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Release date: 26th December 2011



PRESS RELEASE FROM THE CENTRE FOR SOCIAL JUSTICE
RELEASE TIME: IMMEDIATE

Charities could get £1 billion boost from company subsidies

Plans to turbocharge charitable donations by Britain's big companies are to be outlined in a new report from a major think-tank.

The Centre for Social Justice predicts that a scheme to encourage firms to subsidise voluntary work carried out by their employees would boost total private gifts to charities by around £1 billion a year.

The projected top up would be a significant increase on the £12 billion a year given to UK charities by private individuals and companies.

The "C-Volunteering" plan is part of a wider push by the CSJ to boost Britain's third sector and help unfashionable, grassroots charities to expand their support for the underprivileged.

The CSJ proposals, which have been drawn up in conjunction with 'C', a new social enterprise group led by three senior business professionals, underpin David Cameron's "big society" campaign to get non-state agencies to play a much bigger role in repairing Britain's "broken society".

"C-Volunteering has the potential to revolutionise corporate philanthropic culture, to create a new culture of volunteering and giving with far-reaching benefits to society," says the CSJ report.

The proposal introduces an incentive for firms to run C-Volunteering schemes – a tax relief similar to the one which exists for R&D. Ideally, the Government would set no limit to the amount of tax relief that could be reclaimed by firms supporting the C-Volunteering scheme. But the authors say that if the relief was capped at a reasonable level – say £330 million a year – that could generate an extra £1.3 billion for charities, an increase of about 10 per cent in their annual income.

The report quotes a host of business leaders who like the idea and think it would offer a significant incentive for their sector to make more of a contribution to charities in the UK.

CSJ Executive Director Gavin Poole said: "We need imaginative new schemes to get British companies playing a bigger role in tackling deep-seated problems, such as educational failure and welfare dependency, that are holding back the country economically and socially.

"These proposals are a practical blueprint for revitalising Britain's hugely important and valuable third sector and helping them at a local level to rebuild shattered lives.

"Britain has a great track record for charitable donations and for people freely giving up their time as volunteers. But we are still far behind the United States, where the charitable impulse is more deeply ingrained.

"In the US, charitable donations run at \$212 billion (£136 billion) a year - proportionately almost double the UK's. We need to move closer to the American culture of corporate giving."

The report points out that currently the big charities, like Oxfam and the RSPCA, get the lion's share of donations. The biggest 3 per cent of all UK charities attract 75 per cent of the funding. Small-scale charities of the kind championed by the CSJ, which do much unsung good work at a face to face level with people in trouble, risk being overlooked by their bigger, better-funded counterparts.

Under the proposed new scheme companies would enrol in the "C-Volunteering Initiative" and so qualify for tax relief.

Employees would be encouraged to give up some of their working time to a charity of their choice and the firm would boost the value of their contribution by agreeing an hourly rate for the voluntary work.

For instance, if an employee gave up 19 hours a month, his firm would agree an hourly rate and then pay that to the charity. If the matching funding was set at the minimum wage of £6.08 an hour, the charity's funds would be boosted by 19 x £6.08 a month or £115.52.

A special C-Account would be set up to receive the company's donations and the money would be paid over to the chosen charity. The whole process would be managed simply and efficiently on line.

Firms, meanwhile, would be able to recoup some of the costs by setting their gifts against corporation tax in much the same way as they can offset research and development bills.

'C' is a new social enterprise group set up in 2010 by technology entrepreneur Ab Banerjee, project financier Clare Delmar and company director and private investor James Downing. All of them have extensive experience of working with and advising charities. They have been operating in partnership with the CSJ since of the summer of 2011.

