



COMMUNITY ARTS:  
SUSTAINABILITY IN AUSTERITY  
RESEARCH PROJECT REPORT

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## EXECUTIVE SUMMARY

The aim of the research project about which this document reports was to explore some of the ways in which three case study community-based organisations in Norwich – and especially those with either a current or previously significant involvement in arts activity – have been affected by the current period of financial austerity. While our focus has been broad and one primarily responsive to the ways in which organisations’ staff and other stakeholders today reflect upon the recent period of their history (especially since 2008), we have been especially interested in understanding how changes across the funding landscape might have implied the need for particular kinds of organisational responses. The following summary provides some insight into what the research team has, on the basis of the accounts gathered, found to be the most significant (and significantly shared) aspects of our findings:

- Numerous interview respondents expressed the view that their organisation had, over recent years, undergone **processes of professionalisation/formalisation** in important respects. Some respondents also described the benefits of adopting more **business-like practices**, and in some instances, an increased orientation towards the delivery of cost-effective products and services was described.
- Respondents from each of our case study organisations noted ways in which the enthusiasm, **commitment and passion of their staff teams** had been an important element in their survival over recent years. In some cases this manifested itself in the form of a willingness to work for reduced or, on rare occasions, no pay.
- In organisations with notably small senior teams, the CEO/director position could be seen to require notably **high levels of personal investment**. Indeed, within such small organisations, the loss of staff with crucial experience, contacts or expertise could have notable impacts.
- One variably common trend which emerged concerns what we refer to as processes of ‘organisational specialisation’; the ways in which organisations appeared to be seeking to **enhance and capitalise upon particular areas of their activity** or service delivery. In some instances, such processes of organisational specialisation appeared to respond to the opportunities for sustainability made available by developing overlap with broader sets of agendas (of funders and commissioners).
- By reducing or contributing towards the costs of organisational overheads, in some instances the **spaces and premises** to which organisations could lay claim were able to function as valuable resources in insulating them against some of the most severe effects of funding shortfalls.
- Several of our cases noted ongoing **challenges in the maintenance and renewal of material resources** (equipment, software, etc) on which their core operations depend. Although none had yet noted a restriction of their core operations resulting from this, some did point towards potential future areas of concern.
- Several respondents also noted the **challenges involved in covering core organisational running costs** and expressed the concern that some funders might overlook the impact of setting strict limits on core cost funding for organisational sustainability.
- In light of the noted increase in competition for funding, **finding appropriate sources, writing bids and producing evaluations** appeared to place a notable strain on organisations’ staff.

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Finally, while we have made every effort to represent the opinions and statements of our interview respondents faithfully, we would note that the fault for any misinterpretation, misrepresentation or inaccurate attribution rests solely with this report's authors. Responsibility for the relative accuracy of any of the conclusions drawn here also rests with this report's authors.

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## INTRODUCTION

The focus of this report is the organisational sustainability of three community-based organisations, each located in Norwich, which have either a current or previously significant involvement in delivering (community) arts activities. While we are keen to note that the three organisations discussed in this report vary in important ways, an undoubtedly shared dimension of their work concerns the kind of organisational aims which underpin their operations and the ways in which these connect with sought-after social outcomes of varying kinds. Despite important differences then, each of our case study organisations has been selected for involvement in this study on the basis of the importance of individual and community development to their core organisational aims. It should be noted though that both the extent and the ways in which community arts activity has and continues to figure within each organisation's core operations varies. Further specific details about each organisation are outlined in the chapters that follow.

The impetus behind the study lies in recognition of the significant cuts across the funded arts sector<sup>1</sup> which recent years have witnessed. In response to cuts imposed by central government, grant funding bodies such as Arts Council of England, as well as local authorities across England and Wales, have made variably substantial reductions in the levels of the core arts funding they can make available to arts-based organisations. At present however, there exists a relative paucity of research which seeks to explore and understand the effects of such funding reductions – and indeed the further changes to community-based organisations and their income sources – for the ways in which such organisations operate and sustain themselves. While some scholarship has noted the presence of increasing and multiple pressures on voluntary and community sector organisations (VCOs) to demonstrate excellence in their performance (see, e.g., Cairns *et al.* 2005<sup>2</sup>) alongside increasing pressures to be 'business-like' (Carmel & Harlock 2008<sup>3</sup>), as their perceived roles intersect ever more deeply with those of public service providers (HM Treasury 2002<sup>4</sup>), to date relatively little is understood about arts-focussed and community-based organisations in these important regards. The research project from which this report issues, therefore seeks to make a contribution to understanding in this area.

The aim of the research project was thus to explore some of the ways in which three community-based organisations have been affected by the current period of financial austerity<sup>5</sup>. While our focus has been

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<sup>1</sup> Arts Council England reported a 29.6% cut to its grant-in-aid for 2011-15 (14.9% of which it passed onto the budget of its portfolio organisations) (Arts Council England 2012).

<sup>2</sup> Cairns, B., Harris, M., Hutchison, R. & M. Tricker (2005) 'Improving Performance? The Adoption and Implementation of Quality Systems in UK Nonprofits' *Nonprofit Management and Leadership*, vol 16, no 2, pp.135-151

<sup>3</sup> Carmel, E. & Harlock, J. (2008) 'Instituting the 'third sector' as a governable terrain: partnership, procurement and performance in the UK' *Policy & Politics*, vol 36, no 2, pp.155–71

<sup>4</sup> HM Treasury (2002) *The role of the voluntary and community sector in service delivery: A cross-cutting review*, London: The Stationery Office.

<sup>5</sup> The average reduction in income, across our three case study organisations, in the period from March 2009 to March 2012, is £154,589 (a figure which accounts for 39.51%, 32.58% and 18.9% of THEIR 2009 incomes respectively).

broad and one primarily responsive to the ways in which organisations' senior staff and other stakeholders today reflect upon the recent period of their history (especially since 2008), we have been particularly interested in understanding how changes across the funding landscape might have implied the need for particular kinds of organisational responses. In terms of questions about what form(s) such responses might take, we have been guided and informed by our research participants. That said, this report is far from exhaustive and the findings presented here consequently focus on those liable to be of wider interest and resonance across the non-profit sector.

To briefly outline our approach, in terms of research methods and design, our selection of case study organisations was purposive (in an effort to engage with community-focussed organisations placing a varying degree of emphasis on arts activities). We have employed one-to-one interviews with key members of organisations' management teams and boards of trustees in our data collection (total n = 15), as well as approaching members of the local authorities (n = 3) for comment. Throughout we have sought to gain respondents' accounts of and reflections on any significant changes affecting their organisations and operations over recent years (yet principally from 2008-2013), although in some cases our data reaches further into the past (in line with organisations' histories). An interview guide was used (although not rigidly adhered to, given the important differences in interviewee roles) to encourage some consistency of questioning and discussion across interviews. A copy of this can be found in the appendix to this report. Interviews were recorded, transcribed and subsequently analysed for recurrent themes by the authors, using qualitative data analysis software. The names of all respondents have been removed within this report.

## CASE STUDY 1: COMMUNITY MUSIC EAST

### 1.1 OVERVIEW

Community Music East (hereafter simply CME) is the longest-standing of the three case study organisations involved in this research project. Based in Norwich, CME was established in 1985 and has, since its inception, been a significant player in the development of community music activity in the UK, engaging in a wide range of music and, more latterly, multimedia-based activity across East Anglia. Given the depth of the organisation's history, what follows is a necessarily abridged account of its inception and development, and one whose focus corresponds to the core concerns of this study. What we nevertheless hope to bring to light here are some insights into the ways in which the various changes undergone by CME's have affected its current status and future plans.

CME is a charitable organisation limited by guarantee, which might be characterised as acting, across its history, as a vehicle for opportunity in the broadest sense. The kind of people that the organisation has worked with, throughout the 28 years of its existence, are those who might not have otherwise had opportunities to access music and media resources. These groups have primarily comprised young people in challenging circumstances, those commonly referred to as 'hard to reach', as well as people with mental health issues or physical disabilities and young people who are either in, or close to being in the criminal justice system. Throughout its history CME has also offered a range of courses open to the public.

Activities have typically adopted the commonly used community music format of workshops (which bring project participant groups of varying sizes together with tutors to engage in music-making and learning activities) within a broad range of settings. These have typically included nurseries, schools, pupil referral units, care homes, young offender institutions, prisons, drug and alcohol services, youth groups, young parent groups and housing associations. The creative forms adopted within workshops have used junk-percussion activities right through to high-end music technology and most points in between (for instance rock band projects, DJing activities, percussion workshops or instrument and voice-specific workshops as well as creative media work (such as digital photography, filmmaking and animation).

The organisation has traditionally positioned itself as a provider of pathways into learning, focussing upon the development of soft skills and social skills such as are commonly associated with community arts work (such as self-esteem and self-confidence) as well as providing opportunities in the area of lifelong learning. Alongside this has been the aim of creating spaces where people can become involved in creative and expressive cultural activity whilst engaging in processes of self-reflection in reaction to that activity and their own development.

### 1.2 FORMATION AND HISTORY

CME's roots lie close to the initiation of community arts activity in the UK, with the organisation's founder having engaged with the activities of The National Jazz Centre Outreach Project (based in London), to become 'Community Music' simultaneously with CME's establishment in 1985, and the work of that organisation's influential instigator, John Stevens, whose approach emphasised

participation in music making activity as a pathway to personal development. Prominent themes associated with community music's early formation in the UK were around musical improvisation (with a notable influence from jazz) and the empowerment of disenfranchised groups through cultural activity and its associated learning.

These themes informed the early work of CME, within which the focus was very much on placing musical activity within what the organisation's founder described as more of a 'social educational process' than a strictly 'musical education one'. Important components of this, according to CME's founder and former director, was a strong emphasis on processes of active reflection (both on the part of community musicians and project participants) as part of a broader 'educational process...that related, as we understood it to, the people we were working with [and] that was significant in terms of developing their perspectives, opportunities, aspirations' (Former Director, CME). In terms of the organization's then-guiding vision or approach then, there was:

'a sort of purism about it, there has been a sort of ideological driver'  
(Co-Chair of Board)

A core interest within CME's activities then was in how and what people could learn from the process of engaging in music. While being far from 'anti-musical' per se, the organisation nevertheless understood that the more specific and individual musical needs of aspiring musicians (who had been identified through CME activity) would benefit from tuition in school or elsewhere and CME set up a Music Information Service to signpost opportunities here. Essentially then, CME's aims was to address gaps in a broader need.

At the time of its inception, CME adopted 'very much a charitable, socially-driven purpose' (Co-Chair of Board, CME) and for a number of ensuing years was 'successful in generating funding to do that sufficiently... [with]...some statutory funding schemes and some supported by charitable trusts whose mission kind of coincided with ours' (ibid). Echoing the emphasis placed on the value of reflective processes within and across its activities, in its early years CME also engaged with the interest, on the part of charitable trusts and foundations, in gaining a fuller understanding of the nature of CME's work and efforts to 'try and establish a robust way of understanding our own value' (Former Director, CME). In effect then, throughout its formative years, CME was working with its funders in:

'feeding back some kind of sociology and sort of sociological content in terms of how we understood the activity and how that had had an impact' (Former Director)

In its early years CME attracted interest and funding from the Manpower Services Commission<sup>6</sup> and engaged in the in-house training of unemployed musicians in the delivery of community music activity. At this time the MSC training income funded all of CME's work and the latter was one of the most successful of MSC's funded programmes in terms of conversion from unemployment to

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<sup>6</sup> The Manpower Services Commission (MSC) was a non-departmental public body of the Department of Employment Group in the United Kingdom created by the Conservative Government in 1973. Until it lost many of its function in 1987, it was closely associated with training programmes intended to help alleviate the high levels of unemployment in the UK.

employment/self-employment. Both in its in-house training activity and the workshops that CME began to deliver in the years following its inception, it was able to access funding from that central government policy strand of funding provided for the delivery of training, as responsibility for this shifted from MSC to the Training and Enterprise Council (1990-2001), which inherited much of the former's role and, following that, the Learning and Skills Council (2001-2010), which effectively represented the last manifestation of what might be considered as the 'training'-focused central government funding stream to be accessed by CME. It might be noted, by way of testament to the success of its in-house training delivery, that several of CME's earliest trainees went on to work closely with the organisation for a number of years, with some still involved in its activities (as freelancers), or else remaining otherwise involved in community music work, to this day.

Over time, the importance of CME's relationship with government training-focussed funding streams (and especially that of the Learning and Skills Council) steadily increased, such that it was able to secure what were described to us as 'some very substantial contracts' through which CME was 'able to expand the volume of work that we did quite substantially' (Co-Chair of Board).

'by sort of 2005-6 I suppose...turnover had gone up to about half a million pounds in fact, in excess of half a million in our figures every year, and that was funding quite a lot of workshop projects' (Co-Chair of Board)

'CME were moving towards a place where they would be able to engage quite happily with the Learning Skills Council and start delivering accredited courses so then so that's basically what prompted the growth' (Director)

At this point in its history then, CME might be characterised as having undergone a shift in the main sources of its funding; one away from trusts and foundations (partially supplemented by other streams) and towards contractually-based work, incorporating the delivery of accredited courses, particularly through arrangements with the Learning and Skills Council.

