Strength in Numbers
Small charities' experience of working together

CHARITY
COMMISSION

The Charity Commission is the independent regulator for charitable activity. This is one of a series of reports that draws upon independent research that we have commissioned, as well as our own internal data, knowledge and experience of working with charities.

The purpose of these reports is to help increase understanding of an issue. They are part of our mission to help charities maximise and comply with their legal obligations, to encourage innovation within the charitable sector and enhance effectiveness.

Contents

Foreword

Charities have long been associated with collective efforts to improve the lives of others or to achieve social change, inspiring millions of people to give their time and money to causes they support.

Many charities recognise that the power of collaboration extends beyond individual organisations, and some of the best-known charities on the Charity Commission's Register work together to achieve improved outcomes, reduce duplication and to cut costs. But until now, there has been little available research into the levels of collaboration among charities with annual incomes of £250,000 or less – or indeed into the difference joint working can make to smaller charities.

This report provides valuable new insights into patterns of collaboration among smaller charities and reveals that the overwhelming majority (82%) of charities with experience of collaboration report that experience to have been a success. This positive experience may explain the high levels of joint working among smaller charities. Nearly half of those surveyed report having collaborated in some way during the past two years, whether informally, such as simply exchanging ideas and information, or through more formal contractual arrangements.

However, of the charities that were not collaborating, almost a third said this was because they had never been approached by a potential partner. This suggests that there may be more scope for trustees to actively seek out collaborative opportunities and to expand their charities' networks of contacts and partners within the sector.

We are particularly encouraged to note that collaboration is having a direct impact on the services charities provide to their beneficiaries. Nearly half of charities say that collaboration with another charity helped them maintain, develop or improve their services and just under a third say joint working helped them reach a larger number of beneficiaries. Providing the best possible service for beneficiaries is among trustees' key duties and this report demonstrates that joint working can make a real difference to charities' ability to fulfil their objects.

As charities face a period of significant financial challenge, brought on by the economic downturn and recent public spending cuts, it is also encouraging to note that over a quarter (28%) of charities report having made cost savings as a result of working with another charity.

So we urge trustees to study the findings and advice emerging from this report. We are convinced that most trustees will come away with new ideas for ways in which their charity can benefit from collaboration – and with a fresh commitment to co-operation and collaboration.

Dame Suzi Leather　　　　**Chair**
Sam Younger　　　　　　**Chief Executive**

Introduction

This research explored the extent to which small charities are engaged in collaborative activity, their experiences of collaborating and working in partnership with other charities, and the support needs they feel they have in relation to this activity.

Our definition of a 'small charity', for the purposes of this research, was those charities with an annual income of £250,000 or below.

The Charity Commission's interest in collaboration

As the regulator of charities in England and Wales, the Commission promotes the effective use of charities' resources. One way that charities can increase their effectiveness is through partnership work or 'collaboration' with other charities. Our definition of collaboration is as follows:

Collaborative working describes joint working by two or more organisations in order to better fulfil their purposes, while remaining as separate organisations.[1]

Collaboration can relate to any aspect of the charities' activities, including administration, fundraising, use of resources, campaigning and service delivery. Charities collaborate in a variety of ways, ranging from very informal agreements to large-scale contracts; the arrangements can last for a fixed period or be permanent. The Commission believes that collaboration, if done appropriately, can lead to improved organisational effectiveness, reduced duplication and more efficient use of resources – all of which enable the charity to better serve its beneficiaries. In summary, the Commission's policy on collaboration is to encourage charities to look regularly and imaginatively at what more they can achieve for their beneficiaries by working with others.[2]

We very much hope that the findings from this research will encourage more small charities to engage in collaborative working with other charities, and that by doing so they will become even more effective in their work.

The need for the research: why conduct a survey of small charities and their collaborative activity?

Whilst collaboration is something that all charities might wish to consider and explore, irrespective of size, there are certain challenges that small charities face that make collaboration particularly pertinent to them:

• Small charities often rely on a handful of committed staff or volunteers to carry out the bulk of their work – and tend to be vulnerable if those key individuals move on.[3]

• Smaller charitable organisations are much more likely than larger ones to cite low levels of paying members or volunteers as constraints on their activities.[4]

• Smallness is often associated with greater exposure to external pressures, notably financial ones. Small organisations can also suffer greater income volatility than medium and larger organisations and this can create instability and uncertainty.[5]

1 Charity Commission guidance: Working with other charities: http://www.charity-commission.gov.uk/Charity_requirements_guidance/Your_charitys_activities/Working_with_others/default.aspx
2 Ibid.
3 London School of Economics: A Handbook for Small Voluntary Agencies (2000) Rochester, C.
4 Office for the Third Sector State of the Sector Panel Survey, Report 4: Human and Capital Resources (2008): http://www.cabinetoffice.gov.uk/media/120340/sosp%20report%204.pdf
5 NCVO: The UK Civil Society Almanac (2009)

- Lack of specialist knowledge and expertise is a common issue with small charities, as is scarcity of resources with which to pay for facilities, buildings, transport and equipment (this latter point is particularly pertinent given the current financial climate).

These 'size-related' challenges may partly explain why small charities collaborate less than larger charities. Our earlier research report, *Collaborative Working and Mergers* (2003) found that just 15% of charities with an income of less than £10,000 said they worked collaboratively with other charities, compared to 39% of charities with incomes in excess of £1 million.

There are various reasons why small charities might collaborate less than larger ones – they may work in a tiny geographic area in which no other charities are present, or offer such specialist services that collaboration simply is not appropriate or even possible. On the other hand, some small charities may want to develop relationships with other organisations but do not have the time or resources to identify and engage with suitable partners.

Research methodology

The Charity Commission commissioned GfK NOP, a research agency, to carry out this research. Ten initial qualitative interviews were conducted with a range of sector experts and charities (referred to as 'the interviewees' throughout this report) to establish the major themes and issues facing small charities in relation to collaboration. This informed the development of a survey questionnaire which was distributed to 10,000 small charities in March and April 2010 with the aim of securing a 25% response rate; a rate that was subsequently achieved.

Although there is no single, universal definition of a 'small charity', this research focused on charities with annual incomes of up to £250,000. Whilst the overall purpose of the research was to explore the experiences of small charities, we were keen not just to draw comparisons across different income bands, but also to consider the influence of factors such as numbers of paid staff and volunteers. Therefore, in order to capture a range of different experiences it was decided to set the threshold quite high. There are 147,000 charities with incomes of £250,000 or below in England and Wales – that is 91% of all charities. Their combined annual income is almost £4 billion.[6]

Most of the analysis in this report is based on the findings from the survey questionnaire, which asked charities for their views, perceptions and experiences of collaborative working. Where appropriate it is supplemented by findings from the initial qualitative interviews. Full details of the research methodology can be found in Annex A.

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6 Extracted from Charity Commission database, 31/03/10

Key findings

Extent of collaboration

Nearly half (45%) of small charities surveyed said they had collaborated with at least one other charity over the past two years; of these, three quarters (73%) were collaborating at the time the survey was conducted.

Achieving success in collaboration

82% of collaborating charities felt that their collaboration experience had been successful; 29% thought their collaboration had been very successful. 5% said it had not been successful.

The main factors contributing to success were:

* quality of the pre-existing relationship with their partner charity (55%); and

* compatibility of organisational aims, values and mission (52%).

Poor leadership, planning or communication (29%) was quoted most often as the reason why a specific collaboration was unsuccessful.

Type of collaborative activity

35% of the small charities surveyed had shared information or resources and 32% had participated in joint working. The most common type of collaboration was the informal sharing of ideas and information (27%) followed by joint fundraising events or activities (15%) and sharing equipment (11%).

The nature of the collaborations

Partnerships had mainly been formed either with charities of a similar size (51%) or larger (39%), and as a result of the charities having a history of working together (60%); a small number (below 5%) had used a brokerage service.

The majority of collaborating charities had been engaged in informal collaborative arrangements over the past two years (83%); only a quarter (26%) had entered into formal agreements. Collaborating charities with incomes greater than £100,000 were more likely to have had formal arrangements in place (40%). Joint funding applications, joint service provision or the sharing of workspace or staff were the most common types of formal collaboration.

The profile of the charities collaborating

The charities most likely to report having collaborated over the last two years had one or more of the following characteristics:

- they were larger in terms of income size and staff numbers;

- younger in terms of length of time in existence;

- part of a federation / larger structure;

- had paid staff;

- received statutory income;

- were based in London, the North and Wales; and

- had an area of operation that extended beyond the UK and Republic of Ireland (otherwise, the area of operation had little / no bearing on propensity to collaborate, although those working exclusively in rural areas were least likely to do so).

Drivers to collaborate

Charities that said that they had experienced particular challenges over the previous two years were more likely to have collaborated. In particular, those charities that had faced issues with organisational growth (75%), increased service demands (73%) and operational issues (71%) reported a higher incidence of collaboration. Funding challenges were not factors closely associated with high levels of collaborative activity.

Compatibility was a bigger driver for collaboration than finance. Charities were more likely to have collaborated if charity partners were available with compatible organisational aims, values and mission, or who operated in the same local area, or were in need of help (67% of the charities surveyed cited one of these factors as a driver). These were more prevalent drivers than the need to improve organisational effectiveness (58%) or for financial reasons (44%).

Benefits from collaboration

Most charities said that they had realised the aims of their collaborative activities. The majority of collaborating charities (84%) reported benefits from collaboration, with only 1% claiming not to have experienced any benefits at all. The main benefits from collaboration were maintaining or improving services (43%) and enhancing reputation (39%). Just under a third of charities identified cost reductions as a benefit (28%).

Barriers to collaboration and difficulties encountered

Those charities which had not collaborated over the last two years reported the following reasons for not engaging in collaborative activity:

- there had been no need for them to do so or they had not been convinced of the benefits of collaboration (46%);

- they had no appropriate charity partners (34%); and

- they had never been approached by another charity interested in collaborating (30%).

A third of those charities which had collaborated over the last two years experienced difficulties with their collaboration; the difficulties most frequently encountered were:

- a lack of funding, resources or expertise (16%); and

- differences in personalities or working cultures (16%).

The type of collaborative activity where difficulties had been experienced most frequently were those involving:

- joint bidding for contracts (68%);

- funding applications (61%);

- negotiations to avoid service duplication (59%); and

- formal sharing of information or ideas (56%).

The majority of those experiencing difficulties took steps to prevent or overcome these (75%), mainly by:

- entering into board discussions (27%);

- monitoring and evaluating the collaborative activity (23%);

- contacting support / umbrella organisations (21%);

- setting up clear plans and agreements in writing (19%).

Information, support and advice

35% of collaborating charities had sought information, advice or support about collaboration over the previous two years. The main sources used were the Charity Commission and local support organisations. Information and advice were sought mainly in relation to legal aspects of collaboration, funding support, managing organisational change as well as planning and preparing for collaboration.

However, a significant proportion of those charities reporting difficulties with their collaborative activity did not seek advice or support in relation to those specific difficulties (67%).

65% of collaborating charities and 35% of non-collaborating charities felt that they would need future support in order to enhance, or get started with, collaboration. Collaborating charities mainly reported a need for access to funding and information, advice and guidance (IAG), whereas non-collaborating organisations cited IAG as the most important support need.

General attitudes to collaboration

The majority of collaborating charities were positive about collaboration: 77% were supportive of the idea and 58% thought it made sense for their charity.

Unsurprisingly, non-collaborating charities were less enthusiastic – only 16% were supportive of the idea and only 8% felt that it made sense for their charity. There were, however, some segments of the non-collaborating charity population that appeared to be more positive about collaboration. This conclusion is drawn from the fact that they were more likely to identify support needs that they would require if they were to collaborate in the future. These charities tended to be younger, fairly large charities that lacked awareness and knowledge about collaboration.

Analysis and conclusions

When small charities engage in collaboration, it usually works well. It is hugely encouraging that the overwhelming majority of charities we surveyed, which had collaborated over the last two years, felt that collaboration had made a positive difference to their charity – whether by improving services, enhancing reputation or simply reducing costs. Small charities clearly believe that collaboration can have a real impact on frontline services and enable them to better achieve their objectives. It appears that certain types of collaborative activity may also be on the rise amongst small charities. By comparing these survey results with previous Commission research conducted in 2003[7], an upward trend in small charities collaborating to fundraise and deliver services can be observed. More work needs to be done, however, to win over those small charities that remain unsure about both the opportunities available to them as well as the potential benefits that collaboration brings.

Successful collaboration depends on several key ingredients. According to the survey results, successful collaborative ventures are founded on strong relationships and shared organisational aims and values. Effective leadership, planning and communication are also critical when it comes to making collaboration work in practice.

When it comes to risk management, small charities appear to strike a good balance. The high prevalence of informal partnership working suggests that small charities generally take a flexible, open and innovative approach to working with others. However, it is reassuring to see that when it comes to more complex or high risk collaborative activity, for example, joint service provision or sharing back office functions, small charities are more likely to have the necessary formal arrangements, such as a written agreement or contract, in place.

A minority of small charities experience difficulties with their collaborative ventures. A third of collaborating charities had faced difficulties of some kind but, reassuringly, the majority of these organisations took sensible steps to overcome them. The findings show that strong governance, effective processes of monitoring and evaluation, and accessing external support are key to charities being able to overcome challenges when collaboration leads them into difficulties.

Joint bidding for contracts can be particularly problematic. It is interesting to note that this collaborative activity was most likely to run into difficulty; this activity was also one which was not particularly widespread amongst small charities. If considering joint bidding for contracts, therefore, it is important that managers and trustees take steps to mitigate potential difficulties through careful planning, and by ensuring they are fully aware of the risks and obligations. It is also vital that the charity is at the right stage of development to successfully manage a joint bid and, if successful, deliver the ensuing project or venture.

Small charities may benefit from taking a more pro-active approach. The survey findings suggest that small charities can help themselves in a range of ways when it comes to collaboration:

- When asked why they did not collaborate, non-collaborating charities often claimed that they had never been approached by another charity or that there was a lack of appropriate partners. This suggests that most small charities would benefit from seeking out suitable partners themselves rather than reacting to opportunities as they arise.

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7   Charity Commission research report: Collaborative Working and Mergers – RS4 (2003): http://www.charity-commission.gov.uk/Publications/rs4.aspx

- The larger a charity's income, the more likely it was to be engaged in collaborative activity. This is perhaps unsurprising given that organisational growth often brings opportunities for collaborative working. As the benefits of collaboration were recognised by all charities, irrespective of size or income, there is clearly more scope for charities with lower incomes to make full use of the available support and information on collaborative opportunities and, in turn, for providers of this support and information to target these charities.

- Certain types of collaboration, for example, sharing staff or back office functions, whilst relatively uncommon, are important examples of the range of collaborative working and may prompt other small charities to follow suit in these areas.

- When asked directly about their needs, small charities mainly required information, advice and guidance. More specifically, the survey findings suggest that small charities need support in relation to accessing funding for collaborative working, overcoming legal complications and managing both organisational change as well as personality clashes between staff and trustees. Whilst in the current financial climate, accessing funding for collaborative working may prove to be problematic, securing such funding has the potential to yield long-term benefits for the charity and its work.

Detailed findings

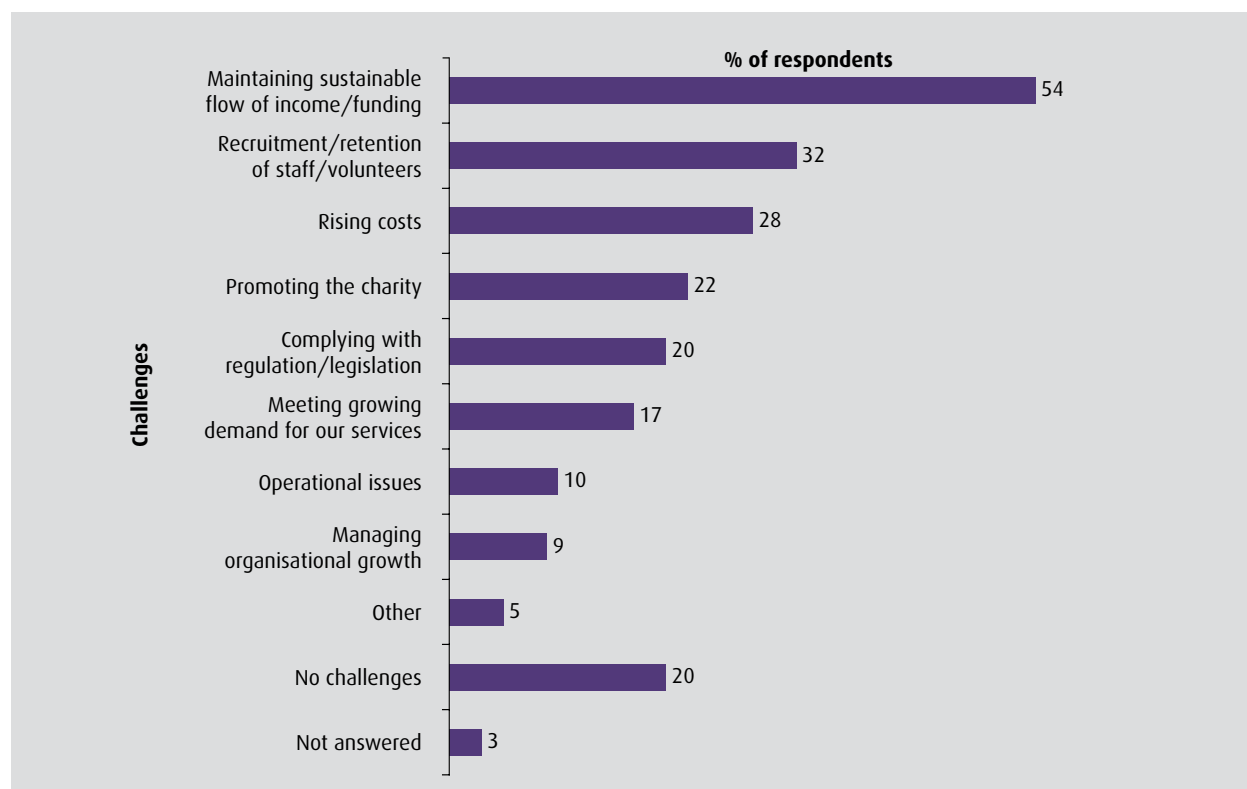## 1.0 The challenges faced by small charities

- **54% of the charities surveyed had faced challenges in relation to maintaining their income flow over the last two years.**

- **32% had found the recruitment of staff to be challenging.**

- **28% had faced rising costs.**

Both the initial qualitative consultation and the quantitative survey explored the challenges facing small charities in order to understand how they may have influenced collaborative activity.

Prior to the main questions on collaboration, the survey respondents were asked which particular challenges they had faced during the previous two years. Overall, just over three quarters (77%) stated that they had faced challenges. As Chart 1 shows, respondents had mainly faced challenges in relation to income flow (54%), the recruitment of staff (32%) and rising costs (28%).

22% of respondents felt that promoting their organisation presented a challenge. This was an issue that some of the interviewees also cited; it was felt that some small charities might struggle to maintain their profile, and therefore their funding, in the current economic climate – due in part to the competition from larger charities with more resources.

