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Developing positive relationships

This worksheet focuses primarily on issues raised in the process of building consortia. Much of it, however, is also relevant to organisations considering sub-contracting relationships with a larger lead agency.

AT A GLANCE

- Decide who's in – and who's out
- Establish compatibility and a common purpose
- Develop a positive culture – and a unifying brand
- Agree a memorandum of understanding – identify leadership and the lead agency
- Identify any additional support required

Who's in – and who's out

This may seem a ruthless way of putting it, but ultimately the success or failure of your consortium will depend on the quality and credibility of the partners, and the team dynamic you are able to build up in what is often a very limited amount of time.

Most partnerships start with exploratory conversations based on the chief executive's existing networks and working relationships, and then crystallise into an initial meeting of interested parties. Whose standards and business ethics do you trust and respect? Whose services and reputation might complement your organisation's strengths? Is there anyone you must have on board? Are they interested in possible collaboration? Answering these questions will help you put together a possible list of partners.

Check before calling the first meeting – it is harder to lose unsuitable partners once discussions have started than not to invite them in the first place. Does the possible line-up look feasible, and credible? Could it provide commissioners with added value – and what is this value? Does the partnership look complete?

There is a case to be made for keeping the numbers small, otherwise the whole contract can be pre-determined by the needs of the partners leaving little scope for flexibility or innovation. SNAP, the Collaborate partnership in Suffolk, has six partners in its consortium, while the C4 Consortium in Wiltshire has four. The Lancashire consortium operates with 13 partners. Twelve of these, however, were existing small providers out of a population of 56, and the lead agency had not previously worked in the county, so even here there was a fair amount of scope.

Establish compatibility

It is essential to do this as soon as possible – you don't want to do a lot of work only to discover there are fundamental issues that can't be resolved. Key issues include:

Quality. You need to be at a certain level to be round the table. The Collaborate partnership in Durham, for example, looked for all its members to have a minimum of QAF level B. Are the partners respected by SP?

Due diligence. Do basic checks on the business viability of partners. You

can't afford weak links. If problems are discovered at this stage they can be discussed and dealt with openly rather than when it's too late;

Bottom lines. What is the minimum that each partner needs out of the arrangement? Are these compatible with the needs of the other potential partners? Are there any other deal breakers?

Added value. What does each partner bring to the partnership? Is it specialisms, capacity or infrastructure?

Differences. How are you going to deal with the differences in ethos, delivery, cost structure and decision-making?

3 Identify the common purpose

Get agreement on the vision and values as soon as possible:

- for the service – put service users at the heart by committing to include them and staff in developing the vision;
- for the partnership.

THE SNAP CONSORTIUM'S AGREED COMMON VALUES:

Respect; Integrity; Honesty; Trust.

4 Develop a positive culture of partnership

Partnerships depend on trust, a positive, open, equal culture and the ability to find compromises. As the consultant working with one Collaborate partnership stated, '*Goodwill, commitment and openness have made technical problems melt away*'.

Formalise a confirmation of commitment and an agreement on fundamentals at an early stage by:

- drawing up a memorandum of understanding (see pages 6-7) to incorporate ground rules;
- insisting on exclusivity: you can't develop an effective consortium if some people around the table are also working on other approaches for the same contract;
- having a binding confidentiality agreement;
- discussing what the intention to share risks and liabilities means in practice, and how this is to be achieved;
- considering levying a non-refundable financial contribution. This not only provides working capital for developing the bid, but also concentrates the mind of those organisations that might not be serious about their commitment to the partnership;
- Get to know each other by working on matters that can be completed before the commissioning process is finalised, for example, benchmarking, policy/procedure reviews, structures, standards and contents of bid portfolio. Save time by getting task groups to develop materials off-line, before bringing them to meetings, rather than trying to do everything in a roundtable format.

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Develop an identity

- Building a brand emphasises this is a new joint venture looking at fresh ways of meeting needs and delivering value, not just a grouping of current providers looking for a pragmatic way to defend income;
- Sort out your key messages and agree protocols over who is going to speak on behalf of the consortium;
- Communicate constantly with all stakeholders: commissioners (not just SP), politicians, service users, staff and other third sector organisations.

As well as being good actions to take in themselves, all of these will add value to your approach.

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Leadership and the lead agency

Although mutual accountability and mutual benefit are essential, the larger the group, the more someone will need to be acknowledged as having the authority to drive it forward and sort out differences.

- Recognise this as an issue and resolve it early;
- Recognise where the real leadership is coming from within the group

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Support

All the Collaborate partnerships following the consortium route took on a consultant to help them develop the consortium and write the bid. The SNAP consortium in Suffolk said an expert consultant was a '*vital*' ingredient in putting together a successful bid. There were two key roles:

- practical help pulling together evidence and documents, writing the bid;
- acting as a critical friend, providing objectivity within the process and asking hard questions.

SNAP's view is that the consultant needs to have expertise in the SP field and not simply a generic facilitator.

Other resources

There are a number of resources that deal with consortium development within the voluntary sector – a good example is NIACE's *Step By Step Guide To Developing Voluntary And Community Sector Learning Consortia*. See www.niace.org.uk for more details.

