

Market Development and 3rd Sector
– Principles and Good Practice:
Framework and Checklist



Introduction

This report is one of 6 commissioned as part of the Commissioning Task Force of commissioners from Sheffield Council, NHS and 3rd sector consortia and facilitated by Voluntary Action Sheffield (VAS).

Eventus led on the market development workstream.

The Commissioning Task Force Report and all 6 workstream papers on:

- Commissioning for Outcomes
- Commissioning for Transformational Services
- Market Development Principles & Good Practice Framework & Checklist
- Skills and Competencies
- Risk Management
- Procurement Practice

Can be downloaded from www.eventus.org.uk/sectors/commissioning-procurement and http://www.vas.org.uk/infosheets?_ts=437740

The Market Development Framework lists worked examples from both non-arts and arts sectors.

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Principles	Issues for commissioners	Issues for provider organisations	Worked examples	Arts Sector specific examples
<p>1. Are you clear about why you want to enter the market?</p>	<p>Does your commissioning strategy and market position statement make the size, potential and growth opportunities clear, especially to new providers?</p> <p>E.g what are new market areas eg. people managing their own budget.</p> <p>Are your commissioning strategy, intentions, core values and aims fully reflected in the tender specification?</p>	<p>Are you clear what your service offer and outcomes are? Service provision starts with the needs of the service user, not what you want to do. How will your services contribute to the outcomes?</p>	<p>3rd Sector consortium worked with member organisations on range and quality of current service provision, to provide benchmark from which to develop a new holistic service model to take to commissioners</p> <p>www.sheffieldwellbeing.org.uk</p> <p>3rd sector neighbourhood based organisation wanted to conduct research into impact of Self Directed Care on its services to help it review provision. They could find no data on % of residents with own budgets so couldn't do research.</p>	<p>SCC Adult Social Care market development programme; working with arts sector to develop a market place</p> <p>Lorraine.jubb@sheffield.gov.uk</p>
		<p>Do you have the capacity and capability to deliver a service?</p> <p>Do you understand the difference between funding & contracting?</p> <p>Do you need to develop new business models?</p>	<p>Green Estate at Manor Lodge http://www.manorlodge.org.uk/</p> <p>have developed a care farm package for people with personal budgets. This offers a pick & mix menu of retail, gardening, smallholding, arts & crafts. The organisation & marketing is done by Green Estate's Access Officer</p>	<p>Artists at Manor Oaks studios</p> <p>http://artspace.org.uk/studios/manor-oaks-studios/ studios are interested in offering workshops as part of the care farm menu.</p> <p>As they are in their studios anyway they can adapt to suit demand, and do not have to do the organisation or marketing.</p>
<p>Is there a match between your core values, the service you think you could sell, and what the buyers want?</p>	<p>Do you understand the core business of the provider organisation(s). Do they have the experience, skills, and partnerships to deliver this area of business?</p>	<p>Your added value comes from your expertise. Does chasing the money mean you suffering mission drift and losing sight of the expertise that that added value in first place?</p>		<p>The Royal Liverpool Philharmonic Orchestra have a successful programme with the Care Trust, http://www.liverpoolphil.com/249/health-amp-wellbeing/mersey-care-nhs-trust.html</p> <p>Focus has remained on this area of service provision, other business opportunities with the PCT & NHS have not been taken up as the organisation didn't believe they fitted with their core mission.</p>

