

Methodology

This Almanac is based on data from a wide range of sources. Due to the number of civil society areas covered and the variety of methods used, only a brief outline of the methodology can be given here: for further information visit www.ncvo-vol.org.uk/almanac.

Voluntary sector

Voluntary sector definition

As in previous Almanacs, the general charities definition is used within this Almanac to obtain estimates for the voluntary sector. This is to enable comparisons over time for this core part of the sector. The clear limits to the definition enable the production of robust, clearly defined estimates for both numbers of voluntary sector organisations and their financial characteristics. Included in this definition are those registered charities that meet the following criteria: formality, independence, non-profit distributing, self-governance, voluntarism and public benefit. We do, however, recognise its limitations as a definition and now include a range of other civil society organisations within the Almanac as well.

Voluntary sector methodology

Financial information on voluntary organisations is based on their annual accounts submitted to the Charity Commission. The general charities definition is applied to all charities on the Commission's register, producing a usable population for England and Wales. GuideStar Data Services provided financial data for a sample of these organisations, and a smaller sub-sample was taken to obtain figures for income source and type.

Before use, the data is cleaned to remove significant errors, and undergoes a series of checks to ensure validity. These checks include:

- the comparison of income, expenditure, assets and workforce data between this year and last year to look for particularly large increases and decreases, and
- the construction of various ratios between financial variables (for example between income and expenditure, and investments and dividend income) to look for anomalies.

Those records that have financial returns other than one year in length are converted to one year and where accounts were submitted in a foreign currency they were converted to Pounds Sterling using an average of the exchange rate over the year. Organisations have a range of financial year ends, distributed throughout the year. To ensure consistency all values were converted to April 2008 prices using the retail price index. Once cleaned, mean amounts are produced for all financial variables within each income band and are multiplied to the UK population size by income band. Supplementary data from the Scottish Council for Voluntary Organisations and the Northern Ireland Council for Voluntary Action is used to produce estimates of the UK population. Due to rounding figures, some percentage totals may not sum to 100%.

Analysis by size

Within the Almanac, voluntary organisations are divided into five groups based on their income. Each group is named to make it easier to discuss the findings and place them in context.

Income	Name
Less than £10,000	Micro
£10,000 to £100,000	Small
£100,000 to £1 million	Medium
£1 million to £10 million	Large
More than £10 million	Major

Analysis by sub-sector

Voluntary organisations conduct a wide range of activities, which are often grouped into sub-sectors or industries. The International Classification of Non-profit Organisations (ICNPO) is designed for voluntary organisations and other non-profit groups, and so is the most useful for comparisons between groups of organisations. In reality many organisations undertake multiple activities (e.g. housing and advice), but our analysis groups organisations into a single category based upon their primary activity, a sometimes subjective decision. For the figures presented in this Almanac some categories have been grouped together.

Charitable giving

Charitable giving data is from the NCVO/CAF UK Giving Survey, gathered by the Office for National Statistics in three waves between April 2008 and March 2009. For further information see UK Giving 2009 (NCVO/CAF, 2009) www.ncvo-vol.org.uk/research/giving.

Workforce

Our employment figures are largely based on Labour Force Survey (LFS) data. The LFS surveys an estimated 60,000 private households every quarter. By pooling data for unique individuals from four quarters, it is possible to produce reliable estimates of the sector's workforce. Weighting is used within the LFS to compensate for non-response rates in certain groups and produce population estimates.

To identify the sector a respondent is employed in, a two-stage self-classification process is used. Respondents are first asked whether they work for 'a private firm, business or a limited company' or 'some other kind of organisation'. Those respondents who choose the second option are then asked, 'what kind of non-private organisation is it?' They are then presented with a range of options including 'charity, voluntary organisation or trust'. For the purposes of the analysis for the Almanac, responses to these questions were recorded into a sector variable and defined as 'private', 'public' or 'voluntary'.

The most recent statistics on volunteering are available from the 2008/09 Citizenship Survey. For further information see Citizenship Survey: 2008-09 (DCLG, 2009) www.communities.gov.uk/documents/statistics/doc/1324451.doc. All extrapolated figures are based on ONS 2008 mid-year estimates.

