

**Local Giving:**  
*possibilities for support  
and development  
organisations*

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**navca**

local focus national voice



# Local Giving: possibilities for support and development organisations

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# About the Research Project

The research for this report was funded by Sheffield Hallam University's Knowledge Exchange Programme and NAVCA (National Association for Voluntary and Community Action). The aim of the project was twofold: to provide support to NAVCA's members (local support and development organisations) as to opportunities to promote local giving and to highlight key barriers to local giving which NAVCA needs to raise nationally.

The authors of the report are grateful to all those who gave their time freely to participate in the research, either as participants in case study interviews or survey respondents. We are also grateful to Beth Breeze (University of Kent), Veronique Jochum (National Council for Voluntary Organisations), Gareth Morgan (SHU), Rob Macmillan (Third Sector Research Centre, University of Birmingham), and Cathy Pharoah (Centre for Giving and Philanthropy, City University) who were interviewed in the scoping phase of the study. However, the responsibility for the report and any residual errors rests with its authors.

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# Executive Summary

## Introduction

**This report presents findings from a small research study into local giving. The findings from the study are intended to provide the basis for strengthening the contribution of local support and development organisations (LSDOs) to local giving and philanthropy for social action.**

The Coalition Government has placed great emphasis on social action through the unifying policy idea of the Big Society. A key theme of this is the shift in the responsibility of social action from the state to society. However, relatively little is known about giving at a local level or how this might be developed.

Our methodology is formative and exploratory, to inform action and debate, and to suggest directions for future research. The conclusion offers practical recommendations for NAVCA members, some reflections on the policy and future lines of research enquiry.

## Understanding Giving in the UK

UK Giving 2011, the main and most comprehensive report in the UK on the subject, estimates that around £11 billion was donated by adults in 2010/11. The main implications of the data contained in this report are:

- trends in giving suggest that local giving initiatives are unlikely to significantly increase the total amount of charitable donations. Rather, local giving initiatives must seek ways of persuading existing donors to give a greater proportion of their donations to local causes
- currently local giving initiatives are most likely to maximise returns if they target middle-aged women and/or people in managerial and professional occupations - however, a key challenge is to engage other groups
- at the moment, online giving initiatives are likely to be marginal compared to other more traditional giving methods. However, this pattern may change markedly over the next decade
- getting people to donate through direct debit (or standing order) will increase the chance that they will give more (or more often)
- it is likely to be harder to attract donations for local welfare based causes as this is not a focus of donor activity
- there is potential to increase the numbers of donors (and amount of donations) that make use of Gift Aid.

On the whole, people do not give to the most urgent needs and prefer to support causes that mean something to them. In this context it is important to understand that giving and philanthropy are supply-led (i.e. the opposite to taxation) and we should not overestimate the extent to which donors act rationally in their giving decisions which are often 'taste based' rather than 'needs-based'.

## Our main findings

**This section explores the potential for NAVCA's members to develop strategies for local giving and thus grow new funding streams for frontline organisations and for themselves.**

The upheaval in the funding environment for NAVCA's members and in particular the response of members to this is a complex and challenging issue. Developing a strategy around local giving seems to combine the need for leadership to respond to a wicked issue whilst retaining approaches based on core values. We identify the following key challenges for NAVCA and its members:

- **building local capacity for giving and philanthropy:** building relationships with the Community Foundation Network and individual community foundations is an important and necessary starting point. A focal point for this could be to develop a local strategy for giving which builds out from a common and shared issue
- *communications and relationships: attracting donations from high worth individuals is often about building and managing relationships. There appears to be an opportunity for NAVCA's members to work jointly with community foundations to help build networks between frontline voluntary organisations and donors. Professional services such as accountants and solicitors should be part of any local partnership to develop a strategy for giving*
- **leadership, staff and trustees:** if local giving is to increase and a successful strategy implemented, chief executives and trustees of NAVCA's members need to make this a priority and provide necessary leadership. This may involve prioritising staff posts for local giving support or negotiating the secondment of staff from other organisations on a pro bono or externally funded basis
- **building connections and managing relationships:** there appears an important role for NAVCA's members to lead local partnerships around local giving. Members have unique access to frontline voluntary organisations and this should provide them with a powerful position
- **information, marketing and media:** a key role which is currently not being played consistently is around the promotion and sharing of good practice around local giving; this could include quite simple guidance on asking for donations through to the use of social media
- **technologies for giving:** we argue that there is considerable scope to improve the take up of the following at a local level - payroll giving, Gift Aid, localgiving.com, and the use of social media. Not all will be appropriate to all circumstances but they are the underpinning technologies necessary for a successful local giving strategy.

## Conclusion

**We argue that a realistic starting point is to focus on developing a local strategy for giving and on processes which over time may start to change deep seated norms around giving. The report makes the following broad recommendations:**

- **implications for practice - developing a partnership with community foundations.** This appears to be the terrain where there is most scope for further development, both in terms of partnership with community foundations where appropriate, but also in support to help individual organisations and groups raise funding from giving
- **implications for policy and NAVCA:** There appears to be a major opportunity for NAVCA to lead a national debate around the local dimension of local giving: both to ensure that local voluntary organisations are not adversely affected but also that alternatives are developed to a debate which thus far has been framed at a national level

- **implications for research:** Understanding divergence in levels of giving or even where most potential donors may reside only addresses part the problem. More needs to be known in terms of explaining variation between places and identifying possible actions the sector or government to carry forward to address these.

# Introduction

**This report presents findings from a small research study into local giving. The findings from the study are intended to provide the basis for strengthening the contribution of local support and development organisations (LSDOs) to local giving and philanthropy for social action. LSDOs are voluntary and community sector organisations which provide support to frontline voluntary and community sector organisations, such as Councils for Voluntary Service.**

Considerable research has been undertaken into the role of giving at a national level in the United Kingdom, notably work undertaken by McKenzie and Pharoah (2010)<sup>1</sup>; this follows a long tradition of research into giving and philanthropy in the United States (Wolpert and Rheiner 1984)<sup>2</sup>, where the role of giving to the non-profit plays a far more significant part of the sector's funding. Recent work by McKenzie and Pharoah also point to interesting regional and national variations within the United Kingdom, both in the propensity to give and the proportion of the population giving. These variations cannot be simply explained by variations in income or socio-economic group, which might be expected (i.e. explanations due to compositional variation) (see for example UK Giving, CAF and NCVO 2010).<sup>3</sup>

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***A Starting Point:*** *the overwhelming majority of charitable donations in the United Kingdom go to charities with incomes of over £10 million. These are typically major charities operating at a national and international level. The interest of this study is how giving at a local level can be increased.*

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## 1.1. Policy Context

The Coalition Government has placed great emphasis on social action through the unifying policy idea of the Big Society (Cabinet Office 2010) (see also Crisp *et al* 2010<sup>4</sup>, Pharoah 2011<sup>5</sup> and Wells *et al* 2011a and 2011b<sup>6</sup>). A key theme of this is the shift in the responsibility of social action from the state to society. This also includes the funding of social action and more specifically the voluntary and community sector.

