

STRATEGIC PLAN 2006-10 UPDATE AND REVIEW

1. Introduction

This is an extract from Hillingdon Community Trust's strategic plan originally agreed by the board at the beginning of 2006. It provides an update on developments within the Trust and its area within the last year, a review of progress on the strategic plan and some ideas for discussion by the Board on future issues and priorities for the Trust.

Once the Board has considered and approved the document, which is intended to cover the next three years until spring 2010, it will be amended and referred to as a measure of progress.

The paper sets out:

- background and achievements to date (including an outline of how grants have been distributed)
- the objectives of the Trust and the strategy that the Trust will follow to achieve these
- how the strategy will be delivered
- the resources needed to deliver the strategy
- some specific targets for 2007 and beyond

The paper concludes with some issues to be considered and resolved in the long term; although it may be too early to come to a conclusion on these, they need to be borne in mind.

The strategy will continue to be reviewed annually and specific annual targets identified.

2. Background and Trust area

Hillingdon Community Trust was established in 2003 as a charitable trust to make grants for projects concerned with the improvements to the environment, public amenities, employment generation, education and training, business support, crime prevention and recreational facilities in the London Borough of Hillingdon. Initially, the Trust is being funded by a gift from BAA of £1 million a year for fifteen years. A requirement of the gift is that grants should be made for the benefit of the community in the southern part of the Borough.

The Trust is governed by a board of Trustees, largely comprising independent people with an interest in Hillingdon, but also including two nominees of the London Borough of Hillingdon and one of BAA.

Under its constitution the Trust operates throughout the whole of the London Borough of Hillingdon. As nearly all of its funding is from BAA, in practice its catchment area at present is the southern part of the Borough.

The population of the catchment area is about 70,000 of which 34% define themselves as members of ethnic minority groups. Although unemployment is low, the southern part of the Borough experiences significant deprivation under any test.

The Borough has a large number of voluntary organisations although many are Borough wide. Few have established reputations for innovation or meeting special needs and there are some deficiencies in skills and capacity.

According to the baseline study carried out for the Trust in July 2005 Hillingdon has received much less funding than might be considered to be its "entitlement" from regional and national non-government sources. This is a remarkably consistent pattern across the National Lottery, appeal-based funders such as BBC Children in Need, and regional trusts such as Bridge House. Several of these funders have commented that they do not receive the volume or quality of applications from Hillingdon that they would expect to be able to meet its needs.

3. Trust's Objective

The overall objective of the Trust is to enhance the quality of life and opportunities available to communities in the London Borough of Hillingdon, by strengthening the voluntary sector and contributing to educational, recreational, environmental, and other community focused projects.

4. Strategy

The Trust's strategy to achieve its objective is to -

- Use its grant programme to secure maximum **impact**.
- Address **social need** and deprivation.
- **Strengthen voluntary and community groups** so as to enable the maximum impact to be achieved from grants.
- Increase the **flow of grant money** from national and regional sources both by part-funding projects and by helping voluntary organisations obtain external funding.
- Facilitate the **involvement of business** in the local community through pursuing opportunities for joint resourcing of projects.
- Work in **partnership** with others where appropriate.

Within this strategy some other principles have been developed –

- Concentrating on **projects** rather than core funding.
- Ensuring that grant applicants find the Trust **easy to access** and use. The grant process has been made as simple as possible, consistent with safeguarding the assets of the Trust, and the Trust is flexible on timing of decisions and willingness to vary grant amounts and conditions in the light of circumstances.
- The Trust is willing to take **risks** by providing funding for groups which are not well- established or for projects which may not have 100% chance of success. Its local focus means that it can take such risks without being unduly exposed to fraud or wasting **resources**.
- **The Trust will not** substitute for state funding, and generally does not fund social welfare and employment generation projects.
- The Trust **seeks to learn** from its grant making experience and the projects it funds to improve its own policies and procedures and to help the community and its target area.
- The need to **communicate effectively** with local community and voluntary groups and to a wider audience.

