2016 Jersey Charity Survey

www.kpmg.com/channelislands
jerseycommunitypartnership.org

—

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Contents

Glossary

AJC	Association of Jersey Charities
GBP	Pound Sterling
JCP	Jersey Community Partnership
k	Thousand
m	Million
NPO	Not-for-profit organisation
n/a	Not applicable
Third sector	Charitable and not-for-profit organisations in the island

Approach

KPMG Channel Islands Limited ('KPMG') has performed an analysis of the position of Jersey charities and not-for-profit organisations which aims to provide participants with an understanding of the profile and developments of the third sector in Jersey.

The data used in performing the analysis presented herein is aggregated from 2016 information provided by participating organisations. Information regarding local statistics has also been obtained from publicly available data produced by the States of Jersey Statistics Unit.

Although the survey has been undertaken for the first time, the participation levels have been good at 46% due to some tenacious follow up undertaken by the board of JCP.

Care should be taken when considering the figures because each organisation has a different basis for its reporting. Where raw data has been provided we have made certain assumptions regarding the classification of items. Due to the varying levels of completed responses, the number of participants included may vary from page to page.

The survey has been conducted anonymously and we have not provided information that we believe can be traced back to individual organisations.

I would like to thank all participating directors and employees for their time and effort.

Robert Kirkby
Executive Director
KPMG Channel Islands Limited

Basis for preparation – important notice

This survey is for the benefit and information of participants that provided data for inclusion and should not be copied, referred to or disclosed, in whole or in part, without the prior written consent of KPMG. This prohibition includes, but is not limited to, internet posting and email distribution in whatsoever file format.

The data used in performing the analysis presented herein is aggregated from information provided by the participating institutions. It has not been verified against external sources and has been used as provided. No reliance is to be placed on the analysis presented, which is solely for information purposes. Where deemed necessary KPMG amended the information provided in order to adjust for exceptional events and extreme outliers. Consequently, KPMG cannot accept any responsibility for any errors or omissions contained within this document.

Introduction from the Chairman of Jersey Community Partnership

I am delighted to present further analysis of the charity and not-for-profit sector survey we conducted in Jersey with the generous expertise of KPMG. I would like to take the opportunity again to thank all those who participated. I hope that you find the results insightful – offering a fair reflection of the current status of the third sector.

The survey was the brainchild of the Jersey Community Partnership, with the main aim of providing charities, voluntary organisations, donors and Jersey society as a whole, with a better understanding of the current state of the sector. We hope that by increasing the amount of market data available it will facitiltate more informed strategic decision-making.

At present, there is no centralised register to confirm the exact number of voluntary organisations on the Island. We hold a database of 535 voluntary organisations representing listed clubs, NPOs, social enterprises and charities in Jersey. Of the relevant population, 46% (197 voluntary organisations) completed the survey, a response rate we are delighted with – reflective, we think, of the sector's wish to be better understood.

According to the data provided, the generosity of islanders in giving both their money and time is notable, with approximately £80m total being raised per annum and one in eight adults volunteering.

~£80m
raised annually[1]

~1 in 8 adults
volunteering[2]

Positive future outlook[3]

It is apparent that we have an established third sector which provides a valuable contribution to the Island and its community. However, these organisations are operating in a climate where it is anticipated that there will be an increasing demand for their services which they are expected to meet with fewer resources.

The Jersey Community Partnership is committed to improving the flow of money, ideas and volunteers around the voluntary and community sector in Jersey. We believe in Jersey's potential to be a benchmark for a modern, compassionate community, and we hope that this survey provides a valuable tool for philanthropists, donors, and organisations working in the voluntary and community sector.

Nigel Smith

Chairman
Jersey Community Partnership

[1] *Calculation based on average income per organisation, extrapolated to the total size of the sector on the island.*
[2] *Calculation based on average number of volunteers per organisation, extrapolated to the total size of the sector on the island. Note that a volunteer for one organisation may also be volunteering for another organisation.*
[3] *Based on the data analysis from the survey respondents. Please see page 13 for detailed information.*

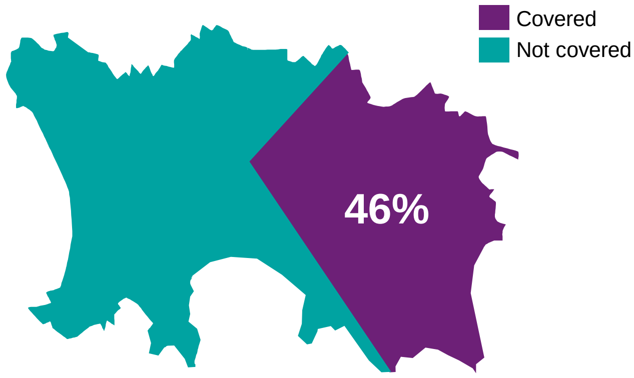
Survey coverage

The third sector

The charity and not-for-profit organisation sector in Jersey has never been analysed in detail. This page provides an overview of the coverage, the different types of organisation who responded to the survey, and the aims being pursued by local organisations.