Chart 1: Challenges charities had faced over the previous two years

(Base=all respondents: 2,515)

The largest charities (those with incomes between £100K and £250K) were most likely to have faced challenges over the last two years (94%), particularly in maintaining income flow (80%). In contrast, the smallest charities (with incomes of up to £5K) were least likely to have experienced challenges (65%).
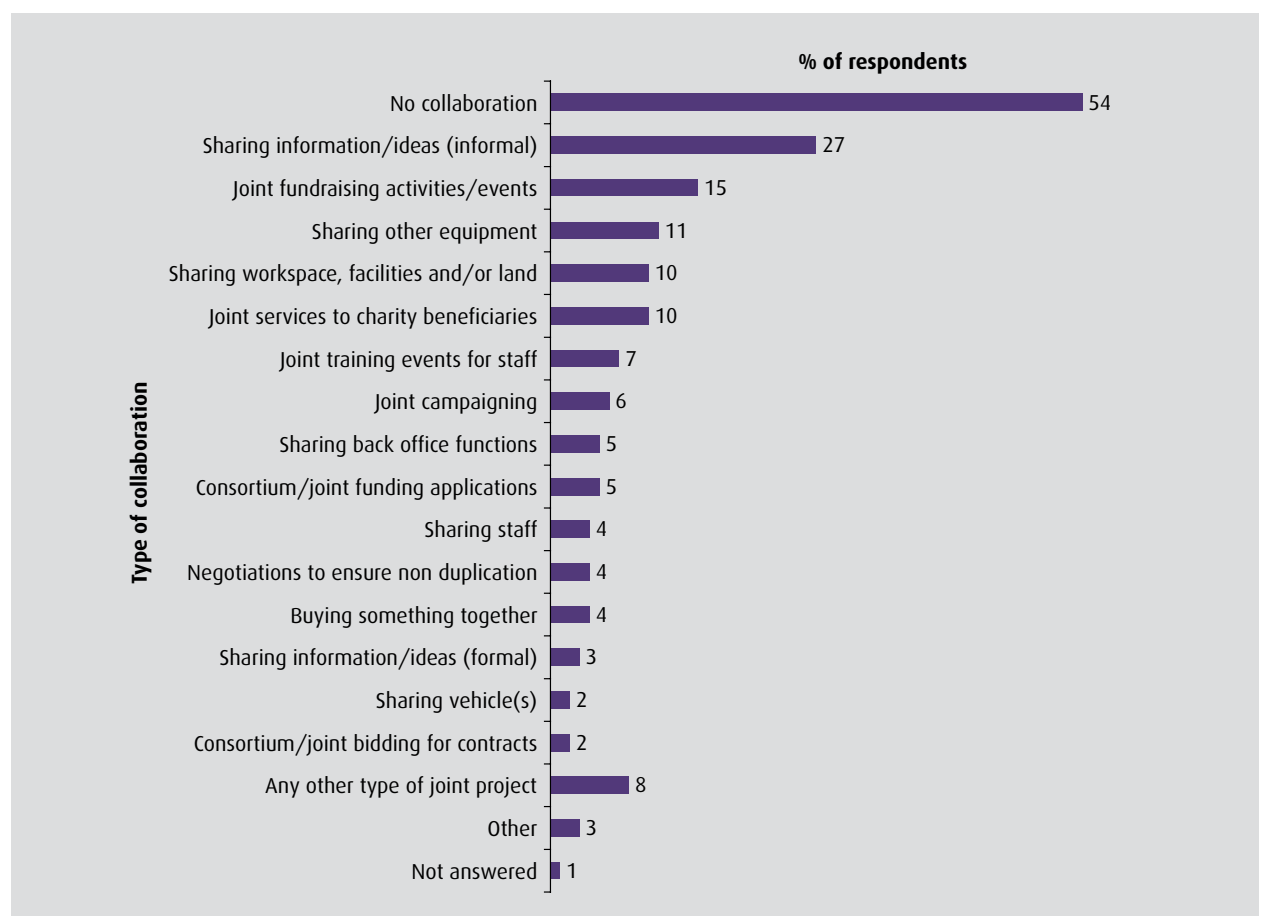
2.0 The extent, type and nature of small charities' collaboration

- **45% of the small charities surveyed reported that they had collaborated with at least one other charity over the previous two years.**

- **35% of all respondents had shared information or resources with another charity or charities; 32% had been engaged in joint working.**

- **The majority of collaborative arrangements (83%) had been informal (ie not involving written agreements)**

Respondents were asked whether they had collaborated with other charities over the previous two years and, if so, what type of collaboration they had engaged in. Chart 2 shows the findings.

Overall, it was found that 45% of the small charities surveyed had been engaged in some form of collaborative activity.

Chart 2: Type of collaboration charities were engaged in

% of respondents

Type of collaboration	%
No collaboration	54
Sharing information/ideas (informal)	27
Joint fundraising activities/events	15
Sharing other equipment	11
Sharing workspace, facilities and/or land	10
Joint services to charity beneficiaries	10
Joint training events for staff	7
Joint campaigning	6
Sharing back office functions	5
Consortium/joint funding applications	5
Sharing staff	4
Negotiations to ensure non duplication	4
Buying something together	4
Sharing information/ideas (formal)	3
Sharing vehicle(s)	2
Consortium/joint bidding for contracts	2
Any other type of joint project	8
Other	3
Not answered	1

(Base=all respondents: 2,515)

The range of collaborative activity that charities could be involved in (as detailed in chart 2 above) can be divided into two broad types: sharing resources (eg facilities, staff or equipment) and joint working (eg fundraising, services or campaigns). Overall, by grouping responses into these two categories it was found that charities were slightly more likely to be sharing resources (35%), than they were to be involved in joint working (32%). However, the main individual activities tended to be the informal sharing of ideas, expertise or information (27%) and joint fundraising activities (15%).

Most of the collaborating charities reported that their collaborative arrangements had been informal (83%), with only a quarter (26%) entering into formal arrangements (ie via written agreements). The largest charities (with incomes in the £100-250K band) were most likely to have entered into formal arrangements (40% of them, compared with less than 29% of charities with incomes below £100K). These formal arrangements were more likely than the informal ones to relate to joint services to beneficiaries, joint funding applications or bidding, and sharing back office functions, workspace or staff.

The findings show that the extent of informal collaboration amongst small charities is relatively high. This reflects the views expressed by some of the interviewees who felt that collaboration may be going on 'below the radar'.

"I suspect that there is some very informal collaboration going on, but I should think at the more formal end there's very, very little." – Interviewee

Case study: sharing a village hall

A small charity in the South West of England maintains a village hall which is used as a venue by the local community for events, group activities and adult learning classes. With an annual income of just £5,000, maintaining a regular income is difficult. Despite its modest funds, however, the charity is ambitious and intends to develop the services it offers to the community. To help it achieve this aim, the charity has established several informal relationships with other small local charitable organisations. The individuals involved know one another well and a simple phone call is often all it takes to initiate a joint venture of some kind.

The village hall is made available to local organisations for meetings, fundraising events and information sessions on charity management and governance. In return, these charities spread the word that the hall is available for hire, helping to attract bookings and extra funds. In co-operating amongst themselves these local charities are able to support one another in their shared aim of serving the local community.

Extent of current collaboration

Three quarters (73%) of charities which had collaborated over the previous two years (1,134 charities in total) said that they were currently collaborating. Again, the larger charities were more like to be doing so (for example, 84% of those with incomes in the 100-250K band were currently collaborating, compared with 68% of those with incomes below £5K).

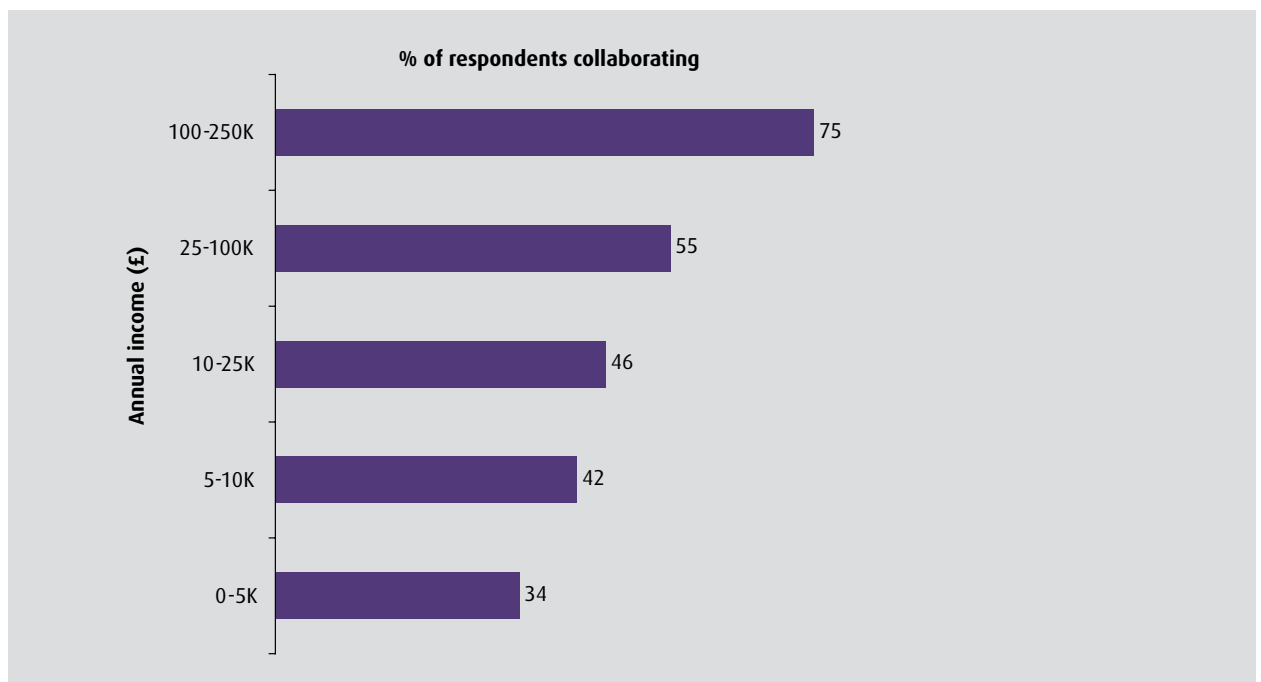## 3.0 The profile of the small charities collaborating

Those charities that had collaborated over the previous two years were more likely to be:

- **larger, but younger, charities;**

- **those with paid members of staff;**

- **those whose area of operation extended beyond the UK and the Republic of Ireland;**

- **those whose area of operation included urban areas, as opposed to exclusively rural areas; and**

- **those in receipt of statutory income.**

3.1 Income level and income type

Chart 3 shows that the larger a charity's income, the more likely it was to collaborate; three quarters of charities with incomes in the £100-250K income band had collaborated during the last two years, compared with only a third (34%) of those with annual incomes below £5K.

Chart 3: Proportions of charities which had collaborated, by income

(Bases: 0-5K: Unwtd 757, Wtd 934; 5-10K: Unwtd 471, Wtd 426; 10-25K: Unwtd 490, Wtd 438; 25-100K: Unwtd 545, Wtd 503; 100-250K: Unwtd 252, Wtd 214)

Collaborative activities that were more likely to be undertaken by the larger charities (ie those with an income level of £100-250K) were as follows:

- informally sharing information and ideas (56% of those with more than £100K, compared with 24% of others);

- joint services to charity beneficiaries (26% of those with more than £100K, compared with 8% of others);

- sharing workspace, facilities or land (25% of those with more than £100K, compared with 9% of others);

- consortium or joint funding applications (23% of those with more than £100K, compared with 3% of others); and

- joint training events for staff (23% of those with more than £100K, compared with 5% of others).

An analysis of the charities' sources of income and propensity to collaborate was also carried out[8]. The various income sources were grouped into three categories: 'statutory income', 'earned income' and 'other income' (ie donations, legacies, grants from foundations / trusts and funding from private companies). It was found that charities receiving at least some of their income from statutory sources were more likely to collaborate (64%), followed by those receiving income from 'other sources' (50%). Those receiving 'earned income' were the least likely to collaborate (46%).

The charities' primary[9] income source was also looked at in terms of propensity to collaborate. It was found that charities receiving their primary income from the following specific sources were most likely to have collaborated over the last two years:

- income from the delivery of public sector contracts (85% had collaborated);

- earned income from trading (70%);

- earned income from delivery of services (64%);

- grants from trusts (64%); and

- statutory income from grants (61%).

Charities receiving their primary income from the following sources were the least likely to have collaborated:

- earned income from investments (18%);

- income from legacies (34%); and

- earned income from rent / hire (42%).

3.2 Number of employees and volunteers

The extent of collaboration not only correlated with income, but also with size in terms of the numbers of staff / volunteers that a charity had. Charities with at least 50 staff / volunteers were more likely to have collaborated (74% of them), whereas those with less than 10 staff / volunteers were least likely to (41%). Those charities with a mix of paid and volunteer staff were also more likely to collaborate (63%), followed by those with only paid staff (53%), and then those relying only on volunteers (43%).

3.3 Length of time in operation

The younger charities – those operating for less than 20 years – were more likely to have collaborated over the last two years (51%), compared with those operating for longer (41%). Collaboration was also more likely if the charity was part of a federation or larger group structure – 62% had collaborated, compared with 41% of charities that were not part of a federation.

3.4 Geographical area and service coverage

Those charities whose area of operation extended outside the UK and Republic of Ireland (ROI) were more likely to have collaborated (54%), with only around 44% of those with a national or smaller area of operation having reported collaborative activity.

Charities based in London, the North East, Yorkshire, North West and Wales were more likely to have collaborated (around half of the charities in these regions) compared with those in the South West and West Midlands (40% of charities in those regions).

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8 Respondents were asked to indicate their charities' sources of income, by ranking them according to their contribution to their income, '1' signifying the main income source. However, this particular analysis focuses on the percentage of charities that indicated at least some income from a particular source, irrespective of the ranking given.
9 Primary income is defined as those being ranked 1st according to their contribution to the charity's overall income.

Those operating only in urban areas (49%), or within both urban and rural areas (52%), were more likely to have collaborated than those operating only in rural areas (37%).

3.5 Sub-sector, type of charity activity and type of beneficiary

Charities working in the areas of economic / community development, employment, the environment (eg conservation or heritage), animal welfare, overseas aid, sport and recreation, disability and in education were more likely to have collaborated (at least 53% of each), with charities working for general charitable purposes, in religious activities, providing accommodation and in relation to poverty being less likely to have collaborated (less than 45% each).

The extent of collaboration also varied according to the type of charitable activity that charities were involved in; those more likely to have collaborated were those providing advocacy / advice / information services (70%), undertaking research (68%), those acting as an umbrella body (64%), providing human resources (64%) and providing services (62%). Charities less likely to have collaborated were those distributing funds via grants to individuals (31%) or to organisations (36%) or providing 'other finance' (41%).

In relation to charity beneficiaries, it was found that charities working for the benefit of ethnic minority groups were more likely to have collaborated (57%), with those working for the benefit of elderly people less likely to (44%).

4.0 How collaborative arrangements were formed

- **Partnerships had been formed mainly with charities of a similar size or larger.**

- **Collaborations had come about mainly as a result of the charities having a history of working together.**

We asked charities whether their collaborative partners had been larger, smaller or of a similar size in comparison to their own organisation. Of those that had collaborated over the previous two years, half (51%) had done so with charities of a similar size to their own. On balance, if the partner charity was not of a similar size, charities were more likely to have collaborated with larger partners (39%) rather than smaller ones (18%).

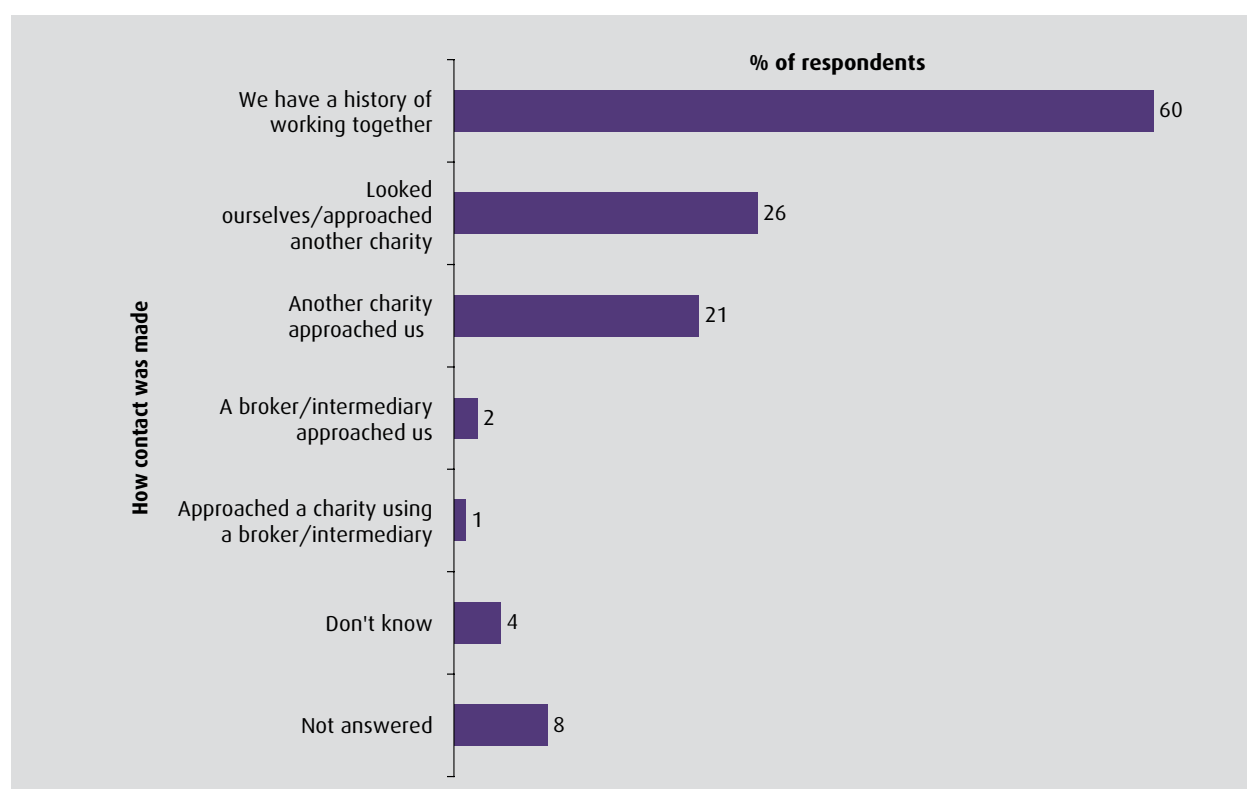### Case Study: a large charity supports a smaller partner

A small charity in the North East of England provides support, information and counselling to the local community; it is an offshoot of a larger European movement looking to establish itself in the UK. Initially, the small charity's activities were quite small-scale but over the years its membership and influence have grown.

To help the small charity get started, a larger partner provided a venue, accommodation and funds. The collaboration is a 'semi-formal' agreement which provides that the venue and facilities are to be used only for the purposes of supporting the smaller charity's aims and that those aims will continue to align with its larger partner and the needs of the community. The smaller charity also runs joint training events, counselling services and training sessions for both the local community as well as supporters of the larger charity. In return, the large charity lends its name to raise the profile of services and events.

