



# Business Plan 2016 - 18

Updated June 2017

## Contents

Introduction  
Background and Context  
Constitution, Scope and Partnerships  
Regulator Role  
Key Regulatory Outcomes  
Performance measures  
Resources

Annexe A      Governance  
Annexe B      Key Performance Indicators  
Annexe C      Budget  
Annexe D      Staffing Structure

## Introduction

It is impossible to overstate the role that charities play in our society supporting those most in need. Much of the indispensable work that charities do is funded by the public. The public contributes generously to causes that they believe in, and charities use the money to fund innovation, deliver valuable services, under take life-altering research, fill in the gaps that complex funding arrangements create and, of course, to meet their necessary running costs.. Alongside this pressing need to generate income, however, comes responsibility to the people who are being approached for donation.

The aim of our 2016-18 Business Plan is to establish and deliver, in the public interest, fair, robust, values-led regulation to ensure that good practice in fundraising is promoted and upheld throughout the sector.

**The Plan has been updated, with an annual budget, for the financial year 2017-18. The Key Performance Indicators (Annex B) run across the two years.**

## Background and Context

In the summer of 2015 charity fundraising came under sustained criticism which included allegations of unacceptable fundraising practices. Negative coverage in the media has continued since then and public confidence in the sector overall has undoubtedly been damaged, whether or not individual charities were responsible for the poor practices.

In response to widespread media, public and Parliamentary concern, the Government initiated an independent, Cross-Party review of fundraising regulation. *Regulating Fundraising for the Future* (known as the Etherington Review) was published in September 2015.

It recommended wholesale changes to the way that fundraising had been regulated, including:

- A new body to be created (the Fundraising Regulator) to replace the existing Fundraising Standards Board (FRSB).
- The new body to have jurisdiction across all charitable fundraising, to deploy increased sanctions and to be funded by a levy on the charities that spend the most on fundraising.
- The Institute of Fundraising (IoF) to pass ownership of the Code of Fundraising Practice to the new regulator, and to merge with the Public Fundraising Association (PFRA).
- The PFRA to pass ownership of the Rulebooks on Street and Door-to-door Fundraising to the new regulator.
- Establishment of a fundraising preference service, so that individuals can determine their preferred means and frequency of being contacted by charities and opt-out should they so wish.

The Fundraising Regulator was set up between January and July 2016, with initial funding from 46 charities with the largest fundraising expenditure. We took over responsibility for fundraising regulation from the FRSB in July 2016. The changes listed above, recommended by the Etherington Review, have been fully implemented.

The new system of voluntary regulation was developed with three lines of defence for complaints about fundraising. The first line is directly to the charity itself; charity Trustees are ultimately responsible for fundraising within their charities. The second line of defence is the Fundraising Regulator and the third line is the Charity Commission.

As an independent non-statutory body, the Fundraising Regulator adjudicates on and resolves issues that may arise between members of the public and charities, without the need for statutory intervention. The Fundraising Regulator is committed to working on the basis of co-operation with charities and fundraising agencies, but with an overriding commitment to reflect the public interest.

The Government has made clear that it will invoke reserve powers to introduce statutory regulation should the charitable sector fail to give sufficient support to the voluntary arrangements.

The Fundraising Regulator is responsible for fundraising standards UK-wide, under a single Code of Fundraising Practice, which it now owns, reviews, develops and enforces. It regulates fundraising in England, Wales and Northern Ireland. Scotland has decided on a co-regulation arrangement for fundraising – charities registered in England and Wales but fundraising in Scotland are regulated by the Fundraising Regulator and charities registered in Scotland are regulated by the Independent Standards and Adjudications Panel for Fundraising in Scotland.

## Constitution, Scope and Partnerships

The Fundraising Regulator is a registered company limited by guarantee established to promote and undertake the independent regulation of fundraising carried out by charities and other not for profit organisations. Annex A provides more detail on governance arrangements.