5. Delivering the strategy

The strategy is being delivered through six related routes –

1. Commissioning research and drawing on existing research so as to help ensure that grants can be used to their maximum effectiveness.
2. Operating the grant programme according to established policies so as to have maximum impact and generally to meet the objectives of the Trust.
3. Funding a community development project designed to help increase the capacity of voluntary bodies to operate effectively and to obtain funding from external sources.
4. Strengthening relations with business through a combination of involvement in the Hillingdon Business Forum and establishing direct contacts with large businesses based in the Borough. The purpose is to be able to indicate to businesses that the Trust can help them with their community objectives by managing and part funding specific projects.
5. A comprehensive programme of monitoring and evaluating grants so as to be able to draw on the experience to improve performance going forward.
6. Raising the Trust's profile to local community and voluntary groups, so as to improve the flow of grant applications and to ensure a positive profile for the Trust.

6. The record so far

a. Allocation of funds

The Trust was set up in the first half of 2003 but nevertheless managed to allocate almost a full year's funding in 2003/4. The Trust is now towards the end of its fourth year and so far has allocated grants of around £3.4 m (to end November 2006). The charts and tables attached as appendices show how funds have been distributed so far. The Trust has been successful in establishing grant making procedures and policies that have been proved to operate effectively. It also has governance and management arrangements which are effective in practice.

The Trust is young in comparison with many similar organisations. Its distinguishing factors are the size of the fund to be distributed and the small geographical area it covers.

b. Monitoring

With the Trust operating for almost four years, the time it commissioned a consultant to advise the Trust on its current procedures and how to develop these with a view to a full evaluation of the Trust's performance towards the end of 2007.

c. Other sources of funding

The Trust has been successful in attracting a limited amount of other funding from business, largely to provide a vehicle for businesses to fund their own projects.

d. Capacity Building

So far the Trust has agreed to grant £340,000 to capacity building, with a total of £287,000 due to HAVS and Groundwork Thames Valley for capacity building projects (the remaining £53,000 awarded will be unspent because the first capacity building project with HAVS was withdrawn). The HAVS new and small groups project is due to end in June (with the final grant payment due to be made in March 2007) and the Groundwork project is due to be completed in October (final grant payment to be made in September 2007).

7. Resources and staffing

For its first three years of operation the Trust staff were seconded by the London Borough of Hillingdon, office facilities were provided free of charge by the Stockley Park Consortium and the London Borough of Hillingdon largely met the Trust's administration costs. 2006/7 is the first year in which the Trust has been responsible for its own administration costs.

A study of other trusts shows that generally for a trust to make grants of around £1million a year effectively administrative expenditure needs to be somewhere between £120,000 and £150,000. Although the deed of gift from BAA provides that only 5% of the annual £1million donation can be used for this purpose, BAA has agreed to increase the proportion to 12% for the next three years. The Trust's budgeted expenditure on

administering the gift from BAA is £130,000 in 2006/7. The Trust also has access to the interest earned on the BAA donations which at the end of the 2005/6 totalled £122,000.

The Trust's director, Christine Little, and administrative officer, Theresa O'Brien, are employed by the Trust on a part time basis so that the Trust has the equivalent of 1.5 full time staff (2.25 in 2005/6). Annette Scouse acts as part time book-keeper for one day a month. Lindsey Hobbs works on a freelance basis updating the website and doing layout of publications as and when needed.

The Trust operates from serviced offices in the centre of Hayes and is seeking alternative long-term accommodation.

The trustees have a greater involvement than is the case in most grant making bodies. This is possible because of the very tight geographical area in which the Trust operates. Individual trustees play a significant role in considering grant applications, including visits prior to an application being considered, in monitoring grants and in some cases in pointing people towards other funding sources.

The Chairman also makes an additional and valuable contribution in respect of governance and strategic matters.

