

## Issue 10

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The NCVO Members Quick Guide to

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# Building Great Partnerships

The push and pull  
towards collaboration

Pros and cons  
of partnership

Structures for  
collaboration

Consortia in  
a nutshell

Challenges to successful  
collaboration (and solutions)

*NCVO champions and strengthens the voluntary sector, from the largest charities to the smallest community organisations. Inspired and empowered by over 10,000 members, we make sure the voluntary sector can do what it does best: improve the world around it.*

This guide was produced for NCVO members.  
It should only be shared within your own organisation.

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Collaboration, or working in partnership, is a hot topic for many voluntary organisations as they look for ways to:

- develop a stronger, more united voice
- share knowledge and information
- deliver new, improved or more integrated services
- make efficiency savings through sharing costs.

Arrangements may be temporary or permanent. They can include informal networks and alliances, joint delivery of projects, and full merger. But all involve some sort of mutually advantageous exchange that will benefit the organisations' beneficiaries.

This Quick Guide gives NCVO members expert advice on partnership and collaboration, and pointers to help and support, much of which is free.

## The push and pull towards collaboration

The growing interest in collaborative working is due to several drivers, including:

- increased government emphasis on the voluntary sector's role in public service delivery
- funders and commissioners seeking applications and tenders that involve joint working or consortia
- a need for more efficient use of resources within the sector
- a drive within the sector to improve quality for beneficiaries.

Collaborative working can be used to:

- carry out charitable activities, such as service delivery, campaigning and policy work
- share premises or support functions, such as payroll, purchasing and fundraising
- improve strategic efficiency.

However, only nine per cent of charities in the UK have considered consortia and merger.<sup>1</sup>

## Pros and cons of partnership

Collaborative working is not right for every situation. It is therefore important to weigh the benefits and risks before entering into partnership.

Benefits can include:

- improved or wider ranging services for beneficiaries
- wider geographical reach or access to new beneficiary groups
- more integrated approaches to beneficiary needs
- financial savings and better use of existing resources
- knowledge, good practice and information sharing
- sharing the risk in new and untested projects
- capacity to replicate success
- a stronger, united voice
- better co-ordination of organisations' activities
- positive PR opportunities around reduced duplication
- mutual support between organisations.

Risks can include:

- outcomes that do not justify the time and resources invested
- confusion among beneficiaries
- loss of flexibility in working practices
- complexity in decision-making and loss of autonomy
- cultural mismatch between organisations
- diverting energy and resources away from core aims
- change-management challenges
- lack of consistency and clarity on roles and responsibilities
- damage to, or dilution of, your brand and reputation
- damage to the organisation, and waste of resources if the collaboration is unsuccessful
- legal obligations.

The ultimate question is whether collaborative working will help you to meet your beneficiaries' needs.

## Structures for collaboration

These include:

- separate organisations that maintain their independence but work jointly on some activities or functions
- organisations with resources or expertise offering assistance to other organisations, such as a large national organisation working with a small local group
- a new organisation formed to do joint work on some activities or functions
- a group structure in which a 'parent' organisation governs a group of 'subsidiary' organisations
- merger to form a new organisation that works as one body on all activities.

### References

1. Charity Commission, *Charities and the Economic Downturn*, 2010

## Consortia in a nutshell

Contracts to deliver services for which the state pays (public service contracts) are getting bigger and more complex. To access these opportunities, many voluntary sector organisations are working in collaborative 'consortia'. These partnerships can occur at different stages of the process, from analysing users' needs, to co-delivering a service and evaluating it.

Some consortia are informal and fluid. But organisations may need to enter into formally binding legal structures if they want to co-deliver services that are covered by contract law.

Our research has found that, apart from issues with commissioners' understanding of the voluntary sector, consortia are also hampered by the voluntary sector's own attitude to collaboration and risk, governance issues within collaborating organisations, and a lack of start-up funding and support.

However, our training can help to dispel fears and provide examples and mentors from established consortia. See 'Consortia development training' in the '[More information and advice](#)' section at the end of this guide.

### *Consortium case study:* **Greater Together**

Greater Together evolved in 2011 from an existing collaboration between Young Lancashire (the local umbrella body for organisations working with young people) and 40 smaller groups. After a series of development days, a working group agreed to form Greater Together as a charitable company limited by guarantee.

