

## **Changing Landscapes for the 'Third' Sector: An ESRC Knowledge Exchange Project**

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# **'Changing Landscapes for the 'Third' Sector': Reflections on the Changing Landscapes Conference.**

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## **Introduction.**

This conference was the culmination of a one year project that sought to synthesise new forms of evidence on third sector organisations. A collaboration between Timescapes at the University of Leeds (Kahryn Hughes and Bren Neale), the Third Sector Research Centre at the University of Birmingham (Rob Macmillan: *'Real Times'*) and the National Council for Voluntary Organisations (Véronique Jochum: *'Pathways to Participation'*), the project involved bringing together findings and insights from a network of studies using micro-dynamic methods to research the third sector over time. Network members are from the Institute for Voluntary Action Research/Association of Charitable Foundations (Ben Cairns: *'Recession Watch'*), and the Universities of Durham (Tony Chapman/Fred Robinson: *'Third Sector Trends'*); Edinburgh/Edinburgh Napier (Matthew Dutton/Valerie Edgell: *'Changing Public Services Landscape and the Third Sector in Scotland'*); and Strathclyde (Ian Cunningham: *Employment Relations/Personalisation in the Voluntary Sector*).

The aim of this conference was to present some of the emerging findings across the network to third sector practitioners and researchers, and to gain feedback from those working in the sector as we finalise our research. Following an introduction to the day from Dr Rob Macmillan (TSRC), and an inspiring keynote address from Karl Wilding (NCVO), a number of workshops were held, exploring themes that make up the changing landscape for the sector over time: sustainability, governance, independence, inter-organisational relationships, impact and participation. Overall this was a stimulating and well attended event, which generated a great deal of lively discussion and debate. Despite dealing with the challenges of the changing landscape for the sector, the discussions strongly re-enforced the resilience, strength and versatility of the sector and its capacity to survive, adapt, change and grow during hard times.

In what follows I will outline the rationales for the Changing Landscapes project and the methods that were employed, before giving some brief reflections on the key themes that emerged during the day.

## **Qualitative Longitudinal Research**

The six projects in the Changing Landscapes network have utilised a range of methods to engage qualitatively with time, ranging from prospective longitudinal tracking studies (walking 'alongside' people as their lives unfold), repeat cross sectional and action research studies, to life story methods with third sector staff and volunteers. One of the distinctive features of Qualitative Longitudinal (QL) research, in all its rich variety, is the way in which time is factored into the design of a study from the outset, and becomes a key driver for analysis and explanation. Like all longitudinal enquiry, QL research turns a 'snap shot' of social life into a 'movie', with all the richness that a moving picture adds to a still picture of a moment in time. The *kind* of movie created in QL research is also distinctive. Most longitudinal enquiry is large scale and quantitatively driven. Such research has significant value for charting broad social trends across large segments of the population— measuring what changes, the extent of change, where and when changes occur, and over what time periods. Time emerges here in linear fashion as chronology, sequence, duration and interval. Such research creates an 'epic' movie, a broad 'surface' picture of change, generated from big 'thin' data. QL research in contrast, generates small scale, rich, in depth data to create the 'up close and personal' movie. Its strength lies in uncovering the interior logic by which individual and collective lives unfold; while the large datasets may reveal the wholesale movement of populations from points A to B, the 'thick' dynamic data generated through QL research reveals why such journeys are undertaken and the nature of the journey along the way.

Like all qualitative research, QL research is concerned with human subjectivity – the meanings that events, circumstances and social processes have for those who experience them; and with human agency – the capacity to act, to interact, to make choices, to influence the shape of one's own life and the life of others. But the concern is not only with biography, the life course of individuals and groups, but with the interaction between biography and historical and wider social processes of change. Since the relationship between these processes is essentially a dynamic one, it is *only* through time that we can begin to grasp how the personal and the social, micro and macro, agency and wider social structures are interconnected, and how they come to be transformed. By engaging with time in a micro-dynamic way QL research enables a richer understanding of how change is created, lived and experienced (Neale and Flowerdew 2003). Important 'how' and 'why' questions about dynamic processes can be addressed, thereby uncovering the factors that shape varied transitions and trajectories and trigger changes for individuals or groups.

