

Strategic Commissioning for Arts Organisations

A Research & Development Project



Introduction

This report was produced for Arts Council England as part of an R&D project on strategic commissioning funded by Arts Council England.

It was initially conceived as a project report for the Arts Council, but has been re produced as it contains information of relevance to other Arts Council regions, commissioners and policy makers.

There are three additional resources arising from the R&D;

- Background information for artists on strategic commissioning and self-directed support
- A market development & stimulation table with examples from the arts and non-arts sectors
- An online presentation to be used as a stand-alone introduction for artists

Arts Council England has adopted several of the recommendations in this report and further development work will be taking place in 2012.

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Executive Summary

The Eventus R&D Project has taken place against a rapidly changing background. The project combined desk research and interviews with active participation in unfolding events in Sheffield, in a number of instances taking the lead as a representative for the arts sector. The project also initiated action learning events for both the Sheffield arts sector and Commissioners.

Following a strategic review, Viva, the South Yorkshire Arts Consortium, is considering making a shift from a formal (incorporated) consortium to a loose informal consortium whose legal identity for contracting purposes is derived from the lead body (Eventus). This will enable Eventus to bid for a range of contracts but on a less onerous and more flexible basis. It will also open the way for sole trader and individual artists to participate in contracts.

VCS infrastructure organisations have been taking the lead amongst the Third Sector in understanding and interpreting changes resulting from the statutory commitment to strategic commissioning and more recent changes. There is a wealth of resource and information freely available – a resource for artists has been produced as part of the R&D.

Arts organisations were found to be generally lacking in understanding of the implications of strategic commissioning and it is of key importance that they be informed and encouraged to develop new business models to enable them to engage with commissioners. Arts organisations need to evidence their work in terms of outcomes, demonstrate added value in financial terms if possible and market their work in different ways, particularly in the field of Adult Social Care and personal budgets. Artists need to be signposted to the best resources of the overwhelming quantity that are freely available. They also need direct programmes delivered locally.

The project found commissioners, too, lack a full understanding of the strategic benefits of the arts. Commissioners are themselves struggling to deliver against a background of rapid change and it is necessary that the arts and culture sector takes the initiative to identify who they are, inform them of the arts offer and build partnerships with them.

The active work undertaken during this project to advocate for the arts strategically at local level needs to continue. The arts

must be at the table during this period of rapid change. The work needs to be undertaken at a strategic level by consortia or infrastructure organisations. It must be undertaken locally but overseen regionally and with a national strategic direction.

This R&D Project has identified a number of key recommendations locally for Sheffield and nationally and regionally for the Arts Council.

Recommendations for Viva

- To continue, but on a looser basis
- Open Viva to individual artists
- Inform and build capacity

Recommendations for Eventus & Sheffield

- The arts must be at the table
- Develop new business models
- Inform and build capacity in the arts sector
- Inform commissioners and develop partnerships with them
- Intelligence gathering should be a continuous process

Recommendations for the Arts Council

- The arts must be at the table
 - lobbying and support for infrastructure organisations
- Co-ordinate evidence gathering and dissemination
- Be a guardian of quality – develop a pilot programme to encourage commissioners into unfamiliar territory 'An Experience Less Ordinary'
- Help arts organisations to develop new business models



Strategic Commissioning for Arts Organisations

A Research & Development Project for Arts Council England

As a result of its experience as the lead managing organisation for Viva, the South Yorkshire Arts Consortium, Eventus was funded in October 2010 by Arts Council England to undertake a research project into the current state of Strategic Commissioning, its impact in Sheffield and its effect on arts organisations and the consortium.

1. R&D Project Aims

1. To look at the commissioning landscape nationally, including what opportunities might be available for arts-based consortia;
2. To look at ways of strengthening the consortium;
3. To look at ways the arts can develop in a commissioning culture;
4. To suggest actions that Arts Council England could take at both regional and national level to support arts organisations, in particular with reference to its Goal 2 and Goal 3.

2. R&D Project activities

1. Interviews with Viva consortium members and representatives of other Sheffield consortia.
2. Desk research into responses by third sector organisations across the country to commissioning, and interviews with arts consortia elsewhere in the UK.
3. Interviews with Sheffield commissioners from the council, the NHS and the PCT.
4. Attendance at workshops, conferences and seminars in Sheffield and elsewhere in the region and the UK; including delivery of case studies and workshops at events.
5. Developing a working partnership with Voluntary Action Sheffield (VAS) through regular meetings and information sharing with the Commissioning & Procurement Officer.

