

# Leading Collaboration in the 3<sup>rd</sup> Sector

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- ▼ Current Context & Why collaborate
- ▼ Discussion: How do you collaborate now and where do you want to be?
- ▼ Assessing the potential for collaboration
- ▼ Introducing collaboration models
  - Case Study :The Health & Well-being Partnership

- ▼ Changing relationships with the state offer a chance for Social Enterprises & Charities to “flip the narrative”:
  - Current commissioning model is no longer sustainable
  - The Localism & Devolution Agenda
  - The move towards bigger contracts & outcome-based contracts
  
- ▼ An opportunity for SEs & Charities to collaborate and define what the solution should look like
  - Understand what people and communities really want and need, and work with others across sectors to design the change needed.
  - Present a collaborative offers to the state, central and local, about how they will achieve better solutions to shared problems
  - Create a more integrated system : focus on service user pathway rather than a string of services

## Why Collaborate ?

- ▼ An environment where innovation solutions can be developed together quickly and efficiently
- ▼ Ability to bid for contracts, offer a service, access funding & social investment with a scope or scale outside of your own capability and/or capacity
- ▼ Deliver greater collective impact & increase your reach
- ▼ Allow you to focus on your core mission, and partner with others better placed to deliver some services
- ▼ Pooling of resources to increase economies of scale and reduce operating costs
- ▼ A way to share risk on larger projects
- ▼ A formal basis on which to share good practice and learning

**Collaboration is not just a 'nice to have' but now a necessity for organisations to both survive and thrive**



How do you collaborate currently?

- ▼ **How would you score your organisation for its current levels of collaboration?** (Please give a score between one and five. One is very little, five is tried and tested collaboration with a range of organisations.)
- ▼ **Can you think of good specific examples of local collaboration?**

# Assessing the potential for collaboration

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Relationship between organisations

Scope for joined-up delivery

'Cultural fit'



## Relationship between services

- What are the established professional **relationships**?
- How do services **communicate** with each other?
- Is there **trust** between organisations and individuals?

## Scope for joined-up delivery

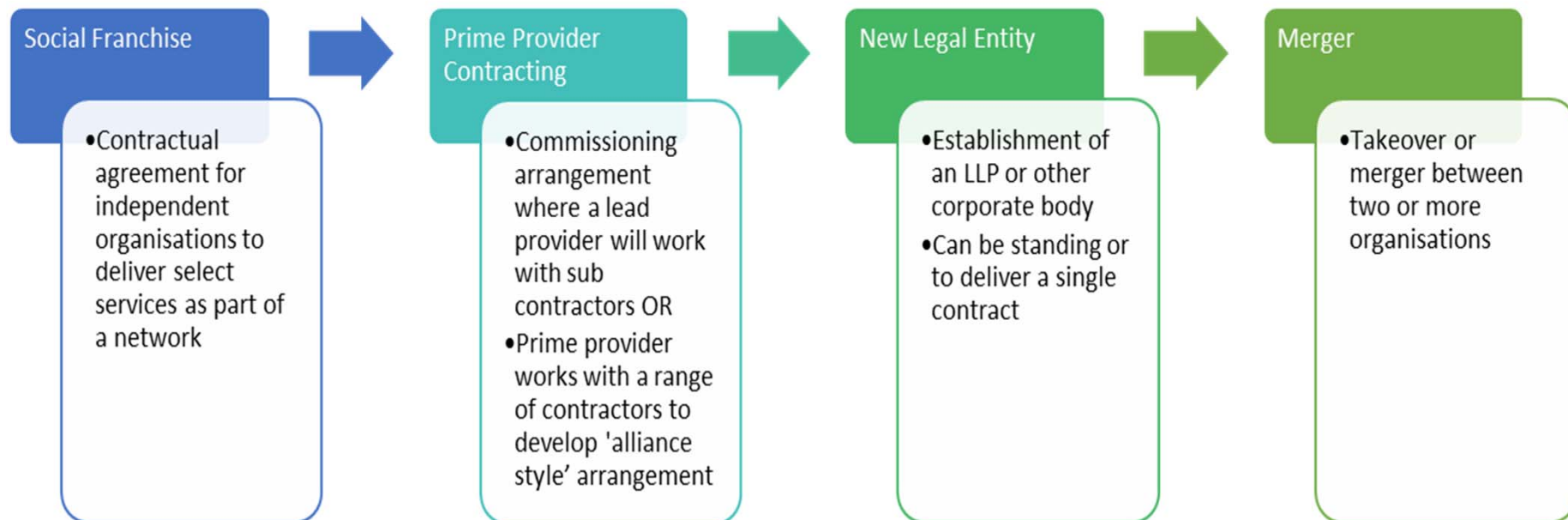
- Where does delivery **overlap**?
- Are there unexploited **synergies**?
- Where are there **dependencies** between services?

# Assessing the potential for Collaboration

## Cultural fit

- How similar or different are professional practices?
- Is there a similar ethos?