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2. Do potential providers know where they sit in a segment of the market?	Do your market position statements identify all potential opportunities and types of providers?	If you're a sole trader or very small organisation have you thought about whether you can realistically offer a service on your own or if you would be better placed partnering with other organisations to provide aspects of a service?	Sheffield Children and Young People Consortium worked with members to stimulate expressions of interest to provide different components of activities for the City wide Kids Can Do programme. Some organisations provided multiple services, whilst some provided one off local services.	Artshine Arts on Prescription, Bristol www.wellare.org.uk/organisations/12823-artshine
	Does your commissioning strategy fully address how to commission with consortium./ partnerships- lead organisations/ managing agents etc?	There are risks & benefits of different forms of collaboration. Are you aware of the differences between partnerships, informal consortium, formal consortium, and what model best suits your needs. Your needs may change for different tenders.	Sheffield Well-being Consortium offers a hub & spoke model, with paid staff managing tenders. The Children & Young Peoples Consortium works with Zest as lead managing agent, and Viva has Eventus as lead managing agent.	Eventus as lead managing agent for Viva S Yorkshire Arts Consortium successfully won over £600K of contracts for 5 partner organisations, Although the contract was not awarded the fourth year, the experience partners have gained in the consortium has placed them ahead of the game in understanding new markets and commissioning. clare@eventus.org.uk
3. If you or your organisation wants to be a service provider, are you clear about where you sit in the market context	Have you analysed and understood all current and potential service providers- and shared this knowledge through Market position statements?	Are you aware of the range of all the other potential providers. e.g. national, commercial competitors?	Some contracts are nationally/ regionally managed, with opportunities to act as a subcontractor to a Prime Contractor. DWP Work Programme was mainly let to national companies eg A4E, with local Social Enterprises/ 3rd sector organisations organising their offer through partnerships and consortia	
	Have you undertaken an impact analysis- what are the consequences of developing the market- social/ economical etc?	Do you know where you fit best within the commissioning context; strategic, locality or district based or Individual?	Adult Social care Market position statement http://www.sheffield.gov.uk/caresupport/us/scap/allprovidersinfo	Who provides? In Derby the council funds a post to support arts sector develop business http://www.derby.gov.uk/LeisureCulture/ArtsEntertainment/TheArtsTeam.htm This is a strong regional network providing resources, ,meetings and a development programme. Arts & Health South West. www.ahsw.org.uk

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	<p>Commissioners need to be clear whether there is a need to develop and stimulate the market- is there sufficient providers in place?</p> <p>Are the resource costs, staff time, promotion etc proportionate to the likely tender values?</p>	<p>Is there a business case for you developing services or products for new markets, or is the time and effort out of proportion to what you may eventually gain? And how do you know this at the start?</p>	<p>Sheffield's Adult Social Care Provider Innovation Fund created a £100k pot between 10 new providers http://www.sheffield.gov.uk/caresupport/us/scap/future-plans/projects-strats/market-dev/pif</p> <p>A further 12 unsuccessful applicants were advised to link with the successful projects and the details of 6 were sent to the wider provider market.</p>	<p>Several arts organisations applied to the Provider Innovation Fund, none attended the training sessions beforehand and all completely misunderstood the purpose of the fund. None were successful and none included in the development work undertaken by ASC. For the arts to compete they have to make an effort to understand the new market and not replicate old funding applications.</p>
	<p>Is there a unique provider in place- who would be best placed to provide the service?</p>	<p>Is your organisation / service known to commissioners? Do you attend relevant events and place yourself in the market so commissioners are aware of you?</p>	<p>Sheffield City Council adult social care manage a market development programme covering</p> <ul style="list-style-type: none"> – New Business solutions – Provider, carer and service user dialogue <p>Lorraine.jubb@sheffield.gov.uk</p> <p>Fiona.stone@sheffield.gov.uk</p>	<p>Eventus ran a seminar for ASC commissioning and procurement staff to highlight the role of the arts. Experienced artists provided snapshots of work with vulnerable clients and staff were encouraged to map ways of the arts contributing to their service delivery. Follow up meetings have been arranged.</p>
	<p>Open competition & tendering v support for local economy and community benefit clauses.</p>	<p>Contracts can't be awarded just because a provider is local, and contracts over certain amounts are subject to E U procurement law. However commissioning bodies can agree to adopt added value and local economic impact as part of their commissioning framework.</p>	<p>Added value must be evidenced, not just claimed. Sheffield Well-being Consortium developed a Social Return on Investment record for community health champions. This evidenced £2.07 additional spend for every contracted £1. However the process is time consuming and resource heavy and not appropriate for small businesses or sole traders, however member orgs of SWBC can refer to the research as including their work.</p>	<p>As part of the Eventus R&D project into strategic commissioning and the arts, Eventus have been exploring different evidence bases for the impact of the arts, including SROI and Outcomes stars,</p> <p>It would be helpful for Arts Council England to collate national intelligence and data in this area to back up social impacts of the arts.</p> <p>clare@eventus.org.uk</p>
	<p>Need to support sector in developing an understanding of markets - needs to be service/ client specific</p>	<p>Do you know the range of e.g. domiciliary, extra care, residential, day care options for older people. How can you address your market if you don't know where it is?</p>	<p>Some Provider Innovation Fund recipients still struggling to understand the market context, do ASC have an additional role in developing links?</p>	<p>Eventus R&D has produced a resource pack for the arts sector with info on markets.</p> <p>www.eventus.org.uk</p>

