Introduction

The purpose of this Membership Prospectus is to drive the recruitment of members for the Desta Health and Social Care Consortium, established by voluntary and community groups in West-Central London. The Prospectus sets out a model for a new joint venture and an invitation to organisations to apply for consortium membership.

In order to help you make a decision about whether membership of the consortium would be appropriate for your organisation, and whether you meet the required threshold, the Prospectus seeks to:

- Set out the vision, mission, underpinning values and principles of the consortium
- Outline the legal and organisational structure and governance arrangements
- Identify the main operational issues
- Describe the benefits and expectations associated with consortium membership
- Articulate a set of membership eligibility criteria
- Explain the process for applying for membership

The primary goal of the consortium is to improve the health and social care and wider well-being of local people, especially those who are most in need, through the provision of high quality, responsive, generalist and specialist services and initiatives. The focus of the consortium is to build on the capacity and track records of voluntary and community organisations to deliver a range of health and social care services at the point of need.

It achieves this by securing contracts for the delivery of health and social care services and activities and managing the ensuing revenue through a joint approach. The consortium works towards building the capacity of member organisations through opening up new contracting opportunities and consolidating existing revenue streams, promoting joint working and encouraging organisational learning and development.

The consortium emerged through a consultation of 140 voluntary and community organisations, of which forty participated in initial workshops and expressed interest in joining the consortium. Eleven of these organisations took part in a two-day Business Strategy for Joint Tendering workshop, and from these a Working Group of six organisations, later the Interim Board, was set up, chaired by Clement Musonda, Chief Executive, Rain Trust.

All members of the working group represented not-for-private-profit local organisations working to tackle disadvantage and improve quality of life. Though the partner agencies shared a lot in common, they were all separate, independent agencies with their own management and accountability structures and with their own unique ways of working. This difference and independence will be protected and strengthened under the consortium arrangement.

The development of the consortium was supported by the Networking and Consortia Project, part of the BASIS BIG Lottery Fund, and managed by CaVSA Hammersmith and Fulham.

Organisations that wish to apply for membership of the consortium must complete an online application, which is available at http://www.destaconsortium.org.uk. Please see page 15.
Definitions

Voluntary and community sector
This encompasses the range of independent, not-for-profit organisations, including voluntary sector agencies, charities, community groups and social enterprises. It precludes statutory or other government or government-sponsored organisations, and private or any other organisation, including a CIC limited by shares, which involves distribution, by any degree, of surpluses to private shareholders.

Area of Operation: West-Central London
West-Central London covers the six boroughs of the West London Network (Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon and Hounslow) together with Kensington & Chelsea and Westminster. Local organisations will have the following characteristics:

• a track record of delivering services to residents in specific localities within the area
• a clear, robust system of accountability to service users or local communities
• a registered office within the area

Health and Social Care Provider
A provider is in direct control of the activities on offer and of the outputs and outcomes generated by those activities, as opposed to an organisation that hosts or promotes services provided through a third party. For example, a local community centre using its centre to host health outreach services delivered by a voluntary sector partner: the community centre is not eligible to join the consortium; the voluntary sector partner who delivers services directly is eligible to join the consortium.
For the past few years the policy framework and operating environment for the voluntary and community sector has been characterised by a move away from grant aid and towards the procurement of services via tendering and contracting. It is clear that this trend towards the voluntary and community sector delivering public services on contract will be a continuing theme of the Coalition Government.

The contemporary environment is, and will be for the next few years, dominated by the deficit reduction plans of the government:

“The most urgent task facing this Coalition Government is to tackle our record debts, because without sound finances, none of our ambitions will be deliverable”

Fairness, Freedom and Responsibility; Our Programme for Government Coalition Paper, p33

The main burden of deficit reduction will be borne by reduced expenditure rather than increased taxes, with the split roughly 4:1 in favour of cuts to public spending.

The campaign of cuts in public sector finance presents both threats and opportunities for the voluntary and community sector. On the one hand, organisations will need to be much more competitive and efficient to be able to survive in the new, more challenging operating environment. On the other hand, the sector could be in a key position to benefit as more services, previously the domain of the public sector, are outsourced to non-state providers.

The scaling down of public sector funding, and the heightened drive towards public sector efficiencies, will accentuate the trend towards demand-side aggregation. Commissioners will be under pressure to reduce transaction costs by not only seeking to establish joint buyer syndicates but also pooling existing multiple contracts into single, aggregated commissions.

