

Towards a National Strategy for Philanthropy and Charitable Giving

A framework to build a renewed culture of philanthropy and charitable giving in the UK

Introduction and summary

Philanthropy plays a crucial role in our society. Philanthropy can ensure social impact reaches places that need it, drive innovation in a way Government cannot, take risks and challenge the status quo. The “impact economy”, of which philanthropy is a key part (alongside impact investment and purpose driven business), drives social and environmental change, improves the lives of millions and can boost the economy.

Philanthropy has been behind some of the most important innovations in modern times – such as the Covid-19 vaccine, work that led to the development of the national minimum wage, and the establishment of the UK Biobank. Historically, philanthropy has been the starting point for many public services we now take for granted – such as the NHS, ambulance service, universities, and the probation service – and it still plays an essential role in funding crucial charitable services such as the Air Ambulance services and the RNLI. Civil society is made up of charities large and small doing essential work up and down the country. The health of civil society is directly tied to the health of philanthropy and charitable giving.

However, philanthropy does not exist in a vacuum, and Government needs to play a role in encouraging philanthropy if it is to meet its full potential. We have seen this historically in the US, which is one of the most philanthropically generous countries in the world, and more recently in Australia and Ireland where national philanthropy strategies have been developed along with ambitious targets.

Collectively, the group of organisations behind this document have been calling for the UK Government to take a strategic approach to encouraging philanthropy and helping it to meet its full potential since 2023. Since then, we have been pleased to see the Government make progress in seizing this important opportunity to work alongside philanthropy as a potentially significant source of funds and expertise, in pursuit of common objectives and social goals.

In November 2025 the UK government took a first step towards seizing this opportunity by launching the Office for the Impact Economy. This had been recommended by the Social Impact Investment Advisory Group, chaired by Dame Elizabeth Corley. This, alongside the launch in 2026 of DCMS’s *Our place to give: a plan for growing place-based philanthropy*, is an encouraging step towards a Government approach that properly legitimises, enables, encourages, and incentivises strategic charitable giving and social investment. In return, the offer to Government is considerable. In a challenging fiscal and economic environment, Government is right to seize the golden opportunity offered by philanthropy.

As the Office for the Impact Economy sets out a strategic cross-government approach to the impact economy, we urge it and the coalition of other Government departments, local authorities and places involved in this important work to continue to consider the recommendations in this document. They represent the philanthropy sector's view of what a strategic national approach to philanthropy could look like.

We also recommend the Government underscores a commitment to growing philanthropy specifically by setting a long term ambitious target for the UK to grow philanthropic giving.

This document, outlines a series of actions which we, collectively, think the Government could take forward, including through the Office for the Impact Economy, and the *Our Place to Give* strategy. These recommendations cover engaging with philanthropy and enabling the sector; making use of local connection; supporting giving by individuals and companies; and promoting philanthropy.

Promoting giving is not just about money, but about the kind of society we want to build, one in which we connect with our fellow citizens and work together to build change that lasts. The most significant of the recommendations in this document, in our view, are as follows:

- **A strong presence for philanthropy within Government**

When we first drafted this document, we identified a need for a step change in Government's relationship with and understanding of philanthropy. Our recommendations included a permanent, dedicated policy function for philanthropy; a philanthropy champion in the heart of the UK Government; philanthropy champions in devolved administrations and departments; a clear focus on philanthropy in every Government department where relevant; and activity to champion philanthropy at a local level. Government has since created the Office for the Impact Economy which is a welcome step towards recognising the need for cross-government work on philanthropy. To deliver on this opportunity we now need to see best practice embedded across Government departments and local authorities.

- **Match funding**

Match funding is one of the most effective tools available to government for incentivising donations. We recommended that Government should adopt a 'match first' approach for Government grant and spending programmes, meaning that once the Government is in the programme design phase for a new intervention or policy they should, as a matter of course, consider the feasibility and suitability of attracting philanthropic match funding.

As part of the *Our Place to Give* strategy, Government has committed to a "think philanthropy" approach to Government place-based funding programmes, one element of which is strategic use of match funding. Match funding has also formed the core of a number of initiatives, for example, the Department for Education's proposals for match funding for the best start family hubs. To make match funding work well, Government departments should continue to engage with philanthropists early in the design phase of

programmes, and consider opportunities to align across departments to ensure communities get the maximum benefit from cross-cutting schemes.

- **Regional match funding**

We recommended that the government should match donations targeted at certain areas and invest in these areas' philanthropic infrastructure, with a goal of multiplying the impact of funding secured in these places and strengthening their ability to fundraise and deliver charitable activities for the long term.

Our Place to Give recognises the need to strengthen local systems. Several Government programmes are investing in infrastructure, and *Our Place to Give* states Government will explore how funding may be used to support local philanthropic infrastructure alongside broader civil society infrastructure. While matched funding has formed part of a number of programmes including those mentioned above, efforts to build a permanent endowments in places would help this activity to deliver to its full potential.

- **Wealth adviser training**

We have long argued that financial advisers must be equipped to discuss philanthropy alongside clients' wider tax and spending decisions. Steps to deliver this could include the Government directing the Financial Conduct Authority (FCA) to use its powers to add philanthropy to Continuous Professional Development and the requirements for the curricula of industry qualifications.

While there has not been appetite for intervention from the FCA in this space, we are pleased that the Office for the Impact Economy and the Department for Culture, Media and Sport (DCMS) have agreed to form a working group to look at wealth advice. The sector will also be considering other strategies to support advisers to get the training they need.

- **Gift Aid**

Gift Aid is an invaluable part of the UK charity landscape, providing an incentive for giving and supporting charities' resilience. Unlocking unclaimed Gift Aid represents a significant opportunity to boost the value of giving to charities. But the processes for claiming Gift Aid were designed for a paper-based age and are creating barriers both for donors and for charities using the relief. The Government needs to invest in improvements to Gift Aid processes and ensure that it is fit for the future.

It is worth noting that we do not see this document or package of measures as the fixed, finished product when it comes to a comprehensive national strategy for philanthropy in all its forms. We would welcome the Government developing its own strategy in full consultation with the sector, similar to the processes which took place in Australia and Ireland when developing their own national strategies. This strategy should either sit alongside bespoke strategies for the devolved nations or should carve out specific provisions for the needs of those nations.

Contributors to this document:

This working document has benefitted from input from a number of organisations that have deep expertise in philanthropy¹.

The document was authored and co-ordinated by the Charities Aid Foundation (CAF) and the Beacon Collaborative (now part of NPC). Other contributors are as follows:

The Chartered Institute of Fundraising (CIOF)

The Association of Charitable Foundations (ACF)

UK Community Foundations (UKCF)

New Philanthropy Capital (NPC)

Onward

The National Council for Voluntary Organisations (NCVO)

Quartet Community Foundation

Arts Council England

Pro Bono Economics

Charity Finance Group (CFG)

Centre for Philanthropy, University of Kent

Philanthropy Impact

Better Society Capital

London Community Foundation

Environmental Funders Network

Global Returns Project

Local Government Association

The Big Give

¹ Our thanks also go to Nilufer Atalay for detailed input on wealth advice

The Impact Investing Institute

London Funders

Lloyds Bank Foundation

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Remember a Charity

Leveraging the impact economy: What do we mean by philanthropy and social investment?

The impact economy refers collectively to the ecosystem of philanthropy, impact investment, purpose-led businesses, charities and Government working to generate social or environmental benefit alongside economic activity.

In this section we explain how we understand each of these terms and the differences between them.

By philanthropy we mean working to address societal challenges through donations and by providing grants.

Philanthropy seeks a purely “social return” or “social impact”.

There are a range of ways that a financial market return can be achieved alongside this social return, as we move along the “spectrum of capital.” This includes social investment and impact investment.

By social investment we mean providing (typically) repayable finance to charities and social enterprises. As part of this, social investors seek return-of-capital, rather than return-on-capital. The primary aim of social investors is to enable a social or environmental outcome, while recycling their investment capital for future deployment.

By impact investing we mean investing to seek a financial return while also having an intentional, measurable environmental or social impact.

Each approach offers a different capacity for social return, has a different financial risk profile, and meets different needs. These approaches are complementary and closely connected. The practice of blended finance, where grants are combined with repayable finance, is the clearest example of the way that donors are thinking about how they deploy capital in a range of different ways.