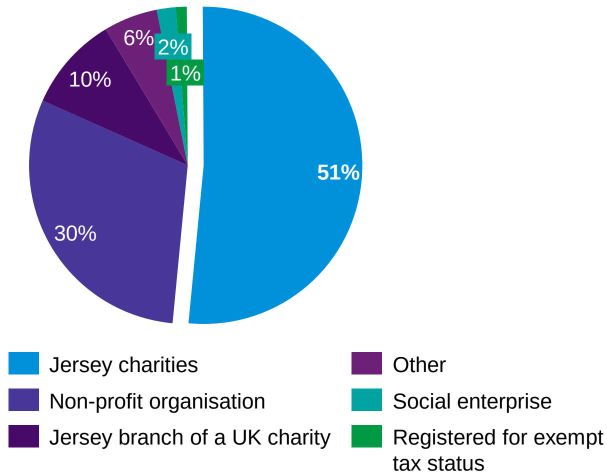
Overall survey coverage

197 organisations took part in this survey …

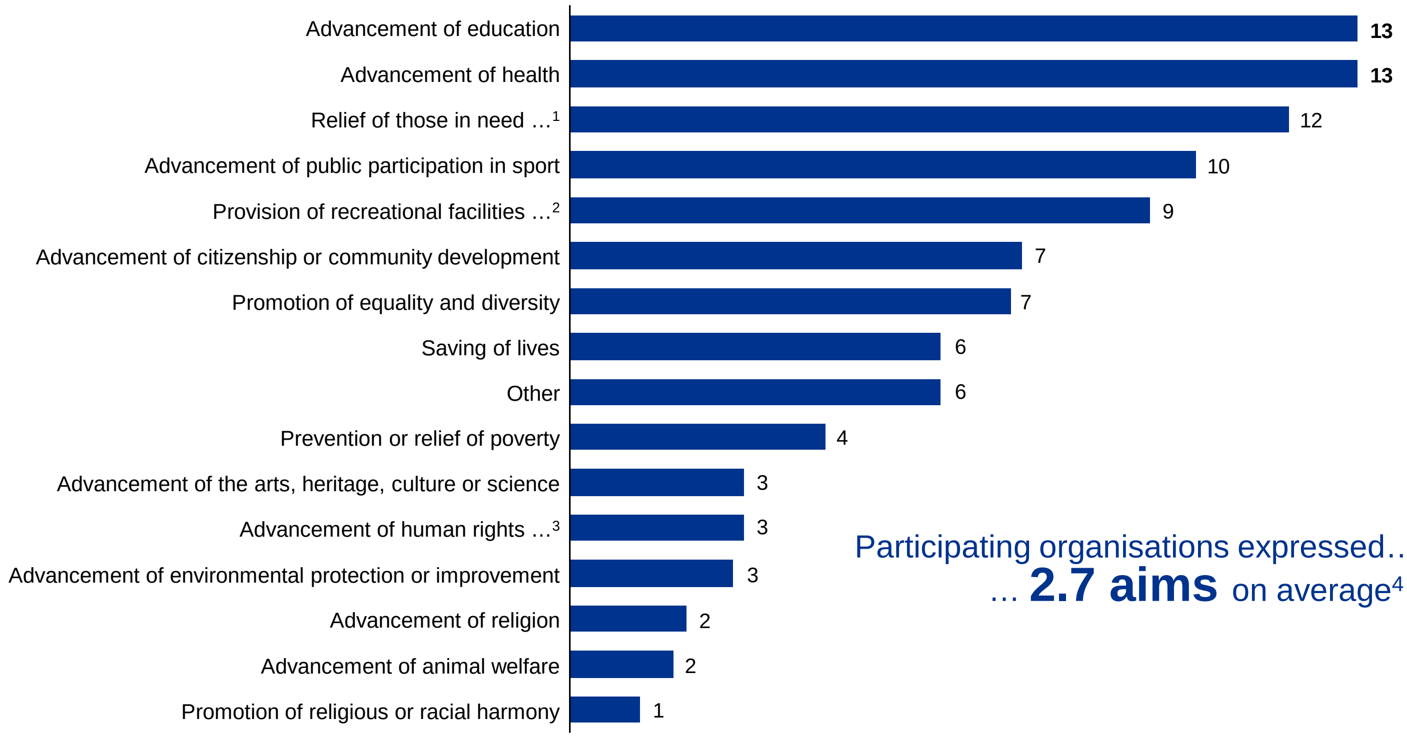


Types of organisations covered (%)

… out of which the **majority** describe themselves as a **"Jersey Charity"**



Coverage by aims/goals of each organisation (%)



Participating organisations expressed… … **2.7 aims** on average[4]

[1] The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage
[2] The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended
[3] The advancement of human rights, conflict resolution or reconciliation
[4] Multiple answers were allowed. Most charities have stated a number of key goals and aims. This averages 2.7.

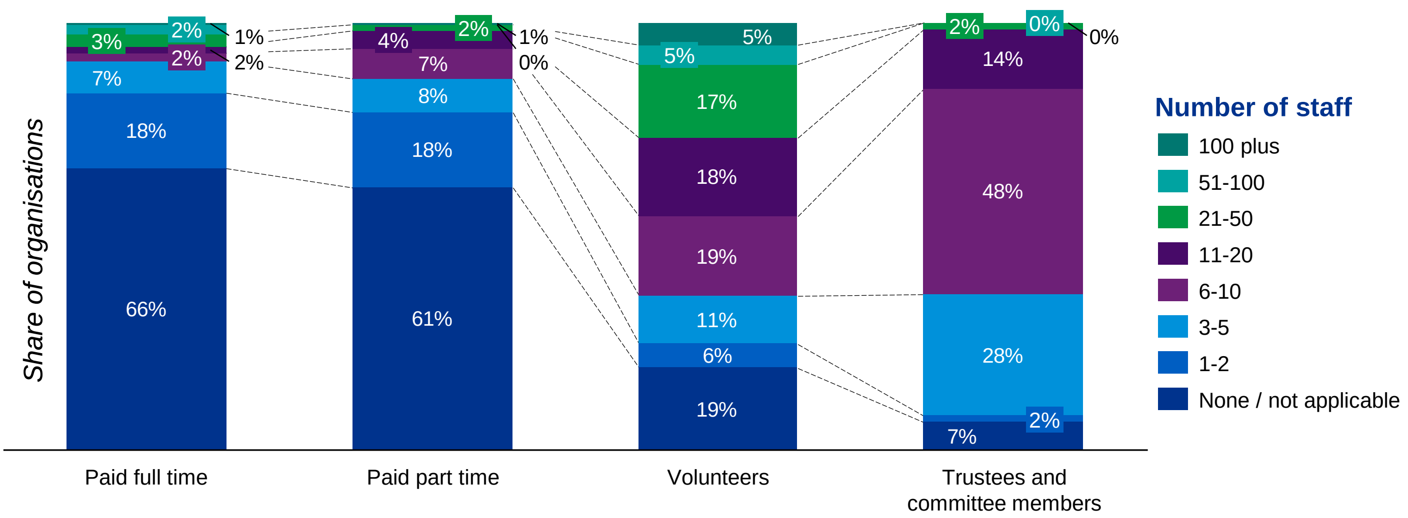
Organisational resources

Organisations require adequate people to operate, and charities and NPOs are no exception. The below graphs show the number of people by type involved in charitable work and the changes that have been seen by organisations over the last three years.

Share of organisations (%) by distribution of people

2/3 of organisations operate without any paid staff at all

Those 34% with paid full time staff, also have the **biggest income**[1]