This focus on economic restraint, increased efficiency and greater value for money within the contemporary operating environment forms the context for the proliferation of voluntary sector consortium developments, not just in health but across the full range of service sectors.

The drive towards rationalisation is resulting in the emergence of ‘single points of contracting’, where a number of separate bodies consort together to form one contracting channel designed to create economies of scale and efficiency gains.

As part of its commitment to ‘The Big Society’, the Coalition Government believes that it is time for a fundamental shift of power from Westminster to the people. It wishes to promote decentralisation and democratic engagement, and will end the era of top down government by giving new powers to local councils, communities, neighbourhoods and individuals (Fairness, Freedom and Responsibility; Our Programme for Government, p7).

In terms of the specific health context, the White Paper, Equity and Excellence: Liberating the NHS, sets out the government’s intention to afford GPs greater power to commission services directly, with potentially £80 billion a year being funnelled through this route. It is envisioned that GPs will commission through a network of up to 500 new consortia.

**Strategic Fit**

The establishment of a joint venture amongst not-for-private-profit health and social care agencies across West-Central London demonstrates strong strategic fit. The consortium is a strategic response to the growing requirement to establish joint, large scale tendering arrangements, bringing a number of separate, independent providers together under one umbrella synonymous with a ‘single point of contracting’. It will combine the benefits of large and small-scale approaches – a rationalised sub-regional structure dovetailing with independent delivery units responsive to local or specific client group needs.
The joint venture is organised as a formal consortium. In other words, it is a separate legal body, a charitable company, with the provider organisations taking up membership of this body.

The defining features of this model are:

- The member organisations comprise, by clear majority, the consortium’s board.
- The joint venture creates a single point of contracting with the voluntary sector. Commissioning bodies contract with the consortium which is then responsible for setting up and managing sub-contracts with individual consortium members.
- It operates with a hub and spokes structure. The hub is the central infrastructure or staff resource that acts as the executive of the consortium, including negotiating and sub-letting contracts, while the spokes are the individual member organisations.

The hub is an internal mechanism that acts as the intermediary between funders and regulatory bodies and the voluntary and community sector organisations providing frontline services. It has a small staff team tasked with leadership, negotiation, tender writing, contract management, resource allocation and quality improvement. The hub ensures smooth and efficient contract management, and proactively seeks out new funding and business development opportunities on behalf of the membership.

As well as its financial and business development brief, the hub is tasked with ensuring arrangements to build the capacity of member organisations so that they are better able to meet the requirements and thresholds of commissioners. This ranges from arranging informal networking opportunities through to organising formal training. In addition, the hub seeks to develop and deliver capacity building through or in partnership with local development agencies, for example, Councils for Voluntary Service.

Figure 1

![Consortium Model and Operating Structure](image)
The staff and work of the hub are managed by the consortium board of which the majority which will be representatives from member organisations.

**Figure 2**

**How the contracting and sub-contracting process works in practice**

In brief, the hub, working with the board:

- Shapes tender frameworks so that they are fit for purpose in terms of meeting the needs of the client groups that are being targeted by the member organisations
- Identifies appropriate tender opportunities for the consortium to pursue
- Submits consortium tender proposals
- Subject to the tender being successful, awards sub-contracts to members, based on either joint delivery planning or an open, competitive internal tendering process
- Monitors and reports performance against sub-contracts
The shared vision of the consortium is of:
• West-Central London as a sub-region in which all people affected by, or at risk of, health and social care issues are able to improve their well-being and overall quality of life through access to appropriate, high quality, person-centred services.

The mission of the consortium is to:
• Create a sustainable approach to bringing together health and social care providers in the not for profit sector in West-Central London in order to win and deliver contracts in response to identified priorities.

Underpinning Values
The following values underpin services and activities delivered through the consortium:
• Holistic, person-centred, non-judgmental and anti-discriminatory practice that embodies respect and empathy for individuals
• Addressing health inequalities through prevention strategies
• Linking health and social care interventions with wider community regeneration
• Using health and social care and wider well-being initiatives and projects to generate added value by promoting social cohesion, developing local social capital and building sustainable community capacity
• Commitment to self-empowerment – enabling individuals to take control over their own lives and to be the originators and catalysts of their own health and social care and well-being improvement strategies.
• Supporting individuals to identify and to fulfil their own potential
• Encouraging mutuality through collective approaches to self-help and self-care
• Championing and promoting social justice and equality
• Provision of free or affordable services at the point of need

The work of the consortium is governed by an unswerving commitment to the needs of end-users of the health and social care services provided through member organisations. All decisions about consortium strategy, financial objectives, joint working etc are taken from the standpoint of ensuring that client and beneficiary needs are met effectively. The consortium makes a special effort to engage with and meet the needs of disengaged groups within disadvantaged communities of both place and interest.