Philanthropy sits within the broader environment, not replacing but working alongside the market and the welfare state. It is not about the priorities of private individuals taking precedence over collective priorities. Instead, Government, philanthropists, businesses, and charities each have differing ability to take on risk or trial innovation. Philanthropy may be able to take risks that the state is rightly not in a position to take

with public money. Philanthropists also bring additional experience, expertise, passion, and drive to addressing social challenges.

Philanthropists and social investors will have a range of different vehicles they may use to direct their capital. This includes through foundations, donor advised funds, social investment and venture philanthropy, and different vehicles or combinations of vehicles will be suited to different donors.

Supporting all this is the critical work of the philanthropy sector and fundraisers who invite donors to contribute in all these different ways.

Why we need philanthropy

The UK has strong and vibrant philanthropic and charitable sectors. However, several years of social, political and economic shocks have taken their toll on the charity sector.

Even though the UK is one of the most generous countries in the world, we rely on an increasingly concentrated group of donors to support our charitable sector. Even taking into account squeezed disposable incomes and increased financial insecurity, research suggests some groups could afford to give more.

Data shows that donations and volunteering behaviour have not recovered to pre-pandemic levels. CAF's UK Giving Report 2026 found that the total amount donated to charity by the British public has fallen for the first time in five years, with an estimated £1.4 billion less donated last year. Over the past ten years, the number of people giving has been declining, from 69% in 2016 to 55% of the general population last year.

Research published by Barclays in October 2025 estimated that in 2024 high-net-worth Individuals donated an estimated £11.3 billion with potential to unlock more from those who can afford it.

To regain ground, a cultural shift is needed so that every citizen in the UK feels secure and supported to deliver on their responsibility to give back.

Charities are experiencing higher demand while costs remain higher than before the pandemic, and charity incomes are not keeping up. Charities are currently particularly concerned about the looming energy bills and fuel cost increases.

In addition to helping those in need, charities play a key role in every walk of life, including driving and supporting the social and cultural fabric of our communities, improving the quality of peoples' lives through provision of the arts, sport, and culture, and supporting education, research and social innovation.

Additionally, a strategic approach to philanthropy helps us to identify the most pressing shared challenges and mobilise resources to address these challenges, including those which have received insufficient attention or are under-resourced.

Our long-term vision is to see philanthropy help the UK move away from responding reactively to the charity sector's short-term needs and take a longer term, strategic, approach to address the pressure on charities through fundamental change. Despite rising financial insecurity, greater philanthropy can be unlocked when it is at the heart of our culture — where it is understood and expected that we all give back in the ways we can to drive social good.

The philanthropic and charitable communities stand ready to support long term Government interventions which have a preventative effect, supporting long-term savings from reactive work.

The ambitions of a strategy

The engagement of private citizens in civil society requires leadership. Government should properly legitimise, enable, encourage, and incentivise strategic charitable giving and social investment. In return, the offer to Government is considerable. In a challenging fiscal and economic environment, the opportunity offered by philanthropy should not be dismissed.

We would like to see a long-term, ambitious target for giving to be 2% of GDP, roughly double its current value. We believe this simple measure could set a benchmark for generosity and a goal for successive governments to achieve and maintain.

We believe that the UK has a strong philanthropic baseline to build upon and this target is in reach if a concerted effort is made to increase giving of all kinds across the whole of society and to deploy it to the places where it can deliver life-changing impact.

There is international precedent for the development and delivery of a Government-led strategy on philanthropy. In Australia, the Labor Government elected in 2022 set out an ambitious target to double giving by 2030 and has undertaken a number of reforms to strengthen philanthropy, as recommended by its Productivity Commission. Ireland too has developed a national philanthropy policy.

With sustained effort and investment, a step change in philanthropy and social and impact investing can be achieved. This Government has taken positive steps, but it will take time to drive lasting growth in giving, given the ambitious goal and the need for cultural change.

What this document includes

We are the bodies that together represent much of the UK philanthropy sector.

Our vision is for a renewed culture of giving across the UK, one where Government has deep understanding of philanthropy across multiple policy areas and where a coherent Government narrative across all four nations, enabled by incentives and encouragement, motivates donors to give what they can strategically to the causes that need most support.

The underlying principles of this document are:

- Philanthropy is a public good, which is part of a civically engaged, cohesive society with a resilient social fabric.
- Government can incentivise strategic philanthropic giving towards national priorities, but it should not compel or direct the causes that the philanthropists choose to spend their money on.
- Philanthropic capital should not be a substitute for state funding (this is sometimes known as the principle of additionality).
- There are important policy areas around which Governments and philanthropists can align and work on together.
- Philanthropy, especially long-lasting institutional philanthropy such as charitable trusts and foundations, have vital insights, data and resources that can work in a complementary way with Government, particularly around innovation.
- Place and local connection are fundamentally important.

With that in mind, this document considers how charities can help deliver social goals, and the current state of philanthropy in the UK, and goes on to identify six strategic priorities for activity:

1. Understanding and engaging with philanthropy
2. Enabling an effective philanthropy sector
3. Making use of local connection
4. Supporting more giving by individuals
5. Supporting more giving by companies and in workplaces
6. Promoting and celebrating philanthropy

Who needs to be involved

The sector is committed to working together and alongside Government in order to maximise philanthropy and ultimately to achieve impact. We believe that when the private sector, public sector and third sector come together, and we work across silos on cross-cutting priorities, we can achieve far more together than we could alone. The unique risk appetite and strengths (such as insights, data, and resources) of philanthropy and social investment have the power to support innovation, develop new technologies and find new ways of addressing social challenges in ways which complement Government activity.

The recommendations in this paper are primarily aimed at boosting philanthropy but we recognise that philanthropy sits as an important part of the wider impact economy. The development of the Office for the Impact Economy and the final report of the Social Impact Investment Advisory Group (SIIAG) reflect this. Many of those working on this document are involved in a grouping called the Impact Economy Collective. This document sits alongside this work, and also builds on previous initiatives in the space, such as the 2017 report “[Growing a culture of social impact investing in the UK](#)”, developed by a Government Advisory Group on the issue led by Dame Elizabeth Corley.

Government approaches to philanthropy and charitable giving need to sit alongside the Government's approach to civil society which was set out in the Civil Society Covenant, or as part of a broader and much needed civil society strategy, which NCVO and ACEVO have been leading the call for. This work also builds on the work of Pro Bono Economics and the [Law Family Commission on Civil Society](#).

Furthermore, Government strategy on philanthropy and charitable giving should cover the whole of the UK. There will be recommendations in this document which the Westminster Government could roll out UK wide, and other aspects where it would need to work in partnership with devolved administrations and regulators.

Suggested priorities for a Government national strategy for philanthropy and charitable giving

Strategic priority 1. Understanding and engaging with philanthropy

Current state of relationship

There have been some recent significant steps forward towards greater Government focus on philanthropy. These include:

- The Office for the Impact Economy (OIE) launched in November 2025.
- *Our Place to Give: a plan for growing place-based philanthropy* was launched in April 2026.
- A number of key initiatives that have set out the ambition to work with philanthropy or the wider impact economy including:
 - Pride in Place- The Ministry of Housing, Communities and Local Government's (MHCLG's) flagship neighbourhood regeneration programme
 - Best Start Family Hubs- led by the Department for Education (DfE)
 - Better Futures Fund- a social outcomes fund, led by the Department for Culture, Media and Sport (DCMS)
 - Work on the Neighbourhood Health Service- led by the Department for Health and Social Care (DHSC)
- A new philanthropy policy team was set up in DCMS in September 2023.
- The Office for Investment (OfI) has identified philanthropy as a source of potential inward investment to the UK to address shared national challenges.
- The Charity Commission for England and Wales's 2024-29 Strategy acknowledges it has a role to play in supporting philanthropic giving and appointment of a Board member appointed to champion philanthropy. It should continue to have this focus going forward.

We have supported these steps and this updated document suggests ways Government can go further.

How this document will help

The actions in this pillar would contribute to a step change in Government's relationship with and understanding of philanthropy. If the Government demonstrates

that it supports and understands philanthropy, this will send a clear positive message to donors and ultimately help drive giving.

Supporting philanthropy is a function which needs to be both dispersed throughout Government, given its importance to the work of every department, but also driven and led from the centre. The actions below will help to embed understanding of philanthropy, and the policies needed to enable it, throughout Government.

