



Collaboration, Partnerships and Mergers Masterclass

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Introduction



Change and challenge for the sector

- Bigger than 1988
- 2015 was a watershed year for the sector
- Compounded by the Housing and Planning Act 2016
- It's been said before but.....things will never be the same again
- End of grant, rent reduction, Pay to Stay, Right to Buy, LHA cap, welfare reform, declassification of HAs, de-regulatory measures, fixed term tenancies, sale of high value LA homes.....the list is endless
- What does this mean for collaboration, partnerships and mergers ?



What is the scale of our ambition ?

- Collaboration/Partnerships are a means to an end
- Starting point for discussion is what are we trying to achieve, have we the capability/resources to do this and if not how can we secure these through partnerships ?



Board Process

- Revisit Mission and Strategic Objectives
- Test out whether these are challenging enough and really meeting the organisation's purpose
- Barriers to achieving these
- Financial (and other) capacity assessment
- Conclusions on partnership approach
- Consideration of NHF 'Merger Code'

Discussion on approach taken to this by your organisation



Different forms of partnerships

- Strategic Partnerships
- Operational Partnerships
- Joint Procurement
- Cost Sharing Partnerships
- Group Structures
- Mergers

ALSO

- Housing sector
- Other organisations



Characteristics of Effective Partnerships

- Often developed from existing relationships
- Element of trust between the partners
- Clarity over key principles/dealbreakers at the outset
- Element of compromise
- Commitment to review outcomes and amend proposals as necessary



Strategic Partnerships

- Provide a 'one-stop' solution for commissioners of services/individuals – increases breadth of 'offer' and enables competition with larger integrated organisations
- Broad basis of partnership agreed in advance of specific proposals and publicised
- Need to agree key principles such as branding, apportionment of income, contractual arrangements – must have clarity to the external world
- May be precursor to more formal arrangements

Some examples from DTP and from your organisation



Operational Partnerships

- More ad-hoc arrangements on a more opportunistic basis
- Need though to explore possibilities and relationships in advance

Some examples from DTP and from your organisation



Joint Procurement

- Joint framework agreements
- Part of wider 'clubs'
- Specific initiatives by smaller Associations

Some examples from DTP and from your organisation



Cost Sharing Partnerships

- One organisation providing services to others
- Multiple service providers and recipients
- VAT issues can now be addressed subject to specific criteria being met

Some examples from DTP and from your organisation



Group Structures

- Models developed c15 years ago
- Offer of benefits from being part of a larger organisation but with continuing 'independence' ?
- Particularly attractive for smaller LA Stock Transfers
- Still predominant way of organisations coming together
- Can be advantageous at least initially from a funding and risk perspective
- Can be presented positively to customers as a limited change option
- Trend though is to amalgamate over time

Some examples from DTP and from your organisation



Mergers

- Full mergers still not that common
- Difficult to gain agreement to
- Can be difficult to implement
- Fewer options over pace of change compared to Group Structures
- Higher risk

Some examples from DTP and from your organisation



Key Points

- What can we take from these discussions to encompass more effective partnership solutions ?



Questions and Comments?