

philanthropy|uk:quarterly *inspiring giving*



Community philanthropy:
The personal touch

The e-magazine for all those interested in the development of philanthropy

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For the love of Jack and Ada
Trevor Beattie sets up foundation in memory of his parents

Chants and circumstance
CFN chairman Matthew Bowcock shares a vision for local giving

My philanthropic journey
Young at heart by Jack Petchey

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Give Smart: Philanthropy that gets results. Reviewed by Dr Beth Breeze

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John Kingston, ACF chair, on books to inspire

welcome

Community giving appears to be gaining ground among philanthropists. Four out of five philanthropists give locally according to a new survey by Coutts & Co¹. Giving circles, in which philanthropists commune around an interest, are also gaining in popularity. In this issue we present the distinct pleasure and satisfaction philanthropists enjoy when giving to communities and in communities.

We also offer advice and some first steps in how to give locally or as a community. We talk to Matthew Bowcock, chairman of the Community Foundation Network, which works at the forefront of community philanthropy in the UK, and hear his views on the outlook for locally managed philanthropy as well as the changing face of community foundations.

As ever, there are several case studies to illustrate the 'whys and wherefores' of giving to areas with which the giver has a strong personal tie. Our EuroView brings news of interesting community development in venture philanthropy from Lisa Hehenberger, research director of the European Venture Philanthropy Association (EVPA). And in Influential Reader, John Kingston, chair of both the Association of Charitable Foundations (ACF) and the Nationwide Foundation, shares the reading that has most inspired him.



We hope you enjoy this edition of the Philanthropy UK Magazine and as ever welcome your feedback to cheryl@philanthropyuk.org.

Best wishes,

A handwritten signature in black ink that reads "Cheryl". The script is fluid and cursive.

Cheryl Chapman
Managing Editor

¹ Inspiring local philanthropy, Making a difference in local communities, in Association with New Philanthropy Capital and Community Foundation Network, Autumn 2011

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Front cover:

Marcelle Speller, founder of Localgiving.com, that brings donors and under the radar local charities together, visits Plymouth based 'Diggin It', that she also supports. Diggin it is one of more than 800 charities featured on Localgiving.com. It provides an enriching environment for a range of people, including children and young people with disabilities and local schools. Individuals gain skills and confidence, self-esteem and self-sufficiency through gardening and provides an awareness of growing and producing healthy food as well as reducing waste through composting and recycling. Find out more: <http://localgiving.com/charity/digginit>

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The purpose of the magazine is to disseminate information about new developments in philanthropy. To submit an article for consideration, please contact the Editor at editor@philanthropyuk.org.

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Philanthropy UK aims to inspire new giving by providing free and impartial advice to aspiring philanthropists who want to give effectively. An initiative of the Association of Charitable Foundations, we also publish *A Guide to Giving*, the essential handbook for philanthropists. www.philanthropyuk.org

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Community philanthropy:

The personal touch

by Cheryl Chapman

An age of austerity, the birth of Big Society, a questioning of capitalism, along with demands from a new kind of philanthropist, have pushed community giving up the agenda. Here we look at the distinct pleasures of giving to communities of place and interest and offer tips on how to achieve your philanthropic ambitions close to home and heart ...

The old saw 'charity begins at home' is enjoying somewhat of a renaissance.

The UK has a long tradition of community-based philanthropy, be it community of place or of interest. Many of the first hospitals, libraries, schools and art galleries were established by enlightened local business people acting out of faith and enterprise to address the poverty, disease and social ills that wealth-making business revolutions had brought to their doorsteps. Some of the UK's greatest institutions, The Children's Society, Guy's Hospital, Whitechapel Art Gallery, stand today as monuments to that early concern for local neighbourhoods and people.

But, over the last half century or so, a shrinking world and a media explosion has opened up a global vista for philanthropists who have focussed further afield on issues such as famine, injustice, environmental disaster and the developing world.

However, the current political, social and economic climate appears to be bringing philanthropy 'home'. The UK's economic struggles and resulting government cuts have left charities needing to do more with less, while a

'Big Society' agenda has seen the state step back to leave space for individuals and groups to take ownership of their problems. A growing gulf between the haves and have-nots and a summer of riots has also enflamed a new urgency for creating more cohesive communities and a need to build on the extensive and innovative community work already happening. Localism is high on the news, political and giving agenda.

Indications of a trend to give locally includes new research from Coutts & Co that accompanies the publication of a new guide *Inspiring Local Philanthropy*², which reveals four out of five of the philanthropists they surveyed from their client base give locally.

Also nominations for this year's Arts & Business Prince of Wales Medal for Arts Philanthropy suggest a shift towards funding arts outside of London. Over 100 people were nominated for the awards and 50% are giving their money to organisations outside the capital.

Arts & Business says: "*Given that the last Private Investment survey run by Arts & Business showed that London based cultural organisations were raising over 80% of money from individuals, perhaps the strengthening*

² Inspiring local philanthropy, Making a difference in local communities, in Association with New Philanthropy Capital and Community Foundation Network, Autumn 2011

of non-London nominations suggest that change is happening.”

Indeed, new research³ from the Charities Aid Foundation's (CAF) on voluntary income reveals that smaller charities have fared better through the recession than larger ones. It shows the voluntary income of large charities (those with an income of over £10m) fell by nearly 11% (or £84m) between 2007 and 2009. While medium-sized charities with an income between £500k and £10m, saw their voluntary donations actually increase by 2.2% over the same period.

Jane Arnott, CAF's senior advisory manager, says: *“This may be a result of the importance of ‘local’ charities to donors or the fact that people may be substituting long term charity commitments for more ad hoc contributions, such as sponsoring friends and family.”*

That's not to say small grassroots organisations are well-funded, especially those which are ‘under the radar’. Despite making up 85% of all voluntary organisations, small organisations receive just 6% of the sector's total income.

But it is not just the growing need of charities or a political agenda that is rekindling a passion for local philanthropy: rather it is the emergence of a ‘new’ kind of philanthropist, typically entrepreneurs and financiers who have made their own wealth through shrewd and creative business practice. They are showing an appetite for a certain style of high-touch, high-impact, high-engagement philanthropy that is satisfied by supporting local communities.

Local philanthropy allows givers to tackle issues close to home and heart and see the results for themselves.



³ Charity Trends (www.charitytrends.org)

Fishing for Litter South West benefits the commercial fishing fleet by reducing the damage caused by marine litter and improving environments

As illustrated throughout a new guide from Coutts & Co *Inspiring Local Philanthropy*, local community activity and philanthropy is driven by people's passions, interests, enthusiasm, frustrations or aspirations for local communities.

And for many philanthropists, supporting the communities in which they live, work or from which they originate forms the beginning of their philanthropy journey.

The rewards of local giving

Supporting a community, whether it be a community of interest (See page 9) or a geographical one (see Islington Giving page 19), brings particular reward as articulated by the 30 or so high net worth philanthropists interviewed for the 2008 report on community giving⁴ produced by think tank Policy Exchange.

Just some of the motivations for giving to communities voiced by these donors are:

- **'touch' or proximity to one's giving**
- **seeing the impact of a donation**
- **achieving greater impact with modest amounts of money**
- **being able to contribute time and skills**
- **building relationships with other donors, local organisations and beneficiaries**



Guy Hands, founder and chairman of Terra Firma Private Capital, noted: *"If you cannot see the impact, it is very difficult for a businessman to give. A community charity may not always have the advantage of scale, but it does have the advantage of closeness and being able to demonstrate first-hand what it does."*

Hedge fund investor Michael Hintze, who runs his own foundation, speaks of an element of 'market place' in *"liking to see what is going on"*.

While a private equity partner, quoted in the report, explained the power of 'touch': *"Most things are easier to understand if you can touch them and feel them. If you can meet the people either doing the work or benefiting from the work, it makes it real. One of the biggest problems with donating money is that often you have no sense of ownership or touch. The human touch is a very strong feeling. If you cannot touch something, there is a risk it does not exist and it is much easier to engender that feeling if that thing is in striking distance."*

Proximity however can strain the delicate relationship between giver and recipient, in a way that does not happen when giving to a large national charity. Many interviewees raised the issue and were aware that it had to be dealt with sensitively and some preferred to shelter behind a named trust or complete anonymity. But once they were deeply involved with a community, all said it would be very difficult to walk away – their commitment to an area became long-term, the bridges they had built were solid, according to the report.

Philanthropist Marcelle Speller and founder of Localgiving.com that brings local charities and funders together through a digital platform says seeing the difference she has made helping the 'amazing' people that run the charities she supports gives her *"a sense of community, of belonging, and it recharges me"*.

"By giving locally you can see that you are giving effectively, and you can have the most joyous, enriching experiences."

⁴ Building Bridges, Philanthropy Strengthening Communities, Rhodri Davis and Louisa Mitchell, advised by David Carrington, published by Policy Exchange, 2008

The 999 Club is based in two of the four most deprived neighbourhoods in Lewisham, itself one of the most deprived Local Authority areas in England. It aims to offer immediate help in any situation as well as long-term support to the most disadvantaged members of society – the homeless, the addicted, those with mental health issues, ex-offenders, vulnerable children and the elderly. It is one of more than 800 charities featured on the Localgiving.com website that brings donors and under-the-radar local charities together.
<http://localgiving.com/charity/999club>



Giving smaller amounts of money strategically to achieve greater impact is one of the most rewarding aspects of grassroots philanthropy, interviewees reported.

SGV Capital chairman Nick Ferguson, who is chairman of the Institute for Philanthropy and supports areas of Scotland explains in the report: *“Although the amounts we are giving away are not unappreciable, I feel they would not make a dent in the big charities. Whereas if we give that money to small organisations up in the Highlands it makes a huge difference because so few people are really funding up there.”*

Maggie Baxter OBE, founder and chair of Rosa, the woman’s fund for women and girls (see page 16) adds: *“We do not need to be big, we need to be strategic. We do not need £50 million to make a statement. We need to use small amounts of money well to have influence... Women can achieve an awful lot with £500.”*

Coutts’ guide, produced in response to growing client demand for more information on locally-focussed philanthropy, confirms much of the earlier report. Andrew Preston, a North East property developer, says: *“For my family and me, it is the engagement that gives the satisfaction, not just signing a cheque. Staying engaged is one of the keys to successful giving. It is a privilege to be able to give and make a contribution to social change.”*

In the same report Angus and Wanda Lloyd, who set up the East Court Fund in 2006 to support local need in Surrey, say fulfilment comes from *“helping and getting to know people in need in our local area. It’s more rewarding than simply handing out a cheque. We like to get to know the individuals involved and, where possible, meet the beneficiaries. We believe this support is more valuable long-term as we are able to build up a real relationship.”*

But many find it is not particularly easy to give their money away at grassroots level. The main difficulty is in identifying the most pressing needs and then finding the right local projects to give to.

A Spring 2011 survey from independent research agency ActionPoint that compared the public’s awareness of local charities in Hertfordshire and West Yorkshire revealed low recall. Overall just over half – 51% of residents – were able to name a charity.

Technology is helping. As mentioned earlier Marcelle Speller used the skills and acumen employed to build her business Holiday-Rentals.com to create Localgiving.com (see page 18) to bring donors and charities together.

The internet also allows for research through local press, intermediary organisations, the charities themselves, as well allowing donors to connect with each other. Donor

Fitzrovia Youth in Action (FYA) supports young people in the London Borough of Camden and City of Westminster in planning and organising projects and activities that benefit their community. It is one of more than 800 charities featured on the Localgiving.com website that brings donors and under the radar local charities together.
<http://localgiving.com/charity/fitzroviayouth>

networking is reported as one of the real pleasures of local giving, and there are many opportunities to network online and off through giving circles (see Rosa page 16) for example.

