

# Charity Central

NewStatesman

**Money well spent**

Marianne Atterbury

**The allure of animals**

Alex Brummer

**A regular report on giving in the UK**



# Measuring up

The voluntary sector becomes more business-like



# Contents

June 2010

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First published as a supplement  
to the New Statesman issue of  
31 May 2010.  
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**The New Statesman  
is printed on 100  
per cent recycled  
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**Handle with care: the future of the RSPCA 19**



**Big society, big ask: getting the most of out charities 4**

## Articles

- 4 Editor's Note** The state needs charities more than ever as it tries to cut spending, but it will want to squeeze the utmost mileage from its charity pound
- 6 We mean business** *Marianne Atterbury* If charities are to compete successfully for funds, they need to quantify what impact they are having
- 8 Good vibrations** Celebs on why they give. With *John Thomson, Duncan Bannatyne, Alec Reed, Peter Beckwith, Prunella Scales* and *Timothy West*
- 10 Animal magic** *Alex Brummer* Distressed pets and animals of all kinds have an enduring allure for British donors
- 14 A case of give and take** *Paul Palmer* and *Jenny Harrow* Governments are increasingly reliant on voluntary activity, but how much farther can they push it?
- 16 The great divide** *David Walker* In charitable giving, as in so many other things, Brits and Americans do things differently
- 19 How to get more for less** *Brian Bollen* The RSPCA's cost-cutting programme includes job shedding and more disciplined purchasing
- 22 Use your talents** *Clare Gascoigne* Art dealer Fred Mulder has created The Funding Network to get the affluent giving
- 24 The secret of our success** *Tony Levene* Compassion in World Farming chief Philip Lymbery says that money is not the only way to support a good cause
- 28 No urge to merge** *Faith Glasgow* Charities may be becoming more businesslike, but they are in no hurry to cut costs by joining forces
- 30 Care of the dog** *Edward Russell-Walling* on the canine consideration of Mars Petcare

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# Editor's Note

Edward Russell-Walling

## More bang for your buck

Whether they talk of the big society or of the third sector, politicians know that charities and volunteers are becoming indispensable building blocks of the national life. And when a nation's credit is as overextended as ours, making the most of charities becomes pure common sense.

Charities are more than just a vehicle for taking up government slack, however. Their independence, their adaptability and their lay character allows them to get to the parts that governments cannot reach. They encourage people to get involved in community life, and remind us that we need not and should not look to the state to right all wrongs. As such, they are symptoms of a healthy and sympathetic society.

Not much of this is lost on our government, which is why it now provides up to a third of all UK charity funding, the bulk of it through direct grants, with a significant sliver from tax breaks for charities and donors – revenues forgone by the public purse. This makes their effectiveness a matter of direct public interest. Could that money have been better spent by our government? How can we know? Something fascinating is going on in and around the charity sector that may provide answers to those questions.

We are living in the time of what some have called the second great wave of philanthropy. The first wave straddled the turn of the 20th century, with Andrew Carnegie and John D Rockefeller as its pathfinding super-donors. This one is driven by all those successful baby boomers who have made a pile and for whom it is now time to stop working so hard. Being who they are – baby boomers – they feel slightly guilty about having all that money when so many others have none. The recent wave of giving, led by Boomer-in-Chief Bill Gates, has undercurrents of atonement.

However, many of these baby boomers are not satisfied with passive giving. They want some control over where the money goes and how it is spent. After a lifetime of pursuing efficiencies and cost savings and more-bang-for-their-buck, they are frustrated by what they see as bumbling inefficiency, bureaucracy and mission creep in many otherwise laudable operations. They look at the charity sector and, quite reasonably, want to improve it. But, to do so, first they have to measure it. Quantifying charity impacts and outcomes is not always easy. Yet some of these new philanthropists come from a world that enriches individuals for being good at measuring things, raising money and making organisations more efficient. That world (quick splash of holy water here) is the realm of investment banking and private equity.

Émigrés from the financial services industry have been setting up think tanks, consultancies, even boutique investment banks, all to serve the charity sector, subjecting it to the quantitative analysis they once applied to hi-tech or the steel industry. Are these really the kinds of people and skills that charities need on their case? Absolutely. In the present climate, the central government must extract the utmost mileage from its charity pound; those who can measure and corroborate the impact of the investment therefore move to the head of the queue. They will also attract the more discriminating donors.

New Philanthropy Capital, one of the aforementioned think tanks, has issued a “manifesto for social impact”. It believes that fuller information and greater transparency will help charities and philanthropists to become more effective, and it calls on the government to introduce an impact fund to help charities measure their own impact. The results would help the state to allocate funding to where it will do most good, and help donors to do the same. ●



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Charities are increasingly turning to hard-edged cost-benefit analyses to prove they achieve valuable results

# We mean business

*By Marianne Atterbury*

Few among us think very hard about how, and how well, our donations to charity are spent. Yet, as they compete fiercely for government funds and donors' cash, a growing number of charities are sharpening their accounting tools and adopting a more businesslike approach to their activities. While good works remain the goal, cost-benefit analysis plays an increasingly important role.

"How do charities know they are doing any good?" asks Martin Brookes, chief executive of New Philanthropy Capital (NPC), a think tank and consulting firm for the charitable sector. "At the heart of NPC's work are the questions: how do you value it, can you value it, and can you convey that to donors?"

As Brookes points out, more and more charities are delivering public services. And, as the rest of the world becomes more transparent, it's time for charities to use hard-headed analysis to measure the value and social impact of their work.

St Giles Trust, with Rob Owen, a former banker, as its chief executive, has shown what is possible. The charity offers support and counselling to ex-prisoners and aims to reduce reoffending rates, thus helping ex-offenders, their families, and the public purse. To measure the value of its work, last year it commissioned a study of its Through the Gates programme,

which helps newly released prisoners with housing, training and counselling.

The study, by a group of volunteer economists, showed that the programme reduced reoffending rates by 40 per cent, and that every £1 spent on the programme saved the public purse at least £10. "We've got to demonstrate that every pound spent with us is hugely effective," Owen explains. "We are now hoping to shape the thinking of policymakers, government and those who commission services in the criminal justice field."

With both Labour and the Tories looking to the charitable sector to provide more help in delivering social services, Owen believes he can make a strong case to ministers anxious to cut the estimated £11bn annual cost of reoffending.

The kind of analysis performed at St Giles Trust is being used by many charities to prove their value, in their bids to win government contracts, grants and contributions from donors.

"I always thought investment banking was a competitive game," says Owen, 44, who left banking five years ago to join the trust. "It's actually much more combative in the charity sector."

Altogether, just over 171,000 charities in the UK raise an estimated £35.5bn annually – enough to run the National Health Service for four months. They



spend more than £32bn a year on thousands of causes as varied as cancer research, animal welfare, child poverty, literacy and care of the elderly.

The taxpayer and the government both have a huge stake in these enterprises. The general public is the single biggest source of income for charities, providing £13.1bn annually in the form of donations, legacies and through buying goods or services. This is closely followed by statutory funding, via direct grants and payment for services, which accounts for £12.8bn a year and equates to 36 per cent of the sector's income.

New, small charities are not the only ones using businesslike performance measures. Macmillan Cancer Support, an elder



**St Giles Trust offers practical support to former prisoners, helping to reduce reoffending rates**

statesman of the charity world, celebrates its 100th anniversary next year. It recently underwent restructuring to sharpen its focus on the impact it makes in cancer care, according to Hilary Cross, director of external affairs for the charity. “Increasingly, we can prove that lots of things we do improve people’s lives,” she says. “We also need to show they are a good investment.”

The charity recently completed a study in the Manchester area, using patient data to track the use of resources and associated costs of lung and breast cancer patients over a five-year period. As a result of this study, Macmillan

showed that investing in improving key aspects of care has the potential to release an estimated £650,000 per year to the health, social care and wider economy in the Manchester area.

