

# Understanding the benevolent sector

Michele Madden, Jennifer Shea, Mhairi  
Guild, Jonathan Baker and Clare Huxley

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# Foreword



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# Full Findings Report: Introduction

Elizabeth Finn Care (EFC) commissioned nfpSynergy to complete a broad and ambitious two-part research project into the state of the benevolent sector, looking at current issues and challenges in the sector, and the potential for sharing resources and strategic partnerships.

The research process comprised a three-phase desk, qualitative and quantitative research programme. The desk-research started in September 2010, the interviews took place in November and December 2010 and the quantitative element from November 2010 to January 2011.

## Phase 1: Desk research, collation and analysis of existing information

An intensive desk-research phase established a picture of the current market status of the benevolent sector as of late 2010. Key sources for this phase included data from Caritas Data Financials, the Directory of Social Change, and nfpSynergy's own databases and sources.

## Phase 2: Qualitative interviews, understanding the issues facing the benevolent sector and possibilities for joint working and partnerships

In-depth interviews were completed to understand the issues in the broader context of the individual benevolent organisations as well as the sector as a whole. These interviews were undertaken with 26 benevolent organisations (with annual grant-giving to individuals ranging from £97,000 to over £8 million) plus four interviews with private-sector organisations, including Corporate Social Responsibility directors in major banking, electricity and water companies and a commercial Employee Assistance Programme provider.

## Phase 3: Survey of a sample of benevolent organisations

A quantitative survey of a larger sample of benevolent organisations enabled us to fill in gaps and to obtain more detailed aspects of this information that are not available in public sources. The online survey went live in the middle of November with email invitations sent to a contact list provided by EFC and Turn2Us in December 2010. A paper invitation was also distributed to those with no email details. The survey closed at the end of January 2011, and 116 completed surveys were recorded.

Findings from the sector survey are found throughout the report where relevant, and a full set of charts to accompany this report was also produced detailing all survey findings.

# Section 1:

## Understanding the Benevolent Sector

### The big picture

A primary focus of this research was to set out a clear view of the size and shape of the UK 'benevolent' sector.

To do so, we first needed to agree on the definition of a 'benevolent' for the purposes of this research. In agreement with Elizabeth Finn Care, the research therefore focused on UK-based non-profit organisations that make grants to individuals. Many of the organisations in the research also undertake other charitable activities, including advice and information grants to organisations, but grant-making to individuals was the primary criterion for inclusion in this research.

The research shows a benevolent sector that is above all extraordinarily diverse, in terms of the range of individuals it is attempting to help, the origins of the organisations, and the activities it undertakes under the umbrella term 'benevolence'. However, more detail about the shape and scope of the sector was needed.

### The scope of the benevolent sector

The Directory of Social Change (DSC) is an independent charity which provides information and training to the voluntary sector. The DSC database is compiled from a combination of Charity Commission data and the Directory's own extensive research. In order to begin building up a picture of the benevolent sector and the challenges it faces, we ran searches for all grant-making organisations who give to individuals listed in the DSC data.<sup>1</sup>

When these searches were completed, we found a total of **3,204 organisations who are currently giving welfare or education grants to individuals**, with **2,898 of these registering grant-giving of over £1000 per year**. In total, these 3204 organisations spent **£632,391,237** on individual grants in the last year for which records were available.

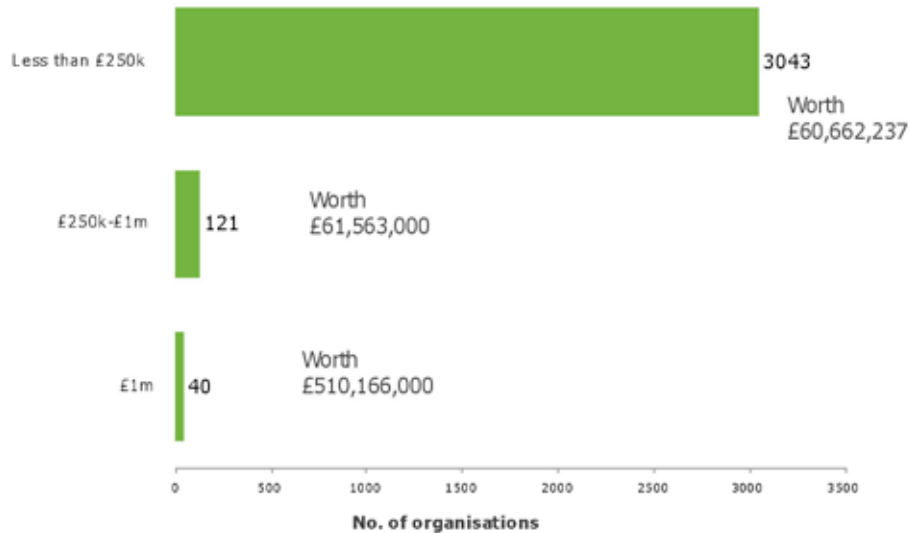


<sup>1</sup>It should be noted that financial data is taken from charity financial reports and standardised. Standardising does mean that charities' own information can be adjusted e.g. so voluntary income is measured in a standard way.



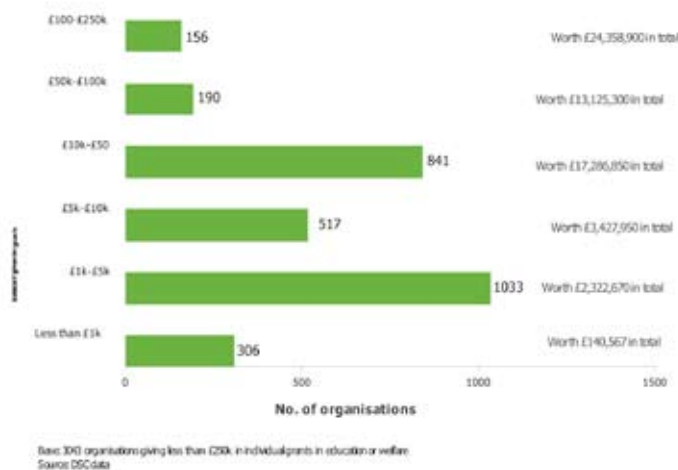
Of these organisations, we found that more than 3,000 each distributed less than £250k in the last financial year for which they had filed accounts (generally financial year ending 2009 or 2010). Of the remainder, 40 organisations, or just over 1 % of the total, each distributed £1 million or more in grants to individuals.

**Figure 1: Amount given in grants to individuals – up to £1m**



Because of the vast scope and large numbers of organisations in bands giving less than £250k each, we broke this band down further into sub-bands. Of these organisations, the top 156 together distributed more than £24 million in grants to individuals in the previous year, whereas the 1,800-plus organisations each distributing £10k or less together distributed just under £6 million pounds.

**Figure 2: Amount given in grants to individuals – organisations granting under £250k**



## Diversity of the sector

The DSC data also makes it clear just how broad the sector is in terms of the range of beneficiary groups (trade, socio-economic), eligibility criteria (income, assets, employment history), geographic remit (very local to national or international) and types of grants (cash, one-off, maintenance) distributed by benevolents.

**Figure 3:** Geographic breakdown of grant-giving organisation locations



In addition to information about total grants distributed, the DSC also aims to provide depth of information about the organisations themselves, including (where possible), grant purpose, location and beneficiary eligibility. This information is by nature descriptive, with data fields showing more qualitative rather than quantitative information. By generating word clouds from the fields, we gain a rich visual snapshot of the breadth and diversity of the benevolent sector. Above all, the dominance of occupation-based benevolent charities in the sector becomes clear. Military and church-related charities make up a sizeable proportion of the sector.

**Figure 4:** Word cloud of industries served by benevolent groups



Base: SSB organisations giving individual grants in education or welfare, who state the related industry  
Source: DSC data

### Figure 5: Word cloud of beneficiary groups



Of benevolents who stated the purpose of their grants to individuals, the majority indicated that the grants are intended to assist with bills and general living expenses. Second to this were grants specifically related to health and medical conditions, as well as incidental needs such as clothing and white goods.

### Figure 6: Word cloud of grant purposes



Working UK-wide was the most prevalent geographic remit among these benevolents, perhaps related to the fact that many are occupational benevolents whose potential beneficiaries might live anywhere. However, as shown in the map above, these still made up barely a fifth of recorded locations; the majority of organisations recorded quite specific residency or location criteria to their eligibility requirements.

