



CollaborationNI

working together, stronger together

How do we 'future proof' the Voluntary,
Community and Social Enterprise (VCSE)
sector for the challenges ahead?
Report

November 2014



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List of abbreviations

BCM	Belfast Central Mission
BCT	Building Change Trust
CO3	Chief Officers 3 rd Sector
CNI	CollaborationNI
CSG	Cost Sharing Group
DARD	Department of Agriculture and Rural Development
DCAL	Department of Culture, Arts and Leisure
DE	Department of Education
DHSSPS	Department of Health, Social Services and Public Safety
DSD	Department for Social Development
GAA	Gaelic Athletic Association
HSCB	Health and Social Care Board
HSCT	Health and Social Care Trust
ICP	Integrated Care Partnership
IFA	Irish Football Association
IRFU	Irish Rugby Football Union
LCG	Local Commissioning Group
NICVA	Northern Ireland Council for Voluntary Action
OFMdFM	Office of the First and deputy First Minister
PCC	Patient Client Council
SROI	Social Return on Investment
TYC	Transforming Your Care
VCSE	Voluntary, Community and Social Enterprise
VOYPIC	Voice of Young People in Care

Introduction to CollaborationNI

CollaborationNI (CNI) was formally launched on 30 March 2011, as a partnership programme between NICVA, CO3 and Stellar Leadership, commissioned by Building Change Trust. CNI provides practical support and resources across the whole spectrum of collaborative working to voluntary and community sector organisations.

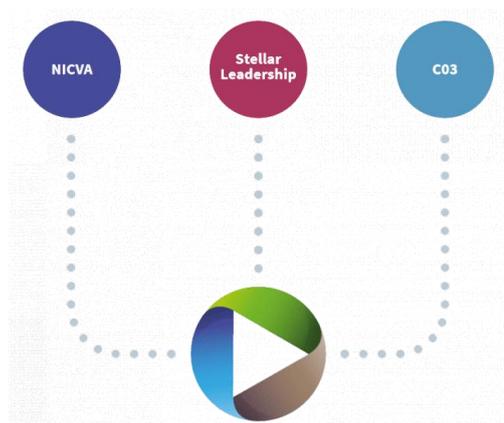
As part of Phase One of CNI, 553 events were held covering training, expert facilitation, legal support sessions, coaching and policy seminars for over 4,000 individuals from 754 organisations.

Phase Two, aims to produce a smaller number of deeper collaborations which will influence policy and decision makers. It will see an extension of the debate through a range of policy symposiums which will continue to challenge our thinking, examine current approaches and focus on particular models of collaboration, under a number of thematic areas, including health, social housing, young people, arts, criminal justice and older people.

The aim of the policy symposiums is to challenge, inform and develop political and government thinking about the support requirements of the VCSE Sector to encourage and cultivate a culture of effective collaboration.

The broad range of discussion will also provide an opportunity for VCSE Sector leaders and government officials to learn from good, and not so good, practices in Northern Ireland and elsewhere in building effective collaborations, resulting in improved services and better client outcomes.

The role of CNI is to facilitate discussions on the theme of collaboration in a way that that delivers better outcomes through high quality, professional services.



Future proofing the VCSE sector for the challenges ahead

The first CollaborationNI (CNI) policy symposium, 'Supply Chain Partnerships as a model of collaboration across the third, public and private sectors' was held in the Long Gallery, Parliament Buildings, Stormont, Belfast, on Tuesday 23rd September 2014. Building on the success of this symposium, a follow up



Nigel McKinney, Director of Operations, Building Change Trust

conference, 'How do we 'future proof' the voluntary, community and social enterprise (VCSE) sector for the challenges ahead?', was held in the Lough Neagh Discovery Centre, Oxford Island, on Thursday 27th November 2014.

The theme of the conference was to consider how the Voluntary, Community and Social Enterprise (VCSE) sectors could be 'future proofed', so that it is able to adapt and change in response to the challenges it will face in the coming years.

Faced with continued economic uncertainty, and the prospect that austerity will extend beyond 2015-16, until at least 2018, there is increasing concern within the VCSE sector of the impact that these cuts will have within the sector and on wider society.

For a sector that is distinguished by its creativity, innovation and humanity, this conference provided an opportunity, for both the sector and its leaders, to learn from the experience of others and examine models of best practice.

70 attendees from across the VCSE sector, government, and the private sector, participated in the conference and heard five case studies from across the island of Ireland, on the various ways in which collaboration can happen. The purpose of the conference was to focus on the following four key areas:

- Seeing beyond our noses! The cost of not collaborating;
- The policy drivers for promoting partnership working;
- Unpicking the commissioning framework and the VCSE Sector's involvement in public service delivery; and
- Value driven collaborations and the importance of active leadership and purposeful relationship management.

The conference heard from three practitioners who have first-hand experience of engaging in various forms of collaboration. They were:

- **Kerry Anthony MBE**, Chief Executive, DePaul Ireland;

- **Nicky Conway**, Head of Development, Belfast Central Mission;
- **Koulla Yiasouma**, Director, Include Youth & **Vivian McConvey**, Chief Executive, Voice of Young People in Care (VOYPIC)

Following the three case studies, **Mervyn Storey MLA, the Minister for Social Development**, addressed the conference on the importance of collaborative working between the VCSE sector and following his keynote address engaged in a question and answer session with delegates.

In the afternoon, the conference heard from Sheelin McKeagney, Chair of the Southern Health and Social Care Board's Local Commissioning Group on, 'Unpicking the Health and social Care Commissioning Framework' and the final speaker of the day was Andrew Talbot from CollaborationNI, who outlined practical advice and support that was available from CNI on voluntary and community sector mergers.