Action 1A. Build a permanent, dedicated policy function for philanthropy

We welcome the introduction of the philanthropy team in DCMS, which now sits within the civil society impact funding team, with DCMS teams working closely with the Office for the Impact Economy. We recommend retaining and building upon this team allowing the function to build long-term, expertise and understanding of philanthropy and develop policy which supports shared national objectives. This team can also develop knowledge and expertise that can be shared across Government, providing a centre of excellence for different departments and initiatives over time.

This team should interface closely with the teams responsible for civil society policy.

Action 1B. Appoint a philanthropy champion in the heart of Government

When we drafted this document, we argued that assigning explicit responsibility for philanthropy to a senior, influential figure in Government would help to ensure that understanding of philanthropy is embedded and give other parts of Government with responsibility for philanthropy a point of contact to co-ordinate cross-government activity. Others in the sector have also recommended this, including the Law Family Commission on Civil Society. This champion might be a senior civil servant or the Secretary of State in the department responsible for philanthropy. They would be responsible for co-ordinating departmental activity. At a devolved government level we argued there should also be philanthropy champions responsible for embedding understanding of philanthropy and acting as a point of contact.

Subsequently, the launch of the OIE, initially housed within the Cabinet Office, has created a potential space for championing philanthropy from the heart of government, and we recognise the positive ongoing role of the philanthropy team within DCMS. We urge the Government to continue to consider the appropriate structures to make sure that philanthropy is properly championed throughout the government.

Action 1C. Ensure every relevant department has a clear focus on philanthropy, with specific philanthropy leads

Philanthropy is relevant to the activities of nearly every Government department. Therefore, each department which seeks to have impact in the same policy areas as philanthropists (for instance, Treasury, DCMS, MHCLG) should have an approach setting out how they intend to engage with philanthropy.

To facilitate this, we suggested each relevant department could have a Minister responsible for convening the philanthropists working in their policy area (with the support of the philanthropy sector), maintaining an ongoing dialogue with them on shared objectives, and a mutual understanding on what they will and will not fund.

In addition, we recommended every department should have a senior civil servant who is an assigned point of contact responsible for ensuring that philanthropy is appropriately considered as part of policymaking and operational activity.

This should also apply within the devolved administrations, with relevant ministerial and official leads in relevant departments.

We have since seen a significant increase in the number of programmes looking to work with philanthropy. To build on this positive progress, it would be helpful to see Government departments engaging consistently with philanthropists when shaping and designing programmes. Efforts should be made to join up different programmes targeting similar places, themes or donors, and to focus on involving philanthropists during the design stage of programmes.

Action 1D. Conduct an assessment of civil society (and philanthropy) as part of a Spending Review

Charities and the philanthropists who support them work across the delivery areas that will be crucial to progress against the priorities of current and future Governments. The Spending Review process should require departments to make an assessment of the current resilience and delivery capacity of civil society to support their work, including the role and potential of philanthropy (for example, through inviting in match funding) in addition to that allocated in Government spending programmes, including in relation to the budgets of the devolved administrations. Adherence to the principle of additionality would be critical here.

Action 1E. Acknowledge the cultural diversity of giving practices

Government should recognise the range of forms of philanthropic giving, including giving driven by faith. It should strengthen its understanding of how to engage and support communities across the UK, respond to their giving preferences, and recognise and value these forms of community building, removing barriers to enable them.

Action 1F. Make greater use of match funding

In 2021/22 £14.3bn or 26% of charities' income, came from Government, according to NCVO's [Civil Society Almanac 2024](#). This presents a huge opportunity to encourage philanthropic match funding. While Government money spent through contracts or through grants aimed at delivering public services may not be suited to match funding, other opportunities have been missed. For example, the Community Organisations Cost of Living Fund under the previous Government would have been well suited to match funding.

Of all the incentives available to Governments, match funding is one of the most effective at incentivising donations. There are benefits for the Government: it serves to multiply the impact of Government funding by leveraging in resources from other sectors where objectives align and its alignment with national priorities ensures democratic accountability. It also de-risks and motivates giving by the individual, acting as a powerful incentive. We welcome several recently announced match funding opportunities across Government and propose Government continues to engage with the philanthropy sector to support the design and execution of these opportunities.

We know that there is appetite amongst philanthropists to become involved in match funding initiatives, particularly if there is clear direction from the Government in relation to a clear goal or mission it is trying to achieve.

We have suggested a ‘match first’ approach for Government grant and spending programmes, meaning that once the Government is in the programme design phase for a new intervention or policy they should as a matter of course consider the feasibility of attracting philanthropic match funding. This could be achieved through updating business case templates and providing a procurement playbook for working with philanthropy. The Government could also introduce a decision support tool to help policymakers identify opportunities to mobilise impact capital, as recommended in the final report of the SIIAG. The “think philanthropy” approach set out in the *Our Place to Give* plan is a positive step.

Match funding should be seen as a route to unlocking additional generosity, not redirecting existing funds, and the principle of additionality should be strictly adhered to. Government should also recognise that not all funders will want to align their work with that of Government. Independence is an important principle in the sector and match funding should always be positioned as an opportunity and a choice, not an expectation.

Government will also need to pay careful attention to the principles and practices that underpin strategic philanthropy, such as long-term support, a focus on capacity building and trust-based funding practices.

Through time and experience, government and the philanthropy sector will become more adept at identifying the issues where match funding is most effective. This should not deter Government from investing in important and worthy causes that may be less attractive to philanthropists.

There are a significant number of examples of where match funding has demonstrated how effectively match funding can multiply the power of government investment, including:

- The CAF Resilience Fund combined funding from DCMS through its Community Match Challenge with funds from the long-term savings and insurance industry demonstrates how effectively philanthropic capital can multiply the power of Government investment.
- The Big Give’s Christmas Challenge raised £57.4million in 2025 and is now the biggest public fundraising campaign in the UK.

- Catalyst: Evolve - With a focus on helping small cultural organisations to invest in their fundraising skills, Catalyst: Evolve helped 160 organisations to raise over £11 million, which was matched by Arts Council England investment between July 2016 and August 2019. The programme focussed on issues such as how to help staff overcome barriers in asking for charitable donations, and how to get boards more closely involved with fundraising, helping organisations to use their existing resources more effectively as well as investing in new initiatives.
- Catalyst Endowment for creative and cultural sector- Arts Council England invested £19,492,084 of match funding from DCMS between 2012 and 2015 to 17 organisations including Royal Shakespeare Company, Sage Gateshead (now known as The Glasshouse), City of Birmingham Symphony Orchestra (CBSO), Turner Contemporary and others. The organisations raised additional funds from individuals, trusts and foundations incentivised by the match funding to generate funds in 25-year endowments of over £52 million. Annual returns range from 2.5% to 6%, generating recurring income of between £60,000 to £300,000 for each of these organisations, which allows them to continue to support a range of activity including investment in new productions, education, outreach and health and wellbeing work in the local community or support for London based organisations to tour out of capital.
- The Big Give Arts for Impact campaign 2025- The Big Give secured a match fund pot of £1.2 million from philanthropy.. The match funding during the Arts for Impact campaign week in March 2025 incentivised supporters to donate in order for organisations to raise valuable additional donations. The campaign week realised a total of £2.75million in additional income for a total of 285 creative and cultural organisations across the country. Big Give supported organisations to develop their case for support and hosted on the Big Give platform which had the added benefit of building their resilience, digital fundraising skills and profile. Other Big Give campaigns have included the Green Match Fund/Earth raise, which raised £8.2 million in 2025, Champions for Children which raised £4.4 million, and the Women and Girls Match Fund which raised £2.4 million in 2025.
- Match funding in higher education Between 2008-10 a match funding scheme saw the Government match philanthropic donations to universities, adding at least a third to the value of the gift. Universities could apply for one of three tiers of matches reflecting differing fundraising capacities: Tier 1 allowed a match of 1:1, capped at £200,000 over three years, Tier 2 matched at 1:2 (i.e. 50p match for every £1 raised), with a cap of £1.35 million, and Tier 3 matched at 1:3 with a cap at £2.7 million. The scheme resulted in a boost to donations to universities but also changed the culture around alumni donations, continuing to support the university sector long after the scheme had ended by building a stronger culture of philanthropic donations to support higher education.

