

CUMBRIA COMMUNITY FOUNDATION

BUSINESS PLAN 2007 – 2011

1.0 INTRODUCTION

This document replaces the Foundation's previous five year plan which was written in 2004. It has been developed with the involvement of staff, trustees and members of the Foundation's grant committees. The plan was also subject to a wide ranging consultation process and the input from stakeholders has been included in the plan. The plan outlines the challenges facing Cumbria's communities and the context in which the Foundation will operate. It sets out the Foundation's key targets and priorities for grant making and fundraising and how we hope to achieve them. The plan provides strategic guidance for the organisation and is supported by an annually produced budget and work programme.

2.0 MISSION STATEMENT

Cumbria Community Foundation is dedicated to improving the quality of community life for the people of Cumbria by:

- Promoting giving to enable the growth of a professionally managed long term capital fund
- Using its resources to make grants to voluntary groups that match the wishes of donors and community needs
- Being ready to respond quickly to new and emerging need
- Being the route of choice for public bodies wishing to distribute charitable funds for the benefit of the county

3.0 BACKGROUND

The Community Foundation was established in 1999 and has developed a significant reputation as both a grant maker and fundraiser. It is an independent charity managed by an elected board which reflects all aspects of the Cumbrian community. It has a small team of professional staff based in Dovenby. A subsidiary fund, the Barrow Community Trust, has a part time member of staff based in Barrow in Furness.

Since inception it has grant aided over 2,000 groups and 1,700 individuals, distributing more than £9m to address disadvantage in the county.

The Foundation has built its long term funds to over £3.4m. In addition it manages funds for immediate distribution on behalf of government bodies, charitable trusts and private donors. Currently the Foundation manages in excess of thirty grant making funds, distributing in the region of £1m annually.

The Foundation has developed excellent relationships with a number of grant making trusts for whom it provides administrative and grant making services. These relationships enhance the quality of grant making for the trusts whilst reinforcing the Foundation as an important source of grant aid in the community.

The Foundation has developed a range of philanthropic products (grant making fund options) and has formal arrangements to support the charitable giving of clients from Coutts Bank and Border Asset Management.

The Foundation has twice responded to disasters in the county, raising and distributing £2.1m in response to the Foot and Mouth disease outbreak in 2001 and raising and distributing over £800,000 to assist people affected by the floods and storms of January 2005. The appeals were recognised with national awards for fundraising and grant making.

In addition to its grant making role the Foundation jointly runs the Cumbria ProHelp scheme with Business in the Community. This scheme provides professional volunteers to undertake time limited pieces of work with voluntary groups

4.0 STRENGTHS OF THE COMMUNITY FOUNDATION

- We are seen to be knowledgeable, objective, reliable and apolitical
- We have a countywide overview of need
- We are flexible and responsive to the needs of donors and the community
- Trustees are actively involved and provide credibility, accountability and expertise
- Staff are approachable, helpful and professional
- We operate simple and speedy application processes
- We have exceeded the requirements for Community Foundation Network (CFN) quality accreditation in all aspects of operations including grant making, financial management and fundraising
- We offer value for money to donors
- Goodwill exists from within and outside Cumbria for the people and communities of the county
- We are part of a national network of community foundations
- The quality of grant making has been verified through various independent evaluations
- We have an unrivalled track record in delivering funds in a way which meets the needs of donors and the community
- We have continued to build a growing number of grant making funds, and have had particular success providing administrative services for existing grant making trusts.

5.0 CHALLENGES

- To build significant endowed and long term funds
- To promote planned, long term giving to major potential donors
- To secure a replacement fund for the Local Network Fund from April 2008

- To secure a major community regeneration fund
- To maintain the grant making, fundraising and community leadership capacity within the organisation
- Engaging with potential major donors more effectively
- Keeping abreast of changing local needs

6.0 NATIONAL AND LOCAL TRENDS IMPACTING ON THE FOUNDATION

Economic development policy

The regeneration policies of the Northwest Regional Development Agency, Nuclear Decommissioning Authority and Cumbria Vision all favour focussing on a small number of large scale 'transformational' initiatives. This may preclude the provision of funds for community based regeneration initiatives and the delivery of Foundation grant funds such as the recently completed Strengthening Rural Communities Fund managed by the Foundation, utilising NWRDA funds.

