



Inspiring Scotland:
A new model for engaged
Venture Philanthropy in
Scotland



Challenges

- Short-term funding to voluntary organisations.
- Lack of resources to build capacity.
- Perceptions of there being too many charities.
- A tendency for funds to focus on ‘bits of problems’ rather than meeting social issues head-on.
- The need for more collaboration amongst voluntary organisations.
- Too much ‘bureaucracy of funding’ resulting in more money being wasted.

- Discretionary funders (Trusts & Foundations)
 - Broad & shallow, short-term
- Some exceptions
 - BIG Lottery, Partnership Drugs Initiative
- Government funders (central & local)
 - Odd combo : hands off and short leash
- Venture Philanthropy

VP - so what's that then?

- New kid on the block: Harvard Business Review 1997
- Cash from technology boom and financial markets
- Business acumen into the social issue space
- External to voluntary sector, and *arrogant?*

Principles

- **Fund General Operations** (core costs) of non-profits (voluntary organisations) not programs.
- Help organisations to achieve **financial self-sufficiency** as an “exit strategy”
- Hold organisations **accountable** for results and reward success.
- Take **risks**.
- Fund organisations to **scale**.
- Actively participate in **helping organisations to succeed**.

Business Investors will:

- provide greater support for social development if they feel that there is a **“business-like approach”** with tangible returns.
- recognise the value of **building the capacity** of charities to deliver effectively.
- provide a positive force for **long-term support** of things which can clearly evidence success.
- be perhaps more inclined to engage with **fewer charities at meaningful levels**, than go for wide coverage.

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change.**

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Aim

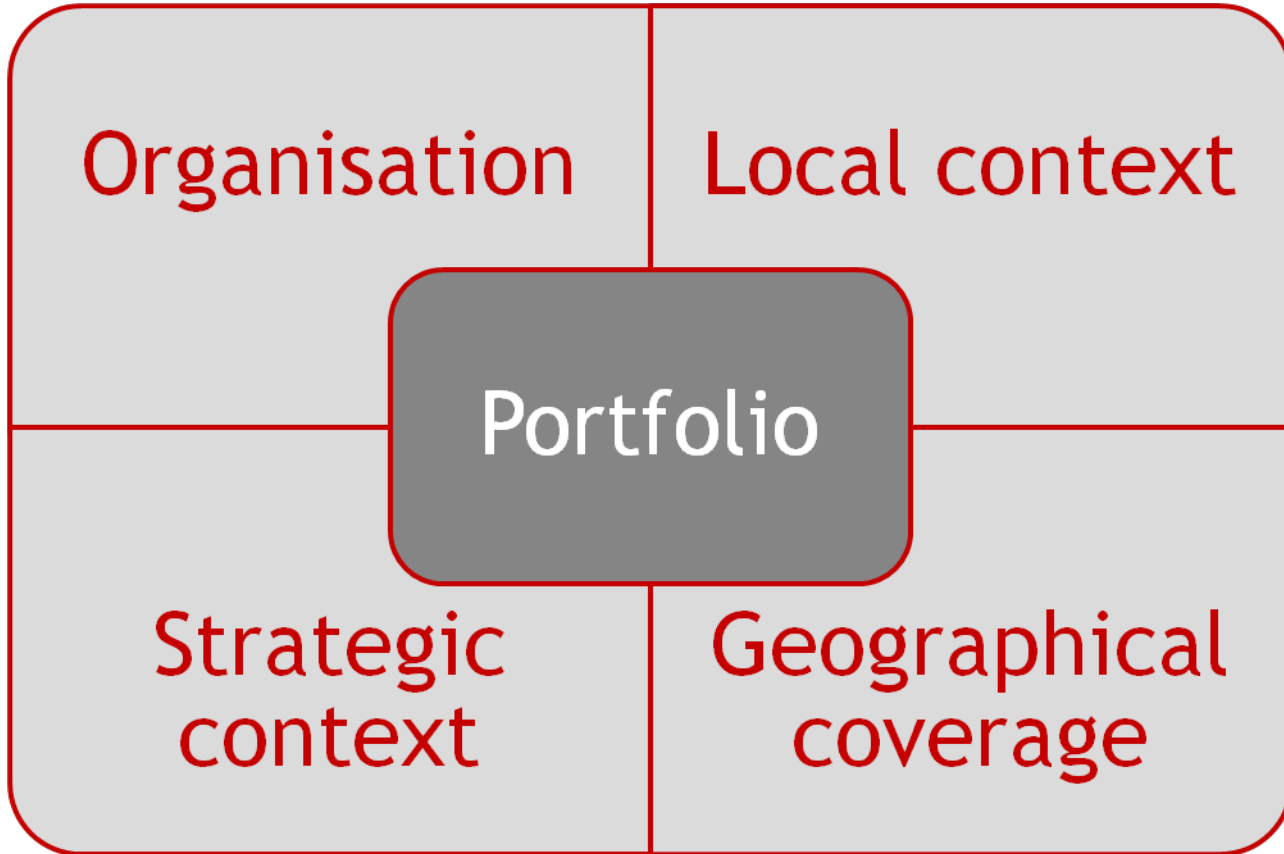
To create sustained change, through partnership and collaboration, by tackling tough social issues and achieving long-lasting positive impacts for disadvantaged people and communities in Scotland, and communities linked to Scotland

