

**Foundation
Scotland**

Business Plan 2013 - 2016



Our Vision

A vibrant Scotland where more philanthropists and independent funders invest money, expertise and influence to make a difference to causes and in communities that inspire them.

Our Purpose

The professional hub of philanthropy for lasting impact in Scotland's communities.

Our Mission

We facilitate charitable funding making it effective and engaging.

Our Place in the Landscape

Community Foundations

There are about 1,700 community foundations globally. Each one works with donors to establish charitable funds, mainly focussed on their distinct community. Each one provides grantmaking services, works toward long-term impact and tends to be county or city based. Our national context brings additional responsibilities and opportunities, seeking to provide local services under a Scotland-wide identity.

Philanthropy Services

There are few choices for high value individual donors when establishing charitable funds, particularly if they wish to develop strategic philanthropy in Scotland. We seek to work alongside their professional advisors for grantmaking services, but also provide cost effective vehicles to hold funds and transact grants. We will grow our services and profile as a provider of philanthropy education and support in Scotland.

Re-granting Services

These apply to charitable trusts, companies, the public sector and other corporate bodies which already have, or intend to set-up, charitable and third-sector funds and which value an intermediary in delivery of their funding. The value comes in different forms – cost effectiveness, reach into diverse and sometimes geographically distant communities, professional due diligence and grant recommendations, independence, thematic intelligence to establish programmes and source relevant projects, public recognition for the client. This is a wide market with other choices for clients. Mainly we are concerned with growth from independent funding.

Community Investment – with ring-fenced funding

In particular, this market consists of land and energy developers and bodies with a community regeneration focus. Strategic use of funds at a local or regional level may be driven by the community and/or the funder. Services which enable community dialogue, the set-up of local panels and the creation of plans to guide funding are of great value to both clients and communities, in addition to grant making programmes. This growing market is stimulating a range of approaches. Building on a strong track record we project growth of grant making funds and also related consultancy services.

Caledonian Challenge and profile-raising event support

Whilst operating in a busy fundraising events calendar, the Caledonian Challenge is renewing its place as the major event of its type whilst improving the way in which participants engage and raise funds. Coupled with the services of delivering the Foundation's own profile-raising events, our Events team provides both unrestricted income and additional value, and we will support it to grow steadily.

The Big Picture

There is some crossover between these different forms of charitable fund services and there are also opportunities to connect diverse clients and increase their funding impact, by geography and/or by theme. We value the support for our sustainability and the intellectual challenges brought about by such a wide range of clients and related relationships with a wide range of community and regional organisations and other stakeholders.

For all these reasons the Foundation continues as a single community foundation for Scotland, with several expert teams, and we can provide greater efficiency, effectiveness and impact within one organisation structure. This business plan provides insight into our achievements to date, our core model and our priorities over the next three-years.

...a track record across Scotland

Funds in many areas, grantmaking across diverse communities

Emerging practice in capturing, sharing and learning from stories of change

Our toe in the water with some evaluation of impact and change

Volunteers, staff and friends across a growing Scotland-wide footprint

...a growing profile

Independent status with flexible approaches and funds

A positive reputation with changemakers across community, public and private sectors

A partner of choice by increasing numbers of donors, funders and sponsors

A step back, now a leap forward through the change to a new brand

What are we building on?

...several valued competences

Due diligence across a broad range of grant applications

Bespoke services for philanthropists, including at high engagement levels

A core capability of matching clients with exceptional projects and social investment opportunities

Facilitation of community conversations, planning and fund management

Robust trust administration

...experienced people, committed to positive change

Long service of staff, trustees and other volunteers

An obvious passion to make a difference

An emerging interest in increased social impact in all areas of the Foundation

The opportunities of newly strengthened management and leadership

...long-term clients and a diverse funding base

Steady underlying growth of funds over a decade

The opportunity of unrestricted funding from the Caledonian Challenge

A balance of private and public sector income, with the opportunity for leverage

Building on achievements

...an extensive funding-related knowledge base

Wide knowledge of the range of funding sources, including our own client funds

A growing knowledge of funding methods and the new world of social finance

Immense knowledge of the voluntary, community and social enterprise sectors in Scotland

Untapped opportunities to share, learn, grow and influence from our knowledge base

An emerging policy and practice related group, the Innovations & Impact Committee

...well-developed processes and systems

Long experience in designing grant funding programmes and related assessment processes

Four strong, but partially independent, databases – client, grants, finance and events

Initial experience of online processes, through specific grant programmes

New web based functionality (funds & grants map, grants selection tool)



Our core model

As a social enterprise focussed mainly on independent funding streams, working across Scotland, we have a diverse set of clients and related services. Yet, we have a clear core model which we pursue. And we believe that great results come about by a series of disciplined decisions, taken with understanding, not bravado, in line with our core model.