**Figure 7: Word cloud of grant-giving organisation locations**



The vast range of services offered by benevolents was shown to be extremely wide by the subsequent qualitative research. In that phase, the types of assistance given by benevolents included:

- one-off grants to individuals
- regular or maintenance payments to individuals
- purchase of household goods on behalf of individuals
- payment of particular bills or debts
- sponsored trips (such as holidays for beneficiaries with particular disabilities, carer breaks)
- assistance with benefit applications
- assistance with benefit case appeals
- helplines: emotional and legal supports
- home visits and ‘befriending’
- transport services

One issue that emerged in our interviews was in fact the very disparity of terms used to describe individuals in receipt of financial assistance from benevolents. Many continue to use the term ‘beneficiaries’ (although some expressed an active desire to change this; see below), while others use ‘clients’. For the sake of consistency we have used ‘beneficiaries’ throughout this analysis.

## A closer look at benevolent-sector finances

As the above discussion has shown, the DSC database holds much useful information, including financial data, information on beneficiary eligibility and the kinds of grant available from each organisation. Building upon the DSC data and conducting further analysis of a secondary dataset – Charity Financials from Caritas Data – helped us to provide a fuller picture of benevolent-sector finances.

## The sample

Running more detailed searches on a select sample of benevolent organisations allowed us to generate a stronger picture of the sector’s finances and how it has fared in recent years. Building on the initial picture of 3,204 organisations which are currently giving welfare or education grants to individuals, following direction from Elizabeth Finn Care we sought first to exclude all organisations with an education-only remit and, second, to focus on the top four

bands, those distributing £50,000 pa or more in grants. This was due in part to their financial dominance of the sector, but also because their reporting is more consistently comparable.

By cutting out education-only benevolents and those distributing less than £50K in grants to individuals, we arrived at a set of **382 organisations** that give welfare grants to individuals, **cumulatively** spending a total of **£572,758,400 on individual grants** in the last reported year.

**34 give £1 million+**

**99 give £250,000–£1million**

**117 give £100,000–£250,000**

**132 give £50,000–£100,000**

From this set, we then chose a research sample of organisations for more in-depth financial analysis. This sample of **217 organisations** spent a total of **£188,938,100** on individual grants in the last year.<sup>2</sup>

We selected four-fifths of charities in the top band of award-givers, excluding only those for whom the Caritas database had either missing or substantially incomplete records. From the other bands we chose just over half of organisations at random, to offer a robust sample. (Please see the Appendix for a list of the organisations selected). The numbers of organisations selected were chosen to ensure that there was a level of statistical significance within each income band.

- 28 organisations in the £1m+ band (87 %)
- 55 in the £250k-1m band of 94 (58 %)
- 63 in the £100-250k band of 117 (54 %)
- 71 in the £50-100 band of 132 (54 %)

**28 give £1 million+**

**55 give £250,000–£1million**

**63 give £100,000–£250,000**

**71 give £50,000–£100,000**

<sup>2</sup> Please note that the reason the drop in income level between the samples described is so steep – from £572,758,400 to £188,938,100 – is because the Independent Living Fund was one of the organisations removed from the sample. It was extremely large, at £341m of spending on individual grants, which explains why the drop in income between the two samples appears disproportionate to the number of organisations omitted.

## Analysis of financial trends in the sample of benevolent organisations

A number of trends emerged from our further analysis of the financial reporting submitted by these benevolents. Those organisations distributing £250k or less appear to focus more of their total expenditure on grant-giving than those with a larger pot. This may reflect that grants to individuals are their only, or main, activity, whereas larger benevolents are more likely to offer a broader range of charitable expenditures.

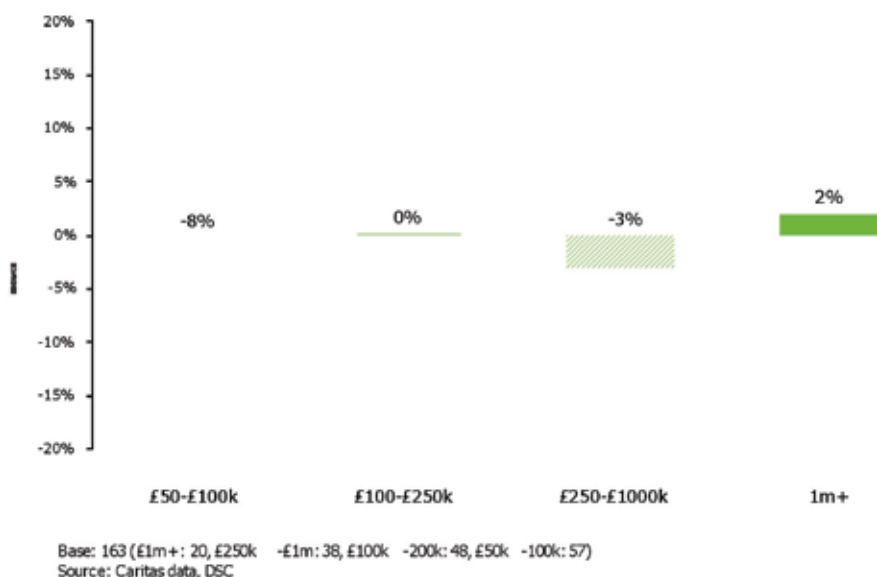
**Figure 8:** Grants as a percentage of total expenditure 2009



## Reduction in income

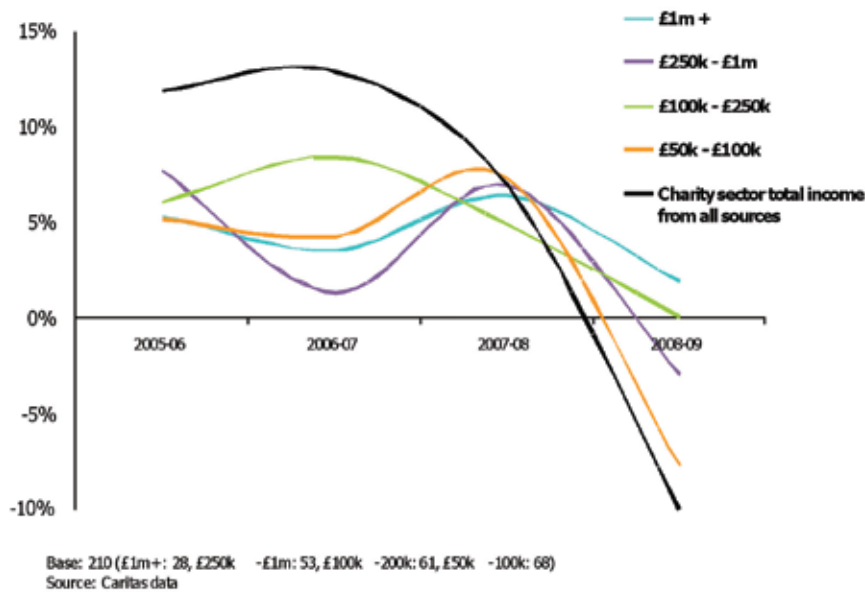
Few benevolent charities are showing strong growth in their income and many are actually shrinking. The bands with the greatest income reductions in 2009 were the £50-£100k and £250-£1000k of grant-giving.

**Figure 9:** Growth of Total Income in Bands 2009



Looking at slightly longer-term trend data on this, in recent years total income growth stopped or entered negative growth for all but the largest band of benevolents. Of these, organisations in the £50-£100k grant-giving band showed the sharpest decline in total income growth. This may reflect reduced returns from dividends, lower membership fees and reduced corporate donations following the stock-market crash in 2007.

**Figure 10: Median Average Total Income Growth**

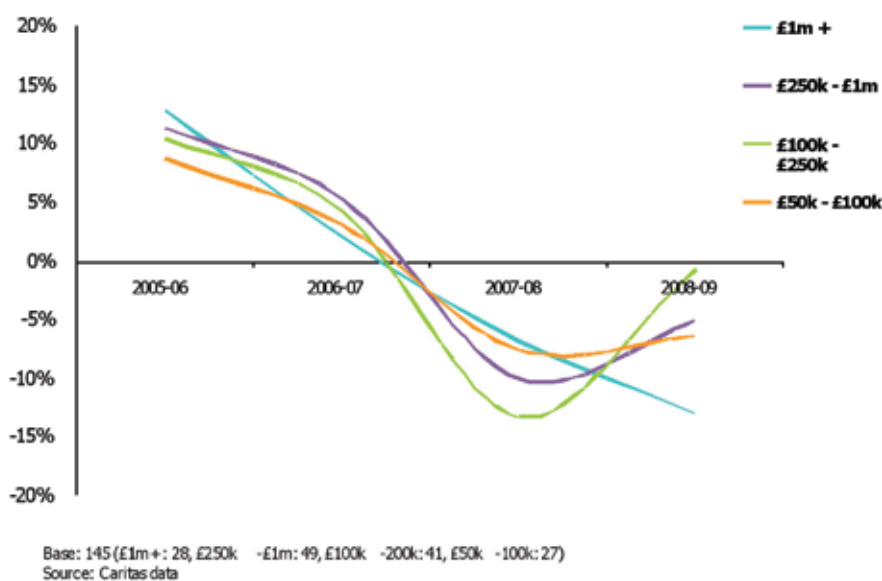


## Asset value reductions

In addition to reduced income from dividends many organisations faced a devaluation of their investment portfolios. The sample of the benevolent sector we examined is clearly experiencing a difficult financial time as income growth has slowed but not stopped for all groups. In dealing with slow growth, many charities are running deficits while many more have seen sharp reductions in the value of their assets.

