

Maximising the role of civil society in the UK's recovery from COVID-19

Introduction

1. Cancer Research UK (CRUK) is the world's largest cancer charity dedicated to saving lives through research. We support research into over 200 types of cancer, and our vision is to bring forward the day when all cancers are cured. Our long-term investment in state-of-the-art facilities has helped to create a thriving network of research at 90 laboratories and institutions in more than 40 towns and cities across the UK supporting the work of over 4,000 scientists, doctors and nurses. Our retail network of 600 shops is staffed by over 1,800 people.
2. There are around 367,000 new cases of cancer each year in the UK and sadly around 165,000 deaths. However, our pioneering work into the prevention, diagnosis and treatment of cancer has helped save millions of lives: over the past 40 years survival has doubled. The science base for cancer research that CRUK has helped build is regarded as among the best in the world and has also been a major contributor to the wider life-science industry here in the UK, not only to improve patient outcomes, but also playing a role in boosting the UK economy - every pound invested in medical research delivers a return equivalent to around 25p every year, for ever.
3. All of this is made possible by the generosity of the public. Our mass fundraising events such as Race for Life are popular community calendar landmarks and bring thousands of people together to raise money, while CRUK charity shops maintain the vibrancy of the high street and offer almost 15,000 volunteering opportunities.
4. **The charity sector is made up of a wide range of organisations which vary greatly in size and cause – but all work for public benefit.** Charities play a vital role in driving social change, both nationally and in communities. Civil society can represent, champion and understand the needs of people with specific challenges, and then connect them to those with the capabilities to find solutions. It can give individuals purpose, through providing opportunities to donate, volunteer and be part of a community.
5. This has been evident through the COVID-19 pandemic. From small community enterprises to major national charities, all have played a vital role in our country's response to the current crisis, alleviating pressure on the health service and providing support to people suffering from the economic and social impact of coronavirus.
6. CRUK has placed itself at the forefront of efforts to tackle COVID-19, with our priority to ensure that people affected by cancer get the support and information they need. We have worked with cancer charities across the sector on guidance for cancer patients on COVID-19. Our website provides up-to-date information for people affected by cancer, and our nurse helpline is also in place to support patients and their families who have worries and concerns. We have also directly supported the national COVID-19 effort in recent months, spending an estimated £3.5 million through turning over the resources and expertise in our research institutes to COVID testing.
7. Charities have stepped up to the plate at a time when the sector faces a massive financial challenge. Charity sector economists now expect UK charities to lose out on £10.1 billion across

the rest of 2020, with one in ten charities expecting to cease operations due to funding constraints.

8. For CRUK, the impact of COVID-19 has been devastating. With our charity shops closed for many months through lockdown and major fundraising events such as Race for Life cancelled, in 2020/21 alone we expect to see a £160 million reduction in our fundraising income. The longer-term economic impact of COVID-19 means we now expect to raise £300 million less than forecast over the next three years. We are now consulting on a Recovery Plan that plans to save £30 million annually, primarily through redundancies, and this could sadly see a reduction of 500 roles among our non-trading staff. We have also already made the difficult decision to reduce our planned research spending by £44 million this year, and in a worst-case scenario and without Government support we could see a reduction in research spending of up to £150 million a year by 2023.
9. CRUK has been able to utilise the Job Retention Scheme to offset some of our losses and furlough 60% of our staff whose jobs have been limited by COVID-19. However, we have received very little financial support from Government to help mitigate our loss in income, subsequent cuts to research, or our new COVID-19 related activities. **It seems that our work falls through the gaps of different support packages the Government has announced, such as support for charities and R&D businesses, and we have not received any financial support from Government's £750 million charity support package.**
10. **The charity sector will continue to strive to play its vital role in civil society in the UK – but it will need continued and further Government support to achieve this.** Innovative and constructive solutions such as the proposed Life Sciences-Charity Partnership Fund and Gift Aid Emergency Relief scheme should be actively considered as part of this. Further information on these proposals is detailed in this paper.
11. We strongly believe that there are lessons to learn in collaboration, targeted support and innovative thinking to reboot the sector in the months to come. It is vital these lessons are learned now and incorporated as soon as possible, with Government taking an active role in this, as we do not yet fully understand the long-term impact of COVID-19 in the UK.
12. **As Government looks forward to the role that civil society and the charity sector can play in levelling up the UK into the future, the following should be considered:**
 - a) **Encourage cross-departmental thinking and collaboration to create the best conditions for charities in the UK**
 - b) **Protect the vital role of medical research charities in the health and wealth of the UK by working with the sector to develop a sustainable post-COVID recovery funding model that helps bridge the funding gap while fundraising practices recover, and places the UK at the global epicentre of life sciences, such as the establishment of a Life Sciences-Charity Partnership Fund**
 - c) **Explore innovative solutions to the fundraising challenge that all charities currently face due to COVID-19, including the proposal for Gift Aid Emergency Relief – uprating Gift Aid for a short time to help charities get through the current crisis in a strong position**

