

## Service Accreditation Scheme

### Accredited Services - Mergers and Acquisitions

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This is an instructional document for BACP organisation members who provide an Accredited Counselling/Psychotherapy Service awarded under the BACP Service Accreditation Scheme. It outlines the position, consideration and required actions of BACP accredited services who may find they are facing a merger or acquisition (commonly referred to as a takeover) situation.

Ongoing review and development within an accredited service is expected throughout its five year term of accreditation. Merger and acquisition situations always have the potential for significant influence on an organisation's policies, procedures, operating systems and ethos. Corresponding changes are, sooner or later, likely to impact the organisational provision of a counselling/psychotherapy service. When this is a BACP Accredited Service, the implications could result in the loss of the accredited status.

It is BACP's experience that both mergers and acquisitions result in a significant change in relation to the structure and management of an accredited service, regardless of whether the change is expected to be minimal. There is no guarantee that an accredited service can ensure its BACP accredited standards, policies and procedures will be retained after a merger or acquisition has occurred, either in the short or long term. It is also BACP's experience that it can take some time for service changes to be fully implemented and the resultant impact settled. This is regardless of the standing of an accredited service prior to or following a merger or acquisition.

BACP therefore requires distinct and careful consideration by all accredited services facing, or considering, either a merger or acquisition, as soon as that knowledge is available to them.

#### Maintenance of Accreditation

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The Service Accreditation Scheme Part IV details requirements for the maintenance of service accreditation and states:

*Service accreditation is awarded for a five-year period. The ongoing requirements for maintenance of accreditation, as stated within the Service Accreditation Scheme Part IV, are:*

- *Maintenance of BACP organisational membership*
- *Compliance with the Ethical Framework for the Counselling Professions*
- *Payment of annual fee*
- *Criteria for the Service Accreditation Scheme continue to be met*
- *Compliance with BACP's quality assurance/monitoring procedures.*

*BACP has an annual monitoring procedure that requires services to complete and submit an annual report within the timescales advised. Failure to comply with this, or to maintain accreditation requirements, may result in BACP withdrawing accreditation or impose conditions on its continuation.*

It is essential that BACP is kept informed of all changes occurring within an organisation that provides a BACP accredited service. Often changes are detailed within the accredited service annual monitoring submission. This ensures BACP records reflect the position that all criteria for accreditation continue to be met throughout the accreditation term. However, significant changes must be reported to BACP as soon as they occur, or likely to occur, and similarly confirmed within the consequential annual monitoring submission.

Accredited services are strongly advised to contact BACP to discuss any impending or proposed changes to an accredited service, if there are any concerns in relation to whether accreditation criteria will continue to be met as a result of proposed or planned changes.

The onus is on an accredited service to ensure that BACP are informed of any changes to their counselling /psychotherapy service. BACP reserves the right to withdraw accreditation should it become apparent that service changes have taken place which may impact on accreditation criteria.

## What is a Merger and an Acquisition?

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The distinction between a merger and an acquisition has become increasingly blurred but does still retain some differences.

In the pure sense of the term, a merger happens when two organisations agree to dissolve and move forward as a single, new entity, complete with a new name to reflect the change. All partners will have an influence on the fabric of the new organisation.

An acquisition is the purchase of one business or organisation by another organisation, either in full or in part. The purchased business or organisation may still exist as an independent legal entity, controlled by the acquirer, or it may cease to exist as a legal entity and become part of the new 'parent organisation'. The name of the acquired business may or may not be changed. It is likely that the acquired organisation will have some, but limited, influence on the fabric of the parent organisation and how it sits or operates within that parent organisation.

## Impact on BACP Organisational Membership

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When an accredited service is considering a merger or acquisition, or face being taken over, it will need to consider its BACP organisational membership standing. All organisational members of BACP must be legal entities in their own right - if a counselling /psychotherapy service forms part of larger organisation, such as a section, department or subsidiary, it is the parent organisation itself that must hold the BACP membership, although we would expect our contact for accreditation purposes to be from the accredited service. A legal entity may only have one BACP membership subscription.

Irrespective of whether the consequence of a merger or acquisition, if a new company is formed and a new legal entity is created, existing BACP organisational memberships of all parties will be cancelled. A new organisational membership application must be submitted and a new membership number will be created.

