Action on fraud

Sector initiatives helping charities to fight back against fraudsters

Concrete investment

The attractive projected returns on commercial property investment

Social engineering

The boost in social investment working as a force for social change

charitytimes

FIRST CHOICE FOR NON-PROFIT MANAGEMENT

August/September 2013 | www.charitytimes.com

The big society revisited

2013
charitytimes Awards
Recognising leadership and professionalism
16 October 2013
Awards Gala Dinner and Ceremony
Lancaster London Hotel, Hyde Park
BOOK YOUR TABLE
www.charitytimes.com/awards
Gold Sponsor
Deloitte.
ZEBRA
telephone fundraising
In Association with
Third Sector Leaders ACEVO
CharityJOB
Institute of Fundraising
ncvo
Media Partner
The Telegraph

Editor
Andrew Holt
andrew.holt@charitytimes.com
020 7562 2411

Contributing Writers
Matthew Bennett, Jeremy Bliss, Stephen Bubb, Harry de Ferry Foster, Charlotte Hill , Tom Levitt, Maurice Mcleod, Cian Murphy, Abigail Rotheroe, Meenakshi Parameshwaran & Nick Sladden,

Design & Production
Matleena Lilja
matleena@perspectivepublishing.com
020 7562 2400

Commercial Manager
Cerys Brafield
cerys.brafield@charitytimes.com
07766 662 610

Advertising Manager
Steve Good
steve.good@charitytimes.com
020 7562 2435

Subscriptions
Joel Whitefoot
joelw@perspectivepublishing.com
020 8950 9117

Subscription Rates (6 issues pa)
£79pa registered charities
£119pa rest of UK, £127pa EU
£132pa elsewhere

Printed by Warners Midlands

ISSN : 1355-4573

Published by
Perspective Publishing, 6th Floor,
3 London Wall Buildings, London EC2M 5PD

www.perspectivepublishing.com

Managing Director
John Woods

Publishing Director
Mark Evans

PERSPECTIVE PUBLISHING

charitytimes
FIRST CHOICE FOR NON-PROFIT MANAGEMENT

Pay and politics

In early-to-mid August there was an interesting spate of articles in the mainstream media about the pay of charity chief executives. What began as a report on the Charity Commission chairman on charity CEO salaries developed into a broadside about the level of charity CEO pay, but it should be remarked in only a specific number of case examples. It arose out of an interview with Charity Commission chairman William Shawcross in *The Daily Telegraph* in which he made the ill-judged comment that large salaries paid to charity staff could "bring the charitable world into disrepute". Shawcross added that organisations must ask if pay levels are "really appropriate".

Shawcross showed a bad level of judgement in making these comments, which in no way help the charity sector. Also, it is not his role to intervene in such a manner. This was just part of an on-going narrative by The Daily Telegraph. The paper's first report noted that 30 staff at 14 leading UK foreign aid charities were paid £100,000 or more last year. The charities detailed by the newspaper, are a highly selective and unique group: making up the Disasters Emergency Committee (DEC), which co-ordinates work dealing with disasters overseas; they are heavyweight in terms of income and wide in terms of international scope. The Telegraph's narrative was seemingly motivated by the opinion that these overpaid charity CEOs were leftist politicos who needed bringing down a peg or two.

Justin Forsyth, Save the Children CEO, on a reported £163,000 came in for some serious Telegraph ire because of his left-wing politics: he had previously been director of communications under Gordon Brown when he was Prime Minister. As did Sir Nick Young CEO of the British Red Cross and reportedly on £184,000 a year, who received criticism because under Labour he sat on the NHS Modernisation Board as well as the Office of The Third Sector Advisory Board. But you would expect a senior charity CEO to be represented on such bodies, would you not? These two charities together have an income of nearly £263 million. Given that, are their salaries really extortionate? When looked at in context of their income, which all goes to help their beneficiaries in some way, and compared to the public and private sectors, these are not excessive salaries. It should be kept in mind that the average salary for a charity boss is £58,000.

The map for going forward though, may have been set-out by NCVO, who have suggested it and the Charity Commission work together to produce guidance for charity trustees on how to go about determining senior staff remuneration. A sound and sensible suggestion. It would be even sounder if it could involve ACEVO, CFG and other sector bodies, ensuring the sector could speak with one voice on this very important issue.

Andrew Holt, Editor

PPA Publisher Member
PLIMSOLL 2013 OUTSTANDING COMPANY
recycle
abc Average net circulation of 10,373 copies for July 11 – June 12

27

34

38

48

COVER STORY: THE BIG SOCIETY

Andrew Holt searches through the maze that is the Big Society for meaning

charitytimes
FIRST CHOICE FOR NON-PROFIT MANAGEMENT

2013 Charity Times Awards Shortlist

Charity of the Year: with an income of less than £1million
- Bag Books
- Brightside
- Busoga Trust
- Bromley Mencap
- Create (Arts)
- St Petrock's
- TwentyTwenty
- SkyWay
- Yorkshire MESMAC

Charity of the Year: with an income between £1million and £10million
- Alzheimer's Research UK
- Royal Free Charity
- Missing People
- UK Youth
- Laureus Sport for Good Foundation
- Living Streets
- Halton Haven Hospice

Charity of the Year with an income of more than £10million
- Concern Universal
- Horder Heathcare
- Stroke Association
- StepChange Debt Charity
- Muslim Aid
- Royal British Legion Industries
- Victim Support

Best New Charity
- Cybersmile Foundation
- Dame Kelly Holmes Legacy Trust
- StreetGames
- Orchid Project
- The Fcancer Project
- Stop Hate UK

Outstanding Individual Achievement
- Ray Barnett, founder and CEO, African Children's Choir and Music for life
- Holly Bottomley, chairman, Brighthouse Old Peoples Welfare Committee
- Paul Richard Baron, overseas projects implemen-tation manager, Bhagavat Educational Trust
- Clive Stafford Smith, founder and director, Reprieve

Rising CEO Star
- Delia Donovan, managing director, Berkshire
- East & South Bucks Women's Aid
- Nicky Goulder, chief executive, Create (Arts)
- Clare Algar, executive director, Reprieve
- Sonal Shah,chief executive, London Community Foundation
- Dr Katie Perry, Chief Executive, Daphne Jackson Trust
- Kate Lee, chief executive, Myton Hospices

Fundraising Team of the Year
- Action Against Hunger
- Battersea Dogs & Cats Home
- Cancer Research UK
- MacIntyre
- The Myton Hospices
- SPANA

Charity Principal of the Year
- Henny Braund, chief executive, Anthony Nolan
- Chris Burghes, chief executive, Royal Free Charity
- Timothy Pain, chief executive, Forest YMCA
- Claire Horton, chief executive, Battersea Dogs & Cats Home
- Dr Denise Barrett-Baxendale, chief executive, Everton in the Community
- Anna Whitty, chief executive, ECT Charity

Campaigning Team of the Year
- Body & Soul
- Battersea Dogs & Cats Home
- British Heart Foundation
- Crisis
- Diabetes UK
- Muscular Dystrophy Campaign
- Prostate Cancer UK
- Victim Support

Best Use of the Web
- Support through Sport UK
- Personal Finance Education Group
- VisitWoods/The Woodland Trust
- Lessons from Africa/Send a Cow/Positive
- Bridging the Gap/Inclusion Trust
- Don't Cover It Up/Refuge

PR Team of the Year
- Alcohol Concern
- Alzheimer's Society
- Battersea Dogs & Cats Home
- Crisis
- Diabetes UK
- Electrical Safety Council/Forster Communications
- Fairtrade Foundation
- Helpless campaign/St John Ambulance
- Muscular Dystrophy Campaign

International Charity
- Action Against Hunger
- Bhagavat Educational Trust
- Muslim Aid
- Laureus
- Environmental Investigation Agency
- Shanti Life

HR Management Award
- Addaction
- Diabetes UK
- Fairtrade Foundation
- Living Streets
- Teach First

Financial Management Award
- Quaker Social Action
- Mousetrap Theatre Projects
- Huntington's Disease Association
- The British School of Osteopathy
- Family Links

Social Investment Initiative
- Big Issue Invest
- Golden Lane Housing
- Golden Giving
- Energise/Adviza
- The Disabilities Trust Foundation
- Shanti Life

Lancaster London Hotel
16 October 2013

charitytimes Awards 2013

Recognising leadership and professionalism

Big Society Award
- Forever Manchester
- Girlguiding
- The Upper Room
- StreetGames UK
- Viewfinder Photography Gallery

Fundraising Technology Award
- Localgiving.com
- The Zombie Revolution/St John Ambulance
- eBay for Charity - PayPal Giving Fund
- Plumpy Nut Challenge/Merlin
- FastStats/Save the Children

Corporate Community Local Involvement
- Brainwave/Shoosmiths
- National Energy Action/E.ON UK
- Save the Children/Morrisons
- Help the Hospices/Allianz
- Demelza Hospice Care for Children/Axis Europe

Corporate National Partnership Champion
- Cancer Research UK/ScottishPower
- Macmillan Cancer Support/Coral Racing
- Royal Aeronautical Society/Boeing
- UK Youth/Microsoft
- Wallace &Gromit's Children's charity/Pasta King

Corporate National Partnership of the Year with a Retailer
- Save Wild Tigers/HS1
- IntoUniversity/White Stuff
- Breast Cancer Campaign/Asda
- CLIC Sargent/J D Wetherspoon
- Cancer Research UK/Tesco
- Marine Conservation Society/Marks & Spencer
- Childhood Eye Cancer Trust/ Vision Express
- Prostate Cancer UK/Keyline Builders Merchant

Corporate National Partnership of the Year with a Financial Institution
- Save the Children/Lloyds Banking Group
- Citizens UK/KPMG
- Money Advice Trust/Nationwide
- Pink Ribbon Foundation/Hastings Direct
- Royal National Lifeboat Institution/Yorkshire Building Society
- Teach First/BlackRock

Cross-sector Partnership of the Year
- Action Against Hunger/ The Department for International Development
- The Prince's Trust/Zurich Community Trust
- Care Quality Commission/Choice Support
- Body & Soul/St George's and St Thomas' Hospitals
- The Brain Tumour Charity/The University of Nottingham/The RCPCH/The Health Foundation
- London Citizens/Mayor of London

Corporate Social Responsibility Project of the Year
- StreetGames UK/Coca-Cola Great Britain
- British Red Cross/Land Rover
- The Lloyds Scholars Programme
- Cancer Research UK/Beiersdorf

Best use of Technology
- Royal Hospital for Neuro-disability
- The Fcancer Project
- Listening Books
- Breakthough Breast Cancer
- Heroix/Blackbaud
- EMMAUS Gloucestershire

Social Champion Award
- Anchor House
- Big Issue Invest
- City Year UK
- Giveacar
- Dartington Hall Trust

Investment Management
- Brewin Dolphin
- Charles Stanley
- Investec Wealth & Investment
- JP Morgan Private Bank
- Jupiter Asset Management
- Rathbone Investment Management
- Schroders Charities

Boutique Investment Management
- J O Hambro Investment Management
- Quilter
- Mayfair Capital Investment Management
- Rothschild

Consultancy of the Year
- Broadway's Real People
- Crowe Clark Whitehill
- International Fundraising Consultancy
- TPP Not for Profit
- Premier
- Roots Human Resources CIC
- Ruthless Research

Average online donations rise more than 20 %

Andrew Holt looks at data that shows a rise in online giving strengthening its position as a charity donation channel

The average online donation in the UK has risen by 21% since 2010, according to analysis of the last three years of online donations by the Institute of Fundraising and software firm Blackbaud.

The data analysed thousands of its customers' online fundraising pages between 2010 and 2012 and revealed that the average online gift in 2012 was £64.07, up 21 per cent from £52.87 in 2010 and from £55.61 in 2011. However, a fall in the total number of donations from 2011 to 2012 meant that the customers analysed saw total revenues increase by just eight per cent in 2012 compared to 2010.

The analysis shows that not-for-profit organisations can expect to receive between 5% and 7% of their annual online giving income each month from January to October. This figure then jumps up in November and December, which account for over 30% of the annual share.

This end of year spike is seen in US fundraising and it is interesting to see a similar, though less pronounced trend in the UK too.

In Blackbaud's recent *The Next Generation of UK Giving* report, which surveyed 1,498 UK donors about how they donate and engage with not-for-profits, it was revealed that the most popular way of donating to a charity was via a donation at a shop counter, with online giving only the fifth most popular channel.

ELLIOT GOWANS

"Online giving is still showing definite growth, proving that online is strengthening its position as a key donation channel with UK not-for-profits"

Donating via a website was not just restricted to younger donors though, with mature donors (born in 1945 or earlier) almost equally as likely to donate online, reinforcing the need for charities to offer online as a donation channel.

The top five ways to donate were:

- Donation at a shop counter – 45.4%
- Charity gift shop – 44.7%
- Monthly direct debit – 36.0%
- Tribute gift – 20.1%
- Online – 18.4%

The analysis shows that not-for-profit organisations can expect to receive between 5% and 7% of their annual online giving income each month from January to October.

This figure then jumps up in November and December, which account for over 30% of the annual share. This end of year spike is seen in US fundraising and it is interesting to see a similar, though less pronounced trend in the UK too.

Elliot Gowans, sales director at Blackbaud Europe, said: "Whilst the average online gift is higher than one might have expected due to the inclusion of educational establishments in the analysis, the total amount raised from online giving is still showing definite growth, proving that online is strengthening its position as a key donation channel with UK not-for-profits.

"Supporters want to donate in the way most convenient to them. As consumers of all age groups grow more comfortable with online financial transactions, any not-for-profit not allowing donations via this channel could be missing out on significant income.

"It will be interesting to see what the next big donation channel will be. Payment technologies such as NFC-enabled mobile phones and contactless payment cards will definitely be worth watching. Visa Europe predicts there will be more than 33 million contactless cards in the UK by the end the year, so this could open up a significant new channel for not-for-profits."

The data was collated and analysed across a sample of UK based not-for-profit organisations of varying sizes.

ACEVO chief hits out at Charity Commission chairman

Andrew Holt looks at how ACEVO contested claims made by the Charity Commission over charity CEO pay

August is known as the silly season, but what played out at the start of August between ACEVO and the Charity Commission was serious.

ACEVO chief Sir Stephen Bubb slammed comments made by Charity Commission chairman William Shawcross on charity CEO pay.

Shawcross said in an interview in *The Daily Telegraph* that large salaries paid to charity staff could "bring the charitable world into disrepute". Shawcross said organisations must ask if pay levels are "really appropriate".

The Daily Telegraph report noted that 30 staff at 14 leading UK foreign aid charities were paid £100,000 or more last year.

The charities detailed by the newspaper make up the Disasters Emergency Committee (DEC), which co-ordinates work around major disasters overseas.

According to the Telegraph report, British Red Cross chief executive Sir Nick Young was paid £184,000 last year, two Save the Children executives received more than £160,000 each and Christian Aid chief executive Loretta Minghella was paid £126,072.

Shawcross, who was appointed last year on a £50,000 annual salary to work two days a week, said the Commission could not tell charities how much they should pay their executives, but urged them to be cautious.

"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," he said.

"Disproportionate salaries risk bringing organisations and the wider charitable world into disrepute," he added.

SIR STEPHEN BUBB

"Charities shouldn't be ashamed of paying people what they are worth. It's essential that the sector attracts skilled and experienced professionals, not keen amateurs"

But hitting back, Bubb said: "This is an disgraceful distraction by Mr Shawcross. Of all the issues facing charities why does he pick on something that is simply not a problem.

"Third sector CEOs earn on average £58,000. That is less than Mr Shawcross earns as chair of the Commission.

"Charities shouldn't be ashamed of paying people what they are worth. It's essential that the sector attracts skilled and experienced professionals, not keen amateurs.

"And if we compare professional levels of pay in the private and public sectors, our CEOs earn much less .

"Shawcross should be defending the sector not undermining it. What donors and what beneficiaries want is high quality services from efficient and effective charities.

"A strong sector needs strong leaders. We must pay to get them. Not excessive salaries, but professional ones. I suggest Mr Shawcross gets to grip with the inefficiencies of his Commission before criticising good charity leaders."

Bubb also told BBC Radio 4's Today that high salaries would not put off donors.

"This simply isn't an issue for donors. Donors are more concerned about the outcomes, the performance and the efficiency of these organisations," he said.

But the issue did not end there. Weighing into the debate, Justine Greening, the International Development secretary, said the Telegraph's revelations, were "a clarion call for charities to be more open about value for money".

She said: "As government has, it is time for them to grasp the nettle on transparency and value for money. I would like to see top British charities now leading the way by committing to the same levels of transparency.

"This Government made transparency a key theme of the G8 Lough Erne Summit because we know that transparency can help root out corruption and alongside that help create global prosperity."

In the financial year 2012/13, Oxfam said its chief executive was paid £119,560 — a figure the charity says is in "the lower quartile of what other large charities paid for their chief executives".

Mark Goldring was appointed chief executive of Oxfam in January of this year.

In a statement, Oxfam said: "We believe this is a fair reward for a job that involves long hours, large amounts of time away from family and overseeing a £360 million organisation that runs everything from a 700-branch national shop network to major emergency responses and long term development work to improve the lives of the poorest people on the planet.

"Our chief executive is also responsible for more than 5,000 staff and tens of thousands of volunteers."

Oxfam issues call for support as income falls by £17.6m

After a challenging year, Oxfam's income fell by 4.6%, while demands on its resources increased, finds Andrew Holt

Oxfam issued an urgent call for public support of its Syria crisis appeal as the charity's 2012/13 Annual Report revealed a record year for its charitable spend.

In the face of a challenging year, when overall income was down £17.6m (4.6%) on 2011/12 and demands on the charity's resources increased, Oxfam spent an extra £3.6m on responding to humanitarian emergencies and helping people living in poverty worldwide.

Last year's world events put an unprecedented stretch on Oxfam with emergencies in 23 countries including Syria, Yemen and West Africa.

The Syria crisis, that has currently claimed the lives of 100,000 people, continues to be a major priority for the coming year for the charity, with the £35m estimated cost of Oxfam's response just 27 per cent funded so far.

Oxfam's shops and fundraising teams both experienced a drop in income as the UK faced another year of economic downturn. The charity's shops were hit by the tough economic climate with many reporting a decline in items donated by the public. This was reflected in a drop in sales. Retail sales were down £1.2m (1.3%) and the net contribution from the charity's shops network was down 9.9 per cent at £20.1m.

