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Voluntary sector organisations working at the neighbourhood level in England: patterns by local area deprivation

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Abstract

Geographical variations in voluntary sector activity are important where they lead to inequity in service provision and differences in the opportunity to participate in voluntary group activities. However, despite important theoretical work, very little work has demonstrated variation empirically, particularly variation at the local (neighbourhood) level. This paper, for the first time, examines nationally representative data to illustrate the very real geographical differences across England in the prevalence of voluntary organisations working at a neighbourhood scale. Overall, less deprived local areas have a much higher prevalence than more deprived local areas. While certain kinds of organisations are more prevalent in more deprived areas, including those working in the field of economic well-being, this reflects the presence of organisations which receive public funds. These patterns are consistent with a key element of 'voluntary sector failure', resource insufficiency, and the important role of government in ensuring resources are available in areas of particular need.

Keywords

Voluntary sector; neighbourhood; public funding.

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1. Introduction

The potential for unevenness in voluntary sector activity has been a prominent theme in research, and policy debate, for many years. In 1978, for example, the Wolfenden Report argued that 'some social and geographical contexts seem to provide a much more fertile soil for voluntary action than others' (Wolfenden, 1978: 58). However, there has been very little national-level empirical work to show whether or not this is indeed the case – and much that does exist describes patterns in the geography of volunteering (for example, Mohan et al., 2006) rather than the geography of voluntary organisations, or focuses on organisations but not on variation between *local* contexts. We are not aware of any studies, in any country, which use nationally representative data to describe local variations in the prevalence of voluntary organisations. Therefore, this paper uses recently available nationally representative data for England to compare the prevalence of 'local voluntary organisations' (those working at the neighbourhood level) between different kinds of local areas according to the nature of local area deprivation.

There are two main reasons why geographical differences in the prevalence of local voluntary organisations may be important. First, to the extent to which local organisations are involved in providing services and amenities, the differences have implications for the equity of provision (Milligan, 2001; Bryson et al., 2002). Second, these differences may translate into variations in the opportunity to participate in voluntary group activities (Milligan and Fyfe, 2004). Voluntary participation is considered a structural element of social capital – associated with the cultural aspects consisting of norms, values and trust (see McCulloch et al., 2010) – which is a characteristic of communities that facilitates 'coordination and cooperation for mutual benefit' (Putnam, 1995: 67).

These themes are particularly topical given political developments in the UK emphasising the importance of the voluntary sector to the building of a Big Society, in which 'people come together to solve problems and to improve life for themselves and the community' (Conservatives, 2010). The government's reform agenda is designed to give new powers and rights to neighbourhood groups in order to help communities address local issues (for example, in being able to bid to take over the running of community amenities, such as parks and libraries, that are under threat). One of the stated ambitions is that 'every adult in the country becomes an active member of an active neighbourhood group' (Conservatives, 2010). This paper provides an important perspective on the variation in the existing capacity of the local voluntary sector – and therefore helps us understand the context within which current developments in the UK are taking place.

But these themes are also of wider and enduring significance. The potential for unevenness in voluntary activity keys into discussions about the role of the voluntary sector in the provision of services, and about the relationship between government and the voluntary sector. Where voluntary organisations focus on particular subgroups of the population this can allow responsiveness to their community of interest (Smith and Lipsky, 1993), but this need not in the aggregate tie in with broader social goals of ensuring equity of access to public services and amenities (Smith and Gronbjerg, 2006). For Salamon (1987), an important role for government is to provide financial support to the voluntary sector so that these gaps can be addressed. Therefore, an original feature of this paper is to

examine the relationship between government funding and the geographical distribution of voluntary organisations, by disaggregating the overall spatial patterns by whether or not organisations receive public income.

The paper starts by reviewing past work on the potential for unevenness of voluntary sector provision, emphasising the need for more empirical work to complement existing theory. It then considers issues of data, explaining the advantages of using the National Survey of Third Sector Organisations, and method. After presenting the results, the discussion centres around three main themes: to what extent are the presented patterns, showing geographical differences in the prevalence of local voluntary organisations, robust? What processes underlie these patterns? And what are the implications, in terms of the twin themes of service provision and voluntary participation?

2. Unevenness in voluntary sector activity

2.1 Theory

The theoretical basis for unevenness in voluntary activity is most clearly outlined by Salamon (1987). Salamon argues that the voluntary sector has certain advantages over government in the provision of public goods or services, given the time and effort in mobilising government response to social need. But he also argues that a key element of 'voluntary sector failure' is 'its inability to generate resources on a scale that is both adequate and reliable enough to cope with the human services problems of an advanced industrial society' (Salamon, 1987: 39). In particular, while resource insufficiency is a failure of the voluntary sector in general, it is manifested particularly in certain geographical areas 'since the resources are frequently not available where the problems are most severe' (p. 40). Therefore philanthropic 'particularism' may be evident spatially, with certain geographical communities well served and others not. In thinking about the distribution of local voluntary sector activity, this focuses attention not just on the demand for public goods and services (Weisbrod, 1975) but also on the supply of resources and how this varies geographically. This may relate not only to current levels of area deprivation or affluence, but also to histories of local philanthropy (Mohan, 2003); and not just to financial resources, but the availability of appropriate physical infrastructure (Milligan and Fyfe, 2004; 2005) and the supply of social, political or religious 'entrepreneurs' (James, 1987). In other words, there are strong theoretical grounds to expect unevenness in local voluntary sector activity.

