

DRAFT STRATEGIC PLAN 2009/12

1) Introduction

This draft document updates the strategic plan for 2006/10 agreed by the board at the beginning of 2006.

The paper sets out:

- background and achievements to date
- 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
- a range of issues for continuing discussion and decision by the Board
- specific aims and targets for the year ahead and the areas where the Trust wishes to continue to make progress and improve (e.g. in relation to quality, communications, awareness of needs of local community)

Once the Board has considered and approved the document, which is intended to remain in place until spring 2010, it will be amended and referred to as a measure of progress.

The plan aims to be an operational document to enable the Trust to identify responsibilities clearly and to allocate resources to ensure that the plan is achieved as effectively as possible.

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, and also including two nominees of the London Borough of Hillingdon and one of BAA.

Whilst under its constitution the Trust may operate throughout the whole of the London Borough of Hillingdon in practice its catchment area in the past has been 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 has in the past been low, the southern part of the Borough experiences significant deprivation under any test and the current recession is likely to increase unemployment and deprivation in the Trust's area.

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The Borough has a large number of voluntary organisations although many are Borough wide, rather than focussed in the Trust's area.

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 appears to remain the case. Certainly the pattern of funding from the National Lottery, appeal-based funders such as BBC Children in Need, and regional trusts such as City Bridge Trust, suggests that this is still a problem, although the situation is likely to have improved as a result of the Trust's capacity building projects. 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, and City Bridge has targeted Hillingdon in the light of this.

3) The 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.
- Prioritise projects that encourage social cohesion and integration
- Increase the flow of grant money from national and regional sources both by part-funding projects and by helping voluntary organisations obtain external funding.
- Working with business to pursue opportunities for volunteering by employees to help the development of voluntary and community organisations in our area. This will be through working with Hillingdon Business Forum and HAVS.
- Work in partnership with others where appropriate.

Within this strategy some other principles have been developed –

- Concentrating on projects rather than core funding (although a review of the Trust's policy on core funding following the evaluation of the Trust led to clarification of the policy on full cost recovery and revised guidelines on circumstances where the Trust will consider core funding for groups in its area and what it might expect to achieve from such 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

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vary grant amounts and conditions in the light of circumstances. The evaluation of the Trust indicates that these principles are recognised and valued by local groups who generally find the Trust accessible and approachable, and prefer to apply to the Trust for funding than to other local small funders, such as Grassroots Grants.

- 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 delivered by

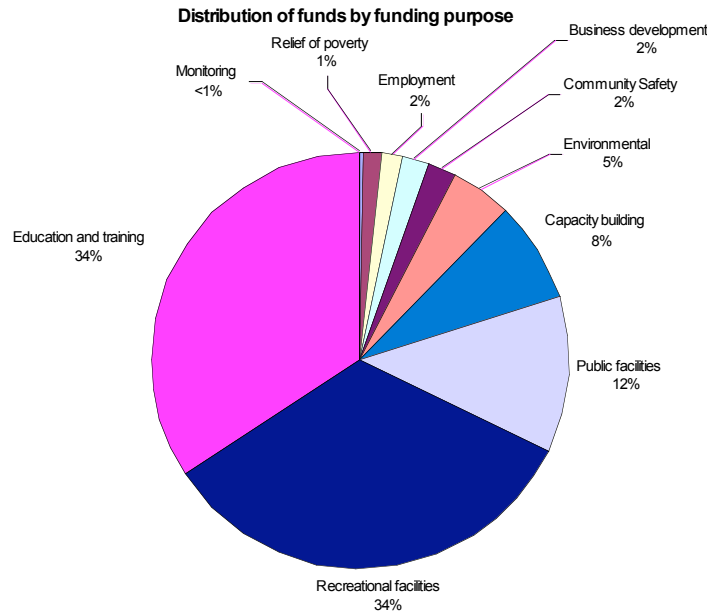
- Operating the grant programme according to established policies so as to have maximum impact and generally to meet the objectives of the Trust.
- Funding a community development project designed to help increase the capacity of voluntary bodies to operate effectively and to obtain funding from external sources.
- Working with Hillingdon Business Forum and HAVS to identify and pursue opportunities for volunteering by employees to help the development of voluntary and community organisations in our area. Where opportunities arise, the Trust will work with businesses to help them with their community objectives by managing and part funding specific projects. Working with business to pursue opportunities for
- A comprehensive programme of monitoring and evaluating grants so as to be able to draw on the experience to improve performance of the Trust and of local groups.
- Raising the Trust's profile to local community and voluntary groups and the general public so as to improve the flow of grant applications and to ensure a positive profile for the Trust.
- Working with other funders and stakeholders to help ensure that grants can be used to their maximum effectiveness