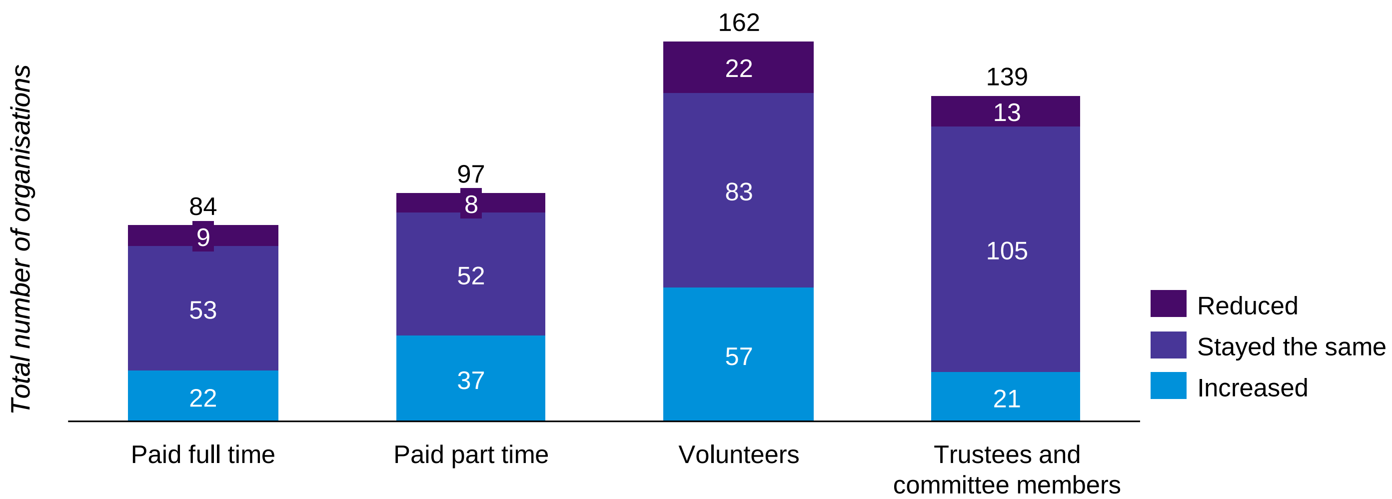


Change in staff, volunteers, trustees or committee members, over the last 3 years[2]

The **vast majority** of organisations …

… report a **constant/increased level** of **volunteers**

… of which there are roughly **11,000** on the island[3]



[1] Calculation based on organisations with paid staff and their respective income. Not illustrated here.

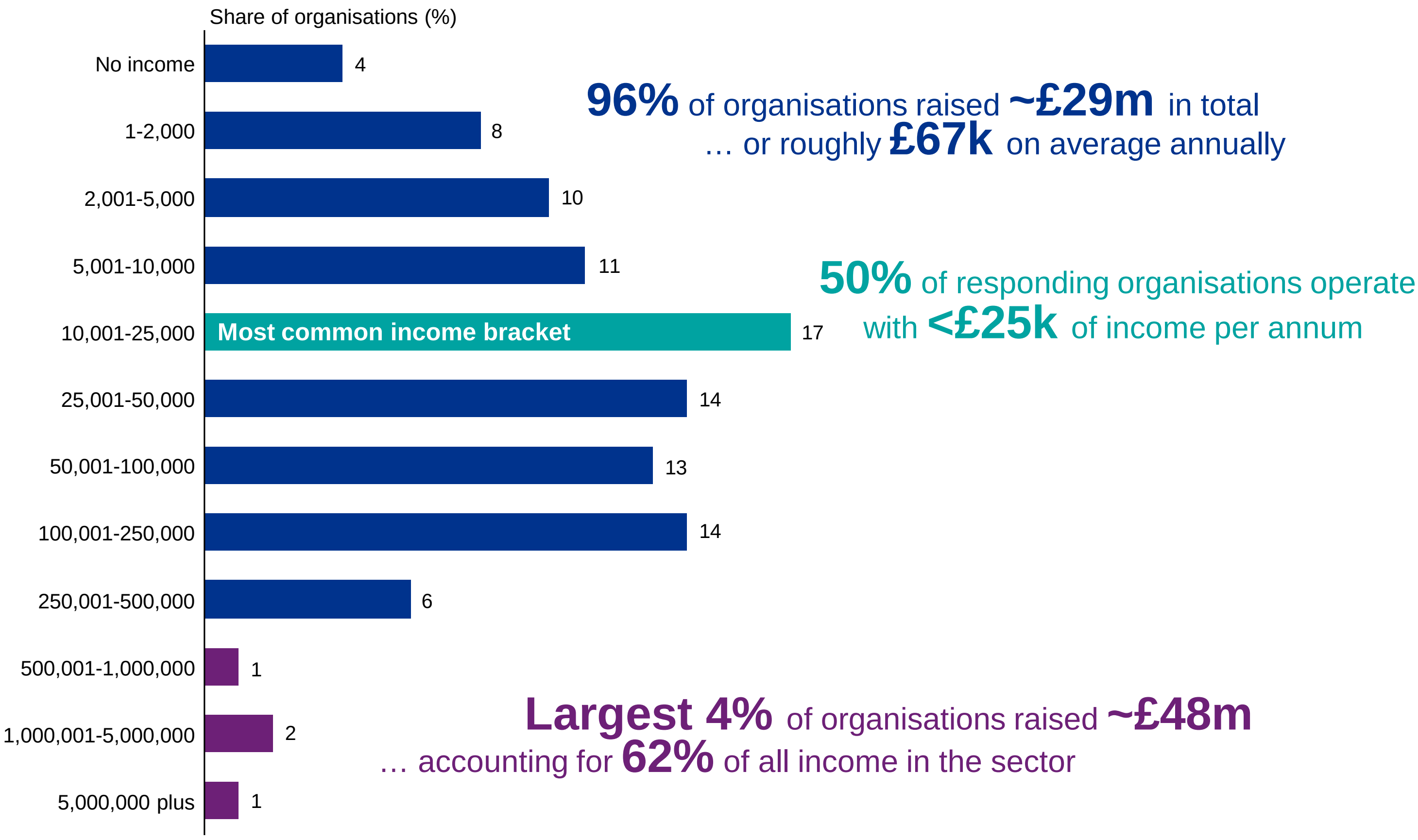
[2] Please note that a considerable amount of respondents have answered this question with "N/A" which is not included in here. Therefore the chart only shows the split of answers according to the three answer options "reduced", "stayed the same" and "increased" and totals do not add up to 197 organisations overall.

[3] Calculation based on an extrapolation of average number of volunteers and trustees/committee members per organisation. Not illustrated here. Please note that a volunteer for one organisation may also volunteer for another.

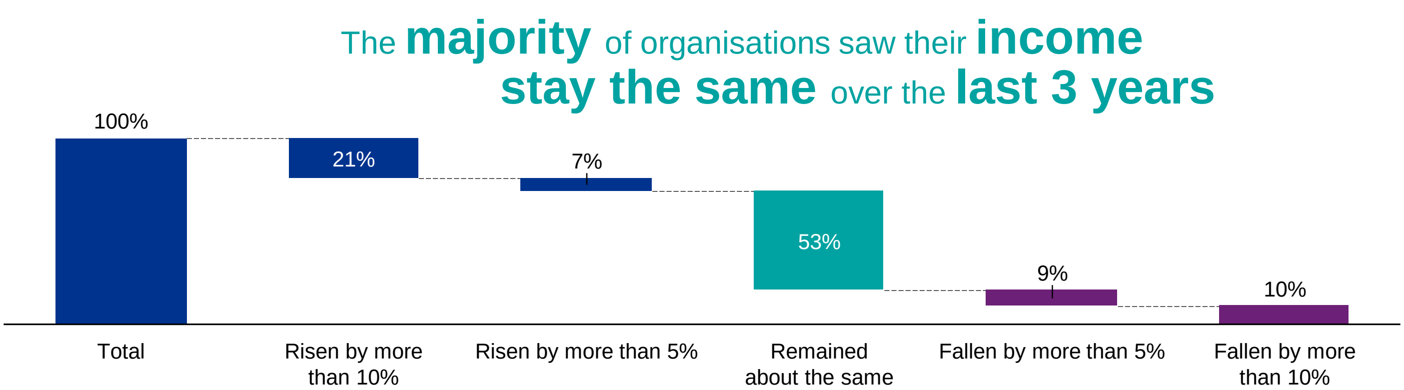
Organisational resources (cont.)

