

# Sustaining diversity through clustering:

a HACT housing and support project

## Collaborate 2: HACT's Supporting People clustering project

HACT's Collaborate 2 project worked with four clusters of small, community-based housing support providers to develop a range of approaches to sharing back office resources. The aim was to explore how resource-sharing could help small and medium-sized voluntary and community organisations increase their resilience and get better value from their limited budgets.

### Background

The four clusters were based in Bolton, Durham, London and Nottingham, and varied in size between three and six member organisations. HACT provided them with:

- facilitation and practical help with working through some of the issues involved in developing a detailed resource-sharing plan;
- a budget of £15,000 to be spent on implementing the goals that had been identified in the plan.

The initiative was funded by Communities and Local Government (CLG) and targeted on organisations delivering Supporting People (SP) services.

The four clusters in Collaborate 2 were made up of organisations which already knew each other and, in most cases, had already been meeting together. In two cases, members of the cluster had been part of successful consortium tenders

for service delivery. Three of the clusters were bound together by geography: their members operated within the boundaries of one Supporting People Administering Authority. The other cluster was bound together thematically: it was a London-wide network of domestic violence organisations working specifically within black, Asian, minority ethnic and refugee communities.

### What is a cluster?

Collaborate 2 clusters provide a framework within which a number of different issues can be addressed. They fall between the sort of informal networking familiar within the voluntary sector, and the formal structures necessary when a group of organisations come together to deliver services under contract.

They have a specific business focus, which is the intention to develop the strength and capacity of each member through collective action and some form of mutual exchange. The specific

# The Collaborate 2 clusters

## **BOLTON**

A group of small local providers of homelessness services which had been meeting for some time with the support of the local housing partnership body, Bolton Community Homes, who also engaged Bolton at Home, the local Arms Length Management Organisation (ALMO).

*BASE, Bolton Young People's Homelessness Project, The Bond Board, Fortalice, PAWS for Kids, Urban Outreach*

## **DURHAM**

Four small housing support providers working in the fields of homelessness and mental health. Three had previously taken part in a successful collaborative tender as part of the previous phase of HACT's Collaborate 1 project. *SHAID, DASH, Moving On, Waddington Street Centre*

## **LONDON**

A group of black, Asian, minority ethnic, and refugee (BAMER) domestic violence organisations which had been meeting under the aegis of Imkaan, the infrastructure agency for BAMER domestic violence projects *Asha, Ashiana, Imkaan, Latin American Women's Aid, Newham Asian Women's Project*

## **NOTTINGHAM**

Three homelessness providers which were the smaller members of Key Support, a city-wide floating support consortium.

*Emmanuel House Day Centre, the Hostels Liaison Group, and The Priory Day Centre*

goals, however, are not defined at the outset; they emerge as the members of the cluster get used to working together and develops a shared understanding of the issues they have in common.

Each cluster is run by a "Core Group", consisting of one member from each participating organisation, responsible for driving the project forward and taking key decisions. Experience from previous resource sharing initiatives had shown that members of the Core Group need to be able to commit their organisation's resources and knowledge, manage the balance between collaboration and competition, identify potential conflicts and have the authority to resolve them through compromise. They also need to be able to see beyond their own organisation's immediate sectional interest to the longer-term benefits. In the pilot projects, this meant each organisation taking part was represented by their Chief Executive or equivalent.

Previous experience had also shown that successful clustering requires each organisation to make a commitment both to the process and to its fellow cluster members. Each of the Collaborate 2 pilots were required to sign up to a set of ground rules setting out what was expected of participants.

### **COLLABORATOR'S TOP TIP 1:**

*"Take time to explore at the beginning, the options and their significance for each individual member organisation: and get away from the daily routine to do this."*

## How the project worked

Collaborate 2 used a structured process in which clusters moved through a number of stages:

- **information gathering and diagnostics** to enable the members of the cluster to identify key areas which they had in common and an initial list of issues to be explored further;
- **finding the focus:** further research and discussion to enable the cluster to identify one or more issues it was feasible to tackle and would be of value to all of its members;
- **developing a workplan and budget;** these were submitted to HACT for approval before the grant was released;
- **implementation;**
- **evaluation;** it was a condition of the grant that participating organisations should take part in the shared learning event and follow-up survey which provide the basis for this report.

