



Responding to the 'Giving' Green Paper

Session 2 Discussion Forum: Summary Notes*

15 February 2011 at 17:30

Chair: Sue Daniels, EAPG

Panelists: David Dixon, David Dixon Associates
Michael Green, Philanthrocapitalism
Stephen Hammersley, Community Foundation Network
Lord Robin Janvrin, Philanthropy Advisors' Steering Group
Sophia Oliver, Giving Team, Cabinet Office
Simon Weil, Bircham Dyson Bell LLP

Panel Discussion

Sophia Oliver speaks about the content of 'Giving' Green Paper as the Deputy Director of Giving in the strategy unit at the Cabinet Office.

- The 'Giving' Green Paper ("Green Paper") was launched on 29 December 2010. The consultation will end on 9 March 2011. The budget date is 23 March 2011. The Giving White Paper is expected to be released at the end of March or beginning of April 2011.
- The Green Paper adopted an innovative approach, which involved highlighting examples of things that are already happening, and aims to determine how to encourage more of such activities. The Government wants to increase giving, which includes not just money but time, skills and expertise. However, the Government recognizes that it is not necessarily the best body to this. So how can the Government facilitate the right messengers, who are people better placed than the Government, to encourage giving?
- Note that the mnemonic "GIVES" picks up on the behaviour changes that are needed to encourage a culture of giving:
 - *Great opportunities* – Government wants to create opportunities and facilitate others in creating such opportunities to give.
 - *Information* – It is important that people have the right information about where to give, but yet not be overloaded.
 - *Visibility* – We need to have champions for giving, which will make giving a social norm.
 - *Exchange* – We need to explore the idea of reciprocity as the donor, not just the recipient, also benefits from the transaction.

* These notes are for reference and convenience only. Accuracy is not guaranteed.

- *Support* – What ways can the Government incentivize giving and support the sector to encourage giving.

Simon Weil speaks from an advisor's perspective.

- Positive aspects of the Green Paper include: emphasis on rewarding philanthropy; a review of red tape and CRB checks that stifle volunteering at all levels; instituting an awards system that provides recognition; and, the use of new technologies.
- Negatives aspects of the Green Paper include: the reference to 'entrenching' social norms and the suggestion to introduce laws that make it obligatory for grant-giving foundations to payout a minimum amount. There is existing robust law that already requires grant-giving foundations to payout for charitable purposes. Therefore, this compulsion and additional laws, in my view, would be counter-productive.
- A gap in the Green Paper involves Government providing finances. There is reference to match funding for endowments and volunteer match funding. However, it needs to be clarified if this is 'new' funding or merely part of the DCMS funding that was announced by Jeremy Hunt on 8 December 2010.
- A major gap in the Green Paper is the issue of tax relief. There is no doubt in the general view of the advisor community that tax incentives and reliefs will make it much easier for advisors to encourage philanthropists to give more as it aids the repertoire of advice that can be offered. Suggestions of tax relief include: increased adoption of lifetime legacies (charitable remainder trusts) and charitable lead trusts; introducing tax relief for chattels; and extending the gifts in lieu regime. It is not thought that these tax reliefs will be unduly burdensome with respect to generating tax revenue.

Stephen Hammersley speaks from a community organiser's perspective.

- There are thousands of small community-led organisations that generate a lot of activity with little money. It is very hard for an exceptional organisation to get heard above the noise of this marketplace. More funding will help these organisations do more, but they could carry on as is without such an increase. These organisations could either be the biggest hope for the Big Society or a nightmare of duplicated efforts and waste.
- Positive aspects of the Green Paper include: the notion that there is going to be investment in community organisers through the Community First programme, and the Big Society awards (although this should be renamed).
- A gap in the Green Paper is providing infrastructure to acquire cash, not necessarily just volunteers, as money is needed to manage volunteers. Another gap is how community arts and sports organisations link in with Jeremy Hunt's DCMS strategy.
- Issues missing in the Green Paper:
 - The grassroots or 'Big Society' perspective is missing as the Green Paper talks from a top-down perspective. Community-based organisations would like to be resourced up so they can do more with people based locally.

- While mentioned in the Green Paper, *visibility* and *information* are critical for community organisers. Therefore, there needs to be guidance on how community organisers can be more visible to potential donors, and how they can work more effectively and efficiently (for example, through the use of technology).
- The Green Paper needs to identify the target sector (i.e., the big charities or small community-based organisations) as this affects the type of policies that is required.

Michael Green.

- Five brilliant things about the Green Paper:
 1. It confirms that philanthropy will continue to play a role, even a larger role, in the future.
 2. It proves the importance of having research into giving and being informed by evidence in thinking about giving. However, more granular research is required.
 3. It opens the discussion of the benefits and costs of tax subsidies for giving.
 4. It mentions the way Government gives money, such as using match funding schemes. However, government departments need to work together on this aspect.
 5. It starts the debate about using technology. There will be a lot of churn and change in this area as the idea that traditional charities can just go online will not work.
- A challenge is to avoid governmental departments falling into the trap of thinking that the Giving White Paper is sufficient to encourage to giving. Each government department needs their own strategy to encourage giving.
- An item missing in the Green Paper is the higher education match funding scheme. It appears that this is unlikely to continue, which would be a shame.

David Dixon speaks as an expert on using technology for giving.

