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UK charities fall victim to £1.65bn worth of fraud a year

Philanthropic giving

What are the trends in the philanthropy of the super-wealthy?

Good investments

Research on how charities invest and choose their investments

charitytimes

FIRST CHOICE FOR NON-PROFIT MANAGEMENT

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Charities and trust

Trust in a charity is everything. Once lost it is never regained. Support, including donations, inevitably collapse. Two recent reports give a very different picture on where the sector is as far as public support is concerned.
Trust in charities remains high according to research conducted for the Charity Commission. Charities received a trust score of 6.7 out of 10 overall, in line with previous research findings, showing that public trust and confidence in charities is resilient.

However, the research indicates a shift in public opinion in certain areas. People are now attaching greater importance to good financial management by charities. Almost half of people cite "ensuring a reasonable proportion of donations gets to the end cause" as the most important factor affecting their trust in charities and the importance of this has risen since the last research in 2012.

As William Shawcross, chairman of the Charity Commission, noted: "It is no longer good enough to say that your charity makes a positive difference — the public wants to know that you are making the best possible impact, and that a reasonable proportion of donations is getting to the end cause."

The second survey on trust presents a less than positive picture: stating public trust in charities has fallen by 10 percentage points in the last year. Charities now appear seventh in a newly published list of the most trusted institutions, coming behind the Royal Family and small businesses for the first time. This poll, by research consultancy nfpSynergy, also shows a finance angle about concerns the public have: 60 per cent of respondents want to see charities both chased to submit their accounts on time and forced to declare how many staff are paid over £60,000.

There is enough here for the sector to heed some warnings. In all areas of life, the public now expects access to more and more accessible data. CEOS, finance directors and trustees need to respond to this. They need to ask themselves: "What do donors, beneficiaries and partners expect to know about our work?"

Charities sometimes fear that revealing too much exposes them to risk. For example, the information may be misinterpreted or misused. One only has to look at the CEO salary debacle of last year to see how this can happen. But greater transparency and openness can prevent this from happening. It can, and will, lead to a greater trust from a public that begins to fully understand how charities work. And the positive knock-on impact of this should be obvious to all charities.

Andrew Holt, Editor

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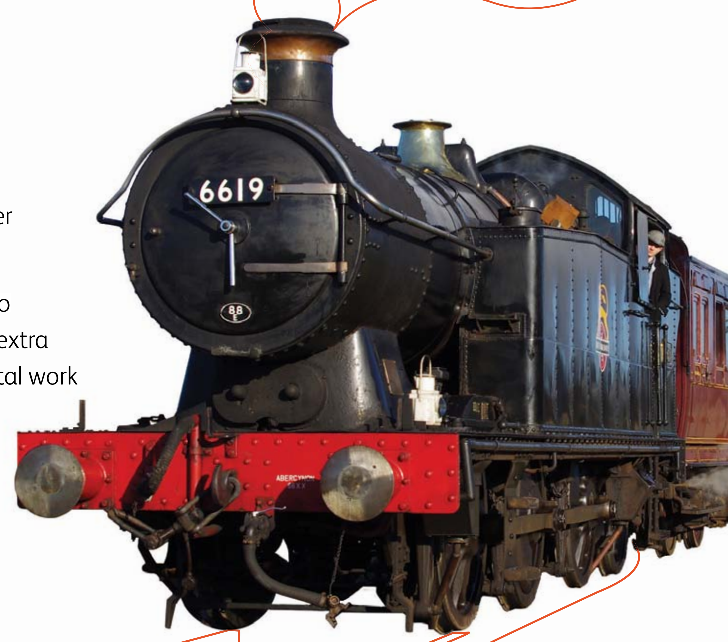
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Features

A NEW WELFARE PACKAGE should be offered to young people in an attempt to slash youth unemployment, according to a report published by a leading think-tank. The Centre for Social Justice wants politicians to make a commitment that tackling youth unemployment will be a 'moral mission' in the next Parliament and calls for a fresh relationship between young people and the State.

ALMOST A THIRD OF young people (31%) give up their time for charity each month as a supporter or volunteer, according to new research from youth insights consultancy **Voxburner** into the relationship between 16-24s and charities or campaigns. 77% of 16-24s give less than £5 per month to charity - one third (33%) give nothing, whilst 44% give up to £5. There are more young people paying for a Netflix subscription than there are donating over £5 to charity — Voxburner's *Buying Digital Content* report found that 34% of young people have used paid-for movie streaming service Netflix in the last month in contrast to 23% of donate over £5 to charity each month.

IN CONTRADICTION TO another survey (see below), trust in charities remains high according to independent research by **Ipsos MORI** conducted on behalf of the **Charity Commission**. Charities received a trust score of 6.7 out of 10 overall, in line with previous research findings, showing that public trust and confidence in charities is resilient. Only the police (7) and doctors (7.6) are trusted more than charities. However, the research indicates a shift in public opinion in certain areas. People are now attaching greater importance to good financial management by charities. Almost half of people cite 'ensuring a reasonable proportion of donations gets to the end cause' as the most important factor affecting their trust in charities and the importance of this has risen since the last research in 2012.

A COALITION OF organisations has teamed up to launch new online technology, which will be available for free to all charities in the UK. **Think-tank NPC** has joined with **Charities Evaluation Services** and leading social research collective **Substance** to design two innovative tools, which will help charities focus on measuring what they do and think more about their overall impact on the people they support. The organisations involved estimate that using the tools could save the charity sector as a whole more than £15m. The first: 'Measuring Up', will help charities find out how well they are assessing the impact of their work on the people they support. The second, the 'Impact Hub', will gather in one place the resources charities need to measure what they do.

THE PUBLIC'S TRUST IN charities has fallen by 10 percentage points in the last year, new research suggests. They now appear seventh in a newly published list of the most trusted institutions, coming behind the **Royal Family** and small businesses for the first time. The research also reveals what people say charities can do to reassure them, including reviewing costs annually and regulation by the **Charity Commission**. The poll, carried out by research consultancy nfpSynergy, shows that 56% of people now trust charities 'quite a lot' or 'a great deal, a significant fall from last year and the sector's second lowest figure since 2007. The Scouts and Guides continue their high levels of trust with 64%, while The Armed Forces continue to top the poll, despite a drop of 8%.

WITH CHANGES AFOOT throughout the pensions industry, there is a need for better education for employers and members of pension schemes, according to The Pensions Trust, one of the leading workplace pension funds in the UK for the third sector. The Pensions Trust questioned 500 members and employers on their key pension concerns, with confusion around options in the lead up to retirement as well as options in retirement prevailing as a main theme. The poll found many members were unclear as to whether they could stop working before they reach 65, and still draw their pension, as well as confusion around their options if they decide to continue working past 65 years of age. Similarly, members were troubled as to their options when it comes to drawing both a private and a State Pension, with some questioning whether they are still eligible to draw a State Pension if they draw from a private pension.

THE POSTCODE LOTTERY OF DIABETES HEALTHCARE is now so great that people with the condition are four times more likely to get vital annual checks if they live in the best performing area in England than if they live in the worst, according to a new online tool.
The data on Diabetes UK's Diabetes Watch, which enables people with diabetes to compare care in their area with care around the country, shows that just 18.5 per cent of people with the condition in Mid-Essex get the eight annual checks recommended by the National Institute for Health and Care Excellence. It is one of 27 areas in England where less than half of people with diabetes receive these checks.

CHARITIES ARE IN a unique position to influence the way **Social Impact Bonds (SIBs)** are developed and used in the future, according to a new paper published today by charity think-tank NPC. NPC argues that providers remain positive about the potential of SIBs to deliver strong outcomes for beneficiaries, even after recent poor publicity. The paper, *Opportunities and lessons*, draws on a recent roundtable meeting with experts in the field, convened by NPC and including several charities currently delivering services within SIB contracts. Opportunities and lessons argues that charities are well placed to exploit specialist knowledge in some areas of service delivery. It contends that charities, while facing a number of hurdles, should seriously consider working alone or in coalition to develop their own SIB proposals, and direct government policy towards delivering more effective interventions on behalf of beneficiaries.

THE CHARITY COMMISSION has announced that it has opened a statutory inquiry into Life Foundation Trust, registered charity number 1147572. The charity, which was registered in 2012, has objects that include the promotion of education, the advancement of health and the saving of lives. Its registered address is in Manchester. The regulator is investigating concerns about the trustees' decisions to enter into agreements by the charity to occupy vacant commercial premises, resulting in the charity becoming potentially liable for the payment of significant business rates. The inquiry will examine whether the trustees have properly discharged their legal duties including timely filing of the charity's annual accounts and returns and whether, and to what extent, there was mismanagement or misconduct in the administration and management of the charity on the part of the trustees. The charity is currently in liquidation. The Commission's inquiry was opened on 3 June 2014.

GOVERNMENT FIGURES published showed that **homelessness in London has risen** for the fourth year running, with 29,152 households approaching their local authority as homeless — a 10% increase on figures published last year. The ending of a private tenancy is now the leading cause of homelessness in London – up 29% on last year. The annual figures from the Department for Communities and Local Government show that in London in 2013/14: 15,187 households were accepted as homeless and a priority for housing in 2013/14 — an increase of 3% compared to the previous year; 11,540 homeless households were accommodated outside of their borough — a rise of 36%; 4,538 homeless households were not considered a priority for housing, a rise of 2% on the previous year.

SIR JOHN ELVIDGE, former Permanent Secretary to the **Scottish Government**, and fellow of the **Carnegie UK Trust**, has argued that improving the wellbeing of UK citizens depends on a new and more 'Enabling' State approach being adopted by our Government. To do that, government needs to stop being a barrier to the empowerment of people. The finding is one of several key actions outlined in a new report *A route map to an Enabling State*, produced by Sir John on behalf of philanthropic organisation, the Carnegie UK Trust. It marks the culmination of an 18 month research project to produce the most comprehensive contemporary review of public policy reform from around the UK and Ireland on the topic of the nature and role of government.

THE GOVERNMENT ANNOUNCED a multi-million pound package of finance to boost the social investment market as it sets outs its strategy to grow the sector. In its 2014 progress report, the Cabinet Office reflects on the huge strides made in the market over the past 3 years, including: the introduction of the world's first tax relief for social investment; the creation of Big Society Capital (the £600m social investment bank) and significant growth in the number of social enterprises, which now employ more than 2m people in the UK. The UK is now home to the world's most advanced social investment market, growing over 20% a year, and is seen as the global hub for social investment. The progress report sets out the most important focus for the next year: making it easier for people to become social investors, as well as helping organisations to access this type of funding.

THE WORK PROGRAMME is failing those who need the most help to find work, according to a new report published by the think-tank IPPR North. The report says the Work Programme is generally working for mainstream jobseekers, but is not working for people with health conditions. The report shows that over a quarter of a million people with health conditions have joined the Work Programme, but only 1 in 20 of them have found work, compared to 1 in 5 mainstream jobhunters. Only 1 in 25 people with a mental and behavioural disorder have gone on to find work, despite this being the most common health condition for people on the programme. The new report is the latest in a series from IPPR's flagship *Condition of Britain project on social policy*.

THE FINANCIAL PROMOTION REGIME — the legislative and regulatory framework which regulates the marketing of smaller-scale investments to investors based in the UK — presents a number of 'barriers both for investors and investees which risk stifling the growth of the social investment marketplace', according to a new report published today by the **Social Investment Research Council**. *Marketing Social Investments — An Outline of the UK Financial Promotion Regime*, finds that at present the Regime largely fails to appreciate the distinctive features of social investment, where investments are often small-scale, localised, involve personal associations and financial return is often a secondary consideration. Its complexity causes uncertainty and is a challenge for investors and investees alike to understand. The report also highlights challenges for social enterprises, such as compliance costs, which are disproportionately high for the majority of social enterprises relative to the investment amount that they seek to raise.

CHARITY BANK recognised three of its borrowers in its annual Impact Awards. The awards were open to all current **Charity Bank** borrowers and comprised three categories: greatest impact, most innovative use of loan finance, and best community initiative. The award winners were: Emmaus Brighton and Hove, winner of the award for Greatest Impact. For the organisation most able to demonstrate that it is achieving profound, life-enhancing and enduring change for those with whom they work; Folkestone Sports Centre Trust, winner of the award for the Most Innovative Use of Loan Finance. For the organisation using loan finance in the most imaginative way to transform the way it operates; Valley CIDS, winner of the award for the Best Community Initiative for its Blend Youth Project. For the organisation whose project demonstrates the most impressive community involvement which is for and of the community.

A NEW SURVEY reveals that while 80% of senior executives got involved with charities to 'give something back', over two-thirds (68%) said it was a desire to develop their skills in a different environment that was a key factor. The report, Philanthropic Journeys, commissioned by the charity Pilotlight and carried out by Dr Beth Breeze from the Centre for Philanthropy at the University of Kent, includes a survey of over 225 business leaders and philanthropists across England and Scotland. The research shows that structured skills volunteering through organisations like Pilotlight, not only changes negative attitudes about charities but also nearly doubles people's intention to volunteer (from 32% to 63%), significantly affects people's desire to make substantial donations worth £1,000 or more (from 29% to 41%), and leads to a three-fold increase in the willingness to serve as a charity trustee (See page 12).

SIR STEPHEN BUBB, chief executive of **ACEVO**, the charity leaders' network, criticised ministers and MPs who have sought to gag the campaigning activity of charities such as Oxfam and the Trussell Trust. His comments emerge in the wake of complaints by a Conservative MP about a recent Oxfam campaign entitled The Perfect Storm which claims to highlight the contemporary causes of UK poverty. In a letter to William Shawcross, chair of Charity regulator the Charity Commission Sir Stephen argues that such campaigns are a crucial part of our democracy and the regulator must protect those historic rights (see page 19).

Britons fear the country is becoming ever more materialistic as the economic recovery takes hold, according to new research. 59% of Britons feel they are often too focused on their own lives to help others, according to a study by CAF

BRITONS FEAR the country is becoming ever more materialistic as the economic recovery takes hold, according to new research. And most (59%) people think Britons are often too focussed on their own lives to help others, according to the study by the Charities Aid Foundation, which comes as the British founder of a new global giving campaign — #GivingTuesday — comes to the UK to officially launch the day of generosity in this country. Half of British adults (48%) believe that the economic situation will improve in the next year, and half (48%) say that if the economy does improve, and wages increase, people should spend more money on charities as well as themselves, according to the survey by ComRes. But the poll suggests that Britons are far more likely to spend any extra cash on holidays, clothes and going out than supporting good causes, raising fears that charities will have limited benefits from the economic upturn.

THE BIG LOTTERY FUND is in advanced talks to match over £260 million of Lottery funding with money from Europe in a move that will open up new funding opportunities for the sector, Big Lottery Fund chief executive, Dawn Austwick, told delegates at the **National Council for Voluntary Organisations**' conference, Evolve. The move follows months of work from the NCVO, government departments and Big Lottery Fund, looking at how to increase sector involvement in European funding, which historically has been limited. Priorities for the new seven-year, 2014-2020 round of the European Structural and Investment Fund (ESIF) growth programme have been determined locally by England's local enterprise partnerships (LEPs) — local bodies with representatives from business, skills and the voluntary sector.

THE GOVERNMENT must do more to "widen ladders of opportunity, smash glass ceilings and back the British underdog" says Conservative MP Dominic Raab in his new pamphlet *The Meritocrat's Manifesto*, to be published by the Social

Market Foundation (SMF) think tank on Wednesday. Raab outlines a radical agenda for the centre-right aimed at strengthening social fairness during a time of austerity. Spanning schools reform, vocational training, non-graduate routes into the professions, entrepreneurial avenues, tax and regulatory reform, home ownership, social enterprises and immigration, *The Meritocrat's Manifesto* sets out a range of policy proposals aimed at enabling greater meritocracy and increasing social mobility.

THE SETTING UP OF a Government-backed financial regulator could lead to 'potentially expensive and risky' red tape according to a stark warning from a financial think-tank report. Next April will see a new regulator being introduced to oversee the UK payments system, which is responsible for every card purchase, payment or bank transaction. Last year the system processed approximately 7bn transactions, worth over £75trn. The Treasury has tasked the regulator with promoting greater competition in the retail banking sector, as well as ensuring that payment systems operate in the interests of users.

THE OFFICE OF THE SCOTTISH REGULATOR (OSCR), the Scottish charity regulator, is investigating **The Dignity Project**, registered charity SC027546, for an abusive tweet which appeared on its twitter page yesterday. In reference to author JK Rowling's £1m donation to the pro-UK campaign, the tweet read: "What a #bitch after we gave her shelter in our city when she was a single mum." The OSCR said in a statement: "We are aware that a number of concerns have been raised about a tweet from a Scottish Charity. We are making urgent inquiries into the matter and will be seeking further information from the charity trustees."

THE NATIONAL COUNCIL FOR VOLUNTARY ORGANISATIONS announced the launch of a review into the future of the voluntary sector's finances. It will cover issues including: changes in voluntary income; future funding relationships between government and the voluntary sector; the growing role of trading; the role of social investment; changes in corporate giving and pensions deficits. Led by **NCVO**, the review will be directed by a steering group comprised of the chief executives of **Charity Finance Group**, the Institute of Fundraising, and Navca.

MORE THAN HALF of people think charities should be out spending their money rather than saving it, according to research out today. The poll, carried out by research consultancy **nfpSynergy**, reveals that over a third of think charities should have less than six months' worth of expenditure in reserves. It also shows that people are more likely to agree charities need larger reserves when talking in months, rather than actual money. The study saw British adults asked what they thought was the lowest amount of expenditure it would be wise for a charity to keep in reserves in case income dropped. The average choice was 7.3 months, with 20% of people saying six months to a year and 18% saying four to six months. 12% were happy with whatever a charity decides.

FOOD BANKS AND FOOD AID CHARITIES gave more than 20 million meals last year to people in the UK who could not afford to feed themselves — a 54 per cent increase on the previous 12 months, according to a report published by **Oxfam**, **Church Action on Poverty** and **The Trussell Trust**. *Below the Breadline* warns that there has been a rise in people turning to food banks in affluent areas. Cheltenham, Welwyn Garden City and North Lakes have seen numbers of users double and in some cases treble. The report details how changes to the social security system, benefit sanctions, low wages, zero-hours contracts and rising food prices are all contributed to the increasing numbers of meals handed out.

Charity fundraising regulator, the **FUNDRAISING STANDARDS BOARD (FRSB)** released the UK's annual charity fundraising complaint figures, reporting 48,432 complaints in 2013. The **FRSB Complaints Report 2014**, with data analysis by MetaMetrics, presents an overview of the complaints incurred by 1,203 charities with fundraising programmes that deliver £4.6 billion in voluntary income annually. Charities made almost 20 billion donor contacts during the year when appealing for funds across a variety of channels: including advertising, direct marketing, public collections, events and more. The most complained about methods were addressed direct mail, telephone and doorstep fundraising, which together account for two thirds of complaints. The large majority of complaints were logged by big charities with highly active fundraising programmes.

Political narratives: Bright Blue's Modernisers' Manifesto

ASHEEM SINGH SAYS THE MODERNISER'S MANIFESTO IS EITHER LIGHT OR EVASIVE ON VALUES AND IDEOLOGY AND THEREFORE FAILS ITS OWN TEST FOR SUCCESSFUL MANIFESTOS

Much is made of the Conservatives being a pragmatic party. "We don't do ideology," they say: "We see things as they are". But what does this mean when it comes to curating a programme of government, a vision for the nation? Is "we don't do ideology'" enough?

