



FUNDRAISING
REGULATOR

Fundraising Regulator Strategy 2022-27

Draft as of 9 March 2022

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Part 1: About us

The Fundraising Regulator is the independent regulator of charitable fundraising in England, Wales and Northern Ireland. Our work ensures excellence in fundraising, in order to protect donors and beneficiaries and support the vital work of fundraisers.

We work in partnership with other regulators and representative bodies in the charitable and fundraising sectors to build public confidence and ensure consistent high fundraising standards across the UK.

We do this by:

- Setting, maintaining and promoting the standards for fundraising in the Code of Fundraising Practice (the code) in consultation with the public, fundraising stakeholders and governments across the UK;
- investigating complaints about fundraising, where these cannot be resolved by the charities involved themselves – we do this by considering whether the fundraising organisation has complied with the Code of Fundraising Practice;
- investigating fundraising that has caused or has the potential to cause significant public harm;
- enabling people to stop direct marketing contact from charities by using our Fundraising Preference Service, and
- publishing a Fundraising Directory of all organisations that have registered with us to demonstrate their commitment to best practice fundraising.

We are funded by an annual voluntary levy on charities spending £100,000 or more each year on fundraising. We also receive income from registration fees from commercial fundraising businesses, community interest companies and charities spending less than £100,000 a year on fundraising. More about our anticipated budget over the next five years can be found on page 15.

Fundraising regulation in Scotland

Fundraising self-regulation in Scotland is different to the system in place in England, Wales and Northern Ireland. Fundraising by charities only registered in Scotland is subject to regulation by the Scottish Fundraising Standards Panel. Fundraising in Scotland by charities where the lead regulator is the Charity Commission for England and Wales or Northern Ireland, is regulated by the Fundraising Regulator. However, the code applies across all four countries in the UK.

About our regulation

We regulate all fundraising in England, Wales and Northern Ireland carried out by charitable institutions and third-party fundraisers. This includes:

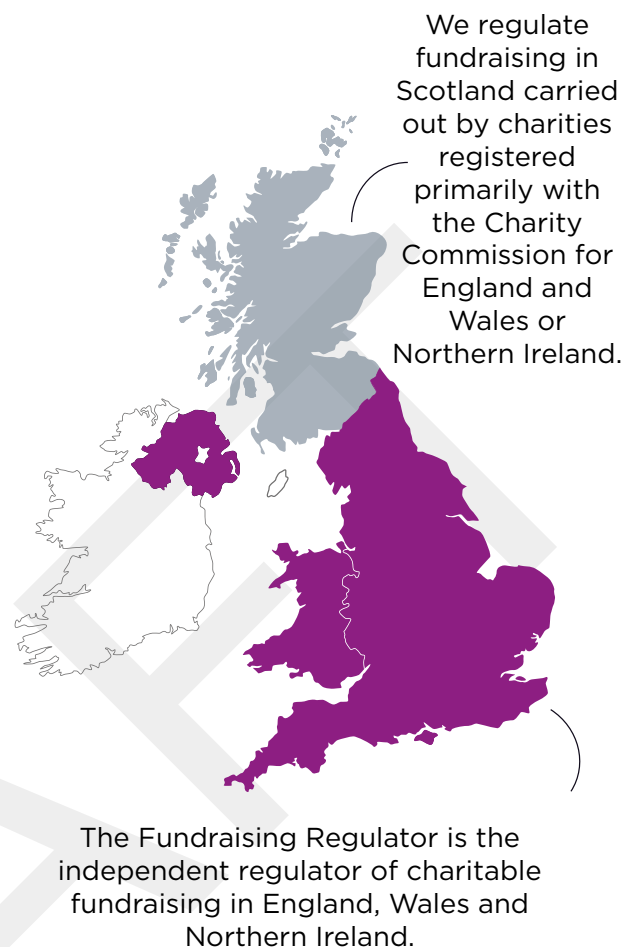
- charities registered with the Charity Commission for England and Wales and the Charity Commission for Northern Ireland;
- exempt charities (for example, Universities in England);
- other organisations with entirely or predominantly charitable, philanthropic and benevolent objectives;
- agencies and other organisations employed by charities to raise funds for them

We also regulate fundraising carried out on behalf of a charity, but without the organisation's permission, whether this is in-person, online or on fundraising platforms. If a charity is considered responsible for the activity, it is subject to our regulation.

