



**NCVO response to the Giving Green Paper**

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## 1. Introduction

1.1 NCVO is the largest general membership body for voluntary and community organisations (VCOs) in England. Established in 1919, NCVO represents over 8400 organisations, from large 'household name' charities to small groups involved in all areas of voluntary and community action at a local level. NCVO champions voluntary action. Our vision is of a society in which people are inspired to make a positive difference within their communities. A vibrant voluntary and community sector (VCS) deserves a strong voice and the best support. NCVO works to provide that voice and support.

1.2 The giving of both money and time is an important expression of our values and beliefs as a society. Increasing the rates of financial giving and social participation are important elements of building a vibrant and sustainable civil society. Having integrity and clarity around gifts is essential and supporters must have confidence that giving and philanthropy is complementary to public spending and not a substitute.

1.3 Increased financial gifts must be seen as part of a wider change in sector funding to strengthen and diversify the income base. The VCS needs access to a range of funding streams to promote sustainability. This includes grants, loans and contracts as well as donations from individuals and corporate support. The emerging social investment market has the potential to become increasingly important as part of this funding mix and it is important that policies on giving and social investment are consistent and complementary. This includes tax incentives for social investment which must not 'trump' incentives to give.

1.4 Changing sector funding is not just about increasing amounts of money. Funders including government need to adopt and promote good funding practice to ensure that VCOs can build financial sustainability. This includes allowing organisations to generate and use surpluses to invest in their organisations. Government must recognise the necessity of investment, not only in day-to-day activity but in long term sustainability.

1.5 Government needs to play an active part - in terms of frameworks, tax incentives and in supporting the VCS to build a greater capacity to encourage people to give. Government's role is primarily as an enabler:

- government can use its status and profile to leverage and promote giving and philanthropy;
- work with the VCS to build an evidence base to establish 'what works';
- highlight and disseminate best practice, including working in partnership and building relationships between the voluntary and community sectors and business;
- celebrate and recognise giving

1.6 However, there are limits to what government can do to promote giving. First, behavioural change is likely to be more successful from the 'bottom up' and to that extent, there is a limit to how much government can do to drive behavioural change. The primary responsibility in promoting giving must rest with VCOs themselves. This is discussed as part of NCVO's proposal for a 'better asking' campaign. People are more likely to give to a cause, rather than because government asks them to.

1.7 It is positive that this Green Paper considers the gift of money and time. Whilst there are important links between them, the motivations for these different types of gift vary. Generating additional numbers of people making these different types of contribution will require well targeted and different public policy interventions.

1.8 NCVO's Funding Commission, which reported in December 2010, outlined a number of recommendations to significantly increase the amounts given and the numbers who give. These recommendations are outlined in more detail in the relevant sections of this submission, principally:

- Recommendation one – an 'Increasing Impact Fund' to promote and share good working practice in identifying and articulating the difference that VCOs make;
- Recommendation five – a 'Better Asking Campaign' to improve the quality of fundraising, promote the work of VCOs and develop innovative forms of 'asking';
- Recommendation seven – promoting mutual benefit with the commercial sector to outline ways in which the VCS and business benefit by working together, build on brokerage between the sectors.

### **1.9 Key recommendations**

- As an overarching aim, policy to promote participation and enable civil society must be consistent and complementary with wider public policy. For example:
  - fundraising is an essential component of promoting giving and yet government is introducing additional regulation on where street fundraising can take place;
  - shared services VAT acts as a direct disincentive to collaborative working, including forming consortia and working collaboratively to promote giving. Government should urgently implement the exemption in Article 13 A (1) (f) of the EU Sixth VAT Directive to address this problem. In addition, VAT levied on fundraising costs is a disincentive to investing in a proven method of generating giving;
  - proposals to reduce the tax free threshold for volunteer expenses would cause significant administrative burdens for VCOs and potentially act as a disincentive to volunteers.
- The VCS is facing considerable challenges, including disruption to its funding streams. Government must not exacerbate this situation and NCVO would caution against radical changes to tax incentives or the introduction of new schemes without careful consideration and the development of robust evidence in partnership with the VCS.

