

Inspiring Scotland

Investor Report May 2008



Foreword

Welcome to the first 14:19 Fund Investor Report. We are excited about the energy and enthusiasm which the 14:19 Fund has created in the charitable sector across Scotland, and delighted to report that we have attracted an excellent group of charities which we firmly believe have enormous potential to deliver the aims of the 14:19 Fund.

As well as being impressive organisations in their own right, these charities are also led by some exceptional people who are as committed as we are to achieving landscape change and improving the lives of Scotland's most vulnerable people.

The 14:19 Fund Baseline Report set out the key issues for 14 to 19 year olds who were struggling to make a successful transition from school to the next stage of their lives which our work should seek to address in order to deliver maximum benefit. This has proved a valuable guide for the charities that have developed outline proposals, and will continue to set the direction for our due diligence in identifying a final portfolio to take forward all our ambitions.

This report provides an overview of the outline proposals we have received for the 14:19 Fund, along with an analysis of the organisations whose proposals have gained them a place in the final stage of development and assessment before decisions on the make-up of the final portfolio are made.

I hope you share my enthusiasm for the balance we have achieved within the group of charities that have just started developing full proposals, and our confidence that we are extremely well placed to achieve a final portfolio that will deliver real and lasting change for the 14 to 19 year olds which this work is targeting.



Andrew Muirhead
Chief Executive



Overview of stage 1 – outline proposals

Inspiring Scotland's 14:19 Fund was launched at the end of January 2008. Over 300 charities working with young people in Scotland made initial enquiries and 178 followed up with an outline proposal to the 14:19 Fund.

During April the Performance Advisors undertook a period of assessment of outline proposals concentrating on three areas:

- Organisational capacity and ambition.
- Willingness to engage in venture philanthropy.
- Ability to impact on the theme through service delivery.

The outline proposals were assessed and 53 were chosen to progress to our Expert Group whose role was to advise on the proposed service delivery and potential impact on young people aged 14 to 19 who are neither learning nor working or at risk of this. After due consideration 44 outlines were then identified to progress to the Inspiring Scotland Steering Group. Those chosen were felt to offer the greatest potential to the 14:19 Fund and were recommended to progress to Stage 2 of the proposal process. The Steering Group supported the recommendation and agreed that all 44 outlines should progress to the next stage for detailed consideration.

14

Large Organisations

13

Medium Organisations

17

Small Organisations

Overview of the 44 organisations

Of the large organisations, many are well known children's charities with proven track records of delivery, for example Barnardo's, Children 1st and NCH Scotland.

The medium organisations are principally successful and innovative Scottish charities, for example Edinburgh Cyrenians and Impact Arts Projects.

The small organisations, each with less than 20 employees and a turnover of less than £1 million, have great potential to grow and scale, for example Fallin Community Enterprises and Galloway Training.



Risk

We have apportioned a risk rating to each organisation of high, medium or low. This is based on our assessment of the organisation's ability to deliver, capacity to grow, amount of funding applied for and innovation. The high risk category includes innovative and new delivery models, very small organisations and those organisations seeking significant investment.

28 organisations are rated as low risk, 10 as medium risk and 6 as high risk.

14 to 19 age group

The 44 organisations provide a healthy balance of those proposing to work across the whole 14 to 19 age range of young people who are neither learning nor working, or who are at risk of falling into this category when they leave school, and those who will work with one section of this age group.

22
organisations wish to work with the full **14-19** age range

12
organisations have a focus on **14-16** year olds

10
organisations have a focus on **16-19** year olds

Geographical coverage

There is good coverage of organisations across all eight hot spot areas, as shown on the map opposite.

The number in brackets after the name of the local authorities is the number of organisations that are involved within that area.