About this strategy

This strategy is intended to provide our stakeholders and the public with a transparent view of how we plan to deliver effective regulation of charitable fundraising over the next five years. It sets out what we want to achieve and how we plan to measure that. This strategy does not contain specific project-based actions that we will carry out each year to achieve our objectives, together with performance measures. Our annual business plans will contain this detailed information.

We are accountable to the delivery of this strategy and will report annually on our progress against it in our Annual Report and Accounts.



Part 2: Foreword

Fundraising regulation for the future

The Fundraising Regulator is an ambitious organisation. We are committed to delivering independent self-regulation that ensures public protection, accountability and excellence in fundraising now and into the future. In the six years we have been in operation, we have seen significant events that have shaped fundraising practice. Technology is rapidly changing organisations' approach to fundraising, viral media campaigns are shaping how the public gives and global events are impacting the sector in unprecedented ways. Our regulation must anticipate and respond to such challenges.

We recognise that the charitable fundraising sector is disparate and the organisations we regulate are varied, both in size and how they fundraise. From community enterprises and grassroots charities to fundraising platforms and household name charities, our regulation must be applicable and consistent across the sector.

We are committed to undertaking focused research with the wider fundraising community to inform our regulatory approach. The strategic priorities within this strategy are designed with this in mind.

Over the next five years and beyond, innovation will continue to transform the charitable fundraising sector. We've already seen the rise of fundraising platforms and charities using sophisticated ways to engage donors online. This has coincided with blurring boundaries between traditional charitable giving and non-charitable giving, as companies and individuals fundraise directly from members of the public for charitable causes, rather than via charity partners.

Moving forward, harnessing data analytics and digital technologies will be key to successful fundraising for some of the larger fundraising organisations at least. Current trends suggest that digital methods will be the dominant mechanism for giving, and new payment technologies, such as blockchain, are likely to be a growing part of our everyday life. Artificial intelligence may also help organisations work more efficiently. But with such huge opportunities, there are risks.

Our regulation will need to inform the sector about these risks, as well as anticipate and mitigate against them. By doing so, the public will be protected when things do not go to plan, and the sector will maintain the good reputation it has worked so hard to build. We will continue to work with other regulators, sector bodies and commercial organisations to stay ahead of the curve, as new trends in giving and fundraising emerge. We will also focus on collecting, sharing and analysing our own data to regulate intelligently and ensure our work is proportionate to the risks faced by the public and the sector.

As we emerge from the pandemic, the longer-term impact remains largely unknown, but we do know that public finances have taken a considerable hit. As a result, government support may be harder to come by, and charitable organisations will have to turn increasingly to fundraising from the public to take its place. Charitable fundraising organisations large and small may ultimately need to do more with less and harnessing new ways of working to create efficiencies will be

paramount to their future resilience. It is our role to make sure that fundraising standards remain high, and the public continues to be protected amid this challenging environment.

We remain at our core an organisation that is designed to work in the public interest. Yet the way we achieve that aim must evolve amid wider social, economic and environmental factors. Our regulation is risk, evidence and outcomes-based. To facilitate this, we have produced a five-year strategy by setting ambitious longer-term objectives, which we will work towards achieving each year. There are cross-cutting themes running through our objectives, which together will guide us to regulate charitable fundraising effectively. These are:

- **Proactive:** We will continue to develop our proactive approach, strengthening the work we do to monitor compliance with the code in addition to complaints handling. As part of this we'll strengthen relationships with other regulators and government.
- **Intelligent:** We will use our own data more intelligently to support the development of the code and our compliance work, while collecting and sharing fundraising data from others to improve understanding of the sector and to share learning.
- **Collaborative:** We will develop our expertise by bringing in other views from across the fundraising sector and members of the public to ensure we remain expert in fundraising and issues concerning the public. We will create new information sharing channels to ensure that fundraisers and the public have a greater voice in developing our policies.
- **Innovative:** We will keep abreast of technology and how this will shape fundraising in the future. Our regulation will evolve alongside these changes.

