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### 1. INTRODUCTION

This Strategic Plan initially covered a three-year period (2018-21). It has been extended by an extra year to allow a new plan to be fully developed. This work was significantly delayed by the Coronavirus (COVID-19) pandemic in 2020. Our annual business plans are developed in the context of the longer-term outcomes in the Strategic Plan.

### 2. OUR ROLE

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 (NCVO) and its counterparts in Wales and Northern Ireland, the Charity Commission for England and Wales and the Chartered 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). 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 (Protection and Social Investment) 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. The Charities Act 2016 also contains reserve powers to make the regulation of fundraising statutory, if the system of voluntary regulation fails because charities do not support it.

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

#### 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:

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



## 4. OUTCOMES

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

1. **Ethical fundraising and adherence to the code** – evidenced through increased compliance and reductions in the numbers of 'in remit' complaints received, and complaints upheld.
2. **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.
3. **Effective redress for donors and shared learning for charities** – evidenced through casework and guidance.
4. **Charities enabled and supported to comply with standards** – evidenced through greater understanding of key fundraising issues and requirements.
5. **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

### 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. The revised code was published in October 2019.
- Ensure the code addresses new and emerging fundraising methods (for example, online 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 OSCR (the Office of the Scottish Charity Regulator) and, in Northern Ireland, the Northern Ireland Council for Voluntary Action (NICVA) 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's Office (ICO) and the Charity Commission for England and Wales and/or Northern Ireland.
- Working with the ICO 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 ICO), 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: online 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 an 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.
- Significantly increase the number of charities registered with us (a target of 10,000 by the end of the Strategic 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

### FINANCIAL PLANNING

We will publish an annual Business Plan on our website, 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 £100,000 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 committed to keeping the basis and bandings for the levy the same for the first three years from September 2016 to August 2019. Following a review, changes were introduced for years 4 and 5 of the levy, covering September 2019 to August 2021. Two extra bands were introduced at the lower end of the levy so that smaller charities move up the scale more gradually and the levy band a charity falls into is based on the information provided in the most recently filed accounts. A further review is intended for year 6 of the levy, covering September 2022 onwards.

Between 2018/19 and 2019/20 we increased our income, which enabled us to develop and undertake an effective range of regulatory activities. Our funding is still well within the envelope recommended in the Cross-Party Parliamentary Review of Fundraising and if increased further it would enable us to deliver a wider range of proactive work. However, we are aware that, as a result of the COVID-19 pandemic, some fundraising organisations are facing difficult financial decisions. We are anticipating that some may merge, and others may close, which may restrict our income. From 2020/21 onwards, we will focus on delivering our core functions and, if income permits, will add to our budget and reintroduce projects. An outline budget for the four-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; Communications 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 (21) throughout the 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 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.

## ANNEX A: OUTCOMES AND STRATEGIC PRIORITIES

| Vision                      | Effective regulation, ethical fundraising   |  |   |   |   |
|-----------------------------|---|--|---|---|---|
| <b>Outcomes</b>             | 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  |
| <b>Strategic priorities</b> | Improve fundraising standards   | Operate the FPS and support compliance with GDPR   | Provide effective casework handling   | Provide support, guidance and research  | Communicate effectively about our regulation  |
| <b>What we'll do</b>        | <p>Set clear standards in the code</p> <p>Keep the code under review</p> <p>Re-organise the code for easier use</p> <p>Ensure the code addresses new and emerging fundraising issues</p> <p>Monitor charities' compliance with legal requirements for fundraising</p> | <p>Support charities to comply with the direct marketing implications of new data protection legislation</p> <p>Provide an effective FPS</p> <p>Regularly review the effectiveness and accessibility of the FPS</p> <p>Ensure that charities comply with FPS</p> | <p>Operate an easily accessible complaints process</p> <p>Investigate complaints and causes of public concern about fundraising practices</p> <p>Encourage compliance with findings and recommendations</p> <p>Provide benchmarking information on complaints</p> <p>Work with other regulators, referring cases as necessary</p> | <p>Operate a user-friendly enquiries and advice telephone service</p> <p>Disseminate learning in the sector</p> <p>Provide guidance for charities</p> <p>Carry out research and survey work</p> <p>Issue proactive alerts to the sector</p> | <p>Reconfigure our website to make it more accessible</p> <p>Achieve increased recognition of our role</p> <p>Ensure charities paying the levy and/or registered with us promote the Fundraising Regulator</p> <p>Increase significantly the number of charities registered with us</p> <p>Increase public confidence in charitable fundraising</p> <p>Regularly update the public register</p> |

## ANNEX B: STRATEGIC PLAN BUDGET

### KEY BUDGET ASSUMPTIONS

The basis for the levy from 2019/20 was 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 (levy year 4) to fund an increase in budget (the levy remained the same for the first three years).
- Banding increases are likely to be borne largely by larger charities (e.g. £1 million plus fundraising expenditure) as this is more equitable.
- There will be minor growth in the levy pool from identifying new charities.
- The attrition rate for the voluntary levy will be less than 10%.
- Planned reserve level to grow to provide a range of three to six-month expenditure as a buffer.

| Income       | 2018/19    | 2019/20    | 2020/21    | 2021/22    |
|--------------|------------|------------|------------|------------|
| Levy         | £2,001,000 | £2,176,000 | £2,000,000 | £1,850,000 |
| Registration | £167,000   | £235,000   | £210,000   | £200,000   |
| Total income | £2,168,000 | £2,411,000 | £2,210,000 | £2,050,000 |

| Expenditure by cost centre  | 2018/19           | 2019/20           | 2020/21           | 2021/22           |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| Casework and investigations | £230,000          | £191,000          | £241,000          | £214,000          |
| Projects                    | £129,000          | £75,000           | £100,000          | £100,000          |
| Secretariat                 | £160,000          | £226,000          | £250,000          | £253,000          |
| Policy                      | £211,000          | £233,000          | £250,000          | £244,000          |
| FPS running and finance     | £462,000          | £479,000          | £520,000          | £515,000          |
| Professional fees           | £130,000          | £42,000           | £70,000           | £66,000           |
| Board and governance        | £144,000          | £162,000          | £130,000          | £132,000          |
| Administration              | £116,000          | £114,000          | £100,000          | £88,000           |
| Premises                    | £122,000          | £124,000          | £135,000          | £135,000          |
| PR/Marketing                | £159,000          | £159,000          | £200,000          | £123,000          |
| <b>Total</b>                | <b>£1,863,000</b> | <b>£1,805,000</b> | <b>£1,996,000</b> | <b>£1,870,000</b> |
| Surplus                     | £305,000          | £606,000          | £214,000          | £180,000          |
| Reserve                     | £869,000          | £1,170,000        | £1,384,000        | £1,564,000        |

\*Our financial year runs from 1 September - 31 August. Figures for 2018/19 and 2019/20 are actual. Figures for 2020/21 and 2021/22 are projected. We are aware that, as a result of the COVID-19 pandemic, some fundraising organisations are facing difficult financial decisions. We are anticipating that some may merge, and others may close, which may restrict our income. From 2020/21 onwards, we will focus on delivering our core functions and, if income permits, will add to our budget and reintroduce projects.

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