

# Changing for Good

Trusts and Foundations that give grants  
and other support to individuals in need

Jacinta Belai. April 2013



the association of  
charitable organisations

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# The ACO

The Association of Charitable Organisations (formerly Association of Charity Officers) was founded in 1946 and is the national UK umbrella body for Trusts and Foundations that give grants and welfare support to individuals in need. The funds managed by ACO members are discretionary, and seek to complement and enhance welfare support provided by local and central government.

ACO services the needs of its members in a variety of ways. It produces an e-newsletter with ten issues per annum, providing a high quality news and information service designed for the busy but enquiring reader. Each issue carries a special report exploring an issue in depth. We acknowledge that interest on any particular subject will vary from reader to reader so the aim is to provide a clear and expert summary of issues with links to more detailed information.

ACO co-ordinates a high-powered network of individuals and organisations. It organises on average one member event per month, often more frequently, with expert speakers and the opportunity to be inspired by the work of fellow members. The meetings are designed to attract a broad audience from ACO's membership, finance directors and trustees, chief executives and chairs, caseworkers and fundraisers.

ACO intends to provide more and better support for members in the future, tailored to their needs. Examples will include increased investment in developing training, more member events including special interest forums (which in the majority of cases would remain free), a project providing members with a standard approach to measuring impact, raising the profile of members and creation of an online knowledge bank for exclusive use by members.

**[www.aco.uk.net](http://www.aco.uk.net)**

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## The Author

Jacinta Belai is a freelance consultant and philanthropy advisor. She is a professionally qualified coach and works with executives in the corporate and charity sector. In 2011 she successfully proposed a pitch to organise and manage a panel on “Leadership and Scaling Up” at the Harvard Social Enterprise Conference 2011. She is a co-founder and trustee of a family foundation to support sustainable local efforts to raise orphaned children in rural Ethiopia. Her interests are in strategic philanthropy, grant-giving effectiveness, social enterprise and private sector engagement with the charitable sector. Jacinta has a Master’s degree in Grantmaking, Philanthropy and Social Investment from Cass Business School, City University London as well as a BA in Business and Economics from Trinity College Dublin, Ireland.

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# Introduction

The aim of the research was twofold: to provide an insight into the depth and breadth of the work carried out by Funds and to demonstrate the significant contribution of Funds to the fabric of society. The intention is that the findings will enable the ACO to better understand the challenges and opportunities faced by Funds, raise awareness of the invaluable contribution they make to individuals in need and provide Funds with relevant and directed support, advice and guidance.

## About the Report

There are a variety of terms used interchangeably around 'benevolence' and the sector. While many use the term beneficiaries, alternative terms such as client, applicant, recipient, or individuals in need are widely used.

For the sake of consistency, the author shall use the term 'beneficiaries'. All trusts and foundations that give grants and other assistance to individuals, including benevolent funds, shall be referred to as 'Funds' and are included as part of 'the sector'.

The research drew from three sources:

- Phase 1** Desk research including previously published research carried out on the sector.
- Phase 2** Quantitative survey of ACO member organisations. An online questionnaire was sent out to 107 members and 51 completed questionnaires were submitted giving a response rate of almost 50%.
- Phase 3** Qualitative research interviews with six organisations from across the sector.

## Acknowledgements

ACO is very grateful to all its members who completed the online survey and went the extra mile in providing additional information and comments. We would like to especially thank those who took part in the case studies, for giving generously of their time, and for their candour and openness.

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# Key Findings

The survey is a snapshot of the sector. The results highlight the significant and vital contribution Funds make toward enhancing the lives of disadvantaged people together with meeting the challenges posed by austerity, welfare reform and changing need. Please see Appendix I for further analysis of the survey results.

## **ACO members gave an estimated £100 million in grants and other services to individuals in need**

For 73% of respondents, grant levels have increased or stayed the same. The majority provide a mixture of one-off and regular grants and 70% provide an average grant size of less than £1,000. The purpose of a grant is mainly for mobility aids, white goods and household expenses. Debt Advice is the main type of non-financial support. Only 30% have moved or are planning to move away from long-term payments to short-term and one-off grants. 21% were able to calculate how much extra income claimed in state benefits. Only 9% have attempted to calculate the monetary value of the non-financial support they provide.

## **Applications increasing**

Approximately 70,000 applications were received in the past year, representing an increase for 53% of respondents.

## **Rigorous process used to determine need**

Most are using formal indicators to determine need, with 41% specifying Minimum Income Standards. However, there is some ambiguity around how to assess unmet need. Income, Savings and Pensions are the key financial criteria taken into account when assessing an applicant.

## **Significant numbers of applications coming from referral agencies**

86% have applications coming from referral agencies. Turn2us, Citizens Advice Bureau and Employers (professional associations) are the most popular source for applicants. Funds are undertaking a variety of activities aimed at increasing awareness.

## **Funds are expanding overseas**

44% operate worldwide and of those that do have beneficiaries abroad, the majority list having beneficiaries in Africa. For applications received from outside the UK, 84% say information is verified with supporting financial documentation.

### **Concern about impact of austerity**

98% are concerned with “uncertainty about the economy”. All respondents expressed concern about the “impact of welfare reform”. 50% have introduced new programmes of assistance in response to the economic downturn. Funds are seeing growing evidence of beneficiaries turning to payday lenders.

### **Grants funded by investments**

63% of Funds have seen the performance of their asset values and investments increase in the past year. Only 9% said they had decreased. 44% say their trustees review their investment strategy annually and less than a quarter review it at quarterly or six monthly intervals. 92% say ‘investment income’ is a source of income for their Fund.

### **Planning leads to more collaboration**

55% say they review their strategy “annually”. 54% have entered into ‘collaboration or partnership’. 21% say they have completed or are considering a merger.

### **More work to be done on impact**

57% say they do measure impact; of that, 36% say, “yes, it forms part of our strategic focus”. 67% say they consult their beneficiaries for feedback.

### **Concerns about welfare reform in future**

61% have done/are currently providing “more grants”, 38% have done/are currently providing “more services”. With regard to the effects of social fund reform, 67% say there has been “No effect at present but we anticipate future change”.

### **Majority say the boundary between State and Funds is blurred**

60% say the boundary between State funding and discretionary funds is becoming increasingly blurred.

### **The ACO**

Members value ACO, the umbrella organisation for Trusts and Foundations, which give grants to individuals in need. 93% of respondents say ACO offers its Members value for money.

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# Part 1: Benevolence and the Sector

## Benevolence

Benevolence is defined as “an inclination or tendency to help or do good to others; an act of kindness”<sup>\*1</sup>. Historically, help was provided to those facing hardship that was temporary and unforeseen.

The survey question on attitudes to the term Benevolence revealed a variety of responses: some embraced the term while others were indifferent to it, but the majority of responses said they felt it was old-fashioned and did not accurately reflect the nature of their work.

In fact many organisations have removed associations with the term ‘benevolent’ and renamed themselves. For example: Elizabeth Finn Care was formerly called The Distressed Gentlefolk’s Aid Association. In 2011, the Bankers Benevolent Fund changed its name to The Bank Workers Charity and in 2012 The Civil Service Benevolent Fund changed its name to The Charity for Civil Servants.

There is widespread unease with the term, as it conjures up the notion of paternalism, dependency and help that is limited to the provision of grants, whereas many organisations are seeking sustainable solutions to helping individuals in need. However, in the absence of an accurate alternative, Funds are left with begrudgingly accepting the term or avoiding it entirely.

## History

Most Funds draw their beginnings from the 19th Century when there was a flowering of benevolence and a time of Victorian philanthropy. In fact, many were set up around the same time as the professional bodies they relate to.

For centuries there had been almsgiving through the Church, and support for their members by the trade guilds. But in the Victorian era new forms of benevolence grew and flourished (Denny 2011:153)<sup>\*2</sup>.

After World War I benevolent funds grew quickly and many Funds were set up to provide orphanages and housing for the families who had lost members in the war. Money that had been used to run orphanages for children who had been evacuated during the war was instead used to build old people’s home. Benevolent funds were well-placed to adapt to societal changes. The Welfare State did not arrive until 1948<sup>\*3</sup>.

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1 <http://tinyurl.com/cv6zfs9>

2 Denny, J. 2011, The History of Chartered Accountants’ Benevolent Association 1886 – 2011, CABA).

3 Before Beveridge: Welfare Before the Welfare State

For what was a relatively short period – from the 1940s until 1979 – the UK had high rates of taxation for both modest and high earners, ostensibly to pay for a welfare state. *“There was a belief by Labour politicians that, despite the belief of Lord Beveridge, the architect of the Welfare State, that there should be a role for philanthropy, charity would wither on the vine of the Welfare State”* (Palmer 2010)<sup>4</sup>. Given the number of charities there are today, one can say that belief never matured into fact.

## Case Study

### The Charity Employees Benevolent Fund

*Interview with David Prescott MBE, Chairman CEBF 2007-12*

#### Background

The Charity Employees Benevolent Fund (‘CEBF’) was set up in 2003 in response to the findings of an NCVO survey, which found huge support for the establishment of a Benevolent Fund for charity employees (past and present) and close dependents. It became fully operational in 2009, after six years of fundraising and increasing awareness, with strong advocacy coming from an advisory council that was made up of some significant players in the charity sector. By September 2012, after less than 3 years in operation, the fund was forced to close. Its mandate was to provide assistance to current and former charity employees facing financial hardship, similar to that of other benevolent funds. It was careful to make the fund appropriate to all charities that employed staff and key to its funding was to seek contributions from charity employers based solely on the number of staff they employed. Despite this, it was not able to garner the support it needed to become sustainable, financial or otherwise. During the period of its operation the Fund gave practical assistance to 260 families.

#### Why it is necessary

The charity sector employs an estimated 650,000 people. Unlike employers in the sector that only provide support to staff that are currently employed, the reach of CEBF extended beyond those currently working in the charity sector to former employees. Clearly, there is a demand for CEBF’s services, and with the increasing effects of austerity, Social Welfare reform and increasing pressure on charity pension deficits, one could only imagine demand for support continuing to rise. The Fund saw applications for assistance triple in the past year alone. Furthermore, the very people that were coming to CEBF were often those that worked for the bigger charities, the very ones that said they looked after their own. In its last year CEBF found that 73% of its beneficiaries were in the 39-50 year age group, often part-time workers and fundraisers.

