

SCVO Scottish voluntary sector statistics: methodology

February 2022

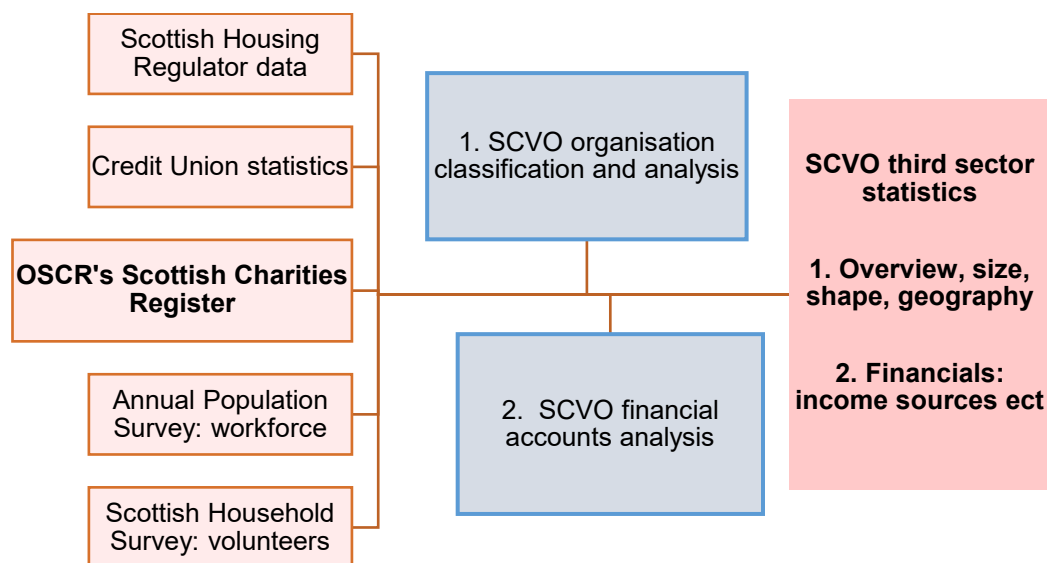
This paper outlines the methodology and data sources used to produce SCVO third sector statistics, as seen in the SCVO [data hub](#).

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 carried out in consultation with a number of local Third Sector Interfaces (TSIs) 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) 	✓ x ✓	✓ ✓ ✓
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 	x x x	x x x
Cross-border charities registered with both OSCR and the Charity Commission	x	✓ <i>using estimates for Scottish activities</i>
Scottish Credit Unions	✓	✓
Scottish voluntary organisations, community groups and amateur sports clubs without charitable status		✓ <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 	x x	✓ x

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](#).

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](#).

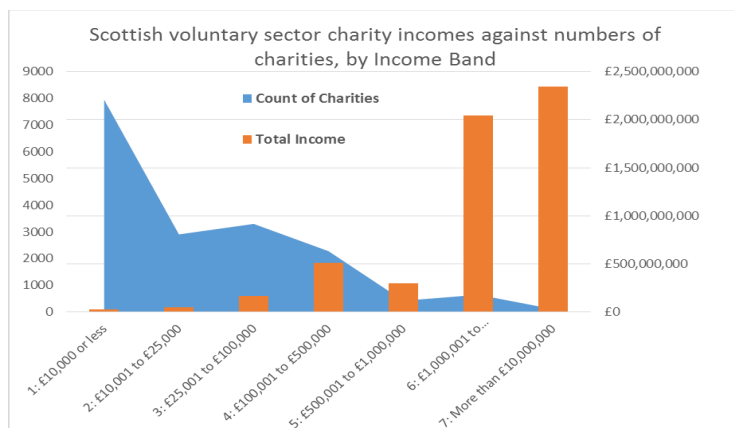
The ICNPO classification system groups organisations into 12 major activity groups, which are further divided into 24 subgroups. SCVO has further divided these sub-groups to create a Scottish version of the ICNPO (the SCNPO), to better understand the scope and impact of the third sector in Scotland – 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
Environment and Animals	
5100 Environment	598
5200 Animals	260
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
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
Grantmaking and support	
8100 Grantmaking foundations	690
8200 Umbrella and Support bodies, volunteering	67
Religious Activities	
10100 Religious activities	527
10110 Congregations, e.g. Churches. Mosques	2,928
11100 Business and professional associations	166
12100 Not elsewhere classified	1,109
12200 General charitable purpose	701
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	
Public Sector Contracts	ASSETS & FUNDS
Local Authority Contracts	Total Assets
Scottish Government Contracts	Fixed Assets
NHS Contracts	Tangible Fixed Assets
<i>European Contracts</i>	Investments
Other public sector contracts	Current Assets
Rental Income	Stock
	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