R L Glasspool Charity Trust Development Strategy

2013 – 2018

Glasspool
Charity Trust

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R L Glasspool Charity Trust
Agreed 30/8/2013

Foreword

For many years we have been steadily increasing the grants we make with our primary objective being to ensure that the increase exceeds that in the Retail Prices Index. In 2011 we achieved a notable, long held objective of exceeding £1,000,000 in grant spending and over the 18 year period.

Since 1995 we have increased our spending on grants from £230,500 to £1,073,650 an increase of 8.9% pa. The corresponding increase in RPI over this period has been 2.9% pa so we have been very successful in meeting our primary objective. Moreover we have more than maintained the real value of the assets of the Trust over this period with the total assets growing from £6,035,00 in 1995 to £32,431,789 in 2013 an annual increase of 9.8%.

We are fortunate in being an endowed charity and as such can take a long-term view of our investments and grant spending with both of these, together with the costs of running the Trust, to a large extent within our control.

Overall, the financial position of the Trust remains strong and the Trust continues to be run both effectively and efficiently. We do however wish to do more, both with our own resources and together with partners who share our aims of helping individuals in need.

We wish to significantly increase the help we give both by increasing the total value of the grants we make and by increasing the impact and effectiveness of these grants in terms of the individual outcomes that result from these grants. Our strategic intent over the next 5 year period is to increase our grant spend to well above £1,500,000 pa (reaching this target by 2015/16) and, having established an effectiveness or impact measure, to double this over the period.

Following the 2012 Strategy Away Day we reconsidered and agreed our Mission (that defines what we do), our Vision (of our future) and our Values (that shape our actions) and established a Strategic Business Plan Working Group which was tasked with drawing up a 5 year Development Strategy to take the Trust forward to meet the above-mentioned strategic intent with the goals and action plans set out in the rest of this document.

Introduction

The R L Glasspool Charity Trust was set up in 1939 with an endowment of properties and investments from Mr. Richard Louveteau Glasspool, a wealthy Hertfordshire businessman and philanthropist who died in 1949 at the age of 65. He decided that to set up his own charity would be a more cost-effective use of his money, both by saving income tax and in saving the amount of his donations spent by other charities on administration and fundraising.
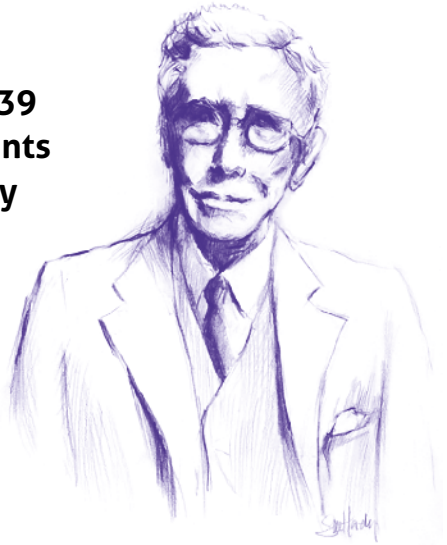
The Trust is one of the few national charities making grants to individuals which has no restrictions on the type of beneficiary. Applications have to be made by an eligible agency on behalf of an individual.

The charity is an endowed Trust, which in 2013 is run by eight Trustees and administered by six staff (five full-time equivalents). Income is derived from our various assets, partly rents from residential properties managed by an estate agent, partly yield from various investment funds and some grant funds managed for two City livery companies. We acknowledge the support of the Worshipful Company of Mercers' and Worshipful Company of Goldsmiths' and are grateful for their continuing support.

The Board is supported by three Sub-Committees, on finance (FSC), grants (GSC) and human resources (HRSC), to discuss issues and make recommendations to the full Board. These Sub-Committees each have a Chair and Deputy Chair and at least two other trustees and are supported by the Chief Executive Officer (CEO) as secretary.