- Chose theme
- Research and Development (scope and outcomes)
- Building the funding
- Solution generation & assessment
- Capacity support
- Evaluation & dissemination

- Multi-sector funding
 - Govt, private, business, T&Fs
- Strategic focus
- Length of investment
 - 7-10 years
- Scale of investment
 - £7-10m p.a
- From within sector

14:19 Fund

- 32,000 14-19 year olds who struggle to make a successful post-school transition
- Focused on 8 hot-spots and investing in 18 LAs

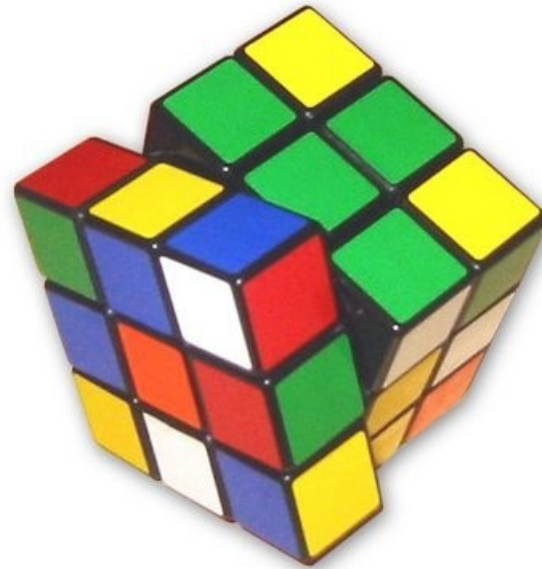


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Portfolio mapping

- Social impact
- Young people
- Interventions
- Risk
- Size/Volume
- Potential to grow
- Pathway coverage
- Learning
- Geographical coverage
- Scotland's assets
- Affordability
- "Fit"
- Future sustainability

