northern rock foundation
Third Sector Trends Study

Mapping Registered Third Sector Organisations in the North East

David Kane (NCVO) and
John Mohan (Third Sector Research Centre, University of Southampton)

ncvo

UNIVERSITY OF Southampton
School of Social Sciences

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iii Background to the Third Sector Trends Study

The Northern Rock Foundation's investment in the study of the third sector in North East England and Cumbria is intended to have a significant impact on the way the sector is perceived by itself and its stakeholders. It is also hoped that it will influence how the sector works. Most importantly, the research should help future activity meet beneficiary needs more effectively, securing more positive outcomes.

The research has several different strands, and a phased inter-related programme of work. In the first phase, Teesside University's Third Sector Development Unit (TSDU) is undertaking qualitative and other surveys of the sector. The research team is led by Tony Chapman (Teesside University) and Fred Robinson (Durham University), and researchers include: Robert Crow (Research Associate, TSDU), Peter van der Graaf (Research Fellow, TSDU), Victoria Bell (Research Associate, TSDU), Judith Brown (independent researcher and consultant), Chris Ford (independent researcher) and Sue Shaw (independent researcher and policy analyst).

Alongside this, in the first two years of the study, colleagues at the University of Southampton, the National Council for Voluntary Organisations and Guidestar UK are undertaking a comprehensive mapping exercise of third sector organisations (TSO) in the study region. Following this, and using information from this part of the work, TSDU will undertake a longitudinal panel study of TSOs, continuing through to 2012.

The research programme as a whole aims to:

- produce robust data and independent analysis on the scale and scope of the third sector in the North East and Cumbria;
- provide an objective and thorough analysis of the dynamics of the sector through longitudinal study of stakeholder perceptions, organisational practice and local impact;
- develop a more complete understanding of sector impact and potential, and assess policy and practice implications;
- design and test innovative methodological approaches to the study of the sector which are compatible with national data sources and are replicable in other UK regions.

As a longitudinal study, research findings are being disseminated on a regular basis throughout the life of the project. The study should provide a clearer indication than has ever been attempted before in the UK of local trends over time. These will be interpreted in the light of detailed analysis of stakeholder views, network and organisational analysis, and comparison with other regions and countries if possible.

A key objective of the research is to gain a better understanding of the sector, but in so doing, to provide an evidence base upon which to develop policy and practice so that the sector may be enabled to provide the maximum benefit to its beneficiaries, to the economy and to society in general.

1 Introduction

This report provides statistics and analysis of general charities and other third sector organisations in the North East, as part of the Northern Rock Foundation *Third Sector Trends Study*. The intention is to provide a regional statistical portrait, in some ways paralleling that available for third sector organisations nationally through the NCVO Almanac; where possible, we draw comparisons with nationally available statistics.

The majority of the figures are based on data obtained from GuideStar Data Services, and are extracted from the annual audited accounts of a sample of organisations from the study area. In addition, we have done extensive work to extract additional data to complement the information supplied by GuideStar, and we have also attempted to cross-reference it against other relevant sources, particularly for non-charitable third sector organisations. As well as this we have conducted exercises to classify non-charitable third sector organisations and to determine which of these are of most relevance for our purposes.

The majority of data represents figures for the financial year 2007/08, but some income data is only available for the year 2006/07. Two companion reports are available with figures for Cumbria and for Yorkshire and the Humber.

Sections 3 to 6 concentrate on 'general charities' (see section 1.1 below) in the area, as these organisations account for the bulk of third sector activity and have the most available data, but we have also occasionally presented information about charities which do not conform to the "general charities" definition. Section 7 looks at other third sector organisations, including faith groups, housing associations, industrial and provident societies and companies limited by guarantee.

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1.1 General charities definition

Not all registered charities are included in the data; charities are selected for inclusion using the "general charities" definition. This definition was developed in the mid-1990s by the Office for National Statistics and is used in NCVO's annual "Civil Society Almanac" which provides UK-wide statistics. The clear limits to the definition enable the production of robust, clearly defined estimates for both numbers of organisations and their financial characteristics. Included in the 'general charity' definition are those registered charities that meet the following criteria:

- **Formality: people and their activities have a structured organisational form.** This may take the form of a constitution or a formal set of rules. Any definition using this attribute will exclude large numbers of informal, community-based activities and temporary forms of activity.

- **Independence: organisations are constitutionally and institutionally separate from the statutory and private sectors.** This would exclude registered charities which are also non-departmental public bodies (NDPBs) such as the British Council.

- **Non-profit distributing: organisations do not distribute profits to shareholders or owners.** While undertaking activities, such as trading, to generate a surplus is not excluded, proceeds should not be for the personal benefit of any individuals connected with the organisation and should be directed towards achieving the organisation's charitable objectives.

- **Self-governance: organisations are truly independent in determining their own course.** This would exclude, for example, organisations that are charities within the National Health Service, on the basis that they are ultimately controlled by a statutory body. Illustrations within this region would include endowment funds available to various NHS hospital trusts.

- **Voluntarism: there is a meaningful degree of voluntarism in terms of money or time.** The donation of time includes that given by trustees.

- **Private benefit versus public benefit: organisations do not exist solely for the benefit of their own members but have a wider public benefit.** This may, however, include certain organisations that mainly benefit a specific group of people or even just their members when the objectives of the organisation provide a function that would otherwise need to be provided from statutory sources (such as disability associations or community transport).

One example of the effects of the general charities definition can be seen in Figures 10 and 11 – the former includes several entities which are not categorised as general charities, such as housing associations or independent schools; in several cases these are the largest charitable organisations in the respective local authorities.

1.2 Geographic area covered by the report

The report presents disaggregated statistics for local authorities within the study area of the North East, based on a sample of organisations in the area. When producing disaggregated statistics, a compromise needs to be made between providing data at a meaningful geographic level whilst maintaining the statistical validity and relevance of the data. This is particularly the case for data on income sources, where a smaller sample is taken and it is more difficult to map income precisely to sources. We have obtained data on income sources for approximately 40% of general charities in this area; this is skewed towards the larger organisations.

With this in mind, headline data below is presented at the local authority level. In April 2009, during the course of the research, local government structural changes meant that Northumberland and Durham counties became unitary authorities, replacing the functions of 13 former borough and district councils. In order to provide useful data for these areas headline statistics such as the number of general charities, their income, expenditure and assets, are available for the former local authorities in Figures 14 and 15.

Organisations are assigned to an area based on the postcode of their registered office. While this is appropriate for the majority of organisations, it does lead to two different effects. One is that if an organisation is active in more than one area (or nationally) this activity is recorded only in their "home" area (the area which contains their registered address).

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Another result is that organisations may be registered in one area (for example, many organisations are registered at a solicitor's office) but operate in another. Additionally, the presence of a large national or regional charity in one area can skew the financial results for that area, as the figures presented are an aggregate of all expenditure by charities based in the area, even though those expenditures may take place in other parts of the country or abroad. We discuss some of the issues arising from this in the course of the paper.

Figure 1 Map of the study region showing local authorities

2 Summary results

- The voluntary sector in the North East is a significant player in the region's economy. 4,760 charities are based in the North East, 3% of all charities in the UK. In 2007/08 these charities had income of £731 million, spent £673 million and had assets worth £1.3 billion.

- The size distribution of charities in the region is broadly similar to the national pattern – that is, of the charities based in the region, the proportion in each size band is comparable. But the sector's share of overall resources in the region is lower than on a population basis, because there are fewer very large charities. As a result, average incomes for charities in the North East are smaller than across the UK, with an average income of £153,400 compared to £207,500 nationally, but this is because the region has relatively few very large charities.

- Charities based outside the North East make a significant contribution to charitable expenditure in the region; charities based outside the North East spent £381 million in the North East in 2006/07. Charities based within the region spent £57 million in other regions of the UK.

- Charities providing social services make up one in five of all charities in the North East. There is also an over-representation of charities in the area of economic and community development, compared to the distribution for the UK as a whole.

- Charities in the North East are more reliant on statutory funding than UK charities; nearly half (49%) of the income of charities in the North East comes from statutory sources, compared to 38% for the UK.

- Over half (56%) of total income is earned, more than the UK average of 49%. Voluntary income makes up 35% of income of charities in the North East.

- Charities in the North East raised £9 for every £1 spent on fundraising – roughly the same as the UK average.

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- Assets held by charities in the North East represent 1.9 years of expenditure, less than the UK average of 2.9 years.

- A variety of organisations make up the third sector in the North East. In addition to 4,760 general charities, 1,860 other regulated third sector organisations operate in the North East, including 71 housing associations, 693 companies limited by guarantee, 163 community interest companies, 652 industrial and provident societies and 282 faith groups.

- Together, these 6,620 third sector organisations had an income of £1.54 billion, spent £1.50 billion and had assets of £2.70 billion in 2007/08.

3 How many general charities are there in the North East?

3.1 Charities in the North East as a proportion of the UK

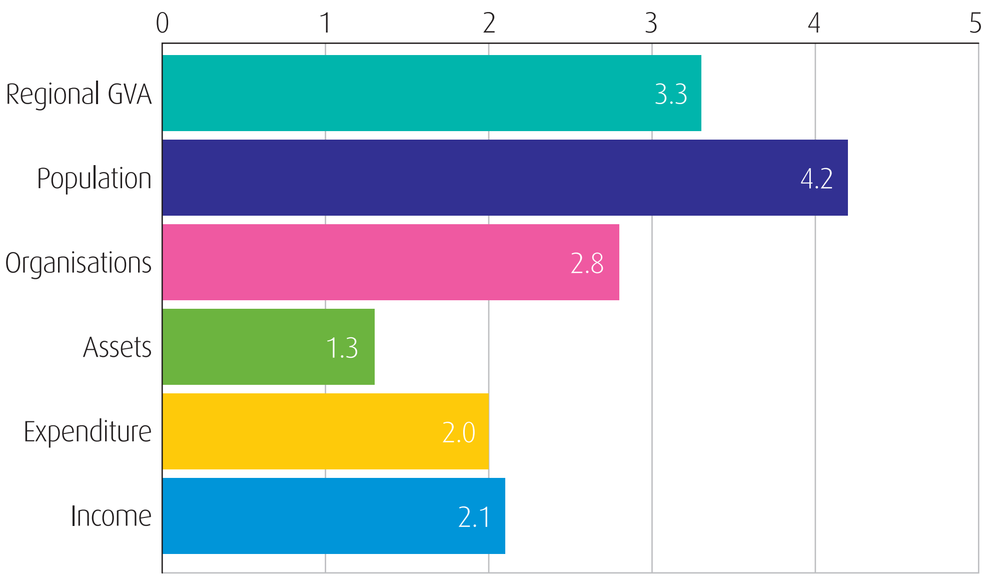
There are 4,760 general charities in the North East. These organisations make up 3% of all UK general charities; this is slightly less than would be expected if charities followed the same distribution as population, as the region contains 4% of the population of the UK.

Turning to finances:

- charities in the region spent £673 million in 2007/08, 2.0% of total UK charitable expenditure;
- they had assets worth £1.3 billion, 1.3% of the UK asset base of charities;
- the income of organisations in the region was £731 million, 2.1% of total UK charitable income.

Figure 2 shows the proportion of UK charitable activity and population that the North East region accounted for in 2007/08.