#### Why it failed

From the outset the CEBF had trouble raising funds, as the six-year fundraising period prior to launch attests to. Its financial strategy rested on raising funds from charity employers rather than employees. Even though it engaged a professional fundraiser to apply to 100 carefully chosen trusts, it was to no avail. The NCVO attempted to rally support and actively encouraged its member charities to give £1 a year per employee. The total sum raised was a meagre £3,000, and of the handful of charities that contributed only two of them were large charities. The larger charities said they could not be seen to be diverting money to look after employees facing hardship, especially at a time when many donors were themselves struggling to make donations. Furthermore, they were already experiencing enough difficulty in meeting their own fundraising requirements. They were of the view that they already looked after their staff. Others said that it conflicted with their own objectives; this was despite the fact the Charity Commission at the outset had ruled that they could provide financial support in a proportional way so long as it was genuinely beneficial to employees.

#### What it says

In July 2012, shortly before the closure of CEBF, Action Planning carried out a survey on the CEBF’s behalf. Of the 27 individuals who responded, 91.2% agreed that it was a good idea to have a Benevolent Fund for employees and 89% of those that did agree said that they would accept help if they needed it. Charities and Funds are arguably there to fill the gaps left by the State. Those that work for charities are often less well-paid and therefore perhaps even more likely to face financial hardship than staff in other sectors. Michael Lake, Chairman of the CEBF Advisory Council commented: “I and the members of the Advisory Council believe that the sector has a collective moral responsibility to assist its own people in difficulty and I regret that there has not been a stronger commitment from individual charities to support CEBF in its commendable work.” The closure of the Charity Employees Benevolent Fund is a poor reflection on the charity sector, which espouses the importance of looking after individuals in need when they refuse to look after their own.

4 <http://tinyurl.com/co5xkga>

The founders of many Funds genuinely believed in looking after their employees and their dependents and providing help to those who fall on hard times. However, given the dearth of new Funds being established today one would question the relevance of that belief.

Unlike the Charity Employees Benevolent Fund, the drinks industry charity 'The Benevolent'<sup>5</sup> had a very different fate - "On 1st of February 1886 Robert Gray, a young City of London wine merchant, wrote a letter to the Chairman of the Wine and Spirit Association proposing the formation of a Benevolent Society for the current and previous long-term employees of the wine and spirit trade facing hardship. After this a letter was published in the press voicing concern that the drinks industry was in a recession and therefore could not afford a trade charity. This prompted Robert Gray to comment that this made the need even more urgent and his colleagues were in agreement. The Charity's first general meeting was held on the 8th December 1886 at The Vintner's Hall in London. Harpers Wine & Spirit Gazette covered the story and wrote, "Born in a time of severe depression, matured during times of hope for a better future, and formally established at a time when the dawn of prosperity shows signs of tardy approach, the Society should have a proud future." These words would prove to be prophetic and the charity now boasts a proud legacy.

## Mapping The Sector

The charity sector as a whole is going through widespread change and adaptation but nowhere more so than Funds who are facing the dual challenge of a radically different environment than what existed at inception, and varying but entrenched need that is demanding a robust response.

The position of charity sector umbrella bodies has become uncertain. A rather brutal Darwinian fight for survival is developing, with organisations collapsing, making substantial cuts, firing staff, reporting losses for the first time in a decade and shedding members. Too many organisations competing for space, duplication and an over-reliance on government funding have all contributed to this sudden decline. ACO like others is looking for new ways of operating in a hostile financial environment. To survive, ACO has reduced costs, refocused and has started developing new services. It is now looking to develop a new model of a representative and support body owned, funded and run for its members.

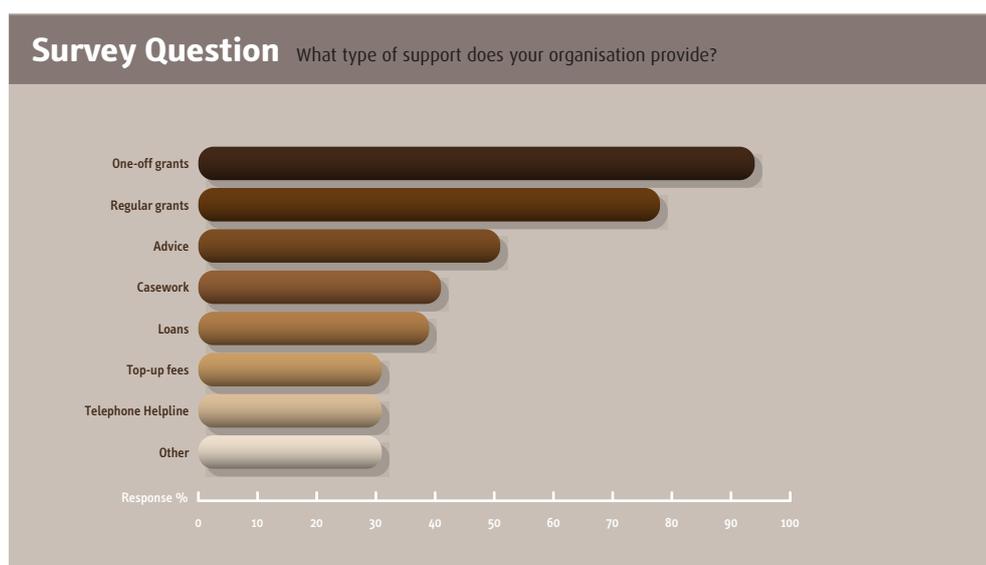
## Diversity

The work of Funds is not widely known or appreciated, not least within the wider Third Sector, even though they have a profound role to play in helping individuals in need.

The Research shows, unsurprisingly, a sector that is made up of a diverse set of Funds tackling a broad range of issues facing a diverse group of individuals in need. This diversity extends to the type of help provided i.e. not only grants but also non-financial support, with advice, counselling and training being the key areas.

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5 [www.thebenevolent.org.uk](http://www.thebenevolent.org.uk)



The geographical remit is ever-expanding, thus reflecting a highly mobile set of potential and existing beneficiaries that in themselves present their own set of challenges. The diversity of support given by Funds demonstrates that, whilst some Funds are constrained by tradition, many are adapting and refining their operations to better respond to changing needs and the wider societal and economic changes.

### Occupational Benevolent Funds

78% of the membership of the ACO is made up of Occupational Benevolent Funds (OBF). This is closely in line with previous research, which estimated that approximately 80% of benevolent charities have an occupational link to certain professions, industries, trades or employers<sup>\*6</sup>. These Funds tend to look and behave very differently to when they were founded and the environment in which they find themselves operating today is vastly different. Over time, the links between OBF and their associated professions have changed for some more than others. However, the demand for assistance remains and indeed some would argue has increased.

### Eligibility

Fewer people today have a career for life, yet if they find themselves facing hardship they may still qualify for help from an occupation they had earlier in life. Historically, people stayed in the same career and with the same employer throughout their working life.

Occupational Funds by their nature tend to restrict access to those who have worked in the industry and some further limit access to only those that have paid membership fees. Those who do pay membership fees view Funds as a safety net. In 2012 the Charity Tribunal passed a verdict regarding the status of poverty trusts with restricted groups of memberships and confirmed the right of benevolent funds to charitable status.

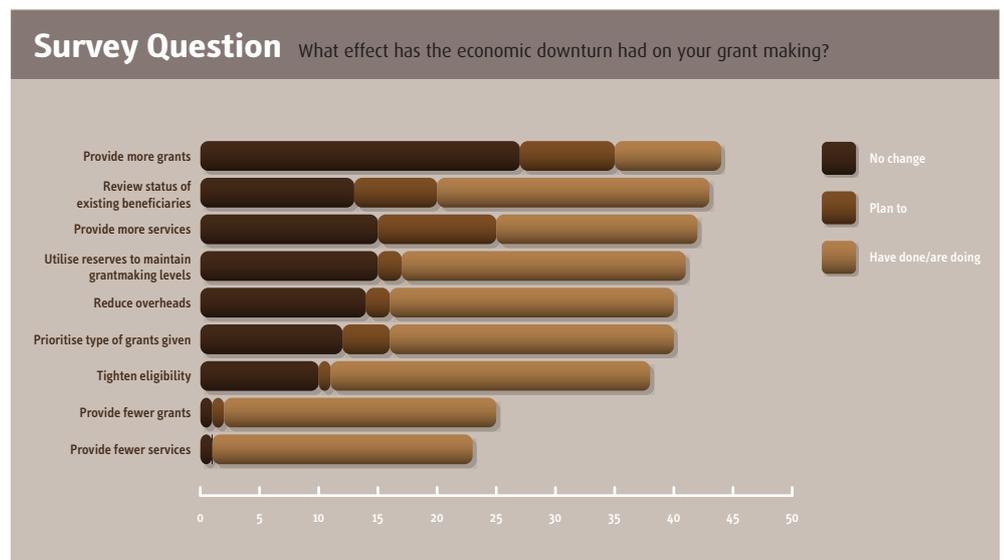
<sup>6</sup> 'Benevolence Today' was the title of a collaborative awareness and relationship development campaign by a coalition of like-minded benevolent charities between 2007 and 2010

## Part 2: External Influences Driving Change

### Austerity

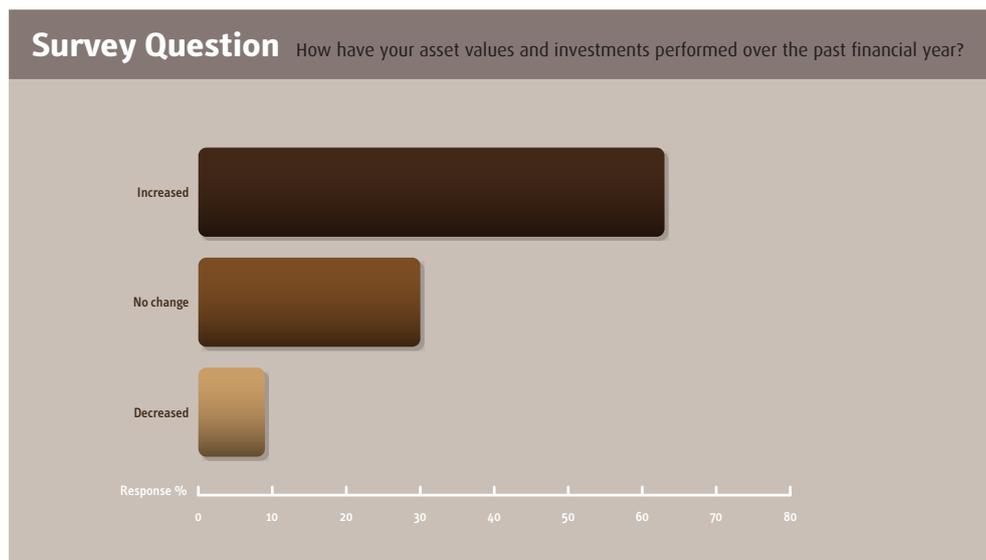
The effects of austerity are having a twofold effect on Funds – their work and operational methods, and the beneficiary. For many Funds, it is a question of how long the effects of austerity will linger and indeed if they will possibly deepen. Whilst some may be weathering the storm sufficiently well, others working with increasingly limited resources and the impending threat of growing financial difficulty. Funds are responding in a variety of ways: 18% plan to increase grant levels and 36% have already reduced or are currently reducing overheads. Yet, 71% say the economic downturn has made ‘no change’ to tightening their eligibility criteria.

