

# What's missing?

Evaluating social sector  
data gaps

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Available data on the social sector – its size and shape, demography and financial health – is relatively poor, particularly compared to data on the private sector. Official statistics are thin, often treating charities and other non-profit entities as residual categories. Much of what does exist in official statistics is hard to access, particularly in real time, and fragmented. Finally, there is little data that is systematically disaggregated beyond national, sector-wide pictures.

The impact of those data gaps has been particularly felt over the past 12 months. The Covid crisis left many charities and other social sector organisations under pressure, unable to deliver their services during lockdown despite heightened need, while many were also unable to raise funds through the normal routes. Sector bodies and organisations including Pro Bono Economics (PBE) stepped up with rapid work to monitor and report on the impact of the crisis on the sector and the people it supports. But as we enter the recovery from Covid, we face continued challenges in understanding what is happening to the sector, how it is responding to ongoing financial and delivery pressures and how this is translating into impacts for people and communities.

As part of the Law Family Commission on Civil Society, PBE is investigating the role and potential for better data about social sector organisations, with a particular focus on charities.

As a first stage in this process, we hosted a workshop for organisations with data expertise from across the social sector as well as representatives from government and the Charity Commission for England and Wales. Attendees at the workshop discussed what the data gaps are, their implications, and why these are challenging to address.

This report presents a summary of the discussion at the workshop.



## There are substantial gaps in what data we have about the charity sector...

Workshop attendees identified three overarching challenges with data about the social sector: timeliness, completeness and accuracy, and accessibility.

Interestingly, the first and most oft-repeated challenge the attendees raised, from a public policy standpoint, was not the availability or quality of the data itself but its **timeliness**. Two of the most important sources of data about the sector are the regulatory records issued by the Charity Commission and NCVO's *UK Civil Society Almanac*. Both are considered to be very good. But the nature of regulatory returns, which can be submitted by charities up to ten months after the end of their own financial year, means that there is a substantial delay in their public release. The Almanac then conducts additional analyses on these releases, meaning the data contained therein can be two to three years out of date. This is an area of huge interest for organisations across the sector and there are ongoing programmes of work for how public and social sector bodies can collaborate for live – or at least more timely – data.

While data on registered charities tends to be good, if not timely, there are still major challenges with **the completeness and accuracy of data**. In particular, there is a huge absence of data surrounding organisations that are not registered charities (and even for those that are, data on the smallest organisations in particular is hard to compile): the social sector is characterised by organisations with a range of different legal statuses, while unincorporated community groups and associations are 'below the radar' of public registers and membership bodies. For instance, many campaign groups are not eligible for charitable status due to the nature of their operations, and are incorporated as companies limited by guarantee. This makes them almost impossible to distinguish from private companies in many datasets, even if the groups are non-profit. For informal organisations such as mutual aid groups, the data challenges are even greater. Even within the registered charity sector, micro-organisations (which make up the bulk of the sector) are not required to submit full accounts. As a result, there is an incomplete patchwork of information at the organisational level. And what data does exist is not always regularly updated or particularly accurate (see Box 1).

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## Box 1. KEY DATA GAPS IN THE SOCIAL SECTOR, BY TOPIC AREA

### Finance

Workshop attendees highlighted that financial data on the charity sector tended to be of good quality – largely originating in administrative datasets, such as from the regulator (the Charity Commission), or from HMRC. However, in addition to timeliness issues (and challenges with accessing the data), detailed records tend to exclude micro-charities, as well as excluding non-profits that are not registered charities. This means that data is patchy about the social sector as a whole. Subsector breakdowns are also rarely available, and longitudinal data for individual organisations is also not necessarily available.

Gift Aid, the tax relief offered to charities on donations from the public, was also mentioned several times. While data is available from HMRC, attendees commented that claims by individual organisations would also be valuable. Additionally, because of the way Gift Aid functions, it is likely that some donors do not claim Gift Aid, making it difficult to accurately assess how much is donated.

From the funder side, attendees said they would welcome access to portfolio level metrics (as opposed to the applicant level).

### Location

Most geographical analyses of charities and their work rely on using the location of their headquarters. This means, for instance, that an analysis of the proportion of funding going to London is substantially overstated, as many charities are headquartered there despite delivering services nationwide. Charity Commission data does include some information about *where services are delivered*, this is of varying quality: many organisations' geographical area of benefit is based on old parish boundaries and hard to equate to current geographical boundaries.

Another source of data about the social sector more broadly is national surveys, such as the Labour Force Survey (LFS) or the Community Life Survey (CLS). While the sample sizes for these tend to be relatively large, they are generally insufficient to allow study at geographic levels lower than regional. For a sector that often operates and delivers its benefit at a very local level, this creates a major challenge for both understanding need in their area, as well as measuring their impact.

