

Third Sector Research Centre

Working Paper 67

Real Times: an in-depth study of third sector organisations over time

## **First impressions: introducing the ‘Real Times’ third sector case studies**

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## Abstract

'Real Times' is the Third Sector Research Centre's qualitative longitudinal study of third sector organisations, groups and activities. Over a three year period the study is following the fortunes, strategies, challenges and performance of a diverse set of fifteen 'core' case studies of third sector activity, and their relations with a number 'complementary' case studies. This report introduces the core case studies through summary sketches, and provides a descriptive account of the research up to the end of the first wave of fieldwork.

### Keywords

Real Times; qualitative; longitudinal; case studies; third sector organisations.

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## 1. Introduction

'Real Times' is the Third Sector Research Centre's qualitative longitudinal study of third sector organisations, groups and activities. Over a three year period the study is following the fortunes, strategies, challenges and performance of a diverse set of fifteen 'core' case studies of third sector activity, and their relations with a number 'complementary' case studies.

This report provides a descriptive account of the research up to the end of the first wave of fieldwork with core case studies. It outlines the research process so far, and introduces the cases by providing boxed summary sketches throughout the report. Analysis of the first stages of the research continues. Hence it is important to stress that what is presented here is a descriptive overview of the research to date, rather than an analytical report of findings.

## 2. The 'Real Times' study

### 2.1. Purpose and research questions

The overall purpose of 'Real Times' is to gain a more in-depth and realistic understanding of how third sector organisations, groups and activities work. Many studies of the sector have taken single and partial 'snapshots' of organisations and as a result relatively little is known about how and why they change, how they respond to the challenges they face, and whether and how they might flourish over time.

The 'Real Times' study aims to make a contribution to the development of a theoretically informed account of the third sector 'from the inside'. The overall purpose of the study is to understand *how third sector activity operates in practice over time*. This involves attention to three supplementary questions: what *happens* within third sector organisations over time and why; what *matters* to third sector organisations over time and why, and how might we *understand continuity and change* in third sector activity. To do this the study is focusing primarily on four inter-connected concerns:

1. *Fortunes*: What influences the fortunes of third sector organisations?
2. *Strategies*: How do third sector organisations regard and negotiate the environments in which they operate?
3. *Challenges*: What challenges do third sector organisations face and how do they respond?
4. *Performance*: How is the 'performance' of third sector organisations understood by different stakeholders?

Ultimately the aim is to create a research space for an in-depth and detailed examination of the key concerns of third sector organisations over time. The current project is scheduled to end in August 2013. TSRC Working Paper 56<sup>1</sup> provides more detail on the rationale, design, structure and theoretical underpinnings of the research.

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<sup>1</sup> Macmillan, R. (2011) *Seeing things differently? The promise of qualitative longitudinal research on the third sector* TSRC Working Paper 56, March 2011.

## 2.2. Real Times in practice

The basic design and structure of the project was discussed both in the research team and with colleagues at the Third Sector Research Centre during 2009 and agreed in Autumn 2009. Finding and selecting potential case studies involved two main pathways: firstly through listing, examining and choosing amongst organisations where TSRC staff had some prior knowledge and/or relationship – ‘*familiar cases*’; and secondly by selecting eight contrasting local authority areas through which to identify potential candidates and select suitable ‘*unfamiliar cases*’. The aim was to create a balanced group of case studies as a whole. This process was completed in November 2009 with the identification of sixteen potential core candidates. Case study recruitment started in December 2009. Of the sixteen initial candidates:

- twelve agreed to participate in the study;
- in one case difficulty in establishing initial contact led to the decision to select a suitable replacement;
- two organisations from the original list of 16 declined participation and were successfully replaced by similar organisations;
- finally, a 16<sup>th</sup> case study decided not to participate after a range of options for participation were considered. This case was not replaced.

As a consequence, ‘Real Times’ is proceeding with a group of fifteen core case studies. They operate with and across different geographical scales (national, regional, local and neighbourhood), regions, local socio-economic, political and administrative contexts, functions and focus, organisational size and structures. Table 1 provides an overview of the core case studies.

In order to maintain research continuity, and to deepen understanding and engagement, each member of the ‘Real Times’ research team is primarily responsible for recruitment, liaison and fieldwork with a defined group of case studies. The intention is that this research link is maintained throughout the study where possible. Three main methods of data generation are involved:

1. interviewing people associated with each case study: for example, paid staff, unpaid volunteers and community activists, governing body members, users and external stakeholders such as peer organisations, funders and statutory agencies;
2. observing activities in each case study: such as shadowing people, attending specific events, service-related activities, board or staff meetings, Annual General Meetings, and meetings with funders or collaborative partners;
3. reading documents produced by and about the organisation or locality: for example, annual reports, financial statements and management accounts, marketing and publicity material, project reports and evaluations, and minutes of meetings.

Although designed to be sequential, in practice the ‘recruitment’ phase and ‘wave 1’ fieldwork were effectively merged and carried out together through the Spring and Summer of 2010, especially for those case studies where recruitment was a more prolonged process. A separate paper on the processes, experiences and issues involved in recruiting case study organisations for long term research is in preparation.

The original plan was to undertake six waves of research with each case study over a three year period, with fieldwork visits planned roughly every six months. In mid 2011, however, this model was

revised to enable more scope for analysis and interpretation of the wealth of empirical data being generated.

