

## Board of Directors (in Public)

### Item 7.2b

## Board report

**Subject:** Report from Charitable Funds Committee :  
**Fundraising Strategy**  
**Date of meeting:** 31<sup>st</sup> March 2015  
**Prepared by:** Lucy Lavan, Associate Director of Corporate Affairs  
**Presented by:** David Bricknell Chair of Charitable Funds Committee

Data Quality Rating	BAF Ref	Impact on BAF
n/a	9	None

### 1 Executive Summary

The purpose of this paper is to seek the Board's support, as directors are the trustees of the charity, for the work underway to develop and implement a new strategy for fundraising. This paper summarises the findings of exploratory work that has been undertaken over the last few months to identify the strategic options for fundraising, the expected costs and income for each option and the actions needed to implement the new approach. A preferred option has been identified by the Committee and the Board is asked to approve the Committee's decision to proceed with the action plan, as summarised in section 3 below.

### 2 Background

To date the Trust has only very modest experience of fundraising and this has not until recently been seen as a key priority for the Trust. The former fundraising manager retired a year ago and has not been replaced, pending the outcome of this review. Income has varied in recent years (c £500k pa in last two years) but activity has been largely limited to banking, thanking and reconciling donations, claiming gift aid where applicable and maintaining a programme of occasional fundraising activities, most on a very small scale.

At the start of 2014/15 the Board signalled through its strategic planning process that it wished to see a stepped change based on a more proactive approach to fundraising. The aim to realise the potential to significantly increase charitable funds but also to raise the profile of the Trust through greater promotion of fundraising activity and implementation of an effective communications programme.

The Charitable Funds Committee agreed to commission expert advice from Tarnside Consulting who have a very successful track record as fundraising strategists.

Tarnside have completed their preliminary research and considered the Trust's position in the context of the UK charity market and the national and local fundraising environment within which NHS charities are operating. Their belief is that the Trust can essentially

raise as much money from fundraising as it desires, providing it takes the necessary steps to support its ambition and provided that clinical champions can be identified and mobilised to promote the cause.

Tarnside presented three strategic options to the Committee for consideration. These options ranged from improving current fundraising approaches through a small team but maintaining a modest overall ambition; to transforming LHCH into a fundraising hospital where fundraising would be a key strategic asset.

The Committee favoured the mid-way option whereby fundraising becomes a strategic enabler and fundraising income grows substantially to a target anticipated income of £1.6m pa after 5 years. Annual costs would be approximately £500k yielding a £1.1m annual contribution.

In addition to supporting the Trust in development of a revenue fundraising strategy, Tarnside have been working with key clinicians and managers to develop a capital campaign, based on a clear vision, compelling case for support and identification of champions within the Trust who will take the case for support to potential funders.

### **3 Preferred Strategic Option and Plan of Action**

The preferred strategic option will see income from fundraising grow to £1.6m (£1.1m net) per annum after 5 years, achieved through:

- Identifying a series of priority projects for fundraising with clear rationales for why the money is needed and what difference it will make
- Increasing visibility of fundraising in the Trust
- Implementing an enhanced events programme
- Developing programmes for individual giving, In Memoriam and legacy giving
- Developing a major giving strategy including a potential capital appeal which would be an excellent springboard for future revenue fundraising from larger donors.

In order to realise this ambition, it will be necessary to focus more significant resource towards fundraising, and this will involve some degree of risk as it will take time to establish networks and build visibility. Tarnside's indicative trajectory estimates a significant step change in Year 3 with the target revenue achieved on a sustainable basis in Year 5.

An advert has been placed to recruit a Head of Fundraising as a first stage, to be quickly followed with recruitment of an administrative support post (a member of staff is currently employed on a fixed term basis in this role). It will then be necessary for the Head of Fundraising to appoint up to three other team members to take responsibility for specific work streams within the strategy. If a clear case can be developed to support the launch of a major capital campaign then consideration will be given to appointing a further dedicated campaign manager on a fixed term basis. Consideration will be given to the use of volunteers to increase the profile of fundraising around the Trust, where it is practical to do so. The Fundraising Team will need to work closely with the Communications Manager to deliver an effective programme of communications.

Prior to proceeding with further recruitment, the new Head of Fundraising will develop Tarnside's proposals into a detailed work plan with cost and income projections and accompanying risk analysis for consideration by the Charitable Funds Committee.

The Committee will also review the current structure of the Hospital appeal and how it is managed and governed and consider the creation of a new Fundraising Committee that will actively promote fundraising.

The Charitable Funds Committee will monitor delivery closely and provide regular reports to the Board of Directors.

The Charitable Funds Committee have secured further support from Tarnside to support recruitment to the post of the Head of Fundraising and possible ongoing mentoring for a time limited period; and also to work with a small project team to develop a vision and case for support for a capital campaign. Work on the latter will cease if at any point this work is considered to be unviable.

#### **4 Recommendation**

The Board of Directors is asked to note the work to date, next steps and support the programme of work outlined to deliver a new revenue fundraising strategy which aims to increase charitable income to £1.6m (£1.1m net) after 5 years.