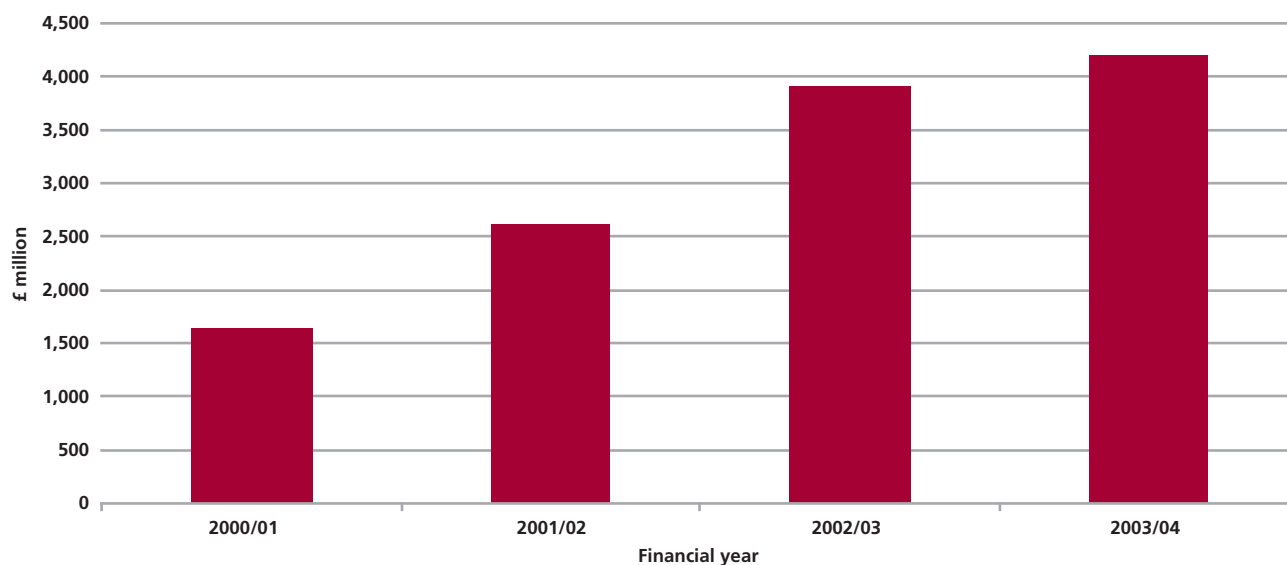
The tables cover the years 2000/01, 2001/02, 2002/03 and 2003/04. This report has used the new method of estimation for the years 2001/02 to 2003/04, as described in Chapter 2, because of the difficulty in obtaining full and proper reports of spending on voluntary and community organisations by English councils. The report also goes on to make some assumptions about the likely pattern of spending by councils since the early 1990s. However, it should be noted that it was not possible to use the new method of estimation on the 2000/01 data. This means that the 2000/01 data have been calculated using the old method of estimation. (For a detailed explanation of the differences between the methods used, please refer to Chapter 2 and the Technical Appendix, which is published separately.)

3.1 Response rates to the traditional survey process (England and Northern Ireland only)

Despite a substantial effort in terms of telephone and e-mail follow-up over a four-month period for all four years of the survey, the response rates have continued to decline. The trend in response rates has moved steadily downwards from an initial peak of over 80% in 1984/85, not long after the inception of the survey. It had been hoped that Home Office sponsorship of the survey from 2000/01 might help to reverse the downward trend in response rates observed throughout the 1990s, but the decline has continued. The response rate in 2000/01 was only moderately good, at about 57% overall for England. The response rate for the 26 Northern Ireland districts was acceptable, at 62% (16 out of 26).

The response rate to the 2001/02 survey in both England and Northern Ireland declined, to about 50% overall in England; only 15 Northern Ireland districts responded (58%). In 2002/03, the England rate recovered slightly to about 53% overall, while Northern Ireland declined again: only 11 Northern Ireland districts responded, fewer than half (42%). The decline continued in the 2003/04 survey to about 50% overall in England, while only 10 Northern Ireland districts responded (38%). (See Appendix A, Table A.1, for full details.)

Figure 3.1: UK local government spending on the voluntary and community sector, at constant (2002) prices



See Appendix A, Tables A.3.1 (current prices) and A.3.2 (constant (2002) prices), for full details.

3.2 Estimates of all UK councils' spending on voluntary and community organisations

After the application of the new method of estimation, the figures for spending on voluntary and community organisations by UK councils suggest a radical increase in this kind of expenditure, from £1,548 million in 2000/01 to £2,530 million in 2001/02, £3,916 million in 2002/03 and £4,327 million in 2003/04. In real terms, corrected for inflation (using constant, 2002 prices), this represents an increase from £1,632 million in the first year to £2,608 million in 2001/02, £3,916 million in 2002/03 and £4,205 million in 2003/04 (see Figure 3.1). The increase is 158% in real terms over the four years. The results must be treated with circumspection because this increase is partly to be explained by the change in methods of estimation applied from 2001/02 onwards, taking previously under-reported items into account and basing its predictions on overall expenditure of individual councils.

This means that the increase in the all-UK estimates between **2001/02 and 2003/04**, all of which have been calculated using the new methods, is probably a more useful indicator of growth than the increase from 2000/01: expenditure grew from £2,608 million in 2001/02 to £4,205 million in 2003/4, which is still a substantial increase of **61% in real terms**.

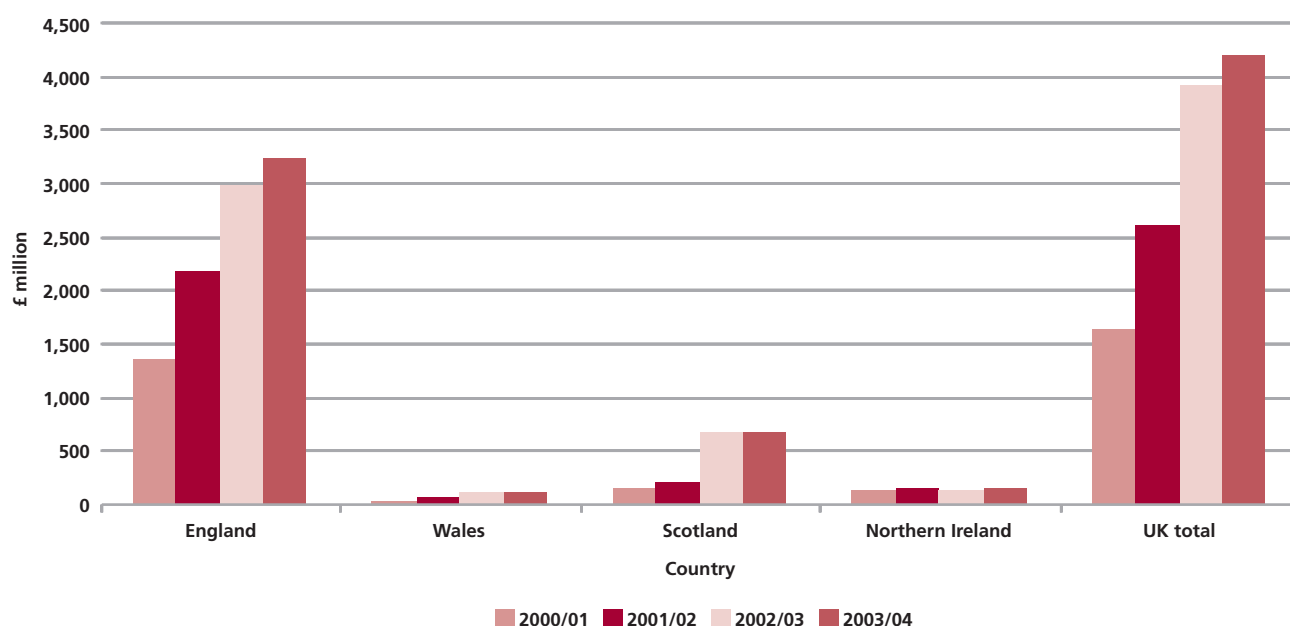
3.3 Estimates of UK councils' spending on voluntary and community organisations by country

3.3.1 England estimates 2000/01 to 2003/04

Estimates in cash terms for spending by councils in England show an increase from £1,240 million in 2000/01 to £2,107 million in 2001/02, £2,977 million in 2002/03 and £3,339 million in 2003/04.

Estimates in real terms for spending by councils in England show an increase from £1,307 million in 2000/01 to £2,173 million in 2001/02, £2,977 million in 2002/03 and £3,245 million in 2003/04 (see Figure 3.2). In real terms, this

Figure 3.2: Estimated totals of payments to voluntary and community organisations by country, at constant (2002) prices, 2000/01 to 2003/04



See Appendix A, Tables A.2, A.3.1 (current prices) and A.3.2 (constant (2002) prices), for full details.

Note: No survey in Wales in 2002/03. This figure was imputed from the 2003/04 data using the GDP deflator.

represents an increase of 148% over the four years, part of which is a direct result of the introduction of the new methods of estimation in 2001/02. Growth in the estimates of English councils' spending on the voluntary and community sector between 2001/02 and 2002/03, when the new method of estimation was applied and which represents a more useful indicator, was 49% in real terms.