### Workforce and volunteering

Data on the sector's workforce and volunteers is also relatively limited, mostly coming as a subset of broader employment datasets, or indirectly through population surveys such as the CLS. Workshop attendees highlighted particular difficulties in identifying the breakdown of different employment roles – for instance, which charities have data-specific staff – as well as the demographics of employees, volunteers, and

board members. Given that many social sector organisations have a specific equality and diversity focus, the limited availability of data related to their demographics is a particular concern.

Data on hours worked (salaried and unsalaried) was also identified as thin, as well as information on pay. Workshop attendees particularly highlighted the need for more information on wages and specifically payment of the living wage. While some such benchmarking exists, it is the domain largely of commercial providers and inaccessible for some.

Additionally, while employee wellbeing surveys are standard practice within the private sector, they are not as widely conducted in the social sector. Little is known about employee satisfaction, retention, progression, and experience of the workplace. A lack of benchmarking data makes it hard to compare to other sectors, or to understand the impact of different funding practices (such as short-term funding models) on the workforce. There is also relatively little information about access to training and personal development infrastructure. Workshop attendees commented that the social sector relies a lot on the assumption that people are passionate about the work, but little is known about the experience of working for charities.

On volunteers, attendees noted there are significant data gaps around demographics, diversity and employment outcomes.

#### Objectives and beneficiaries

Data on the social sector is normally recorded at the organisation level. This means there is relatively little information from the service user side about who receives support from the sector, what support they receive, and where they receive it. This has implications not only for understanding and measuring impact, but also for identifying unmet need. Knowing where there are service gaps is critical information both for organisations looking at where to deliver services, and for funders looking to fund such services.

While the Charity Commission does publish details of objectives for registered charities, this not only excludes social sector organisations that are not registered as charities, but often fails to match up very accurately to what charities are actually doing “on the ground”. The Charity Commission’s three-dimensional classification system is useful, but the option for charities to classify their work in multiple fields makes analysis difficult. Conversely, the International Classification of Nonprofit Organisations (ICNPO), used by NCVO and others, was not considered a very useful way of classifying activities based on the types of organisations that operate within the UK.

A final issue with data on the social sector, although certainly not specific to the sector, is **accessibility**. While for some areas such as registered charities and finance, data available is relatively robust, it is not always easy to access. Regulatory and tax data, for



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instance, may require the use of specialist analysis software, programming skills, or special licenses to access. This means that for most charities without these specialist skills, it is not useable. While some accessible reporting is normally on offer, public datasets containing information relevant to the sector will also typically require software like SPSS at a minimum, as well as sometimes lengthy access permission processes depending on the nature of the data. Even where data does exist, it is not always clear to users what data is available and where.

*“There’s a difference between seeking to fill [data] gaps... and just knowing where some of that information is and what has already been done. There’s value in knowing what has already been done and is available.”*

## These data gaps have real implications for how effectively the sector is able to function...

Our workshop attendees said that one of the major implications of these data gaps, from the standpoint of the social sector itself, is that it limits the channels for **identifying unmet need for the sector’s support**. There is not a clear way of identifying service gaps, either in terms of geographical location or of type of service, because there are no accurate registers of where organisations are operating and what services they offer. This makes it challenging to decide where and how to deliver services. Funders may also wish to close service gaps or target certain local areas or types of intervention, but struggle to identify what exists already. It also makes it harder for funders to support collaboration. This also creates a risk of service overlap, where multiple organisations could be delivering the same support in the same area.

This also has substantial implications for **policymaking**. The Covid crisis underlined this problem. Many social sector organisations found themselves in serious trouble within the months following the first lockdown, unable to fundraise in their normal manner, while demand for services escalated. But in making the case to government for emergency financial support, sector bodies had to rely on financial data that was out-of-date and data about the scale of unmet need that was limited.

*“[We were asked] to figure out how big a particular fund should be. How do you figure out the size a fund should be? It’s very hard to understand supply and demand in the market, where the two are mismatched.”*

From the perspective of anyone conducting analysis on the charity sector as a whole, the lack of robust, recent data makes it very **hard to understand the sector-wide level of financial risk**, and to anticipate or forecast the impacts of policy change.

Finally, without robust evidence on objectives, beneficiaries and outcomes **we lack a detailed picture about the sector’s impact**. Workshop attendees noted that this is hard to measure in any case and that many charities are still at the start of their impact measurement journey. As a result, one attendee remarked that there is a tendency to overclaim on impact and more *realistic* impact reporting could be the first gap to fill.