This report summarises the main points of discussion from the conference.

Cast Study 1: Depaul Ireland

Depaul Ireland is a charity supporting people who are homeless, or at risk of homelessness, which was established in the Republic of Ireland in 2002 and Northern Ireland in 2005. Depaul Ireland is a values led organisation, has over a decade of helping those in the most need in the community, employing over 360 people (full-time and part-time), as well as providing opportunities for more than 300 volunteers, with almost 27,000 volunteer hours dedicated in 2014. Last year, 2014 people used Depaul Ireland's services, providing accommodation and support to people who are homeless or at risk of homelessness.

DEPAUL MISSION, VISION AND VALUES

OUR MISSION

We aim to end homelessness and change the lives of those affected by it

OUR VISION

Our vision is of a society in which everyone has a place to call home and a stake in their community

OUR VALUES

- We celebrate the potential of people
- We put our words into action
- We aim to take a wider role in civil society
- We believe in rights and responsibilities

There has been ongoing discussion about the need for increased collaboration within the homelessness sector for the past five years, but in practice there has been little actual change.

Depaul Ireland's values are at the forefront of what they do and in various changes that have seen them triple in size in the past ten years, they have made a conscious effort to ensure that their values remain consistent. Kerry Anthony suggests that the greatest challenge for Depaul Ireland has not been financial, although this is always an issue, but has been focusing on the need to protect their values despite being involved in seven amalgamations of services, through five direct transfer of services, and two 'wind downs'. In addition to this, Depaul Ireland have been involved in two consortium bids and are the lead partner in a third bid.



Kerry Anthony MBE **Chief Executive** **Depaul Ireland**

Kerry Anthony has worked for Depaul since 2005 as the Director of Services and since 2007 as the Chief Executive.

She has been working in the field of homelessness for many years in a variety of settings and roles, in London, Glasgow, Dublin and Belfast.

She holds a Masters in Social Work and a Masters in Voluntary Sector Management.

Kerry is particularly interested in how to use leadership roles to ensure that there is continued innovation in service provision and to address and break the cycle of social exclusion.

At 35, Kerry was made an MBE in the 2010 Queen's New Year Honours list.

For a values led organisation, like Depaul Ireland, there can be difficulties when collaborating with organisations who are more focused on profit, often at the expense of service delivery, which can create tensions in the partnership from the very beginning. These ‘clashes of culture’, between values led organisations and private sector businesses, mean that even the language that is used to talk about ‘clients versus customers’ and ‘service versus profit’ give indications at a very early stage that collaborations could face more serious problems further down the line.



Kerry Anthony, Chief Executive, Depaul Ireland

As well as working in collaboration, Depaul Ireland has also been involved in a number of amalgamations and Kerry Anthony outlined a number of advantages and disadvantages to both approaches, which she suggested were often dependent on the personalities involved in each organisation. Amalgamations often appear to be straightforward at the beginning of the process, but prove to be more difficult at later stages. It is often the case that smaller organisations believe that amalgamations will assist them as they feel that they lack capacity and managerial expertise and see this as a solution to these problems.

When organisations are told that they must participate in an amalgamation, which can sometimes be perceived as a forced marriage, there can be difficulties in the early stages, but these can often be addressed if the organisations involved have shared values. The importance of synergy between the ethos and aims of organisations contemplating a merger means that if there is not a natural fit then serious consideration should be given to stopping the process at this stage. In the early stages of this process it is essential that both organisations engage in honest and frank conversations about the intention of the amalgamation, to prevent either from entering into the venture with conflicting aims and objectives.

It is clear from the experiences of Depaul Ireland that there is no standard approach to amalgamations and that one size does not fit all. All amalgamations are different and depend entirely on the organisations involved and the prevailing circumstances. As well as the importance of the values of the organisations it is also vital that the relationships between the personalities involved in the amalgamation are strong. Very often the success, or failure, of an amalgamation will rest on the shoulders of the two CEOs and how they conduct themselves. There is a necessity for total honesty and a need for expectations to be managed. A key element of this is an effective communication strategy that explains why change is necessary. It is essential that this message is communicated to all staff, especially those who deliver services on the ground, because they are the voice of the organisation to service users.

Whilst it is essential that due diligence is carried out before the merger is completed, it is always possible that, post-merger, unexpected events can happen. If there is a clear vision for the future of

the organisation, with the ability to explain and justify decisions to key stakeholders, then it should be possible to overcome these problems. All parties need to recognise that the changes being made in the merger process are permanent and will have long lasting impacts on both organisations, so it is vital that consideration is given to all sides and that everyone's feelings are taken into account.

Kerry Anthony concluded with a reminder that, at all stages of the process, those involved should remember that the fundamental aim of any collaboration should be to provide better outcomes for service users.

DEPAUL RECOMMENDATIONS

- Standard checklist
- Values fit – most important
- Consider 3rd party involvement
- Consider capacity issues fully
- Agree vision
- Personalities are important and succession planning is also a factor to consider
- Conversation style at the outset

Case Study 2: 4caring

What is 4caring?

4caring is a collaboration between:

- Alzheimer's Society
- Belfast Central Mission
- Extra Care
- Northern Ireland Hospice

Each organisation has a range of expertise, knowledge, skills and experience in providing services for older people with dementia across a continuum. By working together we believe there is potential for a complimentary continuum of service which will deliver better outcomes for people living with dementia and their carers as well as value for money for commissioners.

Why is it important?

- There are an estimated 19,000 people living with dementia in Northern Ireland.
- This number is expected to more than triple to 61,000 by 2051.
- It is estimated that dementia costs the UK more than £26 billion per year.
- Dementia affects not only the person who has been diagnosed, but also their relatives, carers and friends

What will it do?