Oxfam's fundraising income - which includes donations from supporters, the public and institutional income - was also down £15m (5.6%) on last year, at £267.8m.

Mark Goldring, Oxfam chief executive, commented: "It has been a tough year financially for Oxfam, as it has been for the UK in general. In the face of this, Oxfam has continued to support those in need across the world, responding to another year of extreme weather and devastating

MARK GOLDRING

"It has been a tough year financially for Oxfam, as it has been for the UK in general. In the face of this, Oxfam has continued to support those in need across the world, responding to another year of extreme weather"

global events.

"Right now we are putting significant resources into helping the people of Syria, who are caught up in a humanitarian crisis of staggering proportions.

"Violent conflict has forced over eight million Syrians from their home, nearly 1.5 million of whom are now refugees in neighbouring countries.

"Conflict, increasing food prices and the impact of climate change are all serious threats to the lives of poor people the world over.

"Oxfam campaigns for change and works on the ground, putting long-term, sustainable solutions in place to improve opportunities for the world's most vulnerable communities, especially women who often have fewer rights.

"Public support is vital to enable us to continue this work and we are putting out a particularly urgent appeal for donations towards our emergency response in Syria.

"We also hope to inspire more people to become regular donors to Oxfam. This is crucial in enabling us to plan for the future and bring about really lasting change by working long-term with communities."

Bob Humphreys, Oxfam finance director, added: "It is not surprising that challenging times for the economy have impacted on our income.

"We are fortunate that regular donations held up well, however, the lack of a single, high-profile emergency appeal alongside an unexpected shortfall in legacy income led to a drop in the overall contribution from UK public fundraising.

"After several years of pressure on household incomes, people are buying fewer new clothes and other items, which has a knock-on effect on the quantity and quality of donations to our shops.

"We need confidence in the UK economy to return — not least to help the many people in the UK who are struggling financially. We also urgently need people to donate any unwanted clothes, books and homewares to Oxfam, every item helps. The public can be assured that Oxfam makes the most of every penny that comes in."

Humphreys noted that for every £1 donated to Oxfam, 84p goes directly to our emergency, development and campaigning work; 9p goes to support costs and 7p is invested in fundraising. "Over the past year we have also reduced central costs, including taking £3m out of our support costs while still delivering the essential IT, HR and finance services that keep Oxfam's humanitarian and programme work running," added Humphreys.

Global food shortages continued in 2012/ 13, exacerbated by the consequences of war, climate change, resource scarcity and systems of production that are volatile and inequitable.


FOR CHARITY INSURANCE, SEARCH 'MARKEL'
Y
O U
N E E
D C L E
A R V I S
I O N W H E N
YOU PROTECT
THOSE WHO HELP
OTHERS. AS A SPECIALIST
INSURER FOR THE CHARITY SECTOR
WE SEE ALL YOUR RISKS AND CHALLENGES.
AND TO KEEP YOU SAFE, OUR EXPERTS CRAFT
PRECISELY FOCUSED POLICIES. WHEN THE DEVIL IS IN
THE SMALLEST DETAILS, WE'RE YOUR GREATEST GUARDIANS.
WE SEE WHAT OTHERS MISS
MARKEL®

CharityGiving website suspended by charity regulator

Andrew Holt looks at action taken against CharityGiving because of the trustees' management of the fundraising portal

In July, the online giving website, www.charitygiving.co.uk was suspended.

In order to protect funds the public has raised and prevent further charitable pledges being made via the website whilst the Charity Commission's investigation continues the decision has been taken to suspend the CharityGiving online portal with immediate effect.

The action was taken by the charity's interim manager after careful consideration and consultation with the Charity Commission as part of the Commission's statutory inquiry into The Dove Trust.

CharityGiving is an online fundraising portal run by The Dove Trust.

The Commission used its powers under the Charities Act 2011 to appoint Pesh Framjee of Crowe Clark Whitehill as interim manager of the charity on June 6 2013 in order to fulfil specified functions.

On June 28, due to the risk to charitable funds, the Commission acted to restrict the charity's bank accounts.

The Charity Commission has now made an order to give the interim manager full control of the charity to the exclusion of the charity's trustees.

The trustees have not filed any accounts since the year ending April 5 2009 and the Commission has serious concerns about mismanagement in the administration of the charity by the trustees in relation to the operation of the online donations portal and risk to charity funds.

The interim manager's recent assessment indicates that there is a shortfall between the funds due to the charities donated through CharityGiving, and the cash held by The Dove Trust.

Michelle Russell, head of investigations and enforcement at the Charity Commission, said: "We have taken this action because of serious concerns about the trustees' management of the fundraising portal and the charity's financial situation.

MICHELLE RUSSELL

"We know that the public will be concerned to ensure that donations made, reach the charities for whom they were intended, and the interim manager will now undertake an urgent , detailed review"

"We recognise this will cause concern among the donors and fundraisers who have collected money for the charity through the site and for the charities who are expecting to receive those funds.

"However it is now clear that the financial situation of the charity means there was no option but to suspend the online portal.

"We know that the public will be concerned to ensure that donations made reach the charities for whom they were intended, and the interim manager will now undertake an urgent, detailed review of the charity's finances to establish the extent of the shortfall and which charities and donors are affected.

"Our concerns are limited to The Dove Trust and the CharityGiving portal and this should not undermine public confidence in online giving.

"We have issued advice to the public about giving safely and will work with the fundraising community to reassure the public."

The Commission said it cannot assist individual donors, fundraisers or charities to advise whether or not they are affected, or whether or not their funds will be paid – any such queries must be directed to the interim manager.

Jo Barnett, managing director of Virgin Money Giving, said: "It is crucial that online fundraising platforms have appropriate controls in place to ensure donations reach the charities they are intended for, and that charities, fundraisers and donors have confidence in their chosen supplier."

Jo Coleman, partner in the Charities team at IBB Solicitors, added: "Charity Giving was a small player in an online giving market dominated by large corporate players.

"Many charities and individuals may have been attracted to Charity Giving because there was no registration fee and they may also have taken comfort from the fact that not only was it being run by a registered charity but that any profits generated from the portal would be used to fund the charitable purposes of the Dove Trust.

"Investigations are ongoing but it would seem that Charity Giving did not ring-fence funds collected for particular charities, but was instead using the newest receipts from individuals to pay out the funds raised for charities at an earlier time. It looks as if over £250,000 has not (and may never) reach the nominated charities.

"Charities and Donors wishing to use online portals should check to ensure that the funds collected on their behalf will be held in separate accounts on trust. Without this separate ring-fencing, their donations are not protected."

In the sector we trust

CIAN MURPHY ANALYSES RESEARCH ON CHARITIES AND THE ISSUE OF TRUST

When it comes to sharing the results of research we have undertaken with the wider sector, we know there is one topic that will always attract attention: trust. It's easy to see why this matters so much to the charitable sector. Charities rely heavily on trust when it comes to donors giving: with evidence showing donors are concerned about the outcomes, performance and the efficiency of charities. Charities taking a different approach to impact can go some way to deal with these donor concerns. More of this later. So how are charities doing in terms of trust? And how could they do better at winning the public's trust?

So, the good news first. According to results from nfpSynergy's *Charity Awareness Monitor*, trust in the sector has been growing strongly since a dip in early 2011 (which we suspect may have been something to do with the language used around "The Big Society"). 66 per cent of people now trust charities " a great deal" or "quite a lot", up from just 53 per cent in January 2011 and near the record high of 70 per cent in January 2010.

This places the charitable sector as one of the most trusted institutions in Britain, behind only the armed forces (78 per cent), scouts and guides (67 per cent), and the NHS (67 per cent) and way ahead of government (16 per cent) and political parties (8 per cent). So at first glance, it looks a bit rich for MPs to criticise charities and say they have a trust problem – it's clear that charities enjoy (and always have enjoyed) far higher levels of trust than Westminster could ever aspire to. This is encouraging for charities when both they and politicians rely so heavily on trust to continue doing their work.

Passive default

But maybe it's not time to break out the balloons and party hats just yet. Trust in charities is volatile – far more volatile than trust in say, the NHS, or indeed political parties when comparing the peaks and troughs of trust, that is, the variability of trust scores over a period of time. In many cases, it seems as though charities enjoy a boost in trust when trust in other institutions drops. In other words, instead of being masters of their own destiny, they are a passive default option for trust.

So how can charities take charge and talk about public trust on their own terms? Looking at the reasons why people say they trust charities: high standards in fundraising has continually topped the list, with 50 per cent of the public saying this helps them trust a charity.

Other research shows that this is related to perceptions of how much money is spent directly on 'the cause'. Of course, this is a subject that lots of charities have tried to deal with, such as by putting pie charts of fundraising and admin costs on their printed material, or through headline statistics such as Oxfam's "84 pence of every pound goes directly to emergency, development and campaigning work."

Nevertheless, the message has yet to get through to the public. In our most recent survey, respondents thought that the average charity spent 36 per cent of its income on administration, along with another 25 per cent on fundraising. Most charities would hopefully recognise immediately that not only are they performing better than this, they are actually performing better than what the public say is their ideal for charities – 16 per cent on administration and another 22 per cent on fundraising.

Charitable spending

So the average punter is still severely misinformed about charitable spending and it seems as though more drastic measures will have to be taken to get the story straight. It may well be that this is best addressed as part of a sector-wide strategy to communicate effectively on issues of trust. But what is that you can do to help your organisation build its trust levels?

Demonstrating the impact of your organisation is obviously important – 25 per cent say that not knowing what a charity does puts them off giving. But often the ways in which big charities convey impact leave a lot to be desired. Weighty impact reports might be invaluable for trust fundraisers talking to major grant-makers, but they are completely inappropriate as a way of talking to a mass audience. Car manufacturers don't invite potential customers to look at hundreds of pages of technical specifications and safety tests on their websites to convince them to buy the car. Why should charities do the same when talking to donors?

Reducing details of your impact to clear communications of one or two sentences and a few statistics is far more likely to hit home with a donor than a 300 page impact report. nfpSynergy's founder, Joe Saxton, recently raised a few eyebrows with a suggestion that impact reports should be replaced by tweets, but the principle is the same; don't assume an endless attention span on behalf of donors.

Looking again at our research findings, it's clear that staff pay is another topic of concern for donors. 51 per cent of respondents recently said that they'd be reassured a donation would be spent well if no one in the organisation was paid over £50,000 a year. Past research has indicated that people think a charity chief executive should be earning about £52,000 a year, while they believe the average CEO actually earns a little over £75,000.

Problem of perception

For some organisations, this will pose a difficulty as their CEO will earn more than what the public think is acceptable and indeed more than what they think is the average. For these charities, it is about facing up to the problem of perception, rather than hiding away and hoping no one finds out. It is about explaining to the public why you need to pay the salaries you do to get the right people and explaining that you are a large organisation which does great work all around the country (or even the world) and that you need dedicated leadership to run such a complex charity.

For organisations of all sizes it can be helpful to emphasise your volunteers. The British Red Cross has ten times as many volunteers as paid staff and makes a big deal out of this in its communications. Similarly, the RNLI focuses on its volunteers in its materials, not the people they actually help. This works well with donors – knowing that an organisation has such a large pool of enthusiastic and passionate supporters willing to give their time for free is a good enough sign for many people to trust that charity.

Regulation and codes of practice are another area where charities can have an easy win. Looking again at the importance of high standards in fundraising as a driver of trust for individual charities, we know that for 57 per cent of our respondents this means "following strict codes of practice for high standards in fundraising".

Practically all national charities will be signed up to the Institute of Fundraising Codes of Practice, so why not tell your donors? A simple start would be just to say that you are regulated by the Charity Commission in all of your communications. For most charities, there are probably another 5-10 regulators you could add to mailing letters to drive the point home.

These are some simple, evidence-driven tips for improving trust in your organisation: talk about your impact in ways that people will read, be honest with donors, emphasise the passion and drive of your volunteers and wear your regulation proudly. All-in-all, charities cannot take the trust in them for granted.

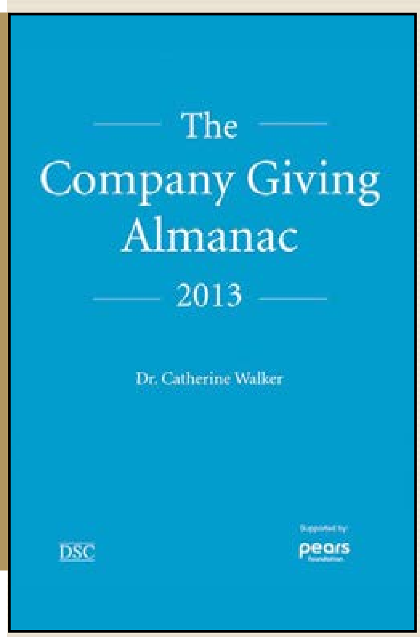
Cian Murphy is a researcher at nfpSynergy

The Company Giving Almanac by Catherine Walker

Whatever happens next, public services in the next 30 years will not look the same as those of the last thirty. The government will lack the cash it once had, and whilst the charitable sector will be more capable than it has ever been before, it will still not have the capacity to fill gaps in services on the scale the nation will require. The way in which the financial, media and horse meat industries, and corporate tax avoiders, have behaved recently is such that business is widely held to owe a debt to society. So, recognising the sheer scale on which the private sector operates, people will look to business for greater acts of social conscience and corporate citizenship in the future than it has ever collectively exhibited before.

For these reasons Dr Catherine Walker's work for the Directory of Social Change (DSC), the 2013 *Company Giving Almanac*, is both timely and pertinent. But it tells us what we don't want to hear; much of it is profoundly disturbing. Everyone knows that business giving to charity enhances the company's reputation amongst the market and the workforce. Some see it as cynical, though it often represents a sincere and valuable way of enhancing the recipient charity's impact. So Walker's first conclusion will come as a surprise to many: the value of what companies give directly to society has not only gone down but has collapsed — by a fifth in just a year. Charities are not exactly rending their garments in sorrow,as business giving is worth only £1 in every £50 which goes to charity. Perhaps even more disturbing is her conclusion that if companies had conspired to direct their funding to the places that least needed it, away from the most deprived, they could hardly have done a better job. It is obvious not only in her maps of England but also in the maps that link corporate giving to social need across London boroughs. Of course, this is accidental — reflecting the geographical, historical and market links that each corporate donor has. Walker uses the best available data on where and what is given — over 400 annual reports lodged with Companies House, web sites and contacts. She disregards, quite rightly, employee giving as this is not being donated by the company (though some clearly like to portray it as such). Such a mismatch between funding and need is a risk long suffered by philanthropists; they may fund favourite causes irrespective of objective assessments of need. To Walker's credit she does not use the word 'philanthropy' at all in her book. Quite right: there ought to be a business case for any significant investment, charitable or otherwise, relating inputs to outcomes. Better still, it should be coordinated better to make sure all bases are covered.

TOM LEVITT SAYS THIS IS AN EASY BOOK TO READ, WELL ILLUSTRATED AND BROKEN DOWN INTO BITE-SIZED PIECES. NOTING IT IS ALSO A USEFUL TOOL AND HOPES IT IS WIDELY READ AND ACTED UPON



We know that business can step up to the mark: a recent Oxfam report, *Behind the Brands*, shows that the biggest global food companies are working to be both sustainable and engaged with communities and are planning to do more. 150 years ago the Quaker chocolate, banking and manufacturing ethos generated wholesome communities whilst Jesse Boot used his pharmacy empire to bring cheap medicines to the masses. No business is perfect: the recently punished GSK has an inspirational relationship with Save the Children which directs its future pharmaceutical investments. DSC's chief executive, Debra Allcock Tyler, claims that the Almanac shows that "The vast majority of our companies in the UK have a great deal to be ashamed about." This may be true, but is this the best way to coax them to give more? What Catherine Walker has shown is that the business case for community engagement has not yet been won; that politicians, charities and enlightened business leaders need to increase their effort to make corporate citizenship effective and meaningful; that it is at least as important to give 'kind' (skills, goods, services) as cash and that data is often ambiguous and scanty.

This is an easy book to read, well illustrated and broken down into bite-sized pieces. It is a useful tool and I hope it is widely read and acted upon. A final thought: if the civil servant who drafted the minister's positive words in the foreword had read the Almanac through to the end that short text might have had a slightly less complacent tone.

Tom Levitt is a writer and consultant on cross sector partnerships and author of *Partners for Good: Business, Government and the Third Sector*

The Company Giving Almanac is available at: **www.dsc.org.uk/Publications**

The People's Business by Social Enterprise UK

What a great time to be a Social Enterprise. A part of a growing group of organisations unified by the proposition "we can change the world by changing the way we do business", their aim is to carry out their trade to maximise their ability to further social and environmental goals. They want to make the world, or at the very least, their own neighbourhoods, better places. Based on this report: *The People's Business* produced by Social Enterprise UK (SEUK), they are doing rather well. It also gives some great examples to illustrate the underlying strength of the sector, and why it has been attracting considerable interest.

Feted by politicians, with an estimated 70,000 members, the sector employs around a million people and contributes in excess of £24 billion to the UK economy. Although much smaller than the £1500 billion attributed to SMEs, Social Enterprises appear to be bucking the recession, with 38 per cent increasing turnover last year, compared with 29 per cent of SMEs. Their optimism is similarly impressive with 63 per cent predicting growth over the next 2-to-3 years (37 per cent of SMEs are as optimistic). A level of confidence in part due to the support and promotion the sector receives.

The proportion of start-ups and the rapid increase in numbers filling the gaps appearing in public or private sector services shows how flexible and entrepreneurial the sector is. Described as "an explosion" this is perhaps a troubling analogy, given the general failure rate of start-ups, and with a reported reduction in the percentage of social enterprises lasting from 4 to 20 years, it is an area which may require further review. The report suggests the rapid increase in new social enterprises is due to a mix of civic duty, a generational shift in attitude, and most importantly perhaps, a blurring of traditional boundaries between private, public and voluntary sectors. Hybridisation produces strength, and for UK business, a gene-pool including not-for-profits will increase resilience and much needed innovation.

JOHN CHESTERS ENJOYS THIS PAPER WHICH HE INDICATES IS NOT A PANTHEON OF CELEBRATION, BUT PRESENTS A SECTOR IN VERY GOOD HEALTH, AND ILLUSTRATES HOW BUSINESS SHOULD BE DONE

As the report has been produced by SEUK (the body politic for Social Enterprise) there is an obvious vested interest but although there is a heavy good-news slant, this is tempered by references to areas of concern. The survey methodology and sample set (878 telephone and online interviews with senior figures in social enterprises) represents a sufficiently robust process to provide a good representation of the sector's health and well-being. Social Enterprise benefits from cross-party support and the report is able to reflect on the recently enacted Social Value Bill, the drive for social enterprises to be included in the supply chains of the public and increasingly the private sector, all of which will all add strength and broaden the sector's profile.

