The structure, dynamics, energy, purpose and impact of the voluntary sector in Wales

About the author

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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 Tyne & Wear and Northumberland was a co-founder of the research and is now responsible for its legacy.

The Community Foundation and St Chad's College are currently collaborating with partners including: Wales Council for Voluntary Action, Lloyds Bank Foundation England and Wales and Millfield House Foundation to undertake the Third Sector Trends Study survey and analysis in 2025-26.

All publications from the Third Sector Trends study are available free to download at this address: https://www.communityfoundation.org.uk/knowledge-and-leadership/third-sector-trends-research/

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Summary of key findings

This report was commissioned by Wales Council for Voluntary Action as part of a wider research project to build a clear statistical picture on the structure, energy, dynamics, purpose and impact of the voluntary sector in Wales. The study, which draws on data and techniques developed in the long-running Third Sector Trends study shows that the voluntary sector in Wales is large, energetic, productive and impactful.

- There are over 10,400 registered voluntary organisations in Wales.[1]
- The voluntary sector has an annual income of around £1.7billion and its expenditure is about £1.67billion.
- The total financial value of the sector to the economy is estimated at £2.1billion and produces £3.2billion of tangible social value through economic, fiscal and use value.
- Intangible 'added value' is judged to be at least equal to the energy invested in the voluntary sector's work and this adds up to £7.2 billion as the total estimated economic value of the voluntary sector in Wales
- The work of voluntary organisations in Wales is supported by 209,200 regular volunteers.[2]
- Collectively, volunteers who regularly give their time to voluntary organisations in Wales deliver 15 million hours of work annually which is valued at between £183million (at National Living Wage) or £249million (at 80% of median wage).
- Voluntary organisations in Wales work effectively together: 76% of voluntary organisations work in complementary ways with others in the voluntary sector; 66% work quite closely but in less formal ways and 33% work in formal partnerships arrangements.
- There are some good relationships with the private sector: 31% of voluntary organisations receive money from business to help them work; 27% get free use of facilities or free goods and services; 16% benefit from time given by employee volunteers; and 20% get *pro bono* professional or technical support.
- The vast majority (89%) of voluntary organisations in Wales (of those which have a relationship with the public sector) feel that their work is valued by public agencies; 71% feel well informed about issues of importance to them; 53% are involved in the development and implementation of policy and 49% feel that public bodies act on their opinions when participating in consultations.
- Relatively few (11%) of voluntary organisations work 'for' the public sector by delivering public services under contract (although the percentage rises dramatically to 65% of the biggest voluntary organisations with income from £5-25m.

[1] This includes the Charity Commission Register, Register of Societies, Register of Community Interest Companies and Register of Community Amateur Sport Clubs.

[2] The term 'regular volunteers' refers to people who offer support to voluntary organisations that can be relied upon and scheduled into planned activities – not occasional or ephemeral volunteering. Many types of volunteering are excluded from this definition, see Section 4.2 of this report for further explanation.

1 Introduction

1.1 Purpose of the report

This report was commissioned by Wales Council for Voluntary Action as part of a wider research project to build a clear statistical picture on the structure, dynamics, energy, purpose and impact of the voluntary sector in Wales. The study draws on data and techniques developed in the long-running Third Sector Trends study which covers England and Wales.

While this report is detailed and wide ranging, its findings should be regarded as preliminary. That is because much of the data employed in the analysis is out of date – having been collected in Wales by Third Sector Trends in 2022. The aim is to update and enhance the survey evidence in the summer of 2025 as part of the England and Wales study.

With support from WCVA, the objective is to build a bigger response rate in Wales than was achieved in 2022 (n=443) so that detailed area-based analysis can be undertaken for a second report which will be published in February 2026. While ambitious, it is hoped that between 650–750 responses can be obtained if help is garnered from local CVSs across Wales together with major grant-making trusts and foundations.

A note on terminology

In this report, the term '***voluntary organisations***' will be used throughout and the sector as a whole will be described as the '***voluntary sector***'. It is recognised that there is a proliferation of alternative terms in common usage in other reports and policy documents such as '*third sector', 'civil society sector', 'social sector', 'non-profit sector', 'charitable sector', 'VCSE'* (voluntary, community and social enterprise sector) and *'VCFSE sector'* (voluntary, community, faith and social enterprise sector).

1.2 Structure of the report

In Section 2 of this report, a foundation for subsequent work is presented by providing an overview of national statistics on the social and economic situation in Wales. This will aid interpretation of findings about voluntary sector activity in Wales in subsequent sections.

Section 3 will present a detailed area-based assessment of the structure of the voluntary sector in Wales, drawing upon evidence from the Third Sector Trends 'combined registers' dataset that covers all legal forms of voluntary organisations.

Section 4 will present analysis of 'people energy' in the voluntary sector by assessing the employment and volunteering. The analysis will also address the challenges the sector was facing in 2022 to sustain its workforce in anticipation of new comparative data to be collected in the summer of 2025.

Voluntary sector finances are complex and challenging. Section 5 will explore aspects of that complexity by comparing sector reliance on sources of income and how the mix of income sources may be changing (to be confirmed in 2025 through new data collection).

The purpose and impact of the voluntary sector in Wales will be explored in Section 6. The aim is to build a picture of key sector priorities and how these vary across areas in Wales. While the analysis will rely heavily on 2022 data, it will still be possible to provide preliminary indications on the financial value of sector impact

The final analytical section of the report (Section 7) will look at the strength of relationships within the voluntary sector together with an exploration of relationships with business and the public sector. Crucially, this section will also explore how the voluntary sector is oriented towards influencing local social and public policy.

The closing section of the report will summarise key findings, consider their implications and raise issues for continued research in 2025. A statement will be made on next steps for the research together with an appeal for help to increase response rates to the 2025 survey.

1.3 Geographies

Political geographies

Where possible, data will be presented at the lowest practicable geographical level (i.e. the *local authority*) using national statistics and the combined third sector register data. In many cases, that depth of analysis will not be possible due to the limitations of available data.

When local authority data are used, sub-regional summaries will also be generated. These follow the conventions adopted by ***Stats Wales***:

- ***North Wales***: Isle of Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire, Wrexham.
- ***Mid Wales***: Powys, Ceredigion.
- ***South West Wales***: Pembrokeshire, Carmarthenshire, Swansea, Neath Port Talbot.
- ***South East Wales***: Bridgend, The Vale of Glamorgan, Cardiff, Rhondda Cynon Taf, Merthyr Tydfil, Caerphilly, Blaenau Gwent, Torfaen, Monmouthshire, Newport.

Only two categories are available for some criteria of national statistics (these distinctions are not used in Third Sector Trends analysis):

- ***West Wales and the Valleys***: Isle of Anglesey, Gwynedd, Conwy, Denbighshire, Ceredigion, Pembrokeshire, Carmarthenshire, Swansea, Neath Port Talbot, Bridgend, Rhondda Cynon Taf, Merthyr Tydfil, Caerphilly, Blaenau Gwent, Torfaen.
- ***East Wales***: Flintshire, Wrexham, Powys, Vale of Glamorgan, Cardiff, Monmouthshire, Newport.

Thematic geographies

Using ONS Lookups it is possible to re-configure both Third Sector Trends combined register and Third Sector Trends survey data according to other criteria. These can then be used for comparative purposes with 'statistical neighbour' or 'statistical stranger' areas England.

The following distinctions will be adopted:

- ***Areas of relative affluence and deprivation***: using Welsh Index of Multiple Deprivation (WIMD) in five categories. For comparative purposes, the English Indices of Deprivation (IMD) will be used. These two sets of statistics are not entirely compatible – but they share similar characteristics.
- ***Urban / rural distinctions***: Third Sector Trends draws statistical distinctions between urban and rural areas based on DEFRA's categorisations. There are eight categories but these are too many to put to useful purpose. Consequently, Third Sector Trends uses just three reconfigured categories (metropolitan, urban, town and country). These can be used for comparative

purposes within Wales and between Wales and England (and/or English regions) where appropriate.

1.4 Data sources

National statistics

Support and advice was provided by *Stats Wales, Welsh Government* and the *Department for Business and Trade* when preparing the evidence for Section 2 of this report on core national, sub-regional and local authority data on demographics, employment, health, deprivation, diversity and comparative business density data. Extensive use is also made of NOMIS and ONS 2021 Census Data in the report.

Third Sector Trends combined registers data

The Third Sector Trends study collated a database of all registered voluntary, organisations in November 2024. This will provide a basis for analysis in this report and for the analysis of 2025 survey data.

Using ONS lookups, evidence from the combined register was aligned, via postcodes, to recategorize data on several dimensions including: local authorities, sub-regional areas, together with DEFRA urban/rural categorisations and WIMD/IMD distinctions – other potential categorical distinctions have also been retained to include national parks, NHS ICS areas, combined authorities and so on.

Third Sector Trends combined register data includes:

- ***Charity Commission Register***: including: *general charities, trusts, charitable companies and Charitable Incorporated Organisations (CIOs).* The register provides a wide range of data on finances and organisational purpose which is employed extensively in this analysis and used as a benchmark for other legal forms.
- ***Register of Societies***: very limited data are available on organisational purpose within the register, but it is possible to distinguish legal forms including: Registered Societies, Cooperative and Community Benefit Societies (formerly Industrial and Provident Societies), Credit Unions, Working Men's Clubs. (Friendly Societies, Benevolent Societies and Building Societies are not included in the analysis but data have been retained for future use). Post codes were extracted to map registered societies against ONS lookups. No financial data are available on the register but it is possible to determine Standard Industrial Classifications of Economic Activities (SIC codes) via Companies House for some legal forms.
- ***Community Amateur Sport Clubs***: this register only provides the name and address of organisations. Post codes are available which means that all CASCs can be mapped against geographical criteria using ONS look ups. SIC codes were applied to CASCs manually.
- ***Community Interest Companies***: the register provides limited detail, including name, address and post code. However, it was possible to determined SIC codes via Companies House and Orbis.

Third Sector Trends 2019, 2022 and 2025 Survey data

As a stand alone data set, Third Sector Trends in England and Wales 2022 is insufficiently large to make accurate statements about sector structure. However, through the use of combined register data (described above) it is possible to scale up survey data to make good estimations on sector finance, employment, volunteers and so on. This requires great care and relies to a large extent on comparative analysis in statistical neighbour areas in England to help confirm the accuracy and credibility of the analysis.

- ***Third Sector Trends in England and Wales 2019*** survey data: this was an experimental pilot study of Third Sector Trends across the whole of England and Wales while most effort was concentrated in the three regions of the North of England. Nearly 1,000 additional responses were received from a blind call to take part in the study including 108 in Wales. This provided sufficient impetus to undertake the study fully at national level in 2022. As the number of responses in Wales are very small, however, minimal usage is made of these data in this report.
- ***Third Sector Trends in England and Wales 2022*** survey data: which includes 6,070 cases is used extensively to build a picture of sector dynamics, purpose and impact. The data analysis is limited by the size of the sample in Wales (443 responses) but this provides a good general set of indicators on sector dynamics, purpose and impact at a national level.
- ***Third Sector Trends in England and Wales 2025*** survey data: will be collected between June and September 2025. It is hoped that between 650 and 750 organisations will respond across Wales with the help of WCVA and CVCs in local authority areas together with Wales Community Foundation, Wales National Lottery Community Fund and Sport Wales. At minimum, 500 responses will be needed to prepare a 2026 update on this report.

360Giving

Data on the distribution of grant finance have been drawn from 360Giving. The evidence has been recategorised using ONS lookups to all relevant geographical distinctions. The data were compiled in December 2024 and January 2025 for the period 2019-2023 for England and Wales to provide comparative evidence for analytical purposes.

Other data sources

Other reports from WCVA, NHS Wales, NCVO UK Civil Society Almanac, UK and Welsh Government departments, academics, think tanks and local area studies are referred to and referenced within the report where appropriate.

2 Demographic, economic and social profile of Wales

To make sense of how the voluntary sector contributes to the economy, environment and society in Wales, this section of the report provides a contextualising review of national data on demography, economy and society. Its purpose is to provide a basis for the interpretation of voluntary sector data in subsequent analytical sections.

2.1 Demographic profile

It is not possible to make sense of how effective the voluntary sector is in meeting the needs and desires of localities without understanding the context within which organisations are working. The first step in understanding context is to look at area demography.

Table 2.1 presents national data on the age structure of the population at national, local authority and sub-national regional levels. There are significant variations in population levels across regions in Wales. Mid Wales, for example, covers almost a third of the area of the country but its population of 207,500 people is relatively sparce.

Over two thirds of the population is located in the largely urban south of Wales, especially so in South East Wales with a population over 1.5 million people. The population of North Wales is about 690,000 but it is distributed unevenly due to the geography of the region. The population is more dense in the east of the region (in Flintshire and Wrexham) and along the northern coastline. Population density in Isle of Anglesey and Gwynedd is more sparsely distributed and focused mainly in small towns.

The age structure of regions varies considerably. Mid Wales has a much larger proportion of older people (27%) than all other regions. South West Wales has the smallest population of older people (19%). Within regions, there are substantial variations across local authorities. In North Wales, for example, over a quarter of the population is aged over 65 in Anglesey, Conwy and Denbighshire compared with just a fifth of the population in Wrexham and Flintshire.

Age structures can affect the way that the voluntary sector operates (often with higher proportions of volunteers in areas with older populations) and how its priorities are shaped (for example in areas such as youth work, health and social care, and so on). These factors will be explored later in the report.

Table 2.1 **Population and age distribution in Wales**
(Source: ONS Census 2021, Stats Wales, mid-year estimates 2023)

	Local authority	**Aged under 15 years (percent)**	**Aged 15 to 64 years (percent)**	**Aged 65 years and over (percent)**	**All persons (number)**	***Most recent population estimate May 2023***
North Wales	Isle of Anglesey	16.1	57.5	26.4	68,900	*69,291*
	Gwynedd	15.3	61.2	23.3	117,200	*119,173*
	Conwy	15.0	57.8	27.4	114,900	*114,410*
	Denbighshire	16.5	58.9	24.8	96,000	*97,156*
	Flintshire	16.5	61.9	21.4	154,800	*155,812*
	Wrexham	17.2	62.5	20.2	135,000	*136,149*
Mid Wales	Powys	14.4	57.7	27.8	133,000	*134,439*
	Ceredigion	13.1	61.1	25.7	71,500	*73,050*
South West Wales	Pembrokeshire	15.7	57.9	26.1	123,100	*125,006*
	Carmarthenshire	16.2	59.7	24.2	187,900	*190,083*
	Swansea	16.0	63.5	20.5	238,500	*246,742*
	Neath Port Talbot	16.5	62.3	21.2	142,300	*142,898*
South East Wales	Bridgend	16.7	62.6	20.8	145,600	*146,743*
	Vale of Glamorgan	17.5	60.6	21.9	131,800	*134,733*
	Cardiff	17.1	68.4	14.5	362,400	*383,536*
	Rhondda Cynon Taf	17.2	63.1	19.6	237,500	*241,178*
	Merthyr Tydfil	18.0	63.1	18.9	58,800	*58,593*
	Caerphilly	17.3	62.6	20.2	176,100	*176,437*
	Blaenau Gwent	16.4	63.2	20.3	66,900	*67,356*
	Torfaen	17.3	62.0	20.7	92,300	*93,419*
	Monmouthshire	14.8	59.4	25.8	93,000	*94,572*
	Newport	19.0	64.2	17.0	159,900	*163,628*
Sub-regions of Wales	North Wales	16.2	60.4	23.5	686,800	*691,991*
	Mid Wales	14.0	58.9	27.1	204,500	*207,489*
	South West Wales	16.1	61.3	22.6	691,800	*704,729*
	South East Wales	17.2	63.8	18.9	1,524,300	*1,560,195*
Wales		**16.5**	**62.2**	**21.3**	**3,107,400**	***3,164,404***

The ethnic minority population in Wales is comparatively small compared with most English regions. London is the most diverse region with a white British population of just 37%, but there are large ethnic minority populations in several other regions, especially the West Midlands (28%). Wales and North East England have the smallest ethnic minority populations at just 9%.[3]

As Table 2.2 shows, South East Wales is the most ethnically diverse region of Wales. Within this area there is considerable variation. Cardiff (21%) and Newport (16%) are the most ethnically diverse local authority areas and Blaenau Gwent is the least. In South West Wales, the largest concentration of ethnic minority population is in Swansea (8%) and the lowest in Pembrokeshire (2%).

[3] HM Government (2022) *Regional Ethnic Diversity.* https://www.ethnicity-facts-figures.service.gov.uk/uk-population-by-ethnicity/national-and-regional-populations/regional-ethnic-diversity/latest/#:~:text=2021%20Census%20data%20for%20England%20and%20Wales%20shows,further%202.4%25%20with%20white%20ethnic%20minorities%20More%20items (downloaded November 2024)

Similarly, in North Wales there is considerable variation, with the biggest ethnic minority population in Wrexham (4%) and the smallest in Isle of Anglesey (2%). In Mid Wales the distribution varies from 2% in Powys to 4% in Ceredigion.

Table 2.2 **Population diversity in Wales**
(Source: ONS Census Data 2021)

	All Asian	All Black	All mixed	All white	Other	N=
Isle of Anglesey	0.6	0.2	0.9	98.1	0.2	68,879
Gwynedd	1.7	0.4	1.1	96.2	0.5	117,392
Conwy	1.4	0.2	1.1	96.9	0.3	114,743
Denbighshire	1.7	0.3	1.1	96.5	0.4	95,820
Flintshire	0.9	0.2	0.9	97.6	0.3	154,960
Wrexham	1.7	0.6	1.2	96.0	0.6	135,122
Powys	0.9	0.2	0.9	97.7	0.3	133,169
Ceredigion	1.5	0.5	1.2	96.2	0.5	71,473
Pembrokeshire	0.9	0.2	0.9	97.6	0.3	123,359
Carmarthenshire	1.2	0.2	0.9	97.2	0.4	187,898
Swansea	4.4	1.2	1.6	91.4	1.4	238,491
Neath Port Talbot	1.6	0.4	1.1	96.6	0.3	142,290
Bridgend	1.5	0.3	1.2	96.8	0.3	145,490
Vale of Glamorgan	2.1	0.5	2.3	94.6	0.5	131,939
Cardiff	9.7	3.8	4.0	79.2	3.3	362,310
Rhondda Cynon Taf	1.5	0.4	1.0	96.7	0.3	237,653
Merthyr Tydfil	1.5	0.2	0.9	97.1	0.4	58,839
Caerphilly	0.9	0.2	1.0	97.7	0.2	175,955
Blaenau Gwent	0.9	0.2	0.9	97.8	0.2	66,903
Torfaen	1.3	0.2	1.1	97.1	0.3	92,276
Monmouthshire	1.3	0.2	1.2	96.9	0.3	92,960
Newport	7.6	2.3	2.8	85.5	1.7	159,592
North Wales	1.4	0.3	1.1	96.8	0.4	686,916
Mid Wales	1.1	0.3	1.0	97.2	0.4	204,642
South West Wales	2.3	0.6	1.2	95.2	0.7	692,038
South East Wales	4.0	1.4	2.0	91.4	1.2	1,523,917
Wales	2.9	0.9	1.6	93.8	0.9	3,107,513

2.2 Social profile

To make sense of how the voluntary sector is oriented towards local preferences and needs, it is useful to look at variations across a range of social indicators. Table 2.3 focuses on aspects of personal wellbeing. These variations will not be discussed in detail here as they are provided for interpretative purpose later in the analysis when looking at the structure and purpose of the local voluntary sector in Wales. It is worth noting, however, that simplistic assertions about linkages between area demographics and personal wellbeing should be avoided. For example, experiences of loneliness are not concentrated in areas where there is an older population. The highest levels of loneliness are recorded in Torfaen.

Crucially, these data provide useful indications of social need such as inaccessibility to services and material deprivation which seem to be associated with local area satisfaction. Access to sporting activities has also been included in this personal wellbeing table as it provides clues on the extent to which there is a physically active population. It is notable that there are higher levels of activity in North Wales and South West Wales.

Table 2.3 **Social wellbeing indicators in Wales**					
	Percentage of people living in households in material deprivation by local authority	**Percentage of people satisfied with their ability to get to/ access the facilities and services they need**	**Well-being - Percentage of people who are lonely**	**Percentage of people satisfied with local area as a place to live**	**Sport - Percentage of people participating in sporting activities three or more times a week**
Isle of Anglesey	13.7	77.4	8.2	92.3	34.4
Gwynedd	14.9	90.8	9.8	92.8	46.0
Conwy	10.1	87.5	9.2	93.3	34.6
Denbighshire	14.8	87.2	10.6	96.4	38.5
Flintshire	12.6	84.1	9.8	85.0	44.4
Wrexham	15.8	81.4	14.2	86.1	42.4
Powys	14.1	82.3	11.1	94.9	29.7
Ceredigion	18.4	86.2	14.1	92.7	39.0
Pembrokeshire	13.4	87.7	13.7	92.3	31.1
Carmarthenshire	16.7	85.2	17.0	90.3	41.6
Swansea	13.3	90.6	11.3	90.1	39.8
Neath Port Talbot	21.5	76.0	17.0	80.2	38.1
Bridgend	15.6	83.2	10.7	87.3	41.1
Vale of Glamorgan	15.7	86.7	11.0	91.2	44.0
Cardiff	14.9	92.0	12.2	90.4	50.2
Rhondda Cynon Taf	20.5	83.3	15.4	84.9	36.1
Merthyr Tydfil	18.2	85.7	14.6	87.4	34.0
Caerphilly	14.9	84.8	9.5	87.7	38.4
Blaenau Gwent	16.1	72.5	9.0	68.5	26.6
Torfaen	19.0	92.1	17.2	91.3	20.4
Monmouthshire	8.4	85.7	11.6	95.0	43.3
Newport	17.6	88.0	16.3	79.3	31.3
North Wales	13.7	84.7	10.3	91.0	40.0
Mid Wales	16.3	84.2	12.6	93.8	34.3
South West Wales	16.2	84.9	14.7	88.2	37.6
South East Wales	14.6	77.6	11.6	78.4	33.2
Wales	15.5	85.8	12.6	88.6	39.1

Table 2.4 presents data on 'civic wellbeing' and is concerned with issues such as levels of volunteering, political participation, social cohesion, cultural engagement and Welsh language speaking. Again, these data are presented for contextual interpretative purposes later in the report. It is clear, however, that the situation is complex as there are many 'inconsistencies' across Wales regions and local authority areas when looking at specific indicators.

The impression gleaned from the data presented in Tables 2.3 and 2.4 is one of great complexity. This means that generalised assertions about, for example, area deprivation and aspects of civic engagement and personal wellbeing need to be made with great care.

As illustrated in Table 2.5, when indicators are ranked by local authority level. Six local authority areas are colour-highlighted for each indicator – three with the lowest proportion of households suffering from material deprivation (Monmouthshire, Conwy and Flintshire) and three with the highest (Torfaen, Rhondda Cynon Taf and Neath Port Talbot). It is evident that clear patterns of clustering around issues such a deprivation are hard to discern. At best, it can be stated that areas with the highest levels of deprivation are more likely to position other indicators in the lower half of the grid, while the reverse is the case of the least deprived areas. But there are substantive variations which cannot be ignored.

Table 2.4 **Civic wellbeing indicators in Wales**

	Percentage who feel able to influence decisions affecting their local areas	Percentage agreeing they belong to the area, people from different backgrounds get on well & treat each other with respect	Percentage of people who Volunteer	Percentage of people attending or participating in arts	Percentage of people who can speak Welsh
Isle of Anglesey	27.8	69.0	28.7	57.1	48.0
Gwynedd	37.0	73.2	33.3	68.0	64.0
Conwy	31.6	73.1	26.7	61.9	27.6
Denbighshire	36.7	68.6	26.3	63.0	20.9
Flintshire	22.2	63.0	30.1	76.0	12.4
Wrexham	28.3	59.3	29.3	66.8	16.7
Powys	23.1	70.6	42.1	74.9	13.8
Ceredigion	28.0	69.2	35.6	77.4	36.2
Pembrokeshire	28.4	77.6	36.4	76.7	13.8
Carmarthenshire	31.6	68.0	31.4	75.9	43.1
Swansea	33.4	59.3	29.5	74.3	11.2
Neath Port Talbot	27.5	64.2	30.0	70.4	12.8
Bridgend	30.9	67.3	24.4	68.4	12.9
Vale of Glamorgan	33.8	68.3	27.7	77.8	-
Cardiff	33.2	62.7	31.9	83.3	11.8
Rhondda Cynon Taf	25.8	63.0	24.7	64.2	14.3
Merthyr Tydfil	32.0	62.1	26.0	64.3	15.3
Caerphilly	26.3	62.2	22.5	71.3	10.2
Blaenau Gwent	19.4	38.9	22.3	60.5	-
Torfaen	31.8	54.5	28.0	74.1	-
Monmouthshire	32.6	67.7	39.2	78.8	9.6
Newport	28.0	57.8	27.8	69.5	-
North Wales	30.6	67.7	29.0	65.5	-
Mid Wales	25.5	69.9	38.8	76.1	-
South West Wales	30.2	67.3	31.8	74.3	-
South East Wales	26.7	54.9	24.9	64.7	-
Wales	29.7	64.5	29.7	72.1	18.0

Table 2.5 **Personal wellbeing and civic engagement indicators ranked by local authority area**

Percentage who feel able to influence decisions affecting their local areas (largest to smallest %)	Percentage of people agreeing that they belong to the area; that people from different backgrounds get on well together; and that people treat each other with respect (largest to smallest %)	Percentage of people attending or participating in arts (largest to smallest %)	Percentage of people living in households in material deprivation by local authority (least deprived to most deprived)	Percentage of people satisfied with their ability to get to/ access the facilities and services they need (highest to lowest %)	Percentage of people who are lonely (lowest to highest %)	Percentage of people participating in sporting activities three or more times a week (highest to lowest %)	Recreation - Percentage of people who Volunteer (largest to smallest %)
Gwynedd	Pembrokeshire	Cardiff	Monmouthshire	Torfaen	Isle of Anglesey	Cardiff	Powys
Denbighshire	Gwynedd	Monmouthshire	Conwy	Cardiff	Blaenau Gwent	Gwynedd	Monmouthshire
Vale of Glamorgan	Conwy	Vale of Glamorgan	Flintshire	Gwynedd	Conwy	Flintshire	Pembrokeshire
Swansea	Powys	Ceredigion	Swansea	Swansea	Caerphilly	Vale of Glamorgan	Ceredigion
Cardiff	Ceredigion	Pembrokeshire	Pembrokeshire	Newport	Gwynedd	Monmouthshire	Gwynedd
Monmouthshire	Isle of Anglesey	Flintshire	Isle of Anglesey	Pembrokeshire	Flintshire	Wrexham	Cardiff
Merthyr Tydfil	Denbighshire	Carmarthenshire	Powys	Conwy	Denbighshire	Carmarthenshire	Carmarthenshire
Torfaen	Vale of Glamorgan	Powys	Denbighshire	Denbighshire	Bridgend	Bridgend	Flintshire
Carmarthenshire	Carmarthenshire	Swansea	Gwynedd	Vale of Glamorgan	Vale of Glamorgan	Swansea	Neath Port Talbot
Conwy	Monmouthshire	Torfaen	Caerphilly	Ceredigion	Powys	Ceredigion	Swansea
Bridgend	Bridgend	Caerphilly	Cardiff	Merthyr Tydfil	Swansea	Denbighshire	Wrexham
Pembrokeshire	Neath Port Talbot	Neath Port Talbot	Bridgend	Monmouthshire	Monmouthshire	Caerphilly	Isle of Anglesey
Wrexham	Rhondda Cynon Taf	Newport	Vale of Glamorgan	Carmarthenshire	Cardiff	Neath Port Talbot	Torfaen
Ceredigion	Flintshire	Bridgend	Wrexham	Caerphilly	Pembrokeshire	Rhondda Cynon Taf	Newport
Newport	Cardiff	Gwynedd	Blaenau Gwent	Flintshire	Ceredigion	Conwy	Vale of Glamorgan
Isle of Anglesey	Caerphilly	Wrexham	Carmarthenshire	Rhondda Cynon Taf	Wrexham	Isle of Anglesey	Conwy
Neath Port Talbot	Merthyr Tydfil	Merthyr Tydfil	Newport	Bridgend	Merthyr Tydfil	Merthyr Tydfil	Denbighshire
Caerphilly	Swansea	Rhondda Cynon Taf	Merthyr Tydfil	Powys	Rhondda Cynon Taf	Newport	Merthyr Tydfil
Rhondda Cynon Taf	Wrexham	Denbighshire	Ceredigion	Wrexham	Newport	Pembrokeshire	Rhondda Cynon Taf
Powys	Newport	Conwy	Torfaen	Isle of Anglesey	Carmarthenshire	Powys	Bridgend
Flintshire	Torfaen	Blaenau Gwent	Rhondda Cynon Taf	Neath Port Talbot	Neath Port Talbot	Blaenau Gwent	Caerphilly
Blaenau Gwent	Blaenau Gwent	Isle of Anglesey	Neath Port Talbot	Blaenau Gwent	Torfaen	Torfaen	Blaenau Gwent

2.3 Health profile

Aspects of personal wellbeing and civic engagement are often associated with issues surrounding public health inequalities. Using public health data in it is useful therefore to examine variations across regions and local authorities in Wales to assist with subsequent interpretation of voluntary sector purpose and impact. It is evident from the data presented in Table 2.6 that there are substantial variations in life expectancy and healthy life expectancy (HLE) across Wales. Amongst men, the highest HLE is in Monmouthshire (69.8 years) and the lowest in Merthyr Tydfil (61.1 years). For women, highest HLE is in Gwynedd (71.1 years), Isle of Anglesey (70.9) and Monmouthshire (70.7 years), but lowest in Neath Port Talbot (62.4 years) and Rhondda Cynon Taf (62.9 years).

Table 2.6 **Public health indicators for Wales, regions and local authority areas**

	Males			Females		
	Life expectancy	**Healthy life expectancy**	**Percentage of life expectancy in good health**	**Life expectancy**	**Healthy life expectancy**	**Percentage of life expectancy in good health**
Isle of Anglesey	78.6	67.7	86.2	82.9	70.9	85.6
Gwynedd	79.3	68.2	85.9	83.5	71.1	85.2
Conwy	78.9	67.3	85.3	82.6	69.1	83.6
Denbighshire	78.1	67.5	86.5	81.4	67.7	83.2
Flintshire	79.0	67.7	85.8	82.4	68.9	83.5
Wrexham	78.3	66.8	85.3	81.8	67.8	82.9
Powys	80.2	68.2	85.0	83.6	68.7	82.2
Ceredigion	80.1	67.9	84.7	83.9	69.7	83.1
Pembrokeshire	79.5	66.9	84.1	82.9	69.0	83.3
Carmarthenshire	78.6	65.0	82.7	82.6	66.0	79.9
Swansea	77.8	65.5	84.2	82.4	66.8	81.1
Neath Port Talbot	77.0	61.9	80.4	81.2	62.4	76.9
Bridgend	77.0	63.4	82.4	81.2	64.3	79.2
Vale of Glamorgan	79.6	66.6	83.8	83.4	68.7	82.4
Cardiff	78.2	65.3	83.6	82.7	67.1	81.1
Rhondda Cynon Taf	76.5	61.2	80.0	80.9	62.9	77.8
Merthyr Tydfil	77.1	61.1	79.2	80.9	61.5	76.0
Caerphilly	77.7	61.5	79.2	81.4	63.7	78.2
Blaenau Gwent	76.0	59.6	78.5	80.2	59.3	74.0
Torfaen	77.9	63.1	81.0	82.0	64.4	78.5
Monmouthshire	80.5	69.8	86.7	84.1	70.7	84.1
Newport	78.0	65.4	83.9	82.3	67.2	81.6
North Wales	78.8	67.7	85.9	82.5	69.5	84.2
Mid Wales	79.2	67.3	85.0	82.8	68.8	83.0
South West Wales	78.2	64.8	82.8	82.2	66.1	80.3
South East Wales	78.1	64.1	82.1	82.1	65.3	79.6
Wales	**78.3**	**65.3**	**83.3**	**82.3**	**66.7**	**81.1**

When HLE data is configured with levels of material deprivation in rank order, it is evident that there is an imperfect but nevertheless close association between these two factors (see Table 2.7).