Core Operating Values

Voluntary and community sector focus
The consortium is a partnership of agencies operating in the voluntary and community sector. What binds the collaborators is a clear commitment to personal and community benefit and the intention to build on the value-driven approach of the not-for-profit, independent sector to deliver the shared consortium vision.

Objectivity and impartiality
The consortium is focused impartially upon the objective needs of all the member organisations, which are equal in status. It will not be dominated by the particular self-interests of certain organisations or individuals.

Consortium members need to strive at all times to be open, honest and transparent in their involvement in consortium affairs. Representatives of the consortium are required to operate with integrity and to work for the good of the whole consortium.

Where there are a number of member organisations that can demonstrate that they can provide activities and services in line with relevant commissioning
criteria, any associated contract income secured is sub-contracted to those organisations on a transparent, fair and equitable basis, proportionate to delivery capacity and subject to appropriate quality and monitoring and reporting thresholds.

**Member ownership and control**

The members of the consortium own and control it. The joint venture is organised along formal lines, as an independent legal entity. A key feature of this model is member ownership. This provides for an inclusive and dynamic partnership where members and through them, clients and end service users, are able to input ideas and shape strategy and provision on an ongoing basis.

The consortium combines support with self-reliance. By bringing providers together in a single point of contracting, essential support and enabling infrastructure is created in the form of a central hub. At the same time, consortium members control the work of this hub through a democratic governance arrangement.

**Influencing patterns of supply**

Through creating a unified delivery mechanism, the consortium seeks to influence the strategic direction of voluntary and community sector-sponsored health and social care provision across West-Central London. The consortium gives the sector the capacity to plan and coordinate resource allocation in the most efficient and effective way, ensuring optimal patterns of provision.

**Protecting autonomy and strengthening organisations**

The consortium has been set up as a separate legal entity with each member retaining its independence, local autonomy and accountability. The consortium is not designed to threaten the autonomy of individual organisations, nor is it about merging or subsuming their independence into a larger structure.

Within this, the hub is a mechanism internal to the consortium, serving the needs of each individual member organisation, and not an external, self-serving structure.

The organisations that make up the consortium membership base are all different, with their own special and unique ways of working designed in specific response to a particular set of circumstances and conditions in which they are operating. The consortium will be sensitive to this diversity in implementing any strategy to standardise systems, processes and methods across the provider network.

It respects the special strengths and particular approaches of different member organisations and aims to build their capacity to become more effective as independent, locally accountable bodies, including bidding for and managing their own funds and managing their own quality improvement strategies.

**Inherent dynamism and responsiveness**

The consortium does not operate as a closed circle of collaborators but will be open to the potential for new members to join. This commitment to ensuring contestability will promote and safeguard vitality and dynamism within the membership.

The consortium actively encourages member organisations to establish partnerships and networks outside of the consortium so that they can develop their potential further.
Business Principles

The consortium will:

• Apply business skills and commercial principles in order to flourish as a social enterprise operating within the independent sector
• Set clear business objectives
• Explore and take advantage of opportunities within a planned approach, drawing on the strategic position of the consortium within West-Central London and beyond
• Only pursue contracting opportunities that are in the best interests of the consortium
• Create and use management information as an integral part of planning
• Undertake long-range business and financial forecasting
• Focus on outputs rather than inputs
• Adopt a whole organisation approach to developing business awareness, skills and understanding; in other words, ensuring that business development capability is not just invested in a few individuals but embedded across the hub, board and membership
• Recruit consortium staff with appropriate business skills and understanding
• Enhance the business skills of staff through Continuous Professional Development
• Employ business and financial analytical tools (e.g. competitor analysis, break-even analysis etc) as a natural, routine function of maintaining the consortium
• As part of a continuous risk management strategy:
  - Take decisions about areas of potential work and activity on the basis of sound business and financial analysis
  - Review viability of existing areas of work on an ongoing systematic basis
• Maintain strong internal research and development capacity to underpin analysis of the opportunities and threats within the environment and to inform business development
The consortium has an independent legal status and is incorporated as a charitable company.

