

## **Sustainable Technical Support**

**Research carried out by Pauline Baker on behalf of CACVS.**  
(Version 3 - 25 January 2007)

### **Brief**

Investigate and identify sustainable technical support projects in England.

Identify potential sources of funding.

### **Introduction and Background**

Cumbria Association of Councils for Voluntary Service have received Capacity Builders funding for a post to provide technical support to voluntary and community organisations in Cumbria. This is short term funding and the CACVS is keen to sustain this service beyond the life of the funding.

Cumbria covers a large geographical area which is sparsely populated. Journey times between population centres can be as much as 100 miles. Larger VCS organisations are based in Carlisle, Penrith, Kendal, Keswick and Barrow-in-Furness. With the exception of Cybermoor, which provides technical support to the area of Alston, a remote and, during the winter, sometimes inaccessible area of Cumbria, there are no other technical support projects in Cumbria.

Eden CVS, through a member of Staff, Dave Greenhalgh, has provided various short term, grant funded, support projects to the VCS in Cumbria. The difficulties of one person providing technical support to all those organisations requiring ICT support is well documented and it is recognised that this type of grant funded, short term project is not sustainable nor does it provide the consistent and regular support and advice that organisations need.

### **Methodology**

Internet research

Examination of audited accounts

Telephone conversations

**This document is intended to be a basis for further**

## **discussion and investigation.**

### **Case Studies**

#### **Sussex Community Internet Project (SCIP)**

Company Limited by Guarantee (no profits distributed)

Formed 1996

Based in Brighton and opened an office in Hastings in 2006.

SCIP has a staff of 8. (3 IT Support, 1 training manager, 2 web developers, 3 contract trainers, 1 admin, 1 finance.)

SCIP has two main areas of activity:

1. delivering paid for services to those who can afford them
2. helping to deliver community projects where groups may access services for free or at a subsidised rate

the combination of the two requires different disciplines in business management but often the skills and staff used are the same in either.

SCIP are also in a lead role in strategic developments in the sector, as members of three local consortia. On a day to day basis this role is the most vulnerable to being dropped unless we're funded to participate

Projected Income October 06/March 07 - £151,000 (£6k LSC grant, £30k partnership grant for community information project and £115k billable hours/service contracts.)

Projected Expenditure for the same period £155k

Customers (all from community sector): 50 orgs tech support, 15 orgs web design, 100 orgs training

SCIP anticipates that in 07/08 they will cover most of their salaries from paid for services, albeit on much lower overheads and with higher prices.

#### **Voluntary Action Leicester (VAL - Trading for Change)**

Trading for Change is the social enterprise arm of Voluntary Action Leicester. This includes a conference facility, a technical support project, ICT Trading for Change and a planned New Media project. There are two Technical Support Consultants and they have been trading for a year - they anticipate being sustainable in this financial year.

#### **Manchester Community Information Network (MCIN)**

Company Limited by Guarantee

Formed

MCIN provides a range of services around digital media including community reporters and also manages a group of UK Online Centres

MCIN administer a group of 16 circuit riders in Greater Manchester. They have one member of staff who co-ordinates the scheme and

employ 2 others. All three Circuit Riders offer specialisms as required. Organisations needing technical support contact MCIN who then arrange for a circuit rider to visit. MCIN invoice the organisation concerned and deduct a percentage for the administration of the scheme before paying the circuit rider for their services. There are approximately 16 circuit riders committed to this scheme. Three are employed by MCIN, some work for partner organisations and some are freelance and are free to accept other work in other sectors. MCIN anticipate that they will cover the cost of their staff's salary this financial year.

### **Cosmic**

Company Limited by Guarantee

Formed 1996 and based in rural East Devon

Cosmic provides a range of services including web design, design for print, technical support and training.

Cosmic has a staff of 14 (5 trainers, 3 web developers, 2 tech support, 1 finance/marketing, 1 customer services, 1 operations manager and 1 ceo.)