Top three income-generating aims (based on total income per aim)[1]

Share of organisations (%) per income bracket (values in £)



Share of organisations (%) per change in income



[1] Calculated as sum of mid-point income figures per aim. Total sum of all aims exceeds total income of the sector due to multiple aims per organisation.
[2] The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage

Organisational resources (cont.)

Application for grant funds in the last year

Grant funds play a special role in the third sector, because they help charities and NPOs to fund themselves and some rely heavily on this type of financial support.

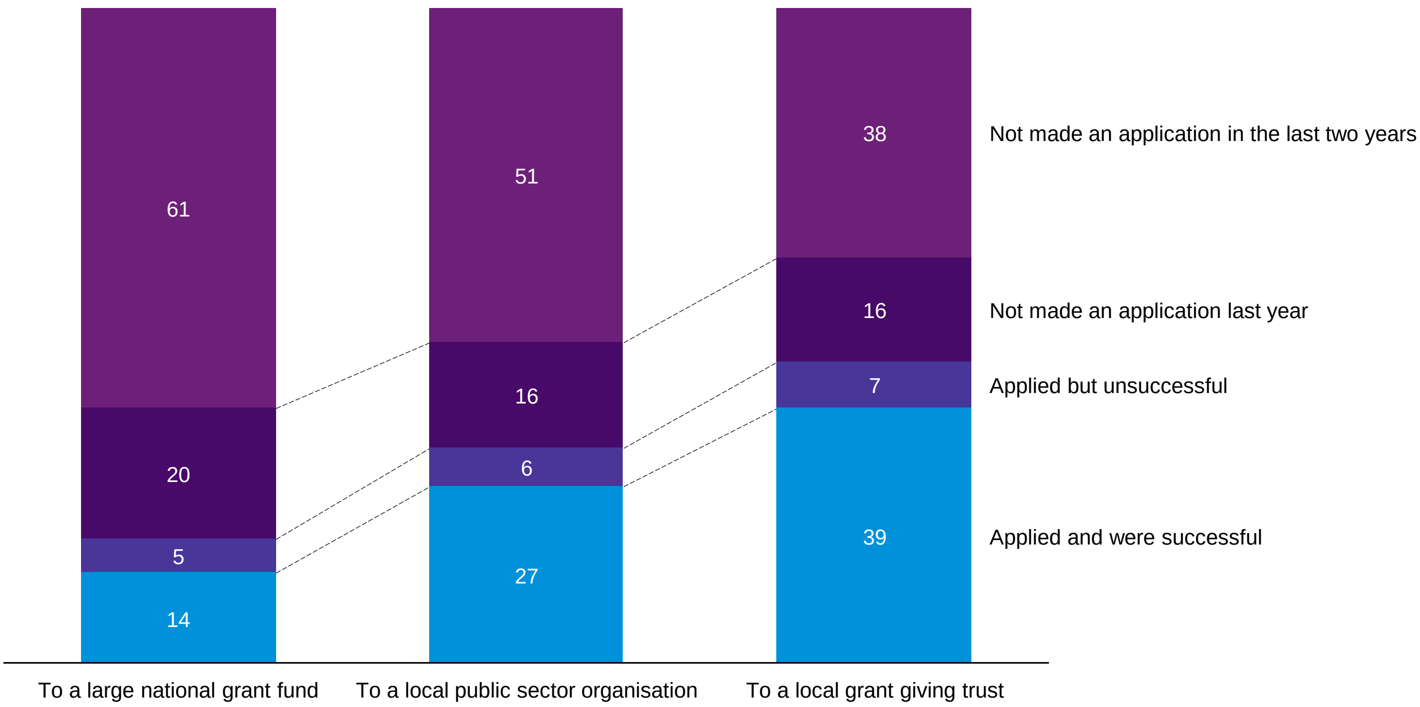
The graph below shows the share of organisations that have/have not applied for a certain type of grant fund and whether they were successful or not.

Share of organisations (%) which applied for a grant fund

81% of all applications generally were **successful**

The **majority of organisations** that **applied** for a grant fund …
… were **successful** with a **local grant giving trust**

However, **~ 50%** of respondents have **not made an application** within the **last year / the last two years**



Training and support

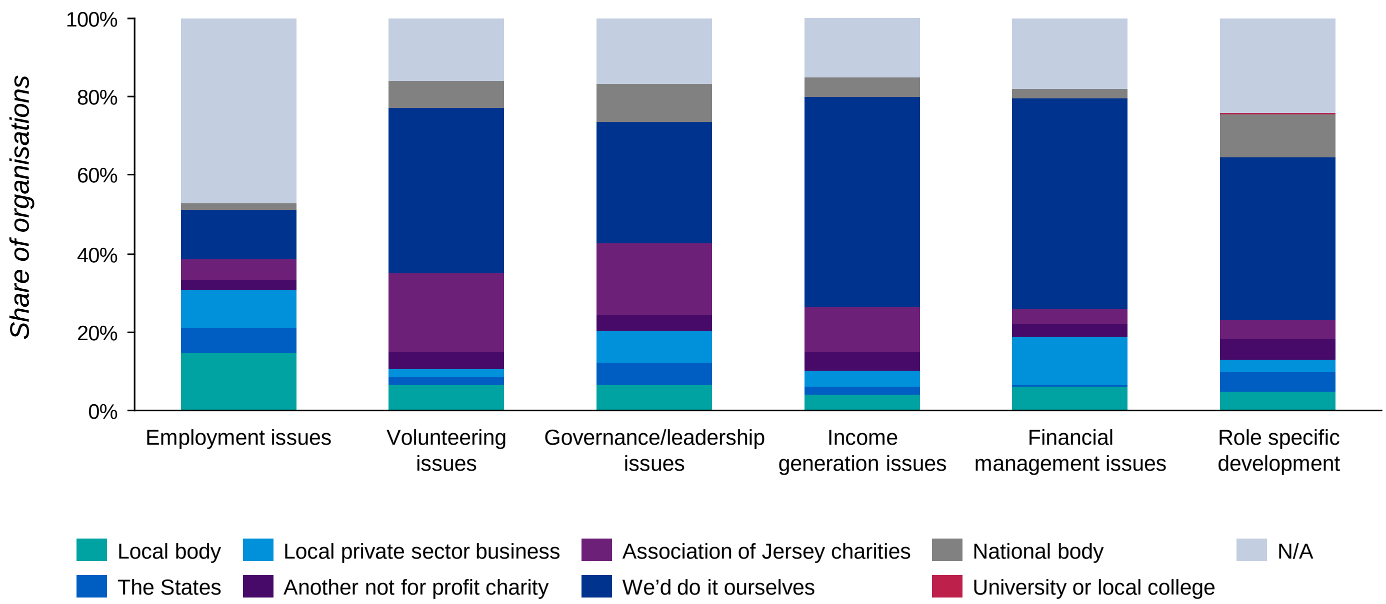
Certain skills and knowledge areas are essential for charitable organisations to succeed, such as fundraising and bidding for grants. The survey confirms this, placing those two critical skills high in priority for more training and support. Further details of high priority training areas and the preferred sources for training can be seen in the illustrations below.

