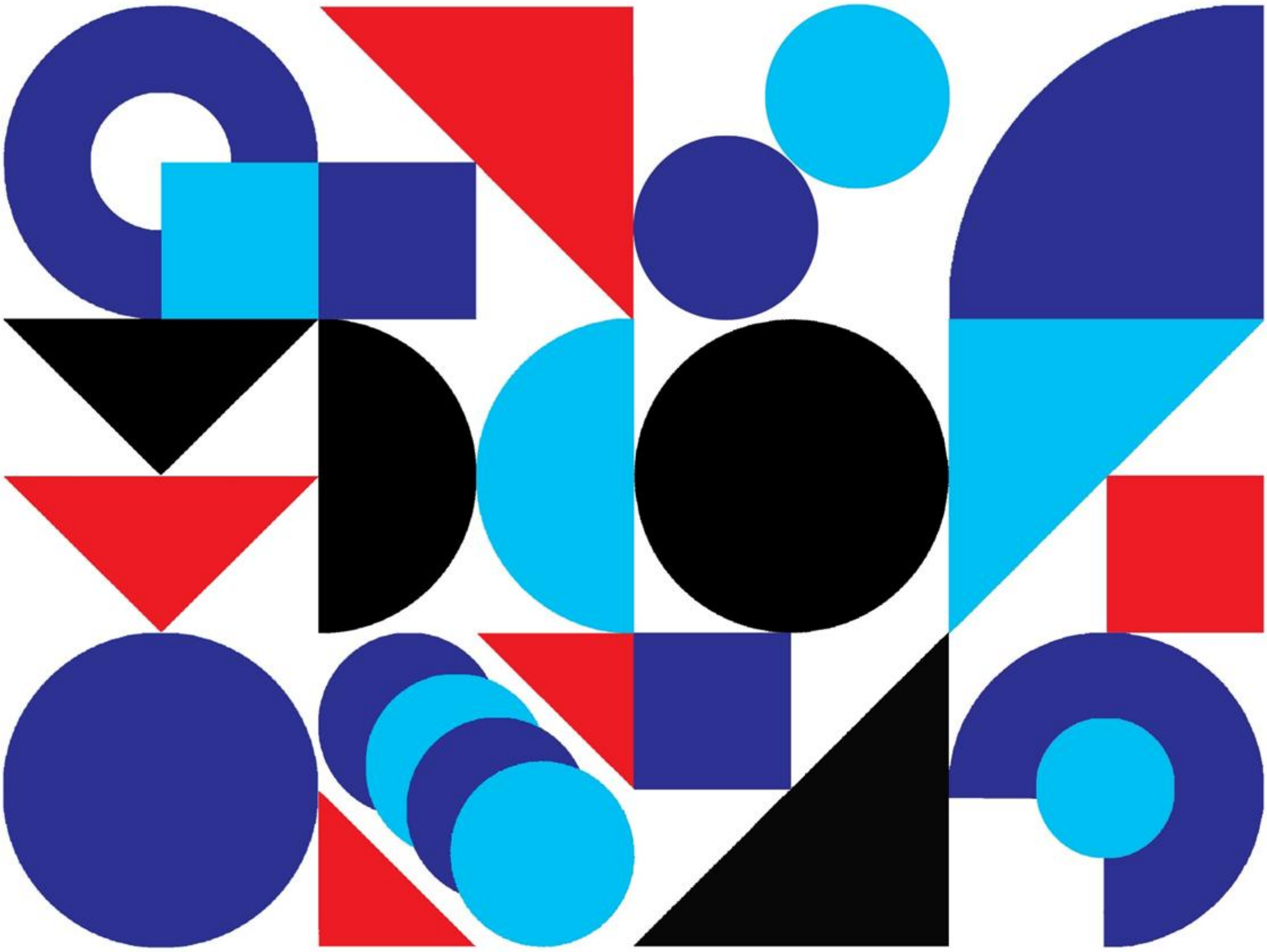

Third Sector Trends in England and Wales 2025

The contribution of voluntary organisations to place: North East England in comparative context

Community Foundation North East

February 2026

About the author

Tony Chapman is Director of Policy&Practice, St Chad's College, and Honorary Professor of Social Policy in the Department of Sociology, Durham University.

The contents of the report express the views of the author and do not necessarily reflect the views or policies of the commissioning partners.

Third Sector Trends Study

Data in this report are drawn from the Third Sector Trends study which was conceived and originally commissioned by Northern Rock Foundation with research conducted by the universities of Southampton, Teesside and Durham. The Community Foundation North East was a co-founder of the research and is now responsible for its legacy.

The Community Foundation and St Chad's College have worked with partners: Lloyds Bank Foundation England and Wales, Wales Council for Voluntary Action (WCVA) and Millfield House Foundation to undertake the Third Sector Trends study survey in 2025-26

More information about Third Sector Trends can be found here:

Third Sector Trends in England and Wales - St Chad's College Durham

All publications from the Third Sector Trends study are available free to download at this address: https://www.stchads.ac.uk/research/third-sector-trends-in-england-and-wales/publications-from-third-sector-trends/

Current and previous reports are also lodged on the Community Foundation North East website:

https://www.communityfoundation.org.uk/knowledge-and-leadership/third-sector-trends-research/

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Contents

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Key findings

Third Sector Trends has been surveying the voluntary, community and social enterprise sector every three years since 2010. In 2025, 8,680 responses were received across England and Wales. It is the only large-scale and fully representative longitudinal national survey in the UK which can produce robust and detailed comparative analysis at regional and national level. This is the fourth of five national reports from Third Sector Trends in England and Wales 2025 and presents comparative regional analysis with a special focus upon North East England.

Sector structure is shaped by local conditions

This report demonstrates that voluntary sector structure, capacity and interest in tackling issues is shaped primarily by local area characteristics. There is a higher concentration of third sector organisations (TSOs) per 1,000 members of the resident local population in more affluent regions such as South East England (3.6) than in less affluent regions such as North East England (2.6).

The balance between rich and poor areas varies across regions. In South East England, for example, only 6% of TSOs are located in the poorest areas (the least affluent quintile of the Indices of Multiple Deprivation), while 35% are located in the most affluent. In North East England, by contrast, 28% of TSOs are located in the least affluent quintile while only 15% are situated in the most affluent.

Within regions, the structure of the third sector is shaped by local social and economic conditions. In Middlesbrough, in the North East, for example, 65% of TSOs are located in areas of the deepest social deprivation compared with just 10% in Northumberland. At the other end of the spectrum, 27% of TSOs in Darlington are based in the wealthiest quintile compared with just 4% in Sunderland. These variations have a significant impact on how the local voluntary sector is structured, how it works and what it aims to achieve.

Volunteer support varies by region

In England and Wales, regular volunteers working with TSOs number around 4.3 million people who contribute 308 million hours of work valued at between £3.8bn and £5.6bn in 2025. In most regions, there has been a decline in regular volunteers since the pandemic. In North East England, the number of regular volunteers has fallen from 163,900 in 2022 to 148,900 in 2025; the hours worked has decreased from 11.6m in 2022 to 10.7m in 2025.

Reliance on regular volunteers is even higher in more affluent regions. Expectations that TSOs can rely on volunteers on a very regular basis (81%) or for them to work unsupervised (71%) is substantially lower in the North East than in the South East (87% and 80% respectively). Similarly, fewer TSOs in the North East state that they could not keep going without volunteers (82%) than in the South East (91%).

As there are more deprived areas in North East England, that explains why a higher percentage of TSOs report that many of their service users are beneficiaries (74%) compared with just 63% in South East England. In all regions, a substantial proportion of TSOs state that they have yet to recover to pre-pandemic levels of volunteering (~38%). North West England stands out as an area which is struggling particularly (44%).

Beneficiaries served and social impact

In poorer regions such as North East England, there is a much stronger focus on aspects of pernicious and critical social need than in more affluent regions. For example, 32% of TSOs in the North East believe that they have a very strong impact on health and wellbeing compared with a national average of 25%. Similarly high scores are recorded for tackling social isolation (38%) and building people’s confidence to manage their lives (27%).

In other respects, the impact of the North East England's third sector is little different from other areas. For example, about the same percentage of TSOs feel that they have a very strong impact on the environment or the cultural and artistic life of the community as in other regions.

In some aspects of beneficiary support, other regions stand out. For example, homelessness is featured as a bigger priority in Greater London than in any other region, while emphasis on rural issues is higher in the less urban regions of East Midlands, South West, East of England and Wales. The focus on overseas aid and international development is the lowest in North East England (2% of TSOs) compared with much higher levels of support in Greater London (8%) and the South East (6%).

A potential intensification of competition for grants

While local conditions undoubtedly shape sector purpose, structure, wellbeing and impact, other factors frame TSOs' prospects such as national-level political decision making. Often the impact can be direct – when, for example, government shifts policy direction and invests heavily in one aspect of social life to the detriment of others.

Government decisions also affect how local public sector agencies are funded, such as the NHS or local authorities, which can have a profound impact on third sector activity. One such challenge, highlighted in this report, is the government's squeeze on public finances which has had the effect of lowering the value of contracts offered to TSOs to deliver public services. If the present government fails substantially to raise levels of funding to the NHS and local councils so as to facilitate an increase in contract values this will result in even more TSOs withdrawing from this field of work.

It is highly unlikely that leaders of big TSOs which give up on contracts will decide dramatically to reduce the size of their operations, make service-delivery staff and managers redundant and consolidate activity in existing areas of work which are financed by other means.

A much more plausible response is that big TSOs will look for alternative ways of sustaining their activity. Indeed, leaders in 94% of TSOs which were delivering contracts in 2025 stated that they intended to bid for funding 'to deliver something brand new' (compared with 68% of leaders in organisations which have no intention of delivering public services).

Leaders were also asked how they 'felt' about bidding for funding to do something brand new: 18% were 'excited' about this (that this is 'what get's them up in the morning') and another 40% were 'quite excited'. Admittedly, some leaders were worried about bidding to do something brand new (22%) - but that was not going to stop them from trying.

As more of those organisations which delivered contracts operate mainly in poorer areas, there will be limited scope to develop self-generated trading activity to bridge the gap in their finances. Consequently, most will probably turn to trusts and foundations for *substantial* grant funding.

Increased competition for grants could ensue and seriously upset the current equilibrium in funding opportunities, especially for middling-sized TSOs in a marketplace with finite resources. But the extent to which that happens may vary by region because the decline in the number of organisations delivering contracts varies.

At present in the North East of England, for example, many TSOs are holding fast and remain involved in public service delivery. In other regions, such as North West England and Yorkshire and Humber, there are worrying signs of an exodus from this field. And again, by contrast, in South East England, East of England and London (though admittedly from a lower base), *more* TSOs are bidding for, or delivering contracts.

Section 1
Introduction

1.1 Context and purpose

This report presents some startling findings on how ‘different’ the North East of England is in many respects from other regions and especially in the more affluent South East of England. To an extent, these variations are framed by local social and economic circumstances which, in turn, shape the way the third sector is structured, how its defines its purpose and how its impact is achieved.

But these factors do not explain everything, as if the third sector merely followed the same copy book in specific types of areas. On the contrary, there are aspects of purpose and practice in North East England which are quite distinctive and, arguably, are produced as a result of clear intent, not merely happenstance. Examples include the strength of business support for the voluntary sector in the North East and a growing culture of philanthropy led by local community foundations.

The Third Sector Trends study was established in North East England and Cumbria in 2008 with the intention of exploring the structure, dynamics, purpose, energy and impact of the voluntary, community and social enterprise sector. Surveys began in 2010 and have recurred since on a triennial basis since 2013.

Since then, its reach has widened to Yorkshire and Humber in 2013, the whole of the North of England in 2016 and from 2019 at a national level in England and Wales so as to examine how the third sector in regions compare.

Three national reports on survey findings have already been published from the 2025 survey. The analysis in those publications underpin the interpretation of regional statistics in this report. Comparative work involves both time-series analysis from 2010 – 2025 together with direct comparisons with other similar and different regions in England and Wales.

This is the only way fully to understand what is going on regionally. Without looking in the mirror of other regions, it is simply not possible to know what is ‘typical’ or ‘distinctive’ from other areas. As this report takes a closer look at North East England (as other commissioned reports will do in Wales, the South West and East of England), a brief portrait of the region is presented below to contextualise the analysis which follows.

Regional administrative geography

The North East is the smallest and least populous region of England, but is characterised (as are other regions) by its highly varied geography. The region was, until 2012, divided into four sub-regional administrative and economic areas which have been used extensively in Third Sector Trends.

- ***Tyne and Wear*** is small, spatially (538 km^2) but is the most densely populated of the four sub-regions: 1.78m people live in this area. The area is divided into five unitary authorities: Gateshead, City of Newcastle upon Tyne, North Tyneside, South Tyneside and City of Sunderland.
- ***Northumberland*** is the largest unitary authority in the region by area (5,013 $km^{2)}$ and has a population of 331,420. The north and west of Northumberland

are largely rural in character, whilst the south east is more densely populated in former industrial towns and villages.

- ***County Durham*** is a large unitary authority. It covers a spatial area of 2,226 km^2 and has a population of 538,011. Spatially the county is mixed with rural areas to the west, suburban settlements to the north serving Tyne and Wear, and former industrial towns and villages to the east.
- ***Tees Valley*** is a relatively newly established sub-region following the abolition of Cleveland County Council in 1996 and separation of Darlington from County Durham as a unitary authority in 1997. There are five unitary local authorities in Tees Valley: Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees. It has an area of 794.95 km^2 and a population of 712,858.

Tiers of regional governance were abolished following the 2010 general election and resulted in the loss of Government Office for the North East, One North East, the Regional Development Agency and Regional Assembly.[1]

While these regional institutions have gone, new sub-regional bodies have emerged. A former Chancellor's 'Northern Powerhouse' initiative to strength northern economy was accompanied by the establishment of Local Enterprise Partnerships in the north of the region (encompassing Northumberland, Tyne and Wear and County Durham) and Tees Valley.

This was followed by the establishment of two combined authorities in North East England (each of which incorporated the work of formerly autonomous Local Enterprise Partnerships). Combined authorities take on statutory functions plus other which constituent local authorities agree to share.[2]

- ***Tees Valley Combined Authority***[3] (TVCA) includes the unitary authorities of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees was established in 2016 and its first mayor, Ben Houchen, was elected in 2017. The area has a population of 712,858.[4]
- ***North East Combined Authority***[5] (NECA) was established in 2014, including Northumberland, County Durham and all Tyne and Wear local authorities but the devolution deal and plan to elect a mayor broke down in 2016 resulting in the establishment of two separate authorities: a non-mayoral combined authority was agreed in 2018 to include County Durham, Sunderland, Gateshead and South Tyneside councils; and a mayoral North of Tyne Combined Authority was established to include Newcastle, North Tyneside and Northumberland. These two combined authorities were dissolved in 2024 and a new mayoral North East Combined Authority was established. Its first Mayor, Kim McGuinness was elected in May 2024.

Key demographic statistics for the North East of England and the status of its constituent authorities are provided in Table 2.1.

[1] Sandford, M. (2013) *The abolition of regional government,* London, House of Commons Library: https://researchbriefings.files.parliament.uk/documents/SN05842/SN05842.pdf

[2] A briefing from the House of Commons Library on the purpose of Combined Authorities can be found here: http://researchbriefings.files.parliament.uk/documents/SN06649/SN06649.pdf.

[3] Tees Valley Combined Authority: https://teesvalley-ca.gov.uk/

[4] NOMIS https://www.nomisweb.co.uk/reports/lmp/comb/1853882374/report.aspx#tabrespop

[5] North East Combined Authority: https://www.northeast-ca.gov.uk/, the NECA Growth Plan can be located here: file:///C:/Users/tonyc/Favorites/Downloads/NEL1488zzl%20NECA%20Local%20Growth%20Plan_Plain%20Text%20version.pdf

Social and economic characteristics

Vital Signs, produced by Community Foundation North East, provides a substantive and an up-to-date series of reports on regional social and economic characteristics. These reports draw upon comparative analysis to demonstrate similarities and differences with the situation in other English regions.

It is clear from *Vital Signs* analysis that the North East region faces a range of social and economic challenges in comparison with the much more affluent region of South East England.[6]

Table 2.1 **Administrative areas and population statistics North East England**[7]

Area	Administrative area	Population
Darlington	Unitary authority	112,489
Hartlepool	Unitary authority	98,180
Middlesbrough	Unitary authority	156,161
Redcar and Cleveland	Unitary authority	139,228
Stockton-on-Tees	Unitary authority	206,800
Tees Valley Combined Authority	**Mayoral combined authority**	**712,858**
Northumberland	Unitary Authority	331,420
County Durham	Unitary authority	538,011
Newcastle upon Tyne	Metropolitan district	320,605
Gateshead	Metropolitan district	202,760
North Tyneside	Metropolitan district	215,025
South Tyneside	Metropolitan district	151,393
Sunderland	Metropolitan district	288,606
North East Combined Authority	**Mayoral combined authority**	**2,047,820**
North East England	**Region**	**2,760,678**

- Productivity per hour worked in North East England is 82.6 compared with 109.9 in South East England.
- Investment in research and development per capita is £278 in the North East compared with £820 in the South East.
- Enterprise, as defined by the percentage of people who are self-employed is lower in the North East (12.7%) than in the South East (16.8%).
- The number of businesses per capita adult population is 704 in the North East compared with 1,134 in the South East.
- Pay levels are significantly lower in North East England where, in 2023, median weekly wages were £608 compared with £704 in the South East.

[6] Pierce, M. (2024) *Vital Signs: economy,* Newcastle upon Tyne: Community Foundation North East: https://www.communityfoundation.org.uk/wp-content/uploads/2024/01/Vital-Signs-North-East-2024-Economy-1.pdf, see also For useful critical appraisals see Raikes, L. (2019) *Northern Industrial Strategy*, Manchester; IPPR North. http://www.infrastructure-intelligence.com/sites/default/files/article_uploads/Power%20and%20prosperity%20-%20IPPR%20North%20report.pdf, IPPR North have also published a detailed assessment of regional inequalities within the North of England which highlight social challenges for local authorities and combined authorities across the region. See: Raikes, L, Giovannini, A. Getzel, B. (2019) *Divided and connected: regional inequalities in the North, the UK and the developed world*, Manchester: IPPR North: https://en.wikipedia.org/wiki/County_Durham

[7] ONS Estimates of the resident population for England and Wales (release date 30th July 2025): https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/estimatesofthepopulationforenglandandwales

- Education and skills levels are lower in the North East where 75% of the working population has Level 2 and above qualifications compared with 81% in the South East.

Low pay and higher levels of worklessness brought about by unemployment and disability have remained pernicious problems associated with social exclusion and poverty in North East England in the decades following industrial decline from the 1970s.

These challenges cannot be tackled by public authorities alone and as this report demonstrates, the third sector has played a significant role in attending to issues which the public and private sectors do not prioritise or are unable to deal with due to their limited resources.

The issues voluntary organisations address at a local level are more pressing in some localities than others. As recently published data using the English Indices of Deprivation show, North East England has more than its fair share of problems to deal with.[8]

1.2 Structure of the report

The analysis in this report is divided into five sections

- ***Section 2*** provides a detailed description of sector structure to include analysis of sector income, employment, volunteering, labour market dynamics and investment in training and development.
- ***Section 3*** focuses upon sector beneficiaries and TSOs' perceptions of social impact. Financial estimates of sector energy are provided together with estimates of tangible economic, fiscal, use value and intangible aspects of added value.
- ***Section 4*** examines sector income sources (including more detailed analysis of grants, contracts and earned income) together with an evaluation of current sector property assets and financial reserves. An appraisal of financial wellbeing and resilience is provided alongside current expectations about finance.
- ***Section 5*** looks at relationships with the third sector and those with the private sector and local public sector organisations. This section also explores sector views on local devolution agendas and the willingness of TSOs to engage in influencing local public and social policy.

The concluding section provides a summary of key findings together with a brief discussion of their implications.

1.3 Research methods and survey sample

Third Sector Trends was initiated in 2008 by *Northern Rock Foundation* in North East England and Cumbria as a longitudinal study to explore the structure and dynamics of the sector in the context of change. Surveys began in North East England and Cumbria in 2010.[9] The field of study has widened to include Yorkshire & Humber in 2013, the remainder of North West England in 2016 and across England and Wales from 2019. There have been six iterations of the triennial survey.

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[8] Ministry of Housing, Communities and Local Government (2025) *English indices of deprivation 2025: statistical release* (17th November 2025): https://www.gov.uk/government/statistics/english-indices-of-deprivation-2025/english-indices-of-deprivation-2025-statistical-release, see also ONS North East England regional comparative statistical profile: https://www.ons.gov.uk/explore-local-statistics/areas/E12000001-north-east

[9] A separate report is available which details the research methodology employed in the Third Sector Trends surveys. This can be accessed here: Technical paper on research methodologies, October 2022.

In 2025, the survey was administered using *Online Surveys*[10] between June and September. A total of 8,680 valid responses were received. Responses were obtained using direct email invitations from listings collated from the Charity Commission register (there were 7,163 returns representing a 5.4% response rate from a sample frame of 133,161 charities). These data were supplemented by 1,517 responses to appeals to participate by local infrastructure organisations and community foundations across England and Wales.[11]

The national sample is fully representative of sector organisations by size (as defined by income levels) and is distributed appropriately across areas of relative deprivation and affluence when compared with Third Sector Trends Combined Register data. The survey dataset has good coverage in Wales and all English regions each with at least 600 responses and apart from London, an average 5.6% response rate measured against the Charity Commission Register sample frame. A much lower response rate in London, as in 2022, stood at 2.8% but due to high organisational density, a credible sample of 713 was obtained.

The wide-ranging questionnaire asks respondents about beneficiaries served and what voluntary organisations feel that they have achieved. The survey also examines TSOs' energy by focusing questions on its people resources, property assets and financial situation. Leadership is a core element of the study too; asking participants how voluntary organisations invest in their *own* wellbeing so that they can serve their beneficiaries more effectively. And finally, it asks about inter-organisational relationships which is the topic of this report.

The current series of Third Sector Trends reports relies almost exclusively upon quantitative data drawn from this and previous rounds of the survey. But the study does invite survey participants to tell us anything else they'd like us to know. Well over 2,000 respondents took that opportunity in 2025. Occasionally, quotations from these open-text statements are used to 'illustrate' points of interpretation but must not be confused with qualitative evidence.

Interpretative observations originate from quantitative analysis and previous in-depth qualitative studies from Third Sector Trends (and directly related projects) which are referenced accordingly. The most important of these studies ran from 2008 to 2022 with 50 voluntary organisations from the North East of England and Cumbria. The final report from that study, ***Going the distance, how third sector organisations work through turbulent times***, has recently been revised and republished to accompany this series of quantitative reports.[12]

[10] Online Surveys is a powerful platform specifically designed for use by academics by JISC. Details on the platform's specifications can be found here: https://www.onlinesurveys.ac.uk/

[11] This is a fully representative national sample, as evidenced by comparison with combined register data (including the registers of the Charity Commission, Community Interest Companies, Register of Mutuals/Societies Register and Community Amateur Sport Clubs Register). A separate report which details research methodology, sample structure and characteristics is available here: Archive of publications from Third Sector Trends - St Chad's College Durham.

[12] The report is available here: Archive of publications from Third Sector Trends - St Chad's College Durham.

Section 2

Sector structure, income and people energy

2.1 Sector structure

The Third Sector Trends study is primarily concerned with the contribution of the third sector to social, economic and environmental wellbeing of localities. Consequently, the study does not report on data held on major charitable organisations with income above £25million. These data are available elsewhere as NCVO collate substantive data on the activities and resources of larger charities which is reported in their annual Civil Society Almanac.[13]

In England and Wales, it is estimated that there are about 205,000 registered TSOs. These organisations are not distributed evenly across Wales and English regions. Instead, as shown in Table 2.1 there is a higher concentration of TSOs per thousand members of the local resident population in more affluent regions such as South West England (4.2 per 1,000) than in poorer regions such as North East England (2.6 per 1,000).

Table 2.1(a) **Distribution of TSOs in English regions and Wales**
(Third Sector Trends Combined Register 2025)

	Estimated Number of TSOS	Percentage of TSOs in each region	Population in each region (1,000s)[14]	TSOs per 1,000 population
North East England	7,134	3.5	2,711	2.6
North West England	20,755	10.1	7,600	2.7
Yorkshire and Humber	15,057	7.4	5,594	2.7
East Midlands of England	14,646	7.2	4,991	3.0
West Midlands of England	17,501	8.6	6,086	2.9
East of England	22,108	10.8	6,469	3.4
London	38,861	19	8,945	4.4
South East England	33,979	16.6	9,483	3.6
South West England	24,426	11.9	5,811	4.2
Wales	10,533	4.9	3,164	3.2
England and Wales	**205.000**	**100.0**	**60,854**	**3.4**

[13] The most recent data from NCVOs Civil Society Almanac is available here: https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2024/. It was announced in November 2025 that NCVO had cancelled the launch of the 2025 version of the 2025: https://www.civilsociety.co.uk/news/ncvo-delays-civil-society-almanac-publication-until-2026.html

[14] Statistica, 2023 https://www.statista.com/statistics/294729/uk-population-by-region/#:~:text=Population%20of%20the%20UK%202023%2C%20by%20region&text=The%20population%20of%20the%20United,West%20England%20at%207.6%20million.

Table 2.1(b) shows the distribution of TSOs by local authority and combined authority areas in North East England. The number of TSOs per 1,000 resident population has been calculated to show that there is substantive variation across local authority areas. Sparsely populated Northumberland has the highest proportion of TSOs (3.7 per 1,000). There are proportionately fewer TSOs per 1,000 residents in Tees Valley (2.0) than in the North East Combined Authority area (2.8).

Table 2.1(b) **Distribution of TSOs in local authorities** (Third Sector Trends Combined Register 2025)			
	Resident population in local authority [15]	**Number of TSOs in each local authority**	**TSOs per 1,000s resident population**
Darlington	112,489	234	2.24
Hartlepool	98,180	226	2.48
Middlesbrough	156,161	303	2.08
Redcar and Cleveland	139,228	268	2.06
Stockton-on-Tees	206,800	381	1.98
Tees Valley Combined Authority	**712,858**	**1,412**	2.13
Northumberland	331,420	1,231	2.93
County Durham	538,011	1,467	3.99
Newcastle upon Tyne	320,605	953	3.20
Gateshead	202,760	614	3.26
North Tyneside	215,025	547	2.74
South Tyneside	151,393	269	1.92
Sunderland	288,606	641	2.39
North East Combined Authority	**2,047,820**	**5,722**	3.01
North East England	**2,760,678**	**7,134**	2.78

Table 2.2(a) shows the distribution of TSOs by legal form in English regions and Wales. It is noted that the percentage of registered charities is higher in more affluent southern English regions than in the West Midlands, the North and in Wales. The newer legal form of Charitable Incorporated Organisation (CIOs) is fairly evenly distributed across English regions but is higher in Wales.

In the more industrial North East, North West and West Midlands of England the percentage of Community Interest Companies (CICs) is substantially higher than in other English regions. Wales has proportionally fewer CICs than the English regional average.

As Table 2.2(b) shows, there is a good deal of variation in legal form across local authority areas. For example, Sunderland has the lowest percentage of registered charities and CIOs (60%) but has the highest proportion of CICs (31%). Largely rural Northumberland has the highest percentage of charities and CIOs (81%).

Community Amateur Sport Clubs are best represented in Darlington, Stockton-on-Tees, Northumberland and County Durham, but are under-represented in major urban centres of Middlesbrough, Newcastle and Sunderland.

[15] Statistica, 2023 https://www.statista.com/statistics/294729/uk-population-by-region/#:~:text=Population%20of%20the%20UK%202023%2C%20by%20region&text=The%20population%20of%20the%20United,West%20England%20at%207.6%20million.