The currency of some charities, however, may be measured in feel-good qualities that are difficult to count. How do you measure – and value – the improved self-esteem of a long-time unemployed person who completes a work-readiness programme, asks Sheila Durie, chair of the Social Return on Investment Network. Her group is one of many working to provide charities with standardised methods for measuring just such intangibles.

Adele Blakebrough, a veteran of the charity sector, now works with financial

experts from Permira, a leading private equity firm. Permira has provided financial backing and expert advice to a group of social enterprises co-managed by Blakebrough. The idea is to help the enterprises expand their reach and enhance their social impact with Permira’s “engaged giving” approach, she says.

Blakebrough represents an increasingly important part of the charitable world: she is a “social entrepreneur”. A social enterprise is like a charity in many ways, with a social purpose at its core, she explains. But it is run more like a business, and seeks to support itself largely with income earned by creating a product or service.

Charities in the UK now earn more than half their income – about £17.4bn a year – by providing a product or service, mostly from government contracts, ac-

**“We need to show that our work is a good investment”**

ording to figures from the National Council for Voluntary Organisations. Earned income is growing faster than voluntary contributions as a source of funding to charities, the group reports.

With donation levels subject to economic downturns and government contracts at risk from budget cuts, other potential sources of funds are being explored. Social Finance, for instance, is, in effect, an investment bank for charities, helping them to raise capital by, among other things, designing new financial products.

In March, it launched a new “Social Impact Bond”, which could open a whole new base of funding for charities, according to its chief executive, David Hutchison. Social Finance wants to raise £5m from investors to fund a project at Peterborough prison intended to reduce reoffending rates. Critically, the financial return to investors will be linked to the project’s success.

If reoffending rates drop by at least 7.5 per cent over six years, the government will give a share of the long-term savings to investors. Pro rata rewards will allow investors a maximum annual return of 13 per cent. “The Social Impact Bond has the potential to unlock an unprecedented flow of finance for social sector organisations,” Hutchison says. “I think it’s the beginning of a journey.” ●

Not all celebs get involved in charity just for the photo ops. A few of them tell us what inspires them to keep giving

# Good vibrations



**John Thomson**  
Actor, star of *Cold Feet*

All my life I've wanted to help – when I was 18, I used to take handicapped children to Lourdes. I'm a great believer in karma, but it's not really to make me feel good about me, it just feels right. Because my wife's family and my family have both been affected by cancer, and with that dreadful statistic – that one in three will be diagnosed – Cancer Research UK seemed the obvious charity to support. But I also support the Francis House Children's Hospice and the Catholic Children's Rescue Society in Didsbury, Manchester. The Rescue Society looked after me until I was adopted, so I try to put a bit back in.



**Duncan Bannatyne**  
Entrepreneur and star of *Dragons' Den*

People give for different reasons and, while I've never felt morally obliged, I just couldn't walk away. That was how I felt when I found children tied to their beds in Romania. Children are the most vulnerable group and need our help more than anyone else. No one's going to force people to give, but the

pleasure of helping is just so immense. I particularly support Scottish International Relief, but it's not to do with being a Scot – if I lived anywhere else I'd feel the same. They've got no overheads, no London office, they don't waste money on executive travel. I don't know another charity whose chief executive is paid less than £30,000 and works from a wooden shed in his back garden.



**Alec Reed**  
Founder, *The Big Give* – [thebiggive.org.uk](http://thebiggive.org.uk)

Giving might have been something ingrained in my parents. With anything – it might have been toffees – they thought the worst thing was not to share your toffees. There weren't many sins in our family, but that was one. Selfishly, too, you don't know how long you're going to live, but you can broaden your life immensely through philanthropy. It takes you out into areas that you'd never otherwise experience. The successful charities are the ones that can raise money themselves. They've had to show their skills already: it's a bit Darwinian. That's why we insist that charities raise the amount they want us to try to match.

We hope this coming December to

raise £20m with the 2010 Challenge Fund, helping between 400 to 500 charities. But that's only scratching the surface of charities in the UK.



**Peter Beckwith**  
Property tycoon and chairman, *PMB Holdings*

I was inspired to support the work of Age Concern and Help the Aged because of my family's experiences. Both my wife and I had relatives who were affected by dementia. The real satisfaction, though, comes from actually getting involved and meeting the people who run the organisations – the work they do is truly fascinating.



**Prunella Scales and Timothy West**  
Actors (married)

We sponsor a child at an SOS Children's Village in India, and travelled to Bangalore to see him. We deliberately gave no notice of our arrival, and were immediately impressed by the way the village was organised, by the caring staff of house mothers, and by the obvious happiness of the children themselves.

*Interviews by Stephanie Cross*



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When it comes to giving, British hearts are often more affected by the plight of dogs, donkeys and birds than they are by their fellow human beings. Just follow the money trail

# Animal magic

*By Alex Brummer*

There is a trade secret that every national newspaper picture editor knows. Print an arresting animal image, whether it be the latest orphans at the Battersea Dogs & Cats Home, an albino squirrel or an image from a wildlife film, and the reader response in Britain is overwhelming.

That is why we wake so often to Radio 4's *Today*, normally packed with politics, to hear an official from the Royal Society for the Protection of Birds telling us of the urgent threat to the sparrow population.

In a nation where the Royal Society for the Prevention of Cruelty to Animals reckons that 50 per cent of households have a pet of some kind, there is an overwhelming sympathy for the cause of animals. Many of us living in Britain's cities have barely seen a donkey, let alone petted one or witnessed any kind of donkey cruelty. Yet, unbelievably, the Donkey Sanctuary sits on £27.9m of reserves (according to its report and accounts for 2008). It ranks 20th, just below the National Society for the Prevention of Cruelty to Children and Save the Children, in a list of the top charities by legacy income compiled by London's Cass Business School.

It is the favourite home for donations made by the *Guardian* newspaper when it

fumbles a story and feels it has to make charitable amends (one supposes there is an irony in this) and provides the Press Association and local newspapers with endless copy when rich widows die. A recent headline from the *Isle of Wight County Press* told how a wealthy woman left the Isle of Wight donkey sanctuary £100,000 in her will, having only ever visited it once – more than a decade ago.

## **A woman left a donkey sanctuary £100,000 after visiting only once**

Giving to animals is a serious business. The Charity Commission recently laid out guidelines for animal welfare charities, defining them as “any purpose directed towards the prevention or suppression of cruelty to animals, or the prevention or relief of suffering by animals”. Last year in the Commons, Andrew Rosindell, a Tory spokesman on home affairs, asked the Cabinet Office what assessment had been made of the recession's effect on animal charities. Jim Fitzpatrick, then Farming and Environment minister, replied, not-

ing that a survey by the Charity Commission had found that 58 per cent of the good causes surveyed reported a drop in contributions at a time when 20 per cent were experiencing an increased demand for services. He was not able to provide specific information on animal welfare charities, but noted that the government had pledged £42.5m to help volunteers and charities survive a difficult climate.

Rosindell need not to have worried too much. Animal charities generally have the reserves to weather the storm. After all, among the top 20 legacy beneficiaries, Guide Dogs for the Blind (in eighth slot) ranks above the Royal National Institute for the Blind (tenth). A quick perusal of Guide Dogs for the Blind's accounts, posted on the website, shows that the charity sits on undistributed assets of £133.7m, which should keep David Blunkett and company fully supplied with guide dogs even in the highly unlikely event that donations were to freeze.