Increase in private wealth and development of philanthropic services

National trends indicate significant growth in both the number of people who are classed as wealthy and also the size and extent of personal wealth. The development of philanthropic services by Coutts Bank and other financial institutions indicates a growing trend towards US style planned giving and the potential demand for the services offered by the Community Foundation.

Local industry and commerce

The Cumbrian economy is not expected to grow markedly in the coming years. The county has a small number of large employers and large number of small to medium enterprises. The large employers tend to be international companies with limited budgets for local giving and the smaller companies, by their nature, have limited funds for charitable giving.

Nuclear industry

The Sellafield Site is the largest industrial employer in Cumbria by far, contributing significant sums to the local economy. Decommissioning of much of the Sellafield site and the likely loss of 8,000 jobs in the next ten years will have a major impact on the social and economic life of West Cumbria.

The privatisation process which is seeking to provide reduced costs to the government also introduces a new wave of companies to West Cumbria.

Partnerships with government

We expect government to continue to seek new opportunities for partnership with charities. The Government is increasingly seeking the development of the third sector as a means of delivering public services and as a means of promoting engagement in civic and democratic life. This may mean more money for voluntary groups in the form of contracts to deliver services. This is very different to the delivery of open access grant programmes. The Foundation needs to consider whether it wishes to develop commissioning/contracting skills to act on behalf of public bodies, managing longer term funding contracts. It also needs to lobby for the continued provision of open access grant programmes. These programmes are

essential in giving groups freedom to decide what they want to achieve as opposed to aligning their activities with that of the commissioning body.

The Foundation, in its dealings with government will always ensure that it retains its independence. It will not allow its work on behalf of Cumbria's communities to be compromised by its funding relationships with government departments.

Although not directly impacting on the Foundation the contracting culture places increased requirements on groups in terms of needing increased skills of both staff and trustees.

Potential re-organisation of local government

The Local Government Act has sought proposals from areas retaining two tier local government to propose alternative, single tier options. Cumbria County Council is seeking the creation of a single tier unitary authority for the county. This poses both challenges and opportunities - the potential loss of Allerdale Borough Council as a donor and the creation of a new body to which we could deliver services.

Funding trends for voluntary groups

The closure of the Single Regeneration Budget and Neighbourhood Renewal programmes, loss of European Regional Development Fund monies, reduction in lottery funding due to reduced ticket sales and possible siphoning off of funds for the Olympics, plus pressures on local authority budgets all contribute to a tougher fundraising environment for local groups. In addition Local Network Fund monies will transfer to the Children's Trust arrangements in 2008, with the potential loss of £350K in funding for children and young people's projects. Local authority funding is increasingly being delivered in the form of contracts, with less funds available as grant aid.

University of Cumbria

It is hoped that the new University will begin a process of transforming educational expectations and aspirations within Cumbria's communities. The Community Foundation could partner with the University, providing the focus for bursary and scholarship fund development. It could also direct programmes of funding aimed at raising educational attainment and aspiration in people who would not normally consider participation in university education.

7.0 GRANT MAKING

The Foundation's grant making reflects both the Foundation's priorities and those of its donors. The majority of funds available for distribution are held on a restricted basis, with the donor specifying the geographical area and beneficiaries. Donors make use of the Foundation's knowledge to ensure that their money is directed to best effect. We participate in an active dialogue with donors and seek to enhance their grant making by making suggestions for priority setting.

The Foundation's strategic aims inform its fundraising strategy; so we will seek, wherever possible, to secure funds to address what we believe to be the county's most pressing issues.

Where the Foundation has unrestricted funds these are applied to address our strategic aims.

There are a number of significant issues that will influence grant making priorities.