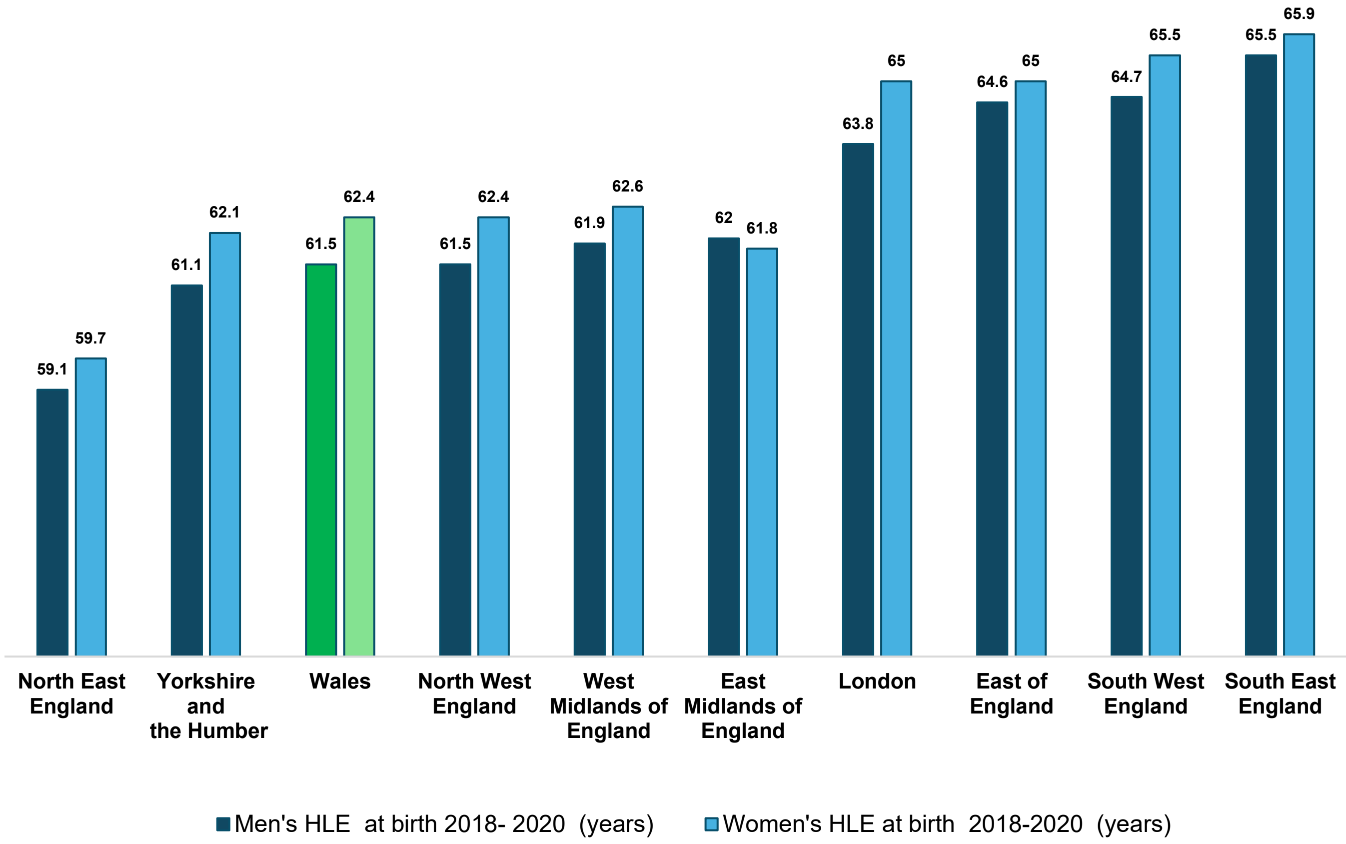
There are exceptions. In Caerphilly, for example, levels of HLE are particularly low for men and women while there is only a middling score for material deprivation in the area. This is indicative of variations within local authority areas where there can be substantive differences in localised areas of wealth and deprivation.

Table 2.7 **Association between material deprivation and healthy life expectancy**

	Percentage of people living in households in material deprivation by local authority (in rank order from most deprived to least deprived)	**Men's healthy life expectancy**	**Women's healthy life expectancy**
Neath Port Talbot	21.5	61.9	62.4
Rhondda Cynon Taf	20.5	61.2	62.9
Torfaen	19.0	63.1	64.4
Ceredigion	18.4	67.9	69.7
Merthyr Tydfil	18.2	61.1	61.5
Newport	17.6	65.4	67.2
Carmarthenshire	16.7	65.0	66.0
Blaenau Gwent	16.1	59.6	59.3
Wrexham	15.8	66.8	67.8
Vale of Glamorgan	15.7	66.6	68.7
Bridgend	15.6	63.4	64.3
Gwynedd	14.9	68.2	71.1
Cardiff	14.9	65.3	67.1
Caerphilly	14.9	61.5	63.7
Denbighshire	14.8	67.5	67.7
Powys	14.1	68.2	68.7
Isle of Anglesey	13.7	67.7	70.9
Pembrokeshire	13.4	66.9	69.0
Swansea	13.3	65.5	66.8
Flintshire	12.6	67.7	68.9
Conwy	10.1	67.3	69.1
Monmouthshire	8.4	69.8	70.7

From a comparative perspective with English regions it is shown that North West England and Yorkshire and Humber are Wales' closest statistical neighbours in this domain (see Figure 2.1).

Figure 2.1 **Healthy life expectancy in Wales and English Regions**
(Source: Census 2021)



2.4 Labour market skills, occupations and profile

When exploring the structure, size and people energy the voluntary sector has at its disposal in Wales, it is useful to look at local labour market conditions to reach a more finely tuned contextual understanding of local conditions. This sub-section briefly addresses the issue by looking at qualifications, employment rates, size of the working population, average levels of local pay and occupational status distribution.

Table 2.8 shows educational performance levels across Wales as indicated by levels of qualifications achieved. Variations in educational performance often reflect a wide range of contextual factors, such as local employment opportunity structures, cultural or social-class based associations with educational achievement. While these factors are too complex to analysis in depth here, it is clear that anomalies abound. To clarify the situation, Table 2.9 compares area levels of deprivation with highest and lowest levels of achievement in rank order.

Table 2.8 **Levels of educational performance in regions and local authority areas of Wales**
(Source: Nomis, November 2024)

	No qualific-ations	Qualified to level 1	Qualified to level 2	Qualified to level 3	Qualified to levels 4-6	Qualified to levels 7-8
Isle of Anglesey	3.2	6.4	24.1	24.1	31.4	10.8
Gwynedd	3.3	4.0	19.9	25.4	33.6	13.9
Conwy	13.3	2.6	19.6	20.4	33.0	11.1
Denbighshire	13.2	6.3	19.7	22.5	32.5	5.7
Flintshire	8.4	7.6	19.4	23.5	30.9	10.3
Wrexham	6.3	7.1	25.1	14.3	35.8	11.5
Powys	3.4	4.0	20.7	27.7	30.4	13.9
Ceredigion	6.1	2.2	21.2	22.6	30.1	17.8
Pembrokeshire	10.5	3.3	19.7	25.5	30.3	10.6
Carmarthenshire	5.3	5.3	16.6	26.5	33.6	12.7
Swansea	7.6	3.2	17.2	21.7	37.0	13.4
Neath Port Talbot	9.9	5.0	22.1	25.4	25.8	11.7
Bridgend	7.3	5.7	22.8	22.5	29.5	12.2
The Vale of Glamorgan	2.5	3.8	16.1	22.9	39.4	15.3
Cardiff	9.7	2.7	13.9	20.1	36.6	17.0
Rhondda Cynon Taf	7.7	6.6	27.7	23.2	26.4	8.4
Merthyr Tydfil	14.1	8.5	26.1	19.9	22.7	8.8
Caerphilly	7.0	5.2	21.2	20.8	35.1	10.8
Blaenau Gwent	16.6	5.3	23.4	21.2	24.5	9.0
Torfaen	8.6	4.7	24.7	27.2	28.8	6.0
Monmouthshire	3.0	2.4	14.3	19.7	40.6	20.0
Newport	9.2	5.9	19.8	19.1	29.9	16.1
North Wales	8.0	5.7	21.2	21.3	33.0	10.8
Mid Wales	4.5	3.2	20.9	25.7	30.2	15.4
South West Wales	8.0	4.1	18.5	24.4	32.6	12.4
South East Wales	8.3	4.7	20.1	21.4	32.4	13.1
Wales	**7.9**	**4.7**	**20.0**	**22.3**	**32.4**	**12.6**

Table 2.9 **Relationship between material deprivation (in rank order) and educational qualifications** (Source: Stats Wales, Nomis, November 2024)				
	Percentage of people living in households in material deprivation (from least to most affluent)	**No qualifications or level 1 only**	**Qualified to level 2**	**Qualifications of Level 3 or above**
Neath Port Talbot	21.5	14.9	22.1	62.9
Rhondda Cynon Taf	20.5	14.3	27.7	58.0
Torfaen	19.0	13.3	24.7	62.0
Ceredigion	18.4	8.3	21.2	70.5
Merthyr Tydfil	18.2	22.6	26.1	51.4
Newport	17.6	15.1	19.8	65.1
Carmarthenshire	16.7	10.6	16.6	72.8
Mid Wales	16.3	7.7	20.9	71.3
South West Wales	16.2	12.1	18.5	69.4
Blaenau Gwent	16.1	21.9	23.4	54.7
Wrexham	15.8	13.4	25.1	61.6
Vale of Glamorgan	15.7	6.3	16.1	77.6
Bridgend	15.6	13.0	22.8	64.2
Wales	15.5	12.6	20.0	67.3
Gwynedd	14.9	7.3	19.9	72.9
Cardiff	14.9	12.4	13.9	73.7
Caerphilly	14.9	12.2	21.2	66.7
Denbighshire	14.8	19.5	19.7	60.7
South East Wales	14.6	13.0	20.1	66.9
Powys	14.1	7.4	20.7	72.0
Isle of Anglesey	13.7	9.6	24.1	66.3
North Wales	13.7	13.7	21.2	65.1
Pembrokeshire	13.4	13.8	19.7	66.4
Swansea	13.3	10.8	17.2	72.1
Flintshire	12.6	16.0	19.4	64.7
Conwy	10.1	15.9	19.6	64.5
Monmouthshire	8.4	5.4	14.3	80.3

Table 2.10 shows variations in employment rate. These levels vary due to a range of localised factors which cannot be explored here, but it is clear that there are broad similarities across areas. There are exceptions: employment rates in Bridgend (65%) and Rhondda Cynon Taf (66%) are significantly lower than in other areas and are at their highest in Flintshire (80%) and Wrexham (79%).

The working population and business population will be referred to later in the analysis when comparing with the size of the voluntary sector in Wales. Gross weekly earnings vary substantially across sub-regions. Mid Wales has the lowest average weekly wage levels (£587) and South East Wales the highest (£646).

There is considerable variation within regions. In North Wales, for instance, the lowest wage area is Gwynedd (£587) whilst the highest is Isle of Anglesey (£668). Newport has the highest weekly wage levels (£713) while Caerphilly has the lowest (£542).

Table 2.10 **Labour market characteristics by Wales regions and local authority areas**				
	Employment Rate	**Working population 2024** (excluding students)	**Business population 2023**	**Gross weekly earnings**
Isle of Anglesey	73.6	35,600	7,045	668.3
Gwynedd	71.9	64,300	12,885	586.5
Conwy	75.2	62,300	11,490	594.0
Denbighshire	71.5	50,300	7,865	597.6
Flintshire	79.7	89,100	11,240	649.7
Wrexham	79.3	81,700	11,485	630.7
Powys	73.2	64,300	9,455	594.3
Ceredigion	71.5	40,600	18,210	574.3
Pembrokeshire	71.5	64,500	15,230	640.7
Carmarthenshire	72.1	99,700	15,215	655.5
Swansea	71.0	134,400	18,210	619.8
Neath Port Talbot	73.1	82,200	7,585	671.1
Bridgend	65.3	83,700	9,430	611.3
Vale of Glamorgan	76.6	68,700	9,410	553.7
Cardiff	75.5	222,400	33,575	676.4
Rhondda Cynon Taf	65.6	135,200	13,210	653.2
Merthyr Tydfil	73.3	35,600	3,385	613.8
Caerphilly	76.8	105,400	10,135	541.6
Blaenau Gwent	70.3	40,600	3,125	648.2
Torfaen	75.6	54,000	6,815	600.9
Monmouthshire	76.2	50,300	7,835	659.1
Newport	72.5	87,100	10,975	713.7
North Wales	75.8	383,300	62,010	622.0
Mid Wales	72.5	104,900	27,665	586.6
South West Wales	71.8	380,800	56,240	641.0
South East Wales	72.7	883,000	107,895	646.0
Wales	**73.2**	1,752,000	**253,810**	**633.7**

Sources of data on employment include:
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/employmentinlocalauthoritiesenglandandwales/census2021; Employment in local authorities, England and Wales - Office for National Statistics.

Data on business population are taken from the following sources:
Size Analysis of Active Businesses in Wales, 2022
https://www.gov.wales/sites/default/files/statistics-and-research/2023-06/size-analysis-businesses-2022-655.pdf

Sufficiently detailed occupational status data are not, unfortunately, readily available for regions and local authority areas in Wales.[4] However, it is useful to look at Wales' occupational structure in comparison with English regions for contextual purposes. As Table 2.11 shows, Wales' closest statistical neighbour is North East England where the occupational structure is strikingly similar.

In Wales the proportion of the working population in professional and managerial jobs is much lower than in the most affluent regions of England (East of England, South East England and London). This may have a significant bearing on aspects of voluntary sector people energy – not least the availability of regular volunteers who tend to be more readily available in the most affluent 'civic core' of the population.

[4] Survey data are available from the Wales Employer Skills Survey but response rates are too low to reliably report at local authority or regional level. See: https://www.gov.wales/employer-skills-survey-2022-wales-report

Table 2.11 **Occupational profiles in Wales and English Regions** (Source: Nomis, October 2024)

	Managers, directors and senior officials	Professional occupations	Associate professional occupations	Administrative & secretarial	Skilled trades occupations	Caring, leisure and other service occupations	Sales and customer service occupations	Process plant & machine operatives	Elementary occupations
Wales	**9.1**	**23.4**	**14.9**	**9.8**	**9.2**	**9.8**	**7.2**	**6.6**	**9.9**
North East England	8.2	23.7	14.6	9.9	8.8	10.4	8.0	6.4	10.0
North West England	9.5	25.2	15.5	10.1	8.2	8.8	7.2	5.6	9.8
Yorkshire and Humber	9.8	24.5	13.6	9.2	10.5	8.6	6.8	7.1	9.9
East Midlands of England	10.4	22.7	14.0	9.8	9.8	9.1	6.6	8.1	9.6
West Midlands of England	9.8	24.7	14.3	9.7	9.3	8.3	5.8	6.5	11.6
East of England	12.3	25.8	15.9	10.8	8.9	7.5	6.6	5.4	6.9
London	13.3	33.0	16.9	8.7	5.8	7.3	5.3	2.9	7.0
South East England	13.5	28.3	15.8	8.9	8.8	7.8	5.2	4.3	7.4
South West England	10.6	26.1	14.8	8.3	10.5	8.4	6.2	5.4	9.5
United Kingdom	10.9	26.6	15.2	9.5	8.8	8.4	6.3	5.4	8.9

2.5 Industrial sector classifications

Finally, to determine the make up of the labour market in Wales, it is useful to look at the industrial composition of Wales. There is no Standard Industrial Classification (SIC) code for voluntary sector activity – instead voluntary organisations are distributed through other categories.

Reflecting variations in the occupational structure as shown above, there is a concentration in some industrial sectors (such as primary industries and production/manufacturing, tourism and public administration) but lower levels of employment in higher skills/paid areas of work such as finance, professional services, information and communication industries).

Voluntary sector employment tends to fall primarily within education, social service, health and other service activities.

Table 2.12 **Industrial composition of Wales by region and the UK**

	West Wales and the Valleys	East Wales	Wales	UK	Difference between Wales and UK
Agriculture, forestry and fishing	3.6	2.5	3.1	1.2	1.9
Production	11.5	11.4	11.5	8.6	2.9
Mining and quarrying	0.2	0.1	0.2	0.2	-0.0
Manufacturing	10.1	9.6	9.8	7.4	2.4
Electricity, gas, steam and air conditioning supply	0.3	1.0	0.6	0.4	0.2
Water supply; sewerage, waste, remediation	0.9	0.8	0.9	0.6	0.3
Construction	7.3	6.0	6.7	7.0	-0.2
Wholesale, retail, transport, hotels and food	27.1	24.2	25.8	25.9	-0.1
Wholesale and retail trade; vehicle repair	14.3	13.4	13.9	13.8	0.1
Transportation and storage	3.1	3.4	3.3	5.1	-1.8
Accommodation and food service activities	9.6	7.3	8.6	7.0	1.7
Information and communication	2.0	2.8	2.4	4.3	-2.0
Finance and insurance activities	1.6	3.7	2.5	3.2	-0.7
Real estate activities	1.3	1.4	1.4	1.7	-0.4
Professional, scientific, technical & admin.	10.1	14.8	12.1	18.0	-5.9
Professional, scientific and technical activities	4.3	7.5	5.7	9.4	-3.7
Administrative and support service activities	5.8	7.3	6.5	8.7	-2.2
Public admin., defence, education and health	30.5	28.1	29.5	24.2	5.2
Public admin, defence, statutory social security	6.8	6.3	6.6	3.8	2.7
Education	8.9	8.2	8.6	8.3	0.3
Human health and social work activities	14.8	13.6	14.3	12.1	2.2
Other service activities	5.0	5.1	5.0	5.9	-0.8
Arts, entertainment and recreation	2.6	2.7	2.6	3.0	-0.3
Other industries	2.4	2.3	2.4	2.9	-0.5
All industries employment	814,300	629,800	1,444,100	33,515,600	

2.6 Summary of key findings

This brief statistical overview of economy and society in Wales shows that this is a nation of contrasts. These variations needed to be understood to aid interpretation of data on the structure, dynamics, energy, purpose and impact of voluntary organisations in Wales. The key findings can be summed up as follows.

- ***Demography***: Wales has a complex social structure in demographic terms. For example, some rural areas have an ageing resident population, while major urban areas are more likely to have a more youthful and ethnically diverse populace (Table 2.1 on age, Table 2.2 on diversity).
- ***Personal health and wellbeing***: in Wales there are significant variations in public health by area. In Blaenau Gwent, for example, males have a healthy life expectancy of just 60 years compared with 70 years in Monmouthshire (Table 2.6). There are dramatic variations in ***life expectancy*** across Wales. In Blaenau Gwent, male life expectancy is 76 years compared with 81 years in Monmouthshire, for women it is 80 years and 84 years (Table 2.6).
- ***Access to services***: it is crucial that people can access essential services, but in Wales there are wide variations. Poor levels of access to services can be due to local deprivation. In other cases it is associated with spatial inaccessibility – especially so in remote rural areas. But it is a mixed picture – in some deprived or rural areas levels of access to services are strong, while in others they are weak (Table 2.3).
- ***Social and civic engagement***: local social and economic conditions can have an impact on civic participation. In Powys, 42% of the population regularly volunteer compare with just 23% in Caerphilly (Table 2.4). ***Trust and belonging***, similarly, can be undermined when there are low levels of personal wellbeing. In Blaenau Gwent, one of the poorest areas in Wales, 39% of the population feel a strong sense of trust and belonging compared with 78% in Pembrokeshire which is one of the richest (Table 2.4).
- ***Financial insecurity***: many areas of Wales are wealthy but many others are quite poor. In Neath Port Talbot, for example, 22% of households are living in poverty compared with just 10% in Conwy (Table 2.7).

High levels of social deprivation which blight some areas in Wales has a substantive impact on people's opportunities in a variety of ways.

- ***Life chances***: people's economic wellbeing through adult life is shaped by opportunity structures and those with few qualifications can struggle to achieve their potential. In Blaenau Gwent, 17% of the working age population have no qualifications compared with just 3% in Gwynedd (Table 2.8).
- ***Social mobility***: higher levels of qualifications open doors to better paid, interesting and secure work. In Monmouthshire, 61% of the working age population have Level 4+ qualifications compared with 32% in Merthyr Tydfil (Table 2.8).
- ***Employment rates***: there are dramatic differences in the percentages of the local population economically engaged ranging from 65% in Bridgend to 80% in Flintshire (Table 2.10).
- ***Higher status employment opportunities***: in Wales the percentage of professional and higher managerial jobs is 33% compared with 46% in London (Figure 2.2). In Wales there are lower concentrations of those industrial sectors which provide higher levels of pay and prospects such as

professional and scientific occupations (Table 2.11). Given these variations, it is not surprising that many people from Wales migrate to other areas to work.[5]

With these findings in mind, it should come as no surprise that the local voluntary sector priorities may vary depending upon local circumstances. For example, in the most deprived areas of Wales 31% of organisations feel that they have a very strong impact on tackling the consequences of poverty compared with just 5% in the richest areas.

Similarly, 49% of voluntary organisations in the poorest areas feel that they make a very strong contribution to improve local health and wellbeing compared with just 25% in the richest areas.

Since 2019, Third Sector Trends has been tracking 'perceptions' of social impact by voluntary organisations. The data do not, therefore, refer to 'actual' impact using a consistently applied objective measure on practice. Data on perceived impact are still useful however, because, as the table indicates – organisations display a good deal of variation in response depending upon the environment within which they work.[6]

There is insufficient data in Wales to publish the full breakdown of voluntary organisations' perceptions on where they feel they have their greatest impact and those aspects of social life where they choose to neglect. However, there is enough data to do this confidently for England and Wales (see Figures 2.3 and 2.4).

On the surface, these charts are quite 'shocking', especially when considering aspects of social benefit voluntary organisations choose to neglect (see Figure 2.4). But they should not be – as most voluntary organisations tend to have a local focus, it would be expected that they respond to local preferences and needs.

As this section has shown, to prepare the ground for the analysis in the next section on the structure of the voluntary sector, Wales is characterised by its social complexity – not its uniformity – and the likelihood is that the structure and purpose of the voluntary sector will reflect that complexity.

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[5] See, for example, Swinney, P. and Williams, M. (2016) *The Great British Brain Drain*, London: Centre for Cities: https://www.centreforcities.org/reader/great-british-brain-drain/nature-migration-within-england-wales/ For more recent raw data, see: Office for National Statistics: (2024) Migration within the UK: Movement of people within the UK, between local authorities and regions in England and Wales and to or from Scotland and Northern Ireland. https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk

[6] For further detail on the approach to the analysis, see: Chapman ,T. (2020) *The structure, dynamics and impact of the voluntary, community and social enterprise sector: a study of West Yorkshire Combined Authority, West Yorkshire and Harrogate Health and Care Partnership, and Humber, Coast and Vale Health and Care Partnership areas*. Durham: Policy&Practice: https://www.researchgate.net/publication/354544242_The_structure_dynamics_and_impact_of_the_voluntary_community_and_social_enterprise_sector_a_study_of_West_Yorkshire_Combined_Authority_West_Yorkshire_Harrogate_Health_and_Care_Partnership_and_Humber_C

Figure 2.3 **Aspects of social impact where voluntary organisations have the most impact**
(Source: Third Sector Trends in England and Wales 2022, percentage stating 'very strong' impact)

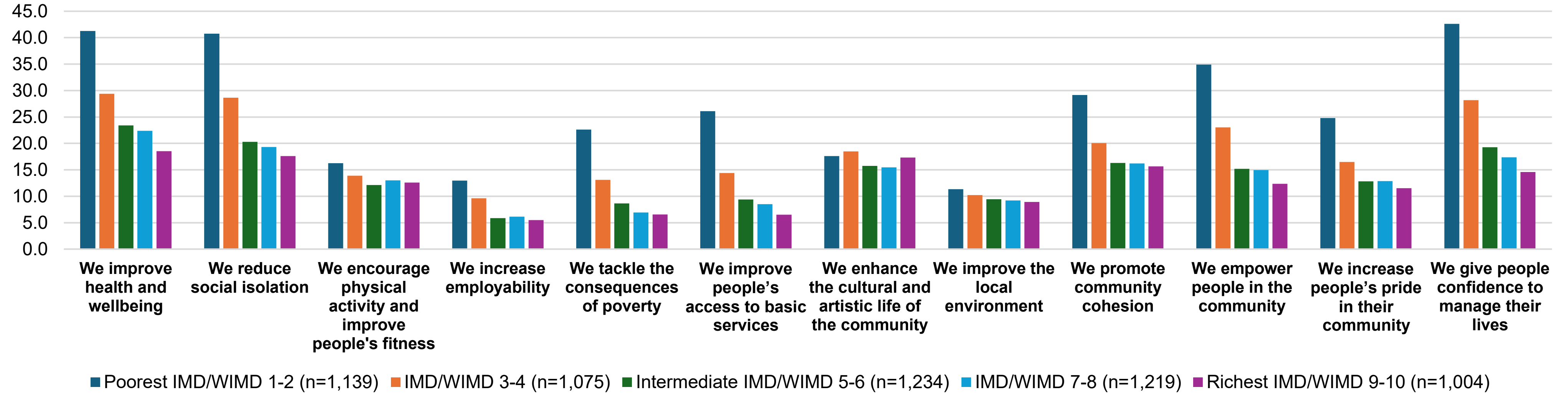
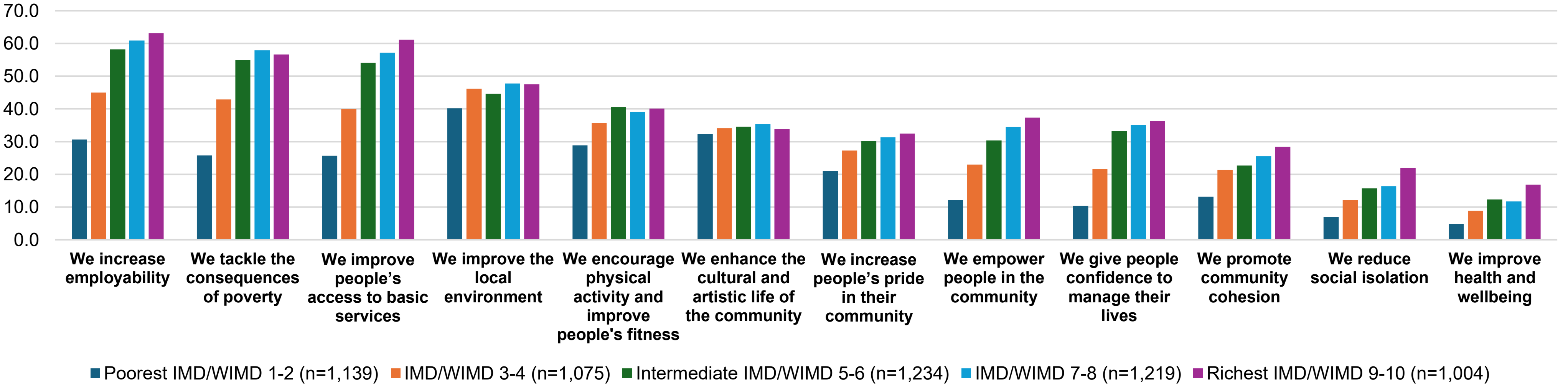


Figure 2.4 **Aspects of social impact voluntary organisations choose to neglect**
(Source: Third Sector Trends in England and Wales 2022, percentage stating 'we don't try to do this')



3 Voluntary sector structural profile

This section presents data on sector structure by size of organisations, legal form, organisational longevity, spatial range of operation and distribution by areas of affluence and deprivation. These findings will underpin subsequent analysis of sector dynamic and impact.

The analysis only covers formally registered organisations as data from other sources on unregistered societies, organisations or groups is generally incomplete (an explanatory note can be found below – see end of Section 3.1)[7]

3.1 Size of organisations

Statistics on how the registered voluntary sector is structured according to organisations size are drawn from Charity Commission Register data. These data are collated into discrete bands. As shown in Table 3.1, the distribution of organisations in Wales differs from England in significant ways.

There are proportionally more micro informal organisations in Wales than in England, but fewer larger formal organisations and big hierarchical organisations. On the surface, these differences appear to be quite small – but their significance is considerable when making estimates on sector income, volunteering and employment.

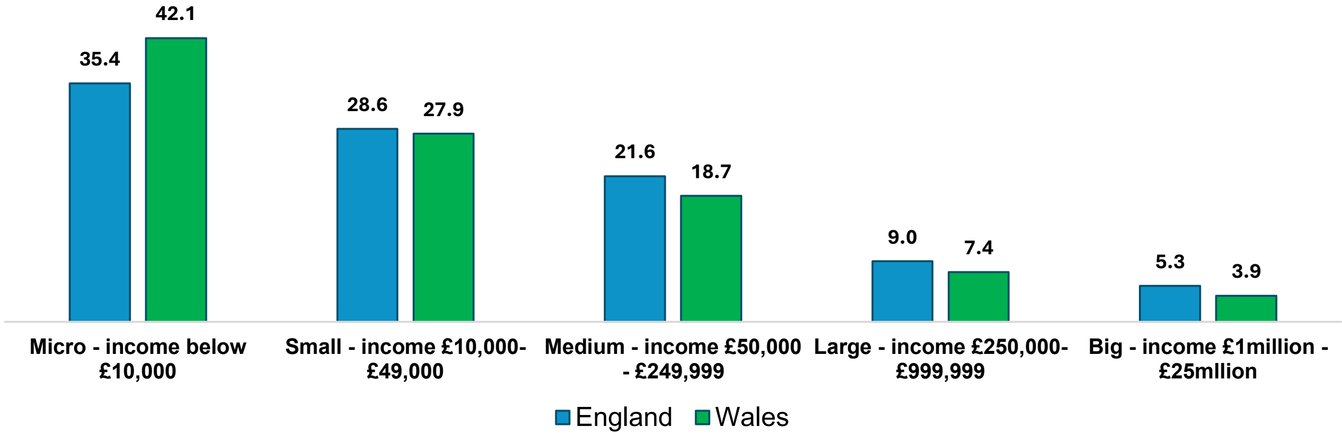
Table 3.1 **Comparison of voluntary sector structure in England and Wales** (Source, Charity Commission Register November 2024)

Organisation types	Income bands	Wales	England	England and Wales	Difference: England and Wales
Micro informal organisations	Under £2,000	17.4	14.1	14.2	3.4
	£2,001-£5,000	12.0	9.9	10.0	2.1
	£5,001-£10,000	12.5	11.4	11.4	1.1
Small semi-formal organisations	£10,001-£25,000	17.2	17.9	17.9	-0.6
	£25,001-£50,000	10.6	10.6	10.6	-0.1
Medium semi-formal organisations	£50,001-£100,000	10.0	10.0	10.0	0.0
	£100,001-£250,000	8.6	11.5	11.4	-2.9
Large formal organisations	£250,001-£500,000	4.6	5.5	5.5	-0.9
	£500,001-£1,000,000	2.8	3.4	3.4	-0.7
Big hierarchical formal organisations	£1,000,001-£5,000,000	3.0	3.9	3.8	-0.9
	£5,000,001-£25,000,000	0.9	1.4	1.4	-0.6
Major formal complex organisations	£25,000,001 plus	0.3	0.4	0.4	-0.1
	Total	6,918	131,734	138,644	

[7] *Third Sector Support Wales* (TSSW) [https://thirdsectorsupport.wales/] is a network of organisations working across Wales which collates data on both registered and unincorporated, informal or 'grass roots' voluntary organisations and groups. Information is made available and is fully searchable on the TSSW Knowledge Hub and is accessible using *infoengine*. As inclusion in the database is largely voluntary, it is currently incomplete and not suitable for reliable statistical analysis. For further detail see: https://en.infoengine.cymru/how-to-searching-registering.

Using a 12 category scale is unwieldy for general analysis so Third Sector Trends adopts a five category scale (which excludes very large organisations with income of £25million or more as these are unlikely to constitute 'local' organisations). Figure 3.1 presents comparative data for England and Wales on sector structure to visually illustrate substantive variations which will affect subsequent analysis on sector employment and volunteering.

Figure 3.1 **Variations in voluntary sector structure in England and Wales**
(Source: Charity Commission Register November 2024, England=131,255, Wales=6,890)



The Third Sector Trends study does not use 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 voluntary sector where a majority of organisations are small. If these smaller organisations are not disaggregated into meaningful discrete categories, it is not possible fully to understand how the sector is structured, how it works and how it achieves its objectives.

The use of these categories does not imply that they are completely separate and distinctive, but they are useful when making comparisons about organisational structure, functions, policy and practice preferences which inform analysis, interpretation, conclusions and recommendations.[8]

- **Micro informal organisations**: 'micro voluntary organisations' (with income below £10,000) and 'small voluntary organisations' (with income between £10,000 and £50,000) rarely employ staff and therefore operate quite informally in terms of their policies and practices – they mainly operate at a local level, but not exclusively so. They are usually heavily or completely reliant on voluntarily given time to sustain their activity. Being small does not mean that these organisations lack complexity in terms of interpersonal relationships – this is due to the voluntaristic nature of participation in activity which requires the development of a negotiated order to define and tackle priorities.
- **Semi-formal organisations**: 'medium sized voluntary organisations' (with income between £50,000 and £250,000) adopt semi-formal practices. They tend to employ people but there is little scope for a complex division of labour or occupational specialisation. Often, they are the 'embodiment' of their leaders' interest in cultural and value terms – but not always – some adopt more inclusive cooperative approaches. This can make personal interrelationships complex. While they are ambitious to achieve a great deal, they rely mainly on

[8] While Third Sector Trends analysis uses five categories of organisations, voluntary organisations are also distributed into 12 income categories in the registered charities dataset and in the survey datasets. Only rarely, however, are these more finely tuned categories employed when finer tuned analysis is required.

grants to keep going and most have limited or no interest in delivering public sector contracts.

