

SRB SUCCESSION AUDIT

OF VOLUNTARY AND COMMUNITY SECTOR (VCS) PROJECTS IN NEWCASTLE UPON TYNE

1 Introduction

Single Regeneration Budget (SRB) funding will come to an end in March 2006. Voluntary and community sector (VCS) projects that are still receiving SRB/Preparing for Change funding will need to plan their future beyond SRB.

Invest 2006 is a campaign in the North East to secure funding for voluntary and community groups beyond 2006 and the end of SRB and other funding streams (e.g. European Social Fund, which is also due to end in 2006). It has commissioned this research to find out what plans affected projects in Newcastle upon Tyne have already made, and to offer them practical help and support in the form of three day-long seminars on various succession issues, and a succession toolkit. SRB6: *Preparing for Change* has funded the research. The research team – from Sustainable Cities Research Institute at Northumbria University and Regeneration Exchange – has also reviewed other existing resources for project succession.

2 Audit findings

The following is a report from the audit process, which involved telephone conversations with individuals representing sixteen projects whose SRB funding is about to end. They were asked about the effect the end of SRB was likely to have on their project, what plans they had made for succession beyond SRB, and what specific concerns and support needs they had. These three issues are considered in turn below.

2.1 Effects of the end of SRB funding

Threat of closure:

For projects that were mainly or wholly SRB funded, the end of SRB funding means that the project will be unable to operate and must either seek alternative funding or close down. Seven of the projects audited were in this situation. A key issue is the fact that making funding applications is time-consuming and can get in the way of the regular work and activities of projects. In addition, specialist staff employed to run projects do not always have skills or experience in fundraising.

Loss of staff/aspects of project:

For projects with a more diverse funding portfolio, the end of SRB may mean the loss of certain aspects of the project. Five projects were in this situation. For instance, one project faces losing two of its three staff members, whose posts were SRB-funded. This will leave the project unable to carry out some of its core activities.

If project staff leave in the last few months of the funding period - which is likely if their jobs are not secure - then projects are often unable to recruit new staff on such a short term contract. This leaves projects with limited capacity to operate or to make new funding arrangements.

No effects:

Some projects only ever intended to get a short-term SRB grant. This was often – although not always - the case for those projects that had received capital SRB funding for a specific project. Other projects had long-term plans which took account of the end of SRB funding. For instance, one project applied for one year's SRB funding only, plus a range of other grants, as part of its long-term funding plan.

However, several projects that were not likely to be directly affected by the end of SRB funding said that they would still like to receive help and advice about future funding.

2.2 Succession planning

Funding applications:

Most, but not all, projects were in the process of making funding applications. Some had already had applications refused (no one mentioned any definite successful applications). Applications had been made to a wide variety of organisations, including Northern Rock Foundation, Esmee Fairbairn Foundation, Neighbourhood Renewal Fund, Community Foundation, and other smaller charitable trusts. Some projects had made or were planning one or two large applications, while others were applying for a series of smaller grants. For instance, one project was planning to apply for several small grants to use as leverage for accessing local authority funding.

Short-term plans:

Two projects were planning to 'manage' for a while until they could apply for Big Lottery funding. For instance, an advice project was hoping it could last out until June 2006 when Big Lottery funding would be highlighting relevant funding. In a third case, a project's other major funder had offered extra funding to 'plug the gap' temporarily, giving the Project Leader more time to apply for other long-term funding.

Self-financing options:

One project, a community centre, is pursuing plans to become self-sustaining through a volunteer-run café, gym memberships and by hiring out rooms. However, there is a need for staff to manage and support these activities, and for their posts to be externally funded while the centre builds up capacity and starts making money. Meanwhile, an ICT project network is focusing on providing high quality IT training to its users, with the long-term aim of selling its services in order to raise income.

Partnership working:

Some projects were planning to approach other schemes doing similar work to propose working in partnership. For instance, an energy advice project representative was exploring possibilities for the project to work with Newcastle and Gateshead Warm Zones (which are partnerships between local authorities, energy suppliers, and others). Other projects were expecting to become part of consortia to bid for funding to provide services

on a larger scale. For instance, plans to form a consortium to deliver services for Newcastle Children's Trust were mentioned by three respondents. A network of ICT projects is introducing closer partnership working between projects, including shared patterns of work and potential joint funding applications.

Mainstreaming:

One project that works with excluded young people was hoping to engage with the local authority and sell its services. Many of its beneficiaries have been excluded from school (schools receive £2,500-3,000 per pupil per year, and are apparently not obliged to surrender this sum when they exclude a child). By recovering such monies and 'bending' them towards work with excluded pupils, the local authority could potentially meet the project's running costs.