The aim of the **4caring** collaboration is to establish an impact network to support older people with dementia and their carers to live well and with dignity in their own homes.



Nicky Conway *Head of Development* *Belfast Central Mission*

Nicky Conway has almost 20 years' experience working in the voluntary sector developing services for vulnerable young people, care leavers and older people.

In his current role he has lead responsibility for marketing and communication, income generation, business development, strategic planning and the establishment of strategic partners.

A significant part of his role includes the research, development and establishment of new business models which enable BCM to achieve its social and financial objectives.

4caring will provide a model of co-ordinated community support in the 6 key areas listed below in figure 1.1



Fig 1.1

In practical terms, this means offering a holistic range of care and support services in a proactive and coordinated way. **4caring** Dementia Services encompasses a range of health, social care and housing services across a continuum of care, from post-diagnostic information and advice through to specialist end of life care and bereavement support.

The range of services currently offered by 4caring are highlighted below in figure 1.2



Figure 1.2

The vast majority of these services currently exist within the partnership and will be strengthened by further staff training and education and co-ordination.

Benefits to people living with dementia and their carers

We believe 4caring will have significant benefits for people living with dementia and their carers including:

- Improvement in physical and mental health
- Increased feelings of respect and dignity
- Increase in confidence and self esteem
- Improved social inclusion
- Increased levels of independence & remaining at home
- Financially better off
- Overall improved quality of life
- Reduced hospital admissions - Reduction in falls and accidents at home due to adaptations and nurses identifying and treating illness earlier



Nicky Conway, Head of Development, Belfast Central Mission

Benefits to commissioners

We also believe that 4caring will have benefits for commissioners including:

- Providing access to a holistic and connected range of services
- Supporting government strategies such as the DHSSPS Dementia Strategy and Transforming Your Care and The Northern Ireland Housing Executive's Housing Related Support Strategy.
- Providing value for money – the SROI forecast evaluation completed for 4caring indicates a social value of £5 for every pound invested
- Delaying and preventing the need for more costly services such as nursing and residential care

Conclusion

4caring Dementia Services offers a model for integrated dementia care and support that encourages the best uses of local resources. It limits unnecessary duplication by providing a coordinated approach encompassing health, social care and housing services. The model also provides options for older people with dementia, their carers and families to access the level of support they choose, from information and advice through to overnight support, home adaptations or specialist nursing and thereby enabling them to stay at home for longer.

Case Study 3: Viable

The concept of an organization such as Viable emerged as a result of the 2007 Department of Social Development (DSD) report *'Positive Steps'* which set out a number of actions for improving the sustainability of the voluntary and community sector. The report highlighted the challenges ahead and recommended that VCSE organisations explore a range of methods of collaboration which did not necessarily mean that they would have to merge and instead suggested they should instead focus on the sharing of resources, including back office and service delivery.

Today, Viable's purpose is to assist VCSE organisations to formally collaborate to establish a Cost Sharing Group (CSG), with the aim of reducing the overall cost of service delivery via asset sharing, freeing up time for personnel and increasing operational efficiency through better management information.

In its simplest form, a CSG is a separately constituted, governed and managed organisation, that provides services to member organisations who share the costs of this provision. The CSG model is sufficiently flexible to allow additional members to join the group, spreading the costs further and



Koulla Yiasouma

Director – Include Youth

Koulla is Director of Include Youth and trained as a social worker and previously worked in probation and NI Women's Aid. Koulla has been in her current post since 1998. Include Youth is an organisation that works to promote and protect the rights and best interests of disadvantaged and vulnerable young people.

Vivian McConvey

Chief Executive – Voice of Young People in Care (VOYPIC)

Vivian qualified as a social worker in 1987. She was appointed as Chief Executive of VOYPIC in 2002. VOYPIC works with children and young people cared for away from home across Northern Ireland. In addition to its advocacy, participation and mentoring services, VOYPIC works to influence legislation, policy and practice that affects care experienced children and young people.

perhaps providing services to non-members of the group, generating a revenue stream from customers.

A CSG requires collaboration between two or more members, who have a common need, a strategic fit and who can work together effectively. There are no rules or boundaries to forming a CSG and cost sharing partners may be sought by identifying organisations

with a similar goal and vision, as such a common and shared cost saving area.



Vivian McConvey, Chief Executive, VOYPIC

A CSG is most commonly established to make efficiencies in corporate services/ back office functions; however a CSG can cover a number of operating areas such as marketing, transportation or research and development. It is important to ensure that the members of the CSG are focusing on common areas which will maximise cost savings.

Practical planning for the introduction of Viable commenced in 2009, with an exercise to 'future proof' the organisations that were involved. Initially there were three partner organisations, and despite performing well they understood the need to strive for something different and to plan for the future. After carrying out due diligence and feasibility studies, and determining that the CSG was feasible, it was vital to ensure that the three organisations involved were a good fit for each other and that they shared the same values and ethos. As a result of funding from BCT they were able to carry out an audit of each organisation, and the personalities of the key players, to ensure that they were all operating at the same level.

It was at the point, when they started asking the key, critical questions that one of the partner organisations decided that this project was not for them and they withdrew. This allowed VOYPIC and Include Youth to move forward in a positive way that worked for both organisations. Whilst some may have perceived such an early withdrawal as a negative step, it could in fact have been more damaging had the long term viability of the project been called into question if a partner had left at a more advanced stage.

Viable reminded the conference that it is vital that change is seen to benefit staff in both organisations- if the partnership is only in the best interest of one of the partners it is unlikely that it will ever reach its full potential. For the partnership to be a success it is also vital that the right structures are put in place from the very start.

