

# ***The Beauty of Collaborations*** ***(and cost effectiveness!)***

***Examples of UK Practice under a Canadian Model***

## **Session Presenter:**

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Foundations for Lancashire & Merseyside, UK and  
Trustee of UK Community Foundations

## *The Beauty of Collaborations: Definition*

### **Definition of Collaboration:**

The action of working with someone to produce something.

Creating an alliance, partnership or association.

Co-operating or combining.

# Session Overview

## Introduction

- **The Canadian Spectrum of Collaboration**
- **Your Thoughts on Collaboration?**

## Case Studies

- **Getting a Collaboration Started:** South West Chairs & Chief Execs Forum
- **Programmes Collaborations:** Merseyside working with Cheshire
- **Finance Collaboration:** Cheshire's Finance Back Office from Merseyside
- **Investment Collaboration:** The South West Investment Committee
- **Shared Back Office:** Lancashire & Merseyside collaboration from 2009
- **Pathway to Merger:** Lancashire & Merseyside Merger in 2014

## Group Discussion

- **Reflections, Q&A and Discussion**
- **Summary & Final Thoughts**

# The Canadian Collaboration Spectrum

**No Partnership**

## Joint Short Term Project

- Marketing
- Fund development
- Granting
- Community leadership
- Board development

## Joint Research

- (e.g. Vital Signs)

## Donor Services

## Shared professional/program staff

- Executive Director
- Fund Development
- Communications/Marketing
- Grants
- Board development

## Special Events

## Governance

## Office

**Merger**

## Administration

- Grants
- Donor services

## Financial Management

- accounting
- Audit
- FIMS
- Financial/database system information

## Investment

## IT

## Telephone

## Website

**PROGRAMS & SERVICES**

**ADMINISTRATION/OPERATIONAL**

## *The Beauty of Collaborations: Your Thoughts*

**What are the Advantages &  
Disadvantages of Collaborating??**

# *The Beauty of Collaborations: Getting Started*

## Case Study: South West Chairs & Chief Executives Forum



# ***The Beauty of Collaborations: Programmes***

## **Case Study:**

### **Merseyside Grants Processing for Cheshire & Lancashire**

- Comic Relief 2011 – 2012 Programme;
- Merseyside nominated by UKCF at time as agent, co-ordinating delivery for Cheshire, Lancashire & Merseyside due to Merseyside's 12 year track record in programme delivery and two Quality Accreditation (QA) audit passes;
- Cheshire launched in January 2012 with no QA (1<sup>st</sup> QA in Sept' 2013) and Lancashire launched in 2008 with one QA pass (May 2010);
- Equal representation on panel, local budgets protected & local brands promoted.

## **2013 Onwards:**

- Cheshire running own Comic Relief from 2013 onwards;
- Merseyside delivered for Lancashire due to their close collaboration and now does so jointly with Lancashire due to merger in 2014.

# ***The Beauty of Collaborations: Finance***

## **Case Study: Merseyside's Finance Back-Office for Cheshire**

- In operation since late 2012
- Cheshire employing Merseyside on a consultancy basis
- Merseyside undertakes monthly and annual accounting
- Cheshire's team of 2.5 staff focus on endowment building and grant-making





# ***The Beauty of Collaborations: Investments***

## **Case Study: Joint Investments**

**Endowment Pot - £14m  
(£3m Devon, £2m Somerset, £9m Wiltshire)**

**Benchmark used – APCIMS Balanced Index  
Target – RPI + 4%**

### **Asset Allocation**

- Equities 50 – 80%**
- Fixed interest and cash 10 – 40%**
- Property 0 - 20%**

**Some restrictions:**

**Ethical Policy**

**Withdrawal Clause**



The Community Foundation  
for Wiltshire & Swindon

# ***The Beauty of Collaborations: Investments continued...***

**Performance since inception (benchmark – RPI +4% = 5.97%):**

**(July 2013)**

**Smith and Williamson – 6.51%**

**Ruffer LLP – 22.7%**

**Fund Management Fees before and after**

**£14m endowment – average 1.5% = £210k**

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<b>£10.5m to Smith and Williamson</b>	<b>@ .3% fee = £31.5k</b>
<b>£3.5m to Ruffer LLP</b>	<b>@ 1% fee = 35k</b>
<b>Total</b>	<b>£66.5k</b>

**Saving £143.5k in fees !!!!!**

# ***The Beauty of Collaborations: Shared Back-Office***

**Case Study: Lancashire & Merseyside from 2009 – 2013**

*Theme of Close Collaboration*



# ***The Beauty of Collaborations: Shared Back-Office cont...***

## **Case Study: Lancashire & Merseyside from 2009 - 2013**

### **The Community Foundations' Status:**

- Merseyside established in 1999 and undertook Lancashire grant-making from 2003 – 2007 as UKCF's nominated agent;
- Lancashire established in 2007 with a legal back-office agreement with Merseyside in 2008;
- Separate registered charities until March 2014 – Merged in April 2014.

### **The Boards' Operations:**

- Close collaboration agreed in 2009 & cross-board Group set-up;
- Regular joint away days from 2010 and regular joint board meetings every six months from 2011;
- Joint Board meetings each time from late 2012.

# ***The Beauty of Collaborations: Shared Back-Office cont...***

## **Case Study: Lancashire & Merseyside from 2009 - 2013**

### **The Resourcing Agreement since 2007:**

- Lancashire contracted Merseyside's Finance & Grants Teams to delivery their programmes and funds based on an agreed % fee;
- Lancashire contracted consultancy from Merseyside for marketing and philanthropy development on time basis.

### **The Staffing Over Time:**

- Lancashire & Merseyside have shared a Chief Executive since 2008;
- Merseyside had a full staff team over Grants, Finance & Development until 2011, then acted as one team for two CFs;
- Lancashire had one Development Director until 2011, then jointly;
- Merseyside is the employer, including pensions and benefits.

# ***The Beauty of Collaborations: Pathway to Merger***

## **Case Study: Lancashire & Merseyside Merger in 2014**

- Agreement in April 2013;
- Consultation and AGMs in autumn 2013;
- Merger in March/April 2014;
- Board transition planned from October 2013 – October 2014;
- Mutually agreed Governance aims for 2014;
- Local identities to be kept local.



*The Beauty of Collaborations: Your Thoughts*

# Reflections on the Case Studies

Q&A

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# **Collaboration Opportunities & Challenges:**

## **Group Discussion**