

# Membership Prospectus

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## A MESSAGE TO ESSEX VOLUNTARY AND COMMUNITY ORGANISATIONS

Welcome to the Membership Prospectus for 4SX, an Essex based consortium owned and run by its voluntary and community sector members.

4SX was originally conceived by the Essex CEO Forum in response to growing feedback from commissioners to reduce the number of contracts they managed whilst increasing the diversity and innovation inherent within the delivery of those contracts. With seed funding from the Thriving Third Sector Fund, 4SX has now evolved to a point at which it is a legal entity and can start to build up its membership.

Our focus is on individual organisations working collaboratively in order to win and deliver public sector contracts and access other opportunities. 4SX is a chance to provide a unified front, celebrating everything that is good about the voluntary and community sector. We believe that we are stronger together, can meet the needs of communities better as a collective and have the capacity to innovate on a scale that is impossible alone.

Membership will be open to all, but as a small organisation ourselves we must do this in a managed way that brings realisable benefits to its members. We have engaged the services of ACEVO Solutions to provide the business development capability, which can be summed up as: FIND, WRITE, WIN - that is: find the contracts we can collectively bid for, help write the tender responses and then win the business.

We know that a consortium is not the only way we will collectively win and deliver public sector contracts, there are already other good examples of partnerships across the county. However, as a legally constituted company limited by shares, we present a formal vehicle through which we can attract funding and improve the lives of our beneficiaries.

It won't be for everyone, and there are no promises that funds will be immediately forthcoming as a result of being a member, but I do hope you will have the same longer term vision as your peers have had and join us in a true Essex partnership.

Best wishes

Andrew Gardner,  
Chief Executive,  
Age UK Essex

## INTRODUCTION

### Background

4SX Consortium is a new organisation owned and run by its membership. Members must be not-for-profit organisations (for example charities, voluntary organisations, social enterprises) in Essex. The purpose of the consortium is to win and to deliver public sector contracts.

The consortium will enable Essex's voluntary and community sector to compete for contracts with regional and national organisations. It will ensure that public services for people and communities in Essex are delivered by organisations that *know and care about Essex*.

This prospectus will tell you all you need to know about the consortium, and help you decide if joining it is right for your organisation. You will find information about the consortium's governance and legal structure, its vision, values and principles. You will also be able to find out about eligibility criteria and how to apply to become a member. Other information about the consortium is available at [www.4sx.org.uk](http://www.4sx.org.uk)

Membership of 4SX will not be the right thing for every organisation in the county. Some who may wish to join might not be eligible at the moment, although help may be available to support membership in the future. For those organisations that do become members, the consortium will offer a collective approach to compete for contracts and to shape and deliver public services.

### *The 4SX consortium will:*

*Create an entity that can compete effectively in the evolving public sector contracting arena*

*Harness voluntary and community organisations' unique capacity to 'reach the parts that others cannot reach' to deliver cost-effective, high impact outcomes for local communities*

*Provide the vehicle that enables effective local delivery by organisations that operate from within Essex communities*

*Invest public money back into the Essex economy whilst delivering value-for-money local services*

*Provide an effective response to the challenge of deficit reduction and the emphasis on localism*

*Enhance VCS partnering and enable innovative solutions for a range of services*

## **Why has a voluntary and community sector consortium been set up?**

Changes across the public sector, financially and organisationally, are indirectly having an effect on voluntary and community organisations. These include the cutting of statutory bodies' budgets and a redefining of traditional relationships between voluntary and community sector organisations and government.

Over the past few decades, we have witnessed an increasing shift away from grant aid towards greater use of procurement and contracting for public services. Increasingly, what were small contracts have been bundled into larger single tenders or recommissioned entirely differently. This has presented a challenge, particularly for small and medium sized voluntary organisations and charities.

The move towards new funding mechanisms by public sector bodies (such as payment by results and social impact bonds) and the promotion of social investment has also created an unfamiliar, uncertain and complex funding environment.

A consortium designed to facilitate partnership bids to statutory bodies and other funders will provide fresh possibilities for charities and social enterprises in Essex, creating new and innovative ways of delivering services.

## **What is the structure of 4SX?**

4SX is a new consortium of Voluntary and Community Sector organisations in Essex, owned and run by its members. 4SX is a legal entity ready to deliver contracts. It is a formally constituted company limited by shares.