Action 1G. Match fund under-served causes

As discussed in more detail under pillar 3 of this document, match funding can be a way to crowd-in social purpose capital to support a specific place. However, it can also be used to support a specific cause.

To help direct funding to where it is most needed, a robust assessment of causes with the greatest need could be considered, with match funding offered to bring in donations, as well as to give donors the information they need to make an informed choice.

This could be combined with other policy initiatives; for example, when creating regional place-based funds, sub-themes could be delivered in areas such as culture, and match funding restricted to particular under-served elements. This would need to be rooted in robust data about local needs and based on available data and evidence.

Action 1H. Enable progress by taking a partnership approach

Working in partnership can unlock progress on shared priorities between philanthropy, local government, central government and communities around the UK.

Each has unique strengths and networks and may already be funding similar priorities. A partnership approach entails bringing together those with in-depth knowledge and local connections and taking advantage of the convening power of government to facilitate dialogue, share best practice and coordinate action.

Government should consider strategies for embedding a culture of partnership across all levels of government.

Strategic Priority 2. Enabling an effective philanthropy sector

Current state of the sector

The UK lacks the equivalent of a trade body for strategic giving that could help to drive the growth and development of philanthropy and the philanthropy sector. . There are a number of bodies representing parts of the UK philanthropy sector, but no institution for tasks such as data collection, standard setting, convening, and engaging with Government on behalf of philanthropy in general.

In the past, there have been schemes designed to encourage more people to volunteer and give to charity. For example, the 2011 Innovation in Giving Fund by NESTA supported projects that sought to engage people to give their time money skills and resources to good causes. The fund highlighted the importance of seed funding to support innovation to grow giving, particularly through technology², but the funding for the programme ended and was not replaced.

In the absence of a standard setting framework, regulatory data, in the form held by the UK's Charity Commissions (The Charity Commission for England and Wales, The Charity Commission for Northern Ireland and OSCR, the Scottish Charity Regulator), has emerged as the primary source for information about charities, and the charitable purposes and spending of grantmaking organisations.

² [innovation to grow giving ww.pdf](#)

However, the data quality is variable. The Charity Commissions' registers do not facilitate easy comparison between charities or grantmaking activity. There is also a lack of official data on philanthropy more broadly, to put the work of individual organisations in the context of wider market trends.

Given this backdrop, it is not easy for philanthropists to use data to support their decision-making about where to make their charitable commitments.

The sector welcomes initiatives to improve data around grantmaking such as Funders Together (bringing together London Funders, Collaboration Circle, the Place-Based Giving Resource Hub, 360 Giving and UK Grantmaking) which seeks to draw together data from grantmakers and funders, helping to provide a clear picture of the causes and initiatives that are being funded and by whom, and are increasingly forming a national cross-sector funding infrastructure body.

Alongside this, trusts and foundations are increasingly sharing their grant data to support the wider philanthropic community to give effectively.

How this document will help

Better data will enable better tools, which in turn will make it easier for philanthropists to make strategic funding decisions and identify areas of underfunding or financial challenge.

Sector representation will bring a single voice for the philanthropic sector. Philanthropy is (and should always be) a subsector of wider civil society. Creating a representative voice would enable best practice to be anchored in the needs and practices of the wider sector.

Action 2A. Support the development of the philanthropy sector

Although philanthropy in the UK is significant and widespread, the infrastructure for philanthropy as a sector is not well developed. If Government wishes to harness the potential of greater and better philanthropy, it should offer to work with the sector to support the development of Philanthropy UK. While a body by this name has existed in the past, there hasn't ever been a body with strategic focus at the required scale. Such a convening and advocacy body would be well placed to help Government build the dialogues and relationships it needs. This body, convening a group of existing sector organisations, could also provide a home for solving some of the longstanding challenges that affect the sector's effective growth and engagement with policy such as gaps in data and the need for better impact reporting.

Philanthropy UK would act as a convening forum and potentially develop into something like a trade body for the philanthropic sector for the whole of the UK, overseeing tasks including collecting data, setting standards, producing training materials, running a national philanthropy campaign, making Honours nominations, and sizing the market. This body would engage with the sector as a whole to develop and advocate for policy ideas which support the philanthropic sector, complementing the work of existing sector organisations. In its enabling role, a small amount of Government funding could be provided as match funding to kick start the

development of this initiative. Operating as a convening layer, Philanthropy UK would not be in competition with the bigger civil society sector bodies but would work in partnership with them, drawing from the expertise to contextualise philanthropy against the needs of the wider charity sector.

Government funding would act as valuable seed funding to set up this body supported by wider sector funding.

Action 2B. Determine a standard for data reporting

The existence of multiple, non-standardised data gathering activities makes it difficult to combine available data in ways that can be analysed efficiently and effectively. Data is gathered from charities by the regulators, by grantmakers and by Government departments. To date, there has been only limited work undertaken on definitions, categorisations and data management. This makes it difficult to integrate data sets and produce meaningful analysis. In turn this hinders the development of tools that would help donors to give more effectively. There needs to be a committed effort by the sector, led by Governments, the regulators and other arm's length bodies, to set the standards that will enable a stronger data culture in civil society. This includes data on the geographies and causes that are receiving funding and data on the impact charities are delivering.

Developing clearer reporting rules for income and expenditure is essential to facilitate comparison between different charities, and to enable philanthropists to identify charities to donate to and those at risk.

Action 2C. Share distribution data from trusts and foundations

Government should encourage trusts and foundations to publish data about their distributions, supporting benchmarking and impact measurement. This step would strengthen trust in the sector, by ensuring transparency about the sector's positive impact as well as help trusts and foundations to understand sector norms. Different foundations have different spend down regimes, for instance some may fund multi-year programmes, making large distributions every few years, whilst others pay out consistent amounts each year. Publishing the data would highlight this diversity of practice and enable good practice to continue while also shining a light on poor practice.

Action 2D. Expand the revitalising trusts programme

We welcome and support the Revitalising Trusts Programme - a successful partnership between the Charity Commission for England and Wales and UK Community Foundations. We also welcome the Revitalising Trusts project in Scotland, delivered through a joint working agreement between Foundation Scotland and OSCR.

Since its launch in 2018, the programme has unlocked over £100 million from dormant trusts across England and Wales, redirecting these funds to serve the public good. This success has been enabled by a streamlined and supportive process that

assists trustees who are finding it difficult to manage charitable trusts and foundations.

Over the past three years, the programme has focused its efforts in Wales. As of February 2025, £11.6 million has been revitalised in Wales alone. Since 2021, 346 Welsh charities have engaged with the programme: 80 have been successfully reactivated after years of inactivity, and the remaining 266 have transferred their dormant assets to ensure ongoing contribution to the charitable sector.

Despite these achievements, significant untapped potential remains. With around 3,000 dormant trusts still on the register - and with additional funds held by Churches, Charities and Local Authorities Investment Management (CCLA) and local government - it is estimated that over £400 million could still be unlocked for charitable purposes.

There is a compelling case for renewed and increased investment in the Revitalising Trusts Programme. We also recommend exploring how the model could be extended to include dormant accounts and other underutilised charitable assets. Furthermore, there is a clear opportunity to streamline the transfer of trusts currently held by local authorities to local community foundations or other appropriate charities, ensuring that these valuable resources are put to active and impactful use in communities across the UK.

The Charity Commission for Northern Ireland should also establish its own programme to release dormant funds from charities and trusts in Northern Ireland, as, there is currently no such scheme in Northern Ireland.

The think tank Centre for Social Justice has recommended that funds unlocked through the Revitalising Trusts programme should be directed to expand the data capabilities of the sector including both philanthropic giving and the charity sector.

Action 2E. Make greater use of first loss catalytic capital

The Government should consider engaging philanthropists to support the design of blended finance structures that allow philanthropic capital to act as first loss catalytic capital outcome-based finance structures. This would incentivise other types of funders to support the structure by de-risking the potential for capital loss. Philanthropic capital or Government capital can absorb some of the risks associated with innovative solutions, and giving institutional investors the confidence to put larger sums into the project. This model previously worked effectively in the community-led housing sector.

Strategic priority 3. Making use of local connection

Current state of local giving and charity landscape

The UK has a rich network of local giving schemes. For example, the UK's network of 47 Community Foundations, covering the entire United Kingdom, effectively encourages local philanthropy, understands local need, and convenes community resources. Community Foundations offer a model of place-based grant funding,

where grants are distributed according to the needs within the local area or region where the funder is based, supporting philanthropists to address the causes they care about.