## **Number-crunching**

So what are the hard numbers on charities? Recent data suggests that there are 171,074 registered charities in the UK with a total income of around £35.5bn ▶



CHRIS WARE/KEYSTONE FEATURES/GETTY IMAGES

**Difficult to beat that winning look: a donkey taken into care at a sanctuary in Winnersh, Berkshire**

► (more than Britain's local government and communities budget), which employ 668,000 people. The list of popular causes for charitable giving is headed by religious ones, which grab 15 per cent of donations, with animal charities in seventh place after medical research, hospitals and hospices, international, children and young people, and disabilities. Animal causes receive 5 per cent of the income but, unlike many causes, they do not share in the large grants and contracts provided by government, which account for 36 per cent of charitable revenues. Voluntary contributions are far more important.

Among the top 20 charities last year there were three animal causes, collecting a total of £221m from the public. By far the largest UK animal charity is the RSPCA, which ranks third for legacy income after Cancer Research UK and the Royal National Lifeboat Institution. The RSPCA, which dates back to 1840 and has the Queen as its patron, operates a bit like an emergency service such as the Ambulance Service and the AA. It boasts that every 25 seconds someone in England and Wales calls it up and that it has 330 RSPCA inspectors, 80 welfare officers and 115 animal collection officers. It has

some 42 clinics and three mobile clinics and secured 2,574 private prosecutions to protect animals in the last year.

Despite its popularity among donors – it raised £99m in 2009 – it has its critics. More radical elements within the animal rights movement accuse it of indulging in prosecutions to attract media interest, while acting as the nation's biggest killers, putting down 60,000 creatures a year.

### Three top animal causes collected £221m from the public last year

The moral tensions surrounding animal charities are clear. To animal welfare radicals, who prefer more direct action, the views of better known charities are seen as too establishment. But charities working for children and people with special needs can also be highly critical of animal causes.

#### Rescue services

In Scotland a recent campaign, highlighted by the BBC, was launched by the charity Enable Scotland to point out that funding for animal charities north of the

border was twice that collected for people with disability. The Scottish Society for the Prevention of Cruelty to Animals hit back by pointing out that “animal welfare charities are not eligible” for Lottery grants among other sources of income.

There is a dottiness to the animal welfare sector that could alienate some donors. Whereas few can object to shelters and rescue services for greyhounds (the poor treatment of former racing dogs has been widely reported) there is likely to be much less sympathy, for instance, for rottweiler rescue services. Still, it might be better to have feral rottweilers in safe care rather than roaming the streets.

As in every other sector of giving activity, there are clearly imperfections in the animal charity world. Not least is their ability to collect funding beyond their reasonable requirements in the case of some specialist causes such as donkeys and guide dogs.

But there is nothing to suggest that any campaign is likely to come between the average charity-giving Briton and their devotion to the great animal cause. ●

*Alex Brummer is city editor of the Daily Mail. He is the son of a farmer and his family includes a cat, Gucci, and some fish*

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Politicians view philanthropy as a value-for-money solution in a time of tight spending. But can it deliver public services on demand?

# A case of give and take

*By Paul Palmer and Jenny Harrow*

In 1969, the then social services secretary, Richard Crossman, recorded in his diary how shocked he was to find statutory services so dependent on voluntary activity. The Attlee government assumption, that charity would wither on the vine of the welfare state, had not held. The voluntary sector has always been seen clearly by politicians, whether or not they value its visibility.

The 1970 Conservative manifesto was “convinced that many of the social problems that now scar society can only be solved through a genuine partnership of effort between statutory and voluntary organisations”. By 1976, David Ennals, then social services secretary, was citing the charity sector as “pound for pound a better buy” for government in terms of providing services.

The 1979 Conservative government, faced with major unemployment, was the first to see the voluntary sector as capable of large-scale governmental co-operation. Through its Manpower Services Commission, it poured funding into a variety of job-creation schemes run by existing and newly formed voluntary organisations. The subsequent Community Care Act of 1990 enshrined the concept of cross-sectoral contracting, which, alongside early fiscal reliefs to encourage individual and corporate charitable giving, saw the emergence of the UK’s “mixed economy of welfare”, with all the mix of values that that implied.

The Blair government’s adoption in 1998 of what became known as “the Compact” – a voluntary form of partnering agreement between government

bodies and voluntary organisations – brought major investment in service delivery and capacity building of the sector. Between 1997 and 2009, the voluntary sector quadrupled in size and government money accounted for 40 per cent of funding for a now £4.0bn industry of 750,000 paid employees.

While sectoral employment is still smaller than in the NHS (Europe’s biggest employer), it is a considerable creature, which regarded the general election earlier this month as both opportunity and threat. Some voluntary organisations undertook contingency planning for a reduction or expansion of their role, work and size, anxious to be ready to respond to

## The voluntary sector cannot be herded into a government enclave

the attitude of any incoming government to the sector. Others braced themselves for an escalation of demand, deriving directly or indirectly from new governmental spending plans.

The new Tory minister for civil society, Nick Hurd, is on record as noting that a Tory government would be likely to increase funding to voluntary organisations in pursuit of value for money in a tight public-expenditure environment. Yet this becomes problematic if the Conservatives sustain their parallel commitment to seek “a fair return” from voluntary organisations on money spent providing public services, in line with “private business”.



Labour, were it still in power, would have been unlikely to see the sector as anything other than an opportunity to alleviate some of the pain of reduced welfare spending; an opportunity made more complex by pressures to make longer-term funding commitments to contracting voluntary organisations. (Longer-term “winners” and “losers” within the sector may consequently become more recognisable than they are currently.)

It is not clear that the sector has the capacity to scale up in order to manage yet more tranches of public service. Nor that it would be wise to do so, if governmental rationale is indeed the relentless pushing away of its services’ accountabilities, rather than the resource and quality gains that voluntary organisations can offer. Assertions from within the sector of its public-service operational strengths should be regarded as supporting a government trap for the unwary, from which much of the sector could spring only with great difficulty.

Social enterprise (which includes many charities) has been the darling of politicians for some time, particularly with those still uneasy with the term “charity”.



**Celebrity power: Naomi Campbell's friends at her Fashion for Relief 2008 show for charity**

However, there remain problems of scale within the sub-sector, as well as the financial challenges of growing beyond the successful small project. The proposal for a Social Investment Wholesale Bank, using unclaimed assets, as a way of overcoming perceived problems of commercial lending to the sector, was becalmed in the run-up to the election – as, it would seem, was any extensive review of the

interactions between taxation structures and charitable-giving behaviours. Particularly, neither major party published policy on how it would encourage giving in a higher-tax regime.

Yet the issue of growing philanthropy remains to the fore, with wide media coverage of celebrity-promoted giving, often with politicians' spouses or partners, as sub-celebrities, in tow. The Brown government's appointment in May 2009 of the energetic Dame Stephanie Shirley as "philanthropy ambassador" emphasised

this. However, as with the "Giving Campaign", instituted in 2001 and killed off three years later, this approach lacks a clear strategy beyond appealing to people's good intentions.

The institutions of philanthropy are simultaneously engines of the voluntary sector's continuing renewal and commitment to society, and complex, independent and challenging – sometimes even defiant – organs. "Unleashing philanthropy" as a policy strapline leaves unanswered such questions as "For what?", "For whom?" and "By whom?"

Voluntary organisations' longevity and their resistance to modernisation (except on their own terms) has value. Organisations that fund individuals (via pensions, education bursaries, home equipment provision, subsidies for daily living costs, etc), rather than projects, may have been thought outdated or unwarranted. However, in a spending downturn, their staying power is prized. The re-emergence of industrial benevolent societies, mostly in industries facing major threats and change, exemplifies this.

As such, the voluntary sector cannot be herded into a government-funded enclave, and will not deliver public services as if on a paid treadmill. And neither is it sufficiently well resourced to sustain its independence without organisational difficulty, even demise.

