

A COVID-19 Philanthropy Stimulus Package:

Unlocking further giving in the UK to
support civil society at a time of crisis

What is the problem?

In this time of unprecedented uncertainty and instability, charities continue to do vital work across the country and are at the heart of so many communities. They are stepping up to fight the COVID-19 pandemic, continuing to provide vital services and networks, and playing a crucial role in giving voice to society's most vulnerable - bringing us together towards common goals. But while donations dip at the same time that demand rises, fundraising and operations also become harder due to necessary social isolation and distancing measures - so it has become clear that charities need help.

The true impact for the sector is as yet unknown, but has been estimated at between £4bn¹ and £10bn² - the RSA, for instance, has suggested a £10bn support package for civil society.³ What we do know is that there has been an immediate drop in fundraising income from events that have been postponed or cancelled, and there has been an immediate fall in trading income with the closure of charity shops and other activities. CAF polled its charity customers overnight on 18th March, with 223 charities responding: overwhelmingly the number one thing they said they needed from government was unconditional cash grants (53%) – followed by extra people to deliver services (19%).

All of the evidence is that demand for charities is higher than ever: both from people directly affected by the pandemic and from the knock-on effects of disruption to economic and social life.

There are two major issues: maintaining charities' ability to support communities affected by coronavirus now and in the immediate future and; ensuring there is a strong charity sector able to respond to national needs once the peak of the pandemic has passed.

The need for some form of help is borne out in CAF's research CAF from the end of March when we asked charity clients how long they thought they could continue to operate in their

¹ Civil Society news (2020) [Charities set to lose £4bn over 12 weeks due to Covid-19 pandemic](#)

² Ainsworth, D. (22/03/2020, 17:24)

³ RSA (2020) [Coronavirus: respond at scale, build bridges to the future](#)

current form without extra help from Government or elsewhere. Worryingly, 37% said less than 6 months and 54% in total said less than a year.⁴

To help meet these needs, CAF has responded with a £5m emergency fund to support small and medium-sized charities with unrestricted grants of up to £10K. Within a week of launching this fund, we received nearly 5000 applications totalling almost £40 million in value. The scale of this response highlights the seriousness of the challenge facing civil society right now, and the importance of identifying further measures that can be taken during this crisis.

Why philanthropy and individual giving are important

A funding crisis of this scale cannot be dealt with solely through philanthropy – government support is crucial. On 8th April 2020 the Chancellor announced a £750 million package to support charities to “ensure they can meet increased demand as a result of the virus as well as continuing their day-to-day activities supporting those in need”. From the package, £370 million will support small charities looking after vulnerable people, provided through organisations such as the National Lottery Community Fund in England and £60m provided to Scotland, Wales and Northern Ireland using the Barnett formula. The Government will provide £360 million directly to charities providing essential services, with up to £200 million of those grants supporting hospices and the rest going to St John Ambulance, Citizens Advice and charities supporting vulnerable children, victims of domestic abuse and disabled people. The BBC has also announced The Big Night In charity appeal, for which the Government has offered to match donations from the public pound-for-pound with a guaranteed minimum of £20 million for the National Emergencies Trust (NET) appeal.

This package of measures will offer important and welcome support for civil society: recognising the humbling generosity of the British public as well as the vital function that charities play on the frontline of the response to this crisis and in their ongoing work to support and speak up for some of the most marginalised people and communities in our

⁴ <https://www.cafonline.org/about-us/media-office-news/charities-paint-grim-picture-of-ability-to-operate-without-urgent-help>

society. But given the enormity of the financial challenge facing civil society, we will still need to think creatively about how to fill the gaps that remain. Philanthropic funding cannot do this by itself, but it can play an invaluable role in protecting and rebuilding the sector - especially given some of its unique features: flexibility, innovation, rapid response, deep knowledge of communities, and the ability to connect and convene.

What is needed?

Philanthropy and charitable giving can play an important role in supporting civil society through the current crisis, and in helping it to recover and rebuild over the longer term. However, to mobilise generosity on the scale required will require additional Government support and stimulus. Extraordinary times call for extraordinary measures - hence the policy ideas presented here should be understood in the context of this unprecedented crisis. This is not a time for business as usual, and we must acknowledge that the political and social environment is shifting significantly and at speed.

