



NCVO Policy Analysis:

Giving White Paper

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Contact: James Allen

Tel: 020 7520 2475

E-mail: james.allen@ncvo-vol.org.uk

The Government published the Giving White Paper¹ on Monday 23 May as the culmination of a wide consultation following the Giving Green Paper originally published in December 2010. The White Paper outlines the Government's strategy for giving and the Government's proposals to increase the rates of giving and the numbers of people that give. This is a challenging proposition – the UK is already a generous country and current economic conditions will present difficulties in seeking to raise levels of giving. This policy analysis outlines the key elements of the White Paper and a range of recommendations and next steps².

The White Paper builds on the broad themes of the Green Paper³ and outlines some specific proposals in more detail. Like the Green Paper before it, this is not a traditional 'White Paper' – it does not form a consultation that comes before legislation but is rather a collection of various ideas and a drawing together of the extensive number of consultation responses that the Cabinet Office received following the Green Paper. The White Paper outlines early details of a range of specific initiatives, some new investments and announces a Giving Summit to be held in autumn 2011.

There are many ideas presented in this White Paper and much of it is positive. It signals the Government's clear intent to grow the levels of giving in the UK. It marks progress from the Green Paper in that it sets out more clearly what the role of government should be – in setting frameworks, working with other sectors and in disseminating best practice. Government can use its size and profile to generate publicity and awareness and can draw together groups that may not otherwise come into contact. This is the broad scope of the role of government in increasing giving that NCVO outlined in our Giving Green Paper response, and it is positive that government has responded to this.

The White Paper moves away from a proposed mandatory payout requirement for foundations as suggested in the Green Paper. NCVO was opposed to this proposal and this is therefore welcome.

The Government believes that increasing participation (in terms of financial giving and the gift of time through voluntary and social action) is possible and identifies the following as indicative of the potential to do more:

- giving is concentrated: a minority give at significantly above average rates;
- donors in lower income brackets proportionately more of their income, suggesting potential for higher giving levels amongst higher earners;
- businesses could in many cases do more and learn from the exemplary community work that many businesses already do;
- there is a current need to match skills and time with organisations who need skilled, pro-bono support.

Specific proposals and investments

The Government has announced a number of specific proposals and investments, including some significant and potentially promising new spending.

¹ [Cabinet Office: Giving White Paper](#)

² For further comment, please read [NCVO's initial response to the White Paper](#) and [an article in the Guardian on the White Paper](#)

³ [Cabinet Office: Giving Green Paper](#) and [NCVO: Response to the Giving Green Paper](#)

These include:

A new Local Infrastructure Fund

This will be funded by an investment of £30m and includes provision for a single online resource. This will be administered by the BIG fund and is intended to provide improved support to frontline voluntary and community organisations (VCOs) in England. This was a key recommendation of NCVO's Funding Commission, which reported in December 2010⁴. The key objectives are to:

- support more effective local hubs with better integrated support;
- support the development of an online "resource bank";
- support the development of more effective cross sectoral local partnerships.

Government's recognition of the importance of local infrastructure is positive, particularly given concerns around the impacts of funding cuts to these organisations. NCVO will push for clarification on how and where this money will be spent given the need for certainty in organisations planning their futures.

There is potential for modernisation and more effective infrastructure provision at all levels, and this investment should go a long way toward adequately funding those changes. Demand for volunteering opportunities is outstripping supply in some areas while other organisations are struggling for volunteers in a climate of increasing demand and many are also unable to invest in volunteer training and support due to a lack of resources. This underlines the need for such a fund and also suggests that there is potential for rationalisation and a more effective allocation of resources, including volunteer time, at a local level.

