



## Consortia for the delivery of public services: the issues for small and medium-sized charities

The Charity Commission is the independent regulator for charitable activity. This is one of a series of reports that draws upon independent research that we have commissioned, as well as our own internal data, knowledge and experience of working with charities.

The purpose of these reports is to help increase understanding of an issue. They are part of our mission to help charities maximize impact and comply with their legal obligations, to encourage innovation within the charitable sector, and enhance effectiveness.

## Contents

<b>Foreword</b>	<b>2</b>
<b>Part 1:</b>	<b>3</b>
1. Introduction	3
2. Key findings	4
3. Analysis and conclusions	5
4. Setting the scene – the research sample	6
5. Setting the scene – legal and governance issues	11
6. Maintaining independence and remaining true to mission	13
7. Effective governance arrangements	15
8. Effective risk management	19
9. Safeguarding and appropriate use of charitable resources	22
<b>Part 2: Case studies</b>	<b>25</b>
<b>Annex 1: Definitions</b>	<b>31</b>
<b>Annex 2: Research method</b>	<b>32</b>
<b>Annex 3: Research participants</b>	<b>40</b>
<b>Annex 4: Checklist for trustees</b>	<b>41</b>
<b>Annex 5: Signposting to resources</b>	<b>43</b>

## Foreword

This research report focuses on the experiences of charities that deliver public services by joining forces and working together as a consortium. Although only a minority of charities are involved in public service delivery, being commissioned to deliver services, usually by local authorities, is an area very much in the public spotlight at present.

Our report aims to provide some timely insight into the opportunities and challenges that many charities are experiencing. Whilst it is for trustees to decide if consortia working is right for their beneficiaries, our principal concern as regulator is ensuring that all charities operate within the charity law framework.

There are a number of messages that emerge from this report, and two in particular that we would like to highlight. Firstly, the benefits that may arise from working together with other charities, and secondly, the need for charity trustees to identify and consider seriously any risks they will need to manage if they decide to join or form a service-delivery consortium.

We would urge all charity trustees whose charities are considering consortia working to read, discuss and share this report. We hope that it will be instrumental in helping trustees to strengthen their governance, protect their work, and maintain the high levels of public trust they enjoy.

Dame Suzi Leather, Chair

Sam Younger, Chief Executive

# Part 1:

## 1. Introduction

In November 2010 the Charity Commission published a research report<sup>1</sup> exploring the extent to which small charities are engaged in collaborative activity, their experiences of collaborating and working in partnership with other charities, and their support needs in relation to collaboration. As well as identifying the benefits derived from collaborative activities, the findings showed that there were some types of activities where small charities experienced difficulties; difficulties in joint bidding for contracts were the most frequently experienced.

In the light of these recent research findings, and the external policy context in which some charities are being encouraged to bid for services that local authorities have previously provided directly, the Charity Commission commissioned this research at the beginning of 2011. The aim was to explore some of the strategies and approaches that charities have used to ensure that they participate successfully in consortia. The focus of this research is on issues that arise for consortia that have formed to tender for and deliver public services.

The report seeks to highlight the charity law and governance issues that emerged from the research. It is based on 19 interviews with members of five consortia. Interviews were carried out with the lead providers of those consortia as well as a number of other members.

Consortia working can bring specific benefits both in terms of the quality of service that beneficiaries receive, and for consortia members who may experience increased access to funding; capacity-building; peer learning and support; shared resources and raised profile. However it is not without risk. We hope that this report provides some useful insight into the issues charities need to be aware of, and how they can successfully manage their way through these issues.

We hope too that it will be helpful for trustees, particularly those who are trustees of small to medium-sized charities who want to feel confident that they will be working within the charity law framework and operating according to principles of good governance, when they are making the decision to engage in consortia working.

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1 Strength in numbers: Small charities' experience of working together (RS24)

## 2. Key findings

**Charities value the benefits of working together.** Opportunities to increase their charity's access to funding, to build the capacity of their charity through peer support, the sharing of resources and of their experiences in providing monitoring information to commissioners of services, were cited as specific benefits.

**Independence and mission.** The charities interviewed didn't feel that mission compatibility, or incompatibility, was a particular concern when working as part of a consortium. They believed that consortium members tended to have similar aims and objectives, and that these were broadly in line with the consortium's overall aims. This was underpinned by the systems and processes that consortia had in place: for example, in relation to recruiting members and selecting them for specific contracts. In one case a consortium identified members appropriate for particular contracting opportunities based on questionnaire responses, ensuring that they had existing experience of delivering similar services to the same client group.

**Deciding to join a consortium.** The research findings suggest that charities are joining consortia which deliver services without their board having firstly considered or taken a decision on whether it is the right thing to do for their charity; for example whether such activity is compatible with their mission and the best use of charitable resources, and what risks might be involved.

**Assessing the risks.** There is some evidence that individual charities are not fully appreciating and considering the possible risks and benefits of working as part of a consortium. Furthermore, these are not being considered and discussed at board level, either prior to a decision to engage in a consortium, or at the time that the charity becomes actively involved in service delivery.

The research found that there was a tendency not to carry out any form of due diligence (for example, checks into financial health) on other consortium members despite planning to enter into a contract to deliver services with them. Some reasoned that there was no real need to because the consortium they were joining was made up of a small group of organisations that knew each other and they had worked together previously. Others were relying on the consortium or the commissioning body awarding the contract to undertake appropriate due diligence.

**Conflicts of interest.** Charities participating in consortia have found ways of identifying and managing conflicts of interest when they arise as part of the contract bidding process (for example, consortia member involvement in multiple bids for the same contract). They have developed a range of approaches which include asking members to sign a protocol that requires them to declare any conflicts, and referring each potential conflict to the consortium's board or steering committee.

**Governance arrangements.** Charities, as members of consortia, are dedicating significant time and energy to developing sound governance arrangements for the consortia they participate in. These arrangements include establishing boards or steering committees; developing terms of reference or memorandum of understanding which set out the role of the consortium and how it intends to operate; and setting up effective consultation and communication processes which seek to ensure that all members, including smaller ones, are included in decision-making as much as possible. However, there is some evidence that consortia do not always have clear criteria in place for determining which organisation is going to play a lead role, or the principles they will apply to working with any organisations that they subcontract with to deliver services.

**Smaller organisations.** The research shows that consortia are actively seeking to ensure that smaller organisations have access to contracting opportunities. They are doing this by offering capacity-building support, and commissioning smaller organisations to provide services. The research also shows that smaller consortia members tend to find it more difficult to achieve full cost recovery than larger, more commercially driven members, who aim to achieve a surplus on contracts, although some of the consortia interviewed provided support to smaller members to help them cost their services properly and operate in a more business-like way.

### 3. Analysis and conclusions

- It is encouraging that the charities interviewed were experiencing tangible benefits from working as part of a service delivery consortium. These included the opportunity to share expertise, build capacity, and increase access to funding. For smaller charities consortia working is providing capacity-building and organisational development opportunities that are the result of larger charities supporting smaller ones. This indicates that consortia working is contributing to the health of the charity sector, and has benefits that go well beyond the access to funding that can often be an initial trigger for participation.
- Whilst the findings demonstrate that charities are using a range of approaches to ensuring successful participation and delivery when they engage in consortia working, and are benefitting from doing so, they also highlight some issues of concern that could, if they are not routinely addressed, potentially jeopardise this success and become a source of concern to us as charity regulator.
- Given that consortia working may involve a degree of financial, capacity and reputational risk, it is surprising that the decision to join a consortium is, in some instances, being taken without trustee involvement. Charity trustees, by not being involved in this decision, are in danger of being unable to fully carry out one of their key duties; the duty of prudence which requires them to ensure that charitable funds and assets are being used reasonably, only in furtherance of the charity's objects and without placing the charity's funds, assets or reputation at undue risk. The Charity Commission was concerned at how little evidence there was of trustee engagement in decision-making, or clear delegation of decision-making, at any stage of consortia working.
- The findings raise some concerns about consortia member's approach to the risks involved in consortia working. The lack of due diligence checks on other consortium members prior to entering into contracts to deliver services with them may be a sign of positive relationships based on trust, but it exposes charities to an increased level of risk. For example, if, a contracting partner loses a key source of funding and consequently lacks the resources necessary to continue delivering services on behalf of the consortium.
- It is encouraging that generally consortia are taking a proactive approach to addressing conflicts of interest. They have strategies in place to avoid or manage them, and say that they are stronger as a result. However, this is not true of all the consortia interviewed, and it implies that those consortia that don't have a clear strategy for handling conflicts of interest may be comparatively weaker. Potentially they are also more at risk of taking decisions that benefit some over other members of the consortium; giving them a competitive advantage.
- Generally, the research indicates that consortia themselves have reasonably well developed governance arrangements and have identified and addressed or are seeking to address the issues raised in this report. However, it is evident that individual consortia members would benefit from taking a more proactive approach to identifying and managing the risks involved in consortia working, and strengthening their internal decision-making processes in relation to it.

## 4. Setting the scene – the research sample

Research for the report comprised 19 telephone interviews across five consortia. The interviews were carried out with the administrative hub or contracting lead provider of each consortium, as well as with a number of other consortium members. The five consortia participating in the research were:<sup>2</sup>

- Birmingham Disability Consortium (BDC);
- Rotherham Children, Young Peoples and Families' Consortium (CYPFC);
- Northumberland Learning and Employability Access Partnership (NLEAP);
- Sheffield Well-being Consortium (SWC); and the
- 800 Group.

Table 1 summarises the key characteristics of these consortia, including how many members they have, their legal status and their contracting model.

