

## Key issues raised at forum on fundraising reforms with smaller charities

On February 4<sup>th</sup> 2016 the Institute of Fundraising and Small Charities Coalition jointly hosted a forum on future regulatory changes on fundraising regulation.

The forum was attended by representatives from around 80 organisations, and was also addressed by Stephen Dunmore, the CEO of the new Fundraising Regulator, and George Kidd, Chair of the Fundraising Preference Service working group.

The event was livestreamed and the video of the forum can be watched at <http://www.institute-of-fundraising.org.uk/guidance/fundraising-regulation/regulation-and-small-charities/>

The following are notes, questions, issues that were raised in the breakout sessions at the forum. Delegates were asked to discuss their key questions or issues that they would like to see addressed or answered as the new fundraising regulator is established and on future changes to the regulatory system for fundraising. The points made below are issues that were raised by delegates, rather than being positions from either the IoF or Small Charities Coalition.

### 1. Role and establishment of the new Fundraising Regulator:

- The Fundraising Regulator has been talked about being 'for the donor' or 'for the public'. Important that it also recognised its responsibilities to the charity sector and beneficiaries. The set up and operation of the Regulator must be balanced – not adversarial
- The Fundraising Regulator will have a key role in engaging with the public and with press/media/politicians. As such its tone/language will be really important in what the public hear and learn about charities. Will they also talk about why charities need to ask for support, or only on 'bad practice' and complaints? Impact on public trust and confidence in how the Regulator goes about its work, and talks about it, will be key.
- Implementation of sanctions: process is really important. Will charities be given warnings, with sanctions a last resort, or determined on case by case basis?
- There is concern surrounding whether the new Fundraising Regulator will be adequately informed on the particular charities and their practice that has contributed to this situation, so as to fully recognise the significant difference between small and medium/large fundraising.
- Concern about a potential 'chilling effect' on charitable fundraising activity. Trustees/fundraisers need guidance and reassurances about how to do things correctly – worry that if compliance looks too complicated, activity too risky, administration too burdensome, that organisations will stop doing fundraising for fear of getting it wrong leading to fewer services and less good work being done by charities
- Will the Fundraising Regulator be a friend to the sector? Offering guidance and support, help?

- What will the Fundraising Regulator do around any public campaigns or proactive media/comms? Does it have a role in public education of charities?

## 2. Administration and operation of the new Fundraising Regulator

- Terms need definition. If levy is on 'fundraising expenditure' what does this mean? Staff costs? Infrastructure costs (rent, website, computers)?
- Setting of levy amount – must be proportionate and not overburdensome. Risk of it being set too high that charities then don't do fundraising. Consider phasing in or different payment options for charities to manage costs.
- How will costs be managed if there are upfront or investment costs in one year....will the levy jump accordingly?
- Compliance should be simple to ensure smaller charities can work with the new system. Guidance explaining changes and practical help will be needed.
- Need for other bodies and the new fundraising regulator to have clear and defined roles – who would be the 'friend' of charities helping them comply and understand the rules, as well as providing guidance and best practice – is that the new regulator, the IoF, or others?
- Submission of information/reports or in any compliance action must be simple and with realistic timelines that organisations can comply with – especially for smaller charities where the work will often be done by trustees and volunteers.
- Should any changes be phased in rather than all in one go? Tackle issues one by one and the most important ones first? Should bigger or new changes be piloted first before implemented?
- New changes and ways of working should be consulted on, and views of smaller charities should be actively sought.
- Test, learn, adapt any new changes or policies not just implement.

## 3. Fundraising Preference Service

- Detail is key, lots of confusion at the moment. Real need to engage and opportunities to feed in views.
- 'Reset' is concerning. Lots of individuals will only think of the large 'brand' charities and don't immediately think of smaller, local charities, or different types of organisations that are also charities. A 'reset' will happen because of one piece of direct mail from a large charity without understanding the relationships that it will stop.

- Fundraising Preference Service must also have the right information and tone to ensure that it can also educate the public
- What does success look like and how will it be assessed? Will the impact on beneficiaries and services be measured?
- A test period is needed to ensure that the service is working appropriately, that the public understand how it works.
- A desire to see that the Fundraising Preference Service working group sufficiently seeks the views and input of small charities and that they are adequately represented and engaged within the process.
- Consider the impact of introduction of an FPS – smaller charities may have older databases (or no databases); cost of technology or staff and training needed to comply
- Learn from, not replicate, issues and problems with Mailing Preference and Telephone Preference Service.
- Ensure not open to abuse (third party registrations from companies) and that data stored safely

#### 4. Other issues and questions raised

- How will the Regulator work with organisations that have local branches, or charities with federated structures and across the UK?
- What donor or public involvement will the regulator have? On its board or advisory panels? How will the needs and views of small charities be represented?
- What about fundraising organisations that aren't charities, or charities that don't fundraise – how will the new regulator work with them?
- When any changes (FPS or rules) are discussed, how will the new regulator define or protect 'vulnerable people'?
- Full consideration of impact and knock-on effect of changes must take place. Will the need for 'better' consent mean that more individuals are contacted to check consent? Will FPS mean that organisations do more street or door to door fundraising, or that other forms of fundraising become more expensive?
- How will the Fundraising Regulator work with individual fundraisers, rather than fundraising organisations or charities?
- How will the new regulator work with charities that are run purely by volunteers/trustees?



- What will the approach be: uniform 'one size fits all' approach to rules, sanctions, enforcement, or more nuanced approach depending on the charity?
- Policies and changes need to properly identify the problem and wider background, not start with assumptions about solutions. The full experience of the donor (both past and future) as well as how changes will impact on what charities do need to be understood.
- Concern raised about how the new regulator and FPS can manage media messages – important that the public is not misled about new changes and a feeling that negative media coverage could be harmful and should be avoided if possible.

For more information or latest news on fundraising changes please go to [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk) or <http://www.smallcharities.org.uk/>