Voluntary sector – population and sample, England and Wales, 2007/08

	Micro	Small	Medium	Large	Major	Total
Registered with Charity Commission	85,636	51,266	20,526	5,108	836	163,372
General charities	78,188	46,619	18,085	3,509	387	146,788
Main sample	228	30,249	13,826	3,118	379	47,800
Main sample (% of general charities)	0.3%	64.9%	76.5%	88.9%	97.9%	32.6%
Sub-sample for income	228	383	596	922	377	2,506
Sub-sample for income (% of general charities)	0.3%	0.8%	3.3%	26.3%	97.4%	1.7%

▲ Source: NCVO, GuideStar Data Services

Other parts of civil society

Other organisations registered with the Charity Commission

Some organisations that are registered with the Charity Commission but excluded from the voluntary sector definition are included within other parts of civil society. For these organisations, a similar process was followed to that of voluntary organisations in order to produce figures for income, expenditure, assets and staff numbers. The parts of civil society this included are: trade associations and professional bodies, common investment funds, faith groups¹ and benevolent societies². The figures presented for charities that are government-owned or NHS based and fall outside of civil society are also derived by the same method as voluntary organisations.

Mutuals

Data on co-operatives and mutuals was sourced from the Mutuals Yearbook 2009. Their data is sourced from the umbrella body for each of the types of mutual organisation. For further information see Mutuals Yearbook 2009 (Oxford Centre for Mutual and Employee-owned Business, 2009).

Universities

Financial data was sourced for all UK Universities from the Higher Education Statistics Agency (HESA) and aggregated to produce totals for the UK. HESA data is based on the annual accounts of universities.

Housing associations

Detailed housing association data for England was provided by the National Housing Federation and is based on the audited accounts of Registered Social Landlords in England. The majority of the data is based on those organisations which manage 250 or more housing units, with extrapolation performed to estimate the incomes of the smaller associations. These organisations can take a wide variety of forms, including charities, co-operatives and industrial and provident societies. Duplicates have been removed when calculating the total size of civil society. To produce figures for the whole of the UK, the numbers of organisations and housing units in nations other than England were sourced from the Scottish Housing Regulator, Local Government Data Unit Wales and Northern Ireland Federation of Housing Associations. The financial variables were then extrapolated to this population using the average income per housing unit for England.

Independent schools

Estimates are based on a population list of independent schools provided by the Department for Children, Schools and Families. As most

independent schools have charitable status, schools were matched to their respective charities in order to obtain financial information. Approximately half of the schools were able to be matched back to their relevant charity. UK figures were estimated using the financial estimates for England and based on the number of pupils and type of school.

Trade unions

Financial data was sourced for all trade unions in Great Britain from the Certification Office and aggregated by NCVO to produce totals for the UK. The Certification Office is the regulator of trade unions and uses returned annual accounts to compile their data.

Political parties

The accounts of registered political parties are available from the Electoral Commission. These accounts were inputted by NCVO, ensuring a 100% sample of the largest and most well-known parties and a significant sample of the remaining parties. To be included in the population, a party had to return accounts for two of the past three years.

Companies limited by guarantee

A list of companies limited by guarantee (CLGs) was purchased from Companies House. This list was matched with the Charity Commission register to identify and remove those CLGs which are also registered charities. Income and expenditure of these organisations are based on the average finances found in the Northern Rock Foundation Third Sector Trends study³.

Community interest companies

A list of community interest companies (CICs) is available from the CIC regulator, and the accounts of these organisations can be sourced from Companies House. The first CICs were registered in August 2005. For those organisations registered up to April 2008, data was obtained for a sample of organisations using their accounts. Total numbers of community interest companies include all those registered up to April 2008.

Sports clubs

The number of sports organisations in the UK is based on survey data commissioned by Sports England in 2002⁴. The 2002 survey included results for 89 sports and the authors report an estimate of voluntary sports organisations in England. Using ONS 2008 mid-year population figures, this figure was scaled up to get the total number of voluntary sports organisations in the UK. Financial information on sports clubs was derived from average income and expenditure figures reported in the CCPR's Survey of sports clubs 2009.

¹The numbers of faith groups were supplemented by also including an estimate of exempted charities which fall into this category. There are also many smaller faith groups which are neither registered or exempted charities, these are not currently included.

²Fifty of the reported benevolent societies are registered with the FSA rather than the Charity Commission. The income of these organisations was estimated using the Inter-Departmental Business Register from ONS.

³For further information see www.nrf-foundation.org.uk/thirdsectortrends

⁴Sports volunteering in England 2002 (Sports England, 2003)