



Beyond 'flat-earth' maps of the third sector

Enhancing our understanding of the contribution of 'below-the-radar' organisations – Briefing Paper

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Introduction

This paper summarises a fuller report on research commissioned by the Northern Rock Foundation's *Third Sector Trends Study* (TSTS) to assess the scale and distribution of 'below-the-radar' (BTR) organisations. The specific aim of this study was to provide a picture of the local third sector in North East England and Cumbria which went beyond organisations appearing on lists provided by regulatory bodies such as the Charity Commission. Many organisations do not appear on such 'radars', with the result that research risks producing what one commentator described as 'flat earth maps' of the third sector¹.

Methods

The approach taken followed the 'local area profiles toolkits' developed by the Audit Commission². This involved gathering local listings of organisations from relevant local sources and then collating, de-duplicating and cross-referencing them to registers of regulated third sector organisations (TSOs). An exhaustive collection of all potential listings would not be possible without very substantial resources, so the research concentrated on listings available from what were regarded as key sources:

- Councils for Voluntary Service (CVS) or equivalent
- Regional infrastructure bodies
- Community Foundations
- Local borough, district, metropolitan and county councils
- National infrastructure/membership bodies.

Altogether over 80 listings were received, containing around 40,000 entries. The response from CVSS was good, with data provided from organisations representing 44 out of the 50 local authorities involved. Listings were also obtained from some

Community Foundations, though these consisted only of grantees. Regional infrastructure bodies were less able to provide data, often referring inquiries to local CVSs. Some local infrastructure bodies were reluctant to assist, because of concerns such as pressures on staff time, or data protection. Local authorities produced very mixed results. 16 national organisations were contacted, of which eight provided lists. We also added listings of regulated TSOs (charities, Companies Limited by Guarantee (CLG), Community Interest Companies (CIC), and Industrial and Provident Societies (IPS)), giving a total of c. 65,000 entities which had to be checked and duplicates removed.

There was a significant variation in the type of coverage, formats, quantity and completeness of individual datasets, and compiling a consistent and complete database was challenging and resource-intensive. Lack of postcodes was a particular problem, making it difficult to identify duplicates, link the data to information on registered charities and CLGs, identify organisations outside the study area, or analyse the distribution of organisations in relation to other local socioeconomic data.

¹ David Horton Smith (1997). 'The rest of the non-profit sector: grassroots associations as the dark matter ignored in prevailing 'flat-earth' maps of the sector'. *Non-profit and Voluntary Sector Quarterly*, 26 (2\0, 114-131.

² See NAVCA/Audit Commission (2006) *Getting to know your local voluntary and community sector: developing voluntary and community sector profiles*, available online at www.navca.org.uk/NR/rdonlyres/9D87AB09-07E4-4959-89E2-25A2E0285E54/0/VCSProfiles.pdf

Findings

Numbers of BTR organisations

For the 46 local authorities studied, the average estimate of the number of BTR organisations is 3.66 organisations per 1,000 population. There is variability, however, with some local authorities reaching over seven organisations per 1,000 population, and in one case exceeding 10. These are largely those which supplied many listings, and figures may not reflect like-for-like comparisons. The ratio of BTR organisations to population is somewhat higher than the 3.27 per 1,000 population for registered charities and other regulated TSOs in these regions.

Relationships between the pattern of BTR organisations and other TSOs

The relationship between the number of BTR organisations and registered TSOs varied considerably between local authorities. In a number of local authorities there appear to be at least twice as many BTR organisations as regulated TSOs, and in some cases the ratio is nearly 4 to 1. Higher figures in some local authorities are likely to reflect more systematic and comprehensive data collection. At the other end of the spectrum are local authorities with apparently low numbers of BTR organisations compared with registered TSOs, possibly because numerous BTR organisations were not captured on the listings available. Classifying organisations in this way depends on the accuracy of the matching process, and it is possible that the estimates of the BTR population will shrink somewhat, though not by much, due to minor inconsistencies in the reporting of names which mean that duplicates are not picked up.

BTR organisations in relation to deprivation

An important result was that the most deprived areas have larger numbers of BTR organisations than the least deprived, especially in the most deprived parts of the region. This contrasts sharply with the distribution of registered charities. These appear to be located more in the prosperous than the disadvantaged parts of the region, with the exception of the most deprived decile, where the numbers rise again. Reasons for these differences might be:

- BTR organisations are small, informal, not needing or wanting charitable status;
- surveys are less good at tracking informal than formal associational activity;
- regulated TSOs locate in more prosperous parts of communities, but do not necessarily serve these areas, so their contribution in less prosperous areas is underestimated.

Furthermore, there is some evidence that the distribution of actual TSO expenditure is less clearly linked to deprivation than numbers – there are more charities in rural than urban areas but expenditure in the latter is larger.

