



## What type of partnership?

### Purpose of this guidance

This guidance describes a number of typical arrangements for collaborative working. It is designed for use in conjunction with the related items Partnership: introduction to collaborative working; Networking: foundations for partnership; Partnership: developing collaborative working; Partnerships: checklist and Managing joint projects.

There are many kinds of partnership working. This guidance describes four main types of relationship: steering groups, joint projects (which take broadly two forms – without a lead partner [co-ordinated activity] and with a lead partner) and separate organisations. These are loosely based on the typology used by the Audit Commission in their 1998 report [A fruitful partnership](#), available on their website.

The differences between the first three types, in particular, are not always clear-cut; some local arrangements will not fit neatly into any category. In general, all four types may exist both within the Citizens Advice service and with external partners.

The guidance also looks at the relationship between collaborative working and contracts and the tendency for some funders to set out very detailed requirements for collaboration.

### Informal and formal collaboration

Often, joint working starts informally. For example, a bureau may get a lot of referrals from a day centre for older people, leading to close links with day-centre staff, exchanging information, occasional reciprocal training etc. This might then move on to the bureau running advice sessions at the day centre, perhaps initially using core resources. This could then lead to a successful funding bid for regular ongoing outreach and perhaps joint home visiting.

Informal collaboration is often very productive. However, no activity is risk-free and informal arrangements can become very problematic if anything goes wrong. As joint working develops, it is important to ensure that there are appropriate arrangements for governance and management. You will need to identify an appropriate structure for joint working and agree it in writing.

The documentation could have a range of forms depending on the type of partnership adopted – for more information on written agreements see Partnership: developing collaborative working.

## **Collaborative working and contracts**

Sometimes the term “partnership” is used loosely to describe a contract by which one organisation provides services for another. However, using the term in this way is likely to be misleading. If a funder tries to run agreements with a “command and control” style, that will conflict with the principles of collaboration, negotiation and mutual respect that should characterise partnership.

However, the existence of a contract does not necessarily prevent a collaborative approach to working. Some relationships within partnerships may be set out in contracts or service level agreements – for example, a CAB consortium may negotiate successfully with a funder to provide a county-wide service, and then draw up service level agreements with individual bureaux to provide specific aspects of service delivery. See the [Charity Commission](#) website for guidance CC37 on charities and contracts (go to Publications > Quick links).

## **Funder-regulated collaboration**

Many funders require collaborative working and in some cases this can be specified in detail. This arises typically where one organisation gets a contract that requires service providers to work collaboratively. It may arise where there is a contract or SLA with a large body such as a government department. It may also include cases where Citizens Advice or another voluntary sector body contracts to provide a service and then sub-contracts with bureaux. Examples of this have included the ICAS service up to 2006, the Financial Inclusion Fund and partnership with Macmillan.

The type of collaboration required may vary. The contract might require providers to form a partnership to provide a single point of contact with the funder. There might be stipulations that any sub-contracts also specify in detail how service providers must collaborate, e.g. referrals, reporting and monitoring arrangements, financial procedures, job descriptions for staff etc.

This may mean that the collaborating parties are very restricted in their ability to negotiate with each other. Bureaux and other service delivery organisations may set up a partnership board of some kind, or even a legally separate organisation, but they may have limited scope for giving direction – the contractual relationship with the funder is likely to be paramount. **It is vitally important to ensure that the collaboration requirements (as well as other aspects of the contract) are workable before entering into an agreement of this kind.**

## **Steering or networking group**

The terms 'steering group' or 'networking group' describe a forum where people from two or more organisations come together regularly to share knowledge, exchange information on best practice, improve working relationships etc.

### **When might it be appropriate?**

Examples could include groups set up to facilitate information exchange among CAB managers (e.g. county manager groups), identify issues and opportunities for social policy work or enable a particular group (e.g. money advice workers) to discuss common concerns. Basic Consumer Support Networks or consultative groups set up by a local authority or NHS body could be examples of groups with both CAB and external membership.

A steering group might be appropriate for the initial exploratory stages of a joint project – to be replaced in due course by a model more suited to implementation. It is not appropriate for handling funds or delivering a service.

### **Roles and relationships**

The group might encompass trustees, managers, other staff, volunteers or a combination of these. There will be no dedicated staff or budget; any activity will have to be carried out by the members of the partnership with their own resources.

### **Governance**

Arrangements can be purely informal - where the objective is purely information exchange, no services are delivered, no funds are involved and any risks to participating organisations are minimal. However, if it is intended for the group to be permanent, or where it has been set up with a view to exploring a joint project, written terms of reference are advisable. These could set out purpose, membership, frequency of meeting, communication arrangements and provision for chairing/minute-taking.