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*“We need people to follow a rigorous impact declaration process – to be more realistic. Is this a gap that’s pluggable?”*

## And there are some major challenges with closing those data gaps...

As part of its ongoing work for the Law Family Commission on Civil Society, PBE will investigate whether and how we close some of the data gaps we have highlighted in this paper. We asked workshop attendees to explain some of the challenges with doing so.

Firstly, they highlighted that **there is a long way to go** in terms of both creating and using sector data. The kinds of missing data we have highlighted in this report are not necessarily “ready-made”, waiting to be collected: impact data being a key example. The administrative burden of collecting and publicising some of the data discussed above could be enormous. On the user side, workshop attendees told us that many social sector organisations, from very small ones to “vanguard” organisations with quite advanced use of data science, still struggle with theory of change and impact measurement issues. Care must be taken both to ensure that needed data is available, but also that it is useable given realistic expectations about data analytics capability.

Another recurring theme of discussions is the **uniqueness of the social sector**. Many of the financial support schemes during Covid, for instance, were designed with the private sector in mind, meaning they did not adequately fit the business models of many charities.<sup>1</sup> However, workshop attendees warned that simply trying to imitate the private sector could risk “fitting a square peg into a round hole”. Social sector organisations often operate in a very different way to private companies, which may be hard to reflect in data.

*“Comparisons with private sector won’t work. Their measures are easy – if doors close, they lose money. It’s not as clear cut for the charity sector.”*

Additionally, workshop attendees highlighted that **everyone has different ends for their use of data**. Social sector organisations and their representative bodies, for instance, will be mostly interested in data that can help them develop services, increase their impact, and make their case to policymakers. The regulator will be interested in data that supports their regulatory role. They will all have different capacities to access and analyse that data. The desired type and format of the data will thus differ depending on who uses it. Accordingly, there are no “master sources of truth”, as one workshop attendee put it.

This also ties into the issue of **trust about sharing data**. The regulator can require organisations to share data – within reasonable limitations of administrative burden – but there is a substantial power imbalance. Organisations will be most supportive about data sharing if they can trust it is going to be used in a way that supports their work, rather than as a blunt tool for regulatory intervention. Any additional data burden is best

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<sup>1</sup> See [this Twitter thread](#) by PBE’s Director of External Affairs.



justified with a clear value proposition: a genuine, productive reason for which the data is collected.

*“We want to push back against an instrumentalist view of the sector.”*

Attendees highlighted that without a clear value proposition for the data, it could encourage an “instrumentalist” view of the sector as a tool to be used by others (specifically the government) – and that such a view tends to ignore the broader roles of the sector beyond simple service delivery.

Ultimately, any work to close data gaps within the sector will have to **set its ambition appropriately**. As one attendee said:

*“Data is not everything; we need to be appropriately ambitious rather than too grand.”*

While there is an enormous amount of improvement that could be made with better access to data and better use of data, it is unreasonable to expect it to be able to answer all questions. Organisations delivering local services will often have an intimate knowledge of need in their area: homelessness outreach charities or domestic abuse shelters that have worked with individuals for many years and know them and their challenges personally. The value of this is virtually impossible to quantify, but anyone working in such frontline services will recognise it. And some of the roles of the sector, such as community development and civic functions, are also extremely hard to quantify; but most would agree our society is richer for their existence.



## Where next on data gaps?

Better data won't solve all of the sector's challenges, but there is enormous value to getting data right. Workshop attendees highlighted a number of gaps that the sector and public bodies could endeavour to close – from better data about the nature of charities' activities, to benchmarking data on workforce wellbeing. Nonetheless, collecting better data doesn't come without costs. Improving the data landscape needs to be proportionate to the costs as well as the benefits of action.

As a next step, the Law Family Commission Civil Society is working on a data mapping exercise to identify the various sources of data about the social sector. This will be published as an open-access tool in partnership with the [Data Collective](#). In consultation with stakeholders, we will be doing further work to identify key areas where better data collection or management is achievable and could offer significant benefits to social sector organisations and their stakeholders

In a world where the routine collection and analysis of data at scale is increasingly the norm, and where governments (including regulators) and organisations are using data much more to understand how all aspects of society are changing, it may well be the case that we need more conversations on what we as a sector want to see. Are we prepared to trade off collecting more data for better policy and practice? Do we need more, better, or just different data? And what ethical considerations do we need to think through in a world where data collection is both ubiquitous and pervasive. The social sector will increasingly operate in a data-rich world: we need to start shaping what our part of that world looks like, lest it be shaped by those less in tune with our sector.