### 1.3 BUILDING FOR THE FUTURE?

It is also important to note that by this time, CME was located in premises on King Street, on the outskirts of Norwich city centre, yet an important focus of the organisation's activities, since the mid-1990s, had been directed towards securing capital funds for the development of a bespoke music centre in which to house resources and deliver activities. The main impetus for this, according to CME's then-Director, was a desire to enhance the value of CME's work:

'we did actually have our temporary premises, at 189 [King Street in Norwich] where people could come and go, so people were coming to participate in activities in a space where other people were, and it was evident that...the value of bringing people back in, [it] would have had even more of a profound impact if we had had the physical resources that we were looking for' (Former Director)

These resources included a bespoke building which was to hold a recording studio, training and workshop spaces, offices, storage space and adequate parking for CME's own vehicles and those of its

visitors. In order to secure these resources, CME approached the Arts Council of England at a time when the latter was investing in a number of capital projects, and managed to:

‘...persuade the Arts Council, in the early mid-nineties, that there was sufficient opportunity and demand for this kind of activity... that they should, that they were prepared to substantially fund a building’  
(Co-Chair of Board)

In fact ACE was willing to cover 75% of the £2.2m cost of the proposed centre, which left CME in the position of needing to find the other 25% (‘about half a million to £700,000’, *ibid*) in matched funding from another source. Yet securing this additional support placed significant demands on CME (and especially its Director and board members) and was something that was only achieved 12 years after ACE had initially made its 75% offer. One problem at this time was that, ‘during the decade that we were failing to match it, all the costs [of the proposed building project] were rising’ (*ibid*). Another was that CME was in the position of having to invest substantial levels of organisational energy and attention to ‘meet with people from the Arts Council and representatives of the local authorities, the people we saw as our stakeholders, the Regional Development Agency’ (*ibid*) with a view to obtaining the necessary matched funding. At the same time, CME was seeking to obtain such resources as would facilitate organisational and developments:

‘we had stepped right up in terms of staffing, in terms of tutor numbers, in terms of resources, three vehicles, all these kinds of things...we couldn’t just *wait* for the building...[so]... we had managed to develop the capacity of the organisation to something like the capacity that we thought would actually operate from the building’  
(Former Director)

Finally, after a number of challenging years engaged in developing plans and lobbying potential sources for the necessary 25% of funding, the Regional Development Agency finally decided to make the investment. However, bad news was just around the corner:

‘just at the point when we managed to find, to get that money, the Arts Council changed its mind...Arts Council had been pressing us for business plans that would demonstrate our sustainability. If they had really understood the nature of our business they should have known from day one that there was no way we could promise sustainability, and not many businesses can, but you certainly can’t if you are funded in a sort of ad-hoc project-based way that we are...anyway, I think, because of the passage of time and the number of capital projects that they had had that had gone wrong...their attitude to investing in capital projects had become quite jaundiced or better informed, if you like, by experience. So they kind of ran out of confidence in our ability to deliver just at the time when we found the rest of the money. Which was incredibly frustrating’  
(Co-Chair of Board)

Indeed, a further demoralising aspect of this ultimately fruitless, yet drawn-out process of seeking and finally securing the necessary funding for CME’s expansion and development, was the way in which, throughout this process, understandings of precisely what the organisation *was* became increasingly subject to external interpretations:

‘I mean part of the frustration is that it took so long for the building to not be built, it took ten years to not build it, and through that process of course then the assumptions about achievements, expectations and all the rest of it just became inherited by a whole different bunch of people’  
(Former Director)

#### 1.4 PRE-QUALIFICATION AND CONTACT-READINESS

In parallel and related to these developments, by the mid-2000s, CME was also undergoing a process of accreditation and pre-qualification in order to enable the organisation to bid for the educational contracts being offered by the Learning and Skills Council. As the then-Director put it:

‘the strategy was to get pre-qualified, to be contract-ready and then we could actually bid for delivering contracts, educational contracts, which would enable us to deliver the work...and we invested heavily our own resources, generated and earned by the organisation, in achieving that. And we got there. And then they [LSC] shifted the goal posts’  
(Former Director)

Lying behind this aim was the intention, according to the former director, of

‘...creating enough volume [of work] that we could cross-subsidise unfunded activity to provide the holistic programme complete with progression routes’  
(Former Director)

One element in this required that CME seek to at least maintain the scale of its on-going operations so that it could offer a ‘comprehensive kind of solution to all our different users’ (ibid). The driver behind this ‘shift’ related to the way in which LSC was, at this time, gradually increasing the size of the contracts it was making available, with a view to making savings in the costs of administering and managing its contracts. As the scale of these contracts increased however, they out-grew the organizational capabilities of CME:

‘...what it did, it was [to] quite consciously kind of rule a whole lot of organisations out, some of whom, like ourselves, had gone through a very expensive process of accreditation’  
(Former Director)

At the same time, the broader funding environment within which CME was operating began to take on a character that was described to us as ‘quite oppressive’ (ibid). In essence, after CME and its successful work – and, indeed, its philosophy – had been embraced by Government agendas and public sector organisations (since the late 1990s through to the mid-2000s), one result was that the organisation became more ‘mainstreamed’ (Former Director). A consequence of this was that trusts who had funded CME’s work precisely because it was outside of the mainstream found themselves (often constitutionally) unable or unwilling to continue to fund it. The Former Director of CME added:

‘basically the more mainstreamed the kind of activity we were providing, the more difficult it was to actually find funders thoughtful enough to actually recognise that social benefit’

The key issue here, in light of CME’s preferred mode of engaging and understanding the benefits of its work with project participants, concerned the growing expectation, on the part of funders (and

especially those with close ties to central government policy agendas), that CME provide clear statements of the ways in which its projects' participants stood to benefit. This expectation arose irrespective of the interests, needs or prior condition of those participants. As CME's former director elaborated:

'a notion of [project participant] development, without actually knowing a specific identity for the product is...completely counter-intuitive to how governments work ... I think those [previous] funders *worked*, and I think the fundamental difference between those and the funders we started to get, in terms of the kind of more formal interest, was that actually those [later] funders were only interested in their outcomes, not interested in finding stuff out' (Former Director)

### 1.5 THE SHIFTING FUNDING LANDSCAPE

The mid-2000s period effectively signalled a broader shift in the funding environment within which CME was then operating. It was described to us in the following terms:

'it changed from the sort of trust-funded, good-will kind of support to something that was rather more targeted along policy lines if you like, to get a certain percentage of things ticked off on a list' (Co-Chair of Board)

A crucial difficulty faced by CME, in light of the increasingly targeted expectations and outcome measurement requirements stipulated by its funders at that time, concerned the need to provide evidence of the outcomes of its work, in terms which funders could easily understand. Alas, the nature of CME at that time – described to us as 'pretty much still a soft outcome-based organization work' (Current Director) – made providing that evidence of the 'harder' outcomes sought by funders (such as LSC), a notable challenge.

'although they [project participants] may have got an awful lot out of it [their participation]... I mean there's anecdotal stories about people that people see around and they say "Oh, they're really quite together these days" and they say if it wasn't for that CME workshop, you know, they may have disappeared off the face of the earth, but it was difficult to evidence properly, it was really hard...We did try all sorts of things, all sorts of [evaluation and evidencing] systems and ultimately I think the whole thing was just very resource intensive' (Director)

Reflecting back upon this period from a contemporary vantage point, the current director of CME noted the following:

'it was quite a kind of left-field pitch really, that whole sort of CME thing, and I think it was quite radical in some ways. And I think essentially, when the money started to become a problem [from funders' point of view] inevitably, it had to be about hard outcomes, it had to be about jobs and qualifications'

Over time then, and facing the near-impossibility of providing evidence of outcomes of the sort now expected by its key funders, 'things got tighter and tighter and there simply wasn't the volume of work going through' (Co-Chair of Board). That said, since the turn of the millennium, CME had also begun to

access funding from Youth Music<sup>7</sup>, which was to become one of CME's main funders over the ensuing years and proved to be an especially important source of income in the second half of the 2000s, as LSC funding was gradually withdrawn.

'CME were awarded the contracts to deliver the first of the Youth Music Action Zone, which is a consortium...and that was a significant increase in revenue...and that in itself produced one or two dedicated posts, just for that' (Director)

'Youth Music has been one of our main funders for many years now. We were [part of] the Youth Music Action Zone for ten years, which meant we had quite a lot of work all across Norfolk, delivering stuff for young people' (Business Manager)

While Youth Music's espoused aims, as a funder, fell into line with many of CME's longstanding core concerns, here too the onus on evaluation and providing evidence of outcomes became a growing demand facing the organization:

'there became a higher, operationally, the way that impacted was you had to be a lot more thorough in data collection, about who you were working with, how many sessions they had been to, what kind of evidence of progress you could adduce, which was quite an additional burden on the tutors' (Co-Chair of Board)

'Youth Music has always been really hot on outcome stuff, so it's something that we've been used to doing ever since I've been here' (Business Manager)

In addition to the growing demands bound up with project evaluation and the focus on outcomes, in both approaching Youth Music and other possible sources of funding, CME now also faced the challenge of needing to consistently reposition the nature of its offer in line with the lifespan of project funding. As CME's business manager explained:

'no-one really likes funding an existing project. They [funders] are always looking for something new or a new angle. Which is quite tricky or quite challenging when you're working with some real hard-to-reach groups that it can take a couple of years to really gain their trust and get a really good project going...it is a challenge constantly having to think of new angles, so that you can slightly repackage a project that you know is really good and you know is going to work but you've got to present it in a new way... sometimes you feel like [you are] jumping through hoops'

In addition to this, over time Youth Music's levels of funding were subject to reduction from the Arts Council of England (via the DCMS), which brought unavoidable ramifications for CME:

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<sup>7</sup> Since its establishment in 1999, Youth Music has worked alongside the formal and community-based sectors to support music making and training. Its mission has focused upon supporting 'high-quality and diverse music-making opportunities for 0- to 18-year olds'. In particular, Youth Music funding has traditionally targeted young people living in areas of social and economic need who might otherwise lack opportunity.

‘We weren’t in the position of having any programmes or contracts sort of cancelled or withdrawn during it, it was just more a case of the frequency of contracts overall, the funding streams available just, a number of them just disappeared...[so] over time the grant size [from Youth Music] shrunk and shrunk and shrunk in size. So it’s from that point [that] it actually became a law of ever decreasing circles’ (Director)

Although Youth Music continues to fund some of CME’s current work, the extent to which it continues to do so is considerably reduced:

‘we’ve got three [Youth Music supported modules] running at the moment, but it’s nowhere near the contract value we had before’ (Director)

Yet perhaps more significantly, the kind of reduction in grant funding available from Youth Music was becoming symptomatic of broader shifts across the funded arts sector:

‘after the change of Government [in 2010] there was a sort of policy vacuum as far as I could make out and then, I know this was the case in lots of fields, where people in local authorities and in the funding intermediary bodies, were just waiting to find out what was going to happen for quite a long time and that was the case with Youth Music. It was the case with the Arts Council as well’ (Co-Chair of Board)

A further (and growing) concern for CME, in relation to its ability to tap into a dwindling funding stream from Youth Music, concerned the fact that the stipulations written into those grant schemes meant that the latter could only make a relatively meagre contribution to CME’s core organisational running costs.

‘within those grants there’s a much lower percentage of money that can go to core costs, so it’s much harder to sustain an organisation because actually more of it’s got to go on delivery, so to actually pay for an organisation to actually exist, it’s very, very tight. No one’s paying it, no one’s paying core costs. You’re supposed to divide it out of what you can earn, except if you get the grants that deliver workshops or educational activities there’s very little of it that you can actually put into your organisations core costs, so it’s almost impossible’ (Director)

By 2010 then, and indeed since the onset of the financial crisis in 2008, CME increasingly found itself in the position of ‘sort of scrabbling around looking for project opportunities’ (Co-Chair of Board). By this time, cuts in central government funding allocations were also beginning to impact upon local authorities. As the current director of CME explained:

‘There’s also the knock-on effect, because there was work that we do as kind of sold services, for people [organisations] who got their money from arts services or social services. That whole chain was broken and the effect of that has been a bit like a train wreck...there’s a lot of that which has been painful... the Founder [of CME], left about 4 years ago [and] certainly since then we have, as we’ve seen, I think what we’ve probably called the traditional music market die effectively, certainly the one that we were existing in’

In fact, even prior to the departure of its founder and longstanding director, CME had begun to engage in a process of organisational review, to reduce its staffing levels and to seek to make a number of changes in line with the effort to achieve some sort of organisational sustainability:

‘I think we had three sort of organisational reviews that have taken place...increasingly, over the last five years, our major pre-occupation has been the sustainability of the organisation’  
(Co-Chair of Board)

## 1.6 CUT-BACKS AND FINDING A WAY FORWARD

Inevitably, in making the sort of cuts necessary in order to sustain CME, there has been a loss of not just physical and material resources – CME left its King Street premises and currently rents office space from local arts organisation *The Garage* - but also human resources in the form of experienced community music tutors, most of whom had been trained as community musicians by CME.

‘so, if you like, there is a sort of CME DNA that goes through the tutors and that goes, the earliest of those would have been involved and trained back in the mid-eighties when the organisation was started’  
(Co-Chair of Board)

‘we’ve got 25 [freelance tutors] altogether. We’re not probably using all 25 of them at the moment because we haven’t got the workload to keep all of those busy with workshops. I guess we’ve got five to ten that are working regularly’  
(Business Manager)

‘I mean I think some of our tutors have been able to adapt more than others...but yeah, it definitely has started to undercut and devalue the profession’ (Director)

In addition to the cutbacks affecting freelance workers and, as CME’s current director suggests, the profession of the community musician more broadly, the organisation’s core staffing levels have also been reduced, from a situation in the mid-2000s in which ‘we must have had maybe as many as seven, seven and a half people or something’ (Co-Chair of Board), to one where, as of 2012:

‘there was four, not all full time but, there were four of us that were sort of permanent... and just to be prudent we’ve had to just adjust the costings...[now] we’ve had to reduce the staff team again because there just wasn’t enough [work]... so it’s, it’s from this week actually, there’s just the two of us’  
(Director)

In line with the cuts now impacting upon many of the organisation’s traditional funding streams, the organisational reviews undertaken in recent years and the departure of its founder, since 2008-9 CME has increasingly sought to reorient the focus of its activities:

‘when we kind of promoted [*current CME director*] to the sort of Business Development Director role, he was able to bring with it a sort of different sense of where the opportunity lay and perhaps different personal enthusiasms...and that did lay much more in the area of talent development and so a lot of his energy over this period has gone into developing the Norwich Sound & Vision project... we [the Board] could see that in policy terms, now that the policy has come a little bit more

discernible, that [talent development] is where all the interest lies basically'

(Co-Chair of Board)

In 2010, CME organised the first annual incarnation of 'Norwich Sound & Vision':

'Norwich Sound & Vision is a place for companies, individuals, bands/musicians, record labels, filmmakers, writers and anyone with an interest in the music, film and multi media industries to network, reach new markets, forge new partnerships, learn, be inspired and have a fantastic time in one of England's most charming cities'

(from Norwich Sound & Vision website: <http://norwichsoundandvision.co.uk/>)

The event comprises a three day music festival, film events and a conference which draws music and media industry professionals – as well as visitors – to Norwich, whilst at the same time providing a platform to showcase local talent. Having initially begun as 'an experiment that was effectively just a cost neutral thing that we did purely on partnership' (Director), over the last three years Norwich Sound & Vision has become an increasingly important part of CME's activities:

'we got the biggest return of core costs from Norwich Sound & Vision last year because it was big enough to be a project that attracted significant income' (Director)

The growing significance of Norwich Sound & Vision as a key revenue stream for CME also signals, according to its current director, a change in the way in which the organisation now aligns its objectives with broader policy shifts in respect of government support for the work of organisations like CME:

'[now] the focus is much more on, I suppose, harder outputs rather than the softer outcomes so we're, certainly with Norwich Sound & Vision, and a scheme of work which we are due to pilot in October this year...the focus there is much more on skills development, and economic development, as well as artistic development so, although some of these things have existed in and been embedded in CME's work in the past, the focus is different, there's much harder outcomes that we can evidence' (Director)