Such internal paradoxes need to be held in plain sight by any government, even if it would prefer to see a sector straining to do even more with even less as a quasi-public service. ●

*Professor Paul Palmer is director of the Centre for Charity Effectiveness and Professor Jenny Harrow is co-director of the Centre for Charitable Giving and Philanthropy, both at Cass Business School, London*



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**President Barack Obama, America's most prominent man of faith: giving from churchgoers has continued to rise in the US despite recession**

They do things differently in America. That includes the way they give – and who gets the money. Churches and schools come high up the list

# The great divide

*By David Walker*

“What do you do now you’ve got all the toys? You’ve already got all the houses, yachts, cars and jets you can use . . .” This was Stanley Fink, hedge-fund tycoon and (more recently) co-treasurer of the Conservative Party, speaking at a Charities Aid Foundation breakfast for high-net-worth individuals a couple of years ago, on the eve of the crash. His answer: “What comes next is charity.”

At that moment, the UK seemed to be apeing the US. Think tanks talked excitedly of a boom in giving by the wealthy. Dame Stephanie Shirley, appointed the Labour government’s “giving and philanthropy ambassador”, said that in the past decade there had been a “significant increase in philanthropy”. The media were full of Sir Tom Hunter’s groundbreaking pledge of £1bn – a long way short of Bill Gates and Warren Buffett, admittedly, but a sign that the British rich were taking the American way.

And there were more British wealthy. The banking bubble created a group of very-high-income individuals. During the Noughties, the incomes of the top 1 per cent of earners grew more quickly than those of any other percentile. Rich

people rolled in it: at the height of the boom the top 1 per cent were taking 13 per cent of all income and the top 5 per cent took over 27 per cent – and that was only what they declared.

Here, surely, was scope for largesse, powered by conscience or, as Fink suggested, fashion. Giving looked like becoming part of the culture. Studies suggested high-income UK households (with incomes above £150,000) were closing on the US, where households with annual incomes above \$200,000 were thought to give 7 per cent to charity a year.

## “New wave” of donors

UK universities fervently hoped so. Oxford and Cambridge were joined by the London School of Economics, London Business School and others in campaigns both to secure one-off donations and enlist alumni as continuous givers. Launching a campaign to raise £1.25bn, John Hood, then vice-chancellor of Oxford, spoke of emulating Harvard. One in two Harvard graduates gave to their alma mater, against one in seven Oxford graduates.

The US beckoned because Americans gave more. As the boom peaked, an

estimated \$2.50 out of every \$100 turned over in the US economy was donated; and even in 2008, as recession struck, charitable giving, at \$307bn, was still 2 per cent of America’s (slightly dented) GDP.

In the UK, pre-recession giving was estimated at £10bn, or proportionately half the American level, at 1 per cent of GDP.

But that was then. Recession has taken its toll on both sides of the Atlantic. One question is whether, as and if recovery dawns, the momentum behind UK philanthropy will have been lost. Has ostentatious giving lost its glamour? Will the Tories’ “big society” mean big gifts? “Giving from rich individuals, which had been flagged up as the next big thing, has gone down the pan,” the fundraising director of one larger British charity said recently.

Giving by individuals in Britain in 2008/09 fell 11 per cent below the previous year, compared with a fall of 6.3 per cent in donations from individuals in 2008 in the US. Professor Cathy Pharoah, of the Centre for Charitable Giving and Philanthropy at City University London, thinks the “new wave” of wealth donors who made one-off capital gifts and endowments in the boom ►

► may fade out of the picture, even if their gifts sustain grant making by their foundations for a while.

So will older differences between the UK and US become apparent again – for example, in attitudes towards wealth? The coalition government has inherited, and not yet rescinded, Labour moves to make the tax system more progressive, and further levies on bank bonuses are possible. David Cameron aspires to cut tax on high incomes, but, like St Augustine, not just yet.

Observers of the first year of the Obama presidency, and the Democrats' struggle to reform health care, have reflected on divided attitudes towards giving between the UK and US. About a third of American giving has traditionally gone to churches, reflecting the tradition of the evangelist Oral Roberts and Sinclair Lewis's creation Elmer Gantry. Even in the recession, religious giving in the US continued to rise. Churchgoers are disproportionate givers, even to non-religious causes, and are the mainstay of the American voluntary sector.

Even though comparative UK figures do not always reflect the relative size of the Church of England, a significant

presence in schooling and property ownership, the contrast is sharp. According to data from the National Council for Voluntary Organisations, only about one-seventh of UK giving is to religious bodies. Proportionately, non-religious people in the UK are far more significant charitable donors than their counterparts in the US.

After religion, the rank order of good

### **In both the US and UK, those with less give more, proportionately**

causes in the US shows education, poverty relief and social causes, health and then the arts. In the UK, for individual giving, the highest average gifts go to religion, followed by medical and health, international causes, and children and young people; education is a good way down the list.

Section 170 of the US tax code is very generous by UK standards, allowing tax-free cash donations of up to half gross income. American law even permits donations where the giver receives a

material benefit from giving, though its value has to be deducted. Conventional wisdom has long held that tax breaks explain higher levels of giving by Americans. But tax deductibility doesn't seem to matter for many American givers. Only a third of those who send in tax returns claim for charitable giving. Nearly two-thirds of high-income households (with the equivalent of more than £100,000 a year) do not claim tax breaks for giving.

The US and UK are alike in one unexpected way: lower-income households give more, proportionately, than the better-off. In the UK, households in the top fifth give less than 1 per cent of their income, while those in the poorest tenth give three times as much. In the US, the comparable figures are 3 per cent and 4.5 per cent. Sociologists suggest class and religion play a part: there is a strong "solidarity" feeling still among poorer people in Britain; poorer Americans tend to belong to Protestant and fundamentalist churches where gift-giving is part of the culture. That word "culture" again – perhaps a better guide to differences between the two countries than tax systems. ●

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#### THE CHARITY: RSPCA

The RSPCA spends 85p of every pound raised on animal welfare, but it's pushing to increase that

# How to get more for less

*By Brian Bollen*

Is the Royal Society for the Prevention of Cruelty to Animals (RSPCA) stuck in the world of *All Creatures Great and Small*, or is it speeding towards a hi-tech, innovatively managed future? That's an awkward question to ask of Mark Watts, the Arsenal-supporting chief executive of one of the most cherished charities in England and Wales (Scotland and Northern Ireland have their own non-royal SP-CAs). But he takes it well, laughing loudly, before preparing his reply.

"We are not cutting-edge," he answers, dealing with the technology aspect first. "Cutting-edge can be expensive and fraught with danger. We like tried and

trusted technology and will use it where and when we believe it will improve animal welfare." Those last few words are important. The CEO uses them repeatedly in the course of a 90-minute conversation, so embedded is the society's core mission in its corporate DNA.

A chartered accountant, Mark Watts joined the RSPCA in 1979 as head of finance, having worked previously for the BBC. He became CEO after 28 years at the charity in February 2008. Now he is leading a period of change and modernisation which aims to improve several elements: first, the RSPCA's financial position by raising income and cutting costs; second,

its operational efficiency, by rolling out mobile technology to aid the co-ordination of field staff; and, third, its treatment procedure, by using computers from the point of a patient's entry through to completion. His staff not only accept the change but they embrace it, he says, which reflects the extraordinarily high level of commitment among paid staff and volunteers.

The RSPCA works in two ways: one is reactive, responding to calls for its services on a day-to-day basis; the other is by campaigning to bring about change. While change can be hard to measure, the day-to-day services lend themselves to hard ▶

► metrics. “We receive well over 1 million calls a year, and investigate around 150,000 complaints a year,” Watts says. “These figures seem to be stabilising, although there has been an increase in statistics relating to unwanted animals that need rehoming as a result of the recession.”

