Beyond 'flat-earth' maps of the third sector

Enhancing our understanding of the contribution of 'below-the-radar' organisations

John Mohan, University of Southampton
David Kane, Karl Wilding (NCVO)
Julia Branson, Fiona Owles
(GeoData Institute, University of Southampton)

February 2010

www.nr-foundation.org.uk/thirdsectortrends

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ii Foreword

It is highly satisfactory that the start of 2010 sees the simultaneous publication of two major reports on emerging findings from the Northern Rock Foundation's Third Sector Trends Study (TSTS). These are 'What makes a Third Sector Organisation tick? Interactions of foresight, enterprise, capability and impact' from Tony Chapman and colleagues at Teesside University, and 'Beyond "flat-earth" maps of the third sector: Enhancing our understanding of the contribution of 'below-the-radar" organisations' by John Mohan, University of Southampton and colleagues.

Together these reports show the TSTS meeting the main challenges which it was charged to address, that of extending national understanding of the sector to the local perspective, and of contributing to robust methodology for studying the local sector. Both reports reflect 'work in progress', but their emerging findings already contain important messages for sector researchers, practitioners, funders and policy-makers. Both examine the realities behind some of the powerful rhetoric which currently influences thinking about the local third sector.

The study led by Teesside University focuses on attributes regarded as especially important to organisations in a time of economic uncertainty – in particular, sustainability, and the ability to plan strategically, network, measure and communicate success. Developing a new approach to the measurement of performance, the research shows that one-dimensional measures or concepts of 'a sustainable organisation' are not helpful within the diversity which characterises local third sectors. Policy-makers should find the relatively high levels of performance amongst different kinds of organisations particularly helpful for informing next steps.

While demands for better local mapping are becoming commonplace, the University of Southampton paper provides the first detailed 'audit' of the practical challenges involved in such research. It overturns the notion that study of the 'local sector' requires a simple shift of focus from national to local - relevant data is often not available, and researchers will gain new insight into the methodological challenges of local mapping. Policy-makers will gain a more in-depth understanding of the shape of the local sector,

and why it can be so elusive in relation to policy. The report also presents innovative results on the relationship between numbers of organisations and local need, and its discussion of whether and where local organisations appear on 'radars' should prompt fresh policy thinking about infrastructure and support needs.

The full report on the quantitative local mapping will be published in the Autumn, but selected data from the study will also be made available on the project website before then. Although these studies focus on the North East and Cumbria, there is no reason to believe they would not apply to other regions, and results from both reports provide a valuable springboard for similar studies of the local sector in other regions.

Cathy Pharoah
Chair, Advisory Board, Northern Rock Foundation TSTS
February 2010

iii Background to the Third Sector Trends Study

The Northern Rock Foundation's investment in the study of the third sector in North East England and Cumbria is intended to have a significant impact on the way the sector is perceived by itself and its stakeholders. It is also hoped that it will influence how the sector works. Most importantly, the research should help future activity meet beneficiary needs more effectively, securing more positive outcomes.

The research has several different strands, and a phased inter-related programme of work. In the first phase, Teesside University's Third Sector Development Unit (TSDU) is undertaking a qualitative study of the sector. The research team is led by Tony Chapman (Teesside University) and Fred Robinson (Durham University), and researchers include: Robert Crow (Research Associate, TSDU), Peter van der Graaf (Research Fellow, TSDU) Victoria Bell (Research Associate, TSDU), Judith Brown (independent researcher and consultant), Chris Ford (independent researcher) and Sue Shaw (independent researcher and policy analyst).

Alongside this, in the first two years of the study, colleagues at the University of Southampton, the National Council for Voluntary Organisations and Guidestar UK are undertaking a comprehensive mapping exercise of third sector organisations (TSO) in the study region. Following this, and using information from this part of the work, TSDU will undertake a longitudinal panel study of TSOs, continuing through to 2012. The research programme as a whole aims to:

- produce robust data and independent analysis on the scale and scope of the third sector in the North East and Cumbria;

- provide an objective and thorough analysis of the dynamics of the sector through longitudinal study of stakeholder perceptions, organisational practice and local impact;

- develop a more complete understanding of sector impact and potential, and assess policy and practice implications;

- design and test innovative methodological approaches to the study of the sector which are compatible with national data sources and are replicable in other UK regions.

As a longitudinal study, research findings are being disseminated on a regular basis throughout the life of the project. The study should provide a clearer indication than has ever been attempted before in the UK of local trends over time. These will be interpreted in the light of detailed analysis of stakeholder views, network and organisational analysis, and comparison with other regions and countries if possible.

A key objective of the research is to gain a better understanding of the sector, but in so doing, to provide an evidence base upon which to develop policy and practice so that the sector may be enabled to provide the maximum benefit to its beneficiaries, to the economy and to society in general.

iv Introduction to the mapping study

Robust, quantifiable estimates of the scope and contribution of *voluntary sector* organisations have underpinned public policy development at the national level for much of the last decade. However, the Foundation's decision to commission the Third Sector Trends Study (TSTS) is a recognition of a need to develop a more nuanced understanding of variations in the resources and capacities of the *third sector* at the regional and local scale. The quantitative dimension of the TSTS seeks to produce such an analysis for the wider third sector in north-east England and Cumbria, making the methodology available for a parallel companion study of Yorkshire and the Humber. The first element of the study is about producing reliable estimates of the numbers, scale and scope of third sector organisations in the region. We will develop this work by:

■ integrating local data from the principal registers and regulators of the sector;

■ using directories or databases from local infrastructure bodies;

■ integrating data from these sources with statistics on the wider third sector, through GuideStar UK's databases and others.

