

Working in partnership

Voluntary and community organisations (VCOs) of all sizes often work together to achieve a common aim, either informally or as a formal partnership. Sometimes this collaboration is a short-term arrangement, at others it is a long-term working relationship.

Partnerships can also be formed with public agencies and/or private sector business, but this type of partnership is outside the scope of this information sheet.

There can be many reasons why organisations work in partnership. Commonly these include:

- ✓ Delivering larger scale services, especially regarding public sector-commissioned services
- ✓ Using sub-contracting to deliver part of a larger service
- ✓ Preparing a joint bid for grant funding to address a commonly identified need
- ✓ Responding to pressure from funders and/or contractors
- ✓ Responding to a public body that accepts bids only from consortia
- ✓ Having to compete with a larger VCO parachuting into your area
- ✓ Generating income, through organising fundraising events, joint trading, public appeals
- ✓ Increasing your capacity in meeting the needs of your users
- ✓ Joint business or strategic planning
- ✓ Joint campaigns on issues of common concern
- ✓ Influencing public policy more effectively
- ✓ Reducing costs by sharing back office services, such as premises, finance services, shared reception, shared purchase of resources
- ✓ Getting access to specialists you cannot afford to employ full time, such as a human resources professional
- ✓ Outsourcing some business functions
- ✓ Making more effective use of ICT

Preparation

The management committee (board of trustees in a registered charity) must:

- ✓ Examine whether a proposed collaboration will bring about clear benefits for the

organisation

- ✓ Ensure your constitution allows it
- ✓ Agree in broad terms how you want to proceed; any joint working agreement must be proportionate to the level of risk involved and the level of resources your charity has invested in it. Who will be responsible if the joint project fails? The greater the risk, the more formal your agreement must be
- ✓ Assess any potential risks to your organisation's identity, management, quality of service or reputation
- ✓ Make a thorough assessment of your strengths and weaknesses (SWOT) taking into account the views of all your stakeholders – a potential partner will want to get a realistic idea of what you are offering

Engagement

It is probable that any organisation considering collaboration will already have a clear idea who are its potential partners, but there is always scope for new, unexpected matches. You should consider all organisations which may share your goals, be in a similar financial position, complement your services or offer something you cannot.

Once you know who you want to approach, the next steps are to:

- ✓ Have informal exploratory discussions
- ✓ Carry out a joint SWOT analysis of the proposed partnership
- ✓ Take a decision based on whether the opportunities outweigh the threats, and if the decision is yes
 - ✓ Explore the immediate issues such as financial arrangements, confidentiality, liabilities, transfer of funds, the nature of the legal agreement between you
 - ✓ Establish efficient systems for working together; for example, who will do what, how will both parties be accountable to one another, how will progress be monitored and reviewed.
 - ✓ Develop a risk management plan and create a risk register
 - ✓ If the collaboration is a very close one, which may potentially lead to a merger or a takeover to protect assets, a due diligence investigation must be taken by both partners before proceeding
 - ✓ Set up a joint steering group

Legal issues

Any joint working agreement has to be tailored to the specific needs and circumstances of the proposed collaboration. You are likely to require legal advice to make sure your organisation is covered in risk areas and does not conflict with contract law.

There are several common forms of agreement:

- ✓ Collaborative working, joint working or partnership agreement or protocol
- ✓ Memorandum of understanding (more informal than an SLA)
- ✓ Service level agreement (usually committing partners to specific targets)
- ✓ Contract
- ✓ Joint venture agreement

The word Partnership is to be avoided as it has a specific legal meaning with attached legal implications. Although verbal agreements have limited legal standing, a written agreement is firmer. If you decide upon a legally binding agreement you will almost certainly be subject to contract law.

Main areas to be considered for inclusion in the agreement

The following are not intended to constitute a comprehensive list:

- ✓ Name and brief outline of the project on which you are collaborating
- ✓ Specific objectives
- ✓ Benefits of collaboration to each partner
- ✓ Duration
- ✓ Is the agreement to be legally binding
- ✓ What is the reporting mechanism to be
- ✓ When and how will you review it
- ✓ What is expected from each partner
- ✓ Are you agreeing to meet a specific quality standard and/or performance measures
- ✓ How are decisions to be taken; it is advisable to draw up a list of instances where decisions cannot be taken without the express agreement of a partner
- ✓ Agreement to declare conflicts of interest
- ✓ Which organisation will be the accountable body
- ✓ Who will employ and manage staff working on the collaboration
- ✓ Who will provide and pay for facilities or support, such as premises or equipment, and whose property will they become at the close of the collaboration

