UK Community Foundations Quality Assurance 4 | assessment report 2017

Community Foundation	Two Ridings Community Foundation
Chief Executive	Jan Garrill
Date assessment completed	3 July 2017

Interviewees	**Name**	**Role**
	Alison Pearson	Chair
	Jan Garrill	Chief Executive
	Roxanne Wood	Programmes Officer

Name of assessor	Becky Nixon
Overall recommendation	Pass

About this report

This report is split into the following sections:
- An organisational profile giving basic facts about the Community Foundation and a summary of its current and future priorities.
- Progress since QA3 reporting on how the Community Foundation has addressed their development plan.
- Assessment against the core standards. Each section includes:
    o A statement of which elements of the core standards have been met

- o The Community Foundation's strengths
- o Any areas of excellent practice
- o Weaknesses
- o A score for each core standard
- A summary of the overall score
- If deferred an outline of what the Community Foundation needs to do to meet the standard
- The development plan, which highlights where the Community Foundation has weaknesses against the standard. It also contains suggestions for further developments that are over and above the standard and areas where the Community Foundation has indicated that it wishes to develop further.

Organisation profile

Age of Foundation	17 years (York and North Yorkshire, extended area of benefit to Hull and East Riding of Yorkshire in 2011)	Population served	City of York, East Riding of Yorkshire, Kingston Upon Hull City, North Yorkshire
Staff	8 (including two interns)	Number of trustees	9
Value of endowment end of 2016	£2.3m	Value of grantmaking 2015/16	£448,821
About the Community Foundation and current and future priorities	**Needs analysis and leadership** – Two Ridings Community Foundation has demonstrated work around analysis of needs, and linking this to grant making programmes. The Philanthropy in York document is a great example of how needs have been integrated into the ask from donors and the difference they can make. There is also evidence that this has been used to influence grant criteria. Community consultation has been undertaken for other projects (e.g. wind farms), and programmes developed in relation to needs, e.g. refugees and response to the floods. Vital Signs will be		

	implemented over the coming years which will further influence the Community Foundation's work. The impact of some of the individual funds has been identified and reported.
	Relationships – donors and fund building / investment There still needs to be further work around donor development, the endowment has not grown significantly over the past few years – but with funding recently gained from Goldsmiths there will be a Development Manager to lead on this from the staff team. There is clear indication of work done to identify priorities and within this to target individuals. Relationships that will support this have been built up by trustees and staff, although there is still room for trustees to do more to support philanthropic development. It is hoped that in three years time there will be significant progress on increasing the number of donors and the amount given.
	Grant making – grant making systems and procedures are good and there is clear information on the website about the process. Theories of Change have been developed to direct funding, and the assessment process includes prioritising areas of disadvantage. There has been an analysis of grants made to inform work in this area.
	Impact – some work has been done around the impact of individual funds, and development of Theories of Change will provide a framework for measuring future impact.
	Continual improvement – the organisation has excellent governance and management systems. The business plan is clear and comprehensive, with the various sections linking into strategic objectives. The organisation has been dynamic in making changes, e.g. in committee structures needed in order to meet the needs identified through its learning processes and in the strategy. The Foundation has identified that its targets are "ambitious" and this will need to be kept under close review, including its impact on the budget. Staff capacity has been an issue, and although new staff have been put in place to increase capacity, this is another area to watch.

Progress since QA3

Development points from QA3 and progress since QA3

QA3 development points have been actioned and significant development has taken place including board development and involvement including through various committees.

Strengthen philanthropy model based on board leadership - Development sessions have been held with the board individually and collectively. There is now a CEO in place who has worked effectively with trustees and external partners to build the organisation. There is also significant involvement of volunteers to increase capacity. The board has changed significantly since QA3, including having members who are donors, and they are more engaged with the philanthropy agenda, although more could still be done. Further development is needed around philanthropy and donor development, but the organisation has just gained resources and has a plan to develop this, including a new Development Manager, and there is a Donor Development committee to oversee the work.

Improve philanthropy knowledge, skills and capacity of both board and staff based around need and impact / Develop understanding of needs/community impact to influence success of the philanthropy framework - Work has been undertaken and is in progress around needs and impact, including Philanthropy in York, individual fund impact reports and using Theories of Change to develop funding priorities. Increasing community consultation is a further development for the Foundation.

Key targets and priorities for philanthropy and donor development – these are set out in the strategic business plan.

