

Accept

**“A guide to collaborative working between
small and medium sized voluntary and
community groups”**



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The social, economic and policy context

It is widely recognised that small and medium sized¹ voluntary organisations play an essential role in the provision of services which the state or private sector may not be best suited to provide.² The Coalition government has said that it wishes to support the work of small voluntary organisations as part of its 'Big Society' strategy.³ At the same time, the Coalition government has announced major cuts to public spending to reduce the public deficit. This has involved significant cuts to local governments who are the principal funders of local voluntary organisations.

The national Council for Voluntary Organisations (NCVO) estimates that:

- The UK voluntary and community sector will lose around £911 million a year in public funding by 2015-16.
- This means that the voluntary and community sector stands to lose £2.8 billion from Government over the current spending review period running from 2011- 2016.
- These are likely to be conservative estimates as they assume that cuts will be made proportionately. NCVO already has evidence that cuts are not being made proportionately. Responses to Freedom of Information requests show that half of all Local Authorities are making disproportionate cuts to the voluntary and community sector.⁴

¹ Definitions regarding what constitutes a small or medium sized charity differ. The Charity Commission define small charities as those with an annual income of £250,000 or less (see Strength in Numbers: Small charities' experiences of working together Charity Commission 2011) Definitions of medium sized charities range from charities with incomes of up to £250,000 through to those with incomes of up to £20million for the purposes of this paper we are defining medium sized charities as those with annual incomes of under £10 million (see <http://www.thirdsector.co.uk/news/Article/1087588/Large-charities-worst-hit-recession-says-Charities-Aid-Foundation/>).

² Cabinet Office, 2007. *The future role of the third sector in social and economic regeneration: final report*, London: HM Treasury

³ Alcock, P., 2010. 'Building the Big Society: a new policy environment for the third sector in England', *Voluntary Sector Review*, 1(3), pp.379-389 and Kisby, B., 2010.; 'The Big Society: Power to the People?' *The Political Quarterly*, 81(4), pp. 484-491.

⁴ NCVO *Counting the Cuts*, August 2011

These cuts have already had a serious impact on many voluntary sector agencies and as a result many have had to reduce their services or close. This can leave gaps in the provision of services upon which many citizens depend, while also undermining the government's policy goals.⁵

One of the ways in which charities in the voluntary and community sector can seek to mitigate against the worst impact of the cuts is by exploring opportunities to work together. The charity commission states that '(C)ollaborative working can lead to improved organisational effectiveness, reduced duplication, better use of resources and more value for money, all of which enable the charity to better help its beneficiaries.'⁶ Many charities are exploring the possibility of increased partnership working or collaboration. In fact, there is evidence of what is described as 'an increased appetite for mergers' and collaborative working across the charitable sector in response to the economic downturn.⁷

While there can be many positive aspects to working collaboratively it can be a challenge for charities and a successful collaboration takes time and planning.

For the purposes of this guide collaborative working is defined as a partnership between two or more voluntary agencies which can involve working together informally for a short period of time through to permanently, jointly delivering services. While collaborative working can lead to mergers for the purposes of clarity in this guide use of the term collaborative working does not include mergers⁸.

Who this guide is aimed at

This guide is drawn from the experience of four registered charities, based in north London, delivering psychotherapy services to vulnerable people experiencing mental and emotional distress. These four charities, in the face of growing financial pressure, decided to explore the possibility of developing more collaborative ways of working to maintain high quality services for their beneficiaries and to retain their financial sustainability.

⁵ Butler, P., 2010. 'Local charity cuts jeopardise David Cameron's "Big society', *Guardian*, 23 July 2010 and Wells, P., Crowe, M., Gilbertson, J., & Gore, T., 2011. 'A Big Society in Yorkshire and the Humber?', *People, Place and Policy Online*, 5(2), p.89-106.

⁶ <http://www.charity-commission.gov.uk/Publications/rs4.aspx>

⁷ Capacity Builders *Learning from Mergers: final report*, July 2010

⁸ A merger is when two or more charities become one entity and cease to operate as separate agencies.

