

SCVO Scottish voluntary sector statistics: methodology

February 2022

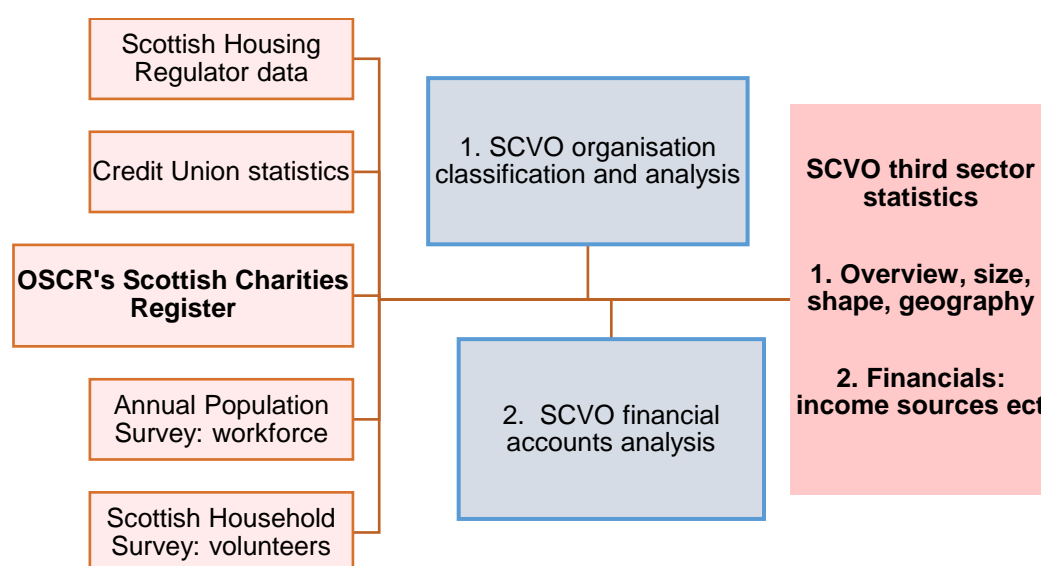
This paper outlines the methodology and data sources used to produce SCVO third sector statistics, as seen in the [SCVO data hub](#).

The paper also includes a summary of the key financial and workforce fields, and the classification system used.

1. Key data sources

SCVO use OSCR's Scottish Charity Register as the core data source for our sector statistics, with additional data sourced from the Scottish Housing Regulator and Credit Union data published by the Bank of England. This data is used to identify the numbers of organisations and total income and expenditure figures.

We build on this core data through 1) additional classifications and data linkage, and 2) add depth to the financial data through our analysis of a large sample of financial accounts.



2. Defining 'voluntary sector' organisations

SCVO uses the following criteria to assess whether an organisation is part of the voluntary or third sector:

- ✓ Social, environmental or public benefit
- ✓ Organised, i.e. have a constitution
- ✓ Self-governing, i.e. fully responsible for decisions, including winding up the organisation
- ✓ Non-statutory i.e. independent from government
- ✓ Non-profit distributing (any profits generated are re-invested in the organisation not passed to shareholders or directors, and there is an 'asset lock')
- ✓ Volunteer-led i.e. run by unpaid board members

3. Inclusions and exclusions

The SCVO statistics are based on regulated Scottish charities and voluntary organisations which meet the above criteria.

Following a review in 2022 we now include a number of charities that were previously excluded, most notably over 3000 churches, and include community group numbers.

| Table 1: Inclusions and Exclusions | Included in SCVO sector stats pre-2022 | Included in SCVO sector stats 2022 onwards |
|--|--|---|
| Scottish charities which meet the above criteria: <ul style="list-style-type: none"> • ‘Voluntary sector’ charities • Churches • Scottish Housing Associations (almost all are registered charities) | ✓ ✗ ✓ | ✓ ✓ ✓ |
| Scottish charities which do not meet criteria: <ul style="list-style-type: none"> • Public bodies/Quangos • Formal education providers (universities, colleges, private schools) • Arms-length bodies (ALEOs) e.g. Leisure Trusts | ✗ ✗ ✗ | ✗ ✗ ✗ |
| Cross-border charities registered with both OSCR and the Charity Commission | ✗ | ✓ <i>using estimates for Scottish activities</i> |
| Scottish Credit Unions | ✓ | ✓ |
| Scottish voluntary organisations and community groups without charitable status | No data | ✓ <i>Note: no financial data</i> |
| Community Interest Companies (CICs) <ul style="list-style-type: none"> • CICs limited by guarantee without shares • CICs with shares | ✗ ✗ | ✓ ✗ |

4. Classification system

SCVO uses the International Classification of Non-Profitmaking Organisations (ICNPO) to classify voluntary organisations – see [The International Classification of Non-profit Organizations](#) for further details.

