A STRONGER BRITAIN

How can charities build post-Brexit Britain?

September 2016

Registered charity number 268369
Foreword

The referendum on Britain’s membership of the European Union was a remarkable exercise in direct democracy and a watershed in British domestic and international politics. It revealed much about the country we are today; what unites us and what divides.

While debate will rage over the meaning of Brexit, and the future for our relations with the EU and the rest of the world, we have examined what the referendum told us about Britain, and the role charities can play building a better society and building Britain’s new place on the global stage.

Britain’s charities are respected around the globe. They have a track record of longevity, solving social problems over a longer period than many institutions of state. They are woven into the fabric of our communities and they have unique insights into the problems and issues faced by their beneficiaries and the solutions that government and others can bring to bear.

In so many areas, charities can help tackle the social divides in Britain today, and ensure that policy works for everyone. Around the world, charities can show how British values of tolerance, equity, entrepreneurialism, dynamism and of course generosity can be a force for good.

To grasp this opportunity requires real partnership - working with government, parliament and all parties to ensure their expertise, energy and unique outlook are at the heart of our efforts to make Britain better.

At a critical moment in our history, charities need their voices heard, and we all need their help.

Dr John Low
Chief Executive
Charities Aid Foundation
The Starting Blocks

The UK’s referendum on membership of the European Union told us a lot about Britain’s attitudes to the EU, and about attitudes to many international policy areas. But whatever one’s view about those issues, it also revealed much that is interesting, surprising, profound and useful about the state of British society today. The referendum and subsequent research has shone a spotlight on a number of divides across the UK, revealing splits around attitudes towards society as well as geographical differences.

CAF played no part in the EU referendum, and we expressed no view on the merits of the arguments about EU membership. But while others debate Britain’s future relationships with the EU and the rest of the world, we decided to look closer to home to get a better idea of Britain’s social climate in the aftermath of the EU referendum. CAF carried out research exploring public attitudes towards society and their local community, investigating how they perceive it to have changed over the past few months. The figures are revealing, and demonstrate the impact that political developments over recent months have had on society.

We found that nearly 14 million people feel that their community is more divided than it was at the start of the year, whilst only 12% of people feel that a sense of community spirit in their local area is more noticeable, compared to 33% who disagree. Just 17% of people feel more positive about people in their local area than they did at the start of the year.

In the week directly after the referendum nearly half of Britons (45%) felt less confident about Britain’s future than they did at the same time the previous week, and more people think that that Britain has changed for the worse (41%), than think it has changed for the better (33%).

A detailed piece of work by Lord Ashcroft highlights stark divides in the social attitudes of those who voted for the UK to leave the EU, and those who voted for continued EU membership. Those in favour of Brexit were significantly more likely to believe that multiculturalism, social liberalism, immigration and the green movement are forces for ill, whereas those voting to remain were much more positively inclined towards these social developments. Research conducted by the Joseph Rowntree Foundation has explored the impact of income, education and location on voting behaviour, and argued that many of those in favour of Brexit had felt left behind.

1 The ‘number of people’ is an extrapolation based on the proportion of respondents giving the relevant answer in the national representative UK Giving survey, in this instance 26%. It is calculated using ONS 2015 mid year population estimates for people aged 16+ in the UK (ONE total number of 16+ in the UK x percentage of respondents giving relevant answer on the UK Giving survey.)
2 Data is taken from the July 2016 UK Giving survey, which collected information about charitable giving from adults aged 16 and over in the United Kingdom. The survey was conducted online by YouGov between 18th July to 27th July 2016. 1,002 interviews were conducted in total. The sample is nationally representative and is weighted to known population data on demographics including age, sex, social class and region.
3 These findings come from research carried out by ComRes for the Sunday Mirror, and can be found in full at: www.comres.co.uk/polls/sunday-mirror-post-referendum-poll/.
4 These findings in full can be found at: www.lordashcroftpolls.com/2016/06/how-the-united-kingdom-voted-and-why/.
5 More information can be found at: www.jrf.org.uk/press/people-pushed-margins-driven-vote-brexit.
The referendum result also exposed a number of geographical divides. Simply put, voters in Scotland, Northern Ireland and London were in favour of the UK remaining in the UK, whilst residents of Wales and the vast majority of England were much more inclined to support Brexit. Divisions also were discernible by age, with 75% of 18-24s voting against Brexit compared to the 61% of 65+ voters who opted to vote in favour of the UK leaving the EU.6

The referendum appears to have politicised people, but also to have focused minds on how to generate social change. Many people are turning to social action as a vehicle for achieving this. 30% of people now say that they are more active in a political or social cause, rising to 37% of 16-24s. In addition, about nine million7 people say that they feel more inclined to volunteer in order to help their local community, with interest in engagement again higher amongst younger audiences. Clearly then, charities can provide an opportunity for people to turn their emotions and enthusiasm into concrete action for a social purpose. Heightened engagement with political and social issues appears to have generated a renewed desire amongst the public for involvement in civic engagement.

