

# REBALANCING THE RELATIONSHIP: FINAL REPORT

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## Foreword

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The commissioning and procurement environment is competitive and frequently does not reward or facilitate meaningful collaboration. Yet when larger and smaller charities work together in partnership, they can offer and deliver significantly greater impact for the people and communities they serve than by acting alone. But partnership working is rarely easy. The Rebalancing the Relationship project began two years ago with an aim of contributing to the improvement, frequency, effectiveness, and spirit of partnerships between larger and smaller charities and social enterprises.

It is important to recognise at the outset of this report that commissioning processes and systems are often flawed and that we will continue to work alongside sector colleagues to change that. A more enabling commissioning environment will help charities achieve greater impact for the people, communities and causes they serve.

However, there are things within the current operating environment that we can control as leaders, and that we can make better for our colleagues in the sector, but more importantly for the communities we serve. There are many voluntary sector organisations that have already put in place changes to how they operate, and this report provides insight, advice and guidance for others also seeking to make positive changes.

Elements of this report may be uncomfortable to read. But this report is not about singling out a particular organisation or type of charity, nor is it about assigning blame. It is about better understanding the power imbalances inherent in collaboration and competition, demonstrating accountability where we have not got it right in the past, and creating a stronger voluntary sector ecosystem.

A strong voluntary sector ecosystem requires individual organisations to not only recognise and value their strengths, but to recognise and value the strengths of others. Larger organisations often have more financial resources and a brand recognition that can open doors. Smaller organisations can be more nimble and can often move quicker. Recognising the role and value in these different characteristics will reduce the risk of negative power imbalances, and create stronger services for communities. Our shared vision is of a sector that works together more effectively, ensuring that people get the support they need and want from charities.

During the covid-19 pandemic, we have seen collaboration and partnership become the default way of working. Voluntary sector organisations of all sizes collaborated quickly, willingly and

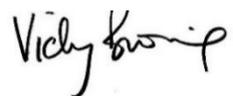
effectively to get people the help they need. This has aided in the engagement of millions of volunteers, has enabled charities to respond quickly to changing community needs and has created a stronger, more unified ‘sector’ voice for influencing central government. As we build back better, we must remember, and build on the things that have been done better in 2020. This will be especially important if charities are to address the widening inequalities exposed during the pandemic.

But building back better is not something we can just ask others to do. It is something we must do ourselves. There is opportunity now to permanently disrupt business as usual and retain the spirit of partnership that came to the fore during the pandemic. However, we cannot just skip ahead to ‘better’. We must first understand why things have previously gone wrong and acknowledge our mistakes. We can then focus on changing our behaviours and attitudes to partnership and building back better together, including by collectively tackling broken commissioning practices. We hope that this report can be part of that process.

We want to thank the steering group, advisory group and all those who contributed to this research. We hope that we have reflected the full depth of your experiences and expertise. We look forward to hearing reflections on it and to working with charities and leaders across the sector to together take forward its recommendations.



Sarah Vibert



Vicky Browning

## Acknowledgements

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This report has been the result of a partnership between NCVO, ACEVO and Lloyds Bank Foundation for England and Wales. We would like to thank colleagues across the partner organisations for their support in developing this report, particularly Maisie Hulbert, Kristiana Wrixon, Caroline Howe, and Rachel Cain. We would like to thank Lloyds Bank Foundation for the funding that has enabled us to carry out this work.

We are grateful for everyone who has taken the time and effort to participate in this project by sending us evidence, attending events, or offering case studies and taking part in interviews. We would especially like to thank members of the steering and advisory groups for their advice and feedback since the start of the project. Members of the steering group included Paul Streets (Lloyds Bank Foundation), Polly Neate (Shelter), Laura Bunt (We Are With You), Jake Ferguson (Hackney CVS), Priya Chopra (Saheli), Elaine Handley (Derbyshire Alcohol Advice Service), Julian Blake (Stone King) and Sue Bott (formerly of Disability Rights UK). It was chaired by Karl Wilding (NCVO) and Kate Welch (Social Enterprise Acumen, and former trustee of ACEVO).

# Executive summary

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## Introduction

In 2018 NCVO, ACEVO and Lloyds Bank Foundation for England and Wales launched a project to address competition and collaboration, particularly between organisations of different sizes delivering public services. The project has focused on organisations working within the context of the competitive commissioning environment and aims to encourage more collaborative ways of working. The findings and considerations for practice within this report are based on significant engagement with organisations across the voluntary sector.

A variety of thriving charities working together is vital to deliver high quality support, tackle complex and systemic social issues and empower communities and put them at the heart of decision-making. The pandemic has also demonstrated the importance of collaboration, especially with local organisations, to support communities.

While negative experiences have corroded trust between organisations, this report demonstrates that there are bright sparks of collaboration between charities delivering public services. Generous leaders are marking a new and different path, demonstrating that collaboration is possible and worthwhile even within the current competitive environment.

It is vital for all organisations, especially those with more power, to consider how their impact on the wider voluntary sector affects the people they serve. This is not just a matter of avoiding harming other organisations. It is crucial we actively create an environment that ensures a range of good organisations can serve the communities they work with.

## Key findings

### Commissioning and procurement practice<sup>1</sup>

While some charities do report supportive practices from some commissioners, most organisations express frustration. Charities of all types and sizes report a range of challenges, including:

- poor service design
- lack of funding
- increasingly large generic contracts
- passing on risk to providers
- tight deadlines.

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<sup>1</sup> There are different definitions of commissioning. Broadly commissioning is a cycle of activity comprising of assessing need, planning and then procuring services, and monitoring and reviewing those services. Procurement is the process of sourcing and selecting goods or services from other organisations, often through a competitive process.

## Negative experiences of competition and collaboration

Most organisations we spoke to in this research have had mixed experiences of competing and collaborating, with some reporting negative experiences. These experiences can influence how charities view each other over time, and the level of trust between charities. Negative experiences are not isolated – they have a ripple effect.

- Being involved in poor quality partnerships: Subcontracted organisations<sup>2</sup> report poor treatment, lead providers allocating funding unfairly, and a lack of power and voice in the processes.
- Having work appropriated or undermined by other charities, for example, being included in a bid but later not receiving work or funding.
- Charities bidding for contracts outside of their mission, causing some organisations to lose their core work. User-led organisations<sup>3</sup> in particular experienced challenges with non-user led organisations bidding for their core work.
- Charities winning contracts they then struggle to deliver, due to lack of local knowledge or presence, submitting unrealistically low bids, or a lack of processes and policies. This is a particular problem where there had been an existing local provider delivering well.
- Most charities engaged in this project have indicated an openness to working in collaboration, but many describe hostility or reluctance from other charities.

Most charities believe these negative behaviours are driven by the competitive commissioning environment, whereas others view these behaviours to be driven by a focus on organisational gain over impact. However, some recognise they have a responsibility and opportunity to behave differently. Some charities recognise that their own practices and approach as a charity may have caused some of these negative experiences and describe efforts to now increase the frequency and quality of collaboration as well as compete in a responsible way.

## Collaborative practices and motivations

While some charities have negative experiences of working with each other, there are also examples of very successful collaboration. Even within the constraints of commissioning and procurement practice, organisations have found ways to work with one another. Examples include:

- Bidding for and delivering contracts in partnership, including larger charities supporting smaller organisations to meet the requirements of commissioners and offering flexibility to partners during delivery.
- Building the capacity of smaller organisations either during contract delivery, or outside of a contract.

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<sup>2</sup> A subcontractor or subcontracted organisation is contracted by another to deliver part of a contract.

<sup>3</sup> A user-led organisation (ULO) is an organisation that is run and controlled by people who use support services such as disabled people or people who use mental health services.

- Influencing commissioners to support and reduce barriers for smaller organisations.
- Competing in a responsible way, including not underbidding for contracts, bidding according to expertise and mission, and not bidding if the current provider is delivering well.
- Buying in the support of smaller organisations outside of contract delivery.
- Facilitating the flow of money to other charities.
- Sharing infrastructure and resources.

Charities describe a range of approaches to improve the quality and success of partnership working including:

- Sharing power and knowledge, ensuring all partners are included in decision-making.
- Aligning values when selecting partners, and clarifying shared expectations and ways of working.
- Effective management, including fair funding arrangements, legal agreements, and regular communication.
- Offering flexibility to partners.
- Developing partnerships early and investing time in development.
- Building positive personal relationships across organisations based on trust.

Organisations express a range of motivations to work with one another, including working with others who have a similar mission and values to them. Others collaborate for necessity, if they cannot deliver a service alone. Delivering value for money is another driver, with examples including avoiding duplication and the opportunity to share back office functions. Some organisations felt that capacity building of smaller organisations was a responsibility and a key motivator, whereas for others it was an unintended positive consequence.

### **Organisational culture and leadership**

Collaborative organisations often have an organisational culture that supports collaboration and partnership working. The most collaborative organisations:

- Support smaller organisations as part of their values and behaviours, and enable staff to serve communities rather than their organisation.
- Recognise that growth in size and income doesn't always result in sustainability or impact.
- Embed partnership and support for other organisations into their decision making about what to bid for.
- Ensure their structures and job roles support collaboration.

Leaders, including senior management and trustees, also have a clear role to play to shape this collaborative culture. There are several functions leaders need to fulfil to shape this culture:

- Setting direction
- Devolving responsibility
- Modelling collaborative behaviour
- Ensuring boards create the conditions for collaboration

### Putting collaboration into practice

There are brilliant examples of collaboration across the sector, but it is clear that negative experiences of competition and poor partnership have damaged trust between organisations. Drawing on the findings of this report, we have highlighted the behaviours of collaborative organisations across five different areas:

#### 1. Compete in an ethical and responsible way

| From this...  | To this...   |
|---|--|
| Putting organisations in bids without telling them or not giving work to those organisations during delivery.   | Fully and genuinely engaging partner organisations in bid development, honouring promises to give them work.   |
| Submitting unrealistically low bids.  | Only submit bids for high quality work that is deliverable, and where you can recover your costs. Don't submit low bids you know you can't deliver in order to win. Challenge the authority on their costing, and what can be expected for a certain sum.            |
| Taking an aggressive, monopolistic approach.  | Focus on impact and impact that can be achieved with organisations, rather than market share. View other organisations as partners rather than threats or competitors.   |
| Appropriating work of others and undermining the positive work of predecessors.                                 | Build on the positive work of your predecessors, taking up an offer of a handover if available. Pay others for their knowledge and input wherever possible.  |
| Bidding for work that others are best placed to deliver, and not considering the impact on other organisations. | Bid for work according to a critical and objective assessment of your organisation's strengths and weaknesses, as well as your mission. Investigate whether others are better placed to deliver, and if that is the case potentially choose not to bid against them. |

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2. Demonstrate openness to collaborating with various organisations
3. Explore different ways to support other charities
4. Develop fair and equal partnerships
5. Nurture a collaborative organisational culture and leadership behaviours

We suggest five key questions every leader and individual should consider to improve how their organisation works with others:

1. **Power.** What advantages does my organisation have compared to others, and how can we level the playing field? How can we support organisations led by marginalised groups and communities?
2. **Empathy.** What are the challenges other organisations of different types and sizes face? What do other organisations do better than us? What are the challenges and values we have in common?
3. **Honesty.** How do other organisations, and people who work for them, experience working with us? How can we make them feel comfortable to have an honest conversation with us?
4. **Communication.** Do others know we want to work in partnership and how we approach partnership working?
5. **Impact.** How are the people we serve supported by other organisations? How can we work with other organisations to centre the people we serve and coproduce<sup>4</sup> services? How can we prioritise impact above organisational interest?

## Introduction

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In 2018 NCVO, ACEVO and Lloyds Bank Foundation for England and Wales launched a project to address competition and collaboration between voluntary organisations and social enterprises of different sizes. The project has focused on organisations working within the context of the competitive commissioning environment. By building awareness and highlighting good practice, this project aims to encourage organisations to work in a more collaborative way.

This final report includes the findings from research and engagement activities, and outlines considerations for organisations seeking to work in a more collaborative way. While this project has focused on organisations delivering commissioned public services, we think this report contains reflections that are useful for all charities. It follows an [interim report](#) which was published at the beginning of 2020.<sup>5</sup>

## Why this work matters

No single organisation can do everything. A variety of thriving charities working together is vital to support communities and achieve systemic change, now and in the future. Communities are experiencing more complex issues as a result of a decade of austerity, and there has been a failure

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<sup>4</sup> Coproduction is where professionals and people who use services work in equal partnership to design and deliver services.

<sup>5</sup> NCVO, ACEVO and LBF EW (2018), Rebalancing the Relationship: Emerging findings and draft recommendations

to address entrenched issues and inequalities. The pandemic has only exacerbated these issues. Charities will be more impactful if they work together to support people to access a variety of support, and to tackle societal problems from loneliness to poverty.

We also know charities are at their best when they ‘work with’ rather than ‘do to’ the people they serve. To achieve this, charities need to focus on partnership working with communities and people with lived experience, prioritising impact over organisational interests.

Working collaboratively, especially with charities that reflect their communities, can empower people who use services. This ensures the people and communities can shape their own services, choose the support that is right for them, and participate locally. To shift power to communities, we need a diverse ecosystem of organisations of all types and sizes to play their part.

