



# Entering the lists: what can be learned from local listings of third sector organisations?

Executive summary

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## Executive summary

In this report, part of the Northern Rock Foundation's Third Sector Trends study, we aim to quantify the size and characteristics of the "below-radar" population of third sector organisations in the North East, Cumbria and Yorkshire and the Humber. This population is estimated from lists of organisations held by local and regional organisations (including CVSs, Community Foundations and local authorities). We also conducted a survey of these below-radar organisations (*Beyond the regulated third sector: a survey of organisations in the North East*), in order to learn more about their characteristics.

## Key findings

Based on the listings used we found there were typically as many below radar organisations as there were regulated third sector organisations. For comparison purposes there were **between 1.25 and 1.5 times as many below radar organisations as there were registered charities.**

In terms of **ratios of organisations to population** there were a small number of local authority districts for which we had a range of listings in which the ratio was **up to 6 / 1000 population** and in one case the figure was as high as 9 per 1000 population. These figures are not as high as some widely-quoted earlier estimates, suggesting a need to recalibrate our understanding of this dimension of voluntary action.

A consistent finding was that there was a higher proportion of below-radar organisations in the more disadvantaged parts of these regions. On average there

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seemed to be about **1.5 times as many below radar organisations in the most deprived areas as there were in the most prosperous areas.**

The below-radar population has an **overrepresentation of organisations we classify as in the culture and recreation category of the ICNPO** (International Classification of Nonprofit Organisations), and of organisations classed as being in the general "community development" category.

**Our understanding of the below-radar population is coloured by the nature of the sources upon which we drew.** We demonstrated that certain types of listings (for instance, those of community foundations) seemed much more likely to capture particular elements of the below-radar population.

We also showed that **there were considerable variations between infrastructure bodies in terms of the extent to which they capture information on their local regulated third sector**, and that there were differences between the regulated TSOs that appear on such listings, and those which do not.

## **Gathering local lists of organisations**

We received over 80 lists including those from regulators (Companies House and the Charity Commission), local CVS and other infrastructure bodies, national organisations and local authorities. A complex process was used to merge and deduplicate these lists, in order to arrive at a list of unique entities. In all, 41,400 unique organisations were found in the region, of which 44% could not be successfully matched to a registered body (a charity or a limited company) and so

are considered to be "below-radar". These numbers might be an overestimate – there is inevitably a margin of error in an automated matching process and it is likely that we have therefore overestimated the numbers of unique entities, perhaps by 10-15%.

The estimates produced, if extrapolated in proportion to the numbers of registered charities, might suggest there are around 225,000 below-radar organisations in England and Wales. These figures imply around 3,000-3,500 organisations in Cumbria, 9,000 in the North East and 15,000 in Yorkshire and Humberside. Looking at the patterns of location for these organisations, the figures show that below-radar organisations appear to be more common in more deprived areas, compared to charities.

They also suggest a different mix of organisations, with culture and recreation organisations – particularly sports clubs – more likely to operate as below-radar organisations. Another large part of the below-radar group is conservation and environmental organisations associated with particular sites (e.g. allotments, canals, parks and open spaces).

## Survey of organisations

In late 2009, a survey of organisations on the listings was undertaken by BMG research on behalf of the project team. The survey consisted of 287 telephone interviews with "below-radar" organisations from the gathered lists; this is published as a separate report (*Beyond the regulated third sector: a survey of organisations in the North East*).

A notable feature of the survey was the number of respondents that would be considered large organisations. 34 respondents had more than two paid staff, with a further 22 having an income of greater than £20,000. Organisations of this size would normally not be considered below-radar, and would be expected to

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register as a charity. An explanation for this may lie in the complex nature of some organisations – some exist as projects within a registered charity, but consider themselves separate to them. The most likely reason why such organisations featured in the survey is that (as we indicated in our main report) it is possible that we have incorrectly identified organisations on local listings as not being regulated third sector organisations when in fact they are. A similar problem was encountered by the National Survey of Third Sector organisations. Allowing for this difficulty, the following findings of the survey are relevant:

- Respondent organisations were heavily volunteer-led, with a median of between 10 and 14 volunteers each. This suggests between 220,000 and 312,000 volunteers working in below-radar organisations throughout the study region.
- Half of all respondents had an income of less than £2,500. A quarter of respondents said their income varied from year-to-year, demonstrating the insecurity of funding for these organisations.
- Looking at income sources, three areas stand out: membership fees (mentioned by 35% of respondents), grants (34%) and fundraising (33%). At least 12% of respondents got funding from the government.
- The income profile of respondents is broadly comparable to that found for small charities in the National Survey of Third Sector Organisations (NSTSO).
- 70% of organisations were started in the last 30 years, with over a third founded in the last decade.

## Policy implications

- The findings emphasis that much voluntary action takes places within an informal, unregulated setting – and so we perhaps need to take care that we do not overestimate the potential impact of regulatory barriers upon voluntary action.
- The estimates have implications for the forthcoming Community Organisers programme; 500 senior community organisers will potentially be working with 900 groups each.
- Information on the majority of the organisations on the lists held by local infrastructure organisations (65%) is not held on national lists. This stresses the importance of local bodies in maintaining our understanding of local voluntary action.
- There is significant variation between local areas in terms of number of organisations per 1,000 population. This potentially highlights variation in community capacity, but we cannot distinguish such variations from variations which reflect local infrastructure organisations' resources as well as focus. Peer comparison may highlight differences in practice and opportunities for sharing of knowledge.
- Almost one-third of the below-radar organisations in our combined listings were arts and sports organisations. These are typically peripheral in discussions of the third sector, yet often central to discussions of participation and volunteer involving organisations.
- The results of the survey make it clear that there are a number of organisations that are part of or have links with larger national organisations and/or the public sector and it would be interesting to know more about this.

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- Classification of organisations remains a challenge – often all we have to go on is the name of an entity, so there are gaps in our information which could only be overcome through detailed local investigations.