

Two Ridings Community Foundation

- Established in 2000, an independent local charity that inspires local giving across North & East Yorkshire
- Quality Accredited members of UKCF with proven expertise in grant making
- We have helped 40 + donors set up funds to invest in their community
- Donors include businesses, individuals, public sector and other charitable funders
- Raised nearly £3m and distributed £2.2m+ in Coronavirus grants in 2020/2021



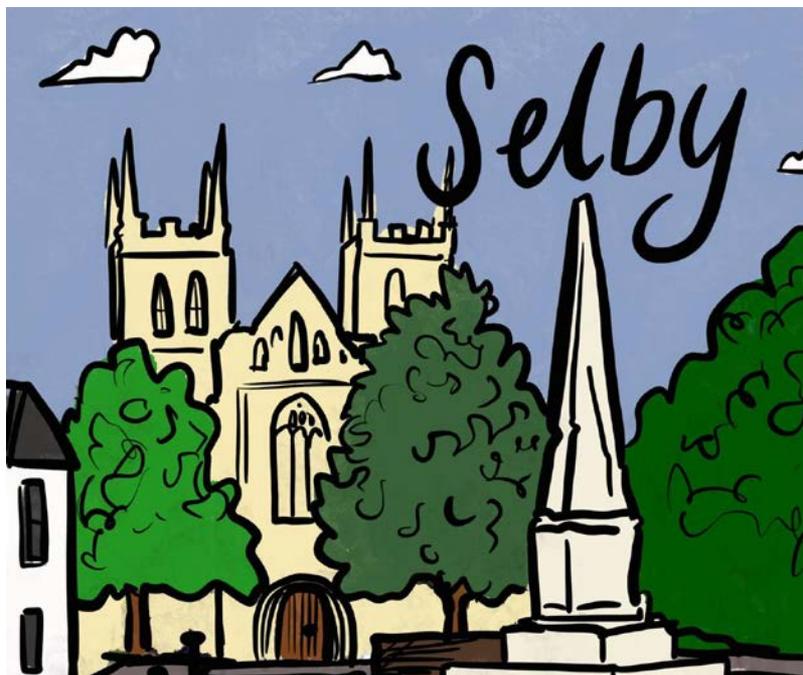
Our vision: a connected, thriving North & East Yorkshire for all

- We build trusted long term relationships
- We use our deep insights into the groups we fund to advocate for funds and support with others – e.g. Lottery
- We care deeply about place and ‘one size doesn’t fit all’
- We aim to add value in how we work - supporting charities with applications and addressing critical needs – e.g. leadership support
- We particularly support local charitable orgs – under £500,000 turnover



Our approach to working in Selby District

- Add value and connections with the broader VCSE & complement work of others
- Bring experience of successful place based approach in Harrogate District but understand each place is unique
- Invest time to listen and participate – e.g. Selby Health Matters
- Get to know local charitable organisations and building relationships and trust
- In it for the long term – working in Selby is part of our long term plans



Activity in Selby

- In 2020/21 distributed £91,634 in 20 awards (See Appendix for list)
- Since 2002 145 awards totalling £413,187
- Participants in Selby Health Matters
- Helped facilitate Selby Voice engagement with VCSE
- Involved in Selby Town Population Health Management Project
- Steering group member of Just Transition work
- Developing innovative idea for Community Renewal Fund



A fund for Selby district in 2021?

- Two Ridings bring independent and high quality grant making processes:
 - Rigorous due diligence with supportive assessment
 - Great reach – beyond the usual suspects
 - Able to signpost or divert applicants to other funds
- Addressing local need using Vital Signs data and local intelligence
- Local decision making – panel recruited by Two Ridings with local representatives, make up to be agreed with SDC
- Creating a pipeline of opportunity for other funders and more capacity and confidence for groups to apply for bigger awards
- We manage all the processes – fully transparent – report on 360 Giving, annual report for Selby district, fully audited

With the added option of building a long term, dedicated fund for Selby district

- Use Harrogate borough council & THE LOCAL FUND for the Harrogate District as base for working from:
 - Transferred a local charitable trust to Two Ridings
 - Donated £200k to kickstart an endowment match fund
 - Use £25k for revenue match scheme
 - With aim of having a long term sustainable fund for the district
- Why match funding?
 - Incentivises donors to give
 - We know it works – NYCC £100k match pot in 2019 produced 4 new donors, 3 of whom have subsequently added to fund.
 - Creates culture of giving locally and potentially accelerates others to give
 - Mix of Endowment and Revenue match very attractive as endowment is slow growth – with both options a donor can see impact sooner & allows donors of all size to participate

Selby District Endowment Match Option

- Selby District Council kick start the Selby district Local Fund by establishing an endowed fund with Two Ridings Community Foundation
- The fund is permanent and irrevocable, held by Two Ridings for the benefit of Selby district residents and communities regardless of any future changes
- Two Ridings use all or some of the fund as an Endowment Match Pot
- This creates a Selby District Local Fund that is potentially double the initial donation from Selby District Council
- Donors (if Tax Payers) can also add Gift Aid to major donations, adding 25% to their fund.
- Donors can be anonymous or can create a named fund.
- All potential donors would be run past SDC in case of concerns re reputation etc.
- Funds used to address needs in the Selby district