If the legal entity of an organisation is retained, whether or not there is a change of name, written confirmation with explanatory details must be provided, but membership status may be retained unchanged.

Direct liaison between the organisational member the BACP Membership team is required. However, if any of the organisations involved provide a BACP accredited counselling/psychotherapy service, this information must also be provided to the Service Accreditation team.

## Implications for Accredited Service Status

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If BACP organisational membership is cancelled, service accreditation automatically lapses. The following protocol therefore covers both BACP organisation membership *and* accredited status.

- ***Service changes result in a new organisation being formed***

Irrespective of what these changes are, if a new registered charity/company number is in place, it is classed as a new legal entity. BACP membership is cancelled and accreditation status lapsed. A new application for organisational membership is required and once current status is achieved, a new application for service accreditation can be submitted.

- ***An accredited service is acquired by another organisation***

Membership and accreditation may be retained - there are three scenarios:

(1) If the accredited service takes on the registered charity/company number of that organisation, it is considered as a new legal entity. BACP membership will be cancelled and accreditation status lapsed. A new application for organisational membership is required under the parent organisation. Once current status is achieved, a new application to accredit the counselling/psychotherapy service can be submitted.

(2) If the accredited service retains its own registered charity/company number but falls under the governance and management umbrella of the parent organisation, membership is cancelled and accreditation lapsed. Once the parent organisation has current organisational membership, a new application to accredit the counselling/psychotherapy service can be submitted.

(3) If the accredited service retains its own registered charity/company number and stands as an independent organisation, under the umbrella of the parent organisation, but with its own governance and management in place, membership and accreditation status may be retained.

- ***An accredited service acquires another organisation or business***

The acquired organisation takes on the legal entity of the parent organisation providing an accredited counselling/psychotherapy service. Membership and accreditation status may be retained - there are three scenarios:

(1) If the acquired organisation is not a counselling/psychotherapy service provider, accreditation status held by the parent organisation can be retained on submission of a declaration that no changes to the accredited service have been made as a result of the acquisition. The declaration must be submitted within one month from the official date of the takeover. Rebranding publicity material must be reported on within subsequent annual monitoring submissions and/or an accreditation term renewal application (if applicable). Membership status of the parent organisation remains unchanged.

(2) If the acquired organisation is a provider of counselling/psychotherapy, BACP accreditation is lapsed and a new application to re-accredit that service is required. If the acquired organisation is also a member of BACP its membership status will be cancelled. Membership status of the parent organisation remains unchanged.

(3) If the acquired organisation itself provides a BACP accredited counselling/psychotherapy service, its BACP membership will be cancelled and its accreditation status lapsed. Membership status of the parent organisation remains unchanged but its accreditation will be lapsed. A new application to re-accredit either one or both counselling/psychotherapy services must be submitted.

- ***An accredited service becomes independent of its parent organisation***

A reverse acquisition. A new independent name is formed and a new registered charity/company number is in place. This is now a new legal entity. BACP membership is cancelled and accreditation status lapsed. A new application for organisational membership and service accreditation can be submitted.

There will always be instances that do not fit neatly into any of these categories. BACP endeavours to work with its accredited services wherever possible to help them maintain their accredited status. Therefore, BACP reserve the right to consider situations wherein accredited status may be maintained despite a merger or acquisition by imposing conditions to be met by a fixed date.

## **Considerations for Planned Mergers or Acquisitions**

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There may be instances whereby a counselling/psychotherapy service provider may make slow incremental changes to align all policies, procedures and operating systems ahead of a formal merger or acquisition process official date. This will typically form part of an organisational change management strategy. If this occurs within a BACP accredited service, the details of all changes must be detailed within the annual monitoring process and with careful consideration of the accreditation criteria, which must continue to be met in order to maintain the accredited status. However, on the official date of the merger or acquisition, BACP membership will be cancelled and accreditation will lapse.

In such considered and planned situations, it is possible that a new application for membership is submitted ahead of the official merger or acquisition date. This would involve seamless membership status and would enable a new application for service accreditation to be submitted as soon as the new organisational membership comes into force. The assessment process for accreditation can take two-six months to complete.