The Trust received 7,237 applications in the year 2012/3. It is not possible for the Trustees to look at each application individually. Our aim is always to meet need as quickly as possible. To this end, the Trustees have delegated grant making powers to staff. The Trustees consider criteria for grant making at regular intervals and staff take decisions within these criteria, referring grants outside their discretion to the Trustees where appropriate.

Trustees review grant making policies regularly to keep them in line with changing circumstances in society, particularly changes in statutory policies/funding. Every effort is made to ensure that charitable funds do not replace any available statutory funds. Grants to any one individual/family rarely exceed £750 and the average grant in 2012/13 was around £236. Grants may be as low as £50 or (extremely rarely) as high as £5,000.

The Trustees believe that making large numbers of small grants complies with the intentions of the Trust's founder and with the stated aims of the Trust and is a valuable resource for people in need.

The **Charitable Objectives** of the Trust are embodied in the following three clauses:

1. The aims of the Trust are : "The relief of persons who are
    - in need, hardship or distress;, or
    - who are sick, convalescent, disabled or infirm"

2. The Trustees may relieve such persons by:
    - making grants of money to them; or
    - providing or paying for goods, services or facilities for them; or
    - making grants of money to other persons or bodies who provide goods, services or facilities to those eligible for assistance.

3. All grants are made at the discretion of the Trustees. The Trustees must not commit themselves to repeating any grant made under this clause.

The Trust is registered with the Charity Commission as a national charity (England, Scotland, Wales and Northern Ireland) [Charity Reg No 214648]. The original Trust Deed was amended in 1998 to accommodate necessary investment requirements becoming a Scheme provided by the Charity Commission and further amended in 2007 to update the administrative procedures in the Scheme.

What we do

We provide timely, life-enhancing support to people in need; short-term involvement for long-term impact.

Our ambition

Our vision is of a society where people in need receive sufficient support to overcome hardship.

Our values

CARING – we care about people

We will actively promote our grants to organisations that work with those in need.

We will look to find solutions to the issues that our beneficiaries face by making appropriate referrals to complementary services and grant-makers.

FAIRNESS – we treat people as individuals

We will continue to make grants to people in the UK, based upon an assessment of their needs, without restriction.

COLLABORATION – we work with others to provide better support to people

We will use our experience to help others better understand the needs of the people we assist. We will work to provide better and more co-ordinated responses to those in material need across the UK.

INNOVATION – we find better ways of helping people

We will learn from our dialogue with others and strive to improve what we do. We will start by using technology to simplify our grant-making, allowing it to be more responsive and reducing costs to ourselves and referral partners.

EFFECTIVENESS – we are focussed on impact and performance driven

We will look to ensure our grants can make a real difference to people's lives and will maximise the sums we are able to give away by keeping our overheads to a minimum. We will continue to ensure that we offer a simple process with a quick turn-around in decisions.

TRANSPARENCY – we are an open organisation

We will provide regular updates on our work and our grant making processes. We will communicate with our referral partners, and undertake an annual survey to assess how we are doing.

We will communicate data to our partners to improve their success rates and the efficiency of our grants.

Why change?

Due to the generosity and fortitude of our founder and the prudent governance and good stewardship of generations of Trustees, we are in the fortunate position of being able to fund our core operating costs without reliance on external funds. The majority of the grants made to our beneficiaries are funded from the income derived from the endowed funds the Trust holds.

The Trustees are committed to the founding principles of our founder to enable people to overcome immediate financial hardship through the provision of accessible small grants that provide practical support at times of acute need.

We wish to ensure that our funds are used to their optimum effect given the economic outlook going forward. The most immediate change to the external environment over the next five years is likely to be the effect of welfare reform upon our beneficiary group. Over 80% of grant recipients are in receipt of welfare funding, with large numbers likely to be adversely affected by the planned welfare reforms as they are rolled out over the coming years.

In addition we recognise the wealth of knowledge and experience of the staff and Trustees. We are keen to ensure that this can continue to be fully utilised both in our grant administration operation and on a strategic level in terms of our ability to influence policy and develop the Trust going forward at a time of rapid change.

