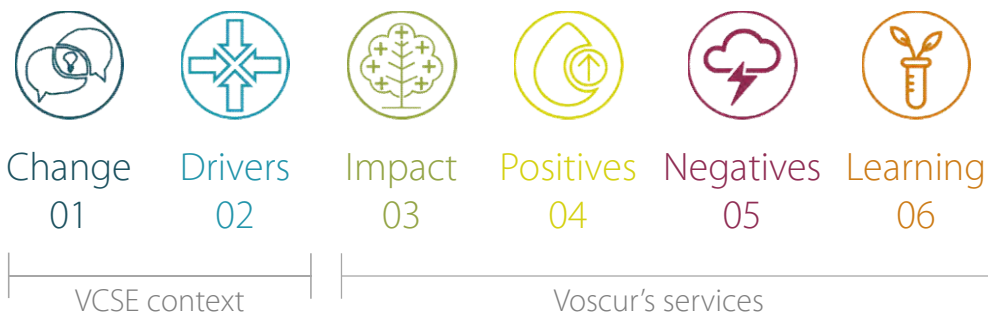# Strengthening Bristol's social economy

An evaluation of Voscur's impact on VCSE organisations

Local organisations innovating out of adversity is a positive sign but a healthy and sustainable VCSE ecosystem needs political as well as practical support

Change 01   Drivers 02   Impact 03   Positives 04   Negatives 05   Learning 06

VCSE context   Voscur's services

QuIP methodology

Unlike some other evaluation methods, QuIP requires interviewers to begin by asking organisations about the changes affecting their work, rather than the importance of a specific intervention or piece of support. Ideally, organisation would not have been aware of any involvement of Voscur until after the study is complete but the practicalities undertaking the study meant that Voscur introduced the work as a study about changes in the Bristol VCSE sector which was run in partnership with Bath Social and Development Research. This approach produces a much richer and broader understanding of the

factors shaping the VCSE sector than traditional evaluations. This is valuable to Voscur, its users and the sector's other stakeholders, e.g. the local authority, public services and funders.
Other benefits of the QuIP approach are that it:

☐ **Reduces bias**
by separating support delivery from evaluation and focusing on outcomes, not inputs

☐ **Clarifies attribution**
by documenting all the drivers of change, not just the results of one particular service

☐ **Improves learning**
by capturing both negative

and positive changes and the causes and effects that make up stories of change

☐ **Remains accountable to participants**
because it starts with people's unprompted perceptions of what's most important for their organisation.

QuIP was developed by the Centre for Development Studies at the University of Bath and is now managed by Bath Social & Development, a non-profit research organisation.

Scope of this study

24 VCSE organisations were interviewed by independent researchers between February and March 2018. The organisations were selected from a long list in order to cover a purposive sample of groups in Bristol's VCSE sector, in terms of their size, type of work and the input received from Voscur.
11 were small (or micro) organisations (turnover < £10k), 12 were medium sized (turnover £10 - £100k) and two were large (turnover £100 - £500k). One group worked exclusively in the North of Bristol, two exclusively in the south, six exclusively in East-central, 10 citywide and five in Bristol and beyond.

01 | Organisations are investing in strategic planning and new ways of working as a response to continued adversity

Embracing change and innovation is reshaping the VCSE sector

Reviewing organisational aims and operations resulted in the most prominent and widespread impact - especially for larger organisations – primarily through better planning, clearer goals and more effective delivery. This is clearly a response to the major external pressures on organisations and recognition that new ways of working are required in a context of continued austerity and rising demand.

It is a positive sign the sector is seeking new business models and some of the new approaches and structures being implemented now should translate into greater strength in the future.

Funding pressures and cuts elsewhere are driving inequality between organisations as well as individuals

Organisations appear to be facing similar inequalities and division as their clients: those working closest to local communities are increasingly sensitive to income fluctuations and difficulties can easily become vicious circles of decline. Larger groups are more resilient to such challenges but the social economy as a whole is likely to be less effective without a healthy ecosystem of micro as well as major providers.
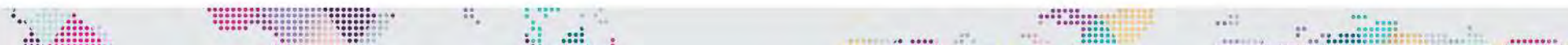
Organisational review was identified as the primary driver of positive change by the majority (18) of respondents

Most groups (19) said lack of funding had been the most prominent negative factor

We've done a major review of the organisation in the last 2 years and restructured into an agile system of working. It's a flatter staff structure and we've grown by 30%.

