

Advice Services Alliance

Structures for Partnership Working

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20 March 2009

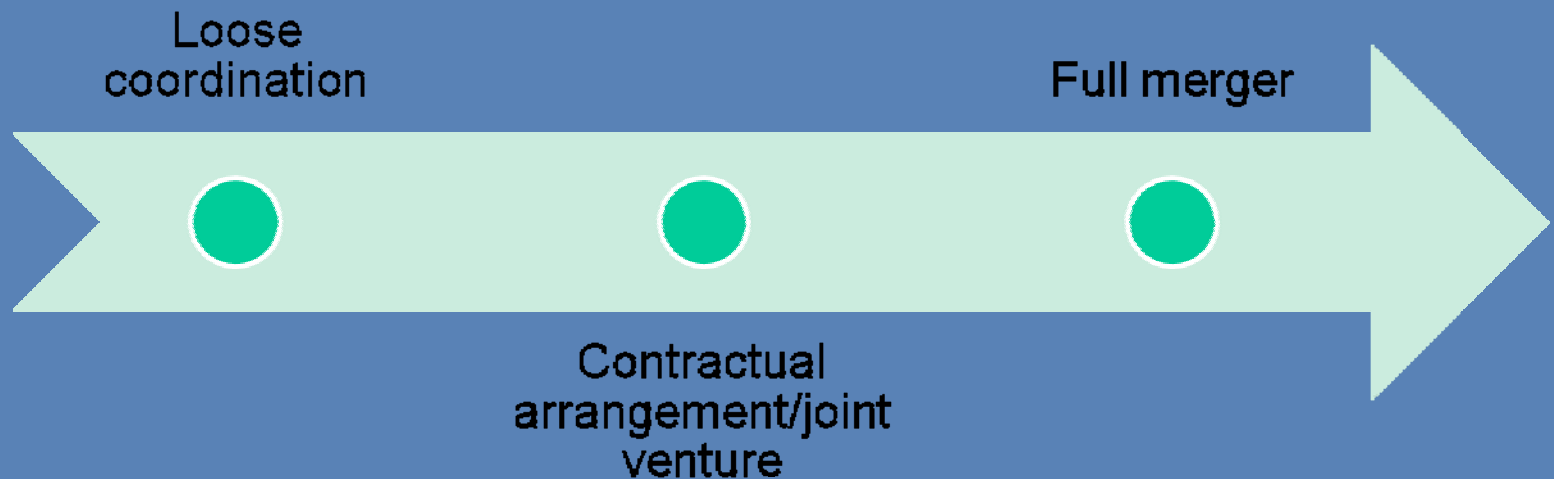
We will consider...

- What “collaborative working” means
- Issues to consider
 - Who
 - Why
 - What
 - How
- Types of structures

Drivers

- Move from grants to contracts (VAT)
- Funders requiring partnership working or specifying a “consortium bid”, “one stop shop” or “larger organisations”
- LSC awards of contracts
 - CLACs and CLANs

Continuum of collaboration



Collaborative Working

- Coordinated campaigning or buying group
- Service provision by one charity to another
 - colocation/clusters
- Mutually owned service providers
- Outsourcing to the commercial sector
- Fundraising joint venture
- “Partnerships”
- Merger

Business themes

- What do you need to deliver?
- Who is your partner?
 - operational and financial viability
- Common objectives/goals
- What do they want from you?
- Trust
- Reputation
- Funding
- Communications
- Contracts

Authority

- Memorandum and articles/trust deed
 - Objects
 - Powers
 - Trading or fundraising?
- Commercial partnerships policy
- Reputation management
- Charity Commission guidance

“Partnerships”

- Ad hoc Steering Group
- Project Team
- Contractual governance (voting etc)
- Lead/Accountable body and sub contractor
- Joint Venture
 - Corporate
 - Contractual

Key Legal Issues

- Assumption of risk
- Viability of partner
- Limitation or management of risk
- Rewards
- Management and communication
- Employment law
- VAT
- Control
- Exit

