

The Provision of UK Sport Services via Social Enterprise: Managing Social and Financial Tensions in Leisure Trusts

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THE PROVISION OF UK SPORT SERVICES VIA SOCIAL ENTERPRISE: MANAGING SOCIAL AND FINANCIAL TENSIONS IN LEISURE TRUSTS

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Declaration

I hereby declare that this thesis entitled 'The Provision of UK Sport Services via Social Enterprise: Managing Social and Financial Tensions in Leisure Trusts' represents the results of my own work except where specified in the thesis.

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Abstract

This study provides an insightful contribution to our understanding of social enterprise by investigating the governance of specific organisational types of social enterprise within the context of sport provision. It helps us understand how two Leisure Trusts, one being a Benefit for Community (BenCom) and the other a Company Limited by Guarantee with Charitable Status (CLG-CS) can improve sport provision. Specifically, the study examines how each Leisure Trust manages tensions associated with the creation of social and financial value and therein avoid mission drift. Contemporary discourse on this issue is limited at best. Therefore, this study helps further our understanding of social enterprise in the UK. The study was conducted within the context of sport and leisure provision in the UK and examined two Leisure Trusts via qualitative case studies on each organisation. Interviews with senior management and board members/trustees along with direct observations produced the evidential trail.

This study presents findings which highlight specific challenges facing different types of social enterprise and how they can impact upon the occurrence of mission drift. The findings show us that there is no single distinct approach to managing competing tensions across the two Leisure Trusts investigated. This study claims that mission drift in Leisure Trusts is a fluid process and is influenced by numerous factors, particularly the austerity measures imposed on local councils. It is argued the role of government policy plays a significant part in the development of both organisations. It is argued that austerity is becoming a veneer for privatisation of public sport provision delivery for the Leisure Trusts examined. The study suggests that one Leisure Trust is at considerable risk of future mission drift because of their focus on social objectives and oversight of financial stability. The stakeholder model of governance within this Leisure Trust prevents the CEO from performing their role adequately to address the challenges they face. The other Leisure Trust was found to possess a stewardship governance model which enables the organisation to take advantage of commercial opportunities whilst retaining and resourcing the creation of social value. The Managing Director of this Leisure Trust is given authority to make strategic and operational decisions in the interest of their stakeholders.

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Chapter One

1. Introduction Chapter

1.1. Preface

The social enterprise sector is making an increasingly important and significant contribution to UK communities and economies (Teasdale & Buckingham, 2013). This has led to heightened interest in academic communities in relation to the understanding of social enterprise and its various organisational types (Bull & Ridley-Duff, 2018). This study aims to contribute to this debate by examining a specific form of social enterprise; Leisure Trusts, and from this to determine challenges facing a specific type of social enterprise in avoiding mission drift. Despite continuous attention from the academic community, several facets of social enterprise, including the stability of social enterprise, remain largely under researched (Bull, 2018; Doherty et al., 2014; Bull & Ridley-Duff, 2018). By stability, we mean It is commonly assumed that social enterprises are able to meet social outcomes and also be financially viable; however, little research supports this claim. Social enterprises continue to develop and they play a vital role in the UK economy (Macmillan, 2013; Teasdale, 2012, Teasdale & Buckingham, 2013). Given the resurgence of the third sector in the UK (Gamble, 2015), an examination of social enterprise, of varying types, is therefore required.

1.2. What is a Leisure Trust?

A Leisure Trust is an organisational form of social enterprise (Hodgkinson & Hughes, 2012; Peattie & Morley, 2008). They are predominantly registered as a Community Benefit Society (BenCom) or a Company Limited by Guarantee with Charitable Status (CLG-CS) (Findlay-King et al., 2018). Leisure Trusts provide sport and leisure facilities to local communities (Hodgkinson & Hughes, 2012). It has become apparent that, from 2010 onwards, sport and leisure services in the UK are exposed to the turbulent political and economic environment (Osborne and Brown, 2011). The coalition government's Comprehensive Spending Review in 2010 (HM Treasury,

2010) and a report from the Association of Professional Service Excellence (APSE) (2012) found that over half of local authorities were ill-equipped to deal with the severity of a reduction in spending. Taylor-Gooby and Stoker (2011) established that there is an unfair and unjustified impact of the spending cuts on service provision including sport. However, decisions regarding whether to keep public sport services managed in-house or put them out to tender is highly influenced by political and ideological tendencies (Houlihan & Lindsey, 2012).

With the start of the the economic recession in 2008 and the incoming coalition government in 2010, there were substantial spending cuts imposed on local authorities (Audit Commission, 2011; DCMS, 2013). Unsurprisingly, these austerity measures have had an impact on the provision of sport throughout the UK. The budget for the Department for Culture, Media and Sport was cut by 20% in 2017 (Parnell et al., 2017). The Sport England budget has not received an increase for the 2017-2021 period. A report published by the Institute of Fiscal Studies (2012) reported that the austerity measures imposed are greater and explicitly directed at poorer regions of the UK, predominantly in constituencies in the north and urban parts of London. According to an APSE (2012) report published on the then current provision of sport, it evidenced claims to argue that because sport is a non-statutory service it is bearing the brunt of the spending cuts. Part of its evidence base was pointing out that there has been a decrease in revenue generation, reduced opening hours, cuts to the work-force and an increase in the closure of sport facilities. The austerity measures put in place by local councils suggest local authorities, where possible, are considering and/or actively pursuing a strategy of outsourcing their sport facilities to organisations in the third sector and private sector providers. Misener and Misener (2017) point out that this has provided opportunities for social enterprise to play an active role in sport provision.

Leisure Trusts can enable local councils to achieve their social welfare and sport policy objectives whilst cutting spending concurrently (Hughes & Hodgkinson, 2012). There is an increasing tendency for outsourcing sport and leisure services to a Leisure Trust business model (SPORTA, 2012). Local authorities seem to have created and supported Leisure Trusts mainly for cost saving reasons. In several cases, they have naively executed this devoid of any strategy over facility

development (Hughes & Hodgkinson, 2012). The decline of grant funding support by local authorities has amplified the tangible financial and operational demands. This is compounded if any surplus generated is not reinvested into the sport facilities under management. As a result, the Audit Commission (2012) argue that a number of social enterprises in sport provision are forced to focus on a commercially orientated strategy to achieve organisational stability.

In 2012, London hosted the Olympic Games and a key factor in them being awarded the rights to host the event was a legacy promise that aimed to improve sport provision across the UK (Parnell et al., 2015). Kennedy and Kennedy's (2015) review of the legacy promises in the context of grass-roots sport determined that the extent to which the legacy promise has been realised is dubious at best. This, as Misener and Misener (2017) argue, is partly due to a lack of clarity in the original proposed legacy plan and a subsequent era of austerity after the Olympic Games took place in 2012. Based on the recent Sport England (2016) strategy, which highlights the importance of local authorities encouraging innovative business models like social enterprise being more involved in sport provision, accompanied by the UK government's sport strategy 'Sporting Future: A new strategy for an Active Nation' (Cabinet Office, 2015), it is clear there is an endorsement of the social enterprise business model delivering sport and leisure facilities. Both strategies highlight the benefits of social enterprises, and therein third sector organisations, tackling societal issues through the means of sport. However, this raises questions on how austerity has impacted on this policy and most importantly how Leisure Trusts can sustain the creation of social value whilst remaining financially stable.

1.3. Background and Rationale of the Research

The sustainability of social enterprise organisations is an area of research that is heavily debated (Teasdale & Buckingham, 2013). However, the willingness of social enterprises to function as commercial businesses whilst addressing the needs of stakeholders such as local community interest groups is an area that has escaped critical debate (Alter, 2006; Battilana, 2018; Haugh, 2012; Young & Kim, 2015). Consequently, it is essential that social enterprises adopt an effective governance model to provide societal value for their stakeholders and achieve their social

mission (Vidal, 2014). This tells us the governance model a social enterprise adopts determines, to an extent, how they can satisfy the needs of the communities they serve. Several studies on social enterprise put forward that determining what governance model to adopt is crucial enabling access to the resources needed to sustain their existence (Bull, 2018; Bull & Ridley-Duff, 2018; Doherty et al., 2014; Haugh, 2012). However, little is known of the factors affecting particular governance models and their impact. As a result, by investigating challenges affecting a specific type of social enterprise we can contribute to the understanding of social enterprise in the UK and its future viability as an effective tool for the provision of public sport services. This gap in knowledge provides the motivation for this study of social enterprise in the sport provision market in the UK.

1.4. Focus of the Study

Through conducting two in-depth case studies on Leisure Trusts in different regions of the UK the findings of this study contribute to developing our understanding of social enterprise and examining how Leisure Trusts manage tensions associated with striking the balance between financial and social goals. Further to this, it informs academic and policy discussions on social enterprise in the UK. It does this by identifying key governance challenges and the implications of opting for a specific legal form in a time of austerity and how these organisations attempt to avoid mission drift.

The study investigates how the political environment impacts upon the development of particular types of social enterprise. Additionally, the study seeks to understand how the governance processes address contemporary challenges facing Leisure Trusts. Finally, the study examines how Leisure Trust manages specific social and financial tensions, and how this affects the risk of mission drift occurring. The below research aim and research questions are formed with the goal of addressing knowledge gaps in extant literature, which will be discussed in Chapter 2;

Aim - To contribute to our understanding of social enterprise by investigating the governance of specific organisational types of social enterprise within the context of sport provision.

RQ 1 - How does a Leisure trust survive and achieve its social mission in an unstable, and resource-scarce era of austerity?

RQ 2 - How does the governance model and processes of different Leisure Trusts impact upon their associated tensions?

RQ 3 – How do Leisure Trusts guard against encountering mission drift?

The literature review chapter on the development, definition and governance challenges of social enterprise show that the business model itself is still developing and is somewhat underexplored from an academic perspective compared to other fields of research. The development of the social enterprise business model is now challenging the conceptual foundations of social enterprise as it constantly influenced and swayed by fluctuating political conditions. Consequently, we are left with a distinct requirement for additional studies which will help develop a thorough understanding of this phenomenon and how it manages financial and social tensions.

1.5. Outline of the Thesis

Chapter 1 discusses the scope and background of the study to form the foundation for the findings presented in the study. It delves into the contemporary issues facing social enterprise development in the UK and provides a rationale for the exploration of social enterprise governance in an organisational context; Leisure Trusts. Further, issues surrounding the current political and economic environment are discussed in relation to the provision of public services, specifically, sport provision. The aim and research questions of the study are also presented in this chapter.

Chapter 2 consists of the literature review. This chapter discusses the literature on social enterprise and critiques the development of social enterprise and its development as a business model. It examines the previous, and current, political environment social enterprise has developed and operates in. It also contains a critique of governance theory and its application to social enterprise organisations. Given the tensions associated with social enterprises, the issue of mission drift and

its definition, causes and consequences are reviewed.

Chapter 3 comprises of the methodology adopted for this study. This chapter discusses the epistemological orientation of the researcher and its application to field of social enterprise governance research. Consideration is given to the research design and a justification is provided for the adoption of case study methodology. The research methods, the sample selection, the research instrument, type of data collected, and process of analysis is also discussed and detailed.

Chapters 4 and 5 present the findings of each case study. Chapter 4 examines the 'LTO-A' organisation whilst chapter 5 examines 'LTO-B'. Both chapters focus on particular challenges that have had an impact on the governance of the two sampled Leisure Trusts. Additional attention is made to the current political environment of austerity and the ability to gain access to funding and grants. These chapters also discuss the role competition plays in the growth and/or struggles of each Leisure Trust. Evidence of how each Leisure Trust manages social and financial tensions is presented. Emphasis is placed on the internal governance processes within each Leisure Trust.

Chapter 6 is a discussion chapter. It covers what has been learnt and understood from the sampled Leisure Trusts in relation to the aim and research questions of the study. It presents a critical reflection of both types of Leisure Trust in relation to academic literature to help illustrate the study's findings and how they relate to each organisation avoiding mission drift. Specifically, challenges facing both Leisure Trusts and how they contribute to the risk of mission drift occurring is reviewed. This enables the study to contribute context specific knowledge to a particular type of social enterprise in the UK, which advances its understanding. It examines the role of the political environment, in particular, austerity, and its varying degree of impact upon each type of social enterprise. It also discusses the function of governance in each case study, and its ability to address social and financial tensions. It examines the two approaches to managing this tension and how the internal dynamics between the board and senior management contribute to its effectiveness.

Chapter 7 draws conclusions from the research study against the research aim and

questions outlined at the outset of the study. It also presents a number of directions for future research derived from the findings of this study. The study's academic and policy contribution to knowledge is discussed and referenced to the conducted literature review in chapter 2. Policy considerations and recommendations are also provided in terms of future trends of sport provision.

Chapter Two

2. Literature Review Chapter

2.1. Introduction

The central focus of this chapter is to review the emergence and our understanding of social enterprise, the political environment underpinning social enterprise development and the issue of mission drift which is underpinned by their governance. It will inform the research of issues and challenges faced by social enterprises in their attempts to produce social value whilst remaining financially stable. A clear and succinct account of the research problem to be addressed in this study will be provided. Additionally, a critique of different governance theories employed by social enterprises which will aid understanding of how their composition and processes influence the governance of social enterprises. This chapter is comprised of three elements. Firstly, we critique definitions of social enterprise and establish a working definition for this study. In this section, we also critique literature relating to the political background that underpins the use of social enterprise in sport provision. Secondly, we critique the governance of social enterprises and determine how the specific legal identity of a social enterprise can impact on its governance. Thirdly, we review literature on a potential consequence of bad governance within social enterprises; mission drift. These three sections underpin the research questions of the study.

2.1.1. Defining Social Enterprise in the UK

There is no unified definition of social enterprise. Prior to understanding the range of organisational types that can be construed as social enterprises, a hindrance which needs addressing is what is meant by a social enterprise (Dacin et al., 2010). It is difficult to explore social enterprise when the concept of study is ambiguous (Buckingham et al., 2012; Smallbone et al., 2001). Social enterprise is a concept which is variably interpreted according to geographical, political, social and economic factors (Diochon & Anderson, 2009; Kerlin, 2009; Bacq & Janssen, 2011; Teasdale, 2012). At its broadest level, social enterprise involves the use of market-based

strategies to achieve social goals (Kerlin, 2009). In the UK, co-operatives in the mid-1990s were attracted to the social enterprise concept partly as it offered freedom from dependency on government money and the associated loss of autonomy (Bull & Ridley-Duff, 2011). From this perspective, social enterprises were collectively focused organisations which survived through trading and redistributed profits for the benefit of the communities they served (Teasdale, 2012). These trading surpluses are principally reinvested in line with that mission, rather than being driven by maximising profit for distribution to shareholders and owners (DTI, 2002). Social enterprises have been seen as key drivers of the 'social economy', the part of the third sector involved in trading activities (Pearce, 2003).

For the purpose of this study, social enterprise is defined as:

'A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.' (DTI, 2002:13)

However, it is prudent to note that all the definitions of social enterprise are based on a few case studies or conceptual understanding of the phenomenon. None of them were based on empirical research with adequate samples.

The concept of the 'social economy', which brings together co-operatives, mutual societies and associations stresses the specificity of the mission of these organisations, namely, their aim to benefit either their members or a larger stakeholder group rather than generating profits for investors (Amin, 2009; Dey & Steyaert, 2010; Di Domenico et al., 2010; Pearce, 2003). Pestoff and Brandsen (2009) argue the social economy now refers to a wide variety of organisational forms. A new legal form for social enterprises, the Community Interest Company (CIC), was introduced which allowed limited distribution of profits (Teasdale, 2012). The first government publication during the term of New Labour referred to social enterprises as 'organisations that are independent of the state and provide services, goods and trade for a social purpose and are non-profit distributing' (HM Treasury, 1999). Ironically, contrary to what co-operative leaders had expected from social

enterprise, government interest in the subject matter, and particularly the repositioning of social enterprise as the delivery of public services by social enterprises, has actually increased third sector organisations' dependence on the state (Carmel & Harlock, 2008).

Social enterprises have evident mixed characteristics: they integrate the capital and management methods of both commercial and non-profit organisations, and adopt the commercial way to obtain financial benefits, resulting in realisation of social objectives (Alter, 2006; Jackson et al., 2018). The organisational values are measured on basis of commercial and non-profit aspects. In support of this, Wry and Zhao (2018) hold that social enterprise is directly related to different social, cultural and political backgrounds. They assert that the organisation forms of social enterprises in practice, largely differ from each other due to social differences and have the different features of varying organisational forms.

Social enterprise is seen as a vehicle for developing innovative methods of creating social value and achieving social objectives (Santos et al., 2015). It has been recommended by many as a business model that can provide viable solutions for institutional failures, such as government or the economy (Anderson et al., 2019; Huybrechts & Nicholls, 2012; Roy & Hackett, 2017). It is considered that the social mission of the social enterprise is the core focus of their attention (Roy & Hackett, 2017). Another characteristic of social enterprise is that any profit, generated from trading income, should be reinvested back into the organisation (Bacq & Janssen, 2011). Farmer et al. (2016) and Macaulay et al. (2017) provide numerous examples of social enterprises creating tangible impact in communities in which there has been either spending cuts imposed by local authorities or where there are severe levels of deprivation. Both studies suggest that the social enterprise business model can represent a valid challenge to traditional ways of thinking about how government provide public services for their communities.

2.1.2. Government Policy on Social Enterprise & the Third Sector

Social enterprise has attracted the attention of policy makers in the UK (Wilson & Post, 2013). The discourse to the UK third sector has occurred against the backdrop of a general atmosphere of anti-welfarism and austerity (Hogg & Baines, 2011;

Lowndes & Gardner 2016). To illustrate the point of austerity measures being apparent, local authorities are faced with reductions in central grant funding of 56% for the cycle between 2015 and 2020 (HM Treasury, 2015; Parnell et al., 2015). Labour politicians, and think-tanks originally adopted the concept of social enterprise as part of an ideological aim to radically change the ways of organising markets (Westall 2001; Grenier 2009; Bull & Ridley-Duff, 2018). To attract further political support, New Labour presented social enterprise as an organisational form of the third way and as a solution to the policy problem of area-based deprivation (Grenier, 2009; Teasdale, 2012). The concept was embraced and committed to as a third way beyond state socialism and free market capitalism (Wilson & Post, 2013).

In 1999, social enterprise was first presented as a response to area-based deprivation (HM Treasury, 1999; Blackburn & Ram, 2006). Between 1999 and 2001, social enterprise was seen as a solution to the failure of markets to distribute goods and services equitably (Teasdale, 2012). By 2002, social enterprise was portrayed as a policy solution for the failure of the state to deliver public services to communities (Simmons, 2008). The Office of the Third Sector (OTS) was created in 2006 following a period of lobbying by strategic alliances of voluntary organisation representatives (Alcock, 2010). Alcock (2010) suggests that to support social enterprise development the New Labour government invested directly in third sector infrastructure and provided public funds to third sector organisations to help them deliver public services. Policy emphasis moved towards voluntary organisations delivering public services.

The change of government from New Labour to the coalition government signaled the end of one policy approach and the beginning of another due to shifting ideological, political and economic landscape (Wilson & Post, 2013). In 2009, the Conservative party leader David Cameron introduced the concept of Big Society. Evans (2011) states that the Big Society, which is underpinned by austerity, aims to mend 'socially broken' communities by nurturing peoples' sense of altruism, their giving, and their generosity to engage in their community. A key element of the agenda was to devolve power from central to local government and encourage local communities to take over local state-run services, such as sport and leisure facilities (King, 2014). Both Labour and the coalition government committed to promoting

provision of public services through social enterprises. They have been encouraged because of the expectations that they can secure the engagement and trust of socially excluded groups due to their specialist knowledge, flexibility and independence from government structures (Carmel & Harlock, 2008; Haugh & Kitson, 2007). However, the Audit commission (2013), explained that efficiency measures carried out by local authorities during the coalition government's tenure were one-off savings whereby public service operations were scaled back as far as possible.

2.1.3. Confronting Austerity in the UK through Social Enterprise

Social enterprise has become particularly popular among academics, practitioners and policy makers across the world as a potential solution to a range of social policy problems. These include, but are not limited to, a potential solution to area-based deprivation (Blackburn & Ram, 2006). The recent UK policy context, through which the third sector and state have been increasingly 'de-coupled' and marginalised regions have suffered disproportionately (Macmillan, 2013). Hastings et al. (2015) and Clifford et al. (2013) also argue that the most deprived local authorities in the UK have faced the greatest reductions in funding from central government. Clifford et al. (2013) argue that third sector organisations based in the most deprived local authorities will bear the brunt of government funding cuts, due to the compound effect of larger cuts to these local authority budgets and the higher dependence on such funding streams within these areas. The impact will likely mean a greater likelihood of social enterprise failure in these places because the social action needed in those communities is greatest.

Conversely, Amin (2005) contends that regeneration in deprived areas and development of prosperous communities through social enterprises is not entirely the responsibility of local authorities. Amin's (2005) claims came before the economic recession of 2008 and the subsequent era of austerity. Wilson and Post (2013) suggest Amin's (2005) claims are redundant as they fail to integrate the budgetary challenges local councils now face. Blackburn and Ram (2006) and Haugh and Kitson (2007) also took Amin's (2005) view into account but suggest that community empowerment through the transfer of public assets to a social enterprise does go a

long way to boosting the economy and the production of social value in deprived areas of the UK. Wilson and Post (2013) also adopt the view that local responsibility must be derived from a broader political infrastructure which facilitates the growth of social enterprises. However, this is hindered by austerity measures implemented by central government, as Parnell et al. (2015) point out.

Lindsey and Bulloch (2013) in their comparative study of voluntary sector activity in one deprived and one affluent area, also show that the central ethos of the austerity agenda is to expect civil society to 'pick up the pieces' (Lindsey & Bulloch, 2013:113) in deprived areas. While affluent areas have a civic core made up of cash and time rich volunteers, with an abundance of skills and networks, more deprived areas suffer from a civic core which lacks the time, financial resources, skillset, or confidence to take up the challenge of austerity (Lindsey & Bulloch, 2013). It must be noted that the study by Lindsey and Bulloch (2013) only focused on three social enterprises of small-scale, so it is difficult to generalise these findings to all social enterprises. According to Smith (2014) and Widdop et al. (2018), although New Labour expanded public spending and significantly increased state intervention, the Conservatives have used the austerity agenda as a lever for radically reducing state spending, reforming welfare and increasing the role of the private sector in deprived areas based on the evidence provided in both studies. Smith's (2014) comparison study of Labour and Conservative held councils found that there was a clear trend of more Conservative held councils preferring private sector. However, Smith's (2014) study fails to consider various contextual factors affecting the councils' decision-making on outsourcing.

What has occurred has been the shrinking of the state but without the simultaneous development of the third sector (Dommett, 2015). Rather, as Smith and Jones (2015) argue, we have seen the loss of public provision being filled by a growing private sector. The study by Smith and Jones (2015) focuses on the provision of social care. They found, through a longitudinal study surveying local authorities, that there has been an increase in private sector contracts. The main reason given for this is the impact of austerity measures on local councils (Smith & Jones, 2015). Dommett's (2015) study on third sector organisations found a similar trend in that the Conservative government is a shifting away from public sector commitments of the

modernisation strategy to one where the goal is a small state with public services being provided by the private sector. Hence, the Conservatives have focused cuts in areas that the public see as less of a priority such as housing and sport whilst maintaining areas where support is high, such as health and education (Appleby & Lee, 2012). Increasingly, local government is outsourcing non-statutory public services such as sport and leisure management (Barraket & Archer, 2009; Grant Thornton, 2014; Munoz, 2009). Grant Thornton (2014) highlights the range of new delivery models that local government are employing in order to cut costs and to deliver services. However, local government faced cuts in spending between 2010 and 2012 on average of 10.4% (Crawford & Phillips, 2012) with some of the most deprived areas facing cuts of up to 25% by 2016. In 2014, outsourcing by local government increased by 58% with £1.5billion spent on outsourcing (Widdop et al., 2018)

To conclude, the Conservative modernisation strategy in relation to the state was based on a commitment to core welfare provision, but with the debated greater role for the third sector through austerity measures the government has been caught between a desire to cut spending and to maintain widely used welfare services such as health and education. Policy has been based on substantial cuts in public spending, and as discussed, these have been concentrated on deprived areas of the UK. The current Conservative government differs from New Labour through reducing spending. There is also the extent to which the public sector is being privatised whereby the private sector is being integrated deeply into public service provision. With this being said, there is considerable scope for further marketisation of public services. Although social enterprise is being encouraged, the growth of organisational types of social enterprise is being hampered by government spending cuts, particularly in deprived areas. Consequently, the changing political landscape of the public sector environment through the use of privatisation, competition and withdrawing of financial support has encouraged the growth of organisational types discussed previously. Austerity has been founded on widespread local authority spending cuts and this has meant the provision of key public services such as sport and leisure have become jeopardized (King, 2014). Its impact on sport services and social enterprise will now be discussed.

2.1.4. Social Enterprise and the Provision of Sport Services

The examination and consideration of social enterprise provision of sport services in the UK has received little attention from an academic perspective. From what studies there are, there is a lack of consideration of crucial contextual challenges specific local authorities face in the provision of sport. One study which neglects a contextual focus is a study by Gibbon and Affleck (2008) which does not go beyond suggesting that there are challenges and barriers social enterprises face when trying to create social value through the provision of sport. Gibbon and Affleck (2008) make this bare and somewhat rudimentary claim without assessing many different variables within many different types of social enterprises. There was a lack of specificity in their study, but many other subsequent studies use Gibbon and Affleck's (2008) findings as a basis for their assumptions. For instance, Chew (2010) built on Gibbon and Affleck's (2008) study by examining a specific type of social enterprise, a Community Interest Company (CIC), within the general context of the provision of public services. It was established by Chew (2010) that the CIC model can be used as a model for public service delivery but unfortunately their study focused on the sole benefits of the CIC's business model and fails to incorporate how contextual factors may affect the success of the model.

In a similar vein, there are other studies that provide an insight to how social enterprise can be a vehicle for the provision of sport and the creation of social value but fall for the assumption that the business models of all social enterprises are homogenous. A study by Kiernan and Porter (2014) which examines the use of the social enterprise business model in running a professional football club (FC United) found that the business model provides stakeholders with a vested interest in the football club. However, there was a lack of contemplation of how the business model supports the growth of the organisation and it fails to take into account challenges posed by the competition in the same market. Similarly, Kennedy and Kennedy (2015) argue that the social enterprise model is perfect for the fertile ground of sport provision as it offers a new, community focused method, way of tackling social issues. However, there was no clarification from Kennedy and Kennedy (2015) as to what type of social enterprise this applies to and whether it is appropriate to all public services. One study that has gone beyond mere sweeping statements about the social enterprise model is Ratten's (2011) study which delves underneath the

surface of social enterprise. Ratten's (2011) research endeavours to focus on the viability of types of social enterprise specifically within sport provision. In addition to this, Ratten (2011) attempts to develop a sport social enterprise theory.

Ratten's (2011) attempts to develop a theory of social enterprise within the context of sport. It was the first of its kind and forms the basis of many studies that followed. Through her study, we acquired an in-depth insight into some of the contextual factors that either help or hinder sport provision through social enterprise. Specifically, Ratten (2011) highlighted the political context of the area the service is provided as a main determinant. Ratten (2011) offers a definition for social enterprise in sport;

"The use of social issues to create change in the sports context. Social enterprise uses sport as a way to encourage solutions to social issues" (Ratten, 2011:56)

Although this is a step forward in helping clarify our understanding of social enterprise in sport, there is a lack of evidence within the article to come to such a generalisation in the definition above. The definition fails to take into account the varying issues social enterprises can face in producing solutions to social issues, which ultimately is the core focus of the definition. Cohen and Welty-Peachey (2015) support this view and suggest the theory provided by Ratten (2011) fails to take into account the essential financial benefits the social enterprise business model can provide for numerous stakeholders. The omission of financial benefits is accompanied by neglect of acknowledging the importance of the leaders within the social enterprise the role of taking calculated risks, something of which Dees and Anderson (2003) and Bacq and Janssen (2011) argue should be incorporated into any definition of social enterprise.

Although Dees and Anderson (2003) and Bacq and Janssen (2011) raise valid concerns about the need to acknowledge the role of leaders within social enterprises, there are few studies that concentrate on the role of the leader in sport social enterprises and how they facilitate the creation of social value. Of the limited amount of studies, two of note were conducted by Cohen and Welty-Peachey (2015) and Gilmore et al. (2011). Their studies do focus on the role of the leader but within varying contexts. Gilmore et al's (2011) study examines the role of the CEO in

achieving the social objectives of a social enterprise in sport. They found that the role of the CEO in social enterprise needs to be professionalised in order for the social enterprise to pro-actively plan for contextual challenges they will face. Within that, Gilmore et al. (2011) argue the CEO ought to use their expertise and personal networks to develop a sustainable business model which can resource the creation of social value. They go on to suggest that the CEO should integrate effective communication strategies to engage stakeholders in order to increase interest and ultimately revenue streams.

Following on from Gilmore et al's (2011) study, Griffiths and Armour (2014) carried out a similar study in which they claim it is not just the CEO who should take a leading role. They claim there is a responsibility for everyone within the social enterprise to take a leading role in decision-making. However, this assumption is made and applied to all social enterprises and there is little evidence within the study to support that claim. Conversely, Cohen and Welty-Peachey (2015) provide evidenced claims regarding the variables that can help develop an effective leader within social enterprises within the specific context of sport. They focused on the role of the CEO in enacting social change regarding women in football. Though conducting a collective case study, they were able to offer an insight to what qualities a CEO should possess in enacting social change. They were; the person's expertise based on previous experience, holding a social conscious, their social networks and personal experiences within the social issue they are addressing.

One issue which has blurred our understanding of the role of social enterprise provision in sport is the trend of private sector organisations setting up non-profit subsidiaries to manage sport facilities (Wicker et al., 2013). One study that explored this issue of private sector organisations setting up social enterprise subsidiaries was done by Chew and Lyon (2012). Chew and Lyon (2012) investigated eight of these social enterprises to explore their motives and how they can manage tensions of satisfying the creation of social value. In terms of their motives, Chew and Lyon (2012) found that these social enterprise subsidiaries provide the private sector organisation with diverse sources of income, legal benefits particularly the opportunities associated with tax relief associated with certain social enterprise types and strategic benefits that focus on the reputation of the organisation. One

organisation in Chew and Lyon's (2012) study made it clear their primary motive was purely to improve the public perception of their private sector organisation. An additional layer of confusion occurs when privately owned professional sports clubs set up charitable foundations and/or develop CSR programmes. Walters and Chadwick (2009) is one of few studies that examine this issue. They found that clubs which set these foundations or trusts believe they are doing something morally and ethically right. They found that these organisations believe they are in a better place than traditional social enterprises to enact social change because they have a solid financial foundation behind them.

Early articles, as discussed above, tended to focus on the social value creation issues of social enterprises in sport. Since then, there has steadily been a shift towards considering the challenges of financial survival for social enterprises in sport. One attempt to assess its importance was provided by Gallagher et al. (2012) who argue that the board and management of a sport social enterprise should actively aim to maximise their revenue streams to ensure financial stability. The problem with their study is that there is no clear indication of how that can be done via the social enterprise model and what the actual benefits of doing so will be. Further, there was no clarification on how or why this commercial approach can be facilitated or hampered by the actual identity of the social enterprise e.g. what the organisation is legally registered as. The commercial approach defended by Gallagher et al. (2012) challenges traditional views of what social enterprises exist to achieve. However, there is little evidence within the context of social enterprise sport provision to currently wholly eliminate their claims. Although, it is clear that Gallagher et al's (2012) findings on the use of social enterprise in sport is poorly explained and lacks a robust evidence base.

A study conducted by Wicker et al. (2013) provides some support for the views of Gallagher et al. (2012). Importantly, there is more substance to the evidence-base provided by Wicker et al. (2013). Based on a study of fourteen sport social enterprises operating in different regional areas, different sports and contrasting service provision, they found that it is in the interest of these social enterprises to increase their revenue streams. Wicker et al. (2013) acknowledge that doing this will result in some auxiliary problems but point out the only way the examined

organisations are able to resource their social value creation is to build a solid financial base. They argue that if these social enterprises stick to the traditional mind-set of having only a few revenue streams then they will be susceptible to failure. Similar findings were presented by Coates et al. (2014). They argue that sport social enterprises with a strong business-led model do not suffer from fears about their financial stability. Coates et al. (2014) note that although sport social enterprises should adopt an approach of diversifying their income, they should not lose focus of their core social mission and what they exist to achieve.

It is clear to see, whilst there have been several attempts to research the topic of sport provision through social enterprise, it is still open to misinterpretation and unsupported claims. This is mainly due to studies not acknowledging and/or integrating contextual factors into their research. Particularly, national and local political conditions alongside wider economic issues. This is compounded by little or no in-depth studies which examine specific types of sport social enterprises which, in essence, are completely different to one another. Given the lack of academic consensus on sport provision through social enterprise we will now examine broader government policy on social enterprise in the UK to understand the underpinning motives behind its adoption as a model for enacting social change.

The role of government, local and central, in promoting and improving the provision of sport services in the UK is declining (King, 2014). King (2014) argues that this is a result of austerity measures imposed on local authorities which means sport provision is becoming a secondary concern due to the issues related to the NHS, schools and local infrastructure. Through consulting with a selection of town councils, King (2014) found that all councils examined have or will consider outsourcing their sport provision because they are unable to finance their current portfolio of sport services. Misener and Misener (2017) explore the underlying reasons why councils have adopted this approach. They argue that resource scarcity has led local councils to prioritise the services they provide. As sport is a non-statutory service, Misener and Misener (2017) argue that non-statutory services are the first place councils look at in terms of cutting costs. However, it must be noted that Misener and Misener's (2017) claims were based on an analysis of government policy rather than consulting social enterprises and local authorities. Conversely,

Lowndes and Squires (2012) provide a more in-depth study in which they surveyed thirty-two local authorities to determine the reasons why they are willing to outsource their sport provision or remove it entirely. They claim the main reason is that there is a concerted effort for local authorities to just survive in an era of austerity.

As more local authorities start to consider and pursue an approach of outsourcing their sport provision due to austerity, Hastings et al. (2015) point out that the social enterprise business model is the preferred choice of delivery for many local authorities when outsourcing non-statutory services. However, these claims were based on commitments made by central government rather than actual views of local authorities. For instance, Pape et al. (2016) argue that there are significant concerns about how social enterprise can fill the void left by local councils in their sport provision. They provide evidence of numerous examples of social enterprises being awarded contracts for public sport provision and then failing within twelve months. That being said, the National Council for Voluntary Organisations (NCVO) (2012) stated that there is increased demand for social enterprises to manage public sport services due to austerity measures imposed on local councils. Yet, Kelly et al. (2014) provide evidence to suggest there is a trend of large social enterprises amalgamating in order to dominate public service provision. They argue this is hindering the impact smaller, more socially focused social enterprises can have in local communities. Pape et al. (2016) support this notion and explain that the main reasoning behind large social enterprises joining forces is the opportunity to demonstrate to local authorities that they are capable of delivering that public service. It also provides them with the ability to compete with private sector contractors when bidding for contracts (Pape et al., 2016).

As social enterprises are becoming more involved in sport provision, research into the relationship between social enterprise sport provision within an era of austerity is required. Misener and Misener (2017) emphasise the importance on new research that examines political challenges and the impacts of austerity upon the different social enterprises in different regions of the UK. 'Research Question One' is presented below. This research question is based on preceding review of literature;

RQ1 - How does a Leisure trust survive and achieve its social mission in an unstable and resource-scarce era of austerity?

2.2. Influence of Governance Models & Legal Identity

2.2.1. Introduction

The governance of social enterprises is multi-faceted and can be conceived and explained in many different ways (Dacin et al., 2010; Glaveli & Geormas, 2018; Haugh, 2012). This study aims to contribute to our understanding of specific organisational types of social enterprise its impact on sport provision. However, this is difficult due to social enterprise being an umbrella term for many organisational types (Peattie & Morley, 2008). Before examining specific governance processes within social enterprise, it is important to discuss the different types of social enterprise and the impact it has on their governance. There have been contributions from Westall (2001), Pearce (2003) and Alter (2004) surrounding our understanding of types of social enterprise. Westall (2001) proposes that there are four types of social enterprise; one a hybrid of mainstream business, a second a hybrid of voluntary sector types, a third a state funded type and fourthly a hybrid form (figure 2.1.). Pearce (2003) describes social enterprises as part of the third system (social economy) whereby they are neighbouring the first system (private economy yet primarily social and secondly a business).

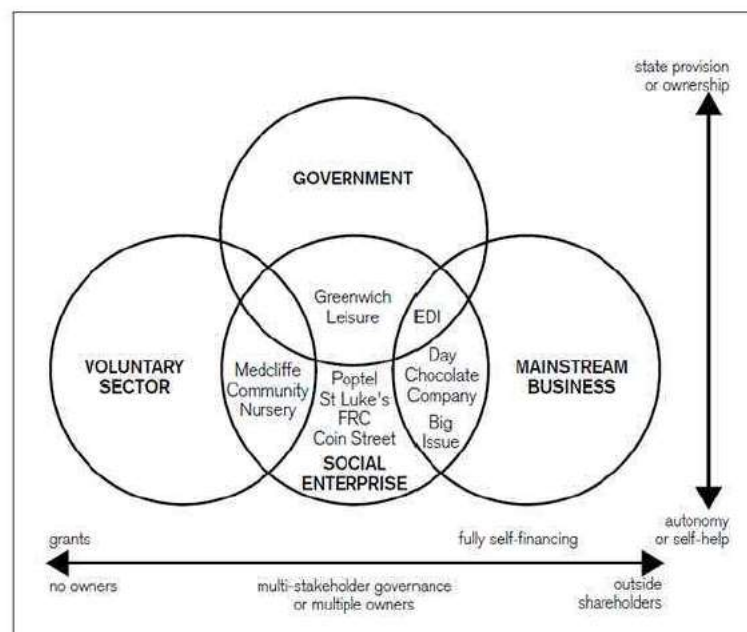


Figure 6: Westall (2001) Four sectors of the economy

Figure 2.1. Westall (2001) Four sectors of the economy

Alter's (2004) model shows the spectrum from traditional for-profit businesses to traditional non-profits. This is illustrated through positioning particular business models in terms of their level of social value. The rise of responsible business types represents a movement in mainstream business towards a more conscious business model (Bull, 2018; Bull & Ridley-Duff, 2018). Additionally, social enterprise represents a movement in traditional third sector organisations towards more commercial activities (Battalina, 2018; Battalina & Lee, 2014). Alter (2004) manages to distinguish social enterprises on the basis of motive, accountability and what happens with profits. This supports the thoughts of Dees (1998) in that it is considered third sector organisations are becoming more enterprising through using a business model which reinvests surplus generated.

From the conceptual model presented and discussed below we can see there are only a narrow and limited amount of lenses through which we can conceptualise social enterprise in the UK. They draw attention to an underlying problem in that they do not integrate nor sufficiently acknowledge the large breadth of organisational types of social enterprise. Therefore, we are restrained at arriving at a concrete or 'one size fits all' understanding of social enterprise. In addressing this concern, Bull (2018) outlines there are three routes to incorporation for a social enterprise; (i) Charity Law, regulation of trading charitable types of social enterprise (organisations with community and voluntary organisational origins). (ii) Society Law, regulation of solidarity types of social enterprise (organisations with cooperative and mutual origins) and (iii) Company Law, regulation of private social business types by guarantee or by shares (organisations with mainstream business origins). These three routes create very different types of enterprise, all with the previously outlined shared principles. Bull (2018) built upon Westall's (2001) model and provides a concept for three main types of social enterprise in the UK (figure 2.2.). This model is applicable to this study as it seeks to bring together both the theory and practice of social enterprise in the UK, from which the boundary of this study is focused.

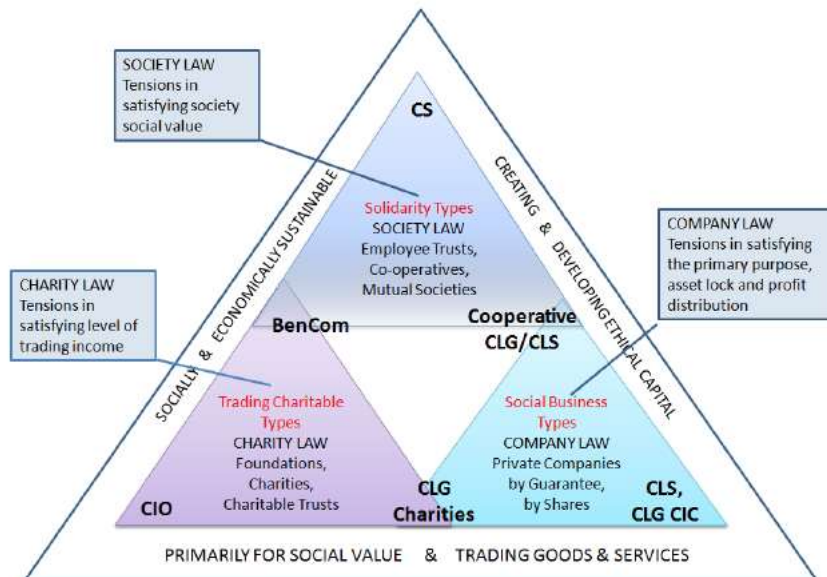


Figure 2.2. Bull (2018:18) 3 different types of social enterprise in the UK

Figure 2.2. outlines the three types of organisations being labelled as ‘Trading Charitable’ types, ‘Solidarity’ types and ‘Social Business’ types. Although Bull (2018) acknowledges there are organisations (BenCom/CLG-CS) that can span across the three core types, there is still limited knowledge of the contributing factors influencing this potential crossover. Studying a BenCom and CLG-CS allows us to establish how and why these transitions are not static. This potential transition and ambiguity over a definition can be attributed to the tensions in the duality of competing logics; behaving socially and commercially (Doherty et al., 2014). In this sense, the governance of these organisations is integral in distinguishing between different types of social enterprise (Mason, 2010; Bull & Ridley-Duff, 2018; Vickers, 2010). The competing tensions are apparent in the three core types. As noted by Bull (2018), ‘Trading Charitable’ types have tensions in satisfying level of trading income, ‘Social Business’ types have tensions in satisfying asset lock and profit distribution, and ‘Solidarity’ types have tensions in satisfying society social value.

The two Leisure Trusts being studied are two different legal entities. One is a Community Benefit Society (BenCom) and the other is a Company Limited by Guarantee with Charitable status (CLG-CS). Being registered as a specific legal form presents problems when trying to understand social enterprise (Ahmed et al., 2004;

Borzaga, 2007; Vidal, 2014). The framework presented by Bull (2018) provides a well-defined illustration of how holding a specific legal entity influences the way a social enterprise can be characterized and governed. The legal identities of the types covered by Bull (2018) will now be critiqued in order to grasp their operational characteristics and governance implications which contributes to our understanding of how social enterprise can serve sport provision in the UK.

2.2.2. Social Enterprise Legal Structures in the UK

Social enterprise plays a significant role in the government's policy of tackling social issues within economically deprived areas of the UK (Mason, 2010; Misener & Misener, 2017; Spear et al., 2009). However, there is not a particular legal structure favoured by all social enterprises in the UK (DTI, 2002; Manning, 2008, Vidal, 2014). Social enterprises adopt a range of legal structures to pursue their mission throughout the UK (Martin & Thompson, 2010). The structure adopted ensures boards of directors/trustees and other individuals associated with the organisation carry out their duties and key responsibilities of those involved with social enterprises lawfully (Vidal, 2014). Importantly, a social enterprise's legal structure has a significant influence upon the governance approach and types of finance they can draw in (Doherty et al., 2014) (see table 2.1.). The legal structures of social enterprises in the UK include: Company Limited by Guarantee (CLG), Industrial and Provident Society (IPS), Community Interest Company (CIC) and Company Limited by Shares (CLS) (DTI, 2002). CLG and IPS (BenCom/cooperatives) are the most widespread legal structures for UK social enterprises (Lyon & Humbert, 2010).

Table 2.1. Types of Legal Structure and Governance of Social Enterprise (Adapted from Doherty et al. (2014))

Type of Legal Structure	Governance Implications	Characteristics
	- Company held in stewardship by a board of	- Unable to pursue equity finance and struggle to

Company Limited by Guarantee (CLG)	trustees who are there on a voluntary basis. - Community Ownership in terms of decision making.	increase revenue streams. - Can attract financial support in terms of grants. - Gets relief from tax rates.
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IPS – (BenCom/Cooperatives)	- Clear delegation of powers between board members and senior management. - One member, one vote.	- Facilitates the distribution of shares. - Grant/loan finance as well as tax rate relief are available.
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Community Interest Company (CIC)	- No individual ownership - Can either be a CLG or CLS - Asset lock to encourage investors - Has external regulatory mechanism	- Can issue shares depending on type - Attractive to philanthropic and venture capitalists - Grant/loan finance available
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2.2.3. IPS (Community Benefit Society/Cooperatives)

An IPS can either be formed as a cooperative or community benefit societies (BenCom). A cooperative is formed for the mutual benefit of members who use the services provided by their society (DTI, 2003). They can pay interest on members' share capital, and use their surplus to pay dividends to their members. In contrast, Brown (2006) states a BenCom is run primarily for the benefit of the community; the interests of members and shareholders are second to the interest of the community. BenComs have the power to pay interest on members' share capital, but they cannot distribute surpluses to members in the form of a dividend. Community ownership, in

the form of cooperatives and BenComs, is actively promoted in many countries (Spear & Bidet, 2005). According to Brown (2006), the fact that BenComs can install an asset lock is a crucial factor to consider when selecting a legal structure. Also, a member of a BenCom must possess a share in order to be part of the society (in this context, the term 'member' and 'shareholder' are interchangeable), and all shareholders hold equal weight inside an IPS, with a decision structure based on the 'one-member-one-vote scheme', regardless of how many shares a member holds (Cabras, 2011). In addition, a BenCom strengthens members' views within the organisation, and increases the level of their involvement and participation within the organisation (Brown, 2006).

