



THE  
Charity Sector  
in  
2016

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# The year of change



**Aimee Meade,**  
Editor, Guardian  
Voluntary Sector  
Network

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It is safe to say that 2015 was a turbulent year for the charity sector. The revelations of fundraising malpractice, the collapse of Kids Company and regular attacks on staff pay meant that charities were in the spotlight and under scrutiny more than ever before.

With this in mind 2016 will be a year of change for the voluntary sector – the Charities Bill will soon gain royal assent, the new fundraising regulator will be set up and, once again the sector will need to do more with less.

However, the next 12 months will also see thousands of volunteers give up their time, the public donate millions of pounds, inspirational stories from beneficiaries around the world and thousands of charity staff dedicate their lives to make the world a better place.

The next year will not be easy, but – as the contributors on the next few pages explain – it will be full of opportunities.



**Nigel Kippax,**  
Managing Director,  
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The charity sector is clearly facing challenging times; perhaps we are now in the most challenging time ever. Many charities are being asked to take an ever expanding role in delivering public services but with this comes increased scrutiny. Furthermore, the competitive environment in which we work appears to only ever go in one direction – more competition, never less. The resulting pressure on the leaders of our charities can be expected to raise the likelihood of making mistakes, and increased public scrutiny means we all know about these failings when they do occur.

In responding to these challenges the sector needs to be careful to avoid a knee-jerk reaction by simply increasing regulation: actions which may have undesired consequences on the creativity

and innovation required for future growth and impact. Potential expansion of the Freedom of Information act to charities may be a good example of this.

We need to look seriously at supporting the development of leaders in the charity sector and current governance structures mean that this starts with the collective responsibilities of the chair and board of trustees. Openness; transparency; integrity and a desire for personal learning are essential in delivering what the sector needs and in leaving a positive legacy for future generations.

In focusing on leadership this will inevitably raise questions on recruitment and retention and on appropriate levels of remuneration. On this topic we do need to be careful not to slip into simplistic solutions. We need high calibre leaders but if remuneration in itself were a guarantee of integrity and high performance then we would never have witnessed the recent banking crisis.

We are so fortunate to have a very diverse and, in the most part, well run charity sector in the UK. In moving forward let's recognise the diversity and avoid one-size-fits-all solutions.

If there is one single thing that should unite us, it must be a total focus on the beneficiaries we serve. It's not about us, it's about them.

### **About Nigel Kippax**

Nigel has over 20 years' experience leading consulting businesses in the commercial and voluntary sectors and strongly believes that leaders in voluntary and corporate organisations have a lot to learn from each other.

Prior to his consulting career Nigel worked for Exxon-Mobil in the UK and Belgium. He has been a trustee of the Royal Blind Society and a judge on the Youth Philanthropy Initiative. He has written many articles and contributed to several books on leadership development, change management, strategy, lean thinking and process management.

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## FUNDRAISING

# Five reasons to be cheerful about fundraising

Joe Saxton, Driver of Ideas & Founder, nfpSynergy

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## The baby boomer bulge is coming

The baby boomers are about to retire. The spike of people born from 1948 onwards, when all those servicemen returned from the second world war and made up for lost time, are wealthier, more liberal, more numerous and more demanding than the generation that came before them.

For charities this is good news – probably. Many baby boomers are interested in charities. They want to use their skills to volunteer. They are interested in giving to charities and supporting the causes they care about. They are probably more demanding and discerning about charities than the more dutiful generation born before or during WW2. So charities can woo this group if they get the message right. Many are about to retire or in early retirement. So legacies too must be a real prospect.

The baby boomer bulge may bring a decade, or more, of a relatively wealthy generation to give and volunteer. The generation after that will not be so wealthy or have so much time. They are more likely to have started on the housing ladder a little later, have paid for their children's university education or their parent's social care, and will have to work into their late sixties or even seventies. Just like the Bible's 7 years of feast followed by 7 years of famine, the generational changes present a real challenge for charities preparing for the future.

## Mass affluence is on the increase

The UK population is getting wealthier: not everyone and not all the time but the increase in disposable income is pretty remorseless. Disposable

income has doubled since the early 1980s and the number of people who are mass affluent, more than £50k of assets outside their house, has increased dramatically. The low level of interest rates over the last 8 or so years has only added to that wealth for many house-owners.

Of course wealth is not evenly distributed and some kinds of household are statistically much more likely to be richer than others. For example, a household with a couple but no children are much more likely to be in the richest fifth of households than a couple with children at home, or who have left home (yes children sure do cost a lot!). Conversely the stereotypical little old lady living on her own is much less likely to be in the top fifth of wealth than the bottom fifth, for the single non-elderly this difference is even more pronounced.

“ *Fundraisers need to see the restrictions as an opportunity and a reason to innovate: the new regime as a reason to be bold and try new things, and new ways to generate income. There is a long history of people innovating in the face of difficult times...* ”

All this means that there is wealth in the UK population, and that wealth is increasing. The challenge is to persuade people to give their money to a good cause, rather than just spend it on overseas holidays, flat screen TV, iPads or the whole host of ways that leisure can absorb people's money.

## **There is still huge potential in legacies**

One of the most cost-effective and easy areas of fundraising for many charities has been legacies. Indeed some charities continue to have a substantial wad

of legacy income, for minimal expense which they not only rely on to keep services going, but which also keeps their fundraising ratios looking healthy. Remember a Charity, is a collective of charities which has tried to boost income, with some success. Our prediction at nfpSynergy would be that there is still more potential in legacies. The more that charities can move away from the old fashioned talk of residuary and pecuniary gifts, towards legacy opportunities fit for the 21st century, the more their prospects will flourish. One of the synergies is presenting legacy opportunities to the mass affluent baby boomers described in the previous two points.