Table 2.2(a) **Distribution of TSOs by legal form by English regions and Wales** (Third Sector Trends Combined Register 2025)						
Row percentages	**Registered charities**	**Charitable Incorporated Organisations**	**Community Interest Companies**	**Registered Societies**	**Community Amateur Sport Clubs**	**Registered TSOs in each region**
North East England	54.3	16.3	19.4	6.5	3.6	7,134
North West England	59.7	14.9	17.9	4.2	3.3	20,755
Yorkshire & Humber	61.0	16.9	13.4	5.0	3.6	15,057
East Midlands of England	66.2	14.2	12.3	3.7	3.6	14,646
West Midlands of England	61.4	14.5	17.0	4.2	3.0	17,501
East of England	69.4	13.8	10.4	3.0	3.4	22,108
London	63.0	17.2	15.9	2.8	1.2	38,861
South East England	66.9	15.0	10.7	3.4	4.1	33,979
South West England	64.1	14.1	13.9	4.1	3.7	24,426
Wales	59.9	19.1	12.1	5.4	3.5	10,533
England and Wales	**63.6**	**15.5**	**14.0**	**3.8**	**3.1**	**205.000**

Table 2.2(b) **Distribution by legal form in local authority areas of North East England**						
Row percentages	**Registered charities**	**Charitable Incorporated Organisations**	**Community Interest Companies**	**Registered Societies**	**Community Amateur Sport Clubs**	**Registered TSOs in each area**
Darlington	58.8	14.3	15.1	7.3	4.5	234
Hartlepool	39.2	18.6	32.5	6.3	3.4	226
Middlesbrough	49.5	20.2	22.7	5.4	2.2	303
Redcar and Cleveland	55.4	10.7	24.3	5.7	3.9	268
Stockton-on-Tees	51.4	15.8	20.8	7.5	4.5	381
Tees Valley Combined Authority	**51.0**	**16.0**	**22.8**	**6.5**	**3.7**	**1,412**
Northumberland	63.7	16.8	7.8	6.3	5.4	1,231
County Durham	53.7	16.5	18.3	7.0	4.5	1,467
Newcastle upon Tyne	57.4	16.6	18.4	5.7	1.9	953
Gateshead	51.5	20.1	20.1	5.8	2.6	614
North Tyneside	52.9	15.4	22.0	6.8	3.0	547
South Tyneside	45.4	15.2	29.8	6.0	3.5	269
Sunderland	48.0	12.4	31.3	7.0	1.3	641
North East Combined Authority	**55.1**	**16.3**	**18.6**	**6.4**	**3.5**	**5,722**
North East England	**54.3**	**16.3**	**19.4**	**6.5**	**3.6**	**7,134**

Third Sector Trends does not use precisely the same size categories as the Charity Commission or NCVO in its analysis. This is because the study has a strong focus on the local third sector where a majority of organisations have income below £1million. If these smaller organisations are not disaggregated into discrete definitional categories, it is not possible fully to understand how different elements of the sector is structured, how they work and how objectives are achieved.

The regional population of TSOs in English and Wales is shown in Table 2.3(a). The structure of the third sector is broadly similar across regions. London is the exception with a much bigger proportion of large organisations. When comparing the structure of the third sector in the relatively poor North East region with the largely affluent South East region it is apparent that variations are relatively limited – although the proportion of large TSOs in the North East is notably higher.

Table 2.3(a) Distribution of TSOs by size in English regions and Wales (Third Sector Trends Combined Register 2025)

Row percentages	Micro (£10,000 or less)	Small (£10,001-50,000)	Medium (£50,001 - £250,000)	Large (£250,001 - £1m)	Big (£1m – £25m)	Registered TSOs in each region
North East England	34.1	28.4	22.2	10.3	5.0	7,134
North West England	35.4	27.9	22.8	9.0	4.9	20,755
Yorkshire & Humber	36.9	27.9	21.9	8.9	4.3	15,057
East Midlands of England	42.0	29.2	18.8	6.4	3.6	14,646
West Midlands of England	38.2	28.9	20.5	7.9	4.5	17,501
East of England	40.3	29.4	20.2	6.5	3.6	22,108
London	26.5	24.7	24.6	14.2	10.0	38,861
South East England	34.8	31.3	21.9	7.5	4.6	33,979
South West England	39.9	29.7	19.8	7.0	3.7	24,426
Wales	42.2	27.7	18.8	7.4	4.0	10,533
England and Wales	**35.8**	**28.4**	**21.6**	**8.8**	**5.3**	**205.000**

Within North East England (Table 2.3(b)), the proportion of larger and big organisations is much greater in Newcastle upon Tyne (27%) than in any other local authority area. Micro and small TSOs, by contrast, are much more numerous in largely rural Northumberland (73%) than in other areas.

Table 2.3(b) Distribution by size of TSOs in local authority areas of North East England

Row percentages	Micro (£10,000 or less)	Small (£10,001-50,000)	Medium (£50,001 - £250,000)	Large (£250,001 - £1m)	Big (£1m – £25m)	Number of TSOs
Darlington	30.6	33.1	19.7	12.1	4.5	234
Hartlepool	39.0	24.8	21.9	9.5	4.8	226
Middlesbrough	38.3	21.1	24.4	9.4	6.7	303
Redcar and Cleveland	37.0	32.7	19.8	8.0	2.5	268
Stockton-on-Tees	29.8	32.0	22.7	9.3	6.2	381
Tees Valley Combined Authority	**34.4**	**29.1**	**21.8**	**9.7**	**5.1**	**1,412**
Northumberland	41.5	31.2	18.1	6.5	2.6	1,231
County Durham	38.8	28.4	20.7	8.0	4.2	1,467
Newcastle upon Tyne	23.3	22.5	27.1	18.2	8.9	953
Gateshead	27.7	25.3	27.7	12.5	6.9	614
North Tyneside	35.8	27.6	22.7	9.7	4.2	547
South Tyneside	28.3	28.3	28.3	11.0	4.1	269
Sunderland	28.9	33.9	20.5	12.0	4.7	641
North East Combined Authority	**34.1**	**28.2**	**22.3**	**10.5**	**4.9**	**5,722**
North East England	**34.1**	**28.4**	**22.2**	**10.3**	**5.0**	**7,134**

Table 2.4(a) compares the distribution of TSOs in each region by indices of multiple deprivation (IMD). Variations in sector distribution clearly reflect comparative levels of affluence and deprivation across regions. In South East England, for example, only 6% of TSOs are located in the least affluent quintile, while 35% are located in the most affluent. In North East England, by contrast, 28% of TSOs are located in the least affluent quintile while only 15% are situated in the most affluent.

Within North East England the structure of the third sector is shaped by local social and economic conditions. Table 2.4(b) shows, for example, that in Middlesbrough 69% of TSOs are located in areas of deep social deprivation compared with just 10%

in Northumberland. At the other end of the spectrum, 27% of TSOs in Darlington are based in the wealthiest areas compared with just 4% in Sunderland. These variations will reflect how the voluntary sector works and what it aims to achieve at a local level.

Table 2.4(a) **Regional and national distribution of TSOs by area affluence**[16] (Third Sector Trends Combined Register, 2025)

Row percentages	Least affluent IMD 1-2	IMD 3-4	Intermediate IMD 5-6	IMD 7-8	Most affluent IMD 9-10	Number of TSOs
North East England	27.9	23.1	18.9	15.1	15.0	7,134
North West England	30.4	17.8	17.3	18.8	15.7	20,755
Yorkshire and Humber	25.0	15.0	19.9	21.4	18.6	15,057
East Midlands of England	14.1	18.6	18.9	24.7	23.6	14,646
West Midlands of England	24.4	19.2	22.4	19.8	14.2	17,501
East of England	7.5	15.4	25.8	24.5	26.8	22,108
London	15.2	29.4	24.7	20.0	10.7	38,861
South East England	6.2	11.7	19.7	27.4	35.0	33,979
South West England	9.3	19.9	29.3	22.9	18.6	24,426
Wales	13.8	18.6	23.8	25.5	18.3	10,533
England and Wales	**15.5**	**19.2**	**22.6**	**22.5**	**20.3**	**205.000**

Table 2.4(b) **Distribution of TSOs by area affluence in North East England**

Row percentages	Least affluent IMD 1-2	IMD 3-4	Intermediate IMD 5-6	IMD 7-8	Most affluent IMD 9-10	Number of TSOs
Darlington	28.2	12.7	18.8	13.1	27.3	234
Hartlepool	65.4	8.4	5.5	16.0	4.6	226
Middlesbrough	68.8	8.5	4.7	10.1	7.9	303
Redcar and Cleveland	32.9	24.6	20.7	10.4	11.4	268
Stockton-on-Tees	29.8	23.3	8.8	15.8	22.3	381
Tees Valley Combined Authority	**44.2**	**16.2**	**11.3**	**13.1**	**15.2**	**1,412**
Northumberland	9.6	18.9	34.6	16.9	20.0	1,231
County Durham	19.0	28.1	19.5	19.9	13.6	1,467
Newcastle upon Tyne	27.0	19.8	25.1	9.2	19.0	953
Gateshead	22.7	43.9	12.4	12.9	8.1	614
North Tyneside	26.4	19.2	11.5	21.8	21.1	547
South Tyneside	45.4	24.5	11.3	5.3	13.5	269
Sunderland	48.0	22.5	10.9	14.5	4.2	641
North East Combined Authority	**23.9**	**24.8**	**20.8**	**15.6**	**14.9**	**5,722**
North East England	**27.9**	**23.1**	**18.9**	**15.1**	**15.0**	**7,134**

[16] Indices of deprivation in England and the Index of Deprivation in Wales are constructed in slightly different ways and are not strictly comparable. However, both sets of indices are similarly purposed so comparative data has been presented in a single set of quintiles. See: Welsh Index of Multiple Deprivation; English indices of deprivation 2019 - GOV.UK.

Many TSOs do not limit their work to the immediate area within which they are based, so this must be taken into account when interpreting statistics. As Table 2.5 shows, the spatial patterns of work are fairly similar across English regions and Wales – but some anomalies must be noted.[17]

- In North East England, the percentage of organisations working regionally is unusually high (21%) compared with a national average of (7%). This is because this is, by far, the smallest English region.
- The proportion of TSOs working only at neighbourhood or village level is highest in East of England (44%) and South West England (47%) – these regions are characterised by their preponderance of town and country areas and relatively few major urban centres.
- The higher proportion of organisations working nationally in Wales (16%) refers primarily to activity *within* Wales rather than across England and Wales or the UK as a whole.
- In London, many more TSOs work at national (22%) and international level (12%) than in any other region.

Table 2.5 **Spatial range of TSOs' operation in Wales and English regions** (Third Sector Trends 2025 survey data)

	Just in our neigh-bourhood or village	Within our local authority / county council district / London borough	Across at least two local authorities / districts / London boroughs	At a regional level (e.g. North East England, London or Mid Wales)	At a national level (e.g. Wales / England / across the UK	Inter-nationally	N=
North East England	33.7	26.7	13.7	20.8	2.9	2.3	659
North West England	34.3	33.2	16.4	6.6	6.1	3.3	798
Yorkshire and Humber	39.6	33.0	13.3	5.5	5.6	3.0	952
East Midlands of England	40.7	30.2	13.6	5.4	6.5	3.6	612
West Midlands of England	38.9	29.3	11.7	5.7	9.1	5.3	736
East of England	44.1	29.4	13.9	3.6	5.5	3.5	1,120
London	12.1	27.3	15.6	10.2	22.4	12.4	774
South East England	37.5	30.8	13.5	3.2	8.7	6.4	1,209
South West England	46.9	26.5	9.8	3.6	8.3	4.9	1,094
Wales	30.2	28.5	13.7	7.3	15.8	4.5	709
England and Wales	**36.7**	**29.6**	**13.4**	**6.5**	**8.9**	**5.0**	**8,663**

In this report, comparisons with South East England are often drawn to illustrate how 'similarly' or 'differently' the third sector is structured and responds to local issues. Substantive *variations* in sector structure tend to reflect local social conditions. As shown in Figure 2.1, there are many more organisations based in deprived areas in North East England than there are in South East England.

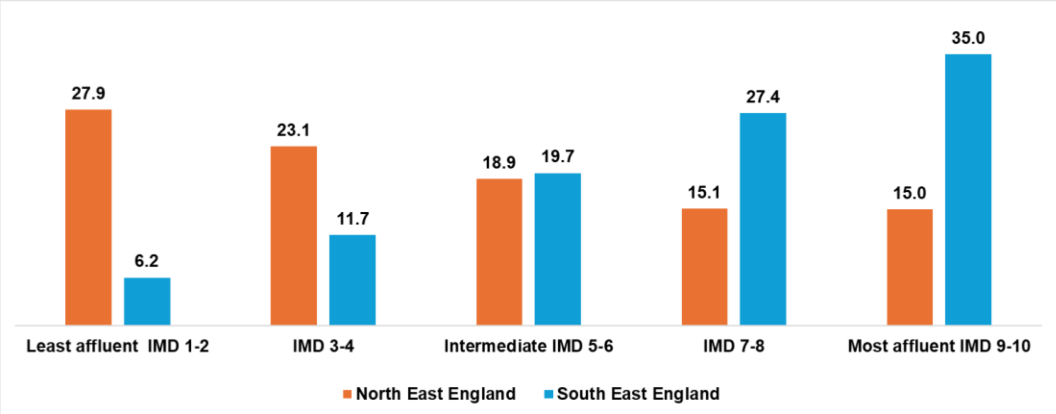
- In North East England, 28% of TSOs are based in the poorest quintile compared with just 6% in the most affluent areas.

[17] The distinction between local authorities / local authority districts and working across two or more local authorities has become less useful over time. This is due to local government reorganisation where several two-tier counties have either become single tier or split into two smaller local authorities. Unfortunately this has undermined analysis between waves of the study as the political geographies are no longer comparable. In analytical terms it makes sense in comparative analysis, therefore, for these two categories to be merged.

- In South East England, 35% of TSOs are based in the richest quintile compared with just 15% in North East England.

While these variations are not surprising, given variations in regional affluence, they are useful to highlight as they will impact on findings about sector dynamics at regional and local level.

Figure 2.1 **Third sector structure by indices of deprivation in North East and South East England** (Third Sector Trends Combined Register 2025, North East n=7,134, South East n=33,979)



When observing the composition of the third sector *within* rich or poor areas, some striking statistics emerge.

- Figure 2.2(a) compares the distribution of TSOs by size in the most affluent areas of North East and South East England. Apart from some variations in the proportions of micro and small TSOs, sector structure is strikingly similar.
- Figure 2.2(b) repeats the analysis for the poorest areas or North East and South East England. Again, sector structure is shown to be broadly similar.

These findings are interesting, because they indicate that the local third sector is structured and likely to operate in similar ways in wealthy areas, irrespective of their location nationally. In wealthy areas, there are proportionately more micro and small organisations attending to issues associated with personal interest, recreation and development.

In poorer districts, the third sector is likely to lean more toward issues surrounding pernicious or critical aspects of social need than in affluent areas. When making 'bald' comparisons between regions, such internal variations would not show up in headline statistics – so caution is important as the analysis proceeds.

Figure 2.2(a) **Third sector structure in the most affluent areas of North East and South East England** (Third Sector Trends Combined Register 2025, North East n=4,458, South East n=25,755)

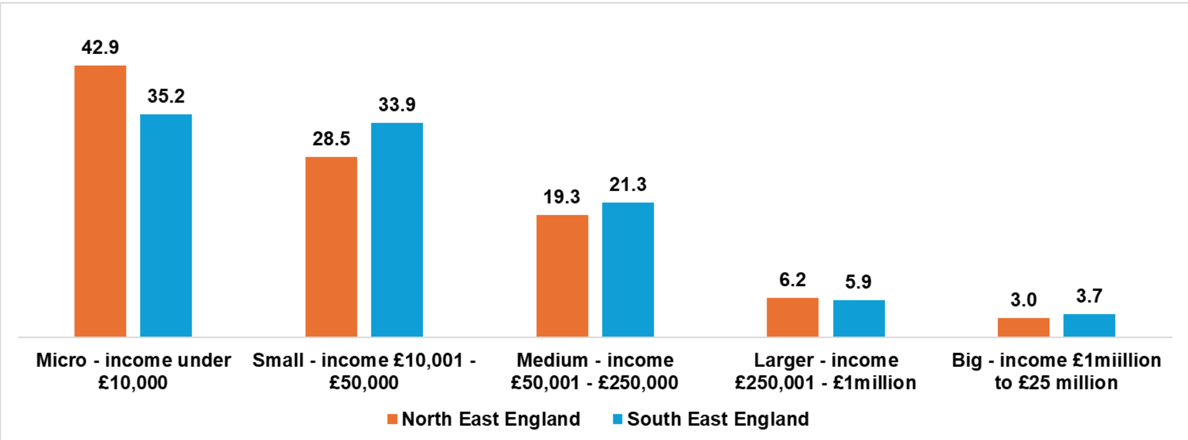


Figure 2.2(b) **Third sector structure in the most deprived areas of North East and South East England** (Third Sector Trends Combined Register 2025, North East n=7,134, South East n= 33,979)

2.2 Sector employment

The third sector in England and Wales employs about 1.15 million people, constituting an average of 3% of employment in English regions and Wales (see Table 2.6). It is estimated that this represents a small increase of around 25,000 employees nationally since 2022. The full cost of employees to voluntary organisations is estimated at £61.3bn which represents around 67% of total organisational expenditure.

In North East England, the third sector employs 37,500 employees, constituting about 3.1% of regional employment – which is slightly higher than most English regions and Wales due to a bigger proportion of larger employing organisations. The cost of employing staff is estimated at 1,983 million and accounts for about 65% of sector income.

Table 2.6 **The contribution of the third sector to overall employment in England and Wales** (Third Sector Trends statistical model 2025)

	Estimated number of third sector employees	Regional employment[18]	Estimated percentage of regional employment	Estimated sector income (£millions)	Approximate percentage of sector income spent on wages
North East England	37,500	1,211,000	3.1	1,983.0	65.1
North West England	107,900	3,675,000	2.9	5,711.5	68.6
Yorkshire and Humber	72,300	2,693,000	2.7	3,868.7	66.4
East Midlands of England	55,700	2,476,000	2.3	2,944.0	67.5
West Midlands of England	86,500	2,945,000	2.9	4,609.0	67.5
East of England	93,100	3,301,000	2.8	4,946.1	75.0
London	173,700 (372,000)	4,964,000	3.5 (7.5)	19,987.1[19]	82.9
South East England	178,700	4,934,000	3.6	9,548.3	76.1
South West England	101,600	3,027,000	3.4	5,404.3	68.7
Wales	42,600	1,457,000	2.9	2,258.1	67.3
England and Wales	**1,148,500**[20]	**30,683,000**	**3.1**[21]	**61,260.2**	**69.1**[22]

[18] Source: Nomis (downloaded September 27th, 2025) https://www.nomisweb.co.uk/reports/lmp/gor/2013265921/report.aspx#tabnrhi

[19] Estimated cost for total London-based organisational employment. Costs will be exaggerated as expense incurred elsewhere in the UK or abroad are likely to be lower.

[20] Includes London-based organisational employees which are distributed elsewhere in England and Wales.

[21] Average regional percentage excludes London-based organisations' employees as it is not known how they are distributed across the UK and abroad.

[22] Average percentage cost excluding London.

Table 2.7 provides estimates on the distribution of the workforce and its associated costs by local authorities and combined authority areas.[23]

Table 2.7 Estimated employee numbers and costs North East England
(Third Sector Trends statistical model 2025)

	Total number of registered voluntary organisations	Estimated sector income (£millions)	Estimated number of employees	Estimated salary cost of employees (£millions)
Darlington	234	65.1	1,229	41
Hartlepool	226	62.9	1,189	39
Middlesbrough	303	84.2	1,590	52
Redcar and Cleveland	268	74.4	1,404	46
Stockton-on-Tees	381	106.0	2,001	66
Tees Valley Combined Authority	**1,412**	**392.5**	**7,413**	**245**
County Durham	1,467	407.7	7,699	254
Northumberland	1,231	342.1	6,460	213
Newcastle upon Tyne	953	264.8	5,001	165
North Tyneside	547	152.2	2,874	95
South Tyneside	269	74.9	1414	47
Sunderland	641	178.2	3,366	111
Gateshead	614	170.8	3,225	106
North East Combined Authority	**5,722**	**1,590.5**	**30,040**	**992**
North East England	**7,134**	**1,983.0**	**37,453**	**1,236**

2.3 Support from volunteers

National estimates for the number of volunteers in the UK are published annually in NCVO's Civil Society Almanac.[24] It is reported that 16% of people volunteered at least once in the previous year with a group, club or organisation in the UK – this represents a decline from a recent peak of 23% in 2019-20. These are still impressive statistics which show that a culture of volunteering, in one capacity or another, is well established in the UK.

Third Sector Trends estimates the number of 'regular' volunteers TSOs rely on to provide practical hands-on support to achieve their objectives.[25] This means that several other kinds of volunteers are not included in the analysis:

- Volunteers giving time to public bodies such as local public libraries (unless they are community-run entities) or the NHS (unless they are working directly for a TSO such as RVS).

[23] The accuracy of the estimates produced by the statistical model is reduced at lower level geographies and should be considered as 'indicative'.

[24] NCVO UK Civil Society Almanac 2024 https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2024/.

[25] Regular volunteers are defined as people who provide on average 72 hours of support to a TSO in one year (or an average of six hours per month). Calculations exclude occasional or ephemeral (i.e. 'one-off') volunteering. Ephemeral or occasional volunteering may include people who help with a fundraising appeal, people who are allocated to volunteer through, for example, employee supported volunteer initiatives or by university student volunteer programmes.

- Volunteering in schools as governors, as members of informal/unregistered parent teacher associations, supporting teachers in the classroom, school trips and sports days, or general school fundraising activities.
- Volunteering for other public bodies such as the police as special constables, the criminal justice system as magistrates and so on.
- Employee supported volunteers or the provision of pro-bono support by employees or professionals (unless it is facilitated via a TSO such as Pro-Bono Economics).
- Volunteers participating in local or national fundraising appeals (for example, *BBC Children in Need, Comic Relief, Sport Relief*, or for large national charities such as *Save the Children* and *Oxfam*[26] etc.)

It is not being asserted that these forms of volunteering lack value or are of a lesser value than those working directly and regularly for local TSOs. It is simply a question of calculating the practical contributions regular volunteers make, via local voluntary organisations to society.

With these caveats in mind, it is possible to calculate the amount of energy which is produced through voluntarism in TSOs (see Table 2.8(a)). In England and Wales, regular volunteers number around 4.3 million people who contribute 308 million hours of work valued at between £3.8bn and £5.6bn in 2025.

In the North East, the number of regular volunteers has fallen from 163,900 in 2022 to 148,900 in 2025; hours worked has decreased from 11.6m in 2022 to 10.7m in 2025. Estimated numbers and proxy financial replacement values for regular volunteers at local authority and combined authority levels are provided in Table 2.8(b).

Table 2.8(a) **Estimated number and proxy replacement value of regular volunteers in TSOs** (Third Sector Trends statistical model 2025)

	Number of regular volunteers	**Estimated total hours worked** (£millions)	**Value at National Living Wage** (£millions)	**Number of full-time equivalent regular volunteers**	**80% average median regional wage**	**Value produced at 80% average regional** (£millions)
North East England	148,900	10.7	130.9	6,300	27,506	172.9
North West England	431,500	31.1	379.3	18,200	28,954	527.2
Yorkshire and Humber	310,300	22.3	272.8	13,000	28,072	367.7
East Midlands of England	289,700	20.9	254.7	12,200	28,459	347.9
West Midlands of England	342,400	24.7	301.0	14,500	28,700	414.7
East of England	437,700	31.5	384.8	18,500	31,762	586.8
London[27]	903,500	65.1	794.2	38,100	35,501	1,353.7
South East England	708,300	51.0	622.6	29,900	32,415	968.9
South West England	492,800	35.5	433.2	20,800	29,153	606.3
Wales	212,300	15.3	186.6	8,900	28,471	255.1
England and Wales	**4,277,400**	**308.0**	**3,760.2**	**180,400**	**29,899**	**5,601.1**

[26] Supporting large nationals as volunteers in local charity shops would be included providing that federated branches responded to the survey at a local level.

[27] Estimates of the number of volunteers may be over or underestimated in London because many larger organisations, such as charitable foundations, tend not to have volunteers. Large international organisations by contrast may have very large numbers of volunteers but they may not provide support in England and Wales.

Table 2.8(b) **Estimated number and proxy replacement value of regular volunteers in TSOs in North East England** (Third Sector Trends statistical model 2025)

	Estimated number of regular volunteers	Estimated hours worked (1,000s)	Equivalent cost at National Minimum Wage (£millions)	Equivalent cost at 80% median regional wage (£millions)
Darlington	4,835	348	4.3	5.6
Hartlepool	4,585	330	4.0	5.3
Middlesbrough	6,164	444	5.4	7.2
Redcar and Cleveland	5,471	394	4.8	6.4
Stockton-on-Tees	7,835	564	6.9	9.1
Tees Valley Combined Authority	**28,890**	**2,080**	**25.4**	**33.5**
Northumberland	25,664	1,848	22.6	29.8
County Durham	30,437	2,191	26.8	35.3
Newcastle upon Tyne	19,961	1,437	17.5	23.2
Gateshead	13,121	945	11.5	15.2
North Tyneside	11,527	830	10.1	13.4
South Tyneside	5,700	410	5.0	6.6
Sunderland	13,628	981	12.0	15.8
North East Combined Authority	**120,039**	**8,643**	**105.5**	**139.3**
North East England	**148,929**	**10,723**	**130.9**	**172.9**

Reliance on regular volunteers is high in North East England (Table 2.9), but that pattern of reliance varies from other regions. Expectations that TSOs can rely on volunteers on a very regular basis (81%) or for them to work unsupervised (71%) is substantially lower in the North East than in the South East (87% and 80% respectively). Similarly, fewer TSOs in the North East state that they could not keep going without volunteers (82%) than in the South East (91%).

Conversely, in North East England, a higher percentage of TSOs report that many of their service users are beneficiaries (74%) compared with just 63% in South East England. In all regions, a substantial proportion of TSOs state that they have yet to recover to pre-pandemic levels of volunteering (~39%). Only North West England stands out as an area which is struggling particularly in this this respect (44%).

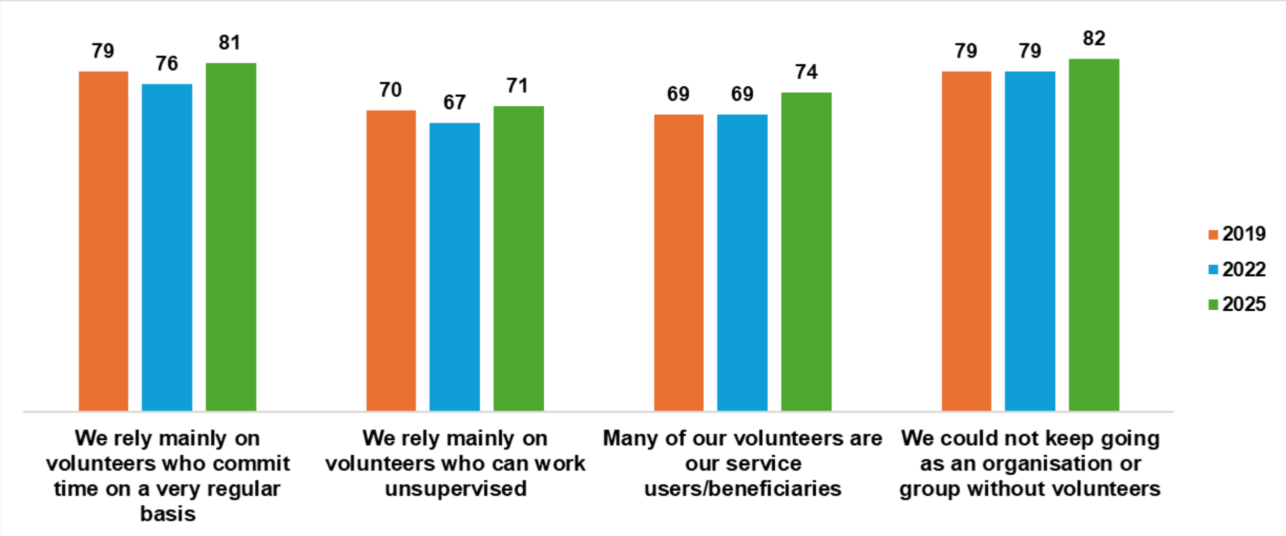
Table 2.9 **Reliance on volunteers by region** (Third Sector Trends in England and Wales 2025, percentage 'agree' or 'strongly agree n=8,583)

	We rely mainly on volunteers who commit time on a very regular basis	We rely mainly on volunteers who can work unsupervised	Many of our volunteers are our service users/ beneficiaries	We could not keep going as an organisation or group without volunteers	We have never fully recovered our volunteer numbers since the pandemic
North East England	80.7	71.2	73.8	81.8	38.9
North West England	84.5	76.7	70.4	87.9	44.2
Yorkshire & Humber	87.8	78.4	70.6	90.5	39.4
East Midlands of England	86.3	80.3	62.3	86.5	36.6
West Midlands of England	87.0	82.7	69.3	90.0	39.6
East of England	84.3	77.1	64.2	86.7	38.6
Greater London	81.4	72.5	64.6	84.2	36.1
South East England	86.8	80.3	62.9	90.7	36.0
South West England	86.3	83.2	63.0	89.1	38.0
Wales	83.6	79.0	69.8	84.9	41.5
England and Wales	**85.1**	**78.4**	**66.8**	**87.6**	**38.8**

There is some evidence to suggest that reliance upon regular volunteers has changed slightly in the North East since 2019. As shown in Figure 2.3, there was a dip in reliance on volunteers working regularly during the pandemic, but has now increased above 2019 levels to 81% of TSOs. Similarly, relying upon volunteers to work unsupervised slumped during the pandemic but has since returned to 2019 levels. The percentage of volunteers who are service users or beneficiaries has increased from 69% in 2019 and 2022 to 74% in 2025.