Continuing economic difficulties

The economy of Cumbria is a key concern and has been in decline for over 15 years, although latest figures show the beginnings of an upturn. In the 1980s the Cumbrian GDP was 20% above the national average, today it is 20% below the national average. This can be explained by the major job losses at the shipyards in Barrow, completion of the Thorp plant at Sellafield, loss of other major West Cumbrian employers and declining incomes in agriculture.

Looking specifically at the rural economy, BSE, Foot and Mouth disease and changes in EU agricultural policy have significantly reduced farm incomes. This has happened whilst living standards and income levels have risen in the wider economy, so that young people, particularly from farms on marginal hill land are turning away from farming as a full time profession.

Nuclear decommissioning

The decommissioning of Sellafield over the next 20-30 years will have a major impact with over 8,000 job losses forecast (most in the next ten years). Studies show that the loss of a major employer in a small geographic area causes high levels of benefit claimants, health issues, particularly mental health problems, and the exodus of young people from the area.

Population changes in Cumbria

Population trends for the next ten years using statistics from the Office of National Statistics.

Key trends

- Number of children and young adults predicted to fall
- Number of over 60s predicted to rise significantly
- Proportion of population who are of working age predicted to consistently fall, which may lead to a drop in the proportion of economically active residents.

Children & young people

- The number of children age 0-14 is projected to fall by 21% by 2028. The greatest decline will occur over the next seven years
- Short term increase in 15-29s expected but by 2028 the number will have fallen by 10.6%

Older adults

- Significant and consistent growth of over 60s. Currently just over 25% of population. By 2028 expected to be 37.7%
- By 2028 it is expected that the number of 74-85s will grow by 66%
- By 2028 number of over 95s will grow by 117%

Working age population (15-64)

- Working age population set to decline by 6% by 2028

Social exclusion

We seek to prioritise our grant making to influence those people in greatest need. The term social exclusion is now widely used, but not always well understood. It does however provide us with a useful framework for decision making and the following definition has influenced our proposed policies.

"Social exclusion is about more than just poverty. Social exclusion happens when people or places suffer from a series of problems such as unemployment, discrimination, poor skills, low incomes, poor housing, high crime, ill health and family breakdown. When such problems combine they can create a vicious cycle."

From this definition three groups can be identified as those most affected by social exclusion:

- People with physical or mental health problems
- Those who lack skills or qualifications
- People from ethnic minority groups, including asylum seekers and refugees (of some relevance in Cumbria because of the growing migrant workforce)

7.1 GRANT MAKING STRATEGIC AIMS

The following aims reflect the Foundation's own grant making priorities. They arise from our review of community need in the county and grant making practice. They represent a development from previous priorities in that they not only identify the aims, but also priority groups and most importantly the activities which we believe will have greatest impact.

Strategic aim	Key groups	Key activities
1. Tackling disadvantage in rural communities	<ul style="list-style-type: none">• Older adults• People with mental health needs• Children and young people• People on low incomes	<ul style="list-style-type: none">• Activities that promote the building of older adults' local support networks (e.g. lunch clubs, volunteering projects)• Information and advice services particularly those that provide benefits advice• Projects that support people to access health, information, training and leisure services• Projects that address the health issues of obesity, alcohol abuse, sexual health, stress and depression• Projects and activities which retain or develop key community services (shop, Post Office, play group etc)

<p>2. Tackling disadvantage in pockets of deprivation including the top 20% most deprived wards</p>	<ul style="list-style-type: none"> • Older adults • People with mental health needs • Children and young people • People on low incomes 	<ul style="list-style-type: none"> • Information and advice services particularly those that provide benefits advice • Projects that support people to access health, information, training and leisure services • Projects that address the health issues of obesity, alcohol abuse, sexual health, stress and depression • Projects that are generated from within disadvantaged communities which promote self help and solutions to locally recognised problems
<p>3. Supporting disadvantaged children and young people</p>	<ul style="list-style-type: none"> • Children and young people in rural areas • Children and young people in the top 20% most disadvantaged wards • Children and young people from low income households 	<ul style="list-style-type: none"> • Projects that support children and young people to access health, information, training and leisure services • Projects that address the health issues of obesity, alcohol abuse, sexual health, stress and depression • Projects that build self confidence, aspirations, leadership skills and attainment
<p>4. Hidden and emerging need – additional needs that have a significant impact on any one or more of the identified key groups</p>	<ul style="list-style-type: none"> • Older adults • People with mental health needs • Children and young people • People on low incomes 	<ul style="list-style-type: none"> • Projects that support people affected by the job losses especially associated with the decommissioning of Sellafield • Projects that respond to the changing composition and structure of communities due to demographic change