According to a Charity Commission survey report in 2010<sup>\*1</sup>, “Charities’



investment income continues to be the most affected source of income. 62% of respondents have seen a decrease and 4% an increase in their investment income in the past 6 months.” Given the reliance of many Trusts on investment income one would expect to see more widespread unease. Yet, in response to the Survey question, “How have your asset values and investments performed over the past financial year?”, 63% say it has ‘Increased’. This is in marked contrast to previous research carried out on the sector and the wider charity sector where funds have experienced a decline in the value of fixed assets and investments.

1 <http://tinyurl.com/ceqtxu8>



Based on case study interviews and anecdotal evidence, individual donations to Funds are generally in decline and Funds who may have over-dependend on donations in the past are faced with having to find alternative and innovative sources of financing.

Rising inflation is increasing the cost of living, thereby eroding the present value of grant support. In order to offset the inflationary effects, Funds are faced with having to decide whether or not they can spend more to maintain the same level of impact.

For the individual, the economic downturn has pushed many into financial hardship, including those whom are already employed, 'the working poor'. There is widespread evidence of the deleterious effects of rising employment, statutory cuts and rising costs of living. Funds are seeing an increase in demand for their services. Indeed the Survey shows that 53% have seen an increase in the number of applications received compared to the previous year.

## Social Welfare Reform<sup>\*2</sup>

### Social Fund 2013

The 2012 Welfare Reform Act includes changes to the discretionary Social Fund, which will occur after April 2013. Some of the changes include:

- Abolition of Community Care Grants, Crisis Loans and Budgeting Loans.
- Community Care Grants and Crisis Loans (for items and general living expenses) will be replaced by a new localised service.
- A single system of Short Term Advances will replace Crisis Loan alignment payments (and interim payments of benefit). Budgeting Loans will continue for people on income related benefits until they transfer to Universal Credit; Pension Credit will eventually replace Budgeting Advances and will be available to eligible recipients of Universal Credit.

Part of the impetus driving these changes to the Social Fund is an attempt to drive out abuse of the current system by giving greater power to local authorities. Key concerns about the change centre around equality and social justice, the risk of a post-code lottery of grant provision and the absence of funds being ring-fenced, hence the possibility of funding being used by local authorities to meet budget shortfalls in other areas. For most Funds, the changes to the Social Fund are likely to necessitate a review of their own grant-making processes.

### Universal Credit

A key tenet of Universal Credit is the payment of Housing Benefit directly to the recipient rather than their landlords and at monthly rather than weekly intervals. The Government intends for it to empower a sense of responsibility over recipients' own lives and make them better able to cope should they move into a job. However, according to a research report, 'The Impact of the Universal Credit'<sup>\*3</sup>, up to half a million disabled people and their families - including children and disabled adults living on their own - will be worse off under Universal Credit if current plans go ahead.

Furthermore a recent BBC report<sup>\*4</sup> on a government pilot project that pays housing benefit directly to recipients has seen rent arrears amongst tenants increase. For Funds this will add further pressure and may widen the already expanding net of people falling into hardship.

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2 Key tenets taken from the Department of Work and Pensions: <http://tinyurl.com/d9nagmq>

3 An inquiry led by Baroness Tanni Grey-Thompson and supported by The Children's Society, Citizens Advice and Disability UK <http://tinyurl.com/9mxrhek>

4 <http://tinyurl.com/d5pf99r>

## Benefit Cap

The 1% cap on annual increases will be introduced from April 2013 and will apply to the combined income from the main out-of work benefits plus Housing Benefit, Child Benefit and Child Tax Credit. It is estimated that in 2013/14, the cap will affect 56,000 households and the average benefit reduction will be £93 a week per household<sup>\*5</sup>. As a consequence the real value of benefits will fall as essentials such as fuel, rent and food increase, thereby ignoring inflationary effects.

## Pension Reform

The government has set in motion a series of reforms to meet the challenges posed by an ageing population and an increasing financial burden on those of working age who are not saving enough to meet their expectation of income in retirement. The reforms reflect a movement toward a flat-rate pension system, and consists of plans to increase State Pension age and automatic enrolment into workplace pensions to increase the numbers of those saving privately for their retirement. Single-tier reforms aim to deliver a simpler State Pension, a new flat-rate pension worth £144, set above the basic level of means-tested support.

## Housing Benefit

New rules on Housing Benefit, dubbed the 'bedroom tax', will see a cut of 14% for one spare bedroom and 25% for two or more. Claimants will be required to make up the shortfall or move out of their homes. The government estimates that approximately 670,000 people will be affected<sup>\*6</sup>.

## Disability Benefits

All claimants will be required to undergo a new assessment. Incapacity benefit will be replaced with the time-limited Contributory Support Allowance. It is estimated that 25% of the 1.5 million Incapacity Benefit claimants will be assessed as 'fit for work' by 2014. For genuine cases and those that already face barriers, these changes could be counter-productive and may add to distress.

## Impact of Social Welfare Reform

The full impact of Social Welfare Reform remains to be seen. Where capacity permits, Funds will face a challenge of whether to step in where local authorities and other statutory services fail to deliver. In fact, pressured Local Authorities may start pushing more and more people toward Funds. Huge numbers of ineligible grant applications may result in rising overheads as Funds attract more complex cases requiring intensive and specialist support.

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5 <http://tinyurl.com/76mfvct>

6 <http://tinyurl.com/bno74pp>

## Environmental Change

Austerity is not the only driver of change: the environment is also exerting its own form of change, quite literally. RABI, the Royal Agricultural Benevolent Institution is a grant-making charity that supports members of the farming community in times of need. It has seen a dramatic rise in the number of people contacting them for support. Bad weather is having severe consequences on the livelihoods of farmers and those at the mercy of market mechanisms. Many are suffering as a result of 2012's extreme weather, which led to reduced yields and incomes. In the three months between June and August 2012 the charity paid £84,000 in emergency grants to 54 working farmers - 75% more money to one third more people than in the same period the previous year<sup>7</sup>.

## Changing Interpretations of Poverty

### Fuel Poverty

In recent years there has been widespread concern about the rise of fuel poverty (defined as those spending more than 10% of income on home heating<sup>8</sup>). According to the Fuel Poverty Advisory Group, it estimates that by 2016, 9 million people could be in 'fuel poverty'.

### Transport Poverty

A recent RAC report<sup>9</sup> reveals that the poorest 10% of car-owning households in the UK are spending more than a quarter of their disposable income on buying and running a vehicle. The report suggests transport poverty is a pressing problem with more than 800,000 homes 'mired in transport poverty'. Both issues raise questions for Funds.

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7 <http://tinyurl.com/bu3wg7k>

8 <http://tinyurl.com/ce735fv>

9 <http://tinyurl.com/cejfub>

### Minimum Income Standards (MIS)

40% of survey respondents use MIS to determine need. In 2009, the Joseph Rowntree Foundation introduced the concept of a minimum income standard (MIS)<sup>10</sup>. Minimum Income Standards are based on what groups of the public who are brought together in focus groups think about items and activities needed for a minimum acceptable standard of living.

According to these groups, in order to maintain a minimum, socially acceptable quality of life in April 2012:

- A single working-age adult needs a budget of £193 per week;
- A pensioner couple needs £232;
- A couple with two children needs £455; and
- A lone parent with one child needs £276.

These amounts are after income tax, and do not include housing or childcare costs. Most people relying on basic out-of-work benefits do not reach this standard. A single adult, working full time, needs to earn £8.38 an hour to reach this weekly standard. For almost all household types considered in this study, the minimum income standard is above the threshold used to measure relative poverty.

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<sup>10</sup> <http://tinyurl.com/6xsjm3w>

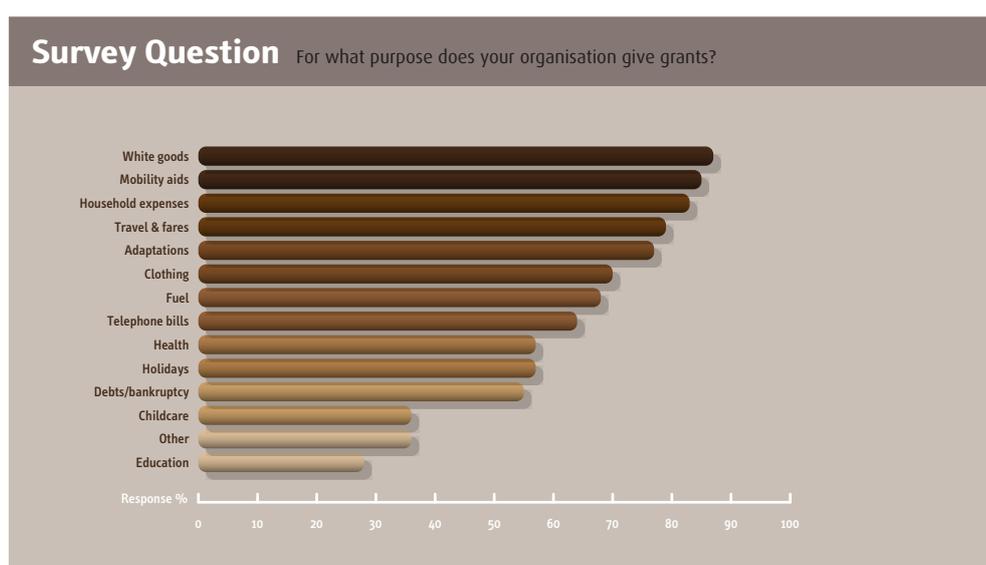
## Part 3: Internal Challenges

### Changing Need

One of the aims of Funds is to help more people in need; but are they helping the right people, the most eligible as determined by the organisation and its own capacity and are the individuals being helped in the best possible way, a way that fosters independence and self-reliance rather than dependency?

According to the survey, applications are rising but not at the rate one would expect. 20% said that compared to the previous year, the number of applications received had 'increased a lot'. Conversely, 15% said applications have decreased. Is this because actual demand for assistance has not increased significantly due to a delayed impact of austerity cuts? Or, is it that demand is in fact increasing but there is a distinct lack of awareness by individuals of where to seek support?