- **Formal organisations**: 'larger voluntary organisations' (which have income between £250,000 and £1million) are more formal in their structures and culture because their scale allows for specialisation and a more complex division of labour. There are formally embedded hierarchical aspects to organisational structure and some procedural practices are necessarily adopted. But they are not impersonal bodies in practice because of their small scale and limited number of employees and volunteers. These voluntary organisations rely on a mixed finance diet where grants and self-generated trading tend to be amongst the most important income sources.
- **Formal hierarchical organisations**: 'big voluntary organisations' (which have income between £1million - £25million). Due to scale they adopt more formalistic inter-personal relationships between strata of employees and social distance becomes more pronounced and separates domains of decision making and practice delivery – whilst not losing elements of organic change from across the formal hierarchy. Financially, these organisations rely on mixed sources: particularly grants, self-generated income and public contracts. They devote significant time to strategic planning and position themselves beneficially through effective public relations and networking.
- **Formal complex organisations**: 'major' or 'super major' voluntary organisations which have income above £25million are not included in the study because they are more likely to work nationally or internationally and resemble large businesses or smaller public sector bodies in organisational terms. Many rely heavily on public sector contracts, grants and trading. Very large organisations often depend upon self-generated fundraising. Consequently, they seek to develop a recognisable presence or 'brand' in the public domain. Such organisations tend to be effective at influencing policy stakeholders and/or formal engagement in visible campaigning.

The above analysis draws exclusively on CCR data. Other registers of voluntary organisations do not provide detail on income and expenditure. However, the CCR categories are likely broadly to reflect distribution of other legal forms and it is possible to scale up these legal forms to build up a picture for the whole of Wales based on individual local authority areas. The approach is, however, imperfect and can produce statistical oddities about levels of employment if simplistic assumptions are made about the density of larger organisations (i.e. inflate numbers of employees to unrealistic levels).[9]

Wherever possible, the five category scale is used for analysis. This is generally achievable when using CCR data due to the large numbers of voluntary organisations in the dataset. For Third Sector Trends survey data, however, there are too few cases so a three category scale is used instead and is defined as follows:

- **Micro and small informal organisations** – income 0-£50,000.
- **Medium sized semi-formal organisations** – income £50,001 - £250,000.
- **Larger formal organisations** – income £250,001 - £25 million.

[9] Using ONS postcode lookups, all organisations (irrespective of legal form) can be mapped by local authority area. The likelihood is that most CASCs and CICs are relatively small and there are few larger voluntary organisations of this legal form. This needs, therefore, to be built into the statistical model used to calculate the number of volunteers, employing organisations and employers for the whole sector. Registered societies are more likely to reflect Charity Commission Register statistics as some of the legal forms (such as CCBSs – or former Industrial and Provident Societies, Credit Unions and Friendly Societies) tend to have larger organisations, while Societies are usually (but by no means always) quite small. Adjustment of the multipliers to produce credible estimates is necessary but relies on an element of intuition which is informed, as far as possible, with other available evidence.

When considering the voluntary sector spatially at the local level, local authorities are used as the lowest level of analysis. It is clear from Table 3.2 that there are substantive variations in sector structure from place to place. The bulk of voluntary sector employment is provided by larger formal organisations and the biggest hierarchical formal organisations. As can be seen from the table, the heaviest numerical concentrations of large and big organisations are in major urban areas centred on Cardiff and Swansea. In predominantly rural areas such as Powys, there tend to be very few large or big organisations. While the biggest voluntary organisations are based in major urban areas, this does not mean that they do not work across wider areas.

Table 3.2 **Structure of the local voluntary sector** (Source: Charity Commission Register, November 2024, excludes registered societies, CASCs and CICs)

	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 - £25mllion	Total voluntary organisations
Isle of Anglesey	44.3	33.8	16.4	3.5	2.0	201
Gwynedd	50.4	24.7	16.1	5.2	3.6	502
Conwy	37.5	31.1	23.0	6.0	2.5	283
Denbighshire	45.4	25.3	19.3	7.4	2.6	269
Flintshire	37.3	32.2	20.3	6.2	4.0	276
Wrexham	42.8	22.3	25.5	7.6	1.8	278
Powys	50.7	25.6	15.6	6.1	1.9	718
Ceredigion	49.6	21.6	17.2	7.1	4.5	268
Pembrokeshire	42.1	32.8	16.5	6.9	1.6	375
Carmarthenshire	52.2	23.7	15.3	5.3	3.5	548
Swansea	34.4	29.0	23.7	7.3	5.6	372
Neath Port Talbot	44.5	25.7	18.3	8.3	3.2	218
Bridgend	38.0	33.3	18.8	7.0	2.8	213
Vale of Glamorgan	42.6	31.9	15.9	8.1	1.5	270
Cardiff	26.5	26.8	23.4	13.5	9.8	721
Rhondda Cynon Taf	37.2	29.4	17.7	10.5	5.2	344
Merthyr Tydfill	34.9	24.1	19.3	10.8	10.8	83
Caerphilly	41.6	31.4	21.7	4.4	0.9	226
Blaenau Gwent	52.0	29.3	12.0	4.0	2.7	75
Torfaen	38.0	23.3	23.3	11.6	3.9	129
Monmouthshire	46.5	36.5	11.3	4.8	1.0	310
Newport	35.5	28.0	22.3	7.1	7.1	211
North Wales	43.8	27.6	19.8	6.0	2.9	1,809
Mid Wales	50.4	24.5	16.0	6.4	2.6	986
South West Wales	44.2	27.6	18.1	6.6	3.5	1,513
South East Wales	36.6	29.7	19.3	9.2	5.2	2,582
Wales	**42.1**	**27.9**	**18.7**	**7.4**	**3.9**	**6,890**
England and Wales	35.5	28.6	21.5	9.0	5.3	139,592

Unregistered organisations

It is not known for certain how many organisations and groups sit 'below the radar' of registers in England and Wales. Many local infrastructure organisations (such as Councils for Voluntary Service) hold listings of local members or associates which enumerate many more groups than can be identified on registers.

Academic study on the characteristics, purpose and social value produced by such societies, organisations or groups has been undertaken,[10] but firm empirical evidence to affirm how many informal organisations exist and where they tend to be concentrated remains patchy.

Third Sector Trends commissioned the most detailed study to date to estimate the proportion of voluntary organisations which operated below the radar in 46 local authorities in Cumbria, Yorkshire and Humber and North East England. From this work it was determined that there was an average of 3.66 below the radar groups per 1,000 population.[11] This equates to 1.29 below the radar groups for every registered organisation.[12]

More recent research for Local Trust by NCVO and 360Giving has drawn a distinction between more structured unregistered organisations (which are in a position, for example, to apply for grants) and less formal groups. The evidence suggests that a proportion of unregistered groups could be considered as sufficiently similar to many small charities and CIOs that they could be included in 'formal' sector estimates. Local Trust estimate that there are between 200,000 - 300,000 below the radar groups. Around 13,000 of which received grants between 2016-19.[13]

Such estimates are plausible, but their use remains contentious as it is not known whether their activities are comparable with those of registered organisations. During the Covid-19 pandemic, however, there were indications that mutual aid groups had been effective in tackling a wide range of issues such as social isolation and homelessness.

Mutual aid groups have been defined as:

> ***A mutual aid group is a volunteer led initiative where groups of people in a particular area join together to support one another, meeting vital community needs without relying on official bodies. They do so in a way that prioritises those who are most vulnerable or otherwise unable to access help through regular channels.***[14]

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[10] See, for example, McCabe, A. and Phillimore, J. (2009) Exploring below the radar: issues of theme and focus, Birmingham, *Third Sector Research Centre Working Paper no. 8*: https://www.birmingham.ac.uk/Documents/college-social-sciences/social-policy/tsrc/working-papers/working-paper-8.pdf. A second collection of observations related to this study was published with critical commentary on what defined such informal groups. Qualitative analysis had much to say about the experience, purpose and potential social benefit produced by such groups but avoided speculation on their number. See: McCabe, A. (2018) Ten years below the radar: reflections on voluntary and community action 2008-2018, Birmingham, *Third Sector Research Centre Working Paper no. 143*. https://www.birmingham.ac.uk/Documents/college-social-sciences/social-policy/tsrc/working-papers/10-years-below-the-radar-final.pdf

[11] Mohan, J., Kane, D., Wilding, K., Branson, J. and Owles, F. (2010) *Beyond 'flat earth' maps of the Third Sector*, Newcastle-upon-Tyne: Northern Rock Foundation: https://www.communityfoundation.org.uk/wordpress/wp-content/uploads/2017/09/NRF-TST-Report-Beyond-Flat-Earth.pdf. The summation of area statistics was undertaken using all three Third Sector Trends Mapping reports for Cumbria, Yorkshire and Humber and North East England which listed 23,526 registered organisations in an area with a population of 8.3m people.

[12] In Third Sector Trends surveys, all organisations and groups are welcome to join the study by invitation from the researchers (using registered listings), funding bodies (such as trusts and foundations), public bodies (such as local authorities and NHS Trusts) and local infrastructure organisations (at regional or local authority/district level) which hold listings.

[13] See: 360Giving and NCVO (2020) *Below the Radar: exploring grants data for grassroots organisations*, London: Local Trust: https://localtrust.org.uk/wp-content/uploads/2020/08/Below-the-Radar-Report-HR.pdf.

[14] See, for example, Power, A. and Benton, E. (2021) *Where next for Britain's 4,300 mutual aid groups?*, London: London School of Economics: https://blogs.lse.ac.uk/covid19/2021/05/06/where-next-for-britains-4300-mutual-aid-groups/. The full academic article by the

It has been estimated that there are around 4,300 mutual aid groups in the UK which marshal the efforts of up to 3 million volunteers who provide support for local communities. Early indications from research suggested that many of these groups and volunteers would continue to inject energy into their communities once the pandemic subsided – though not necessarily on the same issues.

There is keen interest amongst sector representative bodies, think tanks and policy analysts to include unregistered societies and groups in sector estimates, Third Sector Trends invites informal organisations to take part in the study, but due to the current limitations of data it is not possible to report analytical findings with confidence.[15]

In Wales, specifically, there has been substantial investment in collating more reliable and accessible information on registered and unregistered organisations, societies and groups by *Third Sector Support Wales* (TSSW). This is a network of 20 local and national infrastructure organisations working across Wales. Information is made available and is fully searchable on the TSSW Knowledge Hub and is accessible using *infoengine* – a directory of third sector services. As inclusion in the database is voluntary, it is currently incomplete and not yet suitable for reliable statistical analysis.[16]

same authors 'Community responses to the Coronavirus pandemic: how mutual aid can help', is available here: https://ppr.lse.ac.uk/articles/10.31389/lseppr.21/. https://covidmutualaid.org/ is the coordinating body, although not all mutual aid groups are registered here.

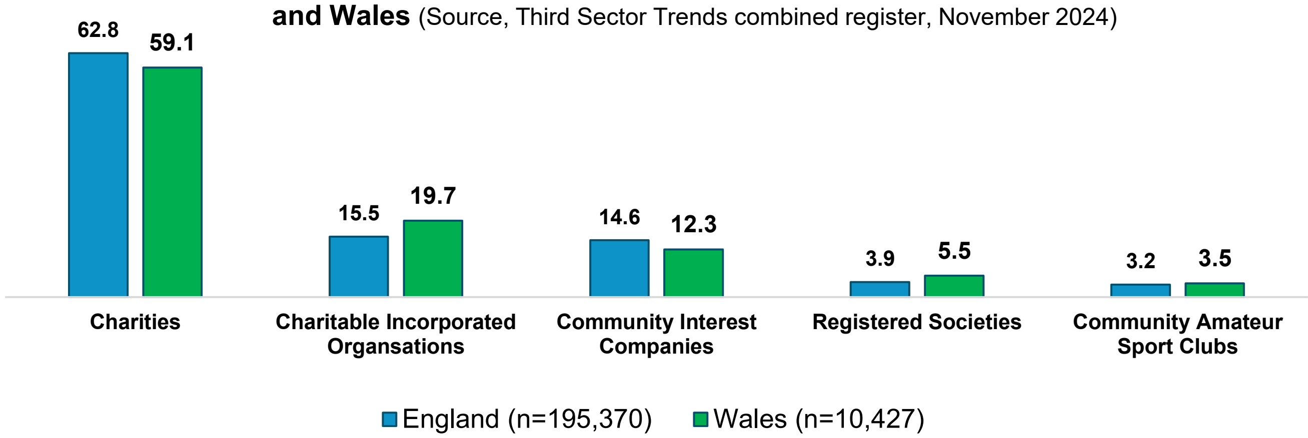
[15] Unregistered organisations are encouraged to take part in Third Sector Trends surveys by local infrastructure organisations such as CVSs which include them in their listings. But only 143 unregistered organisations chose to complete the Third Sector Trends survey from a sample of 6,070 in 2022, which is insufficient to undertake analysis in any depth.

[16] TSSW website can be located here: https://thirdsectorsupport.wales/. The Knowledge hub can be located here: https://knowledgehub.cymru/. Access to infoengine is free but requires registration and once complete can be accessed here: https://en.infoengine.cymru/how-to-searching-registering.

3.2 Legal form of organisations

Using Third Sector Trends combined registers data, is it possible show how sector structure varies between England and Wales. As shown in Figure 3.2, sector composition is broadly similar although there are notably more Registered Societies in Wales than in England. This reflects the industrial heritage of Wales where charity status was often eschewed in favour of this legal form as is the case in the industrial North of England and the English West Midlands (and especially so in the case of Cooperatives, Mutuals, Working Men's Clubs and former Industrial and Provident Societies [now defined as Cooperatives and Community Benefit Societies]). It is likely that the larger proportion of Charitable Incorporated Organisations in Wales reflects the comparatively large number of smaller organisations as shown in the above analysis on local sector structure by size of voluntary organisations.

Figure 3.2 **Comparing structure of the voluntary sector by legal form in England and Wales** (Source, Third Sector Trends combined register, November 2024)



At the local level there are substantive variations in sector structure which can have a bearing on the interpretation of how voluntary organisations work in different kinds of localities. Table 3.3 shows these variations:

- ***Community Interest Companies*** are more prevalent in major urban and industrial areas as suggested above – especially so in Cardiff (19%), Swansea (19%) and Blaenau Gwent (17%).
- As expected, there are larger proportions of ***Registered Societies*** in former industrial areas such as Rhondda Cynon Taf (12%), Merthyr Tydfill (11%) Caerphilly (10%) and Blaenau Gwent (11%).
- Conventional ***Registered Charities*** are most dominant in rural areas such as Powys (67%), Gwynedd (68%), Carmarthenshire (66%) and Monmouthshire (69%).
- The newer charitable form of ***Charitable Incorporated Organisations*** has become common in almost all areas – constituting around 20% of organisations.
- ***Community Amateur Sport Clubs*** are relatively evenly distributed – Isle of Anglesey and Flintshire have the lowest (~1%) and the highest is in Neath Port Talbot (9%).

Table 3.3 **Voluntary sector structure in Wales by legal form** (sources: registers from Charity Commission, CICs, CASCs and Registered Societies November 2024)	Charities	Charitable Incorporated Organisations	Community Interest Companies	Registered Societies	Community Amateur Sport Clubs	Total voluntary organisations
Isle of Anglesey	67.4	22.7	7.7	1.5	0.7	273
Gwynedd	68.2	15.9	7.7	5.0	3.2	698
Conwy	57.5	21.9	12.6	2.5	5.5	438
Denbighshire	60.7	19.3	12.0	5.0	3.0	399
Flintshire	53.6	26.0	15.9	3.1	1.4	416
Wrexham	56.3	25.8	12.2	3.2	2.5	403
Powys	67.0	15.2	9.0	4.8	4.0	996
Ceredigion	64.1	18.2	8.8	6.6	2.3	396
Pembrokeshire	57.0	19.0	14.8	5.9	3.3	574
Carmarthenshire	66.1	15.4	9.4	5.2	3.9	787
Swansea	51.9	18.5	19.1	6.5	4.0	648
Neath Port Talbot	48.8	25.5	10.5	6.4	8.9	361
Bridgend	52.6	23.8	11.9	6.7	4.9	344
Vale of Glamorgan	58.7	23.1	12.1	4.1	1.9	412
Cardiff	53.4	22.4	18.5	3.8	2.0	1,162
Rhondda Cynon Taf	54.8	18.4	11.7	11.9	3.2	564
Merthyr Tydfill	56.9	18.2	9.5	10.9	4.4	137
Caerphilly	54.1	18.9	13.5	9.6	3.9	355
Blaenau Gwent	50.8	18.3	16.7	10.8	3.3	120
Torfaen	57.9	20.8	9.1	6.6	5.6	197
Monmouthshire	69.4	15.7	7.0	3.0	4.9	428
Newport	56.4	20.4	12.2	7.2	3.8	319
North Wales	61.1	21.2	11.2	3.7	2.9	2,627
Mid Wales	66.2	16.0	9.0	5.3	3.5	1,392
South West Wales	57.3	18.6	13.5	5.9	4.6	2,370
South East Wales	56.3	20.5	13.4	6.5	3.3	4,038
Wales	**59.1**	**19.7**	**12.3**	**5.5**	**3.5**	**100.0**
N= Wales	**6,158**	**2,051**	**1,279**	**572**	**367**	**10,427**
England and Wales	**62.6**	**15.8**	**14.4**	**4.0**	**3.3**	**207,789**

Density by resident population and business population

Table 3.4. shows the number of voluntary organisations and businesses by area together with data on the size of the resident population. The number of charities per 10,000 resident population varies substantially. Predominantly rural areas tend to have higher densities of voluntary organisations, especially Powys, but also Ceredigion, Gwynedd, Pembrokeshire and Monmouthshire. By contrast, density is much lower in Blaenau Gwent, Caerphilly, Torfaen and Newport.

Later in the report, analysis is undertaken on the relationships between voluntary organisations and businesses – consequently, business density and voluntary organisation density is compared in Table 3.4. Powys has the lowest number of businesses per voluntary organisations (due to the proliferation of voluntary organisations in this area) while Ceredigion has the highest. In major urban areas the proportions are generally quite similar (Cardiff = 29, Swansea = 28, Newport = 34, Wrexham = 28, Bridgend = 27).

Table 3.4 **Density of voluntary organisations in Wales by local population and business population in authorities and sub-regions** (Source: Third Sector Trends Combined Register)

	Local resident population (May 2023, see Table 2.1)	**Business population** (see Table 2.10)	**Voluntary organisations** (see Table 3.3)	**Businesses per voluntary organisation**	**Voluntary organisations per 10,000 resident population**
Isle of Anglesey	69,291	7,045	273	25.8	39.4
Gwynedd	119,173	12,885	698	18.5	58.6
Conwy	114,410	11,490	438	26.2	38.3
Denbighshire	97,156	7,865	399	19.7	41.1
Flintshire	155,812	11,240	416	27.0	26.7
Wrexham	136,149	11,485	403	28.5	29.6
Powys	134,439	9,455	996	9.5	74.1
Ceredigion	73,050	18,210	396	46.0	54.2
Pembrokeshire	125,006	15,230	574	26.5	45.9
Carmarthenshire	190,083	15,215	787	19.3	41.4
Swansea	246,742	18,210	648	28.1	26.3
Neath Port Talbot	142,898	7,585	361	21.0	25.3
Bridgend	146,743	9,430	344	27.4	23.4
Vale of Glamorgan	134,733	9,410	412	22.8	30.6
Cardiff	383,536	33,575	1,162	28.9	30.3
Rhondda Cynon Taf	241,178	13,210	564	23.4	23.4
Merthyr Tydfill	58,593	3,385	137	24.7	23.4
Caerphilly	176,437	10,135	355	28.5	20.1
Blaenau Gwent	67,356	3,125	120	26.0	17.8
Torfaen	93,419	6,815	197	34.6	21.1
Monmouthshire	94,572	7,835	428	18.3	45.3
Newport	163,628	10,975	319	34.4	19.5
North Wales	**691,991**	62,010	2,627	23.6	38.0
Mid Wales	**207,489**	27,665	1,392	19.9	67.1
South West Wales	**704,729**	56,240	2,370	23.7	33.6
South East Wales	**1,560,195**	107,895	4,038	26.7	25.9
Wales	**3,164,404**	**253,810**	**10,427**	**24.3**	**33.0**

3.3 Longevity of voluntary organisations

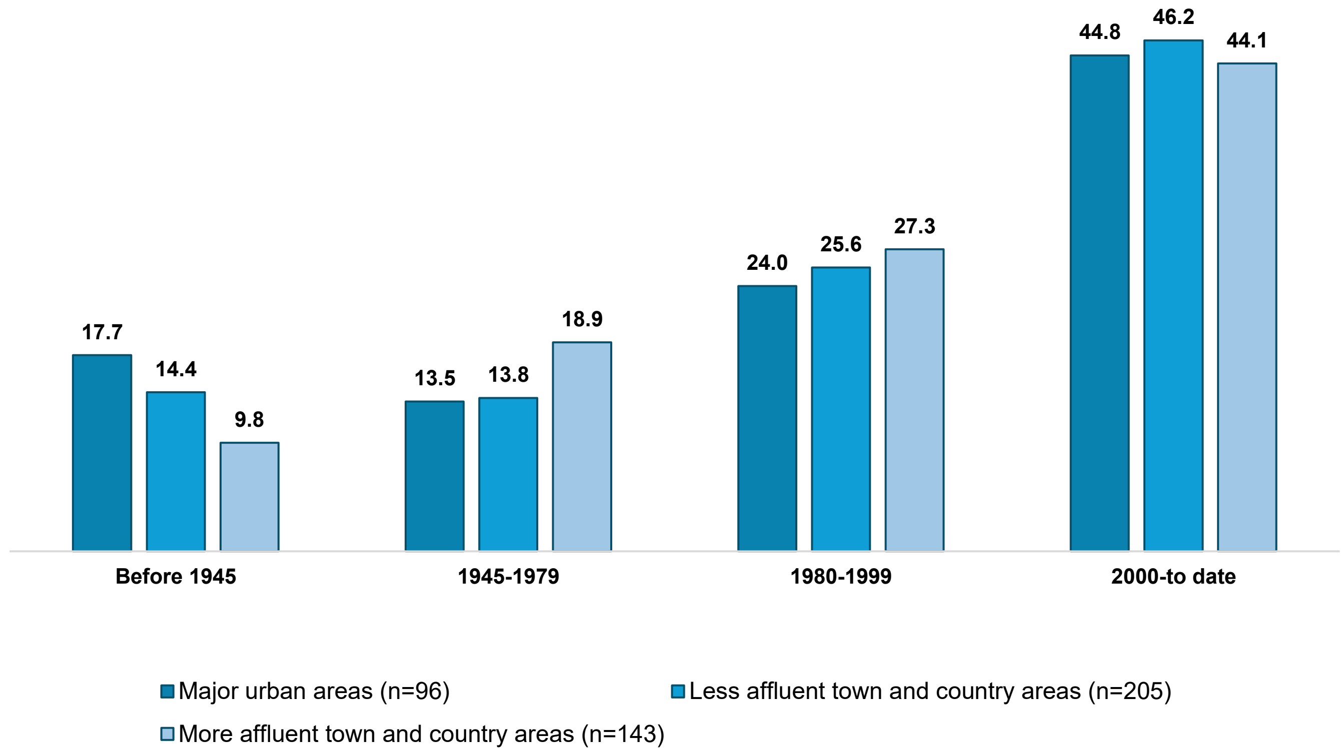
The extent to which the voluntary sector is an ‘established’ aspect of local community life can be assessed by looking at the longevity of organisations. There are too few data to do this analysis at local level. However, looking at data from English regions gives a good impression of how Wales compares. Table 3.5 shows that the voluntary sector in Wales has fewer organisations established before 1945 than in most English regions (with the exception of North East England). The regions with the largest proportion of older organisations are the relatively affluent areas of South East England and East of England – together with London.

The proportion of newer voluntary organisations (established since 2000) is relatively large in Wales (45%) and well above the England and Wales average. The most established voluntary sector by longevity is East of England (where only 28% of voluntary organisations were established after 2000). Within Wales there are some indications that longevity is more common in major urban areas than in town and country areas. As shown in Figure 3.3, in more affluent town and country areas, there are larger proportions of organisations set up between 1945 and 1999 than in less affluent country areas. Amongst recently established organisations (since 2000) there is little variation suggesting that sector vitality is similar across areas.

Table 3.5 **Comparative age structures of voluntary organisations in Wales and English regions**
(Source: Third Sector Trends in England and Wales 2022

(Row percentages)	Before 1945	1945-1979	1980-1999	2000-to date	N=
Wales	**13.6**	**15.4**	**25.7**	**45.3**	435
North East England	11.3	14.1	26.2	48.4	610
North West England	16.6	15.3	23.2	44.9	730
Yorkshire & Humber	14.0	15.7	24.2	46.1	644
East Midlands	17.3	16.3	28.1	38.2	398
West Midlands	15.9	18.1	24.4	41.7	504
East of England	19.3	23.8	28.8	28.2	560
London	18.0	16.3	24.8	40.9	533
South East England	19.7	19.6	27.4	33.4	808
South West England	16.3	19.9	25.8	38.0	772
England and Wales	16.3	17.6	25.8	40.3	5,994

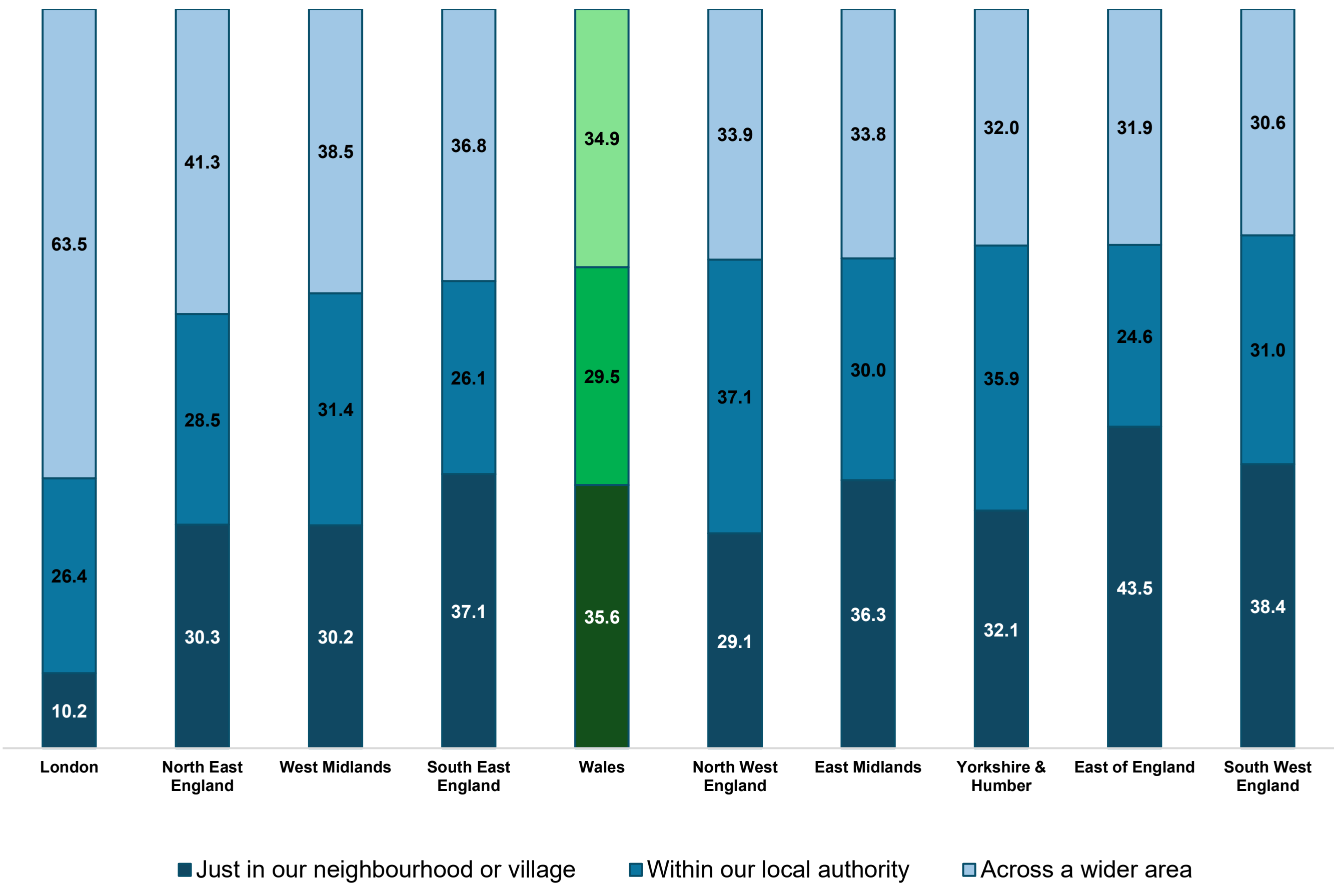
Figure 3.3 **Longevity of local voluntary organisations by area type**
(Third Sector Trends, 2022, Wales)



3.4 Spatial range of operation of organisations

The spatial range at which voluntary organisations work is shown in Figure 3.4 where Wales is compared with English regions. It is clear from this chart that London is at odds with all other areas in this respect – where over 64% work beyond local authority boundaries. Wales sits in the middle of the range with 26% of organisations working at the very local level and 35% working beyond local authority boundaries.

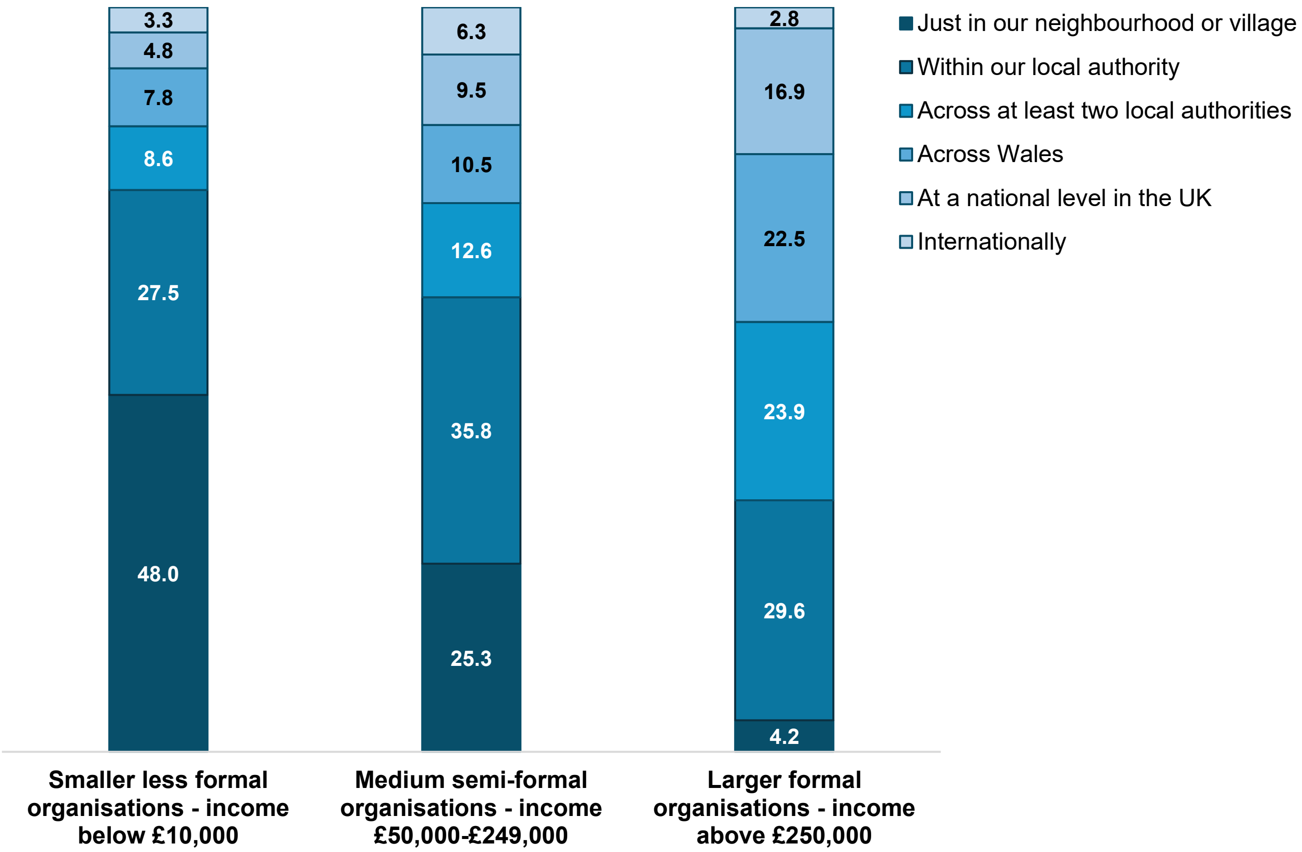
Figure 3.4 **Spatial range of voluntary organisation work comparing Wales with English Regions** (Third Sector Trends, 2022, N=6,023)



Due to the limitations of the current survey dataset it is not possible to determine variations across Wales. Even if such data were available, it would still not be an easy task as some local authority areas, such as Powys, Gwynedd and Ceredigion are very large spatially and cross-boundary working within the areas could be substantive.

