When Sustainability Leads to Partnership



Ellie Taylor, Chief Executive
Mark Goodwin, Chair of Trustees

A practical case study in protecting impact through collaboration

About Us

- We have supported over 80,000 since 1993
- Working across Exeter and Devon
- Supporting adults, families and communities through five projects
- Our mission is to address unmet need and support marginalised people across Exeter
- Focus on early intervention, prevention and community-led support

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The Challenge Facing Small Charities

What do you do when running costs keep rising?

- Rising costs
- Increased demand for services
- More competition for funding
- Greater governance and compliance pressures
- Capacity challenges for staff and volunteers

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The Magic Carpet Position

When sustainability becomes uncertain

Magic Carpet had:

- Strong community reputation
- Clear social impact
- Dedicated staff and volunteers
- Deep local connections

Trustee concerns:

- Financial resilience
- Rising overheads
- Funding uncertainty
- Organisational capacity

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The Trustee Perspective

‘What happens to our beneficiaries if we cannot continue in our current form?’

Trustee key considerations:

- Financial viability
- Risk to service delivery
- Impact on beneficiaries
- Staff wellbeing and retention

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Why ECI?

Choosing the right partner

Magic Carpet and ECI shared:

- Similar values and culture
- A commitment to community-based support
- Complementary skills and expertise
- A focus on long-term sustainability

ECI also offered:

- Established infrastructure

The Merger Process

Exploration: initial discussions, due diligence, trustee engagement

Planning: risk assessment, financial review, legal considerations, stakeholder communication

Integration: transfer of services, staff transition, governance arrangements, operational alignment

Ongoing review: monitoring impact, supporting teams, managing cultural integration

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What Success Looks Like

Beneficiaries: Continued access to support, no loss of services, greater organisational stability

Staff: Increased support and infrastructure, reduced administrative pressures, more opportunities for development

Organisation: Stronger financial resilience, increased reach and capability, enhanced opportunities for growth

The purpose and impact of Magic Carpet have been preserved and strengthened

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Lessons Learned

Start early; don't wait until a crisis forces a decision

Focus on impact; keep the beneficiaries at the centre of every discussion

Be honest; have open conversations about risks and challenges

Look beyond finances; culture, values and relationships matter as much as balance sheets

Communicate regularly; engage trustees, staff, funders and stakeholders throughout the process

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Advice for Other Charities

Questions worth asking

If you're a trustee or leader of a small charity, consider:

- How resilient is our current operating model?
- What would happen if key funding was lost?
- Are we carrying risks that could affect beneficiaries?
- Could partnership strengthen our impact?
- Are we exploring options early enough?

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Looking Forward

Protecting through collaboration

There is no single solution to the challenges facing small charities.

- Collaboration
- Shared services
- Partnerships
- Strategic mergers

Sometimes sustainability requires changing how we operate in order to continue delivering impact.

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Discussions & Questions

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Helping where it matters most

Thank you

148 -149 Fore Street, Exeter, EX4 3AN
01392 205800
info@eci.org.uk
www.eci.org.uk

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