Fieldwork for wave 1 (involving over 60 interviews across the core case studies) was completed by the beginning of September 2010, and wave 2 (involving over 40 interviews) by the end of March 2011. Wave 3 fieldwork is due for completion in Autumn 2011. A fourth wave has been re-scheduled for Spring 2012. A fifth wave, involving feedback discussions with case study participants and verification of general findings, has been re-scheduled for Spring 2013.

**Table 1: Real Times core case studies**

Case study pseudonym*	Description
<b>ASH</b>	a social housing group formed in the 1990s from the merger of several small community-based housing associations
<b>BEECH</b>	a relatively new environmental social enterprise focusing on recycling and training with disadvantaged young people and adults
<b>BIRCH</b>	a large, local information, rights and advice organisation based in an urban area in the north of England
<b>CEDAR</b>	a consortium of third sector organisations aiming to bid for and deliver large scale public service contracts
<b>CHERRY</b>	a multi faith-based network which aims to raise awareness and understanding of social issues by working alongside the most disadvantaged people in society
<b>FIG</b>	a longstanding charity working with children, young people and families to tackle disadvantage and social exclusion, particularly in deprived areas
<b>FIR</b>	a member-owned sports club based in a large town in the South of England
<b>HAWTHORN</b>	a family support and parenting project for young mothers and mothers-to-be in a town in the north of England
<b>INDIGO</b>	provides culturally sensitive services and support for older people from a particular minority ethnic community drawn from several parts of a large city
<b>LARCH</b>	a former mining area of several small settlements in the north of England
<b>MIMOSA</b>	a local health and social care charity specialising in mental health and located at two sites in a large city
<b>MULBERRY</b>	a multi-purpose community centre based in a deprived urban neighbourhood in the north
<b>PINE</b>	a resource centre in a multi-cultural community in a large city
<b>SYCAMORE</b>	a relatively affluent village in the south of England
<b>TEAK</b>	a work integration social enterprise comprising of several distinct subsidiary companies operating in different markets

\* Tree-based pseudonyms are used to describe the core case studies throughout the research and in this report. The case studies are further disguised by the use of a range of anonymisation devices, such as, for example, occasionally changing the location, focus, funding or size of the case study organisation, provided this does not distort the picture being presented.

### 3. Connecting 'Real Times' across TSRC's research programme

'Real Times' is explicitly designed as a qualitative research study of use and interest across the Third Sector Research Centre's work programme. Accordingly the initial structure of the case study selection also aimed to identify cases of relevance for particular work-streams, such as TSRC's work around 'social enterprise', 'service delivery' and 'below the radar'. An attempt was made to reflect this range of research interests in the final set of case studies.

#### 3.1. Service Delivery

##### 'Fig'

Fig is a longstanding charity working with children, young people and families to tackle disadvantage and social exclusion, particularly in deprived areas. It uses the experience and learning gained from its project work to campaign against poverty and social injustice. Fig has grown steadily over the last ten years, partly as a result of mergers with other projects and organisations, but also as a result of the previous Labour government's investment in children and young people's services such as Sure Start. At wave 1 it had a turnover exceeding £10m. A registered charity and company limited by guarantee, the organisation has a head office which provides corporate and centralised support services for projects, as well as accommodating the policy and campaigning, publicity, fundraising and business development departments. These are funded primarily through a management charge on each project. Eighty per cent of Fig's funding comes from local statutory authorities, primarily local councils and Primary Care Trusts, which means that it is currently vulnerable to public spending cutbacks and institutional restructuring in the NHS.

The senior management team in Fig is concerned primarily with pre-Comprehensive Spending Review uncertainty about the scale, speed and scope of the cuts, which makes it very difficult to plan ahead. However, there is a palpable sense that significant cutbacks will be made in the months and years ahead. They have been preparing the organisation for a scenario in which it may lose up to one third of its service income over three years. In particular, this involves the need to make redundancies quickly in the event that contracts are cut and re-tenders reduced or lost to competitors. At the same time, head office departments have been reviewed to search for efficiency savings. Fig is watching the new government's emerging policy proposals quite closely; campaigning with others against changes which adversely affect their service users, and seeking to understand the implications of, for example, the personalisation agenda, decentralisation, and reforms to public service commissioning and procurement. This includes ongoing discussions about realigning the organisation to be 'local first' so that it can draw on local knowledge and relationships for future business development. Hence, following a government-led decentralisation agenda, it is possible that in some ways Fig will also become a less centralised organisation, with staff roles shifting in response. Alongside this Fig continues to be 'on the sniff' for potential complementary but otherwise vulnerable third sector organisations, who may wish to join forces to protect services and Fig's organisational model.

TSRC's service delivery work-stream focuses on the changing role and experience of third sector organisations in delivering public services, in fields such as housing, health, social care and criminal justice. The main issues being examined include service commissioning and procurement, third sector partnerships for service delivery, the implications of the personalisation agenda for third sector organisations, learning and innovation and the sustainability of TSOs as service providers. The relationship between delivering public services under contract and the independence of third sector organisations is an underlying issue throughout the research.

'Real Times' contributes to the service delivery work-stream by addressing some of these issues in relevant case studies, and specifically by tracking case studies involved in, for example, housing, employment services and mental health.

### **3.2. 'Below the radar'**

The 'Below the radar' work-stream explores the role, experiences and impact of small community action groups or organisations, including those working at a local level or in communities of interest. The main issues of interest include examining how small, informal or grassroots groups operate, the motivations of those involved in such groups, how skills, knowledge and resources are transferred within and between community groups, and how grassroots organisations emerge, develop and change.