## **Making a New Application for Service Accreditation**

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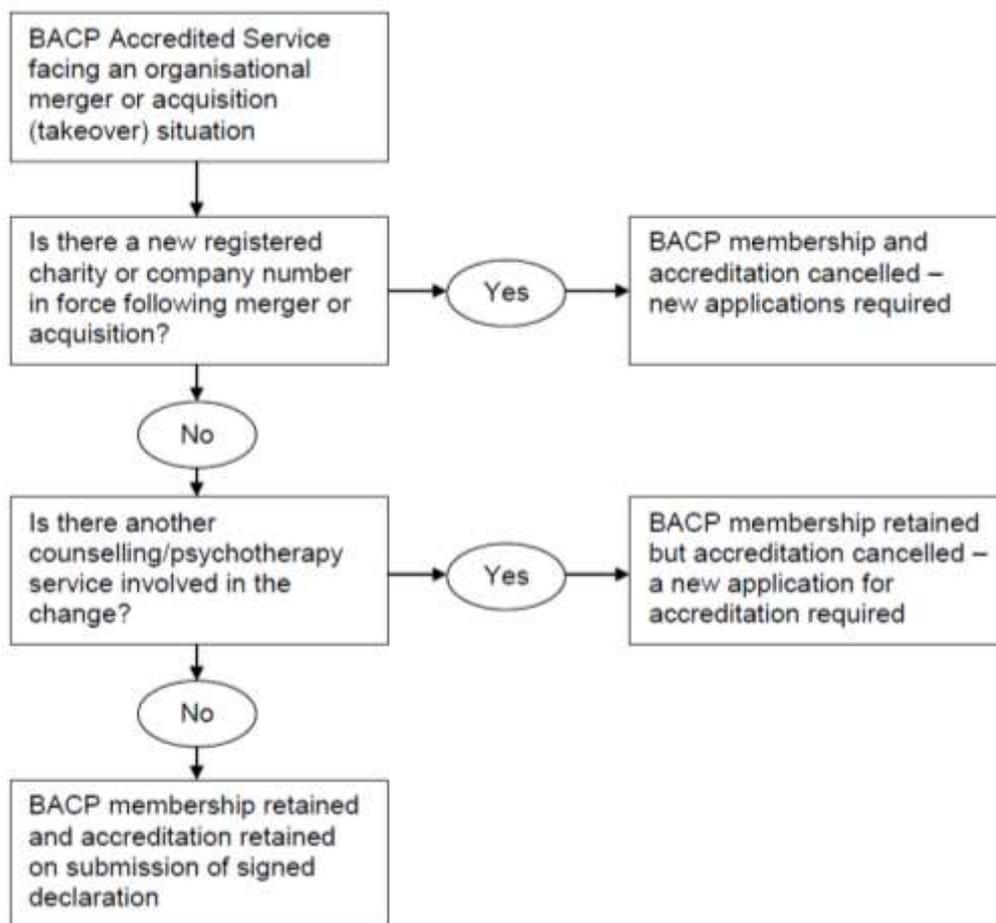
It is suggested that an organisation allows a settlement period of time following any major change that has resulted in the loss of its counselling/psychotherapy accreditation award. This may be longer for some organisations than others for any number of reasons, and therefore cannot be defined by a fixed

date. However, once an organisation feels it is able to demonstrate that its 'new' counselling /psychotherapy service(s) meets the criteria for accreditation, it may submit a full application for assessment.

Assessment will follow the process and procedures laid out for all new applications and will be treated as a discrete entity. All previous accreditation papers will be null and void.

All paper documentation accredited services are destroyed after three months of the date of the accreditation. Electronic copies of the application form and resultant assessment reports, plus all annual monitoring submission/feedback reports are retained on the BACP secure system and with very limited, access for up to five years.

***In summary:***



Management and administration of the Service Accreditation Scheme is undertaken by the Accreditation team within the BACP Professional Standards department. Any correspondence in relation to the Service Accreditation Scheme should be directed to the Service Accreditation Officer in the first instance, either by email to [penny.thomas@bacp.co.uk](mailto:penny.thomas@bacp.co.uk) or by telephone at 01455 883320.

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