QuIP

02

Cuts to local services, increased need and lack of funding are the principal difficulties for local organisations

Unsurprisingly funding remains a critical issue, with smaller organisations most directly affected – funding pressures were harder to deal with and new income made a more profound difference.

More is now expected of us - you either 'learn and do' or lose your funding. Sheer necessity is making us equip ourselves better. We hold people's lives in our hand when we pick up the phone.

For larger organisations, lack of funding (and other negative drivers) had a less pronounced impact, showing they have the resources and resilience to better cope with challenges and change.

For smaller groups, external changes that negatively impacted their service users (e.g. public service cuts, benefits reductions and prejudice) were felt as more significant for the organisation as well, suggesting perhaps that they were more likely to be called upon to help clients with problems not necessarily related to the specific services they provide.
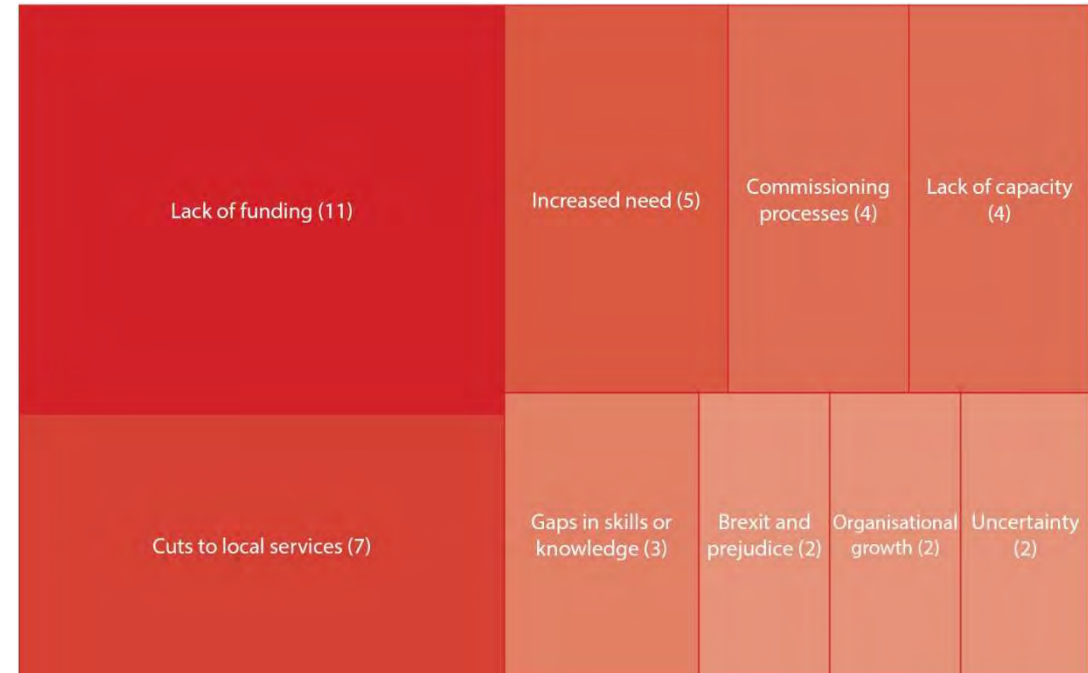
This heat map illustrates the relative prominence of negative drivers experienced by organisations. The size of each area and darkness of the colour shows the relevant issue affected more organisations. The number is a count of respondents.

Two thirds of organisations (16) identified a deficit in delivery capacity to meet client demand
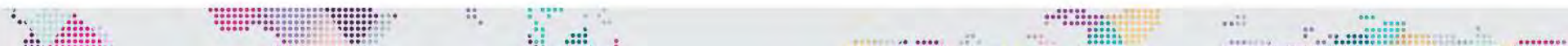
02 Organisational review, collaboration, funding support and training were the main routes to strengthen organisations

By taking a step back and exploring their aims, methods or objectives, organisations were able to work towards a number of positive outcomes: better planning, improved leadership, increased collaboration and greater funding capacity.

