

Current news from the world of philanthropy

The purpose of this newsletter is to help to foster a connective network between those who are interested in all aspects of exploring and promoting new ideas about philanthropy. It is published every two months and is distributed free via email to anyone who expresses an interest in this field. The current mailing list is about 180. Recipients are drawn from a wide range of organisations including funders, academic institutions and researchers, umbrella bodies and associations, various independent initiatives and consultants. It is also available on the Philanthropy UK website.

CHARITY BANK

On 6th June it was announced that Charity Bank – the first not-for-profit bank in the UK that lends only to charitable organisations – has agreed to make five loans totalling £490,000 at its inaugural Credit Committee meeting. The largest loan for £200,000 goes to the *Soil Association* to help them grow their services to meet unprecedented demand for organic food.

A £100,000 loan to the *Factory Community Project* – an organisation providing childcare, education, training and support for the local multi-cultural community – will help to kick start a £1million fundraising drive to expand their current property located on the boundary of Islington and Hackney in north London.

A third loan of £90,000 is for *CASA*, a north London organisation that offers holistic services to people who experience alcohol, drug and mental health problems. The loan will enable *CASA* to significantly expand their range of services.

The Kent-based *Caring Hands in the Community* will receive a £50,000 loan to complete the refurbishment of their Bridge House premises, providing a drop-in centre, medical support, homeless accommodation and training facilities for the local community in and around Medway.

The fifth loan approved by the Credit Committee will provide £50,000 for the *Little Hoots* pre-school and day-care group to help build their own facilities in the grounds of Grangefield Primary School in Cheltenham.

The Charity Bank Limited was registered by the Charity Commission in April and received approval from the Financial Services Authority to be a regulated financial institution on 1 May. Its sole business will be to accept deposits from the public in order to create a source for affordable loans to the charitable sector – for those who might otherwise find it difficult to access finance on terms they can meet.

It has been sponsored by CAF (Charities Aid Foundation) and is set to open its doors to accept deposits from members of the public in September 2002. The first loans have been financed from the initial £5m capital funding for Charity Bank.

www.charitybank.org

Philanthropy UK

a project of ACF

June 2002

Issue 3

THE FAMILY PHILANTHROPY FORUM

8th & 9th October 2002 · London · UK

Campden Conferences presents:

The only philanthropy meeting in Europe exclusively for families, their private offices, foundations, trusts and close advisors.

In a discrete and private environment, a variety of families, family foundations and professional organisations will come together to present differing international perspectives and fresh ideas on how philanthropic families are making a difference. Today's new approach to philanthropy allows families to maximise their contribution to the community whilst bringing family members together as they work towards a common goal.

On direct request, the 2002 programme will feature several interactive breakout sessions providing a platform for like-minded individuals to share their experiences with donors, donees and other families interested in philanthropy. Delegates will also hear personal accounts and family case study presentations exploring the practical challenges and pitfalls of giving to a variety of causes.

PROGRAMME HIGHLIGHTS INCLUDE:

Governance and foundation management · Involving family members-working together for a common cause · Strategic business approaches examined through practical case studies · Venture Philanthropy panel discussion with highly respected foundation founders, families and experts

HERE IS WHAT LAST YEAR'S DELEGATES HAD TO SAY:

"I enjoyed the conference and learnt a great deal from it. It was fascinating to hear from some of the other foundations and donors and to get a better understanding of their perspectives."

"It was enjoyable – to have a chance to talk to the other delegates in the social margins of the forum."

This meeting is by invitation only. As it is not publicly advertised or reported on, we encourage you to register your interest by contacting Yoka Zivanovic by calling +44 (0) 20 7214 0531 or email yoka@campden.com

LEGACY PROMOTION CAMPAIGN

The LPC has been set up to increase the proportion of wills that include a charitable bequest and to increase legacy income to the entire voluntary sector. It is the largest ever charity consortium, representing both small and large charities from the majority of cause areas.