Turnover for 06 is projected at £330k

Cosmic has an average of 200 clients (not counting individual trainees).

Their customer base is about 50% VCS, 30% public sector, 20% private.

No information on sales/income breakdowns.

### **ESP Projects**

Limited Company

Based in Sheffield. Est. 1999. Provides services mainly to the VCS (about 90% of clients are not for profit, 10% private sector).

Employs eight staff including 5 Tech Support, 2 Software Developers and 1 admin and supports over 75 organisations on support contracts, in total almost 1000 users.

Turnover approximately £400k per annum. ESP receive no funding, all income is from sales.

ESP is interesting and would warrant further investigation. They are legally structured as a private company, but ESP has social as well as financial objectives written into their Articles of Association. 46% of the company is privately owned, the remainder of the shares are owned by a diverse range of voluntary and community organisations as well as other social enterprises representing economic regeneration, neighbourhood renewal, disability issues as well as those addressing other forms of social exclusion. In October last year ESP issued their first dividend to shareholders. ESP anticipate that in the coming financial year their turnover will reach £1m

## **Lasa**

Lasa has run fully funded circuit rider projects since 2002. The first project, was funded by the Community Fund at a cost of £200k and ran from 2002-2004. This project worked with 19 members of the MODA network and its primary objective was to facilitate the management of IT. It included health checks and the production of Action Plans, which the project worker then supported participating organisations to implement over the timescale of the project. A full evaluation of the project is available on the Lasa website.

From April to September 2004 and from January to March 2005-06 Lasa managed the London ChangeUp ICT Projects which placed circuit riders in CVSs across London.

In Autumn 2006 Lasa received funds from Capacity Builders to employ a London ICT Champion until March 2008.

In the main, Lasa's work has always been strategic development and the work they have carried out since 2002 has influenced the way ICT is managed, not only in London but nationally. They have been the advocates for the circuit rider model and have been funded through the ICT Hub and ChangeUp to intensify this work throughout England.

## **Superhighways (London)**

The Superhighways project has run since 1997 and provides both strategic ICT development support and technical support and training. This project is not legally constituted and its lead organisation is Kingston Voluntary Action. It is 'owned' by the South London CVS Partnership, itself an unincorporated body. The organisation has, in the last few years, introduced some charges for its work but in the main it is grant funded. A feasibility study was undertaken in 2005 'Exploring the Social Enterprise Potential' which sets out the case for Superhighways reinventing themselves as a social enterprise. A copy of this document is attached and makes interesting and informative reading. In particular, the issue of ownership is relevant to the situation in Cumbria.

Whilst carrying out this research, I have spoken to Simon Davey of Preponderate who was also doing similar research for an organisation in the North East. His findings agreed with mine, in

that it was near impossible to find an existing sustainable model of technical support within the VCS. Simon had, however, gone one step further in that he had also spoken to some private sector companies. His findings from the information he was given were that even within the private sector it was difficult to make a profit from technical support. Some companies had good years when they made profits which enabled them to carry on through the lean years. Other companies had other services and goods which supported the technical support service, i.e. sale of hardware and software, training, web design, consultancy etc.

### **North East England**

The North East has a full time ChangeUp/Capacity Builders funded ICT Champion. As part of the ChangeUp programme they have provided health checks for organisations in the North East. A BASIS bid has been submitted by the North East, similar to the one submitted by Carlisle CVS on behalf of the North West, to develop ICT services in the region. There are, to my knowledge, no sustainable technical support projects in this region.

### **Private Sector**

There are several small technical support companies in England and I have looked at the accounts for these two companies both of which have been prepared in accordance with the financial reporting standard for smaller entities. These two organisations were not contacted and the information is from their Companies' House accounts. Their details are as follows:

**Blue Lizard** [www.thebluelizard.co.uk](http://www.thebluelizard.co.uk)

Based in London. Est. 2001. Specialises in technical support and network services to small businesses and charities.