# Introduction to collaboration models



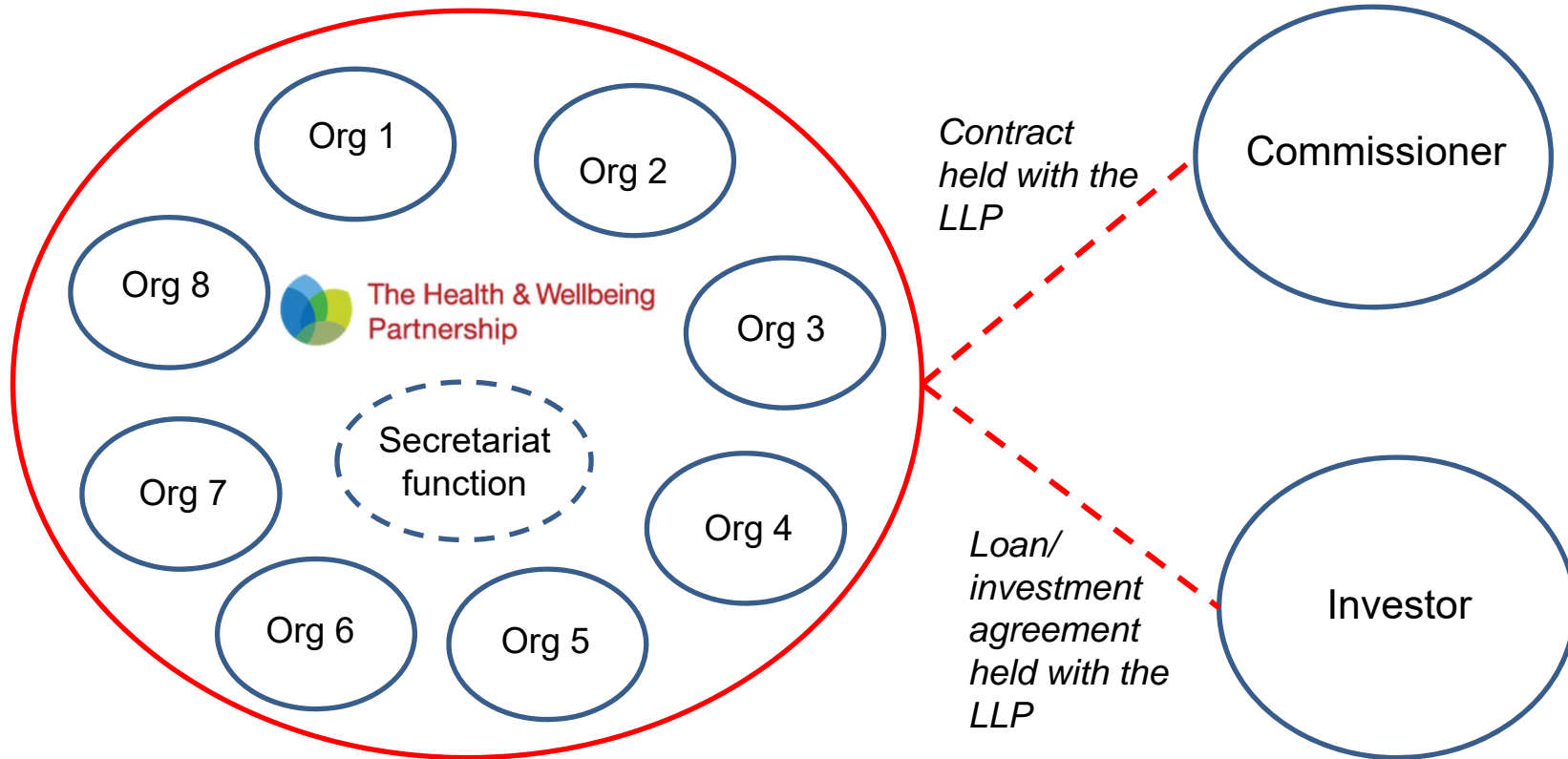
- ▼ Comprised of eight social enterprises and charities
- ▼ Designed to meet the ever increasing move towards 'macro-commissioning' and integrated services.
- ▼ Ideally placed to compete against larger private sector organisations.
- ▼ The LLP is also intended to increase the resilience of member organisations.
- ▼ Removes perverse incentives from service user pathways and shares surpluses/risk equally.
- ▼ It provides opportunities for smaller third sector partners (LLP members) that would normally be excluded or disadvantaged by the lead bidder model.
- ▼ It also offers a platform for raising investment



