The value of small:
evidencing the distinctive contribution and medium sized charities

A research project for the Lloyds Bank Foundation for England and Wales

Stakeholder Briefing Note - April 2017

Introduction

The Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University, in partnership with the Sheffield Business School (SBS, based at SHU), the Centre for Voluntary Sector Leadership (CVSL) at the Open University and the Institute for Voluntary Action Research (IVAR), has been appointed by the Lloyds Bank Foundation for England and Wales to undertake a research project entitled ' The value of small: evidencing the distinctive contribution of small and medium sized charities'. This briefing note provides key stakeholders with an overview of the project.

Aims and objectives of the research

The project is an in-depth study of the **role and value of small and medium-sized[1] charities** in four case study localities, which aims to build on earlier data analysis and an evidence review commissioned by the Foundation.

At the heart of the study are a series of over-arching questions that have been posed by the Foundation which aim to provide evidence about the contribution made by small and medium-sized charities operating at a local level:

1. Do locally-based small and medium-sized charities play a distinctive role in tackling disadvantage as part of a local ecosystem of providers?
2. Are the distinctive features of locally-based small and medium-sized charities recognised by the people who use their services? How does the service they receive compare to those of other providers?
3. What is the value for money and wider social value that a locally-based small and medium-sized charity provides?
4. Have public funding approaches helped or hindered the work of locally-based small and medium-sized charities? What are the most effective ways of funding small and medium-sized charities to deliver services to those facing disadvantage?

[1] For the purposes of the study the Foundation has classified a small/medium charity as one whose annual income falls in the range £25,000-£1million. This the size range within which the Foundation makes grants.

Methodology

The study involves a three phase methodology to answer the research questions, beginning with a scoping phase to gain a broader understanding of the context for the research, followed by an intensive phase of data collection, and concluding with data analysis and reporting phase. More information about what each phase will involve is provided below.

Phase 1: scoping

Scoping will involve a number of key activities:

- **Evidence review:** updating an evidence review undertaken by IPPR North for the Foundation in 2015-16, focussing on what this evidence tells us about each of the research questions, and highlighting gaps in the evidence base.
- **Secondary data analysis:** a preliminary mapping exercise of small and medium-sized charities in the UK, broken down by local authority area. Using the Register of Charities as a start point, but also drawing on data on public sector procurement and independent grant making, this analysis will compare a range of characteristics across local authority areas in support of the sampling process.
- **Sampling:** four case study areas (contiguous with local authority boundaries) will be identified based on a range of geographic, demographic and contextual criteria. This process will draw on stakeholder and research team insights, secondary data analysis and initial scoping discussions in each area.

Phase 2: primary data collection (case studies)

The focus of the study will be four in-depth area level case studies. In each case study area primary data collection will fall into two stages:

- **Mapping:** through workshops and interviews with key stakeholders to develop an understanding of the 'ecosystem' of charitable organisations of all sizes in each of the four research areas. Where appropriate and available locally specific documents will also be reviewed.
- **In-depth organisational studies:** focussing on 3-4 organisations within each geographical area. These will follow a loose 'life history' approach in order to build a full picture of the organisation and its place in the local ecosystem over time.

Both stages will involve an accompanying secondary data analysis exercise based on a series of area and organisational level indicators to provide evidence in support of the 'value for money' research question. More detail about each method is provided in the table below. For each phase/method a suite or standardised data collection tools will be developed (see table overleaf).

Phase	Method/approach	Comment
Mapping	Stakeholder workshop(s)	These will involve public sector representatives, key funders, commissioners, umbrella organisations and others who have an overview of the voluntary sector within that area. These workshops will enable the research team to start to build a picture of the context for voluntary action in each area and will enable us to start to get to know the areas and the key features of the voluntary sector within them. Following the workshop we will invite stakeholders to take part in in-depth interviews to pursue any key themes or ideas which have arisen.
	Stakeholder interviews	We will conduct between eight and 10 semi-structured interviews within each area. Each interview will be loosely structured around some of the key themes to have emerged from the workshops, whilst also enabling the interviewees to introduce new ideas which the research team have not already considered. They will also help identify the 3-4 organisations to study in detail.
	Documentary analysis	We will ask stakeholders to identify key local commissioning, policy and strategy documents of relevance to the research. These documents will be analysed by the research to understand the broader context in which small and medium-sized charities are operating in each area.
	Data analysis	Analysis of a series of area level secondary data indicators will be undertaken in parallel with qualitative data collection.
Organisational studies	Interviews/focus groups with: • Staff • Volunteers • Trustees • Wider stakeholders • Beneficiaries	We will conduct approximately eight in-depth semi-structured interviews with a range of people involved with each organisation. This will include staff, volunteers (including trustees), wider stakeholders (such as commissioners) and beneficiaries (if appropriate). The purpose of these interviews will be to develop a better understanding of the organisation within its context. Where particular themes occur across a series of interviews, and where there is willingness on the part of participants, it may be important to bring together a number of people to participate in a focus group. This will enable participants to pursue a theme collectively, supported by the research team.
	Documentary analysis	Documentary analysis will be conducted on a case-by-case basis, and will depend on what documents are available to the research team within each research organisation. This strand of the research will feed into interview/focus groups, as further information and clarification can be sought.
	Data analysis	Analysis of a series of organisation level secondary data indicators will be undertaken in parallel with qualitative data collection. Broadly, these will mirror the area level indicators.

Phase 3: Analysis and reporting

Qualitative data analysis

Analysis will be undertaken in two stages. First, we will situate the data against the research questions for the study, and treat each question as a hypothesis to be tested. Second, we will conduct a series of thematic analyses to draw together key themes emerging from the range of different qualitative data.

Economic analysis

Economic analysis will be undertaken in parallel with the qualitative analysis. This will focus the economic impact and wider social value provided by small and medium sized charities and voluntary sector organisations in each area. It will combine primary and secondary data at an area and organisational level to provide the broadest possible estimates of the economic contribution of these organisations, including comparisons with larger organisations where possible. For example:

- **Descriptive analysis** of each indicator at an organisational and area level, and over time i.e. the number and value of volunteers/volunteer hours; the value of funding from different local/national public sector sources, and independent funders, fundraising etc; the number of people employed, including the number employed that live in the local area; the value of any in-kind resources.

- **Return on investment (ROI)** analysis that compares the value of different resource inputs and outputs at an organisational and area level, and over time i.e. the total value and value per pound (£1) of volunteering outputs compared to public sector inputs/total inputs.

- **The Gross Value Added (GVA)** of small and medium sized charities at an area level, based on the outputs produced by employees and volunteers, to provide an estimate of their economic contribution.

These quantitative indicators and analyses will be combined with narrative insights from the qualitative research to add contextual richness to the findings. In addition, where further 'hard' evidence exists of organisations in the case study areas having particular fiscal and/or economic impacts these will be identified, verified and reported in outputs.

Reporting

We propose providing a number of final research outputs, including a detailed analytical report, summary report, policy recommendations paper, four case study reports, up to 16 bespoke organisational outputs, slide decks and infographic summaries.

Timescales

- April 2017: Finalise 4 case study areas
- May 2017: participatory workshops in each case study area
- May-September 2017: case study fieldwork
- August-November 2017: data analysis
- December 2017: reporting

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