Technology can be the medium through which new donor communities emerge. Philanthropist and chairman of the Community Foundation Network (See Chants and circumstance, page 21) Matthew Bowcock says: *"I think people build their own philanthropic communities, particularly when their community is a cause. With the modern social networking technologies people can build completely new communities out of philanthropy, but they are as likely to be virtual as geographic."*

Michael Hintze summarised how communities of interest and place can overlap: *"Nowadays with killer telecommunications and travel, the definition of community has changed and community circles can be created from diasporas. Things I support philanthropically because of community connections are my old university, the University of Sydney, the church, and where I live in Wandsworth."*

It's clear 'local' does not mean 'parochial'.

In some cases, effective local activity can be 'scaled-up' or replicated to benefit other communities across the UK, or indeed internationally.



Many local projects focus on longer term global challenges, such as climate change, resource scarcity or changing demographics, all of which will have profound long-term implications for local communities. Rising sea levels place coastal areas at higher risk of flooding, scarce resources mean higher prices and hardship for those on lower incomes, an aging population will have consequences for the provision of care.

The just-published *Funding Locally, Thinking Globally*⁵ report from the Environmental Funders Network, draws on the desire to make a difference locally, and the concern for the common good. The booklet brings together six case studies of forward-looking local projects that are contributing to a more sustainable world. (See A world of difference through local giving, page 26)

Across the UK, thousands of organisations are positively impacting communities from the grassroots up. The range of opportunities and ways to use wealth, expertise, skills and social capital to support their organisations is therefore immense. In fact it can be overwhelming. In the next section we look at how philanthropists can approach these opportunities to best meet their ambitions.

Local approaches to giving

Values, passions, interests; available resources (including money, time, skills and networks); and an understanding of the local context are the key factors in giving locally.

For many, giving locally marks the start of a philanthropic adventure. At the outset it is useful to consider some questions about how to achieve your vision.

⁵ Funding Locally, Thinking Globally, Six case studies on building a better world, The Environmental Funder's Network, October 2011

Coutts guide *Inspiring Local Philanthropy* suggests:

- How do I find out what are the most pressing challenges or opportunities in the communities I care about?
- How and where might my support make difference?
- How do I find effective organisations to support?
- How can my support lead to sustained change?
- How might I measure success?

Others might include:

- How much time do I have to commit to philanthropy?
- What business or practical skills can I bring?
- How can I use my networks to further my aims?

Understanding local context

There are many resources one can access to find out about local communities. The local press and media is a good starting point as are local council websites. Some say there is no better way of understanding the complexities of a community than getting out and about talking to the community leaders and local groups who know the area and its culture and faiths intimately.

There are also numerous research reports about communities available and the Philanthropy UK Report Database lists some of these

► www.philanthropyuk.org/resources/reports

Giving network for black philanthropists under exploration

There is a strong history of Black Philanthropy in the US which is well documented. In the UK less so, although there are prominent black individuals and businesses that are well known for their social aims and charitable work.

Communities Inc, a new national body set up in a period of rapid change to ensure communities remain central to influencing and directing their futures, is exploring the interest it has picked up on in developing a National Black Philanthropists Network, a Centre for Black Philanthropy and a Black Causes Fund. It would act as a vehicle that could draw in substantial resources for issues that most persistently affect black communities, including health, poverty, inequality, unemployment and crime.

Shamsher Chohan, who co-founded Communities Inc with Michael Henry, says: *"From our initial research we have found that there is a need for a national infrastructure to facilitate this in a more co-ordinated manner so that black individuals and businesses that want to support black causes can do so."*

"The current public sector funding landscape is looking bleak, with a mixture of funding cuts and increased competition. Organisations that serve black and minority communities are being decimated locally as a result and desperately need alternative sources of support and resources."

"We intend firstly to develop the network through further research and then establish the fund through this."

Should you wish to be kept informed of this or get more involved, contact Shamsher: shamsher@communitiesinc.org.uk or call 07966 461936.

Communities Inc brings creativity and innovation to the most persistent social and community problems, enabling fresh approaches to be implemented involving those most affected by the issues in determining sustainable solutions.



Ways to give

There are a wide range of approaches that philanthropists can adopt when supporting local communities, from working with Community Foundations and providing funding directly to charitable organisations or social enterprises, through to co-funding with peers or setting up an operating organisation. These require different commitments in terms of time, personal resources and levels of engagement.

Community Foundations

A Community Foundation is a geographically focused charity with a range of vehicles for giving time, money and expertise. Community Foundations exist in all parts of the UK.

There are many ways to use a Community Foundation. Donors can provide support (usually in the form of an endowed fund) to their community issue or area. One of the benefits of this approach is that overheads that every charity and private trust incurs are spread among many donors. Applicants benefit as one application to a community foundation potentially accesses funding from many funds. Community Foundations also provide support services including: research and knowledge of local opportunities; connections with charities and community groups, and for donors to offer their expertise; donor networking and co-funding with local grant-makers; and support to local businesses with their giving.

Useful resources

Community Foundations Network:
www.communityfoundations.org.uk

Co-funding with a local grant-maker

Making grants is the most common way of directly supporting local organisations and can be done directly or through intermediaries (as explained earlier). Working with an experienced local grant-maker can be a great support and overcome some of the more testing issues of giving such as carrying out due diligence on the charities you wish to support.

Useful resources

The Association of Charitable Foundations (ACF) is a good resource for finding established grant-makers operating throughout the UK. ACF is also a valuable source of publications and training for trusts and foundations: www.acf.org.uk

Giving with others

The pleasure of giving is often enhanced by giving within a group where issues relating to wealth and charity can be discussed freely, and where donors can learn together about their community and philanthropy.

These groups, known as giving circles and networks, can take many forms and generally involve groups of individuals coming together with a philanthropic purpose, pooling their pounds and resources, and deciding collectively where to give their money.

Within these basic parameters no two groups look or act the same. One of the most appealing and effective aspects of giving circles and networks is the opportunity to shape the group to meet the particular needs of a community, and the interests and capabilities of participants.

They vary in size and structure, ranging from an informal group of friends meeting locally to large, formal organisations with employed staff members.

Types of giving circles

The focus of groups is wide ranging and the approach to giving just as broad as these examples –

Local – a group of like-minded people who give to local causes, such as the Women's Trust Fund*

Interest-based – give to a specific cause as in the work of the Oxford Givers Circle* or Rosa (see page 16), or Coutts Donor Advised Funds (Micro-finance and environmental)

Project-based – micro-trusts or 'giving clubs' such as those set-up by Giving Works in which a group of people come together to focus on one project and then disband

Event-based – networks that draw people together for charitable events and giving as with the marketplace

approach of The Funding Network, that brings together philanthropists who take a Dragon Den's approach to giving. It is the UK's largest giving network, with groups across the UK, including a Youth Funding Network and the UK's first open giving circle.

In-house corporate – networks within companies that give often via CSR practices, such as BT Women's Network*

Social media networks – a flourishing trend of collective giving via online sites such as Facebook.

*For more information on these examples, see Philanthropy UK's report, Women & Philanthropy: Inspiring women, inspired giving, available from the Philanthropy UK website.

Setting up a giving network

There are only a few basic guidelines in developing a giving circle –

- Determine size and type of circle, and who you want to involve
- Establish your purpose and objectives
- Agree your focus areas
- Develop your giving approach
- Research and identify potential recipients
- Evaluate your impact before making further commitments

Giving tax efficiently

To have even more impact with your giving circle's funds, you should ensure that your giving is tax efficient. Depending on the focus and approach of your giving circle you may want to explore the options offered via Gift Aid, setting up a charitable trust, or being hosted by a community foundation which will manage the financial aspects as well as offer opportunities for co-operation and shared learning.

A final word

Most importantly, enjoy yourself and don't sweat the small stuff – keep your eye on the big picture (the impact of your donations) and let your circle develop its shape over time. There is no one 'right' model for giving circles. Your original goals and purpose may change as the circle, and the impact of your giving, evolves.

Useful resources

Community Foundation Network: the network of UK community foundations.
www.communityfoundations.org.uk

Giving Works: A charity which fosters and supports micro-trusts, or small giving circles.
www.givingworks.org.uk

The Funding Network: the UK's largest giving network, with groups across the UK, including a Youth Funding Network. www.thefundingnetwork.org.uk

Donor Advised Funds

Donor advised funds are simple and easy to set-up and use, and there are a variety of schemes available which suit most donors' needs.

You decide how much you want to give and pay it into your fund. You can also fund the account through payroll giving or by gifts of shares.

One of the benefits of operating a donor advised fund is that the host organisation deals with the administration and distribution of funds, and provides you with all the tax benefits. Donor advised funds are a tax-efficient way of giving to charity, as they can claim back the tax on Gift Aid donations and add it to the amount in your account. If you are a higher-rate taxpayer, the periodic statements you will receive provide a useful record of your giving and will help you make your personal tax claim on your Self Assessment tax return.

For example, you could start a fund with your local foundation. You can determine your level of involvement with funding decisions, while benefiting from the foundation's local knowledge, grant-making expertise, monitoring and reporting processes.

Charity accounts, another type of donor-advised fund, are similar to bank accounts and are designed especially for charitable giving. There are many ways to give to your chosen charities through a charity account: generally donations can be made online, with charity cheque books, via debit cards or vouchers, or by telephone, post or standing order.

However, if you are giving relatively few donations of larger amounts, or if you use payroll giving and want to benefit a particular charity regularly, it may be less expensive (and not much more complicated) to give

directly to your chosen causes. You would save the administration charges, and because no interest is paid on your charity account, there could be a sizeable cost if you maintain a significant balance in your account.

Useful resources

Charities Aid Foundation: www.cafonline.org

Community Foundation Network:
www.communityfoundations.org.uk

Coutts Philanthropy Services Microfinance Donor Advised Fund: www.coutts.com/private-banking/wealth-institute/philanthropy/

Prism the Gift Fund: www.prismthegiftfund.co.uk

Stewardship: www.stewardship.org.uk

Investing in a local vision

In recent years we have seen the philanthropy spectrum broaden to encompass social enterprise and social investment that deliver 'blended', i.e. social, financial and (sometimes) environmental returns.

Social enterprises come in all sizes and some are well-established, but the majority are small and fledgling. The social investment market is an emerging one, and as yet underdeveloped, though government through Big Society Capital and other funds aims to help draw investment in to create a more robust social economy.

Venture Philanthropy, angel philanthropy and social (impact) investment are new ways for philanthropists to take part. In the last issue of the Philanthropy UK Magazine we focussed on social impact investing for philanthropists which offers a deep dive into the topic and sources of help and support. It can be found at www.philanthropyuk.org/quarterly/social-impact-investing-philanthropy-uk-magazine-summer-2011

Community Development Finance Institutions (CDFI)

Community Development Finance Institutions (CDFIs) lend money to businesses, social enterprises and individuals who struggle to get finance from high street banks and loan companies. They help deprived communities by offering loans and support at an affordable rate to people who cannot access credit elsewhere.

They tackle poverty through wealth creation and offer investors a tax efficient way to give that delivers both financial and social returns. CDFIs increase the impact of your investment through recycling funds: as loans are repaid, they are re-loaned.

The Community Investment Tax Relief (CITR) scheme, set up under the Finance Act 2002, offers a tax incentive

to investors in accredited community development finance institutions (CDFIs). It is run jointly by HM Revenue & Customs (HMRC) and the Department for Business, Enterprise & Regulatory Reform (BERR).

CITR is available to any individual or company with a UK tax liability investing in an accredited CDFI where the investment is held for at least five years. The taxpayer, who can either be an individual or company, receives a relief to offset against their income or corporation tax liability of 5% of the amount invested in the year the investment is made, and a further 5% in each of the subsequent four years.

The total relief is worth up to 25% of the value of the investment. This tax relief is in addition to any interest or dividend paid by the CDFI.

Example

An individual subscribes £10,000 for shares in a CDFI on 1 June 2010. CITR would reduce the individual's income tax liability for the tax year 2010/11 and for each of the four subsequent tax years by £500 (5% of £10,000). Total income tax reduction over the five years would be £2,500.

