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Exploring cross boundary collaboration, partnership and merger in local infrastructure organisations

Contents

1. Context & purpose
2. Key considerations for LIOs
3. Drivers
4. Analysis of types
5. Success factors
6. Conclusion

Annex A. Method

1. Context and Purpose

The English Devolution White Paper and the related changes to local authorities and move to strategic authorities will impact on many, perhaps all, NAVCA members. Local infrastructure organisations (LIOs) will need to navigate a changing landscape in which decision-making powers will be distributed in new ways and services are delivered on new footprints. For some members, these changes will be profound and will require them to build and deepen their relationships with their neighbours.

In recent years, some groupings of LIOs have responded to the changing operational and external context (including ICS structures in the health system and the Mayoral Combined Authorities) by seeking new ways to work together across local authority boundaries. This paper, based on a member survey of existing sub-regional groupings and informal member conversations, explores how collaboration, partnership, and merger have, for some, reshaped local infrastructure delivery.

The paper collates the learning from this exploration, drawing out some broad themes that address the following questions:

- what are the drivers for collaboration?
- what are the models for cross boundary collaboration?
    - are there any preferred or more common models?
- what factors influence the success and impact of collaborations?

Details regarding the method the team deployed are included at Annex A.

This is a public version of a paper initially designed to inform a group of LIOs that commissioned NAVCA to act as an external facilitator as they explored options for a new collaboration. With increasing sub-regional working across health systems and the

implications of the next phase of English devolution, this learning may provide starting points for LIOs seeking to develop or deepen their relationships with each other

2. Key considerations for developing or deepening relationships

NAVCA's exploration suggests the following key considerations for LIOs seeking to work more closely together.

- clearly articulate the rationale - beyond accessing additional investment - for working together, establishing a shared vision and purposes for any collaboration
- identify and co-work to achieve specific service delivery activities that strengthen all parties
- identify if and how the collaboration will engage in policy/influencing activity and where the focus of any activity should be
- consider developing a shared brand and identity to streamline communication with stakeholders
- develop a model that enables core members to build on their respective strengths and specialisms and consider whether a formal structure could help to enable that model
- consider if and how a wider group of 'associate members' should be invited to contribute to the collaboration

These themes are explored and expanded further throughout the rest of this paper.

3. Drivers

There were identifiable trends in drivers for collaboration. However, the context in which each collaboration works is different, meaning that each collaboration gave greater – or lesser - weight to each driver, and not all drivers were reported by every collaboration.

Influence and voice

Collaborations wish to speak to stakeholders with shared and consistent messages; these messages are informed by collaborators' local knowledge.

Most collaborations seek to mirror existing political or institutional geographies (e.g. a County/a Combined Authority).

Some collaborations were explicit about the value they derive from having 'a shared brand' through which to engage.

> *it cuts out some of the complexity for stakeholders – they can see it's not just me as a LIO Chief Executive speaking for my place*

1:1 member dialogue

In one case, the member put particular weight on developing campaigns (e.g. around the Real Living Wage) as a key route to developing a shared identity and greater policy influence across the area covered by the collaboration.

Funding

Without exception, all collaborations see their approach as a mechanism through which to access investment and to make the case for sustained investment. Investment drivers include both making the case to stakeholders for investment at place and accessing investment that is available on a wider geography and/or that LIOs would not have the scale to bid for alone.

> *Being able to work with* […] *the Combined Authority and ICS. This meant we had to be able to say we could organise and deliver in all boroughs – landing opportunities for our VCSE sector*
>
> *Survey response*

Service delivery and efficiencies

Several collaborations point to benefits around service delivery. Where organisations have merged, members identify efficiencies that have been accrued through reduced back office/ senior management duplication. They also reported stronger service delivery by offering locally specific services underpinned by shared structures or platforms (e.g. around volunteering).

One unmerged collaboration has developed a shared volunteering platform operating across a city region.