The Regulator is currently funded by a graduated, voluntary levy on charities registered with the Charity Commission that spend annually £100k or more on fundraising. Once such charities pay the levy, they are automatically registered with the Fundraising Regulator. Other charities and fundraising organisations are also strongly encouraged to register with the Regulator in order to demonstrate their commitment to good fundraising practice.

Whether or not charities pay the levy and/or are registered, they are subject to regulation by the Fundraising Regulator. We regulate all forms of fundraising, not just those that have been the main causes of public concern.

In order to fulfil our mission, we work closely with the following bodies, with which we have signed\* or will sign formal memorandums of understanding:

- The Charity Commission for England and Wales (CC)\*
- Office of the Scottish Charity Regulator (OSCR)\*
- Charity Commission for Northern Ireland (CCNI)
- Information Commissioner's Office (ICO)\*
- Institute of Fundraising (IoF)\*
- Higher Education Funding Council for England (HEFCE)\*
- The Independent Standards and Adjudications Panel for Fundraising in Scotland.

In addition, we work with other regulators such as the Advertising Standards Agency and the Gambling Commission and with key charitable sector bodies, such as the National Council for Voluntary Organisations (NCVO), the Welsh Council for Voluntary Action (WCVA), the Northern Ireland Council for Voluntary Action (NICVA),

the Scottish Council for Voluntary Organisations (SCVO) and the National Council for Voluntary and Community Action (NAVCA).

## Regulatory Role

The Fundraising Regulator aims to strengthen the system of independent voluntary regulation, inherited from the FRSB, thus helping to enhance and sustain public trust in fundraising. We own the Code of Fundraising Practice (transferred from the IoF) and the Rulebooks on Street and Door-to-door Fundraising (transferred from the PFRA). We have also developed a Rulebook on Private Sites Fundraising.

### **Mission**

Our mission is to carry out our independent and non-statutory regulatory role in a way that –

- protects the public, donors and potential donors, not least those who may be vulnerable, from unacceptable fundraising practices.
- sustains and enhances public confidence in the charitable sector.
- supports the sector to understand and carry out its responsibilities in engaging with the public, creating a positive donor experience.
- ensures consistent fundraising standards across the UK.

### **Values**

As a values-based regulator, we -

- support and work with the sector to achieve a culture of respect, openness and honesty in all fundraising practices.
- take account of the views of the public and of donors and the needs of beneficiaries.
- reflect the public interest.
- act independently, fairly and proportionately, targeting our action where it is needed.
- are evidenced-based.
- provide 'thought leadership', based on research and survey work.
- are open and transparent in our decision-making.
- minimise regulatory burdens as far as possible.
- work in partnership with the Charity Commission, the Information Commissioner, other regulators and the representative bodies in the charitable and fundraising sectors.
- ensure value for money in all our operations.
- promote equalities and accessibility.

### **Our Top 10 Objectives**

To deliver our mission and values, we will -

- 1) be proactive, consulting as necessary, in developing, amending and publicising the Code of Fundraising Practice ('the Code') and the Rulebooks on Street, Door-to-door and Private Sites Fundraising ('the Rulebooks').
- 2) promote and operate a registration system, including a Fundraising Promise and a badge, to enable organisations to demonstrate their commitment to best fundraising practice.
- 3) identify where additional guidance, support or training for the sector may be required.
- 4) develop and operate a Fundraising Preference Service to enable individuals to opt out of contact from specified charities.
- 5) investigate complaints from the public about fundraising practice, where these cannot be resolved by the charities themselves or there is a wider public interest.
- 6) adjudicate cases where fundraising practices have led to significant public concern.
- 7) where necessary, take remedial action, such as agreeing appropriate action plans with individual charities, withdrawing Fundraising Regulator registration, recommending that fundraising be suspended and vetting future fundraising campaigns.
- 8) where a charity declines to cooperate with our interventions or does not accept our conclusions and there is a clear failure of governance, refer the case to the Charity Commission.
- 9) operate a voluntary levy that is fair and transparent and provides sufficient resources for us to deliver our responsibilities efficiently and effectively.
- 10) working with the Information Commissioner and Charity Commission, provide support and guidance for the sector to ensure compliance with data protection and consent requirements.

