



The Scottish
Government

External Review of Alcohol Focus Scotland

Health and Community Care



EXTERNAL REVIEW OF ALCOHOL FOCUS SCOTLAND

**Dawn Griesbach
Audrey Mistry**

Griesbach & Associates

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TABLE OF CONTENTS

ACKNOWLEDGEMENTS	III
EXECUTIVE SUMMARY	1
1 INTRODUCTION	4
Alcohol Focus Scotland	4
Brief description of methods	4
2 ABOUT ALCOHOL FOCUS SCOTLAND	6
Core functions and strategic priorities	6
3 AFS'S CONTRIBUTION TO THE DELIVERY OF THE <i>FRAMEWORK FOR ACTION</i>	8
Vision and leadership	8
Effective partnerships	8
Governance and accountability	9
Use of resources	10
Performance management	11
4 STRATEGIC PLANNING	12
Vision and leadership	12
Effective partnerships	13
Governance and accountability	14
Use of resources	15
Performance management	16
5 HUMAN RESOURCES	17
Vision and leadership	17
Governance and accountability	18
Performance management	19
6 FINANCIAL MANAGEMENT	20
Vision and leadership	20
Governance and accountability	22
Use of resources	22
Performance management	23
7 QUALITY ASSURANCE	24
Vision and leadership	24
Effective partnerships	24
Governance and accountability	25
Performance management	25

8	STRENGTHS AND AREAS FOR DEVELOPMENT	26
	Strengths	26
	Areas for development	27
9	CONCLUSIONS	29
10	RECOMMENDATIONS	30
	APPENDIX 1: ORGANISATIONAL PARTICIPANTS IN THE REVIEW	31
	Partner agencies	31
	Other external stakeholders	31

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Executive Summary

1. The Scottish Government commissioned Griesbach & Associates (Dawn Griesbach and Audrey Mistry) to carry out an independent review of Alcohol Focus Scotland (AFS). AFS is a national non-governmental alcohol agency that works in partnership with the Scottish Government and with other agencies in the voluntary and statutory sectors to reduce the harm caused by alcohol.
2. This review was part of a rolling programme of reviews (carried out every six years) of voluntary sector agencies that receive more than £100k / year in grant funding from the Scottish Government. The main aim was to assess whether the Scottish Government is receiving value for money in relation to the grant it provides to AFS. In particular, the review was asked to:
 - assess AFS's short- and long-term strategic planning processes, and the organisation's performance in, and contribution to, the delivery of the Scottish Government's *Framework for Action* on alcohol;
 - carry out a basic "health check" of AFS's internal procedures in relation to human resources; standing financial instructions and internal / external audit; and
 - identify AFS's key strengths, which can be built upon, and propose solutions to any weaknesses which need to be addressed.
3. The study involved an extensive documentary review; interviews and focus groups with AFS staff and other internal stakeholders; interviews with external stakeholders; and observations of two meetings.

About AFS (section 2)

4. The appointment of a new Chief Executive in May 2010 was followed by a comprehensive internal review of all areas of AFS's work. This has led to a clearer articulation of the organisation's core functions and strategic priorities, and a more direct focus on outcomes as demonstrated through logic modelling.

AFS's contribution to the delivery of the Framework for Action (section 3)

5. AFS has made a positive and significant contribution to Scottish Government policy on tackling over-consumption of alcohol. It has done this by gathering and disseminating evidence, gaining political and professional support for its messages and supporting licensing boards and forums to becoming more effective in relation to their public health objective. In relation to future grant funding, it may be helpful if the Scottish Government could set out, in general terms, its expectations of AFS.

Strategic planning (section 4)

6. AFS has a clear strategy in place, and this was developed through consultation with stakeholders. In the past 12-18 months, the organisation's activities and staffing have been restructured to align with its strategic direction, and programmes of work have been developed with timescales attached. This process was still ongoing at

the time of this review, but it was clear that the organisation had made substantial progress and was continuing to move in a positive direction.

7. Like many organisations in the voluntary sector, AFS has faced significant financial pressures in the past two years. However, the development of a formal income generation strategy and a move to align financial planning with strategic planning is beginning to bear fruit. AFS is currently working at capacity, and additional resources will be required to enable the organisation to progress with particular objectives. At the same time, an internal review of AFS's income-generating training function may lead to further restructuring.
8. Future strategic planning should involve a wider range of stakeholders, while partnership working would benefit from agreeing expectations with partner agencies. AFS has recently established an Advisory Board, and the role of this group needs to be clarified and formalised.

Human resources (section 5)

9. AFS has a stable and highly committed staff group who fully supported the new strategic vision for the organisation and who understood their role in contributing to key objectives. A new staff appraisal system was put in place in 2011 and an overhaul of staff policies and procedures in 2010 has produced a policy set in which individual policies are fit for purpose. However AFS may benefit from comparing their policy set with that of other similar organisations to identify areas for further development.
10. This review highlighted a need for additional skills in the areas of finance and human resources. Further work should also be undertaken to develop a workforce plan and a training and development programme, as well as carrying out an ongoing analysis of equalities monitoring data.

Financial management (section 6)

11. AFS has good financial procedures in place and new procedures have been developed to more accurately monitor the organisation's financial status. AFS receives income from a variety of sources, including from grants, trusts and individual donors. Most of its self-generated income comes from the delivery of training, workshops or consultancy. An internal review of AFS's training function (ongoing at the time of this project), and a move towards full cost recovery, was expected to result in a clearer understanding of the cost-benefits of this aspect of AFS's work.
12. A projected substantial deficit identified in 2010-11 was tackled robustly, and by September 2011, the situation had been turned around. However, further work is needed to fully align financial planning with strategic planning. It is likely that there will be an ongoing need for fundraising in the future. This is a very resource intensive activity, and AFS will need to carefully monitor the cost-effectiveness of current fundraising arrangements.

Quality assurance (section 7)

13. This review identified a commitment within AFS to continuous improvement. The appointment of the new Chief Executive has led to positive developments in strategic planning, finance, HR and internal / external monitoring and evaluation. There was some evidence of the use of benchmarking in AFS, and further use of this in areas of HR would be beneficial. The organisation is currently developing a formal monitoring and evaluation framework which should be in place by March 2012.

Strengths and areas for development (section 8)

14. AFS has positioned itself as the leading independent voice on alcohol in Scotland. It has had an influence on the current direction of alcohol policy in Scotland, and is beginning to have an influence across the UK and internationally.
15. Areas for development relate to obtaining funding for specific areas of work such as “third party harm” and projecting young people from alcohol marketing. AFS also require to clarify its role in relation to supporting front-line services.

Conclusions

16. On the basis of evidence gathered in this review, it is concluded that AFS is providing good value for money. The organisation is now more directly focused on achieving outcomes, and these outcomes align with the Scottish Government’s own national outcomes.
17. The complexity of the alcohol message as compared with, for example, the smoking message, is an important reason for the Scottish Government to continue to invest funding in AFS. AFS plays an important role not only in *gathering* evidence, but in *translating* the complexity of that evidence into straight-forward messages for policy / decision-makers.