The scale of the divides revealed by the Brexit vote is telling, as was the fact that such stark divisions in social attitudes had remained unrecognised for so long. Chasms in society have developed, and need bridging. No single sector or organisation alone has the ability or responsibility to bring communities together; however, the role that charities can – and should – play must not be overlooked. The process of Brexit offers an opportunity for people and organisations across the country to come together and develop a clear and unifying vision of the type of nation we want to be. Making Brexit work for everyone and delivering a strong society depends, in no small part, in making charities a core part of the UK’s new settlement.

6 A look at voting in the EU referendum by age can be found at: www.newstatesman.com/politics/staggers/2016/06/how-did-different-demographic-groups-vote-eu-referendum
7 'Number of people' figure is extrapolated using ONS 2015 mid-year population data. For more information about how this is calculated, see footnote one. In this instance, the proportion of respondents is 18%.
8 CAP’s UK Giving survey, July 2016.
An Inclusive Team

The post-referendum social climate is challenging, and the expertise and reach of charities means that they are uniquely well-placed to bring communities together and build stronger, more inclusive societies. Charities are embedded within communities across the country and make up an integral part of our social fabric. They receive phenomenally high levels of support from the public, who believe that there is a role for charities in helping to strengthen communities. One of the most effective roles that charities can play is by strengthening community cohesion.

Until the process of Brexit is complete, the UK remains in a state of political uncertainty. When asked about who is most likely to provide effective support to those who need it at times of political and economic uncertainty, charities were the most popular response (by 55% of respondents), followed by individuals getting involved in their local community (43%) and local authorities (36%). By way of comparison, 16% of respondents chose Westminster government and 11% Westminster opposition parties. It is clear that many people see a key role for charities and volunteerism in navigating the turbulent waters ahead.9

In the immediate aftermath of the referendum, heightened tensions saw an increase in community upheaval, including a rise in hate crimes. According to the National Police Chief’s Council, hate crimes reported to the police rose by 57% in the days immediately following the referendum, and a number of communities reported divisions that had previously not been identified.10 Charities operating on the ground in these areas are well-placed to see these divisions first-hand, and to help provide the solutions that bring people back together.

There is strong public support for charities taking a lead in this important area. 46% of people believe that charities can help to improve community cohesion, and 40% agree that charities can help to heal social divides. In addition, 63% of people agree that charities can provide support to marginalised groups, 39% agree that charities can help protect communities from the impact of the wider economic climate, and 33% agree that charities are needed to support communities during the process of Brexit.11

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9  CAF’s UK Giving survey, July 2016
10  For more information please see: www.news.npcc.police.uk/release/hate-crime-is-unacceptable-in-any-circumstances-say-police
11  CAF’s UK Giving survey, July 2016
With much of the political and media focus since the referendum on the UK’s trade and international relationships, it is important that the domestic divisions that were exposed are not forgotten, and that action is taken to provide support to those most at risk from a breakdown in community cohesion. Charities are uniquely placed to monitor levels of threat to communities, bring people back together, and ensure that everyone feels they have a stake in society.

Charities themselves must rise to the challenge and work to ensure that they are giving a voice to all, with a particular focus on providing support to those most likely to be at risk, and those marginalised from society. This should include actively challenging divides where they exist, whilst also providing opportunities for people from different backgrounds to come together. This could be a particularly strong way of helping to rebuild intergenerational trust.

But charities cannot do this alone. For government, this must mean working closely with charities to build stronger, more cohesive communities. Charities need to be given the mandate to assess levels of risk to different communities, a mechanism for reporting concerns, and a commitment from government that action will be taken in at risk communities to heal the divides that have been revealed and bring the country back together.