There are examples of charities already working in this way, but before the pandemic hit many charities described pervasive competition and distrust threatening their ability to achieve their mission, their financial sustainability, and relationships with other organisations. Charities have told us competitive behaviours and poor partnership working has a negative impact on communities, organisations and the sector.

Many good organisations, and particularly those that are ‘of’ marginalised communities<sup>6</sup>, are being forced to close or scale back.<sup>7</sup> This is resulting in ‘disillusioned disadvantaged communities’ and people losing the relationships, support and representation they need. Competition between charities has also limited the sharing of ideas, joined up working and innovation.

*Competition stops organisations from sharing ideas. It also hinders the support that different community groups can give to individuals. In a competitive environment, organisations tend to build a wall around what they do which can hinder any added value that another organisation can offer.*

While this project was launched before the pandemic hit, collaboration is more important now than ever. In many ways the pandemic has demonstrated the value of collaboration, and the importance of viewing other organisations as partners rather than a threat. We have seen charities pull together at a local level to support communities, sharing resources and staff, and breaking down boundaries between organisations. We have heard of larger organisations creating funds to support local organisations, and charities redeploying their staff to other organisations in need of more capacity.

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<sup>6</sup> These organisations are set up and controlled by people who are ‘of’ the community or group they serve. They are different to organisation set up by people ‘for’ a group or community they are not from.

<sup>7</sup> NSUN (2019), [Survey results of user-led groups](#)

New groups and organisations have emerged to meet changing needs, whereas others have paused or scaled back types of activity to adhere to government guidance. While many charities have adapted their existing work to covid, others have explored new avenues sometimes moving far away from their original mission.<sup>8</sup> As covid specific funding dwindles and local authorities experience increased financial pressure, how will charities relate to one another? Will these new groups retract or seek to sustain their work? Will existing charities seek to work with them?

In times of crisis, it can be tempting to look inwards and focus on organisational survival. Collaboration may feel harder as organisations fear for their sustainability and survival, but it is more important than ever to work with others to focus on collective impact and serving communities as the challenges those communities face also rise.

There are countless examples of charities already working with others to deliver their mission, recognising the difference between impact and increasing market share or organisational size. It is imperative for all organisations to consider their impact on other organisations, and the impact this has on the people they serve. However, those with more power (for example, influence, resource, opportunity to act) have a greater responsibility.

This is not just a matter of avoiding harming other organisations. It is crucial we actively create an environment that ensures a range of good organisations can serve the communities they work with.

## Underlying assumptions

We approach this work with the belief that there has to be a variety of organisations of all types and sizes working together and thriving in order to achieve change and tackle complex issues. There can be advantages and disadvantages that correlate to the size of an organisation, although there will always be exceptions to this. We do not subscribe to a binary position that sees bigger organisations as ‘bad’ and smaller organisations as ‘good’, or vice versa. When we talk about ‘larger’ and ‘smaller’ organisations we are attempting to address the imbalance of resource, influence and power between organisations of different sizes. We do not seek to blame or disparage any particular group or type of organisation.

Commissioning needs to change, and various initiatives are paving the way for alternative approaches, but there are also ways in which organisations can behave differently in the current system to improve collaboration. While commissioning and procurement practice hasn’t been the focus of this project, we are clear in our broader influencing work that commissioning and procurement practice needs to change to support charities to deliver high quality, sustainable services so that people can access the support they need, when they need it. Until better commissioning approaches are adopted, this project demonstrates the ways organisations can push for this change, and work in a more collaborative way within the current system. While this project has focused on organisations involved in competitive tendering, we

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<sup>8</sup> NPC (2020), [The State of the Sector 2020: How charities have reacted to Covid-19](#).

recognise that organisations experience significant competition for funding from trusts and foundations, donations and corporate partnerships as well as competition for volunteer recruitment.

Organisations are clear that collaborative working has several benefits, but we understand that sometimes partnership working might not be the right choice. While we would encourage formal and informal collaborative behaviours, and the exploration of partnership opportunities, we are not suggesting that all organisations should, for example, deliver contracts together. Organisations should be discerning about who they collaborate with and how. More collaboration would be a positive shift for the sector, but quality is as important as quantity.

While some organisations seem to be more advanced in taking a collaborative approach, no organisation is perfect. Even the most collaborative organisations make mistakes. What matters is that they reflect on what has gone wrong, take responsibility and learn from it.

Smaller organisations find it particularly hard to bounce back from negative behaviour from other organisations and poor commissioning practice, but we recognise that the current environment is challenging for the whole voluntary sector. Charities of all sizes express some very similar frustrations with competition, collaboration and commissioning. These shared challenges should unite rather than divide the sector.

## Methods and process

The findings and considerations for practice within this report are based on significant engagement with organisations across the voluntary sector.

The desk-based research we conducted at the beginning of this project drew out a significant amount of evidence of charities' experiences of commissioning and procurement, and partnership working with government or the public sector. Academic literature has often focused on the barriers small and medium-sized organisations face in commissioning and procurement processes, highlighting the advantages of larger organisations. Research has explored relationships between organisations involved in commissioning, noting that charities are in a constant state of flux between collaborating or competing with other organisations<sup>9</sup>.

Sector reports have further explored the issue of competition between charities. [Research commissioned by Lloyds Bank Foundation](#) found that small and medium-sized charities were experiencing increased competition for funding, with several organisations losing out on funding to national charities.<sup>10</sup> This research also found that small and medium-sized organisations are often wary of collaborating with larger, national organisations, citing unsustainable payment models, concerns about losing control and identity, or the appropriation of ideas. The [Civil](#)

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<sup>9</sup> Ellis Paine, A. and Macmillan, R. (2019) [Telling tales of commissioning: insights from a qualitative longitudinal study of third sector organisations.](#)

<sup>10</sup> Drayson, C., Baker, L. and Rees, J. (2018) [The value of small: In-depth research into the distinctive contribution, value and experiences of small and medium-sized charities in England and Wales.](#)

[Society Futures inquiry](#) exposed deep concern about competition and self-interest in the fabric of our communities, as well as between charities.<sup>11</sup>

This review indicated a need to further explore experiences and drivers of collaboration and competition between organisations. In particular, it identified a lack of research on the perspectives of larger organisations and the internal factors that help or hinder organisations to take a collaborative approach in the context of commissioning.

Our subsequent research and engagement activities have included the following:

- A call for evidence to understand broad experiences of competition and collaboration, yielding almost 100 responses.
- 18 in-depth qualitative interviews, particularly with larger organisations, to understand their approach to partnership and internal ways of working.
- Desk based research and discussions with organisations to develop case studies to showcase collaborative practice and learning.
- A series of local events, particularly engaging smaller local organisations, to test emerging findings and understand their experiences.
- Workshops with CEOs of larger organisations and individuals from infrastructure bodies across the sector.
- Feedback via email on the emerging findings and considerations included in the interim report.
- Engaging with a steering group and an advisory group, made up of individuals from a variety of organisations.

It is important to remember that we have asked individuals to tell us about their experiences and perceptions of competition and collaboration in the sector. Some individuals have chosen to participate as representatives of their organisations, whereas others have spoken more freely about their experiences in the sector over time.

While we have spoken to the partners of organisations we feature as case studies, we have not verified the responses of participants in the call for evidence, interviews or workshops. There are therefore limitations to this data, but we think these perceptions can give an indication of practice in the sector. This data can also help us to understand the attitudes and cultures that shape practice.

## Definitions and concepts

### Collaboration

Collaboration can exist across a spectrum of competition to partnership, and there can be good and bad practice across that spectrum. There are examples of partnerships that treat

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<sup>11</sup> Civil Society Futures: The independent inquiry (2018) [Civil Society in England: Its current state and future opportunity](#).

organisations unfairly, and of capacity building that supports smaller organisations to compete with others. This variety has been recognised by those who have engaged with this project: “I think, generally, that the blanket ‘partnerships are good’ or ‘competition is good’ statements are unhelpful, as the true situation is almost always more sophisticated and nuanced than that.”

The project focuses on competition and collaboration with regards to competitive tendering for contracts, but collaboration does not have to be limited to delivering contracts in partnership. Collaboration can also range from advocating on behalf of other organisations, to informally sharing resources and learning.

## Size

In this project we have not defined what a small or large organisation is and have preferred to talk about ‘smaller’ and ‘larger’ organisations. There are several reasons for this.

Organisations of all sizes describe negative experiences of working with organisations larger than theirs. Poor collaboration between organisations of different sizes is not about whether they are over or under a certain level of income or how many staff they employ. This issue is size in relation to other organisations, and the resulting power imbalance.

An organisation may lack power when meeting with a commissioner but may have power when sitting around a table with representatives from smaller organisations. While smaller organisations will find it harder to survive these challenging experiences, these are often shared experiences that should unite rather than divide the sector.

People don’t use set size categories to define or talk about their organisation. Throughout this project several medium and large organisations refer to themselves as small and local. One large organisation we heard from referred to themselves as small, medium and large. This could be because people define their organisations in relation to others in a ‘pond’, or because they have grown quickly and still retain a memory of being smaller. One major organisation told us; “We’re often seen as a big organisation, but in some local areas where we work, we are smaller than the local charities and local organisations.”

We also recognise that while local organisations are more likely to be smaller<sup>12</sup>, smaller doesn’t always mean local. There are small national organisations, and large organisations at a local and regional level. Larger organisations can have a very strong local presence, as articulated by one super major organisation: ‘Smaller organisations tend to be more locally focused...not that we are not. I have to say the argument around big versus small irritates me because you can have big organisations who are absolutely embedded and very, very locally focused where all the staff...are local people who have worked there for many years. And I don’t see a big difference between that and an organisation whose head office happens to be in town and the board are local.’

Throughout this report we describe organisations according to the size categories used for the [UK Civil Society Almanac](#).<sup>13</sup>

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<sup>12</sup> NCVO (2020) [UK Civil Society Almanac](#). Smaller voluntary organisations are more likely to work locally. The vast majority of micro (78%) and small organisations (77%) do so, compared to just 9% of super-major organisations.

<sup>13</sup> NCVO (2020) [UK Civil Society Almanac](#).

|             |                     |
|-------------|---------------------|
| Micro       | Less than £10,000   |
| Small       | £10,000 to £100,000 |
| Medium      | £100,000 to £1m     |
| Large       | £1m to £100m        |
| Major       | £10m to £100m       |
| Super major | More than £100m     |

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## Power

Throughout this project participants have referenced power, and we have talked about ‘power sharing’ and ‘power imbalances’. At a very basic level power is an ability or capacity to do something, or direct or influence the behaviours of others or events. Imbalances occur when individuals or organisations have different levels of power. Organisations can benefit from the power and privilege individuals bring, but also have power in their own right. Individuals can also benefit from the power of the organisation they work for, but individuals may not feel empowered if, for example, they do not have a lot of autonomy in their role.

Psychologists have described different types of power individuals can hold. Examples include power that stems from:

- a person’s high level of skill and knowledge
- a belief that a person has the formal right to make demands and expect others to comply
- a person’s ability to control the information others need to accomplish something.

Individuals may have more power if they hold privilege - advantages that a person can inherit or accumulate over time. Individuals may be advantaged, for example, as a result of being white, middle or upper class, more educated, or non-disabled in a society that values those characteristics. Individual power and privilege can have an impact on relationships in partnership development, especially if those with power do not recognise it and do not try to level the playing field.

There are different ways in which organisations might have power, including but not limited to:

- size, income and level of reserves
- the level of risk they can take on
- the privilege of staff
- connections and influence

- brand and reputation
- institutional knowledge.

The significance of these advantages may depend on the context and whether organisations have an opportunity to use it, for example, if a funding opportunity is limited to organisations over or under a certain income level. Different types and sizes of organisations can have power, and those with more power have a greater responsibility to share it. It can be helpful for individuals to consider what power their organisation might have compared to others, and for organisations to do this at a strategic level.

## Commissioning and procurement practice

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While commissioning practice has not been the focus of this project, it is important to recognise the context charities are operating within. It is clear that the commissioning and procurement landscape presents great challenges for organisations of all sizes. There is significant evidence on the barriers charities experience. NPC's [State of the Sector report](#) reveals that 59% of charities subsidise public service contracts with voluntary income, and 54% have turned down contracts because the risk is too high.<sup>14</sup> [Research from Lloyds Bank Foundation](#) has highlighted the barriers faced by small and medium-sized organisations, from unrealistic payment structures to inaccurate information.<sup>15</sup>

Some respondents expressed good experiences with commissioners; however, the majority of respondents were very negative about funding practices and their impact on communities and organisations. While some believe competitive tendering is good to work out who is best to deliver, there are others who believe that system is fundamentally flawed.

*[Competitive tendering] can be a good thing, where it genuinely ensures the best quality and value for money for local people and the public purse. Too often however it is used as a vehicle to drive a "race to the bottom" on price, resulting in instability for people who require services.*

While smaller organisations face particular barriers, organisations of all types and sizes express frustration with the following practices:

- Commissioners either not allowing collaboration or forcing it without support.
- Passing on too much risk to lead provider organisations and exposing organisations to financial risk through payment by results mechanisms.

