

BUSINESS PLAN BUSINESS PLAN



Community Action Community Action Northumberland Northumberland Business Plan Business Plan 2006-2009 2006-2009



Community Action Northumberland
(formerly Community Council of Northumberland)

Business Plan - April 2006 to March 2009

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Community Action Northumberland

Business Plan - April 2006 to March 2009

This plan covers all aspects of the activities of the Community Action Northumberland (CAN) for the period April 2006 to March 2009. For each year, an Action Plan is also available, giving details of specific activities, staff deployment, funding and intended outcomes.

This is a revised version of our Business Plan, published a year after the original. Although the Plan remains substantially unaltered, revisions have been made in the following ways:

- we have changed our name from the Community Council of Northumberland (CCN) to Community Action Northumberland (CAN), and have made various editorial corrections and improvements
- we have updated the current and prospective budget information, and some other aspects of our 'internal systems', in the light of progress
- now that a number of new or modified systems are in place, we have added a section within our Internal Activity on maintaining and sustaining our organisation
- we have updated the description of our role and activities concerning the VCS Consortium in Northumberland, and have made clear the provision of a new post of Compact/Contracts Officer
- We have updated the position re our REALL work, the DEFRA Social and Community Programme/Community Initiatives Officer work, and the addition of some field work support in the West of the County.

We intend to undertake further revisions early in 2008.

1. Vision and core values

CAN's vision is of communities in Northumberland that are vibrant, inclusive, confident, effective and capable of sustaining themselves.

CAN's core values are based on a commitment to:

- Enabling local communities to shape their own future
- Ensuring that all sections of society have an opportunity to be involved in decisions affecting their lives
- Giving special attention to those most disadvantaged, either as a result of material circumstances and/or through exclusion from the opportunities enjoyed by the wider population

2. Mission

Our mission is to support communities in Northumberland, whilst working within the evolving Voluntary and Community Sector (VCS) infrastructure.

3. Roles

3.1 Key roles are:

Local community development

To develop the capacity of local voluntary and community groups to identify unmet need and to work with others to build up the necessary skills base to address that need.

Promoting collaboration and networking

To work in partnership to facilitate the development of new, and to support existing networks of, local voluntary and community groups, in order to enable them to be a mechanism for developing collaborative work across the sector.

Seeking to influence and work with decision-makers

To provide, with partners, conduits for the for the diverse views of the local voluntary and community sector to be voiced and heard within the decision making structures, regionally and nationally.

4. CAN and the Voluntary and Community Sector (VCS)

4.1 Community Action is both a Rural Community Council (RCC) and a Council of Voluntary Service (CVS). It was established in 1951 to support and develop community groups, charities and voluntary bodies throughout the county of Northumberland. In the last fifty years it has supported a wide range of individual voluntary and community organisations, and the development of infrastructure bodies such as Age Concern, Councils of Voluntary Service, Parish Councils and Development Trusts.

4.2 CAN is part of a network of Rural Community Council's across the country, drawn together nationally under the umbrella of Action with Communities in Rural England (ACRE)

4.3 That the voluntary and community scene in Northumberland is now so different from fifty years ago is due in no small measure to the work of the Community Council. But those differences, and accompanying changes brought about by government policies over that period, challenge Community Action to adopt new ways of working if it is to pursue its core aim of support for communities in Northumberland in difficult times.

4.4 Our task is now as much about providing overview, coordination, linkages, signposting and strategic influence so that the whole pattern of provision can be as

effective as possible, as it is, to nurture the growth of new organisations, though that will still be necessary in some geographical or policy areas.

- 4.5 This Business Plan has been drawn up in the context of a time of considerable change in the Voluntary and Community Sector. It is based on consultation with various partners and seeks to identify Community Action's specific role and range and location of activity within the wider configuration of voluntary and community sector infrastructure support, which is evolving.

5. Recent changes

- 5.1 Two separate stimuli have led to recent changes in CAN: the strategic review of our organisation, and a significant reduction in our resource base. In 2004 we began to undertake a strategic review of our organisation. The Northumberland Strategic Partnership (NSP) gave help in this process. This help led to the production of the organisation's first business plan in May 2005. The process included an analysis of the Strengths, Weaknesses, Opportunities and Threats (SWOT) of both the external and internal environment in which CAN has now to interpret its mission and roles. This SWOT analysis has now been updated and is shown in Appendix 1.

- 5.2 Swift changes to the organisation had to be made in 2005 to respond to the loss of EU Objective 2 funding: a reduction in our staffing levels and our service provision capacity. The review process and the streamlining of the organisation mean that we have been making some important changes, as explained below. Many of these changes will continue to be developed during the 2006/9 business plan period.

5.3 Governance

We took steps to improve our governance during 2005 and 2006 and further progress will be made in the future. Recent changes include:

- a. Developing a new commitment and level of involvement by our trustees in areas of our work
- b. A reduction in the size of our Executive Committee, and the development of a new structure of sub-committees and working groups
- c. A new 'top team' of honorary officers

We are now looking to embrace a wider range of local VCS interests in the work of CAN, in efficient and effective ways which do not add to the burden of governance. Rather than necessarily involving more organisations in the governance structures, we are exploring ways of tapping into or developing local consultative forums, of community groups.