Top 5 high priority areas of training and support[1]

Fundraising, bidding for grants and **marketing**
… show the **highest training/support priority**

Preferred source of training by type of issue (%)

Nearly half of all organisations handle training needs **by themselves** …
… **volunteering/governance** training is also sourced from **AJC**



[1] Please note that this graph only shows the top 5 answers within the "high priority" answer sets provided by respondents. We have not included both "low priority" and "not required" answer sets in our analysis above. Multiple answers were allowed.

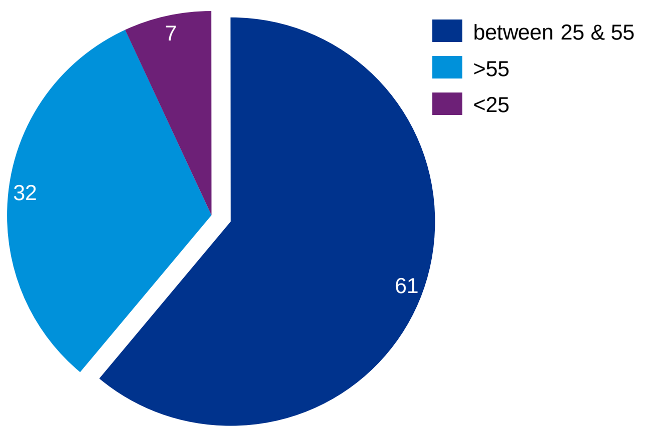
The role of volunteers

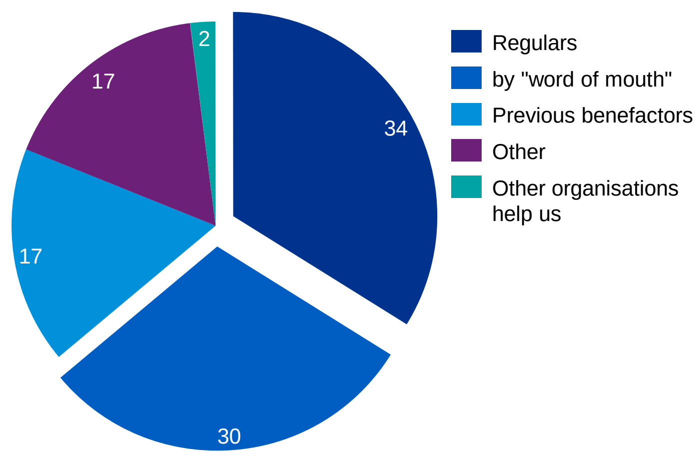
This analysis shows the age distribution of volunteers and how they are being attracted by charitable organisations. As can be seen from the illustrations below, the majority of volunteers are between 25 and 55 years of age and are regulars, referred by “word of mouth” or are previous benefactors of the respective organisation for which they volunteer.

The bottom graph illustrates that 60% of organisations see it as part of their social duty to provide volunteering opportunities and an even higher proportion expressed the view that they could not survive without them.

Who are your volunteers? (%) … … and how do you attract them? (%)

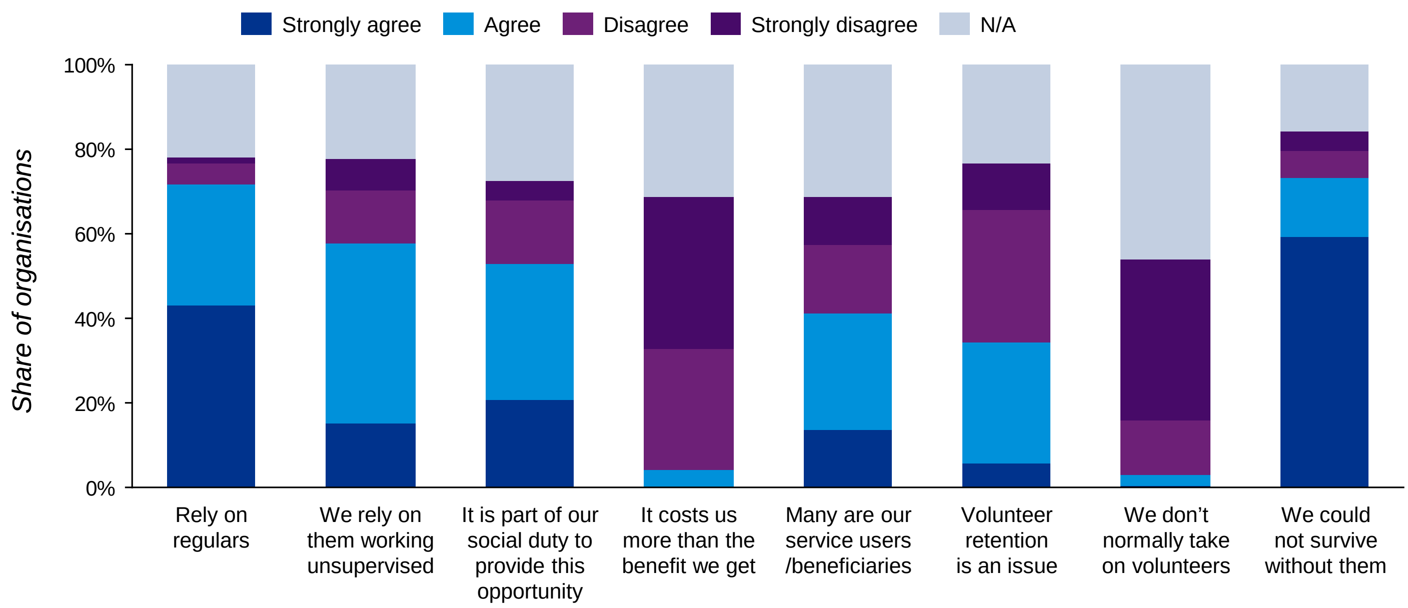
Most volunteers are **between 25 & 55** years old …
… and are **either regulars** or come **by “word of mouth”**





