



ACHIEVING EXCELLENCE IN PUBLIC FUNDRAISING



93,500

people signed up to give a monthly gift through street fundraising last year.

The nature of private site fundraising has had a profound impact on giving levels, with a total of...



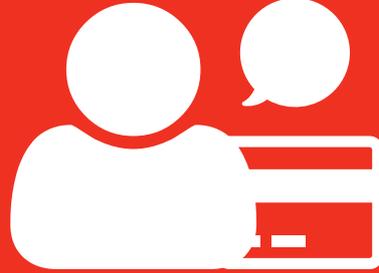
406,000

supporters signed up to monthly direct debit donations for causes they care about in 2017/2018.

Year on year, our **mystery shopping programme has seen improved compliance** in street fundraising.

92%

of local authorities believed their SMA had been either very effective or effective.



864,500

people from around the UK set up a direct debit to charity in 2017/18 following a conversation with a public fundraiser.

Door-to-door fundraising has continued to be an effective way of connecting supporters with causes, with...



365,000

sign-ups by direct debit in 2017/2018.



71%

of organisations who are part of the Self-Certification Programme have said that it has improved understanding of compliance issues and they would recommend the programme to others.

INTRODUCTION



Alex Xavier, Director of Membership, Compliance and Professional Development

Public fundraising is an essential part of the activity that charities do to reach new supporters. The power of a personal, one-to-one conversation, making a connection between a member of the public and a charitable cause cannot be underestimated – it can inspire people to donate, raise awareness of the work of the charity, and be the spark that leads to a long-term relationship and a life time of support.

The value of public fundraising – whether in a public place, door to door, on a private site, or by telephone requires high standards and an effective system of compliance. As one of the most visible and prominent forms of fundraising to the public, it is crucial that as a sector we work together collaboratively to ensure that we have the right framework which enables charities to reach members of the public and existing supporters in a way that is always respectful, polite, and responsive.

No one organisation – whether a charity or fundraising partner agency – can do this on their own. It takes co-operation and coordination, and an effective system of monitoring, compliance and improvement that works alongside and complements a clear regulatory framework. The IoF, and previously as the PFRA, has been playing this role to work on behalf of our member charities and agencies to safeguard and improve the environment for public fundraising.

Two years on from the merger of the PFRA and IoF, and following the review of the system of fundraising regulation, it is now worth reviewing the accomplishments of the compliance system and its contribution to improving excellent fundraising for our members and the wider fundraising community. I'm pleased to see that across the board progress is being made: our mystery shopping programme continues to drive improved performance, the local authorities who we have Site Management Agreements with report them as being effective, our new private site programme is already seeing results, and we have introduced a new call-levelling programme for telephone fundraising. There can always be improvements and more to do, but I'm hugely encouraged at how charities and their partner agencies have pulled together to reach higher standards and improve performance.

Last year we also launched a new Self-Certification scheme for public fundraising. 40 organisations have completed the self-certification programme, with another 11 provisionally certified. This involves a high level of commitment, covering all aspects of fundraising activities as well as reviewing training processes. Over the first year of operation 71% have said that the programme has improved understanding of compliance issues in public fundraising and would recommend the programme.

Connecting supporters with the causes they care about is something we are immensely proud of. In 2017/2018 alone, 864,500 people from around the UK made the decision to donate to these causes by direct debit after speaking to a fundraiser, and through our research with YouGov we know that 63% of this total will take additional positive action – such as volunteering or signing a petition. As we move throughout 2018/2019, it is clear that the generosity of the public is maintaining, and we will continue to support public fundraisers through our standards work to deliver excellent fundraising for a better world.

REFLECTIONS FROM THE FUNDRAISING REGULATOR



Gerald Oppenheim
Chief Executive, Fundraising Regulator

That phrase, the title of this report, sums up the Fundraising Regulator's approach since the new organisation launched on 7 July 2016 when the Code of Fundraising Practice was assigned to us by the Institute of Fundraising. We have worked closely with the IoF to make sure that we understand how the Institute is taking forward its vision of excellent fundraising. We also want to ensure that changes we make to the Code are workable and the views of fundraisers and the charities they support are a key part of that. Our vision is to ensure that fundraising is ethical and encourages sustainable giving, where donors and fundraisers have respect for each other. This is why it is so important that the two organisations work closely together.

Compliance matters in that context as well. Our role focuses on complaints that members of the public have about fundraising, whilst the IoF plays an important role for the charity sector in auditing face-to-face fundraising, identifying good practice and areas for improvement.

The major consultation on re-shaping the Code concluded in November 2018. This will lead to publication of a new version of the Code which should make the role of compliance more straightforward, with rules written in plain English linked to legal requirements where they apply and other guidance where it is relevant.

Having data about compliance is important for the sector so we can all see how practice is improving and where it can be even better in future, whether looking at how mystery shopping supports compliance or how effective site management agreements with local authorities are.

What the Fundraising Regulator and the IoF do is complementary. Through the Code the Regulator sets universal standards for fundraising across charities and the agencies they work with, designed to improve fundraising practice.

THE POWER OF A CONVERSATION

Public fundraising (whether on the street, private sites, at your door, or on the telephone) has been a fundamental part of how charities reach supporters over many years. It offers something that is becoming more and more rare – direct engagement and a conversation between two people. Little can be more powerful, memorable, and inspiring than hearing from someone speaking on behalf of a charity about their important work and the impact of your donations. Public fundraisers really do give a human face and voice to a cause.

Fundraising has gone through some big changes in recent years. The establishment of the Fundraising Regulator, discussions about how to continually improve the experience of supporters, and this year the introduction of GDPR, have led all in the sector to think about their fundraising and how they will continue to reach new supporters.

We are clear: public fundraising is a key part of excellent fundraising, and will continue to be for the future. When done to a high standard, and coordinated and managed properly, public fundraising offers advantages and opportunities for charities, and benefits for supporters, that simply cannot be replicated through other means and channels.

We are proud to help support the excellent public fundraising that is done by our members (both charities and agencies) and look forward to a successful future with hundreds of thousands of people continuing to give donations to charities following the power of a conversation.

The value and impact of public fundraising goes beyond the money raised, it also provides:

- A personalised and responsive experience for supporters
- Increased potential for a longer term relationship and lifetime of support with a cause
- Brand awareness and visibility of the role of charities and a presence in the community
- Wider engagement with a cause (signing petitions, volunteer opportunities) as well as delivery of a charity's mission (providing health information or awareness of a cause)
- Additional insight for charities to use to better the supporter experience

**A NEW
CERTIFICATION
PROGRAMME
FOR PUBLIC
FUNDRAISING**

In 2017 the IoF launched a Certification Programme for public fundraising organisations. The programme ensures these organisations are fit for purpose in relation to their people, processes and systems, and covers door-to-door, street, private site and telephone fundraising.

