

NEWSLETTER SPRING 2008

Trading Up

Trading up is an initiative that addresses the needs of organisations developing trading functions, launching trading subsidiaries or operating a “mixed economy” of commercial and charitable activity.

Training Up

Delivery of Training Services has begun in earnest with the first of a series of four-day **Social Enterprise Start Up Programmes** (SESUP) plus a Workshop on Market Research under way for **Croydon Voluntary Action** (www.cvalive.org.uk). The courses are a vital component of CVAs Commonsense Project which is providing development support to Social Enterprises and Voluntary and Community Sector organisations developing trading activities in the Borough. The reaction by clients to the first SESUP in 2007 was most encouraging and has led to this re-order.

Meanwhile delivery has also begun of a series of **bespoke one-day workshops** for **Community and Voluntary Service Mid and North Bedfordshire** (www.voluntaryworks.org.uk/cvsmidandnorthbeds). These focus on the potential uses of social enterprise approaches to achieving the objectives of the local voluntary and community sector organisations and have attracted full houses of participants.

Stepping Up

Trading Up is providing two of the experts for the Brains Trust panel at an The “Step Up” event organised by **Hillingdon Association of Voluntary Services** (www.havs.org.uk) for the Voluntary Sector of West London to examine how VCS should and could “step up the game”

Up to the Challenge

We are not going to name the client for obvious reasons of commercial confidentiality but the following report from one of our consultants gives a flavour of the sort of work we have been involved with.

The organisation was awarded a 'core' grant which covered part of the management and overhead costs. However the funding specification was for specific activities tied to service level agreements. This meant that all management and overhead costs had to be charged across all the activity and project budgets with each funder contributing part of the expenses. Moving from being a 'core-funded' organisation to a totally project funded organisation presented a number of challenges.

- The cost of delivering the service level agreements against the funds awarded did not necessarily mean that a given project was able to pay it's share of management and overhead costs.
- Different projects may be at different stages in their funding cycle, and as such, the income may already be fully committed and may not be able to absorb any additional costs.
- A project may come to an end part of the way through the new funding cycle, and the former costs may need to be reallocated to the remaining projects. If this is a large project, then this may not be possible without reductions to projected service outputs.

After analysing their particular requirements we developed a budgeting tool that provided their management with:

- Workable budgets with all the management and overhead costs fully covered.
- Flexible apportionment methodologies so that budgets could be easily and quickly revised in the event of internal or external changes.
- A mechanism to ensure that when projects came to an end, the management and overhead costs were automatically allocated elsewhere.
- The client was a lot more aware of the risks - able to identify areas where fund-raising or re-structuring was needed.
- Out-turn information was regularly and quickly available so that these risks could be monitored and avoided.
- An end to crisis management and time and energy available for strategic management

To find out more visit

www.can.coop/tradingup.

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