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The logo for The Centre for Social Justice, featuring the text "THE CENTRE FOR SOCIAL JUSTICE" in white, uppercase letters on a dark red background.

For immediate release

PRESS RELEASE FROM THE CENTRE FOR SOCIAL JUSTICE

Use wasted insurance cash to fund charity revolution, says major new report

Some of the most deprived parts of the country are charity 'cold spots', warns a new report by the Centre for Social Justice

Dormant insurance policies worth £400million should be given to charities to fight poverty and social breakdown, according to a new report by a leading think-tank.

The Centre for Social Justice (CSJ) wants to plough the cash into a radical new fund – similar to one created by President Barack Obama in the US – to expand bright new ideas currently being ignored.

The CSJ, which has an Alliance of more than 350 voluntary organisations, said the social sector is needed now more than ever but is hampered by a lack of funding as well as regulations which hold it back.

“There is an army of people out there already making a stunning difference to their neighbourhoods – but we need to unleash the social sector so it can fulfil its potential,” said Danny Kruger, a former speech writer for David Cameron, who chaired the report.

“Charities often deliver so much remarkable work in the poorest parts of the country, but for too long this country has failed to utilise them properly.”

The new Social Innovation Fund would use dormant insurance and pension funds – estimated to be at £400million – to pay for new third sector ideas and fund poverty-fighting charities.

The study cites the example of the Irish Government, which successfully unlocked funds from insurance pots, providing an initial €20million for projects.

The move would follow on from the Government’s decision in 2010 to pay for Big Society Capital with money from dormant bank and building society accounts.

The CSJ, which puts forward a package of social sector reforms for general election manifestos, also highlights worrying ‘cold spots’ where charities barely exist and vulnerable people struggle to access help.

It says in many areas the most disadvantaged people miss out on crucial interventions because their area lacks the vibrant social sector activity.

Researchers reveal almost a tenth of people in England and Wales live in areas with just 1.6 per cent of the total number of charities.

Despite being ranked low in terms of deprivation, the Cotswolds, for example, has 6.9 registered charities per thousand people. In contrast, Blackpool – the sixth most deprived area in the UK – has just 0.8 registered per thousand.

This imbalance is compounded by the fact that a third of giving from the top 400 companies is focussed on London, whilst the West Midlands, for example, gets just one per cent.

The report, part of the CSJ's Breakthrough Britain 2015 series, puts forward a plan to bolster the social sector in the poorest areas.

It wants the charity sector to be mapped so that the poorest areas with little activity can be targeted. It also calls for increased funding via the Big Lottery Fund to allow successful charities to mentor and help smaller community groups.

The CSJ said public contributions – standing at £17.4b a year – remain stagnant, with grass-roots poverty-fighting organisations in particular struggling to raise donations from the public.

The think-tank calls for greater use of Payroll Giving, a scheme which allows employees to donate on a tax free basis.

Currently only four per cent of UK donors use this method and only around 10,000 employers are enrolled.

The CSJ says the appetite for giving this way is much higher and recommends employers who promote Payroll Giving should be rewarded.

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Copies of the full report are available on the Centre for Social Justice website (<http://www.centreforsocialjustice.org.uk/>) or, alternatively, by contacting one of the individuals above.

NOTES TO EDITORS

The Centre for Social Justice (CSJ) is an independent think tank established in 2004 to put social justice at the heart of British politics. In June last year, the CSJ was awarded UK Social Policy Think Tank of the Year 2013 at Prospect magazine's Think Tank Awards.

In 2007 the CSJ published its landmark report, Breakthrough Britain. This publication, which set out 190 evidence-based policy recommendations to tackle poverty in Britain, transformed the social policy and political landscape and was awarded Publication of the Year by Prospect Magazine in 2008.

Since Breakthrough Britain the CSJ has published over 40 reports which have shaped government policy and influenced opposition parties. This has included the seminal paper Dynamic Benefits, which led the Coalition Government's welfare reforms.

Further to this, the CSJ manages an Alliance of around 350 of the most effective grass roots, poverty-fighting organisations. The CSJ is able to draw upon the expertise and experience of Alliance charities for research work and media inquiries. Journalists wishing to conduct grass-roots research into social problems can be put in touch with front-line charity directors and staff.