8. Longer term issues

There are three long term issues which the Trusts needs to begin to consider.

Post 2018

The grant from BAA is for fifteen years with the last payment being received in 2017. The Trust has three basic options for handling this eventuality –

- Close down towards the end of 2018.
- Seek other funding, for example by taking over trusts with endowments or by working more closely with business.
- Build up a fund by cutting down on grants so as to enable the Trust to continue operating with an endowment after 2018. However, it should be noted that if this is done then the amount of grant funding would be substantially reduced from its current level. For example, setting aside £200,000 a year for seven years would, at the end of that period, together with interest give a fund of around £1.5million which in turn might yield £60,000 which could be paid annually in grants compared with the current figure of £1million.

It is probably still too early to address this issue now. It would be appropriate to begin doing so in around 2008 after the Trust has had five full years of experience and before the halfway point is reached in BAA funding. However, it is appropriate that the Trust keeps in mind the need to consider the Trust's long term future and legacy.

Seeking other sources of funds

There is a general acceptance that the trust should seek to obtain other sources of funds and thereby cover the whole of Hillingdon. So far, the Trust has handled one significant other project, a £65,000 grant from General Mills to fund a mobile youth centre (this may be repeated in 2007/8), and it has also acted as the funding mechanism

for the Hillingdon Business Forum and Hayes Town Centre Partnership. The Trust needs to continue to pursue this strategy, by ensuring that it has a good and positive profile amongst local business and other stakeholders (e.g. London Borough of Hillingdon), and by networking and keeping in touch with local business via its communications strategy.

One large project?

Should the Trust seek to fund one very substantial project, substantial meaning a contribution by the Trust of somewhere between £0.5 million and £2 million? This could for example be –

- A community facility which fills a significant gap in existing provision.
- A national or regional facility which would both be of value to local residents but would also help put the area more firmly on the map.

Any such project would need to meet three tests –

- Management of the project should be in the hands of a competent, established organisation. The Trust itself would not be able to manage such a project.
- A significant business should be a partner in the funding arrangements.
- Funding should also be obtained from national or regional organisations. If the project is a national or regional facility then the bulk of the funding should come from this source.

9. Specific targets 2006

At the beginning of the year, the Trustees agreed the following targets to be met during 2006. This is the current position on each of these. Some require further development or will be continuing elements in the Trust’s strategy and priorities:

Target	Current position
Active participation in the Hillingdon Business Forum and the establishment of direct contacts with leading businesses in the Borough.	Meetings have been taking place but it has been more difficult than anticipated to building relationships with businesses in the Borough.
Establishment of a comprehensive monitoring and evaluation programme with the first overall results being available.	Consultant’s report received by Board October. Starting to implement recommendations, including establishing KPIs/agreed outcomes and customising Benefactor (the Trust’s grant making software)

Develop a comprehensive set of performance indicators and prepare for a first overall review of the effectiveness of the Trust towards the end of the year 2006	Developed from consultant's report. Work being done on capturing information.
Resolving with BAA long term arrangements for the allowance that can be used to fund administration	Negotiations continued with meeting and follow up email reiterating Trust's view.
Agreeing a strategy for broadening funding.	To be revisited and developed during 2007
Considering whether any very large project should be funded.	None identified to date
Developing a programme to address more effectively the needs of the black and ethnic minority communities	<p>We will be recording from BME groups numbers of successful and unsuccessful applications and comparing these on a regular basis to the previous year to make sure that we are improving the way we address the needs of BME communities.</p> <p>We will also work with Hillingdon Association of Voluntary Services, the London Borough of Hillingdon and other interested partners to build the capacity of local black and minority ethnic community organisations.</p>
Evaluating the programme of making £5,000 grants available to all primary schools	Most appropriate time to do this Spring 2007 when all schools will have received at least one £5000 grant from HCT. Alternatively could this be part of the evaluation of the Trust to be carried out at end of 2007.