Commissioners want collaboration to reduce replication. It's a good thing. We've seen lots of positives from our partnerships, not just for funding, but sharing resources, policies, peer mentoring …

New business models as well as traditional fundraising and contracting, led to new or increased income, expanded service provision and improved skills through recruitment and training.

Service user consultation seemed relatively more important for smaller groups, suggesting they're more influenced by demands coming up from the grassroots. Whether larger groups are influenced more by policy and strategy from the top down is unclear.

Collaboration is also relatively more important for smaller groups, probably because its impact can be far-reaching and transformational – and because, as junior partners, changes are more often beyond their control.
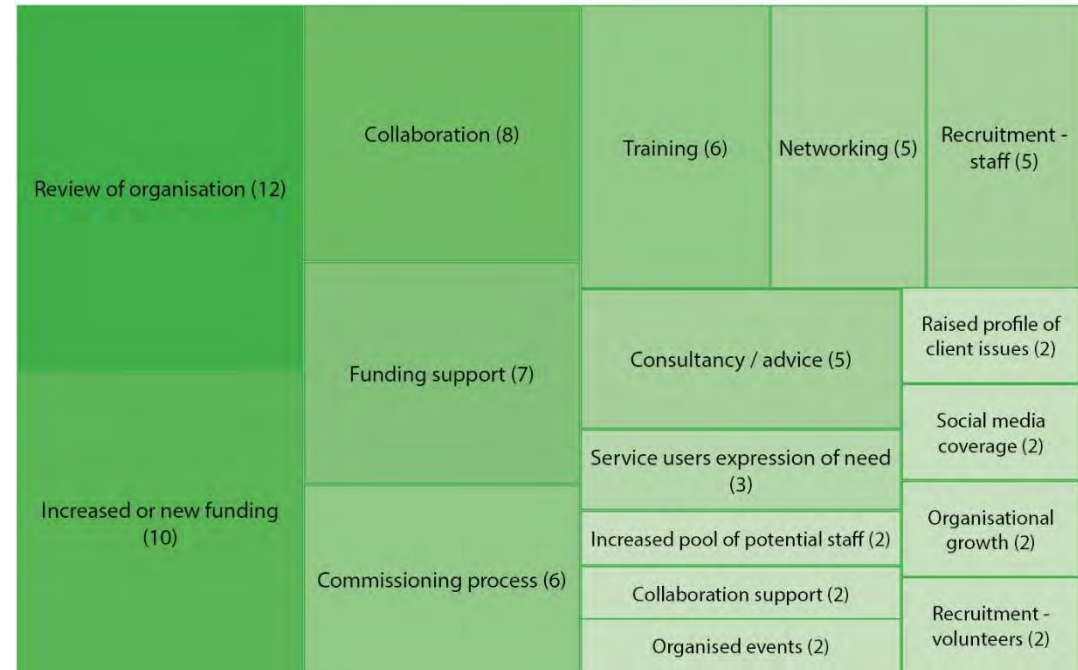
This heat map illustrates the relative prominence of positive drivers experienced by organisations. The size of each area and darkness of the colour shows the relevant issue affected more organisations. The number is a count of respondents.
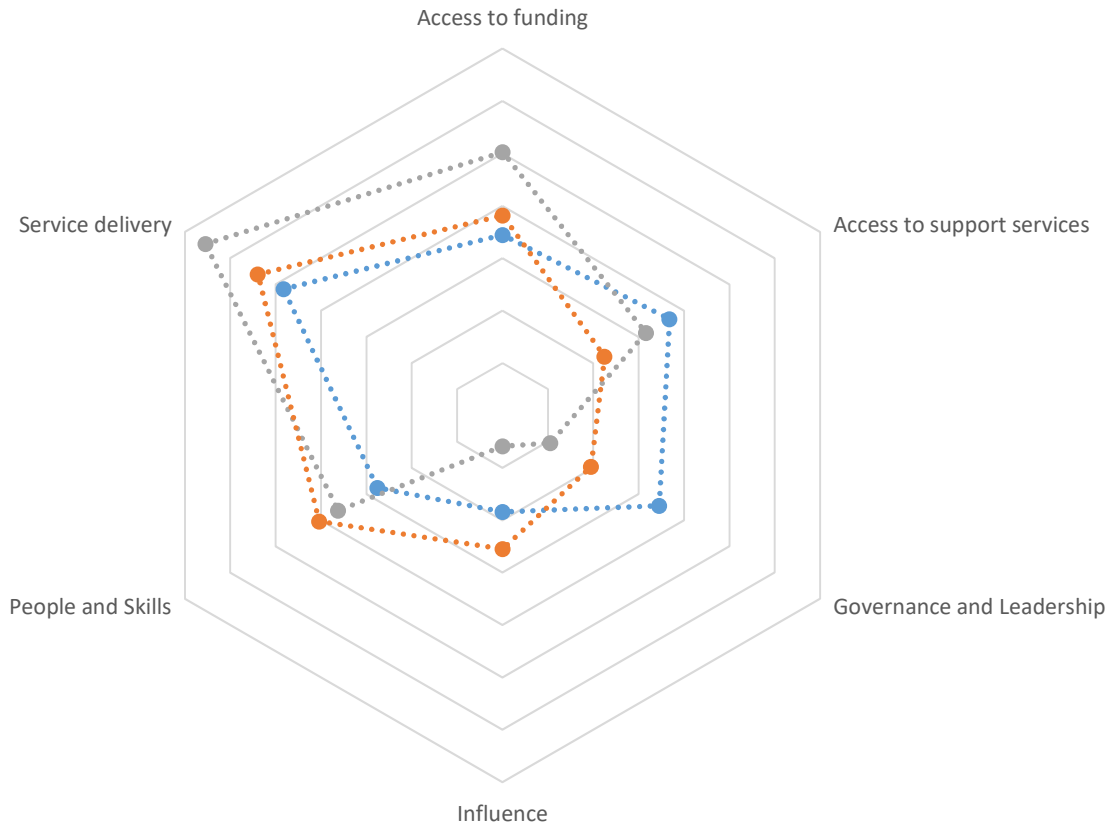
87% of organisations are already diversifying their income through enterprise or investment, or are planning to do so [1]