In 2007-08 asset value declined across all bands of grant-givers and at the time research was completed was still negative for all bands. However, those in the £100-£250k grant-giving band seem to have recovered (to date) at a quicker pace than others.

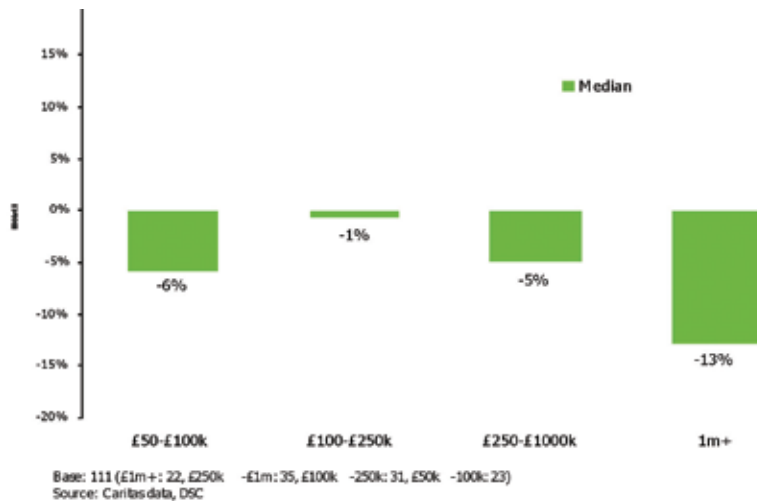
**Figure 11: Median Average Asset Growth 2005-09**



More recently, the >£1 million benevolents saw the greatest loss of asset value, while the £50-£100k and £250k-£1 million bands also lost value.



**Figure 12: Asset Growth 2009**



## Context

The timeline below may serve as a useful reference point for the context of the analysis of benevolent sector finances.

**Figure 13: Key global financial events 2005-2009**

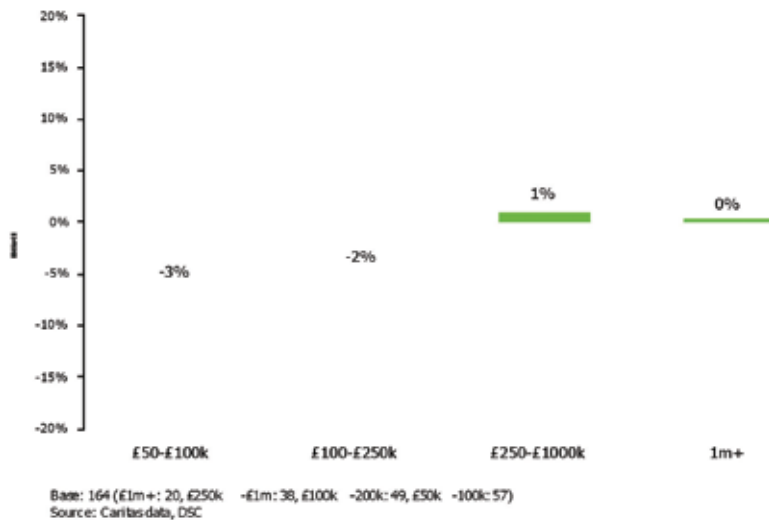
2005	May	Labour win general election
	June	Oil reaches \$60 a barrel
	Aug	Hurricane Katrina hits US
	Oct	UK house-price inflation hits 9-year low of 2.2 %
2006	Mar	FTSE breaks 6000 barrier
	May	Fed raises interest rates to 5 %
	July	Israel-Lebanon conflict pushes barrel of oil to \$78
	Nov	Bank of England raises Interest rates to 5 %
2007	Feb	Beginning of sub-prime crisis in UK
	April	New Century goes bust
	August	Credit markets in freefall
	Sept	Run on Northern Rock
2008	March	Bear Stearns rescue
	Sept	Fannie Mae/Freddie Mac crisis, Lehman Brothers bankrupt, Lloyds take over HBOS
	Oct	RBS saved by UK government, Icelandic banking crisis
2009	Jan	Barack Obama inaugurated
	Feb	US stimulus package agreed
	April	G20 summit



## Running deficits

The combination of reduced income and asset value has led many organisations in the benevolent sector to be running deficits. Looking more closely at these, it is clear that organisations in the lower grant-giving bands are more likely to be running deficits. This may be for a number of reasons such as less financial resilience in a small organisation.

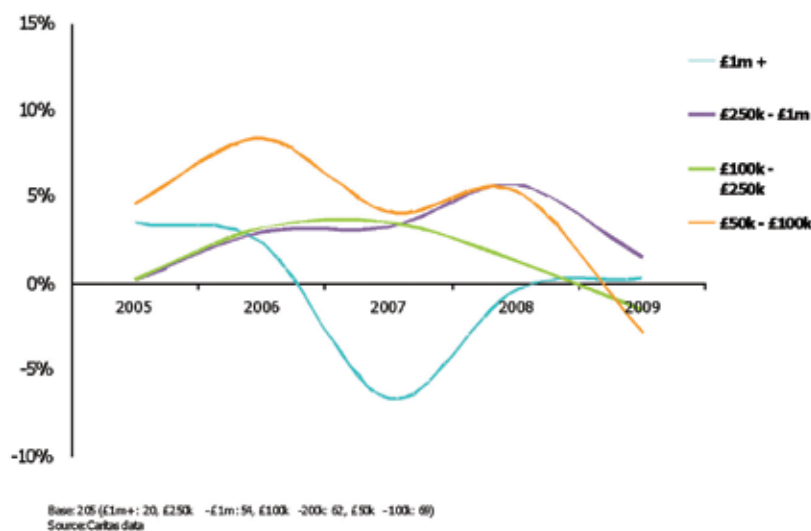
**Figure 14:** Deficit as Percentage of Total Income 2009



## Recovery and adjustment to deficits and income and asset reduction

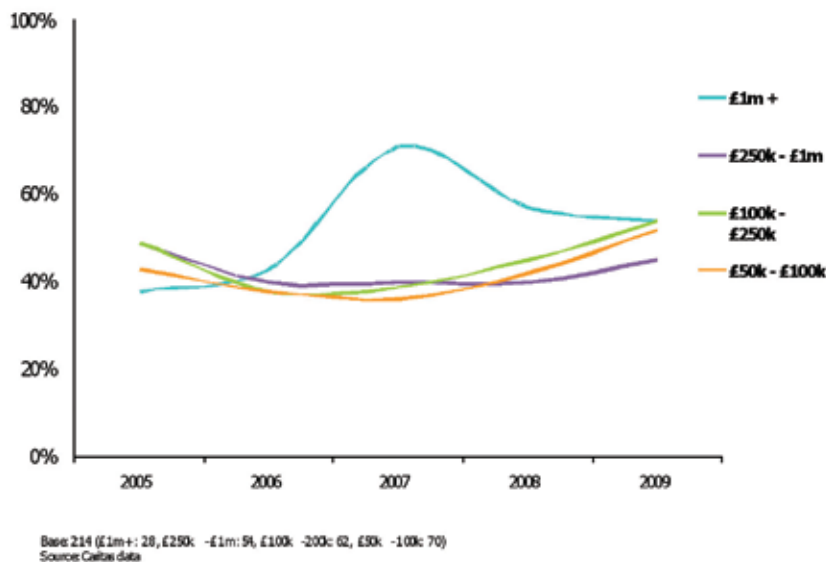
Some bands are showing signs of having surmounted the worst of their financial problems, with the £1m+ grant givers having suffered a particularly tough year in 2007/08 but subsequently appearing to have entered a period of recovery. Having looked closely at these figures, there are no outlier benevolents whose dramatically tough 2007 has skewed the trend. There was simply a higher level of deficit among the largest organisations sampled in 2007, with 20 in the £1m+ band running a substantial deficit that year, compared to 16 the previous year and just 12 the following year. Despite this, the largest benevolents may have adjusted more rapidly to the new challenges of the current environment, as shown by fewer of them running a deficit since then; on the other hand, it may be that they have achieved this by running down assets.