It is important, however, that this sense of urgency should not lead us to overlook concerns about the need to ensure philanthropic funding does not simply replicate or reinforce unfair systems and inequalities, but instead aims to overcome them where possible. Policy measures and funding allocation should therefore reflect existing discussions around equity, diversity and inclusion instead of reaching for 'tried and tested' approaches for expediency's sake.⁵

These recommendations require action from both Government and private funders, and – crucially - collaboration between the two. We have worked to think creatively during this crisis and develop ideas that unlock support from a variety of sources. It is vital that these are not seen as a replacement for other necessary measures, or taken as reason not to provide wider support for civil society. Many of the measures are also designed to offer temporary stimulus, so they include sunset clauses where possible in order to avoid setting legal, policy or regulatory precedents for the post-crisis period.

⁵ See, for instance the work Charity So White is doing in highlighting the particular challenges faced by BAME charities in the response to Covid-19: <https://charitysowhite.org/covid19>, or the Association of Charitable Foundation's 2019 report on diversity, equity and inclusion for funders: <https://www.acf.org.uk/news/acf-publishes-new-report-on-diversity-equity-and-inclusion>

Policy Measures

1) Government Support for Giving

Millions of people across the UK, of all levels of means, continue to give generously to support charities and civil society organisations on the frontline of the COVID-19 response, whilst also supporting many other organisations doing vital ongoing work at an extraordinarily difficult time. Voluntary giving is the lifeblood of many charities across the country, so the fact that many forms of fundraising have been made impossible in the short term has had a huge negative impact on their incomes. The scale of the resulting shortfall means that the direct cash grants promised by the Chancellor are clearly welcome and necessary if many charities are to survive in the short term. However, at the same time the Government can also consider targeted policies to support and nurture peoples' ability to give; as this will be another crucial element of ensuring that the charity sector can weather the storm in the medium and longer term.

Key ideas:

- **Make Gift Aid Universal until end of 2021** Gift Aid is the most important charitable tax relief in the UK, but its value is far from maximised. HMRC's own estimates put the amount of potential Gift Aid that goes unclaimed each year at £600m. Given this, we suggest removing existing declaration requirements so that Gift Aid can be claimed automatically on any donation to charity. (NB: In the United States, a group of leading non-profits has made a similar call for charitable deductions to be made universal until the end of 2021). Whilst this may not meet the financial needs of charities as immediately as direct grant funding, it would provide a valuable extra tool for fundraisers to encourage donations at this difficult time, and could help to bolster the value of donations during the process of rebuilding within the sector that will inevitably follow the coronavirus pandemic. It would also allow government to get support to all different types of charities. We are aware that there are complexities here, and concerns about severing the link between an individual's declaration and

Gift Aid being claimed on their behalf, but we believe that the current situation justifies putting these to one side on at least a short to medium term basis. Hence we suggest a temporary measure to make Gift Aid universal until the end of 2021. Whilst this would be an additional cost to the Treasury, it would be implementing an existing and well understood tax relief to its maximum potential. It could also encourage extra giving and would require no new delivery mechanism.

- **Set up a COVID-19 big philanthropy pledge.** There have already been many examples of wealthy individuals making large public donations to support the response of civil society to the COVID-19 crisis, and the hope is that these will encourage others to follow suit. However, this could be made more intentional by establishing a “COVID-19 philanthropy pledge” that brings together existing donors, sets out a clear commitment that other potential donors could sign up to and direct them towards straight-forward opportunities for getting donations out quickly to where they are needed. Government is probably not well-placed to lead on such an initiative, but could play a valuable role in convening and supporting it.

- **Offer a one-off “supporting civil society” credit for individuals** that can be donated to a civil society organisation (CSO) of their choice. This is linked to the growing calls for some form of universal income as a response to the scale of the economic challenges the current crisis poses: the idea being that every citizen would be given a modest sum in a form that meant it had to be donated to a recognised civil society organisation. This would be separate to any changes to Gift Aid designed to enhance the value of individual donations. The benefit of a “supporting civil society” credit of this kind is that it would be a powerful (and equitable) way for the Government to support a process of civil society rebuilding whilst still giving people a connection with causes and a sense of agency.

