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Strategic Commissioning: What Arts Organisations & Artists Need to Know

A Research & Development Project



Introduction

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

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

- A project report for Arts Council England and policy makers
- 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 will be developing further support and training in 2012.

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Strategic Commissioning:

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Strategic Background – National

The way councils work with arts and other organisations is changing. Public sector bodies, including local authorities and the NHS have to make cuts. One of the ways this will happen is that these bodies will deliver fewer services themselves and instead will commission services from private firms and the Third Sector or voluntary and community sector. At the same time, many local authorities are changing their grant funding streams to commissioning.

This is a massive shift in public sector delivery away from *control and management to development, stimulation and facilitation*. Arts organisations need to understand what Strategic Commissioning is, learn about the surrounding landscape and find a way of surviving and thriving within it.

Eventus were funded by Arts Council England to carry out an R&D project on strategic commissioning and consortium development, based on their successful role as lead managing agents for Viva, S Yorkshire Arts Consortium. That research is detailed in a separate report with recommendations for the Arts Council, commissioners and the arts sector.

One clear finding of the research was that the arts sector is not ready for this change in financing, and at a time when many projects are being squeezed by a reduction in income from all sides, it is vital that those artists and organisations who want to change to benefit from this new landscape have the resources to do so.

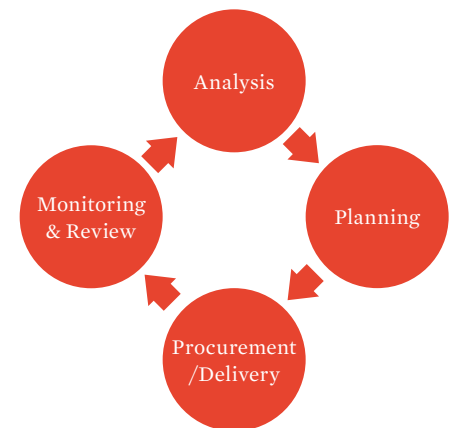
This document is intended to signpost artists and arts organisations through context, information and available resources.

What is Strategic Commissioning?

Strategic Commissioning is not the same as procurement, nor does it refer to the process of commissioning as used in the art world to describe, say, commissioning a piece of public art.

Commissioning is a cycle and is often illustrated as a series of linked boxes:

- assessing and analysing the needs of people in an area;
- designing and planning services on the basis of the needs analysis;
- procuring the appropriate services (this could include through grants);
- reviewing progress, seeing the changes which result and informing future commissioning.



The government says it is committed to supporting Third Sector Organisations and SMEs (Small and Medium Enterprises) to take part in the commissioning cycle.

Commissioners do not always have to evaluate potential providers on the grounds of cost alone. Instead they should take a wider view of value for money and effectiveness, which might include the following issues:

- Social impact
- Local knowledge and insight
- Flexibility of provision
- Added value (for example, through the use of volunteers).

The Third Sector or VCF Sector

Sheffield City Council refers to the Voluntary, Community and Faith (VCF) sector. You may also hear the term 'Third Sector Organisations' (public and private are Sectors 1 and 2) or Civil Society Organisations (CSOs), sometimes 'social economy', 'civil society' or, more narrowly, as the 'voluntary and community sector' (VCS).

These organisations include non-governmental organisations, community-based groups, academic institutions, professional organisations, faith-based organisations, women's organisations, technical institutes, research institutions and housing associations. These can be voluntary organisations, charities or not-for-profit organisations.

To be able to take part in the commissioning cycle arts organisations have to be contract ready and be prepared to change their business model. If your organisation wants to earn income in this way, you have to be prepared and ready BEFORE you submit a tender.

A tender is a legally binding document – you are saying you will undertake the work if awarded the contract. Most contracts specify that delivery starts *within days* of the contract being awarded. There is no time to look at your insurance policy, equalities policy, health & safety policy – they have to be in place before you bid for a contract and you have to provide evidence, in many cases before you will even be allowed to take part in the process, through a Pre-Qualification Questionnaire (PQQ).

You also need to know things like your unit costs and break even points. You have to be able to prove your impact and know how you can deliver outcomes set by others, which may not be the outcomes you would seek for yourself or your beneficiaries. You will need to market your business in a different way, to people (commissioners, personal budget holders and their advisers) who may have little experience of the arts.

"It's not the strongest nor most intelligent of the species that survive; it is the one most adaptable to change."

Charles Darwin

You will still be doing what you do best, but will have to interpret it so you slot into other peoples' missions.

It is a huge change, but there is help out there. Councils and their local voluntary sector representatives have come together in numerous counties, cities and towns across the country to work out procedures, strategies and frameworks together.

There is a lot of activity and some excellent guidance – freely available on the internet and through partnerships and training in local areas.

Strategic Commissioning isn't new, it's a development that has been in progress for a number of years, although the pace of change has speeded up. It is not a new idea and it is not going away.

How will this affect your arts business?

You and your organisation, including your managers and board have to:

- understand what is happening;
- change the way your business looks for work – looking to contracts rather than grant funding, look for new partnerships and ways of joint working;
- think about marketing very differently and change the people you market to: support planners, individuals, large organisations or prime contractors, large charities. These people may have little experience of working with an artist or arts organisation.
- change the business model (define business model)
- understand that contracts for services are legally binding and that if you underperform you may well face financial penalties or have the contract withdrawn

But before doing that, you need to understand more about what is happening.

Recommended resources

One of the best, most user-friendly guides to the whole commissioning cycle has been produced by Gloucestershire's VCS Assembly. *The Good Commissioning Guide: A guide for Gloucestershire* can be found at <http://www.gloshub.org.uk/compact/compact-commissioning>

Note though – it's been written for Gloucestershire and there are local differences. If you work in Sheffield, Barnsley, Rotherham or across county borders in Derbyshire or Lincolnshire, you will need to find information specific to each authority.

Voluntary Action Sheffield (VAS) performs a similar function in Sheffield to Gloucestershire's VCS Assembly. Its website provides a wealth of information: <http://www.vas.org.uk/>

Manchester City Council is another body that has worked with its voluntary sector to produce a clear user-friendly framework for commissioning:

http://www.manchester.gov.uk/download/14295/guide_to_commissioning_in_manchester_with_third_sector

Understanding Commissioning – A practical guide for the culture & sport sector

<http://www.idea.gov.uk/idk/core/page.do?pageId=19049492>

The document is designed to help commissioners *and* provide culture and sport organisations with greater understanding of strategic commissioning, the opportunities and challenges, and some tools to operate more effectively in the context of modern public service delivery.

Some milestones

Compulsory Competitive Tendering (CCT) in the 1980s marked a decisive break with traditional 'municipal' models of provision. It brought about the separation of 'client' and 'contractor' functions, led to the organisation of in-house teams among more commercial lines and the contracting out of some services to private sector companies.

The trend continued with developments in public service that were about Efficiency, Value for Money and Performance Management.

At the same time there has been a growing emphasis on achieving the best for local people through a focus on *outcomes*.

Outputs focus on the direct results of an activity. Outcomes are concerned with the difference that has been made as a result. They look at real life improvements brought about by the work; the changes that happen as a result of the commissioned service; the impact and change. Outcomes can be at an individual, social, community or organisational level.

At its best, this approach puts the wellbeing of local communities at the forefront, making use of all available resources regardless of whether these are provided in-house or externally.

"Behind many of the developments, including Local Strategic Partnerships (LSP) and local area agreements (LAA), lies the idea that public authorities and their partners should be focused on, and organised around, the delivery of outcomes and that the more complex and challenging outcomes can only be tackled by organisations working in partnership."

Understanding Commissioning: a practical guide for the culture & sport sector I&DeA

On top of these developments, there was PFI – the Public Finance Initiative – in the early 2000s reflecting the need for capital investment to replace our ageing infrastructure – school buildings, sports and leisure centres, libraries, hospitals – with facilities fit for the 21st century.

“Outputs are the direct results of an activity. For example, the output of an employability training programme is the number of people that have been trained. This kind of measure gives no indication of how effective the intervention has been. It tells you little about the difference that the intervention has made to those who were trained and does not provide evidence on the longer-term financial consequences for the public purse.

Outcomes, on the other hand, are concerned with the difference that has been made as a result of the service. In the case of the employability training, it might be the number of trainees that have now entered stable employment. This gives a far better indication of the financial implications for government departments or local authorities. Two providers might train the same number of people – that is, they have the same output – but one of the providers has developed an innovative new teaching method that has better results. The provider of the new course gets 10 per cent more participants into stable employment. So even though both providers have the same output, the provider using the new method delivers better outcomes and generates more value for the public purse in the form of additional tax receipts and reduced benefit payments.

The most significant value is often created by interventions that are preventative. The example of Shaftesbury Young People, which delivers high quality residential care for children, is a good example. Partly because it helps to avoid costs associated with economic inactivity, crime and poor health, Shaftesbury delivers a social return of £3.80 for every additional £1 invested in its higher quality care.”

A Better Return: New Economics Foundation and The Cabinet Office.
www.neweconomics.org/publications/better-return

Commissioning for outcomes involves:

- Shifting the focus from activities to results
- Moving away from counting the quantity or number of services given, to measuring the impact that those services have achieved
- Placing service users at the heart of service delivery: this is because outcomes demonstrate what is changing, and how this makes a difference, to the people benefiting from services

(The Good Commissioning Guide: A guide for Gloucestershire – see pp15-17, is very good on explaining the place of outcomes in the commissioning cycle).

Building capacity

Partnership working and grant funding saw a flourishing of Third Sector organisations over the past 10-15 years. Embedded in their local communities, entrepreneurial and responsive they stepped up to deliver more and more local services. Grants changed to reflect this with service level agreements (SLAs) and grant aid contracts along with the move from the local authority-centric measuring of outputs, to the community-focussed measuring of outcomes.