## **There are many great fundraising ideas in other sectors and nations**

I never ceased to be amazed at how little cross-over there seems to be between fundraising for charities, for the arts and for universities. They have developed different styles, different strengths and different cultures. While charities are strong on individual giving, charity shops and fundraising events, the arts is strong on major donors, corporate sponsorship and universities on alumni relationships. There are such opportunities for the different sectors to learn from each other.

One notable deficit in the charity world is high level philanthropy (in the UK at least). The arts sector has some fantastic examples of very generous individuals and families: the Rothschilds, the Ruddocks, the Clore-Duffields to name but three. Universities are equally good at getting mega-donors. One obvious difference that charities could learn from is the naming opportunities in the arts and education. It's hard to move in the arts world without a corporate sponsored performance, gallery or even organisation: Tate Britain is of course named after the sugar baron of Tate & Lyle fame. How much donor naming goes on in the charity world? Not much. I am pretty sure all those saints that hospices are named after never made major donations. What a missed opportunity!

## **The new regulatory regime can drive disruptive innovative**

There is no doubt that the new fundraising regulatory regime is going to be tough on charities (including the ones in housing, arts and education). Charities who want to battle against the Fundraising Preference Service have

my full support. However a twin track approach is needed. Fundraisers need to see the restrictions as an opportunity and a reason to innovate: the new regime as a reason to be bold and try new things, and new ways to generate income. There is a long history of people innovating in the face of difficult times; from the prisoners at Colditz building a glider out of stolen scraps to small businesses developing peer to peer lending when traditional banks stopped making loans after the financial crash in 2008.

The challenge for the fundraising community is to simultaneously fight the triple whammy of the FPS, the European Union, and the Information Commissioner while re-inventing fundraising in a world with new rules.



### About Joe Saxton

Joe Saxton is Driver of Ideas at nfpSynergy and its founder, working on a range of specific projects especially those that look at strategic advice on fundraising or communications, or wider organisational issues. He has co-authored over 70 reports on charities from branding to trusteeship and organisational strategy.

Before nfpSynergy, Joe was Director of Communications at the RNID, responsible for PR, disability consultancy, lobbying, campaigning, policy, information and membership. Joe was also in the top ten of the most influential people in UK fundraising for over a decade, including four years in the top spot.

[@saxtonjoe](#)

## FUNDRAISING

# Raising more with even less

Howard Lake, Publisher, Fundraising UK Ltd

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Fundraising in 2016 and 2017 will certainly be different from fundraising in 2015, with a new self-regulatory framework being developed and implemented, and no doubt a continued and critical focus by some popular newspapers on fundraising methods and how charities spend donors' money.

Yet in many ways fundraisers will face all the same challenges they are used to. With demand rising for many charities' services fundraisers will be expected to raise more money than last year, or at least try to maintain levels of income. They will need to increase some sources of income, as others, especially statutory funding, decrease further. They will need to consider and test potential new sources of income, if they can find any.

How will savvy fundraisers rise to the challenge? First, they and their trustees will already be considering how to address the issues of vulnerable donors, data protection and how (often) donors are communicated with, that were raised by some of the media investigations of mid-2015.

Secondly, aware of the trend towards opt-in communications, they will revisit how they can improve their retention of existing donors, assuming it will become harder and probably more costly to secure new donors. It is not as if fundraisers are not aware of this, but the pressure to make more with less will rightly drive renewed thought around this area. Indeed, one of the fundraising professions' self-help responses to the Etherington report into the future of self-regulation has been the 'Commission on the Donor Experience', an opportunity to review what really works best for donors and charities.

There are certainly risks faced by charities in terms of fundraising this year. First, it is possible that the new Fundraising Preference Service could be structured in such a way that it drastically limits charities' ability to communicate not just with new supporters but existing ones.

Secondly, a challenge already faced by some of the larger charities has been finding enough agencies to maintain volumes of fundraising activities as at least six fundraising agencies went into administration or liquidation during the year. The demise of established organisations including GoGen, R Fundraising, Fundraising Initiatives Ltd, and Workplace Giving UK resulted in over 1,000 job losses in England and Scotland - representing a significant loss of fundraising experience and expertise to charities.

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*...despite the negative stories, there is much to confirm that charitable giving is not under threat. Major public appeals such as BBC Children in Need and ITV's Text Santa reported record total incomes in the final quarter of 2015, even as the newspaper stories kept coming.*

Thirdly, a far larger potential danger is the direction of the global economy and the risks, being touted at the beginning of 2016, that severe shocks could hit stock markets as the price of a barrel of oil tumbles yet further. If any of these risks come to pass then, based on the last recession, charities might not feel the impact at first, but they could well face even greater fundraising challenges in 2017 and for several years thereafter.

Is there good news for fundraisers? Some see the new self-regulation scheme as a chance to re-frame fundraising, to engage with donors on a more effective, modern and considerate basis. For some, this is a chance to return to some fundamentals of fundraising, and to reflect changed times in which donors expect more from charities - which can often mean less, at least in terms of fewer communications overall.

There has certainly been much more investment in fundraisers, with funded training for specific sectors such as small charities, arts, and heritage organisations to help them grow their next generation of fundraisers and fundraising leaders.

The self-help and information-sharing nature of fundraisers is still very much in evidence, with conferences, informal events, mentoring and training opportunities available to any that wish to take them up. Over 200 members of the Institute of Fundraising contributed voluntarily to the Task Groups set up to review the Code of Practice following the first media criticisms.

And despite the negative stories, there is much to confirm that charitable giving is not under threat. Major public appeals such as BBC Children in Need and ITV's Text Santa reported record total incomes in the final quarter of 2015, even as the newspaper stories kept coming. Nor might donors' trust in charities be as threatened as some suggest. Amid the heat of the debate about fundraising, The Centre for Sustainable Philanthropy at the University of Plymouth published research - one of very few sources of evidence and data on which to judge the situation - that found very high levels of trust by donors and lapsed donors in charities and similarly high levels of satisfaction with the service they receive.

