

Consortium Development

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Why would you want to work in partnership?

- Consortia are one of a number of different delivery entities that DWP are prepared to work with
- A formal consortium is a valid tendering entity
- Collective track record will be considered
- Individual members can play to their strengths
- Allows small organisations to play a role in larger delivery

Why would DWP want to consider partnerships?

- Seamless delivery
- Everyone (including service users) have a say in how the delivery is run
- Steering Board ensures cohesion across different sectors
- Commissioners *can* have greater involvement in day-to-day decisions
- Performance and added value

DWP requirements for an SPV

- DWP requirements for a consortium:
 - Must be a legal entity
 - Will be assessed based on the member organisation track records
 - Must be able to convincingly demonstrate the consortium can work together effectively and have effective systems and processes to ensure reliable delivery
 - Needs to be constituted at ITT stage. The format and planned constituent members need to be defined at PQQ stage with agreement from each member about their ownership and delivery roles.

What does partnership mean?

Four models of delivery:

1. Traditional Prime Contractor
2. Single lead organisation with Steering Group oversight
3. Special Purpose Vehicle
4. Special Purpose Vehicle with independent infrastructure support

DWP

Main contract



Lead Agency



Sub-contracts

Subcontractor 1

Lead Agency

Subcontractor 5

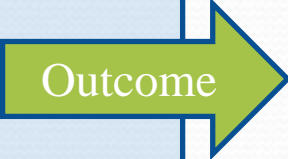
Subcontractor 2

Subcontractor 3

Subcontractor 4

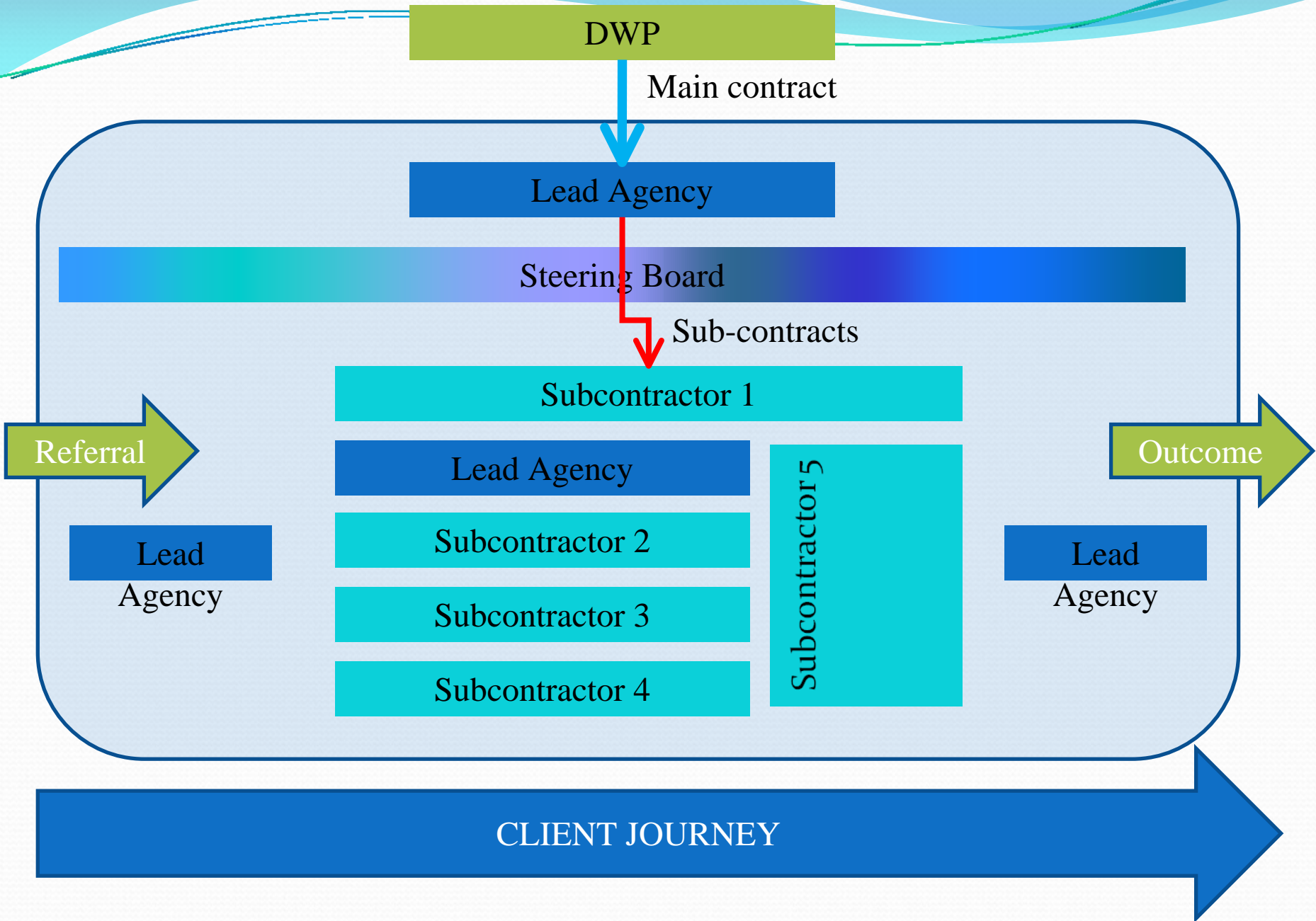


Lead Agency



Lead Agency





DWP

Main contract

Lead Agency

Steering Board

Sub-contracts

Subcontractor 1

Lead Agency

Subcontractor 5

Subcontractor 2

Subcontractor 3

Subcontractor 4

Lead Agency

Referral

Outcome

CLIENT JOURNEY

DWP

Main contract

Special Purpose Vehicle

Sub-contracts

Partner 2

Partner 3

Partner 4

Partner 5

Partner 6

Partner 7

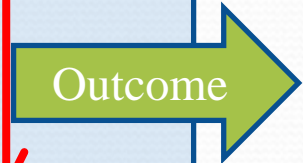
Partner 8

Referral

Outcome

Partner 1

CLIENT JOURNEY



DWP

Main contract

Special Purpose Vehicle

Independent Facilitator

Sub-contracts

Partner 2

Partner 3

Partner 4

Partner 5

Partner 6

Partner 7

Partner 8

Referral

Outcome

Partner 1

CLIENT JOURNEY

Benefits and Dangers

- A consortium is what you make it, just like any other organisation