Without the assistance of a larger partner it is doubtful that the small charity would have been able to get started: *"we couldn't have developed in the way that we have done if we'd not had this support. We just couldn't have afforded to develop the buildings that we have. We didn't have the money to purchase the site; it had to be given to us."*

Chart 4 shows how the initial contact was made with a charity's collaborative partner(s). The majority of respondents claimed there had been a 'history' of working with their collaborative partners (60%). Whilst this does not offer an explanation of how the collaboration originally began, it does suggest that partnerships are often formed over a long period of time. Otherwise, the charities surveyed were slightly more likely to have made the approach to another charity (26%) than to have been approached themselves (21%). The largest charities (those with incomes higher than £100K) had been most likely to seek out other charities (42%, compared with less than 27% of those with incomes of less than £100K). Only a small minority had used a brokerage service.

Chart 4: How contact was initially made with their collaborative partner(s)

(Base= All charities that had collaborated in the previous two years: Unwtd: 1,162, Wted: 1,134)

5.0 Drivers to collaborate, benefits obtained and extent to which the aims of collaboration were realised

- **Charities that had faced challenges with organisational growth and meeting growing demand were more likely to have collaborated than charities that had faced other types of challenge over the last two years.**

- **Charities were mainly prompted to collaborate in response to other charities, either because they had similar aims and activities (44%) or simply because they operated in the same local area (34%).**

- **The objectives of collaboration were achieved for the majority of charities, with the vast majority of collaborating charities (84%) reporting benefits from their collaborative arrangements.**

- **Of the range of specific benefits identified, charities were most likely to cite service development and enhanced reputation (43% and 39% respectively).**

5.1 Organisational challenges and drivers to collaborate

Those charities that had faced challenges in the previous two years were more likely than others to collaborate (53%, compared with 18% of those that had not).
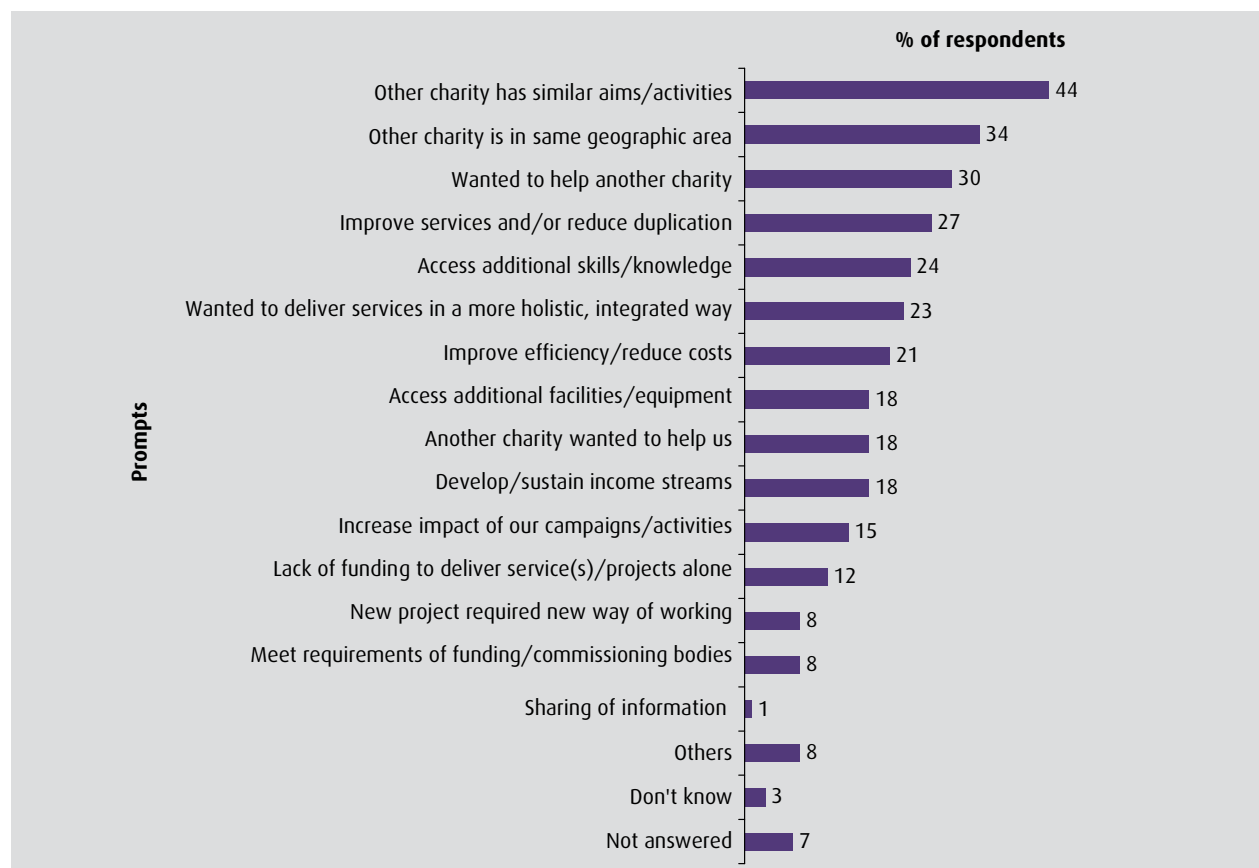
Charities which had experienced the following challenges were most likely to have collaborated:

- managing organisational growth (75% of charities facing this challenge had collaborated);

- meeting growing demands for their services (73%); and

- operational issues (71%).

Charities that had faced funding challenges were least likely to have collaborated (54%).

Those charities that had collaborated in the previous two years were asked what specific factors had prompted their charity to become involved in collaboration. Chart 5 displays the findings.

Chart 5: Factors which prompted a charity to collaborate

% of respondents

Prompts	
Other charity has similar aims/activities	44
Other charity is in same geographic area	34
Wanted to help another charity	30
Improve services and/or reduce duplication	27
Access additional skills/knowledge	24
Wanted to deliver services in a more holistic, integrated way	23
Improve efficiency/reduce costs	21
Access additional facilities/equipment	18
Another charity wanted to help us	18
Develop/sustain income streams	18
Increase impact of our campaigns/activities	15
Lack of funding to deliver service(s)/projects alone	12
New project required new way of working	8
Meet requirements of funding/commissioning bodies	8
Sharing of information	1
Others	8
Don't know	3
Not answered	7

(Base= All charities that had collaborated in the previous two years: Unwtd: 1,162, Wted: 1,134. NB: charities were asked to identify all the factors that had prompted collaboration).

The findings show that charities were mainly prompted to collaborate if there were other charities with compatible organisational aims or activities (44%) or that were in the same location as them (34%). Otherwise, charities were mainly driven by the desire to help another charity (30%), or to improve their own services (27%).

For the purpose of further analysis, we grouped the above range of possible responses into four categories:

- collaborating for financial reasons;

- responding to another charity;

- to increase charity effectiveness; and

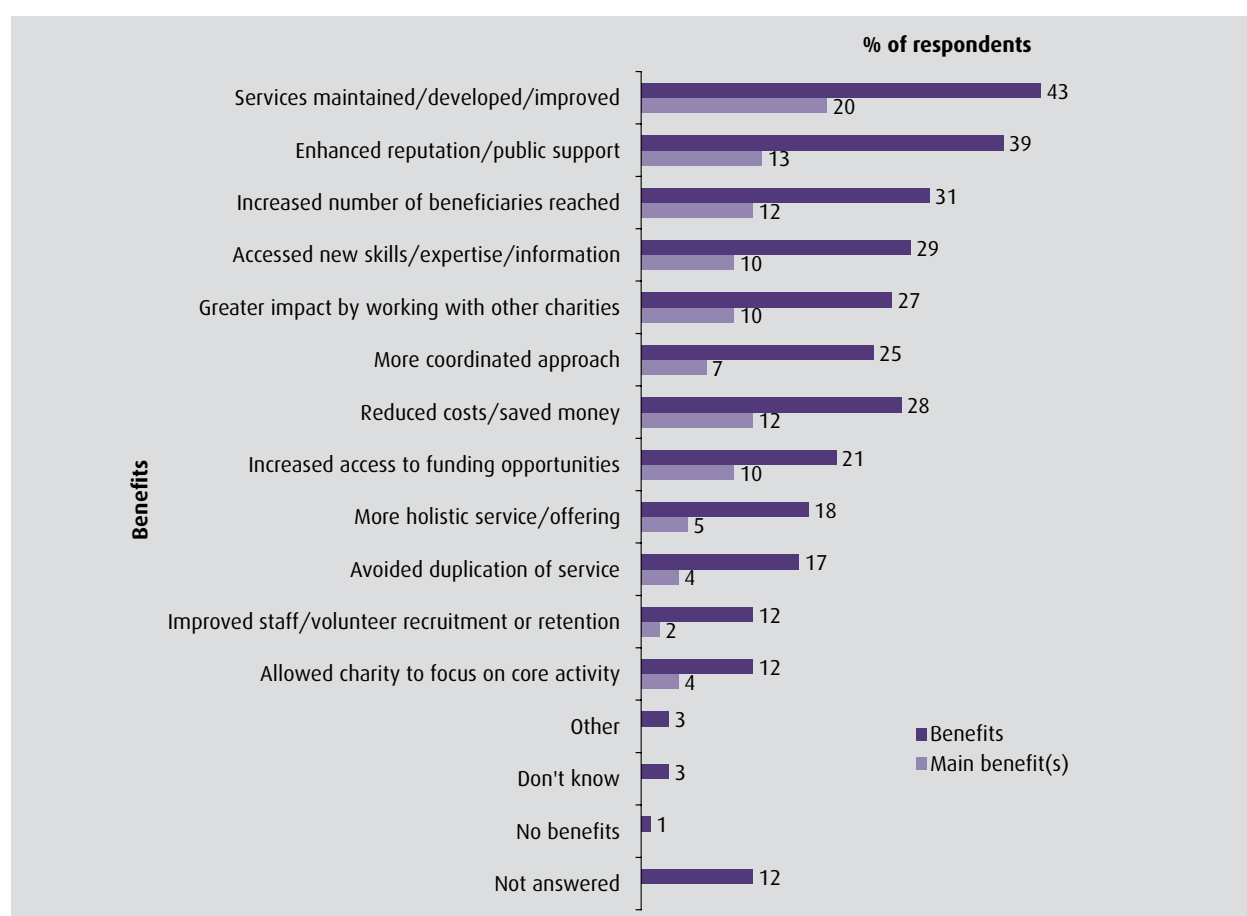- to better meet the needs of beneficiaries.

It was found that charities had been prompted to collaborate mainly in response to other charities (67%), either because the other charity or charities were similar to their own, based nearby or in need of help. 58% had been prompted to collaborate in order to increase their charity's effectiveness, with only 44% having been prompted because of financial reasons (ie to reduce costs or because of funding issues). This supports the earlier analysis of charities' challenges, which indicated that those charities facing funding and cost issues had been less likely to have collaborated over the last two years than those charities facing other types of challenges.

The largest charities (those with incomes over £100K) generally identified more drivers to collaborate than the smaller charities. They were more likely to be prompted by funding body requirements (23%, compared with less than 9% of the smaller charities) and because a new project required a new way of working (19%, compared with less than 9% of the smaller charities).

5.2 Benefits of collaboration

Those charities that had collaborated in the previous two years were asked what the benefits, or impacts, of their collaborative activity had been, and to indicate which one of these benefits had been the main one[10]. Chart 6 displays the findings.

Chart 6: The benefits obtained from charities' collaborative activity

(Base= All charities that had collaborated in the previous two years: Unwtd: 1,162, Wtd: 1,134)

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10 Although the second part of this question asked respondents to indicate the one main benefit, some respondents indicated more than one 'main benefit'. All recorded responses to the second part of the question have therefore been reported as the 'main benefit'.

84% of the collaborating charities surveyed reported having benefited from their collaborative activity over the last two years, with only 1% of charities claiming not to have experienced any benefits from collaboration. Those with incomes in the £100-250K range were more likely to identify benefits (91%, compared with less than 85% of those with sub-£100k incomes).

Charities were most likely to identify collaborative impacts that benefited their own organisation (72%) – eg reduced costs, access to funding, enhanced reputation, new skills and recruitment – rather than impacts that offered direct advantages to the wider sector or their beneficiaries (although clients and service users would of course benefit indirectly from impacts that increased organisational effectiveness).

However, almost two thirds (63%) did identify specific gains for beneficiaries (for example, through being able to maintain and improve services or being able to offer a more holistic service), and half (48%) identified benefits for the wider sector (for example by avoiding duplication of services, or being able to have a greater overall impact by working with other charities).

Of the range of specific benefits identified, charities were most likely to cite service development and enhanced reputation (43% and 39% respectively). This was followed by reaching an increased number of beneficiaries (31%) and access to new skills or expertise (29%).

Service development was the most cited 'main benefit,' and was identified as such by almost half of those benefiting in this way (43% identified this as a benefit, with almost half of these respondents – 20% – saying it was the 'main benefit'). Although enhanced reputation; increased reach; and access to skills / knowledge were frequently cited as benefits, these were less likely than service development to be cited as the 'main' benefits obtained.

5.3 Types of collaborative activity bringing the most benefits

The collaborative activities most likely to have been reported as having brought benefits to the charities surveyed were:

- sharing staff / joint staff employment (96% cited benefits);
- negotiations for non-duplication (95%);
- joint service to charity beneficiaries (94%); and
- joint funding applications (93%).

5.4 Whether the original objectives of the collaboration were realised

An analysis of the drivers for collaboration compared with the reported benefits from collaborative activity tends to demonstrate that in the majority of cases the original aims / anticipated benefits of collaboration were realised. For example, two thirds of those charities which said that a prompt for their collaborative activity was to improve efficiency, reported reduced costs or cost-savings as a result of the activity. The table below shows some more examples of realised aims.

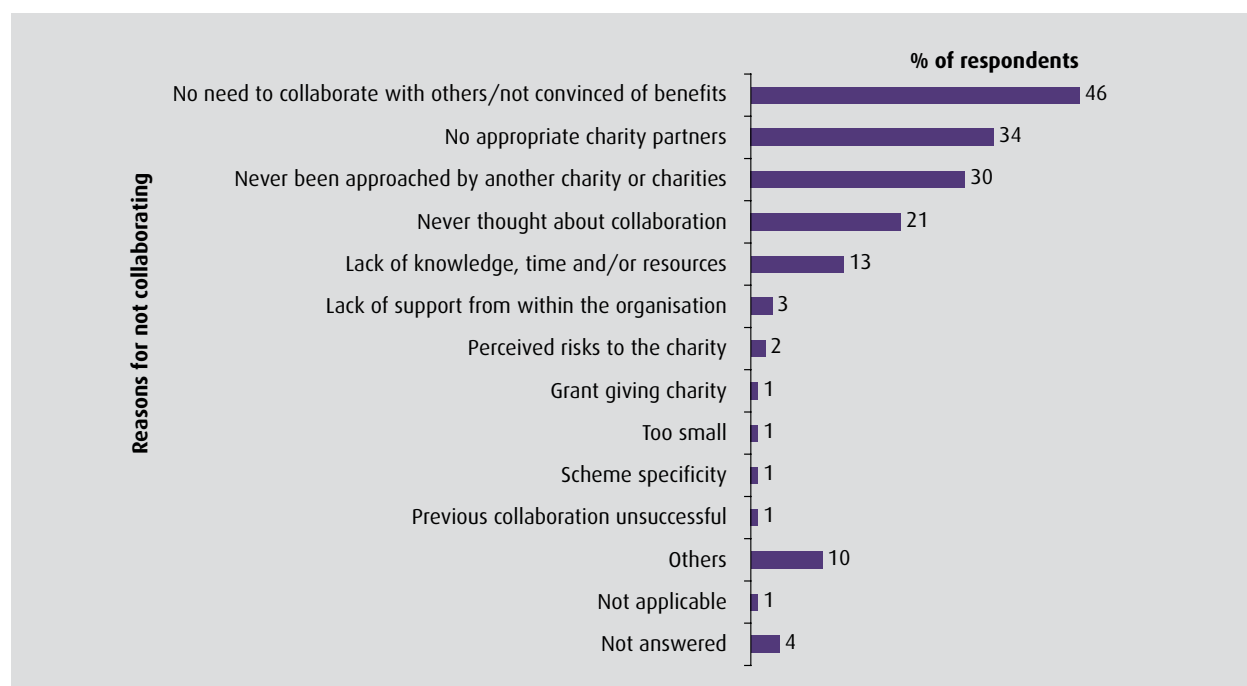| Prompt to collaborate	...of which, % reporting related benefit
Access skills not available in their organisation	71% had accessed new skills, expertise or information
Improve efficiency	66% reported reduced costs / cost savings
Improve services / reduce duplication	64% reported improved / maintained services
Need to sustain income streams	63% reported improved / maintained services
Meet the requirements of funding bodies	60% had increased access to funding opportunities
Lack of funding to deliver services alone	60% reported improved / maintained services

6.0 Barriers to collaboration and difficulties encountered during collaboration

- **Those charities which had not collaborated over the last two years mainly said that this was because there was either no need for them to do so or that they were not convinced of the benefits (46%), that there had not been any appropriate charity partners (34%) or that they had never been approached by another charity to do so (30%).**

- **A third (33%) of charities which had collaborated had experienced difficulties with their collaboration.**

- **The most frequently reported difficulties were lack of funding, resources or expertise (16%) and differences in personalities or working cultures (16%).**

- **The type of collaborative activity where difficulties were most frequently encountered was joint bidding for contracts (68% of charities encountering difficulties in collaborative activity were involved in joint bidding for contracts).**

- **The majority of those experiencing difficulties (75%) reported taking steps to overcome these difficulties.**

6.1 Barriers experienced by non-collaborating charities

Those charities reporting that they had not been involved in collaborative activity over the last two years were asked to explain their reasons for this. The findings are displayed in Chart 7.

Chart 7: Reasons for not collaborating

(Base=Charities which had not undertaken collaboration over the previous two years: Unwtd: 1,332, Wtd: 1,360. NB: respondents were asked to indicate all the reasons that applied.)

Charities that had not collaborated over the last two years mainly reported that this was because they either felt they had no need to do so or because they were not convinced of the benefits (46%). Otherwise, their reasons mainly related to the activities or actions of other charities, with around a third either reporting that they had no appropriate charity partners (34%), or had not been approached by another charity (30%). It was more likely to be the largest charities (with incomes in the £100-250k range) that reported that there were no appropriate charity partners (49%, compared with less than 38% of other charities).

21% of those charities that had not collaborated during the last two years had 'never thought about collaboration,' and 13% felt they had a lack of knowledge, time or resources to engage in collaborative activity.

During the qualitative consultation, the interviewees highlighted the existence of a number of attitudinal barriers to collaboration – barriers that had been observed by the sector experts or experienced directly by the charities interviewed. These attitudinal barriers reflected a range of fears and perceptions held by charities. For example:

- Individuals running a smaller organisation might feel that collaboration could lead to the loss of a singular community position.

- Some trustees and CEOs might harbour concerns that their charity risks losing its identity and independence, and that collaboration may dilute its aims and purposes.

- Some charities might fear that collaboration may lead competitors to steal their ideas. This is particularly an issue where the smallest charities are competing for the same resources.