 The challenge we face is to continue to provide a quality, timely and responsive grant programme at a time of increasing demand from beneficiaries and reduced support from other sources. This strategy is our response to that challenge.

What will RLG look like in 2018?

- A campaigning organisation that will use its knowledge to highlight the challenges faced by its beneficiaries; working with other grant-makers to develop solutions and influencing policy makers regarding the needs of those in poverty in the UK.
- An organisation focussed on developing innovative ways of delivering greater impact
- An efficient organisation that provides over £1.5m in grants whilst ensuring that its systems and grant processes are accessible, transparent and cost-effective for both the Trust and its referral partners.
- An outward facing organisation with a clear understanding of the needs and challenges faced by its beneficiaries and referral partners with the ability to demonstrate how its grants assist with these.
- A learning organisation that will continue to develop its knowledge, scale and range of grants and influence whilst ensuring that it remains true to its values and utilises the experience gathered over the last 75 years.

How we will change - Strategic Aims

Our strategic intent is to increase the impact of our activities by increasing the size of our grant budget and finding new ways of enhancing the value of our grants. We will seek opportunities to multiply the impact of individual donations so that beneficiaries receive a more holistic package of support.

We will also grow the number of cases we can support by increasing the size of our grant budget year on year. We will increase our grant budget from £1.1m/year to at least £1.5m/year by March 2016.

These goals will be enabled by major improvements to our governance processes, operational management and the introduction of intelligent technology. Development on these three fronts will help to create the space for our organisation to improve the effectiveness of our grants.

In making these changes we will ensure that we maintain the current services we provide to beneficiaries. The forward plan will protect our "base activities" and continue to make donations to individuals and families in need. The added impact that is the ambition of this strategy will come from two sources, namely

Growing our grant budget as described in the attached financial plan. This in itself will increase RL Glasspool's impact by some 35% over the plan period because we will be making more donations.

Changing some of our processes in order to enhance the value/impact of each individual grant. This will require developing some new approaches to grant giving that could lead to higher impact/£ donated.

In order to deliver these ambitious goals without endangering the level of service that RL Glasspool currently provides, we will improve our information systems and administrative processes. These efficiencies should create the space for the creative work needed to develop ways of improving the Trust's impact. An outline of the approach RL Glasspool will follow is given in the following tables.

IMPROVING GOVERNANCE

We shall develop a much simpler and more strategically focussed governance process.

The Trustee Board and its sub-committees will focus more on setting strategic direction, monitoring delivery of annual performance contracts and assuring compliance with strategy and public regulations.

Operational direction of all aspects of the Trust will be delegated to the organisation's CEO.

WE WILL ACHIEVE THIS BY

- Defining a set of reserved powers for the Trustees
- Establishing a clearer separation between Board and Executive functions
- Establishing a simpler and more focused Trustee Board governance, that relies much more on the Executive
- Enabling a more effectively empowered organisation with more operational control to the staff team
- Creating greater transparency between the person making operational decisions and those seeking assurance – clearer separation of roles & responsibilities
- Reducing overhead as %age of budget
- Simplifying administration reducing admin to ourselves and partners
- Improving use of technology & media

HOW

We will implement two major changes. First we will define the set of powers that are reserved to the Trustee Board. These will focus on strategic and compliance issues. Secondly we will systematically reduce the number of Board and sub-committee meetings in order to create more space for the CEO to manage the operations (administration, grant making and investments).

These changes will be introduced in a managed way over time and will be complete by the end of the review period.

DOUBLING OUR IMPACT

We believe that we can increase the impact of our individual grants. Applicants to our Trust generally suffer from a number of disadvantages and problems. Our aim is to help with a broader range of these issues in order to deliver a more effective, complete and sustainable outcome.

This we will achieve by facilitating and helping to deliver a more integrated package of assistance. This will likely entail collaboration with other agencies. We intend to multiply the effect of our cash contribution through collaborative efforts.