Total assets at February 2005 £7,573

**Nornir** [www.nornir.co.uk](http://www.nornir.co.uk)

Based in Manchester. Provides ICT solutions to organisations who have social, educational, community or cultural aims. A social enterprise trading since 2001.

Total assets at August 2005 £29,415

### **Discussion**

There has been limited time to carry out this research so initial

investigations have been carried out using the internet. Whilst there are numerous documents detailing the need for technical support for the voluntary sector, there is very little on how it can be funded and sustained in the long term. This document is intended to be the basis for discussion and further investigation.

The second stage of research was to speak to organisations who had some form of technical support project and discover how it was funded and how successful they were at raising income. This part of the research has been quite difficult. Most VCS organisations providing technical support do so as an add-on to other, sometimes unrelated, service provision. Most of the organisations could identify income but could not identify costs as the costs of technical support were hidden within the overall costs of the entirety of the organisations activities. Nobody in the VCS has completely identified all the costs involved in employing technicians or done a comparison between the costs involved in providing technical support as part of a larger multi-service organisation with high overheads and a small dedicated technical support service with lower overheads.

As far as I can ascertain, no single VCS organisation within England has a truly sustainable model of technical support provision. However, there are several interesting models, some of which have the potential to be sustainable in the long term if the voluntary sector could get a handle on costs and charges.

Manchester Community Information Network is managing a co-operative style circuit rider project which is hoping to break-even in this financial year. VAL's ICT Trading for Change, a social enterprise managed by an infrastructure organisation is another model which should be investigated.

Two social enterprises, organisations with social aims but not registered charities, are the models which work best. ESP in Sheffield issued its first dividend to shareholders in 2006 and Sussex Community Information Project has a handle on costs and expects to reach sustainability in 2007.

It should also be borne in mind that although ChangeUp has facilitated a more collaborative way of working within the VCS, not all regions or sub-regions have identified all of the projects in their area working in the field of ICT. I have only contacted the organisations that I know about.

In London, the Superhighways project has produced a feasibility study which would be helpful in informing whatever actions are taken in Cumbria. This document is attached.

It is my view that there is not a generic model that can be adopted by the voluntary sector. The one size fits all approach will not work as local circumstances are the biggest issue in deciding what type of technical support project has the best chance of success.

It could be assumed that urban areas would have the best chance of success. In fact the presence of so many already established private sector companies providing technical support makes it very difficult for the voluntary sector to establish projects in cities. In London the Superhighways project has identified that competition, credibility and capacity are barriers to the success of VCS technical support projects and their ability to obtain essential large contracts as well as smaller ones. It is interesting that in Sheffield, ESP sell themselves as being 'of the sector, for the sector' when it comes to VCS clients but with private sector prospects they compete as a business.

Also to be considered is the differentiation between strategic ICT development support and technical support. In some areas Circuit Riders provide both kinds of support, in others, for example London, circuit rider projects have been run for a number of years by Lasa. These projects have been fully grant funded and have provided mainly strategic ICT development support, with technical support being provided by various external organisations from both the private and voluntary sector, depending on the needs of the organisation being supported.

Strategic ICT development support is essential to enable the voluntary and community sector to engage with ICT and use it to provide better services. One of the questions which needs to be answered is, "Should strategic ICT development support be a part of the core services offered by infrastructure organisations such as CVSs and if so, should it be fully grant funded in the same way as other development support? The second question which needs to be considered is "Should technical support be left to the market place and/or social entrepreneurs?" If the answer to this is yes, how do infrastructure organisations support the setting up of social enterprises. Do they set up separate companies or do they support other, perhaps more appropriate organisations, to do this? How does the VCS minimise risk? The ESP model in Sheffield is successfully trading as a social enterprise with 54% of the company owned by other social enterprises and voluntary organisations.

Quality standards and training: Lasa is working on producing a set of quality standards for circuit riders. There needs to be a minimum quality standard that the VCS can expect when dealing with either consultants or technicians. The VCS should expect that all people

advising them, whether on strategic ICT development or technical issues have a good and current level of experience and training.