The interim board is comprised the leaders of the following organisations:

Andrew Gardner, CEO  
**Age UK Essex**

Paul Ramsden, CEO  
**Carers Choices**

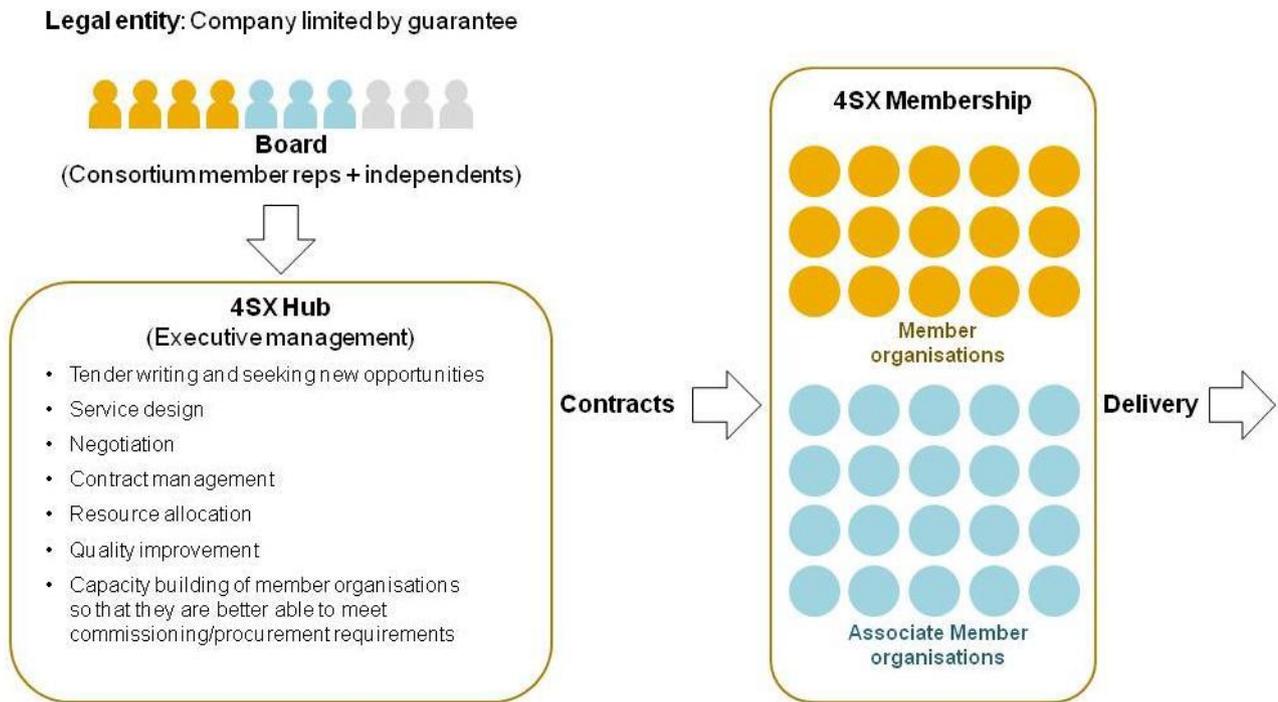
Linda Riley, Director  
**Voluntary Sector Training**

Nick Shuttleworth, Executive Director  
**Rural Community Council of Essex**

Tricia Earp, Area Operations Director  
**Red Cross (Bedfordshire, Hertfordshire and Essex area)** *non-voting member*

The intention is to hold full elections at the first AGM, at which point directors will be formally elected. At election, this will also include a proportion of independent members (those with no organisational service delivery interest).

# HOW 4SX WILL OPERATE



4SX exists to provide a mechanism to jointly bid for and deliver public services. This model offers voluntary sector organisations the opportunity to come together and to harness the hard work and commitment that exists in the sector. We will position ourselves in a way that gives us the best chance to bid for public sector contracts and other funding opportunities.