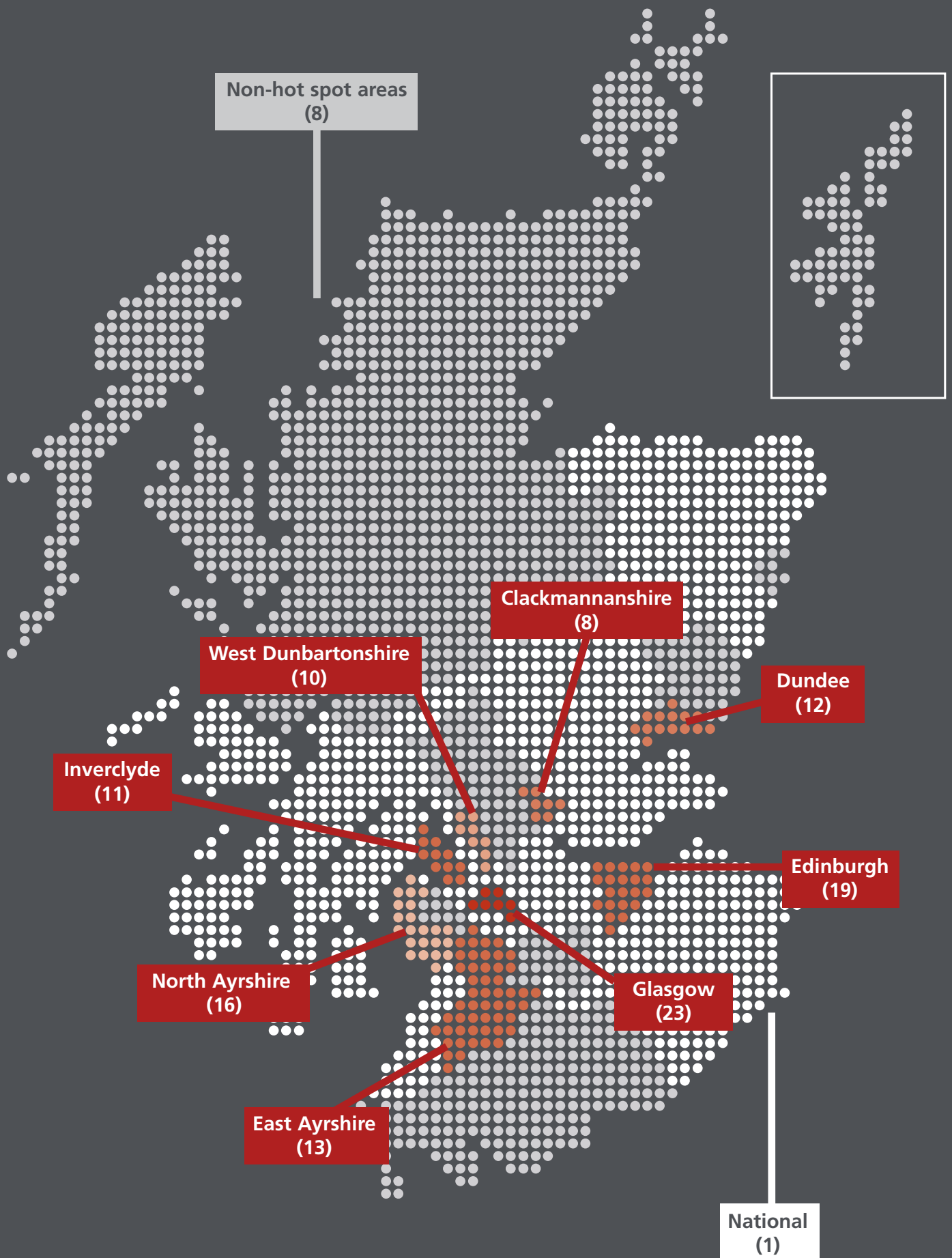
Additionally, analysis of the number of areas each organisation is proposing to work in shows good balance between those who will concentrate their delivery in one geographic area, at least initially, and those who will work across wider areas. Typically the larger organisations are proposing to work in multiple hot spots. The eight organisations which propose to work exclusively in non-hot spot areas are typically smaller, local charities which have the scope to expand or replicate services elsewhere. The non-hot spot areas represented are:

- Renfrewshire
- Highlands
- Aberdeen
- Stirlingshire
- Angus
- Dumfries and Galloway
- South Lanarkshire

No. of areas covered by individual organisations

Number of areas covered by individual organisations	Number of organisations
National	1
4+ hot spot areas	14
2-3 hot spot areas	8
1 hot spot area	13
Non-hot spot areas	8





Level of investment sought by charities

The total investment requested by the 44 organisations is £130 million. The range of investment sought per organisation is from £172,000 to £12 million.

Investment periods range from two years to 10 years, with the average being seven years.

Sustainability planning beyond the period of investment is evident in proposals. A number of organisations propose to develop social enterprises through the period of investment with a view to generating additional income streams and becoming self sustaining. Others aim to develop compelling evidence of their impact with a view to their services becoming mainstreamed over time.

Use of natural assets, and focus on cultural or leisure activities

A wide range of innovative services are proposed which harness Scotland's natural, cultural and sporting assets. There are 12 organisations who propose to use Scotland's natural assets as an element of their service delivery, for example Get Hooked on Fishing, Murton Wildlife Trust and Ocean Youth Trust. There are five organisations with significant arts based elements of their service delivery, for example Impact Arts Projects and Station House Media Unit, and six who have sport and leisure within their proposals, for example Street League and The Venture Trust.