Further Ideas:

- **Expand matching donations:** Government has announced it will match donations to the National Emergencies Trust as part of the BBC’s The Big Night In fundraiser – pledging a minimum of £20 million. The concept of matching is valuable because it

stimulates and recognises the generosity of the British people. This needs to recognise fact that many struggle at the moment, but those who are in a position to give can be provided with an opportunity to make their giving go further. Government should **expand on this idea** and could look for further major events and partnerships with the sector that provide opportunities for match-funding, also drawing in business, individual philanthropists and private funders.

- **Introduce “living legacies”**: This is an umbrella term for various charitable giving vehicles available elsewhere around the world (most notably the Charitable Remainder Trust in the US), which allow people to give a capital gift while still alive from which they continue to receive income for a set period of time (or until death, if that comes sooner).⁶ This enables many ‘mass affluent’ donors to give a legacy-style gift whilst still alive, safe in the knowledge that they still have the financial security of an income. The ability to “bring forward” future legacy gifts in this way could be beneficial for many charities during the current crisis and the process of subsequent rebuilding. There is evidence from at least one will-writing service that there has been a huge spike in the numbers of people including charitable gifts in their wills in recent weeks,⁷ so a product of this kind may tap into a significant unmet need. Furthermore, unlike a traditional legacy gift, which can be changed up until the point of death and can be challenged after, living legacy gifts can be designed with firmer legal guarantees so that even if the recipient charities do not receive the capital immediately, they can put it on their balance sheet and borrow against it if need be. Living legacies have been proposed in the UK a number of times, but have stalled due to lack of political will and a sufficient evidence base that they are needed. Once again, given the changes in the political landscape in recent weeks and the huge imperative that comes from the funding crisis facing the charity sector, this should be revisited.
- **Add Gift Aid to crowdfunding appeals aimed at supporting the NHS during the COVID-19 crisis**. Many people have, understandably, been inspired to give or to raise money to support the NHS during this crisis, as they are on the front-line of the

⁶ For more detail, see e.g. <https://www.philanthropy-impact.org/expert-opinion/living-legacies-coming-uk>

⁷ Freewills.co.uk regularly releases figures on the value of charitable legacy gifts included as part of its free will writing service. Usually this averages between £70k-£80k, but during the weeks of the covid-19 lockdown, the value of legacy gifts has shot up to £980k per week. <https://twitter.com/Markyphillips/status/1248284313940090886>

response. Whilst some of this generosity may be aimed at existing charities, and therefore eligible for Gift Aid, a lot of it is also going through informal appeals and crowdfunding platforms and therefore missing out on additional potential government support. Extending Gift Aid to cover crowdfunding appeals during the crisis -with appropriate safeguards to ensure money is going to valid causes -could help to boost support for the NHS at a challenging time.

- **Recognition schemes (awards) for companies that become role model pledgers** – this could link to the existing Inclusive Economy Partnership.
- **Government-led endowment rebuilding campaign for civil society and support for mergers for charities** that have viable options to merge with others (operational and funding).
- **Incentives for industry to roll out payroll giving** (e.g. an industry-wide pledge and Government match funding for companies that match their employees giving).

2) Repurposing Public and Private Charitable Assets

There are pots of money in existence that are aren't currently being distributed to those in need – either due to legal restrictions or because they are dormant trusts held by inactive charities. These charitable assets may be public or private, and in times of national crisis there is a strong case for repurposing them to bolster the coronavirus response.

Key ideas:

- **The assets of The National Fund (c £500m) could be released**, either by expediting the existing case under consideration by the Attorney General or by nationalising through primary legislation. The National Fund was originally set up when an anonymous donor supplied £500,000 with a mandate to build an endowment large enough to pay off the UK's national debt. With this debt standing at £1,821.3 billion in March 2019, the fund is equivalent to less than 0.03% of it. In 2009, the fund's trustees concluded that there was no prospect of it being able to pay off the debt and applied to the Charity Commission to change its constitution so it

could donate money to charities. The Charity Commission sought the permission of the Attorney General in 2011. On 22 May 2018 an application was made to the High Court by the Attorney General for the release of the National Fund for the purposes of reducing the National Debt. An original court date set for November 2019 has been pushed back to October 2020. Complicating matters further, in early 2020 a claim was made on the funds by an unnamed party “X”, who purports to be a descendant of the original anonymous founder of the National Fund. Hence, freeing up the National Fund’s assets via standard means is more complicated than at first glance, as not only under the terms of the fund must its value be left to accumulate until such time as it is sufficient to pay off the National Debt in full, but now there is the additional issues of “X”’s claim to settle.

