



Preparing your community organisation for the future

A guide to collaborating locally



In summary:

- Collaborations produce more than the sum of their parts and increase impact.
- Don't overthink the downsides - collaboration doesn't have to be permanent.
- Some funding pots require collaborative approaches - create partnerships in advance to be ready for these.
- Consider whether your local landscape requires new collaboration to tackle problems post-pandemic.
- There are many different types of collaboration to explore.
- Devote time to get an in-depth understanding of potential collaborators.
- Understand the cultural, organisational, and governance factors that may affect any collaboration.
- Agree on communications, systems, and structures for any collaboration.
- Be clear on the risks if the collaboration does not work.
- Mergers require careful consideration at board-level - an in-depth consideration of all aspects of the organisations merging is essential.

Our research, '[Navigating the storm](#)', showed how the Covid-19 pandemic intensified need in local communities and prompted a wide range of responses to it. Many of those with increased needs during and after the pandemic were people already at a disadvantage before it. With higher levels of need, more organisations established to meet those needs, and issues around access to funding, our research shows that many community organisations are considering collaboration, consortia, joint ventures, and mergers.

This guide is an initial overview of why community organisations may decide to collaborate and the ways they may approach it. It looks at some of the elements which underpin all collaborative working and signposts to more detailed resources.

Reasons to collaborate

The overarching reason to collaborate is that the best partnerships produce much more than the sum of their individual parts and they substantially increase impact. The 'collaborative advantage' is very powerful. Community organisations often overthink the downsides. Collaboration does not have to be for life. When you get together to see what each partner has to give and hopes to get from a partnership, there is often a lot more common ground than expected and the potential for impact is great.

The drivers for building collaborative working relationships include:

- providing better, more holistic services which are seamless for the user
- reducing duplication and avoiding competition
- increasing and/or diversifying income
- bidding for and winning bigger contracts or grants
- working more effectively with funders and commissioners.

Our research shows that a current driver towards increased collaboration is to bid for government funding. Recent government funding pots, such as the Community Renewal Fund, require a partnership approach. There is a trend of quite large place-based pots being announced with tight deadlines. The scale requires collaboration, but the timeframes don't allow this to start from scratch. Good relationships need to be built in anticipation of these initiatives so that partnerships are ready to go. This way, you'll be able to respond quickly when new opportunities are announced.

Another element of collaboration has come to the fore during the pandemic. Our research showed how established community organisations have supported informal groups, particularly new mutual aid groups. A key element of the work of community anchor organisations has always been around understanding what is needed and developing a well-functioning local support offer. This may cover their own services, statutory services, and services provided by community, voluntary and self-help groups. Post-pandemic, you may be assessing a changed landscape in terms of the local support offer and considering your role in collaborating with and supporting local organisations.

Types of collaboration

Collaboration can be seen as a continuum with informal joint working and mutual support at one end and merger at the other.

The simplest form of collaboration is understanding the services provided by other organisations and having referral arrangements in place. Practical, on the ground, working relationships may lead to a better experience for users and increased collaboration between organisations. This can support organisations to, for example, lobby for improved service provision, bid to jointly deliver specific services, or seek a grant.

Many organisations consider collaborating with others on a specific time-limited piece of work or to deliver a service. Some may form a permanent collaborative working relationship for mutual support or to facilitate working with local or health authorities.

Collaboration may evolve from a theory of change or logic model looking at what interventions are required to address a particular issue – for example, services for people experiencing homelessness, families with complex lives, or people with challenges around employment. Some grant funders are interested in this approach and are keen to support innovation. Much thought is currently being given to system change. Silo working can result in users being passed from one service to another and missing out on essential support resulting in crises which require emergency interventions. Statutory and community organisations collaborating to deliver complementary holistic services can improve outcomes for services users and reduce costs.