#### **'Sycamore'**

Sycamore is a relatively affluent village in a two-tier local authority area in the South of England, with an estimated population of about 1200 people. Compared with neighbouring settlements, it is thought to be more of a vibrant working village with few second or holiday homes, but since it is close to a market town there is a concern not to lose its distinct identity. Housing is mainly private but with some current and ex-social housing, and the village has a shop, pub, school and an hourly bus service to larger towns. In the last two years the Parish Council has supported the development of a Parish Plan. After some 18 months preparatory work and consultation overseen by a 'Parish Plan Steering Group' of eight residents, with analysis supported by the area's Rural Community Council, the plan was published and endorsed by the Parish Council in 2009. The steering group has now been replaced by an action group tasked with implementing the priority actions listed in the plan. The group is currently pursuing 4 or 5 'quick wins' to demonstrate how the process is making a difference.

The village has some community rooms and a relatively small village hall built in the 1920s. There is some concern over the hall's viability, use and condition, with ongoing discussion about its future and mixed views on its prospects. Other community and voluntary activities in the village include an active older people's social group, a local history group, an allotments group, a branch of the Women's Institute, a football club, a brownies/guides group, friends of the school, church networks, an energetic village fete committee and a very efficient informal network for the production and distribution of a monthly village newsletter. However, it was noted that it might be the same dozen or so people who are most active and each involved in a number of different groups, although there may also be a larger group who participate in activities less frequently or intensely. The existence of geographical, age and class divides in the village has been suggested, and the profile of who participates in community activities may reflect this. Funding for community activities seems to be through fundraising activities and events within the village, rather than through applying for grants from elsewhere.



'Real Times' involves building and maintaining long term research relationships with core case studies of organised third sector activity. Most of these are specific organisations. However, in four cases linked to the 'Below the radar' work-stream we have adopted a slightly different approach. In contrasting settings we are following smaller and less formal third sector organisations, groups and activities. In two urban neighbourhoods we are investigating the kinds of groups and activities associated with a 'community hub' or resource centre. And in two rural areas we are investigating the kinds of groups and activities undertaken in two small villages.

### **3.3. Social Enterprise**

TSRC has a cross-cutting research stream examining the concept and practice of social enterprise in the third sector. This includes questions of definition, scale, role and contribution, and whether social enterprise can be considered as a specific sub-sector or category of organisations. The research involves examining the policy context promoting social enterprise, measuring social value and impact, public service delivery, innovation and learning, and exploring patterns and trends of commercial income in the sector.

Many of these issues feature across the set of 'Real Times' case studies, but in addition three case studies in particular have been chosen specifically to explore social enterprise questions, including the relationship between social and economic objectives, growth and scale, and legal structures.

#### **'Teak'**

Teak is a work integration social enterprise comprising of several distinct subsidiary companies operating in different markets. It was founded in the mid 1990s by a housing association as a training and employment mechanism for unemployed people on deprived estates. It is an Industrial and Provident Society and exempt charity, with a group board and boards for each subsidiary. All income is derived from trading, through a catering business, a removals company and a gardening and landscape maintenance business. Customers include local authorities, housing associations, and private sector businesses.

Turnover for the group as a whole has fallen recently, following the demise of one of the companies, and now stands at around £5 million, with losses recorded in each of the last three years. Teak is primarily an 'economic' rather than 'social' enterprise, although the emphasis given to each varies within the organisation. The housing association has proved to be a major influence on Teak over time, in different ways. It set Teak up, but later sought to bring the business in-house. When this was resisted, it stopped all contracts with Teak, leading to the loss of one of the subsidiary companies. Relationships have recently improved after a further change of leadership in the housing association. The Chief Executive has developed a high profile in the field of social enterprise, and the success of Teak is attributed to her. From its experience and expertise, Teak is seeking to grow through acquisitions and by developing new areas of work, including consultancy and back-office support to other social enterprises. However, as the Chief Executive is approaching retirement, succession issues are coming to the fore, with discussions about how to ensure Teak thrives after she leaves.

## 4. Fortunes – Strategies – Challenges – Performance

The research framework in 'Real Times' involves four related focal points. The study aims to examine questions around the 'fortunes', 'strategies', 'challenges' and 'performance' of third sector organisations and activities.

### 4.1. Fortunes

The central questions here are: *What influences the fortunes of third sector organisations, and how do third sector organisations judge their fortunes?* These questions hint at significant concerns for third sector organisations, and for the sector as a whole, of survival, sustainability, fragility, resilience, and the extent to which these may be related to internal aspects of organisations, the external environment, and the interaction between the two. 'Fortunes' gains added salience in the purported shift to more challenging financial times.

#### 'Cherry'

Cherry is a multi faith-based network which aims to raise awareness and understanding of social issues by working alongside the most disadvantaged people in society. It does this through a number of distinct social action programmes which work in specific deprived urban neighbourhoods, alongside general campaigning work on social issues. It is funded from a wide variety of sources, but significant resources come through central government, local authorities and from donations, amounting to over £500k in the last financial year. The organisation was established in the 1980s when concern across faiths about poverty, unemployment and deprivation was rising, but Cherry has grown rapidly in the last five years based largely on increased public funding.

