

A DELICATE BALANCE



**Accountability and Partnership in the
Moreton Bay Community Consortium**



Prepared for

Pine Rivers Neighbourhood Association Inc.
PO Box 489, Lawnton 4501
coord@prnc.org.au
Tel: 07 3205 2955
Fax: 07 3881 2877

by

Patricia Rose
Wildwood Consultants
PO Box 155, Petrie 4502
p.rose@wildwoodconsultants.com
Tel: 07 3425 3525

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ABBREVIATIONS

BINC	Bribie Island and District Neighbourhood Centre Inc.
CRDVS	Caboolture Regional Domestic Violence Service Inc.
DBNC	Deception Bay Neighbourhood Centre Inc.
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FREST	Family Relationship Education and Skills Training
FRSA	Family Relationship Services Association
Gowrie	The Gowrie (Qld) Inc.
FRSP	Family Relationship Services Program
MFR	Men and Family Relationships
MoU	Memorandum of Understanding
PRNA	Pine Rivers Neighbourhood Association Inc.
PRNC	Pine Rivers Neighbourhood Centre
RCA	Redcliffe Community Association Inc.
SFVS	Specialised Family Violence Services



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INTRODUCTION

This document records the journey of the Moreton Bay Community Consortium (MBCC), and the lead agency, the Pine Rivers Neighbourhood Association Inc. (PRNA), from late 2005 - and the first agency meeting to explore the possibility of entering into partnership to deliver early intervention services to families in the Moreton Bay region - to the present.

It outlines the challenges faced, the lessons learned, and the benefits both for the organisations involved and for their clients. It focuses, in particular, on the paradoxical position of PRNA, as one partner among equals and, simultaneously, as the agency with legal responsibility to the funding body for the performance of all consortium partners in the achievement of client targets, financial management and compliance with the FRSP Approval Requirements.

With the progression of time, the lead agency and the consortium partners have faced numerous challenges in managing their relationships, and in addressing the requirements of the funding body. They have addressed these collaboratively, within the limitations of the legal agreement between the funding body and the lead agency. They have developed tools and processes for use by the consortium partners, to assist the lead agency to satisfy the requirements of the funding agreement.

The paper builds on research undertaken by earlier scholars, and the experiences of other consortia, as it highlights the potential and real tensions between the vision of MBCC - shared decision-making - and the legal responsibilities of the lead agency, and provides a timely contribution to the current discourse on partnerships.



THE PARTNERSHIP AND ITS VISION

In late 2005 a number of nonprofit community sector agencies from the Moreton Bay region in south east Queensland (Pine Rivers, Redcliffe and Caboolture districts) came together to explore the possibility of working in partnership to deliver FaCSIA-funded (later FaHCSIA)¹ early intervention services to their local communities. They had a vision that would allow the agencies to plan for regional needs collaboratively, and to deliver services at the individual, local level. This vision later coalesced into the statement: "Staying Local, Thinking Regional".

The six agencies who agreed to enter into this partnership were the Pine Rivers Neighbourhood Association Inc. (PRNC), Redcliffe Community Association Inc. (RCA), Deception Bay Neighbourhood Centre Inc. (DBNC), Bribie Island and District Neighbourhood Centre Inc. (BINC), Caboolture Regional Domestic Violence Service Inc. (CRDVS) and The Gowrie (Qld) Inc. (Gowrie).² It was agreed that PRNC would be the lead agency for the partnership, which was to be known as the Pine Rivers, Redcliffe and Caboolture Family and Community Consortium (later the Moreton Bay Community Consortium).³

The organisations formalised their partnership in a Memorandum of Understanding, which outlined their commitment to "work together in good faith, in an open and transparent manner, to provide the best possible service, to maximise outcomes for clients, and to minimise stress, misunderstandings and miscommunication for workers and Member organisations". The MoU further recorded that "PRNA will undertake the role of Lead Member on behalf of the Consortium, with authority to negotiate, act and bind each Member of the Consortium".

The MoU, signed by all partners, documented the following obligations:

Members agree to comply with the provisions of the Application for Funding submitted by the Consortium, and of the Funding Agreement with the Commonwealth of Australia, through the Department of Family and Community Services.

The Lead Member will provide all Members with a copy of the Application for Funding within seven days of its submission.

¹ In 2007 the department also assumed responsibility for housing, and the name was changed to the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). For the sake of simplicity, the acronym FaHCSIA is used throughout this paper to refer to the department both pre- and post-2007.

² Because of other priorities, Gowrie struggled to fulfil its obligations as part of the consortium, and on 24.04.09 its membership was formally ended. For the sake of simplicity, whenever the consortium is discussed throughout this paper, it refers only to the five continuing organisations.