We recommend that:

*Government – local and central – should commission charities to monitor levels of community cohesion and threat levels. Resources should be allocated to provide charities with mechanisms to report concerns that they have, with an obligation on government to act on recommendations from charities.*
The Voice of the Fans

Many charities advocate on behalf of their beneficiaries, using their experience and expertise to help shape public policy and call for the change needed to build an ever-stronger, fairer Britain. Although charities cannot be party political, the involvement of charities in the political process is nothing new; charity advocacy has helped drive social developments such as the abolition of slavery and child labour, the extension of the vote to women, and the decriminalisation of homosexuality.12

Recent years have seen a number of threats to charity advocacy, notably in the form of the Lobbying Act and anti-advocacy clause. However, the climate of scepticism towards charity advocacy amongst some political audiences is not matched by the opinion of the public.13 When asked who is best placed to speak up for disadvantaged people to help influence government policies, 84% of respondents said charities specialising in this area, whilst only 31% said councillors and 27% said MPs.

Charities are also seen as more trusted advocates than other groups. When asked who is most trusted to speak up for disadvantaged people, 76% of respondents said charities specialising in the given area - a substantial distance ahead of the second (religious leaders, 5%) and third (councillors, 4%) most popular responses.14 In addition, 63% of people think that it is important for charities to highlight if they believe government policies will negatively affect people; and only 6% disagree.15 These attitudes extend to local charities too, with only 18% of people disagreeing with the premise that local charities should be able to influence local government.16

Threats to charity advocacy are damaging for a number of reasons. Firstly, restricting charity advocacy runs the risk of removing an outlet that a number of people – particularly those from marginalised backgrounds – rely on to give them a voice in political debate. Secondly, it disempowers donors, many of whom support specific charities because of their advocacy function.

Thirdly, it worsens public policy by removing an additional level of scrutiny, whilst also generating poorer policy by ignoring expert evidence and opinion. Finally, it weakens the UK’s status as a liberal and pluralist democracy, and offers an example that other regimes looking to clamp down on civil society can cite to justify their repression.

12 For more information on the history of charity advocacy, see: Public Good By Private Means, Rhodri Davies (2016)
13 A more detailed discussion of threats to charity advocacy can be found in Do as I Say, Not as I Do: UK policy and the global closing space for civil society, Charities Aid Foundation (2016), which can be accessed at: www.cafonline.org/docs/default-source/about-us-policy-and-campaigns/closing-space-report-2016
14 CAP’s research on charity advocacy can be found at: www.cafonline.org/docs/default-source/about-us-policy-and-campaigns/omvalue-of-charity-short.pdf
15 Under the Microscope, Charities Aid Foundation (2015) p. 10
16 Data is taken from the June 2016 UK Giving survey, which collected information about charitable giving from adults aged 16 and over in the United Kingdom. The survey was conducted online by YouGov between 22nd June to 29th June 2016. 1,009 interviews were conducted in total. The sample is nationally representative and is weighted to known population data on demographics including age, sex, social class and region.
Charity advocacy is especially important as the UK leaves the EU. This process, and the extraction of the UK from European law, will include significant legislative activity to enact new laws and protections. Many of the areas that will be most affected by this are ones where much progress and change have been driven by charities – such as environmental issues and social policy – and their expertise is key to developing policies and laws that work for Britain.

The social divisions revealed by the EU referendum add to the impression that many people feel left without a stake in the political process. Making it more difficult for charities to advocate and influence policy risks increasing this sense of isolation and further weakening society. Charity advocacy can be challenging and sometimes uncomfortable for government and politicians, but this should not mean losing sight of the long-term benefits that it can generate for policy, individuals and society more broadly.

One way to address the concerns that charities have would be by government explicitly affirming the rights of charities to campaign. Whilst charity campaigning is clearly permissible under Charity Commission guidance, enshrining charity advocacy within statutory law would help demonstrate to charities, donors and beneficiaries that the role of charity advocacy is understood across all audiences, legitimate and vitally important. A possible vehicle for this could be the British Bill of Rights, which the Government has committed to introducing during this Parliament.17

We recommend that:

The freedom of charities to advocate on behalf of their beneficiaries should be explicitly protected in the new British Bill of Rights.

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17 For a recent update on the proposed British Bill of Rights please see: www.telegraph.co.uk/news/2016/08/22/new-british-bill-of-rights-will-not-be-scrapped-insists-liz-trus/
Local Heroes

Theresa May became the new Prime Minister shortly after the EU referendum, installing a new government with new political priorities. Mrs May’s first speech on becoming leader hinted at where her priorities may lie, many of which offer a natural opportunity for charities to work with government.