However, at wave 1 in mid-2010 the main concern was around sustainability and future funding. Approximately half of Cherry's funding comes to an end in March 2011, so unless replacement funding is generated, the organisation is facing the prospect of significant contraction and consequent staff redundancies, particularly in its social action programmes. The programme managers in Cherry have been 'scenario planning' their future funding and services. However, this has the attendant danger of underestimating the scale of the funding shortfalls, and overestimating the likelihood of replacement funding, with underlying competition between them about which, if any, should be prioritised. Should full replacement funding not be forthcoming, the programmes may come to an end, may change focus by, for example, developing an income generating training and consultancy arm, or they may be 'floated off' from Cherry altogether. Whatever happens, significant change beckons for Cherry in the next couple of years.

### **'Hawthorn'**

Hawthorn is a family support and parenting project for young mothers and mothers-to-be in a town in the North of England. It runs weekly support sessions for 14 to 21 year olds in a range of community venues, organised by paid staff with volunteers, including professional input from health visitors and others. At wave 1 it had a staff complement of 1.5 FTE employees and up to 24 volunteers, funded through grants from the lottery and the local authority. Hawthorn began in the mid-2000s as a weekly drop-in session for teenage mothers in a church hall. The founder eventually became employed as the first project co-ordinator. Having worked with teenage mothers before, she had seen that there was no support provision for them in the local area, and set the group up as a result. It was run entirely on a voluntary basis for several years, picking up very small grants here and there for equipment and room hire. It became a registered charity in order to access larger funding sources, with a group of trustees gradually brought together by the project co-ordinator. Lottery funding enabled the organisation to expand, but the five year grant also offered the prospect of longer term stability. Meanwhile Hawthorn was gaining some recognition through the local press, and attracting the attention of representatives from both major political parties.

However, in the last year the organisation has entered a period of crisis, just as research participation in Real Times was being discussed. The project co-ordinator was dismissed for disciplinary reasons, and after some hiatus, a new co-ordinator has been appointed. Much of the organisation's history, records and contacts appear to have been lost in the process, little of which was actually written down. Given the size of the organisation, and the fact that the trustees had mainly been recruited through the founding co-ordinator, the issue has tested personal and professional loyalties. However, the trustee board held together, and the new co-ordinator, supported by the Chair (an in-tray in the office for him is labelled jokingly, 'the boss'), has started implementing new ideas for how Hawthorn should be organised and developed. The process is described as being like 'starting from scratch', establishing systems and procedures, and re-building relationships and Hawthorn's reputation with key 'stakeholders' such as funders and local authority contacts. The strategy appears to be one of putting Hawthorn's house in order, including establishing more accurate systems for monitoring the number of service users, before considering how to build sustainability and prepare for life beyond the end of the lottery funding in a couple of years time.

## **4.2. Strategies**

'Strategies' focuses on how third sector organisations view and respond to the complex multi-layered contexts in which they operate, and through which they 'travel'. It asks how they attempt to determine their fortunes. The main questions here are: *How do third sector organisations regard the environments in which they operate, and how do they negotiate these environments?* Strategies are not necessarily the formal written documents often produced by third sector organisations seeking to look ahead every three or five years. They can just as much be informal, implicit, opaque and contested. They might not even be labelled as such. This theme asks what cues, opportunities and constraints are taken by third sector organisations about the contexts in which they exist, and how they respond.

### **'Cedar'**

Cedar is a consortium of TSOs aiming to bid for and deliver a range of public service contracts. It was established in response to the difficulties its members, often smaller and community-based third sector organisations, faced in the changing environment for commissioning and procurement, particularly the advent of ever larger contracts. Because it is new, and is a consortium of other organisations, Cedar's functions, structure, staffing levels and roles, and activities have not quite settled down, and debate continues throughout the organisation about its position and direction. However, at its core Cedar bids for contracts on the basis of a proposed supply chain amongst the membership, and provides management services to these delivery bodies in order to ensure the contract is fulfilled. The question is whether it should provide more services and support to its members, in order to build their capacity for service delivery.

A significant concern for Cedar at wave 1 is the changing and uncertain political and economic context, and the likely hiatus in commissioning and procurement as the new government elected in May 2010 seeks on the one hand to reduce public spending (including cancelling programmes of interest to Cedar and its members), and on the other to reform public sector contracting and develop new programmes. The focus on large scale contracts with payment by results suggests a much riskier public service delivery environment for Cedar and its members, with a greater need for arrangements with banks or large private sector companies to provide working capital to fund service delivery in advance of payment.

### **'Mimosa'**

Mimosa is a local health and social care charity located at two sites in a large city. It provides a range of services for local people, such as advocacy, counselling, befriending and a day centre. In addition it campaigns against stigma and discrimination faced by people with mental health problems. It employs around 30 people with a team of volunteers. Professional identities appear to be quite strong. For example, there is some resistance in the counselling service to engage with government promotion of short term Cognitive Behavioural Therapy as part of the 'welfare to work' strategy. Instead Mimosa has pursued accreditation for longer term therapeutic approaches. Mimosa was established in the 1960s by a small group of people living close to a psychiatric hospital who wanted to do something to support its patients. Until the mid-1980s it was run entirely by volunteers, but demand for community-based activities, support and therapies increased with the closure of psychiatric wards. Gradually it increased its activities and staff, and became, in their own words, 'more professional'.