1 Introduction

- 1.1 This is a report of an independent review of Alcohol Focus Scotland (AFS). The review was commissioned as part of a rolling programme of reviews (carried out every six years) of voluntary sector agencies that receive more than £100k / year in grant funding from the Scottish Government. The review was carried out by Griesbach & Associates (Dawn Griesbach and Audrey Mistry) between October – December 2011.
- 1.2 The main aim of the review was to assess whether the Scottish Government is receiving value for money in relation to the grant it provides to AFS. In particular, the review was asked to:
 - assess AFS's short- and long-term strategic planning processes, and the organisation's performance in, and contribution to, the delivery of the Scottish Government's *Framework for Action* on alcohol;
 - carry out a basic "health check" of AFS's internal procedures in relation to human resources; standing financial instructions and internal / external audit; and
 - identify AFS's key strengths, which can be built upon, and propose solutions to any weaknesses which need to be addressed.

Alcohol Focus Scotland

- 1.3 AFS was established in the early 1970s as the Scottish Council on Alcohol. Its original remit was to support the local Councils on Alcohol throughout Scotland. It did this by providing training to volunteer counsellors and by facilitating the sharing of experience and good practice.
- 1.4 The organisation's role has grown over the years, and in 2001, following the appointment of Jack Law as Chief Executive, it changed its name to Alcohol Focus Scotland. Upon Mr Law's retirement in 2010, Dr Evelyn Gillan (formerly at the Scottish Health Action on Alcohol Problems – SHAAP) was appointed as Chief Executive.¹ Dr Gillan took up post in May 2010, and following an internal review, a strategic action plan and organisational priorities have been published.
- 1.5 Further details about Alcohol Focus Scotland are provided in Section 2.

Brief description of methods

- 1.6 This review explored the work of AFS from a range of perspectives. It involved:
 - an extensive documentary review (e.g. an analysis of the contents of reports, annual accounts, policies and procedures, etc.)

¹ Throughout the remainder of this report, any reference to the Chief Executive will relate to Dr Gillan unless otherwise stated.

- interviews and focus groups with internal stakeholders (i.e. current and former AFS staff, Executive Committee and Advisory Board)
- interviews with external stakeholders (i.e. representatives of selected partner agencies and a sample of Alcohol & Drug Partnerships, local Councils on Alcohol and local licensing forums). A list of these, and an explanation of how these particular agencies were chosen is provided in Appendix 1.

- 1.7 Altogether, interviews were carried out with 30 individuals, and one focus group was carried out with half of AFS's non-managerial staff (7 people in total). In addition, members of the research team attended a regularly-scheduled meeting of the senior management team and of the Policy Review group.
- 1.8 The Scottish Government requested a *concise* review. Therefore, a decision was taken to focus tightly on the five areas of most interest to the Government namely: (i) AFS's contribution to the delivery of the Government's alcohol strategy; (ii) its strategic planning processes; and its internal procedures in relation to (iii) human resources (HR); (iv) standing financial instructions; and (v) quality assurance (that is, internal / external audit). These five areas of scrutiny are addressed in turn in Sections 3-7 of this report.
- 1.9 In addition, given the significant changes that have taken place in AFS since the appointment of the new Chief Executive, it was agreed that the review should cover the period April 2008 – November 2011, rather than the entire six-year period since AFS's last external review.
- 1.10 In order to explore AFS's performance, a set of quality indicators were devised. These incorporated the Scottish Government's revised guidance for assessing Best Value in public services.² Thus, in reviewing the five areas of scrutiny, evidence was sought in relation to:
- Vision and leadership
 - Effective partnerships
 - Governance and accountability
 - Use of resources
 - Performance management.
- 1.11 Moreover, the review also explored the extent to which the issues of Equality and Sustainability (as cross-cutting issues) have informed AFS's approach to planning its activities.

² Scottish Government (2011) *Best value in public services. Guidance for accountable officers*. Available from: <http://www.scotland.gov.uk/Publications/2011/03/22154607/0>.

2 About Alcohol Focus Scotland

- 2.1 AFS is a national non-governmental alcohol agency that works in partnership with the Scottish Government and with other agencies in the voluntary and statutory sectors. AFS's stated aim is "*to reduce the harm caused by alcohol*". The organisation was described by its external stakeholders as "*the Scottish voice on alcohol.*"
- 2.2 As mentioned in the previous section, AFS has been operating for four decades, and during that time, the organisation has developed considerably from its original role of supporting local Councils on Alcohol. AFS is considered to be *the* national alcohol agency in Scotland.
- 2.3 AFS is a registered Scottish charity and a company limited by guarantee. It receives core funding from the Scottish Government, and additional funding from a wide range of sources, including grant funding from trusts, earned income from the delivery of training or consultancy activities, and donations from individuals. Previously AFS received small amounts of funding from the alcohol industry. Since 2010, its policy is to no longer accept funding from this source. The proportion of funding AFS has received from different sources has varied considerably in the past three years, as will be seen in Section 6. In 2010-11, the core grant from the Scottish Government comprised 43% of AFS's income.
- 2.4 AFS employs 20 people, six of whom have senior management responsibility. The appointment of a new Chief Executive in May 2010 and an internal review have led to a clarification, or refocusing, of the organisation's core functions and priorities, and a greater focus on delivering outcomes. To some extent, the internal review process was still ongoing at the time of this external review. In particular, AFS's training function, which comprises a substantial component of the organisation's work, was being reviewed. More will be said about this in Section 4.
- 2.5 AFS is governed by an Executive Committee, and at the time of this review, the Executive Committee comprised 10 members. At the organisation's AGM in November 2011, a new Chair of the Executive Committee was appointed when the previous post-holder stepped down after six years of service.

Core functions and strategic priorities

- 2.6 AFS's core functions are:
 - Policy, research and advocacy
 - Training and development
 - Communication and information dissemination.
- 2.7 The organisation undertook activities related to all of these functions prior to the internal review in 2010. However, the internal review resulted in a clearer, more explicit articulation of AFS's functions.

2.8 AFS currently has a two-year plan (2011 – 2013), and five strategic priorities for this period have been identified. These are:

- **Affordability and availability:** includes gathering evidence to inform a range of measures to reduce alcohol-related harm within the whole population; advocacy and awareness-raising campaigns targeted at MSPs, policy-makers, practitioners and the general public; and participation in UK and international public health alliances.
- **Public health and licensing:** includes the collection of information on good practice by licensing boards and forums in implementing the public health objective in local licensing decision-making; providing guidance to licensing boards and forums; and delivering ServeWise training which focuses on licensing standards and includes specialist courses for personal licence holders, licensed trade staff, Licensing Standards Officers and Licensing Board members.
- **Third-party damage / Harm to others:** including carrying out a survey of young people to gather information about how adults' and family members' drinking has affected their lives; co-ordination of the SNAPY project (Scottish Network of Alcohol Practitioners for the Young); developing training and resources to help nursery workers and teachers to support children and young people affected by alcohol.
- **Protecting young people from alcohol marketing:** including activities aimed at reducing the exposure of young people to alcohol marketing. This is a new area of work for AFS.
- **Supporting frontline services:** including the delivery of specialist alcohol training; working with Alcohol and Drug Partnerships (ADPs); and the development and support of community projects to reduce alcohol-related harm at a local level.

3 AFS's contribution to the delivery of the *Framework for Action*

3.1 There was clear evidence from the documentary analysis and from interviews with stakeholders that AFS has made a positive and significant contribution to Scottish Government policy on tackling alcohol over-consumption.