- There is a view amongst some charities that 'our way is the best way' and they have a strong attachment to their charity's history, often in spite of changing circumstances.

- Charities may focus on their own narrow organisational interests rather than their mission and the needs of beneficiaries.
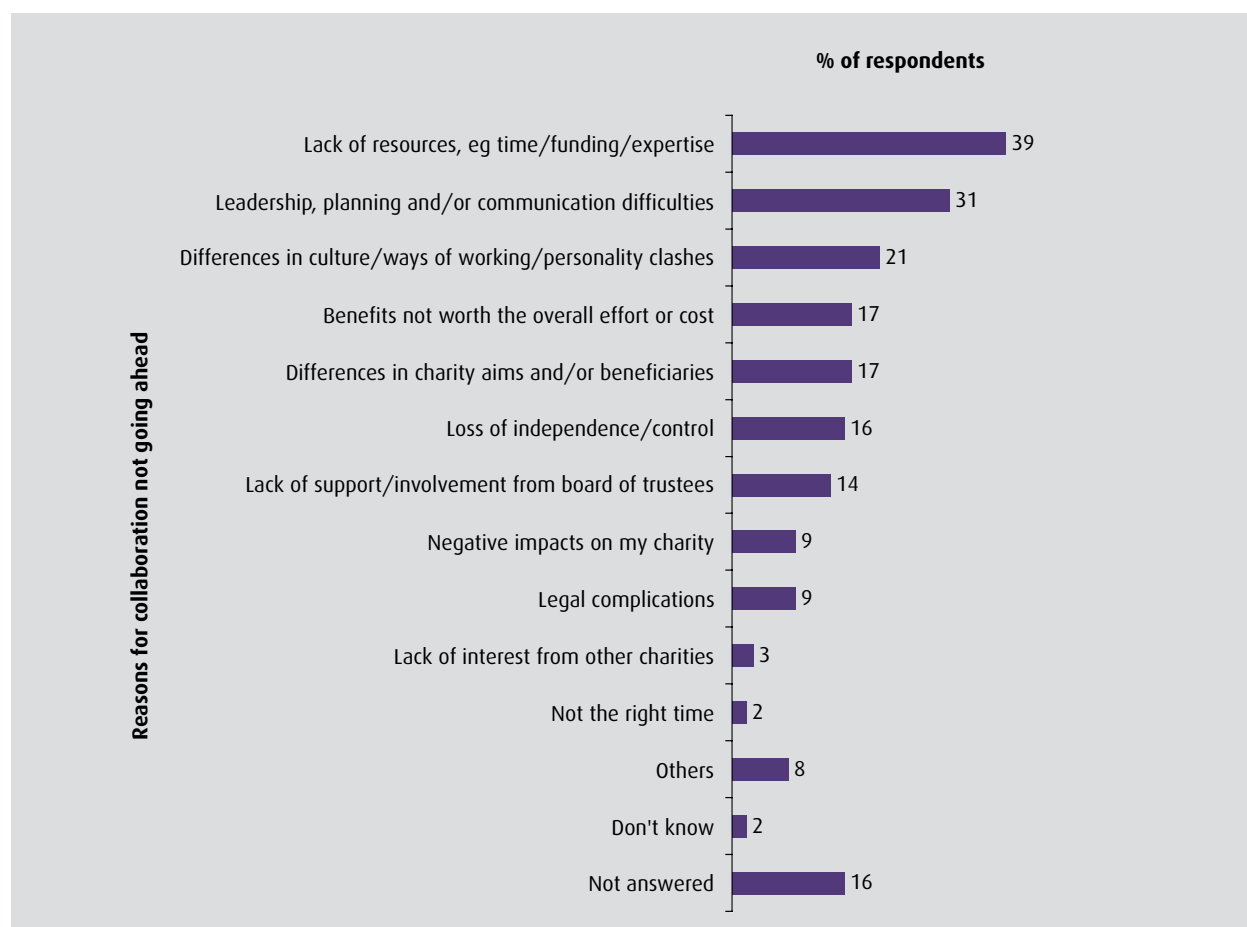
Participants in the qualitative consultation were of the opinion that these fears and perceptions could sometimes be exacerbated by personality clashes, personal agendas and insular working cultures and practices. Indeed, there was a general consensus that problems associated with personal and cultural issues can be significant 'deal-breakers' when it comes to collaboration. The interviewees felt that this was particularly true amongst CEOs, trustees or founders, but could also be a problem amongst beneficiaries and operational staff.

However, the survey findings themselves did not directly confirm the significance of these fears and perceptions as reasons for not collaborating. For example, only 3% of charities who had not collaborated in the last three years reported that it was due to a lack of support from within the organisation, and only 2% reported that it was because of perceived risks to the charity. Yet it cannot be ruled out that some of these fears and perceptions might lie behind the most reported reason for not collaborating – ie that charities felt there was 'no need to collaborate' or that they were 'not convinced of the benefits' (46%).

6.2 Reasons for collaborations not going ahead – despite having been given serious consideration

All charities, irrespective of whether or not they had been engaged in other collaborative activity over the previous two years, were asked whether or not they had actively considered or seriously explored any form of collaboration over that time which, for whatever reason, had not gone ahead. 6% indicated that they had experienced this situation. The reasons for these collaborative ventures not going ahead are set out in chart 8 below.

Chart 8: Reasons for collaborative activity not going ahead

% of respondents

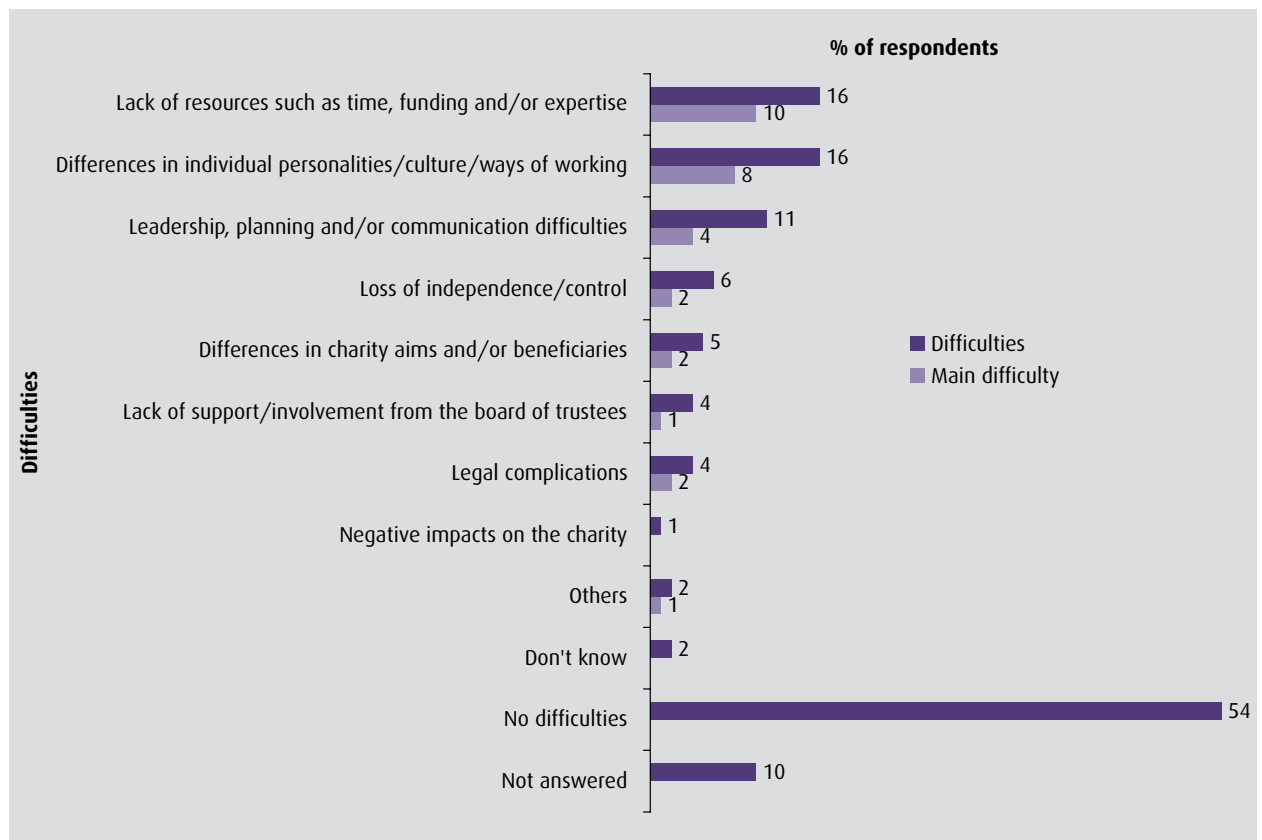| Reasons for collaboration not going ahead	
Lack of resources, eg time/funding/expertise	39
Leadership, planning and/or communication difficulties	31
Differences in culture/ways of working/personality clashes	21
Benefits not worth the overall effort or cost	17
Differences in charity aims and/or beneficiaries	17
Loss of independence/control	16
Lack of support/involvement from board of trustees	14
Negative impacts on my charity	9
Legal complications	9
Lack of interest from other charities	3
Not the right time	2
Others	8
Don't know	2
Not answered	16

(Bases: All who had considered collaboration over the previous two years but had not gone ahead with it: Unwtd 166, Wtd 152)

The main reasons for some forms of collaborative activity not going ahead despite having been seriously considered were a lack of resources such as time, funding or expertise (39%) and difficulties with leadership, planning or communication (31%).

6.3 Difficulties experienced during collaboration

Collaborating charities were asked whether they had encountered any difficulties during collaboration and, if so, to specify the main difficulty experienced. Overall, only a third (33%) reported that they had experienced difficulties, with over half (54%) reporting no difficulties. The range of difficulties encountered is set out in Chart 9.

Chart 9: Difficulties experienced by charities during collaboration

% of respondents

Difficulties	Difficulties	Main difficulty
Lack of resources such as time, funding and/or expertise	16	10
Differences in individual personalities/culture/ways of working	16	8
Leadership, planning and/or communication difficulties	11	4
Loss of independence/control	6	2
Differences in charity aims and/or beneficiaries	5	2
Lack of support/involvement from the board of trustees	4	1
Legal complications	4	2
Negative impacts on the charity	1	
Others	2	1
Don't know	2	
No difficulties	54	
Not answered	10	

(Base: All those who have collaborated in the previous two years: Unwtd 1,162, Wtd 1,134)

The findings show that the most frequently reported difficulties relate to:

- lack of resources such as time, funding or expertise (16%);

- differences in personalities or working culture (16%); and

- difficulties with leadership, planning or communication (11%).

When asked to identify the most significant difficulty encountered, the largest proportion of charities cited lack of resources such as time, funding or expertise (10%), followed by differences in personalities or working culture (8%).

Charities with incomes in the £100-250K range were most likely to have experienced difficulties (50% versus less than 38% of lower income charities).

6.4 Types of collaboration with which most difficulties experienced
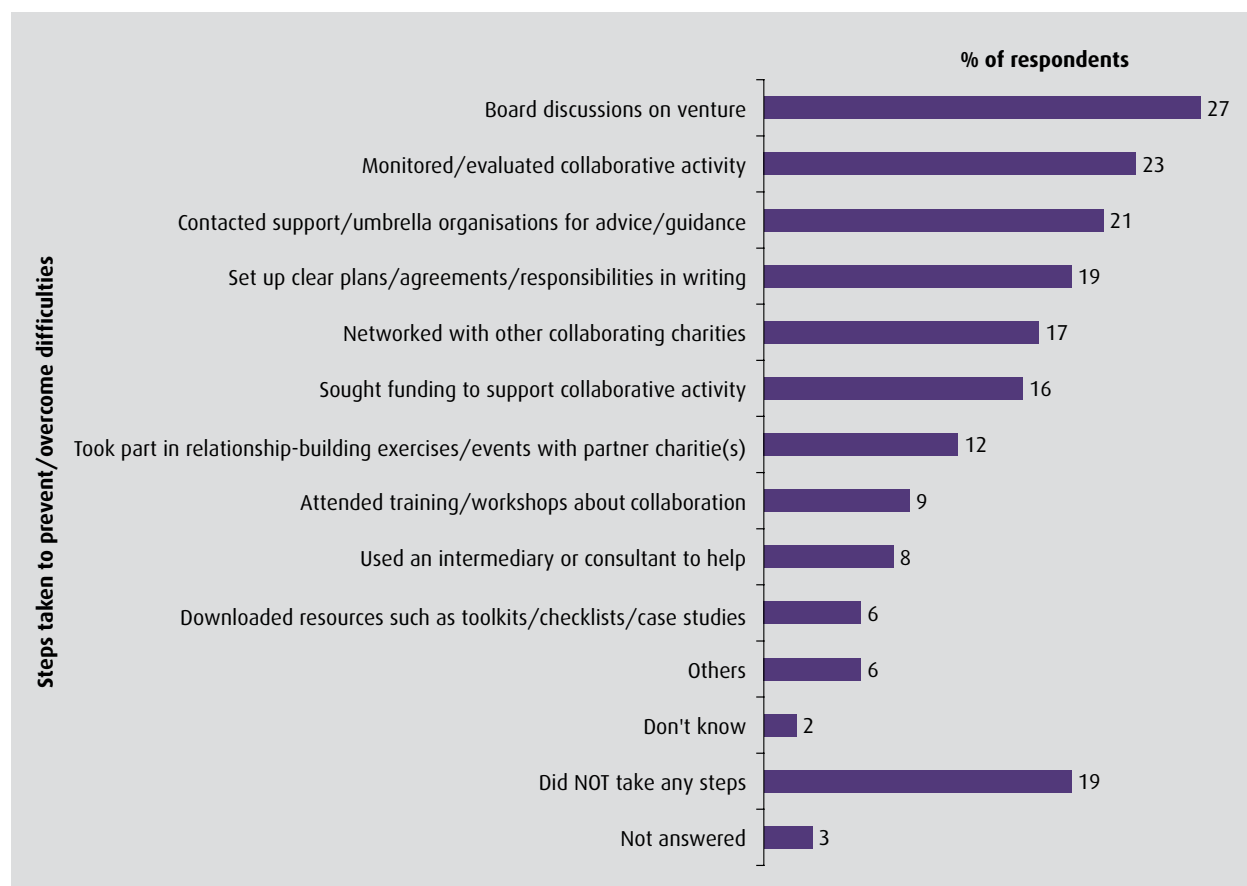
The type of collaborative activities with which charities were most likely to experience difficulties were joint bidding for contracts (68% reported difficulties), joint funding applications (61%), negotiations to ensure non-duplication (59%) and sharing information / ideas in a formal way (56%).

The collaborative activities in which difficulties were least likely to be experienced were sharing back office functions or vehicles (34% experienced difficulties), buying something together (37%), joint fundraising (38%) or sharing information / ideas in an informal way (39%).

6.5 Steps taken to overcome difficulties

Those charities which had experienced difficulties during collaboration were asked what steps they had taken, if any, to prevent or overcome these difficulties. Chart 10 shows the findings.

Chart 10: Steps taken to prevent or overcome difficulties

(Base: All those who experienced difficulties with collaboration: Unwtd 385, Wtd 373)

Three quarters of those who had experienced difficulties during collaboration took steps to prevent or overcome these difficulties. The actions taken mainly involved:

- Holding board discussions about the collaboration (27%).

- Ongoing monitoring and evaluation of the collaboration (23%).

- Contacting support / umbrella organisations for advice and guidance (21%).

- Setting out plans, agreements and responsibilities in writing (19%).

The largest charities (with incomes in the £100-250K range) were most likely to have taken action (86%), with the very smallest charities (with incomes of up to £5K) being least likely to have done so (63%).

Those charities which had experienced legal difficulties during their collaborative activity were most likely to have taken steps to overcome them (93%, compared with less than 85% of others). In particular, they were more likely than others to set up plans and agreements in writing (48%, compared with less than 28% of others).
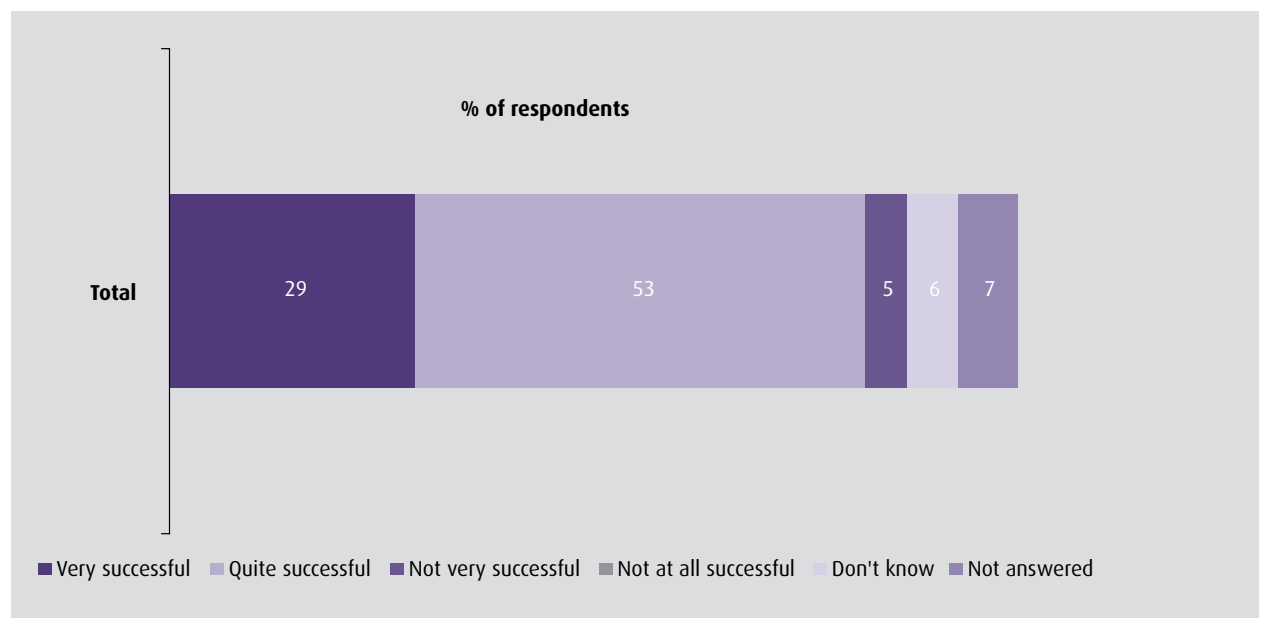
7.0 Achieving success in collaboration

- **The majority of collaborating charities (82%) felt that collaboration had been successful.**

- **Level of perceived success did not necessarily depend on the size of the charity, but was greatest if the charity was the smaller within the partnership, and where formal agreements were in place.**

- **Main success factors were the quality of the pre-existing relationship between charity partners (55%) and the degree of compatibility of the charity partners' organisational aims, values and mission (52%), these being factors that had persuaded many charities to collaborate in the first place.**

- **The quality of leadership, planning or communication was identified as a main factor in the *lack* of success of partnerships (29%), as well as being one of the main difficulties experienced by charities collaborating unsuccessfully.**

- **Only 50% of those reporting unsuccessful collaborative experiences felt that they had been at the right stage of organisational development for their collaborative activity, compared with 84% of those reporting a 'successful' collaborative experience.**

7.1 Overall success of collaboration

Respondents were asked how successful or unsuccessful, overall, they thought their collaborative experiences had been during the previous two years. Chart 11 shows the findings.