This guide is intended to provide information and advice for the Chief Executive officers of registered charities considering working collaboratively in the not for profit sector. It gives a check list of some of the issues to consider before starting to work collaboratively, while also suggesting some ways forward if the decision is made to work collaboratively. This guide also provides examples of challenges you may face when working collaboratively and some ways of resolving these challenges.

What this guide is not

- This is not a guide for charities considering a merger. There is a wealth of information available for charities wishing to merge or thinking about merging. (Some resources are listed in [Appendix A.](#))
- This is not a comprehensive 'how to' manual on collaborative working - rather this is the story of one journey towards collaborative working with some ideas which may help others starting to think about working more collaboratively. The checklists in this guide may help others plan their collaborative working but it also hoped that some of the examples of the challenges and benefits will be useful to others beginning to think of how to work more closely together. (For other sources of advice and guidance on collaboration please see [Appendix B.](#))

Background to Accept

In 2010 four leading psychotherapy agencies, based in Islington, in north London began to consider what more they might be able to achieve for their beneficiaries by working together. Some of the drivers for working collaboratively for these four agencies were:

- A need to protect high quality services for very vulnerable beneficiaries in an increasingly challenging economic climate.
- The desire to join forces, bringing together the expertise of four charities with national and international reputations for excellence in governance and service provision, to make a strong case for talking therapies at a time of public sector cuts.
- The financial challenges of securing sustainable funding and the potential to share back office functions and thus reduce costs.
- Indications from commissioners and other funders that the four agencies should consider greater collaboration.

The four Accept members have particular expertise in delivering services to diverse communities:

- icap was founded to provide culturally sensitive psychotherapy for the Irish community in Britain. Whilst maintaining its Irish focus (70% of its clients are Irish) it now provides this service to clients from a range of ethnic backgrounds. icap has extensive experience in working with those affected by institutional and childhood abuse.
- The Maya Centre provides therapy and counselling services to women in Islington on a low income. The Centre provides targeted services for Black and Irish women, women affected by domestic violence, refugees, older women who have lost a child and women whose first language is not English.
- Nafsiyat pioneered the provision of intercultural therapy and counselling to members of cultural and ethnic minority groups. Nafsiyat was the first agency founded uniquely to provide culturally appropriate, same language therapy to individuals, couples, families and groups from diverse BAMER communities.
- Women's Therapy Centre provides therapy to women traditionally unable to access this service. WTC offers dedicated services to refugees/asylum seekers, women fleeing violence, young women, survivors of Child Sexual Abuse, and women with

eating disorders. WTC offers practical support, same language therapy or therapy with an interpreter.

This guide is based on the experience of Accept members as they came together over the course of one year to establish the structures to enable the four agencies to work together as a consortium⁹ to deliver sustainable services to some of the most vulnerable residents of Islington.

The key tasks achieved during the year were:

- Partnership agreement signed off by trustees;
- Action plan and timeline agreed and actioned;
- Trustees brought up to speed and on board through a briefing paper and joint meeting of the trustees from all four agencies;
- Preparation for the Islington joint commissioning process and for GP commissioning completed;
- Tenders submitted for joint work in three key areas.

From the process of working together Accept members have developed the following advice for other agencies seeking to work in collaboration to deliver services and high light the needs of their beneficiaries.

⁹ An association or union of two or more individuals or agencies who have come together, usually for an identifiable reason e.g. to deliver a joint service/ project.

Checklist - Before You Start

The decision to approach other agencies with a view to developing collaborative working is one that should be made in the best interests of the beneficiaries of the charity. The checklist below aims to help you prepare for collaborative working, however, if you decide to proceed to develop joint working you are strongly advised to seek legal advice from a solicitor or the Charity Commission.

Are you clear about the outcomes that your agency wants from the collaboration?

Are you clear about what is non negotiable for your agency? What would make it impossible for you to collaborate?

Do your agencies share common values and a common vision?

Do your agencies have common objectives for the collaboration?

Are all your trustees fully aware of the process that you are going through and fully committed to it?

Have you taken time to get to know the other Chief Executives?

Does your governing document permit you to work collaboratively with other voluntary organisations outside the partnership?