Vision and leadership

3.2 AFS has demonstrated vision and tenacity in moving the 'alcohol problem' debate on from binge and dependent drinking to show the impact of over-consumption across the whole population of Scotland. Interviewees highlighted in particular, AFS's role in:

- gathering and disseminating evidence, including evidence from experts, to support minimum unit pricing
- gaining sometimes hard-won professional and political support for minimum unit pricing
- withstanding attempts by the alcohol industry to challenge the position championed by AFS on a 'whole population' approach
- developing tools and training for local licensing boards and forums in relation to the public health objective in the Licensing (Scotland) Act 2005.

3.3 It was also noted that AFS was included in discussions that led to the development of the Scottish Government's *Framework for Action* and continues to have a role in policy workstreams and generating evidence to support policy implementation.

3.4 There is a good fit between AFS's current strategic priorities and the Scottish Government's priorities as set out in the *Framework for Action*. Moreover, AFS has employed logic modeling to illustrate how its strategic priorities and activities will contribute to the delivery of national outcomes. The step-change within AFS on the underpinning of activity with an outcomes focus was widely attributed to the new chief executive and regarded as a positive measure of her leadership. One Scottish Government interviewee commented: "*It has been a pretty radical and positive change from where I'm sitting.*"

Effective partnerships

3.5 AFS works in partnership with a range of agencies, and its overall experience of partnership working will be discussed in the following section. However, in relation to supporting the delivery of the Scottish Government's *Framework for Action*, the collaboration most commonly mentioned in interviews was that between AFS and SHAAP.

3.6 AFS and SHAAP have worked together to gather and disseminate evidence to support minimum unit pricing. In addition, they have collaborated on two

substantial publications related to licensing: *Licensing for public health* (2009)³ and *Re-thinking alcohol licensing* (2011).⁴ The latter report includes a series of evidence-based recommendations to licensing boards and to the Scottish Government that they believe would, if implemented, lead to more effective controls on alcohol licensing.

- 3.7 The two organisations were perceived, from within their own management and by observers, to have a proven track record of effective collaboration which capitalizes on their respective strengths. For example, in relation to the two licensing reports, SHAAP contributed the research skills and the expertise of the medical community (particularly public health researchers and consultants), while AFS contributed a knowledge of a wider range of issues related to alcohol, and the means to deliver the reports' messages to licensing boards and forums.

Governance and accountability

- 3.8 There is no formal contract or service level agreement between the Scottish Government and AFS which sets out clearly what the Scottish Government expects of AFS in exchange for the grant funding it receives.
- 3.9 AFS submits progress reports to the Scottish Government every six months and annual forward plans. As part of this review, copies of the progress reports were examined for the period April 2008-March 2011. It was clear that the form and content of the reports improved significantly from October 2010.
- 3.10 Prior to October 2010, poorly-presented reports listed activities without reference to value for money. Some effort was made to include "outcomes" evidence from the evaluation of training activities, but this was largely at the level of participant reaction to the training. That said, the reports did highlight larger scale evaluation activity going on within the organisation in relation to specific projects (for example, an evaluation of the use of the *Rory and Oh Lila* learning resources, the evaluation of the Blackburn community project, etc.).
- 3.11 From October 2010 onwards, progress reports have been shorter and sharper, and are structured according to the organisation's three core functions (e.g. the report for the period Apr – Sep 2010), or its strategic priorities (e.g. the report for the period Oct 2010 – Mar 2011).
- 3.12 The reports both pre- and post-October 2010 are primarily reports of *outputs* (i.e. activities undertaken), rather than *outcomes*. However, in the post-October 2010 reports, there are clear statements about the *outcomes* that would be expected to result from each activity.

³ AFS and SHAAP (2009) *Licensing for public health*. Available from: <http://www.alcohol-focus-scotland.org.uk/view/download/51>.

⁴ AFS and SHAAP (2011) *Rethinking alcohol licensing*. Available from: <http://www.alcohol-focus-scotland.org.uk/view/download/188-re-thinking-alcohol-licensing>.

- 3.13 At the time of this review, AFS was working with Evaluation Support Scotland to develop a formal monitoring and evaluation framework to sit alongside its organisational logic models. Therefore, it may be expected that future reports will begin to include evidence to show how AFS has contributed to the delivery of its intended outcomes.

Use of resources

- 3.14 AFS's grant from the Scottish Government has varied since 2008-09 as shown in Table 3.1 below.

Table 3.1: Core grant from the Scottish Government, 2008-09 to 2011-12

Financial Year	Amount received
2008-09	£265,534
2009-10	£509,000
2010-11	£449,000
2011-12	£449,000

- 3.15 Scottish Government funding had changed little in the two years prior to 2008-09. The apparent large increase in funding for 2009-10 was the result of incorporating two activities (both previously funded separately by the Scottish Government) into the core grant. These were the GINA (Gender Issues Network on Alcohol) project, and funding to support a National Licensing Officer. In 2010, funding for GINA was discontinued and its work was mainstreamed into AFS's overall work programme. Funding for the National Licensing Office post continued to be included in the core grant.
- 3.16 The reduction in funding for 2010-11 is the result of the Government's current policy to implement zero-based budgeting for all external grants. This policy means that grant recipients cannot assume funding from the Scottish Government will be based on the previous year's baseline; rather a case must be made for the level of funding required, starting from zero.
- 3.17 The reduction in the core grant in 2010 came at the same time as a reduction in other sources of income, thus placing severe financial constraints upon AFS. This will be discussed further in Section 4.
- 3.18 AFS has restructured staffing to better align with the organisation's new strategic objectives. In particular, a new post of Head of Policy, Research and Communications has been created, with responsibility for much of the policy / advocacy work being undertaken by AFS. Another new post, with responsibility for AFS's "Supporting Frontline Services" work programme, involves working with ADPs to support them in delivering the Scottish Government's national outcomes.

Performance management

- 3.19 In relation to performance management, it is not possible to comment on the extent to which AFS is delivering on the requirements of its contract with the Scottish Government, as there *is* no contract. Scottish Government officials reported being uneasy about AFS's lack of strategic focus prior to the appointment of the current Chief Executive, and several discussions had taken place about the need to become more outcomes-oriented.
- 3.20 The current view is that AFS is now operating on a more strategic footing and is proactively working towards a clear set of outcomes which directly contribute to the Scottish Government's own national outcomes.
- 3.21 The next steps should be to set out progress reports against jointly agreed outcome objectives and to develop monitoring and evaluation methods to demonstrate effectiveness across a range of policy-related activities over time.

4 Strategic Planning

- 4.1 There was evidence that AFS has a clear strategy in place, that that strategy was developed through consultation with stakeholders, and that the organisation's activities and staffing have (in the past 12-18 months) been restructured to align with its strategic vision. This process was still ongoing at the time of this review, but it was clear that the organisation is moving in a positive direction and is able to demonstrate value for money.