This is not simply a question of philosophy or theory. These are questions the electorate, communities — and yes, charities — will answer in 2015. And so the Conservative Party and various factions that comprise it are beginning to get their armaments in order. One such collection of politico-philosophical weaponry is the latest publication from young Tory think-tank Bright Blue, *The Modernisers' Manifesto*.

Bright Blue describe themselves as 'liberal' Conservatives. I suppose this means 'liberal' in the social sense and is not a reference to the Classical economic Liberalism of Hayek, Schumpeter or Thatcher. Broadly speaking, their ideas are interchangeable with the *Orange Book* Liberal Democrats and the Blairites of the Labour party and this tendency is evident throughout.

Grass roots

This is a resolutely metropolitan collection, as far from the shire grass-roots Tories as one could be while still remaining in the same party. Whether in the peroration of journalist Matthew D'Ancona who makes a plea for enthusiasm for Cameron's conservatism, or in the policy analyses of many of the politicians who have contributed to the collection and who argue relentlessly for progressive but not radical reform, this collection clings — or attempts to cling — to the centre ground.

Conservative thought has a long history if not a particularly well-known one. Most historians begin with Edmund Burke, the great thinker and politician who foresaw the dangers of the French Revolution and its eventual descent into tyranny. Less well-known is the eloquent 20th century philosopher Michael Oakeshott, whose distillation of Conservatism as seeking "present laughter" rather than future utopia is many a conservative's lodestone.

There is, indeed, something distinctly Burkean or Oakeshottian about the Bright Blue collection. It is messy and unstructured, focused on the present with little obeisance to the future beyond the old worn political clichés about staying the course and taking part in the global race. The Bright Blue brigade will argue that this is the point, that Conservatism, even in a 'modern' iteration, resists presenting a thorough, exhaustive view of society.

According to the preamble, the Big Society is no longer a priority. Equality should be the new guiding principle

Asheem Singh, ACEVO

Purple prose

There are hair-raising moments of purple prose that would make Orwell weep. "There's smoke outside but there's a fire in the basement" reads one particularly unfortunate line pertaining to the economy. It is a notable irony that a collection that starts with a plea for clarity and brevity in the next Conservative manifesto lasts 192 pages and often meanders through umpteen chapters without any particular eye to narrative or the rudiments of copy editing or written English.

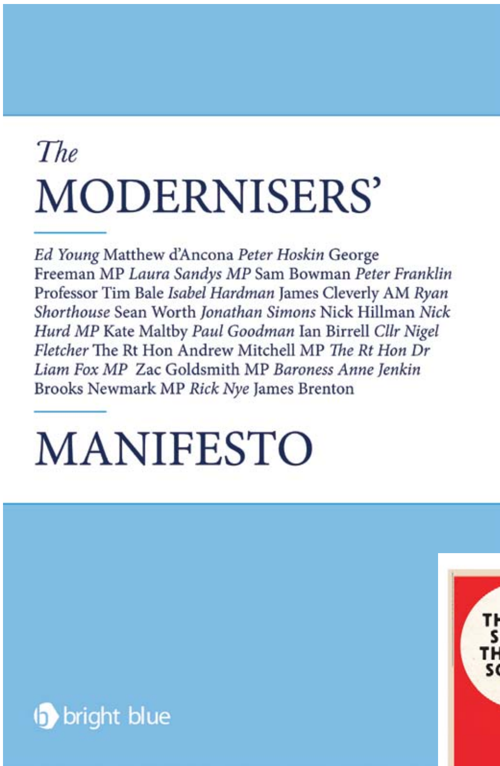
But there are some interesting contributions that charities will no doubt take note of. Minister for Civil Society Nick Hurd is clipped and precise when he lauds the Government's achievements in making the Government's vision for society a reality.

We've heard this from Hurd before: he's a believer, sure of the Government's course to reform public services and align social action with business and the wider economy. At ACEVO's *Gathering of Social Leaders*, our sector's flagship political event, he argued that the Government had "sown radical shoots for the next parliament."

Big claims, and Mr Hurd will be hoping that he gets the chance to back his claims up.

Which leads us to the Big Question. The closest the Conservatives have come to anything approaching an ideological basis for their programme is — you guessed it — the Big Society. More specifically, that collection of movements and ideas around that vision; that technique for government that involves less regulation, more empowerment, more of society's resources being used for social good.

Well, according to the preamble to *The Moderniser's Manifesto*, it is no longer a priority. Equality should be the new Conservative guiding principle, they say. Good luck getting that passed the grassroots. The more serious point is that Hurd appears strangely isolated in this modernisers' collection when



This group of liberal conservatives has divorced itself from the idea that our economic and social system can be changed to benefit the many not the few

Asheem Singh, ACEVO

pushing his message. Indeed, his own essay on civil society has been packaged *Public service reform*. Charming.

Big Society

And it is a shame too. The Big Society idea was an entire vision for government, for statecraft, for a partnership between people of principle and people of power — one which Labour, rightly, is seeking to reinvigorate through the work of Jon Cruddas, who also spoke at *The Gathering*. The Big Society as an ideology was lacking in many places; it rested on a liberal global economic vision that, depending on your point of view, is either completely bust or needs serious rewiring.

That is before we come to the fact that no one really made an effort to communicate it. But that lack of communication was itself a symptom of Conservatives' inherent resistance to ideology.

This is where the importance of a distinctly Conservative ideology comes in. Fail to engage with the ideology and the entire project comes apart.

And so it has for *The Modernisers' Manifesto*. This group of liberal conservatives has divorced itself completely from the idea that our economic and social system from start to finish can be — or needs to be — changed radically to benefit the many and not the few. That's bleak and I don't think it will help the Conservatives in the long run.

We shouldn't blame the authors of this collection for this failure. Power corrupts, but it would be more accurate to say that it atrophies. People with otherwise searing critiques find themselves bound by the compromise and structures of government.

Look at the Labour front bench. Their capacity for original thought has been compromised by years of government. That's not to say they can't do it; it's just hard. They are wounded. I wonder if that it is beginning to happen to the Tories too.

Mental manoeuvres

Conservatism in a progressive age, an age where technological advances and demographic shifts happen at relative light-speed, can actually be a radical ideology, provided that time and care is taken to loosen the constraint of the Tories' favourite Madam: pragmatism.

If they want to be relevant, Conservatives must undertake that mental manoeuvre that loosens those bonds, that allows them to look beyond the present and towards a better future. Will they? Can they? If they can, I do not think it will be the liberal Conservatives who make it across.

I think, increasingly, that this will be where politics is fought: not on technocratic micropolicies or election day bribes, but on values. Ideology is nothing but an expression of values. *The Moderniser's Manifesto* is either light or evasive on values and ideology and therefore fails its own test for successful manifestos.

Clearly the wider Conservative movement will need to do better. Come party conference season in September, ACEVO and CAF will launch a collection of essays with each of the major parties. Let's see who indeed does do better — and see whether on that occasion we can prise out more of their vision for the future.

Asheem Singh is director of policy at ACEVO

The Moderniser's Manifesto is available at: http://brightblue.org.uk

Philanthropic Journeys by Beth Breeze

The main barriers preventing senior business people from volunteering and donating are concerns about the professionalism of charities, of skills that they can offer and the benefits to be gained, according to a new research report. A lack of awareness of involvement opportunities and shortage of time are other significant factors.

The report: *Philanthropic Journeys: new insights into the triggers and barriers for long-term giving and volunteering* is funded by the Highwood Foundation and written by Beth Breeze, director of the Centre for Philanthropy at the University of Kent. It argues that time-limited, structured and appropriate volunteer placements like the ones offered by the charity Pilotlight can help potential volunteers overcome some of these barriers and increase volunteering frequency and donation size. The report includes new data from a survey of 227 senior business people and interviews with ten volunteers who worked on Pilotlight placements.

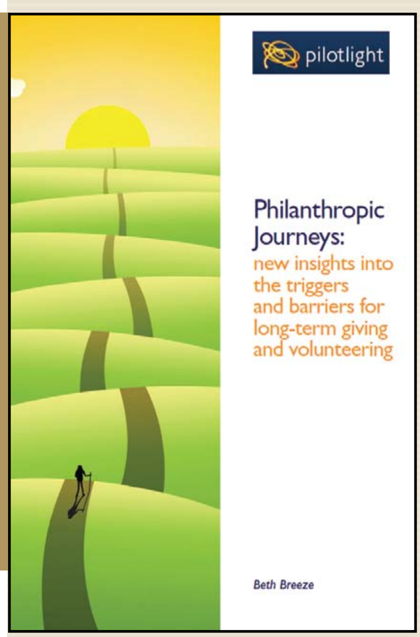
The report will make interesting reading for voluntary sector practitioners and policy makers concerned with why many senior business professionals — or, for that matter, members of the public — do not volunteer or donate. The interviews with the volunteers offer particular insight. Before their placement, some senior business professionals harboured negative views about the professionalism of charities. These negative assumptions vanished, however, once they actually engaged in Pilotlight volunteering. The vast majority reported gaining an in-depth understanding of the vital role of active trustees and the importance of the sector.

Having been involved in structured, time-limited volunteering placements, many participants increased or intended to increase the frequency of their volunteering and donation. These findings suggest that Pilotlight's approach to volunteer placements can serve as an inspiration for more effective management of volunteers.

The report focuses more on intended rather than actual behaviour and a note of caution should perhaps be injected here to temper the report's claims. For example, the report finds 'a doubling intention to volunteer' but only 48 per cent of the participants report that they do volunteer more now than before they joined Pilotlight. Intentions do not always translate into actions. It's also not clear from the survey findings how much this is a short-term effect and how much is long term, as both current and past participants were surveyed.

The report also promised to examine philanthropy as "a dynamic, life-long activity" and to explore the triggers for volunteering and donation. In reality, it provides a snapshot of a brief (up to three year) involvement in a particular volunteering placement instead of examination of philanthropic journeys over the whole life course.

DAIGA KAMERADE SAYS THAT WHEN IT COMES TO IDENTIFYING HOW CHARITIES CAN WIN THE SUPPORT OF HIGH-EARNING PROFESSIONALS, THIS REPORT MAKES AN IMPORTANT CONTRIBUTION TO THE CURRENT DEBATE



Although some life history data are collected, the analysis emphasises the significance of managing volunteering experiences but underplays the role of other factors that affect individual volunteering decisions — but which are beyond the control of charities, as the modest rise in volunteering and donation rates found in this study indicates.

As many studies have shown and as articulated by one study participant, marriage, children, unemployment and many other life events impact on an individual's ability to volunteer. There is some valuable evidence in the report on how charitable organisations can tailor volunteering to address these barriers, but deeper exploration of what more charities can do would be interesting.

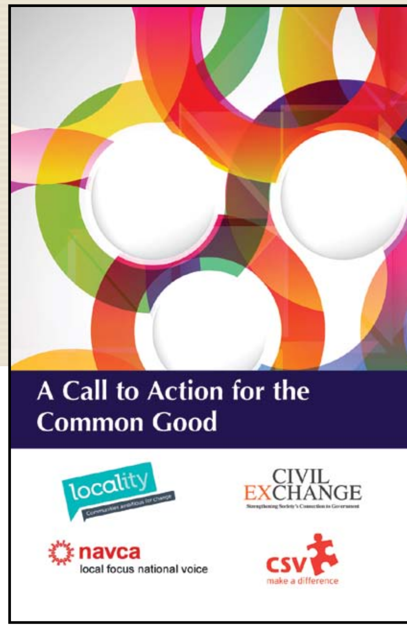
It's clear though that there's much more to learn about the triggers to volunteer behaviour, and this report can perhaps best be summarised as a noteworthy initial step in that direction. One inspiring feature to emerge is the way Pilotlight recruited and retained volunteers. In helping identify how charities can win the support of high-earning professionals who have the potential to make a significant contribution to charities on all levels, this report makes an important contribution to current debates on enhancing volunteering experiences to encourage committed volunteering.

Daiga Kamerade is research fellow at the Third Sector Research Centre, University of Birmingham

Philanthropic Journeys is available at: www.pilotlight.org.uk

A Call to Action for the Common Good

RHODRI DAVIES SAYS THIS REPORT DISTILS SOME KEY SECTOR PRINCIPLES AND IT SHOULD HELP TO PROVIDE ADDED FOCUS TO DISCUSSIONS IN THE AREA OF THE BIG SOCIETY AND COMMON GOOD



The ideas behind the Big Society are alive and well, even if the label is no longer in vogue. That, at least, is the implication of a new report by Locality, Navca, Civil Exchange, CSV and the Carnegie UK Trust entitled *A Call to Action for the Common Good*. The report doesn't actually state its case in those terms, but its central contention is that we need to find a new way of delivering services, doing business and doing politics: one focused on the needs and wishes of citizens and communities. Even if the "Big Society" tag is deliberately avoided, it is clear that this idea is very much in line with that agenda. Of course, ideas such as empowering individuals and communities or making business more responsible are not unique and original to the Big Society. As this report notes, there has been broad agreement across sectors and political parties for some time now about the need for shift of power in the public and private spheres.

The main substance of the first half of the report is "3 principles" that it identifies as being crucial for a society operating according to the common good. The first principle is "investing in tomorrow" that is, taking a long-term view in business and policymaking, so that we move beyond a short-term focus on profits or the current political cycle.

The second is "everyone doing their bit" — that is, empowering and incentivising people to make a contribution to society, by making public services people-focused, transferring assets into community ownership and using open data to boost accountability.

The third and final principle is "getting connected": that is, placing a focus on the importance of social networks and connections between people and communities.

The report gives extensive (some might say exhaustive) examples of people saying things that back up the importance of these principles. For instance, it notes the increasing focus in various academic disciplines on the relationships between individuals rather than on individuals in isolation. It also highlights the growing interest in "responsible capitalism", with its long-term focus and awareness of the role of businesses in society, as well as the numerous think tanks talking about the importance of devolving power to communities and making public services more citizen-focussed.

As someone who authored a paper on *Value in Public Services* for a think-tank in the past, I feel as though I am personally lending weight to this part of their argument. Marshalling evidence that the trends identified are real is fair enough, but it doesn't really move things any further on. The aims and ambitions for how things should be are fairly well-established and widely agreed: the problem lies with making them a reality. And the report acknowledges this — where it is most interesting is in identifying the barriers to implementing the key ideas and in its suggestions for what might need to change in order to overcome those barriers.

The barriers highlighted in the report include financial constraints, short-termist attitudes, private sector monopolies in service provision, and the tension between the rhetoric of devolving power and the reality of central command and control. These are issues which the sector has been grappling with for years. But putting them in the context of a vision for the way society should aspire to work adds weight to the argument that these things need to change.

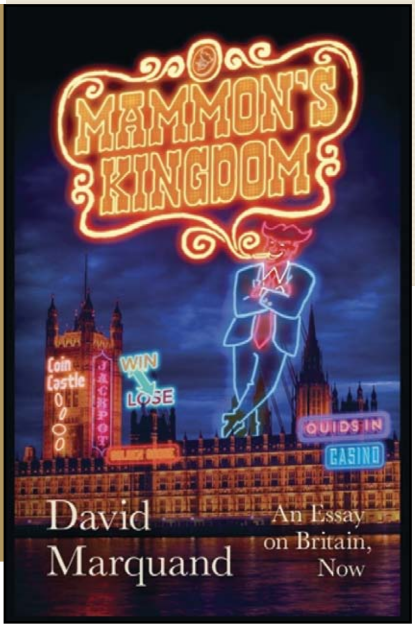
The solutions suggested include many examples of positive things that are already being done in some quarters, and which should be expanded upon. For example: public service mutuals, user-led commissioning, personal budgets, women on company boards and using open data to drive accountability and transparency.

It is clear that this report it is intended as a way of putting a disparate set of existing thoughts and activities into a clear context and stimulating a debate. This a debate which is already live, but any addition to the momentum for reform is welcome. And by distilling some key principles, this report should help to provide added focus to discussions in this area.

Rhodri Davies policy manager at CAF

A Call to Action for The Common Good is available at: www.carnegieuktrust.org.uk

Mammon's Kingdom by David Marquand



ANDREW HOLT ENJOYS A BRILLIANTLY WRITTEN WORK ON WHERE WE ARE TODAY, BUT IS FRUSTRATED THAT NO REAL SOLUTIONS ARE OFFERED UP

David Marquand is a unique and original political thinker, bringing strands of thinking from both the left and right. Reading *Mammon's Kingdom* is like taking a journey; one where you thought you knew the destination, only to take a different route on more than one occasion.

This can create a sense of being on a fascinating intellectual expedition, but also lead to frustration: sometimes you want to know where you are going.

What is clear, is that throughout every page of *Mammon's Kingdom* a strong morality drives Marquand. Sometimes the pages seethe with rage against a modern hedonistic age and despair for a more decent time.

Since the 1980s, Marquand warns we have seen widening inequality, rising poverty, an obsession with consumerism, a decline of public trust, class snobbery, family breakdown — all symptoms of "moral individualism".

A decline in important traditions are to be blame. These are split into three elements. The first is the intellectual clerisy, which Marquand says "played a decisive role in shaping the opinions that eventually translated into collectivist policies."

In the most important and Victorian context the intellectual clerisy were for Marquand: Thomas Carlyle, "doom laden prophet of heroic leadership"; John Stuart Mill, "administrator, economist, philosopher and feminist"; Cardinal Manning, "austere Catholic convert, champion of the poor and unemployed and hammer of employer exploitation": John Ruskin, "art critic turned social critic"; and Matthew Arnold, "bane of middle class philistinism and proponent of a strong state". These were followed by, amongst others, the economist John Maynard Keynes and father of the modern welfare state William Beveridge.

The second is the decline of public service professionals and with it trust, and an apathetic obedience in the civil service; and third, is a decline and fall in working-class leadership that has led the way for the rapid rise of a relativistic individualism, and most importantly, a market fundamentalism in economics.

Marquand writes: "Market individualists assumed that free choice in the economy would go hand in hand with respect for traditional morality. Moral individualists assumed that the ethic of 'doing your own thing' could be confined to the private sphere, while economic life was organised on (unspecified) collectivist lines. Not surprisingly, both assumptions turned out to be false. Hedonism was indivisible"

To understand where Marquand is coming from, a little understanding of his background helps. After being a Labour MP, but finding the party had lost its way, he was a founding member of the Social Democratic Party.

This simple fact reveals much about Marquand: it highlights that while British politics has been a changing political landscape, Marquand has remained solidly on the same ground. Marquand has consistently held the social democratic line. From this position Marquand seethes and sighs at what we have become.

Marquand captures and plugs into the current national zeitgeist of frustration aimed at bankers, billionaires and the overall political and economic system. His vision, is a debate about a "new public philosophy" which, he says: "Will be a philosophy for a disillusioned people, battered by a crisis they did not cause and alienated from their leaders."

He then argues it: "Would reject the unthinking anti-elitism which has fostered (and been fostered by) the culture of hedonistic individualism.

"It would stand for open, tolerant, responsive and accountable elites, from diverse communities and backgrounds. Imbued with an ethic of civil duty and public service."

