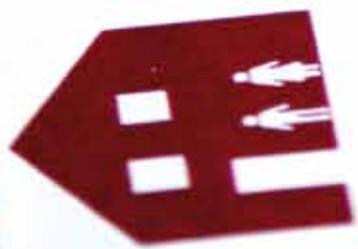


# Membership Prospectus

A consortium of voluntary and community sector organisations providing health and wellbeing services.

July 2012





Hackney Wick Station



## What this Prospectus will tell you.

The primary purpose in creating this Prospectus for City and Hackney Together is to explain why it was set up, how voluntary and community/third sector organisations can become members of it and the benefits for them in doing so.

To help third sector organisations decide if membership is the right thing for them, this Prospectus sets out the mission, vision, values and principles which will define City and Hackney Together's operation and identity and by which members will be expected to abide.

It also sets out clearly a checklist of eligibility criteria which potential members must meet as a minimum to be able to apply for and secure consortium membership.

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## Executive Summary

**City and Hackney Together is a new company that will tender for and manage public sector contracts on behalf of consortia of local voluntary and community organisations. A subsidiary of Hackney Council for Voluntary Services, it has been set up to enable Hackney's voluntary and community sector to respond to the emerging preference on the part of local commissioners to have fewer or single contracts with larger providers.**

City and Hackney Together's VISION is to deliver high quality health and wellbeing services through local organisations which share opportunities and responsibilities and are rooted in the community, in order to improve the lives of local people.

City and Hackney Together's MISSION is to win contracts and secure investment to enable local organisations to deliver high quality health and wellbeing services. It aims to achieve this by:

- Securing contracts [large to small, depending on factors such as need and viability] for the delivery of health and wellbeing services

- Managing the ensuing revenue through a central hub
- Managing quality and delivery through the central hub
- Opening up new contracting opportunities, promoting joint working and encouraging organisational learning and development for its members.

Membership of City and Hackney Together, and eligibility to participate in a bidding consortium, will be open to organisations meeting the following criteria:

- They must be voluntary and community organisations providing health and wellbeing services
- They must operate in Hackney
- They must have the required level of information management capability
- They must meet a minimum standard of quality assurance
- They must be committed to consortium working.

An Advisory Group made up of local voluntary and community organisations, including local infrastructure bodies, will make decisions about eligibility for membership of City and Hackney Together as well as the composition of bidding consortia.



## 1. Why has City & Hackney Together been set up?

**In around 2009 the Health and Social Care Forum, which is hosted by Hackney CVS, identified some critical trends likely to influence commissioning processes in the future**

One of these was the probable move towards larger contracts for social care services – in other words, small grants awarded to lots of organisations looked likely to be phased out. An initial reaction to

this was to probe the sustainability of Hackney's many lunch clubs under this model, as in reality they would be unable to compete in such an environment. Linked with the move towards personalisation and individual budgets, it was apparent that there was major change approaching that Hackney CVS, as the VCS infrastructure body, needed to respond to it.

Considerable development work ensued to assess the best models of support in what, all intelligence suggested, would be a very changed funding and operating environment.

The Interlink Foundation, Hackney's network of Orthodox Jewish community organisations first promoted the idea of establishing a borough-wide Community Interest Company as bidding a consortium, and explored this idea with Hackney CVS and the HSCF.

A major conference in 2011<sup>1</sup> provided a review of models used nationwide and confirmed to Hackney CVS and its trustees that a Special Purpose Vehicle [SPV] would be the best way of ensuring that the smaller, specialist providers would have a chance of survival as partners in a bigger and more powerful bidding consortia, the USP of which would be its insight and knowledge into the vast diversity and communities of the London borough of Hackney and the added social value a community-rooted approach affords. In particular, the model would be set up to support spot purchasing opportunities for groups which, although not able for whatever reason to be a full member of the consortia, would nevertheless be able to access some of the resources the SPV would secure.

**City and Hackney Together was therefore set up to:**

- Improve the quality of life of local people, especially those most in need, through the provision of high quality, responsive, generalist and specialist services in the field of health and wellbeing.