Vision and leadership

- 4.2 AFS's mission statement is "*to reduce the harm caused by alcohol*". This mission statement is being used consistently across all AFS's corporate publications including their website, and it represents a change and a tighter focus compared to previous mission statement(s). For example, the mission statement on AFS's annual report for 2009-10 was: "*Promoting responsibility, reducing harm, changing culture*." Staff at all levels of the organisation knew the mission statement and could readily articulate it.
- 4.3 The retirement of the former Chief Executive was seen by AFS's Executive Committee as an appropriate time for the organisation to shift its focus. The Executive Committee identified the need for a new organisational strategy, and the individual appointed as the new Chief Executive was seen to be someone who had the vision and leadership qualities to take that forward.
- 4.4 When the new Chief Executive came into post in May 2010, her first task was to carry out an organisational review. This led to the publication of a two-year strategic plan. Previously, AFS had five-year plans. However, a two-year plan was felt to be more appropriate in the current rapidly-changing policy environment.
- 4.5 A report of the internal review was submitted to the Executive Committee in September 2010 making recommendations for a new strategic direction. AFS staff, Executive Committee members and Scottish Government representatives interviewed for the current review were in unanimous agreement with AFS's current direction.
- 4.6 The internal review process involved consultation with individual members of the Executive Committee and AFS staff, the Scottish Government, a selection of AFS's partner / peer agencies, and selected licensing boards and forums from across Scotland. Two service provider agencies and one ADP representative were also included.
- 4.7 In developing its strategic plan, AFS may have benefitted from including a wider range of stakeholders in the process. As part of the current review, interviews were conducted with representatives of ADPs, Local Councils on Alcohol (LCAs)

and local licensing forums (LFs) (14 interviews in total).⁵ AFS states in its strategic plan that all these groups are its stakeholders. Those who took part were selected from lists provided by AFS which included ADPs, LCAs and LFs with whom AFS had had recent contact.

- 4.8 All but one of the 14 interviewees confirmed that they currently had contacts with AFS. However, fewer than half (5 out of 14) were aware that an organisational review had taken place in AFS last year, and just over half (8 out of 14) said that AFS had communicated with them about the recent changes to their priorities / strategy — either through email, briefings, or talks at conferences / events.
- 4.9 At the same time, these interviewees generally held a good opinion of AFS, and for the most part expressed high levels of satisfaction with the services or contacts they had had from AFS. Ten out of the 14 said that AFS was proactive in seeking to meet their needs, while the remaining four expressed uncertainty about what AFS could help them with.
- 4.10 These findings suggest that external stakeholders are benefiting from their contact with AFS but that AFS has not fully embedded partner and stakeholder consultation in their strategic planning processes. Engagement with a wider range of stakeholders would not only lead to a greater awareness among those stakeholders of the services AFS could offer, but could also identify a wider range of issues and stakeholder needs that AFS might wish to consider in its strategic planning processes.
- 4.11 Interviewees largely agreed that AFS's main target groups were: the Scottish Government / Parliament, licensing standards officers, local licensing boards and forums and, more recently, ADPs. Interviewees also largely said that the general public were a target group.
- 4.12 There is also a need to clarify AFS's relationship with local Councils on Alcohol (LCAs). These groups value the contacts they have with AFS (through training, mainly), and some would like AFS to revert to its former role as umbrella body or at least do more to facilitate increased communication and shared learning between local service delivery organisations.

Effective partnerships

- 4.13 This review identified some positive and productive experiences of partnership working (AFS's collaborations with SHAAP and the British Medical Association, for example), but also identified some areas where partnership arrangements may benefit from clarification, or clearer articulation of each side's expectations and commitments to the partnership.

⁵ This sample therefore cannot be considered as representative of the wider group of ADPs, LCAs and LFs in Scotland.

- 4.14 Decisions about engaging in partnership work appeared to have been taken opportunistically – in some cases, on the basis of ongoing relationships with individuals in other organisations, or as a result of meeting someone from another organisation at an event, seminar or conference. Governance arrangements in particular, were not always clear, and examples were given of entering into partnerships that subsequently failed to produce any beneficial outcome for AFS. There were also examples of where a mismatch of expectations had led to misunderstandings.
- 4.15 Overall, however, there was generally a positive view from both sides (AFS and the partner organisation) about the experience of working together. AFS senior managers and representatives of partner organisations described the benefits of partnership working as: (i) the ability to reach a wider audience than each organisation individually could have done; and (ii) the ability to bring in additional expertise from the partner organisation.
- 4.16 Most participants in this review who had experience of working in partnership with AFS commented on the professionalism and knowledge of AFS staff, and that in the past few years the organisation had shifted its focus from “intervention” to “prevention”.

Advisory Board

- 4.17 In early 2010, just prior to the appointment of the new Chief Executive, an Advisory Board was formed. The term “Advisory Board” is perhaps a misnomer, as this implies a formality of structure which does not in fact exist in relation to this group. The group comprises 11 individuals from across the UK who are considered to be expert in their fields. The group had its first meeting in June 2011 and this was attended by four of the 11 members.
- 4.18 Members of the Advisory Board interviewed for this review felt that the purpose and remit of the Board had not yet been fully thought through by AFS, and documentary evidence provided no explanation as to the strategic function of the Board. However, all interviewees agreed that the concept was potentially a helpful one. The main benefit for AFS was seen to be the collective expertise available within the Board to advise on particular policy developments. Nevertheless, AFS needs to consider how best to make use of this group. In addition, given that some members of the Advisory Board have had previous commercial / partnership links with AFS, there is a need to give explicit consideration in the Board’s terms of reference to possible conflicts of interest.

Governance and accountability

- 4.19 The main governance body for AFS is its Executive Committee, although as discussed in the previous section, AFS is also accountable to the Scottish Government for the grant funding it receives. The Executive Committee meets quarterly, and all meetings are attended by the Chief Executive and senior managers as required. Other members of AFS staff have recently begun to

attend on a rotational basis to report on their own areas of work. One former Executive Committee member now attends regularly as a non-executive member, in her capacity as financial adviser to the Committee. Individual members of the Committee participate in and chair two sub-groups: Finance and Operations; and Policy Review. In the past year, a Training Review sub-group has also been convened.

- 4.20 An examination of the minutes of Executive Committee meetings indicates that the group routinely considers costs when appraising options, and is fully involved in efforts to support and secure the long-term sustainability of the organisation.
- 4.21 Executive Committee members reported satisfaction with current reporting procedures and the nature of reports. Individual Committee members expressed confidence that they knew precisely what was going on in the organisation, including its current financial constraints, and felt that the organisation was clearly focused on delivering agreed outcomes. At the same time, however, there was also a view that, in terms of financial reporting, AFS needs to be collecting more accurate management data to get a clearer understanding of exactly what certain activities (such as training) are *costing* the organisation. It was also suggested that it would benefit AFS to have additional higher-level financial expertise available.

Use of resources

- 4.22 AFS has recently gone through a significant internal review and the organisation has been restructured in light of the outcome of that review. There are now well-defined programmes of work with timescales, and staff associated with those work programmes. Both financial expenditure and staff time are beginning to be aligned with the new strategic objectives.
- 4.23 However, the process of restructuring is still ongoing, and an ongoing review of the organisation's training function may lead to further changes in organisational structure and have implications for both income and expenditure. So far, all training courses and training resources have been updated to include information about the whole population approach to reducing the harm caused by alcohol. However, further intensive work is taking place to examine (i) the strategic fit of individual aspects of AFS's training function; and (ii) the cost-benefit for AFS of its different training programmes. The training review will report early in 2012.
- 4.24 AFS is currently experiencing significant financial constraints. A substantial projected deficit 2011-12 led to a decision to reduce the working hours of all staff working above half time by 20%, and making redundant two full-time administrative posts. However, it was also agreed that there would be flexibility in this arrangement to increase or decrease staff hours to ensure that the programmes of work were able to be delivered and income generating opportunities were maximized. At the same time, adjustments were made to salaries to ensure that individuals doing similar jobs were being paid at the same levels.