Consortium	Service Area	Members	Charities	Established	Legal structure	Staffed hub	Contracting model
BDC	Employment and training	6	100%	2009 – encouraged by the local authority to come together to tender for Working Neighbourhoods contracts.	Loose network	No	One member – Action for Blind People is the lead provider and holds the contracts.
CYPFC	Children, young people and families	35	Majority	2003 – formed to help deliver the Every Child Matters programme.	Company limited by guarantee with a linked community interest company.	Yes	Has set up a separate trading arm (the CIC) which holds contracts. The consortium hub itself also holds contracts, in addition to lead members of the consortium.
NLEAP	Learning and employment	70	66%	2005 – emerged from the LSC funded Working Together initiative.	Loose network	Yes	Individual members hold the contracts
SWC	Health and social care	60	70%	2009 – emerged from a meeting convened by Voluntary Action Sheffield.	Company limited by guarantee	Yes	The consortium hub holds all contracts.
800 Group	Health and social care	7	100%	2008 – A response to a Liverpool City Council initiative to redesign and retender all community services.	Loose network	No	Individual members hold the contracts.

<sup>2</sup> See *Part 2 Case Studies* for more detail about each consortium.

## 4.1 Choice of legal structure

Consortia can either be loose networks or new, separately constituted organisations. Three of the five consortia in our sample are loose networks. One of these suggested that it had chosen not to incorporate – ie to create a separate legal entity – because:

*“If we do our job right, any new entity would eventually become a competitor and that’s not what we want.”*

Another referred to a fear of creating “a monster” that would take resources away from “front line delivery particularly at the expense of smaller organisations” (a common concern of all the consortia in our sample). However, this consortium had eventually decided to incorporate as a company limited by guarantee because it considered that only through formalising and recruiting staff would it be possible for it to grow and develop. A second consortium adopted the status of company limited by guarantee in order to limit the liability of its board members.

### 4.1.1 Charitable status

Both the consortia which have incorporated have also chosen to become charities. These consortia are seeking to broker grant funding as well as contracts for their members and their charitable status helps with this:

*“Charitable status ticks the boxes. In general terms people understand what a charity is. You get relief on rates and it easier to attract funding from grant-making trusts and the lottery.”*

Charitable status was also regarded as helping to secure good governance because it provides clarity about the duty of board members to act in the best interests of the consortium, rather than their own organisational interests, and therefore helps to avoid conflicts of interest (discussed further in section 7).

## 4.2 Contracting arrangements

The consortia within our sample have been using three different approaches to contracting:

- a staffed consortium hub holds the contracts;
- an individual member holds contracts and leads on delivery; or
- members are identified to hold and lead delivery of particular contracts depending on their skills and experience.

Generally, there is a concern on the part of consortia hubs or lead providers to develop models of working which are more democratic than traditional prime/subcontractor arrangements.

For example, CYFPC has sought to offer members a range of options for contract delivery. One option suggested to members is that of Limited Liability Partnerships (LLPs). It considers this delivery form attractive because whilst each organisation in the partnership remains unique and separate, the legal responsibility to deliver services is shared between them; they are also jointly delivering the service as opposed to one organisation taking the lead and subcontracting others.

However, whilst CYPFC has sought to promote this option to its members, it has not so far been taken up. CYPFC suggests that this is perhaps because members choose to stick with familiar approaches, such as that of lead provider, and are insufficiently clear about the benefits of other types of contracting arrangement. CYPFC’s view is that a major benefit of the LLP is that it is democratic because members share responsibility for delivery in contrast with lead and subcontractor models.

Contracting arrangements can have an impact on decisions about legal structure. Notably, one of the consortia in our sample is considering incorporating as a separate legal entity because the rules surrounding a particular programme are likely to make it difficult for a loose network to win contracts in the future. Another has established a separate trading company in the form of a CIC which may hold some of its future contracts.

### 4.3 A quality criterion for membership

Several of the consortia in our sample have a membership criterion related to quality of service. For one of these consortia, member organisations have to be already providing some publicly funded services; the implication being that they have achieved a reasonable operating standard. For another, members have to have a management information capacity and a minimum threshold for quality assurance (which means having an externally verified quality standard in place). A third, on the other hand, requires consortium bidding partnerships (as opposed to each individual organisation) to meet quality criteria.

### 4.4 Involving smaller charities

All the consortia in our sample had at least one small or medium-sized charity as a member, and for three of the consortia, smaller charities make up the bulk of their membership (see Table 2 below). For example, one of the consortia describes its membership as follows:

*“The majority of our members are small to medium-sized organisations whose remit is to deliver services to a particular geographic community or community of interest; for example, female ex-offenders.”*

Consortium	Service	Members	Charities	Annual income	Associate members	Commissions
NLEAP	Learning	70	66%	Majority £250-£300k	No	No
SWC	Health and social care	60	70%	£100k- £300k	Yes	Yes
CYPFC	Children, young people and families	35	Majority	£50k is the smallest	Yes	No
800 Group	Health and social care	7	100%	One under £1m	Yes	No
BDC	Employment training	6	100%	£500k is the smallest	Yes	Yes

#### 4.4.1 Associate membership schemes

The requirement to meet a quality standard (see above) means that smaller, community-based organisations often do not have the capacity to become full participating members of consortia ie members actively engaged in delivering services under contract for the consortia. As a response, some consortia have developed associate membership schemes. One describes associate membership as providing access to information and also some support with development and capacity- building. This consortium says:

*“We didn’t want to move at the speed of the slowest. We have to progress and to be as entrepreneurial as possible, but we’re designed to offer support and to build capacity.”*

Similarly, another consortium states its reason for developing an associate membership scheme involving smaller charities, as:

*“Not only because we want to make a commercial difference, winning more business for members, but also because we aspire to make a difference to the sector and how it operates.”*

#### 4.4.2 The capacity-building role of consortia

All of the consortia in our sample describe themselves as having a support role and a concern to build the capacity of the voluntary sector to deliver services. Much of the support offered is informal and ad hoc, based on the relationships that have developed between individual consortium members. Four out of five of the consortia in our research sample, however, had reached a stage of development at which they were also providing more formal capacity-building advice and support. Examples include: the provision of guidance on issues such as risk assessment; staff recruitment and training; and safeguarding; training on quality standards; the facilitation of more formal peer learning sets; and targeted support with monitoring and evaluation.

##### **Peer support**

Some of the smaller organisations involved in consortia as full or associate members stressed that a main benefit to them of consortium membership was access to strong peer support networks:

*“If you’re a smaller organisation, you don’t have an HR department and it’s a massive help to be able to call someone to check that you’re doing things in the right way and to provide you with support.”*

One interviewee illustrates the general tenor of responses by describing an ethos of mutual support, with consortium members willing to volunteer their time to share expertise on a range of issues including the pricing of services.

##### **Resource sharing**

One key element of the capacity-building support provided by consortia is the sharing of resources including skills and expertise. The 800 Group has undertaken significant work on resource sharing. It has developed a purchasing hub which enables both full and associate members to benefit from economies of scale. This initiative was taken because it realised that one member, the biggest purchaser, had purchasing skills and experience that could be shared. The Group is also developing a recruitment web site and considering other areas for collaboration including HR.

##### **Monitoring and evaluation**

A common concern of the consortia in our research sample was that subcontracted members of consortia, particularly smaller organisations, often had difficulty completing the monitoring returns required by commissioners. SWC provides a good illustration of the support that can be offered in this context. Many of the organisations delivering contracts as part of SWC are new to contracting and have not had experience of completing monitoring returns for commissioners before. In response to this, SWC provides assistance on completing these returns for organisations which need it.

#### 4.4.3 Commissioning as opposed to subcontracting

One consortium which requires full members (ie those who are actively engaged in delivering services under contract for the consortium) to have an externally verified quality standard in place, has made particular efforts to involve smaller community- based charities which cannot as yet meet this standard:

*"...while some small charities may not be in a position to operate as a sub-contractor, it is possible for us to commission them to do pieces of work around the contract. It's about a development trajectory."*

Another consortium has also tried to engage small, local groups in other ways. For example, it works with two local groups who help it recruit service users. These organisations act as referral agencies and are paid on the basis of each referral made.

## 5. Setting the scene – legal and governance issues

Charity Commission case work and a review of relevant resources<sup>3</sup> suggest that a number of specific charity law and governance issues can arise for charity trustees whose organisations are participating in service delivery consortia or are service delivery consortia. These issues are set out below and are explored further in this research:

### Maintaining independence and remaining true to mission:

Trustees are required to ensure that their charity operates in accordance with its mission and independently in the best interests of its beneficiaries. Within the context of consortia working, this means:

- they need to ensure that there is a proper consideration of the fit between the charity's mission/purpose, and the mission/purpose of the consortium;
- they need to consider the impact of a decision to join a consortium on the charity's beneficiaries, and on existing or future operations; and
- they need to ensure that they don't sign up to a contract that involves the delivery of services that fall outside the charity's legal objects, or which might compromise the charity's ability to make decisions and/or use charitable resources in the best interests of their beneficiaries.

### Effective governance arrangements:

Trustees need to ensure that their consortium's governance arrangements are effective, transparent and accountable. Within the context of consortia working, this includes:

- proper oversight and clear policies and procedures which govern operations;
- clear definitions of roles and responsibilities;
- regular and effective communication between members of the consortium; and
- awareness of possible conflicts of interest and how to manage them.

### Risk assessment and mitigation:

Trustees need to consider the risks that the charity is subject to and develop appropriate risk mitigation strategies. Within the context of consortia working for public service delivery, this includes ensuring that:

- they have given sufficient consideration to the skills, resources and systems that they will need to participate within the consortium;
- due diligence is carried out on other consortia delivery partners;
- sufficient consideration has been given to quality standards and how these might operate within consortia working; and
- they know where responsibility and liability for specific consortia activity lies and that where members are jointly liable, they have considered how to mitigate against that risk.

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<sup>3</sup> See Annex 5: Signposting to resources.

## Protecting charitable resources and ensuring that they are used appropriately:

Trustees have a duty to ensure that charitable resources are protected and used appropriately. Within the context of consortia working, this includes:

- costing effectively the charity's element of a consortium bid and ensuring that, where possible, it negotiates for full cost recovery for its services.