Part 3: Vision, mission, values

At the heart of this strategy is a commitment to our guiding principles contained in our vision, mission and values.

Vision

A society where charitable fundraising is open, honest and respectful so that the public have confidence in fundraising and charitable fundraising can thrive.

Mission

- Inform and protect the public, donors, potential donors and beneficiaries
- Take action to continue to improve standards in fundraising
- Use our knowledge and insight to support excellent standards of fundraising now and in the future
- Sustain and enhance public confidence in charitable fundraising

Values

- **Transparent:** our actions and processes are clear and visible, while respecting privacy and confidentiality requirements
- **Independent:** we make autonomous decisions remaining free from undue influence
- **Agile:** we are responsive to emerging themes in fundraising, so that we can continue to inform the public and support the sector
- **Proportionate:** the actions we take are consistent with the risks posed
- **Collaborative:** we will work with stakeholders, including other regulators, to deliver robust and consistent regulatory outcomes and messages to the sector and public
- **Insightful:** our decision-making is consultation and evidence-led

Part 4: Strategic objectives

Over the next five years, we will work to deliver four strategic objectives.

1. Protect and inform members of the public
2. Fundraising thrives through organisational excellence
3. Deliver intelligent fundraising regulation
4. The Fundraising Regulator is a highly effective organisation

1. Protect and inform members of the public

What we will do	The outputs
Operate fair and effective public-facing services, such as our casework function, the Fundraising Preference Service, and the Directory and raise awareness of them.	<ul style="list-style-type: none"> • The Fundraising Regulator is the trusted backstop and improvements will be made when fundraising does not meet the standards in the code. • Members of the public can make informed decisions about giving to charity. • Fundraising organisations are accountable to members of the public as the Fundraising Regulator will seek assurances on the public's behalf.
Publish accessible public-facing information on the code and its values.	<ul style="list-style-type: none"> • The Fundraising Badge is the recognised logo which shows organisations have committed to excellent fundraising. • Public understanding that fundraising is principled, backed by laws and regulations, designed to protect donors. • Members of the public are empowered to recognise what good fundraising looks like.
Conduct research with the public into their views about charitable fundraising.	<ul style="list-style-type: none"> • The development of key Fundraising Regulator projects and services is informed by multiple donor perspectives. • Our regulatory priorities are guided by public attitudes to charitable fundraising. Increase our understanding of public attitudes and sentiment towards charitable fundraising. • The Fundraising Regulator is an active authority on matters of public interest.
Build advocacy among fundraising organisations for our role and services.	<ul style="list-style-type: none"> • The public recognise the Fundraising Regulator's brand when carried on charity fundraising materials.

Outcome measures

- Greater engagement with and recognition of our public-facing services.
- Substantial improvement in brand recognition and understanding of the role and value of the Fundraising Regulator.
- Increased signposting from charity fundraising campaigns to the Fundraising Regulator.
- The public is informed about the importance of donor due diligence and people recognise the steps they need to take to ensure they are donating safely.

2. Fundraising thrives through organisational excellence

What we will do	The outputs
<p>Maintain the Code of Fundraising Practice and produce guidance to support all charitable fundraising organisations to meet the standards.</p>	<ul style="list-style-type: none"> • Standards in fundraising are raised and the charitable fundraising sector operates with excellence. • Through continual dialogue and consultative work with a wide range of charitable fundraising organisations, the code remains relevant, user-friendly and reflects good practice in fundraising. • Our advice and guidance is tailored to the context that smaller organisations operate within, with recognition of their local impact. • Through a series of events, workshops and training, the sector is supported on practical application of the code.
<p>Carry out proactive casework and identify issues that are most likely to cause harm to the public, impede the work of organisations or damage the reputation of fundraising.</p>	<ul style="list-style-type: none"> • Organisations improve their practices following specific recommendations resulting from our casework. • Develop an intelligent casework function, including tools to enable the self-reporting of code breaches, to support the proactive identification of issues before they crystallise.
<p>Share regular knowledge and insights in accessible formats that inform and guide the charitable fundraising sector.</p>	<ul style="list-style-type: none"> • Operate a responsive and easily accessible enquiries service that provides tailored advice on a range of fundraising issues. • Publish topical guidance and resources that include actionable frameworks for improvement, in multimedia formats: video, blogs, webinars and podcasts. • Regular publication of casework decisions and annual analysis of key themes.
<p>Work with the sector and stakeholder bodies to understand emerging trends and risks.</p>	<ul style="list-style-type: none"> • Share information about fundraising fraud so that the sector remains alert to these issues. • Publish data and insights for the sector on emerging fundraising trends and risks so that organisations can identify improvements and action our findings. • Publish advice for members of the public on safer giving and fraud prevention.