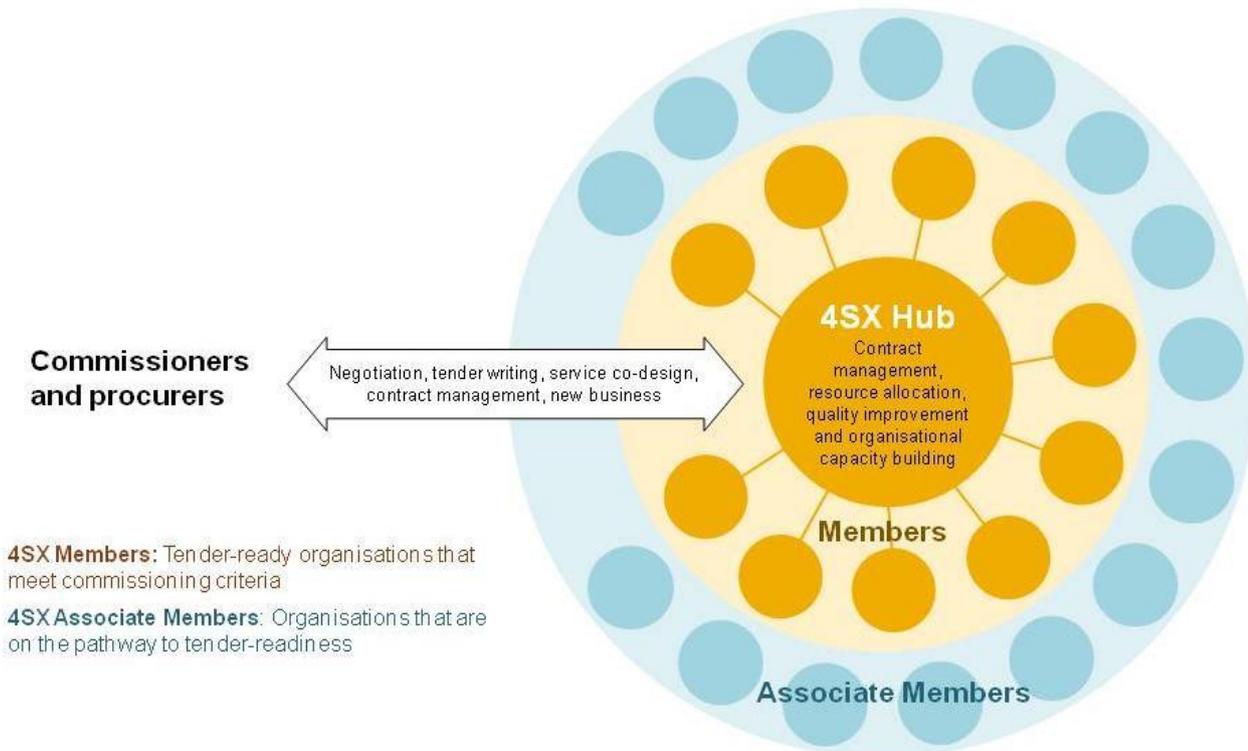
4SX will welcome organisations across a wide spectrum including health and well-being, older adults, young people, learning and skills, social welfare advice, arts and culture.

4SX has the ambition to work towards building the capacity of member organisations through the Essex CVS network. The Consortium is committed to raising the capacity of its members to enable them to successfully compete for contracts, to improve service provision and to contribute to the sustainability of the voluntary and community and not-for-profit sector.

Initially, 4SX will focus on opening up new contracting opportunities, promoting joint working and encouraging organisational learning and development. 4SX will focus on securing large-scale public service contracts, whilst helping the sector collectively to up-scale its offer in order to be in a position to achieve this.

## Hub and Spokes

The consortium will operate on a Hub and Spokes' model. The hub will carry out the day to day operational functions of the consortium whilst the spokes will deliver the services.



For the first year the hub service will be provided by ACEVO Solutions, sector leaders in consortium development. Administrative support for the Board will be provided by Age UK Essex.