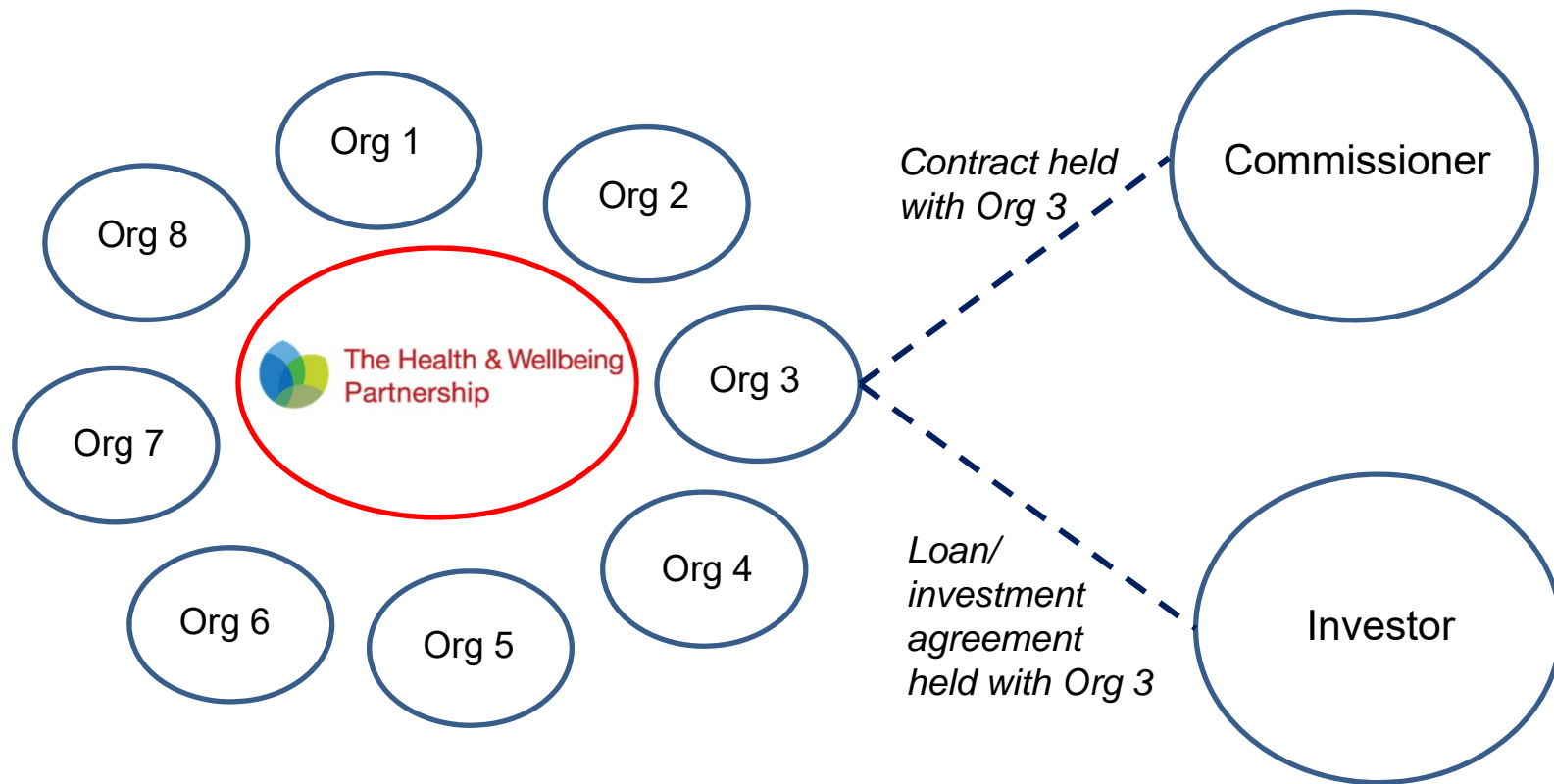
Who are the members?



PossAbilities







# Benefits for Commissioners

- ▼ One single legal entity to act as a point of contact for contract management and accountability.
- ▼ More scope to deliver macro-contracts across larger geographical areas.
- ▼ Integration of providers to create a joined-up solution.
- ▼ Provides 'economies of scale' therefore reducing operating costs of smaller providers.
- ▼ Operational risk is reduced via shared accountability across partner organisations.

## Benefits for potential funders

- ▼ Equity investable platform - investors have the ability to directly invest in the LLP and take a shareholding.
- ▼ Allows for multiple partners to access funding via a single investment that will reduce transaction costs.
- ▼ Larger social return because impact is being generated via multiple organisations representing a more complete pathway of services.
- ▼ A diverse partnership with diluted risk due to a portfolio of investments.

# Governing and managing the partnership

- ▼ The Board – level of representation?
- ▼ The Chair – fixed or rotating? From one of the members or external?
- ▼ The secretariat function – how will functions be fulfilled? E.g.
  - ▼ Governance facilitation.
  - ▼ Development of the strategic vision of the LLP.
  - ▼ Business development activity.
  - ▼ Coordination of activities between members and shared practices.

# Due Diligence on (new) members

- ▼ Strategic fit
- ▼ Reputational and cultural fit
- ▼ Governance resilience
- ▼ Financial resilience
- ▼ Operational resilience (capacity and capability)
- ▼ Business development and marketing capacity
- ▼ Legal compliance
- ▼ Impairments / conflicts

## Key success factors

- ▼ Undertake your due diligence on your partner
- ▼ Identify potential risks / conflicts of interest.
- ▼ Build trust & ensure buy-in at all level
- ▼ Set-up partnership agreements
- ▼ Assess the financial and other resources implications and undertake a cost/benefit analysis
- ▼ Treat organizational culture as fundamental



# Thank you

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