Chart 11: Extent of perceived success or non-success of charities' collaborative experiences over the previous two years

% of respondents

| Total | 29 | 53 | 5 | 6 | 7 |

■ Very successful ■ Quite successful ■ Not very successful ■ Not at all successful ■ Don't know ■ Not answered

(Base: all those who have collaborated in the previous two years: Unwtd 1,162, Wtd 1,134)

Overall, more than four fifths (82%) reported either quite successful or very successful collaborative experiences. 29% reported them to be very successful; only 5% reported their experiences to be not very successful.

The smallest charities (with incomes below £5K) were slightly less likely to report successful experiences (75%, compared to an average of 82% across the other income bands). They were also more likely to be unsure about the level of success; a greater proportion of the smallest charities, as compared with the larger income bands, either did not answer this question or selected 'don't know' in response to it.

7.2 Success by type of collaboration

Variation in the level of success according to the type of collaborative activity engaged in was not marked, although it can be reported that:

- The most successful collaborative activities were: joint training events (93% of these were reported successful), sharing ideas / information in a formal way (93%), sharing staff (92%), sharing back office functions (92%) and negotiations to avoid duplication of activity (91%).

- Collaborative activities that tended to score a little less highly in terms of success rating were joint bidding for contracts (77% were successful), joint funding applications (84%) and sharing ideas / information in an informal way (84%).

It was found that the success of the collaboration depended to some extent on the relative size of the charity partner; those collaborating with larger organisations tended to be more likely to report success. 38% of those partnering with larger charities, compared with 29% of those partnering with smaller charities, reported a 'very successful' collaboration.

Another factor that seemed to have some influence on success was the degree of formality of the collaborative arrangements. Those that had formal arrangements, or a mix of formal and informal, reported higher success rates (38% and 42% respectively) than those with only informal arrangements (28%).

7.3 Elements of a successful collaboration

Charities with experience of collaboration were asked to indicate the main factors which they thought had contributed to the success, or lack of success, of their collaborative activities over the last two years. Charts 12a and 12b show the main contributing factors for those that reported successful collaborations (Chart 12a) and for those that reported unsuccessful ones (Chart 12b).

Chart 12a: Main factors perceived to have contributed to the success of collaborative activities

(Base: Charities reporting successful experiences: Unwtd 957, Wted 924)

The main factors identified as contributing to success were the quality of existing relationships (55%) and the degree of compatibility of organisational aims and mission with their charity partners (52%). This was followed by the quality of leadership, planning and communication (35%). Access to support and resources, eg funding, was a less important factor.

The importance of the compatibility of collaborative partners in terms of organisational aims, values and mission was also cited by interviewees in the qualitative consultation.

Case Study: an informal relationship leads to the provision of business support

A small charity in the South of England organises outdoor activities for disabled and vulnerable people. It is run by a charitable trust, consisting of a small team of trustees and volunteers. The small charity's premises are made available to local organisations to hold events, meetings and conferences; this generates a small amount of income to help fund the charity's activities. One of the organisations making regular use of these facilities was a large charity working in the same field with an annual turnover of £4 million. Through this connection the chairs of both charities struck up an informal relationship, and began discussing their mutual aims and ways to develop and sustain the smaller charity.

Following these conversations, the larger charity offered to draft a business plan for the smaller organisation; this led to the submission of several funding applications for a development worker. One of these applications was successful, so it was decided that the larger organisation would employ the development worker and use the funding to pay this person's salary. This allowed the small charity to benefit from an additional skilled worker without the responsibilities and administrative burden of becoming an employer. In time, it was anticipated that the larger partner would benefit from the arrangement by making further use of the smaller organisation's premises, including in the delivery of its own services.

This collaboration succeeded due to several factors:

- Effective communication between both organisations, fostering a strong and transparent relationship.

- Obvious advantages for the beneficiaries of both charities.

- Clear and achievable objectives, established at the outset of the collaboration.

- Recognition on the part of the larger charity that investment in the smaller partner was clearly aligned with its charitable aims and would lead to success in the long term.

Chart 12b: Main factors perceived to have contributed to the lack of success of collaborative activities

% of respondents

Factors contributing to lack of success	%
Quality of leadership, planning and/or communication	29
Quality of pre-existing relationship with partner charity	21
Degree of compatibility of organisational aims, values and mission	19
Extent of access to sufficient resources	18
Level of support and involvement from funding bodies/commissioners	17
Level of support from the board of trustees	10
Others	23
Not answered	9

(Base: Charities reporting unsuccessful experiences: Unwtd 61, Wted 62)

The quality of leadership, planning or communication was cited as the most significant factor contributing to the non-success of collaboration (29%). However, the quality of the pre-existing relationship with a charity partner and the degree of compatibility between partners in terms of organisational aim, values and mission, although still important factors, appeared to be identified as less significant contributors to non-success than to the success of collaborative ventures.

7.4 Charities' views on whether or not they were at the right stage of organisational development to collaborate

Charities were asked whether or not they thought they had been at the right stage of organisational development for the collaborative activity that they had embarked upon.

Despite a third of charities having experienced difficulties with their collaborative activity, charities generally felt that they were at the right developmental stage for engaging in collaboration (74% of all collaborating charities, and 72% of those that had actually experienced difficulties).

However, of those that had reported an 'unsuccessful' experience, only 50% felt they had been at the right stage, compared with 84% of those reporting a 'successful' experience of collaboration.
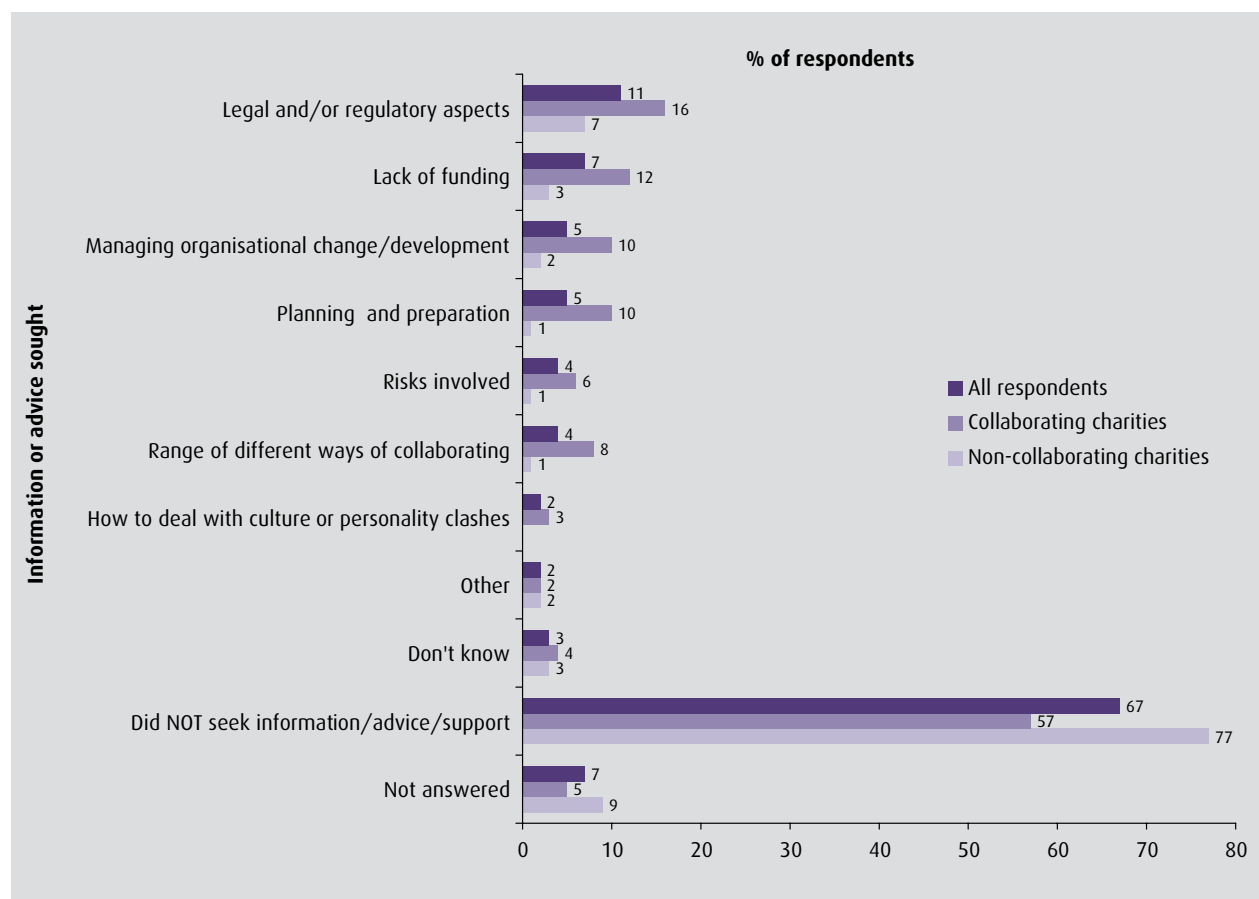
8.0 Information, support and advice & attitudes towards collaboration

- **A third of collaborating charities (35%) had sought information, advice or support about collaboration over the previous two years; the most popular sources of information for these charities were: local infrastructure / support organisations (36%); other charities (32%); the Charity Commission (30%) and national umbrella / support bodies (29%); information and advice sought was mainly in relation to legal aspects, funding support, managing organisational change, and planning and preparation.**

- **A significant proportion of charities did *not* seek advice or support to help overcome specific difficulties they had encountered whilst collaborating (67%).**

- **65% of collaborating charities and 35% of non-collaborating charities felt that they would need support in order to enhance, or get started with, collaboration.**

8.1 Support accessed

All charities were asked what information, advice or support on collaboration, if any, they had sought over the previous two years. The findings are shown in Chart 13.

Chart 13: Types of information, advice or support sought in relation to collaboration issues

(Bases: All respondents: 2,515; Collaborating charities: Unwtd 1,162, Wtd 1,134; Non-collaborating charities: Unwtd 1,332, Wtd 1,360)

Overall, only around a fifth of the charities surveyed (22%) had sought information, advice or support in relation to collaboration over the last two years. However, as expected, those who had actually engaged in collaboration were more likely to have done so (35%), compared to only 12% of those not collaborating over this time period.

Larger charities (with incomes in the £100-250K range) were most likely to seek information or advice (45%); this correlates with the greater likelihood of them having collaborated over the last two years. The smallest charities (with incomes of up to £5K) were the least likely to have sought information or advice (14%).

Charities with experience of collaboration accessed support mostly in relation to legal / regulatory aspects (16% of collaborating charities) and funding issues (12%).

Charities were most likely to seek advice if they were engaged in joint bidding for contracts (62% of charities collaborating in this way sought advice), joint funding applications (59%), or managing negotiations to avoid duplication of activity (60%); these were also the types of activity with which charities were most likely to experience difficulties.

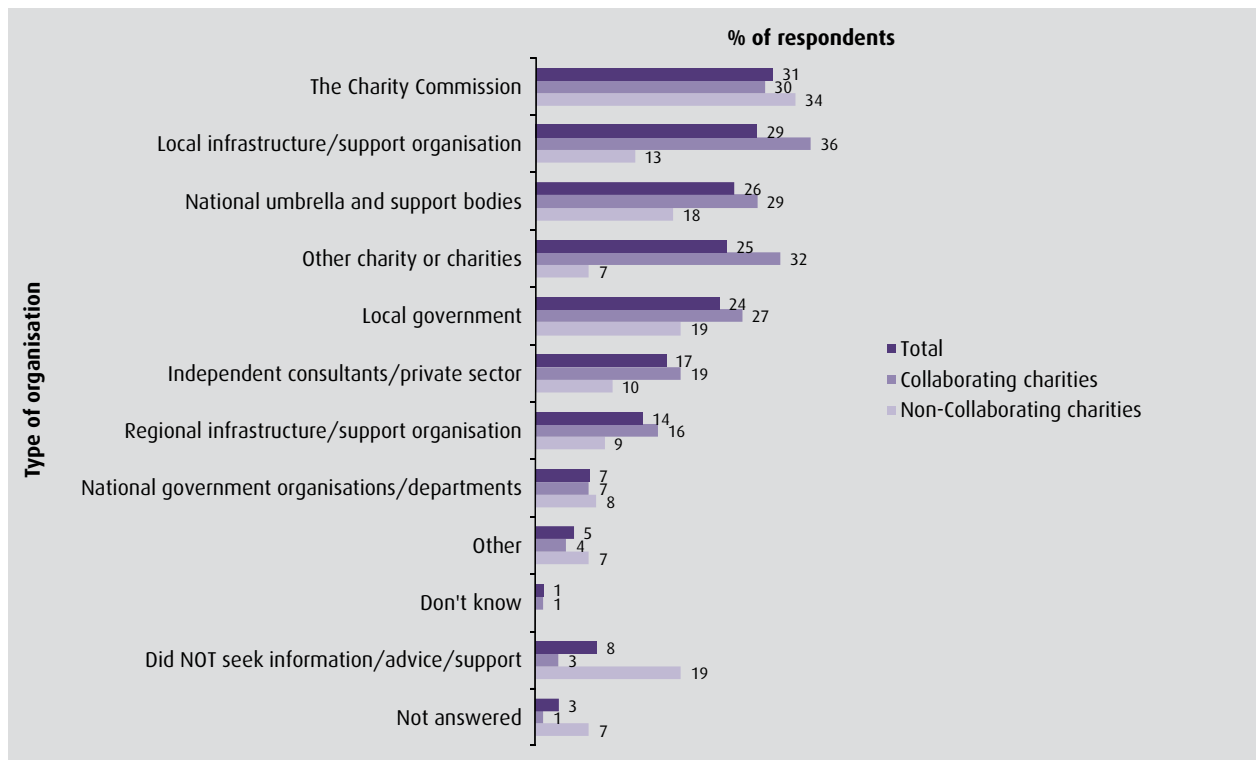## 8.2 Support accessed by those experiencing difficulties

If the type of support accessed is analysed in relation to the types of difficulties that charities reported experiencing during collaboration, then the following observations can be made:

- A significant proportion of charities did **not** seek advice or support to help overcome specific difficulties they had encountered whilst collaborating (67%).

- Of the 4% of collaborating charities that reported legal complications with their collaborative activity, 75% of these sought advice in relation to legal issues.

- Of those who had difficulties with leadership, planning or communication, 23% sought advice about planning or preparation, 23% on managing organisational change and 7% sought advice on how to deal with 'culture clashes'.

- Of those experiencing cultural differences or personality clashes, only 8% sought advice on how to deal with this issue.

8.3 Sources of support

Those charities which had sought information and advice were then asked to indicate the organisation or type of organisation from which they had sought this help; the findings are displayed in Chart 14.

Chart 14: Types of organisations from which advice sought

(Bases: All respondents who sought information[11]: Unwtd 587, Wtd 557; Collaborating charities: Unwtd 421, Wtd 396 Non-collaborating charities: Unwtd 163, Wtd 158)

The findings show that, overall, the Charity Commission and local infrastructure / support organisations were the most popular sources of information, advice or support (31% and 29% respectively).

However, charities with experience of collaboration were most likely to have sought advice from local infrastructure / support organisations (36%), although advice from other charities (32%) the Charity Commission (30%) and national umbrella / support bodies (29%) were also popular sources approached by these charities.

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11 Although this base was all those who claimed to have sought advice (as per data at Chart 13), 8% of these respondents went on to claim that they did not seek advice (as per data at Chart 14).

8.4 Support needs

All the charities surveyed were asked what support they felt they would need in order to enhance their collaborative activities or get started with collaboration. The findings are displayed in Chart 15.

Chart 15: Future needs in order to enhance, or get started with, collaboration

(Bases: All respondents: 2,515; Collaborating charities: Unwtd 1,162, Wtd 1,134; Non-collaborating charities: Unwtd 1,332, Wtd 1,360)

Half of the charity respondents expressed some form of support need, constituting 69% of collaborating charities and 34% of non-collaborating charities.

The types of needs expressed were similar for both collaborating and non-collaborating charities; respondents mainly wanted information, advice and guidance (28%), or access to funding (25%), the latter being a much more significant need for those charities that had engaged in collaborative activity over the last two years (39%).

The largest charities were most likely to identify needs (68%) and were least likely to claim to have no interest in collaborating in future (19%).

54% of the charities with no experience of collaboration said that they were not interested in collaborating in the future.

8.5 Other actions required to support collaboration

During the initial qualitative consultation, interviewees were of the opinion that there is already a great deal of information about collaboration available to charities. However, such information was considered to be providing generic rather than tailored support on how to approach collaboration.

"You can learn the theory but putting it in to practice is actually very different, it's never as easy as you think." – Interviewee

To remedy this, the interviewees suggested that more accessible, practical support was needed. It was also felt that local infrastructure organisations were best placed to help create opportunities for small charities to network, to help them identify potential partners and to promote the benefits of collaboration. Secondly, it was thought that local infrastructure organisations could help collaborating charities overcome any cultural or operational issues that may 'break the deal'. It is this kind of hands-on support that currently comes at a cost, and a cost which the smallest charities are less likely to be able to bear.

"*There is no support out there for small charities, it's out there if you've got money to pay for it, like training and everything else, but if you've got no funding you are…on your own.*" – Interviewee

8.6 Profile of non-collaborating charities that might be open to future collaboration

A segmentation analysis was carried out on the survey data to obtain a profile of those non-collaborating charities that might be open to collaboration in future if certain support needs were met – this assumption is derived from the fact that these charities positively identified support needs rather than stating that they were not interested in collaboration.

