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## BARRIERS

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# The English Third Sector Policy in 2015: an overview of perceived barriers to realising impact potential

Summary of research findings for Work Package 5 Third  
Sector Impact

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## INTRODUCTION

In recent decades, the third sector (which includes charities and social enterprises) in the UK and abroad has received heightened policy interest as awareness of the limits of market and state-dominated approaches to social problem solving grows. In the UK case, this has involved a slow-motion rollercoaster of change. Initially the sector was embraced under New Labour's "third way" banner, with its emphasis on the potential for productive partnership with the state. But more recently, in the context of austerity, it has been viewed with favour by Coalition/Conservative Governments through a belief that it has the potential to substitute for "Big Government" while strengthening a "Big Society". These overarching labels are now politically unfashionable, but the interest they symbolise persists. Attention has been sustained by a series of statutory body and parliamentary committee reviews, while evidence on a range of controversies about governance inadequacies and unethical practices has played out, and been powerfully amplified, by an increasingly critical national media.

Facing the double challenge of austerity and intensifying scrutiny, it is important to understand the perspective of these organisations themselves on what is at stake. The research summarised here, undertaken as part of a broader Third Sector Impact (TSI) study, demonstrates that in England:

- Shortfalls in public sector financial support associated with austerity, especially at local level, are widely believed to be constraining the sector's impact potential, and perceived insufficiency in other forms of funding are also seen as impediments to development;
- Concerns about recruiting volunteers, especially those needed for boards (trustees), are prominent, although in other respects the workforce situation is seen as a strength;
- Organisations usually believe themselves to be resilient in terms of public trust and confidence, but more general awareness limitations are seen as a problem by many;
- Significant numbers of organisations experience their environment as increasingly market and quasi-market driven in terms of resource origins and governance practices, and experience the current political climate as un conducive to non-service provision roles;
- Despite these pressures, TSI case studies show how some organisations may still flourish. These exemplars have successfully invested in developing and projecting credible public images backed by confirmatory evidence of impact; fostered cultures which support committed staff in a context of shared values embedded in practice; and deploy both technocratic skill and political nous in negotiating their relationships with external agencies, especially state bodies, at both local and national levels.



## **BARRIERS TO THIRD SECTOR IMPACT: KEY FINDINGS**

In the UK, the third sector, understood as including charities, voluntary associations and (to use more recently adopted language) social enterprise, is a high profile and widely recognised part of society. This has long been reflected in the existence of supportive discourses in public life, but also recognised through the existence of specialist institutions, with the Charity Commission being the most conspicuous and durable manifestation of this in England and Wales. In recent years, as Governments have changed and with that, ideological presumptions about the sector have shifted, there have been significant implications, with the architecture of policy support being adapted and reshaped. In particular, under the “Third Way” approach of New Labour, in support of State-third sector joint endeavour, there was a major investment in “infrastructure” with unprecedented levels of public funding for “capacity building” and elevated public budgets for strategic development, coupled with investment in specialist support and regulatory capacity within the State itself. This included the initiation of a high level Office for the Third Sector (subsequently renamed the Office for Civil Society, OCS). In contrast, in the context of “Big Society” hostility to the public sector and associated austerity social policies under Coalition and Conservative governments since 2010, many such State resource commitments to third sector infrastructure have been abandoned or curtailed, with attempts to substitute public resources with more market-based alternatives where this is feasible.

Yet notwithstanding these ongoing changes at the level of Government orientation, and heightened critical media attention, the broadly supportive established discourse has persisted. Most core institutions (including leading umbrella bodies, the OCS and the Charity Commission) have continued to function and communicate affirmative messages, albeit typically on a downscaled and circumscribed basis. In this context, claims about the enduring importance of the third sector and its impacts have proved durable, despite the more challenging environment. The established discourse includes acknowledgement of its contributions to social, political and economic life by providing services, often for vulnerable groups and in specialised niches; engaging in advocacy, both for individuals and for social groups whose voices would otherwise be weak or absent; and offering opportunities for community development, including in some of the most deprived areas of the country.

But in times of austerity, when social needs intensify, we need to ask: is the sector fulfilling its impact potential on the ground? If not, what are the barriers to doing so? And how do some organisations manage to flourish, in spite of them? This paper explores these organisations’ own perceptions on these questions supported by a mixed methodology which included a large scale on-line survey, bilateral interviews and collective meetings with national third sector experts, and case studies of reputationally resilient organisations.



