Financial Sustainability for Short Breaks Providers

This guidance is for organisations applying for Short Breaks funding from Hampshire County Council (HCC). It has been written by Action Hampshire, a not-for-profit organisation which provides voluntary sector support. The guidance will cover what sustainability means and why it is important, explore options of sustainable funding models, and signpost to further support.

What does sustainability mean?
A sustainable organisation has a long-term plan to proactively and independently secure funding so that you can continue your core activities.

Being sustainable may also mean your organisation is more ready to adapt to changing circumstances and environments. You may be more likely to embrace new ideas, be enterprising and resourceful as you seek new income streams.

The Transformation to 2019 programme will place significant pressures on the Children's Services budget. Now is a good time to think about becoming less reliant on grants from Hampshire County Council, prepare for the future and make sure your beneficiaries’ needs continue to be met.

What becoming sustainable can do:
Becoming sustainable can give your staff and the children and families you work with assurances and continuity for the future.

This guidance will help you look at how you could operate with reduced funding from HCC. Remember that being less dependent on Short Breaks funding will make your application more attractive.

What becoming sustainable cannot do:
Becoming sustainable may not plug the funding gap completely. Organisations may also need to consider redesigning services at a fundamental level or reducing their offer.

No matter what the future holds for grant funding, children with additional needs and their families will still need support. And we must do what we can to be there for them in the future.

Explore your options
One way to balance your books is by cutting costs, but this alone will probably not be enough and may reduce your capacity. Alternatively, you can increase your income by finding other grants, bidding for contracts (directly or in consortia), fundraising and trading.

Social Enterprise
Trading or selling goods and/or services for a social purpose is known as social enterprise. Here are some of the advantages and disadvantages of social enterprise:

<table>
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<tr>
<th>Advantages</th>
<th>Disadvantages</th>
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<tr>
<td>Independent Income</td>
<td>Uncertain Income</td>
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<tr>
<td>Diverse Income</td>
<td>Needs planning</td>
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<tr>
<td>New products/services</td>
<td>May need to invest in new skills (such as marketing)</td>
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<td>Sustainable if services can be sold</td>
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You already have existing services which could be sold to existing or new clients, although with decreasing council budgets and little appetite for parental contributions, you may also need to think about developing new services. Some organisations develop paid-for services to subsidise other areas of their charitable work.

Some things to think about...

1. What might you trade?  
   (think activities and resources)  
2. Who might buy them?  
3. Who do you need to help with delivery?  
4. Does anyone else do something similar?  
5. What difference are you making?

It might be easier than you think...  
Depending on what you plan to sell, there may be no need to set up a separate trading company.  
Charity Commission guidance  
*How Charities May Lawfully Trade (CC35)*  
has further details.

Working in partnerships  
You might think about changing your operating model or merging with another organisation.

This could include:

- outsourcing functions such as finance, ICT, payroll
- sharing resources such as training or transport
- sharing accommodation
- pooling resources such as staff or services
- joint projects or programmes
- joining forces to win a contract
- donating or making a grant to the other organisation

The Charity Commission has guidance on *Collaborative working and mergers (CC34)*.  
You might consider a merger in order to meet beneficiaries' needs more effectively or in response to uncertainty and scarce resources. A merger can also help your organisations expand the range of services provided.

Further support and information

There is a Council for Voluntary Services (CVS) in each district/borough in Hampshire. CVS support for organisations includes one-to-one support, training, networking and promotional opportunities, plus Volunteer Centres. Find your local CVS at [www.hampshirecvs.org.uk/contact-us.php](http://www.hampshirecvs.org.uk/contact-us.php).

Action Hampshire is the CVS for the whole of Hampshire. It provides strategic information, advice and support for not-for-profit organisations, and specialises in support for social enterprises, as well as children and young people’s organisations. It is free to join and our members enjoy a range of benefits, including access to our funding portal which details over 4,500 local and national funding opportunities. We also offer one-to-one support sessions for strategic problems with our Chief Executive.  
To find out more, visit our website [www.actionhampshire.org.uk](http://www.actionhampshire.org.uk).

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