

Press Release

Voluntary organisations working with deprived groups most likely to be reliant on public sector funding.

New research from TSRC reveals which parts of the third sector rely most heavily on public sector funding streams.

The research shows that the proportion of third sector organisations receiving some public funding is larger than previously thought. 36% of third sector organisations, approximately 61 000, receive income from statutory sources. 23,000 organisations (13%) consider public sector sources of income to be their most important.

The research shows that organisations working in particularly deprived areas, and with particular disadvantaged groups, are more likely to rely on public sector income. In seven local authorities, up to 25% of third sector organisations regard public sector income as their most important source. These tend to be among the more disadvantaged areas of the Midlands and the North. In both Nottingham and Knowsley, for example, the proportion could be as high as 30% of all organisations.

The proportion of organisations receiving public funds also shows intriguing contrasts with the distribution of registered charities. The proportion of organisations that receive public funding appears to be greatest in areas that have fewer third sector organisations overall. Related to this, recently established organisations are more likely to rely on public funding.

Public funding levels were also higher among organisations working with particularly disadvantaged groups. Over 50% of organisations who characterised themselves as working with people with mental health needs or learning difficulties, with offenders or ex-offenders, victims of crime, the homeless, asylum seekers, and refugees, receive some public funding. Statutory sources are the most important income stream for 26% of organisations working with victims of crime or people with learning difficulties. They are the most important source of income for 31% of organisations working in the area of mental health.

John Mohan from TSRC said ‘We have conducted a systematic local and regional breakdown of the funding received by third sector organisations, based on analysis of the largest survey of its kind. This research shows that some parts of the voluntary sector are much more likely than others to be reliant on statutory income sources. This is particularly the case for organisations working with disadvantaged groups, and for organisations working in disadvantaged areas.’

Notes to editors

There are several possible data sources which relate to the amount of public funding received by third sector organisations. The report by TSRC presents a new perspective on the topic by analysing data from the National Survey of Third Sector Organisations (NSTSO), a representative sample of 48,000 third sector organisations in England. The data provides information about whether income comes from public sector bodies, and organisations’ own assessments of their principal source of income. We provide information on the numbers and types of organisations which received public funding in 2008, on whether they received funding from central or local government, and on whether or not they regard public funding as their most important source of income. We show how exposure to public sector income streams is higher for organisations working in some particularly

deprived areas, and for charities dealing with particular disadvantaged groups, as well as for newer organisations.

A full research paper is available at

<http://www.tsrc.ac.uk/Research/QuantitativeAnalysis/Howdependentisthirdsectoronpublicfunding/tabid/741/Default.aspx>

About the Third Sector Research Centre (TSRC)

TSRC conducts research on a broad range of issues affecting the voluntary, community and social enterprise sectors. Led by the universities of Birmingham and Southampton, the Centre was established to provide a strong evidence base to inform policy-making and practice. The Centre works in collaboration with the third sector, to ensure its research reflects the realities of those working within it. TSRC is funded by the Economic and Social Research Council, Office for Civil Society and the Barrow Cadbury Trust. More: www.tsrc.ac.uk

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