The percentage of TSOs stating that they could not keep going without volunteers has risen from 79% in 2022 to 82% in 2025, suggesting that pressure upon volunteers to contribute their time may increasing.

Figure 2.3 **Percent of TSOs reporting reliance on volunteers 2018-2025 in North East England.**



2.4 Labour market dynamics

There has been a good deal of turbulence in the structure of the third sector labour force in recent years but patterns of change vary by region. As Table 2.10 shows, more TSOs in the North East reported rising full-time employment than in any other region (32%). On balance, TSOs were more likely to report rising rather than falling full-time employment in every region except for the East Midlands. About twice as many TSOs reported rising part-time employment in the North East, a finding which is mirrored, though to different degrees in every region. For example, in East of England, only 11% of TSOs reported falling numbers of part-time employees while 37% recorded rising numbers.

TSOs also report significant changes in the numbers of regular volunteers and trustees over the last two years (Table 2.11). In North East England, for example, 38% of TSOs reported rising numbers of regular volunteers while only 20% stated that numbers had fallen. These data require careful interpretation, however, as volunteer numbers fell during the pandemic and therefore, even rising numbers may not indicate full recovery to pre-pandemic levels.

On balance, trustee numbers seem to have remained fairly level in North East England where 20% of TSOs reported an increase while 18% recorded a decrease. This pattern is similar in all regions.

Table 2.10 Changing levels of full and part-time employment over the last two years
(Third Sector Trends in England and Wales 2025)

	Full-time employees			*Part-time employees*		
	Increased	**Stayed the same**	**Reduced**	**Increased**	**Stayed the same**	**Reduced**
North East England	31.8	49.0	19.2	36.5	46.0	17.5
North West England	22.3	57.3	20.4	36.7	48.5	14.7
Yorkshire and Humber	26.5	51.8	21.7	38.3	45.2	16.5
East Midlands of England	21.5	55.4	23.1	35.2	46.6	18.2
West Midlands of England	24.4	60.4	15.2	33.9	52.7	13.4
East of England	27.9	57.4	14.7	36.9	52.4	10.8
London	24.9	58.4	16.7	38.0	49.1	13.0
South East England	24.5	58.5	17.0	34.0	51.3	14.7
South West England	21.7	59.8	18.5	32.1	53.7	14.2
Wales	27.4	53.9	18.7	35.7	45.4	18.9
England and Wales	**25.5**	**56.1**	**18.4**	**35.8**	**49.3**	**14.9**

Table 2.11 Changing levels of regular volunteers and trustees over the last two years
(Third Sector Trends in England and Wales 2025)

	Regular volunteers			*Trustees*		
	Increased	**Stayed the same**	**Reduced**	**Increased**	**Stayed the same**	**Reduced**
North East England	37.5	42.1	20.4	20.3	61.6	18.1
North West England	34.7	45.2	20.0	18.3	63.2	18.5
Yorkshire and Humber	33.9	46.8	19.3	19.4	64.0	16.6
East Midlands of England	32.4	46.4	21.2	21.5	61.1	17.4
West Midlands of England	35.0	45.6	19.4	18.6	64.7	16.6
East of England	32.7	46.9	20.4	19.4	62.0	18.6
London	32.6	50.9	16.5	22.5	64.3	13.3
South East England	30.2	51.8	18.0	17.6	66.4	16.0
South West England	27.9	49.7	22.4	19.1	62.0	18.8
Wales	35.0	44.0	20.9	19.5	61.9	18.6
England and Wales	**32.8**	**47.3**	**19.8**	**19.4**	**63.3**	**17.3**

As Table 2.12 shows, many more TSOs in the North East report difficulties in retaining staff (22%) than those stating that difficulties had eased (4%). That pattern is reflected in all regions, but it is notable that staff retention problems have been the most severe in the North East.

Recruitment problems vary across regions. In the North East, 41% of TSOs report recruitment problems compared with just 32% in the South East. Conversely, the highest percentage of TSOs in the North East report that recruitment difficulties have eased, though they are few in number (8%).

The retention of regular volunteers has been challenging for about a quarter of TSOs across all regions (Table 2.13). While few TSOs report that the situation has eased, it is in the North East where the situation appears to have improved the most (5%).

Volunteer recruitment problems are widespread and at a similar level in all regions (~42-44%) apart from London where lower levels of difficulty are reported (34%). Only 6-9% of TSOs state that the situation has eased in the last two years. Many TSOs have struggled to return to pre-pandemic levels of volunteering (Figure 2.4.) These problems are most severe in North West England and Wales.

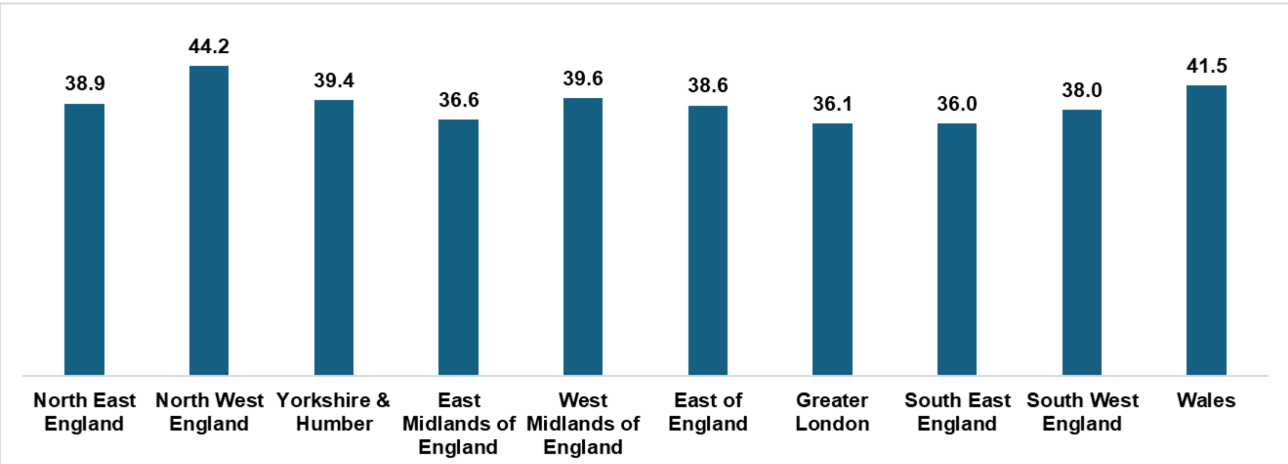
Table 2.12 **Recruitment and retention of employees over the last two years**
(Third Sector Trends in England and Wales 2025)

	Retaining employees			*Recruiting employees*		
	Become quite a lot harder	**Stayed about the same**	**Become quite a lot easier**	**Become quite a lot harder**	**Stayed about the same**	**Become quite a lot easier**
North East England	22.3	73.7	4.0	41.0	51.2	7.8
North West England	19.9	76.9	3.2	33.0	60.8	6.3
Yorkshire and Humber	20.5	76.1	3.4	33.2	61.0	5.9
East Midlands of England	19.9	76.3	3.8	34.4	60.6	5.1
West Midlands of England	18.6	79.0	2.5	32.1	62.1	5.8
East of England	17.4	79.7	2.9	31.5	63.5	5.0
London	18.4	77.7	3.9	27.6	65.3	7.1
South East England	17.7	79.5	2.8	32.3	64.0	3.7
South West England	16.9	80.7	2.4	32.1	64.5	3.5
Wales	21.6	75.3	3.1	36.4	58.4	5.3
England and Wales	**19.1**	**77.8**	**3.1**	**33.1**	**61.5**	**5.4**

Table 2.13 **Recruitment and retention of regular volunteers over the last two years**
(Third Sector Trends in England and Wales 2025)

	Retaining regular volunteers			*Recruiting regular volunteers*		
	Become quite a lot harder	**Stayed about the same**	**Become quite a lot easier**	**Become quite a lot harder**	**Stayed about the same**	**Become quite a lot easier**
North East England	25.4	69.8	4.8	42.5	49.7	7.7
North West England	25.3	71.4	3.3	42.2	49.9	8.0
Yorkshire and Humber	26.9	69.2	3.9	45.3	48.6	6.1
East Midlands of England	23.0	73.9	3.1	43.0	49.7	7.3
West Midlands of England	25.7	69.7	4.6	45.1	46.8	8.0
East of England	25.0	72.0	2.9	46.9	46.8	6.4
London	22.8	74.0	3.1	34.0	56.5	9.5
South East England	22.8	73.7	3.5	44.3	49.8	5.9
South West England	24.4	72.9	2.6	44.3	49.9	5.8
Wales	27.2	69.1	3.7	44.4	46.4	9.2
England and Wales	24.8	71.7	3.5	43.5	49.3	7.2

Figure 2.4 **Percentage of TSOs yet to volunteer numbers to pre-pandemic level**
(Third Sector Trends in England and Wales 2025)



As Table 2.14 demonstrates, a clear majority of TSOs report that retaining trustees has not been a serious problem all regions (~80-85%). Amongst those TSOs which have been struggling with retention of trustees, the issue is most severe in East of England, the South West and in Wales. London and the South East are least affected. Trustee recruitment problems are widespread in all regions (~35-39%) apart from London where the percentage of TSOs is lower (27%).

Table 2.14 **Recruitment and retention of trustees over the last two years**
(Third Sector Trends in England and Wales 2025)

	Retaining trustees			***Recruiting trustees***		
	It has become quite a lot harder	**Stayed about the same**	**It has become quite a lot easier**	**It has become quite a lot harder**	**Stayed about the same**	**It has become quite a lot easier**
North East England	16.6	81.6	1.8	37.3	58.3	4.4
North West England	15.5	81.1	3.4	33.9	60.2	5.9
Yorkshire and Humber	16.8	80.0	3.1	35.4	58.4	6.1
East Midlands of England	15.6	82.0	2.4	35.3	59.8	4.9
West Midlands of England	15.8	81.2	3.0	35.7	59.3	5.0
East of England	17.9	79.7	2.4	37.2	57.2	5.6
London	13.3	84.3	2.5	26.7	68.2	5.1
South East England	13.5	84.9	1.7	35.3	60.5	4.2
South West England	18.2	79.9	1.9	38.9	56.6	4.5
Wales	16.6	81.1	2.2	38.0	56.3	5.7
England and Wales	16.0	81.6	2.4	35.5	59.3	5.1

Third Sector Trends has been tracking the characteristics of chairs and chief officers nationally since 2022. The biographical and personal characteristics of TSO board chairs varies across regions (Table 2.15). This is partly due to demographic conditions (for example, by density of older people or minority ethnic groups) so it is unwise to interpret variations at face value. For example, the percentage of minority ethnic chairs in the North East, a less diverse region, is comparatively low (5%) when compared with highly diverse London (24%).

Similarly, the characteristics of chief officers is shaped to some extent by local demographic circumstance. Caution should be taken in making detailed regional comparisons as lower sample sizes may affect accuracy of data (Table 2.16).

Table 2.15 **Personal and biographical characteristics of chairs by region 2022 and 2025**
(Third Sector Trends in England and Wales 2022 and 2025)

	Graduate chair		Female chair		Registered disabled chair		Black, Asian or other ethnic minority chair		Retired chair	
	2022	**2025**	**2022**	**2025**	**2022**	**2025**	**2022**	**2025**	**2022**	**2025**
North East England	71.0	68.0	49.4	43.1	11.4	11.6	5.5	4.4	64.1	53.8
North West England	71.0	69.8	51.1	49.0	11.6	12.7	5.9	4.6	57.4	55.3
Yorkshire and Humber	67.1	64.1	46.6	42.7	12.7	8.8	7.8	7.4	56.6	56.3
East Midlands of England	70.9	66.7	40.9	45.8	12.2	7.3	9.1	5.8	58.8	55.9
West Midlands of England	62.4	62.5	41.5	37.2	9.1	6.1	8.3	7.3	56.9	59.3
East of England	69.1	66.0	43.4	39.9	9.5	6.7	9.9	6.4	61.1	61.7
London	66.0	62.8	39.2	44.3	6.4	5.0	3.1	5.8	60.8	57.2
South East England	83.5	82.2	47.3	43.5	12.2	7.7	28.2	23.6	50.7	46.0
South West England	70.6	72.7	41.8	37.9	6.0	6.3	4.6	4.6	60.5	59.6
Wales	68.5	66.9	44.3	39.1	5.7	5.1	3.0	2.4	62.5	62.5
England and Wales	70.1	68.2	44.5	42.1	9.5	7.4	8.1	6.9	59.1	57.1

Table 2.16 **Personal and biographical characteristics of chief officers by region 2022 and 2025**
(Third Sector Trends in England and Wales 2022 and 2025)

	Graduate CEO		Female CEO		Registered disabled CEO		Black, Asian or other ethnic minority CEO	
	2022	**2025**	**2022**	**2025**	**2022**	**2025**	**2022**	**2025**
North East England	66.0	66.9	59.8	67.6	8.5	12.1	5.8	5.3
North West England	61.7	66.4	66.0	67.7	10.6	9.5	9.6	9.2
Yorkshire and Humber	69.6	68.8	59.9	68.4	10.2	10.1	12.3	9.4
East Midlands of England	56.8	55.3	55.8	60.2	6.9	4.1	10.5	9.6
West Midlands of England	62.8	64.4	62.4	66.3	9.5	10.2	10.0	10.1
East of England	51.0	60.5	57.9	66.5	4.1	6.8	6.2	9.8
London	70.9	81.3	53.6	63.9	6.4	10.9	25.8	27.0
South East England	60.1	71.4	65.5	65.5	4.9	8.6	6.3	5.6
South West England	61.8	63.5	64.5	68.8	8.1	7.0	5.5	6.7
Wales	60.2	66.3	64.9	67.7	8.0	10.8	4.1	5.4
England and Wales	62.7	67.1	61.5	66.5	7.9	9.1	9.6	10.0

2.5 Training and development

Ensuring that people are highly motivated and properly equipped with the skills needed to do their work is generally thought to be an important aspect of organisational effectiveness. And yet, the most important priority set by TSOs is ‘income generation’ (Table 2.17).

Clearly, TSOs need money to rent or buy property within which to work, to buy kit and consumables to deliver services and to pay employees wages. But it is a moot point as to whether developing fundraising skills should be the top priority. Income generation is most clearly prioritised in North East England over all other issues by 77% of TSOs compared with just 64% in South East England.

There could be stronger arguments, from an outsider's perspective, to invest in business planning so as to work out what the money is needed for; and investing in the capability of managers and trustees to make sure that they're making the right decisions. That stated, emphasis on most aspects of training tend to be higher in North East England than most other regions (the closest statistical neighbour is Wales in this respect).

Table 2.17 **Percentage of TSOs stating that training needs are a high priority**
(Third Sector Trends in England and Wales 2025)

	Managing employees / volunteers	**Trustee development and training**	**Business planning**	**Income generation**	**Practical digital skills** (e.g. financial accounting software)	**Artificial intelligence (AI)**
North East England	48.1	31.5	47.6	76.7	27.7	15.9
North West England	44.2	28.5	42.4	67.4	23.6	11.4
Yorkshire & Humber	40.1	28.0	41.0	71.0	22.6	12.3
East Midlands of England	37.6	26.7	35.6	62.9	21.9	7.2
West Midlands of England	36.6	27.4	38.2	66.1	22.0	8.7
East of England	40.4	26.6	36.9	64.3	18.9	9.9
Greater London	48.8	29.1	48.1	71.8	28.9	17.0
South East England	40.8	28.1	39.9	63.6	23.6	10.1
South West England	36.4	24.1	35.8	63.2	20.0	7.2
Wales	47.2	33.3	46.8	72.7	25.8	11.3
England and Wales	**41.6**	**28.0**	**40.8**	**67.5**	**23.1**	**10.9**

Investing in people is generally considered to be beneficial to organisational health and a major contributor to success in achieving objectives.[28] Table 2.18 presents headline data for employees and volunteers in each English region and Wales on the extent of voluntary organisations' investment in training, wellbeing (using flexible working arrangements as an indicator) and personal development. Only the first of these factors, holding a training budget, implies direct financial commitment from TSOs, but other factors will also involve direct or indirect costs.

Levels of investment in employees is a good deal higher in North East England. Greater London and Wales than in most other regions. This applies to the holding of training budgets, flexible working and personal development. It is notable that investment in volunteers appears to be higher in North East England than many other regions and the national average.

[28] Academic studies of the public and private sectors generally show that investment in people through training, supporting their wellbeing and personal development enhances organisational effectiveness. For a critical view of the literature, see: Burgess, S., and Williams, I. (2009) 'Investing in your people works–can 40,000 organisations be wrong?', *Library Management*, 30(8-9), 608-618. The literature on third sector organisational training and development is patchy. See: Egan, T. (2017) 'Training and development in nonprofit organizations', in Ward, J. and Sowa, J. (eds.) *The Nonprofit Human Resource Management Handbook,* New York, Routledge (223-249). Routledge. Most literature in this field is generally focused on the wider objective of fundraising or social impact rather than improving organisations capability and wellbeing; see, for example: Green, E., Ritchie, F., Bradley, P. and Parry, G. (2021) 'Financial resilience, income dependence and organisational survival in UK charities', *Voluntas: international journal of voluntary and nonprofit organizations*, 32(5), 992-1008.

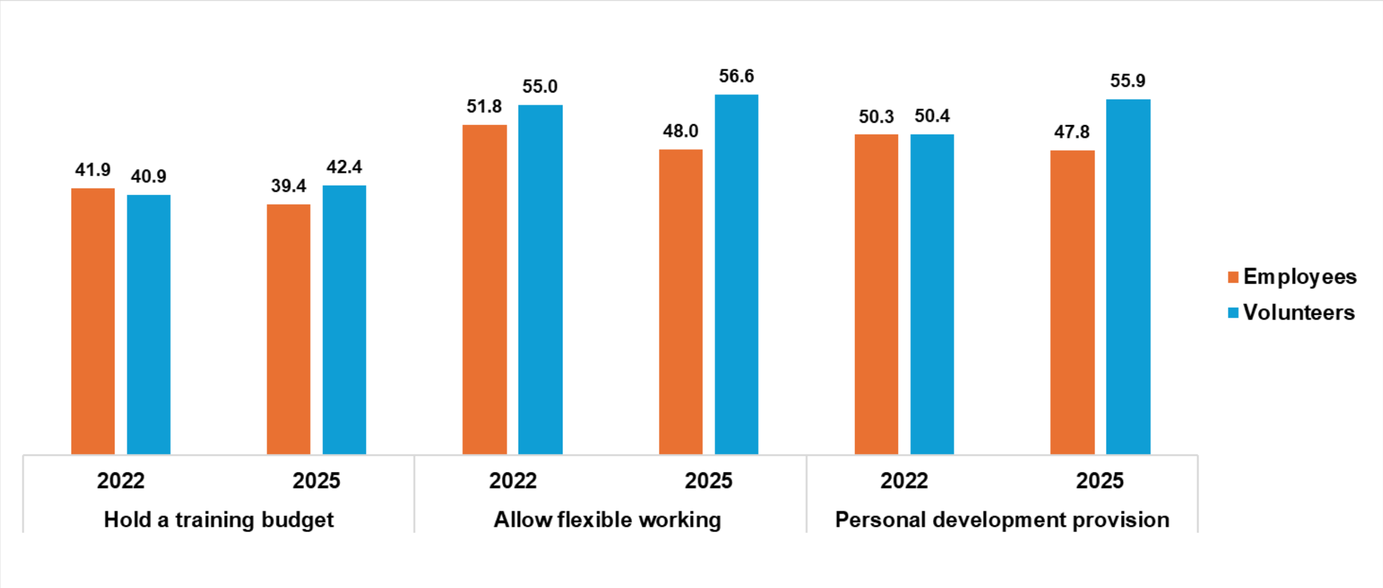
Table 2.18 **Percent of TSOs which invest in training, flexible working and personal development for employees and volunteers** (Third Sector Trends in England and Wales 2025)

Hold a training budget	Employees	Volunteers	Do not do this	N=
North East England	39.4	42.4	48.9	655
North West England	31.6	35.5	57.1	795
Yorkshire & Humber	33.8	35.6	57.2	943
East Midlands of England	27.7	29.8	63.0	610
West Midlands of England	26.9	29.2	63.7	732
East of England	31.1	32.9	60.4	1,115
Greater London	39.0	33.5	54.1	767
South East England	28.9	32.8	60.9	1,209
South West England	24.2	27.9	66.7	1,093
Wales	36.6	34.6	54.8	705
England and Wales	**31.4**	**33.2**	**59.2**	**8,624**
Allow flexible working	**Employees**	**Volunteers**	**Do not do this**	**N=**
North East England	48.0	56.6	33.8	656
North West England	42.4	49.7	42.0	793
Yorkshire & Humber	39.7	50.6	41.9	945
East Midlands of England	34.3	46.6	46.7	612
West Midlands of England	35.9	49.0	44.4	728
East of England	40.5	48.1	43.9	1,111
Greater London	50.8	50.5	37.2	769
South East England	37.6	48.2	44.3	1,204
South West England	33.8	45.0	48.4	1,091
Wales	46.8	48.5	41.1	705
England and Wales	**40.5**	**49.0**	**42.8**	**8,614**
Personal development provision	**Employees**	**Volunteers**	**Do not do this**	**N=**
North East England	47.8	55.9	35.4	655
North West England	40.2	45.6	45.0	794
Yorkshire & Humber	39.0	44.6	47.3	941
East Midlands of England	32.4	40.1	53.1	608
West Midlands of England	32.5	39.6	52.5	729
East of England	36.4	39.7	51.3	1,112
Greater London	45.3	43.5	43.5	768
South East England	33.1	37.3	53.6	1,204
South West England	29.4	33.5	59.0	1,087
Wales	42.7	42.8	45.8	705
England and Wales	**37.3**	**41.5**	**49.4**	**8,603**

There has been a slight shift in emphasis in employee and volunteer training and development in North East England since 2022 (Figure 2.5).

- The percent of TSOs holding training budgets has remained similar for employees (41-42%) but has increased slightly for volunteers from 39% in 2022 to 42% in 2025.
- Provision for flexible working is offered in fewer TSOs for employees in 2025 (48%) than in 2022 (55%) which may reflect a slight shift in practice since pandemic restrictions were lifted. Provision of flexible working arrangements for volunteers has increased slightly (from 55% to 57%).
- The provision of personal development support has declined slightly for employees – falling from 50% in 2022 to 48% in 2025. By contrast, the offer of personal development to volunteers has increased from 50% in 2022 to 56% of TSOs in 2025.

Figure 2.5 **Provision of training budgets, flexible working arrangements and personal development support in North East England 2022 – 2025** (Third Sector Trends, 2022, n=604, 2025, n=655)



Tables 2.19(a) and 2.19(b) provide regional comparisons on the percentage of organisations drawing upon support from external bodies or choosing to tackle issues in house.

- ***Employment issues***: many TSOs in the North East tackle employment issues in-house (37%), but a higher proportion than in most other regions (apart from Yorkshire and Humber) seek external support.
- ***Volunteering issues***: a majority of voluntary organisations deal with such issues in house (60%) in the North East. But 25% seek support from LIOs or local trusts and community foundations (9%).
- ***Governance and leadership issues***: almost half of voluntary organisations in the North East deal with such issues in-house (44%) while many go to local LIOs (26%) or local trusts and community foundations (14%).
- ***Income generation issues***: are predominantly dealt with internally in the North East (59%), but 22% of TSOs go to local trusts and local community foundations as first port of call, followed by LIOs (11%).
- ***Financial management issues***: around 22% of voluntary organisations in the North East go to professional firms (such as lawyers, investment managers or accountants) for help, but most deal with these issues internally (59%).

- ***Local social and public policy issues***: are tackled in-house by 43% of TSOs in the North East but many more go to LIOs (29%) than in other regions, while some go directly to local public sector organisations (16%)

Table 2.19(a) **Main source of support by region** (Third Sector Trends in England 2025)

Employment issues	**From a local infrastructure body (such as a Council for Voluntary Services)**	**From a local charitable grant-making trust or community foundation**	**From the local authority, NHS or other public sector body**	**From a local private sector business or specialist professional**	**We'd do it ourselves**	**Not applicable to us**	**N=**
North East England	20.9	8.4	4.2	29.2	37.4	*30.1*	651
North West England	20.3	5.2	4.1	24.8	45.5	*38.9*	791
Yorkshire & Humber	25.9	9.5	4.1	22.9	37.6	*40.8*	944
East Midlands of England	15.5	9.6	5.0	23.3	46.6	*46.9*	606
West Midlands of England	18.7	9.5	4.4	22.1	45.4	*43.5*	729
East of England	17.7	11.7	5.5	23.2	41.9	*42.7*	1,105
Greater London	15.8	8.9	4.0	28.3	43.0	*34.8*	759
South East England	15.6	8.6	3.9	26.3	45.6	*44.5*	1,193
South West England	16.3	8.8	4.1	22.1	48.7	*47.6*	1,078
England	**18.5**	**9.0**	**4.4**	**24.7**	**43.4**	***41.6***	**7,859**
Volunteering issues							
North East England	25.0	9.2	2.4	3.5	60.0	*11.8*	654
North West England	27.2	4.4	2.5	2.5	63.5	*18.4*	788
Yorkshire & Humber	25.8	10.2	2.3	2.2	59.6	*16.7*	941
East Midlands of England	19.7	10.7	1.6	4.1	63.9	*20.2*	610
West Midlands of England	18.7	7.4	3.7	3.4	66.8	*18.5*	729
East of England	22.9	11.2	3.1	3.7	59.1	*20.5*	1,110
Greater London	19.6	9.4	3.3	6.0	61.7	*23.8*	765
South East England	17.5	11.9	3.1	3.1	64.4	*20.8*	1,195
South West England	16.9	10.5	2.5	2.9	67.3	*22.4*	1,085
England	**21.3**	**9.7**	**2.7**	**3.4**	**62.9**	***19.5***	**7,880**
Governance/leadership issues							
North East England	25.7	13.5	3.3	10.9	46.5	*6.9*	651
North West England	22.0	8.4	3.7	8.4	57.4	*11.5*	790
Yorkshire & Humber	24.6	11.4	3.9	7.9	52.2	*11.0*	939
East Midlands of England	17.6	14.2	3.8	8.0	56.3	*14.1*	608
West Midlands of England	17.3	10.8	4.6	10.1	57.2	*13.4*	729
East of England	19.3	13.7	5.5	9.5	52.0	*14.2*	1,105
Greater London	19.1	11.4	4.9	14.7	49.9	*11.3*	761
South East England	18.6	12.7	3.9	8.0	56.9	*13.2*	1,193
South West England	16.7	14.5	4.9	6.2	57.7	*13.0*	1,086
England	**20.0**	**12.4**	**4.3**	**9.1**	**54.2**	***12.3***	**7,865**

Table 2.19(b) **Main source of support by region** (Third Sector Trends in England 2025)

Income generation issues	From a local infrastructure body (such as a Council for Voluntary Services)	From a local charitable grant-making trust or community foundation	From the local authority, NHS or other public sector body	From a local private sector business or specialist professional	We'd do it ourselves	Not applicable to us	N=
North East England	11.2	21.5	1.8	7.1	58.5	*6.9*	654
North West England	13.1	13.2	2.0	6.4	65.3	*11.1*	791
Yorkshire & Humber	11.6	16.9	3.6	3.6	64.2	*9.6*	941
East Midlands of England	7.1	15.6	2.6	5.3	69.4	*12.6*	609
West Midlands of England	8.2	16.3	1.4	5.8	68.3	*11.0*	730
East of England	10.2	21.5	3.4	5.0	60.0	*14.6*	1,105
Greater London	8.9	15.9	2.4	7.0	65.7	*12.1*	763
South East England	8.0	14.7	2.7	5.2	69.4	*13.2*	1,195
South West England	6.9	17.1	2.3	4.6	69.0	*12.4*	1,085
England	**9.4**	**17.0**	**2.5**	**5.4**	**65.6**	***11.7***	**7,876**
Financial management issues							
North East England	11.2	6.1	1.8	21.7	59.3	*6.5*	651
North West England	10.6	4.6	2.2	18.6	64.0	*9.5*	791
Yorkshire & Humber	10.9	8.2	2.1	16.1	62.6	*9.5*	940
East Midlands of England	5.8	6.7	1.3	17.2	69.0	*12.3*	611
West Midlands of England	7.6	5.6	1.1	18.0	67.8	*11.3*	727
East of England	9.4	6.7	2.1	18.2	63.6	*13.4*	1,104
Greater London	9.4	7.5	1.8	20.9	60.5	*9.9*	756
South East England	6.9	7.1	1.4	15.5	69.0	*11.8*	1,196
South West England	6.0	5.8	1.5	15.9	70.8	*11.4*	1,086
England	**8.6**	**6.5**	**1.7**	**17.7**	**65.4**	***10.8***	**7,865**
Local social and public policy issues							
North East England	29.0	8.2	15.6	4.6	42.7	18.4	643
North West England	27.4	4.3	16.5	3.7	48.1	25.5	789
Yorkshire & Humber	25.7	9.2	18.8	3.9	42.4	26.6	937
East Midlands of England	16.2	8.2	16.4	5.8	53.4	31.3	603
West Midlands of England	20.3	7.1	17.7	4.2	50.7	28.4	728
East of England	21.2	10.9	20.2	3.9	43.9	29.4	1,097
Greater London	24.3	9.4	16.2	5.3	44.8	32.5	757
South East England	17.1	10.0	16.8	4.0	52.2	31.9	1,188
South West England	18.1	8.4	16.6	3.2	53.7	32.8	1,078
England	**22.0**	**8.6**	**17.4**	**4.2**	**48.0**	**29.0**	**7,821**

Section 3
Sector purpose, energy and impact

3.1 Sector purpose and beneficiaries

Third Sector Trends collects data on a limited range of broad categories of beneficiary groups. Most TSOs tend to tackle a range of beneficiary issues rather than focusing upon just one. While it is not possible to undertake highly nuanced regional analysis using these data, it is clear that sector emphasis in beneficiary terms reflects local regional conditions. For example, emphasis on physical disability or illnesses as beneficiary areas tend to be higher in northern areas where concentrations of deprivation are higher than in more affluent southern regions.