### The role of the Hub will be to undertake the following:

- Tender writing and seeking new opportunities
- Service design
- Negotiation
- Contract management
- Resource allocation
- Quality improvement
- Capacity building of member organisations so that they are better able to meet commissioning and procurement requirements

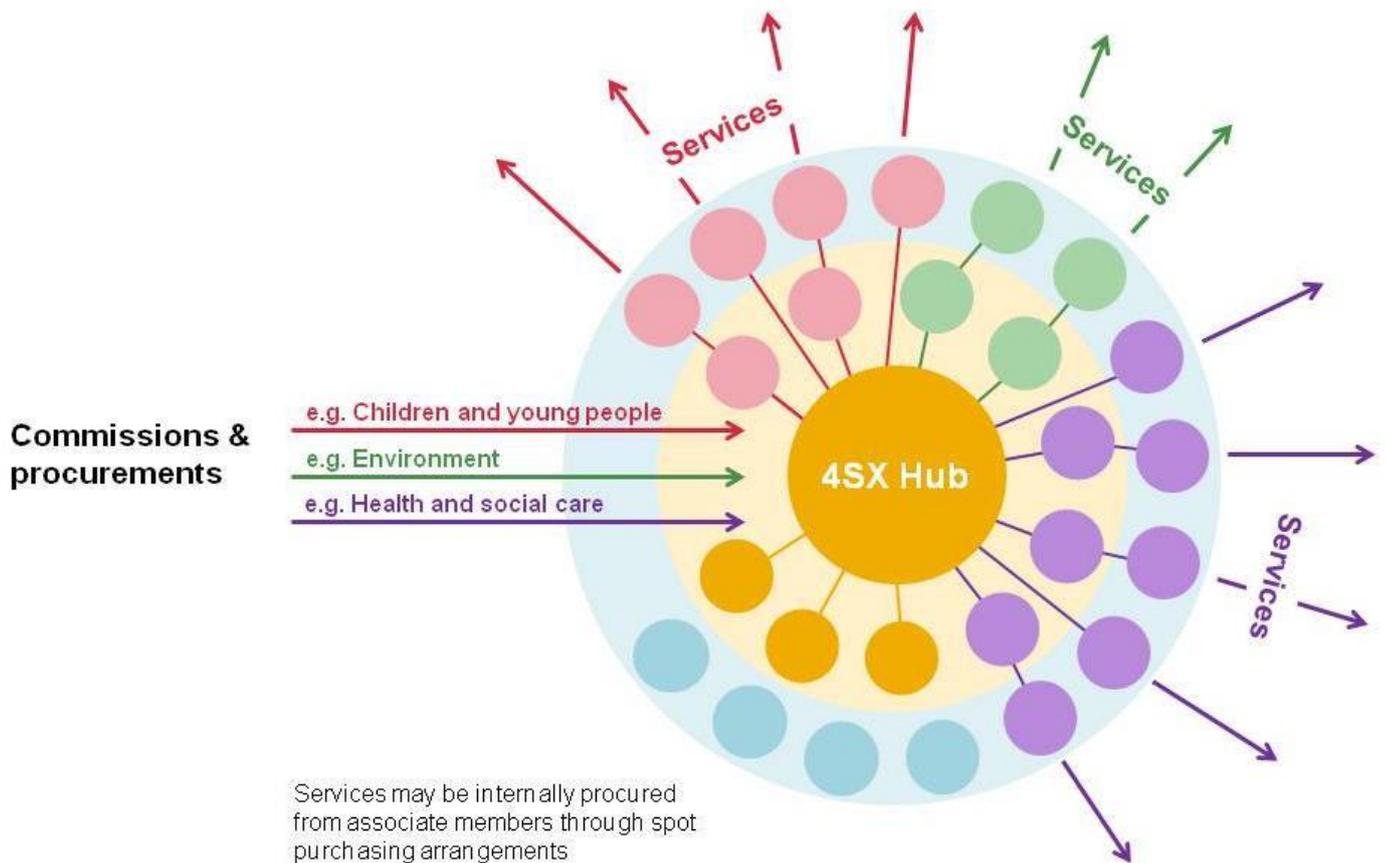
The long-term goal is for the central hub is to be sustainable through the allocation of a sufficient top slice of recurrent contract funding. The Thriving Third Sector Fund is funding the first year development process for getting 4SX up and running. An underlying principle of the internal resource allocation is that a clear majority of funding should be invested directly in delivery, with more money as a result getting through to frontline services.

**The spokes are the individual members of the consortium.** The spokes are the most important part of consortium. It is the **expertise and abilities of its members** that will enable 4SX to win contracts and deliver excellent services. What the members deliver on behalf of the consortium is what will enable 4SX can grow, establish its reputation and make it successful and sustainable.

## Clustering

A feature that differentiates the consortium concept from another large organisation is the diversity of organisations which conceivably might be involved with delivering a contract.