Figure 2 North East as a proportion of UK charitable activity, population and economy, 2007/08 (%)



Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services, Office for National Statistics
Note: Regional GVA is the region's proportion of Gross Value Added, a national accounting unit equivalent to gross domestic product.

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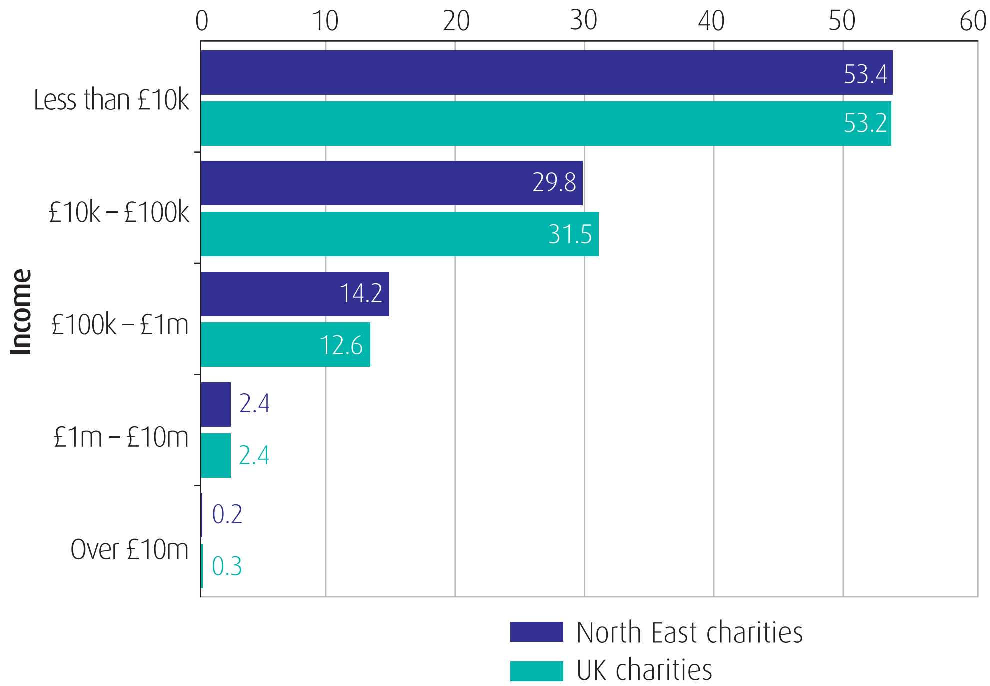
The region has long been one of the more disadvantaged parts of the UK, as can readily be seen by comparing its share of the UK's population with its share of the UK's GVA. We might therefore expect a below-average level of charitable activity. We find that the region's share of charitable resources is indeed below what might be expected: proportionate to its population, the region has half its share of expenditure, and less than one third of assets. This, particularly the low share of charitable assets, is likely to reflect a long history of disadvantage.

To counterbalance this to a limited degree, it is important to remember that much of the expenditure and assets of charities in the UK is concentrated in a small proportion of major charities whose headquarters are in London and the South East. This means that headline figures are likely to underestimate charitable activity in the region as they do not include the activities of these national charities. This is explored further in section 3.3.

3.2 Distribution of general charities

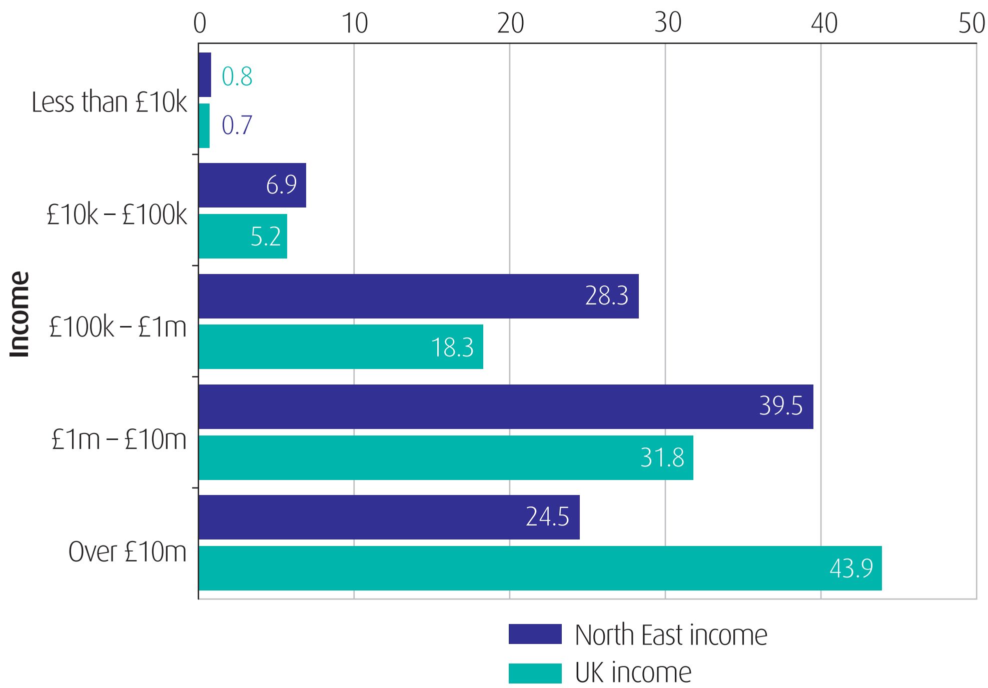
Figure 3 Distribution of the number and income of charities, North East and UK, 2007/08

a. Percentage of charities



Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

b. Percentage of total income



Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

The financial distribution of general charities within the region follows a similar pattern. Figure 3 shows the distribution of income by charity size. The income bands regularly used by NCVO in the UK Civil Society Almanac show that the size distribution of charities in the north-east is broadly comparable with the national picture, but because the region has relatively few large national charities, the average income of charitable organisations is lower than for the country as a whole.

Figure 4 shows the expenditure of the 50 largest charities in the region, with expenditure ranging from £3 million to £59 million. Two of the largest three organisations – Erimus Housing and Housing Hartlepool – are housing associations with the expenditure of £58 million and £33 million respectively. The second on the list is Citizens Advice, whose registered office is in Newcastle but this is obviously a national charity with activities throughout the country. Several independent schools feature in the list, as do recently established academies. Several large charities are recent initiatives including major projects such as the Sage, the Baltic Visual Trust, the Alnwick Garden Trust, and the International Centre for Life Trust; in some cases established with substantial lottery funding. The list of the top 50 organisations includes a number of leisure trusts, which were formerly run directly by local authorities.

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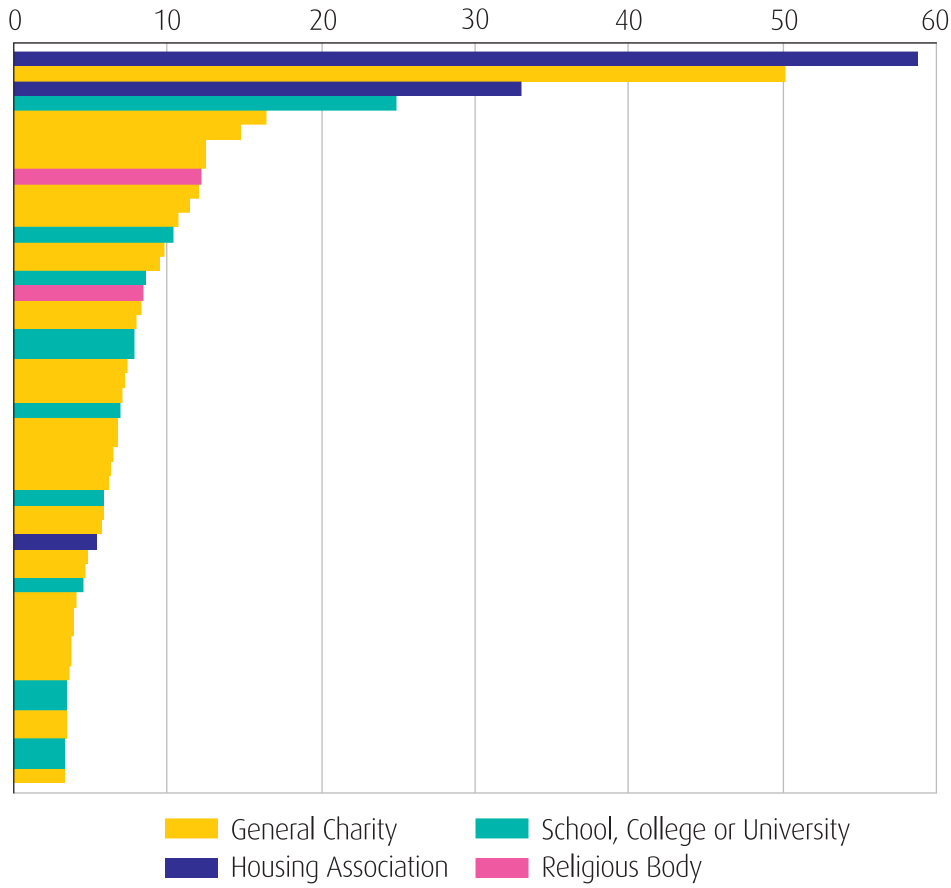
Putting these figures into context, only three registered charities in the region would feature in the top 100 charities in England and Wales by expenditure, and only six in the top 500. If we confine discussion to general charities as defined by NCVO, the only one whose administrative office is registered in this region that features in the top 100 nationally is Citizens Advice, although there are 16 other general charities in the top 500 nationally.

Note that there are other areas of charitable activity within the region that are not covered by this source of data. Examples would include exempted and excepted charities, such as the colleges of Durham University, although some of these are being brought within the scope of the Charity Commission.

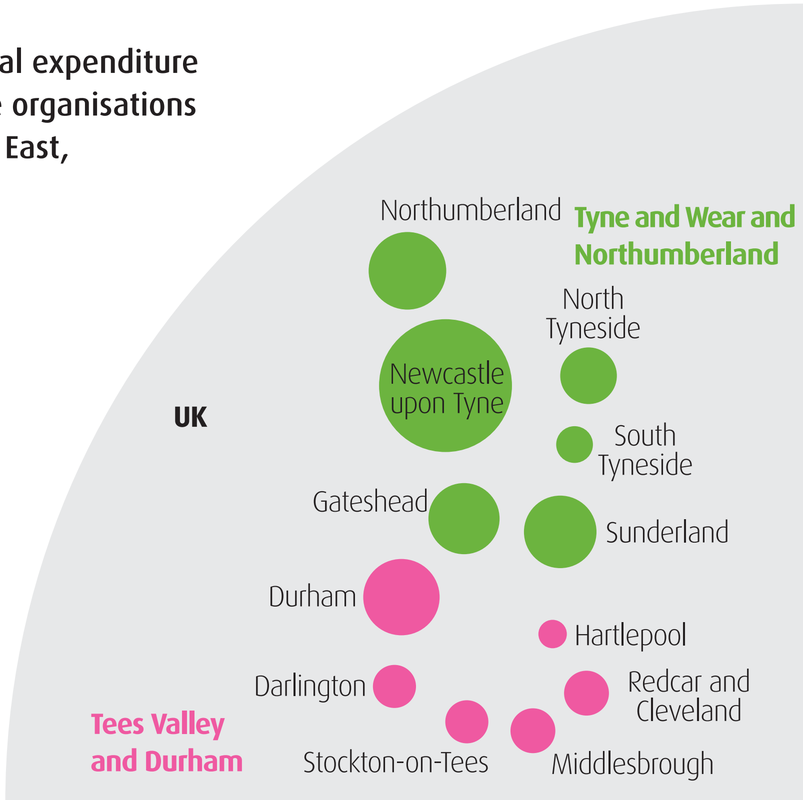
Figure 4 Expenditure of 50 largest charities in the North East, 2007/08 (£ millions)



Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

The distribution of financial resources, in the form of total expenditure, is shown in Figure 5. The large circle behind the figure indicates the size of all charitable expenditure in the UK with each circle representing activity by charities based in each area. As might be expected, the large urban area of Newcastle upon Tyne dominates charitable activity in the area, although it is important to remember that some of this activity takes place across local authority boundaries.