“Funding for third sector organisations changed to reflecting the agenda of accountability, value for money, the focus on performance and outcomes. In the late 1990s, organisations receiving grants from public sector bodies increasingly were asked to have Service Level Agreements which would define more precisely the service to be offered, usually in terms of both inputs and outputs. This developed into Grant Aid Contracts, with both the service level and other terms and conditions of grant aid being defined, including such things as the make up of management committees and legal issues, financial procedures, equalities and employment policies. ... Public service reforms led to the greater use of Commissioning, particularly for health and social care services.

(I&DEA Improving Strategic Commissioning in the Culture & Sport Sector – Guidance Paper 3 Building Capacity in the Third Sector
<http://www.idea.gov.uk/idk/aio/19049770>)

The Shifting National Picture

At the time of writing (August 2011) many structures are not yet complete or are still unclear. These changes are in progress and you might like to keep an eye on them. For example:

Open Public Services White Paper

Published in July 2011, this sets out how the Government intends to improve public services by putting choice and control in the hands of neighbourhoods. All civil society organisations have been invited to take part in a 'listening exercise' to help identify what further changes are needed to create a level playing field in the winning and delivery of public service contracts. The Government will publish its response in the autumn.

Localism Bill

This Bill, introduced to parliament in December 2010, provides the framework through which the Government will introduce the enabling legislation to replace Big Government with the Big Society.

The Right to Challenge is part of the Bill. It is a proposal that civil society organisations can express an interest in delivering a service and, if successful, force a procurement process to bid for the work. The Government has consulted on the Right and published a summary of responses this summer.

Modernisation of EU Public Procurement Policy

The European Commission is proposing modernising and streamlining procurement. The Government has responded to the proposals and strongly agrees with the Commission's comment on the need for streamlined and flexible procedures. Radical simplification is needed for the benefit of small and medium sized enterprises (SMEs).



The NHS and the Health & Social Care Bill

The Government White Paper, 'Equity and Excellence: Liberating the NHS' (July 2010) sought to "strengthen the collective voice of patients and the public" by bringing forward provisions in the forthcoming Health Bill to create Health Watch England.

"Health Watch will be a new independent consumer champion and a statutory part of the Care Quality Commission (CQC), to champion services users and carers across health and social care." (Local Government Improvement and Development website <http://www.idea.gov.uk/idk/core/page.do?pageId=23545406>)

The Health & Social Care Bill was introduced in January 2011.

Primary Care Trusts will go. In the meantime PCT Clusters will work through 2011-12 as transition vehicles to oversee and support the development of the new system.

There will be 51 PCT Clusters in England and they will have a crucial role in supporting the development of a new commissioning system.

Health and Wellbeing Boards

Local authorities throughout England, including Sheffield City Council and 13 other authorities across Yorkshire and Humberside, signed up early in 2011 to join a network of early implementers of Health and Wellbeing Boards. The boards will remove divisions between the NHS and local authorities and give communities greater say in the services needed to provide care for local people and mean that patients and the public should experience a more joined up service from the NHS and local councils in the future.

The early implementers will create 'shadow' Health and Wellbeing Boards in their council and will be a forum for those who buy services across the NHS, public health, social care and children's services, elected representatives and representatives from Health Watch, to plan the right services for their area. Improved joint working should help ensure that each member of the Health and Wellbeing Board can draw on their strengths to help shape commissioning strategies to meet local needs.

It is hoped that all local authorities will have shadow boards in place by April 2012. Subject to Parliamentary approval, fully fledged boards will be up and running in April 2013.

Sheffield First for Health and Well-being Partnership is the city-wide partnership made up of all the main health organisations in the city, the city council, the main learning institutions and representatives from the voluntary and community sector.

Clinical Commissioning Groups (formerly GP Consortia)

As a result of the pause and 'listening exercise' in the Government's Health & Social Care Bill what were known as GP Consortia are now known as Clinical Commissioning Groups. It really seems that there is little other change and CCG's will take on responsibility for the NHS budget in April 2013.

The Department of Health has a network website which provides support and information for both Health & Wellbeing Boards and GP groups.

<http://healthandcare.dh.gov.uk/category/pathfinder-learning-network/>

The Health & Social Care Bill remains controversial: "Deprived parts of England will lose out to wealthier regions under the radical health spending reforms according to an investigation undertaken by Public Health Manchester for the Parliamentary Health Select Committee. Changes to NHS funding formulas will see a reduction in funding to tackle entrenched health inequalities for areas with unhealthy populations, such as those with low life expectancy or where levels of disease are above average. The government argues that local councils will be given cash and freedom to tackle issues of public health instead."

(DCAN Newsletter May 2011)

Recommended Resources

It's complicated and likely to remain so. There's more information in the Arts & Health section (page 20). The Sheffield First website: www.sheffieldfirst.org.uk/the-partnership/health-and-well-being-partnership;

Sheffield NHS website
<http://www.sheffield.nhs.uk> .

For an overview and to keep up with legislation, strategic developments and the national debate look at The Guardian website healthcare <http://www.guardian.co.uk/healthcare-network>

The Guardian newspaper has a range of online networks, including those for the Voluntary Sector <http://www.guardian.co.uk/voluntary-sector-network> and for Local Government <http://www.guardian.co.uk/local-government-network>. Sign up for their regular email newsletters and all you need to do is scan them for quick alerts on topics of interest.

For the arts sector the Arts Council is engaged in work across the country. Catherine Mitchell of Arts Council England Yorkshire is the national lead on strategic commissioning for the Arts Council. She has recommended a series of support measures for artists, commissioners and the Arts Council. Look out for these on your regional area website.

How can you keep up with all of this?

It's not easy, but there are people out there whose job it is to keep up with these changes and feed the information back down.

Many work for so-called 'infrastructure organisations' – such as your local Voluntary Service or Voluntary Action organisation (VAS in Sheffield), or Locality nationally: <http://locality.org.uk>

Derbyshire Contracts Advice Network (DCAN) is a Lottery-funded project led by Links CVS which is the Third Sector support organisation for NE Derbyshire. It works 1-2-1 with Derbyshire organisations, but has a useful website packed with up to date information, including an archive of DCAN newsletters which provide regular updates on the changing scene <http://linkscvs.org.uk/contracts.htm>



Strategic Background – Sheffield

Public sector bodies across the country, including Local Authorities and the NHS, have to make cuts – Sheffield City Council expects “around £200m less revenue per annum by 2015, and drastically reduced capital.” The council estimates that funding to the voluntary and community sector will reduce by 15%.

Source: <https://www.sheffield.gov.uk/your-city-council/policy--performance/what-we-want-to-achieve.html>

It is difficult to estimate the value of the VCF sector in Sheffield. The council suggest that it could be in the order of £500m to £600m.

In 2009-10 the council spent £71.2m with the VCF sector locally & nationally with 1,170 organisations. This varied from contracts over £1m to small payments of £500 or less:

- Contracts £33,500,455
- Grants £29,756,240
- Other spend £7,508,885

The vast majority was in areas such as: children’s services, adult social care, supporting people, employment & enterprise skills – all areas in which the arts can or already do, make a contribution.

The organisations involved include:

- Registered Charities
- Voluntary Organisations
- Community Interest Companies
- Social Enterprises

Future Shape Policy Handbook

Reflecting the national strategy of a clear move away from grant giving to commissioning, ‘Future Shape’ is the key policy in Sheffield which will enable the council to commission services to be delivered differently.

The ‘Future Shape Policy Handbook’ was approved by the Council in October 2010 and sets out what the council wants to look like in 2015, how it intends to get there – through the outcomes it seeks to achieve and the way it proposes to work with partners.

It is aimed at the council staff working on redesigning services from the old model to the new – but it is a public document and is available on the council’s website. <http://meetings.sheffield.gov.uk/council-meetings/cabinet/agendas-2010/agenda-27th-october-2010>

Future Shape

“... we will have to change radically the way we work as an organisation and the way we work with our partners if we are to maintain progress on these ambitions and reduce our costs by 25-30% over four years – we will need to spend around £220m less by 2014/15. To do this we will have to focus on outcomes: put simply, what are we trying to achieve for Sheffield people? This means moving away from thinking about the particular services we or our partners currently deliver, focusing more on what customers want and less on what our organisations and organisational and service budgets are currently set up to do.

To give a concrete example, instead of thinking about how we run the city’s museums in four years time for 30% less money, the fundamental outcome-focused question we might ask is “how do we ensure that Sheffield has a high quality cultural offer that responds to people’s needs and that everybody is able to access?”. This means that we would need to think about the totality of cultural resources in the city – our own (including museums, libraries, music venues etc.), those of public sector partners, and those from the private and voluntary sector, and thinking about how we might organise these fundamentally differently to achieve that outcome with 30% less money.

It is clear that focusing on outcomes means that, for the vast majority of our work, we need to think about the role of partners. In many cases this will mean that solutions will need to be co-designed with partners, with them involved in thinking and planning at an extremely early stage.”

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

Commitments for the Third Sector

3.7 When campaigning or advocating, ensure that robust evidence is provided, including information about the source and range of people and communities represented, subject to funding.

4.12 When putting forward ideas, focus on evidence-based solutions, with clear proposals for positive outcomes.

4.16 Have appropriate governance arrangements in place and ensure that everyone involved understands and agrees to delivery terms.

4.17 Demonstrate the social, environmental or economic value of the programmes and services provided, where appropriate.

Commitments for Sheffield City Council and the NHS in Sheffield

4.2 Ensure that social, environmental and economic value forms a standard part of designing, developing and delivering policies, programmes and services.