It is clear, however, from Figure 3.5 that larger organisations in Wales are much more likely to work across boundaries than their smaller counterparts. This is a factor which will have a strong influence on, for instance, their willingness and capability to take on larger grants or public sector contracts to deliver services.

Figure 3.5 **Spatial range of voluntary organisations' work in Wales**
(Third Sector Trends, 2022, n=435)



3.5 Distribution by areas of relative deprivation

When analysing sector purpose at area level, it is vital to understand how much capacity voluntary organisations have to deal with local issues. One way of doing this is to look at the distribution of organisations by areas' relative affluence or deprivation.

Table 3.6 uses Third Sector Trends combined registers data to compare the distribution of voluntary organisations in Wales (using Welsh Index of multiple [WIMD] Deprivation) with each English region (using The English indices of deprivation [IMD]).[17] Variations in distribution directly reflect comparative levels of affluence and deprivation across regions.

The distribution of voluntary organisations in Wales is very similar to that of England and Wales. East Midlands of England is Wales' closest 'statistical neighbour' while South East England is its furthest 'statistical stranger'.

It is clear from this analysis that in some English regions, larger proportions of the voluntary are based in relatively poor areas – especially so in the northern and west midlands areas of England where there are swathes of deep urban deprivation. As shown in Table 2.7, Wales also has deep areas of deprivation but these do not show up when data are aggregated as in Table 3.6. Consequently, Table 3.7 disaggregates data by local authorities in Wales.

[17] Indices of Deprivation are constructed differently in Wales and England and are not directly comparable. However their use provides useful indicative evidence for comparative purposes. See: Welsh Index of Multiple Deprivation; English indices of deprivation 2019 - GOV.UK.

Table 3.6 **Regional and national distribution of charities by income of organisations** (Third Sector Trends combined registers data, row percentages, 2024)

	Least affluent WIMD/IMD 1-2	WIMD/IMD 3-4	Intermediate WIMD/IMD 5-6	WIMD/IMD 7-8	Most affluent WIMD/IMD 9-10	Number of voluntary organis-ations
Wales	**14.6**	**18.5**	**23.5**	**25.3**	**18.0**	**10,536**
North East England	28.0	23.0	18.9	15.3	14.8	7,265
North West England	30.2	17.9	17.3	18.9	15.7	21,118
Yorkshire and Humber	24.9	14.9	20.1	21.5	18.7	15,368
East Midlands of England	14.2	18.7	18.9	24.7	23.5	14,998
West Midlands of England	24.4	19.2	22.5	19.8	14.0	18,005
East of England	7.3	15.4	26.0	24.4	26.8	22,644
London	15.1	29.4	24.6	20.1	10.8	38,703
South East England	6.5	12.0	20.3	27.1	34.1	32,379
South West England	9.1	20.0	29.5	22.8	18.5	24,923
England and Wales	15.6	19.3	22.7	22.4	20.0	205,939

Table 3.7 shows that in major urban areas (and other less urban former industrial areas), the voluntary sector is more concentrated in areas of deep social deprivation. For example, in Blaenau Gwent, 46% of voluntary organisations are based in the most deprived quintile, followed by Newport (38%), Neath Port Talbot (36%) and Merthyr Tydfill (35%). At the other end of the spectrum, fewer than 3% of voluntary organisations are situated in the poorest quintile of the WIMD in Monmouthshire and Gwynedd.

Data such as these can be misleading. Voluntary organisations work across spatial boundaries – just because they are based in poor areas does not mean that they do all their work there. Similarly, many organisations based in more affluent areas devote their time to people facing critical needs. Nonetheless, the data provide some broad indications of how sector structure is distributed by area affluence and these findings may be useful for interpretation, especially in subsequent sub-sections on sector purpose and impact.

Table 3.7 **Local authority distribution of voluntary organisations by level of area deprivation in Wales** (Source: Third Sector Trends combined registers, row percentages, November 2024)

	(In rank order) **Poorest WIMD 1-2**	**WIMD 3-4**	**Intermediate WIMD 5-6**	**WIMD 7-8**	**Richest WIMD 9-10**	**Total voluntary organisations**
Blaenau Gwent	45.8	37.5	7.5	9.2	0.0	120
Newport	37.9	9.4	17.2	13.5	21.9	319
Neath Port Talbot	36.3	26.6	12.5	14.1	10.5	361
Merthyr Tydfill	35.0	32.8	23.4	3.6	5.1	137
Torfaen	23.4	24.4	12.2	18.8	21.3	197
Cardiff	22.9	13.2	20.6	17.6	25.8	1,162
Swansea	22.1	11.1	18.5	10.6	37.7	648
Rhondda Cynon Taf	17.9	40.1	21.6	10.5	9.9	564
Bridgend	15.7	33.4	6.7	29.9	14.2	344
Caerphilly	11.8	25.4	29.0	19.4	14.4	355
Conwy	11.0	20.5	21.0	27.9	19.6	438
Denbighshire	10.0	24.1	20.6	30.6	14.8	399
Isle of Anglesey	9.1	7.3	46.0	27.4	10.2	274
Flintshire	8.9	17.1	13.7	24.0	36.3	416
Wrexham	8.7	32.3	15.6	26.1	17.4	403
Powys	8.5	4.1	29.6	44.5	13.3	996
Ceredigion	7.6	13.1	42.4	24.0	12.9	396
Vale of Glamorgan[18]	7.5	4.9	11.7	11.7	64.3	412
Pembrokeshire	5.2	18.6	27.7	46.3	2.1	574
Carmarthenshire	4.7	33.4	30.4	28.5	3.0	787
Gwynedd	2.6	16.5	40.8	29.4	10.7	698
Monmouthshire	2.6	5.6	22.2	49.8	19.9	428
North Wales	7.7	19.9	26.8	27.7	17.8	2,628
Mid Wales	8.3	6.7	33.3	38.6	13.1	1,392
South West Wales	14.4	22.7	23.8	25.7	13.4	2,370
South East Wales	19.2	19.7	18.6	19.6	22.9	4,038
Wales	**13.8**	**18.7**	**23.8**	**25.6**	**18.2**	**10,428**
England and Wales	**15.6**	**19.3**	**22.7**	**22.4**	**20.0**	**205,939**

[18] Due to concerns that the data for Vale of Glamorgan were so far out of line, a detailed check by LSOA was undertaken against the WIMD Postcode Lookups spreadsheet for Wales (available from https://wimd.gov.wales/). All Vale of Glamorgan postcodes (6,613) in the combined registers datafile were aligned against 79 LSOAs in Vale of Glamorgan and then recategorised by WIMD quintile. A total of 41 (52%) LSOAs were in WIMD quintile 5 (most affluent areas) compared with 11% in WIMD 4, 14% WIMD 3, 10% WIMD2 AND 13% WIMD 1. Given that wealthier areas generally have a much higher proportion of smaller voluntary organisations than in poorer areas, it seems safe to assume that the allocation to Vale of Glamorgan is correct – even if this is an outlier when compared with other relatively affluent areas such as Monmouthshire. Assuming an average population of 1,705 per LSOA, that would suggest a population of 69,925 in WIMD5 (41 LSOAs) compared with 17,055 in WIMD1 (10 LSOAs).

4 Voluntary sector workforce

This section presents data on the voluntary sector workforce, focusing on employees and volunteers in separate sections. Following this, comparative analysis on diversity in sector leadership will be provided.

4.1 Employment

In this report, it is not possible to provide up-to-date estimates on employee numbers. Following the Third Sector Trends survey in 2025, comparative analysis will be undertaken with English regions to produce reliable estimates.

Making guesses about current average levels of employment in organisations is unwise because there have been some significant changes in labour market conditions since the last iteration of Third Sector Trends in 2022 which could result in an overall reduction in levels of employment.

- ***Employee demands to raise wages:*** As reported in the last round of Third Sector Trends, there was considerable pressure on voluntary sector employers to raise wages due to the cost of living crisis. This was precipitated by growing problems of employee retention, especially amongst those organisations delivering public services under contract (for example, in the social care sector) on extremely tight budgets.
- ***Increase in National Minimum Wage:*** the costs of employment are set to rise in April 2025 substantially due to increases in the level of the National Minimum Wage to £12.21 for employees aged over 21 years.[19]
- ***Rise in employers' National Insurance contributions:*** Third Sector Trends combined register data has been used to calculate the likely additional costs to the voluntary sector. While these estimates are based on conservative calculations and fall well below those proposed by NCVO, the overall additional cost will be substantial in Wales and using the same model as in North East England would suggest the sum will be ~£20.8m in Wales.[20]
- ***Low levels of labour market participation:*** There has been some alarm in the UK Government about levels of non-participation in the labour market. As the Office for Budget Responsibility has demonstrated, labour market participation was on an upward trajectory from 2007 to 2020. Since the pandemic (when there was a steep drop in participation) there has been little evidence of a recovery; in fact, participation continued to fall.[21] From December 2022.

[19] For details of the changes see: HMGovernment (2024) National Minimum Wage rates for April 2025, including the National Living Wage (October 30th). https://www.gov.uk/government/publications/minimum-wage-rates-for-2025

[20] The Third Sector Trends data for Wales is modelled in the same way as in Wales, accounting for sector structure and Wales median wage levels. For more details on how this was done, see: Brookes, M. (2024) Impact of higher employer National Insurance contributions on the voluntary sector in the North East, Newcastle: VONNE, https://www.vonne.org.uk/sites/default/files/2024-12/NE%20voluntary%20NICs%20costs.pdf

[21] Office for Budget Responsibility (2022) The impact of the pandemic on labour market participation. https://obr.uk/box/the-impact-of-the-pandemic-on-labour-market-participation/

participation levels picked up until April 2023 but has since declined to an even lower level.[22]

Furthermore, constructing estimates is not easy because arrangements for full-time and part-time employment have become more complex in recent years. There is no reliable data from Third Sector Trends, nor elsewhere on the average number of hours part-timers work.

Furthermore, there is emerging anecdotal evidence from NCVO and ACEVO on growth in fractional appointments and working patterns which are closer to full-time employment than part-time work.[23] Similarly, in Third Sector Trends qualitative work, on a sample of organisations which ran for 15 years found that it was becoming increasingly common for employees to work on a 0.8 full-time equivalent contract (that is, four days a week). But the scale of that qualitative study is far too small to make credible claims.[24]

Bald estimates from Third Sector Trends on the split between full-time and part-time employees by region is provided in Table 4.1, but with the above caveats in mind, they must be interpreted with some caution. In the 2025 survey, new data will be collected to improve intelligence on the split between part-time, fractional and full-time employment.

Table 4.1 **Estimated percentage of part-time and full-time employees** (Third Sector Trends, 2022)

	Percent part-time employees	Percent full-time employees
Wales	**57.8**	**42.2**
North East England	57.3	42.7
North West England	57.4	42.6
Yorkshire and Humber	57.5	42.5
East Midlands	57.8	42.2
West Midlands	57.6	42.4
East of England	57.8	42.2
London	57.1	42.9
South East England	57.6	42.4
South West England	57.8	42.2
England and Wales	57.4	42.6

[22] CEIC (2024) United Kingdom labour force participation rate, https://www.ceicdata.com/en/indicator/united-kingdom/labour-force-participation-rate. See also Economist (2023) Why Britain has a unique problem with economic inactivity (September 14th) https://www.economist.com/britain/2023/09/14/why-britain-has-a-unique-problem-with-economic-inactivity.

[23] Hewitt, B. (2022) 'Time to flex: embracing flexible working: benefits and barriers in the voluntary sector', London: NCVO, https://www.ncvo.org.uk/news-and-insights/news-index/time-to-flex/

[24] Chapman, T. (2022) *Going the distance: how Third Sector organisations work through turbulent times*, Newcastle upon Tyne: Community Foundation Tyne & Wear and Northumberland. https://www.stchads.ac.uk/wp-content/uploads/2022/10/Going-the-distance-how-third-sector-organisations-work-through-turbulent-times-July-2022.pdf

Recruitment, retention and training of employees

As noted above, in 2022 reports from Third Sector Trends in England and Wales the voluntary sector was facing significant labour-force challenges. Many voluntary organisations reported difficulties with staff retention and recruitment. This may have been due to several factors - including higher demand for employees in the private sector, post-pandemic withdrawal from the labour market (especially amongst the over 50s) and/or growing preference for flexible, part-time or fractional contracts.

Staff retention (Table 4.2) and recruitment problems (Table 4.3) were less severe in Wales than in some English regions – but this is likely due to variations in sector structure (there are proportionately fewer large employer organisations in Wales than most English regions).

National data revealed that recruitment problems were most severe for larger organisations – which were most likely to be engaged with the delivery of public service contracts (Figure 4.1) and could result in low pay for front-line staff in fields of work such as adult social care.

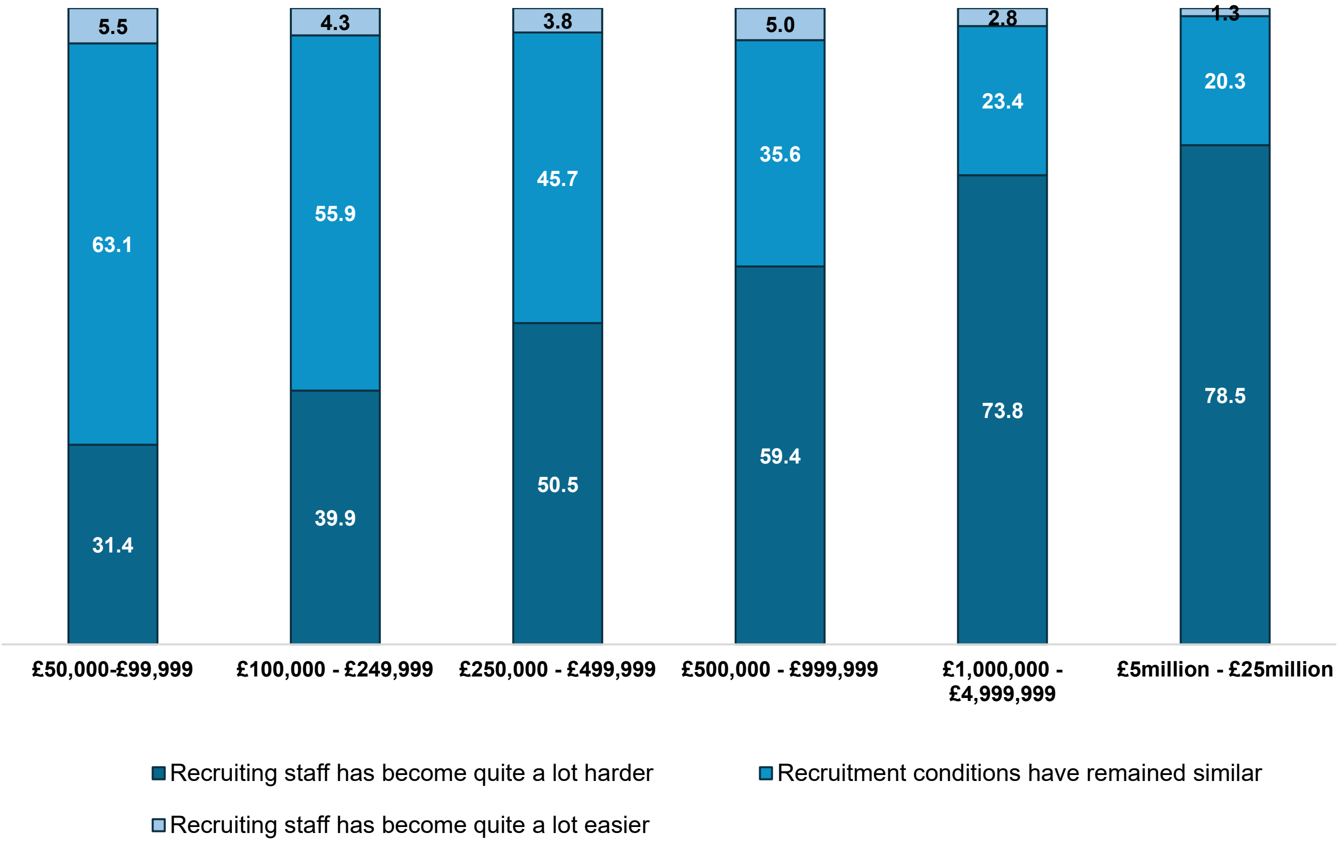
Table 4.2 **Retention of existing employees in Wales and English regions** (Third Sector Trends, 2022, row percentages for employers only)

	Employers				
	It has become quite a lot harder	Stayed about the same	It has become quite a lot easier	Percent with no employees	N=
Wales	**20.5**	**76.7**	**2.7**	**41.1**	**438**
North East England	24.9	70.9	4.3	38.2	605
North West England	23.2	74.2	2.6	40.8	728
Yorkshire & Humber	18.2	77.4	4.5	37.3	641
East Midlands	21.9	74.3	3.8	47.1	397
West Midlands	21.5	74.7	3.8	42.8	505
East of England	13.8	83.1	3.1	53.7	562
London	21.1	76.7	2.2	40.2	532
South East England	13.2	84.3	2.5	50.3	807
South West England	19.7	79.2	1.0	49.2	777
England and Wales	**19.8**	**77.2**	**3.0**	**44.3**	**5,992**

Table 4.3 **Recruitment of existing employees in Wales and English regions** (Third Sector Trends, 2022, row percentages for employers only)

	Employers				
	It has become quite a lot harder	Stayed about the same	It has become quite a lot easier	Percent with no employees	N=
Wales	**46.2**	**50.6**	**3.2**	**42.4**	**432**
North East England	53.6	42.0	4.4	39.1	594
North West England	48.2	49.2	2.6	41.7	719
Yorkshire & Humber	42.8	51.5	5.7	38.5	631
East Midlands	45.4	48.8	5.8	47.5	394
West Midlands	43.5	53.0	3.5	43.3	499
East of England	32.1	64.3	3.6	54.7	556
London	39.9	56.8	3.3	42.1	520
South East England	35.0	60.1	5.0	51.6	792
South West England	41.5	55.5	3.0	51.1	758
England and Wales	**43.0**	**53.0**	**4.0**	**45.5**	**5,895**

Figure 4.1 **Employee recruitment problems by size of organisation in England and Wales**
(Third Sector Trends survey 2022, employers only n=3,186)



4.2 Regular volunteer estimates

Volunteers produce about one fifth of the 'energy' that the voluntary sector injects into its activity (as defined by the number of hours given). In a majority of micro and small organisations, volunteers put in all or most of that energy.

It was estimated by Third Sector Trends in 2022 that there were about 208,000 regular volunteers who support the activity of voluntary organisations in Wales (see Table 4.4). But it should be borne in mind that this study only collects data on 'regular volunteers' who can be relied upon sufficiently to plan work effectively.

This means that Third Sector Trends estimate numbers of volunteers are considerably lower than Welsh Government estimates which arise from the National Survey for Wales / Wellbeing & Finances and report that 30% of adults in Wales volunteered in 2022-23.[25]

Third Sector Trends estimates the numbers of regular volunteers on the assumption that they devote on average 72 hours each year to an individual organisation (and they may volunteer for more than one organisation). This means that many other forms of 'formal' volunteering are excluded from 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 giving time directly for a voluntary organisation such as WRVS).
- 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 voluntary organisation such as Pro-Bono Economics).
- Volunteers participating in national fundraising appeals (for example, BBC Children in Need, Comic Relief, Sport Relief, or for large national charities such as Save the Children, RNLI, Oxfam, etc.).

No suggestion is made that these other forms of volunteering are considered to be less socially valuable. It is simply a question of calculating the time and financial contribution regular formal volunteers make in local voluntary organisations.

Table 4.4 presents updated estimates on the current financial value of regular volunteers to the voluntary sector in Wales (based on 2022 numbers of volunteers and hours given). Comparative data is also shown for English Regions. The proxy value of volunteers to the voluntary sector is between £183m (at National Minimum Wage levels) and £250m (at 80% median regional wage level).

[25] Stats Wales (2025) Percentage of people who volunteer by age: https://statswales.gov.wales/Catalogue/National-Survey-for-Wales/Well-being-and-Finances/percentageofpeoplewhovolunteer-by-age. See also, Volunteering (National Survey for Wales April 2022 to March 2023), for more detail on the composition of the volunteer workforce: https://www.gov.wales/volunteering-national-survey-wales-april-2022-march-2023-html

Table 4.4 **Estimated number and proxy replacement value of regular volunteers in voluntary organisations (2024)**						
	Number of regular volunteers (2022 estimates)	**Estimated total hours given (millions)**	**Value at National Living Wage @ £12.21** (£millions)	**Number of full-time equivalent regular volunteers**	**Value at 80% median regional wage**	**Value produced at 80% median regional wage** (£millions)
Wales	**208,171**	**15.0**	**£183.2**	**8,768**	**28,471.04**	**£249.6**
North East England	148,503	10.7	£130.7	6,267	27,505.92	£172.4
North West England	428,690	30.9	£377.3	18,092	28,953.60	£523.8
Yorkshire & Humber	307,337	22.1	£269.8	12,971	28,071.68	£364.1
English East Midlands	289,275	20.8	£254.0	12,209	28,458.56	£347.5
English West Midlands	359,260	25.9	£316.2	15,162	28,699.84	£435.1
East of England	442,714	31.9	£389.5	18,684	31,761.60	£593.4
London[26]	896,454	64.5	£787.5	37,834	35,501.44	£1,343.2
South East England	674,303	48.6	£593.4	28,458	32,414.72	£922.5
South West England	498,231	35.9	£438.3	21,027	29,153.28	£613.0
England and Wales	4,335,000	306.2	£3,738.7	179.491	27,505.92	£5,564.5

These data are now out of date, having been collected in 2022. In 2025 it will be possible to update these percentages to examine the extent of change. It is not expected that reliance upon volunteers will lower significantly; nonetheless, there is a concern that many voluntary organisations may be finding it harder to hold onto volunteers or recruit new ones as suggested in more recent studies.

For example, WCVA reported in 2023 that 90% of representatives from voluntary organisations in Wales reported that they were having volunteer recruitment difficulties. Furthermore, 80% stated that they faced volunteer retention problems. As former WCVA Chief Executive Ruth Marks observed at the time:

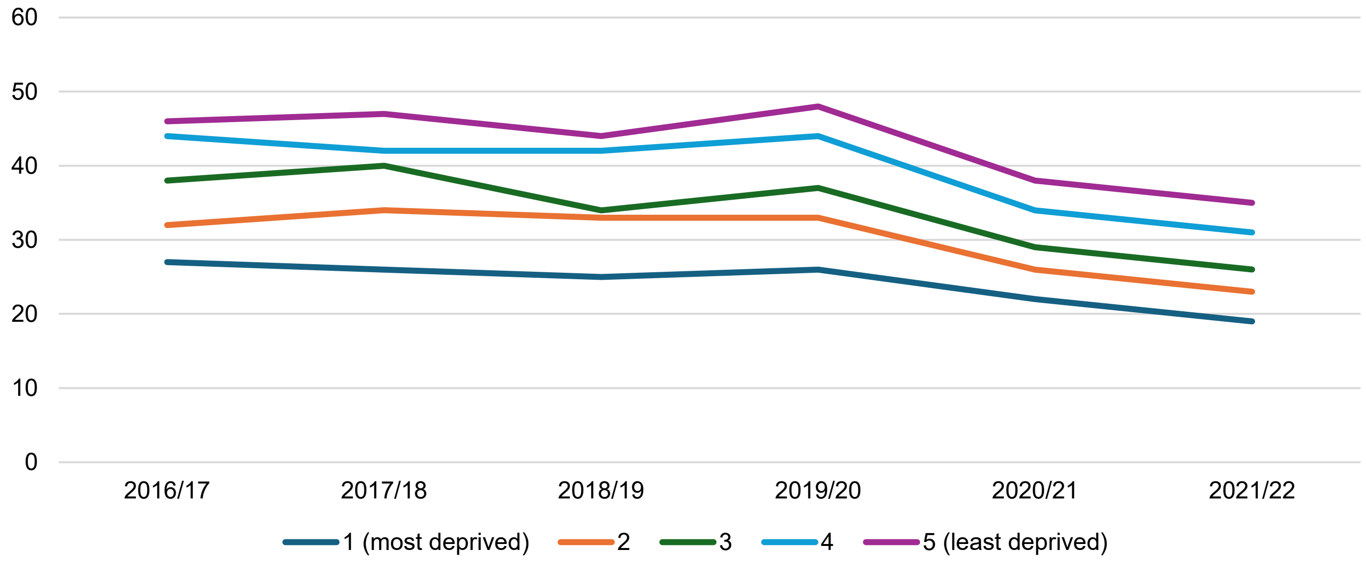
> ***"Some people haven't returned to volunteer since the pandemic, others have lost their confidence. The economic crisis also means that people are increasingly having to prioritise other activities… "It means that charities and volunteer groups across Wales are struggling, but people are missing out on the benefits of volunteering too. We know that volunteering is proven to reduce loneliness, to improve mental health and helps people gain new skills."***[27]

[26] 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. As a study of the local voluntary sector, these estimates feel 'about right' when compared with other.

[27] Nation Cymru (2023) Wales facing national volunteer crisis.

Similarly, NCVO has observed in the UK Civil Society Almanac 2024 that levels of formal volunteering have been declining since 2016-17. As shown in Figure 4.2, this decline has occurred irrespective of levels of affluence or deprivation of local areas.

Figure 4.2 **Declining percentages of volunteers**
(Source: NCVO UK Civil Society Almanac 2024)



Reliance on regular volunteers

The extent to which voluntary organisations rely on volunteers is shown in Tables 4.5 and 4.6. These data are provided together with comparative data for English regions. Against most indicators, reliance on volunteers is higher in Wales than the England and Wales average. This is likely to be because there are proportionally fewer large voluntary organisations in Wales than in England (see Table 3.2).

Table 4.5 **Reliance upon volunteers in Wales and English regions** (percentage strongly agree, Third Sector Trends survey 2022)

	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	It's been much harder to hold on to our older volunteers
Wales	**78.4**	**68.7**	**86.7**	**49.3**
North East England	67.0	68.6	78.8	50.5
North West England	71.5	68.3	83.3	44.9
Yorkshire & Humber	76.2	69.5	82.2	47.9
East Midlands	77.5	62.6	87.1	48.1
West Midlands	78.8	67.4	86.9	53.8
East of England	81.9	65.3	86.5	47.1
London	72.8	67.8	84.4	46.4
South East England	78.1	63.1	87.7	43.2
South West England	78.2	66.6	88.3	50.7
England and Wales	**75.8**	**67.0**	**85.1**	**48.0**

Table 4.6 **Reliance upon volunteers in Wales and English regions** (percentage strongly agree, Third Sector Trends, 2022)				
	A lot of our recent volunteers joined us because they prefer to work online	**Our group of volunteers have become more ethnically diverse**	**We have more volunteers under the age of 30 now**	**We're losing some of the volunteers who joined us during the pandemic**
Wales	**7.1**	**15.7**	**20.2**	**24.5**
North East England	5.9	20.3	26.4	26.3
North West England	5.7	24.1	23.5	29.4
Yorkshire & Humber	7.9	23.5	23.2	29.7
East Midlands	5.2	21.3	19.1	26.6
West Midlands	10.3	27.8	21.1	26.4
East of England	6.9	17.0	14.1	21.7
London	18.1	40.8	26.9	28.9
South East England	6.5	17.6	14.6	23.3
South West England	5.4	14.0	13.4	23.7
England and Wales	**7.6**	**21.7**	**20.0**	**26.0**

Training and staff development

The energy that voluntary sector organisations can employ to achieve their objectives is dependent upon the enthusiasm, skill and commitment of volunteers and employees. While pay is probably the most crucial factor for employees, retention problems may be alleviated when voluntary organisations make it a priority to look after their employed staff and volunteers.

In Wales, the surface indications are that fewer organisations have training budgets for employees than in most English regions – this is partly due to there being fewer large organisations in Wales (see Table 3.2). However, the data also indicate that the allocation of training budgets for volunteers is also considerably lower in Wales than in many English regions – and especially so in the North of England.

Table 4.7 **Training budgets employees and volunteers in Wales and English regions** (Third Sector Trends, 2022)				
	Percent with training budget of employees	**Percent with training budget for volunteers**	**Percent that do not train employees or volunteers**	**n=**
Wales	**53.5**	**34.9**	**58.3**	**436**
North East England	66.0	41.9	49.3	604
North West England	77.7	43.6	45.0	723
Yorkshire & Humber	66.4	43.4	47.6	643
East Midlands	63.8	32.7	59.0	395
West Midlands	64.0	35.3	53.7	501
East of England	60.8	29.1	62.8	564
London	51.9	39.1	52.9	524
South East England	61.1	28.6	61.2	805
South West England	64.1	32.7	58.8	774
England and Wales	**63.7**	**36.1**	**54.7**	**5,969**

4.3 Organisational leadership

Third Sector Trends has been tracking patterns of organisational leadership since 2019. Data are available for Wales from 2022. As Tables 4.8 and 4.9 show, there are significant variations in leadership profiles across England and Wales. In some cases (especially on aspects of ethnic diversity) this is due to demographic factors. The following comparative similarities and variations are of note:

- There is a higher proportion of women chairs and chief officers in Wales than the English regional average.
- University graduate chairs are more common in Wales than on average, but there are slightly fewer graduate chief officers.
- The proportion of chairs with a registered disability is slightly higher in Wales, but for chief officers, the percentage is about the same.
- The number of Black, Asian or other ethnic minority chairs and chief officers is comparably lower in Wales – this is likely to be due to demographic factors (see Table 2.2).
- The proportion of chairs who are retired in Wales is higher than in all English regions.

Table 4.8 **Chairs by size of organisations in Wales** (Third Sector Trends, 2022)

	Chair of board, directors or management committee		
	Smaller less formal organisations - income below £10,000	**Medium semi-formal organisations - income £50,000-£249,000**	**Larger formal organisations - income above £250,000**
University graduate	64.9	76.1	85.1
Female	49.0	51.7	47.0
Has a registered disability	12.6	6.1	14.5
Black, Asian or other ethnic minority	4.6	7.4	6.8
Retired	73.4	47.1	49.2
N=	257	87	66

Table 4.9 **Chief officers by size of organisations in Wales** (Third Sector Trends, 2022)

	Most senior member of paid staff		
	Smaller less formal organisations - income below £10,000	***Medium semi-formal organisations - income £50,000-£249,000***	***Larger formal organisations - income above £250,000***
University graduate	41.1	70.1	73.8
Female	58.7	68.4	67.2
Has a registered disability	5.7	5.4	15.3
Black, Asian or other ethnic minority	2.3	4.2	7.0
N=	410	77	65

Tables 4.10 and 4.11 present data on the characteristics of leaders by organisational size in Wales. These data indicate that:

- Graduate chairs are more prevalent in larger voluntary organisations (85%) than in the smallest voluntary organisations (65%). These variations are even more pronounced for chief officers (74% and 41% respectively).
- Chief officers are considerably more likely to be women in larger organisations (67%) than in the smallest (59%). Organisational size makes no real difference for the proportion of women chairs (between 49-52%).
- Chairs and chief officers with registered disabilities are more prevalent in larger organisations – especially so for chief officers.
- While there are low percentages of Black, Asian or other ethnic minority chairs, the proportion is highest in the larger organisations (7%). For chief officers, over three times as many CEOs in the largest organisations (7%) are from Black, Asian or other ethnic minorities than in the smallest organisations (2%).
- There are many more retired chairs in smaller organisations (73%) than in the largest (49%).

Table 4.10 **Chair of board of trustees / directors or management committee in Wales and English regions** (Third Sector Trends, 2022)

	Wales	North East England	North West England	Yorkshire & Humber	East Midlands	West Midlands	East of England	London	South East England	South West England	England and Wales
University graduate	71.0	71.0	67.1	70.9	62.4	69.1	66.0	83.5	70.6	68.5	70.1
Female	49.4	51.1	46.6	40.9	41.5	43.4	39.2	47.3	41.8	44.3	44.5
Has a registered disability	11.4	11.6	12.7	12.2	9.1	9.5	6.4	12.2	6.0	5.7	9.5
Black, Asian or other ethnic minority	5.5	5.9	7.8	9.1	8.3	9.9	3.1	28.2	4.6	3.0	8.1
Retired	64.1	57.4	56.6	58.8	56.9	61.1	60.8	50.7	60.5	62.5	59.1
Average n=	402	563	687	606	377	477	528	493	757	726	5616

Table 4.11 **Most senior member of paid staff (if voluntary organisation has employees) in Wales and English Regions** (Third Sector Trends, 2022)

	Wales	North East England	North West England	Yorkshire & Humber	East Midlands	West Midlands	East of England	London	South East England	South West England	England and Wales
University graduate	60.2	66.0	61.7	69.6	56.8	62.8	51.0	70.9	60.1	61.8	62.7
Female	64.9	59.8	66.0	59.9	55.8	62.4	57.9	53.6	65.5	64.5	61.5
Has a registered disability	8.0	8.5	10.6	10.2	6.9	9.5	4.1	6.4	4.9	8.1	7.9
Black, Asian or other ethnic minority	4.1	5.8	9.6	12.3	10.5	10.0	6.2	25.8	6.3	5.5	9.6
Average n=	229	352	406	364	194	278	247	304	354	372	3101

5. Sector finance

5.1 Sector income

Determining sector income in Wales is not straightforward as no data are available for CICs, CASCs or Registered Societies. Furthermore, data are limited for smaller charities and CIOs. One way of estimating sector income is to use Charity Commission average income bands and apply these to the whole sector by voluntary organisations size. No claim is made, however, that these estimates are pin-sharp.