## Key Regulatory Outcomes

### Standards

Through ownership of the Code and Rulebooks, we will set clear standards that all charitable fundraisers must adhere to. In addition to the standards, we will also provide support and guidance to the sector on good practice in relation to fundraising.

A Standards Committee comprising Board members and external members ensures that the Code and Rulebooks reflect current best practice and are regularly reviewed.

In cases where best practice is not adhered to, where there is significant public concern or a risk to public trust and confidence in charities more generally, we will not hesitate to investigate and take action, amending the Code as necessary.

Having appointed a Standards Committee, the Fundraising Regulator will:

- Keep the Code under review for example in the light of investigations and adjudications and the results of research.
- Ensure that the Code is easily accessible on our website, in a format that can be downloaded and easily printed.
- Consult on changes to the Code and Rulebooks.

## **Adjudication and Complaints**

We provide a free and independent complaints service to members of the public where there are concerns about fundraising. In the first instance, we look to charities themselves to resolve complaints but, if they fail to do so or if we believe there could be a broader risk to charity fundraising, we investigate the complaints ourselves.

An Adjudication Committee comprising Board members and external members rules on the most serious cases. Where a charity declines to accept our conclusions, we take steps to enforce compliance. Actions we can take include withdrawing Fundraising Regulator registration and recommending that the charity's Trustees suspend fundraising campaigns or clear future campaigns with the Fundraising Regulator.

Having appointed an Adjudication Committee, the Fundraising Regulator will:

- Develop an easily accessible complaints portal to ensure anyone who wants to make a complaint is able to do so.
- Put in place detailed written procedures for the conduct of complaints investigations and develop internal systems to support case working.
- Through the Adjudications Committee, determine cases that have been fully investigated at the final stage of the complaints process.
- Develop a proactive strategy to encourage compliance with best practice.
- Establish an independent review mechanism.
- Work with other statutory regulators (for example, CC, CCNI, OSCR and ICO), referring cases to them where necessary.
- Publish an annual complaints report, including statistics from charities, that enables us to review fundraising complaints from across the sector.
- Publish the results of the Adjudication Committee's findings in order to share lessons for the sector more widely.

## **Registration**

We encourage organisations to register with us, although we regulate charities' fundraising whether or not they are registered with us. By registering, charities demonstrate their commitment to best practice in fundraising.

In applying to register, organisations commit to observing the Code (via the Fundraising Promise and the associated terms and conditions) and are able to use

the 'registered with' badge. Levy payers are automatically registered, having made this commitment. All registered organisations are listed on our public register.

The Fundraising Regulator will:

- Encourage best practice in fundraising by offering fundraising organisations the opportunity to register with us.
- Develop a vulnerable persons' policy that all registering bodies will be required to sign up to.
- Encourage openness and transparency through the publication of information on our register.

### **Fundraising Preference Service and Consents**

We have developed and launched a Fundraising Preference Service to enable members of the public who wish to do so to opt out of further fundraising contact from specified charities.

This has been developed in line with the consent requirements for direct marketing set out in data protection legislation and takes account of the strengthened requirements in the European General Data Protection Regulation (GDPR).

Working with the Information Commissioner's Office, we have provided clear guidance for the sector on legal requirements and best practice in relation to consents and will support the sector to achieve compliance. Further guidance will be produced as necessary.

The Fundraising Regulator will:

- Publicise and promote the service to the sector and the public.
- Monitor the impact and usage of the service.
- Working with the Information Commissioner, continue to provide guidance for the sector on legal requirements and best practice in relation to consents.

### **Set-up Activity**

As a new body, we undertook and completed a number of start-up activities to enable the Fundraising Regulator to launch in July 2016.

Our set-up priorities were to:

- Generate sufficient funding to support the organisation through the set-up period.
- Put in place appropriate governance.
- Develop strategic planning capability, including business planning, performance monitoring and risk management systems.