The role of charities in supporting the NHS and public services

13. CRUK works closely with the NHS to achieve our shared ambition of improving cancer services and outcomes for cancer patients, and target areas where cancer outcomes are poorer due to health inequalities or other factors. Our activity includes:
 - Our facilitator programme works across the UK, engaging with all levels of the NHS to bring expertise, support system transformation and provide vital intelligence to improve early diagnosis and cancer prevention
 - Our CRUK GPs work to provide strategic primary care clinical leadership across England, Support Cancer Alliances in improving cancer pathways and reducing variation in care and support national decision-making
 - We are the only organisation producing UK level cancer statistics through our Cancer Intelligence team, and our research adds considerable value to NHS data. We work in close partnership with Public Health England (PHE) to produce analyses that support policy makers, commissioners, health professionals and people affected by cancer
 - The experienced nurses in our Cancer Awareness Roadshow talk to over 60,000 people a year about cancer, supporting people to make choices to reduce their risk of cancer through lifestyle changes and we encourage people to go to their GP with any concerns
14. We decisively responded to the national call to action in response to COVID-19, led by the belief that it is right to beat COVID-19 now so that we can get back to beating cancer. We have spent an estimated £3.5 million to date on COVID-19 testing for the NHS and released our clinical workforce to work on the NHS frontline. We also ramped up our information, advice and support for cancer patients – for example through our Cancer Nurse Helpline – and helped develop guidelines for cancer patients and COVID in coalition with other cancer charities.
15. However, we are yet to receive any financial support for our response to COVID-19. While we have welcomed Government's financial support for charities, after delays and uncertainty about the criteria for qualification, it appears our efforts have fallen through the gaps in different packages. This has been a particular challenge given we have redirected charity income away from our core purpose to support the national COVID-19 effort at a time of extreme financial challenge.
16. We have also been particularly concerned by opaque consultation processes for how this Government funding has been distributed. Despite significant efforts to engage with Government departments to discuss our COVID response it was unclear where we should have engaged to seek financial support, and it now appears we will not receive any financial support from Government for this activity. As a medical research charity, CRUK works closely with both the Department of Health and Social Care and BEIS as well as DCMS, and we have often faced challenges when trying to engage with Government through this pandemic.
17. DCMS, the Office for Civil Society and Government as a whole should work towards a model of sector engagement where DCMS is seen not as 'the place for charities' in Government but rather as playing a convening role – **bringing together Government to engage with the charity sector in an open, transparent and substantive way**. This would empower CRUK, and the

charity sector as a whole, to engage with Government on shared priorities in a meaningful way as the sector and the country strive to recover from COVID-19.

Government's role in supporting the charity sector

18. CRUK, as the largest independent funder of cancer research in the world, plays a prominent and impactful role on improving the health and economic prosperity of the UK. In 2018/19, we spent £442 million on new and ongoing research into prevention, diagnosis and treatment of cancer. We fund half of all publicly funded cancer research in the UK across 90 locations including our 4 core-funded Institutes, 14 research centres, 4 drug discovery units, 8 clinical trial units and 18 co-funded experimental cancer medicine centres.
19. The impact of our research has been transformative, with cancer survival doubling in the UK over the past 40 years – today, half of all people with cancer will survive for at least 10 years. There are also significant economic benefits for the UK economy, with each £1 spent on medical research delivering a 25% return on investment for wider society every year, forever.
20. Medical research charities can play an important role in the health and economic recovery of the UK from COVID-19, and help further strengthen the UK's place as a world-leading location for research and development – a major Government priority. However, the sector needs further support to do so.
21. While it was understandable that immediate Government support for the charity sector was aimed at charities on the frontline, medical research charities largely missed out on financial support, and the sector as a whole now faces a £252-£368 million shortfall in planned research spending for this year alone.
22. As the Government looks forward to the UK's health, social and economic recovery from COVID-19, empowering medical research charities like CRUK to play our part with targeted financial support for our lifesaving research will be vital.
23. **Along with the Association of Medical Research Charities and a number of other charities, we're calling for a £310 million Life Sciences-Charity Partnership Fund.** This scheme would protect ongoing research funded by medical research charities, and would be match-funded by charities to ensure consistent research investment into the future.