There is a marked change in the profile of those seeking help. In the past, Funds assisted older individuals in need through the provision of care homes, but now the focus is on enabling people to remain in their home for as long as possible. Today, organisations such as IET Connect are seeing a significant rise in young adults seeking assistance due to illness or debt or increasingly, because they have taken on the responsibility of caring for someone who is in need. As the population ages and lives longer, further pressure is being imposed upon what is known as the 'sandwich generation', a generation of people who care for their ageing parents while supporting their own children<sup>1</sup>.



1 Miller, D. (1981). "The 'Sandwich' Generation: Adult Children of the Aging." *Social Work* 26:419-423

## Case Study

### IET Connect

*Interview with Christine Oxland, Chief Executive*

IET Connect, the Institution of Engineering and Technology (IET) Benevolent Fund, provides information, advice and financial support to IET members, former members and their dependants.

### Challenges

- i) Remaining relevant to a mixed audience
- ii) Identifying need with Beneficiaries in the UK and abroad
- iii) Getting people to approach the organisation for assistance

### Solutions

IET Connect has grown hugely in the last 10 years with staff increasing from 3 to 11. It is currently undergoing a restructuring and looking at a much flatter structure to give staff more responsibility, with clearer roles and reporting lines. It is looking at the core of what it offers and how that offering is provided by its caseworkers. Whilst many Funds outsource their helpline, at IET Connect the person who takes the incoming call on the helpline is the case worker and remains the first point of contact for the person calling in. This ensures continuity of care and is less disruptive for the individual in need. Furthermore, it avoids duplication of work and the risk of losing information. Their restructuring is about putting their beneficiaries at the heart of what they do and continuously asking themselves, "Is what we are doing helping our beneficiaries?"

The average age of beneficiaries has dropped dramatically. The cost of raising children with a disability or long-term illness and the ensuing pressure on parents to keep themselves in employment whilst juggling care needs is immense, as it is for others caring for adults with disabilities. IET Connect has adapted their service provision to meet the needs of a new beneficiary base. They have set about raising their profile with engineering students. To enhance this, IET Connect has recently created the post of External Relations Manager to build relationships with welfare departments and the engineering departments of universities. They are finding that students need specialist grants and that "it is a more complex problem with this group of beneficiaries". Often it's a problem with family or illness within the family where the student is a carer. Whilst IET Connect does not help students with fees, it does aim to help them deal with problems to enable them to complete their academic course. According to Ms Oxland, they are seeing evidence of people in their forties having strokes and their partner having to find ways to cope and particularly with young children. IET Connect is able to step in to do things like pay for after school care or help them get what statutory benefits they may be entitled to. They have found that people are more willing to accept help for their children than for themselves.

IET Connect has demonstrated huge success in reaching out to beneficiaries and received hugely increased response rates. One postcard had a picture on the front of a country road showing a bend and the tagline, "You never know what's around the next corner". The impact of mailing out a postcard has been shown to have a profound effect on the number of subsequent calls from individuals in need. Whilst arguably part of the success may be due to the access it has garnered through its close and carefully cultivated relationship with the IET, its marketing is simple and clearly effective. A second postcard aimed at carers showed two people by the seaside and on the back the question was "Do you give a little extra care or support to someone in your family? Can we help?". IET Connect received a huge response. People who had never called for help before started calling in, people who said they had never talked about what it's like to be a carer to a family member.

With the IET worldwide membership standing at over 154,000 individuals in 125 countries, the needs of members are diverse. The aim is to ensure that everything is directed at helping people in need of support. Operating in different countries raises the question of how to remain relevant remains ever-pressing. In addressing beneficiaries abroad one of the key issues is how they determine need in the country they have beneficiaries in, with their own unique social systems and varying operational infrastructures. In India, one of the issues they are experiencing is around grant payments. Throughout the world there are cultural challenges and often a huge reluctance to receiving charity. All of these challenges demand new ways of tackling unmet need and new opportunities of working in partnership with other organisations facing similar challenges.

## Meeting Need

The survey shows that 47 members gave £44.3 million in grants, in the past financial year. The bulk of members (38%) each gave between £100,000 and £500,000. 19% gave over a million pounds each. The majority of respondents indicated that grants are provided for the purchase of predominantly white goods, mobility aids and household expenses.

The list is diverse but of interest is the growing recognition and importance of non-financial support. This is composed of coaching, career workshops & advice, helplines providing debt advice, legal advice and counselling.

The reasons for the growth in non-financial support are varied. For many, mostly the larger organisations, the provision of grants and non-financial support is all part of their service offering to better meet beneficiary needs. For some it is due to the increasing demand for assistance being met with a more robust and holistic approach. And for others, it may be due to the organisation's own limited financial capacity.

## Case Study

### LionHeart

#### *Interview with Roger Chester, Head of Finance and Administration*

LionHeart, the Royal Institution of Chartered Surveyors ('RICS') Benevolent Fund, helps RICS members, and past members and their families, in need.

#### Challenges

- i) Serving a defined group of people and being misunderstood
- ii) Meeting the right people in the right way, UK and internationally

LionHeart, in accordance with its charitable objectives, can only serve one client group: 'Members or past members of the families of RICS', and therefore this is seen to limit their appeal. According to Roger Chester, "One of our challenges is being misunderstood. LionHeart is not a high street charity and the people we help, Chartered Surveyors, are often perceived as Estate Agents, which is untrue as they are members of a professional body established in 1868." If someone were to come down with a collection tin in the middle of Coventry, two things would happen: people would say, 'Why should I give money to estate agents?' and 2) somebody would pinch the tin. LionHeart, like many Funds, is looking at how to reach people who are unlikely to ask for help for reasons of pride or because it is perceived as an admission of defeat.

#### Solutions

LionHeart is seeking to address these issues, among others, but it is at the very early stages of its journey of change. It has recently recruited a development team consisting of a partnerships manager to work with RICS, a communications officer, and an events administrator. The idea is improve and extend its message to RICS supporters as a means of finding people who need help and as a source of income from member contributions. LionHeart recognises the need for a closer relationship with RICS. Mr Chester said, "With the establishment of our new development team we are trying to find audiences that we can address in the way they would like to be addressed."

As part of its new strategy and in its effort to remain relevant, LionHeart will see a movement away from giving people money for an unlimited amount of time, to taking a holistic view of how best to meet individual needs. This sort of help might include debt counselling, which they signpost. They also provide a back-to-work service that includes job-hunting skills and interview techniques. Interestingly, sometimes it's giving people someone to talk to, someone that is showing an interest and willingness to help, more than the help itself that makes the impact. "We try to move away from just out and out grant-making to providing something that can turn people's lives around and treats them as individuals." LionHeart recognise they are going to have to use a multitude of channels such as digital, social media, a mobile app or press advert (within RICS) to identify different audiences they can talk to in a way that is appropriate for them.

LionHeart has a growing international membership. It operates in 146 countries and receives donations from 102 countries. Its ongoing challenge is to address how it can service that overseas demand in a truly meaningful way given the varying roots and interpretations of 'charity', in for instance Asia and Africa.

## Investment Strategy

Prudent oversight entails balancing the demands of current and future beneficiaries against the current and future asset base of the Fund and ought to be reviewed by trustees on an annual basis. According to the 2013 CFG/PWC report, “Managing in the ‘new normal’ – adapting to uncertainty”, 63% are considering or planning to draw on reserves. This may indicate a desire to protect individuals from the ravages of austerity at the risk of running into reserves. According to the Survey, 59% are concerned with having to use reserves; however, it is worth noting that the use of reserves may be a reflection of a Fund’s investment or financial stewardship rather than an overriding desire to meet need.

A growing area of consideration for assistance is personal debt. Whilst not all members provide grants for debt relief, they acknowledge that it is a growing area of concern and are seeking alternative ways to address the growing problem through providing debt counselling and actively referring individuals to debt specialists. Funds are recognising that beneficiary needs are changing and for those Funds to remain relevant they must adapt to reflect the realities of a society that is experiencing growing hardship. In response, Funds are looking at how they can make an intervention before a crisis hits, particularly in the area of debt.

## Payday Loan Providers: ‘Lender Of Last Resort’?

The survey has revealed that 65% of respondents are seeing evidence of beneficiaries taking out payday loans. However, there is often a reluctance by beneficiaries to disclose this and in fact the number of borrowers may be significantly higher. As one respondent stated, “It takes 45 seconds to apply for a payday loan and the money hits your bank account within the hour. It takes 45 minutes to use our online application and it could take up to 4 weeks for an outcome.” This form of financing brings its own set of problems and Funds are finding themselves in the difficult position of deciding how best to respond. Some are providing grants to pay off loans. Others are directing them toward StepChange, the national debt advice organisation, (previously known as the Consumer Credit Counselling Service). And others are taking a hardline approach and will only provide help, as one respondent put it, *‘on the explicit recommendation of a specialist benefit and money advisor, after they have undertaken a full review of the beneficiary’s needs/position and created an action plan for debt management’*. StepChange has seen a dramatic rise in the number of people approaching them for help with payday loans rising from 6,491 in 2009 to 17,414 in 2011<sup>2</sup>. The increase in the number of people with multiple payday loans is particularly worrisome as it is an expensive source of credit that often belies a deeper debt problem.

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2 <http://tinyurl.com/czpkooos>

## Unmet Need

The Young Foundation published a report in 2009 entitled “Sinking and Swimming”<sup>3</sup>, addressing society’s ‘unmet needs’. It is an analysis of the most acute needs found in Britain today and draws implications for policy-makers and Foundations. It recognises the importance of going beyond material needs to include psychological needs such as the risk of loneliness and isolation, the risk of mental illness and the risk of being left behind. It identifies key points of vulnerability including leaving care or prison, or experiencing family breakdown. In essence, the report argues that the services of the Welfare State are no longer responding to the most pressing modern needs – which are now about social isolation and the absence of functioning community support. This is consistent with both the survey results and the interviews: emotional support is just as important, and in some cases more important than grants. “In a society with relative material abundance, the critical issues of welfare have become as much about psychology and relationships as about material need,” says the report. This represents an important role and opportunity for Funds to fill the gap in addressing unmet need, thereby increasing its relevance and impact on society. According to David Prescott, former Chairman of the now defunct Charity Employees Benevolent Fund, they found that what many people were looking for was moral support as opposed to purely financial grants.

## Barriers To Individuals Seeking Help

With huge cuts in public spending and falling philanthropic investment, what support that is available does not always reach those with the greatest need due to problems around access. It is not merely a question of eligibility, but access. Funds like Turn2us are actively addressing unmet need and measuring the impact of their efforts.