Reporting to enhance prioritisation of issues through a trial dashboard – this has been implemented and reviewed at board meetings.

Ensure that engagement and communications are explicitly linked to philanthropy framework and are performance managed – there is a marketing plan that does this that has been identified as excellent practice in core standard 11.

Develop clarity around strategy for Hull and East Riding – there has been significant work in Hull and East Riding, including delivering grant funding, bringing in new funds, and partnerships built with local public services, including a £1m+ fund from the Office of the Police and Crime Commissioner.

Areas that the Community Foundation identified that they have been working on over the last three years include:

- Ensuring sustainability including a move to the York Science Park.
- Successful funds brought in, £3.5m in 2016/17.
- Raised the profile of the organisation including through the North Yorkshire Floods appeal and the Philanthropy in York report.
- Gained funding from Goldsmiths' Company Charity as a result of developing a strong relationship with UKCF
- Developed a corporate social responsibility scheme, with 10 businesses signed up since December 2016.

Areas for development over the next three years:
- Growing the endowment to £6.65m (from £2.3m) by 2020.
- Closer partnership with Hey Smile charity
- Vital Signs reports – three undertaken across different geographical areas across the next three years
- Engagement with professional advisers, which is new in the Community Foundation's area
- Identify other partnership opportunities to increase reach.

Core standards

Element and score	Commentary
Strategy, Governance, Definitions and Risk	
Core standard 1 A Community Foundation is an independent charitable philanthropic organisation serving a defined geographical area that builds an endowment to meet needs in local	**How the Community Foundation has met the core standard** • The Community Foundation is an independent body whose governing document sets out its charitable objects, area of benefit, how it is constituted, and that it has the power to collect, build and invest endowment and other donor funds and to make grants. There is evidence of review, including of the Community Foundations activities, by the board. • It is registered as a charity.

Element and score	Commentary
communities with evidence of philanthropy based business and financial models.	• It has robust trustee and staff appointment processes. • Public benefiting requirements are detailed in the Annual Report and each board member has shown due regard to the public benefit test. **Strengths** • The Community Foundation is a Charitable Incorporated Organisation that was registered in April 2016 and has a constitution that sets out its objectives and how it is constituted. This was agreed at a board meeting in March 2016 after a discussion about the advantages and disadvantages of changing structure. Solicitors were involved in the redrafting. • The Community Foundation has undertaken work to resolve the issues in QA3 around capacity and legitimacy to operate in Hull and East Riding. • The board has a range of skills and come from different backgrounds. • There was a discussion at the board meeting about QA4 including a review of progress from QA3 and the board given access to the submission. **Excellent practice** • Trustee minutes for March 2015 specifically draw trustees attention to public benefit reporting. **Weaknesses** • There is a lack of ethnic diversity on the board.
Overall score and assessment	5 - Few identifiable weaknesses/mainly strengths - **exemplar**
Core standard 2	**How the Community Foundation has met the core standard**

Element and score	Commentary
A Community Foundation has a broad-based board that follows and works towards good practice in charity governance	• The Community Foundation has board and committee minutes. • There is a transparent recruitment process with the board as whole taking responsibility and the trustees legally appointed. There are clear term limits for chairs and board members. • There are role descriptions for trustees identifying skills required. • The board contains a diverse range of community interests and sectors and is an appropriate size. The composition of the board, its overall performance and assessment of skills are reviewed and ongoing development undertaken. • Trustee declarations of eligibility are undertaken for new trustees and renewed at least every three years. • Trustees understand their role and responsibilities. • There is clear leadership from the board and the CEO and trustees and staff work together. • A decision has been made on the Community Foundation's policy around Disclosure and Barring Service checks. • There is a clear and robust decision making process, relevant committee and task group structures with clear reporting lines, terms of reference. • The board actively reviews current needs and plans for the future. **Strengths** • A board development session in October 2015 reviewed what a Community Foundation does and its financial model. Notes identify that this helped trustees to understand why they were focusing first on a flow through model to improve sustainability through fees before moving on to building the endowment. • Over half the board are women.

