

# Consortium Working

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The Learning Curve



# What is a consortium?

”A group made up of two or more individuals, companies or governments that work together toward achieving a chosen objective.

Each entity within the **consortium** is only responsible to the group in respect to the obligations that are set out in the **consortium's** contract.”

# Forms

- Partnerships – equal and several liability
- Special Purpose Vehicle – i.e. separate entity
- **‘Lead Partner’**
- *Suggest latter for single-purpose consortium*

# Governance and Management

- Balance to be struck – what works
- Ranges from no sharing of governance to complete democracy
- Degree of influence determined by scale of partnership – E.g.: shared decision-making if small – less so if large - often led by small group (e.g. 3SC, VOLA)
- In one-off consortia, obligations of contract mean that normally somewhere towards ‘no governance’ end of continuum in formal structures – but tone/style can be more inclusive
- Need effective decision-making processes and independence of performance management from governance

# Lead Partner Role

- Has contractual responsibility
- Accountable to funder for actions of Consortium members
- Partners have to comply with funders' requirements
- Partnership Agreement lays out mutual obligations
- Perceived conflicts of interest need to be managed if lead partner also delivers

# Lead Partner Requirements

- Manage and distribute funding – *'fair manner'*
- Ensure Project meeting its outcomes through partners
- Ensure all partners comply with contract esp. meet reporting and documentation requirements
- Ideally provides/arranges support and capacity building

[www.biglotteryfund.org.uk/global-content/programmes/england/building-better-opportunities](http://www.biglotteryfund.org.uk/global-content/programmes/england/building-better-opportunities)



# Becoming a delivery partners

- Focus on requirements of the specification/proposal
- Match capability to need (of beneficiaries and project)
- Can potentially be part of more than one consortium proposal but this will dilute USP of bids

# Process of Selecting Delivery Partners

- Selection process
- Due diligence
- Matching capability against needs
- Track Record
- Type of Roles – cloning; differentiation; targeted services
- No guarantee of success
- Ongoing performance requirements/review



# Success factors

- Trust
- Transparency
- Good Governance
- Fair and Open Procurement
- Balance self-interest with wider interest
- Mutual support and respect
- Clear processes and performance management

# Risks

- For lead:
  - Partners don't deliver
  - Information and reporting not done properly
  - Gaps in provision
- For partners
  - Failing to deliver
  - Other partners failing to deliver
  - Poor reporting – risk of recovery of funds

# Is it for me?

- Need honestly assess your capacity and mission 'fit' in relation to the project
- Understand and comply with performance and administration requirements
- In it for the purpose not the money

# Some examples

- 3SC – national consortium led by partnership of 10 organisations – successfully competing/collaborating with large private sector providers
- VOLA – governed initially by a core group of four providers – up to 100 wider provider partners
- Open Door/Swarthmore/Manor Training and Resource Centre – partnership of three providers with Open Door holding the contract but all three involved in its management

# Personal Thoughts

- A single third sector consortium for Wiltshire & Swindon gives best chance of success
- Small executive group including membership bodies
- Explicit criteria for being a consortium delivery member
- Associate 'non-delivery' or 'prospective delivery' membership?
- Ongoing small-scale procurement outside of consortium delivery members to meet identified specialist/local needs

# Questions & Discussion