Mention of recession moves discussion neatly to the RSPCA’s finances and how they have been affected. The society has been ahead of the game in some ways. “We have been developing a more focused and strategic plan for our activities over the next three to five years,” Watts says. This marks a change from the traditional model, based on raising funds and then deciding how to spend them. “Once we have the plan of what we really want to do in place, we’ll see how much we need to finance it.” This helps at the sharp end of the fundraising business. Fundraisers say they like the focus of knowing what the society wants to raise and how it will spend the money.

### Nurturing donors

The annual turnover of the national RSPCA was just under £120m in 2008, the last year for which final figures are currently available (the 2009 figure is scheduled for release in June). Mark Watts estimates that a further £30m-£40m was raised by the 169 local RSPCA charities. He describes the trend as slightly better than stable, with modest year-on-year increases in recent years.

The main source of finance is from legacies, which account for around 55 per cent of total funds raised. Of the balance, around 30 per cent comes from conventional fundraising activities, such as direct mail and door-to-door collections. The remaining 15 per cent arises from services (rehoming and treatment of animals) and investment income, etc,

with membership subscriptions providing just 0.5 per cent.

Efforts to diversify the donor base include a new emphasis on developing relationships with wealthy individuals, benevolent trusts and companies. Such relationships can be more complex than those with smaller donors, as big givers tend to be interested in more closely defined animal welfare issues and need to be reassured that their donation will deliver value for money.

The RSPCA occasionally uses “chuggers” – commercially motivated street canvassers – who are often seen as over-aggressive. Watts sounds ambivalent

**“The more aggressive the fundraising, the higher the attrition”**

about this method, but spins it as face-to-face giving, making it sound friendlier than it is. “We’re reluctant to use them. They can prove effective initially, in persuading people to sign direct debits, but the more aggressive you are in recruiting, the higher and faster the attrition rate.”

The RSPCA prefers to nurture donors, nudging them over the long term from one-off to regular giving, and has a solid base of just under 354,000 regular donors. The society also launches occasional event-specific appeals, most recently following the earthquakes in Haiti. It receives no government funding.

A realisation of the need to increase the professionalism of its fundraising has translated into the RSPCA’s plans to recruit a new income generation director (not to be confused with the director of finance, a different beast entirely). “Income generation” has traditionally fallen under

a multidisciplinary directorate, but the decision to create a new slot on the board emerged from a series of debates on how to ensure the charity would be best positioned to take maximum advantage of economic recovery when it comes.

Watts says that around 75p of every pound raised is spent on animal welfare, rising to 85p if one includes the contribution that the RSPCA’s four science departments make to front-line activity. In pursuit of containing administrative costs, the society has implemented a new purchasing programme over the past year. Centralised stationery is the first, modest target, but more disciplined and systematic purchasing of drugs and veterinary services could yield much bigger savings.

“It’s too early to tell, but we’re talking about several million pounds a year, just to start with,” says Watts. Another round of cost-cutting saw roughly 20 jobs go, from a total of roughly 1,600 in the organisation, as the education programme switched from personal visits to schools and colleges to a web-based system. Using mobile data systems to organise the work of field inspectors more effectively should help to cut overtime payments.

On the other side of the equation, the RSPCA’s hospitals and animal rescue centres are being set targets to improve contribution levels from those who can clearly afford to pay. “There are people who expect treatment for nothing, even if they arrive in a Bentley,” Watts says. “In the most tactful way, we have to change that assumption.”

The focus will remain, though, on treatment first, money later. In that respect, the RSPCA, which gained the right to use the word “royal” during the reign of Queen Victoria, may epitomise that old-fashioned but enduring notion: the best of British. ●



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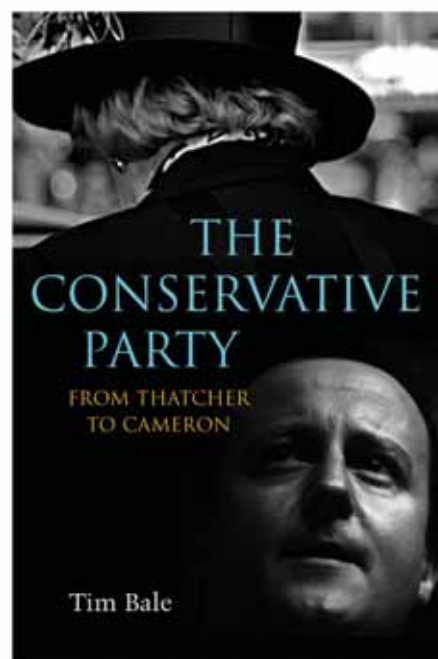
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Picasso's 1935 etching *La Minotauromachie*, which Frederick Mulder sold for more than \$3m, and then gave 75 per cent of the profits to charity

#### THE PHILANTHROPIST: FRED MULDER

Eight years ago, an art dealer with a passion for giving – and a knack for getting others to do the same – created a new fundraising technique

# Use your talents

*By Clare Gascoigne*

Fundraising can be the most soul-destroying job on the planet. Multiple form-filling, wading through the small print and bureaucracy, waiting months for an anonymous committee to meet – only to be turned down for no apparent reason. It's enough to give anyone charity fatigue.

Frederick Mulder, founder of The Funding Network (TFN), thinks he has the solution. "Our fundraising events have a buzz. Charities know within a couple of hours what they are getting," he says.

In the eight years since TFN began, it has hosted dozens of "events", which

bring together potential donors with charities in a kind of charitable auction that has been described as speed dating for philanthropists. Each charity has a six-minute slot to make a presentation, and is given time to answer questions; donors then publicly pledge sums of money (a minimum of £100, but no maximum), raising a pot that averages £5,000-£10,000 for each charity.

It is a theatrical format designed to get the affluent giving. "UK charities are not very skilled at asking for money in a way that is effective and pleasurable for the donor," says Mulder. "We try hard to

make events interesting and stimulating.

"We are trying to 'normalise' giving. It can be very hard to find exemplars for charitable giving – people don't talk about it at dinner parties – it can be hard to work out an appropriate amount to give. With our events, you get to hear a presentation, hear which organisations are working in a particular field, and talk to other donors. You get to compare and contrast."

There is no pressure to donate; you can support all, some or none of the charities that present, though it would take a stern heart not to join in when all around are making pledges. But it is the exchange of

information that is key to persuading people to part with their money. Mulder, an art dealer specialising in European printmaking from Dürer to Picasso, set up TFN after having a couple of bad experiences of donating, and has worked hard to make TFN as accountable and transparent as possible. No charity can present without being “sponsored” by a member, who must donate an opening bid of £250 as part of the deal.

“TFN is not able to carry out extensive due diligence on every charity – but sponsors take their responsibilities very seriously,” he says. “If you are going to stand up and ask for money for a charity, and donate your own money to it, you are putting your own reputation on the line and are more likely to find out about it.”

Attendees and members find TFN largely through word of mouth. That personal touch helps engender a level of trust that is important in unlocking wallets, purses and chequebooks.

“I think there is an often unjustified distrust of charities, a fear that donations will be used inefficiently – potential donors are often afraid a charity will take advantage of them,” he says. “It’s quite a different experience if you get to know the people and become inspired by their work.”

### Increasing the pot

Directly experiencing the passion and devotion with which many charities argue their case can inspire a positive flood of money – one charity walked away with more than £40,000 after a particularly heartfelt presentation. Often added to this heady mix is a smattering of celebrities, with well-known faces putting the case for charities they support.

But Mulder argues that it is the collaborative nature of the giving that strikes the biggest chord with people.

“Even if people give only £100, they are making a real difference because they are part of something much bigger,” he says. “We try very hard to make every giver significant.”