Share of organisations by experience with volunteers (%)

~**70%** of all organisations agree that they rely on **regular volunteers**
… but for **35%** of respondents **volunteer retention is an issue**

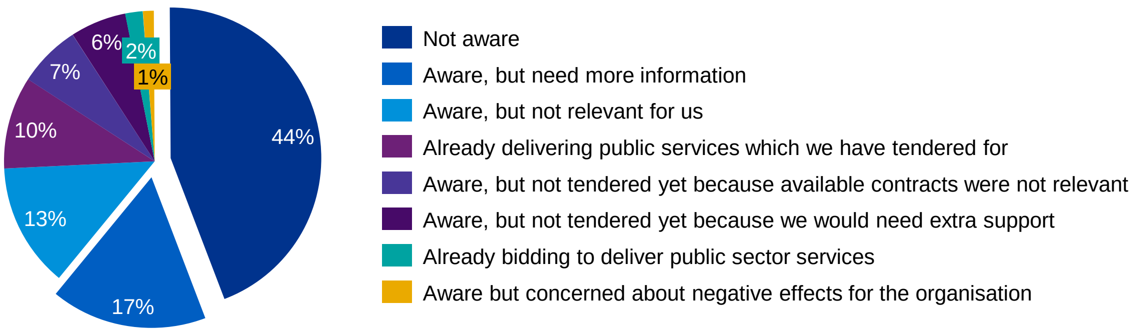


Working with other organisations

This page shows the awareness level of organisations regarding public service tendering as well as how organisations feel they are regarded by States departments and the importance they place on relationships with businesses from the private sector.

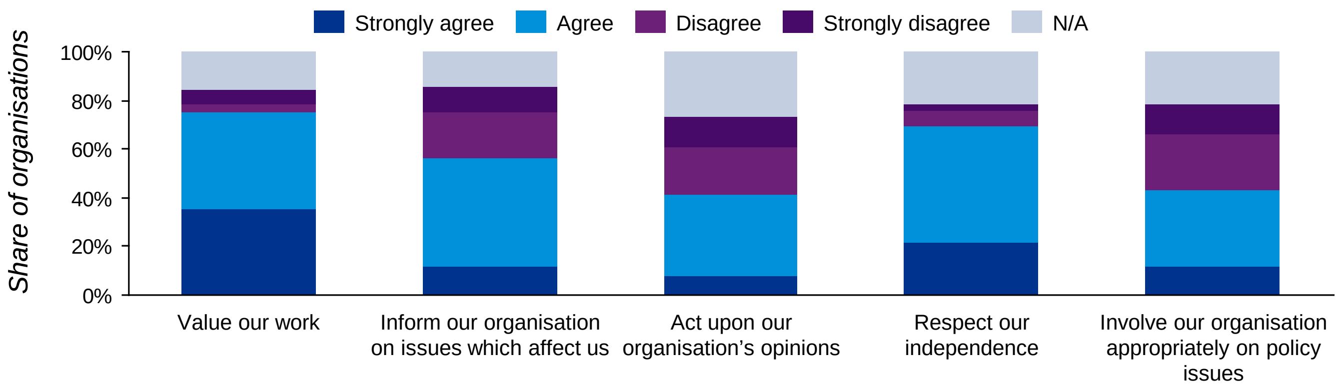
Current position of organisations regarding tendering for public services (%)

The **majority** of organisations …
… are either **not aware** or **need more information** on this process



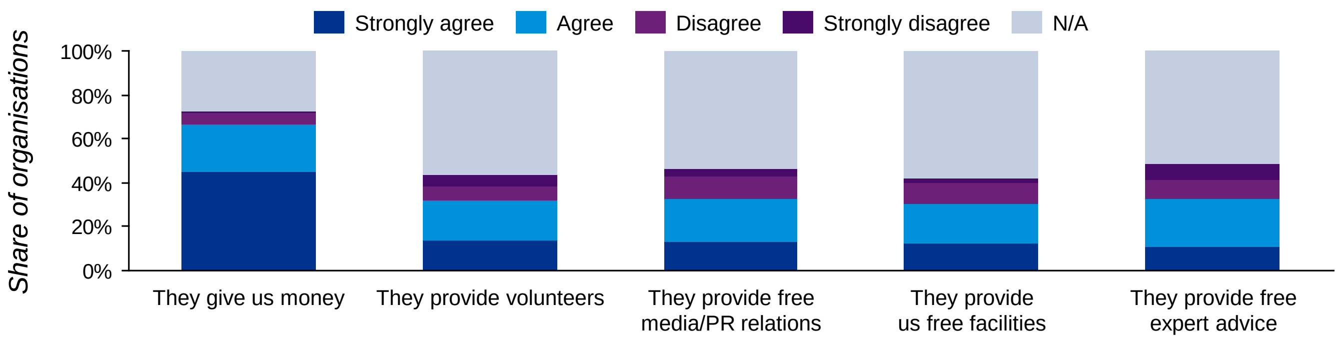
How do you think your organisation is regarded by States departments and wholly owned subsidiaries? (%)

Most organisations have the impression their **work is valued** …
… and their **independence** is **respected** by States departments …
… however, they **don't feel informed** and **involved** appropriately



Importance of relationships with private sector businesses (%)

Less than 50% of respondents get **advice, volunteers**, …
… or **facilities** from the **private sector**