Reliable data and talking to donors - as always, an essential combination for effective fundraising in good times and hard times.



### About Howard Lake

Howard Lake is a digital fundraising entrepreneur. He has published UK Fundraising ([www.fundraising.co.uk](http://www.fundraising.co.uk)), the world's first website for charity fundraisers, since 1994. He has trained and advised thousands of fundraisers in the UK and further afield in using digital tools to enhance their fundraising.

A fundraiser since 1988 at Oxfam, Afghanaid and Amnesty International UK, he wrote the world's first book on digital fundraising in 1996.

He is a Fellow of the Institute of Fundraising, co-founder of Barcamp Nonprofits, and founder of Fundraising Camp.

[@howardlake](#)

## GOVERNANCE AND LEADERSHIP

# 2016 – A Professional Point of View

**Sir Stephen Bubb, CEO, ACEVO**

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Events last year showed the importance of good governance in charities. The collapse of Kids Company, while a tragedy, should have been a lesson to the sector. To neglect governance and back office was to neglect beneficiaries in the long run.

This is why I have been robust in defending professional pay for charity leaders. If you want a job to be done well, then you need to pay qualified people to do it. Anything less than this would be a betrayal of the cause. If we begin to let our standards of governance slip, then we end up in situations where charities are no longer able to support the good work which they do. It is not a question of blindly supporting higher salaries. It is instead a question of value for money. Chief executives doing a good job are worth their salary. If not, then that is a matter for the trustees and supporters of that charity.

In the public eye, charities face challenges from both sides. Charities are routinely attacked for becoming too professional – no longer holding to the voluntary ethos which once drove the third sector. At the same time, in the wake of Kids Company, charities have been attacked for not being professional enough. It seems that they are damned if we do, and damned if they don't. This leads to charities having to walk a tight line, and they will inevitably end up losing the favour of some in the process.

Recently, it has been suggested that charities should be made subject to Freedom of Information legislation. This has been proposed by the Cabinet Office as a way to ensure that charities in receipt of public funds are using them in an accountable manner. Now, it is clear that there can be no objection in principle to being open with the public about how government money is spent when charities receive contracts or grants for delivery of services. Indeed organisations should be up front and open about this. It

would provide an opportunity for them to demonstrate the excellent impact which their work has.

But transparency need not mean the Freedom of Information Act. What we don't want is a blunderbuss approach that has charities tied up in knots answering enquires that have little to do with our impact and are often malicious or there to fill a spot in a sparse news week. It would be far better to tackle this through a voluntary code, for example, that would cover the organisations that have big contracts for delivery. Any such system would obviously have to cover private companies delivering government contracts as well – not just charities.

To do otherwise could endanger the good work which many charities do. As a sector, many are already facing severe financial problems. The extra burden which is placed on an organisation by Freedom of Information requests would inevitably end up detracting from the work being they do for their beneficiaries. When I speak to charities, this is their concern. Not that they shouldn't be transparent, but that we need to do it in a way which doesn't undermine our work.

Transparency is, then, a good thing. But it can be used in ways which undermine our good work. One example of this, at the end of last year, was an attack on charities which did not spend enough of their funds on front-line services. This is a theme running across issues of governance. People want to know that their donations are doing good. But, all too often, this is interpreted to mean that only those pounds which go directly to a beneficiary are doing good work. This is far from the case. It is not only in paying effective leaders that charities must support their back office.

This approach was perhaps best encapsulated by my Director of Public Policy, Asheem Singh, speaking in October last year: "Charity is delivered on the front line, but it begins in the back office. It is tempting but wrong to insist that the humane thing is for every penny in the donated pound to go to the frontline; in actual fact the really humane approach acknowledges that a substantial chunk of that pound must go to good governance, ambitious management and professional leadership." By following this mandate, we can ensure that not only do charities do good work in the present, but that they are able to do so in the future.

This is what good governance is about. Making sure that charities are there for tomorrow's beneficiaries as well as today's. It is certain that there will more attacks on the charity sector this year – both for being too professional, and not professional enough. What is needed is to ensure that everyone promotes a more effective sector, and continue to promote strong governance and good leadership. If charities do not live up to this, then they should be encouraged to change. If the media do not approve of such attitudes, then we must be robust in countering them.

This is the challenge facing charity governance in 2016. Not only do we need to improve it, to ensure that charities survive until next year, but we also need to defend it. Otherwise, repeated attacks will erode our support, and thus the lifeblood of our work.



### About Sir Stephen Bubb

Sir Stephen Bubb is Chief Executive of the charity leaders network ACEVO (Association of Chief Executives of Voluntary Organisations), a dynamic and high-profile organisation that supports and represents leaders in civil society. In this role he has been highly influential in determining government policy on the third sector, particularly for its role delivering public services.

He also chairs the Social Investment Business, the UK's largest social investor, and is a trustee of Helen and Douglas House Hospice, the world's first children's hospice.

Sir Stephen's recent national roles have included writing a major report for Government in 2014, 'Winterbourne View – time for action', which called for radical reform in the way we care for people with learning disabilities in the twenty-first century.

[@StephenBubb](#)

# Smart boards will re-emphasise their purpose

**Dr Mary Chadwick, Trustee, Practical Action**

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Historically charities have basked in high public esteem. During 2015 it seemed that this trust would be damaged following a perfect storm of unfortunate events and highly critical media coverage including: the Kids Company collapse, various fundraising scandals, well publicized Charity Commission investigations, prosecutions of fraud, and pay levels of charity CEOs. A recent CAF report 57% of adults had trust in charities, a fall from 71% in 2014 but nevertheless a strongly positive attitude. However, we are in an age where trust in all institutions is fragile and with the spectacular failures we have seen we cannot be complacent about what may follow within the voluntary sector.

## How should trustees respond?

Although there is a whole industry devoted to non-profit board performance one perceptive writer has commented that: “most literature on trusteeship can fairly be described as prescriptive or hortatory”. Too often advice is general, long winded and unsuited to the situation in which many charity trustees find themselves.