The key advice from Vlable is to secure the best legal and accounting advice at the outset. It was initially thought that the best way to create Vlable would be as a charity, but it was only after receiving advice they discovered they did not meet the appropriate threshold to be classified as a charity so Vlable became a company limited by guarantee.

	Company Limited by Shares	Company Limited by Guarantee	Industrial and Provident Society – cooperative	Industrial and Provident Society – BenCom	Charitable Incorporated Organisation (iii)	Limited Liability Partnership	Trust
Incorporated?	Yes	Yes	Yes	Yes	Yes	Yes	No
Registration and Regulator	Companies House CIC Regulator(i) Charity Regulator(ii)	Companies House CIC Regulator(i) Charity Regulator(ii)	Financial Services Authority	Financial Services Authority Charity Regulator(ii)	Charity Regulator	Companies House	Charity Regulator if Charitable
Suitable for Charity	Not normally (usually CLG)	Yes	No	Yes	Yes	No	Yes
Primary Beneficiaries	Community if Charity(iv) Community and members if CIC Otherwise reliant on governing document	Community if Charity(iv) Community and members if CIC Otherwise reliant on governing document	Members	Community	Community	Partners	As per terms of trust
Regulated Asset Lock	Yes if charity or CIC Otherwise reliant on governing document	Yes if charity or CIC Otherwise reliant on governing document	Reliant on governing document	Yes	Yes	Reliant on partners agreement	Yes if charity
Participatory Membership(v)	Yes if governing document provides	Yes if governing document provides	Yes	Yes	Yes if governing document provides	No	No
Issue Shares	Yes	No	Yes	Yes	No	No	No
Access to Public Sector Funding	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Access to Charitable Funding and Donations	Yes if charity	Yes if charity	No	Yes	Yes	No	Yes if charity
Possible SE tax advantages(vi)	Yes if charity	Yes if charity	Yes re: Profit Distributions	Yes, charity related	Yes, charity related	No	Yes if charity

(i) If registered as a CIC (ii) If registered as a charity (iii) Not currently in NI but provision made in the Charities Act (Northern Ireland) 2008 (iv) Public Benefit (v) Refers to a wider membership participating in the (vi) Tax advantages linked solely to being a social enterprise and not more widely applicable to different types of business.

Turning to an explanation of Vlable’s work, Vivian McConvey explained that achieving value for money is not just about saving costs, but it is also about making the best use of existing resources. This is particularly relevant when an organisation, such as a charity, has a high proportion of its costs grant funded, as any reduction in cost may simply be met by a reduction in grant. In order to further its charitable aims, it is preferable that savings made by an organisation are re-invested in making it more efficient in the way it operates. This is consistent with the objective of CSGs, namely to address service gaps within each member organisation and enhance existing policies, systems and processes to ensure greater efficiency.

As with all forms of collaboration be they consortiums, partnership working, amalgamation, merger, or setting up CSGs- the success or failure of the venture is very often determined by values, ethos and staff relationships. It is vital that organisations make the best use of human resources and that the intellect, skills and experience of existing staff are utilised and are not lost with the centralisation of services. To maximise the benefits of CSGs, partner organisations have to go beyond the legalities that have been put in place and be innovative, clear and ensure that values and cultures are matched. This requires time, energy and creativity, and goes beyond merely reading each other’s value statements, because on paper everybody’s are quite similar, but key to values are the behaviours that you attach to them.



Viable have published a guide, *'Together we're stronger: Guidance on the Establishment of a Cost Sharing Group in the voluntary and Community Sector in Northern Ireland'*, based on their experiences and outlining the role they envisage CSGs playing in the future.

The summary of the document captures a range of valuable learning points.

“Establishing a CSG in the voluntary and community sector has many benefits including reducing the cost of back office corporate services, providing better quality services, increasing operational efficiency and VAT exemptions. A CSG is an opportunity to provide a range of high quality professional services that would be more difficult to source for individual members, particularly in areas such as strategic finance, HRM and business development.

Establishing a CSG is akin to setting up a social enterprise, it needs to be legally constituted which is best done as a company limited by guarantee and it needs to be properly governed including external independent audit. However, a CSG is an innovative operating model which requires clear and strong relationships between member organisations, the CSG and external customers/ to achieve this requires not only the right mix of member organisations who complement each other rather than compete or are unrelated but also strong leadership from Boards and senior executives.

Beyond legalities and governance, there are many other things to consider when establishing a CSG – planning the services that will be provided; the staffing and resourcing of the CSG; the financial arrangements in terms of accounting and financial management; the interface with customers including public bodies as well as the wider sector; the internal systems and controls as well as the various business processes that will be required and their impact on member organisations.”¹

¹ *'Together we're stronger: Guidance on the Establishment of a Cost Sharing Group in the voluntary and Community Sector in Northern Ireland'*, Viable, p.32

Collaboration Crucial To The Challenges That Lie Ahead

Mervyn Storey MLA is the recently appointed Minister for Social Development (DSD) and his Department is responsible for voluntary sector development.

Minister Storey spoke candidly about the cutbacks and on the importance of creating opportunities for creating stronger partnerships.

