

Fundraising regulation for the future

Five-year strategy
2022 — 2027

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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 public protection, accountability, and excellence in fundraising now and into the future. We work in partnership with other regulators and representative bodies in the charitable and fundraising sectors to build public trust and confidence and ensure consistently high fundraising standards across the UK.

PART 1 About us



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 the fundraising has caused harm or has the potential to cause harm considering whether there has been a breach of the code and taking action as necessary;
- maintaining a public Fundraising Directory of all fundraising organisations that have registered with us to show which organisations have committed to the code and excellent fundraising;
- enabling people to stop the direct marketing contact they receive from fundraising organisations by using the Fundraising Preference Service (FPS); and
- continually reviewing the fundraising landscape and responding proactively and preventatively to emerging or unaddressed issues.

We are currently 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 39.

Scope of 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 (for example, community interest companies);
- commercial agencies and other organisations employed by charities to raise funds for them; and
- online fundraising platforms.

PART 1 About us

Where fundraising is carried out in aid of an organisation, but without the organisation's permission, we will assess on a case-by-case basis whether any responsibility can reasonably be assigned to the charity in respect of the activity concerned.

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 with the Scottish Charity Regulator (OSCR) is subject to adjudication by the Scottish Fundraising Adjudication 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.

Enforcement

We do not have statutory powers to sanction fundraising organisations if they are found to be in breach of the code. However, where we investigate and make recommendations for improvement in fundraising practice, there is a high level of compliance with our decisions. This demonstrates the sector's willingness to improve and that a voluntary model of regulation is working.

Where we identify ongoing or systemic fundraising issues, we will escalate our concerns to the appropriate statutory regulator.

About this strategy

This strategy is intended to provide a transparent view of how we will 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 actions that we will carry out each year to achieve our objectives. Our annual business plans will contain this detailed information. We are accountable for the delivery of this strategy and will report annually on our progress against it in our Annual Report and Accounts.

Fundraising regulation for the future

The Fundraising Regulator is committed to delivering independent self-regulation that ensures public protection, accountability, and excellence in fundraising now and into the future.

PART 2 Foreword: Fundraising regulation for the future



We will continue to maintain and set standards in the code, conduct casework (including the handling of complaints), run the FPS, maintain a public directory, and provide a tailored code advice service. This strategy sets out ambitious plans to regulate in a way that harnesses the power of data and digital developments in the delivery of our core services and focuses on what we will do to develop and enhance the delivery of those services.

In the six years the Fundraising Regulator has been in operation, significant events have shaped fundraising practice.

Technology is rapidly changing organisations' approaches to fundraising; viral media campaigns are changing how the public gives and global events are impacting the sector in unprecedented ways. Our regulation must anticipate and respond to these challenges, while supporting organisations to continue to use long-established fundraising methods.

The charitable fundraising sector is large 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 proportionate to the circumstances in which organisations operate.

We are committed to continual dialogue with the sector and the wider fundraising community so that our regulation remains informed by practice and focused primarily on public protection.

As we emerge from the pandemic, the level of public consciousness about fundraising appears to have increased; there are many examples of high profile and successful fundraising ventures and people giving generously to charity in new ways.

PART 2 Foreword: Fundraising regulation for the future

Yet we also know that public finances have been significantly affected and the cost of living is increasing. As a result, many people may be less able to donate and financial support from government for charities may be harder to come by. Fundraising organisations may need to do more with less. 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.

Fundraising over the next five years will undoubtedly be shaped by wider social, economic, and technological changes. However, we acknowledge that the full extent of these changes at the time of writing this strategy are unknown.

We therefore aim to review this strategy at the halfway point to re-evaluate our aims and assess our performance against it.

Our regulation is risk, evidence and outcomes based. To facilitate this, our five-year strategy sets long-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.

We will be:

1.
Innovative

2.
Proactive

3.
Intelligent

4.
Collaborative

WE WILL BE:

PROACTIVE:

We will continue to develop our proactive approach, strengthening the work we do to ensure compliance with the code, in addition to complaints handling. We will prioritise proactive regulation where we identify issues that may cause harm to the public or damage to the reputation of charitable fundraising even if those issues have not attracted complaints.

