



The Coutts Million Pound Donors Report 2010

In association with The Centre for Philanthropy, Humanitarianism and Social Justice at the University of Kent

Written by Dr. Beth Breeze



Foreword



By Dr Iain Wilkinson
Director of the Centre for Philanthropy, Humanitarianism
and Social Justice at the University of Kent

We are very pleased to collaborate with Coutts in order to produce this report. Our latest research largely confirms the patterns and trends identified in earlier reports, though it is encouraging to note a marginal increase in the number of million pound donations through 2008-9.

In previous reports we have profiled the distribution of these large donations, and in particular, we have highlighted critical issues relating to the relative speeds at which capital moves from foundations to various charitable concerns. The inclusion of new data on the geographical location of donors in this edition of the report can be taken as a cue to readers to further enquire into the dynamics governing the sources and distribution of donations.

The promotion of a 'Big Society' agenda in the UK will bring more public debate to issues relating to the sources and destinations of philanthropic funds. In this regard, we hope that the Coutts Million Pound Donors Report continues to serve as a valuable resource both for prospective donors and the potential recipients of their donations.



By Maya Prabhu
Head of UK Philanthropy, Coutts & Co

Welcome to the third edition of the Coutts Million Pound Donors Report.

Coutts has been privileged to serve the banking and wealth management needs of the wealthiest individuals and families around the UK for over 300 years. Many of our clients are driven to give something back or to create a social impact and advising them on achieving the most from their philanthropy is an integral part of our service.

This year's report captures the trend towards a positive growth in philanthropy. However, it is not just about statistics and figures. The report also reflects on topics that we know are important to donors through our conversations with clients on their philanthropy - for instance, the interest amongst donors to enhance their impact through collaboration. For the first time, we have highlighted some geographical trends and the importance of geography in giving decisions, illustrated by a 'spotlight' on the North West region in the UK. We hope to shine the light on other regions in subsequent editions.

This report comes to life through the case studies of donors and recipients. We are grateful to Heather Beckwith, Dr Andrew Cooper, Professor Robert Heyderman, Dr James Martin, Michael Oglesby, Dame Stephanie Shirley, Sarah Sleight, David Spinola and Niklas Zennström.

Thank you to Dr Beth Breeze and her team for their dedication and hard work in compiling this report.

We hope you enjoy reading it.

Introduction

This is the third edition of the Coutts Million Pound Donors Report, which collates and analyses data on the largest charitable donations made in the UK each year. It describes and discusses 201 donations of at least £1 million that were made by UK donors or to UK charities in 2008/09, with a combined value of just over £1.5 billion. This report assesses the scale and impact of such gifts, analyses trends in major giving at this level and presents case studies of both 'million pound donors' and 'million pound recipients', to provide insights into the experience of both giving and receiving gifts on this scale.

Million pound donations are made by both individual and institutional donors, including charitable trusts and foundations and private corporations; this report covers all types of donor. Given the particular interest in the philanthropic decisions of wealthy people, additional data is presented to illustrate the size and destination of donations made by individuals.

Summary of key findings

This year's data confirms that major philanthropy in the UK continues to prove resilient as we emerge from the recent recession. The number of million pound donations recorded in this report is the highest of the three years we have been tracking this data. In 2008/09 we identified 201 separate donations, up from 193 in 2006/07 and 189 in 2007/08.

The value of these largest donations is also showing signs of post-recession recovery. In 2008/09 the collective value of all donations worth £1 million or more was worth £1.548 billion. This figure is higher than the £1.405 billion we found last year, though still lower than the high of £1.618 billion recorded in the first report.

Whilst the number of million pound donations made by individuals has remained fairly constant over the period of time we have been tracking this data, the number of donations of this size made by both foundations and corporations has been steadily rising. This indicates that institutional donors are rising to the challenges created by

the recent recession and the current difficult public spending round, and that there is more to be done to encourage more individual donors to discover both the public benefits, and the life-enriching qualities, of philanthropy.

Higher Education continues to dominate as the preferred cause of million pound donors. Indeed, for the first time we find that the collective value of donations to UK universities exceeds the sums placed into charitable foundations, which has been the main destination of million pound donations in both the previous editions of this report. The preference for funding Higher Education Institutions is partly due to wealthy donors' understanding of the wide-ranging roles that universities play in improving society, in terms of both educating the next generation and researching solutions to pressing scientific and social problems. But it is also due to the existence of special incentives in place to encourage this type of giving, notably the government-funded Matched Funding scheme, launched in 2008, which has clearly played a large role in prompting donations to this sector. The success of this scheme raises important questions about the potential for further government-funded incentives to encourage giving to other charitable subsectors.

This report also contains new data revealing the geographical spread of million pound donors around the UK. It is encouraging to note that donors in all parts of the country are making donations of this size. As might be expected, most of the biggest donors are based in London but there is a strong presence in Scotland, the North East and the Midlands. Areas lacking a strong regional identity, such as the South East, have fewer such donors, especially in relation to the amount of wealth held by individuals living in that region.

The difficulty in researching and drawing conclusions on this topic

Whilst we are proud of our efforts to create an evidence base in relation to million pound donations in the UK, and confident that we have done all we can to accurately collate

this data, two points should be emphasised regarding the methodology and potential interpretations of the findings.

Firstly, this is a difficult topic to research and it is likely that some donations will be missed, as no donor or recipient is under any obligation to share with us – or indeed any other body – the occurrence, size or destination of philanthropic transactions. Therefore this report is likely to represent a conservative account of the scale and impact of this type of giving.

Secondly, whilst we acknowledge the interest that exists regarding annual fluctuations within the data, undue weight should not be placed upon year-on-year trends as the 'universe' of million pound donors is very small. In each of the three years that we have tracked this data, just a hundred or so individuals and institutions have made donations of this size. Therefore, what may appear to be a significant development (in either a positive or a negative direction) may simply reflect the decision of one or two donors to make, delay or withhold a donation within any given financial year. For example, the setting up of, or significant addition to, a large personal foundation clearly boosts the total value of 'million pound donations' in any given year, but the funds remain available for distribution for many successive years. Any 12 month period in which a particularly large personal foundation is established or enhanced is clearly a propitious year, but the reverse is not necessarily true. Unique events, such as the establishment of the multi-billion dollar Bill and Melinda Gates Foundation or the announcement of Warren Buffett's multi-billion dollar gift to that foundation, must happen at some given date – but the failure of such singular events to be repeated in the subsequent 12 months does not indicate any grave problems with the philanthropic culture in the USA. Likewise, in the UK we must learn to accept that major philanthropic gifts occur in a lumpy and uneven fashion, and resist reading too much into sudden peaks and troughs. The only trend that really matters is that, over time, the general direction is positive.

A pro-philanthropy era that needs ongoing nurturing

Fortunately many positive conclusions can be drawn from this report, as we appear to be living in an era that is increasingly aware of the presence and value of philanthropy. The signs appear to be good for ongoing positive trends toward a greater number of major donations, and for the total value of million pound donations to increase. However, there should be no room for complacency.

Further action needs to be taken by the government, by the philanthropy sector and by charitable organisations, to encourage, assist and advise those with the capacity to use some of their personal wealth to promote the public good. For example, as discussed in this report, some potential donors might be encouraged by an awareness of the significant impact that can be achieved by collaborating with other funders, whilst other potential donors might be prompted to act by considering the impact they can have within a geographical region that is meaningful to them, such as where they were born and brought up, or where their working life is based.

The aim of this report is to offer this type of inspiration to potential donors, whilst providing good quality data on the 'top end' of charitable giving. We hope that the findings, discussion and case studies will prove useful in shedding light on contemporary UK philanthropy and in raising our collective understanding about the nature, contribution and impact of million pound donors.

We were delighted that the first two Coutts Million Pound Donor reports proved to be useful to charities, donors, fundraisers, philanthropy advisers, policy makers and all who care about encouraging major philanthropy in the UK. We hope the 2010 edition of the report will be of similar value.