Several unmerged collaborations benefit from each other's strengths and specialisms; the collaboration enables organisations to lead where they are best placed to do so, whilst ensuring that all members of the collaboration are involved and grow together.

In one case, some partner LIOs had been successful in accessing social prescribing investment, whilst other members of the collaboration had not. The collaboration enabled a framework through which services were extended outside of the lead LIO's geographical boundaries without competing with partners.

Filling gaps, strengthening the collective

For several collaborations, a key driver is filling gaps in coverage where there is no LIO and/or strengthening less resilient members.

> *Part of the original purpose was to work to ensure there was a good offer in place in each borough. This is why the core partners moved forward [with the project] – supporting and nurturing new developments in other localities*

Survey response

One collaboration has successfully bid for Lottery funding for a project focused on hearing from and synthesising the views of VCSE organisations in each locality. They are using this local knowledge to identify key coverage gaps and prioritise action. In dialogue, a member from this collaboration reported that the project has led to the re-engagement of a local authority which is now considering providing funding for a Volunteer Centre at place.

One collaboration identified *'eco-system' development* [member term] – specifically a shared VCSE workforce project - as a key outcome that had strengthened the collective.

Reducing and resisting competition

In dialogue, members leading merged bodies offered a key rationale for merger as reducing competition amongst LIOs by moving towards a single structure across a locality. One member leading a merged body where some LIOs working in the same geography remain independent, reflected on the *'exhaustion'* they feel from working in an environment where there are '*several camps'.*

Conversely, collaborations that stop short of merger are explicit that they see part of the purpose of their work together as being to resist trends towards a *'super CVS'* [member term] either through merger or imposition by external stakeholders.

> *There has regularly been talk of/threat of LAs consolidating funding and creating a* [single LIO for the locality]. *Our creation of* [the collaboration] *aims to give us* [a single subregional] *profile whilst allowing us (not others) to define what it is and how it operates*

Survey response

In dialogue, one member also pointed to a function of the collaboration in acting to head off competition from competing infrastructure market entrants. The collaboration has developed a campaign that seeks to demonstrate that an established track record of delivery and adapting to change is, in their view, more effective than a focus on newness and innovation which they believe is attractive to stakeholders.

4. Structures

The NAVCA team have identified five main types of collaboration/entity operating across 'traditional' LIO boundaries.

In all cases that stop short of full merger, members report that there is a 'core' of LIOs who shape and drive the collaboration. In most cases, this core is supplemented by a wider grouping of LIOs and/or VCSE organisations whose work includes aspects of infrastructure delivery. For example, at least one collaboration includes an organisation that specialises in understanding and addressing the inequalities and systematic marginalisation and discrimination of racially minoritised communities in its sub-region.

Where these wider groupings exist, some collaborations have established 'affiliate membership' structures whilst others have chosen a less formal route.

> *as noted, some are formal* [governing] *partners whilst others are partners. We have looked at membership/associate status …* [but]…*we stopped worrying so much about structure and decided to just get on and work the way we'd been saying we wanted to.*

Survey response

Informal local collaborations

These collaborations have no formal structure.

Notwithstanding that the team experienced challenges in gaining direct feedback from members, it is likely that these collaborations enable knowledge and expertise exchange and the development of shared policy or influencing positions. It is also likely that the stronger collaborations of this type are responsive to new opportunities forming partnerships for bidding and/or the delivery of new services when they arise.

Several survey respondents noted that their more formal collaboration had grown out of an extended track record of informal co-working, in some cases dating back decades.

> *The CIC was set up in January 2013 but had been discussed as a potential option for working together for many years previously…][*the body] *was not the first step in the collaboration between CVS's. The CVS CEOs were already meeting regularly to share info and collaborate when opportunities arose.*

Survey response

Partnerships

These collaborations have a formal structure and governing documents but stop short of establishing a new legal entity.

The team identified two examples of this form of partnership and only one partnership made a survey response.