8.0 MARKETING STRATEGY

This section provides the basis for fund raising and target setting. It is supported by an annual action plan. The Marketing Strategy and performance against targets is the direct responsibility of Trustees and is reviewed annually.

8.1 TARGETS

The following base line targets were set in September 2005:

£5m long term capital funds by 2008 (currently £3.4m)
£1m+ in grants for distribution annually – ongoing target (currently £1.1m)
150 Corporate members by April 2006 (currently 160)
600 Individual and family members by April 2008 (currently 300 and dropping)
Establish a Challenge Fund as a spur to endowment growth (additional target introduced September 2006 and not yet achieved).

Proposed revised targets

£5 long term funds as soon as possible
£1m+ in grants distribution annually
200 corporate members
600 individual and family members
Secure a challenge Fund by April 2008

8.2 ASSUMPTIONS

The Foundation attracts large numbers of requests for grant aid. Therefore securing appropriate applications is not an area for wide concern. However we must remain aware of emerging need.

The Community Foundation's most likely key donors are wealthy individuals and families, public agencies and large or successful companies with an interest in or commitment to the people of Cumbria.

The Foundation has a small staff team and limited resources. Therefore activities need to be prioritised and assessed against their ability to deliver against key targets.

Trustees and other supporters can provide access to networks and individuals that staff alone cannot do.

It is not possible with the resources of the Foundation and the nature of its work to expect 'the man on the street' to know about the Foundation. However both disaster appeals have given significant profile to the Foundation.

8.3 KEY MESSAGES

The following key messages form the basis for fundraising and are the reasons why people should give through the Community Foundation.

The Community Foundation's grant making helps donors make a difference by connecting them with groups and causes that reflect their interests.

Cumbria Community Foundation exists to help strengthen and sustain our communities. In particular we seek to support people experiencing disadvantage. We do this by making grants to voluntary groups in Cumbria.

We have requests for assistance that far outstrip our ability to help.

The Foundation is unique in Cumbria, with wide objects, allowing it to support most local charities.

Donations to long term funds generate income for grant making in perpetuity.

Our grant making is highly respected – we have excellent knowledge of local need.

Cumbria has significant community need. We hold current information about local need and target our grants accordingly. We can commission research and convene groups to co ordinate responses to new and emerging need.

Cumbria has over 3,500 local charities that help and assist people in need. We provide the means by which donors' money can be best targeted.

We offer donors flexibility in terms of the way in which funds can be held and their level of involvement. We offer donors an ability to develop a close and meaningful relationship with the Foundation.

8.4 FACTORS WHICH CONTRIBUTE TO GIVING

People are most generous when they believe that issues they care deeply about will be positively influenced.

Pre-cursors to giving include:

- Confidence in the staff and Trustees of the Foundation
- Confidence that money will be well spent
- Confidence that money will be well looked after (investment management)

Recent research in the UK involving a large sample of wealthy people in the UK identified that they treat major gifts as investments. They want to make a difference and want to be partners with the recipients. They want to be involved, i.e. valued for their knowledge, not just their ability to give. This means we need to build relationships with existing and potential donors. The solicitation of major gifts requires a concerted and long term process (6-24 months).

8.5 PRIORITISATION AND CATEGORISATION

To assist in developing the various elements of the strategy the following groups have been categorised:

Individuals/families (major).

These are people who have the potential to make significant donations. They are the priority group with regard to building long term capital funds.