Outcome measures

- Greater use of the code, guidance and resources.
- Annual increase in registrations from small and medium sized organisations that are outside of the annual Fundraising Levy.
- Positive engagement from fundraising organisations with our complaints process and compliance with our recommendations.
- Compliance with FPS requests and increasing number of charities onboarding to the service.
- Compliance with the Charities (Protection and Social Investment) Act 2016 reporting requirements and extensive mention of the FR's scheme of regulation in charity annual reports.
- Reduction in recurring breaches of the code highlighted through our casework and the FPS.

3. Deliver intelligent fundraising regulation

What we will do	The outputs
Operate an agile regulatory model that is responsive to the evolution of fundraising and emerging practices.	<ul style="list-style-type: none"> • Our work encompasses new uses of technology in fundraising practice and considers the implications for regulating in the fast-moving digital space. • Keep abreast of changes related to the role of the fundraiser and the types of organisations that are fundraising.
Gather intelligence from internal and external sources and use this to guide our regulatory priorities.	<ul style="list-style-type: none"> • Further develop our internal processes to harvest useful data from formal sources such as MoUs, Formal Information Review and a Fundraisers Panel, as well as informal sources. • Produce guidance that is informed by needs assessments and future horizon scanning.
Ensure consistent application of the standards across the UK, and recognition by authorities across the devolved nations.	<ul style="list-style-type: none"> • Through our staff presence in the devolved nations, we will focus on delivering specific, tailored advice for organisations in Wales and Northern Ireland, building relationships with stakeholders and governments. • We will continue to work closely with the Scottish Fundraising Standards and Adjudications Panel so that charities registered in Scotland understand their obligations under the code.
Build our internal understanding of the benefits and risks of different fundraising methods.	<ul style="list-style-type: none"> • Collect data about fundraising from charitable organisations to underpin the development of standards and our resources. • The Fundraising Regulator is a leader in fundraising practice and an expert in charitable fundraising.

Outcome measures

- Our regulation remains current and relevant, with reference to the latest practices in fundraising.
- Engagement with the code and our resources, and participation in consultations from a cross-section of sector representatives.
- Hold and participate in a full events programme in the England regions, as well as in Wales and Northern Ireland.
- Proportionate increase in the number of registered organisations in each nation.

4. The Fundraising Regulator is a highly effective organisation

What we will do	The outputs
Be an inclusive and accessible regulator, that removes barriers to its services and champions diversity.	<ul style="list-style-type: none"> • The Fundraising Regulator is up to date with legal changes and digital accessibility requirements. • Our EDI commitment is embedded into our internal and external operations and services, and in our governance. • A fully engaged and effective workforce.
Deliver effective services that represent value for money for the charitable fundraising sector.	<ul style="list-style-type: none"> • Keep our core services and providers under review to ensure VFM. • Be proportionate in our casework and regulatory action, so that resource is expended appropriately. • Further develop digital systems to operate a streamlined levy collection service. • Review the basis of the levy and make sure that it remains the most effective way of funding the Fundraising Regulator’s work.
Deliver joined up regulation through impactful partnerships and strong relationships with other organisations.	<ul style="list-style-type: none"> • Share information with other regulators, government and sector membership bodies, to identify and rectify issues of public concern as they emerge. • Use our position to influence government policy on charitable fundraising, in the interest of members of the public. • Keep our sanctions under review and work collaboratively with other regulators to ensure we are taking proportionate action.
Enhance our preparedness for the future and equip ourselves to adapt to emerging social and environmental issues.	<ul style="list-style-type: none"> • Proactively plan for a sustainable future and consider how the regulator can work in support of broader climate change initiatives. • Be a voice on sustainability issues and what this means for the future of the charitable fundraising sector. • As part of our commitment to continued learning and development, our programme of staff development will ensure our people have up to date skills and the tools required for their roles.