2.2 Empirical work

Thus far there has been relatively little empirical research to complement and test existing theory. Much of the existing work was carried out in the United States (Wolch and Geiger, 1983; Bielefeld et al., 1997; Gronbjerg and Paarlberg, 2001; Joassart-Marcelli and Wolch, 2003; Bielefeld and Murdoch, 2004). In the UK, Knight's (1993) notable study did seek to examine the prevalence of local organisations in different places, but only in 14 different areas, and not necessarily in a consistent way: in the absence of a sampling frame, 'different researchers may have counted organisations in different ways' (p. 134). Fyfe and Milligan (2003a) examined spatial patterns in the prevalence of voluntary organisations, but only for Glasgow. Nevertheless, since both studies did find evidence for differences in prevalence between different kinds of areas, they do serve to motivate the analysis in

this paper – which examines patterns on a national level, using a consistent sampling frame across England.

Most significantly, the body of existing research has two main features. First, it has not focused sufficiently on the local scale. For example, in the US context Wolch and Geiger (1983) and Joassart-Marcelli and Wolch (2003) compare levels of voluntary activity between different cities, and Gronbjerg and Paarlberg (2001) between counties. However, from a substantive point of view, there is particular political interest in local or neighbourhood organisations (Conservatives, 2010), which are seen as well placed to meet the needs of local communities. Further, if from a theoretical point of view Salamon's (1987) emphasis on resource insufficiency is a strong basis for expecting unevenness in voluntary activity, we should expect particular unevenness at the same scale at which we see particular unevenness in levels of deprivation. In this context it is significant that - while the causes of deprivation may be rooted within economic restructuring at a higher scale - the housing market and residential sorting serve to concentrate deprivation in particular places within towns, cities and rural areas, such that variation in economic activity is most evident at this local scale (North and Syrett, 2008; McCulloch et al., 2010). In other words, there are few studies which look at variation in voluntary activity at a local level - and it is precisely at this level which there is particular interest in voluntary organisations, and precisely at this level where there is particular theoretical basis for variation in voluntary activity. Indeed, the handful of studies at the local level, including Bielefeld et al. (1997), point to the importance of local variation 'such that the lack of research at this level may be a serious oversight' (Bielefeld, 2001: 10690).

Second, when examining prevalence of organisations in different kinds of areas, existing research has conflated organisations with very different spatial ranges, from the local to the national. Importantly, as a number of authors have emphasised, the address of an organisation is not sufficient to identify its area of benefit (Bryson et al., 2002; Milligan and Fyfe, 2004; Milligan, 2007). When examining variations in the prevalence of voluntary organisations across different kinds of local areas, it makes sense to focus the analysis on those organisations working specifically within the local area rather than also including organisations, such as those working across a region, with a much more extensive spatial reach. In the absence of suitable data either in the US or UK, this has not been possible thus far.

Therefore, given the lack of previous empirical work, this paper provides the first opportunity to describe local variations in the prevalence of voluntary sector organisations using nationally representative data.

3. Data and Method

3.1 Data

The data that we use, the National Survey of Third Sector Organisations (NSTSO) which was carried out in England in 2008, are well suited to this task for a number of reasons. First, organisations were asked in the survey to provide direct information about their range of operation – including whether or not they work mainly within the neighbourhood, as opposed to across the local authority, region, or

country. Note that in this way the information is distinctive from that available from the Charity Commission register. Therefore, unlike previous studies, we are able to focus on the third of organisations indicating that they work at the neighbourhood level, and to exclude those working across a wider area. Second, the sampling frame for the NSTSO was drawn from a number of different sources because it was designed to provide a representative sample of third sector organisations - including not only charities, but also community interest companies, companies limited by guarantee and industrial and provident societies (including co-operatives and friendly societies). Note that this is particularly important given the different traditions of voluntary action – for example, the distinction between 'philanthropy' and 'mutual aid' (Davis-Smith, 1995) – in different kinds of areas. and given that philanthropy is particularly suitable to charitable registration and mutual aid more often associated with co-operatives and friendly societies (Knight, 1993). Third, since the survey was part of a performance assessment framework for local authorities, a significant sample size was required in each local authority. Therefore, by survey standards, the national sample size is very large (48,939), providing a useful opportunity to present not only overall spatial patterns, but also to examine spatial patterns for specific kinds of organisations. This disaggregation provides a more refined picture of the spatial distribution of voluntary organisations than previous empirical work.

The target population of the survey was third sector organisations in England. It was informed by the 'structural/operational' definition: to be considered a third sector organisation, a body must be: a formal organisation (with internal structure and meaningful boundaries); self-governing; independent of government; not profit-distributing; and voluntary (membership and contributions are non-compulsory) (Kendall and Knapp, 1993). Importantly, therefore, using the survey we describe variations across England in the local *formal* 'voluntary' sector. We are not able to, and do not seek to, describe variations in the more informal 'community' sector. Rather the focus is on organisations with an institutional structure, which have an existence distinct from their environment (Cnaan and Milofsky, 2007: 2). Note that this is in line with recent policy interest in neighbourhood groups: the Conservatives (2010) vision, which sees these groups as central to the Building of a Big Society, defines them as a group 'comprised of people living in a defined geographical area' and 'within an institutional setting (e.g. scouts, residents association, social enterprise or charity)' [emphasis added].

It is these kinds of groups that are registered with regulatory bodies, including the Charity Commission and Companies House, which provided the basis for the sampling frame for the survey. Note that, since subsidiary charities working at a branch level under a central headquarters are not separately incorporated, in these cases only the headquarters would be included in the sampling frame. Very small charities, with an income below £1,000, were not obliged to appear on the Charity Commission register, so are also not comprehensively included in the sampling frame. Note too that places of worship, which in 2008 were excepted from registration from the Charity Commission and hence not included on the commission register, were therefore not included in the survey. Gill (2008) provides details of the decisions made to move from the sampling frame to the target population.