6. Membership of a Task & Finish Group of Sheffield Council, PCT and NHS commissioners and consortia leads exploring a common framework for commissioning.
7. Leading Task & Finish Group workstream on Market Development & Stimulation.
8. Organising a workshop and discussion session for Sheffield arts organisations (ranging from Sheffield Theatres and Museums and the Site Gallery, to new organisations), the Arts Council and VAS to explore the arts sector's understanding of strategic commissioning. *'Mapping the New Landscape'* 22 March 2011.
9. Organising a discussion and learning event for Sheffield Adult Social Care commissioners facilitated by consultant Linden Rowley to inform them about current arts activity in their field, and to open a dialogue with them on developing arts work in Adult Social Care. *'Arts in the New Landscape: Better Outcomes for People in Sheffield. Strategic Commissioning – Can Arts Organisations Make a Difference?'* 29 June 2011.
10. A follow-up meeting took place on 27 July between Eventus and a senior ASC commissioner to discuss actions and next steps. A 5-point framework was outlined, baseline and priority next steps began to be agreed. ***This work is ongoing and represents a key finding and potential future direction.***
11. Organising a day-long strategic review for Viva board members facilitated by consultant Neil Coulson to examine whether the original consortium model is fit for purpose in the current and future commissioning climate.
12. Supporting Viva members to attend a Get Ready for Commissioning Seminar 18 July organised by the Task & Finish Group.



3. Introduction & Context

There has been a sense of urgency throughout the work of this project. The legislative structure was, broadly, clear but implementation of so many radical policy changes on the ground has been confusing, fast changing and the ultimate destination remains unclear. This report represents a snapshot at the time of writing.

During 2011/12 a huge amount of work has been taking place in the Third Sector at local level across the country to understand the new situation, to educate member organisations and to open dialogue between organisations and with commissioners. Predominantly this activity has been led by VCS infrastructure organisations.

In Sheffield the lead has been taken by VAS, Sheffield Well-being, Children & Young People and Viva (Eventus) S Yorkshire Arts consortia, along with CLASSY (Community Legal Advice Service for South Yorkshire) working with the city council. Elsewhere in the country other partnerships have produced valuable work: for example, in Gloucestershire by the VCS Assembly and NHS; in Derbyshire DCAN, the Contracts Advice Network and across the south-west, Arts & Health South West, among others.

With some notable exceptions, the arts sector has tended to be slower off the mark in addressing the changes. Where arts organisations have responded proactively, they have often been working in arts and health or arts and wellbeing.

This has in many ways been the new localism in action. Each local authority and its attendant Third Sector organisations has responded separately to the situation in its own area. While it has always been instructive, and sometimes inspirational, to attend events outside of Sheffield, it has become clear that it is only in opening dialogues and taking action in an organisation's own area of operation that it is possible to achieve anything.

Nevertheless, it is possible to identify actions to take locally, regionally and nationally. There are examples of good practice and a wealth of information readily available. There is no need to reinvent the wheel. The information and resource pack for arts organisations produced as part of this R&D makes extensive use of good practice examples and resources identified during the R&D Project.

In Sheffield the city council faces reducing costs by 25-30% over 4 years – meaning it needs to spend £220m less by 2014/15. Essentially, it aims to do this through a focus on outcomes across all departments and by seeking to co-design solutions with partners. How the council is setting about its 'Future Shape & Transformation Agenda' is set out in the Future Shape Policy Handbook, adopted by the council in October 2010.¹

When the R&D Project began, the council's procurement officers had been running a series of free workshops for businesses and Third Sector organisations explaining how commissioning systems worked in the city and how organisations could prepare themselves to bid for contracts. Contract opportunities appropriate for arts organisations were beginning to be advertised on websites regionally, although in Sheffield itself, only the Kids Can Do (PAYP) programme had been advertised.

It has not been possible at this stage to assess the likely size of the market through strategic commissioning or Self Directed Support.

In Adult Social Care 2-300 individual budgets had already been set up in Sheffield, with another 2-3,000 in the pipeline. Nationally, great opportunities were being held out to arts and cultural organisations in delivering tailored support and activities to individuals and small groups.

At the beginning of the project Sheffield PCT had around 42 contracts with the third sector and again, nationally this was held out as just the beginning of a wave of opportunity that would soon include GP consortia.

On the other hand, there was also huge uncertainty as to whether these opportunities would be snapped up by a few well-organised and resourced businesses and large national charities. For the most part, there was and continues to be, a lack of understanding by arts organisations of the detail of this complex and fast-changing situation. How many for instance, would have recognised in the examples given above that Bradford Metropolitan District Council's Approved Provider List for Supporting People Programme Framework offered a potential income stream?

¹ <http://www.sheffield.gov.uk/your-city-council/council-meetings/cabinet/agendas-2010/agenda-27th-october-2010>



4. Viva – the South Yorkshire Arts Consortium

4.1 Background

Viva is the trading name for the South Yorkshire Arts Consortium, a company limited by guarantee. The consortium revolves around small, local, not-for-profit arts organisations. The key motivation behind the formation of the consortium was the collective desire of these organisations to strengthen their competitive position by scaling up their capacity to bid for larger public service contracts and to develop a broader offer to sell to commissioners and other buyers.

The major success of Viva had been winning £600k of contract income over the past 3 years to deliver Kids Can Do, a programme of positive activities for young people in Sheffield. It is unlikely that the individual partner organisations could have secured this funding if they had bid for it independently.

