

22 July 2016

Fundraising Regulator: Registration and Levy consultation

A written submission from Together for Short Lives



About us

Together for Short Lives is the UK charity that, together with our members, speaks out for children and young people who are expected to have short lives. Together with everyone who provides care and support to these children and families, we are here to help them have as fulfilling lives as possible and the very best care at the end of life. We can't change the diagnosis, but we can help children and families make the most of their time together.

Together for Short Lives has more than sixty members from the voluntary sector that deliver children's palliative care – including children's hospices and other service providers.

Timescales

1. This consultation closes on Friday 22nd July, yet it is proposed that the levy will be introduced on Monday 1st August. This does not seem reasonably possible. We are concerned that this does not provide for an adequate period to meaningfully consider the range of submissions to the consultation exercise and to inform organisations of the details of the new system. Greater clarity is needed in this regard.

Whether £100,000 is the right threshold to set the levy?

2. Setting the threshold at £100,000 so that it will apply to approximately 1,961 charities seems proportionate, as the discussion paper states that raising the threshold to £150,000 would reduce this figure to 1,600 charities. We agree that it is preferable to have a greater number of charities paying the levy, but with those spending the least on fundraising paying a much-reduced fee.

Whether option 1 for setting the levy is the best option?

3. We support the smooth banded levy option (Option 1). This option provides the greatest clarity for charities as it consists of a set levy for each annual spend band, rather than being based on a percentage of overall sector spending.
4. However, we are concerned that the proposed banding will result in the charities with the highest fundraising expenditure paying a disproportionately small levy. This is explained in the response to question 3, below.

Whether the proposed banding is right and whether the highest and lowest rates for the levy are appropriate?

5. We do not feel that the proposed bandings are fair or proportionate:
6. The calculations in Annex A show that a charity spending £100,000 (the lower limit) on fundraising expenditure will pay a levy of £250, which is equivalent to 0.25% of this spend. However, a charity spending £20m on fundraising will pay a levy of £10,000, which is equivalent to just 0.05%. Similarly, the table in Annex A states that charities spending £200,000-500,000 on fundraising will pay a levy of £800, or '0.16%' of their fundraising expenditure. For charities at the bottom end of this range

(i.e. £200,000) however, this levy will equate to 0.40% of their funding expenditure, which is proportionally far higher than the largest charities will have to pay. The calculations presented under ‘% of charity spend’ for Option 1 in Annex A are misleading in this regard. While some are calculated using the top end of a particular band, others are calculated using the lower end of the band. There is no justification offered for this method of calculation.

7. The justification for limiting the contributions of the charities with the largest expenditure appears to be to make sure that “the level of costs for a small number of charities does not allow them to have, or be perceived to have, undue influence or impact on the Fundraising Regulator.” Given that the Fundraising Regulator is a newly-established regulator with a comprehensive governance structure, it is concerning that the Fundraising Regulator is not confident that it could prevent organisations having an undue influence or impact. We therefore do not agree that this justifies the proposed limit of £10,000 for the charities with the highest fundraising expenditure.
8. Under the proposed bandings, many of Together for Short Lives’ members such as children’s hospices will be asked to contribute £4,000 for a fundraising expenditure of between £2m-5m. This is a large increase for organisations that previously paid a much lower fee to the Fundraising Standards Board. Most children’s palliative care services, including children’s hospice services, are run by individual charities; this means that the total amount contributed to the Fundraising Regulator by voluntary children’s palliative care providers will be far greater than the amount contributed by many of the largest charities - whose overall spend on fundraising far exceeds that of the voluntary children’s palliative care sector.
9. We are also concerned at the rate at which the levy increases between the bands:
10. According to the calculations in Annex A, the £200-500,000 band will incorporate 677 organisations, which is over a third of all charities which will pay the levy. The levy for this band is £800, which is nearly triple that of the band beneath it, £150-200,000, which also has a far smaller range. As a result of this, charities who are on the lower end of the fundraising expenditure scale may increase their fundraising expenditure by a slight amount and see their levy almost triple. This level of increase is not replicated in the shifts between any of the other bands and will disproportionately affect smaller organisations.

Whether there are any other issues in setting the levy for just under 3 years in the first instance, the period 1 August 2016 – 31 March 2019, not already covered?

11. Please see the ‘Timescales’ section at the beginning of this submission for our concerns about the start date for the levy.

Are the proposals for flat rate charges set at the right levels?

12. We have no comment on the flat rate charges.

For more information, please contact:

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