

Under the radar? Researching unregistered and informal third sector activity

**Dr Jenny Phillimore, Angus McCabe and Dr Andri Soteri-Proctor**

Third Sector Research Centre/Institute of Applied Social Studies/

School of Social Policy

University of Birmingham, Edgbaston, Birmingham B15 2TT

**Tel: 0121 414 7822**

**e-mail: [j.a.phillimore@bham.ac.uk](mailto:j.a.phillimore@bham.ac.uk)**

**[A.SoteriProctor@bham.ac.uk](mailto:A.SoteriProctor@bham.ac.uk)**

## **Abstract**

In recent times both researchers and policymakers have used the term under, beneath, or below, the radar, to describe activities undertaken by small organisations, groups of activists or social entrepreneurs (Thompson 2008; MacGillivray *et al.* 2001). While most do not specify the nature or the radar that activity operates under, lack of registered or legal status appear to dominate understandings of beneath or below the radar (BTR) in the literature. Claims have been made of the importance of below the radar activity (BTRA) to civic life but little is known about the nature of this contribution or the extent of activity. Recently research projects have been commissioned by the Northern Rock Foundation (NRF), Regional Action West Midlands (RAWM) and the Office of the Third Sector (OTS) all aimed at exploring third sector activity occurring in “below the radar organisations”. These projects look specifically at organisations, rather than activities, and refer to such organisations as unincorporated and under the ‘regulatory radar’ of Companies House, the Charity Commission etc. Little work has been undertaken to examine other types of radar for example the support, policy or influence radars.

Clearly there is a substantial body of third sector activity operating at a micro-scale. However there is paucity of research activity examining the full range of BTRA. While the OTS, RAWM and NRF research projects will give some insights into the nature of BTRA they seek to explore the extent of actions, rather than the nature of BTRA and what it contributes to civil society. This paper uses information collected from a review of academic, policy and grey literature to answer questions about the ways in which BTR might be defined, the types of action it may cover and what is currently known about BTR activity. It also explores the types of research being undertaken in this area and the main gaps in knowledge. Finally the paper presents a research agenda for the Third Sector Research Centre’s (TSRC) new BTR work stream, setting out key research questions and the methods that might be employed to answer them.

## **Introduction**

Little is known about the exact extent of the small voluntary and community activity that commentators have recently begun to describe as being “below the radar” (BTR). In terms of measuring, or quantifying, the wider third sector there are now almost 171,000 registered charities in the UK (NCVO, 2009), with a further 2,107 community interest companies<sup>1</sup> (CIC Regulator, 2008), 4,573 co-operatives (Co-operatives UK 2007) and a further 9,930 societies registered with the Financial Services Authority. Beyond this there are estimates for the number of non-profit enterprises with social goals (based on data held by Companies House) of 6,700 and for exempted charities of between 3,490 and 5,091 (NCVO, 2009). In total, therefore, there are just over 200,000 Third Sector organisations that are known to the sector’s regulatory bodies.

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<sup>1</sup> Community Interest Companies registered with the Regulator in Quarter 3 of 2008

Once we broaden the focus to the wider ‘unregistered’ sector it becomes far more difficult to make any claims about the size or number of organisations/activities. MacGillivray *et al.* (2001) argue there are more than 900,000 micro-organisations in the UK and the NCVO (2009) estimate some 870,000 ‘civil society’ organisations. This lack of knowledge about the nature and extent of BTR activity is not just a UK phenomenon. In the USA Toepler (2003) suggests that over 70% of US voluntary and community organisations are very small organisations of which only 30% were registered with the Internal Revenue Service.

Depending on which is accepted, the BTR sector is estimated to make up three to five times the size of the Third Sector and yet, as we will show, comparatively little is known about its definition, scale, or functioning. Claims have been made about the critical importance of BTR organisations and actions, in particular with regard to their sensitivity to community needs (Gilchrist, 2004). Certainly in recent times there has been a great deal of interest in BTR activity and a realisation that this part of the third sector has received insufficient policy and academic attention. To date most focus has been placed upon registered and regulated third sector activity and the term BTR has come to mean below the regulatory radar. In this paper we argue that there are a range of alternative radars that need to be considered including resource, policy and influence radars. In an attempt to establish a programme of work from the TSRC’s BTR work stream we ask a series of questions about how BTR activity might be researched and explore the types of action that the term BTR might cover, what is already known about BTR activity and what questions need to be asked, and methods employed, to fill gaps in knowledge. The numbers of BTR activities, groups and organisations counted, estimated and researched depends very much on the way in which this part of the sector is defined so we begin with a discussion about definition.

