

Securing Contracts

Case Study: Meanwood Valley Urban Farm.

The Challenge:

To seek sustainability through diversified earned income, such as contracts for educational services, due to dwindling grant funding opportunities.

Summary points:

- By securing a number of contracts, economies of scale start to emerge along with sustainability.
- There is a need to generate increasing levels of income to cover costs and generate a surplus, whilst staying true to the farm's objectives stated in its mission.
- Maintaining a reserve will provide some cushion against any future dips in income.

What and Why:

- **Expand on what the challenge is and the activities associated with it.**

The challenge is to secure public sector contracts or additional funding from grant givers to develop educational resources and safeguard the future of the farm.

- **How does the activity align with the organisation's mission / values / aims / objectives?**

Only activities that fit with the farm's mission are undertaken. Education is quite a broad remit and is not a barrier to seeking opportunities. All opportunities are evaluated by the management.

- **How will the activity improve the financial sustainability of the organisation in the short, medium and long term?**

It is very difficult to find long term contracts most are short to medium term – ie one to three years. There would be more stability if the contracts could be of longer duration.

One contract on its own does not create a sustainable situation but multiple contracts where scale economies of operation can be used to advantage mean suddenly things are more workable. So management has learned by experience to build an income base through winning more contracts in the education sector.

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How?

- **What were the key steps in establishing the activity?**

To make contact with the department seeking to buy the service eg Education, Youth Service etc. When the contract is part of a regional or national programme there may be guidelines on what the service must achieve and at what cost. If not, services can be costed according to market value.

If the department agrees, a contract is sent out stating all the criteria to be met. It is important to go through all the contract details carefully.

- **What additional resources / skills were identified as being needed by the organisation to progress the activity?**

Financial: Must understand basic cost analysis to ensure cost recovery when pricing goods and services.

Personnel: Staff are involved in contract delivery and monitoring.

Assets: New buildings are used to attract visitors, host events, win new contracts and support contract delivery.

Monitoring and evaluation: All contracts are closely monitored as there are targets for trainees with financial implications if they are not met. Training outputs are also assessed.

Who's Involved?

- **How were stakeholders identified and brought on board?**

Staff: The farm director is key in building relationships to establish contracts for the organisation.

Volunteers: Volunteers are sought through publicity in various local publications and by word of mouth.

Board: The farm director and management committee support the growth of the farm through contracts. The management committee is aware of new business being sought and gets updates on existing contract activity.

Funders: Word of mouth, or through local networks.

Service Users: Referred from schools, or recognised agencies.

Local Community: Word of mouth or approached by farm staff, volunteers, publicity in the local press.

Commissioners: Personal contact by farm director.

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Why Not?

• What risks were identified in establishing activities?

Personnel: Limited capacity amongst staff to undertake the work.

Financial: Possible lack of capacity to fund new work. Possible unexpected increase in costs.

Existing provision: The risk of taking on multiple contracts is in compromising quality by trying to do too much. There is a possible tension between client groups eg very lively teenagers on the farm at the same time as very young primary school children. By building the contract side of the business the farm has limited time and capacity to develop retail opportunities.

Other: Risks of not delivering contract outputs.

• How were these risks managed?

Planning:

1. Staff are included in plans to undertake new work and discuss work plans.
2. New programmes are fully costed to include staffing, overheads etc so additional casual labour can be brought in if need be.
3. Each contract brings with it individual reporting and monitoring requirements. Whilst onerous, this ensures a focus on quality.
4. Visits to the farm are timetabled to avoid congestion from visitor groups. For now the farm takes the view that the retail business offers less regular and reliable income.

Key Facts:

- **Organisation's name and trading subsidiaries:** Meanwood Valley Urban Farm
- **Organisation's mission:** "To provide environmental educational services to schools; training and rehabilitation programmes to the long-term unemployed and a leisure resource to city dwellers."

FYE 2004 / 05 Turnover: £700k No. of paid staff 13 f/t, 2 p/t

% Income grant v trading: 70 : 30 No. of volunteers 10

Status: Registered Charity and Company limited by guarantee Date of Inc. 1st April 1980

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Moving Forward:

Due to the farm's success and building experience, contracts have been renewed every year for the last six years. Other contracts have run for the first time this year as a pilot. As their experience grows their strengths are identified and the management of any difficulties that arise has improved. The farm will always need a mixed economy of grant funding and earned income to continue. An urban farm is unlikely to follow the commercial model of a rural farm which may enjoy major agricultural subsidies.



Background:

From the humble beginnings of non-existent funding, in 1978 a couple of dedicated staff and a handful of YTS trainees begged for materials from various council departments to get the farm off the ground. They appealed to various organisations for help including Leeds Civic Trust. The Trust was unable to give any financial help, but agreed to write to their members to ask for volunteers as a result of which, three more people offered their services. The 14.5 acre site is located two miles north of the centre of Leeds in the Chapel Allerton ward which is ranked 8th most deprived out of the 33 Leeds electoral wards.

Meanwood was the first city farm to have a certified organic horticultural unit in 1987. This community project maintains a green oasis within the urban environment of Leeds. It protects local flora and fauna, providing environmental education, training and leisure facilities. The farm provides:

- Placements to young people who are experiencing problems within a formal education system. In 2005 85% of the farm's young people aged between 16 - 18 years on the E2E programme, progressed into further education or employment.
- A 10 place programme for adults with disabilities. Allotments are provided to the local community.
- The new Epicentre, which was awarded the prestigious Millennium Marque and provides an interactive venue for learning. Conference facilities are available.
- Facilities open every day to visitors including a café and shop that retails farm grown organic produce. Livestock include cattle, sheep, goats, pigs, and poultry some of which are rare breeds.
- The education team, which helps school children to experience the natural environment through hands-on projects from pond dipping to mini-beast hunts.

A newly opened courtyard development completes the building restoration programme for the farm and creates a superb asset base for the future.

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