



Competition and Collaboration in West Yorkshire **June 2010**

Background

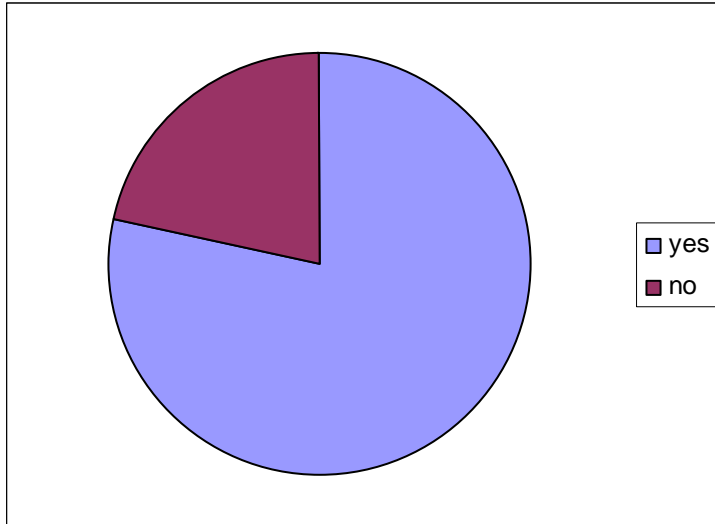
WYLDA (West Yorkshire Local Development Agencies), the infrastructure consortium for West Yorkshire conducted a survey of 26 voluntary and community organisations in the sub region. The surveys took place during May and June 2010. The aim of the survey was to capture the effects of competition and collaboration in West Yorkshire in the last 18 months and get some feel for the changes anticipated by voluntary and community organisations in the next twelve months.

The organisations were chosen at random from across West Yorkshire from the data bases of the five district Council Voluntary Services/ Voluntary Actions. There was one criteria in choosing an organisation and that was they had to have at least one paid member of staff. The groups interviewed ranged from national voluntary organisations to community groups working in a very small geographical locality. The types of activities they delivered ranged from supporting children and families with disabilities, to looking out and after vulnerable people during the night, to managing community buildings and supporting older people.

In the last 18 months the political and economic environment has been shaky. A world recession, decline in the British economy, the collapse of the British banking sector and the impact of bailing out the banks is starting to bite with unprecedented public sector cuts in expenditure. The culture for groups operating in the voluntary and community sector has changed in the last few years. There are opportunities for the voluntary and community sector to tender for the delivery of public services and longstanding grant aid is beginning to be transformed by funders' into competitive tenders.

The following results give a snapshot of what is happening in the voluntary and community sector in West Yorkshire.

WE ASKED: In the last 18 months have you experienced another organisation providing the same or a similar service to the one you provide?



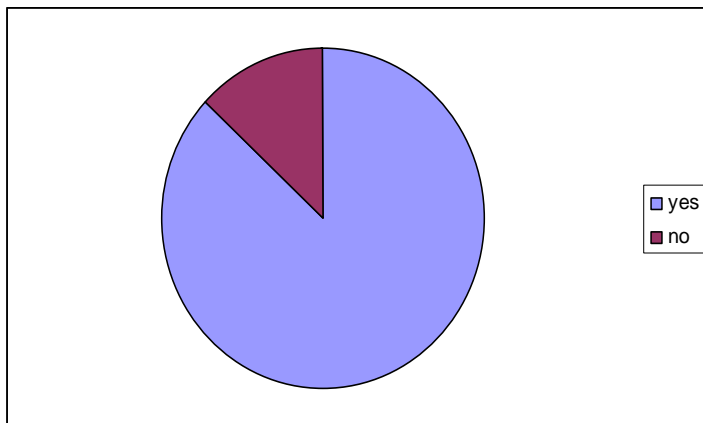
78% of organisations had experienced another organisation offering the same or a similar service.

The following highlight some of the experiences of competition felt by organisations in the voluntary and community sector:

- A service was put out to tender and lost, staff were TUPED to the winning bidder.
- Competition was not just from voluntary and community groups but private sector providers.
- Smaller organisations were looking to deliver a wider range of services and competing for tenders.
- Different groups were setting up to cater for their own community's religious and cultural needs.
- A centre of excellence set up in a locality attracted a lot of funding to the detriment of a local community centre.

Organisations that hadn't experienced competition were operating in a very specific geographical location or delivering a specialised service.

WE ASKED: Do you see increased competition for your organisation?



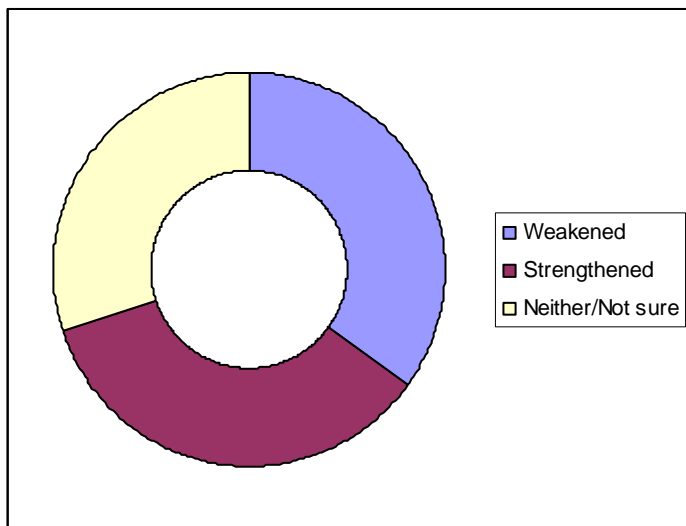
87% of organisations felt that there would be an increase in competition over the next twelve months.

