

**Consortium Seminar**

**Glenrothes**

**12 February 2014**

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**Alastair Keatinge**  
**Head of Charities**  
**Lindsays**

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# THREE C'S FOR CONSORTIA

- **Co-operation**
- **Co-ordination**
- **Collaboration**

# JOINT WORKING

- **Threats and Opportunities**
- **Capacity / Economics of Sale**
- **Governance and Administration**

# RISK FACTORS

- **Risk**
- **Unincorporated Association**
- **Mission Creep (esp if charity)**
- **VAT: Cost Sharing Exemption**
- **Reputation**

# JOINT WORKING/PARTNERSHIP – LEGAL STRUCTURES

- **Two or more organisations**
- **Remain as separate organisations**
- **Creation of new organisation (SPV)**
  - **less common**
- **Organisations with expertise offering help / Sub Contractors**

# LEGAL STRUCTURES

- **Group structure (MOU / Consortium Agreement)**
  - **Form new entity?**
- **Strategic Alliances**
- **Affiliated / Federal Structure**
- **Coalition**

# LEGAL STRUCTURES (cont)

- **Risk / Renewal analysis vital**
- **Heads of Terms; Formal Agreement ?**
- **Informal v Formal**
  - **Costs!**



# OTHER ISSUES

- **Lead Partner – responsibilities especially regarding funding**
- **Financial responsibilities**
- **People Issues**

# CONSORTIUM AGREEMENT ISSUES TO BE COVERED

- **Initial Members of the Consortium – confirmation of details**
- **Eligibility criteria for Members**
- **Statement of shared values and purpose**
- **Agreed responsibilities of individual Members, e.g. Lead Partner, the recipient of funding etc**
- **Basis of decision making – majority / qualified majority**

# CONSORTIUM AGREEMENT ISSUES TO BE COVERED (cont)

- **Nominated Directors**
- **Removal / resignation / termination of Membership**
- **Confidentiality**
- **Disputes / termination**
- **Boilerplate clauses – insurance, notice**

# PROCESS / PRACTICALITIES

- **Due Diligence**
- **Incorporation (decision making; need for bespoke Articles**
- **Conflict of Interest**
- **Contract with Funder – may determine issues**

# QUESTIONS



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# KEY CONTACT



**Alastair Keatinge – Partner**

**Tel: 0131 656 5746**

**Email: [alastairkeatinge@lindsays.co.uk](mailto:alastairkeatinge@lindsays.co.uk)**

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