

## report

meeting	<b>NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE &amp; RESCUE AUTHORITY</b>	
date	<b>3 JUNE 2005</b>	agenda item number

### REPORT OF THE CHIEF FIRE OFFICER

#### FUNDRAISING AND MARKETING UNIT

##### 1 PURPOSE OF REPORT

To propose that the existing Fundraising and Marketing Unit is permanently established as a Nottinghamshire based unit without financial support from Leicestershire or Lincolnshire.

##### 2 BACKGROUND

2.1 The Fundraising and Marketing Unit was established in 2001 to optimise the generation and effective use of sponsorship income for Community Fire Safety for Nottinghamshire, Leicestershire and Lincolnshire Fire & Rescue Services. It was set up for an initial period of three years subject to a formal review at the end of the second year (August 2004) when it would be decided whether to continue for a fourth year and beyond. However, due to the resignation of the sponsorship officer at the end of the first year the three year period was deferred to 2005.

2.2 The Unit is managed by a "Board" comprising one Senior Officer from each member organisation, and Nottinghamshire Fire & Rescue Service (NFRS) acts as host organisation. NFRS has been the employer of the staff and the Unit has been based at Central Fire Station and managed by the Chief Fire Officer since inception.

2.3 The broad aim of the unit has been to assist in enhancing the Community Safety activities of the Service through :

- Generating income from the private sector to support and extend the current level of Community Safety campaigning.
- Bringing professional marketing skills and expertise into Community Safety initiatives to improve the impact of our communications with communities.

2.4 The focus of the work to date, as determined by the Management Board, has been on generating income. The present business plan maintains an emphasis on income generation, but projects an increase in marketing activity.

2.5 The broad aims and objectives of the Unit are reflected in the following targets :

- To generate annual income to the value of at least three times the cost of the unit.
- To maintain and update the existing suite of sponsorable projects and develop new proposals as projects arise.

- To continue to develop long term sustainable relationships with major sponsors and to continue to nurture relationships with the top ten largest sponsors in Nottinghamshire.
- To develop the awareness of major private sector organisations of the sponsorship possibilities available with the local Fire Service. The initial target was to contact the top one hundred companies in the County. The unit is now currently working with the top five hundred companies in the County.

### **3 REPORT**

#### **PARTNERSHIP WIND-UP**

- 3.1 Historically the Fundraising Unit has enjoyed considerable success in attracting funds to a number of projects throughout the area covered by the funding partners. It is also true however, that the majority of this funding has come to Nottinghamshire. This is for a number of reasons, not least of which is the increased industrial and commercial base of Nottinghamshire and an unwillingness of sponsors to operate outside their own geographical area. There has been some feeling from other partners that they are not getting a fair share of the sponsorship activity, and therefore both Lincolnshire and Leicestershire have opted to withdraw early from the joint project.
- 3.2 This Authority is therefore faced with a choice of either to close the project or to continue with a wholly Nottinghamshire focused Unit, although it is possible that any sponsors who may wish to adopt a more regional approach will also be supported by the Unit and other partner Services charged on an agency basis. The Unit has effectively been operating on this basis since April 2005, when Lincolnshire and Leicestershire gave notice that they no longer wished to continue their support.
- 3.3 Contractually, both partners are obliged to give a full twelve months notice of their intention to withdraw from the contract. In reality however, it would be very inconvenient for them to do so unless closure was proposed. Having given twelve months notice of withdrawal, it is then highly unlikely that any meaningful work could be done by the Unit on their behalf. It would therefore be more beneficial to Nottinghamshire to adopt a “clean break” approach.