### **Defining Below the Radar**

While there is no authoritative definition of “below the radar” that we can point to, the term is now frequently used in discussions about the third sector. Thompson (2008) and MacGillivray *et al.* (2001) describe activities undertaken by small organisations or social entrepreneurs as “*beneath the radar*” and argue these organisations generally lack incorporated legal and/or charitable status. In recent times research aimed at exploring third sector activity occurring in “*below the radar organisations*” has been commissioned by the Northern Rock Foundation<sup>2</sup>, Regional Action West Midlands<sup>3</sup> and the Office of the Third Sector<sup>4</sup>. These projects look specifically at organisations, rather than activities within the sector that may be organised – and long term – but do not involve formalised organisational structures or even (unincorporated) constitutions.

The lack of sophistication in the current understandings of the scope of under the radar activity has been acknowledged by the Office of the Third Sector:

The phrase under the radar is ungainly, but is the best available terminology for those organisations which are not included in the main national registers. The term is often associated with small community organisations which are not large enough to register with the Charity Commission or Companies House and are perhaps associated more closely with community building and participation than with service delivery. However,

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<sup>2</sup> [http://www.ncvo-vol.org.uk/uploadedFiles/NCVO/Events/Events\\_Archive/2008/Mohan%20et%20al.pdf](http://www.ncvo-vol.org.uk/uploadedFiles/NCVO/Events/Events_Archive/2008/Mohan%20et%20al.pdf)

<sup>3</sup> [http://www.rawm.org.uk/images/uploads/AN28\\_supplement.pdf](http://www.rawm.org.uk/images/uploads/AN28_supplement.pdf)

<sup>4</sup> [http://www.cabinetoffice.gov.uk/media/cabinetoffice/third\\_sector/assets/research%20paper%20chapter%204.pdf](http://www.cabinetoffice.gov.uk/media/cabinetoffice/third_sector/assets/research%20paper%20chapter%204.pdf)

many very small organisations do register and so suggestions that the under the radar segment of the sector is synonymous with smaller charities can be misleading.

(Office of the Third Sector, 2008)

Whilst organisations and activities that are unregistered and are not included on national databases fall under existing categories of being under the radar, there are other dimensions to being under the radar that need to be explored. These might include types of community action that is not undertaken by organisations, but instead by entrepreneurs, individuals and activists; activity that takes place informally or virtually; actions that may have emerged from registered organisations that are nonetheless very small and operate independently from them. In addition there may be different types of radar, other than regulatory, that third sector activity occurs below. 'Below the radarness' may lead to distinctive types of action, impact or ways of working and offer organisers or activists both advantages and disadvantages. In this paper we will give brief consideration to alternative radars including support, policy and influence radars. Organisations or activities may occur under or on all or just some of these radars. What is important is to understand the implications of being below the radar in terms of both operation and outcomes.

### **Resources**

Having established that all unregistered third sector activity is automatically under the radar, the key question in respect of access to resources is at what point can a registered third sector organisation be considered to be under a support radar? A whole range of support issues might be considered. Income is an obvious criterion although it is difficult to identify a single income level that could form an indicator of being BTR. Thompson (2008) suggests £50,000 per annum while Community Matters/LGA go down to £10,000 (2006). Perhaps a key issue is that of dependability of income; BTR activities are unlikely to have any core funding (MacGillivray *et al.* 2001) or for that matter permanent staff. Possession of capital resources might be a further indicator with many commentators noting lack of access to space (Phillimore & Goodson 2009; Zetter *et al.* 2005) as a factor impacting scope of activities. Conversely small organisations may own large assets, such as village halls, but nonetheless lack staff or substantial revenue incomes.

### **Policy**

Community based organisations may lack status, influence or, indeed, official recognition by statutory agencies (McCabe *et al.* 2007). However, issues of 'community' and 'community organisation' have played an increasingly important role in governmental, and cross party, policy in recent years. Part of this agenda has been informed by drivers towards a mixed economy of welfare, procurement and commissioning procedures and increasing the role of the formal voluntary sector in public service provision (HM Treasury, 2002; Home Office 2005). However, investment in the community sector infra-structure (Home Office, 2004) and targeted capacity building investment in faith based and BME organisations, has often been short lived, focused on priority/Neighbourhood Renewal Fund areas and been dependent on short term finance (e.g. European funding such as ERDF/ESF or more recently Big Lottery BASIS monies). Thus, despite policy spend, rather than investment, there remains a substantial gap between the policy rhetoric (Communities and Local Government, 2007) around small community based and Black and Minority Ethnic activities and an accurate understanding either of the numbers of such groups, their functions, contribution to policy agendas, or the extent to which they operate outside mainstream structures and agendas and therefore remain 'below the radar'.