But there is more that can be done to strengthen the capacity across all parts of the UK to attract donations. This is something the Government has recognised through its plan for growing place-based giving, *Our Place to Give*.

There are examples to learn from: between March 2019 and June 2020, CAF worked with six schemes across England as part of DCMS's Growing Place-Based Giving programme. The Government provided funding of £100,000 over 18 months and put in place a support programme with CAF as a partner.

More broadly, there are issues with the landscape of charitable giving reflecting localised ability to give, rather than reflecting the geography of local need. Research by Centre for Cities found that the North East and North West have strong preferences for local giving but high deprivation rates mean that the overall donation rates from these regions are limited. Meanwhile Yorkshire, the West Midlands and Wales have fewer and smaller donations to local causes than richer Southern areas. There is also untapped philanthropic capacity relative to incomes in wealthier places, like parts of London.

With stronger place-based infrastructure we can change this. *Our Place to Give* represents important progress towards this goal, particularly with respect to funding a Community of Practice for place-based giving schemes.

Case Study: Thrive at Five

Thrive at Five is a project which seeks to ensure that babies and children receive the support they need in the all-important first five years of life. It is focussed on supporting children from more deprived backgrounds to reach expected development goals by age five. The project brings together philanthropists, grant-makers, and early years experts to explore opportunities to collaborate and generate impact for children and families. The project supports parents and careers, and builds connections between different teams and interventions, in the early years systems.

The project takes a place-based approach, working in partnership with Local Authorities for seven years, investing to deliver a support network that can deliver lasting change. The project's first "pathfinder areas" are Stoke-on-Trent and Redcar and Cleveland.

How this document will help

Place matters to people making their giving decisions. Understanding this and the connections people feel to places will help unlock and motivate greater generosity. The government has recently launched its plan for growing place-based philanthropy, *Our Place to Give*. We were pleased to have been able to suggest policy recommendations that informed the development of this strategy. We look forward to seeing further builds on this approach.

Action 3A. Establish regional match funds and invest locally

The Government should match donations targeted at certain areas and invest in capacity to attract donations in these areas (using existing infrastructure where available). The goals should be to multiply the impact of funding secured in these places, to strengthen their ability to fundraise, and to build the capabilities and resilience of civil society to meet local social need for the long term. Evidence suggests that the match element will be most effective at boosting the size of existing donations, while capacity building will help to encourage new donors. The final report of the SIIAG recommended a place-based philanthropic match challenge across the Government's Pride in Place neighbourhoods where public grants could be matched with philanthropic donations and, potentially, build towards long-term endowments for areas.

Think tanks Centre for Cities and Onward have recommended "Charitable Action Zones" as a mechanism for delivering match funding. The think tank NPC has similarly called for "Social Growth Zones" with national funding in deprived areas — made accessible to charities to deliver programmes to support people's health, education, skills, employment, and welfare in the places of greatest deprivation. We recommend working closely with key stakeholders locally, including local authorities, to design and develop these schemes. Broadly, the priorities of the fund could be rooted in the data about need, working with local stakeholders to understand the specific patterns of local need.

Some campaigners have called for variable Gift Aid, with higher levels accessible to donors in deprived areas, with similar effect.

The Big Give is also piloting a project on regional funds, which could be developed to form part of the delivery mechanism into these places.

The Government should consider how to align philanthropy focussed work with other investment in place, such as the Local Covenant Partnership Fund Growth Mission Fund and regional growth funding (including the local growth fund, mayoral growth funds, and community investment). This could be facilitated through place-based business cases announced in June 2025 as part of the Green Book review.

Action 3B. Support the philanthropy capacity of local civil society organisations

The Government should also fund capacity building in areas with weaker levels of charitable activity, to support places and organisations to develop their ability to connect with major donor philanthropy. This is particularly important in areas which may struggle to attract major donors locally due to a wealth deficit, and therefore need to forge national connections with diaspora wealth holders or national funders. Capacity building is crucial for attracting new kinds of donors to these places. Capacity building activity might include support with fundraising, working in partnership, or setting up teams responsible for attracting investment, and building the confidence of charities to develop relationships with philanthropic funders. Capacity building support for organisations could cover both their capacity to raise funds to meet the requirements of the match funding scheme referenced in recommendation 3A, and their capacity to scale up the delivery of services if they receive additional funding.

Government should fund shared expertise and resources that can assist many charities and civil society organisations. This should be done by supporting local civil society infrastructure organisations, which provide support to charities and civil society organisations. These organisations need to strengthen their capacity to understand and work with philanthropy, and to support local organisations to do so. By funding the capacity of infrastructure organisations to understand and work with philanthropy, Government's investment will have a multiplier effect toward the frontline of local needs. There has been a decline in the extent of civil society infrastructure organisations over the last decade, and this is an area of the sector for which it is often difficult to secure investment from donors for. Government support to the infrastructure sector may include providing resources or supporting networks, data exchange processes and communications. This would enable the charities they support to better engage with philanthropy.

The announcement of the Local Covenant Partnership Fund, which will support partnership between local councils and civil society is a welcome step in the right direction. Although not directly targeted at philanthropy capacity, it is a recognition of the critical role that infrastructure plays. *Our Place to Give* similarly recognises the importance of infrastructure, and we welcome its commitment to consider how funding from other Government schemes can be directed towards philanthropy infrastructure.

Action 3C. Roll out place-based giving schemes and diaspora giving schemes

Building on the success of initiatives such as Made in Stoke, people can be encouraged to give back to the places they have a connection to. A place's diaspora is made up of the people who have a strong personal connection to a place, but have moved away, often for economic reasons. They are a particularly important group of potential donors. Place-based giving offers a mechanism for these people to give to the places they have left, and which, more broadly, have often become economically left-behind. To facilitate the delivery and administration of these schemes, sources of funding such as crowdfunding and philanthropic support should be considered.

There is already strong precedent for this. London Funders (now part of Funders Together) convenes London's Giving, a network of 25 local based place-based giving schemes, now covering the majority of London boroughs. Each giving scheme brings together local funders, businesses, civil society infrastructure and residents to create connections, financial resources and capacity for local community groups.

One such scheme is in Barking & Dagenham which was one of areas to receive initial investment from DCMS in 2019 as part of its [Growing Place Based Giving Programme, a programme of pilot schemes which CAF worked with the department on](#). Barking & Dagenham Giving (BD Giving) was then established in 2020 as a participatory grantmaker and since then, it has developed innovative place-based approaches to impact investing, community asset ownership, and social infrastructure as well as grantmaking.

BD Giving invites local people to lead on the design and decision-making processes for all its funds. This inclusive approach ensures outcomes that truly reflect the

community's needs. For instance, in its most recent grants programme, 83% of applicants and recipients were from racially minoritised backgrounds. The impact of BD Giving extends beyond financial support; the participatory process itself is transformative. Data gathered from local decision-makers reveals a number of personal and community benefits of inclusive decision-making³.

BD Giving's work is influencing other funders, investors, and places to consider a similar approach, showing that power can be successfully shifted to individuals from disadvantaged places and those without formal financial experience. Most of BD Giving's decision-makers are women of racially minoritised backgrounds.

National funders have turned to BD Giving to pilot new models of funding, while the organisation actively develops initiatives like impact investing products tailored to emerging market demands. This work earned BD Giving a nomination for "Social Investment Deal of the Year" at the 2024 UK Social Enterprise Awards alongside leading national investors.

Action 3D. Work with local leaders

Local leaders, including mayors and local authority leaders, are in the best position to tailor their approaches to the preferences of those who want to give in and to a place. There are some examples of success here. For example, the Greater Manchester Mayor's Fund has demonstrated how local funds can work to direct funding to local charities under the broader thematic umbrella of ending homelessness, with many local councils holding their own grant funding pots.

Another example is Propel London, a 10-year £100 million, cross sector, collaborative funding programme convened by London Funders. The Mayor of London was a founding partner of the collaboration alongside the National Lottery Community Fund and other philanthropy organisations including City Bridge Foundation and Bloomberg Philanthropies. In the past three years, £37 million has been distributed to local community organisations across the capital. The programme builds on the Missions of the Mayor's Recovery Board established during Covid-19, which were developed with civil society and equity partners. Propel is creating transformative, long term funding relationships with organisations led by and for the communities they represent so they can tackle systemic issues across the capital.