### **Participation and volunteering**

Government should develop a long term strategy informed by the following principles:

- build on what works and not repeat the mistakes of past governments in failing to invest and work with existing support mechanisms. Use existing organisations, frameworks, institutions and support structures such as volunteer centres and volunteer managers – where the first point of contact with new volunteers is often essential;
- government should particularly work to address barriers to participation amongst currently under-represented and excluded groups. The

development of strategy in this area should form an important part of the Giving White Paper.

- retain and build on existing volunteer skills – do not over-burden existing volunteers and ensure that they feel valued and respected;
- use and update existing and well recognised online databases and advertising.

### **‘Great opportunities’**

- Government should work with the VCS to build skills and confidence amongst all VCOs, particularly smaller ones, to harness the full benefits of online technology;

### **Better asking**

- Better asking is essential to securing more giving. Nudge theory should be used as part of an effort to increase giving. The approach should particularly focus on establishing giving as a social norm at a young age and at points where people transition through different stages of their lives;
- it is not the responsibility of government to actually deliver the ‘nudge’ to change behaviour, but to work with the VCS to develop the evidence base and allow individual organisations to work with communities to promote a culture of giving.

### **Impact**

- VCOs need to better demonstrate their impact. As part of this, government should endorse recommendation one of NCVO’s Funding Commission is for an ‘Increasing Impact Fund<sup>1</sup>’ to support the VCS in this process;
- Commissioners should consider the full social, economic and environmental value of services and reward providers for adding such value. Government should therefore support the Public Services (Social Enterprise and Social Value) Bill tabled by Chris White MP;
- The VCS should, working with government, invest more to fully understand issues such as donation frequency, gift size, links with giving time, motivations and the impact of big campaigns. Pooling existing data should also be encouraged and the VCS could do more to collectively produce robust, shared market intelligence.

### **Information**

- The VCS should aim to become increasingly transparent. By revising the Statement of Recommended Practice (SORP) and encouraging the use of standardised templates for reporting (such as the Form 990 in the US), the VCS could more accurately report trends in donations and which causes people give to; show where Gift Aid is going (as this data is currently unavailable); and highlight variance in reclaim rates between sub-sectors to bring those lagging up to the mean.

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<sup>1</sup> The purpose of this fund, developed and administered as a cross-sector partnership would be to develop and share good practice in developing, measuring and reporting on social, economic and environmental impacts through:

- developing and disseminating good practice in the measuring and reporting on social, economic and environmental impact;
- supporting VCOs to develop systems and build expertise across the sector;
- developing common frameworks where this adds the debate, with different outcomes for different parts of the sector to develop shared evidence and learning (the Government could support the implementation of this recommendation by encouraging the development of a well understood common framework and recognising and supporting this form of measurement);

this would support VCOs to publish impact assessments and evaluations (this should also be seen in the context of VCOs themselves embracing the principles of transparency and openness).

## **Visibility**

- The media could be encouraged when reporting negative social stories to highlight the work that VCOs do to attempt to prevent and alleviate such problems. This would not only reduce the sense of hopelessness that often surrounds such problems but also would offer valuable exposure to VCOs and a direct demonstration of their impact. The Government should also take a share of responsibility here – using opportunities to highlight the work of the VCS, including in preventative services, when discussing social problems and their solutions;
- government should continue to use formal honours to recognise those who make outstanding contributions to voluntary and community activity;
- people who give large proportions of their income should be honoured alongside those who are able to give large amounts in absolute terms;
- NCVO supports the creation a ‘Community Day’ to celebrate the importance of community activity and volunteering with a bank holiday.

## **Support**

- Government should abandon the proposal for a mandatory payout requirement for foundations.