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<sup>14</sup> NPC (2020), State of the Sector 2020: [Where we stood as the crisis hit](#)

<sup>15</sup> LBF EW (2016), Commissioning in Crisis: How current contracting and procurement processes threaten the survival of small charities

- Lack of sufficient funding to deliver high quality services, often awarding to the lowest bidder.
- Lack of, or tokenistic approaches to, coproduction with communities.
- Opaque decision-making and no recourse to challenge, making it hard for the losing party to understand the decision.
- Poor management going unchecked, from bullying to commissioners being unaware of power dynamics within supply chains.
- Lack of knowledge about the service or community, resulting in poor and unworkable service models.
- The complexity, pace and bureaucracy of procurement processes.
- Aggregation of contracts, and lack of grant funding.

There are commissioners who work well with charities, trying new ways of working to improve services and supporting collaboration across the voluntary and public sectors. Throughout this project organisations have described the steps commissioners have taken to support collaborative working, including the following:

- direct awards to consortia
- early information about upcoming bids
- innovation partnership models to fund consortia
- alliance contracts
- clarity in service specifications
- ensuring good working relationships in supply chains.

Since the pandemic we have seen commissioners, especially at a local level, improving collaboration with charities and communities offering flexibility and support as equal partners. While commissioning and procurement approaches do need to change, there are ways in which charities can work better together in the current system and model the value of collaboration to commissioners.

## Experiences of competition and collaboration

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Commissioning and procurement practices bring significant challenges, but the way charities' respond to these practices also have an impact. Most organisations of different types and sizes have mixed experiences of competing and collaborating. It is important to remember that while some organisations have reflected on their own behaviours, most have described their personal experience of other organisations. They are describing their perception of recent or past events, which we cannot verify.

## Understanding negative experiences of competition and partnership

Competition varies across the sector and sub-sectors, depending on the size of the organisation and nature of the work. While organisations often compete with organisations of similar sizes, some larger national organisations describe competing with smaller local organisations for smaller amounts of funding. A major national organisation suggested they “tend to compete with organisations that are bigger than us and that's the work we tend to win”. Some larger organisations only tend to compete with smaller local organisations for work that is under £1m. Parts of the sector or service areas were highlighted as being particularly competitive, from drug and alcohol services and housing providers, to local voluntary infrastructure. There is serious concern about ‘fake’ voluntary organisations set up by for profit businesses to deliver contracts.

*The big housing associations think they own everything and have a right to everything...some of their behaviours are absolutely dreadful, but some of the regional ones that are still rooted in communities are absolutely brilliant...because they retain their mission and purpose.*

Charities report a range of negative experiences of competing and working with one another including:

- Poor quality partnerships
- Appropriating or undermining the work of other organisations
- Poor delivery
- Mission drift
- Hostility and unwillingness to collaborate

### Poor quality partnerships

Subcontracted organisations describe being treated unfairly by lead partners of different sizes, creating financial instability for providers and problems with delivery. It is common to feel vulnerable or unheard as a subcontracted organisation, especially if the organisation is one of the smaller partners. Partner organisations describe feeling powerless during delivery as well as the bidding phase.

*There are also some issues with larger charities subcontracting to smaller charities without giving them fair credit and giving them responsibility for certain targets but without a fair share of the funding to achieve them.*

Charities cite the following behaviours of lead providers:

- Passing on the majority of the budget cuts or allocating funding unfairly to subcontracted organisations
- Having unrealistic expectations of subcontracted organisations

- Not sharing information with partners, for example, about TUPE liability<sup>16</sup> or what is included in a joint bid
- Not properly coordinating the work, including not having vital contracts and agreements in place
- Reducing the voice of partners and not allowing them to influence the delivery model

This situation is compounded by the lack of capacity in smaller organisations to keep up with the pace and intensity of the bidding processes.

### **Appropriating or undermining work**

Several organisations report being included in bids as ‘bid candy’ or ‘bid fodder’<sup>17</sup>, where a charity is named in a bid by a lead organisation but subsequently receives no or little funding. A medium-sized organisation described their experience with a large community interest company; ‘Once the contract was awarded, none of the small VCS organisations mentioned in their bid have received any funding or contact regarding their contribution to their services...there are no checks to see how the prime provider<sup>18</sup> is actually actioning what was stated in their tender documents.’ This is particularly common for smaller organisations, but large regional or local organisations have also experienced this. A national federation said that all of the organisations in their network had experienced this.

*Lots of primes will ask for expressions of interest (EOIs) - use our information for their own bids and then not include us or if successful tell us there is not enough resource. So, they win on the basis of our Unique Selling Propositions (USPs) and we get nothing.*

When charities are seen to undermine existing work, other organisations can feel exploited and frustrated. Small and medium sized user-led organisations are concerned that the value of their work is lost when other organisations win the work: ‘We’ve also had projects that we’ve designed and developed being retendered and contracts reissued to larger providers to scale up the work. This has meant that exemplar user-led projects and programmes revert to more traditional and non-challenging versions of provision with the leadership and power moving back to professionals.’

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<sup>16</sup> TUPE stands for the Transfer of Undertakings (Protection of Employment) Regulations. These regulations protect employees if the business in which they are employed by changes hands.

<sup>17</sup> Bid candy is where an organisation is included in a tender document (with or without their knowledge) by a lead provider, but subsequently not given any or sufficient funding when the lead provider wins the contract.

<sup>18</sup> A prime provider or lead provider is an organisation that is contracted by a commissioning authority to deliver services on their behalf, and subcontracts other organisations to deliver parts of that contract.

## Mission drift

*Too many charities just see a pot of money and go “oooh what can we do to meet the needs of these funders”.*

[NPC’s State of the Sector report](#) highlights that 22% of charities say they sometimes deliver contracts outside of their mission.<sup>19</sup> Organisations of all types and sizes can stray beyond their expertise, remit or charitable objects, often leading them into new areas of competition. Mission drift is not a new issue in the voluntary sector, but it has been worsened by the funding climate: ‘Our income goes down, but our costs are constant, forcing us to diversify more and more, often away from our core charitable aims, merely to stay afloat.’

Several national organisations describe feeling forced to move around the country as funding for commissioned work reduces in some regions. Examples given by participants include a mental health organisation bidding for legal advice contracts, a national children’s charity competing with a local Council for Voluntary Service (CVS) to run a local voluntary sector forum, and an older people’s organisation bidding for a young carers support contract. The challenge comes when the drive for organisational survival or market growth comes at the expense of quality services embedded in local communities, through pushing out existing providers.

User led organisations in particular express frustration at non-user led organisations bidding for their core and only work: ‘We have experienced increased competition in the areas of work that user-led organisations have fought hard to carve out for themselves over the last 30 years. Other larger non-user-led organisations have moved into the space of advocacy, peer support, recovery and involvement, participation and coproduction.’ This pattern is particularly concerning when organisations that do not reflect their beneficiaries in terms of leadership or workforce, compete for the core work of user-led organisations that are effectively run by their beneficiaries.

Several charities have described successfully addressing mission drift in their organisations, often driven by a desire to deliver better quality and become more sustainable: ‘We are now in a position where we are confident that [the] contracts we have got are the ones that...we should be doing according to our articles of association but also cover our costs.’ Some organisations believe this has been a widespread issue: “I think historically my predecessor and many charities would just go for every pot of money available and end up with problems...Now more than ever before we are very good at saying yes to what suits us...and just as important being astute at saying ‘no that isn't for us’.”

*A few years ago? Scattergun approach over here, I'll be honest. Anything comes out, let's just go for it. Even if we haven't got skills or expertise to go for it...We hadn't done the work internally to be able to expand and meet that market. Just because we had done*

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<sup>19</sup> NPC (2020), State of the Sector 2020: [Where we stood as the crisis hit](#).

*other little bits of work that had touched on it doesn't mean you can suddenly move into that.*

## Poor delivery

Charities describe other organisations bidding for work they cannot deliver well. A local infrastructure organisation said 'We have seen local organisations providing great services lose out to larger out of area organisations, [and] without exception this has resulted in poorer services to those accessing the services, something that is agreed in private by the commissioners.' This can be driven by organisations submitting very low bids, either to undercut the competition or because they haven't estimated the true cost of delivery. Several organisations describe addressing this challenge by becoming more selective about which contracts they bid for, and only bid where they can recover their costs.

Charities express particular concerns about the quality of services run by other organisations.

- **Lack of local knowledge or local presence.** Many charities express concern about the quality of services run by organisations without local knowledge or presence. This is particularly challenging for smaller groups or organisations when they are asked to support a failing organisation for free: 'We have seen external charities come in and struggle to deliver, struggle to recruit volunteers and making unreasonable demands for help/contacts on local groups, especially the old provider.' One small organisation described the staff of national organisations as 'visitors' or 'strangers' in the local community. While many organisations won't bid for work in areas where they do not have a local partner or presence, this is not universal.

*Larger organisations who win often simply do the minimum to meet the agreed outputs, and as those organisations often lack local knowledge the results generally mean that services and support to communities gets worse.*

- **Charities undermining the ethos and success of predecessors.** One user-led organisation described their experience of another organisation undermining their progress: 'A large local provider used their power and influence to take on this contract and undermine the user-led ethos that had been established over 18 months. The organisation had shown little interest until the [network] had started to establish a strong voice and identity and resources were attracted.' They described a decrease in quality.
- **Delivering the minimum required by the contract.** 'There are organisations that game the system, and produce outcomes that are not aspired outcomes for service users, but tick a number of boxes to enable them to illustrate that they are delivering to a contract rather than to the people that need their support.'

- **Lack of processes and procedures.** Larger organisations felt that some smaller organisations needed to improve the quality of their work and processes to make them better partners for delivery, and this is also echoed by some smaller organisations.

Trust in the quality of other organisations is vital for charities to want to work together. Several suggest that organisations need to improve the quality of their work before involving other organisations.

### **Unwillingness to collaborate and hostility**

Charities express concerns about others taking a monopolistic approach to delivering their mission, driven by a desire to increase market share. Some view partners pulling out of partnership bids at the last moment and putting in rival bids as a way of eliminating the competition. A major national organisation described their experience of being pushed out of a potential partnership by the leadership of a housing association, in their view driven by a desire for power and control. This aggressive approach contributes to charities viewing other charities as threats rather than potential partners, and limits the benefits that can come from variety within the voluntary sector.

The majority of organisations have indicated that they are open to working in collaboration with others, but several feel that others are not open to collaboration. Some charities think larger organisations are not open to partnership because they don't need partners to survive, because they already have a set pool of organisations they will work with, or because they simply don't know about smaller organisations. One large national organisation indicated that large social enterprises have not been open to working with others: 'I wish they would have a bit more respect for their colleagues in smaller organisations. With size and scale, [there is a] presumption they know how to do things better. [They are] not willing to keep their minds open to what the opportunities might be, and the value organisations might bring. A number of large organisations described changing their approach to become more collaborative in recent years: 'We had hardly any partnership organisations, we had a handful we worked with to tender and deliver contracts with. We went for most things on our own. We realised over the last few years, that didn't do us any favours. You don't want to get a reputation for being an organisation that won't partner and that will just take work off smaller organisations and put smaller organisations out of business.' Some larger organisations describe investing time and effort to rebuild the trust broken by other organisations.

*They talk the talk, but it's just patronising...there's no appetite to work in partnership as they don't know who we are.*

While organisations reflected that smaller organisations are generally open to working in partnership, several reported a level of hostility from smaller organisations. There is an awareness

that this suspicion comes from difficult past experiences, which can be overcome through communication and building trust. Others who have encountered smaller organisations unwilling to partner feel their organisation is misunderstood: ‘We encounter suspicion about us as a large provider when we are simply trying to stay in business to provide a quality service. We also experience the loss of contracts and are simply trying to counter this by bidding for services in other areas where we think we can offer quality provision to the local community.’ Some larger organisations note in some smaller organisations a ‘reluctance to change how they worked locally because they had worked in a certain way for a very long time.’

Lack of cooperation during the transfer of services from one provider to another causes significant tension between organisations and is damaging for people who use services. Some smaller organisations have also felt frustrated when their work has been taken on by a larger organisation or consortium<sup>20</sup>, that has subsequently not taken up their support to ensure a smooth transition. Several organisations of different sizes report organisations ‘playing games’ with TUPE, either because of lack of knowledge or deliberately. Behaviours can include:

- not giving information until the last minute and then saying only a proportion of staff can transfer, forcing the new provider to start delivering an understaffed service and rely on agency staff
- refusing staff annual leave up until the point of transfer
- refusing to offer staff equivalent conditions
- withholding the support plans of service users.

*Others have said “no...” because they've already been stung by a larger player who has taken all of the work. You only have to have a dialogue. We are not the evil overlords. We've actually expanded the involvement of a small local organisation because what they do is brilliant. We could do it probably just as well...if it ain't broke, why worry about it?*

It is clear that these negative experiences have an adverse impact on charities and the support they can offer. They can influence how charities view each other over time, and the level of trust between charities. Negative experiences are not isolated - they have a ripple effect. One negative experience can hinder a range of subsequent opportunities to collaborate.