This could be One Nation Toryism. It is therefore not surprising to find the Conservative philosopher Edmund Burke recast by Marquand as vitally important to the 21st century.

But while Marquand plugs into such exasperation, he offers little in the form of a route map away from the disaster zone. "We can begin to master markets instead of allowing then to master us." But he fails to say how this can, and should, be done.

He gives a long sigh at the end with his parting words: "We can't go on as we are". We sense his frustration, but have no indication of how to get out of the malaise.

Andrew Holt is editor of Charity Times

Mammon's Kingdom is available from Allen Lane: **www.penguin.co.uk**

Money Mania by Bob Swarup

"One of the great tragedies in economics occurred two decades ago, when many university departments either closed down their economic history groups or hived them off to sit with the history department." (Page 269 of *Money Mania*).

I am not a conspiracy theorist but just a week before I was asked to review this book I was at a dinner that included a former Chancellor of the Exchequer and a journalist from the *Financial Times* where one of the items discussed was the paucity of economic history and research. The conclusion was simply that anybody involved in finance needs grounding in financial history. This book would make an excellent introductory reader.

One of the problems if such a course on financial markets history was ever taught in a good university is that it is highly unlikely that this book would ever make the reading list. This is because it falls sadly between the "practitioner" and "theoretical" literature which is increasingly diverging. Considerable scholarship and reflection has gone into this book that is no dry text book, the book is referenced and has excellent support notes.

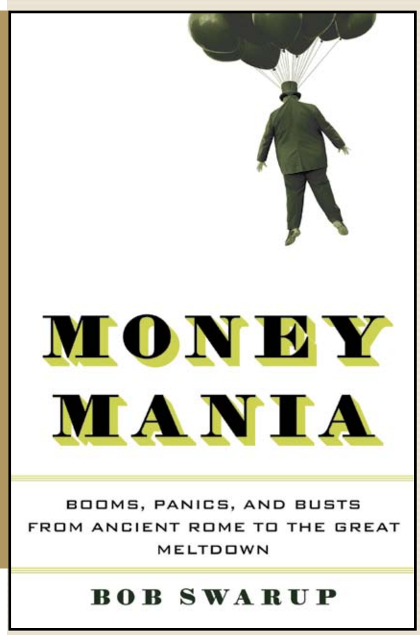
But this book lacks any theoretical grounding in which to place this history of financial bubbles and their causes. Behavioural finance has now emerged as a distinct subject with a literature that is ignored for observations into popular social psychology by the author whose journalistic style takes over. Without giving the plot away suddenly questioning is what I have written is true? Has more merit in a non-fiction detective novel then a book that wants to be taken seriously and deliver a message about financial markets.

Claiming space does not allow it to cover the causes and rationale behind the recent financial crisis is not appropriate as the book begins and ends with issues of 2007 and on. The book's historical text makes reference to the crisis facing the Athenian empire in 440 BC being similar (unable to pay your debt) to the current Greek crisis.

Linking recessions and booms that could be easily understood today is the core point of the book with the interesting proposition that there is a direct correlation into human psychology: "Our psychology lends itself naturally to boom and bust". Interlinked is the recurring theme that we never learn from history as we all believe that this time circumstances are different.

While the book could be read and cited as evidence of the failure of market finance this is not a Marxist text. The book is equally damming of the failure — or actually more how limited rulers/ governments are — in being able to manage or avoid financial crisis.

PAUL PALMER SAYS THERE IS AN ABUNDANT OF RICHNESS IN THIS BOOK, BUT IT LACKS ANY THEORETICAL GROUNDING IN WHICH TO PLACE ITS HISTORY OF FINANCIAL BUBBLES AND THEIR CAUSES



The book cites in detail the economic crisis of AD33 being of far more importance to the Emperor then the execution of a minor religious cult leader in a far distant outpost of the empire.

Understanding debt is one of the key learning takeaways. While leverage is the key ingredient for growth and wealth creation; so understanding how to service debt is important, but whether it's personal, business or government we need to recognise that after doing all the ratios, asset backed calculations and other quantitative calculations what can never be factored in is the rationality or more appropriate irrationality of the human race. How could a tulip bulb have ever been worth more than a house?

There is an abundant of richness in the book, but I would conclude this review with one of my favourites: "When Mark Twain coined the phrase 'Gilded Age' to describe the last quarter of the nineteenth century, he was satirizing this explosion of wealth for a perceived privileged few against the social trauma that he saw about him. Certainly, the period of the Long Depression was one typified by social tension and obsessions about the value of money. Periodic surges in unemployment and falling nominal wages were blamed on immigration and foreign competition and concerned bodies sprang up to lobby for restrictions... Native Americas and blacks were further disenfranchised, as economic priorities became an additional divisive issue. Various countries passed protectionist measures to control capital flows and protect domestic industries".

Professor Paul Palmer is director of the Centre for Charity Effectiveness, Cass Business School, City University London

Money Mania is available from Bloomsbury Press: **www.bloomsbury.com/uk/**

Leadership

STEVE WYLER shares his experience of leading Locality as its CEO and lists some key criteria for organisations to follow: a belief in the power of the people, often in the most adverse circumstances, to become the *solution* and create wealth in communities and keep it there

Vision and clarity

Fifteen years ago, I joined the Development Trusts Association (DTA), initially as interim Director and then more permanently. I knew little about the organisation at first, but quickly discovered something remarkable: a network of community-led organisations, all of them passionate about tackling problems in some of the most deprived places in the country.

Here was a whole philosophy of change: an "asset-based" approach, seeking out strengths in a neighbourhood, combining social and economic regeneration, bringing land and buildings into community ownership, forming community enterprises, ploughing surpluses back into the community.

As we said at the time, these organisations were "creating wealth in communities and keeping it there", often with tiny levels of resources. This was wonderful, so unlike the massively expensive top-down government regeneration of the period, led by local councils and private developers, where consultancy firms grew rich, and communities were well and truly stuffed.

The DTA itself was financially vulnerable, and often treated with suspicion and disdain by those in government and elsewhere, but my predecessor Angela Monaghan had worked to sound principles, which really stood the test of time:

First and foremost, the organisation was a 'give-get' alliance of independent community practitioners, where membership implied mutual suppport and encouragement.

The staff team was dispersed around the country, always close to practice. The message to new staff was always 'spend time with members'. Over time this created an authenticity for the Association's efforts to spread its message more widely, to win allies, and to campaign for national change.

The organisation was essentially positive in its outlook: "never criticise without a solution, never give praise without a challenge" was the spirit of the organisation from the earliest days.

I think it is true to say that in its early years the DTA had been a fiercely proud club of community activists convinced that their approach was right and that everyone else was wrong. It was dominated by talented and combative people (almost all men), and could be intimidating to outsiders. It took a long time for this to shift, but in the end changes on the Board allowed the organisation to generate a more open culture, and to grow a more diverse and confident movement.

I will always remember George Nicholson, the chair of the DTA when I joined, telling me: "Any really worthwhile change will take ten-to-fifteen years, and you will need to play a long game." "But," he added, "always retain the vital quality of impatience, always push hard in the here and now. That's what our best community members do, and that's what you will have to do nationally." He was absolutely right.

I also learned we couldn't achieve the scale of change we aimed for on our own. We needed allies, and so we found them, in the civil service, in local government, among independent funders, across political parties, elsewhere in the Third Sector, even occasionally in the private sector.

One of our best allies was Bassac, the British Association of Settlements and Social Action Centres. We bought a building together and started to share staff. In 2011 we went a step further, driven by a belief that together we could do more, that we could 'change the world one neighbourhood at a time', and merged to form Locality.

Quickly the new organisation was able to become the leading champion of 'localism': shaping the Localism Act, training community organisers, supporting people to produce neighbourhood plans, helping communities acquire land and buildings, and building a bigger movement.

The 500 Locality members in England now own more than £650m of community assets, and generate more than £200m earned income a year. We have 4,000 supporters and associates. So it has come a long way, but the founding principles haven't changed: a belief in the power of people, often in the most adverse circumstances, to become the *solution*, to create wealth in communities and keep it there.

In July, after fifteen years, I will be handing over to my successor Tony Armstrong. That's another thing I've come to learn: that it's best to leave when the going is good – that way there's a real chance it will go forward even better.

Steve Wyler is the out-going chief executive of Locality

A better society

Philanthropy in society

JOHN LOW analyses the findings of a CAF report that, in an attempt to tackle the many philanthropy giving challenges, suggests that businesses create 'giving circles' in the workplace and allow employees a range of ways to support good causes

The UK has a rich history of philanthropy, which has led to the strong culture of giving we enjoy today. However it's important we don't become complacent in the premier league among the top ten most charitable countries in the world.

Behind our positive culture of giving a worrying trend has been emerging. Recent research shows that charities are becoming increasingly dependent on the support of older donors, and that the number of households who give to charity is dropping. We need to act now to tackle this trend and ensure people keep supporting charities and their vital work.

That's why we launched a Parliamentary Inquiry last year to look into giving across different age groups and life stages. Chaired by David Blunkett MP, Baroness Claire Tyler and Andrew Percy MP, the cross-party inquiry collected evidence from experts on the potential as well as the barriers to giving for people in education, in the workplace and in their retirement. After a year of collating everyone's evidence, we have launched our recommendations this month on how we can boost charity support and unleash the UK's giving potential.

Our recommendations recognise that it is impossible for one single sector of society to unlock the giving potential of the UK and so we have called on businesses, charities and government to help us achieve this.

In our inquiry it was encouraging to see just how enthusiastic the British public are about the work of charities and that their passion for good causes starts at an early age.

To make sure young people get enough opportunities to work with charities our recommendations suggest that charity work becomes an integral part of careers advice, citizenship and personal development at schools. Charities also have a role to play in getting more young people interested in serving on the boards of charities, and so we recommend that large charities give students the opportunity to shadow charity trustees.

In order to underline the importance of voluntary work and fundraising, we have called on UCAS forms to have a separate social action section for university applicants to fill in. At university, we also have suggested Student Unions increase their promotion of volunteering programmes.

To help the younger generation give, our report recommends the government creates a taskforce of leading professionals to drive real progress in digital giving. We also propose that TV channels give up a mandatory time commitment each year to give charities airtime and to raise awareness of important social issues.

We also call on businesses to radically overhaul their practices to place charity at the heart of their work. Any attempt to encourage philanthropy and volunteering in the workplace must come from the top, and it is for this reason that we call on MBA providers to offer courses on philanthropy to help future business leaders explore how they can bring about social good. Businesses should also look at a candidate's commitment to philanthropy and charity work when considering them for a senior executive role. If a potential CEO has a long history of getting involved in the fundraising efforts and volunteering opportunities in the workplace, it makes it more likely that a charitable ethos will run throughout the organisation.

However it's also important to help the new starters in the workplace get giving. We suggest that businesses create 'giving circles' in the workplace and allow employees a range of ways to support good causes. The Government should also reshape the incentives for businesses to drive up support for charities by matching donations made by their employees.

Lastly it is important that people approaching retirement, who would like to use their skills to help charities, are given advice on what opportunities are open to them. Therefore we propose the creation of a post-careers advice service. In order to help pensioners continue to donate, we also call on the government to introduce Living Legacies in the UK.

At CAF we are positive about the future of giving in the UK, but want action to be taken now to ensure volunteering and donating to charities continue to be the social norm. Our proposals give useful guidance on how this can be achieved and we will be working with organisations to ensure that as many of these proposals as possible are put into place. By removing the barriers to giving for all we hope to build a stronger and better society.

John Low is chief executive of CAF

Research and evaluation

Measurement

When it comes to research and evaluation there is often much head-scratching, says DAVID PRITCHARD. **And he notes, that developing appropriate frameworks are not the only way charities can improve their impact assessment**

Peter Rossi's Stainless Steel Law of Evaluation is the bane of my professional life. Rossi was an American sociologist and renowned evaluator. His Stainless Steel Law — I'm paraphrasing here and adapting his observation for charities — states that the more rigorous a charity is in assessing its impact, the lower the estimate of that impact.

The law, if true or perceived to be true, makes it hard to persuade charities to improve how they measure the difference they make, particularly if doing so uses up valuable resources. Why bother, if it only makes your charity look less effective?

The potential implications of the Stainless Steel Law of Evaluation are not good. If charities don't improve how they assess their impact, the sector as a whole doesn't fully understand what works (and what doesn't) for whom and when. Potential opportunities to improve the lives of beneficiaries — such as the most disadvantaged in society — are foregone, and some of the goodwill and effort of charities is wasted.

At NPC our response to Rossi's law is two-fold. Firstly, we argue that improving how you assess your impact is a good thing to do regardless of the results: it helps beneficiaries as described above, while funders like good evidence.

Secondly, we try to make it as easy as we can for charities to improve their impact assessment. To promote the latter we recently published the approach that NPC uses to work out how a charity or social enterprise should measure its impact.

The approach is based around four pillars or steps:

1. *Map your theory of change*
2. *Prioritise what you measure*
3. *Choose your level of evidence*
4. *Select your sources and tools*

It sounds straightforward, but it has taken work with sixteen consulting clients and numerous training sessions over several years to design, test, refine and explain this approach in a 50-page document. We want others to benefit from this experience because our mission is to help transform the sector and increase its impact.

Unfortunately, this approach is not always straightforward to implement. It involves a fair amount of discussion, research, debate, and head-scratching. The nature of a charity's work and the context in which it operates are crucial when deciding the best way to develop evidence about the charity's impact.

Thus our four pillars approach identifies the issues you need to focus on, the questions you have to answer, and the options you can choose from. But it does not give you direct answers. These you need to work out for yourself.

In our experience, this is an approach well worth implementing, but not all organisations are ready for it. Of the sixteen clients for whom we have developed impact frameworks, two were unable or decided not to implement our recommendations.

The chances of finding this approach useful go up if you as a charity:

- *Make assessing your impact a priority because you want to know the difference you make, rather than because someone is making you it*
- *Have high-level sponsorship from the board or senior management team*
- *Do not leave if to the CEO to drive the work forward*
- *Have someone with relevant experience in, or soon to take up, the role of being responsible for your organisation's impact*

If one or more of these conditions are not met, you may not realise the full benefits of the time and money you've invested. It also helps if you bear in mind Rossi's Stainless Steel Law: you will need to accept the risk that your impact may turn out not to be as high as you expect or hope.

Developing appropriate frameworks is not the only way charities can improve their impact assessment. NPC is involved in a whole range of issues advising individual organisations, including: developing avenues for charities to access government data on outcomes; promoting the development of shared and robust measurement tools and providing a to share good ideas.

We keep Rossi's Stainless Steel Law in mind — not to debunk it, but to work around it.

David Pritchard is head of measurement at NPC

Charity campaigning

Politics and the sector

After much controversy and debate about the recent Oxfam campaign, STEPHEN BUBB **argues that the sector should continue to be forthright in stating its contribution to democracy and public life**

Are charities 'too political'? It's an important debate to have. At ACEVO our position is clear: charity campaigning directly strengthens our democracy. Attacks on charities' right to campaign are attacks on a democratic culture of decision-making based on evidence and on the organised voice of the most vulnerable in our society. It's hard to believe anyone would object, and so it's worth thinking about why they might.

Oxfam's charitable objectives give them a duty to campaign against poverty worldwide. Today they are questioning the policies of successive Labour and Coalition governments, which Oxfam's research suggests have increased insecurity and low pay for many millions. Critics appear to confuse the fulfilment of this charitable objective with political campaigning that is partisan. They lurch between suggestions that Oxfam shouldn't speak out because of certain kinds of programme funding that they receive from government, and suggestions that they are factually wrong.

I think it is important to say clearly, and without prejudice to the confused, that this is not about any sort of partisanship, but about simply doing what it is that charities exist to do. One of the most vital functions of the charity sector is to offer a voice to the vulnerable — it is their duty to campaign on behalf of the people they represent. Take for example the prominent role of charities like the Royal British Legion in championing this year's armed forces day, on 28 June. Or look back at the history of our illustrious sector, at the achievements won in the 19th century like the abolition of slavery, and at campaigns by the NSPCC and RSPCA against the ill-treatment of children and animals. A vocal charity sector enhances political and public life, and does nothing to diminish politicians' authority.

Neither Oxfam, the Royal British Legion nor any other charity should have their message censored because it makes members of the government unhappy. How can politicians claim that charities need to remain free and independent and then ask them to censor their own message because of the funding they receive? Irrespective of where their money comes from, charities all have an equal right to a voice in the public domain.

It is sad, then, that there is today a shrinking space for our sector to outline this common sense position. From the Lobbying Act, to the labelling of charity campaigns as "attacks" from "left-wing pressure groups", to unfair and unnecessary referrals to the Charity Commission, charities are having their ability to carry out their duties eroded. A climate where contrary opinions are dismissed out of hand is unhealthy and dangerous.

Each time new complaints appear we have to be more vocal, lest a new restriction be put upon us. And each time we are more vocal, politicians may well roll their eyes and urge that our voices be stopped.

This need not be a downward spiral. Charities bring knowledge of the problems facing these groups to the table, and are essential to stand up for people who would otherwise be ignored. Policy is best formed when the needs of all it affects are considered. A survey conducted last year for ACEVO by YouGov found that 49 per cent of people trusted charities to lobby government for good — more than Trade Unions or private companies.

This echoes recent research by the Charities Aid Foundation, who found that 73 per cent of people across 15 countries felt that charities have a role in calling the government to account. It is an acknowledged fact that the independent voice of charities is key in keeping our democracy healthy.

We must use this position of trust to continue to make the case, not only for independence of voice, but for the public policy benefits that independence brings.

The UK is one of the world's foremost liberal democracies, and has been for centuries. Freedom of speech, open discourse and criticism of all governments are key to maintaining this. To censor dissenting voices in charities is a move in the wrong direction.

Our sector should instead continue to be forthright in stating our contribution to democracy. A society that listens to its charities is a strong society, and I hope that Britain will continue to do so for many years to come.

Sir Stephen Bubb is CEO of ACEVO

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Recognising leadership and professionalism

15th Annual Charity Times Awards
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2014 charitytimes Awards

Recognising leadership and professionalism

15th Annual Charity Times Awards – Congratulations to the Finalists!

