

Making partnerships work for you

A brief guide for the voluntary sector

About this guide

Written by ACEVO and Candour Collaborations, in partnership with Clinks, this document has Transforming Rehabilitation in mind, but contains important principles that apply across sectors and across other contracting opportunities: it is worth considering whether they apply in other areas of your work.

For detailed information about Transforming Rehabilitation, the [Clinks website](#) has a huge amount of information about negotiation and the contracting process. This paper offers advice on how to consider the partnership that are being entering into, or the ones you would like to develop. Voluntary sector organisations should be carefully considering the purpose behind their engagement with new Community Rehabilitation Companies (CRCs), what they're bringing to the table, and what they want from the partnership going forward.

This guide highlights some of the issues that could arise in developing partnership, and some of the benefits you should be looking to secure from your partners.

The [Industry Standard Partnering Agreement \(ISPA\)](#) has been created by the Ministry of Justice to provide certain protections for sub-contracted partners, to address some of the more common [difficulties](#). However, there are still some things that need to be cleared up before you sign a contract.

How can you make things easier for yourself?

Ideally, from the beginning of your partnership, there should have been absolute openness and clarity about expectations and the roles that every partner is to play. When negotiating the finer details of your contract, this shared understanding and trust will make the process easier for everyone involved.

If there are key issues that were not agreed during the pre-award processes, such as volumes, prices, TUPE application, or specific terms and conditions that are important to your organisation, do not wait to be asked about these by your lead contractor.

Make things easier by taking the initiative with these issues and be prepared to discuss them. Familiarise yourself with key documents like the ISPA, so you have a clear understanding of the parameters within which you will need to negotiate.

Trust and a clear understanding require open and honest communication and commitments. All parties need to be clear about their intentions, goals and strategy in order to enable a strategic fit. Regular and open communication will help to promote effective working and mutual trust.

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You need active participation from the relevant stakeholders in deciding how to develop your partnership. Rather than making demands, ensure that your partner is involved in a conversation about how they can support you so that everyone can gain maximum benefit from the partnership.

If there are problems of trust and of working well together, you urgently need to find a way around this. Organisations may wish to second staff between the organisations (such as non-executive directors, trustees, or business development professionals) in order to deepen mutual understanding and commitment. Do you share the same values? Do you have the same goals? Where do you both want to be in 5 years?

How can your partner make things easier for you?

At the contract negotiation and signing stages, your partner can be of great support to you. You should make sure you ask them to give you what you need to make the process easier and to get the assurance you need.

First, you must understand exactly what your partner expects from you, and what you are committing to. Any details that may not be clear should be clarified so that you are fully informed before you are bound to them. Has your understanding translated into what is stated in the contract? If there is anything in the contract that you do not understand, your lead contractor should explain any queries.

As your partnership becomes reality, there are many small pieces of practical assistance your partner can offer. During the initial agreements and bidding process, the exact practicalities may not have been discussed: now is the chance to work out how your partner can best support you.

For example, some partners may be prepared to share their bulk-purchasing power with voluntary sector subcontractors. Partnerships enable small charities to benefit from economies of scale that are normally exclusive to larger organisations.

There should be transparency about the roles, responsibilities, payment process, risks, governance and monitoring arrangements. These should have been made clear to you early in the process. If they have not, it is essential that you ask before you sign on the dotted line.

What should you be watchful for in your organisation?

There should be transparency about the roles, responsibilities, payment process, risks, governance and monitoring arrangements. These should have been made clear to you early in the process. If they have not, it is essential that you ask before you sign on the dotted line.

If your partnership is going well; your contract is agreed and you're comfortable with your partner, you can congratulate yourself. However, people and priorities can change quickly, meaning that effective partnerships need constant attention and resources.