Figure 5 Total expenditure of charitable organisations in the North East, 2007/08



Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

3.3 Redistribution of regional charitable activity

What these figures do not tell us is the extent to which the activities of national charities add to the activities of charities which are based in the study region. To explore this, it is possible to use the Inter-Departmental Business Register (IDBR) a government database of organisations throughout the UK. If a charity operates a regional office, the IDBR records the number of employees at that location as a "local unit". These local units can be used as a proxy to estimate where charities' activities take place throughout the UK. Results relate to the 2005/06 financial year.

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On the basis of these results, we estimate that £57 million of the expenditure of charities in the North East in that year was spent outside the region – this is the lowest outward flow of any English region, and it reflects the relative absence of large national organisations. Confidentiality restrictions apply to the use of the IDBR data and so we cannot identify specific organisations involved. However, Figure 6 shows the 10 largest charities (by income) based in the North East which operate at a national scale or internationally. In contrast, resources spent by charities whose headquarters are outside the North East represent an additional £390 million expenditure for the region. Taking this redistribution into account gives an estimate of total expenditure by charities in the region of £950 million, of which 40% is accounted for by charities based in other regions. Out of the nine English regions, only the East Midlands and the East of England have a higher proportion of their income from charities based elsewhere. These findings are consistent with evidence from our work on local listings of third sector organisations, in which projects being run by national charities within this region feature frequently.

Figure 6 Ten largest charities based in the North East which operate nationally, 2007/08

Charity name	Local authority	Income (£m)
The National Association of Citizens Advice Bureaux	Newcastle upon Tyne	46.1
Saint John of God Hospitaller Services	Darlington	16.8
National Energy Action	Newcastle upon Tyne	16.8
The TTE Technical Training Group	Redcar and Cleveland	10.1
NCFE	Newcastle upon Tyne	7.3
Mental Health Matters	Sunderland	7.2
International Centre for Life	Newcastle upon Tyne	5.7
The Traidcraft Foundation	Gateshead	3.3
The Traidcraft Exchange	Gateshead	3.3
Eothen Homes Limited	Newcastle upon Tyne	2.5

Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

Figure 7 shows where the charities which conduct charitable activities in the North East are based, and in which regions charities based in the North East operate. As might be expected, charities based in London dominate, accounting for one quarter of all expenditure in the region. Charities based in the neighbouring regions of the North West and Yorkshire and the Humber accounted for 6% of expenditure.

Compared to other regions in the UK, charities based in the North East are the least likely to operate in other regions or nationally, with only 9% of charitable expenditure spent outside the region – compared to an average of 25% in other regions (excluding London where the figures are skewed by a large proportion of national charities). Surprisingly, the biggest single area of expenditure outside the North East for charities based there was the rest of the world, with £12 million spent outside the UK in 2006/07. This is not unique to the North East: the rest of the world is also the biggest area of expenditure for three other English regions.

Figure 7 Expenditure of charities based in the North East and North East expenditure of all UK charities, by region and country, 2006/07 (£ millions)

Region or country	Regional expenditure of charities based in the North East	Expenditure in the North East of charities based in other regions
North East	*568.4*	
North West	4.9	37.0
Yorkshire and the Humber	9.5	19.2
East Midlands	0.8	14.6
West Midlands	8.3	15.0
East of England	0.0	16.6
London	9.5	228.7
South East	5.3	21.9
South West	0.0	28.0
England	**38.4**	**380.9**
Wales	**0.7**	**0.7**
Scotland	**5.0**	**4.7**[1]
Northern Ireland	**1.5**	**0.0**[1]
UK	**45.7**	**386.3**
Rest of the World	**11.7**	**0.0**[1]
Total	**57.4**	**386.3**

Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services, Office for National Statistics

1 Comprehensive figures for expenditure of charities based in Scotland, Northern Ireland and the rest of the world are not available.

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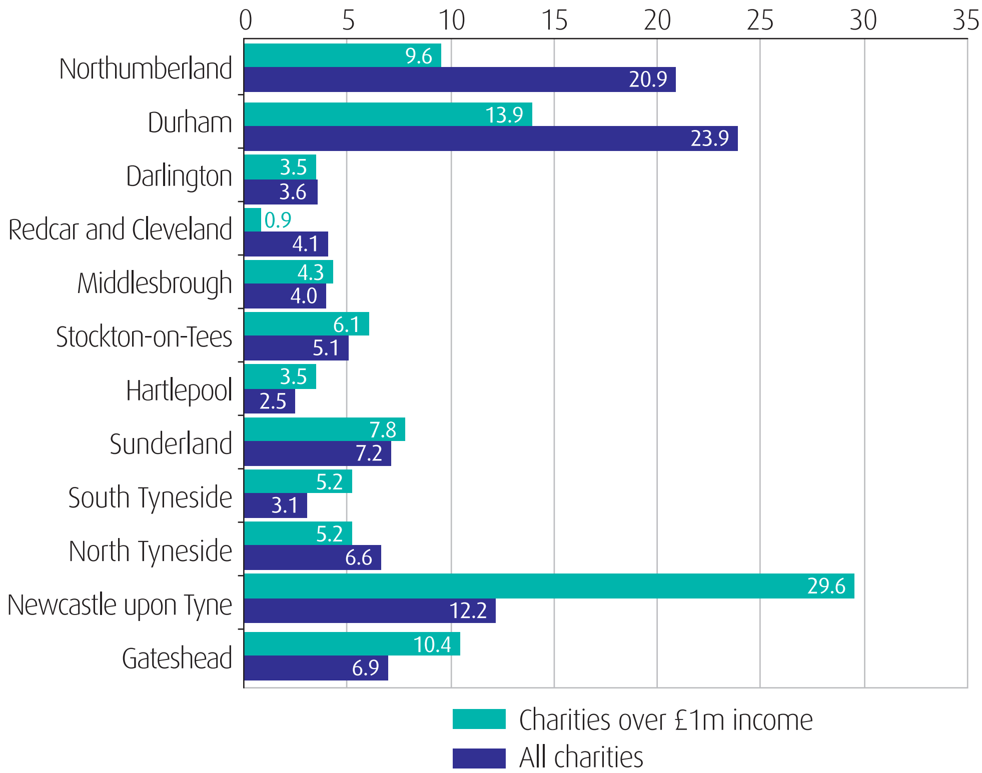
At first glance, the importance of international expenditure appears to contradict the finding above that there is a below-average number of international charities based in the region, but it is important to remember that this international expenditure is a very small proportion (0.6%) of total international expenditure of UK charities and is likely to be the result of one or two large international charities in the area – such as the Traidcraft Foundation, based in Gateshead.

3.4 Size of charities

Figure 8 Proportion of general charities by local authority, North East, 2007/08 (% of charities)



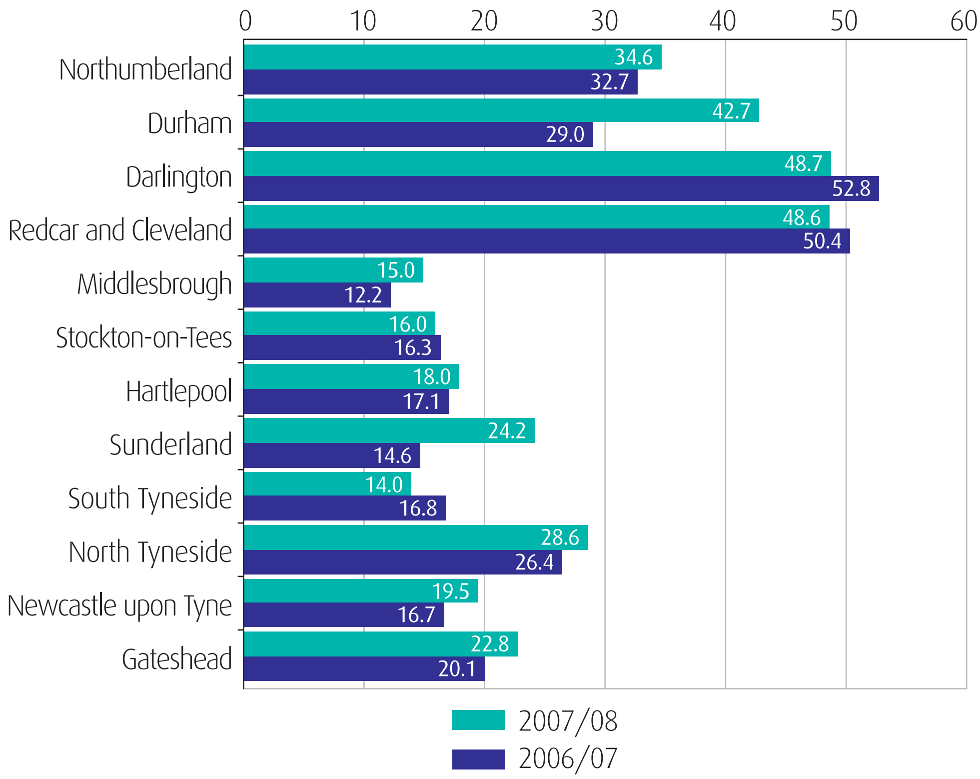
Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

The distribution of charities in the region follows a similar pattern to that seen across the UK, with a small number of very large charities being responsible for a large proportion of charitable expenditure in the area. Figure 8 shows the proportion of all organisations and organisations with incomes greater than £1 million in each local authority. This figure shows that large organisations are disproportionately based in major urban areas, particularly

Newcastle upon Tyne. Charities with incomes over £1 million are less likely to be located in the more rural counties of Northumberland and Durham.

However, this figure can hide areas where one charity accounts for a significant amount of the charitable activity in the area. Figure 9 shows the proportion of income accounted for by the largest charity in the area. Two areas stand out: Redcar and Cleveland, and Darlington. In these areas the large charity will significantly influence the income figures produced and so these should be treated with caution. Figure 10 gives, for each local authority, the expenditure of its largest charity, and Figure 11 presents the same information but restricted to general charities. From Figure 10 it can be seen that in seven of the of the 23 local authority areas, the largest charitable entity does not fall within the "general charities" category. As can be seen, in some rural districts the largest single charity may have relatively low expenditure. An implication for our knowledge of the sector is that it is important to take account of the size distribution of charities as well as aggregate levels of expenditure.