Since their inception the Charity Times Awards have continued to grow at a rapid rate and this year once again sees the level and quality of entries improve, creating an impressive shortlist of twenty eight sought after awards. **Thank you to all who entered the awards and congratulations to the finalists. We look forward to announcing the winners on the 22 October 2014 at the Lancaster London Hotel.**

The Gala Dinner and Awards Ceremony

The Charity Times Awards provide the sector with a dedicated event to reward the exceptional work carried out in difficult and competitive conditions, and establishes a unique annual congress of the pre-eminent figures in the sector at the premier charity event of the year. The Charity Times Awards will as always be a night to remember. Book your table now at **www.chartiytimes.com/awards**

For the latest news and updates about the Charity Times Awards follow us **@CharityTAwards #CharityTimesAwards14**

2014 Shortlist

1. **Charity of the Year:**
   with an income of less than £1 million
   - Auditory Verbal UK
   - Busoga Trust
   - Clement James Centre
   - Mosaic Clubhouse
   - QED Foundation
   - TwentyTwenty

2. **Charity of the Year:**
   with an income of £1million - £5million
   - Horse Trust
   - Into University
   - North Devon Hospice
   - Rochester Bridge Trust
   - Stratford-upon-Avon Town Trust
   - Teens & Toddlers

3. **Charity of the Year:**
   with an income of £5million - £10million
   - Christians Against Poverty
   - Hearing Dogs for Deaf People
   - Langley House Trust
   - National Youth Agency
   - Trinity Hospice and Palliative Care Services
   - UK Youth

4. **Charity of the Year:**
   with an income of £10million - £30million
   - Clic Sargent
   - Diabetes UK
   - Muslim Aid
   - Prostate Cancer UK
   - Teach First

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charitytimes Awards 2014

Recognising leadership and professionalism

5. **Charity of the Year: with an income of more than £30million**
   - Alternative Futures Group
   - Citizens Advice
   - Guide Dogs for the Blind
   - Stroke Association
   - United Response

6. **Outstanding Individual Achievement**
   - Peter Agulnik, Founder, Restore
   - Eric Appleby, CEO, Alcohol Concern
   - John Jenkins, Club President, Sportable
   - Jacqueline Stokes, Founding Director, Auditory Verbal UK
   - Bridget Turner, Director of Policy & Care Improvement, Diabetes UK

7. **Rising CEO Star**
   - Ava Easton, CEO, The Encephalitis Society
   - Nicky Goulder, CEO, Create
   - Graham Hodgin, CEO, London's Air Ambulance
   - David Houston, CEO, Trinity Hospice and Palliative Care
   - Charlotte Keenan, CEO, Tony Blair Faith Foundation
   - John Rendel, Founder and CEO, Promoting Equality in African Schools

8. **Fundraising Team of the Year**
   - Cancer Research UK
   - Christians Against Poverty
   - Country Holidays for Inner City Kids
   - Everton in the Community
   - Voiceability

9. **Charity Principal of the Year**
   - Jeanette Allen, Chief Executive, The Horse Trust
   - Lorraine Clifton, Chief Executive, CLIC Sargent
   - Claire Horton, Chief Executive, Battersea Dogs & Cats Home
   - Richard Leaman, Chief Executive, Guide Dogs
   - Barbara Young, Chief Executive, Diabetes UK

10. **Campaigning Team of the Year**
    - Age UK
    - Business in the Community
    - Citizens Advice
    - Fostering Network
    - Meningitis Now
    - NSPCC
    - Sense

11. **Best Use of the Web**
    - Diabetes Research & Wellness Foundation
    - Leonard Cheshire Disability
    - The National Autistic Society
    - Quartet Community Foundation
    - Royal Academy of Dance
    - Samaritan's Purse UK
    - Sky Badger
    - United Response

12. **PR Team of the Year for a charity: with an income of less than £30million**
    - Battersea Dogs & Cats Home
    - Girlguiding
    - Prostate Cancer UK
    - Royal Academy of Dance
    - Samaritans
    - Teach First

13. **PR Team of the Year for a charity: with an income of more than £30million**
    - The Alzheimer's Society
    - Citizens Advice
    - Electrical Safety First
    - PDSA
    - Stroke Association
    - WaterAid

View the judges: www.charitytimes.com/awards

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Recognising leadership and professionalism

14. HR Management Award
- Action for Blind People
- Brook
- Fairtrade Foundation
- Living Streets
- Teach First
- Victim Support

15. Social Investment Initiative
- Business Connectors Programme
- Key Fund
- Nominet Trust
- Social Investment Business

16. Big Society Award
- Affinity Sutton - The Community Ambassadors
- Carers UK
- Caritas Anchor House
- Senior Citizen Liaison Team
- Trussell Trust
- Victim Support

17. Fundraising Technology Award
- The Big Give Christmas Challenge
- Horse Trust
- iStreet Giving
- PayPal Giving Fund /eBay for Charity

18. Corporate Community Local Involvement
- Ashgate Hospice/Wilkinson
- Community Links/Barclays
- ReachOut/Macquarie Group
- St John's Hospice/John Lewis Oxford Street

19. Corporate National Partnership Champion
- Action Against Hunger/Carluccio's
- Action for Children/Network Rail
- Alzheimer' Society/ Lloyds Banking Group
- The Big Lunch/Halifax Bank
- Dementia Consortium/MRC Technology
- Shelter/KPMG
- Prostate Cancer UK/ Royal Mail

20. Corporate National Partnership of the Year with a Retailer
- Breast Cancer Care/QVC
- Cancers Research UK/TK Maxx
- CLIC Sargent/ Lidl UK
- Diabetes UK/ Tesco
- Save the Children/Morrisons
- UK Youth/Starbucks

21. Corporate National Partnership of the Year with a Financial Institution
- Citizens Advice/Prudential
- Ecclesiastical/ Carers Trust
- Help the Hospices/Clydesdale Bank and Yorkshire Bank
- Lloyds Banking Group/Alzheimer's Society/ Alzheimer Scotland
- Macmillan Cancer Support/Nationwide
- Social Mobility Foundation/JP Morgan

22. Cross-sector Partnership of the Year
- Brathay Trust/Common Purpose Charitable Trust/ The University of Cumbria
- The British Red Cross/Blackpool Teaching Hospital NHS Foundation Trust/Fylde Coast
- Coalition for Continuing Care
- The Conservation Volunteers/People's Health Trust
- Everton in the Community/Mersey Care NHS Trust
- Mind/Victim Support
- MND Association/Royal College of GPs
- Samaritans/The National Offender Management Service England & Wales, Scottish & Northern Ireland Prison services
- WaterAid/Belu Water

2014 charitytimes Awards

Recognising leadership and professionalism

23. Corporate Social Responsibility Project of the Year
- Foundations Independent Living Trust/RWE npower
- ICAP Charity Day
- Lloyds Scholars
- Restless Development/KPMG
- The Sabre Charitable Trust - Sustainable Kindergarten Project/Arup
- War Child/Forward Internet Group
- Warner Brothers Creative Talent

24. Best Use of Technology
- Brightside/the Financial and Legal Skills Partnership: Get In Get On
- The Fire Fighters Charity/Angal/Barclays
- Hospice in the Weald/Cybertill
- Leyton Orient Community Sports Programme/ Databarracks
- RNLI/Qbase
- Save the Children/The Purple Agency
- Stand Against Violence

25. Social Champion Award
- Bromley Healthcare
- Caritas Anchor House
- Giveacar
- Pluss
- TCV Hollybush

26. Investment Management
- Brewin Dolphin
- Cazenove Charities
- Investec Wealth & Investment
- JP Morgan
- Newton Investment Management
- Quilter Cheviot
- UBS Wealth Management

27. Boutique Investment Management
- Charities Property Fund
- Heartwood Investment Management
- Mayfair Capital Investment Management
- Rothschild
- Waverton Investment Management

28. Consultancy of the Year
- Berkeley Partnership
- CloudSymphony
- Foster Denovo
- Mile 91
- Premier Companies
- Principle Consulting
- PwC
- Qbase

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Digital Fundraising

Digital opportunities

Digital fundraising is perceived by many as a growing opportunity for third sector organisations to maximise their coffers. So what do they have to do to take full advantage, asks Antony Savvas

GOOD DIGITAL fundraising covers anything from responsive websites that can handle all the digital gadgets that potential donors use, including smartphones and tablets, to the innovative use of social media sites and the deployment of mobile apps that can help keep donors close to their chosen charities.

Up-to-date figures on the extent of digital fundraising across the third sector are hard to come by. According to the Institute of Fundraising (IoF), during the last quarter of 2011, 15 per cent of donations to charities in the UK were made digitally. And, according to other IoF figures, the size of individual online donations rose 21 per cent between 2010 and 2012.

With the global economy improving and digital channels becoming ever more important in other areas, such as retail, accessing government services and completing basic work functions, one might presume the importance of digital fundraising has escalated.

But maybe not so? John Onion, a charity digital marketing consultant for

Action Planning, says: "The figures I hear anecdotally mentioned regarding the level of digital fundraising, charity-by-charity, are consistently under 10 per cent, apart from international crisis campaigns that often attribute 90 per cent of their considerable income to digital."

He adds: "But this has to be considered as only a part of what digital does. As a communications medium digital media's engagement with supporters may result in donations that aren't classified as digital, such as running a marathon or legacy giving."

This is echoed by Grahame Darnell, managing director of the fundraising, marketing and management consultancy Darnell Consulting. He says: "It's difficult to quantify. Digital often plays a key role but may not be the ultimate way the donation is given.

"Take two-step SMS fundraising for example, traditional media (like train or wash room ads) drive an initial donation via digital (a text donation); a thank you text goes out and then a conversion call is made by a telemarketing agency to secure a direct debit sign up. The donor then gets an email telling them how amazing they are."

Digital overplayed?

And Joe Saxton, driver of ideas at nfpSynergy, the charity research consultancy, is adamant that digital's role is somewhat overplayed. Saxton says: "Digital fundraising is niche. No more than 4 per cent of charity income typically comes from online, although it is quite patchy with the bigger ones doing better.

"It is of course different when it comes to the overseas disasters or the big event charity drives. But digital fundraising is never going to be the big thing, ever, and there are various reasons for this."

The 4 per cent figure comes from nfpSynergy's own regular research among around 100 charities.

Saxton says the nature of most digital fundraising is potential donors having to seek out digital channels, when raising the most money in campaigns usually involves the charities themselves having to chase down the givers.

Digital fundraising is niche. No more than 4 per cent of charity income typically comes from online
Joe Saxton, nfpSynergy

He says: "Text messages are becoming easier to ignore but direct requests to give money are harder to. What tends to work better is sending messages and then following them up with a phone call."

Digital skill levels

So while the level of digital fundraising does not seem to be on a spiralling curve at the moment, how about the skill levels at charities when it comes to launching digital campaigns?

Caroline Drummond, policy officer at the Institute of Fundraising, says: "Certainly in the last few years we have seen a significant rise in the number of charities recognising how important digital fundraising can be. As this has increased, the amount of training and information in this area of fundraising has also increased, but there is still probably a skills gap."

Darnell adds: "We should be careful about making generalisations about 'the sector'. Like all sectors there are some people who are ahead of the curve and others who are laggards. There are plenty of good examples of digital fundraising

DIGITAL AT WORK

The Hilton in the Community Foundation (HCF) is using Blackbaud's software-as-a-service online event fundraising platform Heroix to help grow its fundraising initiatives across Europe.

HCF has been established for 14 years and has raised more than £14m across Europe, through fundraising initiatives run by the hotel group's staff members.

Organisers decided that HCF needed a better online fundraising platform so each supporter could have their own individual event page and bespoke website address.

Heroix is a mobile platform with a range of features, including the emailing of supporters and the sending of updates via social media.

"It offered the more cost effective flexibility and control than our previous online giving platforms, which often felt like people were not aware of the fact it was HCF doing the fundraising, and how our supporters fit together," says HCF fundraising events executive Samiya Rashid.

"Individuals now set up their own branded and bespoke giving page, which makes it easier to see how much each centre or event has raised and introduces a fun element of competition."

In addition to on-going hotel fundraising, HCF runs a large number of fundraising events each year, including Around the World in a Day and the Mayfair Power and Tower Race, where individual runners run 4.5km around Hyde Park before climbing the 28 floors at the London Hilton on Park Lane.

All money raised via HCF is used to support children and young people up to the age of 25, with core giving remits being education and health.

Half of the money raised goes to charities nominated by individual hotels, and half goes to organisations that have applied for a HCF grant centrally.

In addition to providing the online giving platform for each individual hotel, the Blackbaud Heroix team designed a central giving hub, so all staff/event participants are able to find their hotel/event.

across the sector and not all of them are concentrated amongst the big players. Some smaller charities have become digital experts because digital is generally an inexpensive option and small charities lack budget."

Onion adds: "There are some exceptionally bright digital marketers from the charity sector, operating on some ground-breaking campaigns. That said, there are several organisations that are slow to react to the digital world.

"Many of them are smaller charities that lack the resources, but also there are some larger organisations that still don't prioritise digital channels. I think this is because of little digital experience at a senior management level in many organisations, and a lack of commercial pressure forcing the issue."

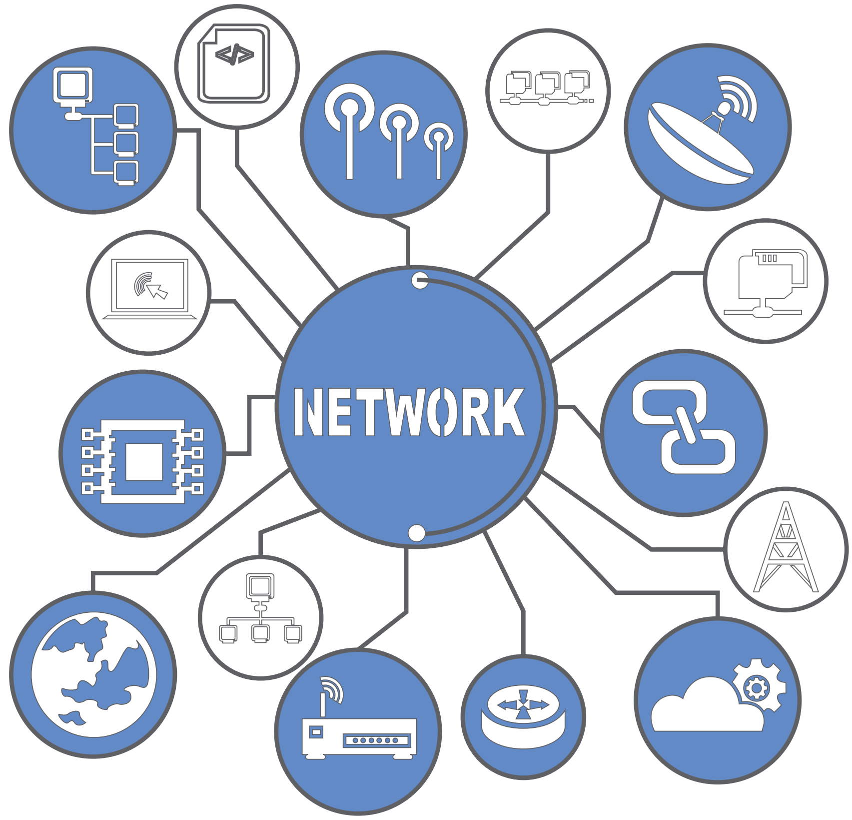
Responsive websites

And what about the question of responsive websites, to enable charities to easily handle donations from smartphones and tablets? The IoF's Drummond says: "This can vary from charity to charity, larger organisations that have launched campaigns targeting younger and more mobile savvy donors, for instance, may have quickly adopted responsive websites to easily communicate with smartphones and tablets."

She pointed out though that many charities also use third party platforms to receive donations, for example JustGiving, Virgin Money Giving or BT MyDonate, meaning the charities themselves don't necessarily have to have the most sophisticated technology.

But she stresses that "ensuring websites are adapted to be accessed on smartphones and tablets is becoming increasingly more important to charities, that may have overlooked it in the past".

Darnell adds: "Most charities do have responsive websites, although some of the smaller ones lag behind a little. And there is the occasional situation when you go onto a major charity's website and it is a horrible experience on a smartphone - that is unforgivable really."



The best websites are those that are not purely focused on the fundraising, but which are good on the content that engages with relevant audiences

John Onion, Action Planning

Website design

So what are the best type of digital fundraising websites when it comes to raising the most? The IoF's Drummond says: "Charities that have accessible, easy to navigate websites and integrated social media tools will work best for successful digital fundraising. Many of these are organisations able to invest in more sophisticated technology, and may have campaigns targeted towards younger donors who are more likely to make smaller donations via mobiles or tablet."

Darnell says: "Most of the big players are strong in this area — like Cancer Research UK and Macmillan — but what's interesting is that some smaller charities are really on the front foot too. Because the costs of doing something good digitally aren't prohibitive, we are seeing that there is a bit more of a level playing field.

"In fact, some smaller charities have an advantage because they are more agile, and can respond to things without going through layers of bureaucratic sign off. Beating Bowel Cancer — a client of ours — are a good example of this, as the whole website is built around a digital community."

Action Planning's Onion says: "The best websites are those that are not purely focused on the fundraising, but which have good content that engages with relevant audiences, and increase visitors through other channels such as web search.

"This can then start a relationship with a sizeable relevant audience. The Rethink site strikes a nice balance, also Diabetes UK, Breast Cancer Campaign and the new

World Animal Protection International site recently uploaded."

Not a magic bullet

On digital fundraising overall, Darnell says: "I think it is crucial that people see digital for what it is — a channel not a magic bullet. It is a vital part of the mix but it can't achieve wonders without the basics of good fundraising, like a strong story that conveys need and a clear ask for money."

He says: "If you have a weak ask and your strategy is simply 'digital' then you won't get results. A strong proposition is key and it is still the traditional channels like face-to-face where the proven results are.

"It's also important to underline that some of the most successful digital fundraisers — like Stephen Sutton's campaign and #nomakeupselfie — were successful because they were organic. It is impossible to manufacture that kind of authenticity."

The limits of digital fundraising are again echoed by nfpSynergy's Saxton. He says: "Digital is helpful but it has not been transformative in the charity sector so far, like in the same way it has been in the online banking sector or in the music industry, where musicians increasingly make their money from downloads. Digital campaigning is one thing and digital fundraising is another. I believe there is a natural limit for digital fundraising in our sector."

Antony Savvas is a freelance journalist

DIGITAL AND A GIVING CULTURE

Trust, a giving culture and a good uptake of technology are essential if digital fundraising is to work for charities, a report recently found.

Digital fundraising — a world of opportunity, published by nfpSynergy in partnership with the Resource Alliance, assessed the factors influencing online giving trends and identified three principles which are central to success:

Trust — a lack of confidence in a non-profit's operations and its effective use of donations will deter people from donating. Among several recommendations, the report suggests that organisations situated in unstable political climates can become more effective fundraisers by first cultivating a trustworthy reputation over a number of years in advance of launching their first campaigns.

A giving culture — religion, a sense of community and local attitudes towards money-giving all play a big part in determining an individual's propensity to give. Being knowledgeable about the subtle nuances of a particular country or region can prove critical in effective fundraising.

Technological uptake — naturally at the heart of digital giving, the spread of new technology is vital to fostering global connectivity, transparency, citizen advocacy and democracy. However, technological advances become obsolete without the first two principles in place first.

Andrea de Ruiter, a researcher at nfpSynergy, says: "Digital fundraising is an area with huge potential for growth and we wanted to explore whether it is one non-profits should be investing their valuable resources in.

"This report provides a really good starting point for non-profits that want to take their fundraising to the digital level. Speaking to different non-profits working around the globe, we came across some remarkably similar challenges they face, irrespective of whether they're a small community project in India or a large non-profit with an international brand.

"Before they consider digital fundraising, non-profits need to be asking themselves, 'do people trust our organisation', 'do we operate in a culture where people want to give' and 'do we have the technology to support it?' If the answer to these questions 'yes' and non-profits have an inspiring, attention-grabbing, convincing appeal ready to go, digital fundraising provides a whole new world of opportunity."

GIFT AID BOOST

Advanced NFP's Gift Aid portal has helped its charity customers to process over £100m in charitable donations in the last six months and reclaim tax of over £25m.

This applies new online Gift Aid processing requirements demanded by HMRC, which came into force in September 2013. The new requirements for online processing include significant data cleansing processes for organisations to ensure the claim is validated at the time of submission.