4.3 Plan new programmes and services with a focus on outcomes, providing scope for innovation wherever possible.

4.4 Engage with the third sector to enable user experience/sector knowledge to drive change and innovation.

4.5 Work with the third sector to understand the market providers and support the sector(s) to develop within the market place, recognising the important and unique contribution they make to the local economy.

4.6 Openly identify implications for the third sector when assessing the impact of new policies, and programmes.

Extracts from: http://www.vas.org.uk/documents/voluntary-community-sector/sheffield_compact_consultation_document_july_2011

The Sheffield First Partnership

The Sheffield First Partnership is the Local Strategic Partnership (LSP) for Sheffield. It currently comprises:

- Children and Young People's 0-19+ Partnership
- Environment Partnership (now dissolved – pending development of new advisory board)
- Health and Well-being Partnership
- Safer and Sustainable Communities Partnership

- Sheffield Executive Board
- Sheffield Business Advisory Panel

Its website is a useful source of information about policies and priorities in Sheffield. <http://www.sheffieldfirst.org.uk>

Joint Strategic Needs Assessment

The Local Government and Public Involvement in Health Act 2007 requires PCTs and local authorities to produce a Joint Strategic Needs Assessment (JSNA) of the health and wellbeing of their local community.

<http://www.sheffieldfirst.org.uk/the-partnership/health-and-well-being-partnership/jsna>

Why you should read this document:

The JSNA is one of the first places to look to find out about Sheffield, or any local authority area where you plan to work. The document provides accessible information on subjects such as the different geographical areas of Sheffield, the health and economic wellbeing in each, and information about different population groups: men, women, children & young people, old people, BME communities etc.

If you work, or plan to work, in Arts and Health or with any of the specific population groups mentioned, then this document is an essential reference source. Use the information here to inform your business planning and marketing. Some extracts are included below .

Community Assembly areas

Sheffield has 7 Community Assemblies. A sketch of the demographics and problems for each is included. Full details on Community Assemblies: <https://www.sheffield.gov.uk/in-your-area/community-assemblies.html>

For full details on the health status of each area: see the 2009 Director of Public Health Report: www.publichealthsheffield2009.nhs.uk

The intention is that Community Assemblies “put local people at the heart of the decision-making process.” Public services will no longer be able or expected to cope, and so developing Social capital – increasing the capacity of communities to improve outcomes and wellbeing is – is one method that is being looked to to fill the gap. For more about Social Capital see page 15.

Community Assemblies are seen as a key mechanism for identifying resources and priorities in their area. They have a small fund for grant giving in their area, however, it really is small, just a few hundred pounds for each assembly.

Children and Young Peoples Plan

Just over a fifth of Sheffield's population is aged 0 to 19. This number is set to grow over the next decade from 94,840 in 2008 to 106,860 in 2021. This increase will have a greater impact on some areas of the city, particularly the North East and South Community Assembly areas.

Of this total population, there are 10,857 children and young people with learning difficulties and disabilities aged 5-19. In terms of child poverty in 2008 37% of Sheffield was in the bottom 30% of areas in the country, with 21% of all children in the city living in households receiving council tax benefit or housing benefit.

The JSNA includes an overview of the Sheffield Children & Young Peoples' Plan, set out under the 5 national 'Every Child Matters' outcomes: Being healthy, Staying safe, Enjoying and achieving; Making a positive contribution and Economic wellbeing. Each one of them is expanded upon as it relates to Sheffield. The full Sheffield Children and Young Peoples' Plan is at: www.sheffield0to19.org.uk

Sheffield's BME communities

Office of National Statistics estimates indicated that approximately 15.5% (82,400) of Sheffield's population are from ethnic groups other than White British, of which 12.7% (67,882) are from non-white ethnic groups. Estimates suggest this population could grow to around 23% by 2021 with the largest increase projected to be in the 18-64 age group. Key health areas affecting different groups are also covered.

There are more details in the Community Profiles to be found at www.sheffield.gov.uk

Households

A section of the JSNA looks at Sheffield's households according to a 'customer segmentation' approach similar to the ones used in marketing or the Arts Council's Arts-based segmentation research.

<http://www.artscouncil.org.uk/about-us/research/arts-based-segmentation-research/>

The JSNA identifies 12 household types from 'Affluent middle age couples in attractive suburbs', 'students and young professionals in inner city areas', to 'older people living in small council housing flats or sheltered accommodation.' For each segment, population numbers, generalised health information, activities and preferred channels of communication are summarised.

Health Challenges

Modern society is creating new health challenges such as obesity, smoking, heart health, respiratory disease and mental ill-health, with poor health in children, young people and older people of special concern.

In many cases these cases can benefit from non-medical interventions and life-style changes.

Whist deaths and serious illness from infectious diseases and accidents are at an all time low, there are still issues of major concern. Compared to both the national average and the other seven major cities in England (outside of London) Sheffield also has high diabetes and adult obesity rates and low levels of healthy eating. Sheffield has the lowest level of physical activity in adults of the major cities.

People at highest risk

The burden of poor health and well-being weighs more heavily on some sectors of the population than others. For example: poor people in deprived communities, looked after children, people with learning disabilities, homeless people, and newly arrived migrants.

Prevention

The JSNA makes it clear that the greatest opportunities for health and wellbeing gains lie in investment in prevention and earlier intervention – services in primary and community settings that “reach a greater number of people and have the potential to prevent more serious problems or crises from occurring.”

Arts in Health and Wellbeing is an area of significant growth with the potential to bring benefits to artists and to the communities they work in. But artists must be prepared to equip themselves with knowledge and be prepared to develop professional skills and experience to work in these areas alongside their existing arts skills (See page 00)

An Asset Approach and Social Capital

An Asset Approach to community development builds on the assets and strengths of communities. Instead of looking at existing lack, it looks to existing strengths, engages citizens and mobilises social capacity.

Social Capital is a similar concept that looks at increasing the capacity of communities. It is a key concept of the Sheffield First JSNA. Public services alone will be unable to cope with the scale of needs and changes in the coming years.

“Sheffield will need to increase its ‘Social Capital’, strengthening the capacity of its communities (including its community based organisations), making sure they are sustainable and can play an active role supporting vulnerable citizens. This will include building family and community networks, encouraging a new, positive approach to volunteering, and developing new initiatives such as intergenerational care. Community Assemblies will provide a key mechanism for identifying priorities and resources within their own areas”.

(*Sheffield First JSNA* page 48)

Actively helping communities build networks and resilience is an important contribution that artists can make. Arts helps communities to:

- see that they can do things for themselves,
- strengthens community networks particularly in deprived neighbourhoods
- strengthens social connections and face to face networks

Recommended reading

‘A glass half-full: how an asset approach can improve community health and well-being’
<http://www.idea.gov.uk/idk/aio/18410498>

‘Five Ways to Wellbeing’ New Economics Foundation. Commissioned in 2008 by the Government’s Foresight Project on Mental Capital and Well-being, the report reviewed the work of over 400 scientists across the world to identify a set of 5 evidence-based actions to improve wellbeing.
<http://www.neweconomics.org/projects/five-ways-well-being>

The response in Sheffield

Prompted by these policy changes, the leads on the city's Third Sector consortia and the City Council including commissioners and commissioners from the NHS, came together in February 2011 to look at ways of working together. Participants agreed that Third Sector organisations in Sheffield needed to:

- Work with commissioners
- Educate ourselves and our own stakeholders
- Inform commissioners about what our type of organisations need
- Tell commissioners about what we can offer
- Speak up for our strengths & abilities
- Work together to strengthen our weaknesses and face up to threats
- Work with commissioners to develop a common outcomes framework.

A 'Task & Finish Group' engaged in a joint programme of work completed in August 2011 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. Parts of it are included here. The final report and all work stream documents have been adopted by the VAS Board and are tabled for the 3rd Sector Assembly Board and Council Executive. Reports are available on the VAS website <http://www.vas.org.uk> and the commissioning section of the new Eventus website www.eventus.org.uk

Eventus was the only representative of the arts sector present and subsequently has taken a key role in the work. Eventus led on the market development workstream, as one of the key findings from the R&D was that commissioners were largely unaware of the benefits the arts could bring in service delivery. One of the key aims of the market development report therefore was to show how commissioners needed to open their processes out to providers e.g. the arts sector, that they would not previously have considered. There are also questions the arts sector – and other predominantly micro or sole operator businesses, need to ask themselves, and some examples of good practice in both arts and non-arts sectors.



Outcomes and Transformational Services

Outcome based contracting is designed to; ‘..shift the focus from activities to results, from how a programme operates to the good it accomplishes’ (Plantz, Greenway and Hendricks 1999)

Definitions

Sheffield’s commissioners and third sector organisations agreed that it is essential for commissioners and providers to agree on definitions of the terminology. They set out these definitions:

What is an outcome? A measure of the ‘good’ that results from the service.

What is an output? A quantifiable measurement usually of the numbers of people/groups/courses etc. resulting from the service.

What is an input? The resources (money, people etc.) that are provided for the delivery of the service.

What is an ‘indicator’? A step along the way to achieving/evidencing an outcome.

What is ‘added value’? The added value (economic, social or environmental) that the service achieves.

What is the ‘impact’ of a project or service? The combined ‘outcomes’ and any added value added together (these will include intended as well as unintended outcomes).

For Example:

An output focussed contract may state that ‘funding is provided to run training courses on social skills for young people who have committed offences’. An outcomes focussed contract may state ‘this service will result in a reduction in offending within the target population’.

The service ‘outcome’ objective is a reduction in offending. The individual outcomes may include ‘individuals are more integrated in their community’, ‘development of employment skills’.

