



Cultural commissioning models

Consortia model



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What is it

Consortia working can bring specific benefits for consortia members including increased access to funding, capacity building, peer learning and support, shared resources and raised profile. They can also help to improve the quality of services that beneficiaries receive. Consortia can either be loose networks or new, specially constituted organisations. Key advantages that can be realised through consortia working include:

- Increased sustainability and financial security;
- Provision of better value for money and reduce duplication;
- Increased ability to bid for services, rather than organisations competing against each other;
- Innovation and development of new models of delivery;
- Provision of an infrastructure for mutual support and development;
- Enabling organisations to deliver services in wider geographical areas and extend current activities to include new services and/or different client groups;
- Offering a single point of contact for commissioners and service users;
- Offering a service at a scale a commissioner wants to purchase;
- Increased opportunities to share expertise, skills and knowledge;
- Increased opportunities for business development and expansion;
- Increased professionalism, credibility and accountability; and
- Opportunities to share resources and training

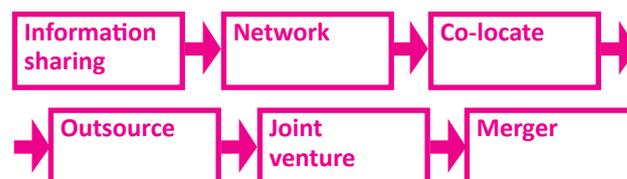
How does it work?

Arts and cultural organisations can work together in a variety of ways ranging from informal collaboration and networking to more formal collaboration governed by contractual relations with other organisations. In some cases a new legal entity can be created for the purposes of collaborating. In a joint venture, two or more parties will contribute equity, sharing control and any profit or loss made by the enterprise.

Collaboration spectrum

Loose network

Many arts and cultural organisations are already part of a network. In order to meet a contract opportunity issued by a local commissioner, organisations may agree to work together. This might then be subject to a written partnership agreement. However, the consortium would not have a separate legal status outside the partners.



This would mean that all the providers would have to tender as independent units to the commissioning bodies (such a loose consortium would not be able to tender in its own right because it is not constituted as an independent legal entity). See **Liverpool Arts and Regeneration Consortium (LARC)** and **Newcastle Gateshead Cultural Venues (NGCV)**.

Managing Provider

The managing provider model essentially involves one lead provider who holds responsibility for the contract and allocates work accordingly to other members of the consortia. The model is common where a larger arts and cultural organisation takes on the role of a prime contractor but require additional delivery capacity or expertise. It is the lead organisation that is solely accountable to the commissioner as they will be the one reporting and accounting for both finances and project delivery as well as having to 'manage' the delivery partners. See **Create Gloucestershire** and **Without Walls**.

Special Purpose Vehicle

A group of arts and cultural organisations could agree to cluster and work together by forming and legally constituting a Special Purpose Vehicle (SPV). A new company would be set up and an operating model would be agreed i.e. whether to become a CIC, a Social Enterprise, a Company Limited by Guarantee and whether to have charitable status. Setting up a new company allows the consortium members to have full ownership and control and it is easier to create a clear identity and brand without the 'institutional baggage' that any of the arts and cultural organisations may bring with them. It also offers the possibility of passing risks to a new entity and allowing organisations to clearly separate the partnership working from the rest of the organisations' activities.

The more partners there are in the new organisation the more rigorous and accountable the management structure needs to be. A 'Hub and Spoke' model is often which involves the creation of a management structure at the centre of the group of providers. See **C3 Consortium**

Who are the commissioners?

Consortia led by or involving arts and cultural organisations may be commissioned to deliver services across a range of public services. Key local public service commissioners may include:

- Adult social care;
- Children's services;
- Clinical Commissioning Groups;
- Mental Health NHS Foundation Trusts; and
- Public health

Consortia may also be commissioned by private sector organisations (e.g. healthcare providers who may be the prime contractor for commissioned local health services) or third sector organisations (including trusts and foundations).

How is the service contract organised?

The contracting arrangement will involve the commissioner entering into a contract with the lead provider / prime contractor. If it is decided that the model to be adopted is that of one organisation taking lead responsibility, then this structure and the involvement of other organisations could be specified in a contract with the commissioner. Under this arrangement controls need to be put in place to ensure that the lead provider is able to take action against one of its sub-contractors in the event of a sub-contractor failing to provide the services required.

How is the service evaluated?