We will also conduct surveys designed to provide a basic profile of unincorporated organisations (which do not feature on national registers), and there will be analyses of large-scale datasets on volunteers and the sector workforce (e.g. the Citizenship Survey, the Labour Force surveys) and the Guidestar database. Using these data, we will build a reliable picture of the number and geographical distribution of organisations and their resources in the region. In turn, the emerging findings are likely to generate new insights for third sector policy development at the local, regional and national levels. These elements of the TSTS programme of work are being developed by Southampton University, Guidestar Data Services and NCVO, and are based largely on readily available datasets about registered charities and non-charitable third sector organisations (including Companies Limited by Guarantee (CLGs), Industrial and Provident Societies (IPSs) and Community

Interest Companies (CICs); we outline this work in part 1 of the paper. The bulk of this paper presents a discussion of work we have been conducting on the distribution of what are often termed 'below the radar' (BTR) organisations: in other words, those organisations that are often missing from empirical analyses of the third sector. We also set out some initial findings both as an indication of the potential of these data sources and methods, and also as a means of raising questions about what might be learned from such work. The paper begins, however, with an outline of the work we will be doing on regulated third sector organisations, on which, in comparison to below-radar groups, considerable volumes of information are available. In this context, by 'regulated' we mean organisations legally required to register either with the Charity Commission, the Financial Services Authority (FSA) Companies House, or the Community Interest Company regulator.

Structure and content of the paper

The paper has three main sections, and to ease navigation through the paper, the contents within each section are briefly outlined here. The paper provides a detailed outline of the methodological challenges of compiling a local dataset in paragraphs 2.1, 2.2 and 2.3, and these are likely to be of most interest to other researchers engaged in similar work. The main headings are:

1. The challenges and options for robust analysis of the third sector – definitional and local authority boundary issues involved in capturing the local third sector, as well as features to be covered in the mapping including the scope for analysing long-term trends.

2. Below which radar? Mapping the third sector using local listings from infrastructure bodies

2.1 Introduction – provides an overview of the organisations to be covered, describes existing methodologies for carrying out local mapping exercises, and outlines the scope of the mapping exercise.

2.2 Selection of local listings of organisations – description of the sources and types of local listings obtained.

2.3 Methodology for building a dataset from local listings – detailed description of the processes involved in cleaning and compiling the local dataset.

2.4 Findings – estimates of the numbers of below-radar organisations, relationship between numbers of BTR and regulated third sector organisations, relationship between presence of BTR organisations and local deprivation indices.

3. Conclusions and future developments

3.1 Significance of findings – three key aspects of the findings.

3.2 Taking the work forward – how the findings will be used for further analyses in the future such as more detailed description of the role and activities of BTR organisations.

3.3 Implications for policy and practice – impact of findings in relation to information resources, to variability in BTR capacity by area, and to role and significance of local organisational links.

1 The challenges of and options for robust analysis of the third sector

The quantitative analysis which we are contributing to the TSTS will be based partly upon methods developed by NCVO for the production of the Civil Society Almanac. We draw upon a number of sources, including data from regulatory bodies on registered charities, CLGs), Industrial and Provident Societies, and Community Interest Companies, to provide a regional portrait of organisations, their resources and activities and, where possible, employment and volunteering.

Of course, there are different definitions of what counts as the third sector and these have effects on estimates of numbers of organisations and their resources. For example:

■ Inclusion of all charities will involve some double counting since the purpose of certain charities is to make grants to smaller ones; consider the effect of inclusion of a community foundation in a particular authority as well as all the organisations to which it makes grants in that authority.

■ Do we wish to include large charities such as independent schools or not? They are a focus for charitable activity and many of them have charitable status, but there are also questions about their wider public benefits.

■ What about charitable organisations ultimately controlled by public bodies, such as NHS-controlled charities, or organisations which exist to raise funds for and benefit a particular public sector institution, such as a school?

Similar definitional questions arise in respect of some of the wider third sector organisations, notably CLGs: this is a non-profit legal form widely used by organisations which draw most of their income from trading or from subscriptions, such as sports clubs, and it is also often used by organisations which provide private benefits, such as a management company for private rented blocks of flats, or golf clubs. Some studies have taken the view that such organisations do not form part of the third sector and so, for example, the recent National Survey of Third Sector Organisations (see **www.nstso.com**) conducted in England excluded them from consideration. There are also debates about whether or not 'social enterprises' constitute a novel or distinctive form of third sector activity and we will illuminate those debates.

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We draw attention to substantial subregional variations in numbers and types of organisations. Urban – rural contrasts are evident in numbers of third sector organisations but we might expect different patterns of variation in terms of levels of expenditure and in terms of types of organisation. Part of our analysis is devoted to consideration of what might underlie variations in the numbers and resources of organisations. Clearly, not all third sector organisations have been established in response to contemporary needs – many charities, for instance, have ancient origins in the response of a donor to perceived needs at the time or in the response of a community to a challenge they faced. Hence the match between the distribution of organisations and contemporary needs may at best be imperfect. Moreover, although it is convenient to relate data to local authority boundaries, the activities of third sector organisations are not confined to those boundaries. We know something about this for registered charities – at least in the case of those whose governing documents define a geographical area of benefit – but there are particular challenges when dealing with national organisations with headquarters in the region; the very substantial expenditures of such charities cannot simply be attributed to the local authorities in which their HQs happen to be located.

We will also be reporting on methods designed to produce estimates of the scale of activity by national charities in the northern regions, using sources such as the Inter-Departmental Business Register (IDBR), developed by the Office of National Statistics (ONS). This identifies individual branches within larger organisations and because it gives estimates of numbers of employees at each of them, it is then possible to allocate expenditure accordingly.

We will also present results of analysis of trends. We are constructing a large-scale panel of data on registered charities, which allows us to select organisations that report consistently from one year to the next[1]. We can therefore produce analyses which are not weakened by variations in the number and mix of organisations for which data are available. So far, we have such statistics for the period from 1995 onwards, covering around 3000 charities in Cumbria, the North East, Yorkshire and the Humber, and we may eventually be able to conduct such analysis for a period going back to 1991, depending on whether we can successfully recover versions of the Charity Commission register from old electronic media.

1 this exercise is part of the work of the Third Sector Research Centre (**www.tsrc.ac.uk**) and the Centre for Charitable Giving and Philanthropy (**cgap.org.uk**)

Such analysis is important because it puts the findings of local research in context. In the present recessionary climate there are many surveys which suggest that organisations are anticipating a downturn in resources (e.g. around 40% or more of organisations anticipating that this year's financial outturn will be worse than the previous years). For comparison, however, our panel data suggest that in general at least 40-45% of registered charities nationally experience a reduction in resources compared to the previous year – suggesting that recessionary impacts may be less exceptional than feared. We also need to know whether that downturn is more or less severe depending on size and type of organisation, and indeed whether any changes in these regions are consistent with national trends. Only by creating large-scale representative panels to track change over time can we answer such questions.