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<p>4. If you want to be a provider, are you known to service users, commissioners and community and placed in marketplace?</p>	<p>How do commissioners know who is out there? Need to understand local market, user experience and insight</p> <p>Work with 3rd sector assembly, infrastructure and consortium bodies to develop understanding of organisations</p>	<p>Localism agenda-implications for city wide or sub region providers?</p> <p>How do new suppliers find out where & how to market themselves?</p> <p>Need to understand commissioning cycle</p> <p>Around 4,500 in Sheffield now receive a personal budget, what actions do you need to take to enter this new market?</p>	<p>Sheffield City Council Adult Social Care Provider Innovation Fund – opportunities to learn and develop ideas/ services across successful and unsuccessful bidders</p> <p>Adult and mental health trade fairs- stimulating new business opportunities</p>	<p>Eventus R&D project developing website to inform commissioners & market local artists & arts orgs.</p> <p>www.eventus.org.uk</p>
<p>5. Do you have the insight, skills and capacity to develop service outcomes, specification and models to position your organisation in a market place?</p>	<p>Developing new business models and processes within 3rd sector organisations requires new skills, knowledge and capability. Do commissioners have sufficient understanding of different business models within 3rd sector to offer relevant support & training?</p> <p>Do public sector bodies sufficiently understand the different 3rd sector business models to enable the development of tendering processes that enable these organisations to compete against commercial organisations? Eg Consortia models.</p>	<p>Do you have a clear business strategy and model for new markets?</p> <p>If not, do you know where to access support or training for this?</p>	<p>There are many commercial firms offering training events, but your local authority or CVS may offer free or low cost training & support which may be more relevant.</p> <p>Gloucestershire hub (3rd sector infrastructure body) developed a tool kit “The Good Commissioning Guide”</p> <p>(http://www.gloshub.org.uk/attachments/article/382/The%20Good%20Commissioning%20Guide.pdf)</p> <p>Staffordshire joint Commissioning Strategy for 3rd sector</p> <p>www.staffordshire.gov.uk/health/care/consultation</p>	<p>Arts Council England R&D (carried out by Eventus) www.eventus.org.uk</p> <p>Identifying specific training needs & creating resources for the arts sector.</p> <p>Similar initiatives in e.g.: Derby & Staffs Creative Health & Wellbeing Network learning programme</p> <p>Staffordshire:</p> <p>Derbyshire http://dapartsandhealth.weebly.com/advice-information-publications.html</p>
	<p>Support may include:</p> <ul style="list-style-type: none"> – Business modelling/ costing services – Developing outcomes and service specifications – Procurement processes – Contract management 	<p>Would you be better working in collaboration with other organisations, formally or informally? Do you have skills to offer each other?</p> <p>There are legal and financial liabilities and obligations attached to different forms of partnership working. Trustees and officers need to understand and agree the new context. Are your Board on board?</p>	<p>The Task & Finish Group organised a Get Ready for Commissioning Masterclass with www.vas.org.uk in July. This included sessions on pricing & costing, procurement, collaboration v competition, commissioning for the terrified and measuring value.</p>	<p>Many people in the arts sector have more experience of working with vulnerable service users than other prospective providers, but need tailored support to develop appropriate business models.</p> <p>e.g. Turning Point strategy for the visual arts recorded a need for training in business models for visual artists. This is now being provided through funding from Arts Council England http://www.audiencesuk.org/news/bbb. As part of its Goal 3, resilience, does the Arts Council need to develop a similar resource for strategic commissioning?</p>