Table 5.1 **Estimated voluntary sector income in Wales 2024** (Source Charity Commission, November 2024, Third Sector Trends combined register data, November 2024))

Charity Commission Income bands	**Number of voluntary organisations**	**Average income by size**	**Total income** (£millions)
£1 - £5,000	3,016	£1,131	3.4
£5,001- £10,000	1,285	£7,380	9.5
£10,001 - £25,000	1,764	£16,547	29.2
£25,001 - £50,000	1,083	£36,071	39.1
£50,001 - £100,000	1,030	£72,033	74.2
£100,001 - £250,000	879	£159,141	139.9
£250,001 - £500,000	468	£353,481	165.4
£500,001 - £1m	254	£709,756	180.4
£1m - £5m	250	£2,170,789	542.7
£5m-25m*	52	£10,705,815	556.7
Total estimated income	10,140		1,740.5

*this band is used only by Third Sector Trends and was calculated separately from Charity Commission Register income data. Estimates for the number of CICs, Registered Societies and CASCs are adjusted downwards for those income above £500,000 as the available evidence suggests that a higher proportion of these organisations are quite small. There are exceptions, such as CCBSs (former Industrial and Provident Societies) which can be of similar size to larger charitable Companies Limited by Guarantee.

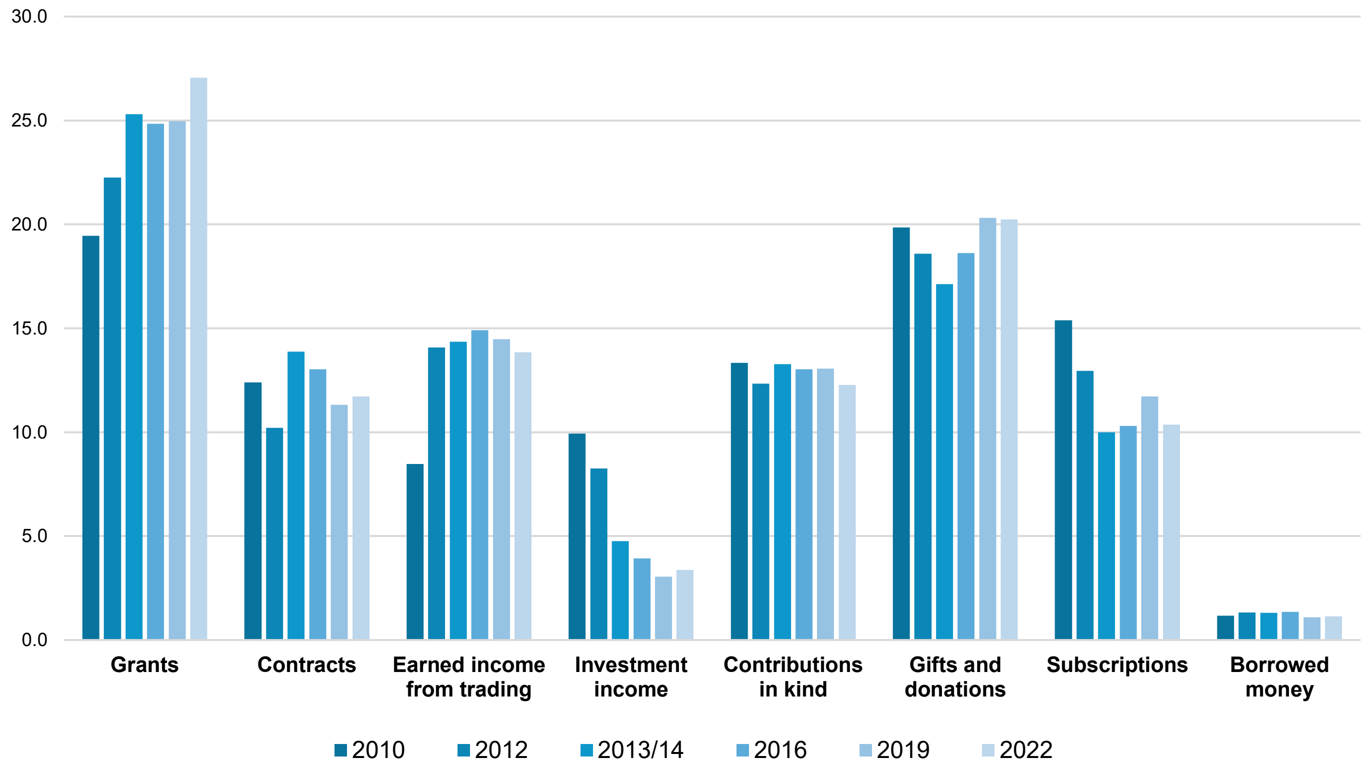
5.2 Sources of income

Due to good coverage by NCVO's UK Civil Society Almanac on this issue, Third Sector Trends does not compile detailed evidence on the income profiles of voluntary organisations. Instead, the survey asks respondents to make intuitive observations on how much they value income sources in comparative terms. This is especially useful in comparative and longitudinal research as it helps to show how sector opinion varies and changes over time.

In North East England and Cumbria, for example, where the study has been running the longest, it is clear that perceptions of reliance on income sources have changed substantially over the last fifteen years – as shown in Figure 5.1.

For example, perceptions of the value of grant funding have changed since 2010, reflecting a shift away from narratives about 'grant dependency' in policy circles. This does not mean that grant funding has increased – but that perceptions of its relative value has increased in voluntary organisations. Subscriptions and investments are, by contrast, valued much less now than in 2010. Perceived value of earned income, contracts, contributions in kind and borrowed money has changed little.

Figure 5.1 **Relative importance of income and in-kind support 2010-2022**
(Third Sector Trends surveys 2010- 2022 North East of England and Cumbria)



In Wales, as shown in Figure 5.2, grants are perceived to be the most valued form of income – only 14% of voluntary organisations feel that this is of no importance to them. Gifts and contributions in kind are also highly valued by many voluntary organisations, as is earned income. Nonetheless, earned income is of negligible or no relevance to over half of the voluntary sector in Wales.

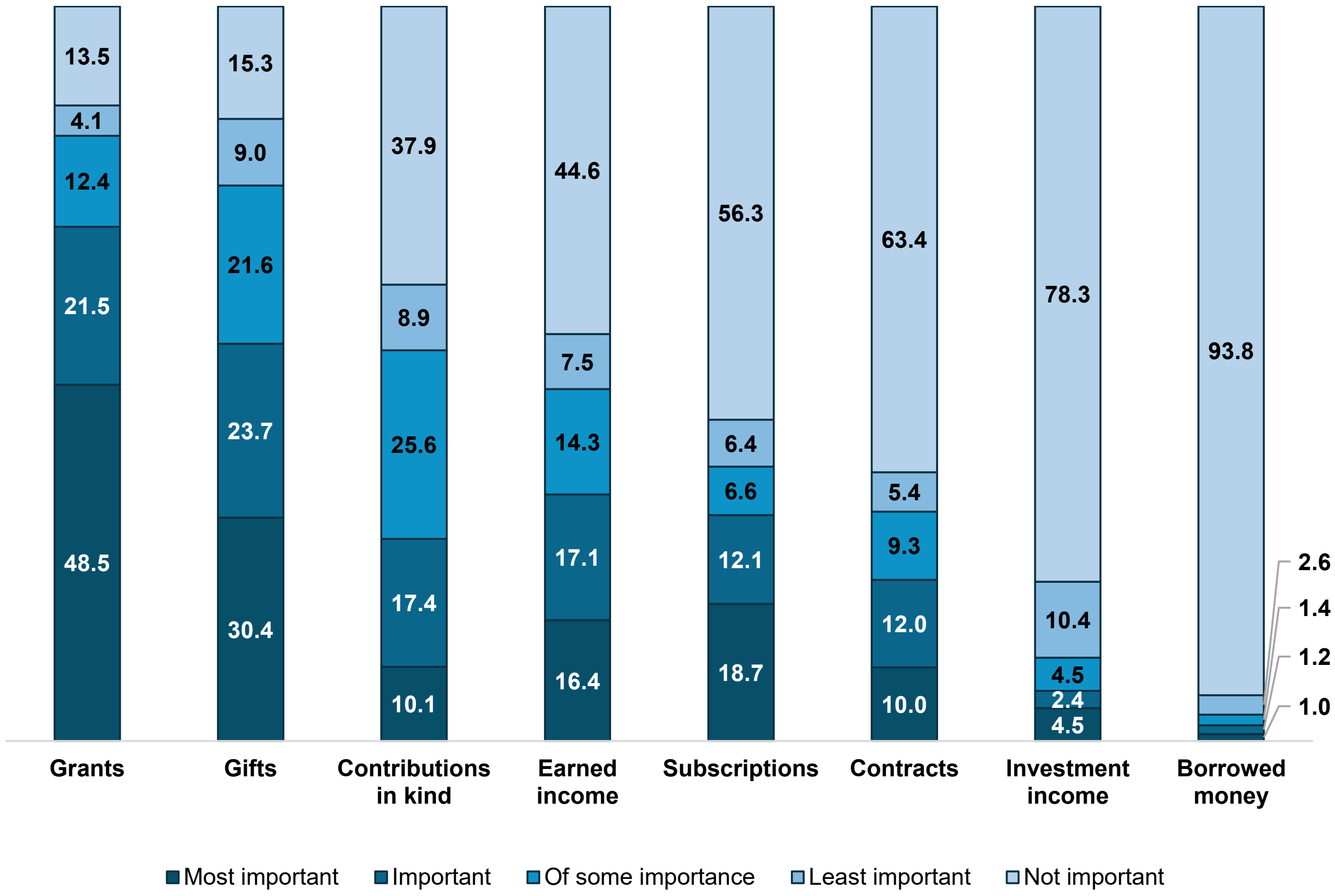
While heavy reliance on income from contracts is important to relatively few organisations (about 10%) this still constitutes a valuable marketplace for NHS and other public sector contractors. Most of these organisations are relatively large as will be shown below (see Table 5.4).

Investment income and borrowed money are of negligible importance to a majority of voluntary organisations. This suggests that rhetoric surrounding the growing importance of social investment has been overblown. Nevertheless, there is a small marketplace for loans and social investment.[28]

The most important message from Figure 5.1 is that voluntary organisations generally rely on many sources of income – suggesting, perhaps, reticence to keep all their eggs in one basket.

[28] See Chapman, T. (2017) 'The propensity of Third Sector organisations to borrow money in the UK', *Policy Studies*, 38:2, 185-294.

Figure 5.2 **Relative importance of income sources in Wales 2022**
(Third Sector Trends, 2022)



The extent to which income sources are valued varies from place to place. As Figure 5.3. shows,

- ***Grants*** are much more highly valued in Wales than in many English regions (with the exception of North East England).
- ***Contract*** income is more highly valued in the North of England and its West Midlands than in Wales. As shown in Figure 5.4 a large percentage of organisations in Wales (43%) feel disinclined to engage in contracts.
- ***Earned income***, ***gift income*** and ***subscriptions*** are valued at a similar level in Wales and across English regions.
- ***Investment income*** is of negligible importance in Wales and most English regions. The exceptions being London, East and South East of England.
- ***Contributions in kind*** are valued highly by 10% of voluntary organisations in Wales, which is about average. In London and North West England they are valued the most.
- ***Borrowed money*** is of negligible value to most organisations in all areas.

Figure 5.3 **Percent of voluntary organisations stating that sources of income are of great importance to them**
(Third Sector Trends, 2022)

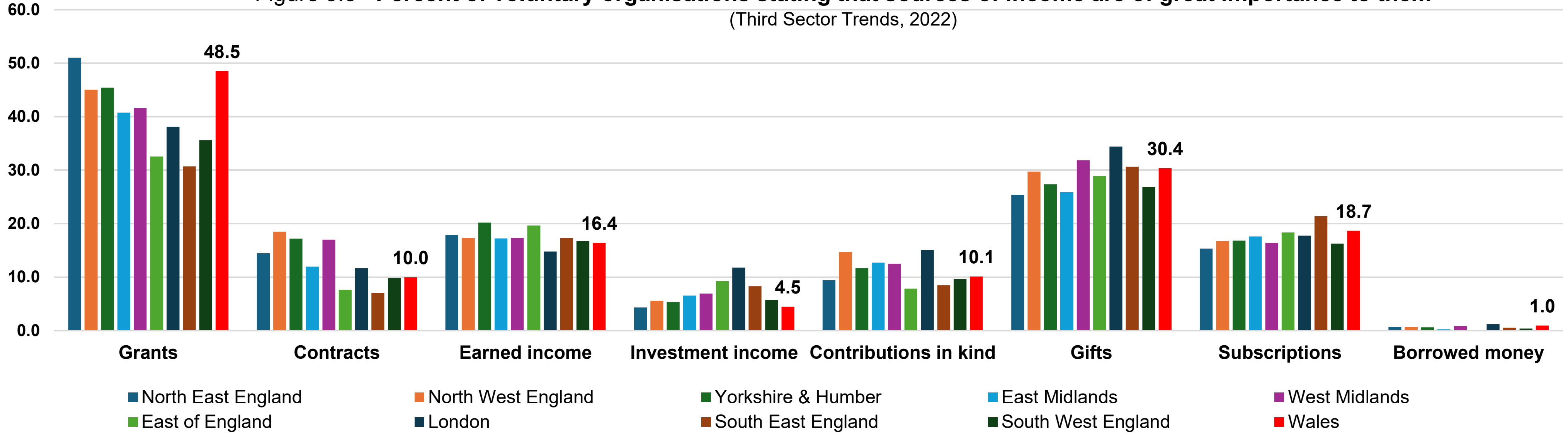
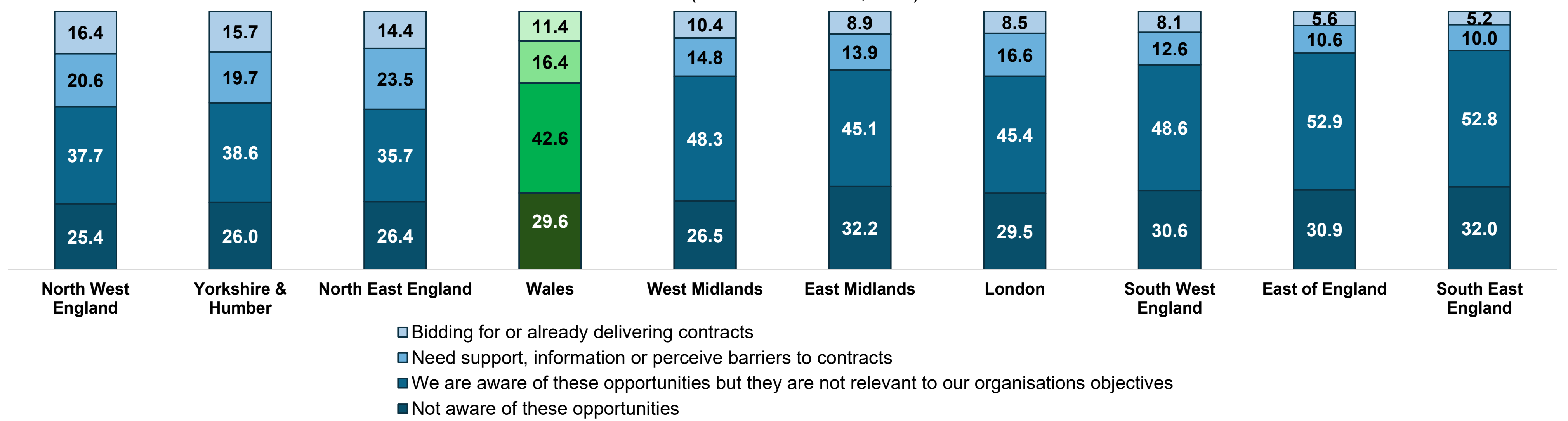


Figure 5.4 **Comparisons on attitudes to contracting to deliver public services in Wales and English regions**
(Third Sector Trends, 2022)



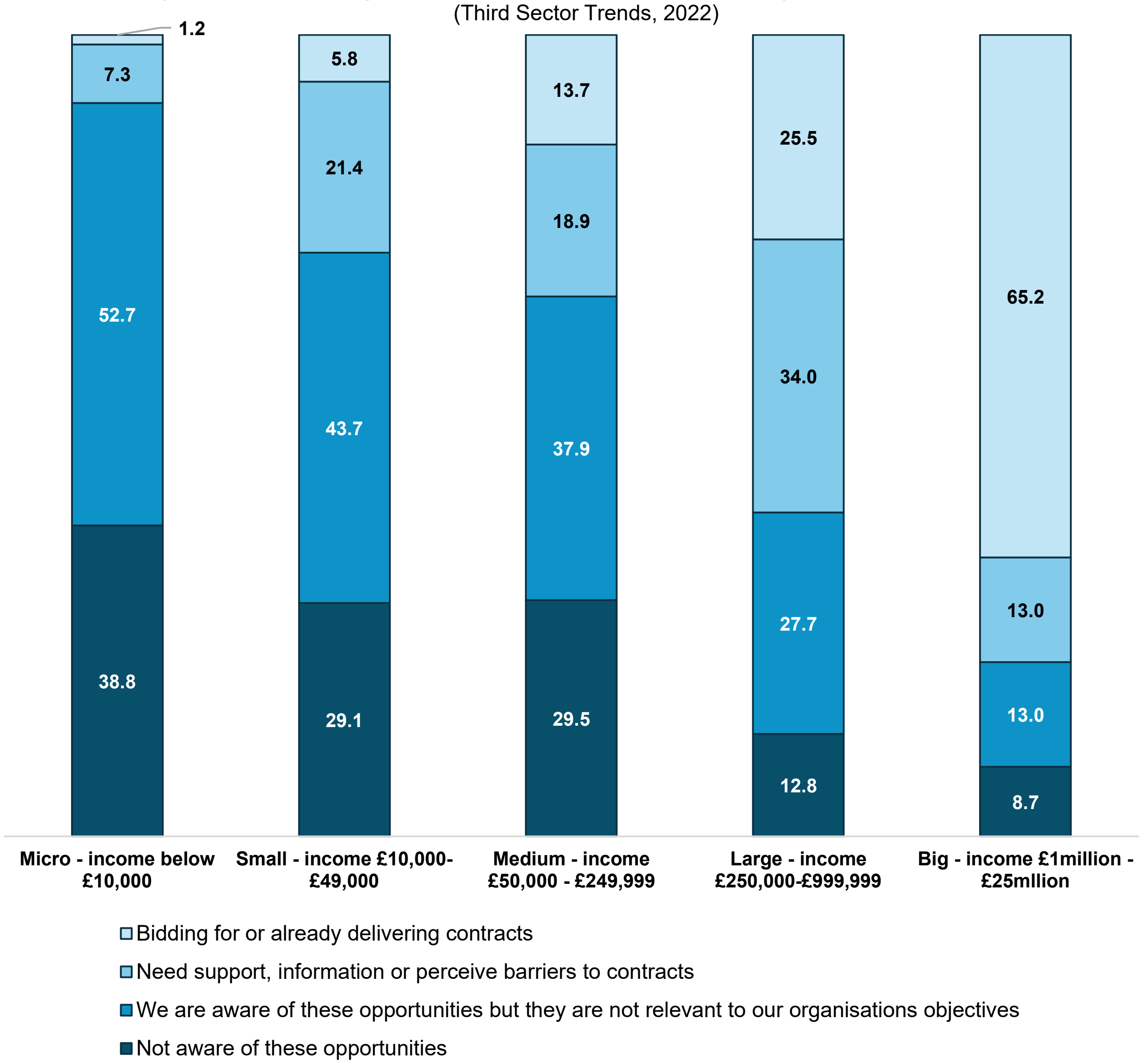
5.3 Public sector service delivery contracts

The propensity to bid for public sector service delivery contracts is shaped to a large extent by organisational size. As shown in Figure 5.5, amongst the smallest organisations, 39% are not aware of such opportunities and 53% would not be interested even if they were available.

This is to be expected as most small organisations do not have the capacity to do such work. That stated, a few smaller organisations do participate in such work – servicing aspects of contracts held by larger organisations: 6% of small organisations to so, as do 14% of medium-sized organisations.

In Wales, 65% of the biggest organisations are bidding for or delivering public service contracts. This is considerably higher than the England and Wales average of just 51%.

Figure 5.5 **Bidding for public sector service delivery contracts in Wales**
(Third Sector Trends, 2022)



5.4 Grants from trusts and foundations

Grants have been shown to be of particular importance to voluntary organisations in Wales. It is possible to explore this situation in more detail by drawing upon data on trusts and foundations' distribution of grant income from 360Giving on (grants from government departments are excluded from this analysis).

The aim of this exercise is to look at 'distribution' of grant income rather than its value. Estimating total grant value is difficult because not all major grant funders in Wales submit evidence to 360Giving. In order to take this 'broad view' analytically, data cover a five year period from 2019-2023.

As Table 5.2 indicates, there are wide variations in grant income across local authority areas in Wales. Major urban areas tend to be the recipients of higher levels of grant income (but this is not to say that the work they do is limited to those areas).

Table 5.2 **Estimated value of grants by local authority area and sub-regions of Wales 2019-2023**
(Source: 360Giving, January 2025)

Local Authority	**Number of grants** (last 5 years)	**Sum of Amount Awarded £millions** (last 5 years)	**Most recent population estimates** (ONS May 2023)	**Value of grants per 10,000 resident population** (last 5 years, £millions)	**Number of voluntary organisations** (all legal forms)	**Average grant award per organisation** (last 5 years)
Isle of Anglesey	484	14.5	69,291	2.1	273	£53,082
Gwynedd	918	56.8	119,173	4.8	698	£81,275
Conwy	647	34.8	114,410	3.0	438	£79,415
Denbighshire	1,136	21.2	97,156	2.2	399	£53,065
Flintshire	651	20.2	155,812	1.3	416	£48,539
Wrexham	731	25.0	136,149	1.8	403	£62,115
Powys	986	37.9	134,439	2.8	996	£38,042
Ceredigion	471	29.9	73,050	4.1	396	£75,419
Pembrokeshire	649	26.3	125,006	2.1	574	£45,839
Carmarthenshire	1,109	62.9	190,083	3.2	787	£79,899
Swansea	1,439	154.2	246,742	6.3	648	£237,981
Neath Port Talbot	628	26.0	142,898	1.8	361	£71,855
Bridgend	520	59.5	146,743	4.1	344	£172,930
Vale of Glamorgan	687	15.6	134,733	1.2	412	£37,908
Cardiff	2,690	320,2	383,536	8.4	1,162	£275,554
Rhondda Cynon Taf	1,376	57.8	241,178	2.4	564	£102,411
Merthyr Tydfil	412	11.1	58,593	1.9	137	£81,267
Caerphilly	493	12.9	176,437	0.7	355	£36,150
Blaenau Gwent	270	13.3	67,356	1.9	120	£110,919
Torfaen	339	34.0	93,419	3.6	197	£172,395
Monmouthshire	376	19.9	94,572	2.1	428	£46,493
Newport	1,075	61.9	163,628	3.8	319	£194,067
North Wales	4,567	172.4	691,991	2.6	2,627	£65,627
Mid Wales	1,457	67.8	207,489	3.3	1,392	£48,675
South West Wales	3,825	269.3	704,729	3.8	2,370	£113,647
South East Wales	8,238	606.1	1,560,195	3.9	4,038	£150,100
Wales	**18,087**	**1,115.6**	**3,164,404**	**3.5**	**10,427**	**£106,992**

The distribution of grants by of voluntary organisation size varies considerably from area to area as shown in Table 5.3.[29] The areas with the highest proportion of larger grants tend to be focused in major urban areas or in areas with significant levels social deprivation – in these areas, there tend to be higher percentages of larger voluntary organisations which are more able to access bigger grants (see Table 3.2).

Table 5.3 **Distribution of grants by size by local authority areas and subregions of Wales 2019-2023** (source: 360Giving, January 2025, row percentages)

	Below £1,000	£1,000 - £4,999	£5,000 - £9,999	£10,000 - £49,999	£50,000 - £249,999	£250,000 - £999,999	£1million - £5million	n=
Isle of Anglesey	6.4	46.8	7.6	17.5	17.0	4.7	0.0	171
Gwynedd	2.0	30.7	15.5	30.9	17.4	2.8	0.7	459
Conwy	3.9	37.0	14.8	28.8	13.6	1.8	0.0	330
Denbighshire	5.3	32.9	21.1	27.3	12.8	0.7	0.0	304
Flintshire	4.5	23.1	22.1	31.1	15.1	4.2	0.0	312
Wrexham	5.1	32.8	17.7	27.6	15.4	1.4	0.0	351
Powys	3.8	26.9	25.2	28.2	15.0	0.9	0.0	282
Ceredigion	5.7	19.5	18.1	34.4	15.6	6.7	0.0	358
Pembrokeshire	3.9	24.3	22.1	32.4	14.5	2.5	0.3	550
Carmarthenshire	4.2	29.3	21.1	28.0	15.8	1.6	0.0	664
Swansea	3.0	14.5	20.3	38.6	20.3	3.0	0.3	278
Neath Port Talbot	1.1	21.2	24.5	35.3	16.5	1.4	0.0	268
Bridgend	4.5	25.0	25.0	28.7	14.9	1.9	0.0	280
Vale of Glamorgan	6.1	27.9	23.9	27.5	12.5	2.1	0.0	1,438
Cardiff	4.2	17.0	17.7	35.1	21.6	3.8	0.7	594
Rhondda Cynon Taf	2.9	28.5	18.7	31.1	15.2	3.7	0.0	198
Merthyr Tydfill	2.7	18.3	14.0	33.3	27.4	4.3	0.0	140
Caerphilly	3.5	24.7	16.2	38.4	14.6	2.5	0.0	175
Blaenau Gwent	2.1	17.9	20.7	40.7	15.0	2.9	0.7	171
Torfaen	2.9	18.9	23.4	30.9	20.0	4.0	0.0	284
Monmouthshire	3.5	32.2	17.0	34.5	11.7	0.6	0.6	632
Newport	4.9	18.3	21.5	35.2	18.0	2.1	0.0	186
North Wales	4.2	32.7	17.0	28.2	15.3	2.4	0.2	1,927
Mid Wales	4.4	24.6	23.0	30.1	15.2	2.7	0.0	914
South West Wales	3.2	21.8	21.5	33.7	17.3	2.3	0.2	1,850
South East Wales	3.9	21.6	19.2	33.5	18.3	3.2	0.3	3,734
Wales	**3.9**	**24.5**	**19.6**	**32.0**	**17.0**	**2.8**	**0.2**	**8,424**

[29] The reason why grant numbers is lower is because these data are drawn from a matched data set with ONS post code lookups. Only about half of 360Giving data held these postcodes.

Grant distribution is also affected by the way the voluntary sector itself is spread over areas of affluence and deprivation in a local authority or sub-regional area (as shown in Table 5.4). Consequently, in relatively affluent local authority areas such as Monmouthshire, it is not surprising that most grants are concentrated in areas of low deprivation - while in relatively poor areas such as Blaenau Gwent more than half the grants are received in the poorest quintile of the WIMD.

Table 5.4 **Distribution of grants awarded by Welsh Index of Multiple Deprivation 2019-2023**
(source: 360Giving, January 2025, row percentages)

	Most deprived WIMD 1-2	WIMD 3-4	Intermediate WIMD 5-6	WIMD 7-8	Least deprived WIMD 9-10	N=
Isle of Anglesey	18.1	14.6	26.9	31.6	8.8	171
Gwynedd	6.5	21.6	38.1	26.1	7.6	459
Conwy	23.9	19.4	15.8	18.8	22.1	330
Denbighshire	23.7	23.0	14.5	25.0	13.8	304
Flintshire	18.6	26.3	7.1	25.3	22.8	312
Wrexham	14.0	49.6	5.7	21.7	9.1	351
Powys	9.2	14.5	28.4	29.8	18.1	282
Ceredigion	18.5	7.0	23.1	38.8	12.7	632
Pembrokeshire	5.6	32.1	33.0	29.1	0.3	358
Carmarthenshire	15.1	39.1	25.6	19.5	0.7	550
Swansea	40.1	15.2	17.0	4.4	23.3	664
Neath Port Talbot	45.0	27.0	8.3	17.3	2.5	278
Bridgend	11.9	41.8	7.5	28.4	10.4	268
Vale of Glamorgan	26.1	9.3	11.1	10.4	43.2	280
Cardiff	34.7	9.6	28.6	16.8	10.3	1437
Rhondda Cynon Taf	24.4	35.9	22.7	10.9	6.1	594
Merthyr Tydfill	64.0	22.6	10.8	0.5	2.2	186
Caerphilly	14.1	25.3	27.8	21.7	11.1	198
Blaenau Gwent	55.7	29.3	3.6	11.4	0.0	140
Torfaen	31.4	33.1	12.6	8.0	14.9	175
Monmouthshire	0.6	1.2	15.8	70.8	11.7	171
Newport	59.9	7.7	18.3	4.9	9.2	284
North Wales	16.6	26.7	18.6	24.2	13.9	1927
Mid Wales	15.6	9.3	24.7	36.0	14.3	914
South West Wales	26.7	27.4	21.4	15.6	9.0	1850
South East Wales	32.1	18.9	20.8	16.6	11.5	3733
Wales	**25.6**	**21.5**	**20.9**	**20.2**	**11.8**	**8424**

It would be a mistake to assume that patterns of grant making are shaped entirely by spatial factors. On the contrary patterns of grant distribution are highly complex.

In Table 5.5, data are ranked by total estimated grant income by local authority area. This shows that Cardiff is the recipient of the highest levels of grant funding per 10,000 resident population – but much of this funding will be distributed more widely by larger organisations which work in neighbouring areas or across Wales.

There is some evidence to suggest that grant funding levels by resident population are higher where there are significant levels of social deprivation. There are some inconsistencies. For example, Neath Port Talbot has relatively high levels of deprivation but grant income is relatively low by population.

Table 5.5 **Distribution of grant funding by resident population and incidence of household material deprivation** (Source: 360Giving, January 2025)

	Total estimated grant income 2019-2023	**Local resident population**	**Estimated grant income per 10,000 resident population 2019-2023** (in rank order)	**Percentage of people living in households in material deprivation by local authority**	**Average grant income per voluntary organisation**
Cardiff	£78,555,000	383,536	£2,048,178	14.9	£67,603
Gwynedd	£21,264,500	119,173	£1,784,339	14.9	£30,465
Ceredigion	£11,254,500	73,050	£1,540,657	18.4	£28,420
Merthyr Tydfill	£7,597,500	58,593	£1,296,657	18.2	£55,456
Powys	£15,488,000	134,439	£1,152,047	14.1	£15,550
Swansea	£27,187,500	246,742	£1,101,859	13.3	£41,956
Blaenau Gwent	£7,021,500	67,356	£1,042,446	16.1	£58,513
Pembrokeshire	£12,622,000	125,006	£1,009,712	13.4	£21,990
Isle of Anglesey	£6,488,000	69,291	£936,341	13.7	£23,766
Rhondda	£20,988,500	241,178	£870,249	20.5	£37,214
Flintshire	£11,959,500	155,812	£767,560	12.6	£28,749
Torfaen	£6,642,500	93,419	£711,044	19.0	£33,718
Conwy	£7,479,000	114,410	£653,702	10.1	£17,075
Carmarthenshire	£12,064,000	190,083	£634,670	16.7	£15,329
Monmouthshire	£5,258,000	94,572	£555,979	8.4	£12,285
Wrexham	£7,121,500	136,149	£523,067	15.8	£17,671
Vale of Glamorgan	£6,906,000	134,733	£512,569	15.7	£16,762
Denbighshire	£4,648,000	97,156	£478,406	14.8	£11,649
Newport	£7,609,500	163,628	£465,049	17.6	£23,854
Neath Port Talbot	£6,299,000	142,898	£440,804	21.5	£17,449
Bridgend	£6,326,000	146,743	£431,094	15.6	£18,390
Caerphilly	£5,826,000	176,437	£330,203	14.9	£16,411
North Wales	£58,960,500	691,991	£852,041		£22,444
Mid Wales	£26,742,500	207,489	£1,288,864		£19,212
South West Wales	£64,498,500	704,729	£915,224		£27,215
South East Wales	£146,404,500	1,560,195	£938,373		£36,257
Wales	**£296,606,000**	**3,164,404**	**£937,320**		**£28,446**

5.5 Earned income from self-generated trading

Earning income by trading is common in Wales, especially amongst larger organisations of which 80% earn some of their income and 23% earn over 60% of total income (see Figure 5.6). Micro organisations are the least likely to engage in trading activity, even on a small scale – over half earn no income. Many small organisations are, by contrast, quite dependent on earned income – over a quarter earn more than 60% of their income from trading.