## **The role of government**

- Government should leverage its interactions with citizens to promote participation and the giving of money and time. For example, government could use tax returns and P60s to signpost the importance of giving;
- as part of the promotion of participation through initiatives such as the ‘civic service’, public servants should also be encouraged to become charity trustees as this would bring a wealth of skills, experience and knowledge into the VCS. Local government employees will be particularly valuable as trustees in the context of increasing decision making at a local level and specific provisions of the Localism Bill including the right to challenge and community assets. As a note of caution, it must be understood that these public servants are giving their time as individuals and not in an official capacity to reassure VCOs around their independence;
- government should further examine ways in which the uptake of payroll giving might be encouraged. This in the first instance could be about visibility and information – using public sector interactions (for example tax returns, P45 and P60 forms) to raise awareness of payroll giving and its advantages;
- to promote its effectiveness, government must signal its long term commitment to Gift Aid and move forward with plans to simplify its operation, move the system online where possible and ensure that new approaches to fundraising, including mobile technology, are compatible with Gift Aid. Government should look at the potential for simple higher rate re-direction, to ensure that those who self-assess for tax purposes and claim higher or highest rate Gift Aid relief could donate that additional relief to charity;
- consideration should also be given to opening up HMRC data. As an intermediary dealing with Gift Aid reclaims and payments to higher rate taxpayers, this data would highlight which higher rate taxpayers reclaim Gift Aid and which charities are claiming. This information could then be made available to interested third parties such as academics so they can analyse the data and make policy and practice recommendations;

- government could consider the development of a research programme around lifetime legacies with NCVO, CAF, CFDG and other key sector organisations to develop policy in this important area.

### **The role of business**

- Businesses that work closely with the VCS report that there are a number of benefits to both partners. Government should endorse NCVO's Funding Commission recommendation to promote 'mutual benefit' between the corporate sector and the VCS to highlight the ways in which business would gain from increased work with VCOs<sup>2</sup>.
- government should review the current range of tax reliefs and seek to simplify where possible and commit to the promotion and understanding of tax reliefs amongst the business community to promote giving.

## **2. Giving money: the context**

2.1 Charitable giving and philanthropy is the most significant source of funding to the VCS, and it is likely that its importance will proportionately increase as state funding declines. Increasing giving and bringing about a cultural change is a long term project that will require commitment from both the VCS and from government.

2.2 The UK is a generous country. 56 % of adults gave a total of £10.6 billion in 2009/10. When compared internationally, the UK was identified as one of the countries with the highest proportion of adults giving money with nearly three-quarters (73 %) reported as giving in the last month<sup>3</sup>. Giving is already at a high level, but there is potential to do more, particularly amongst social groups with lower levels of giving.

2.3 Policy needs to be based on robust evidence and a realistic assessment of current patterns of giving. The landscape is challenging, with giving under significant pressure.

## **3. Volunteering and participation<sup>4</sup>**

3.1 Volunteering, social participation and the gift of time are all important parts of building a vibrant civil society. The aim must be to enable both quick, spontaneous or transitory engagement and sustained, meaningful social activity and participation, tailored to people's lifestyles and preferences.

3.2 There are a number of barriers to participation, many of which are cited in the Green Paper. These include a lack of money, time, confidence and skills.

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<sup>2</sup> The full text of this recommendation is in Appendix 1, and the recommendation includes

- NCVO, CAF and BiTC to work with cross sector partners to develop an articulation of the business case for increased partnership;
- expanding and increasing awareness of cross sector brokerage;
- highlighting good practice to show the benefits of partnership;
- increasing awareness of existing incentives, particularly amongst SMEs;
- the relationship between the VCS and SMEs is critically important and should be developed through locally focused work;
- companies working in financial services, social media and new technology may also have a particularly valuable contribution to make to partnerships

<sup>3</sup> NCVO/CAF (2010) *UK Giving 2010. An overview of charitable giving in the UK 2009/10*

<sup>4</sup> NCVO has an extensive research programme on participation, which informs our views in this section. Further information can be found at <http://pathwaysthroughparticipation.org.uk/>

3.3 It is important that these are taken seriously so that government can work with the VCS to develop practical solutions on how these significant barriers can be overcome. Where barriers cannot be overcome – for example a lack of time due to work and caring responsibilities, then opportunities have to be tailored to people's lifestyles. This includes support for schemes such as micro-volunteering and practical interventions, such as paid time off for volunteering.

3.4 Reciprocity can be an incentive. However, this is not the only reason why people choose to participate and therefore should not be over-stated or seen as the 'solution'. People often participate because they see a need, identify a cause that they care about or because they have strong community ties and identities.