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<p>6. Can you evidence governance and quality standards that may be required for contracting?</p>	<p>Are you clear about what evidence is required?</p> <p>Do specific service areas need bespoke standards?</p> <p>Are you clear about these in tender specifications?</p> <p>Do you rigorously look for evidence to support written statements of governance and quality standards?</p>	<p>Do you have time and resources to invest in ensuring governance and quality assurance?</p> <p>Most Commissioners will require assurance that providers have appropriate quality standards at the time of submitting tenders.</p> <p>Providers also need to ensure they have fully documented and active policies across a range of governance issues eg.</p> <ul style="list-style-type: none"> - Insurance - Equality - Diversity - Financial processes - HR issues <p>etc.</p>	<p>CLASSY Consortia requires member organisations to hold the Legal Services Commission Quality Mark General Help as a minimum standard.</p> <p>www.advicesheffield.org.uk</p> <p>frances.potter@classyadvice.org.uk</p> <p>Information on quality issues can be found on VAS website</p> <p>www.vas.org.uk</p>	<p>The strict reporting criteria around Arts Council England RFO or NPO status have been used by Eventus as evidence of external QA. Investigation into ISO9001 and Customer First has shown them not applicable to our business model- deliberately small core contracting freelance staff on a per project basis.</p>
	<p>Are QA processes and requirements proportionate to service areas?</p> <p>Are they taken seriously at commissioning and procurement stages?</p> <p>Are quality standards linked to outcomes?</p>		<p>SCC Commercial Services are developing a new PQQ in discussion with providers and potential providers. In recognition that not everyone has the volume of business to gain national QA standards. This includes an open question for providers to state what quality systems they have in place if they do not possess a formal QA.</p> <p>NHS Sheffield requires all providers to have an appropriate quality standard.</p>	<p>Eventus R&D research project has benchmarked what type of quality processes and standards member organisations have achieved.</p> <p>www.eventus.org.uk</p>
	<p>Do commissioning frameworks and tender specifications allow for consortia responses?</p> <p>Is it recognised that this may strengthen and streamline governance arrangements?</p>	<p>In Sheffield considerable 3rd sector resources of time and people have been invested in developing 3rd sector consortia; CLASSY advice, Sheffield Wellbeing, Sheffield Children & Young People, Viva S Yorks Consortia. It is not always clear that procurement staff understand and value the lower risk this development work offers.</p>	<p>Across all Sheffield consortia, the hub or lead managing agents take the risk of compliance and manage that risk on behalf of commissioners e.g. by monitoring performance, supporting low performance and ultimately having the capacity to withdraw a sub contract.</p>	<p>Over the 3 years of Kids Can Do contracts managed by Eventus, delivery partners were supported to develop monitoring & finance systems. Low performance was more closely monitored and in one instance part of a contract withdrawn and offered to partners who could deliver, this ensuring that the consortium as a whole met all its targets.</p> <p>clare@eventus.org.uk</p>

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	Completely new providers may not be able to evidence any track record- how can commissioners support innovative new organisations- what risk are they prepared to take?	Do you have track record of e.g. business capacity, financial probity from previous employment or enterprise that could be used instead?	Some unsuccessful applicants with good ideas to Provider Innovation Fund have received their support to develop their ideas including business skills.	Many artists and arts organisations have a successful track record of project work rather than contracting. Eventus R&D project has indicated a need for Arts Council England to help and outlined where this is already working successfully. www.eventus.org.uk
7. How are commissioners assured of organisations' capacity & capability to deliver a contract?	Commissioners need to risk assess the capability of new organisations to deliver services. Are there clear criteria at PQQ and tender stage for assessing the capacity and capability? Commissioners may need to support providers in contract monitoring- finance, inputs and outcomes.	How do you evidence capability and capacity to deliver services? Do you have robust staff, volunteers, financial management systems etc in place. Where a service e.g. NHS is evidence based, managers are often risk averse. In service development phases commissioners and providers should take actions within agreed risk tolerances. Working within a consortium offers protection to both commissioner & supplier because lead agent/ hub take responsibility for contract delivery & for negotiations with commissioners.	All existing Sheffield consortia; Eventus for arts, Zest for C&YP, SWBC, have done this as part of contract management & can evidence quality develop in sub contractors.	Arts sector often more committed to quality of delivery than quality of process. Need training to ensure sector understands quality re processes & systems. E.g. Eventus Admin & finance officers visited all sub contractors on Kids Can Do to set up systems & support organisations use them.. These visits uncovered additional issues e.g. cost centres budgets which contractors were offered advice on. Annual visits ensured that contractors got support as well as monitoring.
8. Can you describe how you will deliver the service to match commissioners' outcomes and evidence this from your track record?	Are the outcomes and deliverables required clearly stated in tender docs? If you are reaching beyond the established organisations, do you need to supply a jargon buster or even ensure all documentation conforms to Plain English Guidelines?	The commissioning and procurement process is only partly responsible for ensuring you can meet their requirements. Are you committed to understanding a new language and a new way of thinking by e.g. attending events for new providers?	The Commissioning Task & Finish group has worked towards a common framework for describing outcomes and this is recommended to be adopted and endorsed by the Council, VAS and 3rd Sector Assembly. Details of recommendations on VAS website www.vas.org.uk www.outcomesstar.org.uk	The Eventus R&D is collating examples of evidence of social impacts of the arts and arts in health from eg. – Staffordshire Arts & health programme – SCC / ACE/ Eventus Creative Places impacts – Scottish research on social outcomes
	Is it possible to develop a common Outcome Star model for Sheffield so that a) all bidders could place their activities within that framework & b) the impacts across all contracts and tenders could be collated in one place?	Some sectors e.g. ASC, legal advice already use a sector outcomes star. Is there capacity and resources to develop a common framework? Is this an action for the continuation of the Task & Finish Group in September onwards?	The Outcome Star will be retrospectively applied to the Sheffield Well-Being Consortium Community Champions programme by October 11 mandy@sheffieldwellbeing.org.uk	Some arts evaluation models use a version of the Outcomes Star but there are too many models and systems within the arts to provide robust evidence. Should Arts Council England be helping to develop a simple, common system?