Findings

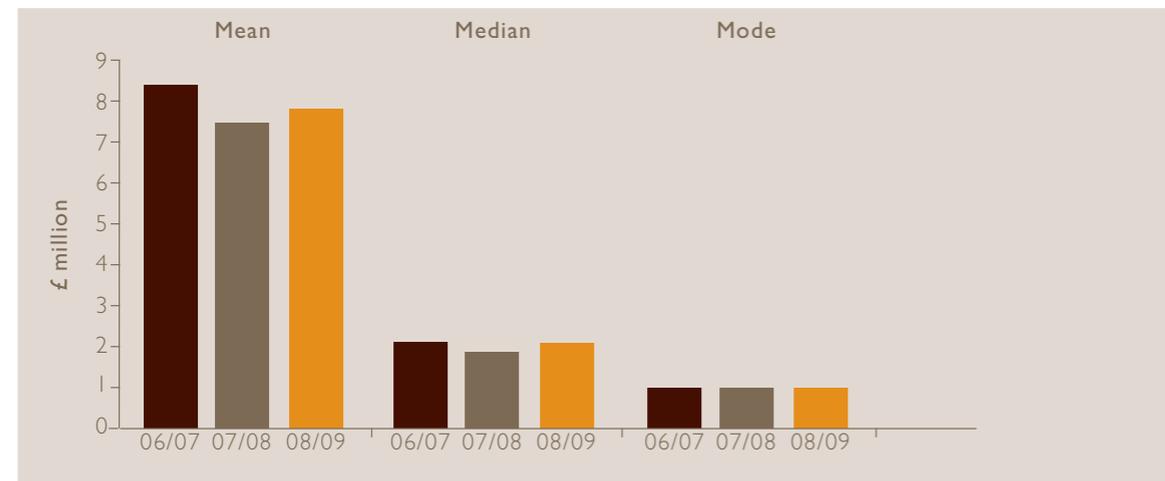
1. The number and value of million pound donations

201 charitable donations worth £1 million or more were identified in 2008/09, with a combined value of £1.548 billion. This represents the largest number of separate 'million pound donations' in the three years we have been collecting this data. The total value of these donations is £143 million higher than the previous year; but £70 million less than the total recorded in the first year of this study.

Year	Number of donations worth £1m+	Total value of donations worth £1m+
2006/07	193	£1.618 billion
2007/08	189	£1.405 billion
2008/09	201	£1.548 billion

2. The average size of million pound donations

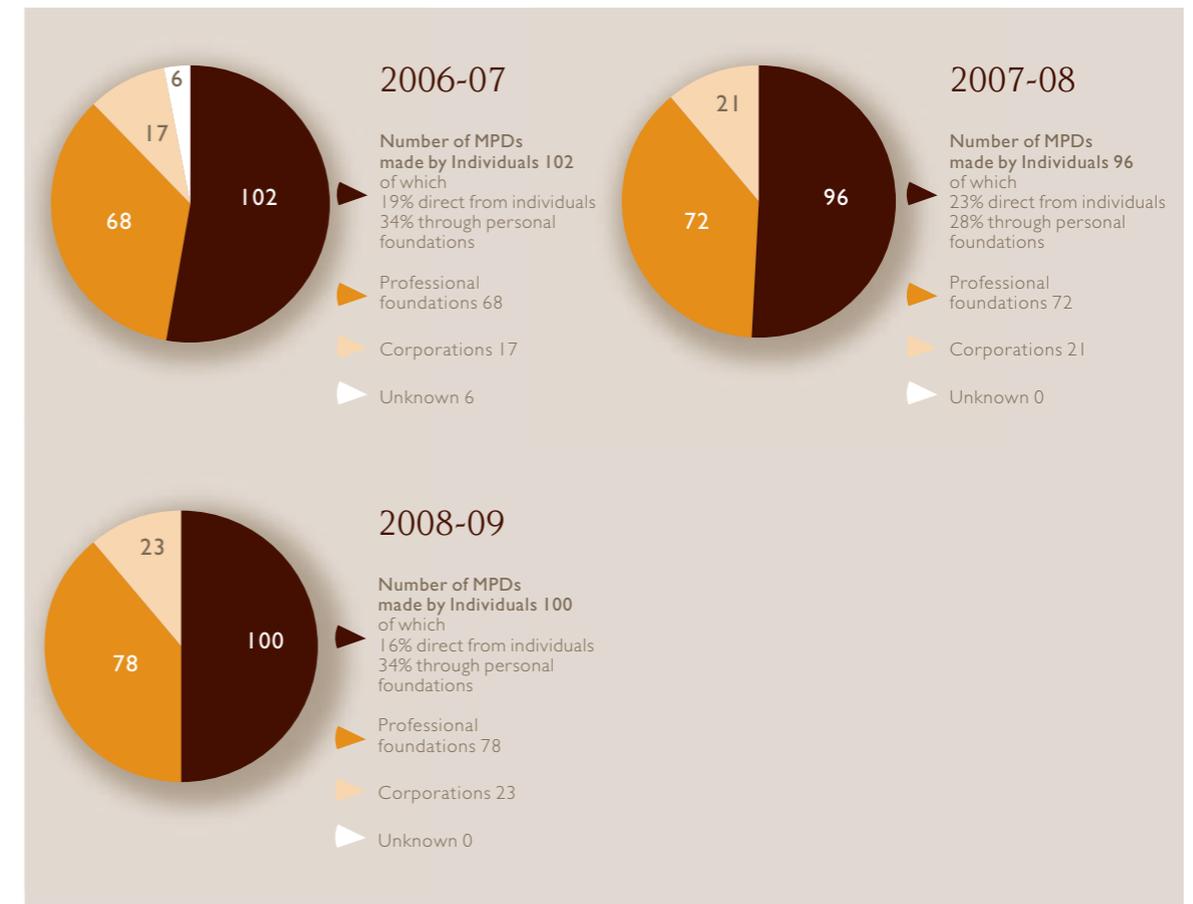
The average (mean) value of a MPD in 2008/09 was £7.7 million, up from £7.4 million in the previous year, though not yet reaching the higher mean value of £8.4 million found in 2006/07. However, as means are strongly affected by the presence of a handful of large donations it is helpful to look at other ways of measuring 'average' donations: the median (middle size of donation) has returned to the 'high point' of £2 million and the mode (most frequent size of donation) remains the same as in both previous years of this study, at £1 million.



3. The source of million pound donations

As some donors made more than one donation of £1 million or more, a total of 95 different million pound donors were identified.

- Half (50%) of the million pound donations were made by individuals, who either gave directly or through their personal trust or foundation. In the most recent year, individual donors were more than twice as likely to give donations of this size through foundations than to give them directly, indicating a trend towards more formal organisation of philanthropic activity.
- The total value of the donations made by individuals was just over £1 billion (£1,022,260,000); individual donors are by far the most significant type of million pound donor; accounting for two-thirds of the total value of million pound donations. However, almost half of this amount is accounted for by the donation of one donor into a charitable foundation, reinforcing the extent to which this data is affected by singular decisions.
- Almost four in ten of these donations (39%) came from professional foundations, defined as those where the founding settler is no longer alive to direct the flow of grants.
- Only one in ten (11%) of donations worth £1 million or more came from corporations.



4. The location of million pound donors

This edition of the report presents, for the first time, data on the geographical location of the 95 donors who made gifts of £1 million or more in 2008/09. This data is complicated by the fact that many individual donors have more than one residence, and some institutional donors have more than one office. However, we have sought to establish the 'main' address in all cases, and find that – unsurprisingly – most are based in London, with a strong showing from Scotland, the Midlands and the North East. Fewer million pound donors are located in areas that arguably lack a strong regional identity, such as the South East.

Interestingly, almost 1 in 6 of the donors are from outside the UK, and the collective value of their donations is £145 million, which accounts for around 9% of the total value of million pound donations made to UK charities in 2008/09. Over half of these 15 international donors are based in the USA (notably this includes the Bill and Melinda Gates Foundation, which accounts for a large proportion of the total value of million pound donations made by international donors); a handful are tax exiles living in places such as Monaco and Belize; and one donor each is based in Saudi Arabia, Australia, the Netherlands, Switzerland, India and Australia. This finding reflects both globalisation and the global appeal of some UK charities.

Region	Number of million pound donors	Percentage of donors from this region
London	40	42%
Scotland	9	10%
Midlands	8	9%
North East	6	6%
South East	5	5%
North West	4	4%
South West	4	4%
Unknown	4	4%
International	15	16%
All	95	100%

5. The value of million pound donations

The number of individuals and institutions making million pound donations has dropped from 102 in 2007/08 to 95 in 2008/09 - despite the value of their donations increasing from £1.405 billion to £1.548 billion. This means that the number of donors willing or able to commit £1 million or more has dipped, but the average value of their donations has risen.

Last year, more than half (51%) of these donations were worth less than £2 million, but this year 56% are worth £2 million or more. 2008/09 also sees the largest number of donations worth £10 million or more – 28 donations of this size were made, compared to 23 of that size in 2007/08 and 24 of that size in 2006/07. However, only one donation worth £100 million or more was made in the latest year, compared to 5 just two years earlier. As is the case with all such 9-figure donations, this involved money being 'banked' in a personal foundation rather than being spent immediately on front-line charitable activity.

	2006/07	2007/08	2008/09
<£2 million	85 (44%)	96 (51%)	88 (44%)
£2-9.9 million	84 (43%)	70 (37%)	85 (42%)
£10-99 million	19 (10%)	21 (11%)	27 (13.5%)
£100 million+	5 (3%)	2 (1%)	1 (0.5%)

6. Are million pound donations 'banked' or 'spent'?

Donors giving at this level are continuing the trend away from 'banking' money in charitable trusts and foundations in favour of 'spending' by giving it directly to operational charities. In 2006/07 the largest part of the total value of million pound donations (56%) was banked in tax-efficient charitable trusts and foundations for distribution at a later date. This dropped to less than half (42%) in 2007/08 and has dropped further to represent just over a third (36%) of the value of million pound donations in the most recent year.