For the vast majority of those individuals seeking assistance from Occupational Funds, the portrayal of being ‘needy’ may be perceived as an attack on their sense of work ethic. This is perhaps one of the reasons that make it so difficult for individuals to reach out for help in the first place. According to DWP figures<sup>4</sup> for 2009-10, between £7.52 billion and £12.31 billion of income-related benefits were unclaimed. There are a number of reasons explaining this sizeable figure: first, asking for help is not easy and can often be perceived as an admission of defeat and a blow to one’s pride. Second, the media portrayal of benefits claimants is both negative and incomplete. Third, lack of awareness about entitlements is an issue and may be the main cause of the high levels of unclaimed welfare support.

Benefits and benevolent support are separate and it is important for the sake of the individual in need not to be treated as a ‘charitable case.’ In the spirit of what was set out in the origins of benevolence, support ought to be provided for those experiencing unexpected and short-term hardship.

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3 <http://tinyurl.com/cqa2qvc>

4 <http://tinyurl.com/d7racq>

It is not about creating dependence but rather sustainable support, meaning support that gets people back on their feet, armed with tools that encourage self-reliance. This may encompass one-off grants accompanied by non-financial support by way of targeted, direct advice; for instance, assistance with claiming statutory support, counselling or career coaching.

## Case Study

### Turn2us

*Interview Alison Taylor, Director of Turn2us*

Turn2us is a charitable service that helps people in financial need to gain access to welfare benefits, charitable grants and other financial help online, over the phone and face to face, through partner organisations.

### Challenges

- i) Dealing with high levels of poverty
- ii) Raising awareness of the availability of support

### Solutions

There are over 13 million people living in poverty in the UK, over 3 million of whom are children. Although, according to government figures, there is £19 billion in unclaimed welfare benefits and the benevolent sector gives £366 million in grants a year, many people are unaware of the benefits and grants available to them, or are put off claiming by the complexity of the system. Last year the Turn2us helpline handled 85,000 enquiries and its website attracted 4 million visitors. The Turn2us website brings together an easy to use Benefits Calculator and a Grants Search giving access to over 3,000 charitable funds. It enables people to access free, independent information and services to find appropriate sources of financial support quickly and easily, based on their particular needs and circumstances. The helpline supports people who are unable to access the internet and need more support to navigate the complex system of accessing benefits and grants, and helps to give people the confidence to go on and make a claim for support.

Some people in financial need require face to face support, so Turn2us also work with a wide group of intermediaries - advisers, caseworkers and volunteers - to help them use the Benefit Calculator and Grants Search with the people they help, such as CABs, Advice UK and Gingerbread. Alison Taylor believes that, "Working collaboratively helps build capacity, it opens up opportunities and creates a network of support." Turn2us have run workshops with over 3,000 intermediaries across the UK and work with other charities on projects providing more support for people in financial need, such as Turning Point, Poppy Scotland, Citizens Advice Scotland, CPAG and Home-Start to name a few. Turn2us teamed up with family support charity Home-Start to deliver a new service to help families in need claim the money available to them. This entailed comprehensive training amongst Home-Start managers and volunteers to ensure they have the skills and confidence to support families with enquiries and searches.

Turn2us has set up a Charities User Group so grant-giving charities can come together to help inform the services and developments of Turn2us. For example, the group is helping to inform refinements to the grants search tools and the development of a new shared database for charities to securely share information. Turn2us also has an Intermediaries Users Group, a virtual group that offers feedback on Turn2us services and developments of new resources for intermediary users.

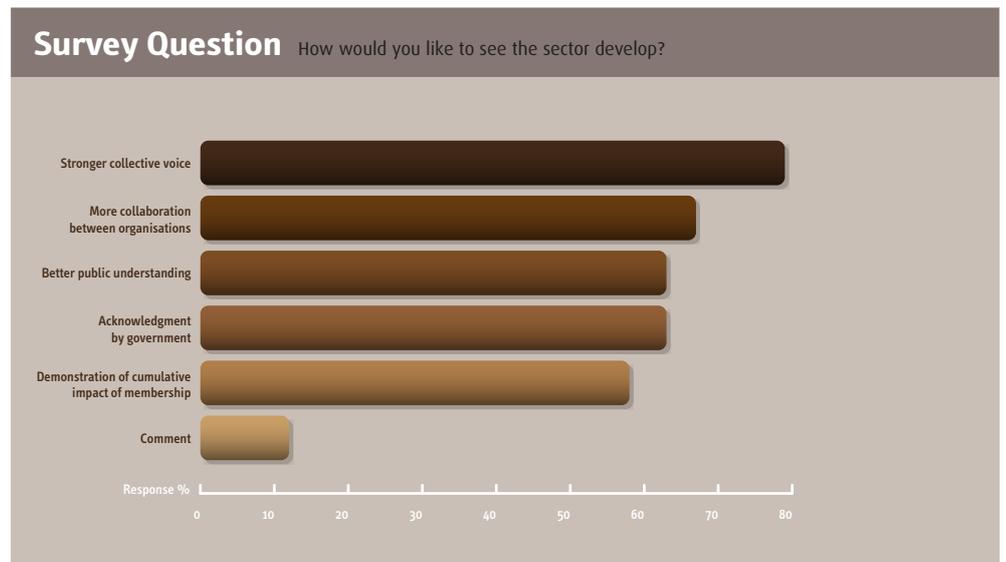
Ms Taylor says, "We ensure our charity remains relevant through conducting website and helpline surveys with our service users to find out who are using our services, their experiences and the outcomes they receive in benefits and grants. These findings are then used to improve our services, target our communications, inform the research we commission and enable us to inform policy makers and key influencers on how to support people living in financial need to access funds. Turn2us is committed to measurement and evaluation to produce evidence-based data." She adds, "We are constantly checking if we are reaching our key audiences, if we are targeting our communications in the right way and that we understand the circumstances of people seeking support." Through their surveys they know that 44% of their service users have a household income of £10,000 or less a year. They also carry out independent evaluation through external providers such as Compass Partnerships. Turn2us research on outcomes for Turn2us website users show that the average increase in income per user received from benefits is £3,541, from one-off grants is £657 and for monthly grants £603. In the last financial year, Turn2us has helped people to access £95 million in welfare benefits and £3.3 million in grants.

Turn2us has raised awareness through the launch of its "Acting on Fuel Poverty" campaign to highlight the levels of fuel poverty across the UK with an interactive map on its website and by running the "Benefits Awareness Month", working with 16 charities to inform people of the upcoming welfare reforms, how they will be affected and how to claim the benefits they are entitled to.

With the wealth of information generated, there is great potential for Turn2us to share its knowledge and best practice relevant to Funds across the sector.

## Part 4: Opportunities For Professionalising the Sector

The sector as a whole needs to adapt if it wants to remain relevant, increase its profile and in doing so gain recognition. In the Survey, the majority indicated they would like to see the sector develop with 'more collaboration between organisations'.

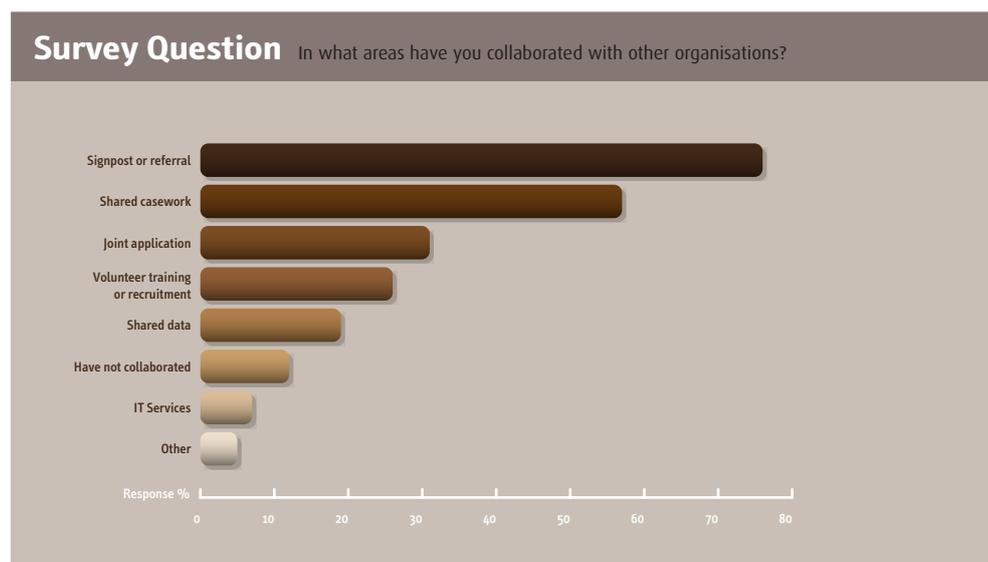


### Working Together

Determining what is best for the individual may be at odds with the Fund's capacity to deliver. Optimising the organisation's ability to provide support in tandem with providing what is best for the individual in need can be better served by reaching out to other organisations that may be in a better position to help. Efforts may be further enhanced by sharing facilities such as office space, training, IT support, casework, and sharing of practice, learning and fundraising. The Survey shows that 55% have streamlined their grant-making process through collaborating with other funds. However, the real synergies are garnered through the pooling together of expertise and key resources that complement each other as opposed to mirroring each other.

The scope for working together has a wide remit. The first step for a Fund is to identify who else is servicing its beneficiary group and what is the pool of talent available and fit for purpose. The impetus has to come from the top and this requires strong leadership from management and the board.

In 2012 NewstrAid, the news trade's own charity, partnered with the Debt Advice Foundation to provide debt counselling. According to NewstrAid, the partnership has proved very successful, with many seeking to be referred now receiving relevant and expert advice. In addition to partnering, there are opportunities for small organisations with IT requirements to consider sharing IT support with another organisation. Additionally, through collective negotiation on, for example, seeking legal advice or purchasing office supplies, smaller organisations can enjoy discounts, thereby reducing overheads and freeing up further resources to serve its beneficiaries.



## Mergers

According to the survey, 21% say they have done or are considering a merger. Mergers, however desirable, do not happen overnight. They are cultivated through an already close working relationship between charities, and an ensuing realisation that the wider sector and its beneficiaries would benefit from the synergies derived from combining each other's work. Their combined experience often leads to creating a stronger organisation with greater capacity to meet individuals' needs. Although it must be noted, that there are many mergers that do occur due to insufficient resources by one or both parties. However, the challenge lies in agreeing and ensuring consistency in both approach and procedure.

Early 2013 saw The Medical Charitable Society for the West Riding of the County of York merge with the Royal Medical Benevolent Fund ('RMBF'), the UK's leading charity for doctors, medical students and their families<sup>1</sup>. The merger comes at a time when the RMBF is seeing demand for its services rise year on year.

