



Scotland's top charity leaders: how diverse are they?

February 2022

Background

The David Hume Institute (DHI) is an independent Scottish think tank which continually challenges itself and others to ensure the future is prosperous, sustainable, inclusive and fair.

In 2015 DHI published *Elitist Scotland?* in partnership with the Social Mobility Commission, examining the educational diversity of the top decision makers in Scotland.

In 2020 we repeated the analysis in *Does Team Scotland have the right players?* We increased the scope of the research to investigate gender and ethnicity of people in the top 708 key leadership positions in Scotland. The analysis showed there had been progress in some sectors but others are still lagging behind and failing to reap the benefits from diversity of thought, such as improved organisation performance.

Scotland needs all its current top leaders to actively champion diversity and provide the opportunities to ensure faster progress. More equal societies have higher productivity, and high productivity allows more investment to create more equal societies.

The challenges Covid-19 brings mean we need to ensure diversity of thought across all decision making so Scotland is as strong as possible for whatever the future holds.

In this new research we build on our 2020 *Team Scotland* analysis by looking at the leaders of Scotland's largest charities which were not part of the original sample. The Scottish charity sector is a large employer, has significant income and influence on government and society, and has high levels of public trust associated with charitable status. Charities played a crucial part in Scotland's response to the pandemic. Leaders involved in running charities also have specific legal duties in relation to public benefit.

This report analyses the educational, gender, ethnic, age and professional diversity of the leaders of Scotland's top 300 charities by income from the Scottish Charity Register (OSCR).¹ The sample includes a wide range of organisation types. It does not include cross border charities working in other parts of the UK and registered with the Charity Commission for England and Wales, or the Charity Commission for Northern Ireland.

1 OSCR, 2021. [The top 300 charities by income](#). Online. Accessed 21 September 2021.

Context

The charity sector in Scotland is composed of organisations of vastly different sizes and legal structures. The latest available figures show it has an annual income of over £13.17 billion and 208,977 staff, which means the Scottish charity sector is of a similar size to the NHS in Scotland.²

Charities provide a huge range of functions and can have very different funding models. Around 50% report an income of less than £25,000; two fifths (39%) have an income of less than £9,999.³ 68% of organisations report that they are run entirely by volunteers.⁴ These micro organisations are very different to the top 300 charities by income analysed in this report.

The top 300 account for 73% (£10bn) of the sector's annual income despite being only 1% of the total number of Scottish charities on the Scottish Charity Register.⁵

Charities in the top 300 represent a range of organisation types including Community Benefit Societies, Companies Limited by Guarantee, Educational Endowments, Registered Societies, Statutory Corporations, Scottish Charitable Incorporated Organisations (SCIOs), Trusts and Unincorporated Organisations.

- **Advice and training** – charities that provide support, advice and training, including umbrella organisations. For example: Citizens Advice Scotland and the Offshore Training Foundation.
- **Arms Length External Organisations (ALEO)** – are formally separate from government but are subject to its control or influence. ALEOs can take different legal forms including companies, community enterprises and trusts. They provide many different services and most local authorities use them for a variety of functions; half of all ALEOs in Scotland are registered charities.⁶ For example: Sport Aberdeen, Jobs and Business Glasgow and Live Borders.
- **Arts, Culture, Sport and Environment** – charities supporting the arts, culture and sport, preserving the natural environment and animal welfare. For example: SSPCA, the R and A Foundation and the Royal Botanic Gardens.
- **College, University and Research Institute** – Scotland based higher education including tertiary colleges, Scottish universities and research institutes with the authority to award academic degrees. For example: University Of Edinburgh, City of Glasgow College and The James Hutton Institute.
- **Funder** – distributors of funding and grants including grantmakers and charitable trusts. For example: the People's Postcode Trust, the Souter Charitable Trust and Johnson & Johnson Foundation Scotland.

2 OSCR, 2021. [Scottish Charities 2021](#). Online. Accessed 18 November 2021.

3 OSCR, 2021. [Scottish Charities 2021](#). Online. Accessed 18 November 2021.

4 OSCR, 2021. [Scottish Charities 2021](#). Online. Accessed 18 November 2021.

5 OSCR, 2021. [Scottish Charities 2021](#). Online. Accessed 18 November 2021.

6 Audit Scotland, 2018. [Councils' use of arm's-length organisations](#). Online. Accessed 20 October 2021.

- **Health and care** – charities working in health and care, including specific support for health conditions, rehabilitation, hospice care, mental and physical health. For example: Turning Point Scotland, Children's Hospices Across Scotland and Quarriers.
- **International** – charities whose work is carried out predominantly overseas. For example: Turquoise Mountain Trust, Emms Nazareth and Mary's Meals.
- **Registered social landlord (RSL) and housing** – including housing associations and housing operators with charitable status which are not RSL. For example: Tollcross Housing Association, Glasgow Student Villages and Atrium Homes.
- **Religion** – including religious associations, dioceses and charities whose primary purpose is the advancement of religion. For example: the Lord's Work Trust, RC Diocese Of Motherwell and the Church of Scotland General Trustees.
- **School** – with charitable status. For example: Glenalmond College, The Governors of the Fettes Trust and Loretto School.

The diversity of charities analysed in this study of the top 300 shows the range of purposes and organisation types that have charitable status.