QuIP
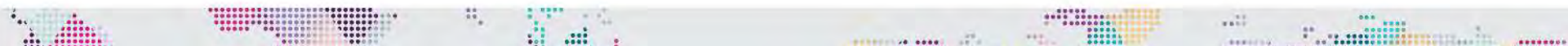
03 | Voscur's most significant impacts are well aligned with the challenges and opportunities affecting local groups

Radar chart axes: Access to funding, Access to support services, Governance and Leadership, Influence, People and Skills, Service delivery

Legend:
- Voscur's input (total: positive drivers explicitly attributed to Voscur)
- External pressures (total: negative drivers explicitly attributed to external factors)
- External enablers (total: positive drivers explicitly attributed to external factors)

This diagram shows the profile of impact on organisations resulting from three types of driver:

1. External positive drivers ("enablers"), e.g. organisational review, collaboration, funding support.
2. External negative drivers ("pressures"), e.g. cuts to local services, lack of funding.
3. Drivers of change specifically attributed to Voscur services, resulting in positive outcomes.

This kind of analysis is possible because QuIP first identifies the cause and effect of change before seeking to link them to specific interventions. In this way it provides rich intelligence about the environment, as well as the effectiveness of Voscur's services.

Separating the pressures and enablers impacting the sector from Voscur's specific inputs highlights

several key points:
1. Voscur's inputs are well aligned to mitigate the pressures and enhance the opportunities impacting local organisations.
2. Voscur's impact is especially evident for delivery capacity, funding and leadership.
3. Expanding Voscur's support for planning and leadership is likely to have most impact on local groups (through organisational change and new ways of working).

Voscur ran a very excellent change management programme for us over spring and summer. It was very helpful in getting us geared up to make the changes we needed to.

QuIP
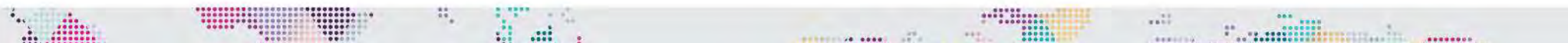
04 | Improved planning is the most crucial step between Voscur's support and positive organisational outcomes

Most of the positive impacts created by Voscur resulted from its support for strategic planning, skills development, funding and collaboration.