<sup>1</sup> McKenzie, T. and C. Pharoah (2010), *UK household giving - new results on regional trends 2001-08*. CGAP Briefing Note 6. [www.cgap.org.uk/uploads/reports/CGAP\\_Briefing\\_Note\\_6%20\(Regional%20Giving\).pdf](http://www.cgap.org.uk/uploads/reports/CGAP_Briefing_Note_6%20(Regional%20Giving).pdf)

<sup>2</sup> Wolpert, J. and T. Rheiner (1984), 'The Philanthropy Marketplace', *Economic Geography*, 60/3 pp. 197-209.

<sup>3</sup> CAF and NCVO (2010) *UK Giving* (London: CAF). [https://www.cafonline.org/pdf/UK\\_Giving\\_2011\\_Full\\_Rep.pdf](https://www.cafonline.org/pdf/UK_Giving_2011_Full_Rep.pdf)

<sup>4</sup> Crisp, R., R. Macmillan, D. Robinson and P. Wells (2009), 'Continuity or Change: considering the policy implications of a Conservative government', *PPP-Online* 3/1 pp. 58-74.

<sup>5</sup> Pharoah, C. (2011), Private giving and philanthropy – their place in the Big Society, *PPP-Online* 5/2, pp. 65-75.

<sup>6</sup> Wells, P., J. Gilbertson, T. Gore and M. Crowe (2011a), *A Big Society in Yorkshire and Humber?* Leeds: Regional Forum. Wells, P., J. Gilbertson, T. Gore and M. Crowe (2011b), *Measuring the Big Society: approaches, problems and suggested improvements*. Leeds: Yorkshire and Humber Forum.

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*Giving Green Paper (2011) draws heavily on behavioural economics or 'nudges'. Examples include rounding-up payments to whole numbers where purchasers of goods can donate the difference to charity; options to make donations at ATMs; and use of social media to show who else is giving to a charity.*

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The recent Giving Green and White Papers (Cabinet Office 2011, 2012<sup>7</sup>; see also Speller 2011<sup>8</sup>) identifies an array of areas in which giving in terms of time and money may be increased. Of particular significance is the emphasis placed on understanding the motivations of givers, and how understanding individual and collective behaviour is essential to increasing the level for giving in the United Kingdom. Indeed, authors such as Breeze (2010)<sup>9</sup> have suggested that

understanding the decision making process of giving should be the starting point for explaining variations in giving.

However, relatively little is known about giving at a local level or how this might be developed. This is demonstrated by the absence of any consideration in local and regional levels of giving in the Giving Green Paper - one of the few references to local action is highlighted in the quote. This is a central concern for this study. One exception to this pattern is the mention of the work of website localgiving.com which works to provide charities with low cost access to internet giving services - something we explore later in this report.

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*"Our network of Community Foundations and Volunteer Centres are currently a key source of intelligence for people who want to find out about how they can make a difference in their communities" (HM Government, 2011 p. 11)*

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The 2011 Philanthropy Review reflected this trend of not considering local giving. Its recommendations were largely concerned with very commendable actions which should be taken at a national level, including:

- **making it easier for people to give** including the promotion of payroll giving, the introduction of charity bank accounts and gift aid on small cash donations
- **encouraging giving** including living legacies, extending tax relief to all assets and full tax reduction on gifts in cash
- **changing culture** including sharing giving data, introducing giving into education curriculum, and running a national Give More campaign.

An underlying theme of the Philanthropy Review Board's report is that these interventions have the potential to treble the level of giving between 2011 and 2015.<sup>10</sup>

As the funding landscape for the voluntary sector changes in the United Kingdom, NAVCA (National Association for Voluntary and Community Action) is particularly interested in supporting its members (local support and development organisations) to help them and frontline third sector organisations secure funding through giving.

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<sup>7</sup>Cabinet Office (2011) *Giving Green Paper* (London: Cabinet Office)

[www.cabinetoffice.gov.uk/sites/default/files/resources/Giving-Green-Paper.pdf](http://www.cabinetoffice.gov.uk/sites/default/files/resources/Giving-Green-Paper.pdf)

<sup>8</sup> Speller, M. (2011), *Giving in Local Communities*. London: Cabinet Office.

<sup>9</sup> Breeze, B. (2010), *How Donors Choose Charities Findings of a study of donor perceptions of the nature and distribution of charitable benefit*, CGAP Occasional Paper 1.

<sup>10</sup> A call to action to encourage more people to give and people to give more. Recommendations from the Philanthropy Review, June 2011. [www.philanthropyreview.co.uk/Philanthropy%20Review%20Charter.pdf](http://www.philanthropyreview.co.uk/Philanthropy%20Review%20Charter.pdf)

Such support may potentially range from advice services through to managing local giving initiatives. NAVCA, as the representative body for local support and development organisations, is also responsible for championing its members' interests at a national level; this may include identifying areas in which government may improve the conditions for local giving.

## 1.2. Research Methodology

There is a wealth of research evidence about giving, both of time and money. However, far less is known about local giving. There is an obvious reason for this omission - the overwhelming majority of financial giving is to national charities. Nonetheless, at the outset of this formative study we were aware of many examples, sometimes written up but more often anecdotal, of donations being made to local charities and of actions which had supported this. Some of these are well known, for example local press support to raise funds for a local hospice, whilst others include jumble sales, 'tin rattling' and sponsored sports events.

Those with any connection of the voluntary sector at its most grassroots level will know that this represents the 'tip of the iceberg'. As section 2 of this report shows, it is also possible to read off much from national level data on the sector to infer local trends, notably around the impact of the post-2008 financial crisis and recession on charitable donations to the sector. None of this reveals much as to the effectiveness of interventions to support local giving: whether merely to maintain the status quo or to expand donations.

**Our methodology** is therefore designed to be very much formative and exploratory, to inform action and debate, and to suggest directions for future research. The research included the following:

- **interviews with key academic contributors** to the fields of giving research and local infrastructure
- a review of policy and academic literature
- **a review of reports on key trends in giving**, with inferences drawn as to their implications for local giving
- **case studies** of giving support through interviews and a review of related documentation
- **a survey of NAVCA's members** around issues of their local giving support to frontline organisations.

**Case study interviews** were conducted with representatives of the following organisations: Community Foundation Lancashire; Islington Giving; Tyne and Wear Community Foundation; Merton Voluntary Service Council; Kensington and Chelsea Foundation; Sussex Community Foundation; Warwickshire Community and Voluntary Action; and ShareGift.