In 2018 the UK Government, through a ministerial answer to a written parliamentary question, stated that, according to expert evidence, “there is no realistic prospect of the Fund ever amounting to a sum sufficient to pay off the whole of the National Debt.” During a debate in the House of Lords, however, it was suggested that one possibility might be to use existing provisions in the founding articles of the National Fund to enable a donation of its assets to the Treasury on the understanding that match funding of equivalent value was then made available to support charities. Whilst this idea was dismissed at the time, the political context has changed enormously given the imperatives of the current crisis. In light of the coronavirus pandemic, with the right political will, a way could be found to access the assets of the National Fund, and these would constitute a significant pot to be directed towards a national endeavour of similarly significant magnitude to that which the original founders had in mind.

- **Dormant charitable trusts could be repurposed.** There are many inactive charitable trusts in existence whose founders and trustees may have passed away, or may be struggling to spend income or identify beneficiaries; trusts may hold relatively small sums of money which might not have a meaningful impact on their own. [UK Community Foundations \(UKCF\) has been working with the Charity Commission](#) to transfer up to £20 million of dormant or inactive trusts to Community Foundations to

invest in good causes. The [Revitalising Trusts initiative](#) is part of the Government's Civil Society Strategy. Charities may be contacted by the initiative if they have not spent any money, or less than 30% of their income, in the past 5 years. In light of COVID-19, there is added impetus to build on these efforts by accelerating the process of identification and change of purpose for dormant trusts and inactive charities so that these pots of money can have a collective and meaningful impact during the crisis. Government could convene actors in this area to conduct the necessary research to expedite the process.

Further ideas:

- State-controlled funds linked to fines levied on companies could be redirected towards addressing the effects of the coronavirus crisis on civil society. An example of this is the Gambling Commission's levy on the industry, which the top 5 firms recently [pledged to increase from 0.1% to 1%](#) over five years in order to raise £100m for charities.
- The social finance investor Big Society Capital's (BSC) criteria could be relaxed for a period of time to allow for a mixture of grants alongside the loans they provide, in order to meet short term financial needs of the sector. It is currently working on setting up an Emergency Liquidity Facility with 20 other Social Investment organisations to be able to quickly provide loans to organisations supporting social needs facing immediate cash-flow problems or in need of working capital.⁸

3) Adapting Philanthropic Funding Approaches and Behaviour

CAF's polling of its charity customers showed overwhelmingly that the number one thing they need is unconditional cash grants (53%) – followed by extra people to deliver services (19%). Demonstrating that charities need money immediately, , this insight also has a bearing on the *kind* of funding and funding processes that are needed at this time and going forward. The approaches and behaviour of philanthropic funders will greatly impact charities' ability to

⁸ Big Society Capital (2020) [Emergency Liquidity Facility for Social Enterprises and Charities](#)

respond quickly and effectively to the situation they find themselves in – and, furthermore, could be an opportunity to hone best practice for the future of grant-making.

Key Ideas:

- **Philanthropic funders could provide additional funding to assist with charities' unforeseen cash-flow issues.** Given that income has broken down for many charities overnight (due to cancelled fundraising events, suspended trading etc.) this will likely be a priority in the short-run. A survey by the Directory of Social Change showed that many charities cannot access government schemes that could help them with immediate cash-flow issues. Just 7% of charities surveyed said they qualified for the Business Interruption Loan Scheme and just under a half said they did not qualify; over 40% said they did not know. Funders are already stepping up, but it remains true that few are in a position to fully address the immense need in the sector (which still remains high even after the latest support package that the Government announced). Arguably, every pound spent now is a pound less going forward, but dealing with the immediate cash-flows and upfront spending is needed now in order to buffer the impact of the crisis. This will (hopefully) reduce the rebuilding efforts needed down the line and bridge charities over until other measures can kick in.