- Identify and secure appropriate permanent accommodation.
- Build trust and confidence across the sector in the role and objectives of the Fundraising Regulator.
- Recruit staff and develop all aspects of HR policy and employment terms and conditions.
- Develop appropriate IT systems to support all areas of our work.
- Develop a website for the public and charitable sector to access.
- Develop financial systems capable of invoicing levy-paying charities, as well as managing all other aspects of the Fundraising Regulator's work.
- Develop a complaints handling process.
- Put in place a communications plan to convey key messages to the public, media, government and the charitable sector.
- Develop proposals for the Fundraising Preference Service.

## Performance Measures

The Cross-Party Review of Fundraising proposed the following measures of success for the new Fundraising Regulator, to be reported on in July 2017 – that:

- The new governance structure is in place.
- The fundraising levy has been set with a relevant banding system.
- Clear memoranda of understanding have been set up.
- Responsibility for the Code of Fundraising Practice has moved from the Institute of Fundraising to the new regulator.
- Enough organisations have registered with the regulator to ensure that it can be financially sustainable.
- The Fundraising Regulator has developed a three-year strategic plan.

At March 2017, we had met all these performance measures, except that, initially, we have opted for a two-year rather than a three-year business/strategic plan.

We have also put in place appropriate systems to measure performance against the key regulatory outcomes. A list of our key performance indicators can be found in Annex B.

In addition to the KPIs, a set of further, more detailed internal measures will be developed to monitor and improve our work - for example, to check quality and consistency in the handling of complaints and investigations.

## Resources

One of the key recommendations of the Etherington Review was that, instead of a voluntary membership structure, as operated by the FRSB, the new Fundraising Regulator should be funded by a levy on the charities spending over £100k annually

on fundraising. The review concluded that this would ensure that the new body would be adequately funded (a proposed annual budget of £2m - £2.5m) to take robust and proactive regulatory action. It was considered that removing the reliance on a membership scheme to generate income would ensure the independence of the regulator and minimise potential conflicts of interest.

The set up costs for the new body, totalling £640k, were provided by 46 of the 50 charities with the highest annual fundraising expenditure.

1960 registered and exempt charities who reported spending over £100k on fundraising in their 2014 annual return to the Charity Commission have been invoiced on a graduated basis for an annual levy payment (September 2016 – August 2017). Invoices for the second year will be issued in July/August 2017.

Charities not covered by the levy are required to pay an annual administrative fee of £50 if they wish to register. Registration is also open to fundraising agencies.

A budget and staffing structure for 2017-18 can be found at Annexes C and D respectively.

The Fundraising Regulator's Business Plan and Annual Report and Accounts are published on the Regulator's website.

## Annex A – Governance

### The Board of the Fundraising Regulator

Lord Grade	Chair
Margaret Moore	Vice Chair
George Kidd	To 30/08/16
Sacha Deshmukh	
Jenny Williams	
Suzanne McCarthy	
Michael Smyth	
John Stoker	To 20/7/16
David Cunningham	
Lucy Caldicott	
Theresa Shearer	Observer, Scotland – To 12/16
Richard Newton	Wales Board Member - From 25/1/17

### The Standards Committee

Suzanne McCarthy	Committee Chair
David Cunningham	
Liz Barclay	External
Louise Parkes	To 14/12/16
Nick Jones	External
Guy Parker	External
Theresa Shearer	Observer, Scotland – To 12/16
Daniel Fluskey	Observer, Institute of Fundraising
Annemarie Devlin	Observer, Scottish Panel – From 1/17

### The Adjudication Committee

Michael Smyth	Committee Chair
Jenny Williams	
John Stoker	To 20/7/16
Lucy Caldicott	
Peter Hills-Jones	External
Catherine Cotterell	External
Andrew Nebel	External
Richard Newton	From 25/1/17



