

Sustainable Funding Project CASE STUDY

■ Nuneaton and Bedworth Council for Voluntary Service (NBCVS)



Organisation

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Key themes

- An example of mission-related trading
- How infrastructure agencies can trade
- The development of a trading activity requires time and resources and will not always be successful
- How developing plans for trading, even if not realised, is never wasted. It builds skills and contacts which in turn identifies future opportunities.
- How the Sustainable Funding Project helped with the development of their ideas!

Summary

In 2005 NBCVS started to consider how it could diversify its income streams without taking the organisation away from its core mission. With traditional income from grant funding becoming further out of reach and private sector organisations providing capacity building services to the voluntary and community sector, NBCVS decided that it was in a strong position to compete for a piece of the action. However, two years on, they are still struggling to find the resources to move the idea forward.

Date

This case study was written by *Alison Hedges* from NBCVS in July 2007.

Origins

Nuneaton and Bedworth Council for Voluntary Service (NBCVS) was established in 1973 as a registered charity to support, develop and promote voluntary and community action in the borough of Nuneaton and Bedworth in Warwickshire. NBCVS became a company limited by guarantee in 2000 in recognition of the need for a more business-like approach to its development.

Today NBCVS remains a respected, independent organisation operating from its central office in Nuneaton, employing 3 full time and 6 part time members of staff, and a number of volunteers who, among other tasks, ensure there is a full-time reception service. NBCVS shares its premises with 3 other voluntary sector organisations.

The income of NBCVS was £263,000 in 2006/7. Income came from a range of sources, including grants from trusts and independent foundations, a peppercorn lease agreement with the Borough Council, and two service level agreements: one with the Borough Council to provide advice and guidance to the local voluntary and community sector (VCS), specifically around funding advice and quality assurance systems; another with Warwickshire County Council to support its core functions.

Mission

Unlike many other local infrastructure agencies NBCVS no longer provides direct services to the general public itself. It works with local, frontline voluntary and community organisations (VCO's). Its mission is:

- To monitor and, when necessary, investigate the social needs of the local community;
- To liaise with partners from the statutory, public and private sectors to work on strategic issues, and to act as advocate for the VCS;
- To encourage the development of voluntary response to identified unmet need;
- To provide expert advice on the establishment, organisation and sources of funding for voluntary activity;
- To act as an umbrella organisation to co-ordinate the work of the VCS;
- To ensure that VCO's can maximise opportunities made available through social and economic regeneration initiatives.

These are closely linked to the NAVCA (National Association for Voluntary and Community Action) five core functions of a Council for Voluntary Service (CVS).

There's never enough money

Like any organisation in the voluntary and community sector (VCS), NBCVS has been aware for a long time that it cannot depend on a narrow funding base, and diverse income streams would mean a more sustainable organisation. By 2005 NBCVS had shrunk in size, having lost out in the re-tendering process on an earlier contract for delivering carer support. It had also 'released' one health improvement project that it had previously incubated, so its income from project management, administration support and room hire had decreased.

Liz Stuart, Chief Executive of NBCVS said 'resources for the sector seem to be ever more difficult to access, especially for work which is often hidden within second-tier organisations such as ours; even with the amount of work we do with funders to understand the people and organisations they are funding, all too often the rhetoric can seem positive where reality of securing funds is quite different.'

The training provision at NBCVS had always been very well respected. However, funding was becoming increasingly harder to come by, being economic and output driven: it was fine to deliver NVQs, or CV writing courses for 18-25s but this is not the core market of NBCVS. They knew that their short programmes of free unaccredited training, which weren't about gaining a qualification or a direct route to employment had massive value for many small and developing VCO's.

There's never enough time

Alongside this, staff at NBCVS were increasingly involved in supporting organisations with larger projects, many requiring independent studies undertaken on their behalf, from feasibilities, to business plans and needs analysis. Staff were spending a great deal of time helping groups either find funding to buy in consultant time or correcting consultants work when they weren't fit for the end purpose.

Similarly NBCVS had seen many larger VCO's paying for external trainers on specific topics, and statutory/public sector agencies employing 'untrained' and 'inexperienced' community workers.

So what shall we do about it?

A plan began to emerge... Why couldn't NBCVS trade on its assets to its core market (getting a piece of the action) in a growing VCS economy? It became clear there was a definite niche in the market for a trusted source of consultancy and NBCVS's form of training. The concept of 'Redefine' was born.

NBCVS's income generator is the core service: no hidden asset, no bolt-on business schemes. Just doing what it does best and actually being brave enough to value it enough to put a value on it. NBCVS began to offer tailored training solutions to meet the needs of individual organisations. Any profits would be ploughed back into supporting those smaller organisations who couldn't afford to pay for training.

Same product, new market

There would also be the opportunity to trade in new markets. It would offer a range of training more appropriate to larger VCO's, and skills development training for public and statutory providers of community activity. NBCVS realised that the skills taught in some of its non-accredited courses, like presentation skills, communication, teamwork and minute taking are not exclusive to the VCS. The area has a large and growing warehousing and distribution industry, traditionally with employees with lower levels of qualification, so it was felt that this might be an appropriate market to target.