WE WILL ACHIEVE THIS TRANSFORMATION BY

- Adopting a more outcome centred approach to grants
- Doubling the impact of grants.
- Developing better intelligence regarding impact of grants
- Building better strategic relationships with delivery partners
- Improving and increasing the use of management information

HOW

We will develop a small network of strategic partners to collaborate on the design of quantitative impact measurements and work together to find approaches to achieve higher impact with fixed cost; i.e. create greater value in terms of outcomes while using the same input effort.

INCREASING ANNUAL GRANTS TO £1.5M

Grants will be increased from £1.1m/year to £1.5m/year by March 2016, by improving the yield on our investments. This will be delivered primarily by divesting of lower yielding property and replacing with higher income investments. As well as increasing revenue we shall control administrative costs in order to produce larger grant budget.

WE WILL ACHIEVE THIS BY

- Reviewing and re-balancing our investment portfolio to deliver a higher yield
- Increase efficiencies to maximise grant expenditure
- Increase funds raised and managed from external sources
- opportunistic approaches, e.g. one off payments or legacies

HOW

We will systematically divest the fund of its directly owned property portfolio. This will enhance the yield on the amount invested and also reduce our administrative effort and cost. Modelling shows that this is capable of delivering the desired outcome on grant budget.

We also deepen and extend our relationships with strategic partners that are willing to entrust some of their funds to be managed by the Trust.

INCREASING OPERATING EFFICIENCY

We will increase the efficiency of our grant making by keeping admin costs to less than 20% of total net income.

WE WILL ACHIEVE THIS BY

- Reducing overhead as percentage
- Simplifying administration reducing admin to ourselves and partners
- Improving use of technology & media
- Further development of the Trust's Quality Assurance processes

HOW

This will be partly delivered by systematically removing the burden of administering the Trust's directly owned property portfolio. Implementation of robust, intelligent web based applications will also control administrative costs as the number of applications increase in light of a growing grant budget.

IMPROVING COMMUNICATION; BECOMING MORE OPEN AND PROACTIVE

We shall focus on achieving greater transparency and develop a more engaging communication strategy in order to build a more prominent public awareness of the Trust and its activities. We shall also become more proactive in engaging with others in order to share best practice and to facilitate collaboration on policy and achieving greater impact.

WE WILL ACHIEVE THIS BY

- Communicating what we do in more effective ways
- Actively engage and influence in national policy which impacts on the services affecting our beneficiaries.
- Use management information to trial new ways of grant giving
- Use management information to better influence public policy
- Develop co-ordinated approaches to challenges through better partnership working
- Challenge ourselves and influence others to better meet needs of beneficiaries