Organisations undergo a rigorous assessment of their fundraising practices and receive accreditation if they meet the requirements of the process.

The Certification comprises of three elements:

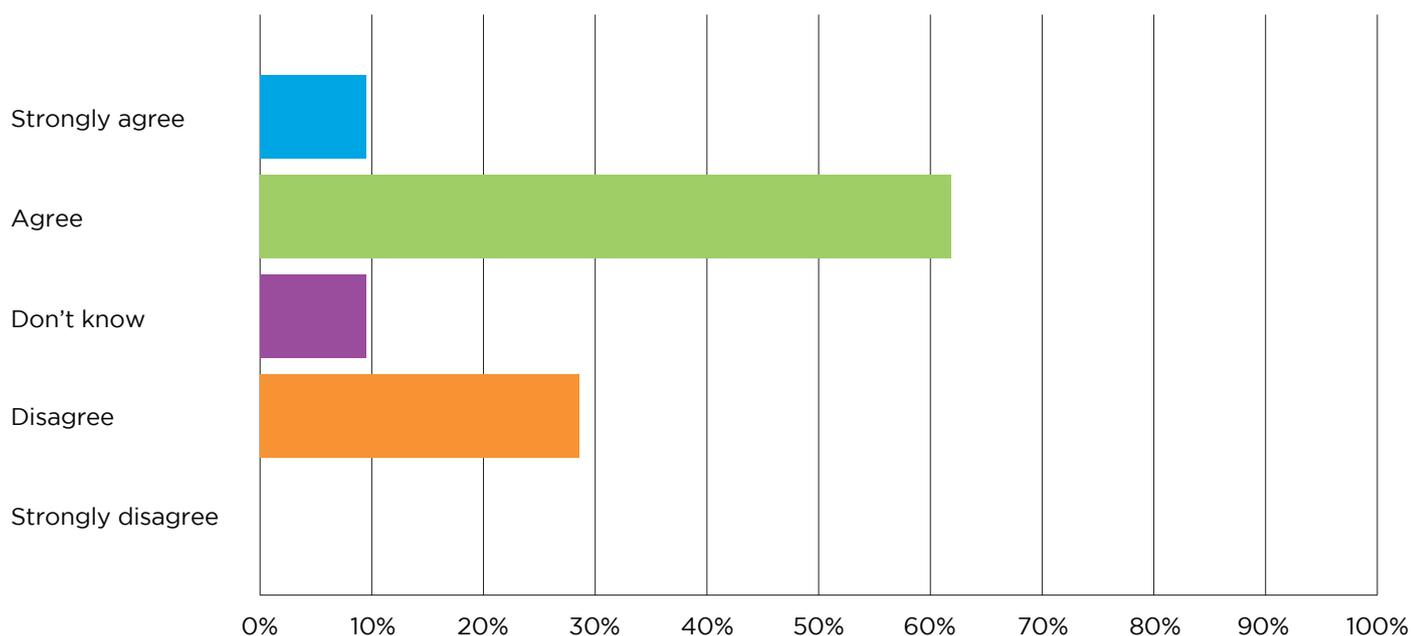
1. A detailed self-assessment form which is to be completed by the charity or agency. The form evaluates the organisations compliance procedures and practices.
2. An observation of the organisation’s training programmes to certify that excellent training standards are upheld on a consistent basis.
3. A Mystery Shopping programme to evaluate the practical implications of the work the participating charities and agencies are doing.

Following the completion of the process, the IoF Compliance team updates and publishes the Certification status of its members. If members successfully complete all three elements of the programme they receive ‘Certified’ status. Members who are in the process of undertaking the Self-Certification, but have made substantial progress in completing the three elements, are given a ‘Provisional Certification.

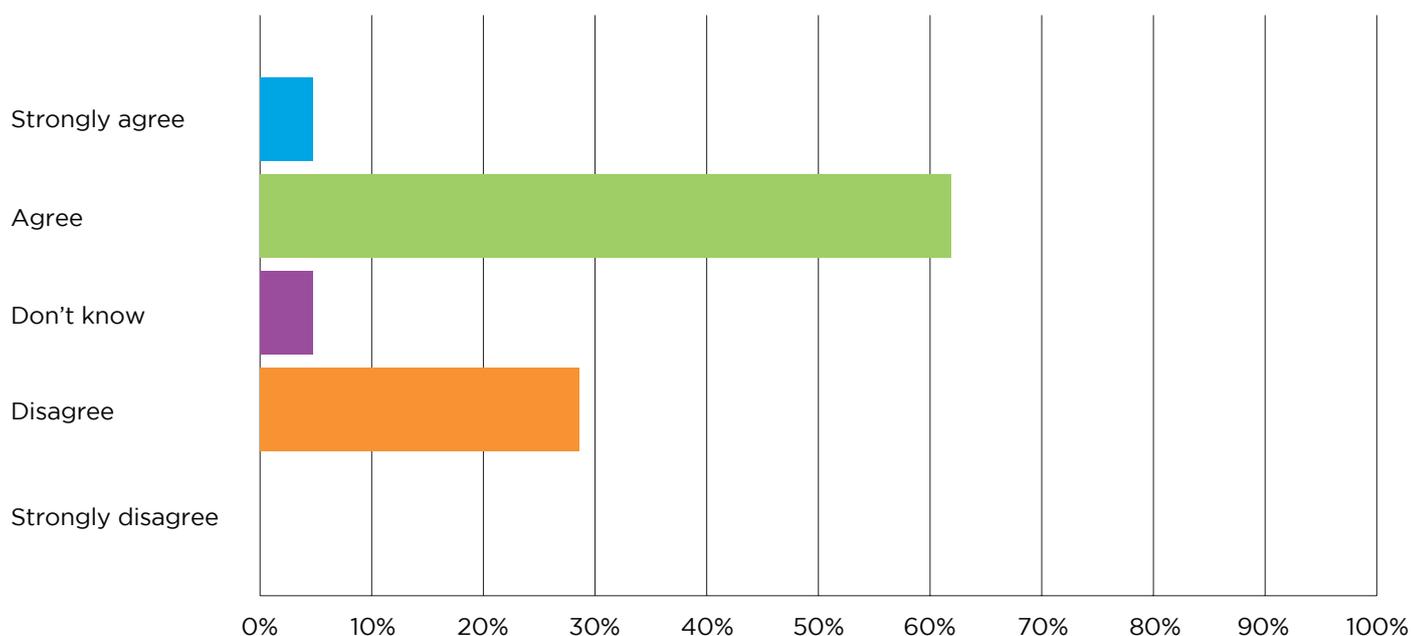
Research findings

After the first full year, the feedback we have had from those taking part in the programme has been positive. We launched a survey to understand the impact of programme, which resulted in 21 full responses from charities and public fundraising agencies.

