

Taking Account 4 Methodology - 1

Estimating the number of third sector organisations in the city

It is only possible to model or estimate numbers of third sector organisations; it is not possible to count them accurately. This is because the sector includes civil society organisations therefore a significant proportion of it (potentially up to two thirds¹) is comprised of unincorporated or informal groups, clubs and forums. Part of the value of being an informal group is that there is no requirement to appear on public registers or submit audited accounts. This results in increased privacy through less scrutiny from public bodies, reduced administrative overheads, as well as associated initial and recurring costs².

The remaining third of the total number of organisations are those which have a legal form and are therefore listed on public registers. However, whilst some legal forms such as Registered Charity, Community Interest Company or Mutual Society clearly indicate that an organisation falls within the third sector, a significant portion of third sector organisations operate under the legal form of Limited Company (either by shares or guarantee). Although a public register of limited companies is held by Companies House it is not possible to distinguish from the register alone which organisations meet the definition of third sector organisations and which do not.

In TA3 the number of Third Sector Organisations in Brighton and Hove was estimated based on two methods. The first method used 'real-world' data collected from local, citywide directories and the second estimate was modelled from national data held by the National Council for Voluntary Organisations.

1. A comparison of citywide directories³ of third sector organisations estimated that there are 2300 third sector organisations in Brighton and Hove in 2013
2. NCVO 2010 estimate for number of civil society organisations and unincorporated organisations in the UK (900,000) divided by UK population to give an estimated number of organisations per head of population in Brighton and Hove.

In TA4 these two methods were replicated.

1. [Oxford Consultants for Social Inclusion \(OCSI\)](#)⁴ compared 3 current, citywide directories of third sector organisations⁵. From these lists the following estimates were produced:
 - a. upper estimate **2105**
 - b. lower estimate **1521**
2. The NCVO estimate that there are 389,651⁶ Civil Society Organisations in the UK in 2018. This total is an estimate based on annual reports and published registers from a range of

¹ <https://data.ncvo.org.uk/a/almanac18/what-is-civil-society-4/>

² P.15 <https://www.uk.coop/sites/default/files/uploads/attachments/simply-legal-final-september-2017.pdf>

³ Directories compared in TA3 were: Community Works, Resource Centre, Charities Commission, Brighton and Hove City Council, Community University Partnership Programme, Sussex Community Foundation and Trust for Developing Communities.

⁴ The data analysis tool OCSI have designed can be re-used with additional directories added as required and reports re-run to provide annual updates on organisations included in city-wide directories.

⁵ Community Works, Resource Centre, Trust for Developing Communities

regulators. When divided by the mid-2017 Office of National Statistics estimate of UK population and multiplied by the mid-2017 estimate for Brighton and Hove this gives an estimate of 1705 incorporated civil society organisations for Brighton and Hove⁷.

In addition to this total NCVO estimate there are between 600,000 and 900,000 unincorporated organisations⁸. This constitutes a ratio of between 1.5 (for the lower estimate) and 2.3 (for the upper estimate) unincorporated for every incorporated organisation. The total for all Civil Society Organisations in Brighton and Hove is therefore between 2558 and 3922.

- c. upper estimate **3922**
- d. lower limit **2558**

The mean of these two numbers is taken as the number of third sector organisations used in this audit.

Total number of third sector organisations: 2332

⁶ Source: <https://data.ncvo.org.uk/a/almanac18/what-is-civil-society-4/>

⁷ 288,155

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>

⁸ NB. It should be noted that the same estimate of approximately 390,000 Civil Society Organisations in the UK was also given in 2017. This total did not include unincorporated organisations. Prior to 2017, the NCVO gave an overall estimated UK total of 900,000 for total number of Civil Society Organisations inclusive of unincorporated organisations. As NVCO methodology has changed since Taking Account 3 and these totals are clearly broad estimates that cover a considerable range of possibility, it is not possible to specify or model with complete accuracy the total number of third sector organisations.