Charities in Scotland must only have charitable purposes as set out in the Charities and Trustee Investment (Scotland) Act 2005 (henceforth 2005 Act), and must provide public benefit in achieving those purposes.⁷

Scottish charities with an income of £250,000 or more are required under OSCR's annual monitoring regime to provide detailed information in relation to their income and expenditure. This applies to 2,315 Scottish charities (9%). Registered social landlords and cross border charities registered in England complete a different annual return and do not provide this information to OSCR. The Charity Commission for England and Wales and the Scottish Housing Regulator hold information for these charities.⁸

19% of Scottish charities are limited companies reporting to Companies House as well as OSCR. Since the new legal form of SCIO was introduced in 2011, 1 in 5 (20%) charities registered with OSCR have adopted this legal form and need only report to a single regulator. Figure 1 shows the rapid growth in SCIO registrations alongside the decline in other legal forms such as companies.⁹ Companies House requires a higher level of public transparency for directors than OSCR requires for trustees. The rise in SCIOs means charity trustees in Scotland now have less requirement for transparency.

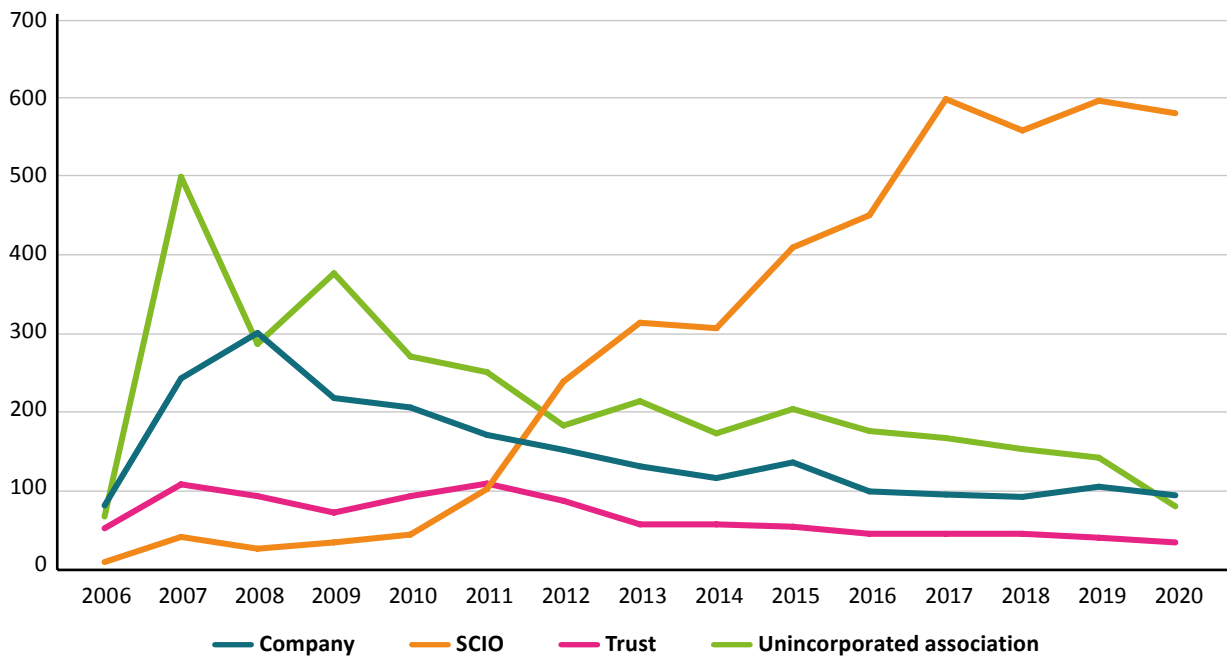
DHI is a charity registered in Scotland. Details of trustees are easily accessible on our website. We are not included in this analysis as DHI is not one of the largest charities in Scotland.

7 Scottish Government, 2005. [Charities and Trustee Investment \(Scotland\) Act 2005](#). Online. Accessed 9 December 2021.

8 OSCR, 2021. [Scottish Charities 2021](#). Online. Accessed 18 November 2021.

9 OSCR, 2021. [Scottish Charities 2021](#). Online. Accessed 18 November 2021.

Figure 1: Legal form registered over time



Source: OSCR¹⁰

Charitable status has substantial financial benefits. Charities do not pay tax on most income and gains as long as the money is used for a charitable purpose. This includes income from donations, profits from trading, investment and rent income, profits from the sale of assets and purchasing property. Many charities benefit from extra income through the UK Government Gift Aid scheme (reclaiming deducted tax from the UK Treasury).¹¹

Organisations with charitable status benefit from the charity brand which has high levels of public trust. In 2021 OSCR reported the highest levels of public trust in charities since this measure was first taken in 2009.¹²

Chairs, as leaders of boards, are ultimately responsible for the organisation complying with the general and specific legal responsibilities set out in the 2005 Act. However, unlike with Companies House, much of the guidance from OSCR is suggested practice rather than a legal requirement.¹³

10 OSCR, 2021. *Scottish Charities 2021*. Online. Accessed 18 November 2021.

11 UK Government, 2021. *Charities and tax*. Online. Accessed 18 November 2021.

12 OSCR, 2021. *Scottish Charities 2021*. Online. Accessed 18 November 2021.

13 OSCR, 2017. *Guidance and Good Practice*. Online. Accessed 18 November 2021.

Methodology

This study analysed the leaders of the top 300 Scottish charities based on income identified by OSCR. This does not include cross border charities.

We undertook research to identify leaders in the equivalent positions to Chair and CEO. Chairs include Rectors, Presidents, Governors and Convenors. CEOs include Principals, Managing Directors and Heads of Schools. A total of 545 leaders were identified. Each leader was only counted once. Where an individual was associated with more than one organisation, only the highest ranking (by income) organisation in the top 300 was counted in the analysis of leader characteristics. Twenty individuals hold more than one position, and only three were in a different category to their first organisation.