Useful resources

Community Development Finance Association: www.cdfa.org.uk

A list of accredited CDFIs, where your investment will qualify for tax relief under CITR, is available from the Department for Business Enterprise and Regulatory Reform website: www.bis.gov.uk

Giving locally through your business

Businesses, particularly family owned businesses, which support local organisations report many benefits in doing so – ‘bringing employees together and energising them’, ‘developing skills’, but most clearly by ‘giving something back to a local community’.

Place is important for businesses. J Barbour and Sons, for example, originally made weatherproof clothing for the fishing industry on the Tyne, and The Barbour Trust still predominately supports North East causes. It is easier to give locally in regions that have a strong identity, like the North East, and more difficult in major capital cities like London, but the imperative ‘to look after one's own’ is nevertheless still strong.

Being strategic about giving, by giving in a way that echoes your business so you can concentrate on what you do best, is becoming more prevalent as a Deloitte report *More than just giving*⁶ reveals. There are a number of ways that businesses can get involved with local groups. These include allocating a share of profits to a corporate foundation and distributing this to local organisations, encouraging staff to volunteer in their local communities and establishing payroll giving schemes.

Useful resources

Business in the Community advises businesses on social responsibility, including volunteering and charitable giving. www.bitc.org.uk

Heart of the City provides free support for businesses in the City wanting to develop or expand their existing Corporate Social Responsibility (CSR) programmes. www.theheartofthecity.com

Volunteering

Giving time or expertise is a vital way to support local organisations and can be done alongside giving financial support or not. It is an effective way to get under the skin of local issues and can be a way of learning and developing new skills. Volunteering can be done at all levels of an organisation from being a trustee, on the executive board, a committee member or on the frontline. It could be about being an advocate or ambassador for an organisation and using social capital and networks to help bring in more support or raise the profile of an organisation. The opportunities are vast. For those who have built successful businesses themselves it can be a very rewarding and strategic way to approach philanthropy.

Useful resources

For volunteering opportunities, contact your local volunteer centre: www.volunteering.org.uk

Timebank helps people find things to do close to where they live or work: www.timebank.org

For trustee vacancies, search the Trustee Network's database: www.trusteenet.org.uk/jobs-search

Getting on Board: www.gettingonboard.org

Pilotlight matches talented business people with charities and manages the relationship: www.pilotlight.org.uk

City Action is a free volunteer matchmaking service for City-based companies and community organisations in the City and City fringe boroughs. www.city-action.org

National Association for Voluntary and Community Action (NAVCA) is the national voice of local support and development organisations in England. www.navca.org.uk

⁶ More than just giving, Analysis of Corporate Responsibility, Deloitte, 2011, www.deloitte.com

Setting up a charitable organisation

For some, setting up an organisation is the best option, particularly if the ambition is to address a novel or unique courses. It requires significant time and resources so it is worth exploring whether there are existing organisations that can be supported or developed rather than reinventing the wheel. Using the local information network by talking to community experts (grant-making trusts and foundations, the local council, community foundations or existing organisations operating in a given field or area) can help establish what currently exists.

Useful resources

The charity commission provides useful guidance on setting up charitable organisations:

www.charitycommission.gov.uk/Start_up_a_charity/default.aspx

Philanthropy UK Guide to giving:
www.philanthropyuk.org

New guide from Coutts & Co on inspiring local philanthropy

A growing demand from clients for information on local giving inspired this new guide from Coutts & Co, which has been written in association with New Philanthropy Capital and the Community Foundation Network. It illustrates how philanthropists can go about supporting the communities they care about. The guide:

- Illustrates the breadth and diversity of local activity, the challenges and indeed opportunities that many communities face and the ways in which philanthropists can effectively enhance the wellbeing of local residents or the neighbourhood.
- Suggests some practical steps that philanthropists can take when considering support for local communities, ranging from volunteering to funding local organisations, and from collaborating with other funders to establishing an operating charity.
- Outlines how philanthropists can go about deepening their understanding of any given local context.
- Provides inspiration by example, in a series of case-studies describing the work of philanthropists who have chosen to support the communities that matter to them.

The Guide is available at www.coutts.com/private-banking/wealth-institute/philanthropy



Case study: Trevor Beattie – For the love of Jack and Ada

Trevor Beattie, the advertising maverick who shook the world with his 'FCUK' campaign for French Connection and "Hello Boys" for Wonderbra, has launched a foundation that commemorates his inspirational parents Jack and Ada, to "assist the vulnerable and marginalised" of his Midlands birthplace and London where he made his name. Here he shares his inspiration.

I set up the Jack And Ada Beattie Foundation in honour and memory of my parents, and the parents of my seven brothers and sisters: Kevin, Pat, Sheila, Dave, Theresa, Paul and Pete.

Jack was born in Lisburn, Northern Ireland. Ada, Birmingham born and bred.

Jack Beattie was a stranger in a strange land, arriving in wartime Birmingham with nothing but an Irish accent as impenetrable as a block of peat and a twinkle in both eyes. He was no fan of authority. Or The System. Or anything which resembled rules, for that matter. But he had a powerful sense of right and wrong. He hated injustice. And he swept my Mum and Brum off their collective feet.

My Mum's favourite movie was "It's A Wonderful Life". How very apt that proved to be. Hers was indeed a wonderful life, from the austerity of the 1920s to Champagne flights on Concorde and tea at Number 10 with the Prime Minister. She survived her workplace being bombed in the Second World War. Married a tall, dark Irish stranger. And together they raised EIGHT children. Through the toughest of times. Ada passionately believed in education and the rewards it would bring in later life. That the pen was always mightier than the sword. (Anyone disrespecting this belief however, would soon discover that the slipper was mightier than both the pen AND the sword.)

Together, they were quite a force of nature. And it's my abiding aim that The Jack & Ada Beattie Foundation will

ensure that they remain together forever, as a force for good.

It will adhere to their life-long held principles of fair play, care for the vulnerable and getting the job done. It will fight against inequality in all its forms (when you come from a family of TEN, you soon learn the importance of equality) and will probably bear the Beattie's healthy mistrust of authority.

We don't aim to eradicate global poverty, or tackle climate change by next Wednesday. We will be fighting much smaller battles, backing achievable ambitions. Assisting the vulnerable and marginalised of the Midlands and London, by awarding grants of between £500 and £2,000 to individuals and charities whose aspirations match the spirit of Jack and Ada.

From continuing to support the D-Day Veterans to the Gift of Flight for the disabled and putting poor kids through media studies at University, we'd like our support to be as emotional as it is financial.

Hence our mission statement:

"KNOWING THAT SOMEONE IS FIGHTING YOUR CORNER IS HALF THE BATTLE WON."

The Foundation will have the joint themes of 'Fight and Flight': Doing battle on behalf of those we see as less able to defend themselves, and supporting the flight of ambition for who it is prevented.

Our prioritised areas of giving are: War Veterans; elderly care and vulnerable adults.

We provide support through a grants scheme, which is open to organisations as well as individuals, operating in these areas of provision.

Let battle commence.



Trevor Beattie set up BMB in 2005.

In recent years, he has become a campaigner on local issues in and around his home town of Birmingham, including a high-profile campaign to prevent a 107-year old woman being evicted from her care home, and offering a bursary for a student to attend a Media studies course at City of Birmingham University.

For further details on the Jack and Ada Beattie Foundation and the Gala launch event on Friday 18th November, contact foundation director, Alexandra Taliadoros, at alexandra@beattiefoundation.com

▶ www.beattiefoundation.com

Case study: Rosa – Caring and sharing for women

Rosa is the first UK-wide fund for women and girls. Since her launch in 2008 she has given grants using a number of different models, working to develop philanthropy for women in the UK. Here Anya Stern, Rosa co-ordinator, shares the fund's vision.

Shared giving has always been at the heart of her agenda, be this between established funders working together on joint initiatives, or through creating a virtual network of individual donors pledging £1,000 a year to Rosa.

Going forward Rosa hopes to develop and pilot other models of shared giving to connect donors and workers to each other and create a new commitment to philanthropy in tomorrow's decision makers.

As well as bringing money into the sector, giving with others exposes people to new issues and ideas. One of the most important links Rosa wishes to make is that between donors and recipients. These links will mean that donors can make more informed decisions about where they give, and that these decisions will be informed by those working in the field – allowing those who form the narratives to influence the decisions about how change is made. We believe this engagement makes a more rewarding experience for all involved, as well as ensuring that the ideas of the experts are supported. Rosa has been doing this in her own work. This year, following the launch of her Challenge Fund, she undertook an analysis of all the applications received, as well as the responses to a consultation about how the money should be spent. What was very clear from both the survey and the analysis, was that work with young women was in dire need of funding, and that much of the work dealt with the need for young girls to have varied role models, and opportunities to develop leadership skills and aspiration.

Rosa is now looking to use the giving circle model of shared giving to work with young women throughout the UK. By working with their peers to raise or distribute money young women will be able to explore the issues that matter to them, and also build skills and confidence in their ability to influence.

Women and girls involved in collective giving in the US, where it's a much more established model, cite the many benefits, which include bringing new funds to a particular issue or organisation; fuelling social change; contributing in an intellectually stimulating way; giving teens an opportunity to exercise and demonstrate responsibility; and learning about what really works.

By encouraging young women to give, Rosa hopes to embed a sense of aspiration towards financial decision-making in girls from more disadvantaged backgrounds, as well as demonstrating the power of giving, even in small amounts. By coming together to give with your peers – whether in a school, a community centre, an investment bank, a dinner party, or through an online portal – women can broaden their knowledge, deepen their impact, and lend power to the voices of those who most often go unheard.

► www.rosauk.org

Anya Stern, Rosa co-ordinator



Case study: Peter Saunders OBE – From business to pleasure

Entrepreneur, business angel and philanthropist Peter Saunders OBE shares his story of philanthropy in the Welsh community he knows intimately.

I set up my first business in Wales. Halo Foods came to have an exceptional culture with huge loyalty and trust between the leaders and the workforce.

When I sold Halo Foods at the end of 2004, I realised how important the community aspect of our activities was. I also realised I could help through my varied business experience. So I set up the Peter Saunders Trust in 2005 and gifted to it a sum of money from the sale of my business.

I had been introduced by then to the idea of a “living will”, which entailed gifting money during one’s lifetime rather than through a Will at the end of life. This appealed to me. You can influence things within your own lifetime and really see and feel the difference you are making. Coutts was instrumental in this thinking and introduced me to a specialist charities lawyer in Cardiff who set up the trust for me.

I wanted to have as trustees local people with diverse experiences, and to get my family involved. With this in mind, the first trustees included one of my three sons (an accountant!) and prominent people in the local community, such as a police officer and a fellow businessman with experience as chair of trustees at a giant pension fund.

Since the initial donation, I have made more donations, but I also give my time to running the charity. The trust is proudly local in its outlook. I decided from the very start that I wanted to focus on what had been the “travel to work” area for my businesses. I also wanted to support the local communities that had supported me through the first phase of my business life so I could give something back.

The great thing about giving locally is that you have intimate knowledge of that area. This means that you

can select what you fund wisely, get involved with the causes and influence what happens with the funding. I like the whole sense of involvement. I get a lot of pleasure out of making things happen, guiding people, stepping in if things are not going well, and actually seeing the benefits. I am always on the lookout for a large-scale project that could galvanise the whole community and have a major impact on everyone in the local area. I also look out for the opportunity for the trust to get involved in some of the deeper social issues that exist even in a rural community.

My advice to others who want to give locally would be to set up the trust in a professional manner and ensure you have other trustees around with whom to have constructive and challenging debate. Get involved and get talking to people!

Core to the trust are its independence, flexibility and vision. Some projects may be more successful than others, but you need to be prepared to accept some level of risk.

The sense of being able to make something happen and being able to help someone is enormously fulfilling and rewarding. It is a great privilege to be in a position to make a difference to someone’s life.

Peter Saunders, OBE is an entrepreneur, business angel and philanthropist, who has lived and worked in rural Wales for over 35 years.

Currently, he has a portfolio of businesses within Wales in which he invests, and he is working with one on a joint venture involving companies in America and India. He was honoured with an OBE in 1995 for services to business in Wales and set up his charity the Peter Saunders Trust in 2005.