In North East England it is notable that the focus on all aspects of health is higher than the national average and the most affluent regions such as East of England and South East England. Clearly this also affects sector focus on supporting carers, which is at its highest in North East England (17% of TSOs). The same pattern applies for related beneficiary issues such as unemployment, urban deprivation and poverty.

In some aspects of beneficiary support, other regions stand out. For example, homelessness is featured as a bigger priority in Greater London than any other region, while emphasis on rural issues is higher in the less urban regions of East Midlands, South West, East of England and Wales. The focus on overseas aid and development is the lowest in North East England (2% of TSOs) and highest in Greater London (8%) and the South East (6%).

Table 3.1 **Percent of TSOs serving specific beneficiary areas by region 2025**

	People with physical disabilities	**People with physical health conditions**	**People with mental health conditions**	**People with learning disabilities**	**Carers**
North East England	23.1	25.4	31.9	22.8	16.8
North West England	22.3	21.8	26.8	19.1	12.8
Yorkshire & Humber	21.5	22.5	25.6	18.3	13.3
East Midlands of England	18.6	18.3	20.2	15.2	11.4
West Midlands of England	21.4	20.7	24.2	18.5	11.4
East of England	20.1	19.3	22.9	15.4	12.5
Greater London	19.9	20.2	22.1	18.1	10.7
South East England	19.8	20.4	21.4	15.6	11.6
South West England	18.1	16.9	18.3	16.0	9.1
Wales	22.4	22.1	24.8	20.5	14.1
England and Wales	**20.6**	**20.5**	**23.5**	**17.6**	**12.2**

Table 3.1 / continued…	**People of a particular ethnic or racial origin**	**People with homelessness and housing issues**	**Unemployed/ workless people**	**People or households living in poverty**	**People with concerns about gender and sexuality**
North East England	7.6	11.6	18.5	27.4	5.4
North West England	8.5	10.6	12.8	19.1	4.0
Yorkshire & Humber	7.7	10.7	13.7	18.5	4.9
East Midlands of England	5.2	10.3	10.0	15.7	3.4
West Midlands of England	6.1	11.2	11.5	16.8	3.9
East of England	5.7	9.5	11.7	20.1	3.7
Greater London	11.6	14.0	13.4	21.7	4.1
South East England	4.6	9.9	9.2	15.7	2.9
South West England	4.1	8.7	8.6	14.5	3.0
Wales	7.1	11.1	13.0	19.5	5.4
England and Wales	**6.6**	**10.6**	**11.9**	**18.6**	**4.0**
…	**People in rural areas**	**People in disadvantaged urban areas**	**Overseas aid (e.g. famine relief, education, development work)**	**Animals**	**Other Third Sector Organisations (e.g. a grant making trust or a CVS)**
North East England	17.7	21.5	1.8	2.9	2.3
North West England	13.6	17.8	2.5	3.1	2.9
Yorkshire & Humber	14.8	15.8	3.9	3.5	4.9
East Midlands of England	18.9	11.4	5.4	2.1	3.8
West Midlands of England	15.6	14.2	6.0	2.0	2.6
East of England	20.8	12.0	3.7	2.0	2.9
Greater London	2.6	18.5	7.8	1.7	6.1
South East England	12.0	9.8	6.2	2.6	4.0
South West England	22.1	9.8	4.4	3.1	3.6
Wales	20.3	12.6	3.8	4.2	3.9
England and Wales	**15.9**	**13.9**	**4.6**	**2.7**	**3.7**
	People in general	**Children and young people**	**Older people**	**Other**	**N=**
North East England	54.9	45.5	35.2	10.0	661
North West England	55.3	40.1	35.1	10.0	800
Yorkshire & Humber	57.5	39.1	33.9	9.8	953
East Midlands of England	59.1	38.5	32.1	8.0	613
West Midlands of England	58.6	39.8	34.4	8.0	739
East of England	55.1	38.0	33.0	10.6	1,122
Greater London	47.5	41.5	25.8	14.0	774
South East England	52.7	36.3	29.8	10.4	1,212
South West England	59.8	37.8	31.7	7.7	1,097
Wales	57.5	39.8	35.7	8.9	709
England and Wales	**55.7**	**39.3**	**32.5**	**9.8**	8,680

3.2 Perceptions of social impact

Currently, Third Sector Trends is the only large-scale study which collects substantive data on perceptions of sector impact. New questions were introduced in 2019 on the impact of the sector's work which were developed in collaboration with *Power to Change*. Respondents were asked "*at a community level, what kind of impact do you think you have?"* across several domains.

For each aspect, respondents were invited to tick one of the following responses: 'we have a very strong impact,' 'we make an important contribution,' 'we make some difference' and 'no we don't try to do this'. Response rates to each question were high (never falling below 94% for each statement) which bolsters the reliability of the findings. It was a matter of concern, when this question was first launched in 2019, that people who took part in the survey might be tempted to 'over emphasise' the value of their work. But this did not turn out to be the case. Respondents were measured in their assessments of the areas of impact to which they contribute.

Table 5.1 shows the strength of impact that TSOs have at regional level on personal, social and community wellbeing. Two findings immediately stand out. Firstly, at national level a higher percentage of TSOs perceive that they have very strong impact on 'generalist' objectives such as 'health and wellbeing' (25%) or 'social isolation' (27%), while fewer make strong claims about more specialised or focused aspects of impact such as 'increasing employability' (6%) or 'improving the local environment' (8%).

Interestingly, in North East England there tends to be a much stronger focus on specifics than in many other regions – this reflects the higher density of social problems associated with poverty and deprivation. For example, 32% of TSOs in the North East claim to have a very strong impact on health and wellbeing compared with a national average of 25%. Similarly high scores are recorded for social isolation (38%) and building people's confidence to manage their lives (27%).

In other respects, the impact of the North East England's third sector is little different from other areas. For example, about the same percentage of TSOs feel that they have a very strong impact on the environment or the cultural and artistic life of the community as in other regions.

Table 3.2(a) **Percent of TSOs stating that they 'have a very strong impact' by region 2025**

	We develop knowledge and skills through education and training	We improve health and wellbeing	We reduce social isolation	We encourage physical activity and improve people's fitness	We increase employability	We tackle the consequences of poverty	We improve people's access to basic services
North East England	20.8	32.0	37.7	17.3	9.7	13.4	14.4
North West England	18.1	29.2	30.2	14.9	5.2	12.5	13.0
Yorkshire & Humber	16.4	28.3	28.1	13.9	6.6	8.9	12.1
East Midlands	15.0	19.9	22.1	11.0	5.7	7.6	7.5
West Midlands	14.8	23.1	26.5	12.2	5.8	8.9	10.7
East of England	16.1	25.5	28.5	10.6	5.7	9.4	11.3
Greater London	22.6	23.9	27.0	12.8	9.0	12.6	9.6
South East England	14.4	20.5	21.7	10.6	4.8	7.8	8.7
South West England	13.0	19.3	20.3	10.7	3.6	7.1	6.4
Wales	18.6	27.5	30.8	13.8	5.5	11.3	13.0
England and Wales	**16.7**	**24.6**	**26.8**	**12.5**	**6.0**	**9.7**	**10.5**

Table 3.2(b) continued	We give people confidence to manage their lives	We enhance the cultural and artistic life of the community	We improve the local environment	We promote community cohesion	We empower people in the community	We increase people's pride in their community
North East England	26.9	14.7	9.4	22.3	25.3	18.8
North West England	23.5	15.8	8.8	21.0	20.8	15.7
Yorkshire & Humber	22.1	14.3	7.3	19.3	19.3	16.7
East Midlands	15.6	14.9	7.8	15.7	11.7	11.3
West Midlands	20.3	15.3	8.7	19.5	16.6	13.9
East of England	20.5	15.2	9.0	19.8	18.9	13.9
Greater London	22.6	16.8	6.3	18.2	21.9	12.9
South East England	17.0	13.8	8.3	14.8	14.1	10.2
South West England	12.8	14.1	8.7	14.0	11.5	10.6
Wales	23.8	18.9	10.0	22.9	21.2	16.8
England and Wales	**20.1**	**15.2**	**8.4**	**18.4**	**17.8**	**13.8**

Within the North East, there is some evidence to suggest shifts in emphasis in impact terms over the last few years (Table 3.3). Strong impact on social isolation, for example, seems to have increased from 30% in 2019 to 38% in 2025. Similarly, perceptions of strong impact on poverty have increased from 10% in 2019 to 13% in 2025 (although this is a slight dip from 14% in 2022).

Perceptions of strong impact remain fairly similar over the years, suggesting long-term commitment to core issues such as health and wellbeing (31-33%), confidence to manage lives (27-30%), empowering people in the community (25-27%) and community cohesion (22-23%).

Table 3.3 **Perceptions of strong impact in North East England 2019-2022**	**2019**	**2022**	**2025**
We develop knowledge and skills through education and training	No data	No data	20.8
We improve health and wellbeing	30.7	32.5	32.0
We reduce social isolation	29.7	32.1	37.7
We encourage physical activity and improve people's fitness	No data	15.9	17.3
We increase employability	9.8	10.7	9.7
We tackle the consequences of poverty	9.8	14.4	13.4
We improve people's access to basic services	14.5	16.0	14.4
We give people confidence to manage their lives	28.2	29.9	26.9
We enhance the cultural and artistic life of the community	19.6	17.9	14.7
We improve the local environment	10.8	8.9	9.4
We promote community cohesion	22.3	23.4	22.3
We empower people in the community	25.4	27.0	25.3
We increase people's pride in their community	17.7	19.3	18.8

3.3 Financial estimates of sector impact

The approach to defining sector value by Third Sector Trends involves four steps.[29] The first step is to estimate the 'added value' the third sector contributes involves the identification of the amount of 'energy' which the sector has at its disposal to achieve its objectives. Rather than over-labouring the process of defining sector energy, a relatively simple approach is taken to include financial or proxy financial values under four headings:

- ***The value of financial expenditure***: it is possible to make good estimates of sector expenditure. This sum captures the economic value of employee wages, spending on rent and consumables and the disbursement of grants to individuals or other TSOs together with contributions to local and national taxation.
- ***The proxy-replacement value of volunteer time available***: in Section 2, calculations on the number of regular volunteers and the work time they invest were presented. Replacement values were attributed to this energy at National Living Wage and at 80% of median regional wages. A mid-point estimate is used to define the value of volunteering.
- ***The proxy value of additional in-kind support***: in-kind support from the private sector and public sector is estimated. This support includes the free or low-cost use of facilities and services, pro bono advice and technical expertise, employee volunteer support and the provision of free goods such as surplus consumables.[30]
- ***The proxy value of self-generated income***: this estimate is based on the regional share of the national value of income gained from retailing of pre-used goods. This represents the production of financial value from redundant articles and is not covered in the expenditure category (which would include income from other types of third sector trading).[31]

As shown in Table 3.4, these combined financial values reach substantial sums. But these statistics is do not fully reflect the whole value of the economic and social impact the third sector produces. Instead, they simply signal the resource 'energy' that the sector has at its disposal.

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[29] See Section 5, *Technical paper on sector structure and analytical techniques*: https://www.stchads.ac.uk/wp-content/uploads/2025/12/Third-Sector-Trends-in-England-and-Wales-2025-Technical-paper-on-sector-structure-and-analytical-techniques-December-2025.pdf

[30] A report on the substantive contribution of business to the third sector has been produced as part of the Law Family Commission on Civil Society. See Chapman, T. (2021) *Going the extra mile: how business works with the local third sector*, London: Pro Bono Economics. Currently there are no equivalent studies of local public sector investment in the third sector using in-kind resources. However, it is likely that the non-financial contributions of public bodies such as NHS trusts, health authorities, police, fire and rescue and other agencies is likely to be at least equal to private sector investment. In-kind support would include the contribution of officers with responsibility for third sector liaison, research and intelligence and advice and guidance – but exclude contracts to the third sector to provide infrastructure support as this will be counted under third sector expenditure. Other forms of in-kind support would include free access to venues and equipment for third sector usage and beneficial arrangements such as peppercorn rents.

[31] The evidence from the Charity Retail Association suggests that charity shop retail produces about £331m in profits in 2018/19. On this basis, estimates were generated for Yorkshire and the three study areas. For further discussion of the value produced through charity shop recycling and retail see also, Osterley, R. and Williams, D. (2019) 'The social, environmental and economic benefits of reuse by charity shops', *Detritus* 7(1) 29-35. https://digital.detritusjournal.com/articles/the-social-environmental-and-economic-benefits-of-reuse-by-charity-shops/244. For further analysis on the value of charity shop retail, see Harrison-Evans, P. (2016) *Shopping for good: the social benefits of charity retail*, London: Demos https://www.demos.co.uk/wp-content/uploads/2017/09/Shopping-for-Good-the-social-benefits-of-charity-retail-.pdf. While charity retail declined during the pandemic due to lockdowns and closures, there are indications that business has bounced back in 2022: Charity shops reveal surge in interest with sales 22% higher than pre-pandemic due to cost of living crisis (inews.co.uk).

Table 3.4 Estimates of the third sector's financial value in North East England 2025					
	Estimated sector expenditure (£millions)	**Proxy-replacement value of volunteer time mid point estimate (£millions)**	**Proxy value of additional in-kind support in each area (£millions)**	**Proxy value of additional sources of self-generated income in each area (£millions)**	**Total financial value of sector energy expended by the Third Sector in each area (£millions)**
Darlington	62.3	4.9	3.3	0.4	70.9
Hartlepool	60.2	4.7	3.2	0.4	68.5
Middlesbrough	80.6	6.3	4.3	0.5	91.6
Redcar and Cleveland	71.2	5.6	3.8	0.4	80.9
Stockton-on-Tees	101.4	8.0	5.4	0.6	115.4
Tees Valley	**375.6**	**29.5**	**19.9**	**2.3**	**427.3**
Northumberland	327.3	26.2	17.3	2.0	372.8
County Durham	390.1	31.0	20.7	2.3	444.2
Newcastle upon Tyne	253.4	20.4	13.4	1.5	288.7
Gateshead	163.4	13.4	8.7	1.0	186.4
North Tyneside	145.6	11.8	7.7	0.9	166.0
South Tyneside	71.7	5.8	3.8	0.4	81.7
Sunderland	170.5	13.9	9.0	1.0	194.5
North East Combined Authority	**1,522.1**	**122.4**	**80.6**	**9.2**	**1,734.3**
North East England	**1,897.7**	**151.9**	**100.5**	**11.4**	**2,161.6**

The second step in the process is to define types of 'added value' that the third sector contributes to local economy and society. No claim is made that these distinctions are entirely original – instead, the approach draws upon the large policy and academic literature on the appraisal or measurement of impact which implicitly or explicitly embrace one or more of these notions of impact value.[32]

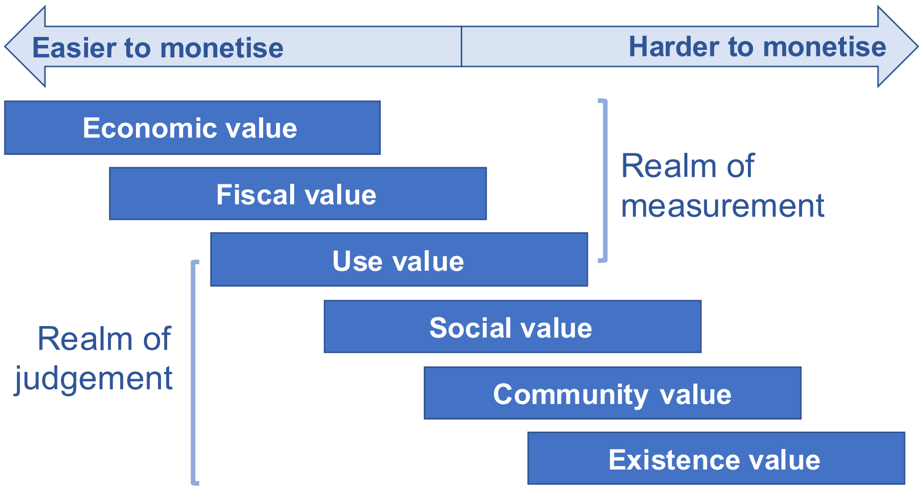
- ***Economic value***: is defined as the economic contribution that the local third sector makes to the area through 'multiplier effects' driven by: organisational expenditure on local businesses; the spending of employees in the local economy and productivity from self-generated trading activities.
- ***Fiscal value***: is defined as the savings gained by local public sector agencies and government departments because of third sector activity (either by delivering services under contract more efficiently or cheaply, or by reducing service need via third sector generated activity).
- ***Use value***: is defined as the direct and immediate personal or social benefits gained by third sector service users which in turn incentivises, empowers and facilitates greater socially, economically or environmentally beneficial activity by the resident population in employment, self-employment, unpaid caring, running private businesses/social enterprises and volunteering.

[32] There is a large academic and policy literature on the definition and measurement of value. A useful contribution has been offered by Mulgan, G., Breckon, J., Tarrega, M., Bakhshi, H., Davies, J., Khan, H. and Finnis, A. (2019) *Public value: how can it be measured, managed and grown?* London: Nesta. There are many methodologies on offer to measure value, such as descriptive models of causation adopted in 'theories of change' which may result in impact; complex manipulation of evidence and predictive modelling in social return on investment strategies, and so on. Whichever approach is adopted, results can be contested depending on the value position of the observer. For further discussion, see Third Sector Trends discussion paper: *Measuring Impact: easy to say, hard to do.* Newcastle: Community Foundation North East. https://www.communityfoundation.org.uk/wordpress/wp-content/uploads/2017/09/Measuring-Impact-easy-to-say-hard-to-do.pdf

- ***Social value***: the alleviation of the impact of specific social problems and investment in personal wellbeing to generate or embrace new opportunities to strengthen economy and society locally.
- ***Community value***: strengthening the quality of life, enriching culture, and encouraging cohesion, tolerance, trust and belief in civil society through the collective contribution of the third sector working in neighbourly, complementary or collaborative ways.
- ***Existence value***: when the third sector invests in social and community wellbeing which is valued by the general population though not necessarily 'used' personally. Existence value also includes extant third sector capacity and latent potential to produce energy and momentum to tackle unforeseen local challenges or crises.

As Figure 3.1 illustrates, some of these types of value are easier to 'measure' and 'monetise' than others. Economic, fiscal and use values are *more* amenable to measurement and monetisation. Social, cultural and existence values cannot easily be monetised or measured – but this does not mean that shared judgements cannot be reached about their value.

Figure 3.1 **Realms of measurement and informed judgement**



The third step in the analysis is to apply standardised multipliers to each aspect of value. The multiplier estimates are more 'conservative' than those often adopted in evaluation work. This is because specific assessments of third sector practices attribute success within defined practice boundaries – but without necessarily considering how other interventions may have contributed to overall impact.[33]

It is accepted that the estimates may be 'too low' or 'too high'. And similarly, the possibility is not dismissed that there could be considerable levels of variation when looking at different aspects of sub-sector activity.[34] It would be expected that the

[33] For a brief overview of the limitations of approaches to economic impact analysis, see Westall, A. (2009) *Economic analysis and the third sector: overview of economic analysis in relation to the third sector*, Birmingham: third sector Research Centre Working Paper No. 14. http://epapers.bham.ac.uk/801/1/WP14_Economic_analysis_and_the_third_sector_-_Westall_Dec_09.pdf. See also, Harlock, J. (2013) *Impact measurement practice in the UK third sector: a review of emerging evidence*, Birmingham: third sector Research Centre Working Paper No. 14, http://epapers.bham.ac.uk/1800/1/WP106_Impact_measurement_practice_in_the_UK_third_sector_-_Harlock%2C_July_2013.pdf

[34] There is a growing body of research literature on the social value produced by sub sectors. See for example Sport England's measuring impact guidance https://www.sportengland.org/how-we-can-help/measuring-impact. A review has also been produced for arts and culture activities, see: See also, Reeves, M. (2003) Measuring the economic and social impact of the arts: a review, London: Social Value UK, https://socialvalueuk.org/report/measuring-economic-social-impact-arts-review/. For a more critical analysis of arts measurement, see Holdon, J. (2004) *The value of culture cannot be expressed only with statistics, audience numbers give us poor picture of how culture enriches us*, London: Demos: https://www.demos.co.uk/files/CapturingCulturalValue.pdf. Similar research has also been undertaken widely in the health and social care field, for an introduction to the field, see: https://www.health.org.uk/topics/community-and-

estimates, as given, may be subject to challenge as the quality of evidence on sector impact improves – but this would be welcomed if it helps to produce informed debate about third sector economic impact. The resulting economic values, once multipliers have been applied to sector energy estimates are presented in Table 3.5.

Table 3.5 **Estimates of tangible added value produced by the third sector in North East England**

	Total financial value of sector energy expended by the third sector in each area (£millions)	**Economic multiplier value (mid-point estimate 65%)** (£millions)	**Fiscal multiplier value (mid-point estimate 55%)** (£millions)	**Use value multiplier (mid-point estimate 35%)** (£millions)	**Total contribution of multiplier contribution excluding direct financial value** (£millions)
Darlington	70.9	46.1	39.0	24.8	109.8
Hartlepool	68.5	44.5	37.7	24.0	106.1
Middlesbrough	91.6	59.5	50.4	32.1	142.0
Redcar and Cleveland	80.9	52.6	44.5	28.3	125.5
Stockton-on-Tees	115.4	75.0	63.5	40.4	178.8
Tees Valley	**427.3**	**277.7**	**235.0**	**149.5**	**662.2**
Northumberland	372.8	242.3	205.1	130.5	577.9
County Durham	444.2	288.7	244.3	155.5	688.5
Newcastle upon Tyne	288.7	187.6	158.8	101.0	447.5
Gateshead	186.4	121.2	102.5	65.3	289.0
North Tyneside	166.0	107.9	91.3	58.1	257.3
South Tyneside	81.7	53.1	44.9	28.6	126.7
Sunderland	194.5	126.4	107.0	68.1	301.5
North East Combined Authority	**1,734.3**	**1,127.3**	**953.9**	**607.0**	**2,688.2**
North East England	**2,161.6**	**1,405.0**	**1,188.9**	**756.5**	**3,350.4**

The fourth step involves making observations on how to value aspects of third sector activities that cannot easily be defined, let alone measured. It may not be possible accurately and consistently to measure value which is created through the individual and accumulated action of the third sector, but it does not mean that such value does not exist.

Dredging for 'data' to collate, categorise and count and then shoehorn into statistical models rarely looks convincing. It is better to recognise that making shared judgements about the value of sector activity that is already happening. There are two simple ways of recognising this. Firstly, by taking into account the fact that a majority of TSOs are awarded grants and gifts from time to time, by trusts and foundations, local public bodies which operate small community grants, local parish councils, faith organisations, businesses or philanthropists, public giving and so forth. This shows that through the use of judgement, much of the work of the sector has already been assessed and invested in by people.

Secondly, and as importantly, the low levels of closures among voluntary organisations indicate that continuity and sustainability is the norm, not the exception. What this shows is that that TSOs are relevant, purposeful and produce social and community activity that people value, contribute towards and use. It is a simple point to make: if the community did not value the work and sustain the resolve to keep it alive and active - the third sector would not exist. If accepted, in principle, that the added social, community and environmental value that the third sector accumulates

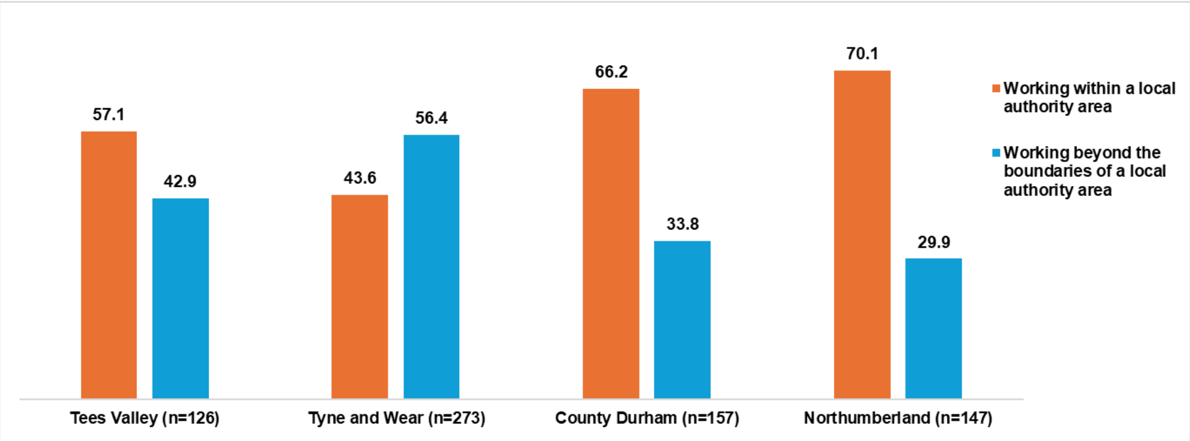
voluntary?gclid=Cj0KCQjw6NmHBhD2ARIsAI3hrM1eO53eusFbSpDO2pvaHgxGNovJRKr31zlf2ucWS48sGtAQIvQ_tNoaApJQEALw_wcB is at least of equal value to the energy the sector expends - that is far as financial evaluation exercises on intangible sector-wide impact need to go – the results of which are presented in Table 3.6.

Table 3.6 **Estimates of total value produced by the third sector in North East England 2025**

	Actual financial value of the third sector (£millions)	**Added economic, fiscal and use value** (£millions)	**Added intangible social, community and existence value** (£millions)	**Total value** (£millions)	**Resident population in local authority**[35]	**Value per 1,000 resident population** (£millions)
Darlington	70.9	109.8	70.9	251.6	112,489	2.24
Hartlepool	68.5	106.1	68.5	243.0	98,180	2.48
Middlesbrough	91.6	142.0	91.6	325.2	156,161	2.08
Redcar and Cleveland	80.9	125.5	80.9	287.3	139,228	2.06
Stockton-on-Tees	115.4	178.8	115.4	409.6	206,800	1.98
Tees Valley CA	**427.3**	**662.2**	**427.3**	**1,516.8**	**712,858**	**2.13**
Northumberland	372.8	577.9	372.8	1,323.5	331,420	3.99
County Durham	444.2	688.5	444.2	1,576.8	538,011	2.93
Newcastle upon Tyne	288.7	447.5	288.7	1,024.9	320,605	3.20
Gateshead	186.4	289.0	186.4	661.9	202,760	3.26
North Tyneside	166.0	257.3	166.0	589.2	215,025	2.74
South Tyneside	81.7	126.7	81.7	290.1	151,393	1.92
Sunderland	194.5	301.5	194.5	690.4	288,606	2.39
North East CA	**1,734.3**	**2,688.2**	**1,734.3**	**6,156.8**	**2,047,820**	**3.01**
North East England	**2,161.6**	**3,350.4**	**2,161.6**	**7,673.5**	**2,760,678**	**2.78**

Table 3.6 also provides 'rough and ready' proportional estimates of the value of the local third sector to the resident population in each local authority. These values should only be regarded as 'indicative' because, as shown in Figure 3.2, many TSOs do not limit their work to local authority boundaries. Unfortunately, there is insufficient survey data to drill down to the local authority level so as to determine the range of activity of local organisations. Nonetheless, the indications are that in the major metropolitan areas centred upon the Tyne and Wear, there is more cross-boundary working than in spatially diverse areas such as Northumberland.

Figure 3.2 **Cross-boundary working in North East England**



35 Statistica, 2023 https://www.statista.com/statistics/294729/uk-population-by-region/#:~:text=Population%20of%20the%20UK%202023%2C%20by%20region&text=The%20population%20of%20the%20United,West%20England%20at%207.6%20million.