The newer assertive stance by the Charity Commission has emphasized the legal responsibilities of trustees, and hopefully these are now better understood, – but I have also recently found real fears among trustees especially of smaller charities about taking on these onerous responsibilities, which now seemingly include the ‘naming and shaming’ of charities under investigation. Such fears could potentially hamper trustee recruitment and also embed an even more cautious approach in already risk averse sector.

So what are trustees to do? I suggest four areas where they could usefully focus their attention.

## Firstly, to think hard about how to preserve and enhance their organisation's reputation

Trust in an organisation in any sector can take years to develop but may be destroyed almost instantly. Too often risk registers focus on operational and financial risk while downplaying reputational issues. Yet looking at what issues might affect your charity's reputation may lead to a far better understanding of the relationships and networks within which they live. Charity boards sometimes argue endlessly about the wisdom of taking money from that Satan the private sector, yet ignore other potentially more damaging connections.

## Secondly, the need for transparency

Charities depend on public support and the consequent tax breaks. They therefore need to be able to explain clearly and simply what they have done and why they have done it. Recently one charity CEO seemed taken aback when asked to explain why the charity had paid for his children's boarding school education. Some charities have not caught up with the new information heavy world, where their annual reports and return are available publicly on the Charity Commission website. These reports and the world of websites and social media mean that even the smallest charity now has an inexpensive forum for showing what it does.

## Moving Beyond

This leads on to the third issue of beneficiary impact – moving beyond, for example, how many times a helpline is called to the wider question of what good all those calls achieved. However many KPIs are produced for board meetings, they are a waste of time if they focus only on input and output but ignore impact. Charities work for the good of their beneficiaries and wise trustees will have a laser like focus on this.

But beyond that, it is time for trustees to fully take on board what the real purposes of their role are. Not, as a matter of duty, to turn up to the, oh so regular, board meetings and solemnly tick off various items on the, oh so unchanging, agendas - but to take leadership responsibility. Leadership properly lies with the board, but too often is delegated to the CEO or the management team.

So, having set out four areas where trustees might usefully focus their attention in 2016, how can they achieve these fine ambitions? Is your board, comprising a diverse bunch of often busy people, fit for purpose? Some charities pull in the barely willing through word of mouth. Large charities may select from the ranks of the great and good (the reward after a successful career). Some trustees are much more locally based and arguably do not have the smooth skills of high-flyers, yet have enormous community experience.

Building an effective board that takes responsibility for its charity, and thus indirectly for the reputation of the sector as a whole, takes time and commitment beyond the board meetings, and must be a goal shared by the chair, the board as a whole and the CEO.



*Trust in an organisation in any sector can take years to develop but may be destroyed almost instantly... risk registers focus on operational and financial risk while downplaying reputational issues.*

Utilising and melding the varied skills of trustees and listening to all contributions is essential to creating an effective board. Recruiting across sectors can be useful: for example, retail businesses are experienced in understanding reputational issues in supply chain management from which some charities could benefit.

Stepping back from the mass of details and facts is important: we know that an effective board thinks beyond its fiduciary responsibilities, and encompasses not only strategic issues but also the wider generative issues: what's the question? Less can be more.

Sometimes it is being unafraid to ask the seemingly dumb question; being bold enough to dig below the consensus; seeking the correct balance

between information overload and a CEO report that is little more than a series of happy anecdotes. Also, getting the right balance between support for the senior management team and critical challenge of their work.

And too often forgotten is the nitty gritty business of decision making. How to carve out sufficient time to deliberate on strategic issues. Boards should come into their own in times of uncertainty, making sense of the situation and suggesting a path forward.

Merely attending board meetings is not enough. Meeting beneficiaries, seeing projects, talking with staff add depth to decision making. But beyond this, trustees work best when they know each other, understand each others strength and weaknesses, trust the expertise of each other and become a resilient enough group to ask difficult questions and make tough decisions.



### About Dr Mary Chadwick

Mary's career displays success spanning three sectors, business, the voluntary and community sector, and the academic environment. Currently she is a Trustee of the international development charity, Practical Action.

Mary's work is informed by her significant management and governance experience in private, public and the non profit sectors as both executive and non executive director. This has included acting as Chair of the international development charity, One World Action, for 7 years, and as Chair of an active constituency political party for 5 years.

[@chadwickfocus](#)

## CORPORATE CHARITY PARTNERSHIPS

# It's all about building relationships that work

**Pauline Broomhead, CEO, FSI**

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What does 2016 hold for charities looking to develop relationships with the corporate sector?

In early January a report by Grant Thornton told us that UK businesses will head into the new-year with rising optimism, so if they are doing well, there will be an uplift in their support for charities. Our role is to step up to the mark and positively seek to understand the different relationships we can nurture and develop with them.

This will mean all charities, large and small embracing all aspects of corporate philanthropy. We must not rush in for the 'quick win', but instead take the longer view by developing relationships that last. The gateway to the lasting corporate relationship may not be as simple as a gift, if a corporate offers the charity their skills and expertise, charities should use this as an opportunity to build trusting, loyal and lasting relationships. Trust and loyalty will be two very important ingredients in the 2016 corporate relationship toolbox.

Corporates will, as ever, be looking at how they multiply their return on their investment in charities. It's our job to demonstrate to them both the value and impact of the gifts they make. In 2016 a simple story of how we helped one person may not be enough, we need to talk about our impact as it relates to our whole mission. We must tell the 'big picture' story, demonstrating that the 'sum of our parts' are greater than the whole and that our whole impact delivers positive change. Only through talking in this way about our work will we be able to engender a sense of pride in the relationship they hold with us.