³ On 28.04.09 the steering group agreed to this name change. It also decided to change from using "members" to "partners". The name "Moreton Bay Community Consortium" is used throughout this paper to refer to the consortium both before and after this change of name. Similarly, the participating organisations are consistently referred to as "partners" throughout this paper. In the 2009-11 MoU the term "lead member" also changed to "lead agency". Again, the latter term is used throughout this paper. When quoting directly from another document the terminology used is cited exactly.

The Lead Member will provide all Members with a copy of the Funding Agreement within seven days of its receipt from the Department.

The Lead Member will manage all financial information, and assume responsibility for management of funds provided under the Funding Agreement.

Members will provide all financial data to the Lead Member, including invoices and receipts, by the agreed dates.

The Members will provide comprehensive and accurate information to the Lead Member in the agreed format by the agreed dates.

The Lead Member will collate information from Members and provide it to the funding body in the agreed format by the agreed dates.

The Lead Member, in consultation with other Members, will monitor performance against agreed outcomes in the Funding Agreement.

All Members will attend regular monthly meetings of the Consortium Steering Committee, and will adopt and participate in an action research evaluation of service delivery and of the service delivery model. Insights gained and learnings achieved from the ongoing evaluative cycle can be incorporated into the services in a process of constant improvement.

Each Member will provide evidence of current, adequate and comprehensive insurance coverage.

Where a Member performs a task or activity on behalf of any other as contemplated by this MOU, that Member must do so with at least the same level of care and skill as it applies to the same task or activity for itself.

Each Member acknowledges that this MOU does not bind the other Members to any debts, liabilities, obligations and/or actions of any Member, and will ensure no Member is responsible for any liability arising from any other's activities.

Except in the case of wilful default or negligence no Member will have any liability to any other for failure to perform its obligations under this MOU, and the only remedy for such failure is termination of this MOU.

Any Member may request any other Member's Nominated Representative for permission to use the name of the other Member in annual reports, advertising or promotions. Such permission will not be unreasonably withheld.

In subsequent months, the consortium clarified its vision, values and operating principles:

[We have a vision of] strong, healthy, functioning families who are able to contribute to a productive community, reaching their potential as individuals and families.

We believe that all families and their individual members should:

- o be well supported in their nurturing, relationship and family management roles*
- o have access to integrated support service networks*
- o be encouraged to reach their maximum potential for family wellbeing*
- o have access to a full range of quality service options with professional support and high standards*
- o have access to community participation*
- o have a continuous connection to enable integration into the community*

[The principles out of which we operate are] social justice, respect, transparency, self determination, partnership, professionalism and integrity.

In keeping with its mission of "Staying Local, Thinking Regional", the consortium identified the benefits of local service delivery: flexibility, local knowledge, accessible services, being responsive to community needs, and working with families and communities. It also outlined the advantages of a regional focus: enhanced service delivery, streamlined administration, cooperative partnerships, providing a voice for the region, and access to regional funding.

In summary, MBCC had a vision for its structure that was, as far as possible, an egalitarian partnership, with the lead agency assuming responsibility for the legal and contractual arrangements with the funding body. All partners were to be jointly responsible for the performance of the consortium, through the consortium steering group.

The first task of this idealistic new consortium was to develop an application for funding under FaHCSIA's Family Relationship Services Program, for the years 2006-09.

WHAT IS A CONSORTIUM?

The partners in the new MBCC understood their relationship to be a partnership of equals; they appointed PRNC to be the lead agency, responsible for negotiating with FaHCSIA on behalf of the consortium, and the legal signatory to the funding agreement on behalf of the consortium. In this context it is interesting to look at the various - and sometimes seemingly inconsistent - ways in which FaHCSIA used the terms "consortium", "lead member" and "applicant".

FUNDING APPLICATION

The "Statement of Requirement and Conditions of Lodgement" (hereinafter referred to as "guidelines") for the 2006-09 funding agreements used the terms "consortium", "lead member" and "applicant" on a number of occasions, as indicated in the quotations below.