The findings from the segmentation analysis show that these charities are most likely to be:

- those with income in the £25-100K range;

- the youngest charities;

- those in the East Midlands, North East, South West and Yorkshire; and

- those engaged in sub-sectors or areas of activity similar to those engaged in by the majority of collaborating charities, ie relating to economic / community development and employment, overseas aid, sport / recreation, arts / culture and environment / conservation / heritage.
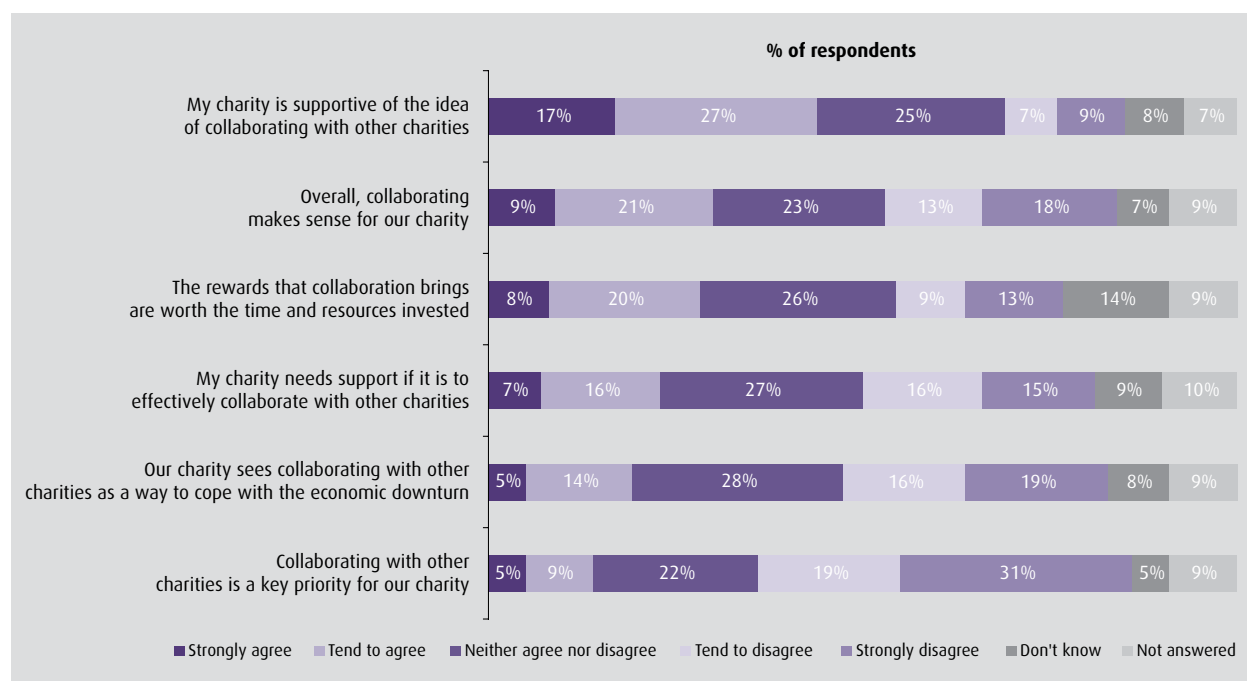
See Annex D for further information about the segmentation analysis.

8.7 General attitudes to collaboration

- The majority of collaborating charities were positive about the idea of collaboration; 77% were supportive of the idea and 58% of them thought it made sense for their charity.

- Unsurprisingly, non-collaborating charities were less enthusiastic; only 16% were supportive of the idea and only 8% felt it made sense for their charity.

All charity respondents were asked whether they agreed or disagreed with a series of attitudinal statements about collaboration. Chart 16 shows the findings for all respondents.

Chart 16: Overall attitudes towards collaboration

% of respondents

	Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	Don't know	Not answered
My charity is supportive of the idea of collaborating with other charities	17%	27%	25%	7%	9%	8%	7%
Overall, collaborating makes sense for our charity	9%	21%	23%	13%	18%	7%	9%
The rewards that collaboration brings are worth the time and resources invested	8%	20%	26%	9%	13%	14%	9%
My charity needs support if it is to effectively collaborate with other charities	7%	16%	27%	16%	15%	9%	10%
Our charity sees collaborating with other charities as a way to cope with the economic downturn	5%	14%	28%	16%	19%	8%	9%
Collaborating with other charities is a key priority for our charity	5%	9%	22%	19%	31%	5%	9%

■ Strongly agree ■ Tend to agree ■ Neither agree nor disagree □ Tend to disagree ■ Strongly disagree ■ Don't know ■ Not answered

Base: Total (All respondents): 2,515

In response to most of the above statements, around a quarter of respondents said they neither agreed nor disagreed with the statements, and a further 15 to 20% either said they did not know or did not answer the question.

However, 43% of charities were supportive of the idea of collaborating with other charities,[12] 30% agreed that collaborating made sense for their charity and 28% thought that the rewards that collaboration brought was worth the time and resources invested.

On the other hand, only a small proportion of respondents (13%) saw collaboration as a priority and only a fifth (19%) agreed that collaborating was a way of coping with the economic downturn.

The larger charities (with incomes in the £100-250K range), having had a higher incidence of collaboration over the last two years than smaller charities, were generally most positive about collaboration, with the smallest charities (incomes less than £5K) being least positive.

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12 The net agreement proportion ('Strongly agree' plus 'Tend to agree') may sometimes differ by 1% from the sum of each due to rounding of the separate percentages.

Findings from the charities that had collaborated during the last two years

Those with experience of collaboration were more positive about it. Three quarters of those charities that had collaborated during the last two years (77%) were supportive of the idea of collaboration; over half (58%) felt that collaboration made sense for their charity, and 56% thought that the rewards were worth the time and resources invested.

However, only a third (34%) saw collaboration as a way of coping with the economic downturn (as we have already seen, financial factors were not the key drivers to collaborate).

Just under a third (32%) felt they needed support in order to effectively collaborate.

Findings from the charities that had not collaborated during the last two years

Those that had not collaborated tended not to see any potential benefits. They were more likely to disagree with the statements, or feel that they didn't know or were not in a position to either agree or disagree. For example, only 16% were supportive of the idea of collaboration and only 8% felt that collaboration made sense for their charity.

Annex A – Methodology

This research, carried out by the research company GfK NOP, was conducted in two stages: an initial qualitative consultation, followed by the main quantitative survey.

Stage 1: Qualitative consultation

The aim of this consultation was to carry out an initial assessment of the issues facing small charities in relation to collaborative working. It was carried out prior to the quantitative stage and informed both the research's definition of 'small charity' and 'collaboration', as well as the development of the survey questionnaire.

The qualitative consultation consisted of 10 individual telephone interviews. These were broken down as follows:

- Seven interviews were conducted with charity sector experts with experience of working with and supporting small charities.

- Three interviews were conducted with 'frontline' charities:

  - One interview with a larger charity, with an income of between £1,000,000 and £2,000,000.

  - Two interviews with small charities, with incomes of between £5,000 and £250,000.

The large charity's and the sector experts' contact details were provided by the Charity Commission; participation was on a voluntary basis. The small charities were recruited at random from a sample frame provided by the Commission having first been screened for confirmation that they had experience of collaborative working. Interviews were conducted between January and February 2010.

Defining a 'small charity' and 'collaboration'

As explained above, the stage one consultation explored understanding and definitions of what constitutes a 'small charity' and gauged perceptions of what is meant by the term 'collaboration'.

Defining a small charity

An initial challenge facing the research was identifying an appropriate definition for a 'small charity'. Whilst annual income is the most obvious indicator, participants in the qualitative consultation stage suggested a range of other ways of characterising a charity as either 'small, medium or large'. These characteristics included:

- **The value of capital / fixed assets**
  It was suggested that smaller charities are less likely to have a strong portfolio of assets. However, the small charities taking part in the qualitative research had very low annual incomes yet owned, or held in trust, property or land representing a significant asset; this is particularly common amongst organisations that have been running for a long time. For example, village associations may own or hold in trust the land surrounding a village hall.

- **Coverage**
  Some participants suggested that small charities tend to serve limited numbers of beneficiaries. However, some small organisations do in fact reach a large number of service users, for example via internet-based information services.

- **Number of paid employees**
  The ability to employ salaried staff was suggested as a clear indication of an organisation's capacity, and therefore its size. However, the problem with relying on employee numbers as a singular definition is that vast numbers of small charities have no paid staff whatsoever. It was also suggested that capacity to employ staff was simply an indirect way of looking at income.

Definition of a 'small charity' for the purpose of this research

On reflection, it was considered that although the above factors may be combined to provide some rough characteristics of small charities, they would not have provided a clear stratification of the sector for the purposes of this study. Defining the precise distinguishing features of a small charity was judged to be subjective and elusive.

The advantage of using income as a primary definition was its connection to charities' legal and regulatory obligations. It was recognised that as a charity's income rises, so too does its reporting obligations to the Charity Commission. It was this increasing level of accountability that was regarded as a key defining characteristic between larger and smaller charities. For a full breakdown of the reporting income thresholds see *CC15b – Charity Reporting and Accounting: The essentials*: www.charitycommission.gov.uk/publications/cc15b. aspx.

Following the qualitative consultation, income was chosen as the key characteristic defining a small charity for this study. It was decided that the definition would include all registered charities with incomes of £250,000 and below. A relatively high threshold was chosen in order to allow for greater comparison across income bands and to examine the relationship between collaboration and organisational growth (if any).

Definition of 'collaboration' for the purpose of this research

The term 'collaboration,' while common currency among expert interviewees, was not readily seen by the small charities taking part in the consultation as an overarching description of the full range of activities they undertake with other charities. To these small charities, 'collaboration' implied formal, long term co-operation aimed at achieving a pre-defined target or outcome. It was felt to be an activity that was undertaken by larger charities and not something that was relevant to them.

However, the two small charities taking part in the qualitative consultation were in fact engaged in a range of collaborative activities, such as:

• making venues available to local charities;

• sharing expertise / experience in running a charity;

• lending equipment such as chairs and tables; and

• volunteering to help with events staged by other charities.

Instead of collaboration, terms such as 'borrowing', 'sharing', 'lending', 'donating', 'supporting' and 'co-operating' tended to be used by these small charities to describe such activities. More significantly, the incidence of 'borrowing' and 'sharing' appeared to be a common occurrence among small charities suggesting that small charities could easily overlook these low-level collaborative relationships as they are simply part of their routine, day-to-day ways of working.

The term 'collaboration' can therefore cover a spectrum of activities. Because of this, clarity was required to ensure that small charities gave sufficient attention to the low level activities they engaged in with other charities. For the purposes of this research study, the definition of collaboration was as follows:

"What we mean by 'collaboration' in this survey is joint working with another charity or sharing knowledge or resources with another charity, whether in a formalised way (eg using a contract / service level agreement) or in an informal way (eg no agreement in writing or no setting out of terms beforehand)."

A deliberately broad definition was chosen because the Charity Commission wanted to capture the full range of different ways of collaborating, including informal activities such as sharing ideas and information. This definition is slightly wider than the official Commission definition outlined in the Introduction, which omits the sharing of resources.

Stage 2: Quantitative postal survey

Questionnaire

The findings from the qualitative consultation informed the development of a survey questionnaire. A small pilot of this questionnaire was conducted via email; twelve charities responded. Small amendments were made to the questionnaire as a result of their feedback.

The final questionnaire contained a total of 27 questions, a copy of which can be found at Annex B.

Sampling and method

The quantitative survey method was chosen in order to achieve statistically reliable data that could be extrapolated to the wider population of small charities (those with annual income of no more than £250,000). The aim was to achieve at least 2,500 responses, allowing a maximum margin of error of +/-2%. In order to reach this target, questionnaires were posted out to 10,524 charities, GfK NOP anticipating a response rate of at least 25%. The sample frame design was based on population proportions by charity income and region. However, the £0-5K income bracket was deliberately under represented, and others boosted, in order to aim to achieve at least 400 returned questionnaires in each of the first four income brackets and at least 200 in the £100-250K bracket – see table below.

	Population profile	Sample frame profile	Sample frame numbers
£0-5K[13]	37%	30%	3,156
£5-10K	17%	19%	1,983
£10-25K	17%	19%	2,009
£25-100K	20%	22%	2,326
£100-250K	8%	10%	1,050
Grand Total			10,524

In addition, the North East and Wales were slightly boosted, and the South of England slightly under represented in order to increase the chances of achieving at least 100 returned questionnaires from each region – see table below.

	Population profile	Sample frame profile	Sample frame numbers
North East	3%	5%	511
North West	9%	9%	992
Yorkshire & Humber	7%	7%	746
East Midlands	7%	6%	681
West Midlands	10%	11%	1,112
East of England	12%	12%	1,232
London	15%	14%	1,512
South East	18%	17%	1,833
South West	13%	12%	1,311
Wales	5%	6%	594
Grand Total			10,524

13 These income bands have been written in this format throughout this document for simplification purposes. However, the exact bands they represent are as follows: '£0-5K' = £0 – 5,000, '£5-10K'=£5,001-10,000, '£10-25K'= £10,001 – 25,000, '£25-100K' = £25,001-100,000, '£100-250K'= £100,001-250,000.

We also ensured that the sampling frame contained at least 500 charities within each of the possible charity activity categories – see list below:

- General charitable purposes
- Education / training
- Medical / health / sickness
- Disability
- Relief of poverty
- Overseas aid / famine relief
- Accommodation / housing
- Religious activities
- Arts / culture
- Sport / recreation
- Animals
- Environment / conservation / heritage
- Economic / community development / employment.

The questionnaires were addressed to the Charity Correspondent of each charity for their onward dispatch to whom they felt most appropriate for completing the questionnaire. A postal methodology was decided upon as the Charity Commission's database held a higher proportion of Charity Correspondents' postal addresses than email addresses. The fieldwork took place between 22nd March and 19th April 2010. A week prior to the close of fieldwork, 2,000 letter reminders were posted out to non-respondents, and over 3,000 email reminders sent.

Analysis and reporting

The resulting data was weighted to reflect the population of small charities by income and region. The data was analysed by all profiling information (either present in the sample or collected within the survey questionnaire), and a segmentation analysis was also performed on the data. This segmentation analysis was conducted in order to find homogenous clusters of charities which have similar attitudes and / or behaviour in relation to collaboration – for futher detail about the segmentation analysis, see Annex D.

Annex B – Respondent profile

A total of 2,515 responses were achieved, representing a 24% response rate. The tables below show the achieved responses by income and region, respectively, together with bases following weighting of the data to the population profiles.

	Achieved responses	Weighted bases
£0-5K	757	934
£5-10K	471	426
£10-25K	490	438
£25-100K	545	503
£100-250K	252	214
Grand Total	2,515	2,515

	Achieved responses	Weighted bases
North East	140	80
North West	221	241
Yorkshire & Humber	182	189
East Midlands	168	166
West Midlands	297	257
East of England	306	308
London	257	370
South East	451	448
South West	343	322
Wales	150	133
Grand Total	2,515	2,515

Additional respondent profile information is set out below. The tables show the profiles of the unweighted (Uwtd) and weighted (Wtd) data set (2,515) by:

- Sample (Charity Commission database) information:
  - Income vs region
  - Charity Activity
  - Geographical area of coverage

- Questionnaire responses:
  - Q1: Age of charity (how long it has been operating)
  - Q2: Sources of income (any rank or source indicated in another way)
  - Q3: breakdown of total staff by 'paid' or 'volunteer' status
  - Q3: breakdown of total number of staff
  - Q4: Whether or not part of a federation
  - Q5a: Whether or not coverage is at a localised level
  - Q5b: Whether coverage is across urban and / or rural area

Income vs region of base	Total	North East	North West	Yorkshire and Humber	East Midlands	West Midlands	East of England	London	South East	South West	Wales
Unwtd Base	2515	140	221	182	168	297	306	257	451	343	150
Wtd Base	2515	80	241	189	166	257	308	370	448	322	133
0-5K	934	30	92	72	68	101	123	114	153	125	56
	37%	37%	38%	38%	41%	39%	40%	31%	34%	39%	42%
5-10K	426	13	41	33	30	45	54	53	75	57	25
	17%	17%	17%	17%	18%	18%	17%	14%	17%	18%	19%
10-25K	438	13	40	32	28	45	53	63	86	57	22
	17%	16%	17%	17%	17%	17%	17%	17%	19%	18%	16%
25-100K	503	16	46	36	29	46	58	90	98	62	22
	20%	20%	19%	19%	17%	18%	19%	24%	22%	19%	16%
100-250K	214	8	22	16	11	20	20	49	37	22	9
	9%	10%	9%	9%	7%	8%	7%	13%	8%	7%	6%

Geographical Area of coverage	Unwtd	%	Wtd	%
Base	2515		2515	
Local/regional and Outside UK/ROI	23	1	23	1
Local/regional only	2095	83	2073	82
National and Outside UK/ROI	70	3	75	3
National only	276	11	295	12
Outside UK/ROI only	51		50	

Charity Activity	Unwtd	%	Wtd	%
Base	2515		2515	
General Charitable Purposes	744	30	738	29
Education/Training	1154	46	1138	45
Medical/Health/Sickness	370	15	370	15
Disability	370	15	360	14
Relief of Poverty	394	16	404	16
Overseas aid/Famine relief	136	5	136	5
Accommodation/Housing	125	5	125	5
Religious activities	398	16	400	16
Arts/culture	478	19	473	19
Sport/recreation	582	23	556	22
Animals	130	5	125	5
Environment/Conservation/Heritage	366	15	362	14
Economic/Community development/Employment	310	12	298	12
Other charitable purposes	76	3	76	3

Q1: Age of charity	Unwtd	%	Wtd	%
Base	2515		2515	
Less than 1 year	12	*	12	*
1 year to less than 5 years	198	8	193	8
5 years to less than 10 years	298	12	295	12
10 years to less than 20 years	524	21	523	21
20 years or longer	1455	58	1464	58
Not answered	28	1	29	1

* denotes percentages less than 0.5%

Q2: Sources of income	Unwtd	%	Wtd	%
Base	2515		2515	
Donations (from living donors)	1219	48	1207	48
Legacies	390	16	399	16
Grants from foundations/trusts	745	30	701	28
Funding from private companies	182	7	180	7
Grant(s)	468	19	435	17
Contract(s)	105	4	90	4
Selling or events	975	39	943	38
Rent/hire	579	23	538	21
Delivery of services	297	12	280	11
Subscriptions	638	25	624	25
Investments	611	24	627	25
Trading subsidiary income	57	2	52	2
Not answered	26	1	28	1
NET: Earned income	1978	79	1953	78
NET: Statutory income	509	20	469	19
NET: Other	1686	67	1672	66

Q3: Staff by 'paid' and 'volunteer' status	Unwtd	%	Wtd	%
Base	2515		2515	
Paid only	130	5	123	5
Paid and volunteers	649	26	585	23
Volunteers only	1062	42	1094	43
No response	674	27	713	28

Q3: Total number of staff	Unwtd	%	Wtd	%
Base	2515		2515	
Less than 10	905	36%	927	37%
10 to 49	855	34%	801	32%
50 to 249	77	3%	69	3%
250+	4	*	5	*
No response	674	27%	713	28%

* denotes percentages less than 0.5%

Q4: Whether or not charity is part of a federation	Unwtd	%	Wtd	%
Base	2515		2515	
Yes	522	21	518	21
No	1939	77	1942	77
Not answered	54	2	54	2

Q5a: Whether coverage is localised	Unwtd	%	Wtd	%
Base	2515		2515	
At the local level	1920	76	1905	76
Wider geographical area	539	21	552	22
Not answered	56	2	58	2

Q5b: Whether coverage is urban or rural	Unwtd	%	Wtd	%
Base	2515		2515	
Rural	907	36	897	36
Urban	727	29	762	30
Both	820	33	795	32
Not answered	61	2	61	2

GfK GfK NOP

CHARITY COMMISSION

Small charities & collaboration

QUESTIONNAIRE COMPLETION INSTRUCTIONS

- Please read each question and select the response option that most closely reflects your view.
- Please try to answer every question. However, if a question is not relevant to you, please leave it blank rather than selecting a response that doesn't meet your needs.
- Put a cross in one (or more) of the boxes, as applicable to the question being answered. Your answers will be read by an 'electronic eye' so it is important that you mark a cross using black ink.
- If you make a mistake, scribble out the cross in the wrong box, e.g. the following response would indicate that the charity had been operating for 'Less than 1 year'

EXAMPLE

Q1 ***For how long has your charity been operating?*** *Please cross <u>one</u> box only*

Less than 1 year ☒   10 years to less than 20 years ☐

1 year to less than 5 years ◼   20 years or longer ☐

5 years to less than 10 years ☐

DEFINITION OF 'COLLABORATION'

What we mean by 'collaboration' in this survey is joint working with another charity or sharing knowledge or resources with another charity, whether in a formalised way (e.g. using a contract/ service level agreement) or in an informal way (e.g. no agreement in writing or no setting out of terms beforehand).