## **Influence**

Most commentators argue that BTR is action undertaken below the *policy* radar that has no clear connection with major statutory players and their policy objectives. Thompson (2008) notes that small third sector organisations very rarely took part in influencing activities often because they lacked the time to participate, or felt they were unlikely to impact on policy or provision. Burns and Taylor (1998) and MacGillivray *et al.* (2001) also argue that micro organisations rarely have a formal relationship with the state. It is necessary to differentiate between those groups who elect to be outside the mainstream, a route sometimes taken by organisations serving communities without full legal rights and entitlements (Zetter *et al.* 2005), and those who lack influence for political reasons or because they lack the capacity to represent their community of interest. In their work building the capacity of MRCOs to engage in policy influence in Birmingham, Phillimore & Goodson (2009) found that activists lacked sufficient awareness of institutional culture to engage in meaningful consultation or influencing with policymakers or service providers.

## **Virtual activity**

A number of groups could be described as ‘below the technology radar’; those small groups without websites and who are not therefore ‘searchable’. On the other hand, it has been suggested that new social movements, that may not feature on the regulatory radar, are particularly sophisticated in the use and new technologies to organise (Della Porta & Diani, 1999). Little is known about the use of technology by grassroots organisations to network and build ‘virtual community’ organisations (Smith & McCabe, 2009) or use of ICT as a tool for lobbying for neighbourhood change (Richardson, 2008).

## **What is currently known about BTR activity**

Academic research into the Third Sector is a relatively recent phenomenon in the UK and beyond. Archambault (1997) describes the voluntary sector in France as ‘terra incognita’ and American authors Minkler (2005) and Ritvo (2008) have commented on the lack of systematic and longitudinal research on voluntary organisations. The first major studies on scope, definitions and typology emerged in the 1990s (Salamon & Anheier, 1997; Kendall & Knapp, 1996). International and comparative literature is also in its relative infancy (Barbetta: 1997) and research into BTR even less developed. Most publications focus upon the formal service delivery part of the sector, and the larger agencies with capacity to formally provide services (Kendall, 2003). Research on BTR is most likely to appear in the community development literature (Craig *et al.*, 2008) and to focus upon contested concepts of community and models of working with communities rather than ‘below the radar’ community organisations themselves (Ledwith, 2005; Henderson & Thomas, 2002). Substantive research in the BTR field is underdeveloped (Hoggett, 1997) and relies heavily on anecdote and received wisdom rather than, necessarily, rigorous research evidence.

Much of the available mainstream literature focuses on the functioning of, and pressures upon, BTR organisations. In terms of functioning discussions of role and activity tend to be limited to the provision of advice, cultural activities and campaigning with the literature focusing in more recent times upon issues surrounding procurement. Most literature is devoted to the discussion of the problems faced by BTR organisations with particular emphasis upon the struggle to access finance, premises and other resources and secondary interest in the lack of policy influence of the sector. Little research has been undertaken measuring the impact of BTR activity at micro level. There is a lack of generic material so data is often related to particular ‘sub-sets’ of below the radar organisations for example refugee groups, and faith based organisations. What might be referred to as ‘generic material’

on the subject is limited and relates to concepts of leadership, informality and external relations with other statutory and voluntary agencies.

### **Key gaps in knowledge**

We have established that knowledge around BTR activities and organisations is sparse. The gaps in understanding span from identification of BTR action, the scale of action, its operation, impact and influence. It is clear that there are a series of questions that need to be posed in order to develop further our knowledge of BTR activity. Generic questions include what is the impact of BTR activity and organisations? What does volunteering look like in BTR activities and organisations? Why do some groups choose to remain under the radar and what are the benefits of being off radar? How do BTR activities and organisations evolve over time – how do groups formalise and become ‘above the radar’ (Morgan: 2008)? How do BTR activities and organisations manage the tension between community needs and policy demands? What is the role of technology in the BTR sector? Specific questions may also emerge in relation to particular gaps in knowledge. For example while small arts and culture based activities form a high proportion of the third sector (Dodd et al., 2008) little is known about their role and function. While there is a considerable body of knowledge about refugee organisations much less is known about the ways in which other types of new migrants organise. The same can also be said about small scale faith and inter-faith based activity. The scale of these gaps in knowledge means that a programme of research is needed which makes use of a wide range of methods.