The following 2006 targets have all been completed:	
Putting in place all of the accounting, administrative and other arrangements which will enable the Trust to continue operating effectively when the London Borough of Hillingdon ceases funding in March 2006	Done
Ensuring that the four new trustees receive the necessary induction so as to enable them to contribute effectively to the work of the Trust.	Completed
Recruiting a new Director.	Completed
Arranging new accommodation with effect from April 2006.	Completed but there is a need to find permanent accommodation as soon as possible

Specific targets 2007/8

To pursue the Trust's strategy, there are specific targets to be met for and during 2007/8

a. Active participation in the Hillingdon Business Forum and the establishment of direct contacts with leading businesses in the Borough

To achieve this we need to keep in regular touch with the manager of the Forum and to work with her to help build the Forum, participate actively in its event, and if appropriate take part in its management board.

We should also establish and keep in touch with major businesses in our area through press and PR activity, mailing of newsletters (need to establish a mailing list) and inviting key business leaders to our annual event.

b. Agreeing a strategy for broadening funding

This is linked with (a) above and again involves maximising positive press activity about the HCT's contribution to local community and voluntary groups and to networking as widely as possible with major businesses in our area.

c. Establishment of a comprehensive monitoring and evaluation programme

To achieve this we need to implement the recommendations from the consultant's report on the Trust's current monitoring and evaluation programme. This includes setting and

agreeing KPIs with organisations at the outset of funding and monitoring these in a timely way. We aim to send monitoring forms to organisations nine months after they first receive funding so that we can assess progress before making any second year funding. We also need to make changes to Benefactor to enable us to record agreed KPIs and to compare these to actual performance.

This programme also involves providing feedback to funded organisations on their monitoring and establishing a more comprehensive programme of visits. For larger projects the Trust uses external consultants.

During 2007 we plan to carry out an evaluation of the primary school small grant programme. This evaluation will be carried out by consultants. It could form part of the wider evaluation of the Trust.

It is important to make sure that monitoring is proportional and groups funded should benefit from the outcome of monitoring.

d. Develop a comprehensive set of performance indicators and prepare for a first overall review of the effectiveness of the Trust towards the end of the year 2006

This is linked with (b) above. The consultant has recommended a set of performance indicators and these will be agreed with organisations as appropriate with results recorded on Benefactor so that we can produce information on the numbers of beneficiaries from the Trust's funding, their ages, ethnicity and area.

The recommendations in the monitoring and evaluation report prepared by Melanie Griffiths suggested introducing a rolling programme to manage the implementation of this work during the first part of 2007. With this in mind brief reports of the Trust's funding categories will be produced for the board, the first being available for the March meeting. This will also help to highlight any areas where information might be lacking – for example where monitoring has not been carried out early in the establishment of the Trust. It will also highlight to what extent the recommendations in the monitoring and evaluation report will inform the evaluation of the Trust as the additional monitoring and evaluation information recommended will only be available for a very limited number of projects by the time the evaluation takes place.

e. Resolving with BAA long term arrangements for the allowance that can be used to fund administration

Discussions initiated by the Chairman have been continued by the Director and regular meetings are in place so that this topic can be kept on the agenda with BAA (Heathrow) Ltd. BAA's view is that since the Trust has never allocated all of its funds it can continue to accumulate interest that can be used post 2009 to fund administration. It also says that it wishes the Trust to attract funding from other sources, but businesses are not likely to provide funding which in effect administers the BAA fund. . An assurance from BAA that our administrative funding is secure at current levels beyond 2009 would enable us to diversify our activity in line with our objectives. It is also vital to enable us to plan effectively post April 2009.

f. Increase the number of good quality applications for funding from local community and voluntary groups the Trust receives

To achieve this aim we need to continue to work with capacity building bodies, HAVS (Hillingdon Association of Voluntary Services) and colleagues at LBH (London Borough of Hillingdon), to be clearer with local community groups over our expectations on grant applications. We will also need to keep in touch with councillors for our wards, for example by sending them newsletters and other information and offering meetings to talk about funding possibilities. At the same time we need to get a message over that the Trust aims to be user-friendly, transparent, and willing to give advice and guidance to the groups it works with. This is to combat the apparent perception that applying to the Trust is complicated, that applications are unlikely to be funded and that we are over-zealous in monitoring the grants we have made.