Priorities & Outcomes

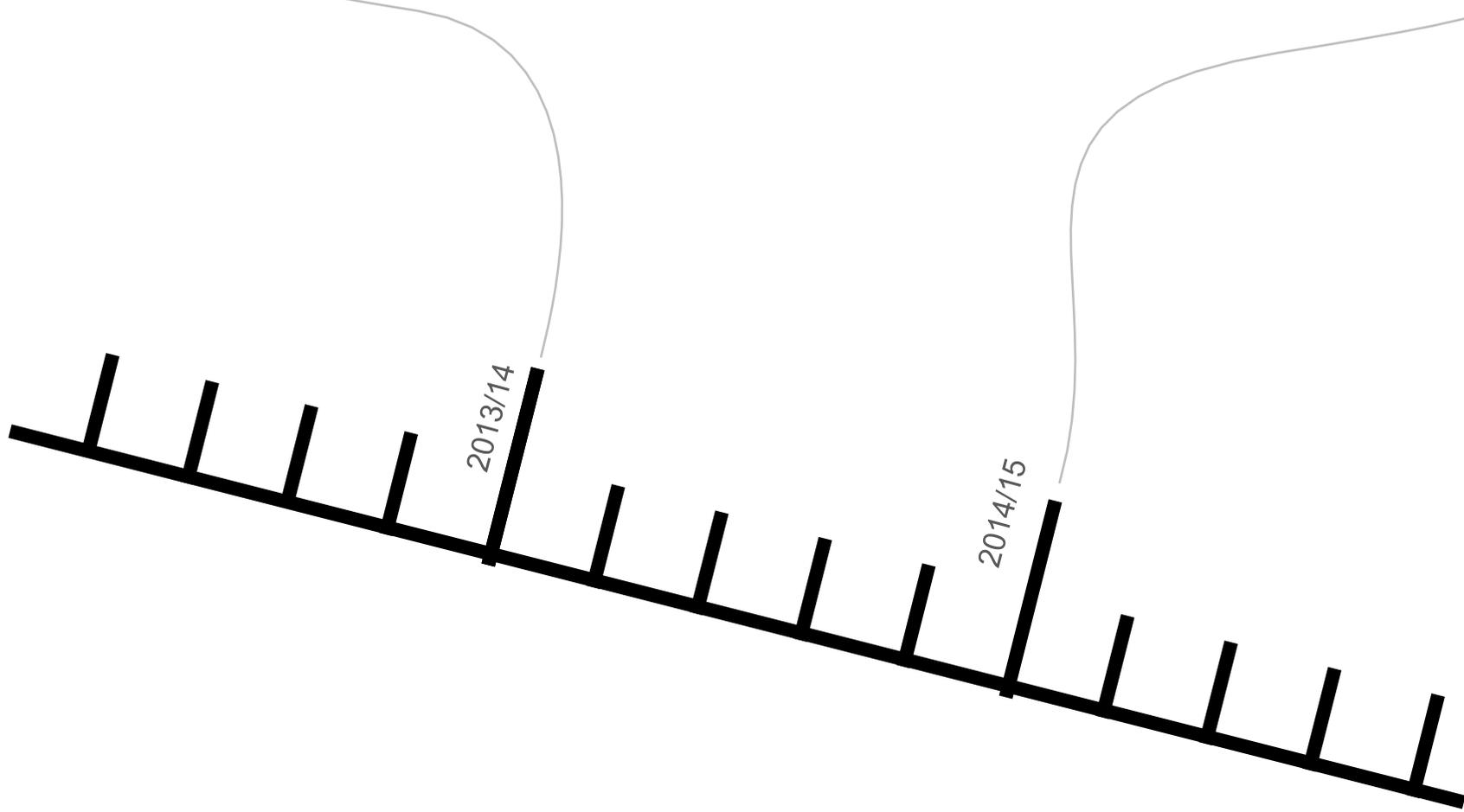
Priorities	Outcomes
Constantly telling the stories "What's the impact?"	1. An embedded approach to listening and learning
	2. A case study culture
	3. Higher profile with stakeholders
Living up to a Scotland-wide identity "Planned growth"	4. Planned growth of client funding distribution
	5. A growing regional presence
	6. Leadership drawing on our collective expertise
Ensuring sustainability "Engagement and efficiency"	7. Efficient and effective shared systems
	8. Sustainable, attractive pricing policy
	9. Increased client engagement
Investing in people and principles "Walk the talk"	10. Applied positive social values
	11. A valued learning organisation culture
	12. Routine performance management



Milestones

2013/14

- ▲ integrated e-marketing and database procedures using Salesforce
- ▲ illustrated, vibrant case study portfolio that reflects our wider work
- ▲ M&E framework applied across programmes and funds
- ▲ consistent and invested volunteer assessor programme which is dynamic to need
- ▲ philanthropy engagement model in place, supporting increased client involvement
- ▲ e-marketing, Introductions Group tactics and profile events lead to two+ clients per month
- ▲ framework to maximise opportunities for FS and Caledonian Challenge
- ▲ policy positions confirmed to maximise media opportunities