Section 4

Income, assets and financial wellbeing

Third Sector Trends research includes all types of registered organisations with income below £25million. As Table 4.1 shows, there are about 205,000 organisations in England and Wales and total sector income amounts to about £61billion. Organisational density varies by region.[36] There are proportionately more TSOs per 1,000 population in the affluent south of England than in the Midlands and the North.

In North East England there are marginally fewer TSOs per 1,000 members of the resident population than in any other region. But it should be noted that there is a larger than average number of bigger TSOs in the North East which partly compensates in income terms for the smaller size of the sector as a whole.

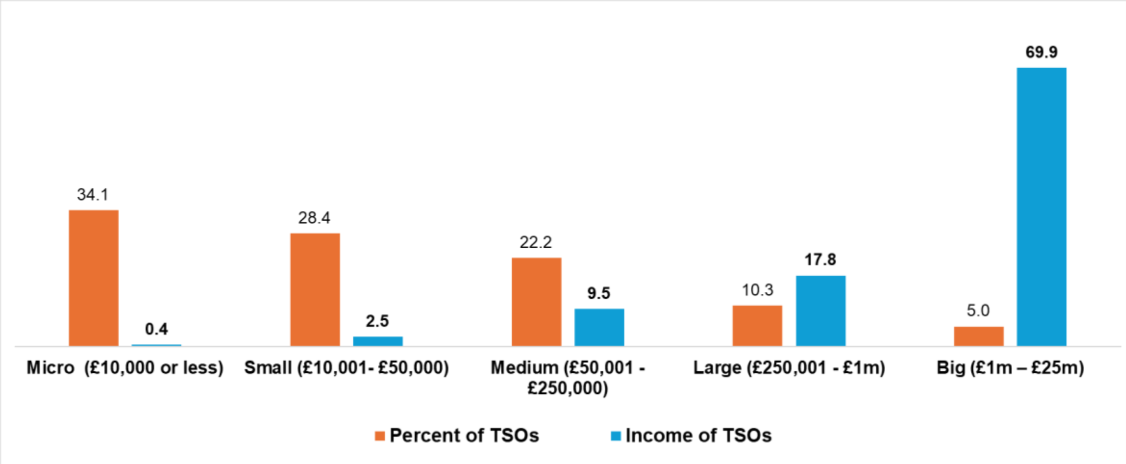
Income is not evenly distributed amongst voluntary organisations. Micro organisations, which form 34% of the third sector's population, receive less than 1% of sector income. By contrast, the largest organisations command 70% of sector income, but only constitute 5% of its population (Figure 4.1).

Table 4.1 **Third Sector income in England and Wales 2025**

	Number of Third Sector organisations	**Population in each region** (1,000s)	**Third Sector organisations per 1,000 population**	**Estimated Third Sector income** (£millions)
North East England	7,140	2,711	2.6	1,980
North West England	20,760	7,600	2.7	5,710
Yorkshire and Humber	15,060	5,594	2.7	3,870
East Midlands of England	14,650	4,991	3.0	2,940
West Midlands of England	17,500	6,086	2.9	4,610
East of England	22,110	6,469	3.4	4,950
London	38,860	8,945	4.4	19,990
South East England	33,980	9,483	3.6	9,550
South West England	24,430	5,811	4.2	5,400
Wales	10,530	3,164	3.2	2,260
England and Wales	**205.000**	**60,854**	**3.4**	**61,260**

[36] As opposed to the conventional focus on individual organisations or programmes, the assessment of 'whole sector' impact is becoming more popular. By different means entirely, New Philanthropy Capital recently identified around £63bn of impact via charities, housing associations and CICs. While methodologies and the intellectual traditions underpinning them differ fundamentally, both approaches seem to have come to a similar view in terms of scale, if not means of attribution and social purpose. Preston, R. (2026) 'Wider impact economy valued at £428bn by think tank', Civil Society Media (3rd February)' for the full report, see: NPC (2026) *Impact UK, the size and story of our impact economy 2026,* London, New Philanthropy Capital. https://npproduction.wpenginepowered.com/wp-content/uploads/2026/01/Impact-UK-2026-Digital-Report-Final.pdf?_gl=1*1i0brrj*_ga*MTg2ODkwMzI3MC4xNzY0NzY3NjE3*_ga_5Q3PNDTP66*czE3NzA2NDE1OTYkbzQkZzEkdDE3NzA2NDE2OTAkajM5JGwwJGgw

Figure 4.1 **Distribution of sector income by voluntary organisations' size in North East England** (Third Sector Trends in England and Wales 2025 Combined Register data, distribution, n=7,149[37])



4.1 Income sources

Dependence upon a single income source can be risky. Consequently, most voluntary organisations prefer to rely upon a mix of income sources such as grants, earned income, gifts and legacies, subscriptions and so on.

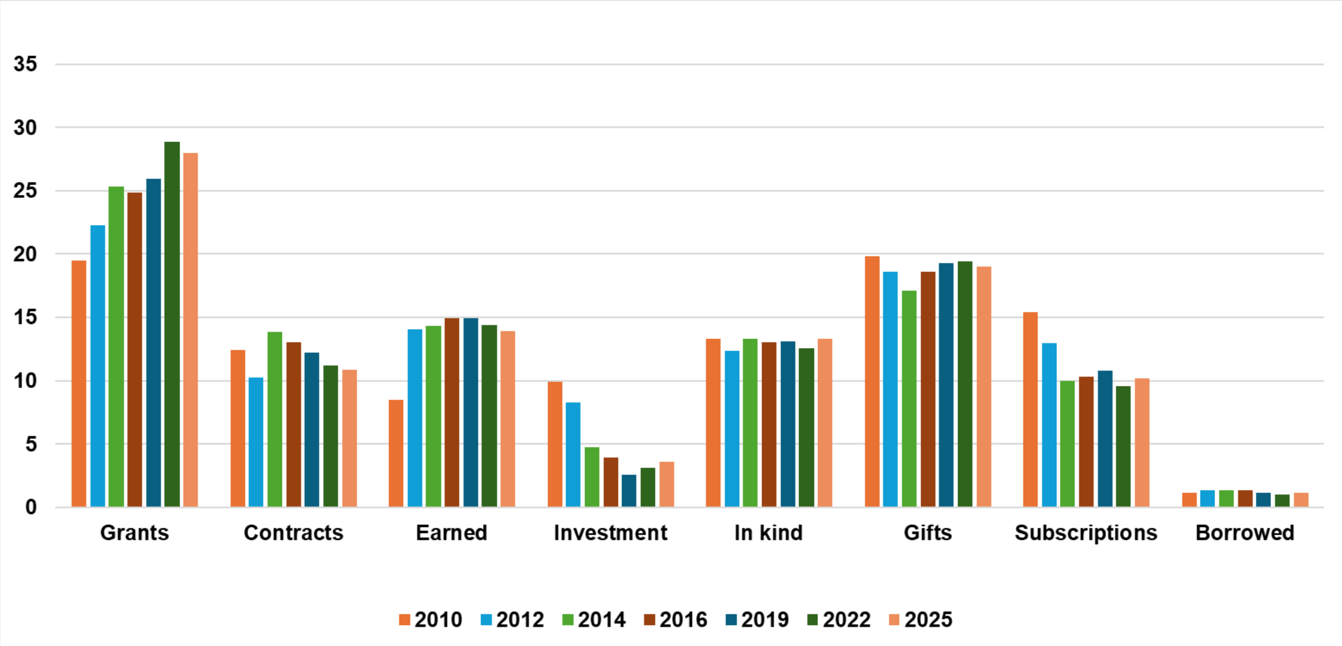
Figure 4.2 shows how sources of income are valued relative to each other. These data show how 'perceptions' of value change over time – they do not represent the financial value to organisations at each stage of the study. In North East England it is clear that, in relative terms, perceptions of the value of grants in the income mix of TSOs has grown over the years compared with contracts which has steadily declined since 2014.

Perceptions of the value of earned income, relative to other income sources, has remained fairly stable, as have in-kind support and gifts. The relative value of investment income collapsed after the global financial crisis of 2008, but have now begun to recover. Perceptions of the relative value of subscription income also fell in the early years of the study but have not recovered. Borrowed money has never been regarded as important by many TSOs in the North East but that does not mean there is no market for borrowing market – it is just very small.

The relative value of income sources across English regions and Wales is presented in Figure 4.x. It is notable that grants are much more highly valued in North East England and in Wales than in any other area; while gifts, investment and subscriptions are regarded as being of lesser value when compared with other regions. Contracts are also judged to be more important in Wales and North East England than in other areas, suggesting close similarities in sector structure and purpose in these areas.

[37] Data on organisational income is scaled up to the whole sector using Charity Commission data. Further information on how estimates are constructed can be found here: Third Sector Trends in England and Wales 2025- Technical paper on sector structure and analytical techniques – (December 2025).

Figure 4.2 **Relative importance of income support 2010-2025 in North East England**



Headline data on income sources can conceal underlying variations. Figure 4.3(a) (national) and Figure 4.3(b) (North East England) compare perceptions of the value of income sources by size of organisations at national level.

- Grant funding is generally regarded as a 'most important' or 'important' source of income, but this varies by size of TSOs. Nationally, only 42% of micro organisations feel that grants are of importance to them compared with 79% of larger organisations. In North East England, grants are considered to be more important ranging from 56% of micro to 91% of larger TSOs.
- Nationally, income from contracts to deliver services is valued by 63% of the biggest organisations, but only by 5% of the smallest. In the North East 7% of micro and 79% of the biggest TSOs state that contracts are important.
- The size of TSOs affects how earned income is valued - rising from 23% of micro TSOs to 42-43% of the biggest organisations nationally. In the North East, 21% of micro and 52% of the biggest value earned income highly.
- Nationally, few organisations highly value income from investments - ranging from 12% of small to medium-sized TSOs to 16% of larger organisations. Over a quarter of the biggest organisations highly value investments (26%). In the North East the percentages are lower, ranging from 8% of micro to 15% of the biggest TSOs.
- Contributions in kind are valued more highly as organisations grow in size, rising from 28% of micro to 35-36% of medium-sized and larger TSOs. In-kind support is considered to be of lesser value by the biggest TSOs (23%). In-kind support is valued more highly amongst smaller TSOs (33%) but about the same as at national level of the biggest organisations (25%)
- Gifts and donations are most highly valued by medium-sized organisations nationally (63%, as is the case in North East England but at a lower level of 55%). While the perceived importance of this source of income is lower in micro nationally (44%) it is higher in the North East (52%). In the biggest organisations (51% nationally) gifts are regarded as a significant and valuable income source compared with just 35% in the North East.
- Micro organisations are most likely to value subscription income (38% nationally, 35% North East); percentages fall steadily to 14% of the biggest TSOs nationally and 10% in the North East.
- Borrowed money is not considered to be an important source of income by most TSOs: 10% of the biggest organisations nationally (11% in the North

East) state that borrowed money is of importance to them while fewer than 1% of the smallest do so nationally and in the North East.

Figure 4.3(a) **How sources of income are valued by organisational size in England and Wales** (Third Sector Trends in England and Wales 2025, percent 'most important' or 'important', n=8,576)

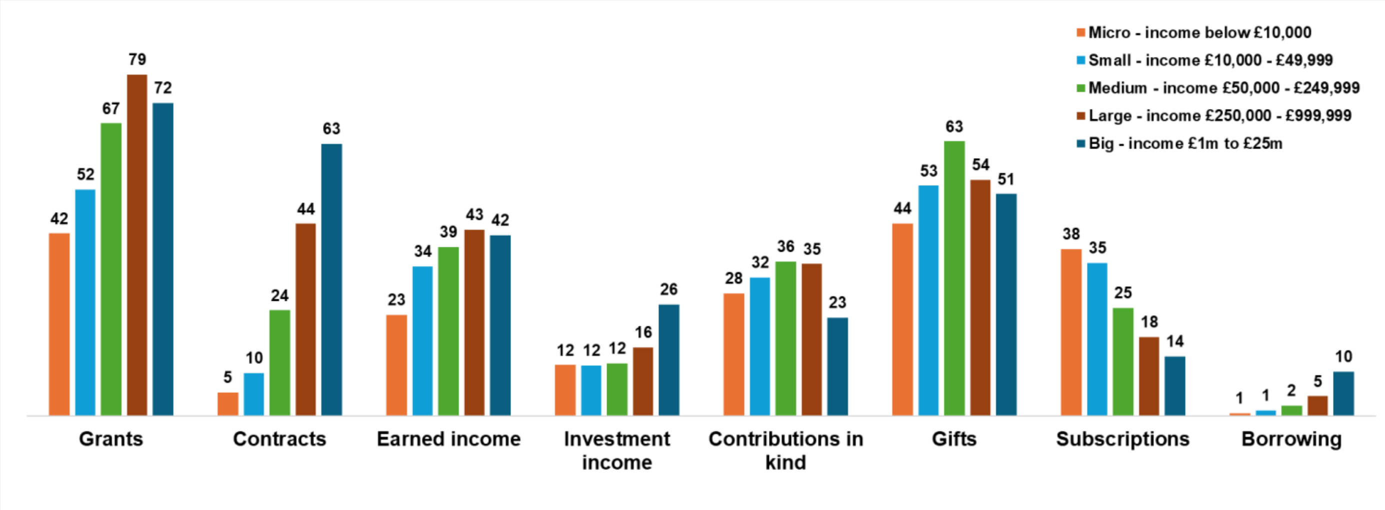


Figure 4.3(b) **How sources of income are valued by organisational size in North East England** (Third Sector Trends in England and Wales 2025, percent 'most important' or 'important', n=635)

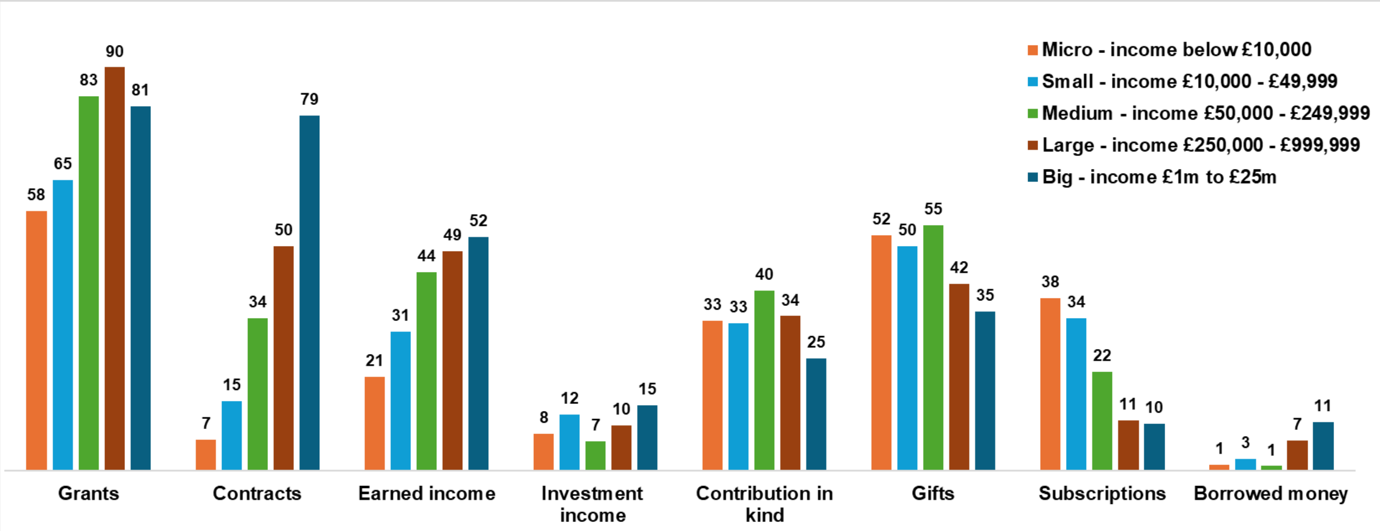
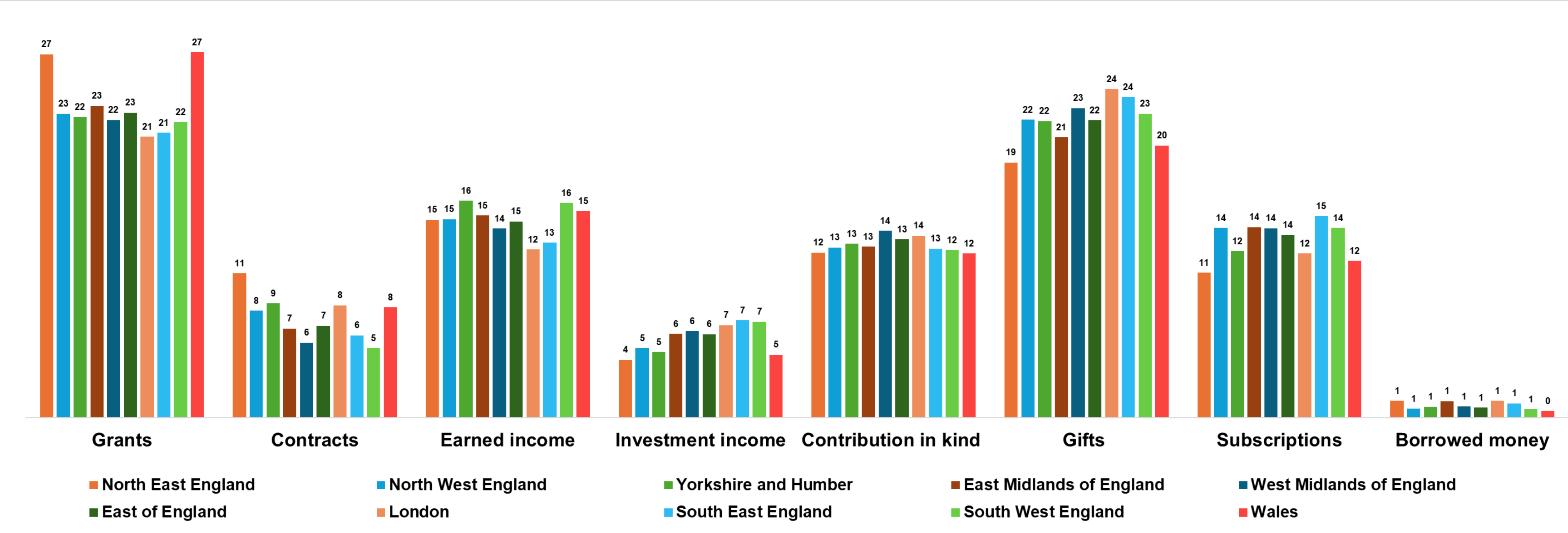


Figure 4.4 **Relative value of income sources in English regions and Wales** **(Third Sector Trends in England and Wales 2025, average n=8,512)**



Relationships with grant funders

Grant funding, as shown above, is the mainstay of income for many voluntary organisations in North East England. In 2019, Third Sector Trends introduced new questions to explore the 'quality' of relationships with grant makers. It is now possible to compare responses over three waves of the study: before, during and after the Coronavirus pandemic.

Table 4.2 provides headline data on how much TSOs valued their relationships with grant makers in North East England in 2025. A crucial finding is that only about third of organisations did not have a relationship with a grant funders, which is much lower than the national average of about a half of TSOs.

Table 4.2 **Quality of relationships with grant-making trusts and foundations in North East England** (national comparisons in parentheses; Third Sector Trends, England and Wales n= 8,350) in North East England 2025, n=650)

	They gave us unrestricted funding (e.g. 'core' funding)	**They took the time to get to know us**	**They wanted us to be 'innovative'**	**They've made a long-term investment in our work**	**They helped develop our skills** (e.g. consultants / training)
Strongly agree	17.2 (9.1)	11.4 (5.2)	9.9 (6.3)	7.8 (4.9)	5.4 (2.4)
Agree	23.0 (18.5)	29.7 (22.0)	29.1 (20.4)	21.3 (12.7)	15.9 (11.8)
Disagree	13.2 (10.8)	15.2 (13.0)	14.7 (10.7)	18.8 (15.5)	21.1 (15.7)
Strongly disagree	14.3 (11.2)	9.5 (7.8)	6.6 (5.6)	12.6 (11.0)	13.3 (10.5)
Not applicable	32.4 (50.4)	34.2 (52.0)	39.7 (57.0)	39.5 (55.0)	44.3 (59.7)

Figure 4.5 deepens the analysis by presenting the percentages of TSOs which 'agreed' or 'strongly agreed' with a series of statements on relationships with grant makers from 2019-2025. Those voluntary organisations which have no relationship with grant-making trusts and foundations are excluded.

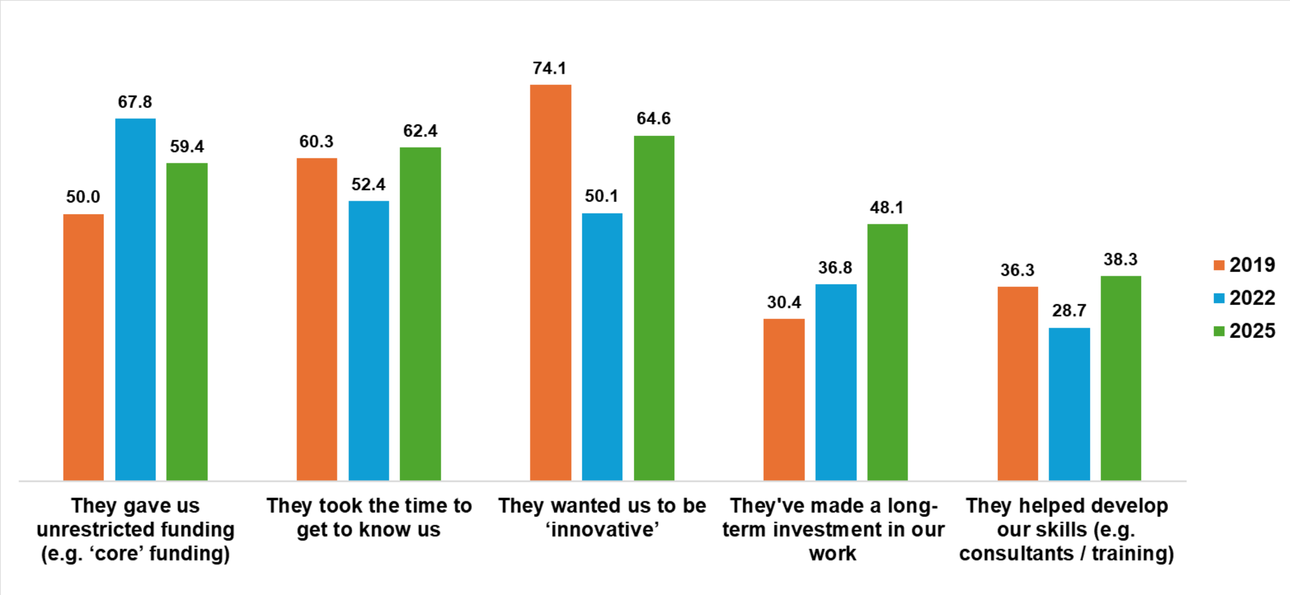
This analysis produces some remarkable findings. In 2019 only 50% of TSOs stated that they received unrestricted or 'core funding' but the percentage rose to 68% in the extraordinary circumstances surrounding the Coronavirus pandemic. While the evidence suggests that some grant-makers have tightened up on unrestricted funding, 59% of TSOs continued to receive unrestricted grants in 2025,

Many grant-making foundations are committed to getting to know their grantees. During the pandemic, the percentage of TSOs reporting that this was so fell to 52% from a pre-pandemic level of 60%. Following the loosening of pandemic restrictions, grant-makers have reverted to previous practice – 62% of voluntary organisations now report that grant makers take the time to get to know them.

During the pandemic, grant makers adopted a 'lighter touch' approach when working with voluntary organisations and pressurised them less about being 'innovative': indeed, the percentage dropped from 74% in 2019 to 50% in 2022. Some grant funders have since gone back to demanding that innovation is a requirement – but many have not: in 2025, 65% of TSOs state that innovation had been expected as a condition of grant funding.

For many years, voluntary sector organisations have complained about the short-term investment they receive from grant-making foundations. Before and during the pandemic, about 30% of TSOs reported that they received long-term investment. That has now risen to 48%. Many grant-makers commit to help voluntary organisations to develop their skills by appointing, for example, consultants or providing training sessions. Provision was received by 36% of voluntary organisations pre-pandemic, but support fell to 29% in 2022. The evidence indicates that support is now higher than pre-pandemic levels (38%).

Figure 4.5 **Voluntary organisations' working relationship with grant-making trusts and foundations in North East England: 2019-2025** (Third Sector Trends in North East England, percentage 'agree' or 'strongly agree' 2019, n=1,097, 2022 n=605, 2025, n=652)



Grant awards in regional context

To put the above analysis in context, data from *360Giving* have been reconfigured for England and Wales over a five year period from 2019-2024 to examine where grants are distributed spatially by trusts and foundations.

Data are presented on the distribution of TSOs by area affluence within each region (Table 4.2). These data suggest that the odds of organisations holding grants are higher in poor rather than rich areas. In North East England, for instance, 41% of grants are distributed to the poorest areas within which only 28% of TSOs are based.[38]

When expressed as ratios (Table 4.3), it is clear that the odds of voluntary organisations being awarded grants is higher in poorer areas (although that may not be an accurate reflection of *demand* as shown in Figure 2.6). It is notable that in South East England, trusts and foundations are working particularly hard to focus their grant making in the limited number of poor areas in their region: 4.1:1 grants per TSO were awarded in the poorest areas compared with 0.3:1 in the richest.

[38] There are, of course, exceptions. For example 25% of grants in South West England are allocated in the richest areas which are occupied by only 19% of the voluntary sector.

Figure 4.6 **Regional variations in voluntary organisations' working relationship with grant-making trusts and foundations**
(Third Sector Trends in England and Wales 2025, n=8,620)

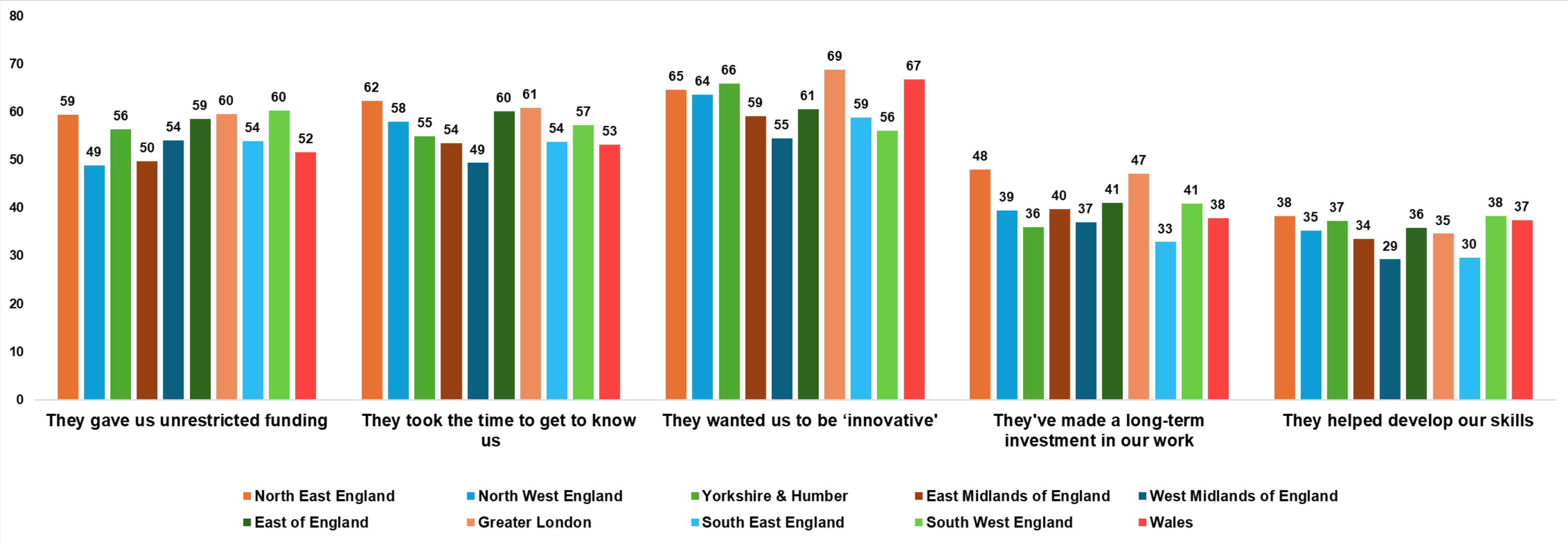


Table 4.2 **Distribution of grants and TSOs by region and areas of deprivation in England and Wales 2019-2024**
(source: 360Giving / Third Sector Trends Combined Register 2025)

	Poorest IMD 1-2		***IMD 3-4***		***Intermediate IMD 5-6***		***IMD 7-8***		***Richest IMD 9-10***			
	Percent grants	**Percent TSOs**	**Percent grants**	**Percent TSOs**	**Percent grants**	**Percent TSOs**	**Percent grants**	**Percent TSOs**	**Percent grants**	**Percent TSOs**	**Number of grants**	**Number of TSOs**
North East England	40.9	27.9	17.3	23.1	18.0	18.9	14.3	15.1	9.5	15.0	18,185	7,134
North West England	39.5	30.4	25.3	17.8	18.4	17.3	8.9	18.8	7.8	15.7	17,405	20,755
Yorkshire and The Humber	46.4	25.0	21.1	15.0	12.6	19.9	12.2	21.4	7.8	18.6	23,436	15,057
East Midlands of England	35.2	14.1	22.5	18.6	18.8	18.9	14.8	24.7	8.7	23.6	13,510	14,646
West Midlands of England	26.8	24.4	24.3	19.2	16.4	22.4	16.3	19.8	16.2	14.2	10,778	17,501
East of England	22.5	7.5	22.3	15.4	26.9	25.8	16.7	24.5	11.5	26.8	22,271	22,108
London	22.2	15.2	36.4	29.4	22.0	24.7	13.6	20.0	5.7	10.7	41,512	38,861
South East England	25.6	6.2	21.5	11.7	20.9	19.7	20.2	27.4	11.8	35.0	8,424	33,979
South West England	13.5	9.3	17.3	19.9	19.7	29.3	25.0	22.9	24.6	18.6	22,417	24,426
Wales	16.1	13.8	20.7	18.6	23.8	23.8	20.4	25.5	18.9	18.3	17,235	10,533
England and Wales	**28.2**	**15.5**	**24.3**	**19.2**	**20.1**	**22.6**	**15.9**	**22.5**	**11.6**	**20.3**	**195,173**	**205,000**

Table 4.3 **Ratios of grants received to number of organisations** (Calculated from data in Table 3.3)							
	Poorest IMD 1-2	**IMD 3-4**	**IMD 5-6**	**IMD 7-8**	**Richest IMD 9-10**	**Number of grants**	**Number of TSOs**
North East England	1.5	0.8	1.0	0.9	0.6	18,185	7,134
North West England	1.3	1.4	1.1	0.5	0.5	17,405	20,755
Yorkshire and Humber	1.9	1.4	0.6	0.6	0.4	23,436	15,057
East Midlands of England	2.5	1.2	1.0	0.6	0.4	13,510	14,646
West Midlands of England	1.1	1.3	0.7	0.8	1.1	10,778	17,501
East of England	3.0	1.4	1.0	0.7	0.4	22,271	22,108
London	1.5	1.2	0.9	0.7	0.5	41,512	38,861
South East England	4.1	1.8	1.1	0.7	0.3	8,424	33,979
South West England	1.4	0.9	0.7	1.1	1.3	22,417	24,426
Wales	1.2	1.1	1.0	0.8	1.0	17,235	10,533
England and Wales	**1.8**	**1.3**	**0.9**	**0.7**	**0.6**	**195,173**	**205,000**

Public service delivery contracts

Historically, government policy on the procurement of service delivery from TSOs has lacked critical awareness of market demand for such work and mistakenly believed that sector capacity can easily be built. Current procurement policies differ little, in essentials, from previous incarnations of two decades ago.