- Bid for and secure contracts for delivering services in health and wellbeing, thus ensuring that small and/or specialist providers [such as BMER and small community groups] have an opportunity to bid as part of a consortium for contracts for which they would otherwise be ineligible or seriously disadvantaged in tendering for.
- Play an active role in delivering and supporting innovation and new initiatives within the field of health and wellbeing.
- Ensure diversity in the local supply chain which utilises and builds on the skills, knowledge and expertise of the local VCS.

**The focus will be to:**

Build on the capacity and track records of existing VCS/third sector organisations which are best placed to deliver a range of services at the point of need. It will aim to achieve this by:

- Securing contracts [large to small, depending on factors such as need and viability] for the delivery of health and wellbeing services and related activities
- Managing the ensuing revenue through a central hub

<sup>1</sup> Developing consortiums for adult social care' on 03rd May 2011 at Morley Hall, Mare Street, Hackney.



- Managing quality and delivery through the central hub
- Opening up new contracting opportunities, promoting joint working and encouraging organisational learning and development for its members.

## 2. The local environment

The London borough of Hackney has a population of 219,000 people and has high levels of deprivation which impact on the health of its population. All the Hackney wards are in the most deprived 20% of areas in England.<sup>2</sup>

Males in Hackney have over 2 years less life expectancy than the rest of London and 2 years less than men nationally, experiencing disproportionately higher

rates of death through infectious and parasitic disease, asthma, hypertensive disease and diabetes. Rates of death in women from infectious and parasitic disease, bronchitis and emphysema and hypertensive disease are significantly higher than in women across England.<sup>3</sup> Rates of HIV have been steadily increasing and Hackney has the third highest incidence rate of tuberculosis of the inner London boroughs.

There is a relatively strong prevalence of mental health problems in Hackney. In 2007, the rate of working age people claiming incapacity benefit due to mental illness was the second highest in inner London and in 2006/7 Hackney reported the second highest rates of hospital episodes relating to schizophrenia in England.

<sup>2</sup> Indices of Multiple Deprivation cited in the Hackney Borough Profile 2010

<sup>3</sup> Hackney Borough Profile 2010

Positive gains in recent years include a fall in infant mortality, a downward trend of a faster rate than London and England as a whole: the borough was awarded a green flag by the Audit Commission in recognition of work done in this area. Drinking alcohol at hazardous levels is lower in Hackney than nationally, although this is offset by the fact that alcohol-related hospital admissions and deaths are higher than the London average. Whilst Hackney adults 'appear to fare well in terms of obesity rates compared to the national picture

. . . weight problems amongst children in the borough are more common compared to the national average, with potential implications for future overweight and obesity levels amongst adults.

Overweight or obese children can develop health problems more usually seen in adulthood such as coronary artery diseases, high blood pressure and type 2 diabetes. Overweight children are also twice as likely to be obese upon reaching adulthood. [Borough profile]

As part of its overall strategy for tackling these issues as set out in the Hackney Sustainable Community Strategy 2008-2018, the local authority has traditionally funded voluntary and community groups through various grant programmes, but there has been a move away from statutory sector grant funding in recent years and this trend is set to continue. In 2010/11 a VCS grants programme with a value of £750K was cut and, following internal reviews, the local authority is currently in process of tendering for a number of its health and wellbeing services.

There is emerging, and increasingly stated, preference on the part of local commissioners to have single contracts with larger providers. This impacts particularly on smaller, specialist providers which traditionally have relied on a small amount of grant funding [and often, considerable volunteer input] to deliver services. Of these, the organisations serving BMER communities are likely to be especially hard hit. For the most part, never having enjoyed the sort of resourcing which more mainstream providers increasingly see as a basic necessity, the organisations in question have developed very much in accordance with community needs rather than funder-driven aspiration. As a result, they may struggle to compete by themselves in the commissioning/large contract environment.

As a result, many VCS organisations are becoming aware of the value of what might be described as 'single points of contracting' via a consortium approach. That is to say, a number of separate bodies get together to form one contracting channel designed to create economies of scale, efficiency savings and to appeal to the desire of funders/commissioners to deal with one entity.