Element and score	Commentary
	• Board and committee minutes (Donor Development, Finance and General Purposes, Governance, Investment, and Grants) give a clear and comprehensive account of discussions and the links between the committees. • Recent recruitment of a new chair was discussed by the governance committee and board with an external recruitment process for the new chair suggested and a comprehensive information pack put together with the history of Two Ridings Community Foundation, role and responsibilities and person specification. However, this is currently on hold pending a discussion about a merger with another organisation. • There are up to date declarations of eligibility for trustees, signed this year. • Board and committee minutes demonstrate involvement of trustees in the work of the Community Foundation across a range of activities. • The Children, Young People and Vulnerable Adults Safeguarding Policy identifies that DBS checks are not undertaken at present because of the nature of the work but this will be reviewed as necessary. **Excellent practice** • A board strategy session in June 2016 used NCVO's governance wheel to review its performance and as a springboard that brought up wider discussion. Action has taken place as a result, including agreeing to run the process annually, more time for discussion in board meetings, reviewing financial controls framework, and revisiting values. This session also used the Prioritising Roles Game to help them think about the different philanthropy roles they play and which they want to do more or less of in the categories of core roles, adjacent roles, aspiration roles and out of bounds (http://monitorinstitute.com/communityphilanthropy/game/).

Element and score	Commentary
	• The chair conducts one to one meetings with trustees around responsibilities and personal development. **Development** • Philanthropy and investment experience are not on the skills audit
Overall score and assessment	5 - Few identifiable weaknesses/mainly strengths - **exemplar**
Core standard 3 A Community Foundation has a comprehensive strategic three-year plan, as well as an annual business plan. Relevant structures are in place to ensure corporate effectiveness and resilience, and there is evidence of effective stakeholder engagement and feedback	**How the Community Foundation has met the core standard** • The Community Foundation has a three-year strategic plan and a one year business plan, with clarity about resources and capacity required. • The plan is reviewed and updated annually capturing lessons learned and impact. • There is a performance framework and finance and performance data is received and reviewed by the board that demonstrates that plans are being implemented systematically. • There are clear targets for grant-making, investment management, fund growth and core funding. • It has a risk management framework and takes steps to mitigate, manage and control risk. • Relevant structures, skills, responsibility and accountability are in place to deliver plans and activities. • Staff feel engaged and empowered and their objectives reflect business plan targets. • There is a robust volunteer policy aimed at increasing resources and capacity. **Strengths** • A board session about values lead into discussion about how to measure success for the Three Year Plan 2017-20. Values identified are:

Element and score	Commentary
	• The three-year plan was discussed by Finance and General Purposes Committee and the Donor Development Committee before being taken to the Board. • There is a target to grow the endowment by £6.65m by 2020 (£1.35-£1.5m a year, currently at £2.3m) and to have over £900k of flow through funds. • The plan identifies considering social investment as a potential development. • The Community Foundation involves around 18 volunteer grants assessors to increase capacity. **Excellent practice** • The four aims in the strategic plan sum up the work of a Community Foundation clearly and simply, linking philanthropy to need and sets targets for each. They are around encouraging philanthropy and giving; to be the grant maker of choice in the area; to know the community; and to deliver excellence in service and governance. • The Two Ridings Community Foundation Timeline gives an excellent history of the organisation, capturing key activities and influences in the past and future aspirations in a very visual way – the highs and low(s) are also extremely effective. **Development** • The SWOT analysis identifies quality threatened by high workload as an issue and finance manager capacity is also identified as an issue in CEO appraisal. Steps have been taken and new staffing has been identified to manage this, but it is still likely to be a challenge that needs regular review. In addition the Community Foundation needs to keep an eye on the potential merger taking staff away from delivering the "ambitious" targets in the strategic plan.

Element and score	Commentary
	• There is a big difference in year two (£100k) and three (£600k) in grant making in the strategic plan, this is because of the development time needed for new funds. Again, this needs regular reviews, including its impact on core and operational costs. **Weakness** • Incorporating stakeholder and beneficiary feedback into the planning process has been identified by the Community Foundation as an area for development.
Overall score and assessment	4 - Some weaknesses but these are seen as outweighed by strengths
Core standard 4 A Community Foundation complies with relevant legislation, codes of practice and adopts good employment practices and embraces equality and diversity in all aspects of its work. It has an agreed set of key documents, policies and procedures that are reviewed on a regular basis	**How the Community Foundation has met the core standard** • The Community Foundation complies with employment legislation and codes of practice. It has a recruitment policy, staff contracts, a staff handbook, staff performance management, support and development and it obtains professional advice when appropriate. • There are staff role descriptions and clarification of delegated powers. • There are health and safety, data protection, conflict of interest, and whistle-blowing policies. • There is a complaints policy that is well publicised and complaints are dealt with according to the policy and lessons are learned. • There is an equality and diversity policy that covers recruitment and services. It encourages grant applications from all sections of the community and has fair funding procedures. it is proactive in promoting diversity and accessibility and tackling disadvantage, undertakes analysis of the local population and has services and products reflecting diverse needs. **Strengths** • Role descriptions are reviewed each year with appraisals.

