"It's like we're on a very fast train and we've been fixing the train while it's moving, whilst hanging off the side": A preliminary analysis of third sector sport organisations in an era of 'super-austerity'.

Introduction

Following the global economic recession, related austerity policies implemented by governments across Europe have aggravated the challenges faced by third sector organisations (TSOs) in delivering their services and altered their modes of cooperation with the state (Pape *et al.* 2016). In the UK, and since the election of the Conservative government in May 2015, local government, according to Lowndes and Gardner (2016, p. 359) has been 'in the grip of super-austerity'. Following cuts of 51% (£17.1bn) imposed upon the Department for Communities and Local Government by the former Coalition administration between 2010 and 2015, local government is once more faced with further reductions in central grant funding of 56% for the cycle between 2015 and 2020 (HM Treasury 2015, Parnell *et al.* 2015). This is illustrative of super-austerity, wherein 'new cuts come on top of previous ones, compounding their original impact and creating dangerous (and unevenly spread) multiplier effects' (Lowndes and Gardner, 2016, p. 359). In conjunction with the politics of austerity, Lowndes and Gardner (2016) also emphasise devolution as a key tenet of current Conservative political strategy, enabling the government to decentralise governance, and therefore the responsibility of dealing with deeper cuts, to sub-regional and local government. On the other hand however, such devolved and multi-level governance is intended to stimulate multi-sector economic growth around city agglomerations in a move to build a 'smarter' state, whilst concomitantly forcing local authorities to further streamline public sector apparatus (Lowndes and Gardener 2016). As state apparatus grow increasingly residual and public services become more and more streamlined, new providers are encouraged into the marketplace, particularly when attention is turned to non-core services, such as sport, leisure and physical recreation.

In-keeping with their 'Big Society' and 'localism' agendas, the former Coalition administration espoused that solutions to reduced funding of non-statutory services such as sport were to be primarily found between the state and the market, and namely within the 'third' sector (King 2014). TSOs contributing to sport principally include: community and voluntary organisations, charities, social enterprises and not-for-profit organisations (King 2013, Jones and Meegan 2015). However, austerity has not only affected LAs, but TSOs such as charities and voluntary service organisations (VSOs) have also had to face the dual edged impacts of reductions in public and private sector funding in combination with an increased demand for third sector services (Jones and Meegan 2015, National Council for Voluntary Organisations (NCVO) 2016, Pape *et al.* 2016). In turn, TSOs find themselves competing with one another in an increasingly resource scarce fiscal environment, affecting their ability to deliver services, and indeed, survive (Lowndes and Squires 2012, Milbourne and Cushman 2013). Consequently, the direct and indirect effects of subsequent austerity policies have brought about critical shifts in the interrelations between the third sector, the state and society (Pape *et al.* 2016). To expound, King (2014) highlights that local councils have demonstrated a trend away from the direct provision of such services as sport due to a gradual 'hollowing' out undergone by LAs in line with increasing pecuniary constrictions, and have instead had to adapt to novel frameworks of delivery. During the Coalition government's term of office, King's (2014) research demonstrated that LA organizational frameworks exhibited shifts away from a traditional 'ensuring' council model of direct provision of services in areas of sport and recreation, to either that of an 'enabling' model, or to a lesser extent, a ‘cooperative’ framework. The ‘enabling’ model requires a local council to look to the market for solutions, procuring the services of external agencies to deliver platforms for sport at a competitive rate (APSE 2012). In contrast, councils that adopt ‘cooperative’ arrangements facilitate the ‘co-production’ of sports provision with intermediary institutions that lie in the space between the state and market, such as third sector and community organisations (King 2014). However, it is the contention of this article that the relationship between LAs and TSOs is altering further as local councils evolve towards novel organisational frameworks whereby services become chiefly delivered via the third or private sector.

To position the current study therefore, research undertaken to measure the impact that austerity has had on statutory public services continues to grow (see: Lowndes and Pratchett 2012, Metcalf 2013, Jones and Meegan 2015, Lowndes and Gardner 2016), and this body of literature has been accompanied by empirical insights into LA sport provision (King, 2013, 2014, Parnell *et al*. 2015). Yet, scholarly coverage of the impacts of (super)austerity upon third sector sports organisations (TSSOs) is limited, notwithstanding small-scale case study research that documents the increasing resource dependency of a third sector disability sport organisation in the North West of England (Walker and Hayton 2016). To this end, the current study builds on existing research by qualitatively investigating the impacts of austerity upon TSSOs of varying sizes and remits from across England. More specifically, purpose of this research is twofold: to explore from the perspective of TSSOs (of various sizes), their relationships with local authorities (LAs) and central government in the delivery of sport services; and, to understand how TSSOs negotiate the implications of (super)austerity.

A current overview of the state of local authority sport provision

The ‘era of austerity’ ushered in by the UKs 2010 comprehensive spending review under the former Coalition Government led to major cuts in public spending that were to be disproportionately felt at the local government level (Lowndes and Pratchett 2012). As outlined by Lowndes and Pratchett (2012), the Department for Communities and Local Government (DCLG) experienced 27 and 51 per cent cuts to their local government and communities budgets, respectively, over the four year period from 2011 to 2014-15. To compound matters, LAs are in the midst of a further wave of Conservative-led austerity measures, requiring them to make greater efficiencies (Lowndes and Gardner 2016). As outlined by the audit commission (2013), many of the efficiency measures carried out by local authorities (LAs) during the Coalition government’s tenure were one-off savings whereby organisational operations were scaled back as far as possible. Continued fiscal curtailment has triggered the redesign of local services in certain areas to integrate into sub-regional entities. Indeed, between 2012 and 2015, integrated cross-council services have increased from 220 to 416 to reduce costs and engage in joint procurement of services from external providers (Lowndes and Gardner 2016). Proponents of such forms of collaboration help to avoid the duplication of operational activities where possible, promote back-office savings, stimulate greater innovation, and lead to better results-per-pound that if organisations worked separately (Hill and Lynn, 2013, Kelly *et al.* 2014). In a time of extensive local government budgetary constraints, discretionary services often championed as instrumental to the delivery of key social policy functions, such as leisure, sports-based outreach and development, have grown particularly vulnerable to restricted LA expenditure (King 2013, 2014). As King (2013) forewarned, and although the impact of cuts are geographically disproportionate according to locality, communities face a future where sport is no longer directly provided by local councils. As a consequence of significant reductions to local government finance, and as LAs have gradually undergone a ‘hollowing’ out, King

(2014) highlights that councils have demonstrated a trend away from the direct provision of such services as sport, instead having to adapt to novel frameworks of delivery. King's (2014) chief concern here, is that continued cuts in funding for community and grassroots sports provision are likely to threaten the ideals of 'sport for all'[1] and impair a widespread desire to increase sports participation across the UK population.