Outcome measures

- Achieve greater diversity in our staff team through equality monitoring of staff and recruitment, and engagement from staff remains high.
- Our diversity strategy remains fit for purpose and relevant.
- The FR meets public body accessibility standards.
- Report on our KPIs in our annual report.
- Regulatory interventions are effective in resolving issues.

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Part 5: Delivering our objectives

Timeline

Year	Actions
2022/23	TBC
2023/24	TBC
2024/25	TBC
2025/26	TBC
2026/27	TBC

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- 2
- 3
- 4
- 5
- 6

Part 6: Financial planning and reporting

We are funded primarily by a voluntary levy on the UK's largest charities. The basis for our voluntary levy is a series of progressive charges in bands on charities with annual fundraising expenditure of more than £100,000. Each year, around 94% of our funding comes from this annual levy. We also receive income from fundraising charities below the levy threshold, who register with us for a small annual fee, along with registration fees from commercial fundraising organisations who work with charities and provide charitable fundraising services. The scale of fees has not increased since 2016. The only changes made since 2016 have been to add extra bands into the levy to make the scale more progressive and fairer for smaller charities.

In the strategic plan period, we anticipate reviewing the current basis for the levy and whether the registration fee levels need to increase. We believe that some increases to levy fees towards the end of the plan period may be necessary so that we can meet our planned budget. This will depend on whether the number of charities within the levy and our registration scheme increases, as well as other external factors such as the rate of general inflation. The new strategic plan does not require a significant increase in funding to support it, but we will need to fund a modest increase in staffing along with project expenditure to upgrade systems that will have been in place for nearly a decade.

A forecast budget for the five-year period is set out below. We have built up a reserve equivalent to nine months expenditure. Primarily the reserve exists to cover winding up costs, costs of legal challenge, investment in an FPS replacement system and help smooth any irregularities in income. In 2022/23 we do anticipate running a deficit budget and will use a proportion of the reserve to cover this.

Budget projection

Expenses by cost centre	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Levy and Finance	£221,000	£231,608	£242,725	£254,376	£266,586	£279,382
FPS	£235,000	£235,000	£150,000	£150,000	£150,000	£150,000
Policy	£287,000	£300,776	£315,213	£330,343	£346,200	£362,818
Casework	£348,000	£364,704	£382,210	£400,556	£419,783	£439,932
Projects	£121,000	£100,000	£100,000	£100,000	£100,000	£100,000
Secretariat & Comms	£396,000	£415,008	£434,928	£455,805	£477,684	£500,612
Admin.	£131,000	£134,930	£138,978	£143,147	£147,442	£151,865
Board and Governance	£131,000	£134,930	£138,978	£143,147	£147,442	£151,865
Premises	£120,000	£123,600	£127,308	£140,039	£154,043	£169,447
Professional fees	£86,000	£86,000	£86,000	£86,000	£86,000	£86,000
Public Engagement	£294,000	£294,000	£294,000	£294,000	£294,000	£294,000
Total Expenditure	£2,394,000	£2,420,556	£2,410,340	£2,497,414	£2,589,178	£2,685,921
Income - Levy	£2,255,000	£2,000,000	£2,150,000	£2,255,000	£2,300,000	£2,350,000
Income - Reg	£140,000	£150,000	£160,000	£170,000	£180,000	£190,000
Income - Commercial	£112,950	£112,950	£112,950	£112,950	£112,950	£112,950
Other	£7,200	£10,000	£10,000	£10,000	£10,000	£10,000
Total	£2,515,150	£2,272,950	£2,432,950	£2,547,950	£2,602,950	£2,662,950
Difference	£121,150	-£147,606	£22,610	£50,536	£13,772	-£22,971

Reporting our progress

We will publish an annual business plan on our website, including our forecast income, budget and key performance measures at the start of each new financial year (September). We will also publish our annual report and accounts, which will detail our performance against our strategic objectives. We will also publish quarterly summaries of our board meetings on our website, that will contain timely information about any key decisions made. During our annual event every year, people will have the opportunity to ask us direct questions on our progress against this strategy.

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