5.4 Finance and risk management

Although the loss of EU Objective 2 funding was a major blow in terms of our reduced staffing and service (-)provision capacity, it has brought two, more positive results:

- We have been able to move away from dependence on the intricacies and declining resources of the Objective 2 programme and various matching funds
- It has introduced a new resolve among our trustees to monitor and manage risk, and to look critically at government programmes.

During 2005 we re-introduced CAN-wide financial budgeting and half-year reporting, where previously this work was focussed on our individual projects. We also started to take stock of our various risk management processes, to integrate them into a single, annual review. We anticipate changing our legal structure from 'unincorporated voluntary association' to 'charitable incorporated organisation', as and when the enabling legislation (within the Charities Act) is introduced.

5.5 Monitoring and reporting

We have been improving the way in which we record our work, and report on it, both within our organisation and to our funders and other interested stakeholders. The government has indicated a growing interest in learning not just about what we have done (outputs) but also what we have achieved (outcomes). This may also provide useful information about the nature and capacity of our main beneficiaries – the voluntary and community sector – to contribute to planning and improvements in Northumberland.

5.6 Improving performance

We began this period with the benefit of Investors in People status and ACRE national Quality Standard level 1. We are now pursuing Levels 2 and 3. We have reconfigured our staff and team meetings in the light of our staff reductions, but we need to ensure we maintain the good standards of line-management and staff training and support which we have provided in recent years. We also have improved the induction and continuing development of our trustees. Annual planning and monitoring of organisation-wide objectives, and the continued monitoring of the delivery of our Business Plan and Action Plan, with adaptation and adjustment to changing circumstances, will ensure appropriate measuring and reporting of progress, and effective allocation of resources. These strands are now integrated into our organisation-wide Performance Management system.

5.7 Projects and services outside our core activities

We have undertaken a review of the various projects and initiatives, some of which we undertake on behalf of other, otherwise-independent, bodies. Although this is a useful service, which reduces the strain on small and often embryonic bodies, it has placed a significant burden on our staff. Within the lifetime of this

Business Plan we expect to finish or reduce significantly the direct services which we provide to the following:

- Pegswood Project
- Bellingham Community Trust
- Heritage Centre, Bellingham
- Volunteering Centre – North Northumberland
- Renewable Energy at Local Level (REALL)
- BizFizz
- Carer Link

Our professional and administrative services for Northumberland Association of Local Councils (NALC) will remain as strong as ever, but NALC and CAN have recognised the opportunity to define the relationship more clearly, through a memorandum of understanding.

Our commitment to North Northumberland LEADER+ will continue, although it seems likely that the volume of work will reduce, as the programme will be nearing its end. We will only take on new commitments after careful consideration, and in exceptional circumstances.

5.8 Communication

We have adopted, and are implementing, a Communications Strategy. It addresses how we communicate externally with our funders, our partners and our clients, and internally between ourselves. We have begun to implement some of the broader principles of developing a more communicative culture. For instance, in the drawing together of this Business Plan, we listened to a wide range of people, and sought the active participation of staff and trustees. Our new website has been complimented by our partners, and it is continuously updated.

Communication continues as a key priority for 2006/09.

5.9 We have conducted discussions with a range of partners and community stakeholders listening to their views on how we should interpret our role, and therefore prioritise our activities, for the next phase of our work. See Appendix 2. This preparatory work has yielded a significant level of enthusiasm and support for a CAN which is fit for purpose, and it has also posed some challenges, not least in how we balance the 3 main strands of our role (outlined in paragraph 3,1 above):

- local community development work;
- promoting collaboration and networking within the voluntary and community sector; and
- seeking to influence and work with public bodies and other key decision-makers.

6. Key strategic priorities

The following is a statement of our strategic priorities for the next 3 years, taking account of progress since our previous Business Plan. It clarifies and prioritises what we see as our role and how we will take it forward.

6.1 Internal Activity

6.1.1 Maintain CAN as an efficient, effective and sustainable organisation

This involves a wide range of important but often low-profile activities concerned with ‘keeping the show on the road’, including administration, financial management, committee and trustee activities, staff meetings, monitoring/reporting, and so on. Underpinning this work is our performance management system.

This has involved staff and Honorary Officers in training and working together from the outset to establish the system. It pulls together various elements of work referred to above in paragraphs 5.3, 5.4, 5.5, & 5.6. The system includes:

- linking business planning, action planning and financial planning
- staff induction, development and appraisal (linked to our Investors in People status and based on our action planning)
- building a comprehensive corporate body of information on activities and performance that can be readily used as:
 - a decision-making tool by the Executive Committee
 - monitoring information to stakeholders
- mechanisms for feedback from stakeholders
- risk assessment procedures.

This work is an integral part of the ACRE national quality standard for RCCs, Level 2.

6.1.2 Develop and implement our Communications Strategy

This will seek to:

- raise the profile of CAN’s role
- update and further develop CAN’s website
- review all published materials
- streamline media communications
- market the services that CAN provides
- review our corporate identity

6.1.3 Contribute to the delivery of an integrated system of support via Information and Communications Technology (ICT) and printed material

This will need to be carried out in close cooperation with other bodies and agencies, both national and local, including those involved in the Rural Voices initiative, which might give advice and support to communities. Existing agreements reached with the main partners, such as Councils of Voluntary Service (CVS) and Social Enterprise Northumberland, will be reviewed regularly.