Consortium means a consortium lodging an Application (Page 5)

Lead Member means the organisation appointed by the members of a Consortium to be the Applicant and legal entity that may enter into a Funding Agreement with the Commonwealth. (Page 7)

The Departments will only enter into Funding Agreements with single incorporated entities. Consortia seeking to submit Applications must appoint one of their member organisations to be the Applicant (referred to as the Lead Member), and to be the legal entity that, if successful, will enter into a Funding Agreement with the Departments. A Memorandum of Understanding signed by the proposed Consortium members showing their agreement to enter into a Consortium arrangement must be provided as part of the Application. (Page 12)

The Lead Member will be authorised to negotiate, act and bind each member of the Consortium. The Lead Member must submit the Application which must identify members of the Consortium and should include written confirmation of the Lead Member's authority. (Page 49)

These guidelines were clear, but there were instances where the terminology in the application form was somewhat ambiguous. The Competitive Selection Matrix advised that "The Lead Member submits all information about and on behalf of Consortium members", but also noted that this "Does not apply to sub-contracting arrangements". This rider seemed to imply a difference between a consortium and subcontracting arrangements, but it caused no concern for MBCC since the consortium partners did not consider themselves subcontractors of the consortium or of the lead agency, and the definition of "consortium" accorded with the way in which the partners understood their relationship:

A Consortium is a group of organisations that lodge a joint application. The Consortium will be required to appoint a Lead Member to be its Applicant. Applicants must advise in their response how the Consortium will be set up, including the nature of the legal relationship between parties, and how arrangements between the members will be managed and overseen by the Lead Member. (Page 9)

This indicated that PRNC was the applicant, on behalf of the Consortium, but what followed on page 23, where the name of the applicant was to be inserted, was not as well defined:

Name of Applicant, or if part of a Consortium, the Consortium's name [hereinafter referred to as Applicant]

It was unclear what name was intended in this section, so the applicant responded by including both the lead agency and the consortium: "Pine Rivers Neighbourhood Association Inc., which is the Lead Member of the Pine Rivers, Redcliffe and Caboolture Family and Community Consortium". This lack of clarity in the Application Form continued with the following statements:

If the Applicant is applying as part of a Consortium (Page 23)

If the Applicant is a Consortium, the Lead Member must complete on behalf of the Consortium members. (Page 58)

The way in which FaHCSIA was using the terms "applicant", "consortium" and "lead agency" was fluid and not totally consistent.

As part of the application process, FaHCSIA developed a question and answer web page that allowed applicants to submit a question, and FaHCSIA to post a response for all applicants - and potential applicants - to view. While this was very useful, it was a reactive rather than a proactive resource. If a question was not posted on a particular topic, no response or clarification was forthcoming from FaHCSIA. It was not obvious to MBCC at this point that the way in which the terms "applicant", "consortium" and "lead member" were being used might cause confusion in the future, and thus they did not post any questions seeking clarification or legal definition. Some other funding bodies employ more proactive ways of providing information to applicants, and some of these strategies could have been profitably used by FaHCSIA, and may have averted some of the confusion that later arose around terminology.⁴

⁴ An excellent example of the range of resources that could be provided to applicants is the guidelines developed by NCOSS in relation to the 2005 DoCS NSW early intervention funding. This included a Q&A facility, sample MoU, information on types of partnerships and consortium arrangements, contractual arrangements for consortia and lead agencies, and other resources. See www.ncoss.org.au/hot/docs-early-intervention-program/docs-eip.html#QandA (Accessed 09.06.10).

PARTNERS OR SUBCONTRACTORS?

2006-09

The consortium partners were surprised to see that there was no mention whatsoever of the consortium, nor of any of the consortium partners, in the funding agreement for 2006-09. A Memorandum of Understanding outlining the relationships between the partners had been submitted with the funding application, but this was not mentioned in the funding agreement or the schedule. No approved subcontractors were specified on page 47 of the agreement.

However, within weeks of the commencement of service delivery in July 2006, the FaHCSIA Queensland State Office requested that applications be lodged for all consortium partners to be formally approved as subcontractors, as well as all contracted course facilitators, and the contracted consortium manager. Accordingly, RCA, DBNC, BINC, CRDVS and Gowrie completed formal applications to be approved as subcontractors under the funding agreement between FaHCSIA and PRNC. In addition, all the course facilitators which the consortium partners engaged to deliver FREST and MFR courses were asked to complete similar applications for endorsement. The consortium manager was also required to submit an application for approval as an endorsed subcontractor. These forms were duly submitted to FaHCSIA for endorsement. Upon receiving these numerous applications, FaHCSIA reconsidered its requirements, and decided that it would not proceed with the process. On 30th August 2008 Chris Kingsley, from Queensland State Office, advised by email that:

subcontractors approval process would only be initiated if the organisation is entering into a long term contractual agreement for services to be rendered on a continual basis. However where an educator/tutor is employed, it would probably be a "fee for service" type situation as the services rendered are neither contractual nor long term i.e. one-off. If however this assumption is incorrect, we may have to revisit. So I think in your case we would not consider it as a subcontractual type of arrangement. If however you are making a long term arrangement with another organisation then you are required to provide the Department with the details.

