

Umbrella

Main theme: Selling and contracting with the public sector / anticipating change

Umbrella is a charity based in Derbyshire that provides support to families with disabled children. They offer a range of services but focus on providing short breaks or 'respite care' to parents and carers with commitments to disabled children and their families. Umbrella is a parent-led organisation and the services they provide have been developed with close involvement of parents and carers who also make up a proportion of the board of trustees.

The organisation was founded in 1985 and for a long time was funded primarily through grants and fundraising. However in 2007 Umbrella's board predicted a shift towards competitive tendering and made a successful bid for a public sector contract. Winning the contract has ensured the charity's sustainability and led to a significant change across the organisation. Umbrella's Business Manager Adrian Dewhurst explains how the organisation has successfully adapted to compete for contracts...

"About four years ago we started to see the writing on the wall; the world was changing and there would be fewer grants available to deliver our services. We believed that there would be a shift towards commissioning through contracts and that we would have to tender competitively to specifications drawn up by the local authority. As an organisation we had to be ready to respond to this new agenda.

In September 2007 we saw the first contracting opportunity to deliver preventative care services across Derbyshire. The County Council advertised 10 different specifications and we identified one that we thought we could deliver against.

We put our tender together, which was the first time we had done something like that, and submitted it knowing that if we weren't successful we would be shutting up shop on 1st April the next year. That Christmas a lot of our staff went home wondering whether they would have jobs in a few months time.

In February 2008 we found out that we would be a preferred supplier and finally in April we were told we had won the contract. The contract did not start until 1st June 2008 so we had to make some special arrangements to ensure continuity of service, however we knew we had secured three more years delivering our service across the county.

I think the key to our success is that our trustees had the foresight to see this change was about to happen. They used some money we had in reserve to invest in creating a business management role almost a year before we submitted our tender. This led us to review our procedures and policies, collect data on service user satisfaction and carefully evaluate the service we provided. All of this preparation put us in a strong position when we had to compete against other organisations. Not all organisations will be in a position where they have spare cash but we were rewarded for the risk we took in hiring someone to guide us through the process."

Winning the contract with Derbyshire County Council has obvious financial benefits for Umbrella but also led to other positive changes throughout the organisation...

"This whole process has changed us as two or three years back we operated like a charity and now we operate as a business. We recognised that we needed to change some of our organisational practices and become far more aware of the true cost of



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delivering our services. I think we have become much more entrepreneurial in our approach. We make decisions based on value for money and really recognise that the end-user is the most important and key thing to us as an organisation. The other stakeholders that really matter are the organisations that we have contracts with; if we continue to satisfy them we still have a business.

Our whole approach to monitoring and evaluating our services has changed. We have also moved away from reporting outputs and now report outcomes. We are focussing on identifying the real effects of the services that we deliver to families. We aim to improve family relationships, encourage better behaviour in our young people and give better quality family time. Previously we counted bums on seats; so what if 20 people use a service – what does that mean?

We have been on a long journey to understand the costs of delivering our services. We used to say that our volunteers provided a free service but we now recognise that there is a very real cost attributable to an hour of service from one of our volunteers. There is a whole support mechanism in place that supports the volunteers through their time with us and that costs money. Even the process of getting ready to submit tenders costs money because you have to make sure that all of your paperwork and procedures are in place and up to date.

We now feel we are much more competitive; we don't have to fear standing alongside other organisations and saying that our services are just as good if not better. You have to be flexible – we are more able to be responsive to change rather than being reactive because we are anticipating what is going to happen next.”

Adrian has the following advice for other

organisations that are considering competitive tendering for contracts...

“Although it may seem like a huge task the whole process of getting ready to tender will be hugely beneficial to your organisation. You will have to learn some new language and deal with a lot of paperwork but these days you have to get over similar hurdles to put together a grant application for the Big Lottery. The most important thing is to make sure you leave enough time to get everything done. The first time you respond to a contract you may need several months to get everything ready and if the tender isn't there by the deadline date then you can forget it!”

Key lessons:

- Try to anticipate the changes that might happen in the areas you work
- Tendering is time consuming but can be very rewarding for an organisation
- Putting a greater focus on outcomes for the end-user can improve quality of service

Legal structure: Charity
Main activity: Public sector contracts
Number of employees: 40 (15 full time)
Turnover: £500,000
Location: Derby City and Southern Derbyshire
Date formed: 1985
Percentage of generated income: 40%
Date written: April 2010
Website: www.umbrella.uk.net

This case study is one of a series produced by the Capacity Builders funded ‘Stepping Up To Enterprise’ project in the East Midlands.

The case studies tell the stories of voluntary or community organisations and how they moved to developing trading. The case studies are available on the website www.oneeastmidlands.org.uk/sute.