Four of the five different types of council in England register major increases in spending on the voluntary and community sector, using the new method of estimation (see Figure 3.3). The only councils that did not register a major change are the non-metropolitan districts, which are neither education authorities nor councils with social services responsibility.

3.3.2 Wales estimates, 2000/01 to 2003/04

The unitary councils in Wales also register a major increase under the more rigorous methods now used by the LGDU, which suggests that their spending on the voluntary and community sector was seriously understated by the old survey method. In cash terms, Wales' estimates have risen from only

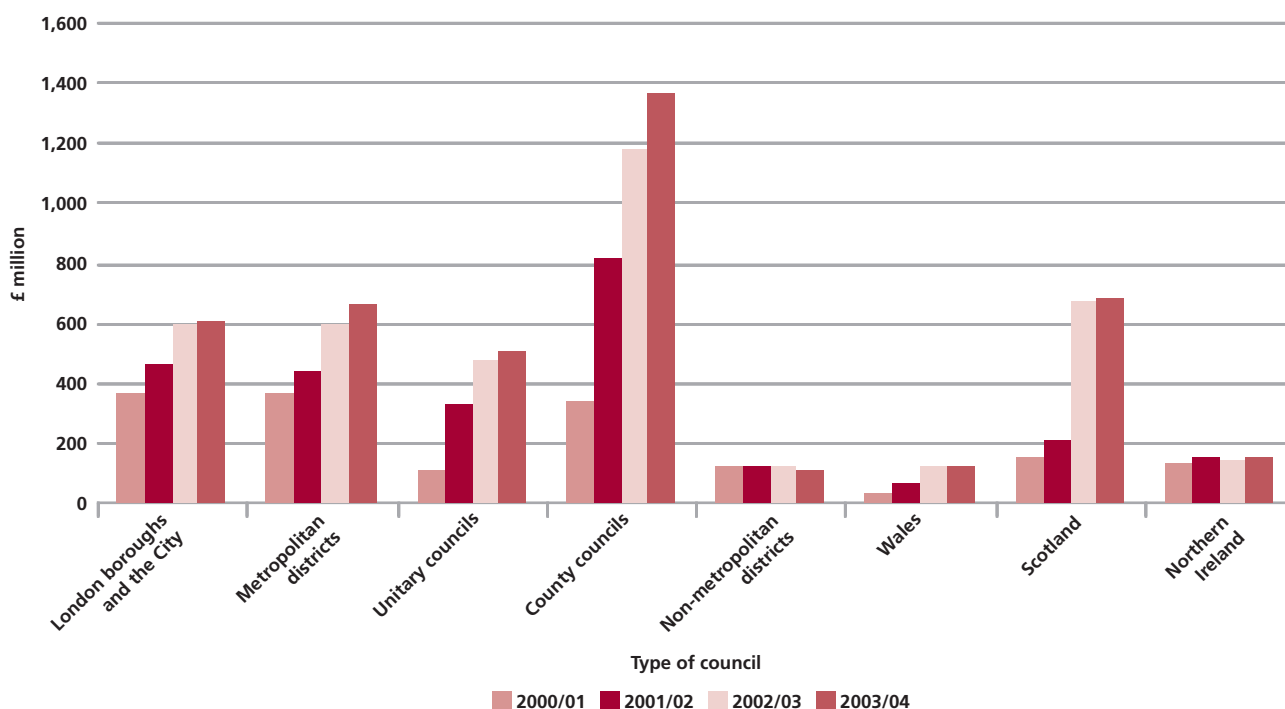
£36 million in 2000/01 to £68 million in 2001/02, £122 million in 2002/03 (no survey in 2002/03: this figure was imputed from the 2003/04 data using the GDP deflator) and £126 million in 2003/04. In real terms, spending by councils in Wales rose from only £37 million in 2000/01 to £70 million in 2001/02 and £122 million in 2003/04 (see Figure 3.2); this represents an increase of 230%. Growth between **2001/02 and 2003/04** which, like the England figures, represents a more useful indicator, was **74%** in real terms.

3.3.3 Scotland estimates, 2000/01 to 2003/04

The figures for Scotland's unitary councils are necessarily more tentative, because of problems with the survey of local councils carried out by SCVO immediately following local government reorganisation in Scotland. However, SCVO has replaced the council survey by drawing figures from surveys of charities' income reported in their own accounts.

The Scottish figures suggest a major increase in cash terms, from £147 million in 2000/01 to £208 million in 2001/02, then £677 million in 2002/03 and £707 million in 2003/04. In real

Figure 3.3: Estimated totals of payments to voluntary and community organisations by type of English council, at constant (2002) prices, 2000/01 to 2003/04



See Appendix A, Table A.2, for full details.

Note: No survey in Wales in 2002/03. This figure was imputed from the 2003/04 data using the GDP deflator.

(2002) terms, this is equivalent to rising from £155 million in 2000/01 to £214 million in 2001/02, £677 million in 2002/03 and £687 million in 2003/04 (see Figure 3.2). These figures represent an increase of 381% in cash terms or 343% in real terms. Growth between **2001/02 and 2003/04** which, like the England and Wales figures, represents a more useful indicator, was still **221%** in real terms.

This might seem to be an unrealistically large change in the level of expenditure. However, the Scottish figures for social work departments' spending on voluntary organisations (referred to above on page 8) show that previous data seriously under-state the Scottish councils' expenditure: these departments alone spent over £330 million in 2003/04. These figures are drawn from the official financial return from the Scottish social work departments to the Scottish Executive, which now specifies collection of data on all spending on voluntary bodies. Scottish education and other departments might be expected to spend at least as much again, making a rough prediction of at least £660 million for Scotland, compared with the SCVO's panel study estimate of £707 million for 2003/04, and hence the SCVO figures, and

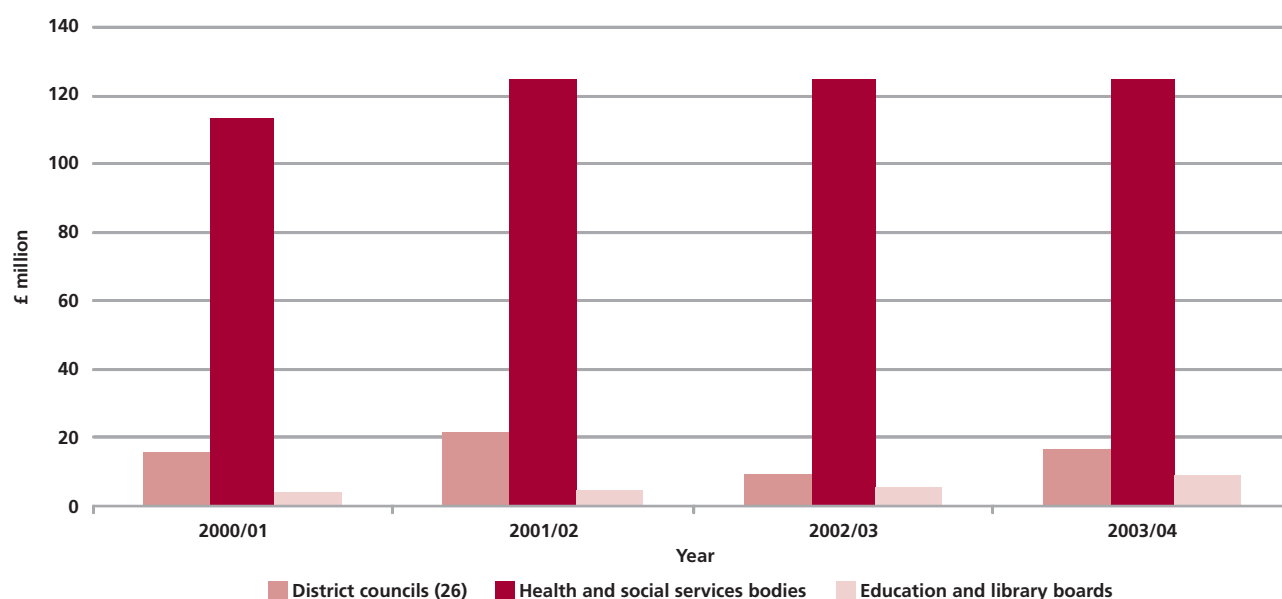
the increases demonstrated by them, should be treated as reasonably reliable.

3.3.4 Northern Ireland estimates, 2000/01 to 2003/04

The Northern Ireland figures have changed the least over the four years, although this is probably because their method of estimation has remained the same over the period. They form a relatively small proportion of the UK total, with spending in cash terms estimated to have risen from about £126 million in 2000/01 to £146 million in 2001/02, £139 million in 2002/03 and £154 million in 2003/04.

In real (2002) terms, the total spent by the Northern Ireland local statutory bodies is estimated to be £132 million in 2000/01, £151 million in 2001/02, £139 million in 2002/03 and £150 million in 2003/04 (see Figure 3.2). This represents growth of 14% in real terms from 2000/01 to 2003/04 (and apparently none at all between 2001/02 and 2003/04). The estimates for the 26 Northern Ireland district councils, boards and trusts are analysed in more detail in Figure 3.4.