*Partnerships for one piece of work may be undermined by competition for another piece of work... Where an organisation has behaved aggressively, or acquisitively, or even underhandedly, within a funding situation, it is hard to then sit in a policy forum and work collaboratively.*

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<sup>20</sup> A consortium is an association of several organisations.

## Understanding collaborative practices

While charities have negative experiences of working with each other, there are also examples of very successful collaboration. Even within the constraints of commissioning and procurement practice, organisations have found ways to work with one another. We have collated several case studies showcasing these examples of collaboration, and below we summarise some of the common ways in which charities collaborate.

### Finding and selecting partners

Our research found that some organisations are open to working with any type and size of organisation, whereas others have narrower preferences. Charities express preferring to collaborate with existing partners, building deep relationships over time. Some charities are more open to working with organisations of different types and sizes than others.

Charities of different sizes report difficulty in finding the right organisations to work with, with many highlighting a lack of alignment on values, culture and ways of working: ‘We couldn’t identify a lead to work with. There were a couple of organisations that were positioning themselves as leads, but from our experience of them and how they work, we didn’t want to be subcontracted to them, we didn’t feel it was the right fit....We were kind of in a situation where we didn’t have a lead provider to work with.’

Organisations have a range of ways of finding and selecting partners. Methods include the following:

- Putting out a call for expressions of interest<sup>21</sup>, and scoring potential partners
- Meeting organisations at market engagement events, or asking commissioners for recommendations
- Using personal contacts, often held by senior leaders
- Asking local staff for recommendations, or utilising a team or staff members dedicated to partnership working
- Going through local networks or groups, including CVS organisations
- Developing ‘locality plans’ when expanding into new areas
- Online research, including researching the quality and reputation of partners
- Approaching organisations directly
- Approaching a pool of ‘tried and tested’ partners

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<sup>21</sup> Early in the procurement process, a commissioner or lead provider may ask organisations that are interested in delivering a service to submit an expression of interest (EOI) explaining what skills and capacity or resource they would bring. Commissioners or lead providers may develop a short list from this process.

When delivering commissioned work, larger organisations are more likely to use more approaches similar to the commissioning process to find partners, such as an expression of interest process or market engagement events. Some organisations spend more time developing proactive partnerships and describe ‘fortuitous’ and ‘unexpected’ partnerships that come from networking and developing a reputation for partnership working. A minority of larger organisations told us about connecting with CVS organisations to find local partners.

There is a fine line between thinking carefully about which organisations to work with, and creating barriers for potential partners. Some of these approaches may disadvantage organisations that do not have an effective online presence, that are not well networked, or would find it difficult to attend market engagement events.

### **Bidding for and delivering contracts in partnership**

Charities collaborate with one another to bid for and deliver contracts. In particular, charities support organisations smaller than them in the following ways:

- **Scoping and bidding for opportunities.** Examples include federated organisations having a Memorandum of Understanding<sup>22</sup> (MoU) with neighbouring network members, involving partners in the whole bidding process, and ensuring smaller partners are free to be a part of rival bids.
- **Building capacity of smaller organisations within contract delivery.** This can include supporting smaller organisations with bid writing, impact monitoring and service modelling, even if the larger is the subcontracted organisation.
- **Taking on risk on behalf of smaller organisations.** One larger organisation described developing a consortium with smaller, local organisations to access social finance: ‘We took all of the risk on that...they shared the upside and we took the risk of the downside.’
- **Supporting smaller organisations to meet funding requirements.** A national super-major charity negotiated with a commissioning authority so they could offer Black, Asian and minority ethnic (BAME) organisations<sup>23</sup> additional support, via group webinars and one to one support, to meet commissioner requirements. At the end of this process the larger organisation made a recommendation as to which organisations could meet the requirements, taking on some of the risk of making that recommendation.
- **Influencing commissioners.** There are several examples of larger organisations ensuring reporting processes are not too onerous for smaller partners, negotiating with the

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<sup>22</sup> A memorandum of understanding is an agreement between two or more parties outlined in a formal document, but it is not legally binding.

<sup>23</sup> BAME stands for Black, Asian and minority ethnic. There are different definitions of BAME organisations but key characteristics can include whether they describe themselves as a BAME organisation, whether people from BAME backgrounds make up 51% or more of their governing body, and whether they provide support specifically for or work on behalf of BAME communities.

commissioner if smaller partners encounter difficulties delivering or simply using their name to offer reassurance to the commissioner.

- **Working well with partners during delivery.** Practices include regular communication, colocation, transparency, joint policies and fair funding as well as more intensive capacity building of smaller partners. Some organisations are willing to take on more work if partner organisations are struggling to deliver: ‘If you're struggling, we'll pick up some of the work, but we'll also pick up some of the resource and vice versa.’

The most common mechanisms for working in partnership to deliver contracts are a prime provider model and consortia, with the former being the dominant model. In prime provider models the largest organisation is often, but not always, in the lead. Several larger organisations said that commissioners prefer prime provider models, and they prefer the simplicity of that contractual relationship. Consortia can be effective and successful, but many organisations describe difficulties in negotiating decision-making with lots of partners.

While alliance<sup>24</sup> working was rarely mentioned by participants, we know there are successful examples. For example, the Plymouth Alliance brings together local organisations, ranging in size, in partnership with local commissioners to deliver services for people with multiple complex needs. Several shorter-term contracts were replaced by one long term contract without specified outcomes, making it easier to work together to make service improvements. Partners describe the need to overcome fear of loss of identity and control, and emphasise the importance of focusing on the community first, and the alliance second.

### **Beyond contract delivery**

Where it is not possible or effective to deliver a contract together, organisations find other ways to work collaboratively.

- **Not underbidding for contracts.** Several charities describe the importance of not subsidising contracts with voluntary income, because it gives the commissioner a false idea of what is needed to deliver the service and locks out smaller organisations.
- **Sharing infrastructure and resources.** Some larger organisations bid for work alone, but then build up connections with local organisations to share their infrastructure or back office functions. This can include sharing IT systems, pooling resources to cover meeting spaces and pay for staff time in smaller organisations, and offering free training.

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<sup>24</sup> An alliance is an agreement between two or more individuals or entities stating that the involved parties will act in a certain way in order to achieve a common goal. An alliance contract is one contract between the commissioner and an alliance of parties who deliver the service. All parties work towards the same outcomes, and risk is shared across the alliance.

- **Buying in the support or services of smaller organisations.** For example, paying a charity representing a marginalised group or community to deliver training and development.

*I can't think of a situation where after we have moved into an area, we then don't create a positive network and share our experience and expertise.*

- **Influencing commissioners.** Some larger organisations push back on commissioners on behalf of themselves or others: 'We are quite bold like that. And I think that also gives some local players a bit of steel, where they see us speaking up. Because it's not our only contract, we can be bold about it. If you don't change your behaviour to some of these local players, or to us, then you can go on our naughty list and we'll serve you notice.'
- **Facilitating flow of money to other organisations.** Some larger organisations have created grant making programmes to support smaller organisations, whereas others have taken a facilitative role to, for example, ensure smaller organisations can access large funds (such as the Tampon Tax fund). A super-major national organisation keeps some money back from the contract to create 'innovation grants' for smaller organisations, subsequently supporting those organisations to put a business case to commissioners for further funding.
- **Stepping back.** Many, but not all, organisations say they will not bid for work if they think the current provider is doing a good job. One organisation decided to transfer a service to another provider: 'We actively chose not to bid for a certain contract, but to support others bidding with the intention of transferring our service to the new provider. This was part of our transformation process which aims at focusing on core work.'

Outside of contract delivery, organisations described using cooperative consortia to buy and sell resources more effectively. Informal collaboration and information sharing through networks is very common. Several organisations advocated the benefits of being part of a federated network for mutual support and learning. Only one organisation talked to us about considering a merger, perhaps because this was not common at the time of conducting this research or because this is viewed as organisational failure rather than the start of collaboration with another organisation.

## Successful collaboration

There are a range of approaches organisations use to combat the challenges of collaborating with other organisations. Whilst many of these approaches are applicable to a range of organisations and contexts, there was recognition that no single approach would be universally successful.

## Sharing power and knowledge

Several participants describe sharing their power within partnerships, with some explicitly using the language of ‘power’. There are various factors that can give an organisation power or advantage, as described in the definitions section of this report. Power is relative and depends on the context. A comparatively large organisation may have more power than a group of smaller organisations, but they may lack power compared to a funder or a larger organisation. Collaborative organisations often consider where they may be advantaged compared to others in the partnership and attempt to level the playing field.

Partners often describe feeling locked out of decision-making during bidding and delivery. While it is challenging for lead organisations to coordinate bidding and delivery to meet deadlines and targets set by authorities, there are examples of charities ensuring all partners are involved. These actions can include:

- Sharing the intention to bid with incumbents
- Sharing the full text of the bids with partners, being clear on deadlines for contributions during the bidding phase
- Being on the ‘end of the phone’
- Encouraging commissioners to include partners in all meetings
- Giving partner organisations a say in who should lead
- Supporting smaller partners to be involved in the bidding process according to what is manageable for them
- Make it safe for smaller partners to express their views about the work and partnership

*We try not to just dictate to partners what they have to do and lots of our partner organisations will attest to that.*

Another way charities seek to level the playing field between partners is by developing mutual and reciprocal relationships with partners. These partnerships draw on and recognise complementary skills and expertise. A local organisation that subcontracted a national organisation reported: ‘This has been a positive experience so far as it has enabled us to use our local knowledge, links and insight and then to use their experience of delivering a similar service in another area as well as their particular experience of writing these types of bids. They were respectful of us and our local knowledge, links and experience.’ The best examples of partnership involve all partners being open to learning from others, regardless of size.

## Aligning values, expectations and ways of working

Most organisations want to work with organisations that share their values and culture, such as a commitment to person-centred working. Some organisations struggle to work with different types of organisations: ‘We are quite creative, and funky, and youth...they are not a youth

organisation...they do a perfectly good job, but they are quite rigid in their thinking, they are not a creative.’ Many say they find themselves aligned to organisations of different sizes, but some smaller organisations see the professional and risk averse approach of larger organisations as incompatible with their ethos.

Most organisations seem to struggle to work with organisations that have very different processes and systems, but several describe working through these differences. Larger organisations struggle when working with organisations that may lack safeguarding and data protection policies and procedures, have poor governance, lack of human resources, financial, digital and data monitoring competency. However, some larger organisations recognise that organisations without these elements can still do good work: ‘They’re really good at community stuff, and good at delivering grants, and good at being responsive but actually delivering contracts is not their thing.’

Organisations also struggle to adapt to the processes of organisations that are larger than themselves: ‘Sometimes the systems can be over burdensome....Bigger organisations tend to have more bureaucratic systems so sometimes it means that you can move a bit less quickly and be a bit less creative.’ Some individuals demonstrate the importance of having compassion for the differing pressures experienced by those working in larger organisations. Successful partnerships are often based on aligned values, expectations and ways of working, whilst also allowing for organisational difference and independence.

### **Fair and effective management**

Within partnerships, poor delivery can be a significant source of tension. Some organisations describe difficulty in managing partnerships when organisations do not deliver what was agreed, deliver poorly, or do not put the right systems in place: ‘One of the organisations in the partnership we managed was not delivering to target and got very aggressive when this was raised. After giving them the opportunity to work differently; which they didn’t; they were removed from the partnership. This caused a lot of relationship difficulties.’

*We have been lead provider twice – the first time we had to withdraw contracts from our two subcontractors as the service was terrible and we had to report one to the police. These were organisations we had known for a long time and which we trusted. We thought they worked as we did. The second time with different contractors we did thorough due diligence and that’s a fantastic relationship where we learn from each other and develop and improve together.*

There are several factors that can support successful partnership management, and help to avoid or manage disagreement during delivery:

- Early and honest discussion, clearly setting out the expectations of all organisations. This ensures partners understand what they are committing to and decide whether it is right for them.
- Addressing any disagreements as soon as they arise.
- Regular communication with one point of contact.
- Ensuring the work is connected to governance structures in every partner organisation.
- Conducting due diligence.
- Developing an MoU and relevant legal documentation, based on trust. Agreements should be meaningful and accessible for all parties and set out how they expect to work together in addition to terms on dispute resolution. A partnership agreement before bidding for funding can be helpful.

*I think that the more formal nature of the partnership, supported by a legally-drawn up Joint Venture Agreement, has meant that it took much longer to form but is stronger for that. We also came together voluntarily, rather than in response to a tendering or contract response.*

Organisations of varying sizes say they want honest and neutral brokers to help form partnerships, and value external support: ‘We brought in independent specialists to work with us as organisations to iron out all of the difficulties, all of the difficult conversations you have to have to develop the consortia.’

### **Flexibility**

Ensuring flexibility, support and proportionality is vital when working with smaller organisations. Several larger organisations recognise they need to be able to compromise and support smaller organisations. While many are willing to give support to partners when delivering contracts, prime providers emphasise this cannot be limitless: ‘If it doesn’t work we will speak to [the] commissioner about finding an alternative supplier – at the end of the day we have said we will deliver something...and all partners have to meet that.’ Even the most supportive lead organisations need partner organisations to deliver: When you are a prime and you are doing the governance, that doesn’t mean you don’t need them to meet the KPIs, provide the reporting info, provide the data on time.’

