

Bag Books Strategy 2009-2014 Fundraising Plan

Introduction

This Fundraising Plan should be read in conjunction with our two other Strategy 2009-2014 documents: the Aims and Objectives document which was agreed by the Trustees in October 2008; and the Workplan agreed in April 2009.

Existing funding sources

With the current recession, Bag Books, along with many other charities, is experiencing a change in income patterns and needs to keep close control of expenditure to match the available resources. However, the recession is also presenting some opportunities for the charity and there is scope for some optimism for the future. This Fundraising Plan aims to highlight the ways we can consolidate our existing fundraising sources during the recession, build on them where possible, and be in a position to take advantages of opportunities when they present themselves.

Charitable Trusts

For 2009, 66% of Trust income is already secured and a further 10% is from regular donors leaving 24% to be raised. This latter amount equates to c£23k per quarter, a target that was achieved in Q1 and surpassed by £6,500 in Q2.

In the past, Bag Books has concentrated on appeals to a small, regular group of funders and in 2008 there were just 36 donations from Charitable Trusts. I am casting the net wider and in the first six months of 2009 we have already received donations from 27 Charitable Trusts who are completely new donors to Bag Books and from a further 10 Charitable Trusts who were lapsed donors who had not been approached for at least three years. Even in these hard times for Trusts, it is not therefore unreasonable to assume that the underlying core of Trust income for Bag Books should remain relatively stable and a modest 3% growth has been built into the Plan for 2010-2012.

In addition, we will continue to make applications to larger funders for specific pieces of growth over two and three year periods. We currently have an offer from the Henry Smith Charity and from the Esmée Fairbairn Foundation for a total of £150k over three years towards the cost of a Director of Services.

Book Sales

In 2004 we were fundraising for £19k to cover the shortfall on workshop staff and materials (ignoring overheads) but that subsidy had risen to £75k in 2008. £19k was an achievable fundraising goal but £75k is far too ambitious for a charity of our size.

In October 2008 the Trustees authorised an increase in prices with a view to reducing the subsidy. The old pricing structure was relatively flat with prices ranging from £35 to £80 with an average of £52.81; the 2009 structure ranges from £30 to £120 with an average of £68.44. The price increase doesn't seem to have dented order volumes but the new pricing structure is encouraging customers to order the cheaper titles which have less of a subsidy and are quicker for us to produce. As a result of this and greater use of volunteers, production increased by 9% in the first six months of 2009.

The projected increase in income from sales for 2009 is 16% which is significant considering that the first five months of production were at 2008 prices due to large orders

being placed late in 2008. To calculate 2010 income, I have based it on pro-rata full year figures for 2009 plus a further 10% price increase. The Plan for income in subsequent years assumes further 10% increases until the income covers the staff and materials.

Training income

We are also now starting to develop our training services. We pay a freelance trainer £150 for the day and charge £250 to the client (mainly schools). We have 11 bookings over the next six months. The charge will increase to £300 in 2010 and we will undertake an email marketing campaign.

Ignoring Story-Go-Round, during the whole of 2008 income from training was £844 including travel costs.

During the first six months of 2009, we have run 8 sessions bringing in £1,665 plus £299 travel at cost and that has been with very little marketing. In addition we have run a further 4 sessions that were fully funded through local charitable trusts. I think it's very likely that we'll end up doing the equivalent of at least 20 full days of training during 2009.

A very conservative growth to 25 full days in 2010 would give an income of £7,500. We currently employ a freelancer at £150 per day to run the sessions but I would expect the Director of Services to be able to run a growing number of them.

I think there is tremendous scope for developing our training income but we need to balance it with developing low cost basic training for parents and also to bear in mind that we want the Director of Services to do other things too.