The Gift Aid SAAS portal, which brings together all the Group's NFP products for processing Gift Aid transactions, has proved popular with a large percentage of Advanced NFP's customers. Using the portal automates the claims submission process which has significantly reduced the associated administrative burden.

Gift Aid is worth nearly £1bn a year to charities and their donors. It was introduced in 2000 by the UK Government as a way for charities or Community Amateur Sports Clubs to increase the value of monetary gifts from UK tax payers by claiming back the basic rate tax paid by the donor on the donation. It increases the value of donations by a quarter at no extra cost to the donor.

Under control

Rob Barr looks at how charities can gain greater control with fundraising technology

BIG DATA, social media, online-giving, peer-to-peer, hybrid cloud — with ever changing technologies you can be forgiven for feeling overwhelmed trying to keep on top of it all. As the landscape continues to change, the not-for profit sector is fully aware that it must move too. Being visible, relevant and engaging with donors and supporters is key to winning hearts and minds when it comes to fundraising efforts.

However, it can be all too easy to get caught up in the hyperbole when a more pragmatic approach should — and can — be taken to help an organisation successfully deliver on its key service objectives.

The issue

It has to be remembered that much of the talk around big data and the latest technologies is not a concern of probably 90% of mid-sized charities. Or at least not a concern in the way we might expect.

The real problem that organisations are facing today is that there are so many channels and so much information that it is incredibly difficult to bring it all together in any meaningful form. As a result, a huge number of charities are struggling to tackle the problem.

What often happens is the fundraising department is using one system, the communications team another, the volunteers team another and so on. This makes maintaining control particularly hard and it impacts management, and the operational and fundraising team's ability to tell how the money is being raised, where it is being spent, which projects are delivering results — and which are not.

Integration is key to solving these issues but unfortunately this has become more difficult in the not-for-profit sector than it was three or four years ago. The rapid increase in channels such as bulk email marketing, online-giving, social media, and peer-to-peer fundraising has made integration more complex.

The multitude of different systems all sitting in isolation is resulting in teams working in data silos once again. It is a double edged sword, whilst there are now many ways to reach and engage with target audiences, this means there are more sources to manage.

A cultural matter

There is also another deeper problem that needs to be tackled — that of cultural issues. Centralised, integrated systems are the cornerstone of true efficiency and being more informed about the successes and failures within an organisation. It enables them to be agile, responsive to change, creative and forward thinking, whilst the day-to-day is managed in a more structured, systematic way.

However, as new channels come along, well-meaning staff look to utilise these opportunities — including Twitter, Facebook, Just Giving, and Virgin Money Giving — in a bid to attract more support. But all these channels often signal that valuable information is being kept outside the main system, and therefore fails to gain the visibility it deserves.

Organisations need to have a plan in place to effectively dissect the true relevance of new channels and how they can be integrated within their systems. Therefore, it should be part of the culture that systems and working practices are regularly reviewed — they are never a one-time event.

Whilst any good system will stand the

test of time, it should be flexible enough to take account of the changes and challenges that a not-for-profit will inevitably face. As donors and supporters become more focussed on the extent to which their hard earned cash is making a difference for their chosen cause, organisations will need to prepare for greater transparency and accountability.

With this in mind, it is essential that the trustees and senior management within the not-for-profit lead and support any system implementation — it is after all imperative for strategic decision-making. It should also include those individuals that are responsible for the delivery of the fundraising activities; that way you can be sure the system will map more easily to what you're looking to achieve.

Of course, input from the IT department is also important but remember this is not an IT-led project as with the best will in the world, they are not going to understand the intricacies of fundraising requirements. This requires the leadership of those with the overarching vision and staff who are involved in the delivery of fundraising on a day-to-day basis.

Finding a solution

Finding the right fundraising solution, and ensuring it will integrate into, for example, your finance system, should be at the top of your criteria list. It should also include those inter-connected activities that are now so low cost to implement but can streamline operations, such as business intelligence, timesheets, expense claims, absence management, project management and collaboration.

It is critical to think about all these activities now so, for instance, you can easily see how much is being expensed against individual projects and how much time is being allocated to them - or, analyse how successful a volunteer's fundraising event was whose expenses you may be reimbursing them for.

Even if you are a small organisation with minimal requirements right now, you need to think about how you're going to be able to extend the system further down the line.

Any worthwhile solution, whilst covering all the basics and the interconnected activities, will also integrate with social media too. When strategically thought through, social media is a valuable tool for targeting supporters that care about what you do.

But it's important to understand who is engaging with you, to what extent and the impact this is having on delivering the required outcome. This is why solid business intelligence and reporting tools are also the bedrock of any fundraising system — areas where most not-for-profits struggle.

However, if organisations are to make the most of the information within their systems then they need to be able to extract data in a meaningful form and be able to quantify and measure objectives. This will not only help focus attention on what's important, it will help build the foundation for a successful future.

Rob Barr is divisional director for Access' not-for-profit division, with responsibility for more than 950 customers and the NFP product roadmap

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TOP TIPS FOR CHOOSING A FUNDRAISING SYSTEM

Ian Jarvis, financial controller for the Canal and River Trust — one of the largest charities in the UK and guardian of 2,000 miles of historic waterways across England and Wales — gives his views on choosing a fundraising CRM system.

"As a start-up charity two years ago, we wanted an established, proven product, with recognisable names using it. Whilst we had little experience of being a charity we wanted to be in a position to grow our fundraising arm. Access' thankQ CRM system is playing a huge part in helping us on this journey," he says.

Here are Ian's **five top tips**:

1. Clarity: Start out by being clear about what you want to achieve in terms of the big picture: set out to engage your suppliers and listen carefully to how exactly they intend to help you achieve your goals. It's always good to speak to other clients too.

2. Intuitive: Look for a user interface that is easy to understand, logical, user friendly, and an intuitive user experience. It will lead to less training and your team will be more engaged with using the system fully.

3. Clear and usable reporting: The thankQ software was far ahead of everything else we saw in the way of reporting. This is vital to making sure that you understand how successful your campaigns are and where changes need to be made.

4. Low risk: Products that are proven and already have a solid user base are a must. thankQ has a stable of users, including well-known names and larger organisations, which bodes well for the future.

5. Investment: Find out what level of investment is being ploughed back into the software. What plans do they have, what new functionality has been released most recently, and are they keeping pace with changes in the not-for-profit sector. Pick a modular system, one that you can add to as your organisation grows.

Threat of fraud

UK charities fall victim to £1.65bn worth of fraud a year. Joe Lepper finds that the sector still has much to do to tackle this number

UK CHARITIES fall victim to £1.65bn worth of fraud a year, mostly through low value attacks such as charity shop workers keeping back donations, contractors over charging and staff exaggerating expenses or falsifying accounts.

The 2014 BDO and the University of Portsmouth report *Minimising Fraud and Maximising Results for Charitable Purposes*, which calculated this estimate, also found the sector is too often hit by identity fraud. This included job applicants lying on CVs and use of the charity's name to fraudulently collect donations.

Further evidence of the scale of charity sector fraud was revealed in November 2013's National Fraud Agency's annual fraud indicator. It found one in three charities with an income of more than £100,000 had been defrauded over the previous 12 months, mostly through payment, banking, accountancy and identity fraud.

Anti-fraud culture

But there is hope such incidents can be brought down. *The Minimising Fraud and Maximising Results for Charitable Purposes* report optimistically predicts the sector

could save £659m over the next two years through simple improvements to counter fraud processes.

Developing a preventative, anti-fraud culture is key to achieving this goal, says report co-author and BDO director of counter fraud services Jim Gee, especially as it is estimated just a 30th of the true cost of fraud is detected.

Gee says: "The old style attitude is to hope fraud doesn't happen, report it to police and then prosecute. But with so little fraud detected that attitude only really scratches the surface. The best policy is to pre-empt it."

Charities looking to create an anti-fraud culture need to start by finding out to what extent there is a fraud culture among contractors and staff.

"This can easily be done through anonymous surveys," says Gee, who adds: "This can pinpoint areas of the business where fraud is considered acceptable and even encouraged."

He also recommends charities equip themselves with the Chartered Institute of Public Finance and Accountancy (CIPFA)'s document *Managing The Risks of Fraud*, also known as the *CIPFA Red Book*.

This poses questions to organisations to assess their fraud risk covering areas such as whether they carry out robust background checks on job applicants.

BDO and the University of Portsmouth have also created an online checklist based on the CIPFA Red Book, called the Fraud Resilience Assessment Tool. In addition, a charity specific version of this tool being developed with the Charity Commission and is set to launch this summer.

Professor Mark Button, director of the University of Portsmouth's Centre for Counter Fraud Studies, says: "The assessment tool is scored out of 50. A really good score is in the mid 30s, a bad score is low to mid 20s. We found charities have come out in that low bracket, as has my own sector of higher education."

Confused messages

Once the extent of risk is assessed charities are urged to put in place a tailored promotional drive offering "separate messages to both the dishonest minority and honest majority," says Gee.

Gee adds: "Sometimes organisations confuse these messages. To mobilise the honest majority you need positive messages about culture, highlighting how much fraud costs and the good work that money could be used.

"For the dishonest minority you need a different set of messages, backed by strong sanctions and detailing what will happen to them when they are caught."

Button adds: "This really needs to spell out in no uncertain terms there will be consequences and sanctions, such as losing their job and going to prison. Charities need to be keeping good records of prosecutions and other relevant statistics as well and promoting that."

Gee warns though "that this culture change will not happen overnight." He adds: "I previously used to work in the NHS and there was a similar change there to bring in this anti-fraud culture. It took eight years to get that in place."

Not doing well

To what extent is the charity sector backing this cultural change towards fraud? Professor Button says that against other sectors the "charity sector is currently not doing well."

"There is a perception that people wouldn't do nasty things to them. A colleague recently carried out a survey among charities about fraud. One religious charity that responded said 'we don't have fraud because we are a religious charity'," he adds.

Charity Finance Group (CFG) chief executive Caron Bradshaw says for most charities the threat of fraud is being taken increasingly seriously.

She has seen an increase in zero tolerance policies that hammer home the message that prosecutions will be pursued. Better financial controls and record keeping have also been noted.

However, she warns: "It is easy to say 'we have a zero tolerance policy' but for example if the seniors managers are permitted to use expense processes for personal gain this policy will be undermined.

"Culture is more than words and policies. It's actions and ways of behaving that prevent fraud not great documents and records."

She also wants to see a greater awareness by all charity staff and among donors of the threat posed by those using the charity's name to set up sham appeals for donations. This awareness boost was among recommendations made in the CFG's latest *Charity Fraud guide*.

A whistle-blowing policy to create a culture that "enables people to speak without fear on concerns over fraud" is also important, says Bradshaw.

Button recommends charities ensure an independent whistle blowing service is easily available to staff. He says: "At a basic level staff need to know where they can report suspected fraud. If you suspect your boss how do you report that? You can't go to him or her."

Bradshaw also calls for a greater awareness of the threat of cyber fraud and for charities to ensure virus software is up to date, passwords are changed regularly and strong exit polices are in place when staff leave an organisation to ensure their online access is terminated.

An improvement in financial controls among charities has also been spotted by Myles Kunzil, NCVO governance

There is a perception that people would not do nasty things to charities. One religious charity said: "We don't have fraud because we are a religious charity"
Professor Mark Button, University of Portsmouth

consultant.

This includes better auditing arrangements to track money as well as bringing in multiple sign off on cheques and payments to ensure no one person has the power to take money out of a charity.

"Grant giving organisations are also doing more due diligence and background checks so that those asking for money are who they say they are," he says.

But a key weakness that remains is a lack of financial awareness among trustees to help spot fraud as well as highlight gaps in protection, he says.

This lack of financial knowledge among trustees was also picked up in a Charity Commission and Institute of Chartered Accountants in England and Wales 2012 survey on financial control and risk management.

As the regulator, we have been calling on trustees to heed these warnings and step up their responsibilities to protect their charity
Michelle Russell, Charity Commission

Michelle Russell, the Charity Commission's head of investigations and enforcement, said: "As the regulator, we have been calling on trustees to heed these warnings and step up to their responsibilities to protect their charity."

Further research by University of Portsmouth's Centre for Counter Fraud Studies and published by fraud service CIFAS in November 2013, offers more evidence of the need to invest in prevention.

This found that for fraud under £25,000 additional costs involved can raise the total cost to nearly three times the amount originally lost. This is through the cost of legal action, disciplining staff, loss of reputation and staff morale and in hiring replacements.

Button adds that: "For low level fraud of under £10,000 we found that sometimes the organisation faced up to five times that original cost."

With such compelling figures it is clear the charity sector can no longer afford to ignore or pay lip service to the threat of fraud.

Joe Lepper is a freelance journalist

THE COST OF FRAUD

Fraud is currently costing the charity sector more than £1.65bn a year but more than £659m of this loss could be prevented through the application of improved counter-fraud processes according to an academic report published by BDO, the accountancy and business advisory firm, and the Centre for Counter Fraud Studies at the University of Portsmouth.

The report, *Minimising Fraud and Maximising Results for Charitable Purposes*, shows that the UK not-for-profit sector could better protect itself against fraud, freeing up additional resources for charitable purposes.

The report highlights that as much as £659million could reasonably be expected to be saved by the sector within two years, through the adoption of improved counter-fraud measures, including the development of strong counter-fraud cultures, the creation of meaningful deterrents and the revision of processes that remove weaknesses which provide opportunity for fraud.

Examples of some of the largest recorded not-for-profit sector fraud cases include:

In 2013 a businessman was jailed for three years and nine months after pleading guilty to taking at least £213,000 from charity collections.

He was contracted by charities to hire collectors to stand outside supermarkets and organise collections, taking a cut from what was collected.

However he failed to declare most of the cash that came in.

Much of the money is still unaccounted for as it was taken directly from the buckets and used to pay for holidays or shopping.

In 2012 fraudsters conned several charities into parting with £685,000 for the distribution of letters by undercutting the Royal Mail.

1.3 million letters were left unsent and then destroyed by the fraudsters.

In addition to the cost, the charity also lost out on millions in unsent donations that it would have received had the letters been sent.

Globally, the cost of fraud currently averages 5.47 per cent of expenditure and is up 20 per cent since the onset of the recession.

The report says that if the charity sector followed the successful path of many organisations that have specifically targeted the reduction in the cost of fraud — where reductions of as much as 60 per cent have been achieved (including 40 per cent in the first year) — the benefits would be dramatic.

Over the rainbow?

The evidence is not that the rich are giving more, but that their accumulating riches still remain 'beyond the rainbow'
Cathy Pharoah, Cass Business School

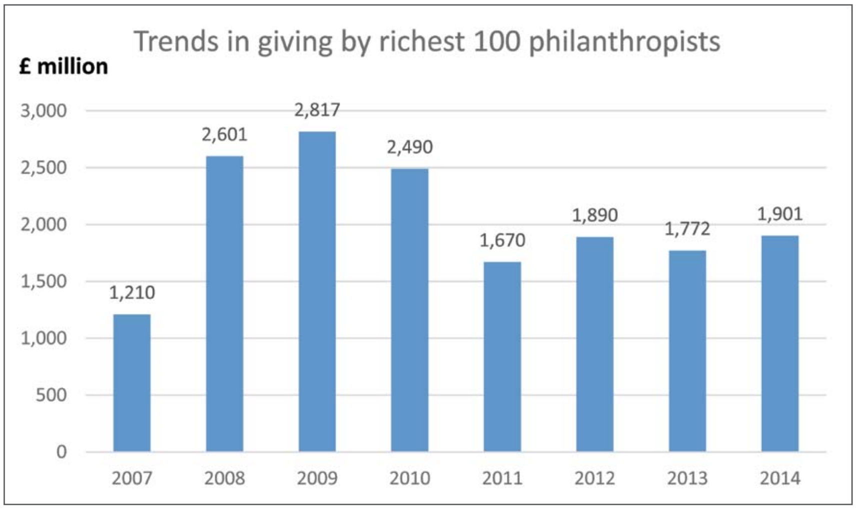
Cathy Pharoah presents a new analytical interpretation of what trends in the philanthropy of the UK's super-wealthy say about the future

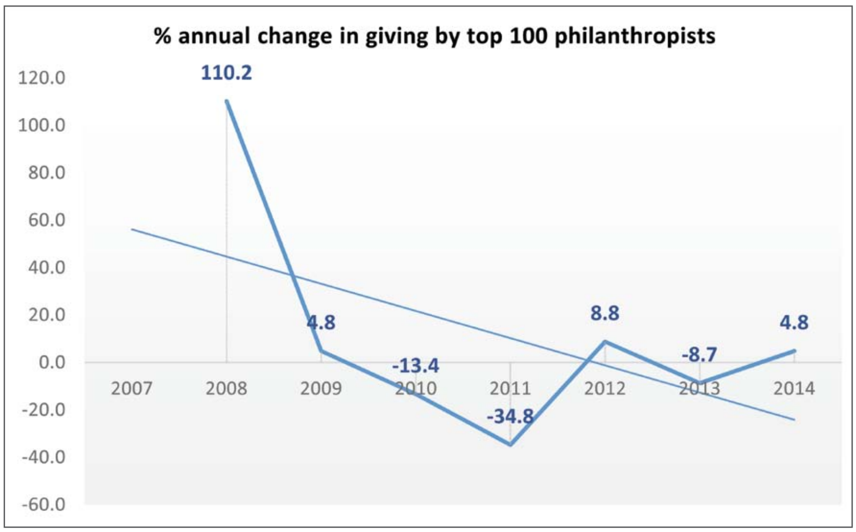
THE FORTUNES of the world's super-wealthy continue to grow, an ever-more tantalising vista for much-needed philanthropy in our society. For example, *Forbes* (3/3/14) recently recorded a record 1,645 billionaires globally, whose current aggregate net worth of $6.4trn (£3.7trn) includes a cool additional trillion dollars on the previous year. The UK's richest people account for £520bn ($874m) of this, according to *The Sunday Times* (18/5/14). Total giving by the UK's super-wealthy stands at £2.4bn in 2014, as surveyed for the *Giving List* published by *The Sunday Times* alongside its annual *Rich List*. It was a record high, and it is claimed that the 'super-wealthy' are giving more money to charity than ever before. This is, of course, difficult to dispute as there is no definition of the 'super-wealthy'. This article presents a new analysis of what the data might really be telling us.

A solid core of philanthropy

Firstly, it is important to note that *Giving List* continues to reflect some robust, sustained individual giving by the wealthy in our society. It shows the commitment of donors such as Lord Sainsbury who appeared in the first List in 2005, and heads this year's survey with giving of over £165m, though this was actually down on last year's giving of £250m. Many other donors such as Roman Abramovitch, Robert Edmiston, Sir Elton John, George Weston, Johan Eliasch have also remained in the list since its first two years, a core of solid philanthropy making major contributions to science, culture, welfare and the environment.

Of course regular appearance also reflects willingness to complete the survey forms. But many major donations are also unique events, as donors make a major one-off gift, or like Lord Sainsbury, spend their fortunes during their lifetimes. Such giving may in fact tell us little about what to expect in the future.





Is giving by the UK's richest people going up?

The first *Giving List* began with a survey response of just 30, but this year it reports giving by 280. This means that the annual topline figures can't easily be compared because the sample is changing, but it is possible to track trends by compiling figures for the top 100 in the List each year (as ranked by proportion of wealth given to charity).