- 4.25 Following one-to-one discussions with all members of staff, this arrangement was agreed unanimously, thus averting a need to implement wider redundancies. Executive Committee members interviewed for this review expressed their admiration of staff for their response to this difficult situation. It was suggested that this could be attributed on the one hand, to the sensitive and transparent handling of the situation by the Chief Executive, and on the other, to the loyalty and commitment of staff.
- 4.26 However, the cut in staff working hours has had significant implications for the organisation's capacity. The point was made by staff that the work programme has not reduced by 20%, and as a result some senior managers have continued to work full-time hours with 20% less pay.
- 4.27 An income generation strategy has been developed for the period 2011-2013, and this would appear to be the first such strategy the organisation has had. The income generation strategy includes a review of income received in the period 2006/07 - 2010/11, and demonstrates how future funding will be aligned with the organisation's wider strategic priorities. This is a positive development, and AFS's attempts to begin to scrutinise the full-costs associated with activities such as training are also positive.
- 4.28 AFS has responded with determination to address its budgetary shortfall. However, fundraising is now a significant burden on senior management staff time. The Director of Operations (another new post created in the restructuring) has the lead role in identifying possible sources of grant funding and developing applications together with individual members of the senior management team.

Performance management

- 4.29 When asked whether the organisation was achieving its objectives, interviewees from the Executive Committee, the senior management staff and the Scottish Government all responded affirmatively and pointed to, among other things, AFS's work on minimum pricing, public health and licensing, and in training nursery / primary school staff to support children affected by parental alcohol problems.
- 4.30 However, it should be noted that AFS is currently developing a formal monitoring and evaluation framework in order to be able to provide the necessary evidence to show that it is achieving its expected outcomes.

5 Human resources

- 5.1 AFS has a stable staff group who have shown their commitment to the organisation through some significant changes since 2010 and in light of their acceptance of the stringent measures resulting from financial pressures. Staff supported the strategic vision for the organisation and understood their role in contributing to its key objectives. An overhaul of staff policies and procedures in 2010 resulted in a policy set which is fit for purpose. However AFS may benefit from comparing their policy set with that of other similar organisations to identify areas for further development. There is also a need for workforce and training and development plans.

Vision and leadership

- 5.2 As stated earlier in the report, AFS employs 20 staff, many of whom have been with the organisation for several years — in some cases more than 10 years. Staff indicated that they were enthusiastic about the changes that have taken place in the organisation's strategic direction, and there appeared to be general satisfaction with how internal restructuring had been managed.
- 5.3 When the Executive Committee came to the conclusion earlier this year that cuts to staffing costs were necessary, it is noteworthy that the Chair of the Executive Committee met with individual senior managers and also personally addressed the staff meeting to discuss the proposal to reduce staff hours and salaries by 20%. It is also to the credit of the Executive Committee and senior managers that they have built flexibility into the arrangement so as to reinstate lost hours and salary as and when income has increased.
- 5.4 As stated earlier in this report, AFS's staffing has now been restructured to correspond with its strategic direction. A senior manager, with one or more "officers" and administrative support staff are associated with four out of the five priority areas — (i) Affordability and availability, (ii) Public health and licensing, (iii) Third party damage (also referred to as "Harm to others") and (iv) Supporting frontline services. At present there are no dedicated staff for the fifth priority: Protecting young people from alcohol marketing. This is a new area of work for AFS, and the expectation is that work will commence on it as funding becomes available.
- 5.5 According to minutes of Senior Management meetings, the process of realigning staffing with strategic direction involved an identification of existing staff qualifications and competencies, the drafting of new job descriptions, and discussions with staff to match individuals to the posts needed. This process identified a need for additional resources / skills specifically in relation to policy and research and the "Harm to others" work programme. It also identified a need for additional, high-level expertise in the area of HR and Finance on the Executive Committee. At present the Head of Finance and HR is responsible for both these areas, but there would be benefit from separating these functions.
- 5.6 There was evidence that staff have also been appropriately and productively involved in the wider process of strategic planning. Managers commissioned and

participated in workshops at the beginning of 2011 which aimed to familiarise staff with logic modeling and to involve them in discussions about work programme development and agreeing outcomes for specific areas of work. Staff at all levels contributed to the development of logic models for their own areas of work.

Governance and accountability

- 5.7 AFS conducted a major review of staff policies and procedures in 2010, seeking legal advice on the policy additions or amendments necessary. Managers had used the review as an opportunity to improve policies, and staff reported that they were included in the review. New policies were introduced, such as the adoption policy (to sit alongside existing maternity and paternity policies). In addition, at the time of this review, discussion was taking place about whether a policy was needed on staff participation in social networking sites. As a result of the review, managers and staff were satisfied that AFS has an improved set of staff policies.
- 5.8 However, the resultant list of policies and their content is adequate rather than comprehensive, and AFS may wish to consider whether the organisation has a need for policies on harassment, probation and whistle blowing, for example. In addition, the disciplinary and grievance policies covered the necessary ground, but there was nothing to indicate an AFS stamp or any wider consideration other than the legal essentials. Good examples of disciplinary and grievance procedures are those which are included in a framework which sets out the organisational ethos and commitment to effective staff relations and support. A framework of this kind can be grown incrementally to encompass individual and collective rights; performance management; workforce development; health and safety; and internal communications and engagement.
- 5.9 The existing policies provide a good basic foundation upon which AFS can build, but it is important that consideration is given to the underpinning organisational ethos, which indicated that staff are highly valued within the organisation. It is suggested that AFS may find it useful to benchmark their policy set with other national voluntary organisations.
- 5.10 There did not appear to be a workforce plan or training and development programme. At the same time, there was some evidence of staff at officer level spending considerable time on tasks below their level of seniority and competency because of insufficient administrative support. Workforce planning should be an area for development within the organisation in the near future, and should be linked the organisation's strategic objectives.
- 5.11 A training and development programme should be based on a training needs analysis, and also linked to organisational objectives. There was evidence of long-serving staff progressing through the organisation, which perhaps partly explains how AFS has been successful in retaining staff over time. However, there was also a suggestion that some might find it useful if there were more movement of staff between different areas – to facilitate their learning and increased competency across the range of work programmes.

- 5.12 There was evidence that equality and diversity data are being systematically gathered as part of staff recruitment procedures, but it was reported that this data is not currently being analysed or put to any useful purpose. In relation to this, it was notable that the senior management team were all white females, and until recently, AFS's Executive Committee were all white males. There is now one female member of the Executive Committee. In addition, the organisation's paid financial adviser (a former Committee member), who attends Executive Committee meetings *ex-officio* and chairs the Finance and Operations committee, is also female. Ideally, organisations should strive to demonstrate that their staffing reflects the racial and ethnic mix of the broader population. This is not always possible in a small organisation such as AFS. However, the organisation may want to give some consideration about whether they may be inadvertently discriminating against certain equalities groups in their recruitment procedures.