'[today] all of the emphasis is really on how to develop that [music making skills] rather than its social impact, so that dominates the climate we are operating in I think... that's the sort of thing that the Arts Council is now prepared to fund, [it] is really about growing music as an art, as an economic sector as much as anything else, which would not have been among our founding principles' (Co-Chair of Board)

As was also explained to us, one of the key reasons why Norwich Sound & Vision represents a valuable undertaking for CME relates to the fact that by both offering visibility and amenability to outcome measurement, it, unlike some of CME's previous strands of activity, responds more directly to requirements set by funders:

'Norwich Sound & Vision itself effectively is a bit of a sold service... so we have to make it work in order to get paid for it. So we can't afford to take too many risks really, so that's where we are. Just having to manage it really carefully... in terms of the risk of funding things, I suppose it's a lower risk because there's gonna be profile there that comes out of it. Numbers' (Director)

Indeed, in light of the diminution of funding streams available to fund CME's long-standing areas of work, the organisation is currently undergoing a quite important shift in direction, and this is soon to be reflected in a change to the organisation's name:

'what we're actually doing is we're dropping the 'Community' from the name, so we'll just be 'Music East'  
(Director)

At the same time, it appears that the client or user groups with which CME has traditionally engaged has, following the recent reorganisation and repositioning, shifted considerably:

'We have done a lot of work with adults with mild to moderate mental health issues for example, homeless people, people with drug and alcohol problems, in prisons, young offenders, all that kind of stuff. We've more recently been moving more into the music industry side of stuff...that's about really working with young people or adults that are really trying to forge a career in music'  
(Business Manager)

'we did used to do, I mean, one particular client group, which we're all quite sore about not doing enough work with is...we used to do a lot of work with mental health providers and most of that was through a contract with the County Council and there just is no money for those people anymore. We used to have a project and it was run every week for those guys and girls who went to that, they loved that, they loved that 2 hour session, they looked like, you know, that was their thing, and that stuff's just upsetting, well just because, apart from anything else, you just saw how much it meant to them, but there's just no money for it'  
(Director)

Interestingly, this shift in the nature of CME's core work, towards a stronger focus on hard outcomes, skills development and music industry progression routes for project participants, was positioned, by one of our interviewees, as relating to the aforementioned challenge of proving funders with the kinds of outcome measures that the latter might straightforwardly comprehend:

'we feel I think, a not-very-well articulated sense that there is a need out there that we used to fulfil which we are not currently fulfilling, not because the need has gone away but because we, or the wider community music world if such a thing exists anymore, haven't been very good at explaining to anyone why the hell what we do is important and valuable. And that is a complicated job because it is complex and subtle and varies... and once you get an organisation shrunk to the size we are, you know, we haven't got the resources to do that'  
(Co-Chair of Board)

As is indicated in the following interview excerpt then, an undoubtedly key driver in CME's current repositioning relates, quite simply, to the need to align (and potentially realign in future) the organisation's activities with potential funders' broader objectives:

'I think we just have to be really adaptable and really flexible in that you can kind of second-guess what's going to happen to a certain extent. But I think we just need to be ready to go where things take us really and be able to adapt and deliver what funders are looking for'  
(Business Manager)

After 28 years in existence then, it appears that CME today finds itself facing the inevitable challenge of both repositioning itself in an increasingly market-modelled third-sector landscape whilst, at the same time, providing sold services and seeking sponsorship and participant fees in order to cover its core organisational running costs.

'So now we're at a pivotal point where we're kind of setting out our stall, we've just completed an Arts Council funded consultation of music development needs for the region. So the Arts Council have been supporting our new sort of strand of work and they funded some of Sound & Vision last year...we now have a scheme of work that we're going back to the Arts Council for, that we expect to get funding for, to roll out in October alongside the new Sound & Vision. So within that I think that's about levering in a combination of other trust money, sponsorship and participant fees, I think that's basically where, ultimately, the [CME's] core costs come from' (Director)

Yet despite the changing landscape within which it is today operating, it appears clear that CME is retaining important elements of its prior focus by, for instance, developing links between its more directly income-seeking activity and the projects for which it continues to receive some funding:

'[something] that I think we [CME Board] feel particularly positive about this year is the fact that at least one of the very few funded projects we have got in hand is actually to do with giving people the opportunity to develop their talents so that they can then perform at Sound and Vision. So you have got a sort of continuity or progression, if you like, which links more traditional-type CME work to the festival-kind of idea'

(Co-Chair of Board)

It therefore appears that a desire to build on CME's legacy, by maintaining a commitment to participants' development and progression is set to remain central to its future operations:

'I think we'll always want to work with people that will gain some sort of progression, and whether they're going to be music professionals or not, I don't think that's so much what we're worried about, it's more that they're going to travel somewhere and they're going to travel to whatever their potential is' (Director)

## CASE STUDY 2: NORWICH AND NORFOLK COMMUNITY ARTS

### 2.1 OVERVIEW

Norwich and Norfolk Community Arts (hereafter simply NORCA) was established in 2001. As the organisation's name suggests, its remit covers the whole of Norfolk but has tended to be focused on the City of Norwich. NORCA is a charity and company limited by guarantee which has, since its inception, developed a strong track record in the delivery of community arts initiatives (with a particular emphasis on music-based projects) having gained considerable experience working with and in Norwich's more deprived communities. Since its inception, NORCA has run over 30 programmes and accessed over £2.5m in funding. It has either initiated or been centrally involved in the delivery of a range of arts-based activities, taking in carnival development and community carnival events (e.g., *Back to the Streets*, *Celestial Carnival*, *Jump 2*), singing-based workshops and performance events (e.g., *East Anglian Singing Network*, *Norwich Singing Squad*, *Raise Your Voice*, *Vocal Explosion*), music making activities (e.g., *In Harmony Norwich*, *Sistema In Norwich*, *Making Tracks*, *Music Makers*) cultural diversity initiatives (*Monobloco Tour*, *Global Beat*, *Samba Extravaganza*) as well as delivering participatory film and photography-based projects (*20 Minutes Film Project*, *Acorn Multimedia*, *Norwich ID*), not to mention miscellaneous arts and play-based initiatives (e.g., *Play Ranger service*, *Reedham Arts Club*, *Sure Futures*, *The Dance Project*). NORCA has also worked with a range of local partners, including schools, local authority agencies and other arts organisations in facilitating a range of further events and festivals (e.g., *BryteSparx*, *Greenstock*, *The Pulse* and *Norwich Olympic Torch Relay*).

NORCA positions itself as an arts organisation with a focus on transformation and community development and one which, while placing artistic practice at the heart of its programmes, seeks to engender objectives which transcend any artistic focus.

'NORCA's vision is that culture and creativity builds communities. Our mission is to positively transform individuals, communities and the spaces they share through community-based, high quality arts and cultural engagement and participation. We seek to improve the social and economic well-being of Norwich and Norfolk's communities through maximising individual learning, community engagement, empowerment and active citizenship through creative and cultural engagement and participation' (from NORCA website: <http://www.norcaarts.co.uk/>)

Alongside an emphasis on artistic goals then, NORCA recognises the indirect value of artistic activity – for social inclusion, hard and soft-skills development, community building, confidence and aspiration. As NORCA's director put it during one of our interviews:

'I think what organisations like mine are doing is looking to find ways of developing human capital and ways of moving that forward really...I think what we have tended to do is certainly focused more on transformation, what I call the transformation agenda, it's probably too big a term for it, the idea of using the arts utilitarianly, although, obviously, this has been part of what community arts, the community arts movement has been about for a long time' (Director)

In terms of NORCA's traditional client base, the Chair of the Board of Trustees explained succinctly: 'so it is actually trying to get people who wouldn't normally do arts-based stuff to do it primarily...and particularly working in areas of deprivation'.

## 2.2 FORMATION AND HISTORY

According to those at NORCA who we interviewed for this project, the organisation's origins can be traced to a confluence of factors. One of these related to the founder's recognition of a gap in local arts provision, which NORCA set out to remedy:

'We set up as a community arts organisation in the first instance because then we thought there was a gap in provision in that area...so I met [Director]...and it was really his idea to set out on his own to try and do these kinds of work...so we set up the charity and set about getting grants'

(Chair of Board)

'part of the reason we set up for me was because there were clear gaps in the market as a result of the focuses, ethos and remits of other local organisations. There was a whole swathe of people like me, who came from a middle class background but who had had, for example, very negative experiences of music or arts education, but who had a strong impulse to get involved. And there had been very patchy involvement of arts organisations in the funded regeneration work going on in the less well-off parts of the city. This offered two distinct areas of opportunity and left a gap for us and others to do stuff'

(Director)

Another, and apparently prior driver behind NORCA's inception, relates to its founder and director's desire to develop and support a community arts initiative in which he was already involved. As he explained:

'So, the founding of the organisation was, I guess, driven very much by need, in the sense that in 2001 I had just started Norwich Samba and got involved in carnival and community art broadly. I was very aware of the struggle we had to find a place to rehearse and that my carnival costume colleagues had to do their making in. I was also aware from friends who were into film or music, that they had very poor access to facilities, whether for recording, filming, editing, etcetera. I happened to be working at Norwich City Council and I had been approached about a building that they had just spent £1m refurbishing and didn't really have any idea what to do with it, and it seemed the location and the nature of the building would suit a community arts venue very well. So I approached a number of people about starting NORCA and developing it, particularly with the idea of developing The Pavilion as a space that we would meet the sorts of needs that had become apparent to me...so it started out very much with the idea of being a place, creating a place where things could happen'

(Director)

NORCA's earliest incarnation was therefore primarily based around developing Waterloo Park Pavilion as a working space within which to deliver community arts programmes.

‘we put on three activity programmes a year, had a raft of regular bookings and users, and had started to develop and draw in funding for programmes. But the whole business side of things, you know, because I am not a business person it wasn’t thought out or developed particularly well. We tended to balance even [financially] over a year, but we would lose a bit on something and then we would gain the loss on something else... it is quite difficult making a building financially viable’ (Director)

In terms of the nature of its work at this time, NORCA focussed on public access workshops employing a range of creative forms: young people’s programmes (especially those using music technology), ‘a lot of singing workshops because they were quite popular’ (Director) as well as CPD activities such as those relating to carnival development. NORCA’s predominant client base, at that time, reflected the groups with which it largely continues to work today:

‘broadly speaking we try and work with people that wouldn’t normally get access to this type of activity but that is our broad brush, we will include anybody under that banner, under that principal so you know older people, people with disabilities, young people’ (Chair of Board)

‘... there are certainly some client groups that we have only limited experience of or that we have not really worked with. My view is that there are organisations better placed or with greater experience of working with these groups’ (Director)

However, by early 2006, the organisation encountered a number of issues relating to its premises. For one thing, the location of The Pavilion caused problems at the level of access, and opening of *The Garage* (in Norwich) meant the loss of some key users and an alternative, city centre offer. The historic nature of the building also meant that the costs of maintenance were significant. Despite the urge behind NORCA’s inception being one that primarily related to an effort to create spaces in which community-based creative activities could take place then, the costs involved in achieving this and the limited availability of funding to support it, necessitated a shift of approach:

‘the way the funding works meant that it was easier to get project funding in than revenue funding for a building...we very quickly developed quite a strong portfolio in project development but struggled to be pumping money into a building which wasn’t really meeting our needs nor succeeding financially. So we moved on from the building as an organisation... into being an organisation that did things, rather than create places for them to happen. Though we did not abandon the idea altogether, just set it aside for a while.’ (Director)

As much as anything else, this shift represented an early process of organisational learning, in which NORCA was developing its reputation and experience as much as responding to the funding landscape.

‘in the early days we got money from SRBs to develop our building and our facilities and that was fantastic, because it gave us a resource base that was very useful, but at the end of the day, communities are made up of the people that are in them and...yes, you do need to make [the places] where people live good places to live, but that in

itself is not enough to transform the people within communities and improve their lives. You need to take people with you at the same time...provide programmes and initiatives that develop skills or change outlooks ... and I think that is what we did, we developed our own track record, looked for opportunities to bid for funding and those projects came in and our experience developed’  
(Director)

NORCA left the Waterloo Park Pavilion in July 2006. After this time the organisation rented space in a community centre until 2009, at which point it relocated to a former carpet warehouse located in central Norwich, where it remains based today. This latter building was acquired on a long lease and has been part-converted using capital funds attached to a large pot of funding that NORCA acquired in 2009 to deliver a music-based programme (of which more later). The organisation’s acquisition of this building has become quite an important element in the way that NORCA manages its finances and engages in collective forms of working with other local organisations which work within the creative sector.

‘as an organisation with a building we can work to support other organisations in a variety of ways, either through provision of below-economic-value rent spaces, where organisations come together and network and work together and be in the same building and develop mutual working, bigger initiatives like the Creative Communities Consortium where organisations come together, where there could be opportunities for shared back office, or where we’re looking to bid to commissioners together, some sort of collective or partnership work if you like’  
(Director)

‘we have been able to create a system where we rent desk space to similar sort of artsy organisations to try and get an income stream to at least cover some overheads for the building...[so] our offices, we are just about there with it, self-sustaining without the grant, which is important because then if you don’t have a grant at least we have office space’  
(Chair of Board)

Making use of its building as an organisational resource in this way means that during periods between grant funding, when NORCA’s income diminishes, the organisation is buffered somewhat:

‘we know that we can operate for a couple of months at a time with no staffing costs if absolutely necessary, we can keep the building going on that basis for a bit too. It does give us a tiny bit of breathing space within the sort of grant funding environment’  
(Chair of Board)

Another important element of NORCA’s sustainability relates to the size of the organisation, in terms of the core human resources upon which its operations depend:

‘At the moment we are relatively small, the main day to day stuff is overseen by me [and] I’m overseen by a Board of Trustees. The Senior Management Team is myself, [name of operations manager], and one Trustee...that tends to rotate. Because finance is such a key issue for us we do have a finance sub-group, which is two Trustees and myself. The Board of Trustees is now down to four Trustees, which meets quarterly. That’s pretty much it’  
(Director)

As the Chair of the Board of Trustees suggests in the following interview excerpt, this situation also means the kind of funding cuts which have been evident across the funded arts sector over recent years have made only a limited impact upon an organisation of NORCA's scale:

'Everything is very project focussed. If we could scale up then we might, if we were a bigger organisation, we might be saying "no, we are restricted by what [funding] is out there" but I think because we are quite small then, I don't think we could say that'

At the same time however, as the same interviewee also noted, the relationship between the organisations' small scale and the size of the grant funds generally available at present may well be producing a situation which could be described as:

'...a bit chicken and egg. So because of the grants funds tend to be relatively speaking quite small, then our organisation base is going to be small, if that is our main source of funding...and it is very difficult to get other sources of funding in'

(Chair of Board)

Although this arrangement might appear to be strategic one which responds to the specific nature of the current funding landscape, it should perhaps also be noted that it places both significant strain and pressure on NORCA's director, who takes on a number of the organisation's essential tasks:

'[Director] is a prodigious grant writer and he is very good at it. I mean one or two of us have got in other bits of money in the past but it is mainly him...and he has always got his eye on the next thing because of the business plan, he has got this clear idea about what can be done'

(Chair of Board)

### 2.3 SPECIALISATION

Approaching its building as a 'creative hub' (Director) and figuring this as an organisational resource was described to us as one of the three core functions or specialisms that NORCA has gone on to develop as an organisation.