**Figure 15:** Median Average Annual Deficit as Percentage of Income



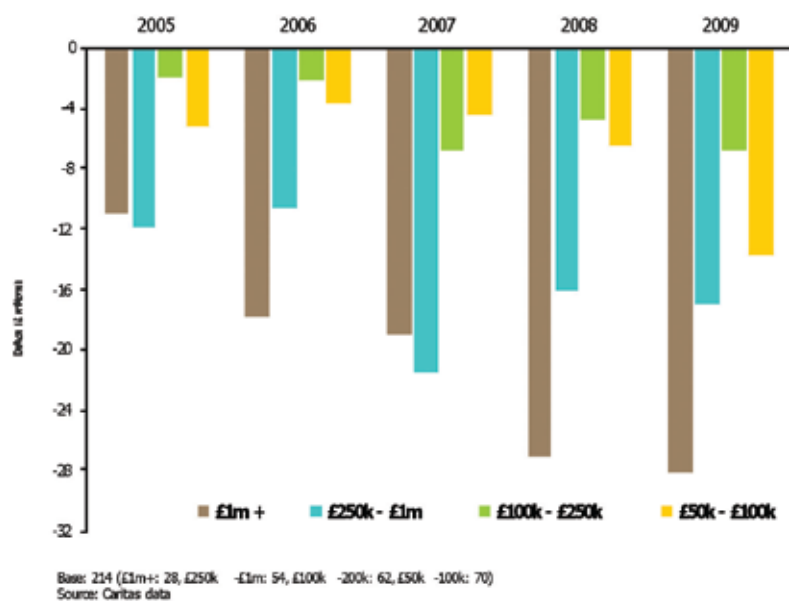
Other bands show increasing levels of deficit and financial distress as the economic hard times progress. Whereas 2007 was the peak year for benevolents in the >£1m band to be running deficits – and some of these have subsequently recovered or adjusted – the years since 2007 have shown a steady increase in the proportion of benevolents in lower grant-giving bands running deficits.

**Figure 16:** Proportion of benevolents running a deficit in each grant-giving band



When we look at the total **amount** of deficit, it is also the benevolents in the £1million+ grant-giving range that have usually been running the highest total amount of deficit. At the same time, the £50–£100k grant-giving benevolents have been showing a steady **growth** in their cumulative deficit, while it has levelled off somewhat in the bigger bands. This perhaps reflects the particular difficulties experienced by organisations in the £50k–£100k band in adjusting or creating new strategies to counter the worsening wider financial picture.

**Figure 17:** Total deficit of those running a deficit



### Summary points: Key insights from the financial analysis

Income has been reduced for many benevolents through a combination of circumstances. Both voluntary and statutory income have decreased, and the values of both fixed assets and investments have declined noticeably for many parts of the sector. However, as the financial analysis demonstrates, some benevolents have been more able to respond to these circumstances than others. On 2009 data alone, the bands that were struggling most with income growth and deficit-running are the £50-£100k grant-givers. Finally, it is important to note the broader context within which this analysis of the benevolent sector takes place: that is, the current decline in income growth in the sector is markedly similar to that found within the charity sector as a whole.

## Section 2:

# Challenges facing the sector

The current financial state of the benevolent sector as discussed above was also reflected overwhelmingly in the qualitative interviews as a topic of concern. The interviews were conducted with Chief Executives and Casework or Grant Directors from organisations making welfare grants to individuals.

**In total, the qualitative interview sample of benevolents was comprised of:**

- 6 interviews with organisations making £1m of welfare grants to individuals
- 8 interviews with organisations making £250k–£1m of welfare grants to individuals
- 12 interviews with organisations making £100k–£250k of welfare grants to individuals

Interviews were conducted by telephone by nfpSynergy researchers in October and November 2010.

### The twin challenges of increasing demand and reduced income

Virtually all respondents discussed two issues of concern – increasing demand for financial assistance (actual or anticipated) combined with reduced income – reflecting the findings from the financial analysis.

While asset values have declined, like many other charities benevolents have also been hit by a decrease in individual donations. However, in some cases this is magnified by difficulty in retaining existing membership subscriptions and in attracting new members for those benevolents with membership fees as a core element of their income stream.

At the same time as income has decreased, demand for grants and services has been increasing and is expected by most respondents to increase further.

*Fundraising in this last year has been an absolute disaster, very low levels of income coming in with greater demand. We have something like a 34% increase each year on year, the last four or five years of people coming forward for our assistance and I think fundraising activities have a similar drop.*

**Welfare Director, £100k–£250k**

*It's more difficult to raise money because even people in work are worse off and it may well be that some of our traditional supporters will just decide the easiest thing to do is to stop making a donation to a charity.*

**Chief Executive, £250k–£1m**

The 2010 government announcements about reductions in benefit spending only added to this pressure, alongside higher rates of taxation. These leave more of the population potentially vulnerable to sudden and unforeseen personal financial difficulties, as participants warned.

*I think what we're going to find is where we have people retired or took voluntary redundancy, were given good packages about 10 years ago where their pension started straightaway and things aren't like that anymore, so you're going to have people leaving the business now as deferred pensioners and if they can't find a job, they can't claim their pension . . . it's a very different world now that we're moving.*

### Fund Manager, £100k–£250k

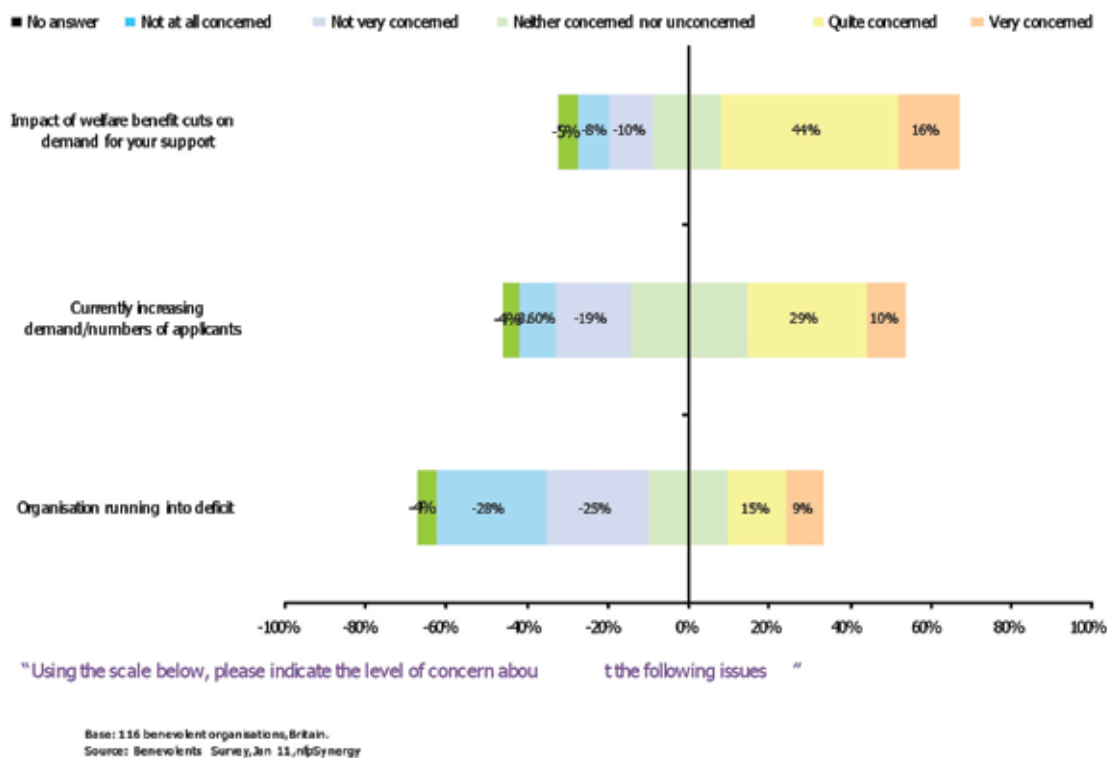
At the same time, reductions in benefit spending may also put increased strain on benevolents who offer the specific service of assisting individuals with benefit applications and appeals, as criteria are likely to become more stringent.

