



Weston Charity
AWARDS

SMALL CHARITY LEADERS INSIGHT REPORT 2019

Conducted by Pilotlight
and the Garfield Weston Foundation



Garfield Weston
FOUNDATION



Introduction

Welcome to the 2019 Small Charity Leaders Insight Report from the Weston Charity Awards.

In its third year, the report once again shows that small and medium-sized charities have ambitions to expand their reach and help more and more people, and that most expect their income to either rise or match last year's figure. Alongside that is a widespread feeling of increased uncertainty, building a picture of a hard-working, innovative segment of the charity sector doing great things in testing circumstances. Turn to Part I of the report for more on this.

It is good to see that in spite of their financial constraints, small charity leaders see the value in investing in training their staff and trustees. This is not always matched with a willingness or ability to invest in leadership or strategy development.

There is plenty of evidence that taking the time to invest in leadership and strategy can pay dividends, which begs the question; how can opportunities for leadership or strategy development be made more accessible to cash and time-poor leaders of smaller charities? Perhaps a requirement to demonstrate strong leadership capabilities could be made more explicit by funders? In Part II you can find out what is holding leaders back from long-term thinking.

It is increasingly recognised as important that charities monitor diversity and inclusion of their different stakeholders - not just because it is the right thing to do, but because it is a crucial way to ensure they are exposed to new ideas, new perspectives and a broader range of voices. In this report we see that many small charity leaders are either proactively addressing diversity concerns, or are aware that they need to do so. For more, go to Part III.

This annual report is becoming established as an important source of information on the hopes and health of the small charities that quietly undertake invaluable work in a range of settings across the country.

We urge you to take stock of its findings and, if you work for a small charity or know one that could benefit from a package of strategic support, to consider entering the upcoming Weston Charity Awards. They are free to enter, and all entries must be received by 10th January 2020. You can find out more at www.westoncharityawards.org

Gillian Murray, CEO, Pilotlight

Methodology

In September and October 2019, the Garfield Weston Foundation and Pilotlight conducted an online survey, to which 271 charity leaders in England, Wales and Scotland responded. All respondents were leaders working for organisations with incomes under £5 million, with a majority having an income below £500,000.

PART I: FACING THE FUTURE

Stability and optimism

More than two in five (41%) small charities expect their income to rise over the next 12 months - marginally higher than the 38% figure found last year and 36% in 2017. Only 15% of respondents expected their charity's income to drop, the rest expecting it to stay level.

This relatively modest increase in optimism in financial prospects is accompanied by small charities' widespread ambitions to expand their services next year - 77% plan to help more people over the next year, and just 3% imagine that they will help fewer people, with the rest expecting to help the same number.

Uncertainties and challenges

That optimism comes despite a continued sense of uncertainty - 70% of leaders say there is more uncertainty in their operating environment than in previous years, with more than a third of those reporting 'much more uncertainty'. Only one in 25 (4%) say there is less uncertainty. Last year, similar numbers of leaders (70%) reported increasing uncertainty - this suggests these vital organisations are subject to ever-increasing and compounding levels of change.

Change is challenging and widespread as reflected in the travails of small charity leaders in 2019.

Challenges faced in the past 12 months	Percentage
Ensuring we comply with new legislation and best practice	52%
Restructuring of organisation	37%
Struggling to recruit for a key role	36%
Major IT upgrades and IT failures	30%
Setting up a new partnership	28%
Uncertainty relating to Brexit	21%

The top five challenges are the same as last year's. Compliance with new legislation and best practice remains at number one but is less prevalent than last year, which heralded the introduction of GDPR. More than one third of small charities restructured last year.

PART II: LEARNING AND LEADING

Dealing with change puts pressure on everyone involved in running charities and delivering services. This presents a host of professional development needs ranging from understanding new issues affecting beneficiaries through to the softer skills required to bring people on board with operational changes.

Grounds for training

The most common form of training activity invested in by small charities in the last year is training specific to their cause area (58%). Also popular was training for volunteers or training specifically for new recruits. Leadership training was a relatively low priority, but not entirely neglected.

Training specific to your cause area	58%
Training for volunteers	52%
Training for new staff	52%
Training for trustees	38%
Leadership training	34%
Training on IT/digital	33%
Training on working with beneficiaries	26%

Barriers to leadership investment

Having seen that it is generally not a high priority, we now look at the reasons for a lack of investment in leadership or strategy development. In short, the main issues are time and money. Relatively few concerns were expressed around its relevance or impact, or that stakeholders would not see its value.

Which (if any) of these issues are barriers to you investing in leadership or strategy development? (choose all that apply)	Percentage
Financial cost of programmes	69%
Time commitment required for programmes	63%
Funders/grant-givers do not appear interested in leadership capabilities	20%
Unsure it would make a tangible difference to the charity	19%
I don't know where to find relevant programmes/opportunities	13%
Being small we have less of a need	10%
Organisations whose contracts we apply for do not appear interested in leadership capabilities	8%

The importance of leadership

Charity leaders also reflected on what would be the most likely impact of problems with the leadership of a small charity. They were able to select up to three options from a list.

The major risks were all ones that are fundamental to the long-term health of a small charity. Small charities are often staffed by highly passionate and hard-working individuals.

Financial instability	54%
Damage to charity's reputation	50%
Loss of funding	48%
Struggle to motivate and retain staff	46%
Help fewer people	24%
Deterioration of relationship with trustees	17%
Beneficiaries put at risk of harm	17%
Struggle to motivate and retain volunteers	14%
Loss of donors	10%
Employees or volunteers put at risk of harm	10%
Damage to the sector's reputation	6%

PART III: SUPPORT, SKILLS AND STAKEHOLDERS

A mixed picture of support

Most small charity leaders (74%) are satisfied with the level of support they get from local people. Yet, more than half of charity leaders (52%) say they would welcome more support from local businesses and nearly half (46%) say they require additional support from local government.