## Top 10 barriers to development Percentage for whom factor serious\*

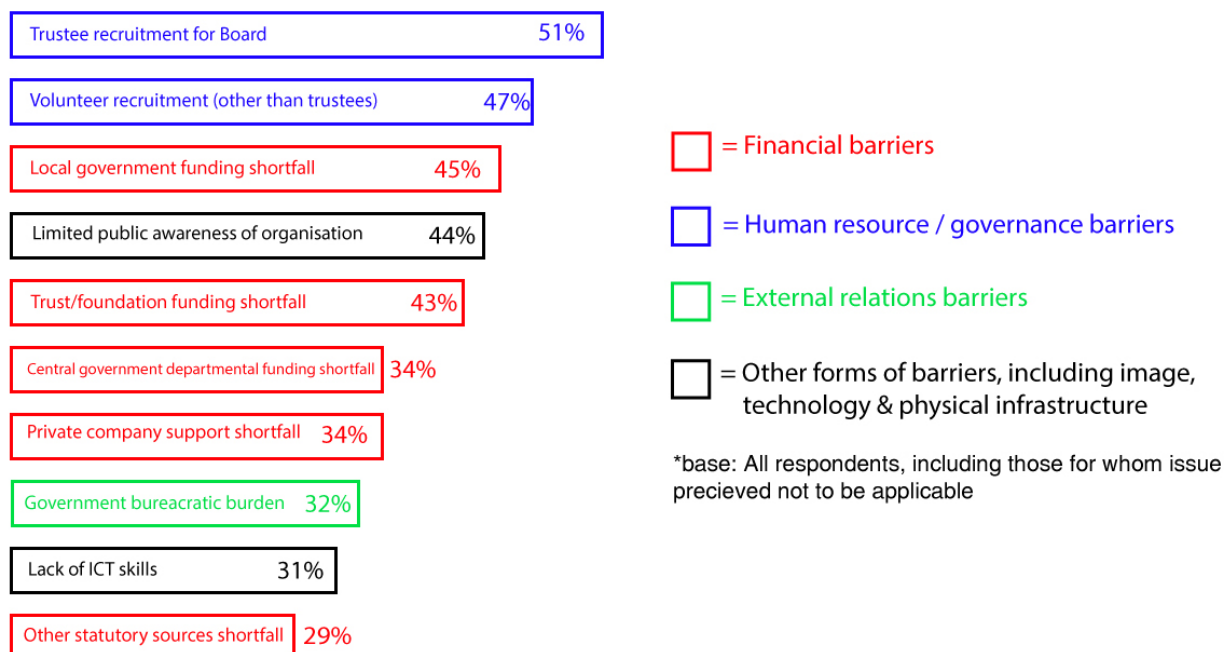


Figure 1. Top 10 barriers to development: percentage for whom factor serious

Figure 1 reports key findings from our on-line survey. It shows what English social policy charities believed to be the ten most significant barriers constraining their capacity to realise their impact potential in 2015 (these are the ten most frequently-cited barriers from a list of over 40 potentially inhibiting factors identified in international nonprofit research literature). For the purposes of this brief commentary, we concentrate primarily on the top five considerations: we can see that funding inadequacy, problems of volunteer recruitment, and awareness limitations were the most frequently cited 'barriers'.

The **public sector under-funding 'barrier'** is a familiar one: it has been repeatedly highlighted by a range of third sector infrastructure and umbrella organisation reports in recent years, as governments have implemented enormous public spending cuts in many areas of social policy (as part of a broader austerity approach). Third sector organisations, strongly represented in many of the chosen areas, have been on the receiving end. The findings reflect the extent to which effects have been especially severe at the level of local councils - which in England relies more on central government finance, and has less discretion over service delivery arrangements, than the equivalent institutions in other parts of Europe. Local government has had no choice but to 'pass on' the effects of the



government's austerity approach. And while it true that most third sector organisations do not receive direct public funding, the research confirms that these cuts at local level have been so pervasive that concerns about their deleterious effects trump all other financial considerations for charities as a whole.

Alongside this relatively predictable pattern, we can also see that a high proportion of respondents also felt **foundation and private company funding** was insufficient. This finding is harder to interpret. While important in particular areas and policy fields, these sources have always been relatively modest in overall scale, certainly when compared to public sector funding and individual giving (shortfalls in the latter was not a problem rated so highly, presumably reflecting the well-documented recent buoyancy in levels of income from this source). Moreover, it might have been expected that charities would perceive that the economic recession would severely constrain companies' and trusts' ability to support the sector, and adjust their perceptions accordingly. The fact that so many apparently did not take this view but held rather high expectations could follow from an understanding that, at the time of our research, the economy was moving towards a more buoyant position; and a belief that traditional patterns of support from these sources have simply been insufficiently generous. This is especially plausible in the context of the relatively well-documented escalation of needs and demands on the third sector in the difficult economic times so much in evidence since the 2007/08 crisis.

