

AM6 Leading and governing collaborative working



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Aims of the session

During this session we will:

- Look at the range of options available in the collaborative spectrum
- Explore trustee's governance role in collaboration
- Explore trustee's leadership role in collaboration
- Share experiences and ideas with each other

Leading and Governing Collaborative Working

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What is a Charity?

- An entity?
- The people in it?
- The things it does?
- An idea?
- A collection of purposes?

Better Question: What is Charity For?

- To deliver its purposes as effectively as possible
- Not to be ‘a company for carrying out an undertaking of great advantage, but nobody to know what it is’

Think Strategically, Think Selflessly

- How best can we achieve purposes?
 - Should we collaborate?
 - Should we merge?
 - Would someone else do this better? (The Warren Buffet question)
- Not:
 - We must keep 'our' charity going
 - I want to maintain my position
 - What is in the interests of our staff?

BUT:

- Understand the risks
- Calculate the cost
- Appreciate the disruption
- Keep eyes open
- Do not assume others have same motivation
- Do not assume they don't

Spectrum of collaborative arrangements

- Sharing knowledge
- Collaborative working on issues/projects
- Shared services/back office functions
- Joint venture by contract
- Joint venture through new entity
- Merger
 - *Joint working: greater commitment of resources than full merger?*

Main Collaborative Structures

- Un-documented joint working
 - Memorandum of understanding
 - Written contract
 - Partnership agreement
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- Limited liability partnership
 - Limited company
 - Community interest company

Possible Pitfalls

- Grouping together to bid for funding, without having considered how to deliver a programme
- Lack of clarity about different parties' roles and contributions
- Staff turnover
- Funders' conditions
- Gap between decision making/setting up a collaborative working arrangement and people managing it day to day

Main Merger Methods

- Two transfers into one new charity
- One transfers undertaking to the other
- Corporate take-over
- Board take-over

Merger Method and an Honest Question

- If I had to pay the costs personally, how would I do it?

The Process (Merger or Collaboration)

- Exploratory discussions
- Confidentiality agreement?
- Negotiate heads of terms
- Due diligence
 - financial
 - legal
 - operational
 - cultural
- Negotiate final documentation

The Basic Planning Framework

- Getting in
- Getting on
- Getting out

Collaboration Checklist

- Compatible objects?
- Objectives of collaboration
- How long will it last?
- Who contributes what?
- When and how?
- Effect on staff?
- Who employs / seconds?
- Who disciplines?



Collaboration Checklist

- Management and governance processes
- Who decides what? How?
- Steering committee?
- Role of the boards
- Communications – internal and external
- Policies
- Budget and budgetary control
- Accounting arrangements

Collaboration Checklist

- Admission of new partners / members
- Profit distribution
- Tax and VAT
- Liability:
 - contract
 - tort
- Insurance
- Dispute resolution

Collaboration Checklist

- Conflicts of interest
- Data protection
- Joint ownership problems:
 - land/premises
 - intellectual property
 - other assets
- Methods/timing of termination
- Consequences of termination

Heads of Agreement for a Merger

- Scope of due diligence and deal breakers
- Clarity before legal costs escalate
- Legally binding or not?
- Break fee and costs?
- Brand
- Communications
- Board composition
- Key staff positions
- Confidentiality
- Warranties and indemnities

Some Early Conversations

- Auditors
- Bankers
- Solicitors
- Actuaries (pensions)
- Charity Commission / OSCR?
- Other regulators – e.g. Tenant Services Authority

Questions?





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SOLICITORS

What is leadership?

‘Leadership is about trying to make a change for a cause you believe in.’

This means that leadership is exercised every day by hundreds of thousands of staff and millions of volunteers.

What is collaborative leadership?

“Collaboration needs a different kind of leadership; it needs leaders who can safeguard the process, facilitate interaction and patiently deal with high levels of frustration”

The Collaborative Leadership Fieldbook, David Chrislip (2002)

Wicked questions?

- Increased demand for services
- Less resources
- Greater need to deliver outcomes across organisational boundaries
- More competition.....

So why do many collaborations fail to achieve their full potential?

“If achievement of collaborative advantage is the goal....why is collaborative inertia so often the outcome?”

Chris Huxham, Advanced Institute of Management Research & Siv Vangen, Open University Business School 2004

In small groups, in the context of the information that has been outlined alongside your own experiences, consider the following:

- What makes leading and governing collaboration in our sector distinct?
- What are the key challenges you face and what does this mean in the context of your governance?
- What interesting ideas or experiences do you have to overcome these challenges?

Questions?



Governance and Leadership

Further information and useful publications (1)

NCVO Governance and Leadership Team

- www.ncvo-vol.org.uk/governanceandleadership

NCVO Collaborative Working Team

- www.ncvo-vol.org.uk/advice-support/collaborative-working
- This includes publications and free downloads on: Introduction to collaborative working, Joint working agreements, Due Diligence and others.
- Case studies

Charity Commission

- www.charitycommission.gov.uk
- Information on collaboration includes:
 - Collaborative checklist
 - RS4 Collaborative Working and Merger
 - CC34 Collaborative working and Mergers
 - Toolkit: Making mergers work: Helping you succeed
 - Toolkit: Choosing to collaborate: Helping you succeed

Further information and useful publications (2)

Funding Central- Partner Zone

- www.fundingcentral.org.uk
- Partner Zone: The Partner Zone enables you to search for potential partners in your local area or further afield. You can seek other organisations who want to work together on a project or who are looking to put in joint bids for funding and contract opportunities. Raise awareness of the role of trustee

Bassac

- <http://www.bassac.org.uk/our-programmes/collaboration>
- Including information on how to collaborate, research, tools and templates