Data was found through public sources including charity profiles, Companies House, LinkedIn and news articles. Where this data was unavailable we contacted individuals directly. We are grateful to all of those who responded. A breakdown is available on our website.¹⁴

In all calculations we aim to identify a minimum of 70% data. It was not possible to complete the analysis of school education to this reporting threshold. School education was identified for 37% of the sample (of these, 73% of charity leaders attended a state school).

Gender has been identified using pronouns in biographies, titles and, where these are unavailable, by name and picture. Likewise profiles and biographies were used to identify ethnicity. These are imperfect ways of identifying gender and ethnicity and do not show the wide spectrum of experience and background. Practises like the use of (she/her), (he/him) and (they/them) are an important step in normalising inclusion.

We did not identify any leaders with a disability through publicly available information.

14 David Hume Institute [research data tables](#)



**This study analysed the
leaders of the top 300
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Breakdown by classification

Figure 2 shows the breakdown of the top 300 by category and their percentage share of income. College/ University/ Research Institutes are clear outliers in terms of total income, with extensive property portfolios and research operations. The University of Edinburgh accounts for 11% of the total income of the top 300 charities.

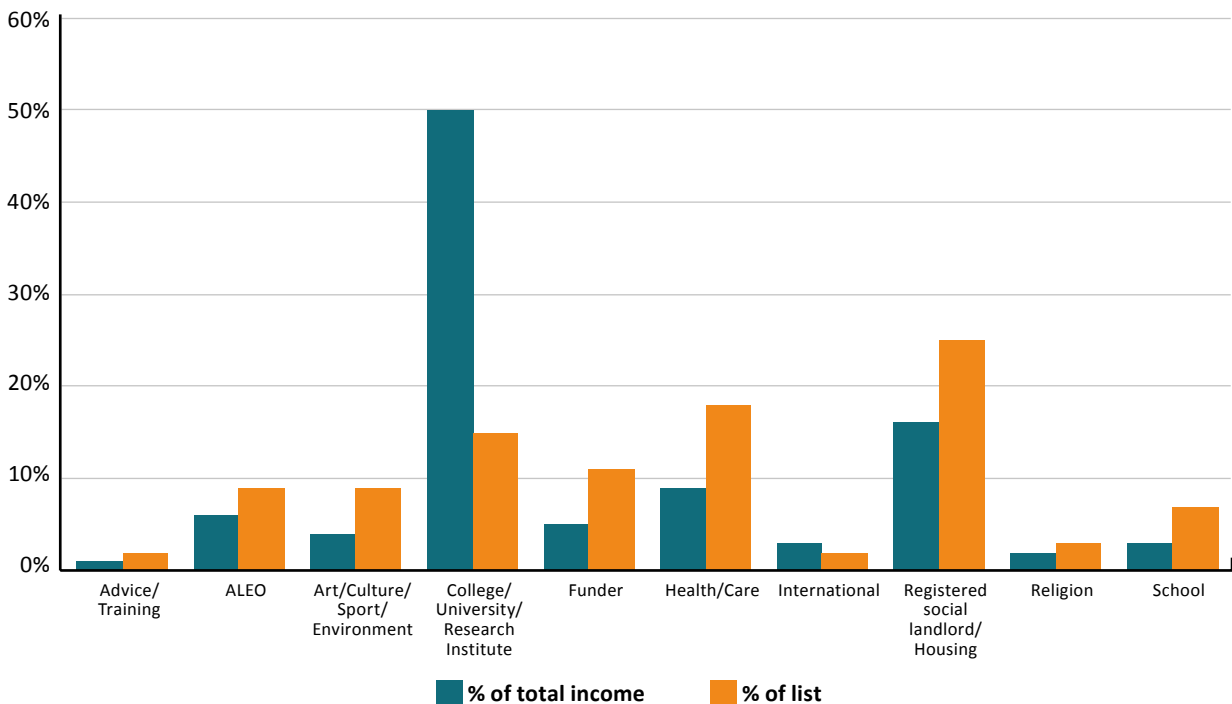
Under Section 23 of the 2005 Act the public are entitled to information about charities. This is a specific duty on all charity trustees. However, despite OSCR good practice guidance, some organisations do not make annual accounts openly available on their websites, instead requiring any interested individual to request the information. Organisations are also permitted to charge an administration fee for supplying the accounts.

Unlike the register of company directors made available by Companies House, trustee information is not publicly available from OSCR and annual reports on the OSCR charity database currently have trustee information redacted from the public record. OSCR's good practice guidance encourages transparency regarding persons with significant control over the organisation and many charities do list trustees openly on their websites.

The lack of a public register of named trustees means it is not possible to know the scale of charitable work and funds each person is overseeing.

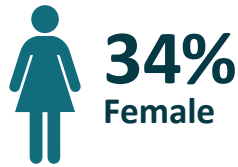
There is also a difference across the sector in relation to Freedom of Information (FOI) legislation. Further and higher education institutions, ALEOs and RSLs have now joined public bodies under the FOI remit, which could potentially be extended further in coming years to include social care charities.¹⁵