City and Hackney Together is a strategic response to the growing requirement to establish joint, large scale tendering arrangements, bringing a number of separate, independent providers under one umbrella to bid and deliver services together and thus combine the benefits of large and small scale approaches.

<sup>4</sup> Such as: lunch clubs; homework clubs; small scale community sports provision



### 3. Model & operating structure of City and Hackney Together

It is registered with Companies House as Company Number 8141065 and is a wholly owned subsidiary of Hackney CVS.

It has an Advisory Group which agrees membership and guides the policy and direction of the company.

### 4. Legal Structure & governance arrangements

The company is a trading arm of Hackney CVS which will have its own accounts. In future years, as City and Hackney Together

establishes itself, Hackney CVS will review whether it can become wholly independent in its own right.

### 5. Vision

To deliver high quality health and wellbeing services through local organisations which share opportunities and responsibilities and are rooted in the community, in order to improve the lives of local people.

### 6. Mission

To win contracts and secure investment to enable local organisations to deliver high quality health and wellbeing services.'



## 7. Policy aims

The consortium has a number of overarching policy aims. These are to:

- a) Ensure Hackney residents have access to consistent, accessible, high-quality and well-resourced services, expanding the service offer through increased delivery capacity and identifying and plugging gaps in supply
- b) Secure funding and contracts to support City and Hackney Together member organisations to become, or continue to be, sustainable
- c) Ensure that services are person-centred and that the user voice and need is at the heart of all provision
- d) Increase the capacity for consortium members to be more involved in the design and delivery of services and to be able to influence and shape public sector strategic policy

e) Develop new ways of joint working and pilot innovative approaches, including, where appropriate, joint referral systems

f) Adopt consortium-wide approaches to marketing and public relations to raise the profile of all member organisations

g) Establish a single, unified management structure that enables member organisations to create economies of scale and exploit efficiency savings.

## 8. Underpinning values & business principles

### (a) Third sector focus

City and Hackney Together is a bidding consortium of local third sector organisations. It does not rule out the possibility of other sectors being involved

in the future, according to local need or the requirements of specific contracts.

The Consortium has a clear commitment to personal and community benefit and the intention is to build on the value-driven approach of the not-for-profit, independent sector to deliver the shared consortium vision.

### **(b) Objectivity and impartiality**

City and Hackney Together will be focused impartially upon the objective needs of all its member organisations and their service users which shall be equal in status.

It will not be dominated by the particular self-interests of certain organisations or individuals.

Members will be required at all times to be open, honest and transparent in their involvement in City and Hackney Together affairs. All those involved as members will be required to operate with integrity and to work for the good of the whole consortium.

The consortium will operate a 'Chinese Walls' policy [attached as Appendix 1]

Where there are a number of member organisations that can demonstrate that they can provide activities/services in line with relevant commissioning criteria, any associated contract income secured will be subcontracted to those organisations on a transparent, fair and equitable basis.

City and Hackney Together will have an Advisory Group made up of different sector organisations, including Hackney's infrastructure organisations. This Advisory Group will make decisions about membership of each bidding consortium led by City and Hackney Together as well as the allocation of funding within each consortium's bid. No Advisory Group member shall make decisions about a

consortium of which they have applied to be a participant, but shall retire from any decisions that relate to that consortium.

It should be noted that the consortium may decide at some point in the future to offer associate membership to agencies external to the third sector.

### **(c) Mechanism for funding and provision for bidding**

The consortium is primarily a funding mechanism, a way of increasing the chances of accessing health-related contracting and funding opportunities, particularly new opportunities. Other existing funding arrangements for individual agencies within the consortium will remain unchanged unless agreed otherwise.

There may be occasions when Consortium members wish to bid separately **as lead bodies or by themselves** for contracts for which the Consortium is also bidding. In that instance they will be required to notify the hub of their intention to bid alone at the earliest possible opportunity and then withdraw from negotiations and discussions which the Consortium has about that contract [see also Chinese Walls policy at Appendix 1.]