Element and score	Commentary
	• Financial procedures are set out clearly in different functions.
	• The health and safety policy covers a range of areas including workplace stress.
	• The data protection policy contains a data protection statement identifying for stakeholders what will happen to their information.
	• There is an annual conflict of interest declaration in the policy and signed forms for staff and trustees provided.
	• The complaints procedure is on the website. Copies of the complaints log were seen and complaints had been dealt with by the Community Foundation and appropriate action taken, and these were reported to the board via the CEO's written report.
	• Changes around data protection and fundraising have been identified as "red" in the risk register for the Community Foundation to work on over the coming months, although this has been discussed at the Donor Development Committee and there is a plan to report on the new guidelines at the next meeting.
	• The Whistleblowing Policy contains suggestions of appropriate external agencies to report to if internal remedies are not satisfactory.
	Excellent practice
	• The Equal Opportunities policy is comprehensive in having thought through implications across a range of areas including governance, recruitment and employment, donation acceptance in relation to people with protected characteristics, grantmaking, and knowing their communities. This is backed up with a range of evidence that it's being implemented.
	Weaknesses
	• Although the current chair has regular contact with the CEO, this has not been formalised into supervision, this is partly because the chair has taken on the role in the interim

Element and score	Commentary
Overall score and assessment	5 - Few identifiable weaknesses/mainly strengths - **exemplar**

Financial and Information Management

| **Core standard 5**

A Community Foundation complies with financial reporting requirements and maintains accurate financial records and controls. It makes effective use of IT systems (e.g. Digits 2) for production of key financial management data and reports | **How the Community Foundation has met the core standard**
• The Community Foundation has reported on its achievements in its Annual Report.
• Reports and accounts have been submitted on time to the Charity Commission and Companies House meeting requirements and including an unqualified audit report.
• There is a three-year financial forecast including assumptions and risks.
• There are robust financial control systems and audit procedures that meet Charity Commission CC8, including effective management of cashflow, and a reserves policy.
• Financial information is provided to trustees who are trained in the Community Foundation's Financial Model, and there is a nominated trustee who works closely with the finance manager.
• Key financial risks are identified and managed.
• There is a budget for business development and core costs are apportioned across different income streams including endowment and other funds.
• Customer relationship management is undertaken through DIGITS2 or similar system.
• There is compliance with data protection law.
• It has an ICT policy, ICT is fit for purpose and staff are trained in its use.

Strengths
• Board minutes of March 2017 identify that "the basis for the budget is optimistic growth", based on recent success, opportunities in the pipeline and staff and trustee capacity. The board have had a discussion about the assumptions in the forecast, and the need for them |

Element and score	Commentary
	to monitor in particular the targets for the endowment, and identified that the budget is "realistic but challenging".
• The board specifically identified the need to ensure that costs for ICT were sufficient in the three-year forecast and agreed to monitor this.
• Board and committee minutes show active and strategic involvement of members, with active questioning of information and decisions made based on that information and previous experience and learning.
• Board development session in June 2016 identified the need to tighten up financial controls – the chair identified that this was at a governance level, and so the finance and investment committee was split into two separate committees to allow more time for financial scrutiny and discussion.
• The disaster and business continuity plan was put into action a couple of years ago because of the York floods affecting phone lines.
• Board development days have provided trustees with information about the financial model, and trustees have attended external training.
• There has been DIGITS training and an awayday to review its operation.
• There have been a number of developments around IT including a regular equipment replacement programme and review of IT support providers.