We will also continue to attend events (e.g. HAVS' Funders' Fair) and network at community and voluntary sector events. The appointment of a new Director at HAVS should also mark an important turning point in the development of the community and voluntary sector in Hillingdon.

To measure our effectiveness in increasing the number of good quality applications we receive, we will measure the number of funding applications for funding from local community and voluntary groups that are received on a quarterly and/or annual basis; and compare them with the same quarter for the same period in the previous year.

We will also monitor reasons for rejection of applications and use this to help improve the quality of applications in the future.

g. Consider what further capacity building is needed for groups in the Trust's area

With both the Trust's capacity building projects due to end during 2007 (HAVS in June and Groundwork TV in October), the Board will need to consider whether further capacity building is needed, and what form that might take. With this in mind, the capacity building committee will need to consider how the two projects should be evaluated, and what needs remain so that it can be decided how to target any future capacity building projects.

h. Considering whether any very large project should be funded

We would need to identify a large project for funding (this could be in conjunction with LBH, Groundwork, or funders such as Big Lottery) and then give consideration as to whether the project fitted with our objectives, how it would be managed and the long term benefits.

i. Arranging new accommodation

This needs to be within the Trust's area, ideally accessible by public transport and provide opportunities for storage of files and equipment and for meetings. The Trust's current offices were only ever intended to be temporary, and whilst the need for new accommodation is not pressing, it would be helpful to be settled as the Trust has had three addresses during its period of establishment. One option might be to try to find space in a community building.

j. Ensure effective governance

The board agreed in October 2005 that at the end of 2007 three of the founder trustees would retire and new trustees would be appointed to bring the number of “ordinary” trustees up 11, to serve to the end of 2010. In the event, two of the founder trustees (Kelly Dundavan and Steve Hodgkinson) have already retired so this plan has virtually been fulfilled. Three new Trustees were appointed to the Board in February 2006 and in November 2006, the board agreed to appoint Linda Thomas, pro vice-chancellor of Brunel University to join the Trustees. This means that the Trust has benefited from new thought and additional skills as part of its effective governance policy.

The board also agreed in October 2005 that the Chairman should have a 5 year term. The timetable envisaged the Chairman retiring in the second half of 2007; bearing in mind that some of the founding trustees have now retired, the aim should be to have the new Chairman identified not later than the 2008 annual event. To this end a small appointments sub-committee chaired by Douglas Mills should meet to identify what the possibilities are for the appointment of a new Chairman, whether this should be an internal or external appointment, and to fix a timetable for the transition.

To ensure good governance and that the Trust has the skills it needs on its Board we should analyse what skills might be valuable before recruiting new trustees and ensure that they are properly inducted into the Trust’s work.

k. Continue to implement communications strategy, particularly in relation to the press and funding community

The Board agreed the Trust’s communications strategy in July 2006. We need to continue to implement this with a view to raising our profile further to encourage appropriate grant applications, be viewed as playing an effective role in benefiting the community in our area.

The key actions to achieve our strategy are as follows:

- Continue with programme of regular contact with local papers, giving information on forthcoming deadlines for funding applications and on the Board’s decisions on funding
- Take part in events within the funding community (e.g. London Funders and Association of Charitable Foundations)
- Promoting the outcomes and benefits of projects we have funded
- Improving the website so that communicates our values and successes better

l. Carrying out a full evaluation of the Trust’s work to date

This should take place toward the end of 2007 and be carried out by external consultants. In advance the Trustees will need to agree clear parameters for the evaluation.