This email did not fully clarify the department's understanding of subcontractors and consortium partners, but the consortium partners were pleased to have the matter settled, and the steering group notes for August 2008 record – with some degree of relief – that the "complicated process of endorsing subcontractors for the consortium has been resolved by FaHCSIA; they will amend the Service Agreement to list RCA, DBNC, BINC, CRDVS, Gowrie and Patricia Rose as authorised subcontractors."

In a letter to all consortia dated September 2008, Robyn Fleming, Branch Manager, FaHCSIA Family Relationship Services, confirmed this decision:

During the expansion of FRSP services over recent years, providers were encouraged to form consortia. The sector embraced the opportunity to provide a more comprehensive quality service across a range of service types, and we now have many examples of this service model in place across Australia ... The option of naming all the consortium partners within a Funding Agreement has also been

discussed within the joint Sector-Government Working Group on Service Agreements and Funding. The Department's view is that, at this stage, consortia members should be listed as subcontractors. Sector representatives on the working group suggested that the role of consortium partner is different to that of subcontractor and further options may be explored in respect of the next set of amendments to the Long Form Funding Agreement.⁵

This decision was not implemented until the 2009-11 funding agreement, and the consortium manager was not included as a subcontractor.

While FaHCSIA's requirement that all consortium partners be considered "subcontractors" did not cause any tension between the partners in the MBCC, the consortium had a strong philosophical objection to the term, as it did not accord with its vision of an equal relationship.⁶

2009-11

The 2009-11 schedule to the funding agreement listed all the consortium partners as subcontractors. Here again, however, the terminology is not unambiguous, for page 7 of the schedule notes:

The following Subcontractors are required to undertake the Activity as indicated:
Consortium: Moreton Bay Community Consortium
Members: Pine Rivers Neighbourhood Association Inc. (Lead Agency)
Redcliffe Community Association Inc. (Member)
Deception Bay Neighbourhood Centre Inc. (Member)
Bribie Island and District Neighbourhood Centre Inc. (Member)
Caboolture Regional Domestic Violence Service Inc. (Member)

It is not clear if the listed members are subcontractors of the consortium, or if the consortium is a subcontractor (of whom?) or, as is most probably the intention, if the members are subcontractors of the lead agency (in which case listing PRNC as a subcontractor is nonsensical since the lead agency cannot subcontract itself).

One of the consistent strengths of the consortium has been that all members are committed to the partnership, and have been willing to accept and work through this type of inconsistency for the sake of the consortium and the benefits it brings to clients, the local communities and the partner organisations.⁷

⁵ The consortium manager for the MBCC was a member of this Working Group, and discussed with FaHCSIA on a number of occasions the nature of the MBCC and its commitment to partnership, shared responsibility and decision making; she suggested very strongly that "subcontractor" is not an accurate or appropriate way of describing the relationship of the MBCC partners to the lead agency.

⁶ In contrast, informal conversations with other consortia revealed that, for some partners, the term "subcontractor" was totally unacceptable, and FaHCSIA's insistence on its use caused considerable tension, as it did not reflect the true nature of the relationship between the lead agency and the consortium partners.

⁷ In 2007-08 MBCC undertook a DoCS-funded project as part of the Building Links initiative, and developed a "Tips and Tools" resource booklet that could assist organisations in preparing, planning, implementing, reviewing and exiting collaborative partnerships. This resource built on the experiences of MBCC, particularly as it undertook to work in partnership to deliver FaHCSIA-funded early intervention services. One "tip" advised prospective partnerships to "ensure all partners are committed to the working relationship". It was this commitment that allowed MBCC to weather the challenges of negotiations with FaHCSIA in implementing the consortium arrangements.

ROLES AND RESPONSIBILITIES

The establishment of the consortium, and the signing of the 2006-09 funding agreement by PRNC, marked the beginning of a process of clarifying and refining the responsibilities of each stakeholder: FaHCSIA, lead agency, consortium partners, steering group and consortium manager. This process continues even into the fourth year of service delivery, as is evidenced by the many amendments to the MoU, to the contracts between the lead agency and the consortium partners, the terms of reference for the steering group, and the procedures developed for the consortium.