In North East England, knowledge of or interest in delivering service under public sector contracts has declined over the years. It is notable that the percentage of actually TSOs bidding for or delivering contracts remained similar from 2010-2022 (~13-15%), but the evidence indicates that participation has fallen to 11% in 2025 (Table. 4.4)

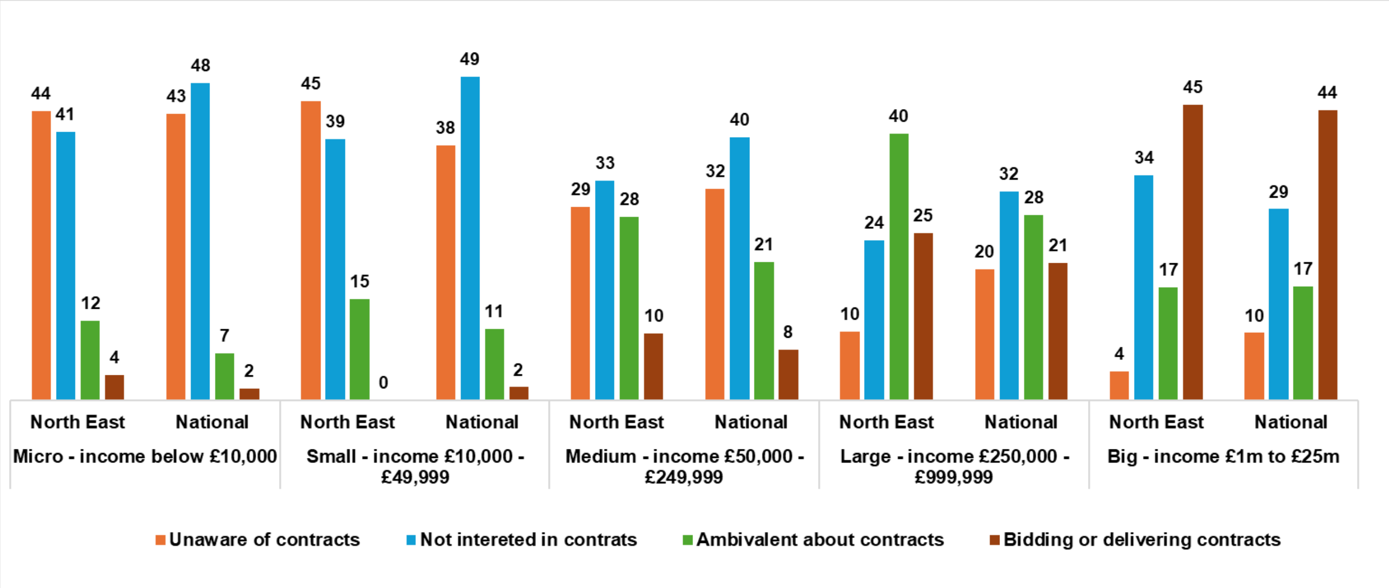
Table 4.4 **Engagement with public service delivery contracts in North East England 2010-2025**							
	2010	**2012**	**2014**	**2016**	**2019**	**2022**	**2025**
Not aware of these opportunities	26.8	19.4	18.0	19.5	12.9	26.4	32.3
Aware of these opportunities but they are not relevant to our organisation's objectives	44.1	51.2	51.3	44.5	56.7	35.7	35.3
Aware if these opportunities but need more information	4.3	4.2	4.7	5.1	2.8	6.0	5.4
Interested in this option but would need extra support to do this	5.7	6.0	7.5	7.2	5.9	8.6	7.9
Interested in this option but feel there are barriers in the tendering process	5.5	6.6	5.8	8.1	8.4	9.0	8.5
Bidding for and/or delivering contracts	13.6	12.7	12.8	15.6	13.2	14.4	10.6
N=	787	986	989	976	1,089	603	648

The size of TSOs has a major impact on levels of interest and participation in the delivery of public service contracts. When compared with national level statistics, it is apparent from Figure 4.7 that the situation in North East England is broadly similar.

- Very few micro TSOs are aware of or interested in delivering public services under contract (85% in North East, 91% nationally).

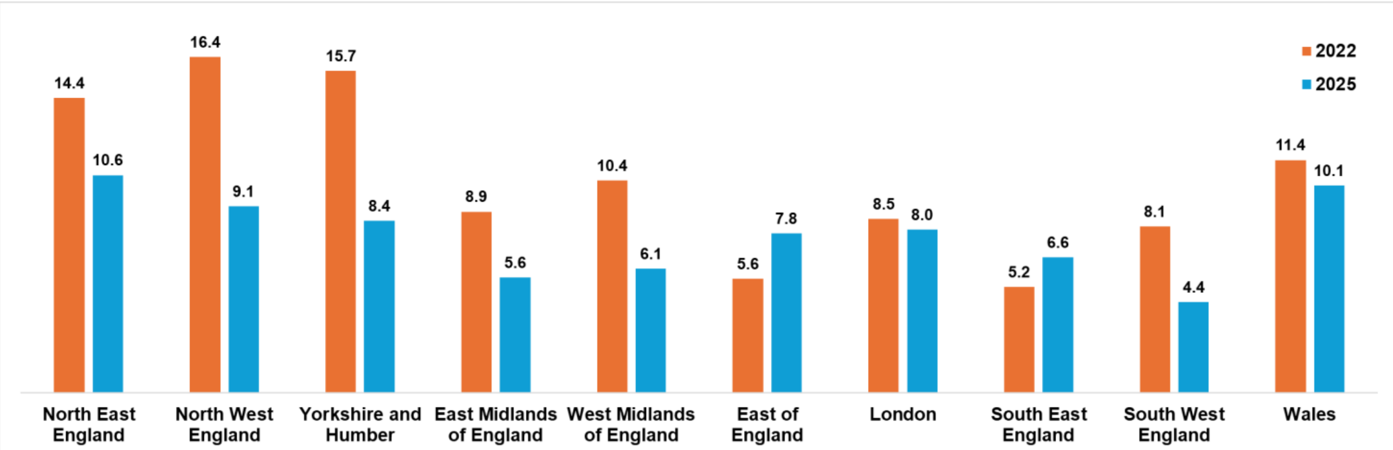
- Small TSOs in the North east are more likely to have ambivalent attitudes towards public service contracts (15%) than at a national level (11%) but none are actually bidding or delivering them.
- Medium sized TSOs in the North East are more likely to be ambivalent about bidding for contracts (28% compared with 21% nationally). They are slightly more likely to be bidding or delivering contracts (10% North East, 8% nationally) but remain very few in number.
- Large TSOs in North East England are still considering the possibility but remain ambivalent (40% compared with 28% nationally). But the proportion of TSOs bidding or delivering is similar (25% North East, 21% nationally).
- Amongst the biggest TSOs, about the same percentage are bidding or delivering contracts (~44-45%). A larger percent of North East TSOs refuse this option (34%) than at national level (29%).

Figure 4.7 **Orientations towards delivering public service contracts nationally and in North East England** (England and Wales n=8,547 ; North East England=648)



The percentage of TSOs bidding for or delivering public sector contracts fell in most English regions apart from South East and East of England between 2022 and 2025 (Figure 4.8). Levels of participation in London and Wales also declined, although to a lesser extent.

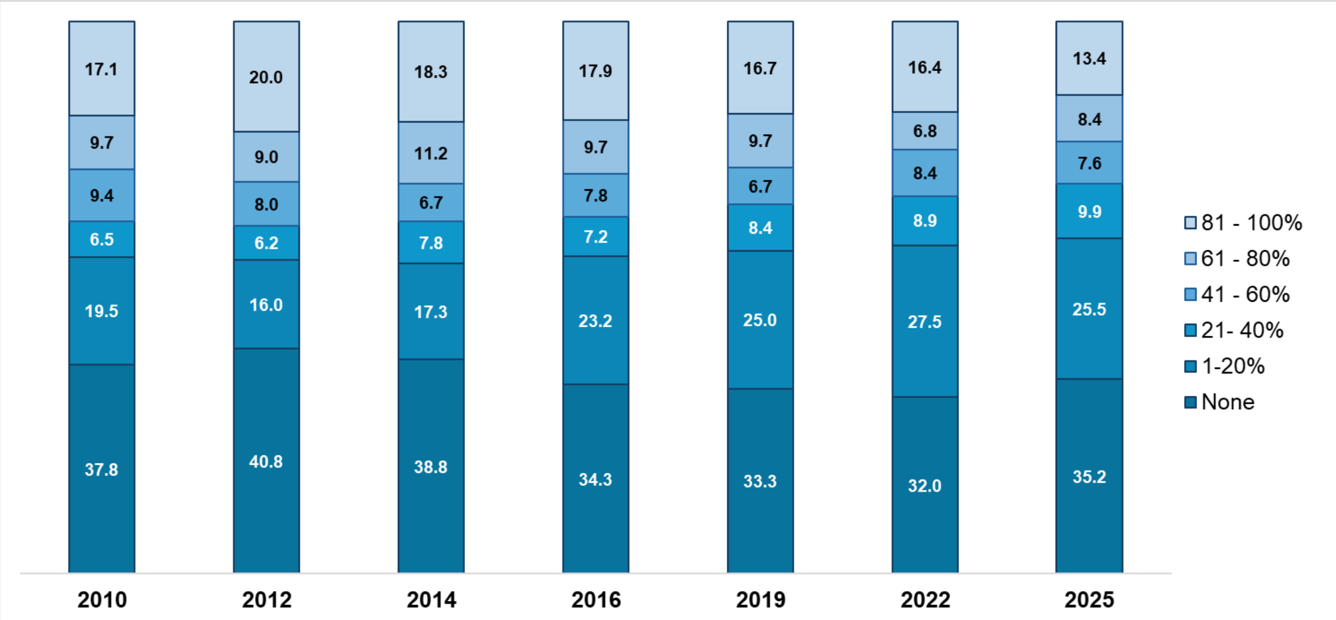
Figure 4.8 **Percent of TSOs bidding for or delivering public sector contracts 2022-2025** (Third Sector Trends, 2022 n=5,967, 2025 n=8,547)



Earned income

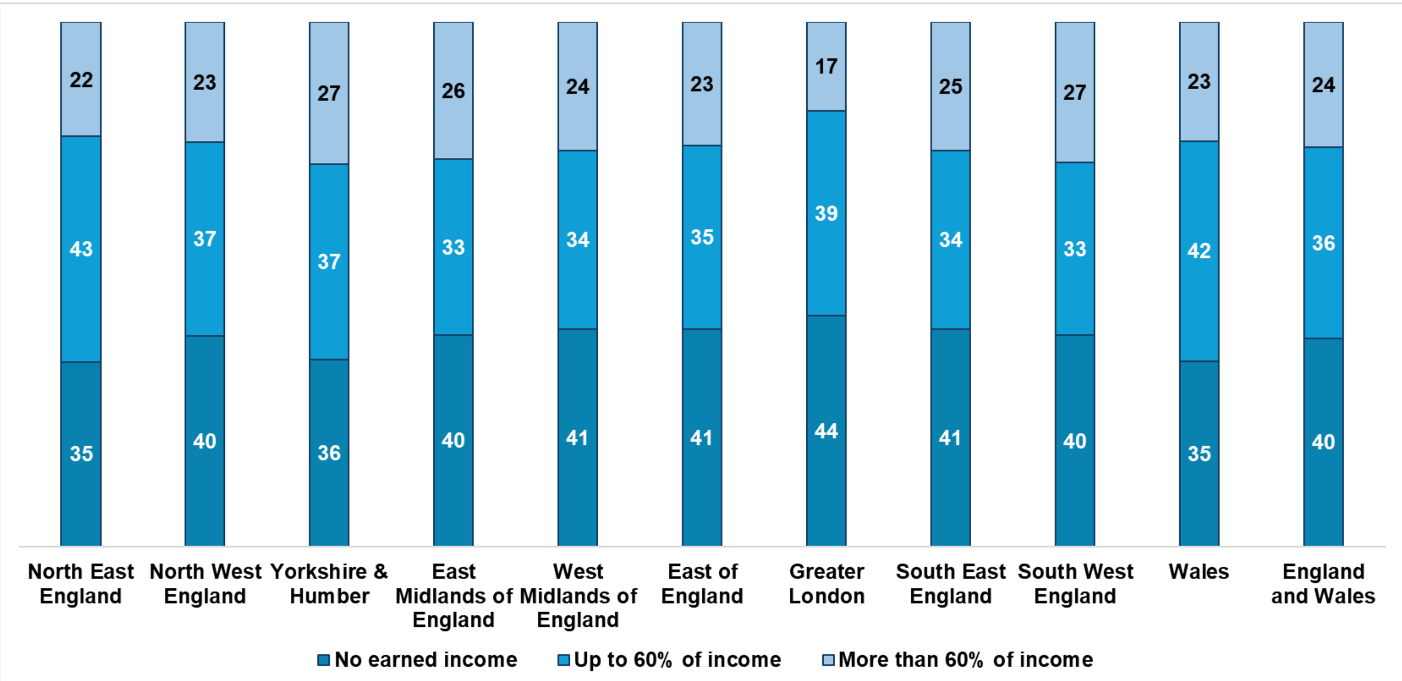
In 2025 about 65% of voluntary organisations in North East England earned a proportion of their income by trading (by delivering contracts or engaging in self-generated trading of goods and services). Fewer than a quarter of TSOs are heavily reliant upon trading (only 22% earn more than 60% of their income). Heavier reliance on trading income has declined; in 2012, 30% of TSOs earned more than 60% of their income but that fallen steadily to 22% in 2025 (Figure 4.9(a)).

Figure 4.9(a) **Percent of TSOs' income from trading in North East England 2010-2025**



There is a good deal of regional variation in the extent to which TSOs earn income (Figure 4.9(b)). While TSOs in North East England are most likely (together with Wales) to earn some of their income (65%), they are least likely (after London at 17%) to earn above 60% of their income (also the same as Wales at 22%). TSOs in Yorkshire & Humber and South West England earn the biggest proportion of their income (27%).

Figure 4.9(b) **Percent of income from trading by region 2025**



4.2 Assets and reserves

Assets

As Table 4.5 shows, the most common forms of property tenure or usage nationally in 2025 are renting (41%), followed by ownership (29%) and free use of space in a building (30%). Ownership includes properties adopted via community asset transfer. There is little change from 2022 although ownership and asset transfer percentages have risen slightly. Tenure patterns are quite similar across regions, with the exception of community asset transfer: nearly 10% of TSOs have acquired property in this way in the North East which is substantially higher than all other regions.

Table 4.5 **Property tenure by region 2025**

	Own a property	Rent a property	Asset transfer	Free use of space	N=
North East England	31.9	48.2	9.5	30.9	624
North West England	28.9	45.9	4.6	28.0	755
Yorkshire and Humber	27.9	39.1	6.4	28.6	899
East Midlands of England	30.0	40.1	4.9	29.1	594
West Midlands of England	30.7	37.3	5.6	30.0	701
East of England	30.1	42.3	4.8	30.1	1.068
London	18.9	40.2	3.7	32.9	736
South East England	25.2	40.3	3.5	29.4	1.156
South West England	30.6	36.3	5.1	27.6	1.048
Wales	35.0	46.7	8.2	29.6	672
England and Wales	**28.7**	**41.3**	**5.4**	**29.5**	**8,253**

Reserves

Holding reserves is regarded as a good indication of TSOs' financial wellbeing. In North East England only 18% of TSOs have no reserves (unchanged since 2022) while 42% hold reserves but have not needed to use them (43% in 2022). About 11% of TSOs have used reserves solely for investment purposes while 21% drew upon them solely for essential needs (such as bills, salaries or rent). Again, these percentages are unchanged since 2022 (see Table 4.7 over page).

As shown in Table 4.6, most voluntary organisations in 2025 hold reserves (82%), more than half of which did not draw upon these reserves in the previous year. About 16% of organisations used reserves to invest in new activities, while about 27% have used reserves for essential purposes such as rent, bills and wages.[39]

- Holding reserves is much more common amongst larger voluntary organisations: 98% of the biggest TSOs in the North East (97% nationally) have reserves compared with 79% of micro TSOs (71% nationally).

[39] To calculate the percentages of TSOs using reserves for investment the third and fifth row of the table are added, for the use of reserves for essential costs, the fourth and fifth row are added,

- Medum sized TSOs in the North East are more likely to hold no reserves (18%) than at the national level (12%), this also applies to small TSOs (25% and 20% respectively).
- Investment of reserves in new activities is most common in the biggest organisations, percentages are similar in the North East.
- Fewer of the biggest TSOs in the North East are using reserves to meet essential costs than nationally, but the reverse is the case for larger TSO where those in the North East seem to be more financially stressed.
- About a fifth of micro and small TSOs in North East England are drawing upon reserves for essential costs which is very similar to the national level.

Table 4.6 **Ownership and use of reserves by size of organisation**
(National percentages in parentheses: Third Sector Trends in England and Wales, 2025)

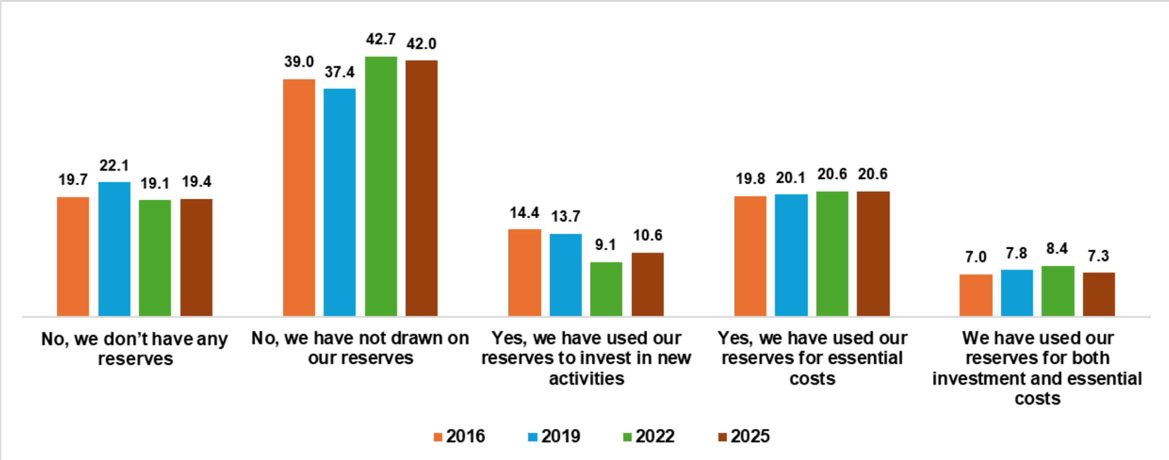
	Micro income below- £10,000	**Small** income £10,000- £49,999	**Medium** income £50,000- £249,999	**Large** income £250,000- £999.999	**Big** Income £1million - £25million	**All TSOs**
No, we don't have any reserves	29.3 (29.4)	25.3 (19.9)	17.5 (12.2)	4.4 (6.7)	2.1 (2.9)	19.4 (18.4)
No, we have not drawn on our reserves	39.6 (43.9)	47.5 (48.7)	39.0 (43.3)	41.1 (41.4)	46.8 (40.7)	42.0 (44.8)
Yes, we have used our reserves to invest in new activities	9.8 (6.2)	7.6 (8.4)	12.5 (10.4)	7.8 (13.0)	21.3 (23.1)	10.6 (9.5)
Yes, we have used our reserves for essential costs	15.9 (15.3)	15.8 (16.3)	24.0 (27.1)	32.2 (29.2)	17.0 (21.1)	20.6 (20.3)
We have used our reserves for both investment and essential costs	5.5 (5.2)	3.8 (6.7)	7.0 (6.9)	14.4 (9.7)	12.8 (12.3)	7.3 (7.0)
N=	164 (2,481)	158 (2,654)	200 (2,067)	90 (955)	47 (455)	659 (8,612)

Table 4.7 **Reliance on reserves by region, comparing 2022 and 2025**												
	No, we don't have any reserves		**No, we have not drawn on our reserves**		**Yes, we have used our reserves to invest in new activities (such as buying property, developing a new service, employing a development worker)**		**Yes, we have used our reserves for essential costs (such as salaries, bills, rent, etc.)**		**We have used our reserves for both investment and essential costs**		**N=**	
	2022	**2025**	**2022**	**2025**	**2022**	**2025**	**2022**	**2025**	**2022**	**2025**	**2022**	**2025**
North East England	19.1	19.4	42.7	42.0	9.1	10.6	20.6	20.6	8.4	7.3	606	659
North West England	18.3	19.7	44.5	44.6	8.7	6.9	22.0	21.0	6.6	7.8	728	796
Yorkshire and Humber	14.1	18.6	46.6	46.1	9.5	10.2	23.3	19.4	6.5	5.7	644	943
East Midlands of England	15.3	18.6	40.4	46.5	8.0	9.7	28.8	17.1	7.5	8.1	399	607
West Midlands of England	16.9	19.3	43.8	44.1	8.7	10.1	21.8	20.6	8.7	5.9	504	732
East of England	15.0	17.4	48.4	48.2	7.8	9.8	22.1	18.0	6.7	6.6	566	1,113
London	16.6	19.5	43.7	41.0	7.0	9.2	25.2	23.8	7.5	6.5	531	770
South East England	13.6	16.3	48.8	44.7	9.6	10.7	22.2	21.3	5.8	6.9	811	1,195
South West England	15.4	17.4	47.9	46.4	9.0	9.4	22.1	18.8	5.6	8.0	779	1,093
Wales	20.5	20.5	40.3	41.5	9.8	8.1	22.3	23.0	7.1	7.0	439	704
England and Wales	**16.3**	**18.4**	**45.2**	**44.8**	**8.8**	**9.5**	**22.8**	**20.3**	**6.9**	**7.0**	**6,007**	**8,612**

To put the headline 2025 data in wider context, Figure 4.10 shows how the financial situation of organisations has changed since 2016 in North East England. It is clear that in 2025 few organisations have no reserves (19% compared with 22% 2019). Prior to the pandemic, only 37% of TSOs were able to leave reserves untouched. During the pandemic, that rose to 43% and remains at this higher level (42%) in 2025.

Between 2022 and 2025, the percentage of voluntary organisations using reserves solely for essential costs has remained much the same at round 20-21%. Investment of reserves solely in new activities has risen slightly from 9% in 2022 to 11% in 2025 – suggesting great caution within the voluntary sector about finances.

Figure 4.10 **Use of reserves by TSOs 2016-2025 in North East England**



4.3 Expectations about finance

Third Sector Trends surveys ask respondents to make an assessment of their prospects over the next two years. It has been shown in previous rounds of the study that voluntary organisations of all sizes tend to be 'over optimistic' in their projections about future finances. This should not be seen as a 'bad thing', optimism drives sector enthusiasm and commitment. But when hopes are dashed, it can make people in the sector feel disappointed.

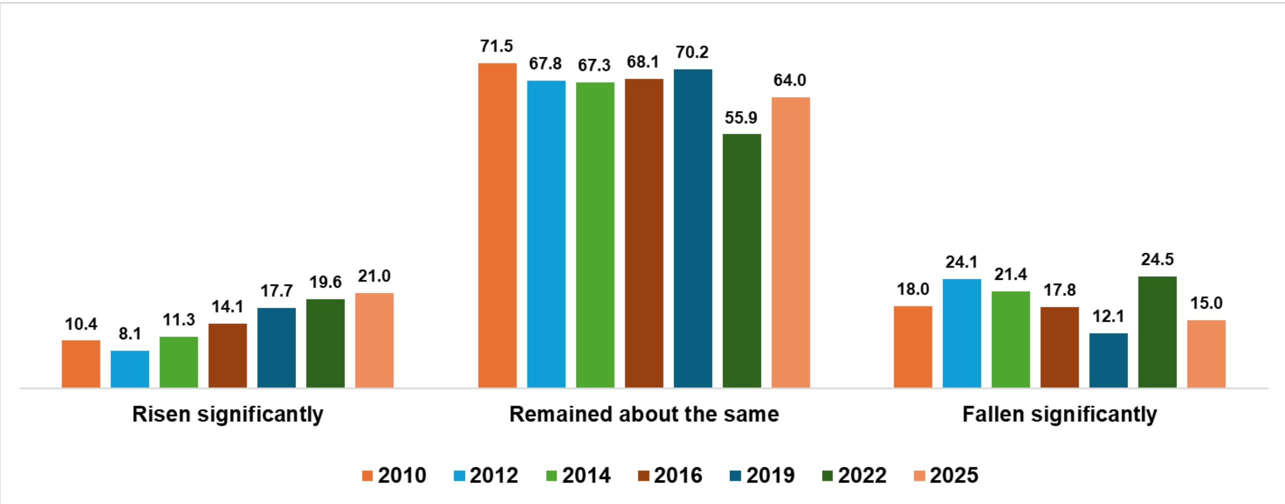
- In general terms, the local third sector is cautiously optimistic with over 80% of TSOs nationally believing that income will remain either the same or increase – voluntary organisations are similarly optimistic in the North East.
- Very similar patterns in the North East and nationally are shown for expectations about private sector support. Only about 15% of TSOs are pessimistic in this respect.
- Future grant funding is considered in quite an optimistic light, with around 30% of TSOs in the North East expecting that funding will increase (27% nationally). Only about 20% of TSOs are pessimistic about grant funding regionally and nationally.
- Only funding from statutory agencies is regarded less positively, with 38% of TSOs in the North East (33% nationally) expecting support to decrease over the next two years (Table 4.8).