SECTION 1 – ABOUT YOUR CHARITY

Q1 **For how long has your charity been operating?** *Please cross <u>one</u> box only*

Less than 1 year ☐   10 years to less than 20 years ☐

1 year to less than 5 years ☐   20 years or longer ☐

5 years to less than 10 years ☐

Q2 **What are your charity's sources of income/funding?** *Please <u>rank these sources</u> by writing '1' against the main source, '2' against the secondary source, '3' against the third largest contributor to your income, etc..*

Donations (from living donors) ☐   **Earned income from...**

Legacies ☐   …selling or events ☐

Grants from foundations/trusts ☐   …rent/hire ☐

Funding from private companies ☐   …delivery of services ☐

Statutory income   …subscriptions ☐

Grant(s) ☐   …investments ☐

Contract(s) ☐   …trading subsidiary income ☐

Serial Number

1

Q3 **How many of each of the following categories of staff work for your charity, including yourself and all trustees/patrons/committee members?** *Please enter figures for each, and include staff in all locations. Write '0' if the category does not apply*

Full time paid (35 or more hours per week) ☐   Full time volunteer (35 or more hours per week) ☐

Occasional/Part time paid ☐   Occasional/Part time volunteer ☐

Q4 **Is your charity part of a federation of charities / larger group structure?** *Please cross one box only*

Yes ☐   No ☐

Q5a **Does your charity predominantly provide benefit at the local level (i.e. local district/borough or smaller) or across a wider geographical area?** *Please cross one box only*

At the local level ☐   Wider geographical area ☐

Q5b **Does your charity work predominantly in rural or urban communities?** *Please cross one box only*

Rural ☐

Urban ☐

Both ☐

Q6 **What challenge(s) has your charity faced over the last two years, if any?** *Please cross all that apply*

Maintaining sustainable flow of income/funding ☐   Recruitment/retention of staff/volunteers ☐

Managing organisational growth ☐   Complying with regulation/legislation ☐

Rising costs ☐   Operational issues ☐

Meeting growing demand for our services ☐   Other ☐

Promoting the charity ☐   No challenges ☐

SECTION 2 – DOES YOUR CHARITY COLLABORATE?

Q7 **Has your charity engaged in any of the following types of collaborative activity over the last two years?** *Please cross all that apply.*

Joint working

Joint services to charity beneficiaries ☐

Joint fundraising activities/events ☐

Consortium or joint funding applications ☐

Consortium or joint bidding for public service delivery contracts ☐

Joint campaigning ☐

Buying something together ☐

Any other type of joint project ☐

Negotiations to ensure non duplication of activity ☐

Sharing resources

Sharing back office functions, such as administration, HR, IT, finance or payroll ☐

Sharing workspace, facilities and/or land ☐

Sharing vehicle(s) ☐

Sharing other equipment (including borrowing/lending) ☐

Sharing information, ideas, expertise or contacts in an informal way – e.g networking via events, telephone or email ☐

Sharing information, ideas, expertise or contacts in a more formal way – e.g. contractual exchange ☐

Sharing staff or joint staff employment ☐

Joint training events for staff ☐

Other ☐

No collaboration, working together or sharing activity ☐

If you have NOT crossed any of the 'collaboration' options in Q7 above please go to Q8.
If you HAVE crossed one or more of the options in Q7 please go to Q9.

2

Q8. **You state that you have not engaged in any collaborative activity over the last two years. Please indicate your reasons for this.** *Please cross all that apply*

Never thought about collaboration ☐

Perceived risks to the charity ☐

Lack of knowledge, time and/or resources ☐

Lack of support from within the organisation (e.g. from the board, staff, volunteers and/or beneficiaries) ☐

No appropriate charity partners ☐

Previous collaboration unsuccessful ☐

No need to collaborate with others / not convinced of benefits ☐

Never been approached by another charity or charities ☐

Any other reason for not collaborating (please specify below) ☐

Thank you - Please now go to Q20 in Section 4.

Q9 **Is your charity <u>currently</u> engaged in <u>any</u> of the forms of collaboration outlined in Q7? (ie collaboration ongoing now)**

Yes ☐   No ☐

Thank you – please now go to Q10 in Section 3 below.

SECTION 3 – YOUR EXPERIENCES OF COLLABORATION

Only answer questions in this section if you have crossed one or more of the 'collaborative' options in Q7.

Q10 **What sized charities, compared to your own, have you engaged in collaborative activity with over the last two years?** *Please cross all that apply*

Larger ☐   Smaller ☐

Similar size ☐   Don't know ☐

Q11 **Have these collaborative arrangements been formal or informal?** *Please cross <u>one</u> box only*

Formal (e.g. using a written agreement) ☐

Informal (e.g. no agreement in writing or no setting out of terms beforehand) ☐

Both formal and informal ☐

Don't know ☐

Q12   What prompted your charity to become involved in these collaborations? *Please cross all that apply*

Financial
To develop/sustain income streams ☐
To improve efficiency/ reduce costs ☐
To meet requirements of funding/commissioning bodies ☐
Lack of funding to deliver service(s)/projects on our own ☐

Responding to another charity
We wanted to help another charity ☐
Another charity wanted to help us ☐
Other charity has similar aims/activities ☐
Other charity works in same geographic area ☐

Charity effectiveness/development
To improve services and/or reduce duplication ☐
To increase impact of our campaigns ☐
To access skills/knowledge not available in our organisation ☐
To access facilities/equipment not available in our organisation ☐
New project required new way of working ☐

Needs/interests of beneficiaries
Wanted to deliver our services or activities in a more holistic, integrated way and/or reduce duplication ☐

Don't know ☐
Any other reasons (please specify below) ☐

[   ]

Q13   How was contact initially made with your collaborative partner(s)? *Please cross all that apply*

Looked ourselves/approached another charity ☐
Approached a charity using a broker/intermediary ☐
Another charity approached us ☐

A broker/intermediary approached us ☐
We have a history of working together ☐
Don't know ☐

Q14   Which of the following benefits or impacts, if any, do you feel your collaborative activity has had over the last two years? *Please cross <u>all that apply</u> under column Q14a in the table below, and also indicate the <u>**one**</u> main benefit in column 14b.*

	Q14a BENEFITS	Q14b <u>MAIN</u> BENEFIT
Benefits for beneficiaries		
Services maintained/developed/improved	☐	☐
Increased number of beneficiaries reached	☐	☐
A more holistic service/offering	☐	☐
Allowed charity to focus on core activity	☐	☐
Benefits for our charity		
Reduced costs/saved money	☐	☐
Increased access to funding opportunities	☐	☐
Enhanced reputation / public support	☐	☐
Accessed new skills, expertise and/or information	☐	☐
Improved staff/volunteer recruitment or retention	☐	☐
Benefits for sector		
Avoided duplication of service	☐	☐
Taken a more coordinated approach	☐	☐
Had greater impact by working with other charities	☐	☐
Other	☐	
No benefits	☐	
Don't know	☐	

4

Q15 Overall, how successful or unsuccessful do you think your collaborative experiences have been, over the last two years? *Please cross one box only*

Very successful ☐
Quite successful ☐
Not very successful ☐
Not at all successful ☐
Don't know ☐ **(if you select this option please go to Q17)**

Q16 You have stated above that your collaborative activity has been either successful or unsuccessful, broadly speaking. Please indicate the main factors that have contributed to this overall success, or lack of success, of your collaborative activities over the last two years. *Please cross all that apply*

Quality of leadership, planning and/or communication ☐
Quality of pre-existing relationship with partner charity ☐
Extent of access to sufficient resources (e.g. funding to set up the collaboration) ☐
Degree of compatibility of organisational aims, values and mission ☐
Level of support from the board of trustees ☐
Level of support and involvement from funding bodies/commissioners ☐
Other (please specify below) ☐

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Q17 Did you encounter any of the following difficulties during the collaborative activity you have been engaged in over the last two years? *Please cross all that apply under column Q17a in the table below, and also indicate the one main difficulty in column Q17b.*

	Q17a **Difficulties**	Q17b **Main difficulty**
Leadership, planning and/or communication difficulties	☐	☐
Legal complications	☐	☐
Differences in charity aims and/or beneficiaries	☐	☐
Differences in individual personalities / culture / ways of working	☐	☐
Loss of independence/control	☐	☐
Negative impacts on the charity (e.g. on reputation, quality of service)	☐	☐
Lack of resources such as time, funding and/or expertise	☐	☐
Lack of support/involvement from the board of trustees	☐	☐
Other (please specify below)	☐	☐

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No difficulties ☐ **(If you select this option, please go to Q19)**
Don't know ☐ **(If you select this option, please go to Q19)**

Q18   Which steps did your charity take, if any, to try to prevent or overcome these difficulties? *Please cross all that apply*

Did NOT take any steps ☐

Downloaded resources such as toolkits, checklists and case studies from the web ☐

Contacted support/umbrella organisations directly (e.g. via email or telephone) for advice and guidance ☐

Held board discussions on the collaborative venture ☐

Attended training/workshops about collaboration ☐

Sought funding to support collaborative activity ☐

Networked or engaged with other collaborating charities to learn from them ☐

Used an intermediary or consultant to help ☐

Set up clear plans, agreements and responsibilities in writing ☐

Took part in relationship-building exercises and events with the partner charity or charities ☐

Monitored and evaluated the collaborative activity over time ☐

Don't know ☐

Other (please specify below) ☐

Q19   With hindsight, do you feel that your charity was at the right stage of development for the collaborative activity that you have been involved with over the last two years? *Please cross one box only*

Yes, at right stage for all collaborative activity ☐

At right stage for some collaborative activity but not all, OR not at right stage for any of the collaborative activity (please explain below) ☐

Thank you - please now go to Q20 in Section 4.

SECTION 4 – INFORMATION, SUPPORT AND ADVICE ACCESSED

Q20.   Has your charity sought information, advice or support over the last two years in relation to any of the following issues relating to collaborative activity? *Please cross all that apply*

Did NOT seek information/advice/support ☐   ...legal and/or regulatory aspects ☐

Don't know ☐   ...risks involved ☐

Sought information, advice or support on....   ...how to deal with culture or personality clashes ☐

...range of different ways of collaborating ☐   ...lack of funding ☐

...planning and preparation ☐   ...managing organisational change/development ☐

Other (please specify below) ☐

Q21.   From which type of organisations, if any at all, has your charity accessed information, support or advice in relation to collaborative activity over the last two years? *Please cross all that apply*

Did NOT seek information/advice/support ☐   National government organisations/departments ☐

National umbrella and support bodies ☐   Local government ☐

The Charity Commission ☐   Independent consultants/private sector ☐

Local infrastructure/support organisation ☐   Don't know ☐

Regional infrastructure/support organisation ☐   Other charity or charities ☐

Other ☐

Thank you - please now go to Q22 in Section 5.

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SECTION 5 - CONSIDERING COLLABORATION

Q22. Over the past two years, has your charity actively <u>considered</u> or seriously explored the possibility of a collaborative venture which for whatever reason has <u>not</u> gone ahead?
Please cross <u>one</u> box only

Yes ☐ **GO TO Q23**

No ☐ **GO TO Q25 in Section 6**

Q23. What prompted your charity to consider this collaborative activity? *Please cross all that apply*

Financial		Charity effectiveness/development	
To develop/sustain income streams	☐	To improve services and/or reduce duplication	☐
To improve efficiency/ reduce costs	☐	To increase impact of our campaigns	☐
To meet requirements of funding/commissioning bodies	☐	To access skills/knowledge not available in our organisation	☐
Lack of funding to deliver service(s)/projects on our own	☐		
Responding to another charity		To access facilities/equipment not available in our organisation	☐
We wanted to help another charity	☐		
Another charity wanted to help us	☐	New project required new way of working	☐
Other charity has similar aims/activities	☐	**Needs/interests of beneficiaries**	
Other charity works in same geographic area	☐	Wanted to deliver our services or activities in a more holistic, integrated way and/or reduce duplication	☐
		Don't know	☐
		Any other reasons (please specify below)	☐

Q24. Why did this collaborative activity <u>not</u> go ahead?
*Please cross <u>all that apply</u> in column 24a, and indicate the <u>**one**</u> main reason in column 24b*

	Q24a **Reasons**	Q24b <u>Main</u> **Reason**
Leadership, planning and/or communication difficulties	☐	☐
Legal complications	☐	☐
Differences in charity aims and/or beneficiaries	☐	☐
Differences in culture / ways of working and/or personality clashes	☐	☐
Loss of independence/control	☐	☐
Negative impacts on my charity (e.g. on reputation, quality of service)	☐	☐
Benefits were not worth the overall effort or cost	☐	☐
Lack of resources such as time, funding and/or expertise	☐	☐
Lack of support/involvement from the board of trustees	☐	☐
Don't know	☐	
Other (please specify below)	☐	☐

Thank you - please now go to Q25 in Section 6.

SECTION 6 – YOUR FINAL THOUGHTS ON COLLABORATION AND YOUR SUPPORT NEEDS

Q25. To what extent do you agree or disagree with the following statements?
Please cross one box on each line

	Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	Don't know
My charity is supportive of the idea of collaborating with other charities	☐	☐	☐	☐	☐	☐
My charity needs support if it is to effectively collaborate with other charities	☐	☐	☐	☐	☐	☐
Our charity sees collaborating with other charities as a way to cope with the economic downturn	☐	☐	☐	☐	☐	☐
Collaborating with other charities is a key priority for our charity	☐	☐	☐	☐	☐	☐
Overall, collaborating makes sense for our charity	☐	☐	☐	☐	☐	☐
The rewards that collaboration brings are worth the time and resources invested	☐	☐	☐	☐	☐	☐

Q26. What does your charity need in order to enhance its collaborative activities or to get started with collaboration? *Please cross all that apply*

Information, advice and guidance ☐   Education/training/workshops ☐

Access to funding ☐   Access to partnership brokerage ☐

Networking opportunities ☐   Tailored consultancy/facilitation ☐

Other (please specify below) ☐

None – we are not interested in collaboration ☐

Don't know ☐

Q27. What more do you think needs to be done, and by whom, to support small charities to consider and / or carry out successful collaborative activity with other charities? *Please write in below*

Thank you for taking the time to complete the survey.
Please use the REPLY-PAID envelope provided, or post your questionnaire to
GfK NOP, FREEPOST KE4466, 91 Victoria Road, Chelmsford, Essex, CM1 1ZZ,
by Monday 12th April 2010
Your views are important and will help to make a difference.

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Annex D – Segmentation analysis

Segmentation analysis has revealed two distinct clusters which may be of use in terms of providing a targeted focus for effecting positive outcomes from the research:

- **A group of non-collaborating charities that was more positive than others about collaboration and more likely to identify support needs. Members of this cluster tended to be the youngest charities, fairly large (relying mainly on donations or selling / events for income), and those who lacked knowledge about collaboration.**

- **A group of collaborating charities that was most positive about collaboration, having encountered successful collaborations. Members of this cluster also tended to be young charities, some of the largest, and had entered into more formal collaborative arrangements with larger charities than themselves.**

Introduction to segmentation and its purpose

Segmentation analysis separates the respondents into distinct groups, or clusters, with each demonstrating attitudes and behaviour distinct from the others. Statistical software was used to do this. The process involves initially identifying all the questions that will be included in the segmentation analysis (numerical / attitudinal questions are best, or questions where there is a numerical scale, such as income), and using the software to sort respondents into a certain number of clusters. The analysis software then begins an iterative process whereby it assigns cluster centres (based on all the variables), with each respondent being assigned to that cluster according to how they responded. The clustering algorithm aims to maximise the distance (difference) between clusters and minimise the difference within them. After the process is completed, clusters are obtained such that each cluster's members are demonstrating similar attitudes and behaviour. Statistical tests are performed to check how closely related the members of each cluster are (or how distinct the clusters are from each other). This could reveal that they are not homogenous enough, which would indicate that the process should be repeated by asking the software to divide into a greater number of clusters.

For this study, once clusters were defined (based on the most distinct clusters), each cluster was profiled with other variables that were not included in the clustering process (ie those which are not numerical in any way, eg region, charity activity etc), to see if they had any influence within the clusters.

A segmentation analysis was carried out separately for the 'collaborating charities' and 'non-collaborating charities'.

The segmentation exercise for the non-collaborating charities provides information on the types of charities (eg in terms of income and age of the charities) that might be more easily encouraged to collaborate, and highlights the types of support they need in order to do so.

The segmentation exercise on the collaborating charities provides an indication of the types of charities, and collaboration activities, which have been most successful in their collaboration.

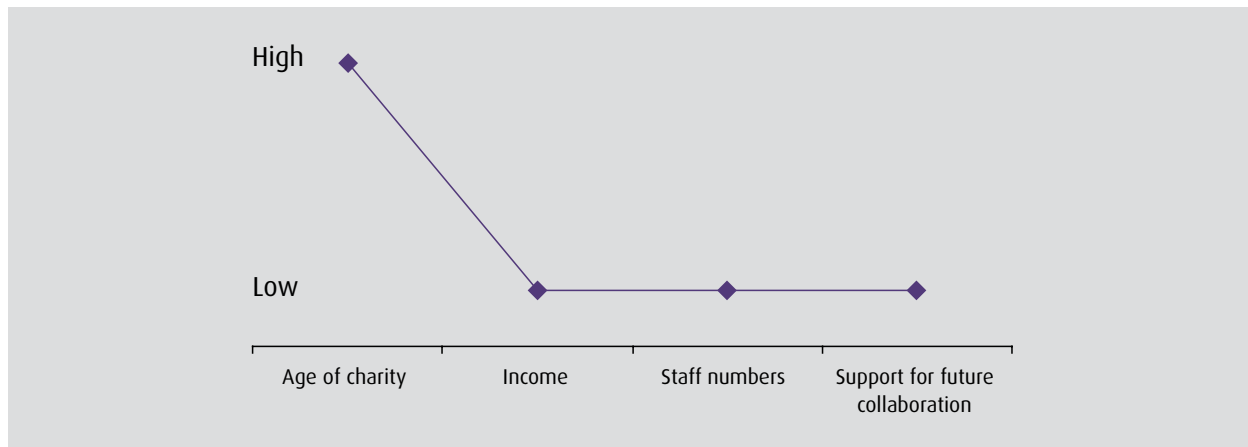## Clusters of non-collaborating charities

Segmentation analysis has revealed three distinct clusters for the non-collaborating charities, as follows

- small, established and disinterested;

- large, established, with some interest; and

- Young, medium-sized and most interested.

