

# Consortia for Social Enterprise

an overview  
with particular reference to  
NOMS CFO



**GEOF COX**

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# Programme

- ∞ Introductions
- ∞ Consorting:
  - Why do it?
  - Who to do it with?
  - How to do it?
- ∞ Case study and some key issues
- ∞ Geof's dating agency

## Why do it?

- ∞ Enables your organisation to deliver and grow it's specialism within a more complete offering
- ∞ Enables economies of scale and other risk sharing
- ∞ May be preferred by commissioners and funders (to achieve their own economies of scale)
- ∞ Might add experience and track record relatively painlessly
- ∞ Build a base for further co-operation – looking beyond any one opportunity

*not to*  
Why do it?  
*1*

- ∞ Development and management time
- ∞ Hard costs (eg. legal advice)
- ∞ Opportunity costs
- ∞ Skills, knowledge, experience and track record may not really be built up in your own organisation – in fact they might build competitors
- ∞ Risk of conflict etc

## Who to do it with?

- ∞ Charity Commission study on collaboration between small charities *Strength in Numbers (RS24)*
- ∞ The main factors contributing to success were:
  - quality of the pre-existing relationship with their partner charity (55%); and
  - compatibility of organisational aims, values and mission (52%)
- ∞ Poor leadership, planning or communication (29%) were quoted most often as the reasons why collaboration was unsuccessful

## Who to do it with? *continued...*

- ∞ What exactly is the social problem you are addressing, what's the solution, and what's missing from your own organisation's offering?
- ∞ What other organisations share your view of the problem(s) and the solution(s)?
- ∞ Do they fill the gaps you have identified in your own offering?
- ∞ Do they share your values and ethos?
- ∞ ... *and do they like your model?*