Exit strategy

When the work undertaken in collaboration comes to an end, the organisations involved will need to consider if the collaboration is to continue or to cease. You need to decide



beforehand:

- ✓ Circumstances under which you may mutually decide to end the collaboration
- ✓ Under what conditions and in what way will your organisation withdraw from it
- ✓ How much notice will organisations give their partners
- ✓ What will happen to staff
- ✓ How will remaining assets and liabilities be divided
- ✓ How will you deal with any costs associated with ending the collaboration

Monitoring

Now that you have decided collaboration is the right step, the first step is to set clear and realistic aims and objectives. You must then prioritise them – there may be a large number – and choose which you need to focus on to show that the collaboration has been worthwhile.

The steering group must now work out a monitoring data collection process that is both integrated into day to day activity and manageable. This can be complicated as different organisations often view and carry out monitoring in widely different ways; these different systems and methods of working may not be initially compatible. It is vital to the success of the collaboration to:

- ✓ Agree on which outcomes and outputs will be measured
- ✓ Select appropriate performance indicators, preferably those which highlight the difference collaboration has made
- ✓ Agree on where evidence will be taken from, given that some methods of collection are more time-consuming than others
- ✓ Resolve difference in approaches
- ✓ Draw up and put into operation a common monitoring plan – making information comparable is essential

Evaluation

In a collaboration, certain aspects of the evaluation process feature more prominently than in a piece of work solely undertaken by either organisation. The analysis should attempt to show evidence that what has been achieved by collaboration could not have been achieved by one organisation working alone. Both parties will be holding each other to account for the quality of the analysis as well as for the quality of the monitoring information.

Mergers

Experience of successful collaborative working may cause the parties to explore the pros and cons of a merger (or possibly a take over). There can be several reasons, pro-active and reactive, for merging, principally:

- ✓ Meeting users needs more effectively
- ✓ Extending range of services for users
- ✓ Increasing the opportunity to influence outside policy
- ✓ Surviving in uncertain times; a larger organisation may be less vulnerable to outside pressures
- ✓ In response to pressures from commissioners and/or contractors

The process of merging together is complicated and takes considerable time and resources. There are issues to consider relating to charity law and trustee duties; in some situations, a takeover may be a better way of protecting assets. The stages of the process are:

- ✓ Negotiation, including an examination of the broad issues, exploration of levels of commitment
- ✓ Decision making; due consultation, reaching consensus
- ✓ Agreeing timescales and a process to take the merger forward
- ✓ Carrying out a due diligence examination
- ✓ Completing formal and strategic preparations
- ✓ Implementation

There is currently a lot of overt pressure on voluntary organisations, especially from central government and public sector commissioners, to form partnerships and/or to merge if they want to secure funding. In many cases a merger will not be appropriate and you should not be panicked into thinking it is the only way forward. The financial costs of mergers are considerable.

In other cases, trustees and members will want to explore the merger option as the best way to protect assets and serve beneficiaries. Trustees must ensure that their objectives are both clear and feasible. Considering the pros and cons is extremely challenging and requires external professional and technical support.

Information and support from Newcastle CVS

If you want to explore the option of working with other organisations, Newcastle CVS can help by acting as an independent facilitator during discussions with potential partners (there may be a charge for this depending upon the size of your organisation and the time needed).

Newcastle CVS can run a briefing session in your community as a means of initiating discussion with potential partner organisations. We can offer support and advice and suggest at what stage you need to involve legal professionals.

Newcastle CVS organises various forums and networks that can help put organisations in touch with one another. They include the CHYP IN Network for voluntary organisations working with children and young people in Newcastle and the Wellbeing and Health Open



Forum.

Newcastle CVS offers individual advice consultations to voluntary and community organisations working in Newcastle. To get advice and further help please contact Newcastle CVS' information, enquiry and signposting service on 0191 235 7037, email information@cvsnewcastle.org.uk

More sources of information and support

Locality

www.locality.org.uk

Institute of Chartered Secretaries and Administrators (ICSA)

for guidance and sample materials
www.icsa.org.uk

Charities Evaluation Services (CES)

Collaboration benefits – making a difference together
www.ces-vol.org.uk

Institute for Voluntary Action Research

for expertise in collaborative working, cross-sector partnerships and mergers
www.ivar.org.uk

Charity Commission

Resources include:

- ✓ Collaborative working and mergers: an introduction (CC34)
- ✓ Strength in numbers: small charities' experience of working together (RS24)

www.gov.uk/government/organisations/charity-commission

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