This method has particular value in policy contexts where groups or individuals are required to, or are seeking to change their practices, or need to respond to changing environments (Corden and Millar 2007). It has, therefore, particular utility in understanding the changing fortunes of third sector organisations. The six projects represented at the conference are in the vanguard of a new wave of research that is creating a moving picture of the third sector through prospective and/or retrospective methods of enquiry. Distinctive forms of data and knowledge are being generated that can shed new light on the mechanisms that shape changes in the sector, and that situates current trends in historical, spatial and developmental contexts. Viewing the third sector in this way is particularly important in times of austerity and sector transformation. Organisations are grappling with the demands of new and often reduced funding structures; greater emphasis on social enterprise models; a changing relationship with the state and local government; increased pressure to demonstrate the difference they make; and changes in the nature of participation. The aim of this project was to achieve greater insights into how the organisations and individuals that make up the sector are responding and adapting to this changing landscape.

The projects in the network have been producing rich case studies of individual organisations and their journeys over time, in a context where, as Rob Macmillan has observed, very few 'real life' accounts of the experiences of those involved in the third sector have been produced for others to hear, appreciate and reflect upon. The case studies presented at the Changing Landscapes conference demonstrate how valuable it is to understand these lived experiences of change. As we build up and complete these case studies, we anticipate that they will form an important resource for the sector and those commissioning third sector services, enabling a productive and beneficial sharing of grass roots developments, practices and experiences.

## **Scaling Up Qualitative Longitudinal Enquiry, Evidence and Data**

The small scale, in-depth nature of qualitative enquiry is integral to its strength, but it can also be seen as a limitation in a world where value is placed predominantly on 'hard' statistical evidence. Part of our purpose in devising this project was to 'scale up' and enhance the evidence that has been generated on the third sector by bringing together our network of thematically related projects. In Qualitative enquiry, synthesising data across projects does not rely on statistical analysis of strictly *comparable* segments of data; it is, instead, a 'realist' process of bringing together *complementary* forms of data and evidence, with each new addition changing the shape of the developing picture (Pawson 2006). The growing corpus of publications and reports from our network of projects has formed the bedrock for our enquiry, along with secondary analysis of data drawn from selected studies in the network. Across the projects we estimate that we have drawn together data on at

least 200 organisations; with a further 63 organisations represented at the conference. Bringing the projects together has also allowed us to increase the historical time span for our enquiry: collectively the projects run over 12 years of unprecedented change for the sector (2002-2014). In these ways it is possible to combine breadth with depth: to create 'big' data from scattered pockets of small scale data, while still retaining their richness and explanatory power.

The same principle of bringing complementary data together for further analysis underpins our enterprise of archiving data from the Changing Landscapes project in the Timescapes Archive. The Archive is a specialist resource of Qualitative Longitudinal data, hosted at the University of Leeds and available for data sharing and re-use by registered researchers. The creation of a special collection of thematically related datasets on the third sector as a rich, historical resource for future use is another dimension of collaboration and a way of sharing good practice across the sector. At this stage, three of the six projects are in the process of preparing their data for archiving; we hope in future that further funding can be secured to enable the remaining datasets to be archived for re-use by future generations of researchers.

### **Co-producing Knowledge.**

The final important and defining feature of this research is that it is based on a close collaboration between research and practice organisations. How research engages with policy and practice has shifted over time (Best and Holmes 2010). In the 1970s this activity was usually framed in terms of *knowledge transfer*: a one way, linear process of disseminating the findings of research to policy and practice audiences. By the 1990s, the process was being redefined in terms of *knowledge exchange* – a more interactive process whereby research and policy/practice organisations work together at key points in the process, for example through a Research Advisory Group (RAG). In both of these approaches however, research and policy/practice operate in separate spheres of influence with regard to the generation and production of research findings; policy and practice organisations might feed idea into the research, but remain, by and large, end users in an academically led process.

More recently a third model, *knowledge to action* has emerged that promotes greater integration of research and practice as an integral part of a project (Best and Holmes 2010). This creates the conditions for the *co-production of knowledge*, with significant potential to develop practitioner-informed research and research-informed practice. The elongated time frames of QL research are ideally suited to building collaborative relationships with practitioners over time, and to enable impact to occur as a project unfolds (Neale and Morton 2012). It was this model of working that we adopted for the Changing Landscapes project. Our network members from the voluntary sector have joined us as equal partners in the research, enabling the academic researchers to see the issues and develop their ideas in line with grass roots 'insider' perspectives.

## Conference Themes.

The conference workshops explored the themes of sustainability, governance, independence, inter-organisational relationships, impact and participation, across what is a highly varied sector of service provision. This is in a context where unprecedented levels of spending cuts have occurred and are likely to continue until 2018-9, while, at the same time, service provision costs will rise in response to changes in the demographic profile of the population. While it was instructive to separate out these areas for focused discussion, the complex ways in which these dimensions of third sector life overlap and influence each other, and are worked out across different organisations within the sector, was also clearly evident.