Organisations felt there was going to be an increase in competition for the following reasons:

- Less funding, organisations looking to diversifying their activities, moving into new markets and competing for funding.
- Tenders and contracts attract bids from a number of voluntary and community organisations as well as statutory and private sector organisations, this could include organisations from outside the locality and national bodies.
- Funding in some areas of the sector is becoming monopolised by larger companies.

Where there were unique services it was felt that competition was not a threat.

WE ASKED: Has competition weakened your organisation or strengthened your organisation?



35% Weakened
35% Strengthened
30% Neither / Not sure

The following are some of the experiences of how competition strengthened organisations:

- An organisation lost a contract so it reflected on what it delivered and improved its service.
- It forced an organisation to look at its 'unique selling points' and to develop and maintain good practice to be in a better position to sell itself.
- Competition had led to a group of organisations working closer together and increasing the quality and range of services they provided.
- Some organisations had looked at changing their constitutions.

For those organisations that had felt competition had weakened them it was because of;

- funding being taken away and services having to be reduced,
- inability to offer the same variety of services and
- vulnerability to larger organisations which could benefit from economies of scale.

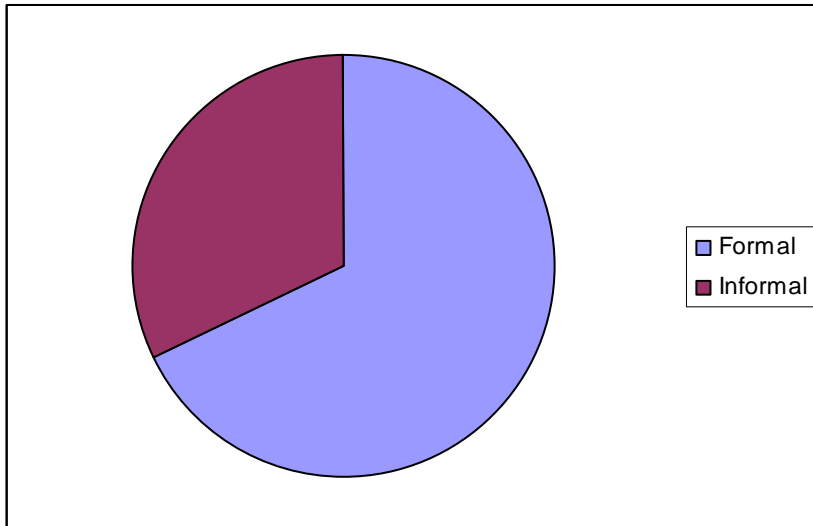
WE ASKED: In the last 18 months have you collaborated with other organisations?

100% of organisations had collaborated with other organisations.

These collaborations were not just within the voluntary and community sector but with statutory and private organisations.

Some examples of the collaborations taking place were:

- Collaboration had been with a private sector company to deliver part of the PCT agreement. It offered the organisation the opportunity to deliver a new targeted service.
- A consortium of organisations that support young people secured central government funding for a much bigger project than one they could deliver as independent organisations, 2 million over 2 years.
- A School and after school club working together to offer parents and children more flexible child care.
- Working with national charities in Yorkshire and Humber and the East Midlands to deliver training.
- Co-location.
- Working with mainstream services to ensure that advice and guidance was available to individuals with learning difficulties and that it was delivered in an appropriate manner.
- Funding to work with 'NEET' (not in employment, education or training) young people working with voluntary and community organisations to deliver the activity.
- Heritage venues working with community organisations.
- Working with NCVO (National Centre for Voluntary Organisations) on concerns within the sector exploring closer links with large umbrella body.



Of the collaborations 68% were formal.

100% of organisations stated that there had been positive outcomes for their organisations through collaboration.

Some of these positive outcomes were:

- Ability to offer a bigger and broader package to the client.
- Sharing workers and resources brought mutual benefits and economies of scale.
- Strong cross sector relationships.
- Trust, honesty and knowledge developed.
- A unified voice.
- Pre-empting conflict.
- Increased word of mouth marketing.
- Everyone brings something to the table.
- Developing targeted work and offering a service to a new group.
- Collaborative service has been replicated throughout the country.
- Learning to collaborate, the support needed and the benefits shared.
- Organisational development, restructuring.
- Able to engage with communities to meet local needs.
- Increased resilience and sustainability.

Some of the key negative effects of collaboration were:

- Un-compatible approaches, different working structures and working cultures, not able to make decisions quickly.
- Being too open was felt could lead to vulnerability.
- Length of time to build relationships.
- If you are collaborating to deliver a service there needs to be enough money in the pot to make it worthwhile.

Conclusions

Very clearly as funding reduces competition is expected to increase. As groups compete for a shrinking pot of money it is evident that they will look to diversify activities and some may look to work outside of their previous geographical boundaries. There is also a threat felt by small voluntary and community organisations that national bodies will monopolise tendering processes.

Competition is not all good or all bad it has made organisations look at the delivery of services and look to improve them for the benefit of the end user. Part of achieving improvements for services has been to collaborate with other small organisations.

Collaboration has undoubtedly brought about positive benefits for organisations. Collaboration brings economic benefit through the sharing of resources and brings about improvement in the quality of services for the end user.

Collaboration is not without some drawbacks, it takes a lot of resources in terms of time. There is a fear that as future competition increases collaboration may be compromised as organisations are left open and vulnerable.

This research raises a clear question:

Do we work with our competitors to reduce the threats and look to work collaboratively?

Thank you to the organisations that took the time to be part of this survey.