COLLABORATIVE:

We will bring in views from across the fundraising sector and the wider public so that we remain a thought leader in fundraising. We will create new information sharing opportunities to ensure that fundraisers and the public have a greater voice in developing our policies. As part of this, we will strengthen relationships with other regulators and government.

INNOVATIVE:

We will keep abreast of digital and wider social developments and how these may shape fundraising into the future. Our regulation will evolve accordingly.

INTELLIGENT:

We will use our data more intelligently to support the development of the code and our compliance work. We will collect and share fundraising data from others to inform our regulatory priorities and to share knowledge and learning.

PART 2 Foreword: Fundraising regulation for the future

1. **Innovative** **Over the next five years and beyond, innovation will continue to transform the charitable fundraising sector.**

We have already seen significant digital changes in fundraising with the rise of online platforms and charities reaching donors through social media and other channels. We are now seeing increasing use of digital currencies, blockchain, machine learning and artificial intelligence (AI); some charities are already starting to leverage these systems in their fundraising. Our next update of the code must provide a framework for fundraising within this digital context.

As more fundraising and giving takes place online and campaigns proliferate via social media, boundaries between traditional charitable giving and personal cause giving are becoming blurred. But more fundamentally, we are seeing a broadening of the scope of charitable fundraising. Many individuals fundraise directly from members of the public, rather than via fundraising organisations. This is known as the disintermediation of fundraising; whereby fundraising organisations are not necessarily central to an individual's fundraising efforts. The way that money is reaching causes is becoming more complex

and we will need to keep abreast of these changes whilst being focussed on regulating charitable fundraising. In addition, companies, keen to demonstrate their social value, are operating more directly in a space that used to be the historical preserve of charities, further potentially blurring the boundaries for the public.

In the years ahead, we are also likely to see continued changes in fundraising in response to developments in wider society, related to the environment and diversity and inclusion – both important issues that will drive public policy and the economy. These changes may lead to new and innovative models of fundraising, or to new approaches to engage with donors. This strategy aims to support a vibrant fundraising sector that enables charities to fundraise in a variety of ways and gives donors more choice in how they engage with causes, whilst ensuring the right degree of public protection.

PART 2 Foreword: Fundraising regulation for the future

2. **Proactive**
During the lifetime of this strategy, we will improve our capacity to identify fundraising concerns before they crystallise and to prevent harm by early intervention. We will do this by enhanced information and intelligence gathering across the charitable sector, conducting our own research and thematic investigations, and working with charities to identify and rectify potential harmful practices at an early stage.

Through a continuing dialogue with the sector, we aim to foster a culture of openness and transparency, so that organisations are supportive of regulatory support and action.

The code will remain at the heart of our regulation, and we will continue to make recommendations to charities in line with the standards.

We will launch a full review of the code at the beginning of this strategic period to make sure it remains effective and relevant.

We will also monitor changes in fundraising which may have implications for the code throughout the period of this plan. However, we do not intend for the code to change regularly – it is the framework for excellent practice, and we will provide support through our services and resources that help with its practical application.

PART 2 Foreword: Fundraising regulation for the future

3. **Intelligent**
Over the next five years, we expect to see the growing use of data to support fundraising as well as ever increasing amounts of data available about individuals and organisations. Increasing availability of data can improve transparency and engagement with the public. But with such huge opportunities, there are risks, including concerns about data security and consent. Our regulation will need to inform the sector about these risks, as well as anticipate and mitigate against them.

To stay ahead of these new developments, we will harness the power of shared intelligence, working with fundraising organisations, other regulators, umbrella bodies and sector membership organisations. Collating data from numerous sources and from new technologies will be key to regulating in this environment. We will use this intelligence to direct and inform our regulation and explore how data science can inform our regulation at a far greater scale than we are currently able to.

But we also recognise that some fundraising organisations and members of the public might not adopt these new methods. Traditional methods of giving and fundraising will still be central to fundraising organisations. All methods of giving and fundraising will require the same intelligent, agile, and proportionate regulation.

4. **Collaborative**
Collaboration underpins our approach to ensuring public protection and excellent standards in fundraising.

We will also use our ability to convene and collect intelligence to ensure our work is proportionate to the risks faced by the public and the sector. Where new issues emerge or where we can see the benefits of a wider sector conversation, we will bring relevant bodies and organisations together to look at themes or topics in more detail and where appropriate share learning with the wider sector.