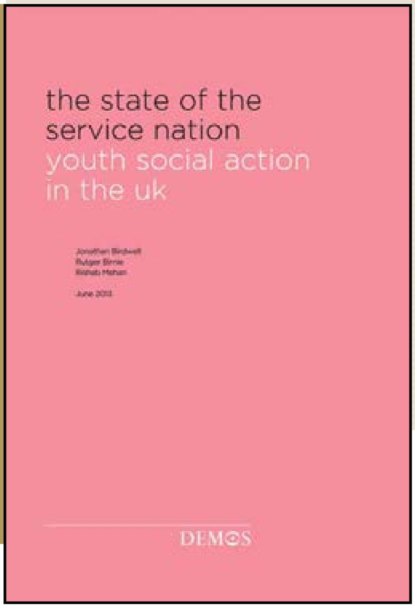
In addition, the potential for tax relief to be introduced for investments made in social enterprises will help relieve one of the main issues highlighted by many respondents — access to finance remaining a key barrier to growth. A concern of particular note is the seemingly bizarre statistic that the difficulty of working with the public sector is more of a challenge now than 2 years ago. 34 per cent cited public procurement policy as a barrier to trade, up from 25 per cent. It is a small mercy perhaps that most social enterprises traded with the general public, not the public sector. *The People's Business* is not a pantheon of celebration. It presents a sector in very good health, and illustrates how business should be done. With a far more representative spread of society leading these organisations (38 per cent are led by a woman, 91 per cent have a woman on their leadership team and 28 per cent have BAME directors) the chance of them understanding the needs of their clients would appear to be much greater. The support of SEUK in helping build this success appears certain, and will undoubtedly be key for further growth.

A minor risk may be that this success story ends up as a form of "bid candy" at the next election, used to off-set an economy teetering and lacking for good news. Given their record to date, I strongly suspect social enterprises, and particularly SEUK, are well placed to make sure that doesn't happen.

John Chesters is commercial and franchise director at social enterprise Blue Sky Development & Regeneration

The survey is available at: **www.socialenterprise.org.uk**

The State of the Service Nation by Birdwell et al



DESPITE SOME CONTRADICTIONS, CHARLOTTE HILL ENJOYS THIS PAPER WHICH IS POSITIVE ABOUT THE PROSPECTS FOR BUILDING A GENERATION WHO UNDERSTAND THE PERSONAL AND COMMUNITY BENEFITS OF TAKING PART

Broadly this is a paper that confirms much of what we at UK Youth already know to be true. For 103 years the charity has supported young people to learn outside the classroom and much of this activity has had a community focus. Today we run programmes that enable 7-25 year-olds to develop new skills while also making a positive contribution to the communities in which they live. We never describe it as such, but we certainly build the promotion of "practical action in the service of others" into much of our work. The concise definition of social action that the authors of this report have come up with is certainly one that we will find useful in defining these programmes.

Youth Social Action is the UK is peppered with other valuable findings and phrases that support our work. The writers refer to the double-benefit principle which is a fresh take on what we call the win/win — that through social action there is a positive impact on both the individual involved and the community in which that social action takes places. It is also fascinating to hear about the work that is going on elsewhere around the world to promote social action among young people. I was struck by the success of the environmental Green Corps project in Australia and it sounds as though Service Civique France is where our own National Citizen Service (NCS) aspires to be.

There are moments however where the writers appear to contradict themselves. At one point they concede: "there is a significant shortage in the amount and quality of research into the extent and impacts of youth social action." A little further down the same page they say that: "there is an abundance of evidence showing that social action activities can provide young people with improved personal and life outcomes." Thankfully my personal and professional experience means I am in little doubt about the impact of youth social action.

Having set out the current youth social landscape in the UK this paper goes on to outline a framework for growing the numbers of young people taking part in it. To make it happen on a wider scale the writers confirm it will be key to communicate the benefits of being involved more effectively and in a way that is appealing to young people. I would add that there must also be an infrastructure to support young people becoming more engaged: NCS is part of the Government's solution to this. But NCS and other social action programmes can only succeed if there is a voluntary sector there to deliver them. Current cuts to the youth sector means that very infrastructure is under threat.

We also need to ensure buy-in from two other key sectors: the education sector and the business community. Businesses should be encouraged to understand that a wide range of social action programmes promote the kind of skills that make young people more employable. The education sector needs to understand this "Whole Education" approach adds significantly to young people's development. There are some businesses we already work with, such as O2 and Starbucks, who fully grasp the value of youth social action to young people and their communities, but others need to embrace this.

Ultimately this is a piece of research that is positive about the prospects for building a generation who understand the personal and community benefits of 'taking part.' It also confirms that youth social action provides "the types of experiences that developmental experts believe are essential to young people growing up to become happy, healthy and engaged members of society." And *Youth Social Action in the UK* has been published at a good time – proving impact and value has never been more important for charities, and this is particularly true of the youth sector. We are fully supportive of "The Campaign for Youth Social Action": www.youthsocialaction.co.uk, that is looking to drive this agenda forward. From a UK Youth viewpoint this paper is a welcome pulling together of information that demonstrates why we and our peers focus on supporting young people to get involved in youth social action.

Charlotte Hill is CEO of UK Youth

The paper is available at:
www.demos.co.uk

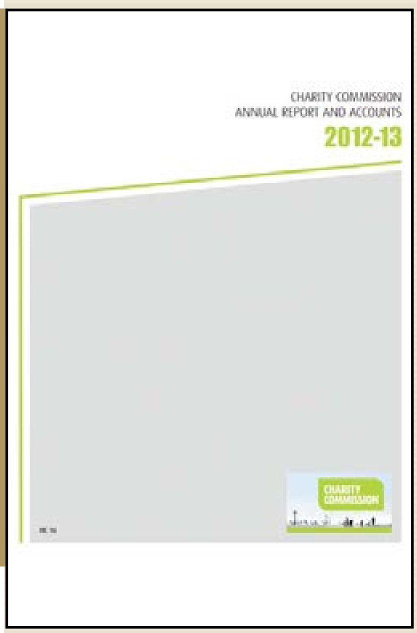
Charity Commission Annual Report & Accounts 2012-13

Last month the Charity Commission published its most recent Annual Report and Accounts. In a way the document's title highlights the problems with such reports – they are annual. Many users of financial statements will be well-versed in looking at a current year's result and making a comparison with the corresponding figure for the previous year, and while this may be useful to understand a short-term trend it does not give a longer-term view of the direction of travel of an organisation. A prime example is the City of London which is often criticised for being too short-term in making comparisons – we hear about very short-term "Q1 results", "Q2 forecasts", "Q3 investor expectations" and "Q4 out-turns" – and not looking longer-term. We can glean from the Charity Commission's Annual Report and Accounts for March 31 2013 that baseline revenue funding was £25.6m and the prior year's figure was £27.2m.

However, refer to previous annual reports from the time of the landmark Charities Act 2006 (which introduced new strategic objectives for the Charity Commission and changed its focus) and we learn that gross resource expenditure was £31.4m. The annual accounts over the last six years reveal a trend of annual decreases in its core funding totalling nearly £6m (over £7m in real terms). This shows a much clearer longer-term trend to the one obtained from looking at just a prior year which may have just been a blip. The impact of a 22.5 per cent reduction in funding in real terms over these six years is reflected in the number of full-time equivalent staff recorded for the same period: decreasing from 490 to 305 (37.8 per cent). On these numbers alone it would appear that the Charity Commission has been aggressive in its head count reduction but over the same period it is evident that greater use has been made of technology.

Back in 2006/07 the Charity Commission was handling 185,000 telephone calls per annum; the figure most recently reported is 94,079, contrasting with an upward trend for online services. In 2008/09 alone there was a reported increase of 60 per cent in the take-up of online services. As part of the online offering the website is central and a key regulatory tool for the Charity Commission as well as being the first port of call to those seeking information about how to comply with charity law and keeping trustees and charity details up-to-date. It is also a useful and free information resource for members of the public. The investment in online services has continued beyond the last annual report with a complete re-design of the website.

NICK SLADDEN ASSESSES THE REGULATOR'S LATEST ACCOUNTS, FINDING THE PRICE OF REGULATION IS £157 PER CHARITY, AND OVERALL, IS IMPRESSED AT THE EVIDENCE OF REAL PROGRESS



Turning to 2014/15 the Charity Commission can expect its budget to continue to fall to £21.4m but whilst this may ultimately be saving the taxpayer money what a user can never fully appreciate is the value for money being offered in an era of austerity. With 163,083 charities on the register at March 31 2013, the funding received by the Charity Commission equates to £157 per charity. It is hard to determine whether this represents value for money as such a simple measure does not highlight the volume of enquiries or complexity of cases dealt with by staff at the Charity Commission. However, one measure of the impact of the regulator is evident. In terms of the charities that the Charity Commission regulates, we are told that 85 per cent now file their accounts on time. In an effort to identify themes and trends among those charities that missed their deadlines, the Charity Commission undertook an investigation which resulted in a number of interesting findings: 23 per cent of larger charities had filed their accounts late for all of the five preceding years (13 per cent of smaller charities) only 27 per cent of the larger late filers had never previously defaulted.

The Charity Commission suggests that late filing is an habitual problem in some charities and are contemplating sterner measures to improve performance. These include working with HMRC to bar late filers from receiving Gift Aid. So if the number on time in the past year was 85 per cent, what was the equivalent figure from the annual report six years ago? In fact, it was 74 per cent. And for a sector that is dependent on its transparency and accountability that represents real progress in any terms.

Nick Sladden is head of charities and social enterprises at Baker Tilly

The Commission's report & accounts are here: **www.charitycommission.gov.uk**

Politics and influence

Third Sector

The sector is treated as marginal to the national political debate, argues STEPHEN BUBB. Therefore it needs to spell out what it wants from the political parties

We seem to be in pre-election mode already and its over 20 months to polling day!

The Government seems mesmerised by the looming poll and so we see entirely sensible policies on smoking and alcohol dropped for electoral advantage, and the recent touring vans warning illegal immigrants to go home, thoroughly reprehensible as they are, seem to be all about winning the UKIP vote.

During pre-election fever a few years ago, all three parties did some serious wooing of the charity sector.

But we should be warned that this election might well be nasty and divisive so charities need to watch they don't get dragged into the mire.

At the same time, we must not give up on campaigning and speaking out on behalf of our beneficiaries.

If we don't speak truth to power, who will? So what do the three parties say about the "third sector"? Very little, it appears. Looking first at the Conservatives.

Their big idea (or at least David Cameron's) was the Big Society, promoted during the 2010 election campaign as central to both social and economic recovery. Have you heard that mentioned in the last 6 months?

The problem for the Tories is that having seen this concept bomb they have no alternative narrative.

This is not to say they have done some real good for our sector. The Localism Act's community rights provisions, giving communities the chance to take ownership of local assets and services, will be a lasting testament to this Government, as will its work on social finance.

But what next exactly?

It is no good waxing lyrical about the value of volunteering whilst local government funding continues to be slashed, and councils are able to pass on disproportionate cuts to local charities and community groups.

It always amazes me that politicians think volunteering is a free good and all they need to do is encourage people to volunteer, leaving the sector to pick up the tabs of the training and management.

Nor can the sector be expected to fill the gap created by reduced welfare spending without any extra resources to play with.

So what of Labour? Surprisingly, given that Ed Miliband was the very first Third Sector Minister, we have heard little on the sector.

Yes, Ed has properly talked about the power of communities and people getting active and organised locally but we have less on how to use the strength and power of the organised and professional sector at national and local level.

They have mixed feelings on public services, decrying "privatisation" but falling into the union trap of lumping our sector in with private profit.

And the Liberals.

Well, I don't know. I am not sure I have ever heard Nick Clegg talk about our sector.

Whilst there are some great Lib Dem MPs with genuine voluntary sector experience, they do not seem to have any more of a coherent policy than the other parties.

Of course, at the drop of a hat, any politician will emote about the "voluntary sector" — but we need more than just being patronised.

So, the task ahead for ACEVO, and others within the sector, is to spell out what we want from the parties.

We need to get organised. ACEVO will be leading the charge next year and we are already galvanising our plans to get views from members and to use our collective strength for the collective good.

We represent a sector that has enormous social and economic value, so it's important that that any Government consistently supports voluntary organisations in the challenging conditions that they face daily.

Yet we are treated as marginal to the national debates. That has always been a personal goal of mine; to get the third sector into the national policy frame; not as a nice to have around because we use volunteers but as an essential force for helping solve some of our countries gravest social problems.

We shall see.

Sir Stephen Bubb is chief executive of ACEVO

Youth Volunteering

Civil Society

MATTHEW BENNETT & MEENAKSHI PARAMESHWARAN **look at research that demonstrates the important role of social and cultural factors in youth participation**

Policymakers are interested in increasing levels of civic engagement among young people, on the grounds that increased levels of engagement today will have payoffs in terms of a flourishing civil society tomorrow. However, the evidence base on young people's engagement is limited, which is surprising given the time and effort spent on this area by Government and policy makers. Our recent study as part of the Third Sector Research Centre was motivated by this gap in the literature and analyses the patterns and predictors of youth civic engagement in the UK. The research can be used to help increase youth participation in disengaged communities.

Prior studies outside of the UK find a wide range of positive outcomes for young volunteers, beyond the "warm glow" of providing an unpaid contribution of time and effort. This includes voluntary and political activity in later life, reduced problem behaviours, higher wellbeing, higher academic/career aspirations and achievement, higher levels of citizenship and greater sense of community. In light of these positive outcomes, we were interested in assessing whether some social groups are more likely to engage civically, thus increasing their likelihood of benefiting from the rewards of doing so. Using a sample of 4,760 young people (10-15 year olds) contained in the Understanding Society dataset, we organized the predictors of engagement into background characteristics that captured the human, social and cultural capital resources available to youths. We applied statistical techniques to the data to allow us to create a profile of a youth volunteer. Those critical of young people today can take heart from our results, which are reasonably optimistic. Over half of those sampled reported volunteering at least once a year, with almost 20 per cent doing so every month. However, participation is not equal across social groups: youths were more likely to volunteer if they were female, living in a rural area, of an ethnic minority background, and of a higher social class background. Interestingly, social class effects become insignificant once social and cultural resources are taken into account – suggesting that access to social and cultural resources affects engagement in other areas of life. In terms of social resources, youths were more likely to be civically engaged if they had more close friends, and their parents were also engaged, suggesting that role modelling and social networks are important for participation. Young people's civic engagement appears to be influenced by the people they are close to. In terms of cultural resources, going to the theatre, concerts, sports events, museums, or art galleries was strongly correlated with youth volunteering, political and organisational involvement. Participation in cultural activities corresponds to an increase in youth civic engagement. All else being equal, access to social and cultural resources seem key to increasing the involvement of young people.

This research demonstrates the important role of social and cultural factors in youth participation. A potential danger is that youth volunteering may reinforce existing social divides, so more could be done to engage those who lack the human, social, and cultural resources predictive of participation. It is crucial that opportunities to engage are increased among demographic groups that lack the resources to make investments in social and cultural capital. Of course, times are hard and resources available to local authorities and donors are stretched, but this evidence suggests that investing in opportunities to engage has the potential to generate payoffs. Policy can use research to think creatively about ways to increase engagement. For example: can local authorities, schools, community groups and organizations increase the number or visibility of cultural resources available in a community? Accessibility can be complemented by outreach and mentoring programmes to nurture participation and target demographics that are less likely to have the resources available to participate. This can involve mobilizing existing volunteers in disengaged communities or publicizing cultural events, groups and activities in these areas. Philanthropists can think more carefully about these things in terms of the infrastructure in a local community that encourages young people to engage. Doing more to improve the infrastructure of social and cultural opportunity available to youths may have a part to play in nudging a new generation of would-be volunteers into action.

Matthew Bennett & Meenakshi Parameshwaran are with the Third Sector Research Centre & Centre on Dynamics of Ethnicity

Corporate participation

Payroll Giving Finance

JEREMY BLISS **says that if more employees are given opportunities to give, fundraise or volunteer then the individuals, charities and businesses stand to gain**

For millions of people across Britain, most of our working hours are spent at work. Offices, factories, depots are more than somewhere to earn a crust; they are places where people have friends, share a joke and want to do something together. If we are going to encourage more people to give, and support causes they care about, where better a place to start than at work.

There is plenty of appetite among employees to support charities through their workplace, but there is still a lack of opportunity for them to do this. Over 40 per cent of employees would like more opportunities to volunteer or give money at work, according to our research but only one in three people feel their employer make it easy for them to do this. At CAF we work with companies and other organisations large and small to help people give at work and help their employers make a contribution to the wider world. There's a lot of great work going on, but there is a huge amount more that could be done. Interestingly, the main barrier identified by employees to volunteering or giving to charity at work is not lack of time or money, but merely that they hadn't been offered the opportunity. We need more companies to encourage their employees to volunteer or give to charities. If companies did this it would boost charitable support in the UK significantly. Payroll giving is a perfect example of this. It's a neat vehicle to help people give money to charities through their pay packets and rose steadily in popularity among employees through the 90s and 2000s.

However, take up of payroll giving has been flat lining for years, despite the fact that one in three employees would like to use payroll giving if it was offered to them. If more employers offered a payroll giving scheme to their staff, the charity sector could stand to gain an extra £175million. However it wouldn't just be the charitable sector that would stand to gain from more charity giving in the workplace. Volunteering and fundraising in the office boosts staff morale. If you've ever had a cake sale for charity or taken part in Movember with colleagues, you know just how much it boosts team spirits and creates a positive work environment.

It also improves the public's perception of a charity and helps attract the most talented graduates. People like to see that companies have a social conscience and want to give back to local communities and graduates welcome the flexibility to do pro bono work or continue the charity work they were involved with at university.

While there is plenty of debate over the best ways for companies to partner with charities or to boost employee engagement, offering opportunities for staff to support charities doesn't have to be difficult. CAF recently launched the second strand of its Growing Giving parliamentary inquiry, which collected evidence from a range of companies who shared some brilliant stories of how they had engaged employees with charity work. ASOS told how they try to make their charity activities fun and simple to do and targeted at their younger workforce, so that they can share their activities on social media. They also offer charity fairs allowing employees to learn more about various charities before they sign up to a payroll giving scheme.