3.5 Participation is currently unequal:

- the most active group is aged 35-64;
- those in the 18-24 age group register relatively low volunteering rates and participation by this group has been declining for some time;
- gender disparities are also evident with women significantly more likely to volunteer;
- BME groups have been identified as less likely to participate in formal volunteering, although levels do vary significantly across different ethnic groups;
- there are strong links between religious practice and formal volunteering but this is less significant than social-class related factors such as educational attainment or housing tenure;
- participation rates are often lowest in the communities with the most acute need, with the socio-economic groups AB and C1 considerably more likely to volunteer than groups C2 and DE<sup>5</sup>

3.6 The approach taken by government cannot therefore focus only on removing barriers, but also on the steps required to positively build participation from all parts of the community. The aim is not simply to increase the number of volunteer hours, but to support a culture of genuine participation.

3.7 There is a 'civic core' – people who are most engaged in the giving of money and time and most likely to actively participate in society. It will be important to capture the skills, knowledge and expertise of this group who will play a role in encouraging participation and skills development more widely.

3.8 Volunteering is not a 'free good'. Whilst the use of volunteers can deliver more responsive and cost effective solutions, volunteers require support, training and management. There remains a role for paid, qualified staff in this process. Ensuring that a range of support organisations, including those at a local level, can continue to operate is essential, to provide clear opportunities to participate.

3.9 Some volunteer centres have reported a significant increase in demand since the onset of the recession. In some areas demand is outstripping the supply of volunteering opportunities. This underlines the need to support existing organisations to increase their capacity to provide such opportunities, alongside the development of new initiatives.

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<sup>5</sup> NCVO/IVR/Involve (2009) *Understanding participation: A literature review*, p.23.  
<http://pathwaysthroughparticipation.org.uk/wp-content/uploads/2009/09/Pathways-literature-review-final-version.pdf>

3.10 Timebanking has the potential to increase awareness of and participation in volunteering. Timebanking should be linked to both online and offline support for volunteering opportunities, building on what already exists including Do-it.org, local Councils for Voluntary Service and Volunteer Centres

3.11 The creation of community organisers has the potential to support the growth of wider community activity and should be developed alongside support for existing community development organisations. A concerted effort to engage new people in community activity is will be more successful if it can capture the skills, knowledge and commitment of those with a track record in volunteering and social participation. Wider policy changes will increase the importance of equal access to opportunities to participate. This applies to provisions of the Localism Bill and proposals over community engagement and decision making. Participation in local decision making is often difficult and requires specific skills. Alongside the Government's aim to transfer power and discretion to the local level must go a meaningful commitment to supporting local community groups to giving voice to all members of society. This also applies to reforms to public services, with greater rights to influence service design and to co-produce services.

#### **4. 'Great opportunities'**

4.1 Supporters and potential supporters should be presented with clear and accessible opportunities. Whilst the presentation of opportunities does not necessarily prompt increases in giving in itself (there are already many opportunities to give), the VCS and government can work together to remove barriers and to promote the opportunities that currently exist and those that are emerging.

4.2 The specific options included in this section are all positive though none are transformational. 'Quick wins' should be part of the approach, but should not be seen as a substitute for other interventions. Options such as ATM giving must not simply provide additional fundraising capacity for those organisations with the potential to invest independently. New opportunities must also be configured in a way that attracts new donors and finance and does not simply recycle or displace existing funds within the VCS.

4.3 Online technology is an important part of encouraging and enabling people to give. When harnessed sensitively, it can transform the relationship with supporters and to attract new supporters. Online platforms have many advantages in terms of cost effectiveness and reach, yet many VCOs are still not harnessing the full potential. This is often not a failure to recognise the full value of online methods of promoting and communicating activity but a reflection of a lack of capacity in terms of skills and time.

4.4 There are challenges associated with the use of online technology – the capacity and ability of VCOs, the 'digital divide' which sees significant numbers of people still lacking access to internet connections. Grassroots organisations may also face particular challenges in terms of time (e.g. in delivering quick responses) and skills to use online technology.