Figure 9 Proportion of income accounted for by largest charity, by local authority, North East, 2007/08 (% of income)



Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

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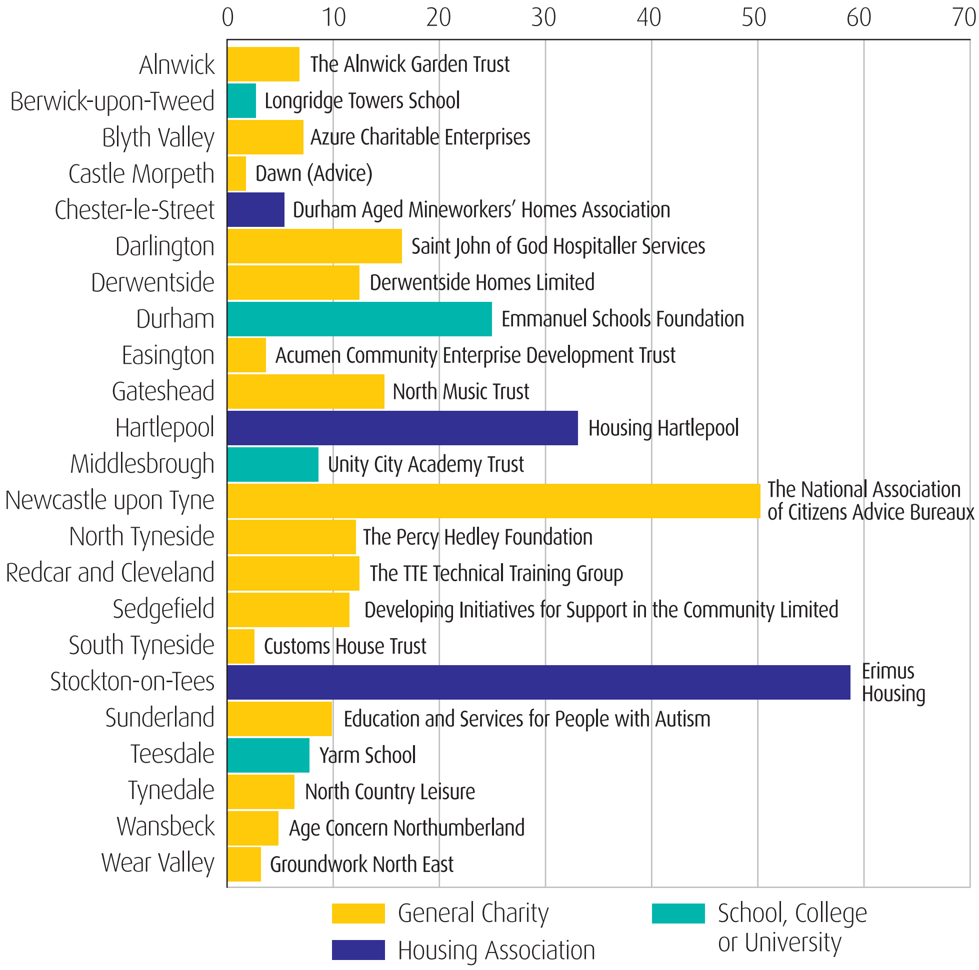
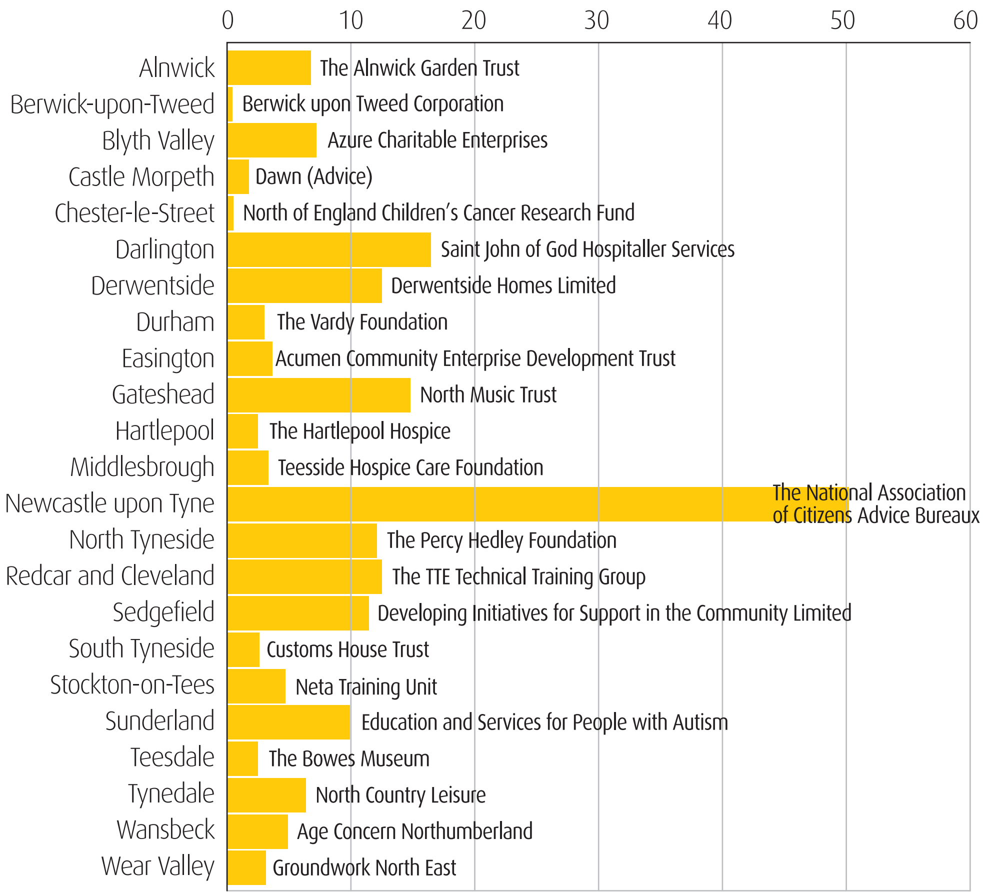
Figure 10 Expenditure of the largest charity in each local authority, 2007/08 (£ millions)



Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

Figure 11 Expenditure of the largest general charity in each local authority, 2007/08 (£ millions)



Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

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3.5 What do charities do? Classifying the activities of registered charities

The International Classification of Nonprofit Organisations (ICNPO) is designed for charities and other non-profit groups, and so is useful for comparisons between groups of organisations. The classification was designed as part of work improving the treatment of data on nonprofits within the United Nations System of National Accounts. It was chosen for use in this report due to its acceptance as an international system. The system was designed at the Centre for Civil Society at Johns Hopkins University.

The ICNPO is a system for classifying charities' main areas of activity, or economic "sector". Each organisation in the region has been placed into one sectoral category, meaning that decisions have had to be made for charities on the boundary. This means that while the aggregate statistics are useful summaries, using the classification to look in detail at individual organisations may not produce meaningful results. Classification is based on a number of fields which charities themselves complete when reporting to the Charity Commission, and on keyword searches.

Using the ICNPO classification system, we can examine the distribution of charitable resources by sector, within the North East. Figure 12 shows the number of organisations in each sector, and gives a brief description of what a typical organisation in this subsector would do. As is the case for the UK as a whole, organisations providing social services dominate charitable activity, both in terms of number of organisations and their income, accounting for one-fifth of the income of charities in the North East. Compared to the UK as a whole, there is some suggestion that the share of charities associated with development/regeneration, employment and training, and young people are over-represented in this region while there seem to be fewer grant-making trusts and international organisations.

Figure 12 General charities in the North East, 2006/07 and 2007/08, by sector

Industry	Number of organisations		Income (£m)	Example organisations
	2006/07	2007/08	2007/08	
Social services	902	930	160.4	Care services for the disabled, elderly, children, foundations providing income support, emergency and relief services.
Community development	684	712	44.4	Organisations providing economic, social and community development, for example community transport, community associations to parent-teacher associations.
Culture and recreation	649	658	90.3	Sports clubs, arts groups, museums, galleries, heritage, leisure facilities, rotary clubs.
Religion	338	333	29.8	Organisations with religious goals.
Parent teacher associations	292	297	2.3	Parent teacher associations.
Scout groups and youth clubs	244	250	8.8	Scout groups, girl guides, youth clubs.
Education	219	216	39.3	Educational foundations, school funds, educational charities.
Grant-making foundations	192	197	52.9	Private individual, family and corporate foundations.
Health	183	185	62.2	Hospital services, hospital league of friends, hospices and nursing homes, mental health support, air ambulance services.
Playgroups and nurseries	147	158	6.1	Nurseries, playgroups, early years centres, kindergartens, pre-school.
Environment	139	143	46.4	Recycling, sustainability, natural world protection, wildlife, veterinary services.

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Figure 12 ***(continued)***

Industry	Number of organisations 2006/07	Number of organisations 2007/08	Income (£m) 2007/08	Example organisations
Village halls	137	135	1.8	Village halls, memorial halls.
Law and advocacy	127	133	69.8	Advocacy, citizens advice, equality and diversity, credit and debt counselling, refugee and immigrant community support, prisoner rehabilitation, victim support, consumer safety and advocacy.
Housing	118	121	60.7	Housing trusts, organisations providing housing support.
International	83	89	11.8	Aid and services provided in overseas countries, including disaster and famine relief, development assistance.
Research	84	82	8.3	Foundations funding research, including medical research.
Employment and training	60	60	22.1	Training providers, re-employment, business partnerships.
Umbrella bodies	51	54	12.2	Infrastructure bodies providing support to civil society groups, including councils for voluntary service, volunteer bureaux, national infrastructure bodies.
Other	9	11	1.2	Includes financial services organisations registered as charities.

Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

3.6 Groups that work with Black and Minority Ethnic (BME) communities

Using another classification system, based on data collected by the Charity Commission, it is also possible to identify those organisations that work with particular beneficiary groups, including people of a particular ethnic or racial origin. Figure 13 shows the proportion of charities in each local authority which selected this option when asked to name their beneficiaries, alongside the proportion of the general population whose ethnicity was not white in the 2001 Census.

This is based on self-reporting by charities and therefore must be interpreted with some caution. While a charity may say that it serves a particular beneficiary group, all this may tell us in practice is that the charity is open to serving that group; it doesn't give us an estimate of how much of that charity's activities relate to a particular group in the population. It is therefore likely that, due to this reliance on self-reporting, these figures will overestimate the extent to which charities in the region relate to the BME population.

Across the North East, 9% of charities work with BME communities. There is some correlation between non-white population and BME charities; areas such as Newcastle upon Tyne and Middlesbrough have a large proportion of BME charities and a large non-white population. However, in some areas this is less clear; South Tyneside and Stockton-on-Tees had roughly the same proportion of non-white population but while 13% of charities in South Tyneside work with BME communities, only 6% of charities in Stockton do. While changes in ethnicity since the 2001 census may explain some of this variation, other historical, cultural and geographical factors will play a part in the proportions shown.

