



## Inspiring Scotland

**Invest in the future** **For real  
and lasting  
change.**

Inspiring Scotland is an operating name of Lloyds TSB Foundation for Scotland  
Registered Office: Lloyds TSB Foundation for Scotland, Riverside House, 502 Gorgie Road, Edinburgh EH11 3AF  
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A Member of the Scottish Grant Making Trusts Group, A Member of the Association of Charitable Foundations [www.inspiringscotland.org.uk](http://www.inspiringscotland.org.uk)

## Who we are.

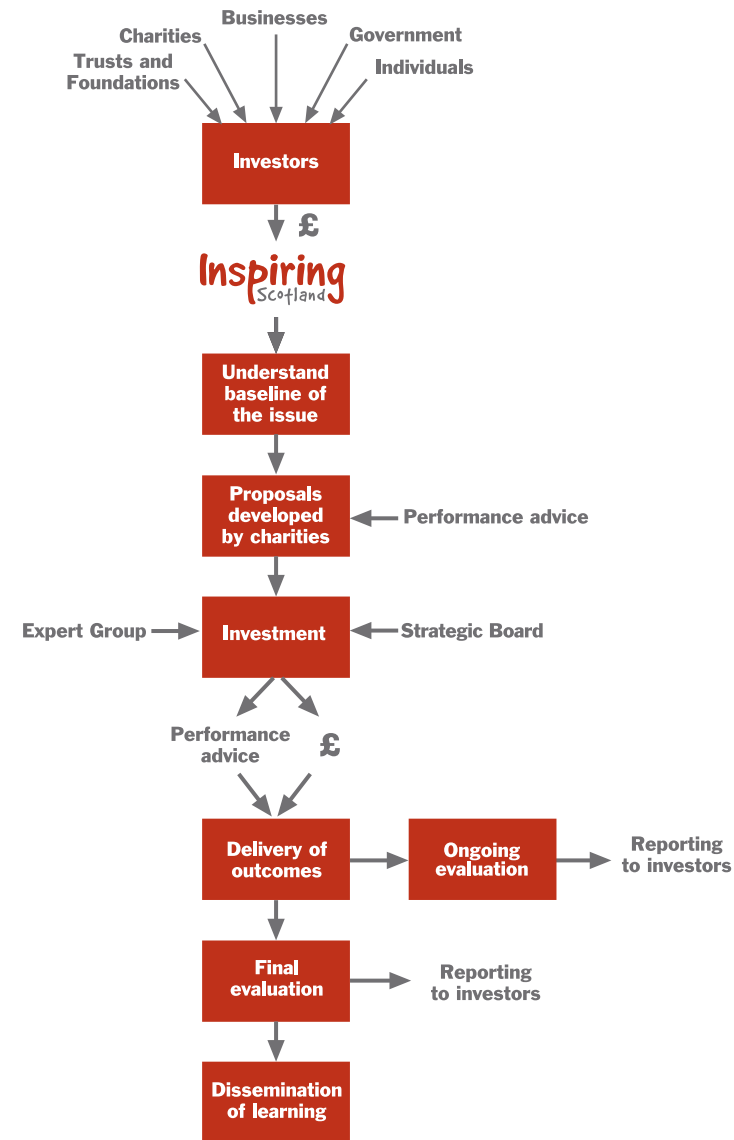
Inspiring Scotland is an exciting new way of using money and skills to improve the lives of Scotland's most vulnerable people.

It will work by:

- Changing people's lives for the better through significant long term funding and development support for Scotland's charities.
- Attracting money from a range of investors, all driven by a desire for social change.
- Using robust evaluation to let us know what is working so everyone involved can build on success and improve results.

The first challenge that we have chosen to tackle is the significant number of young people who struggle to make a successful transition into adulthood, and as a result end up in a situation where they are neither in work nor learning. We anticipate that funding will be delivered over a 7-10 year period, with a total of £70-100 million being invested in charities over this time. The diagram on the right illustrates how this will work in practice.

### The Process.



## What we do.

Inspiring Scotland is a ground breaking new opportunity to tackle key challenges facing Scotland and its people.

There is lots of great work being delivered across Scotland but it isn't having the impact needed so it is time to tackle social issues in a different way. There is a real need for greater cohesion and, through this, higher impact. Inspiring Scotland draws on experience in Australia, the USA and Europe to develop a new model of venture philanthropy tailored to Scotland which aims to:

- Deploy investment provided by strategic partners to maximum effect.
- Tackle key social issues in Scotland in a logical and thoughtful way, achieving positive and long-lasting social impact.
- Offer concerted and sustained support to voluntary organisations capable of addressing these issues.
- Attract new money to the voluntary sector, by effectively evidencing need and then delivering clear social benefits.
- Develop learning through rigorous evaluation, sharing successes and failures openly with stakeholders and the wider voluntary sector.



