Checklist for collaborative working

What is collaborative working?

Collaborative working describes joint working by two or more charities on a project or venture in order to fulfil their purposes, whilst remaining as separate charities. The project or venture may relate to any aspect of the charities' operational activity including administration, resource sharing and streamlining costs, service delivery, fundraising activity, advertising or profile enhancement.

Types of agreement

There are many different types of collaborative working agreements. The extent to which the agreement is formalised is a matter for the trustees to consider, and will usually require professional advice. Agreements may range from very informal agreements (even verbal agreements) for smaller charities to large-scale service delivery contracts for larger charities. Sometimes a decision to work together can lead to a formal merger of two or more charities.

Trustees' role

Trustees must act prudently in the interests of their charity. This means that they should be satisfied that there will be adequate benefits for their users and beneficiaries.

About the checklist

This checklist is intended as a simple guide to the typical issues trustees will need to think about when considering collaborative working. It should be read with the Commission's publication *Collaborative Working and Mergers* (CC34) which sets out structures for collaborative working, legal issues that may arise and when to involve the Commission. It is not exhaustive and charities should consider their own particular circumstances and take professional advice as necessary.

When collaboration involves reputational or financial risks, charities should carry out a 'due diligence' exercise. This should give them the information they need to determine how to proceed. Further explanation of 'due diligence' is set out in the *Checklist for due diligence*.

Deciding to collaborate

1. Is collaborative working in the best interests of the charity and its beneficiaries? Will it improve outcomes for beneficiaries by improving the quality of service, delivering cost savings, increasing income etc? ☐
2. Is the proposed partner charity(s) compatible with your charity in terms of its charitable objects, culture, governance arrangements, organisational structures and funding base? ☐
3. What are the reasons for collaborating? ☐
4. What will or might your charity gain and lose from merging? ☐
5. Are you or do you plan to approach stakeholders for their views, particularly service users? ☐
6. Have you considered the wider impacts of collaboration on your charity? ☐
7. How will potential partners be identified? Do you already have an existing relationship with them? ☐

Financial and legal considerations

8. Are you considering the different types of agreement appropriate to your charity's needs?

9. Are you taking professional advice about the type and content of the agreement?

10. Are there significant reputational or financial risks? If yes, are you carrying out a 'due diligence' exercise?

11. Does the agreement address the identified risks including any conflict of interest?

12. Does the agreement state the collaboration objectives, benefits for each party, duration and funding arrangement?

13. Are there any employment issues to consider? These could include issues such as TUPE requirements, pensions liabilities and compliance with employment law.

Planning and communicating collaborative working

14. Have you estimated the full cost of collaborating? This should include costs such as staff time, rebranding, professional fees, relocation and unanticipated costs.

15. Have you established a project board, committee or group to oversee the project and to link into the respective trustee bodies?

16. Have you identified an individual to manage the overall process?

17. Have you set out a project plan with milestones to manage the collaborative working process?

18. Have you identified the risks associated with the collaboration such as reputational or operational risks and put measures in place to mitigate those risks?

19. Have you conducted a stakeholder analysis and established a communications plan that covers all relevant and new stakeholders and audiences? How will you manage the branding of joint ventures?

20. Have you identified clear measures to monitor the success of the collaboration? How will it be evaluated?

21. Have you developed an exit strategy for discontinuing the collaborative arrangement should circumstances change?