6.1.4 Review core staff posts and duties

In the light of changes in our core staff complement, we will continue to review:

- the overall shape of our staff structure
- the workloads of the remaining staff, both individually and relatively
- staff development needs brought about by the provisions of our action plan
- job descriptions

and make adjustments such that staff are able to carry out their work efficiently and effectively.

6.2 External activity: Support for community organisations

6.2.1 The way this priority is addressed by CAN will vary from area to area with precise responses being worked out in collaboration with others. Broadly speaking CAN will provide advice, information and training to community groups and voluntary organisations in the four 'rural' District Council areas, Alnwick, Berwick, Castle Morpeth and Tynedale. This rural area accounts for 97% of the land area and 54% of the population, of Northumberland. In Blyth Valley and Wansbeck, the two local CVSs undertake this service, and CAN operates there only in exceptional circumstances.

Our support for community organisations involves:

- encouraging individuals, groups and other bodies to work together to appraise and address local needs and aspirations
- promoting the values of social inclusion in community initiatives
- the provision of advice, information and encouragement to community groups (both face-to-face contact with groups and wide use of arm's length support such as the web-site and printed materials referred to above, which are crucial tools in maximising scarce staff time)
- the provision of collective approaches to development and support through more training events and conferences
- nurturing the development of specific groups, including parish councils, the management committees of community buildings and development trusts
- a mapping of resources across the county and evaluating their quality
- the brokerage of help, support and funding

- signposting to other available sources of help (using knowledge drawn from the mapping exercise described above, the use of CAN's website and that of Rural Voices)
- 6.2.2 In prioritising demands in this area, CAN will develop clear criteria which reflect, for example, CAN's values, the needs of particular communities, the limits of our own expertise, and the availability of alternative support.
- 6.2.3 In addition to this general provision of support and advice to groups and organisations mainly in the 'rural' parts of the county, we will offer to all areas our agreed specialist knowledge (for example, on community buildings, DEFRA funding programmes, parish council related work). Other organisations will have expertise which should also be made available across the county not least in the 'rural' areas. This is why the mapping of resources referred to above is important.
- 6.2.4 Throughout, CAN staff will seek to uphold the key principles of community development work, which extend beyond the provision of advice and information to voluntary groups and organisations by promoting wider participation, social inclusion, fairness, mutual support, and local responsibility.

6.3 External Activity: Mobilising the VCS

- 6.3.1 We always have promoted and supported communication, co-operation and sharing within our sector, but the new era of inter-agency working and decentralisation of public services is demanding a more concerted and a more strategic approach to this part of our work. It will include a number of separate but related strands:
- 6.3.2 Local community engagement: - building networks and understanding - Supporting and encouraging local voluntary and community groups to participate in Local Strategic Partnerships (LSP) and Local Area Agreements (LAA).

The "Natural Communities" focus of the Northumberland LAA, which seeks to draw in community involvement at the local level, provides a new opportunity for us to progress this strand of our work, particularly in relation to the "Stronger Communities" element of the LAA. The community panels which CCN set up to engage with some European programmes in the rural areas will provide useful models or bases for this area of work. The role of field staff will be that of enablers and networkers.

- 6.3.3 County wide engagement - supporting county and area wide voluntary sector collaboration :

We will continue to play a part in the Northumberland VCS Consortium, a network of independent bodies. Our role in relation to the Consortium is twofold. We are on the one hand one of the member VCS bodies. But on the other hand as a county wide VCS infrastructure body, we have a role in bringing groups and organisations together for mutual benefit. This is a role which we have exercised in convening the VCS Consortium since 2004. We will continue to support the

operation of the Consortium, together with the development and implementation of Northumberland's VCS Infrastructure Development Strategy. We will provide staffing to support the work of the Consortium and, when appropriate, we will act as the 'accountable body' for the Consortium's activities.

- 6.3.4 The challenge will be to diversify the VCS membership of the consortium to address the ever-widening agenda, while still retaining a focus and motivation for its participants. There is scope to enhance existing VCS networks and develop new networks within the 'broad church' of the consortium; both through local VCS networks and also thematic groupings (e.g. youth, environment etc.). This requires a more sophisticated approach, beyond merely convening and supporting Consortium meetings. We must develop further our information and intelligence about the VCS, and offer better, more frequent and informative communication on relevant issues and opportunities.
- 6.3.5 A further aspect of this county wide role is one of keeping abreast of developments in the VCS scene, ensuring that a response to particular needs is made by members of the network, scanning the horizon for new developments or gaps in provision. The continued maintenance and development of a strong information base, including research and website referred to above, is a crucial tool in this area of CAN's activity.
- 6.3.6 Creating and responding to new opportunities for voluntary agencies and community groups;

We have been encouraged by stakeholders to be bold in thinking about the future of the VCS and developing appropriate responses now, even if these needs are not always readily recognised by the sector. The renewable energy initiative (REALL) whose development we have supported is a current example of this.

Part of the scanning of the horizon referred to above will be identifying a need whenever it emerges, championing it, giving it some robustness and intellectual justification, seeing how it might be met within the sector as a whole or lobbying for it to be met otherwise. It has become clear in the last year that one of DEFRA's priorities is the need to address climate change issues. With the regrettable ending of REALL we shall aim to ensure that all field staff are alerted to identifying opportunities to address these issues in their work with local groups. CAN's role includes a responsibility to ensure that action is taken for Northumberland's communities by one of the partnership of VCS organisations.