Year	Amount 'banked' in foundations	Amount 'spent' directly on charitable beneficiaries
2006/07	£913 million (56%)	£705 million (44%)
2007/08	£597 million (42%)	£808 million (58%)
2008/09	£550 million (36%)	£998 million (64%)

7. The recipients of million pound donations

161 organisations were recipients of million pound donations, including 140 operating charities and 21 charitable foundations; the vast majority received only one donation worth £1 million or more. Organisations that received multiple donations of this size are almost all universities.

Number of million pound gifts received	No of organisations receiving this many MPDs in each year		
	2006/07	2007/08	2008/09
1	141	133	141
2	11	12	15
3	4	4	2
4	1	2	0
5	0	0	1
6	1	2	0
7	1	0	0
8	0	0	1
11	0	0	1

8. The distribution of all million pound donations

A significant finding of this report is that, for the first time since we started tracking this data, charitable trusts and foundations are not the major destination of million pound donations. Instead, the most popular destination for gifts of this size was Higher Education, which received 37% of the total value of million pound donations made in 2008/09, and well over half (58%) of all 'spent' donations (this is calculated by removing those donations placed into trusts and foundations for distribution at a later date). The dominance of Higher Education occurs in numeric terms as well as in terms of the total value of donations, as the university sector received 66 separate donations worth £1 million or more, which is a third of all such donations.

Furthermore, whilst Higher Education was the most popular destination for 'spent' donations in both the previous two reports, the gap between this type of beneficiary and other causes has widened. Once money 'banked' into foundations is removed from the calculation, universities received 58% of the total value of 'million pound donations', the next most popular cause was Arts & Culture, which received 13% of the value of such gifts, and all other charitable subsectors received less than 10%.

This finding is likely to be interpreted as proof that incentive schemes are effective in encouraging philanthropic donations. In 2008 the UK government launched a £200 million 'Matched Funding' scheme, which sought to encourage private donations to UK universities by providing 'top-ups' from the public purse, ranging from pound-for-pound matching for universities with minimal experience of fundraising, whilst establishing fundraising institutions, such as the universities of Oxford and Cambridge, could offer a top-up of £1 for every £3 donated, up to an agreed cap.

Joanna Motion, Vice President of International Operations at the Council for Advancement and Support of Education (CASE) comments on this finding:

"In 2008-09, cash gifts to UK universities broke through the half billion pound mark for the first time. This is the fundraising equivalent of breaking the 4-minute mile, because a target that seemed humanly unattainable is brought into the realm of the do-able for those with courage, focus and training."

UK universities are able to attract so many million pound donations because they are increasingly fundraising-friendly and fundraising-ready. The time-limited opportunity presented by the Matched Funding scheme changed the conversation. With a cash incentive in front of them, universities professionalised their development operations and talked to their supporters with a new urgency. The Scheme also funded an investment in structured training, delivered by CASE, which has boosted fundraising skills at all levels in universities, from Vice-Chancellors and Governors to Deans, Development Directors and new graduate trainee fundraisers. This has created a powerful legacy which should continue to pay dividends in the future, underpinning the future health of fundraising in this sector."

Charitable sub-sector	Number of million pound donations to this sub-sector (£m)	Mean value of million pound donations to this sub-sector (£m)	Median value of million pound donations to this sub-sector (£m)	% of total number of million pound donations	Total value of million pound donations to this sub-sector (£m)	% of total value of million pound donations going to this sub-sector	% of total value of 'spent' donations going to this sub-sector
Foundations	21	26.2	2.7	10	549.52	35.5	-
Higher Education	66	8.7	3.5	33	575.38	37	58
Arts & Culture	24	5.2	1.7	12	125.88	8	13
Health	19	4.8	2.5	9.5	90.57	6	9
International Aid & Development	16	3.3	2.5	8	53.15	3.5	5
Education (not universities)	10	4.5	1.7	5	44.61	3	4.5
Human Services & Welfare	20	2.1	1.5	10	41.97	3	4
Overseas (outside UK, not development)	10	2.5	2.5	5	25.19	1.5	2.5
Other public service benefit	7	3.8	4	3.5	26.47	1.5	2.5
Environment & Animals	6	2.2	1.8	3	12.9	0.8	1
Religious organisations & causes	2	1.1	1.1	1	2.24	0.2	0.5
All	201	7.7	2	100	1,547.88	100	100

9. The distribution of million pound donations made by individuals

As a result of feedback from the first edition of the Million Pound Donors Report, we are aware there is a particular interest in the philanthropic activities of individuals. Therefore, we have extracted all the data on the 100 donations made by individuals – either by direct donations or through personal foundations – and re-analysed the distribution of these donations.

Whilst half of the total value of all donations made by individuals are 'banked' in foundations for distribution over time, Higher Education is by far the most popular destination for million pound donations that are 'spent' directly on charitable activity. Last year, Arts and Culture was the dominant destination for individual donors, but drops into second place in 2008/09, though still receives almost a quarter of the value of all donations of this size, and no other charitable subsector receives more than 10%.

Commenting on this finding, Michael Attenborough, Artistic Director of the Almeida Theatre, says:

"All subsidised theatres are registered charities and are hugely dependent on private philanthropy to enable them to provide top quality cultural events at affordable prices to the widest possible audience. The Arts nourish that which is invisible - namely our inner lives, our emotional, spiritual and moral selves. In many ways they influence and define the very terms and standards of our humanity, of our civilisation."

Charitable sub-sector	Number of million pound donations	Mean value of MPDs to this sub-sector (£m)	Median value of MPDs to this sub-sector (£m)	% of total number of MPDs made by individuals	Value of MPDs to this sub-sector (£m)	% of total value of MPDs	% of total value of 'spent' donations
Foundations	12	42.7	1.6	12	511.9	50	-
Higher Education	29	9.3	2.6	29	269.66	26	53
Arts & Culture	18	6.6	2	18	117.96	11.5	23
Health	7	5.7	2.1	7	40.12	4	8
Education (not universities)	7	3.2	1.4	7	22.2	2	4
Human Services & Welfare	13	1.6	1.3	13	20.37	2	4
International Aid & Development	6	3.2	3.3	6	19	2	4
Overseas (outside UK, not development)	4	2.1	2.1	4	8.5	1	1.5
Environment & Animals	2	3.7	3.7	2	7.35	1	1.5
Other public service benefit	2	2.6	2.6	2	5.2	0.5	1
Religious organisations & causes	0	-	-	0	0	0	0
All	100	10.2	2	100	1,022.26	100	100

Case Study

Heather Beckwith supporting Great Ormond Street Hospital

Million Pound Donor

Heather Beckwith is a mother, grandmother and former nurse who now supports a number of charities, including Great Ormond Street Hospital. She is also founder of the 'Theatres for Theatres' appeal which conducts fundraising within London's theatrical community to raise money for operating theatres.

"I have donated large sums to a number of organisations, including the Royal Opera House and the Royal Marsden Hospital, but the only organisation to which I have donated £1 million is Great Ormond Street Hospital (GOSH). This is for personal reasons and is my way of coping with very sad circumstances. I have a little grandson who was born with a rare and complicated genetic syndrome called Crouzon. I wanted experts at a centre of excellence to be able to work through the understanding of this condition and research the genetics, with the eventual aim of preventing it in the future.

My grandson receives treatment at GOSH, but in fact my support for the hospital long pre-dates his birth. In 1988 I ran a marathon to raise funds for the Wishing Well appeal, not realising that my family would need the hospital's help in future years.

When I decided I wanted to make a significant contribution to GOSH, I had a tour around the hospital and was introduced to the medical director, who happens to be one of my grandson's doctors, and the fundraising team. They told me there were a number of things they needed money for, including funding for research, so I agreed to help with this. A world-class scientist was appointed who

has set up a laboratory with an assistant, and they work hand-in-hand with the clinical doctors who are actually treating the children.

My donation is staggered - I'm giving it over five years, partly for tax reasons and partly so that I can keep an eye on things. I think one has a responsibility to make sure that the funds are spent wisely. I've visited the laboratory and I receive reports once or twice a year. The medical team is obviously in charge but I do like to meet with the researchers and doctors as I am interested in how they are getting on. They are always very open and helpful.

The hospital employs the best and brightest scientists in their fields and obviously genetics is a very complex area. However my training as a nurse does help me understand a little of what they are doing to find out why the DNA changes in these genes, and why Crouzon occurs in 15 out of a million children. I don't anticipate them finding a cure in my lifetime, but at least by starting to fund this now, rather than waiting any longer, there's a slim chance of seeing some results. One hopes that gene therapy and knowledge of genes will have changed in, say, 25 years, when my grandson is an adult because there's a 50% chance of him passing the rogue gene on to his children so obviously we'd like to prevent that.