## 6. Maintaining independence and remaining true to mission

Our research explored two main considerations relevant to charities thinking about joining a consortium:

- (i) Is participation in the consortium consistent with the charity's mission?
- (ii) Do contracting arrangements respect both mission and independence of decision-making?

### 6.1 Participation and mission congruence

One of the individuals interviewed clearly stated:

*"We made sure that the objects of the consortium were consistent with ours."*

For other consortia members, there does not appear to have been the same clear and deliberate process for considering the compatibility of consortium membership with their own organisation's mission. Neither have boards tended to take the decision about whether their organisation should or should not join a particular consortium. The interviews revealed a number of reasons for this:

- (i) Organisations gradually got drawn in: *"at the beginning we were just going along to find out about it"*.
- (ii) Membership activities were perceived as mirroring the usual activities of the charity: *"we were all already delivering the same services"*.
- (iii) Notably, one reason given was the informality of the consortium. One organisation said: *"we didn't think we needed to bring it to the board because we weren't setting up a new entity"*.

However, regardless of the degree of formality of the arrangement, becoming involved in a service delivery consortium can be a big decision for a charity and they need to consider the 'opportunity costs' – ie they need to consider whether the time dedicated to the consortium might be spent more productively in other ways to achieve mission. As one of our interviewees pointed out:

*"Working in a consortium takes so much time."*

### 6.2 Contracting and mission congruence

Here, we wanted to explore whether consortium membership tied the charity to delivering particular services.

All but one of the consortia in our research have rules of engagement that enable individual members to decide which consortium activities, including contracting, they choose to engage in:

*"We want to operate in a flexible way, with members able to opt in and out of particular initiatives in a way that respects mission."*

Another said:

*"This isn't a problem for us. It's very much the case that you can become as involved as you want."*

One of our consortia is different because of the nature of its formation. BDC is a pan-disability consortium working in the field of employment training. It has six core members and was formed to deliver Working Neighbourhoods contracts. BDC members were already delivering the same services required under the contract. They therefore regarded working together to deliver the contract as wholly consistent with mission.

Generally, the ways in which the consortia in our research sample operate tend to support contracting that is mission compatible. For example, one consortium said:

*“Because of our PQQ process this should not be an issue.”*

This consortium has developed its own internal Pre-Qualification Questionnaire – a PQQ is generally used by commissioners in the initial stages of selecting contractees. It is designed to assess whether organisations can meet the basic requirements of contract delivery. This consortium uses their PQQ to collect information about its members which it can then use to identify the organisations that might be interested in delivering particular contracts based on their existing track record and experience. The implication is that members only have access to particular contracting opportunities if they have experience of delivering the same or a very similar service to the same client group.

The findings from our interviews suggest that consortia members will only seek to deliver contracts which they have the experience and skills to deliver and which are compatible with their mission. One interviewee referring to particular contracting opportunities said:

*“There are lots of things that the consortium does that we don’t get involved in. Some are not a good match with our skill set or the work falls outside our geographical area of operation.”*

A handful of interviewees mentioned the issue of geographical restrictions on their area of benefit, meaning that they would not wish to become involved or could not become involved in particular contracting opportunities that extended beyond this.

### **6.3 Contracting and independence of decision-making**

Here we wanted to explore whether delivering contracts through consortia compromises a charity’s independence of decision-making.

Our research revealed some limited evidence that participation in service delivery consortia can provide some, perhaps inevitable, constraints on independence of decision-making where the detail of service delivery is concerned. For example, one interviewee referred to some lead providers conceiving their role as being: *“to tell you what to do as opposed to regarding it as a co-ordinating role”*.

Another interviewee explained that their consortium had developed the approach that all members would abide by the policies and procedures of the lead contractor when delivering consortium contracts. However, members had, on occasion, said they would prefer to follow their own policies because they considered them superior.

One consortium has very deliberately developed a model of service delivery which is characterised as providing delivery organisations with significant autonomy and which is regarded as being highly successful. The SWC Health Champions programme recruits individuals to work within their local communities to promote healthy eating, physical activity and mental well being through a range of activities. Nineteen small, community-based organisations are delivering the programme based on their own distinctive delivery models. The programme is regarded as highly successful and has won a Big Society award.<sup>4</sup>

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<sup>4</sup> A Big Society Award is awarded by the Prime Minister’s Office recognising initiatives in which power shifts from government to local communities and individuals.

## 7. Effective governance arrangements

Here we explored a range of questions related to transparency and accountability in consortia governance:

- Is there effective oversight?
- Are there clear policies and processes which govern operations?
- Are communications good?
- How is access provided to contracting opportunities?
- How are conflicts of interest managed?
- Is there clarity about roles and responsibilities?

### 7.1 Getting the basics right

Whilst variability in models and methods of operation is a given, there are two things which would be regarded as good practice and important to have in place:

- (i) Some form of membership group, steering committee or board that meets regularly and oversees and guides the work of the consortium; and
- (ii) Some form of agreement, terms of reference or memorandum of understanding which explains the consortium's role and how it intends to operate.

All of the consortia in our sample confirmed that they had these two things in place.

Another issue of relevance is whether or not members, particularly smaller members, are as involved as they should be in the consortium's decision-making. Again the interviewees in our sample all considered that they could be as involved as they choose to be.

In the instances within our sample in which the consortia extend beyond a small, tight group, steering committees or board members are elected or nominations endorsed by the wider membership. Policies and procedures which are developed and agreed by these steering committees or boards are then endorsed by the consortium as a whole, as are major decisions about strategy or operations.

### 7.2 Communications

We were also interested in whether consortia communicate effectively with their members. Again, generally the response was yes. Larger consortia communicate with their members through a variety of means including regular e-bulletins and events. They also conduct membership surveys and other research. One of our consortia – the best staffed in our sample – has a membership officer who visits members to provide support and canvass views.

### 7.3 Developing policies and procedures

The general impression given was that consortia had dedicated a significant amount of time to discussing and agreeing how they were going to operate and to developing policies and procedures. One interviewee suggested that their consortium had spent too long developing its terms of reference. Another suggested that dedicating sufficient time to anticipating potential difficulties, and developing policies and procedures in response, was crucial to smooth and effective operation. A third recognised that this was a development process which would evolve over time:

*“We still need to do a lot of development work until we’re truly robust. We learn when someone asks the question. There are issues that we still haven’t got to yet.”*

Generally though, our five case study consortia were regarded by their members as working effectively:

*“This consortium is a good one to be part of. It has good working practices and is very productive.”*

## 7.4 Providing access to contracting opportunities

The consortia in our sample have developed a variety of approaches to responding to tenders. The smaller and more informal the consortia the greater the possibility for open discussion and agreement with all the members about how contract work will be allocated. However, in large consortia, procedures have to be developed for formulating bids and these need to be regarded as providing fair access to contracting opportunities. The examples below illustrate some of the different approaches used and some of the difficulties:

- One consortium researches contracting opportunities and brings them to the steering committee for approval. It determines which of its members is best placed to lead on a particular contract and then asks that member to hold the contract and lead the tender process. The lead is encouraged to draw in other members of the consortium as appropriate.
- Another describes itself as having developed ‘a pragmatic approach’ to pulling bids together. It considers that it is not possible to consult its tens of members during the short window available to respond. When opportunities have arisen it has, therefore, selected the members it considers best placed to deliver and invited them to an initial meeting to start the process. This consortium holds all the consortia contracts, subcontracting delivery to other members. It acknowledges that:

*“Working in this way means that we need to have a good understanding of what all the members do and what they can deliver.”*

Members describe this consortium as highly effective. They recognise that consultation needs to be balanced against a concern to get things done in a timely way.

### 7.4.1 Smaller organisations and contracting opportunities

Generally, consortia seek to ensure that all their members, including the smallest organisations, have access to appropriate contracting opportunities. One interviewee referred to the fact that her consortium sought to achieve this by including one smaller organisation, new to contracting, in each of its bids. Another indicated that her consortium was developing programmes based on reaching out to smaller community-based organisations:

*“We haven’t been able to apply for other contracts because we don’t have all the quality standards and other things that commissioners expect in place, but the consortium put this opportunity out to tender and we won it and they have provided a lot of support around evaluation and monitoring.”*

However, for one interviewee, a tension remains between providing access to inexperienced or untested organisations, and securing or maintaining confidence in the quality of the consortium’s services:

*“For me, there’s a conflict here between having the ability in the consortium to deliver contracts and a good track record, and having a strong belief in supporting community organisations.”*

## 7.5 Conflicts of interest

Our research indicates that avoiding or managing conflicts of interest is a major issue for consortia. Interviews suggested a small number of discrete conflict of interest areas that consortia need to consider:

- All of the consortia in our sample have steering groups or boards that comprise elected or nominated members. In the view of one consortium, this “*builds in conflicts of interest*” in the sense that board membership may be seen as providing opportunities to influence funding decisions to benefit a board member’s organisation.

As a response, this consortium has co-opted two external expert members onto its board and may in the future increase the number of co-optees (the board currently has eight members). It is also seeking charitable status, in part because of this conflict of interest issue. In their role as charity trustees, board members will be required to make decisions in the best interests of the consortium, as opposed to their own organisational interests.

- Another problem that had arisen for the consortia we interviewed is the situation where board or steering group members, representing the consortium on external events, have spoken for their own organisation rather than for the consortium. One consortium has responded by developing a Conflicts of Interest Statement and Policy which board members are required to agree and sign.
- Interviewees also referred to having to consider conflicts of interest in relation to bidding processes. Consortia took different views about the appropriate response.

A couple of consortia indicated that their general rule was not to allow member organisations to bid in their own right for a contract if they were involved at the same time in a consortium bid.

One consortium referred to the fact that organisations were encouraged to make a decision about whether they wanted to bid individually for the contract (on the basis that they had the capacity) early on in the process. They would otherwise have a competitive advantage having had access to consortium information which could help them with their bid.