3.2 Method

The analysis presents patterns in the prevalence rate of 'local voluntary organisations' (voluntary organisations working at the neighbourhood scale) per 1,000 people. It compares the prevalence rate

of local voluntary organisations between less deprived and more deprived local areas (measured by the Index of Multiple Deprivation at the Lower Super Output Area (LSOA) level).¹ This requires information on 'occurrence', the number of organisations, and 'exposure', the population size, within these areas.

The survey data, allowing identification of those organisations working at a neighbourhood scale, provide information on occurrence. The data were provided already linked to the level of local area deprivation, with exact scores banded within categories to prevent the disclosure of individual organisations, and to the local authority. Survey weights² were used to adjust for differences in sampling fractions between local authorities, giving an estimate of the total number of local voluntary organisations according to level of local area deprivation and local authority.

Population estimates for 2008 provide information on exposure. These data are available broken down by LSOA within each local authority (Office for National Statistics, 2010). We categorised the continuous measure of local area deprivation score associated with each LSOA, to match the banded categories in the survey, and calculated a population total for each category of local area deprivation within each local authority.

We then matched the survey data on organisations (occurrence) with the population data (exposure). This formed a contingency table of occurrence and exposure for each deprivation category within each local authority. This was used to calculate prevalence rates for areas with different levels of deprivation – and for areas with different levels of deprivation within specific kinds of local authorities.

The relationship between the rate, expressing the prevalence of voluntary organisations per 1,000 people, and local area deprivation was summarised using log-linear regression:

$$\log E(Y_{ii}) = \log(n_{ii}\mu_{ii}) = \log(n_{ii}) + \mathbf{x}'_{ii}\boldsymbol{\beta}. \tag{1}$$

where Y_{ij} is the number of local organisations ('occurrence'), and n_{ij} is the number of people within each category ('exposure'), in banded deprivation category i and local authority j. The log(n_i) term is called an offset term and is a frequent feature of log-linear models for count data. β represents a vector of parameters which describe the effect of local area deprivation, \mathbf{x}'_{ij} , on the rate μ_{ij}^3 .

¹ Lower Super Output Areas have an average population of 1,500 people. The index of multiple deprivation is a summary of seven domains of deprivation relating to: income; employment; health and disability; education, health and training; barriers to housing and services; crime; and characteristics of the local environment. See Noble et al. (2006) for more information.

² The weights adjust both for differences in sampling fractions and for differences in response rates. We truncated the weights at the 99th percentile of the weight distribution so that extreme weights did not have undue influence on estimated totals.

³ We used the distribution of the LSOA scores, available from the Office for National Statistics (ONS), to estimate a median score for each of the banded score categories used in the survey. Using these median scores for each category, we parameterised deprivation as a continuous variable in the log-linear models. Likelihood ratio tests were used to select an appropriate polynomial form – linear, quadratic, cubic or quartic – for a particular model. We decided to use a maximum of four parameters for reasons of parsimony.

After fitting the model, we used it to predict the prevalence of voluntary organisations at specific deprivation scores known to correspond to certain percentiles of the LSOA distribution⁴ – the deciles, plus the 1st, 5th and 95th percentiles – and summarised the results graphically. This provides a detailed picture of the relationship between the prevalence of local organisations and local area deprivation across the country, which has not been presented before.

Confidence intervals were calculated to provide a measure of the uncertainty associated with the results. Since a *post-hoc* test indicated that the data were overdispersed – the response variance was greater than the mean, such that assuming a Poisson distribution for the residuals was inappropriate – standard errors were calculated using the robust variance estimator, which has been shown to be robust when modelling overdispersion in count models (Hilbe, 2007).

3.3 Framework

The analysis proceeded in two stages. In the first stage, overall differences in the prevalence rate of local organisations, according to the level of local area deprivation, were examined. We examined differences in total prevalence, then disaggregated by size of organisation, the kind of activity the organisation is involved in, and whether or not the organisation receives public income. This involved fitting a series of models equivalent to (1), but with different Y_{ij} for the different groups of organisations. Only local area deprivation score was included as a predictor in these models. Dummy variables for local authority were not included because they are on the 'causal path': LSOAs are nested within local authorities and different local authorities differ in terms of their deprivation profile.

The second stage examined differences in total prevalence according to the level of local area deprivation within similar kinds of local authorities. Here a series of models was used – each equivalent to (1) but with the subpopulation restricted to a particular group of local authorities classed as similar according to the National Statistics 2001 Area Classification for Local Authorities. This is an important check of the overall patterns in stage one. For example, we might expect differences in prevalence between urban and rural areas, associated with the higher levels of voluntarism involved in providing services to dispersed populations (Fyfe and Milligan, 2003b); and since rural areas tend to be less deprived than urban areas, this may confound the relationship between deprivation and prevalence. By examining patterns within specific groups of local authorities, which are similar to each other including in the nature of their urban/rural profile, we can examine the extent to which the overall relationship between deprivation and prevalence is robust – and also applies when comparing across local areas within these groups.

Therefore, the first stage asks the question: 'what are the *overall* differences in the prevalence rate of local organisations according to local area deprivation?'; the second asks 'what are the differences according to local area deprivation *within* similar kinds of local authorities?'

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⁴ This aids interpretation, and is a next-best scenario to the ideal case of modelling the percentiles of the LSOA deprivation distribution directly (which were not provided with the survey data).