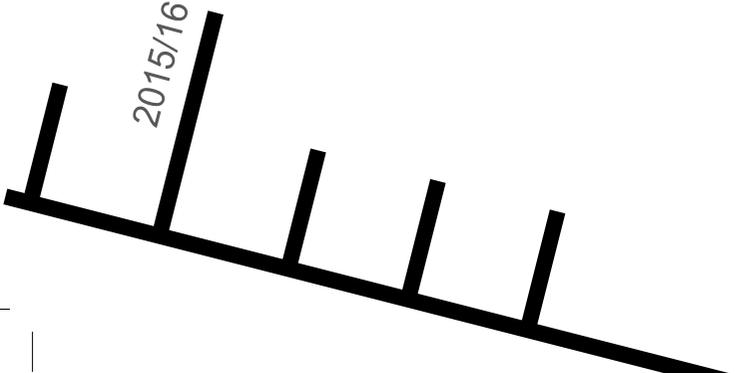


2014/15

- 🚩 appraisal system embedded, including role/organisational competences
- 🚩 recruitment of new trustees on main and events Board, covering geography and specialisms
- 🚩 integrated finance and grant database systems
- 🚩 RS JESSICA makes major investments via new programmes
- 🚩 impact reporting in place, at local, regional and national levels
- 🚩 our model of social investment is replicated for donors
- 🚩 product / service developed through the Innovation & Impact Committee
- 🚩 Scotland-wide events programme

2015/16

- 🚩 a sustainable Philanthropy Fellowship in Scotland
- 🚩 Vital Signs pilot builds regional FS profile
- 🚩 report published on FS aggregate impact as a funder
- 🚩 over half of all community benefit funds in Scotland managed



2015/16

Clients

1. Individuals & Families

Grant Programme

Individual philanthropists introduced by peers, by their advisors, by trustees and other ambassadors, and some in response to other marketing activities. Client engagement, fund distribution levels and related services can be fairly high.

2. Charity Account Holders

This service provides the means for a wide range of individuals (and companies) to recommend grant awards on a transactional basis. Basic due diligence and financial processes seek to keep service costs down, making it attractive to high income earners, not just the very wealthy.

3. Individuals & Families

Other Services

These services support individuals collaborating on philanthropic goals, sharing ideas and pooling funds (Giving Circles); individuals and groups raising funds more widely for a specific purpose (Fundraisers, including the Women's Fund for Scotland); and individuals raising funds in memory of a loved one (Memorial Trusts).

4. Endowment Drawdown

Initial growth of the Foundation came from endowment funds, from which annual returns financed grantmaking and fees. This was significantly surpassed by the level of grantmaking and fees level.

5. Charitable Trusts

Grantmaking services for existing charitable trusts, sometimes based in London and some with a public brand, help their trustees reach projects in Scotland.

6. Developers & Community Groups

These clients and parties value an independent agent and expertise in grantmaking to facilitate community benefit arrangements that bring transformative change in the identified area.

7. Companies – Community Giving

These clients value a community grant programme, often as part of a socially responsible agenda and use opportunities to position their fund as the Company Foundation and achieve PR outcomes.

8. Resilient Scotland's JESSICA Fund

These services, for Resilient Scotland, aim to help stimulate growth in disadvantaged communities most affected by serious economic decline and market failure, helping them to become stronger and more sustainable through their own efforts.

9. Public Sector Programme

Whilst we mainly focus on management and distribution of independent funding we will respond to one or two relevant public sector re-granting opportunities, most probably tenders from the Scottish Government.

10. Fundraising Events

The Foundation's Events business provides unrestricted income, which can be applied to grantmaking, core & development costs and to build investment funds and reserves.



Financial Sustainability

The Foundation has grown from scratch since 1996 to a medium-sized social enterprise in Scotland with fund distribution in excess of £5M, a turnover regularly close to £10M and an operating cost of about 15% of turnover. Over the business plan period fund distribution will more than double, the turnover could reach £15M with an intention to keep the operating cost lower than 15%.

Cost Management

As a knowledge-based, service organisation most of the Foundation costs are its people. Improved insight of client costs (and related pricing) will help estimate staffing levels as new client / fund programmes are won. A small step-up in office costs might be needed, dependent on office capacity and level of new business.

Breakeven and Generate a surplus

Well matched fees to services will drive our economic engine. Identifying and stopping over-servicing is a key task. Breaking even or generating a surplus occurs when client funds are distributed in a more engaged way with the related fee. This leads to two intentions. The first is a general nudge to help clients move from purely transactional to transformational funding programmes. The second is part of a cost / pricing review, to set the right fees in general.

Investing in growth

The Strategic Investment Fund (an unrestricted endowment, built from past surpluses) has covered development costs in the Foundation for several years. Due to new business growth and fee income, the level of this internal support has reduced each year and will reach zero. An important side note is the aim to maintain a balance of private and public sector income streams. Funding diversity has supported the Foundation's sustainability over a decade, as has success in winning longer-term funds.





**Foundation
Scotland**

Where philanthropy meets community

www.foundationscotland.org.uk

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