Indicators of steps on the way to achieving these outcomes may include ‘successful completion of a course, ‘increased participation in community activities’. Outputs will also be important as an indicator of the desired outcomes.

Recommended reading:

Gloucestershire’s Good Commissioning Guide also has a good, clear set of definitions, see pages 15-19 <http://www.gloshub.org.uk/compact/compact-commissioning>



Adult Social Care & Personal Budgets

This is a substantially different process from the contracting mentioned earlier, and may be of particular relevance to individual artists rather than arts organisations.

Also referred to as Self-Directed Support, this stems from the belief that service users are the best people to decide what they want and need. Instead of services being decided and provided by Social Services, people in need of care are given a budget based on an assessment of their needs. They can use this budget to buy the services they want.

They don't have to choose existing services. There are inspiring examples of people using their budgets in creative ways: buying a laptop so they can order their shopping online and keep in touch with family and friends through Skype and social media; paying for a taxi to take them to the theatre, cinema or the on day trip of their choosing; clubbing together with friends to pay for an artist to run sessions.

However, it's not simple. The size of individual budgets depend on care needs. There must be a contribution to Disability Living Allowance, essential care needs must be covered first, the budget must be agreed and signed off.

The people who do support planning, currently social service staff, are now looking at a much bigger range of services. These people need to know about everything that is available for their service users, so it is necessary for organisations who wish to provide services to make sure they are known to the right people. Support planners also need informing about the benefits of the arts in social healthcare.

Some people working in the sector believe there is a substantial opportunity for arts and creative practitioners to develop work in this area. Others are not so sure there will be much money left in budgets for creative and cultural activity.

There are difficulties in marketing to vulnerable people, organisations must direct their marketing at a variety of different groups: not only service users but care staff, families, local authority brokers and support planners, also to charities and large Third Sector organisations. And finally, persuading people to spend their budget on something they have never tried before makes it difficult for arts to open doors for people and offer innovative solutions.

Sheffield Market Development Project

In Sheffield currently 200-300 individual budgets have been agreed (at spring 2011), a further 2-3000 are in the pipeline. The city council's Adult Social Care service has made a huge effort to reach potential providers through its Market Development Project. They developed a Provider Innovation Fund, seeking to encourage providers to come up with innovative ways of delivering services, and they run regular open sessions for potential providers.

There are a number of ways to engage with the Adult Social Care sector in Sheffield:

Sign up to the Help Yourself Directory – essential. This is the publicly-accessible directory that service users and support planners use to find a whole range of services. You must be on this directory if you wish to work in this area in Sheffield.

<http://www.sheffieldhelpyourself.org.uk/>

There is a huge amount of information on the Adult Social Care section of the website <http://www.sheffield.gov.uk/caresupport/adults/asc>

Information for Providers is in the links on the right-hand side

<http://www.sheffield.gov.uk/caresupport/us/scap>

Details on Commissioning and Partnerships are at: <http://www.sheffield.gov.uk/caresupport/us/scap>

Read the Interim Market Position

Statement to inform yourself about Adult Social Care. The report, say commissioners, will help to identify potential clients and encourage organisations to think about innovative provision they could offer.

<http://www.sheffield.gov.uk/caresupport/us/scap/future-plans/projects-strats/market-dev/new-marketpos>

Join the online Provider Forum. Some of the initial discussion threads are:

- Transformation Agenda: What do you need to know? What support do you need?
- Self Directed Support: What do you need to be ready?
- How can the delivery of information and support for providers be improved?

Book a One to One Session. The Market Development Team have booked time out each month from September 2011 to March 2012 to meet providers to discuss any issues or ideas that they have, and to provide support with developing services. The 30-minute sessions are by appointment only. Full information and how to book are on the website <http://www.sheffield.gov.uk/caresupport/us/scap/allprovidersinfo/meetings/marketdev121>

Attend an event. The Market Development Project has run a number of free 'meet the team' and information events. Look out for information in flyers around town, or on the website.

Eventus has been working closely with the Adult Social Care team to support opportunities for artists and develop an understanding of the benefits of the arts. Discussions are currently taking place about training for artists in SDS and for support planners in understanding what the arts can offer. These will be advertised on the Council and Eventus websites.

There have also been discussions about quality – how do people with no experience judge whether an artist is appropriately skilled in their artform and experienced at working with vulnerable people.



Arts in Health

Arts in Health and Wellbeing is a huge area of development. We are no longer the industrial society we were when the NHS was set up. Instead we are living longer and facing long term chronic conditions affecting all ages: obesity, social isolation, depression, smoking, diabetes, COPD Chronic Obstructive Pulmonary Disease, cardiovascular disease, cancer survivors. As we live longer more older people need care – the demographic change is huge.

Issues to do with change are very difficult for people and this is increasingly an area where examples of innovative arts work can be found. From asylum seekers and refugees, to people struggling to free themselves from abuse of all kinds, to NHS staff on long-term sick leave. (Staff are the biggest cost in the NHS and long-term sick leave can be a big problem. One innovative project in Cornwall worked with staff whose return to work was delayed by depression and loss of confidence. (Arts for Health Cornwall, Create Space Project

Arts in Health is an exciting area of arts practice where innovative work is being done. More and more work is taking place across the country in artist networks and in academic research to join up findings, support and educate artists, support and inform health practitioners, advocate and develop an evidence base. Some strong networks include Arts & Health Southwest, London Arts and Health Forum and in universities, at Manchester Metropolitan University, the University of Durham and University of Nottingham (links to all are provided below).

However much of this work has been grant aided. A major issue for the arts is how people and organisations with a track record in this area of work transform their business practice so that they can operate within a commissioning or personalisation context. The converse of this is a quality issue in that if quality artists don't place themselves as potential providers, people with a more entrepreneurial attitude and little or no experience will do so.

QIPP – Quality, Innovation, Productivity & Prevention

QIPP is the current framework for delivery of NHS services.

Under QIPP there are 7 prescriptions and in each one there are opportunities for art to make innovative contributions, for example:

- QIPP prescription: Shifting settings of care and optimising urgent care.

It costs £200-£250 to keep an ordinary patient in a bed overnight. In future, hospitals will be for urgent and intensive care. The number of beds nationally is broadly being halved.

The aim is to support people, particularly with long-term chronic conditions, in their own homes.

Knowing how your work feeds into QIPP will help artists to engage with people working in health. Among the recommended resources is a brief document on the Arts & Health Southwest website

<http://www.ahsw.org.uk/news.aspx?id=44>

Training for Artists

There is growing recognition that artists need training or some form of Continuing Professional Development specifically around arts and health work. This is not to say that artists need clinical knowledge, but Arts and Health work is about more than arriving, delivering a workshop and leaving. Artists' work requires integration with the work of health staff, artists need support and supervision, the sector needs to agree on quality and best practice, and evidence and evaluation needs to be carefully handled.

Innovative artists are taking matters into their own hands and making the most of opportunities. The best-run projects have several things in common including some or all of these:

- Artists work as part of a team, often multi-disciplinary in terms of media and in terms of working with the health or care staff
- There is time and encouragement to share insights on practice
- Evaluation is considered and sensitive, artists can be asked to contribute materials such as reflective journals as well as form-filling
- Artists are experienced and both in their own practice and in working with members of the public before they move into health-related fields
- Artists must be paid and valued – reflecting the amount of work involved in preparation, evaluation etc. specific to Arts and Health work
- Opportunities to learn are recognised as important for both artists and care staff through routes such as volunteering, shadowing, mentoring.
- A cost-effective intervention isn't necessarily cheapest.

Health staff awareness & advocacy

Much of what has been said previously about commissioners (page 21) applies here too. Building relationships with supportive commissioners and GPs, learning to speak their language, individual artists and arts organisations will benefit from the relationship-building work of infrastructure organisations here too.

- Once engaged with A&H programme, health staff start to see benefits, although that may not be the case at the start of a programme.
- Artists and health staff must understand each other's agendas
- There is a vast amount of work to do in training and educating GPs. There is a link – GPs see many people who are not ill, but ill at ease. There are forward-looking GPs who see arts as a therapy, but there is a huge amount of education to be done.
- The arts sector needs to take a tangible tool to GPs and to find a way to work with them. This could be done through training days or information sessions. Building links, opening a dialogue with practice managers.

Arts on Prescription schemes

There are already some positive examples and models to follow. Projects in Bristol and Stockport are briefly outlined below. There is more information in a Fact Sheet from Arts & Health South West.

Artshine, inner city arts on referral in Bristol

<http://www.wellaware.org.uk/organisations/12823-artshine>

A 20-week wellbeing prescription. Referral was by GPs, health trainer, community health trainers, or self-referral. The project found that GPs were very interested in being able to signpost patients to the scheme, particularly those with chronic illness and those experiencing difficult life changes – including refugees and asylum seekers.

Stockport Arts on Prescription Scheme

<http://artsonprescription.com/>

Referral varied from GP to GP and could also be via community group, or even word of mouth. Wording on publicity was found to be important: 'Do you know of anyone with a mental health problem? Rather than asking 'Do you have ...'

<http://www.ahsw.org.uk/files/AHSW%20Arts%20on%20Prescription%20Fact%20Sheet.pdf>

Recommended Resources

Sheffield Health and Social Care Trust

<http://www.sct.nhs.uk/>

The Trust includes Art Therapy in its work, including working with University of Leeds in offering art therapy training, and there are a number of social inclusion objectives of which arts and health form a key part. Objectives for the years 2010-14 include:

- Year 1 Establish clear pathways supporting access to local arts resources
- Year 2 Sheffield Arts and Mental Health Network established
- Year 3 Partnership working establishes city centre arts studio resource.