2006 was a time when government funding bodies, state and federal, were encouraging community service organisations to enter into collaborative arrangements to secure funding for a variety of service delivery projects. A number of researchers watched these partnerships closely, and documented the benefits and challenges that ensued. Some of the findings from this research are very pertinent to the experiences of MBCC and PRNC. Jo Baulderstone, of Flinders University, suggested that

The increasing number and variety of forms of collaboration between CSOs⁸ raises new questions in managing their accountability. In lead agency or sub-contracting models it creates an additional stakeholder to whom the 'subordinate' organisation is accountable. The lead or contracting CSO must take on a new role of demanding or negotiating accountability from another organisation. This is likely to require new skills of staff in the same way that the public sector was required to develop new contracting skills for outsourcing ... managing accountability in any form of collaboration will be difficult and is likely to be driven by the demands of the funding department. (2006:8)

Baulderstone also noted:

Lead agencies are generally required to hold their 'partners' to account in order to meet their contractual accountability to the funder. It remains to be seen whether this requirement leads to co-optation of the lead CSO by government funders. (2006:17)

In a further study of collaborative arrangements - focussed on the Communities for Children program funded by FaHCSIA, but also highly relevant to FRSP services - Baulderstone and Earles (2009) identified a number of new roles which lead agencies are required to assume, including contract management and mediation/translation between the funding body and the partners. They traced the often-difficult path the lead agency must walk as it manages its responsibilities to, and its relationships with, all stakeholders.

The experiences of other partnerships further highlight some of these challenges. Anglicare Victoria summarised the benefits and challenges of partnerships and lead agency arrangements as follows:

- *Funding relationships can adversely affect partnerships*
- *CSO's being responsible for contract / performance management of other CSO's can negatively impact on relationships*

⁸ Community service organisations

- *Engagement principles in professional partnerships are the same as those required in good case practice*
- *Principles of engagement are not rocket science but assume interest, respect, persistence and imagination*
- *Without effective engagement it is difficult to agree on and achieve effective outcomes*
- *Compliance will have only momentary impact*
- *Cooperation will create long term benefits*
- *In order to engage we need to be able to share power*
- *Collaboration, integration and relationships have always mattered.*⁹

The experiences of MBCC, of the lead agency and the consortium partners concur with those outlined above; the following sections will explore the journey of the consortium in more detail.

IN THEORY

The 2006-09 funding agreement provided no guidelines for the lead agency or the consortium partners as to the nature of their relationship. Although there were a number of clauses relating to subcontractors, the consortium partners did not consider these of relevance as there were no approved subcontractors specified in the 2006-09 funding agreement.

The 2009-11 funding agreement listed the consortium partners as subcontractors, and included several clauses relating to the obligations of the lead agency in subcontracting to the partners. Of most importance for the consortium was clause 28.1, which required of the lead agency that:

You agree to ensure that any subcontracts entered into by you for the purposes of this Agreement are consistent with the obligations binding on you under this Agreement.

IN PRACTICE

While the lead agency and the consortium partners understood the role of the lead agency as one partner among equals, the impact of clause 28.1 was that the contracts between the lead agency and the individual consortium partners for service delivery in 2009-11 needed to be considerably more complex and legalistic than those for 2006-09.

In 2006-09 the contracts included only project outcomes, partnership arrangements, timeline and milestones, locations, targets, budget and payment schedule. By contrast, the contracts for 2009-11 included all of these, but also added clauses relating to definitions, standards compliance, subcontractors, insurance, confidentiality, reporting, data collection, steering group, policy and procedures, strategic participation, performance measures, performance management, review, grievances and contract termination. Furthermore, the 2009-11 contracts also included, as attachments, a deed of confidentiality and the FaHCSIA Standard Funding Agreement Terms and Conditions.

⁹ Anglicare, "Partnerships: The Power and the Pain".
http://www.anglicare.asn.au/documents/Tues_ThePowerandthePain.pdf

The MoU also changed over time. The original MoU, developed in December 2005, had information on the members, purpose, roles, principles, obligations, resolving conflict, changes to MoU and termination. An addendum to this MoU was agreed to by the steering group in May 2008, and related to nominated representatives and frequency of steering group meetings. In July 2008 further amendments were made, requiring all partners to adhere to the consortium's FRSP policy and procedures.

A new MoU was developed and signed in July 2009. This included sections on the partners, vision, operating principles, roles and responsibilities, obligations, resolving conflict, changes to MoU and termination. Most significantly, this MoU included a schedule which outlined the roles and responsibilities of the various parties: the lead agency, steering group, partner organisations and consortium manager.

These changes to the MoU over the years were not necessarily directly related to FaHCSIA initiatives or requirements; they were responses to emerging issues for the lead agency, the partners and/or the steering group. The catalyst for the inclusion of roles and responsibilities in the July 2009 MoU was an external review of the consortium in December 2008, which clarified the obligations and responsibilities of the key stakeholders.

Roles and Responsibilities

This review assisted the steering group to clarify its preference for a focus on operational matters, with no responsibility for performance management. The notes from the January 2009 steering group record:

Much of the discussion focussed on the responsibility for performance management; this was clearly identified as the responsibility of the lead agency. The consortium manager is responsible for monitoring the performance of the consortium members; the steering group provides feedback and support to members to achieve compliance with contractual obligations; the lead agency is responsible for managing the performance of members.