We will create opportunities for fundraisers and the public to have a greater voice in developing our policies, through engagement events, research, and the creation of a fundraisers panel.



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.**

PART 3 Vision, mission, values



Vision

A society where charitable fundraising is open, honest, and respectful, so that people have confidence and trust in fundraising and charitable fundraising thrives.

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 work with stakeholders, including other regulators, to deliver robust and consistent regulatory outcomes and messages to the sector and the public.
- **Insightful:** our decision making is appropriately consultation and evidence-led.

PART 4

Strategic objectives

**Over the next five years,
our four strategic objectives will be:**

1.

To deliver intelligent fundraising regulation that protects the public.

2.

To inform members of the public about principled fundraising.

3.

To support fundraising organisations to thrive.

4.

To be a highly effective organisation.



PART 4 Strategic objectives

Objective 1	To deliver intelligent fundraising regulation that protects the public
We will:	<ul style="list-style-type: none"> — Operate an agile regulatory model that is responsive to emerging fundraising practices. — Collect data about fundraising from external and internal sources to develop the code and our resources. — Ensure consistent application of the standards across the UK, and recognition by authorities across the devolved nations. — Use our position and expertise to influence government policy on charitable fundraising. — Undertake a risk and intelligence-led programme of work to explore emerging or unaddressed issues so they can be addressed before they crystallise.
Outputs:	<ul style="list-style-type: none"> — Keep abreast of innovation in fundraising, including new uses of technology and AI. — Monitor the changing role of the fundraiser. — Explore proportionate ways of informing and raising standards. — Gather and share data from formal and informal sources.
Indicators:	<ul style="list-style-type: none"> — Our regulation provides an appropriate framework that can be applied to the latest in fundraising practices. — Regular engagement with the code and our resources. — Strong relationships with fundraising organisations, stakeholders and governments in England, Wales, Northern Ireland, and Scotland.

Objective 2	To inform members of the public about principled fundraising
We will:	<ul style="list-style-type: none"> — Conduct research into public experience and expectations of charitable fundraising. — Develop our services and resources to support the public to make informed decisions about donating and fundraising. — Operate fair and effective public services that offer protection and remedy.
Outputs:	<ul style="list-style-type: none"> — Make recommendations for improvement where fundraising does not meet the standards in the code. — Publish public-facing information on giving safely and fundraising standards. — Public advocacy for our role and services among fundraising organisations.
Indicators:	<ul style="list-style-type: none"> — Our work is clearly informed by public feedback. — Members of the public recognise the Fundraising Badge and can make informed donation decisions. — Members of the public know how to opt out of direct marketing from charities.

PART 4 Strategic objectives

Objective 3	To support fundraising organisations to thrive
We will:	<ul style="list-style-type: none">— Maintain and promote the Code of Fundraising Practice alongside resources to support its application.— Share data and insights on emerging fundraising trends and risks, including fraud.— Define our regulatory priorities by giving precedence to issues that have the potential to cause harm and reputational risks.
Outputs:	<ul style="list-style-type: none">— UK fundraising organisations understand their obligations under the code and commit to it through registration.— The code remains relevant, user-friendly and provides an excellent framework for fundraising.— Early identification and intervention where activities pose an unacceptable risk of harm to the public or to trust in charities.
Indicators:	<ul style="list-style-type: none">— Fewer recurring breaches of the code.— 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 requests for evidence. Our recommendations are accepted and implemented promptly.— Compliance with FPS requests.

Objective 4	To be a highly effective organisation
We will:	<ul style="list-style-type: none">— Be an inclusive and accessible regulator, which removes barriers to its services and resources.— Deliver joined up regulation through impactful partnerships and strong relationships with other organisations.— Develop our digital capacity and explore the use of AI to deliver our services and for intelligence gathering.— Deliver effective services that represent value for money.— Enhance our preparedness for the future and equip ourselves to adapt to emerging social and environmental issues.
Outputs:	<ul style="list-style-type: none">— Our business model is sustainable, and our funding is supported by the fundraising sector.— Our equality, diversity and inclusion (EDI) commitment is embedded internally and externally.— We invest in the learning and development of our staff.
Indicators:	<ul style="list-style-type: none">— Regulatory interventions are effective in resolving issues.— We are a thought leader on fundraising.— Motivated and stable strong staff team.— Internal systems improved through better use of technology.— Our use of AI has materially improved our delivery of services and intelligence gathering.