Robert Holdcroft, a McDonald's a franchisee, on the other hand, offered a payroll giving scheme with a low target per person to try and maximise the amount of people signing up. They also celebrated the commitment of staff who gave regularly through their pay packets by creating a special 'payroll star' to go on the badges they wear in stores. While SMEs may not have the resources for large charity programmes, it is important that they are facilitating charity activities in their workplaces. SME employers account for the vast majority of private sector jobs and if they too can encourage giving back to local charities or donating their skills to help charities this would have a big impact on the charity sector. At CAF we help companies plan their charity activities strategically, but we also recognise what is really needed is a commitment by more companies, despite the current financial climate, to continue and increase their engagement for charities. Allowing employees to engage with charities in the workplace doesn't have to be time consuming or costly and can boost morale in the office. If more employees are given opportunities to give, fundraise or volunteer then both the individuals, charities and businesses stand to gain.

Jeremy Bliss is head of corporate clients at the Charities Aid Foundation

Social Investment

Impact Investing

The social investment market is growing fast, notes ABIGAIL ROTHEROE, but she adds one of the things holding the market back is the limited number of funders willing to get involved, and this must change

Whilst social investment has been around for a few years, 2013 has seen it really take off. A recent report found that the UK market is now valued at over £200m and is expected to reach £1bn by 2016. Earlier this year the government hosted the first G8 Social Impact Investment Forum and London's forthcoming Social Stock Exchange also tells us that social investment is here to stay.

Also known as impact investing or social finance, social investment is the provision of repayable finance to charities and other social enterprises with the aim of creating social impact and sometimes generating a financial return too. Social impact is the difference an organisation or project makes to the social problem it seeks to solve and the progress made towards achieving a goal — whether that is to reduce homelessness, eradicate malaria or improve educational attainment.

The social investment market is growing fast, though the sums we're talking about remain small compared with grant funding — the charity sector received £14.7bn in voluntary donations in 2010/11. One of the things holding the market back is that currently there is a limited number of funders willing to get involved — focussed around social banks (like Big Society Capital) and a few large intermediaries (like Social Finance). In order for the market to really take off, this group has to expand.

Whilst researching Best to Invest?, our recent social investment guide for funders, we found that the main challenge here is that 'outsiders' view the market as complex, and education is required across investors before they can feel confident enough to get involved. There are also regulatory issues that trustees and financial advisers have to understand before they make social investments. Some guidance has come out from the Charity Commission and the FSA (before it became the FCA in April) but it is taking time for this to be digested.

Slowly but surely though the market is emerging and there are a small number of investors who have built up a track record — Bridges and Venturesome are two. More recently some foundations have made investments and are collaborating, sharing their knowledge formally and informally and encouraging other funders to get involved. But do potential new investors need more hands-on support? The government, in particular, has focused a great deal on helping charities and social enterprises get 'investment ready' but maybe more needs to be done to support interested funders to become active players in the market.

Undoubtedly some foundations do see social investment as a valuable tool that can either be used alongside or instead of grant funding and as an ideal opportunity for them to align more of their assets with their mission. But as things stand there are lots of unanswered questions about social investment from a funder's perspective — which we explore in more detail in our report — but that is expected for this point in the market's development.

A key issue is that because the market is new there has not been much time for track records to develop. Therefore investors may be taking higher risks than they are comfortable with in the long term and at this stage it is not clear if these risks will be compensated by higher financial return or increased social impact. However as track records become more visible potential investors should feel more confident about making investments and the investor base should expand.

At NPC we think that social investment has huge potential to transform the sector, but that product design will be key to the success and development of the market. Future products should take into account the risk return needs of the next wave of social investors — whether they are high net worth individuals, the man on the street or endowed foundations. Products that are simple will be favoured over more complex investments — despite the high profile of Social Investment Bonds, which are extremely complex. Managed funds, such as the ones recently announced by the Big Issue Invest, will spread the risks, require less due diligence and therefore be attractive entry level products.

It is an exciting time to be in this field with lots going on and here at NPC we'll be keeping a close eye on the market and its impact on the third sector.

Abigail Rotheroe is a consultant at the think tank and consultancy NPC

Profile: Tony Armstrong, CEO, Living Streets

Up from the streets

LIVING STREETS WAS SET-UP LONG AGO TO DEAL WITH THE PERILS OF THE MOTOR CAR. ITS CEO, TONY ARMSTRONG, HAS EFFECTIVELY REDEFINED IT FOR A NEW AGE WITH COMPLEX CHALLENGES BRINGING TOGETHER MANY STRANDS OF THINKING

The Big Society can be viewed in many ways, as we explore on page 28 onwards, but Living Streets seems to epitomise the Big Society as an organisation representing the streets and being the national charity that stands up for pedestrians. This simple concept leads in many wide and varied directions: with its staff and supporters working to create safe, attractive and enjoyable streets, where people want to walk.

It was set-up in 1929 in response to the rise of the motor car, a rather quaint idea. These early years, saw campaigning lead to the introduction of the driving test, pedestrian crossings and imagine this: 30mph speed limits. "It was in fact the wild west then in terms of regulation," explains Tony Armstrong, Living Streets CEO. Since these breezy days, its ambition has grown considerably.

When Armstrong arrived as CEO in 2008, he gave the charity a new, big push. The charity started talking more about health, partly due to Armstrong's background, he had come from the Department of Health, where he led the Government's cross-departmental obesity programme, and also in the wider context of health issues in the setting of the recession and wider society. "The things we do are relevant to a different number of agendas," he says, making something of an understatement about Living Street's scope

Indeed, in this way, Armstrong has ensured Living Streets touches on issues relating to the economics of the local environment and campaigns about the relationship between poor physical environments and poor health: if the walking environment is poor, then people will choose not to walk. Armstrong has ensured Living Streets' objective is to tackle this problem head-on by working with local communities to improve both their walking environment and get more people out walking. "If you feel good about the local area you are more likely to walk about in it," he says.

Are you local?

Localism therefore is at the heart of everything it does. "We talk to communities about the issues they care about. When we work with communities we start with basic questions about the quality of their neighbourhood, the feel of the area, rather than going in and say 'we are going to get you walking more in a year'. When we leave, we want to leave a vibrant community."

Within this, Living Streets frequently finds itself involved in the politics of local government and civil society. "We often find ourselves as a marriage guidance councillor or dating agency between the community and the local authority; with a lot of examples of the local community fed-up with what the local authority has been doing, or rather, not doing. But local authorities have helped us get into the local community because they understand the value of us doing so."

What happens next can also have huge economic benefits, with people accessing local shops and servicing the local economy. "Investing in the walking environment is a very cost effective way of generating support for the local high street. Local authorities can waste money on a micro-level. We look at the whole picture; and do a number of things at the same time. Which is better than addressing issues in a silo mentality."

Projects take a year to 18 months and include working with local groups, facilitating the project and have the confidence to leave when the work is done. There exists shorter scale interventions, such as: community street audits; which can be a very intensive or light touch where local people and professionals are taken out through a set of streets and asked how it feels at different times of day and asked what improvements can be made. Living Streets then comes up with a number of recommendations. Living Streets works with London councils such as Southwark, Camden, and Hackney and outside London these include South Yorkshire, Greater Manchester, Newcastle and Gateshead.

Its 2012 Charity Times Big Society Award winning Fit for Walking project backed by the Big Lottery fund was a fine example of its work; making the local environment fitter for walking, so community members could get fitter. It worked in five regions and 12 local authority areas with high levels of health deprivation. For the first time as a charity it has been able to take its work to places where the need is the greatest – a strategy to make Living Streets attainable in even the most hostile environments.

Specific objectives of the project included getting 25,000 people engaged in the project, with 12,000 walking more. A process was established for providing tools and support for communities to define needs in their own streets, take actions forward through local partnerships, and celebrate achievements. Only by inspiring communities themselves could it reach its objectives over such large parts of the country. Data was analysed against project costs, with 80 per cent of projects showing a positive benefit to cost ratio. The project resulted in over 80 per cent of people walking more and 60 per cent walking more with friends and family; 66 per cent felt they now had more contact with people in their neighbourhood. 150 communities have been actively engaged in improving their area. These efforts attracted over £450,000 worth of street improvements from participating authorities, with 30 transformed areas achieving a neighbourhood award. A final analysis showed how engaged over 31,000 people with almost 14,000 walking more – exceeding initial targets.

Community challenges

Do different communities differ in desire and approach? "We find different things in different communities and challenges, it is usually more a degree of emphasis," says Armstrong. There is most definitely a vibrant can-do attitude in many areas: so there is definitely an attitude to get more involved." Armstrong is full of statistics about modern streets and one that surprises me is that 16 pedestrians are killed or seriously injured on Britain's roads each day. "If you asked people, they would not say it is that high."

On-going, the economic environment is inevitably proving a challenge. "There is an issue around the agenda of austerity, because with government cuts any spend is being scrutinised: so we have to be very clear about the impacts we have and help save money." Armstrong warns though, that the worse part of the cuts have yet to be felt. "There are probably more problems to come, especially with local authorities, when the cuts really hit. We have found it more difficult because in many authorities staff who ran budgets have gone."

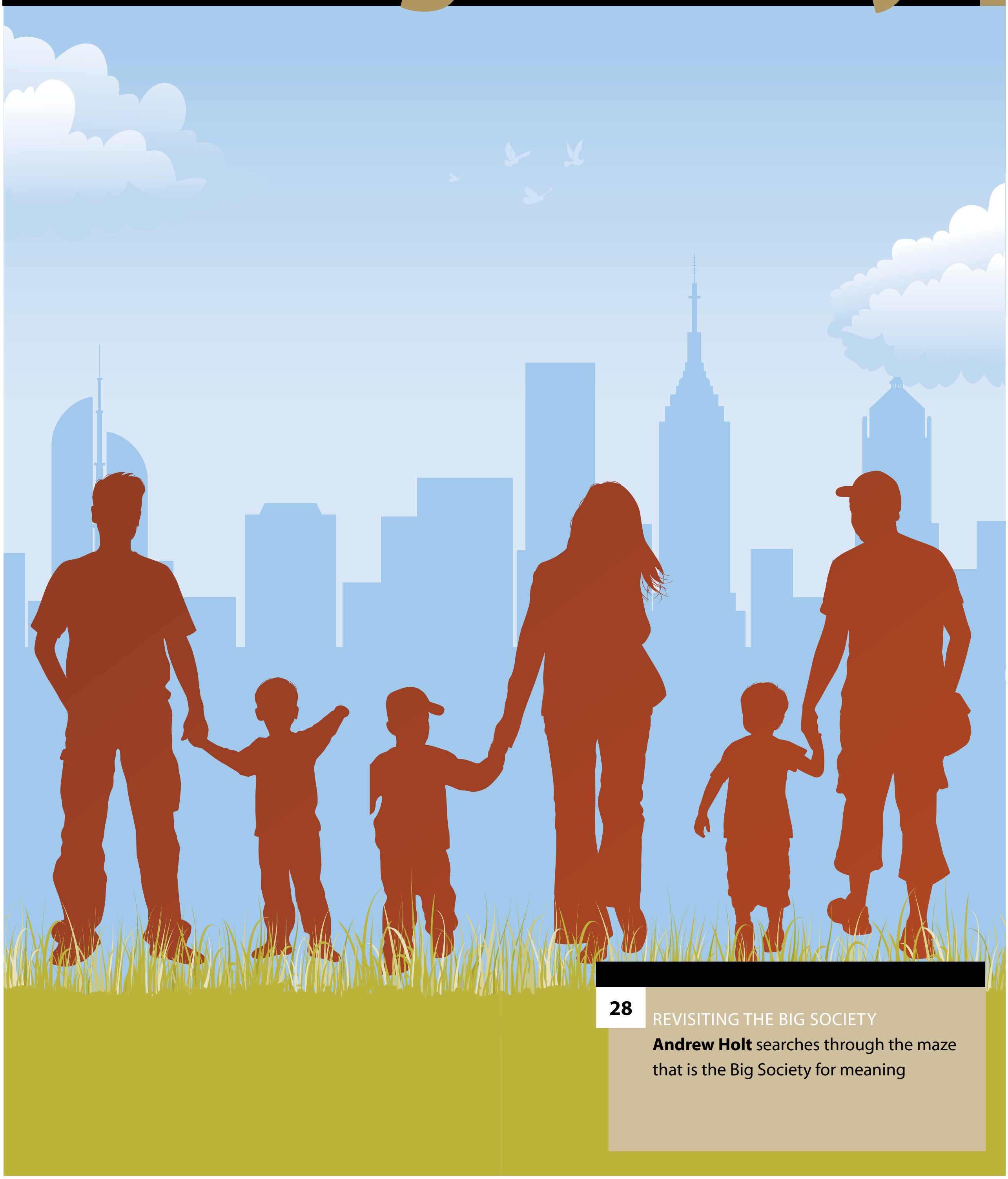
With these testing times and a rise in challenge of its work, the charity is having to get stronger financially, with Armstrong overseeing a steady rise in income by about £500,000 each year for the last four years: which will stand at a healthy £3m this year. This has been boosted by a diversifying income with more concentration on trading, which last year saw £300,000 in profit. Armstrong has driven a bigger focus on corporate partnerships and fundraising activity, which has brought in £80,000 this year alone. Armstrong has also built the supporter base from a few hundred a few years ago to 30,000 today.

Here Armstrong has effectively promoted the Living Street hallmark and method with high street brands like Marks & Spencer, Co-op, BskyB and Starbucks. "It is in the interest of retailers to have a good, quality walking environment. There has been a lot of talk from politicians about free parking, but we have found shoppers want a good walking environment and a good range of shops." To push this on further, a five-year strategy was agreed last year which assesses everything they do through a three 'I' approach: income, impact and influence. A target of increasing the number of people walking to school has been set at 50 per cent. "This has been declining for 30 years. For us, there it is a two sided coin: which is the quality of the streets and environment and getting people out and using the streets."

Given his effectiveness as Living Streets CEO, what does he think makes a good charity chief executive? "Caring about the subject area: if you don't have some type of personal excitement and enthusiasm with what you are doing it is hard slog, and you need to understand the role and set a clear direction."

There is no doubting that Armstrong has Living Streets on a very clear, direct and successful course.

The Big Society



Revisiting the Big Society

Andrew Holt searches through the maze that is the Big Society for meaning

NEARLY FOUR years after the Big Society was launched, where is the Prime Minister's big vision? What impact has it had on the sector? Is it still relevant to the sector? Is it a good idea that has never taken hold? Is it dead and forgotten? Or even: was it ever relevant? Like much of the Big Society, it is surrounded by endless questions.

Let us begin with the idea itself. What is the Big Society? In his 2009, Big Society Lecture David Cameron set-out the principles of his vision: "We need a re-imagination of the role, as well as the size of the state…Our alternative to big government is not no government – some reheated version of ideological laissez faire."

Here Cameron was clearly presenting a concept that was different to the state-first idea of the Labour Party and subsequent post-war governments, but also different from the Free Market Conservatism that underpinned the "No such thing as Society" of Thatcherism and is still shared by many of Cameron's Conservative colleagues.

The state & civil society

The state-civil society dialectic is therefore key to understanding the emergence and development of The Big Society as a very idea. It is also the main source of criticism for opponents, who suggest that his Big Society vision is just a cover for reduced state government cuts: a narrative that originated within the Trade Union movement and was adopted by some in the Labour Party including for a time the leader Ed Miliband. Along the way, the usual suspects like Polly Toynbee have waded in calling the idea "a big fat lie".

But such a criticism doesn't take into account that David Cameron's vision pre-dated the cuts and the cuts agenda has been transparent enough, not needing any cover or side-show idea. Within this, the sector has criticised Labour's approach to the Big Society Idea.

Joe Irvin, NAVCA's chief executive, challenged the Labour Party to provide a viable alternative to the Big Society that equally put civil society at the centre of things. Irvin said: "Labour in Government had a good relationship with voluntary groups. When the Conservative Party came up with the Big Society it put Labour on the back foot. The task for Labour is to work out how it will respond to this. Labour has yet to come up with a viable alternative. But it has to come up with policies that appreciate and value what communities bring and nurture voluntary action." Despite some interesting

flirtations from Miliband, the sector is still waiting for Labour's response. Given the ineffectual nature of Miliband's leadership, it could be waiting some time.

This in turn has highlighted how the left-right axis of traditional politics has been turned on its head. Jesse Norman in his seminal work *The Big Society: The Anatomy of the New Politics*, states: "We have lived so long on a diet of top-down prescription and centralised government." This accurate analysis also serves Norman's central critique that Fabianism is at the heart of the problem of this centralisation.

Essentially, adds Norman the Big Society: "Has two interlocking threads, which focus on the state and the individual. We start with the state. Is it working? Is it well-suited to the social and economic problems of the 21st century? Can it support us as a nation when we fall sick, when we are out of work or when we retire? Can it educate us and protect us properly? And if it can do so now, can it continue to do so in the future?" These are difficult and complex questions. Is the Big Society equipped to deal with them all?

According to Norman, The Big Society: "Is not ideologically opposed to the state, but deeply concerned – on the basis of overwhelming evidence – about the state's current ability to meet social needs and to support British society." Which in turn: "Runs utterly counter to the state-first Fabianism of the modern Labour party."

Localism & the community

The paradox of the Big Society though is that it is a centralised government initiative purporting to promote and reinvigorate localism and community activity. It is from here that the politics of the Big Society disperse: with supporters and opponents making their committed assertions.

Dan Gregory, an independent advisor working with Social Enterprise UK, says: "Some were too dismissive of the Big Society idea while others got a little too carried away about how important it was and what colour socks Nat Wei was wearing."

Has its top-down approach been its undoing? Gregory thinks it has. "When it arrived the Big Society was seen by many, but not all, in the sector as the right idea at the wrong time from the wrong direction. For example, a top-down from Government rather than grassroots and community-led and in a time of fiscal pressure, very hard to sell as a convincing ideology rather than as a timely convenience."

It is therefore the transference from rhetoric to reality that the Big Society starts to struggle. David Floyd, managing director, Social Spider, an organisation that undertakes commissioned work and partnerships, and develops and manages its own projects, says within the central idea there was much to be welcomed and be encouraged about.

"Whether or not you we agreed with it politically, there was something worth thinking about in the Big Society vision, as originally outlined by David Cameron in opposition, in terms of re-imagining the relationship between citizens, civil society and the state at a time when the reach of the state needed to be re-evaluated.