2.2.4. Company Limited by Guarantee (CLG/CLG-CS)

A CLG is been the most prevalent structure for social enterprises in the UK, being straightforward to put in place and adaptable (Leslie, 2002). As a result, a CLG status is commonplace within third sector organisations requiring corporate status. A social enterprise with this type of legal structure removes the possibility of having shareholders and instead has members who are guarantors of the organisation (Ahmed et al., 2004). These designated members contribute a small amount of money (usually £1) towards the winding up of the organisation if it becomes insolvent (Bridge et al., 2009). When a CLG is formed, it is normal to incorporate a non-profit distribution clause (DTI, 2003). Instead of dispensing profits amongst its guarantors, a CLG promotes the use of voluntary work to help build a sustainable organisation (Ahmed et al., 2004). Within the governance of a social enterprise with CLG status, there is a separation of powers, as not one person owns the organisation (Bridge et al., 2009; Smallbone et al., 2001). A CLG usually has a voluntary board of non-executive directors whereas a CLG with charitable status (CLG-CS) has trustees who are responsible and accountable for generating and effecting a strategic plan (Vidal, 2003).

A central feature of a CLG-CS is that it is a registered charity and has a board of trustees who volunteer to run the charity (Doherty et al., 2014). An advantage of a CLG-CS is that it combines benefits of registered charities and CLGs. They include; possible to own property and hold contracts, receive tax exemptions and relief, it is

easier to raise funds from trust funds and donations from companies (Bridge et al., 2009). Additionally, Social Enterprise UK (2012) suggest a CLG-CS status will also protect the core mission of the business, as it must have charitable aims within its constituted and will be regulated by the Charity Commission. However, a CLG-CS legal form also been criticised. The trustees are stewards of the organisation but Charitable Law does not allow trustees to be paid for being trustees (Cabras, 2011). This raises concerns about how the board of trustees may impact upon the commercial aims of the organisation. As Doherty et al. (2009) state, these charitable rules and law may result in significant restrictions on trading activities and income generation.

2.2.5. Community Interest Company

CLGs and BenComs are not able to draw in finance in terms of equity investments because they cannot issue shares for financial return (Cornforth, 1988). Consequently, this raises questions about how social enterprise source finance and how heavily reliant they are on financial support such as grant funding. Accessing suitable financial resources is a key challenge facing social enterprises in the UK as current evidence shows that the majority of these organisations are inadequately financed (Alter, 2006; Doherty et al., 2009). The inability of the CLG and BenComs legal structures to access a wide range of financing options is one of the reasons the UK government introduced the CIC, in 2005 (DTI, 2003). This legal structure has triple functionality according to the National Archives (2013). A CIC can be structured as: (1) CLG (without share capital) (2) CLS or limited by guarantee (with share capital). This type of social enterprise pays dividends to asset locked bodies only. (3) CLS or limited by guarantee (with a share capital). This type of legal structure will allow a CIC to pay dividends to shareholders (National Archives, 2013). Therefore, the CIC's financing options are improved as they present wider sources of finance whilst retaining their social objectives (Department for Innovation and Skills, 2011). However, BIS (2013) outlines there has been a limited uptake of this version of a CIC.

The above discussions reveal two key dimensions. Firstly, social enterprises aim to concurrently create social value and the type of legal structure they choose impacts

upon what they can realistically achieve (Bridge et al., 2009). This is further implicated by its ability to attract suitable investments to reinforce or support its social ethos (Doherty et al., 2009). Secondly, the legal identity of a social enterprise permits its board to conduct their duties efficiently and legitimately within a system of governance. This discussion is integral to this study as the case study organisations are either a BenCom (LTO-A) or a CLG-CS (LTO-B). In order to understand different types of social enterprise a critique of the contextual environment in which they operate must be conducted. The following section presents a critique of governance approaches to social enterprise in the UK and the impact of the legal identity upon them.

2.2.6. Stewardship Theory Governance Model & Legal Structures

Stewardship theory predicts that the CEO will act in the best interest of the organisation (Herzlinger, 1994). Many researchers view stewardship theory as an alternative to agency theory (Boon, 2018; Davis et al., 1997; Haugh & Talwar, 2016; Iecovich, 2005; Mason, 2010; Nicholls, 2010; Turnbull, 1997) with Turnbull (1997) arguing that unless it was accepted that people may act as both opportunistic self-serving agents and selfless stewards the theory for corporate governance could not progress. This would mean rejecting the agency assumptions of CEO acting in their own self-interest (Roberts et al., 2005) and consequently avoiding the tension associated with solidarity types of social enterprise in being able to satisfy levels of society social value. With the steward motivated to attain the objectives of the organisation, using stringent control procedures would be potentially counterproductive. Such control mechanisms such as separating the roles of CEO and the chair of the board of directors potentially lowers motivation and leads to high staff turnover (Davis et al., 1997). This approach within a BenCom can enable the organisation to find a balance between satisfying the tensions associated with it. Empowering the CEO whilst maintaining clear roles and responsibilities of the enables the board to ensure the tension of satisfying social value is achieved and permits the CEO to address trading income tensions.

The stewardship model places a duty on the board to act in the interests of the owners of the organisation and take charge of enabling organisational performance

through effective decision-making (Boon, 2018; Iecovich, 2005). Boon (2018) assessed the model's capability of delivering public services. Through examining the stewardship model in social enterprises with varying legal identities it was found that the individual leader within the social enterprise (normally the CEO) was able to proactively react to political and market conditions whilst maintaining their social focus. Within a BenCom, this can help address the tension of producing social value. This approach can also assist a CLG-CS in addressing the tension of asset lock associated with social business types.

In general, the concept of stewardship places importance on the power of the board and its ability to act as agents for the organisation's shareholders (Muth & Donaldson, 1998). Furthermore, their primary task is to utilise share capital in ways that will result in increased value, primarily financial. In this sense, this model of governance can be beneficial in assisting a CLS in attracting equity finance as this type of organisation permits the distribution of profits (Doherty et al., 2009). However, as discussed, stewardship theory recognises non-financial motives for governance behaviour (Muth & Donaldson, 1998) which can aid both BenComs and CLG-CSs. Consequently, it should be a main underlying theory in third sector organisations. Yet, Puyvelde et al. (2011) note a substantial lack of research in this area. From the research we have, where the CEO is acting as the steward, empowering rather than controlling governance processes should be used (Davis et al., 1997).

In terms of social enterprise, stewardship theory is consistent with the view that it is likely to evolve to a much narrower business emphasis (Dart, 2004). Consequently, this view of social enterprise will result in board members having a variety and particular set of skills and expertise (Cornforth, 2012). As a result, this moves away from the stakeholder view of social enterprise governance in which there will be a limited representation of stakeholder groups on the board (Spear et al., 2009). This implies a stewardship model can help tackle the tension of producing trading income which is associated with BenComs and CLG-CSs (Bull, 2018; Doherty et al., 2014). This implies that the board will be set up to foster a range of high-quality skilled professionals who are capable of operating the organisation more effectively. In effect, this can equip a BenCom and CLG-CS with a representative and adequately

skilled board which enables them to maximise its social value to its targeted communities and stakeholders (Cornforth, 2012; Nicholls, 2010). It is appropriate that board members should be sufficiently at liberty and able to deliver increased productivity (Nicholls, 2010). However, the CLG-CS legal status may restrict the board increasing productivity as it is associated with overlooking commercial savviness (Cabras, 2011). Mason (2010) stated that this function of social enterprise governance is still emerging and could develop further as the social enterprise sector matures.

There is a limited supply of literature on stewardship theory in the social enterprise field in relation to its adoption within different types. The majority of studies reviewed on stewardship theory focus on general non-profit organisations. Therefore, the applicability of their findings must be tempered with caution. Low (2006) suggests that political developments may influence social enterprises to move from stakeholder to stewardship models of governance which facilitates a commercial approach to balance social and financial tensions. Cornforth (1988) affirmed that a democratic type of ownership is unappealing to venture capitalists. As social enterprises pursue both financial and social objectives, their boards and CEO ought to possess the independence necessary to satisfy the creation of social value whilst remaining financially stable. Spear et al. (2009) argue that organisations with autonomous and voluntary boards can face tensions in controlling their commercial operations. This has resulted in a collective interest in the stewardship model of governance. Conventional governance models of social enterprise are commonly distinguishable by an absence of environmental considerations to inform strategic decisions (Harding, 2004). Supplementary to this, the vagueness around the separation of roles between the CEO and board of trustees can create a minimalist board (McNulty & Pettigrew, 1999). This means the board is predominantly run by an individual or dominated by strong founder members, with little or no conflict, challenge or dissent amongst themselves (Spear et al., 2007).

However, we must proceed with vigilance and care in this shift to the stewardship governance approach. It is clear it has repercussions for the processes involved when it comes to setting strategy within either trading charitable types, solidarity types and social business types. Spear et al. (2007) contend the growth of a

commercial approach unavoidably breeds anxieties about their capability and proficiency in balancing commercial social tensions. Further, it is a move away from the traditional approach, which Spear et al. (2007) label 'delegate syndrome', whereby board members become power hungry and concentrate on addressing their own interests rather than those of the social enterprise. This can prove particularly problematic for a CLG-CS as their board is entirely responsible and accountable to the stakeholders they serve (Doherty et al., 2009). On the other hand, as a BenCom allows for delegated powers to a director (Doherty et al., 2009) it reduces the risk of the board acting in their own interests. Overall, this contemporary move towards a stewardship model of governance needs more understanding in its relevance and applicability to social enterprises.

2.2.7. Resource Dependence Theory Governance Model & Legal Structures

An alternative viewpoint in understanding the governance of an organisation is exploring whether resources are an explanatory factor in determining governance structures. Resource dependence theory attempts to explain organisational survival as being reliant on its ability to acquire and maintain resources (Pfeffer & Salancik, 1978). This theory describes individuals on the board of directors as resources for the organisation. The understanding that the board itself and that the knowledge and experience of its members is a valuable resource is receiving more recognition in relevant literature.

Resource dependency theory is applicable to social enterprise as boards of third sector organisations encourage the utilisation of resources. The tension around raising capital is a long-lasting and habitual problem in the social enterprise sector and this model can address this issue (Callen et al., 2009). However, as discussed previously, a CLG-CS is unable to attract equity finance (Doherty et al., 2009) therefore the stream of external financial resources can be limited. Nonetheless, social enterprises are progressively searching and embracing for creative methods to attract within and outside the social economy (Mason et al., 2006). Methods include recruiting board members on the basis of their lobbying power and networks (Callen et al., 2009). Callen et al. (2009) observed social enterprises identify specific individuals based on their ability to acquire access to resources that will help the

organisation. This approach can be beneficial for a BenCom because although it has a democratic structure (one member one vote) the board directors have delegated powers (Doherty et al., 2009). This enables the experts recruited through this governance approach to produce impact upon the organisation's operations. Whereas a CLG-CS would potentially restrict this recruitment approach because the organisation is held in stewardship by voluntary board members, normally from the local community.

2.2.8. Stakeholder Theory Governance Model & Legal Structures

Stakeholder theory has been referred to as balancing the need to keep economically viable against the philanthropic notion of 'doing good' (Winn, 2001). The non-profit sector provides a natural fit for a stakeholder perspective of the organisation (Bruneel et al., 2018; Cornforth, 2013; Schillemans & Bovens, 2019). This is because non-profit organisations gain strategic advantage from power in the form of trust and legitimacy aspects of governance expected from their stakeholders rather than being primarily interested in profit (Steane, 2001). This characteristic is in line with setup of a CLG-CS in that the board of trustees are primarily elected on the prime basis of addressing the needs of the stakeholders they serve (Cabras, 2011; Doherty et al., 2014). Third sector organisations are also unique in not being owned and controlled by those focused on a return on investment (Pearce, 2003; Peattie & Morley, 2008). Instead, they are often founded and controlled primarily by a demand for a social return on investment (Dart, 2004; Dees, 1998). The main difference between for-profits and non-profits is the issue of ownership (Mason et al., 2006).

Profitable firms had owners who required a profitable return on their investment; hence the goals of the organisation were clearly defined and able to be measured through share prices and financial measures (Sutton, 1993). Third sector organisations have no clear owners and serve large stakeholder groups with a social mission, which was, and still is difficult to measure (Mason, 2010). It has been seen that a CLG-CS allows for community ownership to ensure the stakeholders are central in their governance (Doherty et al., 2009). The stakeholder governance approach is also applicable to a BenCom as it is controlled and managed by its

members with a democratic one member, one vote structure (Cabras, 2011). However, they are still expected to be accountable like their for-profit counterparts.

Researchers have considered the importance of stakeholders being engaged in organisational decision-making and their subsequent balance of mission (Burchell & Cook, 2008; Foster & Jonker, 2005; Letza et al., 2004; Lozano, 2005; Sutton, 1993; Spitzeck, 2009; Spitzeck & Hansen, 2010; Turnbull, 2002; Winn, 2001). Many of these studies, however, confirm that most stakeholder governance structures in regards to decision-making by the board and CEO can be limited. For example, Letza et al. (2004) found that formal dialogue between the organisation and stakeholders does not go beyond mere exchanges of different viewpoints. This may be a particular problem for a BenCom as satisfying social value creation is an associated tension with solidarity types (Bull, 2018). The communication between the BenCom and its stakeholders potentially lies at the root of this tension. Additionally, Jonker and Nijhof (2006) and Lozano (2005) argue that stakeholder dialogue usually consists of a very large number and broad mix of stakeholders, which may not develop a constructive working relationship due to the lack of trust or the complexity of issues discussed.

The application of the stakeholder approach to organisations has been criticised in the past, mainly by advocates of other theories (Burchell & Cook, 2008; Jonker & Nijhof, 2006; Lozano, 2006; Pederson, 2006). However, the influence of this debate upon social enterprise governance is diminished by the absence of one of the key factors in the mainstream for-profit governance literature, the stakeholder (Low, 2006; Mason, 2010). Therefore, it can be assumed that the governance structures of a BenCom and CLG-CS should facilitate an adherence to the needs and wants of the stakeholder groups they serve. Stakeholder models of governance have further implications for the long-term objectives of various types of social enterprise (Doherty et al., 2014). Having stakeholder representatives on the board of a CLG-CS and BenCom is advantageous because, as Mason et al. (2006) argue, it fosters a broader range of viewpoints in strategy and decision-making. Consequently, stakeholders can provide a valuable contribution to board decisions that will ultimately affect them (Friedman & Miles, 2002). In permitting stakeholders to participate in a social enterprise's operations, the organisation is then able to pursue

a social mission which is aligned with the needs of those stakeholder groups (Low, 2006; Vidal, 2014).

Additionally, even when organisations assert that stakeholder input does in fact lead to considered decisions being made, the causal link between stakeholder input and decision-making usually remains quite vague and unproven (Letza et al., 2004). This vagueness regarding the impact of stakeholder consideration and engagement can result in relations with stakeholders turning sour (Turnbull, 2002; Winn, 2001).

Consequently, this restricts a BenCom in reducing the concern of producing social value due to the potential perceived lack of stakeholder input into decision making. A CLG-CS does not specifically share this concern as the board is structured in a way which makes stakeholder integration and engagement in decision making palpable. Additionally, stakeholders may hold back from collaborating with organisations as they perceive it to be a waste of time (Burchell & Cook, 2008) or because conflicting interests between stakeholders and the organisation may be apparent, but cannot be resolved (Pederson, 2006). This is a concern for a CLG-CS due to the wide stakeholder base represented in their board of trustees. This facilitates an environment in which conflict can surface through safeguarding the interests of the specific stakeholder group each trustee represents.

As mentioned previously, stakeholder theory has received criticism. It has been suggested that stakeholder theory of governance is not suited with corporate governance because it allows accountability to be given to more than one group (Mason et al., 2006). One of the main proponents of stakeholder theory criticism was Jensen (2001). As a result of his study on organisations adopting stakeholder governance processes he argued that the board of directors must be held accountable to one group, to whom the risk of failure and benefit of success is delivered. He proceeded to point out that when there are multiple stakeholders involved, directors are consequently held accountable to a range of groups, some of whom may not be directly involved with the social enterprise. This raises the issue of identifying and engaging with stakeholder groups. This has an implication for the governance of a BenCom and CLG-CS. The structure of a CLG-CS board can be accountable to a number of stakeholder groups within one community therefore potentially diluting the level of social value created. To this end, Jensen (2001)

concluded that it would be more effective to focus on providing a service to one group rather than trying to manage a range of groups. This is particularly concerning for a BenCom which facilitates a more entrepreneurial approach (Cabras, 2011). In effect, as the BenCom becomes more successful, and grows, it will be accountable to a larger base of stakeholder groups. Thus, this raises concerns of how they can satisfy levels of social value within a growing stakeholder base.

Subsequently, there have been calls for research in this area to focus on providing evidence to show a correlation between how stakeholder involvement can add value to the development of social enterprises (Cornforth, 2013; Low, 2006). To this end, Cornforth (2013) argues that we need to take into account the contextual factors that influence or shape board composition and how they work.

2.2.9. Influence of Board Composition

Researchers have emphasised the importance of the board of directors/trustees for the effectiveness of the overall organisation (Gazley & Nicholson-Crotty, 2018; Spear et al., 2009). Without an excellent board of directors/trustees, the organisation is unlikely to attain its full potential (Herman & Renz, 1998). As members of third sector boards predominantly work on a voluntary basis, many of these organisations face recruitment difficulties. Therefore, they are in many cases, undermanned (Cornforth, 2003). Due to this understaffing, selection criteria/rationale for voluntary board members in many organisations is very low or non-existent (Stone & Ostrower, 2007). In relation to board composition, much of the governance research is descriptive and, as Stone and Ostrower's (2007) review of the literature pointed out, studies have found that voluntary boards are large relative to for-profits and are primarily composed of white men from upper-middle-class or upper-class backgrounds. Olson (2000) and García-Meca and Palacio (2018) found evidence that suggests larger boards, longer average tenure, and more extensive business backgrounds of directors strengthen the board's ability to monitor, be less influenced by managerial directives and possess the expertise to make difficult business decisions. Recruiting board members with appropriate skills, experiences and expertise is important for board decision-making, particularly in non-profit organisations (Spear et al., 2009).

It is assumed that by having large boards, non-profit organisations will then have improved access to a greater amount of resources (Olson, 2000). Olson (2000) proposed that there is a positive correlation between board size and organisational performance of non-profits. Conversely, studies have shown and argued that board size has no correlation or relationship to improved organisational performance (Miller-Millsen, 2003; Pfeffer & Salancik, 1978). The role of the board, working with management to improve strategy and add value to top decisions, is primarily strategic (Miller-Millsen, 2003). In this context, board members are thought to be recruited based on their professional expertise and skills (Cornforth, 2004; Mason et al., 2006). In general, the question of board composition remains a contentious area of discussion. Nevertheless, when drawing from the discussions taking place within the literature we can state that third sector organisations have larger boards than for-profit organisations. This is based on the consensus within extant literature that non-profits have larger boards because their survival and sustainability is highly reliant on external resources, such as tax relief, varying skill bases, donations and government support functions (Amis & Slack, 1996; Hoyer, 2006; Olson, 2000).

In general, few studies have asked how board composition affects governance and key decision-making processes. Stone and Ostrower (2007) allude to this by pointing out that we cannot at this point, speak with any certainty on the question of whether or how the composition of boards makes a difference to third sector organisations or the broader communities they serve. From the critique of board composition and governance models it is clear the relationship and dynamics between the board and CEO/Managing Director is crucial in determining the organisation's approach for achieving their mission. A critique of these dynamics and contextual variables affecting it will now be discussed.

2.2.10. Board Relations with CEO

The relationship between boards and CEOs has been largely neglected in research on non-profit governance (Cornforth & Macmillan, 2016). More specifically, decision-making dynamics within organisations has been under-developed by the organisational literature (Contu & Willmott, 2003). Moreover, the processes through

which internal dynamics are negotiated in groups is also poorly understood (Lovaglia et al., 2005). There has been relatively little empirical research on the relationship between the board and CEOs in the non-profit sector (Cornforth & Macmillan, 2016). Ostrower and Stone (2006) have suggested that much of the early prescriptive literature focused on characterising the relationship between boards and staff as a partnership of equals, and that any problems between the board and staff could be resolved by clarifying their respective roles. The parties may have unequal power and the relationship may involve tensions and conflict, and may change over time with changing circumstances (Drucker, 1990; Golensky, 1993). Additionally, Mordaunt and Cornforth (2004) and Reid and Turbide (2014) highlighted how organisational crises can trigger a loss of trust between boards and CEOs, and a shift in dynamics.

CEO and board dynamics may manifest in several forms. Stone and Ostrower (2007) indicate that the decision-making dynamics between boards and CEOs depends upon a variety of individual, organisational, and environmental factors such as CEO seniority, organisational size, and external stability. A key study on power dynamics was conducted by Murray and Wolpin (1992) who observed five broad patterns of power dynamics in a sample of Canadian non-profits: the CEO-dominated board, the chair-dominated board, the power-sharing or democratic board, which usually rejects any kind of dominant leadership by an individual, the fragmented board, where there are strong competing factions; and the powerless board where the board is unclear about its role and responsibilities and there is a lack of commitment. The CEO-dominated board was the most common, occurring in just under half the boards, followed quite closely by the power-sharing board. However, this research involved a cross-sectional survey and does not address how power dynamics may change over time as circumstances change. Iecovich and Bar-Mor (2007) examined the relative dominance of board chairs and CEOs in a survey of local non-profits in Israel. Similar to Murray and Wolpin (1992), they found that CEO dominance was the most common form of power dynamic (41% of organisations), but boards were perceived to dominate in 36% of organisations. Interestingly, they found that the more established the organisation the more likely the CEO was to dominate.

The interactional dynamics of the board and CEO relationship is essential to the proper functioning of every organisation (Drucker, 1990). Research evidence on the relationship between boards and the CEO presents a mixed picture. On the one hand, it seems widely accepted in the literature that boards of third sector organisations do not actively monitor the CEO (Caers et al., 2006; Miller, 2002). However, it is also accepted that the weak control that is observed does not appear to be associated with evidence of CEOs pursuing their own objectives at the organisation's expense (Wood, 1992). According to Wood (1992), the board will have less involvement with operational roles and more involvement with governance roles as the organisation is growing. Drucker (1990) suggests that neither the board nor the CEO is the boss per se. Albeit the board ultimately is legally accountable for the organisation's actions. Drucker (1990) sees the board and CEO as colleagues working toward the same goal. The CEO is often the stronger partner as he or she generally remains longer in office than does the chairman of the board. Subsequently, they must adapt to the working style of different board members (Drucker, 1990). The roles of the board members and CEO are inter-dependent and the boundaries between the two are often necessarily somewhat blurred, particularly in smaller organisations (Rochester, 2003). Both boards and CEOs contribute to carrying out governance functions. For example, while it may be the responsibility of boards to decide strategy or make major financial decisions, it is usually management that are in the best position to develop strategic options and proposals for the board to consider (Rochester, 2003).

Miller (2002) provides a particularly interesting insight on this through her study of board meetings and interviews with individual members of non-profit boards. Miller (2002) found no evidence that boards or individual directors did not trust the organisation's CEO and were very comfortable relying on information provided by management on which to make decisions. Miller's (2002) findings suggest that boards undertake low levels of monitoring of their CEO because more rigorous monitoring is deemed unnecessary. Caers et al. (2006) suggest that the lack of CEOs on the board may reduce its monitoring capacity since executive presence does bring key inside information needed for optimal decision-making. In other words, the increased independence of boards designed to ensure CEOs are better monitored may deprive the board of some of its most important monitoring tools.

2.2.11. Decision-Making Tensions

The decision-making process of non-profit organisations involves political game playing in which the players, namely the board of directors and CEO, develop roles and coalitions capable of influencing day to day and/or strategic decision-making (Auld & Schulz, 2006). Hay (1997) and Morgan (2006) argue that in a political framework, the organisation is seen as a group of actors who each have their own interests and objectives, controlling diverse resources which are considered relevant to the running of the board. Morgan (2006) further elaborated that the day to day operations of an organisation consistently display instances of power struggles which primarily originate from a difference in opinions, ideas and agendas of the actors involved in the decision-making process. Consequently, conflicts and tension surface when actors with differing agendas clash concerning key decisions. When examining organisations, particularly those which consist of voluntary boards members, there are a limited amount of studies which investigate possible decision-making tensions. In his study of non-profit organisations and the decision-making processes within, Correia et al. (2010) emphasised the importance of the discussion process among the board members in order to arrive at an agreed decision. Additionally, Correia et al's. (2010) findings focus on the importance of the CEO having an influence on the strategic decisions made by the board. This is emphasised by the findings of Auld and Schulz (2006) who argued that the CEO and the board members each hold a combination of influences, competences and skills that constitute authentic sources of power and they negotiate the decision from within the coalitions formed.

Another factor affecting the decision-making process is based outside the actual structure of the organisation, the macro condition (Kikulis, 2000). Since non-profit organisations can be dependent on public financing and external partnerships, a strategic alliance between two or more organisations can be viewed as a partnership that brings benefits to both parties (Geddes, 2005). External power over the organisation's decision-making may vary according to the nature of the alliance, the discussion of issues process and the interests of the parties involved (Kikulis, 2000). The importance of the external environment in organisational decision-making has

been well established over the years. The governance of non-profit organisations will be affected by the particular sector or field in which it works as well as its policy field (e.g. sport policy and leisure provision) (Stone & Ostrower, 2007). Board members operate on the boundaries between the organisation and its environment, providing a communication channel and often reflecting important elements of the environment such as community power elites and key resource dependencies (Pfeffer & Salancik, 1978).

Based upon the above review of literature concerning the governance of social enterprises in particular types it is clear that in order to achieve the main aim of this study of contributing to our understanding of the role of social enterprise, it is crucial we investigate the governance of different types of social enterprise. 'Research Question 2' below reflects this need;

RQ 2 - How does the governance model and processes of different Leisure Trusts impact upon their associated tensions?

2.3. Mission Drift

2.3.1. Introduction

As discussed previously, social enterprises face a unique governance challenge. How do they control the balance between their social activities and their commercial ones (Battilana, 2018; Battilana et al., 2017; Battilana & Lee, 2014; Walker, & Dorsey, 2012)? How do they generate enough revenue without losing sight of their *raison d'être*; creating social value? Research which explores the concept of mission drift suggests that such drift is a detrimental outcome (Battilana, 2018; Battilana et al., 2017), but little is known about what mission drift is, how it occurs, how it impacts social enterprises in different contexts and how social enterprises should respond.

Broadly, Cornforth (2014:3) suggests that “mission drift can be defined as a process of organisational change, where an organisation diverges from its main purpose or mission”. Grimes et al. (2019) built upon Cornforth’s (2014) definition by attempting to theorise mission drift in hybrid organisations. They argue that mission drift is the discontinuity between an organisation’s actions and its image. However, this definition by Grimes et al. (2019) has been criticised by Varendh-Mansson et al. (2020) who argue Grimes et al. (2019) fall into the trap of conceptualising mission drift in very simplistic terms and over-generalise their definition of the concept. Varendh-Mansson et al. (2020) argue that mission drift may be different in varying organisational contexts. They argue that the central feature which underpins a definition of mission drift is the organisational mission itself.

It is regularly presumed that social enterprises are able to achieve social objectives whilst, at the same time, be financially viable (Battilana et al., 2017). However, limited research supports this claim. Seanor et al. (2013) and Spear et al. (2009) argue that in order to address deprivation in local communities, social enterprises must provide a sustainable approach for public service delivery. Battilana (2018) argues that in terms of organisational governance, social enterprises offer a rich subject of study as they combine potentially conflicting social and financial goals. Walker and Dorsey (2012) go further and point out that all social enterprises engage in social activities but to achieve their social mission commercial activities are needed to generate revenue. This study unearths the governance challenges facing

two different types of social enterprise in avoiding mission drift. As Battilana et al. (2017) and Smith et al. (2012) discovered in their respective studies, a social enterprise's ability to prevent divergence from their social mission is impacted by legislative, political and financial issues as well as market pressures.

It is important to consider the internal and external governance challenges affecting mission drift. Maier et al. (2016) argue that it is the organisation's environment, board composition, internal power dynamics, the economy, as well as collective and individual actors which are all drivers of the attainment of social and commercial goals. Their case study approach of 12 social enterprises was very thorough and was conducted over a 5-year period. Kerlin and Pollak (2011) provide more detail by arguing that economic factors such as competition with for-profit providers and availability of funding affect the commercial/social focus of the social enterprise. Harmer et al. (2013) further the debate by contending that social enterprises are becoming more commercially orientated due to political pressures of public service delivery. This is particularly pertinent to Leisure Trusts in that they are predominantly founded as a consequence of political discussions (Hodgkinson & Hughes, 2012). Lorimer (2010) provides a correlated view to Harmer et al. (2013) but states that ultimately it is the collective and individual actors (board members and CEO) who pursue particular interests regarding the focus on commercial or social goals.

To emphasise the application of these challenges to Leisure Trusts, it is the organisation's context and field of operation which proves a determining factor in the drift of mission (Garrow & Hasenfeld, 2012; Smith et al., 2010; Varendh-Mansson et al., 2020). Other authors have emphasised this point and added that social enterprises are not unitary organisations and that they vary across nations and communities (Dacin et al., 2010; Kerlin, 2009; Mair, 2010). Yet, there is little evidence out there to support the view of these authors as no studies have examined this specific issue across types of social enterprise. Underpinned by Cornforth's (2014) definition, we will now critique the meaning of mission drift within the context of Leisure Trusts. This will help guide the study by establishing a process by which we can determine whether mission drift is occurring in the sampled Leisure Trusts.

2.3.2. Relevance of Mission Drift to Leisure Trusts

Leisure Trusts are a widespread and generally accepted model for sport and leisure provision in the UK (Findlay-King et al., 2018). These legally independent, non-profit organisations are typically set up as Companies Limited by Guarantee (CLG) or Industrial and Provident Societies (IPS). The Centre for Public Services (CPS) (1998:5) observed that the setting up of a Leisure Trust:

‘involves the local authority transferring the service to a newly established Leisure Trust (or an existing trust). The council retains ownership of the facilities which are leased to the trust which also receives an annual grant from the council to make up the difference between its income from user charges and the cost of operating the service.’

Gillingwater (2016) explained that all Leisure Trusts are charitable social enterprises based within communities, many of which operate facilities and services on behalf of local councils. Anagnostopoulos and Winand (2019) also argue that Leisure Trusts are community assets in a public-facing role. They explain that Leisure Trusts invest in local communities within the sphere of sport and leisure provision, and also invest in the skills development of their workforce. Pringle (2001) provided insight to the reasons why Leisure Trusts come into being. He explained how the restructuring of local government in 1995 meant sport and leisure services suffered from vast reductions in funding. This created problems in preserving and improving already poor quality facilities which were able to compete with fast-growing health and fitness industry in the private sector.

Unlike many private sector sport and leisure organisations, Leisure Trusts are governed through their board members who are volunteers. Anagnostopoulos and Winard (2019) found that these ‘board trustees’ are normally individuals with influential personalities who preferably possess a particular skill-set to help the organisation. Shilbury and Ferkins (2011) in their study of non-profit organisations found that these volunteer board trustees with professional competencies are critical for the governance of Leisure Trusts who are constantly under pressure to modernise and compete with their private sector counterparts. Anagnostopoulos and Shilbury (2013) agreed with the assertions of Shilbury and Ferkins (2011) and stated that this modernisation of Leisure Trusts has resulted in new organisational actors,

namely CEOs. Their existence, as Anagostopoulos and Winard (2019) state, helps professionalise Leisure Trusts in order to come in line with private sector providers. However, this raises questions on how they maintain focus on their social mission.

To compound this issue, Livsey (2015) in his review of 232 local authorities found that just 9 Leisure Trusts managed sport and leisure facilities in 46% of the local authorities examined. He also found that 61% of the sport and leisure contracts are managed by three Leisure Trusts. This, therefore, is an indication of how the provision of sport and leisure facilities is led by only a few Leisure Trusts. This, as Findlay-King et al. (2018) argue, is an example of local authorities favouring large Leisure Trusts rather than locally-based and purely community focused Leisure Trusts. They argue that the continued focus on preferring larger providers can dilute the social value created and therefore increase the risk of mission drift occurring. However, little is known about the issue of mission drift within the context of Leisure Trusts.

Mission drift is a term commonly applied to non-profit organisations straying from their designated mission as a result of external financial pressures (Cornforth, 2014; Young & Kim, 2015). Mission drift can be seen as a form of instability that may or may not lead to serious social or organisational consequences over the long term (Agafonow, 2015; Ebrahim et al., 2014; Young & Kim, 2015). While non-profits continue to struggle with this latter manifestation of mission drift, social enterprises have emerged which embrace both social and commercial goals, claiming both the compatibility of these goals and the advantages in addressing various social problems (Billis, 2010). Being commercially focused is seen both as viable sources of sustaining surplus generation, and increasingly as new means to address mission goals through a commercial orientation (Chell, 2007, Dees, 1998, 2001; Defourny, 2001; Driver, 2012; Martin & Osberg, 2007; Peredo & McLean, 2006; Young & Kim 2015). While research in this area is relatively limited, the issue of mission drift remains important (Garrow & Hasenfeld, 2012; Smith & Besharov, 2017).

As highlighted previously, there are difficulties in defining mission drift within social enterprises, and therein Leisure Trusts, due to the varying nature of social enterprise and how they approach community development and the creation of social value (Ebrahim et al., 2014). Leisure Trusts are expected to produce social value in the

form of increased participation in sport and facility improvement (Gillingwater, 2016). However, the question remains, what is the mission of Leisure Trusts? Gillingwater (2016) and Findlay-King et al. (2018) suggest that the mission of Leisure Trusts should always focus on community involvement and getting more people participating in physical activity.

Each Leisure Trust has its own priorities and unique challenges which means they address them accordingly (Hodgkinson & Hughes, 2012). This issue is complicated further by their requirement to be financially stable (Sesnan, 2001). As Wry and York (2017) make clear, social and financial objectives can cause potential trade-offs. Many Leisure Trusts fail to achieve financial stability whilst others generate significant surplus (Gillingwater, 2016). Based on these points, for this study, a 'one mission fits all' explanation of mission drift is unfit for all Leisure Trusts. Leisure Trusts should be judged on their own defined mission provided via their mission statement. The claims by Varendh-Mansson et al. (2020) underpin this stance as they explain that before we can establish a clear definition of mission drift we must first develop a robust and nuanced view of what an organisational mission is, particularly in relation to social enterprises.

The mission statement expresses the purpose of an organisation e.g. its reason for existence and mission (David, 1989). A mission statement provides a platform for the achievement of organisational outcomes such as strategy and therein, their identity and objectives (Pearce & David, 1987). Mission statements help reveal organisational characteristics such as their target market, services and organisational objectives (Moss et al., 2011). This leads us to a pertinent question; what missions do Leisure Trusts pursue and are these missions homogenous across different Leisure Trusts? As previously mentioned, although Findlay-King et al. (2018) and Gillingwater (2016) point out that missions of Leisure Trusts generally focus around community involvement and getting more people more active, there is still little critique or exploration of the missions of Leisure Trusts.

It is clear from the above discussions on what a Leisure Trusts is. We can assert that they are organisations which provide sport and leisure facilities to communities across the United Kingdom. Due to a Leisure Trust's reliance on financial support, some studies have highlighted the point that Leisure Trusts are at risk of

encountering difficulties due to the removal of financial support which is underpinned by government spending cuts (Gillingwater, 2016; Findlay-King et al., 2018).

However, little is known about the issue of mission drift in a Leisure Trust. In contrast with the usual assumption that all Leisure Trusts pursue the same mission, as discussed above, we argue that the inquiry into mission drift starts with what Leisure Trusts themselves promote as their main mission. We opt for this bottom-up approach to examine the potential occurrence of Leisure Trust mission drift.

To tackle this issue, this study will rely on the assumption that, like other organisations, Leisure Trusts develop their mission statements to mirror their central social mission they wish to pursue, and outline what actions they think are crucial to work towards it. Subsequently, this study asserts that if a Leisure Trust drifts away from its social mission and/or diverges from its social actions/behaviours affirmed in its mission then it is incurring mission drift. If a Leisure Trust stays true to its mission, it cannot be accused of mission drift. This working definition is underpinned by Cornforth's (2014) definition of mission drift and addresses the importance of mission, highlighted by Varendh-Mansson et al. (2020). Integrating the social missions of both Leisure Trusts in this study helps avoid the hazard of criticising a Leisure Trust for not doing something they have not proposed to do.

2.3.3. Causes of Mission Drift in Social Enterprises

As we have now established an approach to assessing potential mission drift within the sampled Leisure Trusts in this study, we will now critique the causes of mission drift within Leisure Trusts. However, this area is largely unexplored. Subsequently, we will broaden the critique to social enterprises in general in order to acquire a thorough understanding. The possibility exists in social enterprises for the creation of social value to be overly pursued at the expense of commercial viability (Borzaga & Becchetti, 2010). It is also contended that although social enterprises are viewed as promising vehicles for the creation of both social and commercial value (Sabeti, 2011), they are at risk of losing sight of their social missions in their efforts to generate revenue (Fowler, 2000; Jones, 2007; Weisbrod, 2004). To provide more detail, Cornforth and Brown (2014) highlight how the internal power dynamics through which the CEO and boards ensure that organisations remain focused on

their social goals is a central concern of research. Miller and Wesley (2010) reason that this tension between the social and commercial goals of social enterprises lie with the extent to which social enterprises focus on social goals. However, Dacin et al. (2010) assert that this focus and potential imbalance in goals will vary over time due to institutional and external governance challenges.

Whether a social and commercial focus is polar opposite or dependent is an important debate in the social enterprise literature. For example, Townsend and Hart (2008) suggest that these are difficult to combine because they require a different legitimisation process, eventually resulting in institutional ambiguity. This argument is reflected by Austin et al. (2006:3) who claim that “commercial and social dimensions within the enterprise may be a source of tension.” However, Dacin et al. (2010) argue that the duality of a social enterprise’s mission may be mirrored in the organisation’s values. Moss et al. (2010) concurs with the view of Dacin et al. (2010) and furthers it by highlighting the implicit focus on social and commercial goals lies within the language of their mission statements.

Although the risk of mission drift is not specific to social enterprises, it is particularly relevant for them for two main reasons. First, because they are dependent on commercially generated revenue in order to financially sustain their operations, they are inherently at risk of giving priority to their commercial activities (Ebrahim et al., 2014; Renz & Andersson, 2014). Secondly, Sabeti (2011) points out that the consequence of mission drift for social enterprises is severe as it threatens their very *raison d’être*: if social enterprises lose sight of their social mission, they will fail to achieve their goals of delivering social value to their beneficiaries. This problem and subsequent accountability creates tensions within power dynamics that are likely to persist throughout the life of the organisation (Battilana & Lee, 2014; Renz & Andersson, 2014).

2.3.4. Contributing Factors to Mission Drift

One contributing factor relates to the behaviour of the board and the CEO. Bromley and Powell (2012) contend that if social enterprises separate the commercial and social activities, they run the risk of failing to recognise contradictions or potential

inconsistencies that could harm the overall social purpose of their organisation. Wry and Zhao (2018) further this debate by arguing that CEOs can fall into the trap of legitimising their commercial activities on the grounds of financially supporting a social mission. However, in practice these actions are detached from those social goals or that might prevent the organisation from pursuing social goals. From a slightly different perspective, Kreps and Monin (2011) state that CEOs and governing boards invoke a moral justification for their commercial activities, but in practice do not scrutinise those commercial activities for risks to the social mission. On the other hand, Teasdale and Buckingham (2013) argue that social enterprises are able to strategically deploy different combinations of resources such as social mission and commercial revenue in order to engage in markets while avoiding erosion of their social identities.

Social enterprises develop in political, social, and economic contexts that help define their purposes and manner of operation (Pearce, 2003). The sustainability of social enterprises is especially relevant due to their connection with the local communities many of them serve (Dees, 1998). In particular, social enterprise is fundamentally concerned with the balancing dichotomous goals; the production of social value and financial stability (Triponel & Agapitova, 2017; Young & Kim, 2015). Sustainability is a concern where financial success is unable in the long-term to support the intended balance or indeed the solvency of the enterprise (Young, 2012). Consequently, sustainability is a concern when attention and resources directed at one goal can stifle or deter from another, which results in potential 'mission drift' as Dart (2004) labels it. As Young (2012) suggests, it may be difficult for social enterprises that attempt to give equal weight to social and financial objectives to achieve a stable balance between both.

This tension lies in the conflict between the instrumental consistency of the market, which tends to be oriented to the maximisation and distribution of profit on the one hand, and the primary goals of creating social value and democratic governance in social enterprises on the other (Defourney & Nyssens, 2012). This is the nature of social enterprise. Social enterprise board members are responsible for ensuring that the organisation acts according to its social mission and purpose (Pearce, 2003). Many social enterprises organisations are registered as Companies Limited by

Guarantee (CLG), and charities. Boards and CEOs therefore have legal responsibilities under both company and charity law to promote the best interests of the organisation and ensure it fulfils its purpose (Harding, 2006).

One of the auxiliary mechanisms in this process is the issue of funding, which according to Herranz et al. (2010) lies at the root of mission drift anxieties as it can be seen as destabilising the intrinsic nature and character of social enterprises. Boards are increasingly becoming more professional and rightly conscious of their fiduciary duties (Spear et al., 2009). However, that can carry the risk that trustees who focus on business goals such as increased funding may pay adequate attention to the organisation's mission and purpose (Cornforth, 2012). Due to the varying organisational forms of social enterprise many can find themselves, on what Emerson (2006) labels 'blurred frontiers', where they are located on a frontier between the non-profit and the for-profit sectors. This can increase the risks of mission drift associated with the pursuit of conflicting goals (Defournay & Nyssens, 2012).

The background of CEOs and board trustees and the degree to which they represent social or commercial logics has shown to potentially impact how the organisation deals with potential mission drift (Pache & Santos, 2013; Santos et al., 2015). Santos et al. (2015) explored the role of the CEO in social enterprises that operate in competitive markets. They found, in the organisations investigated, that the CEO's role is paramount in ensuring the dichotomy of opposing goals is balanced out. The evidence in their study suggests this is due to the board leaning towards social value creation and overlooking financial stability. It was found in other studies that the presence of internal coalitions promoting a given logic, or more broadly, the internal balance of power between internal coalitions, has shown to influence how organisations have considered the possibility of mission drift occurring (Bromley & Powell, 2012; Ebrahim, 2010; Glynn, 2000).

More broadly, it has been argued that forming and growing a social enterprise can consume scarce management resources, diluting the social enterprise's focus on its social mission (Harding, 2006). This is a pertinent point as even without a direct conflict, this pursuit of commercial goals can deter from achieving their social

mission. Additionally, Seanor et al. (2014) argue the blurring of the boundaries between private, public and third sectors can influence the focus of a social enterprise. They contend that a government policy approach of reducing the dependence on public grants continually changes the character and institutional forms of social enterprise, which in turn may increase dependence on market conditions. Conversely, the influence of government policy may harm social enterprises and they subsequently hold hostility towards the logic of the market (Nicholls, 2010; Seanor et al., 2013).

The above concerns are well put, although, in order to resource the production of social value, Agafanow (2015) argues that surplus must be generated. A balance must be struck. Surplus generated in Low's (2006) view is valuable because it comes with no strings attached. It can be used for whatever purpose the social enterprise leaders deem most important, social causes in many instances. These concerns are summed up by Cornforth (2012) who puts mission drift down to an absence of realism in evaluating the challenges of being financially stable and being able to produce social value concurrently. However, Seanor et al. (2013) found that it is possible for social enterprises who engage in commercial activities, the social aspect is being overlooked. They found that there is some evidence that shows, for the majority of the commercially focused social enterprises, more surplus is spent on the operational costs and organisational management and less on their social objectives.

