



# FUNDRAISING REGULATOR

## STRATEGIC PLAN 2018-21

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### 1. INTRODUCTION

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This Strategic Plan covers a three-year period (2018-21). Our annual business plans are developed in the context of the longer term outcomes and three-year financial projections in the strategic plan.

### 2. OUR ROLE

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The Fundraising Regulator was launched in July 2016 in response to recommendations in the Cross-Party Parliamentary Review of Fundraising, in the wake of a series of highly publicised examples of poor fundraising practice, which contributed to a decline of public confidence in charities.

The creation and remit of the Regulator are supported by the Government, the National Council for Voluntary Organisations and its counterparts in Wales and Northern Ireland, the Charity Commission for England and Wales and the Institute of Fundraising.

We are the independent, non-statutory Regulator of all forms of charitable fundraising in England, Wales and Northern Ireland and of fundraising in Scotland carried out by charities primarily registered in England/Wales and Northern Ireland.

We aim to develop and deliver an effective, proportionate and risk-based system of voluntary regulation of charitable fundraising. Our casework is underpinned by the UK-wide Code of Fundraising Practice (the Code), together with the rulebooks on street, door-to-door and private sites fundraising. We also produce guidance on key issues, such as complaints handling and data protection in relation to fundraising.

The Fundraising Regulator has no statutory powers. However, there are two areas where legislation supports our work. Where a charity does not comply with a suppression through the Fundraising Preference Service (FPS), this will constitute a breach under Section 99 of the Data Protection Act 2018. The Charities Act 2016 includes a requirement that charities report annually on their approach to fundraising and whether a fundraising agency was used; on the details of any voluntary fundraising schemes or standards which the charity has signed up to; on any complaints received about fundraising; and on what has been done to protect vulnerable people and others from undue pressure in the course of fundraising.

Over the life of this Strategic Plan, we will enhance and build on the achievements of our first two years.

### 3. OUR VISION, MISSION AND VALUES

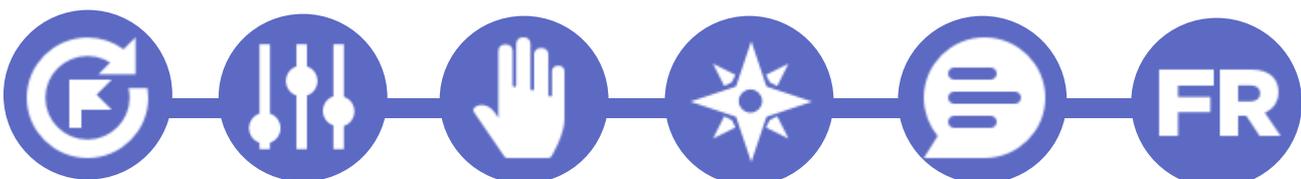
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#### VISION

A society in which fundraising is ethical and encourages sustainable giving, where donors and fundraisers have respect for each other.

#### MISSION **We will regulate in a way that:**

-  Promotes and supports a culture of ethical fundraising, protecting the public, donors and potential donors, not least those who may be vulnerable, and creating a positive donor experience.
-  Provides redress for donors when things go wrong.
-  Enhances and sustains public confidence in charitable fundraising and charities.
-  Ensures the highest fundraising standards across the UK.



## VALUES

### We will:

- FR** Be independent, transparent, fair and proportionate.
- FR** Ensure that the public has a voice.
- FR** Give equal weight to regulatory action and support/guidance for the sector and for the public.
- FR** Work with other regulators and representative bodies in the charitable and fundraising sectors to achieve our mission.
- FR** Ensure value for money in all our operations.

## 4. OUTCOMES

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Over the three years of this Strategic Plan, we aim to achieve the following outcomes:

- FR** **Ethical fundraising and adherence to the Code** – evidenced through increased compliance and reductions in the numbers of 'in-scope' complaints received and complaints upheld.
- FR** **The public empowered** to manage their direct marketing communications from charities – evidenced through take up of the Fundraising Preference Service (FPS) and charities' compliance with data protection legislation.
- FR** **Effective redress for donors and shared learning for charities** – evidenced through casework and guidance.
- FR** **Charities enabled and supported to comply with standards** – evidenced through greater understanding of key fundraising issues and requirements.
- FR** **Increased public confidence in charities** - evidenced through existing periodic surveys and our own research, by sustained levels of income for charities and by a reduction in negative media coverage of fundraising.

## 5. STRATEGIC PRIORITIES

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### Improve fundraising standards (Outcome 1)

What we'll do:

- In consultation with the sector, set clear standards in the Code that all charitable fundraisers in the UK must adhere to.
- Keep the Code under review in the light of complaints and investigations, developments within and outside the sector and the results of our research, ensuring that it reflects best practice.
- Early in the strategic plan period, complete the comprehensive reorganisation of the Code, fully incorporating the rulebooks and ensuring that the Code is more accessible, internally consistent and easier for charities of all sizes and the public to use.