It should be noted that the consortium structure will also be available as a conduit for existing commissioners/funders, if and when they decide that they want to exploit a single, local point of contracting to commission via single tender action.

### **(d) Open to applications from potential new members**

The consortium will not operate as a closed circle of collaborators but will be permanently open to the potential for new members to come on board, subject to said new members meeting the eligibility criteria.

The consortium will need to adhere to a number of business principles. It will:

- a) Set clear business objectives
- b) Explore and take advantage of opportunities, drawing on the consortium's strategic position, influence and knowledge
- c) Only pursue contracting opportunities that are in the best interests of the consortium
- d) Create and use management information as an integral part of business and strategic planning
- e) Undertake long-range business and financial forecasting
- f) Focus on outcomes and impact
- g) Improve and enhance the relevant skills of consortium staff as part of a Continuous Professional Development strategy
- h) Review on a regular, systematic basis, existing areas of work for ongoing viability, as part of a continuous risk management strategy
- i) Maintain strong internal research and development capacity to underpin the analysis of the opportunities and threats within the business environment and to inform business development strategies
- j) Operate on an open and transparent basis governed by a 'Chinese Walls' policy [at Appendix 1]

All members of the consortium will need to 'sign up' to these business principles.

## 9. Benefits of consortium membership

- The ability to take part in tenders for public sector contracts, and secure funding for service delivery
- Greater negotiating and bargaining power through increased scale and capacity for service delivery
- Enhance member organisations' competitiveness within the external funding environment.
- Create a single, unified point of contracting, and in so doing increase attractiveness to contractors/funders.
- Increase the prospects of winning tenders and securing funding, enabling member organisations to build on their existing funding bases.
- Increased public profile.
- Generate economies of scale and efficiency savings through the rationalisation of resources.
- Free up member organisations to focus on frontline delivery by transferring, at least by some degree, administrative and associated requirements to a specialised support infrastructure (the hub).

## 10. Responsibilities of members

Promote and develop City and Hackney Together as a whole, not merely the respective agendas or vested interests of certain member organisations.

Members will be required at all times to be open, honest and transparent in their

<sup>5</sup> For more on the hub's role, see 12. Operating City and Hackney Together

involvement in consortium affairs as required by the Chinese Walls policy.

Members will be required to operate with integrity and to work for the good of City and Hackney Together as a whole.

Input ideas for further development of City and Hackney Together.

Input local and specialised knowledge to bids, tenders and applications.

Enable small local providers to access spot purchasing requirements. Where there are gaps in service provision which can be met by organisations that are not full members of City and Hackney Together, supply chains for particular contracts will be created that include a component of spot purchasing from providers that are able to provide services that meet the needs of service users. We envisage that spot purchasing will enable inclusion of small community providers, including BME providers that are unable to meet the criteria for full membership but are uniquely able to provide niche services.

## 11. Operating City & Hackney Together

### **Role and functions of the central hub**

- To proactively seek out and horizon scan new funding and business development opportunities on behalf of the membership and to ensure smooth and efficient contract management.
- Lead the consortium-wide strategic and business planning process, including:
  - Review the operating environment
  - Set objectives and targets
  - Undertake joint needs analysis

- Undertake risk assessment
- Undertake full cost analysis and determine unit prices
- Engage and lead on dialogue with commissioners
- Identify organisations suitable for spot purchasing arrangements
- Work with members to submit consortium tenders (including negotiating Pre-Qualification Questionnaire [PQQ] processes where applicable)
- Set up and implement an appropriate, consortium-approved
- System for awarding sub-contracts/spot purchasing arrangements
- Implement measures to maintain and improve standards of delivery
- Provide financial management
- Raise the profile, to include the development of a marketing and PR strategy.

The hub will have a small staff team including a lead staff member who will draw upon their expertise and that of the host organisation.

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

The hub will develop a unified system of monitoring that will apply across the provider network and which will focus on the monitoring and recording of outcomes.