- Through Greater Together, voluntary and community organisations can be involved in funding programmes that they are too small to bid for on their own.
- A Greater Together Hub writes bids, negotiates contracts, and monitors and evaluates, leaving small organisations free to concentrate on the youth work that they do best.
- Greater Together can act as a financial sponsor for small and unincorporated organisations who can't hold a contract due to their status and constitutions.
- There are 76 members, mainly small grass-roots organisations, but also large national organisations such as Barnado's.
- Some larger organisations have seen the consortium as a threat. But others recognise that while they may get less from each funding programme than if they had applied alone, they can now access more funding opportunities.
- The consortium has capitalised on a good prior relationship between the member organisations and Lancashire County Council, with an emphasis on joining up diverse services for the greater benefit of young people.

## Merger

A merger is where two or more organisations formally combine to form one new organisation. The term has no precise legal definition and is used to cover a number of different processes. Some mergers may also be referred to as takeovers. A variation on merger occurs where a parent organisation governs a group of subsidiaries in a group structure. In such a structure, one organisation may become a holding company for another organisation or organisations, which can retain substantial independence.

Keep an eye out for our in-depth case study of two merging organisations, which will be available exclusively to NCVO members later in the year.

## Due diligence demystified

Merger carries risks, such as additional legal liabilities, and trustees have a legal duty to act prudently. Due diligence is the investigative process that they and senior staff need to undertake to learn about their prospective partner. The aim is to assure as far as possible that the partnership is in the best interests of their organisation and its beneficiaries. Organisations will need to exchange confidentiality agreements before due diligence can start, and agree the scope of the process and how to liaise. Due diligence would usually involve looking at the partner's:

- strategic aims
- finances, such as financial history and accounting systems
- legal status, such as governing documents or contracts of employment
- operational systems, such as organisational culture or IT.

If trustees lack the time, expertise or objectivity to carry out due diligence themselves, external professionals can be used. But the final responsibility for the process rests with the trustees.

See the NCVO publication *Due Diligence Demystified* in the '[More information and advice](#)' section at the end of this guide.

# What is TUPE?

The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE – pronounced tu-pee) govern the position of staff transferred from one organisation to another, for instance in a merger. TUPE aims to ensure that those employees do not lose their jobs or receive worse terms and conditions due to the transfer, unless there is an ‘economic, technical or organisational’ reason.

An organisation accepting staff will therefore be taking on obligations that could include:

- employment tribunal claims
- trade union recognition agreements
- externally controlled pay structures
- pension and redundancy obligations.

It is best to get legal advice on TUPE if you think a proposed partnership will involve transfer of staff.

See ‘Consortia development training’ in the [‘More information and advice’](#) section for details of our training on TUPE.

# Challenges to successful collaboration (and solutions)

If your organisation has weighed up the potential benefits and risks of partnership that are set out in this guide and decides to proceed, you can save a lot of time and energy by being aware of these common pitfalls:

- personalities
- competition between partners
- lack of information and experience
- lack of resources, especially at the decision-making stage
- resistance to change
- cultural mismatch between organisations
- lack of consistency and clarity on roles and responsibilities.

The resources listed in the next section give detailed advice to help overcome all of these issues, but as a general rule, a lot of pain can be avoided by building relationships, planning carefully and making sure that agreements are written down. Other helpful factors are:

- compatible cultures, or at least an understanding of how your cultures differ
- experience, either in-house or external, of change management
- leadership, vision and a focus on the big picture, especially clarity around the perceived mutual benefits of partnership (so-called ‘collaborative advantage’).

# More information and advice

## NCVO

### Find a partner organisation on Funding Central

Whether you want to jointly fundraise, form consortia, bid for contracts or just share experience, the Partner Zone on NCVO’s Funding Central website can help. Search for potential partners by location, organisation type, range of activities, beneficiaries or by collaborative working skills and experiences.

[www.fundingcentral.org.uk/Page.aspx?SP=6296](http://www.fundingcentral.org.uk/Page.aspx?SP=6296)

[www.fundingcentral.org.uk/page.aspx?SP=FindPartner](http://www.fundingcentral.org.uk/page.aspx?SP=FindPartner)

### Public Service Delivery Network webpages and resources

A free peer-to-peer network for those working to transform and deliver public services.