In her speech, Mrs May cited a number of specific challenges, including: the treatment of black people by the criminal justice system; fewer university attendees amongst white working class males; the gap in professional attainment between private and state educated people; the gender pay gap; and a lack of support for those suffering from mental health problems.18

It is worth noting that many of these issues have been brought to mainstream attention by charities working in those particular areas. The audit of public services announced by the Prime Minister to investigate racial disparities within public services gives an opportunity for a better understanding of the challenges that marginalised groups face and a means to address these to make Britain work for everyone.19

It is also important not to overlook the impact of localism and devolution policies, which are having a transformational effect on the way that some parts of the country are governed. Recent years have seen the introduction of new directly elected majors, city and regional deals, and moves aimed to increase the devolution of funding.

Greater localism offers significant opportunities for local charities, who are strongly supported across the country. Research carried out by CAF found that 64% of people agree that local charities make a valuable contribution to their local community. These positive attitudes are backed up by practical support: about 14 million20 people state that they regularly donate to local charities, and approximately six million21 say that they volunteer for similar organisations.22

18 A full transcript of the Prime Minister’s comments can be found at: www.gov.uk/government/speeches/statement-from-the-new-prime-minister-theresa-may
20 ‘Number of people’ figure is extrapolated using ONS 2015 mid-year population data. For more information about how this is calculated, see footnote one. In this instance, the proportion of respondents is 27%.
21 ‘Number of people’ figure is extrapolated using ONS 2015 mid-year population data. For more information about how this is calculated, see footnote one. In this instance, the proportion of respondents is 12%.
22 CAF’s UK Giving survey, June 2016
People want to see their positive attitudes towards local charities reflected within government policy. 56% of people agree that local charities should receive more support from councils, and 51% from central government. In addition, 47% of people think that localism should lead to more opportunities for local charities, and 41% believe this should be supplemented with an increase in funding.²³

So far, too few charities have had the opportunity to take part in the shaping of devolution policies. Whilst other sectors such as business, health and education have had direct input into devolution deals, charities have found it more difficult to get their voices heard. The opportunity to create vibrant and flourishing cities and communities depends on ensuring that deals go beyond a slim focus on economic growth through industry and infrastructure and instead incorporate the concerns, priorities and characteristics of people and places. People want to see a strong role for charities as localism and devolution increase, with 58% wanting to see elected mayors actively championing the work of charities.²⁴ Without this explicit mandate, there is a danger that local charities and the interests of their beneficiaries will get left behind.

The contribution that local charities make to communities across the country is unmistakable. There is undoubtedly a demand for devolution to include a renewed commitment to boosting local charities, increasing the role that these organisations can play and maximising the impact that they make. This should be led by directly-elected mayors, who have the authority, support and mandate to put local charities at the heart of localism.

We recommend that:

*Devolution deals give local directly elected politicians a specific mandate for promoting and enhancing the role of charities, volunteering and philanthropy in their local area.*
Team GB Abroad

The UK’s role in the world will be changed by Brexit, with an alteration of the formalised relationship with current EU countries, and a search for new markets across the Commonwealth and elsewhere. Civil society has a core role to play in helping this international transition, and ensuring that the UK retains its influence once the Brexit process has been completed.

It is a source of great pride that the UK continues to be viewed as a world leader for the facilitation of a strong civil society. Through soft power, this is manifested in the replication of the UK’s approach to civil society across the globe, with many countries adopting documents similar to the UK’s Compact, including Estonia, Iraq, and a number of countries in the Balkans.25

In order to retain global influence, it is likely that policymakers will seek to make greater use of soft power, which enables the UK to influence global behaviour. Soft power gives the UK a way to encourage the international adoption of liberal values and principles, and is a concept that has been explicitly referred to by recent government publications.26

The doctrine of soft power was explored in detail by the Select Committee on Soft Power and the UK’s Influence. Part of the Committee’s first report explicitly highlighted the role that charities can play in exerting influence through their advocacy work, noting that “civil society organisations and non-governmental organisations are a crucial source of soft power.”27 UK based charities and NGOs are able to develop links with new countries, and the contribution that they make helps – by proxy – the UK develop credibility and trust. It is essential that the advocacy work of UK charities overseas continues to receive support from government.