Mimosa now has a turnover of around £500K. Most of this comes from the local authority and local health authorities, but the scale and scope of this funding in the years ahead is unclear. Meanwhile, the impact of the emphasis on personalised budgets is actively being discussed in the organisation. Mimosa is closely linked to a neighbouring organisation working in the same field, and there are ongoing discussions about working together more closely. The two Chief Executives have swapped jobs, whilst the Chair of one is on the board of the other. Between them a tentative strategy of 'strength through size' has been developed by partial merger between the two organisations. This is discussed as a response to financial insecurity and increased competition for grants and contracts from larger and national organisations.

### 4.3. Challenges

Linked to the idea of strategies is a third dimension focusing on 'challenges'. Here the concern is to examine: *What challenges do third sector organisations face and how do they respond?* What kinds of issues, concerns and problems do third sector organisations encounter (whether they recognise or understand them or not), and how do they respond using perhaps both internal resources and external expert support.

#### **'Mulberry'**

Mulberry is a multi-purpose community centre based in a deprived urban neighbourhood in the North. It was originally built in the 1970s as a local authority youth and community centre, but is now managed by the local community association and leased from the local authority. In the late 1990s the council proposed to close the centre down, but a campaign to keep it open was successful and a new charity was established to run the building. The centre offers space, activities and services to the local community, such as childcare services, social activities for older people and for activities for young people, as well as responsive ad hoc support to visitors dropping in to the building. The centre is also a hub for other community activities – rooms are hired on both a long-term full-time base and for one off events or meetings. Around 50 different groups use the centre on a permanent or regular basis.

Turnover is relatively steady at around £350K, derived from grants from over twenty different sources, and charges for room hire. However, charges have not been increased for a number of years, and accompanied by increased running costs, there was a shortfall in the last year. Cuts in local authority funding also beckon, but new charitable trust funding is helping to meet core costs. A key challenge is a lack of strategic planning, described aptly as 'running-to-stand-still'. This is highlighted by an unresolved tension amongst senior staff based around different views on how the organisation should grow: some would like to focus on offering more childcare, whilst others would like to use the same space for other groups to rent. Much of the work of key staff is immediate and responsive, including raising funds for projects and supporting organisations that use the centre. This leaves little time for medium to long term planning, and there appears to be a lack of strategic leadership from the board which is comprised of mainly longstanding trustees.

#### **'Pine'**

Pine is a resource centre in a multi-cultural community in a large city. It primarily hosts and provides support for refugee community organisations which serve the many refugee and asylum seeker communities in the city. The building is leased on a below market rent from a private landlord who supports the existence and work of the centre. Pine provides accommodation for a dozen organisations on permanent terms, but many other grassroots and informal groups use the building's hot-desk facilities, meeting rooms and communal areas on a regular and ad hoc basis. It was established and hosted by a larger voluntary organisation after research into the support needs of refugee community organisations. It became a registered charity last year in order to improve its chances of making successful bids for small pots of funding, and is currently funded through charitable trust funds and room charges. Pine employs one centre manager on a part time basis, who is both highly experienced and well networked. However, an ongoing concern is the reliance on a single person, employed part time, to run the building, support its users and to ensure the organisation continues to operate successfully, whilst at the same time being responsible for developing the future strategy for the centre.

#### 4.4. Performance

The main questions here are: How is the 'performance' of third sector organisations understood by different stakeholders, and how can we understand the achievements of third sector organisations? This dimension of 'Real Times' looks at the value of third sector organisations, from a range of different perspectives. It addresses the kinds of judgement third sector organisations and others make about what they do, how they work, and for them and others, 'what is success?' It considers the factors which come to be regarded as important for judging performance, and links to debates on value, effectiveness, outcomes and impact, as well as on the reputation of third sector organisations, the impressions they make, create and seek to manage.

##### **'Birch'**

Birch is a large, local information, rights and advice organisation based in an urban area in the north of England, and is well networked with similar centres locally, regionally and nationally. It provides specialist support as well as general information, by appointment as well as 'drop-in', through face to face interviews and by telephone, for a diverse client group. It operates a central base and several outreach offices, as well as specific advocacy projects for particular client groups. After a period of significant turbulence, Birch has grown quite rapidly in the last three or four years to reach a turnover in excess of £2m in the last financial year. Growth had arisen on the basis of significant local authority and central government funding, as well as through small project-based funding in partnership with other organisations. In recent years it has recorded and begun to accumulate annual surpluses in order to prepare for what it saw as a likely period of financial austerity in public funding. The current Chief Executive appears to be a charismatic and galvanising force within the organisation. He has sought to restructure Birch to improve service delivery, communications and to introduce a personal and project performance-related culture in order to ensure that it meets funders' targets and builds its reputation. However, these changes have not been without controversy and consequent staff-related problems. Birch is an independent registered charity but, in the context of concerns about future funding, much of which is 'under review', a key challenge is whether and how it seeks to maintain its organisational autonomy, and the degree to which this is dependent on the Chief Executive, when it is involved in such a complex array of governance and accountability relationships with its main funders and national network.

## 5. Emerging themes from the first wave of fieldwork

Wave 1 of 'Real Times' fieldwork was effectively a scoping exercise to find out more about the history, development, current structure, staffing, funding, activities, challenges and position of each case study. A wealth of material was generated through interviews, observations and accessing key documents. Undertaken during the period leading up to and immediately after the 2010 General Election, interviewees also offered reflections about the changing context, and potential implications for their organisation and activities.



## **'Fir'**

Fir is a member-owned sports club based in a large town in the South of England, with a primary focus on rugby. It is part of a growing movement of clubs who are concerned about the increasing commercialisation of competitive sport, and the concentration of resources in the top clubs. Fir has adopted a different model, aiming to be affordable for supporters and rooted in its local community. It works closely with local schools and community centres, offering free coaching, and supporting play schemes and peer education amongst young people.

