

Developing Communication and Ensuring Impact with Great Ormond Street Hospital Children's Charity

Stephen Lee

Professor Stephen Lee of Cass Business School offers some advice on how to tackle the systemic problems in charity fundraising.

Now in its 3rd edition, Hudson's *Managing without Profit* draws our attention to the crucial distinction between governance and management in the non-profit context.

To be effective and accountable, non-profit organisations require boards that are focused on governance – assuring the design, creation and accountability of strategy. Boards should be equipped through their membership with the skills and knowledge necessary to utilise that strategy in holding management accountable for its effective implementation.

By contrast, senior managers (including chief executives) should find their focus in the implementation, management and reporting of organisational performance in relation to the strategic objectives which are created and owned by the board.

Such a distinction does not preclude an important management role in facilitating and supporting the board in the development of strategy. As providers of pertinent research, empirical evidence and analytical reporting of past and current operational experience, senior management play an important role in facilitating strategy development.

But it is critical that the distinction in role between governance and management is maintained if our organisations are to be properly governed and managed in an effective and truly accountable manner.

Recent events in fundraising, well trailed across the media, point to deficiencies in both the senior management performance of fundraising staff (from a few, high-profile organisations) and a lack of effective ownership and governance of fundraising strategy at the board level.

Entering my fourth decade as a fundraising manager, one of the most rewarding and challenging roles that has accompanied my professional fundraising career has been acting as a 'fundraising trustee' to both large, national fundraising charities and to smaller, local ones. In each case, it was the organisation which approached me, clear in their request that I was required precisely for the mix of fundraising knowledge and skill that I had managed to acquire, alongside whatever strategic and analytical insight I might offer in enabling the board to hold fundraising management to account.

Putting aside my own effectiveness or otherwise in fulfilling these obligations, these organisations, unlike many of their counterparts, have at least approached the issue in the right manner. Fundraising and fundraising performance really matter to the effectiveness

and the public's appreciation of individual organisations and the voluntary sector as a whole. It is, after all (as the 2016 NCVO Almanac demonstrates) the means by which most of us, most of the time, engage and interact with voluntary organisations.

Fundraising and the determination, implementation and accountability of fundraising strategy must then be identified as a core strategic competence and capability required within any non-profit board seeking voluntary support. Stewardship of complex fundraising strategies and the expenditure of sizeable sums of charitable income in their determination often represent the most prescient strategic opportunity facing trustees and yet with this comes the opportunity for the greatest potential for effective breach of trust, facing both non-profit boards and their senior management.

Despite this, current observation of the membership of many large national charity boards continues to reveal a lack of the relevant competence and skills of fundraising and marketing necessary (beyond the 'good and the great' approach) to properly challenge and hold senior management to account.

For their part, not least with regard to the legal and ethical standing of effective and appropriate fundraising practice, many senior fundraising managers (and I would suggest even more CEOs) remain at best confused and often constricted in their general understanding of the legal responsibilities associated with significant areas of fundraising practice and with what constitutes compliant management and operation of those activities in practice.

A wide range of reasons lie behind this current state of affairs, too numerous to recount here. Many are not the fault necessarily of the boards or the senior management concerned – my aim is not to apportion blame, but rather, as the excellent recent PACAC select committee findings into fundraising malpractice demonstrated, to recognise that the current position reflects a systemic failure in properly understanding responsibility and accountability as it applies to the governance and management of fundraising.

Three things can best address the situation:

- First, non-profit boards (and the CEOs reporting to them) must recognise these deficiencies and invest (as the PACAC report recommends) in specialist training and support at both the board and the senior management levels to address it.
- Second, our umbrella bodies – not least Acevo and the Institute of Fundraising – should encourage and promote those with the requisite fundraising knowledge and experience to take on 'fundraising trustee' roles more prominently – a register of suitable appointees might be developed and maintained jointly by them.
- Finally, as the new charity legislation prescribes, both boards and senior management must design and apply a system of effective governance and management of fundraising strategy and practice based on sound knowledge, evidence and learning, if their reputations, and the reputation of the sector as a whole, are to be fully restored.

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