It didn't occur to me to wait and leave making big gifts in my will: I don't intend to be the richest woman in the graveyard! It was something I wanted to get on and do, to help right now.

Being a practical person, I also wanted to play an active part in the fundraising to help rebuild the hospital. We have established an initiative called 'Theatres for Theatres', which makes use of my family's connections with the theatre. We aim to raise £4 million to help to pay for two new neuro-surgical operating theatres, which will enable up to 20% more children to be treated each year, including children with Crouzon. We launched this campaign just after the recession started and although it was difficult to gather momentum at the start, it is now going well. The support so far has been incredible, and the new theatres are due to open in 2012. It is lovely being affiliated with the hospital and it is wonderful to see the new building going up.

I do feel in a privileged position. I am fortunate enough to have some spare money and time, so I can give some of both. It is wonderful to hope that I will have made a difference.

I know a lot of people do not like giving to the bigger charities because they can seem to be too successful at raising funds and they can be a bit bureaucratic. Sometimes smaller charities are easier to deal with as they can be more accessible. But it is only larger organisations like GOSH that have the capacity to do the kind of research that I wanted to fund. Also they have a very professional fundraising team that takes great pride in showing interested parties around the hospital. I know that seeing the amazing work done there is a major factor in persuading potential donors to contribute.

We're fortunate and grateful to have GOSH on our doorstep - it is actually our neighbourhood hospital as well as an international centre of excellence. All the charities that I've supported with large donations have been local to me. But personal reasons are the most powerful factor behind my giving. Perhaps if I had a family member with a different health problem, like autism, then I would be supporting a charity that helps autistic children rather than GOSH. But this is the situation that I find myself in and I believe that many philanthropic acts are driven by the kind of personal experiences that our family has, unfortunately, experienced.

Another reason for my giving is gratitude. My ex-husband and I jointly gave £1 million to the redevelopment fund for the Royal Opera House because we had had years of enjoyment attending performances there - it is just a wonderful place. To see the Opera House being "put to sleep" by Darcey Bussell in 1998 and reawakened after the redevelopment for the Millennium were just the most magical moments.

Supporting good causes is also something that has been a normal part of my life that started when I was a child making sandwiches on the children's ward at my local hospital. I like being busy and I couldn't just play bridge or golf every day - I like to feel I've earned my holidays! I need a sense of purpose. So it's not only about being altruistic because it gives me a great sense of satisfaction too."

Case Study

Dr. James Martin supporting the Oxford Martin School at the University of Oxford

Million Pound Donor

James Martin is a writer, speaker and entrepreneur. He wrote 'The Meaning of the 21st Century', which was made into a major film, and is a Pulitzer nominee for his book 'The Wired Society'. A pioneer in the automation of software development, he was ranked 4th in Computer World's 25th Anniversary Edition's most influential people in computer technology. He was a member of the Scientific Advisory Board of the U.S. Department of Defence. He is an Honorary Life Fellow of the British Royal Institution, a Fellow of the World Academy of Art and Science, an Honorary Fellow of Keble College, Oxford, and a Senior Fellow of the James Martin Centre for Non-Proliferation Studies at Monterey, California. Dr Martin also has honorary doctorates from universities on all six continents.

"I've been concerned with the difficulties and opportunities facing our planet throughout my professional life as an author, businessman and social entrepreneur. The earth faces many problems, but in the 21st century there are greater opportunities to solve them, more so than ever before. Grasping these opportunities requires an ambitious effort, which is why I provide extensive financial support to what has been named the 'Oxford Martin School', at Oxford University, which is an interdisciplinary research initiative addressing key global future challenges.

The vision for the School grew gradually over time. Before taking up the post of Vice Chancellor at Oxford University, John Hood visited me to talk about the impact that the university's research has had on society, and how it ought to be playing more of a leadership role in this new century. We discussed the various challenges we currently face, including those in which new technology plays a part, such as nanotechnology and stem cells, and we made a list of seventeen areas in which work needed to be undertaken.

I wanted to fund this work and I talked about it with a variety of different universities. At one time I thought it would happen in an American university, but in the end I felt that would have restricted its scope to looking solely at the new technologies. Questions about the major problems and challenges facing our world also need to be examined by people working in more traditional academic areas such as economics, sociology and philosophy. Oxford University was the natural choice because of its expertise in these disciplines, for example it has got more - and better - philosophers than anywhere else. It is also my alma mater, where I studied Physics at Keble College.

Eight months after John Hood began his term as Vice Chancellor, he announced the setting up of the Oxford Martin School. That's moving very fast by university standards!

I made my donation of \$100 million in 2005, and the early years of the School went very well. After a competitive funding round in 2007 to invite further applications for study of global challenges, the School was expanded to 15 Institutes. They rapidly began to reap the rewards of success, achieving great esteem among their academic peers, gaining influence in government and public policy, and authoring many highly recognised publications.

When something is successful, you want to increase its success. So I met again with John Hood and we talked about how we could put our foot on the accelerator and make the School even larger and more substantial. We decided to announce a matched funding scheme in March 2008, whereby I would donate another \$50 million if other donors could be found to match that amount. Each of the new donors would be asked to support a specific new project, and I would match their contribution. Lots of people said we were crazy to attempt such an ambitious fundraising

initiative in the middle of the economic meltdown, especially as the received wisdom at the time was that the British public do not give to universities. But the matched funding scheme worked well because people appreciated the chance to double the value of their contribution, and because there is an understanding that even in the very worst financial circumstances we still have to deal with the major issues that face us. In fact we ended up receiving more offers of matched funding than we could deal with!

We only fund projects for which there's support from within the university, as I believe that research ideas should come from academics, not donors. But we largely see eye-to-eye and I thought the ideas generated from within the university were very good, and we now have an additional 19 projects, as a result of the matched funding scheme. I didn't know all of these new donors before they got involved, but I think it will be a tremendous advantage to be able to invite their varied expertise, influence and networks into the School. The value that these 19 new research projects will bring to addressing humanity's problems is going to be extraordinary, for example we've got a project that seeks to tackle famine by modifying crops so they can thrive in the nutrient-deficient soil that is found in most of sub-Saharan Africa, and we've got another project working to avert a repeat of the world financial problems that have caused so much difficulty in recent years. To solve the many problems of the planet, you need to work across disciplines, but most academics work within just one discipline throughout their whole career. One of the School's greatest achievements has been its successful inter-disciplinary approach.

I gather that my donations count amongst the biggest ever made in the UK, and are the largest benefactions made by a single donor to Oxford University, but this wasn't something that I'd always planned to do. Much of my work

has been concerned with understanding and improving very complex organisations in areas such as digital technology, education and international development. So, over my lifetime I have gradually become more and more concerned about how our increasing population, made up of people with ever greater economic aspirations, could manage to live together successfully on our planet.

If you'd asked me when this whole thing started how I thought it would turn out, I would not have imagined it would go so well. That's largely because we have attracted the most brilliant people to undertake the research. But we still have much more to do, for example we need to blend and integrate the wide-ranging disciplinary expertise across the School to bring the fresh perspectives required to address these complex problems.

One thing strikes me all the time. I've known a lot of people who've made large sums of money in business and in the entertainment industry. These people have often amassed fortunes in the region of \$500 million, but when you look at the way they live they need about \$20 million to fund their lifestyle. I would suggest that such people ask themselves what they could do with their 'spare' money that is truly interesting and exciting. If you leave your money in your will then you have no idea what will be done with it. It's far better to spend it whilst you're alive because you can be involved and make sure it is being spent well. In my old age I will enjoy meeting with, and talking to, all these brilliant people that are involved with the Oxford Martin School. It has really been the most exciting and fascinating opportunity and it has changed my life for the better."

Discussion

The recent recession has dominated most discussions of philanthropy in recent years, due to widespread interest in clarifying and capturing the impact of the possible sudden dip in wealth experienced by all types of donors, including individuals, institutional funders and private corporations. The impact of the recession on donors' confidence was also a matter of wide speculation because feelings of financial security are also known to be an important precondition for major gifts.

The increase in the number of million pound donations, and signs of recovery in the collective value of gifts of this size, indicate that philanthropy has emerged from this difficult period in terms of both donor confidence and practical philanthropic acts.

In this edition of the report we explore two important topics:

1. **The potential for collaboration between philanthropic funders.**
2. **The importance of geography in giving decisions, with a 'spotlight' on the North West region of the UK.**

1. The potential for collaboration between philanthropic funders

Philanthropic collaboration occurs when donors decide to work jointly with other funders in order to achieve commonly desired ends. Collaboration is, of course, the norm amongst 'ordinary' donors who do not have the capacity to make donations worth £1 million or more. The vast majority of the population make contributions to charitable causes on the assumption that others will also offer support, and that collectively their combined donations will be useful in advancing the causes that they care about. It is only those individuals and institutions that have the capacity to act alone who need to decide whether it might be better to act in concert with others.