As Figure 5.7 indicates, there are regional variations in the extent to which voluntary organisations earn income from trading. Interestingly, organisations in London are the least likely to be trading (only 49% do so) while in North East England, North West England and Yorkshire and Humber activity is much more common. Wales sits somewhere in the middle in this respect with similar levels of activity to the East Midlands and East of England.

Figure 5.6 **Percentage of volutary organisations in Wales earning income from trading** (Third Sector Trends survey 2022)

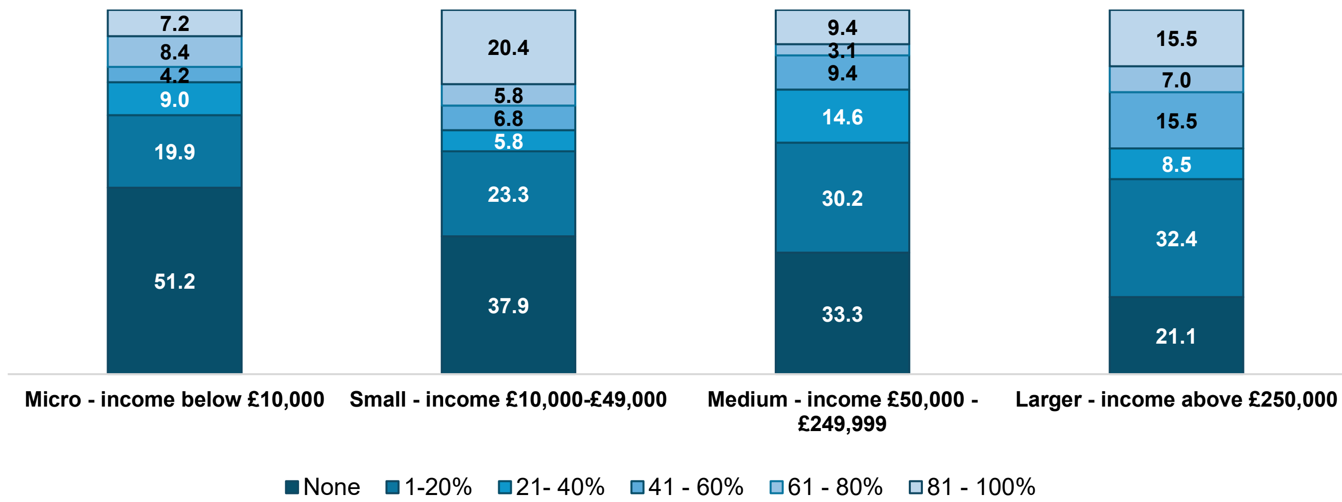
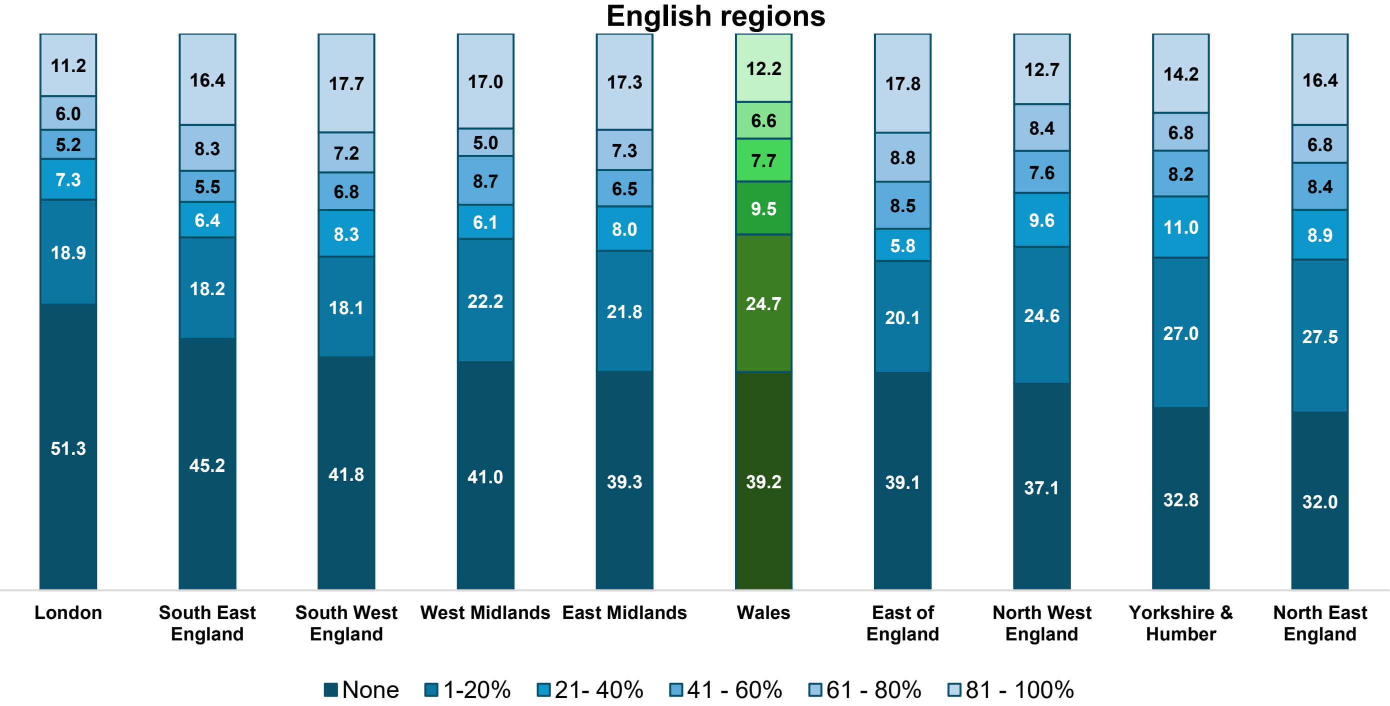


Figure 5.7 **Percentage of income earned by VCOs in Wales compared with English regions**



6. Sector energy, purpose and impact

In this section, estimates are made on the voluntary sector's contribution to social and economic wellbeing in Wales using an established methodology developed by Third Sector Trends.

6.1 Sector purpose in Wales

The first stage in this process is to look, in comparative terms, at the aspects of sector purpose by drawing upon Charity Commission Register data. The findings are presented for Wales as a whole and by size of organisation and are largely self explanatory – and as would be expected larger organisations tend to be more engaged in activities such as education and training, health, economic development and especially, accommodation and housing. Smaller organisations, by contrast, tend to dominate in activities such as the environment, arts and religious activities, In Table 6.2 the analysis is repeated by local authority area – where the most and least engaged areas are highlighted.

Table 6.1 **Purpose by size of voluntary organisations in Wales** (Source: Charity Commission Register: Charities and CIOs only, percentage of all organisations aligning with each aspect of purpose)

	Micro - income below £10,000	**Small - income £10,000-£49,000**	**Medium - income £50,000 - £249,999**	**Large - income £250,000-£999,999**	**Big - income £1million - £25mllion**	**All Orgs** (in rank order)
Education and training	48.4	50.7	55.7	57.7	63.4	52.6
General charitable purposes	37.1	36.5	31.9	33.5	28.8	35.3
Arts, culture, heritage, science	26.3	25.5	20.6	22.1	18.8	24.2
Environment, heritage, conservation	24.0	23.7	13.8	10.2	8.4	19.8
Religious activities	12.9	18.0	22.9	17.6	9.1	16.6
The advancement of health or saving of lives	11.8	13.9	17.4	26.8	30.8	16.1
Economic, community development, employment	11.5	16.6	16.5	24.4	22.6	15.9
The prevention or relief of poverty	9.2	13.9	21.8	23.5	27.7	15.5
Amateur sport	15.1	12.8	12.9	15.7	16.2	14.2
Leisure and recreation	11.7	15.7	12.0	11.9	8.4	12.8
Accommodation, housing	1.6	3.7	4.2	6.8	16.0	4.1
Overseas aid, famine relief	3.8	4.3	5.1	2.4	2.7	4.1
Human rights, religious or racial harmony, equality or diversity	1.8	3.2	4.3	7.1	5.8	3.5
Animals	3.1	3.6	4.0	3.2	3.1	3.4
Armed forces	0.3	0.7	0.6	0.6	0.7	0.5
N=	3,117	2,301	1,683	784	451	8,336*

*the count includes multiple responses from many organisations

Table 6.2 **Principal areas of social purpose by local authority areas**
(Charity Commission register data, October 2024)

Most engaged in green / Least engaged in pink	Education and training	The prevention or relief of poverty	The advancement of health or saving of lives	Economic, community development, employment	Arts, culture, heritage, science	Leisure and recreation	Amateur sport
Isle of Anglesey	**57.3**	11.8	13.8	19.9	23.2	13.0	14.6
Gwynedd	53.2	7.5	10.7	14.7	30.2	**9.5**	18.7
Conwy	55.7	15.5	14.9	16.1	20.4	16.4	21.0
Denbighshire	50.5	10.0	11.3	15.7	20.7	12.2	15.7
Flintshire	50.5	**6.3**	**8.8**	**6.6**	**14.5**	14.2	**10.9**
Wrexham	53.2	13.9	15.4	11.5	16.0	14.8	14.8
Powys	48.3	12.2	12.5	19.4	**30.3**	15.0	25.2
Ceredigion	50.3	8.6	10.4	15.3	26.4	15.6	16.9
Pembrokeshire	46.3	9.6	12.6	18.1	22.7	19.3	21.6
Carmarthenshire	52.3	10.3	11.4	15.4	25.7	12.3	19.8
Swansea	45.8	18.9	17.1	17.5	20.4	14.5	16.4
Neath Port Talbot	44.8	15.3	17.2	16.8	22.8	26.1	**24.6**
Bridgend	49.0	14.8	15.2	13.7	20.9	28.1	20.5
Vale of Glamorgan	48.1	13.9	15.1	11.6	22.6	15.4	17.8
Cardiff	51.6	**20.0**	18.0	15.8	23.6	10.6	11.9
Merthyr Tydfill	54.4	15.5	13.6	**23.3**	17.5	18.4	23.3
Rhondda Cynon Taf	50.8	16.9	11.4	16.0	24.9	27.6	19.9
Caerphilly	44.4	14.7	12.4	13.5	20.1	**26.6**	17.4
Blaenau Gwent	**34.9**	16.9	12.0	13.3	21.7	25.3	24.1
Torfaen	52.3	16.8	**20.6**	14.2	24.5	20.6	20.0
Monmouthshire	45.9	12.6	11.5	15.1	21.2	15.7	21.2
Newport	55.1	18.4	17.1	17.1	18.4	15.5	16.3
Wales	**50.1**	**13.5**	**13.7**	**15.6**	**23.3**	**16.1**	**18.5**

Because Charity Commission data are quite generalised in terms of purpose, Third Sector Trends devised an approach to examine perceptions of social impact on a wide range of issues. It should be noted that there is a great deal of overlap in responses and they tend to be clustered around broad themes such as health, financial insecurity, personal wellbeing and community wellbeing.

These data have been presented in rank order to show in broad terms how the voluntary sector in Wales focuses its activity. Most energy seems to have been invested in 'generalised' purpose such as tackling social isolation and improving health and wellbeing. Interestingly, focus on areas of critical social need such as poverty, access to services and employability show that the sector feels that it has a relatively low level of impact.

In comparative terms, voluntary organisations in Wales tend to feel that their impact is higher than on average in England and Wales (the exception is improving employability where Wales scores are comparably quite low). There are many exceptions when comparing Wales with individual English regions.

Figure 6.1 **Perceptions of impact in Wales**
(Sourrce: Third Sector Trends, 2022, ranked by sum of 'very strong' and 'good contribution' percentages, N=403)

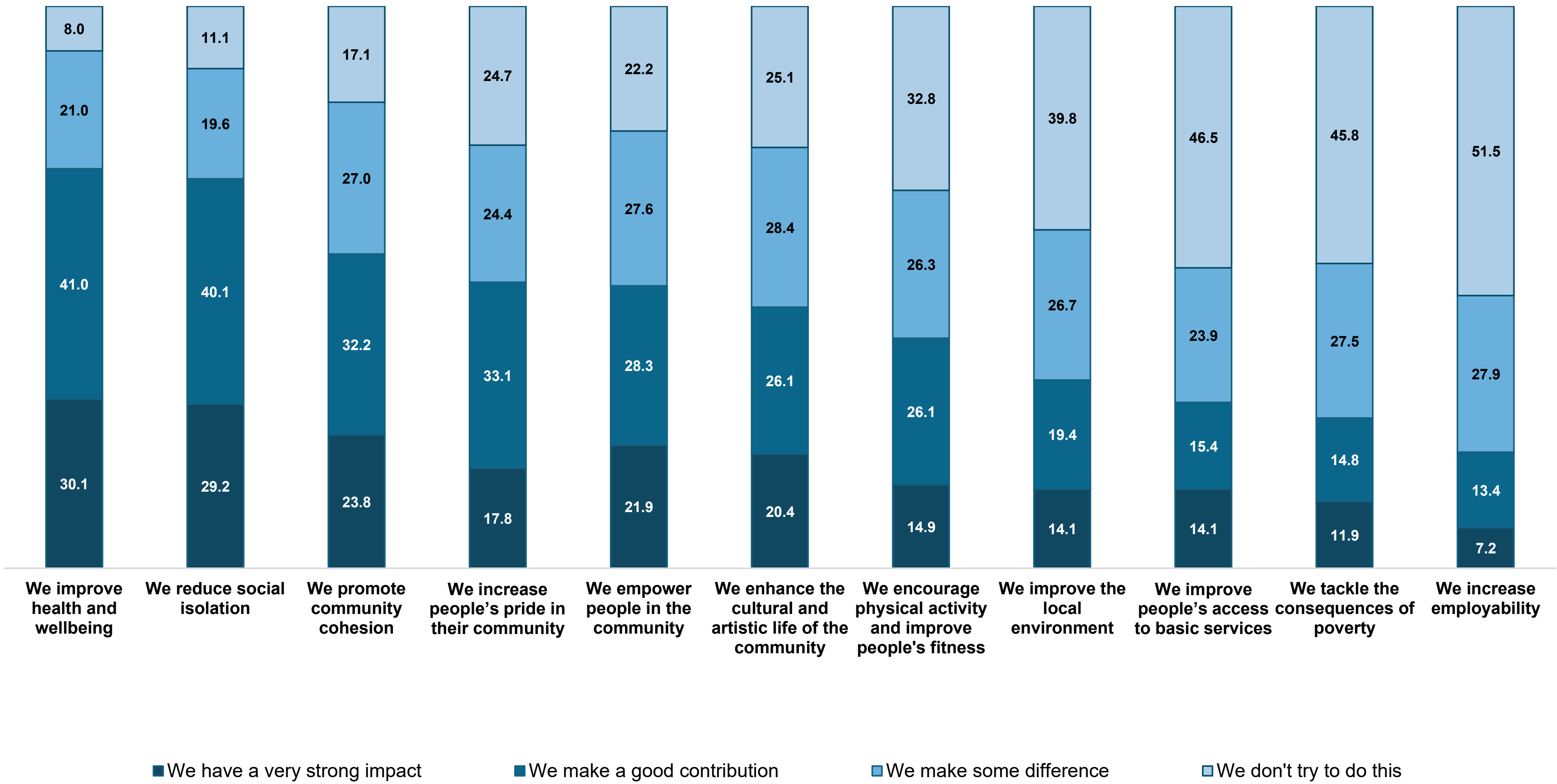


Table 6.3 **Perceptions of social and community impact compared with English Regions** (Third Sector Trends, 2022)

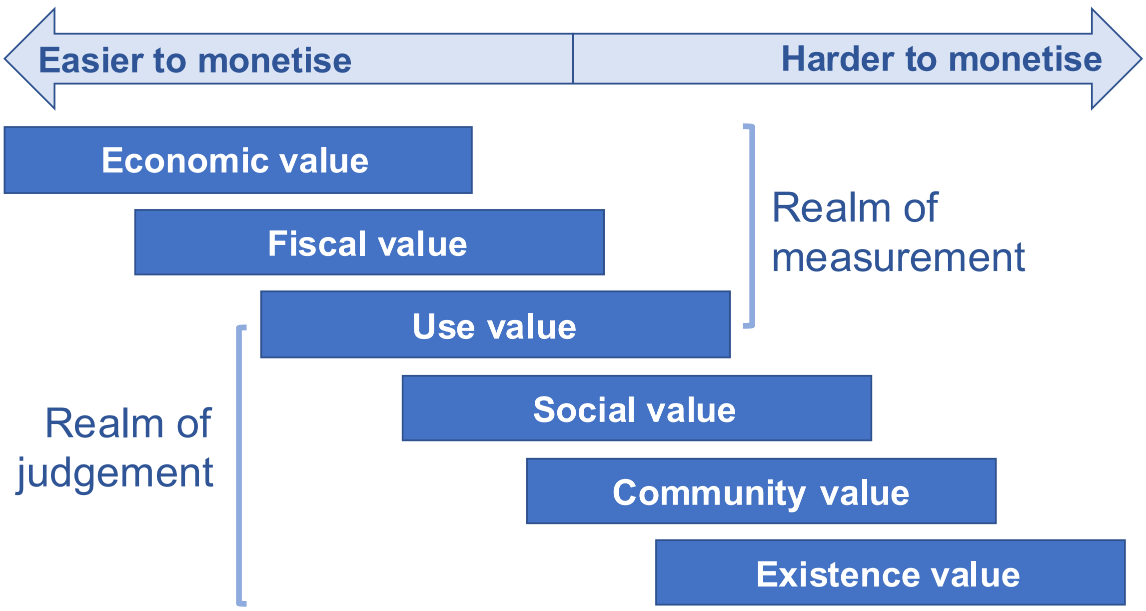
Percentage of voluntary organisations which 'strongly agree'	**Wales**	**North East England**	**North West England**	**Yorkshire & Humber**	**East Midlands of England**	**West Midlands of England**	**East of England**	**London**	**South East England**	**South West England**	**England and Wales** (rank order)
We improve health and wellbeing	**30.1**	32.5	33.7	30.1	23.9	28.7	19.4	29.0	19.9	24.3	**27.1**
We reduce social isolation	**29.2**	32.1	32.1	30.0	25.1	26.0	17.3	24.4	19.5	20.5	**25.5**
We give people confidence to manage their lives	**24.8**	29.9	30.1	30.4	24.6	27.9	16.0	29.0	18.4	18.7	**24.8**
We empower people in the community	**21.9**	27.0	25.0	25.8	17.8	22.5	9.9	23.3	16.2	14.6	**20.4**
We promote community cohesion	**23.8**	23.4	22.5	22.4	18.5	19.8	12.2	21.6	15.9	18.0	**19.7**
We enhance the cultural and artistic life of the community	**20.4**	17.9	16.3	15.8	15.6	11.7	14.6	20.2	19.3	16.0	**16.8**
We increase people's pride in their community	**17.8**	19.3	19.3	19.5	14.0	14.5	12.0	18.3	12.0	12.5	**15.9**
We encourage physical activity and improve people's fitness	**14.9**	15.9	15.1	16.8	12.7	12.0	10.3	17.1	11.6	11.6	**13.8**
We improve people's access to basic services	**14.1**	16.0	17.1	16.9	13.2	15.3	7.8	14.4	8.3	9.3	**13.1**
We tackle the consequences of poverty	**11.9**	14.4	14.2	10.8	10.9	11.5	7.0	16.1	9.3	10.2	**11.6**
We improve the local environment	**14.1**	8.9	12.8	10.6	7.5	10.7	6.8	9.2	9.2	9.8	**10.0**
We increase employability	**7.2**	10.7	11.8	9.2	6.0	8.5	3.2	11.6	6.7	5.4	**8.1**

6.2 Sector value in Wales

In a recent study undertaken by Third Sector Trends in Yorkshire and Humber, a new methodology was developed to assess the energy which the voluntary sector has at its disposal to achieve social, environmental of economic benefit.[30] The approach involves the use of data on sector expenditure, the proxy financial value produced by regular volunteers, the value of in-kind support provided to the voluntary sector and the income produced from trading free goods in charity shops. These data are calculated at local authority level and then aggregated to estimate the financial value of the energy the voluntary sector has at its disposal in sub-regions.[31]

With good estimates of sector energy, it is possible to produce financial values for both 'tangible' and 'intangible' aspects of social, environmental and economic benefit (see Figure 6.2 together with brief definitions of categories of value in Box 5.1).

Figure 6.2 **Realms of measurement and informed judgement**



[30] The methodology is complex and cannot be summarised here. For a full explanation, see: Chapman, T. (2021) *The structure, dynamics and impact of the voluntary, community and social enterprise sector: a study of West Yorkshire Combined Authority, West Yorkshire & Harrogate Health and Care Partnership and Humber Coast and Vale Health and Care Partnership areas*, Durham: Policy&Practice.
https://www.researchgate.net/publication/354544242_The_structure_dynamics_and_impact_of_the_voluntary_community_and_social_enterprise_sector_a_study_of_West_Yorkshire_Combined_Authority_West_Yorkshire_Harrogate_Health_and_Care_Partnership_and_Humber_C

[31] The approach taken to analysis was adjusted in 2022 to take account of national variations in sector structure and energy and a more comprehensive national study of registered organisations. In the previous study, for example, the number of non-Charity Commission Companies Limited by Guarantees were estimated – while in 2022 they were collated from Companies House data. The number of unregistered faith organisation due to Charity Commission exemptions still had to be estimated on the basis of 2022 survey evidence. This means that previous findings cannot be compared directly with the present study in Yorkshire and Humber. The revised methodology used for the national study was devised to ensure that national comparisons were equitable. The revised register counts rely on estimates as described above, but are considered to be more reliable than the 2021 estimates.

Box 5.1 **Defining tangible and intangible value**[32]

Tangible values

Economic value: not all voluntary sector expenditure will remain in the local economy, for example, a proportion of organisational spending and employee wages will be assigned to mortgage payments or purchases of services and products from outside of the area. Some multiplier effect calculations use several rounds of impact assessment, where it is assumed that when money is spent in one company, that company will in turn spend this money again, and so on. That is avoided in this study because it cannot be known what proportion of that money is retained by voluntary sector organisations (and it is not appropriate for the sector to take credit for multiplier effects produced by other sectors). On balance, it is estimated that about 55%-75% of sector expenditure will be retained and recirculated in the area.

Fiscal value: it is not possible to gain a clear picture on the fiscal value of the contribution of the voluntary sector at present as there are no generalised datasets available from public sector bodies on cost savings at national or local level. There have been useful studies on fiscal benefits in, for example, reduction in usage of police, health and social services resource because of the activities of local voluntary organisations. Defining, in precise terms, the origin of such benefit is difficult because the value of sector activity accumulates from the actions of many types of voluntary organisations which are involved in a wide array of activities that directly or indirectly benefit public sector bodies. For example, in the field of health care, contributions have been identified from voluntary organisations which engage in sporting, recreational, artistic and cultural activities. On balance, it is estimated that at least an additional 45-65% of the value of voluntary sector energy can be set against direct fiscal savings to the state through the processes of prevention, replacement, additionality or deflection from public service use.

Use value**:** multiplier effects of use values cannot easily be calculated on a case-by-case basis, let alone at sector level. But this does not mean that such value does not exist. For example, the recipients of voluntary organisations' support to tackle financial insecurity can bring immediate benefit (such as access to loans from credit unions, groceries from food banks; mentoring, employability support and borrowing clothes to attend job interviews; support to recover from illness or personal setbacks which facilitate a return to employment, and so on). While the immediate use value of voluntary sector services can be considerable, it would be unrealistic to argue that the full cost of producing use values can be translated into economic multipliers. It is known, for example, that employability support programmes have mixed levels of success for a multitude of reasons. Similarly, support to tackle issues such as drug or alcohol use *can* help produce attitudinal and behavioural change - but not always – and especially so when beneficiaries face a range of other insidious or unpredictable pressures. On balance, it is estimated that use values translate into an additional 25-45% of sector energy value into economic value.

Intangible values

The old saying, that someone 'knows the price of everything but the value of nothing' is pertinent in the context of this discussion. It is not possible to put a price on everything. But just because the value of some things is intangible does not mean that this form of value should be discounted from the analysis. There is a wealth of good qualitative research evidence available to demonstrate how intangible aspects of benefit are highly valued. One example is provided from a series of case studies undertaken by the author as part of a separate study in Wales.[33] The case study centred on a volunteer-led and run library in an isolated former industrial village. The library had come under community ownership due to an asset transfer from the local authority.

[32] A much longer discussion of the definition of tangible and intangible values can be found in the original analytical report for Humber, Coast and Vale and West Yorkshire in 2022 and can be located here: https://www.stchads.ac.uk/research/research-news/the-difference-the-third-sector-makes/

[33] Chapman, T. (2019) *The social process of supporting small charities: an evaluation of the Lloyds Bank Foundation Grow pilot programme*, London: Lloyds Bank Foundation: https://www.lloydsbankfoundation.org.uk/we-influence/our-research/developing-the-sector

When attempting to determine the economic value of the library a series of measures were contemplated such as the financial costs associated with each book loan. The results were not promising because on an annual basis few loans were made, meaning that the pro-rata cost when set against the expense of running the library was high. A second attempt at valuing the library on an economic basis considered the income brought in from the small kitchen/café and from renting space for small community clubs and societies. Again, the cost benefit appraisal did not produce promising results because, by strict economic measures, the library was 'losing' money.

Even from a volunteer point of view, the library produced mixed results in impact terms. Trustees, who were also active volunteers at the library, found that their responsibilities (of running the library, applying for grants, liaising with the local council library service, etc.) were onerous and there was limited scope to escape from these responsibilities as succession plans to relieve trusties of their responsibilities had come to nothing.

And yet, the library produced a great deal of intangible value for local individuals and the community in general. Substantive ***social value*** arose, for example, from its use by a group of secondary school children who, after getting off the school bus each evening, used the kitchen and library as a place to socialise and do their homework before parents arrived to pick them up later in the afternoon. The children benefitted because they had a place to go with friends, their parents were happy that they were safe and under quiet supervision, and neighbours and older relatives were relieved of the pressure of looking out for them.

From a ***community value*** perspective, the library was quite literally 'the only place in town' for people to arrange to congregate in clubs and societies, or to drop in to read, drink coffee or have a chat. The kitchen/café was free to use because it was uneconomic to run as a social enterprise – though there were items that people could buy if they chose such as biscuits, sweets or crisps. It was also a place where people could volunteer and keep themselves busy, socially connected and intellectually stimulated.

Arguably, the library's ***existence value*** was as important as its more direct social and community value. Most people in the former industrial village did not use it, many probably never would, but they knew it was there and could value the fact that help may be at hand if ever they or their families or neighbours needed to use its services. At the most fundamental level, it was a visible symbol that the village was associated with civil society rather than just being a collection of private households. This case study provides just one example of how intangible forms of value make a difference. In the study from which the example was drawn, there were 14 detailed case studies in spatially isolated and economically challenged communities: each made its contribution in entirely different ways.

Finding a way of *accounting* for the social value that the voluntary sector produces may not be easy to do, but there are some basic principles adopted in this study which can help make informed judgements on sector strengths.

- ***Value produced by voluntary organisations is shared***: only very rarely, if ever, could an organisation claim to produce *all* the value that is required by its beneficiaries. Other organisations or groups also play a part as do people in private life (family, friends and neighbours), the private sector (local businesses) and public sector (health, education, police, fire and rescue and the local authority, etc.). While this might constitute some duplication or overlap at times, this is not necessarily a problem as social and personal needs require support of a multifaceted and continuous kind.
- ***Value produced by voluntary organisations can accumulate:*** because the responsibility for the production is shared, it is likely to accumulate. But it does so in unpredictable ways, depending on the circumstances facing beneficiaries. For example, support from one voluntary organisation may not produce benefit immediately, but can be realised later – perhaps in tandem with other forms of support or encouragement.
- ***Value is not a constant:*** it should be expected that the value the sector produces cannot always be 'targeted' or 'fully utilised', just as is the case with

education or health systems. People make their own choices on what they want to take or leave from the advice or support they may receive. Or other factors beyond their control may increase or limit the extent to which value can be utilised. This makes it hard to determine the value of service or support given - relative to the energy invested.

- ***Value does not last forever:*** some of the value of the work undertaken by voluntary organisations will disperse and dissipate over time – other aspects will accumulate value. These processes occur as other interventions are established to tackle issues in new ways which often come about in response to social change and shifting social priorities. The work of the voluntary sector is rarely finished – so activity must continually be renewed.

If the technical task of valuing the work of voluntary sector is too daunting (because there are too many factors to take account of and too many unknowns), it is better to make simple and easily evidenced judgements that ring true.

Table 6.4 presents preliminary updated estimates of financial values for sector energy expended in Wales. This includes sector expenditure, proxy replacement values for volunteers, in-kind support and self-generated sources of income from sale of free goods (as in, for example, charity shops - all other trading is tied into expenditure calculations). Estimates from 2022 (revised using the Bank of England Inflation Calculator) are presented in parentheses.

The estimates are preliminary because they are based on 2022 survey data to prepare multipliers of employee and volunteer numbers. There is a possibility that employees and volunteer numbers may have fallen by October 2025 when results are collated which would reduce value levels. The reason why value levels here are higher than in the 2022 report is due to inflation and changed levels of costs/value due to increased National Insurance and National Minimum Wage levels.

Current estimates of whole sector economic value, tangible added value (economic, fiscal and use values) together with intangible value are shown in Table 6.5.

Table 6.4 **Estimates of sector energy in Wales 2025 and 2022**

	Voluntary sector financial expenditure - (£millions)	**Proxy-replacement value of volunteer time in each area** (£millions)	**Proxy value of additional in-kind support in each area** (£millions)	**Proxy value of additional sources of self-generated income from free goods in each area** (£millions)[34]	**Total financial value of sector energy expended by the voluntary sector in each area** (£millions)
2025 (preliminary estimate)	**£1,666**	**£250**	**£131**	**£17**	**£2,064**
2022 (published estimate)	**£1,527**	**£205**	**£120**	**£17**	**£1,869**
2022 (revised to account for inflation)	***£1,696***	***£227***	***£133***	***£19***	***£2,074***

[34] The approach to calculating the proxy value of in-kind support was substantially reviewed in the 2022 study and values are considerably higher than in the 2021 Yorkshire and Humber study. See Third Sector Trends in England and Wales: sector structure, purpose, energy and impact: https://www.communityfoundation.org.uk/wp-content/uploads/2022/11/Third-Sector-Trends-in-England-and-Wales-2022-structure-purpose-energy-and-impact-November-2022.pdf

Table 6.5 **Estimated 'tangible' and 'intangible' added value produced by the voluntary sector in Wales[35]**		
Type of value	**£millions 2025**	**£millions 2022** *(2022*)*
Total financial value of sector energy expended by the voluntary sector	**£2,064**	**£1,868** (£2,074)
Economic tangible added value (65% of energy)	*£1,342*	*£1,214 (£1,348)*
Fiscal tangible added value (55% of energy)	*£1,135*	*£1,027 (£1,141)*
Tangible use value (35% of energy)	*£722*	*£654 (£726)*
Total contribution of tangible value	**£3,199**	**£2,895** (£3,215)
Estimated social, community and existence intangible added value	**£2,064**	**£1,868** (£2,074)
Total value of sector	**£7,327**	**£6,631** (£7,363)

*updated real term value (using Bank of England inflation calculator to November 2024)

[35] Multipliers are used for added value calculations as follows: economic value=65%, fiscal value=55% and tangible use value=35%.

7. Relationships and influencing

The voluntary sector is lauded in policy circles for its willingness and ability to work effectively in partnership. Partnership is a 'warm' word - evoking notions of shared values, interests, power and objectives.[36] Few partnerships in any aspect of social life match up to these expectations. The reality is that organisations bring aspects of power and influence to the table when they establish or join partnerships – this demands that compromises are struck.

Voluntary organisations tend to be involved in a range of partnerships at any one time - but the nature of these working arrangements will vary. One organisation may find itself in some partnerships where they are dominant over others; while in others, they may play only a small part and be happy to accept a subordinate role. While inequalities are built into most partnership arrangements, voluntary organisations often feel uncomfortable about this – even if they signed up to them knowing that resources and power may not be shared equally.

The word 'partnership' is used in so many contexts that its usefulness can be undermined. Consequently, distinctions have been drawn between four types of partnership relationships (see Box 7.1).

7.1 Relationships within the voluntary sector

In the analysis that follows, survey data are used which refer to three types of non-contractual partnership working (see Box 7.1).

As Figure 7.1 shows, there are strong relationships within the voluntary sector in Wales. As may be expected, the evidence suggests that relationships are stronger amongst larger organisations due to their scale, interest and capacity to engage in collaborative working. That stated, there is good evidence of strong working relationships irrespective of organisational size.