There are also possibilities for analysing the dynamics of the formation of new third sector organisations. We have developed methods for extracting plausible foundation dates for registered charities and our databases for other non-charitable TSOs also give indications of how long organisations have been in existence. We can therefore look at long-term trends in the establishment of organisations and investigate how the experience of the northern regions and Cumbria compares with other parts of the country in this and other regards. We can also look at the dynamics of different organisational types – for example, although there is much contemporary discussion about social enterprises, the rate of establishment of new Community Interest Companies (the new legal form developed to facilitate such enterprises) the numbers of them and the numbers of new formations are still lower than the numbers of new charities being registered.

We will draw upon a number of other sources in the course of our work. These include the Labour Force Survey (LFS) (for information on the third sector workforce), and the Citizenship Survey (for information on volunteers and their characteristics) and the National Survey of Third Sector Organisations. Among other things, not only will the latter source allow analysis of what were perceived, in the autumn of 2008 (the main survey period) as challenges facing the sector, it will also provide data on employment and volunteering. We can then cross-reference results from that survey against sources such as the LFS and the Citizenship Survey.

2 Below which radar? Mapping the third sector using local listings from infrastructure bodies

2.1 Introduction

The aim of the Northern Rock Foundation in commissioning this study was to provide a picture of the local third sector which went beyond organisations appearing on lists provided by regulatory bodies such as the Charity Commission. Many organisations do not appear on such 'radars'. One author has argued that unless attention is paid to them, we risk producing 'flat earth maps' of the voluntary and community sector.[2]

Many local studies of the voluntary and community sector have attempted to estimate numbers and characteristics of VCS organisations. Because of variations in the sources and methods used, these are rarely if ever comparable. In their 2001 study 'Low Flying Heroes', the New Economics Foundation compared findings from a number of such studies and found a great variability in the results produced, from three groups per thousand people, to over 20.[3] It is extrapolation of the latter figure which generates their national estimate of between 600,000 and 900 000 community organisations – but it should also be pointed out that if the lower estimate were representative, the figure would be around 135,000, i.e. rather less than the total number of registered charities.

In view of this variation how can we begin to produce estimates of the numbers of BTR organisations? If one looks at local listings of third sector organisations, such as those produced by Councils for Voluntary Service, there seem to be around three community groups for every registered charity/CLG/IPS. But it does not follow that there are three times as many such groups as there are regulated third sector organisations. Only a minority of regulated third sector organisations appear on local listings. As we show

2 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', *Nonprofit and Voluntary Sector Quarterly*, 26 (2), 114 – 131.

3 McGillivray, A., Wadhams, C., and Conaty, P. (2001) *Low-flying heroes: micro-social enterprise below the radar screen* (London: New Economics Foundation)

later in this paper, many infrastructure bodies have on their lists between 15 and 35% of the registered charities in their respective local authorities; this would imply that, *relative to the numbers of charities on those listings*, there are between 3 and 6 organisations which are not registered TSOs. But because many regulated TSOs do not appear on local lists, we cannot simply multiply the numbers of registered charities by a figure between 3 and 6 to arrive at an estimate of the total third sector population.

Furthermore the upper-bound estimates of the BTR population may rest on a misunderstanding of the nature of the third sector population. Large numbers of organisations, which might be thought of as small community organisations, do in fact appear on the registers of regulatory bodies, particularly the Charity Commission; many Scout groups, civic societies, playgroups, parent teacher associations and playing fields are on the register even though their economic weight is very small (a few hundred pounds or less). Nearly half of the 20,000+ registered charities in our the northern regions and Cumbria have an income of below £10,000; just under 30% have an income of £5000 or less. What may differentiate these from other community groups is that they have legal obligations with which they must comply (for example in relation to the management of assets or property), for which charitable status is required or advantageous. We can therefore capture considerable detail about small community organisations from the Charity Commission database where these are registered charities. As examples, consider the following:

- Scout groups: we can identify over 800 such organisations in the areas for which we have local listings, of which we have matched over 500 to the list of registered charities;

- Women's Institutes: in our region there are some 750 of these, but as far as we can tell the vast majority (676) are registered charities;

- Playgroups: we can identify over 400 organisations with 'playgroup' in their title which appear on the register of the Charity Commission, and a further 160 which do not.

We can capture information on this from the Charity Commission records; we can also classify their activities, using self reporting fields on the returns they make to the Charity Commission; and of course we know exactly where they are. However, for those organisations that do not appear in such

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sources there is no alternative to a small-scale survey. This is currently being undertaken, and will be reported separately. In this paper we outline the approach we have taken to generating estimates of the numbers and characteristics of BTR organisations.

Given the caveats we have expressed, a legitimate and important question is how far it is possible to produce reliable estimates of the numbers and characteristics of such organisations? There are in essence two methods by which such estimates might be derived.

LOVAS

One approach is that used by the LOVAS (Local Voluntary Action Studies) implemented by the Home Office in the 1990s. Intensive local 'on-the-ground' methods were used to record and survey volunteer-using groups and voluntary organisations. The LOVAS methodology used 'local mappers', researchers who live in or close to the area mapped, to produce lists of a wide range of local organisations. The methodology concentrated on likely sites of voluntary activity, such as schools, public houses and churches, and also drew upon pre-existing lists, such as those held by Councils for Voluntary Service.

The LOVAS methodology began with defining the area to be surveyed, usually a local authority but sometimes smaller than this. Contacts were then made with CVSs and other umbrella bodies to obtain lists of organisations from them. The researchers then used 'snowball' contacts to make personal contact with other useful organisations, such as community centres, or people. The methodology contained a defined set of expected organisations, including Neighbourhood Watch, parent and toddler groups, or youth groups; the researcher concentrated on each of these in turn. Emphasis was placed on the importance of personally visiting sites of activity to find new organisations.

Once the lists were collated and de-duplicated, organisations were then sent an extensive questionnaire, concentrating on their characteristics and activities, with some attitudinal questions. The bottom-up approach employed by LOVAS meant that the information was reasonably up-to-date, and based on local knowledge; the methodology found organisations and activity that a more 'top-down' approach would not have done. However, the survey method is resource-intensive and expensive to scale up.

Furthermore the reliance on the initiative of individual researchers and possible variations in how the methodology is applied means that it is not necessarily possible to directly compare results from different areas.