4.5 Giving should be inclusive. It is important that people from a full range of backgrounds feel able to give; included in this important social activity and that gifts of all sizes are valued. Securing gifts and a culture of giving from a diverse range of people is part of building a diverse, and therefore more sustainable, income base for VCOs.

4.6 Generating a culture change in giving will not only require new opportunities to give and more asking, but 'better asking'<sup>6</sup>. Fundraising and promoting participation must be effective and targeted and the purpose of the campaign is to improve the quality of the way in which the VCS asks for support. This includes joint work to develop and share innovative approaches, supporting VCOs to promote and communicate their work and their impact.

## 5. 'Information'

5.1 VCOs invest in communicating their activity and in seeking support. Providing information on what they do and why they should be supported is a core activity. Improving the quality of this information and its accessibility will help in driving a culture change in giving.

5.2 Efforts to promote giving are likely to be most effective when connected with demonstrable impact. There is a need to develop better and clearer systems to measure and demonstrate impact. New donors are more likely to be attracted when they are clear about the benefits that their gift of money or time will generate. The emotional appeal attached to giving is also important.

5.3 Measuring social impact is significant in the wider context of an increasing role for civil society in public services and in the development of social investment. Many contracts and products are likely to depend upon robust social impact measurement but this is a challenging process. Small organisations are understandably reluctant to divert any resources away from frontline activity into investing in metrics. There is no common and agreed method of measuring social impact and this has been a subject of considerable debate.

5.4 Linked to the better reporting of social impact is transparency. Publishing clear, accessible data that is easy to understand is important for VCOs. The Funding Commission recognised the importance of open data and calls on civil society organisations to publish impact assessments and evaluations in annual returns and in summary information returns which should be available online.

5.5 The VCS should be encouraged to increase transparency surrounding giving characteristics and donor behaviour. This could be achieved by using charity accounts and Charity Commission annual returns to report levels of individual,

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<sup>6</sup> NCVO's Funding Commission report 'Funding the Future' (Recommendation Five) suggests a sector wide 'Better Asking' campaign which would look at the effectiveness of all forms of fundraising. The specific reference to this recommendation in the Green Paper is welcome and government support for the recommendation would signal a clear commitment to the suggested activities which include:

- training initiatives for trustees, CEOs, and paid and volunteer fundraisers to enable better asking and better engagement;
- developing and supporting collective approaches to fundraising, working in conjunction with community foundations and taking full advantage of new initiatives like electronic rounding up and Localgiving;
- supporting the development and sharing of innovative approaches to fundraising, including sharing research, e.g. on donor motivation and the effectiveness of different approaches;
- helping develop new ways of asking people to give, taking advantage of new mechanisms for giving;
- building the capacity of VCOs to engage with social media and technology and commissioning further research into how the potential of new developments in this field can be more fully exploited;
- supporting initiatives to improve the way in which VCOs communicate their work and engage with those who support them;
- raising awareness of VCOs through media work around philanthropy; and
- developing new, more open, measures for evaluating both the cost effectiveness and the success of different fundraising approaches

foundation and business giving with greater clarity as well as Gift Aid reclaimed and irrecoverable VAT figures.

## **6. Visibility and changing behaviour**

6.1 Social media will undoubtedly continue to be an important means of interaction, particularly amongst some social groups less likely to give, including younger people. There are a number of online platforms where accessible information is provided to potential donors<sup>7</sup>.

6.2 Recognition of generosity is important. It can be an incentive for others to give in, it celebrates and legitimises giving as an important social act and it reinforces the benefits for individuals and communities.

6.3 Increased giving from high net worth individuals is going to be an important part of securing additional funding. Philanthropy, unlike emerging funding streams such as the social investment market, can generate money quickly – which is particularly attractive given the short to medium term financial challenges facing the VCS.

6.4 It is important to build social norms around giving and participation throughout the life cycle and to embed knowledge and opportunities to give. Influencing behaviour is likely to be an important part of increasing the rate of giving and in driving more participation and voluntary activity. Giving should be established as a social norm amongst young people, with support for people as they transition through different stages of their life cycle. Examples of how existing organisations have pioneered innovative approaches in this area include OxFizz, a volunteer-powered social enterprise pioneering a new form of giving and Trust Youth which is an active citizenship programme, designed to empower young people to give time and money<sup>8</sup>.