Excellent practice
• The Strategic Business Plan 2017-20 clearly sets out development targets and income assumptions (donations, development grants, associate memberships, endowment fees, flow through fees and set up fees) for each of the three years. |

Element and score	Commentary
	• A visual "management dashboard" is presented to board meetings for discussion containing information about key development initiatives, the value of the endowment, grants awarded, income and expenditure and media numbers. **Development** • There is a deficit budget for years two and three, the chief executive identified that budgets were done on a cautious basis, and that they expected further funds to come in. This needs keeping under regular review, particularly in light of the business plan targets being identified as ambitious.
Overall score and assessment	5 - Few identifiable weaknesses/mainly strengths - **exemplar**
Core standard 6 A Community Foundation has policies for investment of funds and a supporting financial strategy	**How the Community Foundation has met the core standard** • The Community Foundation has an Investment Policy, appropriate Board structures and skills to manage investments. • Authority is delegated to investment manager(s) and there is a review of their performance. • There are regular meetings and discussion on investments and assets. • Policies for different funds show appropriate balance of risk, undertakings are given to donors and provision is made for grant making and operational functions. **Strengths** • Investment performance is discussed and monitored in committee meetings. • The Investment Committee has members with finance and investment experience consisting of trustees and lay people.

Element and score	Commentary
	• The Investment Committee has taken into account Charity Commission Guidance to review investment managers and undertake a tendering process to select new providers, with the successful Investment Manager presenting to the Investment Committee annually. • The Community Foundation is planning to appoint a local investment manager who can also help to raise the profile of the community foundation. **Excellent practice** • The Investment Performance Summary for the board sub-committee contains 12 months and 3 months performance of investments showing total return, benchmark and income yield.
Overall score and assessment	5 - Few identifiable weaknesses/mainly strengths - **exemplar**

Philanthropy Services – donor management and grant making

Core standard 7 A Community Foundation continually seeks philanthropic funding from a broad range of donors to build endowed and flow-through funds and has a business management model based on philanthropy	How the Community Foundation has met the core standard • The Community Foundation takes a philanthropy approach and is committed to building their endowment and being a conduit for philanthropy in their area. • Plans and communications contain philanthropic goals and there is a fund development plan delivered and monitored by trustees and staff. • Trustees' role in philanthropy is clear and they are developed to support philanthropic objectives. • There is good knowledge of community needs and donor capacity. • Flow through and endowment funds have grown in number, size and variety. • Trustees and staff recruit and manage relationships with new donors.

Element and score	Commentary
	• There is the capacity and resources to manage donor development. • Marketing and communications objectives support philanthropic goals. **Strengths** • £1.5m was raised in 2016 for floods in York and North Yorkshire. • Flow through funds of £3.5m raised during 2015/2016 and 2016/17. • The Strategic Business Plan 2017-20 has philanthropic aims, to encourage philanthropy and giving, to be a grant maker of choice, to have knowledge of communities to match donors' philanthropic interests with need. • The Plan also identifies different groups of donors and what their interests might be. • Funding has been won from Goldsmiths for a new Development Manager post to undertake donor development, which will be recruited for in summer 2017. **Excellent practice** • There is a Donor Development committee that reports to the board that has considered how to approach key market segments of corporates, high net worth individuals, charitable trusts and professional advisers. This has included 100 Clubs, a targeted approach to HNWI, Associate Membership. • The "Philanthropy in York" leaflet sets out how people can make a donation and make a difference whilst also providing information about need in York, e.g. inequality and poverty, health and wellbeing, loneliness and social isolation, each with facts and figures in a visual format. This makes the link between the need and donating gifts in an explicit way. • The associate member scheme targets companies who will invest (generally) £1,000 for membership. Working with support from a trustee, the Community Foundation has developed a CSR gap analysis that helps companies think through what they want to do

Element and score	Commentary
	with their CSR programmes and provides a report for them. Later in the year the Community Foundation will run a Dragons' Den event with associate members linked to support around dementia. **Development** • The board development session in October 2014 emphasised to the Community Foundation that it was important to make it a requirement of trustee recruitment that they played an active role in making introductions to potential donors, and there are now donors on the board. However, this is still a work in progress and there could be greater clarity and expectations of trustees to undertake this work. **Weaknesses** • There has been minimal growth in the endowment since 2010, only £100k over the past couple of years. Some work has already started and there is a plan to tackle this, and the addition of a new Development Manager should make a significant difference.
Overall score and assessment	4 - Some weaknesses but these are seen as outweighed by strengths
Core standard 8 A Community Foundation can provide a customised service to donors which respects their charitable interests, meets their needs and offers opportunities to involve donors in different ways; there is a robust	**How the Community Foundation has met the core standard** • The Community Foundation has a description of fund holder and donor services and terms and conditions. • There are named fund agreements, fund statements and donor reports. • Literature confirms that gifts are irrecoverable and information is provided about tax efficient donations.