It would not be possible, without very substantial resources, to conduct such studies on a representative basis across the UK. LOVAS gathered data for only a small number of locations for the early 1990s. There were several case studies in the LOVAS programme of work in the Northern region but they all constituted only parts of their respective local authority (Alnwick, Whitehaven, South Shields, Spennymoor).[4]

Local area profiling

The approach taken in the TSTS approach therefore follows the 'local area profiles toolkits' initially developed by the Audit Commission[5]; this is less intensive in terms of resources and can be applied consistently across locations, but arguably has some weaknesses of its own. We gathered local listings of organisations from relevant local sources (see below), and we then collated these, de-duplicated them, and then cross-referenced them to registers of regulated third sector organisations. There are obvious potential problems with this approach. Gronbjerg and Clerkin suggest that, in the context of the non-profit sector, what you find out depends on where you look;[6] put another way, listings will undoubtedly reflect the capacities and priorities of those compiling them and the willingness of local organisations to comply with the process of compiling them. In most local authority areas there are several potential sources of such listings and there are also lists from regional and national umbrella bodies (often sector-specific), as well as from community foundations, upon which we can draw. A similar exercise is being undertaken by OTS but it focuses only on three local authorities and we believe that the TSTS work is the largest exercise of its kind undertaken in the UK to date.

4 Note that the recently-established Third Sector Research Centre is conducting a programme of work on below radar organisations including a very detailed 'micro-mapping' exercise which focuses on areas even smaller than those covered in the LOVAS studies – see www.tsrc.ac.uk/Research/BelowtheRadarBtR/tabid/450/Default.aspx

5 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

6 Kirsten A. Grønbjerg and Richard M. Clerkin (2005) 'Examining the Landscape of Indiana's Nonprofit Sector: Does What You See Depend on Where You Look?' *Nonprofit and Voluntary Sector Quarterly* 34 (2), 232-259.

2   The complexity of matching and de-duplication of listings for such a large
geographical area is such that an exhaustive collection of all potential
listings would not be possible without very substantial resources. We do
not, therefore, claim to have provided a comprehensive profile of the BTR
population in the Northern region, Cumbria, Yorkshire and the Humber.
Instead we make the following contributions:

■ Firstly, because we can distinguish those organisations which appear on
the registers of regulatory bodies from those that do not, we can begin
to characterise the BTR population in terms of numbers of organisations,
we can produce upper- and lower-bound estimates of their numbers,
and we can comment on the relationships between the numbers of
regulated TSOs (such as charities) and those of BTR organisations.

■ Secondly, we can classify these organisations – to a degree – using
information about their names, and we can also map their distribution,
relating it to population and socioeconomic characteristics.

■ Thirdly, and going beyond the discussion of the BTR population, we can
also demonstrate the extent to which certain types of organisation do –
or do not – appear on these listings. We can determine, for example,
how many and what sort of general charities within a particular local
authority appear on the 'radar' of the local CVS, and which ones do not;
this works on the overlap between the lists of regulatory bodies such as
the Charity Commission and the listings provided by local infrastructure
bodies is a novel contribution of this study.

■ We can also comment on the extent to which individual organisations
appear on multiple listings. This can be taken as one index of their
influence and reputation, and it also complements other work we are
doing on the regional distribution of sector resources, because we wish
to gain some purchase on the extent to which large national
organisations are operating within our region.

Our purpose in conducting this exercise is to use available information for
its insights into the sector as a whole and not into individual organisations
such as the infrastructure bodies which supplied listings. For this reason,
we anonymise our reporting of the data, and we do not intend to publish
information about individual infrastructure bodies. There are many reasons
for variations in the listings. They were not initially compiled for the purposes

of research such as ours. They will, first of all, reflect the capacities, interests and priorities of infrastructure bodies (indeed there are references to this point in the earlier publication from the Third Sector Trends Study concerning interviews with local infrastructure bodies).[7] Secondly, many third sector organisations may not need and may not want a relationship with infrastructure bodies, but we hope to throw some light on this question by comparing the characteristics of those organisations appearing on infrastructure bodies' lists with the characteristics of those that do not.

2.2 Selection of local listings of organisations

Some selection of the local listings of organisations available is appropriate in a research task of this kind. If we were in a position to obtain every single possible listing of third sector organisations from support, umbrella and infrastructure bodies known to us, invariably there would be greater coverage in some areas than others for several reasons, such as varying investment in data gathering exercises (e.g. those associated with regeneration initiatives, since strengthening the sector has been an explicit priority aim). We therefore concentrated on a subset of what we regard as key infrastructure bodies. At the planning stage, the following organisations were chosen as possible sources:

- Local infrastructure bodies (Councils for Voluntary Service (CVS) or equivalent)

- Regional infrastructure bodies

- Community Foundations

- Local borough, district, metropolitan and county councils

- National infrastructure/membership bodies.

7 Chapman, T et al (2009) *Mosaic, jigsaw or abstract? Getting a big picture perspective on the third sector in north-east England and Cumbria*, Newcastle upon Tyne: Northern Rock foundation, available online at www.nr-foundation.org.uk/thirdsectortrends/tt_downloads/Mosaic_Jig_or_Abstract_Report.pdf

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There were also a number of suggested organisations which were not approached, due to the practicalities of contacting a substantially-expanded number of organisations:

■ Parish councils

■ PCTs and Strategic Health Authorities

■ Faith bodies

■ Police and fire authorities

■ Learning and Skills Councils

Because of the number of organisations involved and the likelihood of returning lists that were useful for our purposes, we initially prioritised the CVSs, Community Foundations, and then local councils. CVSs could not only provide useful lists but also the appropriate contacts through which to approach other organisations – such as the local council. We also sought listings from Rural Community Councils and we attempted to gather them from Community Foundations. Furthermore we pursued listings from national organisations covering parts of the third sector population (e.g. Scout groups, Women's Institutes).

The response from CVSs was good, with address data provided from organisations representing 44 out of the 50 local authorities involved. This included two areas where a county-level CVS provided a listing covering multiple districts, and one area where data was provided from a three-year-old study covering 4 districts. We also obtained listings from some Community Foundations – though these were of organisations to whom they have given grants, and not of every organisation that had applied to them. Contact with regional infrastructure bodies was less successful, with several such bodies stating that they did not keep such lists (as many are consortia of local bodies) or referring inquiries to the local CVSs.