Figure 2: Charities as percentage of top 300



¹⁵ The Scotsman, [online](#) accessed 18 January 2022

Key findings



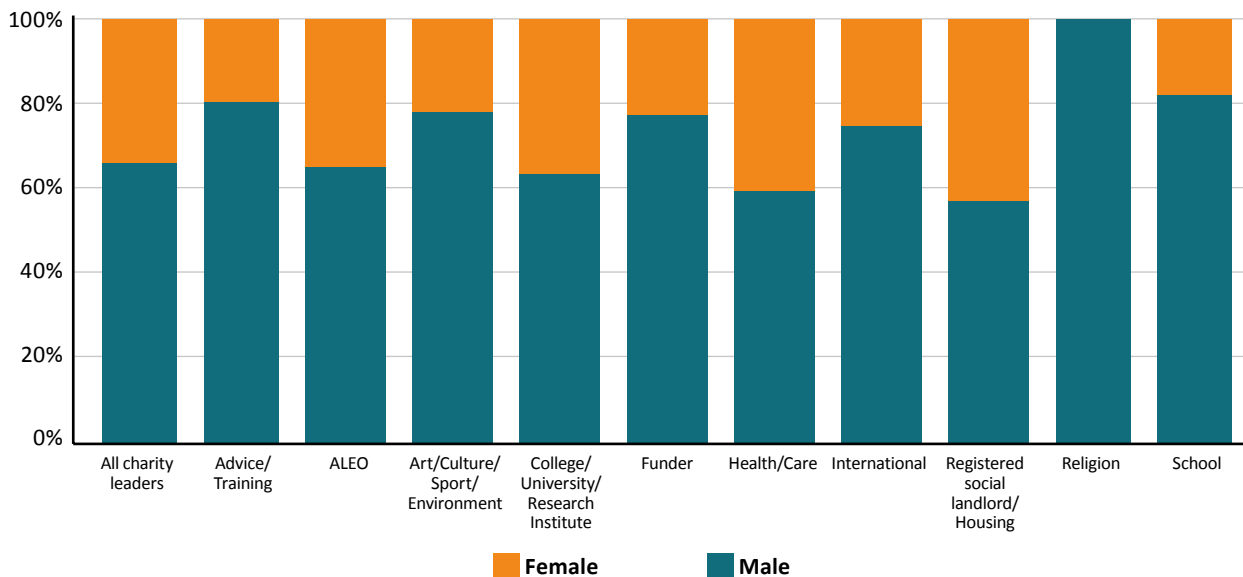
Gender diversity

34% of top charity leaders were female, compared to 32% of leaders analysed in the 2020 *Team Scotland* report. This headline figure compares favourably against other sectors in the study, but urgent action is still needed to achieve greater gender equality.

Six of the ten categories in the top 300 had 25% or fewer female leaders (Figure 3). There is considerable variation within the charity sector and those organisations with poor diversity can be hidden in the overall statistics. Religious organisations had the worst gender ratio with 100% of leaders analysed being male. Registered social landlords/housing sector had the best gender ratio with 43% of leaders female and 57% male, closely followed by health/care leaders with 41% female (59% male). However, given the high number of female workers in the health and care sector, there is still more work to be done. It is notable that 1% of leaders in this sample job share, which can be a route to greater flexibility which is particularly valued by parents and carers.

Women make up the majority (71%) of the sector's workforce, clearly showing this is a sector where high numbers of female workers are led by men.¹⁶ However, this Scottish Council for Voluntary Organisations (SCVO) analysis does not include all charities on the OSCR register as faith organisations, universities, colleges, schools and public bodies are excluded from the statistics.¹⁷ Focused work on building leadership pathways must improve.

Figure 3: Gender diversity across categories of charity



16 SCVO, 2020. *State of the Sector*. Online. Accessed 26 November 2021.

17 SCVO, 2020 *Third Sector Who's in and who's out* Online Accessed 26 November 2021

Ethnic diversity

Just 2% of charity leaders are from ethnic minority backgrounds, compared to 4% in the general population. Of these, 1% are Asian British. Those from a black British, Asian international and black international background each make up less than 1%.¹⁸

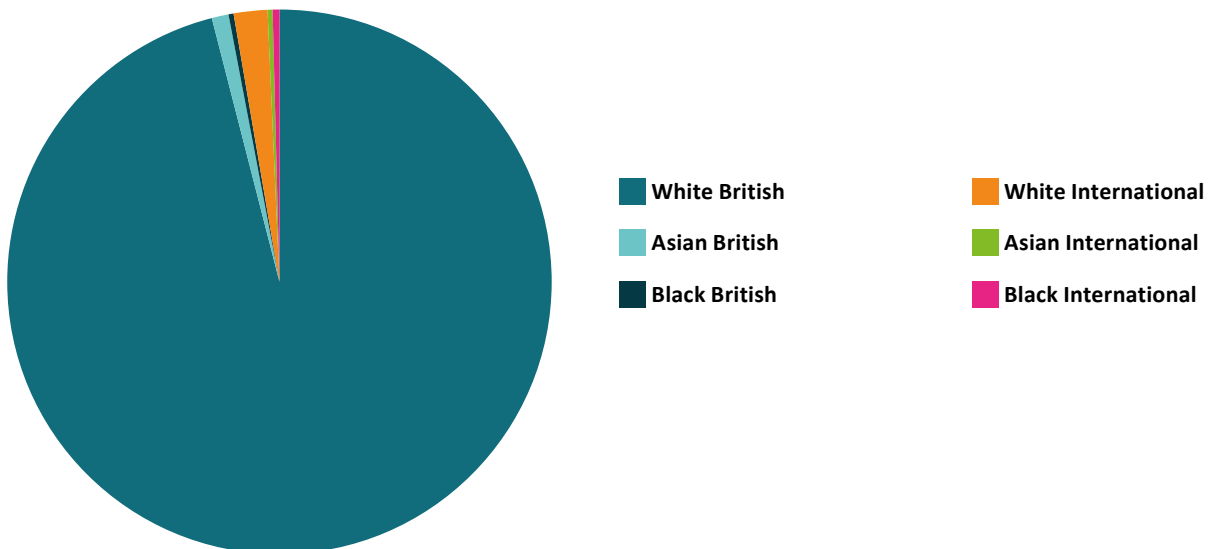
The remaining 98% of leaders in this study are white, compared to 96% in the general population.