4. Results

4.1 Overall differences in prevalence according to deprivation

More than 17,000 organisations, 35% of the total respondents to the survey, indicated that they work at the neighbourhood level – representing an estimated total of c.59,000 local voluntary sector organisations in England. There are clear differences in the overall prevalence of these organisations according to the level of area deprivation. Figure 1 shows predicted prevalences under the model. In the least deprived areas (for example, those at the 95th, 90th and 80th percentiles of the deprivation distribution) there are around 1.6 organisations per 1,000 people. In contrast, more deprived areas (for example, those at the 20th, 10th and 5th percentiles of the deprivation distribution) have a much lower prevalence rate, with around 0.6 organisations per 1,000 people, which represents about 40% of the prevalence in the least deprived areas. While the overall pattern is clear – more deprived areas have fewer organisations per head of population – there is some evidence for a curved relationship, with the most deprived areas of all (those close to the 1st percentile of the deprivation distribution) having a higher prevalence than those slightly less deprived.

This overall picture conflates different patterns for different kinds of organisations. Therefore, we disaggregate by three variables in turn – size, the kind of activity the organisation is involved in, and whether or not the organisation receives public income. Given the particular policy relevance of public funding, then we disaggregate simultaneously by size and by public funding status, and by area of activity and public funding status.

Disaggregating by size (figure 2), there is a higher prevalence of small organisations, with an income of between £1,000 and £10,000 or between £10,000 and £100,000, in less deprived areas than in more deprived areas. This pattern is reversed for larger local organisations: there is actually a higher prevalence of organisations with an income of over £100,000 in more deprived areas than in less deprived areas.

Disaggregating by the main area of activity, or 'vertical field' (Kendall, 2003), of the organisation⁵ (figure 3), there is a higher prevalence of organisations in less deprived areas than in more deprived areas for some areas of activity, particularly culture and leisure and education/lifelong learning. For organisations involved in economic well-being, this pattern is reversed, with a higher prevalence of organisations in the most deprived areas. In some fields, including health and well-being, training, community development/mutual aid and cohesion/civic participation, the situation is less clear-cut: the prevalence of organisations is generally higher in less deprived areas than in more deprived areas – but for the most deprived areas of all the prevalence is comparable to the least deprived. Similarly, when considering the 'role' of the organisation (figure 4), those involved in the delivery of public

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⁵ Since organisations could tick up to three main areas of work, it is possible for an organisation to be in more than one of these groups. We present nine of the main areas of work; in other areas there were insufficient numbers of organisations to examine the relationship with deprivation. We retain the categories used in the survey since they don't map easily to those used in the International Classification of Nonprofit Organisations (ICNPO), developed by Salamon and Anheier (1992; 1996).

services⁶ are generally more prevalent in less deprived areas – but again the most deprived areas of all have relatively high rates. Organisations providing buildings and/or facilities⁷ are in general more prevalent in less deprived areas.

Disaggregating by whether or not an organisation receives any income from government sources (figure 5), generally the direction of the relationship with deprivation is the same for these two groups: there is a higher prevalence of organisations which receive no public income, and a higher prevalence of organisations which receive at least some public income, in less deprived areas. However, the nature of the relationship does differ: there are particularly sharp differences according to deprivation in the prevalence of organisations which receive no public funds; in contrast, the differences between areas in the prevalence of organisations which receive public funds are less marked. Note too that, while in the least deprived areas there are more organisations which receive no public income than those that receive some, there is evidence that the reverse is true in the very most deprived areas. Therefore, deprived areas have a much higher share of publicly funded organisations than less deprived areas (see Clifford et al., 2010).

Disaggregating simultaneously by size and whether or not an organisation receives any public income (figure 6), the differences according to deprivation in the prevalence of smaller organisations are particularly marked for those organisations not receiving public funds. Most significantly, the overall higher prevalence of larger local voluntary organisations in the most deprived areas (figure 2) reflects the presence of organisations which receive money from government (figure 6). In other words, if we discounted those organisations which receive public funding, the higher prevalence of smaller local voluntary organisations in less deprived areas would still exist; the higher prevalence of larger organisations in more deprived areas would not.

Disaggregating simultaneously by main area of activity/role and whether or not an organisation receives any public income (figure 7, figure 8) presents similar patterns. For the areas of activity with a higher prevalence of organisations in less deprived areas, including culture and leisure and education and lifelong learning, the differences in prevalence according to deprivation are particularly marked for those organisations not receiving public funds. Meanwhile, the overall higher prevalence of organisations working in economic well-being reflects the presence of publicly funded organisations. Similarly, for organisations in the areas of health and well-being, training, community development/mutual aid and cohesion/civic participation (figure 7), and those involved in the delivery of public services (figure 8), the relatively high rates in the most deprived areas reflects the presence of organisations which receive at least some money from government.

⁶ Examples listed in the survey included the provision of social housing, health care, a day centre, counselling, or community safety

⁷ Examples listed in the survey included community centres, village halls and religious buildings – but excluded social housing.

⁸ In the NSTSO, organisations were asked directly about whether they received particular kinds of statutory income in the financial year of the survey. Here we group all types of public income, whether from central or local government.

4.2 Differences in prevalence according to deprivation within similar kinds of local authorities

In the first stage of analysis, the overall pattern in the prevalence of local organisations according to deprivation (figure 1) is based on a comparison of LSOAs across the country, located in different kinds of local authorities. This second stage examines to what extent the overall pattern illustrated in figure 1 is robust when we make comparisons across different levels of deprivation *within* similar kinds of local authorities. We used the National Statistics' 2001 Area Classification for Local Authorities, which groups local authorities similar on a range of characteristics into clusters⁹.