### Sustainability and Governance

We set out to explore how third sector organisations and their activities and services are reproduced, developed and sustained over time, and how they understand and address key challenges in sustaining both people and finances, particularly in an 'unsettled' and turbulent context. **Sustainability** was a dominant theme throughout the day, but was a particular focus of Ian Cunningham's workshop on the contracting culture and its implications for employment in the sector. His research reveals that public service commissioners have leaned towards price-based, short-term, arms-length contracting and documents how this competitive contracting culture drives down terms and conditions for sector workers and can lead to burn out. One of the key challenges for the sector is the growing imperative for short term thinking, to the detriment of longer term, strategic planning. Findings emerging from the synthesis of evidence on this theme (Macmillan et al forthcoming) indicate a growing uncertainty and anticipatory anxiety – an abyss mentality – that eventually gives way to the realities of cuts and a daily struggle to survive, which further undermines the ability to plan strategically for the future. These pressures are more evident in smaller scale organisations, who work with different economies of scale to the larger and more well established organisations.

Ian presented a compelling case study of the downward trajectory of an organisation, charting over a decade the negative effects of having to become 'tender savvy', facing unsustainable losses in its care activities as a result of local authority cuts and pay freezes, resulting eventually in redundancies, the down grading of posts, increasing work load pressures and tensions in the organisation. Over the decade, as active engagement with local authority commissioners was eroded, around 50% of the work force was lost to the organisation as it tried to sustain its operations.

The devaluing of employment in the sector, (linked perhaps to an underlying logic by service commissioners that the voluntary sector is in this for love, not money), brings with it all the attendant dangers of undermining the professionalism of the sector. The workshop on

**Governance** delivered by Tony Chapman, reminded us that good governance is one of the ways in which some of these problems can be anticipated, planned for and circumvented. The Third Sector Trends study reveals that the pressures facing the sector are particularly apparent for small scale organisations with paid staff, while larger organisations and smaller collectives without staff may be more durable, acting as the social glue to hold the sector together (Chapman et al 2014).

Tony reminds us, too, that different models of governance and strategic planning are needed for the very different organisational structures that make up the sector. But whatever the structure, the evidence suggests that the organisations that can invest in good communications and staff development (continuing to see their training budgets as essential, rather than a luxury) are the ones most likely to succeed. A sharing of good practice in governance is vital for organisations that start out on their journeys supported only by their core ethos – a grass roots understanding of unmet needs and a vision for how best to respond. Rob Macmillan’s fascinating case study of a small organisation (‘The Boss’ 2014) drawn from the Real Times project, is a case in point. This documents a process of crisis management culminating in a change in leadership in the organisation. Using the analogy of the life course, Rob reveals the significant growing pains that may face fledgling organisations that need to move beyond infancy to secure their longer term survival as they develop and mature.

Overall, there was a great deal of evidence at the conference for the resilience of third sector organisations in the face of austerity measures, borne of their capacity for creativity, invention and transformation over time. Another case study produced by the Real Times project (Divine Intervention 2014) sheds light on how processes of change – in this case, the importation of new ideas and ventures to add to a growing portfolio of activities – are a perpetual feature of life in a community based organisation. Longer term evidence for the resilience of the sector can be found in a recent study of residential care for older people (Johnson et al 2010). This award winning study traced the histories of the homes that had been the subject of Peter Townsend’s research some 50 years earlier. The researchers went to great lengths, using volunteers from across the UK, to trace the fate of the 173 homes that Townsend had studied and which had led him to publish *The Last Refuge*, a searing indictment of care for older people in the UK (Townsend 1962). Perhaps not surprisingly they found that, of the 134 homes that had closed, most had been run by local authorities, while most of the homes that had survived were run by voluntary organisations that had the capacity to transform their practices over time.

It is nevertheless a sobering thought that the current pressures on the sector may mean an increase in the number of organisations that are not sustainable in the longer term. Yet while individual organisations may come and go, small ‘grass roots’ collectives will always play a vital role in the sector landscape, emerging in response to perceived need, sometimes independently, sometimes as a splinter group, or rising from the ashes of less adaptable organisations. Small charities can play a vital role in mediating between lived experiences

and policy directives; and between local communities, where new issues are continually arising, and larger charities that do not have such a close ear to the ground. These fledgling organisations are the pioneers, the 'local champions' of those whose needs are not met effectively through statutory provision, who reconnect with core values, develop innovative practice, input new ideas and advance knowledge, thereby perpetually changing and enriching the voluntary and indeed, the wider public sector landscapes over time.