This study is an important step in examining the issue of mission drift within specific types of social enterprise. Acquiring a better understanding of the distinctive nature of this offers one of the most significant opportunities to move the literature forward (Bull, 2018; Dacin et al., 2010). The literature shows us that there is a shift towards reconsidering how we view mission drift and how social enterprises can avoid it. Although research suggests social enterprises are exposed to similar pressures and potential mission drift, there is no integration or consideration of whether these challenges are apparent in different types of social enterprise. This study focuses on this aspect by establishing specific challenges for organisational types of social enterprise: A BenCom Leisure Trust and a CLG-CS Leisure Trust. Current research has struggled to unwrap these specific challenges and how they are managed due to

grouping social enterprises under one umbrella (Peattie & Morley, 2008). This study therefore provides empirical research that evaluates the importance of the social and financial objectives of social enterprises, providing insight into the distinctive nature of the dual mission of social enterprises within sport provision.

2.3.5. Literature Review Summary

This chapter provides the grounding from which the research questions were attained. It focuses on the confusion and contributing factors surrounding our understanding of social enterprise, internal governance and the issue of mission drift. This chapter highlights political factors that have catalysed the development of social enterprises in the UK over the last decade, particularly in relation to the possibility of mission drift occurring. As discussed, social enterprises are facing increasing challenges to remain sustainable organisations. Conceptually, social enterprise suffers from a lack of understanding and knowledge of specific types of social enterprise and how this influences mission drift. As discussed, there is a limited amount of studies that specifically attempt to contribute to the understanding of social enterprise governance. 'Research Question 3' presented below enables this study to contribute to our understanding of how different types of Leisure Trusts avoid mission drift. This contextual knowledge contributes to the academic debate as no studies reviewed have considered the implications of different types of social enterprise and their link to mission drift, particularly within the context of sport provision;

RQ 3 – How do Leisure Trusts guard against encountering mission drift?

Chapter Three

3. Methodology Chapter

3.1. Introduction

This Chapter provides a thorough account of why the qualitative research approach was implemented. The epistemological standpoint of the researcher will be explained. Further, the structure of the research will be detailed along with a contemplation of the advantages and problems associated with the data collection methods and research process as a whole. Building upon that, reflective thoughts of the researcher are integrated, consisting of a detailed account of how the research process flowed throughout the period of study. The previous chapter discussed the relevant literature specifically related to what this study will aim to understand in the fieldwork stages of the study.

There is common agreement amongst social scientists that methodology is the study of method (Crotty, 1998; Blaikie, 2010). It is important for all researchers to study method to find their own way in doing research (Saunders et al., 2009). The purpose of method is to address the research questions and achieve the research objectives set by the researcher (Denzin & Lincoln, 2003). Method assumes a systematic approach to the study of the subject. It is important to distinguish between the methods of researching this study's particular questions and the principles underlying why such methods are used and how they are implemented and interpreted (Crotty, 1998). Denzin (1978) stated that researchers, if and when chose to engage in one line of research methodology, whether that be a qualitative or quantitative approach, they are then bound to a certain process of research which is unlike those who have chosen another line of research methodology.

3.2. Qualitative Research Design

This study has followed a qualitative methodology. Qualitative methods have enjoyed a growing popularity in the past decade throughout the social sciences

(Bryman & Bell, 2003; Denzin & Lincoln, 1998). It enabled the researcher to study the intricate details of phenomena that are difficult to convey with quantitative methods (Strauss & Corbin, 1990). Consequently, the researcher decided to base this study around a qualitative research design that was consistent with the research questions of the study (Blaikie, 2009, Creswell, 2009). Furthermore, the decision made to adopt a qualitative research design was based on the notion this method could better capture the complex governance dynamics that exist in social enterprises.

Alvesson and Skoldberg (2009) and Blaikie (2010) establish that qualitative research design is a holistic process rather than a succession of detached choices regarding preferred methods of data collection, interpretation and representation. From this perspective, this study's research design originates by firstly acknowledging that methodological decision-making is not a technical exercise that takes place. Rather, researchers are regarded as members of a plural interpretative research community (Denzin & Lincoln, 2003), whose practices are entangled in a set of methodological and epistemological assumptions known as research paradigms (Blaikie, 2010). The researcher assumes that social reality is a human creation, in that they interpret and contextualise meanings from people's beliefs and practices (Denzin & Lincoln, 2011).

According to Blaikie (2010), it is important to consider different styles of explanation and understanding in order to design a consistent research strategy. Alvesson and Skoldberg (2009:3) refer to these logics of explanation as 'explanatory models'. In this respect, Blaikie (2007) distinguishes between four main styles of explanation or understanding in the social sciences, namely inductive and deductive. Creswell (1994) suggests a number of practical criteria in pursuing either a deductive or an inductive study. Perhaps the most important of these is the nature of the research topic. A topic of which there is a wealth of literature from which you can define a theoretical framework and a hypothesis lends itself more readily to the deductive approach. Quantitative research is mainly concerned with the testing of hypotheses (Easterby-Smith et al., 2008), whereas qualitative research does not usually employ statistical procedures or other means of quantification, focusing instead on understanding the nature of the research problem rather than on the quantity of

observed characteristics (Strauss & Corbin, 2008). With research into a topic that is new and encouraging much debate, and on which there is little existing literature, it was appropriate for the researcher to generate data and analyse and reflect on what theoretical themes the data are suggesting.

3.3. Epistemological Orientation

The researcher ascribes to the epistemology of social constructionism. His view is in line with Denscombe (2003) in that as humans we do not just slot into a preordained social structure, but we are architects of that social order and knowledge is constructed not discovered. Social constructionism is alike to constructivism. However, as a social constructionist, the researcher believes what we take to be real is a consequence of social relations rather than the construction of reality being psychological, as seen by constructivists (Hines & Quinn, 2005). Crotty (1998) describes social constructionism as an epistemological approach which perceives that knowledge and all meaningful reality is socially constructed and originates from the engagement of humans and the world around them. This is in contrast to the positivist objectivist view of things existing as meaningful entities outside of the human conscious but having truths and meanings residing in them. In other words, the truth is out there waiting to be discovered (Crotty, 1998). The researcher does not ascribe to this viewpoint, as outlined above.

The researcher ascribes to the belief that society is actively involved in the construction of knowledge, taking into consideration the role of culture, values and language (Crotty, 1998). The social enterprise sector is shrouded in these organisational values and cultures that are naturally relevant to this research, and these would not be captured adeptly through an objectivist approach (Hughes & Hodgkinson, 2012; Renz, 2006; Stone & Ostrower, 2007; Young, 2012). The positivist paradigm does not fit well with understanding mission drift and understanding types of social enterprise, which are at the heart of this work. Battilana and Lee (2014) and Walker and Dorsey (2012) assert that a positivist approach may create problems if the respondents in the study are considered autonomous objects, for this ignores their ability to reflect on problem situations e.g. mission drift, and act upon this.

The nature of the researcher's knowledge creation is social and experimental, meaning that he works in a social group and uses a trial and error format to discover knowledge. Also, his view is that knowledge is relative and subjective. It is relative because it depends upon the group to justify the knowledge and one group's knowledge can be different from another group's knowledge, particularly, across the two cases being investigated. It is subjective because it depends upon what experiences that each respondent has had. Those experiences are brought to the social setting of the two case studies. Additionally, the researcher considers knowledge to be adaptive and constrained. Social constructionism asserts that there is no objective truth waiting for us to discover it. Truth, or meaning, comes into existence in and out of our engagement with the realities in our world (Crotty, 1998). Meaning is not discovered, but constructed. In this understanding of knowledge, it is clear that the different respondents in the study construct meaning in different ways, even in relation to the same phenomenon. Lyons and Duxbury (2006) suggest that this social constructionist approach is particularly apt for studying organisations in the social sector. They argue that public sector organisations can be understood and created by language and co-ordination of meaning between actors within that environment.

Consequently, in this sense, the CEO and board members/trustees construct their own knowledge, and this knowledge may be different to other respondents within the same social setting and across the different settings being investigated. This is important because the study is aiming to understand how social and financial tensions are managed and how they react to the impact of austerity through differences and similarities between the respondents interviewed.

Social constructionist epistemology is guided by the philosophic assumptions of the present study that the research issue and understanding social enterprise governance is subjective and complex. In line with the view of Creswell (2013), the researcher's subjective dimension is guided by social constructionist assumptions, where the nature of reality is seeking meaning to understand the world in which the subjects live. Social constructionism's strengths lie in its holistic and contextual nature and draws on research participants' subjective views shaped by their social

interactions with others and their personal histories (Creswell, 2013). It reflects the context of the researcher's area of study since it takes into account the differences in people (e.g. those responsible for the decision-making within social enterprises) and how they make sense of reality (e.g. the nature and existence of social enterprise).

The researcher is concerned with the ways in which people construct knowledge. In this regard, the social constructionist approach caters for the investigation of how the CEO/Managing Director and board members/trustees affect the overall social and financial tensions of their respective organisations. The researcher observed the realities of the CEO/Managing Director and board members/trustees to construct meaning out of their voices in the field. Organisational actors such as board members or the senior management continually constructed or enacted their environments, through what they selectively paid attention to and how they interpreted the information being received. Therefore, the overall study endeavoured to understand multiple realities constructed by participants in their natural setting (Creswell, 2013). Social interaction involves direct interaction or conversation, i.e. interviews, in making sense of the conversations with the CEO and board trustees (Denzin & Lincoln, 2005). The research is designed with an interpretivist approach, where the interpretation of data is based on the words of the experts. The researcher interpreted the data (e.g. based on the interviews and meeting observations) by making sense of the issue. Emergent themes related to the governance of both Leisure Trusts were the outcomes that helped address the research questions.

The researcher is not looking to undermine positivist methods of research. Instead, social constructionism improves the understanding of the complexities of each type of social enterprise which was a main aim of the study. It provided a way to unravel complex organisational governance processes by bringing attention to the range of different interpretations apparent by the actors across the two cases being investigated. The researcher acknowledges that social constructionist epistemology is not appropriate for all aspects of social enterprise research. However, as mentioned previously, it is valued and extremely useful in providing a foundation for interpreting subjective views of actors involved in the governance process in a social enterprise in a specific context (Hughes & Hodgkinson, 2012; Renz, 2006; Stone & Ostrower, 2007; Young, 2012), in this case sport provision.

It becomes clear that a positivistic-quantitative design with an objectivist approach is not conducive in answering the research questions proposed for this study. Taking up an inside perspective, by establishing a relationship and creating a trustful atmosphere in the interviews was necessary to obtain answers to the research questions. The researcher does not assume to know more than the respondents, but rather that the latter do not know what they know, as their practical knowledge is implicit, i.e. they are not aware of it. This knowledge was unlocked through a systematic interpretation and comparative analysis of the respondents' replies. In other words, a subjective interpretative approach was the only way to bring out this implicit, practical knowledge and make it tangible.

It is important to discuss the role of the researcher in the study. The researcher was the fundamental research instrument throughout the entirety of the project. Subjective context-dependent knowledge was sought. The researcher acknowledges his own subjectivity in the research process. Subjectivity was not seen as a shortcoming but as a vital element of understanding (Stake, 2008). Subjectivism benefited from high credibility but suffered low reliability (Flyvberg, 2006; Stake, 2008). The high credibility was achieved because the researcher as the research instrument as most sensitive to the valid data being gathered. Low reliability surfaced due to the fact that the research relied almost totally on the single researcher and what is done can hardly be replicated (Stake, 2008). This was taken into account and the measures put in place throughout the research design were done so to maximise the reliability of the findings.

3.4. Research Design

3.4.1. Case Study

Before justification of why case study research was suitable for the researcher's study it is crucial to explain what a case study is and why it is important. This introductory segment will address one of the most controversial issues in case study research, a definition. Before the influential texts of Stake (2008) and Yin (2003) a number of authors tackled this matter and presented their conceptual claims.

Robson (1993) defines case study as a strategy for doing research which involves empirical investigation. Hammersley (1992) considers it an investigation of a single instance in the context in which it occurs, whereas Smith (1978) sees it as a bounded system, in which behaviour is systematically patterned and certain features can be consistently recognised. Stake (2008:11) provides a widely accepted conceptualisation of case study research by advocating it as ‘the study of the particularity and complexity of a single case, coming to understand its activity within important circumstances’. Yin (2003) provides arguably the most intricate and developed definition of case study:

“A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident”. (p.13)

Robson (2002) alludes to the point that an academic case study is something which comprises of the emergence of a comprehensive account containing exhaustive information about a unique case or a number of unique cases. Agreeing with this, Bryman (2001) argues that the study of a case is a thorough and rigorous analysis of a rationale defended case. Yin (2003) built upon his earlier definition by providing a more technical description;

1. A case is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident.

2. The case study inquiry;

- Copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result.
- Relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result.
- Benefits from the prior development of theoretical propositions to guide data

collection and analysis.

(Yin, 2003:18)

In the field of qualitative research methodology, case study is discussed as a significant qualitative strategy or tradition along with phenomenology, ethnography, and grounded theory (Crotty, 1998; Creswell, 2013; Denzin & Lincoln, 2005; Hammersley, 1992; Patton; 1990; Stake, 2008; Yin, 2003). Case study is differentiated from other research strategies because the focus of the research is a bounded system of cases. The case study is a well-established research methodology in the social sciences (Eisenhardt, 1989; Perren & Ram, 2004; Stake, 2008; Yin, 2003). Locating the researcher's study of social enterprise governance within a clear and distinct framework supported the overall aim. Given the need to understand the internal governance processes within social enterprise a qualitative case study approach was the best fit. Further justification for this approach will be discussed.

A defining feature of the qualitative case studies conducted was the utilisation of numerous sources of evidence (e.g. non-participant observation, interviews, and archival or source documents). Eisenhardt (1989) and Stake (2008) confirm this by suggesting that case studies are descriptions of past or present phenomena that are derived from multiple sources of evidence. This approach helped the researcher answer the 'how' questions of the study. However, this leads us to an important question that ought to be addressed – what is a case? The conception of 'a case' is defined by Miles and Huberman (1994) as a unit of analysis which is a phenomenon of some sort occurring in a certain context where boundaries are drawn. The research questions in this study helped determine what the 'cases' investigated will be. The similarities and differences between actors in organisations, in this case, Leisure Trusts, is what was analysed. To achieve this, 'how' questions were proposed to fully understand the relationships between the actors within the cases and the processes being investigated, namely, political challenges, governance processes and how they affect associated tensions. As a side, it has been argued by Yin (2003) that the posing of 'why' questions may create defensiveness on the part of the respondents.

For the purposes of this study the researcher adopted the typical approach that explains it as being the investigation of a small number of cases, which is the major characteristic. The study of a small number of cases allowed for the detailed examination of many contextual variables which in turn created in-depth and meaningful knowledge.

3.4.2. Academic Contributors to Case Study Methodology

In case study methodology, there are several academics who contribute to the development of the approach, namely, Stake (2008) and Yin (2003). They both propose that there are several various incentives for using a case study research approach. Stake (2008) characterises case studies as either being an instrumental, intrinsic, or a collective case study. An instrumental case study is used when the researcher is aiming to acquire a thorough understanding of certain phenomena (Stake, 2008). This could be an emerging phenomenon, for instance, social enterprise governance. An intrinsic case study is embraced when the researcher is intending to obtain specific knowledge about a specific case (Stake, 2008). Stake (2008) has advocated that an instrumental case study is utilised to principally provide insight into a particular issue or phenomena. When researchers choose a small number of cases to be investigated, all being instrumental, this implies, according to Stake (2008), a collective case study is being employed. This was the case for this study on social enterprise and sport provision. Yin (2003) claims that a single case study approach is suitable in five different sets of situations, they are appropriate when;

- 1) The only way to test a well-developed theory is through a specific contextual case identified by the researcher,
- 2) Within a particular context, a specific industry for example, there is a unique or extreme case completely different to the others
- 3) The case is similar and emblematic of others

4) The case is a new phenomenon which can offer insightful knowledge

5) The case is studied for longitudinal purposes. The case can be investigated over an extended period of time.

Like Yin (2003), Stake (2008) aims to continually draw lines between single and multiple case study investigations. He states that you are advised to employ multiple case study approaches in order to attain replication in order to;

(a) Acquire comparable outcomes and build generalisations

(b) Obtain dissimilar outcomes but for pre-researcher predicted reasons, e.g. theoretical replication

When assessing the aim and research question of this study it is asserted that Stake's (2008) academic work on developing case study method as a research approach was of more value and relevance. Stake (2008) manages to provide a succinct and pinpoint explanation of why it is difficult to categorise case studies into the types Yin (2003) outlined. Yin's (2003) detailed categorisations of case studies are rigid in terms of type of case. Stake (2008) points out the type of case type we chose is always contingent on instrumental interests. With this said, it is apparent that trying to position this research study in Yin's (2003) sortation of case study would prove problematic. This is because this study is indisputably a collective case study process, and there is no aim by the researcher to pursue any type of replication through this approach. Further to this, a criteria and/or rationale for choosing single cases within a collective case study are not focused on by Yin (2003). The chief criterion Yin (2003) proposes is for mainly for the practice of replication or theory replication. Single and collective case study based methods have to be assessed and formulated distinctly from each other. Further, the procedures for choosing one case to integrate into a collective case study are profoundly not the same as deciding a case for a single case study.

3.4.3. Collective Case Study

To answer the research questions, a collective case study of two organisations was conducted. According to Stake (2008), collective case studies involve the study of a number of cases in order to investigate a phenomenon in order to arrive at a greater understanding of the area of inquiry. In this case, contextual challenges affecting the governance of social enterprise. Because collective case studies typically necessitate researchers to choose their cases (Stake, 2008), being able to investigate thoroughly and understand the phenomenon of interest depends heavily on the considered selection of each case (Patton, 1990; Stake, 2008). The collective case study adopted for this research was richly descriptive, because it was grounded in deep and varied sources of information. It employed interviews from key respondents, observations from the researcher, viewing documental evidence and prose composed from interviews, in order to depict the complexity of the variables investigated which were inherent in the social enterprise governance settings being studied.

To ensure the legitimacy of the adoption of a collective case study it is important to justify why it fits with the research aims and objectives presented. First of all, the researcher considers the collective case study a variation of the single case study. A single case study can be defined as an empirical enquiry that investigates a contemporary phenomenon in depth and within its real-life context (Yin, 2003). It is claimed that the use of collective cases yields robust conclusions from the study (Stake, 2008). Collective case studies are seen as an attractive research design within the developing field of social enterprise research (Cornforth, 2012). This is due to the rich detailed data that can be obtained through this method, which in turn will create a clearer view of the discipline. This is of benefit to the field of social enterprise because the amount of collective case study (Stake, 2008) designs can be increased in different contexts in order to reach a more concrete understanding of types of social enterprise in the UK. Additionally, the collective case study conducted led to more robust outcomes than a single case study approach, particularly when looking at cases in a varying context. For the study on different types of social enterprise (in terms of legal identity), a collective case study fits well in order to achieve the specific aim and questions. The conclusions drawn from each unit of analysis investigated was compared and contrasted with one another in order to aid this process.

When assessing the trustworthiness of their assumptions and conclusions combined with the reliability of research designs the researcher established that the studies that prove most meaningful have predominantly employed a case study methodology. The assumptions made were supported by the rich data that had been collected and meticulously analysed through a single or collective case study. This further justifies the use of a collective case study for the researcher's study as case study research within the social enterprise discipline is widely accepted and valuable for developing it. Kuhn (1962) endorses this contemplation by suggesting that a discipline without a large number of thoroughly executed case studies is a discipline without organised production of exemplars, and that a discipline without exemplars is an ineffective one. In social science, more detailed and thought-provoking case studies could help remedy this situation. Indeed, literature espousing, promoting and employing this method of research is rapidly increasing within the social enterprise field (Peattie & Morley, 2008). This is a shift that is being welcomed as a positive step towards a deeper understanding of social enterprise and the governance challenges affecting them (Smith et al., 2012).

In the nascent area of social enterprise research there is an emerging trend of adopting qualitative the case study methodology in order to provide a better understanding of the phenomenon and provide a platform for future research (Doherty et al., 2014; Peattie & Morley, 2008). Collective case studies are seen as an attractive research design within the developing field of social enterprise research (Nicholls, 2010). Further, Cornforth (2012) posits that the case study research method may not be the best choice in situations where the phenomenon of interest is mature and well understood, where there is little interest regarding how or why a phenomenon occurs, and where real-life context is irrelevant. This is not the case in this research. As Dart (2004) points out, we must understand what we are investigating before we can delve deeper into a specific area.

Prior to the emergence of case study methodology most research in the field was concerned with mapping social enterprises and identifying the benefits to the associated community and local government. The majority of this research has been what Van de Ven (2007) calls variance studies looking at social enterprise

characteristics and behaviour. For the most part, this research has been carried out with a broadly positivist epistemology. Therefore, when considered, there is a necessity for more in-depth qualitative process (Van de Ven, 2007) case study research to complement quantitative studies on social enterprise, to examine how different actors involved in governance interpret and react to contextual factors and challenges. Therefore, this study is a process study (Van de Ven, 2007). We are in an exciting period of research in the field of social enterprise because through case study methodology we are able to acquire a greater understanding of the underlying issues and challenges faced, and the processes by which they are addressed (Agafonow, 2015; Ebrahim et al., 2014; Young & Kim, 2015).

Too little attention has been paid to board processes and change and how they are influenced by contextual and historical factors (Cornforth, 2012). There has also not been a great deal of attention drawn to understanding the internal processes and decision-making dynamics of different types of social enterprise (Doherty et al., 2009, 2014). Subsequently, research has paid insufficient attention to governance processes, the varied and sometimes complex nature of the social enterprise sector and how social and financial tensions are influenced by contextual factors (Agafonow, 2015; Battilana, 2018; Battilana & Lee, 2014). There has been an inadequate amount of thought in relation to research design in systematically examining the influence of contextual factors on managing tensions, or taking account of contextual differences in developing theory, in this study, a BenCom and CLG-CS. This study addresses this flaw by conducting a process study that allows the researcher to seek narrative explanations in terms of the central actors involved in the organisation “that make events happen and to which events occur” (Van de Ven, 2007:154) and the sequence of events that led to a change in associated tensions. There has been a relative neglect of process studies that can help us better understand social enterprise governance as a whole through explaining how internal governance structures work and developed and help avoid missteps such as mission drift (Agafonow, 2015; Ebrahim et al., 2014; Young & Kim, 2015).

Using the qualitative collective case study enabled the researcher to meticulously study the intricacies and the particularity better than other qualitative methods. During the past decade in social enterprise literature, authors have been integrating

a range of data collection techniques within their case studies to improve the credibility and legitimacy of their studies (Peattie & Morley, 2008). This research continued this trend, and case study provided the best method for doing this through the variety of evidence that can be collected. Providing a study which presents a rich description and analysis of the sampled cases helped the researcher identify similarities and differences between them, which is a main objective of the study. This collective case study method adopted also built on existing studies by investigation multiple units of analysis, while previous studies have just focused on single cases. The selection of multiple units of analysis (two Leisure Trusts) allowed the researcher to investigate them in differing social contexts, in terms of political and economic environments.

A detailed explorative investigation focusing on a single Leisure Trust would have been enlightening. However, this study aimed at understanding how different social and economic environments coalesce to yield social and financial value within a BenCom and CLG-CS. Hence, there was a necessity to adopt a collective case approach. To sufficiently examine the governance processes and dynamics between the actors involved, the data possessed an abundant amount of depth knowledge which provided a foundation for detailed analysis on the internal governance of Leisure Trusts in the context of sport provision.

Throughout the study, context-dependent knowledge was sought. Those who support and encourage of qualitative case study designs agree that the detailed context-dependent knowledge acquired through this process is more accommodating in providing an explanation for a certain phenomenon being examined than that of the 'fleeting knowledge' acquired from bigger scale quantitative or mixed-method studies (Gerring, 2007:1). The qualitative collective case study approach adopted in this study permitted the researcher to construct a clear and comprehensive narrative of the governance of both Leisure Trusts through engagement with the key actors within the governance process. Stake (2008) points out that by spending time in the research site and within the boundaries of the unit of analysis we can come to better understand the phenomenon being researched. This aided the researcher to thoroughly investigate how they operate and enabled him to uphold and bolster the findings. This process was embraced for the study. Whilst a

nationwide quantitative study offers data concerning the mapping of Leisure Trusts, only an in-depth contextualised qualitative study provided a better explanation of how the governance process works and how they manage to produce social and financial value.

3.4.4. Case Study Trustworthiness

Justifying the credibility of qualitative case studies can be challenging (Stake, 2008). To justify the adoption of the case study method for this study the researcher will explain why the collective case study is the preeminent method of adding the most credibility to the overall study. This study integrated the trustworthiness criterion and the research strategies and operational techniques outlined by Guba and Lincoln (1986) to ensure rigour. It equipped the researcher with guidance for handling some of the issues and complexities related to maintaining rigour in qualitative research. Guba and Lincoln (1986) state that to ensure trustworthiness the research strategy should display credibility, transferability, dependability and confirmability. For this study, a number of operational techniques were conducted prior and during the research to ensure the trustworthiness of the study was maintained. They are discussed below.

Researcher as the Instrument

The credibility of the research resides in part in the skill and competence of the researcher (Angen, 2000). Sandelowski (2002) argues that where interviewing defines the qualitative research endeavour, training is required. The researcher developed his skill and competence through a thorough review of relevant literature and experience;

- A doctoral training programme aimed at developing research skills
- A pilot study comprising of 8 semi-structured interviews and 2 meeting observations

Field Journal

Field notes taken by the researcher contributed to credibility and dependability because they are analytical in themselves and because they contain immediate and later perceptions and thoughts about the research participants. The field notes facilitated the constant comparison of the data, which in turn specifically contributed to its credibility also. Additionally, the field journal became another data source and contributed to credibility and dependability in the context of theme generation. Furthermore, the researcher utilised his notes for self-reflection about the research process. That is, reflection on the research process, his role and potential influence on data collection.

In the context of contributing to trustworthiness, the researcher posed the question 'how far did the research itself influence the findings?' For example, the researcher recorded interviews via a Dictaphone and it seemed in a couple of instances this made the respondent self-conscious. This potential threat to credibility was tempered by providing the respondents with the opportunity to opt out of being audio recorded. Only two respondents decided to take this option, through which notes were taken instead.

Audio Recording and Thematic Log

The audio recordings aimed to counter criticism of qualitative research as 'prone to systematic bias' (May, 1991:198). The recording of the interviews facilitated credibility and dependability of the data collection procedure. Whilst audio recording the interviews removed one aspect of bias, bias during analysis was also eliminated through member checking which will be discussed. Furthermore, keeping a thematic log during the interviews as part of the researcher's field notes added to overall accuracy or 'authenticity' (Caulley, 1999) or 'truth value' (Miles & Huberman, 1994: 278). This thematic log was relied upon to summarise the interviews. Therefore, immediate notation into the researcher's field journal promoted capturing ideas that were credible to the respondents.

In addition, when writing interview transcripts, codes were written onto the left-hand

side of the transcript page and corresponding remarks were written on the right-hand side of the page. Remarks included thoughts and instructions for the researcher if clarification from the respondent was required. Further, notations regarding cross references to data within the same transcript or references to data in other transcripts were made. Making remarks during the transcript reading not only created sign posts for later reflection but also reduced the tedium of coding (Miles & Huberman, 1994). In reducing the tedium of coding, marginal remarks helped prevent or lessen errors and distractions related to the researcher's mood and style of thematic development.

Purposeful Sampling

The purposeful sampling in this study contributed to credibility because participants were sought on the grounds that they were likely to have and share their understanding of the phenomenon under investigation. Additionally, transferability is facilitated because sampling aimed to include 'the widest possible range of information for inclusion in the thick description' (Lincoln & Guba 1985:316). Furthermore, constant comparison of data added to credibility since the research strategies employed contributed to data accuracy.

3.4.5. Research Sample Selection

It is important to note that the discussion of the sample selection is confined to a very narrow consideration of Yin and Stake's contribution. This is because they focus specifically on selecting samples for case based research. In broader debates, the sampling technique for this study can be defined as purposeful, in that information rich cases were chosen for study in depth (Patton, 1987). Bryman (2001) notes that this method of sampling is endorsed by most qualitative researchers.

One issue crucial in the case study sample selection was when the frequency of cases chosen in the research study rises, a correlating weakening in the reliability of analysis that can occur if the time permitted for the study stays the same (Stake, 2008). Therefore, a compromise was needed concerning the frequency of cases and the different phenomenon within the cases which can be studied. It was understood

that if the frequency of cases investigated was significantly high then the issues or certain phenomenon being examined would be severely limited (Ragin, 1994). Consequently, studies that examine many cases tend to focus on select aspects of cases. However, the researcher asserted that a focus on a small number of cases can examine the same features but in more depth. With these points raised, it was determined that this collective case study would consist of a comprehensive context specific examination of two Leisure Trusts and their internal governance structures and processes, one being a BenCom and the other a CLG-CS. Two cases facilitated detailed explorative research of each type, and offered data which was organised and then analysed together. By choosing to research into similar and contrasting cases, the results promoted the precision and credibility of the findings.

Stake (2008) and Yin (2003) both concur that in regard to sample selection the set of cases can be selected such that they represent homogeneous cases, or they can be selected to yield maximum variation. This study has selected a sample that is designed to provide variation in terms of the socio-economic contexts and organisational scale of the two cases examined. This was based on strategies for the selection of cases proposed by Flyvberg (2001) (see Table 3.1.). Context will vary for different cases investigated, and through comparing themes in the different cases through in-case and cross-case analysis it will help maximise the understanding of the phenomena being studied. In terms of how many cases, cases were chosen for a reason, not for quantity. In other words, the use of a collective case study was not to calculate tendency or frequency, but rather, to compare and contrast themes across cases.

The number of case study organisations for this study was a vital consideration. A balance had to be struck between the practicalities of collecting data within an allotted time period and the prominence of data saturation occurring. As mentioned above, the aim was to provide a thorough insight into managing tensions within a small number of cases rather than limited understanding of many cases. The optimal size resulted from the purpose of the study.

Table 3.1. Strategies for the Selection of Cases (Flyvbjerg, 2001)

Selection Basis	Description
Extreme/deviant Case	Extreme of unusual case
Maximum variation cases	Cases which are different on one dimension
Critical case	A case with strategic to the general problem
Paradigmatic Case	A prototypical case

A limitation of existing research is that it has focused on very specific and restricted geographical locations or field of activity for their sample selection. With this said, a rationale was formulated for the selection of cases for this study. First of all, the two regions of interest were selected. London and the North-West (UK) were selected because of the concentration of Leisure Trusts and recent push to improve sports provision in these areas (Hodgkinson & Hughes, 2012; Widdop et al., 2018). Once selected, to avoid selection bias, deprivation studies were examined to ascertain varying socio-economic locations in two regions where it is viable to conduct research on Leisure Trusts. The Leisure Trust operating in deprived areas was identified as LTO-A (Leisure Trust Organisation A). The Leisure Trust identified as operating in an affluent socio-economic was labelled LTO-B (Leisure Trust Organisation B). After consulting each Leisure Trust, they both requested that the identity of their organisation would remain anonymous due to confidentiality and sensitive nature of some of the data. Examining Leisure Trusts in different regions allowed the researcher to attain a wide and detailed perspective of the impact of austerity on sport provision and the role of Leisure Trusts. They are both firmly established Leisure Trusts who have all been operational for at least thirteen years.

The cases selected provided diversity in terms of regional and socio-economic contexts, and in particular organisational scale. Where the Leisure Trust is in terms of its business life cycle is crucial in answering the research questions. The Trusts investigated are in transition from local government support to the requirement of becoming self-sustainable. The rationale behind the significant variation of cases is

to obtain data about the significance of cases in different circumstances (Flyvbjerg, 2001; Yin, 2003) in terms of the governance challenges influencing their stability. Table 3.2. and Table 3.3. provide a description of each case. This sample section strategy provided the researcher with ample opportunities to learn about the complexities of the governance processes each type engage in. This purposeful selection was tailored to the research questions of the study.

Table 3.2. Description and Key Facts of LTO-A

LTO-A (Case A – London)	<ul style="list-style-type: none"> - Their social mission is <i>“to make local sport services and facilities accessible for everyone in the community. Focus on providing affordable access to high-class community sport and leisure facilities which is inclusive”</i> (LTO-A, 2019b:1). - LTO-A is a public sector leisure provider in the UK (LTO-A Sport Foundation, 2019). - LTO-A was first established in 2003. - They currently directly manage numerous leisure centres and sport facilities in Southern regions of the UK. (LTO-A, 2019). - Have approximately 18million visits to their centres per annum (LTO-A, 2019). - Turnover up to £108m in 2015. Has risen to £121m in 2018-2019 (LTO-A, 2019). - Created capital from a bond investment scheme (LTO-A, 2019b).
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- Cash used on investment activities in the year 2018 (LTO-A, 2019b).
 - Social Value has increased in the period 2014-2018 (LTO-A, 2019).
 - Registered as an Industrial Provident Society (BenCom).
 - The board has representation from a number of stakeholders of which all are skilled professionals (LTO-A, 2019).
 - Hold a Social Enterprise Mark and a number of associated awards (LTO-A, 2019).
 - LTO-A are owned by our staff and stakeholders. (LTO-A, 2019b)
 - Now has a workforce of over 1,000 and has a senior management team of 11 (LTO-A, 2019).
 - Have a membership base of 100,000 and have directly invested in to sport, leisure, health and wellbeing over the last 10 years (LTO-A, 2019).
 - They are a key partner in the delivery of the 2012 DCMS Sport Plan (Sport England, 2015).
 - New partnership with Local Authorities covering 18 facilities, including the national performance centres for a range of sports (LTO-A, 2019).
-

Table 3.3. Description and Key Facts of LTO-B

	<ul style="list-style-type: none"> - Their social mission is <i>"Improve the community through the provision of high class sport and leisure facilities and increasing participation across a number of sports and physical activity"</i> (LTO-B, 2019:1). - The Trust manages sport and leisure facilities across the North-West and surrounding areas. LTO-B was established in the early 2000s for public benefit with the key aim of providing facilities and organising activities for recreation and improving the health and well-being through community participation in healthy recreation. (LTO-B, 2019)
<p>LTO-B (Case B – North-West)</p>	<ul style="list-style-type: none"> - Registered as a Company Limited by Guarantee with Charitable Status (CLG-CS). - Turnover of £5.2m in 2015 which includes an annual council grant of £1m. Turnover has decreased to £4.6m in 2018-2019 (LTO-B, 2019b). - A Board of 10 Trustees, made up of local people, are responsible for the strategic management of the Trust (LTO-B, 2019). - The Trust is a registered charity with every penny surplus generated being re-invested back into improving the leisure offer to the people of the borough. - Annual attendances at the Trust's facilities and activities currently exceeded 1 million. They manage 5 leisure centres and golf courses predominantly in the affluent

areas of the North-West. They also manage football pitches and venue hire on behalf of the local council (14 venues and 22 football pitches) (LTO-B, 2019).

- They have over 300 members of staff.
 - In 2015/16, approximately 1.5m visits were made to the Trust's facilities.
-

The below tables give an indication of the backgrounds of board members and trustees for each Leisure Trust organisation. They are redacted for anonymity purposes.

Table 3.4. LTO-A Board Member Backgrounds

Managing Director	
Board Member A	
Board Member B	
Board Member C	
Board Member D	
Board Member E	
Board Member F	
Board Member G	

Board Member H

Table 3.5. LTO-B Board Trustee Backgrounds

Board Chairman

Board Trustee A

Board Trustee B

Board Trustee B

Board Trustee C

Board Trustee D

Board Trustee E

Board Trustee F

Board Trustee G

Board Trustee H

Negotiating Sample Access

An important consideration was access to the sample and key respondents. Through

contacting the key gatekeepers, both Leisure Trusts granted full access. An information sheet regarding the purpose and value of the research was provided for both organisations at the outset of securing access. Gaining access to the case study organisations was arguably the most challenging step in the entire process. Before full access was granted the researcher met and discussed the research with the respective CEO and Managing Director. This provided an opportunity to build a rapport with the key respondents prior to the data collection. Further, it enabled the researcher to gain a thorough understanding of both LTO-A and LTO-B. For example, a tour of their facilities was provided, their mission and vision were clarified and the value of the research to them was established. As mentioned previously, due to reasons of confidentiality, both Leisure Trusts wished to remain anonymous in the presentation of the research.

In all, negotiating full access was achieved by clear communication with the Leisure Trusts in terms of what the research covers, the issues facing them and what the benefits of the research are to them as an organisation. They agreed with the research proposed and since that point they displayed real interest and a willingness to participate in the research. In the exceptional circumstance whereby one or more Trust withdrew from participating there was a contingency plan. Discussions commenced with Leisure Trusts in similar regions to ensure that if one of the initial Leisure Trusts withdraw from the research project there are other avenues to pursue. Fortunately, this was not required.

Unit of Analysis

It is vital a clear unit of analysis was established in order to establish consistency in the findings and avoid speculation and deliberation over irrelevant data. As discussed previously the focus of this study is on how social and financial tensions are managed. So, in that sense, the units of analysis were the organisations. This was reinforced by using meeting observations and the interactions within as well as interviews for data collection. These methods will be discussed in following sections. This distinct boundary of investigation was partly due to the vast operational nature of both Leisure Trusts. The research questions are explicitly linked to how governance challenges affect the occurrence of social and financial tensions in both

Trusts. The boundaries set allowed the researcher to produce rich in-depth data on the area of focus (Stake, 2008). It was vital this unit of analysis was set as it was fundamental to understanding the phenomenon being examined.

3.4.6. Data Collection Methods

For the data collection process, two collection methods were employed. The data collection stage involved following the case study protocol which included a line of questioning elicited from the literature review, using multiple sources of evidence, creating a case study database, and maintaining a chain of evidence throughout. The first involved carrying out semi-structured interviews with the key personnel identified within each Leisure Trust. Secondly, observations of board and CEO/Managing Director meetings were conducted. To Stake (2008), case study findings are likely to be more convincing and accurate if they are based on different sources of information, because multiple sources of evidence allow for the development of converging lines of inquiry. With this said, it can be posed that examining evidence across different types of data sources was a method of verification. Firstly, it is important to discuss how the researcher prepared for the main data collection stage.

Timeline of Data Collection

For the data collection and data analysis phase of this study, the researcher carried out these tasks over one and a half years, from February 2014 to July 2015. The timeline of the study is displayed in table 3.6.. The data collection methods adopted for this study is discussed in the following sections.

Table 3.6. Data Collection Timeline

From	To
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LTO-B Interviews

June 2014

February 2015

LTO-B Observations

January 2015

March 2015

LTO-A Interviews

September 2014

April 2015

LTO-A Observations

February 2015

March 2015

Preparation Stage

The preparation stage focused on developing skills as a case study researcher, training for the specific case study, developing a case study protocol, conducting a pilot study, and gaining access to the Leisure Trusts. According to Yin (2003), the researcher should be sufficiently familiar with the study domain as to understand the main concepts and methodological issues relevant to the study. Preparations for data collection activities included reviewing the original case study research proposal, findings from the pilot case study and Social Return on Investment (SROI) reports. The pilot case study helped reinforce the purpose and value of the research and as Yin (2003:92) alludes to, used to refine the 'data collection plans with respect to both the content of the data and the procedures to be followed'.

Interviews

This section will describe and discuss each of the methods employed for this study. Initially, a discussion on the interview approach in the study will be presented and then a subsequent discussion on the observation procedures for the board meetings will be offered. The principle data collection method was interviews. They are deemed to be broadly accepted as a qualitative research method in the social sciences (Fielding & Thomas, 2001). Stake (2008) alludes to the point that because

a qualitative research approach is dependent upon subjective data, the use of interviews is usually the employed method. The interview method is generally accepted because of its adaptability (Bryman, 2001). Additionally, Bryman (2001) states that they enable the researcher to obtain vast amounts of data in a relatively short space of time. Interviews are guided conversations that are one of the most important sources of case study evidence (Stake, 2008). The researcher adopted semi-structured interviews accompanied by a number of probing questions and issues he they wished to cover, which were elicited from the literature review. The semi-structured approach is discussed in more detail below.

Semi-Structured Interviews

This study employed a semi-structured interview technique so that the data reflected precisely the responses of the interviewees. This empowered the researcher to formulate a valued understanding of Leisure Trusts' internal governance processes. The semi-structured approach allowed a certain degree of leeway in the sequence of questions, which presented a bigger scope of responses. Fielding & Thomas (2001) make a crucial point in asserting that a semi-structured interview technique provides the platform for the researchers to probe for further depth or clarity in the responses. When considering the inexperience of the researcher in this study, Robson (2002) stresses that pursuing an unstructured interview technique would be a hazardous strategy, as they are not always an advisable choice for the novice researcher. The intention was to carry out 15-17 in-depth semi-structured interviews with, the CEO, board trustees and senior management for each Leisure Trust over a nine-month period. By doing this, it permitted the growth of a narrative on the governance of the Leisure Trusts. In total, 31 interviews were conducted, 16 at LTO-A and 15 at LTO-B.

Hammersley (2008) states that the replies from interviewees are motivated by a fixation with defending their own role and beliefs, and with the aim of influencing others. The idea of the respondent wanting to convey the facts of the matter is a secondary concern (Hammersley, 2008). With this said, the informal bond and understanding between the researcher and respondent was crucial if and when it occurred during the research process. In most interviews there was a time when the researcher exerted hegemony over the topic route and flow on the interview. This is

what Fielding and Thomas (2001) describe as the interviewer influence. This tended to be apparent on most occasions, due to the researcher's desire to cover a range of different issues and themes. The implicit and explicit bias associated with the researcher can also cause problems, particularly when an unstructured interview technique is being employed. This is due to its absence of adaptability. Fielding and Thomas (2001) argue that when the interviewee is probed excessively about a particular topic, they begin to recognise what the interviewer's specific concerns and thoughts are. Consequently, this may result in the interviewer imparting their personal standpoint on the interviewee and affecting the quality of the data acquired. This could lead to the interviewee responding in a way that falls in line with what they think the interviewer's standpoint is. Fortunately, this did not occur.

When research commenced, at the onset of all the interviews the respondent was again informed thoroughly about the overall aim of the research project and specific aim of the interview to be conducted with them. With this said, the researcher endeavoured to be concise and provide a coherent explanation to the respondent on the intended outcomes of the interview. Hammersley (2008) bolsters this view by asserting this the respondent's interpretation of the rationale behind the interview will be implicitly displayed in the data obtained. If the researcher told the respondent that he wants to acquire information regarding the historical background to the governance of their Leisure Trust, then the respondent's attitude and frame of thought would be poles apart from a frame of thought relating to being told the researcher wants to achieve an understanding into all of the current governance challenges, processes and outputs.

At the outset of the interviews it was imperative to choose probing areas of discussion that applied to the specific field of knowledge the researcher was investigating (Stake, 2005). Yet, in order to build up an initial general understanding of the interview topics and rapport with one another, there were informal conversations prior to the interview. Recordings of the interviews were made with a Dictaphone after consent was given by the respondent. It is important to note that for six interviews consent was not given to be recorded although the duration was noted. This meant note taking was a crucial aspect of these interviews. Thankfully, prior research experience equipped the researcher with the necessary skills to avert

any problems during this process.

There was no intention to outsource transcription of the interviews. To do this would be seen as detrimental to the research analysis process. It would prevent the researcher from familiarising himself with the obtained interview data. Additionally, it would not be congruent with thematic network analysis (Attride-Stirling, 2001) the researcher would later conduct. Once every interview was conducted, the researcher ensured that the transcription of the interview was done soon after. As a result, nascent themes and patterns were able to develop informally during the transcription phases. This provided a foundation from which the thematic network analysis was conducted. 31 interviews were carried out and on average the duration of all the interviews was approximately 40 minutes. Tables 3.7. and 3.8. provide more detail concerning the frequency and duration of the interviews. This meant the researcher was then tasked with mining the extensive amount of raw data collected. In order to achieve and develop an understanding it was crucial to commence with the coding process as soon as possible. It is a critical stage of the research process as it is a technique which results in the collected data becoming organised and controllable (Attride-Stirling, 2001).

As mentioned above, once the interviews at a Leisure Trust were conducted the transcribing process began thereafter. To familiarise himself with the data and to guarantee the coding process was based on the data collected and reviewed literature, the interviews were transcribed by the researcher. Once transcription was completed, the data was moved to the data management software programme NVivo in order for it to be organised. The coded interview transcripts were explored, analysed and discussed in a thematic network format. This presentation style provided more appropriate depictions of the governance apparent in both types of social enterprise. This is exemplified in the two findings chapters on LTO-A and LTO-B.

Both Leisure Trusts gave permission to speak with senior management, the CEO/Managing Director and board members/trustees for approximately thirty minutes each. The respective CEO and Managing Director were interviewed for over one hour. On some occasions, in terms of logistics of travelling to and from

interviews, it was unfeasible. The arrangement of the interviews and observations was alike for both Leisure Trusts. For example, a meeting was set with the CEO, designated as the gatekeeper, who then organised for senior management staff and a number of board trustees to take part in the interviews. In general, the researcher visited the Leisure Trusts at the start of the week, and would conduct the interview sessions with the key actors normally one after the other. Interviews were staged in staff member offices or board rooms. On some occasions, the obvious practicalities of interviewing respondents sequentially became a problem. If a respondent was to be delayed by work commitments, this would result in a subsequent cutback in time to conduct the interview. To illustrate, early on in the data collection process, Board Member F of LTO-A arrived fifteen minutes late due to a meeting which overran. Consequently, the amount of time spent interviewing this respondent was halved. The researcher ensured that the interview was concluded at the agreed time in order to avoid a ripple effect in terms of timing issues with the following respondents on that day.