1 <http://tinyurl.com/cmtbjqx>

Conversely, for The Medical Charitable Society for the West Riding of the County of York, its merger came about as a result of difficulty in recent years in recruiting new members and no new applications for support. Over time it became clear that the costs of administering the Charity were disproportionate to the income and to the number of beneficiaries. It is hoped that the merger will enable greater reach and a wider array of support to be made available to individuals in need.

In 2012, Caravan and Sweet Charity merged to form GroceryAid<sup>\*2</sup>. Its merger enables them to better understand how they can make the most of their strengths and become the single, clear voice for past and present workers in the grocery industry. Its offer of welfare services and welfare helpline aims to extend its support offering across the confectionary sector 'from factory to store' looking after more than 5,000 current and former industry employees who have fallen on hard times.

2012 also saw the merger of The Rainy Day Trust with the Pottery and Glass Trades Benevolent Fund. The Rainy Day Trust has cared for past employees and families of the home improvement industry since 1843. As a result of its merger, the charity will be able to substantially enlarge its range of activities and extend assistance to more former members of the home improvement industry and in doing so raise the Fund's profile.

## Streamlining the Grant Making Process

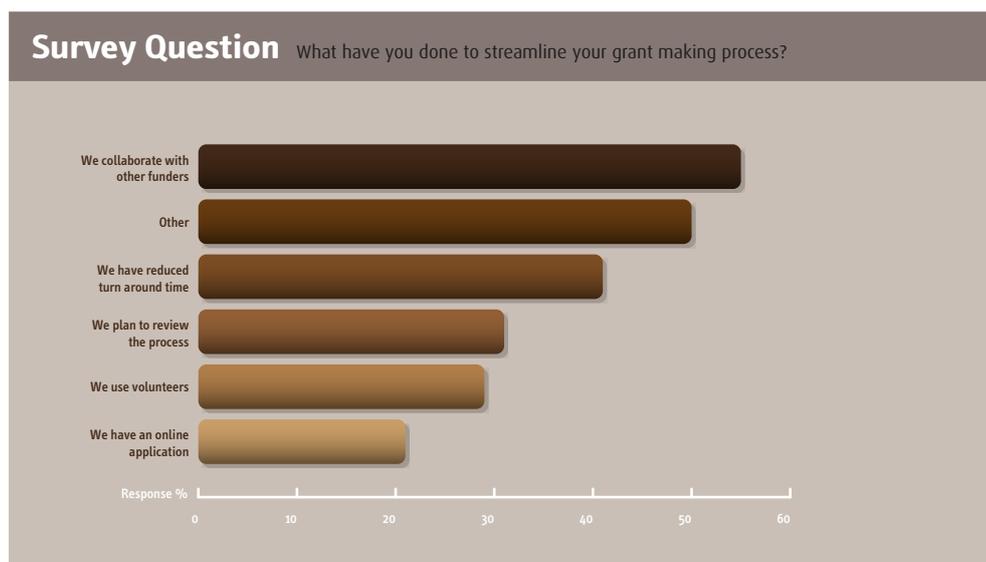
There is a general interest in improving the efficiency of grant making through streamlining the grant making process. However, the survey responses vary in what that means to Funds. Whilst 41% say they have reduced turnaround time, only 21% say they have an online application process.

Since launching its Online Application Service, The Charity for Civil Servants ('CSS') now receives 35% of applications online<sup>\*3</sup>. Whilst it has not necessarily increased turnaround time, it has improved efficiency and effectiveness, resulting in less administration and improved data processing. For the applicant, they can upload all relevant data to the website. Submitted online applications are uploaded into the database four times a day and scanned for urgency. If a real emergency comes in, they have been known to turn around the application in 45 minutes and a BACS transfer can be sent out there and then. CSS is in the process of reviewing and refining the application process and changing it to more of an enquiry process that invites the applicant to articulate what their difficulty is and what they need CSS to do – a service delivery led model.

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2 <http://tinyurl.com/bwtqf8u>

3 Telephone conversation with Ms Judith Smith, The Charity for Civil Servants 20/03/13



The ACO is working with the Payments Council on a Mobile Payments Project to enable charities that give grants to expedite one-off payments to individuals in their homes utilising mobile technology. The new service will enable secure payments to be made directly to or from an account without the need to disclose the sort code and account number, by simply using a mobile phone number as a proxy<sup>4</sup>. The expedition of grant payment should alleviate some of the distress that affects individuals faced with unforeseen hardship and for some may diminish the appeal of payday lenders.

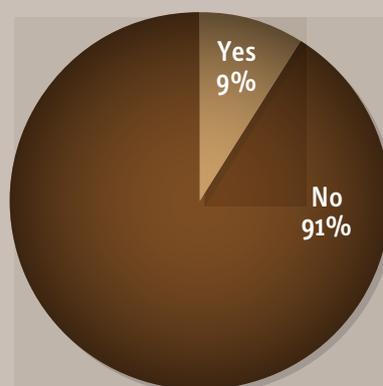
## Impact Measurement

The success of grant making is determined by its effectiveness, which in turn is measured by its impact. It is all too easy to focus on the output, the amount of grant money given or the percentage cuts made to administration. Measurement tends to be focused on either quantitatively through output, the range and volume of services delivered and the amount given, or qualitatively through beneficiary feedback. Whilst worthy, it does not paint a true picture of the extent to which Funds' efforts can impact not just the individual's apparent need but also their overall wellbeing and that of the people around them. Funds often help individuals to claim state benefits yet, as the survey shows, very few organisations have calculated the monetary value of this.

The value of the Funds' contribution to the fabric of society cannot be truly recognised until it better quantifies its efforts. Greater attention to measurement will yield greater influence, particularly with government, in shaping how society treats those in need.

4 <http://tinyurl.com/bxvv79q>

**Survey Question** Have you calculated the monetary value of the non-financial support you provide?



In this period of austerity, some Funds see measurement as a discretionary investment that can be postponed or purged. However, it is the commitment to impact measurement and the accompanying investments in measurement systems, staff, data and evaluation that characterise some of the most successful organisations today. The seeking of feedback from recipients of assistance, whilst prudent, is not always easy to do. Thank you letters and emails are the most common source of feedback. With the advent of free online survey tools such as Survey Monkey, more and more Funds are sending out Satisfaction Surveys. Others get feedback from follow-up visits and phone calls to the individual or in some cases the referral agent.

Follow-up of recipients is not universal and there is a view held by some that those who receive charitable grants should not be followed up on as, if a charity is giving something then it should not expect anything in return. This archaic view of charity and grant giving misses a valuable opportunity for a Fund to enhance its service offerings. Furthermore, once the feedback and other data are assimilated it needs to feed into the overall assessment of the organisation's effectiveness.

## Capacity-building

In the effort to manage costs, many charities mistakenly cut costs at the expense of creating meaningful impact. Examples include poor IT infrastructure that adds to unnecessary manpower and ends up increasing cost in other parts of the organisation, or cutting or removing the training budget so that staff are not exposed to innovative ways of helping individuals in need.

For Funds to make a meaningful impact, there needs to be a focus on capacity. According to a report by Ann Goggins Gregory and Don Howard called '*The Nonprofit Starvation Cycle*'<sup>5</sup>, there is a cycle that fuels the persistent underfunding of overhead in the nonprofit sector: *"A vicious cycle is leaving nonprofits so hungry for decent infrastructure that they can barely function as organizations - let alone serve their beneficiaries. This is due to unrealistic expectations about how much running an organisation costs, and results in them misrepresenting their costs while skimping on vital systems - acts that feed funders and the general public's skewed beliefs."*

## Case Study

### Buttle UK

Interview with Gerri McAndrew, Chief Executive

Buttle UK, founded in 1953, provides grants and support aimed at children and young people in need.

#### Challenges

- i) How do we know what 'need' to address?
- ii) Are we making a difference?

#### Solutions

Buttle UK is not a Benevolent Fund and does not have access to an associated profession. In the words of Gerri McAndrew, "we don't fit anywhere", but that has not stopped them from achieving real impact. They acknowledge it is difficult to influence change without independent evaluation to demonstrate results. Buttle UK is taking a rigorous approach to how it can evaluate its contribution and ascertain if and how it is making a difference. Its research has shown two things: firstly that through its small grants programme, giving a small amount of money to buy a specific item such as a fridge is meeting a need. Secondly, through its education programmes, by paying school fees to provide a safe and protective environment for children. They have seen how a small injection of resources can transform a child's life. They are also finding that by directing help to one family member it can have a wider impact on the overall family's wellbeing. A research project commissioned by Buttle is to explore the experiences of care leavers who continue into higher education. Its aim is to build awareness among stakeholders and increase the numbers of young people in care going to university. Buttle recognises the importance of being able to demonstrate impact and how it is important that research does not end up sitting on the shelf to 'gather dust' hence the importance of relevant research that informs and leads to changes in their operational methods. A social return on investment analysis of its programme for the young unemployed judged that £1.97 of state value is created or saved for every £1 they invest. According to Ms McAndrew, "We are a learning organisation, everything is up for review; we are learning all the time." She added, "It is important to remember the organisation is there not for your benefit but for the good of society."

Buttle UK looks at funding the gaps in the system. For example, they found that in addressing cases of domestic violence where the victims were to be offered a state-funded house, it was uncovered that within a short time many returned to their original home and to the abusing partner. On closer investigation, Buttle found that when the victim was re-housed, they were provided with a house but nothing of what makes a house a home. Buttle discovered that by providing grants for household items and furnishing, the victim was less likely to return. Furthermore, by measuring and evaluating the impact of such activities, they could provide real data for potential funders to come on board. "Not many funders want to give for such issues so we need to be creative and demonstrate impact."

## Occupational Benevolent Funds and Their Associated Professions

Whilst a growing number of companies give charitable grants many of the supported causes do not have a direct link to the company. There is an opportunity for Occupational Funds to step in and offer clear and compelling reasons why companies should start with their own employees, focusing on the needs of all those that serve and have served, before it looks elsewhere to extend the hand of philanthropy.

5 <http://tinyurl.com/bl7oc57>

Occupational Funds need to forge stronger links, and in some cases begin to re-establish links, with their associated professions. Often that will start with the Human Resources manager, who may be the first port of call for individuals in need or is indeed already aware of an individual showing signs of distress. To reiterate the case for impact measurement, companies are more likely to see the potency of supporting an entity that can be shown to increase the welfare of its employees, if it can substantiate that impact through measurement.

## Case Study

### Bank Workers Charity (BWC)

*Interview with Fred Payne, Chief Executive*

The Bank Workers Charity (BWC), founded in 1883, supports current and former bank workers and their families in the UK.