"The New Labour vision had ultimately amounted to building a better society through central government spending — even if the ultimate delivery agents were private companies or voluntary sector groups. There was a clear need for an alternative view on how to growing needs with limited resources."

Floyd also picks-up on the view that the vision has failed because of the economic environment. "It would have been interesting to see what this vision might have developed into in practice if we hadn't seen the collapse of the global economy from 2008 onwards and the subsequent swinging cuts in public spending.

"As it was, the early years of the Coalition government, the Big Society rhetoric about shifting power to local communities and enabling people to get involved in delivering public services differently in

reality amounted to many public services being either scaled back or, in some cases, disappearing entirely, and people being told they now had the power to step in and fill the gaps for free, in their spare time if they wanted to.

"In terms of services that have continued to be funded at a similar level to previously, such as health services, the effect has been that most providers have bunkered down to protect themselves as much as possible for the long fight ahead."

In late-2011 Social Spider published a report on the possibilities for Big Society ideas in mental health and noted with honourable exceptions, in most local areas, these kind of approaches are further from being adopted now than they were previously.

Politics of localism

The politics of local organisations feeling left out of the idea and development process of the Big Society has further undermined the idea. Floyd says: "I think there was a large degree of complacency from large service providing charities and social enterprises in post-2010 with many either being really angry that the government had launched the initiative without inviting them to sit on a steering group to co-ordinate and/or stating that 'Big Society is what we do already'.

The assumption that voluntary sector organisations, by virtue of being voluntary sector organisations, are rooted in, and representative of, communities is not one that's backed-up by evidence. "An interesting, if somewhat controversial analysis.

But Floyd adds: "In reality, if the more radical possibilities of Big Society had come to pass, and large numbers of people within local communities had found ways to come together to help themselves and each other, this would have been just as much of a challenge to the approach of large charities and social enterprises to deliver big public contracts as it would have been to the approaches of private sector outsourcing companies and services delivered directly by the public sector."

Within this narrative, for Floyd, the only element of Big Society thinking that has survived the battles of the last three years is the apparent belief that, ideally, public services should be delivered by organisations that aren't the government — irrespective of who they are.

Indeed, the ring fencing of Big Society money for charities to deliver public services has proved controversial in some quarters. The think-tank IPPR North has called for Big Society Capital funding to be reserved for small community groups.

Funding from the public sector has focused on commissioning services as opposed to providing grants for charities that are tackling specific issues. Though of course, smaller community groups are not well placed to compete with private sector companies and larger voluntary organisations for public sector contracts.

Ed Cox, director of IPPR North, says: "We know that small community groups play a vital role in supporting the social and economic health of poor neighbourhoods – they're the youth clubs giving young people places to go and support groups for people going through a difficult time in their lives.

"Yet it is these organisations that are being hit hardest in the areas that desperately need their support. Where richer communities are better able to rely on volunteers and local philanthropy to see them through this lean period, the so-called big society finds it harder to survive in the communities that need it most."

Big Society finance

Much of the money behind the Big Society comes from Big Society Capital, which was set-up to work with large grant makers and other social investors to create new forms of financing, available across the different development phases of community assets. In its first nine months of operation it undertook: £56 million of investment commitments to 20 social investment finance intermediaries (SIFIs); £39 million of capital from BSC and its co-investors has been signed and delivered to 15 SIFIs; 13 new SIFIs have been created and 23 frontline organisations have benefited from financing made available by them as a result.

On initial viewing these are quite impressive figures. Though Big Society Capital's original capitalization was, the sector noted, tiny compared with mainstream players, with its funds of £600million, but, significant to a small and still embryonic sector. Cathy Pharoah, from Cass Business School's Centre for Charity Giving and Philanthropy, observes: "Big Society Capital will face the same fundamental challenge as other top-down initiatives in the history of social investment, namely: how to deal with the tensions between social and economic returns."

Sir Ronald Cohen, chairman of Big Society Capital, is convinced that this model will help transform the sector: "Big Society Capital has ambitious aspirations to transform the social impact investment market in the UK. We have a passion for this enterprise and we are delighted with the significant progress made during our first year of operation."

Gregory offers some entertaining views on those who have embraced the idea and embraced the Big Society name as a brand: "For the likes of the Big Society Network and Big Society Capital, there will be long-term risks in having adopted the language. How does Third Way Capital or the Back to Basics Network sound?"

Politically toxic

So where are we now? Like something in Alice in Wonderland, The Big Society has come to mean whatever you want it to mean. There is no doubt it represented a good vision, but this seems to have become lost. Floyd notes: "What we're left with, now that the wider Big Society vision in terms of self-help and community involvement have been abandoned, is a situation government has no overall vision at all for how we're going to meet rising social need with dwindling resources."

Here we are in a difficult place, as far as the Big Society is concerned. Furthermore, Tony Armstrong, CEO of Living Streets, says: "The Big Society has become something of a politically toxic phrase." He then reinforces the oft-repeated view felt by many in the sector: "We were doing this kind of stuff anyway. If it is about giving charities a stronger voice and a better, more level playing field to deliver work and developing and enacting policy; then great. The problem is that it has become associated with the cuts and the Big Society is a figleaf to say we are decimating this part of public spending and the voluntary sector. Has there been a follow-through in providing the resources or the framework? I would say: not really."

Another, and often forgotten part of Cameron's Big Society speech was this element: the "Big Society needs the engagement of that significant percentage of the population who have no record of getting involved – or desire to do so." So Big Society participants are those numbers who have never contributed before: an admirable objective, but one always destined to fail. "If people are doing it on a volunteering basis they need some support structure. It is a little naïve to say people should volunteer more," observes Armstrong.

In his Big Society book, Norman concludes with a huge ambition for the Big Society, providing an anatomy, of what he calls the new politics. "The ultimate test of the Big Society will lie in whether it can genuinely rebuild our economy and revive our society." Though this is unlikely to develop in the way Norman hoped.

Summing up the whole Big Society idea, Gregory notes: "There is something important in the idea about answers to social problems lying not only with Government: although an irony that it is a government idea.

"But Big Society is too narrowly about society taking on some of the burden that has fallen on the state: 'Big Society not Big Government', rather than the wider mutual relationship between the public, private and social sectors. Similarly, Labour are exploring how the private sector might pull its weight through more responsible capitalism and 'pre-distribution' but seem to be missing a trick in terms of the social sector. How about a bit of Big Society, not Big Business?"

So while the Big Society has never really developed in the way its advocates hoped, its legacy of thinking about the nature of the society in which we live is a worthwhile one. But a new narrative needs to be created to address this challenge.

Andrew Holt is editor of Charity Times

Big Society Roll of Honour

Andrew Holt looks at a selection of winners from the PM's Big Society Awards

AFC Wimbledon
AFC Wimbledon is a professional Football League Two club, which is currently celebrating its 10-year anniversary. The club is still owned by its supporters via the one-fan, one-vote Dons Trust. The Dons Trust has continued to finance the club's rise throughout the past decade, starting by raising the funds needed to buy the Cherry Red Records Stadium. Since its formation, the club's officials, supporters and 300 volunteers have organised a number of community initiatives: including art classes for those local people with learning difficulties.

Blue Cat Initiative
Blue Cat Initiative was formed in 2002 by Mike Smith-Clare and Franki Longman in order to provide training opportunities to disadvantaged and under-represented people across Norfolk. As a National Open College Network centre it develops and delivers a range of programmes that have engaged and supported learners on to further training, volunteering, employment and independent living.

City Year
City Year is a youth movement that recruits idealistic 18-25 year olds for a year of social action as role models, mentors and tutors in inner city schools. The young people that volunteer with City Year support disadvantaged children to improve their ABCs – academic performance, behaviour and attendance.

FoodCycle
FoodCycle is a growing national charity that combines volunteers, surplus food and spare kitchen spaces to create nutritious meals for people at risk from food poverty and social isolation. Since being founded by Kelvin Cheung (now CEO) back in 2008, it has expanded to 16 projects across the UK which have served over 40,000 meals, made out of over 35,000kg of surplus food by a network of over 1000 volunteers who have given over 29,000 hours of their time.

The Glenmore Trust
The Glenmore Trust supports people with learning disabilities in North Cumbria to live the life of their choosing. Its range of services include supported living, community support, respite care and day services.

Hope UK
Hope UK was established in 1855 as the UK Band of Hope Union, a temperance organisation for children, in response to an alcohol problem that was causing huge social and health problems, much as it is today. At the turn of the century it had a membership of 3.5 million and played a significant role in changing attitudes toward heavy drinking.

Magic Breakfast
Magic Breakfast is a UK charity which was born out of book research by the founder Carmel McConnell ten years ago. Carmel believes business leaders could create a more powerful way to engage with society, and while writing *Change Activist*, she interviewed primary school headteachers. The interviews pointed out how teachers had to bring in food themselves to feed children who would arrive at school hungry.

Public Achievement
Public Achievement is Northern Ireland's leading youth focused civic education organisation. Its work is to build around its model of 'Civic Youth Work', and involves supporting young people to do real work on real issues in their communities.

Serve
Serve was established in 1981 and provides a comprehensive range of services to older people. These include Day Care, community transport, handyman services, benefits advice, mobility equipment sales & hire and personal and domestic care.

The Welcome
The Welcome was formed in the late 1990s by people in Knutsford Methodist Church, to provide services in a challenged area. The Longridge and Shaw Heath areas of Knutsford are Manchester overspill estates, and share many of the challenging characteristics of more urban housing estates. Since the start it has continuously adapted to meet the changing needs of the community, but at the heart of The Welcome has been somewhere that people can come for a drink, to meet and make friends and enjoy being part of the community.

Time for action on fraud

There are several reasons charities make attractive targets for fraudsters, notes Maurice Mcleod, but some important sector initiatives are helping charities to fight back

CHARITIES ARE often not keen to talk about fraud. There is a worry that acknowledging the possibility of fraud shows a lack of faith in staff and volunteers or that the public or funders will feel less inclined to support a charity if there is even a mention of the f-word.

It is estimated that the sector loses over £1bn each year to fraud. So while belts are being tightened in all other areas of charities' work there is no excuse for ignoring this income drain. Fraud takes 1.7 per cent of the sector's turnover and so showing you have robust practices in place to tackle it will be reassuring to staff and volunteers and will show funders and the public that support given to you will not be squandered.

It is worth remembering that trustees have a legal duty under charity law to protect the funds and other property of their charity.

Senior managers and trustees must take the lead on anti-fraud measures because they set the tone for the entire organisation.

Each year the National Fraud Authority's Annual Fraud Indicator (AFI) reports on the scale and range of fraud, including that involving charities. This year a change in the way data was gathered saw the estimate for the amount fraud costs charities come down from the £1.1bn-£1.3bn of previous years, to just £147.3m.

The change in methodology meant only charities with a turnover of more than £100,000 per annum were studied. The thinking behind this is that these charities account for more than 96 per cent of the sector's income, and so estimates will be more accurate.

The National Fraud Authority (NFA) said 1,599 registered charities responded to the survey and 9.2 per cent reported being victims of fraud in the financial year to 2012. Payment and banking fraud was by far the most common that the charities reported making up almost half (47 per cent) of reported fraud. The next two most common were accounting fraud (14.8 per cent) and identity fraud (14.1 per cent).

Undetected fraud

The irregular nature of many charities' fundraising income makes it easier for criminals to target their payment, banking and accounting systems. Insecure financial systems sometimes allow this type of fraud to go undetected and in some cases for the fraud to be perpetuated over a long period of time.

Even using the NFA's new method

of estimating fraud, which may well underestimate fraud in smaller charities, almost one in 10 charities with incomes over £100,00 per annum reported being victims of fraud. Of these almost a quarter 23.1 per cent said they suffered fraud that involved staff or volunteers. The latest AFI found that charities reported £30m of fraud and estimated another £117m of hidden or undetected fraud.

Charity Finance Group (CFG) chief executive Caron Bradshaw said: "This year, the NFA has revised the methodology and the AFI figure has dropped significantly. Far from being a sign that we should rest on our laurels, this demonstrates the challenge and complexity of detecting and monitoring fraud – ultimately, so much of what we experience goes undetected. Trust within the charity sector is an excellent thing. However, trust should always be supported by controls: the two are not mutually exclusive."

Defining fraud

Fraud is the concealed theft of a charity's funds by an individual or group. Its concealed nature means that fraud can sometimes take place repeatedly over a long period of time. There are a many types of fraud that charities need to be aware of and the fraudsters are constantly evolving their methods supported by new technology and internet use.

Fraud committed against charities can be broken into two distinct types. Internal fraud, involving people within the charity – for example: an employee or volunteer intercepting donations; abuse of the charity credit cards; false or exaggerated expense claims. External fraud, committed by those outside the charity - for example: false invoices requesting money from the charity; identity fraud, for example, by hijacking a charity's bank account; 'phishing' emails requesting confidential information from the charity which is then used to obtain funds illegally; unauthorised fundraising in a charity's name for example and fraudulent disaster appeal websites.

Sadly, there are several reasons charities make attractive targets for fraudsters. The sector has over 181,000 charities

registered in England and Wales with an annual income of £53.2bn so there is a sizeable pot of money for criminals to aim for.

Charities have a special place in the public's heart and so appearing to be associated with one can give a criminal enterprise a veneer of respectability. Many charities rely on cash-based fundraising which appeals to both opportunist and organised fraudsters.

And fluctuating income means it can be harder to identify suspicious transactions and financial trends. By their nature, charities rely heavily on altruism, trust and honesty but this trust can allow the unscrupulous to operate more freely

Fighting fraud

In an attempt to deal with the situation, last year, leading charity sector bodies, including: the Charity Commission, CFG and NCVO, came together with the NFA, the Fraud Advisory Panel and other public sector and law enforcement organisations to produce a guide to help tackle fraud.

The guide, *Fighting Fraud Together*, said that fraud affects us all and costs the nation £38bn every year. "The criminals who attack us do not operate in silos and neither should we. Where we have worked together, we have delivered some significant results but there is much more that could be done," the statement of intent says.

The group of organisations vowed to 'prevent, detect, disrupt and punish fraudsters' and said they would work more closely together and with other sectors to achieve this.

Fighting Fraud Together said that although the fraud threat was diverse, criminals often used 'enablers'. An enabler is a failing in the security process of an organisation which offers the opportunity to commit fraud. "Tackling an enabler," the guide said, "is often a more effective way of disrupting a wider range of frauds, rather than chasing individual occurrences."

The guide suggested a number of high level steps the country should take to fight fraud. These included: making better use of our shared intelligence gathering and analysis; providing better information so organisations and the public understand how to recognise and deal with fraud threats; tightening procedures to limit enablers; reporting fraud more frequently to Action Fraud; punishing uncovered fraudsters more consistently; making more use of methods to disrupt fraudsters and recover funds such as civil litigation; ancillary orders and professional sanctions and focusing more on prevention of fraud.

Fighting Fraud Together was useful as a strategic overview of the problem and puts forward some sector and nation-wide plans to reduce the impact of fraud.

Following the publication of *Fighting Fraud Together* the bulk of sector's anti-fraud work has been taken on by the Voluntary Sector Fraud Group.

The Voluntary Sector Fraud Group was set up by the NFA and Charity Commission to help the sector get better at preventing, detecting and reporting fraud and financial crime. Bringing together leading sector bodies, like NCVO and CFG, the groups' aim is to improve detection and reporting practices across the sector.

The group's activities focus on a number of key theme areas, starting shortly with grant funding frauds and fundraising related frauds.

The group has already produced or promoted:

* The Fraud Advisory Panel guidance for the public on Giving Safely aiming to safeguard charitable donation and encourage giving (https://www.fraudadvisorypanel.org/pdf_show_182.pdf)
* The CFG led guide: Charity Fraud - *A guide for trustees and managers of charities* (http://www.cfg.org.uk/resources/Publications/~/media/Files/Resources/CFDG%20Publications/charity_fraud_guide_full.ashx)
* Exploratory work by the Charity Commission, Action Fraud and the National Fraud Investigation Bureau (NFIB), on creating an improved system for reporting charity fraud with a view to increase the reporting of fraud
* Get Safe Online guidance on avoiding internet-based fraud: www.getsafeonline.org

Organisations wishing to join the stakeholder group should contact the Commission via geoff.eales@charitycommission.gsi.gov.uk.

The group aims to publicise anti-fraud measures in direct communications with the various members' networks and via the Charity Commission itself.

As well as regular alerts and warnings via its website and press releases, the Commission's regular podcast has information and guidance for senior management and trustees: http://www.charitycommission.gov.uk/about-the-commission/press-office/media-information-centre/podcasts/

Maurice Mcleod is a freelance journalist

CASE STUDIES

Charity Giving

In July the charitable donations website Charity Giving was suspended pending a Charity Commission investigation after serious concerns about mismanagement of the charity by trustees.

The site was suspended after an assement showed a substantial shortfall between funds owed to charities and cash held by the Dove Trust, which runs the site.

The Commission said the shortfall could be more than £250,000.

The Commission used its powers under the Charities Act 2011 to appoint Pesh Framjee of Crowe Clark Whitehill as Interim Manager of the charity and Mr Framjee made the decision to suspend the site.

Harris Polak

In July, Liverpool Crown Court sentenced Harris Polak 45 months in prison after he admitted stealing at least £213,000 from charity collections.

Polak confessed to having taken money from charity buckets outside supermarkets between 2007 and 2011.

He had been commissioned to organise collections on behalf of charities including Cancer Research UK, Clatterbridge Cancer Research Trust and Cerebral Palsy Care for Children but he failed to declare most of the money raised.

Polak, who hired collectors to stand outside Liverpool supermarkets, used the money for holidays and shopping trips.

Charity Commission response

Michelle Russell, head of investigations and enforcement at the Commission, said of the sentence: "It sends a strong signal to those thinking of abusing charities in this way that they will not get away with it.

"I hope this case also reminds the public to be vigilant when approached by collectors and reminds charities of all sizes that criminals may well seek to take advantage of them in this way."

Mazambi family

Three members of the same family were jailed in 2010 at Isleworth Crown Court in west London for defrauding charities of more than £500,000 by applying for funding for spurious projects.

Kitumbula Mazambi, his wife Mapendo Kasiba, and his brother Kyalemaninwa, were awarded funds from charities including the Big Lottery Fund, BBC Children in Need and Comic Relief.

Applying for up to £60,000 a time for projects that police said were so vague and nebulous it would be extremely difficult to check whether they had in fact been carried out.

Investigators found little or no evidence of bona-fide charitable work being done, but ample evidence of the suspects using the funds to finance their lifestyles or sending the money abroad.