The consortium is widely seen as a trailblazer on a national level for collaborative ventures amongst not-for-profit arts agencies.

The consortium used Eventus, one of the pioneers of consortium development, as a managing agent, bidding for contracts and managing them once won on behalf of the consortium, levying a small contract top slice/management fee in return.

Viva was not successful in securing the Kids Can Do contract in 2011, against a significant reduction in overall tender size from £1.6 million to £1 million (*See also Section 4.3 below*).

4.2 Key issues for consortium members

One of the first tasks undertaken by this project was a series of 1 to 1 interviews with lead personnel from each of Viva's member organisations.

Members of the consortium unanimously felt that the experience had been positive and that the management role had been well fulfilled by Eventus. "Absolutely positive about the consortium – this has worked well for us, we feel we've been supported."

However, in looking to the future, there was much uncertainty and some gloom, with members tending to look 'backwards', retrenching to tried and tested income streams, cutting staff or looking to "go on as we always have."

There was little sense, at the level of these small to medium participatory arts organisations, that national policy changes offered positive opportunities.

4.2.1 Problems & issues

- There was an expectation that more work would have come through Viva;
- The amount of additional work in bidding for contracts was a major issue, and not just for Eventus. The tender process was reported as extremely time-consuming across all partner organisations.
- There was a fear that tendering can lead to 'mission creep': "fulfilling other peoples' agendas."
- Intelligence gathering, finding contracts is a major job;
- Issues around where to focus work – some organisations worked nationally, most worked across different geographical areas. Small organisations have to make a choice where to focus their efforts
 - both geographically and in terms of partnership working.
- Suspicion of the government's stated desire for the third sector to deliver more. "The Third Sector consortium 3SC was set up specifically to win huge national contracts and have just been passed over for the Work Programme¹. Only 1 voluntary organisation was amongst prime contractors for the Work Programme."
- Fear / Disappointment that achievements of the past years could disappear, for example relationships built up with the PCT, the good work done in schools by Creative Partnerships, work done locally to build capacity in small organisations.

4.2.2 Membership

- Differences in contract-readiness between full members and associates troubled some members. All agreed it was important that associate members have a chance to take part. However, the consortium's responsibility to 'assess' them was an additional workload – "It can feel like we're setting up an alternative mini Arts Council."
- Members welcomed the opportunity to communicate with other organisations as partners rather than competitors. Although that tension never entirely dissipated (it would probably take more than 3 years and a single contract to do so).

1. In May 3SC reported it was successful in its submission for the first stage of the DWP's bids for Access to Work 'Specialist Assessments' and for the provision of Mental Health Support Services. 3SC submitted second round bids on July 1st and expects to hear back on the outcome at the end of August, and should they be successful contract delivery is expected to commence in November 2011.



4.2.3 The local authority

- Organisations work across different authorities and are aware that each has different ways of working.
- Members felt that Sheffield City Council had not been as interested in supporting participatory arts as in supporting the theatres and festivals.

4.2.4 The changing business model

- “An artistic company should be led by artistic vision. This doesn’t necessarily mix with admin, paperwork and planning ... someone who’s a very good practitioner, they’re not likely to be good at paperwork. Our previous company model was people doing the two things.” A company business model where arts practitioners additionally take on admin tasks is likely to be even less feasible in the future.
- “Arts organisations must become more resilient, reduce running costs, increase mass so they have more strength in tendering. To succeed in council tendering arts organisations must become much larger.” This level of understanding of the strategic situation is quite unusual.

4.2.5 Views on Eventus’ role

- The additional workload for Eventus was not adequately covered by the 10% management top-slicing, and members acknowledged this.
- Members’ agreement to bid was not automatically a part of their membership, but needed to be sought anew with each contract.
- Being a voice for the sector, a place at the table was seen as a crucial role that someone had to fill on behalf of the consortium. Sector representation in this way is outside of contracts and so not covered by the management top slice. The consortium provides representation for smaller organisations. Having a seat at the table, being seen and heard by non-arts organisations, potential employers and beneficiary groups: “There are 7 community assemblies [in Sheffield] and we have to turn up just to let them know we’re around. When you do, you find two other organisations are there.”

4.3 Current situation

Viva was not successful in securing the Kids Can Do contract in 2011. In view of this, and the changing climate for consortium working, board members held a strategic review day in May facilitated by consultant Neil Coulson who had been involved in providing support in setting up the consortium. Sections from his report are quoted here.

“There is a perception within the consortium that this (Kids Can Do contract) was largely as a result of a relatively high tender price (with Viva focusing more on quality than on price within the value for money equation), though it has not been possible to elicit substantive feedback on why the submission failed. Eventus has made representations to the Council regarding the process and lack of clarity in feedback. An internal Council review has been carried out of the whole procurement process for this contract.

Despite the failure to gain the contract, since Viva’s inception consortium-working within the voluntary and community sector has grown in importance, so continuation is both logical and highly sensible.