**The analysis of findings** was largely inductive: we were not seeking to test particular theories or find particular relationships in the data, but to provide some insight into the field of local giving. This report structure reflects this approach, the next section reviews the largely national evidence on giving; the third section provides an outline of potential areas local support and development organisations could engage in local giving; and we then consider some key challenges to the promotion local giving. The conclusion offers practical recommendations for NAVCA members, some reflections on the policy and future lines of research enquiry.

# Understanding Giving in the UK

# 2

## 2.1. Trends and Patterns

UK Giving 2011, the main and most comprehensive report in the UK on the subject, **estimates that around £11 billion was donated by adults in 2010/11**. In real terms, the amount given by individuals is down by just over eight per cent since its peak in 2007/08. The main reasons for this decline are around the financial crisis and recession. The table below provides a summary of the main findings from this report.

### Box 1: UK Giving 2011: summary of key findings

#### Levels of giving

- levels of giving are relatively stable: the proportion of people giving and the total amount given stayed roughly the same between 2009-10 and 2010-11
- the average amounts donated by individuals are relatively low (Median - £11; Mean - £31) but there is a small proportion of the population who give substantially more: only 7 per cent donated more than £100 but this accounted for nearly half of the total amount donated.

#### Who gives?

- middle-aged women (45-64) are the most likely to give and give the most on average. By contrast young adults are the least likely to give
- people in managerial and professional occupations are most likely to give and give the largest average amount.

#### How do people give?

- cash is the most common method of donation and is used by nearly half of all donors. However, cash donations are usually smaller than other methods
- the proportion of donors using direct debits is rising and accounts for the largest share of total donations
- online giving is increasing but is much less common than other methods (less than 10 per cent). However, it is more common among younger age groups.

#### What do people give to?

- the most common causes are medical research, followed by hospitals, children and overseas aid
- by contrast traditional 'welfare' causes such as disability, homelessness, elderly and health are each supported by fewer than 10 per cent of donors.

#### Gift Aid

- about two-fifths of donors use Gift Aid and this is increasing slowly
- people who use Gift Aid are more likely to donate larger amounts: 70 per cent of £100+ donors use Gift Aid.

The main implications of the data in this report for local giving are as follows. First, trends in giving suggest that **local giving initiatives are unlikely to significantly increase the total amount of charitable donations** (as this has remained relatively stable over a number of years) as this is dominated by donations to major national charities. Rather, local giving initiatives must seek ways of

persuading existing donors to give a greater proportion of their donations to local causes. Second, **local giving initiatives are most likely to maximise returns if they target middle-aged women and/or people in managerial and professional occupations - however, a key challenge is to engage other groups.**

Third, at the moment, **online giving initiatives are likely to be marginal compared to other more traditional giving methods.** However, this pattern may change markedly over the next decade. Fourth, getting people to donate through **direct debit (or standing order) will increase the chance that they will give more** (or more often).

Fifth, it is likely to be **harder to attract donations for local welfare based causes as this is not a focus of donor activity.** Sixth, there is potential to increase the number of donors (and amount of donations) that make use of Gift Aid.

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*"The findings suggest that if giving is to be increased in the UK, it is important for both fundraisers and policy-makers to develop a better understanding of local cultures and traditions of giving. Strategy needs to be better adapted to local capacity as well as willingness to give"*  
McKenzie and Pharoah (2010), p. 7

Research by McKenzie and Pharoah explored **regional variations in giving across the UK**<sup>11</sup>. It found that households in Northern Ireland and Scotland, and Southern and Eastern England, are more likely to donate than in other areas. These variations can mostly be explained by levels of household income, which are positively related to a propensity to give. The exception is Northern Ireland, where giving is highest and probably a reflection

on the extent religious association, which is also positively associated with giving. There are **indications that sub-regional variations** in giving also exist (i.e. between different parts of London, and that at this level the areas where more people give to charity are not always the same as those where donors give higher amounts). The findings suggest two main implications for local giving:

- **giving is generally more prevalent in more economically prosperous areas** so it is likely that local giving initiatives will have a greater chance of success in these areas (or at least such initiatives will be easier to get off the ground)
- **by contrast local giving initiatives may prove more challenging in more deprived areas**, and would probably require more resource input (at least at an early stage) if they are to stand a chance of succeeding.

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<sup>11</sup> McKenzie, T. and C. Pharoah (2010), *UK household giving - new results on regional trends 2001-08*. CGAP Briefing Note 6. [www.cgap.org.uk/uploads/reports/CGAP\\_Briefing\\_Note\\_6%20\(Regional%20Giving\).pdf](http://www.cgap.org.uk/uploads/reports/CGAP_Briefing_Note_6%20(Regional%20Giving).pdf)

Pharaoh and McKenzie (2010) explored **seasonal patterns in household giving**. They found that there is a quite definite pattern in weekly average donations:

- these donations vary considerably quarter by quarter and follow a trend that highlights higher averages at the beginning and end of the year following what is known as a 'u-shaped trend'
- the quarters which fare the best in terms of giving are the autumn and winter quarters, with the summer months yielding the lowest levels of giving
- variations between wealthier and lower-income households are intrinsically related to the time of year that donations are made. Wealthier households tend to donate earlier on in the year in anticipation of the end of the tax year in March/April and this contributes to the higher amounts observed at this time. Giving at the end of the year and Christmas is more likely in low-income households
- knowing these trends can allow charities to implement fundraising strategies at more beneficial times of the year and allows them to forecast and plan their budgets accordingly
- by emphasising the benefits of tax relief, both charities and financial advisors can encourage donors to give before the end of the tax year.

The implications for local giving are that seasonality clearly plays a big part in when donors give to charity. Fundraisers would do well to take this into account and plan activities to coincide with these seasonal patterns so as to generate more income by implementing more effective and efficient targeting. Tax relief and its impact on individuals towards the end of the financial year may be a more timely opportunity for raising funds from wealthier donors. The efficiency of giving could be increased were charities to exploit this opportunity further.

## 2.2. Donor Motivations

Breeze (2010)<sup>12</sup> has explored how people choose charities. On the whole, people do not give to the most urgent needs and prefer to support causes that mean something to them. Four common non-needs base criteria are identified:

- giving decisions are motivated by donors' tastes, preferences and passions linked to an individual donor's social experiences
- donors personal and professional backgrounds also shape their giving decisions and choice of beneficiaries
- donor perceptions of 'charity competence' are important but these tend to be based on views regarding the efficiency of how they use their money, including the quality and quantity of direct mail
- donors are also motivated by a desire to have a personal impact and want their contribution to make a difference i.e. not 'drowned-out' by other donors or funders (including government).

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<sup>12</sup> Breeze, B. (2010), How Donors Choose Charities Findings of a study of donor perceptions of the nature and distribution of charitable benefit, CGAP Occasional Paper 1.