Long-term planning:

Long-term project planning can avert funding problems. One new project has a plan to apply for revenue funding from charitable trusts to run the project over 2-3 years and prove its success, then have the project mainstreamed in the long term. However, this 'pump-priming' model is not suitable for all projects. Some are considered too specific and marginalised to ever benefit from mainstream funding, while other projects felt that their potential for long-term planning was limited by the need to be responsive to the communities they serve.

Rationalisation:

Projects working in highly specialised areas can find it especially hard to find funding. One such organisation was conducting a strategic review to determine its future development and work directions. The likely outcome of the review will be to cut back aspects of the work. Another project was planning to re-configure its activities into a series of key themes that fit more closely with European Objectives, as it was considered that this would be helpful when making funding applications.

Funding help:

A number of projects had sought extra help with fundraising. Two had support within their organisation in the shape of a funding officer or in-house funding advice project. One project had employed a professional fundraiser to make funding applications. Others relied on information and advice from infrastructure organisations, such as the funding newsletter produced by Newcastle CVS. One network of projects had employed an external facilitator to identify options for succession planning (although the facilitator's preferred option was not chosen because the projects did not support it).

2.3 Support needs

Funding was the major concern for most projects, with twelve out of sixteen respondents saying they needed support in this area. Five projects identified needs relating to project organisation and developing a 'business-like' voluntary sector, while partnership working, marketing and publicity for the voluntary sector, and issues around procurement and service delivery were each mentioned by three respondents. All of the support needs expressed by projects are set down below. Only three projects said that they had no support or information needs.

Funding and resources:

- How to access the right kind of funding
- How to find out which funding organisations are appropriate for different areas of work and activities
- How to find out what your project can offer that is distinct from – but complementary to – the work of other similar projects or schemes
- How to develop projects in the right way so as to be able to make successful funding applications
- How to make it easier for the VCS to access funding to help deliver national policy targets
- Advice on mainstreaming and how it can be achieved
- Why it is harder to access funding for long-term projects that have not been mainstreamed (which raises doubts as to whether such projects are really 'needed')
- Long-term, 'tried and tested' projects often find it harder to get funding than new, innovative ones, despite being able to prove they are successful. What is the answer?
- Projects are not always allowed to apply to the same funders repeatedly, which makes it harder to find new funding as time goes on. How can this be overcome?
- How to find funding for highly specialised areas, for policy development work, and to commission research relevant to your project
- Information about future European funding for smaller VCS projects
- Information about funding for infrastructure support for VCS organisations
- How to get past the 'gatekeepers' in local authorities and other organisations to speak to trust fund managers

Organisational needs and developing a business-like voluntary sector:

- How to make voluntary sector projects more 'business-like'
- How to keep up-to-date with developments in your project's area of work, such as policy changes, funding streams, contracting and procurement etc
- How to work with time-limited contracts
- How to find out what your project can offer that is distinct from other similar schemes, yet complements them

- How to develop projects in the right way so as to be able to make successful funding applications
- How to make it easier for voluntary sector projects to contribute to certain national policy targets (e.g. worklessness, which VCS can influence by boosting basic skills and self esteem)
- How to deal with and influence gaps between policy and practice
- How to meet these and other organisational needs, while also delivering project outcomes, with limited resources

The voice of the VCS:

- How to work with local authorities and others in partnership
- How to make partnership work with mainstream agencies more meaningful and successful
- How voluntary sector representatives can have an effective 'voice' on existing partnerships
- How to effect cultural change in local authorities with regard to traditional views about minority groups and the beneficiaries of voluntary work
- How to make local authority staff understand that councils do not 'give' money to the VCS, but that they fund it in return for service provision
- How to raise awareness in the wider world about what the VCS is and does, and ensure that its work is more valued

Procurement and service delivery:

- Most voluntary projects work locally and on a small scale, but there is pressure to form consortia and deliver projects on a larger scale and wider geographical area. How can this be managed?
- How projects can become part of a consortium to bid for funding to provide services (e.g. to Newcastle Children's Trust)
- How consortia will be developed and managed
- What the implications of becoming part of a consortium will be for individual projects
- How smaller projects with limited capacity to deliver services will be able to compete or form partnerships with the larger VCS organisations
- How to get funding to commission research on this issue

Other issues:

- People felt that the training seminars and toolkit had to be useful and practical. Most respondents had considerable experience in working in the VCS, and they did not want a 'back-to-basics' approach which involved going over issues that they already knew or could easily find out by themselves (e.g. names of funding organisations).