- Ensure the Code addresses new and emerging fundraising methods (for example, on-line fundraising platforms) and that they are compliant with best practice.
- Working with the Charity Commission for England and Wales, monitor charities' compliance with legal requirements for fundraising (for example, in the Charities Act 2016).
- Work with, in Scotland, the Scottish Fundraising Standards Panel and the Office of the Scottish Charity Regulator and, in Northern Ireland, the Northern Ireland Council for Voluntary Action and the Charity Commission for Northern Ireland, to ensure that the Code reflects relevant legal variations in those jurisdictions.

## **Operate the FPS and support compliance with GDPR (Outcome 2)**

What we'll do:

- Provide an effective FPS for donors that allows them to manage fundraising communications from charities in England, Wales and Northern Ireland.
- Regularly review the effectiveness and accessibility of the FPS both for the public and for charities, consulting as necessary.
- Ensure that charities comply with FPS by issuing regulatory letters where charities fail to comply with donor suppressions and thus breach Section 99 of the Data Protection Act 2018 and, if non-compliance continues, reporting these breaches to the Information Commissioner and the Charity Commission.
- Working with the Information Commissioner and umbrella organisations, support charities to comply with the direct marketing implications of new data protection legislation arising from the General Data Protection Regulation (GDPR), the Data Protection Act 2018 and the E-Privacy Directive.



### **Provide effective casework handling (Outcome 3)**

What we'll do:

- Operate an easily accessible complaints process.
- Investigate complaints about fundraising practices and related issues of public concern.
- Encourage compliance with findings and recommendations, taking appropriate action when a charity does not cooperate.
- Provide benchmarking information on complaints, developing a new and more relevant system for collecting data and reporting on fundraising complaints received by charities.
- Work with other regulators (for example, the Charity Commission for England and Wales, the Charity Commission for Northern Ireland and the Information Commissioner), referring cases as necessary.



### **Provide support, guidance and research (Outcome 4)**

What we'll do:

- Operate a user-friendly enquiries and advice telephone service.
- Use the outcomes from investigations, thematic reports on key issues and the annual complaints report to disseminate learning in the sector.
- Provide guidance for charities on the fundraising aspects of new data protection legislation, complaints handling and other new and emerging issues.
- Carry out research and survey work to understand better the public's response to specific fundraising methods – for example, on-line platforms, door-to-door, unaddressed mail and enclosures, clothing bags and wealth profiling.
- Issue reactive alerts to the sector about key at-risk issues, where appropriate jointly with the Charity Commission for England and Wales.



## Communicate effectively about our regulation (Outcome 5)

What we'll do:

- Reconfigure our website to make it more accessible for charities and the public, ensuring consistency in tone and content more appropriate to a regulator.
- Achieve increased recognition of our role, promoting more widely our Code consultations, complaints process and the FPS, with a particular emphasis on building our profile with the public, with smaller charities and in Wales and Northern Ireland.
- Ensure that charities registered with us promote the Fundraising Regulator, our complaints process and the FPS on their websites.
- Increase significantly the number of charities registered with us (target 10,000 by the end of the plan period).
- Measure public confidence in charitable fundraising, both through existing surveys and our own research (surveys and 'Have Your Say' workshops).
- For reasons of transparency and accountability, regularly update the public register of non-levy payers and those charities paying the levy and/or registering with the Fundraising Regulator.



Our outcomes and strategic priorities are illustrated in shorthand form in the diagram at Annex A.

## 6. RESOURCES

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### FINANCIAL PLANNING

We will publish on our website an annual Business Plan, including our forecast income, budget and key performance measures. At the end of each financial year, we will publish our Annual Report and Accounts and an Annual Review detailing our performance.



At our inception in 2016, we set out the basis for our voluntary levy – that is, a series of progressive charges on those charities spending £100k or more per annum on fundraising. We also receive income from charities below the levy threshold, who register with us for an annual fee of £50, and from fundraising agencies who contract with charities. We are committed to keeping the basis and bandings for the levy the same for the first three years and therefore plan to review the levy in time for 2019/20 (levy year 4).

To develop as an effective regulator and share learning from our first 2-3 years, we plan to increase annual income over the period of the Strategic Plan from the current £1.9m to £2.2m. A budget at that level would still be well within the envelope recommended in the Cross-Party Parliamentary Review of Fundraising and would enable us to be more proactive in several areas (see below). The levy review will inform how we adapt our income model to achieve this level of income. At the same time, we will explore other potential funding sources.

Should the Charity Commission for England and Wales introduce a statutory levy in future, we would need to examine the option of linking our levy with theirs to rationalise collection processes.