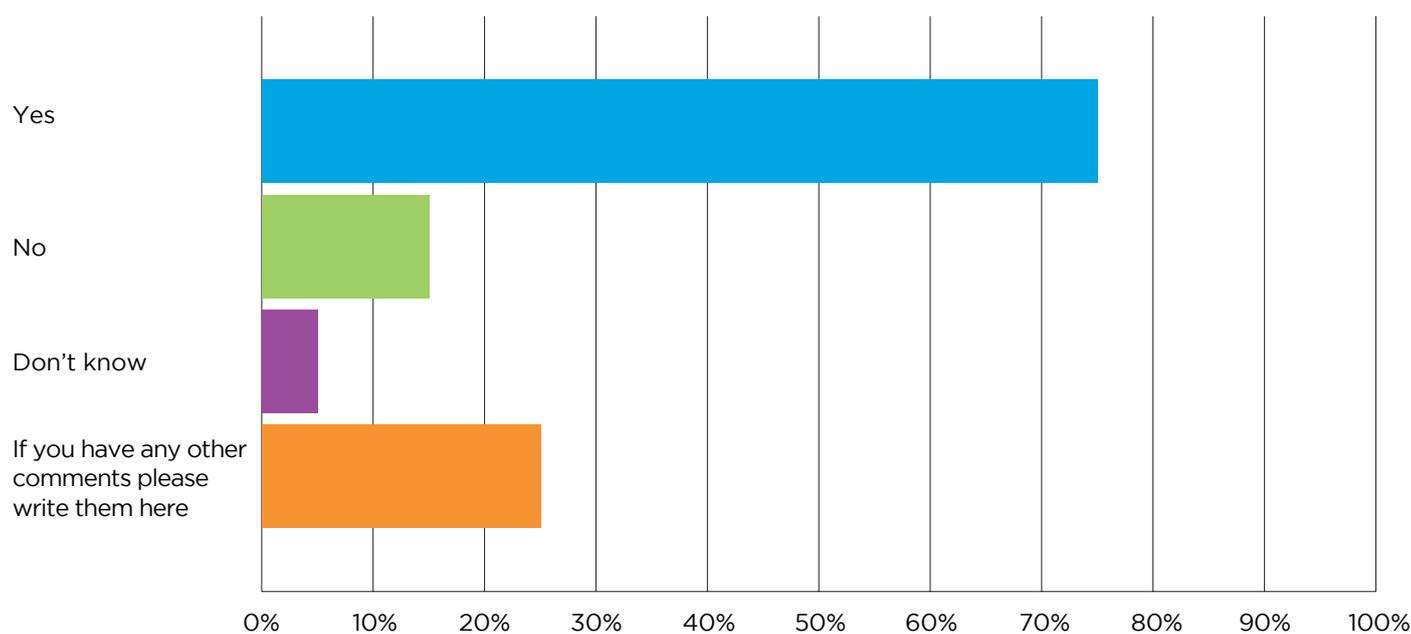
We asked respondents to what extent they agreed or disagreed with the statement that ‘the Public Fundraising Self-Certification Programme has improved our understanding of compliance issues in public fundraising’, with 71% either agreed or strongly agreed.



We also asked the programme's participants to reflect on whether the fundraisers and staff that work for them had developed a better understanding of their public fundraising responsibilities, since taking part in the programme with a majority of respondents (66%) saying they had.

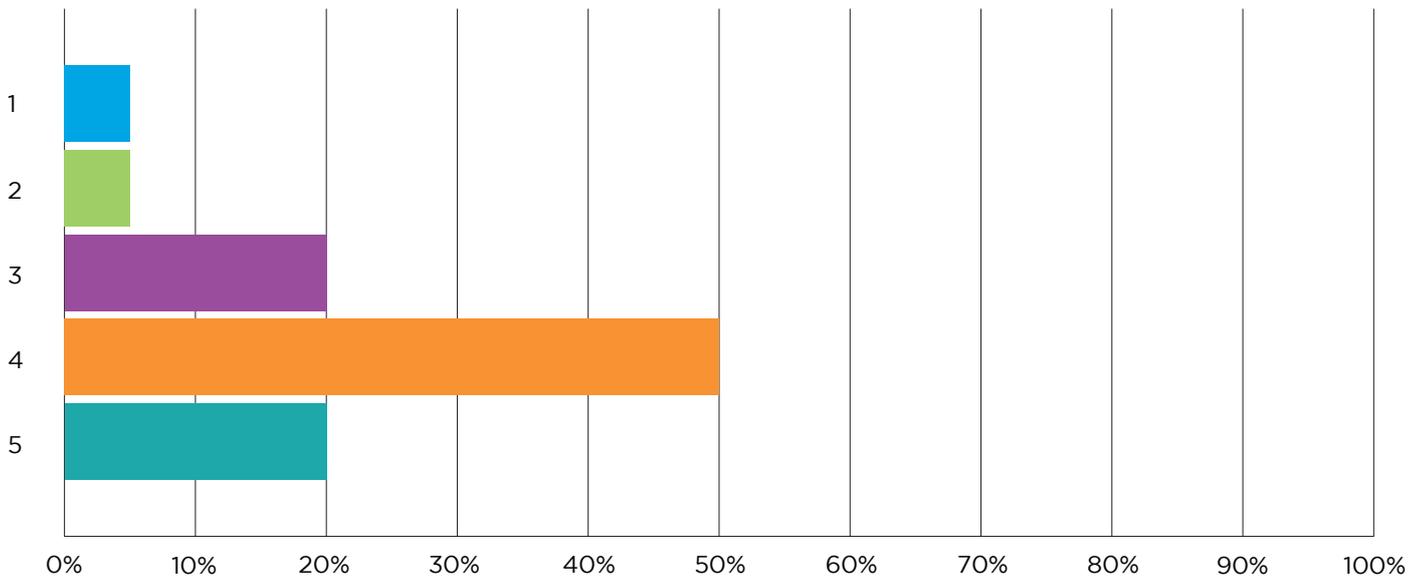


We asked survey participants whether they had reviewed or updated their fundraising policies since taking part in the programme - three-quarters (75%) reported that they had.