*The first [challenge] has to be government cutbacks . . . I mean it is unbelievably noticeable already, even things in as much as time delays of people getting their benefits, applying for state pensions . . . The people being turned down for Disability Living Allowances etc, are increasing all the time. So there's a massive amount of scrutiny from the state which is probably a good thing but it does mean that we seem to be working twice as hard to help those in genuine need get what they're entitled to, that is particularly prevalent in things like disabled facilities grants.*

### Welfare Director, £100k–£250k

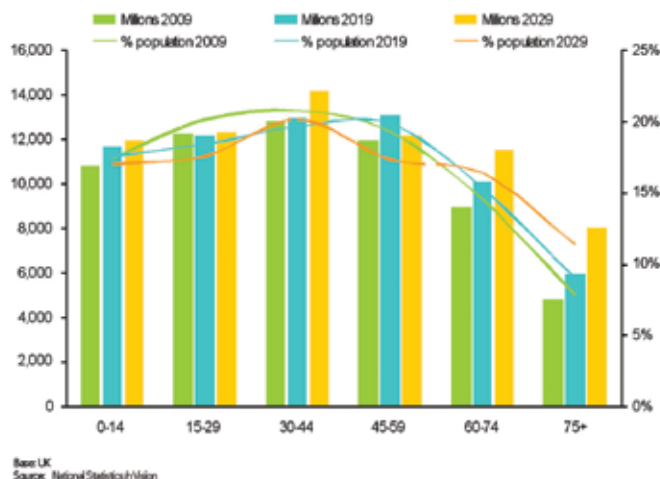
These themes appeared as a significant concern in the benevolent sector survey as well:

**Figure 18:** Issues of concern to benevolent organisations



Even as and when the economy recovers and unemployment levels begin to drop, demographic shifts will continue to intersect with these other financial pressures as the population on the whole ages and lives longer.

**Figure 19:** Age structure of the UK population, 2019 and 2029 projection



## Aspiration to increase beneficiary numbers despite deficits

Benevolents are thus anticipating that they will likely see much of the fallout from reductions to individual people's incomes due to the recession, redundancies and spending and benefit cuts. Professionals in the sector anticipate having to address the challenge of increased demand while operating on lower incomes from assets, statutory funding, and individual and membership donations.

However, numerous respondents reported that far from trying to reduce numbers of beneficiaries or applicant numbers, many benevolents have active aspirations to support more beneficiaries and to try to help as many people in need as possible.

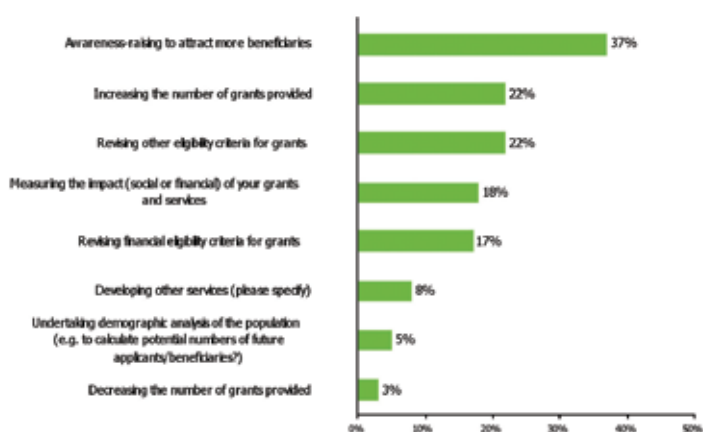
*We're not looking to save money I would emphasise, even though we've got a deficit, but we are looking to maximise the help we give to those in greatest need.*

**Chief Executive, £250k–£1m**

*So yes, we aspire to having larger numbers of people but if you're asking me what our aspiration is, our aspiration is actually to be as confident as we can be that the people in the x industry that might need our help or want our help, actually know about us.*

**Director of Services, £250k–£1m**

**Figure 20:** Activities planned by benevolents



\* Is your organisation currently undertaking, or definitely planning to undertake, any of the following activities? Please tick all that apply.

Base: 188 Benevolent organisations, Britain. Source: Benevolents Survey, Jan 21, n=10,000

## Increased fundraising activity to address deficits

As noted in section 1, deficit running is a major feature of the benevolent sector at present. However, some respondents indicated that rather than reducing numbers or amounts of grants, their preferred strategy is to increase income through fundraising.

*Our biggest challenge at the moment is raising enough money . . . the likelihood is now that we're looking at a deficit of [nearly £1m] this year, could be more next year, [but] our attitude is we are here to help people and although we have a budget for grants, we don't say "when it's gone, it's gone", we say "when it's gone, we'll draw on reserves and we'll meet people's needs" because we feel that's the important thing that we can do as a charity.*

**Chief Executive, £250k–£1m**

## Awareness raising

A key part of this picture, for interview respondents, is awareness raising and marketing activity to make sure the increasing numbers of people in need know that benevolent assistance exists, as well as to help increase fundraising opportunities.

*I think one of the difficulties for the benevolent group is actually making people aware that there is this range of charities that potentially could help them and that it's actually worth having a look, and seeing what organisation might be able to help you and what they can do. It's the general raising of awareness that there are still occupational charities out there and there are still benevolent organisations out there, and they do still have funds.*

**Director of Services, £250k–£1m**

*I think raising awareness has always been a big problem, a lot of people don't realise that there are funds like ourselves, who can provide financial help to people and various other services.*

**Chief Executive, £250k–£1m**

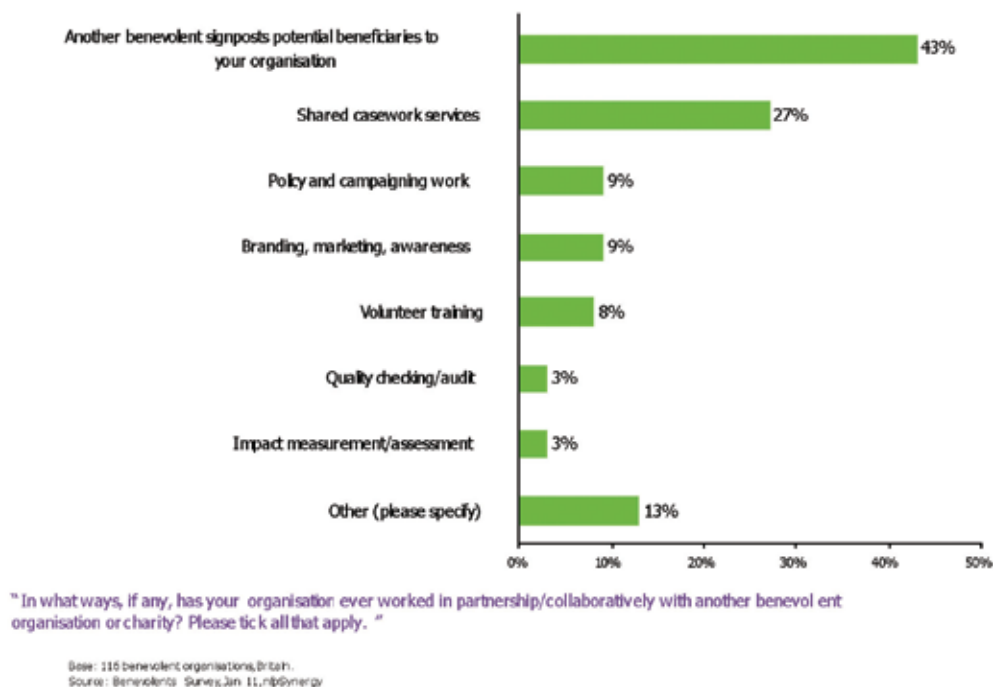
At the same time, in order to achieve this they pointed to a need for benevolents to work differently and more efficiently, both on their own and in cooperation with each other. For example, one respondent pointed to a need to raise awareness of what 'benevolence' means for the public:

*Some people [don't] understand what benevolence is and what it means and they don't understand the relevance of it, it can be seen as old fashioned and out of date, I think that's probably the biggest challenge, getting benevolence back into people's vocabulary, for them to understand that it's actually a positive thing.*

**Fund Manager, £100k–£250k**

Other respondents pointed to the importance of benevolents working together to demonstrate the cumulative impact of benevolent assistance – for example, to utilise in campaigning efforts at Westminster. This also reflects the findings of the sector survey, which indicates that relatively few responding organisations are undertaking more formal types of impact assessment at present:

**Figure 21:** Tools used by benevolents to evaluate impact



## Response strategies: evaluating eligibility criteria and the expansion of non-grant assistance

A number of organisations reported that they are either currently reconsidering – or have plans to reconsider – the criteria by which they evaluate eligibility for assistance. For example, some are rethinking their definitions of ‘need’.

Other benevolents are moving away from regular payments to only ad-hoc or one-off grants. This is in part a financial decision in response to the current financial environment but it also reflects a sense from many respondents that traditional maintenance models of benevolent grantmaking may no longer be appropriate in many cases.

*We are continuing to pay regular payments to our current people but not to new people. Going forward, we'll take on two maybe different types of person, one who will have a fuller service of regular contact with a volunteer, access to emergency grants etc, and another group who will come along for some short-term services, social interaction services, activities and who we will then remain in contact with, giving them advice, giving them access to a helpline, letting them know anything that they might need to know about benefits, social care or things that seem key.*

**Director of Care Services, £1m+**

*We try to be quite clear about what we're trying to achieve with the financial support and be quite clear to the [beneficiary] why we're doing it, so we don't create a longer-term dependency like we had with some of our previous clients where there was an expectation that we were almost a pension pot for some people. Now we're much clearer about what we're trying to achieve with the financial support that we give.*

**Head of Strategy, £100k–£250k**

Other organisations reported that they are expanding services in areas such as advice and benefits checking, rather than making the assumption that grant money is the default response to an application for assistance.