HOW

We shall develop a broad based communications strategy encompassing regular reporting, raising greater awareness of the Trust's activities, demonstrating our impact and sharing our experiences with others. The strategy will also include approaches to partnering with others in order to influence public policies that affect our beneficiary community and the 3rd sector generally.
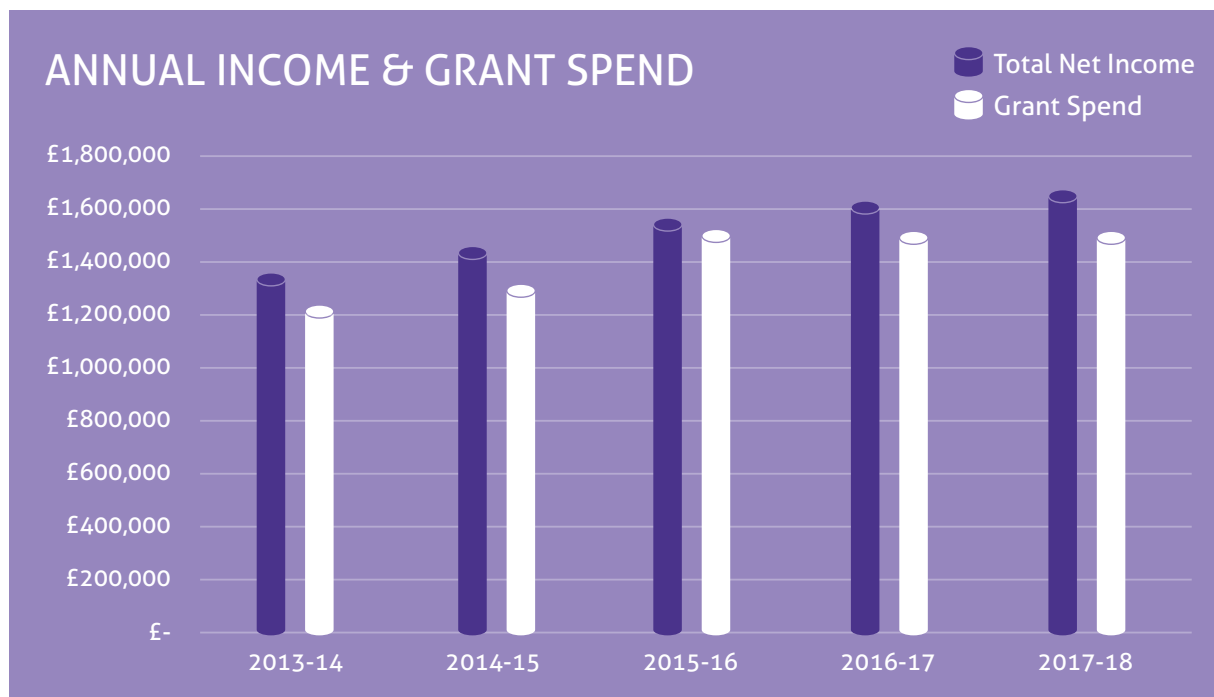
5 year financial plan (summary)

RL Glasspool earns revenues from four sources,

- Dividends from stock market investments
- Rent from directly owned properties
- Ground rent from a number of properties
- Donations from other charitable funds (currently Mercers and Goldsmiths)

The financial plan for this strategy makes the following assumptions

1. All Trust directly owned properties will be sold by March 2016
2. The proceeds of these sales will be re-invested into a variety of instruments (a mixture of investment funds and ground rents)
3. The net yield on properties waiting to be sold will be 3.9%
4. The average rate of capital growth of the investments will be 3% pa
5. The dividend yield from these investments will be 5%

Using the above assumptions the expected net income to the Trust and amounts available for grants are shown in the chart.

ANNUAL INCOME & GRANT SPEND

Legend: Total Net Income, Grant Spend

Chart showing years 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 with values ranging from £- to £1,800,000.

It is anticipated that the asset re-allocation that underpins this forecast will lead to a higher level of volatility in the income that will be earned, as the fund will be almost entirely invested in equity/bond based funds by 2017. The intention is to manage this volatility by creation of a "stabilisation reserve" that will be used to support an average annual increase of 4% in the grant budget once the asset re-allocation process is complete.

Measurements for success

MEASURE	PERFORMANCE INDICATOR
Develop methods for impact assessments	Quantitative impact measures defined – Q1 2015
Build collaborative approaches	Joint projects with 2 strategic partners by Sept 2014
Increase grants	Set the annual grants budget at £1.2m in 2013/14, £1.35m in 2014/15 and £1.5m in 2015/16
Increase annual funds donated by other trusts	£60,000/year by Q1 2015
Define Trustee Board Reserved Powers	Deliver agreed document by Q4 2013
Simplify Board & sub-committee process	Amend TB structure and timing in 2014 Review number and structure of TB Meetings in 2015
Fix administrative costs	Admin costs <20% of total net income on 3 year rolling average basis
Improving communications	Develop comprehensive communications strategy by end Q4 2013 Implement communications strategy by end Q4 2014
Web site/Electronic applications	Implement intelligent web based application process by end 3Q 2014
Skills based Trustee Board succession plan	Recruit 1 new Trustee per year (2013, 2014, 2015) 2 years in advance of planned departures
Develop Staff capacity and skills to deliver Strategy	Develop staff training & develop plan Qtr 3 2014 Implement staff training and development plan by Qtr 1 2015

2013-2015 strategic projects

The Strategic Plan implementation will centre around the development of 5 key projects that will ensure that the aims and objectives outlined above are delivered and that measures of success are achieved.