In order to efficiently manage and organise the data collected, NVivo was valuable during the data collection process. It is important to note the degree in which the thematic networks were founded from the interview responses. Preceding the data collection stage a substantial amount of critical reading was carried out in the specific academic field on interest. If this had not been done, forming probing areas for discussion in the interviews would have been problematic. Therefore, it can be asserted that the information acquired through the interviews relies heavily on the prior reading conducted. This being said, the topic areas were probed in an impartial, non-leading style to avoid conveying any unintended bias to the respondent. When fresh patterns in the data emerged, themes were formed. The codes emerged from the analysis of the first Leisure Trust and were utilised for the following Leisure Trust.

Table 3.7. Interview Respondents and Duration for LTO-A

Respondent	Duration
Managing Director	1hr 48mins
Finance Manager	32mins
Deputy Managing Director	24mins

Marketing Manager	28mins
Community Liaison Manager	20mins
Sport Development Manager	26mins
Asset Manager	55mins
Board Member A	18mins
Board Member B	27mins
Board Member C	30mins
Board Member D	42mins
Board Member E	12mins
Board Member F	12mins
Board Trustees G&H (Interviewed together)	53mins
Total	8hr 37mins

Table 3.8. Interview Respondents and Duration for LTO-B

Respondent	Duration
CEO	1hr 55mins
Board Chairman	1hr 31mins
Finance Director	46mins
Community Development Manager	26mins
Chief Operating Officer	52mins
Business Support Manager	28mins
Head of Development	43mins
Head of Marketing and Sales	32mins
Centre Manager A	50mins
Centre Manager B	27mins
Board Trustee A	46mins
Board Trustee B	33mins
Board Trustee C	54mins
Board Trustee D	28mins
Board Trustee E	49mins
Total	12hr

Observations

Across the two case studies, five meetings were observed. To acquire necessary knowledge, it was not essential to spend prolonged periods of time within the boundaries of the unit of analysis. Albeit, arguably, one could claim that by spending longer observing the data acquired will possess more credibility. However, for practical and logistical reasons this was not possible. The data collection method of observation was not the central method. It supplemented the data collected from the semi-structured interviews. Robson (2002) claims that a drawback associated with the observation technique is that the observed can sometimes implicitly influence the social interactions being observed. For example, when observing a meeting between members of senior management and the representatives from the board of trustees it was sometimes apparent that the participants altered their behaviour to convey a changed persona. Further, on occasion, it seemed that the participants of the meetings had gone to extra lengths to ensure there were heightened levels of punctuality in the lead up to the meeting and for the duration of it.

Five senior management/board trustee meetings were observed. Table 3.9. outlines the duration and issues discussed in these meetings. Both sampled Leisure Trusts permitted observation of meetings. However, both didn't wish for these meetings to be audio-recorded. Note-taking by the researcher was permitted. Using Waring et al.'s (2007) observation note-taking timetable, notes were aimed to be recorded every forty-five seconds. Though, once in the observation setting, this frequency of note taking was practically challenging. Therefore, the researcher commenced with taking notes every five minutes. The theme of the note taking consisted of the topic of discussion, signs of conflict between the key actors, thoughts on the decision-making dynamics of the meeting, and the CEO's/Managing Director's engagement throughout. Overall, the observation of a number of meetings proved to be a worthwhile glimpse of the dynamics and governance processes within both Leisure Trusts.

Table 3.9. Observed Meetings and Areas of Discussion

Meeting	Discussion Areas	Duration
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1. CEO/Board Meeting (LTO-A)	<ul style="list-style-type: none"> • Strategic Direction • Staff away day team bonding • Training new staff in new facilities • Competition update 	1hr 46mins
2. CEO/Board Meeting (LTO-B)	<ul style="list-style-type: none"> • Making cutbacks due to reduced council support • Update on finances • Targeting affluent areas • Board of trustees' input 	2hr 10mins
3. Board of Trustee Meeting (LTO-B)	<ul style="list-style-type: none"> • Measuring their social impact • Getting the message out about who they are • Asset consolidation • Future strategic plans 	57mins
4. Management/CEO meeting (LTO-A)	<ul style="list-style-type: none"> • Further areas of revenue generation • Preparing expansion plans 	40mins
5. Board/Management meeting (LTO-B)	<ul style="list-style-type: none"> • How to address reduction in financial support • Threat of competition 	1hr 14mins

- Prioritising Assets

Data Collection Summary

Table 3.10. below encapsulates the data collection techniques for this study. The Table 3.8. demonstrates that this study employed an in-depth qualitative approach to collect the evidence needed to answer the research questions. The intricacies of researching both a CLG-CS and BenCom are revealed through the data collection methods used.

Table 3.10. Data Collection Methods for this Study

Research Question	Data Required	Data Collection Method
1. How does a Leisure trust survive and achieve its social mission in an unstable, and resource-scarce era of austerity?	<ul style="list-style-type: none"> • Financial support • Relationship with local council • Political Environment • Revenue generation • Affluent areas • Deprived areas • Competition 	<ul style="list-style-type: none"> • Governance documents • Company reports • In-depth case studies • Qualitative interviews with key informants • Direct observations of board/management meetings
2. How does the governance model and processes of	<ul style="list-style-type: none"> • Conflicts of Interest 	<ul style="list-style-type: none"> • In-depth case studies

different Leisure Trusts impact upon their associated tensions?	<ul style="list-style-type: none"> • Control of decision making • Board roles/functions • Board/Management Composition • Governance structures and processes • Ownership • Social tensions • Financial tensions • Asset lock tensions 	<ul style="list-style-type: none"> • Qualitative interviews with key informants • Direct observations of board meetings
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3. How do Leisure Trusts guard against encountering mission drift?	<ul style="list-style-type: none"> • Mission drift occurrence • Balancing social and financial objections • Consolidation or growth approach 	<ul style="list-style-type: none"> • Governance documents • Annual reports • Qualitative interviews with key informants • Direct observations of board meetings
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3.5. Data Analysis

Although the employment of case study methodology has been justified throughout this chapter it is valuable that we consider what the researcher sees as the vaguest element of case study research. Yin (2003) states that one of the practical difficulties of analysis of case study evidence is dealing with the amount and variety of data collected, especially as strategies and techniques for analysis of case data are

generally not well defined. Further, qualitative data analysis has been described as both the most difficult and the least codified part of the case study process (Eisenhardt, 1989). With this said, it is crucial that in order to answer the research questions the researcher develops a general data analysis strategy as part of the case study design.

In the context of case studies, 'data analysis consists of examining, categorising, tabulating, testing, or otherwise recombining evidence to draw empirically based conclusions' (Yin, 2003:126). Coalescing a collective case study design with an interpretivist approach allowed the researcher to fully demonstrate the stream of evidence which the analysis has followed so that the source of the conclusions brought forward from data collected is unequivocally presented. As the researcher adopted an interpretivist approach, thematic network analysis (Attride-Stirling, 2001) was used to interpret and present the main themes found through the data collection stage.

Thematic Network Analysis

Generating and applying thematic networks was a clear-cut way of organising the thematic analysis of the data collected from the BenCon and CLG-CS. The thematic networks generated aimed to facilitate the structuring and discussion of the thematic analysis. The researcher followed the process provided by Attride-Stirling (2001) in the production of thematic networks. Thematic networks systematise the extraction of: (i) lowest-order premises evident in the text (Basic Themes); (ii) categories of basic themes grouped together to summarise more abstract principles (Organizing Themes); and (iii) super-ordinate themes encapsulating the principal metaphors in the text as a whole (Global Themes). These are then represented as web-like maps depicting the salient themes at each of the three levels, and illustrating the relationships between them (see figure 3.1.).

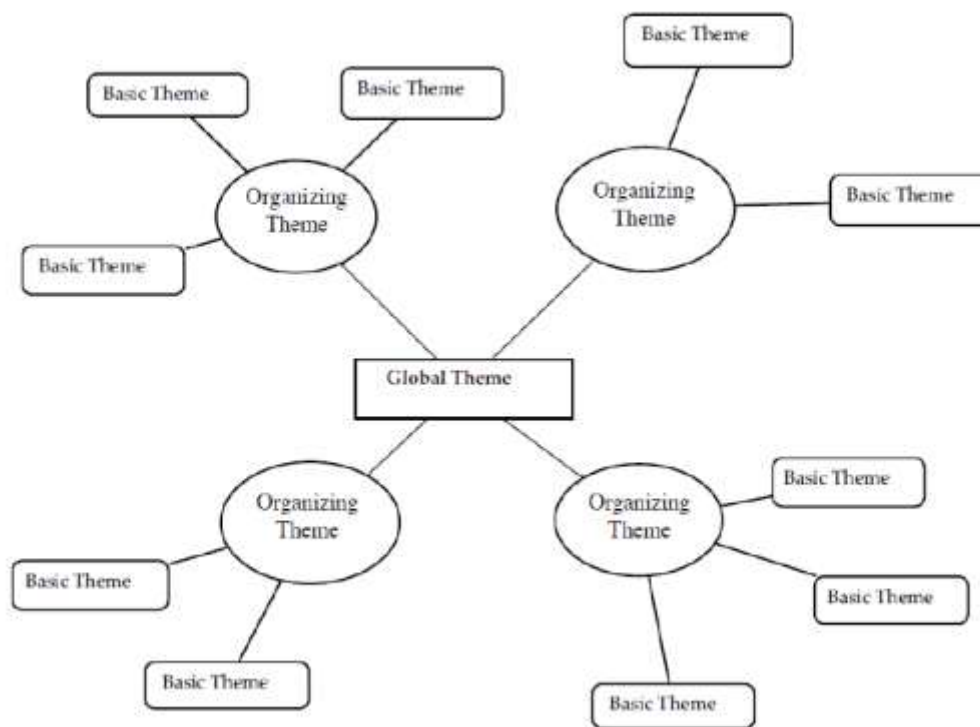


figure 3.1. Example of Thematic Network (Attride-Stirling, 2001)

The researcher followed the step-by-step guide from Attride-Stirling (2001) for generating and organising the themes extracted from the data. The below section discusses this.

Step 1: coded the material

The first step in a thematic networks analysis is to reduce the data. This was done by dissecting the text into manageable and meaningful text segments, with the use of a coding framework:

Devised a coding framework

There were several ways of doing this, but as a summary, it was done on the basis of the theoretical interests guiding the research questions, on the basis of salient issues that arise in the interviews/observations, or on the basis of both. The coding framework was based on pre-established criteria. These were the issues/words

associated with governance challenges, non-profit governance and mission drift elicited from the literature review. Table 3.11. illustrates the coding framework used for this study.

30 codes were derived on the review of relevant literature in the area of governance, political environment and mission drift. These were then fused with discussions with the interview transcripts to form a set of codes. These codes were then combined and applied to the interview transcripts to develop a finite set of codes (see Table 3.11.). The interview transcripts were then scrutinised and classified according to these codes. For instance, the codes 'Commercial Goals' and 'Competition' included text segments such as, "The plan is on developing our commercial focus to keep up with other Leisure Trusts," The code 'Organisational Mission' included text segments such as "You only have to look and read our four pillars to get an idea of our mission and what we stand for." It is important to note that in a number of circumstances a given quotation was classified under more than one code.

In this step the codes were applied to the textual data to dissect it into text segments: meaningful and manageable chunks of text such as passages, quotations, single words, or other criteria judged necessary for the particular analysis. This is a commonly used procedure and parallels are easily found in the literature (Corbin & Strauss, 1990; Miles & Huberman, 1994). Both these steps were completed with the upmost attention to detail and care. The codes in the coding framework had explicit boundaries so that they were not interchangeable or redundant; and they were also limited in scope and focus explicitly on the unit of analysis. This was an important interpretative step.

Step 2: identified the themes

Once all the text has been coded, themes are abstracted from the coded text segments:

(a) Refined themes from coded text segments

For this step, salient, common and significant themes in the coded text segments were identified. This was done by rereading the text segments within the context of

the codes under which they were classified. This procedure allowed the researcher to reframe the reading of the text, which enabled the identification of underlying patterns and structures. Next, the selected themes were refined into themes that were (i) specific enough to be discrete (non-repetitive), and (ii) broad enough to encapsulate a set of ideas contained in numerous text segments. This reduced the data into a more manageable set of significant basic themes that succinctly summarised the text. The Identification of the basic themes required a great deal of interpretative work. As they emerged, they were worked to accommodate new text segments, as well as old ones. Each basic theme had to be specific enough to pertain to one idea, but broad enough to find incarnations in various text segments.

For this, the 30 codes were grouped into 4 clusters and each code's text segment was re-read. Whilst this was conducted, a record was made of (i) the areas of discussion from which the codes were sourced; (ii) the basic themes that were emerging; (iii) a reference of the specific text segments the basic themes were contained in; (iv) the amount of text segments that contained a basic theme. The 30 codes were applied to the text transcripts which resulted in the emergence of 23 basic themes. Table 3.11. highlights this analytical process. To clarify, the analysis focused on discursive themes disseminated from the interviews and meeting observations. The aim was to produce themes that were common through both Leisure Trusts. Consequently, these common themes were given priority. Although the themes identified were common the data pertaining the theme from each Leisure Trusts were significantly differently. This will be discussed in the findings chapters. The rationale for theme selection was simply to focus the researcher's attention on the common popular themes that were of specific interest to the research questions of the study.

Table 3.11. From codes to basic themes

Codes	Issues Discussed	Basic Themes Identified
<i>Characteristics</i>		1. Board comprises various expertise. This expertise is utilised to

Board composition	- Age, occupation, education, experience and gender	varying degrees in LTO-A and LTO-B.
Board structure		2. Infrequent meetings
Board dynamics	- meeting frequency	results in a breakdown of communication between board/CEO in LTO-B
Board incentives	- presence of committees	
Voluntary board	- Incentives for the board	3. Board trustees unaware of the dangers associated with mission drift within LTO-B.
Legal structure of board	- board dependence on the CEO to avoid mission drift	4. There is little collaboration and engagement from the board in addressing governance challenges in LTO-B
	- how the board directors engage with and work with each other in avoiding mission drift	5. LTO-A's legal structure helps avoid mission drift

Processes	- types of issues that capture boards attention and the degree of attention they devote to particular issues in relation to mission drift	6. Restricting the ability of the CEO to make decisions facilitates mission drift
Board attention		
Boards' evaluation		7. A multi-stakeholder board presents conflicting agendas
Board conflict		
Board cohesiveness	- CEO evaluation	
Board Power (real/perceived)	- task-oriented differences in judgment among board trustees	8. A democratic stakeholder model of governance aids the development of mission drift.
Austerity		
Inclination to strategic change	- affective dimension of trustees' inclusion on the	

	board and the ability of the board to continue working	9. A stewardship model of governance provides a prudent approach to ensuring mission alliance.
	- Impact of austerity measures	10. Board involvement should be limited to the ratification of decisions.
	- Board effectiveness	
	- Board involvement in addressing the avoidance of mission drift	
	- Trustee conflicts	

Board/CEO Relationship	- presence of alliances	11. A CEO dominated board facilitates the avoidance of mission drift.
CEO Involvement in decision making	- CEO ability to exert their will	12. Governance model impacts upon power dynamics between the board and CEO
CEO Power	- Sources of unequal power, tensions and conflict, and how this changes over time with changing circumstances	13. Voluntary board trustee power can result in mission drift
Trust and Transparency	- individual, organisational and environmental factors	14. The expertise of the CEO plays a pivotal role in power dynamics
CEO experience/expertise	- correlation between commercial/social success and CEO/board power relations	15. Trust and transparency is developed through constant and clear communication
CEO dominated board	- Distribution of decision making power in relation to mission drift.	16. Commercial focus is provided by the CEO in
Power sharing		
Decision making consensus		
Real/perceived power		
CEO/Board conflict		

		response to external challenges
		17. The Leisure Trusts do not primarily focus on social goals
	- Managing the balance between social activities and commercial ones	18. Focus on commercial goals to resource creation of social value, particularly in affluent areas
<i>Managing Tensions</i>	- How do power relations affect the possibility of mission drift	19. Local council relations & financial support play a significant role in potential mission drift
Political environment	- How do they generate revenues without losing sight of creating social value	20. Being unable to sufficiently convey what they do is a source of concern – compounded by level of competition
Competition	- Effects of commercial/market pressures	21. Leisure Trust amalgamation is becoming a method of managing tensions
Organisational Mission	- sourcing of finance/revenue streams	22. CEO power dominance rather than board dominance facilitates mission alliance
Social goals	- why are commercial and social goals a source of tension	23. Austerity has become a vehicle to increase privatisation
Commercial goals	- Impact of austerity	
Goal conflict		
External stability		
External Challenges		
Governance tensions		

Step 3: constructed the networks

As Attride-Stirling (2001) states, the basic themes identified provide the foundation for the thematic networks to be developed. The 23 basic themes were arranged into 10 clear basic themes and then 3 main groupings (organising themes) (see figure 4.1.), on the basis of related conceptual content. These organising themes were then deduced further to arrive at a global theme (figure 4.1.). This global theme summarised the main issues of the 3 organising themes and 10 basic themes. Once this was done the thematic network was established. The thematic network for each case study organisation is matching but the causes and details of why are different. These issues and interrelated content shared between all themes is presented and discussed for each case study in the findings and discussion chapters.

Step 4: Described, explored and discussed the thematic network

At this stage, the researcher delved deeper into the meaning of the texts, the themes that emerged were explored in relation to the patterns that underlined them. Once the networks were constructed, the researcher returned to the data and interpreted it with the aid of the networks. The researcher presented the network in each of the findings chapters and discussed the themes with supporting text segments. The researcher returned to the original text, but rather than reading it in a linear manner, the text is now read through the global themes, organising themes and sub-themes. As such, the thematic network became not only a tool for the researcher, but also for the reader, who is able to anchor the researcher's interpretation on the summary provided by the network. The networks were read in a sequential order to facilitate the presentation and understanding of the material. In the description and exploration of the text it was useful to present text segments from the original transcripts/data to support the analysis. In all, step 4 helped the researcher bring together the data and the interpretation.

Step 5: Interpreted Patterns

For this, the researcher brought together the deductions in the summaries of all the networks and these deductions and the relevant theory, to explore the significant themes, concepts, patterns and structures that arose in the text. The aim in this last

step was to return to the original research questions, and address these with arguments grounded on the patterns that emerged in the exploration of the texts. Step 4 and 5 will be illustrated through the discussions in the findings and discussion chapters.

3.6. Limitations

Throughout the study, the researcher, being the research instrument, has influenced the study. Thinking reflectively, a central limitation to the study was the absence of substantial fieldwork experience by the researcher. The researcher was short of conviction in the initial meetings and interviews with each Leisure Trust. With this being said, reflecting upon the first couple of interviews, it could be assumed that the data acquired was not vastly enlightening. In order to practice and harness interviewing skills a pilot study was conducted prior to the data collection stage. Cross-referencing interview transcripts was one skill that was developed which significantly improved the research process moving forward.

The researcher must assure himself and the intended audience that the findings and conclusions proposed are based on critical investigation and do not rely solely on a couple of carefully selected examples (Silverman, 2005). It was imperative that the researcher identified and rectified any shortcomings in the findings. This helped improve the credibility of the findings and therefore reduced any worries. It is merely not enough to accentuate that the findings and discussion are a truthful reflection of the data transcripts. The probing areas covered in the interviews were to a large extent manifested and informed from themes originating from the literature review. Consequently, themes were naturally prioritised over others, thus, the findings were steered in a certain direction. The probing areas covered in the interviews were seen to be imperative and essential in determining how Leisure Trusts operate and govern in different social and economic environments. A different investigator with an alternative cache of expertise and knowledge may have arguably followed different themes whilst overlooking others.

For the study and self-reflection purposes, it was valuable to contemplate the rawness of the researcher and the constrictions on time for negotiating access, data

collection, analysis and writing. Further, worthy of note, concerns regarding appearance may have an intangible influence over the findings. The researcher had an impalpable impression that because he is still a fledgling researcher, a number of interviewees implicitly assumed that the researcher and the research were mutually inconsequential. Due to this, it took longer than anticipated to draw in and build a rapport with some interviewees, chiefly to legitimise my presence.

3.7. Generalisations

As this study aimed to delve into only a small number of case studies, a focal consideration before the research commenced was to deliberate upon the expected, and sought after, generalisability of the findings. Resulting from this thought process, it is asserted that the findings are not generalisable to the whole population of Leisure Trusts, and therein, the wide array of social enterprise organisational forms. Reason being, there are over one hundred Leisure Trusts in operation presently, with almost infinite social, economic and operational variables (Hughes & Hodgkinson, 2012). Although, a significant proportion of the findings and discussion reveal governance characteristics and processes of the wider Leisure Trust population (Flyvbjerg, 2001). The fundamental aim of the findings was to accurately represent the governance process attained from specifically a BenCom and CLG-CS, thus, context-dependent knowledge was sought.

Regarding social enterprise governance, boards defy easy generalisations (Stone & Ostrower, 2006). Consequently, future comparative research designs that not only focus on board/management characteristics but explicitly examine how governance structures change over time and are influenced by external and internal factors will benefit the field. A certain amount of generalisability was developed when the thematic network of the two Leisure Trusts was analysed. This contributes to wider academic debates and dialogue around the understanding of social enterprise in the UK. Yet, the reporting of generaliseable findings was not a central aim from the outset of this study. Consequently, whilst aiming to acquire a deep understand the governance in each type, the data collected arguably reveal the governance processes and challenges that are uncovered within a number of social enterprises of the same type. Although, to reiterate, it was determined that this was not a

necessity of the study.

Stake (2008) points out that when there is a pertinent urge to present generalisations in case study research, concentration and consideration is drawn away from the unique facets and processes specific to each case. Hammersley (2008) reaffirms this argument by asserting that findings can frequently become de-contextualised due to the researcher attempting to generalise and expound a similar phenomenon. The main cause of this common occurrence is that too many case study researchers, to begin with, declare that their research is not concerned with generating such generalisations, yet then go on to do the above when conducting analysis on their findings (Hammersley, 2008). When discussing the findings and outcomes of case study research, Flyvbjerg (2001) claims there are five misunderstandings associated with this;

Table 3.12. Five Misunderstandings of Case Study Research (Flyvbjerg, 2001)

Misunderstandings	Description
<i>Misunderstanding 1</i>	General, theoretical (context-independent) knowledge is more valuable than concrete, practical (context-dependent) knowledge.
<i>Misunderstanding 2.</i>	One cannot generalise on the basis of an individual case; therefore, the case study cannot contribute to scientific development.
<i>Misunderstanding 3.</i>	The case study is most useful for generating hypotheses; that is, in the first stage of a total research process,

	while other methods are more suitable for hypotheses testing and theory building.
<i>Misunderstanding 4.</i>	The case study contains a bias toward verification, that is, a tendency to confirm the researcher's preconceived notions.
<i>Misunderstanding 5.</i>	It is often difficult to develop general propositions and theories on the basis of specific case studies.

The table above covers Flyvbjerg's (2001) five misunderstandings of case study research. The misunderstandings encompass a number of frequently flawed practices of case study research. Concerning Flyvbjerg's (2001) misunderstanding, for building an understanding of a specific phenomenon, context-dependent knowledge is crucial. The analysis conducted of highly contextual knowledge is significant when acquiring extensive and comprehensive knowledge of a case. If the data were to be collected in detached or isolated context, then the findings can become incapable of helping achieve the overall aim of the research. Using the discussion on the governance processes of one Leisure Trust in a particular context to provide an explanation of the governance processes of a Leisure Trust in a different contextual setting is improbable, even more so to detail how all Leisure Trusts are able to avoid mission drift in different types of social enterprise. To provide generalisations to develop a wide-ranging concrete social enterprise governance theory is not a fundamental aim of the research. To add clarity, the research is concerned producing claims founded from the analysis which help contribute to and develop our understanding of social enterprise types in the context

of sport provision.

3.8. Conclusion

This chapter covered the research methods adopted for the study and delivers a thorough justification and reasoning for doing so. The principle data collection method was semi-structured interviews with key respondents of the Leisure Trusts which covered areas elicited from the literature review. Observation of management and board meetings was integrated into the findings and subsequent discussion. It is intended that this research process, accompanied by a consideration and reflection of potential limitations, will result in a thorough analysis on the management of social and financial tensions within two Leisure Trusts.

The process was challenging yet accompanied with a consistent sense of a communal effort to produce positive outcomes. Some problems emerged during the process due to the lack of fieldwork experience. Nevertheless, most arising issues and unanticipated problems were out of the researcher's control, as mentioned previously. The process of conducting qualitative case study research in Leisure Trusts is intricately coupled with the support and adherence of the participants involved, particularly the gatekeepers. The researcher formed a research plan prior to the fieldwork. However, when issues emerged that had the potential to affect Leisure Trust's operations at a particular time, the research inevitably became an ancillary interest to them.

The findings chapters and subsequent discussion chapter to be presented enables the reader to evaluate the credibility and value of the arguments and claims made. The presentation of the findings will be founded predominantly on the interview data, therefore, utilising the responses of the interviewees to narrate their own account. A significant degree of preparation and planning was undertaken to guarantee that the arguments presented are not only presented in their individual contextual environment, but also that inconsequential and unrelated responses to the study are given little consideration. The data collected has been compared with responses from respondents and strengthened by supplementary responses from same interviewee in order to increase the legitimacy of the claims to be made. Due to this,

it is anticipated, the reader will be certain that the discussion of the findings is entirely founded on the pursuit of a critical investigation of social enterprise governance and not purely on 'well-chosen' examples (Silverman, 2005).

To conclude, this chapter presents a thorough rationale and details of the research methods employed for the study. Initially, the chapter developed the current debates and academic conversations of case study research in order to illustrate its application to the study on social enterprise governance. This discussion covered details such as negotiating access, what research methods will be used, selection of a sample, and the type of analysis. These deliberations helped provide details of the numbers key judgements made preceding the commencement of the fieldwork. Built upon this, an evaluation of the researcher's self-reflection of the research process was provided. This included discussing some of the problems which arose and the essential modifications made to the initial research proposal. Taken as a whole, it is anticipated that the methodology chapter clearly justifies the research process and the methods utilised to produce the findings for this study.

Chapter Four

4. LTO-A Findings Chapter

4.1. Introduction

The next two chapters provide a detailed insight into the governance challenges and processes of LTO-A and LTO-B. Findings from both Leisure Trusts will be presented and analysed in order to address the research questions. Chapters 4 and 5 are both findings chapters but they have been split into separate discussions on each Trust. There will then be a subsequent discussion chapter. Chapter 4 details the thematic network analysis of LTO-A. Chapter 5 concerns the same for LTO-B. Structuring the findings chapters this way ensures consistency when reporting the findings. Main themes prominent from the primary research undertaken are used to draw out the key themes for consideration.

Figure 4.1. below illustrates the main themes derived from the thematic network analysis which will be discussed in both chapters 4 and 5. The basic themes derived from the data collected is illustrated and grouped into organising themes and a global theme. The thematic network analysis illustrates the main themes established for both types of social enterprise investigated. The global theme for LTO-A and LTO-B was 'Mission Drift'. This was then supported by organising themes labelled as 'Political Environment', 'Competition' and 'Governance'. Within each organising theme there are sub-themes. These themes will be discussed in detail and evidenced through the supporting data collected. Links between the themes and the research questions will be established throughout.

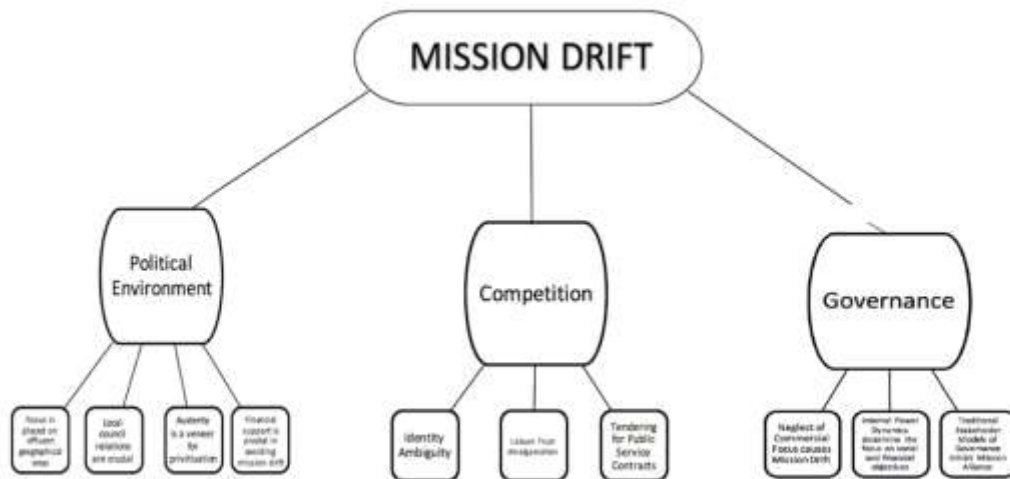


Figure 4.1. Thematic Network Map for LTO-A

LTO-A's mission is *“to make community services and spaces better for everyone. That means providing access to quality community leisure and fitness facilities - and more - at a price everyone can afford.”* (LTO-A, 2019b:1)

4.2. Competition

The discussion of competition will highlight some fundamental tensions revolving around the possibility of mission drift occurring and how it affects the identity of LTO-A. The thematic network map (figure 4.2.) illustrates the key organising theme and foundational basic themes on which ‘competition’ is anchored.

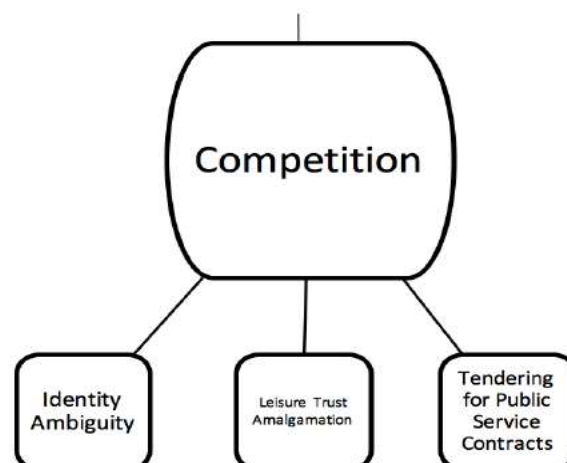


Figure 4.2. Thematic Network Map for Competition

4.2.1. Identity Ambiguity

The respondents from LTO-A believe that one of the main challenges they and all Leisure Trusts face is competition from each other and from organisations in the private sector. From their perspective, LTO-A subscribe to the notion that the Leisure Trust (social enterprise) model has suffered from poorly communicating the added value they bring to services they provide, in comparison to private sector counterparts. This problem, according to respondents, surfaces from the implicit vagueness of identifying where LTO-A sit in relation to the spectrum of social enterprise and shouting about what is unique about their business model per se. A key issue for LTO-A surrounds the struggles they have in conveying to people what type of organisation they are. The Managing Director stressed that they fear the majority of their user-group are not aware of the organisation that is managing the facility:

We have taken steps through getting the Social Enterprise Mark which solidifies our identity as a social enterprise. But if you ask someone on the street what they think we are, a lot would probably say we're in the private sector. There's no onus upon the people who use the facilities to know where we are positioned but it would be great if we could tell them exactly the values we stand for which will hopefully attract more users across our centres.

The above response implies that due to a lack of consumer intelligence users may presume the facilities are being managed by private sector organisations. A variety of the responses reinforce the notion that society's understanding of what LTO-A is, is of no interest or is still developing. The responses suggest that LTO-A are still struggling to promote themselves as a viable delivery vehicle for public sport services. This leads us to pose a significant question – is this problem due to a lack of expertise in marketing their identity or a lack of interest in LTO-A being a social enterprise? This challenge is compounded by the fact it is still occurring fifteen years later than when this challenge was identified. However, the findings from LTO-A contradict the proposition that this lack of marketing expertise is a consequence of social enterprises being too reliant on third sector funding mechanisms. From their

viewpoint, the issue is that their marketing is inadequate for enhancing consumer understanding of LTO-A. It seems that their lack of distinctiveness is in part an outcome of their own actions. LTO-A are continually aiming to take the good things about the public sector and the good things about the private sector and incorporate them into their business model. However, as suggested, convincing the consumer of this vision is another matter. Board Member A noted this difficulty LTO-A face in communicating their identity to consumers:

Our ability to market the organisation effectively is a problem. We haven't focused on the marketing side of things in the past because there wasn't a need to do so. As we've grown the need to engage in more marketing activities is becoming crucial, particularly in helping local authorities see who we are and what we can do. To be fair, we do a better job than most other social enterprises working in sport but there's always room to improve. The business model we have is great but we sometimes ask ourselves if we should be investing a lot in marketing and clarifying our identity. A lot of the time, you could argue that the consumer isn't particularly bothered about our values or that we're a social enterprise. They are arguably more concerned with the pricing and quality of the facilities they can use.

To further illustrate the frustration of LTO-A in conveying a social enterprise focus to their user-group, Board Member B described the assumption users tend to make about the organisation;

People will think the facility is totally focused on profit so they are not going to be as keen on prioritising community needs and dealing with the inactivity in local residents and getting them more active.

From an observed board meeting, board members discussed ways in which they can clarify and communicate their social enterprise identity to consumers. The researcher presents notes from the meeting below;

Board Member E leads an agenda item on how they can improve their organisational image to the public. Board Member B explains that they are falling behind other Leisure Trusts and private organisations in their use of social media to engage with the public. The Managing Director admits the management team can do more on

their social media platforms to get the message out. He will direct the Marketing Manager to develop a social media campaign focused on telling the public about their social enterprise background and that they have the Social Enterprise Mark awarded to them. The board seem pleased this will now take place.

The evidence suggests LTO-A have certain reservations about embracing a complete emphasis on marketing activities. There appears to be suggestions and apprehensions that taking a more marketing driven approach would cause LTO-A to lose sight of their core values. However, is this inhibiting LTO-A's ability to establish their identity as a social enterprise? Respondents stressed that the council was not willing to support the development of social enterprise which would enable them to compete against the private sector and have to meet continuously upward-shifting public expectations in terms of service quality. Yet, according to respondents, the council were initially apprehensive in transferring their sport services to a Leisure Trust. Board Member B outlines this viewpoint of the local authorities they work with in tendering for sport provision contracts;

Originally, the council saw us a secondary option for managing sport facilities and viewed the private sector as preferred providers. It seemed they did not fully grasp the benefits the social enterprise business model can bring to the local community in that it does not just benefit sporting objectives but can achieve wider societal benefits which is massively beneficial. They tend to make short-term decisions which tend to prefer private sector provision.

The Asset Management Director also pointed out that there were underpinning reasons why the local council(s) were either unwilling or unaware of what a social enterprise can offer;

I can guarantee if you speak to these council commissioners they haven't got a clue what we're about. They see a spreadsheet with monetary value – measuring what we achieve is largely intangible.

The Managing Director of LTO-A supplemented the above viewpoints by suggesting the wider political context of the UK has had a direct impact on the focus local authorities place on their preference of public service providers, particularly in sport;

The evidence is there for them to see; I don't know what the reservation is [using a social enterprise]. Since the coalition (government) came in it is more difficult to bid for and win contracts. Under the previous Labour government and Labour controlled councils there was a clear understanding of what the advantages of social enterprise provision in sport are. This changed in certain local authorities and some were resistant to listen to the what we could provide and the benefits our model would bring to sport provision.

The evidence from the LTO-A case study infers that arguably the commitment to developing the use of a social enterprise model for sport provision is bound by managing the red tape of the public sector and the profit focus of the private sector. These challenges are potentially partially a result of political ideology from central and local government. As seen, these tensions have caused LTO-A difficulties in informing consumers who they are and what they can provide.

4.2.2. Tendering for Public Service Contracts

LTO-A are becoming increasingly competitive with other providers of sport and leisure. The continued expansion of LTO-A and their asset base has resulted in them taking over management of facilities in other regions of the UK e.g. North-West. With privatisation of sport provision in the North-West, and throughout the UK, LTO-A see moving into the North-West as a growth opportunity. Additionally, they see the BenCom model as an important tool in combating the increase of Leisure Management Contractors (LMCs) from the private sector. Respondents from LTO-A believe that they must tender like any private sector organisation in order to have a good chance of winning contracts. This is due to the common occurrence of council commissioners placing increased emphasis on financial savings in the tendering process and not understanding an emphasis on social value or implementing the Social Value Act (2012) (which due to their social mission would in theory prioritise social enterprise providers). The Managing Director explained how this emphasis on tangible financial savings is affecting their success in tendering for public service contracts in sport;

It comes down to a question of tradition and culture within government. If they want to get rid of a service, there's normally an agenda behind it. The coalition government is using social enterprise as a tool for privatisation and when it comes down to the bidding process we're at the back of the line unless we can demonstrate the financial savings we will make them. But when you think about it, that is not the core focus of our organisation. We focus on social objectives – getting more people playing sport and providing an upgrade in service provision. A lot of our impact is intangible. The tenders generally don't take that into account, or more precisely, they don't have any tools to help monetize the impact we as a social enterprise can generate. It's the easy option every time to flog the tender to a private provider.

There was a genuine disappointment displayed from the respondents when it came to discussions on the tendering process of sport facilities. There was a belief that they are bidding for contracts with one hand tied behind their back because of councils' preference of private sector providers. From their perspective, LTO-A has achieved sustained financial stability but their identity proves to be a burden when entering a tendering process. The Deputy Managing Director alluded to this problem;

When you're managing over fifty sites successfully, you have a good turnover. That's a commercial organisation. The problem is that there is a lack of communication between us and (local) government. That is the fault of theirs. They seem to think tendering a facility to a private contractor will make it easier for them to monetize the savings they are making on getting rid of the sport facility. The impression we get is that due to the difficulties in declaring a tangible monetary impact of the social value we create the councils take the easy option too often. With the lack of communication there is an assumption social enterprises will always need financial support in running the facility through grants and other things. We don't need any financial support. Look at our track record.

This evidence helps us pinpoint a difficulty LTO-A face in becoming an integral provider of public service delivery. This is also underpinned to issues over consumer knowledge, as previously discussed, and of an approach within government commissioning of not promoting or enacting Social Value Act (2012) and the role of social enterprise in public service delivery which is argued by respondents. The findings show that, from their perspective, cultural factors within local government

were a significant inhibitor to advancing social procurement through social enterprise for LTO-A. The findings suggest that procurement opportunities for LTO-A are restricted by limited local government knowledge of what social enterprise is and the way it operates. This lack of knowledge has is compounded by difficulty local government and, to an extent, social enterprises have in measuring and monetizing social impact. Respondents argue that the reasoning behind this lack of government knowledge can be attributed to the lack of communication between LTO-A and local government. This is compounded by the different types of social enterprise. Some respondents argue that commissioners may be aware and understand the charitable model of social enterprise but fail to see LTO-A as a co-operative, thus not understanding the differences between them. This was explained by Board Member G, C and F respectively;

I can guarantee if you speak to these council commissioners they haven't got a clue what we're about. They see a spreadsheet with monetary value – measuring what we achieve is largely intangible. We're registered as a BenCom therefore there is little or no reliance on hand-outs from the council to get the contract up and running. If you look at social enterprises who are registered as a CLG for example, they are heavily reliant on support from the council. This doesn't help the overall cause of the social enterprise movement in sport provision as a negative stereotype amongst council commissioners starts to develop.

Councils are struggling as it is. The reason they put something up for the tender in the first place is to get it off their books. I have spoken to (council) commissioners on numerous occasions and understanding I get from them is that they are apprehensive of giving the contract to a social enterprise because they normally have to help finance it and there are loads of examples of the contract failing due to the social enterprise's inability to balance the books. Commissioners put us in the same bracket of these failing (social) enterprises which are normally CLGs. In reality we're completely different to a CLG. We're a BenCom which enables to not rely on council grants and build a robust business model which produces social impact but also profit. There needs to be more clarity in local government about the different identities of social enterprises because we consider ourselves almost a polar opposite to a CLG.

I mean, what's the point of this Social Value Act (2012) if local government still don't understand you can't group all different social enterprises in the same pigeon hole. We've raised these concerns lots of times but it's like talking to a brick wall sometimes. I don't really blame the local councils because surely it's the responsibility of the (central) government to explain and provide some direction to local government about the variations and different forms of social enterprise and therein the benefits each type can provide. It's so frustrating.

From LTO-A's perspective, it is clear, this lack of understanding is a consequence of a lack of direction and promotion of social enterprise provided by central government. Their contention is that social enterprise procurement is not entirely the responsibility of local government. They adopt the view that local responsibility must be derived from a broader political infrastructure which facilitates the growth of social enterprises. However, although most respondents agree this is a problem, there were little or no explanations as to how this issue can be realistically solved. They argue there needs to be more education/informing on social enterprise particularly on the understanding of the different types of organisations under the umbrella of social enterprise, which have very different ideological commitments. Yet, it seems LTO-A are demanding other stakeholders in the third sector to take up this burden. Given the positive financial performance of LTO-A it can be argued that they possess the resources to take up this burden and move the sector forward as a whole.

LTO-A see their overall business model approach as an advantage over private sector providers due to them being able to address social value tensions, which is associated with the BenCom model. From LTO-A's perspective, as highlighted, there is going to be additional competition moving forward due to the increased levels of sport and leisure facilities coming into the marketplace. As austerity spending cuts increase, this can be a natural consequence for public services. LTO-A see themselves going from strength to strength when it comes to bidding and winning contracts. Some respondents do not see this development as a concerted effort to acquire other Trusts but as a reaction to the market challenges currently facing Leisure Trusts, and to reduce private sector provision. To compete, and ultimately reduce the privatisation of sport provision, LTO-A comment that their growth is the

best approach to achieve this. The Finance Manager alludes to this by pointing out;

Down here we've been bidding against each other for years. Leisure Trusts have all been bidding commercially against each other and private companies for the last twenty years. Our commercial growth allows us to build a competitive advantage against other (Leisure) Trusts bidding for the same contract. Since the austerity cuts came in there's been a boost in the number of social enterprises bidding for these contracts because sport is normally the first thing to go when spending cuts are announced. This is good and bad for the social enterprise movement. Although it's positive that there are more social enterprises bidding, a lot of them are in their start-up phase and lack any real infrastructure to make a success of the contract.

Board Member G further explained how this development has impacted the strategic approach of LTO-A and their aim of being the leading provider of sport and leisure providers in the UK;

Often the backwards thinking North-West of this world haven't got it yet up there. You need to communicate a solid track record to win these contracts. We thought about this a lot and ended up pursuing an angle of 'if you want to be successful then come and join the [LTO-A] family. If those fairly established Trusts would work with us by pooling resources, we would have a better chance of furthering the social enterprise movement in the provision of sport in the UK. We've recently welcomed a Trust from up North to join us in order to get some mutual access to resources. We're helping each other and hopefully helping councils get a clearer picture of what we're all about.

The competitiveness of LTO-A was illustrated in an observed board meeting in which the board critiqued the strengths and weaknesses of rival social enterprises. The researcher noted;

An agenda item is covering the latest developments in sport provision across the country. Board Member F explains that in terms of resources, there is no other Leisure Trust nationwide that can compete with them. Board Member A presents a case for bidding on two new sport facilities in the North-West. The board are discussing the pros and cons of putting a bid in on the contract. They decide to consult the Managing Director on his views on the proposal. Board Member C sums

up by saying other Leisure Trusts have little or no chance of competing with them given the fact the others cannot demonstrate a similar track record to them.

The evidence from LTO-A shows us that a lack of a track record can reduce their competitiveness, of which is integral criteria for awarding contracts. This tells us that LTO-A do not have to actively pursue acquiring smaller Leisure Trusts due to market pressures. Instead, with facilities contracted out to social enterprises failing in some regions, LTO-A, from their standpoint, is seen as a safe pair of hands. They are securing other contracts rather than Trusts being sold off to the private sector. They argue this is a strong and sustainable model which is underpinned by integrating smaller Trusts into the organisation. LTO-A's rationale for expansion is based on the finite contracts for sport provision in London and the appeal of growth opportunities in different regions. LTO-A's main competitor in the London boroughs is also registered as a Charitable Leisure Trust. They are around half the size of LTO-A and manage facilities in six boroughs. LTO-A manage sport facilities in twelve boroughs. Oddly, their competitor was originally set up and founded by LTO-A but now operate independently. In the main, LTO-A want to be supportive but it was clear from observed board meetings that if an opportunity arose in a borough largely controlled by their competitor(s) then they would take advantage.