Each cluster was provided with up to six days of facilitation time from members of the Collaborate consultancy team. This was used to help them through the initial stages of the process up to and including the development of a workplan and budget. In addition, three of the four clusters had an ICT review of each of their members carried out by a specialist ICT consultant employed by HACT. On average, this amounted to an additional four days of consultancy input per cluster.

The project operated against an externally-determined timetable; this changed twice during the course of the project. The initial intention had been to complete the entire pilot phase within five months. It quickly became clear that the amount of time needed to develop an effective workplan meant this was impractical. In the end, clusters were given four months to develop their workplans and a further four months to spend the bulk of the grant and commit the remainder.

## Insights into the process

**Identifying priorities and developing a workplan** took each group three or four meetings. Although most had a background of meeting together, participants reported that the sharing of information and discussions of shared priorities needed to compile the workplan led to a much greater degree of mutual knowledge. A number of respondents felt that one of the main benefits of taking part in the programme had been the way it helped to develop stronger relationships between individuals and organisations.

The priorities which emerged from this process had not, in many cases, been top of the list for any of the participants at the beginning of the programme; the choice was determined by “*a blend of priority, opportunity and achievability*”.

The main areas of focus were:

- **developing systems for reporting outcomes and demonstrating value** (identified by all four clusters, although one decided it could not address this within the project timeframe);
- **strengthening ICT infrastructure** and support arrangements;
- **developing shared training programmes.**

Other common themes emerging from the clusters’ initial analyses were:

- development of policies and procedures;
- access to HR support;
- volunteer development;
- health and safety;
- improving fundraising potential;
- developing a shared approach to briefing Board members on developments in the operating environment.

Although identified by more than one cluster, each of these was only taken forward by one.

# Outcomes

These fall into three categories: achievement of the objectives set out in the clusters' workplans; unanticipated spin-off benefits; and an increase in social capital.

As at October 2009, the clusters had achieved the following workplan objectives:

- **London:** development of a specialist outcomes indicator framework;
- **Bolton:** establishment of a joint training consortium; upgrades of websites; trialling of an online giving module; rationalisation of ICT support; substantial savings in purchase costs;
- **Durham:** work with a larger organisation (Centrepont) to extend an embryonic shared database and reporting system; a series of Board capacity-building events; development of a joint training plan, which the cluster is looking to roll out beyond its membership in order to achieve critical mass;
- **Nottingham:** upgrade of ICT systems and joint appointment of a support provider; development of shared database modules; access to HR support via the CLG-funded *Beyond A Helpline* service; agreement with a larger consortium partner for shared access to its health and safety support services.

## **COLLABORATOR'S TOP TIP 2:**

*“Unexpected positive outcomes will happen along the way to your goal, record them and value them. They can be as valuable as your final planned outcome.”*

## **COLLABORATOR'S TOP TIP 3:**

*“Make it happen – don't wait for someone else to take the lead or it will never happen”*

**The main concrete spin-off benefit arose from the sharing of information on purchasing of goods and services,** compiled during the diagnostic phase.

This enabled a number of organisations to switch to suppliers offering the best deal, or to negotiate jointly to achieve better value. One cluster's members saved over £20,000 as a result.

In addition, participants report significant increases in social capital as a result of taking part in the project. This has taken a number of forms:

- **enhanced profile and “voice”:** groups reported increased levels of recognition by external stakeholders because they were seen to be working together, and from the use of the Collaborate 2 brand (clusters were provided with a logo so they could present themselves as Collaborate Bolton, Collaborate Durham etc);
- **mutual support:** this operated both at an interpersonal level between participants, and in the sense of there being a network of peers to be tapped if an organisation was looking for ideas on how to address a particular issue;
- **self-confidence:** this operated both externally – in the group's dealings with its environment – and in terms of trust in its members' ability to deal with issues and to deliver;
- **trust, self-help and resilience:** several respondents reported that the experience of working together on the Collaborate pilot meant they were looking at ways of working together in the future. In some cases this extended beyond sharing of back office services to potential joint tendering and sharing of service delivery posts.

## Insights into critical success factors and barriers

Most participants agreed that **the availability of funding** was the essential catalyst in getting the pilot projects off the ground, in that it offered the prospect of a return on the investment of time and effort a project of this sort demands of those taking part. The amount – £15,000 per cluster – was felt to be well-judged; big enough to do something useful with, but not so big as to be simply divided up between members.