Consortia need to be able to demonstrate their impact to commissioners. Performance targets and outcomes are likely to be covered in the contract between the commissioner and the lead provider. It is the responsibility of the lead provider to put in place the necessary systems in order to evidence achievement of the contracted outcomes included in the service specification. Where elements of delivery are sub-contracted and/or delivered by other providers these will also fall under the responsibility of the lead provider.

Building sustaining working relations

Commissioners need to understand and value a consortium for there to be a good relationship. This includes having knowledge of consortia and how they work, for example, how a hub and spokes model operates differently to more traditional prime and sub-contractor models. Regular meetings with commissioners can help to develop and sustain relationships. Arts and cultural organisations may consider approaching local commissioners to discuss their intention to develop consortia working to support the delivery of public services. In response public service commissioners may provide support as part of their market shaping role, in particular where they can see clear benefits in terms of consortia working helping to deliver services at scale.

Relationships with the wider sector, particularly with voluntary sector infrastructure organisations, can also be important and they can help consortia during the incubation stage, for example, helping with relationship building or accessing funding.

Scalability

Consortia working can enable arts and cultural organisations to deliver services in wider geographical areas and extend current activities to include new services and/or different client groups. The profile of organisations within the consortia (i.e. size, capacity, geographical footprint) will determine the extent to which services and activities can be scaled up to meet the requirements specified by commissioners. New organisations can be encouraged to join the consortia in order to provide access to additional delivery capacity (e.g. to cover a wider geography) or expertise (e.g. experience of working with a specific client group).

Potential challenges?

The development of a consortia model can take an investment of time and resources with no guarantee of success in securing contracts through an open and competitive commissioning process. Consortia are more likely to succeed if they operate in a supportive commissioning environment. This includes longer procurement time frames, suitable funding mechanisms and appropriate risk assignment. Each of these factors is dependent on the skill and understanding of local commissioning bodies. Where the consortia model involves the creation of a new legal entity it may be perceived as more risky by some commissioners given its lack of delivery track record. As such there is a degree of risk that will need to be borne by all consortia members.

A consortium will only function effectively if it is mutually beneficial for all organisations concerned. Consortia have been most successful when the organisations involved have clearly distinct areas of work without too much cross over. Conflicting interests are less likely to arise and there is less potential for competition between organisations.

Examples of this may be consortia made up of organisations working with different client groups, in different geographical areas or with different kinds of work or services provided, thus producing a mutually beneficial and complementary partnership.

Trustees of arts and cultural organisations may also need to ensure that their charitable objects are broad enough to allow it to participate in all of the work of the consortium. If not, there is a risk of 'object drift' where organisations engage in activities outside of their charitable objects, which may amount to a breach of trust on the part of the charity trustees.

Top tips

- Arts and cultural organisations should determine whether participation in a consortium is in the best interests of their existing beneficiaries and is consistent with their mission;
- Identify organisations to be invited to become members of the consortium. This does not have to be restricted to arts and cultural organisations but could also involve non-arts organisations;
- Organisations interested in establishing a consortium should sign up to a code of conduct;
- Clarify what is expected from each partner in terms of outputs, involvement and quality standards;
- Ensure that there is sufficient management capacity to enable the effective operation of the consortia;
- A good relationship with local commissioners can facilitate the process of establishing a consortium and ensure that it is included in market shaping activities; and
- Consortia need to be careful not to operate in an anti-competitive way

Examples

- **CS3 Consortium** – membership based consortium for cultural and sports sectors in Suffolk and Cambridgeshire;
- **Create Gloucestershire** – made up of over 125 members and associate members from across the arts and cultural sector together with a range of strategic partners from across different sectors;
- **Creative Communities Consortium** (Creative Arts East) – Creative Arts East is the project lead for the Arts and Wellbeing Programme on behalf of the Creative Communities Consortium Interim Board;

- **Culture Central** – an open membership body representing and working on behalf of all of Birmingham’s arts organisations, practitioners, agencies and organisations engaged in the cultural sector;
- **Liverpool Arts Regeneration Consortium** – an alliance of seven of the Liverpool’s major cultural organisations;
- **NewcastleGateshead Cultural Venues** – a consortium of ten non-profit distributing cultural organisations, operating 22 venues across visual arts, performing arts, music, dance, film, writing and literature, heritage, archives and museums and science communication in Tyne and Wear;
- **Sheffield Culture Consortium** – the Consortium is not a representative body, but aims to provide strategic leadership for the sector. SCC has recently been awarded £550,000 from the Arts Council for a three year project called ‘Making Ways’; and
- **Without Walls** – a consortium of leading arts organisations and festivals dedicated to the development of the UK’s outdoor arts sector