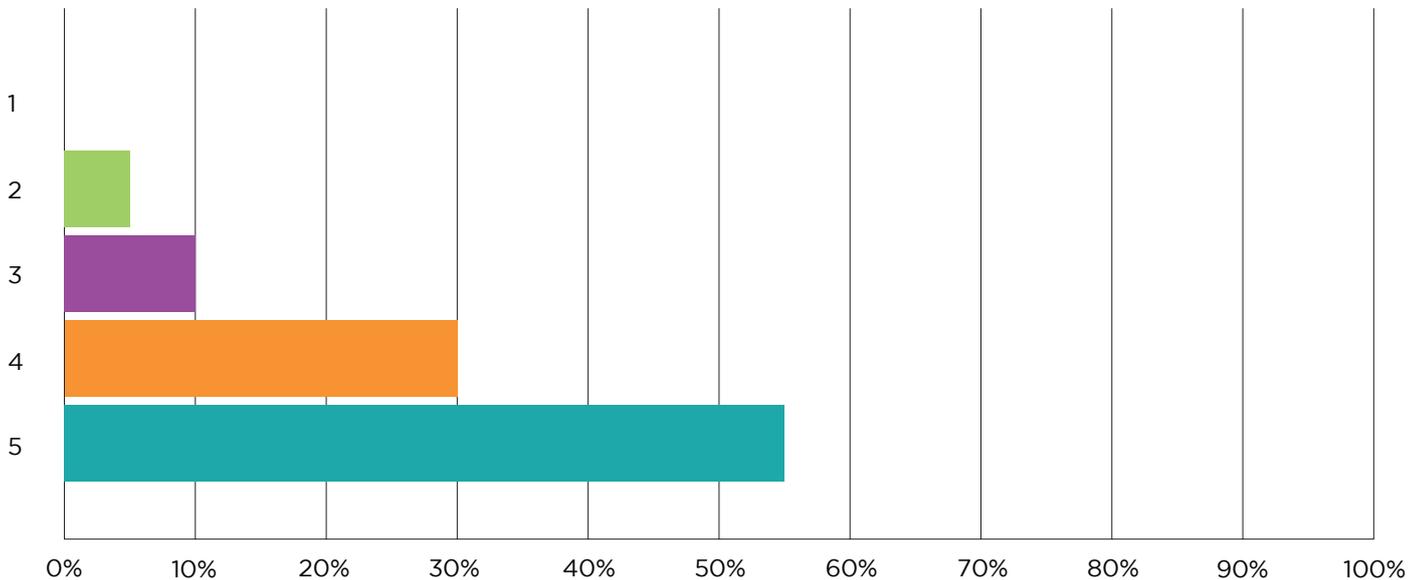
We were interested in getting feedback about whether or not participants in the programme had improved their knowledge of public fundraising standards. We asked respondents to rate their knowledge of public fundraising before and after the programme using a 1-5 scale with 1 being very poor and 5 being excellent.

Before the programme



The majority of those who answered the first question believed they had a strong understanding of public fundraising standards. 50% estimated their understanding as 4 prior to starting the programme. 20% rated their knowledge as 5, the highest available score. Only two replies rated their understanding at 2 or lower.

After the programme



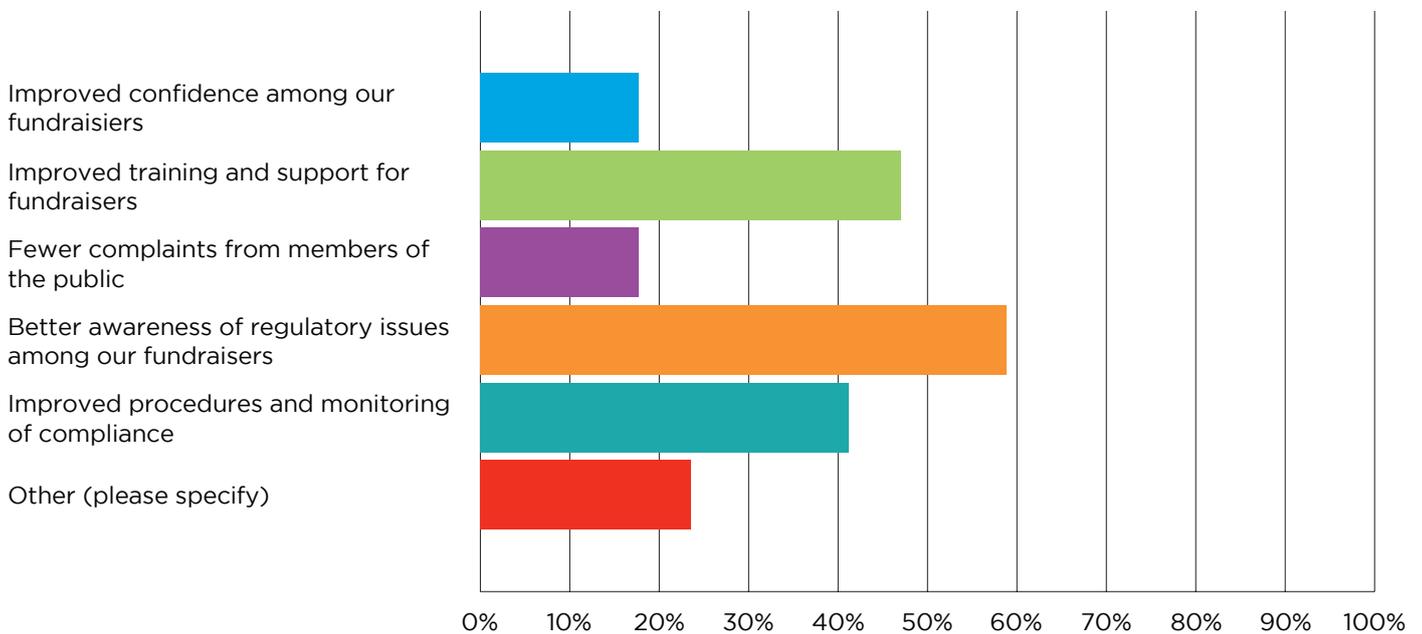
There is a clear improvement in the levels of knowledge concerning public fundraising standards following the completion of the programme. 85% of respondents rated their knowledge at either a 4 or a 5 having concluded the programme.

Most significant is the increased number of respondents who believed that their knowledge of public fundraising was excellent after participating in the programme. 55% of responses were marked excellent, a 35% increase compared with those who deemed their knowledge excellent, prior to participating in the programme. Just one response indicated a very poor knowledge of public fundraising standards after taking part in the programme.