Performance management

- 5.13 Non-management staff reported that they attend regular review meetings with their line managers (every 6-8 weeks), at which their performance in the previous period is discussed and a forward plan is agreed for the next 6-8 weeks. Staff each have their own workplan, with timescales attached. In addition, a recent introduction (in 2011) to the annual appraisal process involves each member of staff agreeing three specific objectives with their line manager, and being assessed against those objectives at the end of the year. Staff reported feeling comfortable and positive about this change.
- 5.14 The Director of Operations has line management responsibility for all senior managers apart from the Chief Executive, and the same procedures are followed. The Director of Operations is line-managed by the Chief Executive.
- 5.15 Senior management meetings are held every three weeks. In 2011, these meetings were split into "Operational management meetings" and "Strategic management meetings", which alternate from one meeting to the next. Minutes of senior management meetings contain an appendix setting out the actions agreed. These are not time bound, however, and there were some examples from minutes in 2010, where actions appeared not to be carried out, and no explanation given or expected when this occurred. This included some actions such as capturing and reporting on staff qualifications, development of a new performance management framework and giving feedback to budget holders. In one case, an action assigned to a manager to compare AFS's current arrangements with other charitable organisations of similar size appeared not to have been completed. However, there were no examples from the minutes in 2011 where this type of slippage occurred, which suggests that improvements have been made in this area.
- 5.16 Actions arising from meetings at this level should be time bound. If there is slippage in agreed timescales, it is suggested that the reasons for this should be recorded in the minutes so that the organisation can begin to accumulate evidence about which areas are under pressure.

6 Financial management

- 6.1 AFS has a portfolio of financial procedures which include clear instructions on budget monitoring and controls, transactions and the respective roles of finance staff and budget holders. The evidence that financial planning is fully aligned with strategic planning is less clear and this emerged as an area for development for the organisation.

Vision and leadership

- 6.2 AFS receives its income from a range of sources. In addition to the core grant from the Scottish Government, AFS receives funding from a variety of charitable trusts and corporate donors. Relatively small sums of money have also come from individual donors, and this source of income is currently under review. Historically, most of AFS's self-generated income has come from training and workshops.
- 6.3 Table 6.1 on the following page shows AFS's income and expenditure for the past three years, according to the organisation's annual reports. The table shows that the proportion of AFS's income received from the Scottish Government (including core funding and short-term project funding) has risen in the past three years.
- 6.4 In 2010, the Executive Committee took a decision to no longer accept funding from the alcohol industry, which comprised only a small portion (< 2%) of AFS's total annual income. However, at the same time, the organisation withdrew from an historical endowment trust funded by the alcohol industry. This endowment appeared as a substantial source of income in AFS's accounts (>£100,000). In fact, because of the conditions attached to the endowment, only the relatively small interest earned on the fund was available to AFS to spend on an annual basis. The principle fund was required to be held intact for a period of several decades.
- 6.5 This loss of income came at the same time as an overspend on costs related to restricted projects, which was met by the accumulated surplus on the restricted projects from the previous year. In addition, there was a new financial liability resulting from the organisation's withdrawal from the local authority pension scheme as there were no longer any contributing members. This was successfully negotiated to be paid over six years. There was also a significant reduction in self-generated training income. The latter had been partly expected due to the cyclical nature of licensing training; however, the actual reduction in training income was substantially larger than anticipated. As a result, at the beginning of 2011-12, the organisation was projecting a substantial deficit.

Table 6.1: Income and expenditure, 2008-09 to 2010-11

Income	2008-09		2009-10		2010-11	
	£	%	£	%	£	%
Income from Scottish Government*	429,214	26%	509,000	30%	449,000	43%
Other income from grants, trusts and individual giving	265,641	16%	295,995	17%	190,519	18%
Self-generated income from training, consultancy, etc.	637,463	39%	744,622	44%	392,729	37%
Bank interest	36,279	2%	2,849	0%	1,617	0%
SAADAT**	266,961	16%	218,500	13%	17,500	2%
Other income	1,000	0%	0	0%	0	0%
Total income	1,636,558	100%	1,700,966	100%	1,051,365	100%
Expenditure						
Education and training	574,479	34%	672,809	38%	405,371	30%
Business development	811,973	47%	682,391	39%	582,295	42%
Policy and communications	260,582	15%	330,854	19%	200,835	15%
Governance	67,170	4%	69,506	4%	64,442	5%
Other expenditure	0	0%	0	0%	120,000	9%
Total expenditure	1,714,204	100%	1,755,560	100%	1,372,943	100%
Surplus / deficit	-77,646		15,406		-321,578	

* The figure shown for 2008-09 includes core funding of £265,534 plus project funding of £163,680. The figures shown for 2009-10 include core funding only.

** SAADAT = Scottish Association of Alcohol and Drug Action Teams. This funding from the Scottish Government for Alcohol and Drug Action Teams was administered by AFS. However, AFS had no direct control over the funds.

- 6.6 As discussed in Section 4, to reduce the deficit, a decision was taken to reduce staffing by 20% for all staff working more than half-time. Senior managers reduced their hours starting in April 2011, and the remaining staff reduced theirs in May. This and other measures to maximise income and reduce expenditure have been successful in enabling the organisation to meet its budget. And by September 2011, the situation had begun to be turned around. At the Executive Committee meeting that month, a report from the Finance and Operations sub-group was projecting a surplus of £70,000 by the end of year.
- 6.7 AFS reviewed its risk register in 2011 after a gap of four years. Financial risks emerged as the highest and most urgent risks to the organisation. In addition, as noted in Section 5, there was some evidence from senior management minutes (particularly from 2010) that timely and useful feedback to budget holders had been lacking. For example, when the new CEO came into post, budget reports

were being provided to budget holders on an ad-hoc basis with projections going to senior management team meetings every six months, which was too infrequent to enable remedial action to be taken quickly enough.

- 6.8 However, there is now good evidence that measures have been put in place to more precisely monitor the organisation's financial status — for example through new monthly financial meetings between senior managers. In addition, having recognised the need for more detailed management data, particularly in relation to the organisation's training function, AFS is taking steps to develop this.
- 6.9 These are important positive steps. At the same time, the new income generation strategy and the leadership being provided by the Chief Executive and Director of Operations in this area generally points to improved financial management and oversight.
- 6.10 There was more limited evidence that financial planning is fully aligned with strategic planning processes. The documentary evidence submitted on finance was concerned with everyday operational arrangements. Strategic planning documents shed no light on how the role of strategic financial planning and long-term forecasting had impacted on the decision-making processes.

Governance and accountability

- 6.11 There was good evidence that the accounting arrangements in place for budget monitoring, feedback and reporting lend themselves to good governance. There was more mixed evidence that the practice consistently meets this expectation. While Executive Committee members expressed their general satisfaction with the sufficiency and the quality of the financial reports provided to them, the organisation has recently had to familiarise itself with the process of full-cost recovery in order to ensure the accuracy and usefulness of the information on which the reports are based.

Use of resources

- 6.12 There was an explicit requirement contained in the financial instructions to consider best value when making any decisions on projected costs or approving expenditure. Furthermore, there was evidence in Executive Committee minutes and senior management minutes that discussions about cost-benefits routinely occur before taking decisions about whether particular activities were worth bidding for or continuing with.
- 6.13 There is growing evidence that AFS is taking a more systematic approach to resource management based on a more sophisticated understanding of what constitutes resources. The strategic prominence and operational priority given to effective and efficient use of resources over the last year was clearly in evidence from a range of sources.

Performance management

- 6.14 Statutory returns are routinely submitted to the Office of Scottish Charity Regulator (OSCR) and there appeared to be no instances where OSCR had queried compliance or conducted any follow-up on submissions.
- 6.15 In common with other organisations in the current economic climate, AFS has used money from reserves to support operational viability. Minutes of an Executive Committee meeting indicated that the readily accessible reserves had temporarily fallen below required levels although total reserves were sufficient. Steps were being taken to bring readily accessible reserves back to the level expected.
- 6.16 AFS has identified that a number of long-standing activities are exposing them to certain risks because of a failure to take into account full cost recovery. At the same time they have realised that their management information had not allowed them to fully capture either the full costs or the full value of what they were doing. As mentioned previously, this has resulted in a comprehensive review of costs and income associated with the organisation's training function, which is still ongoing.