Turning to shortfalls in **volunteering**, it is immediately important to stress that it is *recruitment* which is the dominant problem from the perspective of our respondents, both at board level (trustees) and more generally. Other aspects of volunteering, including retention of those already involved, training, and the management of relations with paid staff were identified as potential barriers in the survey to a far lesser degree (and accordingly not shown in Figure 1). It is similarly noteworthy that very few respondents pointed to problems with their paid workforces, in terms of recruitment, quality, training or motivation (we differentiated organisations with paid employees from those without in the sample to ensure this issue was examined meaningfully). This resonates well with what we were told in our national expert interviews, in which it was emphasised that the enormous efforts and commitments of salaried staff had proved a remarkably durable but under-recognised contributory ingredient to impact, despite the austerity-related pressures on pay and conditions many had experienced.



The challenging volunteer recruitment situation revealed here suggest that we cannot assume that the well-publicised evidence from the official *Community Life* Survey of participation by individuals, reporting a relatively stable situation in terms of overall levels of formal volunteering in recent years, carries over and applies to the subset of social policy charities we are concerned with here. It could be that national volunteering headline figures conceal shifts between forms of activity, with voluntary action less resilient in our core social policy areas compared to other spheres. Indeed, some of the forms of volunteering which have been especially intensely promoted by government in recent years are essentially outside the core domains of social policy - for example, in sports, around the London Olympics.

A finding from another section of our online survey is also potentially relevant here, and underscores the importance of considering the qualitative as well as quantitative dimension of volunteering decisions in understanding the situation. A significant number of respondents (37%) agreed with the statement that 'the needs and interests of volunteers have changed in the last 5 years in favour of flexible short-term engagements', and only 12% disagreed. So, to the extent that organisations have found it difficult to meet these aspirations, most obviously because they have tended to rely on volunteers with relatively enduring organisational loyalty and attachment, they will face particular challenges.

In addition, three other contributory factors suggested in UK literature, and highlighted in our third sector expert interviews and discussions, will also have had some part to play in constraining the volunteer trajectory. First, an important driver of the aforementioned aspirations to flexibility seems likely to be inter-generational change, with younger volunteers widely believed to be less prone to sustained organisational loyalty. This may be in part due to cultural preference, but can reflect the effects of more constrained and fragmented time budgets. Second, the overall climate of fiscal austerity will often have placed severe strains on organisations' budgets, limiting their abilities to act supportively in terms of compensating for the expenses and costs associated with making regular volunteer commitments. Third, there is some evidence that the implications of public budget cuts have been especially hard felt in relation to organisations capacity for mobilising and otherwise encouraging volunteer contributions. Public sector resources had often been relied upon as a key "infrastructure" resource to support volunteer management and development, and the implementation of austerity policies has often meant the loss of such support, especially at local level.