Fir was established as an Industrial and Provident Society for the benefit of the community. It employs only three permanent staff, but also several on a sessional basis and enjoys the support of over 100 volunteers on match days. The club was set up with a groundswell of support, enthusiasm and financial donations around ten years ago. However, since then its membership, match attendances, turnover, and profits have declined or remained static. Some of this is thought to reflect the impact of the recession locally. Fir's performance on the pitch has also levelled out after early success, and there are concerns that it cannot compete well on players' wages. Fir rents a ground in a neighbouring area but plans are in place to develop its own local stadium, which will reduce the outlay and increase its community connection. This involves a substantial fundraising effort, from grants, loans, a development appeal amongst members and supporters, and an innovative social finance scheme. Fir is attempting to develop a model which involves a different balance of priorities between the commercial and community dimensions of rugby. Over time, it will be interesting to see whether and how the community-based activities are maintained and fare, particularly if the club faces harder financial times.

Although the more detailed analysis of wave 1 material continues, it is possible to identify a number of key issues which suggest further lines of inquiry. Several case study organisations were on the brink of and planning significant cut-backs in activities and staffing. This was in anticipation of a financial squeeze following the Conservative-led coalition government's first Comprehensive Spending Review which, at the time, was due in October 2010. In various ways they could be characterised as experiencing 'anticipatory anxiety'; waiting for cuts, but not quite sure how severe they would be or where they would fall. One organisation, 'Birch', had deliberately built up reserves in readiness for leaner times. In order to protect its balance sheet, another organisation, 'Fig', was planning rapid redundancies as soon as contracts came to an end or were cut back. 'Cherry' faced the loss of over half of its work as several contracts were due to end in March 2011. Others, such as 'Beech' and 'Hawthorn' appeared to be relatively immune or protected, or at least thought they were, from more constrained financial times. Both of these organisations were also attempting to 'scale up' by offering their services in new areas and out of additional premises.

Several organisations were attempting to read and interpret the newly emerging policy environment and position themselves in different ways for the new context. The two largest case studies by turnover, both heavily funded through statutory sources to deliver services, appeared to be adopting contrasting strategies in relation to welfare reform. Whilst 'Fig' seemed to be taking an explicitly critical and public stance in campaigning against cuts in social security benefits, 'Ash' was attempting to work with Conservative-inclined think tanks to develop and influence policy in its area.

### **'Beech'**

Beech is a relatively new environmental social enterprise focusing on recycling and training with disadvantaged young people and adults. It is a Community Interest Company based in a large urban area, and was formed by a couple of people who invested their own funds to set the organisation up. It now employs over ten people on a full time and sessional basis, and gains much of its revenue from contracts with the local authority and the local Primary Care Trust. However, this may be vulnerable to budget pressures and the end of the PCT. Beech rents premises on a rundown business park, but the landlord decided to evict them in order for the site to be redeveloped. However, local residents started a campaign to prevent the landlord selling up, claiming that Beech was an essential part of the local community. Beech has recently opened new premises elsewhere in the city as part of a bid to 'scale up' activities and expand turnover. However, this has caused some degree of tension in the organisation. Some would like to expand quickly on the back of early recognition and success in the social enterprise world, whilst others wish to consolidate their 'embedded' approach in their community, strengthen their existing operations and proceed more cautiously.

### **'Ash'**

Ash is a social housing group formed in the 1990s from the merger of several small community-based housing associations. It has grown substantially since then through the acquisition of other housing bodies and the development of new stock. Alongside its general needs and specialist housing provision, it is also heavily involved in regeneration, community and tenant engagement, and enterprise support and development. The group structure is described as a 'family' of housing agencies with a relatively flat hierarchy and what seems to be considerable autonomy. However, an ongoing underlying issue is the extent to which the group's corporate identity, brand and profile should be emphasised as against the identity of individual group members. Nevertheless, by pooling resources and creating group-wide back-office services, senior executives note that alongside cost savings, the group structure provides strength, security and a stronger asset base and balance sheet. Annual group turnover continues to grow and now exceeds £30m.

The main concern for Ash is how it adjusts to the likely squeeze on public spending, in the form of cuts to housing development finance, and the effect on rent revenue of housing benefit reform. Over the last year, sparked by the change of government and new political priorities, Ash has begun a significant and potentially creative process of horizon scanning and organisational review, led by the Chief Executive and senior executive team. They discussed what they saw as the implications of a number of 'big issues', including new financial and governance models for developing new homes with less public funding; developing innovative and financially sustainable non-housing projects; building external relationships, profile and positioning (otherwise referred to as 'foreign policy' by the Chief Executive, and importantly this includes developing networks with key people in and around the new government); reviewing internal group structures and processes, including new ways to measure performance (otherwise known as 'home affairs') and finally the need to follow and respond to the emerging social policy agenda around tackling worklessness and localism. The executive team is now discussing the response to these issues with staff and through the various board structures. A more flexible and fluid approach is being developed, and the existing senior management structure has been partially dismantled. Instead new plans are being devised and will be delivered by senior staff through three overarching work-streams, led by the executive team. In response to a changing environment, Ash appears to have embarked upon a process of organisational experimentation. This process, as well as whether and how it helps Ash survive, thrive and move in new directions, can be explored over time.



