

## **Council for Voluntary Service Mid and North Bedfordshire Setting up a sector-wide consortium**

### **Introduction**

ConsortiCo Ltd is a consortium of voluntary sector organisations, based in Bedfordshire, which aims to “harness the strength and flexibility of the voluntary sector to deliver public sector contracts”. It provides a single point of contracting for commissioners, whilst promoting the contributions of its member organisations.

Ian Curtis is Collaborative Working Officer and Procurement Lead at CVS Mid and North Bedfordshire and has supported ConsortiCo’s development from its early days. At the time of writing ConsortiCo had 26 members with a joint turnover in excess of £20 million. Another 18 groups are in the process of acquiring full or part membership. From 1<sup>st</sup> July 2010 it employed a Business Development Director with whom Ian works closely.

### **History of development**

ConsortiCo evolved from the Bedford Funding Network which was launched in 2007 by CVS Mid and North Beds to look at joint fundraising initiatives. The network produced a legacy pack and so learnt to work together over something practical. In December 2008 the NHS and Local Authorities were invited to talk about the future of public sector procurement at a conference of Trustees and their Chief Officers. It was apparent from the information they gave about the changing funding environment that the sector needed to get ‘tender ready’.

A decision was made to form a consortium to increase the sector’s capacity and ability to gain contracts. The CVS provided information about different models which network members took to their respective boards for consideration. In January 2009 the network chose to form a ‘hub and spoke’ style consortium and members committed staff time to develop the project if they wanted to be involved. This model has a central management unit – ‘the hub’ - with an executive, administrative and support function. It’s ‘spokes’ are the member organisations.

The hub and spoke model was chosen *“as the best model to deliver larger and more complex contracts, react flexibly when opportunities arrive, and ensure no partners can dominate”*. The equality of ownership, and accountability to all members, was important. The downside was as a new organisation ConsortiCo had no track record with commissioners – but its real track record comes from its members’ collective and positive histories and together they show how this way of working benefits the public, is cost-effective and efficient.

ConsortiCo was launched in July 2009. This followed five months of very intense working from Ian, concentrating almost entirely on ConsortiCo to make sure it was incorporated, had a comprehensive business plan, marketing materials, website, membership application process and a 'tender ready' membership. There was support from a consultant and initial financial investment including a grant from The Bedford Charity of £32,000 and an additional £5,000 from Bedfordshire County Council. A six figure sum was secured from Futurebuilders to ensure sustained support was possible.

ConsortiCo is unusual as it operates across all VCS markets. Ian explains the decision as a strategic one: *"We have a varied portfolio of interests and specialisms which is very exciting; we are a holistic consortium much more than a single niche provider. We can go after the vast majority of contracts and respond to complex requirements"*.

### **Advantages**

Ian thinks the VCS needs to think big. *"We don't see ConsortiCo as being a local consortium, it is a national consortium. We are happy for anyone to join for free from anywhere, we have even got some big players in membership, including national agencies which don't want the risk of being the lead agent but are happy to be a player. Local organisations know the bigger threat is not having the consortium in place. They all, regardless of size, have an equal stake in ownership and can all sit round the table. This ensures small groups have influence and get their say"*.

*"ConsortiCo 'thinks business' and looks for ways to roll its business out; we cannot afford to think small in this growingly competitive market place. We need economies of scale and to think about sustaining and growing the sector not just protecting it."*

Ian's top tips for success are: *"Some groups will be so worried they won't join in, but just keep going anyway. Build something for those that are ready. You can't please everyone and you need to keep a sharp mind and then sell success. Those that don't join now will probably join at some time in the future"*

### **Building capacity**

Ian also thinks capacity building of members is a critical factor. PQASSO (or a similar externally accredited quality mark) is one of the requirements of full membership. Three organisations have gained it since they joined as associates, whilst others are actively working towards it. *"This has to be an active process and we expect them to achieve PQASSO level one within a year of joining and not just pay lip service to this as its part of the Pre Qualification Questionnaire (PQQ) hurdle."*

ConsortiCo also looked at wider PQQ requirements and 'due diligence' issues as they built their entry criteria. This ensures that all full members are 'tender ready'. Many of the due diligence criteria focus on financial matters as it is important consortium members know potential partners are financially sound. However IT issues have also been identified as crucial and these are rarely covered by PQQs. Members must have

technology, procedures and training in place to ensure adequate IT systems are compatible with effective and speedy communication. The CVS continues to play an important role in helping members meet ConsortiCo's membership requirements and are 'fit for competitive contracting'. ConsortiCo are currently waiting to hear the result of three tenders and have commenced work on another two.

November 2010