Element and score	Commentary
framework for new donor recruitment and the management of relationships with existing donors	• Good quality, donor-facing services are delivered to donors and fund holders that are appropriate to funds of different types and there is a donor care policy and culture. • There is evidence of donor and fund holder satisfaction and testimonials. • Donors and fund holders are involved in the work of the Community Foundation. • There are targets for recruitment and retention of donors. • There is capacity to manage donor recruitment and technology is utilised for this. **Strengths** • Policies and procedures and individual fund agreements confirm that gifts are irrevocable. • Impact reports for some funds provided detailed information about impact as well as where the funds were distributed to by geographic area and organisation. • An event was held for donors who made a significant contribution to the flood appeals, including meeting some of the residents they'd helped. • There was evidence of positive feedback from donors on the service that they had received, and an opportunity to get involved including on the board or committees, through visits to projects and as grants assessors. **Excellent practice** • A Gift Acceptance Policy sets out principles for accepting gifts and commitments that it makes, including types of fund and gift, legal and fiscal context, advice for donors, philanthropy services, donor recognition and membership, management of investments, management costs, fundraising activities and expenses, fund closure, disputes and complaints. **Development**

Element and score	Commentary
	• There is no formal donor survey at the moment, the chief executive identified that they had a small number of donors at present so this tended to be more informal. Examples of changes made as a result of donor feedback includes having more case studies in reports. **Weaknesses** • The business plan SWOT analysis identifies limited donor stewardship and care, and there is no donor care policy at the moment. Some work has started on this and it will be further developed by the recruitment of a new Development Manager. • Some reports for donors provided only basic information giving high level figures and identification of where funding was allocated, but no impact information.
Overall score and assessment	4 - Some weaknesses but these are seen as outweighed by strengths
Core standard 9 A Community Foundation has a clear focus on needs and impact analysis to help inform its future direction; operates a broad range of grant programmes that meet identified community needs and demonstrate impact	**How the Community Foundation has met the core standard** • The Community Foundation meets a wide range of social needs, demonstrated by a high level analysis of overall value of grant making, list of funds and grants awarded. • Needs and assets have been identified by community consultation in some areas and this is updated with the planning cycle. • Evaluation and impact assessment has influenced grantmaking and the Community Foundation is developing its approach to undertaking and communicating impact assessment. • There is some understanding of where the Community Foundation is making a difference with its grantmaking and this is shared with partners. • Equality and diversity challenges have been identified and there are objectives to improve equality and diversity.

Element and score	Commentary
	Strengths • The strategic business plan 2017-20 identifies the role of Vital Signs in strategically directing funds in the future. Reports will be done in the next three years across each geographical area. • There is an Annual Report on Grantmaking, which identifies high level figures about amount and number of grants, geographical distribution, beneficiaries showing grants to a diverse range of people, area of impact, and a full list of funds and total awarded. • A three-year analysis of grants awarded 2014-17 has been undertaken. • A Funding Matrix 2016 identifies against each grant programme the theme that it has funded, e.g. arts, young people, reducing inequality and poverty. • For the Flood Fund direct consultation was undertaken by knocking on doors in the affected areas. • Impact reports about funds against their original aims have been provided for various funds. • Outreach to BME communities has been undertaken to increase understanding of those communities and to increase uptake. **Excellent practice** • The Community Foundation undertook community consultation via a community questionnaire and attendance at a local event and Parish Council meetings to find out priorities for funding for an area affected by the development of a wind farm. This was added to desktop research to inform development of the fund. This work will also inform the evaluation of the programme. **Weaknesses**