Still others reported changes, or planned changes, in the areas for which they will give financial assistance, with a new emphasis on addressing the most severe financial need, rather than other areas which might previously have been funded but may now be viewed as ‘luxuries’. It is important to note that the use of the word ‘luxury’ is relative and reflective of the increasing demand for assistance; areas under consideration for cuts include, for example, carer holidays and respite breaks.

*Now we feel rather than giving people a holiday which doesn’t give them a long-term satisfaction, it would be better perhaps to help them pay off some of their debts or something like that, or to target [assistance] at people whose home care service has been cut.*

**Chief Executive, £250k–£1m**

## **The challenge of long-term beneficiaries and dependence**

Numerous respondents discussed an additional challenge in trying to change grant and service delivery approaches in order to help more beneficiaries, while responding to difficult economic circumstances. That challenge is to communicate to long-term beneficiaries why some changes might be necessary – whether a reduction in their payments or even an annual check to ensure they are still eligible – and to counter resistance while remaining sensitive to beneficiaries’ vulnerability and needs.

*I think probably our biggest challenge at the moment is also to be working with our longer-term clients, we really have quite radically changed the way that we work now and that’s quite difficult for some people . . . never underestimate how difficult it is for clients who’ve accessed your services for quite some period of time, people don’t like change and it’s being quite tough for some of them to understand that we are offering help . . . we’re trying to encourage people to be independent.*

**Head of Strategy, £100k–£250k**

*We still have quarterly beneficiaries. We review them so that we are convinced they are still meeting a ‘financial hardship’, but that’s been very difficult because some people have had [their grant for] 30, 40 years, many view them as a pension. The original letters that went out said ‘you have been awarded this allowance’, it never intimated it was a charitable grant that could be reviewed and everything. So we’ve just gently reviewed them over time so people get used to the fact that it’s a grant, that we can pop in, that we can see them.*

**Welfare Director, £100k–£250k**

## Section 3:

# Meeting the challenges

Clearly the analysis of financial data and the challenges reported by benevolents require strong responses and clear strategies if benevolents are to meet their aspiration of supporting more beneficiaries. There is also a strong sense from the interviews that even beyond the recession some benevolents are looking to move away from some of their traditional models of funding, in order to foster independence among beneficiaries where possible. This is of course balanced with the realisation that there will always be some beneficiaries requiring long-term or even lifetime support.

The other core aspect of the research therefore explored what other organisations are doing to cooperate and increase efficiency. We explored this question in both qualitative interviews and through desk research, looking at partnership working between benevolents and with private-sector organisations. There are a number of different organisations meeting different elements of need in the sector, broken down into a number of different approaches.

### Experience of partnership working between benevolents

Many respondents reported at least unofficial or ad hoc working together. This was particularly the case for benevolents who share some common potential beneficiaries through occupational groupings.

The military charities seem to be the clear leaders in the field of joint working, with considerable efforts made in sharing facilities, overheads, and a new casework management system, and there is much for other benevolents to learn from their efforts.

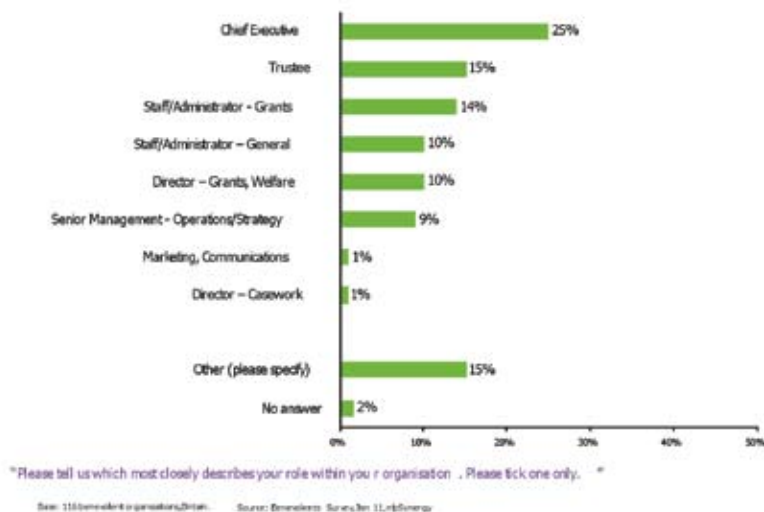
*In terms of administration, what we've done is there's seven or eight charities all going to be working in the same building, sharing the overheads and sharing some of the administration so you only need to have one reception desk, you only need to have one person ordering stationery and all that sort of thing, so we're seeing rationalisation across the service-charity field – and a commitment to do it too.*

**Welfare Director, £1m+**

Other occupational groupings also report working together to a lesser extent on issues such as cross-referrals, home visits and casework, and awareness-raising activities. However, several disparate factors – from a sense of 'family' among military organisations to official support from government – have put the services charities ahead of the rest in terms of formal joint working arrangements.

The sector survey indicates some of the ways in which benevolents are currently working in partnership. Overall, signposting is the most common form of informal joint working; there is less partnership working in more formal areas such as casework and policy and campaigning at present.

**Figure 22:** Partnership and collaborative working between benevolents



## Potential opportunities for joint working

The combination of running at deficit, anticipated future increases in applicant and beneficiary numbers, and reduced income streams demanding greater efficiency of working, means that some respondents are exploring joint working where in the past they may not have been.

Shared information about debt advice was one area suggested for collaboration between benevolents.

*If you need debt advice, it doesn't matter whether you're an accountant, a solicitor, a banker, an engineer, the debt advice can be delivered in a partnership model, and I think there could be more of that, particularly around some of the very specialised services.*

### Head of Strategy, £100k–£250k

Another area for potential collaboration suggested by research participants is the development of benevolent-specific volunteer or casework training.

*I think we could be doing more around joint training for volunteers and for trustees. I can't see why if you're offering a volunteering service for visiting, the needs of our volunteers would be the same if it was delivered by another benevolent organisation. So I think there could be more of that definitely.*

### Head of Strategy, £100k–£250k

*My welfare officers are trained, I really struggled finding training for them that was the right training for them, and I've come down the route of advice and guidance and counselling but I'd love to think there was a course out there for people who work for the charitable sector as caseworkers or benevolent workers, welfare officers, you know, it is a job in itself isn't it? And there isn't, or there isn't that I've found...*

### Welfare Director, £100k–£250k

*I think soft-skills training would be very useful for the volunteers, I think they quite often are working on their own, visiting houses on their own so training about health and safety, lone working, things like that, I can see there would be grounds for that. I think when you go and visit people in your own home, from my experience you've got to manage volunteers very carefully in that situation, boundaries can become very easily merged if you're walking into very volatile situations so training is needed.*

### Head of Strategy, £100k–£250k

The need for benevolent-specific volunteer-specific training has actually been linked explicitly to the traditional nature of benevolent assistance, since more professionalised training would help to address some of the difficulties that the sense of dependency and familiarity raise for needs assessment within occupational benevolents:

*Linking all those skills about being able to do assessments, about having the interpersonal skills to do that, about benefits agencies and looking at sourcing correct monies from right people first, how to deal with difficult situations, aggressive people, the tearful, the emotion or impact that people can put onto somebody. I think there's a course to be run in the real basic foundations of interpersonal skills, writing letters, benefit claiming, and a bit about the Charities Act and what it actually means to be a welfare officer. . . huge amounts of benevolent charities use volunteers and I don't know how much they train their volunteers and support those in those decisions. . . it's also quite scary to me that I could have a volunteer go out and promise something because they will have had far less and much more limiting training.*

#### **Welfare Director, £100k–£250k**

*Now I know all the other benevolent funds do some sort of training or most of them do some sort of training these days for volunteers, some better, some worse, but you could arguably say that it would be some benefit in saying, let's standardise the training and have perhaps better training for all the organisations rather than them all doing their own thing. But. . . you've got to agree the common standard.*

#### **Chief Executive, £250k–£1m**

Above all, shared volunteer training was seen as a way to increase efficiency. While there are some issues around agreement of standards of particular areas of expertise, shared training was seen to be less problematic than other options for working in collaboration such as agreeing shared casework management or common application forms.

There may also be opportunities for shared development of casework management systems, yet the technicalities of these opportunities are likely to be much more complex than those of more general shared work such as volunteer standards.