7 Quality assurance

- 7.1 This review identified a current commitment within AFS to continuous improvement. The appointment of the new Chief Executive has led to positive developments in strategic planning, finance, HR and internal / external monitoring and evaluation.

Vision and leadership

- 7.2 AFS has a positive history of piloting and evaluating new projects and initiatives, and of the findings informing future development and wider roll-out of these initiatives. In addition, there is evidence that training is routinely evaluated, although the evaluation of training has been largely at a basic level (participant reaction and self-reported change in participant knowledge). The exception to this general rule was in relation to the follow-up evaluation of Servewise training, which attempted to gather information about behaviour change in license-holders.
- 7.3 While the general impression is that AFS has always recognised the importance of evaluation, it is only more recently that there has been a concerted effort to develop a more comprehensive, rather than piece-meal, monitoring and evaluation framework.
- 7.4 AFS now has logic models in place, and has identified expected outcomes for all of its existing programmes of work. It is expected that when funding becomes available to being work on the area of Protecting Young people from Alcohol Marketing, that a logic model will be developed in this area as well.
- 7.5 At the time of this review, there was no monitoring and evaluation framework in place, but as mentioned previously, one was being developed in collaboration with Evaluation Support Scotland, and was expected to be available in March 2012. It was reported that staff at all levels of the organisation had been involved in the development of this framework, and would in the future be involved in the collection of monitoring data once the appropriate indicators had been agreed.

Effective partnerships

- 7.6 There was some evidence of the use of benchmarking within AFS. For example, it was reported that staff salaries had been benchmarked against those of similar organisations. In addition, statements recorded in the minutes of meetings of the Executive Committee, senior managers and other staff indicated that benchmarking had been carried out (or requested) in relation to performance management procedures, ratios of non-admin to admin staff, and financial matters.
- 7.7 Benchmarking and learning from peers is a tried and tested means of supporting self-assessment, potentially forging mutually beneficial alliances, and quickening improvement activity. It is suggested that AFS should consider the development of a more strategic approach along these lines.

Governance and accountability

- 7.8 There is evidence from interviews and from the minutes of meetings of the Executive Committee, senior management and staff, that AFS is transparent in its activities and decisions. Executive Committee members interviewed for this review expressed satisfaction with reports received from the organisation and noted that these had improved considerably since the new Chief Executive came into post.
- 7.9 It was reported that there had been concerns voiced among some in the Executive Committee about AFS's previous links to the alcohol industry. The decision to withdraw from an endowment funded by the industry, and to not accept funding from the industry in the future was seen to be the right decision for the organisation.

Performance management

- 7.10 AFS has clearly taken steps to develop more of an outcomes focus across all areas of its work. The completion of a monitoring and evaluation framework (mentioned above) will need to be linked to ongoing strategic planning and workforce planning.

8 Strengths and areas for development

- 8.1 AFS has positioned itself as the leading independent voice on alcohol in Scotland. It has had an influence on the current direction of alcohol policy in Scotland, and is beginning to have an influence across the UK and internationally.
- 8.2 AFS has recently implemented improvements in procedures in strategic planning, human resources, finance and quality assurance. However, as noted elsewhere in this report, there are still some areas for development. These include: putting in place mechanisms for capturing information on outcomes; involving a wider range of stakeholders in future planning; developing workforce and training and development plans; continuing the process of aligning financial planning with strategic planning; and making greater use of benchmarking.
- 8.3 In addition, interviewees also identified areas for future development in relation to obtaining new / additional resources for specific areas of work and clarifying AFS's role in relation to supporting front-line services.

Strengths

- 8.4 All interviewees were asked what they felt were AFS's strengths. The responses to this question were broadly consistent across all stakeholder groups.
- 8.5 AFS was reported to have had a key role in bringing forward evidence to support a whole population approach to reducing the harm caused by alcohol. It has been a leading voice in the debate on the regulation of alcohol licensing. Its work on public health and licensing was cited by many as one of the organisation's successes.
- 8.6 AFS has had a strong advocacy / policy role in Scotland for many years, but in the period considered by this review, this role has expanded. Its messages are recognised as accurate, evidence-based, up-to-date and consistent. Taken together with its strongly evidence-based approach to policy issues, AFS is seen to be *the* national organisation in Scotland on alcohol and its public profile has continued to grow. According to some interviewees, the organisation is receiving increasing attention from the alcohol industry and attempts to undermine AFS's messages.
- 8.7 Effective partnerships have been formed with SHAAP and the British Medical Association and a wide range of other agencies to gather evidence and support for national policy on minimum unit pricing. AFS was seen to be particularly successful in fostering networks of influence in the field and with government, and the organisation's contribution to international alliances and networks was seen to be important and strategically valuable.
- 8.8 Interviewees also highlighted other areas of AFS's work for praise. These included the work on children and young people affected by parental / adult alcohol problems (e.g. SNAPY, *Rory*, *Oh Lila*); its role in organising events (the

recent national licensing conference and the co-ordination of expert groups were both frequently cited). External stakeholders particularly valued AFS's independence, accessibility and responsiveness, and the fact that AFS was seen to have "a finger on the pulse".

- 8.9 At a strategic level, AFS has been successful in refocusing its priorities and restructuring staffing in a challenging economic climate. The organisation was perceived by Executive Committee members and partner agencies to have a clear vision about where it's going — although external stakeholders (ADPs, Local Licensing Forums and local Councils on Alcohol) seemed less aware of this.
- 8.10 At an operational level, despite the difficult decisions that have had to be made to balance the budget, AFS staff are committed, and independent reports from senior managers and Executive Committee members suggested that staff morale has remained high.

Areas for development

- 8.11 When asked about possible areas for development, all of AFS's internal stakeholders (Executive Committee, Advisory Board and staff) pointed to the need for continued fund-raising in the near future. The funding pressures which AFS has experienced in recent times are unlikely to recede in the current economic climate. While AFS took a responsible decision to develop an income generation strategy, the organisation should closely monitor the cost-effectiveness of the current arrangements. At present, a substantial proportion of senior management time is taken up with the dual challenges of fund-raising and bidding for relatively modest pieces of work in terms of generating income.
- 8.12 Related to this issue is the dilemma alluded to by a small number of interviewees about AFS's strategic positioning as an organisation. These individuals felt that AFS should continue to develop a more overarching coordinating and developmental role — i.e. it should become a *commissioning* organisation entirely, rather than one which is *commissioned* to carry out training and consultancy projects. However, this was by no means a common view from interviewees. It was more common for participants in this review to express the view that AFS should develop its research, policy and advocacy role — while putting its activities to self-generate income on a more strategic footing.
- 8.13 As the organisation is currently conducting a thorough review of its training function, there is the possibility that some aspects of this work will be dropped in the future. However, in the current economic climate, AFS's sustainability will depend on being able to expand and fully exploit income generation opportunities which fit well with the organisation's and the Scottish Government's priorities.
- 8.14 Other suggested areas for development were in relation to: (i) providing greater detail for ADPs on what whole population effective interventions might look like and (ii) developing indicators to enable AFS to begin to measure its outcomes.