Organisational improvements

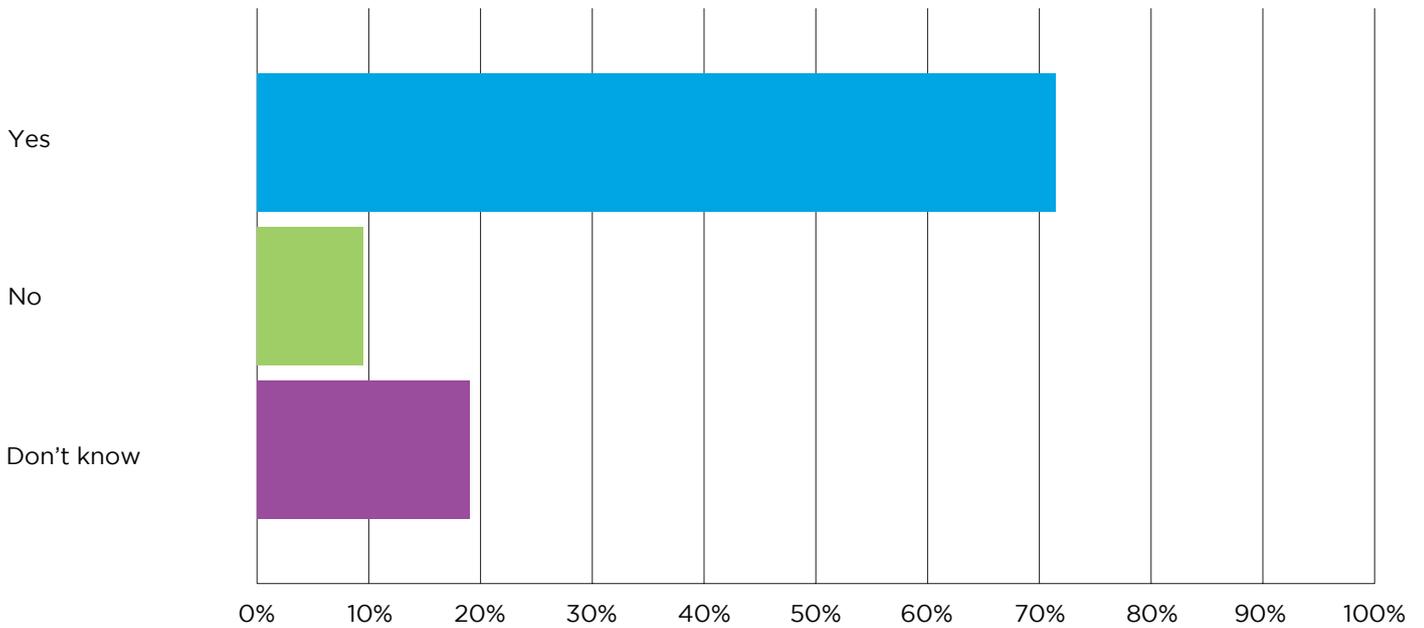
We asked respondents whether they had noticed any improvements within their organisation since being part of the programme. The most commonly reported improvement involved knowledge of regulatory issues among fundraisers. The majority (59%) of respondents believed that their fundraisers had a better awareness of regulatory issues since taking part in the programme. Just under half (47%) of respondents noticed an improvement in their training and support for fundraisers.

7 respondents (41%) noticed an improvement in their organisation's procedures including how it monitored compliance issues.



Reflections on the progress of the Self-Certification Programme

Finally, we asked whether participants would recommend the self-certification programme to other fundraising organisations – with 71% saying they would.



Overall, the survey results provide strong support for the effectiveness of the self-certification programme. A clear majority of respondents believed taking part in the progress has made them more aware of compliance issues and that their organisation has an improved understanding of their public fundraising responsibilities. Its ongoing success is reflected by the high percentage of responses that would recommend the programme. While we have only been running the Self-Certification Programme for one full year we are encouraged by the feedback and will look to build on this strong foundation in years to come.

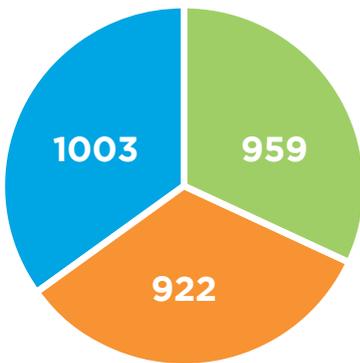
IMPROVING STANDARDS IN STREET FUNDRAISING

Street fundraising has raised millions of pounds for charities, and consistently inspires around 100,000 people each year to sign up to a direct debit. Through IoF's mystery shopping programme we monitor and evaluate street fundraisers across the UK to assess compliance and improve standards – we run over 900 mystery shops each year.

If a fundraiser is found to have breached the rules in place penalty points are issued which then highlight training needs and are used to raise standards.

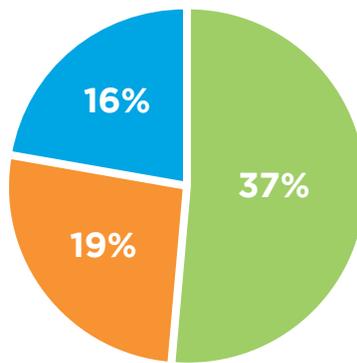
Year on year, our mystery shopping programme has seen improved compliance in street fundraising. In the last year, only 16% of mystery shopping visits resulted in penalty points being administered, an improvement from 19% in 2016/17 and 37% in 2015/16. The number of penalty points overall has declined over this time as well, while the number of penalty points per mystery shop has fallen from 52 in 2015/16, 28 in 2016/17 and just 21 in 2017/18. Taken together we are encouraged to see compliance issues reduce year on year and recognise the commitment and effort of our members to continually improving fundraising practice.

Total number of mystery shops by year – Street fundraising



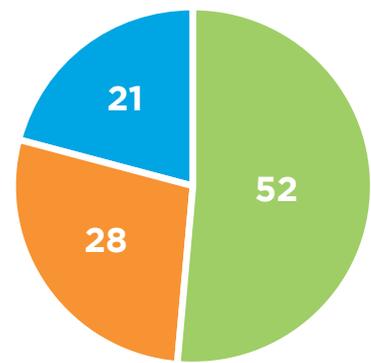
- 2015/16
- 2016/17
- 2017/18

Percentage of mystery shops that resulted in penalties being administered



- 2015/16
- 2016/17
- 2017/18

Mystery shopping points per shop – Street fundraising



- 2015/16
- 2016/17
- 2017/18

**WORKING
WITH LOCAL
AUTHORITIES
TO RESPOND
TO LOCAL
NEEDS**

Since 2004 we have worked with local authorities across the UK to put in place Site Management Agreements (SMAs), and now have 129 agreements with local councils.

What is a Site Management Agreement?