Element and score	Commentary
	• Formal needs analysis has only been done for York so far and not any of the other areas. • The chief executive officer identified a need to further develop work around impact as a result of the Vital Signs report including developing an annual review.
Overall score and assessment	4 - Some weaknesses but these are seen as outweighed by strengths
Core standard 10 A Community Foundation publicises grant programmes and seeks to reach all sections of the community, it can demonstrate understanding and involvement in social issues and has an engagement framework that helps it to communicate with all its stakeholders	**How the Community Foundation has met the core standard** • The Community Foundation uses information about needs and impact to identify themes and to link donor development and grant making. • There are proactive steps to reach hard to reach groups and success in reaching them is monitored. • Grant making is driven by understanding of local need, engagement with stakeholders and the wider community and feedback from grantees. • There is clear information and open, fair and accessible grant making policies, procedures and systems that are appropriate for the size and scale of grants • There is robust governance around grant making and clarity about reviewing grant making policy, strategy and processes. • There is efficient and timely implementation and monitoring of grants awards. • Grants panels are skilled and diverse and staff demonstrate professional grant making. • Documentation includes grant application forms, access to online procedures, grants publicity, minutes of grants committed, lists of funds, applications and grants awarded, grants reports, and feedback from grant holders. **Strengths**

Element and score	Commentary
	• The Grant making policy identifies priorities including need identified by local people, reaching those who are most disadvantaged, and meets needs that are not already being met. • Stakeholder feedback at an event on the management of the floods appeals has been built into the next phase of development. • There are online applications for grants across the different areas of benefit. • There are large and small grants applications forms asking appropriate levels of detail for each. • The Community Foundation has reached out to groups working with BME communities through its grantmaking procedures, for example by inviting a representative onto a grant panel. • There is a webpage, "The Process Explained" that takes applicants through the process, including encouraging people to share their story, give feedback and the complaints policy. **Excellent practice** • Fund development has happened as a result of response to need, for example the Community Foundation recommended criteria for the Hungate Community Fund that came out of their Philanthropy in York report as issues: inequality and hidden poverty, health and wellbeing and loneliness and social isolation. The York Refugee Fund was also developed in response to analysis of need. • Grant assessment pro formas for assessors ask a question about reaching hard to reach communities, asking them to identify whether the project reaches the people who are most disadvantaged and hard to reach, giving examples of groups of people this may apply to, or whether it reaches people living in an area of significant disadvantage.

Element and score	Commentary
	• A Theory of Change process has been undertaken to identify the criteria for grants funds including A Life Less Lonely and Anna Maria so the Community Foundation can ensure it is funding the right things. **Development** • The chief executive identified the intention to run a stakeholder event in the autumn including a wide range of people in order to think through their grant making strategy, for example should they provide grants to a wider range of organisations or change the income thresholds for groups to get grants. **Weaknesses** • There is some feedback from grantees requested as part of the monitoring but it is variable what is fed back, for example a lot of this is about outcomes rather than on the Community Foundation's service, and although staff identified changes that had been made as a result of feedback, analysis could be done more systematically.
Overall score and assessment	5 - Few identifiable weaknesses/mainly strengths - **exemplar**

Organisational and Network Development

| **Core standard 11**
A Community Foundation can demonstrate clear purpose; direction and goals; is able to evidence ambition, | **How the Community Foundation has met the core standard**
• The Community Foundation has worked towards delivering its priorities and demonstrated capacity to change and improve.
• There is evidence of using learning.
• Ideas and experiences are shared within the Community Foundation network. |

Element and score	Commentary
focus, prioritisation; impact on social causes; is a community leader in the local area and is an active member of the UKCF network	• The board has articulated a clear direction of travel to staff and the community based on philanthropic principles. • There is a customer focus mindset. • The board monitors customer satisfaction and complaints and there is regular feedback from customers. • The Community Foundation works with stakeholders and has a plan for extending and improving collaboration. • There is a communications and engagement plan to reach a wide range of philanthropy and community stakeholders. • There is participation in UKCF activities. **Strengths** • There has been substantial development since QA3, demonstrated by sound governance and systems and a clear direction of travel, with Goldsmiths funding won to provide some of that development. • A SWOT analysis has been undertaken as part of the business planning process. • It is clear from minutes of board and subcommittee meetings that the Community Foundation has taken advice and good practice from other Community Foundations. • Good relationships have been developed across different sectors and geographical areas to ensure reach across a large geographical area. • The chief executive identified wanting to be a proactive member of UKCF, and believes that this helped to gain development funding from Goldsmiths' this year. **Excellent practice**

Element and score	Commentary
	• There is marketing plan as part of the business plan that identifies marketing objectives, key actions, timeline, measures of success and resource implications. An appendix breaks down different stakeholders and identifies key messages for each, an analysis of their current understanding, priority level and action to be taken. Current and future donors and high net worth individuals are identified as high priorities in line with strategic objectives. There is a further analysis of communication vehicles, audience, role, frequency, goals and current status.
Overall score and assessment	5 - Few identifiable weaknesses/mainly strengths - **exemplar**