Individuals/families (minor).

These are people who can give regular sums through membership and who may be able to establish a Fund via a legacy gift.

Corporate.

Businesses which are based in Cumbria or owned and controlled by people with an interest in Cumbria. They are a source of core costs via membership fees. A small number may also set up endowed and flow through funds.

Corporate Nuclear

The Nuclear Decommissioning Authority and Sellafield Site Licence Company, plus suppliers to the industry are all expected to contribute to the socio-economic well being of the local community.

Flow through funders.

These are local and national public bodies and charitable trusts. They are our prime source of money for immediate grant making. Income from fees on flow through funds contributes significantly to meeting the costs of operating the Foundation. Because of the loss of the Local Network Fund in 2008 the sourcing of flow through funding will form a priority action in the early life of the business plan.

Introducers/Advisers.

Solicitors, accountants and professional advisers form a wide network of people who are involved managing families and businesses financial affairs. They need to be aware of the role of the Foundation and be predisposed to make referrals to us as appropriate.

8.6 FUNDAMENTALS

The following activities underpin the marketing strategy:

Existing and potential donor research

Staff and trustees need to collect relevant information about existing and potential donors. Trustees and staff need to make use of our network of contacts to generate information about new potential supporters. We should hold regular meetings of supporters (prospecting groups) to discuss which people and organisations might wish to support the Foundation. Staff and Trustees need to be aware of key events in people's lives, which may increase their ability and willingness to give (sale of business, inheritance etc).

All events require structured follow up to ensure that the opinions and intentions of all people present are solicited.

Customer care

High standards of customer care are essential in dealing with all people who have contact with the Foundation. We set high standards for written and verbal communication. All staff

are aware of the different ways of giving (our charitable products) and the tax advantages of charitable giving. Regular training is undertaken to refresh skills and knowledge.

Charitable products: 'Ways of Giving through the Foundation'

It is important that the Foundation continues to have the capacity to offer the following options to donors:

1. Individual membership
2. Corporate membership
3. 'One off' donations to our long term capital funds
4. Named Funds
 - (i) donor advised (where the donor selects the projects to receive grants)
 - (ii) donor designated (where the donor indicates the issue, cause or geographical area to be assisted)
 - (iii) unrestricted (where the income is used for the Foundation's general charitable purposes)
5. Flow through funds
6. Sponsor of the Year
7. Managing existing charitable trusts' grant making

Grant making

The quality and reach of our grant making is fundamental in attracting donors. We make use of grants case studies and presentations by groups to inform and motivate donors.

Communications strategy

The delivery of a structured plan for communicating with all contacts. This will include:

- The production of regular press releases providing information of relevance to each of the local newspapers.
- Production of Annual Review and Newsletter.

The website is an increasingly important resource. Applicants can apply via the website and donations can be made through the website. The site includes examples of different funds and the tax advantages available through the Foundation.

Events plan

An annual programme of events aimed at supporting approaches to new and retaining the support of existing donors.

9.0 GOVERNANCE

The work of the Foundation has become increasingly complex over time. This is in part due to the increase in number of funds and grant making panels. It is also the result of an increase in fundraising 'products' with their own action plans and activities.

A particular challenge is effectively utilising the skills and experience of trustees. Recent experience of using time limited, task and finish groups, has been positive.

The multiplicity of grant making panels is time consuming. Investigations should be undertaken into the rationalisation of panels and funds where possible. Some donors wish to retain involvement in decision making therefore this needs to be carefully considered so as not to lose donors.

The Trustees have made a commitment to a review of governance arrangements.

10.0 EQUAL OPPORTUNITIES

The Foundation recognises that many people are disadvantaged as a result of their personal and/or social circumstances (which may include their gender, age, ethnic background, religious beliefs, physical ability, sexuality, economic circumstances and geographical location).

We strive to make our grant schemes available to the widest possible range of groups, and not to discriminate in employment matters, in our treatment of volunteers or in other service delivery.