6.5 Giving money remained relatively static throughout a sustained period of strong economic growth, which would suggest that a return to growth alone would not prompt a big increase in the rate of giving. It seems likely as median levels of giving have stalled around the £10 a month point that a psychological ‘price point’ may have been reached and that creating a large number of donors willing to give significantly in excess of that amount will be difficult. ‘Nudge’ theory could have a particular application in encouraging those giving already to give more.

6.6 It is important to stress, however, that this approach is in its early stages. The temptation to invest heavily in an untested area at a time when finances are under considerable pressure must be resisted. The responsibility for ‘nudging’ does not lie directly with government, though there is a role to play in facilitating discussion and working with the VCS to build an evidence base and information on which approaches are effective.

## **7. ‘Support’**

7.1 Foundations play a significant role in the financing of the VCS in the UK and this significance could potentially grow as funding from the state declines. NCVO is opposed to the imposition of a mandatory payout requirement for foundations for several reasons:

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<sup>7</sup> These include a number of programmes such as [www.charitydonor.co.uk](http://www.charitydonor.co.uk); [www.charitygiving.co.uk](http://www.charitygiving.co.uk) and [www.donation4charity.org](http://www.donation4charity.org)

<sup>8</sup> Further details of both of these organisations are in appendix 2.

- independent control of foundations and their assets and capital by trustees and the ability to make their own decisions on how they will be spent is essential;
- this requirement would undermine flexibility and discretion for foundations to make decisions in line with the organisation's mission and investment conditions;
- this requirement would need additional legislation and regulation and runs contrary to government ambitions to reduce the legislative and regulatory burden on the sector;
- payout could undermine the ability of foundations to spend counter-cyclically, i.e. to spend more in challenging times which may require spending less when financial conditions are better;
- foundations also spend differently and some award large capital grants on an occasional basis whereas others make more regular, smaller payments;
- payout requirements are not the solution to the current financial challenges for the VCS and may undermine the long term financial health of foundations;
- it is unclear how this requirement would be monitored and what the sanctions would be for non compliance.

## **8. The role of government**

8.1 Government can use its size, profile and assets to support the growth of a giving culture. Promoting giving should be seen as a partnership between government and civil society, with government in an enabling and facilitating role.

8.2 Government can promote giving through the appropriate use of public sector assets, web estate and interactions between the public sector and the wider population (for example, tax returns). Points of interaction between the public sector and individuals offer opportunities to raise awareness of giving and to promote opportunities to give.

8.3 The public sector is also well placed to take a lead in encouraging volunteering and participation. To that end, the 'civic service' where public employees are supported to volunteer and lend their skills to community projects is welcome. There is potential for co-production approaches to be developed, where the skills and experience of public servants could be used in conjunction with community groups to shape the future of public services.

8.4 Tax incentives are an element of seeking to promote giving, but should not be seen as the whole solution. Promotion and simplification of existing tax reliefs should be prioritised, alongside considerations of how alteration and the development of new reliefs may help to promote giving.

8.5 Lifetime legacies have the potential to channel much needed resources into the VCS through giving. These would allow donors to make irrevocable gifts during their lifetime (of shares, property or cash) whilst retaining the benefit of the income or use of the gift during their life.

8.6 Lifetime legacies have advantages for the VCS in that they provide clear commitments and allow for a degree of security for capital projects. There are also clear attractions for donors. With the right, carefully calibrated tax incentives and a high profile campaign from government and the VCS to increase visibility and awareness, lifetime legacies could become significant. It is important to build a robust evidence base around lifetime legacies to ensure that the right balance

between increased resources for civil society and the benefit to those claiming the reliefs is struck. Lifetime legacies should be developed alongside existing legacy income, which is a significant source of funding to the VCS.

8.7 Government might also consider the development of a matching scheme, or challenge fund. This could be a high profile scheme with considerable public support and promote awareness of giving.