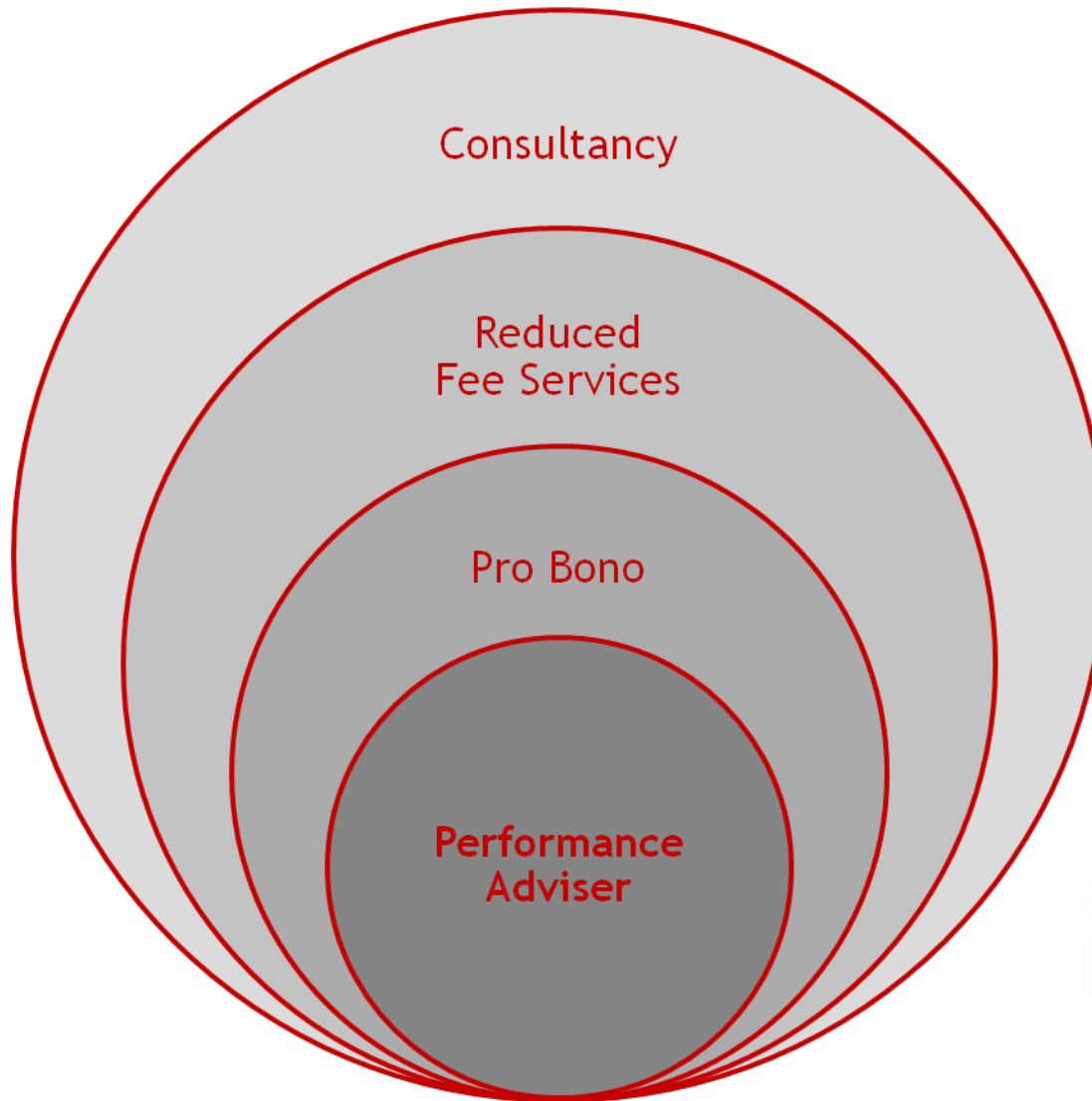


- 24 Ventures in 18 Local Authority areas
- 14 small organisations
- 5 medium sized organisations
- 5 large organisations

- Average investment period is 8 years
- Average cost of IS investment per young person £1K

- 8 organisations are rated as low risk
- 12 are rated as medium risk.
- 4 are rated as high risk

Capacity growth



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Ongoing engagement

- Frequent Contact - Relationship Building
- Annual Plans
- Quarterly Reviews
- Quarterly Portfolio Events
- Peer Support/Mentoring - Venture To Venture
- Common Interest/Challenge Sub Sets of Portfolio
- Investor Visits
- Investor Events
- Learning Events
- Collaboration - Two Flow Into and Out of Portfolio

