



The Old Co-op Community Building



Location

Saltburn-by-the-Sea, Loftus, North Yorkshire

Founded
2009

Legal structure
Charitable Incorporated Organisation

Description of activity
The business provides the local rural community with access to a wide range of services and facilities, e.g. job seeker training, credit union, Age UK advice, drugs and alcohol addiction clinic and small enterprise support.

Key assets
Building

Employees
Four full-time staff

Volunteers
Eight

Biggest obstacle to success
Lack of key paid staff and lack of capital funding.

Overview of The Old Co-op Community Building

As the name of the business implies, the Old Co-Op community hub operates in a building with a long history. Prior to hosting the current business, the building served many years as a department store and a college serving local rural communities. When the college ceased operating in 2008, several charities took over the space for a limited period of time, but this failed to succeed leaving a gap in the available services for the local rural community. However, in 2009 the Council approached one of its contractors, a business man with a strong background in business and finance, with the aim of using his expertise to make the building commercially viable and provide services needed by the local community. Following an assessment, the business potential of the three-storey building was identified and a business plan was drafted in 2009 resulting in the Old Co-op Community Building (OCCB) being launched as a registered charity. Eight volunteers from the local area were recruited to form a board of trustees, whose guidance is fundamental to the delivery of OCCB's aims. Primarily, OCCB was constituted to provide services for an underserved rural community, however after the launch of the charity two immediate priorities became apparent.

First, the business needed to source funds to renovate the building back to a standard fit for trading. To achieve this, the business developed a three-year plan and applied for funding from the Big Lottery. The funding application was successful and a £230,000 grant was secured to deliver the three-year plan and turn the business into a sustainable operation. The second priority was to engage with the local community to understand their immediate needs. OCCB identified and contacted a number of groups in the community, e.g. bingo and indoor bowling clubs that were looking for new locations to operate from and subsequently were invited to use the building. Although trading with these groups did not generate much income at the time, it effectively linked the community to the business which helped to inform their trading strategy for the future. Moreover, this initial contact was key to the development of lasting relationships with local community groups allowing OCCB to sustain a viable business whilst continuing to provide services that were of benefit to the local community.

Today, the business has a range of income streams ranging from an in-house charity shop, office space hire and working collaboratively with a diverse range of organisations delivering numerous services that benefit the local community.



For example, OCCB works closely with MIND (UK Mental Health Charity), the Job Centre, Age UK, food banks and a local credit union. For OCCB working in partnership with these organisations has been fundamental in developing the business into the community hub it is today. Moreover, eight years on, the business continues to focus on delivering services that benefit the local community and remains accountable to the local community through their board of trustees.

The Old Co-op Community Building's journey to success

OCCB considers that investing in and developing diverse partnerships, being financially self-sustainable, and having the ability to retain key paid staff have been the most important factors in enabling the success of the business.

Developing and sustaining strong and diverse partnerships

An important enabling factor to the success of OCCB has been the strong partnerships it has formed with other service providers since it was established. From the outset, OCCB developed a strategy of actively developing partnerships with anyone who can provide a service that benefits the local community. Since the business serves a small socially and economically deprived rural community which suffers low academic achievement, high unemployment, poor transport systems and social isolation, it was important to work closely with organisations that understood these issues. As a result, OCCB sought to work closely with organisations such as AID UK, food banks and drug and alcohol agencies that deliver services from rented space in the building. OCCB also works with the local council, a credit union and the neighbourhood action partnership, as well as holding meetings for the police commissioner and fire brigade.

An important and long-lasting partnership has been with the local Job Centre. In 2009, the community was badly affected by the economic recession and there was real local need to help people get back into employment. From the outset, the business developed a referral system with the Job Centre to assist with employment services. The service provided bespoke assistance to job seekers, e.g. interview skills and professional training and was very successful in that it was able to find employment for 100 individuals in the first year. As a result of this initial success, these employment services became the focus for the business for the next three years up to 2012.