There are currently over 80 member charities including 18 of the largest charities by legacy income - but time is running out to become a founder member and benefit from shaping the campaign. As the LPC exists to benefit the entire sector, the more charities that join, the more effective the campaign will be.

Why are legacies so important to charities?

Over 40 percent of income for the top 10 charities comes from legacies, however only 13 percent of wills that go to probate each year contain a charitable bequest. The campaign aims to bring about a 2 percent increase in current levels of legacy giving, which will generate an additional £180m per year into the voluntary sector.

How will the campaign be delivered?

The new £2 million pound campaign will have a high profile launch in October with press and TV advertising, public relations and direct marketing activities. At the same time a partnership programme will be running with key influencers in the will-making process, including solicitors, financial advisors and the banking sector which will help deliver the key messages of the campaign direct to the target audience.

How are members involved & what are the key benefits?

The LPC was created in response to demand from charities so input from all members is vital. For example: An audit of members' past and current legacy marketing activities and their effectiveness has been undertaken, the key findings of which will be presented to members in July. A series of sub-groups have been established to discuss internal communications, press & PR activity, legal issues and research to ensure that the campaign is delivered effectively

The main benefit of membership is increased legacy income but also includes:

- Participation in a high profile campaign
- Access to extensive research among key influencers and the target audience
- Access to the forthcoming Legacy Foresight research
- Training in legacy marketing
- Increased brand awareness
- Cost savings through economies of scale

If you are interested in joining the Legacy Promotion Campaign or finding out more then please contact:

theresa.dauncey@givingcampaign.org.uk

www.legacypromotioncampaign.org.uk

NEW PHILANTHROPY CAPITAL

This is an extract from a recent paper from NPC. For further information and details of key staff and trustees please contact them directly

New Philanthropy Capital is a charity which provides independent and authoritative guidance and advice to donors and other clients – including individual philanthropists, grant-making trusts, foundations, corporations, government and voluntary sector bodies - who are seeking to improve the effectiveness and capacity of charitable organisations and projects.

By carrying out detailed, empirical research, on specific charities, sectors and thematic issues, and by working alongside clients to shape their philanthropic ambitions and activities, we help them to decide where their funds and other resources are most needed and can be put to best use.

In some cases, our work releases a flow of new money into charitable organisations (it 'creates' donations). In others, NPC research impacts on the focus and direction of clients' existing strategies and programmes (it 'touches' donations).

NPC Charity-Specific Research

The research process begins when a client commits to make donations or grants, subject to receiving guidance and advice from NPC. Working on criteria agreed with the client (sector, size of charity, geographic area, etc), NPC's research analysts seek to obtain reliable and up-to-date information on specific charities and projects at first hand, by making initial on-site visits where we can hold face to face meetings with staff and, where possible, beneficiaries of the service.

NPC is very conscious of the need to avoid imposing a burden upon charity staff. We only make visits by prior arrangement. Follow up visits are made when there is a real possibility that our client may decide to provide a donation or grant. NPC analysts consult widely with experts who have deep knowledge of particular voluntary sector issues as an integral part of the process.

Grant recommendations are based on analysis of an organisation's inputs, outputs, outcomes and impacts – its 'IOOI profile'. The purpose of this approach is to measure, so far as possible, the 'difference that the organisation makes to the world'. NPC analysis also seeks to define the 'marginal IOOI' for a specific charity or project – the impact that our client's donation or grant would have, if made.

The final step in the cycle is the **monitoring** and **evaluation** of organisations that receive a donation or grant from an NPC client, carried out via research analyst visits.

The 'hands-on' NPC research approach is a **genuine alternative** to the conventional funder-charity relationship. Donors benefit by receiving impartial, independent advice; charities have the opportunity to obtain much-needed funds without needing to devote precious resources to an arduous grant application process.

Client confidentiality is a central NPC tenet, based on the belief that philanthropy will flourish where donors decide for themselves whether they wish to operate openly or anonymously.