'Inspired Minds – Sheffield Health & Social Care Arts Strategy'

A brief and accessible document, ideal place to start reading about Arts & Health from a Sheffield perspective.

http://www.sct.nhs.uk/_documentbank/Inspired_Minds.pdf

The Trust also runs Sheffield Wellbeing Festival (29 July in 2011) which includes a range of arts and creative activities. Information and a downloadable flyer for the 2011 event at <http://www.sct.nhs.uk/news-and-events/news/events/1/1643>

Sheffield Strategy for Mental Health and Wellbeing

<http://www.sheffield.nhs.uk/mentalhealth/>

Sheffield Health

Sheffield Health is the website of Central Sheffield GP Consortium, a group of GPs from 28 practices in the centre of Sheffield who are working together to improve the quality and delivery of services for patients and to reduce health inequalities across the city.

The Consortium includes the majority of Sheffield's inner city GP practices with high levels of deprivation, chronic disease and social need. Their website states: "Our doctors want to develop new and better solutions to improve the quality and levels of care within their local communities and give to patients better access to the health care services they need."

<http://www.sheffieldhealth.co.uk/Default.aspx>

London Arts in Health Forum

Sign up to their free newsletter. Good resources section. Key organisation working nationally on the evidence base.

<http://lahf.org.uk/about-us>

Arts & Health South West

Extensive network, leading the way with some innovative work and a good website. Free membership and email newsletter.

<http://www.artsandhealthsouthwest.org.uk>

Derbyshire Arts and Health Network

Website with good resources section and free email newsletters.

<http://dapartsandhealth.weebly.com/advice-information-publications.html>

University of Nottingham, Arts and Community Cohesion case Studies

Research led by Dr Theodore Stickley focuses upon how participation in the arts might affect health and well-being. The website contains evidence from some of this research, especially in relation to how people's lives may be affected by arts projects that specifically seek to build bridges within and between communities.

<http://www.nottingham.ac.uk/artsandhealth/index.aspx>

Manchester Metropolitan University, Arts for Health

Working with Arts Council England and the Department of Health and a range of partners to better understand the impact of creativity, culture and the arts on health and well-being. Director Clive Parkinson.

<http://www.artsforhealth.org/>

University of Durham, School of Medical Humanities

<http://www.dur.ac.uk/cmh/medicalhumanities/>

Has a programme of research around Imagination and Creativity.

Mike White has written probably the best known key text on the subject: 'Arts Development in Community Health – a social tonic. Radcliffe, Oxford 2009.

Prospectus of Arts and Health

A prospectus produced jointly by the Department of Health and Arts Council England. Promotes the benefits of the arts in improving everyone's wellbeing, health and healthcare, and in its role in supporting those who work in and with the National Health Service. http://www.artscouncil.org.uk/publication_archive/a-prospectus-for-arts-and-health/

The Arts Council Arts and Health Strategy

The Arts Council's first national strategy for the arts, health and wellbeing. www.artscouncil.org.uk/publication_archive/the-arts-health-and-well-being/

Understanding Capacity Building

Educating ourselves and commissioners

“Helping the sector get contract-ready is positive, but we also need contracts which are ready for the sector.. “the journey towards open public services ... lacks either a clear destination or an estimated time of arrival”.

Sir Stuart Etherington, chief executive of the NCVO

Changing an organisation so that it can begin to apply for contracts and take part in the new opportunities being held out to the Third Sector is a daunting prospect. There is an awful lot to learn about, to understand and to do.

It is helpful to remember three things: first, this is a process, a journey, break it down into small steps and don't attempt it all at once. Second, it's a two-way process. Commissioners need educating too. Organisations in Sheffield and beyond have been working together to speak up for the Third Sector and to inform and build relationships with commissioners.

Finally – things are changing fast, but at the time of writing – we are not there yet.

Contract Readiness Fund

The Cabinet Office has launched a £10m Contract Readiness Fund starting in April 2012 for 3 years. Its purpose is to help the voluntary sector prepare for new types of social finances and play a bigger role in public sector service delivery. There is an ‘open public services listening exercise’ taking place over this summer.

Responding to the news Sir Stuart Etherington, chief executive of the NCVO said “Helping the sector get contract-ready is positive, but we also need contracts which are ready for the sector. Getting a proper handle on commissioning is essential for bringing about lasting change and, until we see progress with this, focussing on delivery and new mechanisms to transfer services out of the public sector will make little difference (www.thirdsector.co.uk/news/Article/1081611/)

“Cabinet Office launches £10m fund to help voluntary organisations become ‘contract-ready’”

“Within commissioning there needs to be openness and opportunities for different types of organisations to participate in the process. Just as equality doesn't mean simply treating everyone the same but is about responding to specific needs, so in this process there is a need to give time and commitment to engage those organisations who are less able to participate but offer great potential benefits. This is often referred to as capacity building.

Working with the third sector as a deliverer of public services brings many benefits including:

- third sector organisations are close to communities, especially those considered hard to reach, and have skills and experience of working with the most disadvantaged in the community
- they are an independent voice, acting as a check or balance to the mainstream
- they can be flexible and responsive to changing needs
- investing in local organisations can have a multiplier effect in the local economy
 - local public money invested locally supports local jobs and suppliers and supports economic regeneration from within
- it is a means of harnessing community energy and ideas to develop their own solutions and action and empowering local people to make a difference

- the benefits can be broader than those initially conceived as outcomes and the concept of ‘social accounting’ can be used to demonstrate value. Social Return on Investment (SROI) is one such means of measuring social and environmental returns that come from local engagement. For example, a locally run sports league for young people, as well as the direct and indirect benefits to the participants, may produce many additional benefits such as increasing parental networks, social and fundraising activities and bringing different communities together.
- third sector organisations can deliver high quality, focused and innovative interventions based on a detailed understanding of local and individual needs and can be successful where other interventions may have failed

(I&DEA Improving Strategic Commissioning in the Culture & Sport Sector – Guidance Paper 3 Building Capacity in the Third Sector)

Transforming Local Infrastructure Fund

The Office for Civil Society (OCS) has made up to £30 million available in short-term funding, to provide better support for front line civil society organisations by transforming local infrastructure services

The fund will support activities such as:

- local collaboration and consolidation making efficiency savings and creating more effective organisations through asset consolidation, merger of back-office functions and shared services
- redesign and integration of services to meet the changing needs of groups and communities, so they are valued and supported locally, and play a crucial role in brokerage
- better links with local business; more peer to peer support within local voluntary sector, and stronger partnership with the local statutory bodies, particularly the relevant local authority
- sustainability in the long-term without ongoing support from central government.

Only one bid per local authority area is allowed, in Sheffield this is being led by VAS. Only Infrastructure organisations are allowed to be part of the bid; Eventus has been part of the Sheffield partnership as a result of its work as consortium lead.

Contracts

Commissioning... “is about ‘what to acquire’. ‘How to acquire’ is the next consideration. There are many ways of how to acquire, ranging from competitions to grant aid and forming partnerships, employee-owned organisations and mutuals. No matter what route is chosen, it is public money whose spending is subject to value for money provisions.”

Safeguarding the NHS – who really understands commissioning? by Doug Forbes, Institute of Commissioning Professionals. <http://www.govopps.co.uk/safeguarding-the-nhs-%e2%80%93-who-really-understands-commissioning/>

The difference between grants and contracts

“A contract is a legally different entity from a grant. Procurement Law applies to public sector contracts and not public sector grants.

- A public sector grant involves the provision of subsidy (capital or revenue) funding, by the relevant public sector body, in support of a charitable, or other public benefit, service, which the public body wishes to support as part of fulfilling its own public benefit remit. A grant is provided on conditions aimed at ensuring the proper application of the grant funds, but not in return for anything.
- A public sector contract involves the provision of goods or services, to the relevant public sector body, directly in return for payment representing the price of the relevant goods or services. Terms and conditions of a contract regulate the exchange of services for payment.

There is often confusion in distinguishing between grants and contracts. For example, a public sector contractual service may be purchased by a public sector body for actual delivery to a beneficiary group, giving the appearance of a grant funding relationship. In addition, there is often misunderstanding around the term “service level agreement”. Such an agreement should clearly function either as a contract, or as a grant, yet is commonly regarded as some third type of relationship.

Properly analysed, a “service level agreement” is often a contract specification document.”

From *The Compact and Procurement Law: a guide to FAQs*, by Bates Wells and Braithwaite Solicitors, published July 2009

Source: <http://www.thirdsector.co.uk/news/Article/923833/Procurement-law-not-odds-Compact-report-concludes/>

Understanding how contracts work

Contracts are advertised on a variety of websites. There is no denying that finding opportunities is time consuming. However, ***you should not have to PAY to receive news about opportunities.*** You are better investing your time and money in learning how the contracts system works, discovering the best resources for your organisation and making your organisation ‘contract-ready’.

You have to find out where the opportunities are – but also look out for mentoring and training opportunities offered by the council and by networks. You should be able to find free training locally, think carefully before paying for training, there is a lot on offer, but is it really going to give you all the information you need? It is better to inform yourself first as much as possible using the many free resources available, then you will be better able to judge if a course will give you what you need.

All public sector contracts, no matter what their value, are covered by a European Commission treaty. All public sector bodies also have their own rules about how they can or must spend money (usually called Standing Orders).

Example of local authority Standing Orders

Under £250 – one verbal quote is sufficient

Up to £2000 – 3 verbal or written quotes needed. The commissioner must consider in-house provision, must use existing corporate contracts, can access existing frameworks.