The secondary drivers and outcomes of from these interventions rarely had simple one-to-one relationships: rather the causal chains from different activities interrelated and reinforced each other in different ways.

The diagram below shows links between positive drivers and outcomes that illustrates the effects of changes and trends that a wide range of organisations could identify with.

The weight of connecting lines indicates the strength of connection between drivers and outcomes.

We identified the need for trustees with particular skills and recruited a lawyer and PR person. Grant funding allowed us to develop a longer term strategic plan we're just now putting into place.

QuIP
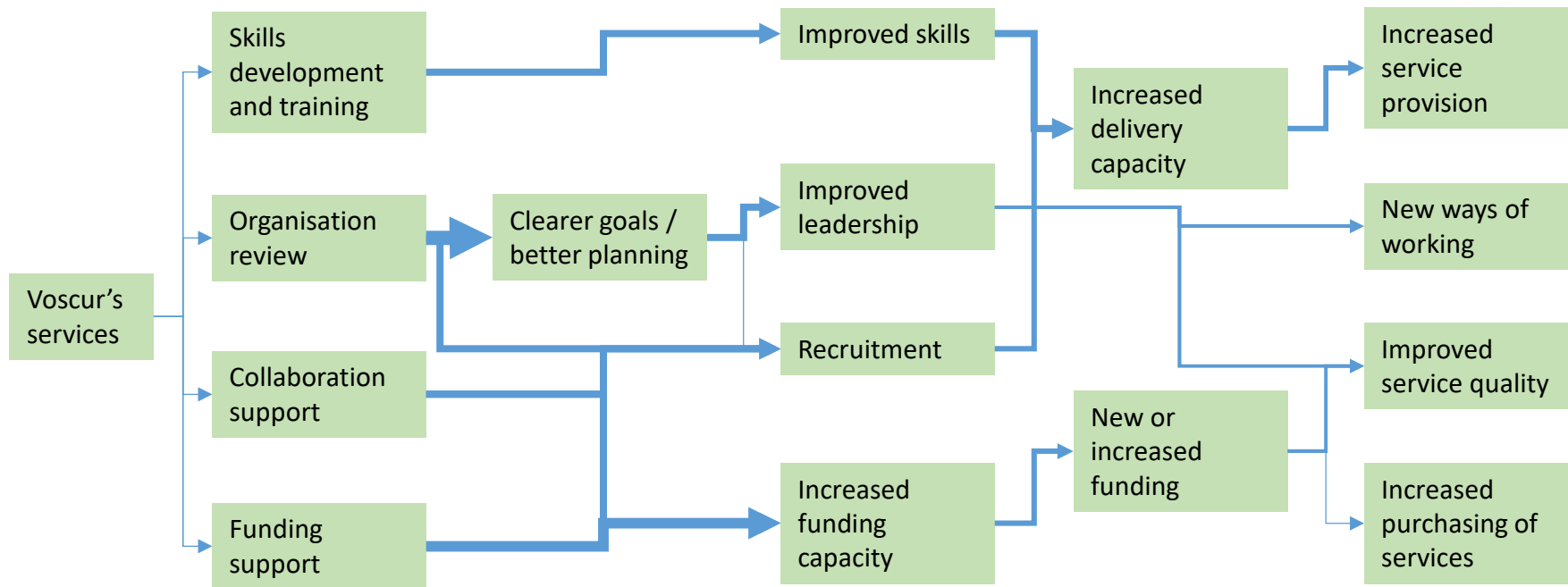
# 05 | Difficulties for organisations can quickly impact service users but may force positive changes too

For organisations which had not managed to adjust to the new operating climate, lack of funding and increased demand from clients produced a negative spiral of diverting resources into fundraising and away from service delivery.

Necessity also produced invention: changes in funding led to new collaborations and services (highlighted in orange below) with organisations seeking fresh ways to serve their clients.

The diagram below shows links between negative drivers and outcomes that illustrates the effects of changes and trends that a wide range of organisations could identify with.

The weight of connecting lines indicates the strength of connection between drivers and outcomes.