With LA provision for sport originating in the welfare statism of the 1970s, LA sport services were set up to be directly provided by LAs under what has been defined as an 'ensuring' council model (King 2014). In-line with such fiscal decrements, King's (2014) research illustrated that modes of LA governance and delivery of public services were changing, and shifting away from the traditional 'ensuring' organisational framework wherein LAs aim to directly provide sport 'services for all'. During the tenure of the UK Coalition government, many English councils turned to a market-orientated 'commissioning' model of sports services in which external providers are sourced to deliver local services (APSE 2012). To elaborate, the 'commissioning' framework marked a move away from councils as providers of sport and recreation, to purchaser of services. Indeed, in a report compiled for Localis by Capita Symonds in 2012 estimated that a third of LA councils in England were 'provided externally' by non-state bodies spanning the private and third sectors. This shift to a commissioning approach sees LAs procure increasing numbers of services from private and third sector bodies in a manner that 'enables' councils to facilitate and continue provision for sport in local communities; this relinquishes LA control of the management and running of such services, whilst retaining power over policy decisions (King 2013).

Alongside the increasing popularity of local councils to turn to a 'commissioning' model, an alternative emerging service-orientation also gained traction amongst a number of LAs, and through which sport and recreation services could be devolved to residents and communities (APSE 2012, Localis 2012). Such a 'cooperative' organisational framework was founded on the principle of 'co-production' and whereby the delivery of local services such as libraries, youth centres and leisure facility would be either shared between councils and citizens, or ownership entirely transferred to communities (Localis 2012, King 2014). This shift away from the direct provision of sport services by LAs developed alongside budgetary cuts as well as 'Big Society' and localism agendas of the government to devolve state responsibility and harness the capacity of the voluntary sector, charities and social enterprises to play a more prominent role in the running of public services and encourage communities to be the source and resources of their own leisure, sporting and welfare provision. The rhetoric around this policy change was and is to encourage LA's to be innovative in their solutions to the commissioning of public services, examples include: public/private partnerships, asset (facility) transfer to community organisations, and the commissioning of the voluntary sector to deliver more widely (Lowndes and McCaughie, 2013, Nichols *et al*. 2015). More pragmatically, the co-production of services emphasises community engagement in the delivery of sport and leisure provision bespoke to its needs, whilst LAs continue to influence how these mechanisms are shaped (King 2014). In contrast however, service delivery dependent upon co-production are unlikely to emerge in less-affluent areas as poorer communities may not have the capacity to take advantage of such innovations or be able to mobilise a core of volunteers to support a cooperative approach (Kisby 2010, Lowndes and McCaughie 2013).

As APSE (2012) expound, many LAs were unprepared for the scale of the cuts triggered by the 2010 CSR to their financial resources, resulting in operating sport services

[1] The rolling out of strategies designed and delivered to participation in sport and physical activity across the general population (King, 2013).

coming 'under threat'. In this time of 'super-austerity', when LAs have already indicated that they are experiencing financial difficulties and the volume of services have already declined markedly, alternative relationships and evolving collaborations with external non-public bodies are being sought as councils shift more and more away from service provider to facilitator, particularly in areas such as culture, sport and leisure which appear to be of increasingly peripheral concern (King 2013, Lowndes and Gardner 2016). As some LAs have more recently combined to share services, save money and pool together resources to sustain core services, responsibilities to sport are increasingly residual. Such a shift is supported by Macmillan (2013) who argues that the 'drastically' reduced funding landscape exacerbates the decoupling of the third sector from state apparatus. King (2014) portends that if local councils are further divested of responsibility for direct service provision of sport, then their role might more likely be to serve as a service broker to private sector or third sector parties. In such a case, LAs may withdraw all subsidies, or in instances where LAs have combined together, they may serve as 'commissioning hubs' to release limited funds to third or private sector organisations who present sustainable market solutions (APSE 2012, King 2014). As King (2014) acknowledges, not much is known about how such an organisational framework specifically operates in practice. However, Hunter *et al.* (2016) warn that because the dynamics of the public funding landscape have 'radically' shifted towards competitive commissioning and contract models, such residual LA framework are likely to considerably disadvantage small and medium-sized TSOs within this marketplace.

Third sector under pressure

To reiterate, the political commitment to LA sport services grows progressively limited as the influence of government reduces (King 2014). To this effect, Lowndes and Squires (2012) highlighted a 'survival narrative' that is reflected in local government operating procedures in times of austerity and which enable LAs to cope with increasing financial constraints by changing how they deliver services. Hastings *et al*. (2015) emphasise that as well as new partnerships and models of delivery, councils have strategically reacted to austerity by devolving accountability for many activities to TSOs. However, there are concerns for TSOs that the scale and speed of cuts and subsequent reductions in public funding streams can restrict their reach, function and innovation (Lowndes and Squires 2012). To expand, the third sector in the UK is vast and diverse, and it includes a range of non-profit organisations such as charities, social enterprises, mutual, civic associations, co-operatives, voluntary and community organisations, neighbourhood groups, and advocacy networks (Pape *et al.* 2016). However, TSOs in the UK, such as charities, which number in excess of 40,000, are experiencing unprecedented demand for their services, yet it is only the largest of charities which are currently growing (National Council for Voluntary Organisations (NCVO) 2016b). Whereas large charities whose total yearly income lies within the £10m-£100m category saw annual income grow by 3.7% in 2015/16, smaller and medium charities whose turnover does not exceed £1m per annum, saw their income decline by up to 3.6% (NCVO 2016a). Further to this, NCVO (2016b) highlight that contracts and grants from central and local government have decreased for charities in all income bands, except those whose annual income totals over £100 million. In order to categorise TSOs by size, the authors adopt the simplified typology employed by the NCVO (2015) within the UK Civil Society Almanac. Within this classification, TSOs are categorised by five band income defintions which are broken down as follows: micro-organisations (£0-£10,000); small organisations (£10,001-£25,000); medium-sized organisations (£25,001-£1M); large organisations (£1M-£10M), and major organisations (£10M and over). To provide some further context, in 2014, charities in England and Wales, for example, drawing an income upwards of £500,000 made up 6.3% of all organisations in the sector, yet were responsible for 89.4% of the sector's overall annual income (Keen 2015). Charities of an annual income of £100,000 or below however, yielded a combined 3.4% of the sector's income for the 12 months between September 2013 and September 2014, despite comprising 75% of the sector's TSOs (Keen 2015).