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*"Donors retain an expectation that charities exist to serve the needy, yet in reality their own giving decisions are driven by many non-needs based factors. Despite popular beliefs that charitable giving should be directed primarily to the needy, donors often support organisations that promote their own preferences, that help people they feel some affinity with, and that support causes that relate to their own life experiences"* Breeze (2010) p. 53.

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In this context it is important to understand that giving and philanthropy are supply-led (i.e. the opposite to taxation) and we should not overestimate the extent to which donors act rationally in their giving decisions which are often 'taste based' rather than 'needs-based'.<sup>13</sup> The implication for local giving are revealed in the first and final bullet points above: that is, the desire of a donor to have an impact in a locality in which they have a personal

association, or where their donation might be seen as more important. Strategies targeting local giving and philanthropy would do well to bear these two motivations in mind when considering how to attract donors.

More recent research by YouGov (2012) explored public attitudes toward giving, focussing on the drivers and motivations behind peoples' decision to give and who to. Key findings indicate:

- **women are more likely to donate than men**; AB socio-economic groups are more likely to donate and people aged over 55 are most likely to donate
- **giving is most likely to be an ad hoc or irregular activity with 56 per cent giving less than once a month**. This is reflected in the fact that the most common methods for making a donation are cash collections (62 per cent), buying goods from a charity (46 per cent), and sponsoring an individual/event (31 per cent)
- **only five per cent of respondents had donated more than £151 in total in the past three months**
- **people tend to support more than one cause but rarely support more than four causes** (3-4 is the most common number, 42 per cent)
- **a large majority of people give careful consideration to each donation they make and before committing to regular giving**. But a minority say they are open to the types of causes they support
- **repeat giving is common and more valuable**: nearly three quarters of people who had given to a cause have given to that cause before. People were also more likely to make a larger donation to a cause they had given to before
- **people are more likely to give to national causes (53 per cent) than local (26 per cent) or international (16 per cent) causes**. However, international causes were more likely to attract higher value donations than national and local causes
- one third of giving is 'spontaneous' (unprompted), with two thirds 'prompted'. However, **'spontaneous' giving is more likely to result in larger donations**.

The implications for local giving are similar to those considered above, local giving initiatives should consider ways of ensuring or enabling repeat giving and that local causes are very much the 'poor relation' compared to national and international causes. They attract half the number of donors as national causes and far fewer large donations than international causes.

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<sup>13</sup> Pharoah, C. (2011), Private giving and philanthropy – their place in the Big Society, *PPP-Online* 5/2, pp. 65-75.

## 2.3. Conclusions

This section has highlighted the following implications for organisations seeking to promote local giving:

- **the overwhelming majority of giving is to charities operating at a national and international level.** Local initiatives alone are unlikely to change the overall amount of giving, but they should be seeking to capture a higher proportion of total giving
- **there are variations between localities in terms of the levels of giving,** these are not entirely explained by levels of income; lower income groups may donate less but they do donate more regularly
- **strategies for giving need to consider both processes (e.g. making direct debit giving more straightforward) and motivations,** including the importance of building connections of charities with donors and potential donors.

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*"£1 spent on generating funds, voluntary organisations raised £5.45.*

*Large and major voluntary organisations spend the most on fundraising and publicity: this is 8% and 11% of expenditure respectively, or 86p in every £1 spent on fundraising and publicity by the sector. Major organisations spend almost 60p in every £1 of the sector's fundraising and publicity expenditure."*

*NCVO UK Civil Society Almanac*

These are of course general findings drawn from surveys of samples of the population. There will be variations within this allowing scope for some local practices to affect giving to some extent. What the data do not illuminate is the level of competition between charities for donations; something which is likely to have intensified with the fall in the overall level of giving since a peak in 2006/07 and due to the financial crisis and recession. The 2011 Philanthropy Review sets out the ambitious goal of trebling the amount of donations, and

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highlights the need for a range of national action to bring about this change. Conversely, if such actions do come to pass, the field for giving may change considerably and this will present opportunities for local giving.

## Local Giving: our main findings

This section explores the potential for NAVCA's members to develop strategies for local giving and thus grow new funding streams for frontline organisations and for themselves. Such strategies may well be prompted by the loss of public sector funding. However, for many reasons local giving is not a simple like-for-like replacement of public sector funding. Funding is on different terms, it is secured in different ways and may well need to be for different ends.

The upheaval in the funding environment for NAVCA's members and in particular the response of members to this is a complex and challenging issue. At the NAVCA Leadership Roundtable (2010) these were termed 'wicked problems' (NAVCA 2011) requiring a particular style of response by

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***A need for leadership?*** *Wicked problems tend to be novel, complex and intractable. They have no clear solution, just better or worse alternatives. Leaders need to ask questions to understand the problem better, create space for discussion and collaboration, and help others adapt to policy changes*

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NAVCA's members, as indicated in the quote to the left.<sup>14</sup> One of the aims of this report is to help to understand the problem better and suggest routes for leading changes in practice.

At the same time developing a response to the challenges posed by funding cuts is not purely about finance, and as the NAVCA Leadership Roundtable highlighted it is also about keeping core values at the heart of any strategy. Developing a strategy around local giving seems to combine the need for leadership to respond to a wicked issue whilst retaining approaches based on core values.

### 3.1. Building local capacity for giving and philanthropy

The literature review and stakeholder and case study interviews all highlighted the long term and developmental nature of local giving. We discussed local giving with the largest Community Foundation outside the United States (Tyne and Wear Community Foundation), with high profile initiatives such as Islington Giving, and with smaller scale initiatives based around a particular initiative. Recurrent themes were the need for leadership, for the building of relationships and a willingness to promote new ways of working.

<sup>14</sup> [www.navca.org.uk/publications/inspiring/](http://www.navca.org.uk/publications/inspiring/)

Our survey of NAVCA members showed that some local support and development organisations are involved in a range of activities to support local giving. Activities include support to:

- recover gift aid
- payroll giving
- use localgiving.com
- attracting philanthropists and donors
- securing income from legacies
- attract local businesses.

A small minority of the sample provided no support in any of the areas concerned. However, the response rate of 20 per cent (61 responses from a survey of 305 organisations) is too low to make generalisations about all members.

Survey respondents also highlighted the important role of a range of other groups and organisations in promoting local giving and the high levels of joint working with them. These included:

- community foundations
- professional service providers, notably solicitors and accountants
- businesses including individual owners
- actual and potential high worth donors
- existing fundraising activities by charities
- media.

Of these the most important intermediary bodies were seen to be Community Foundations. Relationships between NAVCA's members and Community Foundations varied from being highly effective to a more limited and distant engagement.