Philanthropy UK

a project of ACF

June 2002

Issue 3

NPC Sector and Thematic Research

The absence of reliable data is a constraint on efforts to gain understanding and perspective on the voluntary sector, in the UK and elsewhere. NPC aims to carry out sectoral and thematic research on behalf of clients, on topics such as the costs and benefits of fundraising, measuring the contribution made by volunteers, cost accounting within charities and comparative overviews of sectors (e.g. cancer research, the elderly, development aid, homelessness, biodiversity protection). Some of this work is already underway (see *Core Costs Allocation Guidelines Report*, below).

NPC publishes its sectoral and thematic research output in appropriate media, to ensure wide dissemination of our contributions to the knowledge capital of the voluntary sector.

Current NPC Work: a Summary

NPC is focused on providing guidance and advice to clients with an interest in human welfare and environmental issues. Current and recent work includes research on:

- Leukaemia charities in the UK
- Community projects in the UK that are using sport to unify and heal divided communities
- Breast cancer charities in London and New York
- Community finance and microcredit schemes in the UK
- Children's charities and projects operating in Eastern Europe, Russia, Central Asia and the Balkans
- UK charities and projects with a focus on child destitution
- Charitable initiatives in the field of state education in the UK
- Preparing the *Core Costs Allocation Guidelines Report* (with assistance from KPMG, and on behalf of ACEVO). The report is due for publication in November 2002

History, Background and Organisational Structure

NPC is a charity, established in 2001 by a small group of the City of London's top investment bankers who want to help develop sustainable solutions to human welfare and environmental issues.

The NPC staff team is led by Bernard Mercer, Acting Chief Executive, and Miko Giedroyc, Head of Research, supported by Corinne Gelman, Head of Business Development. Bernard and Miko report to David Robins, Chairman of the Board of Trustees.

At the heart of New Philanthropy Capital is a team of research analysts and consultants, all of whom have appropriate experience, either from working for financial institutions or in the voluntary sector.

bmercerc@philanthropycapital.org

Merchant House, 89 Southwark Street, London, SE1 OHX

Telephone: 0207 960 4677 Fax: 0207 960 4601

Philanthropy UK

a project of ACF

June 2002

Issue 3

THE FUNDING NETWORK

TFN is holding its next Funding day on Saturday July 6th at the RIBA at 66 Great Portland St. London W1, starting at 10.30am. Projects this time include practical work with prisoners to change attitudes to society, self-help women's bakeries in Sierra Leone, using video for community development in Soweto, social healing through creative arts work with children in N Ireland, influencing UK policy on asylum seekers, and five more really interesting overseas and UK initiatives.

To remind readers, TFN is a membership organisation which brings people together to fund social change projects collectively. We hear presentations from representatives from five organisations, and five from members, and have a chance to discuss the projects and ask questions over a buffet lunch. Members then pledge to those projects which interest them in our fun, quick-fire open outcry session. Our last session raised about £60,000 with members individually contributing from £150 to £10,000 over the day so even those of modest means are very welcome.

We are happy for people to come on a first time taster basis with no obligation to fund. Those who wish to become members (and therefore have the opportunity to sponsor projects for funding) pay £50pa and commit to giving at least £1000 a year through TFN. Funds may be personal or from a trust. The only rule is that the pledger must be able to commit themselves on that day without referring back to, for example, fellow trustees of a trust.

For more information and an invitation for July 6th (which includes project summaries), contact the TFN administrator, Kate Thick, 83 Belsize Park Gardens, London NW3 4NJ, tel. 020 7586 1442, e-mail info@thefundingnetwork.org.uk

Note to recipients

This is the third issue of a one year experiment. The recipients are themselves the contributors and we quite understand that not everybody will have something to say for every issue. However unless a reasonable number of recipients do contribute, clearly this venture will fail. If people actively engaged in some aspect of work in this field were willing to provide an update of their activities, say twice a year, it would be very beneficial to the sector as a whole.

Feedback and comments

Please send your comments and contributions for the next issue by 9th September to theresalloyd@philanthropyuk.org www.philanthropyuk.org