Another consortium indicated that they had involved an external advisor to help them negotiate the issue of conflict of interest where bidding for contracts was concerned. They had concluded that their consortium board needed to consider each situation on its individual merits. An example from another consortium illustrates why such a conclusion might be reached – this consortium allowed one of its members to participate in both its bid and another bid for a particular service on the basis that:

- (i) the member had always delivered services in the particular geographical area concerned; and
- (ii) the member’s discussions with the lead provider involved in the other bid had predated the consortium’s formation.

## 7.6 Clarity about roles and responsibilities

We wanted to explore two questions here:

- (i) Is there clarity about consortium structures and processes?
- (ii) Are contracting relationships between members clearly enough defined?

## 7.6.1 Structures and processes

Our research consortia consider that they have been reasonably successful in setting up clear structures and processes. They believe that in large part they have achieved this by drafting and agreeing documents that spell out how they propose to operate.

However, the interviews indicated a few potential areas of difficulty:

- **Where a consortium has different structures in place:** for example, one consortium which has set up a separate trading company said that there had been some confusion about the role of the trading company within the structure and whether the consortium managed it or it managed the consortium.
- **Where a consortium is involved in dual activity that could result in a conflict of interest:** for example, one consortium which had a role in helping commissioners design more effective services, as well as a role in the delivery of these services, said that it has decided to keep 'a Chinese wall' between service design activities and discussions about contracting opportunities – ie the individuals participating in service design do not share information with those involved in service delivery. The consortium considers that otherwise it would have a competitive advantage in tendering processes.
- **Where consortium members have different degrees of internal autonomy:** for example, one small consortium has a member who has to refer issues to its national office, whilst others members have local autonomy. This is a problem because it causes delays in decision-making. The view was that the consortium should have anticipated this problem and worked out how to best manage the situation sooner.

## 7.6.2 Roles and responsibilities in relation to contracting

One interviewee referred to a lack of clarity about the role of lead contractors. She had learnt that:

*"It's important that organisations leading contracts meet particular criteria and that there are agreed principles of working together."*

All of the consortia in our sample also referred to subcontracting members sometimes not appreciating that they had to take responsibility for providing lead bodies with monitoring information in the format required by the commissioner. Some were reported as expecting contracting leads to make up any deficit in the quality of the information provided.

Three out of five of the consortia in our sample are providing support and training to members in the completion of monitoring returns. For example, SWC holds all the funding agreements delivered by consortium members. It therefore takes responsibility for monitoring and reporting on contracts/projects to commissioners. The consortium intends to introduce a standardised system so that it can expect a similar level of feedback from all members.

SWC also undertakes its own evaluation research. For example, it has developed case studies on its Health Champions programme. It considers that it is easier to do monitoring and evaluation work centrally and that a more independent perspective is provided on performance. It is also developing work on Social Return on Investment (SROI) as a means of demonstrating the value derived from its members' activities.

## 8. Effective risk management

Working in a consortium carries its own risks, distinct from those involved in delivering contracts as an individual organisation. During the research interviews, consortia hubs, lead contractors and members identified a range of these risks.

The major risks specific to service delivery contracts were cited as:

- Delivery partners going out of business;
- Delivery partners otherwise finding themselves unable to meet contract delivery requirements; or
- Delivery partners providing poor quality services.

If one member fails to deliver, assuming work has to be reallocated, there is likely to be pressure on the organisational capacity of others. Lapses in delivery by one member are also likely to tarnish the reputation of all.

### 8.1 Assessing risk

The general impression given from the research was that individual consortium members, including those involved in delivering services as subcontractors, tend not to assess the risks of working in consortia and tend not to discuss risk assessment and risk mitigation with their boards.

One interviewee, however, describing a notable example of good practice, referred to having developed a template for her board to structure discussion as to whether the organisation should engage in any proposed new project or programme. The template covers the financial and social benefits of each project, its compatibility with mission, and whether any major risks arise, including how they might be mitigated.

Some consortia members expressed concern that they had not yet fully appreciated or understood the risks of working in consortia, including the wider risks related to competitiveness within the contracting environment. As one interviewee said:

*“We haven’t got to the end yet of understanding what the risks are. In my view there are risks about information sharing and market sensitivities.”*

One consortium, the one in our sample which has the most staff resources and which, crucially, takes responsibility for delivery of all consortium contracts, uses its own process of risk mapping to assess and develop strategies for dealing with the risks it is subject to. It has also taken out indemnity insurance for board members on the basis of advice that it is operating in untested territory.

### 8.2 Mitigating risk - assurance processes

Consortia members were asked if they had undertaken any form of due diligence on other consortia members with whom they were proposing to deliver services. Generally, the response was negative for a couple of main reasons:

- (i) they were a small group of organisations that knew and trusted each other having worked together before; and/or
- (ii) consortia members were relying on commissioner or consortium assurance processes.

For example, the contracting lead for a consortium took the view that risks were reduced because all the members had delivered the same services before:

*"We all knew each other, knew that we had shared values and trusted each other. Through the tendering process each organisation had to submit a lot of information. This persuaded us that the other organisations were safe."*

One consortium had discussed whether members should be encouraged to undertake due diligence on others but had concluded that *"we work in a highly regulated part of the voluntary sector in which organisations are inspected, report to and are scrutinised, often by numerous agencies"*. Consequently, the consortium decided that it did not want to add to a system that was already bureaucratic. However, it agreed that if a question was ever raised by a regulator or performance review body about a member's performance, this should be reported back to the consortium.

Two consortia within our sample, however, have developed their own internal version of a commissioner's Pre Qualification Questionnaire (PQQ).

For one of these consortia, members wanting to deliver services under the consortium banner are required to complete the PQQ. It includes questions about the organisation's quality standards and aspirations for these. The information is made available on the consortium's intranet and is regarded as helping to mitigate risks since it makes members aware of the strengths and weaknesses of different partners.

The other consortium's PQQ covers basic policy and procedures. The consortium regards the questionnaire as a self assessment tool which enables members to identify capacity-building issues that they can address over time. However, if members want to deliver services through the consortium, an independent audit of their responses to the PQQ is undertaken.

### **8.3 Allocation of risk**

A key question we wanted to explore in relation to the allocation of risk was: who within the consortium holds the contracts and who is ultimately responsible to commissioners for the delivery of services?

In four of our research consortia, individual members with the capacity to do so have held contracts, subcontracting to other members as appropriate. One consortium in our sample selects the member who is to lead on a particular contract. In other consortia, however, it appears that members interested in particular contracting opportunities have nominated a lead.

As an example of how the lead is selected, in the case of one consortium, members described a particular organisation as the obvious choice for lead provider because it had recently merged into a much bigger charity, was a prime provider of employment training contracts, and was the only organisation considered to have the capacity to take on the financial risk associated with the contracts; it was also the only organisation capable of meeting the local authority's requirements for lead provider.

In other consortia, the administrative hub or the consortium itself as a separate legal entity holds all the contracts. One consortium had also recently established a Community Interest Company (CIC)<sup>5</sup> which it indicated may hold future contracts.

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5 Community Interest Companies (CICs) are limited companies, with special additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage. This is achieved by a 'community interest test' and 'asset lock', which ensures that the CIC is established for community purposes and that the assets and profits are dedicated to these purposes. Registration of a company as a CIC has to be approved by the CIC Regulator who also has a continuing monitoring and enforcement role.

## 8.4 Problems in contract delivery

Despite risk mitigation tactics, including the development of internal PQQ processes and provision of capacity-building support (discussed earlier in this report), each of our consortia had experienced some problems in contract delivery, generally related to difficulties in meeting delivery targets. The usual response was for the consortia hub or the lead organisation to offer additional support with delivery. For example, extra staff resources might be offered to increase capacity. If this proved insufficient remedy, work tended to be reallocated to other consortium members.

Regardless of whether or not consortia pride themselves on having an ethos of collective responsibility, ultimately liability rests with the contract lead, whether that is an individual consortium member or the consortium itself. Earlier in this section, reference was made to the fact that some smaller organisations providing services under a consortium banner had had difficulties providing the lead body with the monitoring information required by commissioners. One of the contract leads participating in this research said that he was painfully aware that his organisation would ultimately be responsible for reimbursing the commissioner, for payments associated with the activities for which data was deemed incomplete or inaccurate.

Issues regarding the financial risks associated with contracting and their attribution are discussed in the next section.

## 9. Safeguarding and appropriate use of charitable resources

The responsibility of charity trustees generally to safeguard charitable assets and use them appropriately means that trustees need to consider carefully:

- the implications for the charity of investing time and effort in delivering services and making contract bids; and
- the implications of contract payment arrangements and the possible financial risks incurred by the charity.

We wanted to explore, however, what is distinctive about this responsibility within the context of working in consortia to deliver public services. The research suggests that there are two key issues of relevance:

- (i) the extent to which consortia help charities to negotiate and safeguard against the financial risks of contracting; and
- (ii) whether charity members of consortia consider that they can justify investing in the costs of consortia.

### 9.1 Negotiating and safeguarding against the financial risks

A few of the interviewees from the larger and more experienced service-providing charities described their experience of some of the financial risks that can arise in relation to contract delivery. Interviewees described delays in commissioners signing contracts and pressure to recruit staff before contracts were signed. They also referred to some of the targets set in contracts being unrealistic and, therefore, difficult to meet, so that maximum potential income from the contract could not be realised. As a response, one interviewee referred to his organisation planning on the basis that only a portion of the maximum possible income from the contract would be realised:

*“We developed prudent projections for contract income which were approved by the Finance Committee.”*

A smaller member of a consortium described the financial risk involved in delivering a particular consortium subcontract that they had been involved in:

*“Income is dependent on volunteers doing a certain number of hours. You could put a lot of time in and not get a financial return.”*

The particular issue for this organisation was that certain individuals needed significant support to sustain their volunteering because of family or other difficulties. Not surprisingly, these were also the individuals who found it most difficult to contribute their hours.