'we have three core specialisms...one is the Sistema model, particularly applied to music, the second is carnival and the third is what we like to think of as a creative hub'

(Director)

In relation to carnival-related work, NORCA's director informed us that the organisation had recently been successful in obtaining funding to develop this aspect of its work and that it was an area the organisation wishes to pursue further in the future:

'we've just got £50,000 out of the Arts Council for two years, it's a good amount for their sorts of funding, to get from 'Grants for the Arts'...[it is for]...a carnival development programme called The Carnival Company Project. This is to develop a new professional, semi-professional carnival company, very much about artistic development and artistic platform, not without any community involvement, because actually building off that artistic platform will be the opportunity for wider involvement'

(Director)

It should be noted however that NORCA's tripartite approach in terms of its current priorities follows a recent period of time during which its focus had been almost completely overtaken by a single project. The project in question, 'In Harmony Norwich', was one of just three pilot projects (the others being based in Liverpool and Lambeth) of a significant government initiative based upon the *El Sistema* orchestral-model of youth music learning and participation as developed in Venezuela and subsequently exported around the world<sup>8</sup>. As the first attempt to incorporate the El Sistema model into an English context, the pilot projects were generously funded – at the outset certainly – and overseen directly by the Department for Education (hereafter DfE). NORCA fought off stiff competition to be selected from among the 46 applications to deliver one of the three 'In Harmony' pilot projects, beginning in April 2009. As NORCA's director describes:

'we pitched with the original tender in 2008 and were chosen to be one of the three 'In Harmony' pilot schemes...in the beginning we were very much told "here's this programme from Venezuela, we're going to do our version of it"...[and] initially it was a very well-funded programme. There was £3m over three years of which, basically, we got £1m over three years'

(Director)

This grant, the work associated with it and the relationships it involved would go on to have a number of important effects for NORCA. For one thing, the grant enabled the organisation to develop its resource base, particularly through having the income to invest in taking on and developing a building.

As is mentioned above however, for an organisation of NORCA's size to receive a grant and undertake a programme of work on such a scale meant that all of the organisation's resources were, for the duration of this project, almost wholly devoted to its delivery:

'it just took up all our people resources really, we didn't have the capacity to do much else other than that'

(Chair of Board)

As was later to become evident, this aspect of 'In Harmony Norwich' would prove problematic in a number of ways. The impact of uncertainties over the future of the programme, delays caused by the political process, and the lateness of funding decisions, all made life very difficult, but this was exacerbated by the organisation's reliance on the project.

'Decisions and notice on funding levels were very late. We were told in the middle of February [2010] that the grant was going to continue, but it was going to be half what it was the year before. Luckily we had already downscaled our programme in December, but six weeks' notice of halving your funding, it's not acceptable within any long term planning, let alone the idea that [we are] responsible organisations managing our finances, we don't make a decision of that magnitude on the basis of six weeks and there would not have been time for the all the standard redundancy processes! The year after we were given something like two months' notice, but again, we weren't

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<sup>8</sup> For further information on the 'In Harmony' initiative and its relationship to the *El Sistema* model, please see: <http://www.ihse.org.uk/>

told until two months to go that we were going to have a 20% cut to our budget, too late to realistically raise funds to fill it. Combined with the fact that we had not yet started to redevelop our wider portfolio of projects, there was too much reliance on the one project and no immediate way to alleviate it.'

The expectations now facing NORCA, in terms of its delivery of 'In Harmony Norwich' meant that the organisation felt a need to increase the resources going into the project, in order to keep pace with the musical outcomes being achieved by, for instance, the Liverpool project (which was, according to NORCA's director, not only able to access more resources but also was working with considerably fewer participants):

'we realised that if we were going to keep up with Liverpool in terms of impact we were going to struggle to find the money to do that, because we didn't have that much budget. So we'd been trying to get extra money into the programme pretty much into March 2010 with no success because everybody looked at us and said "you're getting a third of a million pounds already why the hell do you need more money?" Yes, one school left our programme at the end of July 2010, which relieved the pressure, but they were right, in hindsight, we needed to change our approach to make it more financially viable. It is difficult to do that when you are under the spotlight and expected to be achieving significant outputs' (Director)

Reflecting back on NORCA's part in the initiative today, its director noted that the experience had been 'a difficult one'; the 'In Harmony Norwich' pilot was not allocated further funding past July 2012 and this left NORCA with conflicting feelings about its involvement:

'It was a difficult and painful process to go through, because we did not feel it was fair or reflected the work we had done and what we had achieved, but overall In Harmony was also a fantastic opportunity that has seen us develop some unique experience and practice, and that is what we are focussing on now' (Director)

Organisationally, this left NORCA in an unenviable position, as the director explains:

'Organisationally, obviously the challenge for NORCA from 'In Harmony', as a small organisation, it did take all of our resources. So although until then we were a multi-project organisation, we suddenly became a one project organisation...certainly we developed nothing new for the first three years of running 'In Harmony', we didn't have any capacity to do that. And obviously that was a big challenge because we got to the end of 'In Harmony' to realise that we had not built up enough other programmes running and we were too dependent on it' (Director)

The withdrawal of funding from the In Harmony project therefore left NORCA facing a difficult transition:

'It was quite fraught, I think, if I'm honest. Because on the one hand, I think, it's testament to the loyalty that we get from our staff, which I guess is a testament to our

own ability to run a programme, but also testament to the staff that have been involved’  
(Director)

As difficult as the experience of having such a big part of the organisation’s funded work potentially coming to an abrupt end was for NORCA, as the director explained, there were positives to be taken from it. Perhaps most important was the legacy of the ‘In Harmony’ project in terms of human resources, networks and organisational learning over the course of ‘setting up the programme... training staff...developing a model’ (Director):

‘Now, the key thing for us was that what it [NORCA’s involvement in ‘In Harmony’] enabled us to do was to develop something of value. The whole ‘National Plan for Music’ came out [in 2011], it really stressed some of the key aspects of [EI] Sistema’  
(Director)

The fact that Sistema-modelled initiatives continue to attract attention and support in the way outlined by the director here, means that NORCA has, despite the loss of funding for that project, nevertheless been able to make the most of the organisational experience and learning developed from it. This is one of the ways in which NORCA’s experience with ‘In Harmony’ has been subsequently figured as providing the organisation with certain future opportunities:

‘we are also lucky at the same time, Sistema-inspired projects are quite 'in'...we are part of a sort of global Sistema thing going on, so there is lots of weight and interest there, we consistently are able to draw money into it, people generally like it’  
(Director)

Having gained considerable organisational experience in delivering Sistema-modelled activity then (‘we have tried out a lot of different stuff, we know what works and what doesn’t work’ – Director), NORCA is today able to further develop its reputation in the delivery of that work:

‘[so] ‘Sistema in Norwich’ takes a lot more of our focus now...we have a niche around whole class and particularly around [the] Sistema-model...we’ve spent four years developing our model for delivering a Sistema-style programme...but now we need just to convert, to design a programme that fits our local resources and then try and build those resources up and up and up so we can increase, in terms of doing the programme’  
(Director)

Indeed, although DfE support for ‘In Harmony’ had ended by 2012, the interest in an on-going Sistema-inspired programme within Norwich, from partners and the local schools that had been involved, remained. Consequently, NORCA sought to work with this local interest and support to continue the programme (now renamed ‘Sistema in Norwich’), albeit on a reduced scale.

‘the schools stepped in to fund work continuing and is now being used as a match to get other funds in, so we have managed to keep some areas of activity going on that basis’  
(Chair of Board)

‘we’re obviously now funded in a very different way in the sense that we’re basically funded by the schools [to deliver ‘Sistema in Norwich’]...with support from the Music

Service...we were lucky in that we had developed quite a strong relationship with Norfolk Music Service...having been very supportive they brought resources into the programme in September 2011, they've continued to put money into the programme in September 2012 so we've managed to maintain that relationship...and then we're fundraising on top of that, with some success, to then put in a much higher level of provision' (Director)

Indeed, the way in which NORCA's director now considers and understands the organisation's experience of developing a Sistema-based model of engagement is to see this as effectively, one of the organisation's three core specialisms (alongside carnival work and the creative hub). As the director explains, the flexibility of the Sistema model allows it to be adapted to a number of ends:

'our Sistema model, for me it's a spectrum in the sense that it can be delivered as a music education programme or, as we are looking to do, it can be pushed to the social impact end' (Director)

## 2.4 FUNDING THE WAY FORWARD

As NORCA looks to expand its on-going 'Sistema In Norwich' programme, funding issues loom large. The Director explains his thinking regarding possible sources of support:

'In terms of your core provision, can you get it locally? So can you get the schools to put in a bit? Our schools currently each put in 15/20k...trusts and foundations put in 15/20k and the Music Hub puts in another 15k...if we can get local businesses to invest 10k a year, then maybe our local fundraising achieves 20k a year, suddenly we have a 100k programme...for 150 grand I reckon we could run Sistema for a year with a good number of kids, so 300 maybe across the programme, and get the level of social impact we want' (Director)

Seeking support from local businesses, from trusts, foundations and other charitable donors however, represents a relatively new challenge for NORCA, whose funding base has, historically derived from grants:

'our primary source of funding has been from grant making bodies...we are very aware that that is not really very sustainable and we have been working towards trying to get funding in which isn't project-based, which grants tend to be, very project based... our finance base is still project based on grants' (Chair of Board)

'As an organisation and as a fundraiser, the funding I've always done best at has been government, local government and Lottery-style funding. So we have a very strong track record with local government, with 'In Harmony', with Youth Music, HLF [Heritage Lottery Fund], Arts Council...I was working out that for, although its slightly skewed by the fact that we had 'In Harmony', but 96% of our funding has come from those Lottery, local government and government sources and only 4% from trusts and foundations and donations' (Director)

Interestingly, NORCA's director made note of the way in which the aforementioned funders represented a certain 'style' or 'type' of funder with particular characteristics, which render them amenable to an appropriately considered approach:

'they have a very clear set of outcomes and if you know how to speak their language and meet those outcomes then obviously you can be successful...what characterises them ['Lottery-style' funders] is very clear objectives for the funding, very clear. They tend to be targeted programmes' (Director)

In addition to these funders, NORCA has also been successful at obtaining income from the local authorities, where good working relationships have come to the fore:

'there's also relationships, so say for example, we've built a relationship with City Council, that means we've got three grant agreements with them' (Director)

Significantly different however, is the nature of making approaches, in search of funding, to trusts and foundations:

'So I would set that ['Lottery-style' funders] against trusts and foundations funding, those are the main two streams at the minute. And the other things are donations and stuff like that which is a whole different kettle of fish which, we're just getting into...trust and foundation money is much harder to get, and maybe there's less of it in the long run, I don't know...trusts and foundations, although they might have very clear objectives for their money I have much less of an idea how they make their decisions, for example there is very rarely an application form of the depth that you get with the Lottery funders' (Director)

'we are very creative at moulding other types of grant funding to our aims and objectives and that is not actually necessarily that difficult to be honest. I think the key thing is if you are very clear about your overall aims and objectives how the business plan is meeting those' (Chair of Board)

What appears to assume importance here then, is not just the relatively-targeted nature of the funding on offer (and the objectives to which it is tied), but the nature of the funding application process itself. That said, also emerging clearly from our conversations with staff at NORCA was the sense that there do exist funders, besides trust and foundations, willing and able to support suitably framed community-based arts interventions. As overall grant sizes decrease or competition for them increases however – whether these concern 'Lottery-style' funders or, on the other hand, trusts and foundations – a key challenge, especially for a small organisation with no dedicated funding manager, concerns the time and energy involved in actually producing those bids:

'it doesn't seem like the opportunities aren't there. Our struggle is having the capacity to deliver big programmes and also get all the bids together and get that done' (Director)

Indeed, the area of funding in which NORCA has been most successful since its inception (i.e., 'Lottery-style' funding) and the area in which it might most effectively focus its revenue raising energies, appears to be that currently subject to the greatest pressure:

'there has been lots of pressure on our traditional funding streams because they are getting a lot more applications now'  
(Director)

Irrespective of questions about sources of funding however, one issue which emerged quite prominently from our interviews, in relation to NORCA's sustainability, concerned the organisation's core costs. In respect of this matter, funders' unwillingness to adequately cover organisational running expenses was described to us as something that imposed on-going challenges for NORCA:

'I think that is probably the nub of it really, that organisations like ours can never build, [you] can never have a really sustainable organisation, in my view, in this sort of funding environment because there is always a bit of a cap on overheads. So if you talk about competition for grants, so some grants will have a cap on overheads, so we have no choice but to put in whatever the cap is, other grants don't, but if you put in an overhead percentage that is too high, the concern is that you will get turned down because that would be perceived as being too high. So there is a kind of sub-capping if you like'  
(Chair of Board)

'core costs are an on-going massive issue for [arts] organisations...it becomes very difficult to maintain the organisation, and core costs are really difficult, really difficult you know. Most grant funders allow a level of overheads but some don't want to see any at all... but it's about supporting organisational longevity...the sector where we are working in, it is a valuable one and for it to be maintained you have to also develop the organisations that run it...you can't just go "well, we don't want to pay for your office overheads" or "we want to keep it absolutely at the minimum". I do understand the issue, that funders want to see their money directed to delivery, but it is a very short sighted view of the sector when organisations like mine are not invested in. A funder we are currently applying to does not cover any office costs at all, they say the "the building would be there anyway", but we would not have office costs if we were not running projects, so each has to contribute'  
(Director)

This situation leaves NORCA struggling to build up any kind of financial reserve of the sort that would enable it to sustain itself during the periods between grants. Although the income derived from its building does mean that the costs of office space can be covered at such times, core staff costs are affected:

'our Director has worked on a voluntary basis for periods of time...it literally goes down to nothing happening and just ticking over...if there is a long enough funding gap where we can't fund our existing people and they can't keep themselves going, then we are stuffed basically...it is never 'normal' if you like, 'normal' is crisis I suppose'  
(Chair of Board)

## 2.5 FROM GRANTS TO SOLD SERVICES

One way in which NORCA has responded to the demands of the current funding environment is to seek to bring about a key change in the organisation's main income sources: away from grant funding and towards the provision of services for which NORCA levies fees. Indeed, this was framed to us as a crucial element in its survival:

