

**Scottish Third Sector Research Forum
Second Quarterly Meeting - 18 August 2009, St Andrew's House, Edinburgh**

In attendance:

Geoff Pope, Third Sector Division
Sandy Watson, Scottish Enterprise
Ruchir Shah, (SCVO)
Antonia Swinson (SSEC)
Linda Boyes (ACOSVO)
Louise Meikleham (OSCR)
Helen Harper (VDS)
Chris Higgins (HIE)
Kathy Cameron (COSLA)
Gerry Higgins (CEiS)
Silvy Peeters (ESS)
Julianne Murphy, Scottish Government
Kay Barclay, Scottish Government
Tracey Houston, Third Sector Division

Apologies:

Eleanor Burt (St Andrews University)

Minutes

The minutes from 27 April were formally approved. Minutes from future meetings will be circulated to members with a two week window for comment/suggested amendments before placing on the Scottish Government website.

Members Updates

Geoff Pope (SG)

· The Opportunities and Challenges of the Changing Public Services Landscape for the Third Sector in Scotland - A longitudinal Study

Following the standstill period, the contract for this research will be awarded to Edinburgh University/Edinburgh Napier on 18 August, with the

inception meeting on 20 August. The study will track the opportunities and challenges that third sector organisations face in a changing public services landscape in Scotland, including the Concordat, from 2009- 2014. Twenty organisations will be tracked, with eight of these as in-depth case studies. A broad range of organisations will be included, covering the main themes that the third sector is involved in. Regular updates on the progress and findings of the research will be provided. One external annual report may be available (to be confirmed at the inception meeting) and the researchers may be invited to the Forum next year.

· Evaluating the Success Factors for Establishing a Thriving Social Enterprise

An interim award has been made which is currently under the stand-still period. Work will begin in September. The research will examine 10-12 social enterprises in depth to gain an understanding of how they identify success factors, and how effectively these factors are being supported by current support structures.

It was noted that the earlier suggestion that refugee groups may be involved in conducting some of the work had narrowly missed inclusion in the research specification. This will instead be discussed with the contractor at the post-contractor negotiation stage

· Engagement in Community Planning Partnerships in the Third Sector

This research has been delayed due to the number of projects out to tender recently. It will be advertised shortly on the Scottish Government website. The link will be circulated to Forum members. The tender will be awarded in December with work to commence in January 2010.

· Contribution of the Third Sector to the Government's Purpose and Five Strategic Objectives

This report is currently being finalised for publication and will be circulated on publication. The key findings suggest that:

- o There is evidence of the third sector's contribution to economic and social life in Scotland and an important role in contributing to the Scottish Government's strategic objectives.
- o Wealthier and Fairer has been a significant focus of research and there is clear evidence of the third sector's contribution to Scotland's economy as an employer, through the work of volunteers and from the work of credit unions.
- o There is a lack of depth of knowledge on the contribution to Smarter but it is clear that the third sector (including social enterprise) plays an important role in education provision.

- o The third sector makes an important contribution to the Healthier objective, but there is a need for more evidence on the role of third sector organisations in multiagency health partnerships.

- o There is a large amount of work relating to Safer and Stronger, much of it relating to communities, housing, advocacy and the arts, highlighting services provided by the sector.

- o The contribution to the Greener objective is the hardest to assess as there is less material. There is some evidence on encouraging participation in environmental activities, community recycling and heritage work, but few wide ranging studies of the sector's work.

Whilst the study did not present a great deal of evidence of the contribution of the third sector, it was useful in identifying gaps. Discussions at the Round Table on Resilience in April highlighted the role of the third sector in health care delivery. Further understanding of the impact of the third sector in this area is therefore needed. Early discussions are underway with analytical colleagues in Health Directorate to scope out proposed research to look at -

- o Enterprising third sector delivery of health services in the UK (and possibly similar sized European countries)

- o Potential for third sector delivery of health care services in Scotland

Other areas relating to the strategic objectives, in addition to health. are likely to follow suit. In terms of general mainstreaming of third sector issues, the main route will be through the cross-directorate group within government.

· **Social Enterprise and Private Sector Partnership**

Scottish Business in the Community are proposing some research into social enterprise and private sector partnership, building on the earlier 'Community of Business' work.

The research objectives would address -

- o How does working in partnership with social enterprises meet private sector strategic objectives?

- o How do these partnerships provide economic benefits?

- o Society and environmental benefits

- o What are the indicators of a successful and sustainable partnership?

