

# The Future is Innovation: Integrating Social Investment into Our Campaign

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Charitable institutions when wishing to raise significant sums of money often embark on a major donor campaign – a traditional approach that uses a case for support to attract donations from high net worth individuals, corporations and trusts; these usually in the form of tax efficient donations. Some institutions like universities may raise investment funds for specific commercial ventures. These two approaches are usually separate activities; generally not leveraging relationships with each other.

An integrated fundraising campaign brings the two together, combining traditional major donor approaches with social investment making it an integrated campaign – the campaign funding/ investing in investable propositions, that is, lists of items that the charity is raising funds for e.g.

- Programme/service quality enhancement, growth, and new service development to meet emerging or unmet needs; capital campaigns; research.
- Social enterprises new product development and growth; supporting external partners/key stakeholders.
- Creating an infrastructure that will support greater organisational effectiveness, efficiencies and growth.

This approach allows for the leveraging of relationships, cross marketing and upselling. In the simplest terms there are different approaches to different donors, depending on their perspective.

Alder Hey Children's Charity fundraising campaign, as described in the article, is combining a traditional case for support approach with that of a business case utilising social investment methodology.

The Charity landscape is changing. Pressures of the economic climate, together with an increasing number of charities means there is effectively less funding to go around. Yet, we at Alder Hey Children's Charity, believe that charities can still be optimistic about future success as long as they are willing to embrace innovation within their fundraising strategy.



Clare White

The UK Giving Report confirmed that charities are being asked to perform an ever expanding role in the current economic climate. It claimed that nearly half of UK voluntary organisations receive the majority of their funding from individuals but recent research suggests that these donations may be decreasing – ‘a worrying prospect for many charities and those they aim to help’.

Alder Hey Children's Charity is aiming to raise £30million for a new Alder Hey Children's Hospital, which is set to open in 2015. Alder Hey is already one of Europe's most famous children's hospitals and provides care to over 275,000 children and young people each year. However, the current hospital buildings are 100 years old (Alder Hey celebrated its 100th birthday in 2014) and are no longer fit for providing modern day healthcare.

Through its appeal, Alder Hey Children's Charity is raising funds to enable the new hospital to have the highest specification of lifesaving medical equipment, provide funding for vital research and investment for art and play activities that make a valuable contribution to a patient's happiness and wellbeing. The charity will also support digital technology in the new hospital and investment in other facilities that enhance a patient's experience. In short, it will transform a national children's hospital into one of the best in the world.

The appeal was launched publicly in October 2013 using the 'Land of Remarkable People' campaign and involved radio advertising on stations across the North West, regional PR, extensive direct mail and a social media campaign. The campaign has helped to raise awareness of both the charity and its appeal across the North West region. Since its launch the campaign has reached 170 million people through media coverage and 200 million people via Twitter.

A highly competitive environment coupled with the economic downturn have made it a difficult time for charities and launching an appeal of this size is certainly challenging. For this appeal to be a success we recognised the importance of understanding our donors and why they give – to achieve an impact – and what approach is appropriate such as a traditional philanthropic methodology using a case for support or social investment utilising a business case. We also knew that we would have to be flexible and willing to explore different fundraising options.

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The new hospital appeal still involves a number of traditional fundraising techniques, including straight forward cash donations and community events. Alongside regular direct debit cash donations, the charity's community fundraising and corporate giving teams have been maximising opportunities, building donor relationships, developing current donors and recruiting new supporters. Community volunteer groups, fundraising ambassadors, volunteering initiatives, sponsorship opportunities, fundraising events and tribute funds have all helped to build up community support, while creating both short and long term sustainable income.

This day to day fundraising activity will always be the bedrock of any charity campaign. Unsurprisingly with a campaign of this scale, major donors remain integral to the Charity's success in reaching its challenging £30m target in the timescale required.

An Appeal Board has been created to help the charity re-engage past major donors and approach new potential donors. Liverpool Football Club and England Captain Steven Gerrard is the latest major donor to come on board after pledging £500,000 to Alder Hey

through his Foundation. Following discussions it was agreed that his donation would be used to fund a Brainlab navigation system for an intra-operative MRI scanner in the new hospital's theatres. The remainder of Steven's donation will be invested in play equipment for the outpatients' courtyard.