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Figure 13 Charities working with BME communities and non-white population in the North East, 2007/08, by local authority

Local authority	Charities with BME beneficiaries	Non-white population (2001 Census)
Gateshead	18.8%	1.6%
Newcastle upon Tyne	15.7%	6.9%
North Tyneside	8.3%	1.9%
South Tyneside	13.3%	2.7%
Sunderland	12.0%	1.9%
Hartlepool	3.5%	1.2%
Middlesbrough	8.1%	6.3%
Redcar and Cleveland	6.3%	1.1%
Stockton-on-Tees	6.4%	2.8%
Darlington	4.8%	2.1%
Durham	7.7%	1.0%
Northumberland	4.0%	0.9%
North East	**8.9%**	**4.5%**

Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

3.7 Data tables

Figure 14 Summary data for general charities in the North East, 2006/07, by local authority

	Income (£m)	Expenditure (£m)	Assets (£m)	Number of general charities	Population (000s)
Gateshead	**63.7**	**58.8**	**78.9**	**335**	**190.5**
Newcastle upon Tyne	**235.8**	**210.3**	**539.9**	**569**	**271.6**
North Tyneside	**43.8**	**40.7**	**46.6**	**299**	**196.0**
South Tyneside	**16.2**	**16.1**	**23.9**	**144**	**151.0**
Sunderland	**67.9**	**65.3**	**58.0**	**330**	**280.3**
Hartlepool	**13.0**	**12.8**	**12.2**	**118**	**91.4**
Stockton-on-Tees	**26.4**	**26.6**	**30.2**	**238**	**190.2**
Middlesbrough	**24.6**	**21.3**	**19.5**	**190**	**138.7**
Redcar and Cleveland	**20.4**	**20.1**	**13.6**	**189**	**139.4**
Darlington	**29.3**	**28.7**	**23.5**	**164**	**100.0**
Chester-le-Street[2]	7.8	7.5	6.5	107	53.2
Derwentside[2]	7.5	7.4	13.4	144	87.2
Durham City[2]	19.4	19.1	80.8	253	94.3
Easington[2]	13.3	12.6	9.6	125	94.7
Sedgefield[2]	18.8	18.1	11.6	184	87.6
Teesdale[2]	3.4	3.3	7.6	141	24.8
Wear Valley[2]	7.7	7.1	14.3	150	63.1
Durham	**77.9**	**75.1**	**143.8**	**1,104**	**504.9**
Alnwick[2]	11.5	11.6	32.6	155	32.3
Berwick-upon-Tweed[2]	5.9	5.7	14.1	135	26.0
Blyth Valley[2]	17.1	16.9	3.9	112	81.3
Castle Morpeth[2]	10.5	10.9	13.0	182	49.8
Tynedale[2]	25.3	22.9	37.8	306	59.5
Wansbeck[2]	11.1	9.4	36.8	88	61.7
Northumberland	**81.4**	**77.4**	**138.2**	**978**	**310.6**
The North East	**700.5**	**653.2**	**1,128.2**	**4,658**	**2,564.6**

Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

2 Former district or borough council areas included for reference, these areas were abolished by Local Government changes in April 2009.

3

Figure 15 Summary data for general charities in the North East, 2007/08, by local authority

	Income (£m)	Expenditure (£m)	Assets (£m)	Number of general charities	Population (000s)
Gateshead	**66.6**	**62.9**	**87.6**	**330**	**190.6**
Newcastle upon Tyne	**236.2**	**234.1**	**591.1**	**582**	**273.6**
North Tyneside	**45.7**	**44.0**	**59.3**	**316**	**197.3**
South Tyneside	**19.9**	**18.0**	**26.5**	**146**	**151.6**
Sunderland	**46.9**	**44.0**	**55.4**	**341**	**280.3**
Hartlepool	**13.1**	**11.2**	**14.6**	**119**	**91.7**
Stockton-on-Tees	**30.5**	**28.2**	**44.9**	**242**	**191.9**
Middlesbrough	**24.3**	**22.7**	**28.8**	**189**	**139.0**
Redcar and Cleveland	**20.8**	**22.0**	**13.8**	**193**	**139.5**
Darlington	**34.5**	**32.5**	**18.3**	**170**	**100.5**
Chester-le-Street[2]	4.1	3.5	8.5	111	53.0
Derwentside[2]	30.9	8.3	13.9	146	88.0
Durham City[2]	0.0	0.0	0.0	0	0.0
Easington[2]	13.2	12.1	11.5	128	95.4
Sedgefield[2]	24.4	22.8	18.5	196	87.3
Teesdale[2]	7.2	5.9	8.0	141	24.8
Wear Valley[2]	8.1	7.3	7.8	161	63.5
Durham	**108.4**	**79.9**	**158.5**	**1,139**	**508.4**
Alnwick[2]	12.3	12.1	31.1	154	32.4
Berwick-upon-Tweed[2]	5.9	4.9	15.6	134	25.9
Blyth Valley[2]	18.5	17.5	6.5	118	81.2
Castle Morpeth[2]	10.9	9.8	15.8	187	50.1
Tynedale[2]	25.4	23.3	44.5	310	59.5
Wansbeck[2]	11.0	5.5	47.9	93	61.8
Northumberland	**83.9**	**73.0**	**161.4**	**996**	**310.9**
The North East	**730.8**	**672.6**	**1,260.3**	**4,763**	**2,575.3**

Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

4 General Charities: Income

4.1 Where do resources come from? Sources and types of income

General charities generate income from a variety of sources by undertaking a range of activities. Understanding the relationship between these sources and activities can help clarify the dynamics of the voluntary sector economy.

Income is derived from a range of *sources*. The categories used throughout this chapter are:

- the general public (excluding payments from charitable foundations set up by individuals);
- statutory sources (government and its agencies in the UK, the National Lottery distributors, the European Union and overseas governments);
- the voluntary sector (such as trusts and grant-making foundations);
- the private sector (excluding payments from charitable foundations set up by businesses);
- internal (trading subsidiaries and the proceeds from investments).

Another way to categorise income is by *type*. These are primarily:

- **Voluntary income:** income freely given, usually as a grant or donation, for which little or no benefit is received by the donor;
- **Earned income from the sales of goods and services:** (although this may not be at market value), including the gross income of trading subsidiaries;
- **Internally generated income:** the proceeds generated from investments and cash balances.

A typology of income sources and types is displayed in Figure 16. Implementing this approach in the analysis of income is not without problems. In particular, the distinction between earned and voluntary income is open to interpretation. In addition to data supplied by GuideStar, we have conducted extensive additional work on Trustees' annual reports to capture more detailed information.

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Figure 16 Typology of income types and sources

Source of income	Type of income Earned income	Voluntary income	Investment returns
General public	Fees for services provided; Fees for goods; Membership subscriptions with significant benefits	Individual donations (gross, including Gift Aid reclaimed); Covenants; Legacies; Membership subscriptions without significant benefits	
Statutory sources	Public sector fees; Payments for contracted services	Funding grants; Grants to charitable intermediaries	
Voluntary sector	Services provided under contract	Grants from charitable trusts; Grants distributed by charitable intermediaries	
Private sector	Sponsorship; Research or consultancy; Patent royalties	Corporate grants and gifts	
Internally generated	Gross turnover of trading subsidiaries		Dividends; Interest payments; Rent from investment property

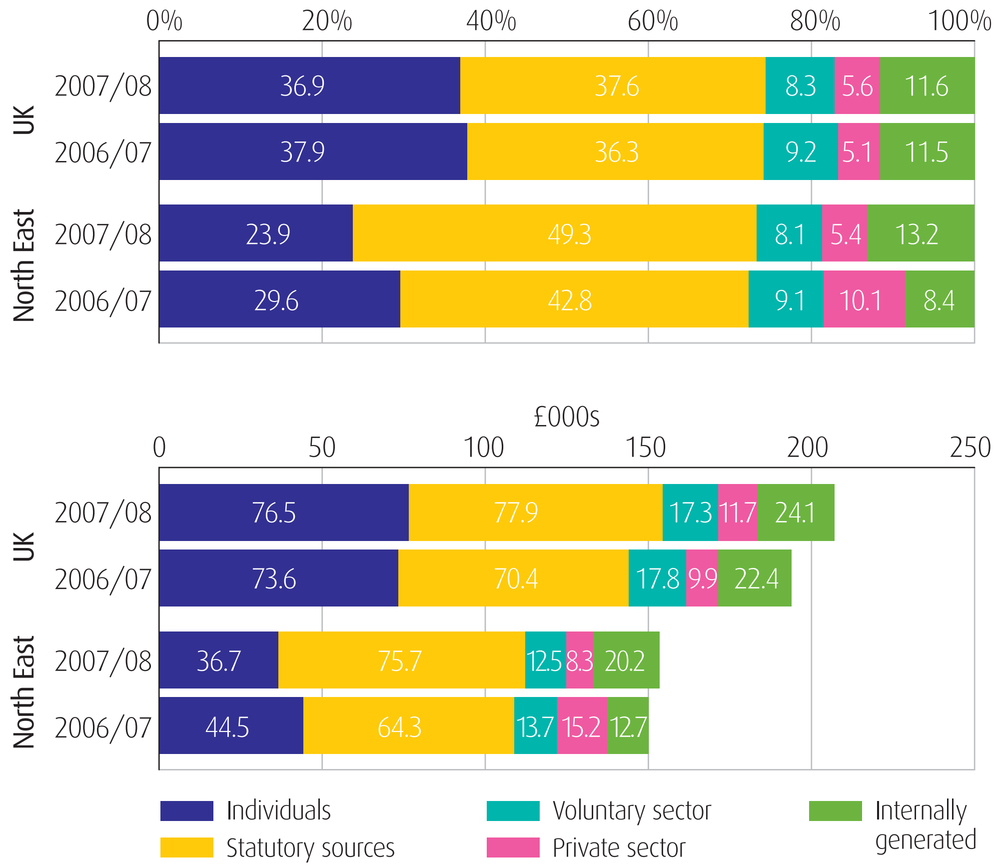
4.2 Sources of income

Figure 17 compares the sources of income for charities in the North East and the UK. The most striking difference between the two is the greater proportion of income from statutory sources for charities in the North East. In the North East, 49% of the income of charities is from statutory sources, compared to 38% for the UK.

This is partly attributable to the presence of registered offices of a small number of large charities (e.g. Citizens Advice) in receipt of large amounts of public money. This can affect aggregate proportions. However, the graph also shows that the amounts received from individuals are also lower in the North East, compared to the UK as a whole. This does not mean that individuals in the North East are less likely to give to charity, but instead that giving from individuals is to a large extent directed at large national charities, for example those which support medical research, most of which are based outside the North East.

The lower extent of internally generated funds (investment assets and trading subsidiaries) reflects the smaller asset base of organisations in this region which means less income is generated through investment funds.

Figure 17 Average income by source for general charities in the North East and the UK, 2006/07 and 2007/08 (% and £000s)



Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

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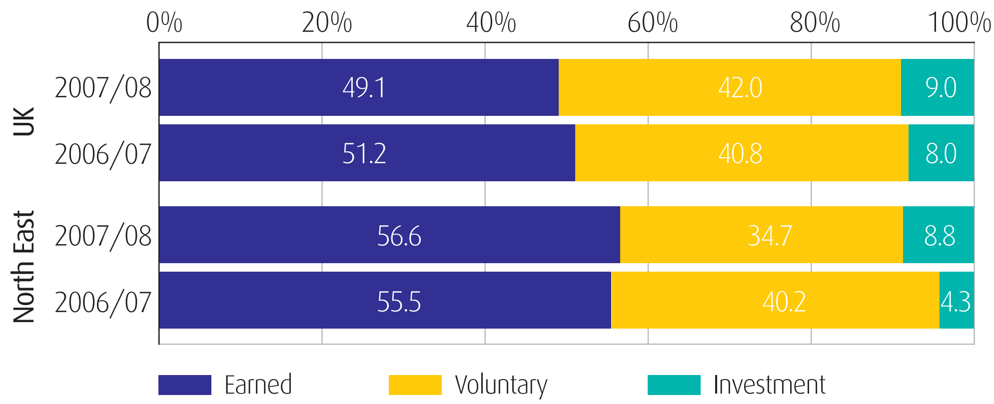
4.3 Type of income

The pattern of types of income for the North East is shown in Figure 18. Earned income (income earned from contracts and fees for services) is more important to charities in the North East than for the UK as a whole. The contribution of voluntary income (comprising income that is donated or given as grants from the voluntary sector, private sector, national lottery or statutory sources) is broadly comparable to the UK as a whole, albeit with a reduction in 2007/08. The importance of statutory funding to charities in the region means that the ratio of voluntary to earned income is greatly influenced by whether statutory income is in the form of grants or contracts – this is explored in more detail in section 4.4 below.