We're doing all of it - trying to get funds from trusts, businesses, academia, the NHS - but have even less time for service delivery now as without a council grant we're fundraising for staff salaries too.
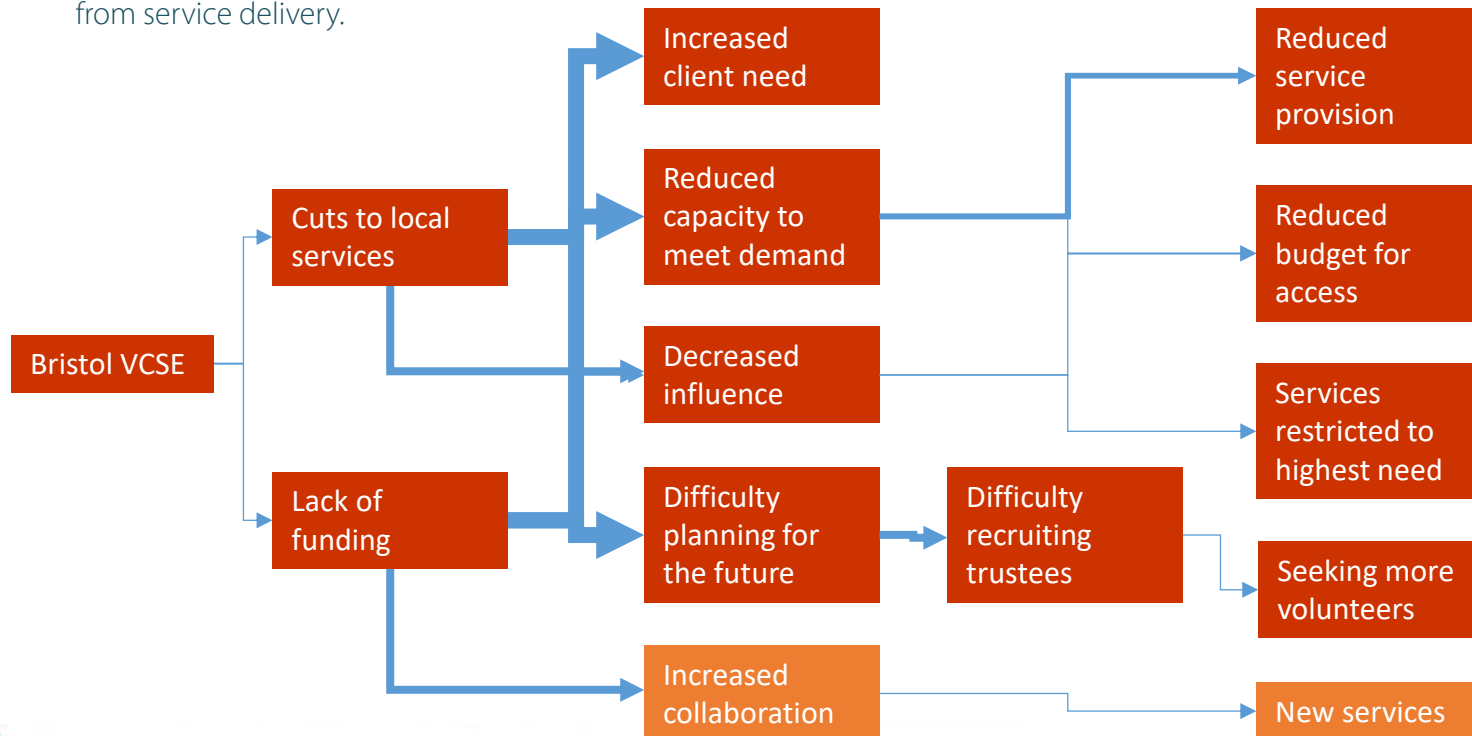
QuIP

06 Learning and implications for the VCSE and its stakeholders

Key findings from the study

o Commissioning processes (rather than internal business planning) usually drives collaboration - leading to a wide range of positive impacts, especially for smaller groups

o Funding support primarily creates increased funding capacity, rather than leading directly to new funding

o For smaller groups, changes that negatively affect their clients - cuts to local services, cuts to benefits, Brexit, discrimination - are likely to be seen as more significant than for larger organisations.

o Lack of funding and decreased capacity led some groups to seek more volunteers (though whether this was to replace paid staff or offer alternative services is unclear).
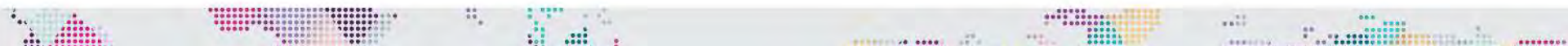
Stakeholder implications

✓ Commissioners could make a significant contribution to sector development by communicating commissioning intentions more effectively.