This internationally agreed taxonomy allows Scottish data to be compared with other UK areas. See for example the NCVO UK Almanac's [number of voluntary organisations by ICNPO category](#).

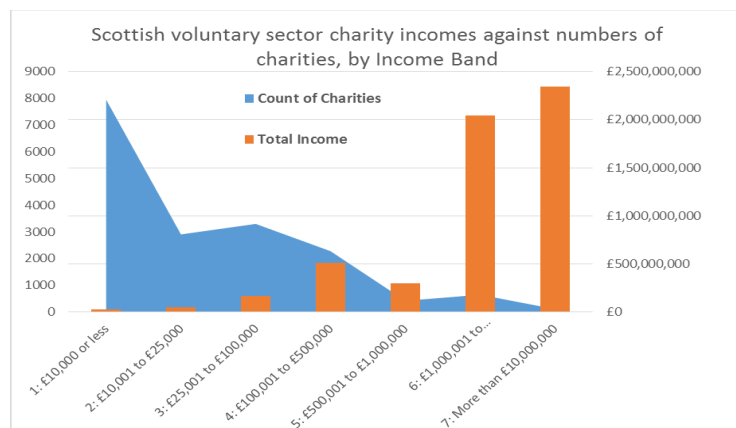
The ICNPO classification system groups organisations into 12 major activity groups, which are further divided into 24 subgroups. SCVO has further divided these sub-groups to create a Scottish version of the ICNPO (the SCNPO), to better understand the scope and impact of the third sector in Scotland – so for example under Health we have added addictions support, and Social Care has been divided into a number of key activities/ groups of people supported. SCVO has not separated out 'International' as a group, as we prefer to classify organisations by what they do – education, women's support, environment etc – and then use geographical scope 'International' to identify those Scottish groups working overseas.

| Table 2. Groups by SCNPO Classification | Scottish Charities |
|--|---------------------------|
| Culture and Sport | |
| 1100 Culture and Arts | 2,787 |
| 1200 Sport and Recreation | 1,037 |
| 1300 Other Recreation and social clubs | 512 |
| Education and Research | |
| 2100 Primary and secondary education | 63 |
| 2110 Parent-teacher associations | 185 |
| 2120 Educational foundations | 281 |
| 2200 Higher education | 45 |
| 2300 Other education | 428 |
| 2400 Research | 7 |
| 2410 Medical research | 89 |
| Health | |
| 3100 Hospitals and Rehabilitation | 43 |
| 3200 Care homes | 59 |
| 3300 Mental health and wellbeing | 233 |
| 3400 Other health services | 669 |
| 3450 Addictions support | 59 |
| Social Care | |
| 4100 Social services (general) | 552 |
| 4110 Services for children and families | 472 |
| 4111 After school clubs | 124 |
| 4120 Pre-school daycare | 503 |
| 4130 Services for young people | 390 |
| 4131 Scouts, Guides etc | 2,872 |
| 4140 Services for people with disabilities | 591 |
| 4150 Services for older people | 297 |
| 4160 Services for women | 93 |
| 4170 Carers Organisations | 83 |

| | |
|--|---------------|
| 4180 Refugee and migrant services | 31 |
| 4200 Emergency and relief | 82 |
| 4210 Homelessness support | 43 |
| 4300 Income support and tackling poverty | 601 |
| 4330 Food and foodbanks | 54 |
| <hr/> | |
| Environment and Animals | |
| 5100 Environment | 598 |
| 5200 Animals | 260 |
| <hr/> | |
| Community, economic and social development inc Housing | |
| 6100 Community development | 1,539 |
| 6111 Village halls and community centres | 988 |
| 6112 Community transport | 57 |
| 6140 Credit Unions | - |
| 6120 Economic development | 42 |
| 6200 Housing inc Tenants Associations | 71 |
| 6210 Housing associations | 141 |
| 6300 Employment and training | 138 |
| <hr/> | |
| Law, advocacy and civic organisations | |
| 7100 Civic, advocacy and rights organisations | 272 |
| 7110 Ethnic minority associations | 89 |
| 7121 Sexuality/LGBT | 17 |
| 7200 Law and legal services | 71 |
| 7210 Advice services | 74 |
| 7230 Offenders/ex-offenders support | 8 |
| <hr/> | |
| Grantmaking and support | |
| 8100 Grantmaking foundations | 690 |
| 8200 Umbrella and Support bodies, volunteering | 67 |
| <hr/> | |
| Religious Activities | |
| 10100 Religious activities | 527 |
| 10110 Congregations, e.g. Churches. Mosques | 2,928 |
| <hr/> | |
| 11100 Business and professional associations | 166 |
| <hr/> | |
| 12100 Not elsewhere classified | 1,109 |
| 12200 General charitable purpose | 701 |
| <hr/> | |
| Total | 23,838 |

5. Sampling frame for financial accounts analysis

As the figure below shows, the Scottish third sector is one defined by a large number of charities with very small financial footprints, and a small number of large charities.