## How to do it?

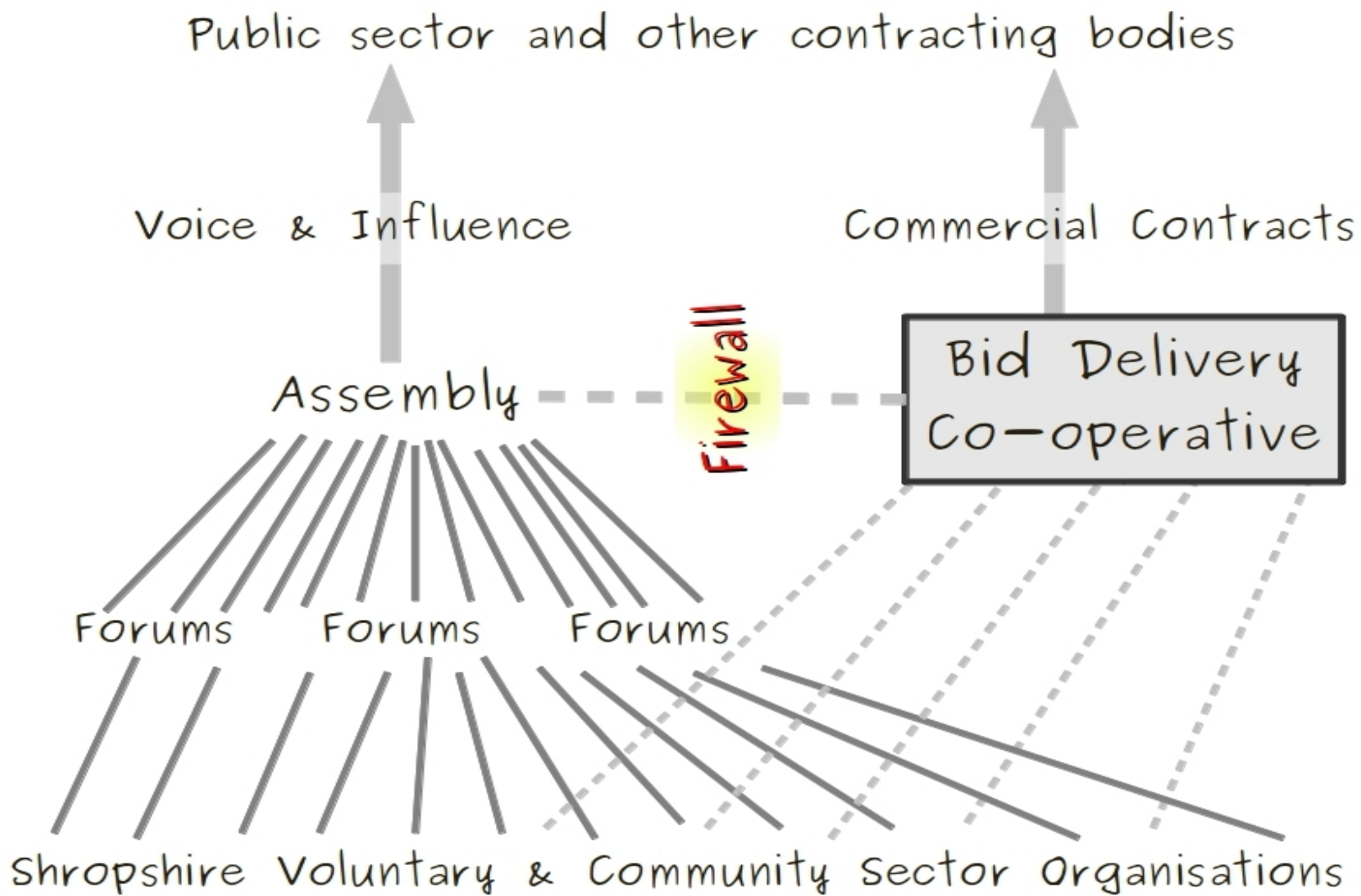
	Hierarchical	Democratic
No separate consortium legal entity	Lead or prime contractor with sub-contractors (discredited model?)	Non-delivery lead (contract bidding/admin carried out by sector body such as NESEP)
Separate legal entity	Joint vehicle but with one lead body (weighted ownership, responsibility and rewards - lead body provides cashflow)	Co-operative (admin staff hub of its own or contracted to member(s) - mutual trading status - but may be hard to cash-flow)