## Annex B – Key Performance Indicators

Activity	Performance Objectives	KPIs
<b>Standards</b>	<ul style="list-style-type: none"> <li>• We will develop and maintain a high quality, effective Code</li> <li>• We will develop awareness and confidence across the public, Government and beyond that fundraising is regulated effectively</li> <li>• We will help fundraisers understand their responsibilities and minimise burdens where possible by developing guidance with key partners alongside the Code</li> </ul>	<ol style="list-style-type: none"> <li>1. Code of Fundraising Practice reviewed/amalgamated/republished</li> <li>2. Number of consultation responses to Code changes</li> <li>3. Number of meetings with key stakeholders on the Code</li> <li>4. Number of enquiries dealt with</li> <li>5. Guidance issued</li> </ol>
<b>Complaints and Adjudication</b>	<ul style="list-style-type: none"> <li>• We will ensure complaints received are dealt with effectively and efficiently</li> <li>• We will ensure any complaints/appeals are dealt with independently</li> <li>• We will carry out and publish adjudications aimed at changing behaviour in the relevant organisation</li> </ul>	<ol style="list-style-type: none"> <li>1. Number of complaints received and numbers closed each month</li> <li>2. The percentage throughput of complaints in 4 weeks and 13 weeks</li> <li>3. The percentage of compliance with recommendations and findings</li> <li>4. A reduction in the number of cases that are classified as 'out of remit' or 'referred back (to the charity)' in 2017/8</li> </ol>
<b>Registration and Levy</b>	<ul style="list-style-type: none"> <li>• We will be a far-reaching regulator, with widespread geographic coverage within the UK (except charities based in Scotland) and across all types of charities and fundraising organisations</li> <li>• We will establish a tiered levy system which fairly and proportionately targets those organisations which fundraise the most</li> </ul>	<ol style="list-style-type: none"> <li>1. Levy consultation developed and delivered</li> <li>2. Number of Levy payers</li> <li>3. Total amount levied/paid</li> <li>4. Levy compliance rate</li> <li>5. Number of organisations registered</li> </ol>