Low-medium – competitive quotation

Up to £25,000 – 3 written quotes required. The commissioner can go anywhere, therefore it is important to market yourself properly and put yourself in front of the buyers.

Medium-high – formal tender

£25,000 – £156,442 requires a formal tender process.

Over £156,000 over whole life of contract, you have to follow OJEU – Official Journal of the European Union – regulations and the contract has to be open to anyone in the EU.

£3,927,260 – have to advertise on EU.

(notes taken during a workshop on procurement in Sheffield)

An organisation needs to be ‘contract-ready’ before bidding. There is often a surprisingly short time between the closing date for receipt of bids and when a contract must start – sometimes this can be as little as a month. A tender is a legal document. By submitting it you are saying that, yes, on the start date you will be ready to begin delivering the service.

Public bodies seek competitive bids (tenders) for contracts. Contracts are advertised and any interested companies can tender for them. Whether public sector bodies tender or quote for work they must make sure that they:

- Get value for money
- Do not discriminate and are open and fair in their purchasing activities.

Best value is the value added by an organisation (egg: local knowledge, employs local people, considers green issues). It can be an important part of a tender. It must be identified as a factor when the tender is made public.

The Public Sector must obtain Value For Money (VFM), however, the cheapest contractor is not always going to deliver the best service, particularly when we are looking for the best outcomes.

This is one area where there is currently a great deal of debate. It is an area where Third Sector organisations across the country are working hard to make links with commissioners, to educate them about the added value of the Third Sector in general, and specifically – the ways in which arts organisations can offer so much more than ‘painting workshops and decorative railings.’ It’s why the Arts Sector must educate itself so that we too can show how we contribute.

How to learn more about contracts in Sheffield

There is a wealth of information on Sheffield City Council’s website

<http://www.sheffield.gov.uk/business-economy/contracts>

Have a look at ‘Current Contracts’ to get an idea of what is being sought and what a contract consists of. You can sign up or register on supplier websites such as Buy4Sheffield for free. But before you consider tendering for anything, make sure you understand the information in the Resources and Best Practice sections

From 2008 to 2011 the council ran a series of procurement training sessions and all the documents and hand-outs from these sessions are available here.

<http://www.sheffield.gov.uk/business-economy/contracts/scc/resources/bestpracticeguidance>

Look out for any Procurement Support programmes, workshops, mentoring programmes or ‘Meet the Buyer’ events provided locally by the council or infrastructure organisations such as VAS or Eventus.

Supplier Contract Management System (SCMS)

The Supplier Contract Management System (SCMS) is a central, electronic e-Procurement system used by councils across Yorkshire and Humber.

It is free to register as a supplier on SCMS and includes the benefit of being able to see tenders advertised across the region by other local authorities. The registration process is simple and requires that you set-up a profile. SCMS sends you an alert when new contracts that match your criteria arrive.

Buy4Sheffield.co.uk

Buy4Sheffield is the result of an initiative to make it easier for suppliers to do business with the Public Sector in Sheffield. The Buy4Sheffield website offers the facility for suppliers to register their details on a system called the Supplier Registration System (SRS). This SRS is currently used by eight of the public sector bodies in Sheffield involved in the initiative, as a tool to source suppliers. Our buyers across the Council are increasingly using this SRS to find suppliers for goods and services under the £25k tender threshold.

It is free to register as a supplier, there is just a short questionnaire to complete, and suppliers from outside the region are welcome to register their details. B4S does not send out alerts but the council uses it to find registered suppliers.

Pre-Qualification Questionnaire (PQQ)

Sheffield, like many other councils, is moving away from approved lists of suppliers towards 'pre-qualified suppliers'. The main purpose of a PQQ is to ensure that all companies who are invited to tender can meet the minimum financial and technical requirements to undertake the advertised work. When public sector organisations place advertisements for tenders and request expressions of interest, they may receive hundreds of responses. A PQQ is almost always used as a way to shortlist these responses.

Completing a PQQ is therefore often the first step in the tender process. Businesses may also have to complete a PQQ when applying to join an approved/preferred supplier list.

On the whole PQQs issued by the public sector are more detailed than those issued by the private sector because the public sector has greater responsibilities and is accountable for spending public money. Therefore they need to know that their suppliers follow good practices.

In order to complete a PQQ you will need to have clear and transparent procedures and business. You will be asked to provide information about:

- Finances (3 years of accounts, bankers' references, cash flow forecasts, business plans)
- Technical resources and capability (experience and references, standards and competence of staff, relevant registration, licences)
- Health & Safety policy
- Equal Opportunities policies
- Quality standards – this may mean formal accreditation to one of a number of systems (which cost varying sums to acquire and there is debate around which are best suited to arts businesses) or you will have to provide full details of the Quality Management Systems you have in place
- Environmental policies

This takes time to pull together and must be in place before you bid.

<http://www.sheffield.gov.uk/business-economy/contracts/scc/resources/bestpracticeguidance/pqq>

Consortium development

Sheffield has been an 'early adopter' of consortium development to win contracts, but as many of the anticipated large scale contracts have failed to appear due to changes in local and national government, several of the 5 existing consortia are re-examining their role. However a consortium approach does enable small organisations who would struggle to pass the PQQ process on their own to be part of larger bids. e.g Eventus, as lead managing agents of Viva S Yorkshire Arts Consortium, won over £600k on Kids Can Do contracts for 5 delivery partners.

Web Resources

VAS Procurement Support

Voluntary Action Sheffield has been providing support, in partnership with the city council, to help Third Sector organisations begin to bid for contracts. Their website provides a more user-friendly way in to the topic.

<http://www.vas.org.uk/services/procurement>

Buy4Sheffield

You can find information and contact details for all public sector bodies on this website. The council's own procurement training sessions recommend that you start here by registering with the site. However, at present the site is heavily geared to the procurement of items.

<http://www.buy4sheffield.co.uk>

Yorkshire & Humber - Supplier Contract Management System (SCMS)

All of the councils across the Yorkshire and Humber region are signed up to using SCMS.

Anyone with an e-mail address and internet access can use it.

Registration is free, and there are no annual subscriptions or document download fees to pay.

The site opens with a directory page clearly showing how you can register and begin using it and showing all the organisations using it. You can also look on each organisation's website under Contracts/Procurement/Tender

<http://scms.alito.co.uk>

East Midlands region

<http://www.sourcederbyshire.co.uk> like Buy4Sheffield, but covers whole East Midlands area

Web Resource - national

Contracts Finder is a free service for businesses, government buyers and the public. You can find live contract opportunities, closed tender documentation, contract awards and contract documents. You can also subscribe to email alerts to receive updates on existing or new items.

<http://www.contractsfinder.businesslink.gov.uk/>

Direct Gov.

http://www.direct.gov.uk/en/D11/Directories/Localcouncils/DG_4003653

Buying Solutions – public sector national procurement portal <http://www.buyingsolutions.gov.uk/>

Further information, national and international

SIMAP - Information about European public procurement

http://simap.europa.eu/index_en.htm

CIPS – Chartered Institute of Purchasing & Supply

<http://www.cips.org/>

SOPO – Society of Procurement Officers

<http://www.sopo.org.uk/>

Changing your Business Model

‘Business resilience is the ability to rapidly adapt and respond to risks, as well as opportunities, to maintain continuous business operations, be a more trusted partner, and enable growth.’

<http://www-935.ibm.com/services/us/bcrs/html/resilience.html> (from IBM quoted in Royce)

You may think your arts business doesn't have a Business Model – but it does. The Business Model is the way the organisation converts what it does into economic value. A business model is much more than the organisation's financial transactions. It includes the organisation's internal processes and its external relationships.

Definitions:

<http://www.quickmba.com/entre/business-model/>

http://en.wikipedia.org/wiki/Business_model

http://www.1000ventures.com/business_guide/business_model.html

Key Resource

Business Models for the Visual Arts by Susan Royce. Published by the Arts Council and the Turning Point network in May 2011.

http://www.artscouncil.org.uk/publication_archive/business-models-visual-arts/

Why you should read this document:

This readable and positive report is designed to help arts organisations respond to the current economic environment and to generate debate about different approaches and new ideas for making arts organisations more resilient. It looks at building-based organisations, but there is much in the report relevant to the whole sector. A sound business model is essential for all publicly-funded organisations.

Susan Royce contends that in the not-for-profit and public sectors, “the mission is paramount. It should shape how the whole

organisation works because the organisation exists to deliver the mission.”

In these sectors too, money is not the only measure of success. There are a number of non-financial resources and intangible assets such as: volunteers and board members; networks which the organisation uses to generate and source good ideas and find partners; the brand – all these are business assets, requiring and rewarding good managements.

“Thus,” Royce concludes, “a business model in this sector is a description of how an organisation attracts and deploys its resources to fulfil its mission.”

“There is a widespread belief that many business models within the visual arts sector are relatively weak and particularly vulnerable to reductions in funding. This belief is broadly supported by the available research. Most visual arts organisations are under-capitalised and have reserves that are too small both to support investment and growth and to protect the organisation in times of crisis. Organisational assets (staff, buildings, brand and IP [intellectual property]) are not always fully exploited. The absence of substantial ticketed income means that increased activity almost always converts into increased costs and visitors remain a relatively unexploited source of further income.

The culture of the contemporary art world has a strong individualistic flavour and a traditional ambivalence towards, if not rejection of, the values of the economic world. From a purely business perspective this is problematic: business is a collective endeavour and it is hard to be good at something that you do not value or possibly understand.”

The general level of business skills within the sector is low, says Creative and Cultural Skills, the skills council for the culture, heritage and crafts sector. Too often, performance is not well managed, financial information is late and uninformative and marketing is tactical and reactive. Scarce resources are wasted because people do not know how to use them more effectively.