Figure 3.4: Northern Ireland public sector bodies' expenditure on voluntary and community organisations, 2000/01 to 2003/04, at constant (2002) prices



See Appendix A, Tables A.7.1 (current prices) and A.7.2 (constant (2002) prices), for full details.

The responsibilities of the various agencies are not simple equivalents of their English, Welsh and Scottish counterparts. Generally speaking, the districts support local community organisations, recreation/leisure organisations, and economic and social development projects. The estimates for the 26 district councils as a group appear to have varied substantially, moving from about £15 million in 2000/01, to £21 million in 2001/02, to £9 million in 2002/03, to £17 million in 2003/04 in cash terms, without any clear trend. This variation may be because they are produced by the traditional estimation method of averaging responses and grossing up, during a period of declining and patchy response rates.

The education and library boards support local youth organisations and pre-school education. The education and library board figures show expenditure rising from about £4 million in 2000/01 to £9 million in 2003/04 in cash terms.

The health and social services boards and health trusts are responsible for both PSS and health, namely services which would be funded and commissioned by both council social services departments and by local health authorities in Great Britain.

There is evidence to suggest that the health and social services boards and health trusts' figures may not be fully accurate. They reported expenditure of £182 million on voluntary services purchased in 2000/01, and £205 million in 2001/02. These totals include both grants and purchase of health and social care services, and particularly adult residential and nursing-home care. If this expenditure were divided between health and social services in roughly the same proportions as in 1995, when separate figures were available (41% health, 59% social services), then the boards and trusts would have spent **£107 million** on voluntary bodies – equivalent to their English counterparts – in 2000/01 and **£121 million** in 2001/02, and **therefore these are the figures included in these estimates**. In 2002/03 and 2003/04, the Northern Ireland department of Health, Social Services and Public Safety (DHSSPS) was unable to provide any data, so the estimates for these two years (£125 million and £128 million respectively) were produced by applying the GDP deflator to the 2001/02 figures. This means that these figures are probably only an approximation; they are included primarily to ensure that there is no artificial dip in the totals and to give an idea of the level of spending in Northern

Ireland. They also explain some of the apparent lack of increase in the aggregate Northern Ireland estimates.

Even so, compared with similar social services elements in England and Wales, the estimates for the Northern Ireland boards and trusts' expenditure on the voluntary and community sector seem rather high. However, it is possible that their figures may also include some payments to private (profit-making) providers. Without access to detailed schedules of payments, it is not possible to verify these figures; nevertheless, these are as reported by the Northern Ireland DHSSPS in 2000/01 and 2001/02.

3.4 Estimates of UK councils' spending on voluntary and community organisations: per capita spending

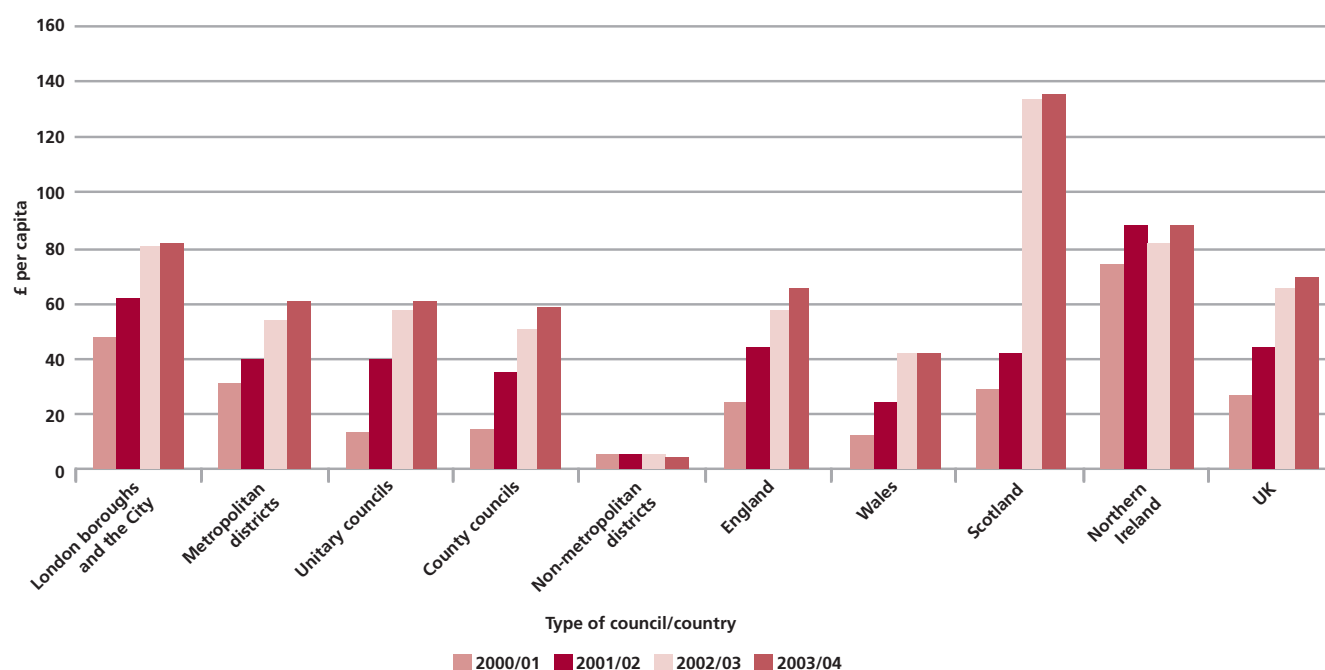
3.4.1 UK

The estimates for per capita spending in Figure 3.5 show a substantial increase in UK local government spending per capita from about £25 per capita in 2000/01 to £42 in 2001/02, £65 in 2002/03 and £72 per capita in 2003/04 in cash terms. At constant (2002) prices, the estimates for per capita spending rise from about £26 per capita in 2000/01 to £44 in 2001/02, £65 in 2002/03 and £70 per capita in 2003/04. This represents an increase of **59%** between 2001/02 and 2003/04 in real terms.

3.4.2 England

England's estimated spending per capita rises from about £24 per capita in 2000/01 to £41 in 2001/02, £59 in 2002/03 and £67 per capita in 2003/04 in cash terms. At constant (2002) prices, the estimates for per capita spending rise from about £25 per capita in 2000/01 to £43 in 2001/02, £59 in 2002/03 and £65 per capita in 2003/04. This represents an increase of 51% between 2001/02 and 2003/04 in real terms. In the past, there appeared to be some variation in spending per capita by the various types of English council (probably caused in part by variation in accuracy of reporting). The new method of estimation indicates that there is little difference in spending per capita between metropolitan districts, unitary councils and counties plus their constituent districts: all are about £62–65 per capita in 2003/04 in cash terms. The exception is the London boroughs.

Figure 3.5: Estimated totals of payments to voluntary and community organisations by type of council/country, per capita, at constant (2002) prices



See Appendix A, Tables A.3.1 (current prices) and A.3.2 (constant (2002) prices), for full details.

Note: No survey in Wales in 2002/03. This figure was imputed from the 2003/04 data using the GDP deflator.

London boroughs

The London boroughs register estimated spending of about £84 per head in 2003/04 (cash terms). They continue to stand out, as in previous surveys, with consistently higher per capita spending than all other types of English council. It may be significant that the London boroughs have had a long tradition of using the voluntary and community sector as a vehicle for social development and that the private sector is, generally speaking, reported to be less prevalent in providing community and residential care in London. It may also be possible that the London boroughs have been more assiduous in hiving off statutory provision to newly created or expanded voluntary agencies.

3.4.3 Wales

The Wales estimated figures demonstrate a very large increase from what must have been a heavily under-reported base:

£12 per head in 2000/01, consistent with earlier surveys, rising to £23 per head in 2001/02 and £43 per head in 2003/04 (no survey in 2002/03; the figures for that year were imputed back from 2003/04 using the GDP deflator in order to maintain the series). In real terms, the estimated spending per capita in Wales rose from £24 per head in 2001/02 to £41 per head in 2003/04, an increase of 71% in real terms.

3.4.4 Scotland

Similarly, the Scotland figures show massive increases, rising from £27 per head in 2000/01 (a weak estimate based on up-rating an earlier survey that was known not to have good returns) to £41 per head in 2001/02, £133 in 2002/03 and £139 per head in 2003/04, in the years when the SCVO Almanac figures were used as a source. In real terms, this represents an increase from £29 per head in 2000/01 to £42 per head in 2001/02, £133 in 2002/03 and £135 per head in

2003/04. This is an increase of 221% between 2001/02 and 2003/04 in real terms. Scotland recorded the highest estimated per capita spending on the voluntary and community sector by local government in the UK in 2002/03 and 2003/04.

3.4.5 Northern Ireland

The province has consistently recorded higher spending per capita on the voluntary and community sector than in the UK as a whole: £70 per capita in 2000/01, £85 in 2001/02, £81 in 2002/03 and £90 in 2003/04. At constant (2002) prices, the estimates for per capita spending in Northern Ireland rise from about £73 per capita in 2000/01 to £88 in 2001/02, fall to £81 in 2002/03 and rise to £88 again in 2003/04. As noted above, most of this expenditure is a result of figures provided by the health and social services boards and health trusts, which could conceivably include spending on profit-making bodies. However, as noted above, these are based on official figures provided by the Northern Ireland DHSSPS, and should therefore be treated at face value.