The fraudsters took advantage of lax checks on how awards were used.

The family set up numerous bodies, each claiming to help people from central Africa, to maximise the grants that they could obtain.

Although some charitable work was carried out, the vast majority of paperwork that police uncovered could not be verified, had little or no audit trail and involved fraudulent invoices.

The fraudsters were eventually caught when a grants officer from the Big Lottery Fund noticed suspicious similarities between a number of different grant applications in August 2004.

She alerted her supervisor who, in turn, alerted the Metropolitan Police.

In association with CHARITIES PROPERTY FUND

Concrete investment

The projected returns on offer to charities through commercial property investment are highly attractive, says Andrew Holt

LIKE THE properties themselves, commercial property investment is built on solid foundations, as there are a number of reasons for charities to have commercial property as part of an investment portfolio or invest in a commercial property fund. Fundamentally, the projected returns on offer are highly attractive.

According to the IPD UK Annual Property Index average property returns were 3.4 per cent last year, although values did fall by 2.2 per cent. IPD's quarterly index, which is based on a slightly smaller sample of properties, recorded a 2012 return of 2.7 per cent and a fall in values of 3.1 per cent, but all indications seem to suggest now is a good time to invest as return prospects are perking up for 2013.

For commercial property, investors should expect average annual returns of between 6 per cent and 8 per cent over the next few years, depending on the region, according to RREEF, an investment adviser. 'Risk-on' assets such as equities have already seen the benefits of loose monetary policy and commercial property could be next.

Between 2001 and 2012 for example, income return accounted for 6.2 per cent per annum of the 6.4 per cent per annum total return delivered by the asset class. And this stable and predictability in terms of cash flow expectations is attractive to income focused charities. Though on average capital values are still 37 per cent below their 2007 peak and in real terms, an incredible 50 per cent below their previous high.

Capital values

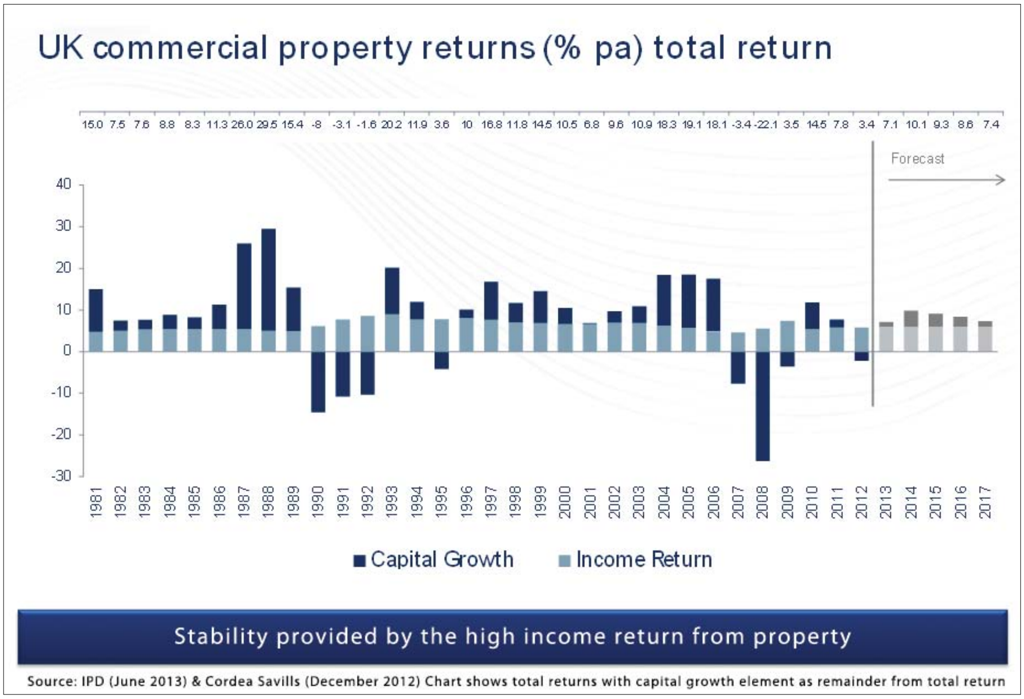
Within this though opportunities exist. At a time of rising asset prices, commercial property represents a pocket of value charity investors should be investing in. Capital values outside London have hardly recovered from the lows of 2009. And some of the money going into London in the past few years will extend into the UK's regions as confidence in the economic recovery increases. Moreover, European commercial property has delivered a total return that has exceeded bonds and equities over 5 and 10 year periods.

Capital growth is returning off the back of renewed sentiment for the sector and enhanced interest at occupier level.

In terms of current pricing, property not only offers the opportunity to capture capital value growth but can be viewed as quite defensive due to its high income yield of 6 per cent plus and also relative capital value position compared to other asset classes which are close to or above their peak.

"These are attractive returns," says Richard Gwilliam, head of property research at M&G Real Estate. "With low bond yields, and we expect commercial property income yields of 8 per cent this year and 9 per cent for the next three years: this amounts to a very attractive option for charities."

The news over the past few years about commercial property has often involved doom and gloom, with premises becoming vacant and some companies being tipped into insolvency by their property commitments. But a lot of problems were due to the fact property had been acquired years ago on inflexible terms, such as rents that were too high, or having to pay three months rent in advance.



Commercial property has matured as an asset class, with growing investor recognition of its attractive risk-return characteristics and the diversification benefits of holding it in a multi-asset portfolio.

"The commercial property market has evolved considerably over recent years, particularly with the pressure resulting from the tough economic times.

"There are now deals on offer which could make it worthwhile fro investors to dip their toe into property before things change. I believe there is unlikely to be a better time to do deals and, in some cases, property can be just the launch pad needed to move to the next level," says Angela Dennis, a commercial property specialist from solicitors Russell-Cooke.

There is real evidence of the money chasing central London Assets, which have largely recovered in capital value terms, heading into the regions together with Institutional money which has been unable to deploy cash in the central London market. Gwilliam notes that some South East Offices could even see double digit returns of 15 per cent next year, a major boost for any charity investment portfolio.

Current appeal

Indeed, the persistence of low income returns across investment markets creates significant challenges for long-term, income dependent investors such as charities. Andrew Allen director of global property research at Aberdeen Asset Management observes this, but with a qualification.

"Arguably, UK property has distinct current appeal given the high income return that the sector produces and there is a perception that capital values should be a beneficiary of this. Whilst we observe allocations to the sector remain high, demand for high quality properties robust, we suggest it is incorrect to assume that all boats will rise on this tide.

"Charities must be mindful that property investment market strength is at odds with the underlying occupational markets in many instances. Whilst the UK economy appears to be stabilising, it remains too early to suggest that rental growth will reappear in many property markets, for example, many High Street locations are structurally in decline, provincial office markets challenged by oversupply.

"Conversely, the more robust occupier markets, particularly in London, are appealing to a very broad cohort of investors, both domestic and from overseas, a consequence of this is that the price of 'prime' assets is already high, the income return from such assets much lower than for the sector as a whole."

This raises the question of what an appropriate property strategy might look like for Charities, particularly if they are largely risk-averse and income dependent.

Allen says in terms of themes within the property market, Aberdeen continue to favour high quality and durable income streams, meaning dominant assets where tenants have little alternative, substitution, choice; illustrations might be a dominant supermarket, or an industrial estate in a densely populated urban area.

Allen adds: "Given the uncertainties of the economic fundamentals for much of the property market we remain largely risk averse, we are not generally seeking to exploit secondary quality property strategies nor are we seeking to undertake complicated asset improvement programmes, we believe it is incorrect to do so particularly on the simple relative basis that prime property is now seen to be expensive."

Though of course, a key factor for charities is that property is a long-term investment. Sarasin Partners in its *Compendium of Investment*, notes that commercial property has something of the character of equity investment and something of the fixed interest investment. Its equity investment is in the sense that tenants are often commercial enterprises whose ability to pay their rent depends on their profitability. The fixed interest is that

In association with

rents are static between reviews that may be years apart.

Property also has some inflation hedging characteristics if, as seems likely, the printing presses continue to operate under the governorship of Mark Carney.

The advent of REITs, it has been argued, may well change the property landscape, from one that has historically been illiquid asset, into a liquid tax-efficient asset. Currently investments in REITS offer income returns at the lower end of the 6 per cent plus range offered by commercial property common investment funds. Though the F&C REIT has recently issued its latest forecasts indicating above 8 per cent annual returns for each of the next 5 years.

Income return

Also important is that commercial property has a high proportion of total return from income return: as commercial property is fundamentally an income-driven asset class with the majority of long term performance generated by a high and stable income stream. F&C are still focused on the income side of commercial property which it feels will make up 90 per cent of returns over the period to end 2017. An increasing and steady improvement in returns is forecast over the medium-term – although F&C recognise that forecasts are never quite as smooth as actual returns.

Guy Glover, fund manager of the F&C UK Property Fund, believes that whilst capital values are recovering he sees 80 per cent of the future returns emanating from income: "It is clear from the long term that income provides the stable and reliable return. Portfolios should seek to deliver this in the first instance, whilst acquiring properties which have capital growth potential, by first and foremost having the ability to deliver capital growth from improving the income stream."

As part of a charity portfolio commercial property could be 10-15 per cent as the norm within a multi–asset class portfolio says Gwilliam but in some cases more than 20 per cent. Another option is to invest in common funds specifically set-up for charities that invest in commercial property and yield good returns of around 8 per cent. Another alternative is to invest in real-estate investment trusts, which, as has been suggested, can offer income returns at the lower end of that range.

Potential upside

"Charities should also invest in property in line with their overall approach to running the charity and its investment methodology," observes Glover. Glover also notes that investors looking for potential upside are focusing upon the relatively low level of the capital values of commercial property compared with the market peak and the high income yield. They are also considering the potential upside to capital values from a rerating of commercial property and are increasingly turning their attention to property now gilts, corporate bonds and equities have all seen significant repricing.

"Whilst recognising the relative position of capital values we are aware of the headwinds coming from sluggish performance of the UK economy and from abroad but are cautiously optimistic about their future direction," notes Glover.

James Thornton, fund director and chief investment officer at Mayfair Capital, adds: "Given the uncertainty created by Federal Reserve Chairman Ben Bernanke's comments about the impending end of QE, investors are growing apprehensive about the pricing of bonds. With growing confidence in the UK economy, commercial property is seen to be an increasingly attractive asset class for charity investors."

Commercial property therefore continues to justify its role in a diversified investment portfolio, and investment in a commercial property fund, given the highlighted yields is an area charity investors should be looking at, particularly given the current uncertainty and volatility across other asset classes.

Andrew Holt is editor of Charity Times

In association with

The right time

Harry de Ferry Foster analyses the approaches to investment in commercial property

AS A CHARITY you have decided that negative real interest rates aren't making best use of your cash; bonds are looking relatively expensive and the FTSE 100 is already up by over 12 per cent this year. So, what are the alternatives? Commercial property (retail, office, industrial and alternative uses such as leisure, hotels etc) is an attractive option considering the high level of total return delivered through income (70-80 per cent), the improving economic picture and the benefit of having a real asset should inflation pay an unexpected visit. But if you take the plunge, are there problem areas? Don't you keep reading about high street retailers failing every week?

What you need to be able to do is choose the right parts of the market to invest in or find someone who can find them for you. You will also want to understand how you go about accessing and investing in commercial property.

Where should one invest?

1. Bond Style Investments

Many pension funds are switching out of corporate and Government bonds which are very low yielding and now perceived to be expensive. The 10 year Gilt yield at 2.3 per cent is currently below inflation with RPI running at 3.2 per cent. In effect you are losing money in real terms. Index-

linked Gilts are yielding 0 per cent, so not much better.

It is possible however to access index-linked property investments at yields of 4 per cent plus (for example: a Sainsbury's supermarket with an unexpired lease term of 28 years with annual RPI increases, recently traded at a yield of 4.1 per cent — a 400 bps premium). Alternatively you can go slightly higher up the risk curve and acquire alternative assets such as a Premier Inn hotel. These can be acquired (with a guarantee from Whitbread) for yields of circa 6 per cent on the basis of a 20 year lease with rental increases based on the Consumer Price Index, compounded annually but payable every five years.

2. Industrial (manufacturing & distribution)

This sector remains high yielding (circa 7-10 per cent income yields depending on the length of lease and quality of asset) and investments can often be acquired at build cost, that is, 100 per cent of the value is tied up in the real estate rather than the lease.

The manufacturing sector has benefitted from the resurgence in the UK car industry over the last five years and the logistics sector has experienced strong occupier demand for space through the increased need for 'just in time' deliveries and the rise of internet retailing. There has also been a lack of new construction since 2007 as developers and banks have drawn in their horns; this, combined with low obsolescence and good occupier demand means limited empty space. Therefore this sector can provide a very high relative yield but with strong defensive qualities.

3. London

London continues to outperform the rest of the UK in economic terms and this is reflected in rising prices for real estate. Population growth is projected to continue to increase and the economic improvement is also being driven by regeneration (think Stratford, Kings Cross and Nine Elms) and infrastructure and spending (Crossrail).

Whilst UK investors have generally been priced out of the core area of Mayfair, there is still value to be had further afield in up and coming areas, such as Old Street/ Shoreditch, Clerkenwell, Southbank and Vauxhall, to name a few.

However, stock selection and pricing remain key to making an astute investment. An example of this would be a building acquired on Albemarle Street, Mayfair in 2006 for £1,000 per sq ft, which sold in 2011 for £2,000 per sq ft (100 per cent increase). Conversely another institution over the same time horizon acquired an office building in Milton Keynes for £12million and sold five years later for £2million – an 84 per cent fall in value. Hence the market as a whole can mask some huge discrepancies and is certainly not a "blanket buy". You need to be discerning.

How does an investor go about investing in real estate and accessing these specific sectors?

1. Invest Directly

Just like buying your own house, this has the benefit of owning the property outright and being in complete control. However, remember that direct property can be illiquid due to the long sales and marketing process compared with shares and bonds, plus you will also need to manage the building yourself and decide when is the best time to sell.

You would also need to decide whether you will be able to maximise performance by exploiting all the potential angles: refurbishment, redevelopment or change of use, and would you be prepared to suffer the fall in income whilst you do this or if a tenant went bust? This may depend on your charity's constitution – if you are a total return fund this may not matter, but if you are permanently endowed it may be more problematic. Generally owning directly tends to appeal to larger charities because they have the scale to be able to afford a large diversified portfolio of multiple buildings let to multiple occupiers. This means they are insulated in the event of, say a tenant default on an individual property.

2. Separate Account

Again, very similar to owning property directly – the main difference being that an existing portfolio or sum of money is placed with a trusted professional advisor who builds up, or manages, an existing portfolio on your behalf. This has the benefit of delegating decisions to the advisor who can then be judged on the strength of their performance.

This should provide you with a better service than merely using different advisors on an ad hoc basis as they will dedicate a team to your portfolio. Should you be unhappy with the service provided, you will have the ability to put the mandate out to tender after a pre-agreed period.

3. Property Shares

An obvious way of accessing the commercial property market is to invest in the shares of FTSE listed property companies or REIT's — such as British Land, Land Securities and Hammerson. However these shares generally function in line with the stock market and tend to be low yielding. REIT's also pay stamp duty so this is not a tax efficient way for a charity to access the commercial market. Their major benefit however, is that they are liquid which overcomes one of the main issues of direct ownership.

4. Pooled Funds

These are funds that are set up with the aim of "pooling" together multiple investors to gain economies of scale and increased purchasing power. They allow access to a much larger and diversified pool of assets than you would be able to afford individually and to professional management. The best known example in the charity sector is the Charities Property Fund (CPF).

CPF was the first fund set up specifically for charities and is a Common Investment Fund. The Fund itself is a registered charity and is tax exempt, the main benefit being exemption from paying stamp duty (which is normally levied at 4 per cent on most commercial transactions), but there is no withholding tax payable either. The Fund is the largest charity specific fund owning almost £550million of commercial real estate, and is focused on the sectors which we believe have the best chance of outperforming the market. These include: London, industrial/distribution, supermarkets, index-linked assets.

In addition, CPF benefits from having an excellent regional diversification with 76 individual assets located across the UK and over 200 tenants (meaning no individual tenant failure would adversely affect the dividend). The Fund also benefits from having 21 per cent of its income secured on leases with fixed rental increases, meaning you are guaranteed some growth in income in the future. The average unexpired lease term remaining is 9.6 years and the quality of tenants is very good. Over 80 per cent of occupiers are considered to have a negligible risk of failure (compared to the average portfolio of about 70 per cent).

The Fund is currently yielding 6 per cent per annum (net of all fees). Performance is also excellent having achieved 2.3 per cent for the second quarter of 2013 and is also good over the longer term — it is the second highest performing balanced fund in the IPD Pooled Property Funds Index over three years and is the best performing balanced fund over 5 years. This is a considerable achievement bearing in mind it has grown from £190million to almost £550million (over 150 per cent) since 2009.

Liquidity has always been a criticism of pooled funds and certainly many pooled funds were shut for a period at the end of 2007 when the credit crunch hit. CPF was not immune to this and put a delay on redemptions in December 2007 in order to sell property and return equity to unit holders. However, this was executed swiftly and all redemptions were cleared within the 12 month delay period allowed for under the scheme with half of the redemptions returned within 6 months — ahead of schedule. Therefore, in its 12 year history CPF has only delayed redemptions on one single quarter, exhibiting a high degree of liquidity. Ironically CPF has actually had to turn new money away on three separate occasions due to investor demand – meaning it is probably harder to get into CPF than out, which is often the case with a strong performing fund.

Harry de Ferry Foster is director of investment at Cordea Savills

Social engineering

David Cameron has described social investment as "a great force for social change" and has boosted the market with some significant changes. But while it offers much to the sector, there are some stumbling blocks ahead, says Joe Lepper

DELEGATES AT the first G8 conference on social impact investing in June were left in no doubt about Prime Minister David Cameron's desire to see rapid growth in the UK and global social investment market.

In hailing social investment as "a great force for social change on the planet" he announced a package of measures aimed at boosting growth and providing a call to action for other world leaders.

A £50m Community Assets Fund, to provide grants and loans to help support local community projects has been pledged. This will be launched next year by the Big Lottery Fund and Big Society Capital, the social investment bank set up by the government.

A consultation on social investment tax relief, which the government estimates could generate an extra half a billion pounds in social investments over the next five years, has also started. In addition the world's first, online Social Stock Exchange was announced.