## **9. The role of business**

9.1 Business is an important part of the 'Big Society' in terms of financial support, working in partnership to deliver public services and in supplying much needed skilled volunteering. Business could do more and there are clear mutual benefits.

9.2 Income from corporate sources for the voluntary sector in cash terms stood at £2bn (5.6% of total income) in 2007/8<sup>9</sup>, of which £1.2bn was in the form of cash donations and £800m different forms of sponsorship. Income from corporate sources is significantly lower than income from statutory and individual sources.

9.3 Measuring non-financial support is more difficult, but around 36% of employees have access to some form of employee volunteering, and 70% of FTSE 100 companies have a form of employee volunteering scheme<sup>10</sup>. Skilled volunteering, where the corporate sector can support VCOs is of considerable benefit. When designed in partnership, this advice, support and time gifted by the corporate sector can prove invaluable.

9.4 A flexible, sophisticated approach to commercial support is needed to secure sustainable funding. Both the VCS and the commercial sector may need to embrace more flexible provision – beyond bi-lateral relationships predicated on a single approach (e.g. a foundation) and toward a more layered approach with several partners from both sides potentially using various different approaches to support good causes. A clear understanding and communication of the mutual benefit for both sectors is important in encouraging business to do more.

9.5 There is a particular need to promote the giving of time and money by SMEs. Many smaller businesses play an important community role and stand to benefit in terms of reputation, staff retention and through the gaining of valuable skills and expertise if they are able to play a greater community role. Businesses that understand the communities of which they are a part are likely to be more successful.

NCVO Policy Team  
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<sup>9</sup> NCVO (2010) *The UK Civil Society Almanac 2010*. Note that these are income figures and are therefore comprised largely, but not solely of corporate giving.

<sup>10</sup><http://www.volunteering.org.uk/WhatWeDo/Projects+and+initiatives/Employer+Supported+Volunteering/About+Employer+Supported+Volunteering>

## **Appendix: Funding Commission recommendations<sup>11</sup>**

NCVO's Funding Commission reported in December 2010 and outlines 12 key recommendations. These varied recommendations have the shared vision of securing a significant growth in sector funding from various sources over the next decade.

The key recommendations for the Giving Green Paper are as follows:

### **Recommendation one – Increasing Impact Fund**

BIG and other major funders involved in the Intelligent Funding Forum should work with sub-sector umbrella bodies to set up an Increasing Impact Fund, comprising £5m p.a. for three years, to:

- Build on, develop and disseminate examples of different types of good practice in developing, measuring and reporting on their social, economic and environmental impact
- Help individual CSOs or groups of CSOs working in the same sub-sector to develop the systems and expertise to measure their impact
- Build up expertise across the sector as a whole

One of the priorities of the Fund should be to choose or, where necessary, develop a series of common frameworks comprising outcomes for different sub-sectors (including equalities), working in conjunction with relevant sub-sector umbrella groups. Using this outcomes framework, all funders should give priority to:

- Developing a shared evidence base
- Encouraging shared learning
- Stimulating the potential of open data to produce a virtual knowledge bank of those CSO interventions that deliver the most impact

CSOs should subsequently be expected to:

- Publish impact assessments and evaluations in their Annual Reports and Summary Information Returns and on their websites
- Share learning (failures as well as successes) with other CSOs in the same sub-sector.

Benefits: All CSOs, especially those without the capacity or the resources to invest in improving their impact.

### **Recommendation Five – The Better Asking campaign**

NCVO should work with the Institute of Fundraising, the Fundraising Standards Board, ACEVO, Charity Trustee Network and CAF to secure funding for a Better Asking campaign on the following lines:

Objectives:

- Improve the quality and effectiveness of all forms of fundraising, especially by smaller and local CSOs
- Help develop, support and promote innovative approaches to asking
- Promote the importance of the work of CSOs.