## Case study – Shropshire Assembly

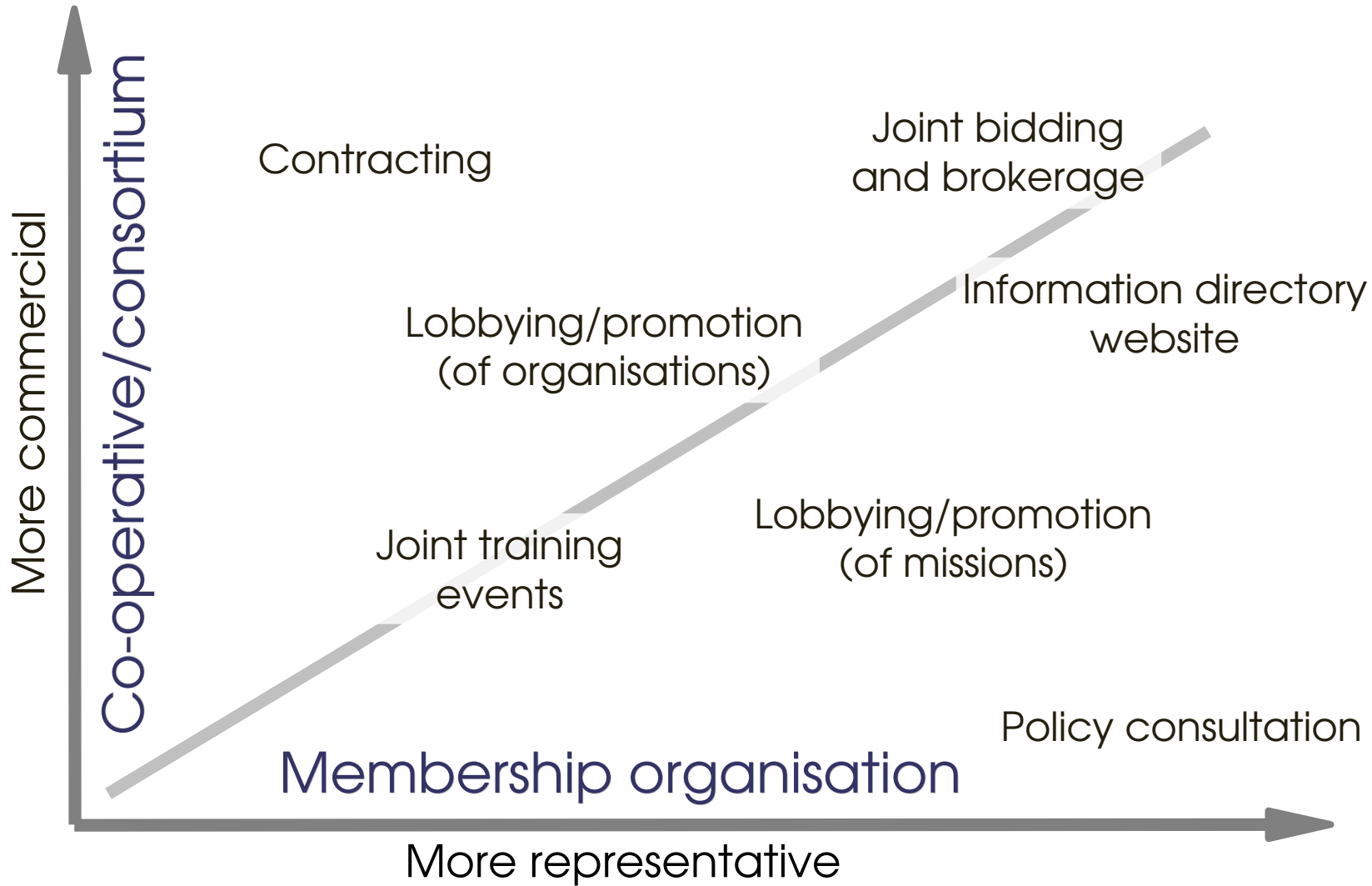
- ∞ Undertook research into 14 consortia
- ∞ Supported by Shropshire Council (what model best fits the procurement process?)
- ∞ Decided on Guarantee CIC Co-operative form (almost all of research sample set up a new entity - limited liability being the main reason given)
- ∞ Membership and board structures still in development
- ∞ Conflict of interest issues loom large in governance
- ∞ Staff hub requires development funding – and therefore detailed business planning