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*Community Foundation XXX are very successful in this region ... I see this as very positive ... time is better spent by charities and businesses.*

*We refer enquiries to XXX Foundation*

*Historically the CVS has acted as a support agency to their grant programmes such as Community Chest and Grassroots.*

*We work closely with XXX Community Foundation who promote and support giving and philanthropy at a local level*

*The Foundation has very poor capacity and has struggled for over a decade to raise a very small endowment. Their existence, though minimal, prevents our organisation and the CVS in a neighbouring borough from developing our remit in offering a credible and effective mechanism for local giving.*

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These findings highlight the somewhat unclear role for NAVCA's members in the promotion of local giving. On the one hand, the main competencies for raising and distributing funds in many areas rest with Community Foundations. However, NAVCA's members have an important leadership role in representing the interests of all local frontline voluntary organisations and they may better understand the needs

of frontline organisations. Nonetheless, if local giving is to be developed, a key starting point for NAVCA's members would appear to be the cultivation of good partnerships.

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**Lessons for NAVCA and its members:** *building relationships with the Community Foundation Network and individual community foundations is an important starting point. A focal point could be to develop a **local strategy for giving** which builds out from a common and shared issue. For example, bringing a focus to what is seen as a social issue facing the local area.*

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But what is the trigger for partnership building? Asking questions to identify the problem would seem an obvious answer. This was a catalyst for Islington Giving which developed from a research study called *Invisible Islington: Living in Poverty in Inner London*<sup>15</sup> which revealed the large disparity in wealth within the London borough and that there was little interaction between the wealthiest and poorest. The research was seen as a trigger for local action, and initially through work with other charitable trusts.

Asking questions and identifying problems was seen to be a step towards raising the profile of a frontline charity or foundation. A consistent theme throughout the case studies was around profile raising and communication, something we discuss further in the following section. Throughout the case studies and stakeholder interviews we were made aware of examples of events which engaged donors and potential donors. Interviewees stressed the importance of networks and word-of-mouth contacts, especially in engaging high worth donors; cold calling and direct mail approaches were largely dismissed.

### 3.2. Communications and relationships

Four broad inter-related factors were found to underpin successful approaches to local giving, whether used by individual frontline charities or community foundations:

- understanding local donors
- leadership, staff and trustees
- building connections and managing relationships
- information, marketing and media.

### 3.3. Understanding Local Donors

National data highlight both the importance of the huge number of small donations but also high worth individuals making a few high value donations. This pattern will be replicated at a local level although opportunities will vary. One interview also highlighted that many charities do not ask for cash enough and recognise the benefits of unrestricted funds on their accounts. As we discuss in the next section asking for donations can be cumulative, does not require the involvement of professional fund raisers and can become a routine part of what charities do.

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<sup>15</sup> The full report is available at: [www.cripplegate.org/wp-content/uploads/Invisible-Islington-Nov08.pdf](http://www.cripplegate.org/wp-content/uploads/Invisible-Islington-Nov08.pdf)

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**Lessons for NAVCA and its members:** *attracting donations from high worth individuals is often about building and managing relationships. There appears to be an opportunity for NAVCA's members to work jointly with community foundations to help build networks between front line voluntary organisations and donors. Professional services such as accountants and solicitors should be part of any partnership to develop a strategy for local giving.*

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Most attention was drawn to the scope to understand the local donor base, and in particular the identification of possible high worth individuals or businesses. It was felt that local charities sometimes miss opportunities to build local relationships with possible donors. This issue was highlighted indirectly by the Barclays Wealth 2011 UK Wealth Map which mapped the location of millionaires in the UK by region, but also included survey research to identify those who might be interested in charitable giving (Barclays Wealth 2011).

Research in the United States has shown how US Census data (which contains data on personal income, unlike the UK Census) can be used to map the location of neighbourhoods with higher concentrations of high worth individuals (Irvin 2008). The nearest potential proxy in the UK is to use Land Registry information to identify concentrations of high value housing. Perhaps more importantly, local knowledge and connections appear vitally important in understanding not just where donors are but who they are.

A further area which was identified as being under-developed by local charities was around closer working with professional advisers such as accountants and solicitors. Advisers may play a range of roles including providing taxation advice on how gifts can be offset against tax but also advising individuals considering making a legacy to a charity

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*Why the US is different. "Philanthropy in the US is a social institution that takes on meaning in a culture of individualism and private initiative and in the absence of a comprehensive welfare state, especially in health provision ... US philanthropy is not just an option which wealth provides but is a defining characteristic of the elite. In all these respects the US differs markedly from the UK." (from Theresa Lloyd, Why Rich People Give, summary of the book)*

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in their will. Major charities appear to have identified advisers as a key route to market to potential donors, but to a large extent this has been missed by smaller local charities. This appears to be an opportunity for NAVCA's members.

### 3.4. Leadership, staff and trustees

The report, *Why Rich People Give*, points to the importance of leadership, staffing and trustees in charities, as the quote below highlights. We found that the nurturing of donors need to be someone's responsibility and where that included major donors, work with individual donors should be led by an individual. Even in smaller charities, identifying someone to lead on donations is important. As donations increase then approaches can become more sophisticated. Trustees were seen to be an important source of support in developing donor strategies, whether in terms of connections or being able to be a wider advocate for the charity. The power of a trustee being able to say 'I give to this charity' was also found to be very important in terms of conveying the work of a charity.

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**Key skills required by charities:**  
*"fundraising and the development of these relations are seen as integral to the mission of the organisation ... job descriptions, work plans and person specifications at senior level throughout the organisation need to give effective time to nurturing relationships with major donors" (Why Rich People Give, summary to the book)*

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Where charities were engaging corporate sponsors, or involving an organisation in a payroll giving scheme, it was important to ensure that the chief executive and directors of an organisation backed the charity or scheme: for instance by being able to state that they use payroll giving.

Case study interviews highlighted the challenges involved in developing strategies to support giving. Some organisations were able to draw on a range on volunteer support, including from trustees, which provided both expertise and connections. In other cases organisations had been able to secure external funding or were able to combine funding from Grassroots Grants and other programmes in innovative ways. Although our survey of NAVCA's members revealed that some were providing support around giving, it was not possible to discern the extent of this. The case studies revealed that it is possible to secure support, particularly in developmental stage. Nonetheless there appeared to be some notable differences in the access some areas had to resources from volunteers or professional pro bono support. This may be a limiting factor in some areas in the development of local giving.