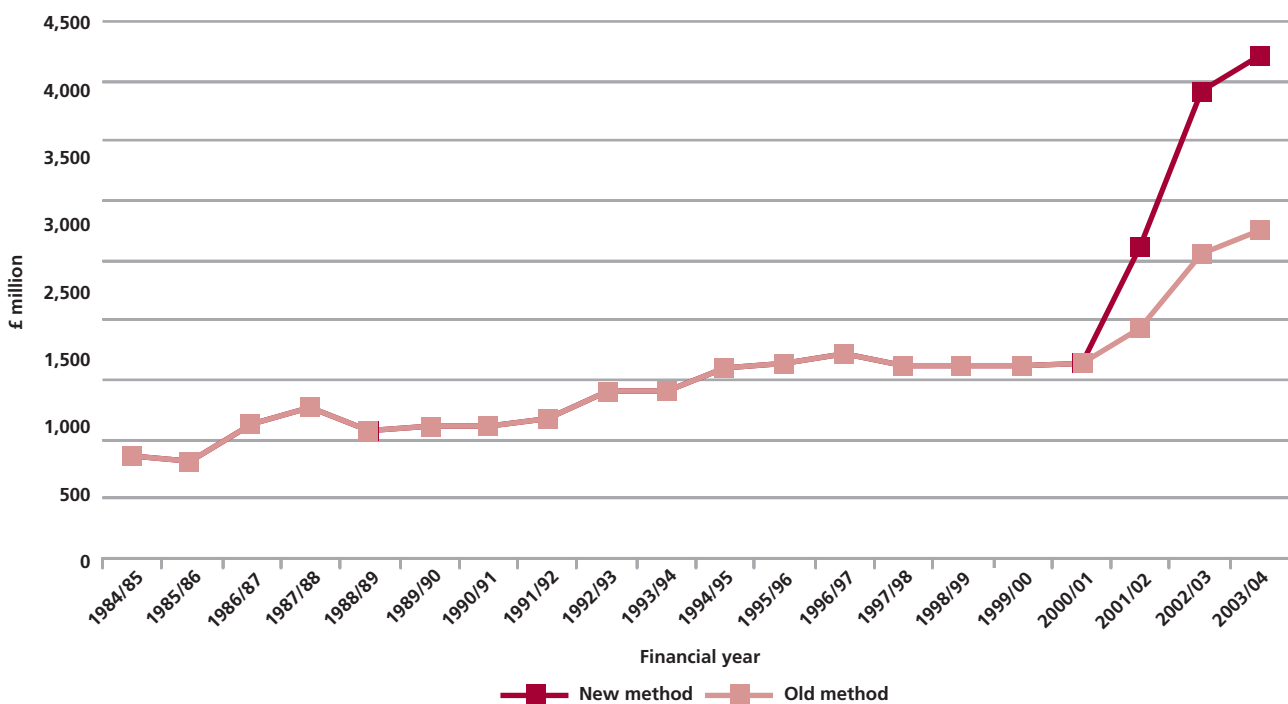
3.5 Long-term trends in expenditure on the voluntary and community sector

3.5.1 Spending: comparison of old and new methods of estimation

As explained above, the new method of estimation was introduced for figures for 2001/02 onwards. This makes it difficult to plot a consistent long-term trend line, as changes in the figures may be a result of changes in method. For this reason, Figure 3.6 presents the time-series data calculated from both the old and new methods. It shows the time series for the grand total of UK local government spending on voluntary and community organisations, at constant (2002) prices, in graphical form from 1984/85, the first year of survey.

The new method of estimation registers very large increases after 2001/02, because it attempts to overcome under-reporting known to be present from at least 1993/94. However, it is important to note that the older method of estimation still registers a substantial increase in recent years.

Figure 3.6: Trends in estimated local government spending on voluntary and community organisations, 1984/85 to 2003/04, at constant (2002) prices: comparison of old and new methods of estimation



See Appendix A, Table A.4, for full details.

Even using the old method of estimation, it is apparent that estimated local government spending on voluntary organisations has increased in real terms since the 1984/85 survey to a figure which is over three times that of the base year, from £858 million to £2,746 million. When the new and more realistic method of estimation is used, the increase is five-fold, to £4,205 million.

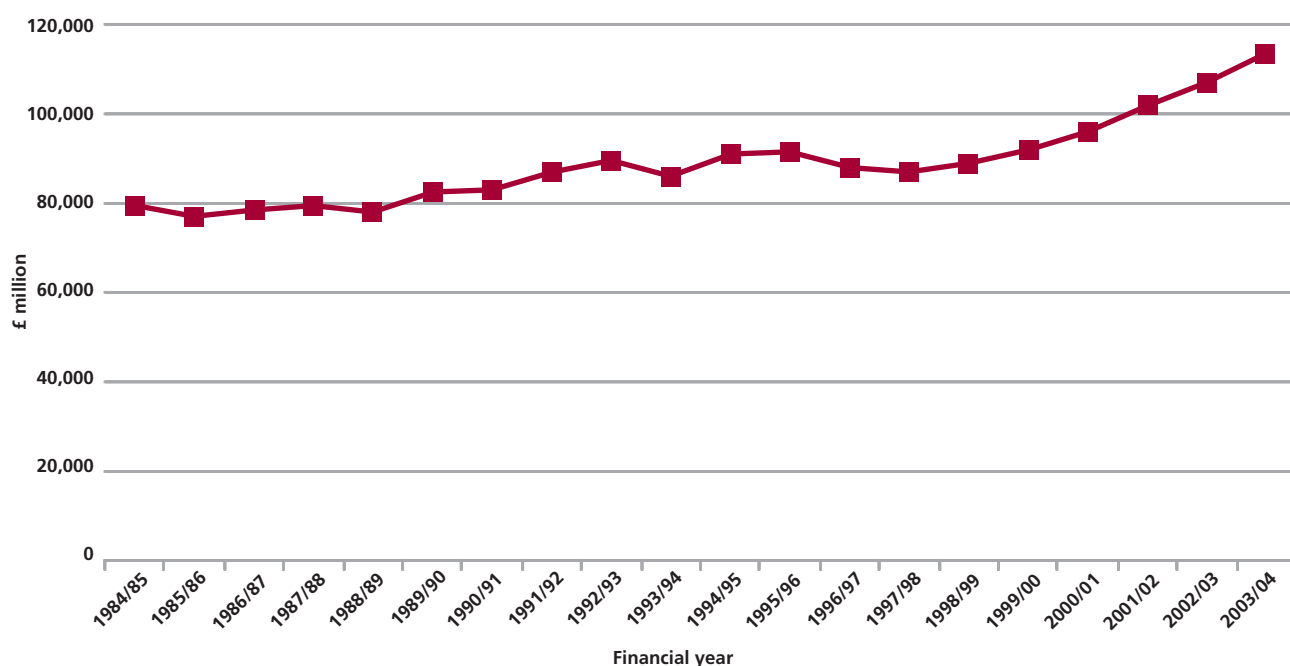
Whether using the previous or the new methods of estimation, the evidence suggests that local government spending on voluntary organisations has continued to grow. However, overall, spending on voluntary bodies forms only a small proportion of councils' total expenditure. As a proportion of all local government expenditure, estimated spending on voluntary and community organisations is only 1.1% at the beginning of the series, increasing to 1.9% in the mid-1990s and to 3.7% in 2003/04 (see Appendix A, Table A.4, for full details). While this remains a small proportion relatively, the doubling of the proportion by the mid-1990s, and a further doubling since then, together represent substantial increases.

3.5.2 Spending on the voluntary and community sector and local government spending as a whole

Figure 3.7 demonstrates clearly the trend in the total of local government expenditure. There is a gentle upward trend from 1984/85 to the mid-1990s, with some minor variation, then a sustained period of increase in recent years (1998/99 to 2003/04). Local government spending rises to above 120% of the base year in 2000/01, then to over 140% of the base-year figure in 2003/04.

Relatively small increases in the very large total of local government expenditure will have a disproportionately large effect on spending on voluntary organisations: for example, a small percentage increase in expenditure on social care as a whole, or the implementation of a policy such as Sure Start, will produce increases of many millions in expenditure on the voluntary sector. If we add to rising local government expenditure as a whole the greater use of voluntary providers in social care, the hiving-off of statutory services to

Figure 3.7: All UK local government expenditure, 1984/85 to 2003/04, at constant (2002) prices



See Appendix A, Table A.4, for full details.

new, independent bodies with voluntary status, and greater use of the voluntary and community sector in attempting to resolve social issues generally, then large percentage increases in spending on the voluntary and community sector are less surprising.