- **Funders could provide agile, unrestricted and flexible funding and application processes.** At a time when the last thing charities need is greater administrative burdens, many funders have already committed to being open to what grantees say they need, not withdrawing funds when outcomes change, maintaining dialogue, relaxing reporting requirements in the short term and adopting a trust-based approach with grantees. A wide range of funder pledges reflect this new flexibility. The Ford Foundation, together with the Council of Foundations, set up a [#PhilanthropyPledge2020](#) to which over 400 organisations have signed up. The pledge calls, among other things, for loosening or eliminating restrictions on current grants, making new grants as unrestricted as possible and contributing to community-based emergency response funds.⁹ London Funders issued a statement signed by 250 funders recognising the need to stand with civil society and calling for financial

⁹ Council on Foundations (2020) [A Call to Action: Philanthropy's Commitment during COVID-19](#)

flexibility and further action depending on the shocks caused to charities' income streams¹⁰. The European Philanthropy Statement on COVID-19 coordinated by [EFC](#) and [DAFNE](#) also speaks of grantees being able to repurpose earmarked funding and move it between budget headings in order to continue their work. The Association of Charitable Foundations' (ACF) early findings from their member polling showed 92% being more flexible, 61% realigning grants/setting up new funds, 43% allowing restricted funding to be unrestricted and 38% inciting requests for advanced payments.¹¹ Public authorities need to follow this approach as well and take a more flexible approach to reporting from foundations, trusts and charities as a whole.

- **Funders should collaborate more** (also with public and private sector stakeholders), take an ecosystem view and coordinate activities to maximise impact, including through pooled funds where appropriate. **Funders should also publish all data on grants made to coronavirus response in an open format** (e.g. via 360Giving¹²) so that others can use the information to coordinate their activities. Many umbrella bodies and other institutions, such as [ACF](#), the Institute for [Voluntary Action Research](#), the [Council on Foundations](#), the [Center for Effective Philanthropy](#), [GrantCraft](#), [FSG](#) and others, as well as funders themselves, have widely publicised the benefits of funder collaboration and collective impact approaches. The current crisis could be an incentive for more funders to put these concepts into practice. Via 360Giving, over 120 funders have already shared information on their grant-making - which means that over £30bn of grant data can be now accessed, compared and analysed. More funders embracing the open grants movement and sharing their data through 360Giving would benefit a coordinated response to the coronavirus crisis.

Further ideas:

- **Take these behaviours forward, recognising their transferability** e.g. to the climate crisis.¹³

¹⁰ London Funders (2020) [COVID-19 statement](#)

¹¹ ACF News (2020) [Covid-19: Five key ways foundations are responding](#)

¹² <https://www.threesixtygiving.org/>

¹³ Alliance (2020) [Four lessons learned from COVID-19 and how they are applicable to the fight against climate change](#)

- **Make resilience a criteria of funding provided** (different from restricted funding) – e.g. a certain % of funding has to be used to improve IT/digital, implement ‘green’ procurement, and support the recruitment of trustees with diverse skills and backgrounds.
- **Fund civil society organisations to develop digital skills and infrastructure** to build on the rapid changes many have had to make through necessity.
- **Fund foundation and civil society foresight groups** to ensure that civil society is better prepared for future social and economic shocks, and that CSOs are able to inform wider planning for future challenges.

4) Leveraging Endowed Assets

Philanthropic funders are already rising to the challenge of helping their grantees in tackling the crisis. According to rough estimates by ACF (as of end of March 2020), around £500 million in funding has been dedicated to tackle the crisis.¹⁴ Much of this additional funding comes from drawing down of endowments (which already dropped 10-20% in value) and capital. And even when funders are ‘just’ maintaining pre-crisis levels of spending, this means that they are drawing down endowments already in real terms. At the same time arguments can be made that funders need to step up more in order to save parts of the sector from simply disappearing. Many will have to strike a balance between ramping up the emergency response now and being in a position to play a significant role in the rebuilding process.

Government responded to the needs of the sector with their £750m package, but huge challenges still remain given the scale of the current crisis, so it is highly likely that further government support will be needed. Any further philanthropic response will need to be in addition to this. Many funders are responding to the crisis already, but there could be room for them to readjust the balance struck between funding now and planning future responses or engaging with more creative ways to move funding into the sector now. Regulators may

¹⁴ Max Rutherford [30/03/2020, 19:29](#)

also have a crucial role: The Charity Commission could clarify guidance on spend-down possibilities, and, as mentioned already, Government could coordinate a pledge from the foundation sector, drawing in other stakeholders (individual major donors and businesses) and providing match-funding.