Hastings *et al*. (2015) notes that there has been a trend toward innovative entrepreneurial and commercial solutions by TSO's. In their research, Hastings *et al.* (2015) cite that the perceived benefits of this 'entrepreneurial shift' allows TSOs more freedom within which to work as they are less bound by the conditions that are often tied into grants due to the decline in funding from public bodies, and this encourages them to pursue alternative income streams that present fewer bureaucratic constraints. Additionally, many TSOs have had to respond to a climate of austerity by adapting and evolving how they operate. A survey by New Philanthropy Capital (NPC) found that 75% of charities that responded now measure some or all of their work, and that almost three quarters have increased their investment in impact measurement over the past five years (Ógáin *et al.* 2012). The trend towards public service delivery contracting in the past two decades has been experienced by many TSOs as an increasingly competitive environment exerts pressure to demonstrate that they can outperform other potential private or third sector bidders (Metcalf 2013). TSOs have therefore had to adapt and innovate both to be able to measure, evidence and extend 'impact', as current and future funding is typically contingent on these organisations achieving tangible outcomes that are aligned to government policy (Ógáin *et al.* 2012). However, Hunter *et al.* (2016) and Kelly *et al.* (2014) emphasise that large TSOs are dominating the market, and as a result of their growth resource scarcity continues to increase for small and medium-sized TSOs. This is often due to the lack of expertise and capacity within small and medium-sized organisations to sufficiently evidence their value and impact, via robust methods of monitoring and evaluation, to public and private funders who have heavily shifted towards competitive commissioning and contract-based models of funding (Hunter *et al.* 2016). As Pape *et al.* (2016) highlights, TSOs are more and more gearing their strategic activities toward higher service orientation to continue to compete with their competitors and remain attractive to major funders: this is often to the detriment of smaller organisations' chances of securing funding.

As TSOs are having to work harder and longer to scope out and secure funding, they are having to deploy much of their resources into applying for alternative sources of finance, and this pulls personnel away from their core roles and responsibilities, or organisations are more and more choosing to hire grants consultants, thus incurring further expense (Hastings *et al.* 2015). As TSOs are frequently forced to reorient their services to the strict specifications of funding briefs, this can lead to 'mission drift' from the key values and core purposes of the organisation in order to access much needed funding (Hastings *et al.* 2015). Where there is a growing tendency to 'chase' funding, the long-term impact of the TSO becomes increasingly stifled (Hastings *et al.* 2015). As domestic funding streams are both hotly contested and dwindling, a number of TSOs are have looked to obtain funding from the European Union (EU), and with some success, as in the case of a disability-centred TSSO in the North West of England (Walker and Hayton 2016). However, in the aftermath of a National referendum for the UK to leave the EU, it is unlikely that British TSOs will stand to receive the same level of financial support via the streams such as the EU regional development fund and the EU social fund (Bawden 2016).

In the current climate however, collaborations, partnerships and mergers are becoming increasingly common between TSOs, with 54 mergers taking place in the UK charity between 2015 and 2016, involving 116 organisations in total (Third Sector 2017). Resource acquisition, security and survival are often the primary instigators underlying such collaborative moves, particular for small-to-medium sized organisations (Kelly *et al.* 2014). By developing alliances in a collaborative fashion, TSOs can benefit by sharing services and reducing costs, particularly in relation to human resource, benefit from information exchange and utilise each other's' networks (Faems *et al.* 2005, Goldkind *et al.* 2013, Hill and Lynn, 2013, Suárez and Hwang 2013). Such relationships tend to emerge so that TSOs can address mutual benefits, and where collaborators possess a shared mission they are more likely achieve a successful outcomes (Tsasis 2009, Kelly *et al.* 2014). Kelly *et al.* (2014) suggest that organisations that seek collaborations do so in order to receive tangible benefits. Smaller organisations are often seeking sustainability and resource sufficiency, and are therefore willing to surrender a level of autonomy (Kelly *et al.* 2014). Large TSSOs however, are perhaps more agreeable to such mergers and collaborations with smaller organisations because the risk to their autonomy is lower (Guo and Acar 2005). That said, there are usually tangential incentives for larger TSSOs to collaborate with smaller organisations, reasons which are congruent with their mission-driven programming (Arsenault 1998): for example, smaller charities are often considered uniquely placed to understand the needs of the hardest to reach communities, engage them and gain their trust, thus facilitating access to more of the market (Hunter *et al.* 2016). On the other hand, and although larger organisations perhaps represent a more of attractive proposition for merging to smaller organisations, rather than the other way around, it is the larger TSOs which often have the 'wherewithal' to seek out collaborations as small TSOs may lack the extensive networks to seek out suitable partnerships (Gao and Carr 2005, Kelly *et al.* 2014).

As the third sector is becoming more and more involved in the local delivery of sport in an increasingly 'structured way' which indicatively may transcend 'commissioning' and 'cooperating' models of LA organisational frameworks, research into the relationship between TSSOs and sport provision in an era of growing levels of austerity, is required. Research undertaken by King (2013) with LA personnel from across councils in England reported that the majority of participants expected the role and remit of LAs around sport services would shift heavily from provider to facilitator in the subsequent five-year period. If this is indeed the case, then it is necessary to understand what this environment now looks like to TSSOs taking up the functions left vacant by LA contraction, and just how sustainable this might be to TSSOs of various sizes. There is limited available research documenting the complexities faced by TSSOs when navigating austerity. However, a recent article by Walker and Hayton (2016) presents a qualitative case study detailing how a single third sector disability sport has been able to consolidate and grow its portfolio of sporting provision in an era of Coalition enforced austerity. Amongst the findings reported, the TSSO at the centre of the research found itself increasingly competing for funding in an ever more crowded space, and was also more indirectly impacted by the growing resource scarcity of the external environment as a raft of key stakeholders could no longer afford to engage with the organisation to the same extent (Walker and Hayton 2016). On the other hand, the TSSO was able to survive and grow, for example, by rolling out a sport council funded pilot project and expanding its public and third sector partnerships to enhance its client-base (Walker and Hayton 2016). This research however (Walker and Hayton 2016) was limited to a single case-study approach, and encouraged future research to explore how multiple TSSOs of varying size and scope negotiate the fiscal restrictions bought about by government imposed austerity in order to continue to deliver their sport-based services.