### 3.5. Building Connections and managing relationships

Fundraising from individuals or businesses differs greatly from strategies to secure grants and contracts. Above all we found that it was about building relationships and connections, and the management of these relationships. This could take many forms as the following quotes reveal:

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*People are interested in local philanthropy because they like to feel a close connection with the charities they are supporting. It is hard work and it hasn't been easy to do big fundraising in this economic climate, but it is possible to do it if you have a good story and a good product. The most effective way to approach people is by personal introductions, it's much better than high profile publicity campaigns, cold calling or cold marketing.*

*The book 'Why Rich People Give' highlights that giving is about personal relationships. It is also important to demonstrate to people that their money is going to go somewhere where it is going to make a difference*

*Charitable giving is a very personal thing, people give to people they like and are impressed with and trust, but they also give to causes that are close to their heart. Giving isn't something done with the head, it's something done with the heart. If the charity can relate that it is going to the donor's personal interest then that's going to unlock their giving.*

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***Lessons for NAVCA and its members:*** *there appears an important role for NAVCA's members to lead local partnerships around local giving. Members have unique access to frontline voluntary organisations and this should provide them with a powerful position.*

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We also found examples of the need to institutionalise relationships in some more stable and established way. Three examples illustrated this well. First, in the late 1990s and early 2000s areas such as Sheffield, Newcastle and London launched city based employment bonds. With the support of the organisation CityLife (now renamed as Allia) local areas were able to launch a financial product which individuals and/or businesses could purchase. Their investment was guaranteed but they could choose to waive any interest returns. Funds were then invested in community projects. However a key part in the process was the building of a relationship between the investor (the donor) and the recipient organisations. This might be through annual events for investors to meet recipients or through newsletters highlighting successes. Through these steps relationships were developed and deepened.<sup>16</sup>

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*"there is a need to gain a high level of local knowledge and to ensure that people get involved who have a lot of influence in Lancashire, such as the Lord Lieutenant, and people who have a good network of contacts" Community Foundation Lancashire*

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Second, the experience of the Community Foundation Lancashire also pointed to the role of local elites as the quote below indicates: "there is a need to gain a high level of local knowledge and to ensure that people get involved who have a lot of influence in Lancashire, such as the Lord Lieutenant, and people who have a good network of contacts".

The role of elites as mobilisers of local giving was also highlighted in other settings, particularly in championing particular

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<sup>16</sup> Affleck, A. and Mellor, M. (2005), The Newcastle employment bond: investing in local communities, *Local Economy*, 20:1 pp. 53-66.

causes. Third, one Community Foundation highlighted that it had moved to a 'Philanthropy Services model'. Where "they have one person dedicated to new philanthropy - to developing new donors, and they also have a team of people who each have a portfolio of donor relationships and funds, and they manage both the relationship with the donor and the grant maker, which helps with the engagement, because it's a client relationship - the donor has one named person that they deal with."

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***Lessons for NAVCA and its members:*** if local giving is to increase and a successful strategy implemented, chief executives and trustees of NAVCA's members need to make this a priority and provide necessary leadership. This may involve prioritising staff posts for local giving or negotiating the attraction of staff from other organisations on a pro bono or externally funded basis.

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### 3.6. Information, Marketing and Media

Information management was found to be an important feature of both individual charities and community foundations. One community foundation highlighted the breadth of its information systems in terms of websites, newsletters, Facebook messages, electronic bulletins, all which can be used for promoting the activities of the foundation. This was reflected in the work of individual charities: routine (quarterly) information is important for updating donors of the work of charities and highlighting successes. These should also include direct debit and standing order forms. Where this worked well in small charities we found that a staff member was given the role to manage information effectively and to coordinate communications - external fundraising advice was not seen as necessary for on-going activities.

Another community foundation highlighted that it rarely 'cold calls' individuals i.e. individuals that have never heard of the community foundation. The foundation mainly relies on word-of-mouth. It has a development committee and the board as a whole plays a role in development in terms of helping with introductions and by making a contribution according to their means and status - they are expected to give in some way beyond being a board member, that may be through a fund or giving time to activities. It is important that the Board members lead by example. The foundation encourages existing donors to talk to friends, relatives and work contacts, so they can be referred to the foundation. Hence, there is a flow of contacts, as well as donor cultivation events where donors can bring somebody with them. A lot of the recruitment is word-of-mouth and referrals, and very little work focuses on researching wealthy people to be approached as potential donors.

Events were seen as important in bringing donors together with funding recipients. In Lancashire, it was highlighted that the Spirit of Lancashire Award was a successful way of raising the profile of the community foundation and at the same time recognising the real achievements of frontline groups that have been supported by the foundation. Also, an event had been run for two consecutive years, to bring together potential donors and people involved in the foundation with people who are doing real things to improve their local communities.

Small private events were found by some community foundations to be most successful: existing donors or board members might host events in their own homes; or hold roundtable discussions where people might feel comfortable about talking about money and giving and where they can meet people who are already involved. These methods can generate contacts which can then be followed up by the

community foundation. The work of the community foundation is led by the connections and networks that existing donors and board members already have rather than cold-recruiting people.

The coordination of media activities was found to be important with local media often keen to showcase the work of local charities and even to sustain interest in particular charities. Building relationships with the press was an important part of this, and again trustees were often better placed to advise on appropriate approaches. Increasingly, charities have also found that a relatively low cost approach to marketing is the use of social media, especially where this is used in tandem with face-to-face contacts and is routinely maintained.

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***Lessons for NAVCA and its members:*** a key role which is currently not being played consistently is around the promotion and sharing of good practice around local giving: this could include quite simple guidance on asking for donations through to the use of social media.

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### 3.7. Technologies for giving

Our research revealed an array of practices, techniques and approaches which could be important to increasing giving. As such, we use the term technology to describe each one although they may not include specific technological aspects, such as the use of information technology. Some aspects are outside the remit of this study, notably incentives for giving from changes to the tax system. Our focus includes the following:

- payroll giving
- Gift Aid
- localgiving.com
- impact measurement and reporting
- fundraising standards
- social media.

#### ***Payroll giving***

735,000 employees in the United Kingdom use payroll giving and in 2011/12 gave around £118 million. It is used extensively by larger employers although practice is variable. The use of payroll giving is slightly down on 2007/2008 although amounts donated have increased.<sup>17</sup> A simple example of Payroll Giving is outlined below.

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<sup>17</sup> Based on a report undertaken for HMRC by Willis Kennedy. Press release is here: <http://www.wilkinskennedy.com/news-and-press/press-releases/first-recovery-in-numbers-using-payroll-charity-giving-since-credit-crunch>

## Box 2: What is Payroll Giving?

- Payroll Giving is a flexible scheme which allows anyone who pays UK income tax to give regularly and on a tax free basis to the charities and good causes of their choice.
- Payroll Giving donations are deducted before tax so each £1.00 you give will only cost you 80p, and if you're a higher rate tax payer it will only cost you 60p.
- Payroll Giving (also known as Give As You Earn or workplace giving) is a valuable, long term source of revenue, providing regular income to help charities budget and plan ahead more effectively. Employees can choose to support any charity of their choice with a regular donation direct from their pay.
- It's cheaper because its tax free - for example, a donation of £5 per month costs the basic rate tax payer £4.00 (the taxman pays the rest!)
- Higher rate taxpayers- the only way to pass on your 40% or 50% tax to charities. Only 28% can be recouped via other ways of giving.