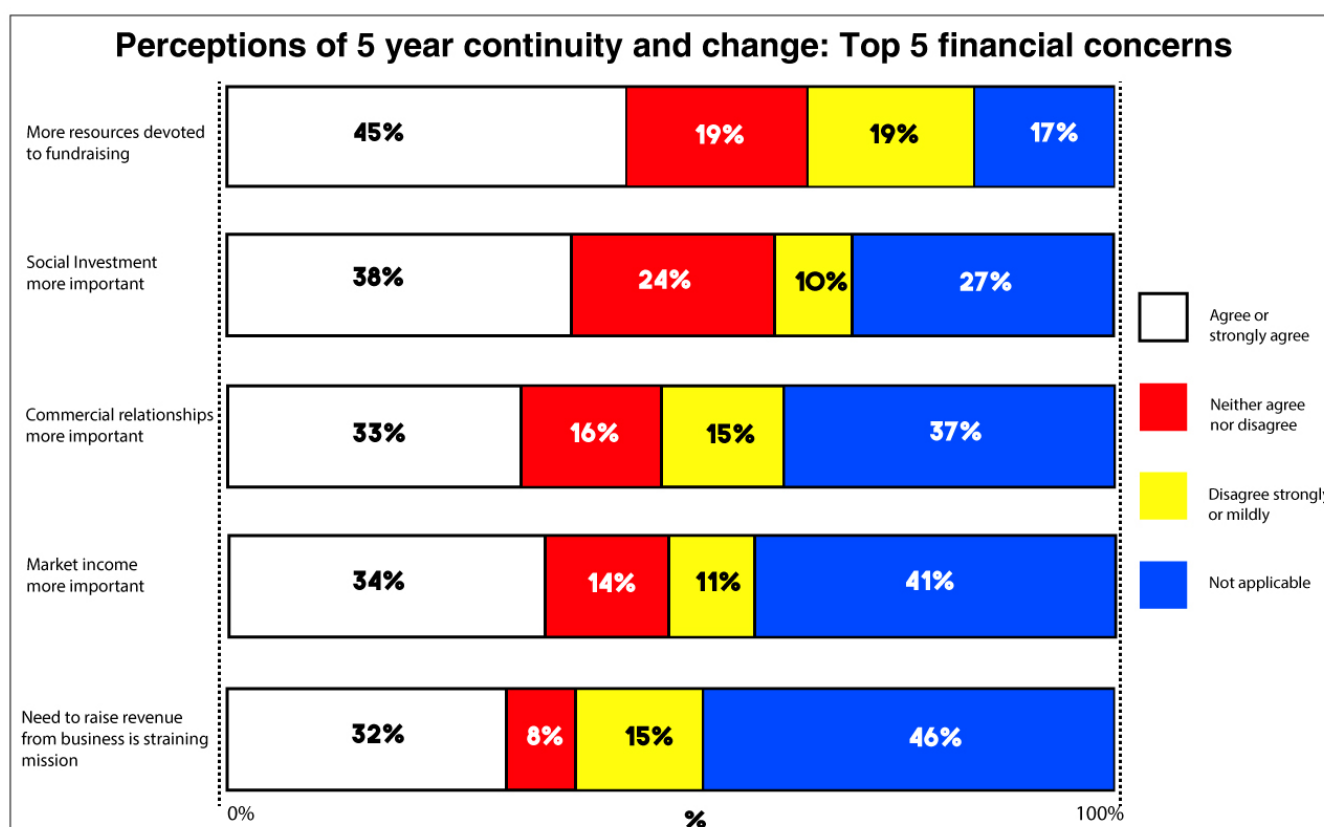
The pervasiveness of **trustee recruitment** as a perceived problem – indeed, we can see this is the single most ubiquitous barrier for survey respondents - will in part reflect the factors noted above. But its significance is also consistent with a body of qualitative evidence across the English charity sector which has documented how the particular legal responsibilities of trusteeship, and the demanding requirements of fulfilling this role effectively, may mean that only a relatively restricted and socially circumscribed group are considered, by themselves and others, to be well positioned to fulfil these roles. Troublingly, the pressures on trustees seem set to intensify in the years ahead. This is because policy makers are increasingly emphasising the range of legal duties associated with charity board membership, as they respond to media controversies relating to incompetence and neglect in a small number of ‘household name’ national charities. Adverse press coverage has been especially marked in relation to fundraising policies and practices, but has also referred to other difficulties at board level.

A final especially prominent ‘barrier’ identified in the survey was that of **limited awareness**. This needs to be put in context: we had asked respondents about two other aspects of their image too: trust in their organisation, and confidence in their professionalism. It was only in relation to awareness that a perceived obstacle emerges empirically in this survey for a significant proportion of respondents. This suggests that, even if there is now some evidence from other national surveys that the population’s levels of trust in charities as a whole has become more fragile in the wake of the aforementioned media scandals, this was not believed by respondents to be playing out in relation to themselves at the time of our research, even as some of the most intense media reportage was underway (summer 2015). We also need to bear in mind the importance of distinguishing between trust at the organisation and sector levels, because organisations’ legal status as charities is only one, albeit important, ingredient in the formation of their overall identities and reputations. This finding on the empirical significance of an awareness deficit should prompt reflection on the fact that it is not just perceptions of public trustworthiness which matter in terms of image and ultimately impact potential, but also their ability to project and communicate that image persuasively amidst the ‘noise’ of a political and policy environment deeply unsettled by conditions of austerity.



The findings highlighted thus far relate to perceptions of quantitative and qualitative constraints at a general level, including the collective view on the heavy toll associated with austerity conditions, particularly, but not only, via its implications for the scale of public sector funding. To explore other aspects in more detail, we can turn to a selection of further findings from our on-line survey. Figure 2 shows respondents' perspectives on how aspects of their financial situation evolved between 2010 and 2015. The most significant perceived development was the **allocation of more resources to fundraising**. Viewing this in conjunction with our findings in relation to shortfalls reported earlier, it seems likely that these efforts have been most successfully geared towards individual giving than other sources (we found fewer perceived a shortfall in relation to individual giving income than the other sources, including government funding and trust funding, as noted above)

**Figure 2. Perceptions of 5 year continuity and change: top 5 financial concerns**



Another interesting insight offered in Figure 2 is the extent to which it shows that 'marketisation' processes were being quite widely experienced – yet have been far from ubiquitous. The figure shows that over a third reported that they had turned increasingly to commercial income and relationships, and in addition (not shown in the figure), when asked if a 'business background' was more important at senior management level, nearly two fifths (38%) agreed that it was. Yet, higher proportions still reported not significantly having moved in this direction, or simply considered it 'not applicable'.