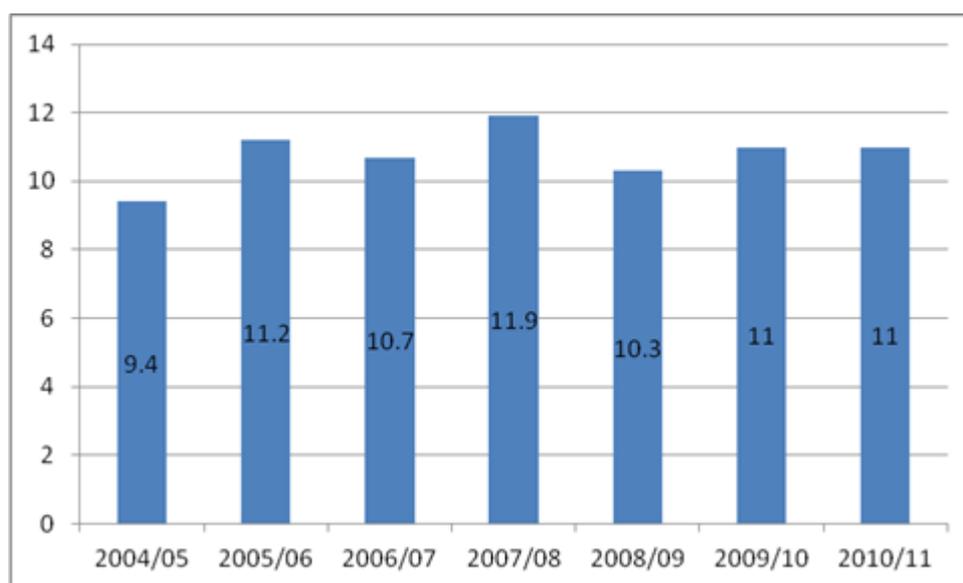
FACTS & FIGURES

- In 2010/2011 individual donors gave £11.0 billion to charity in UK
- In 2010/2011 there were 29.5 million donors, 58 per cent of UK adults aged 16 or over and up up from 56 per cent the previous year.
- The average (median) amount given *per month* was £11, less than the previous year (at £12)
- The proportion of people giving has slightly increased in the last year, though the total amount donated has remained flat because people are on average giving less
- Women aged 45 to 64 most likely to give, and to give the most (typical median amount £20 per month)
- Those aged 16-24 give least

Source: 'UK Giving 2011' study, Charities Aid Foundation and NCVO, 2nd Dec

- In terms of of volunteering, 25 per cent of people in England (10.6 million) volunteered formally once a month in 2010/2011 (DCLG Citizenship survey, 2010-11)

Estimated total amounts given by individuals to charity (£ billion)



Source: 'UK Giving 2011' study, Charities Aid Foundation and NCVO, 2nd Dec

COMPARISON WITH THE U.S.

Country Giving (£bn)	(£bn)	GDP (£bn)	Giving/GDP
UK	11	1,440	0.76%
USA	136	9,320	1.45%

Source: NCVO, CAF UK Giving 2011; Giving USA Foundation and Center on Philanthropy at Indian University

UK DIVISION OF FINANCIAL GIVING BY CAUSES

Charitable cause	% of giving population	people millions donating on a monthly basis
Medical research	38%	11.1
Hospitals	26%	7.7
Children	24%	7.2
Overseas	17%	5.0
Other causes	15%	4.4
Animals	14%	4.3
Religious	13%	3.8
Disabled	11%	3.3
Homeless	9%	2.6
Elderly	8%	2.3
Health	7%	2.2
Schools	7%	2.0
Environment	6%	1.6
Sports	3%	1.0
Arts	1%	0.4

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For media inquiries, please contact Nick Wood of Media Intelligence Partners Ltd on 07889 617003 or 0203 008 8146 or Alistair Thompson on 07970 162225 or 0203 008 8145.

NOTES TO EDITORS

The Centre for Social Justice is an independent think tank established, by Rt Hon Iain Duncan Smith MP in 2004, to seek effective solutions to the poverty that blights parts of Britain.

In July 2007 the group published *Breakthrough Britain. Ending the Costs of Social Breakdown*. The paper presented over 190 policy proposals aimed at ending the growing social divide in Britain.

Subsequent reports have put forward proposals for reform of the police, prisons, social housing, the asylum system and family law. Other reports have dealt with street gangs and early intervention to help families with young children.