The Board are considering making a shift from a formal (incorporated) consortium to a loose, informal consortium (i.e. a consortium with no independent legal identity per se, but whose legal identity for contracting purposes is derived from the lead body or managing agent, i.e. Eventus).

As a loose consortium the collaborators would not need to meet for the purpose of managing corporate business, but should instead meet for the purpose of maximising frontline delivery, e.g. sharing good practice, development of joint bidding strategies, service innovation etc. As part of this, an annual conference should be organised for the collaborators to (a) showcase good practice to actual and potential commissioners, (b) disseminate and debate the salient issues within the contemporary commissioning arena and (c) agree a number of key steers to guide the managing agent function of Eventus.

Eventus should continue to bid for a range of contracts ..., but this could be done on a more flexible basis, as relevant and appropriate opportunities emerge.

Eventus should draw on the current circle of quality-assured Viva providers, but also extend its sub-contractor network in line with the requirements of specific contracts as they emerge.”

(Report by Neil Coulson Associates pp20-21)



Eventus felt that this solution was preferable as it:

- Will open the door to including individual artists, who may be more appropriate to commissioning work than arts organisations.
- Gives flexibility to only work with those partners who are contract ready; e.g. one consortium member ignored the joint agreement for all partner tenders to be submitted early to Eventus so that they could be cross-referenced and re-negotiated to achieve a balanced portfolio, and only submitted their proposal on the morning of the submission deadline, jeopardising the whole bid.
- Allows a focus on contracts rather than on maintaining a separate company identity which served no real purpose.
- Enables more efficient use of Eventus resources, as all the legal and governance work in maintaining Viva was unfunded.

5. The Operating Environment for Arts Organisations

A further extract from Neil Coulson's report is included here as it gives a useful and concise summary of current issues and also reinforces the findings of this Project.

Barriers

The barriers facing small organisations in accessing public sector contracts remain formidable. They include:

- Simply not finding out about the opportunities in the first place, as small organisations typically don't have the capacity to scour websites regularly, research opportunities and so on
- The complexity of procurement processes
- The expense involved in putting together high quality, comprehensive tender submissions
- The contracts are too large
- Cash-flow issues associated with payment delays
- Issues relating to identifying, measuring and evidencing outcomes and social added value, as more commissioning frameworks become prevention-orientated and outcome-focused within the contemporary climate of having to achieve more for less

Demand-Side Aggregation

The current operating environment is now much more austere and challenging than it was 3 years ago. The Coalition Government's deficit reduction campaign is having a number of consequences and these are driving voluntary sector consortium developments across the country.

Driven by what might be termed 'demand-side aggregation', contracts are getting larger, as statutory bodies seek to reduce their commissioning-related transaction costs. Aggregation on the demand side of the market is taking two main forms:

Joint Commissioning

This is where separate statutory bodies come together to commission jointly over a wider thematic or geographical area. A recent extreme example of this is the merger of the 3 London boroughs of Westminster, Kensington and Chelsea and Hammersmith & Fulham to create a so-called 'super council', which will be able to commission across the entire patch rather than within the separate districts.

This issue is compounded by the fact that the phenomenon of localism may not necessarily be coterminous with a single local authority district but revolve instead around city regions or sub-regions where a number of contiguous local authority districts are bound together through travel to work and broader economic connections. Locally, for example, the Sheffield City Region Local Enterprise Partnership (LEP) embraces not just Sheffield but 8 other local authority districts that straddle two government regions: East Midlands and Yorkshire and The Humber.

Joint commissioning is creating monopsony (single buyer) scenarios and is a direct catalyst for aggregation/consortium formation on the supply side of the market designed precisely to counterbalance accumulated buyer power.

Bundling

There is likely to be increased 'bundling' of multiple, relatively small-scale VCS (voluntary and community sector) contracts/SLA's (Service level Agreements) into single, large-scale commissions. For example, the local authority in Coventry is aiming to bundle all of its funding to local voluntary and community organisations into a single commission, creating a strategic funding pipeline that will be managed by a unified VCS consortium structure.



General drive towards collaboration

Running alongside the heightened trend towards aggregation and consortium-working within the commissioning and procurement arena is a general drive towards increasing collaboration within the wider funding environment. The Big Lottery Fund, for example, has begun to promote a framework within which there are a smaller number of relatively large-scale partnership-based bids for several of its funding programmes. A recent example is the Improving Futures programme targeted at disadvantaged children and their families. The aim through this programme is to fund a maximum of 20 partnerships across the country, with each partnership receiving approximately £900,000.

Personalisation

The growing trend towards personalisation, i.e. giving individual service users greater choice and control over the services they benefit from via the devolvement of purchasing power from the state to the individual in the form of direct payments and personal budgets, is in some respects the direct inverse of demand-side aggregation. It betokens a shift from monopsony to polypoly market conditions, in other words to a market situation characterised by the presence of a large number of both small-scale buyers (in this case individuals with personal budgets) and sellers (potentially micro arts organisations and individual/sole trader artists delivering a myriad, disconnected range of arts-related health, wellbeing and therapeutic interventions).