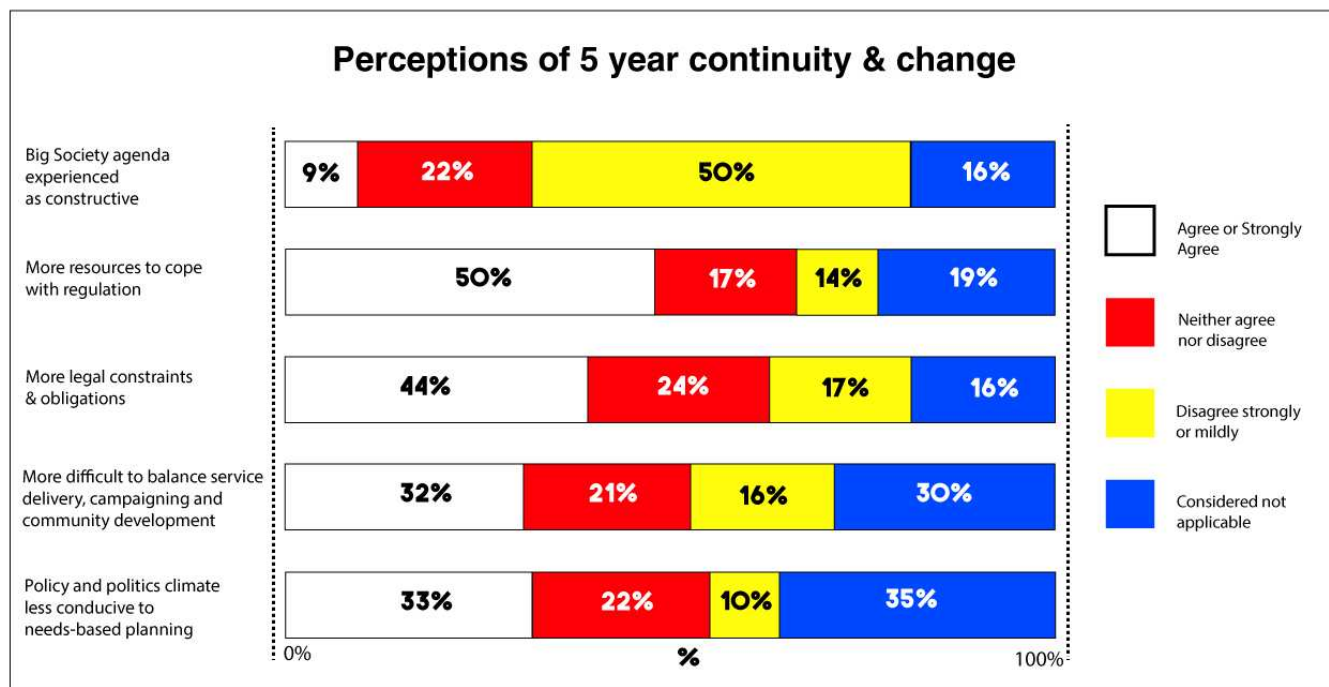
We also established a less expected finding: extensive weight attached to ‘**social investment**’. This was surprising, since the approaches which UK governments have recently privileged – loan and bond finance initiatives often linked in various ways to the City, allied institutions and central government – have to date, in practice, only been taken up by a tiny fraction of all third sector entities. This is widely believed to be because awareness is low, because of embedded quizzical attitudes to unproven approaches (fuelled by aversion to uncertainty, and anxiety about and fears about loss of control), but also because of perceptions that such instruments may not be compatible with core value commitments (including those reflected in organisations’ missions). The surprisingly high level of recognition found here may mean some of these assumptions need revisiting, and that there is more potential for this sort of scheme than previously thought. Alternatively, it could be that respondents were affirming the relevance of this approach, but with a far more permissive definition in mind resonating more obviously with their own values and positions on risk taking. For example, the longer-established, wider European understanding, in which ‘social investment’ usually refers instead to a broader range of productive, predictable, long-term public and private resource commitments - rather than a particular market-led financial instruments - could have been in play. (We did not prescribe a definition of the term, and this interpretation may be equally plausible, viewed in the context of our other results).