### **Role and functions of City and Hackney Together Member Organisations**

- To design and deliver high-quality and responsive health and wellbeing services to service users.
- To provide, as requested by the hub, information and data relating to organisational strategic aims and objectives, output performance, financial expenditure, audit and accounting, etc.
- To be fully engaged and involved in City and Hackney Together and its development.

### **A: How to join City & Hackney Together**

An application for membership has 2 potential outcomes:

- A:** A group applies and is accepted for membership as it meets the criteria.
- B:** A group applies but is not accepted for membership as it does not meet the criteria.

In this instance the group is advised of the areas where it has failed and what it needs to do to rectify these. Organisations can if they choose remain in the 'pending' category for as long as they do not meet the criteria but would be advised to seek advice and support to get them criteria compliant.

Development support is available from Hackney CVS and the Interlink Foundation the hub will advise/refer as necessary.

### **B: Eligibility criteria for membership**

There are 5 key eligibility criteria:

- 1. Voluntary, community or other not-for-private-profit organisation providing health and well being services.**

Any prospective member must be a frontline health and wellbeing service provider in the not-for-profit sector and have clear and transparent charitable objectives. Health and wellbeing services could be the sole or main activity of the organisation, or

might be an element of its wider portfolio of services.

Any member will need to have clear social objectives and it is anticipated that in practice most will be registered charities and companies limited by guarantee.

It is expected that organisations will be able to generate considerable evidence of social added value in a wide variety of ways which will be identified as the Consortium develops.

## 2. Area of operation

Delivering services in the London borough of Hackney with a track record of delivery.

## 3. Information management capability

Prospective members must be able to provide the consortium hub with regular information relating to client numbers, case details, financial performance etc. Information must be provided on time and in a form that is complete, clear and accurate. This requirement is fundamental to the entire operation.

## 4. Minimum threshold for quality assurance

The consortium will be totally committed to enabling member organisations to achieve appropriate levels of quality. This will be evidenced by adherence to an externally recognised and validated Quality Assurance (QA) system, or by being in the process of adopting such a system.

At this juncture the consortium does not wish to be prescriptive about which systems should be adopted by organisations, as it recognises that use of QA systems will vary according to the precise nature, size, remit and operating circumstances of providers. Instead, prospective members will need to demonstrate how their chosen system safeguards standards of quality within the organisation.

An externally validated QA system will be viewed as a clear indicator that an organisation has good processes and procedures in place to ensure that it effectively meets the needs of service users and beneficiaries. It will also be seen as a proxy indicator that the organisation possesses a full raft of policies (e.g. Equal Opportunities, Health and Safety, Staff Development and Supervision etc) that it systematically implements and regularly reviews.

At the point of awarding sub-contracts the consortium hub will undertake a thorough and rigorous process of due diligence that will involve assessing the member organisation/potential sub-contractor against a comprehensive contract compliance framework.

Commitment to the continuous development and improvement of the organisation and its staff and volunteers will demonstrate willingness on the part of a prospective member to learn and to move forward organisationally with a clear focus on the needs of the service users or beneficiaries. It will align with a commitment to appropriate standards of 'clinical governance'.

## 5. Commitment to consortium working

Commitment to participating actively in the Consortium's development whilst adhering to the consortium's code of practice, ways of working and protocols.

Commitment to sharing expertise, knowledge and experience with other members.

If your organisation does not fulfil all the 5 criteria then joining the consortium, at least with regard to full membership, would not be appropriate for you.

Please contact **Rebecca Clarkson** on: **020 7923 1962** to discuss sources of advice and support which can help prepare your organisation for membership.

# Appendix 1

## City and Hackney Together

### Conflict of interests and dissemination of price-sensitive information (Ethical walls policy)

#### Aim of this policy

This policy aims to avoid any conflict of interests arising within the City and Hackney Together consortium or between the Consortium and other entities within LB Hackney, and to prevent any unacceptable dissemination of price-sensitive information.

#### Scope

This policy applies to the Consortium and all its member organisations<sup>1</sup> (including minority interests) worldwide unless explicitly excluded.

#### Definitions

Confidential information: Any information about a person or legal entity, company, institution or client which is not publicly available.