Implications for policy and practice

The research on mapping the local third sector in North East England and Cumbria has revealed many methodological challenges, but also considerable relevance for policy and practice. Main messages from the research include:

■ **Insufficient evidence** Incomplete and inaccurate data is limiting the sector's ability to demonstrate its capacity and potential. Funders and policy-makers have not placed sufficient emphasis on the role of infrastructure bodies as repositories of intelligence about the local sector, and the resources needed for this. This work using local listings has developed the evidence base by providing useful insights into both the pattern and contribution of BTR organisations, and the relationship between their distributions and that of the regulated third sector.

■ **Variation in capacity** The uneven geography of local organisations found through the research may mean that the local environment and capacity for voluntary action is variable, and there is a need for better understanding of what drives such variation.

■ **Type of capacity** In identifying greater numbers of BTR than 'on-the-radar' organisations in North East England and Cumbria, the research reinforces that there is considerable community-based capacity. But policy-makers need to address what sort of capacity this is. Does it relate to leisure, arts and culture – 'nice to have' capacity? Or does it relate to areas such as social care or advice services – 'need to have' capacity? These questions will be explored further in the next stage of the research.

■ **Whose radar?** Perhaps one of the most interesting questions for third sector leaders, policy-makers and funders in these regions is 'whose radar'? Different types of TSOs will have different relationships to local 'radars'. Not being on the radar of a local infrastructure body could imply exclusion and lack of influence or capacity. Conversely, some TSOs may be 'above the radar' of local infrastructure bodies, and therefore not perceived (correctly or otherwise) as being part of the local ecology of the third sector.

■ **Independence or neglect?** To what extent do organisations want to be on the radar of regulators, infrastructure bodies or otherwise? Balancing the need to support a thriving third sector by collecting more comprehensive data, and at the same time being aware of the threat of simultaneously smothering what we value, will be a challenge for researchers and policy-makers alike.

Further questions to be explored

In spite of limits to the data, a number of further useful explorations are possible:

■ *What is the extent of activity of large regional and national organisations within the region?*

For example, searches on names alone for organisations such as Age Concern or Barnardo's indicate a substantial amount of activity, with over 120 entries for the former and over 60 for the latter. Whether these should be regarded as BTR organisations, and included in the local mapping, can only be answered through case-by-case examination of individual organisations.

■ *Are there any differences between the kinds of regulated TSOs (eg charity, CLG, IPS, CIC) that appear on the lists of local infrastructure bodies, and those that do not?*

For example, is organisational size or sphere of activity important? Initial work suggests that around 27% of the charities which appear on local listings are concerned with social services, compared with 15% for those which do not. Similarly, 12% of the registered charities on lists are in the arts and culture sector, compared with 7% for those which are not.

■ *How far do regulated TSOs appear on local CVSs listings, and if they do not, why is this? And what proportion of listings consist of regulated TSOs?*

Typically between 15% and 35% of registered charities in particular areas also appear on their local CVSs listing. It also seems that there are variations in the proportion of listings accounted for by charities – in some cases it is 20%, in others nearer 40%. This may reflect variations in the mix of charities in a particular locality.



Taking the work forward

The work reported here will be taken forward in a number of ways:

- improving the database of BTR organisations through further data collection;
- exploring how far the activities of the BTR organisations are different to those of regulated TSOs, by classifying the work done by the BTR organisations using established schemes such as the International Classification of Non-Profit organisations (ICNPO);
- providing data on the financial and human resources, assets, and activities of BTR organisations through analysing the responses to a small-scale survey.

Background note

The Northern Rock Foundation's TSTS in North East England and Cumbria began in November 2008, and has two main aims:

- 1) to produce robust data and independent analysis on the scale and scope of the third sector in North East England and Cumbria;
- 2) to provide an analysis of the dynamics of the sector through longitudinal study of stakeholder perceptions, organisational practice and local impact.

Teesside University's Third Sector Development Unit (TSDU) is undertaking the qualitative study of the sector, led by Tony Chapman (Teesside University) and Fred Robinson (Durham University). Alongside this, colleagues at the University of Southampton, the National Council for Voluntary Organisations and Guidestar UK are undertaking a comprehensive quantitative mapping exercise of TSOs in the study region. The two sides of the work will come together in a longitudinal panel survey of a representative sample of local organisations starting in Spring 2010. Research findings are being disseminated on a regular basis throughout the life of the project.

More information

- **Northern Rock Foundation Third Sector Trends Study:** www.nr-foundation.org.uk/thirdsectortrends

- **Full report**

The full report on this study is available to download free of charge from the website above.

Published by Northern Rock Foundation
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This report is published as part of the Foundation's Third Sector Trends Study. The views expressed, however, are those of the researchers and not necessarily those of the Foundation.

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