LTO-A's competitive nature remains and they believe this is essential in order to create and sustain a vibrant marketplace for social enterprises in sport. For LTO-A, this substantial landmark in the sector is going unnoticed. LTO-A assert that they and local and national government understand the success of Leisure Trusts. Yet, the claims made by LTO-A in these findings suggest that commissioners who assess the bids for the facility contracts miss the point on many occasions of what they can add value to. Board Member B pinpoints the problem LTO-A face;

It's the market we're in, we have to build our asset base up to ensure we can get the message across in bidding that we're capable to delivering value. The commissioners have to answer to their superiors and they want to see financial value from the outsourcing of these contracts. The commissioners are pushed into a corner because of the issues they have with trying to monetize the social value we can provide. Either that, or they are not willing to listen to what we can actually do in the

local community.

The lack of understanding by commissioners on the benefits of social enterprise is hindering the growth of LTO-A's business model. Overall, the findings tell us commissioner knowledge of the benefits of the social enterprise business model is lacking. This is underpinned by the problems local government have on measuring the tangible benefits of the social value created through social enterprise.

4.2.3. Leisure Trust Amalgamation

One developing and fundamental issue facing LTO-A is the future size and scale of the business model and what other organisations are delivering sport services. Particularly, this concerns the capacity of a number of Leisure Trusts to manage and improve sport facilities. This has caused a trend of amalgamation within the social enterprise sport provision movement. A main catalyst for this development has been LTO-A. LTO-A are supportive of the development of supporting other Leisure Trusts. More specifically, bringing them under the organisational umbrella of LTO-A. If such an amalgamation occurs, then LTO-A are in a good place to be at the forefront of this movement. This is mainly due to the substantial financial and human resources available to LTO-A. The Managing Director explains some of the reasoning behind this approach;

It's increasingly difficult for small Trusts to survive in this competitive market place. The private sector has always struggled in leisure management because it is not a high profit generating model. So every one of the private sector companies that started in 1992 have all gone bust or have been bought out. Every single one. That being said, the difficulty smaller (Leisure) Trusts face is they are too risky a choice to operate big sports facilities. They are often relying on financial grants to keep them going which, for me, defeats the object of the social enterprise business model. We have started to work in other regions particularly up in the North-West. We haven't gone in directly, we're working with Trusts within that area to offer support and access to resources. The Trust from up North that recently joined the LTO-A group is seeing the benefits of that – they're now starting to win contracts. I like the idea of forming one super trust, if you want to call it that, which can incorporate a whole raft of Leisure Trusts under the LTO-A flag. This will give us the best opportunity of the

social enterprise business model becoming the preferred choice for sport provision throughout the country.

Board Member C also alludes to this and highlights some of the negative consequences if they did not pursue this approach;

The size of us brings a lot of benefits [supporting other Leisure Trusts], crucially sustainability because if we didn't try and get bigger we'd lose talent to private sector operators. This is not just for LTO-A but also for other Trusts with talented and socially driven individuals.

LTO-A acknowledge the potential downsides of the emergence of 'Super Trusts' but insist this development will be beneficial for sport provision in the UK overall – if it is legitimate and undertaken by social enterprises. This viewpoint is pointed out by Board Member A;

If you go to a lot of Leisure Trusts now the capacity and resources just aren't there to effectively control and deliver the service to the required standard, we'd be stronger together. I understand there may be an impression from others that we're trying to monopolise social enterprise in sport but that couldn't be further from the truth. We're doing it for the greater good and offering our services to help other (Leisure) Trusts get better. If we didn't help, then you would get other people saying 'well why aren't they doing more to help other social enterprises?' This is surely at the center of what a socially responsible social enterprise should be doing.

LTO-A believe we will see the number of Trusts decreasing and a few Trusts becoming bigger. Consequently, to survive, according to LTO-A, private operators are using a sham trust model. Sham trusts is a term that refers to organisations labelling specific aspects of their organisation as 'non-profit' or 'charitable' in order to convey a distorted picture of who they are and what they seek to achieve. The occurrence of sham trusts is becoming commonplace within the UK according to LTO-A. They stress the ever-increasing problem of private sector operators of public sport services possessing a non-profit arms-length organisational model. The Finance Manager cuts through the issue and starkly remarks;

It ends up in a trust in one shape or another, more often than not it's a sham trust. It's just what the private contractors do, it makes financial sense and there's little or nothing anyone can do to stop it.

The Managing Director helped explain how this actually occurs and the underlying reasons why private organisations adopt this tactic;

A lot of the private sector companies like SLN, DC Leisure and Real Action have all got non-profit organisations [sham trusts]. SLN when it was set up and what they did was if you managed a facility then you can get the tax savings. Why wouldn't they do it if they know they can get away with it. It's all about the tax relief they can get from doing it. What they do is legal but the main point is that on the face of it they're a (Leisure) Trust but in reality they are anything but. They don't hold the same values a social enterprise does. They don't focus on social impact within local communities. They don't reinvest their profits to improve the service they're providing. All this sham trust model does is line the pockets of the owners and their shareholders.

Although LTO-A acknowledge there is little that can be done to stop the trend and development of sham trusts entering the sport provision market, discussions within an observed board meeting suggest LTO-A are actively pursuing change by identifying and engaging with relevant regulatory bodies. The researcher noted during the meeting;

The Managing Director suggests something needs to be done to raise awareness of 'sham trusts' (as they phrase it) playing a significant role in sport provision. Board Member C suggests that they contact the Department for Media, Culture and Sport (DCMS) to make sure they are aware that these organisations are passing themselves off as social enterprises. Board Member C explains to the board that if they can persuade the DCMS that these sham trusts are damaging the social enterprise movement in the UK then something may be done about them. There was agreement on this course of action from all board members including the Managing Director.

Moving on, LTO-A believe most local authorities want to put sport and leisure facilities out to tender, and their choice more often than not is to put them out to their

own Leisure Trust, or to a conglomerate Leisure Trust like LTO-A or to the sham trust operated by a private company. If sham trusts continue to appear then it raises more difficulties surrounding types of social enterprise. It can further blur the view of social enterprise being an umbrella term which encompasses a variety of organisational types. Further, these findings tell us the sham trust model raises concern and can ultimately hamper attempts to understand social enterprise organisational types. This is particularly important when considering the existing difficulties consumers and local government have in understanding what the social enterprise business model is and the specific benefits it can bring. However, it must be noted that these assertions made by respondents about the sham trust model must be counterbalanced. There is a possibility that some of the above claims made are motivated by the threat this new model poses for LTO-A. Therefore, there must be caution when assessing the overall warranty of LTO-A's criticisms.

4.3. Political Environment

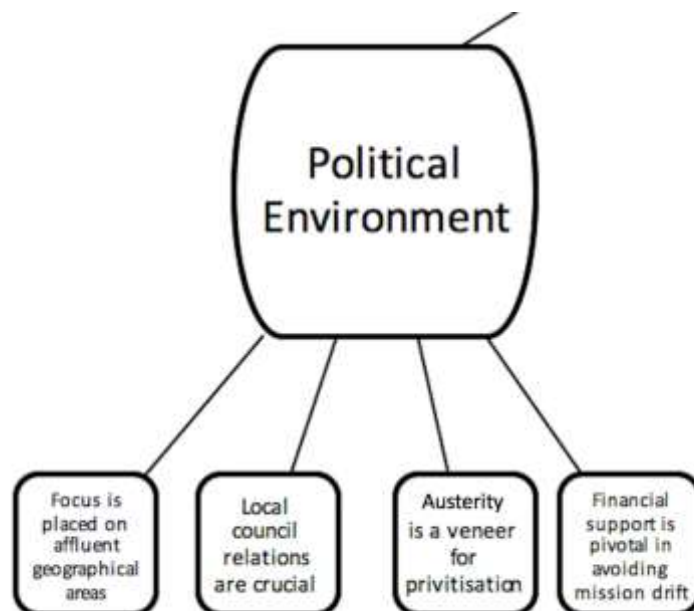


Figure 4.3. Thematic Network Map for Political Environment

4.3.1. Local Council Relations are Crucial

In 1993, the borough council proposed a reduction in the funding of its leisure centres. These significant funding cuts would have led to the closure of local leisure

centres, including LTO-A. Strategically, LTO-A have extended their geographical reach through a number of contracts with local councils based outside their core Southern base (notably in the South of England and South Wales). Although there are still huge opportunities to build their London business, they continue to look for opportunities to scale and share knowledge with local councils and sport service providers across the UK. Discussing, conferring and tendering for contracts with local councils, who in many cases have wavering political ideologies with often provides LTO-A with challenges. LTO-A's relationship with its core business area Labour controlled council continues to be productive. LTO-A's Sport Development Manager explains this;

The Labour councils get it. They know through working with social enterprise we can achieve mutual objectives in encouraging social inclusion through sport. They are lot more engaging when it comes to discussion what we can do for them. From my experience, it is always worthwhile targeting Labour controlled areas when bidding for contracts. The process seems a lot more fluid and straightforward. I don't know whether this is to do with ideologies or more simply a pragmatic approach of combating the austerity we find ourselves in at the moment.

Board Member E provides more clarity on why Labour controlled councils are more engaged in the social enterprise movement than Conservative held areas;

Labour local authorities would say get on with it. We trust you and will invite you to the top table and engage with you very heavily. We are always kept at arms-length by tory councils when it comes to communication and involvement in contributing to policies on sport provision moving forward. There are the odd exceptions to that trend but more often than not we get the impression Labour councils actively see our business model as a beneficial vehicle for addressing social issues whilst still fighting back against the austerity cuts put upon them.

These findings from LTO-A suggest that the Labour controlled local authorities they work with are continually promoting the use of social enterprise in tackling social exclusion. Further, these comments support the notion that Labour councils have continued to build upon the significant injection of resources New Labour provided for the establishment and growth of social enterprise in the UK. Local government's

role, for LTO-A, is to act as a facilitator for social inclusion and use examples of that from the experiences of LTO-A. Although LTO-A have a strong relationship with its host council, they also encounter a number of challenges with local councils in different regions where they manage a facility. LTO-A have forty-five local authorities who they refer to as partners. With LTO-A's strategic pursuit of continuous growth in terms of their facility management portfolio the main problem they confront is that local authorities own the majority of the assets that they need to work from. This suggests that the local authority holds a certain degree of power over LTO-A, particularly concerning local authority requirements for contracting a facility to LTO-A. Board Member A provides an explanation of this issue;

Some councils don't see it as a mutual agreement. Some are very frosty and explicitly ask us 'what can you do for our bottom line?' The pressure put on them by the austerity agenda of government has meant they are less likely to prioritise social impact over financial savings. Often, we get an ultimatum from councils, particularly Conservative held ones, which outlines that unless we can spell out the financial savings we can provide them with then we will not be considered for winning the contract on the service. It's a bit of a joke really. You'd think austerity would create more opportunities for us but in some instances it's to the contrary.

The findings provide an insight to how local authorities perceive and engage with potential public service providers such as LTO-A. Overall, the relationship between LTO-A and the Labour controlled authorities they work with is crucial to overall sport policy aim of improving sport provision in the UK. LTO-A have had a mainly positive experience and have built a strong mutually beneficial partnership with their Labour controlled host council. LTO-A assert that the local authorities should use sport to address social issues rather than a vehicle to save money. LTO-A's relationship with their host council signifies sport provision is not being disregarded. So, for LTO-A, the issue is not necessarily about the growth of Leisure Trusts, it is actually about the reduction of the number of facilities available to manage. This reasoning has provided LTO-A with the motivation to pursue growth opportunities in other regions of the UK. The Managing Director offers an example to help build a picture of how this translates into practice;

We were granted and contracted to manage and operate the theatre. This is an addition to our portfolio which meant there is an argumentation from our core business area of sport provision. This helps bolster our relationship with the council and demonstrates our flexibility and willingness to be a 'go-to' public service provider in the borough. Although some of these are not sport focused, our success and availability of resources enables us to provide social change in different areas of provision. The development of this is partly because of that but also due to the limited amount of sport services available to manage. We want to grow as an organisation so that is why we are diversifying into other areas and entering the sport provision market in different regions of the UK. It's all positive at the moment.

As the *raison d'être* of LTO-A is to produce social value, they are confronted with the issue of being able to monetize the social value they produce. Being able to do so clearly illustrates their benefits to local councils in a language they understand. One tool being used to measure the impact of the LTO-A is Social Return on Investment (SROI). The SROI report is intended to measure extensive socio-economic outcomes by analysing and monetizing views of various stakeholders. LTO-A deem the impact of SROI upon the local authority's decision to externalise to a Leisure Trust to be minimal at best. They acknowledge the councils' frustrations at the inability to monetize social value and lay the blame at the vagueness of SROI itself. The Managing Director and Asset Manager make reference to this problem respectively;

There's the SROI. For instance, it said that they (Council) were saving the economy £500k by running a Friday night basketball club. This was based on the fact that if kids were playing basketball they weren't smashing up the town. There is a link there but quite how you can monetize that is really difficult, if impossible. The value most councils place on SROI isn't great. The way the report is formatted and presented to the reader, normally this commissioner is sometimes confusing and it doesn't take into account the specific requirements of the contract being bid on. Hopefully, as time goes on, there will be some refinement to the reports generated and we, and councils, can make better use of them.

There needs to be better scrutiny and evaluation of the evidence within the SROI report. This will improve the trustworthiness of the SROI results and will encourage

Leisure Trusts to collect and store valuable evidence. It can be a really useful tool in providing concrete evidence to commissioners. With the austerity cuts, it's more important than ever to use whatever tools are available to us to compete with private sector providers when bidding for these contracts. One of the issues we, and I guess other (Leisure) Trusts face, is that it's a cost the Trust has to bear to conduct the SROI. We're growing and bidding for numerous contracts so if we're going to do a SROI on every one, that cost is going to add up. If we have to consider that burden, then I bet most of Trusts are struggling with that as well.

Board Member A reaffirmed the viewpoints raised above but also argued there is a more pragmatic approach they and councils need to take when considering the SROI report;

Why not work with the stakeholders and cross-examine the results? This will help us recognise evidence which corroborates with the findings. If the findings from the report can be presented in a way that is clear and understandable then surely it makes sense to put it to the people who are actually affected by the service in question. This hasn't happened in the past but if there was clear support from the stakeholder base then that would help our cause more-so than just presenting a cluttered report to the local council authorities.

In one board meeting, the board members worked together to develop a plan of action regarding an engagement strategy with stakeholders to try and explain the tangible impact they create. The researcher noted;

The Managing Director has asked board members to contact representatives from the council to organise a meeting to discuss the SROI reporting mechanism. The Board seem reluctant but the Managing Director explains the reasoning behind it. He says that if they can explain how the SROI works and they can show council commissioners what to look for when reading the report then that will stand them in good stead in the tendering of future contracts. The Board now seem completely on-board with the idea and Board Member E volunteers to organise the meetings with the council.

The difficulties LTO-A encounter with SROI means that they are unlikely to spend

valuable time and money on trying to monetize its impact unless councils understand its significance. Opposed to providing tangible value for commissioners, the SROI, for LTO-A, was perceived as being underdeveloped and largely disregarded by councils. Additionally, the findings on *Local Council Relations* reaffirm the view that there is no uniform way of measuring social value and that various sources of evidence are needed to define impact in a consequential way. The broad idea of 'Return on Investment' could have multiple numerators combining monetary, qualitative and narrative measures that may reflect more specific and direct returns to different stakeholders. These findings from LTO-A also infer that practical and ideological factors often act as a barrier to the uptake of measurement tools by social enterprises.

4.3.2. Focus is placed on affluent geographical areas

When it comes to LTO-A expanding and managing more facilities in different regions, a key consideration when assessing this decision is whether it will dilute the social value LTO-A creates, for such reasons as resource constraints, staff and financial. For LTO-A, it is about creating value where they can and then subsidising things where they have to subsidise it. This means diversifying and getting involved with things other than running leisure centres. To that end, LTO-A have begun thinking strategically about what regions, and therein towns, they would aim to operate services in. Somewhat surprisingly, the main consideration on their decisions is financially motivated. Board Member A made this clear in an unwavering response;

If you haven't got a good business you haven't got anything. We try and do a Robin Hood business, a four-star business at a two-star price. Having a presence in decent areas provides a good opportunity to build a solid business. It's common sense really. The levels of disposable income in certain affluent areas makes sense for us in terms of revenue generation. We can't do one without the other. If we're to generate social value particularly in areas of need then we need to resource that. We can't rely on all our provision being positioned in deprived areas – there needs to be a balance.

The Finance Manager provides a detailed example of some of the difficulties they face when operating in deprived areas. It is predominantly focused on the issue of revenue generation;

In this borough, it has massive social housing areas but it has really nice areas. We have a leisure centre where 90% of people pay full price and 10% are on concessions. The Waterfront Village in a similar area was nearly the opposite 10 years ago where 60/70% of people were on concessions and only 30% paying full price. That has a significant impact on the amount of surplus we generate and reinvest back into achieving our social objectives. There needs to be a trade-off between what we can do. I doubt there's another social enterprise out there similar to us that can do what we do but only operate in difficult socio-economic areas. Ultimately, we're not a charity and the public needs to understand that. Everything we do is for the benefit of the communities we work in. That is why we're a BenCom and not a CLG. The CLG for me, is too idealistic. It means well, but many of them are far too naïve.

LTO-A try to ensure staff are well equipped to develop and produce social value in different regional areas. Assessing affluent or deprived areas is crucial for LTO-A when determining the potential success of any tendering for new sport facilities. LTO-A consider entering affluent areas as more beneficial, as the facilities produce more revenue. However, currently, the major proportion of LTO-A's operations is in significantly deprived areas, predominantly in the South. A number of areas LTO-A operate in are socially and economically diverse.

However, the findings contradict the view that social enterprise is predominantly only a tool for economic growth within deprived communities, increasing social cohesion, tackling unemployment and social deprivation. LTO-A highlights the fluency in the rate of change in social and economic environments where Leisure Trusts operate. These considerations are constantly integrated and deliberated over when assessing their effectiveness of what social value they want to create and how they will implement it. As pointed out, for LTO-A, it is crucial their staff, whether operating in affluent or deprived areas, adopt the same values. Board Member D makes this clear;

The staff are trained in it (LTO-A values), they have it through them like Blackpool rock. This is the way we think, act and behave. It's crucial they understand this, particularly in the well-off areas we work in. There's no point going into these areas and trying to act like someone we're not. It helps persuade people, and importantly, the council that we are able to provide sport and leisure services in various areas. This has helped us a lot recently. Consistency is key when it comes to our values as we continue to grow. If we can't maintain and uphold our values then the impact we can create, no matter the location, will be limited. This could harm us in the long-run and that's why we have put so much thought and effort into it.

Working with partners such as National Governing Bodies and Organising Committees LTO-A have been able to acquire operational management of facilities across the region. The provision of such facilities is a major factor in LTO-A having a mechanism, or delivery system, by which they can produce social value for the local socially deprived communities. LTO-A make judgements around how they can cross-subsidise across the growing number of sport facilities they manage. Ideally, every facility they manage would generate revenue constantly, but their facilities are at different development stages. The Deputy Managing Director highlights this point;

With the facilities we're managing, we wanted to be involved in big events before, during and after. That was not about money. It was about saying we want a social enterprise to be on the sporting scene because that is a statement in itself. It is saying that social enterprises have come of age in a sense. Although managing these facilities didn't make much financial sense at the time, we're able to resource it because we know it is worthwhile investment in the long-term.

This suggests LTO-A are making initial strides to supplement gaps left by the withdrawal of government control, through which social enterprises can thrive. LTO-A argue that they are not only looking to improve their own position within the market but also that of social enterprise provision of public services in general. This is a bold viewpoint as there is the possibility of ulterior motives. From the findings, we can see this expansion approach is evidently improving the financial performance of LTO-A yet there is little evidence to suggest it is improving the overall impact of the social enterprise business model across the UK. Their assumption is that their successful local approach is easily transferable irrespective of contextual challenges. However,

they are adamant this approach will produce an environment whereby gaps left by withdrawal of government control will be filled by social enterprise provision.

4.3.3. Austerity is a veneer for Privatisation

LTO-A assert that the main reason for private organisations being awarded contracts for sport facilities is the issue surrounding Best Value. Best Value refers to a council's desired outcomes from the externalisation of a service. LTO-A concede that, in the main, a council will either assess Best Value in terms of financial savings or the potential to produce social value. Best Value has recently been influenced by the Social Value Act (2012) from central government but LTO-A contend the impact of the Act upon the issue of Best Value is negligible. The findings from LTO-A suggest it has had little impact on the ground. The central concern for LTO-A is outlined by the Sport Development Manager;

It is literally their choice. Under the new Social Value Act 2012 they're supposed to take social value into account but they could argue that saving money on running leisure centres enables us to spend more on the old folks homes so that's social value. So they can still make it financial but typically there will be a percentage in the tender process. The problem with the Social Value Act is that it coincided with the beginning of austerity. You kind of had a perfect storm with severe public service spending cuts, councils being required to sell off sporting assets which meant, in terms of Best Value, the financial element of it would always be up-front and center when it comes to deciding who gets the contract.

The findings emphasise the ambiguity of the Social Value Act (2012) and its current lack of influence over local councils. A proponent of the Social Value Act (2012) was the Big Society concept promoted by the coalition government as a way of increasing community ownership of public services. However, the comments made by LTO-A concur with the argument that the Big Society is a façade and has little impact and that it was ultimately a hollow solution for an era of austerity. For LTO-A, the austerity agenda, and therein the Big Society approach, from central government has had little impact in deprived communities. Board Member B alludes to this issue and argues that austerity has actually resulted in more private contractors being preferred in managing sport facilities than was the case before the austerity cuts.

It was us versus a number of private contractors on the sports events we work on and it was still just a commercial rationale behind the externalisation. The government might say they would like the Big Society to work and give us facilities to manage as a social enterprise. In reality, they are not going to stop commissioners going for the cheapest option when we're in a time of austerity. For them, every penny counts and they feel like going with the private sector provider is less risky than a social enterprise. Logically, it's counter-productive but the trend is there to see. They want sport completely off their books and it seems they think giving it to a social enterprise will always come with strings attached.

When discussing their acquisition of sporting facilities for big sporting events, LTO-A point out that the local council, although aware of the Big Society concept and its aims are barely swayed by the concept, mainly due to austerity imposed on them. However, LTO-A were still able to acquire management of a number of new sports facilities due to the local council and National Governing Bodies recognising the impact social enterprises can have on the local community and their plans for the regeneration of the region. The Managing Director highlights this;

Interestingly, the commissioner on the sport facilities did have a high social value scoring for the tender process which was a surprise. This isn't always the case, but we put a lot of work in to the proposal and they seemed to acknowledge this and recognise the potential value we could create. This is the exception rather than the norm.

To this end, the findings suggest that the Big Society combined with austerity has promoted ignorance towards LTO-A. However, the contracts for sport and leisure facilities is an exception to this trend. Respondents affirm council commissioners use the excuse of 'Best Value' to encourage private sector provision. This has arguably resulted from a shrinking of the state but without the simultaneous development of the third sector. However, the findings suggest LTO-A has tried to take advantage of an era of austerity by focusing on their bid proposals and the social impact they can create. This gives LTO-A the best possible chance to be take advantage of the perceived significance the Social Value Act (2012) places on added value. This raises questions around how they can maintain focus on their social mission and

therein avoid mission drift.

4.3.4. Financial support is pivotal in avoiding mission drift

One challenge facing LTO-A is access to funding and grants, of which are pertinent to the concerns raised by a number of the respondents. They argue social enterprises fall into difficulty when financial support is absent. However, they point out their legal structure enables them to pursue external sources of funding, some being from the private sector but more recently through the initiation of social bond investments. Added to this, their host council currently give LTO-A an optional annual grant which supports a number contracts they hold. This is designed to enable the cost of leisure facilities in the regional area to be kept at a level accessible by lower-income members of the community. The BenCom model, according to the Managing Director enables LTO-A to access a range of financial support;

Since the beginning of LTO-A, the purpose was all about keeping the sport services running and saving them from the forecasted spending cuts. Over the years, we and councils are beginning to learn that the BenCom model is a beneficial way of gaining investment which will result in sustainable sport and leisure provision through a wide range of funding avenues and processes only a leisure trust can pursue. It is not as limiting as a CLG and gives us a lot of flexibility in our financial planning.

The Finance Manager explains why they have initiated social bond investments in order to raise capital to invest in their services;

We're happy the social bonds have been embraced. This capital will enable us to produce value where it's needed. It's a win-win for all. We've raised significant amounts of capital to improve our managed facilities and the people who take up the bonds become an active participant in the success we will have as an organisation moving forward. It's an innovative way of us competing with our private sector counterparts whilst remaining completely attached to our socially driven mission.

These social bonds offer members, including members of the public, an opportunity to help contribute to their social mission, as well as achieving a financial return on

their investment. This auxiliary mechanism for funding addresses the concern in that the issue with funding lies at the root of mission drift anxieties and can be seen as destabilising the intrinsic nature and character of LTO-A. The issuing of social bonds is one of various forms of crowdfunding: member shares, community shares or crowd (investment) funding. LTO-A claims that the social bonds help to further develop their sport and social legacy strategy. Board Member G summarises the importance of the issuing of social bonds for the organisation and for other Leisure Trusts and social enterprises registered as a BenCom;

The social bond issuing is becoming a crucial component of the funding of social enterprises. We're ready to support a social investment market and our success shows this type of finance can help the growth of social enterprise in sport and other areas of provision. This was one of the main reasons we're a BenCom. It provides us with the ability to utilise different sources of funding streams rather than being overly reliant on councils for support in the form of grants. In today's environment of austerity cuts, the last thing councils want to be doing is giving grants to social enterprise to help them run a service the council can do themselves. A charitable social enterprise, like a CLG doesn't have what we have in terms of financing our service.

Another income route LTO-A have engaged with is Single Regeneration Budget bids, which was introduced to combat and address worn-out public services. The main benefit of this income was that it was completely separate to council income. Therefore, there was no loss in funding from the council due to this second income stream. This enables LTO-A to meet the needs of the sport services proposed by the council whilst not being a strain on the council by matching their funding with external funding. Company documentation highlights that they have acquired something approaching £1.8m in external funding, of which a significant amount is from the Single Regeneration Budget. Funding from the National Lottery Sports Fund has also contributed to their income. The need and enhanced requirements in the future for external funding investment is clear.

The investment through the social bond enables LTO-A to provide facilities that are available to both elite sport performers and also people within the local communities

and resident groups. Thus, this helps address DCMS sport policies of improving elite performance and getting more people participating in sport. The social bonds appear to also contribute to the ongoing development, refurbishment and expansion of LTO-A's asset base. However, this overt focus on the generation of income implies that LTO-A are giving priority to their commercial activities. This results from LTO-A being dependent on income generation in order to sustain their operations.

4.4. Governance

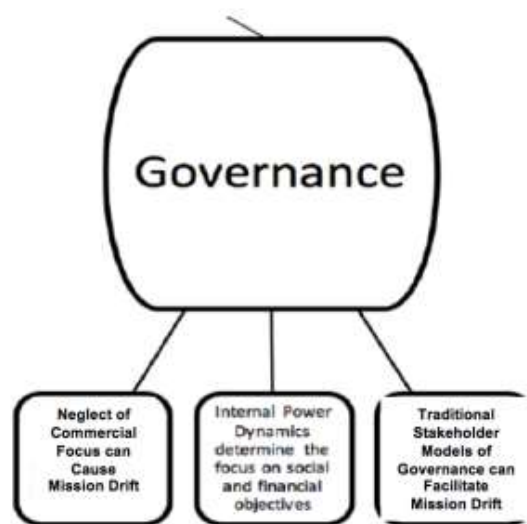


Figure 4.4. Thematic Network Map for Governance

4.4.1. Neglect of Commercial Focus can cause Mission Drift

LTO-A's social mission is crucial because it enables them to build a certain identity and communicate it to the stakeholders they serve. LTO-A's mission encompasses tackling issues such as increasing participation in sport and improving the provision of sport by means of developing the sport and leisure facilities they manage and deliver. Like many other social enterprises, LTO-A face challenges in trying to manage the tensions associated with satisfying social and financial value. LTO-A demonstrate a strong desire to achieve financial objectives. The respondents suggest attainment of financial stability is important for LTO-A in generating surplus to re-invest in the organisation and its sport development plans. Arguably, this

commercial orientation takes precedence over the social objectives and implies LTO-A has a strong ambition to be a sustainable organisation. The Managing Director clarifies this focus but explains it is for the greater good of the social mission;

This commercial orientation and revenue generation is facilitated by our unremitting expansion strategy of procuring the management of more and more sport and leisure facilities nationwide. Social objective achievement is seen as a by-product of successful commercial operations. My outlook is clear, too many social enterprises are doing things back-to-front and are suffering as a consequence. There are no magic money trees knocking about. If you want to achieve social change in communities, you have got to resource it. We're not reliant on financial support and we stand on our own two feet – turn over the revenue to fund the sport programme and facility improvement. Some purists on social enterprise may turn their eye at that but we're in a time of austerity and we need to be pragmatic about how we operate. But to be clear, we will never lose focus of our overall mission. Financial stability and achieving social change go hand-in-hand for us.

In a similar vein, Board Member A explains how other Leisure Trusts overlook this crucial point and become naïve about how they can enact some social value in their community;

It (commercial focus) allows us to possess a strong financial foundation from which to build and produce social value from. A number of social enterprises struggle to pursue or even consider this approach. Don't get me wrong, the intent of these social enterprises are always positive but there are too many examples of a lack of being business savvy and a lack of professionalism. We want professionals working in the different functions of the organisation. Having a strong foundation in place from a revenue perspective enables us to attract talent to come and work for us. It's a lesson some other social enterprises, especially those in sport, could take some lessons from.

Similarly, the Marketing Manager explains the importance of attracting professionals to work at LTO-A and therein the third sector;

We need to employ people at the top of their game in marketing, in health and fitness

and personnel etc. They don't come naturally fitted out or equipped as social entrepreneurs. So you then have to educate them in social and so they are quite resistant of it. If we can get more experts working for us, then hopefully it will not just benefit us but the third sector as a whole. This development of professionalisation is crucial if we are to be seen as a prudent and trusted provider of sport services across the country.

However, LTO-A face some difficulties when it comes to ensuring people who take up a management level position within the organisation is aware and engaged with their values. This difficulty possibly arises from a number of professionals being recruited from the private sector whereby values and motives can be averse to that of the third sector. Board Member B highlights this;

We try to retrofit the mission to people but it doesn't always work because psychologically people are brought up differently and they see the world in a certain way, particularly if they have been working in the private sector previously which have set values. We don't expect them to grasp our values right away but there is an expectation that, in time, everything they do is in line with our social mission.

Likewise, this pragmatic approach to recruitment is highlighted by the Managing Director succinctly;

People aren't born as social entrepreneurs. You don't need to be a social entrepreneur. But what you do need to do is to apply yourself to the mission and vision - our values of the organisation.

From their viewpoint, the skillset of senior management and board members for LTO-A is not overlooked in their pursuit of social objectives. They also concur that it is possible to fall into the trap of being overly focused on financial objectives to the detriment of achieving the social objectives if there are not a range of skilled employees. Since we have established that LTO-A focus predominantly on financial objectives it is important to ascertain how they manage to remain balanced in their approach. Possessing a highly skilled workforce whilst maintaining their social ethos is one motivation which LTO-A feel is crucial in avoiding mission drift. However, LTO-A seem to be in a cyclical battle in that it is difficult to convey LTO-A's message

and develop a socially driven employee. The Marketing Manager explains this challenge they consistently face;

You try telling a brands person what a social enterprise is, they don't understand it. But we need to get the brand on the high street because otherwise we can't make the business work. There's no perfection in that. We know we are not going to recruit pure social entrepreneurs. We would rather recruit the right expertise and mold them into a socially conscious individual if they're not already one. Professionalising our management gives us the best chance of maximizing our revenue streams in order to reinvest as much as we can. I don't know what others focus on, there are a lot of poor trusts that have no sales skills, and they have no financial skills, no marketing skills. We have them.

The findings indicate there is a significant burden placed upon LTO-A to not just secure expertise in certain areas but also to yield social value from their operations. As LTO-A pursue a strategy of sustained expansion they find it difficult to ensure all employees of merging Trusts and/or leisure providers' employees possess the social conscience core LTO-A services have. The concern is that organisational growth can dilute their social focus of. A number of respondents convey that developing this social mission within new employees is challenging as it does not come naturally to everybody. This problem suggests that when the size of LTO-A increases, the social value it can create decreases in a linear fashion. In this sense, arguably, LTO-A has fell into the trap of legitimising their commercial activities on the grounds of financially supporting a social mission. Consequently, the potential for mission drift increases as the organisation grows. This ultimately threatens their very *raison d'être*. If LTO-A lose sight of their social mission, they will fail to achieve their goals of delivering social value to their beneficiaries. The potential consequences of not adopting this approach is outlined by Board Members D and B respectively;

We have an extensive amount of staff whose jobs will be in jeopardy if we couldn't run the business properly. So there's a social responsibility there alone about the employees which shouldn't be underestimated. We're doing things the right way and always in the interest of our stakeholders whom if without we would struggle to keep going.

You are always looking over your shoulder to make sure you trade successfully, because if you don't then you've got no business and then you have failed.

LTO-A argue that social enterprises should be more commercially driven and endeavour to become financially stable. Satisfying levels of social value is a tension associated with BenComs and LTO-A are addressing this concern by pursuing a commercial approach in order to resource social value creation. Nevertheless, LTO-A are aware they are at risk of losing sight of their social mission in their efforts to generate revenue. LTO-A acknowledge that the commercial and social dimension within the organisation creates a source of tension indefinitely. Despite a surplus producing orientation there is also an understanding that they need to achieve social objectives. A debate on this was observed in a board meeting by the researcher, notes taken are presented below;

Board Member F makes a point of asking all board members to reflect on the organisation's core focus. They suggest a number of the preceding discussions in the meeting have purely been focused on reviewing their trading income and identifying opportunities to increase it. Board Member B agrees and acknowledges that they need to be speaking about trading income concurrently with how that will benefit their social objectives. Board Member D points out that doing well from a revenue perspective is only all well and good if they know exactly what they are going to re-invest it back into.

The responses indicate LTO-A is attempting to balance its financial objectives with their social mission. They believe surplus must be generated but a balance must be struck. LTO-A aim to balance the duality of mission by focusing on their organisational values. This emphasis on values possibly helps LTO-A balance the potential tension between financial and social goals. They admit it is an extremely diverse environment they operate in and how a social enterprise may pursue their social objectives will vary significantly. Responses imply that LTO-A strategically deploy different combinations of resources to achieve social objectives and commercial revenue in order to engage in markets while avoiding erosion of their social identity and achieve their social mission. LTO-A's orientation of pursuing surplus generation implies that they see the social value they create resourced by

the revenue streams they have in place. From their perspective, LTO-A's pro-market approach helps to clarify their strategic focus on their social mission. Board Member D admits that public perception, whilst being important, is not their primary concern when it comes to their focus on building a solid financial foundation;

When people say oh you're not a social enterprise, we say well we don't care what you say. We are ticking all the boxes we need to tick in terms of creating social impact. We're providing a blueprint for other social enterprises to follow when it comes to creating that impact. We'll do whatever is necessary in order to sustain the organisation and maximise the social value we can create. If people have a negative view of that, then so be it.

The Managing Director added to this and stated summarised their approach fairly bluntly;

This commercial orientation and revenue generation is facilitation by our unremitting expansion strategy of procuring the management of more and more sport and leisure facilities nationwide. Social objective achievement is seen as a by-product of successful commercial operations

However, these comments are contrary to the concerns respondents had surrounding their wish to communicate their social identity to consumers more effectively. LTO-A believe that they have to be realistic in their approach and not set themselves up to be predominantly focused on social value because they need to have financial resources in place in order to fund their sport development programmes and improve facilities. This is a pragmatic approach and has been evidenced by their growth in recent years. However, as the findings suggest, their focus on commercial goals to resource social goals is heavily dependent on the background of their senior management team's expertise. This commercial approach to avoiding mission drift can potentially fail to recognise environmental challenges that could harm the overall social purpose of an organisation. The responses suggest LTO-A combat this problem through the use of relevant expertise. The findings also suggest that management and board members are arguably becoming more professional and more conscious of their duties. However, this can carry the

risk that boards and managers who focus on commercial goals may not pay adequate attention to the organisation's social mission and purpose. This will now be discussed in greater depth.

4.4.2. Traditional Stakeholder Models of Governance can facilitate Mission Drift

There is a consensus amongst respondents that the board is critical in shaping and achieving LTO-A's social mission. Boards of social enterprises are normally associated with voluntary members, but this is not entirely the case for LTO-A. Analysis of the LTO-A board leaves us with an interesting insight to contrasting approaches within types of social enterprise. It is clear LTO-A value recruiting board members with appropriate skills, experiences and expertise. Additionally, the findings show and contradict the argument that there is no correlation between improved organisational performance and board expertise. Instead, the findings indicate there is a positive correlation between both. The evidence suggests that more extensive expertise strengthens the board of LTO-A's ability to be more informed to make difficult business decisions. Board Member E provides an insight to the purpose and key characteristics of LTO-A's board;

Because of the experts we have in the decision making process the stakeholders we are trying to please, such as the actual user-group, can trust us to make the right decisions. We have a professional board that, without exception, always act in the best interests of our stakeholders. The social ethos of the organisation is always at the forefront of our thinking, especially when we are discussing future scenario planning and updating our strategic plan with the Managing Director.

LTO-A believe that having a variety of areas of expertise within the board is crucial. The same goes for having a mix of commercial skills within the senior management team. Having this blend of skills and backgrounds amongst the board members encourages a healthy environment of debates and people looking at things differently. This was evident from observed board meetings. It allows the board to be sufficiently at liberty and able to deliver increased productivity. They deem that all decisions made are underpinned by a social mission everyone is bound to. The need to maximise social value alongside having an adequately skilled board is crucial for

LTO-A, as pointed out by Board Member G;

Having particular expertise on the board encourages healthy and informed discussions about the direction of the organisation. We looked at the different functions of what we do and what areas we were lacking expertise in. We were lacking any real expertise in relation to effectively marketing the organisation. So we pro-actively went out and aimed to recruit an expert in marketing to sit on the board.

LTO-A believe the traditional models of non-profit governance for Leisure Trusts is redundant in today's environment. It is question of what fits best for a BenCom to achieve their aims according to LTO-A. They have a robust composition of their board. Their rationale behind this is that with some members of senior management being on the board there is enhanced cohesion between the board members and senior management. LTO-A deem that there is no best fit for all Leisure Trusts. For them, it depends purely on the political and economic environment they are operating in. This is one reason why LTO-A have endeavored to become independent to its host council in order to lessen their influence over agenda driven decision-making. Firstly, Board Member B makes reference to the impact of the political environment and its influence over LTO-A's governance model;

Local politics plays a massive part in the way we govern. If it was set up by the council, they will want more representatives on the board. Whereas, our view is that we want professionals on the board that will act in the best interest of everyone. Generally, if it is a Labour controlled council we have more confidence in allocating resources to a potential awarding of a contract. We are always more reserved in conservative held territories.

The Managing Director pays reference to how the composition of the board enables him and his team to get on with the day-to-day operations of the organisation;

We've got an effective board; they allow us to get on with the job. Myself and the team just get on with it because we are trusted. I have confidence in the board because I sit on it. I would feel uncomfortable with a board which is all made up of people who don't actively work in the business. It's very pragmatic and task orientated. I come to them with problems or issues and we come up with solutions as

a board using all the experts on it. I then implement them. We don't generally feel as if we need to govern a specific way, we just get things done.

This insinuates that LTO-A take a general pragmatic approach to their governance. They believe it is an approach which is required in order to integrate and cater for fluid political and economic developments. This approach together with increasing the prominence of senior management on the board moves LTO-A away from democratic system of governance. This move away from the stakeholder view of social enterprise governance means there will be a limited representation of stakeholder groups on the board. The significance of this shift away is that LTO-A can avoid 'delegate syndrome' whereby board members become power hungry and concentrate on addressing their own interests rather than those of the social enterprise. Although, it naturally reduces the involvement of stakeholder groups they provide their service for. The board ostensibly empower the Managing Director to make decisions for the common interests of the BenCom. This is consistent with the stewardship theory approach to governance. This is because of increased stakeholder expectations caused by their large asset base. It seems, from the comments, the Managing Director's role is integral to the future of LTO-A. He is mandated, along with the senior management team to make operational decisions by calling upon their expertise. This means the board act as a sounding board for key decisions. Board Member C asserts this approach is facilitated by their flexible governance model;

It's all about can we do to me and why not? People love to find rules, regulations and things like that. But why bother? We want to be community based, we act like the private sector when we need to and we act like the public sector when we need to. That's our governance model. We want to empower the Managing Director because their skill-set demands it.

The Managing Director emphasises this viewpoint and confirms that it enables him to act in the best interests of their stakeholder base rather than just that of the board;

There are lots of people who say oh 'you need this governance model etc. I'd say you just say that because you read it in a book, it's got nothing to do with the real

world. Giving me and the (management) team the authority to lead is crucial in today's austerity. We can go to the board with issues we're currently facing or predictions about what might happen further down the line. We sometimes meet every other week or monthly with little or no absenteeism. Everyone is completely invested in the journey and they confidence in me to guide us down the right path.

The findings tell us LTO-A has shifted towards a stewardship model of governance. This is where the Managing Director is empowered with decision-making rather than being controlled by the board. The board transfer control to the Managing Director and believe having stringent control measures would be counterproductive. This motivates the Managing Director (steward) to attain the objectives of the organisation. This separation of roles between the board and Managing Director has helped avoid a 'minimalist board' whereby decisions are dominated by strong founder board members, and where there is little dissent or healthy discussions. The evidence shows that discussions and debate between the board and senior management takes place on a constant basis. The findings also show how the nature of board roles can influence the LTO-A's capacity to attract resources from to help achieve its social mission. This is facilitated by the BenCom legal structure which enables external funding sources. This comes in the form of members buying social bonds in LTO-A, which is innovative and developing within a BenCom. The view that LTO-A adopt a stewardship model is reinforced by LTO-A's focus on commercial goals. This is similar to private enterprises but they see social value is a by-product of this approach, which helps them avoid drifting away from the central social mission.

4.4.3. Internal Power Dynamics Determine the Focus on Social and Financial Objectives

Observations in board meetings gave an impression that LTO-A's governance processes promote trust and transparency between the board and the Managing Director. These practices enable clear accountability and organisational stability which, as a separate point, is crucial if the social enterprise sector is to continue to provide value to the economy. This is a key feature of BenComs in that the cooperative model is founded on solidarity, honesty and openness. With the unique composition of the board and their roles alongside senior management, the issue of

trust and transparency between both parties plays a significant part in the power dynamics within LTO-A. Power dynamics is a key driver of the attainment of social and commercial goals within LTO-A. They consider the most crucial way to shape and form effective governance teams and help achieve their social objectives is to develop trust.

Respondents continuously emphasised that once trust runs through LTO-A's senior management and the board it helps facilitate an open and honest environment of discussion around decision-making or organisational issues. Through developing trust and transparency with one another the board and Managing Director make tough decisions without being worried about conflicts arising. They recognise that these conversations are occurring in a constructive manner and that there is no hidden agenda and that any decisions made should not be taken personally. This is facilitated by the BenCom structure in which the members of LTO-A are beneficiaries of the organisation. Board Member D outlines how this trust is developed;

We get members of the senior management team to present reports to the board on a regular basis. As a result, a rapport is built not just with the Managing Director but all the senior management team. This helps develop that trust. If we're all on the same page, then there's less chance of there being negative conflict between everyone. I'm not saying we should avoid conflict, because some conflict helps us make effective decisions. We're copied into daily email trails on important developments from the management team to make sure we're aware of what is going. This gives us a lot of context which feeds into our discussions during board meetings.

Building upon this, Board Member C supports this view but also pinpoints the clarity in regards to the role of the board when compared to the Managing Director;

We accept that we are volunteers and therefore they should do all the legwork considering they're paid staff; we should be a sounding board for them. We offer our informed views but we don't try to trample over the decisions made by the Managing Director. The Managing Director is in control of the direction but we like to think our input is clearly valued and built into operational decisions made on a daily basis.

The Managing Director explains this relationship and the reasoning behind it;

Even if I had a board of the great and the good I'd make sure I hold the power because I wouldn't be able to work with a board who tried to run the business, because that's not their job. They are there to ratify decisions and offer their advice when needed. Allowing me to control operational decisions provides clear lines of accountability. I am responsible for the success of the business. This motivates me to perform better and ensure our social objectives are met.

As seen above, the Managing Director of LTO-A upholds and fosters trust with the board continuously persuading them of the benefits of empowering management to control the strategic direction of the Trust without much interference. This level of influence gives the Managing Director access to an authentic source of power. The power of the Managing Director in LTO-A gives credence to the view that boards do not actively monitor and control the CEO. In LTO-A, this is due to the trust built up over time between the board and Managing Director. This has also helped avoid the concerns whereby the boundaries of power in decision making are often unnecessarily blurred. However, although the evidence does not suggest the Managing Director pursues his own objectives, LTO-A have not yet encountered an organisational crisis. This situation can possibly cause a loss of trust between the board and Managing Director, and a shift in power dynamics. Due to LTO-A's co-operative approach to governance this will be an important consideration moving forward, considering the extremely volatile political and economic environment in sport which is compounded by the austerity measures put in place by central government.