It was difficult to determine from our research the extent to which working in consortia helps small charities and other voluntary organisations to negotiate and safeguard against these contracting risks. On the one hand, the organisations holding the main contract, either lead bodies or the consortia themselves, tend to replicate the terms of the main contract in subcontracts. On the other hand, consortia are providing support to smaller organisations in costing services and in developing the systems needed to secure successful delivery. One lead provider also referred to not taking a management fee from the contract in order to ensure the maximum possible investment in front line services.

### 9.1.1 Covering costs and/or achieving a surplus

The two smallest consortia in our research had previously comprised solely experienced service providers, although lately efforts had been made to involve smaller, less experienced organisations. A member of one of these consortia explained that they had not budgeted on the basis of full cost recovery, rather:

*“We used unit costs to structure the bid and we achieved a surplus.”*

A member of the other consortium said:

*“We characterise ourselves as social enterprises having worked on a fee income basis for the last twenty years, so our approach has had to be able to cover all our cost.”*

A particular issue for this consortium was that because some members had been slow in recruiting staff as a result of the commissioner being slow to sign the contract, and because of the difficulty in meeting some of the targets (discussed above), some consortium members did not realise the income that they could have had from the contract:

*“We could and should have done better on contract delivery. If we had done, we would have earned money to support other activities. Nonetheless we pretty much covered costs.”*

The other consortia within our sample, with a broader membership base of smaller charities, acknowledged that full cost recovery had been a problem. As one member said:

*“Full cost recovery is always an issue; generally contracts do not take account of it. We struggle with achieving it in all the areas of our work.”*

However, another very small community-based organisation said:

*“We didn’t achieve full cost recovery but we up-skilled the local community; we empowered people and gave them confidence. There was a huge amount of added value in terms of meeting local need and involving local people as volunteers in the organisation.”*

### 9.1.2 Supporting members

One consortium referred specifically to providing support to smaller members in understanding their costs. Another referred to the challenge involved in encouraging voluntary organisations to get to grips with the costs of service delivery:

*“Generally grant funders have made voluntary organisations think that it is their role to do things on the cheap.”*

Notably, the view expressed by a couple of the consortia was that full cost recovery is a concept that does not sit easily within a competitive market. As one interviewee said:

*“You can’t fall back on the justification that you’re putting your full costs in; you have to be the most competitive and it’s important to see whether you can reduce the costs of service delivery by such means as restructuring the service or merging it with that of another provider.”*

One consortium sought to emphasise that as regards its contracting role, it has a commercial ethos and applied commercial thinking to its activities. Generally, the consortia in our research were seeking to encourage all their members, including smaller organisations, to think and act in a more business-minded way.

### 9.1.3 Issues with commissioning practice

Generally, the perception on the part of consortia hubs and contracting leads is that the contracting environment is difficult to negotiate; one interviewee went so far as to say:

*"We are used to operating one-sided contracts and we just have to get on with it. If you make the decision to engage in public service delivery, that's the territory."*

However, this does not mean that consortia do not make representations to commissioners about contract terms and that they do not aspire to influence the practice of commissioners over the medium to longer term. In the instance described above, where one of our consortia felt that its contract targets were unrealistic, it made representations to the commissioner who agreed to adjust them. Two consortia also specifically said that they aspired to do more work in the future to influence the practice of commissioners.

## 9.2 Meeting the costs of consortia

The consortia in our sample have a range of different funding sources: grants for core and start up costs; management fees from contracts; grants for development (for example to set up a web site or for a consortium review project) or for specific capacity-building activities with members. One consortium is also proposing to raise income by offering consultancy services in relation to consortia development and the service delivery models it has developed.

For two consortia, membership fees already make up part of their funding mix or are proposed for the future. These fees are an issue for the smaller organisations in membership. As one consortium member commented:

*"We could run a project for the £400 membership fee."*

Another said:

*"The membership fee is fine so long as we can justify it by showing that the consortium is helping us to access other income."*

## Part 2: Case studies

### BDC – Birmingham Disability Consortium

#### About the consortium

The Birmingham Disability Consortium (BDC) has six charities in full membership:

Action for Blind People	Birmingham Disability Resource Centre (BDRC)
BITA Pathways	BID services
Birmingham Rathbone	Midland Mencap

In addition, it has a small number of affiliate members. The consortium offers pan-disability services covering physical disability, sensory impairment, mental health problems and mild to severe learning difficulties.

#### Status and structure

BDC is a loose network. Action for Blind People (ABP) is the lead provider for the consortium contract. Whilst ABP is the contract lead, it delivers only 10 per cent of the outcomes in the contract. The consortium describes its working style as 'very collegiate'. It has no dedicated staff. ABP receives a 10 per cent management fee on the contract and this funding is used to meet the costs of servicing the consortium and supporting members in their contract delivery role.

#### Why and how it was established

All the members of BDC had been attending bimonthly meetings at Birmingham City Council. They were members of the council's Employment Access Group. All six organisations deliver similar programmes and had often worked in partnership in different configurations but not as the wider group. In 2009 they were encouraged by the local authority to come together, the impetus being to have a consortium of providers who could tender for Working Neighbourhoods contracts for services for people with disabilities:

*"In the early days the consortium was very much pushed together and shaped by the local authority."*

#### Contracts and funding

The Working Neighbourhoods contract is worth £2.6m to BDC. It is delivering the programme in five out of seven areas in Birmingham supporting disabled people back into employment.

#### Future plans

BDC is considering incorporating as a separate new venture and has asked each of its member CEOs to seek permission from their trustees. It is considering formalising in this way because the rules surrounding Single Work Programme contracts are likely to make it difficult for informal organisations to subcontract for service delivery.

## **CYPFC – Rotherham Children, Young People and Families’ Consortium**

### **About the consortium**

The Rotherham Children, Young People and Families’ Consortium (CYPFC) has been in existence for seven years. Its aim is to ‘*achieve the best possible voluntary sector contribution to improving the lives of children, young people and families in Rotherham*’. There are 35 full consortium members and three smaller, community-based, associate members.

### **Why and how it was established**

The consortium was originally formed in 2003 to help deliver *The Every Child Matters* programme on the basis that only through collaboration could outcomes be improved. A range of local charities came together to form the consortium, mainly small to medium-sized organisations, recognising the benefits of partnership working.

### **Status and structure**

The consortium is a company limited by guarantee and is in the process of becoming a registered charity. It has set up a trading arm in the form of a Community Interest Company (CIC) called Independent Local Solutions (ILS). It was advised that a CIC would be a good option because this legal form is rooted in public benefit purposes but places an emphasis on business acumen. The role of ILS is to scan for contracting opportunities and to bring members together to respond.

The consortium encourages members to consider a number of options for organising contract delivery under its umbrella including the lead provider/subcontractor model and Limited Liability Partnerships (for further information see the earlier section on contracting arrangements – 4.2). ILS holds the consortium contract for short breaks for disabled children mentioned below.

The consortium has two staff members, a manager and an administration officer. ILS, its trading company, previously had a CEO but the contracting opportunities available were insufficient to sustain this post.

### **Contracts and funding**

The consortium has been successful in winning a £300k contract for short breaks for disabled children through the Aiming High for Disabled Children programme and a contract offering short training courses for young unemployed people. It has delivered a contract for an action research programme for the Department for Children, Schools and Families examining how a range of voluntary organisations can offer play opportunities for children. It has also had a grant from V of £270k to provide positive volunteering opportunities for young people.

A small grant and a loan from Futurebuilders supported the establishment of CYPFC. The annual running costs of the consortium are £45k. The CYPFC’s service in the local authority provides a grant that covers 80% of these costs. The other 20% is met by members’ fees. The annual membership fee is applied on a tiered basis, dependent on turnover.

### **Future plans**

The consortium considers that it has a strategic role in seeking to improve services for children, young people and families locally. It has run one *Design It Different* event and proposes to run more. These events aim to design high quality packages of services which statutory partners might purchase. In the future, CYPFC may provide services to other consortia which are less well developed; for example, it may offer access to its trading company ILS. Its medium to long-term objective is to achieve financial sustainability and to develop its capacity to undertake service and contracting development work.

## **NLEAP – Northumberland Learning and Employability Access Partnership**

### **About the consortium**

The Northumberland Learning and Employability Access Partnership (NLEAP) is a merger of two groups, the Learning Consortium and the Employability Partnership. The merger took place last year. The Learning Consortium was established five years previously. NLEAP has two main roles: to deliver high quality learning, skills and employability services and to promote the voluntary sector as an equal partner in strategy development.

The consortium has 70 members. Two sole traders are members on the basis that they provide community-based training and the consortium has sought to include all such providers.

### **Why and how it was established**

The Learning Consortium emerged from the Learning and Skills Council's Working Together initiative. This provided funding for each sub-region to build partnerships with the voluntary and community sector. Research had indicated that training needs were not being met. The response was to develop the capacity of voluntary sector providers and support them in achieving accreditation and in offering accredited programmes.

The Employability Partnership was a group of providers and partners who had been involved in employability programmes, mainly working in the south east of the county.

### **Status and structure**

NLEAP is a loose network. The consortium secretariat researches contracting opportunities, the steering committee agrees which it should pursue and then a consortium member is asked to lead and if they agree, holds the contract. The consortium has one part-time staff member who services meetings and supports its activities

### **Contracts and funding**

Members have offered a range of services under contracts sourced by the consortium; for example, long-term apprenticeships, information, advice and guidance sessions and community development and youth work NVQs. Contracts have ranged in value from £150k - £180k.

The annual costs of operating the consortium are £30k. NLEAP aspires to fund itself through the surpluses on contracts and a percentage of project management costs. This year it has a small grant from the county council of £12k towards its running costs.