A Social Action Fund and Challenge Prizes on volunteering

These are new investments with an approximate total of £10m. The Social Action Fund appears to have a relatively small budget but a wide remit and while investment in this area is important and welcome, there is a danger of attempting to do too much with limited resources. The Fund intends to:

- fund schemes to promote giving in 'priority areas and groups' – to include those nearing or in retirement and graduates of the National Citizen Service;
- to support schemes that have the potential to deliver a 'significant uplift' in rates of giving. It will support schemes which have potential to be sustainable and to scale-up. It will provide support and platforms for new 'innovations' and to build local platforms.
 - It is clearly right to support schemes likely to succeed, though there are concerns around attempting to scale-up successes in cases where replication may be more appropriate and, indeed, a larger scale would take away many of the attributes of successful local projects.
- the Challenge Prizes will reward charities and social enterprises that develop ideas around volunteering with prizes of up to £100,000. This is a potentially positive way of incentivising and showcasing best practice and innovation though this should not distract from the focus of building sustainability across the whole sector. It is also important that these prizes reflect activity in less popular or visible areas, including attempting to raise levels of giving and participation for difficult and often controversial social issues.

⁴ NCVO's Funding Commission report is available at www.ncvo-vol.org.uk/fundingcommission

Participation in terms of giving time and money is currently unequal. The Government acknowledges that this is a problem and that there are significant barriers to participation for many people but does not propose any significant new policy solutions.

The Community First programme

This previously announced programme will include a £30m Neighbourhood Match Fund and a £50m endowment match fund. The intention is to promote social action in areas of significant deprivation and low social capital. Building capacity and confidence in communities and supporting programmes to become sustainable is very positive. Whilst being mindful of the current UK fiscal position, this is not a significant investment when the context of the scale of the challenge and the wide scope of the programme is considered.

The £30m for the Neighbourhood Matched Fund Programme will provide resources for community led projects in specific English locations. Communities will be required to identify projects and then match funding from government – which may include volunteer time, cash good and services. Whilst the principle of match funding is intended to drive responsibility and sustainability at a community level, it is important that high levels of support are given to the most deprived communities. Where social capital is at its lowest, simply identifying individuals to comment on community priorities may prove challenging. The role of community organisers is therefore essential. Community organisers funded by government are an important step forward, though it is important that they build on existing community development work, are not perceived to be operating in a ‘top down’ way and that they have adequate freedoms to work flexibly. There are promising signs that government will not be setting centralised objectives for those organisers.

The second element, £50m in Endowment Match Challenge Funds will be available across England. It will build local endowments through donations and these are intended to become sustainable over time to provide income to award grants. Finally, an additional £1m will be made available as part of this programme to match fund the Evening Standard’s ‘Dispossessed Fund’.

Fiscal incentives

The range of fiscal incentives announced as part of the Budget are repeated in this White Paper and include proposals to reduce the rate of inheritance tax by 10% (from 40% to 36%) to estates giving over 10% to charity, a scheme to promote the giving of eminent art to the nation, an increase to the level of gift that charities can give to major donors to acknowledge their generosity and changes to small donations and their Gift Aid treatment to allow VCOs to claim tax relief on donations worth up to £5000 each year (worth £1250) without the need for declarations.

Overall, this is a positive set of proposals, and we would encourage government to take these forward urgently. This should come alongside government looking at gathering further evidence to form a detailed view on the potential of lifetime legacies. Fiscal incentives are part of the motivation for giving and it is positive that government does not appear to see them as the key means of promoting a giving culture and recognises the need to link fiscal incentives to wider policy aims.

There are a range of further specific proposals in this White Paper, including:

- an investment in a new service from Philanthropy UK and the Community Foundation Network to build up philanthropic infrastructure. This is significant as it “can be hard to give money away” and philanthropists need “an entry point and support”⁵;
- a Philanthropic Giving Committee, which will include work on the development of the Philanthropy UK service;
- the White Paper acknowledges the importance of impact measurement and government will work with strategic partners to identify easier, cheaper and clearer ways to measure and report impact;
- the launch of a year long national campaign to increase take-up of payroll giving;
- a re-launched Payroll Giving Awards with the Institute of Fundraising in October 2011. Government will also consider a ‘kitemark’ for businesses with payroll giving schemes;
 - highlighting and celebrating good practice is important and can help to influence behaviour. Payroll giving rates have, however, remained stubbornly low and it will take real commitment and investment to raise these rates. Further changes, including portability to ensure that payroll giving commitments can be moved to new jobs would make a more significant difference.
- a new committee to consider how the honours system might reward sustained philanthropy;
 - this may prove important, though it is important to recognise the limited applicability of formal honours to many people and also that any such system recognises not only the highest value donors.
- government will set an example in volunteering, building on previous ‘Civic Service’ volunteering announcements where civil servants volunteer to see Ministers volunteering one day a year. Government will also increasingly open up its estate for the use of VCOs;
- there will be a number of consultations, summits, pilots and other exercises to continue to gather views and information, including:
 - a roundtable on ATM giving (all LINK cashpoints should have ATM giving available from later this year). This along with mobile giving is significant in that it marks an attempt to integrate giving into our daily lives through using platforms that are already part of our regular activities⁶;
 - a roundtable on encouraging banks to promote high quality philanthropy advice;
 - an ongoing ‘Round the pound’ working group
 - a Giving Summit in autumn 2011 to include ‘Round the pound’, mobile giving, flexible volunteering platforms and impact reporting;
 - pilot schemes around community time credits with funding from both government and NESTA to pilot the SPICE Community Time Credits scheme (currently running in Wales) in England;
 - a consultation on inheritance tax (IHT) changes announced as part of the Budget;
 - the Every Business Commits Forum will investigate barriers to payroll giving take-up by SMEs.