Investment income is roughly as important to charities in the North East as to the UK as a whole, although as section 6 demonstrates investment assets are concentrated in a small number of charities.

Figure 18 Income types for general charities in the North East, 2006/07 and 2007/08 (%)



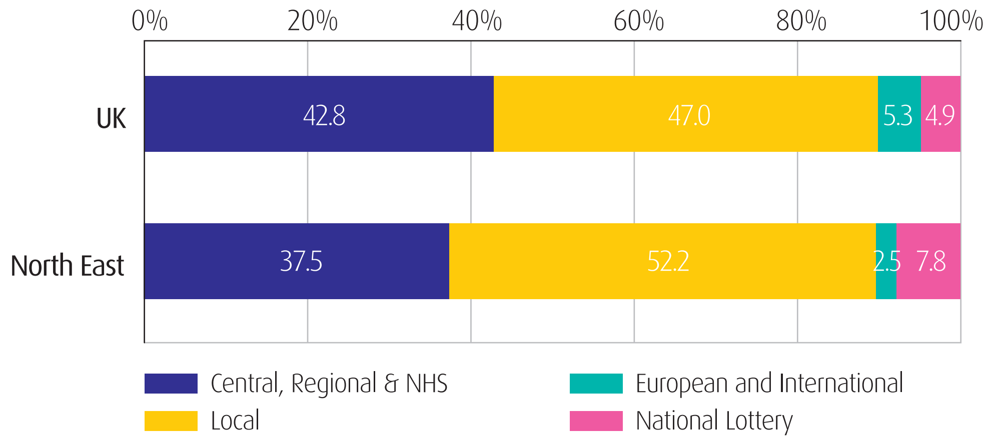
Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

4.4 Income from government

We estimate that charities in the region received £361 million from statutory sources in 2007/08, accounting for 2.7% of the statutory income of all UK charities. Information on this breakdown of statutory funding is only available for the previous year 2006/07, when income from statutory sources was £300 million.

While statutory income is a more important part of the funding mix to charities in the North East than for the UK as a whole, the analysis suggests this may be due to difficulties in securing other sources of income rather than larger amounts of statutory sources. Charities in the North East account for only 1.7% of total government expenditure attributed to the region[3]; while across the UK as a whole statutory spending on charities accounts for 2.3% of government expenditure.

Figure 19 Source of statutory income, North East, 2006/07 (% of statutory income)



Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

We can see that funding from local government is more important to organisations in the region than central government, and on average more important than for UK charities. This may reflect a tendency for contracts and grants from central government to be larger and thus more likely to be awarded to large national charities. While income from central government makes up a smaller proportion than local government, with 37% of statutory income coming from this source, the UK Civil Society Almanac[4] has shown

3 Public Expenditure Statistical Analysis (2008) HM Treasury.
4 NCVO (2009) UK Civil Society Almanac 2009, www.ncvo-vol.org.uk/almanac

4

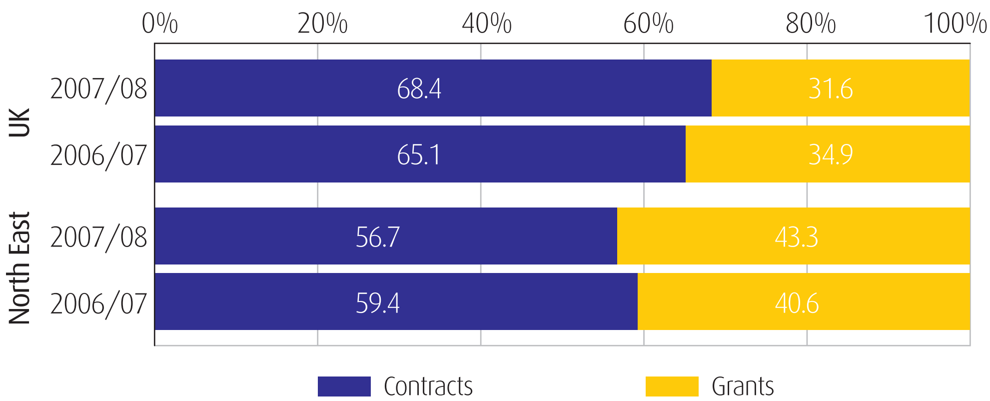
that for the UK as a whole over the past three years central government funding has been increasing at a faster rate than local government.

European and international funding is, perhaps surprisingly, less prevalent than for UK charities. About three-quarters of this funding is from the EU itself (£5.7 million) – which seems low given the presence of many European Structural Fund Objective Two areas. Two explanations for this unexpectedly low figure present themselves. Firstly, the first round of ESF came to an end in 2006, so would not have been included in most of the accounts analysed in this financial year. Secondly, as ESF funding is often provided by national, regional or local government bodies and sometimes match-funded by them, it can be difficult to pinpoint the ESF as a source of income within the charities' accounts.

The National Lottery makes up a larger proportion of income for charities in the North East than for the UK as a whole[5]. National Lottery funding is weighted towards areas of greater deprivation, targeting many local authorities within the study area.

While government funding is more prevalent in the region, this funding is more likely to arrive in the form of grants than contracts. Nationally, 68% of income from statutory sources is in the form of contracts, but for charities in the North East that figure is 57%. Figure 20 shows the split of income from statutory sources into contracts and grants.

Figure 20 Type of statutory income, North East, 2006/07 and 2007/08 (% of statutory income)



Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

5 Historically, in the NCVO's Almanac series, income from the National Lottery has been treated as statutory income. It might be more properly thought of as a separate income source by itself.

4.5 Data table

Figure 21 Income of general charities in the North East, 2006/07 and 2007/08 (£ millions)

	North East 2006/07	North East 2007/08	UK 2006/07	UK 2007/08
Individuals	62.5	39.6	5,365.4	5,788.2
Statutory sources (including NLDs[6])	121.7	156.1	4,195.0	4,207.6
Voluntary sector	29.5	24.5	1,582.5	1,704.6
Private sector	48.1	27.2	662.8	1,197.6
Total voluntary income	**261.8**	**247.3**	**11,805.8**	**12,898.1**
Legacies	**19.7**	**6.0**	**1,744.6**	**2,001.5**
Individuals	125.2	129.3	5,474.2	5,295.4
Statutory sources	177.9	204.5	7,832.7	9,123.8
Voluntary sector	34.2	35.0	1,456.9	1,258.0
Private sector	22.7	12.5	1,031.8	804.9
Earned income	**360.0**	**381.3**	**15,795.6**	**16,482.0**
Investment income	**30.3**	**64.1**	**2,639.6**	**3,184.7**
Trading subsidiary	**28.8**	**32.2**	**1,186.9**	**931.7**
Total income	**700.5**	**730.8**	**33,172.5**	**35,498.0**

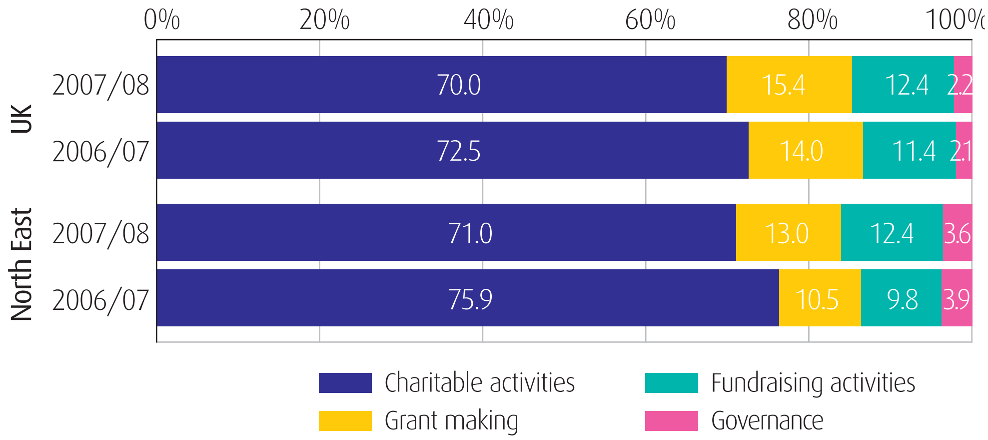
Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

6 National Lottery Distributors

5 General Charities: Expenditure

Charities based in the North East spent £673 million in 2007/08, 2.0% of the expenditure of charities in the UK. This expenditure can be split into three categories: charitable expenditure (funds spent on pursuing the charities' objects either through direct activities or through making grants); the cost of generating funds; and governance costs.

Figure 22 Type of expenditure for general charities in the North East, 2006/07 and 2007/08 (% of expenditure)



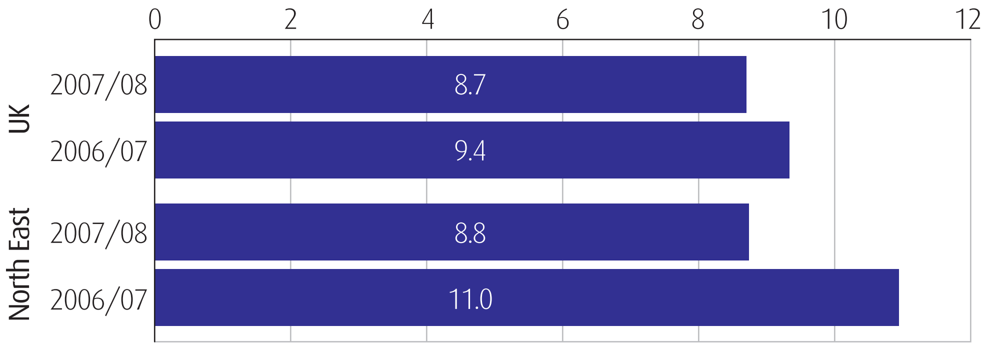
Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

On average, 85% of expenditure of charities in the UK goes on pursuing charitable objects, including 15% on grants. Charities in the North East spend 84% on pursing charitable objects, including 13% of grants. As large foundations are more likely to be based elsewhere in the UK, grant-making is smaller in the study region and is concentrated in a few large grant-makers such as the Northern Rock Foundation and local Community Foundations.

Figure 22 shows the breakdown of types of expenditure for general charities in the North East. Expenditure on fundraising costs is slightly lower than the national average, with governance costs a higher proportion. The fundraising cost could reflect the smaller average size of charities in the region; these smaller charities are less likely to mount large campaigns to attract donors. Higher governance costs also reflect this smaller average size; the costs of governance (including preparing and auditing accounts, arranging trustee meetings) are largely fixed and so account for a larger proportion of expenditure in smaller organisations.