Endowment Funds

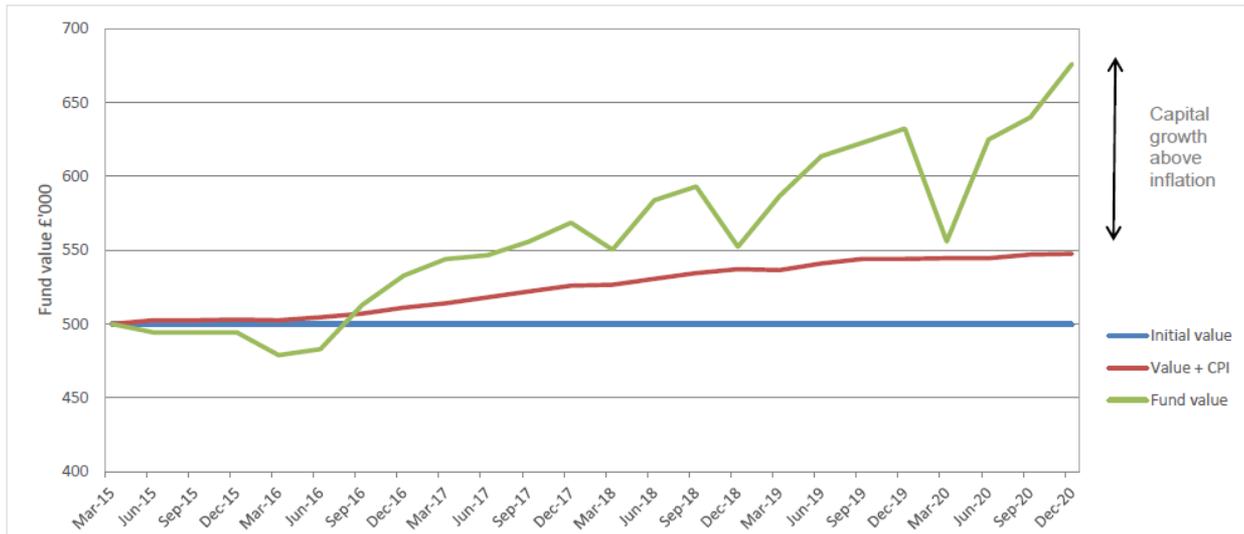
- Endowment funds are invested by Two Ridings and we make grants etc on the return from the investments.
- Endowed funds can be held in perpetuity or can be 'spent down' over a number of years.
- We operate a Total Return system and work to a 5% annual return for grant making and contribution to Two Ridings costs
- We currently have £6m in long term, endowed assets. We use Brown Shipley and CCLA (Churches, Charities and Local Authority) to manage the funds on our behalf.
- We have an investment committee that oversees this management and the chair is Andrew Wilson, Quilter Cheviot Executive Director and a Two Ridings trustee. Other trustees also have investment experience
- Roughly, in only 20 years the fund will have distributed as much in grants as the original donation but will still continue to generate income in perpetuity.
- Typically it can take a year or two to generate a return for grant making

Using funds as leverage

- Donor gifts £100,000 to Two Ridings
- Donor adds Gift Aid of 25% of donation - £25,000
- **Donation total £125,000**
- (Some donors also gift the tax benefit but this is not assumed here)
- Two Ridings uses funds from SDC as match: £100,000
- **Creates fund of £225,000** from a £100,000 donation = leverage of 2.2
- £225,000 fund would provide £11,250 pa Total Return
- Two Ridings fee is 1.75% for first £100k and 1.5% for amounts between £100k and £1m. Makes fee for £225,000 = £3,625
- Gives £7,625 for grant making
- Assuming all else remains equal, donor will have distributed more than original £100,000 in 14th year of operation

Long term growth

ENDOWMENT FUND - EXAMPLE



How endowment funds work:

The capital sum is kept in perpetuity.

The income plus some of the capital growth is used to make grants each year.

Within a relatively short time the fund will have distributed more than the initial gift

Initial Value of Fund March 2015	£500,000
Theoretical Value of Fund increasing with CPI inflation December 2020	£547,643
Value of Fund at 31 December 2020 *	£676,295
Capital growth above inflation	£128,652
Estimated income	£101,000

IMPORTANT INFORMATION

* Example based on funds invested in Two Ridings CF investment portfolio and invested in accordance with the Foundation's Investment policy since March 2015. Current investment managers are CCLA and Brown Shipley.

** This example is for information only and does not constitute professional investment advice. The value of investments may fall as well as rise and past performance is not a guarantee of future results.

Note Two Ridings covers its administration costs for all activity via a small percentage from the income pa.

Governance

- Due diligence carried out on donors by TRCF with SDC involvement
- Donors cannot take out funds once donated to Two Ridings
- Funds remain with Two Ridings and for Selby District whatever happens re LGR
- Local grants decision making panel
- Fund priorities to always be based on needs in Selby district area
- Full transparency on funds and grants made via Two Ridings – audited accounts will show fund balances and we publish all grants made.