Pricing: the only benchmark for pricing at the moment seems to be to be cheaper than the private sector. Paul Titcher has produced a report for IT4C (Information Technology for Communities) which outlines the value of the various types of volunteer technical support. (Document attached.) The results from the Circuit Riders list web survey were fairly similar with a value of £35-40 per hour on services but differences on how call outs were charged. *NB SCIP's rate is £35-40. MCIN's is £30.*

## **Conclusions**

There are no fully established sustainable technical support projects in the VCS that I have been able to identify. However, there is a problem with the VCS identifying costs as most technical support is provided as a part of a range of support services and no organisation has yet properly extracted costs v income for technical support.

Social enterprises in Sheffield and Brighton are successfully trading - these organisations are not charities but are firmly placed within the not for profit sector. The ESP model in Sheffield is innovative and would be well worth investigating.

The private sector also has difficulties in providing profitable technical support. I think the cross-selling of services (web, installations, advice) is fundamental to success across private and voluntary sectors and the private sector ones Simon Davey did speak to (whilst being necessarily cagey) said sales and marketing was fundamental.

Location and geography play a large part in the success or not of technical support projects. Cities have their own problems of competing with already established private sector companies. Rural areas have particular problems of geography, distance and capacity. Perhaps there is an optimum size of distance and population which would lend itself to a successful VCS project.

Those organisations who are closest to sustainability share some common ground:

- they offer more than one service ie training, support, web design, databases, community projects, consultancy, hardware/software sales, etc
- any one of these services may wax or wane over time and be more or less profitable ie having a mix is vital, not the

proportion

- they have about ten staff, no more than 20
- they work with business, public and community sector clients, and many engage directly with individuals to deliver training or sales of equipment
- their IT support services are bound in geographic terms and a key issue for all of them is how to increase revenue by accessing new geographic areas
- to some extent web design, training and consultancy are less bound by geography and represent the most successful attempts by any of them to expand their reach

CACVS should make a decision on whether to separate the two distinct strands of ICT support in the VCS. Should CACVS provide strategic development support as part of its core services? How should CACVS ensure that the sector has access to affordable, timely and appropriate technical support?

A feasibility study like the one carried out for Superhighways would be a good starting point. The geography of Cumbria mitigates against a social enterprise providing technical support. Maybe the best solution is a co-operative in the style of MCIN, but the big question will be - are there enough suitably qualified people across the sub region to provide this service. If not, perhaps a project to train people up would be a good starting point. This kind of project should find it relatively easy to obtain grant funding.

I think that visits to Scip, Cosmic, MCIN, ESP and VAL should be undertaken to try to get a handle on what they are doing, costs, income etc. Cosmic covers a rural area, admittedly not as large as Cumbria, but similarities exist. Scip is almost at the point of sustainability and it would be good to see how they do things. VAL is a social enterprise, set up by an infrastructure organisation, and it would be interesting to see how they are organised and how they manage risk. ESP Projects is a social enterprise with shareholders from the VCS who issued its first dividend in 2006. MCIN, whilst based in an urban area, is the co-operative style model which may prove to make the most successful transition to Cumbria, provided appropriately experienced and skilled technicians can be identified.

## **Funding**

The ICT Hub has produced a spreadsheet with 55 funders and what they will fund. This spreadsheet is attached.

Further and more detailed information can be obtained from Pauline Baker  
pauline.baker@gmcvo.org.uk

Thanks to the following for sharing details of their operations and for their unqualified help in producing this document:

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Morgan Killick at ESP Projects morgan@espprojects.co.uk

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Documents attached:

Report to ICT4Communities on the value of pro bono ICT advice, consultancy and support. Paul Ticher: January 2006

Exploring the Social Enterprise Potential for Superhighways. Hilary Chisnall

ICT Hub Funders Spreadsheet. Esther Gillespie