Philanthropic collaborations often come about because the scale of social problems that philanthropists wish to address are significant in size and require resources and efforts beyond the scope of any single funder. Tackling a problem in a collaborative way, rather than seeking to solve it alone, enables donors to acknowledge the scale of the task and to enhance the likelihood of making an impact by drawing on a larger pool of resources. This is often described as 'leveraging a donation', borrowing from the concept of leverage as it is used within the financial sector, which refers to techniques intended to multiply gains.

However, philanthropic collaborations are not only driven by a desire to magnify financial outcomes. They also occur as a result of seeking a wider pool of expertise and enthusiasm to tackle the given problem, for example by collaborating with a donor that has greater knowledge of a topic or whose personal or professional life has generated useful contacts. Collaboration can also occur as a result of donors getting more enjoyment and fulfilment from working with fellow donors. Developing relationships with other donors has been identified as a key motivation for UK philanthropists, who enjoy participating in 'donor networks' and socialising with others who share their passions for certain causes¹.

Collaboration between donors can also benefit the recipient causes, for example by enabling a more joined up approach to be taken, resulting in greater impact and by cutting down on the administration involved in reporting to multiple, non-collaborating donors.

¹ Theresa Lloyd (2004) *Why Rich People Give*. London: Association of Charitable Foundations/Philanthropy UK, pps.91-93

As Olivia Dix from The Diana, Princess of Wales Memorial Fund explains,

"We work with three funders: The Children's Investment Fund Foundation (CIFF), Comic Relief and the Elton John AIDS Foundation as the Funders' Collaborative For Children - Malawi (FCFC). Together we fund a model programme in Malawi that aims to address the complete needs of orphans and vulnerable children affected by HIV/AIDS from the earliest stage of life to the point at which they can thrive independently. Collaborative funding works for us because it brings together the different expertise and perspectives of the four donors, as well of course as their money, and this enriches the programme on the ground and makes for a more powerful impact."

As a result of the different rationales that lie behind philanthropic collaborations, they come in various forms and take place across a spectrum, ranging from the sharing of information and knowledge to the co-funding of projects. In this report, we present case studies that illustrate two types of collaboration.

Three years after having donated \$100 million to establish the Oxford Martin School at Oxford University, James Martin decided there was a need to, *"put our foot on the accelerator and make the School even larger and more substantial"*. In order to attract further funds from other donors, he created a 'matched funding' challenge whereby he would provide a further \$50 million if a similar amount could be raised from other donors. The challenge was successfully completed within a year, and attracted sufficient funds to run an additional 19 research projects addressing key global future challenges. Dr. Martin attributes the success of this form of collaboration to donors' desire to see their money go further, saying: *"the matched funding scheme worked well because people appreciated the chance to double the value of their contribution"*.

Dame Stephanie Shirley also offered a 'challenge grant' to fund the transformation of a redundant church into an Historic Collections Centre. Despite being able to fund the full costs of this project herself, she was persuaded that it would be better to involve other funders to strengthen the project in the longer-term, as she explains:

"They needed £3-4 million and I was all for giving them the

full amount but my foundation trustees said, 'no, do it as a challenge grant', which is much better. I'm learning how to leverage my gifts. It's much easier to just give it all myself, but involving other funders results in more stability."

Philanthropic collaborations are not a new approach, but they do appear to be gaining in popularity. They can occur as a result of one donor's initiative, as exemplified by James Martin and Dame Stephanie, or they can be organised as formal initiatives. Community Foundations, Giving Circles, Funders Networks and Donor Advised Funds are some of the main, formalised ways by which donors are now coming together to work with other donors to reach shared goals.

A study of Giving Circles in the US concludes that in addition to the ostensible aim of pooling money,

*"they also serve to educate members about community issues, engage them in voluntary efforts, provide social opportunities, and maintain donor independence from any particular charity"*²

In the UK, Coutts has initiated a Donor Advised Fund that provides clients with the opportunity to collaborate with others to learn about microfinance and provide charitable support to projects together. Donors are given access to reports prepared by an advisory panel, thereby increasing their own knowledge and expertise as a result of choosing to pursue a collaborative approach.

Despite the many attraction to both donors and charities of taking this type of approach, some barriers to greater collaboration remain. Donors may not know how to meet others who share their philanthropic passion, and need greater support from organisations that can help to identify and bring together groups of donors who wish to work together. Donors may also be unaware of the benefits of collaboration, and need reassurance that this approach will enhance their impact rather than dilute their contribution. Finally, some donors will simply prefer to be 'lone operators', retaining control of their giving and using their resources to make change happen, without needing to rely on input from other funders. There is room for all types of philanthropist but it is to be hoped that the barriers to collaboration will be lowered for those who wish to pursue that route.

² Angela Eikenberry (2009) *Giving Circles: philanthropy, voluntary association and democracy*. Bloomington: Indiana University Press, p.ix

2. The importance of geography in giving decisions, with a 'spotlight' on the North West region of the UK

As the purpose of this report is to collate and analyse data on all donations of at least £1 million that were made by UK donors or to UK charities in the most recent financial year, we have not previously focused on the location of million pound donors. However, there is a growing interest in the geographical aspect of philanthropy, reflected in the suggestion that there exist 'charity hot spots' and 'charity deserts', such that some parts of the country appear to enjoy greater levels of philanthropic activity, whilst other areas are lacking in both donors and charitable organisations.

In response to this interest in the 'philanthropy of place', this edition of the report contains data on where the 95 donors who made gifts of £1 million or more in 2008/09 come from. We found that million pound donors are located in all regions of the UK, but that some areas – such as London and Scotland – have a disproportionately greater number of such donors.

Recent research³ concludes that around 20% of significant contemporary UK philanthropists have a strong local dimension to their giving, and prefer to support projects where they live or where their business is located. Beneficiaries of these donors often have little in common beyond a shared geographical location.

Reasons for factoring in geography as part of philanthropic decision-making were explored in a study of philanthropy by family business owners. The report concluded that:

*"Family businesses tend to have strong roots in the local areas in which they are based, which often go back for generations. Family business owners are aware of the debt they owe to the community that helped to generate their wealth and are keen to give something back. They want to be – and be seen to be – good neighbours and members of the local community"*⁴

In order to explore further the role and relevance of geography in major philanthropy, we decided to draw two of the case studies for this report from one region, the North West.

Our North Western 'million pound donor' is Mike Oglesby; his business is based in that region and around half of his philanthropy is focused on the communities in which his business is based. Explaining why he chooses to give locally, he says:

"Our company is very much part of the region in which we operate and we feel that it is beholden on us to become truly involved in the society in which we exist, to play our part in ensuring that it works for everyone and is a good place to live and to work."

The case study includes examples of putting this philanthropic principle into practice. Oglesby has given over half a million pounds to support a project which aims to make Manchester a more sustainable city because it, *"has both social and economic implications for our region"*. Oglesby has also recently provided significant support for a centre of excellence in musical education located in Manchester, one of the major cities in the North West region. Whilst this donation also fits well with his passion for the arts, he explains that this gift came about because, *"This is a very special place in our region and we want to support it."*

This case study demonstrates that civic pride, a desire to improve the local community and an awareness of what an individual owes to a particular region all contribute to geographically-motivated philanthropy.

Our case study of a 'million pound recipient' based in the North West region is the Liverpool School of Tropical Medicine (LSTM), which is a leading charity in the fields of tropical medicine and international health. LSTM is based in Liverpool, but its activities and impact are global, as it currently has over 80 projects in more than 60 countries worldwide. The international reputation of LSTM means

that it has attracted multi-million pound donations from some of the world's most significant funders, including The Wellcome Trust and the Bill and Melinda Gates Foundation. However, Professor Robert Heyderman, the director of the project based in Malawi notes, *"It's also important to acknowledge that the Liverpool School of Tropical Medicine makes a significant contribution to our work, for example they continue to pay my salary whilst I am working out here."*

Having the headquarters of significant organisations based in the regions, rather than in London, can also contribute to civic pride and encourage donors living in that region to support their local centre of excellence.

Clare Brooks, Head of Philanthropy at the Community Foundation Network says,

"A sense of place is such a powerful part of the discussions we have with donors, and that doesn't necessarily relate to just one location. We quite often see people who want to give back to the area where they live now, and also to the areas they came from: it's all wrapped up with identity."

People who give through community foundations also discover that there are opportunities for them to become part of a community of donors, to meet with like-minded people who want to make a real difference in the same area as they do, and with whom they can exchange ideas and experiences face to face. This is when geography can create some interesting and powerful philanthropy partnerships"

It is important to ensure that all the regions of the UK continue to generate both donors willing to make commitments worth £1 million or more, and organisations able to attract this level of investment. It will be interesting to see if the new government's commitment to encouraging philanthropy has any geographical dimension, and whether any efforts can or will be made to encourage major donors in those areas that currently have few funders willing or able to commit £1 million or more to good causes.