The **availability of external facilitation** was also felt by most to be an essential feature, providing an injection of expertise and resources to keep things moving forward in the early stages. All the clusters which had an ICT review felt this was particularly beneficial – it helped them to appreciate the ways ICT could be used to support their activities.

A number of respondents referred to **the importance of keeping things moving forward**, and the value of the project's structure and timetable in helping them to maintain momentum. Including items in the work programme which could deliver quick wins, and recognising and celebrating unanticipated gains, were seen as important ways of reinforcing the commitment of members during the early stages.

**The development of strong interpersonal relationships** and trust were seen as keys to success: respondents emphasised the importance of commitment to the process and each other. A number of participants referred to the importance of adding a social dimension to meetings.

**Flexibility and a “give and take” approach** were also important features. Groups recognised (either tacitly or explicitly) members would be starting from different points, and several agreed to allocate some of their budgets to bringing

less well-resourced members up to a level where sharing was possible.

In three of the four clusters, certain members took on **informal or formal leadership roles** which were recognised by the other members. In two cases, the organisations concerned had a second tier function, so the role of taking forward some of the cluster's work fell naturally on them. In the third, leadership shifted within the group according to the nature of the task being undertaken.

**The main barrier to progress, reported by nearly all respondents, was lack of time** – specifically, the intense pressure of competing priorities experienced by many leaders of small voluntary organisations. Alongside this was **a problem of vision** – the difficulty at the beginning of the project of fully appreciating what might be possible through collaborating. Combined, these factors made the decision to invest time in the project both difficult, and – at least initially – a bit of a leap of faith, born more of a sense that something positive was bound to come of it than the prospect of concrete benefits.

Feedback from the consultancy team suggests **another barrier to achieving the project's full potential may have been a side-effect of the involvement of second tier organisations**. They undoubtedly played an essential role in delivering workplan outcomes in the two clusters where they were present, but there was also a sense that this might have inhibited the development of a genuine collaboration between equals. This may be borne out by the fact that the most positive feedback on “social capital” gains came from clusters where second tier agencies were not present. On balance, however, their input was felt to have been strongly positive.

# The role of “community enablers”

**HACT.** By employing a consultancy team to provide the facilitation input throughout Stage One, HACT was able to stay at one remove from the action. As a result, it could be the custodian of the rules, setting the parameters and timetable for the programme, and adjudicating on the quality of workplans and budgets. This imbued the project with a sort of passive accountability, in the same way that a police car parked by the side of a motorway ensures that passing cars observe the speed limit. The fact that HACT was there in the background helped ensure clusters were aware of, and stayed within the rules of the game. There was no point at which HACT had to step in to enforce the rules, although there were a couple of occasions where it mediated over timetable issues.

**Second tier organisations** as part of the clusters. There is no doubt that the London and Nottingham clusters benefitted from the involvement of Imkaan and the Hostels Liaison Group – larger organisations with the capacity to take on at least some of the work generated by the cluster. In the case of the London project, Imkaan’s role was pivotal. There is, however, a possible downside to having one member seen as more capable than the others of taking things forward. It is perhaps not a coincidence that the two clusters which did not have this sort of input were felt by the facilitation team to have produced the most genuinely equal collaborations.

**Public sector agencies including local authority sponsors.** Although Bolton Community Homes and Bolton at Home are not members of the Bolton cluster, their role as critical catalyst and supporters/facilitators were seen by all of the respondents as an important factor in the cluster’s success. Although it was not such a constant presence, the Durham cluster had also benefited from encouragement in the early stages of Collaborate 1 from the Supporting People team and was also able to tap into support from within the local authority in putting together its programme for Board-level capacity building. There are clearly models here which could usefully be copied by local authorities elsewhere.

**Larger voluntary sector agencies.** Two of the clusters – Durham and Nottingham – included elements in their workplan which relied on larger voluntary agencies to deliver them. In both cases these were rooted in a pre-existing relationship. In Durham, Centrepoint was already providing database services to three of the cluster members. In Nottingham, Framework was the lead agency in the Key Support floating support consortium of which all of the Collaborate agencies were also members. Neither of these workplan elements had been completed at the end of the evaluation period, so it is not possible to comment on their success or otherwise. There was, however, a degree of frustration in both cases, and it seems likely that this is as much the result of the difficulties in structuring and delivering this sort of relationship as of the performance of any of the organisations involved.