- Provides the location in which fundraisers may work. This usually includes a map and specific instructions such as “High Street between Church Street and Main Road”.
- Specifies which days of the week fundraisers may attend. The number of days will vary according to the size and footfall of the location.
- Determines how many fundraisers may attend. The number of fundraisers will vary between 2 and 6, according to the size and footfall of the location.
- Other local considerations

What are the benefits of a Site Management Agreement?

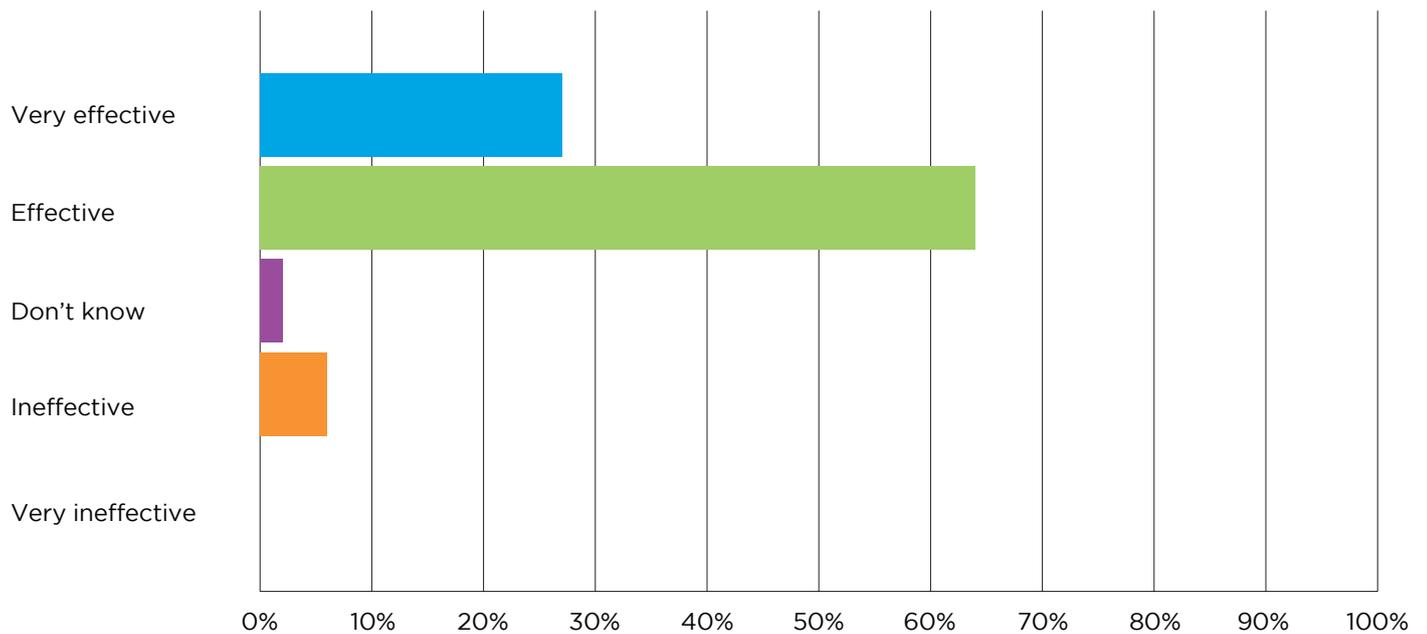
1. The IoF monitors the designated sites to ensure that only one charity is fundraising at any given time.
2. Penalty points are issued against members who breach the terms of an SMA when they are reported by the named gatekeepers within the local authority.
3. SMAs allow us to respond quickly to issues that arise. If the Compliance team are contacted, the IoF finds that issues are normally resolved within the hour.
4. Provides a single point of contact for the council with regards to face-to-face fundraising.

Why SMAs work

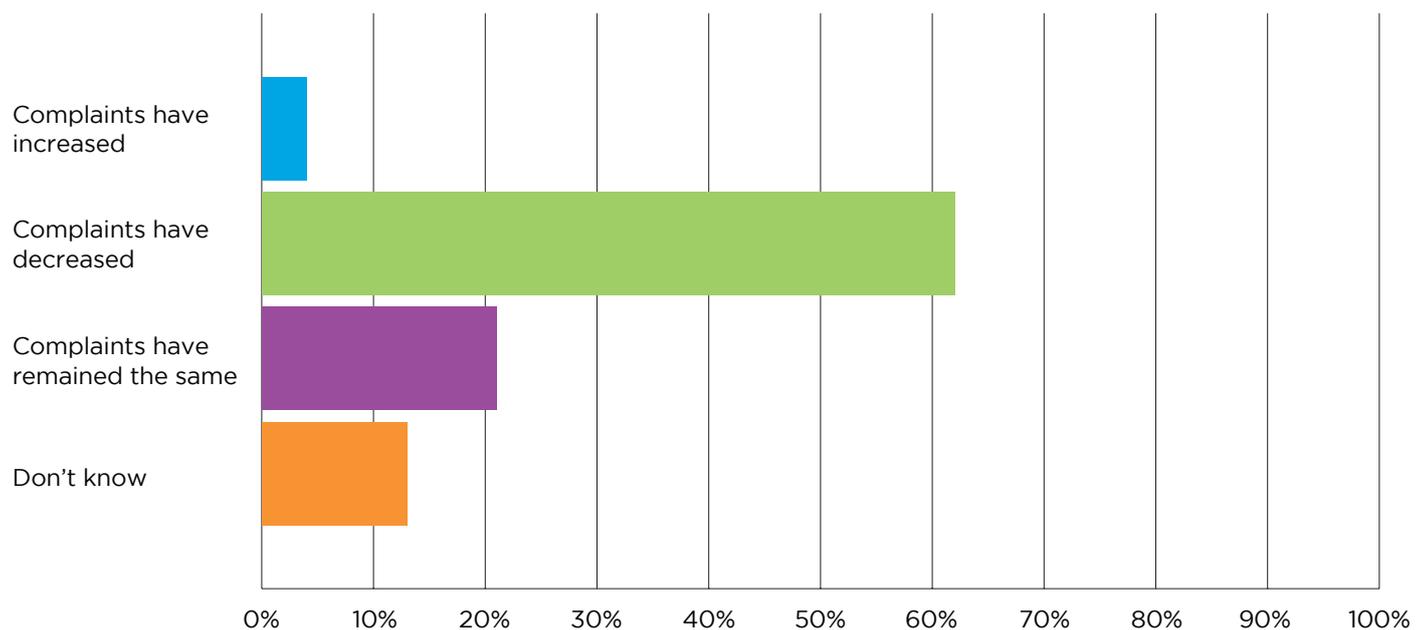
SMAs uphold public trust in fundraising. This is vital for upholding community harmony and ensuring that the public are able to go about their daily lives without undue interference. The signing of an agreement gives Councils and fundraisers the opportunity to display a clear commitment to a high standard of public fundraising. For fundraisers, it provides a clear set of guidelines for when and how they can fundraise. SMAs include penalties for breaches of the agreement, giving a strong incentive for fundraisers to uphold their side of the agreement.