³ Beth Breeze (2008) *The problem of riches: is philanthropy a solution or part of the problem?* in Social Policy Review 20. Bristol: Polity Press

⁴ Beth Breeze (2009) *Natural Philanthropists: Findings of the family business philanthropy and social responsibility inquiry*. London: Institute for Family Business and Community Foundation Network, p.9

Case Study Mike Oglesby

Million Pound Donor

Mike Oglesby founded Bruntwood Estates in 1976, initially as an industrial property business based in Manchester. Today Bruntwood is one of the largest office investment companies operating across the North of England and in Birmingham. Since his son took over as Chief Executive in 2000, Mike Oglesby has remained as Executive Chairman, devoting the remainder of his time to philanthropic, civic and arts activities.

"There are two vehicles for my philanthropy: a family charitable trust that mainly supports social and arts issues, and our corporate activities that focus on the community in the regions in which our business is based. The family foundation is supporting approximately 40 different causes at any time, with gifts which range in size but in total add up to around three quarters of a million a year. Bruntwood aims to give 10% of its profits each year to charitable and community activities, which in part is made as a donation to the family trust.

One of our biggest current donations is £600,000 to Eco-cities, which aims to make Manchester a more sustainable city and has both social and economic implications for our region. Another recent large donation was £250,000 to a new music school at Chethams, the UK's centre for excellence for music education. This school, located in Manchester, operates out of a mixture of medieval and run down Victorian buildings and urgently needs better facilities to reflect the standard of excellence of its pupils and to help to maintain its international reputation. This is a very special place in our region and we want to support it.

Approximately half of the projects that the family trust fund are as a result of organisations approaching us directly. The process normally begins with an electronic submission and we would then expect to have at least two meetings before funding is agreed. We then meet with recipients, at regular intervals of between six and twelve months during the period of funding. We believe this is critical as it allows us to

have an input and ensures that we are kept fully informed of any changes which may occur.

Often the most interesting part of any relationship comes at the very beginning in the pre-funding stage. These early meetings can be very productive, as the trustees often play a key role in shaping the proposal and the experience they bring often has a very real input into the project. I believe that we can add real value by being objective and saying, "you are asking for money for things but truly is that where the need and weakness lies? If we give you the money in the form you have requested, then really you won't be sustainable and you need to consider other areas on which to concentrate".

The other half of the projects which we fund are as a result of us looking at an area in which we have a specific interest. As an example we have funded a lot of activities for young people with issues from chaotic and deprived backgrounds. After being involved in this area for some time, it became clear to us that many of these young people came from broken homes and the fostering system. We felt that we really needed to look at the issues at a much earlier stage in these children's lives before the behavioral problems arise. We therefore decided to look more closely at the field of adoption so that these children could get the very best upbringing in a real family, as opposed to being marooned and moved around from pillar to post and becoming institutionalised. We therefore decided to focus on supporting adoption in order to get to the root of the issue, rather than always dealing with the problems when they have arisen at a later stage.

In a similar attempt to tackle causes rather than symptoms, we also fund a project in Manchester prisons. It became clear to us that there was a large part of the prison system who were involved in relatively low level crime, but who regularly came in and out of the prison system on a regular basis. They are serving short term sentences and weren't

getting the kind of support and assistance with issues like drugs, accommodation and finance that are available to people serving longer terms. They therefore return straight back to their old habits, hence quickly returning to prison. After having meetings with the prison governors we agreed that this revolving door syndrome needed tackling, not only because of the effects on the criminals, but also the effect it had on all of our lives, as a major social irritant. We are funding a trial project which has been running for two years, and although its early days, it is clear that we are seeing a 50% reduction in reoffending rates through the scheme. This is a relatively modest program, but we hope to be able to see this rolled out nationally over a period of time. This is a very hot topic in the government at the moment and it is interesting to note that others are beginning to look at alternative models in other parts of the country. As funders we often make the first step and pledge money for new ideas to show that they work, which then attracts other donors who may not be prepared to take this initial risk.

There is no doubt that on a personal level it is extremely satisfying to feel that you are making a difference and to see very real results. It is surprising how often I and my fellow trustees find ourselves in meetings becoming very emotionally involved, and on occasions being reduced to tears. When you are able to help and make a real difference to someone in real need then the experience is one of the most rewarding and satisfying that you can have.

The reason why much of our philanthropy is focused on the North West region is because that is where the company started. You see, our company is very much part of the region in which we operate and we feel that it is beholden on us to become truly involved in the society in which we exist, to play our part in ensuring that it works for everyone and is a good place to live and to work. I truly believe that it is incumbent on families and companies to get involved in this way, if they are in a position to do so. This is why we have our family foundation, and this is why

the company gives 10% of its profit to good causes and projects in regions in which we operate. I firmly believe that this is an aim which others should have.

I also feel strongly that giving your time is just as important as giving money. I would urge other business owners not only to get involved in their own communities, but also to let their employees have time off to encourage them to become involved with charities and other causes in order to make a very real difference in society.

A number of years ago it was my intention to leave a charitable legacy rather than giving in my lifetime. However, when I reached my 60s I realised that it made little sense to leave the giving of a large sum of money to a panel of professional trustees and to allow them to run something that I have spent a major portion of my life working hard to create. It is only when you become involved that you are really able to form the views on how this should be operated and where the money should really go. With the best will in the world, you can't sub-contract that decision-making to other people. It is only by running your own philanthropic trust yourself that you can really shape it in the way in which you want, and also frankly you get the very real satisfaction that undertaking this work brings. I don't believe in employing agents to do things for me as I have always been a 'hands-on' person in business, and there is no reason at all why the same philosophy one has employed in making money should not be used in giving it.

I passionately believe that we need to bring more people into the philanthropic net. The huge pleasure and satisfaction that is to be gained from spending one's time in giving in your later years, far outweighs any pleasure that you can possibly gain on the golf course, on the beach or on the back of the yacht in the Mediterranean sipping dry martinis."

Case Study Niklas Zennström

Million Pound Donor

Niklas Zennström is a Swedish entrepreneur, investor and philanthropist. He has founded several high-profile online ventures including Skype and Kazaa. He has recently founded the investment group Atomico, which primarily invests in fast growing technology companies with the ability to transform their industries.

"We started out by giving largely to charities where we knew the founder and quickly realised that we needed to set up some strategic objectives and focus on some great causes. We started the Zennström Philanthropies in 2007 and are seeking to do something a bit different to other grantmakers. We have two areas of work that we focus on. Human rights, which my wife Catherine spearheads, and climate change which I lead on.

I think that traditional foundations can become very conservative over time as decision-making moves away from the founders. It seems to me there is a tendency for them to become risk averse, so they fund proven projects or organisations that may do good work but may not have the capacity to become real game changers.

My philanthropic approach is related to my background as an entrepreneur who has focused on challenging the status quo. We realised we could be much bolder in the climate change and social enterprise space if we donated our money to early stage organisations and initiatives. Our idea is that we can help develop them by providing not only financial resources but also strategic advice and contacts to take them to the next stage when they will be able to tap into funding from the traditional foundations.

Due to the size of the organisations we generally fund, our individual grants are usually in the tens or hundreds of thousands of pounds, and we very rarely give £1 million or more in one go. We often make multi-year, core-funding grants to provide financial stability to growing initiatives and look to build a real partnership with each grantee.

To take climate change for example, we examined the global agenda and worked out what role there is for philanthropy, and then within that we looked at where we could make a bigger impact. We sought out the key levers in this space over the next two or three years, then looked to fund organisations that, for each pound we provide, can have hundreds or even thousands of pounds worth of impact. For example, we believe that green investments can be good

investments, and that we need a market space that provides a level playing field for low carbon technologies. By working with non governmental organisations that make the business case for companies to invest in climate change technologies, help educate institutional investors on the opportunities around green infrastructure investments or work to eliminate financial incentives for high carbon investments, we can influence billions if not trillions of pounds. These are the types of leverage points we seek out at Zennström Philanthropies.

We have 10 to 15 active grantees and we think that is the most we should have, as it is not possible to have good relations with too many organisations. Our programme officer meets with recipients often and spends time in their offices. The relationships we have with recipients are not about keeping an eye on them, but about helping them scale up. We believe in taking a collaborative approach, building long-term relationships and forming strategic partnerships. We look for organisations with strong leadership. We also believe that the worst thing you can do is to give a big cheque with no accountability. It's very difficult for non-profits to measure their success or indeed be open with their setbacks. Because of our long-term relationships with our grantees, they're able to be honest with us and in doing so hopefully we both learn how to do our work better.

We find that non-profit organisations don't always instinctively look at the others operating in their field. Because we're involved in funding a diverse group of organisations working in each area, we can help them to know what others occupying the same space as them are doing and how they can work collaboratively instead of competitively.