A procedure needs to be developed ... outlining how the lead agency will manage contractual and performance issues with individual members e.g. completion of data forms, operating within budget allocations, delivering what has been negotiated and reporting. The procedure should outline how performance is measured, strategies for members to achieve compliance, how a final decision is made.

The July 2009 MoU was one of the most significant steps in the development of the consortium; it marked a shift from the idealism of the early days of the consortium, where shared responsibility for monitoring performance against agreed outcomes in the funding agreement was enshrined in the MoU and the terms of reference for the steering group, to a new model where the lead agency was explicitly given responsibility for managing the performance of consortium partners and, if necessary, terminating their contract/s.

Joint responsibility for performance management remains in the steering group terms of reference and in the body of the MoU but, in practice, the provisions of the schedule to the 2009 MoU, shown below, now prevail.

Lead Agency	Steering Group	Each Partner Organisation	Consortium Manager
<ul style="list-style-type: none"> • Liaise with FaHCSIA • Ensure accountability and compliance; provide reports about service delivery and finances; ensure compliance with FaHCSIA Standards • Employ and manage the consortium manager • Employ data entry worker • Subcontract the partners and distribute funding; manage the contracts with each partner • Disseminate information to each partner • Clarify the funding agreement guidelines • Undertake an annual update with each partner agency via meeting with management committee or executive nominees. • Manage performance of consortium partners and, if necessary, terminate contract/s • Consult with partners in relation to renegotiation of funding agreement e.g. budgets, outputs • Ensure annual formal evaluation takes place 	<ul style="list-style-type: none"> • Focus is on operational matters • Agree on entry of new partners to the consortium • Share best practice, including Indigenous and CALD • Coordinate service delivery model by developing program/courses and common policy and guidelines • Be consulted/ provide advice about renegotiation of funding agreement e.g. budget, outputs • Develop terms of reference for each annual evaluation 	<ul style="list-style-type: none"> • Appoint steering group representative • Recruit, employ, supervise, train and dismiss workers • Maintain insurance cover; provide copy of certificate of currency to lead agency • Maintain quality of service delivery to meet FaHCSIA standards • Maintain and operate with current organisational policies and procedures • Comply with FaHCSIA subcontracting requirements • Complete FRSP forms and provide to consortium manager monthly • Provide monthly service delivery reports to consortium manager • Provide quarterly and annual audited financial reports to consortium manager • Achieve contracted targets • Support regional service delivery at local sites 	<ul style="list-style-type: none"> • Monitor outputs of partners via monthly reports and forms • Provide input to assist lead agency to monitor performance of consortium partners • Monitor FRSP online forms provided by consortium partners for timeliness and accuracy. • Liaise with FRSP data entry worker re timeliness and accuracy of forms and data entry • Liaise with FaHCSIA as a delegate of PRNA • Participate periodically in FaHCSIA/FRSA working groups and strategic alliances in order to promote the consortium and ensure that policy decisions are cognisant of the needs and particularities of the consortium model • Facilitate the consortium steering group and attend to associated administrative functions • Provide timely reports as per FaHCSIA service agreement • Assist and provide advice to consortium partners re continuing compliance with service standards • Develop draft documents, including policy and procedures, contracts, reports etc for lead agency and steering group • Facilitate use of consortium intranet, including developing information and liaising with PRNC staff re upload of information • Assist in planning, coordination and delivery of annual evaluation

FRSP Policy and Procedures

The "Delivery of Family Relationship Services" policy was signed by the President of PRNC on behalf of the consortium on 9th July 2008. This policy stipulates that the consortium partners

will deliver consistent, well-managed, high quality early intervention Family Relationship Services to individuals, families and groups in accordance with the requirements of

- *the funding agreement between the Pine Rivers Neighbourhood Association Inc. (the lead agency for the Consortium), and the Department of Families, Housing, Community Services and Indigenous Affairs, and*
- *the contracts between the Pine Rivers Neighbourhood Association Inc. and Consortium partner organisations.*

The only other policy common to all consortium partners is that on fees. This policy enshrines a shared commitment to social justice, while recognising the independence and different financial arrangements of each partner organisation. This policy reads:

Each Consortium partner organisation sets its own fees for FRSP services, in accordance with its own mission, vision and values, and with the Consortium's commitment to social justice, as expressed in the Memorandum of Understanding.

Financial status is not a barrier to access to FRSP services. No one will be denied access to FRSP services because of an inability to pay for, or contribute to that service.