### **Future plans**

NLEAP continues to have more contracts for voice and advocacy work than for service delivery. It aspires to attract a couple of big service delivery contracts and considers that in the future it has significant potential to build programmes which effectively meet local needs.

It is currently developing a social care arm. This has 50 members. It is running events examining the readiness of this group for personalisation. It is also considering how individual learning accounts, if reinstated, will impact on its work.

## SWC – Sheffield Well Being Consortium

### About the consortium

The Sheffield Well Being Consortium (SWC) works in the city region of Sheffield. It describes its mission as to: *'create and maintain a sustainable, diverse network of responsive, high quality health providers in Sheffield's not-for-private-profit sector, in order to have a positive impact on well being and address health inequalities in the city'*. The consortium has been in existence for three years. There are 60 organisations in full membership. The consortium has both full and associate members.

### Why and how it was established

At a series of meetings in 2009 hosted by Voluntary Action Sheffield, a group of charities – leading players locally (including the Development Trust and Mind) – developed plans to work together to overcome funding difficulties caused by the shift from grants to contracts and also the move to larger contracts.

### Status and structure

A decision was made to give the consortium a solid basis from the start by incorporating as a company limited by guarantee, to limit liability and to seek charitable status in order to secure its benefits. For example, charitable status makes it easier to attract grant funding.

### Contracts and funding

The consortium has been reasonably successful in winning contracts and attracting grants. It has secured:

- a £380k grant for its Health Champions programme from the local authority, Altogether Better and Sheffield Lets Change 4 Life funding. The model is regarded as successful and the consortium has secured other funding to build on it – such as Department of Health Regional Innovation Funding for Health Champions to support people with, or at risk of, type 2 diabetes.
- a contract from Sheffield Health and Social Care Trust for Increasing Access to Psychological Therapies, under which it places counsellors in member organisations.
- a small grant from the PCT for community asset mapping.

It also applied for and was successful in obtaining a grant of £25k from Futurebuilders for start up costs. Futurebuilders also provided underwriting of £130k (effectively an overdraft facility). It considers that it would not have been able to set itself up in the solid way it has without this investment.

The annual costs of SWC (excluding the funds disbursed to members for service delivery) are £70k. However, this includes the cost of central staffing for the Health Champions programme. SWC does not have a membership fee but is consulting on introducing one. It has, however, developed a consultancy offer. It provides consultancy in consortia development, quality standards and in developing programmes based on a Community Champion model.

### Future plans

The consortium has provided training on quality standards and has facilitated the sharing of experience between members on standards development. A longer term objective is to develop this work as part of subcontracting arrangements. Over the next couple of years the consortium intends to focus on influencing commissioners. It would like to develop a role helping to design services which support communities over the longer term. It hopes to persuade commissioners and other funders of the value it can add if it becomes more involved in service design and contract management.

The consortium says that it might make changes to its structure and governance in the future such as developing closer relationships with the other consortia in Sheffield. It believes there is potential for these consortia to come together under one umbrella supporting clusters of organisations working on a broad range of social, environmental and economic issues.

## The 800 Group

### About the consortium

The 800 Group works in the field of community health and care. Merseyside based, it comprises seven charities:

Age Concern Liverpool	Bradbury Fields Services for Blind and Partially Sighted People
Henshaws Society for the Blind	Imagine
Merseyside Society for Deaf People	Nugent Care
PSS.	

The Group describes its mission as to *'work together to improve services for vulnerable members of the community of all ages'*. It intends to increase investment in service delivery by minimising infrastructure costs and sharing knowledge, expertise and resources. It is called the 800 Group because the organisations in membership have over 800 years' trading experience. Gradually the Group is increasing its membership base, offering full membership to some charities which it has identified as developing its service offer. It is also developing an associate membership scheme.

### Why and how it was established

In 2008 Liverpool City Council launched 'Celebrating Community Services', an initiative to redesign and retender all community services previously provided under a large number of grant and contracting arrangements. Local charities considered that they would have a greater chance of securing contracts if they worked in collaboration with peer organisations. Age Concern Liverpool took the initiative, convening a meeting of organisations to propose working in partnership.

### Status and structure

The 800 Group is a loose network. When it comes to deciding which contracts to bid for and who will lead them the Group is sufficiently small for an informal approach to work:

*"We see which organisations are up for the challenge, which seems best qualified to lead and to coordinate the bidding process."*

### Contracts and funding

The initial contracts that the 800 Group won were for statutory community services in Liverpool, including day support for people with physical disabilities or mental health problems and independent living support for older people – services previously provided by members in receipt of grant funding from the local authority. None of the members lost work in the tendering exercise and four out of seven gained work. The total contract value was £3m to £4m. The Group has also won a health trainers contract worth £3m.

When the consortium was established each of the seven original members contributed £2k to £3k towards the costs of joint work. Expenses are minimal – for example, events for staff. The Group has attracted some small grants locally to develop its website. The focus of its fundraising is on raising resources for capacity-building. It does not charge members a fee but it is examining the feasibility of charging others for access to the joint services it has developed, namely a purchasing hub and a recruitment website.

The Group also recently, in another local authority area, provided a brokerage service for individuals holding personal budgets. The local authority wanted to compare its brokerage service with an external one.

### **Future plans**

The 800 Group is planning a review of membership which will consider whether it should be limited to health and social care organisations or extended to others – for example, housing associations or organisations working in the field of education.

The Group plans to develop more shared services for members. It recognises that it could do more – for example, in the areas of payroll and HR.

In the longer term, as a result of the partnerships developed in the Group, it is thought that members might merge or partially merge or restructure to achieve economies of scale and to deliver more effective services.

## Annex 1: Definitions

**Consortium:** A consortium, according to the simple definition we have adopted for the purpose of this research, is a group of organisations that have a written agreement to work together. It does not have to be formally constituted, although it might be, nor do a large number of organisations have to be involved. A consortium might comprise as few as three organisations working together (two organisations might be better termed a partnership) and could have a range of possible structures.

**Medium-sized charity:** We have defined a medium-sized charity as having an income of between £100k and £1m. It should be noted, however, that, as one expert commented, in some service delivery areas – for example, employment and training – the smallest charities involved in subcontracting are likely to have incomes of around £1m.

**Public services:** The focus of this research is consortia engaged in delivering public services. These services are defined, for the purpose of this research, as those provided under contract to the public sector (central or local government, the NHS or quangos) regardless of whether or not they are a statutory responsibility of the commissioner.

**Small charity:** The definition of a small charity for the purpose of this research is one with an annual income of less than £100k.

## Annex 2: Research method

### A2.1 Selecting Case Studies

In order to identify a range of suitable consortia to study, a combination of desk research, and contacting organisations with a role in developing or supporting consortia, was used. The focus was on identifying examples of consortia involved in the delivery of public services which were reasonably well established and which had at least one small charity in membership.

Five consortia were shortlisted on the basis that they provided variety between them as regards:

- (i) service delivery area (for example, health and social care);
- (ii) number of members (we were seeking to include both small and large consortia);
- (iii) status (loose network or formally constituted);
- (iv) different structures or models for contracting; and
- (v) a range of different organisations in membership.

### A2.2 Challenges in putting together the sample

We were seeking consortia that were reasonably well established on the basis that they would have tried and tested systems and processes. However, all the consortia in our sample tend to describe themselves as having further development work to do. In part, this is because those which formed to access a range of contracting opportunities (as opposed to one particular contract), have found that fewer contracting or other funding opportunities have been available than was envisaged.

Furthermore, those available have often only provided 'small pots of funding'. Because consortia funding models generally rely on fees from contract income, some consortia have not had the resources that they had expected to invest in developing their infrastructure.

We also sought to include consortia with a range of members including private sector organisations. However, we were able to find only one consortium with both profit making organisations and charitable organisations in membership and we came across it too late in the project for it to form part of our sample group. One of the experts we consulted to develop our case study list explained this as follows:

*"Generally, consortia involving smaller charities have been formed in order to give smaller charities a chance of winning contracts in competition with the private sector. As these consortia develop, gain experience and confidence we may see greater private sector involvement."*

### A2.3 The interviews

Two interview schedules were prepared for telephone interviews: one for use with consortia administrative hubs or lead bodies (who had taken responsibility for the delivery of contracts) and another for use with other consortia members.

The questions in these schedules were based on desk research – eg the issues identified in guidance published by NCVO, ACEVO and other organisations – as well as feedback from the Charity Commission's casework teams about the charity law and governance issues that confront charities, particularly, small and medium-sized charities, working in consortia that contract for the delivery of public services – see below for reproduction of these interview schedules.

Initially, one or two representatives from each of the consortia's administrative hubs or lead providers were interviewed. In the case of the three consortia with large memberships, the steering group, board or trading company directors were also interviewed.

We then asked these representatives to recommend interviewees from amongst their members who could reflect the experience of participating small or medium-sized charities. The referrals included smaller organisations who were members of the consortium, as well as consortium members providing support to smaller charities.

In total, 19 interviews were conducted, some consortia providing as many as five interviews.

## A2.4 Interview schedules

### Questions for lead bodies/consortia hubs

**Interviewee:**

**Contact details:**

**Date of interview:**

#### About the consortia

Name of consortia:

Sub sector:

Geographical area of operation:

How long in existence:

Motivations for establishment (explore whether reactive or proactive):

Set up for a specific period ie the duration of a contract or funding period, or designed to be more permanent?

#### The legal status of the consortium

What is the structure of the consortium – a separate legal entity, a loose network or another?

Why have you chosen to incorporate/not to incorporate?

If the consortium is a separate legal entity what is its legal status?

Why was this legal status chosen? What did you see as its advantages?

Have these expected advantages been realised? Have there been any unforeseen benefits/challenges?

Was any legal advice taken?

#### About the membership

How many organisations are in membership/comprise the network?

Are all the members not-for-profit organisations?

Are only not-for-profit organisations eligible for membership? (If yes, explore reasons)

If no, are any private sector and/or public sector organisations in membership?