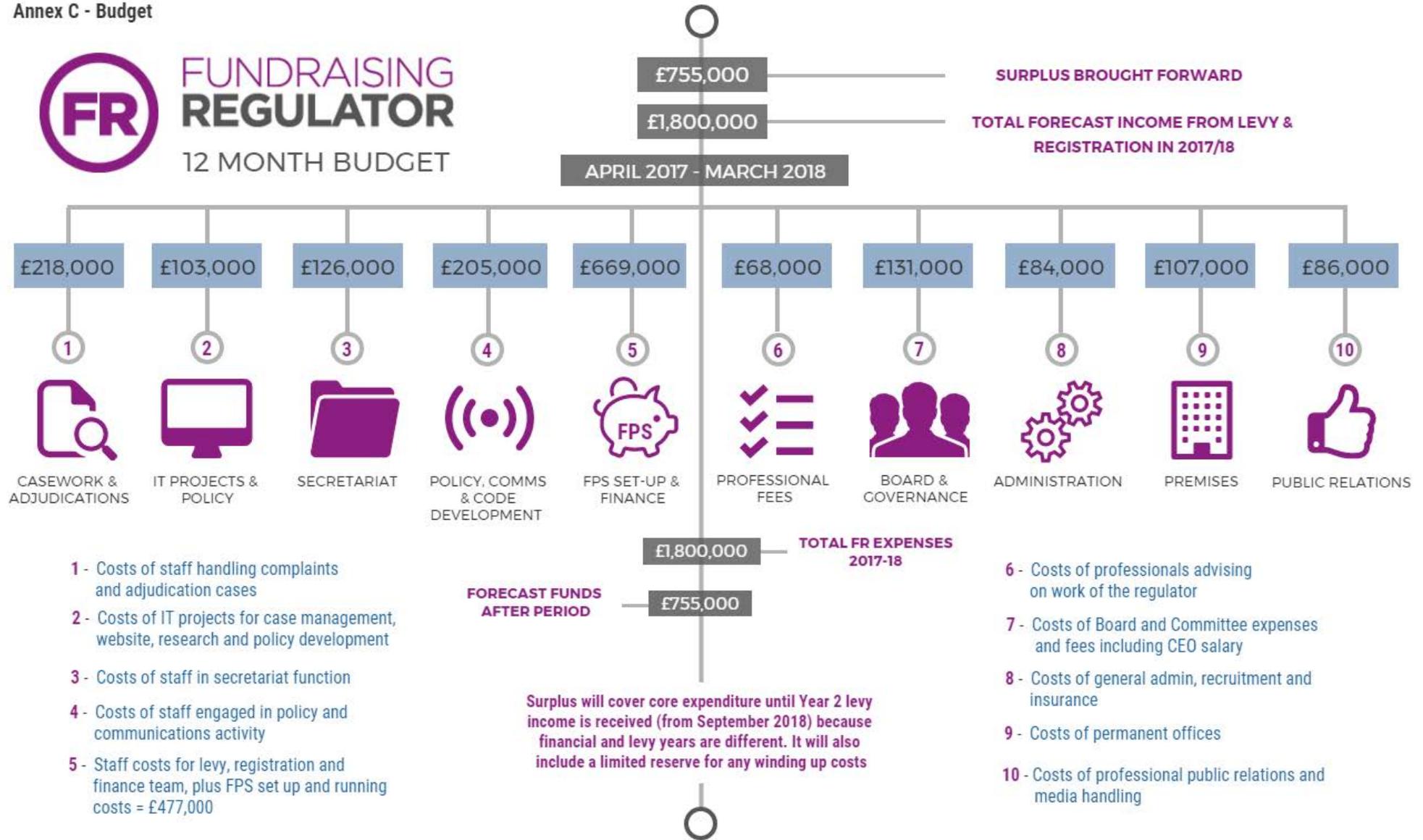
<b>Fundraising Preference Service and Consents</b>	<ul style="list-style-type: none"> <li>We will ensure the public have greater control of communications they receive from charities</li> </ul>	<ol style="list-style-type: none"> <li>Number registering with FPS online</li> <li>Number registering with FPS via contact centre</li> <li>Number of charities successfully receiving FPS suppression data</li> </ol>
<b>Governance, Management and Value-for-money</b>	<ul style="list-style-type: none"> <li>We will represent value-for-money and ensure financial viability within our first year</li> <li>We will ensure that FR is established as an organisation that is fit-for-purpose</li> <li>We will establish robust internal operating systems that hold the Regulator to account for the work it does</li> </ul>	<ol style="list-style-type: none"> <li>Robust governance in place (Board and Committees)</li> <li>Full staff complement recruited</li> <li>Board and Committee attendance (average %)</li> <li>Annual Report and Accounts published</li> <li>Sufficient set-up income</li> <li>Sufficient levy income</li> <li>Clean annual audit</li> <li>Transparency – key information placed on website</li> </ol>
<b>Stakeholder Relations and Communications</b>	<ul style="list-style-type: none"> <li>We will develop partnership working with other regulators and key partners</li> <li>We will communicate effectively with the public, media, the charitable sector and our key stakeholders.</li> </ul>	<ol style="list-style-type: none"> <li>Total number of occasions when advice and guidance were provided by FR in response to public enquiries.</li> <li>Compliance projects undertaken <ul style="list-style-type: none"> <li>- internally</li> <li>- with IoF / NCVO</li> </ul> </li> <li>Usage of the Fundraising Regulator website – number of visitors</li> <li>Percentage of people who know that charity fundraising is regulated (survey commissioned externally)</li> <li>Twitter followers (number)</li> <li>Subscribers/unsubscribers to the newsletter (number)</li> <li>MOUs agreed with key stakeholders (ICO, CC, OSCAR, CCNI, IoF, HEFEC)</li> <li>Speaking engagements undertaken (number)</li> </ol>

# Annex C – Budget

Annex C - Budget



## FUNDRAISING REGULATOR 12 MONTH BUDGET



## Annex D - Staffing Structure



Key: \* Fixed term contract  
 \*\* Secondment