Reprinted with the kind permission of Coutts & Co. The full case study is one of several featured in Coutts & Co’s new guide *Inspiring Local Philanthropy, Making a difference in local communities*, in association with New Philanthropy Capital and Community Foundation Network, Autumn 2011



Case study: Marcelle Speller – Building the local giving infrastructure

Successful entrepreneur Marcelle Speller used her winning business skills to connect under-the-radar local charities with philanthropists. Here she shares her enriching journey.

My philanthropic journey started in 2005, after the sale of Holiday-Rentals.com which I had co-founded nine years previously. Without the need to make money, I could now focus on something that had always been a goal – to do something worthwhile. It's hard to describe without clichés, it's not “giving back” as that infers you've taken away; maybe it's as simple as trying to leave the world a better place in some small way.

After a few false starts, I took the Institute for Philanthropy Workshop. We visited charities and NGOs in the UK, Vietnam and New York. But wherever we went it was the small local charities that inspired me. They are directly accountable to their beneficiaries - the glue that holds local communities together. In the UK they are seriously threatened by government spending cuts, and the fact that online giving, rising at 50% per year, is not available to small unregistered charities, thus making them even more disadvantaged versus larger charities.

My 'light bulb' moment came when I realised I could help them in the same way that Holiday-Rentals.com let private owners of holiday homes compete on the web with large villa companies.

The problem was, how was I going to find these small local charities? Pure serendipity brought the solution. Matthew Bowcock, the chairman of the UK's Community Foundation Network, was in my cohort on The Philanthropy Workshop. He could give me access to the 26,000 local charities that have been vetted by their local Community Foundation.

As with any start-up enterprise – social or profit-driven, it's been hard work. Most of my time is spent behind a computer, which can make me feel disconnected from

the local charities I'm trying to help. But again serendipity brought the solution. I was asked to appear on channel 4's Secret Millionaire and was filmed for 10 days in Plymouth. I volunteered with five amazing local charities and realised that each of them would benefit hugely from Localgiving.com.

They all know the needs of their community, and are doing ground-breaking projects that I could never have thought of. Jeremiah's Journey, set up by doctors in the oncology department of Plymouth Hospital, helps bereaved children. With my donation, they are now also able to help children who are about to lose a parent. And they have already raised £10,000 through Localgiving.com. I go back to Plymouth regularly and see the difference that I have helped these amazing people make. It gives me a sense of community, of belonging, and it recharges me.

So that was my journey. Warren Buffett has said that giving money away effectively is more difficult than making it. By giving locally you can see that you are giving effectively, and you can have the most joyous, enriching experiences.

- www.localgiving.com
- www.instituteforphilanthropy.org
- www.communityfoundations.org.uk

*Philanthropist and Localgiving.com
founder Marcelle Speller*



Case study: Islington Giving – Collaborating around a community divide

Islington Giving is the latest twist on a collaborative trend, bringing together six local trusts of varying age and size and one national organisation – The Breadsticks Foundation, City Bridge Trust, Cripplegate Foundation, Richard Cloudesley's Charity, The Morris Charitable Trust, Voluntary Action Islington and Unltd – to leverage their strengths, local understanding, skills and resources in tackling the inequity between the 'two Islington's' – one very poor and one very wealthy.

The inspiration for the coalition was a 2008 report published by the Cripplegate Foundation called *Invisible Islington*, which looked at the poverty that exists in the borough and explored the factors that make it so entrenched – ill-health, debt, isolation and lack of opportunity.

Philanthropist Jack Morris, founder of the Business Design Centre and The Morris Charitable Trust, explains the thinking behind Islington Giving: *"We saw a fantastic opportunity to pool our expertise and leverage funds and each other's reputations.*

"Underpinning our thinking is an absolute belief that it is in the sum of our parts that we can help most. Whilst independently we and others can help good things to happen, we can achieve so much more together. And it will be in extending this spirit, in bringing people and organisations together, that Islington Giving can achieve its objectives most easily. Collaboration, partnership, the sum of our parts – call it what you like – is not only important to us but it is a distinctive feature," says Morris.

There is more than a whiff of Big Society about Islington Giving, which takes full responsibility for itself, including raising £3m over the next three years to fund the work it wants to do.

It has had a very successful year, raising over £1m, given out grants of over £500,000, been featured in the Government's Giving White Paper as an innovative example of local philanthropy and been endorsed by Islington Council's Fairness Commission.

It has set up new partnerships with BT and Macquarie Bank to develop staff volunteering in Islington for the first time and created and funded a new grants programme of £500,000 in 2011 to support young people, identify its poorest residents and tackle deprivation.

The campaign aims to attract donors of all levels and all kinds, whether it's time, money or skills, and this is another of its strengths.

A local marketing campaign to raise awareness of the project in the community includes a taxi bearing the campaign branding and involves the owner of a local fish and chip shop who has added £1 to the price of his meals that will go directly to the fund.

The fact that such deprivation and extreme wealth sit cheek by jowl is seen as a 'geographic advantage' by the group in engaging the community.

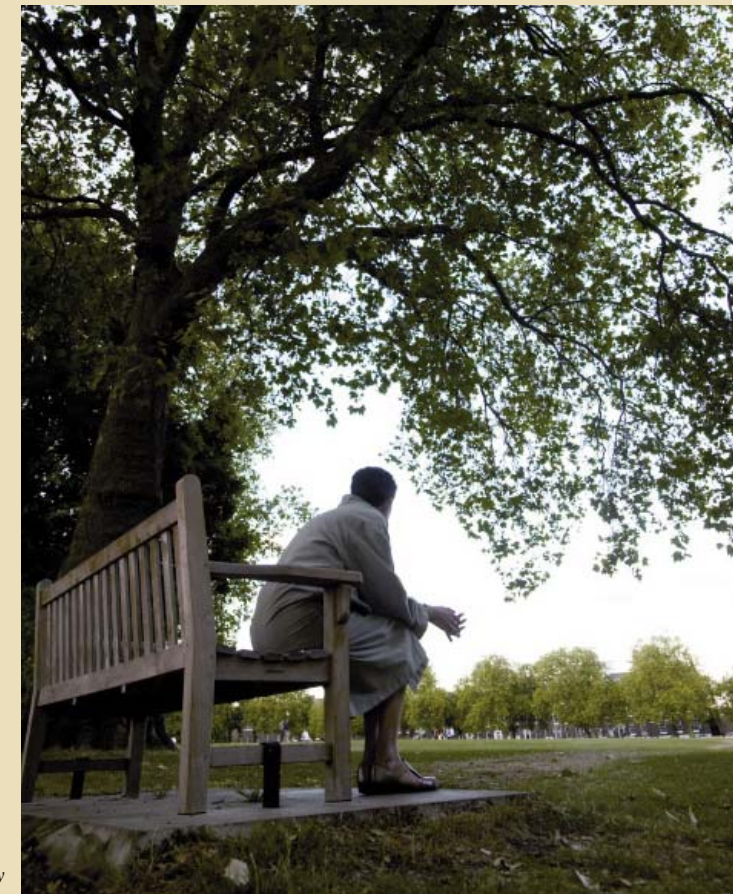
"We know that Islington has a vibrancy, energy and wealth of talent that is hard to beat. But there's also much about the borough that perhaps isn't recognised; London's richest and poorest residents exist side by side but live entirely different lives. It was in considering how life really is for many of our neighbours that Islington Giving sprang to life," says Morris.

"Our aspiration for Islington Giving is that it will become a leading example of how all of the community can pull together to address the root causes of social disadvantage. We firmly believe that what we are looking to achieve in Islington – and the means by which we are approaching the challenge – is new and innovative, but also entirely replicable across other parts of the country," he adds.

► www.islingtongiving.org.uk

Islington Statistics

- Islington has the highest rate of suicide for men in England
- The number of five to 17-year-olds with mental health disorders is 36% higher than the national average
- 3,000 people registered with a doctor in Islington have a diagnosis of schizophrenia, bipolar disorder or other psychoses.
- The substance misuse rate for 15 to 64-years-olds is more than two-and-a-half times the national average.



Photographer: Simon Townsley

Case study: Kensington and Chelsea Foundation – Bringing local philanthropy to life

Kensington and Chelsea Foundation's stylish 'Party at Saatchi' Art Gallery on September 27th, held to bring donors and potential donors face-to-face with the charities working on the frontline of their community, took local philanthropy to a new level.

"Creating a buzzy and stylish social event where locals were able to meet the charities working in their communities gave us a way to validate the work we do and let donors and potential donors hear, see and celebrate the work they are doing and understand what needs to be done," says Jeremy Raphaely, director of the three-year-old foundation.

The 350 guests who attended enjoyed entertainment from the many organisations the foundation supports. Guests were able to witness how they are making a difference to their neighbourhood. The talented performers included jazz vocalist Aneesa Chaudhry, Portobello Dance School, Opera Holland Park and the West End Gospel Choir. Guests also admired artwork from Age Concern Kensington and Chelsea's 'Seldom Seen' project which featured borough-wide residents in their 80s and 90s who are housebound and isolated.

Raphaely said: *"The party gave us a chance to show the authenticity of the work being done. It was a party with a difference. People often support charities because of some personal experience with the cause they serve. But the one thing which unites all of us is our personal connection with the Royal Borough of Kensington and Chelsea where such dramatic contrasts exist between people living in the same neighbourhood."*

The borough's statistics paint a vivid picture of its inequality: average life expectancy is only 73 in the north of the borough, nearly 11 years less than in the south; 31% of the private housing units in Kensington and Chelsea do not meet the government's Decent Homes Standard; 62% of its residents over the age of

65 live alone; 51% attend private schools, but of those attending state schools, the proportion receiving free school meals is double the national average.

Homelessness, social isolation, disability, the rehabilitation of ex-offenders are just some of the poignant issues being addressed every day by the 400 plus charities.

To show real 'localism' in action, guests were encouraged to 'pledge' between £100 and £10,000 to specific local causes, such as youth and education and the arts. Some asked for their pledges to be donated to specific charities that had impressed them on the night.

"But the fundraising was secondary to the other opportunities the event delivered. It gave a chance for us to start new donor relationships and develop existing ones which is incredibly important. It was especially pleasing to see so many new faces," said Raphaely. He said since the event he had received calls from local residents with family trusts, interested in partnering with the foundation.

Organising committee member Sophie de Schwarzburg-Gunther said: *"The event takes neighbourhood philanthropy to a whole new level. Many small charities can't afford their own fundraising or marketing staff so this is an excellent way to raise their profile and raise the much needed cash which can make such a difference to people's lives."*

Since its formation the foundation has committed nearly £500,000 to 25 charities. An Endowment Fund has been set up to provide a lasting solution for the future. As all the foundation's administrative costs are covered by local statutory and infrastructure agencies, and by grant-giving trusts, 100% of gifts can be given to the donor's chosen cause.

Donor Emma Carlton-Smith of Martin's Properties (Chelsea) Ltd, whose family trust assists SMART (a local charity supporting disabled people), said: *"Attending this event helped me tell others how much local difference the*

Kensington and Chelsea Foundation has enabled us to make. It means a lot to us as donors that 100% of what we give to the foundation goes to the charities they help us choose, and that they monitor our donations and give us regular feedback."

Tim Coleridge, foundation chairman, said: *"We are truly grateful to everyone who supported us on the night. The aim of this event was to raise the profile of the fantastic charities in the borough and bring donors closer to the charities they have hand-picked together with our foundation."*

► www.thekandcfoundation.com

Tim Coleridge (left) foundation chairman and Sir Cyril Taylor GBE (right) a generous sponsor of the evening.

© Michael Tomlinson



Chants and circumstance

By Cheryl Chapman

Community Foundation Network chairman Matthew Bowcock shares his vision for the organisation and an aim to unite its 56 members with a chant for more 'locally-managed philanthropy'.

Matthew Bowcock, a self-confessed 'reconstructed' serial entrepreneur who founded, built and sold technology and genetics companies in Australia, the US and the UK is today an ardent and active community philanthropist. He believes passionately that *"philanthropy is a privilege"*.