'a big change for us and what's kept us going, is that we've massively increased the service side of our organisation. So effectively, we now get contracted or sub-contracted for some Music Service delivery and also we've started to develop our own service delivery as well... our In Harmony and Sistema work has meant that we have been able to develop ourselves a bit of a niche' (Director)

In recognition of the changes taking place across local governments ('this new commissioning agenda' – Director), happening in tandem with reductions to its traditional funding streams, NORCA has sought to figure the current landscape as 'at the same time an opportunity for us' (Director); one which has required a change in the way in which the organisation understands itself in relation to the marketplace for its services. As its Director noted, one area in which NORCA has made important strides in recent years has been at the level of 'judging our market, pitching to it, selling it and what have you'. Understanding aspects of its work in this way has also lead NORCA to consider ways in which it might work more closely with businesses to offer them services for which it can earn income:

'We are looking, for Sistema now, we actually met with [*consultancy company*] yesterday to talk about how we might go about starting to talk to businesses about that sort of thing, sponsorship' (Director)

'I think offering businesses potential access into schools...so that probably attracts them, anything to do with young people initially attracts business which is the next generation of consumers' (Chair of Board)

Indeed, more broadly NORCA recognises the need to adopt practices and ways of approaching its work which might be seen as more typically associated with the commercial world:

'we have got to become good business people... our sector tends to go "no, all that stuff is really bad" ...[but]...I suppose as a community arts charity we should be adopting everything from that [*business-world*] model that works but which doesn't undermine our core ethos...we are much more business-like about how we go about doing things...much more strategic about what we do...much more focussed on particular programmes and activities' (Director)

Such an approach has, according to NORCA's director, becoming an increasingly important aspect of its work and a necessary element in both its survival and retention of the resources needed to carry out its core operations. One key resource, for example, which the organisation appears to be at constant risk of losing, in line with funding shortfalls, is its staff. Throughout the 'In Harmony' project NORCA was able to:

‘develop the work force...[we] spent two or three years training them so that has meant that we have had some people which we can then use to deliver certain services’  
(Director)

Yet at times when the organisation has not been in receipt of grant funding ‘we just have to say to freelancers “we can’t provide you with work”’ (Director). The upshot of this can be that valuable organisational resources in the form of ‘all that knowledge and skill base [that] has been developed’ (Director) can be lost at very short notice, leaving NORCA in a position where ‘we have to start all over again’ (ibid). That said, NORCA’s director was keen to note just how lucky he felt that the organisation had been in this regard, even if it remains an on-going concern:

‘we have been lucky, I think, we have been lucky because we have developed a very loyal team...what I have tried to do is to get everyone, you know get the sense that we are all in it together and we do have that culture at the minute, which has been nice, so when the money ran out last month, [*music director*] and I weren’t paid...maintaining that organisational culture and actually getting your staff to believe in it... is quite hard to do and I don’t know if we have necessarily got it right’  
(Director)

In a manner reflecting the challenges NORCA faces in terms of retaining and maintaining its human resource base, the belt-tightening of recent years has also led to difficulties in terms of its material resources:

‘keeping it [resources] up to date can be a challenge...for example, we were able to buy some wireless microphones...all of that became redundant last year because the government sold off the wireless frequencies...so we haven’t been in a position where we can get that kit updated...the version of Adobe we are using is probably two behind now, we are two behind on Sibelius [*music software*]... And that is when that whole thing about overheads becomes so difficult. Unless you are really able to take a chunk of overheads out of any programme you are never going to build up the backlog of stuff to keep your kit up to date’  
(Director)

One way of overcoming the challenges associated with material resources has been in the form of partnership working. This is something which, according to the accounts we gathered, has both been encouraged by funders in recent years and something that NORCA is incorporating more into its working practices:

‘...the importance of working with others really to make best use of resources. So whether that is because you can pool resources or whether you can upscale a project to make it a bit more fundable, or you can lend each other stuff, that just becomes incredibly important’  
(Chair of Board)

‘Organisationally, in Norwich, we are talking to each other much better...I think that funders want to see co-operation’  
(Director)

At the same time however, as was also related to us, on occasion partnership working can turn out to be not so much a bed of roses as 'a nest of thorns if that isn't mixing my metaphors' (Director). In circumstances, for example, where numerous organisations collaborate around single pots of funding there can arise 'the worry, especially with these times, [that] people kind of grab onto stuff they get' (ibid).

## 2.6 NORCA'S FUTURE

As NORCA looks to the future then, it undoubtedly looks towards a landscape filled with organisational challenges. At present, securing funding, and especially diversifying the organisation's revenue base, figures prominently amongst these:

'it is enormously difficult, I am amazed we have lasted this long to be honest given the financial environment, so although we are aware that we should be doing this, we should have a more diverse range of funding' (Chair of Board)

Indeed, this has led the organisation to begin to consider the need to change its structure. The Director explains:

'as a charity we are limited, we can only get 25% of our income from trading, and that has to be trading that is close to your organisational objectives. So we are safe in that department in terms of musical services, because that is what we do, and in terms of the Hub. But we do need to be a bit careful about what level of income, you know, especially in the lean times...'

One possible response to this situation, which NORCA appears to have been considering with increasing intent, relates to modifying the organisations' status:

'I suspect we are going to have to have a trading arm and I suspect that we would look at a social enterprise model for doing that' (Director)

'...maybe selling services, probably in a more commercial sort of set up, which aren't directly benefiting the groups that we target, but would give us an income stream. For example, businesses have been interested in the past for using something like Samba workshops as their team building away day type stuff, so that is the kind of thing we could do' (Chair of Board)

Whether or not a change of the kind described above will take place remains uncertain for the time being. What did emerge quite clearly from our discussions with NORCA however was the sense that the challenges that the organisation today faces in accessing grant funding requires that a central concern, in terms of NORCA's sustainability, relates to new types of funding relationship:

'I think we are just continuing our focus on trying to get other income streams in that aren't just grants...thinking more about business sponsorship, service delivery and things like that, that we haven't really focussed on before, so that is the main change if you like. If we, and I include our whole sector in that, are to survive then we need an imaginative rethink of how we operate'

## CASE STUDY 3: FUTURE PROJECTS

### 3.1 OVERVIEW

Future Projects is a charitable organisation based in a purpose-built facility in Motum Road, Norwich. Founded in 2000 as a youth-focussed initiative employing media activities as a means of encouraging engagement, the project grew to develop additional ventures, most notably a radio station and alternative education provision. Moving to its current premises in 2007, Future Projects has continued to expand with a number of charitable schemes that contribute to its overall core aims, which the organisation categorises as providing the following:

- Support services for young people
- Music, media and arts workshops, master classes, short and long courses
- Arts Awards training
- Mobile broadcasting facilities for workshops
- Radio training projects
- After school and holiday activities
- Schools music and media programmes

(from Future Projects website: <http://www.futureprojects.org.uk/>)

These broad objectives are taken forward in a number of ways through the different services that Future Projects offers. These different services can be thought of as relating to several core strands of Future Projects organisational activities:

- Future Radio
  - Aiming to provide a resource for community based education, training and development, whilst promoting local music and artistic talent;
- Future Baseline
  - Offering practical, social and emotional support to those particularly within the NR5 area of Norwich, which has a proven need for help in issues of learning, skills, employment, health and crime;
- Future Education
  - An Ofsted-registered independent school offering alternative educational provision for children most in need (for whom mainstream education is no longer an option), engendering pupils with higher aspirations for their own achievement.
- Future Studios
  - A professional recording facility available for hire that features rehearsal and studio space manned by recording engineers and qualified instructors.

In addition to these core elements of Future Projects, the organisation also delivers a range of (primarily) youth-focussed initiatives. One example of such work includes the 'BE' Project, a five year Big Lottery-funded initiative which aims to develop young people, providing guidance and training through music and media projects.

Over the course of its history, Future Projects has developed in response to concerns related to the needs of residents local to the charity. However, it has gone on to gain recognition from across Norwich for the work that it does. It was selected as the 2012-13 Lord Mayor and Sheriff of Norwich's Charity of the Year, and in 2011 was subject of a local news campaign by the *Norwich Evening News* to raise awareness of the school's positive results in the midst of looming financial difficulty.

### 3.2 COMMUNITY ENGAGEMENT

What is today known as 'Future Projects' began in 2000 as 'The NR5 Project', at that time based in a single house in the Earlham area. Co-founded by the current Deputy Principal of Future Education and the former Chief Executive, Future Projects first grew from a youth club initiative based in the Spinney Centre on Earlham Road. When excluded or suspended pupils from the nearby Earlham High School repeatedly attempted to access the youth club during school hours, the founders recognised the need for an alternative educational provision, implementing their emphasis on music and media as a tool for social inclusion. Having successfully obtained funding from the North Earlham, Larkman and Marlpit (NELM) New Deal for Communities (NDC) programme, the project was able to move to its own premises on 561 Earlham Road, converting a semi-detached house into rooms that housed a music studio, radio broadcast studio alongside rooms available for general educational use.

Taking its name from the local postcode, The NR5 Project's primary focus was initially with the inhabitants of the NELM area.

'As well as being an area of predominately low income ... [the NELM area] also suffered from high levels of recorded crime, unemployment and cases of mental ill health, and low levels of education achievement' (Impact Assessment Report 2009: 18)

The NELM NDC was a charity established to help regenerate the area with a focus on countering the aforementioned dimensions of deprivation. The NR5 Project's local focus therefore made it an ideal partner organisation. One of the primary goals of The NR5 Project, at that time, concerned a desire to 'increase communication and raise awareness of community issues with young and old alike using the creative arts and community radio.' (Financial Statement 2004-05: 2). As the Deputy Principal (and co-founder) today notes, this dedication to the NELM area drove the direction of the charity and how its projects were considered:

'In the early days [the NR5 project] was community-minded...asking them what they wanted and then we'd go out and try and set stuff up.'

(Deputy Principal, Future Education)

As a result, much of the early work of the charity concerned the provision of services to the local community, and looking to meet needs as and when they arose. This meant that in terms of choosing projects for NR5 to implement, direction was often taken from the specific ways in which the local community might benefit:

'...when I was in charge of the project it was like "let's do something people tell us we can't do" or "lets create a radio station that does various different things that meets various different needs" ... [T]he radio, particularly, was a social inclusion

project...these people are very proud of where they live...and it was really about bringing the outside world in’  
(Former Chief Executive)

As an example of how The NR5 Project tailored its work towards the local community, the initiation of what was to become Future Radio resulted from a desire to ‘bring broad sections of the community together in terms of musical style, culture, genre and age...[reflecting] not only economic and social diversity but providing something for everyone young or old.’ (Financial Statement 2004-05: 2) Such a desire was implemented by training local residents in both on-air and radio production skills as well as providing residents with the opportunity to broadcast live to an audience of local listeners. In fact, Future Radio’s existence can be traced back to Future Projects’ founder’s involvement with local pirate radio, before the birth of ‘Flight FM’, which operated using 28-day Restricted Service Licences from 2004-6, before applying to become a full-time station in 2007. Cementing the charity’s success with residents of the NELM area, the subsequent growth of the radio station was a direct result of funding sought from the NDC programme, which provided approximately 10-15% of Future Projects’ annual income from 2005-10 (around £100,000 p.a.). Further to this support, an important (in terms of the organisation’s future) capital grant of £650,000 from the East of England Development Agency’s (EEDA) ‘Investing in Communities programme’ was awarded in 2006, which went directly into securing the purpose-built premises on Motum Road, which continue to house Future Projects core operations to this day.

This space, in the heart of the NELM area – like the Spinney Centre and 561 Earlham Road – allowed The NR5 Project to develop its existing links with the local community whilst at the same time providing improved facilities for radio, music, media, and education projects. The link between the location of the charity and the focus on meeting the specific needs of its key clients suggests that continuity of presence has had a positive effect on charity-client relations. As the Former Chief Executive noted to us ‘in order to work effectively, you have got to understand the people and their communities and their networks’. The value of such a philosophy is notably reflected in the fact that the Motum Road premises

‘...has not been vandalised or subject to graffiti [which] says a lot about the respect that the young people and local community have for the project’

(Impact Assessment Report 2009: 4)

The respect and relations that have been forged speak to the commitment of the NR5 Project staff, who were able to successfully forge links with the local community despite the latter’s nature: ‘these estates are very tight ... these types of kids are very tight’ (Former Chief Executive). Effectively then, the origins, focus, and success of The NR5 Project was very much founded on the passion of staff combined with their commitment to serving the needs of the local community. The project’s closeness to the NELM community – in both physical and attitudinal terms – helped to inform decisions about the nature of the projects that NR5 prioritised. As the current Chief Executive explains:

‘...it was a very much extremely passionate approach and I think that that carries throughout the former CEO’s time at the organisation. And I think that permeated everything, every decision, every new project, every approach, every funding application was all driven by passion which is a phenomenal thing to have, it really had

a great impact and it enabled us to really drive and push on and develop projects which were suitable. I'd say that was the underlying ethos, was that real passion to help this community and improve this community' (Chief Executive)

The Former Chief Executive speaks specifically about some of the work conducted, and how her knowledge of the issues affecting the community were integrated into project activities:

'a lot of it [NR5's work] was about engendering understanding between each other and respecting cultural differences. And that really worked...we did some very, very cutting edge working around offending and serious offending, gang crime, murder... and it [NR5's approach] was a very powerful hook for the youngsters...you can get a lot of those kids variously affected but they would have something, and it would make them proud and they would have opportunities that they wouldn't have had and some of them were gifted, really gifted' (Former Chief Executive)

She also went on to note the extent to which the project's investment in its clients prompted a desire to provide help where other service providers appeared more reluctant to do so:

'...most of the work that Future [Projects] did, a lot of people wouldn't touch. We worked with very, very high risk individuals and families...[some people would say] "no you can't work with them because they are too dangerous"...[but] because I actually come from that background, and so does [Deputy Principal]...it makes just that little bit of difference' (Former Chief Executive)

Having such an intimate knowledge of the culture of the local community allowed The NR5 Project to more effectively assess residents' needs and plan projects to respond to these. This focus yielded positive results and feedback, not just in terms of clients' personal satisfaction with their involvement in the project's activities, but also in terms of statistics relating to anti-social behaviour in NELM:

'Although anti-social behaviour is still an issue in the NELM area, Future Projects' intervention with this specific group of young people does appear to have been successful. If it prevents them from committing such crimes again ... significant savings will be made to the public purse, as well as to the local community's perception of anti-social behaviour and fear of crime.' (Impact Assessment Report 2009: 31)

The charity's success in working with residents of the NELM area then, appears to be largely due to the sustained effort of Future Projects' staff to keep channels of communication open. As the Chief Executive noted 'our project managers have worked really hard developing those relationships and providing those services, helping people and families and so on over the years.'