Of this figure, 2% are white from an international background, (compared to 4% generally) and 96% from a white British background (compared to 92% generally).

Whilst ethnic diversity appears to roughly match the diversity of Scotland, 56% of the charities analysed in this report operate in Edinburgh, Glasgow and Aberdeen. These cities are more ethnically diverse than Scotland as a whole. In Edinburgh 18% of the population identify as an ethnic minority, and in Glasgow and Aberdeen 17%.¹⁹ Although this percentage includes white international people in our analysis. More work needs to be done to ensure charities represent the communities they are based in and serve.

Not all charities in this report are focused on specific work in their region but they are recruiting talent from the communities they are part of. There remains a need to create pathways for people from more diverse ethnic backgrounds to enter and succeed in the charity sector.

Figure 4: Ethnic diversity across charity leaders



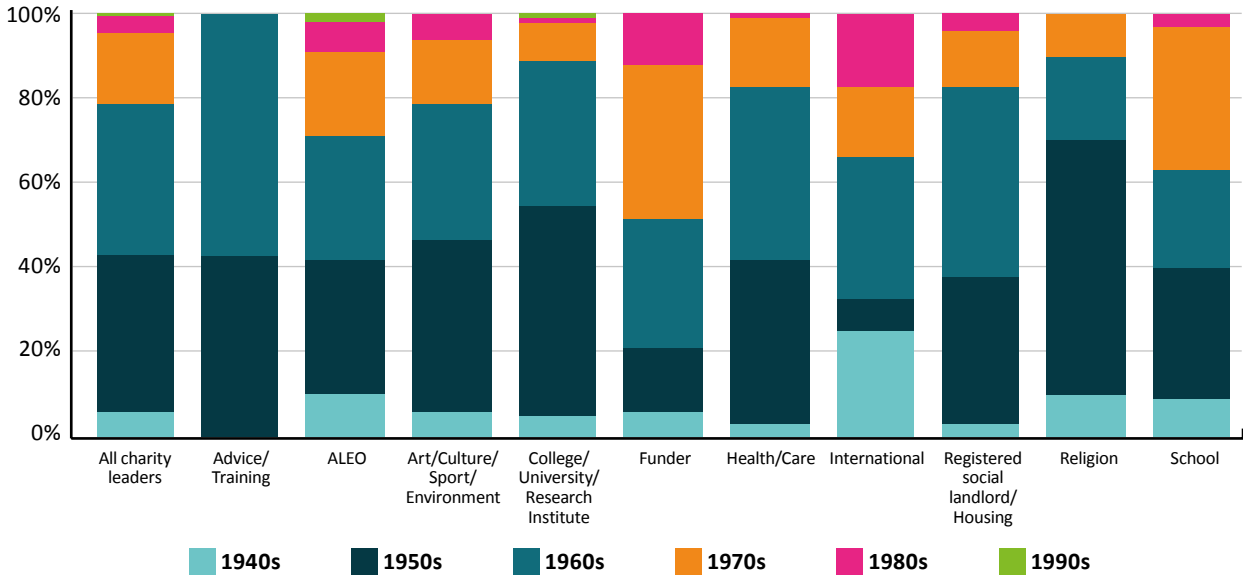
¹⁸ Scotland's Census, 2021. [Ethnicity](#). Online. Accessed 24 November 2021.

¹⁹ Scotland's Census, 2021. [Ethnicity](#). Online. Accessed 1 December 2021.

Age diversity

There is significant variation in age demographic across the different categories of the sample. 73% of charity leaders were born in the 1950s and 1960s. Less than 1% of leaders were born in the 1990s (Figure 5).

Figure 5: Age diversity across categories of charity

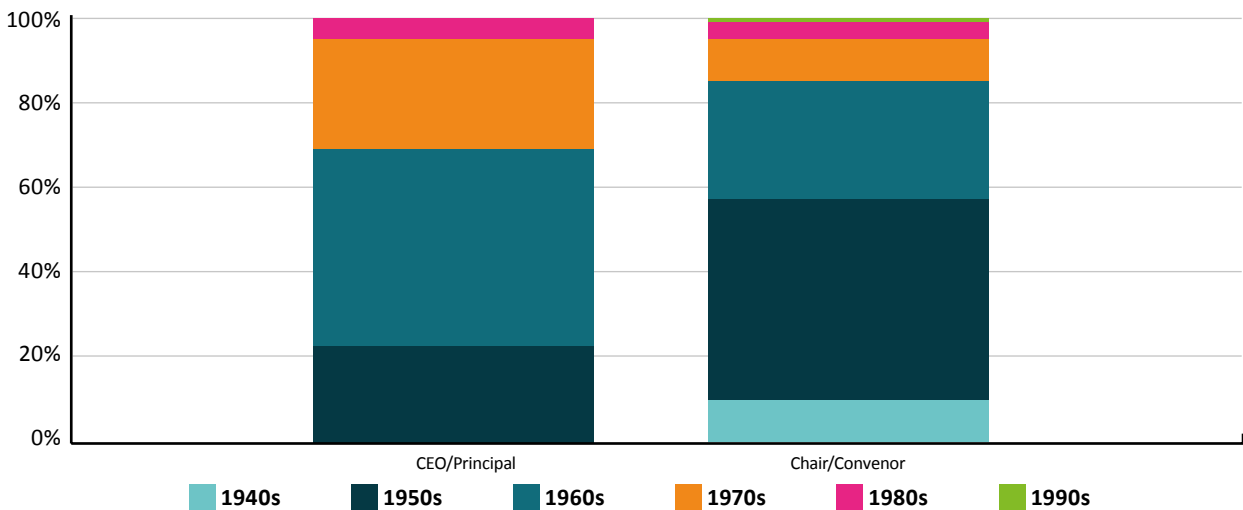


Despite the work of organisations such as Changing the Chemistry and Young Trustee Scotland, there is little variation between Chair and CEO positions in terms of age diversity.