2016 will also see corporates of all sizes looking to build their philanthropy as a core component of their workplace environment. Philanthropy and community engagement will be part of their business ideology, not just an

optional extra, but a meaningful act that is embedded in the culture and values of the business. This will include providing more and more meaningful volunteering opportunities. In 2016 the millennials are at the very heart of business, they will help shape a corporate's approach to philanthropy as they blend who they are, what they do and what they stand for and the causes they support with their work life. This generation more than any generation before them, will see community engagement as part of their whole workplace experience and businesses will respond accordingly, seeking out those charities that can provide these opportunities.

In 2016 corporates will want to ensure that the charities they support are built on solid foundations, that the trust they put in them when they invest is justified. More than ever before corporates will adopt the trust and foundation 'donor plus approach'. They will want to be 'more involved' and give their support to enhance sustainability by helping charities with their business planning, financial management, in short sharing their expertise as well as gifting financial support. This type of interaction between corporates and charities will embed and support long term relationships.



*Philanthropy and community engagement will be part of...business ideology, not just an optional extra, but a meaningful act that is embedded in the culture and values of the business. This will include providing more and more meaningful volunteering opportunities.*

However, never forget, one size does not fit all, and some businesses will still want a short term relationship, a quick fix to enhance their marketing opportunities. So charities will need to have a corporate toolkit that can respond to all types of corporate relationships. As in all relationships it will start by seeking to understand the corporate's requirements. Only through understanding will we know how to work with the potential corporate supporter and who knows, even the most fleeting of acquaintances can turn into long-term relationships.

As we work to develop relationships with the corporate sector we must also not lose sight of the fact that they are also the gateway to individual supporters. So no matter how compelling an email sent out to engage employees may be, if the embedded hyperlink takes a smartphone user to a website that's not legible on a phone, it's going to be a missed opportunity not only for an immediate gift but also do develop those lasting individual relationships of the future.

In 2016 we must seek to understand, build trust and loyalty, tell our 'big picture' story, demonstrate the value of the corporate's investment, providing meaningful interactions and be open to all types of support.



### About Pauline Broomhead

Pauline Broomhead is the founding CEO of the FSI, a charity focused on arming small charities with the best learning opportunities to secure a sustainable future.

Pauline's career has seen her work on campaigns with many of the most high-profile charities in the UK and abroad. She has garnered a reputation for outstanding commitment to the sector, bringing strategic planning, fundraising and relationship-management skills to all the work she undertakes.

Today, Pauline uses this experience to deliver training, development and consultancy services to the small charity sector through her work at the FSI. Since its inception, the FSI has helped thousands of small charities to improve their operations and maximise fundraising opportunities in order to deliver and diversify the services offered to their communities.

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## CORPORATE CHARITY PARTNERSHIPS

# Time for corporates to stop celebrating and start innovating

**Graham Precey, Head of Corporate Responsibility and Ethics, Legal & General**

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Looking at the amount of media coverage given to awards ceremonies dedicated to corporate and charity partnerships, you'd be forgiven for thinking that charities raise the majority of their day-to-day cash flow through corporate money. But the numbers show this is a long way from the truth.

According to IOF's Corporate Fundraising Report in July 2015, corporate support to charities was worth just £470 million, accounting for a paltry 2% of total NGO income in the UK.

The majority of this corporate money, around 44%, is through employee driven 'Charity of the Year' models. Is this sustainable? - The 'Charity of the Year' model assumes that every employee will line up with one cause or one organisation. These crowd sourced funds very rarely affect the company's own bottom line and have minimal impact on the company's core operations or processes in tackling the issue directly.

Does the corporate involved in the charity partnership really do anything different itself after the charity is gone with regards to the underlying social, economic or environmental issues front and centre at the time of the partnership?

There is also a big assumption by companies that one cause, one workforce is something that a company can control. If I ask my colleagues "what social, economic or environmental issue affecting your community or the planet did you think about on the train to work this morning", I'm sure that I'll get a really diverse set of answers!

On the charity side of things government cuts mean that the third sector has the unenviable task of not only tackling the issues they already had on

their list, but are now are also expected to hold the social safety nets that government no longer provides for its constituents.

So where next? Chairing the 'Corporate Charity Partnerships Conference' this year provided some useful insights into the ways that corporates and charities are learning to play to their strengths.

An audience poll showed two things. The first words that come out of a corporate fundraiser's mouth when talking to a company were: "Can I have some time?" This is a great improvement from the past few years where: "Can I have some cash?" to pay for existing projects. Secondly, when corporate charity fundraisers were asked: "Who is the best person to know what's going on in the company?" and the answer given was: "the receptionist", then we know that something isn't working properly.

“ *The new opportunity is the common realisation that charities and corporates can both be problem solvers.* ”

The new opportunity is the common realisation that charities and corporates can both be problem solvers. Charities are the most efficient sector at spotting unmet economic, social and environmental needs in society. Companies have the ability to scale things up. This should be a perfect marriage.

Charities often want to solve things themselves. How often do they say: "Our job is done?" Or seek out a merger with organisations who are doing the same thing but few happen. Companies rarely go to the market if they've any uncertainty about their future or have unanswered questions. The fear of getting devalued by their owners is too great.

The future has got to be where corporates and charities get together and use

their combined scale to share risks and solve social problems that the UK needs fixing.

We've already seen innovative corporates and charities team up to provide the upfront capital for social impact bonds and social investments. This is where the company puts its balance sheet capital into social and environmental issues that need fixing, even if it does this to shore up its current and future markets.

For a company like Legal & General who worry about macro issues such as an ageing population, health trends and giving more people access to a house, we of course should be working with a wide range of experts big and small.

Our current partners include Alzheimer's Research UK who we helped create a website for the increasing number of kids who see older relatives grapple with this disease; Healthtalk.org. which is one of the largest peer to peer health advice websites who now provide video support for our own life assurance customers and Step Change, who help our employees deal with pension customers who drawing down large amounts of their pensions merely to pay off existing debts. We also are partnered with Warrior, Royal Voluntary Service, Elderly Accommodation Counsel and Help Age International.