There is a board of nine trustees. Six are composed of chief executives or senior managers from the member organisations. Of these, four trustees are from organisations that hold full membership of the consortium, and two trustees are from organisations that hold associate membership. In addition, three trustees are independent individuals with an interest in the delivery of public services by the voluntary and community sector. The latter will be in the form of co-options from key external stakeholder agencies and are aimed at building a strong degree of independence into the board structure.

The board meets on a regular basis and is responsible for the strategic management and direction of the consortium. Accountability for the work of the consortium work rests wholly with the board. The leadership and overall strength of the board is essential to the success of the consortium as a whole.

Trustees retire on a three-year rotation and vacant places on the board are the subject of open contest through the Annual General Meeting (AGM). There is a process of application and nomination, followed by an election. All member organisations are eligible to vote at the AGM.

Board members are elected on the basis of a Job Description and Person Specification that sets out the relevant skills and experience required, including business skills and entrepreneurial acumen. The officer positions of Chair, Vice Chair, Treasurer and Secretary are elected by the consortium membership on an annual basis.

The board is responsible for ensuring that service users have a voice within the governance structure.

All board members are required to provide a list of involvement and association with other organisations and to declare any potential conflicts of interest that might arise in carrying out any of their duties.

Decisions at board meetings are based on a consensus of those present. However, where this is not possible, decisions are taken on a majority vote.

The Consortium Development Manager, who has executive responsibility for the day-to-day management of the hub, reports directly to the board.
Benefits of Consortium Membership

The consortium:

**Quality Improvement**
- Enables its member organisations to meet the needs of clients and service users better by increasing provider capacity and by focusing on sustained improvements in the quality and impact of frontline service provision
- Encourages the sharing of expertise and good practice
- Facilitates the joint delivery of services and activities

**Negotiating Power and Funding Prospects**
- Increases the prospects of winning tenders and securing funding at a sub-regional level; this enables member organisations to build on their existing funding bases
- Fosters greater negotiating and bargaining power through increased scale and capacity
- Enhances member organisations’ competitiveness within the operating environment
- Creates a single, unified point of contracting, and in so doing increases attractiveness to contractors and funders
- Creates more business-like, sustainable infrastructure

**Image and Profile**
- Increases marketing capacity, with marketing and promotional activity undertaken individually by member organisations being supplemented by centralised, consortium-wide actions in this area
- Extends and heightens member organisations’ public profile

**Resource Use**
- Frees up member organisations to maintain, consolidate and enhance their core focus on frontline delivery by transferring, by some degree, bureaucratic requirements to a specialised enabling and support infrastructure (the hub)
- Brings technical benefits through efficient contract management. For example, contractual output trading would be possible between member institutions.
- Generates economies of scale and efficiency savings through rationalisation

**Strategic Capability**
- Improves strategic planning through a centralised, co-ordinated function that guides, shapes and collates the different, separate strategic aims and objectives of each member organisation
- Establishes more concerted and sustainable research and development capacity through hub infrastructure, resulting in greater focus on innovation and new ways of working
- Enables joint needs assessment and programme planning to be undertaken.

**Expectations of Consortium Members**

These are:
- Interest in, support for, and promotion of the development and furtherance of the consortium as a whole and not merely the respective agendas or vested interests of certain member organisations.
- Consortium members must be open, honest and transparent in their involvement in consortium affairs and consortium representatives must work for the good of the whole consortium.
- Contributing ideas to the further development of the consortium
- Contributing ideas and information to, and providing support for, joint tenders
- Participating in capacity building initiatives
Roles and Functions of the Central Hub

The consortium hub seeks out proactively, on behalf of the membership, new funding and business development opportunities at a sub-regional level and ensures smooth and efficient contract management. Further information is in the section “Consortium Model and Operating Structure”.

Roles and Functions of Member Organisations

The following roles and functions are in addition to the expectations of member organisations:

- To design and deliver high-quality and responsive health and social care services
- To provide for the hub information relating to organisational aims and objectives, output performance, financial expenditure as required for contract purposes
- To participate in consortium network meetings
- To manage the hub staff and the affairs of the consortium through active participation (either directly or via accountable representatives) on the consortium board

The importance of effective and efficient transfer of monitoring information from member organisations holding sub-contracts to the central hub cannot be over-stated. Effective information flow is the lifeblood of the consortium.

Proposed Staffing Profile of the Hub

The hub will maintain a small staff establishment. The consortium hub needs to be sufficiently dynamic to expand and, if necessary, contract in line with fluctuations in the funding market, increasing and decreasing its staff establishment to balance with the inflow of cash. For this purpose the central hub will be seen merely as a business instrument, an internal mechanism that enables the consortium to function, rather than as a key stakeholder within the company.