However, the drastic shift from monopsony to polypoly conditions (i.e. from aggregation to disaggregation) almost naturally requires intermediaries who can broker between the supply and demand sides of the market, bringing in the process some degree of coherence and organisation to the market and circumventing the inherent threat of fragmentation. Generally, voluntary sector consortia, Viva included, have a potential role to play in this strategic intermediation/brokerage.

Outsourcing and the Social Enterprise Sector

At a local level there is a commitment by Sheffield City Council to utilise local social enterprises to deliver more public services, though it is perhaps unclear whether the local authority sees this predominantly as a vehicle for externalising its own staff resources into arms-length, not-for-profit bodies specifically created as outsourcing vehicles or as an investment in existing social economy infrastructure to take on new service delivery responsibilities.

This commitment to the use of the social enterprise sector sits alongside the general desire within the local authority to shift away from grant giving to the voluntary and community sector to open and competitive procurement processes, a putative move that will pose significant challenges to the sector.

At a national level the shift from state to non-state provision is framed by key strategy and policy developments, such as the Big Society agenda, the Localism Bill (including the Community Right to Challenge), the new Open Public Services White Paper (which includes a new presumption that the vast majority of state-run services should be opened up to any willing provider), the Social Enterprise and Social Value Bill (which requires local authorities, when entering into public procurement contracts, to give greater consideration to economic, social or environmental wellbeing during the pre-procurement stage) and the new Fair Deal for the Voluntary and Community Sector (which includes a requirement for all councils to give voluntary and community groups the opportunity to work together to provide services in new ways).

Infrastructure Development

In the new Giving White Paper, the Government has pledged financial support for the development of voluntary sector/civil society infrastructure. It states (emphasis added):

“We are providing £30 million of investment in a local infrastructure fund, which will be delivered by the Big Lottery Fund, to improve support for frontline civil society organisations in England by helping both general and volunteering infrastructure organisations to modernise and improve the relevance of their services. Providing this type of support was a recommendation of the National Council for Voluntary Organisations (NCVO) Funding Commission (Funding the Future (NCVO 2010).



The fund's objectives are to:

- *support the development of more efficient local hubs to offer better integrated support services for frontline civil society organisations*
- support an effective online resource bank for frontline civil society organisations
- *establish much stronger local partnerships between civil society organisations, local businesses and the local statutory sector.*

The types of activity supported will include: developing new services and redesigning existing ones; *establishing new partnerships, alliances, mergers and/or shared back office provision*; staff training for new roles; and purchasing expert advice and support.”

(Extract from the report by Neil Coulson Associates pp10-13)

Eventus is involved in the Sheffield bid, led by VAS, with other Sheffield based consortia leads.

6. Eventus

From the beginning the R&D Project identified that it was of vital importance that the arts and culture sector be represented in the dialogues that had begun taking place in Sheffield between the local authority, the NHS and third sector infrastructure organisations.

Eventus has thus pro-actively taken on this role at infrastructure level as part of this project to ensure that the arts and culture sector sits at the table as a key partner during this crucial period when new ways of working are being thrashed out.

6.1 Work with VAS

The project identified the VAS Commissioning & Procurement Officer as a key partner and opened discussions around joint working to bring commissioners and the Third Sector together.

A meeting held at VAS on 18 February for the Third Sector and Sheffield council and NHS commissioners, represented the first opportunity for both sides to come together and plan a way forward. A key barrier identified was that different directorates across the public sector have different procedures and that strategic agreement about dialogues and outcomes was essential.

A Task & Finish Group was set up at that meeting to enable the co-production of a joint programme of work between SCC and the VCF sector to “enhance and improve commissioning capability enabling a thriving and enterprising social enterprise/3rd sector to deliver quality services.” This piece of work was acknowledged to be part of the council's agenda at the highest level.

Eventus was present as the only representative of the arts sector and subsequently has taken a key role leading on Market Development & Stimulation, one of 6 workstreams identified by the T&F Group. The workstreams include:

1. Skills & Capability,
2. Commissioning for Transformational Services,
3. Commissioning for Outcomes,
4. Risk Management,
5. Procurement Practice
6. Market Development and Stimulation.

For this sixth workstream, led by Eventus, specific examples have been taken from the arts sector using examples and evidence from the R&D Project. All workstream reports are available on www.vas.org.uk and www.eventus.org.uk. The Market Development table and resources for arts organisations, developed as part of this project, will be on the commissioning section of the new Eventus website www.eventus.org.uk. The final report and all workstream documents have been tabled at a VAS Board, 3rd Sector Assembly Board and Council Executive.

6.2 Creative People

Developing the market for arts is a core activity for Eventus. The successful Creative Places² project 2007-10 (in which Arts Council England Yorkshire were a partner), worked to embed the arts and culture in placemaking, housing and regeneration. Discussions were held to extend this approach across the Communities Directorate as ‘Creative People’.