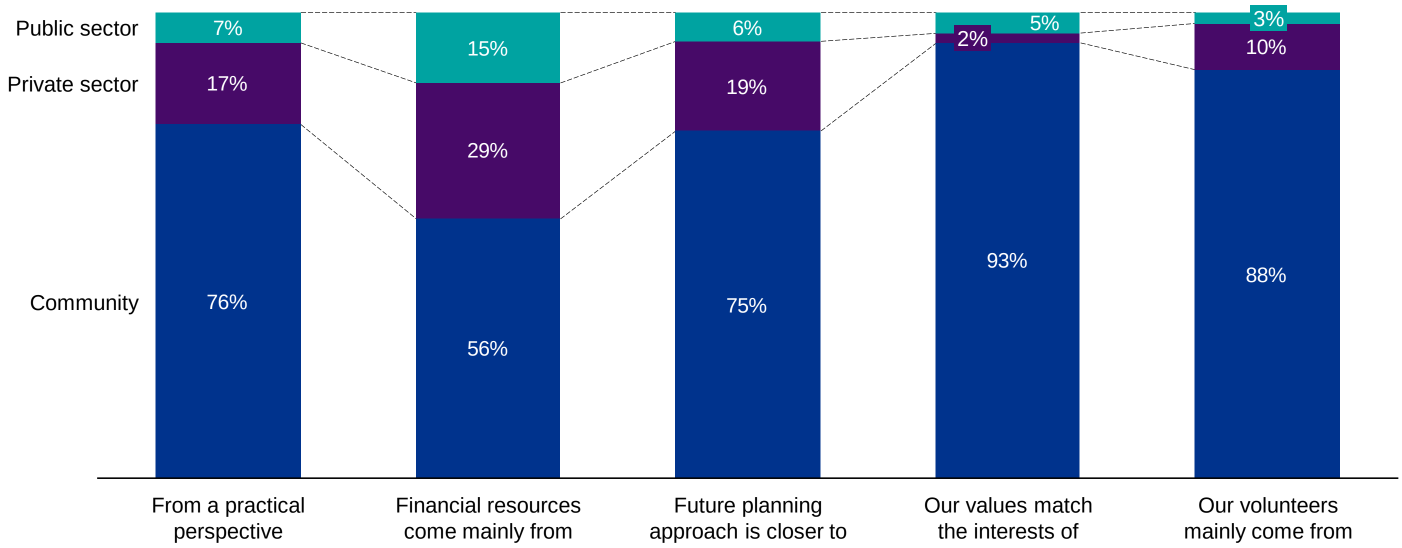


Voluntary and community sector culture and evaluation of impact

The two analyses below reveal the cultural proximity of organisations towards the community, private and public sector in certain areas and how organisations measure the impact of their work.

Where do you think your organisation sits in relation to the following? (%)

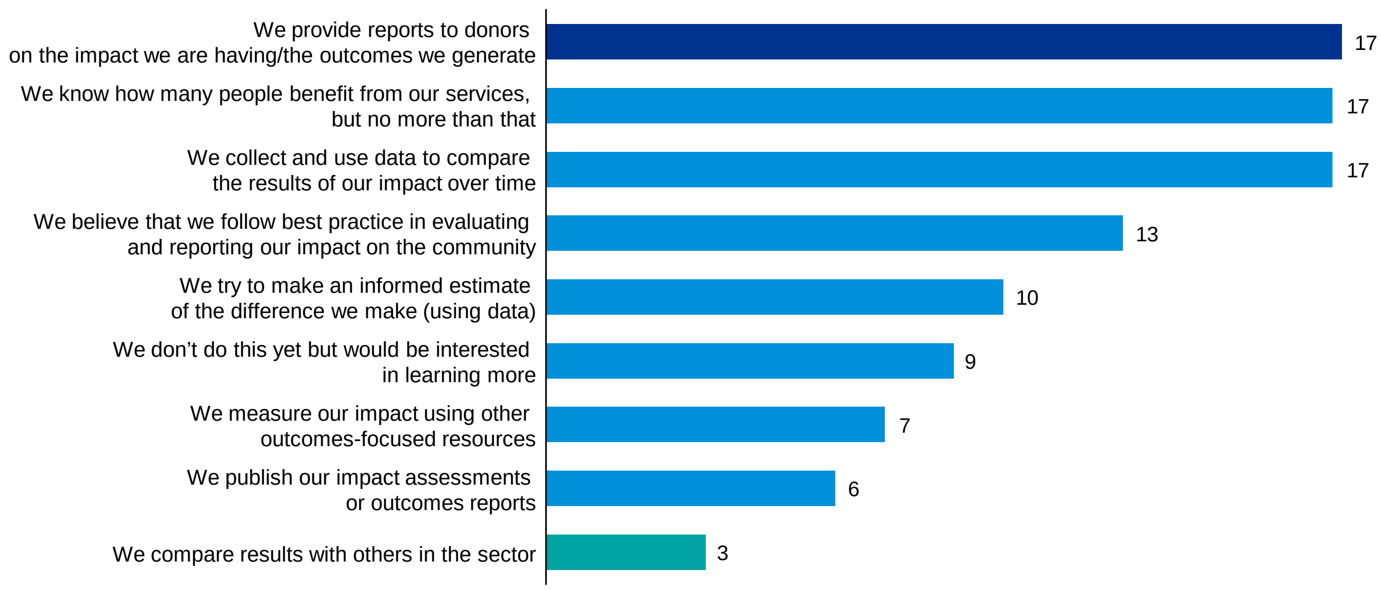
At least 56% of all organisations believe… they are **closest** to the **community** in all parameters evaluated



Evaluation and reporting of the impact of the work within the community (Share of answers, %)[1]

Those who **provide reports** to donors and **measure impact** over time … … also **generate the highest income[2]**

The **vast majority do not compare** results with others in the sector



[1] Multiple answers were allowed. We have received 462 answers in total (2.3 average ticked answers per organisation).
[2] Calculation based on organisational split by evaluation and their respective income. Not illustrated here.

Future outlook

When asked about the future outlook of the third sector in Jersey, organisations replied optimistically/pessimistically about certain areas, which are highlighted below. Overall, the survey participants share a positive outlook for their sector.