## What is venture philanthropy?

**Venture philanthropy is an approach to charitable giving that applies venture capital principles, such as long-term investment and tailored development support, to the voluntary sector.**

This is a relatively new approach to addressing social issues, which brings new money into the voluntary sector and follows the principles of:

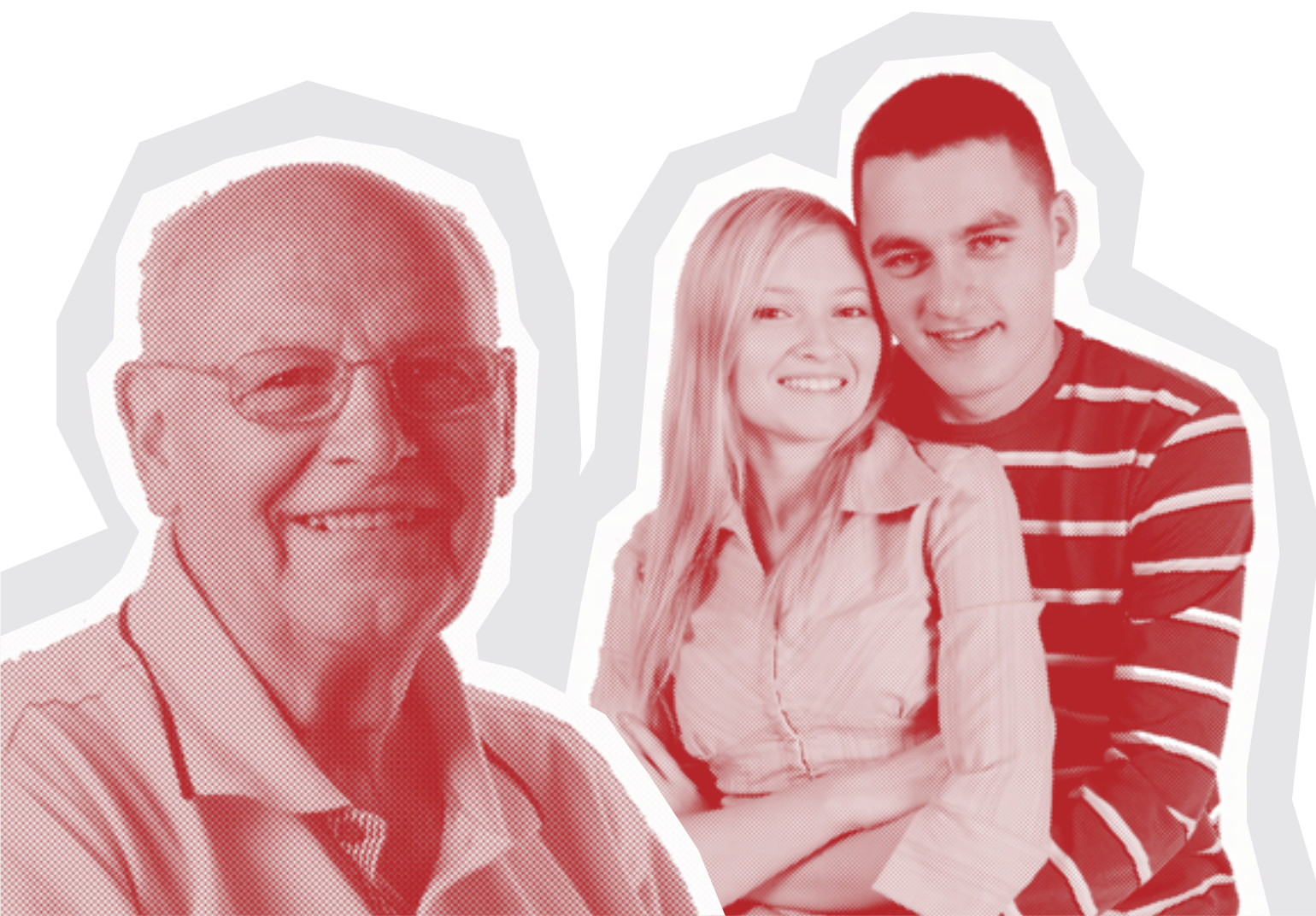
- High engagement – we will actively participate in helping organisations to succeed.
- Long term sustained support and investment, both financial and non-financial.
- Funding the general operations (core costs) of voluntary organisations as well as delivery of their services.
- Organisational capacity building, including funding charities to grow the scale of their operations.
- Defining clear, measurable social benefits.
- Rigorous evaluation and performance measurement.
- Holding organisations accountable for results and reward success.
- Sharing successes and failures openly.