Some local infrastructure bodies were reluctant to assist, for a number of reasons such as pressures on staff time, or their own research priorities: others cited concerns about data protection. They were reluctant to reveal information about individual organisations – which is understandable in cases where organisations are sometimes run from an individual's private address. In some of these cases we were able to persuade the infrastructure

bodies to supply enough information to enable us to allocate the organisation to a local authority (e.g. providing name of organisation and partial postcode, but not full contact details).

We approached local authorities for their listings, but this produced very mixed results. Several local authorities simply referred us back to their local CVS while in others we were often passed through a number of different departments and therefore found it difficult to make contact with the appropriate person or section. Where we obtained listings these were often covering a very wide range of organisations and often included many individuals and organisations which we would not regard as part of the third sector population, such as providers of childcare, or medical practitioners of various kinds. Eliminating the non-third sector organisations from such listings would be an enormous task, particularly given the limited detail available on such listings.

Finally, we also approached national organisations in the following circumstances:

■ that the organisation covered the right geographic area (this removes Wales/Scotland based organisations)

■ that the organisation's members are likely to not be charities – as it is not a good use of resources to approach those organisations where almost 100% of their members already appear on other registers

■ sports clubs were not included as these would require contacting every different national body for each sport.

16 national organisations which met the above criteria were contacted, with eight providing lists.

2.3 Methodology – building a dataset from local listings

This section describes the process of how the listings were compiled into a single local dataset. As indicated in the previous section, over 80 listings have been received to date, containing c.40 000 entries. The listings were provided in various digital and paper formats. Each list was subsequently converted into an Excel spreadsheet and then imported into a single Access

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database; for further analysis, the de-duplicated version of this master spreadsheet was then imported into the Stata statistical analysis computer package. In the case of Word documents (which often presented the information in label format) some computer programming was required to allow the entries to be able to translated into a columnar format. There was a significant variation in the number of observations, and completeness of information, in individual datasets. Having collated these listings in a combined spreadsheet, we then added to them a file containing names and basic identification information for some 20,000 charities and a further 5,000+ non-charitable third sector organisations in the two regions.[8]

Separate analyses of these regions would be possible, but would be less robust as it would give us fewer cases. This means that where we conduct analyses for local authorities, for example, we have 46 cases – in other words covering all but four of the local authorities in the North East, Cumbria, Yorkshire and the Humber.

The number of entries in the individual listings ranged from 1 to 6844 (with an average of 482 entries per listing), while the number of columns of data ranged from 1 to 191 per listing. Several datasets simply contained the organisation name and town or postcode, and one dataset was just a list of organisation names. 76 of the listings were essentially address lists, with the name of the organisation and different degrees of information about the addresses, website and email address and telephone numbers. The other seven listings included full address details and additional information such as; users of the organisation, activities keywords, affiliated groups, demographic information about people who access the services, turnover, detailed descriptions etc. This additional data was not included in the master database as it was only available within a limited number of listings. The listings did not include information such as registered charity numbers.

The data sources varied considerably in their coverage. Some datasets were tightly focused; for example, they listed organisations of a particular type (such as Young Farmers' groups or charity shops) whilst other sources were the address books of the organisation which provided the listing. In several such cases, details of many non-third sector organisations were included;

8 this was a copy of the data available on the Charity Commission register plus data on noncharitable regulated third sector organisations, supplied by Guidestar Data Services.

for example, computer support companies, MPs, taxi firms, universities, and also organisations that are not located within the geographical extent of the current study (e.g. national offices of organisations in London and elsewhere). Such entries were removed where there were clear reasons to do so, using text searches and matching – for example, dropping all those organisations with 'NHS trust' in their titles might appear to be appropriate, but if not done with care it would have the effect of excluding various trust funds and charitable initiatives (e.g. Leagues of Friends) associated with them.

56% of entries in the original overall dataset (i.e. before entries were edited by the project team) included full address details (at least the first line of the address, town and postcode), 9% had no address information at all and the remainder included either a postcode only (26%) or town only (9%). 2.5% of the postcodes were part postcodes (e.g. CA14) rather than full postcodes (CA14 1AA).

There was significant variation in the completeness of individual address details. The smaller datasets were more likely to have address details for all entries whilst in the more extensive datasets from 10 to 25% of entries included no address information at all. Some gaps were closed with internet or directory searches but this is a time-consuming process.

Postcode information is particularly important to research such as this, and the lack of postcodes for individual entries caused difficulties when running queries to identify duplicates, linking the dataset to lists of registered charities and CLGs , and identifying organisations located outside of the study area. It limited scope for analysing the distribution of organisations in relation to patterns of socioeconomic deprivation or prosperity. Ideally we would want to be able to allocate organisations to small areas for which census data are available, such as the Lower Super Output Areas (LSOAs) used in the 2001 census. This would allow us to determine whether organisations were evenly distributed or whether they were more (or less) concentrated in areas of need, as revealed by indicators such as the Index of Multiple Deprivation (this is an index created by combining various socio-economic indicators to represent the multifaceted nature of deprivation). Full postcodes (e.g. NE1 7RU) can easily be related to LSOAs. Partial postcodes (e.g. NE1 or NE17) can be related to a county or local authority, but it is not usually possible to link them to a ward or lower super output area, meaning

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that in such cases it was not possible to link the organisation to the Index of Multiple Deprivation for the location of their address.

25% of the entries include the contact name of an individual along with the organisation details and address. Often there is nothing to indicate whether the addresses provided are of the location where the organisation is based (e.g. the location of a village hall), the location from which an organisation is managed or the home address of the individual who is the contact name for the organisation. Not knowing the type of address is relevant when mapping the location of the organisation and linking it to lower super output areas and deprivation indices, though it does not pose problems for other aspects of our work such as classifying the work done by BTR organisations.