The Trust wants to be viewed as a top quality grant-making body that is making a real difference to the community that it serves. An independent survey of local voluntary and community groups, schools, HAVS and other key stakeholders locally to determine to

what extent the Trust is viewed in this light and any improvements that should be made could be part of this evaluation to enable the Trust to move towards this goal.

m. Improve grant assessment procedures

Currently grant assessments are carried out partly by the Trust staff with considerable input from Trustees at meetings. We have started to provide more background information on applications (e.g. info on previous applications, outcome from monitoring, etc) and to highlight how applications fit with our objectives. We should also think about how we might handle applications from high-risk groups which are likely to be the ones most likely to bring greatest benefit, but which we may have concerns about funding.

Through working with and talking to other funders we could continue to strengthen our assessment procedures so that these are viewed as fair.

We have also started to give feedback to groups where applications have been rejected. This has helped them to understand better what the Trust is looking for in funding applications and is viewed positively by groups in general.

10. Grant guidelines and special funding initiatives

To date the Trust has offered small grants to primary schools in its area in 2005/6 and 2006/7 provided they

- represent value for money
- contribute to the Trust's funding objectives
- are additional to statutory education provision

Grant guidelines for 2007/8 have now been agreed which increase the small grants threshold to £7500 and which make special arrangements for organisations that have lost PCT funding.

11. Executive summary

- In its first four years the Trust has established a sound mechanism for making grants, however this could be improved by assessing grant applications more closely against the Trust's objectives and by continuing to build capacity amongst voluntary and community groups in the Trust's area. Improved management information should also help the Trust to develop the effectiveness of its grant making.
- There still seems to be a perception that we don't fund 'risky' projects. The Trust may need to be more bold in its grant-making (now that our monitoring and evaluation procedures are more established we can perhaps afford to do this) as part of our message to voluntary and community groups and other stakeholders that we genuinely are prepared to take risks.
- We need to develop our communications to continue to improve public perception of the Trust.

- Two longer term issues are what the Trust should do at the end of the fifteen years and whether it should seek to part-fund one single large project as a legacy.
- The Trust has developed adequate resources to deliver its strategy since becoming self-funding in April 2006, but will need to ensure that it continues to have adequate resources.

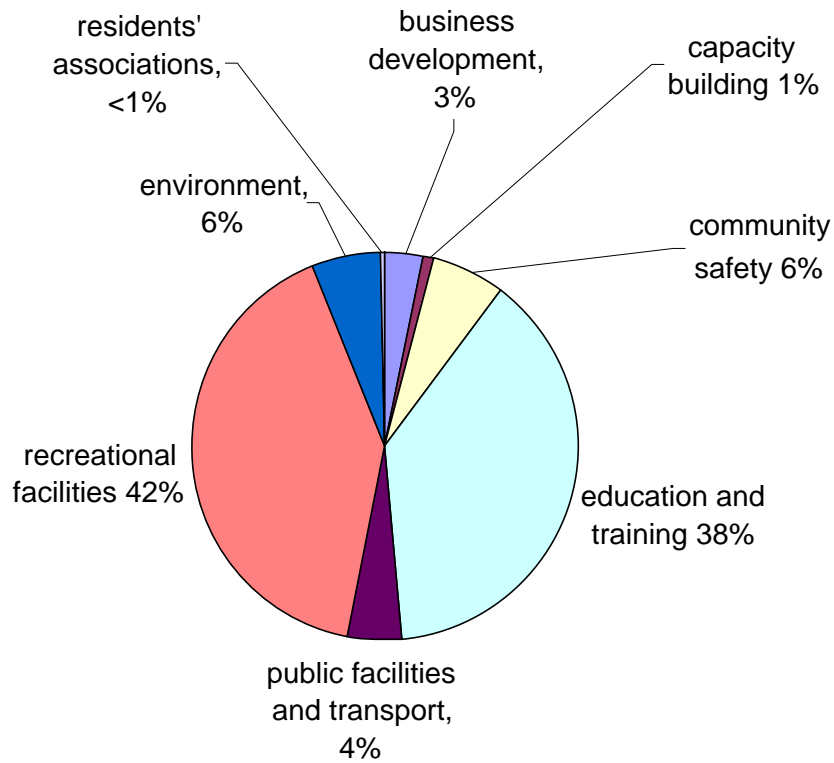
12. 2007/8 priorities

Priorities for the year ahead are to aim for the Trust to be viewed as a top quality grant-making body that is making a real different to the community it serves by:

- continuing to improve assessment, grant monitoring and evaluation and management information
- preparing for the full evaluation of the Trust's activities at the end of 2007
- begin preparing a smooth transition to the new Chairmanship
- continuing to build capacity (through some means to be decided)
- building closer relationships with business to broaden our funding base
- continuing to improve our communications with voluntary and community groups, other funders and local stakeholders
- securing our arrangement on the administration budget with BAA

APPENDIX 1

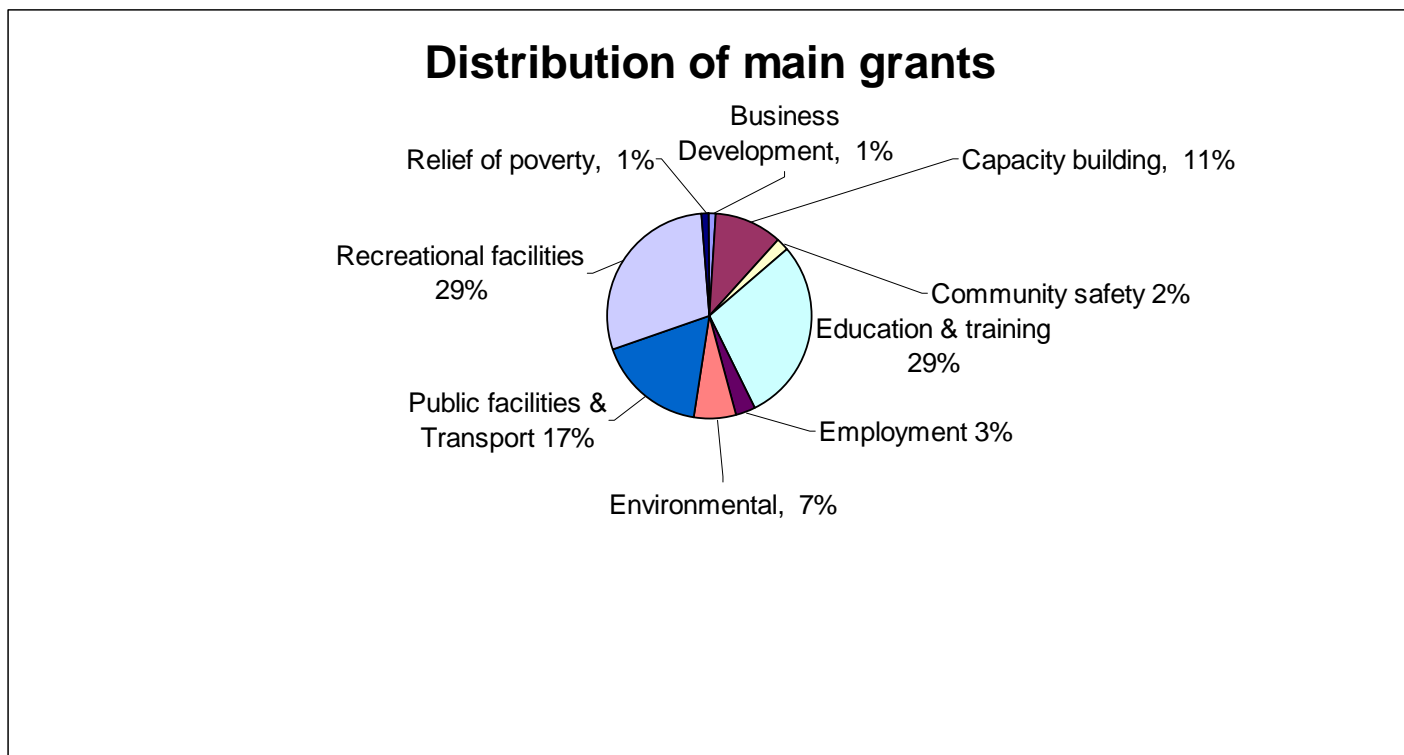
Distribution of small grants



Distribution of small grant funds

Funding category	Amount awarded £
Residents' Associations	800
Relief of poverty	0
Business development	11,400
Community safety	30,382
Employment generation	0
Environmental improvements	33,334
Capacity building	2,400
Public facilities and transport	14,860
