

# Capital for Colleagues

EO

Backing Better Business



## Capital for Colleagues Case Study

### The Homebuilding Centre Limited

(Trading as The National Self Build & Renovation Centre)

The home of  
Self Build  
Custom Build  
& Renovation



### Overview

The NSBRC is based in Swindon in a very large, permanent 67,000 square foot exhibition centre. This is a “must visit” for anyone interested in renovating or building their own home. Visitors can get information on anything from finding land, sorting out a mortgage, talking to an architect, to undertaking a project management course. It provides a complete service. It also works with local authorities and housing associations seeking to provide affordable housing. As an out-of-the-ordinary location, it also serves as a great place for company meetings and conferences; a part of the business which is growing rapidly.

As an employee owned business (EOB), it acts as a hub for other EOBs in the South West and regularly hosts events promoting the sector, which have in turn encouraged other businesses to make the move to employee ownership. Its ambition is to be a stand out EO business and hub for the South and West of the UK.

### The Story Behind the Company

Today, the centre is a thriving business, but this was not always the case. It has had several owners over the years and for some it was not their core business. This difficult period was characterised by a badly maintained building, dis-engaged and disillusioned staff, poor financial performance which culminated in a new landlord evicting the previous company (NSBRC) from the premises in June 2014. This traumatic event resulted in the business collapsing and going into administration and all staff being made redundant.

Capital for Colleagues, inspired by the potential of the business, asked if a ‘skeleton team’ would be prepared to keep the centre operational whilst they negotiated with the new landlord. This proved successful and the new NSBRC started trading in November 2014.

The new team and their management were relatively young and inexperienced, so they quickly identified areas where they felt they needed support. Some day-to-day help came from C4C but they also chose to invest in specific guidance around their business strategy. This came from business-consultants ‘Re-thinking’ via the now closed ‘Growth Accelerator’ scheme. The Centre’s management worked with the consultants to develop their 3 year business plan, a ‘plan-on-a-page’ that set out a challenging vision for the business, along with nine strategic goals.

This transition all happened whilst the centre was developing as an EOB. Whilst this does not diminish management responsibilities, it has unquestionably encouraged a far more dynamic working environment, enabling staff to input ideas and for decisions to be made quickly when required, and in a fair and transparent way.

Continues overleaf...



Harvey Fremlin, the NSBRC Managing Director reflects on this turbulent time;

*“I’d worked at the NSBRC since 2008 and had been appointed general manager a matter of weeks before we were evicted. Sadly one of my first jobs was to tell the team they were redundant.*

*I then asked if anyone would be prepared, with no guarantee of success, or even of being paid for their time, to help keep the centre open whilst our new investor C4C tried to negotiate a new lease agreement.*

*Five colleagues put their hands up, which was unexpected, but they shared a genuine passion for the business and knew what it could become. It was an incredibly emotional moment and, on reflection, the start of an exciting journey together”.*

## Employee Ownership Structure

In November 2014, a new Employee Ownership Trust (EOT) was set up to hold 75% of the shares on behalf of all employees. However it became apparent that this structure did not best serve the long-term interests of the company or employees, so in 2016 the structure was changed to a hybrid model with 37.5% of the shares allotted for direct ownership by employees, and 37.5% being held in the EOT.

## C4C’s Role

In December 2014, C4C made its first investment in the NSBRC with a secured loan of £250,000. Alongside this loan, C4C was allotted 25% of the company’s shares. In November 2015, C4C provided an additional loan of £97,000 which is being repaid over three years. In August 2016, after the company had demonstrated a sustained period of profitability, the initial £250,000 was converted to equity, at the same time as the hybrid share ownership model was implemented.

C4C’s partners and one in particular, play a very active role today in supporting and mentoring the management of the company. The culture of the Centre palpably reflects employee ownership and C4C’s involvement has helped make this happen.

## Culture

In November 2015, the NSBRC was ‘Highly Commended’ at the Employee Ownership Association’s annual conference in the ‘Rising Star’ Category, recognising their outstanding culture. The team repeated this success by again being ‘Highly Commended’ in the same category in 2017.

The NSBRC team have become huge advocates for employee ownership, hosting several EOA networking events, producing articles for regional business magazines and even recording radio shows on the subject. Harvey Fremlin is a member of the inaugural EOA Membership Council, representing SME’s, which support the EOA’s activities.

As Conferencing Manager, Deanah Proberts, says:

*“We all feel like business owners and that is very different to other companies I have worked in. I have a say in the running of the business and it is exciting that we all share our vision for the future. The fact the NSBRC is owned by its employees was a real attraction when joining the business and I absolutely love working here!”*

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### Key Successes:

Some of the key achievements include:

- Raised annual 'exhibitor' revenue from £900,000 to £1,300,000 in first two years
- Retained exhibiting partners increased to 3 in 4 (from 2 in 4, two years ago)
- Increased conferencing revenue by 75% in 2016
- Significantly increased visitors to the centre

The team have worked hard to take the business from a difficult starting position, through a period of consolidation and now, into an exciting future of growth and development. Record revenues and managed by a team of less than half the number prior to moving to EO. The company is consequently producing good financial returns. Fittingly in the centre's tenth anniversary, it was recognised by winning 'Wiltshire small business of the year 2017'.

### 2018 Announcements:

As part of Employee Ownership Day celebrations (29 June 2018) the NSBRC team made four special announcements:

- They paid their first ever profit share (13% of the 17/18 profit) to the team in equal measures
- They have purchased 4% of Capital for Colleagues original shares by hitting certain financial targets – taking the employee owned shares up to a combined 79% share
- They are launching a Share Incentive Plan to allow for further direct share ownership
- They committed to paying all their staff at least the 'Real Living Wage', a voluntary pay rate higher than the minimum Government standards

### Contact Details:

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