All fee income from FRSP services will be directed to costs associated with FRSP.

In subsequent years a number of procedures were developed to provide guidance to the lead agency and the consortium partners in satisfying the requirements of the funding agreement and related contracts. These procedures include: Representation, Steering Group, Approval Requirements (Standards) Compliance, Monthly Reports, FRSP Forms, Data Management, New Staff, Contractors and Volunteers, Consultants/Facilitators, Web Site, Finances, Promotions, Performance Management, and Conflict Resolution. The need for a new procedure could be identified by the lead agency, the consortium manager and/or the steering group. Procedures are developed, reviewed and/or updated by the consortium manager and presented to the steering group for feedback and approval.

As each new or updated procedure was added to the portfolio of guiding documents for the consortium, the role of the lead agency was further consolidated. The most recent procedure, that relating to managing the performance of consortium partners, explicitly states:

The Lead Agency (PRNA), as the signatory to the FaHCSIA Funding Agreement, is responsible for ensuring compliance with the targets and conditions set out in the Letter from FaHCSIA dated 18th June 2009, the Standard Funding Agreement Terms and Conditions dated 1st July 2009, any Supplementary Conditions specified, and the Schedule.

Approval Requirements Compliance

Selection criterion 4 of the application for early intervention funding from FaHCSIA, lodged by PRNC in December 2005, required that "All Applicants seeking approval for funding must demonstrate their capacity to comply, or provide information relevant to their capacity to achieve compliance with, the Approval Requirements". PRNC addressed each of the fifteen standards with reference to the organisation's policies and procedures. There was no mention of the other consortium partners, nor was any information requested by FaHCSIA as to how the partners would meet the approval requirements.

Clause B3.3 of the 2006-09 funding agreement stipulated only: "You must meet all FRSP Administrative Approval Requirements". It made no mention of the need for all consortium partners to meet these requirements; similarly, the 2006-09 contracts between PRNC and the consortium partners made no mention of the need for consortium partners to meet the FRSP Approval Requirements.

However, over time, the lead agency and the steering group became more aware of FaHCSIA's expectations in relation to compliance, and the first version of the consortium's "Approval Requirements (Standards) Compliance" procedure noted: "The lead agency is responsible for ensuring that all consortium partners are compliant with the fifteen standards (and/or others as determined by FaHCSIA) throughout the term of the funding agreement." In order to facilitate this compliance the procedure also stated: "If required, the consortium manager may assist partner organisations to achieve compliance."

The 2009-11 funding agreement did not refer to the consortium partners when it stipulated that "You must ... comply with the Administrative Approval Requirements". However, with a clearer understanding of the implications of this statement for the lead agency and the consortium partners, when PRNC developed the 2009-11 contracts for the consortium partners it required each partner organisation to "remain compliant with the FaHCSIA Standards for the duration of this contract; undertake a self assessment audit using the template which is available from www.pnc.org.au; and provide this information to PRNA by January 15, 2010."

In addition, upon the recommendation of the external auditor, the consortium's "Approval Requirements (Standards) Compliance" procedure was amended in September 2009 to include the following requirement:

Each partner organisation will remain compliant with all FaHCSIA FRSP standards for the duration of the funding agreement. During the term of the funding agreement each partner will undertake a number of self assessment audits, using the template available from www.pnc.org.au, and provide PRNC with the completed audit report, and any requisite evidence, by the dates indicated below.

Due date	Standards	What is to be provided
Jan 15th 2010	1 - 15	Self-assessment Summary Report
May 31st 2010	5, 6, 7	Self-assessment Summary Report and evidence
Nov 30th 2010	11, 12, 13	Self-assessment Summary Report and evidence
May 31st 2011	1, 2	Self-assessment Summary Report and evidence

A number of other modifications were made following the recommendations arising from the 2009 external audit. A "New Staff, Contractors and Volunteers" procedure was developed, which includes a compliance checklist to be used to inform the lead agency of compliance with standards when any new staff, contractors or volunteers are engaged. A question was added to the template used by partners to report to the lead agency each month, requiring them to advise if there have been any FRSP-related complaints in the preceding month.

With each procedural amendment made in response to the requirements of FaHCSIA, the lead agency has been required to assume more responsibility for monitoring and managing the performance of the other consortium partners, and for ensuring that they comply with the requirements of the funding department.

The consortium partners have, without exception, complied with the demands placed on them by FaHCSIA, through the funding agreement with the lead agency, without resistance or resentment. PRNC has, in turn, tried to manage the responsibilities imposed on it by the terms of the FaHCSIA funding agreement, as much as possible, without allowing the hierarchical nature of the contractual arrangements to damage the egalitarian relationships it enjoys with the partner organisations.