[www.ncvo-vol.org.uk/advice-support/public-service-delivery/public-service-delivery](http://www.ncvo-vol.org.uk/advice-support/public-service-delivery/public-service-delivery)

Webpage on the role and development process of consortia and subcontracting structures in public service delivery.

[www.ncvo-vol.org.uk/advice-support/public-service-delivery/consortia-subcontracts](http://www.ncvo-vol.org.uk/advice-support/public-service-delivery/consortia-subcontracts)

Free action-plan templates for developing hub-and-spoke consortia and lead agency consortia. Also includes questions to consider, the consortia development process, models of consortia, merger, case studies and further reading.

[www.ncvo-vol.org.uk/advice-support/public-service-delivery/consortia-subcontracts/consortia-and-mergers](http://www.ncvo-vol.org.uk/advice-support/public-service-delivery/consortia-subcontracts/consortia-and-mergers)

*Voluntary Sector Consortia: where are we now?* (NCVO discussion paper, 2012)

[www.ncvo-vol.org.uk/advice-support/public-service-delivery/consortia-subcontracts](http://www.ncvo-vol.org.uk/advice-support/public-service-delivery/consortia-subcontracts)

[www.ncvo-vol.org.uk/sites/default/files/ncvo\\_consortia\\_discussion\\_paper\\_october\\_2012\\_1.pdf](http://www.ncvo-vol.org.uk/sites/default/files/ncvo_consortia_discussion_paper_october_2012_1.pdf)

### NCVO Consortia Development Training

The Public Service Delivery Network also offers training for commissioners, procurement staff and voluntary sector providers who need to develop consortia in order to bid for contracts to deliver public services.

[www.ncvo-vol.org.uk/advice-support/public-service-delivery-network/events](http://www.ncvo-vol.org.uk/advice-support/public-service-delivery-network/events)

### Collaborative working webpages and resources

[www.ncvo-vol.org.uk/advice-support/collaborative-working](http://www.ncvo-vol.org.uk/advice-support/collaborative-working)

### Frequently asked questions

[www.ncvo-vol.org.uk/advice-support/collaborative-working/faqs](http://www.ncvo-vol.org.uk/advice-support/collaborative-working/faqs)

### Mergers

[www.ncvo-vol.org.uk/advice-support/collaborative-working-mergers-voluntary-community-sector](http://www.ncvo-vol.org.uk/advice-support/collaborative-working-mergers-voluntary-community-sector)

### Free guides

[www.ncvo-vol.org.uk/advice-support/collaborative-working/information-and-tools](http://www.ncvo-vol.org.uk/advice-support/collaborative-working/information-and-tools)

# More information and advice *continued*

## Campaigning in collaboration webpage and resources

[www.ncvo-vol.org.uk/campaigning-collaboration](http://www.ncvo-vol.org.uk/campaigning-collaboration)

*Effecting Change Through Collaboration* (NCVO guide, 2010)

[www.ncvo-vol.org.uk/sites/default/files/UploadedFiles/Campaigning\\_Effectiveness/In\\_focus\\_guide\\_-\\_Working\\_in\\_Collaboration.pdf](http://www.ncvo-vol.org.uk/sites/default/files/UploadedFiles/Campaigning_Effectiveness/In_focus_guide_-_Working_in_Collaboration.pdf)

*Campaigning in Collaboration* (NCVO factsheet, 2008)

[www.ncvo-vol.org.uk/uploadedFiles/NCVO/What\\_we\\_do/Campaigning\\_Effectiveness/NEW\\_Projects/getting\\_you\\_started\\_campaigning\\_in\\_collaboration.pdf](http://www.ncvo-vol.org.uk/uploadedFiles/NCVO/What_we_do/Campaigning_Effectiveness/NEW_Projects/getting_you_started_campaigning_in_collaboration.pdf)

## KnowHow NonProfit

Information about mergers and other ways of working collaboratively, and Transforming Local Infrastructure partnerships.