# Case study *continued...*



# Sector Consortia



Legal/Financial  
Structure

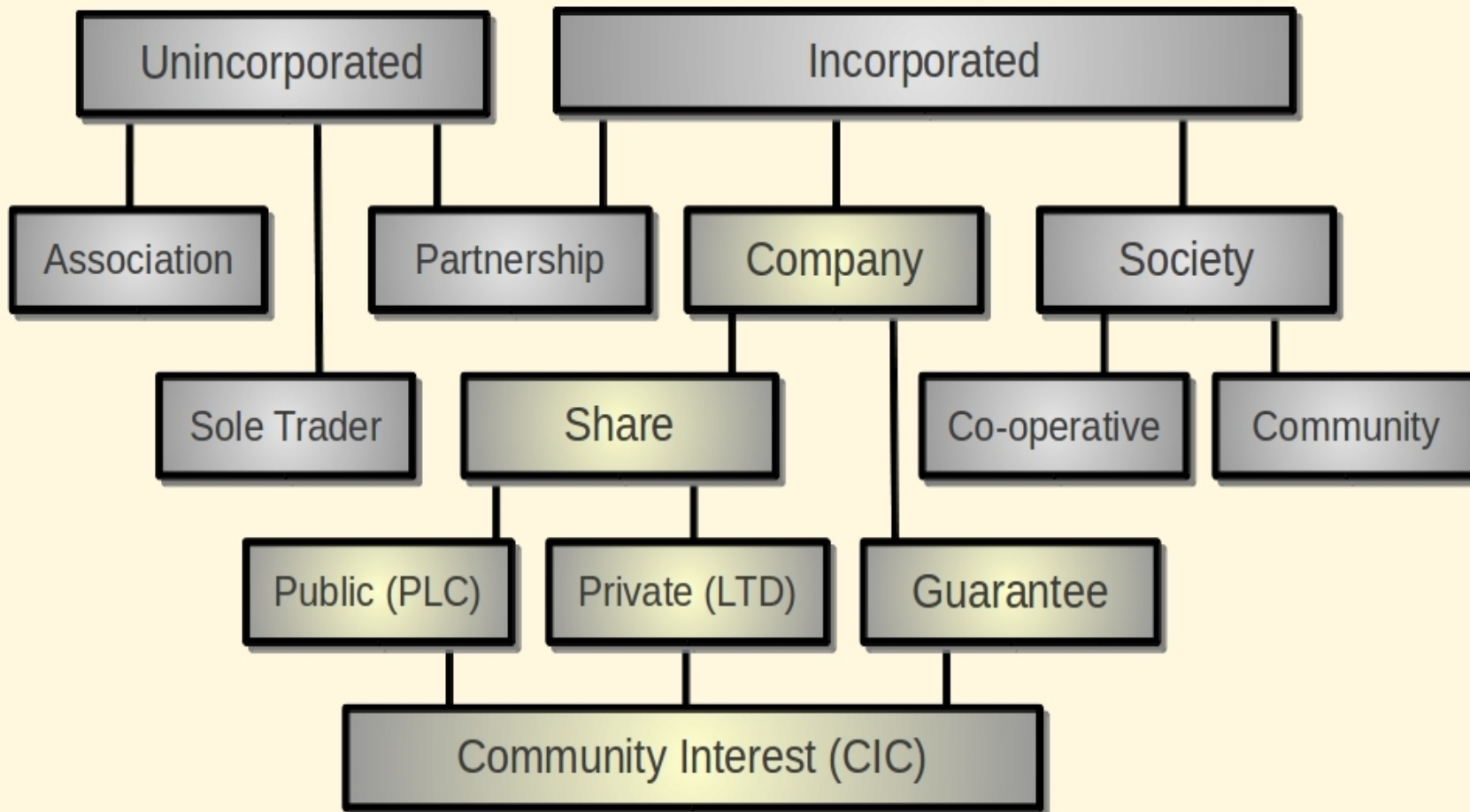
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Business Model +  
Ownership Model

= Organisational  
Structure

Business Planning

# Legal/financial structure





# Building your cluster

A workbook for third sector organisations to help them develop clusters to deliver public sector services



# Developing Consortia

Forming a consortium for the delivery of public services

[www.geofcox.info](http://www.geofcox.info)

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one scotland  
SCOTTISH GOVERNMENT

# Geof's dating agency

- ∞ The social problem you want to address ***in 1 sentence***
- ∞ The solution you'd like to offer ***in 2 sentences***
- ∞ What's missing from your own organisation's current offering ***in 3 sentences***
- ∞ Add:
  - Key information needed before decision to consort
  - The first steps you would need to take to develop a consortium
  - You partner spec

## Some specific issues...

- ∞ What is meant by the requirement for 'legally constituted' consortia?
- ∞ Some contractual issues (eg. PQQ track record requirements) may need to be known before the form of a consortium is decided
- ∞ Why is it thought that the aim for added social value implies consortia?
- ∞ Is the combination of offender services and added social value appropriate anyway (too many social aims perhaps)?
- ∞ Are SEM profit and wind-up criteria meaningful?