The report recommends that the development of business skills should be a priority for organisations and funders. Understanding, charting and redesigning business processes is time-consuming but not overly challenging; it can yield real results by reducing activities that do not add value and by improving performance.

Royce concludes her report by noting that an interesting paradox emerged during the research: “There is a widespread belief, broadly supported by the evidence, that business models in the visual arts are relatively weak and vulnerable to relatively modest changes in public funding and the external environment. Equally, there is a broad consensus around the necessary traits of a strong business model, for example, those set out by the Arts Council Thrive programme and widely endorsed by policy-makers, consultants and leaders in the sector:

- a strong future vision, which is clearly articulated through mission and values
- artistic excellence and the capacity to take artistic risks
- a commitment to learning and development to enable the organisation to be flexible and adaptable
- financial viability (including positive balance sheets and a range of income streams)
- sound managerial systems and human resource practices
- good leadership and clear governance
- a sound knowledge of present and future audiences, participants and customers
- strong networks and good relationships with stakeholders, customers and suppliers.

I have summarised these as the need for an arts business to have a strong and appropriate organisational culture and to be well-led and well-managed so that it can be attractive, agile and able to deliver.

Building better business models is not ‘rocket science’ – it is a combination of hard work, serious thinking, common sense, a focus on the customer and being open to learning from each other, colleagues in other art forms, the third sector and the private sector.”

Developing Business Skills

Business skills training and information is something that organisations should be able to access locally as well as finding a mass of information online.

Start by looking at VAS and the council’s websites.

<http://www.vas.org.uk/training/index?ts=25948>

<http://www.sheffield.gov.uk/business>

Unfortunately, Business Link, the national organisation that offers business advice and training on a regional level is closing in November 2011. However, its website will probably still be available.

<http://www.businesslink.gov.uk>

NESTA is the National Endowment for Science, Technology and the Arts – an independent body with a mission to make the UK more innovative. It has a creative business start-up toolkit on its website.

http://www.nesta.org.uk/areas_of_work/creative_economy/creative_enterprise_toolkit_startups

Creative & Cultural Skills is the Sector Skills Council for Craft, Cultural Heritage, Design, Literature, Music, Performing, and Visual Arts. The organisation aims to bridge the gap between industry, education and the government, to give employers a real influence over education and skills in the UK. <http://www.ccskills.org.uk>

Full Cost Recovery

Many arts organisations are not clear about their unit price, they’ve never been asked to think in that way before. However, in the current economic climate, this is a real weakness. Arts businesses need to know what their unit cost is and be able to offer commissioners some means of comparing cost.

Once you know how much it costs your organisation to deliver per hour, you can then begin to look at the ‘added value’ that, as an arts organisation, you bring to the table.

“Full cost recovery (FCR) means securing funding for – or ‘recovering’ – all your organisation’s costs, including the direct costs, of your projects and all your overheads. In full cost recovery your organisation’s overheads are shared among your organisation’s different projects. The full costs of your project are all the costs directly relating to the project plus the project’s share of the overheads.” (CVS Hounslow information sheet)

Recommended Resources

VAS Training programme for 2012 includes two courses:

‘Adding Value/Showing Value’ 8 March 2012

‘Understanding Full Cost Recovery’ 2 days
14 & 21 June 2012

ACEVO (Association of Chief Executives of Voluntary Organisations) has an FCR tool kit available for downloading.

http://www.fullcostrecovery.org.uk/main/fcr_toolkit.php

CVS Hounslow produced an accessible summary of FCR. This is attached since CVS Hounslow seems not have had its funding renewed and its website is no longer accessible.

The website of the National Audit Office includes a Successful Commissioning Tool Kit: http://www.nao.org.uk/guidance__good_practice/third_sector/successful_commissioning/successful_commission_toolkit/delivering_to_users/full_cost_recovery_fcr.aspx

Children England, the website for third sector organisations working for children has an information pack ‘Love Your Tender’ in its Previous programmes section, Supporting Small Organisations: . This includes a template for calculating unit costs.

<http://www.childrenengland.org.uk/upload/Activity%201%20-%20calculating%20your%20unit%20cost.pdf>



Providing evidence

Added Value of the Voluntary and Community Sector

“When campaigning or advocating, ensure that robust evidence is provided, including information about the source and range of people and communities represented, subject to funding.”

(from new *Sheffield Compact Consultation* document July 2011 Commitments for the Third Sector http://www.vas.org.uk/documents/voluntary-community-sector/sheffield_compact_consultation_document_july_2011)

VCS added value is....

- Building or constituting social capital, through building and maintaining relationships and bridges within and across communities
- Being able to access individuals and communities which are particularly disadvantaged, and which traditional services often have difficulty reaching
- Offering specialist/niche expertise in areas where the public or private sector tend not to operate
- Being an independent voice of causes that may otherwise go unrecognised
- Being flexible in service delivery and mode of operation
- Being able to work across public sector boundaries
- Innovative approaches
- Being rooted in the community being served: good local knowledge, and local credibility
- Being able to respond quickly
- Being able to advocate on behalf of actual or potential service users
- Independence
- Being able to involve service users
- Being able to work across a range of public sector organisations

- Being able to act as a critical friend to public sector partners
- Being able to deliver value over and above that of the commissioned service through the parallel provision of other services which give added benefit to service users

VCS added value is not...

Saying the VCS

- Is values-driven
- Has morally good motives
- Is more committed
- Is ‘worthy’

*The Good Commissioning Guide:
A guide for Gloucestershire*
www.gloshub.org.uk/compact/commissioning

Start gathering your evidence now. When the Eventus Research & Development Project interviewed Sheffield’s commissioners, no matter which field they worked in, they were unanimous – they asked for evidence of the value of the work.

You certainly already keep evidence of your work, but the whole sector is now being asked to provide much more precise and targeted evidence of the value, including the monetary value of the work.

Commissioners generally operate in a very ‘risk averse’ culture, and themselves are facing huge changes so it is hardly surprising they are demanding evidence so strongly. However, the arts world acknowledges how very difficult it can be to provide ‘hard’ evidence of the benefits of arts and cultural activity. Many arts project or activities are a small part of wider programmes. If you are delivering activities and events, how can you know and measure the outcomes in terms of, say, young people engaged and kept out of trouble, or the NHS resources saved by a reading group for mental health service users?

Finding the resources to measure impact is difficult, but it will have to be done.

The good news is that many people and organisations are seeking to find answers to these questions, a range of tools and methodologies are available and there is a growing body of evidence. There is also a growing awareness that numbers alone can't tell the whole story.

Measurement can look at 'hard' outcomes (numbers and costs) or 'soft' outcomes such as an increase in perceptions of wellbeing etc. Two of the main lines of investigation currently are looking at the Outcomes Star and Social Return on Investment (SROI)

The Outcomes Star

The Outcomes Star is a tool for measuring change when working with vulnerable people. It measures 'soft' outcomes based on service users' and workers' subjective assessments before and after a period of time. Its unique way of visually mapping change in a way that is accessible and visually arresting has made it very popular. It was originally developed for St Mungo's the homelessness charity, it is widely used in mental health, and there are now several different versions for different groups such as families, older people, young care-leavers, drug and alcohol abusers.

The 10-point star measures the progress of service users towards goals such as living skills or work. Case workers and service users assess progress by numerical value at regular

intervals during a project or programme. The data can be used to track the progress of an individual service user, to measure the outcomes achieved by a whole project and to benchmark with a national average for similar projects and client groups.

The basic Outcomes Star is free to download from the website, where you will also find masses of examples and background information.

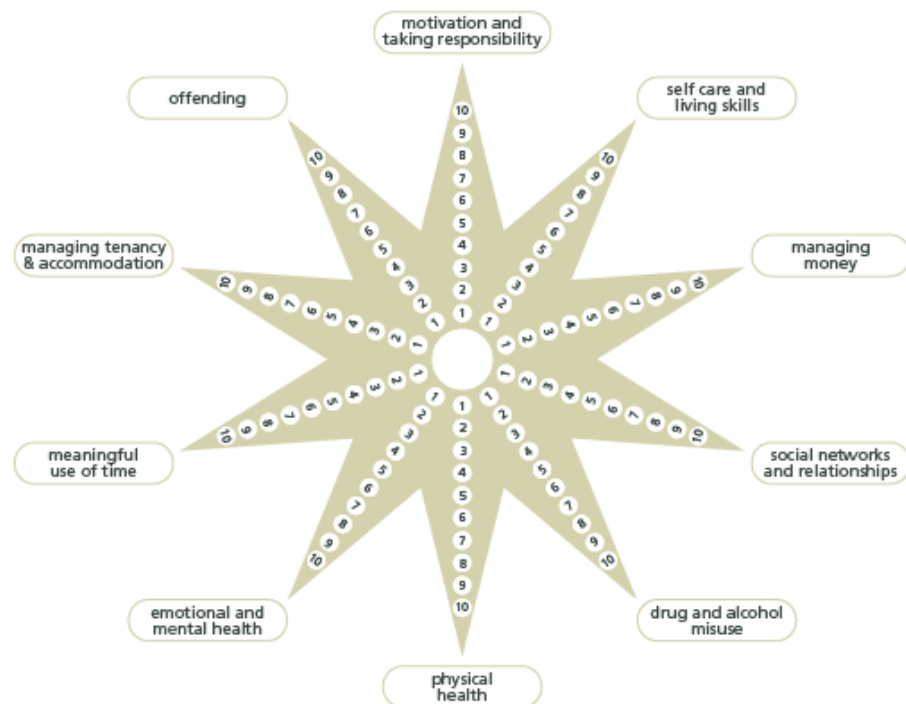
<http://www.outcomesstar.org.uk/>

The Sheffield Task & Finish Group on commissioning has recommended investigation of a Common Sheffield Outcomes Star, which would enable commissioners to identify the desired outcomes from outputs, and allow providers, particularly small ones, to easily place themselves and their services in the star.