Chairs are slightly older on average. 58% were born in the 1940s and 1950s and 1% were born in the 1990s.

CEOs are slightly younger on average with 72% born in the 1960s and 1970s (Figure 6).

Figure 6: Age diversity across charity leaders by position



Higher education

Undergraduate education

50% of charity leaders analysed attended an elite university. An elite institution is classified as Oxford or Cambridge (Oxbridge), the four Scottish Ancient and Russell Group universities (not including the Universities of Edinburgh and Glasgow which are included in the Scottish Ancient category).

This is comparable to business and investment leaders where 50% attended an elite university.²⁰ 6% of all charity leaders attended Oxbridge at undergraduate level, compared to an average of 5.8% in the 2020 *Team Scotland* analysis. Schools (77%) and funders (69%) have the highest percentage of elite university alumni.

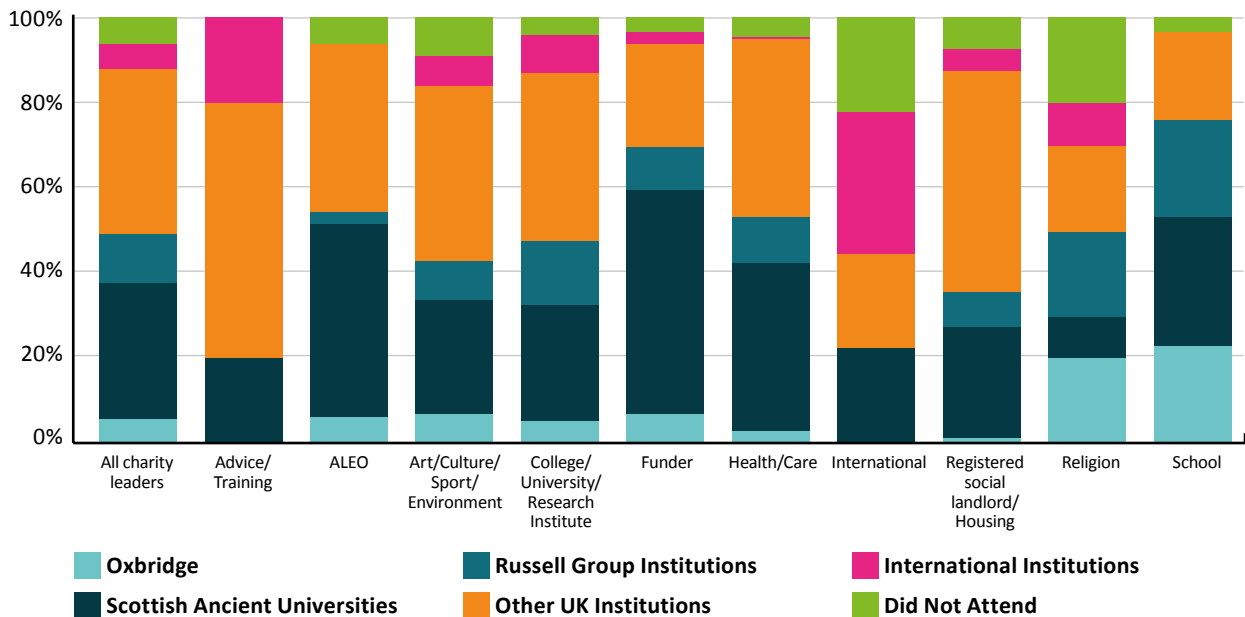
Of the remaining 50% of leaders analysed in this study, 6% did not attend university, 2% had a non-academic awarding institution (for example the Chartered Institute of Bankers), and 1% attended university as mature students. 4% attended the Open University where studies can be flexible and distance learning.

Figure 7 shows notable differences in leaders' higher education institutions by charity category. Advice/Training and International are notable for having no Oxbridge graduates. International is also the highest for leaders who did not attend university, closely followed by leaders in the religion group.

Schools and funders are notable for the highest percentage of leaders attending elite institutions (77% and 69% respectively). With 23% of school leaders and 20% of leaders from religious charities in the top 300 attending Oxbridge.

This compares to 48% of College/University/Research Institute leaders attending an elite university and just 5% attending Oxbridge.