#### Challenges

- i) Modernising an organisation steeped in tradition
- ii) Finding innovative ways to meet wider need

#### Solutions

BWC provides information, advice and support services and in some cases financial assistance. It is an example of an organisation that has gone through change, steered by strong leadership. When Fred Payne joined the organisation as Chief Executive, he soon realised that in order to realise his vision, he needed to get the right infrastructure in place. He initiated a new strategic direction for the organisation, repositioning it as a 'client-led organisation', and built a robust business planning strategy, one that would inform its operations. This meant looking at ways to achieve long-term stability for the organisation and raise the importance of anticipating demand and early intervention for its 'clients'. In 2011, to reflect the changes in its operational approach, they re-branded as the Bank Workers Charity.

BWC realised that by working in partnership with sector-leading charities they could provide specialist services to its clients, thereby increasing what they could do for its growing constituency. The first organisations to partner with them were Turn2Us, The National Autistic Society, Leonard Cheshire Disability and Arthritis Care. As an Occupational Fund, BWC recognises the importance of facilitation by the associated employer. BWC has undertaken research in partnership with The Work Foundation and Robertson Cooper, which shows that challenges faced by employees outside of work can have a negative effect on their work performance. According to Fred, the cost of absenteeism in the banking sector alone is £300 million a year. BWC aims to develop and tailor support services which employers in the sector, together with other benevolent funds, unions, policy-makers, regulators and bank workers themselves could adopt to support improved job performance, morale and engagement. This represents a win-win; it is meeting individual need and is highly relevant to the interests of employers.

Interestingly, BWC associates itself, not with other Funds, but with customer service organisations and medical company service providers. In fact BWC use the term 'client' as opposed to 'beneficiary' which, according to Fred, "has a stigma attached to it; the term 'client' represents a focus on providing information, advice and guidance."

BWC provide 'thought leadership' through research, round table discussions and by working with experts across and beyond its sector. BWC has been looking into the benefits of social investment, in particular the 'payment by results' version of Social Impact Bonds, but cites the importance of getting the involvement of a range of organisations. Collaboration, and sharing of knowledge and experience, is key to building momentum. Fred concludes, "There are huge opportunities from the developments of social investment. It could help us deliver new services more quickly and at lower cost. We also believe it would be a great way to generate new funds to help us grow our range of services, benefit more clients and keep the good work we're doing going, well into the future. Ultimately, it gives us more ways to deliver our vision."

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## Conclusion

This is a time of considerable change for the benevolent sector and trusts and foundations providing grants and welfare support to people in need.

We are heartened that so many of our members have reviewed and restructured their programmes of assistance in the past few years. The sector is rapidly shaking off the out of date perception of Victorian paternalism and dependence, replacing this with a new creativity that is evident in new, dynamic and strategic approaches. This is a work in progress and is fast moving. Funds are trying new approaches, embracing new technologies and reassessing beneficiary need.

Funds do not live in a bubble or float loftily above public discourse. On the contrary, ACO and its members conduct lively debates about public policy and its impact on grant making and beneficiaries, and have done so for some considerable time. The sector has throughout history changed with the times and led by innovation, pioneering the creation of alms-houses and specialised care homes, moving more recently to person-centred care enabling people to live independent lives in their own homes.

Our members have worked alongside the Poor Law system, seen the introduction of the Elizabethan Charity Act in 1601, the rise of Victorian philanthropy, and the invention of the welfare state and the NHS. The demise of benevolent funds and the relevance of grant making for individuals in need is a constant refrain. But our members remain, now as ever, a vital component of the wellbeing and safety net for fellow citizens.

Undoubtedly, the cuts to statutory funding coinciding with increased demand will for many continue to impinge upon the Funds' work and operation methods for the foreseeable future. The sector's future lies in its own efficacy, its positive effectiveness and the ability to adapt to the marauding effects of austerity, the marching drum of technological advancements and the changing needs of individuals who fall on hard times.

ACO is heartened by this research, showing both the challenges and achievements of our sector. We face the future, uncertain as it is, with a positive outlook that funds are working hard to improve lives, day in, day out and will continue to do so for a considerable time.

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# Appendix: Survey Analysis

## Support

ACO members (50% of respondents) gave £44.3 million (in past financial year). 19% gave over £1 million, 23% gave less than £100,000.

For 73%, the amount has increased or stayed the same. For 26% of organisations grant making has 'decreased a little'. The level of grants 'decreased a lot' for none of the respondents suggesting that 5 years into the recession, organisations are proving more robust than one would expect. In fact for 13%, the level has 'increased a lot'.

Most provide a mixture of one-off and regular payments. 94% of members provide one-off grants, 80% provide regular payments. This is rather high and raises questions about grant making effectiveness and perhaps even the encouragement of dependency. 40% provide loans, which is high given the pressures of increasing regulation.

70% provide an average grant size of less than £1,000.

The purpose of grants are mainly for mobility aids, white goods and household expenses, which is in line with previous research. The category receiving the least spending is education at 26%. 57% provide grants for debts/bankruptcy. Other support listed includes employment support (back to work training and coaching), signposting, information and volunteer visits.

Debt advice is the main type of non-financial support. Interestingly, 30% say they do not provide non-financial support. Other forms of non-financial support listed include befriending, home visits, signposting and referrals, birthday & Christmas cards and telephone support.

Only 30% have moved or are planning to move away from long term payments to short term/one-off grants. 70% have not moved nor plan to move toward one-off grants, suggesting that long-term/regular grants are very popular but raise questions around finding sustainable solutions that discourage dependency.

Only 21% were able to calculate how much extra income was claimed in state benefits. 79% have not calculated the value of extra statutory income claimed, thus representing a lost opportunity to identify the valuable contribution Funds make to civil society. One respondent commented, 'We do manage the monetary value of the support services we provide, to ensure we are gaining cost efficiencies etc. We have not yet been able to compare this to outcomes or impact on the individual'.

Only 9% have attempted to calculate the monetary value of the non-financial support they provide and of that only 2 respondents were able to supply an amount.

## Applications

Approximately 70,000 applications were received in the past year. However, it is not possible to determine whether this is for financial assistance alone or if it includes enquiries, therefore the total number of requests for help may be considerably higher.

For 53% of respondents the number of applications received represents an increase compared to the previous year.

## Assessing Need

41% use Minimum Income Standards to determine need but the majority use either formal indicators, the individual's financial situation (disposable income & savings) and personal circumstances or a combination of the above. Indicators listed include MAT Trigger figures, DWP MIG, UK median income after tax, disposal income, outgoings, savings & housing costs. Some comments listed: individual circumstances, trustee discretion. 'Crisis overrides background financial position', 'statutory benefits dependent on personal situation and then we look at current needs'.

49% say they assess unmet need however; the comments suggest a lack of understanding and ambiguity.

In terms of individual assessment and determining what financial criteria is taken into account: 98% say Income, Savings and Pensions are the key financial criteria taken into account, surprisingly only 49% consider property. Only one respondent stated 'None'. Another stated, 'Chances of returning to work, how long have they had problems', indicating a more subjective approach that addresses the immediacy presented by the crisis/circumstances over the individual's 'picture on-paper'.

## Source of Demand

Turn2Us, CAB, and Employers (associated professions) are the top three most important sources for how applicants hear about Fund services, followed by Local Authorities. Other sources include: word of mouth, advertising, website, Facebook & Twitter, other charities, other similar occupational charities, housing associations, home improvement agencies, tenancy support, care & repair agencies, welfare & disability rights, Age UK, social workers, health professionals, housing advisers, network, volunteers network. According to the comments, social media is growing in popularity as a cost-effective method to raise awareness.

86% have applications coming from referral agencies. The majority of respondents, 36% said that only 5-10% of their applications are generated from Referral Agencies. Only 7% say that 100% of their applications come from Referral Agencies.

## Increasing Awareness

This was an open-ended question on what Funds were doing or have done to increase awareness:

- Set up local committees
- Increased communication/promotion in house
- Established stronger links and closer alignment with the occupational organisation
- Appointed professional member of staff to actively promote the organisation to referral agencies
- Appointed designated staff member to reach out to younger potential beneficiaries both in the education and business arena
- Produced a leaflet to be distributed to organisations within the occupational sector
- Website, Mail shots, email, publications, social media, internet (Google ads)
- Considering broadening charity objects to reach out to more beneficiaries
- Targeted trade media advertising
- Greater engagement with other voluntary and statutory agencies
- Attempts to pre-empt crisis by reaching out to potential beneficiaries who are either still in education or are pre-retirement
- Use of current beneficiaries and volunteers to pass on details
- Strengthening ties with referral agencies

## Accessing Beneficiaries

This was an open-ended question on what the problems are in accessing potential beneficiaries. Responses included:

- Diversity even within the sector of an associated profession
- Reluctance to ask for help
- Limitations for outreach due to links to a professional membership
- Lack of clear information on statutory entitlements
- Beneficiaries' preconceived ideas about eligibility and that the Fund is there to help
- Potential beneficiaries are widely scattered and are unaware of the existence of Fund
- Veracity of information: getting exact income details. Or when partner charity is unable to visit the applicant and substantiate the information
- Embarrassment, pride and reluctance to acknowledge need for help
- High number of enquiries that are ineligible
- Over-reliance on the same, small number of referral agencies
- Lack of awareness: Large industry sector that has huge turnover
- Victim of success: huge success in providing support in one area overshadows other available pathways of support thereby inadvertently closing off potential applicants
- Data protection does not allow the Fund to access the addresses of the main membership organisation thereby blocking the Fund from reaching out
- Reluctance of access by Fund to industry organisations can be very slow to overcome. This reluctance may be due to fear of request for corporate support. An alternative is to work with intermediaries.
- Senior management may be aware but it doesn't trickle down the organisation
- Movement or drift away from primary employer connected to Fund and lack of awareness

## Meeting Need

To streamline the grant making process, 55% 'collaborate with other funders'. 31% plan to review their grant making process. 29% streamline the process through the use of volunteers. 21% have an online application, but one respondent said, "We have purposely not put our application online as we want to ensure that clients only spend time applying for grants which meet our criteria, so we ensure we speak to the client first to discuss their situation and set expectations." 41% have reduced their turnaround time. This is significant given the importance of time in a crisis. Instead of waiting for formal grants/trustee meetings, delegation of decision-making is awarded to welfare staff up to a defined amount allowing faster response times. But does it go far enough? Methods to streamline the grant making process go some way in comforting individuals who have fallen on hard times. Furthermore it reduces the attractiveness of payday loan providers, where time is significant. Turnaround times vary in definition. Some define it as the moment an individual makes contact, or the moment he/she submits the information and the length of time taken to then actually receive payment. (One organisation said 3 weeks, another said one to two weeks)

44% operate worldwide, 35% operate in the UK only.