The partnership that responded to the survey has an Independent Chair and a focus on policy and influencing activity. They have, in the past, been successful in placing the Chair on the LEP and Combined Authority Enterprise Board.

The partnership has enabled the members to identify their core strengths and specialisms and has a successful track record of attracting funding. When funding opportunities arise, the partnership makes a collective decision about which member will act as lead partner on a bid and negotiates the distribution of activity and funding.

Special Purpose Vehicles

These collaborations have established a new legal entity (either a CIC or CIO). Four survey respondents have taken this route, which suggests that this may be the most common model for collaborations that do not involve merger.

In every case, these collaborations establishing a legal entity to bid for, hold and distribute investment was a key motivator. The team noted that collaborations that reported success in attracting and sustaining investment all had wider underpinnings - there was a pre-existing track record of co-working and/or attracting funding was not the only primary driver.

One survey respondent had not had significant success in attracting funding. Their response *did not* reference a wider mission or intent, or broader alignment between partners.

Merged Bodies

Whilst not strictly collaborations, the NAVCA team have included merged bodies, as this is an available route for LIOs that wish to deepen their relationships and act across a bigger footprint and/or a wider range of specialisms.

Whilst no survey responses were received from merged bodies, the NAVCA team undertook member conversations with three leaders of merged bodies. All the merged bodies that the team have spoken to were formed through a number of LIOs serving district council areas merged to form a larger organisation.

In one case the merged body covers an entire county, whilst in others coverage is partial.

In conversation, members stressed that the merged bodies they lead had retained their local focus; through a commitment to keeping development worker 'boots on the ground' and/or through creating a governance structure that gives voice to localities.

As well as the drivers and benefits that are common to all collaborations, some members offered the view that leading a larger organisation operating across a bigger footprint meant they had greater space to take a strategic overview of activity, emerging opportunities and the external environment in which they work.

Regional 'Councils of Voluntary Organisations'

These organisations – examples include VONNE and London Plus - are neither collaborations, nor are they LIOs in the way that we have defined them for this paper. Rather, they are standalone organisations that deliver infrastructure-related services, working with members that include LIOs and wider VCSE organisations.

The team have not investigated these bodies further, but have included them here for completeness as these organisations work across a defined region and developing in this way is an available option for LIO collaborations.

5. Success factors and risks

We have identified a number of success factors, barriers and risks from member responses.

Success factors

- **Building on, and further developing, a track record of co-working and knowledge exchange.**

  Many, although not all, respondents reflected on having taken steps towards closer working after having previously built relationships through less formal arrangements

- **Developing a shared vision, underpinned by working together for explicit goals that are not exclusively about attracting new investment. Having achieved a vision and purpose working together to deliver specific deliverables.**

  Where respondents articulated a clear and aligned rationale for what they were trying to achieve and how their respective strengths could support their ambitions, they were more able to identify successes.

  Some members were explicit in their view that identifying operational activity to deliver together, strengthened working relationships and was at least as important as agreeing their shared purpose.

- **Being clear about geographical and behavioural boundaries**

All respondents are explicit about the geography they seek to work in, and most stated they have no aspiration to step 'out of area'.

Some members reflected on the need to codify, articulate and act according to behaviours and values for the collaboration.

- **Establishing a leadership identity for the collaboration**

  In every case there is either a single (merged) entity driving vision, purpose and delivery or a 'core group' of LIOs working together to take a leadership role.

- **Developing a formal structure**

  Whilst this factor may be influenced the challenges in achieving feedback from informal groupings, it was notable that *every* respondent had in place a governance structure through which they worked. In most cases there was a legal entity in place.

  Although a formal structure alone is not sufficient to ensure success it may be that when allied with vision, purpose and relationship building the 'rigour' imposed by a formal structure helps to maintain direction.