Although management understand that the board will have the final say over important strategic planning, all the operational decision-making is done by management. The board acknowledge that they are there more often than not to ratify decisions within LTO-A. They believe mutual trust is built through constant communication via different methods. The findings indicate that the members are taking a step back from actively participating in strategic decision-making. This is surprising given it is the members who are the beneficiaries of the organisation. LTO-A's reason for developing trust and transparency is for the simple motive of

avoiding conflict. The Deputy Managing Director provided an example to illustrate this approach;

If people are not happy on either side, then we will just park it until both parties are happy with it. There are numerous disagreements between us about operational stuff. We want my decisions to be questioned and critiqued. Although, it must be said there have been a few instances when this hasn't been the case. For example, with the budgets, it ended up with me going to the board with one piece of paper with the detail on it and they are happy to agree because they know the way we operate. We've always delivered on budget. They have always been realistic which is helped by the explanations we provide them with.

This internal coalition conceivably positively influences the avoidance of mission drift occurring. The internal balance of power in regard to decision-making is promoting a commercial orientation and the LTO-A, this helps avoid mission drift as the outcomes is always focused on their social mission. The robust process of information sharing and discussions is constructed in a way which aims to persuade the board on the future direction of LTO-A. To develop more trust, the management team point out that they will not implement any strategic decision or take up any proposal unless the board have agreed with it. However, it appears that the board's mind-set is to make it easy for the management team and allow them to manage. This illustrates the unique paradox in the BenCom type in that the senior management hold control of the organisation's activities, but accountability still lies with the board members. In that sense, although there is trust, one would assume there would be more active board involvement in decision-making. The evidence tells us that with this hands-off approach from the board can cause problems moving forward. Some responses indicate that the board do not scrutinise the commercial activities of LTO-A, thus, heighten the risk of losing sight of their social mission and ultimately encounter mission drift.

For LTO-A, power lies with the Managing Director in terms of decision-making on daily organisational activities and to a certain extent overall strategy is explicitly acknowledged by the board and the Managing Director himself. This is a crucial requirement for him as he believes that due to the voluntary nature of the board they

should only play a minor role in operation of the organisation The Managing Director goes further in suggesting that in terms of accountability and ownership of the organisation, they should hold all the control;

If you think about it, the board members are there on a voluntary basis. They may have official responsibility for the organisation but in reality it's my head on the chopping block. I, and the management team, need to be in charge because we're there on a day-to-day basis and it's our jobs that are on the line if things go wrong. The board members may have vested interests in the organisation but, for me, the amount of impact they can create in terms of decision-making is limited. We have experienced professionals working in management roles who I fully trust to do things right and in the interest of our stakeholders.

However, this raises questions in regard to governance principles such as democracy, solidarity and member participation associated with the co-operative model. The Managing Director's early tenure was focused around fostering trust and respect with the board. By persuading the board of his skillset they were more willing to relinquish control and bestow power upon the Managing Director. The Asset Manager recalls how this relationship was fostered;

He did it the right way by hitting the ground running and so it was about achieving some quick wins. In the first few months he achieved some quick wins and got the board members on side. Once he had them hooked, he maintained and improved performance standards and results on a consistent basis. The views and knowledge of the board are always taken into consideration when making operational decisions but more often than not the Managing Director is in total control of those decisions.

In times of operational challenges, the Managing Director takes control of the strategic side *in lieu* of the board. For example, with spending cuts resulting from austerity measures, a number of their facilities was predicted to fail according to the Managing Director. This evidences the approach LTO-A take in its power dynamics. Having the Managing Director sit on the board but hold power facilitates decision-making clarity due to the key inside information available to the Managing Director. We can assert that LTO-A have a CEO-dominated board. It is apparent the board have accepted the Managing Director as the dominant leader of the

organisation. However, arguably, this can restrict the input of the members of the organisation in that total control of surplus allocation can be in his hands.

Chapter Five

5. LTO-B Findings Chapter

5.1. Introduction

This findings chapter examines LTO-B which has a Company Limited by Guarantee with Charitable Status (CLG-CS). The themes derived from the data collected on LTO-B are the same as those of LTO-A (see figure 4.1. & 5.1.). However, the reasons and evidence for the establishment of these themes are different. The proceeding presentation of data and subsequent analysis highlights these reasons and provides a basis to address the research questions.

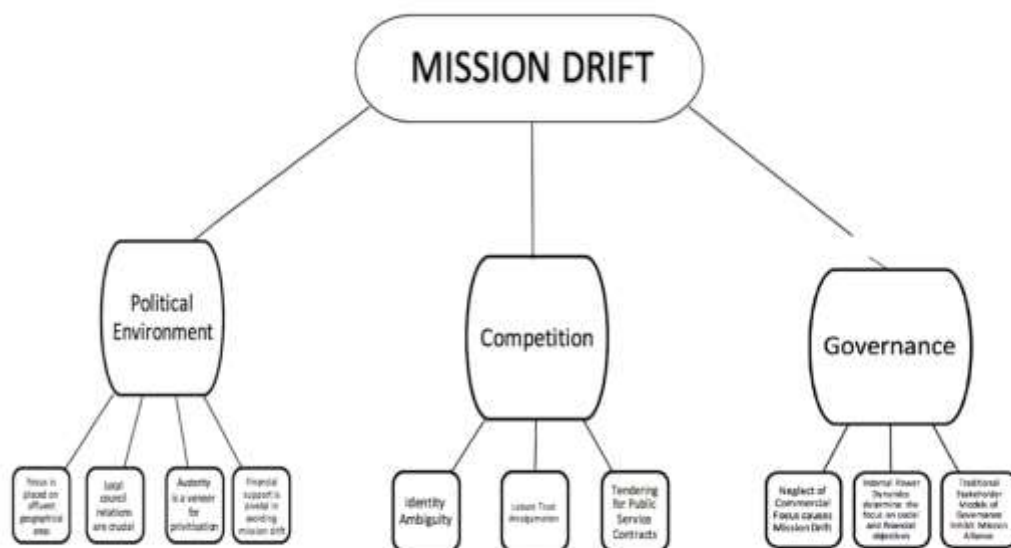


Figure 5.1. Thematic Network Map for LTO-B

LTO-B's mission is *"Enhancing the Community through the provision of sport and leisure opportunities and getting more people more active more often"* (LTO-B, 2019:1).

5.2. Competition

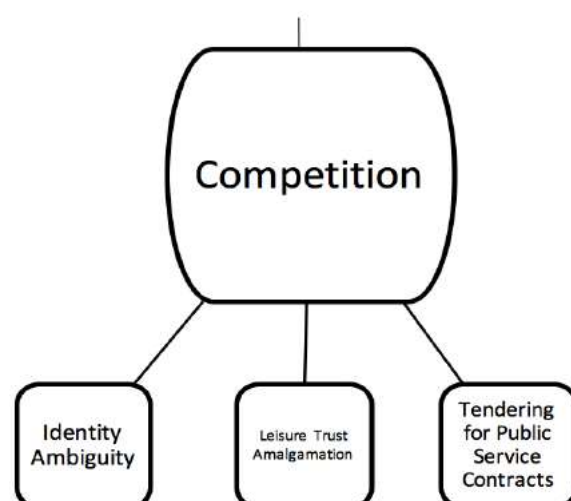


Figure 5.2. Thematic Network Map for Competition

5.2.1. Identity Ambiguity

LTO-B state that one of the prevalent governance challenges they are encountering is communicating who they are and what they do in relation to competition from organisations in the sport provision market. The findings suggest they have insufficiently communicated what they are to council commissioners and consumers. LTO-B stress that the council was not capable of fully adapting to a situation in which they would have to compete against the private sector and have to meet continuously upward-shifting public expectations. Many respondents argued that such marketplace competition should not be the role of local councils and that they need to understand what LTO-B is. From their perspective, there is confusion in the community and their local council of what LTO-B is and what it focuses on achieving. The Business Support Manager helps explain this;

We believe we get the message of who we are and what we do. We're here for the community, not profit. I'm not sure what else we can do to make council, and the

public, understand this. We always try and work with local community sport organisations across the region to make sure there is understanding of what benefits our Trust can bring to sport provision. I almost feel there's an unwillingness from the public to embrace our values and how we can help them. It's fairly clear that as long as the quality of sport provision is improving in the region then they don't really care who is providing it.

This is a fairly big assumption being made about the public and their perception of LTO-B. Board Trustee B provides a more measured and reasonable explanation of what lies at the root of the public not always understanding what they stand for;

We know who we are but Joe Blogg on the street hasn't got a clue! I don't think that's our fault. It's a general problem that society hasn't grasped what a social enterprise is and can do. I don't blame ourselves because I know we are doing everything within our power to get the message out there. It's a wider societal issue. You never see stories about the social enterprise model on the news channels or rarely see any column inches dedicated to them in newspapers. People in general need to shout louder about the business model because I know there are lots of good stories out there about how social enterprise is helping tackle social issues in a time of austerity. We're missing a big opportunity here.

From the observed board meetings, notes taken by the researcher below in one meeting indicates a sense of frustration on the part of the board and CEO regarding their engagement with the local community;

Trustee C is growing frustrated with the rest of the board regarding community understanding of their track record and impact they've created in the past. The Board Chairman is explaining that it's the responsibility of the senior management team to get the message out there. The CEO responds by pointing out that the board are always speaking with their stakeholders, so they need to do more work on explaining to the community what they actually stand for.

From LTO-B's perspective, this lack of understanding stems from the embedded ambiguity of what we consider to be social enterprise. They argue this problem is a consequence of policymakers constantly reshaping social enterprise in shifting social

and political environments. The Community Development Manager highlights this issue;

Local authorities are hopeless more often than not, it is full of red tape and they don't understand the sport market. They see the private sector as a quick fix. The council doesn't mind considering a social enterprise for a contract as long as it is on their terms. There is quite simply not enough guidance or directives given to local authorities from central government. It's all mixed messages at the moment. The government want to encourage social enterprise, well I think they do, but they also want councils to prove financial returns when they put a facility out for tendering. It's a complete confliction. I guess this confuses the council on what they should and whether they should engage social enterprises like us.

The problem of winning contracts is ostensible for LTO-B as some council commissioners understand what they are trying to achieve yet others do not. Also, the council's shift towards preferring private sector providers is hindering the lucidity of their identity amongst council commissioners. The Public Services (Social Value) Act (2012) would guard against the preference for private sector provision. However, the evidence suggests the Social Value Act (2012) is having limited impact within the region. The evidence from LTO-B indicate the Social Value Act (2012) has had little influence upon local councils, in particular, the council commissioners. The findings from LTO-B contradict the argument that this lack of marketing expertise and not an outcome of their own actions, but a result of the overall inability to conceptualise social enterprise in general. This is compounded by the preference of the local council to outsource their sport and leisure facilities to private sector contractors. The CEO of LTO-B notes this problem;

The private sector understands the consumer, they are quick to make decisions and make prudent investments. We aim to be the best of both, some commissioners fail to see this, but then again, others do. I know one Managing Director. When I was in the private sector I tendered against him. And they tendered like a typical private sector organisation then. We're not like that, we won't lose focus on our core stakeholders within the community. The problem then lies with the council and the commissioners of the contract. From my experience they don't always look in enough depth into the long-term benefits of our social enterprise model. It's always about

short-term fixes and getting the sport facilities off the books as quick as possible. I don't think there was any point in this Social Value Act, nothing has changed from before it was in effect. Maybe it will have some impact further down the link but I can't see it happening.

Notes taken in one of LTO-B's board meetings indicate a clear sense of frustration when it comes to their ability to compete with private contractors and other Leisure Trusts;

The CEO leads a discussion on private contractors entering the borough to bid for contracts on local leisure centres. A number of trustees seem surprised by this. The CEO is telling trustees that rival Leisure Trust is also entering the borough. The CEO says that this rival is the biggest Leisure Trust in the UK in terms of sport provision. There is clear anger displayed amongst all board trustees and a lot of criticism is laid at the foot of the rival Leisure Trust trying to monopolise sport provision. Trustee D verbally mocks this Leisure Trust and declares that they are a disgrace to the social enterprise movement.

LTO-B are becoming increasingly in competition with other Leisure Trusts as well as private sector contractors. This development has seen other regional Trusts, taking over management of the local aquatics centre for example. With the investment in sport, their competitor sees moving into the North-West as a growth opportunity. LTO-B do not see it this way. LTO-B seem to hold a certain amount of resentment towards other Leisure Trusts, particularly BenComs and their 'charitable social mission'. They argue the ambiguity of their identity is due to other Trusts operating like private sector organisations. Their concern is explained by Board Trustee E who describes another Leisure Trust working in sport provision;

Everything inside the ringroad is basically theirs. They have created the mafia as I would call it acting like a private contractor. I understand this might be due to market pressures but it dilutes our and their identity as a social enterprise and has a wider negative effect on people's understanding of social enterprise in general. Now that they have saturated the market down South they are entering our region and are bidding for contracts up here. We're struggling to compete with them but I have serious reservations as to what they actually are. It appears, on the face of it, that

they say they're socially driven when in reality there are anything but. They're a machine building a monopoly over the sport provision market.

Although not questioned directly about LTO-A, it is clear there is a certain level of frustration exerted from the respondents of LTO-B of how LTO-A operate and the confusion their business model causes in relation to our understanding of what social enterprise. Board Trustee C summarises LTO-B's view of LTO-A's BenCom model;

At the end of the day it's not necessarily every penny going back into the community. Some staff are shareholders and they blur the lines of what a social enterprise should be. That is not what a social enterprise is from our perspective.

The approach to conveying their identity to councilors and society creates further problems for the understanding of social enterprise. It also highlights the significance organisational types have in its development and government preference of using them in sport provision. The findings suggest that LTO-B, as a CLG-CS, has to keep up with market pressures and the competitive environment that they operate within.

5.2.2. Tendering for Public Service Contracts

LTO-B occasionally take advantage of commercial opportunities such as the outsourcing contracts of public sport service delivery, which originates in the government's outsourcing strategy of service delivery combined with spending cuts due to austerity. However, as a result of the current political environment LTO-B are currently in a hazardous financial position. This is mainly due to the local government spending review and their grant income going down to zero at once. The findings suggest the host Council place significant emphasis on financial savings when outsourcing sport and leisure facilities. LTO-B aim create both social and financial value, the latter in this instance appears to be subordinated by council policy to achieve the best price, regardless of Government policy and the Social Value Act. If the host Council does not appreciate the social value, then LTO-B argue 'why bother'. The Finance Director points towards this problem being one of the main reasons why they struggle in tendering processes;

They talk about it being about quality (of provision) over the last 30 years or this or that, but the reality is it has always been about bottom line. Our experience with the local Council consistently points towards financial returns on the contract rather than some of the intangible, sometimes tough to measure, social impact we can create. It gets to a point when we start to think to ourselves 'why should we engage in this process anymore?'. It's hard to compete with the bigger Trusts coming in the frame alongside the private contractors in which the latter concentrate completely on maximising profit from the contract. The council love it when they see those potential returns. The wider societal picture and potential impacts never come into play.

In one board meeting, the trustees did a brainstorming task to assess and determine what local councils will prioritise in the future when outsourcing their sport facilities.

Below are notes taken by the researcher in the meeting;

Trustee E leads a brainstorming activity on their approach to bidding in a tendering process for new facilities. The board has written up a list of criteria on what they think the local council will favour when putting a facility up for tender. Top of the list is 'monetising social value'. It's now broken out into open discussion on what tools are available to them to ensure they can communicate the tangible impact they create.

The Head of Marketing and Sales provides some reasoning as to why they struggle to secure further contracts on the provision of sport services. This respondent felt it was a snowball effect in that a number of different variables came together to result in a failure to secure more tenders;

Because of the spending cuts, the council see private sector providers as more reliable than Trusts at this present time. We've entered an era of austerity and from our point of view, these spending cuts are only going to get worse. Sport isn't as important as health, infrastructure, education and others so it has been and will be the first to suffer. You would think it would provide us with more opportunities but strangely the opposite has happened. Rather than going with the ethical and socially responsible social enterprise model they are preferring private sector contractors. I would argue that's a directive that has come down from central government rather than the council having autonomy over their decisions. The Best Value criteria set out has made a mockery of the whole tendering process.

The challenges LTO-B face in how to measure and prove social value compounds the issue. The challenge of measuring social value means LTO-B is not able to effectively measure and communicate their social value added, and this is central to social enterprises struggling to procure public services. LTO-B have constantly encountered this problem. This combined with the 'Best Value' criteria set out by commissioners of contracts causes problems for LTO-B. Board Trustee A and the Finance Director respectively provide an interesting insight to how the process works and how it affects LTO-B;

This Best Value process is being replicated around the country. Our council normally split the contract up in to what they want out of it and the bidders need to explain how they will meet the criteria set out. For instance, you may see 60% importance placed on 'financial savings' and 40% importance placed on the creation of social value. It's a load of rubbish most of the time. Financial savings is more likely to be in the region of 90% and social value is hardly considered at all.

We can provide value and focus on the quality of provision rather than the facilities just being delivered by the council who would constantly look for financial savings. The problem is they still do! I understand their motivations when the bottom line is so important for them at the moment. Yet they are still unwilling to fully embrace our social enterprise model to see if it will actually benefit them and the community in the long-term. They trust the private sector more than they trust us.

One tool LTO-B considered as a method of increasing their chances of communication the social value they can create to the local council is a Social Return On Investment (SROI) report. This tool was explored in a board meeting. The researcher's note on this are presented below;

The SROI reporting mechanism is discussed amongst the board. Trustee B does not support the use of this tool because of the potential cost and confusing language within it. Other trustees seem to agree. The CEO is adamant the SROI is the only viable tool available to the Trust to enable them to compete in a tendering process if they decide to enter one.

Building on this, LTO-B lament the council's unwillingness to address the social

needs of the borough's most deprived areas. When a sport facility is put up for tender, the council commissioner communicates to the bidders what the council's objectives are in terms of 'Best Value' for the facility. In many cases, financial savings surpasses any social value creation in the intended outcome. This inclination tends to favour private sector providers as they will primarily focus on the financials rather than production of social value which is surprising. The private sector organisations, also known as Leisure Management Contractors (LMCs), identify the affluent regions of the borough as areas they can maximise profits. From LTO-B's perspective, the local council tends to focus on real money returns rather than the intangible social value proposed in the bidding process. This infers their preference for private sector contractors as the Finance Director makes a bold reference to.

As LTO-B see themselves as a traditional charitable social enterprise with income trading activities they prefer to consolidate their assets rather than expand. This creates a problem in the procurement process because of the lack of a track record of bidding and winning contracts if council commissioners place little emphasis on the importance of social value. This lack of a track record reduces the competitiveness of LTO-B, of which is integral criteria for awarding contracts. However, as the CEO points out, this is based purely on rational thinking;

Because we've got run down old facilities that haven't been invested in properly then that is a major risk. We've got to find a lot of money to get through that but because of the government spending cuts. We have got to get through it. So we can't bid for contracts we realistically can't afford. We won't spend beyond our means and risk jeopardising our future. We don't want to be like other Trusts who have gone at it in an overzealous manner by bidding for anything and ultimately failing as a consequence. We've got to think about the community we serve. If that means just focusing on a few facilities and improving them as much as possible then so be it. As long as we're achieving our aim of getting more people more active then I'm happy.

This emphasis on financial return, for LTO-B, is one of the main reasons the provision of sport, and thus sport participation, is not developing at the rate it should be. The evidence indicates there is a move towards a market-based model for reforming public services by concentrating power in the hands of private sector

providers within the borough. The Head of Development explains this issue;

The tory council want to social enterprises to behave like businesses and not voluntary organisations. So in that sense we're constantly swimming against the tide in the tendering process. If we go up against a reputable private contractor with a solid track-record then we're fighting a losing battle from the off.

It insinuates the loss of public provision is being replaced by a growing private sector and a modernisation commitment of the conservative vision of the market (private sector) being a more efficient provider of public services. However, this shift may be based on the narrative of Labour causing the economic crisis and a need to resolve Britain's economic problems.

5.2.3. Leisure Trust Amalgamation

LTO-B regard central government's support of social enterprise as ever-increasing. They make reference to the fact that their future stability is particularly affected by the Charity Commission's outlook of the social enterprise sector. LTO-B argue The Charity Commission are encouraging social enterprises generally to amalgamate, particularly where overheads are high and they could be shared. Whilst other Leisure Trusts currently engage in this merging approach, LTO-B are yet to embrace this approach. Their willingness to engage with this tactic was mostly positive. They consider this approach becoming more and more popular in the future for Leisure Trusts in the North-West. The CEO clarifies their position on amalgamation;

I think that will happen in the North. If you go over towards other parts of the region they have done some work together. One place does all the payroll, accounts and so on so that's sharing resources. For example, you've got one area and Trust which is very small and others in the same areas which are small. These could easily all be amalgamated. We are fairly open to the idea of it but there are a number of issues that need to be sorted before we would proceed with something like that. Most Trusts don't have the required resources to achieve growth so pooling resources with another Trust does make sense. The problem is that in the future, if this approach is adopted you'll see a couple of massive Trusts taking over everything. There will be a reduction of facilities, there will be a rationalization of Leisure Trusts and there will be

a Super Trusts model of sport and leisure delivery.

Board Trustee E provides some of the reasons as to why Leisure Trusts working together may become problematic;

Basically, it's ripe to happen but the problem is the politics. You have different policies in different areas so how on earth do you balance those out? You have completely opposing political ideologies in neighbouring boroughs. You have tory councils who want to privatisise sport and left-wing Labour councils who would want to keep everything in-house. Leisure Trusts in each area would have to prioritise different things such as financial returns so how do you balance out those issues?

The Board Chairman offers a note of caution of this growing trend;

A number of years ago one Trust tried to amalgamate with another in the area and it nearly ended in financial disaster and closure of both Trusts. The council decided they didn't want to go that way because of different outlooks on what both partners wanted out of the merger. The problem was that contracts were already signed and one of the partners had already restructured their organisation to cater for the merger. It was a complete mess and the councils had to step in to help out. A lot of people lost their jobs after that. The point is you can't jump into a merger without thoroughly thinking things through.

There are number of variables involved with potential mergers between LTO-B and other Leisure Trusts. Along with clarifying key social and financial objectives, some other considerations from LTO-B's perspective concern the issues of where does accountability lie if the partnership fails? Further, who holds power over decision-making? These are deliberations which LTO-B feel are imperative for any future potential amalgamation of Leisure Trusts in the North-West to work. This was one of the agenda items of an observed board meeting. LTO-B have confidence an amalgamation can work if there is clarity in the negotiation process. Another layer of complexity is added when you consider what a Leisure Trust is trying to achieve. One Leisure Trust may focus predominantly on the financial goals and assume social and environmental impact will be a side product of financial stability. While another Leisure Trust may well place all their efforts on solely pursuing social

objectives. This is then compounded by the variations of different organisational types of social enterprise and their different associated tensions. These tensions were visible in a board meeting observed by the researcher, as noted below;

Near end of the meeting, in 'any other business', Trustee D raises a point about the potential for future mergers with other Leisure Trusts in different boroughs. Trustee D notes some of the benefits, mainly focusing on the potential of pooling of resources. There is a clear reluctance by the Board Chairman to engage in the discussion and wants to move things on. The CEO seems supportive but Trustee A jumps in to explain that any merger would damage their core focus on their own community.

When looking at the North West, particularly Greater Manchester, LTO-B are critical of the way local and central government have handled the development of sport services. Recently, a Leisure Trust, the Manchester Sport and Leisure Trust has been developed. According to LTO-B, the Manchester Sport and Leisure Trust was only set up as a charity to get the tax savings and then they would contract all the sport facilities out to the private sector (sham trust). So that was Manchester City Council saving tax. Whereas now they manage nearly half the facilities themselves. This criticism is valid in its merit of Manchester City Council of using the Leisure Trust model as simply a mechanism to produce tax savings. However, it begs the question why LTO-B have not considered managing facilities in the Greater Manchester area. The CEO and Finance Director provide some background to this development with the region respectively;

I look at Manchester (Sport Trust) and see all the money they have and all the facilities they have got and you think why aren't they achieving a lot more. Why aren't they doing a lot more with their sport development, why aren't they doing far more with their facilities?

If you look at a leisure centre ran by that sport trust (Manchester) you have got the gym space and you have a cafe space and then the rest is what you call the operational space - huge sports hall, huge swimming pool and squash courts etc. That's the majority of the space. The gym is a small place. The cafe is an even smaller space. So actually what they do is put the non-profit organisation running the facility and then their private company runs the gym and cafe. And any profits they

get go the private company. And any losses that they make go the other way.

Board Trustee B proposes that it makes sense for as they call them 'sham trusts' to continue to operate the way they are currently are due to the tax savings they are making. It is completely unethical according to Board Trustee B but it pointed out it is a common practice amongst contractors of sport services;

People say oh you don't pay VAT. We paid a lot of VAT last year so we do pay a lot of VAT and we can't claim everything back so actually it isn't as good as people think it is. These Sham Trusts are paying even less because of these pseudo non-profits entities they set up within a private operation. It's a joke but no one is doing anything about it. Why would we, or for that fact anyone, want to work with such an organisation.

In essence, the findings suggest the local authorities want to put the sport and leisure facilities out to tender, and their choice more often than not is to put them out to their own Leisure Trust, to a conglomerate Leisure trust like LTO-A or to the sham trust operated by a private company. That in itself causes significant barriers in Leisure Trusts working together for mutual benefit because they are in themselves considerably different from each other.

5.3. Political Environment

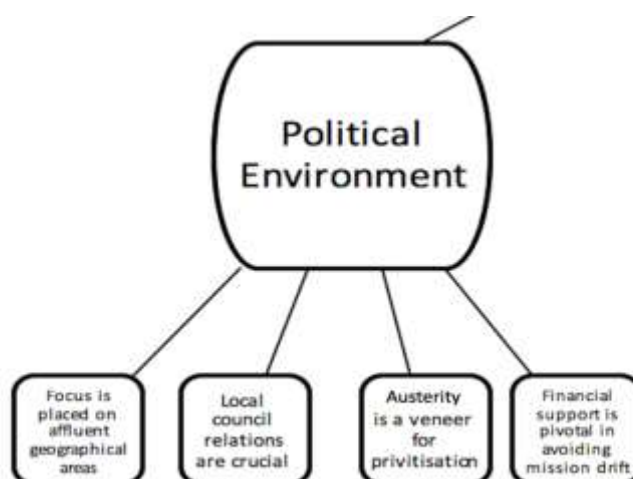


Figure 5.3. Thematic Network Map for Political Environment

5.3.1. Local Council Relations Are Crucial

LTO-B's relationship with its local council has become more and more turbulent over recent times. A heated area of debate and contention is the impact of the local government spending review has had over the stability of LTO-B. The council contributed an annual grant to LTO-B of £1.7m but after heated discussions with the council LTO-B found themselves with no annual grant. The bone of contention for them is not that granting of funds is being reduced; it is the speed in which the council intend to proceed with it. To compound this, the relationship between them and the council has been strained predominantly as a result of the local government spending review.

Currently, in terms of the local market for sport provision in the borough, there is less in-house management of sport services than there used to be. Thorough proposals have been provided to the council which illustrates a clear plan of action LTO-B can pursue in local sport provision. Nevertheless, the host council are proving stubborn to negotiate with and are holding out for the cheapest option in the bidding process. The findings indicate, from LTO-B's perspective that it is not government's (local or national) responsibility to act as a facilitator in the production of social value. However, according to the respondents, this tension derives from local government having their hands tied because of austerity measures and the resulting budgetary spending cuts. The Community Development Manager explains how these macro implications are affecting LTO-B;

Roughly 20-30% (of sport provision) is in-house. It is close to a third each between Leisure Trusts, private sector providers and in-house management. We want to take advantage of the local spending cuts by offering to take over management of facilities yet are aggravated by the council's attempts to propose LTO-B do it on a string budget or give the contract to the private sector. We grow more frustrated by the week at the moment due to the tough discussions we are having with the council about a route forward. They want to help us and promote social enterprise but they also want financial returns from any contract put out to tender. They can't have the best of both worlds.

That being said, the Finance Director asserts that the council will preserve their

commitment to developing the third sector and therein LTO-B. He points the finger more broadly. He supports the idea that government austerity fiscal cost-cutting is proving to be the Achilles heel for the development and growth of LTO-B, as the Finance Director alludes to;

If they can't afford to do what they're doing what is going to happen? The council have got no money, they have no capital, they have an interest to get rid of public sport services and they have no revenue. We're providing them with proposals to move forward with. But sometimes they think they can go out and get someone to come in for free. Would someone come into the area and do it for nothing? No they wouldn't. They want to engage with our business model but every single time it's always a case of they want something for nothing. The genesis of all these issues is the austerity cuts in place for local authorities. It is starting to bite and councils are running round like headless chickens not knowing how to approach the issue of externalising certain services.

In one board meeting, a representative from the council was invited to the meeting to hold a question and answers session. Notes taken are presented below;

The Board Chairman has set aside 30 minutes for a Q&A session with the council representative. A number of the questions are being framed around council support for the Trust. One question from Trustee E was "what are you doing to promote the use of social enterprise in our communities?" The representative, who works in the sport development department of the council points out that they are struggling financially because of the austerity cuts. Questions are also posed about the removal of grant support by the council. The representative from the councils replies to these questions by pointing out he is not at liberty to discuss those discussions by the council. It is getting a bit frosty between the trustees and the council representative. Some trustees are saying there is no point in this Q&A session and that it is a waste of time because the council won't talk about the most important issue facing the Trust.

Overall, as highlighted above, the relationship between LTO-B and their host council is crucial to overall sport policy aim of improving sport provision in the North-West and achieving their main objective of getting more people more active. There are a

number of challenges LTO-B face when working with local councils. In recent times, they have had an uncooperative relationship. The cause of this arguably lies firmly with the local government spending review and the removal of grant income LTO-B receive. This is a significant bone of contention, as the CEO highlights;

They're planning on doing it in one sudden action. We're still negotiating, but it will probably be in one go. The decision has already been taken that it will go to zero. It's the process which it is being done that is the main concern. It's a Tory council so what do you expect? They won't even consider staggering the reduction of the grant we receive. It is pure short-termism and they are basically crucifying the only viable vehicle for social change through sport in the region. How are meant to fill a million-pound gap with such short notice. We've had no time at all to plan for this happening but they don't seem to care which is a shame.

Board Trustee C supports the viewpoint of the CEO;

It has influenced our decision-making in regard to achieving our financial and social goals. It has caused havoc. We currently get £1.7m in an annual grant from the conservative council and they want to go to zero!

Their strategy of consolidating the facilities they manage and maximising social value rather than expanding their facility portfolio is resulting in financial uncertainty. This, according to the respondents, is due to the reliance of grant income and its reduction. They argue that the reduction of grant income is the main source of conflict between them and their local authority. LTO-B operate in some of the most deprived areas and they are bearing the brunt of government spending cuts due to the compound effect of larger austerity cuts to local authority budgets. For LTO-B, this is exacerbated by them providing a non-statutory public service; sport and leisure provision.

5.3.2. Austerity is a Veneer for Privatisation

From the perspective of the respondents, the main reason for private companies being awarded contracts for sport facilities in the North-West is the issue surrounding Best Value. They affirm that this term refers to what the council's desired outcomes

from the externalisation of the service is. They point out that the local council, in the main, tends to either assess Best Value in terms of financial savings or the potential to produce social value. Best Value has recently been influenced by the Social Value Act (2012) from central government. The findings from LTO-B indicate that this alongside an era of austerity has had little impact on the development and/or growth of their organisation in sport provision. For the respondents, austerity measures put in place has had little impact in the borough. It has not improved the likelihood of them being awarded contracts for public sport services. They also pay reference to the Big Society concept and argue it is more about raising awareness of community ownership rather than actually being of use or benefit to social enterprises themselves. The Board Chairman makes reference to the Big Society movement and the negligible impact it has had for LTO-B;

We were happening before the Big Society came about so we didn't change anything of note. Does it impact on us? No it does not. Does it make the odd one or two people think about social enterprises? Perhaps. But it won't influence or change anything that we do. It hasn't helped us, that's for sure. It's more of a buzzword people use to highlight the usefulness of community organisations managing public services. This certainly hasn't been case here since we heard about it. I have no idea how, but more private contractors are getting these contracts than they did before Big Society came into play. This is probably because of the austerity cuts which has counteracted the promotion of community ownership whereby financial cost-cutting is paramount at the moment.

Board Trustee C provides evidence to suggest that with or without the Big Society movement, community organisations have been enacting social change before it was ever a political phrase;

If you look at it from a small-scale perspective, a number of local authorities have loads of knackered old buildings that they cannot afford to run anymore. Most community organisations are adept at taking over and managing community buildings. If you look at places like the Wirral, they have transferred around two dozen community buildings to community groups, and it is working! Big Society is just a political buzzword. It holds no weight with us. Before austerity, before the recession, the social enterprise model was achieving change consistently across the

region. Now, it seems we're in such a dire situation because of austerity that the only option local authorities have is to flog the sports service to a private company and get rid of the asset completely. It's absurd.

The evidence, demonstrated above, states that LTO-B believe the idea that the approach to increase the outsourcing public services to community organisations is having limited impact. We can also see, through the lens of LTO-B, a social enterprise's positive effect on deprived communities within the region can be questioned and criticised. The Community Development Manager explains the reasons why;

You will get an evaluation matrix for tender which will say that health and safety is 10%, robustness of the organisation is 10%, price is 40% and quality is 40%. So quality is where they would enshrine social value but there are lots of different definitions of what social value is. For us, it's getting more people active and improving the quality of the facilities we provide. The problem is that the austerity measures are hitting certain deprived areas in the North-West like where we are and operate the hardest. There just isn't the fertile ground at the minute for our model to thrive without the help and financial support of the council.

Evidence provided in a board meeting by the CEO supports this trend of the local council supporting a shift towards preferring financial value, and ultimately private contractors. Notes taken by the researcher are noted below;

The CEO has brought an audit of public sport services to the board meeting. He says the audit will give everyone an idea of who contracts on sport services have gone to in the last 4 years in the North-West. He points out that nearly 60% of sport facilities put up for tender in the North-West have been awarded to private contractors. Most trustees do not look surprised. They discuss how they thought the austerity measures imposed would provide social enterprises with opportunities but they conclude that the opposite has occurred.

The viewpoints above suggest that austerity measures imposed are providing an opportunity for the conservative held council to promote the use of private sector providers in sport and leisure provision. Arguably, this development can be assumed

to be a façade for the reappearance of Thatcherism and the idea of a minimal state. It may be that this development is curtailing the commitment New Labour made to reduce the strain on public services by growing the role of social enterprise. As highlighted above, the respondents believe that there is capacity to take advantage of the austerity measures in place for the concept to work. They insist, however, that the local authority need to think pragmatically about the political and economic environment we are currently in. By taking this mind-set, more sport and leisure services can be transferred to community organisation such as LTO-B. To this end, it can help address issues within 'socially broken' communities in the borough.

5.3.3. Financial Support is Pivotal in Avoiding Mission Drift

There is common understanding among the respondents from LTO-B that their current and planned amount of funding needs to increase. They argue that the main challenge facing them is the access to funding and grants. The evidence from respondents below suggests that LTO-B have been reactive as opposed to proactive in their approach to addressing funding challenges. However, they are aware of the challenges they face and will face in the future. Yet, it is unclear as to what approaches have been adopted to help address these concerns. The most recent challenge they face is the withdrawal of grant support from the local Council. Respondents argue they seek independence and avoid being reliant on council financial support. However, they are currently seeking council grants so the evidence would suggest otherwise. Nevertheless, there is little clarity on how this grant funding gap will be filled once it is cut completely. One recent consequence in the absence of grant funding has been termination of contracts of sport and leisure facilities leading to the closure of a facility. It is clear from the evidence that LTO-B do not want the council to have an influence on what they do or how they do it. As grant funding decreases, LTO-B's overall control over the management of the sport facilities increases. However, minimising the financial support from the council will affect the trust's ability to remain financially stable. The Finance Director provides an account of the historical and sometimes turbulent relationship with the council;

We started in 2006 and 35% of our budget was a council grant. This year it's down to 11% of our overall budget and in that time we've taken on more facilities and taken

on sports development. This shows that it's always been decreasing. We know it will eventually go to zero. We've been appreciative of the council over the years for their financial support and we understand it is not going to be there forever. The problem is that because we don't have a large portfolio of managed facilities, our trading opportunities are limited. This is compounded by operating in areas of socio-economic problems where austerity has hit hard. You've also got the trend of the council preferring private contractors to run their sport services. This all put together causes problems. When the grant support goes in one swoop, we will struggle to resource the social programmes we have in place. The rapport with the council has gradually deteriorated over the years and the removal of the grant support is basically the breaking point.

The evidence indicates that LTO-B are willing to try and withstand the financial pressures upon them. Although they have identified the challenges ahead there does not seem to be a conclusive strategic approach as to how they will address the ever-increasing disparity between the declining capital available and operational costs. Possibly, cash-flow contentions lead LTO-B to disappointment and frustration at the council's withdrawal of grant support to help improve sport provision. The CEO concedes this is a problem that was not foreseen and built into their strategic planning;

It's about what we want to do, not the council. So to go to zero, does it affect us? Yes. Will taking a £1.7m out anyone's business affect you? Yes. Will we be able to still do our *raison d'être*? Yes. Will we be able to do as much? Not to begin with. Will we survive? Yes. Will we be better in the long-term? Yes. Will it be painful during it? Yes. Will we have to make changes to some staffing? Yes. Will we have to lose some people? Yes. But that's what I'm paid to do. There's only so much blame that can be assigned to me but it is board which is ultimately responsible for the future direction. This scenario wasn't considered in previous discussions.

From examining LTO-B's profit/loss financial accounts, the removal of the annual grant would result in them making net loss of £420k for the year 14/15. However, surprisingly, when discussing the same issue, the Board Chairman pointed out that they are more focused on their social objectives rather than increasing their trading income and revenue streams. He stated bluntly;

Our main interest is to acquire grants or subsidies. That's what we rely on to ensure we effect some positive change in the community.

This suggests LTO-B are perhaps overly focused on creating social value and often overlook the need to develop their revenue channels in order to sustain the whole operation. Although this approach ensues they do not drift from their core mission, it has arguably resulted in a high-risk reliance on financial support which. As Board Trustee E highlights, this can make LTO-B an unsustainable venture;

The council must be aware the Trust is struggling financially, so to remove the grant in one sudden action is counterproductive. Yet, it is not their responsibility to keep us afloat, it's ours. As a board, we all agree the social impact is the most important thing but that was only made possible with the grant support we got. Now it's gone, there is nothing to fill that gap from a funding perspective.

Notes taken by the research in one board meeting provides an alternative insight to the possible impact of removal of grant support;

An agenda item focusing on the removal of grant support is being discussed. There is widespread disappointment amongst the trustees about the council's decision. There is agreement that this puts the Trust's survival at great risk. The CEO points out that the board should have predicted this was going to happen. He insinuates that responsibility lies with the board. The Board Chairman defends the planning and decisions made by the board. Trustee E says this will have serious ramifications for their resource allocation in the coming year.

Instead of providing continued financial support, the findings indicate the council are increasing the possibility of regaining control of the facilities and delivering services themselves or seeking alternative providers. LTO-B affirm that this goes against the sole reason any past service was externalised in the first place. The CLG-CS structure does not help in this sense as it restricts sources of finance available to the organisation. This is something Board Trustee D refers to;

I think everyone can agree that we would like to increase our revenue year on year.

But people sometimes fail to understand that we are registered as a CLG with charitable status. This has lots of implications in regards to what we can and can't do from a trading perspective. It means our social mission and community objectives take complete precedence when it comes to how we conduct ourselves. If we begin to focus on increasing revenue channels, we run the risk of neglecting our core mission. The charitable status has given us a pathway in terms of finance but those pathways are now closing off because of the wider austerity issues throughout the country. There are valid criticisms of the BenCom model rightly so, but in these political and austerity conditions, that model is best placed to take advantage of it whereas our hands are fairly tied.

Arguably, LTO-B are overlooking their financial health and this oversight can hinder them from building the kind of competitive, surplus orientated culture that is essential for them and many other social enterprises. The oversight is also neglecting a need to seek non-traditional financial sources when operating in a challenging political and economic environment. Yet, the generally held view of the respondents is that being over commercialised will result in mission drift, in that they lose focus on their own mission and social objectives. However, as stated above by Board Trustee D, the CLG-CS structure holds a significant bearing on this approach. Thus, there is an absence of pragmatism in LTO-B in relation to potential impact the grant reduction can have and their focus remains idealistic.

A clear example of this issue occurred in an observed board meeting which focused on solving the issue of the grant removal. The researcher's notes from the meeting below help explain what happened;

The Board Chairman asks trustees to split up into groups and work on a set activity. The task is centered around providing solutions to the removal of the annual council grant of £1.7m. One group suggests they could approach other sporting bodies and the National Lottery to try and secure some future funding. Another group suggests they will have to make cutbacks in terms of staff and hand back some of their facilities to the council. No trustees suggest that they should try and increase their trading income to fill the gap left by council grant.

This reliance on grant funding can potentially result in mission drift in the future, as

LTO-B is unable to successfully evaluate challenges of being financially stable and being able to produce social value concurrently. However, there has been no overt mission drift as they are still solely acting in line with their social mission. There may be problems in the future when income streams dwindle and they are unable to resource the creative of social value. The findings indicate the focus LTO-B are placing on their social goals is highly influenced by the limited availability of funding. However, the evidence from LTO-B suggests grant reduction is making them more determined to fulfil their social mission. This is unsurprising, bearing in mind that more often than not, grant funding makes up a substantial proportion of their income, which is a characteristic of CLGs with charitable status. The Community Development Manager and Board Trustee A display this determination via their respective responses;

If you're going to play sport in the borough, there's an opportunity. We have to make sure we are developing the provision of grassroots sport in the borough. If we don't, then we'll get the blame even though there's going to be no financial support. We will make it work, we might not be able to improve the provision as quick as we would like to but we will get there in the end. We've worked on a tight budget for years already so I have full confidence in the board and management team to see us through.

Well we'd prefer it not to go! But we're also realists and that is what we've been planning for recently. We have an experienced CEO who has been through similar experiences in the past. By working together, we know we'll become more pro-active and take advantage of opportunities that present themselves.

It can be argued that the situation at LTO-B means there is significant pressure to unrelentingly attain funding support to ensure they are in a solvent position. The responses from LTO-B show that while they are producing trading income, the amount is small in relation to the funding support from the council. Notwithstanding the possibility of LTO-B increasing their trading income, the evidence suggests they are in a position of possibly becoming financially unstable. This is because they are neglecting engagement in new trading opportunities in order to achieve their social mission. Whilst there is no current mission drift, when we consider the council's intention to reduce their grant funding to zero in one sole action, this harms the

stability of LTO-B as a feasible and functional operation as they do not have enough trading income to balance the loss of their council grant.

5.3.4. Focus is placed on affluent geographical areas

In the past, LTO-B has pursued a strategic approach of taking over management of a Golf Course. Management of the golf course was part of a larger agreement with the town whereby LTO-B managed and operated all of their sport centres. However, recently, this agreement has run into problems. LTO-B have withdrawn from management of the sports centres due to financial pressures resulting from the grant cuts from the council. The rationale for originally operating in the area was the appeal of generating revenue in an affluent area of the borough. The Finance Manager helps explain this strategic approach;

We are seen as an affluent borough so whilst we've got bare to see deprivation in other areas which is amongst the 5% most deprived in the UK, you've then got other places which are amongst the 5% richest areas in the UK. So that is the dilemma you have but when you look at the borough as a whole, it's rich. Common logic would suggest there are higher levels of disposable income in so although we're socially focused, we thought we could increase trade in those areas. There is misconception that social enterprises need to always operate in deprived areas. They definitely should but there is also scope to argue an organisation like ours can still create some sort of social impact in affluent areas.

In terms of securing capital moving forward, as outlined above, LTO-B have considered various options. The reasoning behind their grant funding being withdrawn is down to where the Leisure Trust operates. LTO-B operate in some affluent areas yet there are still pockets of severe deprivation. However, from the viewpoint of the respondents, when the council assesses whether LTO-B qualify to receive grant income they are now not seen as suitable chiefly due to the government spending review and the effects of austerity. Arguably, this indicates the Conservative controlled council they work with assume third sector providers such as LTO-B will fill the gaps and 'pick up the pieces' created by the reduction of state spending and the withdrawal of grant support. The Board Chairman argues their past success in affluent and deprived areas of the borough has ultimately had a negative

bearing on council support;

It's like the Carlsberg quote, we're probably we're amongst the best Trusts in the UK. But you can't quantify that and there's no merit to say that. But I would like to think if you go from 750k visits in year one to 2.3m last year, if you go from £3m turnover to £9m this year, if you go from 200 to 500 employees, if you go from no investment in the borough in the previous 10 years to over £20m in leisure in the last 10 years, those are all fantastic achievements and tells us we are successfully utilising our capital in all areas of the borough. Yet this has become a double-edged sword. The council look at us and say 'well if you're doing so well, you can cope without the grant monies'. That grant support is an integral part of us being able to carry out our sport development programmes across the borough so it is really frustrating when the council take that view.