A Thinking Aloud Session was held on July 27 with the Principal Portfolio Holders, Communities, with presentations by Miranda Plowden (SCC Director of Commissioning), Clare McManus (Director of Eventus) and Andrew Skelton (SCC Public Art Officer). This was extremely well received and the ensuing workshop produced a commitment to embed the arts into service delivery.

2. <http://www.eventus.org.uk/projects/creative-places/>



This session included staff from Adult Social Care who had attended the July event at the Crucible and who, at a further meeting with Eventus, had started to create a structure for the arts in ASC.

A bid to NESTA Creative Councils fund to extend this approach across the whole council has been unsuccessful. Partners were Sheffield City Council and Eventus supported by Arts Council England Yorkshire.

7. Eventus: activities for R&D Project

7.1. Mapping the new landscape, event for artists 22 March

Eventus began the work of explaining the significance of Strategic Commissioning to the arts sector through a high profile event at The Crucible Theatre on 22 March. From the discussions and feedback it was clear that arts organisations generally have an incomplete understanding of strategic commissioning and in many cases lack the business structure to compete in a tendering environment. The VAS Procurement Officer was taken aback at the lack of understanding displayed, and lack of willingness to engage. This highlights one of the issues that was faced with the Creative Places programme – if we stimulate a market for the arts with commissioners, are Sheffield based arts organisations ready to respond? One of the emerging answers is that it seems to be individual artists rather than arts organisations, who are willing to work in this way, but they have specific issues to do with access to information, representation, marketing etc.

7.2 Better Outcomes for People in Sheffield, event for ASC commissioners 29 June

Through a mixture of talks, visioning exercises and discussion facilitated by consultant Linden Rowley, commissioners were led to a greater awareness of how the arts could make a significant contribution to delivering desired outcomes. Arts practitioners who spoke³, contributed action examples and participated in the exercises were carefully selected as being highly experienced in very difficult life issues, specifically heroin & alcohol abuse and work with the elderly and with people suffering dementia and their carers. The ASC staff were noticeably more open and receptive to new ideas than the arts organisations.

7.3 Next steps – a 5-point framework

A meeting between Eventus and a senior ASC commissioner took place on 25 July to discuss actions and next steps. A framework of 5 areas was agreed:

- arts in self-directed support,
- arts as prevention,
- arts as social care activity,
- arts in the community and
- arts & co-production.

At the same time baseline and priority steps began to be formulated. This framework provides a solid basis for matching arts and ASC needs.

This meeting points the way to a key future direction – see **Recommendations**

There will need to be careful negotiation to ensure that the Creative People strand does not overwhelm the strategic commission work.

7.4 Part 2 – Information for arts organisations and artists

To inform the arts sector, one output from the R&D Project comprises an explanatory and reference document for arts organisations. Its purpose is to open the door to the subject and direct artists to key resources, from among the many that are freely available via the internet.

It will not take the place of direct information sharing and is intended to act as a resource to backup an essential programme of information delivered through workshops, seminars, and mentoring. It will need to be kept up-to-date to reflect the changing legislative and local framework.

3. Emilie Taylor, Karren Herrick, Ashley Barnes



8. Commissioners

8.1 Perceptions of the arts sector

There is an issue concerning commissioner perceptions of the arts sector locally. There is a lack of clarity over what the arts sector can offer to commissioners and how it can contribute to the full range of agendas, such as public health, lifelong learning and Adult Social Care. Arts organisations need to understand the commissioners' main purpose. The landscape has changed for commissioners too, and they are not always clear where they are going and how they get there. However, if they see the cultural sector as one of their partners, made up of organisations that are able to understand some of the issues and offer cost-effective solutions, then arts organisations can travel with them.

8.2 Evidence

Key Finding

The arts sector needs to prioritise evidence gathering.

Providing evidence of the benefits of the arts, showing how arts activity contributes to outcomes, is *the* key factor for commissioners. It formed a common thread in every one of the project interviews. However, in this complex situation commissioners themselves often face a challenge to evidence work.

There is evidence available. The information for artists document, includes sources of evidence, case studies and information about harder measures such as Social Return on Investment (SROI).

We have looked at examples of SROI for this R&D Project. One example, carried out by Sheffield Wellbeing Consortium, on the volunteer Community Health Champions in the Altogether Better programme, reports a return of £2+ per £1 of investment. However the Director of SWBC estimates the cost of the report, including researching viable financial proxies from government departments, at £10K. This is clearly not a viable model for small arts organisations, or sole traders.

One possible solution, proposed by the Task & Finish Group, is the production of an agreed Common Outcomes Star for Sheffield. The Outcomes Star is a simple-to-use tool for supporting and measuring change. It can be adapted for use with different client groups. www.outcomesstar.org.uk.

This would benefit commissioners working towards commissioning for outcomes, and bidders as they could place themselves within the star relatively easily.