The use of development aid also helps to bolster the UK’s role in the world. The Government is committed to maintaining the 0.7% commitment of Gross National Income (GNI) spending on international aid.28 However, it is likely that recipients of international aid will change over time, with countries experiencing rapid growth and industrialisation such as India seeing aid distribution concluded.29

25 Do As I Say, Not As I Do, Charities Aid Foundation
26 Ibid. p. 4
28 The 0.7% target was first adopted as a target by a resolution passed by the UN General Assembly in 1970
29 For more information please see: www.gov.uk/government/speeches/justine-greening-update-on-aid-to-india
In countries to which the UK is likely to reduce its aid contribution, the Government should seek to work collaboratively with the recipient government to establish a legacy of greater capacity, a stronger civil society and a culture of philanthropy and mass giving. Core areas for government to work with charities include on advocacy, financial management, and agreeing principles that can be backed up by statutory force. This would build upon the lessons that the UK has learnt from our own civil society journey, and ensure that the UK’s proud history of providing support to countries in need leaves strong structures and frameworks that allow civil society to thrive and continue to tackle social problems.

This kind of commitment would help ensure the continuation of the UK’s positive reputation as a global citizen, and would serve as a practical manifestation of soft power. Charities in the UK make an enormous contribution to building a stronger society; we should use our resources to encourage other countries to follow our lead.

Charities from England and Wales operate across the globe, including:

- **10,756** in Commonwealth countries
- **5,085** in BRICS countries
- **3,922** in EU countries
- **7,071** in G20 countries
- **4,373** in NATO countries

**We recommend that:**

*The Department for International Development should commit to working with governments to ensure that it leaves a legacy of support and infrastructure for the not-profit sector.*

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30 Future World Giving: Enabling an Independent Not-for-Profit Sector, Charities Aid Foundation (2014)
Post-Match Analysis

The last few months have revealed a number of challenges facing the UK, which will need to be tackled over the coming years. The Government has the task of creating a new settlement for Britain; bringing people together and working with organisations from a range of sectors to clear some of the hurdles that we face.

No single entity or sector is going to have all the answers, but it is clear that charities are an integral part of the solution to the challenges on the horizon. There are many areas where charities are best-placed to help government achieve its aims, strongly backed by a public keen to see charities at the heart of communities. The proposals contained within this report are just some of the ideas that would ensure charities are an integral part of the new settlement for Britain:

**Government – local and central –** should commission charities to monitor levels of community cohesion and threat levels. Resources should be allocated to provide charities with mechanisms to report concerns that they have, with an obligation on government to act on recommendations from charities.

**The freedom of charities to advocate on behalf of their beneficiaries should be explicitly protected in the new British Bill of Rights.**

**Devolution deals give local directly elected politicians a specific mandate for promoting and enhancing the role of charities, volunteering and philanthropy in their local area.**

**The Department for International Development should commit to working with governments to ensure that it leaves a legacy of support and infrastructure for the not-profit sector.**

The adoption of these suggestions would see: charities given an explicit remit for building stronger communities and helping to protect at risk groups; the freedom of charities to advocate and help to shape policy enshrined in UK law; local charities given a local champion to help bolster their role and maximise the contribution that they can make; and charities boosting the UK’s role through the exercise of soft power and securing a global legacy of thriving civil societies.

The ideas contained within this report explore just some of the opportunities for charities and government to work together, and suggestions as to how government can maximise the impact of charities. We will be looking to build upon these ideas and themes in the months and years ahead.

We hope that it will trigger a debate about the role for charities in society, and that charities and government can team up to enact the vision of a stronger, fairer society that they both share.
About CAF

The Charities Aid Foundation (CAF) is a registered charity that promotes charitable giving and provides financial services and social finance to not-for-profit organisations. Our mission is to motivate society to give ever more effectively, helping to transform lives and communities across the world. We help individual donors to give more effectively, we support charities to allow them to thrive, we advise businesses to allow them to achieve greater impact, and we work internationally with offices in nine countries, harnessing local knowledge and expertise to help civil society thrive across the world. We support over 50,000 charities, work with 2,500 companies and enable more than 250,000 people to support the causes they care about.

CAF works with government to improve the different ways that people are able to support charities, making it easier for people to give to the causes they care about. We advocate on behalf of charities, reflecting their needs and concerns to decision makers and opinion formers in order to create a positive climate for charities to operate in. We engage with politicians across different levels of government to ensure that there is a supportive network of legislators putting charitable issues on the political agenda, and we also run high profile campaigns designed to generate positive change and secure the future of giving.