[www.knowhownonprofit.org/organisation/collaboration](http://www.knowhownonprofit.org/organisation/collaboration) (a wiki that anyone can edit by adding their own knowledge and experience)

[www.knowhownonprofit.org/how-to/how-to-collaborate](http://www.knowhownonprofit.org/how-to/how-to-collaborate) (a how-to guide)

## NCVO publications

*Tools for tomorrow* is our best-selling practical guide to strategic planning for voluntary organisations.

[www.ncvo-vol.org.uk/products-services/publications/tools-tomorrow](http://www.ncvo-vol.org.uk/products-services/publications/tools-tomorrow)

## *Due Diligence Demystified*

[www.ncvo-vol.org.uk/products-services/publications/due-diligence-demystified-what-it-how-you-manage-it](http://www.ncvo-vol.org.uk/products-services/publications/due-diligence-demystified-what-it-how-you-manage-it)

## *Campaigning in Collaboration*

Real experiences of voluntary organisations campaigning together.

[www.ncvo-vol.org.uk/products-services/publications/campaigning-in-collaboration](http://www.ncvo-vol.org.uk/products-services/publications/campaigning-in-collaboration)

As an NCVO member, you get a 30% discount on all of our books.

## Consultancy

Get help with partnership, collaboration and governance from an NCVO consultant or through our Directory of Approved Consultants.

[www.ncvo-vol.org.uk/advice-support/consultancy/our-team](http://www.ncvo-vol.org.uk/advice-support/consultancy/our-team)

[www.ncvo-vol.org.uk/governanceandleadership](http://www.ncvo-vol.org.uk/governanceandleadership)

[www.ncvo-vol.org.uk/dac](http://www.ncvo-vol.org.uk/dac)

NCVO members get a 20% discount on NCVO consultancy, and many Approved Consultants offer member discounts.

## Other resources

### Guardian Voluntary Sector Network Q&A with NCVO leaders and others on charity mergers and collaborations

[www.guardian.co.uk/voluntary-sector-network/2011/aug/12/charity-merger-collaboration-expert-advice](http://www.guardian.co.uk/voluntary-sector-network/2011/aug/12/charity-merger-collaboration-expert-advice)

### Locality

*Collaboration for Commissioning – how can civil society organisations engage in the design and delivery of public services?* Free 30-page report

[www.locality.org.uk/resources/collaborating-commissioning-civil-society-organisation-engage-design/](http://www.locality.org.uk/resources/collaborating-commissioning-civil-society-organisation-engage-design/)

*Benefiting everyone: Commissioning, community organisations and collaboration*

Free six-page guide that sets out the stages for any collaborative venture and gives work plans.

[www.locality.org.uk/resources/benefiting-commissioning-community-organisations-collaboration/](http://www.locality.org.uk/resources/benefiting-commissioning-community-organisations-collaboration/)

*Collaboration for communities: Giving power to partnership*

Free 52-page guide to help facilitators support a collaborative venture.

[www.locality.org.uk/resources/collaboration-communities-giving-power-partnership/](http://www.locality.org.uk/resources/collaboration-communities-giving-power-partnership/)

This and all of the other NCVO Members Quick Guides can be found in the members' area of the NCVO website.

### Charity Commission

Guidance on collaborative working and mergers.

[www.charitycommission.gov.uk/publications/cc34.aspx](http://www.charitycommission.gov.uk/publications/cc34.aspx)

### Institute for Voluntary Action Research

*Thinking about Merger* (free 32-page guide, 2012)

[www.ivar.org.uk/publications/mergers/thinking-about-merger](http://www.ivar.org.uk/publications/mergers/thinking-about-merger)

[www.ivar.org.uk/sites/default/files/images/Thinking\\_About\\_Merger.pdf](http://www.ivar.org.uk/sites/default/files/images/Thinking_About_Merger.pdf)

*Getting ready for collaboration: Learning from experience* (free 28-page PDF, 2010)

[www.ivar.org.uk/publications/collaboration/getting-ready-collaboration-learning-experience](http://www.ivar.org.uk/publications/collaboration/getting-ready-collaboration-learning-experience)

### CharityComms

Discussion of how different organisations have collaborated on campaigns.

[www.charitycomms.org.uk/articles/joining-forces-making-collaborative-campaigns-work](http://www.charitycomms.org.uk/articles/joining-forces-making-collaborative-campaigns-work)