8.3 Problems faced by Commissioners

At the same time as the arts sector must adapt to a commissioning environment, commissioners themselves are trying to negotiate the change, working out how to reach out to new providers, but not just to arts organisations. We are only one small part of the Third Sector.

A key aspect of the R&D Project work has been to identify commissioners, attempt to understand their needs and concerns and to open lines of communication with them so that Eventus could inform, advocate for the arts sector and seek ways of working in partnership to deliver the best possible service to Sheffield and surrounding area.

Key Finding

There is no measure of the quality of arts experiences on offer through a commissioning process – unless the arts sector takes that task on itself.

As stated earlier, both the national and local picture has changed throughout the project – and changes are ongoing. The change from a grant funding environment to tendering and commissioning has been difficult for both local authority, PCT and NHS staff and arts organisations to understand. In most cases, neither side has any real understanding of how the other works. There is a degree of 'false' understanding – commissioners thinking that they know how artists work (run painting workshops or design benches) and artists not grasping the scale of the shift, not understanding the details, not knowing how to access the details of the information they need.

There is a real question about the quality of arts provision that non-arts commissioners and procurement staff can be expected to assess without support and training – and this directly impacts on Arts Council England's Goal 2.

It's a small point, but it might be helpful to start using the term 'arts and culture' and referring to the 'arts and culture sector'.



9. The work that must be undertaken by and for arts organisations

Key Finding

Work needs to be undertaken at a strategic level by consortia or infrastructure organisations. It needs to be undertaken locally but overseen regionally and with a national strategic direction which can only be undertaken by the Arts Council.

Sheffield Compact Consultation Document – 2011

3.3 Support the development of third sector infrastructure. Infrastructure bodies enable third sector organisations to advocate for and support local voluntary and community sector organisations, through services such as capacity building, representation and other forms of support and to assist third sector organisations with their capacity and capability to deliver positive outcomes.

3.4 Identify where there are costs to third sector organisations as a result of partnership work with the public sector and offer support on a clear and consistent basis. This can be especially important for infrastructure bodies that are helping to organise or run consultations.

Amid the background of continuing change, these things need to happen:

Develop relationships, educate and inform commissioners:

- Identify commissioners in different areas of the council and the NHS,
- Make contact with them, developing relationships with them and informing/educating them in the strategic role that arts organisations can play.

Educate and inform arts organisations. Seek out the best ways to improve their skills:

- Signposting to the best among the wealth of information that already exists in different parts of the country and on the internet and is being added to by the day;
- Direct programmes of workshops and mentoring delivered locally. Both are needed.

Arts organisations need to learn how commissioning works; how the strategic landscape looks nationally; how the different local authorities they work in may interpret national strategy and what are the mechanisms these authorities are using to reach out to new providers.

Artists need to be able to articulate the added-value of the Third Sector.

They need to understand about outcomes and look at what they can offer in a wider strategic context.

Arts in Health work is a growing field and so is Arts in Social Care. Both offer enormous potential for artists, but artists must have some understanding and background knowledge as well as experience in their own media. For example, this means knowing that the health challenges of modern society are things such as obesity, smoking, low levels of physical activity, heart health, respiratory disease, diabetes, physical inactivity, preventable cancers, unwanted pregnancies, alcohol and substance misuse, sexually transmitted diseases; mental ill health. Artists must think about ways their work can feed in to work being done to tackle these problems.

Artists need CPD to enable them to transfer their skills into the Health and Wellbeing environment.

Crucially – repeated by every commissioner spoken to as part of this project - artists must learn about ways of evidencing the value of their work – both their own work and where to find evidence banks and data collected by others.

This new understanding must be reflected in marketing materials – in websites, social media and print materials. It must also be reflected in networks that arts organisations build for themselves.

At the same time, arts organisations need to look inward at themselves – they need to change their business models and become much more contract ready. They – that is their managing boards and the people who do their administration and office work – need to know the unit costs of their work, they need to have an understanding of mechanisms like Full Cost Recovery and Social Return on Investment.

Work similar to that undertaken by Susan J. Royce in ‘Business Models for the Visual Arts’⁴ should be extended to encompass other aspects of the arts. “The portfolio is very fragmented with great variations in scale and business model. Work on improving financial viability needs to take place at the sub-sectoral level with similar organisations working together to take on common challenges” (Royce p28).

⁴ Business Models for the Visual Arts’ Susan J. Royce Arts Council England & the Turning Point Network 2010



Armed with this new strategic understanding, arts organisations must then decide where, geographically and in which services areas they will work. Will they look to the individual budgets of Self-Directed Support, or will they bid for tenders advertised locally, regionally or nationally?

Individual artists and organisations need to consider how they market their work to people on individual budgets. The people involved include not just service users but families, brokers, local authorities, prime contractors, charities and partner third sector organisations.

Organisations need help to find tenders and once found, help to reach a position to put in a bid. How do they take the necessary steps towards tender-readiness – and what support and information is available?