#### **CURRENT ACTIVITIES**

- 3.4 Performance has been examined from June 2001 when the Unit was established as a partnership. The Unit has focused on forming the foundations of relationships with potential sponsors in addition to responding to short term income generation opportunities through grants and sponsorship. This forming of relationships while in partnership with Leicestershire and Lincolnshire will stand Nottinghamshire in good stead, as these relationships can be maintained and cultivated to Nottinghamshire’s benefit.
- 3.5 Nevertheless, despite having invested heavily in building relationships and contacts, the Unit has been able to secure significant amounts of funding from both commercial and governmental sources. The full financial implications are given in Section 4 and show a broad split between commercial and governmental funding. Whilst it might be argued that central government funding comes as a “gift” to the Fire and Rescue Service, in reality the quality of bids will make a difference to the outcomes. Correct adherence to bidding rules, timeliness of submissions and a general awareness of available funding sources has resulted in Nottinghamshire getting considerable amounts of grant funding since the Unit was formed.

- 3.6 The current approach is based on continuing to nurture and develop the potential for ongoing funding streams from existing live sponsors and optimising funding opportunities from both new and existing relationships.
- 3.7 The Unit has developed a scientific approach to resource targeting by interrogating a database to identify and segment the target market from a database of one thousand companies in Nottinghamshire. Based on this database the Unit is currently examining these one thousand companies to establish their sponsorship interests, financial year ends and financial giving capability. This can then be used as an active client base. All contacts made are categorised in a 'Boston Matrix' style framework to effectively ring-fence relevant companies to ensure that the Unit's activities do not clash.
- 3.8 The elements of the current approach are based on :
- Cultivating long term relationships as opposed to short term financial income generation ;
  - Focussing on Nottinghamshire and Nottingham City only ;
  - Perusing sponsorship for regional projects as directed by the Strategic Management Team ;
  - Addressing national companies/projects on agency level ;
  - Working with Officers across the Service to :
    1. Familiarise them with the needs of potential sponsors ;
    2. To continue developing potentially sponsorable projects and target key major sponsors in the area ;
    3. Initiate a programme of familiarisation for local managers on the issues and activities concerning sponsorship at a local level.
  - Overseeing the project management of sponsored projects to ensure that sponsors requirements and targets are met.
- 3.9 The Unit will also be able to refocus some of its activities towards the marketing aspects of Community Safety in terms of how the Service should communicate with various client groups.

## **OPPORTUNITIES**

- 3.10 The Unit is currently sourcing grant opportunities and endeavouring to bid for appropriate funding. Approximately one hundred trust funds are listed on the database relating to issues such as social exclusion, children's issues, older people, crime etc. This information is not yet segmented but will eventually show :
- Amount of grant available ;
  - Criteria for receiving a grant ;
  - Geographical spread ;
  - Application deadlines ;
- 3.11 Private sector companies are beginning to take sponsorship activity more seriously and using the method of "good cause" related marketing as an alternative to direct advertising to promote their businesses.

- 3.12 Competition is getting sharper, however there are still gaps in the market especially with companies who are new to sponsorship. The Unit will, therefore, ensure that it has a diverse portfolio of sponsorship opportunities for businesses, ranging from RiskWatch to larger more sophisticated projects such as Home Safety Checks and RTC Awareness etc.
- 3.13 The growth and development of high quality Universities in the City provides an opportunity to link in with their academic programmes, particularly for students on various professional courses undertaking academic project work. The Unit plans to work with Officers within the Service to create effective links with local Universities and although this will not provide cash income, it will generate professional expertise.
- 3.14 The image of the Fire Service still creates an available and unique selling proposition in sponsorship terms. The creation of the above mentioned guidance and support we will ensure that this status is maintained.
- 3.15 Increasing amounts of Government funding are being made available on a bidding basis. It will be necessary to identify grant opportunities as they arise and generate successful applications.
- 3.16 The Unit also has specific plans for future activity beyond those outlined above, which include :
- 3.16.1 Leveraging the inward investment in the region of local authorities by developing a community safety “protect your own business” package, incorporating sponsorship information.
- 3.16.2 Linking in with Fire Investigation, proprietors/managers often grateful to the Service for minimising damage to their business. The Service needs to target these companies directly after by developing a specific “your business after a Fire” package, incorporating sponsorship information.
- 3.16.3 Developing sponsorship guidelines for Districts, including which companies to approach, how to approach them and how to manage sponsorship partnerships. This will enable the creation and exploitation of sponsorship opportunities across a wide spectrum of size and complexity.
- 3.17 The Unit must also take advantage of the increasing number of Community Safety initiatives arising from within the developing Local Risk Management Plans to use its marketing skills to communicate these across communities.