An outline budget for the three-year period is attached at **Annex B**.

## **WORKFORCE MANAGEMENT**

The intellectual authority of our staff is our greatest asset and we are committed to supporting and developing our staff so they can continue to provide excellent regulatory outcomes.



We are organised in four teams – Casework; Secretariat and Corporate Services (including the FPS); Policy; and Finance and Procurement (including the levy and registration).

We plan to maintain at least our current staff numbers (18) throughout the three-year period. We will keep our staff complement under close review, including, in each area, the pros and cons of delivering additional work in-house or through outsourcing.

As more funding becomes available, we will consider a modest uplift in staff in key areas so that we can better respond to:

- What is currently an increasing volume of public complaints.
- The need to be more proactive in sharing learning, enabling and supporting cultural change in the sector.
- The need to put in place a staff presence in Wales and Northern Ireland.
- The need to devote more resource to promoting and publicising the Fundraising Regulator's services to, in particular, the public and smaller charities, not least in Wales and Northern Ireland.

In summary, an ability to devote more resources to our enabling and support role would deliver greater value for money, on the basis that prevention (of poor fundraising practices and their consequences) is better than cure.

# Vision

## Effective regulation. Ethical fundraising.



### Outcomes

Ethical fundraising through adherence to the Code

The public empowered

Effective redress and shared learning

Charities enabled and supported to comply

Increased public confidence in charities

### Strategic priorities

Improve fundraising standards

Promote and support compliance with data protection legislation

Provide effective casework handling

Provide support, guidance and research

Communicate effectively about our regulation

### What we'll do

Set clear standards in the Code

Support charities to comply with the direct marketing implications of new data protection legislation

Operate an easily accessible complaints process

Operate a user-friendly enquiries and advice telephone service

Reconfigure our website to make it more accessible

Keep the Code under review

Investigate complaints and cases of public concern about fundraising practices

Disseminate learning in the sector

Achieve increased recognition of our role

Re-organise the Code for easier use

Provide an effective FPS

Encourage compliance with findings and recommendations

Provide guidance for charities

Ensure charities paying the levy and/or registered with us promote the Fundraising Regulator

Ensure the Code addresses new and emerging fundraising issues

Regularly review the effectiveness and accessibility of the FPS

Provide benchmarking information on complaints

Carry out research and survey work

Increase significantly the number of charities registered with us

Monitor charities' compliance with legal requirements for fundraising

Ensure that charities comply with FPS

Work with other regulators, referring cases as necessary

Issue proactive alerts to the sector

Increase public confidence in charitable fundraising

Regularly update the public register

## ANNEX B - STRATEGIC PLAN BUDGET

Income forecasts*	2018-19	2019-20	2020-21
Levy	£1,950,000	£2,200,000	£2,200,000
Registration	£175,000	£200,000	£200,000
<b>Total income</b>	<b>£2,125,000</b>	<b>£2,400,000</b>	<b>£2,400,000</b>
Expenditure forecast by cost centre	2018-19	2019-20	2020-21
Complaints & investigations	£245,000	£250,000	£254,000
Projects	£103,000	£150,000	£175,000
Secretariat	£139,000	£145,000	£150,000
Policy & Communications	£349,000	£370,000	£370,000
FPS running costs	£320,000	£310,000	£310,000
Finance & levy	£238,000	£240,000	£240,000
Professional fees	£103,000	£103,000	£103,000
Board & governance	£135,000	£135,000	£135,000
Administration	£105,000	£112,000	£118,000
Premises	£119,000	£125,000	£130,000
Public engagement /Marketing	£198,000	£210,000	£215,000
<b>Total</b>	<b>£2,055,000</b>	<b>£2,150,000</b>	<b>£2,200,000</b>
Surplus	<b>£70,000</b>	<b>£250,000</b>	<b>£200,000</b>
Planned Reserve	<b>£400,000</b>	<b>£470,000</b>	<b>£720,000</b>

\*Our financial year runs from 1 September - 31 August

# KEY BUDGET ASSUMPTIONS

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The basis for the levy from 2019-20 will be informed by a review and public consultation in late 2018. For purposes of this budget, it is assumed:

- The levy remains based on charity fundraising expenditure rather than voluntary income.
- Levy bandings will increase from 2019-20 (i.e. levy year 4) to fund an increase in budget (the levy remained the same for the first 3 years).
- Banding increases likely to be borne largely by larger charities (e.g.£1m plus fundraising expenditure) as this is more equitable.
- There will be minor growth in levy pool from identifying new charities.
- Attrition rate for voluntary levy will be less than 10%.
- Planned reserve level to grow to provide a range of 3 – 6 month expenditure as a buffer.



FUNDRAISING  
REGULATOR

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