Figure 7: Breakdown of undergraduate education by charity category

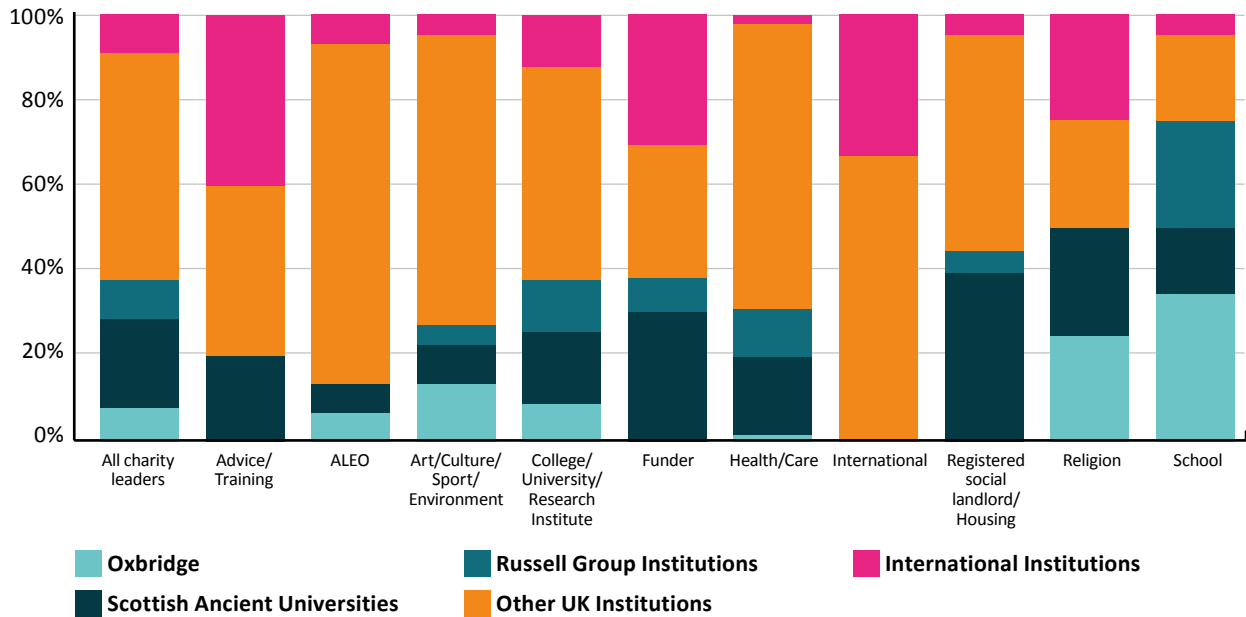


20 David Hume Institute, 2021. *What do business and investment leaders bring to Team Scotland?* Online. Accessed 9 December 2021.

Postgraduate education

43% of charity leaders have a postgraduate degree. 38% of these leaders attended an elite university at postgraduate level (8% Oxbridge, 21% Scottish Ancient and 9% other Russell Group). Another 4% of leaders have a postgraduate qualification but we were unable to determine the awarding institution.

Figure 8: Breakdown of postgraduate education by charity category



Professional background

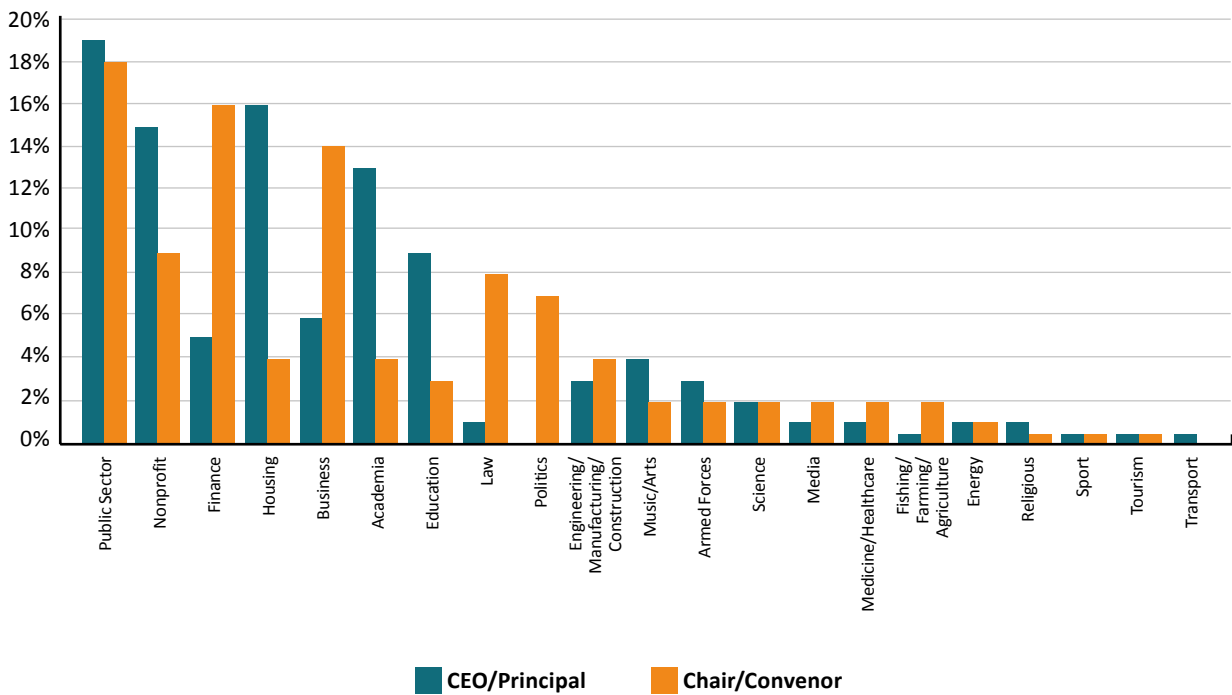
The professional background of the top charity leaders shows a broad diversity of expertise.

Figure 9 shows that Chairs and CEOs are on average bringing a range of professional skills and experience to their positions. Public sector is the most common background for both Chairs and CEOs. The next most common background for Chairs is finance at 16%. For CEOs, 15% have a background in nonprofits.

Registered social landlords/housing sector leaders are primarily from backgrounds in housing (39% of housing sector or 10% of all leaders.). Tenant representatives make up 8% of Chairs.

The professional background of ALEO Chairs is notable with 1 in 4 (24%) currently holding, or having previously held, elected office. A third of funder Chairs come from a background in the nonprofit/charity/ community sectors.

