A new regime for fundraising

Charity fundraising is a topic that has received much negative press attention in 2015 in what has been a really difficult year for charities.

A new regime for fundraising

Following criticism of charity fundraising practices in parliament and the media, NCVO's chief executive Sir Stuart Etherington was appointed by Government to lead a review into the self-regulation of charity fundraising over the summer of 2015. The review recommended that the Institute of Fundraising be stripped of its responsibility for setting standards for fundraising; that a new fundraising regulator funded by the larger fundraising charities be established; and that a 'fundraising preference service' to enable people to 'reset' their charity marketing preferences be introduced.

The Government has accepted the recommendations of the review in full, with the new fundraising regulator due to be established by the end of 2016. The former broadcasting executive and Conservative peer Lord Grade has been appointed as interim chair of the new regulator and Stephen Dunmore as its interim chief executive.

There is concern over the fundraising preference service, whether the bad practice by one charity could then prevent other charities contacting donors who effectively opt-out of all charity marketing by using the 'reset button'. There are also concerns that regulatory requirements of the fundraising regulator and Information Commissioner in relation to data protection could go further than the legal requirements and make the fundraising process more costly and difficult to administer.

Fundraising summit

In early December 2015, a summit was held with Sir Stuart Etherington, William Shawcross (Charity Commission chair), Rob Wilson (Minister for Civil Society) and Lord Grade to discuss what will happen next. One of the key concerns to emerge from the summit was that the Etherington review will be implemented in full and charity trustees will be expected to have much greater responsibility for fundraising.

New law

The Charities (Protection and Social Investment) Bill is currently going through Parliament and is likely to be passed in the Spring of 2016. As well as introducing new powers for the Charity Commission, the draft Bill contains provisions relating to fundraising. In particular the Bill includes:

- a requirement for annual reports to include a statement on the approach taken by the charity to fundraising, information about the charity's fundraising activities, what the charity has done to protect vulnerable people and how many complaints they receive; and

- new requirements for agreements with professional fundraisers or commercial participators to include details of how vulnerable people will be protected from unreasonable intrusion, unreasonably persistent approaches and undue pressure.

Charity Commission consultation

The Charity Commission is consulting on revised guidance on fundraising until 11 February 2016. In a covering statement the Commission said that the draft guidance *"reflects the need to put public trust back at the heart of charity fundraising".* You can access the draft guidance via the Government's website.

Echoing a recommendation of the Etherington review, the Commission said in a covering statement that "*The revised guidance…makes absolutely clear that trustees are in the driving seat of their charity's approach to fundraising*."

The draft guidance highlights six key responsibilities for trustees: effective planning, supervising fundraisers, protecting the charity's reputation and other assets, complying with fundraising law, following recognised standards and being open and accountable.

The draft guidance does not include details of the new fundraising regulator, which the Commission says will be included in the final version.

What lies ahead…

The new fundraising regulator should be established in the course of 2016 and it seems that the subject is bound to remain high on the agenda. Fundraising charities should have an opportunity to influence the detail of the new arrangements and they also need to prepare for greater regulation of fundraising activities and data management.

There will be continued emphasis on the role of trustees to oversee fundraising. Charities that work with commercial participators and professional fundraisers will need to update their standard agreements once the Bill has been passed.

There are real concerns about the changes leading to a drop in income for some charities, but we also expect that charities will find entrepreneurial new fundraising channels and techniques that meet the needs and requirements of the new regulatory regime.

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