Barriers to collaboration

An overriding concern for most organisations considering collaboration is ceding control. Most forms of collaboration require relinquishing some autonomy – for example signing up to deliver the specific outputs of a contract. Developing a successful consortium can have long-term consequences for autonomy, particularly where work linked to the consortium makes up the lion's share of the income of the organisation. Agreeing to reduce autonomy can be challenging.

It can be difficult to be dispassionate in assessing opportunities and risk. If you are working well with an organisation, it can feel inappropriate to think about future problems with the relationship. Similarly, if you feel threatened by an organisation you want or need to work with, it may be hard to see the positives.

As noted previously, it may be impossible to initiate collaboration to respond to a specific opportunity because the timescale is too short. So, it is necessary to identify organisations to work with and build relationships with no guarantee of successfully raising additional resources. However, time devoted to really getting an in-depth understanding of potential partners can be invaluable.



Issues to consider

- Is there a fit between the **values** and the **cultures** of the organisations planning to work together?
- Is collaboration your **choice**, or are you being pushed into it by necessity (e.g. in order to bid for funding)?
- Do you fully **understand** your partners? What due diligence will you undertake before entering into an agreement?
- Is your **approach** positive or wary?
- Is the **governance** of potential partners robust?
- Is there a strong **motivation** behind working together – for example the need for a strong united voice to seek a change in policy?
- Do you **trust** potential partners to deliver?
- Do you **trust** potential partners to behave fairly and not to pursue their own advantage?
- Are the **systems** of potential partners robust?
- Have you considered all the potential **risks**, as well as the potential advantages?

Top tips

- **Have a written agreement.** Any formal collaboration will have some sort of memorandum of understanding, but a written agreement is helpful even with relatively informal partnership working.
- **Assess whether you need to set up a separate legal structure for your collaboration.** Many substantial grants and contracts are delivered through an agreement between organisations with one organisation operating as the accountable body. Form should follow function – a new legal structure may not be necessary.
- **Get clarity before you bid for a contract or apply for a grant.** Make sure that you have agreement between the partners about who does what, monitoring and evaluation, and the split of any funding in advance of the bid or application. Spell out how services will be delivered to ensure a shared understanding.
- **Agree on communications – both internal and external.** A key challenge for many partnerships is the perception that one partner is withholding information.
- **Have systems in place to deal with disputes** between partners and other things which could go wrong. Think through how they will work in practice.

Opportunities and risks

It is always worth spending a bit of time listing the potential benefits and the potential problems. Be as honest and clear as you can. Do the potential benefits outweigh potential problems?

What are the risks if the collaboration does not work – to your users, your finances, your organisation, your reputation? Are the risks outweighed by what the collaboration could achieve?

Mergers

A fundamental element of most community organisations is a commitment to a unique mission and way of working – nobody does it better. Contemplating a merger can question that conviction. It can be particularly difficult to contemplate a merger with an organisation which has been a competitor.

The basis for most mergers is to deliver more efficiently, to make a more effective case to funders and commissioners, and to reduce costs. It is easier if the organisations involved have time to get to know each other before making a permanent commitment, particularly if that includes some joint working and service delivery.

In some cases, mergers are driven by external circumstances which can include pressure from a commissioner or funder or trying to save services and assets where an organisation is in difficulty. In such cases, it is important for the board to be satisfied that all alternatives have been explored before going down the route of merger.

An in-depth consideration of all aspects of the organisations merging is essential. This will include a detailed understanding of the finances, details on staffing and any TUPE implications. It is likely that accountancy and HR advice will be required.

If you are considering merger, you can find more information at New Philanthropy Capital – [‘What Place for Mergers between Charities’](#), IVAR – [‘Thinking about Merger’](#), and the Charity Commission – [‘Making Mergers Work’](#).

Other resources

More resources on good collaboration can be found on the [Locality website](#). [‘Collaboration for commissioning’](#) covers collaboration options in relation to contracting. [‘Many ways to collaborate’](#) looks in more depth at the different stages of collaboration.