Common values

All four of the Accept member agencies shared a commitment to developing and delivering sustainable, high quality psychotherapy services for marginalised and vulnerable individuals and communities and to ensuring that the needs of the most excluded communities were not overlooked in the face of public sector cuts. These shared values were essential as they enabled the CEOs to work together, often to tight deadlines, to negotiate different priorities, and to develop ways forward which preserved each agencies unique identity while fostering a sense of a common identify for the Accept consortium¹⁰.

All systems go – what will make your collaboration a success?

The check list below identifies some of the factors you will need to consider if you begin to work collaboratively with other agencies.

Do you have a shared commitment to the development of collaborative working practices?

Do you have a common sense of purpose in driving forward this collaboration?

Do you trust each other?

Are you realistic about what you can achieve?

Have you allocated sufficient time to developing this collaboration?

Every member of the Accept consortium felt that they had underestimated the length of time it would take to develop collaborative working. This could give rise to tensions as individual members of the group were unable to attend all the meetings, some of which had to be convened at short notice. All the CEOs struggled to identify sufficient time to devote to the collaborative working.

¹⁰ An association or union of two or more individuals or agencies who have come together, usually for an identifiable reason e.g. to deliver a joint service/ project.

What helped circumvent this problem?

- Being less ambitious and developing realistic expectations and achievable work plans and timelines;
- Being clear, assertive and firm about the commitment needed;
- Identifying individuals to lead on different areas of the work needed to drive the collaboration forward;
- Employing the services of external consultants who could offer a neutral or external perspective while holding all the members of the consortium to task;
- Being positive about and recognising the benefits of joint working.

Have you got a positive attitude towards collaboration?

Have you put structures in place to make the collaboration happen

- a Memorandum of Understanding¹¹
- a schedule of regular meetings
- an action plans and timeframes?

Have you got external support – consultants to acts as a neutral facilitator and to hold you to task?

Accept successfully applied for a grant from Cripplegate Foundation to assist them in their move towards more collaborative working. The funding was used to cover some of the costs of freeing up staff time to work on developing collaborative working practices. It was also used to pay for external consultants who worked with Accept members to identify the tasks that needed to be executed, to draft action plans and timelines, to agree Memorandums of Understanding, to schedule and facilitate meetings and to tender for contracts for joint projects.

¹¹ A Memorandum of understanding is a document that expresses a bilateral or multi lateral agreement between parties. A MOU is generally recognized as binding even if it is not legally enforceable.

In addition, Accept benefited from the services of the Macquarie Group Foundation staff who volunteered as part of the CoRe programme – a three way partnership between the Macquarie Group Foundation, the Charities Aid Foundation and Cripplegate Foundation focusing on supporting Islington based charities through skilled volunteering. Volunteers from Macquaire supported Accept by assisting in developing the consortium framework, facilitating meetings, including a meeting with trustees from all four member agencies and a meeting to map stakeholders, while also analysing the business data and case for shared back office functions and shared premises.

Accept’s members felt that it would have been much harder to develop their collaboration without external support. They particularly valued external support because it

- Provided a neutral, external perspective;
- Held each agency to task;
- Drove forward the move to greater collaboration;
- Undertook tasks such as writing a joint tender for services, which would have been a challenge for the agencies to complete. Each agency lacked the time to develop a joint tender but also, in the early days of collaborative working, it was considered easier for a neutral party to develop the collective identity for the agencies and negotiate challenges in agreeing ways forward.

Have you completely identified the potential risks of collaborative working and mitigated against these (known as ‘due diligence’)?

Have you established how you will evaluate and review the collaboration?

What problems might you encounter?

Lack of time – this can delay the development of the consortium and result in some members missing key meetings. Often there are external time pressures (e.g. deadlines for joint tender) which can place an additional burden on all the partners. It is likely that, while

each agency will need to commit the time and resources necessary to ensure that collaboration takes place, on occasions there will be a need for a flexible and realistic approach to driving forward the work, which respects each agency's different priorities while working to build a shared identity.

Different priorities and different bottom lines – one of the four member agencies of Accept had a higher unit cost for one piece of work than the other four agencies. After some discussion this agency decided that it would not work jointly with the other partners in this area. Collaborative working has to be flexible enough to ensure that each agency retains its separate identity while being able to contribute to the collective identity of the consortium.