Overall, the general pattern, of a higher prevalence of local voluntary organisations in less deprived areas, is robust when we examine each class of local authority separately (figure 9)¹⁰. For example, within local authorities classed as 'regional centres', less deprived areas have a higher prevalence than more deprived areas – and this is the case for all local authority classes. This increases our confidence in the validity of the results presented in stage one.

However, note also differences between the kinds of local authorities in the relationship between level of area deprivation and prevalence. The least deprived areas within the only class which includes rural local authorities - 'Prospering Smaller Towns/ Prospering Southern England/ Coastal and Countryside' - have the highest prevalence of all, consistent with the differences between urban and rural areas predicted by Fyfe and Milligan (2003b). In contrast, less deprived areas within the 'industrial hinterlands', 'manufacturing towns', and 'new and growing towns' have a lower prevalence of local voluntary organisations than corresponding areas within different kinds of local authority. Evidence for a curved relationship - with the most deprived areas of all having a higher prevalence than those slightly less deprived - is also stronger within certain kinds of local authorities, including 'London cosmopolitan' and 'Regional centres', than others, including 'Thriving London periphery', 'London suburbs' and 'industrial hinterlands'. Indeed, the most deprived areas within 'London cosmopolitan' boroughs have a higher prevalence than corresponding areas within other local authorities, which is consistent with the theory that the voluntary sector offers provision for heterogeneous populations which the government, with its concern for the 'median voter', does not (for example, Weisbrod, 1988). More generally, the patterns illustrated in Figure 9 suggest that geographical differences in the prevalence of local voluntary organisations are not simply a reflection of different local area deprivation profiles, but also reflect the wider context within which neighbourhoods are embedded.

⁹ For shire counties, only the upper local authority tier was included in the survey. Since this meant we could not link them unambiguously to one class of the Local Authority classification, we linked them instead to a category formed by collapsing three classes – Prospering Smaller Towns, Prospering Southern England, and Coastal and Countryside. All local authorities classed as predominantly rural by DEFRA (2007) are within this collapsed category.

¹⁰ Note that, as reflected in Figure 9, not all levels of deprivation are found within each class of local authority (e.g. London cosmopolitan).

5. Discussion and conclusions

The aim of this paper has been to provide empirical research to complement and test existing theory about the potential for unevenness in voluntary sector activity – and to test it at a local level, where there is particular theoretical basis for expecting variation.

It shows, for the first time, the very real geographical differences across England in the prevalence of voluntary organisations working at a local scale. Next we ask three important questions about these results – are they robust? What processes underlie them? And what are the implications – do they matter?

5.1 Robustness of results and challenges for inference

In this paper we use information from a survey to make inferences about geographical variations in the prevalence of local formal voluntary sector organisations across England. We make conclusions about patterns in the population of these organisations from patterns in our sample – and there are two main challenges to the robustness of this inference.

The first centres on any biases introduced by differences between the sampling frame and the population of organisations on the ground. 11 We know that, by definition, organisations which are 'below the [regulatory] radar' (see, for example, McCabe and Phillimore, 2009) will not be registered with the Charity Commission or with Companies House, so will not appear in the sampling frame. The concern is not so much that we are missing more informal, community based groups per se - since they are not in our target population – but that there may be systematic differences in the propensity to register, reflecting differences in the level of formality of activity, between different kinds of areas. Williams (2003) argues that while questions on volunteering tend to record the formal associational activity of those of higher socioeconomic status, the more informal neighbourliness of localities with people of lower socioeconomic status is less well captured. In terms of organisations, Knight (1993, pp. 135-136) argues that associations rather than institutions, relying on informal contacts more than formal office systems and constitutions, are particularly characteristic of less affluent areas. Therefore, any analysis considering the implications of differences in formal voluntary activity according to levels of area deprivation should be sensitive to this concern. We argue that it is a particular issue when considering the implications in terms of opportunities to participate in voluntary activities, but less of an issue when considering implications in terms of equity in service provision - since the kinds of organisations providing services tend to be institutional in character.

The second challenge for inference centres on any biases introduced by non-response: organisations which were selected to be in the survey but which did not respond to the questionnaire. The unit response rate was 47%: questionnaires were sent out to 104,931 organisations and 48,939 organisations responded. While this is a reasonable response rate to a survey of this kind, it remains a significant issue. Weights were used to adjust for differences in the probability of responding to the

¹¹ This will arise also through branch structures – where subsidiary organisations working at a branch level under a central headquarters are not separately registered, in these cases only the headquarters would be included in the sampling frame. This would only affect the patterns presented here if there was shown to be a systematic tendency for neighbourhood organisations to be more likely to be an unregistered branch, rather than an independently registered entity, in certain kinds of areas than others.

survey between different forms of organisations and between local authorities, but bias would be introduced if there was a systematic difference in the probability of responding to the survey according to level of area deprivation. However, some of the key features of the results – including the size of the difference in prevalence between different kinds of areas, the shape of the relationship between deprivation and prevalence, and the heterogeneity of patterns of prevalence such that the relationship with deprivation is in a different direction for different kinds of organisations – make it implausible that they are simply a reflection of differences in response-rates.

5.2 Processes underlying patterns

The patterns described here provide strong empirical support for Salamon's (1987) 'theory of voluntary sector failure'. In particular, by illustrating the much higher overall prevalence of local formal voluntary organisations in less deprived areas than in more deprived areas, it provides support for how the theme of resource insufficiency plays out spatially: 'the resources are frequently not available where the problems are most severe' (p. 40).