The group of case studies includes some very new organisations, but also others, such as 'Ash' and 'Fig' which were undergoing significant restructuring programmes. These appear to be inspired by the need to generate savings and efficiencies in management and administration in response to budget constraints. Organisations, as combinations of structures and strategies, seemed to be provisional and unsettled, and ongoing 'works in progress'.

#### **'Indigo'**

Indigo provides culturally sensitive services and support for older minority ethnic people drawn from several parts of a large city. It runs a day centre through which it operates a lunch club, a range of rehabilitative, therapeutic and preventative health care services, recreational activities such as arts and handicraft classes, a library and computer training. Indigo was established after an examination of the needs of elderly members of the community highlighted widespread isolation, and now has around 500 members. It purchased a building to establish a day centre in the late 1980s through a lottery capital grants programme. Ongoing revenue support of around £300K per year is provided by a wide range of sources, but primarily through grants and contracts from several local and authorities and Primary Care Trusts. The Centre Manager is having meetings with each of these bodies to discuss their funding in the light of NHS reform and budget cuts, but uncertainty about the future of these funding streams is a major concern for Indigo. Alongside this it is anxious about the impact of the development of personalised budgets for its members and service users.

The case studies illustrate some interesting and contrasting examples of centre-periphery third sector relationships, such as national federations and associations ('Birch' and 'Mimosa'), consortia ('Cedar'), and cases such as 'Birch', 'Mimosa' and 'Fig' where partnership projects, closer alliances and mergers appear to be on the agenda. 'Ash', 'Fig' and 'Teak' were actively seeking others that may be brought into their ambit. These issues are being explored further as a contribution to the 'Partnerships for Third Sector Delivery' project underway in TSRC's Service Delivery work stream.

In addition, the research has encountered some remarkable things in the everyday life of third sector organisations. For example, in the village 'Larch', a community-run charity shop and cafe seems to be a huge success after 18 months trading. This is despite operating in a relatively deprived area, and being developed with no business support or plan, and only limited start-up funds which have now been repaid. In both villages, 'Larch' and 'Sycamore', there were concerns about the limited number and social profile of the most actively involved residents, as well as the basic viability of village halls and other community buildings.

In another case study, 'Hawthorn', the dismissal of the founding worker caused a deep crisis which threatened its survival, but proactive work by several trustees appears to have maintained some stability over a period of three or four months. A new co-ordinator has made a keen start in trying to rebuild the organisation, put organisational systems in place and re-establish networks and the organisation's reputation. This is required before it can think about longer term sustainability, and potentially service commissioning, from 2013 when its lottery grant ends.

In this and other case studies, the benefit of longitudinal research is that the cases can be revisited to find out how these issues unfold.

### **'Larch'**

Larch is a former mining area consisting of several small settlements in the north of England. Much of the area was developed at the end of the 19<sup>th</sup> century to accommodate miners at the local colliery which closed in the early 1980s. The population declined following the pit closure and physically parts of the area deteriorated quite dramatically. A regeneration programme was established in the late 1990s linked to the recommendations of the then Labour Government's Coalfields Task Force, involving housing renewal, new development and community-based regeneration activities. The area remains relatively deprived - it is amongst the most deprived 15% of small areas on the 2007 Index of Multiple Deprivation for England.

Community-based voluntary activities in the village include, amongst others, a youth club, community shop and cafe, village hall and two smaller community halls, a heritage association and centre, cricket and football clubs, a community minibus, regular newsletter, mother and toddlers group and a whole host of more informal groups and activities. Some of this is organised through and supported by an overarching community organisation, which appears to act as a focal point for many activities. The relationship between the community organisation and the local parish council is not very strong. Much of the community and voluntary activity in the village is undertaken on a wholly unpaid basis. There is concern that the demand falls upon a limited range of shoulders, with a couple of people putting in extraordinary amounts of voluntary time in a wide range of activities. It was noted by one resident that a group of people active for some years in the community all had brown hair when they started, but now it is mostly grey, and there's not much brown hair coming up behind them.

Two ventures currently pre-occupy the community organisation. The shop/cafe is seen as a runaway success, yet it is run solely by volunteers, is reliant in part on a steady supply of donated goods, and was established with no business advice, no business plan, and only modest start up funds. The community organisation has also more recently built a partnership with a couple of social entrepreneurs from outside the district who hope to set up a horticultural social enterprise. This partnership developed out of an entirely serendipitous meeting at a voluntary sector funding network event. Early start-up work for the social enterprise has involved energetic networking locally and with key statutory stakeholders, alongside fundraising for initial running costs and to secure and develop the plot of land. 'Real Times' will be able to chart the ongoing development and fortunes of these ventures, and other more informal activities in the village, through the course of the study.

## 6. Developing the analytical approach

'Real Times' is generating a wealth of qualitative data about the everyday life and changing position of third sector organisations. In order to help make sense of this, three primary analytical approaches are being pursued in the study.

Firstly, an ongoing 'narrative profile' of each core case study is being constructed following each wave of research. The aim here is to build a longitudinal account of each case study's movement over time; each forms a single case analysis over the study period. When brought together, through cross-case contrasts and comparisons, these form the basis of the overall longitudinal analysis of the group of case studies. This is structured around key themes, such as the four focal points ('fortunes', 'strategies', 'challenges' and 'performance') and on understanding the varied dynamics of third sector organisations.