As chairman of the Community Foundation Network (CFN) and co-founder of Surrey-focused Hazelhurst Trust with wife Dr Helen Bowcock, he spends the majority of his time working to extend that privilege to people of all giving abilities.

In his CFN role he is, he says, "cheerleading a movement" – a statement that is more controversial than it at first sounds. The word "movement" represents a fundamental change in the nature of the Community Foundation Network, that comprises 56 community foundations, with a footprint that extends to 95% of the UK.

Historically, it has been a group of quite different sized and 'shaped' organisations that provide a dynamic connection between philanthropists and local causes and charities.

The challenge for the past five years has been to introduce consistency and quality across the network and that job is *"now 80% done"* says Bowcock.



The saying 'you have seen one foundation, you have seen one foundation,' is one that Bowcock says has been largely dispelled.

A man given to analogy, he explains the fundamental change he is helping bring about. *"We used to be like a group of people milling in the street, whereas now we are more and more like a demonstration or a march, all chanting the same thing."*

The chant and direction is: 'locally-managed philanthropy'.

It's a subtle but important difference from the term 'local philanthropy' for which community foundations are known. Bowcock's strategy is to create a bigger philanthropy pie by offering donors access to the full spectrum of philanthropy opportunities in a local setting. In growing donor-centric philanthropy he says it will naturally follow that community-focussed philanthropy will grow too.

"If a donor asks for something and it is possible, then I want foundations to say 'yes'. The answer must not always be 'create a donor advised fund at the community foundation', but to listen to what donors really want to achieve and help them to do that."

*“Philanthropists are not born.
There is a very clear learning process
and giving locally is a good place to start.”*

The services provided by Community Foundations may in the next few years even include a social investment option. Bowcock is working with other social finance organisations such as Key Fund and Big Issue Invest, to create a social fund with a matched aspect to draw in investment to start up new local social enterprises. It will give donors the scope to use their skills and expertise as well as money to support community or other projects through an investment approach.

Bowcock continues in optimistic vein on the appetite for giving locally. *“There is definitely a growing interest,”* he says and points to CFN’s recent performance as evidence.

In 2010 its endowment stood at £244.5m, a 48% increase on the previous year’s figure of £151m. And in the last year 649 new funds have been set up, representing a 50% increase on the previous year, and accounting for £37m of new giving. It now supports 23,400 donors, 2,456 of them major donors.

One reason for the growth he says is the emergence of a new profile of philanthropists. The baby boomers who have come of philanthropic age, having prospered under free market Thatcherism and successive governments, and now, says Bowcock, *“find themselves comfortably off and wanting to give. They are entrepreneurial and want to be more engaged and in touch with their giving and see its impact for themselves. Local philanthropy lets people be more involved.”*

Local environments are also a good setting in which to learn how to give effectively says Bowcock.

“Philanthropists are not born. There is a very clear learning process and giving locally is a good place to start.”

Even philanthropic phenomenon Bill Gates recommends starting locally. *“You can see what works and understand the intervention points and the effect they can have. You may have a small pot of money and you can learn over time whether you want to make a large difference to a small amount of people, say take a group of disabled people on holiday, or a small difference to a large amount of people – campaigning to give them the right to use disabled loos. Local giving is where you can build skills and achieve the greatest gratification,”* says Bowcock.

CFN is working to codify the learning that happens within their own foundations so they can replicate successful and effective programmes and projects with the aim of providing proven off-the-peg solutions where the right conditions exist. Bowcock gives an example of a Norfolk project, Kickstart Mopeds, that overcame the problem a lack of local transport infrastructure was presenting to unemployed people who lived in remote areas of the county and so couldn’t get to job interviews.

The scheme allowed interviewees to borrow scooters for up to a year to get to job and training interviews. If they got the job or were accepted to a training programme they were able to buy the scooter in small instalments.

“Something as simple as providing a means of transport solved the issue of unemployment for some people. Our thinking is that the same remote conditions probably exist elsewhere, in counties that are geographically similar and where people face the same issue so perhaps the programme can be rolled out there.”

Bowcock is a firm believer that the solutions to community problems lie within the community. *“People have the means to solve their own problems better than outside agencies. They know their communities intimately; they know better the reasons for the issues they face and how to solve them if given the chance. Elected authorities have too much power to judge. People need to take back power.”*

Quoting from Cormac Russell’s work on Asset Based Community Development (ABCD) in which local people were asked what percentage of community problems they believed they could solve once they had audited their own applicable skills. The answer was 70%. When the same question was asked of outside agencies the answer was 30%.

Bowcock is a keen advocate of ABCD, a US methodology that draws upon existing community strengths to build stronger, more sustainable communities for the future, which is being adopted in some programmes in the UK. He is keen to see it implemented in the UK by philanthropists through the network. Building on the skills of local residents, the power of local associations, and the supportive functions of local institutions, ABCD is

constructed to put power in the hands of citizens to deal with their own problems.

It smacks of 'Big Society' thinking, but Bowcock prefers the term 'engaged society', though acknowledges a new mood for active participation and more space for this as government funding falls away. *"Local philanthropy has been the poor cousin of philanthropy for a long time being largely state-funded. But we are now at a tipping point when the nature of our society fundamentally changes, such as the creation of the welfare state in 1948, or the miner's strike in 1984,"* he says, and offers another analogy before he leaves: *"It's like when you are in a boat at sea and the tide has changed. You can't necessarily spot the moment when the tide changes but you realise it is going with you rather than against you. I think the climate is now in our favour."*

Community Foundations

Quality accredited Community Foundations offer a philanthropy advice service plus customised grant portfolio development. The benefits to donors are that Community Foundations are a fast and flexible way of helping those with an existing charitable trust or those who do not have a giving vehicle set up for them.

Community Foundations provide advice and learning support, help with identifying effective organisations to fund, handle admin, and work to standards endorsed by The Charity Commission for England and Wales. They also provide networking and donor education opportunities. As well as philanthropy advice, Community Foundations offer fund design, outreach services, handle enquiries, grant applications, carry out due diligence, make grants on behalf of donors, and monitor, evaluate and report on funded projects.

To find out more visit the website

► www.communityfoundations.org.uk

"It's like when you are in a boat at sea and the tide has changed. You can't necessarily spot the moment when the tide changes but you realise it is going with you rather than against you. I think the climate is now in our favour."

Government and philanthropy finding common ground?

by Cheryl Chapman

Government and philanthropy share an enigmatic relationship.

It has been understood in different ways: some believe state funding ‘crowds out’ philanthropy; tax incentives may or may not boost giving; it is generally agreed philanthropy is not a substitute for state funding and could never replace it, while philanthropists do not like being led by government policy.

Birkenhead’s Labour MP Frank Field, in his 2008 Allen Lane lecture, described philanthropy as ‘a counterpoise’ to government. Field suggests the role of philanthropy *“above all else is in establishing centres of power and influence counter-poised to governments. It is in this role that philanthropy becomes a crucial part of sustaining the freedom which a thriving civil society bestows on its citizens.”*

But there are grounds to re-think the boundaries of the relationship on the frontier of community funding.

Under a new localism agenda, the building of Big Society, the dismal economic climate, and recent community unrest, government and philanthropists are prioritising community. They share similar visions: a wish for more cohesive, happy and healthy neighbourhoods; the eradication of poverty, crime and inequality, the creation of sustainable community organisations and a will for individuals and local groups to take ownership of their communal lives. Both believe in a grassroots up approach.

In recent months we have seen a welter of government actions that have put in place the building blocks to help communities and individuals take ownership and encourage philanthropy in the community, including:

- the publication of the wide ranging Localism Bill which shifts power from central government to communities,
- the retention and introduction of tax incentives such as Community Investment Tax Relief (see page 12) and another to encourage legacy giving,
- the delivery of new funds such as the £80m Communities First Programme to help the most deprived communities, the £30m Transforming Local Infrastructure Fund, a £10m innovation in giving fund, and the £55m Catalyst endowment building matched fund to support arts organisations and to encourage philanthropic funds
- the newly announced Social Action Fund, worth over £20m, that will offer grants of £100,000 and more to projects across England to expand volunteering and giving of time, money, knowledge and assets.
- the introduction of the Giving White Paper to *“increase levels of giving and mutual support in society and catalyse a culture shift that makes social action a social norm”*.
- the creation of Big Society Capital to develop the infrastructure for a new social economy, bolster social enterprise and draw in investment,

- and the launch of social investment bonds to release new capital funding into socially-focussed initiatives.

Many of these actions are part of a government vision that calls openly on individual philanthropists and trusts and foundations to work in partnership with it to find new ways to fund and foster better communities.

In launching the Giving White Paper at Downing Street on Monday (May 23), Francis Maude, minister for the Cabinet Office, said: *"The building of a bigger stronger society will not be done by government but by citizens. However, it will not emerge overnight and government has to play a role in supporting it. That is why, after levels of giving have flat lined for years, this government is taking action, introducing policies to make giving give back, cut red tape and spark innovation. These changes form part of our desire to build a big society, where power is decentralised, public services are opened up and social action is encouraged."*

But there remains scepticism from funders and the Third Sector around Big Society *"as a fig leaf"* for cuts. While millions of government pounds will help community groups to build the Big Society, charities expect to lose billions as a result of spending cuts. The latest NCVO data predicted figure is £2.8bn, although a TUC study found that in the first year of cuts losses actually amounted to just £100m.

A Cabinet Office spokesman said in response to 'fig leaf' claims: *"Big Society offers the voluntary sector many new opportunities to grow."*

"Our reforms will allow the voluntary sector to bid for public service contracts worth billions of pounds. Big Society Capital has launched with an expected £600m to

give the sector access to much needed finance, which will help them expand and bid for these new contracts. And we're doing more to support giving and philanthropy including measures in the budget estimated to be worth £600m over the lifetime of the Parliament. This is just the start."

In a recent seminar focussing on how to promote the culture of giving hosted by Tory think tank Policy Exchange, Gareth Davies, head of the Office for Civil Society (OCS), offered a view on how philanthropists and government interact. He said government was not there to *"direct or corral philanthropy"* but to build on the *"edgy, experimental"* work that philanthropists could do. He added, government could scale up philanthropy-funded pilot projects that were proving successful, pointing to the four newly-launched social impact bonds aimed at saving the country millions by targeting and supporting deprived families.

And in an open letter to the sector in early October, Nick Hurd, Minister for Civil Society, scoped out the role for philanthropy in Big Society, saying: *"We believe that the debate around the Big Society is about encouraging individuals and organisations to think about the contribution they can make whether that is in the form of philanthropy, and social investment, or giving up time and expertise through volunteering or community service."*

"It is also about enabling people to have a voice in shaping the communities and areas around them through mobilising local networks (community organisers) and encouraging civil responsibility (National Citizens Service)".

Philanthropists have voiced optimism at the government's commitment to the genuine support of philanthropy – Tom Hughes-Hallett, chairman of the independent



Nick Hurd MP
Minister for Civil Society

Philanthropy Review that made its report in June, is one of them.

However, Dr Beth Breeze, philanthropy researcher and author, says philanthropists are unlikely to be swayed into acting a certain way through government pronouncements: *"The relationship between philanthropy and public expenditure is complicated. Donors do not want to simply act as a substitute or a 'gap plugger' for things that would otherwise be paid from general taxation, but nor do they prioritise acting as some sort of balancing act to governmental decisions. One definition of a mega-donor is someone who can make their own decisions about what to fund without reference to the decisions of others, be they fellow donors or public officials. The US academic Paul Schervish calls this the 'hyper agency' of the wealthy donor. It means that many philanthropists march to the beat of their own drum, without reference to the vagaries of government policy."*

"Philanthropy is driven by personal passions not by government policy, so philanthropists are unlikely to make significant changes to their giving in the light of pronouncements by politicians. That said, contemporary philanthropists are interested in maximising the value and impact of their donations, so opportunities to get matched funding or develop partnerships with public funds are often attractive, though it is difficult to discern if such initiatives actually prompt philanthropic acts or simply alter their timing."