- **Creating a 'brand'**

  Most respondents stated that having an overarching 'brand' through which to communicate their vision, aims and purpose strengthened external recognition and enabled more streamlined communication with stakeholders.

Barriers and risks

- **Managing time, energy and resource**

  Most respondents involved in partnerships and special purpose vehicles reflected on challenges around finding the time resource to sustain the collaboration. The Chief Executives of 'core members' carry a lot of the weight of enabling the collaboration to operate. Some members noted that stronger/more resilient members need to do some of 'heavy lifting' for the wider benefit of all.

  Some respondents noted challenges in widening participation in the collaboration across the staff team.

  Conversely, leaders in merged bodies were more likely to state that they had *more time* for strategy and that the staff team were more directly involved in generating new activity and investment.

- **Being inclusive and managing collective reputation**

Some respondents commented on external perceptions that collaborations or merged entities were 'exclusive' and/or expansionist.

Generally, respondents felt this risk was managed through clarity of purpose and behaving according to a positive set of values. In some cases the widening of the 'core group' to include other members was a route to greater inclusivity.

- **Managing challenges for member organisations**

  Some respondents in partnership and special purpose vehicles commented that a key risk is the resilience of core members; if a member loses funding or ceases to operate then this could fatally weaken the collective whole.

  Additionally, one respondent noted that there had been significant turnover across the chief executives of core members, weakening relationships that had been built up over a number of years.

  On balance, whilst these challenges were risks for collaborations respondents also fed back that the collaborations were also protective factors that helped them to manage change.

- **Accessing core funding**

  Whilst many of the collaborations have been successful in attracting new investment, one member stated that a key challenge was to access core funding to sustain the collaboration.

6. Conclusion

English devolution will completely reshape the institutional context in which local infrastructure organisations operate. Over the next few years, not only will district councils cease to exist but there will be a restructuring of decision making, with some powers moving to Mayoral Strategic Authorities.

NAVCA believes that local infrastructure is most effective when it retains a clear focus on place, supporting the VCSE sector and enabling resilient communities. In many cases local infrastructure forms an essential bridge between 'hyper local' action in neighbourhoods and the decisions taken elsewhere that impact on neighbourhoods.

In order to deliver the infrastructure functions of leadership and partnership that enable the VCSE to thrive, LIOs will need to change and adapt. In some cases, LIOS will need to build and deepen relationships with each other to enable them to influence decisions at the new strategic authority level.

NAVCA is committed to supporting members through the changes to come, by providing relevant information about how others have navigated change, through co-learning, research and, where members request it, further support.

To find out more about NAVCA's work on devolution and partnership, collaboration and merger of LIOs please contact rich.warrington@navca.org.uk.

NAVCA members can join and contribute to dialogue around devolution in the *Connect* online forum in the NAVCA member hub.

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Annex A. Method

The NAVCA team identified 13 bodies, partnerships and collaborations working across traditional boundaries across the LIO network in England.

For the purposes of this exploration, the team chose to draw the definition of 'collaborations' widely to include:

- Informal and unconstituted groupings that work together on issues of shared interest
- partnerships shaped by a formal agreement that stop short of establishing a legal structure
- legal entities formed for the purpose of aiding collaboration
- merged organisations whose purposes included achieving impact over a wider geographical footprint as opposed exclusively to managing financial pressures

The team experienced challenges in identifying informal and unconstituted groupings and consequently learnings related to this group are limited. The team's assumption is that where LIOs are sharing knowledge and/or working together informally they may not have perceived this as sufficiently 'collaborative' to respond to the member survey.

The team also drew the definition of 'sub-regional' widely to include:

- Counties in two tier authorities
- Sub regions within a wider Combined Authority
- Combined Authorities
- Regions

NAVCA designed a short member survey which was promoted to all members during July and August – responses were received from five collaborations.

Subsequently, the team added further detail to its understanding of the 13 bodies through five one to one member conversations with organisation leaders, including conversations with three organisations that had been created through merger.