Venture Performance Metrics



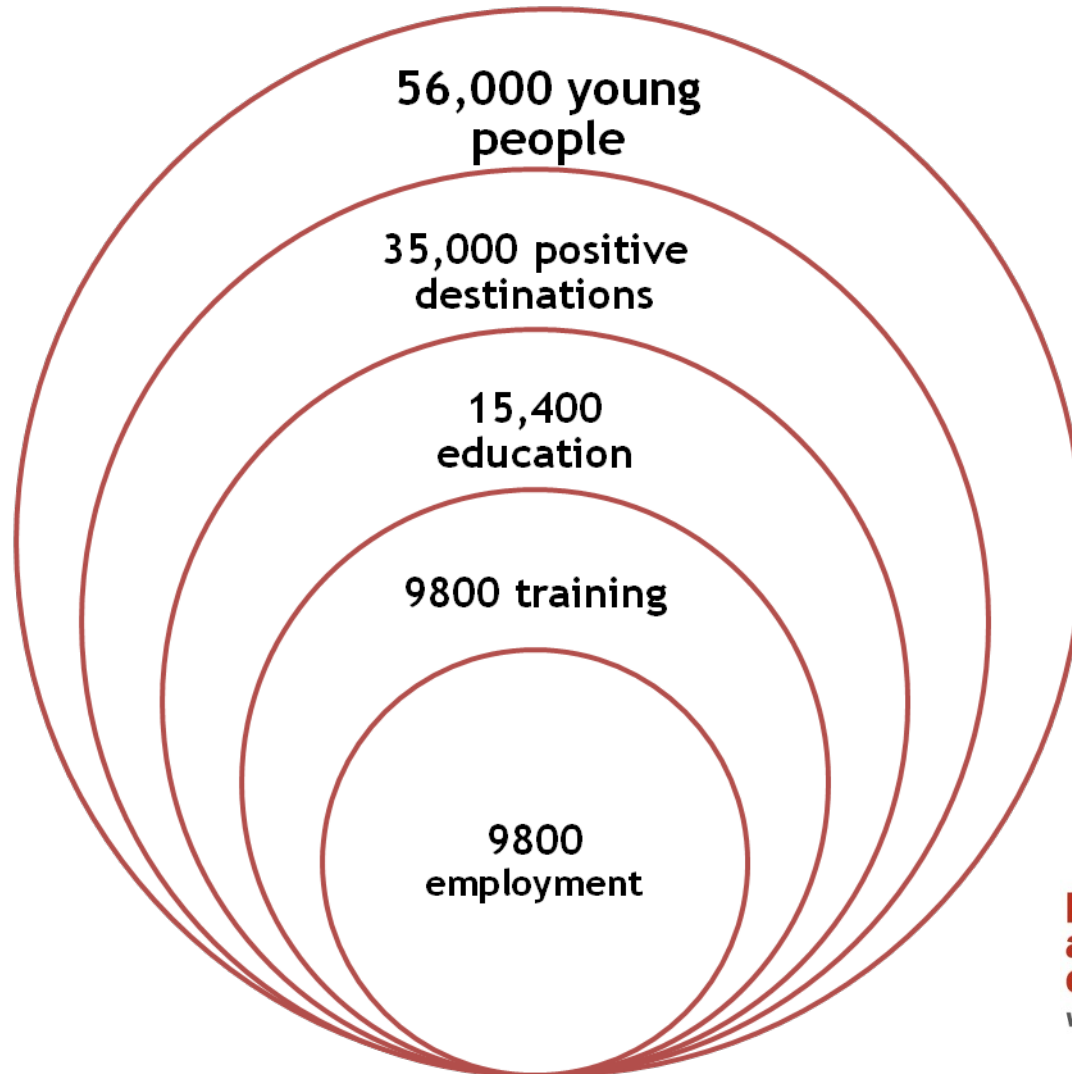
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14:19 Fund Balanced Scorecard

Category	Dashboard: Measure	Metric	Year to Date		Status	Tolerance	Full Year Target	Previous Year to Date Date	Variance to PY (%)
			Actual	Target					
Financial	Planned Spend v Actual Spend	£				5.0%			
	Income Generated v Plan	£				5.0%			
	Number of Months Financial Cover	No.		6.0		2.0			
	Portfolio Sustainability (% self-funded)	%		5.0%		0.0%	5.0%		
Organisation Outputs (P&P)	Services Delivered v Plan	%							
	Intervention Quality Rating	%							
	Governance Reviews Completed **	%							
	Governance Development Plans Implemented#	%							
	Staff Numbers v Plan	%							
	Key Person Dependency	%							
Outcomes	Positive Destinations : Employment	No.							
	Positive Destinations : Education	No.							
	Positive Destinations : Training	No.							
	Pipeline Progression	No.							
	Early Months Soft Outcomes	?							
SROI	Employability Savings	£ Range							
	Benefits Savings	£ Range							
	Health Savings	£ Range							