The findings illustrated reveal a dramatic and unexpected picture. Firstly they show a huge annual fluctuation, reflecting how data on major giving is particularly easily skewed by one-off events. For example, most of the drop in 2011 was explained by three major donors who had already given away large amounts of their fortune in the previous year: Chris Hohn, Anurag Dikshit and Lord Sainsbury.

Secondly, the figures show that giving by the top 100 (by proportion given) in 2014 is not as high as the 2010 level, let alone the heady peaks of 2009 and 2008. When we look at what these numbers mean as annual growth rates (adjusted), the overall trend in super-giving would appear to be moving sharply downwards.

This picture presents only one indicator, albeit one which has become a national standard. A difficulty in drawing firm conclusions is that we have no figures on, for example, trends in the largest 100 gifts by value, or the total amount of giving by a defined group of 'the wealthy'. Trends in giving by family foundations, which are much less subject to major annual fluctuation as they represent giving from investment income rather than direct giving, would not indicate such a downward trend.[1] The evidence of the *Giving List*, however, is not that the rich are giving more, but that their accumulating riches still remain largely 'beyond the rainbow', out of the reach of good causes and fundraisers — even if they had flocks of 'happy little bluebirds'?

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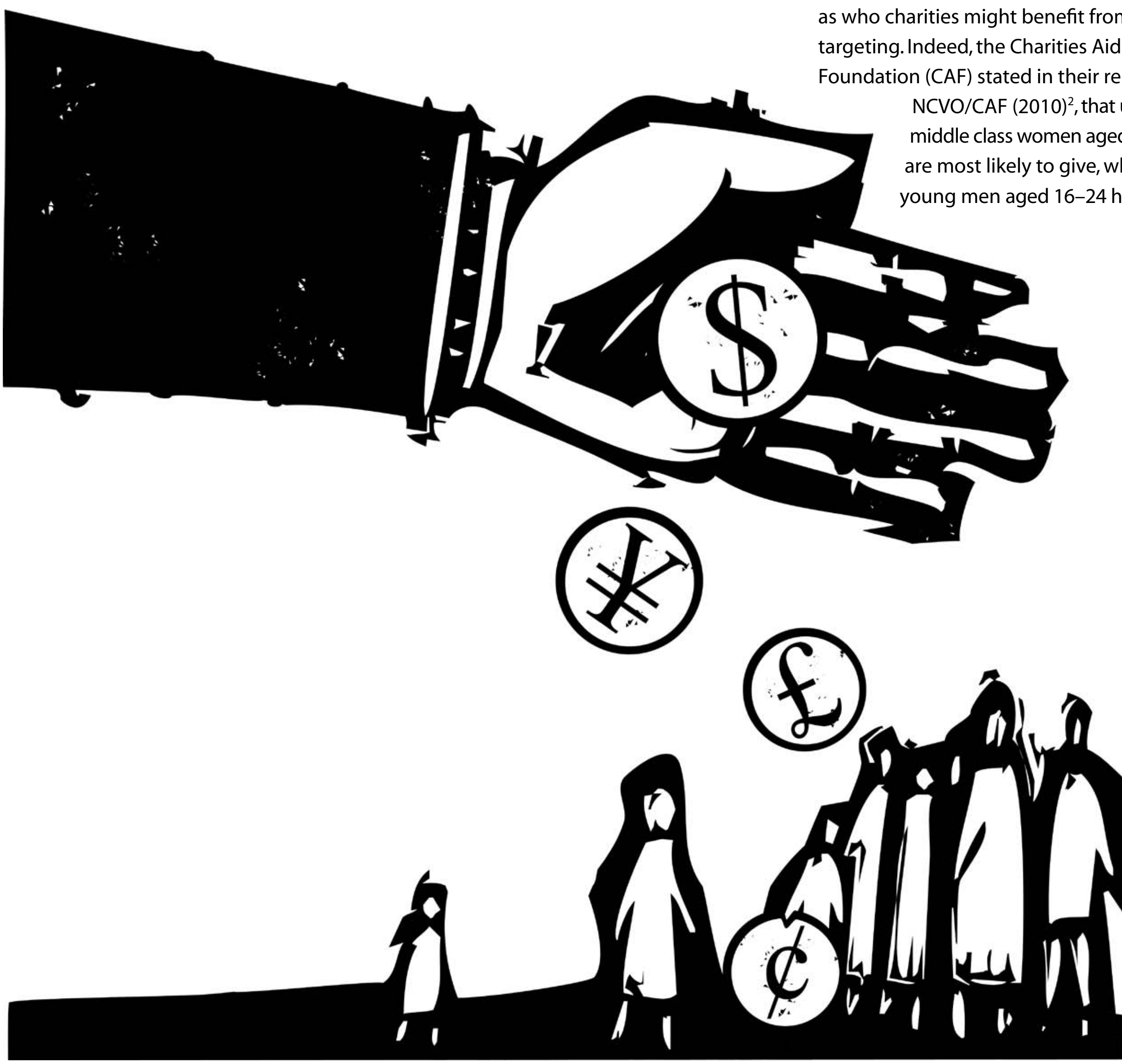
[1] *Family Foundation Giving Trends 2014*, produced by the Centre for Charitable Giving and Philanthropy and the Association of Charitable Foundations, and supported by Pears Foundation, was published at the end of June

Mind the gap

Nicola Davies looks at bridging the philanthropy gap between demand and supply through social investment

THE UK has always been at the forefront of charitable giving. In 2011, public donations to charitable causes amounted to £11.7bn as the number of charitable organisations approached 150,000[1]. Unfortunately, due to austerity measures arising from the economic downturn, levels of altruism have declined. Philanthropy in the UK is distinctive for the way the context for charitable activity is changing and how donors are responding to it. We look at the three principal factors to consider in efforts to increase philanthropy: individuals, corporate donors, and government.

Individual characteristics play an important role in determining who will donate their time or money, as well as who charities might benefit from targeting. Indeed, the Charities Aid Foundation (CAF) stated in their report, NCVO/CAF (2010)[2], that upper middle class women aged 45–64 are most likely to give, while young men aged 16–24 have the



lowest rates of giving[3].

The Behavioural Insights Team of the Cabinet Office also provide insight into factors important to individuals. They have identified four behavioural insights that could be used to sustain and improve the degree of altruism and the amount of charitable giving in the community[4]. These include making the donation process attractive and as easy as possible, appropriately timing appeals for donations, and encouraging an association between giving and social norms (that is, making donations the norm).

Corporate donors

The Centre for Charitable Giving and Philanthropy (CGAP) reported that corporate donations to UK charities are estimated at around £1.6bn annually[5]. According to the latest *Coutts Million Pound Donors Report*, UK philanthropy is buoyant. Indeed, the highest level of £1m-plus donations since the 2009 financial crisis was in 2012, rising 9 per cent from 2010/11 to £1.35bn in 2012. Not only did the value of donations increase, but so did the average donation size. More than half (56 per cent) of all million pound gifts were worth £2m or more. Higher Education remains the most popular destination for million pound donations, accounting for 42 per cent of all million pound donations in 2012. Arts and Culture fell slightly from 8 per cent of all donations in 2010/11 to 7 per cent in 2012.

The increase in corporate donations has been influenced by the growing realisation of corporate social responsibility — the role organisations are expected to play in the community. T*he Guide to UK Company Giving* (DSC, 2011)[6] gives advice to companies on the best models organisations should adopt in the fulfilment of their social responsibilities and suggests yardsticks for the measurement of Corporate Community Investment (CCI) — philanthropic contributions, whether in cash or in kind, given to the voluntary and community sector.

However, this is against the backdrop of the static nature of estimated annual philanthropic giving, hovering around only one per cent of the gross domestic product (GDP) and coupled with increasing demands for charitable activities. The increase in demand arises principally from the progressive withdrawal of the government from the provision of social welfare, allegedly because of the downturn in global economic activities resulting in austerity and retrenchment measures.

In addition, there has been a significant increase, since the turn of the century, in armed conflicts and political instability in several countries. This results in displacements of large numbers of people and presents a global challengefor philanthropists[7]. Donors have responded by forming Working Groups such as the Centre for Social Justice, which are non-partisan and comprise prominent academics, practitioners and philanthropists.

While the performance of the charity sector in the UK is impressive, there is still a great deal of work to be done in terms of government intervention. Debates about major philanthropy both inside and outside the House of Commons have often focused on the nature and scale of donations.

Donors are now shifting attention to how foundations can use all their assets, including endowment, to achieve their goals. There also appears to be a consensus amongst both the UK government and the opposition about the introduction of social investment as an alternative way of enhancing and sustaining the charity sector in the task of delivering social benefits to communities.

One major achievement is the introduction of Social Investment through instruments such as the Big Society Capital (BSC), which is the first of its kind in the world. Social Investment presents an alternative way of perceiving the creation of social benefits as opposed to the traditional method of viewing philanthropy as the only means of achieving results.

Social investment is an avenue for obtaining returns that focus not only on financial returns but also on the longer term impact of the investment on society. Therefore, the donor community in the UK, supported by the government, have taken on board the challenge of providing the right type of finance that will encourage recipients to engage in activities that provide lasting benefits to the community.

The BSC commenced in 2012 with a

PHILANTHROPY BUOYANT

The sixth annual *Coutts Million Pound Donors Report*, in association with the University of Kent, found UK philanthropy is buoyant with the highest level of £1m-plus donations in the UK in 2012 since the financial crisis in 2009, rising 9 per cent from 2010/11 to £1.35bn in 2012. Not only did the value of donations increase but so did the average donation size as more than half (56 per cent) of all million pound gifts worth £2m or more.

Higher Education remains the most popular destination for million pound donations accounting for 42 per cent of all million pound donations in 2012 while Arts and Culture fell slightly from 8 per cent of all donations in 2010/11 to 7 per cent in 2012.

For example, they are:

Working together — UK donors are working together more than before to tackle emerging challenges.

Foundations using all their assets — While debates about major philanthropy often focus on the nature and scale of donations, greater attention is being given to how foundations can use all their assets including endowments to achieve their goals.

Social investment — The UK is one of the leading countries developing the thinking and practice of social investment which aims to generate measurable social and/or environmental impact as well as a financial return.

FOUNDATION GRANT-MAKING RISES BY 10% IN REAL TERMS

Foundation grant-making has risen by 10 per cent in real terms, despite a drop in income of around the same amount – demonstrating the adaptability, resilience and vitality of the UK's charitable foundation sector in the face of falling donations.

The finding has emerged from the first of a new series of annual research reports, *Foundation Giving Trends*, led by Professor Cathy Pharoah of the Centre for Giving and Philanthropy at the Cass Business School, published by the Association of Charitable Foundations, and substantially supported by the Pears Foundation.

The report reveals that foundation giving to charitable causes grew by £271 million, or 10 per cent, whilst income fell by the same amount.

This highlights the importance of foundation assets, which have enabled several larger foundations to fund 'counter-cyclically' through a time of elevated need and reduced government expenditure.

However, such spending decisions have been made at a time of low investment returns, intensifying the pressure on trustees to balance today's pressing issues with maintaining their spending power for future generations.

As well as ranking the top 300 foundations by the value of their grant-making, the report also provides fresh insight into the size, shape and nature of foundations' contribution to UK civil society.

The picture that emerges is of a deeply diverse sector, using its independence in order to respond flexibly to need, make bold interventions in line with its charitable purposes , and support advocacy.

Discussing the value of the report, which also draws on findings from a ACF Member Survey and features a range of guest commentators, ACF policy advisor Richard Jenkins, says: "Over the coming years this programme of research will track key indicators of the health of the foundation sector: its giving, its income and the value of its assets.

"This vital research will help us see the patterns of change in order for philanthropists, practitioners and policymakers to make better decisions based on an understanding of the factors that drive the sector."

Professor Cathy Pharoah adds: "Better data on philanthropy is increasingly vital. It helps provide a realistic context for assessing the feasibility of political aspirations for the role of private philanthropy in public welfare provision. We also need to know whether philanthropy is growing at a time of increasing private wealth, but continuing social inequality."

capital of £600m obtained from dormant bank accounts and investment from the Merlin Banks. It was established with the aim of providing wholesale banking products such as loans equities and bonds that will facilitate the development of a sustainable social investment market in the UK[8]. The difference between the activities of the BSC and other traditional banking institutions is that the BSC seeks to develop an investment market in which the ways that investees generate profit is closely aligned to positive social impact.

The creation of the BSC is only a part of the Government's vision to provide a structure and framework for a social investment sector. According to the Social Investment Task Force, created by Her Majesty's Treasury[9] the Government aim to raise at least £14.2bn for social investment obtainable from the £65.6bn capital[10] in UK philanthropic foundations, institutionally managed assets in the UK, grant funding, and £86.1bn[11] estimated to be invested in individual savings accounts. Other government initiatives include the development of the Social Impact Bond and the introduction of a UK Community Reinvestment Act to encourage financial institutions to improve performance with under-invested societies.

The UK is one of the leading countries developing the thinking and practice of social investment. The next biggest challenge is generating measurable social and/or environmental outcomes in addition to financial return.

Investors need to have a transparent way of assessing these outcomes and currently there is no universally accepted measurement scale, although the Social Reporting Standard (SRS)[12] and Impact Reporting & Investment Standards (IRIS) are the most popular metrics adopted by large investors.

Dr Nicola Davies is a freelance journalist

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1 Charities Aid Foundation (2012): *UK Giving 2012* online: www.ncvo-vol.org.uk/sites/default/files/uk_giving_full_report_1211.pdf
2 NCVO/CAF (2010) *UK Giving 2010: An Overview of Charitable Giving in the UK 2009/10*, West Malling: CAF.www.cafonline.org/pdf/UK%20Giving%202010_101210.pdf
3 Ibid 2 (pp. 15–17 & 33)
4 Ibid 2 (pp. 8-13)
5 Catherine Walker and Cathy Pharoah, with Marina Marmolejo and Denise Lillya (2012) *CGAP Briefing Note 9. UK corporate citizenship in the 21st century*. Centre for Charitable Giving and Philanthropy. www.cgap.org.uk/
6 DSC (2011) *The UK Guide to Company Giving 2011/12* (eighth edition), London: DSC.
7 Adrian Sargeant & Jen Shang (2011) *Growing Philanthropy in the United Kingdom A Report on the July 2011 Growing Philanthropy Summit.* Bristol: University of West England.
8 The Big Society Capital www.bigsocietycapital.com
9 Social Investment Task Force (2010) *Social Investment Ten Years On*. Final Report of the Social Investment Task Force. London: HM Treasury
10 2006–07 investment assets held by charities – NCVO Civil Society Almanac (2009)
11 ISA funds at August 2009, Investment Management Association: www.investmentuk.org/statistics/fund_statistics/default.asp (accessed on 29 September 2009)
12 www.social-reporting-standard.de

Making progress

David Rowe says if we want to succeed in converting more people to philanthropy we need to match their expectation that giving money should be easy and understandable

PHILANTHROPY CONTINUES to be buoyant with an increasing number of banks, solicitors and other advisers enhancing their offering to further enable giving. However, for all the evidence of growing interest in philanthropy, are we delivering the right basic solutions and are we making giving easy or too complicated?

Over the last 25 years I have seen many wealthy individuals consider creating a long-term pool of money from which to give to causes they believe in. I have seen too few actually follow through. Why? There are, no doubt, many reasons, but the two reasons that I think are at the heart of this conundrum are that the process is too complicated and the outcome too unsure.

The 'complications' start almost immediately, typically from how to set-up a charity or from an advisers enthusiasm for maximising the social benefit leading to too a detailed, and even academic, expose of what projects to commit to.

New philanthropist

To a new philanthropist these complications act as a barrier. They also come with financial costs that for some may be the straw that breaks the camel's back. However there are simple solutions and they can start with the more effective pooling of monies committed to philanthropy. The effort and money that is spent in administering in excess of 180,000 charities in the UK is considerable and to a large extent avoidable if more of these merged their administration and shared facilities.

The advisory community have been poor at explaining the outcomes and impact of what is proposed. The focus can either be too much on the immediate benefit and not on the long-term change that well considered and researched projects can deliver; or the explanation of impact is simply not clear, if measured at all. Not surprisingly new philanthropists feel what they are giving may not be really effective. Of course, there is a balance to be struck as excessive measurement can be seen as a waste of resource that could be better used elsewhere; getting that balance correct so that impact is easily understood is key to increasing philanthropic giving.

> **New philanthropists feel what they are giving may not be really effective. There is a balance to be struck**
> **David Rowe, UBS**

Long-term

In order to capture more of the potential philanthropy giving we need to simplify our language, remove the unnecessary jargon and superlatives: we need to provide simple cost-effective structures that allow people to become philanthropists easily and with little cost. We then need to explain where monies philanthropy can best be spent or 'invested' and show the impact of that giving, focussing on long-term benefits.

New and existing philanthropists should be able to commit to projects that address the problem that is at the heart of a social issue with confidence. Anecdotally we know that people won't normally invest if there is no confidence in the outcome — philanthropy is no different and therefore a better description of the long-term benefits and an undertaking to report on the facts of success, or failure, needs to improve. The role of banks, or other advisors, is not just to scale up, but rather to demonstrate that a project will work and focus on measurement in order to provide proof.

In conclusion, if we want to succeed in converting more people to philanthropy we need to match their expectation that giving money should be easy and understandable. Whilst philanthropy is undoubtedly increasing, compared to the resources available we have not really made much progress since Andrew Carnegie said: "I resolved to stop accumulating and begin the infinitely more serious and difficult task of wise distribution."

David Rowe is managing director at UBS Wealth Management

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Good investments

Andrew Holt analyses Charity Times research that shows charity investments are of a broad asset allocation but with a view to change investment direction going forward

IN 2012, the Charity Finance Group issued a report, *Managing in the new normal — a perfect storm?* which highlighted that leading charities had been suffering from a 'perfect storm' of increased demand and reduced funding and support. One of the conclusions was more should be made of investment opportunities.

This is heeded by the charities surveyed. The field of investments in our survey is a significant one: totalling £64.2bn, including some of the leading charities in the UK and foundations in Europe. The picture of charity investments is of a broad asset allocation and, in general, one of long-termism, with a view to change investment direction going forward.

Of the charities surveyed few hold cash: only 4 per cent. Nothing destroys a charity investment portfolio like holding pure money. One only has to look at what happened in the last century to many charities and endowments, caught out, whether in the First or Second World War or the 1970s, by a combination of high inflation and owning either bonds or cash.