We conducted a recent survey, asking representatives from local authorities to review the effectiveness of SMAs. Four questions were asked in the survey with 51 respondents completing the questionnaire.

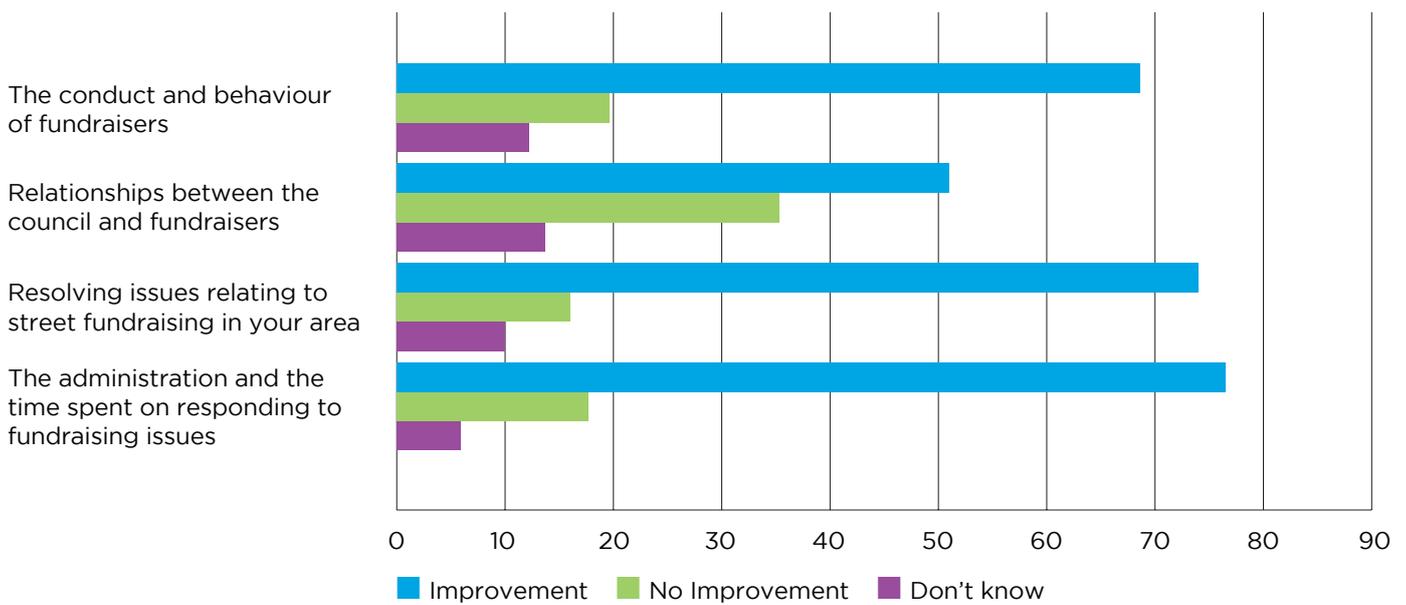
When asked 'how effective do you think your SMA has been in managing street fundraising activity in your area?' 47 (92%) of the 51 respondents believed the SMA had been either very effective or effective. By contrast just 3 respondents (approximately 6%) claimed that the SMA in their area was ineffective, with not one respondent claiming that their SMA was very ineffective.



A clear majority of respondents (63%) said that the number of complaints they received about public fundraising had decreased since the introduction of a SMA in their area. 22% found it has made no difference to complaint numbers and approximately 14% said they didn't know.

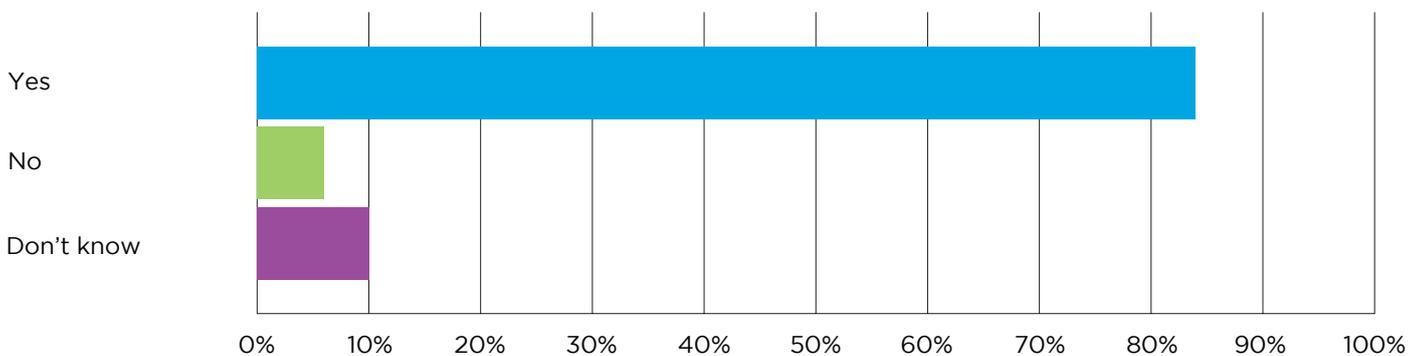


We also asked whether there had been any improvements in four areas of fundraising conduct. These were the conduct and behaviour of fundraisers, relationships between the Council and fundraisers, resolving issues relating to street fundraising and the administration and the time spent on responding to fundraising issues. In all four areas, a majority of respondents believed there had been improvement.



Over 70% of respondents believed that there had been improvements in the way that street fundraising issues have been resolved in their area since the introduction of a SMA. Just over two thirds (76%) of respondents believed that the administration and time taken to respond to fundraising issues had improved after the establishment of their local SMA.

Finally we asked whether Councils would recommend establishing an SMA as the best way of managing street fundraising to other Councils. Of the 51 respondents, 84% (42) said they would recommend an SMA as the best way for managing street fundraising for other councils. Just three individuals (6% of respondents) said they wouldn't recommend an SMA to other councils.



The overall results and feedback from the survey clearly show that SMAs are working, and that the work that the sector has done collaboratively to respond to the needs of local areas while improving fundraising standards has benefited both charities and the public.