Client Targets

While the consortium's original vision, articulated in the MoU and the steering group terms of reference, was for all partners to participate in monitoring performance against the agreed outcomes in the funding agreement, this responsibility has gradually devolved to the lead agency alone. Consortium partners were very uncomfortable monitoring the performance of other partner agencies, and preferred to cede this responsibility to the lead agency.

In practice, overseeing the achievement of client targets is undertaken for the lead agency by the consortium manager, whose responsibilities, as documented in the 2009-11 MoU, include: monitoring the outputs of partners via monthly reports and forms, and providing input to assist the lead agency to monitor the performance of consortium partners.

The contract between the lead agency and each consortium partner specifies the client target numbers to be achieved by that partner; these targets are determined by the lead agency in consultation with the steering group, in accordance with the overall targets specified in the FaHCSIA funding agreement. If a partner has difficulty in achieving a designated target, there is a potential impact on all partners, and a much more overt impact on the lead agency, as the signatory to the funding agreement and the agency whose reputation is most at risk.

Financial Audits

As with ensuring compliance with the FRSP Approval Requirements, and achieving client targets, so too has responsibility for financial management been delegated to the lead agency. The lead agency always understood its legal responsibilities in this area very clearly, and had no concerns with the terms of the funding agreement. The consortium did not experience the type of tension described by some other Australian consortium partners, and recorded by Baulderstone:

The interface with government funders had caused difficulties for several interviewees, particularly around the need to provide joint financial reports. In one instance, the CSO partners negotiated separate contracts after being unable to resolve problems with managing the joint reporting requirements". (2006:13)

However, as the requirements of the funding body have become more stringent, the lead agency has been required to make additional demands on the consortium partners. The process of clarifying the requisite format for the annual audited report submitted to FaHCSIA by the lead agency on behalf of the consortium took two years. As these

discussions progressed, on a number of occasions the lead agency was obliged to request additional or reformatted financial information from the consortium partners, culminating in 2008, when FaHCSIA required the PRNC auditor to re-audit the audited financial statements provided by partners. This was a difficult and testing time for the lead agency and for the consortium partners.

In order to avoid this situation in the future, the lead agency has developed templates for financial reporting, and the latest contracts between PRNC and the consortium partners now include the following requirements:

- *Quarterly financial reports, by service type using the template available from www.prnc.org.au at the end of the month following each quarter.*
- *Annual audited financial report, by service type, by 16th October each year.*

CONCLUSION

The community service sector has traditionally been comprised of discrete, independent agencies providing services to designated communities or client groups. Where partnerships arose they were for specific purposes, or projects, usually at the initiative of one or more of the agencies. More recently, in an increasingly competitive funding environment, partnerships have been established so that smaller nonprofit agencies can compete effectively against much larger nonprofit organisations.

The MBCC emerged because no individual partner organisation covered the geographical area specified by FaHCSIA, and thus a consortium was required in order for the agencies to access the early intervention funding.

The establishment of the consortium included the nomination of one partner to be the lead agency. This was not a role that PRNC would have chosen in other circumstances, but it was necessary if the early intervention services FaHCSIA proposed to fund were to be delivered by the organisations most in touch with the needs of their local communities. The MBCC is a framework which allows the partner agencies to implement their vision of "Staying Local, Thinking Regional".

The consortium partners cede to the lead agency the right to monitor their performance, their compliance with the FRSP Approval Requirements, and their expenditure against the budget. The lead agency has, of necessity, developed ever more rigorous tools and processes over time to assist in its managerial and monitoring role.

The increasing level of responsibility which the lead agency has been required to assume in relation to the performance of the other consortium partners had the potential to damage organisational relationships, or to fragment the consortium. This has not occurred; it has been accepted, and supported, by the steering group and the partner agencies as a necessary component of the consortium arrangements.

While rigorous documentation has helped to clarify expectations and obligations, the success of the consortium owes more to the pre-existing connections between the agencies in the region, and to the strengths-based approach used to address the challenges implicit in the consortium/ lead agency model. The partner agencies in the MBCC have addressed and overcome these challenges because of their shared vision and values, and their commitment to the partnership, to their discrete local communities, and to the delivery of high quality early intervention services across the region.

The lead agency has played a key role in facilitating these goals, and has successfully managed both its contractual obligations and its commitment to cooperation and collaboration. In the experience of the Pine Rivers Neighbourhood Centre, the role of lead agency in the Moreton Bay Community Consortium is not, as Anglicare named it, about power and pain¹⁰; it is a balance between relationships and responsibilities.

¹⁰ See footnote 9.

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