## What else will Inspiring Scotland bring?

**As well as following these principles, Inspiring Scotland has a different approach to other venture philanthropy organisations.**

The most significant difference is that it has grown from within the voluntary sector, led by an experienced and respected grant making trust; all other models of venture philanthropy have been developed outside the sector. Inspiring Scotland is unique in other ways:

- All the work will be around particular themes - we are tackling issues to change the social landscape. Work will be funded around these issues as opposed to funding work regardless of its focus.
- Each issue will be independently examined, giving a clear starting point of need and a picture of what is currently being delivered and where the gaps are. This allows us to strategically manage the portfolio of organisations we support.
- Our investors include government, giving a direct link between our work and future policy development.
- There is an open process for charities to develop proposals.
- As well as working to develop the capacity of organisations we invest in, capacity building will also take place during proposal development. This will support the development of a wider range of charities and also means we'll understand which of the charities are best placed to fully engage with the venture philanthropy approach as opposed to traditional grant making. This means we can be sure we're backing the right organisations and can have confidence in their delivery.
- The relationship with charities will be about collaborating and working with them, promoting their ownership of their work. We have high expectations of what can and will be delivered, but won't be taking control out of their hands.
- High quality evaluation has been built in from the start, working with Evaluation Support Scotland and using their expert advice. From the time funding is committed we will be measuring the individual and collective delivery of the charities funded.
- The length of investment in each charity will be 5-10 years. This is much longer than most other traditional philanthropy models and will allow significant, strategic work to be delivered.
- An 'Expert Group' will be set up for each issue to be tackled. Drawn from a range of backgrounds but all recognised as experts in their own areas, the strength of this group is their impartiality and breadth and depth of knowledge.
- We are close to government policy but not driven by it – we recognise that more can be achieved by working towards the same overall aim than funding work with no links to other initiatives.
- By building links with local authorities we'll also ensure maximum benefits at a local level.
- From day one we will actively plan with funded charities for the period beyond our investment, working to develop their sustainability. We want the relationship to be inter-dependent rather than co-dependent or dependent. A measure of our success is how well the charities continue to deliver once our support is over, and we will help organisations to achieve financial self-sufficiency as an "exit strategy".
- Inspiring Scotland will develop and grow as well – we'll be applying the same principles to ourselves as we are to the charities we back. It is as important for us to learn as it is for anyone else.



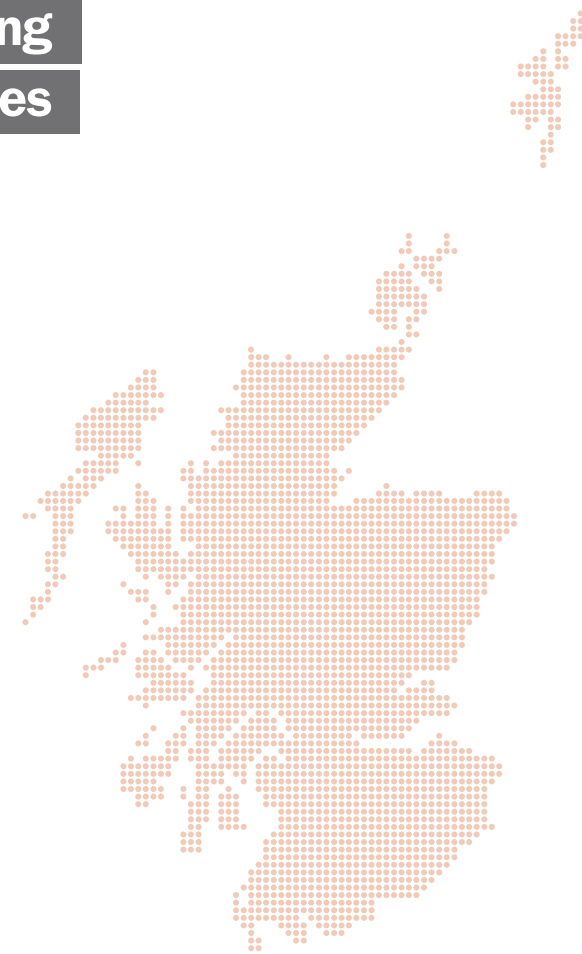
## What does this mean for Scotland's charities?

**There are 23,000 charities working in Scotland, providing vital services for people across the country.**

We and our partners have in-depth knowledge of the voluntary sector and the challenges facing these charities, which are typically small, local organisations. A significant challenge that has a huge impact on their work is the way in which funding is delivered at present. This is typically short term – often for no more than a year at a time – and leads to problems such as:

- Inability to plan beyond the available funding, leading to difficulty in delivering strategic work.
- Too much bureaucracy, which decreases the time charities have to deliver their services.
- Funding is often for projects or capital, rather than to sustain the core business of the charities.