- ***Useful informal relationships with other voluntary organisations and groups***: almost two thirds (63%) of informal small organisations work this way and this percentage rises to nearly 90% of more formal medium to larger sized organisations.
- ***Work closely but informally with other voluntary organisations and groups***: over half of smaller less formal organisations work this way (55%), rising to 78% of medium to larger sized organisations.
- ***Often work in formal partnership arrangements with other voluntary organisations and groups***: fewer voluntary organisations engage in formal partnership arrangements. Only 19% of the smallest and 31% of medium sized organisations do so. However, a majority (54%) of bigger organisations work in this way.

[36] This introductory section is an abridged version of Third Sector Trends Relationships, Section 2, pp. 12-14.

Box 7.1 Definitions of relationship types

Contractual relationships: where public sector bodies purchase services from voluntary sector providers. Such relationships are often described in partnership terms, but they are unequal as the buyer defines the purpose and scope of the work to be done and builds in clauses for recourse if the supplier fails to deliver. Contractors often encourage or demand that services are delivered in partnership by consortia of voluntary organisations – led by a 'prime contractor'. Such arrangements can work well if they are sufficiently well resourced, participation is voluntaristic and power relationships are well balanced. But these criteria are not always met which can inject problems into consortia or partnership delivery arrangements from the start.

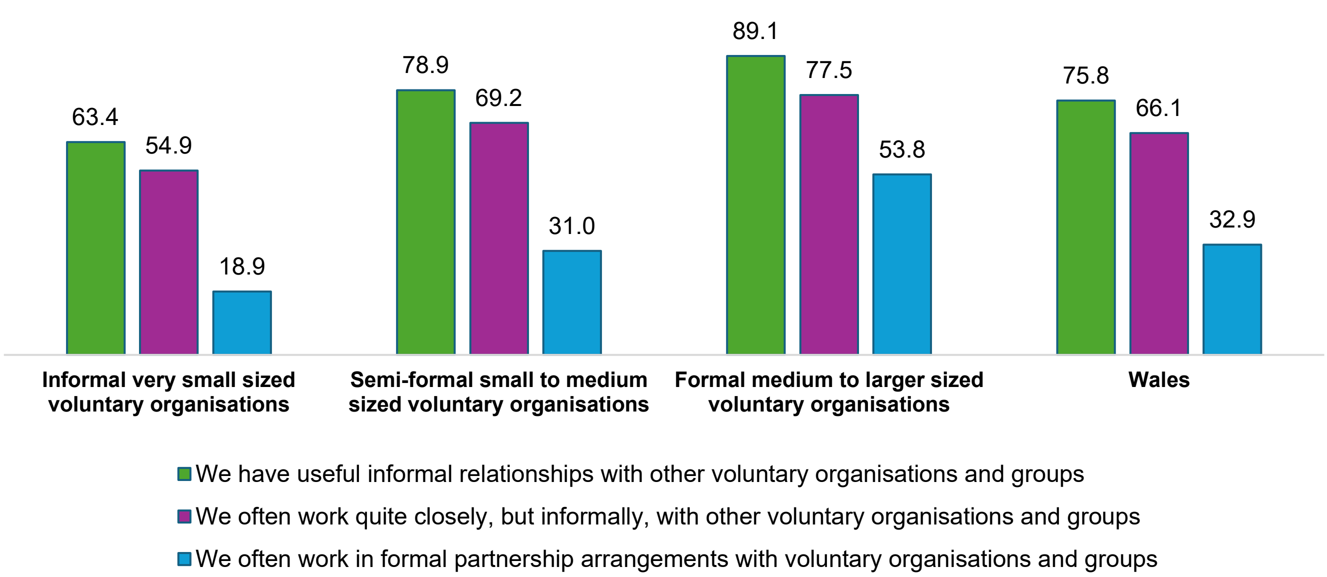
Formal partnership relationships: where agencies from the same or different sectors work together in a formally constituted relationship to deliver specific outcomes usually on a time-limited basis. In such partnerships there may be a permanent lead organisation or rotation of lead partners which manage communications, hold and distribute budgets to other organisations or agencies and/or act as the accountable body to funders. Holding the purse strings can be a powerful tool in shaping the way partnership arrangements manifest themselves. In some formal partnerships, budgets and resources are not shared, but formal protocols are established on working relationships which must be adhered to.

Complementary relationships: where agencies and organisations from the same or different sectors work towards similar objectives but without formally binding or contractual ties. A range of partners may bring money to the table, but rarely, and for good reason, will they agree to 'pool' such resources. The terms of reference of the partnership may be defined in more or less formal ways. Such relationships are less likely to be time limited and can allow for participating organisations to step in or step out during the life of the partnership.

Autonomous working: where organisations or agencies work towards beneficial social or economic outcomes individually or collectively – and can often share common values or objectives. These can further be divided into two categories:

> ***Good neighbours***: where organisations are empathetic towards and respectful of the contribution of other organisations and agencies and do not purposefully duplicate or undermine the efforts of others. Generosity of spirit is required – but within limits since reciprocity is expected.
>
> ***Poor neighbours***: where organisations conflict and/or compete, intentionally or otherwise and undermine the achievement of others' shared objectives or even objectives these difficult neighbours claim to support. Poor neighbours can be empathetic too – which is a dangerous tool in the wrong hands.

Figure 7.1 **Relationships within the voluntary sector in Wales**
(Third Sector Trends, 2022 n=423)



In comparative terms, the evidence suggests that informal and semi-formal relationships in Wales are better developed than in many English regions (Table 7.1) In Wales 76% of voluntary organisations engage in useful informal relationships within the sector compared with just 64% in East Midlands of England. Similarly, there are stronger semi-formal relationships in Wales than in the midlands and south of England. That stated, the evidence indicates that informal and semi-formal relationships tend to be stronger in the industrial north of England where there are concentrations of deep deprivation in many areas.

A third of voluntary organisations in Wales engage in formal partnership working within the sector, which is below the England and Wales average. Formal partnership working tends to be more prevalent in the industrial north of England and London than in Wales.

Table 7.1 **Comparative analysis on partnership working within the voluntary sector** (Source: Third Sector Trends, 2022, percentage agreeing with each statement)

	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=**
Wales	**75.9**	**66.4**	**33.1**	**436**
North East England	77.7	69.5	40.7	606
North West England	77.7	70.8	42.5	728
Yorkshire & Humber	83.7	75.7	42.0	643
East Midlands	71.2	61.0	30.9	399
West Midlands	71.5	63.7	32.4	508
East of England	64.3	58.3	26.4	566
London	71.8	62.7	41.4	528
South East England	67.9	57.7	26.2	806
South West England	71.4	61.9	28.8	779
England and Wales	73.3	64.8	34.4	5,999

From the 2022 survey in Wales there are insufficient numbers of respondents to disaggregate data by area types with confidence. However, basic analysis as presented in Table 7.2 suggest that the picture in Wales is by no means clear cut. While there is more informal working in major urban areas (80%) than in town and country areas (75%), this finding is not repeated for organisations working closely but informally (64% and 67% respectively). And in the case of formal partnership working there is no discernible difference between major urban and town & country areas.

These findings reinforce the point that to understand how the voluntary sector works in Wales in different environments, it is essential that the size of the survey sample is built considerably when the survey is repeated in 2025 to facilitate in depth analysis of this kind.

Table 7.2 Extent of collaborative and partnership working in urban and town & country areas of Wales (Third Sector Trends, 2022, row percentages)

	Yes, this is how we work now	Not at the moment, but we'd like to work this way	No, this doesn't apply to us	N=
We have useful informal relationships with other voluntary organisations and groups				
Major urban areas	80.2	7.3	12.5	96
Town & country areas	74.6	10.0	15.3	339
We often work quite closely, but informally, with other voluntary organisations and groups				
Major urban areas	63.9	16.5	19.6	97
Town & country areas	67.0	11.6	21.4	336
We often work in formal partnership arrangements with voluntary organisations and groups				
Major urban areas	34.4	21.9	43.8	96
Town & country areas	32.8	17.2	50.0	332

Even with the above methodological reservations about sample size taken into account, it is worth taking the analysis one step forward to see if area deprivation is a key factor in shaping patterns of sector working relationships. As Table 7.3 indicates, this does seem to be the case. Even with quite small numbers of respondents, the patterns are clear – collaborative working and partnership working is stronger in less affluent areas.

- In the least affluent areas, 82% of voluntary organisations have useful informal relationships compared with 71% in the most affluent areas.
- Voluntary organisations in poorer areas are much more likely to work closely but informally (74%) than in richer areas (59%).
- Formal partnership working is much more prevalent in areas of deep social deprivation (47%) than in the least deprived areas (21%).

Table 7.3 The relationship between area affluence and partnership working in Wales (Third Sector Trends, 2022, row percentages)

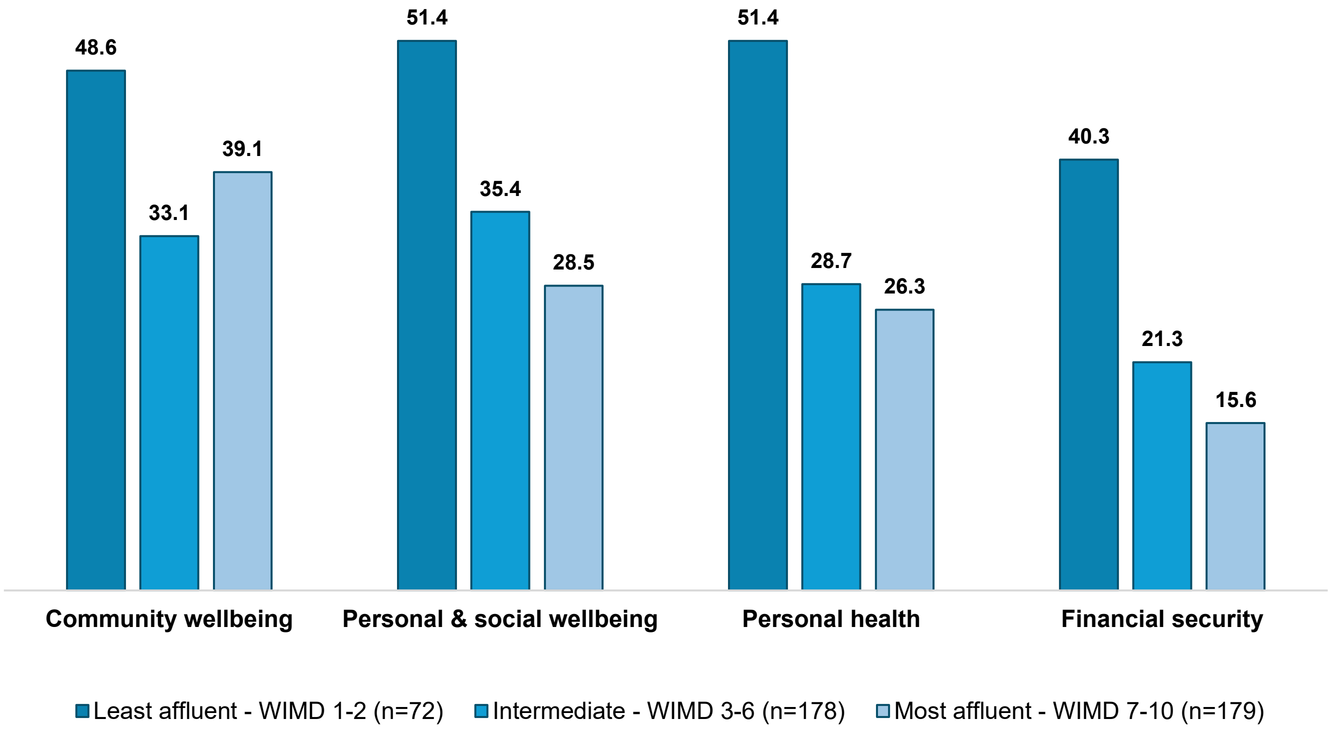
	Yes, this is how we work now	Not at the moment, but we'd like to work this way	No, this doesn't apply to us	N=
We have useful informal relationships with other voluntary organisations and groups				
Least affluent - WIMD 1-2	81.9	13.9	4.2	72
Intermediate - WIMD 3-6	78.6	9.2	12.1	173
Most affluent - WIMD 7-10	70.6	8.5	20.9	177
We often work quite closely, but informally, with other voluntary organisations and groups				
Least affluent - WIMD 1-2	74.3	10.0	15.7	70
Intermediate - WIMD 3-6	73.1	12.3	14.6	171
Most affluent - WIMD 7-10	58.7	13.4	27.9	179
We often work in formal partnership arrangements with voluntary organisations and groups				
Least affluent - WIMD 1-2	47.1	18.6	34.3	70
Intermediate - WIMD 3-6	40.4	21.1	38.6	171
Most affluent - WIMD 7-10	20.7	16.1	63.2	174

The reasons for these variations in complementary and collaborative working are likely to be complex. They may, for example, partly be related to the way that the local sector is funded to tackle social problems in poorer areas – where collaboration is encouraged – or when voluntary organisations collectively seek to influence the way local funding is garnered.

What is clear, however, is that in areas with higher levels of social deprivation – the focus of the voluntary sector differs substantially from more affluent areas in Wales. As Figure 7.2 shows, the percentages of voluntary organisations which say that they have strong social impact on key factors are much higher in the most deprived areas.

These differences are especially pronounced when the objective is to tackle financial insecurity (i.e. to alleviate the consequences poverty). In the most deprived areas, 40% of voluntary organisations say they make a strong impact compared with just 15% in the most affluent areas. Findings are similar, though less pronounced in relation to having an impact on 'personal and social wellbeing' and 'personal health'. Only in the case of 'community wellbeing' are the responses more balanced between areas.

Figure 7.2 **Areas of social impact focus by area affluence in Wales** (Third Sector Trends, 2022, percentage voluntary organisations stating strong impact)



7.2 Relationships with the private sector

Previous research on the relationship between business and civil society has tended to be concerned with the 'corporate social responsibility' (CSR) activities of big business. This spotlight on CSR is explicable because it often involves generously funded programmes which capture media, research and political attention. [37]

CSR by big business certainly packs a punch financially. As the Directory of Social Change's *Guide to UK Company Giving 2021* shows, the ten largest corporate contributors dispensed £295 million – 61% of the £483 million given by 235 businesses.[38] Private sector businesses support for the voluntary sector can be provided in many ways ranging from financial to pro-bono activity (see Box 7.2).

As Figure 7.3 shows, in Wales, about a third (31%) of voluntary organisations receive some money from business to help them work and over a quarter (27%) have free access to facilities or goods and services. Fewer organisations are provided with employee supported volunteers to help them work (16%) than those which receive pro bono support from people in business (20%).

Box 7.2 **Types of support offered by businesses to the voluntary sector**

Financial support: money given to voluntary organisations 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

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).

Employee supported volunteers: where companies allocate paid time for their employees to undertake tasks for voluntary organisations 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.

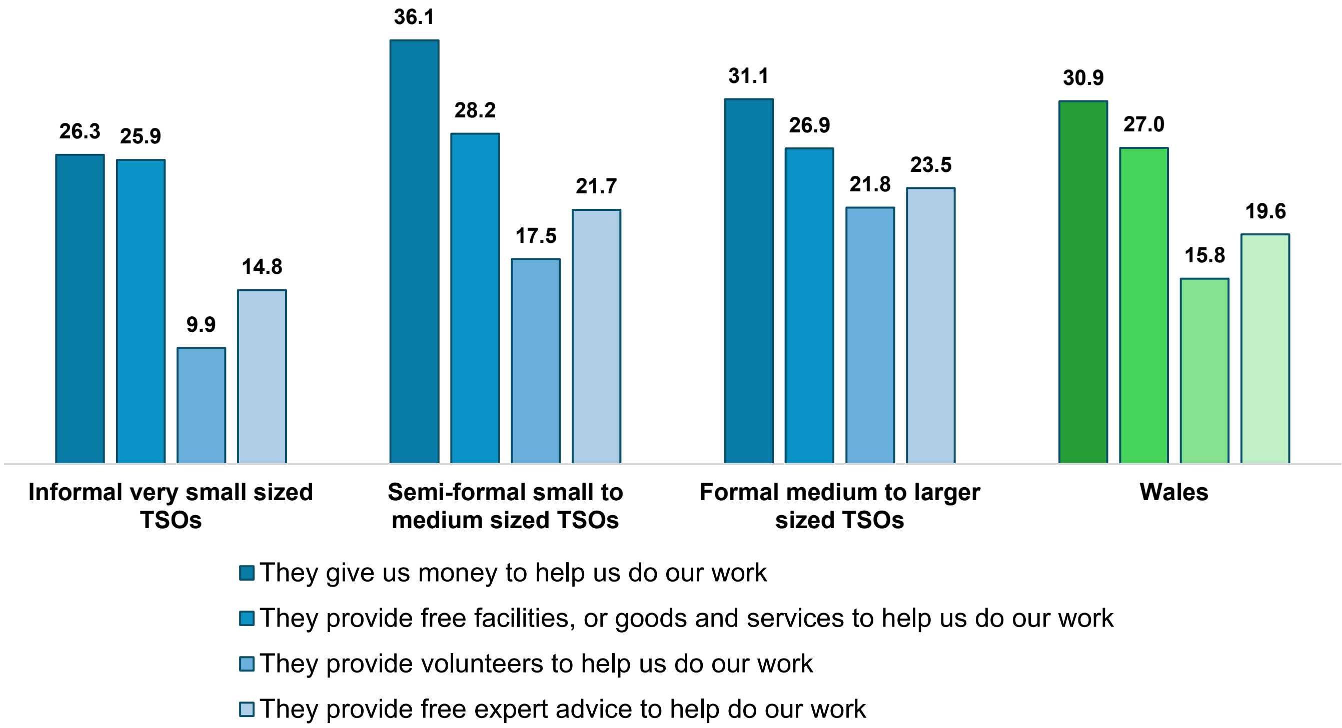
Pro bono expert advice: where business owners, partners or qualified employees provide unpaid professional or technical support to voluntary organisations with, for example, book-keeping and accountancy, architectural and design services, mentoring, business and management consultancy, public relations and media support, amongst other things

There are variations in the extent to which support is offered according to organisational size – but given the small sample, these can only be regarded as indicative rather than conclusive. The indications are that medium sized organisations benefit most from financial support (36%) while bigger organisations benefit most from employee volunteers and pro bono support (22% and 24% respectively).

[37] For a detailed report from Third Sector Trends on voluntary sector relationships with business, see Chapman, T. (2021) *Going the extra mile: how businesses support the third sector in England and Wales*, London: Pro Bono Economics. https://www.researchgate.net/publication/353379534_Going_the_extra_mile_how_businesses_support_the_third_sector_in_England_and_Wales

[38] Pembridge, I, et al. (2021) *The guide to UK company giving* (13th edition), London: Directory of Social Change.

Figure 7.3 **Voluntary organisations' relationships with business in Wales**
(Percentage of voluntary organisations which agree with each statement, source: Third Sector Trends, 2022, n=423)



There are clear indications that support from business in Wales is a less strong than England and Wales averages (Table 7.4). The regions which get the most support tend to be focused in the North of England, West Midlands and London. That stated, business support is fairly evenly distributed across all other areas.

Table 7.4 **Relationships with business in Wales and English Regions** (Percent of voluntary organisations agreeing with the statement, Source: Third Sector Trends, 2022)

	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=
Wales	**31.3**	**27.3**	**16.3**	**19.8**	**435**
North East England	34.1	33.6	20.6	27.4	604
North West England	40.3	33.2	21.8	24.7	725
Yorkshire & Humber	37.7	31.3	17.4	24.5	636
East Midlands	33.1	29.0	16.8	21.7	396
West Midlands	36.1	31.0	19.2	20.9	504
East of England	27.4	24.7	14.0	17.4	562
London	34.5	26.8	20.9	24.7	528
South East England	30.6	23.7	13.6	16.2	807
South West England	29.8	25.8	12.8	18.2	772
England and Wales	**33.5**	**28.5**	**17.2**	**21.4**	**5,969**

7.3 Public sector relationships

Years of UK Government austerity policies have decimated many local authority budgets. Similarly, pressure on NHS budgets in the face of an ageing population, diminished public health, rising costs and unmet patient demand has been relentless. In these circumstances, it might be expected that relationships with the voluntary sector would have suffered. [39] But that is not the case. Since 2014, the majority of voluntary sector organisations (which have a relationship with the local public sector) have felt that their work is valued.[40]

Data for Wales are currently too limited to do any in-depth analysis, but as is the case in England, there seem to be strong relationships between the voluntary sector and public authorities: 88% of voluntary organisations feel that their work is valued by public authorities and 71% feel informed on issues of interest to them (see Table 7.5).

These percentages decline to some extent when considering factors such as their involvement in policy design and implementation (53%) and acting on opinions or responses to consultations (49%).

Organisations in Wales felt slightly less likely to report that local public bodies had come to them for assistance during the pandemic (56%) than in some regions of England – but these differences are not pronounced.

The level of engagement with the public sector in Wales is affected by organisational size (Table 7.6). Over a fifth of the smallest voluntary organisations (22%) have no relationship with public authorities compared with just 6% of the largest. Amongst those voluntary organisations that do interact with public bodies, most feel valued irrespective of size (ranging from 85-90%).

Smaller organisations are less likely to feel informed on issues that concern them (65%) than their larger counterparts (77%). Similarly, smaller organisations feel less likely to be involved in policy processes (46%) when compared with the biggest 61%). When asked whether local public bodies 'acted upon' their opinions and advice, larger voluntary organisations were the most likely to feel listened to (57%) while small organisations were the least (39%).

During the pandemic, larger organisations were most likely to be called up on to help local authorities and health authorities out (71%).

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[39] Given the generalised orientation of Third Sector Trends surveys, it is often left to the good sense of respondents to interpret broadly-based questions. 'Public sector organisations' is intended to embrace, primarily, local authorities and health authorities – but also include other organisations which have close relationships with the voluntary sector such as police, fire, probation, educational, employment and social services that operate at the local level. Crucially, respondents are given the opportunity to state that they have no such relationships so as to isolate those voluntary organisations which can have a viewpoint on public sector relationships. For a more detailed discussion see Third Sector Trends Relationships Section 4, pp. 33-39.

[40] See: Third Sector Trends in England and Wales 2022: relationships, influencing and collaboration, Section 5, https://www.communityfoundation.org.uk/wp-content/uploads/2023/02/Third-Sector-Trends-in-England-and-Wales-2022-relationships-influencing-and-collaboration.pdf

Table 7.5 **Engagement with public authorities in Wales and English Regions** (Third Sector Trends, 2022, n=6,016)

	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	They came to us for our assistance during the pandemic	Percent stating not relevant to them
Wales	**87.8**	**71.3**	**52.9**	**48.7**	**56.2**	**15.5**
North East England	90.2	73	50.4	50.7	56.6	13.3
North West England	91.6	75.2	54.7	55.9	61.8	14.6
Yorkshire & Humber	90.8	76.1	52.2	52.2	61	12.7
East Midlands	87.5	67.6	46.4	48.5	48.3	16.2
West Midlands	84.7	67.9	44.3	39.8	54.7	17.5
East of England	91.6	72.4	48.1	45.9	48.3	**21.5**
London	89.3	72.8	55.1	53.7	54.3	**28.5**
South East England	93.1	70.6	46.6	46.1	47.1	**25.4**
South West England	90.8	73.8	50.2	52.8	55.8	**20.8**
England and Wales	**90.1**	**72.4**	**50.3**	**49.9**	**55.1**	**18.8**

.Table 7.6 **Extent to which voluntary organisations in Wales engage with public authorities** (Third Sector Trends, 2022)

	Informal very small sized voluntary organisations	Semi-formal small to medium sized voluntary organisations	Formal medium to larger sized voluntary organisations	Wales
They value the work of our organisation	85.0	88.7	90.3	87.9
They inform our organisation on issues which affect us or are of interest to us	65.2	72.2	76.6	71.2
They involve our organisation appropriately in developing and implementing policy on issues which affect us	45.8	50.5	61.0	52.6
They act upon our organisation's opinions and / or responses to consultation	38.5	48.1	57.3	48.3
They came to us for our assistance during the pandemic.	32.0	58.2	70.9	55.8
Percent of voluntary organisation with no public sector relationships)	*(22.1)*	*(16.8)*	*(5.8)*	*15.7*
All voluntary organisations n=	163	149	120	432

7.4 Influencing social and public policy

In UK Government White Papers and major opposition parties' policy statements on social wellbeing, it has long-since been recognised that the local voluntary sector makes a valuable contribution to local social wellbeing.[41] Involvement of the voluntary sector in policy agendas and how to deliver public services effectively is generally considered to be a high priority.

Nevertheless, in England, relationships with government have been fragmentary for many years. In Wales, by contrast, both structures to facilitate and funding to cement relationships with the voluntary sector have been considerably stronger.[42]

To find out more about how organisations try to influence local social and public policy,[43] Third Sector Trends introduced new survey questions to assess levels of participation. Respondents were invited to say whether they 'strongly agree', 'agree', 'disagree' or 'strongly disagree' with each of the following statements about influencing local social and public policy.[44]

Table 7.7 presents data to compare voluntary sector attitudes in Wales with English regions.

- ***We tend to steer well clear of political issues*** – this statement was devised simply to assess whether voluntary organisations were prepared to engage with 'political' issues. The voluntary sector in Wales is slightly less likely to steer clear of political issues (68%) than the England and Wales average. Voluntary organisations in southern and eastern England are the least likely to engage in political work.
- ***We try to go to relevant meetings/events which relate to our kind of work*** – we asked this to find out if voluntary organisations will participate in formal activities (orchestrated by, for example, local authorities, health authorities or

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[41] For a detailed discussion of the current policy context, see Third Sector Trends in England and Wales 2022: relationships, influencing and collaboration, Section 5, pp. 40-62: https://www.communityfoundation.org.uk/wp-content/uploads/2023/02/Third-Sector-Trends-in-England-and-Wales-2022-relationships-influencing-and-collaboration.pdf.

[42] See, for example: Welsh Government (2023) Third Sector scheme: annual report: a summary of how we supported and worked with the third sector. https://www.gov.wales/third-sector-scheme-annual-reports. At local authority level, there is a more consistent approach to the support of the local voluntary sector than is the case in England. See, for example, Auditor General for Wales (2017) Local Authority Funding of Third Sector Services, Cardiff, Wales Audit Office: https://www.audit.wales/sites/default/files/Third-sector-funding-eng_6.pdf. Furthermore, there are recent examples of collaborative work between the voluntary sector and statutory agencies in specific thematic areas of activity such as health: see Bevan Commission (2024) The values and value of the third sector: collaboration with the statutory sector to deliver health and social care in Wales, Cardiff, WCVA. https://wcva.cymru/wp-content/uploads/2024/06/ENG_Value-and-Value-of-the-Third-Sector.pdf?_gl=1*8g75u4*_up*MQ..*_ga*NTYxNTE0MjY2LjE3MTgyNzI0MTU.*_ga_F0PS9P8RG5*MTcxODI3MjQxNS4xLjAuMTcxODI3MjQxNS4wLjAuMA. In England by contrast, there is no central government funding for regional representative bodies nor consistent cross-regional arrangements between the public and voluntary sectors. Support from local authorities is defined on a case by case basis and can range from 'generous, constructive and productive' to the virtually 'non existent'.

[43] The impetus to pursue this aspect of analysis arose from discussion with Millfield House Foundation who commissioned this aspect of the work. The construction of the question was undertaken collaboratively with the foundation's Trust Manager, Cullagh Warnock.

[44] It is recognised that the above statements are 'generalised'. This lack of specificity is necessary in a large-scale study to ensure that all participants can answer the question, whether or not they have a comprehensive understanding of the issues surrounding legal rights, responsibilities and constraints. No option was given to 'sit on the fence' by including a response category such as 'neither agree nor disagree' to ensure that respondents made a clear decision, either way. Similarly, no option was given to state that the question was 'not relevant/applicable to us' on the basis that all organisations should be in a position to take a view on each statement. Completing the question was not 'compulsory'. Indeed, none of the questions on the survey are compulsory – if a question is left unanswered the Online Survey platform is configured to allow people to continue unfettered. Percentage non-response to each statement were as follows: 'steer well clear of political issues' 2.9%, 'go to relevant meetings' 3.8%, 'Campaign to further the interests of our beneficiaries' 4.4%, 'trust local CVS to do this on our behalf' 5.4% and 'we tend to work behind the scenes' 4.9%. All five questions therefore achieved our benchmark standard for in-survey response rate of 95%. No complaints were received about the question (unlike, for example, questions on diversity). For a more detailed discussion of the approach taken to survey design, see: https://www.stchads.ac.uk/wp-content/uploads/2022/11/Third-Sector-Trends-Research-Methods-2022.pdf.

local infrastructure organisations) which address local social and public policy priorities. Organisations in Wales are equally likely as the England and Wales average to do this (71%). In general terms, organisations in the North of England are the most engaged and those in the East and South the least.

- ***We campaign to further the interests of our beneficiaries*** – we asked this to see if voluntary organisations aligned with the principle of ‘campaigning’ to serve the interests of their area or beneficiaries.[45] The percentage of organisations campaigning is highest in London and Northern regions of England. Wales (46%) sits just below the England and Wales average (47%).
- ***We tend to work behind the scenes to influence policy*** – we asked this to find out if organisations communicate with individuals in positions of power or influence informally to advance their organisation’s and/or beneficiaries’ interests.[46] Working behind the scenes to influence policy is an option many voluntary organisations choose to take in London (47%). A similar proportion do so in the North of England and in the English West Midlands. In Wales, lobbying is less common (42%), but more so than in East of England (34%), South East England (36%) and South West England (40%).[47]

Table 7.7 **Approaches taken by voluntary organisations to influence local social and public policy** (percent who ‘agree’ or ‘strongly agree’, Third Sector Trends, 2022)

	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 tend to work behind the scenes to influence policy
Wales	**68.1**	**70.7**	**46.1**	**41.7**
North East England	67.1	78.9	53.2	47.3
North West England	66.4	76.6	54.7	49.0
Yorkshire & Humber	68.4	75.2	52.2	46.5
East Midlands	78.2	68.6	45.7	39.6
West Midlands	71.1	71.8	51.3	47.8
East of England	79.4	61.2	35.7	33.8
London	67.1	71.9	51.7	47.2
South East England	80.4	65.6	39.0	35.7
South West England	75.1	68.3	42.3	40.3
England and Wales	**72.3**	**70.9**	**47.0**	**42.8**

As may be expected, the propensity of organisations to engage in political and influencing activity increases by organisational size in Wales (Table 7.8).

- While 77% of the smallest voluntary organisations eschew political issues, only 54% of larger organisations do so.

[45] In the absence of a specific and widely accepted definition of what constitutes ‘campaigning’ participants were able to interpret the question their own way.

[46] The term ‘lobbying’ was purposefully not used so as not to signal negative or politically loaded connotations.

[47] Interpretation of these data is difficult at this stage of the research because it is not known if some or many respondents feel uncomfortable about stating that they ‘work behind the scenes’ as this may be regarded as/or implicitly felt to be a ‘socially discrediting’ admission. Equally, many or most of these organisations may not attempt to influence behind the scenes because there are no opportunities for this to happen or because they simply do not feel that there is any need for them to do so. This issue cannot be resolved without further in-depth qualitative research which is now being planned.

- Most larger organisations (86%) attend relevant meetings which relate to their kind of work compared with just 58% of the smallest organisations.
- Campaigning is most prevalent amongst larger organisations (61%) and least in the smallest (35%).
- Lobbying behind the scenes to influence policy is the least common approach taken by voluntary organisations: only 32% of smaller organisations do so compared with 56% of the largest.

Table 7.8 **Approaches taken by voluntary organisations to influence local social and public policy** (percent who 'agree' or 'strongly agree', Third Sector Trends, 2022)

	Informal very small sized voluntary organisations	Semi-formal small to medium sized voluntary organisations	Formal medium to larger sized voluntary organisations	Wales
We tend to steer well clear of political issues	76.7	69.4	54.2	68.0
We try to go to relevant meetings/events which relate to our kind of work	58.0	72.9	86.2	70.9
We campaign to further the interests of our beneficiaries	35.4	46.1	60.7	46.2
We tend to work behind the scenes to influence policy	31.6	42.3	55.7	41.9
N=	163	144	118	425

8. Summary, implications and next steps

This section draws together the key findings from this report on the current position of the voluntary sector in Wales. It opens with an appraisal of the national situation of the voluntary sector in Wales in comparative context. The second sub-section looks at the situation across Wales and considers how variations in economy and society affect the structure of the local voluntary sector. This is followed by a discussion of how voluntary organisations with different characteristics are faring in Wales and raises questions about their prospects. The final sub-section prepares the ground for the next stage of Third Sector Trends research in Wales from 2025-26.

8.1 The national picture for the voluntary sector in Wales

This report shows that the voluntary sector in Wales is a force to be reckoned with. Certainly it is large, energetic, productive and impactful. There are over 10,400 registered voluntary organisations in Wales,[48] with an annual income of around £1.7billion and expenditure is about £1.67billion.