These kinds of relationships are hugely relevant to us in understanding our day to day markets. The knowledge these charities possess means we can better understand changing trends for how real people are living their lives.

Any corporate and charity relationship should very simply be able to pass the Ronseal paint test i.e. "It does exactly what it says on the tin". If it's not immediately clear why the business is working with the charity, then maybe the partnership is just 'window dressing' as it's not deep rooted enough in the common social, economic or environmental inequalities that both organisations share.

With less government money around, future partnerships will need to be set up directly between corporates and charities, with minimal government involvement.

My prediction is that 2016 will see a new breed of joint ventures between companies and charities. Sharing of IP can help solve common problems, resulting in new products and services where both organisations share the development risk and the surpluses.

To make this happen corporates need to be brave about saying what gaps in knowledge they need to plug to secure their future and charities must be much better at packaging up what they're good at. They need to price up their IP and create a new breed of innovation processes to make the marriage work on a more equal footing.

The next opportunity for corporates is to dig deep and understand how they can work with not for profit organisations to put their own balance sheets into backing the biggest social, environmental and economic issues that need fixing for the long term. But that's another story!



### About Graham Precey

Graham is an expert in bringing together not for profits, public sector and corporates in unique joint ventures to solve the long term issues that really matter. He has been doing so at Legal & General for over 8 years and was awarded in 2012 as a Business In The Community Game Changer.

He also sits on the board of growing small charity, The 4 Cancer Group as well a capacity building charity for small charities The Foundation for Social Improvement, is a founding member of Social Enterprise Assist Investment and a member of the advisory panel for Career Volunteer.

[@landg\\_uk](#)

## CORPORATE CHARITY PARTNERSHIPS

# Challenging the 'Them and Us' mindset in corporate charity relations

**Martin Houghton-Brown, CEO, Depaul UK**

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I recently blogged about the attack on public servants in the press. I received a stinging rebuke from one of my closest friends, who works for a multi-billion dollar Fortune 500 company on a healthy six figure salary. He wanted to know why he, in his work helping to develop the pharmaceutical industry, whose drugs cure so many of our ills, was not also a public servant. I won't indulge that debate here but it goes a long way to showing how many of our corporate colleagues see themselves as fellow contributors to the public good. Indeed in recent years I have had times of feeling more corporate than charity as we are driven by the 'market' vision of public sector commissioning.

Either way it should not become a 'them and us' world view. Our friends in the 'for-profit' sector of course have weighed up the salary return for their effort (which of us hasn't?), but the number of people who have unlimited earning potential who do not face the same decisions as we do are few and far between. Perhaps it is time to recognise the values may be very similar when it boils down to it and together we want a happy, prosperous and healthy community to live in.

If the charity sector sometimes finds it hard, so does the corporate sector. The economy is lumpy to say the least with economic growth slowing, labour shortages and the prospect of interest rate rises and currency devaluation making investment challenging for many companies.

I think 2016 will remain cautious for many companies and thus they will continue traditional forms of giving and I should be surprised to see anything radical. Expect the continuance of charities of the year and strategic partnerships but also anticipate higher expectations on return on investment, PR, employee value and hard measures for annual reports.

One significant area of difference between our sectors is the corporate commitment to learning and development. The significant advances in big data, communications technologies and innovative people approaches are not landing quickly in our sector. Is 2016 the year when corporates provide more pro-bono support to help organisational transformation programmes?



*...the millennial employee is causing companies to increasingly think about how they work with their staff. Employee engagement and reward is big business. We have to be cautious not to provide opportunities where the skills of the volunteers don't match the need.*

I think the rise of the millennial employee is causing companies to increasingly think about how they work with their staff. Employee engagement and reward is big business. They want their people to have a great time volunteering for our sector. Whilst there will always be a place for the '24 Hour Make Over' style volunteering we have to be cautious not to provide those opportunities where the skills of the volunteers (have you ever visited a hostel painted by lawyers and accountants?) don't match the need. The consequences for the charity and company tend to be a lack of satisfaction all round. No one likes doing a bad job not even if they were patronising in their intent. I think more and more people want innovative volunteering.

The Depaul Box Company, our own mini 'for profit' company that retails cardboard box products to consumers and businesses has been a brilliant way to engage corporate employees. We recently set PWC employees an 'Apprentice' style challenge to go and sell our boxes to businesses who use huge quantities. They had to get the door open, create the pitch and go and sell. The net result of this was that we were introduced to the largest

and most reputable of archive companies, Iron Mountain and we are about to see the profits come in, which go back to Depaul to help young people experiencing homelessness. Simply brilliant all round. I think more of these kind of initiatives will come to market in 2016.

After KidsCoGate last year, we as a sector will face extra scrutiny by our corporate colleagues. Kids Company is a story that keeps on giving to the red tops and the anti-charity press (who knew they even existed three years ago?) as I expect the official reports to be damning in the extreme. Joe Saxton, NfpSynergy, once said, "the public generally exists in a rosy fog of ignorance, lacking a true understanding of how charities operate. When they see the ways charities work in the modern day, they say 'oh, I'm not quite sure I like that'".

Well now they know how the less well run of us operate and they like us even less.

What then is our anti-dote? Not entirely, as Saxton advocates ever more scrutiny on which proportion of financial expenditure goes to which Charity Commission line items. But the approach adopted by Charity Navigator and advocated by Caroline Feinnes of Giving Evidence is the way we have to respond. Feinnes advocates, "moving away from assessing charities just on their admin percentages towards measures of transparency and effectiveness." I think companies will be looking to see how transparent we are in publishing our true numbers of beneficiaries, who our senior teams are and how much they earn, who our trustees are and how well they focus their reporting on the difference we really make.

The corporate sector is filled with people who have talent and capacity and we must see them in 2016 as our allies. Far more of them need to become our trustees, especially when so many of them are young and forward thinking and many of our trustee boards could do with a little of that balance.