Issues

- Contracts
 - Basis of tendered contract – what does it require
- Consider:
 - Structures and degree of integration
 - Sharing/apportioning of risk
 - MOU? Legally Binding or not?
- New Entity

Structures

- Federal structure
 - Built in constitutional controls
 - Independent members of a central organisation – pooling of sovereignty
 - Central organisation is “controlling” via constitutional controls
 - Use of name
 - Mind / Age Concern

Structures

- Franchise models
 - Franchise or territory agreements
 - Independent entities
 - Contractual relationship
 - Licence of name and logo – common branding
 - Code of conduct
 - International development organisations often use model
 - Boundary issues

Structures

- National offices and branches
 - One entity
 - National membership agreements
 - Control

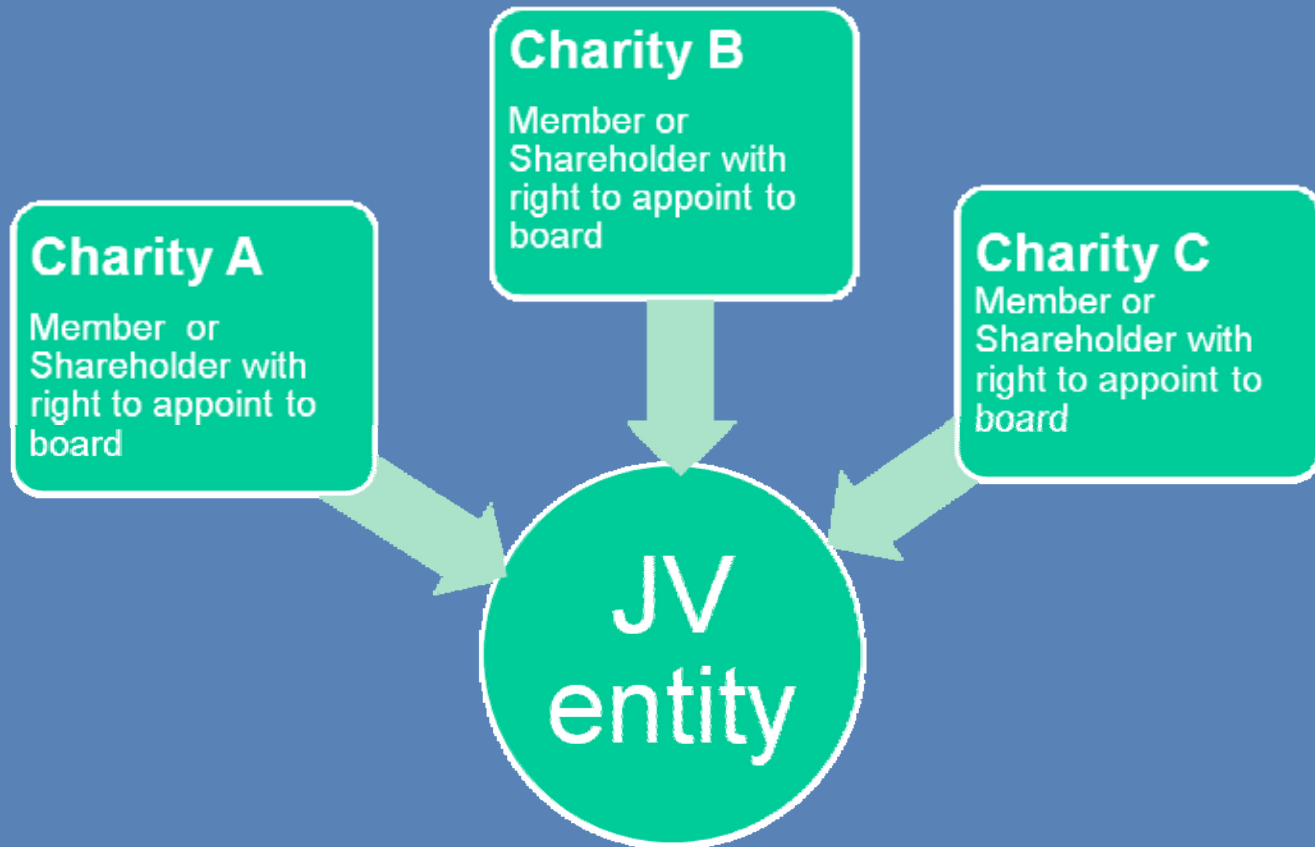
Contract

- Objective - together to deliver the services required
- “Partnership contract” –
 - What is this? What does it mean?
 - Part of the continuum
 - Complexity
 - One supplies another
 - Swapping services
 - Outsourcing to third party
 - Joint trading / fundraising
 - Sharing “Back Office” Services