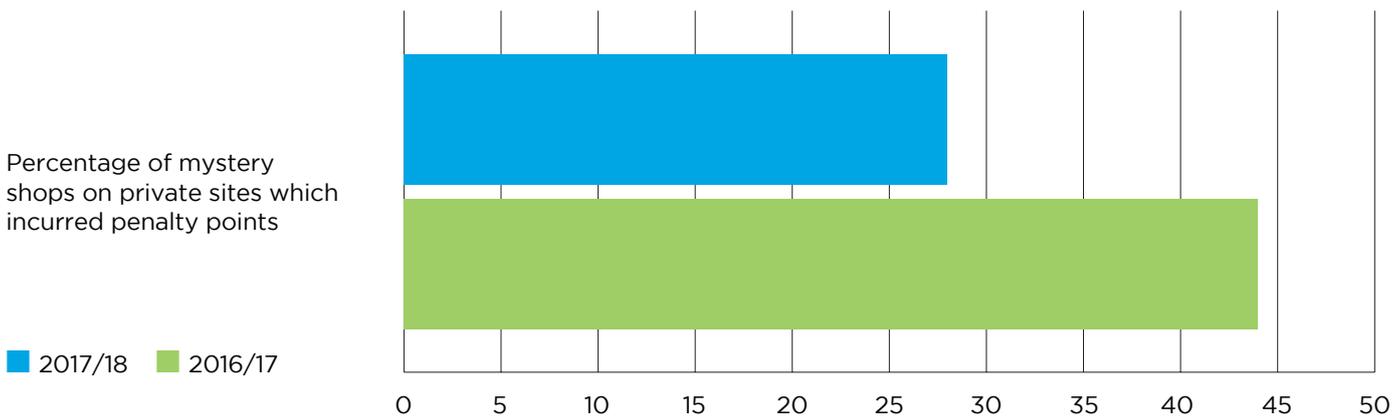
**PRIVATE SITE,
DOOR TO
DOOR AND
TELEPHONE
FUNDRAISING**

Private Site Fundraising is an area of fundraising which has grown over recent years and which provides an important opportunity to open up conversations with new supporters. As it has developed, we have also developed a mystery shopping programme to monitor, assess, and improve private site fundraising standards.

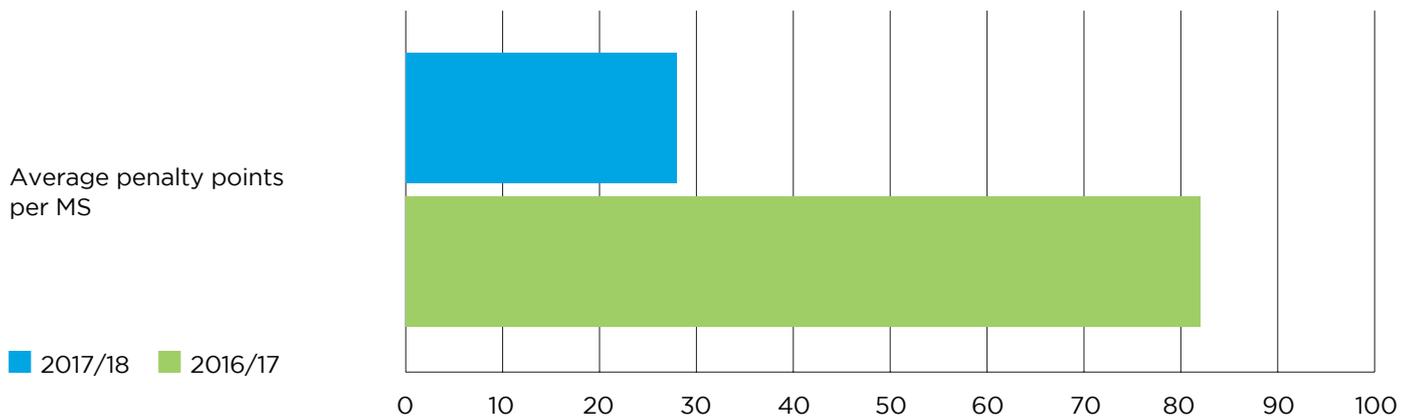
In 2016/17, the pilot year of the study, a total of 253 mystery shops were carried out, with 44% of these incurring penalties. Encouragingly, the following year, 2017/18, the number of mystery shops which resulted in a penalty had fallen to 28% even as the number of mystery shops increased to 940.

As well as fewer mystery shops resulting in penalty points, the average number of penalty points also fell in the first full year following the pilot. The average penalty points per mystery shops in private sites declined from 82 in the pilot, to 28 in 2017/18.

The nature of private site fundraising has had a profound impact on giving levels, with a total of 406,000 supporters signing up to monthly direct debit donations for causes they care about in 2017/2018.



Whilst these findings are positive, the private site mystery shopping programme is comparatively new and we will be looking to see the trend of improved standards continue over future years following the first full year programme.



Door-to-Door Fundraising

Door-to-door fundraising has continued to be an effective way of connecting supporters with causes, with 365,000 sign-ups by direct debit in 2017/2018. In addition to training and support through our Certification programme, we have supported charities in securing National Exemption Orders (NEOs) to allow them to fundraise door-to-door, as well as using our links with local authorities to ensure standards are maintained.

What are National Exemption Orders?

- The Department for Culture, Media and Sport is responsible for the NEOs door to door collections under the House Collections Act 1939 (as amended)
- NEOs are generally available to charitable organisations that have obtained house to house collection licences in at least 70-100 local authority licensing areas for the preceding two years, and are able to provide evidence of licences and collections returns
- There are currently 46 NEOs in place – many held by IoF organisational members

Telephone Fundraising

In 2016/17 the PFRA ran a telephone fundraising pilot for a period of 6 months to assess general compliance and look at ways telephone fundraising could be supported. As part of this process, data was collected which demonstrated the levels of telephone was in decline, and the IoF are keen to redress this. Supported by one of the telephone fundraising agencies with input from others, the IoF will soon be launching a guide to Telephone Fundraising aimed at increasing awareness about the value of using the telephone not only to gain donations, but as part of the supporter journey. The guide highlights the flexibility of the channel and its many uses from raising funds, thanking people to ensuring supporters have information they require for sponsored events.

Another result of the pilot was to highlight the variances in the quality of call monitoring, not just in terms of what was covered in the monitoring, but also the standards applied. Monitoring can be quite subjective in some respects and it is not at all an easy task. The IoF therefore launched a Call Levelling Programme in 2017. The aim of this programme is to enable those who regularly monitor calls or who have to listen to calls for complaint handling, to apply a balanced approach.

To find out more about the IoF's Compliance services and how to join, get in contact with us at:

T: 020 7401 8452

E: compliance@institute-of-fundraising.org.uk

W: www.institute-of-fundraising.org.uk/compliance



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Excellent fundraising *for a better world*