The effect of creating a kind of unit trust for donations is to increase the total pot. “If all the money that goes to the charities would have been given anyway, I wouldn’t bother,” he says. “We’re not in the business of teaching charities to fish; we’re trying to expand the pool in which they fish. We give people the courage and the context to give more than they would otherwise have given.”

He criticises the charity sector for a “tendency towards Balkanisation”.

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**“We try very hard to make every giver significant”**

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“There is room for new charities, but many people don’t research their sector carefully enough. They should ask themselves whether someone is already doing what they intend to do.”

He also sees mistakes in the way they treat donors, such as not thanking them for donations; and believes that a reluctance to get down to brass tacks can hamper the process. “Many charities are uncomfortable around the exchange of money from giver to beneficiary, and fail to ask for money in a way that’s effective and pleasurable for the donor,” he says.

Mulder, a Canadian by birth but a resident in the UK for more than 40 years, has a history of being creative when it comes to charitable giving. Six years ago he won a Beacon Prize, an annual award from a charitable trust that exists to improve the culture of giving; the citation recorded

that he “has resolved deadlocked business transactions by offering to give a charity, with the client, the difference between his price and that which the client was offering to pay... He has [also given, not sold] a work of art to a client and then [asked] them to give away its value in return.”

### Division of labour

Introducing individuals to philanthropy is part of what keeps Mulder involved. But the other part is a personal desire to see change in the world. “I’m not independently wealthy – I come from a very poor rural background – but I could stop work if I wanted never to give anything away again. But, apart from my love for the material, being an art dealer helps to fund my own philanthropy. There are certain things I would like to see happen, but I can’t do it myself; so I continue to do what I am good at, and that allows me to help someone else do what they are good at.”

Using his entrepreneurial skills to raise money from others, rather than working in a charity himself, is a key part of Mulder’s originality. He believes strongly that individuals should play to their strengths, rather than trying to use their skills in charity work directly. Indeed, he sees dangers in too close an involvement in a charity. “A donor can hold a lot of power within a charity, and that can create a certain tension. There is a tendency to follow the money rather than the programmes that will make the most difference.”

TFN, he believes, treads a useful middle path, offering knowledge, but without pressure on either giver or receiver. With TFN groups now set up not just in several cities in the UK, but also in Toronto and South Africa, Frederick Mulder has changed the business of fundraising from soul-destroying to soul-enhancing. ● [thefundingnetwork.org.uk](http://thefundingnetwork.org.uk)

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Donations to Compassion in World Farming go on growing, despite lean times. Its chief executive explains why the time has come for the cause of ethical agriculture

# The secret of our success

*By Tony Levene*

Only a tiny handful of charities can boast that their donations have risen as much as sixfold over the past five years. The achievement of those that can is even more remarkable given the twin drags of recession and donor fatigue.

One that has is Compassion in World Farming. When its 2010 accounts are added up later this year, they should show donations breaching the all-important £5m mark – and that compares with a £750,000 income back in 2005 when the current chief executive, Philip Lymbery, took control.

Compassion in World Farming is a campaigning charity founded more than four decades ago by a farmer, Peter Roberts, who was appalled at battery and other intensive farming techniques. It has been a major driver behind moves to rid supermarket shelves of eggs from caged hens and in the improvements to the treatment of veal calves and pigs.

“We are on the cusp of breaking through the £5m mark. And that’s an important milestone for us,” says Lymbery, aged 44. “As a management, we’ve put a

formula for strategic growth in place – anyone can read our *Strategic Plan 2009-2014* on our website. But our growth is really down to two factors: donors back charities that show they are achieving what they set out to do, so success breeds success, and we are a beneficiary of environmental awareness. Like the chicken and the egg, it’s hard to know which comes first.”

Whether saving the planet or preventing cruelty comes first is immaterial – the two are interdependent. But whatever the case, donors need to see how their money is used – even more so with some now doubting where part of the cash given to big international appeals ends up.

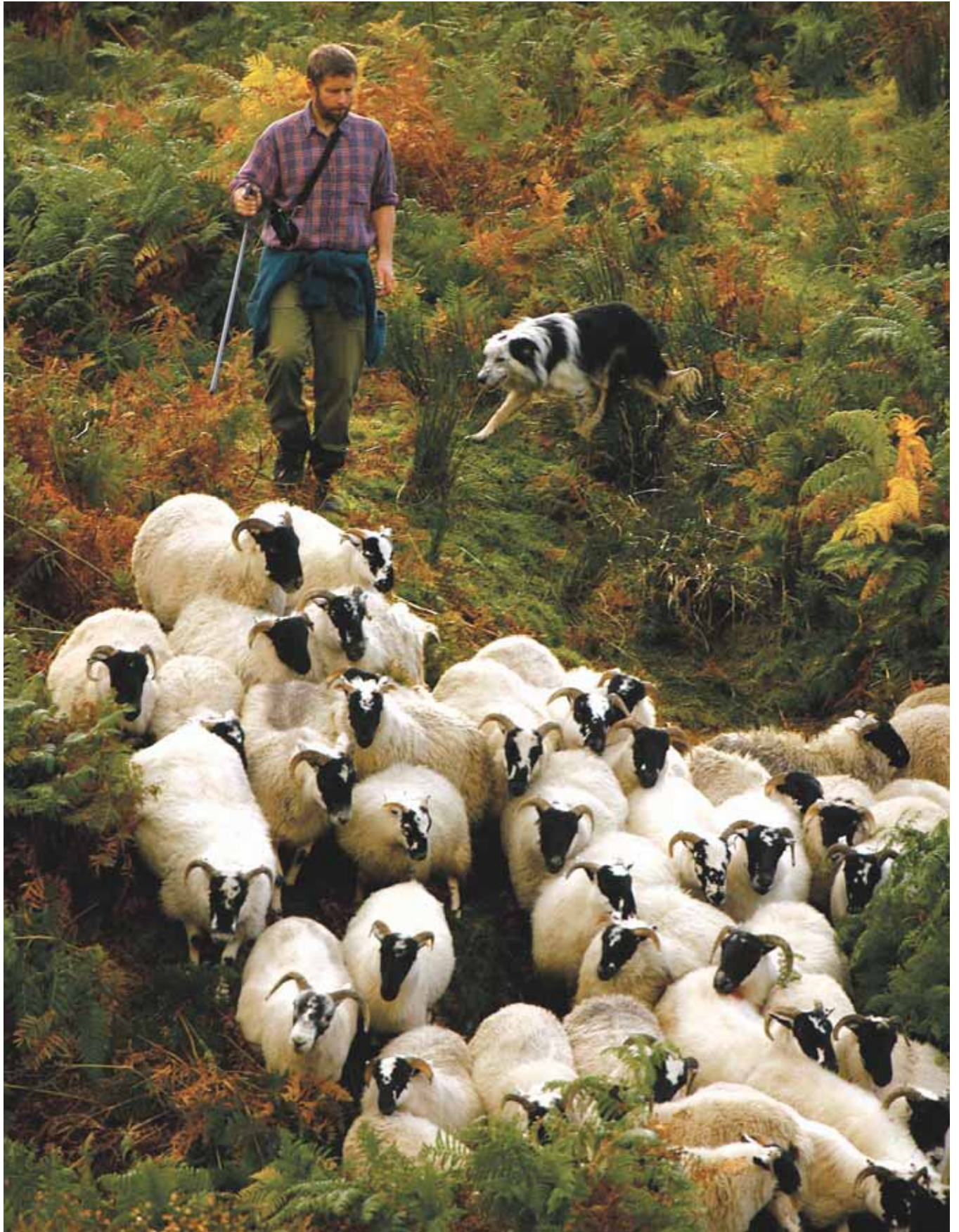
So who has powered the phenomenal donation growth?