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<p>9. Do all markets need developing? Or are some markets well provided for?</p>	<p>If there is an appropriate mix of providers and users is there a need for market development?</p> <p>Would a Sheffield wide market development group help to identify areas for development?</p> <p>Do commissioners want to grow particular provision? If so, how do they go about developing it?</p>	<p>Is there sufficient clarity over what is open for to new providers?</p> <p>At what point in the commissioning cycle are providers able to influence commissioning. Commissioners and Providers should develop strategies for early engagement to shape and develop markets.</p>	<p>Sheffield City Council Adult Social Care have a full programme for working with providers including a Market development Board for self directed care market development. Also have designed market development trade fairs</p> <p>Lorraine.jubb@sheffield.gov.uk</p>	<p>Arts & Health South West www.ahsw.org.uk</p> <p>has been pro active in developing relationships with commissioners & key influencers to jointly establish opportunities for development.</p> <p>The Scottish Assembly have produced Public Social Partnership Guidance covering 10 projects. www.scotland.gov.uk</p>
<p>10. The Council is committed to transforming its services, but some services are fit for purpose so which need transforming?</p>	<p>Are commissioners clear to themselves & to potential providers over which services are open to transformation?</p>	<p>Are you clear about what services or elements of services are transformational in process, systems or delivery?</p> <p>What information would you need to help you understand that?</p>	<p>Sheffield Health and Social Care Trust redesigned their respite service at Wainwright Crescent following consultation with users – some users valued therapeutic day services (in particular gardening) rather than residential respite services</p> <p>www.sct.nhs.uk</p>	
	<p>3rd sector orgs have data and insight about local needs and that can aid commissioners in designing services. Is this expertise called on?</p>	<p>Can potential suppliers, not actively involved in tendering get involved in shaping transformational services, before the procurement process starts, when the scope for dialogue is greater?</p>		
	<p>Best practice in consultation and involvement, needs to be at the core of the commissioning process.</p> <p>3rd sector is particularly good at engaging with service users and communities, and can help commissioners to do this well</p>			<p>Eventus training in creative consultation techniques for staff from 4 Merseyside councils, PCTs and RSLs, helped staff to identify issues from service users that they were previously unaware of www.eventus.org.uk</p> <p>Northamptonshire County Council Commissioning Strategy for Arts& Culture 2011-14 www.northamptonshire.gov.uk</p>

Produced on behalf of Sheffield Commissioning Task and Finish Group by Clare McManus Director Eventus www.eventus.org.uk, Pamela Butler Research Project Manager Eventus, Mandy Forrest Commissioning and Procurement Officer VAS www.vas.org.uk July 2011

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