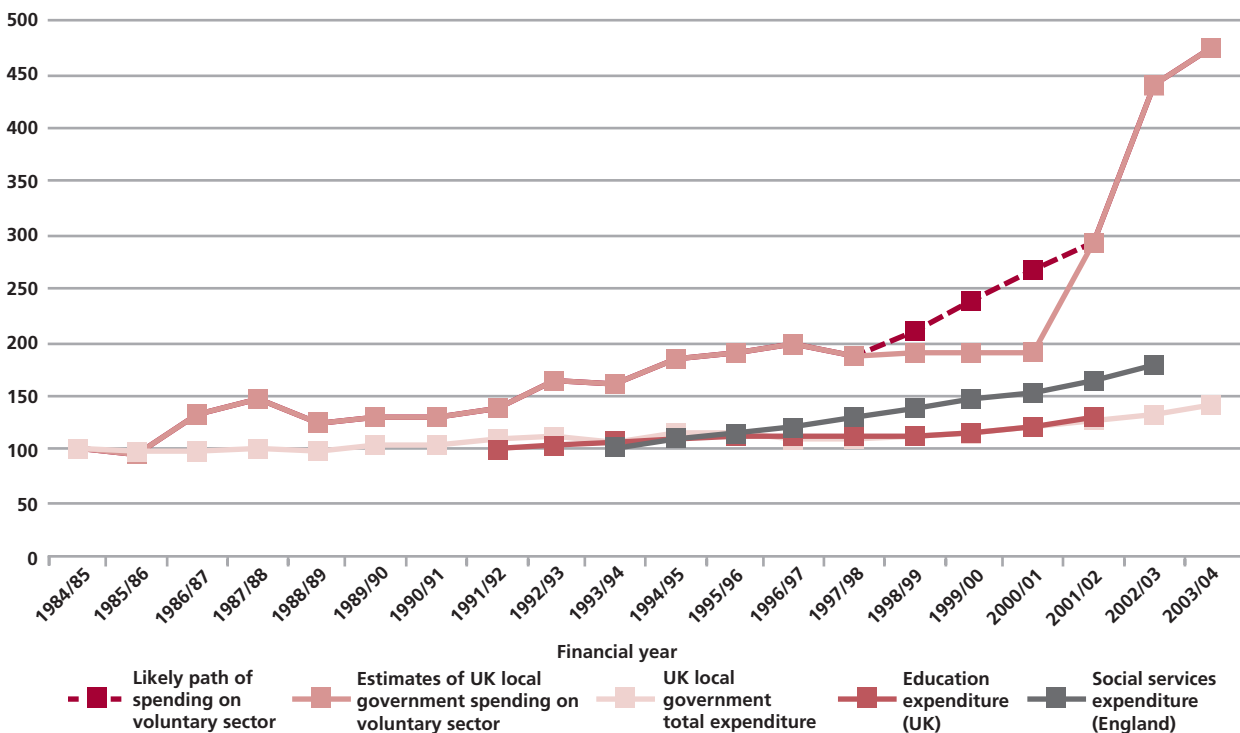
3.5.3 Indices of growth of councils' service expenditure and estimates of spending on voluntary and community sector organisations compared

Figure 3.8 compares the index of growth of the CAF/Home Office estimates for all spending on voluntary and community organisations by UK local government in real terms, using the new method of estimation for 2001/02 to 2003/04, with similar indices for the total of UK local government expenditure, UK education expenditure and social services expenditure in England. These indices are produced by taking the various published figures on actual expenditure (for sources, see Appendix B), converting them to real terms (constant prices) and dividing each year's totals by the total for the first, or base, year so that the rates of increase can be compared easily.

All the statutory expenditure indices show a steady increase in recent years; however, the index for social services in England shows an even higher rate of increase. These rises would be expected to have a marked effect on spending on voluntary organisations, which, we would suggest, is 'highly geared' (small increases in the very large sums spent by councils produce apparently large increases in the small proportion that they spend on the voluntary and community sector). They also enable us to explain, and dismiss, the apparent disjunction following the implementation of the new method of estimation.

Thus, the conclusion that follows from observing the various indices of growth together is that, instead of continuing along the curve based on the various CAF/Home Office estimates, with the sharp leap or disjunction from 2000/01 to 2001/02, it is highly likely that the actual spending on the voluntary and community sector by local government has been rising substantially from at least as far back as 1997/98, as shown by the deep red curve. Further, it is more likely that the largest increase was in fact in 2002/03 rather than the previous year; that year saw the implementation of several new schemes

Figure 3.8: Indices of real growth by type of expenditure (1984/85 = 100)



which affected spending on the voluntary and community sector substantially. The survey of central government spending on voluntary organisations showed a substantial increase in 2002/03 as well.

In spite of the data shown above, anecdotal evidence from voluntary organisations themselves often suggests that funding from councils is decreasing. How can this square with these estimates, which suggest continuing and rapid growth? The most likely explanation is that, increasingly, councils are obliged to concentrate on their essential services and spend more on organisations which either provide essential services on behalf of the council, which support those essential services, or which are 'voluntarised' (as distinct from 'privatised') services, such as residential care homes. The beneficiaries of this process will principally be voluntary bodies concerned with social services and education. At the same time, the funding for many regeneration and community development projects will be allocated to newly created organisations. The net effect of all these policies could well be to squeeze the funding of what many see as the 'traditional' voluntary sector.

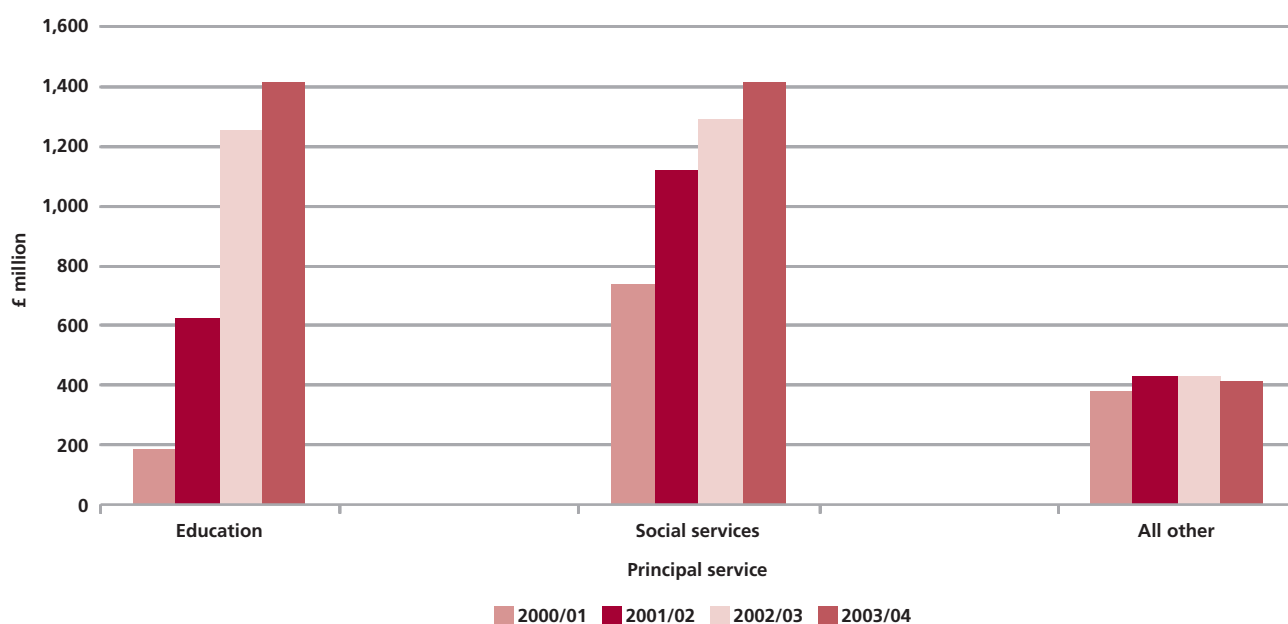
3.6 Estimated local government expenditure on the voluntary and community sector by principal service in England

Figure 3.9 presents an analysis of estimated spending on the voluntary and community sector by principal service. The data are for England only, because the various methods used to calculate the Wales, Scotland and Northern Ireland figures do not permit this kind of break-down.

Previous analyses attempted to calculate changes in all headings on the survey form (including arts and recreation, environment, voluntary sector infrastructure, etc.). The Recommendation 12 work indicated that respondent councils were inconsistent in their allocation of payments to headings outside the major ones, social services and education. Hence the new method of estimation uses only the three categories of social services, education and all others.

Figure 3.9 shows how the estimated figures for education and social services expenditure in the voluntary and community sector grew, both after adjustment for under-reporting and as

Figure 3.9: Estimated local government expenditure on voluntary and community organisations in England by principal service, 2000/01 to 2003/04, at constant (2002) prices (new method of estimation 2001/02 to 2003/04)



See Appendix A, Tables A.5.1 (current prices) and A.5.2 (constant (2002) prices) for full details.

the expansion of contractual working takes effect. The data demonstrate the effect of these two main factors: the new method of estimation removes the heavy under-reporting of education and social services spending, and there is a clear expansion in the use of voluntary and community organisations for both social services and education (probably driven by Sure Start, expanding community care and similar programmes). The combined effect is that social services and education together move from about 71% of the total estimated in 2000/01 to 87% in 2003/04. Necessarily, spending on all other types of voluntary and community sector activity falls in relative importance, as it shows only slight growth, and falls from 29% of the total estimate in 2000/01 to 13% in 2003/04.