The Head of Development provides an example on how other local authorities treat social enterprise sport providers in other boroughs;

So, if you take them next door, they're seen as a deprived authority so they get grants for everything whereas we don't. The council assume because we have reached a certain size we don't need any more financial support. It's one rule one and another rule for the other. There is a complete lack of fairness when it comes to financial support from councils. The implication is that because we operate in affluent areas within the borough it's assumed the possible increase in trading income in those locations will fill gap previously filled by the grant support. This is not true.

This reduction of grant support is an instrument used by the Conservative council to increase the role of the private sector in deprived areas according to LTO-B. Although respondents concede that central government is devolving power to local government and encouraging local communities to take over public services it can be proposed this policy is to an extent a 'rhetorical intervention' to soften the Conservative party's image with a range of audiences. However, the findings from LTO-B infer that the Conservative council never thought through the nature of this policy and how it functioned in relation to the requirements of LTO-B and sport provision within the borough.

5.4. Governance



Figure 5.4. Thematic Network Map for Governance

5.4.1. Neglect of Commercial Focus can cause Mission Drift

For LTO-B, achieving their social mission is claimed to be important because it guides their work and enables them to identify themselves with the communities they serve. Their mission encompasses tackling issues such as increasing participation in sport and improving the provision of sport by means of developing the sport and leisure facilities they manage and deliver. The need to attain social objectives features heavily for LTO-B. Although they aim to generate trading income, achieving their social objectives is the central concern and takes precedence in their decision-making. LTO-B argue that by developing the provision of sport facilities, accessibility will increase resulting in better participation. Participation numbers within the borough have increased in the past five years according to LTO-B and their reasoning behind this is the re-investment of surplus in the facilities they provide. The CEO helps provide some clarity on their social focus at the expense of continued growth;

Don't forget, we're registered as a charity and our trading income makes up less than 50% of our total turnover. The whole reason why we were set up in the first place

was to solely focus on creating lasting impact in the local communities. That means all our efforts are directed at the people we serve. We could easily pursue a strategy of expansion and move into different areas. But that would limit the impact we would have in our home borough, which is something we are not willing to risk damaging.

Balancing social and financial objectives can be a challenging and hazardous endeavor. This appears to be apparent within LTO-B. While the attention of LTO-B, which is a CLG-CS, surrounds addressing their charitable social mission, there is an acknowledgement whereby generating trading income is a concern for them. LTO-B hold a strong social orientation with a conservative approach to developing trading income e.g. consideration of limited expansion and procurement of more sport facilities within the borough. Board Trustee B describes their approach;

It was, and is, about protecting the services we provide. We make decisions based on the whole rather than individual incidences. We see sport as being a mechanism for a number of issues facing the community. We can tackle health issues such as obesity through improving our provision of sport. In order to that, we need to be fully committed to our local community and focus all our resources on creating some kind of tangible impact. If we start thinking about revenue this, revenue that, we will end forgetting about what we exist to do within the borough. It's as simple as that.

From the perspective of Board Trustee E, it is clear this is a consistent view which is held across the board of trustees and of the senior management teams;

It's all about focusing on what you can impact on, what you can do insuring that you don't over-stretch yourself. We reaffirm these values every year when we go away as a board and management team up to the Highlands for a couple of days. We review what we've done the previous year and assess whether we are sticking to those values of creating impact within the borough. We then establish a plan of action to make sure we're all singing from the same hymn sheet and that there's no confusion as to how socially driven we are.

Board Trustee E explains how this process works on their away-days. When discussing the Board taking control of decision-making, she brought up one example when the Board decided to withdraw from the bidding process on a new sport facility.

The CEO did not agree with the decision but the Board displayed their authority and made the decision, as Board Trustee E outlines;

There are healthy and long debate between us and the senior management. There are merits on both sides but actually it was the right decision to make if we were to fulfil our social objectives within Trafford

LTO-B make it clear that it is crucial to achieve their social mission and ensure all senior management and the board of trustees understand how it will be achieved. To a similar extent, the Board Chairman outlines the potential consequences that may occur if they lose focus of their social mission;

It doesn't work (commercial focus). If you focus on finance, then that's what you'll get. You'll get good financial results. We could have made a lot more money, a lot more money, on lots of things. We're bound by what we are, a registered charity. Shifting our approach to be commercially driven would go against everything we stand for. We're happy improving what we have for the sake of the stakeholders.

Alike to the views of the Board Chairman, Board Trustee A provides an example of an opportunity they have not taken up in the past due to their core social objectives relating to sport provision in the borough;

There's schools that have facilities we could manage on their behalf. It's not necessarily about making money, it's about making the service better. We get asked almost monthly if we wish to take control of libraries and other things but we're a leisure trust that is only really bothered about sport.

As seen, respondents argue this social value creation approach in sport is vital if they are to maintain their social mission – delivering social value to their beneficiaries via increased participation and service improvement. However, it is acknowledged by respondents that this approach can cause conflict between the CEO and board. LTO-B try to avoid this conflict occurring through their annual away-days. The board meetings observed suggested there was complete consensus across the board and the thoughts of the CEO were always at the forefront of discussions. Arguably, LTO-B avoid being on 'a blurred frontier' between the non-

profit and for-profit sectors. This, as highlighted in the findings, is due to their reluctance to increase their commercial activities.

However, this overt emphasis on social goals does not increase the risk of mission drift immediately but that excessive focus on social value creation and neglect of financial stability may cause problems in the future and divergence from their mission. They may reach a point whereby in order to survive as a viable organisation, they must alter their focus to their commercial activities to the detriment of their social mission. This is when mission drift may occur. However, the viewpoints of respondents suggest that they do not subscribe to the notion that notwithstanding their need to achieve social objectives, they should become commercially driven. The findings are in line with the view that surplus must be generated, but a balance must be struck.

This balance is pursued through trading income and a reliance on financial support. By doing this, conceivably, they address the concerns often associated with the CLG-CS model in that they are not losing sight of their social mission because of a concerted effort to generate revenue. However, the neglect of a commercial focus is preventing LTO-B from generating a sustainable source of surplus, something of which is seen as an innovative means of achieving a social mission. Ultimately, the findings indicate LTO-B has pursued the creation of social value at the expense of commercial viability. The perception from the CEO is that although they are creating value for stakeholders in their small portfolio, moving forward they, and more importantly the board, need to be savvier when thinking about the financial stability;

I concede on occasions we are quite idealistic about what we can achieve. I make no apologies for that. We are in difficult position at the minute financially. On reflection, we might have got some things wrong especially when it comes to increasing our trading income. As it stands, the removal of the grant support can't be serviced by the trading income so we've got problems. There is a slight narrow-mindedness on the board when it comes to actually running a business. Just because we have charitable status shouldn't mean we can't, or won't try, to develop a robust business for the future. Some trustees think money is just going to appear from nowhere. The professionalism of the board isn't quite there and because they're in control, there's

not much I and the management team can do. I've made my feelings clear in the past but it fell on deaf ears. I just get on with what I'm paid to do and carry out the decisions of the board. Generally, we should be doing a bit of both. Things overtake it, so the market you existed in dictates the balance between social and financial goals. Sometimes we should make sacrifices in terms of the sport development plans we have in order to make financial savings in the short-term.

The CEO emphasises that the decision to develop existing sport facilities or to look for new financially appealing opportunities can be dependent upon market conditions. It is apparent that the over-emphasis on financial goals does negate social impact from the CEO's standpoint. Yet, other respondents within LTO-B believe that being solely focused on financial targets will not naturally produce social impact for communities within the borough. They focus purely on creating social value in the borough and not being attracted by potentially profitable opportunities elsewhere. One of the main reasons behind respondents having this stance is that they want to avoid the borough returning to the situation it was in before they existed. There was a significant private sector provider presence and they opted against promoting the schemes in the disadvantaged areas of the borough. The Finance Director postulates as to why LTO-B do not want the borough to return to those past-times;

Why would you have these private sport development schemes? It meant that instead of reinvesting £3 from a swim per person they would just pocket it. That's the commercial mentality whereas we will promote it because we want those disadvantaged people to get active. Any profit we generate gets pumped straight back into the business. Normally it goes to improving service quality or helping reduce our price points to get more people playing sport. Back then, participation rates were falling through the floor and most of the facilities were in disrepair. They didn't get any better when the (private) contractor took over.

For LTO-B, maintaining sport provision in deprived areas is the key difference they desire to maintain over private contractors. They believe it would be socially irresponsible to focus on sport provision, where there are high profit margins, and forget access to sport in the deprived areas of the borough. This would be the easy option for LTO-B but it goes against the CLG-CS's explicit socially driven ethos and

their pursuit of developing sport provision resulting in improved participation numbers. Nevertheless, LTO-B must be capable of strategically deploying a combination of resources such as their social mission and commercial revenue in order to engage in markets while avoiding erosion of their social identity and reducing the risk of mission drift.

LTO-B are struggling to do this as many respondents, barring the CEO, seem to be against increasing trading income whilst their grant funding is being removed. On the other hand, by restraining the pursuit of added commercial activities, LTO-B are not exposed to contradictions or potential inconsistencies that could harm the overall social purpose of their organisation and therein avoiding mission drift. Additionally, it is clear LTO-B are not inherently at risk of giving priority to their commercial activities. However, the Board Chairman presents a somewhat naïve statement which while clearly establishes their social identity it also makes it clear that commercial stability is not an overt concern;

Our aims are simply to get more people active. The business element is a secondary concern.

Comparable to the view of the Board Chairman, Board Trustee F reiterates this unblemished commitment to their social goals and oversight when it comes to securing financial stability;

We need to concert our efforts on implementing the sport development programmes within the borough before we can start thinking about expansion and more commercial activities. We can't get lost in our mission through chasing revenue all over the place.

The approach for LTO-B is fervently socially focused. A contributing factor to this is that their board of trustees hold a firm social conscience. Further, to a slightly less extent, the senior management/CEO have a social conscience. From the perspective of respondents, all their senior staff and trustees live in different parts of the borough. They want to make sure that their community and the provision of sport facilities develop in what they state as 'the best way' (meaning local provision for local

people, governed by local people). The CEO defends this approach by pointing out;

If you bring people in from outside the borough, then what affinity have they got with the borough? They need to live and breathe it. If they have a vested interest in what we go because it directly impacts them or people they know, then that is a key motivator that we want to encourage and embrace.

The Head of Marketing and Sales emphasises that even if someone has not worked in the third sector previously, as long as you are from the borough, then that will stand you in good stead in being an employee of LTO-B;

I previously worked in the private sector and was very much a commercially driven person. I was focusing on sales, on bottom line because my salary depended on that. I didn't give a hoot about social responsibility. Now, whilst I still have all those skills, I'm focused on social responsibility. Being from a local town, I can see the direct impact our work is having in that area. Don't get me wrong, salary is important but the satisfaction I get out doing this for the community trumps it every time.

Although LTO-B are specifically focused on social goals, they do not underestimate the importance of possessing senior management with specific skills which contribute to commercial stability. The skillset and background of senior management LTO-B employ is not overlooked in their pursuit of social objectives.

5.4.2. Traditional Stakeholder Models of Governance can facilitate Mission Drift

The board is crucial in determining the social mission of LTO-B. Their board consists of unpaid voluntary trustees. Analysis of the composition of the board and the functions of the board of LTO-B leaves us with an interesting insight to approaches within LTO-B and the CLG-CS governance model. All the board members live in the borough. There are representatives namely from the borough council and members from local community interest groups. The Board Chairman provides some detail on the composition of the board;

7 board members have been with us from the beginning, we only lost 2 recently in April who had been there from the beginning. So that's 9 of the 12 who've been there

from the beginning. Overall, the retainment rate has been phenomenal for the people we want to keep. They all from across the borough to ensure each area is represented and not overlooked.

Board Trustee B confirms this representative approach to their governance model but insists that even though there is a hole when it comes to skills and expertise on the board, the professional management team ensure decisions are well informed;

We have experts across different areas of business but the priority is having key stakeholders on the board, people who represent the views of the beneficiaries of our services. This helps us arrive at informed decisions that are always in the interest of our stakeholders. We consult the CEO when needed particularly when certain expertise is required. Some of the representatives on the board are retired but they have had careers in certain functions that are extremely valuable. They bring their knowledge and experience with them.

This approach is typical of representative governance models typified by volunteers and protection of assets to ensure societal value. From the perspective of the respondents, this stakeholder led model of governance puts the views of the LTO-B community at the forefront of their decision-making. However, although inclusive, there does not seem to be a detailed plan of action in relation to how different stakeholder groups are represented in their decision-making processes. Yet, the consensus from respondents is that this governance structure provides clarity in what and how the organisation achieves their social mission and that there is stakeholder engagement. The findings indicate that formal dialogue between the organisation and stakeholders does go beyond mere exchanges of different viewpoints. Further, the evidence arguably dismisses the views that stakeholder dialogue is often superficial, and they are unable to grasp the complexity of issues being discussed. Through observed meetings LTO-B ensure the stakeholder viewpoint is heard and integrated into decision making on a consistent basis. Board Trustee D underpins these points by explaining it and providing an example of the work they do;

We are all giving up our time for this. There's no remuneration involved. We are doing it for the sake of the community. All the trustees are in and about the

community on a daily basis. Most of us have are in constant conversations with people about how we can use sport to tackle social issues. We've developed a few sport development programmes over the last couple of years. There have been problems in the past with youth crime so we decided to develop an access to different sports programme whereby 16-20 year olds would come and get taster sessions from basketball to rugby. It was massively successful and now we run it annually.

Board Trustee A offers an insight into how the board engage with their stakeholders to help inform their strategic decisions. She admits that although they actively engage with the community, there is still room for improvement and refinement of their engagement activities;

We work with local community organisations to organise bi-monthly open meetings with the public. We hold two meetings, one in one area and the other in another town. The meetings are fairly productive and generally well attended. It gives us an idea of what the current challenges are within the community and how we can use sport to help tackle some of those issues. It's fair to say we haven't really kept up with the times when it comes to engaging with the community. We need to do more to use social media platforms like Twitter or Instagram to engage a younger generation of users. The participation trends tell us the younger generation are playing less sport more than ever before. This can have wider implications in terms of health issues in the future. If we can target and speak to this generation, we will have a better idea of how we can provide a service which they will use and hopefully knock those trends on its head.

The casual link between stakeholder input and decision-making is clear to see within LTO-B. Yet it is unclear from the findings, and responses to relevant questions, as to how they ensure different stakeholder groups hold equal weight in terms of their input to decision-making. From their perspective, having consistent and valuable engagement with community stakeholders enables them to avoid the concerns that if stakeholder engagement is vague and limited then relations with these stakeholders can turn sour. The processes LTO-B currently have in place stops stakeholders from holding back from collaborating with them as they do not perceive it as being a waste of time. They argue that they ensure this by engaging with their stakeholders and

their viewpoints to a limited extent. This causes a problem in that by reducing stakeholder engagement to reduce the likelihood of friction with stakeholders they are in turn limiting stakeholder involvement which goes against their main line of argument for their governance. Perceivably, the stakeholders of LTO-B are able to provide a valuable but limited contribution to board decisions that will ultimately affect them and their neighbours. However, a concern for LTO-B is that they are trying to please a range of stakeholder groups within the borough rather than segment their focus. The CEO pays reference to this issue;

We're all about getting the view of the user-group. We need to know what they want. Having a number of people representing them on the board allows this discussion to take place. That being said, there is sometimes an impression amongst management that the board are trying to be all-things to all-people. There is a lack of pragmatism and a lack of awareness when it comes to the amount of resources required to implement all these promises made to the stakeholders.

LTO-B try to cater for this issue by also recruiting a range of representatives with at least some business experience to the board of trustees. They also try to recruit trustees they feel can contribute to, or further their social mission. The board recruitment phase is thorough and makes sure each trustee is in line with their social mission. LTO-B have been prudent in ensuring that every trustee first of all has experience in the sports industry and can contribute in a specific area of need. Although, it is unclear as to how these board representatives actually represent certain stakeholder groups. Nevertheless, they argue this process helps LTO-B build their network within the borough and increase engagement with key stakeholders and ultimately ensure they benefit from the service LTO-B provide. This arguably helps address the tension of asset lock, which is associated with CLG-CS types. The Board Chairman highlights the importance of this process;

It isn't just about getting anyone to sit on the board and fill the spaces. The recruitment process of trustees is very thorough and rigorous. It has to be in order to maintain our social focus. We know we have got it right because the trustee turnover is very low. When they do move on, it is mainly due to time constraints and nothing to do with their performance as a trustee.

However, there has been conflict between the CEO/senior management and the board. This stems from the CEO lobbying for the removal of certain trustees due to a lack of contribution which is contrary to the view of the Board Chairman. Respect between the CEO and the board has been an issue at times. There was angst amongst senior management towards the then incumbent Chairman of the board. At the inception stage of LTO-B, the CEO believed the Chairman was unfit to run LTO-B and raised their concerns to the whole board;

A week before the Trust went live we told the council that the chairman of the Trust is not right person and it will fail if he's in charge. It was the head of leisure from the council who chaired the board. The only reason the LTO-B existed was because of his incompetence when the facilities were under council control. He failed sport within the council so there was no way I was going to let him ruin sport through the Trust.

The Community Development Manager also points out that there are still trustees who sit on the board to this day who are self-serving and do not have the social mission of LTO-B at the forefront of their thinking;

We have some stakeholders on the board who just look after themselves. They don't care about the success of the Trust, just their interest group. It sometimes comes across as a competition on the board of who can get what out of it. The lack of mutuality is staggering sometimes but that's the problem with having a wide base of stakeholder representatives sitting on the board.

From the perspective of respondents, LTO-B has a wide representation of stakeholder groups on the board of trustees. This is in line with the stakeholder view of social enterprise in which the key purpose is to guarantee that the board is both representative and adequately skilled to enable the social enterprise to maximise its social value to its targeted communities and stakeholders. However, there is a lack of transparency in relation to what stakeholder groups they represent. For LTO-B, these stakeholders are primarily anyone who wishes to participate in sport or physical exercise. Though, there is a lack of pragmatism in relation to utilising the

experience of certain trustees. This lack of focus on the skills available to them is hampered by their inclination to prioritise the stakeholder viewpoint. This stakeholder approach prevents LTO-B from reacting to political and economic challenges and restricts growth. Additionally, some observations from the board meetings suggest that Board Trustee D concentrated on addressing their own interests rather than those of the whole stakeholder base.

The board of LTO-B perform a strategic and controlling role as observed in the board meetings. LTO-B's social logic has shown to increase the risk of mission drift in the future, particularly in markets where political and economic challenges are highly prevalent. This purely social logic arguably quickens the process of potential mission drift. LTO-B overlook the potential to generate further surplus which would be valuable given their current standing because it comes with no strings attached. Increasing trading income could then be used to ensure they achieve their social mission – 'getting people active'. Consequently, they are facing tensions not normally associated with CLG-CS types. The fervent commitment to producing social value is resulting in LTO-B facing tensions relating to satisfying levels of societal value due to being unable to adequately resource its creation. This is normally associated with solidarity types of social enterprise. However, the underpinning reason why this is the case is that are unable to satisfy levels of trading income. While the board of trustees exhibit a stakeholder model of governance, they are also controlling and monitoring the CEO.

5.4.3. Internal Power Dynamics Determine the Focus on Social and Financial Objectives

LTO-B consider the most crucial way to shape and form an effective governance team and achieve their social objectives is to develop personal trust between the team. From their perspective, once trust runs filters through senior management and the board of trustees it helps facilitate an open and honest environment of discussion around organisational issues and decision-making. However, although trust is emphasised by the respondents, there does not seem to be much trust between the CEO and board. The CEO, from his perspective, is in control of LTO-B and contrary to other respondents believes there is no reason to trust the board because they are

there on a voluntary basis;

They think they're in charge but in reality they are just there to be a sounding board. I run the Trust. They're just there to put bums on seats. We can recommend something to them in a board paper and they always have to sign it off first. The process to be a minor checking boxes exercise. I can't remember them suggesting something that we haven't already thought of.

For LTO-B, it is the responsibility of the CEO and senior management team to implement the strategy formulated by the board of trustees. It would appear from the findings that the board are rigid and constraining in their strategic direction. Board Trustee B and the Board Chairman respectively provide explain how this process works;

The board work hand in hand with the CEO. We control what happens at management level but give the CEO free reign to a small extent. We need to be kept abreast weekly of everything that is happening so that can feed into our planning as a board.

It is our responsibility to make sure management are doing their job, the staff are accountable to us as a board. We review the performance of the CEO annually to make sure he is operating within the directives given to him by us.

Observations in a board meeting confirm a sense of conflict is occurring between the CEO and the board of trustees. The researcher noted;

Trustee C raises concerns that there are signs of conflict between the board and CEO. He feels the CEO is not following the directives given to him by the board. The CEO responds by defending his performance but also reminds the board that they are volunteers and he is there on a daily basis and that he has to react to what is happening in front of him in the best interests of the Trust. The Board Chairman has stepped in to remind the CEO of his responsibilities. The CEO is visibly annoyed by the board's comments but does not reply to the Board Chairman.

Although there is a certain level of trust of the CEO by the board, the findings

suggest that the board does not wholeheartedly trust the CEO and are not very comfortable relying on information provided by management. Respondents from the board imply they use the CEO as a mechanism to implement the strategy they themselves form. Therefore, as outlined by respondents below, the board undertake high levels of monitoring of their CEO because more rigorous monitoring is deemed necessary. In the case of LTO-B, the CEO sits on the board and this enables the board to build a sense of trust but also actively monitor the CEO. This approach, according to trustees, guarantees key inside information through executive presence. The roles of the board trustees and the CEO are inter-dependent and the boundaries between the two are often necessarily somewhat blurred. However, the board trustees point out that there are no blurred lines in relation to what their and the CEO's responsibilities are.

The separation of roles between the CEO and board is clear from the trustee perspective. The board have less involvement with operational roles and more involvement with governance roles. LTO-B's board focus predominantly on social mission, it appears they focus less on the income to support that mission as there is angst amongst management and the CEO regarding an oversight of the financial stability. The Head of Development explains this reservation;

It's annoying at times because we're here on a day-to-day basis making things happen. We know what the community want so the board almost becomes redundant. They don't seem to be aware of the difficulties we face in terms of balancing the books. Their thinking is up the sky sometimes. They will give us the spiel on what they want us to do but it is often unrealistic. Then we get criticised by the board when we can't deliver what they want.

It is clear the independent, predominantly voluntary board struggles to manage their commercial activities effectively and transparently. The CEO is actively trying to address the tension of satisfying levels of trading income within the Trust but the board are restraining his ability to do so. The Finance Director sums up the management's feelings towards this issue;

The problem is the board think from a purely social perspective. They forget

sometimes you need to be financially stable to operate and survive. Unless we're in charge in think from a commercial point of view the Trust will fall apart.

There is positive conflict amongst the LTO-B board over decision-making and consequently the ambition is there to avoid becoming a minimalist board. However, this perspective over separation of power is not shared by the CEO of LTO-B. As we know, power dynamics between boards and CEOs depends upon a variety of individual, organisational, and environmental factors such as external challenges, which in the case of LTO-B is chiefly the austerity measures put in place by government. The power dynamics are quite complex in that both the board and the CEO believe that they hold the power over decision making. The responses from the Board Chairman and the CEO respectively highlight this situation;

We don't give him total freedom, which would be reckless. We accept that we are volunteers and that they are the professionals. But it our responsibility to ensure we're doing the right things and the CEO is doing what we tell him to do. The roles of the trustees and the CEO are clear. We make the strategy and grow the organisation, they are in charge of operational side of things.

If I change something that's my call, I don't have to go back to them. If I promote somebody that is my decision, it's not theirs. If I change the structure of pay that's totally mine to manage. They give me the bottom line and that's mine to manage accordingly.

The removal of LTO-B's annual grant is a predicament the CEO is ready for, yet the board dismiss this as a minor hurdle to overcome. The CEO sees the removal of the annual grant from as an opportunity to gain authentic power over decision-making. The importance of the CEO having an influence on the strategic decisions made by the board in order to encourage organisational stability is something the management are supportive of, but the board are resistant. These challenges appear be addressed with CEO control over decision-making. However, according to trustees, it is the board who are in formal control of decision-making. It can be assumed from the responses that there is a lack of power sharing between the trustees and the CEO. It is clear from senior management responses that there is a desire to have a CEO-dominated board in order to address financial pressures they

are facing. The emphasis LTO-B place on their social mission has been to the detriment of building a stable financial footing. This is arguably compounded by neglecting the pursuit of commercial opportunities combined with macro governance challenges, particularly a lack of financial support and being in an era of austerity.

It was ostensible from the findings that the board of LTO-B hold control of the organisation but give the CEO some leeway in terms of control of day to day activities. However, the CEO and senior management insist power over decision-making lies with the CEO. The findings also reveal that the roles of the CEO and board trustees are unclear and consequently produces conflict in relation to maintain their social focus and avoiding mission drift. The case of LTO-B suggests it is the CEO who desires to pursue commercial goals, but the rest of the board is preventing this due to the risk of mission drift. Consequently, there is a lack of balance with financial stability and the production of social value is therefore potentially hampered moving forward. The political challenge of having financial support removed may persuade LTO-B to become more commercially orientated in order to survive. However, the evidence suggest this is currently not occurring. Their hands are also tied due to the nature of limited access to finance within a CLG-CS.

The findings also imply that the stringent control procedures laid down by trustees is proving counterproductive because they are not allowing the CEO to attain the objectives of the organisation through pro-actively addressing current commercial challenges. It is apparent the internal imbalance of power is playing an integral part in the likelihood of mission drift occurring in the future. This is due to competing logics between the board and CEO. The board are placing emphasis on asset lock, a tension associated with social business types whilst the CEO is trying to address the tension of satisfying levels of trading income which is also associated with CLG-CS types. Consequently, a lack of strategic foresight and conflict is apparent. By keeping a close eye on the activities of the CEO, the board is encouraging and implementing its own decisions which is consistent with charities. Although the CEO of LTO-B is in close contact with the board, it does not appear that he is being formally empowered to make decisions for the benefit of the financial stability of the organisation.

5.5. Findings Chapters Conclusion

The analysis in chapter four (LTO-A) and five (LTO-B) reflects the governance processes involved in two types of social enterprise; LTO-A (BenCom) and LTO-B (CLG-CS). It has provided an in depth understanding of the two Leisure Trusts under investigation and provides a crucial insight into the governance challenges Leisure Trusts face at different stages and how it can contribute to our understanding of social enterprise in the context of sport provision.

In the literature review chapter, the integration of governance theory helped analyse the financial and social objectives and the governance processes of the Leisure Trusts. We have found that LTO-B are significantly reliant on grant funding from the council and has a corresponding governance model which is in line with representative stakeholder ownership to an extent. It is apparent that both LTO-B and LTO-A exist and conduct their operations within an environment with distinct challenges. The political, economic factors, and competition make the objective of avoiding mission drift difficult to maintain within LTO-B. The challenges identified have a significant impact upon each type of social enterprise addressing tensions associated with them.

Both LTO-B and LTO-A adopt very different approaches to try and evade issues of mission drift. The analysis has enabled the researcher to pinpoint key themes concerning the political environment, competition and governance processes and how this affects the occurrence of mission drift. Additionally, the evidence from the findings chapters also confirm the challenges both Leisure Trusts face in increasing revenue generation when grant funding from respective local authorities is being continuously decreased as a result of local spending cuts by central government austerity measures. Each type facilitates a different reaction to this problem. LTO-A can attract various sources of finance whereas LTO-B is severely restricted. The findings indicate that the adoption of certain governance models has an impact upon organisational stability in competitive markets, of which the provision of sport facilities is one. Particularly with the emergence of private sector contractors tendering for local authority contracts in both cases. In this instance, moving towards stewardship models of governance that are driven by commercial growth,

exemplified by LTO-A's social bond initiative and Managing Director control has opened up avenues that LTO-A exploit and LTO-B choose to avoid.

The findings provide insight into how two very different types of social enterprise address governance challenges when facing financial adversity. As identified in the literature review, this is still a developing area of research and critical debate. The findings of this study indicate that the factors that determine both case study organisations' governance models are multifaceted. The governance challenges, specifically relating to austerity measures, and the resulting governance processes put in place impact upon both organisations in contrasting ways. For instance, LTO-B and their governance structure face restrictions in attracting certain types of finance in comparison to LTO-A with a more commercial orientation and an ability to access different sources of finance. As discussed in the findings, austerity measures put in place have either hindered or facilitated the pursuit of increasing their revenue streams.

The evidence does suggest that the stakeholder model of governance remains appropriate in the third sector. The stakeholder approach still performs a crucial role in helping LTO-B achieve their social mission. Nevertheless, because of the increasing pressures to become more commercially orientated, there is a steady move from stakeholder models to more commercial focused models of governance e.g. stewardship. LTO-A has pursued this route. This mirrors the development of social enterprises in the UK as they react to challenges imposed by austerity, and alongside increased demand for their services. As discussed, LTO-B once secured grant funding from their council. However, although this funding enabled LTO-B to meet their social objectives, it is not sufficient enough to help maintain financial stability. The removal of grant support for LTO-B makes this even more difficult. Yet, it is representative of the third sector, in that grant funding is becoming restricted in the third sector due to austerity spending cuts imposed on local authorities. LTO-B's resilient approach to their social mission arguably presents a dangerous hazard to them and other CLG-CSs who may be in a similar position. LTO-B are embracing a philanthropic approach and believe there is not an essential need to operate as an efficient pro-market business. However, the Conservative council assume LTO-B will be unaffected by withdrawal of grant support and that they will simply supplement

the gaps created as they operate in affluent areas of the borough.

LTO-A on the other hand, embrace operating as a commercial business but insist their social mission is always a central focus. LTO-A believe by adopting a commercial approach they will grow organically which enables them to be prepared to tender for more sport facility contracts with local authorities. It is clear that LTO-A aim to develop and foster a healthy commercially focused business model in which the Managing Director holds control. This approach challenges conventional views on social enterprise which argue a commercial orientation should not be a central focus. The analysis on both organisations show us that social enterprises do have an interdependent connection with the commercial market. The next chapter discusses the academic implications from the analysis of both organisations.

Chapter Six

6. Discussion Chapter

6.1. Introduction

This chapter incorporates and delves deeper into the key themes discussed in the findings chapters. The findings are analysed in relation to the review of literature in chapter two. This study had examined the challenges of different types of Leisure Trusts by investigating their governance in order to further our understanding of social enterprise and its role in sport provision. Specifically, the aim is to explore the relationship between a social enterprise's governance and its ability to avoid mission drift within the sport provision context. The overall findings of the investigation show that there is a relationship between the governance approach each Leisure Trust adopts and how they manage the tensions between two competing logics; balancing social and financial objectives. This chapter will focus on establishing the specific contributions to knowledge from this study. The tensions applicable to both LTO-B and LTO-A are highlighted and explored. The findings suggest there is a specific connection between a social enterprise's capacity to avoid mission drift, its legal identity, the impact of austerity measures and their subsequent governance model.

The case study of LTO-A, which is a BenCom, demonstrates flexibility which permits them to benefit from social bond investments. The flexibility of the BenCom type presents LTO-A with opportunities to attract financial resources from a range of sources. The BenCom legal structure and governance processes of LTO-A encourages a rewarding partnership between the social enterprise and its stakeholders, thereby improving the level of surplus put into the communities they serve. This comes at a time when there is pressure to engage in creative methods of delivering public services in the UK (Civil Exchange, 2015; Corbett & Walker, 2013; Dommett, 2015; Smith & Jones, 2015). This is a noteworthy finding which opposes conventional views on social enterprises that preclude full blown commercial activities in the social enterprise sector (Harding, 2006). The evidence from LTO-A also supports Gallagher et al. (2012) who argue that the board and management of a

sport social enterprise should actively aim to maximise their revenue streams to ensure financial stability which can they be used to create social value.

On the other hand, it is evident that LTO-B, which is a CLG-CS, is limited in terms of the forms of finance it can attract, chiefly grant funding. The evidence from the LTO-B case study leads us to suggest that this reliance can potentially result in mission drift for LTO-B moving forward, and ultimately failure. Herranz et al. (2010), Young (2012) and Young & Kim (2015) share a similar viewpoint on other social enterprises with a CLG-CS identity. However, this study recognises that the CLG-CS legal structure does not always result in substandard financial performance, but permits LTO-B to take advantage of the limited forms of financial resources available. This clearly becomes a barrier to achieving social objectives and causes tensions to rise within the governance of LTO-B in relation to the duality of social and financial objectives. Battilana (2018), Maier et al. (2016) and Pache & Santos (2013) argue these tensions can result in mission drift. The CLG-CS structure still allows LTO-B to achieve their social objectives and places their full attention on the needs of their stakeholders. This approach is in line with the process Burchell and Cook (2008) and Mason (2010) describe as a democratic stakeholder approach to governance.

The findings of this study allow us to understand how the type of legal structure influences how each type addresses associated tensions. This is an important contribution to knowledge this study presents. The importance is heightened given the lack of literature in this area (Bull, 2018). Bull (2018), Peattie and Morley (2008) and Bull and Ridley-Duff (2018) acknowledge that there is an inadequate level of critical debate in this area of social enterprise understanding. The discussion will now focus on the factors affecting LTO-B and LTO-A's ability to address specific tensions associated with their organisational type.

6.2. The Role of the Political Environment

The findings from both case studies show that the prevailing political environment and policy approach to social enterprise can have a profound influence on the success of both Leisure Trusts. The challenges surround pressures from political ideology, austerity measures (spending cuts) and an increasingly competitive

market. Although this did impact LTO-A, it seems there has been a deeper and more profound impact on LTO-B. This is in part down to the position the host council had in relation to withdrawing financial support. Albrow (2012), Clifford et al. (2010), Hastings et al. (2012) and Slocock (2012) argue this removal of grant support signifies a shift towards private ownership of public assets. What was clear is the borough council (Conservative held) were actively reducing their financial support to address socio-economic deprivation in the borough, something of which Clifford et al. (2010), Hastings et al., (2012) and Lindsey and Bullock (2013) argue is becoming more common amongst Conservative held councils. It also provides an example to support the view of Widdop et al. (2018) who argue the Conservatives have used the austerity agenda as a lever for radically reducing state spending, reforming welfare and increasing the role of the private sector in public service provision in sport.

The challenges associated with current political environment and access to financial support may encourage the avoidance of legal structures such as the CLG-CS. However, this movement would reduce the capability of communities participating in the running of such organisations. The evidence from the LTO-B cannot be generalised to all CLG-CS organisations but it does offer an insight to the reasons why such a social enterprise can lose sight of their organisational stability. The LTO-B case study demonstrates that a CLG-CS legal status strengthens societal values within the organisation, something of which Bridge et al. (2009) and Doherty et al. (2014) strongly argue. However, as shown in the evidence provided, the reduction of financial support and political agenda of promoting privatisation may stop social enterprises setting up as a CLG-CS and persuade them to favour a CIC or BenCom legal identity. This is due to a wider range of financing options in these legal structures, something of which Doherty et al. (2009) points out.

We can see that both case studies make use of a range of finance options to supplement/resource the production of social value. Chiefly, these include grants, membership fees, trading income, social bond investments and support from sporting bodies. The findings propose that grant funding is the most important income avenue for LTO-B. However, researchers such as Agafanow (2015), Ebrahim et al. (2014) and Wry and Zhao (2018) suggest that an overreliance on grant funding is restricting the growth and survival of social enterprises. The

evidence from LTO-B supports this argument. Findings from the literature review (Civil Exchange, 2015; Lindsey and Bullock, 2013; Smith, 2014) and the case study analysis show that the reduction of financial support available has not been supplemented by a drop in the needs of community stakeholders. The twofold challenge of no annual grant and the rising pressure to create social value are forcing social enterprises to formulate pro-active approaches to achieve financial stability, something of which the CLG-CS structure investigated in this study is inhibiting.

The findings lead us to assert that financial support for both Leisure Trusts is no longer safeguarded by government support. This general development has been anticipated by Dommett (2015). This means LTO-A and LTO-B must survey and pursue particular courses of action to secure capital resources and compete with other social enterprises and private sector organisations in the sport provision market. Clifford et al. (2010) argues this is a source of many social enterprises failing. LTO-A has pro-actively addressed this by issuing social bonds and increasing their trading activity. In the current policy environment of austerity cuts, the findings on this within LTO-A are in line with the claims made by Gilmore et al (2011) and Cohen and Welty-Peachey (2015) who found that the role of the CEO in social enterprise needs to be professionalised in order for the social enterprise to pro-actively plan for contextual challenges they will face. The findings from LTO-A provide evidence that the CEO is using their expertise to develop a sustainable business model which can resource the creation of social value in a turbulent political environment. The CEO takes a leading role within LTO-A and is empowered by the board to grow the social enterprise and achieve their social objectives. This contradicts Griffiths and Armour (2014) who claim there is a responsibility for everyone within the social enterprise to take a leading role in decision-making.

The evidence from LTO-A lead us to assert that they are self-sustainable through embracing a commercial orientation in their day to day activities in order to secure public service contracts. Barraket and Archer (2009), Grant Thornton (2014) and Munoz (2009) state that unless this is done it will increase the prevalence of private sector provision and social enterprise failure. Yet, the evidence tells us it is slightly duplicitous of the local authority, and central government to impart continuous

encouragement and verbal support (Gamble, 2015; Teasdale et al., 2012, UK Coalition Government, 2010) to social enterprise whilst limiting financial support and encouraging privatisation. This development is further evidence that supports the notion we are returning to a policy of Thatcherism and a policy of spending cuts in the public sector to create opportunities for privatisation (Albrow, 2012; Corbett & Walker, 2013). Lindsey and Bulloch (2013) found that the central ethos of the austerity agenda is to expect civil society to 'pick up the pieces' (Lindsey & Bulloch, 2013:113) in deprived areas. The findings from LTO-B do not support these claims regarding the role of social enterprise being mobilized in deprived areas. The findings suggest, contrary to the views of Lindsey and Bulloch (2013), that the austerity agenda is actually increasing the likelihood of private contractors picking up the pieces in deprived areas. Albeit, this is only evidence from one region.

The current political environment of central austerity-based spending cuts is providing LTO-A with a foundation to flourish. With their commercial focus and resulting surplus generation, they are able to compete against private sector providers when public sport and leisure facilities are to put to tender. Barraket and Archer (2009) and Munoz (2009) argue this ability to demonstrate solid financial performance is crucial for social enterprises to compete in a tendering process. The findings contradict the view of Teasdale et al. (2012) in that social value creation is an integral criterion for council commissioners. The analysis suggests that an organisation with a CLG-CS legal status can encounter problems in developing sustainable business models. Hence, this reliance on grant funding can lead to severe reductions in LTO-B's income. They are unwilling and unable to take advantage of commercial opportunities. It demonstrates an apathetic approach to building a sustainable organisation, which is illustrated by the views of its board of trustees. To this end, it is clear social enterprises need to adapt to these political challenges and policy development in order to survive as businesses. The CLG-CS legal status restricts its adaptability to address these external political and economic challenges. Whereas, the BenCom structure provides the flexibility required to cater for political and economic difficulties.

Understanding the contextual variables that enable us to understand the use of social enterprise in sport provision is something which is lacking (Chew, 2010). Both

case studies in this study contribute to this gap in knowledge and adds to the debate within this area of study. For instance, it was assumed by Gallagher et al. (2012) that this era of austerity provides a perfect opportunity for social enterprise to take a leading role in sport provision. Evidence from both case studies suggest this is not always the case. Instead, the findings suggest that Misener and Misener's (2017) claims sport provision is following an upwards trend of privatisation is partly true. Findings from LTO-A provide evidence to explain how social enterprises can combat this challenge in sport provision. For example, the push towards the use of SROI reports is enabling LTO-A to compete with private sector contractors. This, accompanied by a strategy of growth and revenue generation, displays a willingness for the social enterprise to become more commercialised. This approach is supported by other studies (Coates et al., 2014; Wicker et al., 2013) who argue that sport social enterprises require a strong business-led model in order to reduce fears about their financial stability and allow them to compete with private sector providers whilst maintaining their social focus. However, LTO-A, as evidenced do suffer from diluting the social value they can create as they continue to grow. This is something Findlay-King et al. (2018) and Wicker et al. (2013) suggested would be an auxiliary concern when sport social enterprises pursue commercial growth.

6.3. Theoretical Implications of Austerity on Types of Social Enterprise

In the literature review chapter one of the most useful insights provided on both types of social enterprises examined in this study was offered by Bull (2018) (figure 6.1.). In this analysis, this is revisited and adopted as a framework to understand the social enterprise case studies in this research and understand the implications of their associated characteristics and tensions. We have previously established that our understanding of social enterprise is too vague when considering the various organisational forms social enterprise can take (Bull, 2018; & Bull & Ridley-Duff, 2018; Mason, 2010; Peattie & Morley, 2008; Vickers, 2010). Bull (2018) provided a categorisation of social enterprise by identifying three specific types, and how particular legal structures are positioned within these three types. For instance, Bull (2018) positions a BenCom at a boundary between a 'trading charitable type' and a 'solidarity type' whereas a CLG-CS is situated between a 'trading charitable type' and a 'social business type'. Although Bull (2018) acknowledges there are

organisations (BenCom/CLG-CS) that can span across the three core types, there is still limited knowledge of the contributing factors influencing this potential crossover. Studying LTO-A and LTO-B allows us to establish how and why these transitions are not static. The influence of the political environment upon the transition of both LTO-A and LTO-B is evident.

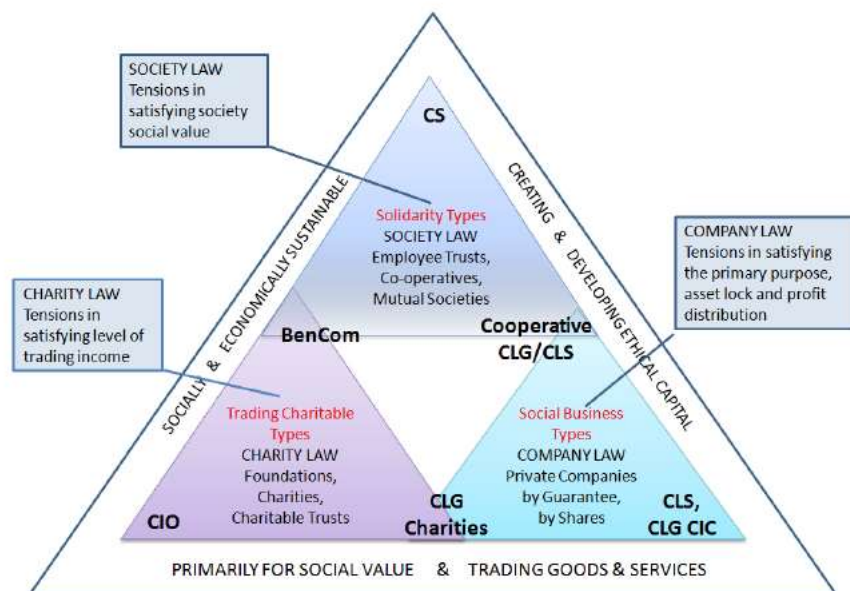


Figure 6.1. Bull (2018:18) 3 Different Types of Social Enterprise in the UK

The evidence shows us that LTO-A (BenCom) is shifting away from a trading charity type towards a bona fide solidarity type. A main cause of this transition is the current policy on social enterprise development and austerity spending cuts. LTO-A has proactively addressed the tough political conditions of little or no financial support for social enterprise and encouraging the use of the private sector in public service provision (Dommett, 2015; Slocock, 2012; Widdop et al., 2018). This policy pressure has forced LTO-A to address the tension of satisfying levels of trading income, typically associated with trading charity types (Bull, 2018). Firstly, in order to persuade council commissioners they are a viable option in the tendering process, they must exhibit a proven track record of delivering financial value on managed facilities. LTO-A achieve this through communication with local councils and a consideration of embracing SROI reports. Secondly, LTO-A assert the austerity agenda is simply political rhetoric which holds little sway in the third sector. This

foresight enables LTO-A to act promptly and begin a growth approach to their operations, thus the pressure on satisfying trading income tensions is reduced. Thirdly, building upon the previous point, LTO-A target their growth within socially and economically diverse areas of the UK. Their rationale is based on being able to augment their surplus generation within affluent areas.

Consequently, they ease their reliance on financial support by increasing their trading income. This causes a distinct shift away from being positioned as a trading charity type towards being a bona-fide solidarity type. However, this approach by LTO-A raises concerns surrounding their capability to tackle challenges in areas of deprivation within the UK, something of which Lindsey and Bullock (2013) argue is a problem for larger social enterprises. Local authorities in deprived areas are already facing the highest spending cuts by UK government (Clifford et al., 2010; Hastings et al., 2015) and by shifting their attention to affluent areas. Consequently, although LTO-A have transitioned towards a solidarity type they are confronting its associated tension of satisfying the creation of social value within society. Nevertheless, LTO-A affirm this tension is implicitly managed by their pursuit of commercial growth. They proclaim they have the ability to be commercially savvy and use the additional surplus to implement social value in the communities which need it. This approach, although pragmatic, is hampered by their difficulties in measuring social value, highlighted through the findings. Therefore, they are not effectively managing the tension of satisfying societal social value beyond their directors or members, particularly community stakeholders.