Priorities and recommendations

⁵ Centre for Charitable Giving and Philanthropy (CGAP): response to the Giving White Paper http://www.cgap.org.uk/uploads/news/CGAP_commentary_on_GWP.pdf

⁶ CGAP: response to the Giving White Paper

1. **Focus and clarity, including around funding practices:** government has unveiled a number of ideas, programmes and initiatives. Many are positive but there is a danger that this may be lost due to confusion. The voluntary and community sector (VCS) is also undergoing a period of considerable transition. This is disruptive which means that clarity over the timing of new funding and when funding is new or being re-announced is important.
2. **Tackling barriers:** acknowledging barriers to the giving of time and money is important, and now investment and attention must be paid by government working with the VCS to develop mechanisms for tackling these barriers. This should also be a role for local infrastructure – to address how participation can be widened in communities. Some of the recommendations including micro-volunteering and time banking are welcome, but they are not the full solution. People still have other priorities like caring responsibilities and full time work that even micro volunteering can not solve alone.
3. **Time vs money:** The giving of time and money are related, but distinct, as are the motivations for doing them. Clarity on the part of government about which type of participation it is trying to achieve and an understanding of the different barriers will be a pre-requisite to success.
4. **Social Action Fund:** the Fund is positive but given its remit and budget there is a danger that it could become over-stretched very quickly. Government should regularly review its budget and ensure that it has adequate resources.
5. **Review and evaluate success:** given the large number of initiatives, success and impact must be regularly evaluated. Government should also evaluate the success of the range of initiatives already launched. Government should retain an important role in evaluating the full range of activities in which it is involved, including community organisers.
6. **Evidence:** government and the VCS must invest in robust research and analysis to ensure that policy is based on evidence. This will include monitoring the impact of the various initiatives to promote giving as well as gathering evidence around the likeliness of future policies (e.g. lifetime legacies) to succeed). There are concerns around the impact of cancelling a number of important mechanisms for gathering data, including the Citizenship Survey. Whilst some new surveys are being developed, these should build on existing good work and data.
7. **Impact:** government accepts the importance of impact measurement as well as its challenges, for example in having enough qualified staff in the sector to carry out impact measurements. It should implement Recommendation One of NCVO's Funding Commission and establish an Increasing Impact Fund.
8. **Joined up policy making:** policies around giving should be complementary with other policies pursued across government – for example in ensuring that the promotion of social investment generates new income and resource for the VCS and does not detract from giving rates.
9. **Match funding:** this is an important tool in building financial sustainability and is often an appropriate form of funding. However, some schemes in deprived areas and programmes seeking to promote causes that are not popular or visible may need higher levels of grant support, particularly in the early stages and funding should not therefore be overly skewed toward organisations capable of quickly securing funds to match those of government.

Next steps

In keeping with the tone of this White Paper, where the role of government is seen as one of co-ordinating, disseminating best practice and setting frameworks rather than

focusing on direct policy interventions, this White Paper is framed as a 'starting point' for discussion.

Government will continue to consult widely and draw together key contacts from across sectors. NCVO will be engaged with government throughout the consultation periods and on the wider issues for the sector. We need members to let us know how these proposals will affect them and how you will be responding to government.