Contract

- Accountable Body and Sub Contractor
 - Primary responsibility remains
 - Apportion service responsibility
 - Risk of default by subcontractor?
- Obligation to work with others
 - dispute resolution

New Entity



New Entity

- Types:
 - CLS/CLG
 - CIC
 - IP&S
 - LLP
 - CIO
 - Unincorporated ...?
- Joint Venture or Project Company
 - Usual controls

New Entity Example

- Water and Sanitation for the Urban Poor
 - Charity and private sector
 - Motivation
 - Reputation
 - New entity (Not a charity)
 - Grants
 - Service delivery

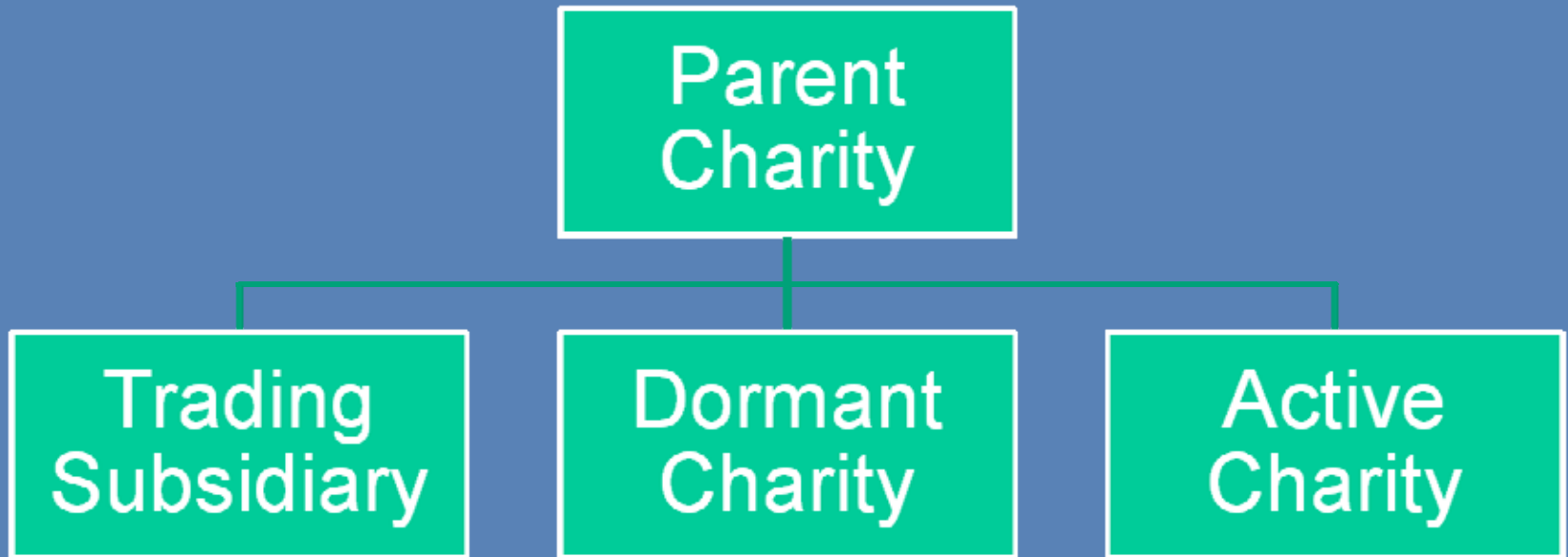
New Entity

- Trading Subsidiaries
 - Governance issues
 - VAT
 - Business rates
 - Costs sharing
 - Capital provision