I interviewed a prospective and very corporate trustee recently, who having been warned off the aforementioned troubled charity some time ago, had found us instead. He was inspiring and full of insights. We are already privileged to have a great balance of talents on our board and so he shall go on the waiting list.

From good corporate partnerships should come a good flow of trustees,

many of whom will stay long beyond any relationship the corporate partners might have with the charity. There is always the question of conflicts of interest and any board worth their salt manages this transparently and effectively without any trouble at all.

So how should we view our for profit partners in 2016? They should be our curious, contributing and critical friends. Let us indulge their curiosity, welcome their critique and above all bring them inside our many and colourful tents. Let us make 2016 the year of charity and corporate partnerships.



### About Martin Houghton-Brown

Martin is Chief Executive of Depaul UK, the nationwide charity for homeless young people.

To date Martin has, and continues to, work extensively with the Government on policy matters and has contributed towards statutory guidance on children who go missing, who are sexually exploited and was a founder member of the Prime Ministerial taskforce on Missing Persons that latterly led to the first ever cross government strategy on Missing Children and Vulnerable Adults.

He has also served for two years as a member of the Office for the Children's Commissioners' Inquiry into "Child Sexual Exploitation in Gangs and Groups".

Before this, Martin was Deputy Director at The Children's Society, where he authored the ground-breaking report 'Stepping Up', which generated the UK Government's Young Runaways Action Plan. He is a Director and Trustee of YMCA England, a School Governor and a Fellow of the Royal Society of Arts.

[@DepaulUK](#)

## VOLUNTEERING

# How volunteering can save the panto baddie

**Rob Jackson, Director, Rob Jackson Consulting**

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Like many people I attended a pantomime over Christmas and joined with everyone in booing and hissing the baddie at every opportunity. The baddie in panto quite literally has the whole crowd against them.

For anyone working in or with charities, that would have been a familiar experience in 2015. Charities felt like panto baddies as the public, politicians and the media turned against them. Fundraising scandals, CEO pay and a host of negative press stories harmed the reputation of all charities, whether all charities deserved it or not.

Of course panto baddies are always redeemed at the end, transformed from being reviled to being cheered at the end of the play.

For the charitable world, such a change in fortune seems far off. The response has not been about setting out a vision for charities that gets the public back on side but to counter the negativity and prepare for more. Where then can the sector turn to showcase the best of itself, to reassure the public of the worth of the causes organisations serve, to simply tell good stories about what charities do?

I think we can find the answer in one word - volunteering.

2016 should be the year in which the charitable sector trumpets the work of volunteers like no other before. It should be the year charities work to recreate that feel-good, gold-dust aura that volunteering had at the London 2012 Olympic and Paralympic Games. In the summer and autumn of 2012 being a volunteer was cool, a badge of honour and the UK as a whole marvelled at how volunteering could have such a great impact.

Charities have many stories to tell and much to celebrate about volunteering yet this good news so rarely sees the limelight because volunteering is

culturally invisible, not just in society at large but within the charitable sector itself. So what are the opportunities to shout from the rooftops about the great work of volunteers and how this demonstrates what a wonderful sector the charitable world is?

In 2016 we will have the usual focal points for time giving: Volunteer's Week (1–7 June); Student Volunteering Week (22–28 February); Make A Difference Day (22 October); Give & Gain Day (20 May); Trustees Week (November); and UN Volunteers Day (5 December).

Then there is Sport Relief (18–20 March) and Children in Need (November). Both events raise tens of millions of pounds every year. How? In large part through volunteers, people giving their time to raise money, whether they be children at school organising an event or a celebrity donating their time to a TV event. Let's showcase this in 2016 rather than brushing it under the carpet as usual.

“ *Charities have much to celebrate about volunteering yet...volunteering is culturally invisible, not just in society at large but within the charitable sector itself.* ”

However, we need to seize every opportunity to celebrate volunteering and tell the stories of the millions of people who do great work in their communities every day. Take the recent floods for example. Awful as the new stories have been, the efforts of volunteers in the affected communities have been humbling, inspiring and essential. Yet they have received little public attention. Let's not make this mistake again when significant societal events happen during the year.

Then there is the ongoing work volunteers are doing to realise the UN sustainable development goals. Or how about the Step Up To Serve #iwill

campaign striving to make social action part of life for as many 10 to 20 year-olds as possible by the year 2020? Oh and in case you missed it, 2016 is the year London gains the title of EU Capital of Volunteering.

Finally, as Justin Davis Smith points out in his recent crystal ball gazing blog post for NCVO, we have the prospect of the government finally doing something about their three day employee volunteering manifesto pledge. This would be a wonderful opportunity to highlight the best of CSR and show how volunteers can do more than stuff envelopes, make tea and paint walls (important as those things might be).

The opportunities to promote volunteering, to showcase the work of volunteers, are legion. Telling these stories can only help to build up the reputation of charities and repair some of the harm done last year. The question is whether charities have the appetite and enthusiasm for this. Because volunteering is often Cinderella to the ugly sisters of fundraising and campaigning, left in the corner to do the essential work but never really being allowed to shine and get a little of the limelight.

2016 could, should, be the year to change that. 2015 is behind us (oh yes it is!) and a year of opportunity awaits...



### About Rob Jackson

Rob Jackson is Director of Rob Jackson Consulting Ltd, a consultancy and training company that helps engage and inspire people to bring about change. Rob has more than 21 years experience working in the voluntary and community sector, holding a variety of strategic development and senior management roles that have focused on leading and engaging volunteers.

Rob worked for Volunteering England for six years, most of which he spent as Director of Development and Innovation. During his time he successfully generated over £3million of income, led a merger with Student Volunteering England and oversaw the delivery of a number of strategic development projects in the volunteering field. Rob also provided the secretariat to the ground breaking Volunteer Rights Inquiry.