- 6.3.7 In this respect we will ensure that the VCS is prepared for the implementation of major changes in public sector organisations: for example, the reconfiguration of the Northumberland Care Trust into separate commissioning and provider roles, the possible reorganisation of the County and District Councils into 'unitary' local government, and the devolution of public service provision to local areas and to the voluntary sector. This work is likely to extend beyond the provision of information, to brokering new arrangements, improving quality standards in the VCS and encouraging rationalisation and mergers where appropriate.

6.3.8 A further key part of this activity is some specific work on behalf of our partners through the Department for Environment, Food and Rural Affairs (DEFRA) Social and Community Programme. The VCS consortium has identified two particular areas of need. First, the further support and development of community buildings and parish councils. The latter gains in importance in the light of possible local government organisation. CAN has been tasked with, creating opportunities for community buildings and for parish councils, by delivering training programmes, negotiating new ICT opportunities, organising networks and conferences, and the introduction of innovation. This has resulted in the appointment of a Community Initiatives Officer. Second, the devolution of local service provision to the voluntary sector raises new challenges as well as opportunities. To support the sector in this process we are hosting an appointment of a **Compact/Contracts Officer**.

CAN will ensure that funds from major government initiatives such as the DEFRA Social and Community Programme are maximised for Northumberland, and that funders provide a fair and accessible level of support to VCS activities.

6.3.9 In partnership with others, we will actively negotiate to secure public funding schemes that can be drawn down by individual communities, organisations or projects in Northumberland, to succeed programmes such as LEADER and GOLD.

6.4 External Activity: Building links and active collaboration with the public sector

Working through:

6.4.1 Facilitation: creating opportunities for voluntary organisations and community interests to engage with decision-makers and service-providers.

6.4.2 Representation: serving at times as a voice for the VCS, alone or in partnership with other VCS organisations. This will include our active participation with, and/or input to, the Northumberland Strategic Partnership, the Local Area Agreement, the Compact initiative, district-level local strategic partnerships, European ERDP, LEADER and Objective 2 regional structures, the Rural Affairs Forum, and others.

6.4.3 Policy work and lobbying:

Monitoring local conditions and making representation to decision-makers at a local, regional and national level will continue to be an important role for us, and at times it is more expedient or efficient to undertake this work from arms' length, instead of through active participation in partnerships or consultative groups.

7. Organisational structure - Roles and Responsibilities

7.1 Community Action Northumberland (formerly the Community Council of Northumberland) is an unincorporated voluntary association, established for general charitable purposes in 1951. It is a registered charity, no. 224798. Its members (See Appendix 3) are drawn from:

- Individuals who believe in CAN and wish to support its work
- The representative bodies of groups who use the services of CAN, e.g. Parish Councils, Village Halls, Development Trusts, Youth Groups, Playgroups
- Funders and partners local authorities, NSP, trusts, large voluntary organisations.

7.2 The full **General Meeting** meets twice a year and elects an Executive Committee who are the charity's trustees.

7.3 The **Executive Committee** is the policy-making body of the organisation, tasked with ensuring the organisation achieves its aims and objectives in the most effective and appropriate way. It meets bi-monthly.

7.4 The Executive Committee appoints a Chairman and two vice-Chairmen. who share a number of responsibilities in addition to those of the Executive Committee. They include, among others, line-managing the Director, and representing CAN on various other strategic organisations.

7.5 The following **Sub Committees** are appointed by, and responsible to, the Executive Committee:

- Finance and Risk Management
- Communications / Publicity / Public Relations
- Personnel
- Premises / Health and Safety
- Performance Management

7.6 Members of the Committee are expected to:

- Have a commitment to the vision of CAN
- Contain within their number knowledge and skills in community development, rural policy and practice, finance, fundraising, communications, recruitment and personnel management
- Contribute actively to the Executive Committee's role:
 - giving firm direction to the organisation
 - setting overall policy
 - defining goals

- setting targets
- and evaluating performance against these targets
- Ensure that the interests of CAN's constituency within the county are properly reflected in CAN's activities
- Have access to wider networks and to act in an ambassadorial role
- Have a willingness to devote the necessary time and effort to prepare for and to attend meetings
- Encourage others, who share the vision, to participate in CAN

7.7 An information pack for Executive Committee members has been produced including such items as an introduction to CAN and its constitution, the roles and responsibilities of Trustees, the business plan, copies of the various policy documents, and the latest annual report.

7.8 In order to improve the accountability of Executive Committee members to the wider constituency, two steps have been taken:

- Each member has an 'area of responsibility', either geographical or thematic
- The possibility of building on the experience of the Community Panels, is being explored. These are networks of representatives drawn from local communities and neighbourhoods, across localities which in many instances are long-recognised community territories (for example, North Tyne/Redesdale, the coalfield villages, Glendale). As well as fulfilling a role re European programmes and the local area agreement, we believe they should have the opportunity to contribute to CAN's own planning.

8. Staff structure:

8.1 This business plan is based on a consolidated and rationalised staff structure, with fewer field staff than had been possible prior to 2006. (See also paragraph 6.1.4).

8.2 We are clear however that our staffing structure needs to reflect the three key strands of our work:

- Supporting community organisations. This requires field staff / community development officers located in the four 'rural' District Council areas, backed up with information / website support, if the communities on the periphery of the county are to benefit from CAN's services, and the needs experienced there can be fed back into the organisation influencing b & c below.
- Mobilising the voluntary and community sector. This requires dedicated officer time

- Building links and active collaboration with the public sector. This requires dedicated officer time to work on the boundary between the VCS and other partners.