As such, the voluntary sector is a major resource in Wales as its direct contribution to the economy is estimated at £2.1billion and produces additional £3.2billion of indirect value through tangible economic, fiscal and use value. Intangible added value is judged to be at least equal to the energy invested in the voluntary sector's work and this adds up to a total estimated economic value the voluntary sector in Wales of £7.3billion.

The voluntary sector operates within the domain of civil society which sits at the intersection of private-sector business, the state and private households.[49] The sector is formed by thousands of autonomous voluntary organisations which are driven by their determination to support issues that they feel are important and deliver their work according to their own practice preferences to beneficiaries of their choice.

As such, voluntary organisations are 'particularistic' in their orientation to social issues, not 'universalistic' as is the state. This means that the voluntary sector as a whole should not be regarded as an integrated 'system' that can be shaped nor a resource that can be 'harnessed' as is so often claimed by politicians to serve the state.

That does not mean that voluntary organisations cannot work together effectively. As this report shows, 76% of voluntary organisations work in complementary ways with others; 66% work quite closely but in informal ways and 33% work together in formally constituted partnership arrangements.

The voluntary sector in Wales also benefits from working well with the private sector: 31% of voluntary organisations receive money from business to help them work; 27% get free use of facilities or free goods and services; 16% benefit from time given by employee volunteers; and 20% get *pro bono* professional or technical support.

And with local government, UK and Wales government departments and the NHS: 89% of voluntary organisations (which have a relationship with these organisations) feel that their work is valued by public agencies; 71% feel well informed about issues of importance to them; 53% are involved in the development and implementation of

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[48] This includes the Charity Commission Register, Register of Societies, Register of Community Interest Companies and Register of Community Amateur Sport Clubs.

[49] See the conceptual model on sector location as defined in Evers A, Laville J. Defining the third sector in Europe. In Evers A, Laville J. (eds) *The third sector in Europe*. 2005. Cheltenham: Edward Elgar.

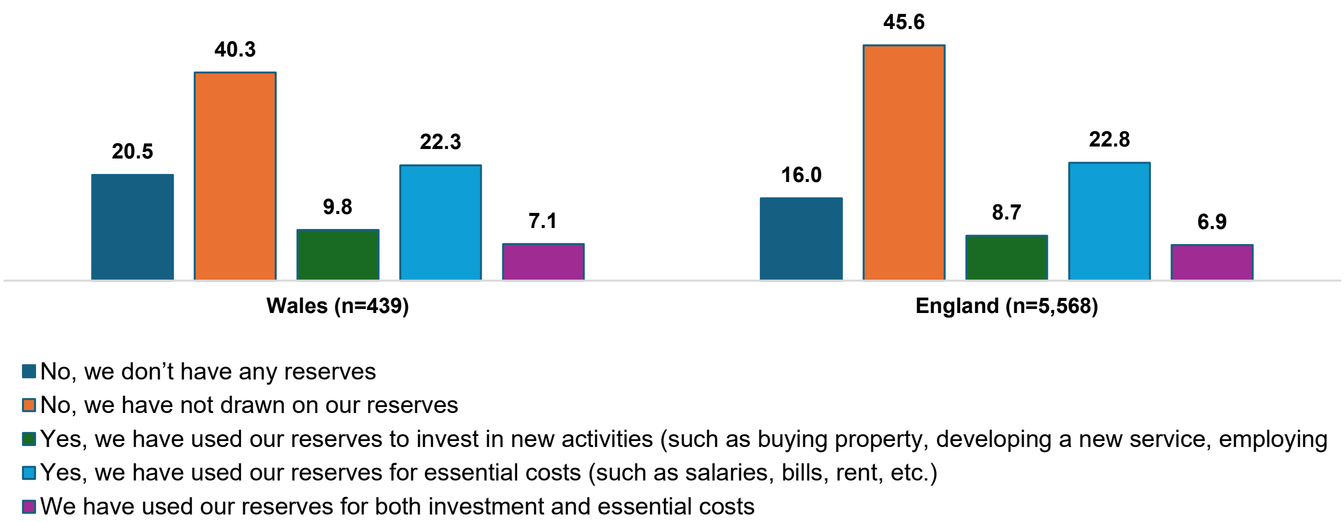
policy and 49% feel the pubic bodies act on their opinions when participating in consultations.

That stated, relatively few voluntary organisations (11%) work 'for' the public sector by delivering public services under contract (although the percentage rises dramatically to 65% of the biggest voluntary organisations with income from £5-25m.

All of this sounds like good news – but sustaining income and the people energy to get things done is not easy for voluntary organisations. Some of this is to do with the way the voluntary sector itself works. Because they are ambitious and determined entities, voluntary organisations often find themselves in competition over scarce resources of people to work for them, money and even beneficiaries. Arguably, there would never be enough resource to satisfy every voluntary organisation's needs – so this can lead to frustration and disappointment when expectations do not live up to reality.

In 2022, over a quarter of voluntary organisations in Wales were struggling to some extent financially and were drawing upon their reserves to meet essential costs such as salaries, rent/mortgages and utility bills (see Figure 8.1).

Figure 8.1 **Financial situation of voluntary organisations in Wales and England in 2022** (Third Sector Trends, 2022)



Nonetheless, the voluntary sector can see to be as broadly optimistic about its future prospects (see Table 8.1). In 2022, for example, 79% of voluntary organisations in Wales expected that their income could be sustained at the same or a higher level over the next two years (in 2019 it was 84%[50]). More specifically, voluntary organisations expected that income would remain stable or increase from grant-making trusts and foundations (75%), private business (76%) and from statutory sources (74%).

In 2022, most voluntary organisations thought that partnership arrangements would be maintained or grow (96%) and the vast majority expected to maintain or increase volunteer numbers (86%). It should be noted, though, that many organisations felt that the demand for their services would increase (67%) which means that people and financial resources would be stretched.

[50] Third Sector Trends undertook a pilot study in 2019 to work at national level across England and Wales, drawing a sample of over 4,000 respondents). In Wales there were relatively few responses (n=108), however, so these statistics should be regarded with caution).

Table 8.1 **Voluntary organisations' expectations about the next two years in Wales**
(Third Sector Trends in England and Wales 2019 & 2022)

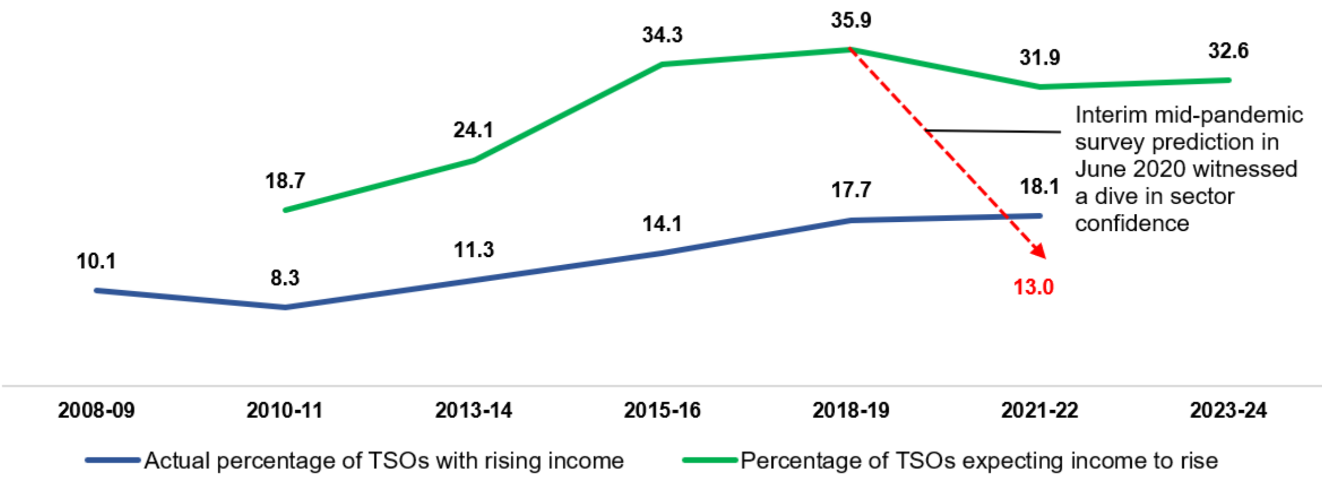
	2019	2022
Income will…		
Increase	30.5	32.0
Remain similar	53.3	47.1
Decrease	16.2	20.9
Grant funding from foundations will…		
Increase	33.3	28.9
Remain similar	51.9	46.3
Decrease	14.8	24.9
Funding from business will…		
Increase	19.7	19.0
Remain similar	67.2	56.7
Decrease	13.1	24.2
Funding from statutory sources will…		
Increase	10.9	20.1
Remain similar	48.4	53.5
Decrease	40.6	26.4
Working in partnership will…		
Increase	38.1	44.2
Remain similar	42.9	52.2
Decrease	19.0	3.6
Table 8.1 Continued/…	**2019**	**2022**
Support from volunteers will…		
Increase	27.6	33.0
Remain similar	57.1	53.3
Decrease	15.2	13.7
The need for our services will…		
Increase	58.7	67.1
Remain similar	34.6	31.0
Decrease	6.7	1.9
N=	108	443

It is a good thing that the voluntary sector generally has an optimistic outlook as this can energise leaders and strengthen organisational vitality – and when the survey is repeated in the summer of 2025 across Wales, it will be possible to assess whether the above expectations were realised.

It is somewhat ironic, though, that sector optimism about finances can also undermine confidence about sustainability if expectations are unrealistic. Figure 8.2 presents trend data from northern England, for example, and shows how many voluntary organisations *expected* that their income would rise over the next two years (green line) and the percentage of those voluntary organisations which *actually* saw their income rise subsequently (blue line).

The blue line shows that the *actual* percentage of voluntary organisations reporting rising income is always much lower than *projected* two years before. This can be disappointing for organisational leaders. Nonetheless, the percentage of voluntary organisations with rising income has grown from a low point of 8 per cent in 2010-11 (following the 2008 global financial crash) to 18 per cent in 2021-22. [51]

Figure 8.2 **Tracking expectations and reality on voluntary organisations' rising income**
(Source: Third Sector Trends 2010-2022)



The wellbeing of the voluntary sector in Wales is also dependent upon sustaining its people resources. An urgent research priority in 2025 is to produce convincing estimates on levels of voluntary sector employment in Wales. This will not be easy because there is much fluidity in the labour market at present caused by lower levels of participation in employment and increased levels of fractional or part-time employment.[52]

The voluntary sector is often regarded as a 'low pay' sector. There are some plausible reasons for this – the general public would be suspicious if people working for voluntary organisations (especially when in leadership roles) were paid as highly as in the public and private sectors. The problem, however, is that 'low pay' is also common for employees on the front line delivering services such as social care.

The consequences of endemic low pay began to emerge even before the pandemic as organisations started to find it harder to fill posts when wages were higher in the public and private sectors. By the time Third Sector Trends examined this in 2022, 46% of voluntary organisations in Wales were struggling to recruit employees and 21% were having difficulties in retaining existing staff. Pressures on labour costs have been compounded by the cost of living crisis.

A similar situation is affecting volunteer recruitment and retention. Growing concern is regularly voiced in the voluntary sector press that those volunteers who left the sector during the pandemic have not returned; and worse, many are reporting anecdotal

[51] Originally published in *Third Sector Trends in England and Wales 2022: finances, assets and organisational wellbeing*, Newcastle: Community Foundation: https://www.communityfoundation.org.uk/wp-content/uploads/2023/01/Third-Sector-Trends-2022-finances-assets-and-organisational-wellbeing-January-2023.pdf

[52] The number of economically inactive people (of working age) has risen by 670,000 in the UK since before the pandemic. For an up to date appraisal for the UK see House of Commons Library (2025) UK Labour Market Statistics (21st January): https://commonslibrary.parliament.uk/research-briefings/cbp-9366/

evidence that insufficient numbers of new volunteers are coming through to replace them.[53]

What is actually happening in Wales with regular volunteers is currently hard to discern – so this must be a research priority in 2025. It is already known from the 2022 study that 'reliance' on regular volunteers is enormous: 87% of voluntary organisations in Wales say they could not keep going without them – so this is clearly a critical issue.

8.2 Variations across Wales

The situation of the voluntary sector in Wales is strikingly similar, statistically, to that of the whole of England and Wales average according to most criteria presented in this report. In fact, Wales is more similar to the average England and Wales statistics than any English region.

But national statistics tell only one part of the story. Taken as a whole, the voluntary sector in Wales operates in a relatively 'typical way' (using England and Wales statistical averages as a benchmark), but most of the voluntary sector does not work at national level. On the contrary, most voluntary organisations in Wales are locally oriented: 75% work just in one local authority area - and indeed - 48% of voluntary organisations limit their activities just to their local neighbourhood or village.

In Section 2 of this report, a statistical profile of economy and society in Wales was provided. This demonstrated that as a nation, Wales is enormously varied when looking beneath the surface of national level statistics.

Certainly, at a spatial level, population is distributed unevenly – with most of the urban population concentrated in South East and South West Wales. Mid Wales and much of North Wales is sparsely populated – and some areas are relatively inaccessible to and remote from urban centres where core services such as health and higher education are located.

There are also wide disparities in affluence in Wales which can compound problems in remote areas. Many former industrial villages and townships are struggling economically which has produced high levels of social deprivation and few opportunities.

In other types of rural areas many residents are relatively poor, relying as they do on insecure, poorly paid seasonal work associated with the visitor economy. And yet, some sparsely populated areas are highly affluent, where many residents are well qualified and are well served by the local labour market – working as they do in industrial and public sector management and in the professions. Similarly, in the big cities of South Wales there are also wide disparities in affluence which puts different demands on voluntary organisations in richer or poorer neighbourhoods.

What is abundantly clear from this report is that the voluntary sector tends to be much more voluminous (in terms of numbers of organisations per capita) in affluent areas than in poorer ones. It should be remembered that areas are not affluent, rich in social capital and more healthy *because* they have a larger voluntary sector. It is the other way around – they have a bigger local voluntary sector *because* there is a stronger civic core.[54] This is shown graphically in Figure 8.3.

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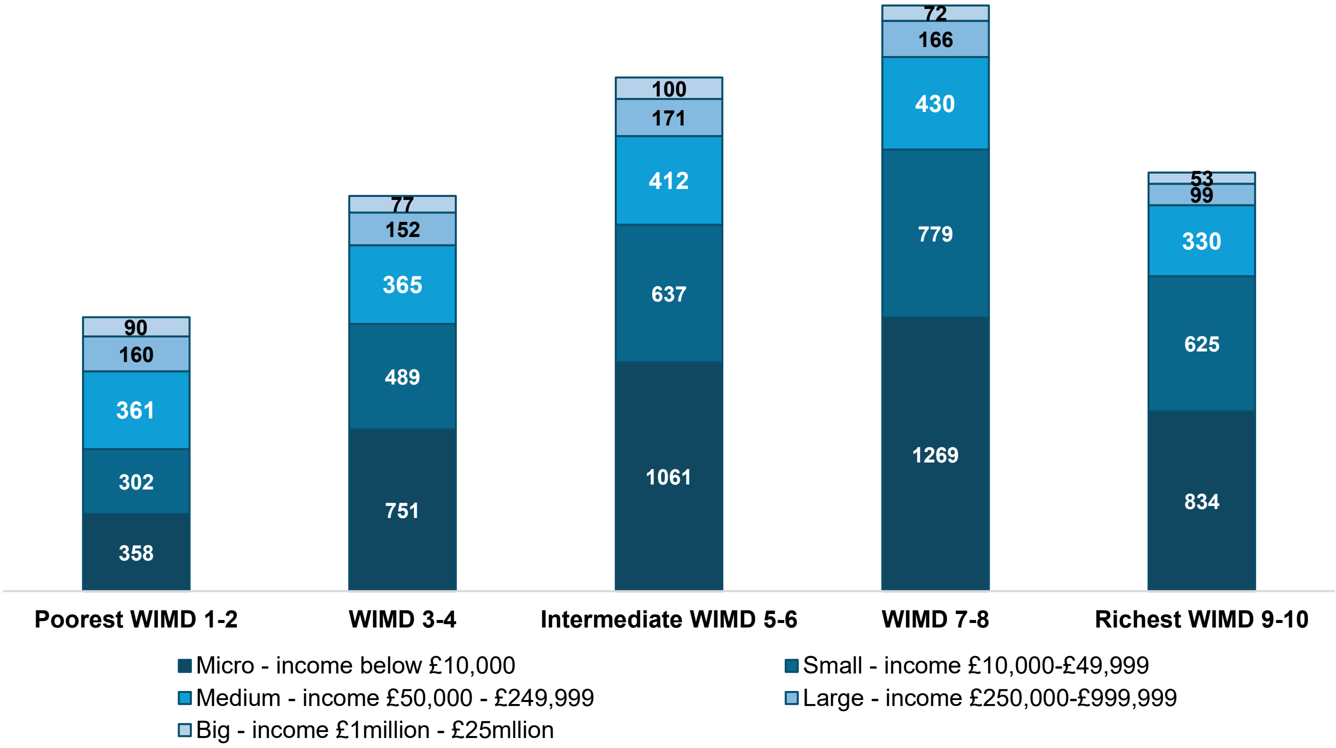
[53] See for example: Adewale, D. (2024) 'More than half of charities struggling to recruit volunteers, research finds', Third Sector, 31st May. https://www.thirdsector.co.uk/half-charities-struggling-recruit-volunteers-research-finds/volunteering/article/1874901

[54] See Mohan, J. (2012) 'The idea of a 'civic core': what are the overlaps between charitable giving, volunteering, and civic participation in England and Wales?', Birmingham: Third Sector Research Centre, https://www.psa.ac.uk/sites/default/files/1028_549_0.pdf

Figure 8.3 **Number of voluntary organisations in Wales by size and locations in areas of size and relative affluence***
(Source: Third Sector Trends combined register data, November 2024*)



*Numbers of organisations have been scaled up from Charity Commission Register data to allocate to size bands. There may be some small inconsistencies in numbers recorded due to analytical rounding errors from other tables in the report).

It is not a 'critical' point (as if the voluntary sector is failing in some way) to say that there are more organisations in affluent areas than in poorer areas. It is, as is the case in every region of England, just a plain statement on how things work. But it does mean that problems faced in poorer areas such as access to good education, health services, housing and so on may be compounded if there are lower levels of voluntary sector activity – especially in the field of improving soft skills (such as raising confidence) and tackling barriers (such as tackling social isolation or advocacy to confront aspects of social exclusion) at which the voluntary sector excels.

What we know from this report (as shown in Figure 8.4) is that income distribution appears to be imbalanced across areas of wealth and deprivation. On the surface, the evidence looks a little alarming – suggesting that a limited proportion of sector wealth is devoted to issues of critical social needs such as poverty and the consequences of deprivation.

The reality is likely to be different because three quarters of large organisations work beyond local authority boundaries. This means that resources are distributed in complex ways. In the next stage of the research, it is a priority to unstitch what is happening on the ground at the local level in Wales to determine where investment in the sector is distributed in practical terms.

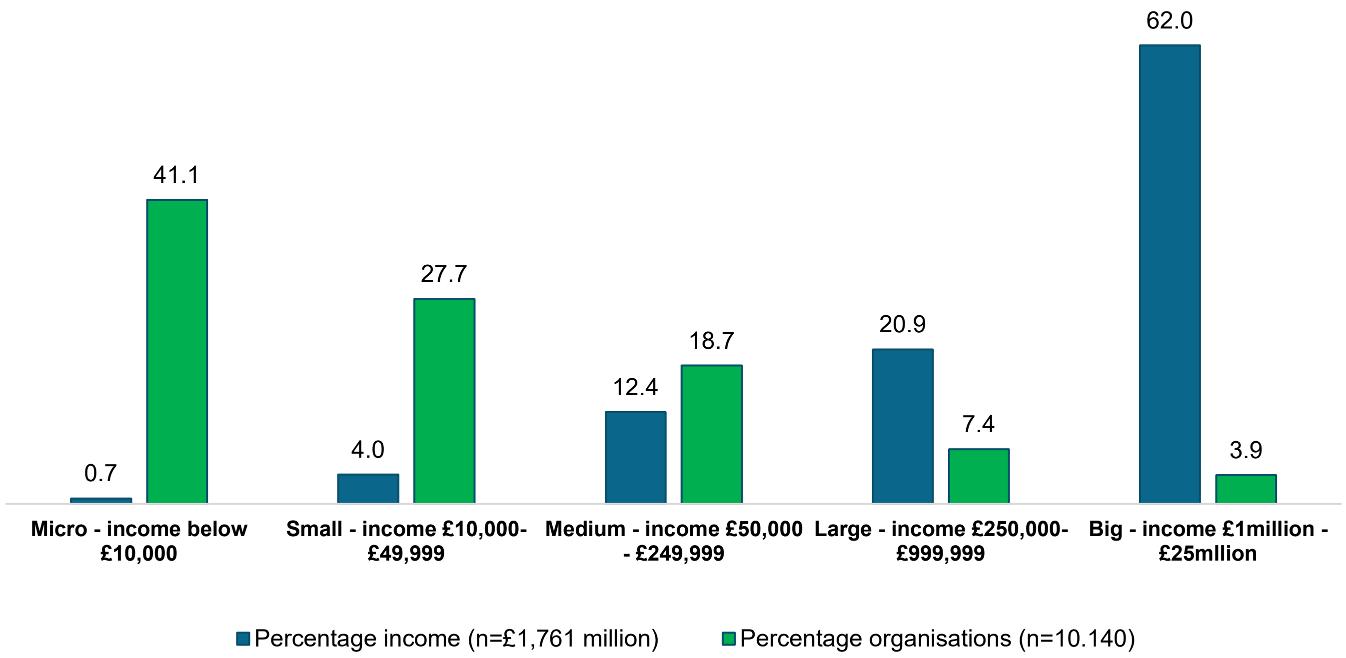
Figure 8.4 **Distribution of sector finance by voluntary organisation size and Welsh Indices of Multiple Deprivation (WIMD)**
(Source: £millions, Third Sector Trends combined registers,November 2024)

8.3 Three sectors in one?

This research has discerned differences in the ways that voluntary organisations of different sizes work in Wales. As Figure 2 demonstrates, bigger organisations command the lion's share of voluntary sector income – just 3% of voluntary organisations account for 62% of sector income. Micro organisations, constitute 43% of the sector, by contrast, but receive less than 1% of sector income.

This section summarises how different types of organisations work and raises questions about their wellbeing and prospects in the medium term which will be explored when the survey is repeated in the summer of 2025.

Figure 8.5 **Percentage of income and organisations by size of voluntary organisations in Wales 2025**
(Source: Third Sector Trends combined register, November 2024)



Larger voluntary organisations

Larger more formal voluntary organisations have income above £250,000 and comprise about 11 per cent of all organisations (compared with 14% in England). About 4 per cent of organisations in Wales have income between £1m-£25m. These big organisations adopt progressively more formal structures the larger they become because their scale allows or demands a higher degree of occupational specialisation and the development of a complex division of labour.

Such organisations are more hierarchical and bureaucratic in structure (especially those with income over £1m) and they become more 'business-like' or 'professionalised' the larger their scale – partly because of external policy pressures or statutory requirements to which they must accommodate.

Most larger voluntary organisations have a mixed portfolio of income sources including self-generated income from trading and fundraising, plus grant funding to meet core costs and/or to undertake project work. In Wales, 65 per cent of voluntary organisations with income over £1m are also involved with the delivery of public service delivery contracts - mainly for local authorities, the NHS or for UK or Welsh Government departments. This is a much higher percentage of contractual activity than the England and Wales average of 51%.

Bigger voluntary organisations need money to employ staff to deliver much of their contractual work and ensure that their workforce is skilled and committed to ensure that they get things done in a reliable and effective way. This may be getting harder. In 2022, 21% of employers in Wales struggled to retain staff and 46% were finding it hard to recruit (the problem is much more severe for the largest organisations with income £5m-25m – 79% had recruitment problems. It is essential, therefore, to closely monitor the situation in survey work of 2025 across Wales.

Reliance on volunteers tends to be lower in larger organisations as employees deliver contractual work. But regular volunteers can still add value by supplementing the roles of employees (whose time allocations are generally severely constrained by contracts) by performing, for example, befriending roles. Consequently, this situation will also need to be explored in survey work in 2025.

Smaller voluntary organisations

There are over 7,000 small, registered informal organisations in Wales with annual income below £50,000.[55] They only rarely employ staff and tend to operate relatively informally in policy and practice terms. Three quarters of smaller voluntary organisations operate within the boundaries of their local authority (and 48% within their neighbourhood and village). They are largely or completely reliant on voluntarily given time to sustain their activity. These organisations form the bedrock of the Third Sector in numerical terms – especially so in more affluent areas.

In 2022 there were clear signals that small organisations were finding it harder to maintain volunteer levels, especially amongst older people. Furthermore, many organisations may have lost new volunteers who joined them during the pandemic. It is vital to assess the inflow and outflow of regular volunteers from small organisations in 2025 as a substantial reduction in numbers could have a dramatic affect on sector capacity.

Small voluntary organisations do not need much money as their volunteers take the strain rather than employees and few have major costs to meet associated with running a property. When they do need money, it is usually to help *facilitate* their activity – not to *pay* for it.

While smaller organisations are amongst the most independent-minded entities in the voluntary sector in Wales, many of them (63%) have useful but informal relationships with other voluntary organisations but few (19%) enter into formal partnerships. At present, there are no obvious reasons to suggest that complementary working of this kind will not be sustained – but this must be monitored in 2025.

Smaller registered organisations demonstrably have a major role to play role in the voluntary sector as this report shows. However, we need to know more about those groups and societies that sit ‘under the radar’ of registers. It is therefore a priority in 2025 to encourage local CVCs, local authorities and grant making foundations in all areas of Wales to encourage unregistered entities to participate in the study.

Medium-sized voluntary organisations

As the above discussion has shown, large and very small voluntary organisations are structured and work in different ways. Does that mean that middle-sized organisations are simply a half-way-house between these two ends of the spectrum? This research suggests not – indeed, medium-sized organisations have distinctive cultures, structures and needs if they are to work successfully.

Medium sized organisations (with income between £50,000 and £250,000) tend to adopt semi-formal organisational structures and procedures because they employ only a few people and there is little scope for occupational specialisation. Often, middling-sized voluntary organisations adopt ‘flat management structures’ based largely upon trust and reciprocity within the staff group.

Medium-sized organisations tend to be ambitious to achieve a great deal, but their organisations are often asset poor, have limited reserves and rely heavily on grants and self-generated income to keep going (most have limited or no interest in delivering public sector contracts). This means that they can be highly vulnerable to changing financial fortunes and can result in reserves remaining low.

The loss of a single member of staff due to financial problems can have severe consequences in medium-sized organisations. Some organisations partly avert such

[55] There may be many more groups, societies and mutual benefit organisations operating under the radar of official registers.

crises by collectively reducing hours to, for example, four day-working week contracts on a temporary basis. It is suspected, however, that retaining employees may be becoming more difficult because wage levels are not keeping up with other sectors. It is vital that the 2025 survey looks closely at these pinch points in staffing and the operational capability of medium-sized organisations.

While reliance on employed staff is heavier than in small organisations, regular volunteers and trustees continue to underpin much of their activity in medium-sized organisations. We must therefore continue closely to monitor this situation in 2025.

This is especially important because, as this report shows, medium-sized voluntary organisations are generally quite good neighbours to one another. In Wales, 80 per cent of medium-sized organisations have useful but informal relationships with other local organisations. 70% work closely, but informally, with others - fewer (31%) enter into formal partnerships often because of the complexities and costs of doing so.

Collaborative working, especially in hard-pressed areas may enhance the impact of the local voluntary sector. It is a priority in 2025, therefore, to explore its extent in more detail.

8.4 Next steps

Third Sector Trends survey work will take place in the summer of 2025. It is vital that as many people respond as possible so that analysis at national and area level can be improved and deepened.

The first step will be to encourage trusts and foundations, public sector officers and County Voluntary Councils (CVCs) to look at the key findings from this report so that recognition grows on how valuable good sector intelligence is for planning, funding and demonstrating impact.

When surveying starts in June, thousands of registered voluntary organisations in Wales will be contacted directly by Durham University via Online Surveys. But this sample frame only covers Charity Commission registrations. That means that some constituencies of the voluntary sector will not be contacted, such as Community Amateur Sport Clubs, Community Interest Companies, Registered Societies[56] and as importantly, unregistered organisations, societies and self-help or mutual aid groups.

Consequently, WCVA and Durham University need CVCs, local authorities and grant-making trusts and foundations working in Wales to send regular direct emails to their lists of voluntary organisations and strongly encourage them to take part. This can make an enormous difference to response rates. In North East England and Cumbria, for example, more than half of responses came via contacts from local infrastructure organisations and grant makers. [57]

Our ambitious target is to get between 600 and 750 responses to the survey in 2025. Please help us do that so that we have enough data to improve upon current intelligence and to explore the key issues facing the voluntary sector in Wales.

The survey will run until mid October 2025. The first headline report covering England and Wales will be published in December 2025. A newly updated version of this Wales report will be published in February 2026.

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[56] These registers do not include email contacts in their listings.

[57] See Chapman, T. (2022) *Third Sector Trends in England and Wales 2022 research methodology,* Durham: Policy&Practice, St Chad's College, Durham University. https://www.stchads.ac.uk/wp-content/uploads/2022/10/Third-Sector-Trends-Research-Methods-2022.pdf

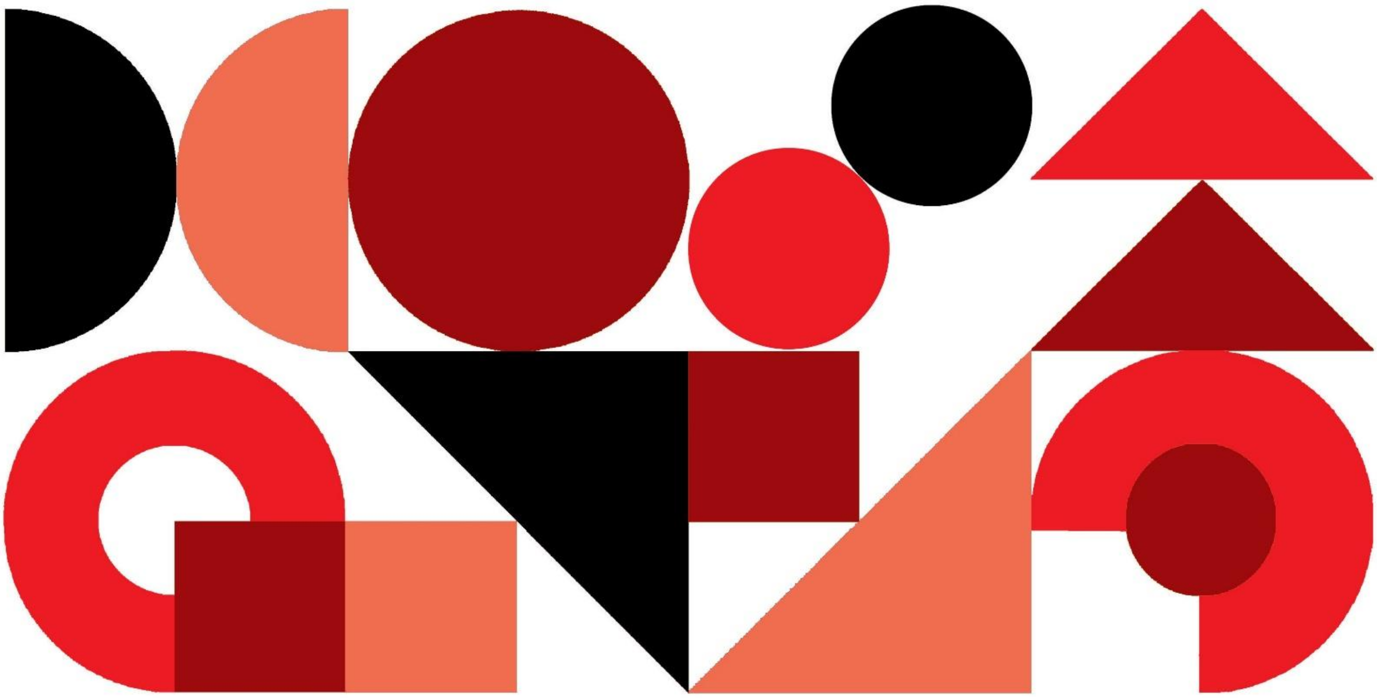
NOTES

More information on Third Sector Trends in England and Wales

Previous reports from Third Sector Trends are all available here: https://www.stchads.ac.uk/research/third-sector-trends-in-england-and-wales/publications-from-third-sector-trends/

Full details on the research methodology underpinning Third Sector Trends Study research can be found here: https://www.stchads.ac.uk/wp-content/uploads/2022/10/Third-Sector-Trends-Research-Methods-2022.pdf

A discussion on analytical techniques can be found here: https://www.stchads.ac.uk/wp-content/uploads/2022/07/Third-Sector-Trends-Structure-and-Dynamics-of-the-Third-Sector-in-England-and-Wales-December-2020-Revised-June-2022-2.pdf



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