Maximising the impact of the charity sector

24. The financial impact of COVID-19 on the charity sector as a whole has been devastating, with charities expecting to see a £10.1 billion drop in income this year, in a period where demand on charities' vital services has risen significantly.
25. The coronavirus pandemic has made clear the crucial role that charitable organisations play in UK civil society, and as we all seek to recover from the COVID-19 pandemic and take steps to level up the UK, charities will continue to play its decisive role.

26. However, this will be in a much more challenging economic and fundraising environment. Mass participation events have been cancelled or postponed, and would be incredibly challenging to operate with social distancing measures. While many charities are exploring innovative approaches to fundraising, such as CRUK's Race for Life at Home, it will take time to adapt to the new normal. Similarly, charity shops were closed for three months, and subdued retail activity is likely to impact charity shops in the same way as other retailers.
27. There have been examples where charities have not been able to access the greatest possible benefit from various Government support packages. For example, local authority grant payments like the Retail, Hospitality and Leisure Grant Fund (RHLGF) were intended to support small community-based shops. The UK's 11,200 charity shops, including almost 600 CRUK outlets, are predominantly small shops at the heart of communities that qualify for the RHLGF.
28. However, the RHLGF, though welcome, has not captured the unique character of charity retail and as such the benefit for the charity retail sector has been limited by the unnecessary application of EU State Aid limits that mean charity retailers can only access £700,000 of grants – or support for around 30 shops. For context, just during the period our shops were closed due to lockdown, CRUK paid £4.5 million in rent on those outlets.
29. Support for charity retailers does not meet the criteria set out in Article 107(3)b of the Treaty for the Functioning of the European Union (TFEU) to be considered State Aid. This is because the hyper-local nature of charity shops – receiving donations from, and selling second-hand goods to, its immediate local community – means that there is not a distorting impact on interstate trade.
30. Along with a coalition of 19 large charity retailers and sector bodies, we have made representations to Government officials to highlight this challenge for charity retailers. We have had a number of constructive conversations, but we have yet to see the RHLGF reflect the unique character of the charity retail sector and allow us to access further support to protect our vital role on high streets up and down the country. We hope that **Government will work with the European Commission to ensure any support package for individual charity retailers is not limited to €800,000 through the unnecessary application of EU State Aid rules**. In future, more could be done to by Government to engage with charities and to embed consideration of civil society and the charity sector in routine policymaking.
31. **It is important that Government supports charities to recover, adapt and ultimately grow from the current challenge they face. Along with over 200 charities, we are supporting the proposal for Gift Aid Emergency Relief**, which would see the value of Gift Aid on each donation increase from 25% to 33% for a 2-year period.
32. The focus of this proposal is to offer a practical solution that Government could quickly implement. It is modelled on the previously used Gift Aid Transitional Relief, meaning there is clear evidence it is workable, and through making use of the existing arrangements charities have in place with HMRC this can happen quickly and easily getting cash to charities as effectively as possible. As the Gift Aid Emergency Relief Package would be time-limited, it recognises the need for temporary measures to go some way to keeping charity services

running and enable many charities to get through the crisis who otherwise would have to shut their doors. The cost of this measure to the Treasury is estimated be around £360 million, less than the net figure of £380 million in Gift Aid charities miss out on annually.

33. 73,050 charities, or around 4 in 10 of all UK charities, claimed Gift Aid in 2018/19. This measure would benefit charities of all sizes across the country, and supports the generosity of the UK public by increasing the value of each donation they make. This measure could encourage the public to support the causes they care about most, and as a measure would serve as a strong endorsement by the current Government of civil society and the impact the charity sector has at all times and in particular through the COVID-19 pandemic.

If you would like any further information, please contact Matt Sample, (Policy Adviser, Charitable Environment – Cancer Research UK) – Matt.Sample@cancer.org.uk