6) Achievements so far

- a) Allocation of funds

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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 sixth year and so far has allocated grants of around £5m (to end February 2009). The chart below shows how funds have been distributed so far although it is important to remember that in many cases projects have a 'dual purpose' and could for example be categorized as recreational or educational.



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 independent evaluation of the Trust demonstrated this.

The Trust is young in comparison with many similar organisations, although it is approaching the mid-point of the current gift from BAA (Heathrow) Ltd. Its distinguishing factors are the size of the fund to be distributed and the small geographical area it covers.

b) Monitoring

In 2006, the Trust commissioned a consultant to advise on its current procedures and how to develop these with a view to the full evaluation of the Trust's performance in 2008. The recommendations of the consultant were well-received and have been implemented where appropriate and continue to be developed to reflect best practice and proportionality.

c) Other sources of funding

The Trust has attracted very little funding from business, although realistically little resource has been allocated to developing additional funding sources. The evaluation of the Trust highlighted some of the issues for Trusts in raising business funding, and in particular the difficulty of persuading business of the need to give additional funding to the Trust when their contribution might look insignificant alongside BAA's annual £1m. At the same time, it is

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recognised that many companies' CSR policies have changed and now centre not on giving money to local communities but on, for example, volunteering.

d) Capacity Building

So far the Trust has approved grants of around £368,000 for organisational development since its inception. There have been two projects with HAVS (the first was cancelled and replaced by a HAVS new and small groups project) and two with Groundwork Thames Valley. The current GTV project is due to end in October 2009 and the Trust will need to decide what if any programme of development is appropriate to replace that project.

7) Resources and staffing

A study of other trusts carried out in 2005 showed 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% until the end of 2010 and discussions are in place on the most appropriate way of putting that arrangement in place on a long term basis. The Trust's budgeted expenditure on administering the gift from BAA was £132,000 in 2007/8 (although this included extraordinary expenditure of £24,400 on monitoring and evaluation that would normally be included in the grant budget). Unrestricted funds at the end of February 2009 are in the region of £406,000, made up of bank interest of funds held on deposit. However, it is clear that the Trust will not be in a position to build unrestricted funds at the rate it has been in the past due to the sharp fall in interest rates that is likely to last for some time.

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. This level of staffing is appropriate for the current level of activity.

The Trust operates from an office in Barra Hall, a Surestart Children's Centre and a community building in Hayes. These offices are very suitable for the Trust as they are accessible, reasonable value and provide meeting space and office facilities where needed.

The Trustees have a greater involvement than is the case in many 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 due to his knowledge of the area and his contacts with a wide range of groups and individuals.

8) Review of Strategy

One of the recommendations from the evaluation was that the Trust should carry out a strategy review. This review took place in September 2008 and there was consensus that the

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Trust should be more proactive and more strategic to improve quality of life within the community. To a large extent, in its first years the Trust has reacted to the applications it receives (and indeed these arguably reflect need in its area). It now has the opportunity of considering the role it could play in influencing groups to design programmes that meet its objectives and that more clearly reflect the demographics of its area.