On the other hand, we can establish LTO-B lies in a position between a trading charity type and a social business type. The case study analysis of a LTO-B shows us the political environment has had a glaring impact upon the identity of LTO-B and how it is perceived amongst its stakeholders. They have been resolute in their approach to the tumultuous policy approach of austerity. However, it is clear LTO-B has significant difficulties in tackling the tension of satisfying levels of trading income and becoming totally reliant on grant income. These difficulties are associated with a trading charity type (Bull, 2018). Firstly, the decision by the Conservative controlled borough council to eliminate grant funding (immediately) has significantly raised the tensions on increasing trading income. However, this is not committed to because of

the board's approach to asset consolidation rather than organisational growth. LTO-B assume the Conservative modernisation strategy in relation to the state was based on a commitment to core welfare provision, but with a greater role and support for social enterprise as a consequence of austerity. That being said, the opposite has occurred and the evidence leads us to infer that the austerity agenda offers evidence to the claim that it is a return to a policy of funding cuts in the public sector to create opportunities for privatisation, as argued by Clifford et al. (2010), Corbett and Walker (2013) and Hastings et al. (2015). This has a detrimental impact upon LTO-B to sustain their operations due to minimal trading activity and an over-reliance on grant funding.

Secondly, as a consequence of the above, competition from private sector providers (and other social enterprises) is reducing the opportunities to ease the tension of trading income. Evidence from LTO-B shows us the local council is placing emphasis on financial value rather social value when outsourcing public services. Consequently, this restricts the ability of LTO-B to grow and increase their trading income due to the preference of organisations with an established track record of producing financial value. Barraket and Archer (2008) and Munoz (2009) argue this is becoming a common occurrence in the outsourcing of public services. Thirdly, the core focus of LTO-B on creating social value within deprived areas of the borough is hindering their ability to increase trading income. By taking into account these factors we can see the policy approach to social enterprise means there is a transition of LTO-B fervently moving towards becoming an undeniable trading charity type. However, this shift raises major concerns surrounding a CLG-CS's ability to address to shortfall of financial support whilst maintaining minimal trading income. Thus, LTO-B may struggle to avoid mission drift moving forward.

This study's findings indicate that government policy on the third sector is playing a pivotal role in the development of social enterprise types, as explored in both case studies. The political factors discussed in this section also have a particular impact upon our understanding of specific types of social enterprise and their involvement in sport provision. We have managed to get underneath the umbrella of social enterprise and examine the political factors influencing our understanding of a BenCom and a CLG-CS. Given the fact certain austerity measures have been

implemented across all local authorities in the form of spending cuts, the challenges and consequences highlighted in LTO-A and LTO-B will be duplicated in other social enterprises nationwide to a certain degree. The next section critiques the analysis of the impact of the governance of LTO-A and LTO-B in respect to the development and our understanding of social enterprise in the context of sport provision.

6.4. The role of Governance in LTO-A and LTO-B

The case study analysis has shown the boards of both LTO-A and LTO-B are accountable for ensuring the their organisation strives to achieve their social mission. However, the degree to which this is enforced varies significantly. The analysis discussed the impact of contrasting governance models of upon each type of social enterprise. Overall, the discussion surrounding the roles and functions of the board and CEO/Managing Director tells us that the adopted governance approach is based on and informed by their mission, legal structure and contextual variables affecting both organisations. Therefore, the legal structure influencing the adoption of a specific governance model enables or inhibits each Leisure Trust's ability to work towards their social mission.

The analysis of LTO-B's and LTO-A's governance processes show that internal dynamics, a neglect of a commercial focus and traditional stakeholder models of governance promote the possibility of mission drift and contribute to our understanding of both types of Leisure Trust. The dependence on financial support and social focus demonstrated by LTO-B means that the interest in additional trading income avenues was not of significant relevance. Battilana et al. (2017) and Mason (2010) asserted this social focus can result in disregarding commercial opportunities. For LTO-B, their social mission is influenced by their CLG-CS identity. The CLG-CS form enables LTO-B to achieve their social objectives in the short term but this preference is resulting in considerable tensions with generating trading income, a common characteristic of CLG-CS types.

The governance processes of both organisations enable them to actively serve their community stakeholders. This is ostensible in their governance which encourages stakeholder involvement from these communities, more so in LTO-B. This mirrors

the nature of stakeholder involvement outlined by Burchell and Cook (2008) and Steane (2001). LTO-B has a controlling 'democratic board', as labelled by Murray et al. (1992), with a core focus on social value. However, the voluntary board of trustees are unable to manage their commercial activities pro-actively and transparently. Spear et al. (2009) note this is a possibility for independent voluntary boards. The case study findings reveal that LTO-B is governed by a voluntary board at strategic, and operational level in terms of control of the CEO. The role of the trustees in LTO-B is purely to cater for the needs of their stakeholder base and manage community assets and resources on their behalf. This is conducted within a stakeholder model of governance in that the trustees are representatives of the community. However, as noted in the findings, who and how they represent certain stakeholder groups is unclear. It is also evident that the governance model of LTO-B does present a picture of roles of the trustees and CEO being ambiguous. From the board's perspective, they control the organisation's CEO but the findings suggest there is confusion from the CEO's perspective in terms of who holds formal power over decision-making.

The decision-making dynamics within LTO-B exacerbates its functionality and ability to address competing logics of social and financial objectives. The board trustees, and Board Chairman wield considerable power and control over the CEO. The result of this has been the manifestation of what McNulty and Pettigrew (1999) label a 'minimalist board' whereby the organisation is run wholly by the board, and what Murray et al. (1992) also label a 'chair-dominated board'. The lack of role separation between the board and CEO roles in LTO-B is potentially compromising their survival. Mordaunt and Cornforth (2004) and Reid and Turbide (2014) argue this dynamic can cause and is caused by organisational crises, in the case of LTO-B the removal of financial support and austerity spending cuts, which Garrow and Hasenfled (2012) and York et al. (2016) claim is a cause of mission drift. This is a challenge which the CEO acknowledged but the trustees and Board Chairman dismissed. Although the CLG-CS structure enables LTO-B to adopt this approach, it raises future issues regarding their ability to achieve their social mission due to overlooking financial stability, which is in line with the findings of Battilana et al. (2017) and Walker and Dorsey (2012). This can be one of the critical reasons for the failure of governance in social enterprises (Low, 2006) and subsequent mission drift

(Agafanow, 2015; Garrow & Hasenfeld, 2012; Wry & Zhao, 2018).

This study reveals that the trustees of LTO-B lack the capacity and readiness required for them to grow within competitive markets, something of which Teasdale and Buckingham (2013) make clear must be avoided in order to engage in markets and survive as a social enterprise. LTO-B exhibit a clear reluctance to utilise the skills of its CEO to address governance challenges highlighted in this study. The CEO of LTO-B is unable to instill a business culture in the organisation, which Caers et al. (2006), Pache and Santos (2013) and Roberts et al. (2005) point out can affect the achievement of social objectives. There has been an averseness of LTO-B to take advantage of the expertise of the CEO through boundary spanning (Muth & Donaldson, 1998), a key feature of a stewardship approach to governance.

The evidence from LTO-B and LTO-A highlight the importance of recruiting board members for a Leisure Trust. However, the way in which each Leisure Trust approaches this process is different. LTO-B recruit board trustees on their ability to be truly representative of the community stakeholders they serve. They focus on their board trustee holding a clear social conscience in order to maintain their efforts on their social mission and avoid mission drift. On the other hand, the findings from LTO-A tell us that they tend to recruit board members who hold knowledge and/or expertise in a certain function of the organisation. This approach from LTO-A is in line with arguments made by Olson (2000) and García-Meca and Palacio (2018) who claim that board members with extensive professional backgrounds strengthen the board's ability to offer advice to senior management. It also supports the view that recruiting board members with appropriate skills, experiences and expertise is important for organisational decision-making (Spear et al., 2009). However, some of the responses from the Managing Director in LTO-A suggest that he does not utilise the skills and expertise of board members sufficiently enough. This is due to his sense of autonomy and ownership over the LTO-A's future growth.

The governance processes of LTO-A are evidently different from LTO-B. The role of the LTO-A board is limited to a discussion forum and a sounding board for the Managing Director. The Managing Director acts as the CEO and is provided with the independence to make important decisions and become the steward of the social

enterprise. Their CEO chairs board meetings and the board recognise and respect his expertise. The evidence tells us there is an absence of conflict between board members and the Managing Director. This is a fundamental principle of the stewardship governance (Muth & Donaldson, 1998; Pfeffer & Salancik, 1978; Puyvelde et al., 2011). The findings present evidence to contradict the findings of Bruneel et al. (2018) and Schillemans and Bovens (2019) who argue the stakeholder model of governance is the most beneficial model for third sector organisations. The CEO takes a formal leadership role over strategic planning and uses the board members as a sounding board for ideas. The board are evidently content with transferring control to the CEO because they hold high levels of trust in his ability to deliver on their social mission.

Clearly, LTO-A has a governance model that empowers the CEO. This feature of the stewardship approach is a recent course of action social enterprises are considering (Cornforth & Macmillan, 2016; Reid & Turbide, 2014). The governance model reflects their willingness to address current economic and political challenges facing them, and the third sector. Garrow and Hassenfeld (2012) argue this steward-led governance model is crucial because of the voluntary nature of social enterprise boards. Adopting a stewardship approach infers an understanding of the weaknesses of stakeholder governance accompanied by an inclination to take calculated risks in order to resource social value creation. For LTO-B, it is evident that their governance model corresponds with the philanthropic ideology underpinning the concept of social enterprise (Bruneel et al., 2018; Schillemans & Bovens, 2019).

6.5. Theoretical Implications of Governance Processes on Types of Social Enterprise

We have previously discussed the role of the political environment upon our understanding of social enterprise. Building upon this, we have found that the governance models and processes within a BenCom and CLG-CS can contribute to our understanding of social enterprise in the UK (Doherty et al., 2014). It is understood that governance models of social enterprises should be designed not only to manage commercial activities efficiently and effectively, but also to maintain

relations with its core stakeholders to create social value (Vidal, 2014). It has also been argued that social enterprises need to be more pragmatic in the governance model adopted due to competing logics (Laville et al., 2015; Doherty et al., 2014) and institutional challenges such as political social policy (Alcock, 2010; Sepulveda, 2015; Sepulveda et al., 2013). Consequently, this literature along with the research findings tell us the governance models of both Leisure Trusts play a pivotal role in managing the tensions within trading charity types, social business types and solidarity types (Bull, 2018; Bull & Ridley-Duff, 2018).

Firstly, the evidence shows us that the LTO-A (BenCom) is demonstrating characteristics associated with a solidarity type of social enterprise. The governance model and processes within LTO-A is a main cause of this association with a solidarity type. Firstly, the analysis showed us LTO-A maintain a strong desire to achieve commercial objectives. Although they acknowledged, what Austin et al. (2006) allude to, that the commercial and social dimension within the enterprise creates a source of tension indefinitely they continue to pursue a surplus generating orientation. LTO-A is endeavouring to balance its pursuit of commercial objectives with an unambiguous social mission. As Agafanow (2015) argues, surplus must be generated but a balance must be struck. LTO-A aim to balance the duality of mission by focusing on their organisational values and social mission. Battilana et al. (2017) and Dacin et al. (2011) claim this emphasis on these values help social enterprises balance the potential tension between commercial and social goals.

However, the analysis tells us although they have addressed the tension of satisfying trading income tensions (trading charity type), they are beginning to encounter tensions surrounding the production of social value (solidarity type). This is due to the hurried growth of the organisation and the potential dilution of the social value they can create. The capability of LTO-A to instill its social ethos upon new facilities and staff in an instant manner can be questioned. Therefore, albeit for different reasons, there is potential for LTO-A to encounter mission drift moving forward.

Secondly, the decision-making dynamics between the CEO and the board in LTO-A harbour little or no conflict in decision-making and the current or future direction of the organisation. The development of trust and transparency between both parties

has facilitated the achievement of their aims. Power over decision-making is imparted to the Managing Director and it has been argued that this power and resulting commercial orientation aids the balancing of competing social and financial tensions (Ebrahim, 2010). Consequently, trading income tensions are addressed through the pursuit of commercial opportunities by the Managing Director. However, the tension of satisfying levels of social value creation associated with solidarity types is occurring because, as Kreps and Monin (2011) argue, boards that do not scrutinise commercial activities run the risk of losing sight of their social mission. The findings also suggest that although LTO-A's board structure encourages member participation, giving power to the Managing Director has restricted the role of members in decision-making. Particularly, issues relating surplus allocation and future opportunities. This may cause subsequent issues pertaining to their focus on their social mission.

Thirdly, through the decision-making dynamics observed, we can see that LTO-A adopts a stewardship model of governance. They believe that traditional stakeholder models of governance are redundant in today's environment. The roles of the board of directors are clearly outlined and there is significant employee representation on the board which is associated with solidarity types of social enterprise (Bull, 2018). Although this approach to governance is a pragmatic reaction to the political and economic environment, it is unclear how this, combined with continued growth will balance the tensions between trading income and creating social value. LTO-A are demonstrating characteristics associated with solidarity types (Bull, 2018) and are addressing the tension of creating social value by increasing trading income to resource their social objectives. In the short term, LTO-A see this as a reasonable trade-off.

As established previously, LTO-B lies in a position between a trading charity type and a social business type (Bull, 2018). The case study analysis of LTO-B (CLG-CS) reveals its governance is having a detrimental impact upon its avoidance of mission drift and ultimately, survival. Additionally, it provides us with further reasoning as to how governance processes determine our understanding of a CLG-CS and its role in sport provision. It is clear from the evidence that LTO-B are demonstrating tensions associated with trading charitable types. Specifically, satisfying tensions in relation to

levels of trading income. Firstly, their neglect of a commercial focus and an unwavering core focus on social value production restricts their surplus generation, something of which Defourney and Nyssens (2012) argue is crucial for social enterprise survival. Therefore, trading income remains limited, which is a concern for trading charitable types. This characterisation of a CLG-CS is reinforced by the organisations preference for asset lock/consolidation and disseminating surplus generated back into the community. Thus, this reduces the tension associated with social business types.

The internal decision-making dynamics of LTO-B present further insight into how tensions associated with trading charity types and social business types are managed. The voluntary board of trustees exert unmitigated control of decision making, and their CEO. This has led to internal conflict as the CEO's skillset is not being utilised and the board is not reacting to external pressures. The inability to react to funding reductions lies at the root of the problem for LTO-B. Becoming excessively focused on asset lock demonstrates characteristics of a trading charity type but at the same time curtails their ability and willingness to address the tension of minimal trading income. To this end, it is clear both LTO-B and LTO-A are encountering tensions between social and financial goals to varying degrees. As a result, there is a risk of mission drift. This is critiqued further below.

6.6. Managing Competing Tensions within LTO-A and LTO-B

The influence of mission has a direct impact on the achievement of social and financial objectives within a social enterprise (Battilana, 2018; Agafanow, 2015; Harmer et al., 2013; Young & Kim, 2015). From the evidence, it is LTO-A which pursues a predominantly commercial path. They intend to manage the tension between commercial and social tensions by actively pursuing surplus generation to resource the social value they create. This approach to avoid mission drift is supported by Ebrahim et al. (2014) and Renz and Andersson (2014). This approach has allowed LTO-A to take advantage of various sport and leisure contracts throughout the UK. This demonstrates a willingness to develop a sustainable business model underpinned by a proactive approach to surplus generation. Although LTO-A embrace their social mission, their mission is serviced by a focus on

surplus generation. This is evidenced by them bidding for sport facility contracts in regions outside of their home borough. However, the findings have shown us that as LTO-A continue to expand there is a clear risk of mission drift due to resource dilution and a focus on generating surplus. Sabeti (2011) and Battilana et al. (2017) point out this expansion strategy and potential mission drift threatens a social enterprise's very *raison d'être*; they will fail to deliver social value to their beneficiaries.

On the other hand, LTO-B has a more philanthropic outlook which allows them to primarily satisfy levels of societal value expected by their stakeholders. LTO-B has been financially supported for a chief aim of improving sport provision and they do not show any willingness to pursue substantial trading activities to generate revenue and grow their organisation. This has left them in a precarious financial position. The strong focus on social objectives has caused a certain degree of friction between social and financial goals due to being dependent entirely on the availability of grant funding to supplement their trading income. Dacin et al. (2010), Garrow and Hasenfeld (2012) and Smith et al. (2010) note this reliance on grant funding will ultimately cause mission drift. This, as the findings suggest, is due to the board's unwillingness to acknowledge the competitive market of sport provision which has been heightened by austerity measures. This is accompanied by an insular view of focusing on what they currently manage and the threat other Leisure Trusts and private sector organisations pose for their future stability. It is clear the board, through restraining the role of the CEO has been reactive rather than pro-active in the strategic thinking. For instance, the board did not foresee the removal of their annual grant of £1.7m even though the political environment they currently operate within suggests such an event could occur.

LTO-B's CLG-CS legal structure is unlikely to help them in increasing sources of financial income and avoid mission drift. The dependence on grants has stifled creativity and innovation. This highlights general problems associated with legal structures by social ownership. As Smallbone et al. (2001) and Bridge et al. (2009) suggest, the CLG-CS structure severely limits a social enterprise's capacity to secure substantial levels of trading income or to bid for large public service contracts. The CLG-CS status, as Bridge et al. (2009) argue, acts as a barrier to

attracting equity finance, a vital financial alternative for organisations operating in competitive markets, of which sport is one. Yet, while the CLG-CS structure enables LTO-B to work towards their social mission, it is not advantageous in terms of achieving their financial objectives. LTO-B's strong socially driven mission arguably presents a moral hazard. They are pursuing a social orientation and feel that they do not need to embrace a commercially focused approach. Notwithstanding their unwillingness to embrace further trading opportunities, the CLG-CS legal status helps them build avenues for channeling funding and support to communities and address sport inclusion issues.

Conversely, the analysis of LTO-A tells us that by embracing a BenCom legal structure it intends to arrive at a balanced business model. LTO-A issue social bonds, which helped generate significant amounts in additional capital, resources the creation of social value, specifically improving the quality and quantity of sport provision. Implementing this approach provides chances to increase their surplus and consequently strengthen their social mission. The evidence from LTO-A demonstrates that they have a symbiotic relationship with the market, thus agreeing with the views of Teasdale and Buckingham (2013). Consequently, LTO-A have not outright precluded and disregarded the approach of for-profit organisations and their focus on commercial objectives. Nevertheless, the pursuit of organisational growth necessitates prudence. It has been found in current literature that social enterprises who embrace and focus on a commercial approach do not always succeed. Dacin et al. (2010) observed that most social enterprises battle to sustain their operations whilst maintaining focus on their social mission. We can see this in the dangers associated with the commercialisation of LTO-A which have been discussed, particularly the pursuit of growth and resulting in potential dilution of their social impact. Moving forward, LTO-A do risk compromising their reputation due to its difficulty in conveying to the consumer and local councils who they are and what they can do, from a social value perspective, and therein encounter mission drift.

LTO-A face these challenges in balancing tensions while pursuing a policy of growth. The findings help build upon the work of Young (2012) who points out it may be difficult for social enterprises to give equal weight to social and economic objectives and achieve a stable balance between both. However, Young (2012) fails to explain

how this tension is managed. This case study of LTO-A addresses this knowledge gap by identifying a stewardship approach and BenCom legal structure as being beneficial for avoiding mission drift in the contemporary political and economic environment. The characteristics of varying social enterprises may be different but the essence of how the competing logics of social and financial tensions can occur, and how it can be managed still applies to other social enterprises. From the evidence, LTO-A is less likely to experience mission drift than LTO-B. LTO-A has not experienced mission drift since the achievement of their social mission is based on generating surplus to resource the production of social value. Nevertheless, LTO-A are likely to experience a perceived mission drift. To expand, there may be accusations of mission drift from external stakeholders who do not clearly understand the decision-making of LTO-A. Yet, the findings reveal that the commercial focus of the Managing Director and board members help combat mission drift by providing the financial resources necessary to implement social value and improve their sport provision. Pache and Santos (2013) argue that this approach is helping social enterprises deal with perceived mission drift.

In the future, LTO-A may not be aware of mission drift occurring due to their pragmatic approach. For example, as they increase focus on stabilising a new facility financially, the amount of social value being created may become diluted. It can be contended that LTO-A may find themselves, on what Emerson (2006) labels 'blurred frontiers', where they are located on a frontier between the non-profit and the for-profit sectors. This can increase the risk of mission drift associated with the pursuit of conflicting goals (Defourney & Nyssens, 2012). LTO-A assert that the short-term sacrifices are worth the long-term gain in terms of social value. They manage to strike the balance between what Defourney and Nyssens (2012) describe as the tension that arises when maximising the opportunities to generate surplus whilst focusing on their primary goal of producing social value and democratic governance.

Conversely, LTO-B are compromising their chances of financial stability and longevity with a highly unfocused approach to growth. The resulting financial worries for LTO-B can be a cause of mission drift, something of which Herranz et al. (2010) point out is a destabilising effect of mission drift but also an intrinsic characteristic of stakeholder-based models of social enterprise governance. This is compounded by a

CLG-CS status which has led LTO-B to become heavily reliant on grant funding. LTO-A have more control over the mission drift process, although their risk of mission drift is still fairly low. They are characterised by giving preference to organisational growth strategies in some situations and to produce social value as a consequence of this approach. Their preference of organisational growth strategies is different to LTO-B and their approach of focusing predominantly on the creation of social value in their borough. LTO-A has to do more to develop a strong social enterprise identity to minimise the risk of perceived mission drift occurring.

In summary, LTO-B has superior awareness of new social value opportunities. They are able to focus on producing social value rather than shifting towards having a wholly commercial focus. Their strategy of consolidating rather than expanding facilitates this approach. Cornforth (2012) suggests that this may be a prudent approach for social enterprises that want to give their full attention to the organisation's social mission and purpose for existence. LTO-A, on the other hand, may be accused of perceived mission drift by external stakeholders if their senior management and board do not proactively engage with local communities and be seen to provide social value. This issue around identity and community engagement was highlighted in the findings. Pearce (2003) and Harding (2006) allude to this potential downfall by pointing out that a social enterprise's focus on its social mission can be diluted if there is a lack of engagement with key stakeholders. Further, by being predominantly focused on commercial revenue growth opportunities LTO-A can be seen to be overlooking valuable opportunities for creating social value. Subsequently, it is suggested that LTO-A adopt a more all-rounded approach to avoid mission drift as they continue to grow.

6.7. Theoretical Implications of Social and Financial Tensions on Types of Social Enterprise

The findings provide us with the evidence to suggest mission drift is a central issue when understanding specific types of social enterprise. The tensions between trading income, social value creation and asset lock in types of social enterprise are key determinants of potential mission drift. This is illustrated through the findings of LTO-A (BenCom) and LTO-B (CLG-CS). Each type of social enterprise has followed

a different approach to managing then tensions outlined by Bull (2018). This has allowed us gain a valuable insight under the umbrella of organisational forms of social enterprise, which Doherty et al. (2014) and Peattie and Morley (2008) have called for. It can be asserted that the political and economic environment combined with the governance of each type of social enterprise provides the basis for potential mission drift.

Mission drift within LTO-B can be caused by their heavy reliance of grant funding and its immediate withdrawal. Additionally, as the board are acting as stewards of the organisation they are maintaining their social focus without accounting for the withdrawal of financial support and increasing competition within the marketplace. Subsequently, LTO-B is suffering from significant difficulties in addressing the tension of increasing trading income which is associated with trading charity types. Moving forward, being unable to support their social mission through minimal trading, no financial support and consolidation of assets means the survival of LTO-B can be questioned. The board of trustees within LTO-B have restricted the role of the CEO and therefore are unwilling, and in some cases unaware, of the need to react to governance challenges, specifically austerity measures. This has caused a systemic imbalance between social and financial tensions.

Contrary to this, LTO-A is managing tensions in satisfying social value creation by easing the tension associate trading charity types of satisfying levels of trading income. Therefore, in terms of our understanding. They are managing the competing tensions for now, thus avoiding mission drift. However, as discussed, there is no guarantee this avoidance of mission drift will be maintained moving forward. It is clear the governance challenges discovered and critiqued in this study provide consistently changing variables which inherently cause an increase on the need to address to specific tensions associated with a BenCom. From this, we can assert that the possibility of mission drift is a fluid process rather than being intrinsically fixed and rigid when assessing other BenCom organisations. The risk is dependent upon the political environment, competition within the marketplace and the governance of particular types of social enterprise. We can conclude LTO-B is more susceptible to mission drift than LTO-A in the current political and economic environment in the context of sport provision. The role of the voluntary board within

LTO-B inhibits the organisation's ability to pro-actively address governance challenges.

6.8. Discussion Summary

This study highlights how the decision to select a legal structure has ramifications as to how the organisation can be categorised and how they manage mission drift. The findings of each Leisure Trust emphasise the governance challenges and characteristics that affect their ability to manage social and financial tensions. This study shows that there are wider issues to be considered, in particular the process of identifying a suitable legal structure becoming a crucial decision. This supports the views of Bull (2018), Bull and Ridley-Duff (2018) and Peattie and Morley (2008) in that the legal structures of social enterprise are still developing, yet vital for the development of the third sector, and therein the provision of sport through social enterprise. This study shows that social and financial tensions, resulting from austerity, underpin both Leisure Trusts' approach in the pursuit of their social missions. These are challenges that will be apparent for other Leisure Trusts and social enterprises operating in other areas of provision. However, it must be stated that the impact of these challenges will vary and the challenges highlighted in this study are not claimed to be homogenous across all social enterprises in the UK. Instead, we have provided an in-depth insight to how two different types of social enterprise operating in the same area of provision manage to address contextual challenges and associated tensions. This is something which is lacking in research on the role of social enterprise in sport.

Selecting either a BenCom or CLG-CS legal structure, as well as others, is a key part of the organisation's growth and stability. This study reveals that the effects of either legal structure comprise of an array of challenges which had previously escaped sufficient academic debate. The legal structure and these factors influence the governance model and its capability to avoid mission drift to an extent. It also informs us of the factors affecting our understanding of social enterprise, specifically in the UK. The stakeholder model of governance still plays a crucial role in facilitating the achievement of social objectives. However, due to pressures to become more business-like, based on challenges identified in this study, there may be

encouragement to shift from a stakeholder model to stewardship governance. This is exemplified within the LTO-A case study.

This study suggests that it is crucial that both Leisure Trusts seek to source opportunities for surplus generation in order to remain stable and avoid mission drift. The case study findings justify the need for social enterprises to no longer ignore political and economic challenges facing them, in this case austerity spending cuts, something of which Garrow and Hasenfeld (2012) and Hastings et. (2015) suggest is required. They are competing in markets against private sector providers of public services, something as Widdop et al. (2018) note is increasing. Both types of Leisure Trust have to prove that they can compete with other organisations, particularly private sector providers, and proactively address challenges associated with the austerity measures placed on them. Most crucially, it was seen that a BenCom legal structure enhances LTO-A's ability to draw in a wide range of resources and expertise, something of which the CLG-CS structure restricts LTO-B. The final chapter focuses on the conclusions, contributions to knowledge of this study and directions for future research.

Chapter Seven

7. Conclusion & Directions for Future Research Chapter

7.1. Introduction

This chapter presents the conclusion and directions for future research arising out of this study. The key contributions to knowledge are also outlined. Additionally, recommendations for future research necessary to strengthen our understanding of social enterprise in the UK are presented. In addressing the research questions, the contributions to knowledge are discussed below. Particularly, consideration is given to the practical implications of the study. Further reflections as to the limitations of the study (discussed in chapter three) are also provided, since these make a realistic appraisal of the findings reviewed in chapters four and five possible. The purpose of this study was to contribute to our understanding of social enterprise by investigating the governance of specific organisational forms of social enterprise; LTO-A (a BenCom Leisure Trust) and LTO-B (a CLG-CS Leisure Trust) within the context of sport provision in the UK. The discussion of each research question below clarifies how this aim has been achieved.

7.2. Research Question One

RQ1 - How does a Leisure Trust survive and achieve its social mission in an unstable and resource-scarce era of austerity?

Throughout this study, we have explored and scrutinised the political challenges facing two different Leisure Trusts. This study establishes key political challenges facing a CLG-CS and BenCom social enterprise. Examining both Leisure Trusts allowed us to acquire an in-depth insight to the political landscape and its role in social enterprise development. This took the form of two qualitative case studies. It was established in the literature review that the implications and consequences of having a BenCom or CLG-CS status is not sufficiently researched. Researchers have established the view that government policy plays a pivotal role in the development of social enterprise, and for the third sector (Dommett, 2015; Slocock,

2012; Smith & Jones, 2015; Smith, 2014). The role of social enterprise in public service delivery was to be encouraged by the austerity agenda imposed by central government (Civil Exchange, 2015). However, critics have argued that austerity measures have had little impact and has become political rhetoric for a return to privatisation of public service delivery (Civil Exchange, 2015; Dommett, 2013; Lindsey, 2013; Smith & Jones, 2015). This study provides valuable knowledge to build upon this work and specifically examines it within particular two varying types of social enterprise in the form of Leisure Trusts; a BenCom and a CLG-CS.

It is argued in this study that the role of government policy plays a significant role in the development of both case study organisations. The foremost contribution to knowledge is a range of political issues hampering and helping the development of both organisations. These issues were presented in the analysis of two types of social enterprise, and qualitative data from interviews of key respondents. These political factors are complex and involve a number of interconnected variables that have not previously been subject to academic debate within different types of social enterprise. As discussed in this study, the impact of these political factors is influenced by the legal status of the social enterprise. For instance, LTO-B, which is a CLG-CS, is more exposed to the reduction of financial grant support than LTO-A, which is a BenCom, because of its governance model. The voluntary board of trustees within LTO-B act as stewards of organisation and place total focus on creating social value to satisfy their stakeholders within the borough. Although this avoids mission drift, it inhibits their willingness and awareness of the need to increase trading income as result of grant withdrawal. This is compounded by their approach of asset lock and consolidating the facilities they operate. Consequently, LTO-B is struggling to maintain its achievement of its social mission of getting more people more active.

The contribution from this study is that although austerity is becoming a veneer for privatisation of public service delivery, it is creating opportunities for LTO-A to thrive and grow. Conversely, it is having a detrimental impact upon LTO-B. Both its ability to survive and avoid mission drift is compromised. LTO-A can attract different sources of finance and take advantage of commercial opportunities, such as member investment bonds and some public service contracts. This allows LTO-A to

compete with private sector providers in the tendering process, and ultimately reduce the prominence of private sector provision of public sport services. As discovered in this research, local authorities are placing increasing emphasis on the production of financial value rather than society social value. This counteracts the policy of increased community ownership (Cameron, 2011; Civil Exchange, 2015). The link between prevailing government policy and its impact upon the development of specific types of social enterprise has been neglected by researchers. This is because it has been assumed all organisational forms fall under an umbrella of 'social enterprise' (Bull, 2018; Bull & Ridley-Duff, 2015; Peattie & Morley, 2008). The influence of these policy challenges upon particular types of social enterprise is multifaceted and varies in degree, which is established in this study. Contemporary discourse on this issue is limited at best and it is predicated on the assumption that the adoption of a particular legal status is a mere administrative procedure.

7.3. Research Question Two

RQ 2 - How does the governance model and processes of different Leisure Trusts impact upon their associated tensions?

This study sought to examine the governance models of LTO-A and LTO-B. In particular, the aim was to establish how the governance models of both organisations can contribute to our understanding of social enterprise in the UK. The model provided by Bull (2018) provided a clear conceptual framework for analysis within this study of their governance models. It is argued within this study that despite increasing interest in social enterprise governance, little or no attention has been devoted to the governance of specific types of social enterprise. The insight acquired in this study contributes to the understanding of social enterprise in the UK by determining how governance processes enable a social enterprise to address tensions associated with their type.

The study has added to existing knowledge by investigating how governance models of two social enterprises affect their drifting between the associated tensions of the three types of social enterprise presented by Bull (2018); trading charity types, solidarity types and social business types (figure 6.1.). The investigation found

contrasting models of governance with varying outcomes within LTO-A and LTO-B. These models are fundamentally linked to the legal status of each Leisure Trust. Another variable which was integral to the governance processes of both organisations was government policy and competition within the marketplace.

LTO-B with a CLG-CS legal status adopt a stakeholder model of governance. This is a common model of governance for CLG-CSs as the board of trustees' act as stewards for the core purpose of their stakeholders (Doherty et al., 2014). However, their core focus on producing social value for their stakeholders is clouded by withdrawal of grant funding. As a result, LTO-B is unable to address the tension of minimal trading income associated with trading charitable types of social enterprise. This is because they are heavily reliant on an annual grants as opposed to generating trading income to balance the competing tensions of trading charitable and social business types. We have also found that the tension of trading income for LTO-B is being severely enhanced due to increasing competition within the marketplace, from other social enterprises and private sector providers. The strong philanthropic nature of the stakeholder model of governance has been facilitated by their CLG-CS status. These issues are underpinned by the board's unwillingness to utilise the skills and expertise of the CEO. The board are failing to pro-actively address financial tensions.

LTO-A with a BenCom legal status have a stewardship model of governance. The Managing Director acts as the steward of the organisation. LTO-A was found to possess a robust business model which enables them to take advantage of commercial opportunities whilst retaining the creation of social value. This approach ensures LTO-A can balance the tensions associated with trading charitable and solidarity types of social enterprise. The co-operative approach to governance allows the organisation to utilise the expertise and skills from both the board and senior management. It is clear the structure, roles and processes of governance within LTO-A impact upon the operational approach and outcomes of the organisation. It is clear from both case studies the power dynamics between the board and CEO contribute to our understanding of social enterprise.

We have found that the stakeholder model of governance within LTO-B prevents the

CEO from performing their role adequately to address the challenges they face. There are significant tensions between the CEO and board due to the voluntary nature of the trustees. LTO-B restricts the influence of the CEO in determining the direction of the Leisure Trust. Contrary to this, the stewardship model within LTO-A empowers the Managing Director to take control of their operational and strategic approach. Enabling the Managing Director to take control allows them to consistently react to challenges, which affects their ability to manage social and trading income tensions. Consequently, we can conclude LTO-A is more likely to avoid mission drift than LTO-B.

7.4. Research Question Three

RQ 3 – How do Leisure Trusts guard against encountering mission drift?

This study has placed specific emphasis on how LTO-B and LTO-A manage to remain financially sustainable whilst concurrently achieving their social objectives. We have also seen how the links between the challenges faced and the legal identity of the social enterprise is a contributing factor in determining whether it runs the risk of mission drift occurring. These links are critiqued in the discussion chapter. For instance, although LTO-A has an explicitly defined social mission, it is still underpinned by commercial objectives. Consequently, LTO-A intend to manage the tension between commercial and social tensions by actively pursuing surplus generation to resource the social value they create. This is in line with the views of Ebrahim et al. (2014) and Renz and Andersson (2014). In contrast, the issue of mission drift is not a concern for LTO-B. It has a more philanthropic outlook which allows it to focus on producing social value and therein their social mission. However, as discussed, there has been an oversight of financial stability which has resulted in the possibility of mission drift occurring. Thus, confirming the views of Sabeti (2011) and Battilana and Lee (2014) who argue this approach can be the chief cause of mission drift.

This study has added to knowledge on how a BenCom and a CLG-CS manage social and financial tensions with the intention of avoiding mission drift. We have established, from two case studies, that a BenCom and CLG-CS tackle the issue of

mission drift in different ways. This study presents findings which highlight specific challenges facing different types of social enterprise and how they impact upon the occurrence of mission drift. The findings show us that there is no single distinct approach of managing competing logics across the different types of social enterprise. This study claims that mission drift is a fluid process and is influenced by numerous factors, particularly the political environment, legal structure of the social enterprise and resulting power dynamics in relation to decision-making.

We have established that LTO-B is at considerable risk of mission drift because of their unwavering focus on social objectives and oversight of financial stability. This is compounded by their near complete reliance on grant funding, and as found in LTO-B, its sudden withdrawal. This reliance on financial support is a characteristic of CLG-CSs (Doherty et al., 2014). Conversely, the BenCom legal structure provides the flexibility and capability to move towards a balanced business model for LTO-A. The flexibility in terms of the composition and roles of the board and Managing Director allow LTO-A to react to market pressures. Therefore, this raises questions regarding a social enterprise's relationship with the market (Teasdale & Buckingham, 2013). The evidence from this study relating to the sport and leisure provision market tells us that sport social enterprises must consider maintaining and/or pursue trading income to avoid mission drift. This investigation leads us to assert a BenCom structure can help facilitate an avoidance of mission drift more than a CLG-CS status in the current political and economic environment in provision of sport. However, it is prudent to note the bounds of this assertion to a marketplace when private sector competitors and/or other social enterprises are present.

Moving forward, particularly within sport and leisure provision, having a balanced business model is crucial because of the competitive nature of the market. Although we have gained an insight into a BenCom and CLG-CS, the study has not examined a CIC within this market. However, this is because Leisure Trusts predominantly adopt a BenCom, CLG or CLG-CS legal structure (Hughes & Hodgkinson, 2012; Simmons, 2008). Therefore, adopting a CIC structure may allow Leisure Trusts to access a wider range of finance (Doherty et al., 2014), thus bolstering their position against private sector providers. This study has already established privatisation, particularly in sport and leisure, is becoming prevalent within public service delivery

of sport facilities.

7.5. Conclusions Summary

The overall conclusion from this investigation is that the governance of a social enterprise is crucial for supporting their social objectives. Their legal status and resulting governance model and processes is essential in understanding how social enterprises manage social and financial tensions associated with trading charitable types, social business types and solidarity types. This study also concludes that government policy on social enterprise, via various government commitments (e.g. Social Value Act, 2012) and an era of austerity, is affecting social enterprises to varying degrees. It was concluded the main determinant of this impact is how each social enterprise reacts to market conditions and specific sometimes location-based challenges. The study also presents contemporary empirical evidence to identify the main challenges facing social enterprise and how different social enterprises react to the same challenge, e.g. spending cuts imposed through government austerity measures.

Additionally, the governance of social enterprises is shaped and guided by the motives of the people within them. The power dynamics between the board and CEO play a vital role in determining how particular challenges are met and mission drift is avoided or encountered. In conclusion, the challenges facing LTO-B and LTO-A highlighted in this study enable us move under the umbrella of social enterprise and examine specific types. This furthers previous work conducted on understanding social enterprise, by determining the factors that influence the management of tensions associated with different types of social enterprise. This provides robust groundwork for the advancement of social enterprise in the UK. If there is more clarity provided on what specific types of social enterprise can provide then policy makers, specifically government, will have arguably have a firmer grasp of how a social enterprise can provide solutions to local public service delivery. The lack of awareness by local government of what each social enterprise can do in the local community was a key finding in both case studies.

7.6. Recommendations

Recommendations will now be made based on the above conclusions. These suggestions have implications for government policy on social enterprise, theory and practice.

The findings from this study show that there is a need to confront traditional thinking on the development of social enterprise as public service delivery vehicles in the UK. It is crucial academics and policy-makers acknowledge that social enterprises are businesses that exist, survive and compete in a marketplace. From this study alone we have seen what impact political and market forces can have upon different types of social enterprise. The practical implications of this research in light of the conclusions drawn earlier suggest that current government policy is inhibiting the development of social enterprise within the provision of sport. The current political agenda of encouraging private sector provision in public sport service delivery increases competition in the market and inhibits the impact Leisure Trusts such as LTO-A and LTO-B can have. Therefore, moving forward, both Leisure Trusts need to be flexible and creative in how they compete for public service contracts and against other organisations.

The LTO-B governance model combined with the prevailing challenges identified in this study lead us to recommend that LTO-B should consider their governance approach and how it influences the management of financial tensions. To that end, the board must empower the CEO to actively address these tensions. If this does not occur, LTO-B will encounter mission drift and ultimately become an unsustainable operation. Conversely, it is recommended that LTO-A continue with their pragmatic approach to governance. The BenCom structure enables them to actively empower the Managing Director to address social and financial tensions. However, as it stands, the tension of satisfying levels of social value will increase the faster LTO-A grow. LTO-A must concentrate on their existing services to ensure social value tensions are addressed.

To facilitate this, The Department for Culture, Media and Sport (DCMS) ought to consider and promote appropriate governance structures to perspective Leisure

Trusts. To this end, the adoption of a particular legal status is a pivotal consideration for a Leisure Trust, and therein a social enterprise. Customary legal structures such as the co-operative model (BenCom) and a CLG-CS are suitable for most social enterprises, but they do not always cater for a competitive marketplace in which raising capital is crucial for stability. It is therefore recommended that social enterprises consider alternative legal structures to meet this demand. For social enterprises considering service provision it is suggested they explore CIC structures and the benefits that model can provide.

As discussed in chapter two, these structures can offer additional flexibility, in terms of raising capital for social enterprises to succeed in a competitive market (Doherty et al., 2014). To aid this development, from a policy perspective, there must be specific legal support networks. However, the dearth of research and specialists in legal forms of social enterprise restricts policy progression. This need is amplified by the rise of private sector providers in public service provision, social enterprises competing with them and private sector organisations forming social enterprise subsidiaries for financial reasons.

7.7. Limitations

The main limitations of this study stem from its empirical methods. Data gathered in this study can be criticised for being reliant on accurate recall, prone to conscious or unconscious respondent bias such as defensiveness or social desirability, and the adequacy of the questioning and interpretation process. The study adopted a number of suggestions made by Guba and Lincoln (2007) and Flyvberg (2006) to balance these methodological difficulties and ensure the trustworthiness of the data was maintained. These limitations were overcome by the development of context-dependent knowledge, which this research aimed to pursue. Another limitation of the data collection and analysis method used in this study is its labour-intensive nature. It is, therefore, not suited for evaluating social enterprises when data needs to be collected from the entire social enterprise population in the UK. Future researchers may choose to adopt alternative survey-based methods to assess the large and varying population of social enterprises within the UK. This discussion of study limitations points to promising avenues for future research, which are summarised in

the following section.

7.8. Further Research

The conclusions of this study raise additional questions for further research on social enterprise. This is vital because as discussed in this investigation we are still in a stage of understanding the phenomenon itself. The findings from this study aim to supplement and support our understanding of social enterprise in the UK. Further research is crucial for contributing to understanding, policy development and practice within the third sector. In view of the study's findings and limitations the chapter concludes by suggesting some directions for future research, which concerns issues related to: *a*, *b* and *c* below.

A. Further Understanding of Social Enterprise Types

This study has only touched the surface of the often multifaceted and fluid element of social enterprise understanding. Additional studies are needed in order to explore some of the key themes identified in this study. Firstly, despite the evidenced benefits, the adoption of the BenCom legal structure within the third sector in the UK is still relatively low (Cabras, 2011). Further research is necessary to scrutinise the ability of BenComs to manage their extended stakeholder base as the social enterprise transitions from a start-up stage to a growth stage. To supplement this, the impact of type of legal structure on social enterprises in other regions or social contexts also requires investigation. It was seen the two regions examined in this study have significant differences in the impact of the challenges faced. Building a broader bank of contextual knowledge will aid our understanding of social enterprise and contribute to the understanding of trading charity types, social business types and solidarity types in the UK.

B. Governance Shift within Social Enterprise

Secondly, the findings of this study underline the crucial importance of governance models within social enterprises and how it enables the organisation to achieve its mission. The study provides findings which advocate a shift away from traditional

democratic stakeholder-based models of governance within social enterprises. The evidence suggests social enterprises are adopting different models of governance such as stewardship models. However, as evidence in this study suggests, little is known of how stakeholder interests are maintained as the organisation continues to grow whilst ensuring mission drift is avoided. As a result, the findings of this study should be supplemented by further research on the relationship between stewardship governance models and the legal structure of a social enterprise. This will inform us how mission drift is avoided or encountered at different stages of their business life cycle. This is important given the adoption of traditional democratic governance models. Stewardship models raise questions of how conflict is managed between the board and CEO and how growth impacts upon being able to satisfy a protracted stakeholder base. These areas require further investigation.

C. Social Enterprise Amalgamation

Thirdly, building upon the adoption of stewardship governance, we have found that a BenCom organisation adopting this approach is pursuing growth which includes amalgamation of social enterprises. This raises questions and concerns surrounding the understanding of social enterprise. Little is known of the difficulties and/or advantages of social enterprises merging within the same market. The varying legal structures social enterprise can adopt make this approach more complex. Thus, it is recommended research is conducted on such organisations adopting a merging approach with organisations with an alternative legal structure. As seen in this study, different legal structures determine how a social enterprise is governed and how it addresses challenges. Therefore, merging with different legal types of social enterprise raises questions on how producing social value and trading income tensions are managed. Underpinning this, it will be necessary to establish the impact of the impending exit of the European Union upon the sport provision market within the UK. Will it result in an upwards trend of outsourcing or in-house management of public services? This will affect the likelihood of social enterprise mergers taking place.

8. Bibliography

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