Many entries were duplicates. It is useful to know this, since it may indicate something about the extent to which an organisation is connected to infrastructure bodies across the region. Over 6000 organisations were included in more than one listing, and some organisations are included in up to 7 different datasets. The extent to which it is possible to automate identification of duplicates does vary; there are possibilities for identifying duplicate entries in both the Access and Stata computer data analysis packages which we use, which usually involve some or all of the following: removing prepositions, conjunctions, punctuation marks, and spaces; parsing titles of organisations such that each word of the title goes in a separate column; and splitting postcodes to allow for the possibility that postcodes are recorded differently or inconsistently. These routines reduced our lists from c.65000 organisations to around 52,000 uniquely identified organisations, suggesting that around 20% of entries in the combined dataset are duplicates of other entries.

The dataset was matched with datasets which list CLGs and registered charities within the study area, by matching postcodes and organisation names. Similar problems were encountered using this automated method as with the identification of duplicates (slight differences in organisation names meant automated matching was not always possible). We estimate that approximately 15% – approximately 6,850 – of the (non-duplicate, within area) organisations appearing on local listings have been identified as CLGs or as registered charities. However, as we show later, there are variations between local infrastructure bodies in the numbers of legally regulated TSOs that appear on their listings.

Finally, we have attempted to classify organisations, initially through an automated process using in which classifications were allocated based upon words within the organisation name. These keywords were assigned a classification category based on the International Classification of Non-profit organisations. Again, though there were limits to automation of this process and a degree of case-by-case inspection of organisation names was needed.

2.4. Findings

Estimates of the BTR population

We begin by taking a global perspective on our listings and simply quantifying the numbers of BTR organisations which appear on them, and looking at variations between local authorities in the numbers and the ratio of these organisations to population. This allows us to generate upper- and lower-bound estimates of the numbers of BTR organisations in an area. We also compare the distribution of BTR organisations with the distribution of regulated third sector organisations (charities, CLGs, CICs, IPSs).
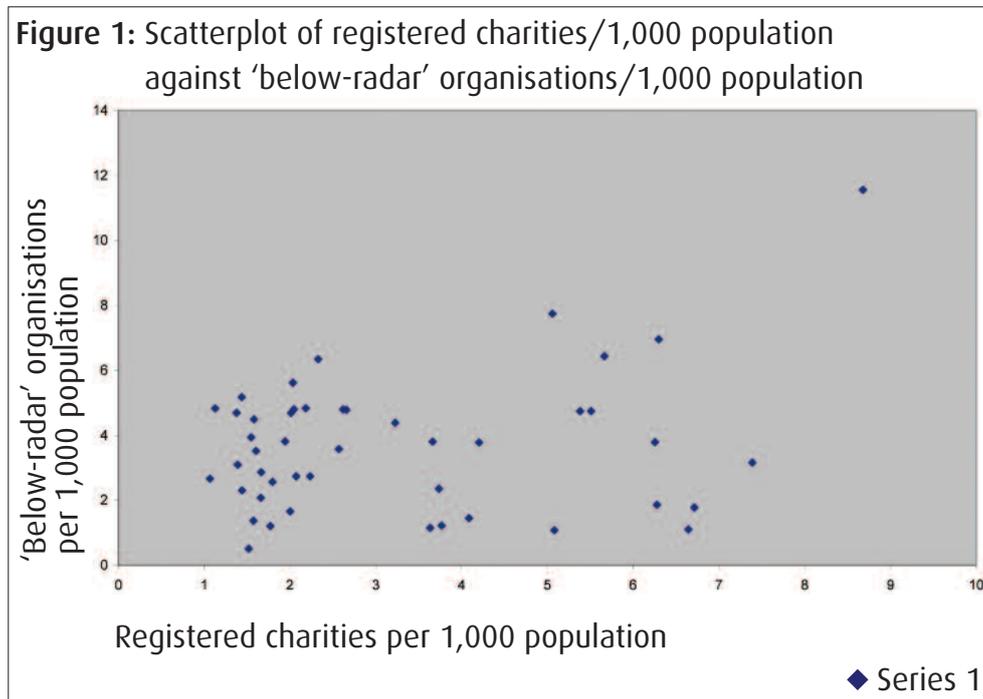
All those organisations which we were unable to match to those listings were flagged as 'BTR' organisations. As explained previously we eliminated some 1200 entries from our listings such as MPs, individual named councillors and officials, and (where possible) identifiable non-third sector organisations such as doctor's surgeries, schools and colleges, local government and parish councils, departments within local authorities, NHS trusts and primary care trusts.

For the 46 local authorities for which we have data, the average estimate of the BTR population is 3.66 organisations per 1000 population. There is variability, however, with some local authorities reaching over 7 organisations per 1000 population and in one case exceeding 10; these are largely those which supplied many listings but there is a risk that we are not comparing like with like here. The ratio of organisations to population is somewhat higher than that for registered charities and other regulated third sector organisations in these regions (mean 3.27/ 1000) so one inference is that the majority listings supplied to us are either not picking up anything like as many BTR organisations as the New Economics Foundation's estimate suggests (this is most likely to be due to differences in methodology), or there are fewer such organisations in existence.

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Numbers of BTR in relation to other TSOs

If we plot the respective ratios of organisations to population for local authorities, the association between them is by no means perfect and there is no consistent relationship (figure 1). If there were as many BTR organisations as regulated TSOs than all the points in Figure 1 would lie on a straight line. In a number of the more urban local authorities in our study area, particularly those where there are relatively low numbers of regulated third sector organisations, there are at least twice as many BTR organisations in the combined listings as there are regulated TSOs and in some cases the ratio is nearly 4 to 1. These are the points clustered near the vertical axis on the graph. Local knowledge suggests, however, that the higher figures in some of these local authorities reflect vigorous local efforts to gather systematic data and possibly to include a wider range of organisations. For example, the largest number of sports clubs recorded by our combined listing in any individual local authority is in a rural authority with a population of below 100,000.