Yet as part of the charity's growth, the explicit focus on working directly with residents of the NR5 area has, by dint of necessity, altered somewhat. This was reflected in the 2009 name change from 'The NR5 Project' to 'Future Projects', a choice which reflected a desire to 'show everybody that we weren't just working in the NR5 area' (Deputy Principal, Future Education). Similarly, the Former Chief Executive stated in a press release at the time:

‘NR5 is a success story that has transformed the lives and prospects for residents across Norfolk. But all of those involved felt that the NR5 Project name was becoming too restrictive. We are proud of our NR5 home and our fantastic facilities but we are here for the benefit of people across the county and we needed a name that reflected that role’  
(from Future Projects website: <http://futuresradio.co.uk/news/>)

The change in identity to Future Projects reflects shifts in the make-up of the charity’s core client base. This broader client base has been reflected in the ways in which different parts of Future Projects now reach out to different constituencies and service users:

‘[Future Education began working with] students that were coming out of the NR5 area and we were happy with that...[now]...we’ve got some children that are looked-after, children in homes out of the County...from all over the place, Dereham, Fakenham, King’s Lynn...but we have still got a core group that are from like Mile Cross and the surrounding areas’  
(Deputy Principal, Future Education)

‘[Future Radio is currently] part of a pilot, a national scheme called ‘Connect to Transmit’ and this is about creating a toolkit for all community radio stations in the UK to use to train young people or give radio training to young people...so with that we’re working with City College Norwich Drama Department,<sup>9</sup> we’re also working with an organisation called the Norwich International Youth Project who work with unaccompanied asylum-seeking children...[also] we’re being funded by the Broads Authority Sustainable Development Fund to deliver some programming about the Broads’  
(Radio Station Manager)

‘[The “BE” Project] started locally with our radio training three years ago... and we then wound it out across Norwich, then this year we have gone county-wide so we are north, east, south, west of the county. So next year the idea is to go national with our training and we should be doing four or five points around Britain, two day course on training young people and why it is so important to get their voice across. That’s the plan’  
(Youth Engagement Officer)

Future’s success at a local level has therefore translated into partnerships with other organisations at both a (wider) local and national level. Notably however, as one of the Trustees with whom we spoke noted:

‘I have got no reason to believe that our links with the community have significantly diminished...they have changed maybe, but not diminished I would say’  
(Chair of Board of Trustees)

Indeed, some change in the ways in which Future Projects engages with its neighbouring community has, as we have learned, been one element of the charity’s continued sustainability, and while Future

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<sup>9</sup> City College Norwich is a Higher and Further Education provider located in the NR2 region of the city, serving ‘one third of all 16 to 18 year olds in Norfolk’ (CCN website: <http://www.ccn.ac.uk/principals-welcome>)

Projects remain 'quite proud of [local links and roots]' (Chief Executive) it should also be noted that 'we're [today] a bit more forward-thinking in where we can go and who we can reach' (ibid). A change in attitude and approach has undoubtedly emerged from the accounts that we have gleaned then, and this change provides valuable insights into the ways in which Future Projects has approached questions of its sustainability over the past two to three years.

### 3.3 FINANCIAL CHALLENGES AND THE MOVE TO FORMALISATION

Between 2010 and 2011, Future Projects was hit by 'two big financial crises' (Trustee), forcing a re-evaluation and reassessment of the charity's then-business strategy. Although the reasons for these crises were complex and can be attributed, in part, to a number of factors, two key factors can be attributed to a shortfall in income due to the closure of the NELM NDC, and Future project's lack of success in winning a competitive tender from Norfolk County Council.

From having previously been in receipt, from NELM, of anywhere between £162,000 (2009) to £314,000 (2008) for the whole organisation (Financial Statements), as of the financial year 2011-12, Future Projects could no longer rely on any income from NELM. This situation arose due to the NDC scheme ending in 2010, resulting in a large funding shortfall for Future Projects, which had notable effects for the organisation's operational capabilities. As we were informed, although 'there was not a reliance on [the NELM money] ... there was an expectation' (Funding Manager), and this shift subsequently prompted a need for what the Funding Manager described as a 'wily organisational restructure'.

Contributing to the apparently sudden onset of the funding shortfalls was a period during which the Finance Manager was signed off sick from work. The loss of this manager's expertise at this time led to a situation where

'...the organisation was losing money, was leaking money at a very fast pace...and there wasn't effective reporting and monitoring to enable corrective actions, so no one was actually managing it' (Trustee)

Such a situation resulted in the Board of Trustees taking a more active involvement in the day to day management of the charity, ensuring that expertise and knowledge of governance activities could be shared, rather than depending on the input of a single (and now absent) staff member. The Trustees consequently undertook the implementation of stricter financial controls and oversight as well as demanding more stringent monitoring and reporting procedures of the organisation's management team. Indeed, the information we gathered strongly suggested that, especially over recent years, there has developed at Future Projects a culture of organisational accountability forged by its Board of Trustees. This has enabled Future Project's management team to focus more directly on the delivery of project outcomes. As the Chief Executive notes:

'I think now we have a Board in place that is very challenging but also understands the legal position, the duty of care, risk management, financial management, all of the business functions which, I think the charity before then didn't really rely on the Board of Trustees to support those areas' (Chief Executive)

One of the most significant aspects of Future Projects' work affected as a result of the funding shortfalls was Future Radio:

'in the last year of the NELM Fund we had a grant of about £94,000 for the radio project and the radio is always the hardest thing to fund in the organisation, no one wants to fund community radio, so when that grant went we had a big gap and there was nothing really that could be found to replace it' (Funding Manager)

Prior to this funding cut, the radio station was able to operate with relatively healthy staffing numbers which, importantly for a station whose team of programme makers is overwhelmingly composed of volunteers, allowed for a steady stream of volunteer management and training:

'In 2009 I suspect we had three full-time members of staff at least, we had a couple of part-time members of staff...we were able to concentrate more on programming, on training, we had a volunteer coordinator role and her job was to bring in new volunteers and make sure they were trained and make sure there were people waiting for slots programming-wise...we were just able to concentrate on improving the volunteer experience a bit more than now' (Radio Station Manager)

By way of comparison with that time, we can note that today the funding available for Future Radio allows for only two full-time members and one part-time member of staff. As a result of this reduction, the duties of Future Radio's Volunteer Coordinator – the role which brought in new volunteer programme makers and organised their training – have had to be added to the already considerable list of duties undertaken by the Station Manager. Consequently, the number of volunteers working with the station has diminished, and the amount of training delivered has been reduced, with staff members having to juggle multiple tasks and roles:

'I'm [now] covering the role of all three of those [former full-time staff] to an extent. And no surprise because of the way that we lost people, I had to stop being the breakfast show presenter so I could spend more time with other roles around the station and becoming more of a deputy figure to the then station manager. The volunteer coordinator was made redundant...the station manager then left... so in that moment I swallowed up three people's jobs, including the one I already had' (Radio Station Manager)

The burden on staff involved in Future Radio is thus considerably greater following the removal of NELM funding. With only two full-time members of staff, the management of the Radio Station is reliant on the continued enthusiasm of a very small group. The time-consuming nature of management activities – such as report and bid writing – means that the Station Manager is reliant on just one part-time member of staff to help with the day-to-day running of the station. An important wider ramification of these staffing issues is the loss, to the station, of a steady stream of new volunteer programme makers:

'getting new volunteers in has been massively affected... [We used to be] praised for how we were able to involve so many people in the station, deliver training, get lots of new people on air and behind the scenes, everyone had jobs to do. Everyone knew what they were doing because the volunteer coordinator's role was to do just that, meeting new volunteers but also making sure that we were achieving...diversity

targets... And that was good because that felt very much like what a community radio station should be doing’  
(Radio Station Manager)

There consequently emerged, from our interviews, a clear sense in which the loss of a previously steady stream of funding, combined with the challenges of the current funding environment for community radio stations (‘it’s changed a lot, because there are less sources of funding seemingly’ – Radio Station Manager), means that Future Radio has faced considerable challenges in fulfilling its brief – especially around encouraging volunteering and delivering training – in comparison to its previous achievements.

Similarly, in 2011, a change in Norfolk County Council’s contractual arrangements for alternative education provision meant that Future Projects could no longer necessarily rely on income from that source. However, over time Future Education’s contractual readiness – attributed to their on-going processes of ‘improved performance, formalisation, [and] professionalisation, culminating with recognition as an independent special school’ (Chief Executive) – made sure the County Council were aware of Future Education’s ability to successfully deliver the work in a cost-effective manner:

‘we’re saving them [Norfolk County Council] thousands of pounds because they are not sending the students out of the County now’ (Deputy Principal, Future Education)

The strides made by Future Education in proving their effectiveness as an alternative provider are reflected in their current operational ambition:

‘We feel at the moment that we could do with a bigger building really’  
(Deputy Principal, Future Education)

‘[We have 28 pupils now] and that is the optimum for this building, we couldn’t take any more, we’re at bursting point now’ (School Principal, Future Education)

Desiring a more suitable building for the school hints at the potential for growth and expansion on the part of Future Education, but this appears to be something inhibited at the moment by financial constraints. Such constraints speak to a wider degree of uncertainty around the school’s commissioning arrangements:

‘The funding we receive for the school is significant for the entire organisation as it helps spread overheads and core management costs – contributing to the on-going management of the charity, but there is a significant risk as a result of the latent insecurity of funding. We are not in a position where a long-term contract is available so we’re never really sure how many pupils, and therefore, how much income, we will receive from one year to the next.’  
(Chief Executive)

So, as we have seen, Future Radio and Future Education were significantly affected as a result of the funding shortfalls of 2010-11. As result, a more general stringent financial evaluation across the whole of Future Projects had to take place, where ‘we just looked at everything right down to the water cooler which was costing us money’ (Funding Manager). A further effect of the drive to make organisational savings related to staff remuneration:

‘...pay freezes are a given in the third sector at the moment, unfortunately, but [we got] to the point where members of staff were deferring their pay and we were, the

management team in particular, in summer of 2011, were taking pay cuts. I went down to three days a week, for example, I was working five but I was only being paid for three, because the situation required it. I think it's one of the benefits of having a third sector organisation is that if your staff are believing in what they're doing, they're there for that and not necessarily there for the money, which gives you a bit of extra passion and drive' (Chief Executive)

One key element in Future Projects ability to survive at this difficult time then, issued from the passion and investment made in the organisation by its staff. That said, and as Future Projects' Youth Engagement Officer noted to us, 'you need to fail in some places to realise where you are going wrong'; the organisation therefore used this period of financial hardship to ask some serious questions of its sustainability and possible ways forward. As a Trustee noted, 'the organisation, as I understand it, had to change...the business model failed and we needed to replace it.' Accompanying the organisational belt-tightening of 2010-11 then, there came changes to Future Project's governance structures and this was something complemented by what might be categorised as a broader shift to professionalization and formalisation across the organisation as a whole.

The formalisation processes implemented by the Board of Trustees and management team signals a shift from a more flexible and immediately responsive (yet at the same time, largely grant-dependent) mode of functioning, to one whereby today, the flow of income accessed by Future Projects stands on a much surer footing and reflects the specialisms that the organisation has developed over time. As the Chief Executive notes, there has, in this respect, effectively been a change in the outlook of Future Projects:

'We can't rely on [grant] money anymore, we have to look at new ways of solving problems, new ways of delivering services but also remain within our objectives as a charity and still try to achieve the same things' (Chief Executive)

The aforementioned cuts and shortfalls in funding thus appear to have 'led into a series of secondary considerations and discussions around which of our services were the most valuable essentially, which were most needed in the area' (Chief Executive). It appears clear then that Future Projects has attempted to stay the course in terms of its core objectives, despite its hand being necessarily forced by the funding available.

### 3.4 CURRENT INCOME & STRATEGIC BIDDING

'Future Projects completes the financial year 2011/12 in a stronger position than in which it began. The charity has managed to redress the gap in income to expenditure and now operates on a positive financial model without the loss of any frontline services.' (Financial Statement 2011-12: 4)

Approximately 40-45% of Future's current income is derived from Future Education's agreement with Norfolk County Council. Although music education and the radio station were initially the primary arms of the charity, the school's ability to have consistently attracted funding since its inception (despite one shortfall in 2010-11), has enabled it to become one the most significant aspects of the whole

organisation. The processes of formalisation alluded to in the previous section are perhaps most visible with Future Education. As the Chief Executive notes:

‘in 2009, we were made aware that we needed to be registered as an independent school so we did that and that cost a significant amount of money, it was quite an impact on the organisation to set up a fully independent proper school as opposed to an informal education provider which we were’ (Chief Executive)

Becoming a formally recognised independent school led to Ofsted registration, and therefore an increased and more visible process of accountability to clients and stakeholders. Building on the success that has allowed Future Education to currently thrive, the results of the school’s first Ofsted inspection in 2010 state:

‘Although only a year since its registration, the school has successfully built upon the work that it is has been doing with troubled teenagers over many years. The most striking feature is the way that it successfully places high importance on education and examination success alongside supporting students’ social and emotional development. The local authority, students and their families speak very highly of the school’ (Ofsted Report 2010: 3)<sup>10</sup>

Future Education has now gained recognition as a valued provider of alternative education, forging fruitful relations with Norfolk County Council, to the point where they have applied to be part of a County Council rolling list of preferred alternative provision providers. The outcome of such a bid will make the process of pupil placement quicker and easier. Future Education’s position as a preferred provider of County-commissioned educational services signals the way the charity has established a position of strength. From the informal ad-hoc establishment of the Spinney Centre youth club, the success of the independent school demonstrates a continued commitment to the project’s core aims.