These are:

1 Developing a better and more rigorous **impact assessment framework**. This will involve developing

(i) a set out agreed outcome measures with referral agencies against which grant applications can be assessed and

(ii) a framework of performance data that can cost-effectively highlight the wider impact the Trust's grants make.

2 Developing **research pilots** that will both test the assumptions of this plan and increase the knowledge and the information the Trust receives regarding the needs of our beneficiaries and referral partner agencies. These will also test the presumptions and limitations of the impact assessment work and inform the development of these.

3 **Rebalancing our investment portfolio** to maximise the net return on assets and ensure we are able to provide £1.5m worth of grants by 2016. This will involve divesting the Trust of its property portfolio in a controlled fashion and reinvesting the proceeds in higher-yielding investments.

4 Improve the quality and responsiveness of our grant-making by improving our communications and developing **an on-line application process**. The development of a flexible on-line application process and database will reduce administrative functions, streamline grant-making and improve the quality of grant application received. It will provide better and more effective management and impact data to enable the Trust to respond to the evolving needs of our beneficiaries and referral partners.

5 **Developing the skills and knowledge of the organisation** to ensure that it can meet the challenges going forward and deliver the key performance measures outlined above. This will include implementing a well-defined Trustee succession strategy that will allow a seamless transition of responsibility to staff, whilst ensuring the operational and governance demands of the Trust continue to be met.

Risks to achieving plan – Mitigation plan

RISK	MITIGATION
HIGH IMPACT	
HIGH CONTROLLABILITY	
• Trustee succession	• Planned succession over next 5 years
• Lack of staff competence	• Training & Development Plan & Performance Review
• Lack of leadership competence	• Board review progress regularly & Performance Review
• Disruption to conventional grant operations	• GSC monitors impact of changes quarterly
MEDIUM CONTROLLABILITY	
• Loss of trustee grip through delegation/ governance changes	• Board reviews Development Plan progress at each meeting
• Poor investment returns>income target	• FSC monitors returns quarterly
• Departure of Chief Executive	• CE asked to give 6 month notice of resignation
• IT systems failure	• Back up all systems daily/ weekly
• Loss of "market position"	• GSC and Board review applications trends quarterly
• Drop in Trust's reputation/credibility	• Annual survey of referral agencies and complaints procedure
LOW CONTROLLABILITY	
• Loss of trustee expertise eg investment competence	• Trustee succession plan
• Achieving impact target	• Board reviews strategy implementation at each meeting
MEDIUM IMPACT	
HIGH CONTROLLABILITY	
• Harder staff recruitment	• Job descriptions/person specs/salary
MEDIUM CONTROLLABILITY	
• Reduced staff satisfaction/motivation	• Board offers staff access to meetings
• Harder trustee recruitment	• Whistleblowing procedure
• Implementation new IT system	• Trustee succession plan
	• Competitive tender/ risk assessment
LOW CONTROLLABILITY	
• Turnover of current staff	• HRSC/ Board monitoring of staff morale and motivation
• Loss of referral/delivery agencies "agency flight"	• Annual survey and quarterly GSC monitoring
• Higher admin requirement of outcomes model	• Ensure job descriptions are accurate and job content is reviewed regularly
LOW IMPACT	
HIGH CONTROLLABILITY	
• Lack of clarity on outcomes model	• Rigorous Board scrutiny
MEDIUM CONTROLLABILITY	
• Increased bureaucracy	• FSC/HRSC monitoring of admin costs
LOW CONTROLLABILITY	