How many of the members are charities (or trading subsidiaries of charities)?

How many are small and medium-sized charities (under 1m annual income)? What is the turnover of these charities (or the range if a large number)?

How many charity subsidiaries are in membership? What is their income?

What is the income of the largest organisation in membership?

Do organisations have to meet certain requirements/a particular quality threshold in order to be consortium members/deliver contracts under the consortium umbrella? (If yes, could I see the documentation related to this?)

Have you made particular efforts to involve smaller charities?

### **How does the consortium operate?**

Is there a written agreement between you and the members about respective roles and responsibilities?

If yes, what does the agreement cover? Can I see a copy?

Do members play a role in the governance of the consortium? If so, how?

How are decisions made on which particular contracts to bid for and what not to bid for?

How does the consortium ensure that a contract or grant is a good fit for it and is acceptable to its members?

How generally do you or the consortium's governing body involve all consortium members in decision-making?

How does the consortium ensure effective communication and transparency with all its members?

How does the consortium, as a whole, monitor and report on its projects/contracts? What role do the individual members play in this?

### **Contracts and funding**

Do you hold all the contracts subcontracting to other members as appropriate?

Is there negotiation about the terms of subcontracts (or do subcontracts simply mirror the terms of the main contract)?

What contracts has the consortium been successful in winning and for what services?

What is the value of these contracts?

Are these statutory or discretionary services (ie does the commissioner have a legal duty to provide these services)?

Has the consortium accessed grants or other forms of financing (loans, quasi-equity investment)?

What are the annual costs of operating the consortium?

How have these costs been met? (Is there a membership fee? Is it tapered?)

## Issues

In your experience are there particular issues that arise for charities in relation to consortia working? Are there particular issues that arise for smaller charities?

In relation to –  
Independence and remaining true to mission:

Have any charity members ever raised as an issue (either with you or the consortium's governing body) the fact that some of the services that the consortium might want them to deliver would fall outside their legal objects? In what situation? How was the problem dealt with?

Have any charity members ever raised any concerns that specific contract terms that they have been asked to sign up to might compromise their ability to make decisions and/or use charitable resources in the best interests of their beneficiaries? If so, what has been the nature of these concerns? How were they dealt with?

In relation to –  
Risk management

Who is ultimately accountable if the consortium fails to meet its obligations? For example, if one member of the consortium breaches a contract, is the consortium as a whole liable? What measures are in place to mitigate and manage such risks?

Do you encourage members to carry out their own due diligence exercises on other members they might be dependent on for successful delivery of their part of the contract? Have any issues ever arisen in relation to this? If so, what and how were they dealt with?

Have you been asked by consortium members to negotiate specific terms with local authorities (or other commissioners) to reflect particular needs or risks that charities or smaller members within the consortium have or might be vulnerable to? If so what have been the proposed terms? Have you been successful in negotiating them?

Have any skill, resource or systems issues arisen for consortium members in delivery of a consortium contract? How has the situation been managed? Do you carry out any capacity-building within the consortium?

Are smaller consortium partners particularly exposed to risks?

What happens if a consortium member wishes to leave the consortium?

In relation to –  
Governance, transparency and accountability

Have you come across any misunderstandings or lack of clarity within the consortium about individual member's/partner's roles and who has authority for decision-making? If so, what type of misunderstandings/lack of clarity has arisen? How have they been resolved?

Are you aware of any situations which have thrown up a conflict of interest – eg between the consortium and an individual member/partner? If so, what was the nature of this conflict of interest and how was it dealt with?

For example, has a situation ever arisen where a member organisation has had to step aside from being involved in a consortium decision because of that organisation having a vested interest in the outcome? Or have there been situations where you think this should have happened, but it hasn't?

In relation to –  
Use of charitable assets

Full cost recovery – has this been an issue for any of the consortium members? If so, how? Has this issue been resolved?

Payment by results – has payment been made in this way under consortium contracts? If yes, has it proved an issue for any of the consortium members? If so, in what context? Has the issue been resolved?

In relation to –  
Private benefit as it relates to charity law

Have any of the consortium's contracts had to deal with post contract ownership of intellectual property, or residual lease terms, or ownership of goods or equipment purchased specifically to deliver the contract, or profit sharing from a trading activity? If yes, how has this property/profit been allocated? Have any of the consortium members raised issues about how this property/profit needs to be dealt with because of the legal status of their organisation? What issues were raised and how were they dealt with?

### **Present and future impact**

What have been the benefits of the consortium for the charities involved, particularly smaller charities, commissioners and service users?

Do you have views on what makes your consortium successful? How have you overcome the inevitable disputes/infighting etc?

Is there anything you would want to do differently in hindsight or which you might want to change in the future?

Is it planned to develop the consortium's work in the future – if so how?

What do you see as the likely main future opportunities and challenges?

### **Other people to talk to**

Which other individuals, involved in the consortium, would be able to provide me with an insight into the issues that have arisen for smaller charities in the consortium in relation to this way of working?

[These individuals might represent small charities in membership, might be individuals providing support to consortium members with charitable status or might be procurement officers in the public sector?]

## Questions for small charities involved in consortia

**Consortium:**

**Interviewee:**

**Contact details:**

**Date of interview:**

### About your organisation

Name:

Description of work:

Annual income?

### Membership of the consortium

When did you become part of the consortium?

What has your role been in the consortium/how have you contributed to its work (subcontractor, adviser, lead on some contracts)?

### Joining (and leaving) the consortium

What motivated you to join the consortium (were you part of a group of founding organisations)?

Either way, how was the decision made to join? Who made it and on the basis of what information (about other members, the role of the consortium, rules of engagement between the consortium and members etc)?

Did you have to meet a specific quality standard in order to join the consortium? If so, did you find this easy/difficult to achieve?

Was the compatibility of your legal objects/mission with consortium membership and consortia working discussed? If yes, what did you conclude?

(Probe: have there been any problems since you joined about the way the consortium wanted to develop services it wanted to deliver and compatibility with your objects/mission?)

At the joining stage, did you identify any risks associated with membership? If yes, what were these?

Did you consider how to mitigate each of these? If so how?

Did you carry out any sort of due diligence exercise on other members of the consortium itself? If yes, what did this involve?

(Probe – or did you consider risks and how to mitigate them later on for example before entering into specific commitments to deliver services in partnership?)

Were the risks that you identified at the start realised later on? Did your mitigation strategies work?

Were there risks that you didn't identify at the start but which became apparent later on? How did you deal with these?)

If, for whatever reason, you needed to leave the consortium, how would you go about doing this? Do you have an exit strategy?

## **Governance and accountability**

Does your organisation have a role in the governance of the consortium (for example, a place on the board or other decision-making body or a role in electing it)?

Generally, do you consider that your organisation has a fair say in how the consortium operates/the decisions taken about its management? If yes, how?

Do all the organisations in the consortium have an equal say and equal influence?

For example, what is the actual decision-making process for major decisions affecting all consortium members – eg equal vote for all members with majority decision, or another system?

Have you ever disagreed with a position/development agreed by the consortium as a whole? If yes, how was the matter resolved?

Have there been any misunderstandings or lack of clarity about your role/the role of other members/partners and who has authority for decision-making? If so, what type of misunderstandings/lack of clarity have/has arisen? How have they been resolved?

Have you been concerned about conflicts of interest in consortium decision-making? If so, what was the nature of this conflict of interest and how was it dealt with?

For example, has a situation ever arisen where a member organisation has had to step aside from being involved in a consortium decision because of that organisation having a vested interest in the outcome? Or have there been situations where you think this should have happened, but it hasn't?

Is there any monitoring or evaluation of your work by the consortium itself? If yes, describe this work. Is this monitoring/evaluation helpful to you or do you regard it as problematic?

Have there been any examples of a consortium member not delivering? If so, what happened or what would happen? Who has liability and how is the risk managed?

## **Contracts and funding**

What contracts have you been involved in delivering as part of the consortium? (What services and under contract to whom?)

What was your organisation's role in helping the consortium secure this contract?

What has been the value of these contracts in total and to your organisation?

Have there been any issues about contract payments that have had to be negotiated within the consortia? If so, what were these and how were they resolved?

(For example:

Full cost recovery – has this been an issue? If so, how? How have you ensured that you have received full cost recovery?

Payment by results – has payment been made in this way under consortium contracts? If yes, has it proved an issue? If so, in what context? Has the issue been resolved? )

As a consortium member have you been involved in grant-funded work?

If so what was the grant amount and what was your share of the total?

Do you make a financial contribution to the costs of the consortium? If yes, does this raise any issues for you?

Have you ever had any concerns that specific contract terms that you have been asked to sign up to might compromise your ability to make decisions and/or use charitable resources in the best interests of your beneficiaries? If so what have been the nature of these concerns? How were they dealt with?

### **Other issues**

In your experience, have any other problems or issues, not touched on so far, arisen in the consortium? Please describe them and how they were negotiated.

### **Present and future impact**

Since being a member of the consortium, have you encountered any capacity issues – in terms of skill or other resource needs – that your organisation has needed to solve in order to work effectively as part of the consortium? If so, what have these been?

What have been the benefits of the consortium for your organisation, commissioners and service users?

(Probe: does the consortium engage in any activity building the capacity of smaller organisations to engage in contracting?)

Does it negotiate/seek to influence contract terms on behalf of consortium members? Does it seek to negotiate specific terms to reflect the need/vulnerabilities of smaller organisations/charities? If yes, has it been successful? If yes, can you give me some examples?

Are there any disadvantages to membership of the consortium? If so, what are these?

The consortium is perceived as successful. Do you have views on what makes it successful? How have the inevitable disputes/infighting etc been overcome?

Is there anything you would want to do differently in hindsight or which you might want to change in the future in relation to the consortium and your involvement in it?