The fundraising cost ratio can be used to examine the efficiency of fundraising, and calculates the income generated for every pound spent on fundraising. Across the UK, every one pound spent on fundraising is equivalent to nine pounds in income; Figure 23 shows that for an average charity in the North East the figure is roughly the same.

Figure 23 Average fundraising cost ratio of general charities in the North East, 2006/07 and 2007/08 (£)



Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

5.1 Data table

Figure 24 Expenditure of general charities in the North East, 2006/07 and 2007/08 (£ millions)

	North East		UK	
	2006/07	2007/08	2006/07	2007/08
Fundraising and publicity costs	23.5	36.7	2,225.0	2,573.7
Trading subsidiary costs	36.3	34.4	908.6	1,039.9
Investment management costs	4.1	12.3	411.8	459.1
Cost of generating funds	**64.0**	**83.4**	**3,545.4**	**4,072.7**
Grants	**68.3**	**87.6**	**4,375.0**	**5,043.3**
Charitable activities	**495.7**	**477.5**	**22,622.6**	**22,995.2**
Governance	**25.3**	**24.1**	**650.9**	**734.9**
Total expenditure	**653.2**	**672.6**	**31,193.9**	**32,846.1**

Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

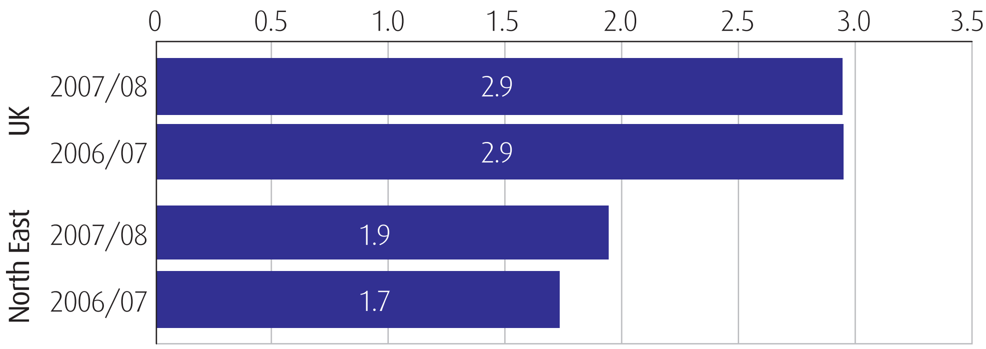
6 General Charities: Assets

Nearly all voluntary organisations hold some type of assets in the form of buildings, office equipment, investments or cash at the bank. For some organisations, investment assets (such as shareholdings) are a valuable source of income, while for others, the main asset may be the building from which they operate. The preservation of the charity's main asset may be the reason it exists. Ideally, a proportion of assets will be 'free' reserves: assets that can be readily converted to cash if needed.

An organisation's assets are usually offset to some degree by its liabilities, such as outstanding loans. In addition, organisations may make provisions on the balance sheet for expected future costs (events that occur 'post balance sheet' such as pension commitments). If short-term and long-term liabilities are subtracted from total assets, the remainder equates to an organisation's total funds. Funds are an estimate of an organisation's net worth, effectively the amount available to future beneficiaries.

In 2007/08 charities based in the North East had net assets of £1.3 billion, 1.3% of the total for all charities in the UK. If the national picture shown in the Almanac holds true for this region, these assets are concentrated in a small proportion of charities in the area. One way of looking at the assets of charities is to compare with their expenditure, producing a figure which expresses assets in terms of the years of expenditure they represent. Nationally, charities have an average of 2.9 years worth of expenditure in assets; for the North East the equivalent figure is 1.9. Figure 25 shows the assets of charities within the North East, expressed in terms of years of expenditure.

Figure 25 Net assets held by general charities in the North East, 2006/07 and 2007/08 (years of expenditure)

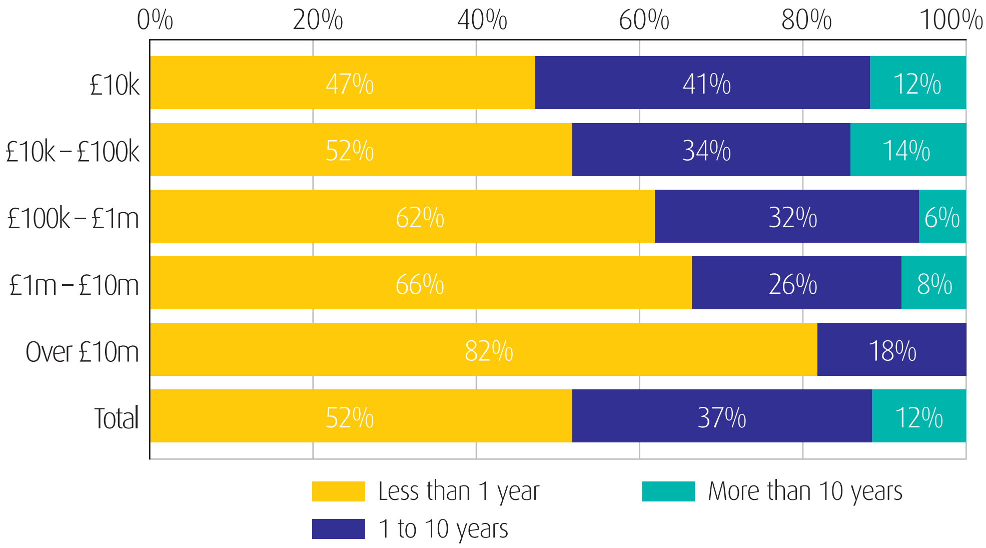


Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

In a recession, the falling value of investments could be a particular concern for charities with significant assets. UK figures from the UK Civil Society Almanac 2009 demonstrate that the large rise in asset values over the last few years (growth of 26% since 2003/04) has been due to a rise in the value and amount of investment assets held. Income generated from these assets, of which charities in the North East hold £614 million, is vulnerable to the falling value of investments in the wider economy. In 2007/08 general charities generated £64 million from these assets.

However, this picture masks the unequal distribution of assets throughout charities in the North East; as Figure 26 shows, over half (52%) of general charities in the North East hold less than one year's expenditure as assets, while around 500 organisations hold more than 10 years' expenditure as assets. In the UK as a whole, 43% of general charities hold less than one year's expenditure. However, this distribution differs by size, with larger organisations – perhaps counter-intuitively – appearing to be less likely to hold significant reserves. This may indicate that at least some of these organisations have grown without building up reserves.

Figure 26 Funds held as years of expenditure, North East, 2007/08 (% of general charities)



Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

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6.1 Data table

Figure 27 Assets of general charities in the North East, 2006/07 (£ millions)

	North East 2006/07	North East 2007/08	UK 2006/07	UK 2007/08
Intangible fixed assets	0.4	0.2	26.3	18.6
Tangible fixed assets	431.6	433.0	20,076.5	21,121.9
Investments	505.8	614.3	65,557.7	68,826.7
Fixed assets	**937.7**	**1,047.5**	**85,660.6**	**89,967.3**
Current assets	387.1	397.9	18,587.3	21,747.7
Creditors due within one year	126.1	124.8	6,812.3	7,195.8
Net current assets	**261.0**	**273.1**	**11,775.0**	**14,551.9**
Total assets less current liabilities	**1,198.7**	**1,320.6**	**97,435.6**	**104,519.1**
Creditors due after one year	**68.7**	**57.8**	**5,881.8**	**7,679.6**
Provisions	**1.9**	**2.5**	**254.6**	**209.0**
Net total assets	**1,128.2**	**1,260.3**	**91,299.2**	**96,630.6**

Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

7 Other third sector organisations

In addition to general charities, a number of other organisations are part of the registered third sector landscape in the North East. We have used a definition of the third sector which, as far as possible, is intended to match the one used by the National Survey of Third Sector Organisations (NSTSO), run by the Office of the Third Sector in 2008. The NSTSO defined the third sector as organisations that are:

- non-governmental,
- value-driven,
- principally reinvest any financial surpluses to further social, environmental or cultural objectives.[7]

Not all organisations in each legal form meet the third sector definition; criteria are applied to these organisations to determine which would meet the third sector definition. For example, many Companies Limited by Guarantee (CLGs) would be regarded as providing largely private benefits (an example being property management companies – entities organised for the purpose of providing maintenance services in leasehold blocks of flats) and so we have excluded such organisations wherever it has been possible to identify them.

There are many factors which decide the most appropriate form for a third sector organisation to take, including the aim of the organisation, historical context, the regulatory regime and what activities the organisation plans to undertake. In some cases, it is appropriate for organisations to be dual-registered using two forms, and in certain circumstances organisations may change their form.

The organisations which meet the third sector definition and are included in this report are:

- **Companies Limited by Guarantee (CLG):** a legal form for organisations which allows them to take on liabilities and employ staff without board members becoming personally liable. Charities would commonly use this form if they need to employ staff or undertake activities through a contract (for example, when providing services for local authorities). Many large charities are registered as a CLG (as a rule, charitable companies are

7 National Survey of Third Sector Organisations (2008) www.nstso.com/faqs/#a2

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larger than other charities and employ large numbers of people) but there are also a large number of non-charitable organisations which choose this form of registration.

- **Industrial and Provident Society (IPS):** a legal form which is specifically designed for mutual organisations, many of which can be considered part of the third sector. Examples of organisations that take this form include working men's clubs, credit unions, friendly societies, agricultural co-operatives and building societies.
- **Community Interest Company (CIC):** a recent legal form designed to ease the formation of "social enterprises". Its short existence means that concrete information on CICs is difficult to find, and it appears that some CICs are subsidiaries of other organisations (such as charities).
- **Housing Associations:** Registered Social Landlords can take many legal forms, including charity, CLG and IPS. As these organisations make up a large part of the landscape of the sector, figures for these have been produced separately.
- **Faith Groups:** these are the largest group of registered charities excluded from the general charities definition (see above), and includes registered charities that have purely religious aims, such as churches, mosques and diocesan finance boards.

Data on these organisations is provided by GuideStar Data Services, from records held by Companies House, the Financial Services Authority and the Charity Commission. IPSs and CLGs cover a large range of organisations but records are less comprehensive than those available for registered charities. We have, therefore, devoted much attention to classifying them using keywords and SIC codes. Lists of CICs and Registered Social Landlords are available from the CIC regulator and the Tenants Services Authority.

7.1 Population and finances

Using the data sources above, it is possible to produce estimates of the turnover, expenditure and assets for the range of third sector organisations. Unlike charities, the population lists do not show basic financial variables for all organisations, so our estimates are based solely on a sample of organisations, without attempting to extrapolate to a population. Whilst this sample is likely to include the largest organisations in each form and therefore includes the bulk of financial activity, it is likely to underestimate the financial weight of each sector. More data was available for companies limited by guarantee than for CICs or IPSs, so estimates for the latter should be treated with caution.