With this in mind, the evaluation of the Trust recommended that the Trust should consider establishing two new initiatives: one for young people and another on community cohesion/integration in the light of the changing needs in the borough. There was no strong support for establishing an initiative aimed at young people, as a large proportion of the Trust's expenditure is aimed at young people, but subsequently the Trustees have decided to consider an initiative aimed at increasing participation in sport and physical activity by residents in the Trust's area in the run up to the London Olympics 2012. There is a high incidence of heart disease, poor diet and obesity in the Trust's area and one of the objectives of such an initiative would be to improve health and well-being. It might also bring benefits in terms of community cohesion. These potential initiatives will be considered by the Trustees at the May 2009 Board meeting. Similarly, the Trustees will be considering a strategy to recognise and develop more clearly the role of the Trust in promoting social cohesion within its area. Once the Board has considered these two initiatives the strategic plan will be updated to reflect them.

The Trust also reviewed its funding strategy in relation to core costs and this is set out in grant guidelines for 2009/2010.

9) Challenges for the future

There are three long term issues where the Trusts needs to consider its strategy.

a) *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 between £40,000 and £60,000, depending on returns, which could be paid annually in grants compared with the current figure of £1million.
- One way of continuing the Trust's work beyond 2018 would be to limit grant giving after 2016 to small grants of up to £10,000 only. This would enable the area to continue to benefit beyond 2018 but consideration will need to be given to this in 2010 to take account of 3 year grant cycles.

It may still be too early to address this issue now, but the Trust undertook to do so at around this time and before the halfway point is reached in BAA funding in 2010/11.

b) Seeking other sources of funds

The consultants who carried out the evaluation of the Trust and who were asked specifically to consider this point reached the following conclusions:

'On the issue of the Trust's sustainability, we have put forward and assessed three options:

1. *To continue doing what it has always done and accept that funding will end.*
2. *To work in partnership with the business sector.*
3. *To open up negotiations with BAA (Heathrow) Ltd to create an endowment fund from existing income or promote the creation of a Challenge Fund, which would generate funds for investment in an endowment that would ensure future sustainability.*

*The information that we have drawn upon, which reflects current thinking within the Donor sector, seems to show, with few exceptions and qualifications, that it is difficult to persuade private companies to invest in community projects unless they can see that such an investment will bring tangible advantages to their organisation. Moreover, HCT has to counter the claim that it already commands a significant resource and that its *remit is restricted to just six wards in the south of the borough. This strategy on its own is unlikely to lead to sustainability. Some form of endowment needs to be built if the Trust is to continue beyond 2018.'*

When the Trust considered the evaluation report it concluded that it was not appropriate to enter into discussions about (3) above, but if the Trust is to seriously seek funds from other sources, it will need to be able to counter not only the potential claim that it already has a large sum of money to distribute but also that it has over £400,000 in unrestricted funds.

c) One large project?

Some thought has been given by the Trust to whether it should 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.

The view has always been taken that 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.

¹ **NOTE: The evaluators have misrepresented the position here – the Trust's memorandum and articles enable it to distribute funds over the whole of the Borough. It is the deed of gift that limits distributing the BAA fund beyond the southern 6 wards.**

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Whether the Trust should find one large project is likely to be very much a matter of what presents itself at the time, what funds are available, and what local needs are.

d) The Recession

As already indicated, the economic recession is bound to put pressure on the local community as unemployment increases, and people have to contend with loss of housing and problems with debt. Economic pressures tend to increase community tensions so imaginative projects that aim to improve community cohesion will become increasingly important.

Many funders have already reduced their funding programmes as returns on investments fall and this will have an impact on groups in the Trust's area and in turn will have an impact on funding applications and requirements from the Trust. At the same time, the Trust's own returns on its investments have already fallen sharply.

It is unclear how long the recession will last, so it is important to keep all these elements under review in the months ahead.

10) Operational priorities and aims for 2009/10

a) Capacity building

There is a continuing need for organisational development for the voluntary and community sector in the Trust's area, and a number of groups have derived real benefit from the projects funded by the Trust. The Trust will continue to fund business development for groups, and will be reviewing the most effective way of doing these funds for consultancy targeted to the specific needs of the group and aimed at helping to strengthen those groups.