In providing services to larger VCO's and statutory/ public sector partners, Liz Stuart feels that 'this really is an untapped market for NBCVS. We are very used to working with those most in need for our support but for too long our expertise has been over-looked and money has gone out of the sector which could have been reinvested to its greatest advantage.'

NBCVS had the benefit of being new to the market, but being a long established and well respected name, and the strength of being part of a national network (NAVCA). Who else is in a better position to advise on VCS issues than the sector itself, rather than 'expert' consultants. Also when trading with the private sector, NBCVS has the strength in its community values, and could massage their corporate social responsibility egos! It's another example to demonstrate the flexibility of the sector and the way it can respond to need without detracting from its core mission.

Step 1: Business planning

With the full support of NBCVS management, the planning stage started. They started by developing a business plan, assessing the key issues, the wider need (not only within NBCVS) and considered some of the financial implications. They had a couple of meetings with a local Business Link adviser who gave them some good advice about how they might target the private sector, although was very little help when considering the public and voluntary sector markets.

A plan was presented to the NBCVS board. Feedback was positive, although trustees very rightly questioned how, in a climate when capacity to carry out core NBCVS activity was tight, would it roll out a new project and establish a trading subsidiary (to ring-fence risk) which would eventually become self-sufficient? It was acknowledged that any social enterprise activity would need some level of financial input, and that it would not be an instant way of funding the project and injecting unrestricted income back into NBCVS.

Liz Stuart commented 'both myself and NBCVS trustees believe in Redefine. It is the most obvious route to take in developing an alternative income stream, and we are extremely supportive of our staff by allowing them the time, resource and space to develop the project and work up bids. If it was not for the dedication of staff pursuing the concept for the good of NBCVS then the idea may not have got off the ground.'

However, a year down the line and after what seemed like endless revisiting of costings, Redefine still hadn't got any further than being on paper as NBCVS Chief Executive, staff and trustees did not have the capacity to take the idea any further.

Step 2: Developing skills

In the meantime NBCVS organised a **'Getting Ready for Enterprise'** 2 day course with NCVO's *Sustainable Funding Project*. The course brought together VCO's from across the borough to start thinking about enterprise in a more formal way. It developed the ideas that NBCVS had been thinking and talking about for the last year, and it was able to gain some valuable feedback about Redefine from co-attendees. One of the most useful contacts gained from the workshop was the possibility of a potential partnership with an organisation who gives information and advice on disability, to build disability awareness into Redefine courses.

Step 3: Learning from others

Two members of NBCVS staff were able to visit Richmond CVS in London to learn about their experiences of trading via the *Sustainable Funding Project's* **'Only Connect'** visit scheme. The visit made NBCVS realise that they were far advanced in preparation to make the 'jump' to trading than it had first realised; documents that had been prepared were in a highly developed stage and it made NBCVS realise that they should stop talking and planning for the idea and just start doing it!

Step 4: Finding the funding

The 'Getting Ready for Enterprise' course put a new emphasis on developing Redefine, so the Funding Officer put in a bid to the Big Lottery Fund's Reaching Communities programme to kick start the budding enterprise. The project included employing a project manager to build the enterprise to a position where it could go to market, to negotiate with clients and deliver training opportunities and offer consultancy support.

One step forward; two steps back

There were issues with the Big Lottery Fund's understanding of the project and its beneficiaries. Why should they support NBCVS to offer training to the private sector? NBCVS explained that project would strengthen the VCS, by giving NBCVS the opportunity to develop a sustainable funding stream that could cross subsidise its core activities and relieve its grant dependency. However, NBCVS were not awarded Big Lottery Fund funding. The pressures on the Reaching Communities programme meant that it was not seen as a priority project.

This has not stopped NBCVS considering its next steps. Liz Stuart said 'we will continue to 'find' staff time to develop and deliver bespoke training if it is requested and other paid-for pieces of work as required. It won't be on the scale that had originally been intended, however it will generate small amounts of unrestricted income that can only be a bonus for us. Since 2005 we have not had one person dedicated to Redefine yet we have generated over £20,000. Imagine what could be done with the right capacity in place!'

Looking forward

They continue to look for other opportunities to develop Redefine. NBCVS is part of a group of Warwickshire-wide VCO's looking at the potential of closer working relationships to streamline, and in the long run, add value to VCS support mechanisms regionally and locally. The work of Redefine will not be lost, and whatever happens to NBCVS there will always be a part of the organisation that needs to operate to generate alternative, 'non-traditional' income streams. Indeed, being part of a larger organisation, having a wider geographic spread and more capacity on board, could finally help us to realise the viability for Redefine!

Links

Nuneaton and Bedworth Council for Voluntary Service (NBCVS)

www.cvsnunbed.co.uk

Big Lottery Fund www.biglotteryfund.org.uk

National Association for Voluntary and Community Action (NAVCA)

www.navca.org.uk

Learn more about trading as a means of developing a sustainable funding mix, the Only Connect visit scheme and the Getting Ready for Enterprise course at www.ncvo-vol.org.uk/sfp



Supported by



The Sustainable Funding Project is an NCVO initiative working in partnership with the Big Lottery Fund and Charity Bank.

The Sustainable Funding Project encourages and enables voluntary and community organisations to explore and exploit a full range of funding and financing options to develop a sustainable funding mix.

The Sustainable Funding Project
funding in the round

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