### **Other people to talk to**

Which other individuals, involved in the consortium, would be able to provide me with an insight into the issues that have arisen for smaller charities in the consortium in relation to this way of working?

[These individuals might be other small charities in membership, might be individuals providing support to consortium members with charitable status or might be procurement officers in the public sector?]

## Annex 3: Research participants

### A3.1 Consortia members interviewed

The following individuals were interviewed from each consortia participating in our research:

#### **Sheffield Wellbeing Consortium (SWC):**

David Qualter, SWC  
Abtisma Mohammed, Yemeni Community Association  
Debbie Matthews, Manor Castle  
Lucy Chambers, Darnell Well Being

#### **Northumberland Learning and Employability Access Partnership (NLEAP):**

John McGough, NLEAP  
Elaine Slater, DISC  
Eddie Galvin, Newbiggen Arts  
Vee Robinson, North East Equality and Diversity (NEED)

#### **Rotherham Children, Young People and Families' Consortium (CYPF)**

Paul Robinson, CYPFC  
Kerry Albiston, Rotherham Women's Refuge  
Mary Ann Barton, Action for Children  
Caroline Langston, Activate High St Centre  
David Sargent, Chantry YMCA

#### **Birmingham Disability Consortium (BDC)**

Nigel Maggsooterhagen, Action for Blind People  
Mark McPearson, Action for Blind People  
Erica Barnett, Bitapathways  
Chris Bates, Rathbone

#### **The 800 Group**

Paul Clitheroe, PSS  
Niki Barnet, Bradbury Fields Services for Blind and Partially Sighted People.

## Annex 4: Checklist for trustees

This checklist is intended to set out some of the questions that charity trustees might find useful to ask themselves before deciding to join a consortium. It is not an exhaustive list, but could be used to help structure a discussion as an agenda item at a trustee meeting or other planning meeting. It should also help trustees decide whether they need to take professional advice on particular issues.

### A4.1 Safeguarding independence and remaining true to mission

- Is participation in a consortium in the best interests of our beneficiaries and consistent with our mission?
- Will consortium membership tie our charity to delivering particular services and, if so, are these consistent with our mission?
- Will delivering contracts through a consortium unduly compromise our independence and ability to decide how we deliver services?
- Will we be able to leave the consortium if its activities turn out not to be in the interests of our charity?

### A4.2 Accountability and transparency in governance

- Who is responsible for the effective operation of the consortium?
- Are we clear about (and satisfied with) the consortium's management and operational structures and processes?
- Are we clear about roles and responsibilities within the consortium – for example, are contracting relationships between members clearly defined?
- How will the consortium and its members communicate with each other?
- Do we think that our charity, especially if it is a smaller one, will have an equal voice in decision making?
- How is access provided to contracting opportunities?
- Is it clear how the consortium will identify and manage conflicts of interest?
- Are we clear about the performance monitoring systems that the consortium has in place? Will our charity find them too onerous or costly?

### A4.3 Effective risk management

- Are we satisfied that the consortium has proper procedures in place to assess and manage risk to its members?
- Have we identified the risks to our charity of participation and what can we do to manage them?
- Who holds the contracts and is ultimately responsible if there are problems with delivery?
- Are we satisfied that the consortium has proper procedures in place to check that members delivering contracts have the capacity to do so?
- Do we think that we should be carrying out our own due diligence checks on delivery partners? Should we be taking professional advice on this?
- What steps will be taken if there are failures in delivery by some members?

#### A4.4 Safeguarding and appropriate use of charitable resources

- Are we satisfied that participation in the consortium will help us to manage the financial risks associated with contracting?
- Are the financial projections we have developed for contract income realistic and do they take into account any difficulties that may be experienced with contract delivery?
- Can the costs of participating in the consortium, in the form of membership or other fees, be justified (taking into account support received and funding accessed)?

#### Other legal and taxation issues

Trustees new to contracting should also be aware that a range of additional legal and taxation issues are relevant, including, but not restricted to:

**Competition law:** Consortia need to be careful not to operate in an anti competitive way (for example, privately agreeing to charge the same price for services).

**VAT:** Charities and other organisations new to contracting need to be aware that contracting has VAT implications.

## Annex 5: Signposting to resources

### A5.1 THE CHARITY COMMISSION FOR ENGLAND AND WALES

Readers may find the following Charity Commission publications helpful, all of which are available for download from the Commission's website:

- *Collaborative Working and Mergers: An introduction* (CC34)
- Choosing to collaborate: Helping you succeed
- Checklist for collaborative working
- Checklist for due diligence
- *Charities and Public Service Delivery – An Introduction and Overview* (CC37)
- *Charities and Risk Management* (CC26)
- Compliance Toolkit: Protecting Charities from Harm, Chapter 2: Due Diligence, Monitoring and verification of the end use of funds
- *Strength in numbers: Small charities' experience of working together* (RS24)

### A5.2 FURTHER RESOURCES

**The Association of Chief Executives of Voluntary Organisations (ACEVO)** offers resources aimed at helping voluntary sector organisations to access procurement and commissioning opportunities.

Website: [www.acevo.org.uk](http://www.acevo.org.uk)

Key resources:

- An introduction to commissioning and tendering
- Involving small groups in public service delivery and engaging with procurement and commissioning opportunities
- Collaborative working models for winning public service contracts

**Bassac** delivers a project called Collaborate for Commissioning, which supports 'community anchor' organisations to participate in the commissioning agenda. It also runs the Collaboration Benefits training programme, aimed at helping community groups to develop successful partnerships.

Website: [www.bassac.org.uk](http://www.bassac.org.uk)

Key resources:

- Getting started on collaboration – a toolkit (2007)
- How to collaborate: tools and templates (2009)
- Benefiting everyone: commissioning, community organisations and collaboration (2010)
- Preparing for commissioning: self-assessment questionnaires for community-based organisations
- Presenting a professional, united front to commissioners: Lancashire Third Sector Consortium for mental health (2010)

NB: In April 2011, bassac and the Development Trusts Association merged to form Locality.  
Website: [www.locality.org.uk](http://www.locality.org.uk)

**The Cabinet Office** is the government department with responsibility for setting policy on the voluntary and community sector. Website: [www.cabinetoffice.gov.uk](http://www.cabinetoffice.gov.uk)

Key resources:

- Modernising Commissioning Green Paper: Increasing the role of charities, social enterprises, mutuals and cooperatives in public service delivery (2010)
- Working in a consortium: a guide for third sector organisations involved in public service delivery (2008). NB: This publication was published by the Office of the Third Sector under the previous government. Its website is archived.

**Charities Evaluation Services (CES)** is a charity that provides resources, consultancy, external evaluations and support on quality and evaluation systems for the voluntary sector. Website: [www.ces-vol.org.uk](http://www.ces-vol.org.uk)

Key resources:

- Practical monitoring and evaluation: a guide for voluntary organisations (3rd edition) NB: there is a charge to access this publication
- First steps in monitoring and evaluation (2002).

**The Housing Action Charity (HACT)** helps housing providers to improve the wellbeing of people in poor and marginalised communities. Website: [www.hact.org.uk](http://www.hact.org.uk)

Key resources:

- Collaborate worksheets (2008)

**Institute for Voluntary Action Research (IVAR)** has conducted research on collaborative partnerships between voluntary organisations. Website: [www.ivar.org.uk](http://www.ivar.org.uk)

Key resources:

- Thinking about... collaboration - A 10-year research synthesis (2011)
- Getting ready for collaboration: Learning from experience (2010)
- Collaborative working between large and small voluntary organisations (2006)

**The National Association of Voluntary and Community Associations (NAVCA)** is the national voice of local voluntary sector infrastructure in England. It runs the Local Commissioning and Procurement Unit (LCPU) which supports NAVCA members to get to grips with commissioning. Website: [www.navca.org.uk](http://www.navca.org.uk)

Key resources:

- Need help with commissioning and procurement? (2010)
- A bridge between two worlds: a study of support and development organisations and intelligent commissioning (2010)

**The National Centre for Independent Living (NCIL)** campaigns for the rights and equality of disabled people. Website: [www.ncil.org.uk](http://www.ncil.org.uk)

Key resources:

- Disability Action in Islington: an introduction to consortium working - a user-led organisation's view (2010)

**The National Council for Voluntary Organisations (NCVO)** is an umbrella body for the voluntary and community sector. It offers a range of advice and guidance. Website: [www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)

Key resources:

- Structures for consortia delivery of public services
- Joint working for public service delivery (2006)
- Should you collaborate? Key questions
- Joint Working Agreements (2006)

**New Philanthropy Capital (NPC)** is a consultancy and think tank dedicated to helping funders and charities to achieve a greater impact. Website: [www.philanthropycapital.org](http://www.philanthropycapital.org)

Key resources:

- Full cost recovery: a guide and toolkit on cost allocation (published in partnership with ACEVO)
- Impact networks: charities working together to improve outcomes (2011)

**Participation Works** is a partnership of six organisations that work with young people. Its purpose is to enable organisations to effectively involve children and young people in the development, delivery and evaluation of services that affect their lives. Website: [www.participationworks.org.uk](http://www.participationworks.org.uk)

Key resources:

- How to use a consortium working approach (2010) NB: There is a small charge to access this publication

**The Small Charities Coalition** exists to help small charities access the skills, experience and resources they need to achieve their aims. It also matches small charities with other organisations to develop resources and improve knowledge and skills. Website: [www.smallcharities.org.uk](http://www.smallcharities.org.uk)

**The Third Sector Research Centre (TRSC)** has conducted research into commissioning and partnership working in the third sector. Website: [www.tsrc.ac.uk](http://www.tsrc.ac.uk)

Key resources:

- Third sector partnerships for service delivery: an evidence review and research project (2011)
- The third sector delivering public services: an evidence review (2010)

**3SC** exists to bid for and deliver large public sector contracts on behalf of voluntary sector service delivery organisations. Website: [www.3sc.org](http://www.3sc.org)

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