Bringing all stakeholders on board - each of the CEOs of the four Accept agencies had discussed the potential consortium with their trustees and the four boards of trustees had supported the idea and agreed to staff holding a series of exploratory meetings. The CEO and staff from the four agencies met and began to develop concrete plans to work collaboratively. Trustees did not attend these meetings so when decisions needed to be made to progress the collaboration, trustees required additional time and support to take the next steps. An external consultant was brought in to facilitate a meeting between the trustees of all four agencies. This enabled the trustees to share their reservations and resulted in a much greater commitment to collaboration from all four boards of trustees.

Lead agencies – some pieces of work will require a lead agency. At times deciding who was to be the lead agency caused conflict among Accept members. This was exacerbated, by external pressures to make a quick decision. Charities need to be aware that conflicts will arise and that to mitigate against these conflicts it may be necessary to:

- Be realistic about what is achievable;
- Identify financial support to obtain the consultancy support that you require;
- Employ the services of a neutral third party;
- Create the time and space to explore what the difficulties are;
- Agree costs and adhere to agreed costs in any tenders;
- Work hard to develop relationships founded on trust and a commitment to shared learning.

It may be that when tendering for some pieces of work you will need to agree on a lead agency, with work sub contracted to other members of the consortium. Take the time to work through how this will impact on your collaboration and finalise a strategy that all members can sign up to.

If Accept member agencies had just 4 pieces of advice to give others starting down the path towards greater collaboration it would be:

- Ensure that the CEO's trust each other implicitly;
- Ensure that you have a common sense of purpose;
- Be realistic about what can be achieved within a given timeframe;
- Be positive about working with others. This can maximise benefits for your clients, assist you in realising sustainable changes and it can even be fun!

Appendix A

This list of resources was taken from the NCVO website at

<http://www.ncvo-vol.org.uk/advice-support/collaborative-working-mergers-voluntary-community-sector>

Charity Commission CC34 *Collaborative Working and Mergers*, November 2009

<http://www.charity-commission.gov.uk/Publications/cc34.aspx>

Charity Commission *Making Mergers work: Helping you succeed* - a toolkit, September 2009

http://www.charity-commission.gov.uk/Charity_requirements_guidance/Your_charitys_activities/Working_with_others/mergetoolkit.aspx

London Housing Foundation *Mergers: A brief guide to the literature for voluntary and community sector organisations*, 12 November 2006, revised 16 March 2007

<http://www.lhf.org.uk/Publications/MergersLiteratureGuide.pdf>

Sayer Vincert *Mergers Made Simple*, 2008

NACVA *Information Sources on Mergers*, January 2011

<http://www.navca.org.uk/localvs/lio/mergerresources>

IVAR *Thinking about merger* April 2011

<http://www.ivar.org.uk/publications/reports-and-publications/thinking-about-merger>

Appendix B

NCVO *Should you collaborate?* January 2010 http://www.ncvo-vol.org.uk/sites/default/files/ShouldYouCollab_Jan10.pdf

Charity Commission CC34 *Collaborative Working and Mergers*, November 2009
<http://www.charity-commission.gov.uk/Publications/cc34.aspx>

Charity Commission *Choosing to Collaborate: Helping you succeed* – a toolkit, September 2009 http://www.charity-commission.gov.uk/charity_requirements_guidance/your_charitys_activities/working_with_others/colltoolkit.aspx

Big Lottery Fund *Good Practice Guide: Working in Partnership*
http://www.biglotteryfund.org.uk/pub_good_practice_guide.pdf

IVAR *Supporting collaboration and partnerships in a changing context: A study for the Big Lottery Fund*, May 2011 http://www.biglotteryfund.org.uk/er_supporting_collaboration.pdf

IVAR Partnership Improvement Programme Team, *Improving Partnership Working – a briefing*, March 2011
http://www.ivar.org.uk/sites/default/files/images/IVAR_improving_partnership_working_briefing.pdf

IVAR *Thinking about collaboration*, March 2011
http://www.ivar.org.uk/sites/default/files/images/IVAR_Thinking_about_collaboration.pdf

Housing Associations' Charitable Trust and the Department of Communities and Local Government, *Collaborate resource kit*, 2008, www.bassac.org.uk/node/243

Cripplegate Foundation Helping since 1500