Activities:

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<sup>11</sup> The full Funding Commission report, summary and background information can be downloaded at [www.ncvo-vol.org.uk/fundingcommission](http://www.ncvo-vol.org.uk/fundingcommission)

- Training initiatives for trustees, CEOs, and paid and volunteer fundraisers to enable better asking and better engagement
- Developing and supporting collective approaches to fundraising, working in conjunction with community foundations and taking full advantage of new initiatives like electronic rounding up and Local giving
- Supporting the development and sharing of innovative approaches to fundraising, including sharing research, e.g. on donor motivation and the effectiveness of different approaches
- Helping develop new ways of asking people to give, taking advantage of new mechanisms for giving
- Building the capacity of CSOs to engage with social media and technology and commissioning further research into how the potential of new developments in this field can be more fully exploited
- Supporting initiatives to improve the way in which CSOs communicate their work and engage with those who support them
- Raising awareness of CSOs through media work around philanthropy
- Developing new, more open, measures for evaluating both the cost effectiveness and the success of different fundraising approaches.

Outcomes:

- More giving millions – through increased levels of philanthropy from high net-worth individuals
- More giving more – through current donors giving more effectively and increasing the size of their donations
- Millions giving more – through attracting new donors, especially younger people.

Benefits: All CSOs involved in fundraising, especially smaller, local CSOs.

**Recommendation seven – Mutual benefit with the commercial sector**

NCVO, CAF and Business in the Community (BITC) should jointly convene a working group of relevant organisations, including the CBI and the Institute of Directors, representatives of local chambers of commerce and Rotary Clubs and some of the specialist intermediaries working in this field, to:

- Articulate the business case for increased partnership between the sectors
- Recommend ways of expanding, and increasing awareness of the current range of brokerage services
- Promote the opportunities for mutual benefit through increased partnerships by publicising examples of good practice, particularly to CSOs
- Recommend ways of increasing awareness of the tax and fiscal incentives available, particularly among SMEs.

Particular focus should be given to developing the relationship between CSOs and:

- SMEs at the local level, working with community foundations and local support and development organisations
- Companies working in the social media and new technology field and in the financial services industry.

Benefits: Potentially all CSOs.

The other recommendations are:

Recommendation 2 – Financial Capability Programmes

Recommendation 3 – Investment of trusts' and foundations' assets

- Recommendation 4 – Good grant making
- Recommendation 6 – Trading up
- Recommendation 8 – Restructuring Fund
- Recommendation 9 – Big Society grants
- Recommendation 10 – Commissioning for the future
- Recommendation 11 – Attracting new private capital
- Recommendation 12 – Government endorsement (of all other recommendations)

## **Appendix 2: Promoting participation and active citizenship through the life stages**

### **OxFizz**

OxFizz encourages people to make a difference in a different way with their unique combination of volunteering and philanthropy. OxFizz provides commercial educational services, including practice university/career interviews and private tuition. Interviewers and tutors are volunteers – recent graduates who give up their time to support young people. Clients are charged, and profits generated go to charities chosen by their volunteers, as well as to a bursary programme to support an equivalent number of pupils from less advantaged backgrounds for free. In 2011, 200 OxFizz volunteers will generate over £100,000 for good causes.

There is a wealth of social action at universities, with a recent report suggesting 63% of students volunteer at university to support civil society. But on graduating, many students move into the world of 9-5 work, unable to access volunteering opportunities or without the financial means to donate money to charities. In other words, their voluntary and philanthropic motivations, nurtured and developed at university, meet a blockage. OxFizz believes that the Giving White Paper needs to work out ways to bridge the gaps between havens of social action such as school and university, and the world of work.

### **Trust Youth**

Trust Youth is a unique active citizenship programme designed to empower young people to give – both in time and money. By setting up and running their own social enterprise in school they can make a real difference, at the same time experiencing success, developing a wide range of key skills, and having a great time doing it. The Giving Green Paper advocates the creation of a culture of giving; Trust Youth believes the best way to do this is to focus on education. Schools are often a haven of fundraising activity, but too often this fundraising is done in an unstructured way, without the learning framework needed to give young people a springboard to further civil society action, in particular volunteering and philanthropy. Trust Youth recommends that the government encourage schools to promote what we would call ‘intelligent giving’, and build on the experience of charities such as Trust Youth, Envision, Giving Nation and the Youth and Philanthropy Initiative to bring this about.