Inspiring Scotland seeks to address these challenges with long-term funding, delivered in parallel to organisational development.



## Who is involved?

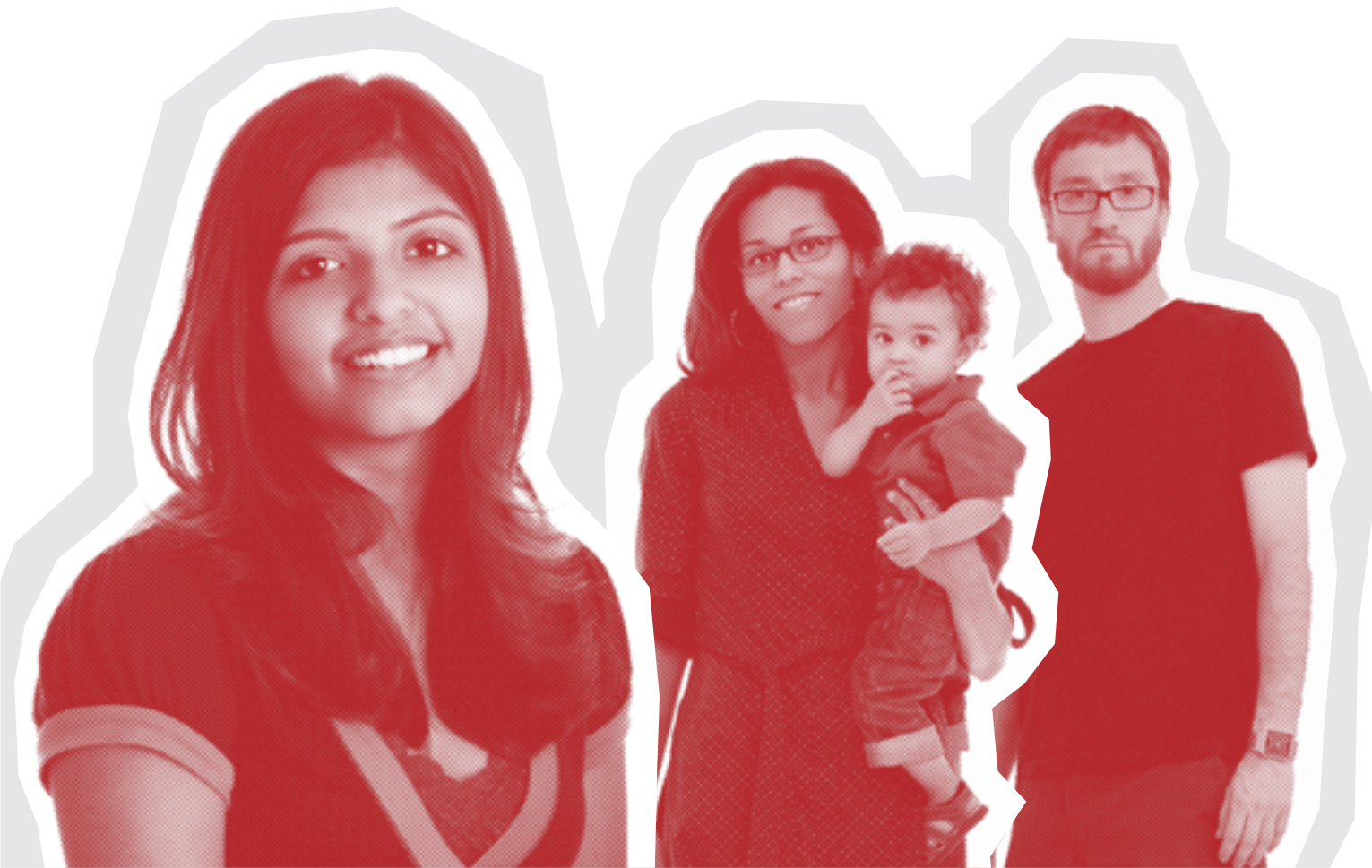
**A growing range of investors are backing Inspiring Scotland.**

As you would expect, there are some well known philanthropists; there are also individual investors who are getting involved in philanthropy for the first time. As well as Lloyds TSB Foundation for Scotland, other grantmaking trusts and foundations are investing. The Scottish Government is also a committed partner. We are working to engage businesses with a particular affinity for our work, and the charities we are funding will also be investing in their own work.

## Sharing what we learn.

**As well as providing regular reports for investors, we are committed to sharing what we learn as widely as possible.**

We'll be reporting progress against the outcomes we agree with each charity we fund, and any significant changes taking place within the charities themselves. We'll also be sharing what we learn about addressing strategic social issues and the impact this is having on people in communities across Scotland.



**Get in touch**  
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