Therefore, understanding the distribution of local voluntary organisations requires consideration of how resources, as well as needs, come to vary spatially. A key feature of this analysis has been to show how the prevalence of voluntary organisations varies *locally* between levels of different area deprivation, even within similar kinds of local authority. In turn, this focuses attention on the processes underlying local differences in deprivation, and in particular to the role of labour and housing markets in sorting people over space and concentrating deprivation: while the relatively affluent can choose to live within certain kinds of neighbourhoods, the less affluent cannot (Meen et al., 2005; North and Syrett, 2008; McCulloch et al., 2010). While this serves to concentrate financial resources, it also serves to concentrate human capital, with further implications for the sector's capacity. Clearly while the patterns in prevalence of formal organisations were observed at one point in time, they are an outcome of a longer process. This is consistent with the importance of deprivation since patterns of local deprivation tend to persist for considerable periods of time (McCulloch et al., 2010).

5.3 Implications of patterns: equity of service provision

The results, showing differences in the prevalence of local formal voluntary organisations between different kinds of areas, represent some of the strongest empirical evidence for the unevenness of formal voluntary sector activity to date. ¹² But do these differences matter? Different arguments can be made. One of the clear findings of the paper is that not only is there a higher prevalence of local organisations in less deprived areas – but that this reflects a higher prevalence of *certain kinds* of organisations (figure 3, figure 4). Groups involved in culture and leisure, and education and lifelong learning, are more prevalent in less deprived areas than in more deprived areas – and, since these are amongst the most numerous kinds of local organisations, this means that the prevalence of voluntary organisations is highest here too. If the overall pattern simply reflects the formalisation of leisure and cultural activities in less deprived areas, there may be no desire for equity in local

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¹² Note that the evidence is strong and detailed – but the perspective is *partial*. Clearly, examining the prevalence of local voluntary organisations in different kinds of areas only provides a partial perspective on the extent of total voluntary sector activity in these areas – given the work done at a local scale by organisations working across the country, across regions and across local-authorities.

voluntary provision. After all, from a liberal perspective, the voluntary sector doesn't just provide services, but acts as a forum for individual and collective freedom of expression (Kendall, 2003; p. 112). Therefore, one view would be that, as Gladstone (1979, paraphrased by Deakin 1995) argues, even given the potential for unevenness in voluntary sector provision, isn't this better than 'the drab disabling uniformity of a state sector in decline'?

However, much of the concern about the potential for unevenness in voluntary sector provision does not centre on the 'expressive' role of the voluntary sector but surrounds the role of the voluntary sector in the provision of services and of welfare. From this perspective, an uneven distribution of voluntary organisations translates into inequitable service provision. In particular, there is concern that voluntary activity does not necessarily map onto areas of greatest need (Wolch and Geiger, 1983; Fyfe and Milligan, 2003a). Milligan (2001) notes the voluntary sector has no commitment to equity in service provision, and Bryson et al. (2002) argue that unevenness is a reason why charity should supplement, and not substitute, for state welfare provision. Interestingly, the results presented here show that local organisations working in the field of economic well-being are actually more prevalent in the most deprived areas; that bigger local voluntary organisations are more prevalent in more deprived areas; and that - while in general less deprived areas have a higher prevalence of organisations delivering public services - the most deprived areas of all also have high prevalence rates. We can be confident that this represents the situation on the ground since the kind of organisations providing services will tend to be institutional rather than informal, having 'an existence autonomous from their surrounding environment' (Cnaan and Milofsky, 2007, p. 2), and so should appear in our sampling frame.

But, to the extent to which these services are indeed matched on to areas of greatest need, this should be understood within the context of patterns of funding. Importantly, for the first time, this paper has presented patterns in the prevalence of organisations that do and do not receive public funding. Thus, for each of the kinds of organisations with a high prevalence in the most deprived areas – including in the field of economic well-being and in the delivery of public services (figure 7, figure 8) – this reflects the presence of organisations which receive money from government.

Conservative plans to give new powers and rights to neighbourhood groups in the UK should be understood within this context. For example, neighbourhoods 'will be able to bid to take over the running of community amenities, such as parks and libraries that are under threat' and 'will be given a right of first refusal to buy state-owned community assets that are for sale or facing closure' (Conservatives, 2010). The analysis presented in this paper, by showing differences in the prevalence of local voluntary organisations in different kinds of areas, suggests that some communities will be much better equipped than others to take on these new powers. To the extent to which certain kinds of voluntary groups are more prevalent in areas of greatest need, this is in the presence of public funding – and even with public funding, more deprived areas lack the prevalence of local buildings and facilities (for example, community centres) that less deprived areas enjoy (figure 8). These results therefore emphasise the importance of government funding to the voluntary sector, particularly in the more deprived areas.

These results are of wider significance, beyond the UK and the current political context. In particular, they are consistent with Salamon's (1987) argument that resource insufficiency, together with other voluntary sector failures, provides a strong reason for partnership between government and the voluntary sector, and in particular for public funding of voluntary organisations. Thus, while within a 'mixed economy of welfare' services may be provided by voluntary organisations (Harris and Rochester, 2001) – which may be well suited to personalise the provision of services and to operate on a small scale – government strengths complement voluntary sector weaknesses: government is 'in a better position to finance needed services', and is 'in a better position to ensure the equitable distribution of those resources among parts of the country and segments of the population' (Salamon 1987: 45).

5.4 Implications of patterns: voluntary participation

Considering the implications of the results in this paper for voluntary participation is more difficult: unlike those organisations providing services and amenities, many of the more informal community and neighbourhood groups would not be included in the sampling frame for the survey. Thus while voluntary participation is considered a structural element of social capital, we do not observe all relevant neighbourhood groups.