Action 3E. Draw on civic or ceremonial convening power

Town mayors and ceremonial roles such as Lord-Lieutenants have an important symbolic role and can tap into local networks of businesses, donors, charities and civil society in their areas. Government should encourage civic mayors to take a leadership role, driving philanthropy at a local level. Measures to do this can include:

- Hosting local patrons' dinners.

³ Data gathered from local decision-makers reveals that involvement in funding decisions leads to a 15% increase in life satisfaction, a 30% decrease in anxiety, and a 15% reduction in feelings of alienation. This demonstrates the profound personal and community benefits of inclusive decision-making.

- Engaging in training on charities and fundraising, and good practice working with philanthropy.
- Participating in giving days to raise awareness of charitable causes.
- Sharing positive stories and raising the profile of charities.
- Creating networking opportunities bringing together charities, funders and philanthropists.

Action 3F. Share and use local data

Government should facilitate, support, and use platforms which allow its local data to be effectively combined with data from charities and funders, for example on local needs and charity provision. This would allow Government, charities and funders alike to use multiple data sources to build a picture of needs and provision, and to make informed decisions about where funding and interventions can be best targeted. For example, NPC's Local Needs Databank has successfully brought together data on health and social care, advice and support services, data on poverty and deprivation, and on grant availability.

Action 3G. Set up a substantial endowment match challenge.

As noted in action 1F, match funding is a powerful incentive to build a stronger culture of giving and attract new philanthropists to give for the first time. Studies suggest that matched donations are, on average, 2.5 times higher than unmatched donations.

Historically, Governments of all parties have used endowment match funding effectively to support place. For example:

- Under the previous Labour Government, the Cabinet Office ran its **Grassroots Grants Programme** aiming to improve access to funding for local community groups. A part of this programme was the Grassroots Endowment Challenge Fund which offered successful applicants endowed funding from the Government, subject to their securing a match from their own donors. The scheme acted as an incentive to encourage giving by donors, who were already supportive of the charities and their impact, but needed a trigger to get them to give to help build an endowment.
- **Community First** was an £80 million programme to fund new and existing neighbourhood community groups under the Conservative / Liberal Democrat Coalition Government. As part of this, the Community First Neighbourhood Match Fund was a small grants programme targeted at deprived wards, where every £1 provided by the Government needed to be matched by donations, in the form of cash, services, free products or volunteer time. Similarly, the Community First Endowment Match Challenge was a national programme where donations from the public and businesses were matched by Government funding. The pot was then invested ethically, and returns on the investment granted to local charities across the country.

A large endowment match challenge would see the Government match fund donations to the endowments of grantmakers, particularly Community Foundations.

These and existing endowments could be invested to generate income that can fund civil society organisations sustainably over time.

Its mandate should be broad enough to enable tailoring to local need, as this approach is more likely to attract philanthropic donors, whilst still maintaining alignment with the Government's overarching missions. It would also need to ensure it tackled, rather than entrenched, regional inequality by incentivising giving toward more deprived communities. We have received feedback that there is substantial appetite from donors to participate in a scheme of this sort which could be transformative in recapitalising communities over the longer term. Local authorities could also consider building on existing grantmaking schemes and match funding schemes that support community fundraising, and where appropriate setting up their own endowment match fund schemes.

The final report of the SIIAG also recommended building towards long-term endowment funding for pride in place areas as part of its recommendation for a place-based philanthropic match challenge.

Action 3H. Work with civic mayors

Civic mayors, along with provosts and Lord provosts in Scotland, can play an important symbolic role in growing philanthropy and can tap into strong local networks with understanding of key businesses, donors, charities and leaders in their area. Government should encourage civic leaders to take a role in driving philanthropy locally and connecting and convening key institutions and organisations.

Action 3I. Use dormant assets to support community wealth funds

The unlocking of dormant assets to support good causes has been successful, and we welcomed the recent expansion of the scheme to further asset classes. In June 2025, the Government published its Dormant Assets Scheme Strategy and announced that the £440 million dormant assets funding for England would be allocated across the four named causes (young people, personal finance, social investment wholesalers, and Community Wealth Funds) and in September 2025 it published the response to the technical consultation on the design of a Community Wealth Fund.

The Government should look to ensure that dormant assets funding is distributed at pace to address pressing social challenges and social investment infrastructure.

Strategic Priority 4. Supporting more giving by individuals

State of everyday giving and the state of high-net-worth giving

We are concerned that charities are increasingly reliant on a smaller pool of generous donors. More needs to be done to spread norms of giving throughout society.

Giving is a voluntary financial commitment, and therefore one way to normalise this act would be to support donors to make decisions about how much they can afford to give through regular financial planning. CAF's High Value Giving report shows 57% of under 35s would choose a financial adviser who offered support on charitable giving, which is an indicator of the potential to engage wealthy donors in a lifetime of giving through better financial advice. Yet, other research by CAF has found that only 5% of financial advisers have a high level of confidence to offer advice on giving.

Economic modelling by Public First, commissioned by CAF estimated that if previous advice interventions to increase charitable bequests were similarly applied to all forms of charitable giving, this could increase donations from HNW individuals by £820 million on average each year. Over a decade, this could mean an additional £8 billion in donations for the charity sector.

However, giving is not routinely discussed as part of financial decision making in the UK. Financial advisers, accountants, and other providers of professional services are at the heart of the UK's financial services economy and play a significant role in supporting high-net-worth individuals. Yet, these advisers do not routinely engage in discussions of philanthropy and charitable giving with their clients. Similarly, the UK's expert legal community plays a hugely significant role. Solicitors are involved in drafting wills, supporting clients with their financial affairs and are often the mode of introduction to financial advisers for wealthy individuals.

Financial services regulators regard philanthropy as being outside the perimeter of their regulatory boundary. This means the subject of philanthropy is rarely raised in annual financial reviews because regulated firms organise their governance and incentives to match the regulatory regime.

If money is not put aside for giving as part of annual financial planning, then it inevitably remains ad hoc and of lower value. There is also limited understanding of the full spectrum of ways capital can be used for impact; moving beyond market investment which seeks the highest return, through responsible investment, and ESG investment, toward impact investment, social investment, and philanthropy, where the social and environmental impact of the investment becomes increasingly important. In the case of philanthropy, donations and grants exclusively seek social impact.

How this document will help

Placing financial advisers and financial services at the heart of the giving ecosystem will help drive a step change in the culture and narrative around giving. Using the existing infrastructure of the UK's world-leading financial services sector could generate far-reaching impact, rapidly and effectively.

Action 4A. Introduce and encourage new philanthropy training for financial advisers and consider making it mandatory

Financial advisers must be equipped to discuss giving alongside wider tax, investment and spending decisions. This should include impact investing and how to talk to clients about using their wealth for social impact.

If the financial advice sector was more informed and confident on the topic of philanthropy, it would mean they could signpost clients to expert, tailored advice on how they can give – be it via a foundation, a DAF, cash or shares - ensuring they can make the most of their donations and achieve their desired impact.

There has been positive progress on developing voluntary training for financial advisers to improve their understanding of philanthropy and social investment which must continue at pace. There are training courses now available to advisers and the sector should encouraged to continue to develop and deliver training, and secure CPD accreditation for it.

Making philanthropy training mandatory is one possible option to ensure that the uptake of training is adequate. We have previously argued that Government could direct the FCA to set out a strategy for training financial advisers on philanthropy and impact investing. This could include using its powers to add philanthropy to CPD and the curricula of industry qualifications; embedding impact capital options into regulated financial planning conversations; and including philanthropy and social investment in all its work on sustainable finance. This would go further in recognising the position of philanthropic capital on the spectrum of capital about which individuals may seek advice.

The FCA has been broadly supportive of advisers talking to their clients about philanthropy but its position remains that bringing advice on philanthropy into the scope of financial regulation would increase costs and administrative burdens for providers as confirmed in *Our Place to Give* that this avenue will not be pursued.

In light of this we believe there is an opportunity to explore how qualification bodies can play a role, and how industry-led action from the wealth advice sector could support steps to encouraging provision of appropriate advice and guidance.