We feel good about investing our money in philanthropic causes because it's the right thing to do, but it's not until the funding has achieved impact that it feels really good. At the end of the day you're giving away your own money that you could spend on other things. But if you have some kind of success it's a great feeling, it's very pleasing to see.

This is a learning process and people starting out should expect to make a lot of mistakes in the beginning. It is very difficult to give money away well but you have to get on and do it yourself, because you can't hope that someone else can do it for you. But it is worth it, it is so rewarding to be engaged with these organisations and to be making a difference to one or two causes that you care about."

Case Study Liverpool School of Tropical Medicine

Million Pound Recipient

Founded in 1898, Liverpool School of Tropical Medicine (LSTM) is a leading charity in the fields of tropical medicine and international health. Based in Liverpool, LSTM currently has over 80 projects in more than 60 countries worldwide. LSTM's Professor Robert Heyderman is Director of the Malawi-Liverpool Wellcome Trust Programme (MLW), a research unit within the College of Medicine, University of Malawi.

"We have received grants worth more than £1 million from both the Wellcome Trust and the Bill and Melinda Gates Foundation. The grants are largely focused on improving the research infrastructure at our host institution in Malawi, paying for the construction and maintenance of buildings and salaries of staff, which are essential to facilitate world-class research, to support scientific endeavour and provide research training.

Our institution aims to nurture the researchers of the future, which ties in well with the Wellcome Trust's aim of driving research excellence, and we also conduct research that helps the Gates Foundation to pursue their agenda of developing capacity in relation to malaria research. We host researchers from Malawi and from all over the world; it's a true melting pot of research.

Having the backing of these two significant funders undoubtedly enables us to pursue our institutional aims. Without large grants we simply couldn't proceed. They also give us some degree of flexibility which really does enable us to operate efficiently and effectively.

Originally we responded to a call for applications issued by the Wellcome Trust, our relationship with them developed over time and now they provide our core funding. There aren't many research institutions that receive core grants, most others have to piece together lots of bits of project funding, so this core funding does enable MLW to move forward.

Recently the governors of the Wellcome Trust awarded us an additional £600,000 to establish an emergency and trauma unit at the hospital where we are based. We do a lot of our research in the hospital, so that is obviously helpful for our work. It had a hugely positive effect on the

hospital and is important for Malawi to have an effective emergency department. It also inspired a local act of philanthropy, as a Malawian businessman made a large donation - from his personal rather than company funds - to ensure that the project was completed. The unit will be named after both donors: 'The Anadkat-Wellcome Trust Emergency and Trauma Centre'; it is a wonderful example of matched funding on a global scale. It's also important to acknowledge that the Liverpool School of Tropical Medicine makes a significant contribution to our work, for example they continue to pay my salary whilst I am working out here.

All our funders require regular reports but luckily there's no micro-managing going on. The Wellcome Trust takes a great interest in what we are doing, they come to many of our meetings and we have a close working relationship. I come back to the UK four or five times a year and I'll always aim to make a trip to the Trust's offices in London to meet with the project co-ordinator. I'm also in constant email contact with our funders. The Trust has the balance about right but I know some funders can be intrusive and require overly detailed and frequent reporting.

We all celebrate when a funding application is successful because it's very affirming and reassuring to receive large grants. It does give confidence to us internally within the team and externally to other grantmakers who might be more likely to consider supporting us if we have backing from other serious funders.

We have a staff of 220, of whom about 40 are hard-core researchers and the remainder are largely local staff - nurses, cleaners, gardeners and so on. For them, the award of a new grant is also about securing their future livelihood. Malawi is one of the poorest countries in the world with very high unemployment. Large numbers of people are reliant on the few relatives and neighbours who are in employment, so being able to provide decent, well-paid jobs is also an important contribution we make to the local economy.

MLW and the Wellcome Trust share a commitment to improving the health of Malawians and in doing so provide a medical research hub to lead the way in the fight against the devastating diseases of poverty."

Case Study Royal Opera House

Million Pound Recipient

The Royal Opera House is the home of the Royal Opera, the Royal Ballet and the Orchestra of the Royal Opera House. It is based in London's Covent Garden and is one of the world's leading cultural institutions. It offers unparalleled breadth and depth in its performances, presenting celebrated core repertory in rotation with innovative new productions.

David Spinola, Head of Individual Philanthropy at the Royal Opera House, says:

"We are fortunate to have a small group of exceptional philanthropists who have donated or pledged £1 million or more over three years. Support at this level demonstrates an extraordinary commitment to, and confidence in the artistic and administrative leadership of the Royal Opera House. It provides stability, allowing the Royal Opera House to continue to programme ambitiously, to develop the art forms that we specialise in, and to remain at the top of the performing arts field internationally.

Consistent statutory support from Arts Council England has provided a solid foundation for decades of artistic excellence at the Royal Opera House, providing around 28% of the charity's income. But with an ever-growing body of generous philanthropists lending their support across a wide range of activity, the charity has achieved an incredible

expansion in its reach and impact. Increasing numbers of people of all ages and backgrounds experience performances within three Covent Garden theatres, on tour, at free BP Big Summer Screens and in cinemas. A vibrant education programme enables people to discover and develop their talents, creative skills and passions, whatever their background, or level of experience.

Philanthropy and membership from individuals and charitable trusts accounted for 72% of the funds that we raised during 2009/10. Donations of £1 million or more have an especially positive impact on artists, staff, board members and other key volunteers and influencers. They enable us to plan for the future in confidence and security, which is important given that an international opera house operates three to four year planning cycles. Furthermore, major donors reaffirm the organisation's credibility in the eyes of other potential funders and demonstrate that philanthropists have confidence in the Royal Opera House's administration and artistic programming.

Some of our largest donations have been in the form of capital investment: the recent donations to enable the building of our new Bob and Tamar Manoukian Production Workshop in Thurrock, the Paul Hamlyn Foundation's generous endowment contribution that enabled the formation of the Paul Hamlyn Education Fund and was

acknowledged with the renaming of the spectacular Paul Hamlyn Hall and, of course, the substantial redevelopment of the entire theatre in the late 1990s.

Revenue gifts are also absolutely essential in enabling our work and we liaise with supporters to establish the most appropriate ways to acknowledge their generosity. Some philanthropists choose to fund specific initiatives, such as the Jette Parker Young Artists Programme – a two year full-time scheme to maximise the potential of some of the most talented young opera performers from around the world. This programme has been made possible since 2005 through generous support from the Geneva based Oak Foundation. Other donors, such as the Garfield Weston Foundation, have chosen to offer core support, recognising the very significant fixed costs involved in running a theatre of this size and enabling the charity to allocate funds to areas that might not normally attract project grants. Core funding represents a very deep trust in the leadership of the organisation and has proved especially valuable during recent wider economic uncertainty.

We believe that openly acknowledging supporters' generosity is very important, not only in thanking those who make the charity's work possible, but in attracting new philanthropy. People who have donated £1 million or more to the Royal Opera House are invited to be members of

the Chairman's Circle and their contribution is also honoured on a glass panel in the Paul Hamlyn Hall, in addition to the supporter acknowledgments already in place within Royal Opera House print and in the foyer.

Royal Opera House philanthropists are offered an exceptionally wide range of opportunities to experience how their support is being put to use. Involvement is closely tailored to the interests of donors, taking into account their preferences for specific art forms, artists or practitioners and their existing knowledge and experience. Our Chief Executive, Tony Hall, describes them as "a family", and donors relish the opportunities we offer to meet with artists and senior staff such as Antonio Pappano (Music Director of The Royal Opera), Monica Mason (Director of The Royal Ballet), and to see how productions are put together, from initial designs through to the creation of props and costumes.

The secret of our fundraising success is based on a number of factors – the extraordinary generosity of our philanthropists, the exceptional leadership of our Chief Executive, Tony Hall, our Chairman Simon Robey, the artistic leadership of Directors of The Royal Ballet and The Royal Opera, but also the generosity and intelligence that exists throughout the organisation, where the understanding of fundraising and donors is widely shared.'

Conclusions

This report documents all that we have been able to learn about million pound donations made in the UK in 2008/09. We identified 201 donations of this size, made by 95 different donors and received by 161 different organisations.

Whilst the total value of donations made at this level has not returned to the high recorded in 2006/07, it is recovering from the dip during the recession, and it is very encouraging that the number of separate donations made by individuals, foundations and corporations at this level has exceeded 200 for the first time.

Globally there have been some 'game-changing' moments in philanthropy during the past twelve months. Notably in early summer 2010, the launch of a campaign by Warren Buffett and Bill Gates, called the *Giving Pledge*, which invites America's wealthiest citizens to commit at least 50% of their money to charitable causes. Within a few weeks of the launch of this campaign, 40 US billionaires had signed the pledge, including some who announced a decision to give away more than half of their fortune. Whilst the philanthropic culture differs on either side of the Atlantic, there is every reason to hope that this initiative could be replicated in some form in this country. If a substantial number of UK-based billionaires and multi-millionaires made a similar decision to give away half of their wealth, it could have a transformational impact on charities, voluntary organisations, community groups and more importantly the people they serve up and down the country.