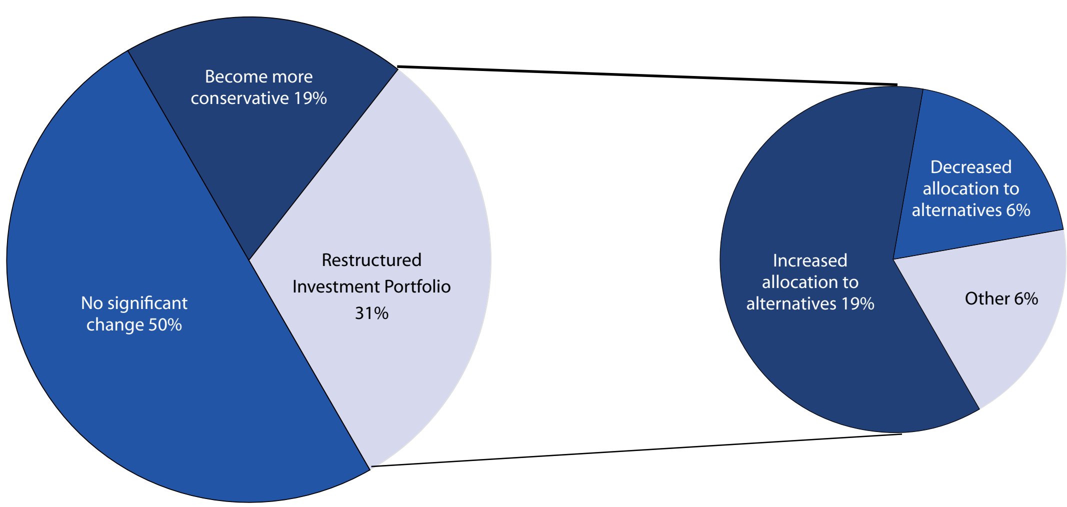
Dose of diversification

It is therfore beneficial that charities show a healthy dose of diversification: equities come top at 47 per cent, alternatives not far behind on 24 per cent, property is on 9 per cent, fixed income of 6 per cent and multi-asset/balanced 3 per cent. Such a positive diversification, it would seem, highlights the understanding of charities surveyed and their investments. The level of alternatives is an interesting one, in terms of a potential increase, and could see growth going forward, as is indicated in the future outlook.

Within the asset allocation, the 6 per cent of fixed income proportion is, for both charities looking to invest and fund managers, one to focus on for

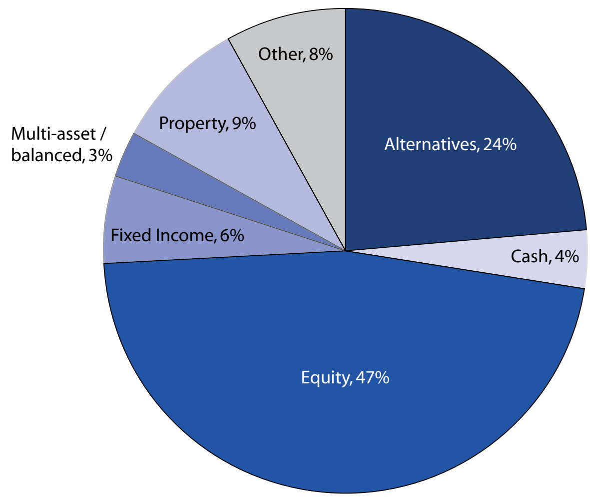
Charities and their views on investment approach: changes over the recession

Charities were asked: "How has your investment approach changed over the recession?"



Direct investments make up the lion share of investments by vehicle, with 57 per cent using this approach

Breakdown of charities assets under administration by asset allocation



charity portfolios. Bonds have produced substantial returns over the last 15 years, but as inflation increases, the purchasing power of fixed income decreases and real returns can be poor.

Direct investments make up the lion share of investment by vehicle in the survey, with 57 per cent using this approach. This makes sense, given that each charity has different investment requirements and in turn a wide range of portfolios with different risk profiles, return objectives and income yields.

Segregated accounts and pooled funds are 22 per cent and 21 per cent respectively. This latter figure, can in part, be explained due to the fact that funds invested for the short and medium term should be relatively risk-free as charities will want to avoid sudden drops in capital values which could reduce their available funding.

And a drop in capital value for funds invested for the longer term is less critical because such investments can be held until their value has recovered. Many respondents indicated the importance of long-termism, in additional written detail when qualifying their approach.

Unpopular ethical

Social and ethical investments are frequently being mentioned as a central part and essence of the charity sector, whether via negative or positive screening. Comic Relief was criticised in a BBC programme for not employing an ethical investment approach and in fact investing in weapons firm BAE Systems. Comic Relief's effective investment approach means that every pound donated goes to the allocated charities, as the investment returns pay for the administration and
returns pay for the administration and

We found in this survey that 71per cent hold 10 per cent or less of their allocations in ethical investments or funds. This is because many SRI funds have traditionally performed less well than key asset classes. But SRI advocates would point to that changing, with some substantial returns to boot. A point though lost on our surveyed batch of charities. SRI in charity investment portfolios is therefore one still to be won and for SRI-inclined asset managers, it is one that could be an opportunity to put a strong argument.

ETFs are seldom used as well. 93 per cent of respondents said they made up 10 per cent or less of their allocation. This is a shift from some years ago, when ETFs were able to address the narrow investment management approach of some charity investment, something, as we indicate is not really an issue in the current analysis.

Index funds are more broadly but lowly spread: 38 per cent hold less than 5 per cent, 38 per cent hold 5-10 per cent, 15 per cent for 11-15 per cent and more than 15 per cent accounts for 8 per cent.

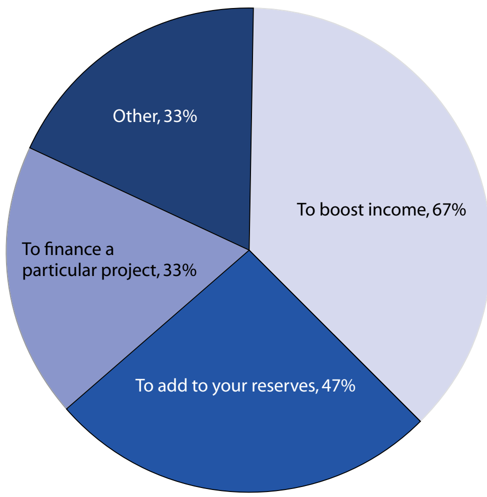
Since the financial crisis, 50 per cent of charities have seen no significant change to their investment approach while 19 per cent have adopted a more conservative stance. Of the 31 per cent that have most have increased their allocation to alternative products: with an increase to alternatives to 19 per cent and a decreased allocation to alternatives of 6 per cent.

While this indicates some sort of shift towards alternatives, it shows a level of caution towards alternatives that is not shared by American counterparts. A recent poll by Boston-based consulting firm NEPC highlighted that foundations in the States found 81 per cent were planning to increase exposure to multi-strategy funds, credit-linked funds and specialty hedge funds. Such an aggressive outlook is not shared here. That said, 44 per cent are looking at a change in investment direction going forward, 31 per cent not, and 25 per cent unsure. Charities that have a permanent endowment must keep the capital fund invested. Only the income earned from the investment of the capital fund can be spent on the charity's aims.

And charities with permanent endowment should be aware that some assets may be more likely to provide capital growth over a long-term period while others might provide better income returns. This means that it is important when putting together a portfolio of investments to balance: the need for enough income to meet the charity's current needs; and the need

Charities and their views on financial reasons for investing

Charities were asked: "For what financial reasons do you invest?"



to increase the value of the investment (capital growth) to produce a sufficient level of income for future beneficiaries. The satisfaction levels highlighted in the process part of the survey (see page 47 onwards) indicate that asset managers are dealing with such matters impressively.

Income boost

And here, 67 per cent of charities use investments to boost their income; 47 per cent to add to their reserves; 33 per cent to finance a particular project; with another 33 per cent listing issues around helping to: "Boost the distribution of money such as helping charities we fund and help and to generate the maximum return for our grant-making".

When it comes to using the number of fund managers, charities use the full potential of investment expertise, with 63 per cent of respondents using 10 or more mangers at any one time; 6 per cent use between 7-9; 13 per cent between four and six; and 19 per cent use between one and three. This in part explains the range of investment approaches.

On the investment returns, they present a real challenge to asset managers going forward. Historical returns ranged from 8.9 per cent over five years, 8 per cent over three and 10.3 per cent over one year. Impressive, considering the context. Targeted returns averaged out to 9.5 per cent, across the board over the same timeframes.

This is indeed a decent target return given the economic situation. Clearly these are challenging to asset managers to offer such returns, but it highlights what big charitable organisations expect. It also reinforces that charities are moving away from their conservative allocation mind set. Some respondents stated they are comfortable with Consumer Price Index (CPI) + 4 per cent, on a rolling 5 year basis, as a long-term objective for either a traditional 'income and capital growth' or 'total return' requirement.

Challenging assumptions

The most recent financial backdrop has increasingly challenged the assumptions investors make about future returns. The key question for charity trustees is: what is a reasonable level of annual withdrawal to take from a portfolio without depreciating its long-term value?

This is particularly relevant to the endowed charitable sector in the UK, where investment portfolios represent the main, or only, source of income.

Charities spending above 3 per cent of the value of their long term investment portfolios each year face the material risk of eroding the real value of their capital, according to a paper: *Sustainable Portfolio 'Withdrawal Rates' for Charities* by Newton Investment Management. The paper found that even a small over or under-distribution can have a significant effect on the real value of a portfolio over 20 years.

With 2 per cent taken out of the portfolio above the 3 per cent sustainable level its value would be reduced by 33 per cent over the period. Conversely, under-spending by 2 per cent per annum would add nearly 50 per cent to the real value of the portfolio after 20 years.

This has real implications that ties in with the survey results. Having reviewed all 10 and 25-year periods over the last 113 years, Newton found that holding more in equities increases the overall probability of maintaining the purchasing power of invested capital, albeit at the cost of greater volatility in the short term.

A point highly relevant to charities and asset managers connecting with charities in this survey. The implication of the Newton analysis is that charity trustees should address this topic as part of the regular review of their portfolio; a key area for this survey and a key area for some asset managers and charities to look at shifting the emphasis for their own return benefit.

On the wider investment front, there is a hope we have entered a new investment era that could open up a period of dynamic asset allocation. This was highlighted in the eras identified by the *Barclays Equity Gilt Study* that 1982-2008 was The Great Moderation; 2008-2012 The Great Crisis; with 2013 onwards being something of a question mark.

In Euro Vision – Equities Growing Up, Peter Oppenheimer, chief global equity strategist at Goldman Sachs, and his team, argue that there will still be enough momentum to generate a 15 per cent total return through the coming year. The future could well look bright.

The process

Andrew Holt analyses the data which shows how charities go about selecting an asset manager

ALL MAJOR charities invest, and investments have become a vital source of funding and financing for charities. During the recession many charities looked to make the most of their existing investment assets, by looking at possible wider investment opportunities. At the same time, policy and practice relating to investments have moved on and many charities now seek to invest in a way that can challenge traditional convention of risk-return.

Choosing a fund manager whose philosophy involves exposure to risk or one that offers more stable, long-term income on investments will come down to the charity's needs, which respondents in our survey understand fully.

In that, when investing, a charity must seek the best financial return appropriate to risk and trustees should consider their charities particular circumstances and determine the appropriate level of risk and return.

For charities there are usually three things to consider: firstly, the time frame over which it wants to invest. Secondly, it should think about the risk it wants to take.

And thirdly, a cliché but truism, that charities need to recognise that there is no such thing as a free lunch.

Favoured committee

Within the process of charities getting to asset managers, there are a number of things that investment professionals should observe. It is interesting therefore that it is an investment committee (63 per cent) that is the predominantly favoured route by which to choose an asset manager.

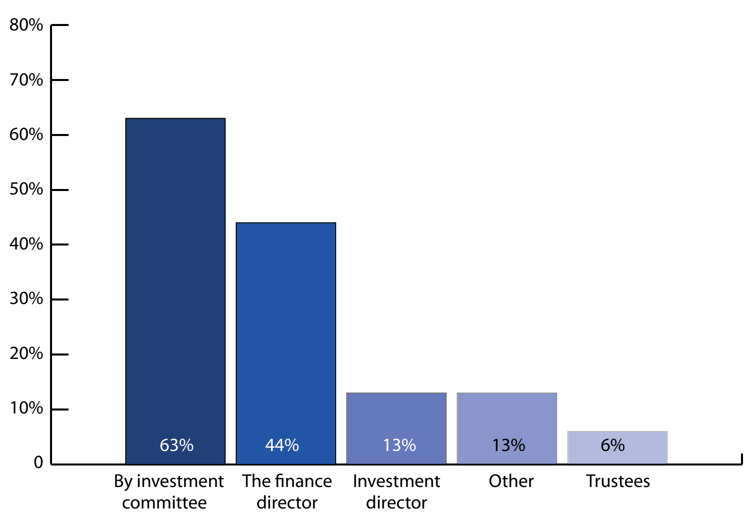
This has obvious advantages: a separate committee gives charities the option of having committee members with investment acumen who are not necessarily part of the main board, thus adding a level of both expertise and independence, perhaps in the role of the chair for example. It highlights that any potential asset manager is dealing with a committee of potential experts focused on the investment process.

After investment committee comes the finance director (44 per cent), sometimes in combination with a committee and then investment director at 13 cent.

This makes sense: finance directors and investment directors can helps charities shape their strategies and maximise returns in the wider context of the charity's finances.

A factor to consider here is the key reason in the survey for either the investment committee or finance director having this role is explained as good

Charities and their approach to choosing investment managers



The key reason in the survey for either the investment committee or finance director having the role to decide was good governance and efficiency

governance and an efficient and effective process. This reflects a good positive approach that charities are taking time determining the right investment policy and much thought on the part of the finance team and trustees.

Trustees and investment

There is then a batch of others (13 per cent) in addressing the question of choosing an asset manager, which includes using an investment advisor. Trustees account for only 6 per cent.

Trustees have overall responsibility for the investment of a charity's funds. This means that they have a crucial role to play in making strategic decisions about how to use a charity's assets to achieve its aims, even if they are not the central players, as indicated here.

Yet trustees are seldom investment experts, and this should be also kept in mind, and the reason for their lesser status in the overall process.

Where portfolios are earmarked for future use, charities have to carefully consider the timeframe for completion, the required capital value, and the impact of postponement and therefore the required investment return and level of risk that can be borne to achieve the said return.

Equally where portfolios are being run for "rainy day" scenarios, charities should consider what scenarios would result in the need to dip into these assets and importantly how the portfolio of assets will have performed going into this scenario.

Working along the investment decision process, when it comes to the requests for proposals, the finance director takes charge: with 47 per cent accounting for this process, followed by investment committee at 27 per cent, then investment consultants at 13 per cent. Others account for 13 per cent.

An interesting set of notes made by some respondents, highlights there is frequently too much jargon and opaque language flying about in the investment industry, but a true adviser expert can explain the options in a clear and easy-to-understand manner. An important factor for asset mangers to take note of here: keep information simple and understandable.

It is often said that charities seldom look to change their investment manager as much as they should do, and so it proves in the survey. Changing a manager is as far out as every five and ten years' accounting for 75 per cent of respondents. This seems to have a direct correlation with how satisfied charities are with their investment managers.

Here, 56 per cent are *very* satisfied; 44 per cent satisfied and 33 per cent fairly satisfied, meaning that no respondents were unsatisfied. This means a well-deserved slap on the back for asset managers working in partnership with sector organisations.

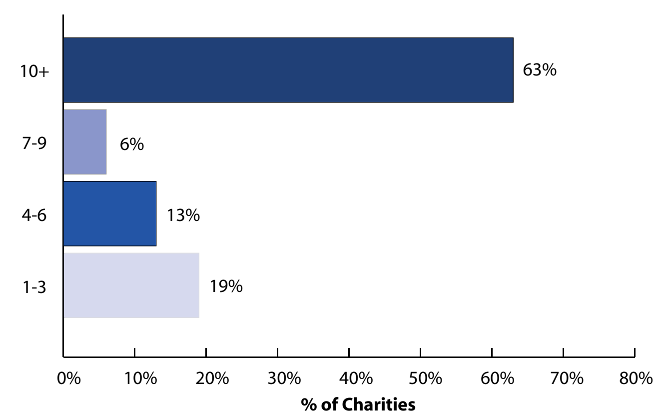
Benefit paradox

It does though present a paradox for asset managers: that it would help charities, and benefit investment managers, if the money being managed could be more available more frequently.

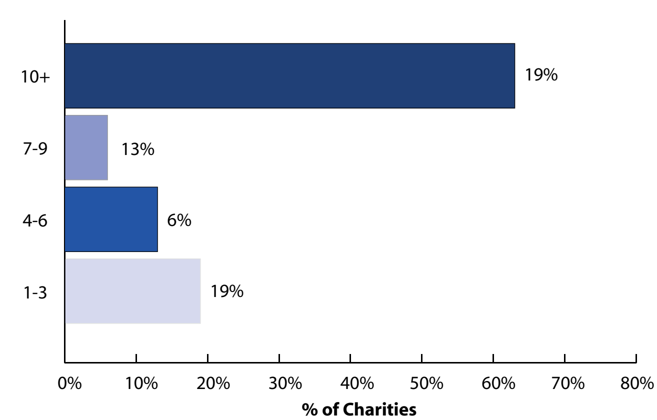
But charities feel so satisfied with the service they are getting, they seldom look to change. In short, asset managers are a victim of their own success. On another level, the important role an investment

An interesting set of notes made by some respondents, highlights too much jargon and opaque language flying about in the investment industry

Charities reported the maximum number of investment managers



Charities reported the average number of investment managers



Satisfaction with the work of asset managers fed through evidently into the approach charities take to fee structures

manager plays in working with a charity to understand its investment objectives and provide solutions tailored for the specific requirements of the not-for-profit sector is clearly identified here.

This satisfaction with the work of asset managers fed through evidently into the approach charities take to fee structures. When it comes to the importance of fees, the most appropriate choice was summed up by 56 per cent of respondents who agreed with the statement: "Fees are considered, but only to check we do not overpay for a strategy we have decided to invest in"; showing that one eye is kept on fees, but they are not in the main, a point of focus when choosing an investment manager.

At 25 per cent is: "We do not pay attention to fees in the decision making process", emphasising the clear distance away from fees being a factor, with a quarter essentially dismissing it altogether. And 19 per cent agree with the statement: "Fees play an important but not decisive role in the decision making process". This is clearly a positive reflection on asset management firms in regards to their offerings and charges. If they were excessive, it would have been noted.

It was also noted by some respondents that some charities offer 'pre meetings' to allow the prospective investment managers an opportunity to ask questions and to gain the complete picture. This will allow the charity and fund manager to gauge the interest and meet in an informal setting. This is something for asset managers and charities to find out more about, as it could benefit both parties in gauging the best approach going forward.

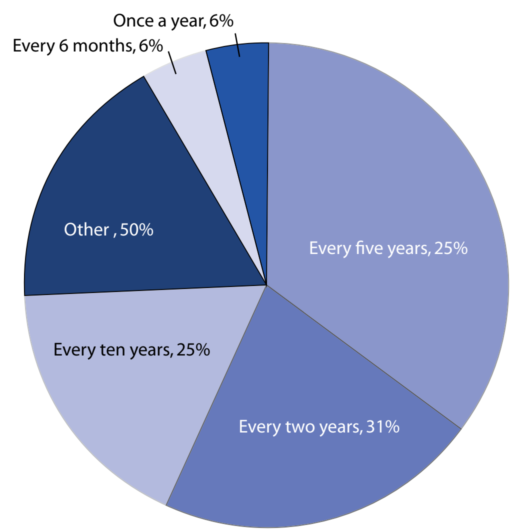
From a fund management perspective, whatever arrangements a charity has to manage its investments it is important to remind them where possible, to constantly review their effectiveness and be prepared to change, if necessary. This is a vital final point for charity finance directors and asset managers: that they can remind charity trustees that doing something because it is what has always been done is not good enough.