Once AFS has begun to capture data on its outcomes, it will then need to consider how to use that outcomes evidence in its future strategic planning.

- 8.15 AFS was seen by internal and external stakeholders alike as the leading national organisation in the alcohol field, but a small number of interviewees expressed some confusion about how distinctive AFS and SHAAP are from each other. This is possibly because the current Chief Executive came from SHAAP, and for the period July – December 2011 has been managing the work of SHAAP on a temporary part-time basis while SHAAP is without a director.
- 8.16 AFS has recently adopted a new logo, but there may also be a need to give further attention to developing a more consistent, recognizable “brand” — particularly in relation to joint publications and projects with other agencies. While this is a relatively minor point in the context of this review, AFS would benefit from increasing awareness of their work among stakeholders and potential stakeholders.
- 8.17 AFS may also wish to clarify its role in supporting front-line services — and in particular, the extent to which it works directly with service provider organisations. Some local Councils on Alcohol would clearly like AFS to have more of an umbrella role for service providers, similar to the role it used to have. At present, AFS’s *Strategic Direction* document refers specifically to local Councils on Alcohol as one of their stakeholder groups. Therefore, AFS may wish to explore with local Councils whether there would be mutual benefits in working more closely.
- 8.18 Finally, if the potential of AFS’s Advisory Board is to be realised, senior managers and the Executive Committee must take responsibility for injecting more structure and functional substance into their vision for the Board.
- 8.19 One of the future challenges for AFS that some interviewees mentioned was in relation to communication / advocacy. AFS is perceived to be spearheading the campaign for minimum unit pricing at the same time as it presents evidence from various well-founded sources on the harms caused by alcohol. All of this is taking place within a complex cultural and political context, and some commentators expressed concern that AFS’s prominent role could leave them particularly exposed to criticism and challenge.

9 Conclusions

- 9.1 The main aim of this review was to assess the extent to which AFS is providing value for money in relation to the grant funding it receives from the Scottish Government. On the basis of the organisation's current direction of travel, all indications are that it *is* providing good value for money.
- 9.2 Following the appointment of a new Chief Executive in May 2010, AFS has undertaken a comprehensive internal review of all areas of its work. To some extent, that review is still going on. However, the process to-date has identified a number of short-comings, and the organisation has clearly worked very hard to address these. Major improvements have been made in relation to strategic planning, HR, finance and quality assurance activities.
- 9.3 AFS now has in place a set of coherent logic models for each of its areas of work, and is in the process of developing a monitoring and evaluation framework. It should be noted that although much of this work has been done in the past 18 months, AFS is in fact ahead of many other voluntary sector agencies in its use of logic modeling.
- 9.4 It would seem that AFS's stakeholders have a largely positive perception of the organisation. There is a need for AFS to clarify whether it sees the local Councils on Alcohol as a stakeholder group (as stated in its *Strategic Direction* document), or indeed alcohol service providers more generally. There is also a need for AFS to cultivate its relationship with Alcohol and Drug Partnerships (ADPs) by, for example, improving face-to-face communications and involving them in future planning activities. It is recognised, however, that there may also be a need for ADPs to take more initiative in improving their engagement with organisations like AFS.
- 9.5 AFS has tackled its deficit in a robust manner, but the result of this is that the organisation is currently working at capacity. Any expansion of the AFS's work programme will require additional resources. Several areas were highlighted as needing resources if AFS is to be able to deliver on its objectives. These were in the areas of research, policy and advocacy; alcohol marketing to young people; third-party harm / harm to others; and finance and HR. AFS should continue to explore income-generating opportunities that are consistent with its strategic direction.
- 9.6 The Scottish Government took bold and decisive action in introducing a smoking ban in Scotland in 2006. It is now taking unprecedented steps to address Scotland's problems with alcohol. AFS is a key and valued partner in this process and the Scottish Government has benefited from AFS's independence and evidence-based focus. However, unlike the smoking message, the alcohol message is far more complex. This fact alone is an important reason for the Scottish Government to continue to invest funding in AFS. AFS plays an important role not only in *gathering* evidence, but in *translating* the complexity of that evidence into straight-forward messages that policy- and decision-makers can understand and act upon.

10 Recommendations

- 10.1 The Scottish Government should set out, in general terms, its expectations of AFS in relation to the use of its core grant funding.
- 10.2 AFS should continue to develop its relationships with Alcohol and Drug Partnerships and local Licensing Forums, and involve a wider range of stakeholders in the development of future strategy. Face-to-face communication is likely to be most effective.
- 10.3 AFS's work with partner agencies should be put on a more strategic footing. The outcomes (not only the outputs) of joint work should be identified and agreed in advance with partner agencies.
- 10.4 When financial resources allow, AFS should consider splitting the management of human resources and finance in order that the developments needed in each can be properly addressed.
- 10.5 AFS should undertake benchmarking of the range and content of their staff policies and procedures with other national charitable organisations.
- 10.6 As part of its on-going internal review, AFS should develop a work force plan and a training and development plan. In particular, AFS senior management should monitor the extent to which staff at "officer" level are spending significant time on tasks below their level of seniority and competency so that future administrative support needs may be clearly identified.
- 10.7 Actions agreed at senior management meetings should be time-bound.
- 10.8 AFS should monitor the cost-effectiveness of current fund-raising arrangements (whereby significant senior management time is being spent on this activity). AFS should also consider whether it may be *more* cost-effective to contract in fund-raising expertise / support on a temporary basis, or to recruit an appropriately skilled individual onto the Executive Committee who could provide support for fund-raising on a voluntary basis.

Appendix 1: Organisational participants in the review

AFS's *Strategic Direction 2011-2013* states that the organisation works with a wide range of other agencies to deliver its outcomes.⁶ The document then goes on to list the agencies – or types of agencies – with which AFS works in partnership. These included Alcohol and Drug Partnerships (ADPs), local Councils on Alcohol and local Licensing Forums.

To obtain the views of external stakeholders for this review, the research team therefore proposed to interview representatives from *all* the named agencies, and representatives from a *sample* of ADPs, local Councils on Alcohol and local licensing forums.

In consultation with AFS, one partner agency *not* on the list was substituted for one that was on the list, since partnership work with the proposed new agency was more recent.

It was agreed to select five ADPs, five local Councils on Alcohol and five local licensing forums (15 in total) to take part in the review. AFS provided lists of those ADPs, local Councils on Alcohol and licensing forums with which they had recent contact, and the samples were chosen from these lists, taking care to try to obtain a good geographical and urban-rural spread. Fourteen agreed to take part in the review.

Partner agencies

Children 1st
Glasgow Centre for Public Health
NHS Health Scotland
Scottish Centre for Healthy Working Lives
Scottish Government
Scottish Health Action on Alcohol Problems (SHAAP)

Other external stakeholders

Aberdeenshire Licensing Forum
Ayrshire Council on Alcohol
Borders Alcohol and Drug Partnership
Dumbarton Area Council on Alcohol
East Renfrewshire Alcohol and Drug Partnership
Edinburgh Alcohol and Drug Partnership
Encompass
Falkirk Licensing Forum
Glasgow Council on Alcohol
Moray Council on Addiction
Moray Licensing Forum
South Lanarkshire Licensing Division
West Lothian Tobacco, Alcohol and Drug Partnership
Wigtown Licensing Forum

⁶ See <http://www.alcohol-focus-scotland.org.uk/view/download/96-strategic-direction-2011-2013>, page 2.

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