The political climate certainly appears favourable for such initiatives, as the new coalition government has made a number of pro-philanthropy statements since it was formed in May 2010. The Coalition Agreement states that the government will "take a range of measures to encourage charitable giving and philanthropy", but as yet there is little detail on how the government will seek to encourage giving. So far, the modus operandi appears to be encouragement, as Ministers from the Department of Culture, Media and Sport and the Cabinet Office have made direct appeals to potential donors to fund the arts and the 'Big Society'. For example, the new Arts Minister, Jeremy Hunt, used his maiden ministerial speech to call on the wealthy to help fund the UK's cultural institutions.

We hope that this third report on the incidence, scale and distribution of million pound donations will prove useful in

helping potential donors to reflect on their capacity to give, to consider which areas of charitable activity are most in need of their support and to work out how they can most thoughtfully and enjoyably make effective donations to support the causes they care about.

As many philanthropists, from Joseph Rowntree to Bill Gates, have famously noted: it is harder to give money away than it is to make it in the first place. Speed and urgency in meeting needs must be balanced with care and consideration in deciding how best to meet those needs, and there are many points in between the extremes of 'spending out' and spending only the interest on an endowment, which may be appropriate for active funders.

A further intention of this report is to help fundraisers develop their relationship with people who have the capacity to make million pound donations, by giving an insight into the experience of donors who have the capacity to make the biggest gifts. We also hope that this report will prove useful to policymakers developing new initiatives to encourage major philanthropy, for example new incentives may be needed to encourage donors to stretch their giving beyond current levels, to re-direct some of their donations to neglected charitable sub-sectors and to consider how their philanthropic transactions can be conducted in the most effective ways.

Despite the lack of a clear road map for the years ahead, the maturation of the UK's philanthropic sector is evident in increased interest in concepts discussed in this report, such as collaboration with other funders. The ongoing media interest in philanthropy and philanthropists, coupled with increased awareness by the country's new political leaders of the need to encourage major giving, also helps to create an enabling environment. Despite these positive advances, many unanswered questions remain as to how the political, fiscal and cultural climate for philanthropy will change in the UK in the coming years.

We hope this report helps to fill an important gap in our collective knowledge about major donations and that the analysis, discussion and case studies help to stimulate and inform useful discussions that may be helpful in our shared quest to create a strong and enduring philanthropic culture in the UK.

How to make a million pound donation

In the course of undertaking this research we asked all the donors and charities that we spoke to, to share their 'top tips' on giving and receiving donations worth £1 million or more. Here's what they said:

Advice for donors

"If you are comfortable to do so, work with the charity to make a public announcement about your donation. 'Going public' can help to raise the profile of the organisation and encourage other donors to come forward"

"Don't make unreasonable demands of the charities you support. The feedback you request should be proportionate to the size of your gifts and should not go on for years after the money has been spent"

"Think about your philanthropy as a way of educating your children – it can help them learn how to handle the responsibilities that come with inheriting of wealth"

"Make donations that will transform the organisations you care about, think about how your contribution can have the biggest effect over the longest time period – that probably means supporting the charity's capacity building rather than simply funding a building or a project"

"Try to stick with a charity or a cause for a long time instead of making lots of short-term grants to many different organisations"

"Give something back to the people and places that have helped to create your wealth"

"Be prepared to fund campaigns as well as more tangible things – if the campaign is a success then your money will have a massive and long-lasting impact"

Advice for charities

"Take your time and ask at the right time. It can take 3 or 4 years before a donor is ready to make a really significant financial commitment"

"Find out what benefits the donor would be pleased to get, as they are not always obvious or that difficult to fulfil. We give one major donor an annual staff car parking pass and he is delighted with it!"

"Be prepared to give major donors access to the people within the charity that they want to speak to, including the most senior staff who can talk about strategy and the front-line workers who can explain what is happening on the ground"

"Major donors will rarely ask for formal acknowledgement, like naming opportunities, but they usually appreciate being asked"

"Involve your major donors as much as is appropriate. Million pound gifts come about because someone is passionate about what you do, so give them every opportunity to enjoy their passions"

"The bigger the donation, the more reassurance the donor usually needs. Give them every reason to trust you and believe their money will be well-spent for maximum effect"

Appendix on Method

This report identifies all known charitable donations worth £1 million or more that were made either by UK donors or to UK-based charities during 2008/09, which is the last financial year for which full accounts are available. As charities' financial years end in different months, and their annual accounts are published at different times of the year, the donations included in this report could have been made at any time from 1st January 2008 to 31st December 2009.

Almost all of the data discussed in this report was gathered from publicly available documents, primarily from charity annual reports and accounts but also from print media coverage. Some additional data was also provided by donors and by charities in receipt of million pound donations, with the consent of their donors. The donations included in this report have been paid in full to recipient charities. We do not include aspirational statements about sums that donors hope to eventually distribute during their lifetime.

We include million pound donations to charitable foundations and trusts, because they are irrevocably committed to be spent for the public good. However, we are alert to the fact that including such figures risks 'double counting' when the original sum put into the foundation is added to the value of grants later distributed from that same pot.

The charitable sub-sectors are those used in the Million Dollar Donation List, which is compiled by the Center on Philanthropy at Indiana University. Whilst some definitions travel better than others across the Atlantic, we decided to retain their typology to enable cross-national comparisons. Further information is online at www.philanthropy.iupui.edu

Acknowledgements

Many thanks to our researcher, Kayleigh Newby, who worked diligently to identify major donations described in the annual reports and accounts of grant-making and grant-receiving charities and those mentioned in media reports. We are grateful to the donors and recipients who agreed to appear as case studies in this report: Heather Beckwith, Dr Andrew Cooper, Dr James Martin, Mike Oglesby, Niklas Zennström, Professor Rob Heyderman, Dame Stephanie Shirley, Sarah Sleigh and David Spinola. Thanks also to those who provided expert comments and feedback on earlier drafts of this report: Joanna Motion, Michael Attenborough, Olivia Dix and Clare Brooks.

This project benefitted enormously from the initial input of Melissa Brown and David Fleischhacker at the Center on Philanthropy at Indiana University, where The Million Dollar Donor List has been compiled for over three decades.

Finally, this report could not exist without the funding provided by Coutts & Co, and in particular the ongoing support offered by Maya Prabhu and her colleagues. Despite all this tremendous help, we know there are likely to be gaps in our data because some large donations are intentionally kept secret and others have simply escaped identification. We hope this report will prove the usefulness of sharing information and that more individuals and organisations will be willing to co-operate with future annual updates of this report. Our aim is to create a longitudinal dataset that will be of increasing use to all those seeking to understand and track trends in major giving, especially fundraisers, donors, philanthropic advisors, policy makers and all who care about encouraging major philanthropy in the UK.

At Coutts, we understand many of the unique challenges major donors face. From setting up trusts or foundations to helping clients create their own personal giving strategies, we offer a service that can assist clients to make a bigger difference. Additionally, through our Coutts Forums for Philanthropy, we can offer clients the opportunity to learn from others and share their ideas and experiences of effective giving.

If you would like more detailed information about Coutts comprehensive range of services please visit www.coutts.com/philanthropy

Maya Prabhu
Head of UK Philanthropy
Telephone +44 (0) 20 7158 0789
Email maya.prabhu@coutts.com

“This report provides a strong empirical base of information for policy makers, fund raisers and other donors. Atlantic Philanthropies is committed to developing a culture of *‘Giving While Living’*; this report shows that there are many people and corporations across the UK who are role models for how this can be done and the positive impact it can make.”

Colin McCrea
Senior Vice President,
The Atlantic Philanthropies

“We continue to find the Coutts Million Pound Donor Reports the most useful analysis of major donor activity available.”

Dr. Karl Wilding
Head of Research,
National Council for Voluntary Organisations



University of Kent
Centre for Philanthropy
Humanitarianism and Social Justice
School of Social Policy
Sociology and Social Research
Canterbury CT2 7NF

T +44 (0)1227 824303
E cphsj@kent.ac.uk

University of Kent | **CPHSJ**

Centre for Philanthropy,
Humanitarianism
and Social Justice

The content of this report does not constitute advice whatsoever from Coutts & Co. Coutts & Co will not be liable for any loss arising from your reliance on any of the information contained in this report. This document contains references to third party websites. The views and opinions expressed in these websites are those of the website authors and are not necessarily shared by Coutts & Co.

Coutts & Co is authorised and regulated by the Financial Services Authority. Coutts & Co is registered in England No. 36695. Registered office 440 Strand, London WC2R 0QS

Calls may be recorded.

www.coutts.com

(1 / 10)