10. Recommendations

Recommendations for Viva

- Partners to continue working together, but on a looser basis than previously.
- The consortium should be open to individual artists and sole traders, not just organisations.
- Information dissemination outlined below to target members, associates and potential members.

Recommendations for Eventus & Sheffield

Eventus have been able to lead on this work through consortium development and the R&D project and have successfully gained a place at the table in Sheffield on behalf of the arts sector. Strategic Commissioning in Sheffield and nationally is not yet fully in place. Arts organisations are nowhere near fulfilling their potential role. In many areas the infrastructure lead role is being taken by local authorities (see Northamptonshire Arts & Culture Commissioning Strategy, *above*). However, although the Art Department at Sheffield City Council has been kept informed of this activity, it has chosen not to become involved.

The arts must be at the table

Radical change is in process, it is essential the arts and culture sector is represented and advocated for in all Third Sector / Commissioner dealings by an experienced body respected by both sides.

Develop new business models

Organisations must move towards a new business model and they need help to do this.

Inform and build capacity in the arts sector

- The work begun by the R&D Project should continue: informing and building capacity in the arts sector, understanding what is happening in the world of commissioning, breaking down barriers and beginning partnership working with commissioners.
- Through autumn/winter the background information resource/document that forms part of this R&D should be disseminated to arts organisations by means which could include some or all of these: 1-2-1 meetings and presentations to organisations; seminars and workshops for individuals and organisations; mentoring, training, newsletter updates, social media. This has been asked for by both arts organisations and commissioners in feedback from the events run as part of this project.
- “Not another toolkit.” People want tailored and not generic information, they want to be directed to the right places for the resources they need. Sheffield’s procurement officers have received a similar message and are considering delivering their training courses in a more tailored form.
- This programme of information dissemination will be an iterative process that will identify subsequent needs and means of information dissemination.
- Undertake a mapping of the arts offer in Sheffield strengthening the arts through plugging gaps in the collective offer by encouraging joint product development.
- The potential of the arts sector to contribute to outcomes needs promoting. A high profile seminar/conference disseminating good practice to both the arts sector and to commissioners in March / April 2012



Inform commissioners and develop partnerships with them

- A further round of events should be organised, along the lines of those already delivered by this project: for commissioners in other council sectors such as Children & Young People; the NHS & GPs. It is suggested that the next event be for Support Planners in Adult Social Care.
- Develop work on the 5-point framework (see page 05) with ASC commissioners.

Continuous intelligence gathering

- Information must be kept up-to-date through continuous intelligence gathering and delivered through a variety of means which may change in response to the developing legislative and operational landscape.
- Information needs to be carefully and knowledgeably disseminated to ensure
 - a) it keeps pace with new developments;
 - b) it dovetails with other initiatives locally (for example the council's programme of workshops delivered by Commercial Services and the programme of information and market events run by Adult Social Care).

Recommendations for the Arts Council

Goal 2: More people experience and are inspired by the arts. The arts are at the centre of people's lives – more people are involved in arts in their communities and are enriched and inspired by arts experiences.

Goal 3: The arts are sustainable, resilient and innovative. Collaborative and networked, the arts are known for resilience, innovation and their contribution to the nation's reputation and prosperity.

The arts must be at the table

- Lobbying: Arts Council England is the key champion for the arts. It is the body to lobby with national government, and regionally with local government and commissioners.
- Support infrastructure organisations: Arts infrastructure organisations need to be at the table during this crucial period of change. Arts Council England can support them to be there.

Evidence gathering & dissemination

- Gather evidence from infrastructure organisations across the country to co-ordinate a cohesive programme demonstrating the value of the arts and cultural sector at local level for commissioners. Arts Council England could co-ordinate a national project (as is being done in the field of arts and health by the London Arts in Health Forum).

A guardian of quality

- Participants at the R&D Project event for artists, 'Mapping the New Landscape' 22nd March, identified quality as the key to their offer "cup cakes not Mr Kipling cakes". Viva board in their strategic review felt that their offer focussed "more on quality than on price in the value for money equation." There is a danger that organisations from a non-arts background will see the arts as something they can 'buy-in', or 'add on' at so many workshop sessions per project. The complex matrix of experience and creativity that participatory arts organisations bring with them is more costly and this needs to be advocated for.
- Arts open doors for people, but it's difficult for people to choose an activity if they have no experience of it. In the area of personal budgets and Adult Social Care, a programme similar to the 'A Night Less Ordinary' initiative for young people could be developed to encourage adults into unfamiliar arts territory. It should be possible to devise a pilot project, working closely with selected ASC commissioners. The 5-point framework, recently identified by Eventus and ASC commissioners could form a starting point.

Develop new business models

- Continue work to investigate and educate arts organisations on business models, as undertaken by Royce 'Business Models in the Visual Arts.' This could be done by attaching more stringent business development conditions to funding as well as a programme of business development workshops.
- This project endorses the findings of Royce, Turning Point and the Thrive programme in the need for arts organisations to receive support and education to enable them to develop different and more robust business models.