Methodology

As outlined above, quantitative measures to track the financial health and status of organisations operating in the third sector are readily available, and there has been a growth of qualitative research undertaken to study the effects of an increasingly unstable fiscal environment on TSOs, particularly since the global economic recession of 2007. However, little research, to the best of the authors' knowledge, exists or has been undertaken to investigate such impacts on the strategic management and indeed, survival of those third sector organisations set-up to deliver sports-based opportunities to citizens. This research therefore, presents a preliminary study to explore how TSSOs across England navigate (super)austerity to provide sport-related opportunities to the communities that they serve. To do this, the research design utilised a criterion-based purposive sampling strategy which sought out chief executive officers (CEOs)/managers of TSSOs to participate in the study (Patton 1990, Sparkes and Smith 2014). During the month of May, 2016, the research team used the NCVO UK Civil Society Almanac and the Charity Commission's directories of TSOs to identify TSSOs of micro, small, medium and large size to recruit participants from. No TSSOs of major size were visible to the researchers at this time. To evenly represent the voices of micro, small, medium and large organisations, 40 TSSOs (10 per size category) were contacted, via email, and invited to participate in the study. Of these 40 organisations, 16 CEOs responded to the email invitations. This sample reduced to 14 CEOs for the study proper, due to participant availability within the restricted data collection timeframe of June-August, 2016. A breakdown of organisation size, along with pseudonyms[2] of each CEOs' respective TSSO are provided in Table 1. As mentioned above, organisation size is categorised according to their annual income, as defined by the NCVO's (2015) typology.

Table 1. Defining the organisations represented in the study

Pseudonym	Years active	Size	Scope	Income 2015-16
TSSO A	30	Medium	Local/city wide	£1, 000, 000
TSSO B	6	Medium	Local	£54, 500
TSSO C	11	Large	National	£9, 231, 050
TSSO D	15	Large	National	£3, 420407
TSSO E	80	Large	National	£1,725,000
TSSO F	6	Medium	County	£180, 000
TSSO G	5	Micro	National	£1, 329
TSSO H	26	Large	Sub-regional	£1,420,407
TSSO I	34	Medium	County	£26, 000
TSSO J	5	Micro	Local ward based	£5, 056
TSSO K	85	Medium	Local/ town	£128,000
TSSO L	17	Large	National	£1,944,154
TSSO M	17	Medium	National	£579, 358
TSSO N	4	Medium	National	£725,000

Organisational sizing guide: micro-organisations (£0-£10,000); small organisations (£10,001-£25,000); medium-sized organisations (£25,001-£1M); large organisations (£1M-£10M); major organisations (£10M and over). The income category was generated either from direct disclosure from the Head of the organisation, or from the Charity Commission[3] database.

Semi-structured interviews were employed to elicit information from participants. Yin (1989) outlined that qualitative instruments of data collection, such as semi-structured interviews, allow researchers to investigate the contextual realities of a given situation as

[2] Pseudonyms have been given to all organisations quoted or referred to throughout.
[3] https://www.gov.uk/send-charity-annual-return

understood and experienced by the participants. In taking an interpretivist approach, the authors recognised that collecting data in accordance with this research paradigm represents the subjective nature of such knowledge generation (Misener and Misener 2016). To enhance the trustworthiness of the findings, the authors took steps to ensure rigour was applied throughout the data collection and analysis process. First, dependability was promoted within the study by purposively sampling CEOs that lead sport-focussed organisations from the third sector (Anney 2014). Second, and extending beyond single case study research previously undertaken in this field, this study recruited 14 CEOs belonging to TSSOs of various sizes operating across England's third sector, thus presenting a degree of transferability to the findings (Houghton 2013). Third, the authors each drafted up a series of questions to inform the interview schedule, before meeting to discuss and agree upon this battery of interrogatives. Some of the key questions that were asked included: how the TSSOs are structured and funded; has austerity influenced the strategic leadership of the organisation, and have new opportunities opened up in such times of austerity. For consistency of interview technique and interviewer synchronicity with small deviations from the semi-structured question schedule, it was decided that Author A would conduct all interviews.

Fourth, the interviews lasted for approximately 60 minutes on average and were digitally recorded before being transcribed verbatim. As recommended by Strauss and Corbin (1990) data analysis consisted of three stages: open, axial and selective coding phases. In accordance with the study's research questions, open coding was performed manually on the transcripts. Each of the 14 transcripts were analysed separately by both authors, before the research team met to discuss and establish a consensus as to the key themes emerging from the participants' responses. This allowed for a joint axial coding framework to emerge whereby portions of data were organised into core categories (Saldaña 2013). These categories included: 'operationalisation'; 'mission-centredness'; 'relationship with LAs'; 'funding streams and structures', and 'sport as gateway to broader development'. The final step in this process was to perform selective coding to identify those portions of text which most vividly captured the essence of those key themes. This form of triangulation promotes credibility of the findings as it exposes the data to different perspectives and modes of interpretation beyond that of a lone researcher, in order to reduce bias and corroborate the evidence (Anney 2014). Fifth and finally, to further strengthen the credibility and dependability, a copy of each transcript was sent to the respective CEOs for them to check that their responses had not been misinterpreted or misreported by the authors (Saldaña 2013, Welty Peachey *et al.* 2015). No concerns or discrepancies were fed back from this process of respondent validation.

Findings and Discussion

Exploring the relationship between TSSOs and LAs

To begin here by addressing this article's first intention of exploring the relationship between LAs and TSSOs in the delivery of sport services, it would appear that TSSOs are growing increasingly autonomous from local councils. As the altering relationships between TSSOs and LAs are preliminarily laid out using a modest sample of 14 CEOs of third sector organisations, the micro, small and medium-sized organisations have in particular experienced a reduction in financial support from LAs. Larger sized organisations, from this research sample, appear to be favoured by mainly central but some local funders, yet this level of funding is also diminishing and bigger organisations are increasingly pursuing revenue streams beyond traditional public sector bodies. To illustrate the impacts of austerity felt by TSSOs, one CEO describes the pecuniary ‘squeeze’ imposed upon the third sector as a consequence of broader government cuts:

> Previously I’ve worked quite a bit with local authorities and I just know that they’re being squeezed. So, we just haven’t really gone down that line much to pursue funding… This is my massive gripe with austerity and the third sector generally that ironically given the situation we find ourselves in in this country over the last five or six years, the burden is greater than ever before on the third sector. So, the Government are asking the third sector to do their job for them and they’re cutting the support. So, there are less central Government grants for charities than ever before. TSSO N (medium organisation)

The CEO of TSSO N is frustrated that formerly public sector provision is more and more being transferred onto the third sector, without sufficient financial investment from central government. This CEO (TSSO N) further highlights his awareness that local councils have also had their budgets curtailed and therefore avoided attempting to access funding from them. Demonstrating a broader sector awareness, the CEO from TSSO C also noted that smaller organisations are struggling to draw money from LAs, indicating his surprise that so few have perished in the current fiscal climate:

> I think it is much harder for the network of organisations we support to lever in money at a local level. So we’re surprised actually in some ways at how few projects and organisations have disappeared completely… Grant makers are in a much stronger position to say actually we don’t want to fund all of this, we’ll fund a part of it. Because they’ve got less resource to give out. TSSO C (large organisation)

The smaller TSSOs in this study’s sample corroborated that direct LA funding to them has diminished: “The council used to do small grants of up to £1,000 for small groups like us but they had to stop that as they have had to make cuts” (TSSO B, medium size organisation). Likewise, the CEO from TSSO J cites a halt in council funding and indicates the potential implications that this poses to the services that they provide:

> The charity has previously been funded purely through grants and fundraising. We also were successful in gaining some money from the ‘church fund’ for sports equipment. We used to get some council money to help with holidays camps but now they just help with publicity through the schools education system. Now, although we do get some grants and a tiny bit of sponsorship from local businesses, the holiday camps have to really pay for themselves. This is difficult if you are a parent with two or three children at the school... The lack of regular council grant for the holidays camps has meant we can’t subsidise the cost so perhaps some families may not always be able to afford the all the sessions. TSSO J (micro organisation)

Mirroring the sector as a whole (Kennet at al. 2015), the findings provided in the data support the trends anticipated by King (2014) to illustrate a reduced flow of LA funding to TSSOs. This, in turn affects the service reach of TSOs (Lowndes and Squires 2012). However, and although it is increasingly difficult for LAs to provide financial support to TSSOs, where possible local councils do offer in-kind support to non-large sized organisations:

> They have not been able to give us money or grants like they used to but there are lots of in kind contributions they provide like advice or accessing their contacts or working with the local police or providing meeting rooms outside of the centre. We do get the sport development officer from the council to come down at least 3/ 4 times a year and he helps us with filling out grant forms. TSSO B (medium organisation)

In the absence of funds to commission, contract or subsidise the efforts of TSSOs, there was evidence to show that, where possible, councils are not altogether decoupling from TSOs (Macmillan 2013), as some LAs continue to offer support in the form of advice, brokerage and liaison services, as well as small-facility usage in what amounts to a 'residual' presence in the delivery of sport services (APSE 2012). Where local councils have been able to release funding to smaller, or more likely medium sized enterprises, such grants have been made with long-term sustainability in mind:

> We've had a couple of restricted grants in recent times. The funding is an extra and obviously it's a restricted fund to build something or create something, to make the charity sustainable because of the work we are in. It's all aimed around the anti-social behaviour sessions really… So, we've been funded £180,000 off the local authority to build the second phase of the project so we've been lucky on that. We had to be sustainable and build things into our application because they say, yeah we'll give you this now, but how will you make it sustainable in future? TSSO F (medium organisation)

In this passage, this CEO emphasises the restricted conditions attached to the funding award from the LA, and indicates that it is designed to increase the capacity of the TSSO to become self-sufficient. As the work of Lowndes and Gardner (2016), King (2013, 2014) and APSE (2012) suggests, there ever fewer LA grants that are being made available to TSSOs, and those who remain in a position to be able to operate as de facto 'commissioning hubs', do so on the basis that TSSOs in receipt of monies invest the finance to pursue further revenue generating solutions to ensure their long-term sustainability. Indeed, the CEO of TSSO A (medium sized organisation) explained that, at a time when LA grants are dwindling, any funding that is awarded to them must be maximised, as further opportunities may soon dry up:

> It's really changed, gone are the days when one person with a budget of £3 million would give out the money and say "just don't embarrass us", you know. Now, all the budgets are slashed so you have to invest it well and make the most of it.

Demonstrating the divesting of responsibility for sport provision from public to third sector (King 2013, Hastings *et al*. 2015, Lowndes and Gardner 2016), a further concern suggested by the CEO of TSSO C (large sized organisation) is that sport and sport sector has lost representation within LAs as council personnel responsible for areas such as sport development have been redeployed or removed, meaning key channels of communication and advocacy have been diminished:

> I was talking about this the other week and one of the biggest challenges for us now is that often, as you know, local authorities don't have somebody who's job it is to talk about sport. And if we look back five years we would have had a network of maybe 30 to 50 Directors or heads of sport that we could tap into, get support from, talk strategy to… So it's the biggest challenge I think is how going forwards we actually keep sports within the strategic agenda of local authority, because financially they've got very little they can do about it. TSSO K (medium size)

The reduction in both LA funding and personnel to coordinate leisure and recreation services weakens the position of sport in the community, and this is a pressing concern, and indeed a challenge for TSSOs who are desperate to champion its place on local council agendas.

Outcome focussed funding

In conjunction with the notion that TSSOs are having to become more self-sufficient, the CEO of TSSO E, a large umbrella organisation that represents a multitude of sport-orientated organisations, stated that if LAs or Leisure Trusts offer financial support to TSSOs, then such packages are designed to stimulate them to be able "to generate a profit… and not to subsidise their activities." To this end, TSSOs are having to source and pursue through innovation new means of securing revenue beyond relying of public funding. Large TSSOs continue to fare better than smaller organisations in terms of tapping into state sponsored funding, yet are turning to a raft of wider revenue mechanisms to supplement their income:

> Back in 2000 we were 90% grant funded and that would be anything from writing to a local trust, the lottery, or whatever. We couldn't rely on grant funding to grow freely. The whole charity was set up to work on grants, the finance team could only deal with grants. And I thought "We're not going to grow on grants, we're gonna have to find something else." And looking at the public sector income it was all starting to dry up, you know, but I thought what I want is the bigger slice of a smaller pie and I think we can do it. So, now in 2016 only about 45% of our income comes from public sector contracting, and our total income has grown to £5.5 million from £1.8million. About 30% comes from corporate income and the remainder comes from fundraising and venture philanthropy. So that mix of income is the reason we've grown so much. TSSO D (large organisation)

To further illustrate the plurality of revenue streams that large TSSOs utilise, the CEO of TSSO C described the structure of finance generation in his organisation:

> We have a mix. So our largest funder is really the sports council in England. We've had funding from the Home Office, from the Cabinet office, from Department of Health for a range of different activities we do. We also have commercial funding which is, I'd say it's shrunk considerably since 2012. And then the last bit I think, we have the Events, PR and Fundraising Function. We also do fundraising through charitable trusts. So we do like bids for charitable trusts and we've only recently started looking at more public facing fundraising. TSSO C (large organisation)

For TSSOs to have and maintain a successful funding relationship with central government agencies, they need to be able to consistently and robustly demonstrate outcomes (Ógáin *et al.* 2012), and as one CEO emphasised: "it's a payment by results system" (TSSO N, medium sized organisation). To both elaborate on this and to illustrate the 'new public management' orientated and target-driven ethos towards organisational governance that is synonymous with neo-liberal state mechanics, the more sizable TSSOs have endeavoured to tighten their operational focus and develop their systems of monitoring and evaluation in order to precisely demonstrate the 'impact' of their services:

> The way we approach it is, we think what are the things that people are most likely to resource? So you have to aim for those, and then we had an internal restructure to make sure that things line up against those capabilities. To help us do this, we have created a Research and Insight team that manages both internal data and evaluation of everything that we do on all the programmes we run. TSSO C (large organisation)

In order to successfully compete for funding, TSSO C strategically targets available funding contracts and has aligned its organisational apparatus to deliver on the objectives and conditions tied to each commission; allied to this, the organisation has also formed a dedicated 'Research and Insight' team to measure tangible 'impacts', and according to Pape *et al*., 2016, such organisational capability advantages larger enterprises over smaller ones. Adopting a similar approach, the CEO of TSSO D decided that it was in the best interests of the organisation to re-evaluate its outcomes to align to alternative funding bodies that sought separate outcomes:

> Austerity has driven out a lot of redundant stuff that we were doing, it makes people really clear about what they should be doing and it makes you challenge yourself on whether it's actually worth doing something and whether it actually works or not and for us it continues to drive efficiency. From 2010 onwards we started to think, we only get in like a maximum 2000 people playing sport, so we're about 18,000 people short of hitting what we need to in order to get sport council funding. So we moved from that and said, "Look what really matters here is the outcome so do they actually get a job? Do they get

a qualification? Do they go back to college? Do they go back to school? What is it?" So we said "We're gonna not bother about participation anymore, literally not just bother about it. We're not actually gonna bother reporting things like self-esteem improvement or mental health improvement because they are very subjective." I can't prove to you that somebody's mental health has improved but what I can prove to you though is that they've got a job because I can show you a photocopy of their payslip and you would then have proof that they've got a job. So, we went from on off outcomes to those that are irrefutable, and that was the first stage. We we're only gonna measure this thing at the end. It took three years to implement. And initially we took a hit in the income and certainly we went down before it went up so you can chase the money or you can focus on things that it's actually benefiting, you know. TSSO D (large organisation)

Hastings *et al*. (2015) warns that to 'chase' funding can stifle TSOs, and as the CEO of TSSO D suggests, the pursuit of ostensibly unattainable targets as set by a prior funder was not allowing the organisation to capitalises on their true strengths, and by recalibrating its outlook it has been able to prosper. It is clear that larger organisations are more proficient, adept and have the capacity to explore a plethora of potential funding opportunities. Moreover, and as identified in previous research, it is not uncommon for TSSOs to scope out and pursue non-domestic funding opportunities, such as EU social and development funds, in times of economic recession (Walker and Hayton 2016). From the current study's sample, EU funding presented an opportunity that TSSO C looked to exploit:

> The one thing I forgot to mention in the funding mix for us, is the last 3 years or so we've actually had quite a lot of European money. Well. I mean it's just an anecdote but we had a bid that had been scribbled off at nearly 80% by the EU. And it was on a waiting list and was kind of first in line if there was money available. The day after the Brexit vote we had a phone call telling us it had been taken off the list. TSSO C (large organisation)

Unfortunately however, and despite a previous track record of successfully receiving funding from EU sources, the CEO of TSSO C reported that, following the result of the UK referendum to leave the EU, the lucrative deal that had been in place, fell through. Although this is only a single case from the sample, it would seem that the Brexit vote will potentially serve to compound domestic fiscal constraints by narrowing opportunities for charities to receive EU financial support (Bawden 2016).

Collaboration within the third sector

In combination with the effects of austerity upon the third sector, Kelly *et al*. (2014) explains that as larger TSOs dominate the funding landscape and become direct beneficiaries of central government departments' funding, then the remaining share of the monies to be distributed via LAs tend to shrink markedly. Concomitantly, collaborative working between TSSOs has become a more common feature of practice across third sector sport provision, according to the findings from this study. Emerging themes from this research illustrate the influential roles played within the third sector by either large TSSOs or charities that specifically exist to facilitate organisational practice of, most commonly, small and medium sized organisations. For example, the CEO of TSSO E highlighted the commissioning role that TSSO C plays in supporting smaller TSSOs with funding grants: "TSSO C are quite good lenders" (TSSO E). The CEO of TSSO C elaborated on this function: "one bit that we have additionally in the back office is a Governance Compliance team. Which actually supports our grant making to front line organisations" (TSSO C). More than this, sector dominant organisations such as TSSO C share expertise with smaller and less financially secure TSSOs by providing training sessions to small organisations:

> In the Spring, we ran some roadshows for the network of organisations. And that was very much about thinking about different routes and sustainability and as a result of austerity, I mean three or four years ago we would have constantly talked to them about how to write grant applications, how to raise money. What we're now talking to them about is ways that they can earn, save and raise money. So particularly around things like data management and using data to help them a) advocate for more funding locally, but also b) understand the real impact that their service has. TSSO C (large organisation)

In making attempts to support smaller TSSOs, the CEO of TSSO C outlines that the training that his organisation provides has shifted in focus from grant bidding towards income generation, and this further conforms to the trends outlined above. Such action undertaken by this larger TSSO is demonstrative of it taking responsibility for and showing leadership for the benefit of the sector:

> The model is that if we can find a way to help sustain their activity at the same time. And actually the other point about it is a lot of the work that we've done over the last 3 years has been about improving the capability of the sector. TSSO C (large organisation)

In a similar vein, a recurring theme across the small and medium sized TSSOs was their engagement with charitable organisations specifically set up to provide free advice and support to facilitate TSOs' work in the communities that they serve. For example, the small TSSO B heavily draws upon on the expertise of one such charity:

> We rely heavily on an organisation called Joined-up Action to help us identify grants and possible funders. It's a partnership of local support and development agencies across the greater area. They provide free advice and support. TSSO B (medium organisation)

Featuring regularly amongst the small and medium TSSOs in the sample was the Sport Gains organisation: a dedicated sport development charity that offers a suite of business and financial mentorship to TSOs, as exemplified below:

> We do quite a bit of work with Sport Gains. So they funded us for £16,000 over the last two years. We've had a mentor working with me to help me for different bits and bobs. I think when you look at this, when you look at where we are now, Sport Gains had a big influence on us doing that 'cause of the mentor working with me, me being able to ask the questions all the time. The funding of the £16,000 at the time was very helpful 'cause it released me to do a bit of work to bring in more money. TSSO F (medium organisation).