### **What methods might be utilised to answer these questions**

There is scope for a range of qualitative and quantitative work to answer some of the above questions. In quantitative terms the unregistered nature of much BTR activity means that there is no database available for analysis. It may however be possible to look at more generic databases, such as the Labour Force Survey; other studies that have examined aspects of this sector and to generate information from local and regional databases that become available to us. Much of the research in the TSRC’s BTR work stream will be qualitative. A starting point to understanding BTR activity is gaining an over-view of the scale, role and scope of the BTR sector. A series of over-view interviews will be held with representatives of the BTR sector and some of the key stakeholders in the field of micro-activity. Questions will explore their views on the extent of the distinctiveness of this part of the sector, formation of (and motivations in) BTR groups, form and function, the meaning of the term BTR, impact of actions, lifecycles and support needs.

Another preliminary study is the micro-mapping exercise that is being carried out in small concentrated areas of Birmingham and Greater Manchester, with an additional rural dimension later this year. The aim of this work is to go beyond finding and mapping organisations and to capture organised activities that may or may not use resources from other organisations, such as space, but that operate independently from them. The parameters for what is included in this study will be built into the process of the mapping exercise to help answer some important questions about what exists, the extent to which there are discrepancies between our findings and what is on other national and local databases and to engage in debates on classifications and definitions and the policy implications for these.

In addition BTR activity will form an important stream of the TSRC qualitative longitudinal sample (QLS) and its other research areas (eg social enterprise/housing). A range of BTR activities will be included in the QLS. The BTR sample may be boosted to take account of the large scale of this part of the third sector, case studies will be based across England and

will focus too on the micro-mapping areas. The QLS provides the opportunity to follow micro-activities over a four year period allowing us to develop an understanding of the ways in which the BTR sector works, its responsiveness, impact and lifecycle and to place the knowledge gathered in this exercise within the context of wider third sector activity in the micro-mapping areas.

Associated with the earlier mapping and QLS approaches, some case studies will be selected to take part in further qualitative study creating and exploring organisational family trees. Paid and unpaid personnel in the case studies will be interviewed to identify the resources they bring to, and gathered from, the BTR sector and to explore how BTR activities link with other types of activities and the ways in which resources move around the sector within and beyond neighbourhoods.

## **Conclusion**

Exploring and defining what the third sector is...are now important research themes in the UK... But the concept of defining and dealing with a diverse range of organisations (including, for example, charities, community organisations, social enterprises, clubs and faith groups) as one sector remains challenging and contentious.

(Northern Rock Foundation, 2009)

While below the radar activity forms the largest proportion of third sector activity it has received the least attention. Yet the very term which has entered common parlance in the sector (and academic literature) remains contentious. Work by Northern Rock (2009) highlights the diversity of the sector as a whole and the primary research currently being conducted by the BTR work-stream at the Third Sector Research centre highlights the contentious nature of debate in policy and practice settings:

- Will the phrase actually add to the already confused descriptions of, to use a more traditional term, the community sector? If the only 'radar' is legal and financial – is it important to understand small organisations and activities in the sector in terms of different radars?
- Does the term imply a deficit model for small groups within the sector or does it reflect the real and potential strengths of diverse groups who operate beyond government funding and policy agendas?
- Can the 'below the radar' or community sector actually be measured and quantified? Is this even desirable – or is it essential when such a heavy rhetoric is placed on such groups in terms of their role in acting as 'social glue' and 'building social capital' (Putnam, 2000)?

In order to address these questions and remedy the deficit in our knowledge a range of actions are needed. The lack of conceptual clarity around the terms BTR need to be resolved and work undertaken to examine the usefulness of the term and, if appropriate, define the actions that are below or above radar. More research is needed into the scale and scope of BTR activity – and a realistic assessment of whether such measurement yields useful information for policy, academic research and practitioners - the resources it makes use of, the function

and impact of the sector at a community level and the influence of policy on 'shaping the sector' and vice versa.

The work of the TSRC will go some way to plugging gaps in knowledge in this important area but beyond the TSRC other research is required to explore BTR activity in specialist sectors where the least is known - such as sport, arts and culture and faith and interfaith action. It is hoped that the TSRC will be able to maintain a watching brief and pull together its own work around BTR, with that of others researching in this area. The operation of the BTR work stream within the TSRC will also enable comparisons to be made between BTR and more mainstream third sector activity. It will also allow for the development of understandings about the ways in which the sector as a whole functions. A key role for the TSRC will be widespread dissemination of its findings to the third sector, policymakers and the communities they serve.

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