

Evidence pack: recent reports on the charity sector

In October 2021, the Charity Commission published the findings of independent research into the impact of COVID-19 on charities: [COVID-19 Survey 2021 - GOV.UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/100222/COVID-19_Survey_2021_-_GOV.UK.pdf) (www.gov.uk)

Executive summary:

Nearly all charities (91%) in England and Wales have experienced some negative impact from Covid-19. The consequences have been wide-ranging and often severe, spanning service delivery, financial and staffing issues, as well as frustration and uncertainty.

- Covid-19 has predominantly impacted charities' services and delivery (85%), alongside their financial position (72%) and staffing and governance (66%)
- work or events have been postponed and cancelled (57%) and many charities have lost income from fundraising (49%) or trading and other sources (35%)
- operationally, there is frustration caused by the uncertainty around when charities will be able to return to 'normality'
- a majority have lost income from charitable activities (60%)
- access to volunteers has decreased for a third of charities (32%)
- few have encountered or suffered any significant impact from cyber harms

Many charities have actively tried to counter the impact of Covid-19, most commonly by adapting their services.

- the most common action taken by charities is adapting their services in light of restrictions (45%), followed by using financial reserves (40%) and even pausing operations temporarily (32%). A fifth have furloughed staff (18%)
- restrictions have resulted in less emphasis on in-person events and cash donations
- whilst the pandemic has undoubtedly presented significant challenges, there have been some benefits from positive changes made. Half of charities (49%) have made better use of digital technology

Whilst many have actioned changes in light of Covid-19, there is some concern surrounding future viability.

- a significant minority (34%) expect to generate less revenue from fundraising and donations in 2022
- over half (62%) anticipate a threat to their charity's financial viability in the next 12 months
- however, a majority expect their charity to be in the same or better position overall

Some charities have already accessed funding support, but many would appreciate further clarity on where to find it.

- 20% have accessed Local Authority funding, and 14% have used UK Government funding
- half (50%) would find more information on financial support helpful, and often suggest the Charity Commission could do more to help charities find/access it

In November 2021, the Law Family Commission on Civil Society published a report based on YouGov polling of nearly 350 charity managers about the impact of the pandemic on their organisations.

The report summary is here: [Hysteresis in the making? Pandemic scars and the charity sector | Commission on Civil Society Commission on Civil Society](https://www.civilsocietycommission.org.uk/wp-content/uploads/2021/11/Hysteresis-in-the-making-Pandemic-scars-and-the-charity-sector-Commission-on-Civil-Society-Commission-on-Civil-Society.pdf)

and the full report is here: [Hysteresis-in-the-making.pdf](https://www.civilsocietycommission.org.uk/wp-content/uploads/2021/11/Hysteresis-in-the-making.pdf) ([civilsocietycommission.org](https://www.civilsocietycommission.org))

Extracts from the report:

- 82% of adults in Great Britain think that charities and community groups have played an important role in supporting society during the pandemic.
- Responses to PBE's [Charity Tracker survey](#) in April showcased a range of innovations in response to the pandemic, with 76% of charities adopting new delivery models, 59% increasing digital skills within their workforce, 42% collaborating more with other charities, 23% working more with local government and 21% collaborating more with businesses.
- Three-in-four charity leaders working in organisations with managers and paid staff are worried about burnout within their team. Almost half are similarly concerned about their volunteers.
- One-in-four charity leaders say they are more pessimistic today about the operating environment of their organisation than they were three months ago.
- Respondents expect demand for their help – already at elevated levels – to rise still further over the course of the coming months, prompted among other things by cost-of-living increases, the stock of unmet need associated with public services backlogs and the removal of the Universal Credit uplift.
- Health charities and social services charities appear especially concerned, with more than half expecting a deterioration in their ability to manage demand for their services over the next three months.
- Leaders of these charities are significantly more likely to point to the impact of public service backlogs in driving increased demand for their services.
- Overall, broadly as many charities have reported an increase in income over the course of the crisis (31%) as have reported a decline (33%). Charities are especially likely to have received increased funding from government and from trusts and foundations, with positive net balances being recorded from both these sources
- However, one-in-three charities have reported a drop in income relative to pre-pandemic levels, and 45% of charities reported a drop in income from fundraising events.

From this BBC article: [Charities facing a 'perfect storm' as demand rises - BBC News](#)

- Charities have received additional government support during the pandemic. In spring 2020, Chancellor Rishi Sunak announced a £750m support package for the not-for-profit sector, aimed at supporting charities that needed to continue working as part of the Covid-19 response.