Individuals and Special Events

Because we have a tangible product (rather than being a charity offering advice) we have a certain appeal for individual donors (and corporates). In November 2008, we raised £16k through our Radio 4 appeal, the third largest amount out of the previous 14 broadcasts. We hope to gradually build our individual donor database but any active donor recruitment is likely to be expensive and therefore beyond our means for the time being.

There is scope for more Special Events if we have the resources and skills to organise them. I have asked the Comedy Store if we can hire their club as a venue for a Comedy Night next year – an event I put on five years running for my previous charity. If it goes ahead then I would mentor Steve, one of our volunteers, through organising it. If we get a full house (400 people) it should raise £5k. Additionally, a suitable fundraising volunteer, could help with sponsored running events. The Plan includes 10% growth.

Companies

In the past we have been very fortunate to be chosen as charity partners by UBS and News International. These relationships generated significant funds but came to a natural end. With the recession in full swing, any hopes of attracting new support might seem slim but we have been shortlisted as Charity of the Year by Deutsche Bank and I have sent in a proposal to them. If selected it would be worth between £100k - £200k but it has not been included in the Plan as it would skew the figures.

In addition, many companies in the City are looking for volunteering opportunities for their staff. We have a regular volunteer who was a solicitor at one leading firm of City solicitors and Linklaters sent a team of 10 staff to do craft work a few months ago. We visited the HSBC offices in June and Standard Chartered has two teams booked into the workshop

for August. Credit Suisse are coming in November. The teams each bring a small budget with them and as well as helping to boost production, we are hopeful of picking up some larger donations in the future. The Plan is to increase income by £5k each year – it should be noted that by 2012 income will still be considerably less than the actual in 2007.

Legacies

Soon after I joined the charity in July last year we subscribed to a discretionary legacy notification service and have made 30 applications to executors as a result. One legacy of £20k has been received and whilst it is most welcome we feel it prudent to regard it as a one-off. No income has been assumed in the Plan.

Interest and Misc

Given the reduction in our available funds due to previous deficits and the reduction in rates, interest is likely to be very small. The Plan assumes no income from this source.

The future

Putting the above assumptions together we come up with a growth in income of 33% for 2010 and a more modest growth of a further 9% in 2011. Income (and expenditure) would then drop in 2012 due to the end of the Big Lottery Fund grant. We will naturally be applying to the Lottery for funding of a new project but this has not been included in the Plan as it would skew the figures.

	Actual 2007	Actual 2008	Projected 2009	Plan 2010	Plan 2011	Plan 2012
Income						
Charitable Trusts	148,750	208,679	192,246	238,273	245,967	240,331
Big Lottery Fund			14,185	71,011	85,365	0
Book Sales	48,682	60,145	65,974	81,548	89,703	98,673
Training	407	844	4,867	7,500	9,000	8,100
Individuals & Special Events	25,433	21,838	18,961	20,857	22,943	25,237
Companies	37,136	12,133	4,685	9,685	14,685	19,685
Legacies	0	0	20,000	0	0	0
Interest & Misc	5,612	3,417	1,479	0	0	0
Total Income	266,020	307,056	322,397	428,874	467,663	392,026
Expenditure						
Charitable Expenditure	219,085	248,106	247,376	342,663	362,634	291,667
Fundraising	70,410	101,436	85,317	65,212	66,516	67,846
Governance	6,650	7,410	7,070	7,211	7,356	7,503
Total Expenditure	296,145	356,952	339,763	415,086	436,506	367,016
Balance	-30,125	-49,896	-17,366	13,788	31,157	25,010

The key for a sustainable future has to be a combination of strict controls over expenditure and a more diversified income. The former is now in place and although some progress on the latter has been made (particularly with the Lottery) it remains more of a longer-term goal and depends to some extent on the available resources for fundraising.

Available resources

With the departure of the Fundraising Manager, fundraising is now being done by the myself with a part-time volunteer handling administration. Given the current financial constraints this is all the charity can afford at the time being but as soon as the situation improves we need to carefully assess our future needs and invest in additional support.