Price-sensitive information: Concrete information which is not in the public domain and which concerns either directly or indirectly the person or legal entity, company or institution to which securities relate or to any trade in such securities, and the publication of which would have a significant influence on the price of those securities or their derivatives.

Business line: a set of one or more highly related products which service a particular customer transaction or business need.

#### Provisions

Ethical walls between the Consortium's business lines and its members:

1. There must be organisational, physical and personnel divisions up to the highest possible level between the Consortium and its members.
2. The Consortium's staff report hierarchically to their managers inside the Consortium only.
3. The Consortium's staff work in office buildings that are not accessible to third parties without express authorisation.
4. The Consortium's staff make use of information from the Consortium's data storage systems and software that are not accessible to other divisions of the its members or to third parties.
5. The Consortium staff should treat all contact with divisions of its members as contact with third parties where that contact concerns the communication of price-sensitive or confidential market information, with the exception of mandatory reports produced to statutory requirements or as otherwise required by law.

<sup>1</sup> Hereafter known as its members

Ethical walls between the Consortium's business lines:

6. There must be organisational, physical and personnel divisions up to the highest possible level between the Consortium's business lines, inasmuch as this is necessary in view of their activities.
7. Staff report to the managers in their business lines unless otherwise agreed in writing.
8. Staff make exclusive use of information obtained from data-storage systems that are not accessible to other business lines or third parties.
9. Business lines are not permitted to exchange price-sensitive or confidential information, unless this is necessary for them to effectively carry out their work.

Ethical walls between the Consortium's host organisation and the business lines:

10. There must be organisational, physical and personnel divisions up to the highest possible level between the Consortium's host organisation and the business lines, inasmuch as this is necessary in view of their activities.
11. The Consortium's host organisation should consider contact with other business lines to represent contact with third parties, inasmuch as such contact concerns the communication of price-sensitive or confidential market information.
12. Business line staff should consider contact with the host organisation to represent contact with a third party.

Breaching Ethical walls:

13. If it is necessary for staff to contact staff from another business line or from its members in order to be able to carry out their work effectively, and this contact might involve the dissemination of price-sensitive or confidential market information, then that business line can specify relevant measures to handle this.
14. If, occasionally, it is necessary to breach Ethical walls, prior authorisation must be requested from the Consortium Manager, who may then apply supplementary conditions and prescribe special measures.
15. At least once a year, the Consortium Manager checks whether the policy and the procedures concerning Ethical walls are still up to date.
16. The policy will be reassessed by the Consortium Manager in the event of organisational changes and the introduction of new products.

Supervision and sanctions:

17. Conflicts of interest should initially be solved by the business line in consultation with the Consortium Manager and decisions taken should be explained and documented.
18. The Consortium Manager has access to such documented decisions.
19. If a business line is unable to resolve a conflict, the matter can be referred to the Board of Directors of the Consortium .
20. The Board will consult the parties involved and make a binding recommendation to the managing director of the business line.
21. If a potential conflict of interests is identified between two or more business lines, the Board will define measures which are intended to prevent such conflicts of interest and/or the dissemination of price-sensitive information.

<sup>2</sup> The Greater Manchester Centre for Voluntary Organisation

<sup>3</sup> Hereafter known as the Board

22. Staff should get in touch with the Consortium Manager immediately if they know - or can reasonably be expected to know - that they are in possession of price-sensitive or confidential information received or disseminated in violation of the rules as defined in this policy.

23. If, despite all preventive measures taken, a conflict of interest should arise or threatens to arise (which can't be resolved), any information relating thereto should be recorded by the Consortium Manager and reported to the Board. The Board is responsible for keeping a record of such actual or potential conflicts of interest.

Other:

24. Where an agreement with third parties is concluded a provision must be included in the contract stating the obligation of this third party to promptly disclose its relationship with the Consortium.

Ends.

**For more information on City and Hackney Together contact:**

**Rebecca Clarkson on 020 7923 1962**  
**[rebecca@hcv.org.uk](mailto:rebecca@hcv.org.uk)**

**<http://www.hcv.org.uk/services/city-hackney-together/default.aspx>**