Government could also support industry-led efforts, for example, by convening stakeholders from the finance and wealth management sectors into a working group, tasked with suggesting strategies for ensuring all customers can receive high-quality financial advice on their impact goals. These convenings should also happen regionally, as many individuals want to support social or environmental change in their local area which requires local knowledge. We welcome the Commitment in *Our Place to Give* to bringing together a working group across DCMS and the Office for the Impact Economy to work on this issue.

Once advisers routinely engage with clients on the topic of their giving, the Government must support product innovation in the financial services sector so that an appropriate range of impact-led products and solutions are available to ensure advisers can match their clients' impact goals and thus avoid greenwashing. This will enable financial advisers to provide relevant structures and solutions to enable their clients to implement long-term strategic giving plans using vehicles that are appropriate to their life-stage, financial circumstances and impact objectives.

Action 4B. Increase giving through pensions

Any donation to charity directly from a pension product would currently be classed as a non-authorised payment. While a salaried pensioner may be able to donate to charity through payroll giving, this is currently the only option for donating pension assets directly to charity. A mechanism should be introduced to allow people to make tax-free authorised payments from a pension product to charity. Plus, with pension wealth coming into the scope of Inheritance Tax from April 2027, there should be a straightforward mechanism for people to nominate charities directly as tax-free beneficiaries of their pension in the event of their death, irrespective of whether they have dependents and meet the criteria for a charitable lump sum death benefit.

Another area to explore is how pensions can do more to deliver social impact through ensuring that pension assets can be used for impact investment.

Action 4C. Introduce Charitable Remainder Trusts

Charitable Remainder Trusts (sometimes known as Living Legacies) are an established vehicle for charitable giving in the US. They allow donors to set aside assets for charitable purposes using a standard IRS approved structure. These assets generate income for the donor or family member over a period of time, after which the donated asset or the proceeds of sale and any investment return in excess of the income paid out passes irrevocably to the charity. This allows donors to give assets during their lifetime that they otherwise might not feel they could give - without the assurance of regular income from those assets. The Government should legislate to create a legal structure for Charitable Remainder Trusts in the UK (ensuring an appropriate structure exists in each of the nations).

The Government could be concerned about the foregone revenues from tax relief, which may take an amount of time to become available to charities to benefit from. One response to this would be to introduce a limit on the relief initially. This would give fundraisers a powerful message to take to potential donors: “act fast if you wish to donate, or you will miss your chance this financial year.” Such a limit could act similarly to the limits on ISAs. There is a precedent for the Government offering tax relief to incentivise certain behaviour but imposing a limit on that relief.

Action 4D. Apply tax relief to donations of unlisted shares

Donations of unlisted shares to charities should attract income and corporation tax relief in the same way that donations of cash, land, and certain listed shares currently do. Our experience with philanthropic clients highlights an increasing group of donors wishing to give securities to charity. In 2023/24, private clients made £45 million worth of share gifts to charitable causes through CAF. Government should allow tax relief to be claimed on donations of all share classes. A pilot could set limits on the size and structure of the share classes to which this applies as the policy is developed. As new stock exchanges are developed such as PISCES, consideration should be given as to ensuring that valuations for intermittently traded shares are accepted for the purposes of donation to charity.

Action 4E. Enable gifting alternative assets

While we recommend that unlisted shares should be the first priority for expanding the scope of tax relief, there are a range of other asset types to which tax relief could be developed from the current limited approach. Changes should be made to allow gifts of artwork, collectibles, and other tangible property to be made directly to charity and receive Income Tax or Capital Gains Tax relief, providing a robust appraisal qualification is put in place, as it is in the US.

Action 4F. Modernise Gift Aid

Gift Aid is an invaluable part of the UK charity landscape, providing an incentive for giving and supporting charities' resilience. Unlocking unclaimed Gift Aid represents a significant opportunity to boost the value of giving to charities. But the processes for claiming Gift Aid were designed for a paper-based age and are creating barriers both for donors and for charities using the relief. The Government needs to modernise Gift Aid and ensure it is fit for the future.

We believe, a step change in the way that Gift Aid operates is needed to ensure that it is fit for today's world. Donors should have the ability to hold their Gift Aid status within their HMRC account, enabling them to make a universal Gift Aid declaration that applies to all their charitable giving rather than having to make a new declaration for each charitable cause they donate to.

Some campaigners have called for Gift Aid to be automatically collected and paid to charities.

Action 4G. Create a new UK solution for cross-border giving

Trusted UK charities should remain at the heart of the UK's approach to cross-border giving. A new approach should leave trustees secure in the knowledge that appropriate due diligence has been carried out on any overseas organisation they fund, reducing uncertainty. Our proposal is for third parties to conduct due diligence and offer a certificate, agreed with HMRC and charity regulators across the UK, which could then be relied upon by any charity making an overseas payment.

Action 4H. Encourage regulators to recognise philanthropy as a part of financial advice and financial services

Oversight bodies and regulators should include requirements in regulation to talk about sustainability, impact investing and philanthropy. They should encourage finance, legal and accounting professionals to understand the capabilities and structures available to their clients, and to understand how to discuss these topics with their clients.

Action 4I. Promote closer alignment between different regulators

We are aware of cases of issues falling between the cracks between regulators and that communication is not as linked up as it could be. Examples include freezing of philanthropic bank accounts when individuals are operating in higher risk countries, or difficulties faced by trusts and foundations investing for impact because of the

advice gap in the financial sector. Regulators must develop ways to harmonise their approaches and to ensure joined-up support for philanthropic funders.

Action 4J. Boost legacy giving

The Government should maintain fiscal incentives for charitable bequests and explore further opportunities to reward those who sit below the inheritance tax threshold but choose to leave a charitable gift in their will.

Not only do such measures act as a fiscal incentive for giving but they also encourage solicitors supporting people with the drafting of their wills to have all-important conversations about making a charitable gift.

Legacy givers could also be encouraged to express a wish for their legacy assets to be invested for social impact.

Offering a Charitable Remainder Trust (see action 4C) would also help to encourage people to make decisions about their “living legacies” and give charities greater knowledge of the pipeline of donations they will receive as well as allow them to develop relationships with a living person.

Action 4K. Make sure the probate service is appropriately resourced

In England and Wales, the Probate Registry plays an invaluable role in the timely distributed of legacy donations to charity beneficiaries. Starting in 2020, the probate process was hampered by delays in processing applications, impacting charities’ cashflow and legacy income reporting, with some having to cut back on urgently needed services and delay vital capital projects. Although probate outputs have subsequently improved, the Probate Registry must be equipped to handle the growing number of charitable estates, which generate vital income for UK charities large and small. It is particularly important that the Probate Registry is able to cope with forthcoming changes to inheritance tax, which will bring pension pots into scope of inheritance tax. The Scottish Courts & Tribunals service also needs to be appropriately resourced to manage the Confirmation process.

Action 4L. Explore opportunities to develop a State Pension Donation Scheme

The Government should explore solutions to enable pensioners to donate all or part of their state pension to charity. Through an opt-in system, pensioners could make a tax-free transaction to give a donation to charity acting analogously to the payroll giving system that applies to some private pensions.

Action 4M. Encourage new philanthropy tools for wealth advisers within platform technology.

Many advisers want to complement their core offering with philanthropy services. However, for most advisers, this is the only type of simple transaction that they cannot complete on behalf of their clients through their platform. Research shows that many potential donations are not completed simply because the donor does not get around to completing the transaction themselves.

Adjusting existing B2B platform technology to facilitate charitable donations is straightforward. It requires the addition of 'charitable donation' as a 'withdrawal type' for advisers to select on behalf of their clients. Advisers then select the charitable recipient from the list of UK-registered charities with whom the platform currently has established relationships.

In 2023, the platform Fundment created a tool for charitable giving directly through an investment platform. This was a UK-first integration, and it was simple, tapping into the existing features and functionality of the investment platform. All UK banking and investment platform providers should be encouraged to create these tools for advisers to conduct charitable giving on behalf of clients.

The Government could convene a working group of platform providers to explore how to do this.

Strategic priority 5. Supporting more giving by companies and in workplaces

State of corporate giving

CAF research published in 2025 found that just 24 FTSE 100 companies donated at least 1% of their pre-tax profits to charity in 2024. There is significant variation between firms in terms of giving practices.

Because corporations are not facing consistent incentives or scrutiny on the way they use their capital for impact, we see a wide variety of giving practices and CSR efforts which are inconsistent and varied.