However, always aware of the need to diversify their services and increase its number of income streams whilst continuing to serve the needs of the local community, OCCB also liaised with a local adult education centre to design and deliver relevant training for unemployed people. As a result of this initiative, the business delivered IT, English and Maths courses that enabled people to increase their chances of finding employment and consequently strengthened OCCB's relationship with the Job Centre.

By continuing to focus on the business' overall aims, OCCB has been successful in identifying and responding to the changing needs of the local community and designing strategies to address them. This approach has led the business to host and sponsor a diverse range of services, from a food bank to weekly health clinics. All of these services are vital to the local rural community and the business strives to ensure they are made available under one roof.

Being financially self-sustaining and retaining key paid staff

In OCCB's experience being financially self-sustainable and having the ability to generate an annual surplus is a vital contributor to its success. In its early stages, approximately 90% of OCCB's income was derived from grant funding, with only 10% originating from trading income. Currently, the reverse situation is true. Despite the business initially benefiting from grant income to refurbish the building, the management team's approach to income generation was focussed on deriving most of its revenue from trading income. OCCB's financial ethos focuses on diversifying income streams to mitigate any dependency on grant funds. At present, as the building is in need of further repairs, OCCB has started to implement new services in order to increase revenues from which to pay for them, e.g., opening an on-site café and charity shop and increasing the number of rooms hired over the year.

Despite enjoying financial stability, OCCB has found it challenging to source and fund permanent staff who are sufficiently qualified to run the business. OCCB has benefited from the knowledge and experience of the founding managing director since its establishment, however, looking into the future the business needs to invest in generating enough income to employ a permanent deputy manager. To address this need, the business is assessing designating of a proportion of its revenue to internal staff development and is planning to train current staff members to take over the management of the business in the future.

Achieving business aims

Another fundamental aspect of the success of the business is the ability to achieve the aims OCCB set out to accomplish. As OCCB's primary aim is to provide much needed services to the local community, such as employment and rehabilitation services, it considers it success to witness users of its services solving debt issues, overcoming addiction or finding employment. OCCB's policy of diversifying income streams by supplying the services needed in the local community can also be exemplified by the success of fledging entrepreneurs supported by OCCB and the business' charity shop. In this example, the charity shop serves a clear local need as it is the only furniture shop providing local residents access to affordable furniture whilst generating trading income to the business by re-upholstering donated furniture.



To continue achieving its business aims, OCCB is developing new proposals to put to the local authority and other national agencies in order to deliver more services for the community. For example, OCCB has been developing an important working relationship with the Heart Foundation, and is attempting to work with regional universities to develop student placements at the hub. In addition, with regards to building repairs, OCCB is developing a proposal to put to vocational training colleges for their students to practice their skills in repairing the building. The rationale for this is that students training to be plumbers, electricians, and plasterers can benefit from real work experience whilst supporting OCCB.

Future direction

OCCB's top priority for the near future is to employ a deputy director and secure additional permanent staff members. In addition, the business needs to raise funding to improve the building. By doing this OCCB will be able to rent more space to local business and offer more services that the business has identified as required locally. For example, the business has identified that often older men are particularly isolated in the area commonly as a result of retiring and losing their spouses. Therefore, OCCB is looking into developing a programme that addresses the needs of this group.

OCCB is confident the business is sustainable for the long term future, particularly when income generated from renting building space, the café and the charity shop is considered. The business is confident that their financial strategy of diversifying income streams and restricting income from grant funding puts them on the right path to maintain financial sustainability, whilst delivering services that meet community needs.

Financial information

The following table provides an overview of The Old Co-Op Community Building income, expenditure and assets for the period 01/09/2015 to 31/08/2016.

Income	£75,380
Expenditure	£103,285
Difference between income and expenditure	£27,905
Surplus/deficit on ordinary activities before taxation	£27,905
Annual income from grant or subsidy	£5,100
Fixed assets	No data available
Current assets	Stocks: No data available Debtors: No data available Cash at bank and in hand: £3,798
Total	£3,798
Net assets	No data available

Source: The Old Co-Op Community Building Accounts 2016, Charity Commission