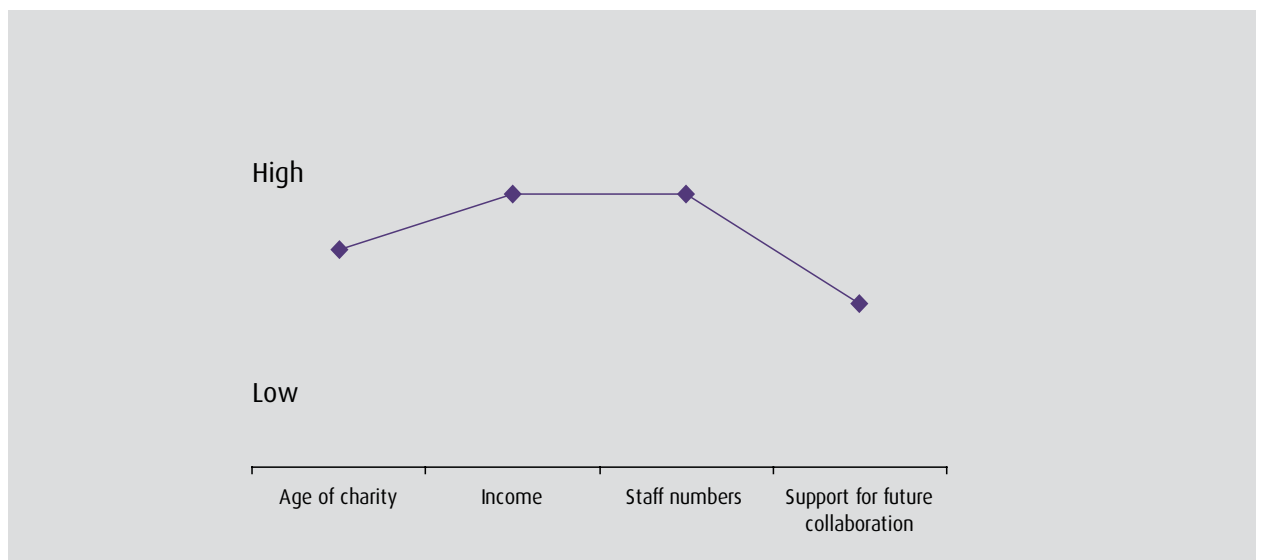Pen portraits of these are as follows:

Cluster 1 (52% of non-collaborating charities): Small, established and disinterested

- These tend to be the oldest charities, running for more than 20 years.

- They are small in terms of income (58% have up to £5K, 11% with £25-100K) and the total number of paid and volunteering staff members (only four on average).

- They are most likely of all the clusters to rely on investments for income (42%).

- Their barriers to collaborate mainly relate to having no need to collaborate and not seeing the benefits.

- They are least supportive of the idea of collaboration, and most likely to have no interest in the future (66% indicated they have no support needs).
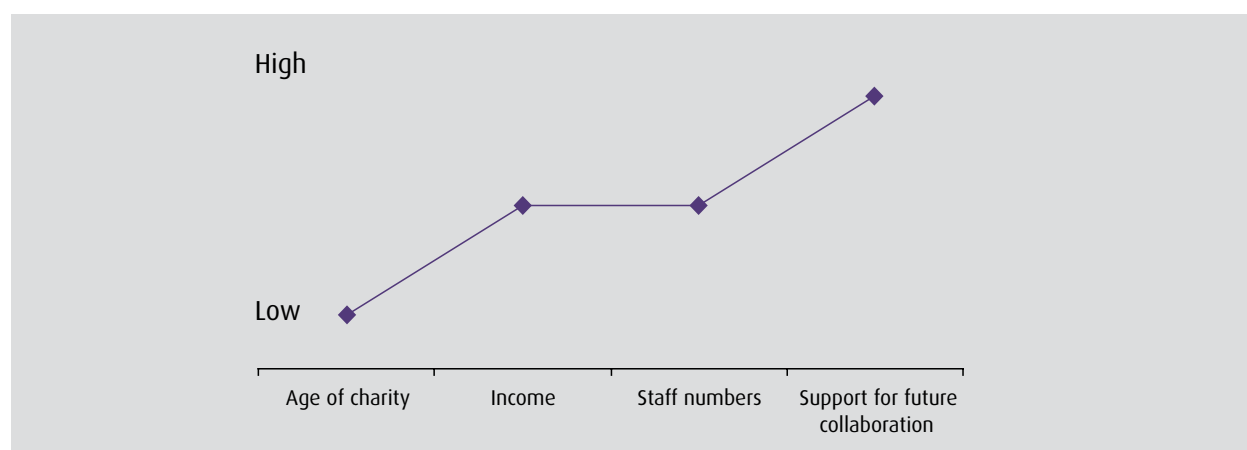
Cluster 2 (30% of non-collaborating charities): Large, established, with some interest

- These are also some of the oldest charities, although slightly younger on average than Cluster 1 charities.

- They are the largest in terms of income (only 27% with up to £5K, 25% with £25-100K) and staff / volunteer members (16 on average).

- They are more likely than others to rely on donations (53%) and income from selling or events (53%), then subscriptions (35%), then grants from foundations / trusts (30%).

- Their barriers to collaboration relate to having no need, but also to the lack of appropriate partners and lack of approaches by other charities.

- They have more positive views than Cluster 1 to the idea of collaboration, although are not as positive as Cluster 3; only 39% indicated they have no support needs in relation to future collaboration (although 33% felt they needed advice, information and guidance).

High

Low

Age of charity   Income   Staff numbers   Support for future collaboration

Cluster 3 (18% of non-collaborating charities): Young, medium-sized and most interested

- These are the youngest charities, generally running for less than 10 years.

- They tend to be larger than cluster 1, but smaller than cluster 2 charities, in terms of income (34% with up to £5K, 21% with £25-100K) and total number of paid and volunteering staff (average of eight staff / volunteer members on average).

- They rely most on donations (60%), then income from selling / events (41%), and are least likely to rely on investments (13%).

- Their barriers to collaboration relate to having no need, but also to the lack of appropriate partners, a lack of approaches by other charities and a lack of knowledge.

- They are the most positive of all the clusters towards the idea of collaboration, and only 40% of them indicated that they had no support needs. As apparent from their barriers, they are the cluster most likely to need further information, advice and guidance if they are to collaborate in the future (40%, compared with only 33% of Cluster 2).

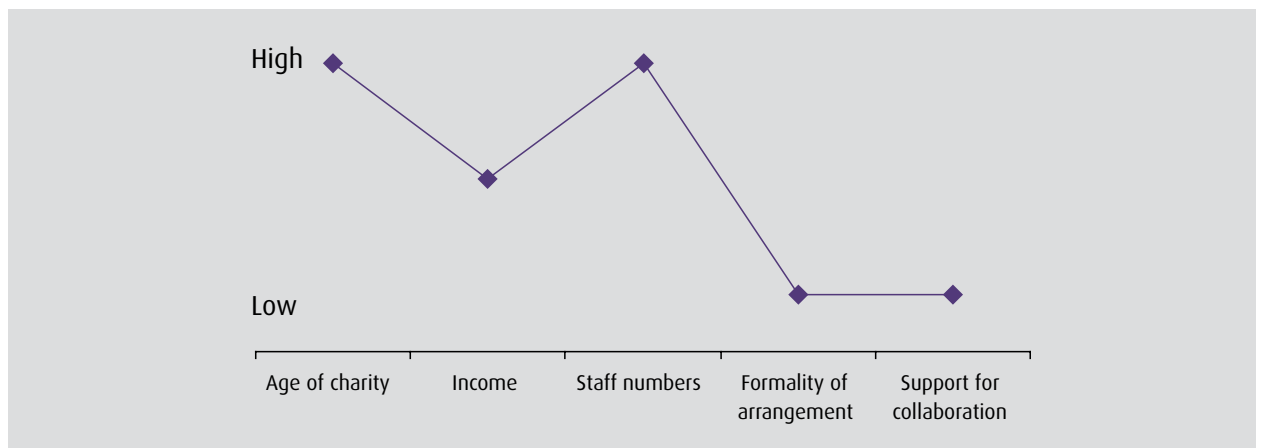**Clusters of collaborating charities**

Segmentation analysis has revealed three distinct clusters for the collaborating charities, as follows:

- large, established, informal with smaller charities, least positive;

- large, young, more formal with larger charities, most positive; and

- small, established, successful informal with some larger charities, positive.
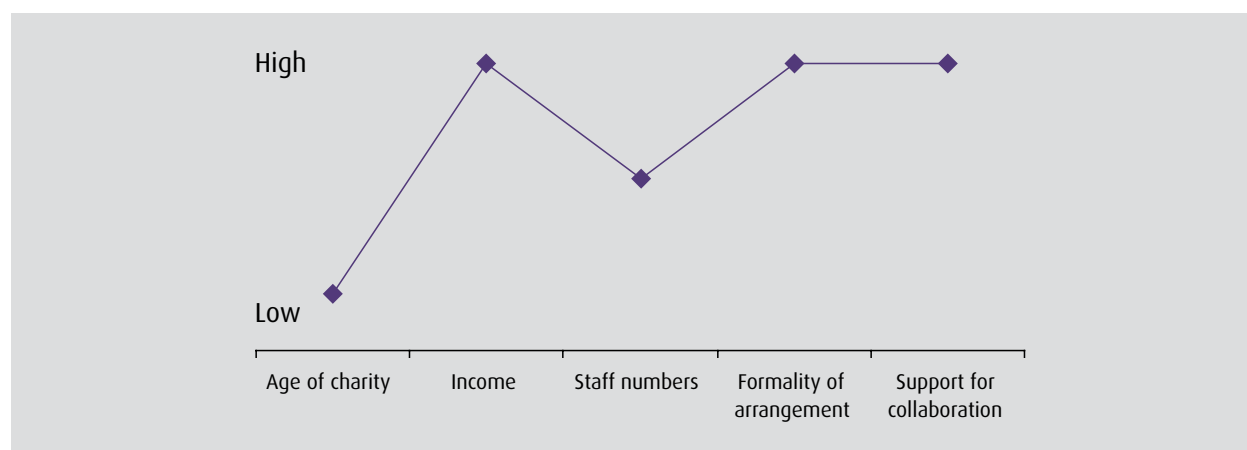
Pen portraits of these are as follows:

Cluster 4 (39% of collaborating charities): Large, established, collaborate informally with smaller charities, least positive

- These tend to be the oldest charities, running for more than 20 years.

- They are medium-sized in terms of income (28% have up to £5K, 14% with £100-250K), but largest in terms of staff / volunteer numbers (33 on average), particularly paid members of staff.

- They are most likely of all the clusters to rely on donations (64%), income from selling / events (61%) and subscriptions (42%).

- They have tended to collaborate with charities of a similar size (57%), but are also most likely of all the clusters to collaborate with smaller charity partners.

- They are most likely to have undertaken only informal arrangements (69%).

- Their collaborations have been least successful of all the clusters.

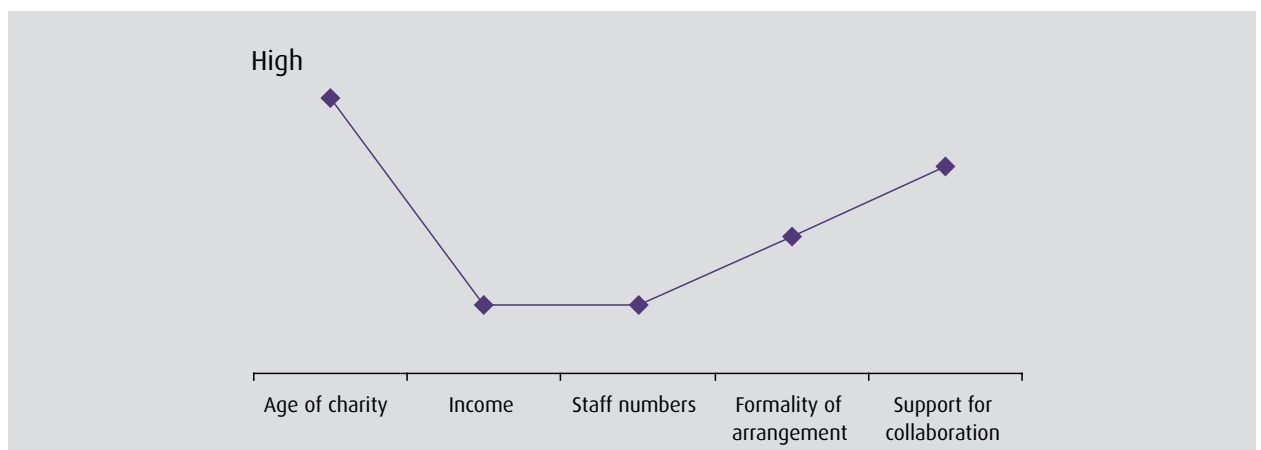- Of all the clusters, their attitudes towards collaboration are least positive.

Cluster 5 (23% of collaborating charities): Large, young, collaborate formally with larger charities, most positive

- These tend to be the youngest charities, running for less than 10 years.

- They are the largest in terms of income (only 15% have up to £5K, 22% with £100-250K), but medium-sized in terms of staff / volunteer numbers (22 on average).

- Income-wise, they are most likely of all the clusters to rely on donations (64%) and grants from foundations / trusts (57%).

- They have tended to collaborate with charities which are larger than themselves (62%).

- They are least likely of all the clusters to have undertaken only informal arrangements (59%), and most likely to have undertaken both formal and informal arrangements (23%).

- Their collaborations have been very successful.

- Of all the clusters, their attitudes towards collaboration are most positive.

Cluster 6 (38% of collaborating charities): Small, established, collaborate informally (and successfully) with some larger charities, positive

- These are also some of the oldest charities, although slightly younger on average than Cluster 4 charities.

- They are the smallest in terms of income (37% have up to £5K, only 9% with £100-250K), and in terms of staff / volunteer numbers (only five on average).

- Income-wise, they are most likely of all the clusters to rely on income from a range of different sources.

- They have tended to collaborate with charities either larger than themselves (40%) or of a similar size (49%).

- Like Cluster 4, they have been most likely to undertake only informal arrangements, although to a slightly lesser extent than Cluster 4 (64%).

- Of all the clusters, their collaborations have been most successful, slightly more so, on average, than the collaborations of Cluster 5.

- Their attitudes towards collaboration are fairly positive, although not quite as much as those of Cluster 5.

Annex E – Signposting to resources

THE CHARITY COMMISSION FOR ENGLAND AND WALES

The Charity Commission is the independent regulator of charities in England and Wales. Its aim is to provide the best possible regulation of charities in England and Wales in order to increase charities' effectiveness and public confidence and trust. Most charities must register with the Commission, although some special types of charity do not have to register. There are some 180,000 registered charities in England and Wales. In Scotland the framework is different, and the Commission does not regulate Scottish charities.

The Commission provides a wide range of advice and guidance to charities and their trustees, and can often help with problems. Registered charities with an annual income over a certain threshold must provide annual information and accounts to the Commission. The Commission has wide powers to intervene in the affairs of a charity where things have gone wrong.

More information about the Commission, together with a range of guidance for charities, can be found on our website: www.charitycommission.gov.uk

RELEVANT CHARITY COMMISSION GUIDANCE AND RESEARCH

Readers may find the following Charity Commission publications helpful, all of which are available for download from the Commission's website: http://www.charity-commission.gov.uk/Charity_requirements_guidance/Your_charitys_activities/Working_with_others/default.aspx

- Collaborative Working and Mergers: An introduction (CC34)
- Choosing to collaborate: Helping you succeed
- Checklist for collaborative working
- Checklist for due diligence
- 'Big Board Talk.' The economic downturn: 15 questions trustees need to ask

ORGANISATIONS THAT PROVIDE ADVICE AND SUPPORT ON COLLABORATIVE WORKING

Association of Chief Executives of Voluntary Organisations (ACEVO) is the professional body for the chief executives of voluntary sector organisations, with over 2000 members. It connects, develops and represents the sector's leaders, with a view to increasing the sector's impact and efficiency. www.acevo.org.uk

bassac hosts the Collaboration Benefits programme which provides training and support to help community and voluntary groups develop strong and successful partnerships. It also offers a range of toolkits and case studies on specific types of collaboration. www.bassac.org.uk

Charities Evaluation Services (CES) is a charity that provides resources, consultancy, external evaluations and support on quality and evaluation systems for the voluntary sector. www.ces-vol.org.uk

Institute for Voluntary Action Research (IVAR) works with voluntary sector organisations to offer innovative solutions to the challenges of organisation and management that they face. Their work has included research on collaborative partnerships between voluntary organisations. www.ivar.org.uk

National Association of Voluntary and Community Associations (NAVCA) is the national voice of local voluntary sector infrastructure in England. Its website provides information, aimed predominantly at local infrastructure organisations (LIOs), on mergers as well as collaboration. www.navca.org.uk

National Council for Voluntary Organisations (NCVO) has a dedicated Collaborative Working Unit which provides good practice information and advice on all aspects of collaborative working for voluntary and community associations. The unit also runs events as well as a monthly collaborative working newsletter. www.ncvo-vol.org.uk

The Small Charities Coalition exists to help small charities access the skills, experience and resources they need to achieve their aims. It also matches small charities with other organisations to develop resources and improve knowledge and skills. www.smallcharities.org.uk

TOOLKITS AND GUIDES

Collaborative Working: Partnership between voluntary organisations – NCVO, 2007. Available at www.ncvo-vol.org.uk/uploadedFiles/NCVO/What_we_do/Collaborative_Working_Unit/Information_and_advice/What_is_collaborative_working_PDF.pdf

Getting ready for collaboration: Learning from experience – IVAR, 2010. Available at www.ivar.org.uk/publications/reports-and-publications/getting-ready-collaboration-learning-experience

How to collaborate: tools and templates – bassac, 2009. Available at www.bassac.org.uk/dms/documents/8/how-to-collaborate-tools-and-templates

Models of collaborative working – NCVO. Available at www.ncvo-vol.org.uk/advice-support/collaborative-working-models

Should you collaborate? Key questions – NCVO, 2005. Available at www.ncvo-vol.org.uk/advice-support/collaborative-working/information-and-tools/shouldyoucollaborate

RESEARCH

Collaborative Working and Mergers (RS4) - Charity Commission, 2003. Available at: www.charity-commission.gov.uk/publications/rs4.aspx

Collaborative working between large and small voluntary organisations – NCVO, 2006. Available at www.ncvo-vol.org.uk/uploadedFiles/NCVO/What_we_do/Collaborative_Working_Unit/Resources/NCVO%20Collaborative%20working%20large%20small%20report.pdf

Mix, Match, Merge? Issues and Options for Charities considering Mergers and other Partnerships – City University Business School, 2000. Available at www.lhf.org.uk/Publications/MixMatchMerge.pdf

Sharing without merging – bassac, 2005. Available at www.bassac.org.uk/node/244

Sink or Swim: Towards a 21st century community sector – bassac, 2006. Available at www.bassac.org.uk/dms/documents/8/sink-or-swim-towards-a-21st-century-community-sector

Working together for better office infrastructure – ACEVO, 2006. Available at www.sayervincent.co.uk/Asp/uploadedFiles/File/workingtogether.pdf

1 + 1 = 3 Does size really matter? NCVO, 2005. Available at www.ncvo-vol.org.uk/node/987#Executive_Summary

SERVICES TO SUPPORT COLLABORATION

Funding Central runs 'Find a Partner,' a scheme that enables charities to search for potential collaborative partners. www.fundingcentral.org.uk/Page.aspx?SP=6126

bassac runs a programme called Collaboration Benefits which provides training and support to help community and voluntary groups develop strong and successful partnerships. www.bassac.org.uk/our-programmes/collaboration/collaborationbenefits

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You can obtain large-print versions of this publication from the Charity Commission on 0845 300 0218