Of those that do have beneficiaries abroad, 64% of respondents currently have beneficiaries in Africa. 36% listed South & East Asia as, 'currently have beneficiaries in'.

For applications received outside the UK, 84% say information is verified with supporting financial documentation. Some Funds seek verification using other agencies and charities that have representation abroad. "When there is no such agreement in place, we have to rely on the beneficiary having information verified and signed off by a local public official." Another Fund limits the verification to the applicant providing evidence that in the past they worked in that occupation in the UK. Another stipulates, 'the applicant must have lived in the UK for 12 months.'

50% have introduced new programmes of assistance in response to the economic downturn. Some of the examples identify the development of targeted programmes to assist those that have been adversely affected by austerity (debt advice programmes and recession grants) or have identified a target market segment arising from welfare changes such as pension reform (focus on 60-63 age group), rising third level tuition fees (programmes to fund student living expenses). Others are developing a more services-led delivery model that provides wellbeing and stress reduction programmes and invests 'more heavily in activities which generate employment-related outcomes'. Other responses include 'stopped regular payments, removed some services.... and increased advice capacity'.

65% are seeing evidence of beneficiaries turning to payday loans but the true number of those turning to payday loans may be considerably higher.

## Financial

91% of respondents say their asset values and investments have either increased or experienced no change. Of that, 62% say their asset values and investments have 'increased'. Only 9% say it has decreased.

44% say their trustees review its investment strategy annually and of that over 20% review it at quarterly or six monthly intervals.

92% say 'investment income' is a source of income. Membership fees were identified by 19% as an income source. Donations in the form of voluntary one-off and corporate donations account for approximately 26% of all donations. Some other sources include: grants from occupational membership bodies, bank interest, property rent, lotteries.

This was an open question on strategic funding and resulted in very mixed and confused responses.

All respondents (100%) expressed concern about the 'Impact of welfare reform' with 65% being 'significantly concerned' about it. 98% expressed concern with 'Uncertainty about the economy' with 67% of respondents being 'significantly concerned' with it. 56% have 'no concern' about 'running into deficit'. 58% have expressed concern with 'Having to use reserves'. 92% of respondents are concerned about their ability to generate more income. 49% expressed 'no concern' for 'ability to fulfil goals because of reduced income'.

## Strategy

55% say they review their strategy 'annually'.

Strategic planning process: 54% 'have done' 'collaboration or partnership' and 22% are considering it. 9% are 'considering' a merger, 11% have already done so. Outsourcing has been done by only 25%.

98% say that the skill-set for trustees, staff and volunteers has changed in recent years. Of that, 22% say that the required skill-set has changed 'a great deal', 38% say it has changed by 'a moderate amount'. Some commented that it was being driven by the demand for a wide range of services, driven by a challenging economic environment and a desire to provide sustainable social change. Others identified, charity law, industry regulation and a complex benefits system as drivers.

## Measurement

58% say they do measure impact, of that, 36% say 'yes, it forms part of our strategic focus'. 42% do not measure impact, with half saying 'not at present, we are looking for guidance'.

67% say they consult their beneficiaries for feedback, 34% say, 'No, we have difficulty obtaining feedback. Comments include: 'Feedback is often received unsolicited by way of thank you letters or via telephone befriending'. Some use Survey Monkey to gather feedback; others obtain it through annual home visits. Many mentioned plans to introduce structured surveys and expand their feedback process, suggesting a desire to formalise the process.

Some do it informally through case studies. The gathering of feedback can be done in a cost-effective way, particularly with free online tools such as Survey Monkey. It is worth mentioning that not all individuals will be suitable for feedback consultation, however in such cases, it is in the organisation's interest to consider indirect consultation using soft indicators that may include for instance consultation with other caseworkers and the referring agency, as a way to see the bigger picture.

### Austerity

Effect of economic downturn on grant making: 61% have done/are currently providing 'more grants', 38% have done/are currently providing 'more services'. None of the respondents said they were planning to 'provide less services' and only 4% said they planned to 'provide less grants'. In fact 18% say they plan to 'provide more grants'. One would surmise from this data that the economic downturn is impinging less upon Fund's grant making than perhaps other aspects of the organisation or indeed not at all. Whilst 36% have reduced or plan to reduce overheads, 61% say they have had no change. Organisations appear to be insulated from the effects of the downturn. However, when asked about 'utilising reserves to maintain grant making levels', 35% say they have done or are doing. 73% say they have no plans to tighten eligibility. Only 33% say they have done or are currently reviewing status of existing beneficiaries.

Effects of social fund reform: 67% say 'No effect at present but we anticipate future change'. Only 7% have had to change their referral criteria.

Concern about challenges facing Funds: All respondents said they are concerned about 'impact of welfare reform' with 74% being 'significantly concerned'. 97% are concerned with 'Uncertainty about the economy'. 48% say they have 'no concern' about 'Inability to fulfil goals because of reduced income'. 91% say they are concerned about 'Ability to generate more income', 42% expressed 'no concern' about 'having to use reserves'. 45% are concerned about 'running into deficit', of that 7% are 'significantly concerned'.

### The Benevolence Sector

This was an open question on views on 'Benevolence': Comments included: 'It may be old-fashioned but it describes what we do'. 'Old-fashioned but understood'. 'Not ideal but no-one appears to be able to come up with a better word', 'cannot think of an alternative'. 'We try to avoid it if possible'. 'Word conjures up dependency and the provision of grants only whereas many organisations are seeking sustainable solutions to help individuals in need and appeal to a wider audience.' Key words in the comments: old-fashioned, Victorian, Dickensian, paternalistic, antiquated, misunderstood, dated, misrepresentative. Approximately 22% were positive comments on the term.

60% say the boundary between State funding and discretionary funds is becoming increasingly blurred. One commented how, 'it is now usual to receive applications from Local Authorities for items which would have previously been funded by them.' Another said how it is 'harder to refuse what should be state responsibility.' 'The government appears happy to use BOs as part of their welfare strategy'. 'We have to fill the shortfall where government funding is reduced or withdrawn'.

79% say that they would like to see the sector develop with a 'stronger collective voice' while 67% would like 'more collaboration between organisations'.

This was an open question on how to raise the sector's profile. Some of the responses:

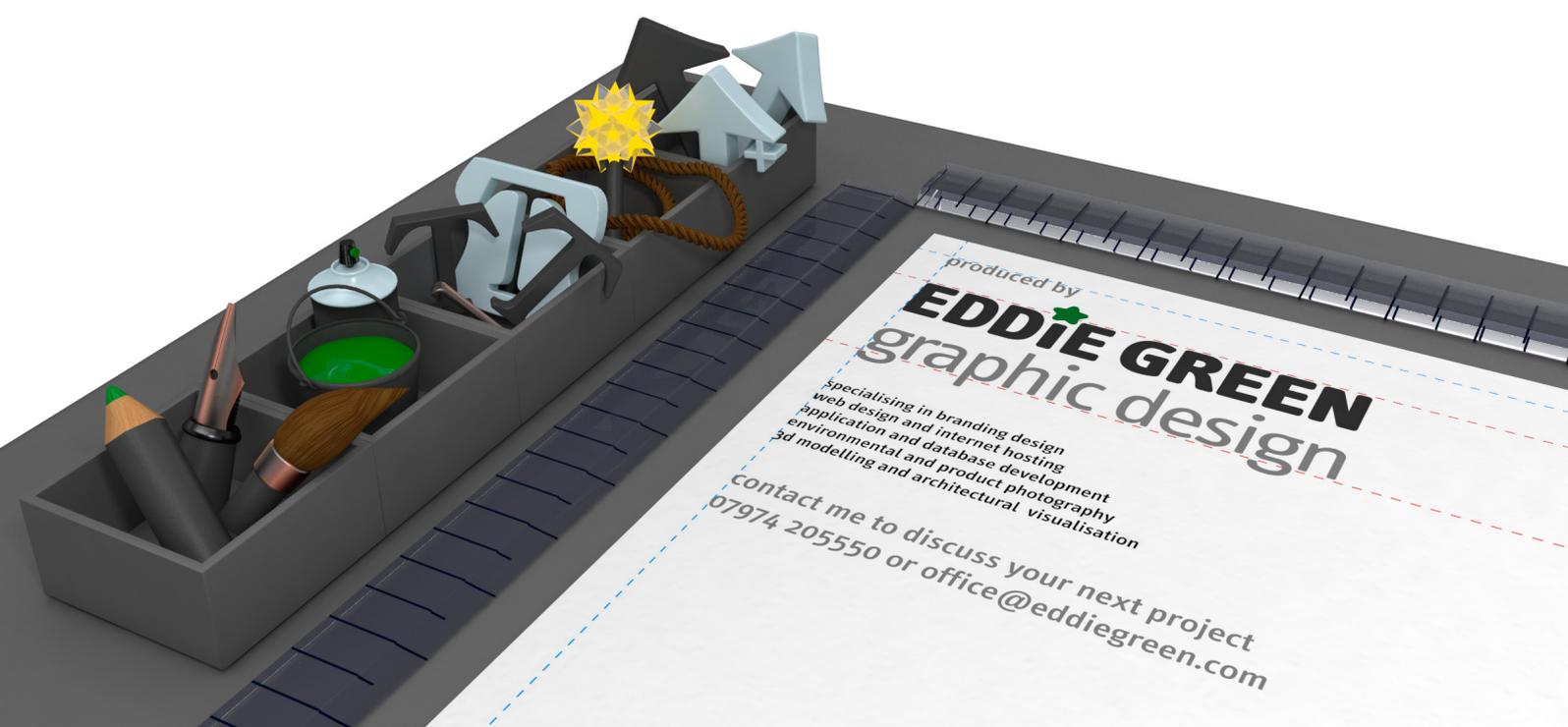
- Challenge the stigma around benefits at government level
- Online and multimedia campaign
- Use of PR and regular contact with the media and press coverage
- Having a figure head to promote the sector
- National advertising/marketing campaign that is jointly funded
- Increase membership
- By working together, by not competing with each other, by recognising that we need to modernise and change
- Work with intermediaries (social workers, health professionals, CAB) who in turn can get the word out
- Specific work around occupational based charities

Collaboration activity: 77% say 'Signpost/refer to another organisation'. 58% shared casework. Only 7% have collaborated or plan to collaborate on IT.

### The ACO

93% of respondents say ACO offers its Members value for money

ACO Membership offering: 97% of members value Advice & Info, 100% value Networking, 88% value Annual Conference.



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