*There’s no use... going into a partnership where you can’t bend a bit. We recognise as the lead provider, sometimes it has to be us that bends when it comes to things like the budget because we might have more capacity to do that than some of the smaller providers.*

### **Time and resource**

Successful partnerships require investment of time and resource. Several organisations describe not having the time or capacity to develop partnerships. Smaller organisations find it particularly

difficult to find time to network with other organisations: ‘As a small charity, forging links to explore possible collaboration with other organisations can be difficult due to resources.’ This can feel like a waste of resource when money is scarce, and it takes time away for direct delivery. Even larger organisations seem to find it hard to find time for collaborative work: ‘I have been involved in two projects to bring together partners to apply for contracts and grants. This has included very small organisations and larger social enterprises and national charities. It takes a long time to build trust and to make decisions on shared costs in developing bids. Both projects have stalled due to lack of capacity in all partners.’

There is broad consensus that it is better to develop partnerships in advance of funding opportunities and avoid a “marriage of convenience” for specific tender opportunities. Charities describe several benefits to developing a partnership in advance of a tender coming out:

*Whilst due diligence is vital the depth of the relationship between lead and sub must be strong before a bid is put together. Organisations with an existing partnership will know each other’s services well therefore making the bid stronger and more realistic (ultimately better serving the service user).*

- Freedom from the short timescales and pressures of the bidding process, allowing for ‘blue sky thinking’. Forming the partnership early may also make the bidding process easier: ‘When the tender was released [we] already had the template for delivery and were able to begin writing the bid straight away....Due diligence had already been undertaken.’
- The opportunity to work through issues early and set joint expectations. This gives organisations time to consider whether the opportunity is right for them, and develop supporting agreements.
- Time to support smaller partners to improve outcomes monitoring, accounts and governance before submitting the bid.

## **Personal relationships**

*Partnerships are all about people.*

Several organisations report the need for there to be ‘good people’ and ‘good will’ to make a partnership work, with some describing the impact of hostile individuals or strained relationships. In every case study we have collected, relationships have been emphasised as vital to successful collaboration.

Trust is a vital component of any partnership. For some trust is more important than the formal aspects of the partnership: It is ‘much more about instinct and trust. [The] Contract is the backstop of a relationship. If you had to get to the contract, things have gone quite badly wrong. The delivery won't work if you don't trust [each other]’. Organisations may find it more difficult

to develop trust with others, particularly where they work in different ways, but this is both possible and worthwhile. One larger organisation described needing to trust in the ‘latent quality’ of very small groups and organisations when they may not have the processes of larger organisations.

*Whilst you’ve got a legal contract actually the thing that matters is whether you can trust one another and be honest and open with one another about what the problems are.*

The importance of visits and regular communication in person to develop trust were emphasised: ‘It wasn’t until they came to our premises and they could see [the] quality of what we were delivering there that all of a sudden the conversation shifted and we started to get some appreciation of the value of what we might bring and [were] taken seriously.’ Others recognise that humility, looking at themselves first when something goes wrong, supports good partnership working.

## Motivations and drivers

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### Motivations for collaboration

Organisations and individuals express a range of motivations to work with one another. Mission and necessity are the most common reasons given for collaboration. Several work with smaller organisations with the goal of building their capacity. For some this is a way of achieving their mission and they see it as their responsibility, for others this outcome is a bonus rather than a motivating factor.

*There’s bumps in the road, people do silly things on both sides, trust gets broken, data doesn’t get shared....and you have to spend time on it, and keep those relationships going.*

### Mission

*I think young people in our case like that diversity of provision...local embedded community groups are often better at reaching young people than a large monolithic one.*

Charities often collaborate to ensure the people they support, and especially those from marginalised communities, can:

- Have a choice of support: ‘No one organisation can deliver everything...so there is value in having a real range and mix of sizes and different types of organisations to give people choice. So, no one organisation should feel the need to swallow up everything..’
- Use a local service informed by local knowledge and connections.
- Access a holistic service, with the relevant specialisms.
- Easily navigate various services, often offering a single point of access.

*Our behaviour as an organisation is about communities rather than about just being a big player...the whole reason we exist is to change the lives of people...Our partnerships are about that and not about us getting bigger, sometimes it's about us getting smaller where we are bidding for stuff that we are no longer going to deliver and we have helped other people win.*

Several organisations recognise the importance of collaborating beyond delivery of a particular service: 'It's about how together we can serve our purpose of enriching that community and if that means that small charities survive and thrive and we survive and thrive then, well isn't that a marriage made in heaven?' Others emphasise the role of collaboration in solving much bigger social problems: 'We bring all of those partners in [and] actually get a broader view of how our work can help to solve some of those gnarly problems that we are finding very difficult to crack.' Some larger organisations seek to help others win work because they see it as beneficial for the communities they serve.

### **Necessity**

Some organisations collaborate because they cannot succeed alone, including larger organisations. While some larger organisations say they do not need to enter partnerships, many say they have no choice but to partner with others. Some commissioners set an expectation of partnership working within larger contracts, partly due to the size and breadth of contracts. Charities may require partnership with a local organisation because they do not have the specialism, skills or local presence needed: 'Most of the time [we're] looking for a local partner, not least because we don't have a base but we don't have that local intelligence that means you can mobilise quickly.'

### **Money or value**

Collaboration is also driven by a desire to make resources go further or deliver 'value': 'The main thing comes back to what's the best way to deliver value and to deliver quality for the contract. If we think it's to do it all ourselves then we do that. If we think it's to work with a well-known local provider who we know is very good, then we'd approach them to partner with us.'

Several organisations describe wanting to make resources go further in the following ways:

- preventing duplication of services
- using collective buying power
- sharing resources and back office functions.

### **Capacity building**

*For smaller charities who are doing really local, granular work which other large organisations wouldn't get near, it's really important to see how to include them and for*

*them to benefit financially without them needing to take on the systems and processes of the commissioning authority.*

Several charities collaborate in order to build the capacity of smaller organisations or to learn, but for others this is a positive outcome rather than a motivating factor. Many charities describe wanting to build the capacity of other organisations for several reasons:

- To help smaller organisations to be more sustainable and go on to lead contract delivery and compete for contracts: ‘We’ve done a good job in the way we have capacity built an organisation to mean they have learnt from the process....and they’ve got more options as an organisation to be sustainable.’
- To support organisations embedded in disadvantaged or marginalised communities: ‘Partnerships of this kind also strengthen the voluntary sector as a whole providing regular income to smaller groups, often in marginalised communities, meaning they bring in more funding and improve their governance.’
- To project the broader work of smaller organisations, which they see as valuable: ‘These local partners deliver a range of other services in addition to advocacy and by winning this contract the future sustainability of these services is more certain.’

### **To win bids**

Some explicitly say they collaborate to win bids, but for others this is not a primary motivation. Several organisations of all sizes recognise that they win more bids in partnership than they do on their own, although this will vary across service areas. Some small organisations partner with larger organisations to gain access to funding, either to pass the financial threshold or benefit from their expertise on funding processes: ‘Working with bigger organisations with a good reputation has also been very important, because they have access to funding or contracts.’

*I think that if we had been more competitive...there would be less money coming to us, and less money coming to the regions we work in because actually a lot of funders now are looking for partnerships.*

Some organisations explicitly say they collaborate to ‘stave off the competition’ and “to protect ‘local’ organisations and services from the large national charities seeking to win local commissions”. Some regret deciding to collaborate with potential competitors, but others suggest that developing a joint venture<sup>25</sup>, for example, gave them freedom to focus on the work: ‘Our combined turnover was better able to repel the big nationals that parachute in as soon as a contract reaches just over £1m. It has enabled us to focus on what’s important rather than that

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<sup>25</sup> A joint venture a commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities. There are several different types of agreements that can support a joint venture.

constant look over your shoulder and that survival piece...so that removal of competition has been hugely valuable locally.'

## Valuing others

While some organisations only want to work with organisations like them, most recognise the value of working with other types and sizes of organisations. Larger organisations often recognise the value of smaller organisations, and this largely aligns to the way smaller organisations articulate their own value. Smaller organisations are perceived as having the following characteristics:

- Practical, innovative and responsive
- Specialist
- Embedded in local communities and trusted
- Person centred and holistic
- Integrated in communities
- Having staff with lived experience
- Holding a mirror up to larger organisations

Some local organisations believe it is impossible for national organisations to bring these qualities: 'How can national organisations share this same empathy, passion and commitment whilst engendering the trust of those [in the] community?' However, several organisations think that larger organisations can bring some of the same qualities as smaller organisations: '[Smaller organisations] will tend to bring quite a good local network and maybe contacts beyond that particular contact...so they will know everyone within that local area...and have quite long standing relationships...really in-depth knowledge of that area. That is not to say that big organisations don't though.'

Organisations recognise that those larger than them can bring more developed infrastructure, policies and procedures, as well as bid writing and contract monitoring expertise: 'We can be part of bids that are much bigger than we would be able to bid for...helps us to develop new areas, new contacts... it helps us to deliver the work..., but also it allows us to grow our reputation, our influence, our ability to reach more young people...we have also to be fair learned from larger organisations...measuring data, systems...there's also more informal learning you get from larger organisations.'

However, when larger organisations describe their own value, they also talk about influencing government, economies of scale, aggregating funding and disrupting markets. These characteristics are less likely to be identified by smaller organisations. There are several possible explanations for this. Smaller organisations may be more focused on their own survival and service

delivery, rather than these broader strategic issues. There is also a strong narrative about the value of smaller and local organisations, which may not be mirrored by a compelling narrative about larger organisations or shared identity across the sector.

## Perceived drivers of negative behaviours

*In order to scale it would be fantastic to be working with larger charities.*

Charities tell us that commissioning and procurement practice is the driving force behind damaging behaviours in the voluntary sector, with some organisations suggesting that individual and organisational behaviour has a part to play. With some significant exceptions, many organisations struggle to recognise their power to make different choices within the competitive environment.

*The procurement process has led to charities...losing sight of what they are there for and makes them chase income...*

There is consensus that the competitive environment makes collaboration difficult, undermines trust and influences organisational behaviour. Cuts to services have led to organisations protecting themselves: 'Cuts to services threaten them further and make them batten down the hatches.' A significant number view this as the only reason for poor competition and collaboration.

*With tendering you never know what your level of success is going to be so I think we work on the basis that we may well not retain everything of our existing work so we're constantly looking for new opportunities to make sure we maintain the same size or potentially grow slightly year on year.*

Individuals often describe feeling powerless to behave differently when bidding for and delivering contracts: 'You either expand or shrink, it's almost impossible to stay still. Unless you are presenting your organisation as the provider of choice in certain areas either themed or geographically, then commissioners will find another provider to deliver that service.' Some charities express a need to keep growing to meet pension deficits, and keep providing what is expected of a good employer.

While many charities don't think they have a choice to respond differently to the environment, several organisations do recognise a responsibility to behave differently. Some want to see themselves and others challenging commissioning and procurement practice collectively. While this is difficult, for some it is imperative to achieve their mission: "I think we need to push against the system...This system rewards competition but...we are all here for young people and a certain amount of partnership means putting aside your own "we are the best and nobody else can do it". The environment makes it more difficult but in some ways that means all the more reason to do it

differently because actually that is what is best for young people”.’ Others are sceptical as to whether organisations will make decisions that result in less money and power.

*I think as a sector we need to be stronger together in saying “actually we won't let you put us in this position”...but when your very survival depends on it that is a very hard stance to take.*

Some perceive bad practice of some, not all, larger organisations to be driven by greed or personal ambition for market share or to sustain the ego and pay of chief executives. Some believe organisational behaviour is driven by a desire to mimic large private sector providers, and correlates to highly centralised organisations. Others think organisations are not focused enough on what is best for their beneficiaries: ‘Organisations appear to care less about the people they're meant to be there to serve and more about their own futures and so make purely financially based decisions.’ Some believe this behaviour is driven either by a desire to “asset strip” other organisations, or simply by a lack of concern for smaller organisations: ‘Bigger charities do not see it as their mission or business to build up the sector - only themselves.’

There are different views in the sector as to what drives damaging behaviour in response to the competitive environment. We think there could be a common approach taken by some larger charities that is an influencing factor. Charities often say they have to behave in certain ways in order to survive or maintain their size. While understandable, we think a response that focuses on protecting or furthering organisational interest over what will deliver the most impact to individuals and communities can present challenges. It can limit the scope for collaboration and negatively impact the support available to individuals.

## Organisational culture and leadership

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Several charities describe undergoing a drastic internal change in their approach to bidding for and delivering public service contracts. This indicates that, while it is difficult to collaborate in the current environment, organisational change is possible and can improve partnership working. These changes were often motivated by a desire to be more financially stable and sustainable, to deliver better services and to reap the benefits of collaboration.

Collaborative organisations often have an organisational culture that supports collaboration and partnership working. This culture is shaped and modelled by the behaviours and values of leaders, including senior management and trustees. We see that collaborative culture then embedded in strategies, decision making processes, job design, structure and resource allocation. These internal factors have a huge influence on how organisations respond to the competitive environment.