✓ Collaboration doesn't happen without a degree of competition. Partnerships on their own cannot relieve the sector's financial constraints if the overall level of funding continues to reduce (unless collaborating leads to new opportunities that wouldn't otherwise have been available). All stakeholders need to look beyond organisational loyalties to the greater good and embrace a degree of consolidation, through merger or closure, as an inevitable and often positive part of the process of change.

✓ Commissioners and investors need to acknowledge the complexity of building sustainability and time required to realise long-term income stability and resilience from funding support.

✓ Policymakers and larger VCSE organisations need to understand and cultivate this network of 'first responders' [2] that are often called upon to help clients with problems that are not necessarily related to what their services offer, and in so doing create social value and new ways of working that ultimately benefit the whole sector.

✓ Social action can be a creative response to changing needs as well as reduced funding but supporting volunteering and asset-based community development should not replace professional paid staff nor be promoted without adequate approaches to risk and safeguarding.

QuIP

06 | Learning and implications for the VCSE and its stakeholders

Key findings from the study

o Smaller groups identified lack of funding as more of a challenge, and securing funding made a clearer positive difference. For larger groups, lack of funding, and other negative drivers, had a less pronounced impact, suggesting they have the resources and resilience to cope better with challenges and change than smaller groups.

o Overall, more organisations reported negative rather than positive changes in funding, echoing the national picture of a growing minority and a struggling majority.

o Organisations working in more focused geographies (rather than citywide or regional), i.e. smaller groups, appeared to benefit less from positive external events and struggle more due to negative ones.

o The immediate responses to lack of funding are obvious: decreased capacity to meet need and reduced service provision. The impact of subsequent causes and effects (reduced staff development, narrower service eligibility, weaker governance) may take longer to become evident but risk leading to greater impact on public expenditure and public health as clients' problems are addressed less proactively and/or displaced to other services.

Stakeholder implications

✓ Development agencies such as Voscur need to secure the resources required to help smaller organisations strengthen their existing skills and models with the commercial approaches that larger VCSE groups are already exploiting successfully.

✓ There appears to be a spectrum of resilience related to an organisation's size: towards one end, an organisation's problems are more likely to become vicious circles and successes are less likely to become virtuous circles; at the other end, challenges are more readily addressed and achievements multiply. So although creative, the survival of smaller groups is not a given, and the clear value they create in being closer to their service users may be lost. This is where practical support can only be partially effective without allied policy and political decision-making.

✓ Demand for whole system change and the mechanisms that enable it (social investment, impact bonds) is likely to increase as a result of current cuts and austerity. In the long run, this should be positive: less revolving doors for clients and better coordinated, more effective services. However, most stakeholders aren't currently ready for that level of change and, as this study found, organisations usually start working together only when they have to. Development agencies such as Voscur can help develop the necessary skills required for such change – policymakers must develop the necessary conditions.

QuIP
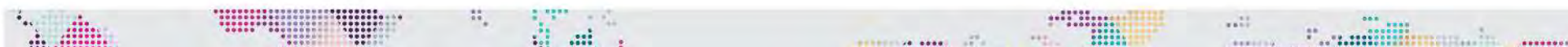
06 | Key insights for Voscur's service development

Analysing the results of this evaluation and the impacts specifically attributed to Voscur's support provides four key areas of insight for future service development:

1. Voscur should do more:
o Leadership development
o Strategic planning (in-house training and consultancy)
o Collaboration support
o Funding support
o Future training needs analysis

2. Voscur should aim to mitigate the negative impact of:
o Difficulty planning
o Decreased delivery capacity
o Decreased influence
o Weaknesses in governance and finance

3. Voscur should review:
o Mentoring matching processes
o Lack of formal relationships with professional suppliers
o Customer expectations of "open" and "bespoke" training courses

4. Voscur should aim to amplify the impact of external drivers:
o Increasing delivery capacity
o Improved planning
o New skills and ways of working

Voscur

Driving Bristol's social economy

www.voscur.org

References:

1. Future of the Sector survey, Voscur, 2017.

2. The Value of Small, Lloyds Bank Foundation, 2018.