The hub will manage the clustering of partners to enable innovative solutions to be developed and different contracts to be delivered simultaneously.



### Clustering Protocol (including system for awarding sub-contracts)

#### 1. Deciding which contracts to go for

*The Consortium hub will make recommendations based on an opportunity appraisal process. An ultimate decision will be made by the Board.*

#### 2. Dissemination of Opportunity/information giving session

*Detail of the opportunity will be circulated*

*among consortium members.*

*Organisations that aren't prior members will be invited to join 4SX should their Expressions of Interest (see below) be successful. Members will be informed of the opportunity and of the process of developing a consortium bid.*

#### 3. Expression of Interest

*Members interested in the opportunity will be asked to submit an EoI form. The Expression of interest will capture organisations' capacity/track record of*

*delivering services in the relevant area, and information relevant to their capacity to engage with the future contract. Decisions on which organisations are invited to become prospective delivery organisations will ultimately rest with the board, and may be delegated to the consortium hub or to a committee accountable to the consortium board.*

#### 4. In/Out Decision

*At some point in the process of bringing together a delivery cluster, organisations will be invited to make a firm decision to either come into the consortium or deliver outside. Cluster members then need to disclose commercially sensitive information (e.g. about unit costs). Members that choose to come into the consortium will be asked to sign a Non Disclosure Agreement.*

#### 5. Service Design/Allocation

*Depending on the type of service to be delivered, there may be some call for delivery cluster organisations to come together to design a new service. This form of co-design will ideally be done with the participation of all members of the cluster. Decisions over the allocation of delivery amongst the cluster will also ideally be made in accordance with fair and transparent principles agreed by the whole group. Where such agreement is not forthcoming, decisions may need to be made by the Board or a committee accountable to the Board. An internal tendering process could also be used where agreement cannot be reached in the time available.*

#### 6. Bidding

*A bid team will be appointed containing representatives of cluster organisations. Consortium policies will be developed to define the role and responsibilities of the bid team. Final decisions on what goes into a bid will be made by the Board*

# MEMBERSHIP

## **Benefits of 4SX 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).*

There will be two categories of membership—Full and Associate. The criteria for membership fall under four headings with Full Members needing to meet all criteria and Associates being required to achieve a, b, and c.

- a. Not-for-profit
- b. Area of Operation
- c. Commitment to Consortium Working
- d. Contract Readiness

- 1) Voluntary and community or other not for profit organisation

Consortium membership will be open to charities, voluntary and community groups, social enterprises and other not for profit organisations. Any member will need to have clear social and charitable objectives in its governing document.

- 2) Area of operation

Members must be based in Essex or delivering services in Essex. Trustees reserve the right to decide on an individual basis, what is the minimum level of service delivery for potential members. Trustees reserve the right to offer membership to organisations not currently working in Essex, where there is a persuasive business reason for doing so. (This criterion is not intended to rule out the possibility of newly created organisations joining the consortium)

- 3) Commitment to consortium working

Commitment to participating actively in the consortium's development and sharing expertise, knowledge and experience with other members

- 4) Contract Readiness

All consortium full members must be able to meet the policy, procedure and organisational requirements of current public sector PQQs. This is vital because the consortium will need to demonstrate that its members can meet minimum standards. Associate members will have to show how they are working towards PQQ compliance. This typically includes:

- ✓ Information systems
- ✓ Quality assurance systems
- ✓ Health and safety policies
- ✓ Environmental standards
- ✓ Equality and Diversity policies
- ✓ Governance

## Associate membership

Whilst there are clear advantages in being a Full Member of 4SX as this status provides the prime pool of delivery organisations, Associate Membership also carries benefits. These include:

- Access to advice, information and support through 4SX relating to general issues pertaining to organisational development and specifically quality assurance and the functional aspects of managing information and managing finances
- At some future date 4SX aspires to be in a position where it can offer some advice and support for building the capacity of the Associate members in order that they can progress, if appropriate and relevant, to become a full members eligible to receive funding via sub-contracting arrangements. It is the expectation that such support will be provided via CVS/infrastructure bodies in future.
- The potential to network with other members and discuss potential partnership opportunities. The consortium can put Associate members in touch with other members that are interested in delivering particular contracts outside the consortium.
- Full Members may enable Associate Members to access spot purchasing opportunities. Where there are gaps in service provision, which can be met by organisations that are Associate Members, supply chains for particular contracts may be created that include a component of spot purchasing. This will enable inclusion of providers unable to meet full membership, but are uniquely able to provide niche services.