**COLLABORATOR’S TOP TIP 4:**

*“We had help from HACT, which was needed – don’t try to do it in your own short time, try to bring in extra resources”*

**COLLABORATOR’S TOP TIP 5:**

*“It’s hard work, but stick with it, it’s worth it.”*

## Evaluation

The pilot projects achieved quite significant gains in terms of the achievement of concrete workplan objectives, cost savings, and increases in “social capital”. The project has shown how increases in individual and collective self-confidence and trust in potential partners can open the door to a range of bilateral and collective approaches to problem-solving and future joint tendering.

Feedback from participants was overwhelmingly positive. They felt the benefits they had achieved through collaboration had more than justified the time and effort they needed to invest. They all would recommend other organisations to take part in similar programmes.

The model of combining initial facilitation support with a second-stage grant is broadly similar to the Modernisation Fund model. The principal differences were:

- the Collaborate clusters did not have a defined focus (other than a shared commitment to developing resource-sharing) at the beginning;
- facilitators and methodology were supplied by HACT rather than chosen by the cluster;
- the amount of initial facilitation time was longer (six days as opposed to two under the Modernisation Fund);
- grants were paid to clusters rather than to individual organisations.

The cost of Collaborate 2 works out at approximately £21,500 per cluster – equivalent to around £4,600 per participating organisation. This compares with an investment of £11,000 in organisations which have reached Stage Two of the Modernisation Fund.

It is too early to make a comprehensive comparison between the two models. In terms

## Policy issues (cont'd)

This may partly be the result of what appears to be a detachment of the supported housing sector from the network of infrastructure support operating in the rest of the voluntary sector. It suggests a need for:

- › a review of how information is disseminated to front line agencies, and
- › a building of bridges between the supported housing sector and the rest of the voluntary sector serviced by NAVCA members.
- **Tackling the ICT deficit.** We found that all except one of the thirteen organisations which received a Collaborate ICT review were operating with systems which fell below the level any small business would expect as a baseline. In some cases, shockingly so, with obsolete hardware running on a variety of operating systems, no internal network, and deficient security arrangements. This represents a major source of inefficiency within the sector, on which past capacity-building initiatives have clearly had little or no impact. Action is urgently needed to:
  - › help organisations (whose budgets are being squeezed by demands to make “efficiency” cuts) to invest in basic ICT systems which are fit for purpose; and to
  - › help them understand how ICT can support and develop their core activities.

of both hard and soft outcomes achieved, Collaborate 2 appears to have delivered good value for money. The real test will be whether the gains are sustainable in the longer term – and in particular whether the increases in social capital it appears to have stimulated translate into tangible benefits for the organisations that took part.

## Policy issues

Collaborate 2 was essentially a practical initiative aimed at testing a methodology and generating learning which might be of wider use within the voluntary sector. A few issues have emerged which have a significance for discussions on future policy towards building capacity within the voluntary sector:

- **Finding the focus.** It is clear from Collaborate 2 that there are efficiencies waiting to be realised in the way in which smaller organisations use resources, and that some of these can be accessed relatively easily through collaboration. This could, for example, be something as simple as sharing information on how money is spent on goods and services. The pressure of competing priorities on the people at the top of these organisations makes it very difficult for them to invest the time and concerted analysis to enable them to come up with concrete ideas. **Capacity-building funding packages which expect organisations to come with ready-formed ideas on how collaboration can benefit them are at risk of missing a lot of these potential gains.** Investing in helping groups “find the focus” for collaboration pays dividends. As part of the Collaborate 2, HACT has produced a website to help groups do some of the initial set-up work for themselves. Thought needs to be given to how this can be backed up by practical, on-the-ground support;
- **Accessing the opportunities.** In spite of all of the effort put into publicising capacity-building initiatives, we found front-line organisations still find difficulty in knowing what is available. Only one of the Collaborate 2 pilot groups found out about the availability of the Modernisation Fund before it was too late to apply. There was also very low take-up of other potential sources of capacity-building support.

*(continued inside)*



To find out further information about the Collaborate 2 project - and its forerunner, the Collaborate 1 project - please visit [www.hact.org.uk](http://www.hact.org.uk).

To access the Collaborate 2 toolkit, visit [www.collaborate2-hact.org.uk](http://www.collaborate2-hact.org.uk). You can also download worksheets from Collaborate 2, and Collaborate 1, from [www.hact.org.uk](http://www.hact.org.uk).

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