Outcomes



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Thank you

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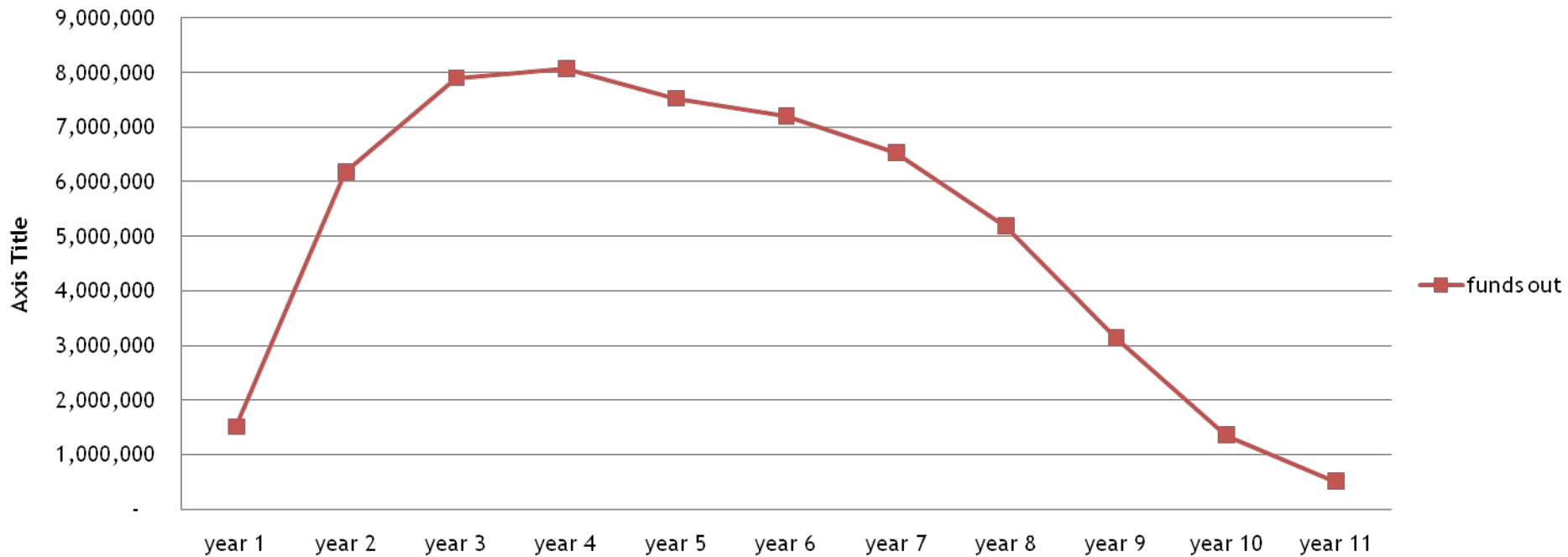
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14:19 fund Cash Demand profile



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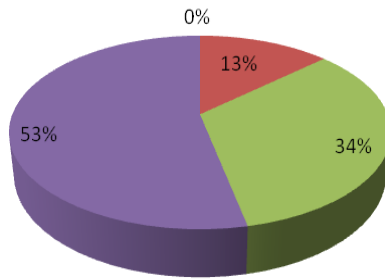
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Investment

	£	£ Min by project	£ Max by project
Total investment	122,000,000	873,000	18,000,000
Inspiring Scotland investment	55,000,000	532,000	5,700,000
Cost per participant	988	196	5,621
Cost per positive destination	1,577	261	7,613

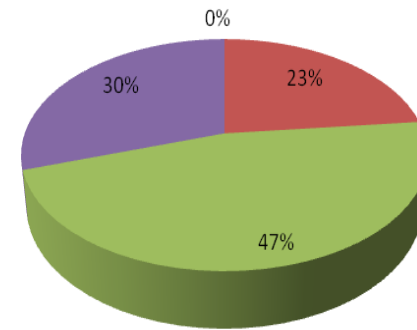
Taking a longer term view of the future?

Strongly Disagree Disagree Agree Strongly Agree



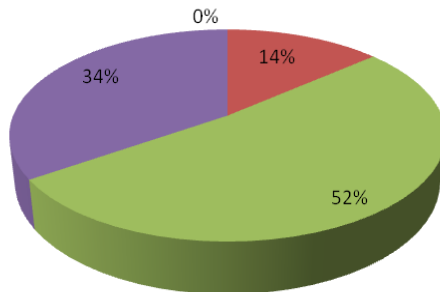
Clearer about future sustainability?

Strongly Disagree Disagree Agree Strongly Agree



In a better position to make the most of opportunities?

Strongly Disagree Disagree Agree Strongly Agree



Benefited beyond application process?

Strongly Disagree Disagree Agree Strongly Agree