Setting aside Future Education for the time being, Future Projects’ remaining income is derived from smaller pots of money: advertising revenue from the commercial branch of Future Radio; donations from small charitable trusts; or grants from public bodies such as the Big Lottery Fund (which currently accounts for around 10% of Future Project’s income). Particularly with the loss of NELM funding in 2010, Future Projects has had to embrace a more ‘careful and robust’ approach to fundraising (Financial Statement 2011-12: 4), meaning that although larger streams of income can be readily identified, approaches and applications are made to various different funders:

‘they might be small charitable trusts that give donations of £500 to thousands, to other projects like Youth Music, who we got a grant awarded from last week and that is more in the region of £60,000, so the other chunk of money varies depending on what programme we are trying to fund and who we go to’ (Funding Manager)

As the Former Chief Executive observes, ‘there is a lot of funding out there but you have to know where it is.’ Reflecting a need for a more strategic outlook, Future Projects has had to adapt to become more

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<sup>10</sup> Ofsted (2010) *Future Education Independent School Inspection Report*, Manchester: Ofsted.

aware of where funding is made available, and for what activities it is most likely to be awarded. As the organisation's Funding Manager notes,

'we have had to put a lot more research into funders because they have had a hit as well...[they] have refocused and where you may have been able to send a general appeal out in the past, that won't necessarily work now' (Funding Manager)

A much more focussed and strategic approach to accessing funding has thus become an essential aspect of Future Projects' on-going organisational sustainability. That said, those members of staff currently involved in income-seeking activities have noted the difficulty and strain involved in the competition for funding:

'It's a hell of a lot of work writing a tendering bid to get it right...[funders]...really want the historical evidence of your success and how you've managed to cope with things and any new initiatives that come in...it's a constant review of what you're doing, a review of practices all the time...[and] self-evaluation forms a big part of any tender bid now.' (School Principal, Future Education)

'[The bidding process has] changed a lot ... [T]he Local Authority is now the commissioner and they have had to change their mindset of how they give out funding just as much as we have on the receiving end of it. So to fill in a big tender pack, that you only have five weeks to do, that is quite a change for a lot of charities...it's like putting yourself in a business world and you don't work in a business world, we work in a charity world but we have had to change our thinking to be more like a business and the Council have had to change their thinking in the way they distribute their funds' (Funding Manager)

According to the accounts we gathered from Future Projects' staff then, bidding for funds on a regular basis emerged as a demanding task, and there may too be a suggestion that there is a need to tally Future Projects' organisational outlook with their commissioners' mindset, in the sense of adopting 'a business model with heart' (Former Chief Executive). It also appears that the commitment needed to go ahead with putting together a bid placed demands on human resources. One outcome of this situation is that the organisation has become more selective in terms of where it directs fundraising and bid writing energies:

'we have had to do a lot more research into where is applicable... and also looking at whether it is worth putting the bid in...you can spend hours and hours writing a bid or even weeks and weeks...and you might only get a small outcome for it, so it is [about] thinking "is it worth my time as a sole fundraiser?"' (Funding Manager)

Alongside broader processes of what might be considered organisational formalisation and the streamlining of its funding-seeking activity, Future Projects has become subject to increased demands in terms of the monitoring and evaluation of its services. According to the accounts we gathered from staff both at Future Projects and in the local authorities, this is something which is occurring at multiple levels within the third sector, and faces both funders and the funded. For instance, Norfolk County

Council Children's Services, which places stringent evaluative and monitoring requirements upon Future Education is, in turn, itself accountable to a number of different stakeholders:

'In addition to the members of the public, and county councillors, and through education law to DFE, we've also got a very key stakeholder which is the Schools' Forum' (Additional Needs Strategy and Commissioning Manager)

Organisationally, Future Projects is thus keenly aware of the way in which it must now demonstrate its effectiveness against outcomes expected by its funders. As the Funding Manager notes:

'[Funders] want to make sure they get value for money...the level of monitoring and evaluation...is perhaps higher than what it was five years ago...[some] want a 45-page report with copies of all your receipts and invoices' (Funding Manager)

'[Funders] really want the historical evidence of your success and how you've managed to cope with things and any new initiatives that come in...so it's a constant review of what you're doing, a review of practices all the time...self-evaluation forms a big part of any tender bid now' (School Principal)

In addition to these formalised processes of evidence and evaluation, Future Projects is also looking to embrace new ways of demonstrating its outcomes, such as through the use of online social network discussions, or qualitative data gathered from clients themselves:

'[If clients] are saying something on Facebook about [our projects] and you are getting fifty young people that are responding and having a conversation about that, that is great, we need to be evidencing that. So we have tried to include things like that and kind of go with the times ... because all that is developing all the time' (Funding Manager)

So despite evidence and evaluation being a similarly arduous process, Future Projects embrace clients' input, and make an active effort to keep their methods up to date. The Chief Executive sees this as a constructive practice:

'Personally I think it [evaluation and monitoring] is a positive thing because it supports organisations to make sure delivery is a really good quality delivery. And I suppose it stops some organisations from playing the game hard and fast and not necessarily monitoring properly and not necessarily delivering properly. So I think it's a good thing but I think from what I've heard from other organisations, particularly slightly smaller organisations, the burden of monitoring can be very difficult' (Chief Executive)

Future Projects' understanding of the potential pitfalls facing smaller organisations points to the way in which their governance and management has changed. In a contrast to times where failure was seen as part of a learning process, now the determined aim is to not contemplate failure at all. This demonstrates Future Projects' embedding of a cumulative learning cycle which informs the organisation's sustainability, self-reflexivity, and ambition.

### 3.5 PLANS FOR (THE) FUTURE

Judging by the testimony we gathered, Future Projects continues to be guided by a sense of responsibility to the core aims of the NR5 Project. In effect, the key organisational shift has related to an evolution in governance, which has ultimately rendered the charity more robust. At the same time, the passion of its staff team also appears crucial, and it seems clear that their commitment will continue to contribute to the charity's sustainability. Having shifted from an organisation with especially close ties to its immediately neighbouring community to one which has today forged a successful county-wide reputation, Future Projects has negotiated something of a balancing act which continues to inform its functioning today:

'I think we're slightly more detached now but I think our strength is our project teams and our project managers and their ability to engage with local communities and feed that engagement, that consultation, that recognition of need, they're able to feed that up [within the organisation]' (Chief Executive)

Despite the significant challenges with which Future Radio has been faced over recent years, it nevertheless continues to provide a station of value to local residents and beyond:

'I think most people listening will say that our output is really good and we're still delivering lots of great training, we're involved in really good projects and still delivering so much that community radio should be' (Radio Station Manager)

It also appears that Future Education will continue to play an integral part in the functioning and core activities of the organisation:

'I think education's going to continue to be something which we really want to be involved in and again, I think it's our approach and our levels of engagement that enable us to do that where other providers possibly can't' (Chief Executive)

There is a sense then, that Future Projects can continue to develop its role as a market leader for its core aims, and such confidence is reflective of the undoubtedly challenging yet ultimately valuable learning experiences of the last few years:

'The last [two years] have really taught us that in order for us to be flexible and react to the issues, be proactive to the issues, and the direction of our commissioner, we need to understand their long-term plans, where they're headed. We spent a lot of time trying to establish that, and trying to shape our provision to the needs that they will have in six months, twelve months, even further' (Chief Executive)

Notwithstanding such organisational learning and consolidation, there remains an understandable sense of caution tempering Future Projects' current outlook:

We're not completely secure as an organisation – very few are, and we were in a very serious position where Trustees had to consider on a regular basis whether or not the organisation was a going concern. We've since undertaken a tremendous amount of work to turn that situation around, but it was very nervy at times.

(Chief Executive)

There is a sense then that the optimism predicated on positive results, successful funding bids, and a continued commitment to core aims, is today balanced by a determinedly level-headed and strategic approach to matters of governance, such as can secure the charity's future. In a current third-sector climate in which long-term stability might be planned, but cannot be guaranteed, Future Projects positions itself in readiness for the anticipated challenges ahead. As the Funding Manager suggested to us:

'it might be that in two or three years' time we have to do the same thing...look at everything again, and I think it is part of that culture in charities, you can't ever take anything for granted and you have to be prepared to contract when you need to and expand when you have the opportunities to'

(Funding Manager)

## SECTION 4: THE VIEW FROM LOCAL AUTHORITIES

### 4.1 OVERVIEW

This section collates the opinions of local authority representatives<sup>11</sup> who offered their perspectives on questions of local community-based organisations' sustainability, particularly in relation to commissioning processes, and the broader funding environment in which our case study organisations currently operate. The interviewees whose reflections are discussed in this section include:

- The Culture and Events Manager for Norwich City Council.  
The manager's remit is to 'support the grants giving that we give to cultural organisations to see where we can support cultural organisations within the city...[we] provide a programme of events...for the community across the city [in addition to other activities] like hiring out open space, providing advice and support.'
- The Arts Officer for Norfolk County Council's "Norfolk Arts and Events Service".  
The Arts Officer helps the council service support 'voluntary and community arts organisations ... [providing] advice and guidance, support and project development, developing funding bids ... and as a service our role is strategic primarily'
- The Additional Needs Strategy and Commissioning Manager for Norfolk County Council Children's Services.  
The manager is one of five commissioning managers within the department, focussing on special education needs. Within the Additional Needs remit is 'children with disabilities, children with special educational needs, and also children with mental health difficulties. ... I design services that the County Council teams will run... but I will also commission other sectors to deliver.'

These local authority representatives have varying relationships with the organisations discussed in this report. This section will therefore offer a broader examination of the issues facing local commissioners during the current period of austerity.

### 4.2 RELATIONSHIPS AND STRATEGY

The City and County Council employees with whom we spoke each emphasised their desire to support the work of our three case study organisations. This support can be identified at various stages of charity projects; from the planning stages of bid writing, to when projects are actually running, through to the culmination of work and reflection on outcomes. For example, it emerged clearly that charitable organisations benefit significantly from City Council support when putting together funding bids:

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<sup>11</sup> Please note, the views expressed by the representatives interviewed here do not necessarily reflect those of their respective governing bodies, but rather the viewpoints of their own departments within those bodies.

‘...when people put in grants for the Arts Council they ask us for comments, so it is very, very important if people are putting in grants that we know what is going on and we support what is going on and we understand what they are trying to do’

(City Culture and Events Manager)

The support from the City Council therefore provides a ratification of a charity’s core aims, giving approval for local projects to commence. Speaking specifically of their work with NORCA, the City Culture and Events Manager notes that ‘I need to convince whoever is making the [funding] decisions of the value of NORCA’s projects and the need to find the money’. This makes clear that the Culture and Events team can help to facilitate funding applications, and their opinion is valued by funders. Such a dynamic is also apparent at County level:

‘When it comes to an application being submitted to the Arts Council often we will write a letter of support for that organisation and its proposal. The Arts Council invite us to write a formal report saying why we think it is an important project, and outlining our views on that organisation.’

(County Arts Officer)

The City and County Councils are also able to signal to funders which work is most valued (by them) in the region, providing a smoother track to bid success. A close relationship between a charity organisation and the council would therefore seem to be potentially fruitful. Such an observation appears to be similarly applicable in terms of the City Council’s own direct financial support and prioritisation of organisations in the East:

‘...unfortunately the lion’s share of our funding money is taken up with the handful of organisations who are supported for strategic reasons so there becomes less opportunity for the projects that could fit in with other things and get funded.’

(City Culture and Events Manager)

The support of key organisations, and the promotion of particular initiatives, signals the way in which both the City and County Council place strategic value in the arts. For instance, the brand identity of Norwich (particularly) and Norfolk more broadly as a cultural centre and visitor destination was evident in several of the accounts we gathered:

‘This Council is committed to culture, this Council completely understands the importance of the cultural brand for Norwich and that it has to support culture as a leading brand for Norwich’

(City Culture and Events Manager)

‘Politically within Norfolk County Council we are lucky to have strong political support for the Arts and Culture. Our members see the value of investing in the arts and culture and the impact that it has in the County’

(County Arts Officer)

This commitment to the Norfolk and Norwich brand identity and the place of the arts and culture in this was also evident in local authorities’ strong rhetorical support of local arts-based charitable initiatives. In this way, the strategic funding bids and broader process of support and validation can be seen to contribute to an overarching aim to promote culture and the arts in the East of England:

‘...It is absolutely essential that you have a thriving cultural offer to attract business here and keep people because if you don’t, people are going to leave.’

(City Culture and Events Manager)

‘We want to support arts organisations and practitioners ... and we want to help the arts to develop the economy locally and raise the profile of Norfolk...as an interesting destination to live and work. Having a vibrant cultural sector is very important and we have a number of arts or cultural organisations in the county that work at an international level.’

(County Arts Officer)

It therefore appeared that close relations between the local authorities and charitable organisations could be considered part of a strategic mission to promote culture and the arts in the region. Having an awareness of the kinds of work being proposed by local organisations provides the councils with an opportunity to link prospective arts programmes with broader agendas.

### 4.3 FUNDING AND NETWORKS

In terms of engaging with local arts organisations then, the local authorities attempt to work collaboratively, in order to reach a mutually agreeable agenda. As a result of such relationships, local authorities will often directly contribute funding to the organisations themselves. The County Council for instance, provides assistance through their Arts Budget:

‘The Arts Budget is the main budget and supports around 18 professional arts organisations in the county...[and] the distribution of that pot of money is decided by members. Organisations are funded through the Arts budget towards their core costs.’

(County Arts Officer)

The County Council signals its commitment to actively sustaining arts organisations in the region, offering funds via a formalised process:

‘[The relationship between funders and funded] is certainly far more organised and less ad hoc now than it used to be.’

(Strategy and Commissioning Manager)

‘In the past, wherever possible, organisations were on three year funding agreements to give both stability and the ability to plan long term. We don’t have that luxury now, so our organisations submit an annual proposal to us for funding’

(County Arts Officer)

Given how the current period of austerity – or as it was phrased to us, the ‘big cut back that started three years ago’ (County Arts Officer) – has placed limits on the funding being made available to arts organisations, one step taken by local authorities to help support the former’s sustainability, is to encourage organisations to become more flexible in their core aims. This enables local authorities to offer alternative funding solutions that may, at least in part, be compatible with the streams of funding available:

‘...part of our role is looking at other ways in which we can support the Arts sector to generate income and funding. So for example, organisations that are involved in the Health and Social Care arena, it is looking at where there are strategic commissioning

opportunities and possibilities for collaboration. It is also looking at what sort of capacity needs to be built by these organisations to be in a competitive position with regard to strategic commissioning opportunities ... and it is about supporting organisations to think laterally about the services that they provide, the work that they do and where there is other potential funding so, I have mentioned Health and Social Care, this could also be about strategic commissioning in Education and Learning for example.’  
(County Arts Officer)

As this statement makes clear, charitable organisations are being encouraged, to undoubtedly varying extents and in line with their pre-existing constitution, to accommodate funders’ objectives wherever possible. The council therefore encourages flexibility on the part of local organisations which may well benefit from the current commissioning landscape:

‘I think our role is to ensure that the Arts sector understands structural changes in the way that local authorities function and where they fit in to these structures or where they could potentially fit in and what they need to do to put themselves in a strong position...[one] initiative we are involved in is a three year project called the Arts and Wellbeing Initiative, which has two strands, one of which is developing the capacity of the arts sector around strategic commissioning in health and social care. The other is about developing programmes that demonstrate the role and value of using an arts approach in health and care settings and contexts.’  
(County Arts Officer)

The Strategy and Commissioning Manager from Children’s Services makes clear that this strategic model prioritises communication and collaboration:

‘[One procurement process] is a dialogue model. As a commissioner I can put out a broad idea ... [and] a provider will have the opportunity to literally meet with me and the procurement panel. They explain what their first thoughts are and if they’re actually a bit worried [if they can’t meet a goal or directive]. ... By the time we get to the final tender stage the spec [specification] can change because the providers have altered it rather than us.’  
(Strategy and Commissioning Manager)

This two-way procurement process encourages dialogue between the local authority and the organisation, which can have the benefit of ‘providers themselves helping [the Council] to evolve our thinking about what could work’ (ibid).