Source: [www.payrollgiving.co.uk/](http://www.payrollgiving.co.uk/)

One of our case studies, Merton Voluntary Service Council (MVSC), has been active in developing Payroll Giving. Together with Merton Chamber of Commerce they developed a Transforming Local Infrastructure project to employ a business engagement manager in the chamber. One of their key roles is to promote payroll giving to employers. The set-up of the scheme is subsequently done by an expert. Payroll giving is linked to a fund which MVSC are administering on behalf of the local authority, NHS, Policy and Fire Service where donations are matched and then distributed to local community and voluntary organisations. The project seeks to make it straightforward for all employers to engage with payroll giving. It also includes aims to encourage senior figures in public and private sectors to sign up to the scheme. Alongside the business engagement manager, a volunteering strategy programme manager has been appointed to support the projects which are set up.

The link between payroll giving and the local community is an important one and is intended to increase connections locally.

Payroll giving has been criticised recently by nfpSynergy for its inflexibility. In its place it is recommended that employees are asked to set up direct debits with charities (on which Gift Aid can be recouped) with employers encouraged to match fund donations. This scheme is also more portable as employees do not need to set up new arrangements if they change employer.

### **Gift Aid**

According to the Charities Aid Foundation, charities are estimated to lose £700m a year through unclaimed Gift Aid. HMRC estimate that the total value of Gift Aid is worth £1 billion a year to charities and donors together. These figures suggest that considerable progress needs to be made in reclaiming Gift Aid. Gift Aid should be straightforward to administer. All charities recognised as such by HMRC are eligible and annual record need to be maintained, including:<sup>18</sup>

- all Gift Aid declarations and confirmation that the charity has advised the donor that they must pay at least as much UK tax (for the tax year that they donate) as the amount your charity will reclaim on the donation

<sup>18</sup> Further details from HMRC are available at: [www.hmrc.gov.uk/charities/gift\\_aid/basics.htm#5](http://www.hmrc.gov.uk/charities/gift_aid/basics.htm#5)

- any cancellations of Gift Aid declarations
- any benefits the charity provides to donors.

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**Lessons for NAVCA and its members:** *we argue that quite simple demonstrations of local giving to bring a wider culture change. There appears considerable scope for members to work with major local employers and chambers of commerce either to promote payroll giving or organisation based charity giving campaigns. A key strength of NAVCA and its members is its relationship across the frontline of voluntary organisations.*

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One of our case studies, Sussex Community Foundation was including Gift Aid in its matching of its Grassroots and Endowment Challenge initiatives. Therefore, a £100 donation received £25 in Gift Aid which was then matched to make a total of £250. Depending on tax changes Gift Aid may also receive transitional tax relief, for instance between 2008-11 reliefs equated to an additional three pence in the pound on donations.

High net worth individuals are also likely to be aware of gift aid because their accountants may advise them that donations to registered charities are exempt from higher rate tax rates.

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**Lessons for NAVCA and its members:** *many members already promote the use of Gift Aid and there appears to be considerable scope for this to go further.*

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### **Localgiving.com**

Localgiving.com, founded by Marcelle Speller, was launched in 2008 and piloted by eight community foundations over the following two years. It has now been rolled out across the United Kingdom. 95 per cent of donations go to the nominated charity with the remainder used to cover administration costs and a return to the two foundations which are its shareholders (Community Foundation Network and Ardbrack Foundation). Charities registering on the site pay £60 plus VAT, with the fee for the first three months waived. Localgiving.com is growing although coverage across the United Kingdom appears quite variable. For instance, we found five charities from Sheffield on the site, 4 charities from Newcastle, 54 charities from Brighton and 158 charities from London.<sup>19</sup> In August 2012 2,357 charities were registered on the site. Despite the fee structure, Localgiving.com appears a relatively cost effective means for charities to engage in fundraising and it can provide them with an infrastructure for online fundraising for far less than it would cost for a bespoke site. Each charity hosts information on a page to a common format, with some information provided about the size of the charity, staffing, key aims, outcomes and a range of suggested donation sizes. Local community foundations check the accuracy of material which is hosted on the website.

## **3.8. Impact measurement and reporting**

Routine communication with donors through media ranging from newsletters to Facebook posts can provide a means by which a charity retains its profile with a donor. Donors can clearly decide what they do with this information. There has also

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<sup>19</sup> Figures correct on 8 August 2012 including a 15 mile radius from the city.

been some debate around the extent to which charities seek to report their impact to donors. Such reporting currently ranges from the use of case studies to quantitative measurement, including the use of frameworks such as social return on investment. Issues of scale are important here - a major charity is likely to be more able to report on its impact than a small charity run by a small staff group and reliant on volunteers. Nonetheless, providing some simple updates on impact, perhaps including narrative accounts of those helped by a charity or the numbers it has helped are probably all that it is required and is better than providing no information.

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**Lessons for NAVCA and its members:** *localgiving.com is not yet widely used and this appears to be a missed opportunity for some voluntary organisations: especially those organisations which actively use the web or social media for their fundraising campaigns.*

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### 3.9. Institute of Fundraising: Codes of Fundraising Practice

The IoF's Codes of Fundraising Practice agreed by its Standards Committee provide clear guidance to charities. Guidance clearly sets out what charities **must** do to comply with regulation and law, what they **ought** to do if members of the Institute of Fundraising and what they **should** do to follow good practice. The Codes are wide ranging with specific guidance on subjects including working with businesses, major donor fundraising, raffles and lotteries, management of collection points, data protection and telephone fundraising.<sup>20</sup> Many of NAVCA's members have also produced guidance notes or factsheets to local organisations to provide an introduction to fundraising and to alert them to key legal issues.

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**Lessons for NAVCA and its members:** *there is a role here for the better sharing of good practice, whether this is examples of simple reports to report activities through to more sophisticated approaches which assess impact.*

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### 3.10. Social Media

Social media offers organisations and groups considerable opportunities, but there are also great risks. Whilst giving via social media sites is currently relatively small it is expected to grow rapidly. Large and major charities now routinely use Facebook pages and Twitter streams to communicate with donors and supporters. There are also some poignant examples of the power of social media to reach a huge audience within minutes or even seconds: Claire Squire's marathon JustGiving page is perhaps the most well known example. What this case shows is not so much the use of social media, but rather that a powerful message could be spread quickly and result in an enormous amount of *impulse giving*. Moreover, the level of interest was then rebroadcast as a story in its own right on television and in the press. Social media would appear to offer opportunities for small groups and organisations to reach a much larger audience.