This flexibility and responsiveness, built into the core operations of the consortium, is essential to its long-term viability and success.

Funding Strategy

The consortium will focus on securing large public service contracts at a sub-regional level, up-scaling in scope and capacity in order to be in a position to achieve this. The long-term goal is for the hub to be sustainable through the allocation of a 5-10% top-slice of recurrent contract funding. In addition, the consortium is seeking venture capital to help with start up costs and provide working capital as part of a three year business plan.
How funding is allocated between the central hub and member organisations

The consortium, through the board, determines an appropriate division of funding between the central hub and the member organisations. An underlying principle of the internal resource allocation ratio between the hub and member organisations is that a clear majority of funding should be invested in delivery with more money getting through to the individual client, and correspondingly less being absorbed by bureaucracy and administration.

Initial business planning provides a financial model where the internal resource allocation would be 9:1 in favour of delivery (that is, member organisations and direct services to clients and beneficiaries). As the consortium evolves and becomes more efficient, there would be efforts to further reduce the proportion going to central administration, working towards a ratio of 19:1.

In return for their financial contribution to the hub, member organisations will enjoy benefits, including access to resources. Also, the shift of contract management functions away from frontline providers towards a specialist contract management unit is expressly designed to create savings for those providers that are at least equal to the top-slice fee.

Quality and Quality Assurance

The health and social care services provided through the consortium must be of consistently excellent or good quality to meet government and the procurement agencies aspirations for best value in the delivery of public services. Only appropriately quality-assured providers will be eligible to receive sub-contracts.

The consortium will put in place and review a development plan to build on the Quality Assurance standards of providers including building on and co-ordinating member resources through activities like mentoring, sharing expertise etc. The consortium will secure or allocate resources to help member organisations achieve Quality Assurance standards.
Prospective members must meet the eligibility criteria given below. Membership of the consortium will not automatically qualify the organisation to receive a sub-contract.

1. **Sector**
   Prospective members must be a legally incorporated not-for-profit organisation with:
   - clear and transparent charitable objectives
   - clear social objectives

2. **Governance**
   Prospective members must be well governed, including systems for recruiting, supporting and developing board members; board members must be aware of their roles and responsibilities and execute their duties efficiently and diligently.

3. **Commitment to working with the vulnerable and disengaged**
   The consortium has a particular focus on providing health and social care services to the most vulnerable, marginalised and excluded individuals and communities. Prospective members must reflect this approach in their own day-to-day work.

4. **Area of operation**
   Prospective members must be operating in West-Central London (see Definitions on page 3). The organisation must be able to demonstrate:
   a. A track record of providing services to residents in specific localities in the area
   b. A clear, robust system of accountability to service users or local communities
   c. A registered office within the area of operation

5. **Commitment to consortium working**
   Prospective members must be willing to make a positive contribution to the consortium. This includes:
   - Consistently supporting the work of the consortium, even in areas and aspects that are not directly relevant to the work of the individual organisation
   - Commitment to participating actively in the governance requirements, and adhering to the consortium’s code of practice, ways of working and protocol
   - Commitment to sharing expertise, knowledge and experience with other members

6. **Provision of health and social care services**
   Prospective members must be able to provide health and social care services. Members, as well as providing services themselves, must be committed to using or purchasing health and social care services, where appropriate, from micro organisations within the local community and to building the local supply chain.
The consortium has a formal application process. This ensures that organisations have fully investigated and committed to consortium membership, and that they are able to meet procurement thresholds and requirements.

The consortium has two categories of membership:

- Full membership for organisations that meet all the eligibility criteria in full and are procurement ready.
- Associate membership for organisations that meet eligibility criteria 1-6 in full and have some elements of eligibility criteria 7-10 in place.

The consortium has phased recruitment periods to enable efficient processing of membership applications. Please check the website to see whether recruitment is open for your organisation and, if it is, complete the online application form by the notified closing date for submission.

Applications are reviewed by an independent Member Verification Panel, which makes a formal decision whether to grant membership to applicants. The Member Verification Panel includes a cross-section of members of the board, together with external, independent representation.

The consortium holds information events, training and surgeries for organisations that are considering applying for membership. Details are available on the website.

For further information about the consortium and about applying for membership visit the consortium website at http://www.destaconsortium.org.uk