### **Casework, assessment and grant fulfilment**

In other cases, benevolent charities do provide fulfilment services to each other. The guiding principle in these arrangements seems to be that it is mutually beneficial, with each partner bringing a unique benefit to the relationship. As discussed above, the military charities seem to be leaders in this field. SSAFA provides casework services to ABF The Soldiers' Charity, because the historic nature of SSAFA's large volunteer network meant that it could reach many potential beneficiaries, while ABF has a larger pool of funds to address the problems uncovered by caseworkers. Likewise ABF provides grant fulfilment services to Help for Heroes; HfH has a much bigger public profile and pool of grant money but not the infrastructure to turn grants around quickly, whereas ABF has existing infrastructure and distribution channels to help HfH grants reach beneficiaries promptly.

### **Barriers to joint working**

In a sense, the diversity within the benevolent sector presents one of the greatest challenges to effective partnership working. Some of the most successful examples of partnership working seem to be those cases where the strengths of benevolents complement, rather than mirror, each other.

*I think one of the difficulties for benevolents is that they simply don't work in the same way and okay, they're not all likely to help the same client group, particularly not if they're occupational charities but with the client group that they do help, they don't all help in the same way or*

*with the same thing. So you will find that some benevolents or occupational charities will help with top up, some will help with debt, some won't help with debt – and also the way they deliver that service is different – we have a team of people and we don't use volunteers, other organisations have a team of paid employees but they also use volunteers, yes other organisations use only volunteers with a very small core at head office, some people go out and do visits, some organisations, it is simply an application form you fill in and then submit it.*

#### **Director of Services, £250k–£1m**

In beneficiary-facing roles, the main barrier to working in partnership or collaboration is a strong sense of ownership of potential beneficiaries and a lack of confidence that another organisation will be able to provide the desired level of service and understanding to beneficiaries – the sense that 'no one else could know our beneficiaries as well as we do'.

*One of the models that we looked at is working with someone like CAB would have been the obvious one because we knew when talking to our clients who'd come to us with debt, that they were very, very concerned about confidentiality. And they wanted face to face contact initially and they wanted an ongoing relationship with one person, they didn't want every time they picked up the phone or spoke to somebody it was going to be with a different person having to go back to square one. So that was really important, and then we did explore with CAB, but we just felt that we'd never be able to provide the quality of service that we wanted to, which is why we decided to recruit initially one full-time debt advisor.*

#### **Head of Strategy, £100k–£250k**

While these concerns were strongest regarding outsourcing beneficiary-facing roles, the concerns about familiarity with beneficiaries also applied to suggestions such as collaboration or fulfilment of application processes, case management and back office or administrative services.

*In theory we've talked about sharing back office services, this is us talking within our own organisation but obviously you've got to find people who are prepared to do that, I suppose in one sense it's all fiercely independent, we have such good IT technologies that we could provide databases for other benevolent funds, we could make payments for other benevolent funds, we could even manage the help and advice lines for other benevolent funds but they very often, just like us, feel that they know their own people best and they prefer to remain independent.*

#### **Chief Executive, £250k–£1m**

Apart from this protective feeling towards beneficiary groups and organisational independence, respondents also pointed to more standard challenges of partnership or joint working – namely, the need to set out clearly in advance the roles and expectations of the partners and establish effective communications strategy within the partnership.

There is also a sense that there is no clear leadership in spearheading such partnership working and collaboration between benevolents, apart from occupational groupings who gravitate towards collaboration through familiarity. Moreover, there is a strong sense that previous efforts at collaboration have not been fit for purpose.

*I think I felt because of the research we did in the past, it was well received, but I think there was a certain amount of feeling "Well then, what happens next?" because you'll find in the research there was quite a lot of enthusiasm I think for people to look at possible partnership opportunities, development opportunities, but there wasn't an obvious person to drive it forward, and I think that's where things grind to a halt really.*

#### **Head of Strategy, £100k–£250k**

# Conclusion:

## What next for the benevolent sector?

This research aimed to provide an overview of the current size, shape, and financial state of the UK benevolent sector. It also aimed to explore some of the current challenges facing benevolents, and an opportunity for benevolents to learn what others in the sector are doing, and what they would like to do to try to face these challenges.

**A number of key themes emerge from this research:**

**The financial challenges may be stabilising but they are not over** – therefore benevolent organisations will need to continue to deal with the deficits and financial decisions that were taken to respond to the immediate financial crisis in 2006 and continue to take action in the face of the unstable financial future that we are currently experiencing.

**Running organisational deficits** and running down of assets is a short-term measure and helped many organisations deal with the sudden nature of the crash; however, as our interviewees told us, this is not a sustainable solution to the challenges. Organisations will need to look very carefully at their strategic objectives and ensure that financial plans are able to support these.

**Changing focus** – including changes to grants and services and eligibility criteria – represents one approach to the challenges that some benevolents have embraced. It may be that a critical look at patterns of support is necessary for those who have not yet gone down this route, or further refinement may be needed for those who have already made some changes.

**Changing work patterns** – including collaboration, partnership working, resource sharing, joint training – may also represent opportunities to address the challenges. These are options that other parts of the voluntary sector are exploring and in some cases embracing in order to make savings.

**Respondents told us that communications between benevolents** and regular forums for the sharing of ideas and practice are key to the sector working together to face the mounting challenges. This research will provide the basis for the October 2011 conference hosted by Elizabeth Finn Care. That event will provide a forum for discussion of these challenges and an opportunity for benevolent organisations to network with others in the sector. We hope that these opportunities will spark ideas for discussion and collaboration among benevolents.

However, this was by nature a limited piece of research, providing a snapshot of the sector at the time of writing. There may well be areas of interest raised that need further exploration in research, and it may also be worth repeating the research in the future to see how the sector is changing and adapting to the uncertain times that we live in.



# Appendix 1: Profile of benevolent organisations responding to the quantitative survey

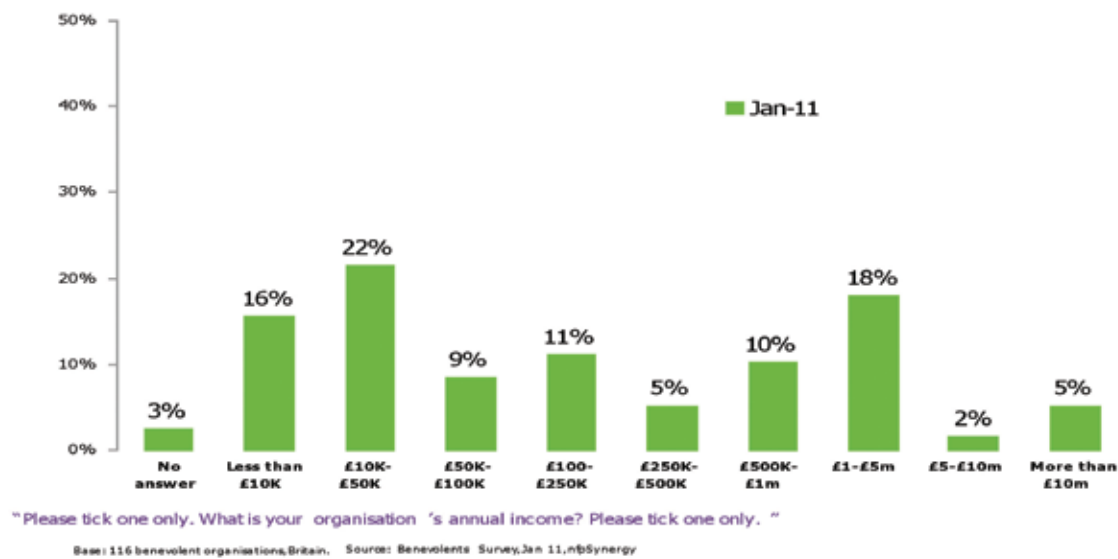
Figure 23: Respondent’s role within benevolent organisation



Figure 24: Annual income of responding organisations



**Figure 25:** Grant distribution to individuals by responding organisations





# Appendix 2:

## List of organisations in financials sample

### £1m+

The Family Fund Trust  
 The Royal British Legion  
 St Dunstan's  
 Royal Air Force Benevolent Fund  
 Macmillan Cancer Support – Patients Grants Scheme  
 IndependentAge (RUKBA)  
 The Severn Trent Water Charitable Trust Fund  
 The Civil Service Benevolent Fund  
 Elizabeth Finn Care  
 The Macfarlane Trust  
 The Grand Charity (of Freemasons under the United Grand Lodge of England)  
 The Buttle Trust  
 United Utilities Trust Fund  
 EDF Energy Trust  
 The New Masonic Samaritan Fund  
 Caudwell Children (formerly The Caudwell Charitable Trust)  
 Royal Naval Benevolent Trust  
 The Musicians Benevolent Fund  
 The Multiple Sclerosis Society of Great Britain and Northern Ireland  
 The Shipwrecked Fishermen & Mariners' Royal Benevolent Society  
 The Royal Literary Fund  
 The Officers' Association  
 The Army Benevolent Fund  
 Caravan (the trading name of The National Grocers' Benevolent Fund)  
 The Royal Agricultural Benevolent Institution  
 Motability  
 Royal Commonwealth Ex-Services League  
 The Royal Navy & Royal Marines Children's Fund