Investors are also enthusiastic, with around 80 companies and organisations including Deutsche Bank, Morgan Stanley, Credit Suisse and Goldman Sachs signing an open letter congratulating the PM after his speech and signalling their commitment to growing the social investment market.

Lost in translation

But according to a Big Lottery Fund, Big Society Capital, City of London Corporation and government commissioned report published in July called *Growing the Social Investment Market: The Landscape and Economic Impact,* much of this enthusiasm has yet to translate into action.

Those social investment and finance intermediaries surveyed for the report said they were only able to meet half of the demand for finance made by social ventures.

Katy Hill, social investment advisor to the City of London Corporation, says there is still unease among investors due to a perception of high risk in financing this relatively new form of investment. "The concept is still relatively new and untested: and if it is something that is unknown, then the perception is there is a higher risk."

However, *Growing the Social Investment Market: The Landscape and Economic Impact*, does note that at least some progress has been made. This found that the UK social investment market grew by around a quarter to total £202m in 2011/12. This involved around 765 deals, which helped fund 340 social ventures, create 6,870 full time equivalent jobs and contributed £58m to the UK economy.

Another report, published in June this year by the Charities Aid Foundation and called *Unlocking the Power of Creative Capitalism Through Social Investment*, also laments the lack of rapid growth in social investment and continuing uncertainty among investors.

Regulatory restriction

A lack of clarity around social investment regulation is a key barrier, says this report. While currently some social investment deals fall under the remit of the Charity Commission, others fall under the remit of the Financial Conduct Authority.

Hill says: "The problem is there isn't a great regulatory structure for social investment's mixed motive of making money and getting a social return. At the moment in the regulatory environment you either give to a charity or you make money."

Casey Lord, acting head of Charities Aid Foundation's social investment fund Venturesome, adds: "A lack of regulation erodes confidence among corporate investors as they can't see it currently as a market that is being regulated."

Both Lord and Hill disagree with creating a separate social investment regulator and instead believe a specialist framework can be developed within the existing regulatory system.

This lack of specific regulation also means investors are left confused "as to what social investment actually looks like" says Lord, who adds: "There is a real need for a clear, practical definition."

Giving investors recent examples of successful social investment deals is key to this. Work is already underway to provide this through a charity and social enterprise focused investment index, called Engaged X. This is currently in development and is

set to launch as a pilot this year.

Those supporting it include the City of London Corporation, social investment specialist fund manager Social Investment Business and minister for civil society Nick Hurd.

This has the potential to have an edge over the Social Stock Exchange, which focuses on social ventures by publicly listed companies. The proposed social investment tax relief is another measure that has the potential to dramatically increase the number of deals.

Lord describes it as a "huge opportunity" but warns that if the tax breaks involved are too attractive "it could trump Gift Aid." She adds: "What I don't want to see is it cannibalise donations in the sector."

Charity collaboration

Another barrier to rapid growth of social investment is a lack of understanding between charities and investors of each other's culture, says Hill. She calls for greater collaboration between the financial and charity sectors to break through their jargon and better understand how they can help each other. She says: "Simpler language needs to be used. There needs to be greater recognition of the different cultures. There is a real gap as charities are driven by their mission and City investors are accustomed to dealing solely with financial return."

But while such measures may help boost investor confidence, NCVO head of policy and research Charlotte Ravenscroft, says more needs to be done to improve charity confidence in social investment. She says: "With proposals around tax relief we have seen a good amount of action to boost the supply-side but what about the demand side? There is a real need to make social investment more accessible for charities and encourage them to get involved."

She wants to see interest repayments come down and for a greater use of "template funds" which are cheaper for charities and their financial intermediaries to set up. At the moment securing investment to tender for large public sector delivery contracts is still seen as too much of a gamble for many charities, she adds.

Sector support

The government has acknowledged that charities need encouragement to seek social investment. Among support it offers is the £10m Investment and Contract Readiness Fund, which hands out grants to charities and social enterprises for legal and consultancy costs involved in raising social investment.

But Ravenscroft adds: "We would like to see that support made available at an even earlier stage so that there is help for a wider range of organisations to better understand social investment and help them decide whether it is something for them to pursue."

Dan Hird, head of corporate finance at ethical bank Triodos, says the Investment and Contract Readiness Fund is already helping the bank's charity and social enterprise clients to access social investment. "We've five deals where the client has successfully got that fund. This means that cost of preparing themselves for social investment is not a prohibitive factor for them." Hird is still concerned that a number of myths remain about social investment, but believes that greater promotion of successful deals will help allay these. Such promotion would also help to show the tangible results of the

concept of social investment, showing how it is transforming lives of vulnerable people as well as delivering a financial return. "Charities are up for getting involved in social investment. They are looking at the few examples there are in the market with great interest but want to see more. The media wants examples as well."

Sector deals

Hird says what the sector needs is more high profile deals in the next year or so to promote. "The private sector and charities sees social investment talked about but they don't know what it really is without those examples. Without them this means that misconceptions, that it is risky or returns are poor, are allowed to develop."

Among the few, recent examples of social investment is a partnership launched earlier this year between Triodos and Mencap subsidiary Golden Lane Housing to raise money to build homes for people with learning difficulties through a charity bond.

This successfully reached its target of £10m and was oversubscribed, says Hird. Factors in this interest from investors included its fixed yield of four per cent over five years, which allayed fears about risk or poor returns. Another was that the social benefit, of providing housing to vulnerable people, was something that was easy for investors to understand.

Hird says: "Also the charity has a strong track record of buying property, which further generated confidence among investors. As a result we got a lot of mainstream investors interested who may not have even known what social investment was before."

Another example of a successful social investment deal this year was a £800,000 deal between Nottingham Building Society and Framework, which provides housing for homeless and vulnerable people. Through the deal the building society has lent Framework £800,000 towards completing a £1.1m project to build move on flats in Lincoln and Swadlincote, Derbyshire, that will help homeless people live independently.

The cost of the loan is kept low as it is being offset by savers' investing in a special Framework savings account, where the lower the interest rate paid on their savings bond, the cheaper the loan to Framework will be. The building society has also waived its administrative and lending fees on the loan, to further bring the cost down for Framework.

Investment results

Framework chief executive Andrew Redfern, explains that the charity looked to social investment after being turned down for grant funding from the government two years ago. "We knew we had to look at other sources of funding when that happened. We started a relationship with the Nottingham as they chose us as their charity of the year. When we had the idea to set up a philanthropic investment we talked to them and they were interested." He estimates that over the lifetime of the loan Framework will save around £350,000 in interest repayments.

The hope is that the move will give other investors greater confidence in investing in the charity. Already the Esmée Fairbairn Foundation has invested £500,000 in Framework as part of what Redfern hopes will amount to around £10m worth of social investment for the charity over the coming years.

Of the new flats, six in Lincoln are set to be completed in November. Redfern hopes this will be a crucial event for national promotion of social investment, as "it will clearly demonstrate that there are real people being helped by this form of investment."

But while social investment is proving crucial to the work of Framework, it is not suitable for all charities, warns Hill. "One of the myths is that it is the panacea of everything. But many organisation will never be able to access social investment, they may not have sufficient assets or a regular revenue stream so will still need to be looking for other revenue streams," she says.

She does, however, back Cameron's assertion that successfully expanding the social investment could have dramatic long-term consequences for society. "If this works out this could end up shaping the way all businesses operate in the future, so that they are all looking to embed social benefit into their business," she adds.

Joe Lepper is a freelance journalist

The returns on investment

Andrew Holt looks at the top investment returning charities and how this compares to the latest charity investment data

Westway Development Trust showed an impressive 14.2 per cent return on investment in our table looking at charity returns on investment. The trust works in a population of 179,000 in the Royal Borough of Kensington and Chelsea; the most densely populated borough in the UK. Extremes of wealth and poverty exist side-by sid- in this cosmopolitan, multi-ethnic and multi-faith borough in which residents can trace their origins to all parts of the globe and over 100 different first languages are spoken. In RBKC's schools, 70 per cent of pupils are from ethnic minorities.

Over the years much of the 23 acres of land occupied by the Westway Development Trust has been developed, providing a wide range of community facilities and a commercial property portfolio that funds charitable activities. This has enabled the trust to be in an enviable position and become financially self-sufficient for its core costs and to grow and support many different projects, services and opportunities for local people.

It allows the trust to target and subsidise the areas of greatest need in the borough and, through its sports and leisure facilities, to serve neighbouring boroughs as well. As an independent charity and a development trust, is endeavours to fill gaps in provision and seek innovative solutions to local problems. With an income of £7.3million, it shows what can be achieved with effective investment approach.

This is in the context of UK charity returns showing excellent returns for the first six months of 2013, delivering as much as 8.3 per cent for the half-year to June 30, and 17.6 per cent over the 12 months to the same date, according to ARC Charity Indices, compiled by Asset Risk Consultants. This was achieved in spite of negative returns for the second quarter of the year. As has happened in previous reporting periods, gain increased with the amount of risk in the portfolio.

The ARC Cautious Charity index returned 7.4 per cent for the 12 months to June 30, while the ARC Balanced Asset Charity index returned 12 per cent. ARC Steady Growth gained 15 per cent, but the biggest returns came from ARC Equity Risk, which posted 17.6 per cent.

The figures are in sharp contrast to the previous 12 months, when returns for the same four indices were 2.9 per cent, 0.23per cent, -1.0% per cent and -3.1 per cent, respectively.

Once again, the charity indices have outperformed the company's private client indices because of the differing requirements of the segments.

The indices are calculated from the performance of around 1,500 segregated charity portfolios run by 30 asset managers.

Portfolios are denominated in sterling, with the vast majority run on behalf of charities based in the UK.

Charities ranked by return on investments (1 – 75)

Rank	Name	year end	return on investments	investment income	investment assets	return on inv last year
1	**Westway Development Trust**	Mar-11	14.4%	£2.44m	£13.4m	14.2%
2	**ACT Foundation**	Mar-11	13.1%	£15.1m	£109m	15.5%
3	**National Assoc of Almshouses Common Investment Fund**	Nov-10	12.0%	£12.9m	£108m	12.6%
4	**BBC Children in Need Appeal**	Sep-11	12.0%	£1.87m	£14.7m	9.11%
5	**CAF UK Equitrack Fund**	Apr-11	11.5%	£27.4m	£236m	29.3%
6	**Greenham Common Community Trust**	Mar-10	9.20%	£3.96m	£40.1m	9.69%
7	**Exilarch's Foundation**	Dec-10	9.10%	£5.81m	£63.4m	8.51%
8	**Shlomo Memorial Fund**	Sep-11	8.97%	£6.91m	£73.7m	9.95%
9	**Entindale Limited**	Jun-10	8.92%	£1.10m	£12.2m	12.0%
10	**Chevras Tsedokoh Limited**	Sep-11	8.69%	£3.95m	£45.3m	8.73%
11	**Millennium Point Trust**	Mar-11	8.41%	£4.26m	£45.5m	10.1%

Charities ranked by return on investments (1 – 75)

Rank	Name	year end	return on investments	investment income	investment assets	return on inv last year
12	**4 Charity Foundation**	Mar-11	8.28%	£7.05m	£85.0m	8.07%
13	**Fair Share Trust**	Mar-10	8.06%	£1.58m	£16.9m	7.23%
14	**Lonia Limited**	Mar-11	8.04%	£2.02m	£20.6m	6.22%
15	**Charities Property Fund**	Jun-11	7.95%	£33.5m	£394m	14.1%
16	**SF Foundation**	Jan-10	7.89%	£3.19m	£39.6m	9.72%
17	**Rontades Limited**	Jun-11	7.87%	£1.76m	£20.6m	8.63%
18	**Borrow Foundation**	Mar-10	7.70%	£1.29m	£16.3m	9.79%
19	**Alliance House Foundation**	Mar-11	7.61%	£0.76m	£9.08m	7.32%
20	**Eden Trust**	Mar-10	7.58%	£3.33m	£42.4m	8.28%
21	**Talbot Village Estate Trust**	Dec-11	7.56%	£1.83m	£23.1m	6.93%
22	**Hertford British Hospital Corporation, Paris**	Dec-10	7.44%	£2.40m	£32.0m	8.02%
23	**Rugby School**	Jul-10	7.38%	£4.07m	£53.7m	9.34%
24	**Multi-Strategy Property Trust for Charities**	Dec-11	7.36%	£2.39m	£30.1m	5.83%
25	**Archie Sherman Charitable Trust**	Apr-11	7.12%	£1.49m	£20.4m	5.74%
26	**Above and Beyond**	Mar-11	7.06%	£1.00m	£11.8m	7.35%
27	**NGT Foundation**	Mar-10	6.95%	£2.39m	£33.5m	8.11%
28	**Marshall's Charity**	Dec-11	6.89%	£1.13m	£15.4m	7.34%
29	**Benesco Charity Limited**	Apr-10	6.85%	£9.01m	£128m	7.03%
30	**Whitgift Foundation**	Aug-11	6.79%	£11.3m	£164m	6.59%
31	**Wolfson Family Charitable Trust**	Mar-10	6.77%	£1.20m	£17.7m	4.60%
32	**Liverpool Diocesan Board of Finance**	Dec-10	6.70%	£0.57m	£8.17m	6.50%
33	**Community Foundation Network**	Mar-10	6.67%	£1.58m	£16.9m	7.18%
34	**Chalfords Limited**	Dec-10	6.47%	£2.21m	£24.9m	8.59%
35	**Guild Estate Endowment**	Dec-10	6.45%	£2.24m	£33.8m	6.59%
36	**Ormiston Trust**	Aug-10	6.40%	£1.92m	£20.0m	6.23%
37	**Eranda Foundation**	Apr-10	6.39%	£5.30m	£72.5m	4.61%
38	**Stewardship Services (UKET)**	Sep-11	6.36%	£2.28m	£32.2m	7.58%
39	**Honourable Artillery Company**	Oct-10	6.25%	£1.49m	£21.2m	5.43%
40	**College Estate Endowment**	Dec-10	6.22%	£0.87m	£13.1m	6.11%
41	**Gosling Foundation Limited**	Mar-10	6.17%	£4.90m	£78.2m	6.16%
42	**St Martin's Trust**	Dec-11	6.15%	£0.68m	£10.8m	6.14%
43	**Nene Park Trust**	Jan-12	6.14%	£1.21m	£19.6m	5.90%
44	**Royal British Legion**	Sep-11	6.10%	£14.9m	£196m	2.14%
45	**Northampton Roman Catholic Diocesan Trust**	Mar-11	6.09%	£0.66m	£7.82m	6.15%
46	**Sheffield City Trust**	Apr-11	6.07%	£8.77m	£140m	6.09%
47	**Bridge Estate**	Mar-10	6.06%	£1.82m	£29.6m	7.13%
48	**Mr and Mrs J A Pye's Charitable Settlement**	Dec-10	6.05%	£0.61m	£9.60m	6.04%
49	**Stratford-Upon-Avon Town Trust**	Dec-10	5.96%	£3.12m	£49.6m	6.11%
50	**Hull Trinity House Charity**	Sep-11	5.96%	£2.03m	£31.8m	6.42%
51	**Schools of King Edward VI in Birmingham**	Aug-10	5.94%	£6.94m	£105m	5.90%
52	**Charibond Charities Fixed Int Common Inv Fund**	Oct-11	5.90%	£11.8m	£201m	5.16%
53	**Goodenough College**	Mar-11	5.89%	£1.29m	£21.9m	5.58%
54	**Charity of Richard Cloudesley**	Jun-10	5.81%	£0.94m	£12.6m	7.32%
55	**Church of Scotland Investors Trust**	Dec-11	5.80%	£12.5m	£212m	5.08%
56	**King Henry VIII Endowed Trust, Warwick**	Dec-10	5.75%	£1.49m	£25.1m	6.02%
57	**Burghley House Preservation Trust Limited**	Jan-12	5.71%	£2.61m	£44.9m	6.36%
58	**Diocese of Southwark**	Dec-10	5.68%	£1.86m	£27.2m	7.47%
59	**Pennington Mellor Munthe Charity Trust**	Apr-11	5.63%	£0.43m	£7.64m	5.57%
60	**Hampstead Wells and Campden Trust**	Sep-10	5.61%	£0.89m	£15.4m	4.86%
61	**Park Charitable Trust**	Mar-10	5.60%	£0.63m	£11.3m	9.98%
62	**Thompson Family Charitable Trust**	Jan-10	5.59%	£4.18m	£74.7m	7.72%
63	**United Reformed Church (Wessex) Trust Limited**	Dec-10	5.59%	£0.96m	£14.5m	6.18%
64	**Fowler Smith & Jones Trust**	Sep-11	5.58%	£0.52m	£8.93m	6.03%
65	**Barnardo's**	Mar-11	5.58%	£4.01m	£61.8m	4.36%
66	**London Diocesan Fund**	Dec-11	5.55%	£6.50m	£103m	4.80%
67	**Catholic Apostolic Church**	Mar-12	5.52%	£0.68m	£11.8m	5.43%
68	**English Speaking Union of the Commonwealth**	Apr-11	5.46%	£1.16m	£20.6m	5.00%
69	**Simon Heller Charitable Settlement**	Apr-11	5.45%	£0.40m	£7.32m	5.34%
70	**Edward James Foundation Limited**	Sep-10	5.44%	£2.12m	£37.5m	6.45%
71	**Box Moor Trust**	Sep-11	5.41%	£0.74m	£12.0m	5.29%
72	**Norman Family Charitable Trust**	Mar-12	5.36%	£0.43m	£7.49m	4.68%
73	**Richmond Parish Lands Charity**	Jun-11	5.36%	£1.57m	£28.7m	5.66%
74	**Hurdale Charity Limited**	Mar-10	5.36%	£1.02m	£14.8m	6.15%
75	**Christian Vision**	Dec-10	5.36%	£9.72m	£159m	5.44%

SUPPLIERS DIRECTORY

To advertise in the Charity Times Suppliers Directory contact **Cerys Brafield 07766 662 610** or **Steve Good 020 7562 2435**

ASSOCIATIONS

ACEVO

1 New Oxford Street
London
WC1A 1NU

T: +44 (0) 20 7280 4960
F: +44 (0) 20 7280 4989
E: info@acevo.org.uk

The Association of Chief Executives of Voluntary Organisations (ACEVO) supports members by providing access to:

- Third sector leadership and governance resources to support boards and senior management teams
- Information, publications and reports on key third sector issues
- Conferences, courses and networking opportunities to enhance skills and build knowledge
- Dedicated helplines and support services such as CEO in Crisis - a service for third sector CEOs facing disputes with their board.