Secondly, using a qualitative software package, interview transcripts and research field-notes are being coded using a general descriptive coding frame, as indicated in Table 2. This approach lends itself to the development of further coding towards specific thematic analysis across cases, for example on inter-organisational relationships, values and ethos or career trajectories.

Thirdly, and drawing on both the narrative profiles and the thematic coding, specific 'story-lines', involving issues arising and unfolding across clusters of cases, are also being explored. Examples here include:

- *Uncertainty and crisis*, or how are substantially state-funded third sector organisations coping with the uncertainty of the policy and funding environment created by the new government, end of large contracts, and the public sector cuts?
- *'Who is in charge? (or thinks they are in charge, if anybody)'*, reflecting on questions of governance, leadership and particularly the relationship between senior executives and boards, and the ways in which influence is exercised on decisions and strategies within third sector organisations
- *Between the personal and the professional*, concerning the ideas of ethos, commitment and identity in third sector organisations.
- Others in development include the choice and significance of different legal structures, the implications of the personalisation agenda, and the uses, tensions in and prospects for community spaces and buildings.

**Table 2: coding Real Times data**

<b>Code</b>	<b>Description</b>
<b>101. Purpose-function-mission</b>	what and/or whom the organisation is for and what is its rationale; including what/who the beneficiaries are.
<b>102. Activities</b>	what the organisation does e.g., provide goods and services, campaign etc.
<b>103. Structure</b>	how the organisation is structured, including: formal structures, hierarchy, allocation of roles, geography, projects and programmes, building space and layout.
<b>104. Staffing-workforce-people</b>	human resources, workforce composition, recruitment and retention, succession and work terms and conditions and unionisation, training and secondments, career histories.
<b>105. Funding-non-people resources</b>	funding sources, types (grant contract etc), applications, conditions (compliance and monitoring), funders, financial management, fundraising, strategies, income generation and trading, other resources (buildings, equipment, assets), reserves, diversification.
<b>106. Governance-Leadership</b>	boards, trustees, committees, charity regulation, constitutions, company directors, role (expectation) of senior staff e.g. chief exec, leaders and followers, authority.
<b>107. Ethos-identity-culture</b>	material on individuals' and organisations' values, explicit or implicit, conventional ways of working, atmosphere, norms, ways of doing things, tacit practices, assumptions.
<b>108. Organisational history</b>	stories and narratives about the founding and development of the organisation
<b>109. Futures</b>	plans, intentions, where the organisation will be in e.g. one year or five years, strategic decisions about, for example, accessing funding in the future, restructuring.
<b>110. Regard-reputation</b>	how others see the organisation, how it is viewed, impressions, profile. How reputation is constructed though impression management, marketing, branding, credit and blame
<b>201. Infrastructure-support</b>	links with external support such as umbrella and infrastructure organisations, individuals, training around capacity building organisational development, mentoring, skills transfer, coaching.
<b>202. Inter-organisational relationships</b>	collaboration, competition, partnerships, joint ventures, consortia, forums and networks, supply chains, subcontractors, mergers and takeovers.
<b>203. Fields/sectors</b>	e.g. housing, social enterprise, advice, care, health, community development, sport; also public, private ,voluntary.
<b>204. Policy environment</b>	central government policy in relation to the sector/field/beneficiaries and references to third way, Big society, spending cuts, localism, decentralisation' interface and influence; local government policy and practice.
<b>301. Research process</b>	issues about the research itself, including recruitment, retention and feedback.

## 7. Conclusion and what happens next

This report has aimed to introduce and showcase the fifteen core case studies which form the basis for TSRC's 'Real Times' qualitative longitudinal study of third sector organisations, groups and activities. The pictures which emerge from the first impressions at the first wave of the study are complex, nuanced and provisional, and primarily descriptive. A more detailed analytical account of the case studies at wave 1, as they encounter a changing political and economic context in Spring 2010, is in preparation. This might be regarded as the qualitative 'baseline', insofar as such a thing is possible, of the 'Real Times' case studies.

This report, however, represents only the first stage of a longer journey over time. Issues, concerns and agendas in third sector organisations move on. As the study unfolds, we anticipate the likelihood of significant twists and turns in third sector organisational life. It is possible, although not certain, that the case studies introduced here will have moved on in significant ways since September 2010. In particular, how will different case study organisations fare and cope as the public spending squeeze begins to take effect? What impact will the changing environment have on organisations in different positions and fields? Making sense of this is undoubtedly challenging, but arguably this is the distinctive contribution and benefit of longitudinal research. It allows issues to be revisited to identify, understand and reflect upon the extent, causes and consequences of change; in effect to see what happens next and why.

## About the Centre

The third sector provides support and services to millions of people. Whether providing front-line services, making policy or campaigning for change, good quality research is vital for organisations to achieve the best possible impact. The Third Sector Research Centre exists to develop the evidence base on, for and with the third sector in the UK. Working closely with practitioners, policy-makers and other academics, TSRC is undertaking and reviewing research, and making this research widely available. The Centre works in collaboration with the third sector, ensuring its research reflects the realities of those working within it, and helping to build the sector's capacity to use and conduct research.

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## Real Times: an in depth study of third sector organisations over time

Real times provides an opportunity to study continuity and change in the nature and activities of third sector organisations. The programme works closely with a diverse panel of case study organisations across England over several years. Typically, case study research in the third sector provides only snapshots of issues or findings, rather than taking a longer view, or what we call a 'longitudinal' approach. This longer view allows us to examine how organisations, and the issues, opportunities and challenges they face, develop over time.

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