### **Joint projects: general**

Joint projects include a range of arrangements where organisations collaborate formally to deliver a service, without setting up a new legal entity to do so. Broadly, there are two main types, which can be described as co-ordinated services and “lead partner” projects.

Where individual bureaux/districts are involved in a joint project, it is important to check that their areas of benefit, as set out in their constitutions/memoranda and articles, will permit the geographical spread of the activities that they are taking on.

## **Co-ordinated activity**

This describes joint arrangements where partner organisations collaborate but each manages its own contribution to the project – staff, premises etc.

### **When might it be appropriate?**

Examples of co-ordinated activities could include service delivery such as a county telephone service, reciprocal referral arrangements, outreach at another organisation's premises (e.g. CAB advisers working in a mental-health day centre) etc. Co-ordinated activity may be a suitable model where the partners are contributing entirely or largely from their own resources, or where any dedicated funding is limited. The greater the complexity and the larger the scale of funding and service provision involved, the less likely this model is to be appropriate.

This model might also be appropriate to co-ordinate funding negotiations with a county council on behalf of a group of bureaux, or to oversee and give direction to the initial negotiating and planning stages of a joint project.

### **Roles and relationships**

Projects of this kind need mechanisms to enable the partners to work together. On a day-to-day basis this might mean drawing up rotas, referral arrangements, publicising the service etc. These roles might be shared so it is important to be clear where responsibility for each activity lies (this is very important in the event of complaints).

The partnership might involve some staff time in each partner organisation being dedicated to a shared service, with staff employed by the individual partners.

Specific responsibilities might include liaising with funders and suppliers but normally each individual partner would receive any funding and manage the budget for its own part of the project.

Activities forming part of the co-ordinated services, and how they are to be managed, should be set out in partnership agreement documents, such as a statement of intent, a project plan, referral protocols etc.

### **Governance**

There should be a co-ordinating body (a partnership or project board to give overall direction to the project and provide a forum for resolving any more serious problems), although day-to-day collaboration would be the responsibility of managers and staff.

The board could include trustees, paid staff and/or volunteers. For a simple partnership it could be quite small, possibly four or five people. Normally all partner organisations should be represented on the board.

Terms of reference should set out purpose, membership, frequency of meeting, communication arrangements, provision for chairing and minute taking, and any delegated responsibilities. It should be made clear how far decisions can be made without being endorsed by the trustee boards of each of the partner organisations.

The terms of reference must be set out in writing and agreed by all partners.

## **“Lead partner” project**

This type of partnership is likely to have dedicated staff and a budget and its own name, identity and possibly premises, but will not be a separate legal entity. Formal staff management, accounting and budgetary responsibilities are allocated to a “lead” partner, who effectively runs the project on behalf of the partnership as a whole.

### **When might it be appropriate?**

A “lead partner” approach is likely to be appropriate for joint projects involving substantial service delivery and a sizeable dedicated budget, but where there are good reasons for not setting up a separate organisation. These might include time-limited funding or a project whose work will clearly fall mainly into the remit of one particular partner.

### **Roles and relationships**

In general the lead partner organisation is likely to be responsible for the overall budget, to employ most or all of the partnership staff including the project manager, and deal with external stakeholders.

Sometimes specific aspects of management and administration may be delegated to other partners. It is essential that the partnership agreement sets out clearly the responsibilities of the lead partner and others, the role of the board and how any differences between the lead partner and the rest of the group will be handled.

Lead partners may handle substantial funding for the partnership as a whole. It is important to check implications for financial accounting, auditing and reporting. The Charity Commission has indicated that where one partner acts as “banker” for a consortium, the commission would not regard income received on behalf of that consortium as that partner’s income (except insofar as part of it is passed to that partner to use as a member of the consortium). However, partnerships vary and it is advisable to check with the Charity Commission and/or take professional advice.

For more on this type of partnership, see the Managing joint projects.

## **Governance**

There will need to be a partnership board to determine overall strategy and direction and to address major operational matters. The board could have terms of reference similar to governance for a co-ordinated activity. Where there are a lot of partners and this could make for an unwieldy governing body, consideration should be given to establishing a smaller executive group to deal with operational matters, while the full board focuses on wider strategic issues.

In this kind of partnership, the board will have a particularly important role in ensuring that a balance is maintained between the lead agency and other partners. The terms of reference should make this explicit.

## **Separate organisation**

In this model the partners create a new and separate organisation with its own legal identity. It is likely to be a registered charity and it is advisable for it to be incorporated. It will have its own trustee board with overall responsibility for its activities, including overseeing any staff, budget and any service delivery activities.