ACEVO also acts on behalf of members; connecting members to key contacts in government.

Charity Finance Group

CAN Mezzanine
49-51 East Road
London N1 6AH

T: 0845 345 3192
F: 0845 345 3193

Company Registration No. 3182826

Charity Registration No. 1054914

The Charity Finance Group (CFG) is the charity that champions best practice in finance management in the charity and voluntary sector. Our vision is a transparent and efficiently managed charity sector that engenders public confidence and trust. With this aim in sight, CFG delivers services to its charity members and the sector at large which enable those with financial responsibility in the charity sector to develop and adopt best practice. With more than 1700 members, managing over £21.75 billion, (which represents around half of the sector's income) we are uniquely placed to challenge regulation which threatens the effective use of charity funds, drive efficiency and help charities to make the most out of their money.

For more information, please see **www.cfg.org.uk**

ACCOUNTANTS AND AUDITORS

Wilkins Kennedy LLP
Chartered Accountants & Business Advisers

John Howard
T: 020 7403 1877
E: john.howard@wilkinskennedy.com

Michelle Wilkes
T: 01689 827 505
E: michelle.wilkes@wilkinskennedy.com

Wilkins Kennedy deliver personal service and provide proactive and practical advice to help charities achieve their objectives, improve profitability and overcome obstacles.

Our dedicated Not for Profit group consists of a multidisciplinary team of experts with first hand knowledge of and experience in the voluntary sector.

We understand the specific needs and ambitions of our not for profit clients and adapt our services to suit each client's circumstances.

For more information on our services please visit our website **www.wilkinskennedy.com**

CHARITY MARKETING

graffiti media group

The Barn
Bury Road, Thetford
East Anglia
IP31 1HG

T: 01842 760075
F: 01842 339501

E: bestdata@gmgroup.uk.com
W: gmgroup.uk.com

the modern art of no fuss, donor acquisition
lead generation | data | media | creativePR

Specialising in the charity sector, we offer a portfolio of products and services to help charities maximise a return from their investment in donor acquisition marketing and call centre services.

- **data procurement and planning**
- **charity specific telephone lead generation**
- **customer and campaign management**
- **media buying**
- **call centre services**

A team of the industry's best planners and strategists with open, honest, ethics and knowledgeable market expertise. Together we'll build robust, consistent response rates.

CONFERENCE

Southport Conferences

Tourism Department
Southport Town Hall
Lord Street
Southport
PR8 1DA

T: 0151 934 2436
E: info@southportconferences.com
W: www.southportconferences.com

After the conference, Rex decided to stay & holiday for a while.

- Fantastic range of venues for 6 to 1600 delegates
- £40m investment in flagship convention centre
- Accessible, coastal location
- Superb quality and value without compromise

Call Sammi or Tonia on 0151 934 2436

To advertise in the Charity Times Suppliers Directory contact **Cerys Brafield 07766 662 610** or **Steve Good 020 7562 2435**

FUNDRAISING SOFTWARE

Advanced Business Solutions

ASR House, Arden Grove,
Harpenden, Hertfordshire,
AL5 4SJ

T: 01582 714 810
E: nfp@advancedcomputersoftware.com
W: www.advancedcomputersoftware.com/abs/charities.php

Advanced Business Solutions develops and delivers award winning software solutions to the Not-For-Profit sector. Our integrated solutions can be deployed in-house or as a cloud-based application providing end to end coverage of the back office and operational functions

With over 1000 NFP customers, we have the knowledge, track record and service capability to help you implement and support a new system, ensuring excellent user satisfaction as well as a quick Return On Investment.

Our solutions cover the complete spectrum of NFP requirements including:

Finance, HR & Payroll, CRM, Fundraising, Donor Management, Sector Specific Reporting, Document Management, Cloud Application Delivery & IT Outsourcing

---

ASI Europe

2 Station Court
Imperial Wharf
London
SW6 2PY

T: +44 (0) 20 3267 0067
E: sales@asieurope.eu
W: www.asieurope.eu

Europe's no.1 specialist software provider for the fundraising community

Advanced Solutions International (ASI) is the largest, privately-owned global provider of web-based software for not-for-profits, and has served nearly 3000 clients and millions of users worldwide since 1991.

ASI Europe offers solutions for mid-sized to larger charities and fundraising organisations.

iMIS 20 is an Engagement Management System (EMS)™ that enables your organisation to engage members, donors, and other constituents anytime, anywhere, from any device. It includes member/donor management, member self-service, online fundraising, social engagement, private communities, mobile access, and website management in one seamless system. ***iMIS 20*** eliminates costly integration efforts, gathers better member/donor intelligence, and helps you make smarter business decisions.

INSURANCE

Ecclesiastical Insurance Office

Beaufort House
Brunswick Road
Gloucester GL1 1JZ

Visit our website or talk to your broker to find out more.

T: 0845 850 0307
E: information@ecclesiastical.com
W: www.ecclesiastical.com

At Ecclesiastical, we've been insuring not for profit organisations for 125 years. Today, we insure thousands of the nation's charities of all sizes and complexities.

Voted best charity insurer* for the last five years running by both charities and brokers, we've worked closely with both to develop a flexible, specialist product that meets the varying needs of different types of charities.

We also offer charity-specific risk management guides and, in many cases, a free buildings insurance valuation‡.

Speak to your broker for more information or visit www.ecclesiastical.com/charity

* In research conducted by FWD, an independent market research company, of those brokers and organisations who named an insurer in the survey, the majority voted Ecclesiastical as the best insurer for charity

---

Markel (UK) Limited

Riverside West
Whitehall Road
Leeds LS1 4AW

T: 0845 351 2600
E: socialwelfare@markeluk.com
W: www.markeluk.com/socialwelfare

We protect those who help others.

We offer three types of insurance policy for charities, not for profit organisations and care providers:

- **Social welfare insurance:** a comprehensive policy which can cover the vast majority of liabilities you face, including abuse and volunteers.
- **Not-for-profit management liability insurance:** a policy which protects directors, officers and trustees against alleged wrongful acts.
- **Community groups insurance:** a specific policy designed for smaller organisations.

Policy benefits include care and health consultancy, employer helpline and PR crisis management.

Social Welfare insurance from Markel. Ask your broker.

Stackhouse Poland Limited

New House
Bedford Road
Guildford
GU1 4SJ

T: 01483 407 440
F: 01483 407 441
W: www.stackhouse.co.uk

Stackhouse Poland look after 400 charities and "not for profit" organisations in the UK.

Our specialist team arrange a broad range of insurance programmes for our charity clients, including property and liability as well as motor, charity trustee cover and travel policies for aid workers, etc.

The Company also arranges insurance for a large number of corporate clients and has a specialist private client division advising affluent and High Net Worth clients on their personal insurance needs.

Contact us for a free DVD outlining our services to the Charity sector and to discuss our 10 point Charity checklist for insurance.

Finalist Commercial Broker of the Year 2013
Finalist Private Client Broker of the Year 2013
Nominated for Insurance Broker of the Year 2013
Independent Regional Broker of the Year 2007

To advertise in the Charity Times Suppliers Directory contact **Cerys Brafield 07766 662 610** or **Steve Good 020 7562 2435**

INSURANCE

Unity Insurance Services

Lancing Business Park
Lancing
West Sussex
BN15 8UG

T: 0845 0945 702
F: 01903 751044
E: info@unityinsuranceservices.co.uk
W: www.unityinsuranceservices.co.uk

Insurance for charities with 100% of our profits returned to charity.

As a charity owned insurance broker, Unity Insurance Services has a unique insight into your sector. For over 80 years, we have been protecting the people, property, liabilities and activities of charities.

We view each charity as unique so we always aim to provide solutions that fit your exacting needs. That's why we will spend the time to understand in detail your activities and risks to obtain the best possible cover at the best possible price.

Visit our website or telephone to us to find out more.

Zurich Insurance plc

Zurich House
2 Gladiator Way
Farnborough
Hampshire
GU14 6GB

T: 07730 735394
W: zurich.co.uk/insight

Insight cover – Specialist charity insurance made simple

Zurich works with over 10,000 charitable and voluntary organisations to provide insurance and risk management services. We have dedicated teams who work with charities to understand their needs and provide the appropriate cover, guidance and support. We collaborate with a number of organisations, including NAVCA, ACEVO and CTN.

The Zurich UK business also support an annual £1.9 million grant programme to The Zurich Community Trust (UK) Limited and around 35% of the Zurich UK workforce share their skills with the community each year.

Our Insight insurance cover includes:

- Property 'All Risks'
- Business Interruption
- Trustee Indemnity
- Employer's Liability
- Public & Products Liability
- Professional Indemnity
- Money
- Personal Accident
- Employee Dishonesty

Visit **zurich.co.uk/insight or call us** for more information on how we can help your organisation.

INVESTMENT MANAGEMENT

Baring Asset Management Limited

155 Bishopsgate
London
EC2M 3XY

Contact: Catherine Booth

T: 020 7214 1807
E: catherine.booth@barings.com

We have been providing investment management services to the charitable sector since 1926, and were one of the first investment managers to establish our own charities team in 1968, a team that now manages over £895 million on behalf of charities around the world[1].

We work in partnership with charities that operate in diverse sectors, whether you are a national institution or a charity with more local aims.

Our Targeted Return approach is designed to balance risk and return. We focus our global perspective, experience and expertise with the aim of successfully meeting our clients' investment management needs.

We would welcome the opportunity to speak to you should you be reviewing your existing investment arrangements or merely want to hear a different point of view.

Issued by Baring Asset Management Limited (Authorised and regulated by the Financial Conduct Authority).
[1]As at 30/06/13.

Charities Aid Foundation

25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA

For further information, please contact our investments team on:

T: 03000 123 444
E: managingmoney@cafonline.org
Or visit www.cafonline.org/investments

Investments designed with charities in mind

As a charity, CAF understands the challenges you face when it comes to investments. Managed by our third party provider, the CAF Managed Portfolio Service places your capacity for risk at the heart of each solution. It provides:

- Returns based on capacity for risk.
- Asset allocation advice and ongoing portfolio management.
- Solutions using a combination of funds from some of the largest investment houses.

Alternatively, the CAF Direct Investment Service allows you to select from a range of investment funds specifically designed for not for profit organisations.

Issued by CAF Financial Solutions Limited (CFSL), 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4TA; company registration number 2771873 (England and Wales). CFSL is authorised and regulated by the Financial Conduct Authority (FRN 189450). CFSL is a subsidiary of the Charities Aid Foundation (registered charity number 268369). Telephone calls may be monitored/recorded for security/training purposes and by calling you give your consent to this.

Cazenove Capital Management

12 Moorgate
London EC2R 6DA

For more information, please contact

Edward Harley or John Gordon

T: +44 (0) 203 479 0102
E: edward.harley@cazenovecapital.com
john.gordon@cazenovecapital.com
W: www.cazenovecapital.com/charities

Cazenove Capital Management is one of the UK's leading charity fund managers, providing specialist investment management and high quality investment advice. We have been investing assets on behalf of clients for over 80 years.

Specifically for charities, we offer an investment approach centred on our excellence in UK equities and fixed interest. This is supported by a strong multi-manager team, providing diversification and access to other asset classes.

We can invest across all areas and can act as a trusted impartial adviser on a range of issues such as strategic asset allocation and socially responsible investment.

We offer both pooled and segregated portfolios.

Cazenove Capital Management Limited is authorised and regulated by the Financial Conduct Authority.

INVESTMENT MANAGEMENT

CERNO CAPITAL

Cerno Capital Partners LLP

34 Sackville Street, St James's
London W1S 3ED

For more information, please contact
Mustafa Abbas, Nick Hornby,
James Spence

T: 0207 382 4112
E: charities@cernocapital.com
W: www.cernocapital.com

Cerno Capital works closely with charities, helping them organise and manage their investment portfolios.

It is our view that the only way to obtain a reliable investment return is to identify the prevailing macro-economic themes and then follow a robust methodology for selecting investments. We take a real world approach to risk, concentrating on the risks of losing money and not just the measurement of volatility.

We invest globally, across multiple asset classes and take a long term outlook to wealth preservation and growth.

We act as both discretionary managers and advisors to charities.

C. Hoare & Co.
PRIVATE BANKERS SINCE 1672

C. Hoare & Co.

37 Fleet Street
London
EC4P 4DQ

Simon Barker,
Head of Charities
T: 020 7353 4522
E: simon.barker@hoaresbank.co.uk
W: www.hoaresbank.co.uk

Independence, Stability and Integrity

We offer charities a full bespoke service across investment management, banking, lending and cash administration.

- Fully independent with no in-house funds or products
- Stable family ownership for over 340 years
- Strong risk-adjusted performance
- Simple fee structure
- Award-winning service
- Longstanding connection with the charity sector
- Values supported by philanthropic family

J O HAMBRO INVESTMENT MANAGEMENT

2012 charitytimes Awards
Recognising leadership and professionalism
Winner

J O Hambro Investment Management

21 St. James's Square
London
SW1Y 4HB

For further information, please contact
Francesca McSloy

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

Award Winning Boutique Approach

JOHIM's charity business provides trustees with a service that combines accountability with personal attention to detail. All charity portfolios, whatever their size, are managed on a segregated basis and investment goals are agreed to meet individual requirements. We do not run a single charity vehicle or model portfolios as this inflexible approach to investment management is the antithesis of our culture.

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

J.P.Morgan

J.P. Morgan

1 Knightsbridge
London, SW1X 7LX

For more information please contact:
Tom Rutherford, Head of UK Charities
T: 020 7742 2819
E: tom.rutherford@jpmorgan.com
W: www.jpmorgan.co.uk/institutional/charities

Strength, Scope & Commitment

J.P. Morgan is dedicated to helping charities address their investment and financial needs. Drawing on our global resources and 50 years experience in the sector we offer services specific to each Charity's needs.

Acting as both discretionary managers and advisors we work with charities to:
- Tailor investment policy statements and strategies
- Manage a range of portfolios across asset types based on capacity for risk
- Strengthen board governance guidelines

Our Charity team is one of the leading providers to the sector managing assets in excess of £1.4 billion for around 300 non-profit organisations in the UK.

JUPITER

Jupiter Asset Management Limited

1 Grosvenor Place
London SW1X 7JJ

For more information contact: Melanie Wotherspoon Jupiter Private Clients & Charities Business Development Director

T: 020 7314 5574
E: mwotherspoon@jupitergroup.co.uk
W: www.jupiteronline.com

Jupiter Private Clients & Charities has been managing assets for over 25 years. At the heart of our ethos is delivering long-term outperformance for our charity clients, without exposing them to undue risk. Our clients include large national charities and small local charities in a wide range of sectors. Charities use our services in order to achieve the aims of their organisation. Through close relationships we seek to fully understand those aims and objectives and use our investment expertise to help realise them. Our dedicated team of professional investment managers look after a limited number of clients, ensuring that we offer and maintain an excellent standard of service.

Jupiter Asset Management (JAM) 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.

INVESTMENT MANAGEMENT

QUILTER CHEVIOT
INVESTMENT MANAGEMENT

charitytimes Awards 2011 Recognising leadership and professionalism Winner

Quilter Cheviot

Contact: Nadine Dixon or Nicola Tuthill
t: +44 (0) 20 7662 6322
e: nadine.dixon@quiltercheviot.com
t: +44 (0) 20 7662 6562
e: nicola.tuthill@quiltercheviot.com

Website: www.quiltercheviot.com

Quilter Cheviot Limited is registered in England with number 01923571, registered office at St Helen's, 1 Undershaft, London EC3A 8BB. Quilter Cheviot Limited is a member of the London Stock Exchange and authorised and regulated by the UK Financial Conduct Authority.

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 well in excess of £1bn*, making us one of the leading charity managers in the UK.

We offer your charity:

- Direct access to **dedicated managers** 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.

**As at 30 June 2013*

RATHBONES
Established 1742

charitytimes Awards 2012 Recognising leadership and professionalism Winner

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.

Many managers talk, Rathbones listens and has done so for over a century.

With listening comes the insight to serve with full understanding of each charity's circumstances and aspirations; putting their obligations and best interests first. In finding the correct solution, we access investment opportunities globally and have the flexibility to adapt your portfolio as and when your charity's needs change. Our service is underpinned by a direct and personal relationship, which in conjunction with our commitment to the sector, we hope to maintain over the long term. Rathbones manages £2.4 billion of charitable funds for over 960 charities (at 30 June 2013).

For further information contact Francesca Monti on 020 7399 0119 or at francesca.monti@rathbones.com

---

RUFFER

Ruffer LLP

80 Victoria Street
London
SW1E 5JL

For more information contact:
Christopher Querée

T: +44 (0)20 7963 8100
F: +44 (0)20 7963 8175
E: cqueree@ruffer.co.uk

A focus on capital preservation and consistent returns

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

---

SARASIN
& PARTNERS

Sarasin & Partners LLP

Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Contact: John Handford

T: 020 7038 7268
F: 020 7038 6864
E: john.handford@sarasin.co.uk
W: www.sarasin.co.uk

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

Charity focused, performance driven

Access all the investment insight and guidance your charity needs through our dedicated team of experts, structured and ethical investment process and worldleading research.

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.

Authorised and regulated by Financial Market Supervisory Authority in Switzerland. In the United Kingdom, UBS AG is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

To advertise in the Charity Times Suppliers Directory contact **Cerys Brafield 07766 662 610** or **Steve Good 020 7562 2435**

INVESTMENT REVIEW SERVICES

TSA

50 Andover Road,
Tivoli, Cheltenham,
GL50 2TL

T: 01242 263167
F: 01242 584201
E: James@3sector.co.uk
W: www.cc14.co.uk

Independent Charity Reviews

TSA provides independent investment reviews and training for trustees to assist with fund management.

We can help you with:-

- Reserves Policy
- Developing a comprehensive Investment Policy
- Investment policy review – aims & objectives
- Establishment of investment mandate for your manger to work with.
- Independent Search & Selection process – designed to help you look for the right manager
- Continual Trustee guidance to help monitor your investments, and keep up-to date
- Advice on Ethical & SRI approaches to investment

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/

Lotteries are a fantastic way for charities to raise money and recruit new donors, but setting it all up can be expensive. Fundraising Initiatives has the answer with Lottery in a Box; a fully managed lottery programme that allows charities to increase their fundraising income and recruit new & long term donors. It's fully compliant, easy to set up and includes on-going management, prizes/jackpots and FREE Marketing Resources. With Lottery in a Box all the charity needs to do is decide how many new donors they wish to recruit and we take care of all the rest!