The emergent of TSSOs that act in a facilitative capacity to other TSSOs on the 'frontline' would appear to be of vital importance to organisations that are not of large size, as Hastings *et al*. (2015) has reported that many TSOs are having to pay for grant consultants or related training for their staff, and this can prove costly. In increasing numbers across the sector (Local Giving 2015, Third Sector 2017), TSO's are choosing to collaborate or even merge with other organisations, and there is evidence of this within the data:

> It is a stretch but it does give us more strength, more power to do things locally. We want to scale up what we've done here. Actually we'll be talking acquisition and not merger because we're the only ones with this kind of model. TSSO H (large organisation)

The primary motivation for collaboration for TSSO H here, was resource acquisition, and in accord with Kelly *et al*. (2014) states, such a move was designed to extend the reach and impact of an organisation whilst simultaneously reducing costs. Moreover, and reflecting on a bona fide merger, the CEO of medium sized TSSO F suggested that this process was facilitated by the shared mind-set of the organisations involved, and is convinced that the move has been to the benefit of the overall mission:

> I think the merging of the two charities was very easy because we both had very similar outlooks, I think it's growing and not losing the ethos. TSSO F (medium organisation)

From the perspective of a larger organisation, the immediate benefits or merging with other TSSOs are twofold: to reduce costs, and to increase partners' overall bidding power:

> The rationale for doing this is obvious, we need to share costs. The other value is an ability to bid for bigger contracts as a group – as we are not way big enough, one contract said we needed to have revenues or assets of £7 million and we are only £5-6 million, whereas together with others we can demonstrate bigger turnover, and then can bid for these bigger contracts. TSSO D (large organisation)

To grow larger and expand its scope and capability, the CEO of TSSO D explains that some funding contracts currently lie out of reach because the charity does not yet demonstrate a level of equity or capital against which larger funding investments can be guaranteed. With so few TSSOs operating at the higher end of the large size TSSO category, and even less if any in the 'major' tier, the handful of larger organisations are likely to continue to have the monopoly within the market. Yet, as the available finance available to the third sector continues to diminish, then TSSOs of all sizes may have little option but to merge in order to pool resources (Kelly *et al.* 2014, Hunter *et al.* 2016). Strategically therefore, the proposition of merging presents a sound idea (Tsasis 2009). In reality however, completing a merger is perhaps more problematic:

> We have tried in the last six months to do two mergers with a small and medium level organisation, and they have both fallen through, based entirely on ego actually, people say we can do it ourselves or we don't want to lose control. TSSO D (large organisation)

In this example, the CEO of TSSO D reveals that two potential mergers have fallen through due to concerns over a potential loss of autonomy, which Guo and Acar (2005) do suggest can discourage smaller enterprises form such ventures, whereas it is more often the case that TSOs of greater resource sufficiency are more open to formal collaborations of this type. However, the same CEO has found that other TSSOs are more inclined to engage with alternative forms of collaboration which does not involve fully integrative merging:

> I found myself talking to other sports charities and suggested so that we come together in a sort of club, collaboration, partnerships, we can then share back office costs try to amalgamate our finance departments, HR, quality M&E, all those things to set standards across the area, the advantage is that each charity can still maintain their own boards identify CEO's not a classic merger and that has been actually well received. TSSO D (large organisation)

As Guo and Acer (2005) smaller organisations are often more amenable to formal forms of collaboration which allow them access to critical resources, yet do not involve more complete and interconnected relationships.

TSSOs, sport and social policy

What is evident throughout the interviews with the CEOs and managers of the 14 TSSOs involved in this study, is the 'development-through-sport' emphasis of the organisations working in this field, rather than that of a 'sport for sports sake' agenda that presents its binary opposite according to the traditional sport development dichotomy (see: Houlihan and White 2002). The CEO of TSSO E crystallises this point: "But it's not really about the sport…as I try to explain to people, the sport is the tool to get people to turn up on time, to work on their values, to want to work." To this end, the role and function of TSSOs to deliver wider social policy objectives is clear. This purpose is reinforced by the CEO of the large TSSO D: "we use football to get young people living in disadvantaged communities into jobs. So basically, we are an employability charity first and foremost but football is our tool, and dance fitness now as well." The sport-for-development rationale pervades TSSOs of other than those large sized organisations that are said to dominate the sector, for example, TSSO F, a medium sized organisation, delivers "angling as a tool of engagement to get young people back into education and to keep them out of anti-social behaviour… it's about the social return." Moreover, where possible, local councils will contribute to prosocial programmes using their 'safer communities' fund: "the only money we get from the council now is linked into the summer holiday activities that we run. They give us a grant of £2,000 each summer that comes from their safer communities' budget" (TSSO B). From the data, the large TSSOs are favoured by central government departments, in terms of contracting, due to their ability to reach disadvantaged clients, particularly young people, and translate the work that they do into effective tangible social outcomes, such as driving up employment and reducing crime, demonstrating the further transfer of formerly central and local government remits to the third sector (Rees et al. 2012):

> So it's because we've got people into employment, we're only getting what we deserve [funding] 'cause we're working for it. The fact that it happens to be the Department of Work and Pensions, well it's in their interests if they come across a service which is having a really strong impact then it's in their financial interest to get people becoming taxpayers off benefits and into the workplace. So they may only give us a small amount on the grand scheme of things but that is saving them hundreds of thousands of pounds over the next 10 years. It's just good business for them. TSSO N (medium organisation)

Here, the CEO of TSSO N suggests that the work that his organisation undertakes serves a dual function as it delivers on social welfare objectives whilst simultaneously reducing long-term costs in government public spending.

Conclusion

The twin purpose of this article was to understand through qualitative research the implications of (super)austerity upon sport-orientated TSOs, and to explore their relationship with LAs and central government from the perspective of those TSSOs involved in this study. King (2013, 2014) has led the way in examining the changing face of LA sports provision in an era of economic recession and neoliberal political governmentality. It is well documented that such conditions have instigated a contraction of local public services and a concomitant transference of responsibility for the delivery of non-essential services, such as sport and leisure provision, on to the third sector (Macmillan 2013, King 2014, Nichols et al. 2015). The sample of TSSOs represented within this research were predominantly made up of large and medium sized organisations, and the size of the organisation not only served to dictate the funding sources that TSSOs pursued, but also had a clear bearing on their ability to win commissions or contracts from potential funders. Indeed, the large-sized TSSOs, or those who are national in scope, have been consistently successful in winning central government grants and this proved to be one of their core sources of income. On the other hand, the micro-organisation and many of the medium-sized organisations involved in the study had traditionally relied upon LA grants to sustain them. However, the data from these middle-to-lower tier TSSOs indicate that the input and support that LAs are able to offer has become increasingly diminished in line with wider austerity measures. To elaborate, many CEOs of TSSOs in this bracket commented that local councils had removed or substantially reduced the amount of grant funding available for them to apply for, and instead could largely only offer in-kind support, advice or brokerage services. In fewer cases, such as that of TSSO F, the LA was able to release restricted grants to support the organisation to develop their infrastructure in order to boost their long-term sustainability. An additional concern highlighted within the data is that local councils are being increasingly divested of sport development and leisure officials that understand their sector and that can represent their needs of TSSOs, particularly for those who are not categorised as large or major in size.