8.3 This indicates a basic core staff (diagram attached as Appendix 2) of:

Four Community Development Officers - providing advice, information and training to local groups; new community development work; contact with LSPs etc.; support for local community networks; input into grant aid mechanisms; negotiating to bring agencies and resources into the locality. The post of Information Officer has been created to support the part-time CDO in the extensive Tynedale area, as a contribution to the VCS Consortium's Tynedale Change-Up initiative.

One VCS Development Officer - supporting and developing the VCS Consortium; VCS networking; Local Area Agreement; VCS information and intelligence.

A Community Initiatives Officer – supporting the Director, Assistant Director and Field Staff in negotiating, developing and implementing new opportunities for parish councils and community buildings committees.

Assistant Director - deputising in the Director's absence; CAN finance and admin; CAN's ICT development; giving advice to VCS re community buildings, funding, constitutions, etc; line-management.

Director – supporting the Executive Committee in the development of policy; servicing the trustee / staff relationship; overall management; NSP and regional / national involvement; parish councils; legal / managerial issues and advice; line management.

Together with the Finance and Administration Team, this represents the basic core staff which is required to deliver our objectives. At the present time we recognise that three out of the four field staff are part-time, when ideally we would hope to see them all full-time.

8.4 In order to support the development of the formal relationship between the VCS and public bodies, we are creating and managing a new post, of Compact and Contracts Officer. On behalf of the VCS Consortium and the NSP's Compact Forum, this Officer will:

- encourage, negotiate and support new opportunities for the VCS to provide services on behalf of public bodies
- support the further development of, and compliance with, the Northumberland Compact
- support the development of the VCS to contribute to the targets and expectations of the Northumberland Local Area Agreement.

8.5 Throughout our history, we have supported the creation and development of voluntary organisations and other community groups. Although our aim is to

enable these groups to become independent, we have recognised and responded to the need to incubate some of these initiatives by ‘hosting’ them, in their early years of development. This has involved employing and supporting their staff and providing other ‘hands-on’ services and support. Past examples include Age Concern Northumberland, citizens Advice Bureaux, development trusts, and the Preschool Playgroup Association (now the Preschool Learning Alliance), among others.

Although this is an effective and well-regarded service, it can be very demanding of our staff resources. In the period of this business plan, we make provision to reduce the overall level of support, with reductions or cessation of support for a number of groups or initiatives: Bellingham Community Development Trust; Pegswood Open Project; Voluntary Centre North Northumberland, Biz Fizz; Carer Link; REALL; and the North Northumberland LEADER programme. We remain committed to our long-standing relationship with NALC (the Northumberland Association of Local Councils). We will enter into new commitments only in exceptional circumstances.

9. Finance

9.1 CAN’s financial structure

Our business plan makes provision for an overall reduction in the volume of income and expenditure, and also a simplification of our internal financial systems.

Volume: our expenditure is planned to reduce from £912k in 2005, to £500k during 2007. This is as a result of the planned ending to certain project work, and the end of our formal package co-ordination work with the Objective 2 programme. 2006 is a transitional year, in which a number of projects will cease, or alternatively, continue but independent of CAN.

Structure: with a reduction in the number of outside projects, which we have been ‘hosting’ for other bodies, and, more crucially, a cessation of the highly complicated financial package accompanying our Rural Community Capacity/Objective 2 work, we are developing a simpler financial monitoring and reporting system. Nevertheless, it will still be the case that we will be combining and splitting a number of separate grant income streams in order to support particular parts of our business plan.

Summary of budget for core activity 2006 to 2009

Expenditure	2006/07	2007/08	2008/09
Core	244847	251744	259296

Core Development Team	101379	117001	116917
Core Strategic VCS Work	51239	46011	47391
Strengthening the Core	5080	33046	34037

New Developments	2006/07	2007/08	2008/09
Community Initiatives Officer	28660	38600	39758
Grants scheme	30555	21035	21690
VCS Contracts Worker	2724	37439	38562
Total	464484	544876	557652

Income	2006/07	2007/08	2008/09
Grant Income			
GONE/DEFRA-SLA	102500	104040	105600
DEFRA S & CP	80000	80000	85100
Capacity Builders	46175	148552	124170
NSP/ONE -core	100,000	141849	180820
Home Office	52694	-	-
NCC/Local Councils	26740	27400	24900
Fees & Charges	21055	22095	22755
Contribution from Projects	20780	7050	
Other	14540	13890	14307
Total	464484	544876	557652

Note:

At the time of preparing this budget the future of Government Office for the North East (GONE)/DEFRA and NSP/ONE beyond March 2008 is too uncertain to enable accurate income projections for 2008/2009. This income is based upon historic costs and is subject to negotiation and information.