## A collaborative culture

The most collaborative organisations have a supportive culture that runs throughout their organisation. One major national organisation in particular described the key features of their culture that supports collaboration.

- **Responsibility to support smaller organisations is part of their values and behaviours:** ‘We see our role as a larger provider to leave our door open, so we will help organisations in trouble, we will help organisations not get in trouble, we will help organisations bid...we don't take a charge for that...It's not strategic, it's actually behaviour...it's probably not going to have much impact on us an organisation, but it will on that community.’
- **Instructing staff to serve the community rather than serve the organisations:** ‘When people join...and they come from larger players...their psyche is competition.....Our job is not to think we are the answer to everything...it takes a whole community...and they struggle with that concept because they think we have to defend [the organisation's] position because this is who we work for....The organisation is immaterial, your job is to work for the people who need the support.’
- **Ensuring growth or contract delivery does not stop them from focusing on local communities:** ‘We play well with local players because we are 'think big act local'...none of our services are the same, they're all delivered in a very individual way to that community...of course everyone will say that, but we really mean it.’ This same organisation describes the importance of resisting ‘contract culture’, whereby organisations focus too much on the contract delivery and not enough on achieving real change: ‘... the contract is part of your job but it's not your whole job.’

## Attitude to growth and sustainability

*Growth doesn't necessarily lead to better sustainable organisations.*

Charities have different approaches to growth and sustainability. Some organisations have a strategy to expand in terms of the types of services they offer and where they offer them to try to make a difference to as many lives as possible. Whereas others grow to sustain their work, due to reduction or decommissioning in other areas, or after a period of growth. Notably, several organisations describe getting smaller, by ceasing to bid for and deliver contracts that do not cover costs, in order to become more sustainable.

*Our goal is to see what part of the pie we can have in a fair way.*

Several organisations describe the need for a nuanced approach to growth and sustainability. Some larger organisations with aims to expand also recognise that bringing in more and different streams of funding is not always best to achieve impact: It is ‘important that larger organisations especially but all organisations delivering public services recognise that diversification for the sake of diversification doesn't always benefit the individuals you are working with when there are

specialist partners out there who you can work with.’ One individual said their personal opinion on what growth means has changed over time – they used to view growth as organisational expansion, whereas now they consider how their organisations can be a ‘builder for growth’ more broadly.

One major organisation was emphatic about the importance of focusing on impact over targets or growth: ‘I don't set any targets around development, size, scale or finance. What we are about is increasing our impact. I think those kind[s] of behaviours drive bad business...they drive bad behaviours. And we have been subject to some of that, because we were small...We want to be brilliant at changing people's lives. So long as we don't lose money we don't care about making money...so long as we are getting really good outcomes. We don't care if we are £10m or £100m but we've always got to be brilliant.’ Others described having targets to increase their reserves, rather than broader targets for growth.

## Strategy and decision-making

The approach organisations take to making decisions about bidding influences how they compete or collaborate with others. When deciding what to bid for it is common for charities to consider whether:

- The opportunity fits with their strategy, mission and core priorities
- The contract is financially sustainable, enabling them to recover costs
- The current provider is delivering the service well
- The service design/model is ethical
- They have the capacity to deliver and mobilise
- They have the relevant expertise and knowledge, to deliver or manage the contract
- They need to work in partnership to deliver

*We will see contracts coming out for tender all the time where for example they will have cut the number of hours...without any rhyme or reason. It is wrong. We will increasingly push back but it is difficult because you are biting the hand that feeds you.*

Partnership is an integral part of some organisations’ strategies and decision-making processes. Some charities describe a concerted effort to increase partnership working: ‘As a national organisation we're moving towards more partnerships with very specialist local organisations who can demonstrate a track record in delivering specific aspects of a service well. This safeguards the continuation of their expertise and existence.’

*Over the last few years, we have made a conscious effort to build partnerships with smaller local voluntary sector organisations to bid together, generally with our organisation as the lead provider.*

Charities also build collaboration into their decision-making by making space for other organisations, but we know these practices are not universal. Some charities demonstrate the following behaviours:

- Focusing on core priorities or geographical areas
- Not bidding if the current provider is delivering quality
- Only bidding if they have a local presence, or if they can partner with a local organisation
- Not bidding if it would put a smaller organisation out of business

*We feel really ethically bound to not bid for things where people that we know are delivering a really good service.*

## Capacity and structure

Organisations need capacity and structures to support collaborative working. Several charities describe the importance of the following factors:

- Staff having the time and skills to collaborate well
- Embedding collaboration into all job roles and descriptions, with some larger organisations having dedicated partnership leads and teams
- Ensuring staff are well connected with local infrastructure bodies to help connect partners to further support
- Ensuring internal collaboration exists to support collaboration with partners
- Reducing internal barriers to partnership, such as onerous sign off processes
- Embedding a learning culture into the organisation, ensuring staff are safe to be critical of themselves and the organisation

## Leadership

Leaders, whether trustees or senior managers, have a clear role to play in shaping organisational culture. There are several functions leaders need to fulfil to shape a collaborative culture.

## Setting direction

Clear direction from CEOs is important to change an organisation's approach to bidding for commissioned work. One organisation described the role of a new CEO in transforming their approach to public service delivery. 'We were on a downward trajectory..... She has managed to turn things around. We've stopped doing things for free on public sector contracts...'

*My chief exec ... is not afraid to say it how he sees it and will stand behind the things we will push back on and challenge...Up to people at top to step back and say what on earth is going on here.*

To shift quickly to a new approach the new CEO scrutinised every part of the organisation and made difficult decisions. A key to their success was focusing on quality, and listening to staff: 'We had been bidding on a number of CSE contracts over the years...and I had been saying I don't think we should bid on these unless we do some work internally. Within the first three to four months I got the ok to stop even looking at those.'

*Our new CEO has been clear we don't want to parachute in, and if anything we need to make sure the voluntary sector consists of smaller and local organisations.*

### **Devolving responsibility**

Support from senior leaders is vital to ensure staff have the freedom and permission to develop partnerships. In organisations where their approach to commissioning has needed a drastic overall or in smaller organisations, CEOs seem to take a more active role in business development. In larger national organisations devolved responsibility is vital to ensure relevant staff and those with local connections can do what is best for communities: 'We have a local leader...they can develop partnerships, they can look at sharing infrastructure, they can look at sharing resource...they are invariably local people....If they are saying it makes sense to work with these people for these reasons we believe them.'

*People on the ground might be prepared to work with us, but the people over them in the organisations won't. There's a kind of control there.*

### **Modelling behaviour**

Some leaders indicate that partnership working is very personal to them and their leadership style: 'My philosophy is very much about working in partnership. I don't think others are.... some people just don't like working in partnership and find it quite difficult.' Notably some of the most collaborative individuals in larger organisations remember their organisation being much smaller, or remember working in a smaller, local organisation.

*I always think back to when we were small. If someone had come to me and said would you like to use our IT system I would have chewed their arm off to the elbow.*

### **Creating the conditions**

Boards have a vital role to support organisations to be collaborative. Some CEOs describe taking time to build the capacity of their boards to be collaborative and have a healthy attitude to risk.

*Lots of trustees don't get the importance of their role.*

It is vital for boards to be supportive of organisations saying no to work that is unsustainable or beyond their remit. Significant concerns have been raised about trustees from corporate backgrounds bringing an approach to impact that focuses on financial growth and getting bigger. Some highlight the importance of their board focusing on impact, quality and local reputation over growth targets: ‘Our board absolutely will never ever, ever set us a target around growth income or margins...Our board want us to have a good solid local reputation not a big national profile...We have a very high-risk threshold, but we have an enterprising board that's made up of people who believe in what we do.’ It is vital that trustees bring relevant expertise and experience, but understand the different motivations and cultures of charities compared to for-profit business.

*That generosity needs a certain level of organisational confidence which comes a lot from the board and the chief executive.*

## Conclusion

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This report demonstrates that there are bright sparks of collaboration between charities delivering public services, with generous leaders marking a new and different path. These charities have demonstrated that, while not easy, collaboration is possible and worthwhile even within a competitive environment. Collaboration can help charities to deliver better services in the current system and, working together, can also push for better ways of organising public services.

Where commissioners are already changing their approach to collaborate more effectively with the voluntary sector, charities need to be ready to respond in the same spirit. While not universal, this project has demonstrated that forward-thinking charities are making the connection between delivering their mission and supporting other organisations. Often these charities, and the people who work for them, recognise where they might have or lack power and advantage compared to others. In addition to improving the frequency and quality of partnerships, these charities ensure their internal culture and leadership support collaborative working.

It is clear that negative experiences of competition and partnership have damaged trust between charities, influencing how individuals view different types and sizes of organisations. This means that all organisations need to put time in to repair the bridges burnt by other organisations. This aligns with one of the core recommendations of the [Civil Society Futures report](#), which urges charities to invest time and resources to build trust and stay true to their values.<sup>26</sup> Drawing on the findings of this report, we have developed some behaviours to support organisations to start reflecting on how they work with others. We suggest five key questions every leader and individual should consider in order to support a more collaborative approach across the sector.

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<sup>26</sup> Civil Society Futures: The independent inquiry (2018) [Civil Society in England: Its current state and future opportunity](#).

1. **Power.** What advantages does my organisation have compared to others, and how can we level the playing field? How can we support organisations led by marginalised groups and communities?
2. **Empathy.** What are the challenges other organisations of different types and sizes face? What do other organisations do better than us? What are the challenges and values we have in common?
3. **Honesty.** How do other organisations, and people who work for them, experience working with us? How can we make them feel comfortable to have an honest conversation with us?
4. **Communication.** Do others know we want to work in partnership and how do we approach partnership working?
5. **Impact.** How are the people we serve supported by other organisations? How can we work with other organisations to centre the people we serve and coproduce services? How can we prioritise impact above organisational interest?

The pandemic has forced more collaboration between charities, as well as with communities and authorities, to achieve a shared goal. The collective impact of charities in response to covid-19, despite such difficult circumstances, demonstrates the power and necessity of collaboration. Together we are stronger than the sum of our parts. We all have a responsibility to ensure the people charities serve and represent continue to benefit from this collaboration.

## Putting collaboration into practice

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Based on practice that already exists in the sector and the recommendations we consulted on in 2020, we have identified some behaviours for organisations who want to become more collaborative. We think that collaborative behaviours are essential to enable charities of different types and sizes to work together to provide holistic support and tackle complex issues. Collaboration can also ensure people can access the support they need and can exercise choice in the services they access.

These behaviours are a starting point for thinking about collaboration and should be tailored to the size of the charity and the role it plays in partnerships. Organisations with more power may find it easier to put some of these behaviours into practice, but there are still actions that organisations with less power can take. These include being open to learning from others and adapting ways of working, networking and building relationships, and showing an openness to working in collaboration.

## Collaborative organisations

1. Compete in an ethical and responsible way.

| From this...  | To this...   |
|---|--|
| Putting organisations in bids without telling them or not giving work to those organisations during delivery.   | Fully and genuinely engaging partner organisations in bid development, honouring promises to give them work.   |
| Submitting unrealistically low bids.  | Only submit bids for high quality work that is deliverable, and where you can recover your costs. Don't submit low bids you know you can't deliver in order to win. Challenge the authority on their costing, and what can be expected for a certain sum.            |
| Taking an aggressive, monopolistic approach.  | Focus on impact and impact that can be achieved with organisations, rather than market share. View other organisations as partners rather than threats or competitors.   |
| Appropriating work of others and undermining the positive work of predecessors.                                 | Build on the positive work of your predecessors, taking up an offer of a handover if available. Pay others for their knowledge and input wherever possible.  |
| Bidding for work that others are best placed to deliver, and not considering the impact on other organisations. | Bid for work according to a critical and objective assessment of your organisation's strengths and weaknesses, as well as your mission. Investigate whether others are better placed to deliver, and if that is the case potentially choose not to bid against them. |

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2. Are open to collaborating with various organisations. These organisations often do the following:
  - Think carefully about going into new areas, and always consider partnership working.
  - Clearly communicate their intention to collaborate and build a reputation for partnership.
  - Judge each organisation on their merits and culture, avoiding blanket assumptions about organisations.
  - Open lines of communication to build trust, in response to any suspicion or hostility.

- Build partnerships over time and choose partners well, whilst being willing to develop new ones.
- Explore partnership with different types of organisations, including smaller organisations and organisations led by marginalised groups and communities (for example, user-led organisations, BAME-led, LGBT-led etc..).
- Work collaboratively, or co-produce services, with the communities or people they exist to support.
- Recognise the value of others and understand how organisations value themselves.

**3. Support other organisations in a variety of ways.** These can include:

- Pushing back on poor commissioning practice and resisting ‘contract culture’.
- Exploring different mechanisms but being honest about what will work for the partnership.
- Bidding for and delivering contracts together.
- Considering the impact of their funding strategy on other organisations that support the communities they work with.
- Sharing infrastructure, training, resources and learning.
- Buying in the services of other organisations.
- Building the capacity of smaller organisations.
- Facilitating the flow of money to organisations that struggle to access funding.