There need to be improvements across all sectors – but we would argue that there is particularly scope for increased philanthropic engagement from the financial services sector, including in banking and wealth management, as it is one of the UK's most economically important sectors and employees in the sector often have strong understanding of personal finance, supporting engagement with schemes like payroll giving

The offer from the third sector to the corporate sector is clear: companies can boost employee engagement and retention, support their social purpose and mission, and bring people together by working to raise money for charity and to offer volunteering opportunities and chances to engage with charities. Corporate giving has also played an important role in the development of the growing social enterprise sector.

We welcomed the announcement in November 2025 that the government will introduce a new VAT relief for business donations of goods to charities, which we had called for in previous versions of this document. We hope this measure contributes to an increase in in-kind donations, which corporates should also support with meaningful cash giving.

How this document will help

Many companies see their work in their local communities as a core part of responsible business practice — Government must recognise that place plays an important role in corporate giving too.

The actions in this framework will encourage corporations to use the language and narratives around philanthropy and impact.

Action 5A. Reinstate mandatory reporting of charitable giving by companies

The Government should require larger companies to report their charitable giving. In 2013 an amendment to the Companies Act removed the requirement for companies to report their giving in their annual reports. Requiring consistent reporting would enable greater transparency about giving practices, give companies a clear understanding of the giving behaviour of their market competitors, and set norms for what is reported and how. As noted below, there are standards that the Government could adopt to provide clarity on what should be reported. This could form part of government's programme to modernise corporate reporting.

Action 5B. Designate a standard for corporate reporting of giving

Several different standards exist, creating a lack of consistency on corporate reporting of charitable giving. Designating a standard, such as B4SI, would be valuable in bringing consistency.

Action 5C. Recognise corporate giving

Giving positive examples of corporate giving encourages companies to engage in this valuable practice. The Government and philanthropic sector could jointly instate a new annual award which recognises great practice in the corporate giving realm. A set of case studies would recognise the role of corporate giving in supporting charities, expanding social enterprise and other examples of good practice.

Local government could play a particular role on encouraging local employers to participate in giving to local causes. Many places have annual civic awards which can be given to companies as well as individuals and charities who have supported their city town or area.

Action 5D. Incentivise corporate match funding for employee giving

Employers can already choose to match employee donations in full, in part, or include a monthly matching cap, for example when they offer a payroll giving scheme. This match is a useful incentive to encourage employees to give to charity. The Government should encourage those employers that do not offer any sort of match to do so. One option is to fund a partial match to corporate donations for a certain period. The goal should be to encourage corporations to invest in matching employee giving and helping to collectively support causes that align with the company's social purpose.

Action 5E. Conduct a review of workplace giving

The Government should conduct a review of Payroll Giving and alternative models for encouraging workplace giving. Workplace giving is a powerful tool for bringing employees and employers together. Workplace communities should be encouraged to come together to raise money and support good causes and encourage a direct connection between earnings and charitable donations. The review should consider how a scheme could align with existing incentives such as Gift Aid and ensure that it is as simple and user-friendly as possible, suiting all types of workers including groups, like the self-employed, who are left out of existing schemes.

Action 5F. Encourage corporates to give locally

Corporates typically have close connections to the places where they operate and have a vested interest in ensuring these places provide a good environment for people to live, work and thrive. This commercial interest in the social fabric of a place can be channelled towards greater corporate giving.

A good example of this in practice is [One For the City](#), a scheme in Leeds which encourages corporations to commit 1% of their revenues or profits to charities in Leeds.

Government should convene corporates to discuss how they can support places.

Strategic priority 6. Promoting and celebrating philanthropy

State of the sector

Philanthropy is not well understood in the UK. There is a lack of awareness of philanthropy — a 2024 YouGov survey on behalf of CAF revealed that 35% of the UK public do not know what the term “philanthropist” means and 72% could not name a UK philanthropist. The lack of awareness may be in part be down to the unwillingness of high-net-worth individuals to discuss it; only 23% of high-net-worth individuals proactively discuss their giving publicly. There is an opportunity here to promote best practice – whether it is from high-net-worth individuals or corporates – to help encourage and drive others to give.

The Chartered Institute of Fundraising has been leading on a national campaign for growing giving to encourage more donations.

How this document will help

What we need is a cultural step change. The UK has unique strengths when it comes to philanthropy. We have a rich history, and philanthropy is also adapting for the modern world. The Government can help to drive this step change in narrative, articulating how all citizens can play their part in giving strategically to deliver on social good. Strategic, including global, philanthropy partnerships can be an important component of projecting the UK’s soft power in an increasingly complex world.

Action 6A. Rewrite tax guidance to support greater giving

There should be a one-stop shop ‘Giving for Britain’ site bringing together clear and accessible tax guidance on giving, legitimising and encouraging the uptake of existing incentives, and setting out how the tax system seeks to enable giving. This site should then be the focus for targeted professional development and consumer campaigns to encourage greater giving.

Action 6B. Recognise the contribution of philanthropy

When we drafted this document we raised concerns that just 1.1% of New Years Honour nominations made in 2024 explicitly mentioned philanthropy. Doing more to recognise and highlight philanthropy sets an example. We welcome the work that DCMS has done to date, working with the Honours Committee to distinguish those awards with a philanthropic connection. As a result, there was a marked uptick in the number of citations referencing philanthropy in the King’s Birthday Honours 2024 and in subsequent years. This practice should be continued.

The Government could learn from the examples of Ireland which hosts an annual event to celebrate the role of philanthropy nationally, and Australia, which holds national philanthropy awards.

Action 6C. Amplify national giving initiatives to boost take up

To help promote everyday giving, UK and devolved Governments should amplify existing initiatives such as “Giving Tuesday,” “Gift Aid Awareness Day,” and “Remember a Charity Week” to the public and to staff within Government departments. A concerted, co-ordinated campaign from Government to boost these initiatives can help focus and drive giving, and promote the benefits of donating to charity to the public.

If successful, such activity could evolve into a wider national giving campaign, tailored to different audiences and messages, to boost philanthropic and charitable giving across the country.

Action 6D. Make consumer protection regulation and legislation proportionate for social purpose organisations

Charities fully recognise the need for and importance of robust consumer protection so that all donors are treated fairly. Under the self-regulatory system, the Fundraising Regulator sets out specific standards relating to respecting donor privacy and working with people in vulnerable circumstances. There are also several other pieces of regulation and legislation that charities adhere to which are overseen by a range of departments and regulators, including the Charity Commission, the Department for Business and Trade and HMRC.

In some cases, Government departments may adjust or introduce new consumer protection legislation that conflicts with existing rules charities must follow. Or, when focused on regulating the private sector, it has not taken into account the nature of fundraising and donations. This can lead to disproportional administrative burdens

that impact fundraising productivity and investment decisions, hampering charities' opportunities to raise more money for their cause.

To make sure that donors have the right experience, and the highest standards of practice are upheld, we would like to see Government departments inform themselves of existing charity regulation and take any cross-over areas into account. Additionally, where charitable fundraising is routinely a part of a regulator or department's remit, we believe that consumer research would ensure they are properly informed of risks and how they may differ to the private sector, so that regulation remains effective and proportional.

Related to this, there is also an opportunity to signpost and encourage giving in new consumer guidance, where appropriate.

Action 6E. Encourage innovation in fundraising

The Government needs to encourage innovation in fundraising so charities can become more sustainable in the longer term and are better equipped to attract donors.

One way the Government could do this is by using its convening power to encourage the technology industry, charities, and the Government departments to explore opportunities to innovate fundraising and discuss shared goals.

We would also want to see the reinstatement of the Innovation in Giving Fund, or an equivalent. This was launched in 2011 with a £10 million fund from the Cabinet Office. It was administered by Nesta and worked to increase the numbers of people who [give](#), supporting innovators, charities and public services working in this field.

6F. Share stories for under-represented causes

The government has a role to play in amplifying the voices of those who are not to be heard. By sharing stories of those doing work in under-served causes they can help to shape the philanthropic and donor response.

6G. Promote the UK as a centre for international philanthropy

Drawing on the UK's existing strengths, the UK should position itself as a hub for giving globally, safely and with confidence. This could support the UK's attractiveness as a hub for internationally mobile families, dual taxpayers, and globally connected philanthropists who might wish to give "to the UK", or "through the UK" thus benefitting from the UK's robust legal and regulatory framework for charitable giving.