9.2 Expenditure plan

Most of our budget will continue to be spent on staff salaries and the directly associated costs including travel and office accommodation. Therefore, our budget is largely determined by our staffing proposals, for the duration of the business plan. These include:

- (i) A continuation of the current core, which consists of 3 main elements:

- (a) the management, administrative and specialist advisory team: all based in Morpeth, and including our Director, Assistant Director, Finance and Administration staff, and all organisational costs.
- (b) the fieldwork team, which consists of 4 out-posted community development staff (2.8fte), based in Berwick, Alnwick, Morpeth and Hexham.
- (c) the VCS development and networking officer, based in Morpeth (see VCS Strategic Work)
- (ii) Modest, new provision to strengthen the core contingent (i above), by increasing the hours of certain part-time staff and introducing some out-posted information/administrative support, to address new activities in the business plan.
- (iii) The creation of a Community Initiatives Officer post in 2006, to focus on certain parish council and community buildings development (see above paragraph 8.4)
- (iv) The introduction of a VCS Compact and Contracts Officer, during 2007, to support specific VCS/public service activities within the LAA.
- (v) During 2007, it is possible we will no longer be responsible for the REALL, Volunteering Centre North Northumberland, or Carer Link projects, subject to their satisfactory progress and sustainability. This would result in our expenditure reducing by about £154k pa, and the loss of a net contribution towards our core expenditure of £15k pa. We will continue our commitment to the North Northumberland LEADER programme until its completion early in 2009.

9.3 Commentary on CAN's principal income streams

- (i) GONE/DEFRA Service Level Agreement: approximately £102k pa. This annual income is usually agreed for 3-year periods. From a national pot which is ring-fenced for RCCs, each RCC receives an allocation which is based on a county-by-county formula. Although this funding has been continuous nationally since the 1930's, it can never be guaranteed forever.
- (ii) GONE/DEFRA Social and Community Programme: a short-term funding stream, C £250k to £300k for Northumberland; of which c£80k is available for parts of CCN's business plan (See para 8.4). This fund succeeds and builds upon several Countryside Agency/RDC programmes. Its future beyond 2008 is not known
- (iii) NSP/ONE in previous years, £138k pa. Funding of £100k confirmed for the first 2years, to meet a number of key strands of NSP's VCS Infrastructure programme. An additional £41k is necessary in year 2 to support the activities of the VCS contracts worker. NSP/ONE funding may need to rise in year 3 to help support the VCS Networking/Consortium parts of our business plan.

- (iv) Capacity Builders: Funding of £195k confirmed for the first 2 years to part fund our Core and strategic VCS work. This includes the introduction of our VCS Network Development Fund to provide grants of up to £2500 to form, encourage or develop networks.
- (v) Local Authorities: currently contributing £26k pa (including donations from parish councils). This is fairly stable from year to year.
- (vi) Projects: net annual contributions £21k pa likely in 06/07, reducing to £7k in 2007-08. CAN's strategy is to move away from such a major project 'hosting' role, for the foreseeable future.

9.4 Financial Strategy

9.4.1 Outlook:

Grant aid for VCS infrastructure work is scarce, and is likely to become tighter in future years. Funding specifically for organisation overheads (especially management and administration) is even tighter. Funders prefer to support the 'sharp' end of work. Most of our expenditure is on staff salaries: these are relatively predictable, in terms of annual budgeting, but the salary bill cannot rapidly be adjusted to take account of income fluctuations. Staff salaries are not as high as their public sector equivalents, but pension costs are now a significant extra burden.

In the past, we have explored the possibility of securing some income by trading. Indeed, some of our colleagues elsewhere have gone down this route, but high opportunity costs have been a deterrent for some. We will continue to consider these possibilities. Most of our services are to disadvantaged groups and organisations, and are free at the point of delivery: the scope to charge our beneficiaries is very limited. As an organisation that seeks to secure resources for the wider voluntary and community sector, we must strictly limit our own demand for funding from these same sources.

More positively, the prospects for funding VCS infrastructure work are clearer. There are steps which we will take to ensure that Northumberland's VCS can benefit from emerging European, DEFRA and Home Office funding. In addition, we will continue in our efforts to encourage local public bodies (most notably the National Health Service and local authorities) to develop their VCS funding arrangements, although we cannot be optimistic in the shorter term.

9.4.2 Financial management:

The key points of our financial management at a strategic level include:

- Identifying and negotiating new sources of funding for our work, to replace others which are coming to an end
- Seeking to break-even, from year to year

- Maintaining a reserve which is sufficient to meet our monthly cash-flow deficit and to see us through possible 'lean years'
- Linking multiple sources of finance to support individual projects
- Seeking donations, not fees, from beneficiaries
- Recovering some of our 'over-head' costs from individual projects
- Ensuring that our staff can carry out a variety of roles, covering fieldwork and aspects of policy and managerial work
- Giving a high priority to the timely submission of (usually quarterly) financial claims
- Constantly pursuing ways of minimising our costs
- Negotiating with key funders near the year-end to maximise the use of time-limited resources.

9.4.3 Longer-term viability:

CCN is heavily dependent on the goodwill and grant aid of other bodies, and this dependency will not diminish in the future. A substantial part of our income is short-term grant aid and, if this were not to continue, our remaining income would be £50k-£60k p.a. We do not believe that this would be sufficient to enable us to address even the basics of our role and business plan, and we would have to contemplate closure or merger.

10.Implementation and Review

The business plan is accompanied by an annual Action Plan, which details the activities of the staff and trustees for the year. The Action Plan will be implemented and regularly assessed. As part of the annual Action Plan compilation process, the business plan will be reviewed and, where appropriate, revised.