### **Independence and Collaboration**

The themes above are intertwined with ideas about the **independence** of the sector, and how this sits with the notion of **collaboration**, both with local authority commissioners and across the sector itself. Our aim here was to explore how third sector organisations understand and negotiate the tension between their independence, mission and ethos-driven social action on the one hand, and, on the other, 'fitting the mould' in order to deliver commissioned and contracted services for public bodies. We also considered how organisations in the sector relate to and negotiate with similar organisations in their specific geographical contexts and service fields and how they strike a balance between rivalry and collaboration in their cross sector relationships – with all the implications this has for partnership working and for mergers, and other forms of hybridisation.

These themes were touched upon in all the workshops. There were concerns that, in a climate where grant funding (for what organisations want to do) has been replaced by contracting (for what commissioners want them to do), the idea of partnership working between voluntary organisations and their funders is increasingly compromised, with less scope for dialogue and more conditionality. In such a scenario, models of service provision become more rigid and there is little room for negotiation or for taking into account the particular needs of the sector (e.g the cash flow circumstances of smaller organisations). This is perhaps inevitable where service commissioners are operating at arms length; organisations may well find themselves dealing with experts in finances and procurement rather than those with a service provision remit.

The theme of independence was the focus of the workshop organised by Matthew Dutton and Valerie Egdell, with evidence emerging for the pressures that this generates for the sector to pursue work and opportunities beyond their original mission. This can result in 'mission drift' as organisations become pre-occupied by the need to secure resources, rather than to sustain a quality service; and where creativity and preventative work is being driven out by the need to provide a base line service for those in the greatest need. Even those organisations with a strong 'market' position and a known 'brand', which enables them to withstand cost cutting pressures, are now facing such difficulties. Matthew and Valerie show, too, the effect of localism, whereby organisations have to negotiate with numerous local authorities, operating with splintered policies and inconsistent approaches to the terms and conditions of contracting. Indeed, they point to an accountability gap in terms of the development and ownership of policies affecting funding and provision. In this environment, partnership working with statutory providers is less feasible, and the

independence of sector organisations and their ability to retain their unique identity and commitment to their core mission is put under further strain.

These trends may also impact on the scope for collaboration within the sector – the subject of the workshop run by Ben Cairns. The evidence suggests there is support, in principle, for the recommendations of the Christie Commission, which has proposed greater integration of organisations in order to reduce duplication and lead to better resourced and more efficient services. The idea of Inter-dependence, as opposed to independence, seems to be more appropriate and gaining ground in today's funding climate, a matter of uniting to survive and to avoid isolation. In practice, however, the picture is more mixed. Current funding models do not encourage this way of working; the climate of competitive tendering for contracts is increasing the competitive edge of organisations in ways that may undermine trust between them. Smaller organisations, for example, are fearful of competition from (and collaboration with) larger organisations that have greater capacity and can better meet the conditions laid down by local authorities. While the flexibility of the sector is part of its strength, there seemed to be little evidence of widespread mergers or the adoption of hybrid organisational forms, such as social enterprise models with their market driven ethos. However, there is some evidence for partnership working with private service providers (e.g in the Work Programme) and, as Karl observes, the idea of being *socially enterprising* underpins much of the activity of the sector. Since both competition and collaboration are here to stay, organisations are seeking different niches where these potentially uncomfortable bed fellows can be activated. Competition at the tendering stage for example, does not mean lack of collaboration at other times or in other spheres of activity or influence.

How does the current commissioning culture impact on the ability of third sector organisations to campaign for those they represent and to influence and shape policy? This is at the heart of their independence. The evidence suggests that the number of organisations that have the capacity to both campaign and deliver services is dwindling; the trend is to specialise in one or the other. This is perhaps one area where collaboration and the idea of interdependence across organisations is occurring and can be beneficial. Whether the idea of campaigning in the traditional sense of 'shouting louder' about key issues is the most effective way forward, particularly in a climate where it may be equated with vested interests and be seen to lack impartiality, is an issue worth considering; 'negotiation' or 'persuasion' might be better tools to use. Certainly, one very effective way forward, an alternative to 'turning up the volume,' is to seek to reframe dominant discourses and debates, rather than merely reacting to them. This has been done very effectively, for example, by the New Economics Foundation in the context of welfare reform, (NEC 2013).