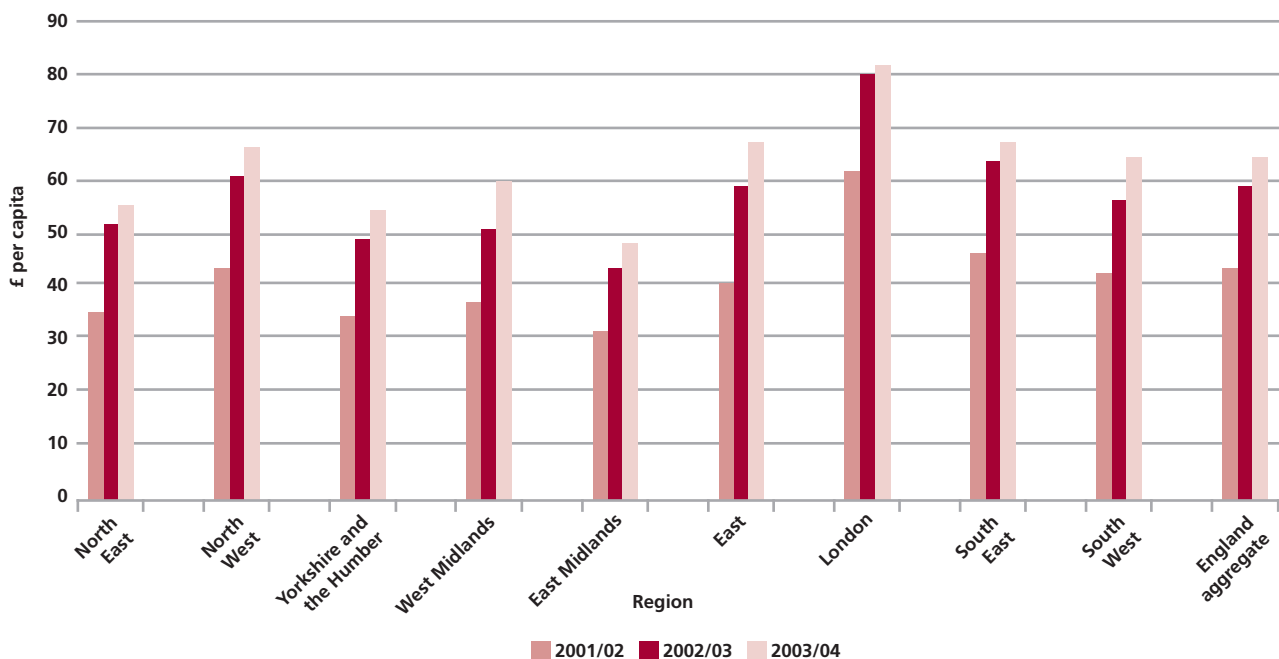
3.7 Estimated local government expenditure on the voluntary and community sector by English region

The new method of estimation generates a figure for each English council and, although these are not considered reliable to report in their own right, it is possible to give broad

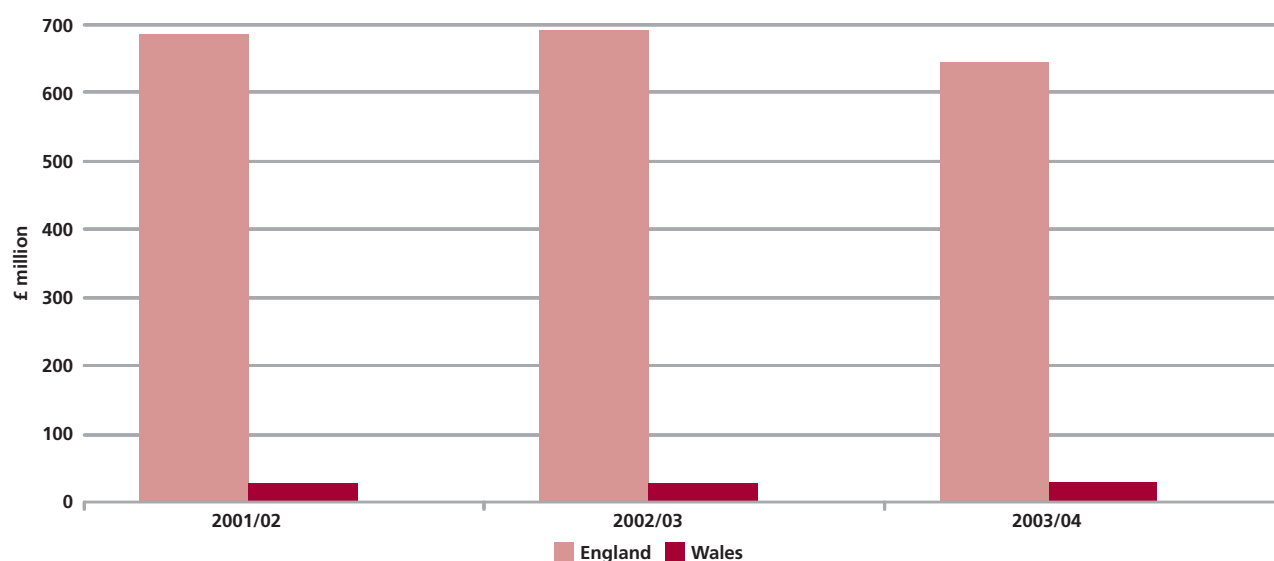
estimates of spending by region (see Figure 3.10). It was not possible to do this from earlier surveys because of the sparse and uneven pattern of responses within regions. The figures obtained for regional distribution using the new method of estimation show a pattern of variation similar to that observed in surveys of central government spending on voluntary and community organisations. This concordance corroborates the new method of estimation. Thus, as Figure 3.10 shows:

- The estimates suggest that the North East spends less on voluntary and community organisations than the North West: £55 per capita and £66 per capita respectively in 2003/04 in real terms.
- The East Midlands is estimated to be a lower-spending region, spending an estimated £49 per capita in 2003/04 in real terms.
- As in the central government survey, London stands above all, estimated to be spending significantly more per capita than all other regions: £82 per capita in 2003/04 in real terms.

Figure 3.10: English local government estimated expenditure on voluntary and community organisations by region, per capita, 2001/02 to 2003/04, at constant (2002) prices (new method of estimation)



See Appendix A, Tables A.6.1 (current prices) and A.6.2 (constant (2002) prices), for full details.

Figure 3.11: Estimates of rate relief, England and Wales, 2001/02 to 2003/04, at constant (2002) prices

See Appendix A, Tables A.8.1 (current prices) and A.8.2 (constant (2002) prices), for full details.

3.8 Estimates of rate relief (mandatory and discretionary) in England and Wales

About £689 million rate relief was granted in 2001/02, £715 million in 2002/03, and £692 million in 2003/04 in cash terms. These amounts declined in real terms (£711 million, £715 million and £673 million, at 2002 prices, in the respective years – see Figure 3.11). This form of financial support has also declined compared with spending on the voluntary and community sector as a whole, from about 32% of the estimated England and Wales total spending in 2001/02 to 23% in 2002/03 and 20% in 2003/04. These rate-relief totals are not included in the main survey estimates for England and Wales above, but are additional to them.

3.8.1 Sources of data on rate relief

Because of declining response rates to the surveys, data on rate relief for England and Wales in 2001/02, 2002/03 and 2003/04 were not taken from the survey returns but from figures kindly provided by the Institute of Public Finance. These figures are drawn from its databases of local government statistics, which are based on its near 100% surveys of members of the Chartered Institute of Public Finance and Accountancy in England and Wales. Up-to-date

figures for Scotland and Northern Ireland are not immediately available; in recent years, all-UK estimates have been produced by up-rating older figures for inflation; in 2003/04, this would have produced totals of £51 million for Scotland and £35 million for Northern Ireland. However, these are based on out-of-date figures from 1997/98 and cannot be considered reliable.

A further problem with the rate relief figures is that they may overstate the direct subsidy to the voluntary and charitable sector because they include some relief to institutions such as churches, educational organisations and other non-charitable institutions. Hence the totals are no more than a guideline, although they demonstrate that rate relief adds a substantial amount to the total spent by local government. In addition to this, regulations extending rate relief to even more classes of voluntary organisation not classed as charitable in the past were introduced during 2002/03, although it is difficult to observe any resulting increase on the evidence of these figures.

Appendix A: Principal tables

In all tables, italics indicate the use of the old method of estimation.