- Three respondents said they thought experience rather than training was the most important factor in successful long-term project management and fundraising. One respondent suggested that it would be useful to share the experiences of staff from other projects that have been through succession planning. Another commented that the networking aspect of the seminars may be valuable.
- However, the projects involved in the audit were quite diverse in their organisational arrangements and activities, so the seminars should not include specific advice for particular types of project. One respondent remarked that they had plenty of ideas for ways to develop their projects, but needed the money to act on them.

3 Existing project succession resources

A number of toolkits and resources to help projects address the issue of succession have been produced by various UK organisations. Some of the resources that are relevant to VCS organisations and individual projects are reviewed in this section.

3.1 'How To' Guide to Project Succession or Closure/Readiness Assessment Tool

The London Development Agency (LDA) and Government Office for London (GOL) have produced this 'how to' guide along with a *Readiness Assessment Tool* - a practical toolkit in Microsoft Excel format - for projects planning their future beyond SRB or ESF funding. It uses current London-based projects as examples, but the information it contains applies to projects across the UK. It is aimed at project managers, staff, steering group members, and project funders. Advice is arranged under the following headings:

- *Project capacity*: finances; legal form/status; staff and skills; Board/steering group; leadership; funding for succession planning.
- *Systems*: performance management; quality systems; monitoring and evaluation; financial systems; risk; equalities; sustainable development.
- *Project delivery*: objectives; achievement of outputs and outcomes; marketing and promotion; value for money.
- *Partners and networks*: knowledge of, and access to, key decision and policy makers; partners; communication with funders; engagement with key customers.
- *Forward planning*: understanding the local policy context; business plan/strategy; evidence of need/demand; evidence of impact; adaptability; fundraising; current sources of income.

The Readiness Assessment Tool enables users to 'score' their project against a number of criteria, based on stakeholder opinions, delivery of outputs, value for money information, and data about beneficiaries. In this way, the project's future sustainability can be assessed, and planning for an appropriate succession route can begin. Users are also signposted to further information and resources on potential future project options, such as mainstreaming, further funding, selling services, and project closure. The guide (PDF) and links to the toolkit can be found for free at

www.gos.gov.uk/gol/European_funding/?a=42496

or

www.gos.gov.uk/gol/docs/.

3.2 Project Survival Toolkit

This toolkit is aimed at projects that wish to access public funding to enable them to meet local needs. It gives advice on mainstreaming under four headings: operating environment, partnerships, communities and project management. The toolkit was produced by the Audit Commission and can be downloaded for free from their website (www.audit-commission.gov.uk).

3.3 Funding Formula

This is produced by the London Voluntary Service Council (LVSC), and is a paper-based guide providing advice for voluntary and community organisations on issues around fundraising. For instance, it includes sections on strategic planning, project development, and writing funding applications. It costs £10 and can be obtained by emailing publications@lvsc.org.uk.

3.4 Grants Online

Grants Online is a website that provides up-to-date information on grant funding opportunities from the European Union, Government, Lottery, Regional Grant Making Bodies and Grant Making Trusts. It features an interactive database to help projects identify relevant grants, and information on the latest calls for proposals and application deadlines. It is a subscription only service, costing £25 per month/£150 per year/£250 for two years (www.grantsonline.co.uk).

3.5 J4b Grants

This is a website providing information on Government funding and grants for businesses and voluntary groups. It is updated daily. It sends an email newsletter to members and offers personalised funding alerts. There is also a database of publicly funded organisations that can provide help and advice. Registration is free (www.j4bgrants.co.uk).

3.6 Ensure Guidebook

This is a web-based tool for projects involved in the regeneration of deprived urban neighbourhoods. It contains sections on issues such as finance, working in partnership, decision-making, communication, strategy development and measuring impacts. It was produced as a result of a European-funded project (Innovative Urban Planning Management, 1998-2001), and is available for free at www.ensure.org/guidebook.

3.7 Successful Delivery Toolkit

This is a web-based reference tool of best practice and guidance. It was produced by the Office of Government Commerce (OGC), and contains advice to projects on how to successfully close down. It is available for free at www.ogc.gov.uk/sdtoolkit/.

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Appendix

Projects represented in the audit:

SRB capital funding

St Silas Development Project

Young Off-Roaders

Lemington Resource Centre

Patchwork Project

Environmental/Transport Bicycle Project

Electronic Village Hall Development Block

IT Community Initiatives Block

SRB revenue funding

Asian Issues Domestic Violence Worker

Newcastle Independence Network

Byker Advice and Information Project

North East Nightstop

Winter Action Peer Group Advisors Scheme

Fairbridge Trust

JET Project

Creative Community Resources

NCVS Regeneration Project

Electronic Village Hall Development Block

Community Initiatives Block