**4. Develop fair and equal partnerships.** Organisations ensure positive collaborative working by doing the following:

- Aligning values but allow for and learn from organisational differences within partnerships.
- Sharing decision-making power and knowledge within partnerships.
- Developing reciprocal relationships with partners, where each brings complementary skills and experience.
- Managing partnerships fairly ensuring fair payment and processes for resolving issues.
- Ensuring flexibility and support for partners where needed and are willing to adapt their own approach.
- Trusting and respecting partners, and those who work for other organisations.
- Investing time and energy in collaboration and developing partnerships early.

**5. Nurture a collaborative organisational culture and leadership behaviours**

- Ensuring strategy and decision-making processes support collaboration. This can include embedding partnership in decision-making about what to bid for.

- Taking a nuanced and broader approach to growth, recognising the differences between growth, sustainability and impact.
- Developing a collaborative leadership approach.
- Devolving responsibility and listening to staff but directing when change is needed.
- Developing a board that is critical, outward looking, comfortable with risk, and focused on delivering quality not quantity.
- Building internal capacity for collaboration, including reducing internal barriers, rewriting job descriptions, and asking staff to focus on serving communities.

## Case studies

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We have worked with several organisations to develop a series of case studies that explain and reflect on their experiences of collaboration. Where possible we have tried to speak to partner organisations to bring in their perspective. The case studies highlight some examples of good practice and learning, but we are not suggesting the organisations featured are perfect.

### **Working with multiple smaller partners to deliver youth services (Creative Youth Network)**

*We can achieve more for young people by working together. We are more than the sum of our parts.*

Creative Youth Network (CYN) is a large charity working with young people aged 8-25 in the South West. They support young people through work in youth centres, advice and support, creative courses and alternative education and careers advice. CYN collaborates with a wide range of other organisations and groups, both within and outside of specific contracts. At times they may compete for work with other organisations, but their main approach is to collaborate wherever possible.

In Bristol, the City Council were to tender the £7.4m contract for youth services. Several months before the tender was released, CYN brought together 14 partners to discuss and develop a joint proposal. The partnership was successful in winning the bid, and despite cuts to local authority funding, working in partnership has meant more money is coming into youth services in the area. The partner organisations are working with the same number of young people and have significantly improved some outcomes for the area.

Partner organisations include Horn Youth Concern, Oasis, Youth Moves, Learning Partnerships West (LPW), Young Bristol, Aspiration Creation Elevation (ACE), Empire Fighting Chance, Bristol Drugs Project and a number of smaller youth clubs.

#### **Challenges**

A key challenge was establishing early on the areas where organisations' work or approaches overlapped. Whilst this process can often create tension, the partnership was able to develop an agreement together which focuses on their strengths and areas of expertise. This required open and honest conversations, and some compromises.

In CYN's experience, some organisations are more open to and better equipped to collaborate than others. Some prefer to focus on their own offer, area or beneficiaries, and others may have had difficult experiences of collaboration in the past. They may hold assumptions about

other organisations, which discourage them from building new relationships. It takes time and openness to work through these concerns and fears together.

## Enablers

The organisations worked together to develop trust and effective lines of communication. In early conversations the partners focused on the young people, what they hoped to achieve together, and where each organisation could add value.

An important factor for CYN is generous leadership, recognising they may have more resources, power or capacity, and sharing this with others wherever possible. CYN were able to complete due diligence processes and support the smaller organisations to develop their outcomes monitoring, impact measurement, accounts and governance before the bidding process began. This enabled all partners to meet the requirements of the specification, which was particularly important for those working in areas or with people who would otherwise miss out on support.

## Learning

1. Any relationship or collaboration between organisations has to be built on trust and maintaining open and honest communication. Communicate regularly, even if things are going well.
2. Acknowledge what power you have or do not have. If you are in a more powerful position than other organisations, acknowledge it and use that power wisely. If you have less power, raise any concerns or fears around this, and discuss how this can be addressed through the collaboration.
3. Working through problems and difficulties together strengthens a partnership. Talk through and resolve any tensions or problems which arise quickly and fairly.

## Collaborating to tackle sexual exploitation (Changing Lives and the STAGE partnership)

*There is a sense that together we are ‘more than the sum of our parts’ in our ability to raise awareness and raise the voices of the survivors of sexual exploitation.*

Changing Lives is a major national charity, working with and supporting around 14,000 people each year. They work across four key areas, including:

- Housing and homelessness
- Drug and alcohol services
- Employment
- Women and children’s services

Changing Lives collaborates with other organisations frequently, including small grassroots organisations and other larger charities. Most of their services are delivered through formal and informal partnerships.

Changing Lives believes local and national collaboration is essential to address the systemic issue of the sexual exploitation of women and girls. In one example, the Tampon Tax Fund supported the development of the STAGE partnership with five specialist women's sector providers:

- Basis Yorkshire
- Women Centre
- Together Women
- A Way Out
- GROW

The partnership provides trauma-informed support to women and girls across the North East and Yorkshire.

## Challenges

The bidding timeline was short which meant there was limited time to build relationships or define clear accountability structures before the partners began working together. -The strong shared purpose meant the partnership has been able to develop solutions to any questions and challenges which have arisen, but making collective agreements before securing funding would have made the process smoother. -Likewise, all partners have built effective and supportive relationships, but it would have been more effective to come together in advance of seeking funding.

For some smaller organisations, there was an understandable level of scepticism about working with a larger charity. Changing Lives worked to build trust by demonstrating a genuinely collaborative approach over time and actively aiming to minimise power imbalances. This has not been a straightforward process. For example, the fact that they have the internal infrastructure to support the partnership inevitably means they hold greater power regardless of any intentions. Overall being able to draw on these resources has been beneficial for the partnership, but it does have an impact on the balance of power between organisations.

As a large organisation, Changing Lives have gained a greater understanding into the everyday pressures on capacity and resources for smaller partners. All the individuals and organisations have learned about building trust, sharing power and how to build strong effective partnerships. Changing Lives have commissioned the research charity IVAR to evaluate the partnership and aim to use the findings to influence the way large and small charities might work in partnership in the future.

## Enablers

*Partnership working has never been more important.*

The partnership developed a shared vision and acknowledged that their aims could only be achieved together, which was a significant enabling factor. Recognising the unique characteristics, skills and expertise of each organisation facilitated developing solutions and learning together as a partnership.

Changing Lives' strategy explicitly addresses their responsibilities as a larger charity working within and supporting a wider ecosystem of organisations. This requires them to put the health of the ecosystem above their own competitive advantage. This has required a shift over time in the organisations' values and strategic aims, from the frontline to board level. Focusing on beneficiaries and their charitable objectives has supported this change and will continue to drive improvement.

## Learning

1. Co-developing a shared vision is key – communicating where all partners want to get to is a strong basis for partnership.
2. Compassion for other organisations is crucial, each will have differing capacity, history, resources, pressures and resilience.
3. Organisations are stronger together and there is no benefit in operating in a way which hinders partnerships.

## Funding a smaller organisation to deliver specialist housing support (P3 and Cohort 4)

*You need to take the approach of supporting each other, rather than punishing or holding each other to account in that moment. If one partner has a problem, we need to work together and focus on how to achieve the best impact for our beneficiaries. - P3*

*Combining the best of both organisations is potentially a very powerful model.... We are able to use our peer led strengths to the best capacity only after partnering with P3.... collaborating with [P3] who have a strong and uncompromising value base is fantastic! - Cohort 4*

P3 is a major national organisation, delivering a wide range of services, from advice and support to housing, for people experiencing social exclusion. Cohort 4 are a peer support organisation and

social enterprise for women based in north Warwickshire. P3 is contracted by the local authority to deliver a variety of support services across the area where Cohort 4 are based.

Both organisations identified a range of support needs that often fall outside the scope of existing housing contracts. P3 leased a house and independently funded Cohort\_4 to provide support there. P3 took on legal, contractual and performance risk. Cohort\_4 brought expertise, an established reputation and strong links with their client base. Collaborating allowed each organisation to use their strengths.

## Challenges

P3 and Cohort\_4 have been able to work through any challenges they have faced by being honest and open with one another, and focusing on the people they are there to support. One challenge arose from the drastically different organisational structures and processes. It took time for both organisations to get used to this and to establish the most effective way to communicate and make decisions.

## Enablers

A number of factors enabled P3 to collaborate well with Cohort\_4. While there is a big difference in size, both organisations share values and mutual respect. Overperforming on the large housing contract means P3 has more room to absorb any risk from working in partnership. They also recognise the relative power that comes from having well-established reserves and infrastructure. Where P3 often supports around 13,000 people a week, this service supports around 3. The proportionate risk is small and manageable for P3 but the set-up costs and risk would be a barrier for Cohort 4. P3 emphasised the importance of being open about costs and pricing from the beginning and being realistic about the resource needed to deliver. It is also important for partner organisations to contribute as much as they can, and all sign off on key decisions.

## Learning

1. Find like-minded organisations, with similar values to yours.
2. Focus on the people and the problem you are trying to solve and work together to achieve outcomes.
3. Leave the ego at home.

## Supporting smaller charities to develop and take the lead (Shelter and SIFA Fireside)

SIFA Fireside is a large local organisation in Birmingham working with homeless people. Shelter is a major national charity which works and campaigns on housing and homelessness. Over a number of years SIFA and Shelter developed a strong working relationship.

In 2016, Shelter subcontracted SIFA to co-deliver a homelessness prevention service, funded by Birmingham City Council. Together they developed a series of proposals for new services to support local needs. One proposal, for the Lead Worker Peer Mentor (LWPM) service, was funded by the National Lottery Community Fund and involves Shelter, SIFA and Mind. Through co-location and joint-working, the LWPM service strengthened the relationship and in 2019, SIFA bid as the lead provider for a homelessness service, with Shelter as a sub-contracted partner.

*Shelter's development team helped us, looked over the tender and provided assistance. They did this in a way which recognised that we were able to and wanted to take the lead.*  
- SIFA

## Challenges

Both organisations needed to develop an understanding of the other, of how they operate and the pressures they face. SIFA are often able to make decisions quickly and easily, and have an engaged board. Shelter has more resources and a larger infrastructure, but also have more processes to follow in decision-making. Recognising these differences and working together to develop balanced processes which work for both organisations has been important.

Shelter and SIFA have been able to overcome the barriers they have faced in working together through open and transparent communication. SIFA had previously experienced challenges gaining recognition and funding from Local Authorities as a small organisation. The collaborative relationship with Shelter has supported awareness raising with local commissioners, demonstrating SIFA's expertise and impact, and improving their ability to attract funding directly.

## Enablers

Shelter and SIFA Fireside work with similar groups of clients in the local area and have complementary expertise. Through working together, the organisations have developed shared knowledge and improved the experience for people accessing their services. In the early stages of their collaboration, Shelter were able to use their capacity and infrastructure to support SIFA, through sharing knowledge, expertise and resources as part of the application process and in establishing sub-contracting arrangements.

The relationship between both organisations has been key to the success of their collaboration. Focusing on the strengths and offer of each organisation, and how they can best work together to meet local needs has been crucial. Meeting regularly has supported both organisations to develop their own relationships, and to improve awareness of their services and expertise in the local area.

## Learning

1. Open communication: Sharing resources, knowledge and experience is vital to successful collaboration between organisations, particularly those that differ in size. It is important to disregard competition when working collaboratively, to promote the best outcome for the wider service/system.
2. Co-location is important to foster strong relationships between organisations delivering services; overcoming physical distance to support clients and promoting access to each organisation's specialist knowledge and skills.
3. All organisations have to be aware of their own approaches, behaviours and language. Small organisations should understand how they operate and work with others, and larger organisations need to be conscious of their language, their approach, and how they can best adapt to support smaller organisations to engage on the same level.

## Developing an Alliance to offer community mental health support (Somerset Mental Health Alliance)

*We came together to develop this work because we believe in it and the difference it can make for our beneficiaries... We all had to be okay with not always getting it right. - Rethink Mental Illness*

*All of this is about relationships. It's not about size, it's about commitment and culture within organisations. We kept coming back to why we were here, it's not about any individual organisation. - Spark Somerset*

*In order for everyone to be equal some organisations need bigger steps to be at the same level as others. - SWEDA*

The Somerset Mental Health Alliance was formed in 2019 as part of the new Community Mental Health Framework, which aims to address the long existing gaps in provision and challenges of mental health care and support in the community. Somerset is one of 12 Trailblazers, trialing a new approach to coproducing a local model, funded by the NHS Trust, the Clinical Commissioning Group, and the County Council.

The Alliance is comprised of:

- mental health specialist charities (Rethink Mental Illness, Second Step, Mind in Somerset, SWEDA)
- a local community organisation (the Balsam Centre)
- a grassroots peer support organisation (WATCH)
- a voluntary sector infrastructure charity (SPARK Somerset)

- an older people specialists (Age UK Somerset) and
- an organisation focused on the social and economic factors that contribute to mental illness (Citizens Advice Bureau).

Early in the development of the Alliance, Rethink were democratically voted as the lead partner. Rethink subcontracts to this group of partners, but they are committed to operating as an alliance where all partners are equal.

## Challenges

The partners encountered challenges around communication, internal cultures, appetite for risk, and level of engagement of boards and trustees. Building trust and developing relationships between the partners was key to overcoming these challenges.