Efforts to stimulate social investment in charities have now been given concrete form with new legislation adopted in 2016, making this a ‘hot’ policy topic. However, our non-survey sources also emphasised the more general relevance of other state actions. There were both the acceleration of policy orientations inherited from previous administrations, especially the **generalisation of quasi-market approaches**, to governing state-third sector relationships across almost every sphere of social policy (wherein market mechanisms are adopted to mediate demand and supply, while still using public sector budgets on the demand side); and changes more specifically associated with the Coalition and current Conservative governments. The concern expressed about the latter was as much about the quality and sustainability of recently evolving quasi-market style relationships. This sentiment was informed by research literature cataloguing a tendency for implementation practices to involve a lack of meaningful engagement with the third sector in relation to the policy design; preferences for standardising, large-scale provision to the detriment of specialised and more bespoke responses to need; and short-termism, making it extremely difficult for organisations to develop reasonably long-term planning horizons. A further, pressing issue stressed by our experts was the underfunding not directly of the sector itself, but of those parts of the state specialising in regulation and reputational support, especially the Charity Commission. While in principle this is still viewed by government policy as having a crucial and necessary role in this regard, in practice it was believed that not enough support was being provided to allow it to fulfil even its most basic roles properly.



Finally, in addition to such obvious, tangible impacts of financial under-investment, it was emphasised to us by third sector experts how other, more subtle developments could constrain the third sector’s impact capabilities. Especially important here was believed to be the utterance of unsupportive and even hostile statements by some politicians (including Ministers) about **campaigning**, in the context of ongoing reviews of legislative frameworks in relation to this role. It was believed statements and actions had, by 2015, served to create political ‘mood music’ which were making it potentially harder for charities to pursue a healthily challenging advocacy agenda, and could be leading to ‘self censorship’. In 2016, the Government’s announcement of a prohibition on the use of public grants to support campaigning activity is believed to provide further evidence of an emerging pattern associated with the current Government, The net result of these measures is now increasingly portrayed by commentators as involving an unhealthy ‘**chilling effect**’ on advocacy. Combined with austerity conditions and the reality of poorly designed quasi-market arrangements, there is an increasingly widespread belief that the current policy climate is now significantly limiting the sector’s ability to function effectively in relation to such multiple roles.

**Figure 3. Perceptions of 5 year continuity and change**



It is possible to gain some sense of how aspects of the evolving policy environment are being experienced directly by charities by looking at some other findings from our 2015 online survey. Figure 3 above presents evidence at several levels. First, we report respondents' views in relation to the overarching banner for policy – the “Big Society” (Bar 1); we show findings relating to the experience of regulation and legal responsibility (Bars 2, 3); and finally, results on perceptions about capacities to discharge multiple functions, and plan on the basis of need (Bars 4, 5). The adverse findings in relation to views on the unhelpful overall effect of **the “Big Society” approach** are clear. The other results are more mixed. **Regulation and legal responsibilities** were being experienced as more extensive, although we cannot ascertain from these findings the extent to which this situation is perceived as problematic: figure one, above, did register that some organisations were indeed concerned with an overall “government bureaucratic burden” as limiting their impact; but some of these obligations are also conducive to good governance. On the other hand, the existence of significant minorities of respondents who believe that their **capacities to plan in relation to the need, and to balance functions**, have been circumscribed by the trajectory of policy environment over the past five years is a much more unambiguous cause for concern. These results provide some affirmation for the claims about ‘mood music’ and ‘chilling’ put forward by our national third sector policy experts, although suggesting that, in 2015, such sentiments were not yet playing out across the sector as a whole.

## CASE STUDY FINDINGS

The final element of our research involved a preliminary investigation of how a small number of exemplar organisations were successfully coping with the challenging environment we have sketched, in a financially and reputationally sustainable way. For this exploratory component of the research, we focused on a six agencies with paid employees (usually as well as volunteers) and involved with State social policies. We also broadened our coverage at this point to include third sector organisations other than charities. Our findings here are organised thematically to engage with three core concerns. First, **image (inclusive of awareness)** and **financial sustainability**, connecting clearly with some of the most significant ‘barriers’ revealed in our online survey. Second, the **situation of staff**, broadly understood to refer to both paid employees and volunteers, but especially emphasising the former. While survey respondents interestingly did *not* highlight the situation regarding the former as a major ‘barrier’ for the English sector, we chose to pursue this aspect at case study level. This was in recognition of the emphasis put by our national experts upon the significance of paid employees in making impact possible placed; and in part because there is evidence that the situation of paid staff can be a very real ‘barrier’ in other TSI participant countries. So, the combination of themes adopted here seeks to strike a balance between the domestic and general EU policy agendas.