Table A.1: Response rates to the 2003/04, 2002/03, 2001/02 and 2000/01 surveys, by type of council

	Number responding 2003/04	Response rate (%) 2003/04	Number responding 2002/03	Response rate (%) 2002/03	Number responding 2001/02	Response rate (%) 2001/02	Number responding 2000/01	Response rate (%) 2000/01	Total number of councils
England									
London boroughs and the City Metropolitan district councils	15	45.5	16	48.5	14	42.4	21	63.6	33
Unitary councils	13	36.1	20	55.6	14	38.9	19	52.8	36
County councils	24	52.2	24	52.2	22	47.8	29	63.0	46
Non-metropolitan district councils	22	64.7	20	58.8	22	64.7	26	76.5	34
	120	50.4	125	52.5	120	50.4	125	52.5	238
England councils total	194	50.1	205	53.0	192	49.6	220	56.7	387
England – social services and education authorities	74	49.3	80	53.3	72	48.0	95	63.3	149
(Wales: unitary councils)¹			(22)	100.0	22	100.0	14	63.6	22
(Scotland: unitary councils)²	(32)		(32)		(32)		26	81.3	32
Northern Ireland district councils	10	38.5	11	42.3	15	57.7	16	61.5	26
UK total	258	55.2	270	57.7	261	55.3	276	61.5	467

1. Data for Wales in 2001/02 and 2003/04 are based on a more thorough survey by the LGDU Wales. There was no survey in 2002/03 – this figure was imputed from the 2003/04 data, using the GDP deflator.

2. Data for Scotland from 2001/02 onwards are based on the SCVO Panel Survey which produces an estimate for all 32 councils in Scotland.

Table A.2: Estimated UK total of all payments to voluntary and community organisations, 2003/04, 2002/03, 2001/02 and 2000/01, by type of council, at current prices

	£ million 2003/04	Percentage of UK total 2003/04	£ million 2002/03	Percentage of UK total 2002/03	£ million 2001/02	Percentage of UK total 2001/02	£ million 2000/01	Percentage of UK total 2000/01
England								
London boroughs and the City	624.0	14.4	598.0	15.3	447.3	17.7	349.8	22.6
Metropolitan district councils	683.4	15.8	597.2	15.2	427.8	16.9	340.9	22.0
Unitary councils	518.7	12.0	474.0	12.1	323.8	12.8	106.4	6.9
County councils	1,405.1	32.5	1,182.7	30.2	795.4	31.4	324.2	20.9
Non-metropolitan district councils	108.2	2.5	125.3	3.2	113.1	4.5	118.2	7.6
County councils plus non-metropolitan district councils	1,513.3	35.0	1,307.9	33.4	908.6	35.9	442.3	28.6
England total	3,339.5	77.2	2,977.1	76.0	2,107.4	83.3	1,239.5	80.1
Wales: unitary councils	125.7	2.9	122.2	3.1	68.3	2.7	35.5	2.3
Scotland: unitary councils	707.4	16.3	676.9	17.3	208.0	8.2	147.0	9.5
Northern Ireland								
District councils	17.2	0.4	9.5	0.2	21.0	0.8	14.7	1.0
Boards and trusts	137.2	3.2	129.9	3.3	125.0	4.9	110.8	7.2
Northern Ireland total	154.4	3.6	139.3	3.6	146.1	5.8	125.6	8.1
UK total	4,327.0	100.0	3,915.6	100.0	2,529.8	100.0	1,547.5	100.0

Table A.3.1: Estimated UK total of payments to voluntary and community organisations, 2003/04, 2002/03, 2001/02 and 2000/01, by type of council, and per capita, at current prices

	£ million 2003/04	£ per capita 2003/04	£ million 2002/03	£ per capita 2002/03	£ million 2001/02	£ per capita 2001/02	£ million 2000/01	£ per capita 2000/01
England								
London boroughs and the City	624.0	84	598.0	80	447.3	60	349.8	45
Metropolitan district councils	683.4	62	597.2	55	427.8	39	340.9	30
Unitary councils	518.7	62	474.0	57	323.8	39	106.4	12
County councils	1,405.1	60	1,182.7	51	795.4	34	324.2	13
Non-metropolitan district councils	108.2	5	125.3	5	113.1	5	118.2	5
County councils plus non-metropolitan district councils	1,513.3	65	1,307.9	56	908.6	39	442.3	18
England total	3,339.5	67	2,977.1	59	2,107.4	41	1,239.5	24
Wales: unitary councils	125.7	43	122.2	41	68.3	23	35.5	12
Scotland: unitary councils	707.4	139	676.9	133	208.0	41	147.0	27
Northern Ireland								
District councils	17.2	–	9.5	–	21.0	–	14.7	–
Boards and trusts	137.2	–	129.9	–	125.0	–	110.8	–
Northern Ireland total	154.4	90	139.3	81	146.1	85	125.6	70
UK total	4,327.0	72	3,915.6	65	2,529.8	42	1,547.5	25

Table A.3.2: Estimated UK total of payments to voluntary and community organisations, 2003/04, 2002/03, 2001/02 and 2000/01, by type of council, and per capita, at constant (2002) prices

	Constant prices £ million 2003/04	Constant prices £ per capita 2003/04	Constant prices £ million 2002/03	Constant prices £ per capita 2002/03	Constant prices £ million 2001/02	Constant prices £ per capita 2001/02	Constant prices £ million 2000/01	Constant prices £ per capita 2000/01
England								
London boroughs and the City	606.4	82	598.0	80	461.2	62	369.0	47
Metropolitan district councils	664.1	61	597.2	55	441.0	40	359.6	31
Unitary councils	504.1	61	474.0	57	333.8	40	112.3	13
County councils	1,365.5	58	1,182.7	51	820.0	35	341.9	14
Non-metropolitan district councils	105.2	5	125.3	5	116.6	5	124.6	5
County councils plus non-metropolitan district councils	1,470.7	63	1,307.9	56	936.7	40	466.6	19
England total	3,245.3	65	2,977.1	59	2,172.6	43	1,307.4	25
Wales: unitary councils	122.2	41	122.2	41	70.4	24	37.4	12
Scotland: unitary councils	687.5	135	676.9	133	214.4	42	155.1	29
Northern Ireland								
District councils	16.7	-	9.5	-	21.7	-	15.5	-
Boards and trusts	133.3	-	129.9	-	128.9	-	116.9	-
Northern Ireland total	150.1	88	139.3	81	150.6	88	132.4	73
UK total	4,205.0	70	3,915.6	65	2,608.0	44	1,632.4	26

Table A.4: Estimated UK local government expenditure on the voluntary and community sector, 1984/85 to 2003/04, at constant (2002) prices, as a proportion of all local government expenditure

Financial year	Estimated expenditure on the voluntary and community sector (£ million)	Voluntary and community sector expenditure (£ million) at constant prices	Index of real growth of expenditure on voluntary and community sector (1984/85=100)	Local government total expenditure (£ million)	Local government total expenditure (£ million) at constant prices	Index of real growth of local government total expenditure	Expenditure on the voluntary and community sector as a percentage of local government total spending	GDP deflator 2002=1.000
1984/85	429	858	100	39,778	79,556	100	1.1	0.500
1985/86	431	815	95	40,825	77,174	97	1.1	0.529
1986/87	622	1,139	133	42,976	78,711	99	1.4	0.546
1987/88	733	1,275	149	45,846	79,732	100	1.6	0.575
1988/89	650	1,062	124	47,709	77,956	98	1.4	0.612
1989/90	731	1,113	130	54,326	82,688	104	1.3	0.657
1990/91	No survey	1,113	130	58,602	82,888	104	1.3	0.707
1991/92	888	1,178	137	65,668	87,093	109	1.4	0.754
1992/93	1,103	1,409	164	70,214	89,673	113	1.6	0.783
1993/94	No survey	1,400	163	69,145	86,001	108	1.6	0.804
1994/95	1,301	1,594	186	74,249	90,991	114	1.8	0.816
1995/96	1,376	1,642	191	76,679	91,502	115	1.8	0.838
1996/97	1,484	1,712	199	76,223	87,916	111	1.9	0.867
1997/98	1,445	1,620	189	77,697	87,104	109	1.9	0.892
1998/99	No survey	1,620	189	81,511	88,889	112	1.8	0.917
1999/00	No survey	1,620	189	86,312	92,115	116	1.7	0.937
2000/01	1,548	1,632	190	91,019	96,012	121	1.7	0.948
2001/02	1,876	1,934	225	99,097	102,162	128	1.9	0.970
2002/03	2,557	2,557	298	106,832	106,832	134	2.4	1.000
2003/04	2,826	2,746	320	116,605	113,319	142	2.4	1.029
2001/02	2,530	2,608	304	99,097	102,162	128	2.6	0.970
2002/03	3,916	3,916	456	106,832	106,832	134	3.7	1.000
2003/04	4,327	4,205	490	116,605	113,319	142	3.7	1.029

The figures for the years when no survey took place were estimated by observation of the survey estimates on either side of the missing years.