- o Barriers to partnerships

- o How best to engage a private sector business in partnerships

- o Examples of best practice

Points raised -

- It is unclear how this work may be funded, but the Scottish Government may be in a position to consider match-funding. A sector partner would be needed.
- SECC expressed interest in perhaps being involved in the focus group as this work could follow on and add value to a series of events with SDI and the Scottish Chambers of Commerce. SECC has been doing some work around community benefit clauses, which the private sector doesn't always understand. This research would also link with 'Ready for Business'. The scale of research is unclear, but may be extensive and will come from business in their language. Dissemination will be important as this work could be a powerful tool. Marketing and CSR (?) through procurement practice may be an angle from this. Research around the potential of this could be useful.

Louise Meikleham (OSCR)

- OSCR's Research and Evaluation Plan for 2009-11 includes a range of actions which will take account of performance reporting, internal analysis, evaluation, themed studies, and standalone or collaborative research projects
- The aims of any planned research will fit as far as is possible with the Scottish Government's National Performance Framework and OSCR's strategic objectives, statutory obligations, mission and values.
- A project is planned on the resilience of the third sector - in relation to both the recession, and the general ability of organisations to return to form after change/challenges. Input from Forum members would be welcome.
- OSCR holds information for a large number of organisations, including profile information and regulatory history. Where contact has been made with OSCR for e.g, compliance, investigations, change of constitution, wind up etc, profile characteristics and reason for contact can be analysed for any correlation and potentially a risk profile could be used as a proxy for resilience. The aim is to help identify where support can be better directed and it is hoped that the findings could be used widely.
- Capacity is limited in OSCR for the analysis required in the timeframe involved (work to be completed by the end of the financial year) and the work may be opened to tender. It is hoped to advertise on the Scottish Government portal.

Points raised

- **SG researchers, Kay and Julieanne offered to help with the tendering process.**

It was noted that the Centre for Charitable and Philanthropic Giving led by Stephen Osborne at Edinburgh University is currently looking at four proposals, including work on charities and resilience. This work will be

academic, but may provide useful policy information and suggest possible contractors.

- There are parallels with SMEs and other organisations.

- Consultants may be better placed than academics to conduct a small literature review and data analysis. This could be looked at in more detail later as it is important to look behind the data -

- o to interpret the data fully and connect with other pieces of research relating to financial sustainability etc

- o Scottish charities are a wide sector with a range of issues, so the work may need to be narrowed down. The study would investigate a defined period e.g. six month window to look at charities with significant regulatory events. It is recognised that the information held by OSCR may not provide the overall picture. The work will provide a baseline/snapshot that can be repeated.

- o A picture needs to emerge of what organisations are doing to address change

- o The perception of challenge needs to be defined - is this the perception of OSCR or of the organisations? Proxies would be used in coming to OSCR for specific change.

- o The proposed SG Resilience Fund will potentially provide a body of non research-based evidence as to why organisations may be struggling.

- o The work will be advertised in September. A balance will need to be struck between budget, time and quality. The Centre for Philanthropy and Giving may be able to provide some background information. **GP will investigate if something can be written into the applications for the Resilience Fund.**

Antonia Swinson (SSEC)

- SSEC has contributed funding towards the Scottish part of the OTS survey of 1000 UK social enterprises (84 in Scotland)- 'The State of Social Enterprise in the UK'. Eighty questions were asked covering a range of issues.

- The data is currently raw and requires closer scrutiny before drawing conclusions or comparisons with the rest of the UK. The report will be launched at the end of September, with possibly a separate report for Scotland. An update will be provided at the next Research Forum

- The MORI 'Attitudes to Social Enterprise' survey will be published at the end of August. SSEC had bought two key questions around (1) awareness of social enterprise and (2) attitudes to procurement. An update will be provided at the next Research Forum

- SSEC will also share the results of their member's survey relating to organisational and trading conditions.

- A scoping study is planned to collate the databases of a range of 23 intermediary organisations. This is a large piece of work with several technical challenges that will require professional help.