## Image development and projection

Our six case study organisations had all generated and sustained clear representational images, involving a **combination** of a high levels of **trust** (more specifically, ‘goodwill trust’, as stakeholders believed they functioned with high levels of motivation, energy and commitment in fulfilling their values); **confidence** (or ‘competence trust’, relating to organisational capabilities); and **awareness** (by which we mean an ability to project themselves and their priorities powerfully in relevant policy arenas). We found no ‘one size fits all’ approach but very different approaches according to historical origins, size, governance arrangements and fields of expertise and activity. Yet whatever pattern was adopted, three underlying ingredients were always present. First, image was integrated with a **coherent cultural identity** permeating the day-to-day functioning of the organisations. There were strong efforts to achieve correspondence between ‘saying’ and ‘doing’, ensuring the image was embodied in day-to-day routines and relationships as well as high-level strategies. Second, the **projection** of this image consistently and in a way which connected with the social needs being addressed was recognised as a **demanding, ongoing commitment**, rather than a matter of ‘tick box’ marketing. Moreover, image was typically framed and expressed, as far as possible to connect with the terminology and value preferences of key stakeholders (“talking the talk”). This was typically associated with ongoing dialogue and investment in relationship building with state actors from across those tiers of the public sector understood to be most significant for the organisations.

Third, all **combined ‘soft’ and ‘hard’ evidence and argument** in defining themselves and their capabilities – repertoires invoking stories and well honed narratives as well as more quantitative or statistical representations. We were aware from our fieldwork with third sector experts that **most third sector organisations seriously struggle with the challenge of presenting themselves as pursuing evidence-based outcome oriented work**, notwithstanding the increasing availability of a range of evaluation techniques to the sector. Our chosen cases, in contrast, were all well equipped in this regard, able to position themselves responsively across the relevant public arenas. They were typically able to make credible claims concerning the quality of their interventions and the social impact that followed, and importantly, also incorporated to some degree an economic dimension in their ‘offer’. This was in recognition of the need to ‘make the case’ realistically given resource constraints. Interestingly, all had worked, or were developing work, with higher education institutions to ensure that they were able to plausibly demonstrate claims about their impacts and ‘value added’. This in some cases involved being positioned to point to evaluations focusing on the cost-effectiveness of their outcomes; but in other cases, defensible proxies had been developed to support impact claims. This could involve pointing to structures, processes, or outputs, which, while not directly representing outcomes or impacts, could be convincingly linked to those by plausible narrative (explicitly as a ‘theory of change’ in one case, but with others, such connections were clearly implied, even if tacit.)



## Human resources

We identified above that our case study's images achieved resonance externally in relevant public policy arenas. But importantly these **external, affirmative representations of their ethos and capabilities worked in a mutually reinforcing way internally with workplace culture too**. Our small-scale research can only be indicative on the reality of the cultural situation - we were not able to undertake the sort of immersive, in-depth work needed to map this aspect of organisational life. But our findings are at least suggestive of the importance of a positive workplace culture and ethos, and its authentic correspondence with external image. In the case studies, we found in particular that such constructive cultures typically went hand in hand with the existence of stable and transparent workforce policies. These typically emphasised recognition, at the level of leadership (managers, and for organisations which were constituted as charities, at trustee board level), of the importance of consciously seeking to strike a balance between reasonable material rewards, on the one hand, and other non-financial motivational considerations on the other.

Once again, the specific institutional arrangements for handling this balance varied across contexts, but it was striking that all organisations were acutely aware that **calibrating financial and non-financial factors transparently and carefully was essential to sustain commitment and motivation**. None simply referred to 'market rates' as determining rewards, but equally we found no assertions that organisations were insulated or exempt from labour market constraints and could simply rely on employees' values out of that context: the challenge was to actively combine such considerations in a way which demonstrably fitted with values. This seemed to result in relatively flat wage distributions. And in instances where austerity-constrained budgets necessitated cuts and constraints, efforts to ensure the 'pain' was seen to be allocated fairly and proportionately were crucial.

Finally, in terms of non-financial motivational aspects, one factor which seemed to be especially important, and which ties in the significance of confidence and competence trust for our cases' images, was the existence of substantive commitments to **foster the autonomy afforded to front-line professional workers**. Indeed, many case study employees had backgrounds in other sectors, and had consciously chosen the third sector as an employer in the search for a work environment more conducive to the expression of their professional values and identities (for some this was explicitly seen as a compensatory factor for rates of pay which would otherwise have been considered inadequate – a so called 'salary sacrifice' – but for other workers this was not the case).



## Financial considerations

Evidence of cost-effectiveness, professional expertise and high-quality employment arrangements, as noted above, had evidently been crucial in allowing the case study organisations to position themselves robustly in complex institutional environments, including those involving quasi-market and market relationships. In fact most, even those operating on a relatively modest scale, were operating in multiple settings and drawing on a range of funding sources, from within and beyond the state. Being **active in more than one ICNPO field or group** (even if working on behalf of a single client group, this would happen because clients typically had a combination of needs, for example relating to social as well as health care) could enable organisations to secure **economies of scope** to undergird their positions, and control for the problem of vulnerability to fluctuations in any one policy field or public body (**avoiding having 'all eggs in one basket'**). However, it is important to stress here that these patterns of diversification were only undertaken if it had been established that such involvements were in line with the pursuit of organisations' values.