The case examples in Chapter 7 of Sitra's *A Provider's Guide To Procurement* and the NCVO case study *DISC – Developing Initiatives And Supporting Communities* provide key learning points from successful consortia. See ncvo-vol.org.uk for more details.

DRAFT MEMORANDUM OF UNDERSTANDING

This draft Memorandum of Understanding is presented as an example of the areas you will want to agree on. There could be others, and your partnership and its members may want to take your own advice, legal or otherwise, about its contents and wording.

Introduction

[Names of partners] have agreed to work together to develop a consortium of local service providers to meet the support needs of vulnerable people in [location]. We are committed to working together in a spirit of partnership to create the consortium in order to enable us to better meet the challenges of delivering our missions in a changing environment.

Aims of the consortium

We believe that the consortium will enable us to:

- provide better services to the people whose needs we exist to serve;
- build a stronger, more effective network of provision within [location];
- build the capacity of the consortium partners;
- provide commissioners with user-led, value for money services that embrace diversity and continuous improvement and meet their strategic priorities;
- work in partnership with agencies, service users, stakeholders and commissioners to develop the service, increase choice, and identify and address unmet needs;
- reinvest the added value created by the consortium for the benefit of the community.

Values

The values of the consortium are:

empowerment	independence	inclusion
dignity	respect	choice
equal opportunities	involvement	objectives

The short-term objective of the consortium is to tender for a contract for delivery by its members of [type of service] in [location]. In the longer term, we intend to develop the consortium as a vehicle for tendering for, and jointly delivering, further public services and for undertaking research, pilot projects etc in areas of unmet need.

Understandings between the consortium partners

Confidentiality

Each of the consortium partners will make every effort to ensure that confidentiality is maintained. In particular, we recognise that in order to be effective, discussions at consortium meetings will involve the sharing of commercially sensitive information, and each of the partners undertakes not to use information gained from taking part in the consortium to the detriment of the consortium or of any of its members.

Due diligence and risk assessment

The partners recognise that in entering into the consortium they are making commitments to the other partners to achieve agreed standards of performance and service delivery, and that they will continue to operate as a going concern, and that failure to meet these commitments could damage the consortium and its other members. They therefore agree to share information about these matters with each other openly and fully so that potential risks and problems can be identified, discussed and dealt with.

Transparency

We are committed to complete transparency within the consortium and between its members. Any information produced for the consortium will be available to all of its members, and issues concerning consortium business will be considered and resolved through processes of collective discussion.

Costs

The partners agree to contribute equally towards the cost of establishing the consortium. In the first instance, the agreed contribution will be £1,000.00 per member organisation. Any further contributions will be agreed by mutual consent, and will be proportional to partners' expected share of the consortium's income if our bid is successful.

Governance

The partners recognise the importance of ensuring that they obtain the support of their governing bodies for the creation of the consortium and the key decisions that will need to be taken in the course of its development. They undertake to keep their governing bodies informed and to seek authority as and when necessary so as to minimise the risk of delays at crucial moments.

About Collaborate

Collaborate was a year-long project run by hact, funded by Communities and Local Government and delivered in partnership with Sitra and NHF, featuring six partnerships in Suffolk, Liverpool, Durham, Rotherham, Redbridge and Southend. The project aimed to demonstrate how diversity can be maintained and particularly how smaller SP providers could thrive within the emerging SP environment, by developing collaborative approaches to tendering and delivering services, between themselves and with larger organisations. Hact helped project partners in two ways:

- Through practical help and facilitation, working through some of the issues involved in developing collaborative models;
- Through financial support of the costs of building capacity of some of the smaller partnership members, as well as some of the legal and expert support costs.

In exchange, all the participating organisations contributed to an evaluation and facilitated learning process between the partnerships, so their insights could be shared with the wider sector.

About hact

Hact pioneers housing solutions to enable people on the margins to live independently in thriving communities. We use our expertise and resources

to identify emerging issues, test ideas, support multi-agency solutions and share learning that changes policy and practice.

About this resource kit

This resource kit has been produced as one of the ways of sharing the learning from the Collaborate project. It consists of eight worksheets, which provide information about strategic development, different collaborative approaches, how to influence procurement processes, developing collaborative bids and implementation issues (see list below).

Though focused on small providers, the learning has relevance for all in the SP sector. Hact doesn't intend to suggest that collaboration is the only option for small SP providers. Some may choose to leave the market. Others might persuade local commissioners to exempt them from the normal commissioning process.

For many providers, however, SP is a vital part of their income and leaving the market is not an option. Sooner or later, their service will be subject to reconfiguration and tendering, probably as part of a much larger contract. Some form of collaboration may represent their best chance of staying in the market – and possibly in existence. It may also, if the experience of some successful Collaborate partnerships is a guide, be a stimulus to developing better services and ensuring a diversity of provision for service users.

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Collaborate resource kit

Worksheets:

- 1 A strategy for change
- 2 Large/small partnerships
- 3 Consortia
- 4 **Developing positive relationships**
- 5 Influencing the process
- 6 Legal issues
- 7 Writing the bid
- 8 Implementation