Figure 1: Scatterplot of registered charities/1,000 population against 'below-radar' organisations/1,000 population

In addition, while we can be confident of our statistics about the distribution of regulated third sector organisations, the more lists we have for any given local authority, the greater the possibility of duplication and
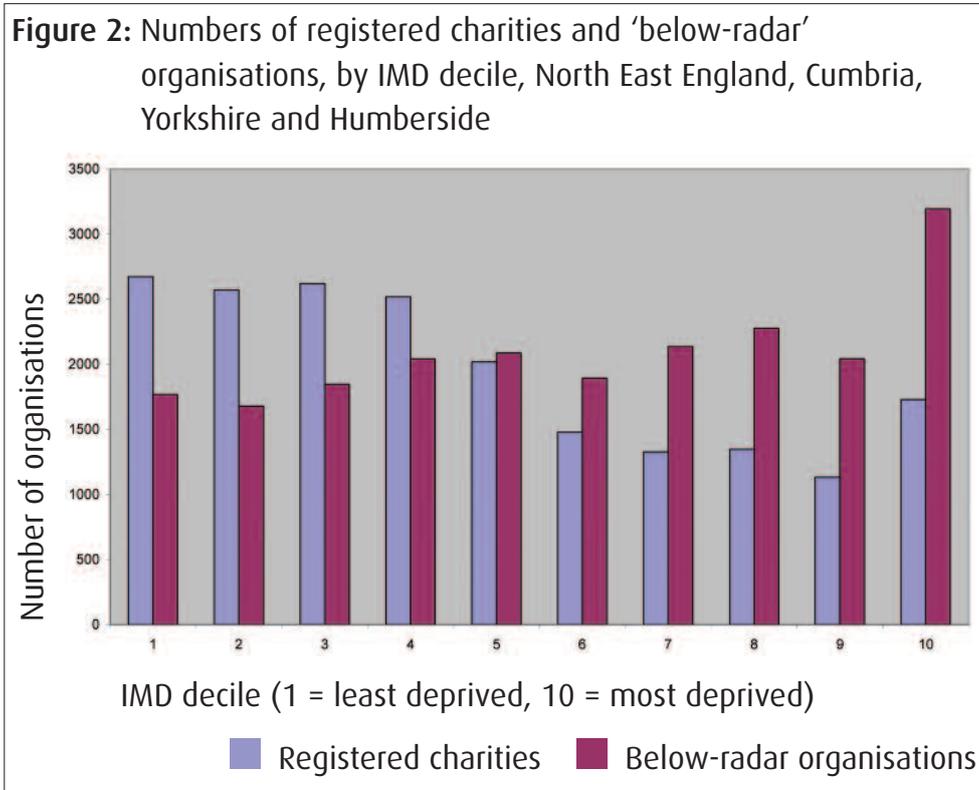
double counting (due to minor differences in the ways in which information is recorded). We think it is likely, therefore, that the upper estimates of the BTR population will shrink – to a limited degree – as we continue to refine methods for cross-referencing datasets. At the other end of the spectrum are a number of local authorities with apparently low numbers of BTR organisations compared to the numbers of registered charities – in some cases the figure is only ¼ or ⅓ of the number of regulated TSOs. These are the points relatively close to the horizontal axis on the graph. This is because we had few if any local listings covering those areas. To understand both of the extremes of this distribution, we need to look more systematically, perhaps through case studies of particular localities, at the possibility that there are numerous BTR organisations which are not being captured on the listings we have available to us.

Numbers of BTR in relation to deprivation
It is also useful to look at the patterns of BTR organisations in relation to socio-economic factors such as deprivation. Using postcodes we can attach indicators such as the index of material deprivation (IMD) to each organisation. For illustrative purposes we group the IMD into deciles – that is, classes each of which contains 10% of the observations for the region. If the BTR organisations and the regulated third sector organisations were both evenly distributed, we would expect to find approximately 10% of each of them in each decile. However, this is not what we find at all. Reading from left to right, the left-hand column represents the least deprived areas in these regions and the right-hand column of the most deprived 10% of LSOAs. There is a pro-deprivation gradient in the distribution of the BTR organisations; it can readily be seen that the most deprived areas have larger numbers of such organisations compared to the least deprived areas, especially in the most deprived parts of the region. In contrast, the distribution of registered charities shows a different picture. In these regions such organisations appear to be located more in the prosperous parts of the region than in the more disadvantaged areas, with the exception of the most deprived decile, where the numbers rise again (We have not included other regulated third sector organisations in this analysis, because the numbers are small and there is some evidence that they have a different distribution to that of registered charities).

What might account for these differences? It could be that the BTR organisations are small and informal community groups which do not

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Figure 2: Numbers of registered charities and 'below-radar' organisations, by IMD decile, North East England, Cumbria, Yorkshire and Humberside

need or do not want charitable status; it is possible that they are operating entirely through voluntary labour with little or no money being raised for the purposes of the organisation. We might also be picking up in the organisational sphere something that has been commented on elsewhere, namely that national survey datasets on volunteering are good at picking up particular kinds of volunteering – that which takes place through formal organisational structures – but less good at tracking more informal patterns of associational activity. Another possibility is that the distribution of registered charities will include many whose offices are located in more prosperous parts of communities than the actual areas served by those organisations.

Although the picture revealed by this graph is quite a clear one, it doesn't necessarily mean that the bulk of the activity of the regulated third sector is taking place in the more prosperous communities. The graph captures the distribution of organisations but not the pattern of expenditures, and in other analyses, not reported here, we have found some evidence that the distribution of expenditures by decile exhibits a less clear-cut gradient than the distribution of organisations.

Review of evidence from the listings of third sector organisations
Our source material allows us to make a number of comments about which organisations do and do not appear on the lists of infrastructure bodies. Firstly, because our listings provide information not just about organisations but about individual projects, we can pick up detail about the activities of large regional and even national organisations within our region. Text searches, for names such as Age Concern or Barnardo's, reveal a substantial amount of activity – over 120 entries for the former and over 60 for the latter. These are individual projects known to compilers of the local listings and they give us a more fine-grained perspective. Whether these should be regarded as BTR organisations can only be answered case-by-case depending on the structure of the organisation. For some charities, local branches are constituted separately and appear on the register of charities, whereas others have a much more centralised structure, meaning that their local projects are less likely to appear as separately-identifiable entities on the lists of regulatory bodies.

Secondly, we can explore whether there is any difference between the kinds of regulated third sector organisation (charity, CLG, IPS, CIC) that appear on lists provided by local infrastructure bodies, and those that do not. The selection criteria here are that (i) an organisation is a regulated third sector organisation and that (ii) it appears on ANY of the listings provided by a local CVS. We test this by looking at the characteristics of those organisations which appear on our listings and comparing them with those that do not, using appropriate statistical tests. For instance, are those charities that appear on infrastructure bodies listings larger or smaller than those which do not? Alternatively, are they operating in a different sphere of activity – implying that some kinds of organisations are more likely to have a relationship with infrastructure bodies than others? It is quite plausible that some organisations would see no particular need to engage with an infrastructure body.