We also found that local authorities have begun to encourage charitable and third-sector organisation to develop collaborative relationships between themselves.

‘...across the board you are getting weaker organisations that don’t survive, but good collaborations are happening and people are looking at different ways of doing things.’  
(City Culture and Events Manager)

A determined push for partnerships and joint bids, then, offers a new means for organisations to acquire funding, with people ‘understanding that they have to work together more now to achieve objectives’ (ibid). Such partnerships have seen the forging of links such as the Creative Communities

Consortium, 'an Arts based organisation addressing social issues' (ibid), which was able for example, to pool resources in order to win funding to deliver the 2012 Olympic Torch Relay Project, coordinating:

'...artistic/cultural happenings on the Torch Route, offering key inspirational moments for the audience and engaging people from across the city in the Relay event'

(from NORCA website: <http://www.norcaarts.co.uk/>)

The encouragement of such forms of partnership working stems, it appeared, from a desire to protect smaller organisations from reductions to their finances. Indeed, according to the accounts we gathered, the County Council has made particular efforts in sustaining some operations:

'With the smaller organisations we tried very hard either to make their budget reductions as minimal as possible or to keep them on standstill and actually for this forthcoming financial year the politicians have worked very hard to enable us to safeguard our budget and all our organisations are on standstill which is fantastic news.'

(County Arts Officer)

The testimony we heard therefore suggested that local authorities have a clear commitment to the sustainability of local charitable and arts organisations, and their strategic approach to the distribution of funds appears set up to keep the arts and cultural environment thriving in the East. That said, there can be few doubts that the challenges currently facing community-based arts organisation are showing few signs of abating:

'...we are in uncharted territory to some extent. I think it is going to get harder so organisations have to be very imaginative in the way that they function.'

(County Arts Officer)

## 5. CROSS-CASE SUMMARY FINDINGS

Despite the notable organisational differences in evident across our three case studies, the final section of this report seeks to draw attention to some of the shared factors which appeared to affect the functioning of each of our three case study organisations and impact upon their sustainability. Although the extent to which these factors actually did impact varies (both in scale and precise form) from case to case, we highlight them here as issues which may well have broader resonance across community-based and third-sector organisations.

### 5.1 MATERIAL RESOURCES AND CAPITAL INVESTMENT

In many ways, issues connected to material resources would seem to be self-evidently important for any organisation whose existence and functioning significantly depends upon these. The specific point that we seek to highlight here, however, concerns the ways in which the status, sustainability and outlook of each of our three case study organisations' appeared, to us, to have been importantly informed by its ability – typically positioned in the recent past – to access material resources of the kind capable of sustaining a minimal level of organisational operations. Emerging as primary amongst these material resources, were the **spaces and premises** to which each organisation currently has access. For instance, both Future Projects and NORCA's ability to obtain low-cost or (at the least) affordable access to the spaces and buildings necessary for housing their core operations, and this appears to have left each of them relatively better-positioned to weather the austere funding climate.

As is noted above, Future Projects benefitted from a capital grant to enable it to acquire the properties necessary to facilitate the mainstay of its current operations. NORCA too, although it's current premises are not owned outright (15-year lease), was able to access capital funding to develop and improve its premises. In each case, the premises either acquired (Future Projects) or developed (NORCA) through grant funding have offered a resource base of which each organisation has been able to subsequently make use in deriving income. Indeed, while the costs involved in the maintenance and upkeep of premises can place notable demands upon community-based organisations, they can – provided these costs are not prohibitive – also insulate organisations against the most severe effects of funding shortfalls by reducing or contributing towards the costs of organisational overheads.

In the case of CME, the potentially mediating capital resource of a secure and low- or minimal-rent organisational base has not been available. This means that CME has not been able to derive any income or reduce costs (such those relating to the hire of spaces) during the current period, in the way that our other two case study organisations have. While we do not wish to simplistically posit a relationship between previously-received capital investment and current sustainability, we would however suggest that useable and appropriate buildings, whose costs of upkeep remain manageable to their leaseholders or owners, can function very much like organisational assets (in the fullest sense) during periods when incomes are reduced.

In addition to the importance of buildings and premises, a further issue to emerge with some regularity, from our conversations, concerns the difficulty organisations currently face in **maintaining and updating the other material resources** on which their operation depend. Examples offered to us included various forms of music technology and kit (studio gear, microphones and instruments), essential office

equipment (such as computer operating systems) as well as a range of both administrative and music software applications. What stuck us in relation to this situation was that, although our respondents outlined ways in which they were – for the time being – finding ways to work around these challenges, at present they appear to be experiencing a period of what might, for want of a better term, be called ‘resource withering’ whereby the actual (future) impact of gradually depleting organisational resources may be yet to materialise fully. Without access to the capital resources necessary to remedy this situation, there exists the danger that organisations’ core functions may, before long, become limited.

It also appears important to draw attention, under this heading, to the link between matters of material resource and organisations’ abilities to successfully meet **core running costs**. The on-going challenges faced in deriving core costs from some of the funding agreements in place were noted by several respondents, across more than one organisation. Although this matter merits further research, suffice it to note here that we gained the decided impression that some funders, in their eagerness for allocated funding to be funnelled directly into provision and delivery, failed to adequately acknowledge the deleterious effects, for organisations, of the limitations set upon their contribution to core costs.

## 5.2 FINDING A NICHE IN THE MARKET: AUSTERITY AND ORGANISATIONAL SPECIALIZATION

A further trend which appeared to be shared – albeit to differing extents – across our three case study organisations, concerned what we have been referring to as processes of ‘organisational specialisation’. By our use of this term we are seeking draw attention to a number of admittedly distinct ways in which organisations might be said to be seeking to **enhance and capitalise upon certain areas of their activity or service delivery**. These processes, it appears to us, have been taking place in response to a number of pressures affecting organisations, yet primarily tied to accessing the funds necessary to assure organisational sustainability.

In the case of NORCA, for example, the testimonies we gathered referred to a desire, within the organisation, to focus energies on three core specialisms (‘Sistema in Norwich’, Creative HUB and carnival activity), while the education arm of Future Projects has, by dint of an effort to position itself competitively within the marketplace, specialised in its educational provision (such that it primarily engages with particular client groups today). CME too is in the process of reorienting its organisational model and core focus, by aligning its activities with the broader interest, at the level of local and national policy, in creative industry pathways and associated economic dimensions of cultural development.

In each case, there appears to have developed a form of specialisation or, perhaps more accurately, a realignment or modification of particular strands of organisational activities and areas of concern, **to coincide with broader agendas** (of funders, local authorities and commissioners). This is not to suggest that organisations’ core mission statements are becoming less important, or their commitments to individual and community development lessened, but it does appear to point towards a recognition, on the part of our case study organisations, of the importance of positioning themselves advantageously within what was, on more than one occasion, described to us as a competitive marketplace.

### 5.3 THE DEMANDS OF ACCESSING FUNDING

One of the most common themes touched upon by respondents from across all three case studies concerned the often arduous nature of **seeking, applying for and justifying** (or evidencing the impact of) funding. This could be seen, across our cases, to place a not-insignificant significant strain on human resources, principally because of the time commitment required. The process of such a commitment might be considered in terms of three stages: searching for funding sources; writing bid applications; demonstrating /evidencing outcomes.

Finding suitable sources of funding, in the first instance, requires a consideration of the amount of money available, the extent of work required to write the bid itself, the ease of meeting funders' requirements and questions about the alignment of these requirements with organisations' core objectives. Some of the above testimony suggests that organisations face pressures to be responsive to funders' agendas in the ways in which their provision is focussed, framed and its outcomes recorded. A strategic outlook is thus required when locating funding, positioning the organisation to respond to objectives, developing and maintaining relationships with (potential) funders and in gathering relevant outcome data.

The **time commitment required** in identifying and accessing funding is also significant, as it brings implications for the management of human resources across an organisation; as one of our interviewees noted to us: 'there is a lot of funding out there, but you have to know where it is'. Indeed, such time commitments can call for a quite measured approach to seeking and applying for funds, especially where organisations can only rely on small core staff teams. The reductions in available funding, alluded to by many of our respondents, also translate into **increased competition** from a wider variety of applicants. In the current period of austerity then, experience and proficiency in all facets of the bidding process appears to have acquired particular importance. A commitment to core aims and objectives, tempered by a sound understanding of funders' needs (and a smart, selective identification of appropriate funders) appeared, following some of our respondents, to be the most rewarding course of action.

### 5.4 VALUING HUMAN RESOURCES

Emerging clearly in the testimonies gathered from senior staff in all three of our case study organisations was the **effort** – and at times **sacrifices** – made by those working for them. Indeed, the passion and enthusiasm demonstrated by everyone down from CEO/director, operations and management through to practitioners or those involved in the delivery of services, appear to be directly pertinent to questions about organisational sustainability.

Each of the organisations was established with (often) one key individual responsible for core operations. CME was established out of a commitment to the value of developmental and participatory music making activities. The co-founders of Future Projects sought to respond to immediate issues facing young people in the area where they were living. The director of NORCA drew on his interest in community development and community arts in an effort to meet local needs and demands. To a significant degree then, the initiation of all three projects can be attributed to **founders with a personal investment** in their work. Although some of these individuals may have moved on from our case study

organisations, the personal investment demonstrated through their work for the organisation has, in each case, fed into not just the latter's aims, but also its modus operandi such that these individuals' commitment and drive appears to either coincide with or else rub off on other employees such that the kinds of sacrifices and personal investments made by some staff in our case studies were organisation-wide. Some of the testimonies we gathered made reference to pay freezes, cuts to pay and periods of unpaid work on the part of staff. What therefore emerged clearly was that the energy, drive and commitment of core staff team members could, for better or worse, be seen as a bulwark against threats to organisational sustainability (and indeed there was recognition from one of our case study board members that such a situation was very far from desirable).

In addition to such reportedly rare instances of staff voluntarism, it struck us that each case study organisation, albeit again to differing extents, exhibited **a reliance on key individuals' skills and experience** in a way that could be seen as holding the potential to lead to challenges to organisational sustainability in their absence. The bid-writing capabilities and expertise of the Future Projects Funding Manager and NORCA's Director, for example, are highly valued and hard-to-replace skills within the sector. The music industry acumen and experience of CME's Director would be similarly difficult to replace without significant organisational disruption. While we recognise that such issues are liable to emerge across a range of small organisations, when coupled with the aforementioned levels of commitment, passion and energy required (and in our interviews, noted) of staff working in third-sector, non-profit arts organisations, the matter of retaining and supporting key staff seems an important one.

In addition to the above issues related to human resources we would also note how the limited numbers comprising core staff teams could – as was noted to us – negatively affect the **number of volunteers** supporting organisations' work, since the demands of volunteer recruitment, training and placement could not be easily accommodated within core staff workloads.

A final point worthy of note, in relation to human resources, concerns the way in which expertise and experience, having been gained over the course of months and years by organisations' staff, could be very easily and quickly lost at times when incomes were tight or, as was related to us, when particular streams of project funding came to an end. As one respondent noted to us:

'we are in a classic situation where a funder has meant that all that knowledge and skill base has been developed over a year and a half programme and that is going to be lost and we have to start all over again'.

## APPENDIX A: Interview Guide

1. General overview of organisation and main activities
  - a. Could you provide an overview of the nature of your organisations' work?
  - b. How would you describe any changes in this over the last 5 years?
2. Could you describe the constitution, directorship and/or management of the organisation?
  - a. Board of directors/management committee
  - b. Make-up and changes (or significant addition).
  - c. Considerations and expertise?
  - d. Leadership and decision-making
    - i. Influences on this?
3. Overview of changes in the organisation over last 5 years
  - a. How would you describe the key changes that the organisation has undergone in the last 5 years?
  - b. Could you provide some insight into the ways in which broader shifts in the third sector landscape have affected your organisations' work?
    - i. Direct effects of changes in political and economic landscape?
  - c. Would you say that there have been changes or challenges in terms of the way you prioritise the organisations' priorities in recent years?
    - i. What constraints would you say the org has faced and currently faces?
4. Funding mix and income streams
  - a. What are the main sources of funding for your organisation? Probe, e.g.
    - i. Grants (from whom)?
    - ii. Statutory funding (sources), local authority?
    - iii. community funds, local donations, events?
    - iv. trading (what kinds)?
    - v. Social investment?
    - vi. Donors (sources - individuals, trusts, schools, community groups, the corporate sector, sponsorship, legacies and donations)?
  - b. Who have been your key funders historically?
    - i. Have these changed over recent years? In what ways?
  - c. What do you think has prompted these changes?
  - d. What do you think about the current mix of funding?
    - i. Like to see it change in the future?
    - ii. What, if anything, could permit or inhibit this?
  - e. Which income streams have grown and which have diminished?
    - i. Balance of commercial activity and community-focussed?
  - f. Have any shifts in income streams implied the need to refocus the organisation's work/ engage with other target groups /work with new partners / respond to particular agendas and outcomes?
  - g. How does the organisation go about fundraising?
    - i. Changed?
5. Partners and Networks
  - a. Have you developed new relationships with key partners in recent years?

- b. Have previously important partners and networks declined in their significance?
  - c. Local authority support?
6. Cuts and Savings
- a. Has it been necessary to make savings and cuts within the organisation?
  - b. If so, could you say how you went about this? (core considerations)
    - i. What aspects/elements of your work were the first to be affected?
  - c. In what areas of your work would you say the need to make savings had impacted most?
7. Mission/Vision/Remit of your work
- a. Do you think this has modified in any way over recent years?
  - b. Would you say that the changes the organisation has undergone have meant that you now do different kinds of work?...Elaborate?
  - c. How would you describe any changes in terms of the effectiveness, scope and reach of your organisation's work over the last 5 years?
8. Personnel and Human capital resources
- a. Has the organisation needed to make changes in terms of staffing and personnel?
    - i. Elaborate....
  - b. Balance of paid versus unpaid staff? – any changes here?
    - i. Number of volunteers?
  - c. Loss of skills and experience?
  - d. What basis for decisions here?
9. Users/client groups
- a. Historically, who have been your core target groups?
  - b. Would you say that there have been any shifts in focus here?
    - i. Elaborate?
10. Evaluation and evidence?
- a. Have you noted shifts in the requirements to provide evaluation and evidence of your work?
    - i. Effects of any changes (greater/different demands?)
  - b. Overall, how would you describe the shifts here over the last 5 years?
    - i. Within third sector as a whole?
11. Assets and resources
- a. Have there been changes in the kinds of assets and resources that the organisation now accesses?
  - b. Have any changes here affected the organisation's ability to deliver against its core aims?
12. Looking forward and key issues on the horizon over the next few years
- a. Probe for specific impact on their own organisation
13. Could you provide any further insights (not covered so far) into the changes affecting either the organisation or the nature of its work over the last 5 years?