Trustee recruitment nomination and recruitment processes seek to secure a representative mix of gender, age and ethnic representation.

11.0 RESOURCES

The overriding challenge during the life of the business plan is to maintain income levels to enable the maintenance of high quality grant making and fundraising services. This is a major challenge and may involve some difficult decision making, including potential reduction in staffing levels from April 2008 following the cessation of lottery support and closure of the Local Network Fund.

Income strategies have sought to maximise diversification as much as possible, including grant making administrative services for independent trusts, membership schemes and sponsorship of events and activities.

Significant work has been undertaken to improve efficiencies in information management to minimise costs and offer best value.

11.1 STAFFING

The challenge going forward will be to retain the skills and experience of the current team and build on it. We have a highly committed and professional team that has unrivalled knowledge of the voluntary and community sector in Cumbria. The key abilities within a successful team will include:

The ability to have effective representation in and leadership across the community.

The ability to identify and manage productive relationships with donors.

The ability to forge new partnerships.

The ability to demonstrate effective financial administration.

The ability to demonstrate knowledge of the community and best practice in grant making.
The capacity within the team to fulfil the above roles for new and existing donors.

11.2 FINANCIAL PROJECTIONS

**CUMBRIA COMMUNITY FOUNDATION
BUSINESS PLAN**

11.2 FINANCIAL PROJECTIONS

	2007-08	2008-09	2009-10	2010-11	2011-12
	£	£	£	£	£
1 Target: £5 million long term capital funds					
Additions to long term capital					
Barrow Community Trust	7,500	7,500	7,500	7,500	7,500
Additions to / New named funds	75,000	40,000	500,000	500,000	75,000
Legacies	22,500	22,500	50,000	50,000	50,000
Trust transfers	-	1,500,000	-	-	-
Smaller donors	45,000	25,000	40,000	50,000	50,000
Challenge Fund *	-	-	500,000	500,000	-
	<u>150,000</u>	<u>1,595,000</u>	<u>1,097,500</u>	<u>1,107,500</u>	<u>182,500</u>
Long terms funds b/f	3,005,380	3,155,380	4,750,380	5,847,880	6,955,380
Long terms funds c/f	<u>3,155,380</u>	<u>4,750,380</u>	<u>5,847,880</u>	<u>6,955,380</u>	<u>7,137,880</u>

* Challenge Fund to be secured by April 08 and run in 08-09, 09-10

2 Target: £1m+ in grants distribution annually

Existing flow-through funds	754,401	160,500	160,500	160,500	160,500
New flow-through funds (to be secured)	-	680,000	680,000	680,000	765,000
Managed funds	124,750	143,750	73,750	73,750	76,500
CCF grants from long term funds	43,600	50,063	110,325	107,588	107,850
CCF grants from new long term funds	-	3,063	8,050	46,200	84,700
	<u>922,751</u>	<u>1,037,376</u>	<u>1,032,625</u>	<u>1,068,038</u>	<u>1,194,550</u>
Grants in distribution	<u>922,751</u>	<u>1,037,376</u>	<u>1,032,625</u>	<u>1,068,038</u>	<u>1,194,550</u>

**CUMBRIA COMMUNITY FOUNDATION
BUSINESS PLAN**

1.2 FINANCIAL PROJECTIONS

	2007-08	2008-09	2009-10	2010-11	2011-12
	£	£	£	£	£
3 Revenue income to support core costs					
Core Cost sponsor	-	75,000	75,000	77,250	77,250
Big Lottery Fund	73,728	-	-	-	-
Cumbria ProHelp	2,500	10,000	10,000	15,000	15,000
Donations:					
Membership income	61,256	63,094	64,986	66,936	68,944
Sponsor of the Year	7,500	6,000	6,000	7,500	7,500
Event sponsorship	2,500	2,500	3,000	5,000	5,000
Gifts in Kind	11,718	12,010	12,310	12,619	12,938
	<u>159,202</u>	<u>168,604</u>	<u>171,296</u>	<u>184,305</u>	<u>186,632</u>