Rethink acknowledged there could be concerns or fears from the potential partners owing to their size and others' broader concerns about competition between organisations. Early on they committed to only delivering services if all of the partners agreed. This was an important step in building trust across the partnership.

It became clear early on that the differences in resources and capacity between partners meant that for some the number of meetings and communications was difficult to manage. Through an agreement with the funders, the partnership decided to ringfence funding to provide payments for capacity and attendance for smaller organisations. This supported the thinking, planning and strategic work through the infancy of the Alliance, ensuring that all partners were able to engage.

The partnership is still working through how best to ensure the structure, communications and decision-making processes are effective for all current and potential future partners.

## Enablers

The emphasis on developing the model with the commissioner based on what communities want and need, meant all organisations involved had to develop a shared vision and goals, rather than focusing on individual approaches or finances from the outset. The Alliance developed terms of reference, which outlined the common goals and aspirations, and roles and responsibilities within the partnership. This process was open and was facilitated by independent chairing from Spark.

Early on, the partnership held a democratic vote to decide which organisation would operate as the lead for the contract, and Rethink was chosen. They were able to use their experience and infrastructure as a large organisation to support the partnership to develop the bid.

The partners agreed to allocate small amounts of funding from the contract for micro and grassroots organisations, through innovation and capacity grants. It was challenging to agree a level of funding which should be ringfenced for this, but the approach has supported the Alliance to invest in organisations which would otherwise not be able to engage in their work.

## Learning

1. Building effective and trusting relationships is vital. It's important to recognise and value the differences and strengths of all organisations and work together to build on these.
2. By being collaborative and coproducing the model, the organisations were able to establish innovative and exciting ways of working. Leaving the ego at the door and committing to working together is resulting in much more exciting work.
3. There is value in all sizes and shapes of organisation. Larger organisations need to be open to the different ways they can work with and support others, sharing infrastructure and resources where possible.

## Collaborating to deliver advocacy services (POhWER and Advocacy Matters)

*Collaboration is very possible. We wouldn't be where we are and able to do the statutory work we have been doing for years if it wasn't for our partnership with POhWER. - Advocacy Matters*

POhWER is a major charity, and their approach to collaboration has changed over recent years. Previously they tended to operate primarily on their own. Over the past 3-4 years POhWER has made a conscious effort to partner with other organisations, generally operating as the lead provider, and now partner with around 30 organisations. Most of these partnerships are with small organisations, often working at a grassroots level.

POhWER are motivated to collaborate to deliver better quality, holistic services. In one partnership whilst POhWER was by far the biggest organisation involved, another organisation led on the partnership, as this would lead to the best outcomes for beneficiaries.

## Challenges

Many organisations have limited experience of collaborating with others and may not be in a position to meet commissioners' minimum requirements. In some instances, POhWER takes on additional responsibilities in the early stages of the contract and works with partner organisations to support them to develop skills or processes over time.

Without local offices and a strong local presence, it can be difficult for other organisations to recognise POhWER as a potential partner. In one example, a local authority had merged a range of services within one framework. The existing group of providers, that were already working well to deliver, were hesitant at first about working with a larger national provider. By having open and transparent conversations, Powher built trust and worked through these concerns. POhWER encouraged the other providers to contact other organisations they collaborate with, to get honest feedback on their approach and behaviours within other partnerships.

In one instance a partnership bidding process became too challenging to manage. The contract was large and complex and as a result it was difficult to agree which organisation would be best placed to operate as the lead. Powher did not bid for this contract because they felt their organisations would work well together.

POhWER have also learned from unsuccessful partnerships or where collaborations come to an end. This can be a difficult process, but it is good for the wider ecosystem for organisations to continue to communicate and to maintain relationships, even where a contract fails or is ceased.

Commissioners can be extremely risk averse, which does not support effective collaboration. POhWER have found that creating a dialogue with commissioners around the value of partnership working and the components of good practice can improve the commissioning process. However, the ongoing and sustained cuts to funding has made this dialogue increasingly difficult to initiate and sustain. The collective voice and power of groups of organisations working in partnership can be very powerful when making the case for differing approaches to or levels of funding in commissioning processes.

## Enablers

POhWER have found that several key factors support effective collaborative working:

- Organisations need to be willing to work in partnership, and that includes taking on risk.
- Partnerships require flexibility, from all organisations involved, including the larger organisations. POhWER at times has capacity and budget to take on more of the work or dedicate more resources than other partners.
- Due diligence processes are vital to avoid and mitigate any risks of working in partnership. These processes ensure all partners have the necessary structures and policies in place to meet the tender requirements.
- POhWER communicate the risks and advantages of working with others to their board, which can aid their decision making and improve the interest in collaboration.

The partnership between POhWER and Advocacy Matters works particularly well. In this partnership Advocacy Matters have benefitted from POhWER sharing updated policies, procedures and risk assessments during the pandemic. Advocacy Matters were able to share their links to sources of Personal Protective Equipment (PPE). Though this is a sub-contracting arrangement, Advocacy Matters are clear: *“This does feel like a partnership. Even though we are sub-contracted, we work in partnership and we are valued”*.

## Learning

1. Don't be scared or hesitant of collaborating with others – it can be challenging but it is often worthwhile, both for the organisations involved and the people they are working with.
2. Regular and honest communication is important. At the beginning all organisations need to be open about any concerns or fears, and about their skills, values and expectations. 'If a partnership encounters a problem, it's everybody's problem', and it is in every partners' best interest to solve any problems together. All organisations involved need to be able to contribute, share power and be listened to.
3. Always keep the focus on the beneficiary's journey, experiences and outcomes. This supports all organisations involved to identify and build on their strengths, as well as to deal with any challenges which arise.

## Developing a large consortium to support women and girls experiencing violence (London VAWG Consortium)

The [London VAWG Consortium](#) is the largest coalition of specialist VAWG (violence against women and girls) providers working across London to deliver projects funded by London Councils, the Mayor's Office for Policing and Crime and the Greater London Authority. It has 28 members, the majority of which are led by and for women's and BME organisations. Services are co-ordinated through lead organisations, elected by their partners, and operating through an equitable partnership agreement. The Consortium works with over 30,000 women and girls each year, with more than 50% from Black and Minoritised Ethnic Groups.

The Consortium came together due to changes in funding for public services. This amounted to 63% budget reductions by 2018, and meant that councils no longer had the infrastructure to manage multiple grant agreements with individual organisations. The Consortium has an underpinning set of shared feminist and anti-racist values and principles which places women and girls at the centre of collaboratively designed and delivered services. The Consortium seeks to end violence against women and girls through working to achieve equality for women and upholding women's human rights.

## Challenges

The complexity of delivery and operating models in place across London is a significant challenge. There are a wide range of differences between and within geographical locations and between commissioning bodies, and of local needs. Frequent re-tendering and short-term funding arrangements have presented challenges, as has the reduction of many supporting services previously provided by councils and local voluntary organisations. The Consortium has responded to these challenges by building relationships with pan-London funders and policy makers in order to influence policy and decision-making.

Developing a consortium can be demanding and resource intensive. Organisations have differing cultures and backgrounds and are often pitted against each other in funding environments. The Consortium has responded to this by developing a shared set of underpinning values and principles which recognise and respect the autonomy and self-direction of individual member organisations. The Consortium is governed through a power-sharing model.

## Enablers

Following its establishment, the Consortium adopted a proactive approach to funding, reinforced by the formal statement of their values and principles. It has a non-oppressive, non-hierarchical approach to organising as a group of women's organisations. This includes bringing new organisations into the Consortium, to develop new or improved services to meet the needs of women and girls.

Effective voluntary sector consortiums require investment, usually over three to five years, to become established. The London VAWG Consortium benefitted, and continues to benefit, from the development support of Women's Resource Centre, the national umbrella organisation for the women's sector, and the commitment and time investment of its individual member organisations. It received three years funding towards sustainability from the City Bridge Trust.

## Learning

1. Meaningful and effective collaboration takes time and resources. In developing a formal consortium it is useful to have a trusted intermediary, such as a co-ordinator or an umbrella organisation, which holds a remit for developing partnerships.
2. Be clear on and driven by values, purpose and principles. This requires clear and open communication and developing shared goals.
3. Understand the funding environment and recognise the power organisations and consortiums have to influence commissioning. Charities and voluntary organisations can provide critical insights, intelligence and evidence and can build relationships with commissioners to drive positive change.

## Delivering mental health services with a large network of smaller organisations (Touchstone and Live Well Leeds)

Touchstone provides mental health and wellbeing services to over 10,000 people a year across West and South Yorkshire. They collaborate with a range of organisations and groups, with much of their growth over the last five years through formal partnerships with others.

Touchstone works with 16 smaller organisations (most with an income of under £100,000) to deliver the Live Well Leeds Service, a city-wide mild to moderate mental health day service. The commissioner required a third of the contract price to be subcontracted to smaller charities or groups to reach specific communities. Touchstone works with partners to deliver services, but also to share resources and to support business development and sustainability.

### Challenges

As some partners had never been involved in any form of partnership or local authority commissioned contract, Touchstone recruited a Delivery Network Manager to provide support and ensure performance against the contract was managed well. In the first year, whilst all overall targets were met, some partners underperformed. Commissioners were happy with the general performance of the partnership, but it was clear that performance for individual partners needed to be addressed. Several partners had underestimated levels of demand or full costs of delivering support.

The partnership had agreed early on that underspend on the contract could be reinvested. This enabled Touchstone to increase funding for one organisation, which would otherwise have had to withdraw from the contract. Alongside the benefits of keeping all partners engaged, it was also critical because the geographical area they work in was not covered by other partners, a requirement of the contract.

The partnership was also able to review and redesign projects based on service user experiences and changing needs. Touchstone supported one partner to meet the increased demand for support, and another to better identify needs of a local community. One group was supported by the Delivery Network Manager to redesign the groups to make them more active and participative, changing timings and venues to be more accessible.

Providing this support has improved the outcomes for these organisations and supports the partnership to adapt to changing circumstances. Contracts for all partners have been increased to five years, to enable organisations to plan and improve sustainability.

## Enablers

The commissioner required organisations to work together, which was a strong driver for establishing the partnership, and gave clarity on their expectations. An expression of interest process was developed and circulated to around 300 organisations. Touchstone had long-standing relationships with many of the potential partners, which supported open and honest conversations over the course of six months about the opportunities and limitations of the contract, and the value that each partner could bring.

The role of the Delivery Network Manager was important to the success of the partnership. Through regular meetings and direct support, the Manager was able to work with the partners to overcome a range of issues.

## Learning

1. Collaboration works.
2. It brings the best of a range of providers to improve the outcomes of a greater number of people and across different communities of interest.
3. It is worth the hard work, tears and tantrums – honest!

## Glossary

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- **Commissioning:** There are different definitions of commissioning. Broadly commissioning is a cycle of activity comprising of assessing need, planning and then procuring services, and monitoring and reviewing those services. Commissioning authorities can include central government departments, local government and public bodies such as the prison and probation service (HMPSS), police and crime commissioners, and local health commissioners.
- **Procurement:** The process of sourcing, selecting and purchasing goods, works or services from other organisations, often through a competitive process.
- **Prime provider or lead provider:** An organisation that is contracted by a commissioning authority to deliver services on their behalf, and subcontracts other organisations to deliver parts of that contract.
- **Subcontractor or subcontracted organisation:** An organisation that is contracted by another to deliver part of a contract.
- **TUPE:** TUPE stands for the Transfer of Undertakings (Protection of Employment) Regulations. These regulations protect employees if the business in which they are employed by changes hands.
- **Memorandum of Understanding:** An agreement between two or more parties outlined in a formal document, but it is not legally binding.
- **Bid candy:** This is where an organisation is included in a tender document (with or without their knowledge) by a lead provider, but subsequently not given any or sufficient funding or work when the lead provider wins the contract.
- **Coproduction:** Where professionals and people who use services work in equal partnership to design and deliver services.
- **Expression of Interest (EOI):** Early in the procurement process, a commissioner or lead provider may ask organisations to express whether they are interested in delivering a service and ask organisations to explain what skills and capacity or resource they would bring. Commissioners or lead providers may develop a short list from this process.
- **Unique Selling Proposition (USP):** A feature of a service that makes it different or unique compared to other similar services.
- **Consortium:** An association of several organisations.
- **Alliance:** An agreement between two or more individuals or entities stating that the involved parties will act in a certain way in order to achieve a common goal. An Alliance contract is one contract between the commissioner and an alliance of parties who deliver the service. All parties work towards the same outcomes, and risk is shared across the Alliance.
- **User led organisation (ULO):** An organisation that is run and controlled by people who use support services such as disabled people and people who use mental health services.

- Organisations ‘of’ marginalised communities: These organisations are set up and controlled by people who are ‘of’ the community or group they serve. They are different to organisations set up by people ‘for’ a group or community they are not from.
- Joint venture: A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities. There are several different types of agreements that can support a joint venture.
- BAME organisation: BAME stands for Black, Asian and minority ethnic. There are different definitions of BAME organisations but key characteristics can include whether they describe themselves as a BAME organisation, whether people from BAME backgrounds make up 51% or more of their governing body, and whether they provide support specifically for or work on behalf of BAME communities.