Some of the key points made by the Minister were:

- The importance of collaboration, not only within the Voluntary and Community Sector but also within Government Departments is crucial to the challenges that lie ahead and cannot be understood.
- The DSD strap line is, “Together, tackling disadvantage, building communities” and this will not be achieved unless the public sector, the private sector, trade unions, political sector and the VCSE sector work in collaboration with each other.
- The concordant between the VCSE sector and the Northern Ireland Government has created a framework which supports collaborative working. This includes increased collaborative working, modernisation, smarter and different funding mechanism, reducing the administrative burden and the enhancements of skills.
- DSD has invested £15 million to the Modernisation Capital Programme Fund to enable and help support self-sustainability and partnership and collaboration to the VCSE sector.
- One of the key issues impacting negatively on the VCSE sector has been the excessive bureaucracy in grant administration. DSD has been leading on a cross Departmental and cross-sectoral project to address this, by developing a Code of Practice which contains grant funding best practice principles which will apply across all Departments. It also provides a means to lessen the impact of the grant funding process on the voluntary and community sector.
- DSD has provided support for almost £500,000 from the Volunteering Innovation Fund, to the IFA, IRFU and GAA. DSD also works alongside DCAL, OFMdFM, DHSSPS and DE, in joint funding to Special Olympics Ulster.
- The Regional Infrastructure Support Programme and the Regional Support for Women in Disadvantaged and Rural Areas, are joint DSD/DARD programmes and are delivered by partnership consortia.
- DSD work in a strategic partnership arrangement with the newly formed Advice Consortium, leading and guiding the advice sector through a period of substantial change. The new Advice Services Strategy, which is currently out for consultation, also encourages collaborative working in order to maximise the impact of scarce resources.



Mervyn Storey MLA
Minister for Social Development

Mervyn was first elected to Ballymoney Borough Council in 2001 and has held the position of Vice Chairman of the Economic Development Committee. This is Mervyn’s third term as Assembly Member for North Antrim having been successfully returned in 2011. He served as the Chair of the Education Committee until he was appointed as Minister for Social Development in September 2014.



- The Executive has a Programme for Government commitment to support social enterprise growth across the VCSE sector. This business model offers and opportunity for organisations to work together in bidding to deliver public services and to become more sustainable.
- Government can only act as a facilitator and an influencer in promoting change across the VCSE sector. It is likely that the ongoing pressures on public sector spending will bring about change as the Executive seeks to prioritise its investments to protect vital frontline public services.



Left to Right – Jack O’Connor, Head of Voluntary Sector Engagement Team, VCU, Nora Smith, CollaborationNI, Mervyn Storey MLA, Nigel McKinney, Director of Operations, Building Change Trust and Una McKernan, CollaborationNI.

Sheelin McKeagney
Chairman, Southern Local Commissioning Group (SLCG)

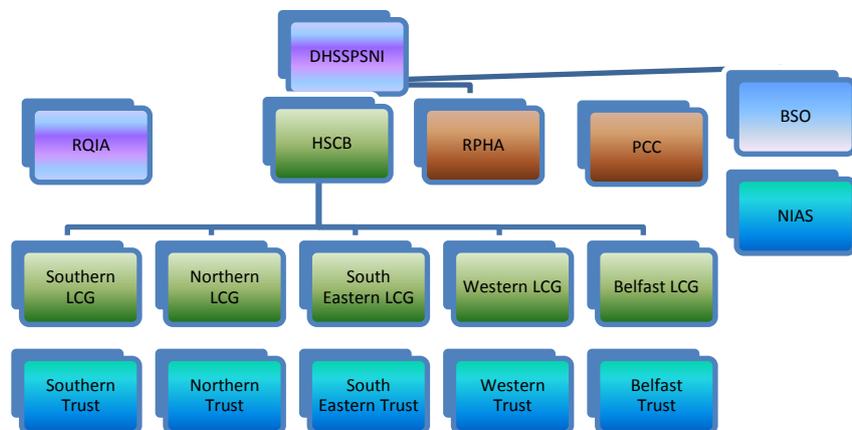
Sheelin is a community pharmacist in Lurgan. He is currently Chairman of the Southern Local Commissioning Group, a sub committee of the Health and Social Care Board which assesses health need, develops commissioning plans to meet those needs and secures those services from health care providers.



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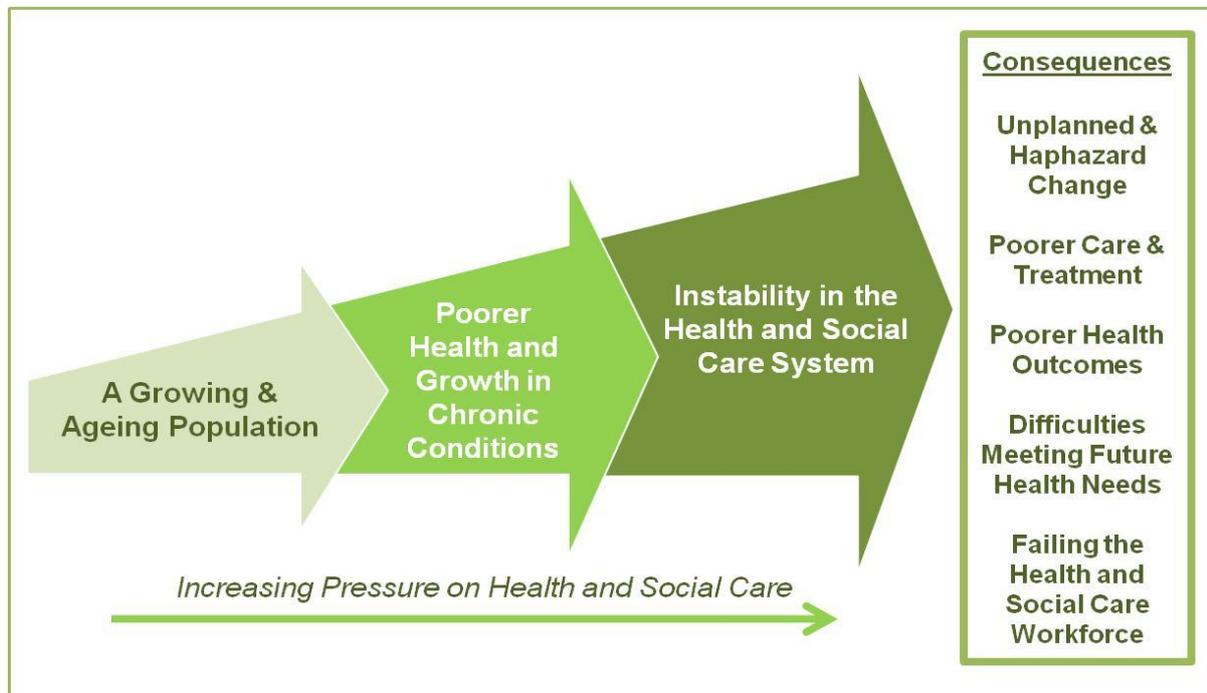
Unpicking the Health and Social Care Commissioning Framework