## **TARGETS**

- 3.18 The costs of the Unit were originally estimated at £60,000 inclusive of all staffing costs and associated overheads. This was an estimate only and the actual running costs for 2005/6 are expected to be of the order of £56,000. On the basis of past performance, it is clear that in Nottinghamshire alone this “break even point” can be exceeded quite quickly. The target performance for the unit however, is to be set at £174,000 which is three times this break even position.

## **4 FINANCIAL IMPLICATIONS**

- 4.1 The past performance of the Unit in terms of its operation in Nottinghamshire is as set out in the following table, from which it can be seen that the out performance of the break even point for the Unit has been significant. It needs to be borne in mind however, that this was during the period when the Unit was operating across three

counties and it is likely that this performance will improve as the focus is drawn in onto Nottinghamshire as the sole beneficiary.

Year	Actual Costs	Income To Nottinghamshire	Income to Lincs/Leics	Total Income
2001/2	£50,441	£12,500	£121,500	£134,000
2002/3	£46,611	£114,925	£30,000	£144,925
2003/4	£53,340	£143,600	£67,500	£211,100
2004/5	£63,722	£230,008	£141,480	£371,488
Total	£214,084	£501,033	£360,480	£861,513

- 4.2 The 700% return on Nottinghamshire's share of the investment is substantial for Nottinghamshire, albeit less impressive for Lincolnshire and Leicestershire although both have exceeded their break even points by large margins. Even if Nottinghamshire had borne the full costs of the operation the return on investment would still have been of the order of 230% since inception. These figures show that a target of £174,000 should be achievable.
- 4.3 The above figures include money from Central Government for the Arson Task Force. This was £30,000 in 2003/4 and £120,000 in 2004/5.
- 4.4 It will be necessary for the budget of the unit to be set up from within existing Community Safety budgets as sponsors and funding sources will expect to see their money going directly to initiatives and not to the funding of the fundraising unit.

## 5 PERSONNEL IMPLICATIONS

- 5.1 The Fundraising and Marketing Unit is staffed by two personnel :
- A Fundraising and Marketing Officer – to provide professional marketing and fund raising support to the member organisations.
  - Dedicated Administrator – to support the Fundraising and Marketing Officer and the activities of the unit.
- 5.2 There are no proposed changes to the exiting staff structure. Therefore, there are no additional personnel implications.

## 6 RISK MANAGEMENT IMPLICATIONS

- 6.1 There are always risks associated with a Unit which relies for it's funding on the generation of external income. The past performance of the unit however, provides a high level of confidence that these risks are unlikely.
- 6.2 The Fire Authority considers Community Safety as a fundamental part of its risk management plan. Therefore, the success of the Fundraising and Marketing Unit, which will contribute directly to achievement of this plan, will have direct implications for this broader aspect of risk management.

**7. EQUALITY IMPACT ASSESSMENT**

There are no specific equality implications which arise from this report, however an impact assessment of the Fundraising Unit shows that funds raised are directed entirely towards the improving the safety of communities. These communities clearly reflect ethnic and religious diversity which are addressed within the Authority's activities.

**8. RECOMMENDATIONS**

That Members approve the conversion of existing Fundraising and Marketing Unit from its current fixed term status and establish it as a permanent function as a stand alone unit for Nottinghamshire.

**9. BACKGROUND PAPERS FOR INSPECTION**

None.

Paul Woods  
**CHIEF FIRE OFFICER**