APPENDIX 1

SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • We have recognised and addressed our weaknesses relating to the structure, governance and internal operation of our organisation • Our staff and executive committee are committed to serving the voluntary sector and rural communities. • Our working practices are flexible, and have a clear ‘can-do’ attitude. • We have a strong ethos of mutual support and co-operation across our staff. • Our staff are dedicated and possess a wide range of skills. • We offer entry into the local government pension scheme for our staff. • Our staff tend to be mature and highly experienced, from a variety of career backgrounds • We have a high level of expertise in our ‘core areas’ e.g. charity law, parish council law and procedures etc. • Our community development fieldwork approach accords with recent government policy. • Our decentralised staffing arrangements give us a profile across the rural county, and easy access to local groups. • We have an efficient finance staff team. • We have an excellent track record of financial management and control. • We add value by joining together diverse income streams. • We own our Morpeth premises which allows us to provide an income stream from room rental. • We have an efficient and comprehensive ICT system. 	<ul style="list-style-type: none"> • Our wish to be responsive can be at the expense of new proactive initiatives. • We have too many separate mechanisms for monitoring and reporting to various funders, which often result in duplication of effort. • We are struggling to meet the growing expectations of agencies to be active in the growing range of partnerships. • We do not have a complete staff training programme. • Our staff salaries are lower than public sector levels. • Our managers are hard-pressed to deliver their managerial, policy and field-work roles. • Our decentralised staffing arrangements risk isolation and make difficult the development of specialisms. • We have few mechanisms for the engagement of our beneficiaries in the business of the organisation. • We operate separate accounting systems for financial analysis and control of grant claims. • We lack adequate support to maintain our ICT system. • Our information systems are well-stocked, but not easy to access. • The closure of 4 rural offices, and loss of staff, has reduced our ability to be pro-active in the deeper rural areas.

<ul style="list-style-type: none">• We have strong and enthusiastic support from voluntary and community organisations in Northumberland• We have a long established track record, over many decades.	
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SWOT Analysis

Opportunities	Threats
<ul style="list-style-type: none"> • The NSP/LAA VCS Infrastructure Framework is a significant endorsement of CAN's work, as well as a potential source of funding for new areas of work • A countywide VCS compact has been developed which will formalise relationships between the statutory sector and VCS and strengthen our position in negotiating SLAs. • The government's Local: Vision programme emphasises the need for community engagement and to support organisations like ours that facilitate this. • The Stronger Communities theme of the Local Area Agreement offers new opportunities for CAN to forge links between the VCS and public bodies • The Regional Rural Framework may recognise the need to devolve rural delivery to a local organisations such as ours. • The government Capacity Builders initiative will afford us opportunities to attract additional resources in the future. • DEFRA's Social and Community Programme is an opportunity for us to develop further our support to parish and town councils. • NSP Rural Group's work on service monitoring provides us with an opportunity to work collaboratively and improve the quality of our intelligence on rural services. • The demise of the Countryside Agency and its associated grant schemes is an opportunity to for us to develop our approach to advice and support on project development and funding to parish councils, village 	<ul style="list-style-type: none"> • There is limited potential to attract grant funding for our activities from local authorities given the budgetary constraints they face. • The Regional Spatial Strategy has tight limits on the housing allocations to rural areas that will make it difficult for us to tackle the affordable housing issue through community-based action • The Change Up Investment programme has raised expectations amongst VCS infrastructure organisations, which may lead to competition for resources rather than co-operation. • Threats to the funding of community based delivery mechanisms in the county could cause increased competition for scarce resources, and threaten the viability of our community development fieldwork approach. • The demise of the Countryside Agency and its associated grant regimes reduces the possible funding sources for projects that our staff support. • • Rising pension costs are a growing burden on our budget • The pockets of disadvantage typical of rural areas continue to challenge the nature of our services and the way they are delivered. • Changing community dynamics through older people moving into rural areas and the out migration of young people will continue to challenge the nature of our services and the way they are delivered.

<p>halls and other community services.</p> <ul style="list-style-type: none"> • Our attainment of ACRE’s Quality Standards and Investors in People is an opportunity for us to demonstrate that CAN is fit for purpose. • Rural Voices provides a further opportunity for us to support individuals and groups and develop our lines of communication within rural regeneration. • The continued rise in house prices means that affordable housing remains a pressing issue that we are well placed to address. • In migration to some rural communities continues to bring a wider social mix and a greater range of skills for us to work with. • The NSP’s commitment to delivering 100% broadband across the county opens up opportunities for us to deliver more services via the Internet. • Our restructured committee arrangements offer new opportunities for involvement by trustees in our work • The Local Government White Paper presents new opportunities to develop the roles of parish councils, development trusts and other groups in new community governance arrangements. 	
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APPENDIX 2:

Messages from the consultations

The following themes emerged from our consultations with various partners and stakeholders:

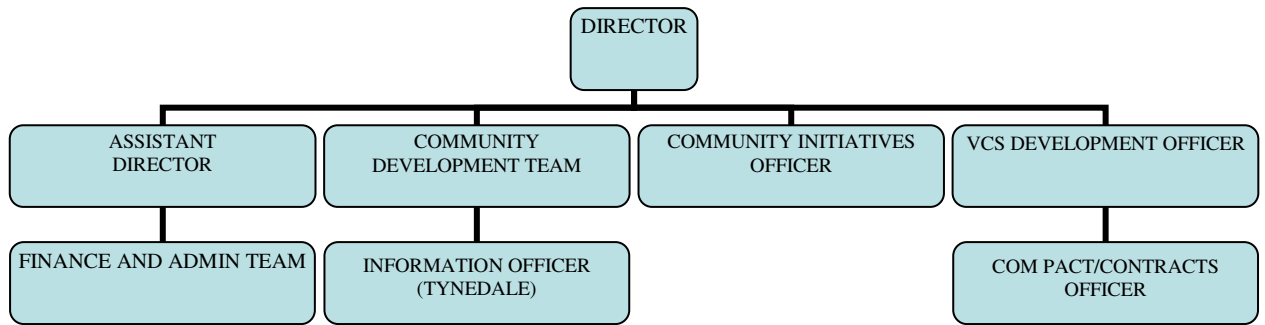
1. CAN needs to be hooked in to LSPs and to play a key role in the development of LAAs. In this it can enable better communication between, and coordination of, the voluntary sector groups so that the sector as a whole can become more robust in order to engage in the LAA, and individual groups become more sustainable in the longer term. It should be concerned to build the quality of services offered in the sector, based on customer feedback. One contributor described the approach as corralling, enabling the joining up of the activities of different organisations, making links, brokering new relationships and possibilities, exploring how the VCS can be brought within the strands of the LAA, encouraging team working.
2. Every part of the county has its particular needs, and statutory and voluntary organisations which seek to meet them. CAN needs to be responsive to those different situations, developing a culture of dialogue in order to understand how best to exercise its role in each place.
3. To achieve this CAN needs to develop an efficient and effective data base through both ICT and printed material and links with InfoNet, Rural Voices etc. It needs to provide effective signposting, and communicate good practice. It also needs to promote a range of training opportunities across the county.
4. CAN needs to give more attention to hard measures, being clear about what impact it is making on organisations and agencies in the county. This demands greater clarity about probably a small number of priorities, which are then clearly communicated, and attention to organisational and workforce development.
5. CAN is well placed to continue support for parish councils.
6. In developing VCS networks at the more local level CAN can provide a conduit for small and local organisations to communicate with and influence larger organisations.
7. CAN has a wider role of drawing on the experience of their engagement with the VCS sector within the county to collate views and enable a strong and well rooted input at the strategic level into national and regional programmes.
8. CAN has a role in looking ahead, identifying those things which are development opportunities for the sector. CAN should be prepared to champion particular needs or opportunities, giving them some robustness and intellectual justification, and perhaps commissioning a response.
9. In fulfilling its role as a VCS infrastructure organisation CAN's independence is an important factor.

Those consulted included:

Bill Batey, Chief Executive, Alnwick District Council
Jane Pannell, Chief Executive, Berwick upon Tweed Borough Council
Richard Robson, Chief Executive, Tynedale District Council
Andy Dean, Tynedale District Council
Ken Dunbar, Chief Executive, Castle Morpeth Borough Council
Mark Henderson, Chief Executive, Northumberland County Council
Thom Bradley, Chief Executive, Blyth Valley CVS
Sheila McGuckin, Chief Executive, Wansbeck CVS
Anne Lyall, Castle Morpeth and Wansbeck Volunteering Centre
Elizabeth Hardy, Northumberland Care Trust
Tony Gates, Chief Executive, Northumberland National Park
David Milburn, Chief Executive, Amble Development Trust
Neil Wilson, Programme Manager, Leader+
David Brettell, Consultant
Councillor Jim Rudd, Chair, NALC
Norman Dunn, Rural Northumberland Objective 2 partnership
Adrian Hinchcliffe, rural Northumberland Objective 2 partnership

APPENDIX 3

Staff structure



Other CAN-employed staff and teams (n.b. time-limited)

LEADER +
REALL
VC North Northumberland
Carer Link
BizFizz

APPENDIX 4

Organisations in membership of Community Action Northumberland

Northumberland County Council
Alnwick District Council
Berwick upon Tweed Borough Council
Blyth Valley Borough Council
Castle Morpeth Borough Council
Tynedale District Council
Wansbeck District Council
Age Concern - Northumberland
Association of Northumberland Local History Societies
Blyth Valley Council for Voluntary Service
Business Link Northumberland
Business & Professional Women's Clubs, Area Committee
Campaign to Protect Rural England
Church of England
Coal Industry Social Welfare Organisation
Community Foundation Serving Tyne & Wear & Northumberland

Country Land and Business Association
Development Trusts Association
Forest Enterprise
Methodist Church
National Association of Citizens Advice Bureaux, Area Committee
National Farmers' Union (Northumberland Branch)
National Trust, Northumbria Region
North of Tyne Patients' Voice
Northumberland Association of Clubs for Young People
Northumberland Association of Local Councils
Northumberland Care Trust
Northumberland College
Northumberland Federation of Women's Institutes
Northumberland Federation of Young Farmers' Clubs
Northumberland Learning & Skills Council
Northumberland Tyne & Wear NHS Trust

Northumberland National Park Authority
Northumberland and Newcastle Society
Northumberland Playing Fields Association
Northumberland Pre-School Learning Alliance
Northumberland Strategic Partnership
Northumberland Village Halls
Northumbria Healthcare NHS Trust
Roman Catholic Church
Royal Association for Disability and Rehabilitation
Transport and General Workers' Union, Agricultural National Trade Group
Tynedale Voluntary Action
United Reformed Church
University of Newcastle upon Tyne
University of Northumbria
Voluntary Organisations Network North East
Wansbeck Council for Voluntary Service
Workers' Educational Association (North East District)