We will also include a new resources section on the Trust's website so that when the current project ends, groups in the Trust's area will still be able to benefit from the knowledge that has been built up over the last four years and that the Trust has invested in heavily.

The Trust also needs to review how we work with HAVS so that we can get a better understanding of what they see as their role in capacity-building and training to minimise duplication and use resources in the best possible way to strengthen the voluntary and community sector.

b) Continue to develop grant-making and evaluation practice

The Trust has developed its grant-making practice since its establishment, and the evaluation of the Trust indicates that these practices are appropriate to the size and style of the organisation.

One area of assessment that could be developed is to ask groups we fund for better evidence of their achievements and also to get better information by eliciting information on how grants have helped to improve the lives of beneficiaries/changed the environment/improved safety etc. These larger projects should be encouraged and financially supported to produce much more rigorous evidence of outcomes. By making such a stipulation, this would help the organisation to enter into a more rigorous *self-evaluation* process, from which both the organisation and the Trust benefit not just in regard to the currently funded project, but also in relation to the long-term sustainability of the voluntary organisation.

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At the same time, we have had some success in working with groups on measuring 'soft outcomes' and this should be extended in the future.

c) Improve profile of Trust's giving

The Board approved a communications strategy in 2009 and this needs to be implemented.

However, the loss of the Hillingdon Times and the changes at the Gazette are going to make it more difficult to get our message across through the local press.

Now that the newsletter has developed, we could make more use of it as a communications tool. Copies are already sent to local libraries in the area and we will look at sending it to doctors' surgeries and other places people wait to be seen?

Promote any new initiatives approved by the Board

New initiatives, such as those on sport and community cohesion will need to be promoted to groups in the Trust's area and to be explained clearly to ensure that they meet the Trust's objectives.

Ensure smooth recruitment of Trustees/new chairs of sub-committees

New Trustees are due to be recruited in summer 2010. The Trust wishes to ensure that the Board adequately reflects the Trust's area, and is keen to attract Trustees from the BME community. It also wishes to have an appropriate mix of skills and knowledge to help it function effectively. The Trust will need to ensure that new Trustees are inducted and trained appropriately.

New chairs of sub-committees will be appointed in 2010 and there will need to be a smooth transition.

Relationship with BAA

The Trust has had a good relationship with BAA in the past although in recent years there has been limited participation in the work of the Trust. With the appointment of a new BAA representative to the Board, the Trust has the opportunity of creating a closer working relationship with the BAA and resolving uncertainty over funding of administrative costs. Once this is resolved, the Trust will also have an opportunity of considering whether it wishes to continue to amass unrestricted funds at the level it has in the past or whether these should be distributed.

² Soft outcomes could include, for example, thinking skills such as improved problem-solving abilities, personal attributes such as improved self-confidence, or practical work-focused skills, such as a better appreciation of the importance of timekeeping in the workplace. Hard outcomes refer to, for example, qualifications, employment. Soft outcomes are intended to lead to hard outcomes.

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Continuing areas for Trust progress/activity