Figure 28 Summary of third sector organisations in the North East, 2007/08

	Population	Sample	Income (£m)[8]	Expenditure (£m)[8]	Net Assets (£m)[8]
Housing association	71	22	549.6	588.0	1,071.2
Company limited by guarantee (third sector)	693	286	145.1	135.7	39.5
Community interest company	163	31	1.3	1.5	1.0
Industrial and provident society (third sector)	652	39	31.1	32.0	9.0
Faith groups	282	–	85.7	74.8	315.7
Total	**1,861**	**378**	**812.8**	**832.0**	**1,436.3**
General charities	*4,763*	–	*730.8*	*672.6*	*1,260.3*
Total third sector	**6,624**	**–**	**1,543.6**	**1,504.6**	**2,696.6**
CLGs (not third sector)	*581*	*253*	*302.1*	*294.8*	*111.2*
IPSs (not third sector)	*46*	*3*	*38.4*	*38.3*	*4.8*
Registered charities (not third sector)	*138*	–	*260.4*	*248.1*	*541.2*

Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

8 For all third sector organisations (except faith groups and general charities) income, expenditure and assets represent only organisations in the sample. As the largest organisations are likely to be within the sample, it is not possible to extrapolate income and expenditure of sample organisations to the population. As such, these results are likely to underestimate the actual finances of these organisations.

The figure shows that housing associations dominate the landscape, accounting for 68% of the income of non-charitable third sector organisations, and 75% of assets (primarily housing stock). As with charities, the distribution of resources is skewed towards a few large organisations. Five organisations are responsible for 63% of the income of non-charitable third sector organisations. Four of these organisations are housing associations.

Unlike other types of organisation, the accounts of housing associations show that they operate at a considerable deficit. In this year they spent £38.4 million more than they earned. The accounts of the Gentoo Group[9], the largest Housing Association in the area, show that their deficit is run as part of a business plan to modernise and improve their housing stock.

7.2 Activities

In addition to housing associations, other important activities carried out by other third sector organisations include community development, artistic and creative activities, employment and training providers, and heritage and tourism facilities. These activities provide benefit not just for members of the organisations themselves, but also for the communities they are active in.

Figure 29 shows the number of third sector organisations by activity, using the International Classification of Non-profit Organisations (ICNPO). Some activities do not fit neatly into the ICNPO categories, particularly where an organisation operates a retail or wholesale business with social aims; these organisations operate at the blurred boundary between the private and third sectors. As housing associations are either registered as CLGs or IPSs they are included in the appropriate column under "Housing".

Industrial and provident societies are heavily concentrated in the "culture and recreation" subsector. Many of these organisations are clubs and societies of various kinds – either working men's clubs, Labour or Conservative clubs or other social clubs, but cooperatives and credit unions also frequently use this legal form, as do a number of community organisations.

9 http://www.gentoogroup.com/?Section=141&Track=/549/141/&resizer=0

Figure 29 Classification of third sector organisations in the North East, 2007/08 (number of organisations)

	CIC	CLG	IPS	Faith	Total	Charities
Culture and recreation	41	194	541	0	776	658
Religion	0	6	0	282	288	333
Development	9	95	58	0	162	712
Housing	0	46	63	0	109	121
Social services	10	59	8	0	77	930
Environment	11	39	16	0	66	143
Employment and training	8	38	3	0	49	60
Playgroups and nurseries	3	39	2	0	44	158
Education	1	35	1	0	37	216
Law and advocacy	4	18	2	0	24	133
Health	10	12	1	0	23	185
Research	0	12	0	0	12	82
Umbrella bodies	2	4	0	0	6	54
Grant-making foundations	0	1	0	0	1	197
International	0	1	0	0	1	89
Other	0	0	0	0	0	692
No ICNPO classification	*13*	*50*	*12*	*0*	*75*	–
Not classified	*51*	*60*	*0*	*0*	*111*	–
Total	**163**	**709**	**707**	**282**	**1,861**	**4,763**

Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

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7.3 Financial history

The data coverage for companies limited by guarantee allows a comparison of the finances of a panel of 158 organisations (including eight housing associations) across five financial years. These organisations make up 77% of the financial weight of other third sector organisations in 2007/08, so provide a good guide to the fortunes of these organisations.

Figure 30 shows the income, expenditure and assets of these 158 organisations from 2003/04 to 2007/08. As explained above, the finances of housing associations over this period mean that the expenditure of these organisations is higher than their income. The overall pattern from 2003/04 to 2007/08 is one of growth in income, expenditure and assets for these organisations, although this may not reflect the fortunes of individual organisations.

Figure 30 Financial history for a panel of companies limited by guarantee in the North East, 2003/04 to 2007/08 (£ millions, not adjusted for inflation)

Year	Housing associations			Third sector		
	Net assets	Income	Expenditure	Net assets	Income	Expenditure
2003/04	363.9	180.7	228.8	16.6	43.6	44.1
2004/05	442.2	178.5	228.1	19.6	55.4	52.2
2005/06	499.7	167.8	256.4	18.2	49.7	49.5
2006/07	537.0	177.2	221.6	19.3	55.2	54.3
2007/08	590.9	194.2	243.1	20.0	58.4	56.4

Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

7.4 Data tables

Figure 31 Number of third sector organisations in the North East, 2007/08

	General charities	Housing associations	Companies limited by guarantee	Industrial and provident societies	Community interest companies	Faith groups	**Total third sector**	*Population (000s)*
Gateshead	330	3	32	55	13	21	**454**	*190.6*
Newcastle upon Tyne	582	17	161	67	33	37	**897**	*273.6*
North Tyneside	316	4	40	49	17	23	**449**	*197.3*
South Tyneside	146	1	23	31	13	7	**221**	*151.6*
Sunderland	341	11	67	61	31	31	**542**	*280.3*
Hartlepool	119	1	21	18	10	4	**173**	*91.7*
Stockton-on-Tees	242	5	43	35	7	19	**351**	*191.9*
Middlesbrough	189	5	19	40	8	11	**272**	*139.0*
Redcar and Cleveland	193	2	21	28	1	10	**255**	*139.5*
Darlington	170	4	30	20	2	9	**235**	*100.5*
Chester-le-Street	111	0	8	13	2	6	**140**	*53.0*
Derwentside	146	0	17	40	4	10	**217**	*88.0*
Durham City	256	3	29	26	2	17	**333**	*96.4*
Easington	128	1	20	28	1	7	**185**	*95.4*
Sedgefield	196	0	27	24	0	13	**260**	*87.3*
Teesdale	141	1	16	8	0	7	**173**	*24.8*
Wear Valley	161	1	20	20	2	7	**211**	*63.5*
Durham	**1,139**	**6**	**137**	**159**	**11**	**67**	**1,519**	***508.4***
Alnwick	154	1	16	11	2	6	**190**	*32.4*
Berwick-upon-Tweed	134	2	14	3	2	5	**160**	*25.9*
Blyth Valley	118	2	11	22	2	4	**159**	*81.2*
Castle Morpeth	187	1	15	12	6	8	**229**	*50.1*
Tynedale	310	2	26	15	4	17	**374**	*59.5*
Wansbeck	93	4	17	26	1	3	**144**	*61.8*
Northumberland	**996**	**12**	**99**	**89**	**17**	**43**	**1,256**	***310.9***
North East	**4,763**	**71**	**693**	**652**	**163**	**282**	**6,624**	***2,575.3***

Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

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Figure 32 Third sector organisations per 1,000 population in the North East, 2007/08

	General charities	Housing associations	Companies limited by guarantee	Industrial and provident societies	Community interest companies	Faith groups	**Total third sector**	*General charities as % of third sector*
Gateshead	1.73	0.02	0.17	0.29	0.07	0.11	**2.38**	*73%*
Newcastle upon Tyne	2.13	0.06	0.59	0.24	0.12	0.14	**3.28**	*65%*
North Tyneside	1.60	0.02	0.20	0.25	0.09	0.12	**2.28**	*70%*
South Tyneside	0.96	0.01	0.15	0.20	0.09	0.05	**1.46**	*66%*
Sunderland	1.22	0.04	0.24	0.22	0.11	0.11	**1.93**	*63%*
Hartlepool	1.30	0.01	0.23	0.20	0.11	0.04	**1.89**	*69%*
Stockton-on-Tees	1.26	0.03	0.22	0.18	0.04	0.10	**1.83**	*69%*
Middlesbrough	1.36	0.04	0.14	0.29	0.06	0.08	**1.96**	*69%*
Redcar and Cleveland	1.38	0.01	0.15	0.20	0.01	0.07	**1.83**	*76%*
Darlington	1.69	0.04	0.30	0.20	0.02	0.09	**2.34**	*72%*
Chester-le-Street	2.09	0.00	0.15	0.25	0.04	0.11	**2.64**	*79%*
Derwentside	1.66	0.00	0.19	0.45	0.05	0.11	**2.47**	*67%*
Durham City	2.66	0.03	0.30	0.27	0.02	0.18	**3.45**	*77%*
Easington	1.34	0.01	0.21	0.29	0.01	0.07	**1.94**	*69%*
Sedgefield	2.25	0.00	0.31	0.27	0.00	0.15	**2.98**	*75%*
Teesdale	5.69	0.04	0.65	0.32	0.00	0.28	**6.98**	*82%*
Wear Valley	2.54	0.02	0.31	0.31	0.03	0.11	**3.32**	*76%*
Durham	**2.24**	**0.01**	**0.27**	**0.31**	**0.02**	**0.13**	**2.99**	***75%***
Alnwick	4.75	0.03	0.49	0.34	0.06	0.19	**5.86**	*81%*
Berwick-upon-Tweed	5.17	0.08	0.54	0.12	0.08	0.19	**6.18**	*84%*
Blyth Valley	1.45	0.02	0.14	0.27	0.02	0.05	**1.96**	*74%*
Castle Morpeth	3.73	0.02	0.30	0.24	0.12	0.16	**4.57**	*82%*
Tynedale	5.21	0.03	0.44	0.25	0.07	0.29	**6.29**	*83%*
Wansbeck	1.50	0.06	0.28	0.42	0.02	0.05	**2.33**	*65%*
Northumberland	**3.20**	**0.04**	**0.32**	**0.29**	**0.05**	**0.14**	**4.04**	***79%***
North East	**1.85**	**0.03**	**0.27**	**0.25**	**0.06**	**0.11**	**2.57**	***72%***

Source: NCVO, Southampton University, Northern Rock Foundation, GuideStar Data Services

8 Conclusions

We see this report as a comprehensive regional statistical portrait of the third sector, in which we have provided a substantial volume of information in what we hope is an accessible format. In addition, we have also sought to put findings for the region in context by comparing with national data wherever possible. The overall picture is of a sector which shares some characteristics with that of the charitable sector of the UK as a whole, but which nevertheless is different in important respects: the region's share of charitable resources appears to be lower than its share of population, for example, while there are relatively few large charitable organisations based in the region, though we do point out that there are large flows of resources into the North East from charities based elsewhere. In many ways, though, we prefer to let the information presented here speak for itself.

There are several themes and questions not addressed by this statistical overview. Further analyses from this project will go into more detail about:

- the scale and characteristics of the workforce and volunteers in this region, drawing together information from a number of data sources
- a fuller analysis of our survey of "below-radar" organisations plus work on the classification of the below-radar population
- dynamics in the sector – how has the level of resources in the sector grown over time, which organisations have grown most rapidly, and what is the pattern of the establishment and registration of new organisations?
- relationships between the distribution of third sector organisations and social need – for example, we have presented a regional-level analysis with some statistics for individual local authorities, but what does the pattern of resources and activity look like if we analyse it in different ways and at different scales?

northern rock foundation

The Old Chapel, Woodbine Road
Gosforth, Newcastle upon Tyne NE3 1DD

Tel: 0191 284 8412
Fax: 0191 284 8413
Minicom: 0191 284 5411
Email: generaloffice@nr-foundation.org.uk
Website: www.nr-foundation.org.uk

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