Points raised

- OSCR carry out an annual survey into public awareness/perception of charities. This involves a paper-based and telephone approach and focus groups with incentives to improve response. The results of 'Public and Charity Perspectives' were published in July on OSCR's website and are available on the SCVO Evidence Library. Possibilities for consolidating approaches to public attitude surveys will be discussed at the next Forum (SG buys into the annual Scottish Social Attitudes Survey, whilst MORI Ipsos survey is monthly). **In advance of the next Forum, members should consider the information that they currently collect and the information that they would like to collect for consideration of purchase as a single group.**
- There are various areas of possible research - e.g. sector-based rather than model based. E.g. HIE include cultural social enterprise (key areas of growth) within their strategy.
- HIE are working with the University of the Highlands and Island Millennium Institute (UHIMI) around the impact of the recession on the community of Helmsdale (fragile and remote) and have found little hard evidence other than in perceptual terms.
- OSCR agreed that the stats seem to be stable with little evidence of recession impact other than perceptual.
- The results of SSEC's monthly member's questionnaire had suggested that new ideas for business and innovation were emerging as a result of the recession.
- CEiS had received a record number of crisis management assignments. There was perhaps a reluctance to report to wider groups (e.g. redundancies happen discretely). It was also difficult to tease out why public authorities were not purchasing from the third sector as much as before.
- COSLA reported that there were enough projects to keep businesses on the go, but that as they end, problems may arise - e.g. evidence of redundancies in the area of construction.
- SCVO felt that the impact of the recession was being felt most keenly in the private sector and that only certain parts of the third sector may feel the impact. The full impact has not yet hit and planning is needed to prepare for this. Statistical analysis is needed to look at the balance of funding from contracts, numbers of staff, sectoral information etc. Members of the Forum will discuss a joint approach to this at the next Forum. As a group the Forum needs to decide what information is needed. SG also hope to report on the work being done on the national indicator for the social economy.

- CEiS pointed out that third sector organisations frequently have voluntary boards that may be more reluctant to cut costs than the private sector. They often may try to secure more income rather than cut costs. This may be a factor when considering the impact of the recession/resilience as third sector organisations often 'fall off cliffs' rather than 'go downhill'. A culture needs to be created whereby organisations seek advice when problems first arise to help cut costs and preserve the service. Perhaps a workshop along these lines could be included at the next S2S trade fair.
- The private sector is often willing to take an early hit to survive and they can often relocate. Conversely, very few third sector organisations can relocate easily. However, it is a complex issue as it is not easily determined whether difficulties have arisen due to the recession or whether they would have happened anyway due to other factors.
- The SG has been in discussion with Martin Steppeck in relation to family businesses with problems around succession. These businesses are often closely linked with communities. There is ministerial interest in this area.

Evaluation and SROI

- The numbers of expected SROI reports by end 2010 is estimated at ~100 (74 +20%, due to halo effect). It would be useful to aggregate SROI and evaluation reports to see what key themes/areas of impact might emerge.
- Evidence gathered from small-scale projects need to be included to build the bigger picture and demonstrate their contribution towards national outcomes.
- A central database/repository for evaluation reports (including SROI) could be helpful - but there is a risk it may not be used.
- The Scotland Funder's Forum was identified as a stakeholder who may be able to help take this issue forward. **SCVO/HIE will raise the matter at the next Funders Forum on 1 September to help establish what information is currently collected (different formats and timescales are likely to make this difficult).**
- SROIs, as valid measurements of impact, are important in Single Outcome Agreements and indicate much more than just the service delivered.
- Aggregation of data is crucial in communities where organisations network and work closely together. It was agreed that cultural and community enterprise should be added to the agenda for the next Research Forum in January. HIE currently have a vacancy for a research officer (following Catriona Craib's recent departure), but a new member of staff should be recruited to work in this area shortly.

AOCB

- SSEC are sponsoring a 'Masterclass in Social Enterprise' in Paisley Abbey on 7 October in conjunction with the Kibble Education Centre and others. Speakers include Tim Smit, CEO and co-founder of the Eden Project and Graeme Bell, CEO of the Kibble Education Centre. Groups of

clients/members are welcome at this interactive event. **AS to circulate details to all.**

- The evidence review 'Contribution of the Third Sector to the Government's Purpose and Five Strategic Objectives' highlighted various third sector approaches to bridging the employment market for people with social and complex needs.

- ESS Conference, 'Learning from Evaluation, Fitting the Pieces Together' will be on 13 January 2010, including case studies from a mix of organisations who have tried to pull together the learning from evaluation. **An invitation/ programme will be circulated to all.**

- The Scotland Funder's Forum has set up a working group to harmonise reporting and come up with practical ideas to make reporting more meaningful and useful to third sector organisations and their funders.

- SCVO have already circulated details re the Third Sector Research Conference on 26 October which will be co-hosted by SCVO and the Centre for Public Services Research (CPSR) at the University of Edinburgh Business School.

- The next SSEC S2S Trade Fair will be held on 21 April at the Edinburgh Corn Exchange

Date of Next Meeting

- **The next meeting of the Scottish Third Sector Research Forum will be held on 19 January in St Andrew's House, Edinburgh**