Having the right arrangements, be that through an investment committee or not, so that trustees can fulfil both their duty of care and maximise return on investments to allow them to meet their charitable objectives, is vital, especially in the current, changing, climate.

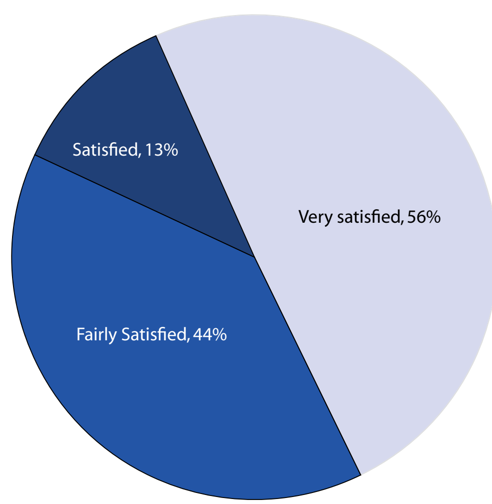
Andrew Holt is editor of Charity Times

Frequency charities look to change their investment manager

Charities were asked: "How often do you typically look to change your investment manager?"



Charities reported satisfaction with received investment expertise



Clarity on executive pay

Maurice Mcleod says transparency is the key to arguments over charity CEO pay

CHARITIES NEED to be more transparent about the salaries of their senior staff if they want to retain public trust, according to an inquiry into executive pay by the National Council for Voluntary Organisations (NCVO).

The inquiry, launched in the spring and backed by the Charity Commission, suggested that charities should publish the salaries of their senior staff on their websites and this information should be no more than 'two clicks' from their home pages.

Charities should also publish data showing how CEO salaries compare to the median pay for other staff members so that the public can get a clear picture of how pay was distributed.

NCVO launched the study in August last year after negative stories in the national media about the levels of pay that some charity CEOs receive. A report at the time showed that 30 executives at Britain's top 14 foreign aid charities were earning six figure salaries. There were also 192 staff members earning over £60,000 and in some cases senior staff salaries had risen despite falling revenues and donations.

Many of the charities in question were heavily reliant on public funds, having received more than £1.1bn of public money over the preceding three years from a range of sources, including the Government, the European Union, United Nations and councils.

Charity Commission chair, William Shawcross, warned that boardroom excesses were risking the reputations of charities.

He told The Daily Telegraph: "In these difficult times, when many charities are experiencing shortfalls, trustees should consider whether very high salaries are really appropriate, and fair to both the donors and the taxpayers who fund charities. Disproportionate salaries risk bringing organisations and the wider charitable world into disrepute."

Charities with yearly incomes exceeding £500,000 are already required to have their accounts independently audited. Annual reports have to declare how many staff are paid over £60,000 per annum or more, in salary bands of £10,000, but charities are not obliged to name these staff or specify their roles.

It was in the wake of stories like this that NCVO brought together trustees and others to consider executive pay and draw up guidance. NCVO's Inquiry panel represented a diverse range of views on the issue of senior charity staff pay.

The inquiry tried to balance these divergent views, which ranged from those who thought charities should be entirely led and run by volunteers to those who believed the pay of senior staff in charities needs to be consistent with their peers in other sectors in order to attract and retain professional expertise.

The starting point for the inquiry was that all charities exist for public benefit and ultimately trustees are ultimately accountable for decisions about pay.

Despite the negative headlines, the inquiry found the vast majority of charities do not have any paid staff and, that even among those that do, the salaries quoted by the media are not typical.

It was found that even within charities which paid salaries, executive pay was 25-45 per cent lower than equivalent roles in the private sector. The remuneration strategies at most charities were designed to attract and retain people who were already committed to the charities' work or who were working at similar organisations within the sector.

On a pound for pound basis, charities are not competitive with the private sector.

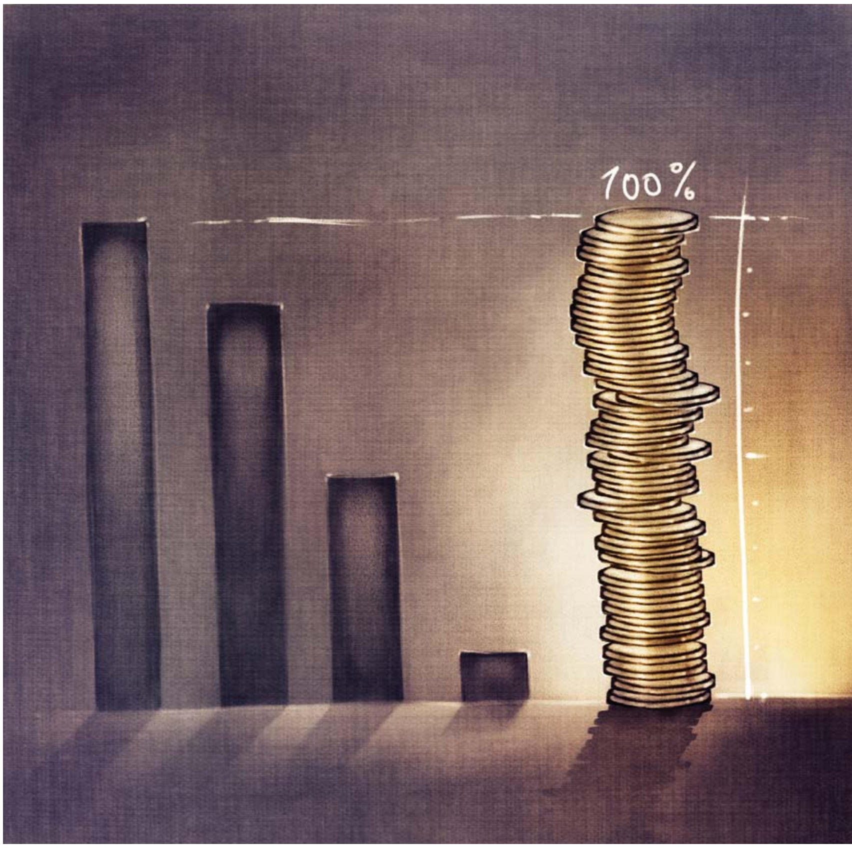
In some circumstances, the inquiry found that charities could not operate effectively without highly skilled staff. With the increasing complexity of many charities paying higher salaries to attract top staff was becoming increasingly necessary.

In these cases though, the Inquiry suggested that the reasons for paying above normal charity rates should be explained clearly so that the public understood why this had happened.

Transparency was a recurring theme of the guidance. The inquiry recommended that larger charities develop and publish a remuneration statement explaining their pay strategy and stating the individual salaries of their highest-paid staff by position and name.

Rather than hiding this information away in the basement of their websites, the Inquiry called for charities to adopt a 'two clicks to clarity' strategy so that information was easily findable.

It argued that giving trustees the tools



Where charities feel they need to pay high salaries in order to recruit the right people, they should be clear in explaining this to donors
Martyn Lewis, NCVO

and confidence to explain executive pay in this transparent way would improve public understanding and confidence in charities.

Martyn Lewis CBE, chair of NCVO, who chaired the Inquiry panel, says: "Many of the charities the British public are proudest of are major operations employing thousands of people and managing tens or even hundreds of millions of pounds. They need highly skilled professionals in order to run to the highest standard possible and make the best use of our donations. But we believe that where they feel they need to pay high salaries in order to recruit the right people, they should be clear in explaining this to donors.

"Doing this will make it clear that we believe in being open and honest with donors. We don't want anyone ever to be able to claim that charities have hidden or obfuscated information about their salaries. I hope charities will consider this an extra opportunity to explain their work and the difference that they make."

The report contained analysis of new data on high pay in charities, which showed, the charities most likely to pay high salaries were independent schools, business and professional associations and healthcare providers.

NCVO estimated that only 1.9 per cent of all charity employees earn over £60,000, compared to 4.5 per cent of public sector employees and 6 per cent of private sector employees.

Around half of all charities that pay any employees over £60,000 are organisations less likely to be thought of by many as charities, such as government bodies with charitable status, charitable housing associations, and independent schools and hospitals.

The data on pay was gathered as part of NCVO's sampling of 10,000 charities' accounts that it uses to create the *UK Civil Society Almanac*, the definitive guide to charities' finances. This data will continue to be collected and updated annually providing a highly reliable and authoritative source of data on charity chief executive pay, from a large, rigorous, randomly selected sample, overcoming the limitations of simple benchmarking surveys. The Inquiry recommended a set of principles for setting charity pay and suggested that the overall aim should be to offer fair pay to attract and keep appropriately qualified staff.

Overall staff pay, the particular skills needed and challenges recruiting suitable staff all needed to be considered when setting executive pay levels. In some cases the Inquiry found that the prestige of particular senior roles was so great that executive pay did not need to match other sectors.

Senior charity staff are more likely to receive other benefits like honours or kudos and that this would sometimes make up for slightly smaller salaries. Transparency on charity CEO pay though, is the key. And one all charity chief executives should get to grips with.

Maurice Mcleod is a freelance journalist

The borrowers

Paul Palmer and Harry Pope analyse the issue of banking and charities, noting that charities should consider borrowing, but, should understand why

CHARITY TRUSTEES are often reminded that, with the exception of ethical criteria, it is their duty to maximise the value of their investments. Surely, therefore the same should apply to the question of borrowing money. The duty of trustees must be to ensure that their cost of borrowing is obtained at the lowest possible price.

Social finance is opening a new market as an attractive alternative but is still in its infancy and there have been recent adverse comments as to its cost over bank borrowing. If a case can be made that bringing forward strategic investment is significantly complementary to the charitable mission then the additional cost of borrowing may be justified and then charities should be looking to borrow at the lowest rate.

Why borrow?

Charities are having to consider ever more carefully and imaginatively what opportunities there are to fulfil their objectives.

New initiatives normally require funding, which may not be achieved through the traditional routes of fundraising alone, putting the completion of any new initiative or project at risk.

For example where an appeal only reaches 60 per cent of its target, a loan to start the work could make sense and reluctant donors may well be then prompted to give as they can see the project in development.

In these circumstances, trustees should consider borrowing money to bridge the gap. Many charities may be an attractive proposition for lenders, especially those with a history of innovation and that deliver a strong social impact.

Now that banks have become more cautious about unsecured lending, it is becoming a more expensive and less accessible source of funding. However, charities with assets that can be pledged as security are still attractive customers.

The most common form of borrowing for charities is a loan secured on fixed assets. The facility normally takes the form of a term loan, an overdraft or a mortgage.

There are two further types of loans that are less commonly used, namely a loan secured on an investment portfolio, and a bond issuance (debt financing through the issuance of a bond).

Due to cost, the latter is normally the preserve of very large charities and most commonly found in the social housing sector.

Inappropriate for charities?

There are situations where such a strategy would be deemed wholly out of place. The obvious point to make is that where there is a risk that a charity would not be able to repay the debt then any type of lending facility should not be considered; borrowing to pay bills, or fund deficits without the means of generating sufficient income to cover the loan should raise concerns for trustees. A loan should only be considered if it is consistent with achieving the objectives stated by the charity and is strategic or long-term in the impact it can achieve.

Borrowing can be a complex issue requiring a level of expertise that some incumbent trustees may not have, such as, not understanding the full implications of the precise terms of the borrowing arrangements, potentially leading to long-term financial detriment.

Borrowing trends

According to the National Council of Voluntary Organisations (NCVO), borrowing as a percentage of total balance sheet assets is less than 5 per cent.

This may be because no initiative that requires funding comes with guaranteed success. Risks such as an overrun of initial costs on capital projects will put pressure on any financial facility in place, as will overly optimistic business plans which fail to meet targets in attracting increased income. It may also be simply because trustees are being too cautious and not really considering the benefits that funding a truly strategic opportunity can deliver.

Loans secured on investment portfolio

Secured lending is still relatively unused in the charity sector. This may be because investment managers do not always have a banking licence and therefore cannot offer lending as an integral part of their service offering.

However this should not deter the use of an investment portfolio to secure potentially cheaper and more flexible borrowing. Some of the key features of borrowing in this way are:

- Secured lending is potentially among the least expensive sources of credit available as interest is chargeable only on the amount the charity actually draws down

Borrowing can be a complex issue requiring a level of expertise that some incumbent trustees may not have, such as, not understanding the terms of the borrowing

Paul Palmer, Cass Business School & Harry Pope, UBS

- There may be no arrangement fee
- A loan will not distort a charity's overall asset allocation of its investment portfolio
- Loans are available in different currencies and tenors

However the following risks should also be highlighted:

- The value of an investment portfolio can go down as well as up; hence in times of market volatility lending values may decrease. Trustees are advised to maintain sufficient headroom between lending and the current value of their investment portfolio to help reduce such a risk.
- If the value of investments does fall and approach the maximum lending value, it may result in a margin call.
- The assets charities hold within their investment portfolio will be pledged in favour of the bank, as collateral for the loan, so are at risk if payments are not maintained.
- Past performance of investment portfolios is not a reliable indicator of future results

Charity Commission guidelines on borrowing

The Charity Commission has issued some very sensible advice for trustees considering borrowing:

1. Will the money that is borrowed help carry out one of that charity's purposes?
2. Have the charity Trustees considered other options for raising the money that the charity needs?
3. Has the charity looked at the range of loan deals to help decide which is the most suitable?
4. Has the charity got a realistic budget that shows that it can afford the repayments on the loan?
5. Is the charity getting professional help with checking the legal documentation such as the Trust Deed and/or the Loan Agreement?

Conclusion

Bank borrowing is widespread in the private and public sectors but is a minor finance source in the charity sector. The concept of borrowing can often divide the Board with some trustees preferring not to pledge assets in favour of a loan.

A facility, even if not drawn down, can have the benefit of allowing the trustees to invest for the long-term while providing the comfort that short term liquidity is available by drawing down on the facility. This can serve to provide higher investment returns for the portfolio as trustees can invest while avoiding the need to liquidate assets in a downturn.

If appropriate, charities should consider borrowing but clearly as with all financial transactions should understand why, the purpose and have taken appropriate advice.

Paul Palmer is professor of Voluntary Sector Management and director of the Centre for Charity Effectiveness at Cass Business School, City University London

Harry Pope is an advisor to charities at UBS

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Contact: William Reid, Head of Charities
T: +44 (0) 20 7150 4005
E: william.reid@quiltercheviot.com
W: www.quiltercheviot.com

Quilter Cheviot Limited is authorised and regulated by the UK Financial Conduct Authority.

The value of investments, and the income from them, can go down as well as up. Investors may not recover what they invest.

Quilter Cheviot is one of the UK's largest independently owned discretionary investment firms, created by the 2013 merger of Quilter and Cheviot Asset Management. The firm focuses primarily on structuring and managing bespoke discretionary portfolios for charities, trusts, pension funds, private clients and intermediaries. Our charity assets under management are in excess of 1.2b*, making us one of the leading charity managers in the UK.

We offer your charity:

- Direct access to a **dedicated team** with the knowledge and experience to tailor your charity's portfolio to meet its investment objectives.
- An investment process that **can respond rapidly** to changing market conditions.
- Comprehensive **reporting** and access to portfolio valuations via our password protected website.
- A competitive and **transparent fee** structure.

**01.03.14*

WAVERTON
CHARITIES

Waverton Investment Management

21 St. James's Square
London
SW1Y 4HB

Contact: Francesca McSloy

T: +44 (0) 20 7484 2065
E: fmcsloy@waverton.co.uk
W: www.waverton.co.uk

Bespoke. Trusted. Boutique.

Waverton, formerly J O Hambro Investment Management, provides bespoke investment solutions combined with a highly personalised service. This allows us to deal with a range of mandates from the straightforward to the more complex and demanding. All charity portfolios, whatever their size, are managed on a segregated basis. We do not run a single charity vehicle or model portfolios as this inflexible approach is the antithesis of our culture.

- Dedicated charity team
- Direct relationship with portfolio managers
- Strong and consistent performance
- Tailored mandates
- Institutional investment process
- Bespoke trustee training

Waverton Investment Management Ltd is authorised and regulated by the Financial Conduct Authority. The value of an investment can fall as well as rise and you may get back less than originally invested.

RATHBONES
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Rathbone Investment Management

1 Curzon Street, London, W1J 5FB

For further information please contact Francesca Monti:

E: francesca.monti@rathbones.com
T: 020 7399 0119
W: www.rathbones.com

Rathbone Investment Management is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Rathbones' history is grounded in philanthropy and for over a century we have been working alongside our charity clients to better understand their requirements, creating tailored investment solutions to suit their objectives. From the local to the national, over 960 charities entrust £2.68 billion* of funds to us through our network of 13 regional offices, all managed on an individual basis.

At Rathbones there is no relationship manager or customer service centre; you have direct access to your investment professional for all aspects to the administration and management of your portfolio. Providing comprehensive trustee training, seminars and collaborative networking opportunities, our dedicated charities team apply their expertise to develop discretionary portfolios reacting to market movements and delivering the returns desired through global opportunities.

(*as at 31 December 2013) For further information contact Francesca Monti on 020 7399 0119 or at francesca.monti@rathbones.com

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RUFFER

Ruffer LLP

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London
SW1E 5JL

For more information contact:
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Ruffer is an absolute return investment manager. Instead of following benchmarks, we aim not to lose money in any single year and to deliver a return significantly greater than the risk free alternative of cash on deposit. Capital stability is essential to provide a sound platform for income generation and for growth of capital and income. By aiming to avoid the cyclical gyrations of the market, we aspire to provide a less volatile experience for our charity clients.

We manage over £15bn of assets including £1.5bn for over 200 charities. Our charity clients span all major charitable sectors and include some of the largest endowments in the UK. A dedicated portfolio manager works with each charity to build an appropriate segregated portfolio, which may include ethical screening if required. We also manage a Common Investment Fund, the Charity Assets Trust.

Ruffer LLP is authorised and regulated by the Financial Conduct Authority

To advertise in the Charity Times Suppliers Directory contact **Cerys Brafield 07766 662 610** or **Sam Ridley 0207 562 4386**

INVESTMENT MANAGEMENT

SARASIN & PARTNERS

Sarasin & Partners LLP

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Sarasin & Partners is a leading charity fund manager managing £3.7 billion for approximately 275 discretionary clients. Significantly, this represents over 25% of our overall business. In total, as at 31 December 2012, we manage around £12.4 billion.

Investment philosophy founded on three main strands: dynamic asset allocation, the importance of recurring income and our well-established global thematic approach to international equity selection.

Tailor-made solutions; via segregated portfolios, single asset class funds or two Common Investment Funds - the Alpha CIF for Endowments and the Alpha CIF for Income & Reserves.

Sarasin & Partners LLP is a limited liability partnership incorporated in England and Wales with registered number OC329859 and is authorised and regulated by the Financial Services Authority.

UBS

UBS

3 Finsbury Avenue
London
EC2M 2AN

Andrew Wauchope - Head of Charities
E: andrew.wauchope@ubs.com
T: +44 20756 70166

W: www.ubs.com/charities-uk

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The value of your investments may fall as well as rise as a result of market and currency fluctuations. You may not get back the amount you invested.

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LOTTERIES

Lottery in a box

Phil Sawicki
2nd Floor Cavendish House
369 Burnt Oak Broadway
HA8 5AW

T: 020 8381 2430,
E: info@fi-ltd.com
W: www.fundraising-initiatives.org/en/products-services/Lottery-Canvassing/

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