In reference to King's (2014) typology of organisational frameworks, it could be argued that these findings illustrate a TSSO-LA relationship whereby the function of local councils, in relation to services such as sport, recreation and leisure, are undergoing a process of 'downgrading' as they transition to a residual service (King, 2013). In any case, there is a clear bifurcation between available central and local funding, and this is what feeds the monopoly that TSOs, who are often national in scope, are seen to have over the market (Hunter *et al.* 2016, Kelly *et al.* 2014). TSSOs of large-size or those that have growing towards this category have done so because they have been favourably received by central government departments due to their 'commissioning readiness', that is, that they have been able to demonstrate their ability to deliver services efficiently and at scale (Rees et al. 2012). Those larger TSSOs who have been able to enhance their financial viability have had to reorientate their strategic focus to align more precisely with outcomes coveted by, in many cases, departmental remits of central government bodies. Critically however, and based on the experiences of the TSSOs involved in this research, there appears to be a paradoxical pattern in terms of the flow of public monies to TSSOs. To explain, charities, such as TSSO D, have previously been unable to obtain funding from their national sport council – a non-departmental public body – that exists to support organisations to increase sports participation because their client base was deemed to too small. To this effect, TSSOs have altered the manner in which they present their impacts to approach central government departments, such as the Department of Work and Pensions, to tap into their commissioning pots. Although it must be noted that the English sports council has recently published a new strategy for sport and physical activity, it is apparent that the forms of public funding that have been within reach of TSSOs (of all sizes) in the recent past, and whether they emanate from central or LA sources, have not primarily been awarded for the purpose of 'sport for sports sake' or to promote Sport for All, but instead have presented a means by which to fulfil wider social policy and economic objectives.

A wider narrative emerges from the findings of this article. It is apparent that the extensive cuts meted out through the DCLG have consequentially reduced the flow of LA resources to modestly sized TSSOs, whereas larger organisations have had success from central funding streams. This combination has induced an 'in-sector' response that has, in many ways, drawn TSSOs together via a range of collaborative approaches to both reinforce and enhance the capability of the sector. To offset the impacts of the gradual withdrawal of LA provision, large TSSOs display a tendency to take on enabling activities to support both the work and development of smaller TSSOs. Such activities, for example, include the provision of training and the redistribution of finance via grant funding to TSSOs delivering 'frontline' services. It can be said that such activities resemble a hybrid blend of the commissioning and cooperative organisational frameworks previously identified by King (2013, 2014). It is not only the efforts of larger organisations that help to strengthen the sector, as several interviewees reported the growing influence of a number of 'facilitator' TSSOs, such as 'Joined-up Action' and 'Sport Gains', and which provide free expert consultancy as well as small grants to sports-based charities as part of a connected tapestry of apparatus committed to ensuring the sustainability of the sector. Indeed, mergers and acquisitions are also increasingly being mooted as diverse modes of partnership are negotiated. The movement of TSSOs to work more closely and collaboratively together is congruent with Lowndes and Gardner's analysis of current Conservative political strategy. In conjunction with the politics of austerity, Lowndes and Gardner (2016) emphasise that devolution, a key tenet of current state policy, enables the government to decentralise governance, and therefore the responsibility of dealing with deeper austerity cuts, to sub-regional and local government. Such devolved and multi-level governance is intended to stimulate multi-sector economic growth in a move to build a 'smarter' state, whilst concomitantly forcing local authorities to further streamline public sector services (Lowndes and Gardener, 2016). As part of this neoliberal 'rolling-out' strategy, active or 'smart' state building is intended via radical modes of institutional restructuring, regulation and governance where economic management takes precedence, yet is diametriclly opposed to structural state expansion (Peck and Tickell, 2002). As state apparatus grow increasingly residual and public services become more and more streamlined, new providers are encouraged into the marketplace, particularly when attention is turned to non-core services, such as sport, leisure and physical recreation. As this 'smarter' state model 'rolls out', there is evidently an increasing transference of both responsibility and representation for sports provision onto the third sector, allowing the state to deliver 'more for less' (Lowndes and Gardner, 2016). To return to the current study, techniques of new public management are synonymous with such decentralising shifts and are illustrated in the business-orientated practices adopted by TSSOs. To expound, larger TSSOs represented within the sample had transitioned to a mixed income framework several years prior to the point of this research, and advocate that smaller organisations also pursue a plurality of revenue mechanisms. Relatedly, there was consensus amongst CEOs of both large and medium-sized enterprises that it is necessary for TSSOs to move away from an organisational framework which is dependent on subsidy and towards a model that is at least partly geared towards revenue generation. What is therefore evident here, is that principles of new public management are diffuse into and across the third sector, and the TSSOs involved in this study are not isolated from this. This trend is thus exemplified by the increasing embrace of outcome-driven performance by large organisations, an ethos to which cascades down to smaller TSSOs as the dominant enterprises promote strategies for sustainability to them.

Whether or not the trends exhibited by the TSSOs in this study represent the development of a 'smarter' state by design, there are serious caveats to consider. Micro, small and medium-sized TSSOs generally continue to struggle to sustain their services largely due to unbaiting resource scarcity (NCVO 2016). It is widely recognised that these organisations are best positioned to deliver bespoke support that is specific to the needs of the communities that they serve (Jones and Meegan, 2015). Although collaborations such as acquisitions and mergers are mooted, smaller charities may be reluctant or afraid to venture into such formalised partnerships due to a reluctance to relinquish autonomy or because they feel that key services relied upon by their users may become altered. Micro and small-size TSSOs were under-represented in this research, and this is perhaps because, as Kelly et al. (2014) suggests, such categories of TSO are often poorly networked and perhaps lacking in trust-based forms of social capital, and may therefore be reticent towards research projects. However, it is important to gain first-hand and in-depth insights into these organisations, as 23,000 charities, particularly micro-charities, have disappeared since 2008/09 (NCVO 2016b). An additional limitation to this research is the study's modest sample size, and this obviates the generalisability of these findings. Future research should therefore look to extend this preliminary and exploratory investigation by cross-examining the findings reported here against a boosted sample drawn from a cluster of regions within England, UK, or Western nations similarly affected by the economic recession of 2008.

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