The SLCG area covers the entirety of the Derganannon and South Tyrone, Craigavon, Armagh, Banbridge and Newry and Mourne Local Government Districts. The Southern area has a population of 363,000 people, a number which is expected to rise to 420,000 by 2023, representing; a 16% growth compared to 6.7% average increase across Northern Ireland. The area has seen a 35% increase in live births in the last 12 years, has the highest proportion of inward migrants and by 2024 it is expected that there will be an extra 12,414 residents aged 65-84 years and 3,800 aged over 85.



Against this extremely challenging demographic backdrop, it is the responsibility of the Local Commissioning Group (LCG) to commission health and social care services on behalf of the local population. LCGs are strategic decision-making bodies and have responsibility for assessing health and social care needs; planning health and social care to meet current and

emerging needs; and securing the delivery of health and social care to meet assessed needs. The five LCGs cover the same footprint as the five Health and Social Care Trusts: namely, Northern, Southern, Western, South-Eastern and Belfast. They are subcommittees of the regional Health and Social Care Board and meet publicly.



The LCGs are unique in that they have professional primary care and community members and each LCG has 17 members, six of whom are based day-to-day in primary care: that is to say that they are Dentists, General Practitioners and Pharmacists. Four members are locally elected representatives, and two represent the community and voluntary sector. The others are a professional public health medical consultant, a nurse, an allied health professional (AHP) and two social workers.

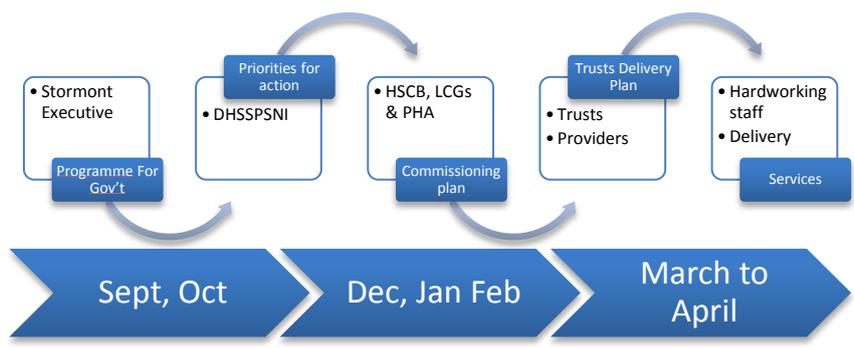
Sheelin McKeagney explained that as a result of increased life expectancy, coupled with medical advances which produce life-saving ‘wonder drugs,’ and public expectation of their health and social care service, we are faced with increased demand and pressure on our health system. People are now living longer, which is something to celebrate, but in their later years they can experience more health problems and there are a larger number of people living with long term, chronic health and social problems and consequently, there are a larger number of people living with long term, chronic health problems and complex social factors. All of this means that our health system is experiencing increased demand for services, at a time when governments are trying to reduce spending in all public sector areas.

As a result of this, DHSSPSNI have brought forward Transforming Your Care (TYC), which sets out an overarching road map for changes in the provision of health and social care services in Northern Ireland. It focuses on reshaping how services are to be structured and delivered in order to make best use of all resources available to us, and in so doing, ensure that our services are safe, resilient and sustainable



into the future. This shift towards an integrated health and social care model is an attempt to move more seamlessly between the health and social care systems, to improve efficiency and, potentially, reduce costs.

The Southern LCG prioritises engagement with communities and continual needs assessment in order to better plan and secure future services and ensure that finite resources at their disposal are best targeted to deliver maximum outcomes. One example of this is the LCG has invested in significant funding in the Southern health and Social Care Trust, its main provider of health and social care services for the southern population, in recent years to enhance services available to people in their own community, for example in promoting day opportunities for people living with mental health, learning or physical disabilities.



There is also a need to reform how health budgets in Northern Ireland are managed. At present budgets are set on an annual basis but there is a clear need for the DHSSPS to develop a medium to long term strategy for budget management that allows the system to plan ahead for the

next 5, 10 or 20 years.

To Merge or Not to Merge – Practical Advice and Support from CollaborationNI on Voluntary and Community Sector Mergers

The role of CollaborationNI (CNI) is to assist organisations through a process of change and help groups find a strategic, agreed way forward. CNI tries to work out where organisations are, where they want to go and how they can get there.

CNI focuses on the ‘collaboration of the willing – with a purpose’ and prioritizes collaborations that are likely to succeed and will have the greatest impact. CNI supports a wide range of different types of merger, but when they are primarily financially, securing organizational support and buy in can prove to be difficult. Very often, when dealing with the ‘collaboration of the reluctant’, no matter how much support and advice is provided there is not enough will and organizational buy in for the collaboration to succeed.