Types of delivery

A wide range of approaches are proposed to support at risk young people aged 14 to 19. There are several organisations who propose to deliver activities in schools, for example the Prince's Trust and Skill Force. Some organisations are proposing to deliver activities out of school hours, including the Tulloch Trust and Showcase the Street. In addition there are organisations who propose to deliver 'get ready for work' schemes, including the Youth Build model, and many others who will focus on employability skills. Other types of activities include provision of advice, guidance and information, services aimed at the most excluded young people and activities that address groups with specific needs.

Across all 44 organisations there is a wide range of anticipated outcomes, both soft and hard, and representation of each stage of the pathway from building basic skills through to formal qualifications, eventually leading to employment.



Organisations invited to develop full proposals

We firmly believe that there is enormous potential to deliver the aims of the 14:19 Fund through the organisations which we have invited to develop full proposals. Within them there are ambitious social entrepreneurs who are willing to learn

and engage, innovative models of delivery which can be scaled and replicated, and the potential for synergy and value adding partnerships. The organisations that will be working with us to develop full proposals are:

- Aberdeen Foyer
- Access to Industry Ltd
- Autism Initiatives UK
- Barnardo's
- Callander Youth Project
- Calman Trust Ltd
- Children 1st
- Columba 1400
- East Ayrshire Carers Centre
- Edinburgh Cyrenian Trust
- Enable Scotland
- Fairbridge in Scotland
- Fallin Community Enterprises (Recyke-a-Bike)
- Friends of the Award in Edinburgh & Lothian
- Family Action in Rogerfield & Easterhouse
- Galloway Training Ltd
- Get Hooked on Fishing
- Hot Chocolate Trust
- Impact Arts Projects
- Kibble Education & Care Centre
- Move On
- Murton Wildlife Trust
- NCH Scotland
- Ocean Youth Trust Scotland
- Parklea Association Branching Out Ltd
- Project Scotland
- Rathbone
- Rural and Urban Training Scheme
- Shaw Trust
- Showcase the Street
- Station House Media Unit
- Skill Force Development
- Street League
- The Bambury
- The Prince's Trust Scotland
- The Rock Trust
- The Venture Trust
- Tomorrow's People
- Tulloch Trust
- Unity Enterprises
- Wise Group
- Wiston Lodge
- Yipworld.com
- YMCA Glasgow

Stage 2 - development of full proposals

The Fund opens for the development of full proposals on 26th May 2008, with the deadline for completed full proposals being 25th July 2008. The aim is to ensure that the final portfolio will deliver the significant landscape change sought by the 14:19 Fund.

To do this there will be high levels of engagement between Performance Advisors and organisations, including their Board Members and Senior Executives, through to the staff involved in hands-on service delivery.

During this period the Performance Advisor team will undertake a period of due diligence, concentrating on:

- Testing the potential outcomes in the key areas identified in the baseline report.
- Assessing the current capacity of the short listed charities.
- Considering the potential for growth, collaboration and sustainability.

An experienced panel of Capacity Building Consultants has been convened and they will support the work of the Performance Advisors during this phase. Their role will be to provide specific support to organisations as they develop their full proposals, addressing any gaps or weaknesses and enabling each organisation to deliver a thorough and well thought out proposal.

After full proposals are received, organisations will be invited to present key elements of their proposals to the Inspiring Scotland team, offering additional insight into their potential to become part of the final portfolio for the 14:19 Fund.

During August there will be a consolidated period of assessment of full proposals, led by the Performance Advisor team with support from the wider Inspiring Scotland team. The outcomes of this assessment will be shared with the Expert Group in September 2008, and the decisions made will then be shared with the Steering Group of Inspiring Scotland on 24th September 2008. The final decision on which charities are included in the 14:19 Fund portfolio will be taken by the Board of Lloyds TSB Foundation for Scotland at a Special Board Meeting on 30th October 2008.

We look forward to being able to report the organisations that will make up the 14:19 Fund portfolio in early November.

Key staff delivering Inspiring Scotland's 14:19 Fund

Andrew Muirhead, *Chief Executive of Inspiring Scotland and Lloyds TSB Foundation for Scotland*

David Hardie, *Head of Venture Philanthropy*

Janice Reilly, *Head of Investor Relations*

Helen Chambers, *Head of Policy and Government Relations*

Catriona Henderson, *Head of Communications*

Celia Tennant, *Lead Performance Advisor*

Steve Falla, *Executive Assistant*

All staff can be contacted at our office on 0870 428 1982, and more information about them is available on our website, www.inspiringscotland.org.uk.





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