“Leaving aside legacies, we have a supporter list of around 100,000 and growing,” says Lymbery. “Of those, around a third are regular contributors but, while the others donate less often, they are active in campaigning for our aims, led by our primary strategic goal of placing farm animal welfare at the heart of the food industry. Support can take many forms –

supporters can lobby supermarkets, praise them when they do something laudable such as removing caged hen eggs from sale, tell friends what to buy and what to avoid, write to politicians and other agencies. It does not have to revolve solely around money.”

But while the givers are many and varied, one group is excluded. Compassion in World Farming will not take donations from corporates. Lymbery says: “We don’t want them, as that could so easily compromise our independence as a watchdog on the food industry and its methods. We have had food companies and supermarkets approach us but even if they operate to high standards, we do not want their money. If one supermarket did everything we wanted and donated, we’d lose credibility with the others. This policy is continually under review – we might accept a donation from completely outside the food industry.”

A keyword for any charity is “relevance” – it’s easy to list causes whose time has passed or whose objectives have been fulfilled. Compassion believes it remains ►



JEFF MITCHELL/GETTY IMAGES

**The humane touch: Compassion in World Farming has been promoting non-intensive farming for more than 40 years**

► relevant, with a “shopping list” stretching into the future to encourage continuing donations. For instance, it has started a “watching brief” in Brazil, whose beef is found in many supermarket ready meals.

Lymbery was not parachuted into Compassion’s top job. He’s been a Compassion supporter since, as a teenager, the charity addressed his school on the horrors of factory farming.

“I’d always been a passionate bird watcher – I suppose it was the sense of freedom in the sky that appealed to me – so I was moved to anger by descriptions of battery poultry and veal calf crates. Ten years later, when I was 24, I met Peter Roberts who had set up the charity and started working for what was then a tiny concern as campaigns director. I did this for ten years, spent five years working for animal welfare and environmental campaign charities as a freelance, and then returned to Compassion as chief executive,” he says.

This coincided with a greater acceptance of the charity’s message. Consumers, especially in the UK and northern Europe, were responding by shunning products involving factory farming,

leading retailers to change purchasing patterns. And legislation was coming through at the EU level to ban some of the worst practices: so-called “barren cage” methods, for example, will be outlawed by 2012. As things stand today, however, southern Europe lags behind, and the US is some 20 years behind Europe. And there are, of course, many other cruelty issues.

Campaigning work is often done in as-

## Compassion now encompasses green issues as well as cruelty

sociation with other charities – a recent report, *Eating the Planet?*, was commissioned with Friends of the Earth. “We don’t see ourselves in competition with other causes,” Lymbery says. “Those that do are guilty of a lack of collegiality and organisational weakness. We have a compelling rationale. And our practical success makes it easier to campaign.”

Compassion, which now has 65 employees, has never been about vegetarianism, although Lymbery has not eaten

meat for 27 years. It has to appeal to carnivores, because the mission is to promote better-quality and more-sustainable meat, thanks to the absence of cruelty. “It is more expensive. You can’t have a £2 chicken without factory farming,” Lymbery says. “But it tastes better. Less will mean more as consumers switch to smaller portions.”

The charity has now broadened its message beyond factory farming. While animal cruelty remains at the heart of the message, Compassion in World Farming stresses that its aims are also green. “Cruelty undermines global food security,” Lymbery insists.

“Globally, we slaughter 60 billion animals a year, and two out of three are factory farmed and fed on grain rather than pasture. It takes six tonnes of grain to make one tonne of meat. That requires huge areas of forest to be cut down, water [it takes 90 bathloads to feed one kilo of grain-fed beef], and chemicals to make fertilisers. Adding all that to the growing world population, and the increasing appetite for meat, stores up massive problems. The present meat system cannot last. Our time has come.” ●

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In business, joining forces is seen as a way to combine resources, make savings and do greater things – but most charities have yet to warm to the idea

# No urge to merge

*By Faith Glasgow*

With around 170,000 charities in the UK competing for public support and income, outside observers might reasonably anticipate a flurry of merger activity during these difficult times.

Indeed, they might go further and predict a longer-term tendency towards rationalisation within the many charitable sub-sectors. There are almost 20,000 disability-related UK-registered charities, for example, and more than 8,000 involved with accommodation and housing issues.

But such predictions would be misguided. Charities, as the latest economic survey from the Charity Commission shows, are deeply resistant to the idea of merging: of a sample of almost 1,000, only 4 per cent have even considered merging with another charity, and just 1 per cent have put the idea into practice. That figure is unchanged since the previous survey in August 2009.

So why are mergers in the voluntary sector so rare, and why could it be worthwhile for more charities to at least contemplate such a move?

According to a June 2009 report from the charity consultants New Philanthropy Capital (NPC), charity mergers tend to be defensive responses, driven by financial crisis or internal upheaval (for example, a change of leadership), rather than by a creative urge to improve services to beneficiaries. Trustees, management and staff often object on various grounds: that the local focus of the charity will be subsumed within a larger organisation, that the familiar brand name and activity will be lost, that the

job cannot be done so well if the organisation is “scaled up”.

But at the heart of much resistance is the fact, as the report’s author, John Copps, puts it, that “mergers are frowned on in the charity sector”. In contrast to the corporate world – where growth is a key driver for shareholders and mergers are a valuable means of achieving it – charity mergers are seen as aggressive and predatory, and the likely job losses involved are viewed as “uncharitable”. “Without the imperative of financial or any other crisis, it is easier just to continue business as usual,” says Copps.

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**Many charities are reluctant to threaten their identity or brand**

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That perspective is strengthened by the personal passion and commitment of many charity founders, managers and staff, who simply can’t bring themselves to put the identity or existence of their own charity under threat – even if collaboration or merger might well improve services for beneficiaries.

Even the structure of charities tends to work against merger and in favour of the status quo. “Whereas company shareholders feel the financial benefit of a merger, the managers and trustees of a charity don’t make money – but they do stand to lose out on an individual basis,” Copps observes.