Table 4.8 **Expectations about finance over the next two years in North East England**

	Income will…	Support from private businesses will…	Grants from charitable foundations will…	Funding from statutory agencies will…
Increase significantly	5.4 (4.0)	2.3 (2.6)	5.6 (4.0)	2.9 (2.4)
Increase	26.4 (24.5)	21.9 (22.8)	24.6 (23.0)	16.6 (14.6)
Remain similar	50.8 (55.3)	60.8 (60.0)	49.6 (51.5)	42.9 (50.4)
Decrease	14.1 (12.5)	11.7 (11.0)	17.1 (17.4)	30.2 (24.6)
Decrease significantly	3.3 (3.7)	3.3 (3.5)	3.2 (4.1)	7.3 (8.0)
N=	644 (8,504)	429 (5,106)	557 (6,321)	410 (4,624)

Expectations about the financial outlook have been tracked since 2010 in the North East (Figure 4.11). It is apparent that the proportion of TSOs expecting income to rise significantly has grown steadily from 8% in 2012 to 21% in 2025. Expectations of falling income (which turned out to be unfounded) peaked in 2022 following the pandemic but has since returned to 15%. About 68-72% of TSOs expected that they will enjoy a measure of financial stability from 2010 to 2025 – only in the pandemic did this drop to 56%.

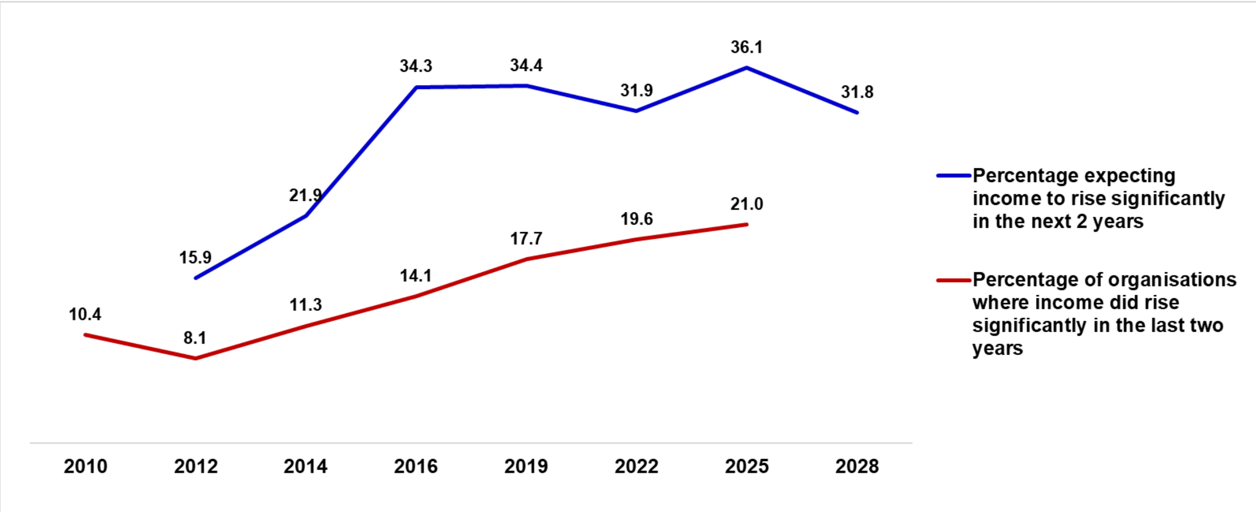
Figure 4.11 **TSOs' Predictions about financial outlook (in the following 2 years) in North East England 2010-2015**



As Figure 4.12 shows, in the early years of the study, optimism was low due to deep anxieties about the consequences of government austerity policies following the global economic crash of 2008 (only 16% of TSOs felt optimistic about rising income in 2012). The blue line shows that optimism steadily rose to 34% by 2016 in the North East and has remained at around that level since, although the current mood suggests a slight fall in optimism over income over the next two years to 32%.

The red line shows that the actual percentage of TSOs reporting rising income is always much lower than previous expectations. Nevertheless, the evidence demonstrates that the percentage of TSOs with rising income has grown steadily in the North East from a low point of 8% in 2012 to 21% in 2022 and 2025.

Figure 4.12 **Expectations and reality about rising income in North East England 2010-2028**



Section 5
Relationships and influencing

5.1 Relationships within the third sector

Taking the voluntary sector as a whole, there is a great deal of informal and formal interaction and even when collaboration is absent, there is often a willingness to do so should opportunities arise (see Table 5.1).

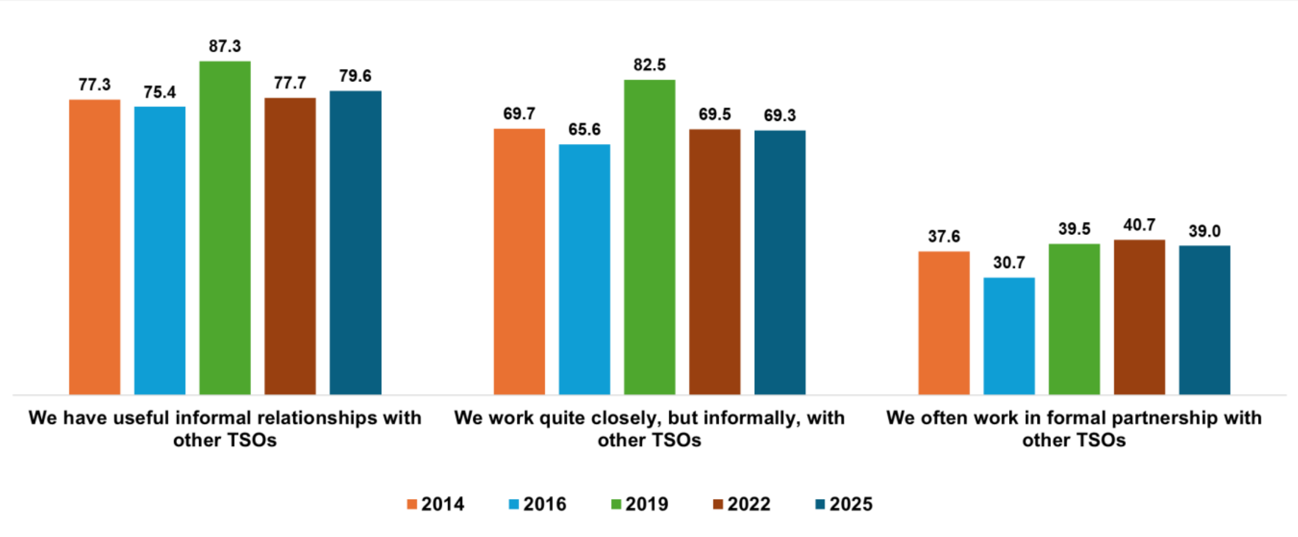
- Nationally, 72% of TSOs have useful informal relationships with other voluntary organisations and groups, North East England has the highest level of informal working (80%).
- 62% of TSOs nationally work quite closely, but informally, with other voluntary organisations, TSOs in the North East England and Wales are the most likely to do so (69%).
- 28% of TSOs work in formal partnership arrangements with other voluntary organisations nationally. TSOs in North East England are by far the most likely to do so (39%).

The high level of sector interaction in North East England is likely to be related to deeper levels of social deprivation. As shown in the national report on interactions, TSOs in more affluent areas are less likely to work in informal or formal relationships. For example, nationally, 44% of TSOs in the poorest areas work together formally compared with just 20% in the richest areas. There is also good evidence to demonstrate that sector interactions have been strong in the North East since 2014, except for a slight dip during the worst of the government's austerity policies (Figure 5.1(a)).

Table 5.1(a) **Relationships within the third sector by region**
(Third Sector Trends in England and Wales 2025)

	We have useful informal relationships with other voluntary organisations and groups	We often work quite closely, but informally, with other voluntary organisations and groups	We often work in formal partnership arrangements with voluntary organisations and groups	N=
North East England	79.6	69.3	39.0	656
North West England	69.7	62.8	30.4	792
Yorkshire and Humber	73.1	64.8	28.3	940
East Midlands of England	68.8	58.1	24.2	605
West Midlands of England	70.5	59.9	24.5	733
East of England	71.6	60.4	25.1	1,111
London	76.2	63.1	32.6	768
South East England	71.7	58.7	24.4	1,203
South West England	66.9	58.3	20.6	1,091
Wales	76.0	68.9	33.5	705
England and Wales	**72.1**	**62.0**	**27.6**	**8,604**

Figure 5.1 **Relationships within the third sector in North East England 2014-2025**



Formal collaboration is stronger in North East England than any other English region in the poorest areas (48%) – though collaboration is stronger in the poorest areas of Wales (53%). Formal collaboration is also stronger in all other quintiles (apart from the wealthiest quintile) in the North East than elsewhere in England. As Table 5.1(b) shows, collaboration is highest in London's most affluent areas (28%).

Table 5.1(b) **Percent of TSOs working in formal collaborative relationships by area affluence**
(Third Sector Trends in England and Wales 2025)

	Poorest IMD 1-2	IMD 3-4	Intermediate IMD 5-6	IMD 7-8	Richest IMD 9-10	N=
North East England	47.9	40.3	40.0	33.0	23.6	648
North West England	43.6	31.7	22.3	23.8	22.7	789
Yorkshire & Humber	43.0	35.3	22.1	18.5	23.9	936
East Midlands of England	34.2	30.3	22.5	21.1	20.1	604
West Midlands of England	39.8	29.3	21.3	19.1	19.6	727
East of England	45.8	33.5	23.7	19.0	20.7	1,109
Greater London	39.2	38.2	34.2	23.1	27.5	767
South East England	43.8	38.5	26.2	21.1	18.2	1,193
South West England	37.5	26.7	18.4	18.0	15.0	1,079
Wales	52.6	42.8	29.1	26.9	18.6	702
England and Wales	43.5	34.5	25.2	21.4	20.2	8,552

5.2 Relationships with business

Private sector businesses can support voluntary organisations in several ways.[40] Third Sector Trends surveys distinguish empirically between four types of assistance (see Table 5.2).

[40] A critical literature review on sources of support from business is provided in Chapman T. (2019) *Going the Extra Mile*, how businesses support the third sector in England and Wales, London: Power to Change (Chapter 1), available here: , https://www.researchgate.net/publication/353379534_Going_the_extra_mile_how_businesses_support_the_third_sector_in_England_and_Wales. A more textured understanding of the kinds of support given and how it is valued was gained from qualitative

- ***Financial support***: money given to TSOs in various ways such as sponsorship of events, one-off financial contributions to support projects and initiatives, more regularised payments to sustain activities, and so on. Financial support is offered to half of voluntary organisations, about 33% of TSOs nationally state that this income is of some or great importance to them. The North East has the highest score of 38%.
- ***In-kind support***: use of facilities (such as meeting rooms, minibuses, plant or studios), gifts of new, used or surplus goods (such as DIY products, food and drink, stationary, computing equipment) and free services (such as printing leaflets, catering services). In-kind support is received by 43% of voluntary organisations – 27% of TSOs state that this is of some or great importance to them nationally, but the percentage is highest in the North East (32%).
- ***Employee supported volunteers***: where companies allocate paid time for their employees to undertake tasks for TSOs on an occasional or regularised basis – but not necessarily using their work-related skills. Volunteering activities may include, for example, decorating a community centre, fundraising, environmental work, marshalling at events and so on. Employee supported volunteering is of some or great importance to 17% of TSOs nationally and is highest in London and the North East (21%).
- ***Pro bono expert advice***: where business owners, partners or qualified employees provide unpaid professional or technical support to TSOs with, for example, book-keeping and accountancy, architectural and design services, mentoring, business and management consultancy, public relations and media support, amongst other things. Pro bono expert advice: is of some or great importance to 20% of TSOs nationally, but to 25% in London and the North East.

Table 5.2 **Relationships with business in North East England 2025** (Third Sector Trends in England and Wales 2025, percentage reporting 'some' or 'great' importance)

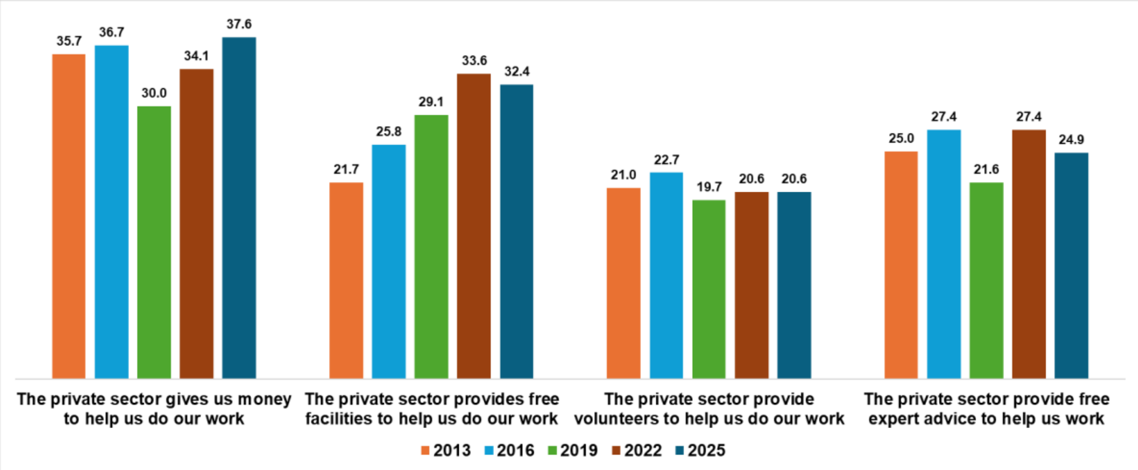
	They give us money to help us do our work	They provide free facilities, or goods and services to help us do our work	They provide volunteers to help us do our work	They provide free expert advice to help do our work	N=
North East England	37.7	32.4	20.6	24.9	650
North West England	37.7	30.1	19.5	21.4	788
Yorkshire and Humber	36.9	30.1	19.9	22.8	935
East Midlands of England	32.3	27.2	16.8	18.3	603
West Midlands of England	33.1	26.8	16.2	17.9	728
East of England	31.1	26.5	15.5	19.5	1,114
London	36.8	31.2	20.9	24.9	767
South East England	29.7	24.7	14.0	16.5	1,197
South West England	27.7	21.9	12.0	16.3	1,089
Wales	30.9	27.4	15.5	18.0	702
England and Wales	**33.0**	**27.4**	**16.7**	**19.8**	**8,573**

interviews in the TSO50 study and other directly related projects, see: https://www.stchads.ac.uk/uncategorised/going-the-distance-how-third-sector-organisations-work-through-turbulent-times/ and https://www.stchads.ac.uk/research/research-news/trading-interactions-amongst-community-businesses-bradford-hartlepool-middlesbrough/.

Within North East England, levels of support from business have changed over the years (Figure 5.2).

- Financial support dipped to some extent in 2019 (30%) but has since risen recovered to 38%.
- The offer of free use of facilities or goods from business steadily increased from 22% of TSOs in 2014 to 34% in 2022 – but has since slipped back slightly to 32%
- Support from employer volunteers has remained stable at around 20-23% of TSOs between 2014 and 2025.
- Pro bono support has also held up well in the North East at 25% of TSOs except for a dip in 2019 to 22%.

Figure 5.2 **Relationships with business in North East England 2014-2025**



5.3 Relationships within the public sector

This section looks at aspects of interaction between the voluntary sector and the local public sector. Table 5.3 compares levels of positive interaction regionally in 2025.

- TSOs in North East England are less likely to agree that they feel valued by local public sector agencies (85%) than at the national level (87%). The strongest relationships are reported in East of England and South East England (87%).
- TSOs in Yorkshire and Humber are most likely to agree that local agencies inform them about issues of interest (68%) compared with 63% in the North East and 87% nationally.
- Relatively few TSOs in North East England feel involved appropriately in developing or implementing policy (38%). Voluntary organisations in North West England (46%) and Yorkshire & Humber (48%) are the most positive in this respect.
- In some regions, TSOs report that local public agencies are more likely to act upon their opinions, especially Yorkshire & Humber (47%). TSOs in the North East are amongst the least confident (41%).

Table 5.3 **Relationships with the public sector by region** (Third Sector Trends in England and Wales 2025 percent 'agree' or 'strongly agree')

	They value the work of our organisation	They inform our organisation on issues which affect us or are of interest to us	They involve our organisation appropriately in developing and implementing policy on issues which affect us	They act upon our organisation's opinions and / or responses to consultation	N=
North East England	84.8	62.9	37.7	41.2	654
North West England	88.0	65.4	46.0	45.0	793
Yorkshire and Humber	88.0	68.2	47.8	46.6	946
East Midlands of England	87.9	60.9	39.0	40.4	609
West Midlands of England	87.6	62.1	39.3	44.1	734
East of England	88.5	65.5	41.9	41.5	1,113
London	85.6	64.3	40.4	45.4	770
South East England	88.6	61.5	40.1	40.9	1,205
South West England	87.5	60.9	37.5	40.7	1,091
Wales	85.9	64.7	44.2	45.0	703
England and Wales	**87.4**	**63.7**	**41.5**	**43.0**	**8,618**

Figure 5.3 **Relationships with the public sector in North East England 2010-2025**

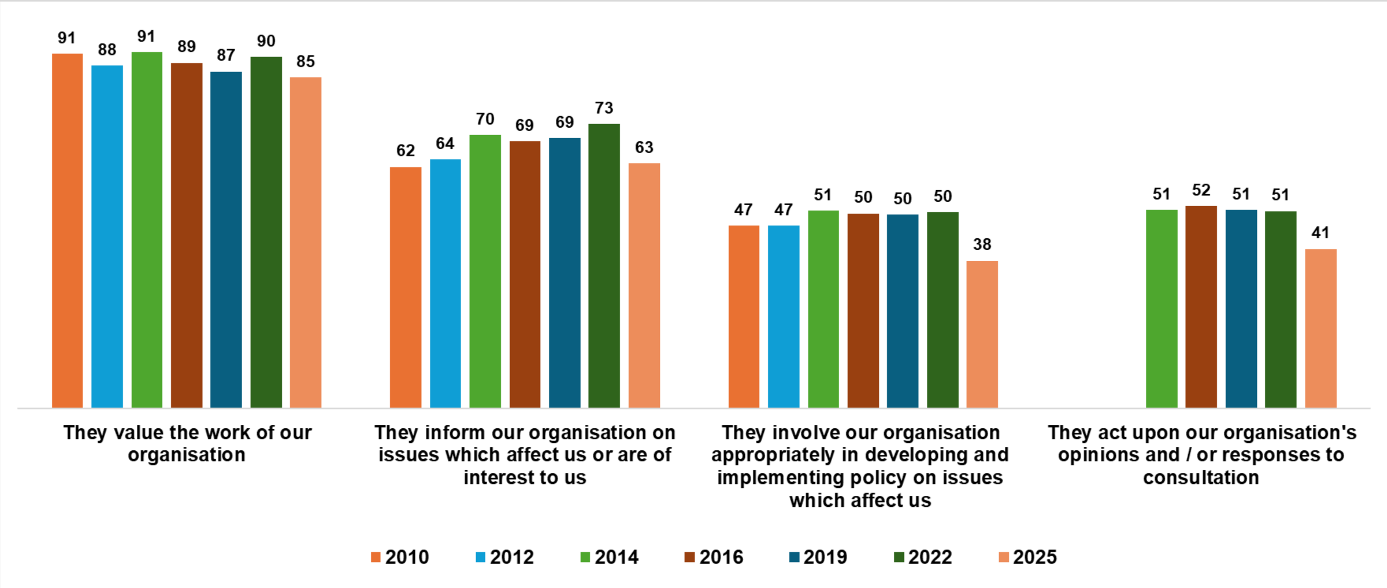


Table 5.4 compares TSOs' attitudes about the impact of devolution strategies across regions.

- TSOs in North East England are the least positive about improving levels of collaboration with the local public sector/NHS (52%). Yorkshire & Humber (60%) and the East Midlands are most positive (59%)
- Comparatively few TSOs in North East England feel that policy makers now give them more notice about new initiatives (26%) compared with 34% in Yorkshire & Humber.

- A similar finding is reported on policy makers' receptiveness to TSOs arguments in the North East, again with the lowest percentage with a positive attitude (35%) while voluntary organisations in Yorkshire & Humber are the most positive (43%).
- Nationally, 39% of TSOs feel that public sector organisations are working together more effectively – especially so in Yorkshire & Humber (44%). TSOs in London are the least positive in this respect (34%).
- A clear majority of TSOs in all regions state that they have been asked more often to improve engagement with local people and the North East and London are most likely to say so (64%).

It would be unwise to make too much of these findings at this stage because this is the first time the question has been used. Data therefore represent a baseline position from which future comparisons can be made. Nonetheless, in North East England, perceptions of engagement are less positive than in other areas while TSOs also feel that they are being relied upon more heavily than in most other areas to lend support with engagement.

Table 5.4 **Engagement with public organisations and policy makers by English region 2025**
(Third Sector Trends in England 2025)

	Opportunities for effective collaborative working have increased (e.g. with local council / NHS)	Policy makers give us much more notice now about new initiatives	Policy makers are more receptive to our arguments even if they don't always agree	Public sector agencies seem to be working together more effectively	We're asked more often to help improve engagement with local people
North East England	52.4	25.7	34.6	37.6	63.6
North West England	56.7	32.0	40.0	42.6	62.8
Yorkshire and Humber	59.8	33.8	42.5	43.7	63.2
East Midlands of England	58.9	33.5	35.4	35.5	57.4
West Midlands of England	55.3	29.3	39.4	40.6	59.6
East of England	57.6	33.1	41.6	40.6	59.7
London	52.7	31.0	37.2	33.7	63.7
South East England	54.2	31.1	39.1	36.7	60.6
South West England	54.1	29.2	38.0	37.2	55.2
England and Wales	**56.0**	**31.2**	**39.1**	**39.0**	**60.8**

5.4 Sector influence on local social and public policy

It is highly unlikely that the relatively poor perceptions of relationships with the public sector in the North East is due to an unwillingness of TSOs to get involved and have their say. As Table 5.5 shows, the third sector in the North East is amongst the least likely to avoid political issues.

TSOs' level of engagement with local meetings and events is highest in the North East (79%) by a considerable margin, as is the sector's willingness to campaign to further their interests (57%). Similarly, TSOs in the North East are the most likely to work behind the scenes to influence policy (49%). And the percentage of TSOs which rely upon and trust a local voluntary sector infrastructure bodies to influence is highest in England (39%) and equal to Wales, while South East and South West England are the lowest (25%).

As there is no evidence to suggest a lessening of commitment in the voluntary sector in North East to influencing social and public policy (Figure 5.4), a difficult question is raised as to why confidence in the public sector has taken something of a dive in 2025.

Figure 5.4 **Comparing patterns of influencing in North East England 2022-2025**
(percentage TSOs 'agree' or 'strongly agree' with each statement, 2022 n=598, 2025 n=649)

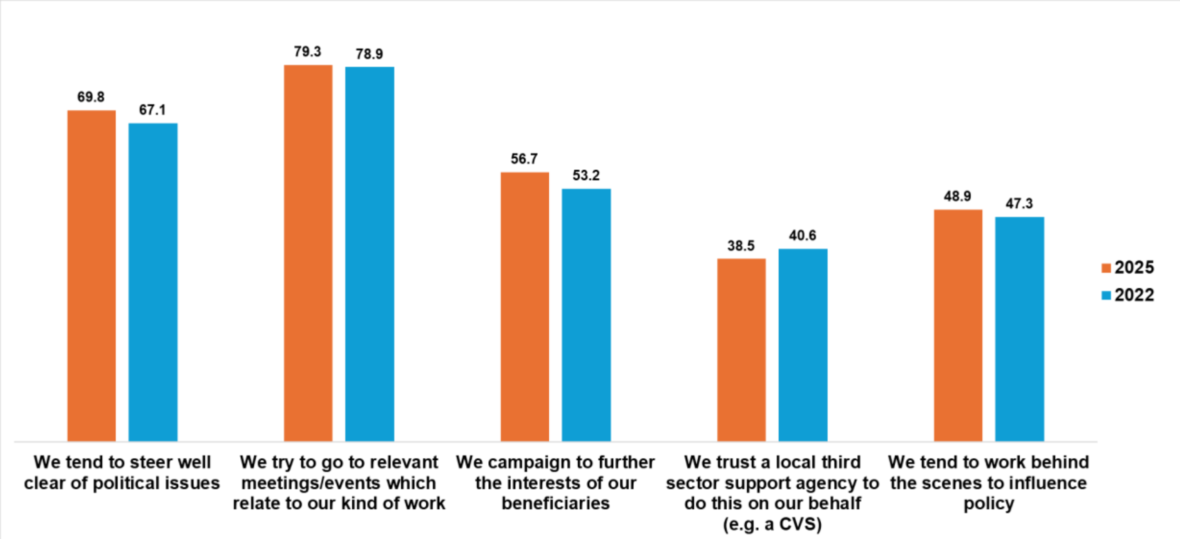


Table 5.5 **Influencing social and public policy in North East England 2025** (Third Sector Trends in England and Wales 2025, percentage 'agree' or 'strongly agree')

	We tend to steer well clear of political issues	We try to go to relevant meetings/events which relate to our kind of work	We campaign to further the interests of our beneficiaries	We trust a local third sector support agency to do this on our behalf (e.g. a CVS)	We tend to work behind the scenes to influence policy
North East England	69.8	79.3	56.7	38.5	48.9
North West England	69.7	71.6	50.9	38.1	45.8
Yorkshire & Humber	72.4	70.6	47.4	35.8	42.7
East Midlands of England	80.7	62.6	40.5	28.2	34.1
West Midlands of England	74.4	69.5	51.3	26.8	39.6
East of England	73.5	71.2	46.0	31.6	42.4
Greater London	66.7	68.2	50.8	29.6	45.0
South East England	76.9	66.9	44.7	24.6	40.2
South West England	77.7	65.8	42.2	24.9	37.2
Wales	66.0	72.2	51.6	39.1	47.5
England and Wales	**73.1**	**69.6**	**47.7**	**31.2**	**42.1**

Section 6

Summary and implications

This report has demonstrated that many leaders in the third sector in England and Wales are feeling optimistic about the future. That should not be so surprising because the financial position of the sector is currently quite sound, as indicated by the widespread ownership of financial reserves and the ability of many organisations to leave them untouched since 2022. Indeed, over 80% of survey participants believed that their income levels would be sustained or increase over the next two years.

But there is evidence of underlying anxiety too, leading many voluntary organisations to sit on their reserves rather than to invest wholeheartedly in new developments and secure their own wellbeing by strengthening governance, strategic skills and enabling their employees and regular volunteers. Leaders of voluntary organisations know from experience that their financial position is fragile because of uncertainties in their working environment. That is why they try to ensure that they don’t keep all their eggs in one basket in financial terms.

Nonetheless, this report shows clearly that sector mood about the reliability and relative value of income sources is shifting further towards grant funding and away from self-generated trading and income garnered from public service contracts. But as the pot of finance available to grant makers is finite – there could be trouble ahead.

This report is about regional variations but took North East England as its principal area of focus (a parallel study on Wales has also been completed which should also be published soon, other area-based studies in the South West and East of England will follow). Comparisons between regions are presented so as to determine those aspects of sector life which are much the same across all areas and those factors that stand out as specific to localities.

The North East is a comparatively poor region, having been wounded economically by dramatic industrial restructuring over the last half century. Many of its localities continue to suffer from deep social deprivation which produces high levels demand from the voluntary sector for support to tackle aspects of critical and pernicious social need. But the region is not universally poor. On the contrary, there are wealthy areas too where people live an affluent lifestyle, just as they might in richer regions such as the South East of England – and, needless to say, the way the voluntary sector works locally tends to reflect these variations.

That is how it works in all English regions and in Wales – where the structure and dynamics of the third sector responds to and is shaped by local social, spatial, political and economic conditions. And this explains why there is a higher concentration of TSOs per 1,000 members of the local resident population in more affluent regions such as South East England (3.6) than in less affluent regions such as North East England (2.6).

In wealthier areas right across the country, there are more TSOs per capita because local people have more disposable income and productive free time; they are better connected, richer in social capital and are, consequentially, more willing and able to buy-in to a lifestyle that embraces civil society at its core. Most of their TSOs are small, relying wholly or mostly upon regular volunteers to achieve their aims and most are relatively financially resilient – often relying more heavily upon their own resources than calling upon outsiders to support their work.

That is why, in the richest areas, 69% of voluntary organisations across England and Wales had no relationship with trusts and foundations in 2025 compared with just 32% in the poorest districts. That is not to say that these organisations *never* bid for grants, but indicates that they do so on an occasional basis rather than relying upon them heavily to keep going. In poorer areas there are comparatively fewer TSOs which tend to address issues produced and embedded by financial insecurity, poorer health, educational disadvantage and limited access to or use of public services. TSOs in these localities are more reliant upon employees than in more affluent districts and that is why they need more money.

The balance between richer and poorer areas differs substantially across regions and that shapes the way that the third sector works. In South East England, for example, while only 6% of TSOs are located in the poorest areas (the least affluent quintile of the Indices of Multiple Deprivation or IMD) – they work in much the same way as they do in the poorest areas of North East England. At the other end of the social spectrum, 35% of TSOs in the South East are located in the most affluent quintile of the IMD compared with just 15% in the North East; but in those kinds of areas the focus and structure of the local sector is strikingly similar.