Nick Perks



A world of difference through local giving

by Nick Perks, *Environmental Funders Network*

Charity did begin at home. Until the 20th century, most philanthropic activity was concerned with proximate need, from the ancient livery companies caring for members of their craft, to almshouses for the elderly, to trusts bequeathed for the poor of the parish or other groups in need.

However, there is also a long tradition of charity which seeks to care for those further afield, either directly (the International Committee of the Red Cross dates from 1863) or by tackling underlying causes (Anti-Slavery International was founded 1839). In 2010, the British public gave an extraordinary £106m to the Disasters Emergency Committee for Haiti.

Environmental concerns are also both local and international. Care for particular landscapes and local communities has motivated environmentalists from John Muir to Richard Mabey. Yet, at least as far back as Rachel Carson's seminal 1962 book *Silent Spring*, which first brought to general public awareness the dangers of pesticides, environmental scientists and activists have drawn attention to systemic problems. Pollution does not recognise state boundaries, and we all depend on the resources of one world.

Our latest publication, *Funding Locally, Thinking Globally*, draws on both these traditions – the desire to make a difference locally, and the concern for the common good. The booklet brings together six case studies of local projects that are also contributing to a more sustainable world.

The examples are very diverse. They have been supported by different donors, and tackle different issues in different ways. However, these local projects with a global outlook share some common characteristics.

These are all projects that are planning for the future. The Howsham Mill project in North Yorkshire is not merely rescuing an old building, it is installing an Archimedean screw that will generate both clean electricity and sustainable revenue. In Over Haddon in the Peak District, the easy course of action would have been to replace the deteriorating village hall with the cheapest option; instead they have built one of the most energy efficient buildings in the country – reducing running costs just as energy prices continue to climb.

The projects meet multiple needs. The Tynedale Transition group builds social networks as well as reducing environmental impact. It is just one example of the Transition Town movement, a community-led response to climate change which began in Totnes in 2005, and is now active in many countries around the world. Fishing for Litter South West benefits the commercial fishing fleet by reducing the damage caused by marine litter, whilst simultaneously improving the



Campaigners from Stop Stansted Expansion.
The organisation was initially funded by a £2,000 grant that helped draw in donations and build momentum for the successful crusade. © Stop Stansted Expansion

marine environment. It's a model which is being replicated in other fisheries.

They offer incredible value for money. All of the projects rely heavily on local volunteers and the passion that people have for their own communities. A grant of just £2,000 to Stop Stansted Expansion in the early stages of the campaign helped to build momentum and draw in other donations and voluntary effort. Seven years of hard campaigning later, the incoming coalition government reversed the policy of aggressive airport expansion.

There will always be needs, challenges and opportunities for philanthropy locally, nationally and internationally. As the world becomes ever more interconnected, there may be a temptation for philanthropists to put all their money into Westminster, or Brussels, or Geneva. However, funding locally does not mean funding parochially. Local communities are a place for both innovation and implementation. Local projects can be scaled up, local ideas can go viral, and local campaigns can tip the balance in national policy decisions. Everywhere, there are local people who have global vision, and want to be part of building a better world.

Funding Locally, Thinking Globally launched at the Environmental Funders Network Autumn lunch on 11th October. It is available from:
[http://www.greenfunders.org/wp-content/uploads/Funding-
Locally-Thinking-Globally-Final.pdf](http://www.greenfunders.org/wp-content/uploads/Funding-Locally-Thinking-Globally-Final.pdf)

Nick Perks is coordinator of the Environmental Funders Network, an informal network of trusts, foundations and philanthropists interested in environmental issues.

nick@greenfunders.org

► www.greenfunders.org

Funding London: *a special case*

Gaynor Humphreys

Understanding the complex, multi-layered funding landscape is vital for those who want to maximise efficacy. London's funding ecology is particularly complex and here London Funders' director Gaynor Humphreys maps the challenges for those wanting to support the capital's community projects.

In recent weeks the London tube map has been in the news. The internet has been abuzz with new versions to address the increased complexity of London's railways now the Docklands Light Railway and the Overground need to be fitted in. None yet rivals Harry Beck's schematic map, constantly updated since 1931, but effort is still going in to finding the perfect solution to clarifying London's more complicated connections.

Many of London's funders have been working together for a decade or so to build metaphorical maps of London's complex demography, needs and assets in order to strengthen their responsiveness. They came together in London Funders (LF) – across sectoral boundaries – bringing the London Boroughs together with foundations, Lottery distributors and corporate funders, to draw on each other's experience to strengthen their own individual approaches. Some of the complexity they seek to cut through is not unique to London: grant-makers these days need to understand commissioners and social lenders – the groups they fund grapple with all these regimes. So getting to know each other and understand their language and the procedures is a practical part of what funders need. London Funders is a platform for shared knowledge, opportunities for funders to get to know each other and learn about each others' policies and programmes



and explore scope for collaboration.

Why do funders feel so strongly that in London they need some power-assistance to get to grips with their funding? London is a complex place. It is the biggest conurbation in Europe. It is the most culturally diverse city in the world. We have the largest refugee population in the UK, encompassing great diversity, and the largest settled LGBT community. We have central government focused here, much of the country's media and corporate structures headquartered in London, and many of the world's financial services. Unlike other parts of England we still have three very distinct tiers of government (the Greater London Authority having survived, with somewhat enhanced powers, the government's recent cull of regional structures while 33 boroughs divide the London population between them for local services). Funding to support Londoners well in this complex environment tests the knowledge and skill of experienced funders.

London, as a whole is the most prosperous region in England and while aspects of London's diversity are its strength, digging deeper into the statistics shows the largest proportion of children living in poverty, higher unemployment than the UK average, especially among young people, and the biggest inequalities in wealth. Trust for London's London Poverty Profile (www.londonspovertyprofile.org.uk) has become a vital source of analysed data that not only substantiate the detail of these painful statistics but help funders keep on top of trends – that child poverty, for example, is now growing faster in Outer London and in households where someone is in work.

Cripplegate Foundation in Islington, one of London's oldest grant-makers, has researched poverty in its area – one where the inequalities between rich and poor are at their starkest - to deepen its understanding of the reasons for poverty in its patch (often associated with disability, mental illness or limited employment skills). Their work is now driven forward at many levels – continuing ameliorative, urgent support to address need and increasingly also funding services which offer new opportunities and skills to local people; collaborating with the local council in policy development, e.g. in a debt strategy; and building a coalition of local funders to raise new resources from wealthier local people and businesses (Islington Giving: www.islingtongiving.org.uk). See page 19.

Funders ask London Funders for a regular digest of information about London and about each other's programmes and policies that will help them rapidly keep up to speed. LF's members' events concentrate on emerging issues or areas of practice: a meeting to provide a rapid introduction to the personalisation agenda in adult social care helped funders understand the implications of big structural changes on the horizon for voluntary organisations working with disabled people, older people and others; what we did not expect as an outcome from this same event was to find that borough officers working to develop good structures and systems for personal budgets were doing this in isolation from other boroughs – an informal support network emerged.

At a more tangible level, our project group that brought together funders interested in supporting VCS infrastructure (the organisations that help keep frontline

services informed, trained, coordinated and supported), played a valuable role when Big Lottery Fund's Basis programme and Capacitybuilders funding started. It was this group which provided a funder perspective on the myriad generalist and specialist second tier organisations in London and helped the specific funders develop a strategy to direct effective support: no other England region was able to involve funders in kick-starting strategic funding in these programmes as effectively.

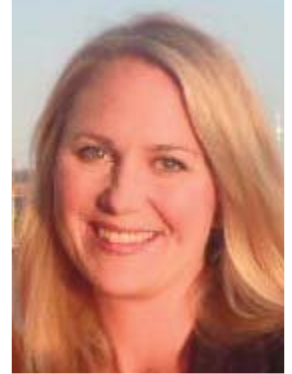
A recent discussion in our Olympics project group has brought some funders together to look at the feasibility of a legacy fund for London following the 2012 Games – a permanent addition to the resources in London for community-based sport.

A chilling recent use has been made of the Tube map to highlight the needs of Londoners. If you live eight Jubilee Line stops east of Westminster, for example, you have eight years knocked off your life expectancy. Many of London's funders are alert to the challenges and by sharing what they know and collaborating in what they do are aiming to work their funding smarter and harder to London's benefit.

Gaynor Humphreys, Director, London Funders

London Funders welcomes membership enquiries from institutional and individual funders and philanthropists: info@londonfunders.org.uk

Lisa Hehenberger



EuroView: *Emerging communities in venture philanthropy*

By Lisa Hehenberger, research director of the European Venture Philanthropy Association (EVPA)

EVPA will hold its 7th annual conference in Turin in November this year and this calls for some reflection on the evolution of the industry in the past years.

European Venture Philanthropy has matured from involving a small group of venture capitalists and foundations in its early days to engaging a wider range of players, including government, financial institutions, corporates, academics, advisors and multilateral organisations.

What has attracted these players to the field? We have detected two key trends that are shaping the venture philanthropy field and that are providing entry points for a number of new players:

- Clusters are forming around particular social sectors and the target sectors are broadening to include environment, culture, medical research and healthcare.
- Venture philanthropists are developing best practice in a range of tools to support particular types of social purpose organisations – ranging from financing instruments and non-financial support to the measurement of social impact

When I first investigated the sector focus of European venture philanthropists in 2008 for my dissertation, using the EVPA directory, I found that a large percentage (43%) of VP organisations did not have a clear sector focus. In 2011, EVPA's Knowledge Centre has been conducting a survey of the VP Industry in Europe and will present the main results at the annual conference in November. In this recent survey, we found that less than 10% of the

venture philanthropists surveyed did not have a sector focus. Several VP organisations explained that when they started, they had to demonstrate the VP model and therefore they chose not to focus on any particular sector. Having a broad-based portfolio allowed them to appeal to many different types of stakeholders.

However, some VP organisations started to narrow the focus of their portfolios when they felt that they had proven that the model worked. VP funds that are focused on one (or a few) sector(s) develop expertise and can increase their understanding of the investees. In terms of performance measurement, it is more difficult to measure and demonstrate impact across a 'mixed bag' portfolio.

Another reason to focus on a specific sector is that the leverage and impact of the investment can be greater. Interestingly, we are also observing the emergence of some new clusters forming around sectors that had not been heavily targeted by venture philanthropy, including culture and medical research.

In medical research, the pioneer venture philanthropist was Stiftung Charité, and we have recently added several

“EVPA now defines venture philanthropy as a methodology that works to build stronger investee organisations with a societal purpose.”

new members including Fundación Pasqual Maragall and Nextech that focus on Alzheimer's disease and cancer, respectively.

Venture philanthropy is filling a funding gap in the drug development chain between basic research that is often funded by governments and disease foundations, and commercially viable solutions that are funded by venture capitalists. Venture philanthropists targeting the same sectors have much to learn from each other and from other players with experience in that particular sector, including foundations, corporations, social sector actors, venture capitalists and government.

For instance, in a recent EVPA workshop on impact measurement, participants were keen to collaborate on defining common metrics for the sub-sectors in VP. Indeed, collaborative efforts are on the rise. Interesting examples include foundations and VP funds co-investing (Fondazione CRT and Oltre Venture have co-invested in Italian social housing projects), VP funds managing government funds (Impetus and The Sutton Trust in the UK will manage a government fund focused on disadvantaged children), and VP funds engaging the portfolio companies of their private equity funders to

contribute non-financial support (IKARE engaged IK's portfolio companies CEVA, Gardenia and Kwintet to address the issue of sleeping sickness in Uganda).

In early days, venture philanthropy was defined as applying venture capital principles to the social sector. Definitions have evolved and so have practices. EVPA now defines venture philanthropy as a methodology that works to build stronger investee organisations with a societal purpose (SPOs) by providing them with both financial and non-financial support in order to increase their societal impact. As the industry matures and involves a wider variety of players, it has developed its own practices that are less tightly linked to venture capital.