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<sup>20</sup> The full set of codes are available at: [www.institute-of-fundraising.org.uk/guidance/codes-of-fundraising-practice/codes-directory/](http://www.institute-of-fundraising.org.uk/guidance/codes-of-fundraising-practice/codes-directory/)

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**Lessons for NAVCA and its members:** *further research is required into the opportunities for social media and training required so it can be best used by local voluntary organisations.*

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*Social media in the future: "What is clear is that charitable donations form a vital part of the industry and new modes of giving offer huge opportunities for charities. It is also true that if a charity does not embrace new technologies in the way it interacts with the public it will be left behind" Panayiotou, S. (2012), 'Towards New Modes of Giving' Understanding Society. London: Ipsos MORI.*

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Social media also comes with considerable risks. It may not be seen as an authentic message or individuals faced with a huge volume of social media information automatically filter requests. Social media needs to be authentic and tied in many cases to personal interaction. A further risk is around the loss of control of key messages as particular feeds or tweets are reinterpreted and re-presented in ways which were not intended. As

such some consideration needs to be given to negative comments and how these are managed.

There is also an argument that social media may result in lower aggregate levels of giving. This is for two reasons. Firstly, amounts donated through social media may tend to be lower and more likely to be one-off rather than recurrent gifts: as such fewer direct debits are made and charities lose funding. Secondly, and tied to this one-off gifts may displace direct debits: recalling that individuals on average only donate to four charities, they may feel they have 'done their bit' after a few one-off transactions.

### **3.11. Conclusion**

This section has set out what we have found to be important steps in developing local giving: the importance of capacity and leadership, the role of communications, and key aspects of giving which need to be considered. There was a general sense that approaches are locally specific, in part reflecting local conditions but also the capacity of individuals and organisations to develop local giving. This is perhaps one of the main lessons, whilst there is considerable scope to share practice and in some cases to scale up solutions, approaches will need to be developed locally.

# Conclusion

## 4.1. Introduction

Developing a strategy for local giving is very different from one to secure income from the public sector. This is in terms of the processes of giving and the motivations of donors. As such giving is not a simple replacement for a loss in public sector income, either by NAVCA's members or frontline organisations and groups. There appears to be tremendous scope to increase the level of giving in the UK and part of the contribution to this can be through local initiatives as outlined in this report. **There may also be winners and losers even if overall giving increases whilst public sector spending goes down: donors typically leave the prioritisation of social need to government and make choices based on personal preferences.**

If giving is made easier, it is more straightforward to claim gift aid and there is a campaign to raise the profile of giving then there may be an increase. However, the level of giving in the UK as measured as a proportion of national income has remained reasonably constant: it is higher than many other European countries, but considerably behind levels in the United States. Much of these differences can be explained by deep seated cultural and institutional norms, which can be very resistant to the most well considered government initiatives. **We argue that a realistic starting point is to focus on developing a local strategy and on processes which over time may start to change deep seated norms.**

**Fundraising by charities in the UK is also a competitive endeavour:** although rarely made explicit, major charities go to enormous lengths to secure donations. In a context where giving is relatively constant, this is in effect competition. NAVCA's members and frontline organisations may consider that such competition, asking donors to make choices between charities in effect, goes against their core values. Nonetheless, the rise of competitive practices in the sector suggests that this is something which charities have to continue to fulfil their charitable purposes.

## 4.2. Implications for Practice

This report has drawn together evidence of existing practices but also reflected on some of the barriers which local support and development organisations may face. Our survey of NAVCA's members highlighted that many already provide services which support frontline organisations and groups to secure donations. How widespread these are and how deeply they are embedded in NAVCA's members is open to question. Many will correctly have prioritised other agendas. A review of a range of NAVCA members' websites revealed that most provide some guidance on fundraising.

The research highlighted the importance of building partnerships and capacity to take forward local giving initiatives. We argued that doing this is a form of 'wicked

issue': it is complex and there is no single right answer. What can be done is to ask questions and to provide leadership. An example of this was Islington Giving which grew out of a report commissioned into poverty in this London Borough. This provided a basis for further action and engagement and over time Islington Giving developed. As we reflect below it is an institutionalised practice and as such offers opportunities for NAVCA's members.

A recurrent theme of the case study research was around the role of community foundations and more broadly the role of the Community Foundation Network. Foundations work in most parts of the country and in many cases they have sought to grow the size of their endowments over the last 15 years. As organisations which are locally constituted and which raise funds locally their activities do vary in terms of scale and scope. Nonetheless they are key actors in the local giving field, particularly in raising funds and grant making. Where their role typically stops is around the provision of more wide ranging support to frontline organisations and groups, something which is central to the remit of NAVCA's members. This appears the terrain where there is most scope for further development, both in terms of partnership with community foundations where appropriate, but also in support to help individual organisations and groups raise funding from giving. A starting point may be the development of a local strategy for giving which is led by NAVCA's members.

An area which is worthy of further exploration is the extent to which local practices of giving can be institutionalised. This is where there may be a role for NAVCA's members. A well-established example is around local employment bonds which were established in various areas not just to raise funding for community groups providing employment opportunities, but which sought to build longer term relationships between donors and recipients. Similar examples were found around the use of grassroots grants which were matched with donations. Again building capacity in the sector but also requiring an infrastructure to effectively manage the funding. The current example of this is around the government's Community First Neighbourhood Match Fund Endowment programme which in theory could work in a similar way. However, it is as yet unclear the effect of this or what role NAVCA's members have played on the ground in local schemes.

### **4.3. Implications for Policy**

The policy agenda which will shape giving over the next decade will be shaped at both national and local levels. It is probably at a national level that changes to tax incentives, gift aid and the development of behaviour-related agendas (such as rounding-up, use of ATMs and social media) will take place. They will however have a local footprint and a key challenge will be around how local organisations and groups are able to engage with them. Nonetheless a perennial concern is that such changes may disproportionately benefit large and major charities.

A concern with the Giving Green Paper and Giving White Paper is that insufficient attention is provided to understanding how giving varies between areas, differing local capacities, deficits and opportunities, and the barriers local organisations and groups may face. Given the positive relationship between giving and income, there are likely to be more opportunities in some places than others - hence a suggestion that the footprint of national policies around giving will be uneven. This appears to be a major opportunity for NAVCA to lead a national debate around the local dimension of local giving: both to ensure that local voluntary organisations are not adversely affected but also that alternatives are developed to a debate which thus far has been framed at a national level.

#### **4.4. Implications for Research**

This has been a formative and exploratory study. It has drawn on published reports and academic literature, discussions with key academics and representatives of the sector, and from case studies. Our initial premise that local giving remains an under researched arena for investigation remains true. This report has scratched the surface of a variety of questions which research evidence could inform. What is known from existing research is that there are variations in levels of giving at a regional level and these will only be larger if analysis were undertaken at smaller units of analysis such as local authorities or wards.

Understanding divergence in levels of giving or even where most potential donors may reside only addresses part the problem. More needs to be known in terms of explaining variation between places and identifying possible actions the sector or government to carry forward to address these.

More practical solutions rest with the more effective identification and sharing of practice and for the effectiveness of actions to stimulate local giving to be evaluated. Only then might it be possible to understand how local giving can be increased.

# Sheffield Hallam University

*Local Giving: possibilities for support and development organisations*

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