The Collaboration Spectrum

VCSEs organisations do not want to work in silos and are natural collaborators that instinctively work together every day and at every level. Examples of this include:

- **Networks and Alliances** – organisations can come together to share information; speak with one voice over issues of common concern and maximise their influence with decision makers. Individual organisations are only giving up a very small amount of organizational autonomy but can potentially gain a great deal of influence;
- **Consortium building** - this can take a number of different forms, which include sharing premises, joint bids for funding or joint service delivery, but requires organisations to give up a degree of autonomy. Many organisations that are looking at the future recognize the importance of being ‘tender ready’ and understand that by being part of a consortium they can engage in public procurement exercises that they would otherwise be excluded from;
- **Mergers** – organisations are required to relinquish their autonomy and independence, and mergers often result in organisations disappearing completely. When CNI first started in 2011, there was an expectation that mergers would be the main form of collaboration, but in reality this has not been the case and most of their time has been spent assisting in consortium building and forming networks and alliances.

Since 2011, CNI have been involved in a number of mergers, including:

- Fermanagh Community Transport
- CDM Community Transport
- Abbeyfield Housing Association and Wesley Housing Association
- Top of the Hill & Hillcrest House
- Early Years and Orana Family Centre

When two organisations are considering merging it is often a highly sensitive situation and the decision to engage with CNI is always treated in strictest confidence. It is vital that a communications



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strategy is in place to ensure that organisations are communicating the right message, to the right people, at the right time. During the early part of merger discussions rumours and speculation can be rife which can be very damaging and cause anxiety for staff and service users, so it is important at this stage that negotiations are confidential.

One of the drivers for increased collaboration in recent years has been a response to the perception that there too many charities and there is too much duplication. There is an onus on the VCSE sector to push back against this false narrative, but this has to be done by proving that it can provide value for money and that services provided are in fact complimentary and not replicating work done by others.

This issue was addressed by Dame Suzi Leather, Chair of the UK Charity Commission from August 2006 to July 2012. When responding to a question if there were ‘too many charities’, she replied:

“It is a bit like saying there are too many people or businesses. We ought to celebrate the fact that there are lots and lots of charities and that more people want to make society and the world a better place through their own voluntary endeavour.”²

In these challenging financial times, where individual giving and government spending is down, funders are actively encouraging collaboration, and in some cases requiring it. CNI have found that the VCSE sector has responded positively to these challenges and see it as an opportunity to seize control of their own destiny and build up strategic alliances.

Focussing on mergers, Andrew Talbot explained that they happen when two or more organisations come together to form one, new organisation. All the assets, liabilities, staff and services to form a new organisation with a single name, mission, ambition and constitution. It is important that a merger is not seen as a takeover, as people are generally supportive of a merger or amalgamation if they feel that they have some say in the process and it is not presented as a fait accompli.

Even with support from CNI mergers are a complicated and time consuming process. In theory a merger can take 6/9 months, but in practice those mergers that CNI have supported have taken up to three years. All mergers require considerable investments of time and resources, and senior management to divert their time away from the core function of the organisation. Mergers are also very costly and there are considerable legal, accountancy and human recourse implications. Included in this are costs associated with due diligence, rebranding and potential redundancies. Securing finance for mergers can also prove difficult to secure as funders want to see resources directed to front line services and are often reluctant to see them directed towards service fees and consultancy costs.

Whilst there is no definitive route map that all mergers take there are a number of key steps that are required along the way.

At the very start it is essential that a business case is established and this needs to clearly set out what the purpose of the merger is, including whether it is a strategic decision or a response to a crisis. All sides must realise that no matter how much pre-planning goes into the process there will always be unexpected bumps along the way; it is how the partners respond to these will determine the success or failure of the merger. When difficulties do arise, it is essential that the initial business

² Oral Evidence taken before the Public Administration Committee, Chair Of The Charity Commission Valedictory Hearing, Tuesday 3 July 2012, Dame Suzi Leather, Evidence Heard In Public, Response to Q91

case contains a clear rationale for which the merger, which can be used to refocus partners on their original goals.

Another key step towards a merger is the Heads of Agreement, which involves information, such as:

- The name of the new organisation;
- Who the CEO of the new organisation will be;
- Who the chairperson and members of the board of the new organisation will be;
- Agreed date for completion of the merger; and
- Agreed merger process- including setting up a steering group to manage the process

It is also vital that a thorough due diligence process is carried out before the merger is finalised, because after completion all liabilities and debts of the partner organisations become the liabilities and debts of the new organisation. If issues emerge at this point that were previously unknown, and that may call into question the viability of the merger, it may be too late to do anything about it, which can cause serious damage to the new organisation from the very start.

After completion, and the transfer and merger documents are signed, there is a post-completion process in which there is still a lot of work to be done. An issue such as rebranding, creating a new image for the organisation, or reshaping organisational culture, can often prove to be the most difficult. Organisations can become wedded to their names; it is what defines them and may have been in existence for a very long time, so it is often very difficult to change the identity of an organisation. It is also important that staff see themselves as being employees of the new organisation and not looking at staff as being from 'their' organisation or the 'other' organisation. Andrew reflected that very often it is the 'soft stuff that is the hard stuff'. Support from CNI does not end at the moment of completion and they are able to offer post-merger support and advice to help the new organisation in this transitional period.

If, for example, organisations are only contemplating merging as they feel that it is the only way they will be able to engage in public procurement exercises in the future, and there would be too much pain involved, it may be advisable that they create a consortium and 'partner up' with other organisations, whilst at the same time retaining their own individual autonomy. Consortia are able to apply for government contracts, and whilst they do have to appoint a lead partner, this can often be less stressful, time consuming and costly, than a merger.