Venture philanthropists have taken the term 'tailored' financing very seriously. Although grants still remain the main financing tool, venture philanthropists have worked hard to determine which financing tools are most effective at a particular stage in the evolution of an SPO. The non-financial support is no less 'tailored', ranging from strategic consulting and coaching, to assistance with fundraising, governance issues and marketing to name a few, depending on the particular needs of the SPO.

Providing access to networks is often quoted as a key contribution of VP funders, leading to the success of follow-up funding and more effective non-financial support. Many financial institutions and corporate foundations that are rapidly moving into the impact investing/venture philanthropy arena are keen to engage with more experienced venture philanthropists who can share some of their accumulated knowledge.

This year's conference programme reflects the trends depicted above by hosting a number of roundtables on social sectors and on VP practices, apart from the workshops and panel sessions. Find out more at: www.evpa.eu.com/2011-turin

Lisa Hehenberger is the Research Director of the European Venture Philanthropy Association - the European membership association for high engagement grant-making and social investment. Lisa runs EVPA's Knowledge Centre that conducts and publishes research, organises workshops, participates at practitioner and academic conferences, and collects and disseminates data and knowledge.

► www.evpa.eu.com

My philanthropic journey

Young at heart... by Jack Petchey

Jack Petchey CBE, 87, was born and brought up in the East End of London. Through car sales and property development he became one of the most successful businessmen in Britain. Through the Jack Petchey Foundation, formed in 1999, he has given over £65m to youth programmes. The foundation exists to raise the aspiration of young people to help them take advantage of opportunities and play a full part in society.

I have gained a lot from life, a lot of experience and a lot of material things and I wanted to give something back to society. I think it is all our responsibility to give something back, whatever our position in life; we can always help others in some way.

I tell this to the young people too – they can make a vast difference by supporting others and I believe they will gain more than they give!

It isn't just about giving money though. It is about providing leadership for our young people, inspiring and motivating them, showing them they can make a difference and improve their lives. We need our community to invest in these kids – they are our future, we have to guide and nurture them!

I have always tried to support charity in some way – even in the early days of my businesses when I didn't have much money – I could do other things like give time and encourage others to get involved too.

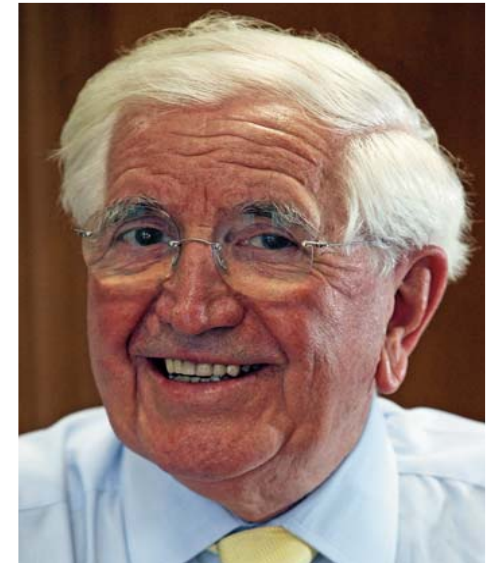
As the businesses grew I was able to give more and we regularly donated in response to appeals and personal approaches. However, as things started to snowball I realised it is actually a big job giving out money. If it isn't

done wisely then you could be doing more bad than good! That's when I decided to set up the Jack Petchey Foundation.

Once the foundation was established we could engage more creatively with charities in order to try and ensure good practice in our decision-making and to influence a change in society. There is more to philanthropy than just giving money to good causes. It helps the charities to sharpen their practice if you get them to think about what they are trying to achieve and ask questions to help them achieve that more effectively. In this way we get a relationship with the charities and can help by bringing our expertise from the business world too.

As the foundation developed and the young people wrote to me or spoke to me at events and told me how their lives had changed – that's when I realised the real impact we can have.

It is not about giving away lots of money – it's about making a difference and if we can inspire, change the way young people think about themselves and help them achieve more in life – we are changing a generation, shaping future society for the better and that is what is important.



"I am often overwhelmed by the joy of giving!"

We don't really see ourselves as a pure grant-maker – but as an investor in young people. We often lead the development of new programmes and seek charities who can work with us to achieve our goals to inspire youth.

Our three largest youth programmes are the:

Jack Petchey Achievement Awards – this gets almost £2.5m into grassroots youth organisations and schools every year, in order to inspire and reward young people's achievements. The young people are central to the decision making and the £200 award they receive has to be invested in their youth organisation – so they get a sense of philanthropy too.

The Jack Petchey SpeakOut Challenge – trains almost 20,000 15-year-olds in public speaking each year – this raises their confidence, self-esteem and ability to communicate. They then go on to compete in borough and regional events to find an overall 'public speaker of the year' – it is magical to see how this helps them develop.

Step into Dance – offers professional weekly dance training after school to almost 5000 young people who otherwise would not have the opportunity. Young men on the verge of exclusion from schools, young people with disabilities have all learnt team work, discipline and found a way to express themselves publicly through dance.

We have lots of smaller programmes too – basically our strategy is to focus on the impact and if it inspires young people, is good value for money and can be replicated – we will test it out!



Jack Petchey and students from the Petchey Academy in Hackney, which specialises in health, care and medical sciences

We are concerned with measurable impact – you have to know the difference you make. There is no point in throwing money at an idea if you can't see what difference it makes!

I am often overwhelmed by the joy of giving! When you see the difference that the programmes have made in a young person's life – and you know that they have been able to reach a greater potential through that – it is hard not to get emotional.

Recently a youngster wrote and performed a rap at the end of a dance production that involved 400 young people. He said "I am looking at you, and you are looking at me, saying this is someone that I inspired. Positivity and love is required, to make something this big and this great."

To know that this young man felt inspired and to know he felt someone cared enough to invest in him and in thousands of other young people's growth is the greatest reward one can ever have!

In giving locally, you have to be a realist – you can't do everything and solve the problems of the world, but that doesn't mean you can't do anything! You have to do what you can and so for me it was best to go local! To work in the places I have connections with – London, Essex and Portugal where some of my businesses are. That way we have an intense impact, our programmes all build on each other rather than being watered down and we have even more opportunity to reach and influence our target group.

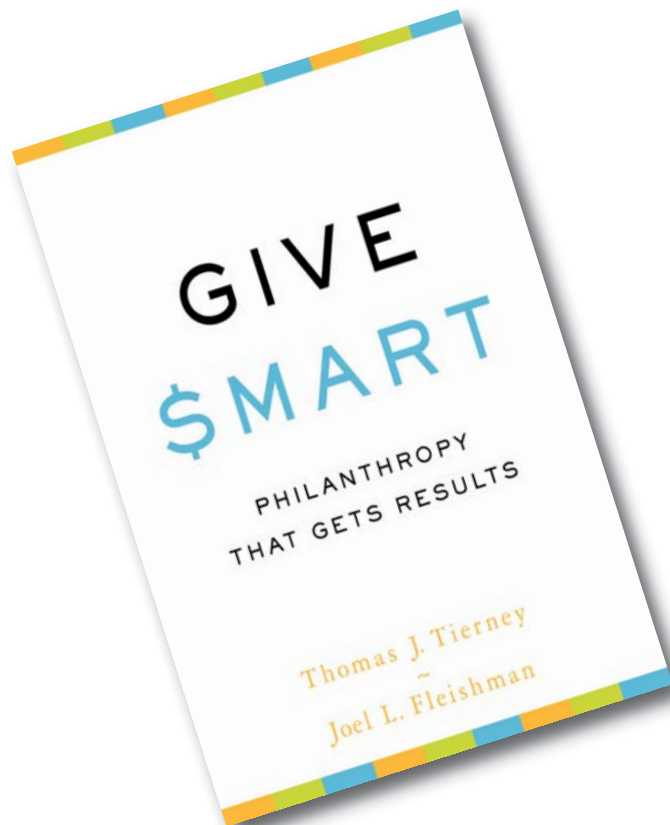
The advice I have for others wanting to make a difference is to be clear about what you want to achieve, set out your objectives, be prepared to take the occasional risk... and give, evaluate and enjoy!

► www.jackpetcheyfoundation.org.uk

Publications, reviews and notices

review

by Dr Beth Breeze, publications editor



Give Smart: Philanthropy that gets results

Thomas J. Tierney and Joel L. Fleishman

New York: Public Affairs, April 2011. 257pp. Hardcover.

ISBN 978-1-58648-895-6. £12.99

www.publicaffairsbooks.com

One of the perks of the role of publications editor of Philanthropy UK, is being asked to recommend good books about philanthropy. Since its publication in 2007, I have regularly named Joel Fleishman's insightful and thought-provoking book *The Foundation: A Great American Secret* in my 'top 3 must-reads' (the other two being *'Strategic Giving'* by Peter Frumkin and *'Philanthrocapitalism'* by Matthew Bishop and Michael Green – though I always wince over the title of the latter and even more so over the truly dreadful subtitle of the first print run: 'How the rich can save the world and why we should let them', wince, wince).

So I approached Fleishman's new book, co-authored with Thomas J. Tierney, with a dollop of enthusiasm and a side order of scepticism. Could the man who wrote such a comprehensive and knowledgeable analysis of the history

of American philanthropy and its contemporary relevance, really be the right person to write an accessible 'how to' book for donors? Even the covers of each book speak to entirely different audiences and indicate dissimilar tones of voice – the older book bearing heavy font, dark colours and a gallery of black and white photographs of historic greats, whilst the new book jacket has clean lines, white space and a quirky design. Of course one shouldn't judge a book by its cover, but it usually signals something about the sort of audience the author hopes to attract.

Fortunately, 'Give Smart' proves that Fleishman is adept at addressing both types of audience: the heavier-weight intellectuals (unsurprising as he is a professor of law and public policy at Duke University) and the more thoughtful breed of modern philanthropists who hope to use their charitable donations to achieve maximum impact in their chosen sphere of concern. No doubt Tierney's day-job as a non-profit advisor helps to counterbalance any potential ivory tower inclinations. Indeed, in the preface the authors express their wish "*to bridge theory and practice*" as well as to reconcile the similarly disparate worlds of "*business and academia, grant making and grant receiving*".

Despite being a book aimed at helping donors with the "*awesome responsibility*" of giving money away, it begins

with a rather disheartening statement that “*philanthropy’s natural state is underperformance*”. But this pessimistic pronouncement is there for a purpose: to remind readers that generosity alone is not enough because, “*outstanding philanthropy is distinguished by what it achieves as well as by the act of charity itself*”. Combining “*heartfelt generosity*” with a “*rigorous approach*” is, according to the authors, the secret to achieving the book’s title – ‘giving smart’.

The hand of the academic is evident in the book’s welcome admission that there is nothing distinctively new about the desire to achieve tangible philanthropic success. Andrew Carnegie is rightly cited as an historic example of a donor whose philanthropic work cannot be castigated for careless giving, despite the many a-historical commentators who appear to believe that ‘new philanthropy’ has a monopoly on strategic thinking. However it is clearly true to note that societal changes since Carnegie’s time (not least the rapid spread of information technology) provides 21st century philanthropists with a wider array of tools to access information, process data and analyse impacts, which ought to enable a firmer grip on measuring and achieving results.

A stand-out section of the book describes and addresses the ‘non-profit starvation cycle’, which is said to occur

when donors refuse to fund overheads and impose arbitrary conditions on those they support. Examples and consequence of these ‘costs on capital’ are worth quoting at length:

“The philanthropist who thinks he knows how to run an after-school programme better than the folks who have been doing just that for twenty-five years and insists on imposing his strategic ideas; the grant-maker who annually requires her grantees to fill out 50 page reports about how the grant was used and what results were achieved, but never acknowledges the reports – and probably never reads them in their entirety. The costs of such behaviour... are real, though rarely tabulated. And because of the enormous power imbalance between those with money and those who need to raise it, they can remain invisible and persist for years on end”.

These are brave words, stronger than anything I have heard in the UK context, and perhaps reflect the greater confidence of the US philanthropy advisory sector that there is a demand for their services which is willing to hear some hard home truths.