## **When might it be appropriate?**

A new body may be most appropriate where there is a particular need to handle project funding separately from partners' budgets, where no individual partner is well placed to take on a lead role (perhaps because a completely new area of work is to be taken on) or where a particularly high public profile is required. It should be noted that this approach can involve a good deal of work in the initial stages.

For bureaux, this option may be appropriate where bureaux wish to act together at county or similar strategic level while retaining their identity at district level.

Consortia may be proposed in order to bring together bureaux and other advice providers in a particular area. This may be because a funder wants to negotiate with a single organisation (as in Community Legal Service CLAC/Centre proposals) or in order to provide a more strategic and effective approach to service provision for the advice sector as a whole. A formal consortium may be an alternative to merger, which may not be practical for organisations that are part of different national networks, or where advice may only be a part of their function.

## **Roles and relationships**

A separate organisation may do whatever (within the law) it is empowered to do by its governing documents. Generally it may employ staff and deliver services itself, or it may

sub-contract them to others, or a combination of both. For example, within the Citizens Advice service, a consortium might itself negotiate and distribute funds, employ recruiting and training officers etc., while setting up sub-contracts or SLAs with individual bureaux or districts for service delivery. Where the new body and existing organisations will be providing related services, referral protocols are likely to be necessary.

The roles of the new body and the organisations that have set it up should be clearly demarcated. It is advisable to have a clear written statement of the specific purposes of the consortium, agreed by the trustees of the participating bureaux and of the new organisation, so that changes to this will need to be formally agreed.

## **Governance**

The new body will need governing documents. In many cases it is likely to be a charitable company with a memorandum and articles of association.

Care must be taken to ensure that the governing documents adopted are appropriate to the purposes of the new body, giving it the necessary powers to provide services, employ staff, sub-contract to other bodies etc. Depending on the type of body being established, governing documents will need to be approved by the appropriate authorities (Charity Commission, Companies House etc.). Legal advice should be taken from an early stage. Co-operatives UK may be able to assist with this. See <http://www.cooperatives-uk.coop/live/cme0.htm>.

Membership of the new body will normally include, but need not be confined to, the partner organisations that have set it up. Membership of the body should be distinguished from membership of its trustee board.

Consortium trustees have to act in the best interests of the new organisation. This could lead to conflicts of interest where, for example, a consortium is sub-contracting individual organisations that have set it up. Care should be taken to minimise the risk of this, for example by providing for independent board members and an independent chair.

Where groups of bureaux have set up consortia as formal separate organisations, they have often adopted the model memorandum and articles. Care should be taken to ensure that wording is adapted appropriately (e.g. in relation to area of benefit, number of trustees, attendance of staff at meetings etc.).

## **Community interest companies**

In some cases, where the body is being set up for a purpose other than service delivery (e.g. ownership/management of a shared building), it may make sense to consider a community interest company (CIC).

Community interest companies are limited companies with special additional features created for the conduct of a business or other activity for community benefit. This is achieved by a “community interest test” and “asset lock”, which ensure that the CIC is established for community purposes and that the assets and profits are dedicated to those purposes. Registration has to be approved by the Regulator, who also has a continuing monitoring and enforcement role. A CIC cannot also be a charity, but a charity may apply to register a [CIC](#) as a subsidiary company. For more information see the CIC website.

## Choosing a model

The choice of the most appropriate partnership will depend on the task that it is being set up to carry out. It is important to **be clear what the purpose of the partnership** is and only then to decide what sort of structure to adopt. To get the balance right:

- Ensure that the type of arrangement is formal and robust enough to manage the joint working, but
- Do not set up a much more elaborate structure than you require
- Ensure that there is a proper written agreement that sets out the basis for collaborative working.

For example, if you can achieve the objectives of a project by co-locating staff, reciprocal training and establishing referral protocols, a co-ordinated services model should suffice. However, if the partnership needs a high public profile or its own staff team, a joint project with a lead partner or a separate organisation will be more appropriate.

## Useful links and resources etc.

NCVO Collaborative Working Unit – voluntary sector good practice <http://www.ncvo-vol.org.uk/collaborativeworkingunit>

NCVO Ourpartnership – for joint work with statutory organisations  
<http://www.ourpartnership.org.uk/>

Charity Commission - <http://www.charity-commission.gov.uk/>

Companies House - <http://www.companieshouse.gov.uk/>

Community Interest Companies - <http://www.cicregulator.gov.uk/welcome.shtml>

Princes Trust - <http://www.princes-trust.org.uk/> (go to Common Cause)

Wales Council for Voluntary Action - <http://www.wcva.org.uk/> - see especially [information sheets](#)

Voluntary Sector Legal Handbook, Sandy Adirondack and James Sinclair Taylor, 2nd edition, 2001, published by Directory of Social Change <http://www.dsc.org.uk/>.

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