Nevertheless, the results presented here do serve to illustrate the relative lack of opportunity to be involved in more formal local voluntary groups in deprived areas. This complements results showing lower rates of formal volunteering in deprived areas (for example, McCulloch et al., 2010). The results underline the association between formal aspects of voluntarism and levels of deprivation. Note that, to the extent to which volunteering opportunities are provided through formal local organisations, since fewer of these organisations exist in deprived areas there is a particular reliance on those organisations which receive public funds. In this respect, too, government financial support is important.

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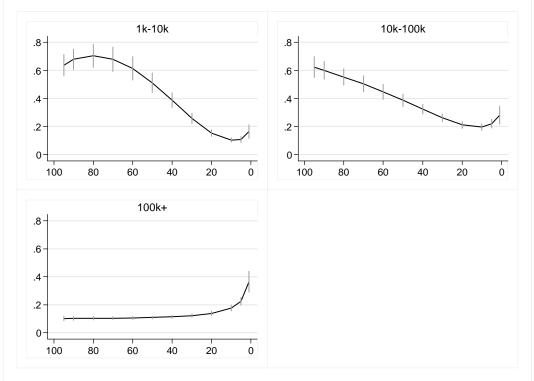
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1.8 1.6 1.4 1.2 1 .8 .6 .4 .2 0 100 80 60 40 20 0 Deprivation (percentiles)

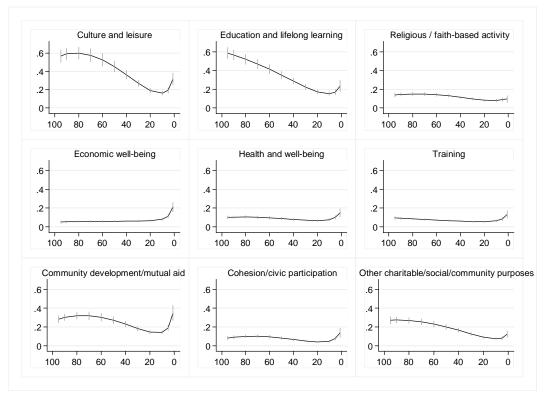
Figure 1. Prevalence of local voluntary organisations, by percentiles of area level deprivation

Note: Spikes represent 95% confidence intervals.

Figure 2. Prevalence of local voluntary organisations, for organisations with different levels of income (£), by percentiles of area level deprivation

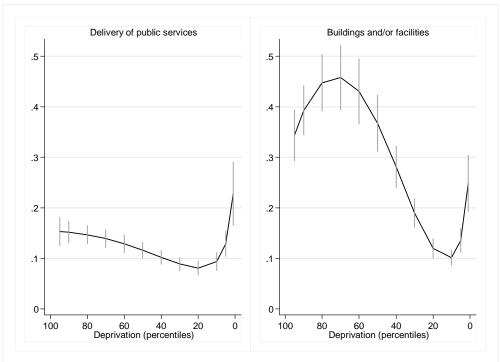


<u>Figure 3. Prevalence of local voluntary organisations, for organisations with particular main areas of activity, by percentiles of area level deprivation</u>

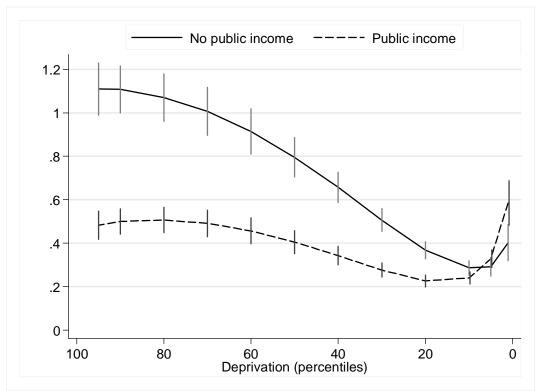


Note: y-axis: prevalence (per 1,000 people); x-axis: percentiles of area deprivation. Spikes represent 95% confidence intervals.

Figure 4. Prevalence of local voluntary organisations, for organisations performing particular main roles, by percentiles of area level deprivation



<u>Figure 5. Prevalence of local voluntary organisations, for non-publicly funded and publicly funded organisations, by percentiles of area level deprivation</u>



Note: Spikes represent 95% confidence intervals.

Figure 6. Prevalence of local voluntary organisations, for non-publicly funded and publicly funded organisations with different levels of income (£), by percentiles of area level deprivation

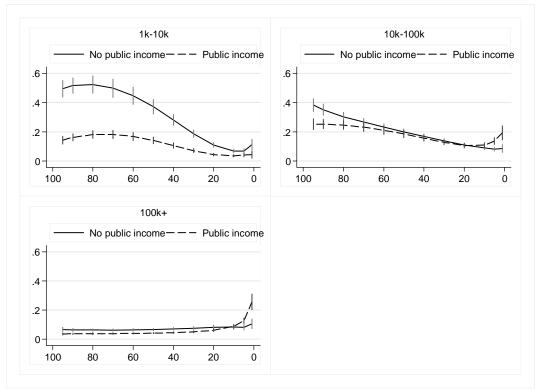
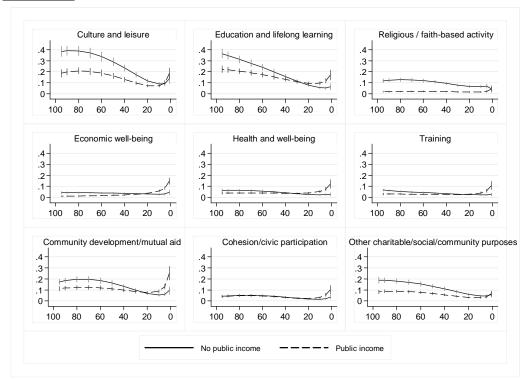


Figure 7. Prevalence of local voluntary organisations, for non-publicly funded and publicly funded organisations with particular main areas of activity, by percentiles of area level deprivation



Note: y-axis: prevalence (per 1,000 people); x-axis: percentiles of area deprivation. Spikes represent 95% confidence intervals.