## Annual Full Membership prices and thresholds

£ Annual Turnover	Membership fee
£100K-£249K	£100
£250K-£500K	£250
£501K-£1m	£500
£1m+	£1000

Associate Membership is free.

4SX encourages organisations to consider the fee as an investment in joint capability building for the Voluntary and Community Sector in Essex.

Organisations that are not able to commit to membership at this stage but would like to remain informed about 4SX developments are able to submit an EoI to register their interest.

For further information about the consortium, applying for membership and the current fees, please visit the website. [www.4sx.org.uk](http://www.4sx.org.uk), email [info@4sx.org.uk](mailto:info@4sx.org.uk) or contact ACEVO on **07500 780 989**



## **FREQUENTLY ASKED QUESTIONS**

### **How will this affect the independence of member organisations?**

*There will be no difference. Organisations will bid for grants and contracts in the normal way. Other than when contributing to the delivery of a consortium contract, each member or associate organisation will have absolute autonomy and will be governed by their board as reflected in their Mem and Arts. When actually taking part in the delivery of a 4SX contract, members will be required to adhere to the terms of the contract and maintain the quality expected.*

### **Will the consortium will be a competitor to individual Essex-based charities?**

*That's not the intention. 4SX will mainly be bidding for large contracts not normally within the reach of individual organisations. It will only be in exceptional circumstances that small pots will be targeted, perhaps to support capacity building which will be beneficial to the sector as a whole. It is ultimately for the membership of 4SX to determine its bidding policy.*

### **The consortium doesn't have a track record, how can we be assured that contracts will be managed efficiently and to appropriate standards?**

*Although the consortium, as a new legal entity, won't have a track record, it will bring together a wide range of long-established VCS providers into a unified tendering and contract management framework. As such it will build on the existing track records of its established constituent members.*

### **Can non-Essex CEO Forum members join 4SX?**

*Yes, the Essex CEO Forum only instigated the consortium but also no longer exists as per the original funding application to Essex Community Foundation.*

### **Can organisations not based in Essex or those that are not delivering services in Essex become members?**

*In exceptional circumstance where 4SX and its membership cannot identify an Essex organisation or one does not exist in Essex that can deliver the required service.*

# VISION, MISSION & VALUES

## **The Vision**

*To achieve a better quality of life by harnessing the talents, expertise and diversity of the voluntary and community sector in Essex.*

## **The Mission**

- *Creating a 'single point of contracting' for commissioners looking to procure services from the voluntary and community sector.*
- *Creating a vehicle that positions the VCS as supplier of choice and best value to commissioners.*
- *Supporting the sustainability of the VCS by securing more resources and enabling organisations to access sources of funding that they couldn't access on their own.*

## **The collaborators have developed a clear vision for the consortium that is supported by a mission and underpinning values.**

The 4SX VCS consortium exists to provide a mechanism for voluntary and community and not for profit organisations in Essex to jointly bid for and to deliver public services. The Consortium is committed to raising the capacity of its members to enable them to successfully compete for contracts, to improving service provision and to contributing to the sustainability of the voluntary and community and not for profit sector.

The values of the 4SX VCS Consortium inform its role and purpose and provide a framework for how its members relate to each other, to voluntary and community organisations outside of the Consortium and to commissioners and policy makers.

The principles the 4SX VCS Consortium guide the way that the consortium operates on a day-to-day basis.

## **Common public sector values**

The 4SX VCS Consortium's values are expressed through common public sector values:

- Equality
- Diversity
- Respect for the individual and communities
- Putting people at the heart of services
- Empowerment
- Social inclusion

## **Values relating to the role and purpose of the consortium**

Flexible, open and transparent systems that invite participation from new members and makes it clear what they are 'signing up' for

A creative approach to an environment of increasing demand and reducing resources  
Systems to demonstrate good value and efficient use of public funding

Actively ensuring a diversity of providers able to understand and meet the needs of particular communities

Valuing the contribution and potential of all consortium members with a commitment to learning from each other and assisting each other to develop and promote best practice

Prioritising services for vulnerable and disadvantaged communities

Taking an asset based approach to working in communities that provides opportunities and develops the potential of local people