Major donors have always preferred to 'sponsor' or pledge funds for a particular item, enabling them to see clearly the impact of their contribution. However it is clear that regardless of the size of their contribution, all donors are requiring greater information about how exactly their money will be used clearly identifying its social and health related impact.

According to *Managing in the New Normal* (March 2014), 44% of charities reported an increase in donors looking for charities to show they can demonstrate a social impact. Simple reporting is no longer enough. Charities need to be 'telling donors, supporters, funders and other stakeholders how [their donation] is fulfilling its purpose and making a difference to people's lives.' A survey conducted by the Charities Aid Foundation in April 2013 found that 81% of supporters wanted to see more hard evidence of the impact of the charity before donating.

In an increasingly competitive environment, charities need to understand what encourages donors to give more. With so many charities asking for vital funds, donors choose their charities carefully. More than ever, individual donors want to give to causes where they believe their contribution can make the biggest difference. Funders are increasingly asking charities to demonstrate the impact they individually are making. Transparency is vital in the new world of fundraising.

There is fresh focus on long lasting social impact and it's time for charities like us to be bold. Many donors are looking for a long term investment and relationship with the charity they support. They want to make a significant lasting impact or see a return in their investment. In recognising this, our future fundraising strategy involves investing in an innovative new way of raising money – these including a business case to address societal return on their investment and also providing opportunities to be more involved using the 'venture philanthropy' social investment ethos and model allowing for the donor to invest expertise and funding helping Alder Hey to achieve greater impact.

Alder Hey's new hospital will be a world class, iconic facility and is the first 'hospital in the park' in the UK. Sitting within acres of open parkland, the new Alder Hey brings some fantastic opportunities for the charity to explore using social investment, a relatively new approach to fundraising in the NHS and indeed the UK.

We are in early discussions with the hospital Trust about how the parkland can be used to build sustainable income. The aim is to bring together a group of related organisations, for example the local council, other charities and local social enterprises that together will invest and attract funding. These funds will then be used to develop the park into something that can make a real impact on community health.

Investment from donors to this scheme must have a long lasting impact that will bring multiple benefits to those involved. For this to be a success, the schemes will need to be self sufficient, while also bringing wider health benefits to children and young people.

Early discussions have begun on the type of schemes and projects that could give donors and investors the social return they desire. One simple idea could be to fund a garden or city farm that will be dedicated to growing a selection of fresh produce. Local schools and other community groups could be involved in looking after this garden and the produce could then be used in the ward based kitchens of the new hospital. Along with the educational benefits to those involved in looking after the garden, this project would enable the hospital to promote healthy eating to patients, families and staff thus supporting Alder Hey's vital role as a World Health Organisation health promoting hospital. Some of the food grown in the garden would also be sold at local markets or in a shop on site, enabling funds to be re-invested into the scheme.

Another idea involves developing sports facilities in the park that would be available for hire by local schools and the community. This again would be a fantastic way to promote an active, healthy lifestyle while bringing a return on the initial investment. Festivals, events, elderly residential housing projects, and restaurant facilities for staff are part of the project. It is early days but there are endless possibilities for this type of social enterprise.

An innovation centre is also planned in the hospital's new Research and Education facility. Using funding together with the skills and knowledge of Alder Hey experts, latest technologies and medical products could be developed in this innovation hub before being commercialised and sold across the industry. Meanwhile, for the new hospital, the charity is already working in a collaborative commercial partnership with a gaming company to develop a 3D 'virtual world' platform which will recognise patients on arrival and enable them to create their own personal characters or 'avatars' that would accompany them on their Alder Hey journey. Along with the obvious benefits this would have for the patients' experience, there is potential for



the platform to be commercialised in the future for use in other organisations and profits fed back for future charitable investment.

*Steven Gerrard  
pledging £500,000*

As Galvanize Digital Solutions Chairman, Professor Paul Morrissey, puts it: "It's a great honour as a Liverpool SME to bring our Digital and Creative skills and competencies to this exciting and worthwhile major local community project. We firmly believe the experience children realise through today's gaming and digital technology can be encapsulated within a Virtual Hospital environment to provide encouragement, comfort and support for children in what can often be a very frightening and stressful time."

The short term focus is to stay brave and continue to work closely with the Alder Hey Children's NHS Foundation Trust, commercial partners and financial experts and make ideas such as these a reality.