Priority	Current position	Action for future
Establishment of a comprehensive monitoring and evaluation programme	<p>Consultant's report from October 2006 now implemented.</p> <p>Outputs and outcomes agreed for each grant at grant offer stage. Three monthly reviews of grants as appropriate.</p> <p>Monitoring against outputs and outcomes.</p> <p>2nd and 3rd year outputs and outcomes updated.</p> <p>Increased number of visits to projects..</p> <p>Feedback being given to groups</p> <p>Training in monitoring and evaluation and setting outcomes provides by GTV as part of programme</p> <p>Monitoring reports for main grants improving quality of information available to Trust and helping groups to think about what they have achieved.</p>	<p>Need to continue to improve how set outcomes and recognise what groups have achieved.</p> <p>Greater recognition of soft outcomes and training/resource for groups in 'soft outcomes.'</p>
Develop comprehensive set of performance indicators and prepare for a first overall review of the effectiveness of the Trust. (linked with above)	<p>Performance indicators recommended by consultant implemented along with indicators put forward by groups.</p> <p>Internal evaluations prepared on all of the Trust's funding areas.</p> <p>Evaluation completed</p>	<p>Need to continue to develop performance indicators and ensure these are understood by groups we fund.</p>
Resolving with BAA long term arrangements for the allowance that can be used to fund administration	<p>Continued discussions with BAA. Unrestricted reserves built to a level that gives a degree of stability to Trust, but if administrative funding arrangements could be resolved, these funds could be used for grant making (or endowment?)</p>	<p>Need to continue discussions with BAA as the 12% arrangement is due to finish in March 2010 to find most appropriate way of dealing with long term amendment to deed of gift</p>
Increase the number of good quality applications for funding from local community and voluntary groups the Trust receives	<p>In 2007/8 the Trust received 99 applications and funded 68 projects (a success rate of 68%). This is the highest funding success rate ever, which indicates that the quality of grant applications is improving. Also the Trust approved a record level of grants in 2007/8 – £1,12m which indicates improved quality of grant applications.</p>	<p>Need to continue to improve the quality of grant applications through continued contact with local groups and via capacity building. As pressure on funds increases, there will be a need to strengthen assessment procedures further and link these more closely to the Trust's strategy.</p>

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Priority	Current position	Action for future
Consider what further capacity building is needed for groups in the Trust's area	The GTV project is due to end in October, and the Trust needs to decide what if any organisational development should be in place in the future.	Assess appropriateness of organisational development programme and any gaps and decide how to manage in future – e.g. 'in house' through a small team of external consultants.
Considering whether any very large project should be funded	No further progress. Still a matter for consideration for the board and depends on suitability of the project, other priorities for funding.	Keep under review.
Arranging new accommodation	Completed – licence taken for 3 years on office at Barra Hall which provides accommodation that suits our needs very well.	Check with Management Committee future plans
Ensure effective governance	Following agreed selection procedures; new trustees and a new chairman were appointed in January 2008 and have been given formal induction into the Trust. Trustees will need to be recruited to fill vacancies for summer 2009 and a procedure has been agreed. Deputy Chairman to be appointed summer 2009 and chairs of sub-committees 2010.	Need to bear in mind what skills the Trust will need for Board of Trustees and carry out training and induction. Try to widen representation of BME community on Board Continue to review governance.
Continue to implement communications strategy particularly in relation to the press and funding community	Website improved and updated with info on grants, background info and case studies; press info issued to local press to promote projects funded; continued participation in ACF and London Funders; improved newsletter and revamped annual review, e newsletter, attendance at networking events, regular information to local councillors, attendance at local forum meetings, eg crime summit, Street Champions. Revised communications strategy improved and	Need to continue to build relationships with local press and other opinion formers and to review and formalise our communications strategy. Promote any new initiatives.

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	implemented.	
Active participation in the Hillingdon Business Forum and the establishment of direct contacts with leading businesses in the Borough.	Continued participation on HBF, sponsorship of Coca Cola competition, distribution of newsletter to HBF members on regular basis. Progress of HBF slower than anticipated. Also change in way companies deal with CSR – more centralised	Need to identify suitable projects that fit with the corporate social responsibilities of local companies. Also consider recommendations from evaluation.
Agree a strategy for broadening funding	Application in hand for Grassroots Grants funding which would enable HCT to make small grants (up to £5,000) across the Borough to small groups rejected.	Need to consider recommendations from evaluation and implement as appropriate via updated strategy.
Carrying out a full evaluation of the Trust's work to date	Completed	Next step is to learn from it and adjust our strategy accordingly
Improve grant assessment procedures	Additional information provided to committees and board on previous applications and outcomes from grants. Increased number of meetings with organisations	Need to continue to improve grant assessment procedures in light of increased applications and improved quality. Need to continue link more closely funding decisions to Trust's

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	<p>applying for funding to discuss funding application. Feedback now provided to unsuccessful applications on reasons for rejection. Revised grant guidelines issued. Improved monitoring reports help to improve grant assessment procedures.</p>	<p>strategy and objectives and about more strategic use of funds.</p>
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