Not for profit only membership

Valuing co-production of services and the active involvement of service users

### **Business values:**

The consortium is a social enterprise and, as such, is founded on good business values:

- Implementing commissioning and procurement led quality standards
- A commitment to demonstrating good user focussed outcomes
- Commitment to continuous quality improvement
- Take decisions based on business and financial analysis and risk management
- Recognising the professionalism of staff and volunteers and valuing their contribution and expertise to their organisation and service users
- Influencing how the provider market delivers services in partnership

### **Principles supporting the values**

The consortium will operate with a number of principles to which all members and associates will need to sign up. These will underpin the services that will be delivered through the consortium and member organisations will be expected to adhere to them. They are summarised as:

- Cost effective use of human and financial resources
- Maximising best value for the service user and commissioner
- Managing and reducing risk

### **Business principles**

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

- Apply business skills and commercial principles in order to flourish as a social enterprise operating within the independent sector
- Set clear business objectives
- Explore and take advantage of opportunities within a planned approach, drawing on the consortium's strategic position within the County city and beyond
- Create and use management information as an integral part of business and strategic planning
- Undertake short and long-range business and financial forecasting
- Focus on outcomes rather than inputs and outputs
- Streamline the consortium's management and back office functions
- Adopt a total, "whole organisation" approach to developing business awareness, skills and understanding; in other words, ensuring that business development capability is not just invested in a few individuals but embedded across the consortium
- Employ business and financial analytical tools (e.g. competitor and break-even analysis) as a natural, routine function of maintaining the consortium
- Take decisions about areas of potential work/activity on the basis of sound business and financial analysis, as part of a continuous risk management strategy
- Review on a regular, systematic basis, existing areas of work for on-going viability, as part of a continuous risk management strategy
- Maintain strong internal research and development capacity to underpin analysis of the

opportunities and threats within the business environment and to inform business development strategies

### **The Consortium's core operating principles**

The consortium will also adhere to a number of core operating principles, which will inform how it will conduct itself in its day-to-day business and define its ethos. These principles are as follows:

#### ***Voluntary & Community Sector focus***

The consortium is a collaboration of agencies operating in the VCS with a clear shared commitment to individual user and community benefit. The intention is to build on the value-driven approach of the not-for-profit sector to deliver the consortium vision.

#### ***Objectivity and impartiality***

The consortium will be focused impartially upon the objective needs of all the member organisations, which shall be equal in status. It will not be dominated by the particular self-interests of certain organisations or individuals.

Consortium members will need to strive at all times to be open, honest and transparent in their involvement in consortium affairs. Representatives of the consortium will be required to operate with integrity and to work for the good of the whole consortium.

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 sub-contracted to those organisations on a transparent and fair basis, proportionate to delivery capacity and subject to appropriate quality and monitoring/reporting thresholds.

These principles of objectivity and impartiality are informed by Nolan's seven principles of public life.

#### ***Influencing patterns of supply***

Through creating a unified delivery mechanism, the consortium will seek to influence the strategic direction of VCS-sponsored service provision across the locality. The consortium will give the sector the capacity to co-design, plan and co-ordinate resource allocation in the most efficient and effective way, ensuring optimal patterns of provision across the area.

#### ***Protecting autonomy and strengthening organisations***

The consortium is designed to promote individual organisations' autonomy rather than merging or subsuming their independence into a larger structure.

The organisations that make up the membership base will each have their own ways of working designed in specific response to a particular set of circumstances and conditions in which they are operating. The consortium will be sensitive to this diversity in implementing the strategy to standardise systems, processes and methods across the provider network.

The consortium will respect the special strengths and particular approaches of different member organisations and build their capacity to become more effective as independent, locally accountable bodies, including bidding for and managing their own funds and managing their own quality improvement strategies.

#### ***Inherent dynamism and responsiveness***

The consortium will be constantly open to the potential for new members to come on board rather than operating as a closed circle of collaborators. This commitment to 'ensuring contestability' will promote and safeguard vitality and dynamism within the provider network.

Levels of support within the consortium structure will evolve over time, adapting to the changing needs of member organisations and their respective stakeholders. Moreover, the consortium will actively encourage member organisations to establish and maintain partnerships and networks outside of the consortium further develop their potential.