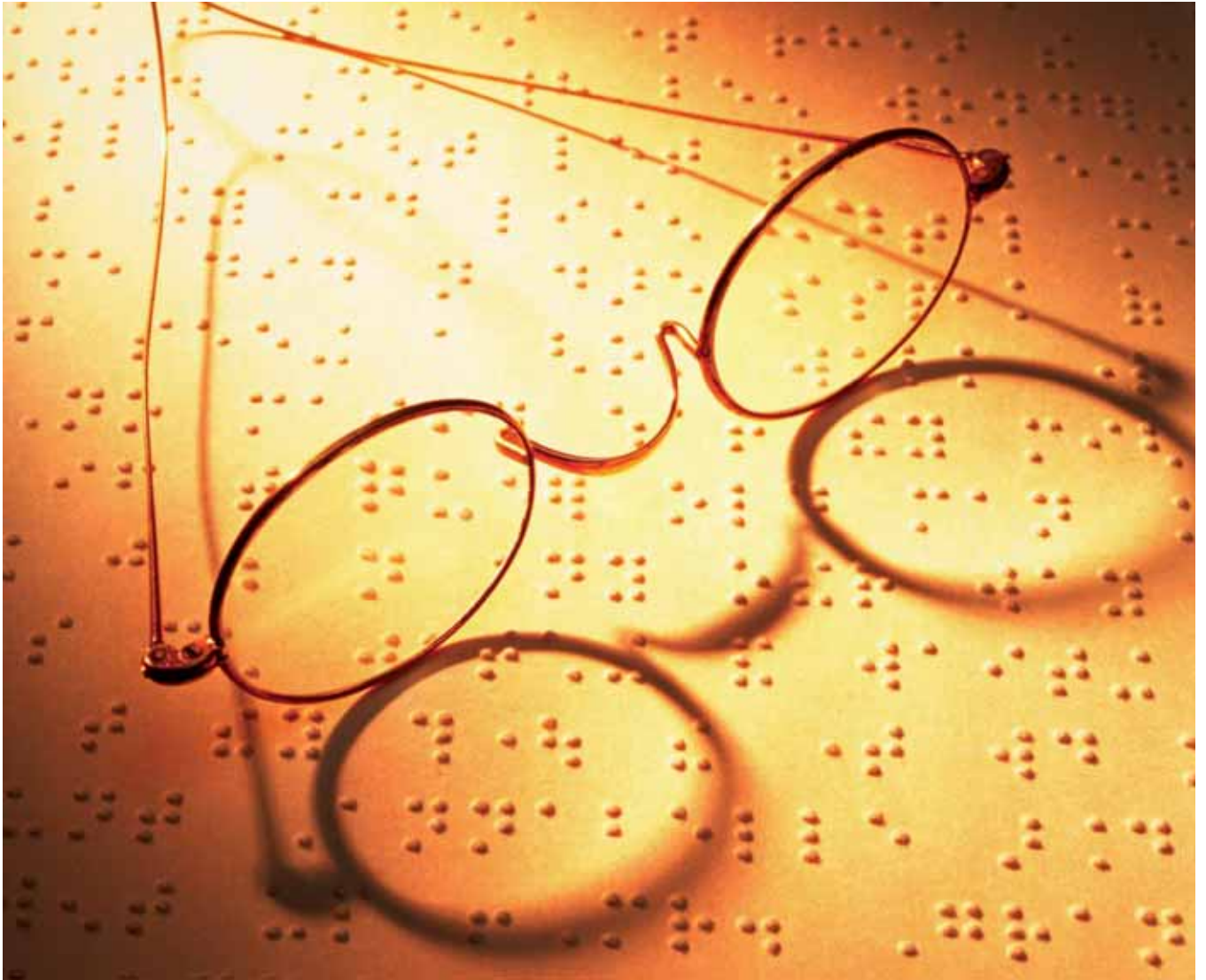
Yet mergers have the potential to

deliver clear benefits in terms of a more streamlined and cost-effective service for end-users of the charities. For a start, merging may enable an under-resourced brand to live to fight another day on a stronger footing. Merged charities may also create efficiency savings such as economies of scale and better use of resources – by, for instance, sharing back-office facilities.

The more successful mergers are also likely to exploit synergies by enabling each partner to tap into new resources that improve the end service. The Royal National Institute for the Blind (RNIB) merged with the National Library for the Blind three years ago. “Not only did we release £1m of back-office costs,” says Lesley-Anne Alexander, RNIB chief executive, “but customers looking for Braille or talking books can now get whatever they need from the same source instead of having to go to different organisations for different resources.”

Moreover, mergers can improve charities’ access to funding. “Increasingly, funders see partnership working as a way of getting better value for money,” observes a Charity Commission spokesperson. In some cases they can also help raise the public profile of charities. “They may be able to access a wider support base, increase public awareness and improve credibility with decision-makers,” she adds.

One example of success is the 2006 merger between the National Society for the Prevention of Cruelty to Children and ChildLine, the then struggling



telephone helpline service for children. ChildLine fits very neatly into the NSPCC's portfolio, and its work has provided the NSPCC with valuable insights into the issues worrying children, such as child suicide. ChildLine has retained its unique identity, and benefited from financial security and much-needed technological investment, while streamlining fundraising and other support functions has helped trim overall costs.

Looking ahead, the NPC report highlights a number of areas where mergers could work well. These include literacy charities working in schools (where pooling resources could strengthen the infrastructure framework and improve partners' national capacity for campaigning and policy work), and breast cancer research charities (where duplication in fundraising

and education costs could be substantially rationalised, and extra funds channelled into research).

Of course, the real challenges should not be underestimated. "The process is often complex and resource-intensive – it's certainly not a quick fix or a step to be taken lightly," warns the Charity Commission spokesperson.

Alexander at RNIB agrees. "Any coming together involves both parties giving up some power," she points out. "This is a sector of passionate people who want to do good, so that's not easy, but the important thing is to think about the best interests of the people you're helping – not about perpetuating your organisation."

NPC's Copps believes that the charitable sector would be more efficient and effective if all charities recognised that call to action – even if doing so does not

**The RNIB's head says its merger with another charity three years ago benefited blind people**

end in merger. According to the Charity Commission, many charities that consider merging stop short of full merger, but around a third work together collaboratively in other ways.

In particular, Copps says, charity trustees should be encouraged to assess the merits of merger or collaboration as an ongoing part of their remit, looking beyond the narrow interests of the organisation to the best interests of beneficiaries.

"Undertaking a merger should be a strategic decision based on furthering the charitable purpose," he stresses. "Forefront in the minds of trustees and chief executives of charities should be the question: 'How can we achieve the most for the people we seek to help?'" ●



Lone ranger to the rescue: dogs played a vital role in finding survivors from the Haiti earthquake in January

### THE CORPORATE DONOR: MARS PETCARE

One of the world's largest makers of pet food uses YouTube to drive donations, finds *Edward Russell-Walling*

# Care of the dog

One of the first head-scratchers for many corporate donors is deciding which types of charity to support. As one of the world's largest makers of pet food, Mars Petcare never had that problem – animal welfare is its first, second and third choice. But if its beneficiary range is limited, the ways in which it gives aid are very varied. They include persuading customers to help abandoned dogs, numbers of which have risen noticeably through the recession.

Mars is no newcomer to pet food. It bought the UK manufacturer of Chappie tinned dog food in 1935, and today its Pedigree and Whiskas brands dominate their markets. The firm has long recognised a symbiosis between the interests of pets and its own, with the result that, in the past ten years, Mars Petcare UK has given more than £3.5m to pet-related charities and voluntary organisations.

The giving strategy has four separate strands. One, which Mars calls “The Power of People”, mobilises Mars employees to raise money and to volunteer in support of their own chosen charities, matching their funding pound for pound. “The Power of Pets” means supporting pets that help people, such as Guide Dogs for the Blind, Pets as Therapy and, among

others, the Haiti earthquake search-and-rescue dog teams.

“The Power of Science” initiative supports research into human-animal interaction; it includes giving small grants to students studying the impact of, for example, dog walking on health, or the role of pets in the lives of older people. Finally, there’s “The Power of Brands”, which uses Mars’s formidable brands to involve

## The numbers of abandoned or stray dogs continue to increase

consumers in promoting animal welfare.

The Pedigree Adoption Drive is one such brand-led initiative. It was launched in 2008 when the company realised that the recession was creating even more abandoned dogs than usual. With the actor Neil Morrissey as ambassador and backed by a major advertising campaign, the drive promised to donate a penny per pack sold over a three-month period. Helping to raise awareness was the Pedigree Adoption Drive Dog Tag Team, which completed the first-ever sponsored

dog-walking relay from Land’s End to John O’Groats.

The exercise was repeated in 2009, using Amanda Holden as ambassador and increasing the on-pack donation to 2p. In this way, Mars has given a little over £1m to the Kennel Club Charitable Trust, to be distributed to various dog homes. And yet the numbers of abandoned or stray dogs continued to increase, by 11 per cent in 2009, according to Dogs Trust.

So this year, Mars is changing the Adoption Drive game. “Research showed that a lot of people were picking up the pack without realising we were donating,” says Carrie Osman, Pedigree brand manager. “So this year there will be no ambassador and no donations per pack. Instead, we will try to get the public to help raise money through their own participation.”

At the end of April Mars launched a no-holds-barred video on YouTube, a four-part tale of an abandoned dog’s experience. The first 25,000 views unlock chapter two and a £25,000 donation from Mars, and so on, up to a maximum of £100,000. In addition to that, anyone who elects on their Facebook page to “like” We’re for Dogs – Mars’s Facebook page – will trigger a 50p donation. ●

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