### **Impact: Monitoring and Evaluation**



Another key area where collaboration is of potential benefit is that of monitoring service provision and gauging its effectiveness. Our aim here was to explore how various tools and frameworks for articulating, demonstrating and measuring outcomes and effectiveness are developed, judged and used, and how these are viewed by funders and other stakeholders. This was the subject of the workshop organised by Rob Macmillan. The current requirements for 'hard' data, and quantifiable forms of measurement that focus on outcomes rather than processes, is another way in which the quality of third sector provision is in danger of being devalued and squeezed out. There is evidence of scepticism in the sector about the value of standardised reporting instruments. The wider added value of the sector, the depth and durability of support provided, which can contain and help to prevent problems escalating for those in need, is not so easy to measure in these structured ways and requires creative ways to document and gauge impact. Some organisations have developed their own tools for this, such as the MESH system developed by Home Start. But part of the issue is the proliferation of methods and templates now available, fuelled at least in part by the inconsistencies in the reporting mechanisms required by local authorities – the localism effect. Monitoring and evaluation are necessary but there is a real need for some universal baseline systems to be developed that can attend to quality issues and be tailored to the needs of individual organisations, thereby saving the process of reinventing the wheel. Sharing good practice in this regard would seem to be a promising area for collaboration with the potential to enhance evidence on the collective worth of the sector. The potential to create 'big data' that is also 'rich data' for both internal and external use, and as a collaborative effort between sector organisations, service commissioners and researchers, is an area ripe for development.

## **Participation**

The final theme to be explored here, and in some ways the most important of all, concerns the core identity of the sector – its voluntary nature. This is particularly important since, as Karl reminds us, approximately 90% of third sector organisations do not employ paid staff but depend entirely upon volunteers. We set out to explore the changing hopes, trajectories, expectations and demands on those taking on unpaid roles in the sector (volunteers, active community members and trustees). We wanted to understand how these roles are defined, negotiated and managed within varied organisational contexts, and what the opportunities and constraints are on the policy drive to increase participation in civil society.

Participation was the subject of the workshop organised by Véronique Jochum, drawing on NCVO's Pathways to Participation project, which has traced volunteering journeys over time, uncovering the huge variations in the nature, timing and extent of participation, and the rationales for volunteering, across highly varied population of volunteers. The workshop also drew on findings emerging from our secondary analysis project, conducted by Angela Ellis Paine, which has analysed cross project data to explore the meaning and significance of participation from the different perspectives of volunteers and the managers of third sector

organisations. The findings here are interesting for they reveal a mismatch in perceptions about the significance of participation. The organisational studies reveal little discussion about participation as an integral part of the unfolding narratives of the organisations, other than reflections on the greater pressure to use of volunteers to run services and support the running of the organisations themselves. The volunteers themselves, likewise, are engaged at the grass roots but disengaged from organisational issues. Overall, they seem to be a somewhat taken-for-granted resource, just as they are in government rhetoric about the big society. While the voluntary work force is huge it is also fragmented, with evidence suggesting that voluntary organisations are becoming dependent on smaller numbers of local champions, a civic core, who give 100+ percent of their time. Taking this large army of volunteers for granted would be misguided, as it would be to assume that this is a *free* resource that does not incur costs (recruitment, training, management and so on) to the organisations and, by extension, to those who commission services. The importance of volunteers to the sector clearly cannot be underestimated. They are the bedrock upon which the organisations found and build their services and organisational structures, and they are critical to organisational effectiveness and longevity. Investing in this resource, what Karl describes as *growing philanthropy*, would seem to be crucial to longer term survival, yet it is a perpetually challenging task with significant cost implications.

At the outset of the conference, Rob Macmillan invited the delegates to think about a sound bite that they would use to sum up what the sector is about. What ever else they are, voluntary organisations are about identifying unmet needs, what matters to people, and making tangible a vision and ethos for how best to meet those needs. They are about grass roots engagement, values, vocation, and the ethics of care and citizenship. This was the sound bite that came to my mind as the conference progressed. In this regard, the voluntary nature of the sector is a huge strength, part of its core identity that needs to be celebrated and preserved, not least in the way the sector is labelled and identified. As Karl indicated, the 'third sector' label is beginning to wane – appropriately so, if this terminology implies a sector that is third in the pecking order. On the contrary, it is a sector that is increasingly called upon to fill the void left by cuts in statutory provision; and it has a huge capacity – it straddles and interacts with the state, market and community, cutting across formal/informal, not for profit/profit, and public/ private spheres of activity and influence. Karl observes that the core values of the sector place it outside the current of mainstream thinking in times of austerity and hardened attitudes. If this is the case, then there is all the more reason to embrace, celebrate, and promote the core values that drive the sector, to preserve its voluntary ethos through thick and thin, for the common good.

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