Social Return on Investment (SROI)

SROI uses monetary values to measure how change is taking place.

"Social return on investment (SROI) is an approach that aims to capture the social and environmental benefits of a project or programme. The process involves talking with stakeholders to identify what social value means to them; finding appropriate indicators of change taking place and comparing the financial value of the social change created to the financial cost of



The Outcomes Star - Homelessness version

producing these changes. A SROI ratio is a comparison between the value being generated by an intervention, and the investment required to achieve that impact.”

‘Measuring the Impact of your organisation’s work’ by Liza Ramrayka Guardian Professional 17 March 2011.

In 2009 the New Economic Foundation set out to research and report how best the Third Sector could evidence its wider impact on public services. The object of the research was to begin building an evidence base on the benefit of the third sector to commissioners. The research used a number of case studies and produced a report: ‘A Better Return: setting the foundations for intelligent commissioning to achieve value for money’ on Investment’. This influential report found that:

“Commissioners will commission for the objectives they are held accountable for delivering... Measurement frameworks capable of capturing direct and wider outcomes are required across the public sector. In this report, ***the case studies using SROI were able to provide the best indication of how their service was delivering against outcomes and the impact their service was having on the public purse.*** SROI does this by making visible a wider range of costs and benefits, thus providing a better indication of the true cost to the public purse and to society of different service providers. These costs and benefits can also be scaled up using economic modelling to show the financial implications of a given approach if applied to the entire population of potential service users.

In case study 4, for example, SROI showed that the improved outcomes among nonviolent female offenders using support-focused alternatives to prison, such as Asha Centre and Centre 218, would be worth £100 million in benefits over ten years if scaled up to the entire population of non-violent female offenders.” (*A better return: setting the foundations for intelligent commissioning to achieve value for money* <http://www.neweconomics.org/publications>)

Despite these findings, the Third Sector generally has been slow to grasp the nettle. A report produced for Derbyshire VOICE in May 2011 by the Centre for Regional Economic and Social Research, Sheffield Hallam University, found: “...there is a lack of evidence of the outcomes associated with VCS activity and the VCS in Derbyshire needs support to help it identify, and collect

evidence of, the outcomes associated with its work.” (DCAN Newsletter August 2011)

In Sheffield the Outcomes work stream of the joint Task & Finish Group of third sector organisations working with the city council, recommended: “To ensure consistency of approach a ‘Sheffield’ model of SROI should be adopted. Sheffield well-being consortium has adopted the ‘selling added value’ model.” (Workstream Report 1 Commissioning for Outcomes)

Case Study Tomorrow’s People

Tomorrow’s People a welfare-to-work charity found that: “The gross cost of getting an adult into work is £4,600; £5600 for a young person as they are typically harder to reach and require intensive support for longer. =In contrast the average payment for each person on the Work Programme will be more like £1,200. Independent evaluations, however, put a monetary value from getting 6,200 people into fulltime work, further education or training over the last five years at close on £80m.

Between 2006-7 and 2010-11, Tomorrow’s People has “added £10.8m additional tax revenue, saved £56m in benefits, potentially reduced nearly £1m expenditure on health, and £11.8m on police, legal and prison costs” says Baroness Stedman-Scott, Chief Executive of the charity. The charity’s latest SROI analysis shows “that for every £1 invested in Tomorrow’s People during that time, the value to British society is £2.40; for our young people’s programme it is £2.90.”

(The Guardian Society Guardian supplement 22 June 2011)

Recommended Resources

Public Social Partnerships: a practical guide – is the result of a Scottish Government project.. See the Tools & methodologies SROI section, Evidenced – sample the Greenlink Cycle Path SROI <http://www.scotland.gov.uk/Resource/Doc/48453/0119024.pdf>

For more information on the project www.pspscotland.co.uk

DCAN, the Derbyshire Contracts Advice Network has a page on their website with links to SROI resources., www.linkscvs.org.uk/sroi.htm with links to national organisations working on SROI and downloadable resources.

Start Collecting Evidence NOW

If you are working now, you could be collecting evidence now. First steps on your journey to fully evidencing the value of your work can begin in these simple ways, shown below.

- Number of adults accessing the arts as an audience member
- Number of adults accessing the arts as a participant
- Number of children and young people accessing the arts as an audience member
- Number of children and young people accessing the arts as a participant
- Copy of programme of activity
- Number of participatory sessions delivered for adults
- Number of participatory sessions delivered for children and young people
- Number of audience activities (e.g. shows, exhibitions etc) delivered for adults
- Number of audience activities (e.g. shows, exhibitions etc) delivered for children and young people
- Total volunteer hours per week
- % of volunteers that are local residents
- % of participants reporting positive benefits to their health and well being
- evidence of reaching marginalised communities or people
- copy of budget and/or annual accounts indicating income from other funding sources.
- programme of activity demonstrating access for specific communities
- % breakdown of audience/participants from each district and borough area
- Number of artists/creative practitioners supported
- Details of joint projects/working undertaken with partners

- Total value of salaries paid to staff/artists/creative practitioners
- Number of staff/artists/creative practitioners employed/contracted
- % of staff/artists/creative practitioners employed/contracted that are locally based
- % of audience/participants from outside of local borders
- Total estimated value of additional visitor spend
- Ability to demonstrate significant press coverage in regional and national press
- Breakdown of income for the organisation including grants, fees & charges, donations, sponsorship, etc.

Northamptonshire County Council Commissioning Strategy for Arts & Culture, 2011 to 2014 (Note that these evidence measures are tied to the council's strategic objectives.)

<http://www.northamptonshire.gov.uk/en/councilservices/Community/vssu/Pages/Review.aspx>

Talking About Results is an analysis by New Philanthropy Capital of how the top charities in Britain communicate their results. The report suggests there are: 5 key questions to ask to communicate impact:

1. What is the problem we are trying to address?
2. What do we do to address it?
3. What are we achieving?
4. How do we know what we are achieving?
5. What are we learning and how can we improve?

http://www.philanthropycapital.org/publications/improving_the_sector/improving_charities/talking_about_results.aspx

Case Study

Tomorrow's People, a welfare-to-work charity, "The gross cost of getting an adult into work is £4,600; £5600 for a young person as they are typically harder to reach and require intensive support for longer.

In contrast the average payment for each person on the Work Programme will be more like £1,200. Independent evaluations, however, put a monetary value from getting 6,200 people into fulltime work, further education or training over the last five years at close on £80m.

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Sheffield Well-being Consortium's SROI of their Community Health Champions programme evidenced a value of £2.07p per £1 of investment per head.

Recommended References

An article on The Guardian newspaper's Voluntary Sector Network sums up some of the key issues surrounding measuring outcomes. ('Measuring the Impact of your organisation's work' by Liza Ramrayka Guardian professional 17 March 2011. <http://www.guardian.co.uk/voluntary-sector-network/2011/mar/17/measuring-impact-work>)

Derbyshire Contracts Advice Network (DCAN) has set up a page for SROI, <http://www.linkscvs.org.uk/sroi.htm> with links to national organisations working on SROI and downloadable resources.

A Guide to Social Return on Investment written by nef (New Economics Foundation) staff and published by the Cabinet Office, and available from the Arts Council website, the definitive guide to this complex topic

http://www.artscouncil.org.uk/media/uploads/strategic_commissioning/A_social_return_on_investment.pdf

Scottish Government, Public Social Partnerships: a practical guide, used 10 pilot case studies to look at strategic partnering between public and third sector organisations. Each pilot was required to forecast and measure the social impact, using SROI. Not every one managed it, but this makes the report particularly interesting for the way that it demonstrated some of the problems and difficulties and provides a real-world snapshot of where organisations are on this journey.

<http://www.scotland.gov.uk/Resource/Doc/48453/0119024.pdf>

More information on the project also at <http://www.pspscotland.co.uk>

For many, hard outcomes remain a key part of the impact mix. The London-based charity St Giles Trust works to break the cycle of offending and crime, and in 2009 it became the first charity to work with Pro Bono Economics (<http://www.probonoeconomics.com>), an organisation set up to encourage economists to help the sector measure its impact. PBE commissioned Frontier Economics to analyse the charity's Through the Gates pilot project, which provided intensive one-on-one support over one year for 1,500 offenders leaving prison across 14 London boroughs. Using a cost benefits framework, the analysis showed that the project had reduced re-offending rates by 40% and for every £1 spent, at least £10 was saved for the taxpayer.

St Giles Trust chief executive Rob Owen believes the results are "a milestone" in impact reporting as researchers were given access to the police national database and OASys offender assessment system. "If you can't evidence your work you certainly shouldn't be a charity," says Owen. "These days you have really got to demonstrate impactz – but it has be done by someone credible, and our report was aggressively peer reviewed too."

While consultants may help to add credibility, tools such as the Outcomes Star are free and becoming well recognised. NCVO can provide signposting to different methods of measuring impact, and also runs events on this topic (the next is in July). The Charities Evaluation Service (<http://www.ces-vol.org.uk/>) has a number of publications on its website, including a self-evaluation guide for organisations on a limited budget. The SROI Network offers information about social return on investment.

Detailed information about the outcomes and impact of your work will demonstrate to commissioners, funders and donors that your organisation is accountable. Owen at St Giles Trust asserts: "You can spend £500 on providing a course [for service users] but that won't change behaviour. You have to make sure that your pound – whether it's statutory or non-statutory – is having an impact."