We also asked what, apart from money, charities are seeking from local people. The most common answers were general volunteering (81%) and more specialised pro bono professional skills giving (69%).

Still seeking partners

Partnership building with the commercial sector is the top professional skillset that small and medium-sized charities currently need. Over half (51%) listed it as a top three skills need, exactly the same proportion as last year.

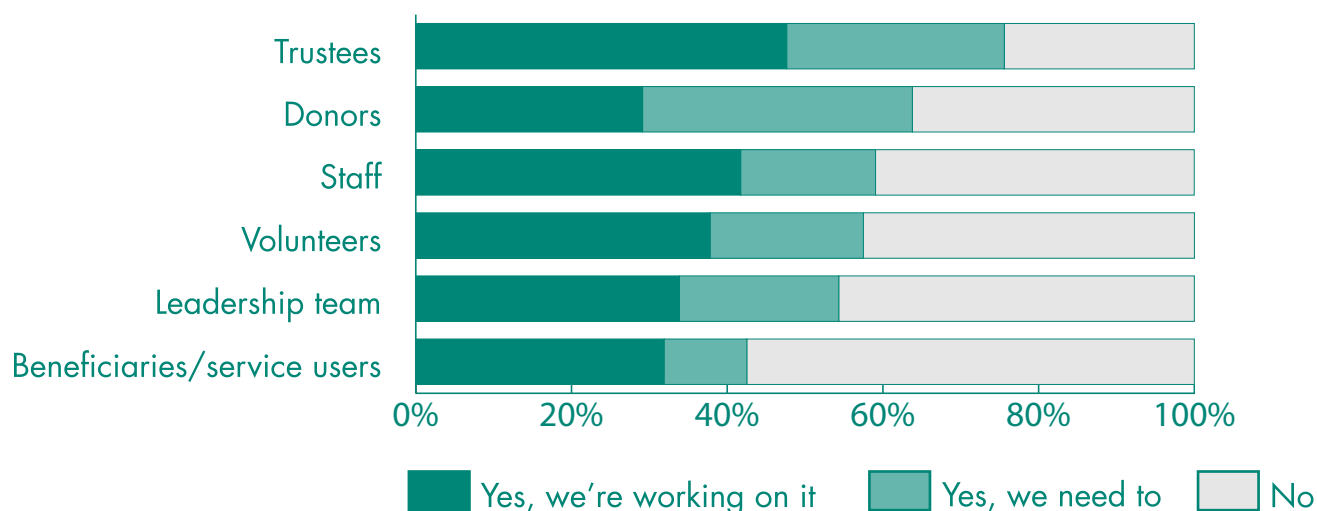
Building partnerships with the commercial sector	51%
Fundraising	47%
IT and digital	33%
Branding and communications	32%
Strategy development	23%

Diversity deficits

Diversity and inclusion is an increasingly hot topic across many sectors, and it has been a particular area of focus for the charity world in recent times. Our results suggest that most small charity leaders have recognised this as an important issue and one in which they are likely to face increasing scrutiny.

Improving the composition of charity boards is receiving the most attention. Nearly half (48%) of charity leaders are working on improving diversity and inclusion among trustees, with another 28% saying they needed to do so. Whether the remaining quarter are blind to the problem or have already cracked the issue is open to interpretation.

Does your charity need to improve diversity and inclusion among any of the following groups?



Highly recommended

Despite all of the pressures and stresses of leading a small charity, the overwhelming majority of those taking our survey would, just as they did last year, recommend it to a friend. Four in five (80%) said they would recommend working for a small charity to a friend - just 6% said an outright no, with the other 14% unsure.



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MORE INFORMATION

About the Weston Charity Awards: The Awards celebrate and support great frontline charities working in the fields of community, welfare and youth. Run by the Garfield Weston Foundation with Pilotlight, charities with incomes under £5 million in the North and Midlands of England, and in Wales can apply. Applications open 2nd December 2019 and close 10th January 2020. To apply visit www.westoncharityawards.org

About the Garfield Weston Foundation: Established over 60 years ago in 1958, the Garfield Weston Foundation is a family-founded grant-making charity which supports causes across the UK with grants totaling around £70million annually. It has donated over £1billion to charities since it was established.

One of the most respected charitable institutions in the UK, the Weston Family Trustees are descendants of the founder and take a highly active and hands-on approach. The Foundation's funding comes from an endowment of shares in the family business which includes Twinings, Primark, Kingsmill (all part of Associated British Foods Plc) and Fortnum & Mason, amongst others – a successful model that still endures today; as the businesses have grown so too have the charitable donations.

From small community organisations to large national institutions, the Foundation supports a broad range of charities and activities that make a positive impact in the communities in which they work. More than 1,800 charities across the UK benefit each year from the Foundation's grants.

For more information, please visit www.garfieldweston.org

About Pilotlight: Pilotlight is an award-winning charity that connects Pilotlighters (its business members) with charitable organisations, to unlock solutions that help charities become more effective and sustainable. Since 2003, Pilotlight has supported more than 800 charities and social enterprises tackling social disadvantage in the UK. Pilotlight's Impact Summary 2019 shows that two years after completing the Pilotlight Programme, on average, charities have increased their income by 46% and are reaching 36% more people.

For more information, please visit www.pilotlight.org.uk

Contact: For further questions relating to the Weston Charity Awards or the Small Charity Leaders Insight Report 2019, including comparative data from previous years, please contact Julie Kangisser on 07711 818496 or Sam Burne James on 07848 380 394.