Organisations described how they **resisted financial and policy opportunities** if the frameworks for delivery associated with these were incompatible with their missions. Moreover, involvement decisions could be considered reversible if circumstances changed, or if organisations learned through experience that activities in some fields were not as conducive to their values as had been originally anticipated. Two of the cases had chosen to **withdraw from state programmes** when initial involvements had convinced them that continued participation would be out of line with their value commitments, even if this meant temporary contraction of economic activity and challenging adjustments for their workforces. In the case of organisations which were charities, developing appropriate responses to these sorts of situations had been seen as very much a joint endeavour for trustee boards and executive staff, supported by external expert advice as required.

Finally, diversified involvements of this kind could give organisations some traction in compensating for some of the rigidities and limitations of quasi-market arrangements noted earlier, because different fields of involvement involved different dysfunctions. At the same time, our **case study organisations generally did not accept that the dysfunctional forms of commissioning they often encountered were fixed in stone**: rather, they sought to actively shape these arrangements, rather than passively accept them. Having established a presence across a range of policy fora, as set out above, there was a chance to improve institutional arrangements by engaging both with strategic officialdom (officers within local authorities, or civil servants in central government); and with politicians too (local and national). The relationships built in and around these arenas provided **channels of communication** wherein organisations could push for improvements in commissioning design. Ultimately to better accommodate their expertise and specialist contributions, and thus ensure that the needs of their clients and communities could be better met.



## METHODOLOGICAL NOTE

This research formed part of the TSI Project's Work Package 5 which concentrated on identifying external and internal barriers to third sector development. It comprised: a literature review; online survey; interviews with key stakeholders; and case studies.

### Literature review

A review was conducted to provide an overview of the institutional, policy and resource situation of third sector in the UK. Within this strand of the work, there was a specific emphasis on a 'stocktake' of third sector surveys undertaken as part of previous research

### Online survey

The TSI online survey was adapted for the English context and for use with Qualtrics online survey software. The questionnaire had three parts and comprised mainly of fixed responses. Part one focused on the assessment of potential problems confronting organisations and covered: financing; human resources/personnel; governance; image; facilities; external relations; legal and institutional environment; and sub-sector infrastructure. Part two focused on possible trends in third sector development, broadly covering the same areas as part one. Part three asked for organisational information: main clients/beneficiaries/users; main areas of work; main roles; legal structure; geographic area; number of employees; number of volunteers; length of existence; and turnover/income.

A database was obtained through the National Council for Voluntary Organisations containing the name, contact email address, region, income, ICNPO code and category of 128,582 charities. Organisations falling into a broad definition of social welfare, namely working in ICNPO groups 3, 4, 6, 7 and 8, were extracted (just over 55,000). An invitation email with a link to the questionnaire was automatically generated and sent (there was an option to opt out of future emails). A reminder was sent after three weeks. The survey was conducted between July and August 2015. 1,182 useable responses were obtained.

### Research with expert stakeholders

A central part of the methodology was the assembly of a national third sector 'expert' group to offer guidance and insights, individually and collectively. The group was formed building on the authors' perceptions of the most knowledgeable individuals and organisations, based on having undertaken research on third sector policy and practice for more than two decades. Experts were drawn both from the sector itself, including umbrella or 'infrastructure' bodies; and from others with an intimate knowledge of the sector, especially





in relation to social policy, acquired through research, policy, practice and media roles. Finally, this group included those with in-depth knowledge of different organisational types, including charities, social enterprises and co-operatives were approached.

Twelve individual-level interviews with group members were conducted, the majority face-to-face, but with a small number by telephone. Interviews took place between June and July 2015. The interviews were semi-structured and covered 9 topics: personnel; finances; legal and organisational formats; governance; image; sectoral infrastructure; equipment; inter-sectoral inter-organisational cooperation; and a request for case study examples. The group also met collectively twice to ensure the research objectives were aligned with the UK situation (2014); and later, to review provisional findings (2016).

## Case studies

Case study exemplars were selected with the guidance of the national expert group on the basis of exemplars' ability to demonstrably achieve significant impact in recent years, in spite of the challenges posed by the current policy and practice environment. We covered range of organisational types, ensuring both charities and other third sector organisations were included in this part of the research. A total of 6 case studies were produced. For each case a review was conducted of available documentation, and at least two interviews were conducted with key members of the organisation. The semi-structured interviews ranged widely, including historical origins and mission/values; human resources; governance; leadership; funding and relationships; innovative practices; and future outlook for the future.

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