Key ideas:

- **Foundations and charitable trusts could be encouraged or incentivised to spend-down a proportion of endowed assets** (e.g. 10-15%). This could be a temporary measure during the crisis (i.e. not a longer-term payout requirement) and/or linked to specific activities and causes linked to the crisis (health, social and elderly care etc.). There are arguments to be made that current spending levels are comparably low (i.e. what is the benchmark for the starting point to be used here?). Future Foundations UK has estimated that the top 300 foundations and trusts in the UK spent about 5% of their assets in 2016/17 (£3.3bn in grant-making out of £65bn in assets),¹⁵ and argue that funders should commit an additional 5% of grant funding to invest into civil society infrastructure: this enables much needed interim people-to-people support and maintenance of community-led infrastructure. Another question is to what extent funders should hold back for now (or maintain funding levels) retain funding for the efforts to rebuild the sector post-pandemic – or are temporary small increases just delaying an adequate response? Maya Winkelstein, CEO of the Open Road Alliance argues that foundations should spend a higher percentage of their endowments now.¹⁶ There will be knock-on effects from the current crisis that will hit the non-profit sector in a second wave in the near future. Providing emergency funding, even consecutive rounds, may be just ‘kicking the can down the road’. She argues that funders who are not comfortable with increasing their grant-making could look into other options (e.g. providing interest-free loans, knowing that some of the money will at least be paid back). A third question is related to the ability of endowments to recover. Many trusts and foundations are seeing an immediate drop, but a lot of them had also seen long-term gains post-2008 which makes the current impact less severe than it could have been. Candid has provided strong evidence on

¹⁵ Future Foundations UK [19/03/2020, 12:30](#)

¹⁶ The Chronicle of Philanthropy (2020) [What Nonprofits need and how Foundations should respond](#)

how US funders reacted to the 2008 global financial crisis and recovered from it.¹⁷ Their assets grew by 58% between 2010 and 2018, and overall giving grew from \$46 billion in 2010 to more than \$80 billion in 2018. According to Candid, this represents a 76% increase, double the GDP growth rate (37%) in the same time period. While this current crisis is different in nature, this might give some indication that endowments and assets have prospects to recover post-crisis.

Further ideas:

- **Foundations could use a percentage of their endowments as collateral to provide bridge loans to grantees** where appropriate, which could be repaid or credited against future grants. Given historic lows in interest rates this could be an appealing use of endowed resources.¹⁸

5) The Response from Business

The corporate response to the COVID-19 pandemic has been mixed. Some companies have responded quickly and positively to the new challenges: repurposing existing manufacturing facilities to produce necessary medical equipment, or using their products and services to support those on the frontline of the crisis. Other companies, however, have responded less positively: either by failing to make additional efforts, or in some cases failing to support customers and employees which has drawn public criticism.

What companies do now is likely to affect them in the future, as existing and potential customers see how they respond and judge them accordingly. Of course many businesses are struggling due to the crisis, but there are also many who still have the ability to give. In that context, the support that companies give to charities and civil society organisations during this time of crisis is not only an important part of meeting the needs of civil society, but also a

¹⁷ Candid (2020) [Foundations and the great recession: context for our current crisis](#)

¹⁸ Kramer, M., FSG (2020) [Foundations: Use Your Balance Sheet to Help](#)

crucial part of determining how individual businesses, sectors and the private sector as a whole are perceived as we go through a period in which many of the fundamental tenets of capitalism are being re-examined.

Key Ideas:

- **Businesses should look to identify dormant or unused assets that sit on the balance sheet (starting with assets where there are less legal risks, such as unused vouchers) and use them to support civil society.** The government could provide legal and financial guarantees to ensure companies are protected from future legal risks as an additional way to support this.
- **Use existing products and services to amplify charitable giving campaigns for free and provide match-funding.** Many companies have the ability to reach large audiences or customer bases, and they could use this to help promote efforts to boost generosity in support of civil society now and over the longer term.
- **Top up funding of own CSR and philanthropic vehicles,** and refocus efforts on responding to the crisis (without hurting the sector and existing charity partners who also might have been impacted by the crisis and need more funding). Though some companies will clearly have been negatively affected by the economic impact of the COVID-19 crisis, others are benefitting; and many sectors have also received generous packages of support from the UK government. So whilst businesses face their own challenges, many of them are still in a position to continue supporting existing charity partners or to increase their corporate giving and CSR activity in order to support others

Further Ideas:

- **Defer payments or offer discounts, fee/price waivers or payment plans for products and services for all charity clients;** in particular those on the frontline of the crisis e.g. foodbanks, charities helping NHS staff, single parents and older people. Business that can withstand current pressure could take a calculated hit to the bottom

line with the option to re-coup money from their charity clients once the crisis is over, or government could top up the difference.