Overall score

Standard	Score
Core standard 1	5
Core standard 2	5
Core standard 3	4
Core standard 4	5
Core standard 5	5
Core standard 6	5
Core standard 7	4

Core standard 8	4
Core standard 9	4
Core standard 10	5
Core standard 11	5
Total	**51**
Number of twos	0
Number of ones	0
Overall recommendation	Pass

Development plan

Core Standard	Issue/weakness	Development point
One	• There is a lack of ethnic diversity on the board.	1. Review board recruitment to consider ethnic diversity, particularly in relation to how this might fit with a strategy around reaching out to BME donors or community organisations.
Two	• Philanthropy and investment experience are not on the skills audit	2. Consider including philanthropy and investment experience on the next board skills audit

Core Standard	Issue/weakness	Development point
Three	• The SWOT analysis identifies quality threatened by high workload as an issue and finance manager capacity is also identified as an issue in CEO appraisal. Steps have been taken and new staffing has been identified to manage this, but it is still likely to be a challenge that needs regular review. In addition the Community Foundation needs to keep an eye on the potential merger taking staff away from delivering the "ambitious" targets in the strategic plan. • There is a big difference in year two (£100k) and three (£600k) in grant making in the strategic plan, this is because of the development time needed for new funds. Again, this needs regular reviews, including its impact on core and operational costs. • Incorporating stakeholder and beneficiary feedback into the planning process has been identified by the Community Foundation as an area for development.	3. Ensure regular review as planned around staff capacity, performance against targets and effect on budget. 4. Identify how to incorporate stakeholder and beneficiary feedback into the planning cycle next time, as well as using it for ongoing continual development of services.
Four	• Although the current chair has regular contact with the CEO, this has not been formalised into supervision, this is partly because the chair has taken on the role in the interim whilst discussions are taking place about the merger.	5. Ensure formal supervision of the chief executive happens.

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Five	• There is a deficit budget for years two and three, the chief executive identified that budgets were done on a cautious basis, and that they expected further funds to come in. This needs keeping under regular review, particularly in light of the business plan targets being identified as ambitious. Development point in core standard three.	
Seven	• The board development session in October 2014 emphasised to the Community Foundation that it was important to make it a requirement of trustee recruitment that they played an active role in making introductions to potential donors, and there are now donors on the board. However, this is still a work in progress and there could be greater clarity and expectations of trustees to undertake this work. • There has been minimal growth in the endowment since 2010, only £100k over the past couple of years. Some work has already started and there is a plan to tackle this, and the addition of a new Development Manager should make a significant difference. Development point in core standard three.	6. Continue the development around the role of trustees in philanthropic development, considering plans for recruitment, setting expectations, training, developing strategy and setting specific goals around the work of trustees.

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Eight	• There is no formal donor survey at the moment, the chief executive identified that they had a small number of donors at present so this tended to be more informal. Examples of changes made as a result of donor feedback includes having more case studies in reports. • The business plan SWOT analysis identifies limited donor stewardship and care, and there is no donor care policy at the moment. Some work has started on this and it will be further developed by the recruitment of a new Development Manager. • Some reports for donors provided only basic information giving high level figures and identification of where funding was allocated, but no impact information.	7. Consider a more formal mechanism of donor feedback once donor development programme is underway, including how to collect and analyse informal feedback. 8. Develop donor care policy. 9. Review fund reports and identify whether there's greater potential for impact information.
Nine	• Formal needs analysis has only been done for York so far and not any of the other areas. • The chief executive officer identified a need to further develop work around impact as a result of the Vital Signs report including developing an annual review.	10. Undertake Vital Signs reports over the next three years and develop processes for these to influence grantmaking, which could include prioritisation of existing funds and development of new funds. Work already started around Theory of Change could help to provide unified outcome measurement frameworks for this work, including involving stakeholders in the development both of Theories of Change and measurement systems.

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Ten	• There is some feedback from grantees requested as part of the monitoring but it is variable what is fed back, for example a lot of this is about outcomes rather than on the Community Foundation's service, and although staff identified changes that had been made as a result of feedback, analysis could be done more systematically.	11. Develop more systematic ways of collecting and analysing grant applicants feedback to improve strategy and systems.