Education and training	143,262
Recreational facilities	139,718
TOTAL	376,156

APPENDIX 2



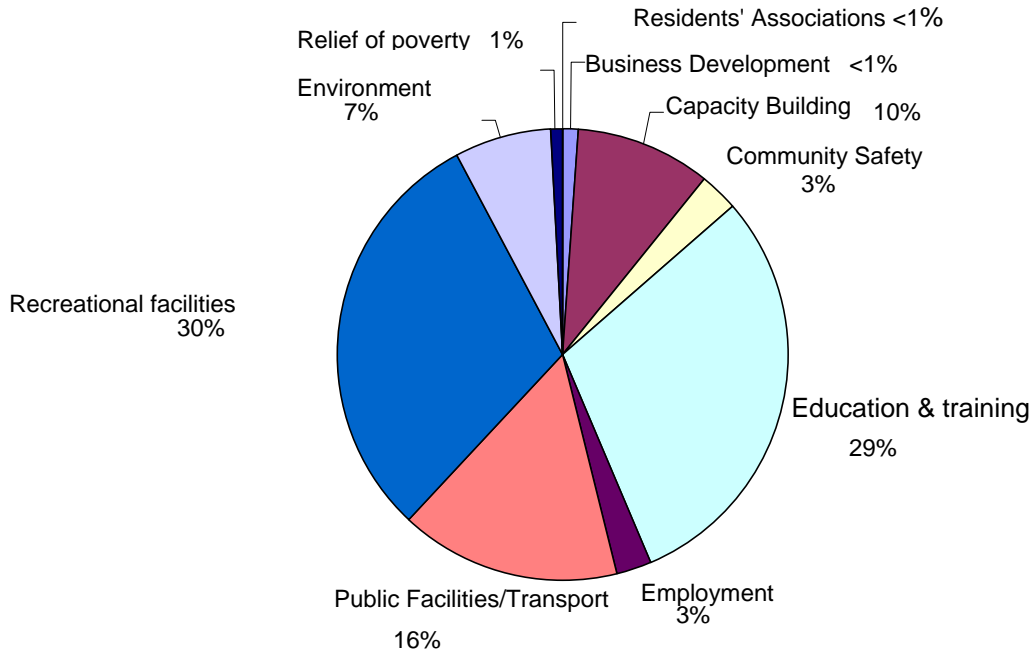
Distribution of funds

Funding category	Amount awarded £
Residents' Associations	0
Relief of poverty	31,068
Business development	31,125
Community safety	60,956
Employment generation	93,422
Environmental improvements	205,903
Capacity building	337,314
Public facilities and transport	529,724
Education and training	901,238
Recreational facilities	919,244
TOTAL	

	3,109,994
--	------------------

APPENDIX 3

Distribution of funds 2003 - November 2006



Distribution of funds

Funding category	Amount awarded £
Residents' Associations	800
Relief of poverty	31,068
Business development	42,525
Community safety	91,338
Employment generation	93,422
Environmental improvements	239,237
Capacity building	339,714
Public facilities and transport	544,584
Education and training	1,044,501
Recreational facilities	1,058,963
TOTAL	3,486,152