- Consortia members need to pull together
- Shared responsibility, shared risk, shared reputation
- Third Sector attitudes need to harmonise with the need to be sustainable
- The Board are also the sub-contractors

Role of the Project Manager

- Works well when consortium has members of roughly equal size or delivering roughly equal elements of the overall programme
- Works within a Prince 2 framework
- Responds to directions from the ‘board’
- Takes a lead on consortium-wide activity (QA, MI, performance improvement, process mapping etc.)
- Can mediate and provide an independent view
- Acts as the ‘glue’ in the middle of the consortium

Good Practice

- Consortium needs to be ‘fit for purpose’
- Have an independent (or directly employed) single point of contact acting as the ‘Chief Executive’ or mediator
 - Two-way communication between Board and Chief Executive
 - Independent (and dedicated) MI and QA
 - Board concentrates on strategic delivery
- Set up clear sub-contracts and agree:
 - Process and referrals
 - Outcomes
 - Right to support (security in the sub-contract)

Good Practice

- Share resources:
 - Secondments
 - Manage fluctuations
 - Communicate at Board and delivery level
- Options to consider up-front funding for sub-contracts where beneficial
- Remember why we are there!

Sub-contracts / SLAs

- Recommendations:
 - Anticipated flows
 - Payments terms: when, how much, evidence
 - MI requirements (including centralised reporting functions where appropriate)
 - Outline process maps (on- and off-flow) and outcomes
 - Scope and tolerances of performance (i.e. What happens if things go wrong)
 - The more each partner knows before the tender goes in the smoother it goes once the contract is won

Next Steps

- DWP have funded independent support for consortia wishing to submit PQQ (and ITT), including:
 - Constitution and terms of reference
 - Action Planning and timescales
 - Best practice
 - Service Level Agreements and sub-contracting of individual elements
 - Ensuring effective policies, processes and structures
 - Planning and process mapping when designing delivery models
 - Engaging with complementary provision and ensuring stakeholder/service user buy-in within the consortium

Disclaimer

- DWP cannot be held responsible or liable for any of the advice within this support programme
- Providers should obtain their own legal advice when setting up an SPV or consortium

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