The larger part of the book takes readers on a journey to address a series of questions, covered in individual chapters, which will help them to ‘give smart’: ‘What are my values and beliefs?’, ‘What is ‘success’ and how can it

be achieved?’, ‘What am I accountable for?’, ‘What will it take to get the job done?’, ‘How do I work with grantees?’ and ‘Am I getting better?’. Using real-life case studies, bullet-point lists and the type of jazzy charts popularised by management consultants, each chapter helps the donor to develop answers to the questions they will face on their philanthropic journeys.

Disappointingly, the authors omit a conclusion and go out with a whimper in a chapter called ‘Monday morning check list,’ which simply consists of a brief inventory of the book’s key points. However, the authors’ pedigrees and the intrinsic quality of the information contained in this book, make a second edition a sure bet. Perhaps time might be found to write some closing words that review the big themes discussed in earlier chapters and tie together the multiplicity of ideas and pragmatic advice, to give this useful book the final bang that it deserves.



Influential reading: *John Kingston OBE*

John Kingston

In each newsletter, Philanthropy UK invites an influential person from the philanthropy sector to tell us what books have most inspired and shaped their approach to philanthropy.

Our 'influential reader' in this edition is John Kingston OBE, chair of both the Association of Charitable Foundations (ACF) and the Nationwide Foundation. He is one of the UK's foremost experts on social investment, having founded and served for a decade as director of the Charities Aid Foundation's social investment fund, CAF Venturesome.

John says:

*"It is difficult to pick out three books that have influenced my philanthropic journey because I must have read and skimmed hundreds of books and articles over the years. So, in the spirit of **Desert Island Discs**, I shall choose three to illustrate key personal drivers – which arguably I better understand now in retrospect than at the time.*

*My first choice comes from G K Chesterton, author of the **Father Brown** stories, one of which **The Queer Feet** used the phrase "a twitch upon the thread" which immediately resonated. My thread begins in a Christian household, runs through VSO before university and two years in southern Africa thereafter. It twitched as ICFC – an investment bank targeting small and medium-sized businesses – evolved into 3i Group, and pulled as I left in 1990 to join Save the Children. The thread was strengthened as I combined my commitment to the sector with my financial skills and training to join CAF in 2001, to pilot and later launch Venturesome, providing risk capital and advice to charities.*

*Secondly, I have endeavoured to become a supportive leader of teams underpinned by a strong, shared sense of strategic direction. The Hersey-Blanchard model of Situational Leadership (summarised in **The Decision Book: Fifty models for strategic thinking** by Mikael*



“But there is a third level of ‘policy and campaigning’ work that aims to create cultural change in society such that no-one thinks of throwing children into rivers.”

Krogerus and Roman Tschappeler) emphasises the need to adapt your leadership style to the circumstances, which is instructive for the raw recruit through coaching and support to delegation to the capable team member. At Venturesome we often talked of the team as a jazz band, where there was individual room for manoeuvre and innovation but within a known and shared theme, rather than a concert orchestra where the notes are set out and leadership is necessarily hierarchical.

*And thirdly, instead of a book, I choose an academic journal: the **Journal of Development Economics**. One particular article, that I read as I was leaving Save the Children and underpinned the Venturesome model, argued that changing society occurs at a number of different levels. For example, we can save individual children drowning in a river (‘service delivery’), but should explore why children are in the river in the first place (‘research and theory of change’). But there is a third level of ‘policy and campaigning’ work that aims to create cultural change in society such that no-one thinks of throwing children into rivers.*

At Venturesome, we aimed to work at the three levels in parallel: to help individual charities, to test and build a risk capital model, and to help build a social investment market which allowed charities access to capital. So I am glad that the organisation I founded has financed 250 charities, has proven the risk model, and has used all its learning to campaign for the concept and emerging practice of the social investment market in the UK, a market now endorsed by Government and to be championed by Big Society Capital alongside Venturesome and others.

*For a final extra selection I’d pick something quite different – I choose **Dogger** by Shirley Hughes, a much loved story read to our children a long way back and now to our grandson! It’s people that matter, isn’t it?”*

notices

by Dr Beth Breeze, publications editor

Funding the Ladder: The Passmore Edwards legacy

Dean Evans

John Passmore Edwards was a nineteenth century publisher, born in Cornwall, who used his fortune to establish hospitals, convalescent homes, institutes, art galleries and museums, as well as libraries in London and Cornwall. The author (a local government official who was involved in the restoration of an early bequest, the Blackwater Institute) notes that the size of his philanthropy pales in comparison to better known names: “*whereas Carnegie gave millions, Edwards gave thousands*” – but that his importance lies in his philanthropic philosophy, believing that by ‘funding the ladder’ the poor might be encouraged to ‘climb’. As with many philanthropists, Edwards was also involved in great issues of his day - such as campaigns against slavery - and was a notable opponent of the Boer War. He was a supporter of the Chartist and Temperance movements, a lifelong advocate of parliamentary reform, and was briefly a member of parliament for Salisbury. According to the author, Passmore Edwards’ legacy lies in the large number of buildings, many bearing his name, that support his passionate beliefs, as well as his conviction that philanthropy can help people to escape poverty.

Francis Boutle Publishers, 2011. 268pp. Softcover.
ISBN 978-1-903427-66-8. £20.00
www.francisboutle.co.uk

Giving in Evidence: Fundraising from philanthropy in European universities

Beth Breeze, Iain Wilkinson, Theo Schuyt & Barbara Gouwenberg

This report (in which I declare an interest as co-author) presents the results of the first large-scale study of philanthropic funding in European universities, both for general purposes, and specifically in support of research. It covers individual donors, charitable trusts and foundations and private corporations, analysing the wide range of contextual and institutional factors affecting success and failure in fundraising from philanthropic sources. It also explores the distribution of efforts and outcomes of fundraising activities, ways in which philanthropic contributions are used to support research, and the positive and negative impacts of receiving this source of funding. The wealth of data gathered through this study provides a much-needed basis for any future enquiries in the field of fundraising from philanthropy for research in European universities.

European Commission: Brussels, June 2011. 178pp. Softcover. ISBN 978-92-79-18784-1. Available online at <http://ec.europa.eu/research/era/docs/en/fundraising-from-philanthropy.pdf#view=fit&pagemode=none>

Philanthropic Lives: The unique experiences of eight UK philanthropists

J.P. Morgan Private Bank report

This report is the outcome of a commission by J.P. Morgan Private Bank to research charitable giving among wealthy individuals. It explores the experiences of eight philanthropists in the UK, and presents the findings of a survey of 200 of J.P. Morgan’s UK ultra-high-net-worth clients. The authors claim that only 7% are satisfied with the amount they give away, but that the vast majority want to give more, and many would do so if they received more information about how their donations are spent. All the donors interviewed emphasise the huge rewards that come from giving and the satisfaction it brings. To overcome some of the challenges in giving money away effectively, many had sought professional advice, which they found made their giving both easier and more enjoyable. The report is intended to present inspiring stories that demonstrate how rewarding charitable giving can be, with the aim of encouraging more people to ‘dip their toe’ in and try philanthropy.

London: New Philanthropy Capital in association with J.P. Morgan, May 2011. 30pp. Free to download at http://www.philanthropycapital.org/publications/improving_the_sector/improving_philanthropy/philanthropic_lives.aspx

The value of charity analysis: How reviewing your organisation can help you achieve more

Esther Paterson and Iona Joy

Whilst the benefits of analysis have been well known in the private and public sectors for years, charities have not always been subject to the same scrutiny. NPC has been analysing charities for nearly a decade and believes that it is key to charities becoming better at what they do, because it helps charities to identify strengths and weaknesses, find out what works and what does not, and work out how to improve. In this report, NPC turns the tables by inviting feedback on their own performance from 16 charities who have been analysed by NPC in the past. The aim of this exercise is to clarify why charity analysis is useful by asking questions such as: what do charities think of NPC's analysis? How have they benefited? And how could the analysis improve? Three main benefits of analysis are identified in the report: Firstly, by identifying strengths and areas for improvement, analysis can both challenge and encourage charities in their work, and be used by the management and trustees as a tool for internal reflection and assessment. Secondly, the process of internal reflection and assessment can prompt charities to make changes and improve their work. And thirdly, independent analysis can help charities to attract funding, because it can increase the confidence of funders and potential partners in the charity.

London: New Philanthropy Capital, July 2011. 14pp.
Free to download at
<http://www.philanthropycapital.org/download/default.aspx?id=1158>

If you require any further information on these stories or have a social investment news item, please contact Lisa Wootton, lisa.wootton@uksif.org

Lisa Wootton, project manager, UKSIF

www.uksif.org



Social impact investing news

A brief round-up of developments from the social investment world

By Lisa Wootton, project manager, UKSIF

Big Society Bank launched

The Big Society Bank has been launched and officially named Big Society Capital. The bank is set to receive £600m in equity capital in the coming months. The funds will go to socially-orientated financial organisations who will allocate it to charities, social enterprises and voluntary groups. Visit:

► www.cabinetoffice.gov.uk

Cabinet Office announces new fund to assist charities and social enterprises in accessing capital

The £10m Investment and Contract Readiness Fund aims to help charities and social enterprises develop the skills and infrastructure to attract more capital investment and public service contracts. Visit:

► www.cabinetoffice.gov.uk

'Investor Perspectives on Social Enterprise Financing' report published

The report, jointly commissioned by the City of London Corporation, City Bridge Trust and the Big Lottery Fund, and authored by ClearlySo, provides an insight into the attitudes of institutional investors towards social investment. Visit:

► www.cityoflondon.gov.uk

Office for Civil Society launches social impact bonds trial

Ministers are calling on investors to help raise up to £40 in social impact bonds which will be spent on projects assisting deprived families tackle multiple problems such as addiction, crime and poor education. Investors will be paid a dividend by the taxpayer for any successful project.

► www.cabinetoffice.gov.uk

Social Enterprise Coalition calls for mainstream investment alongside Big Society Capital

The Coalition has urged the government to create a bold package of measures to encourage social investment by businesses and other investors. Visit:

► www.socialenterprise.org.uk

Bates, Wells and Braithwaite and NESTA outline framework for the regulation of community and social finance

'Investing in Civil Society' sets out how a proportionate social finance legal and regulatory regime could be established in order to achieve the growth of the social investment market. Visit:

► www.nesta.org.uk

The Co-operative and CARE International partner to launch 'lendwithcare' microfinance scheme

The scheme, which hopes to raise £1.5m, encourages people in the UK to lend to small scale entrepreneurs running their own enterprise in developing countries. Visit:

► www.lendwithcare.org

Triodos lends £1.3m to Glasgow Housing Association

The Yorkhill Housing Association will use the funding to purchase new-build residential flats and offices. The Yorkhill project marks Triodos' first housing association loan in Scotland. Visit:

► www.triodos.co.uk

EU publishes consultation on the promotion of social investment funds

The consultation aims to gather feedback on various options for increasing investment to social businesses through investment funds. Visit:

► <http://ec.europa.eu>

NCVO launches Social Investment Working Group

The Group will review tax incentives to stimulate the social investment market ahead of the March 2012 budget with a focus on foundations and high net worth individuals. Visit:

► www.ncvo-vol.org.uk

Responsible Research publishes paper on impact investing in emerging markets

Impact Investing in Emerging Markets highlights some of the key issues and current opportunities and includes case studies of successful projects. Visit:

► www.responsible-research.com

Social Investment Organisation report estimates Canadian impact investing market at \$4.45m

SIO, the Canadian Association for Socially Responsible Investment, has compiled a report on the size and scale of impact investment in Canada. Visit:

► www.socialinvestment.ca

Forthcoming Impact Investing Events:

National Ethical Investment Week: 16-22 October

The Week brings together individuals, community and financial organisations and charities through events and other activities to let people know that they have green and ethical options that may help them 'make money and make a difference'. Visit:

► www.neiw.org

Good Deals 2011 UK Social Investment Conference: 24 November

The Conference connects innovative investors and inspirational social entrepreneurs. Visit:

► www.good-dealsuk.com



Register now for the premier event in venture philanthropy and social investment



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