80% of the sector's financial activity is concentrated in the c. 750 charities with annual turnovers over £1m, and it is at the top end of the income bands where we see the greatest changes in income amounts and sources. At the other end of the income spectrum we have thousands of smaller charities which can be grouped into similar income profile types - such as scouts and guides, small trusts, sports, hobby and membership clubs.

The SCVO's accounts analysis model therefore adopts an inverted proportional approach, aiming to analyse the accounts of all large charities, and smaller samples from each of the smaller income bands.

Care is taken to ensure that the sample within each band representative of both key **organisational types** and **geography**.

The financial data extracted from the accounts is then weighted accordingly.

The sampling frame used in 2015 is outlined below:

| ID | Band | Number of charities | Sample size aimed for % | Sample aimed for | Actual Accounts analysed | Actual sample % | Weighting |
|----|---------------------------|---------------------|-------------------------|------------------|--------------------------|-----------------|-----------|
| 1 | £10,000 and under | 9388 | 1% | 94 | 66 | 0.7% | 142.24 |
| 2 | £10,001 to £25,000 | 2802 | 3% | 84 | 44 | 1.6% | 63.68 |
| 3 | £25,001 to £50,000 | 1748 | 5% | 87 | 45 | 2.6% | 38.84 |
| 4 | £50,001 to £100,000 | 1319 | 10% | 132 | 54 | 4.1% | 24.43 |
| 5 | £100,001 to £500,000 | 2013 | 20% | 403 | 146 | 7.3% | 13.79 |
| 6 | £500,001 to £1,000,000 | 399 | 25% | 100 | 69 | 17.3% | 5.78 |
| 7 | £1,000,000 to £5,000,000 | 415 | 50% | 208 | 140 | 33.7% | 2.96 |
| 8 | £5,000,000 to £10,000,000 | 80 | 80% | 64 | 54 | 67.5% | 1.48 |
| 9 | More than £10,000,000 | 61 | 100% | 61 | 46 | 75.4% | 1.33 |
| | Total | 18225 | | 1232 | 664 | 3.6% | |

6. Financial fields collected by SCVO

The following income and expenditure fields are extracted from charity accounts by SCVO, to produce our statistics and help identify and understand key financial trends.

| | |
|---------------------------------------|------------------------------|
| INCOME | EXPENDITURE |
| Total Income | Total Expenditure |
| <i>VOLUNTARY INCOME</i> | Grant Expenditure |
| General Public Donations | Generating Funds |
| Legacies | Charitable activities |
| Charitable Trust Grants | Governance Costs |
| Lottery | Capital Expenditure |
| Private Sector Grants | |
| Public Sector Grants | STAFFING |
| Local Authority Grants | Total Staff Cost |
| Scottish Government Grants | Salaries |
| NHS / HSCP Grants | Social security costs |
| <i>European Grants (Leader etc)</i> | Pension costs |
| Other public sector grants | Other staff costs |
| | |
| EARNED - CHARITABLE ACTIVITIES | Total Staff (headcount) |
| Total Charitable Activities | Paid Full Time Staff |
| Sales (Gen Public) | Paid Part Time Staff |
| Sales (Priv Sector) | Staff FTE |
| Sales (Vol Sector) | Chief Officer salary band |
| Fundraising | |
| Trading Subsidiary | ASSETS & FUNDS |
| Public Sector Contracts | Total Assets |
| Local Authority Contracts | Fixed Assets |
| Scottish Government Contracts | Tangible Fixed Assets |
| NHS Contracts | Investments |
| <i>European Contracts</i> | Current Assets |
| Other public sector contracts | Stock |
| Rental Income | Debtors |
| | Cash |
| EARNED - OTHER INCOME | Liabilities within 1 year |
| Trading to generate funds | Liabilities more than 1 year |
| Investments / Income | Pension Liabilities |
| Loan Finance | Total Funds |
| Rental income other | Restricted Funds |
| Other Income | Unrestricted Funds |
| | Endowment Fund |