- The Green Paper is great and it raises a lot of questions.
- A concern is that there is a tendency to think that technology is all that is required to bring about change. However, technology is merely a tool and it must be used in the right way to be effective.
- Technology simply allows one to do what is already being done, just in a more cost-effective way. It is important to remember that technology still requires a marketing effort. For example, when Green Paper refers to the success of using Direct Debits to raise money, remember that this happened because of the million-pound marketing campaign behind it, not because of the technology.
- Should there be a focus on the 'culture of asking', not just 'culture of giving'? The sector needs to know how to ask effectively.
- Social media allows things that cannot be done with offline media: it provides peer 'examples'. This is where a potential donor is more likely to give because he or she sees similar people or people he or she knows already giving to

that cause. Social media allows us to do an old-fashioned thing in a new way – that is getting communities together.

- The most important up-and-coming technology is the smart phone because the mobile platform allows the user to use every form of communication (phone, web, email etc.).

Lord Robin Janvrin speaks as a representative of the Philanthropy Advisors' Steering Group and an interested party.

- Philanthropy is high on the political agenda. This is very important for the longer-term of the charitable organisations and hugely welcomed. Government cannot do everything, but it can lead. This is important in the way we should respond to the Green Paper.
- The following summarises the key points made at the last meeting of the Philanthropy Advisors' Steering Group in January 2011 (note this discussion is about the major donor philanthropy space rather than about affordable giving):
 - The single most important thing that the Government can do is to provide fiscal incentives. This will not increase the number of donors, however, it will encourage donors who already give to give more. Fiscal incentives will also provide a huge signal, particularly in the current economic climate, that the Government is serious with respect to taking a lead and encouraging the culture of giving.
 - It is very important that the UK does a better job of recognizing those that give generously whether by charities, the Government or individual associations.
 - Corporate giving ought to go hand-in-hand in encouraging individual giving. Corporates, whether big and small, can add value to society by encouraging their employees to give through mechanisms such as match funding.
- Overall, the Green Paper is welcomed, particularly with respect to affordable giving, new technology, and volunteering.

Group Discussion

- The Green Paper should talk about skills and expertise that is required to introduce volunteering into organisations. This goes beyond volunteer match funding.
- The Government needs to streamline the process for claiming Gift Aid. About 80% of donors in the higher tax bracket do not claim Gift Aid because they are on "pay as you go" and there is too much red tape.
 - The process is straightforward, so perhaps this needs to be publicised more.
 - The Government needs to eliminate unintended complexity in the system. Ways to do this are addressing benefit rules that affect fundraising, using technology to bring system up-to-date, and ensuring Gift Aid keeps up with the fundraising future (for example, mobile platforms etc.).

- What is missing from the Green Paper is understanding the role of the 'asker' in creating the culture of giving. The Green Paper only makes one reference to the NVCO Funding Commission. The Government should consider sharing best practices in areas such as using technology in fundraising, and possibility using investment funding or loans. Culture of asking also links into recognition and donor care as the second 'ask' is much easier than the first.
- Statistics show that the bigger charities that spend more on fundraising consistently get more. The Green Paper should focus on how we can make fundraising cheaper. Technology is one way to decrease costs of fundraising, however, upfront costs are quite significant and the Government can help in this regard.
- There is a critical need for venture philanthropy.
- What are the alternatives to obligatory minimum payout for community foundations? The law already compels foundations to spend money on charitable purposes or else they risk losing their charitable status. However, transparency may be part of the answer.
- Government must stop making charities jump through bureaucratic hoops and deregulate on-street fundraising. Charities can be trusted to ask professionally in the way they know best. Just let people ask!
- Peer-to-peer fundraising requires people outside the organisation telling others about the charity. The Green Paper should focus on how we can encourage people in the community to take up our charitable causes.
- We need more transparency on how corporates contribute to society (donations, volunteering, employment practices). This will help corporate giving.
- With respect to promoting lifetime legacies, the most persuasive thing people could do is to show the Government evidence relevant to the UK tax system that lifetime legacies could work.
 - Response: This is an impossible task. How can evidence be provided on something that has never happened in UK?
- The Green Paper should mention resource-raising. Sometimes a lot of effort is spent raising funds that are used on products and services that could have been given in-kind. There is potential, however, there is no guidance nor are there standards for in-kind accounting.
- The Green Paper should include Government as a 'giver'.
 - The Government still gives money to charity, invests in charities, and makes grants. The Government should also be a giver of assets: open up the Government estate to allow community groups access to building and facilities.
 - The civil service is a huge asset for the Government. There is scope for the civil service to be seen as taking the lead for payroll giving.
 - The Government can also give knowledge. For example, in the Department of International Aid, there was a lot of knowledge about the strengths of various organisations. This knowledge could have been given to the public.

- Grant-making organisations can provide their knowledge in return for specific outcomes in the contracting process.
- The biggest challenge for organisations in the voluntary sector is funding not fundraising. Funding is much larger, as it includes understanding and presenting finances, as well as asking. Volunteering is an important part of the Green Paper, but not many organisations are capable of making the right 'ask'. How can we help get the resources out there to help?
- The Green Paper is about giving not fundraising. We need to adopt the donor perspective not the fundraising perspective. Donors have not just external but internal motivations without being asked.
 - Motivations of donors are crucial and this is a marketing question.
- According to arts sector 88% goes to larger organisations. How do we encourage philanthropists to give to small organisations? Tell the Giving Team what platforms exist to do this.
 - Pennies Foundation is an example.
 - The social media platform allows discussion and sharing. This new model is exponential as donors are looking to be involved.
- Corporate giving is very much supply-led. That is corporates decide what best fits their business objectives and models. There is an important role for small organisations to identify their needs. At the first level, technology can be used to match organisations from both sides. We need to brokerage from both the company and the charity side.

Closing Remarks

- The end of the Green Paper consultation is 9 March 2011. Please remember when responding, be very clear about prioritizing where you want action the most quickly.
- What we are aiming for is to encourage a step change in overall giving within the UK.
- Remember giving is about generosity!