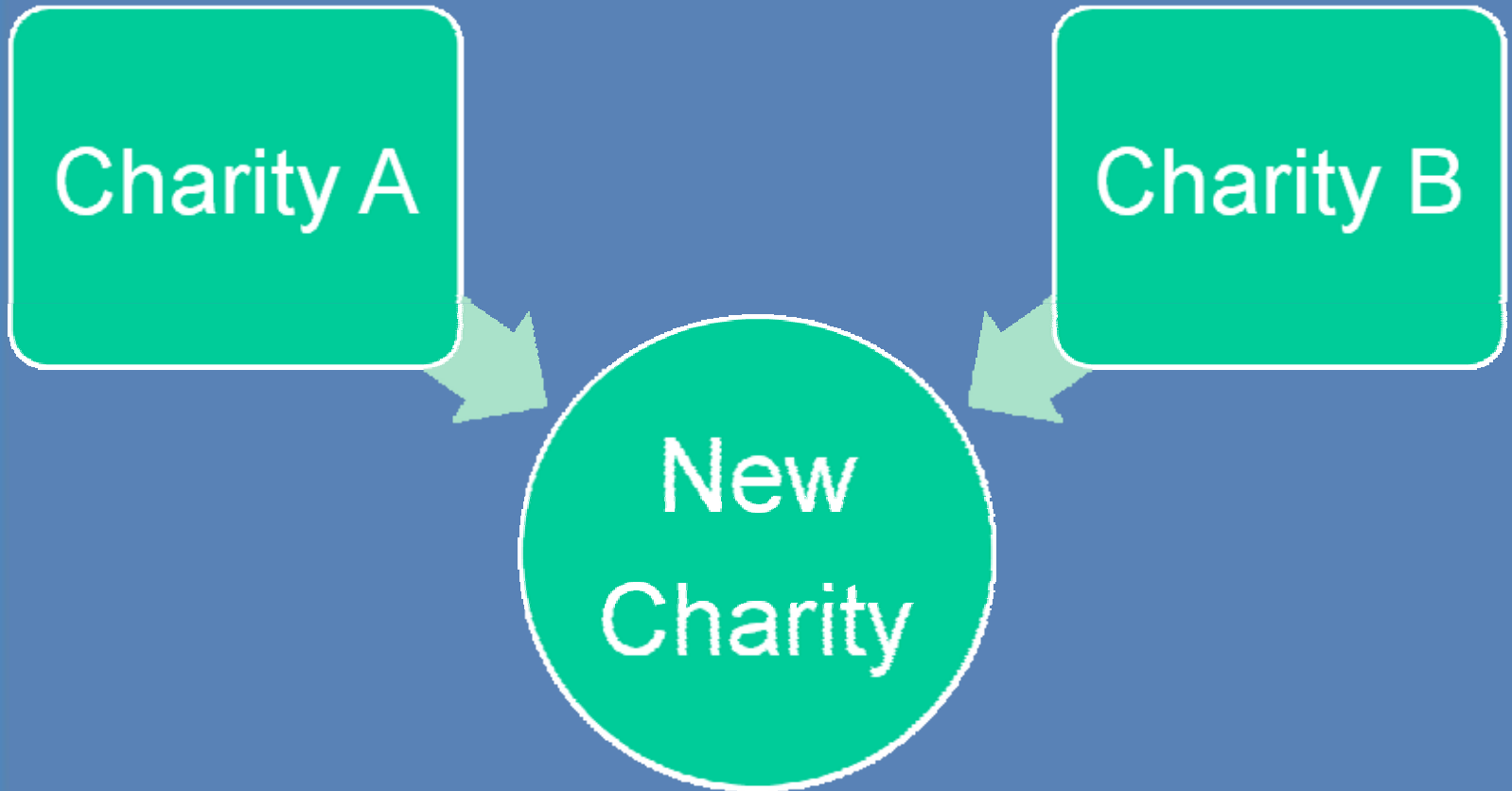
Merger

- Overlapping board membership
- Group structure
- Full merger

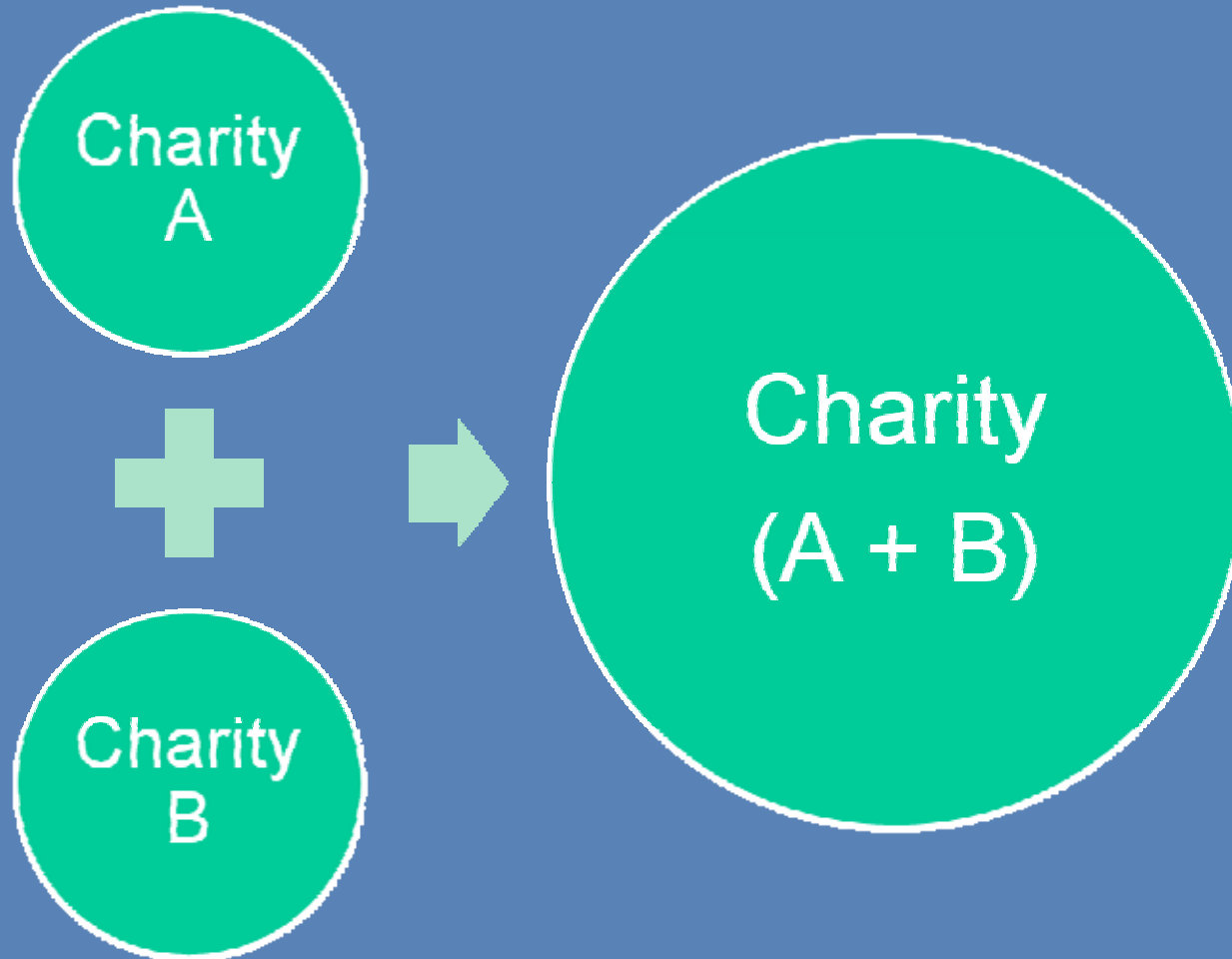
Group Structure



Merge into new charity



One merges into another



Merger

- Reasons for merger over collaboration?
- ...and against?
- Risk and structures
- Barriers?

Questions?

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