While you have the same short term goals, remember that different sectors have different organisational characteristics. This can lead to diverging priorities over time. For example, a private sector organisation may insist that a set profit margin should come before exceeding service levels; or the public sector, with its commitment to high service volumes, may prize consistency above innovation. This might feel alien or inflexible to the voluntary sector, which generally puts beneficiaries first and strongly values service co-production.

However, without casting judgement on whether any of these motivations or priorities are 'good' or 'bad', it is important to be mindful of these differences and be aware that they can drive certain behaviours. If you are aware, you can proactively address any potential misunderstandings and find constructive ways around any differences.

You remain bound by law to ensure that you work for the public benefit and that your work continues to fulfil your charitable objectives. If you find that your partnership is detracting from this purpose, you need to find a way to reconfigure your role, or else bring an end to the partnership. You can avoid walking away from the partnership by, for example, taking less of the contract, or re-negotiating terms of your agreement. You must always be alert to this risk, and ensure you don't end up forgetting your purpose as a charity.

Remember as well that you are in this as a partner, and your interests and goals must remain as important to you as those of your partner's. You must deliver your promises, but you have become involved in order to work for your beneficiaries and to provide the best quality of service possible. This purpose should not become diluted.

Payment by Results

Whilst Payment by Results are likely to apply across emerging government contracts, both nationally and locally, the extent to which they will pass this payment mechanism (and the risks associated with it) down the supply chain will vary greatly. In many cases, it may be that whole supply chains are paid on the basis of fee-for-service model, which provides you with all your funding up front. This is both easier to manage, more appropriate for smaller organisations, and reduces the risk for sub-contractors. However, it may also be the case the sub-contractors are asked to take on a degree of risk in the payment mechanism. Organisations will need to carefully consider the potential consequences of this model, and be clear that the organisation's governance and management are confident that they can effectively mitigate those identified risk factors.

It is imperative that you find out if the Payment by Results risk that lead contractors hold is being passed down to you, including any claw-back or reward conditions. Be confident that you know what will happen if you have met the terms of your contract, but your partner has not; will you still be paid? You need to ensure your partnership does not put you at a risk you cannot afford.

Where can you turn for support?

This is a difficult process, and you may need to seek support. Just because the bidding stage is over does not mean that you should stop looking for advice. Umbrella groups can help to make engaging with your partners and prime provider much easier. If problems arise, – or you become aware of issues that you'd not seen previously, then look for the relevant umbrella group to approach for help and advice.

Their support can mean the difference between a successful and an unsuccessful partnership. Some – including Clinks – offer online guidance documents and helpful cheat sheets. You can also ask for support in negotiations, or to check if you are being treated fairly and if your experience is normal. You can also find a useful [TR Contract Cruncher](#) on the ACEVO website that may help you calculate unit costs and cashflow throughout the contract.

There are **Local Support and Development Organisations or Councils for Voluntary Service (CVS)**, which can support charities engaging with private organisations. Using these groups can help you to ensure you are being treated correctly by any private organisation with which you have partnered.

Of course, your partnership isn't just about what your partner offers you, but also what you can offer to your partner. Support from the relevant umbrella group can help you to use your resources more effectively, and to add value to the relationship.



Clinks supports, represents and campaigns for the voluntary sector working with offenders. Clinks aims to ensure the sector and all those with whom they work, are informed and engaged in order to transform the lives of offenders.

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Candour Collaborations is a business development consultancy operating across public service markets including criminal justice, welfare to work, skills and training, housing, and health and social care. Supporting organisations of all shapes and sizes across the public, private, and VCSE sectors, they are passionate about helping to nurture a marketplace which promotes fair, sustainable commissioning, on terms which are viable for all involved.

ACEVO is the Association of Chief Executives of Voluntary Organisations and at the forefront of the charity leader's network. For over 25 years their dedicated team have supported the network, development organisations and resources of over 1500 charity leader members. ACEVO want to see the voluntary and community sector at the forefront of the national debate on social justice, poverty alleviation, excellence in public services and economic growth. ACEVO believe our leaders must play a leading role in public life.