Figure 8. Prevalence of local voluntary organisations, for non-publicly funded and publicly funded organisations performing particular main roles, by percentiles of area level deprivation

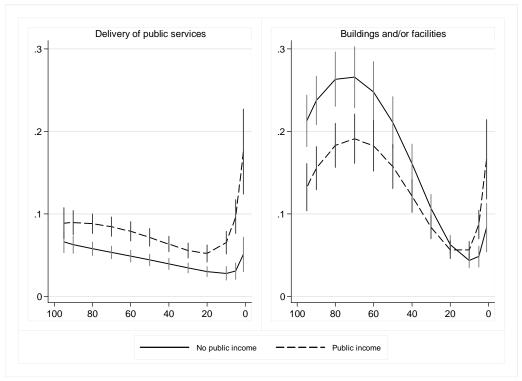
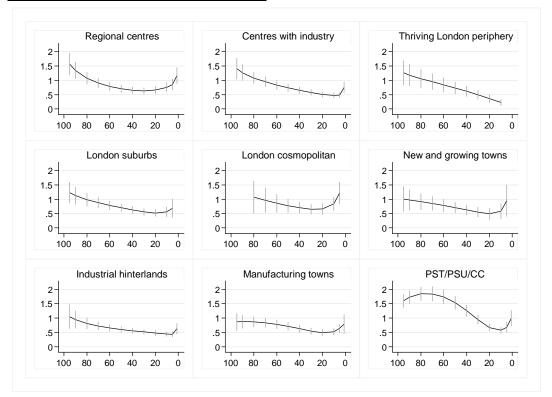


Figure 9. Prevalence of local voluntary organisations, by percentiles of area level deprivation, within different classes of local authority



Note: y-axis: prevalence (per 1,000 people); x-axis: percentiles of area deprivation. Spikes represent 95% confidence intervals. PST/PSU/CC: Prospering Southern Towns/Prospering Southern England/ Coastal and Countryside. Table A1 in the online appendix provides a list of the local authorities within each of the classes.

Table A1. List of local authorities within each class of the 2001 National Statistics Classification

Region	Local authorities
Regional Centres	Bournemouth UA; Brighton and hove UA; Bristol, City of UA; Leeds; Liverpool; Newcastle upon Tyne; Plymouth UA; Portsmouth UA; Salford; Sheffield; Southampton UA; Southend-on-sea UA.
Centres with Industry	Barking and Dagenham; Birmingham; Blackburn with Darwen UA; Bolton; Bradford; Calderdale; Coventry; Derby UA; Kirklees; Leicester UA; Manchester; Nottingham UA; Oldham; Rochdale; Sandwell; Walsall; Wolverhampton.
Thriving London Periphery	Bromley; Hillingdon; Kingston upon Thames; Reading UA; Richmond upon Thames; Sutton.
London Suburbs	Barnet; Croydon; Ealing; Enfield; Greenwich; Harrow; Hounslow; Luton UA; Merton; Redbridge; Slough UA; Waltham Forest.
London Centre	Camden; City of London; Hammersmith and Fulham; Islington; Kensington and Chelsea; Tower Hamlets; Wandsworth; Westminster.
London Cosmopolitan	Brent; Hackney; Haringey; Lambeth; Lewisham; Newham; Southwark.
New and Growing Towns	Bexley; Havering; Medway UA; Milton Keynes UA; Peterborough UA; Swindon UA; Thurrock UA.
Industrial Hinterlands	Darlington UA; Gateshead; Halton UA; Hartlepool UA; Kingston upon Hull, City of UA; Knowsley; Middlesbrough UA; North Tyneside; Redcar and Cleveland UA; Sefton; South Tyneside; St. Helens; Stoke-on-Trent UA; Sunderland; Tameside; Wirral.
Manufacturing Towns	Barnsley; Doncaster; Dudley; North East Lincolnshire UA; North Lincolnshire UA; Rotherham; Stockton-on-Tees UA; Telford and Wrekin UA; Wakefield; Wigan.
Prospering Smaller Towns/Prospering Southern England/ Coastal and Countryside	Bath and North East Somerset UA; Bedfordshire; Blackpool UA; Bracknell Forest UA; Buckinghamshire; Bury; Cambridgeshire; Cheshire; Cornwall; Cumbria; Derbyshire; Devon; Dorset; Durham; East Riding of Yorkshire UA; East Sussex; Essex; Gloucestershire; Hampshire; Herefordshire, County of UA; Hertfordshire; Isle of Wight UA; Kent; Lancashire; Leicestershire; Lincolnshire; Norfolk; North Somerset UA; North Yorkshire; Northamptonshire; Northumberland; Nottinghamshire; Oxfordshire; Poole UA; Rutland UA; Shropshire; Solihull; Somerset; South Gloucestershire UA; Staffordshire; Stockport; Suffolk; Surrey; Torbay UA; Trafford; Warrington UA; Warwickshire; West Berkshire UA; West Sussex; Wiltshire; Windsor and Maidenhead UA; Wokingham UA; Worcestershire; York UA.

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Quantitative Analysis

This research stream is designed to improve our understanding of the third sector through a large-scale programme of quantitative work. It is designed to help us better explain the distribution of third sector organisations, analyse their contribution to society and the economy and understand their dynamics. We are interested in data not just on third sector organisations and their resources, but also on both financial inputs to the sector (funding flows from various sources) and human inputs (e.g. the paid workforce and volunteers).

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