Interestingly and perhaps counter-intuitively, the report also shows that in poorer areas the spatial focus of TSOs is *wider* than in affluent areas where more voluntary organisations concentrate their activities at neighbourhood or village level.[41] To some extent, that is due to the specialist foci of many TSOs in poor areas on discrete aspects of service delivery which tend to be funded by large grants or contracts to deliver services over a wider spatial area. In more affluent areas, by contrast, much more of sector activity is locally focused and self-funded (by subscriptions, for example) or is facilitated by smaller, occasional grants.

Because the boundaries around areas are not impermeable, generalisations such as these need to be taken with caution. Not all TSOs based in the very poorest areas concern themselves with local issues associated with critical need; just as in the wealthiest areas, many TSOs are fervent in their support for people struggling in adverse conditions in communities often far from their own.

While localities undoubtedly shape sector purpose and structure to some extent and help to account for regional variations in sector wellbeing and impact, other factors also come into play derived from national political decision making which shape the prospects of TSOs. Often the impact can be direct – when, for example, government shifts policy direction and invests heavily in one aspect of social life to the detriment of others.

On other occasions, national government decisions on how it works with local and regional public sector agencies, such as the NHS or local authorities can have a profound impact on third sector activity. One such challenge, highlighted in this report, is the government's squeeze on public finances which has the effect of lowering the value of contracts offered to TSOs to deliver public services. This could, potentially, upset the financial dynamics of the third sector now that many larger TSOs are losing interest in, or have already withdrawn from delivering public services.

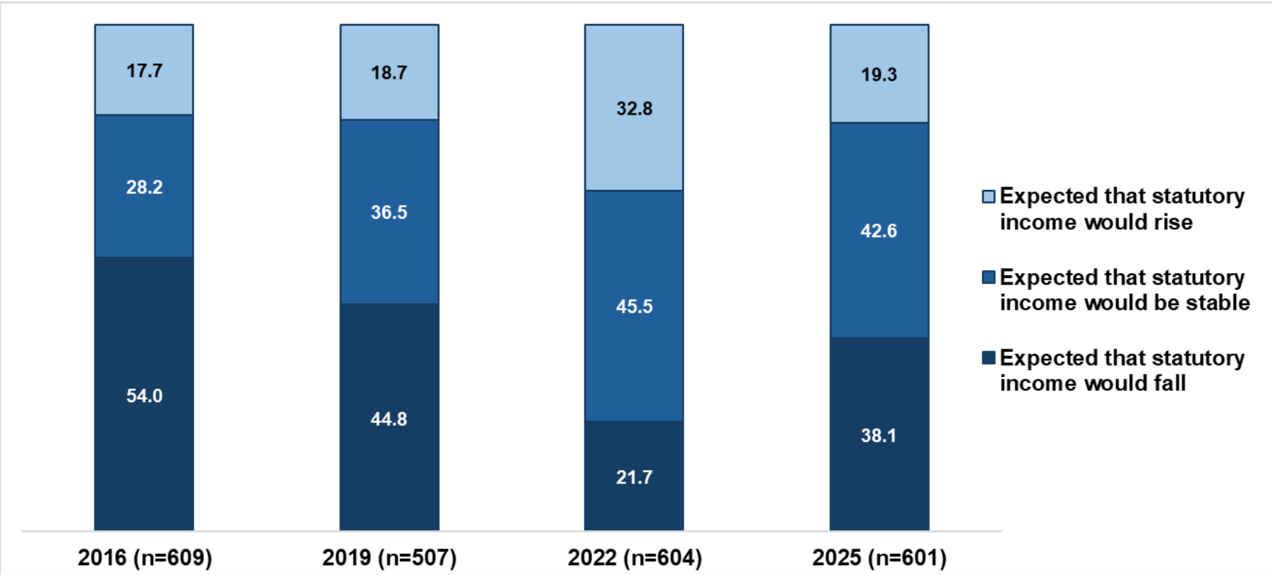
[41] Sometimes, historians and social commentators adopt somewhat romantic notions of the 'mutuality of the oppressed' and over play their hand about community resilience and self help within poor communities. That is a dangerous assumption to make about hard-pressed areas where managing to keep going on a day-to-day basis in socially stressed communities consumes people's energy physically and emotionally. To assume that adopting middle-class values associated with civic voluntarism will get such communities out of hot water using their own mettle can be both unfair and unrealistic.

When this issue was raised in previous reports in this series, the emphasis was on what *government* should do if *it* wants the third sector to remain engaged in public service delivery.[42] Here, the issue is the potential knock-on effect of big TSOs withdrawing from contracts for grant finance on the voluntary sector as a whole over the next few years.

This final phase of new analysis takes a medium-term view of the situation because, realistically, the most likely response of many TSOs currently engaged in public services will be to 'bide their time' and see what national politicians do if they awaken to the potential consequences of third sector withdrawal from this arena.

It is useful, in this context, to look to the historical evidence on how leaders assessed their position previously in fast-changing political environments. In 2016, at the depths of government austerity policies, 54% of TSOs thought that income from statutory sources would fall substantially over the next two years while only 18% felt that income might rise (Figure 8.1) – holding such views clearly had the potential to change TSOs' strategic directions.

Figure 8.1 **Financial outlook amongst TSOs which were engaged in bidding for or delivery of public service contracts 2016-2025** (Third Sector Trends in England and Wales 2025)



By 2019, the mood had improved somewhat as austerity polices were eased under the premiership of Teresa May: 19% of TSOs which were involved in contracts now felt that statutory income would rise, while fewer (45%) felt it would fall. Had the survey taken place after Boris Johnson's landslide election victory for the Conservative Party in December 2019 on the promise of 'levelling up' the economy – confidence may have been higher still.

The buzz surrounding the levelling up agenda quickly dissipated as Covid-19 took root. But by 2022, once pandemic restrictions were lifted, the confidence of TSOs involved with delivering contracts increased – for the first time in years, more leaders of organisations involved in contracts had a positive outlook (33%) than those expecting statutory income to fall (22%). With a fiscally cautious new Labour government in office in 2025, the mood shifted again: only a fifth of TSOs involved in

[42] The reason why contracts have become detrimental and what consequences that may have for government have already been explored in this series of reports, see Section 4.5, *Third Sector Trends in England and Wales 2025: relationships, influencing and collaborative working*, Newcastle: Community Foundation North East, https://www.stchads.ac.uk/wp-content/uploads/2025/10/Relationships-influencing-and-collaborative-working-Third-Sector-Trends-in-England-and-Wales-2025-October-2025-1.pdf

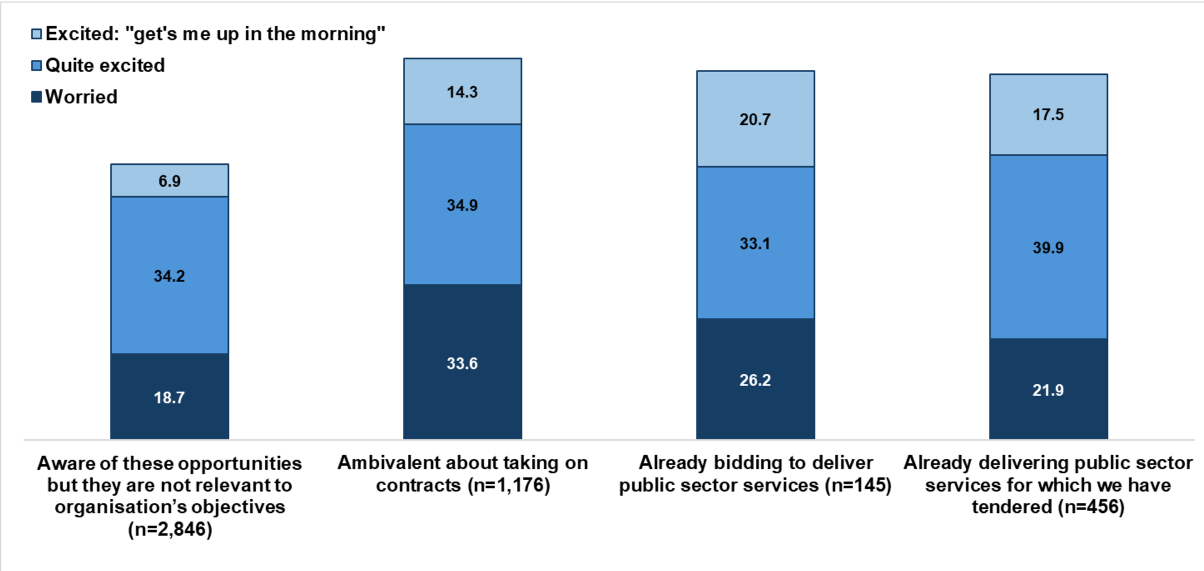
public service delivery felt confident that statutory income would rise while 38% expected it to fall.

If the present government fails substantially to raise levels of funding to the NHS and local councils so as to facilitate an increase in contract values – then what might happen next? A somewhat unlikely scenario is that leaders of big TSOs which have withdrawn from contracts will choose to reduce the size of their operations dramatically, make service-delivery staff and managers redundant and consolidate activity in existing areas of work which are currently financed by other means.

A much more likely response is that leaders of big TSOs will look for alternative ways of sustaining their activity. On this matter, the evidence from Third Sector Trends is crystal clear – leaders in 94% of TSOs which were delivering contracts in 2025 stated that they intended to bid for funding 'to deliver something brand new' (compared with 68% of leaders in organisations which have no intention of delivering public services).

Furthermore, leaders were also asked how they 'felt' about bidding for funding to do something brand new: 18% were 'excited' about this (that this is 'what get's them up in the morning') and another 40% were 'quite excited'. Admittedly, some leaders were worried about bidding to do something brand new (22%) - but that was not going to stop them from trying.

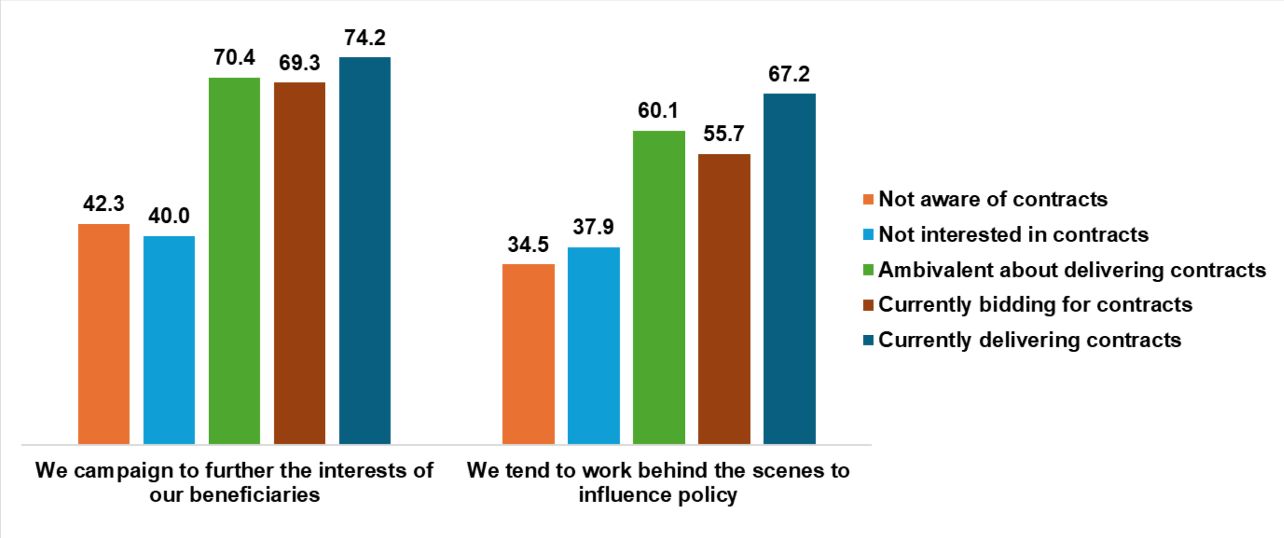
Figure 8.2 **Percentage of leaders in TSOs engaged in public service contracting who are 'excited' about bidding for funding to do something new** (Third Sector Trends in England and Wales 2025, those organisations not bidding to do something new are excluded from the analysis)



As more of those organisations which delivered contracts operate mainly in poorer areas, there will be limited scope to develop self-generated trading activity to bridge the gap in their finances. Consequently, most will probably turn to trusts and foundations for *substantial* grant funding. And because TSOs which deliver contracts are generally quite large, most will have the incentive, capacity, agility and experience to pitch ideas and/or bid for new grant programmes.

Few leaders, the evidence demonstrates, will be bashful about putting their position forward (Figure 8.3). Indeed, TSOs currently delivering contracts are almost twice as likely to campaign or lobby to promote the interests of their beneficiaries than those which will not get involved in public service delivery.

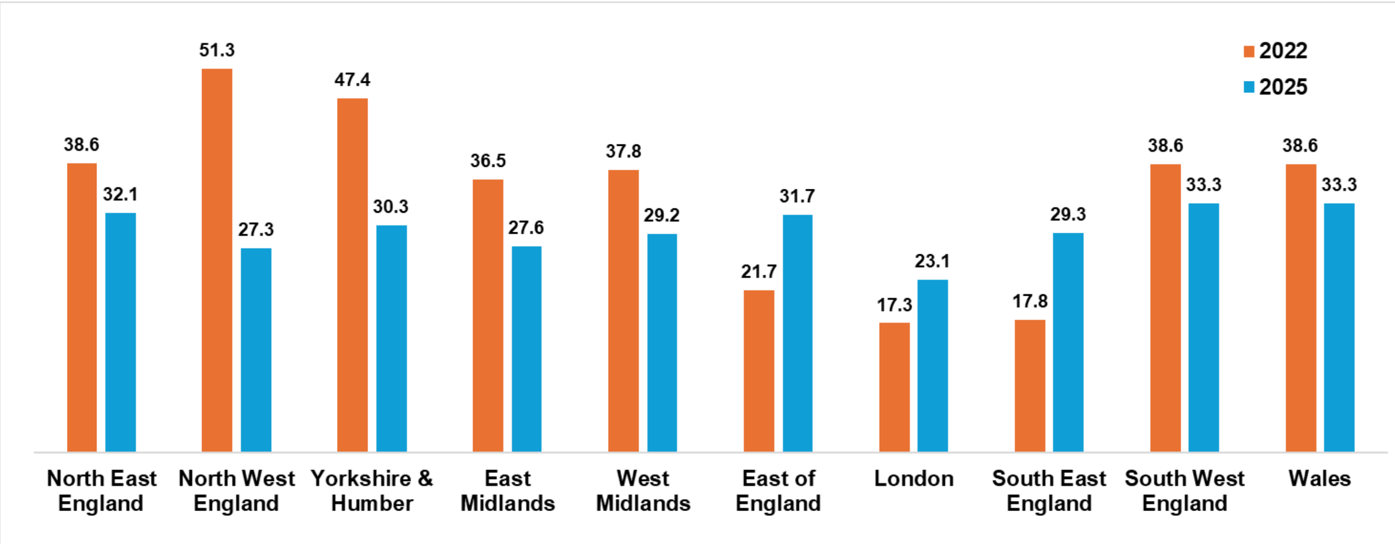
Figure 8.3 **Willingness of organisations engaged in public service contracts to campaign or lobby to promote beneficiary interests** (Third Sector Trends in England and Wales 2025, n=8,386)



Increased competition for grants could seriously upset the current equilibrium in funding opportunities, especially for middling-sized TSOs in a marketplace with finite resources. But the extent to which that happens may vary by region because, as shown in Figure 8.4(a), the decline in the percentages of organisations delivering contracts differs.

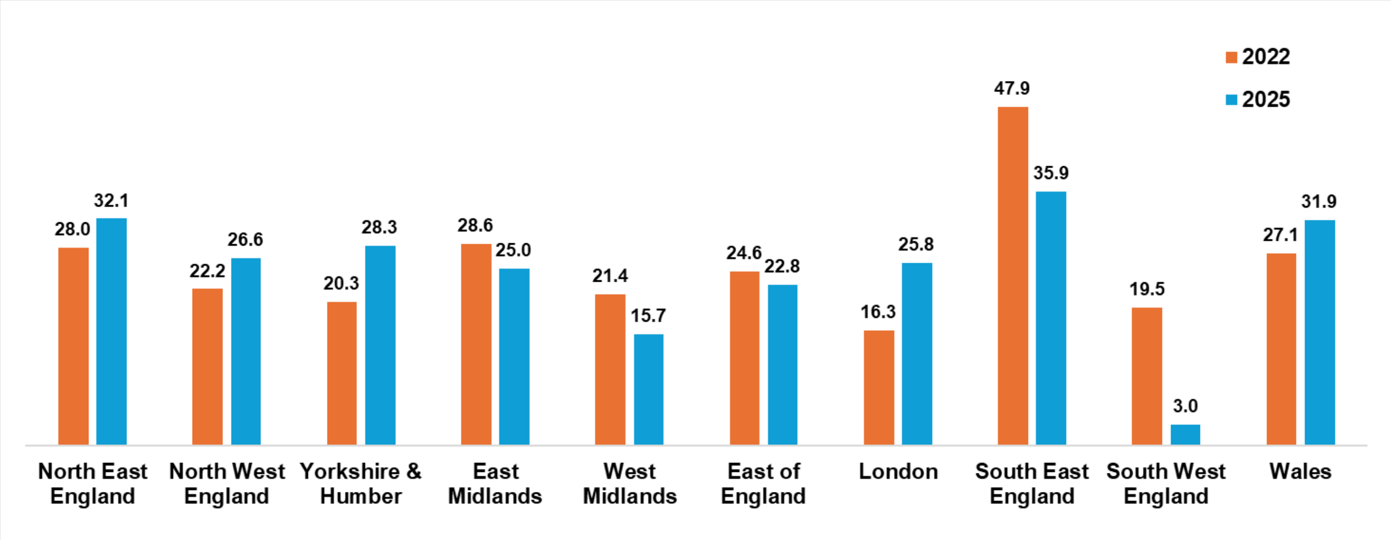
At present in the North East of England, for example, many TSOs are holding fast and remain involved in public service delivery. In other regions, such as North West England and Yorkshire and Humber, there are worrying signs of an exodus from this field. And again, by contrast, in South East England, East of England and London (though admittedly from a lower base), *more* TSOs are bidding for or delivering contracts.

Figure 8.4(a) **Percentage of larger TSOs (income £250,000 or more) bidding for or delivering public service contracts** (Third Sector Trends in England and Wales surveys 2022 and 2025)



It is very difficult to assess what will happen next because many organisations remain 'ambivalent' about bidding for public service contracts rather than being dead against the idea (Figure 8.4(b)). And so, If government decides to raise public spending on services, many TSOs may return to the fold or become new entrants in this field.

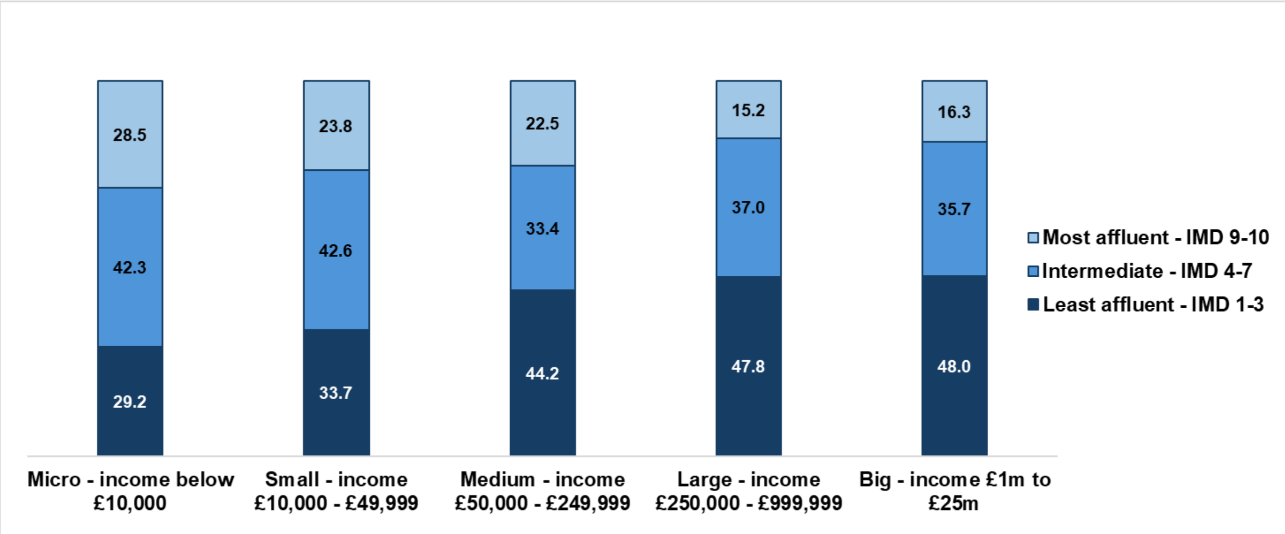
Figure 8.4(b) **Percentage of larger TSOs (income £250,000 or more) which are ambivalent about bidding to deliver public service contracts** (Third Sector Trends in England and Wales surveys 2022 and 2025)



More competition is bad news for many other TSOs. As noted, middling-sized voluntary organisations are generally the most vulnerable financially. in North East England, for example, 31% of medium-sized TSOs (with income between £50,000-£250,000) are financially vulnerable because they are using reserves for essential costs, even more larger organisations (with income £250,000 to £1m) are at risk (47%).

Furthermore, it is in less affluent areas where a great many of these organisations are located and deliver vital support to hard-pressed communities (Figure 8.5). Without their capacity, enthusiasm and commitment to tackle local problems, there would undoubtedly be serious consequences.

Figure 8.5 **Concentration of medium sized and larger TSOs in the least affluent areas of North East England** (Third Sector Trends Combined Register 2025, n=4,477)

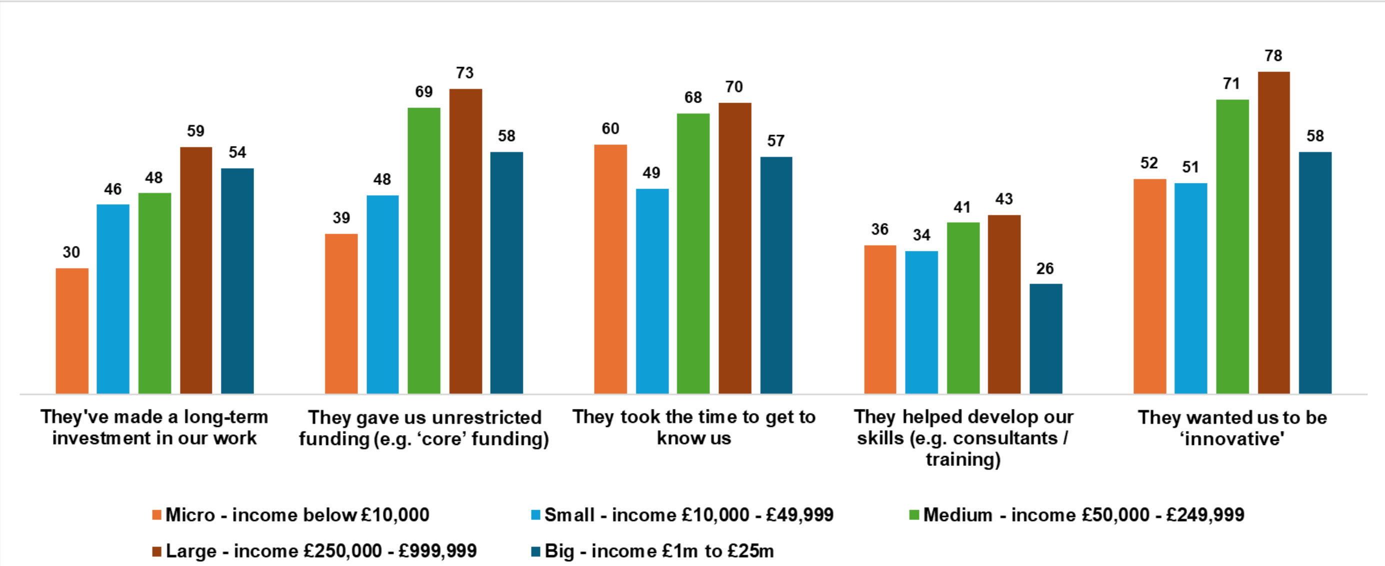


In other respects, the current situation in North East England for middling-sized voluntary organisations is quite positive as trusts and foundations have been supporting them strongly (Figure 8.6).

- Larger TSOs are the most likely to have been provided with long-term grant funding (59%). Medium-sized organisations have been served slightly less well (48%).
- Larger and medium-sized TSOs are by far the most likely to have been given unrestricted funding (73% and 69% respectively),
- Trusts and foundations have made more effort to get to know medium-sized (68%) and large organisations (70%) in the North East.
- Training and consultancy support has been offered by trusts and foundations to a bigger proportion of medium-sized (41%) and larger (43%) of TSOs.

These findings are more positive than in most other English regions and hopefully augur well for the future. But there is one aspect of trust and foundations' grant making practices which may be more concerning – of making demands that their work is 'innovative'. Only 58% of the biggest TSOs were asked to be innovative in the North East, but this was expected of 71% of medium-sized and 78% of larger TSOs.

Figure 8.6 **How trusts and foundations support TSOs in North East England**
(Third Sector Trends North East survey 2025, n=647)



A debate on what constitutes innovation and what purpose it serves cannot be had here. Undoubtedly, third-sector innovation is vital and has produced profound changes in the way society thinks and acts in many domains.[43] But *perpetual* innovation may not *always* be necessary for organisations which are well established in place, have demonstrable expertise in practice and a sound understanding of local needs?

Innovation is a 'muscular' term, imbued with notions of positivity and dynamism. Its antonyms, 'habitual', 'unimaginative', or 'routinised' are somewhat less attractive. But surely, holding to mission is one of the greatest strengths of middling-sized voluntary organisations as it signifies their commitment to purpose, people and places – and

[43] Voluntary sector has been successful in challenging policy conventions through its innovative ideas for many years. For a discussion of succession examples, see ACEVO (2017) *Speaking frankly, acting boldly: the legacy and achievements of charity campaigning*, London: ACEVO. https://www.acevo.org.uk/wp-content/uploads/2019/07/Speaking-frankly-Acting-boldly.pdf

especially so in poorer districts where they are often the only port of call for local people.

Certainly, these organisations need to remain agile and responsive to change, they need to remain alert to the efficacy of practice with beneficiaries and adapt as needed to sustain or improve their impact. But whether these approaches constitute 'innovation' as opposed to 'continuous good practice' (as one might expect of one's dentist) is questionable.

Of course there is a place for innovation – but whether it needs continually to happen in 78% of organisations is an open question. Surely it is equally important to recognise and continue to invest in the commitment and consistency of TSOs to support people and places as shown in Table 8.1.

Table 8.1 **Consistency in voluntary sector support for areas of social benefit in Northern England** (Third Sector Trends Surveys Northern England, 2016-2025)

	2016	2019	2022	2025	*Mean score*	*Average deviation from mean*
Children and young people	40.3	41.7	42.2	41.2	*41.4*	*-0.05*
Older people	37.4	35.7	36.2	34.7	*36.0*	*0.00*
People with physical disabilities	26.5	23.6	23.6	22.2	*24.0*	*-0.02*
People with physical health conditions	25.0	23.6	24.3	23.0	*24.0*	*-0.02*
People with mental health conditions	29.6	29.2	30.8	27.7	*29.3*	*0.02*
People with learning disabilities	no data	19.1	21.9	19.8	*20.3*	*-0.03*
Carers	14.7	13.4	14.0	14.1	*14.1*	*-0.05*
People of a particular ethnic or racial origin	7.7	9.0	9.6	7.9	*8.6*	*-0.05*
Homelessness and housing issues	12.8	13.5	11.6	10.9	*12.2*	*0.00*
Unemployed/workless people	20.3	20.0	18.0	14.7	*18.3*	*-0.05*
People or households living in poverty	20.1	22.2	22.6	21.1	*21.5*	*0.00*
Concerns about gender and sexuality	5.1	5.7	6.5	4.8	*5.5*	*0.02*
People in rural areas	15.9	15.9	15.3	15.2	*15.6*	*-0.02*
People in disadvantaged urban areas	21.9	23.0	22.6	18.0	*21.4*	*-0.02*
North of England n=	3,613	3,168	1,997	2,414		

The argument presented above about the consequences of potential changes in funding dynamics is long and complex. It would be a shame, though, to take away from this report a sense of impending doom rather than recognising that much of the evidence points to a voluntary sector full of people who remain positive, ambitious and eager to achieve their objectives. Problems have come their way before, but never have they been deterred.

6.2 Next steps

Analysis for the final national report from this series is now underway for Lloyds Bank Foundation England and Wales. The report will build upon the work undertaken so far to strengthen and deepen the analysis on place-based sector activity.

A number of issues will explored beginning with further development of 'area types' initiated in this and previous reports, to see how organisations are faring when based in localities with particularistic characteristics. These area types will combine a range of contributory factors such as levels of affluence/deprivation, urban form and density of population diversity.

Notes

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