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## VOLUNTEERING

# Volunteering overseas will be as easy as booking an Uber

**Dr Louise Erskine, Head of Programmes and Research, Career Volunteer**

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A friend presented me with a powerful book for Christmas called “Photos that Changed the World”: a stark visual depiction of pinnacle moments in the 20th century. The images are of those we all know – Martin Luther King giving his infamous ‘I have a dream’ speech in front of 200,000 people; the moments before JFK was assassinated; Greenpeace confronting Shell from a dinghy in the middle of the North Sea. In a foreword written by one of the authors, Peter Stepan talks about these single-shot moments that “set social changes in motion, transforming the way we live and think.”

Even upon first flicking through these thought provoking images, there was a separate image that came to my mind that would likely never be included in such a collection but which had, nevertheless, a palpable impact on my thinking in recent years. The image, shown to me whilst I was working in Tanzania, was that of a group of white people donning ‘volunteer’ t-shirts from their company (which shall not be named) painting a health centre whilst a group of locals sat atop buckets and other inanimate objects looking on slightly disdainful.

It was the first time I realised that not all volunteering is worthwhile, particularly when it’s taking away potential work from local people. Since then, I have witnessed some incredible examples of people utilising their skills and abilities to have a lasting impact yet still find the scenarios such as the aforementioned commonplace – and frustrating. My predictions for international volunteering in 2016 are perhaps more akin to my wish list. But here’s hoping.

## The NGO sector will clamp down on Gap Years

The rise of the Gap Year signified a pinnacle moment for international volunteering – suddenly there were untold numbers of school leavers and university students ready to take on all sorts of manual labour tasks for free and slum it in developing countries, all in the name of “this one time, when I was volunteering on my Gap Year...”

The fad grew and transcended into ‘Gap Years for Grown Ups’ and ‘Grey Gap Years’ and finally reached our annual two week holiday which many of us spent on ‘voluntourism’ excursions, half sight-seeing / half guilt-alleviating.

“*The one way transference of knowledge and learning is simply not true and businesses are recognising that the skills development of their own employees can be fuelled by their volunteering experiences.*”

But a spate of recent feedback from the NGO sector suggests this trend is on its way out as they look for more skilled expert volunteers to assist them in their programmes; the old school Gappers becoming more of a hindrance than a help. This is not to say that profit hungry voluntourism companies won't continue to fuel the market and capitalise on the demand – just don't assume that your help is necessarily what's really needed.

## Employers will realise their employees can do more than build wells

It's happening already in other countries, namely the US, and is starting to gather momentum in the UK: companies are realising that volunteering doesn't need to be all about giving. The one way transference of knowledge

and learning is simply not true and businesses are recognising that the skills development of their own employees can be fuelled by their volunteering experiences. Yes, it's all very good if employees of a financial services business can build wells, but how often do they need to apply that skill in their day job?

One of the initiatives Career Volunteer is involved with, Impact 2030 - a private sector led group working to harness the skills of corporate volunteers to help achieve the Sustainable Development Goals (SDGs) - has support from some of the world's top brands. The framework and guidelines that will likely stem from the consultations in coming years will shape the world of corporate overseas volunteering for the better.

## **Technology platforms will inspire would-be skilled volunteers**

It still surprises me the number of people who say to me "I've never thought of using my skills in volunteering before..." In our increasingly tech-reliant lives, it's the internet that will inspire people to think of it. Technology platforms matching people's skills and availability with overseas volunteering assignments will make having a long-term impact on the way entrepreneurs are able to access microfinance or indigenous communities are able to electronically map their land to protect their rights as easy as booking an Uber or finding a date on Tinder.

Likewise, digital impact measurement platforms that track, assimilate and present people's and company's volunteering contributions to such projects are inspiring a new generation of competitive volunteers. Ok, so not such a motivation for the more humble out there but this will likely become a key driver to engage people with international volunteering this year.

## **Skilled volunteering will follow suit with a shift to the South**

With much of the focus of the SDGs placed on 'mobilising resources' and 'closing gaps' it's no wonder the international development arena is looking to the South for input and answers. Developed countries are losing their status as the go-to-for-help, being replaced by newly industrialised and emerging markets who are viewed as far more innovative and entrepreneurial.

The shift in 2016 will see a growth in skilled volunteering – from South to South. Multinational companies with offices all over the world will begin to

embed more localised approaches to volunteering and skilled volunteers from the North may find themselves pipped to the post by their regional counterparts.

So therein summarises my predictions/wish list. The photo I'd like to see by the end of 2016 that epitomises international volunteering is not the stereotypical group snapshot of do-gooders with paint brushes, but one which captures capacity building, grassroots empowerment and long term sustainability. Perhaps then it may warrant being included in such a profound collection as "Photos that Changed the World."



### About Dr Louise Erskine

Louise has worked with Career Volunteer since its inception, specifically working with FTSE100 companies to design their employer supported volunteering programmes. With a PhD in international development, which focused on harnessing and mobilising resources of the private sector to reduce poverty, she is also responsible for developing Career Volunteer's international volunteering programmes.

A former university lecturer, she has taught in areas such as pro poor and sustainable development and corporate social responsibility. Louise has carried out a range of programme evaluations throughout East Africa and South America, and was recently engaged on a pro bono basis to design a programme evaluation study for a small educational charity working in Ghana.

She is a Trustee of Rainforest Foundation UK, an international organisation working to ensure long-term protection of rainforests by securing the rights of indigenous and forest peoples to land, life and livelihood.

[@LouiseMErskine](#)

# About



**Charity People**

Charity People is a multiple award winning specialist recruitment firm operating exclusively in the charity sector for over 25 years. Our aims are to promote the sector as a great place to work, to attract the most talented and committed candidates, and to help charities recruit more effectively.

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Career Volunteer connects businesses and charities around the world through skilled volunteering and provides best in class executive search services for charity boards. We see a world where skilled volunteering is seen as a normal part of life; encouraged and supported by employers and given due recognition by society as a whole. Essentially, business as usual.

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