It is always important during any collaborative process that organisations remember why they engaged in this process in the first place, which was captured well as follows:

"If you want to build a ship, don't drum up the men to gather the wood, divide the work and give orders. Instead, teach them to yearn for the vast and endless sea."

- Antoine De Saint Exupery

Partners must be a good organisational and strategic fit and need to be open and transparent with each other with good internal communication.

Despite the best planning in the world and even with the best intentions from all partners, there can be 'deal breakers' which no amount of negotiation can overcome. At this point it may be in the best interests of all parties to walk away. Such situations include:

- **Incompatible cultures** –organisations, and their staff, cannot work together. They approach issues from a totally different point of view and neither side can buy into the agreed vision and they cannot see themselves as being part of a new organisation;
- **No business case** –it is only when organisations sit down and try to draw up a business case, and start asking the hard questions of each other, that they realise that they do not have the same shared values and visions, and that there is no real fit between each other. It is for this reason that a business case is drawn up at the very start of the merger process;
- **Who is going to be the CEO?** – can this be negotiated by the two partner CEOs – is someone prepared to retire or step aside – or is someone going to have to be made redundant? Very often mergers fail over this very reason as it is easy for one of the CEOs to delay or derail a merger if they feel that they personally are going to lose out as a result of the merger.

Seven Dos and Don'ts of Collaborations and Mergers

1. Don't overthink it – collaboration is sometimes a leap of faith!
2. Do make certain there is buy-in from all groups
3. Do make it a collaboration of the willing – not of the reluctant
4. Do focus on building long-term trust and relationships
5. Do agree a process
6. Do put in place a steering group to give leadership to the collaboration
7. Don't be afraid to walk away!

Key Messages

A key focus of CollaborationNI is to provide a platform for discussion under the broad theme of collaboration. To examine, review and subsequently inform the VCSE sector, government, politicians, policy-makers, funders and others on VCSE collaboration. The next step is to communicate the key messages received from the range of conversations, in order to build on the positive values that come from collaboration, understanding the complexities, with the aim of lessening the challenges.

Below summarises the key messages that arose from the conference.

- The current attention and action on collaboration suggests that collaboration is a potentially powerful strategy to build the capacity of VCSE's in ways that improve outcomes.
- Government recognises the wide-ranging role of VCSE Sector organisations as employers, partners and as advocates of those who are excluded and disadvantaged.
- One of the many strengths of the VCSE sector, is its ability to take a holistic approach to delivery and providing an extensive role in outreach and support services, which are often the first steps to engaging with the 'hard to reach' all of which mean it is well placed to contribute to government's priorities.
- It is evident that time-sensitive, values driven collaborations by a committed group of relevant stakeholders, who are critical to either understanding or addressing a particular issue can achieve substantially more through a shared vision, the identification of specific goals and outcomes, the partnering of human and financial resources, and the evaluation of impact. This approach is key to increased effectiveness and efficiency in the VCSE sector.
- Over the years as government budgets have been reduced, the VCSE sector has been expected to do not only more with less, but significantly more with significantly less. Consequently, the VCSE sector has encountered pressures of restructuring and efficiency. However, the complexities of addressing these challenges are inherently difficult because of the VCSE focus on the triple bottom line: fiscal responsibility, social service responsibility and environmental responsibility. A key challenge that is often missed by government.
- It has become clear that the VCSE sector will have to undertake some form of consolidation activity; to work better together to achieve both effectiveness and efficiency objectives. This acknowledgement on its own does not help the VCSE sector understand what route is right for them.
- Collaboration must be driven by a strong values based focus, a fiscal motivation alone does not fit with the fundamental ethos of the VCSE sector.
- Forced partnerships do not work.

- Often VCSEs are forced to compete with each other for funding to survive and funding is not guaranteed for multiple years. This does not encourage a collaborative culture.
- Collaboration cannot be viewed as a code word for 'cost-cutting'. Whilst there is broad agreement that partnership working can reduce costs and duplication, there must also be awareness that we are not dealing with the merger of two "widget production organisations". When outcomes are measured in the social difference and impact VCSEs are making, the complexity of implementation and the risks of failure are far greater.
- The often conflicting funding and reporting models under which the VCSE have to function; a system which over time turns VCSE leaders and innovators into administrators, adds to the challenges of encouraging and cultivating a culture of collaboration.
- It is important that government recognises that to expect 'pure' collaboration within the VCSE sector is somewhat of a would-be ambition. There needs to be a realistic understanding of the challenges and complexities involved. There are many successful examples of a working context for collaboration however, to encourage and foster better collaboration, support from both government and funders is required. Collaborative partnerships and networks must be cultivated, supported and financed, as well as continually monitored and evaluated. VCSE organisations are often not prepared for the requirements and challenges of getting a partnership up and running, and keeping it on track.
- To help to future proof the health of the VCSE sector, and to sustain its capacity to deliver high-quality services, requires a new commitment; a new collaborative structure to share knowledge and good practices; and effective funding practices by governments and non-governmental funders alike.
- There needs to be a stronger recognition by funding bodies of the amount of time and resources required to ensure successful collaboration process.
- Collaborative efforts should be driven by a shared vision, clear goals and objectives, and highly-defined impact mandates by all partners involved.
- The necessity of effective leadership is a critical. Trust and communication are essential. Strong leadership is required to manage the tension between individual self-interest and collective interest.
- Investing in and developing collaborative leaders is an essential part of cultivating stronger collaborative practices.