The majority of organisations (excluding n/a answers) believe that …

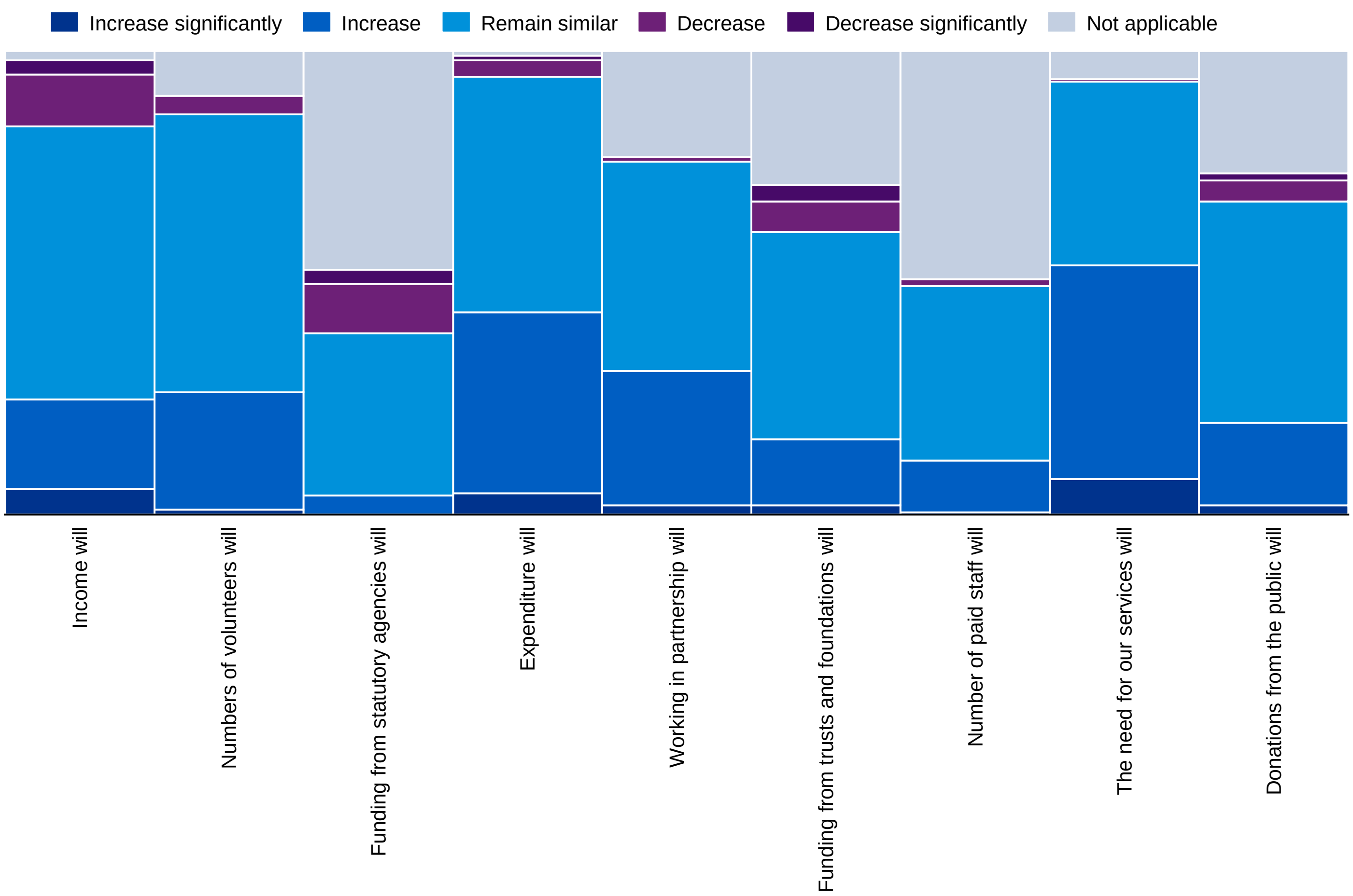
- income
- number of volunteers
- expenditure
- partnerships
- need for our services
- donations from the public

will increase or remain similar

- funding from statutory agencies
- funding from trusts and foundations

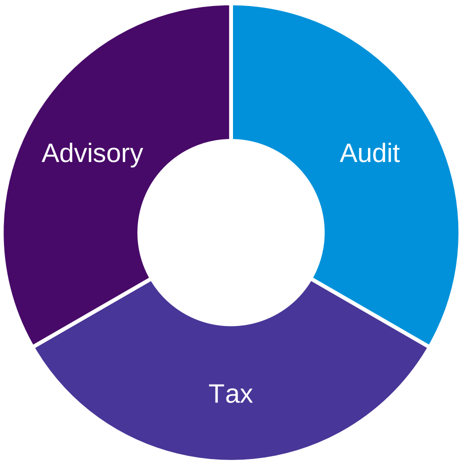
will remain similar or decrease

Charities and not for profit organisations have an optimistic outlook for the next 12 months, however, in aggregate, expenditure is viewed as likely to increase much more than income: only 20% think funding will increase from private donors, and only 4% think States funding will increase. In addition, 54% of organisations think that the need for their services will increase in the next 12 months.



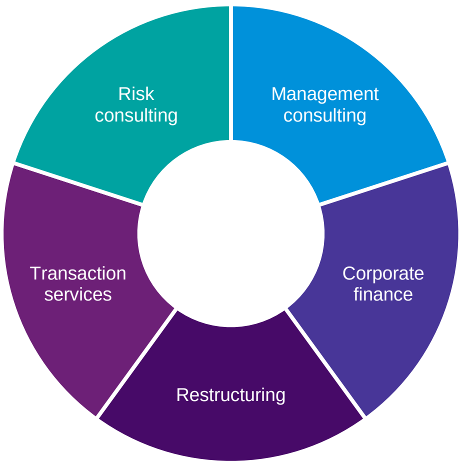
Appendix 1: KPMG Channel Islands service overview

Firm overview



Audit
- Financial statement audit
- Regulatory audit
- Attestation services
- Training
- Accounting advice
- Controls assurance reporting advice
- Accounting preparation services
- Agreed upon procedures
- Accounting secondments
- Global investment performance standards reporting
- Expert witness

Advisory service review



Management consulting
- Business performance services
- IT advisory
- Cyber security

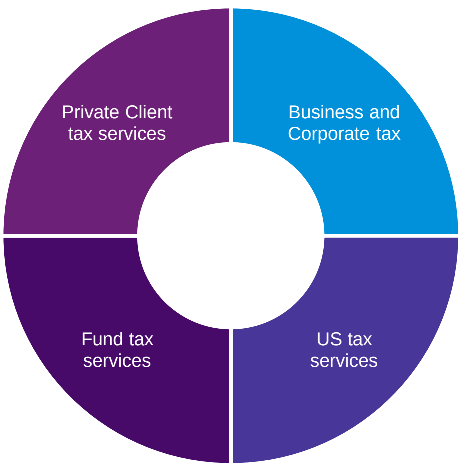
Corporate finance
- Mergers and acquisitions
- Valuations
- Financing

Restructuring
- Operational restructuring
- Financial restructuring
- Insolvency (liquidations)
- Cash and treasury management
- Administration

Transaction services
- Buy side assistance
- Sell side assistance
- Capital markets

Risk consulting
- Regulatory compliance
- Forensic investigations
- Financial risk management
- Internal audit and enterprise risk management

Tax service review



Business and corporate tax
- Tax compliance
- International corporate tax planning
- Advice on mergers and acquisitions, including due diligence services
- Automatic Exchange of Information (including CRS)
- Tax risk management
- Advice on financing arrangements
- Cross border tax planning

Fund tax services
- Investment fund structuring, reorganisations and exit planning, including IPOs
- Safeguarding tax status of a fund and its investments
- UK Offshore Funds Regime
- Tax reporting at fund and investor level

US tax services
- US tax reporting for investors and funds (e.g. K-1s, PFIC statements) undertaken locally
- Foreign Account Tax Compliance Act (FATCA)
- US tax advice

Private client tax services
- Personal taxation (advisory & compliance)
- UK taxation for non-resident trusts and companies
- Expatriate taxes
- Payroll services
- Estate planning

Appendix 2: Jersey Community Partnership overview

Jersey Community Partnership are an independent and impartial non-profit organisation funded by private donors and led by members of the business community. Using our local network and important tools such as professional research and consultancy skills, we aim to help improve the flow of money, ideas and volunteers around the voluntary and community sector in Jersey. We passionately believe in Jersey's potential to be a benchmark for a modern compassionate community.

The Team

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