PART 5

Delivering our objectives

Over the next five years, we will meet our strategic objectives through specific actions as laid out in our annual business plans. Some priorities are ongoing, others will require a phased approach.



PART 5 Delivering our objectives

Action	2022/23	2023/24	2024/25	2025/26	2026/27
Review the Code of Fundraising Practice to ensure that it provides an effective framework for existing and emerging fundraising practice	●	●			
Develop our internal processes and systems to gather data from internal and external sources	●	●			
Implement a public engagement strategy and conduct research into public experience of fundraising	●	●			
Further develop our proactive regulatory model	●	●	●	●	●
Invest in new technology to assist in data gathering and explore how AI can support our regulatory services		●	●		
Publish and promote insights on emerging fundraising trends to become a thought leader in fundraising			●	●	●
Develop our regulatory services in response to research findings			●	●	●
Review the basis of the levy to ensure it remains the most effective way to fund our regulation		●	●		
Maintain the Code of Fundraising Practice and produce resources to support its application	●	●	●	●	●
Monitor the changing role of the fundraiser and innovation in fundraising practice	●	●	●	●	●
Explore proportionate ways of raising standards	●	●	●	●	●
Promote the Fundraising Badge and monitor compliance with it	●	●	●	●	●
Underpin the development of our organisation and regulatory services with EDI principles	●	●	●	●	●
Share data and intelligence with other regulators and sector bodies to regulate fundraising proportionately	●	●	●	●	●
Consider sustainability and environmental challenges in the development of our organisation	●	●	●	●	●

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.

PART 6 Financial planning and reporting



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, fundraise themselves and/or provide charitable fundraising services.

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.

In the strategic plan period, we anticipate reviewing the current basis for the levy. We believe increases to levy fees towards the middle of the plan period will be necessary so that we can meet our planned budget. The scale of fees has not increased since our establishment in 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. The amount of any proposed increase in the levy 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 but we think an increase in the middle of the plan period will be necessary. After that we think the levy can be kept at the same level until the next strategic plan period. We will consult with charities about these changes.

We have yet to see the full financial impact of the pandemic on charities' accounts and will need to be responsive to changing economic conditions so the forecast budget for the five-year period set out below may need to change. We have built up a reserve equivalent to about seven months of operating costs. Primarily the reserve exists to cover winding up costs, costs of legal challenge, investment in an FPS replacement system and to 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.

The key assumptions underlying our budget are that:

- supplier, project investment and staffing costs will increase by 5% owing to inflation;
- we will apply increases to the levy bands and other registration fees in the middle of the plan period;
- fundraising expenditure by charities will increase in year two of the plan as charities start to return to their previous levels of fundraising expenditure;
- small charity registration will continue to grow by at least 500 small charities a year (as it has done for the past three years) and levy/renewal payment rates will remain at similar levels c 95%.

We will review these figures when we have more information about charity expenditure and the economic outlook.

PART 6 Financial planning and reporting

Budget projection

Year	2022/23	2023/24	2024/25	2025/26	2026/27
Total expenditure	£2,668,149	£2,801,556	£2,941,634	£3,088,716	£3,243,152
Income					
Income - Levy	£2,106,362	£2,420,000	£2,662,000	£2,662,000	£2,662,000
Income - Registration	£184,400	£230,340	£281,280	£311,280	£341,280
Income - Non charity	£152,400	£167,640	£184,404	£184,404	£184,404
Other income	£10,000	£10,000	£10,000	£10,000	£10,000
Total income	£2,453,162	£2,827,980	£3,137,684	£3,167,684	£3,197,684
Difference	-£214,987	£26,424	£196,050	£78,968	-£45,468
Reserves	£1,685,013	£1,711,437	£1,907,486	£1,986,454	£1,940,987

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 in September. We will continue to publish quarterly summaries of our board meetings on our website, that will contain timely information about any key decisions made. Through our programme of stakeholder engagement, which includes an annual public meeting, we will ensure that people can ask us questions about our progress against this strategy.