Table A.5.1: Councils' expenditure on the voluntary sector in England by principal service, 2003/04, 2002/03, 2001/02 and 2000/01, at current prices

	2003/04 £ million, actual	2003/04 Percentage of total	2002/03 £ million, actual	2002/03 Percentage of total	2001/02 £ million, actual	2001/02 Percentage of total	2000/01 £ million, actual	2000/01 Percentage of total
Education	1,453.7	43.5	1,257.5	42.2	609.1	28.9	179.9	14.5
Social services	1,454.4	43.6	1,288.4	43.3	1,084.9	51.4	697.4	56.3
All other	431.3	12.9	431.2	14.5	415.4	19.7	362.2	29.2
Grand total, England	3,339.5	100.0	2,977.1	100.0	2,107.4	100.0	1,239.5	100.0

Table A.5.2: Councils' expenditure on the voluntary and community sector in England by principal service, 2003/04, 2002/03, 2001/02 and 2000/01, at constant (2002) prices

	2003/04 £ million, actual	2003/04 Percentage of total	2002/03 £ million, actual	2002/03 Percentage of total	2001/02 £ million, actual	2001/02 Percentage of total	2000/01 £ million, actual	2000/01 Percentage of total
Education	1,412.7	43.5	1,257.5	42.2	627.9	28.9	189.7	14.5
Social services	1,413.4	43.6	1,288.4	43.3	1,118.5	51.4	735.7	56.3
All other	419.2	12.9	431.2	14.5	428.3	19.7	382.1	29.2
Grand total, England	3,245.3	100.0	2,977.1	100.0	2,174.7	100.0	1,307.4	100.0

Table A.6.1: English councils' estimated expenditure on the voluntary and community sector by region, 2003/04, 2002/03 and 2001/02, at current prices

	2003/04 £ million	2003/04 Percentage	2003/04 £ per capita	2002/03 £ million	2002/03 Percentage	2002/03 £ per capita	2001/02 £ million	2001/02 Percentage	2001/02 £ per capita
North East	144.7	4.3	57	130.9	4.4	51	86.6	4.1	34
North West	465.9	14.0	68	417.5	14.0	61	290.3	13.8	43
Yorkshire and the Humber	282.8	8.5	56	246.1	8.3	49	168.0	8.0	33
West Midlands	331.2	9.9	62	271.5	9.1	51	192.4	9.1	36
East Midlands	213.9	6.4	50	186.5	6.3	44	133.5	6.3	31
East	382.1	11.4	70	324.5	10.9	59	215.7	10.2	39
London	624.0	18.7	84	598.0	20.1	81	447.3	21.2	60
South East	560.1	16.8	69	517.5	17.4	64	363.2	17.2	45
South West	334.8	10.0	67	284.8	9.6	57	210.3	10.0	42
England total	3,339.5	100.0	67	2,977.3	100.0	59	2,107.3	100.0	42

Table A.6.2: (New method of estimation): English councils' estimated expenditure on the voluntary and community sector by region, 2003/04, 2002/03 and 2001/02, at constant (2002) prices

	2003/04 £ million	2003/04 Percentage	2003/04 £ per capita	2002/03 £ million	2002/03 Percentage	2002/03 £ per capita	2001/02 £ million	2001/02 Percentage	2001/02 £ per capita
North East	140.6	4.3	55	130.9	4.4	51	89.2	4.1	35
North West	452.8	14.0	66	417.5	14.0	61	299.3	13.8	44
Yorkshire and the Humber	274.8	8.5	55	246.1	8.3	49	173.2	8.0	34
West Midlands	321.8	9.9	60	271.5	9.1	51	198.4	9.1	37
East Midlands	207.9	6.4	49	186.5	6.3	44	137.7	6.3	32
East	371.3	11.4	68	324.5	10.9	59	222.4	10.2	40
London	606.4	18.7	82	598.0	20.1	80	461.2	21.2	62
South East	544.3	16.8	67	517.5	17.4	64	374.4	17.2	46
South West	325.4	10.0	65	284.8	9.6	57	216.9	10.0	43
England total	3,245.3	100.0	65	2,977.3	100.0	59	2,172.7	100.0	43

Table A.7.1: Northern Ireland public sector bodies' payments to the voluntary sector, 2003/04, 2002/03, 2001/02 and 2000/01, at current prices

	2003/04 £ million	2002/03 £ million	2001/02 £ million	2000/01 £ million
District councils (26)	17.2	9.5	21.0	14.7
Health and social services boards (4) and health trusts (20)	128.1	124.5	120.8	107.3
Education and library boards (5)	9.1	5.3	4.2	3.7
Northern Ireland total	154.4	139.3	146.1	125.6

Table A.7.2: Northern Ireland public sector bodies' payments to the voluntary and community sector, 2003/04, 2002/03, 2001/02 and 2000/01, at constant (2002) prices

	2003/04 £ million	2002/03 £ million	2001/02 £ million	2000/01 £ million
District councils (26)	16.7	9.5	21.7	15.5
Health and social services boards (4) and health trusts (20)	124.5	124.5	124.5	113.2
Education and library boards (5)	8.8	5.3	4.4	3.9
Northern Ireland total	150.1	139.3	150.6	132.6

Table A.8.1: Estimates of rate relief (mandatory and discretionary) to charitable and similar organisations, 2003/04, 2002/03 and 2001/02, at current prices

	2003/04 £ million	2002/03 £ million	2001/02 £ million
England	661	690	664
Wales	31	26	25
Total	692	715	689

Table A.8.2: Estimates of rate relief (mandatory and discretionary) to charitable and similar organisations, 2003/04, 2002/03 and 2001/02, at constant (2002) prices

	2003/04 £ million	2002/03 £ million	2001/02 £ million
England	643	690	685
Wales	30	26	26
Total	673	715	711

Appendix B: Sources of data

Survey data

CAF/Home Office surveys 2003/04, 2002/03, 2001/02 and 2000/01 for all English councils.

Wales

WCVA 1996/97 survey estimate up-rated for 2000/01 using the GDP deflator. Wales 2001/02 and 2003/04: Wales LGDU surveys carried out for the National Assembly for Wales: 2001/02 Local Authority Funding of the Voluntary Sector, Version 1 (LGDU Wales website); 2003/04 Local Authority Funding of the Voluntary Sector, Version 2 (LGDU Wales website). Wales 2002/03 figures estimated using GDP deflator and 2003/04 data.

Scotland

SCVO 1996/97 survey up-rated for 2000/01; *SCVO Almanac* for estimate of local government funding of the Scottish voluntary sector, 2003/04, 2002/03 and 2001/02. The figures for Scotland from 2001/02 onwards are based not on surveys of the Scottish unitary councils but on an analysis of a panel of Scottish voluntary organisations' sources of income.

Northern Ireland

CAF/Home Office 2003/04, 2002/03, 2001/02 and 2000/01 surveys for Northern Ireland district councils' estimate; personal communication with Northern Ireland Assembly departments and agencies and Assembly Written Answers for other figures, including the following published items:

Northern Ireland – Health Boards Accounts for 2000/01 and 2001/02: Note 4.1 – Other Providers of Health Care and Personal Social Services; Northern Ireland Health and Social Services Trusts Accounts for 2000/01 and 2001/02: Note 4.1 – Purchase of Care from Non-Health and Personal Social Services Bodies and Grants to Voluntary Organisations.

Health and Social Services 2002/03 (2003/04 unavailable) – figures estimated using 2001/02 data and GDP deflator.

Previous years

CAF surveys of UK councils in successive years, for all types of council.

Local government expenditure

Tables for all English councils' expenditure by department, 2003/04, 2002/03 and 2001/02: Table RS NCE: Revenue Spending, Net Current Expenditure, unpublished, kindly provided by ODPM.

Detailed data on spending by English Councils with social services responsibility: PSS EXPENDITURE IN 2003/04 INCLUDING SSMSS COSTS ALLOCATED TO SERVICE LINES PRO-RATA (including SSMSS Sheet), from form PSS EX 1 returned to the Department of Health (DH) by all these authorities: DH website, www.dh.gov.uk (also 2002/03, 2001/02; earlier year not immediately available).

Detailed data on spending by English councils which are local education authorities: S52 Out-turn Table A, which is drawn from each LEA's Section 52 statement on expenditure returned to DfES, DfES website, www.dfes.gov.uk (2003/04, 2002/03, 2001/02).

All UK local government expenditure, historical series: Table LGFS1.5F data for Table 9.2 in *Local Government Financial Statistics*, ODPM, London; kindly provided prior to publication by Amanda Hughes, Office for National Statistics (ONS), as at September 2005.

English PSS expenditure and UK education expenditure, historical series, from ONS website, www.statistics.gov.uk/statbase/tsdintro.asp

GDP deflator

Index for conversion of expenditure data to constant prices, natpa1: National Accounts: main aggregates: index numbers, Index numbers of value, volume and implied deflators for the main aggregates of the National Accounts. Seasonally adjusted, 2002=100. Series YBGB (GDP deflator), ONS website, as at 31 August 2005.

Population figures

England and Wales

ONS Mid-Year Estimates, Table 9 Mid-2004 Population Estimates, Quinary age groups and sex for local authorities in England and Wales; estimated resident population, Census website, as at 31 August 2005.

Scotland

Table 1, Estimated population by age and sex, Scotland:
30 June 2004, General Register Office for Scotland (GROS)
04 MYPE CAHB Table 1, GROS website, as at 2 September
2005.

Northern Ireland

Table A: Resident Population Estimates Mid-2004: Quinary
age groups by sex, Demography and Methodology Branch,
Northern Ireland Statistics and Research Agency website, as
at 2 September 2005.

National non-domestic rate relief

Successive Chartered Institute of Public Finance and
Accountancy surveys, England and Wales (data kindly
provided by the Institute for Public Finance).

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