Figure 9: Breakdown of charity leaders by professional background and role



Diversity in the wider charity sector

Along with other sectors in Scotland, charities are in the spotlight for diversity of staff and boards. Many charity boards are now actively considering the organisational risks. In a 2020 survey of the sector, charity insurer Ecclesiastical found that 35% of charities identified lack of diversity as a risk in the next 12 months.²¹

Charities with diverse senior leadership and boards operate better services, are more responsive to their community, and have a better approach to risk management.²²

Charities are increasingly recognising the threat that a lack of diversity on their board poses. Increasingly, advertisements for charity trustee recruitment are targeting lived experience as much as specific skills to increase diversity of thought at board level.

The organisation, Young Trustee, estimates that the average age of trustees in Scotland is 61, and that less than 3% of trustees are under the age of 30.²³ Campaigns such as #CharitySoWhite spotlight the issues of ethnic diversity and racism in the sector.

Research from the Sutton Trust shows that unpaid internships contribute to lack of diversity. Unpaid internships or an expectation of significant experience gained through full time volunteering are leading routes into some parts of the sector. This entry route particularly affects arts and environment sectors and restricts talent from lower socioeconomic backgrounds and nongraduates.²⁴

Like other types of organisation, lack of diversity of thought is a considerable risk for charities and action must be taken to avoid the pitfalls of group think.

21 Ecclesiastical, 2020. [Risks to the sector](#). Online. Accessed 22 October 2021.

22 Think NPC, 2021. [Diversity, equity and inclusion](#). Online. Accessed 9 December 2021.

23 Young Trustee, 2021. [About](#). Online. Accessed 9 December 2021.

24 The Sutton Trust, 2018. [Unpaid, Unadvertised, Unfair](#). Online. Accessed 9 December 2021.

Conclusion

Analysis of the leaders of the top 300 charities in Scotland shows significant similarities and differences to the Team Scotland 2020 sample of top leaders in Scotland.

It is notable that charity Chairs on average bring a wider range of skills and past experience than CEOs which is a different picture to our earlier analysis of business and investment leaders in Scotland. Complementary skills and different backgrounds in an organisation's two key leaders is likely to lead to a stronger, more resilient organisation.

The top 300 charities control nearly three-quarters of the sector's £13.17 billion annual income. Their leaders, including Chairs in their role as trustees, must deliver on the public duties that come with having charitable status. With the benefits come responsibilities.

Significant resources are under the control of the top 300 charities, however levels of transparency are not consistent between organisations. Greater accountability should be expected given the legal requirement of delivering public benefit to maintain charitable status.

This analysis was much more challenging to research than our analysis of business leaders due to the lack of a Companies House style public register. It is difficult to find out about some of the top 300 charities and the individuals leading them. Some charities do not openly publish their accounts or the people involved in governance.

1 in 25 of the leaders (4%) hold a top leadership position in another organisation within the top 300 charities. Multiple board memberships can bring perspectives from across the sector, but it can also exacerbate group think and create conflicts of interest. It also contributes to narrowing the number of leaders who influence significant parts of Scottish life.

Many of the charities in this sample and beyond it are already making measurable progress towards diversity and inclusion. This includes initiatives such as the Race Equality Charter²⁵ and Athena Swan Charter²⁶ for higher education which set out specific measures to increase ethnic and gender diversity. However, there is still much work to do.

25 Advance HE, 2021. [Race Equality Charter](#). Online. Accessed 10 January 2022.

26 Advance HE, 2021. [Athena Swan Charter](#). Online. Accessed 10 January 2022.

Recommendations

For leaders

Every leader can challenge themselves with basic questions on assumptions and choices. Every leader can find out how people from different backgrounds experience their organisation and find out how their own organisation is measuring progress. Every leader involved in recruitment can champion diversity of thought throughout the selection process.

For organisations

Addressing the lack of diversity of thought in charities is crucial to both productivity and risk management. As with other sectors investigated in our analysis of the leaders of *Team Scotland*, we encourage organisations to value and actively work to improve diversity of thought in their leadership teams. This should be in every board's line of sight and on the organisation's risk register to help ensure organisations monitor and publish data on diversity – as what gets measured, gets done.

Inclusive cultures should be prioritised in the workplace, and listening to colleagues on what this might look like is crucial. This should include reviewing workplace practises and reforming them where necessary. When recruiting, charities should question the language used for potential bias. Wider inclusive practices should include assessment of parental leave policies and opportunities for flexible working. Access and support to continue career development and learning is important for both inclusion and diversity of thought, particularly through mentoring or further education.

For OSCR, the Scottish Government and Scottish Parliament

Extend OSCR's powers to create a publicly searchable register of charity trustees. This will increase transparency and enable monitoring of diversity and inclusion. It will also make it possible to track when individuals have multiple board positions and interests.

This could be an annual requirement when charities with an income of over £250,000 complete their annual returns and would bring Scottish charity trustees more closely in line with directors' registration with Companies House and charity law in England and Wales. This would currently affect 9% of charities who meet this threshold.

A change in charity law which would enable OSCR to gather this data was widely supported (73% in favour) in a 2019 Scottish Government consultation. Those not in favour raised concerns about data protection issues and trustee privacy if these details are made publicly available. Organisation contact details (instead of personal ones) could be used in the same way as directors with Companies House, with exemptions for organisations with highly sensitive charitable purposes.

The added benefit of improved transparency for persons with significant control over charities will improve whistleblowing and complaints processes, and ensure any disqualified directors do not hold positions of power. Commitment to transparency goes hand in hand with public trust and public money.



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Registered Charity Number SC009579

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