### £250,000–£1m

The Henry Smith Charity (UK)  
 Police Dependants' Trust  
 The Cinema & Television Benevolent Fund  
 CLIC Sargent (formerly Sargent Cancer Care for Children)  
 Northern Police Orphans' Trust  
 The Hampton Fuel Allotment Charity  
 The R L Glasspool Charity Trust  
 The Injured Jockeys Fund  
 The Solicitors' Benevolent Association Limited  
 The ZSV Trust  
 The Motor Neurone Disease Association  
 Lionheart (The Royal Institution of Chartered Surveyors Benevolent Fund)  
 The Friends of the Clergy Corporation  
 The Lighthouse Club Benevolent Fund  
 NewstrAid Benevolent Society  
 Family Action (formerly Family Welfare Association)  
 Ben – Motor & Allied Trades' Benevolent Fund  
 The BT Benevolent Fund  
 Yorkshire Water Community Trust  
 The Corporation of the Sons of the Clergy  
 The 'Not Forgotten' Association  
 The Artists' General Benevolent Institution  
 The Marine Society and Sea Cadets  
 St Monica Trust Community Fund  
 The Heathcoat Trust  
 The Architects' Benevolent Society  
 The Commercial Travellers' Benevolent Institution  
 The Royal Scottish Corporation (also known as The Scottish Hospital of the Foundation of King Charles II)  
 British Gas Energy Trust  
 NABS

RFU Injured Players Foundation  
 The Royal Medical Benevolent Fund  
 Railway Benevolent Institution  
 Baron Davenport's Charity  
 The WRNS Benevolent Trust  
 Friends of the Elderly  
 React (Rapid Effective Assistance for Children with Potentially Terminal Illnesses)  
 Pharmacist Support (formerly Royal Pharmaceutical Society's Benevolent Fund)  
 Wireless for the Bedridden  
 The Wine & Spirits Trades' Benevolent Society  
 The Church of England Pensions Board  
 Morden College  
 The Sailors' Families' Society  
 Textile Industry Children's Trust  
 St Olave's United Charity, incorporating the St Thomas & St John Charities  
 The Royal Theatrical Fund  
 The Royal Air Forces Association  
 Lord Crewe's Charity  
 The National Association of Schoolmasters Union of Women Teachers (NASUWT) Benevolent Fund  
 Cerebra for Brain Injured Children and Young People

### £100,000–£250,000

The Florence Nightingale Aid-in-Sickness Trust  
 John Martin's Charity  
 Racing Welfare  
 Tobacco Trade Benevolent Association  
 The British Dental Association Benevolent Fund  
 The Nautilus Welfare Fund (previously The NUMAST Welfare Fund)  
 Closehelm Ltd  
 The Fire Fighters Charity  
 The Guild of Benevolence of The Institute of Marine Engineering Science and Technology  
 Cripplegate Foundation  
 The Blanchminster Trust  
 The Lloyd's Benevolent Fund  
 The Chartered Institution of Building Services Engineers' Benevolent Fund  
 Mercaz Torah Vechesed Limited  
 Hampstead Wells & Campden Trust

The General Charities of the City of Coventry  
 The Butchers' & Drovers' Charitable Institution  
 The Airborne Forces' Security Fund  
 Mrs L D Rope's Third Charitable Settlement  
 William Frank Pinn Charitable Trust  
 The Byfleet United Charities  
 Mobility Trust  
 The Foundation of Edward Storey  
 The Royal College of Nursing Benevolent Fund  
 The Cameron Fund  
 The Matthew Hall Staff Trust Fund  
 ATS & WRAC Benevolent Fund  
 North West Police Benevolent Fund  
 The Percy Bilton Charity  
 The United Charities of St George the Martyr  
 Friends of the Animals  
 The National Benevolent Institution  
 Eileen Trust  
 Veterinary Benevolent Fund  
 The Baltic Exchange Charitable Society  
 Bristol Charities  
 The Royal Medical Foundation  
 The St John's Hospital, Bath  
 The National Benevolent Society of Watch and Clock Makers  
 The Coal Trade Benevolent Association  
 The Dolphin Society  
 Professional Classes' Aid Council  
 The Tyne Mariners' Benevolent Institution  
 Children Today Charitable Trust  
 The Talisman Charitable Trust  
 Furnishing Trades Benevolent Association  
 The Actors' Charitable Trust (TACT)  
 Norwich Consolidated Charities  
 The Westminster Almshouses Foundation  
 The Royal Blind Society for the UK  
 The League of the Helping Hand  
 The Chartered Institute of Management Accountants Benevolent Fund  
 The Town Moor Money Charity  
 The Book Trade Charity  
 The Royal Opera House Benevolent Fund  
 Footwear Benevolent Society  
 The Royal Masonic Benevolent Institution

The Stroke Association  
Toras Chesed (London) Trust

### £50,000 – £100,000

The Richmond Parish Lands Charity  
The Pawnbrokers' Charitable Institution  
The Heinz, Anna and Carol Kroch Foundation  
The Roald Dahl Foundation  
Overseas Service Pensioners' Benevolent Society  
The Royal Ballet Benevolent Fund  
Christadelphian Benevolent Fund  
BMA Charities Trust Fund  
Parkinson's Disease Society of the United Kingdom  
The Joseph Rank Benevolent Fund  
The Banbury Charities – Bridge Estate  
The National Federation of Sub-Postmasters Benevolent Fund  
The Milly Apthorp Charitable Trust  
Lady Elizabeth Hastings' Non-Educational Charity  
Mary Strand Charitable Trust  
The Rugby Football League Benevolent Fund  
Community Foundation Serving Tyne & Wear and Northumberland  
The Leather & Hides Trades' Benevolent Institution  
The Rehoboth Trust  
The Cheshire Provincial Fund of Benevolence  
The George Drexler Foundation  
Thomas Hickman's Charity  
The Tailors Benevolent Institute  
Asylum Seeker Support Initiative – Short Term (ASSIST)  
The Stafford Charity  
The City of Oxford Charities  
UCTA Samaritan Benefit Fund Society  
The Folkestone Municipal Charities  
The Royal National Institute for the Blind  
The West Gate Benevolent Trust  
The Institute of Chartered Secretaries & Administrators' Benevolent Fund  
Dr Edwards' & Bishop King's Fulham Charity  
The Stock Exchange Clerks Fund  
The Institution of Structural Engineers'

Benevolent Fund  
Grand Order of Water Rats Charities Fund  
Electronic Aids for the Blind  
The Peter Herve Benevolent Institution  
Newby Trust Limited  
The Royal Fund for Gardeners' Children  
ASPIRE  
The Roger Pilkington Young Trust  
William Harding's Charity  
Polish Air Force Association Benevolent Fund  
The Lind Trust  
The Charity of Miss Ann Farrar Brideoake  
The Vardy Foundation  
The Silversmiths and Jewellers Charity  
R V Coleman Trust  
Kupath Gemach Chaim Bechesed Viznitz Trust  
Builders' Benevolent Institution  
The Auto Cycle Union Benevolent Fund  
The Mountsorrel Relief-in-Need Charity  
The Emanuel Hospital Charity  
The British Jewellery, Giftware & Finishing Federation Benevolent Society  
Housing the Homeless Central Fund  
Prisoners of Conscience Appeal Fund  
Frances Ashton's Charity  
The Henry Percy Dugdale Charity  
Consolidated Charity of Burton-upon-Trent  
Equity Trust Fund  
The Harpenden Trust  
Midhurst Pensions Trust  
Aid for the Aged in Distress (AFTAID)  
The Grateful Society  
Jewish Care  
The Skinners' Benevolent Trust (formerly the Hunt & Almshouse Charities)  
The Teesside Emergency Relief Fund  
The Westminster Amalgamated Charity

## nfpSynergy

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[www.nfpsynergy.net](http://www.nfpsynergy.net)

### Contact Details:

Elizabeth Finn Care  
Hythe House  
200 Shepherds Bush Road  
London  
W6 7NL

Call us: 020 8834 9200

Fax us: 020 8834 9299

Email us: [info@elizabethfinn.org.uk](mailto:info@elizabethfinn.org.uk)  
[info@turn2us.org.uk](mailto:info@turn2us.org.uk)

Visit us: [www.elizabethfinncare.org.uk](http://www.elizabethfinncare.org.uk)  
[www.turn2us.org.uk](http://www.turn2us.org.uk)