This is broadly confirmed when we examine the relative size of charities, at least, which appear on CVS listings; there are some 900 of these and if we compare them with the general charities which do NOT appear on those listings, on average they are around 3 times as large – with an income of £305K compared to £109K. The main difference in terms of the type of organisations represented appears to be that, of the charities appearing on

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local listings, around 27% are concerned with social services in some shape or form whereas of the organisations that do not appear on local listings, around 15% are in this category.[9] There is also a suggestion that organisations concerned with the arts and culture are more strongly represented on lists of local infrastructure bodies; some 12% of the membership of these lists that are registered charities are in the arts and culture sector, compared to a figure of 7% for the registered charities in the region that do not appear on local infrastructure bodies listings.

A further possibility is to look at the proportion of regulated third sector organisations that do actually appear on the listing provided by their local CVS, and also the proportion of organisations on listings which are regulated TSOs. Where we have such data – provided by an identifiable CVS – it seems that, typically, between 15 and 35% of charities appear on that listing. It also seems that there are variations in the proportion of infrastructure bodies' 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.

Other possible lines of enquiry might include comparisons of the overlaps between listings produced by different types of organisation covering the same geographical area (are they picking up different elements of the third sector population?), and an examination of what kinds of non-third sector organisations appear on these local listings, particularly public sector bodies, which might provide insight into relationships between public and third sectors. We could also confine our analyses purely to lists produced by a particular type of body – e.g. Community Foundations, or CVSs.

9 The classification here is based on matching organisation names and functions to classification such as the International Classification of Nonprofit Organisations (ICNPO)

3 Conclusions and future developments

3.1 Significance of findings

These findings are important in a number of ways.

- Firstly, even in the small number of local authorities in the North East and Cumbria where our estimates of the BTR population is in the range of 7-8 organisations per thousand population, the estimate is still well below the New Economics Foundation's figure which suggested up to 20 organisations per thousand population. Differences of such magnitude can only be accounted for by differences in methodology. The upper-end estimates of NEF can be arrived at, we think, only by a very broad definition of the third sector, and a very inclusive definition of organisations that potentially fall within it.

- Secondly, however, in relation to patterns of social-economic inequality, there seems to be a strong pro-deprivation gradient in the distribution of BTR organisations – in other words, we find that these are more prevalent in the more disadvantaged areas of the regions. We would expect this to a degree – but it is important to have evidence which confirms this for the North East, Yorkshire and The Humber, and Cumbria. It would be interesting to see whether this is also the case for other regions.

- Thirdly, at least for registered charities in the North East and Cumbria, there seem to be differences, in terms of size and subsector, between organisations that appear on our local radars and those which do not.

3.2 Taking the work forward

We intend to build on this work in a number of ways.

- Firstly, in relation to the BTR organisations in this region, we will pursue further work to obtain local listings, and cross-reference and de-duplicate them in the manner described here. We hope that the outline of our work we have provided in this paper will encourage local infrastructure bodies in the region to assist us in the task of closing gaps in our set of lists.

- Secondly, we will attempt to classify the work done by the BTR organisations

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in the regions we have studied, using primarily text descriptions of their activities (their names) as well as information derived from the source data; for example, where the purpose of an organisation is not immediately evident from its name, details of the infrastructure body that provided it will be of value (e.g. umbrella bodies for sport, religion). This will allow us to link our listings to widely used classifications of third sector organisations. We can then determine whether the activities of the BTR organisations in these regions are different to those of regulated third sector organisations (e.g. is there an over-representation in certain spheres of activity as well as in certain geographical locations?).

■ Thirdly, we will shortly commence analysing the responses to a small-scale survey of BTR organisations designed to capture data on their financial and human resources, assets, and activities. This was confined – as far as we were able to guarantee this - to organisations which, on the basis of the matching exercises we had conducted using data supplied by local infrastructure bodies, did not appear on regulatory listings such as those produced by the Charity Commission.

3.3 Implications for policy and practice

The research work on mapping the local third sector in the North East and Cumbria has revealed many methodological issues, as outlined in this paper, but also has high relevance for policy and practice, including the following points:

■ Basic 'demographic' data about the third sector are fragmented and frequently outdated (some of our listings are a few years old now) which means that it is potentially inaccurate. Some of these difficulties arise from resource constraints, but incomplete and inaccurate data are potentially limiting the sector's ability to demonstrate its own capacity and potential. The analogy here may be those local authorities where under-enumeration was a problem in the last Census: this is not a call for boosterism, but rather a recognition that effective enumeration is more likely to support effective policy development. We recognise the pressures that infrastructure organisations are under, but perhaps funders and policy makers have not placed sufficient emphasis on the role of infrastructure bodies as repositories of intelligence about the local sector. It may also be worth investigating what resources infrastructure bodies

have to perform this important function. We hope that our work on local listings has developed the evidence base by providing useful insights into both the pattern and contribution of BTR organisations, and the relationship between these distributions and that of the regulated third sector.

■ Bearing in mind these challenges, there nevertheless appears to be an uneven geography of organisations. This may in turn imply that the local environment for voluntary action is variable, and that the capacity of local voluntary action is variable. This invites us to understand what drives such variation.

■ Our research robustly identifies greater numbers of BTR organisations than 'on-the-radar' organisations in the northern regions and Cumbria, and this may be true of other areas as well. Whilst unsurprising, this reinforces notions of community-based capacity. But what sort of capacity is this? 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? We aim to answer these questions in the next stage of the research with a classification of the BTR organisations.

Whose radar?

Perhaps one of the most interesting conclusions for interesting and important questions which arises from the study for third sector leaders, policy-makers and funders in these regions to think about, is the notion of 'whose radar'; we must recognise that different types of third sector organisations will have a different relationship to local 'radars'. Not being on the radar of a local infrastructure body could be seen to imply exclusion and lack of influence or capacity. Conversely, some third sector organisations 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. Finally, the evidence collected in this study, but highly likely to be relevant to other areas, raises the challenging issue of the extent to which organisations may not want to be on the radar of regulators, infrastructure bodies or otherwise – indeed, there is an argument that a defining characteristic of civil society is the right to be left alone. 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.