- **Use physical company assets which are dormant to help with the crisis response** (e.g. grounded airplanes to fly material for INGOs to nations in need).
- **Make a pledge to roll out payroll giving and provide match-funding**, either in the short-term for crisis-related causes, or-over the longer term more broadly to help with the process of civil society rebuilding.
- **CEO's to become role model givers to crisis-related causes and encourage others to join a pledge**, potentially also linked to corporate bonuses in certain cases.
- **Move forward payment of money already pledged to address specific causes** – e.g. the gambling industry has pledged to pay £100m towards tackling problem gambling, but that pledge could be realised now and directed instead toward the crisis response.
- **Ask shareholders to donate a small % of dividends to support charities and civil society organisations.** Stock markets have taken a hit as a result of the economic impact of the COVID-19 crisis, so in the short term many investors and shareholders may have suffered losses. However, others will have prospered, and over the longer term losses may be recouped as markets rebound, so companies could ask their investors and shareholders to accept slightly reduced returns (potentially for a set period of time) in order to free up more resources to support civil society.

6) The Regulatory Response

Beyond Government support to facilitate giving and redirect funds towards charities tackling COVID-19 and its effects on the frontline, the role of charity regulators taking a pragmatic and flexible approach will be crucial to the sector's ability to adapt to the new and fast-moving situation and respond quickly to the increase in demand. The Charity Commission has already shown flexibility in allowing charities to submit annual returns at a later stage.¹⁹ Other regulators and public bodies should follow suit where possible. Previously mentioned

¹⁹ Third Sector (2020) [Regulator promises to be 'flexible and pragmatic' during outbreak](#)

suggestions in this paper include the Charity Commission clarifying guidance on foundation spend-down possibilities.

Key ideas:

- **The Charity Commission to be more flexible in redefining the mission of a charity.** For charities considering whether they can help the effort to tackle COVID-19, the ‘charitable objects’ set out in their governing document that may allow such activity include: the relief of poverty, hardship or distress, of the elderly, and the advancement of education, of the life of young people or of health. If do not have the express power to do so in their governing document, permission is needed from the Charity Commission to amend charitable objects and proposed changes need to be “reasonable, consistent with what your charity does, and not undermine your existing objects.”²⁰ The Commission has committed to prioritising requests required urgently because of COVID-19²¹, but more flexibility in a temporary measure permitting a charity to expand or change its existing mission statement could enable organisations to undertake work necessary for the coronavirus response or the period of civil society rebuilding that will follow.

- **Identify dormant charities and release their funds into a national funding vehicle that addresses the crisis.** The money held by inactive charities in dormant trusts, as aforementioned, could be redirected to support charities’ working on the COVID-19 response or the charity sector’s resilience more broadly. These funds could be channelled into a central national funding vehicle, such as the National Emergency Trust (NET) or the National Lottery. The NET, for example, was set up in 2019 following the Grenfell Tower and Manchester Arena tragedies to coordinate disaster fundraising responses and act as a trusted channel for funds and donations, and has already launched its [Coronavirus Appeal](#) to raise money for local charities and grassroots organisations that provide vital support during the crisis. Government could provide legal and financial guarantees to cover any emerging risks due to fast tracking the release of the funds and their use in addressing the crisis.

²⁰ GOV.UK (March 2020) [Coronavirus \(COVID-19\) guidance for the charity sector](#) (From: The Charity Commission)

²¹ Ibid.

Whilst we have been clear that philanthropy is not a panacea for the ills being suffered by civil society right now, we believe that there is definitely scope to build on the encouraging response we have seen already from individuals, foundations, companies and others; and boost giving even further in order to support civil society through this crisis and the process of rebuilding that will follow. We offer these ideas in the hope that they will stimulate thought and debate, and we will gladly work with Government and other interested parties in thinking through how to put them into practice as soon as possible.

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