



**CHARITY COMMISSION
FOR ENGLAND AND WALES**

Charity Commission response to COVID-19

The Charity Commission is the independent, non-ministerial government department that registers and regulates charities in England and Wales. Its purpose is to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society.

We are pleased to provide evidence to the Equality, Local Government and Communities Committee inquiry into COVID-19 and its impact.

Identifying, assessing and monitoring the impacts of COVID-19 on the sector

- Throughout the pandemic the Commission has been engaging with the sector, including with the WCVA, to understand the immediate challenges facing charities. We have also been using the data we hold about charities, including that provided as part of our reporting regime, to identify, assess and monitor the impacts of COVID-19 on the sector, and respond to these where needed.
- The impacts of COVID-19 that we have been monitoring include:
 - The impact on the financial resilience of the sector
 - The impact on charity service delivery and beneficiaries.
 - The use of COVID-19 by fraudsters as an opportunity to defraud charities.
- We have been receiving 'serious incident reports' related to COVID-19 from charities since the pandemic began and we have identified the key themes in these. The most common issues are concerns about long-term financial sustainability (38%), and disruption or closure of services (25%). The most common overall charity impact is the suspension of activities (70%). This is followed by impact on the charity's financial reserves (10%), and risk to beneficiaries, staff, and volunteers (8%). Charities are expected to make a serious incident report to us where there is an adverse event, whether actual or alleged, which results in or risks significant harm to people, loss of money or assets, damage to property or harm to the charity's work or reputation – these figures therefore do not represent the proportion of all charities experiencing these issues.

Commission support for charities

- The Commission has ensured its approach to regulation during this uncertain period is as flexible and pragmatic as possible in the public interest, whilst helping trustees to be aware of and think about the wider or longer-term impact of their decisions on their charity. To this effect, one step the Commission has taken is to permit charities that are due to submit an Annual Return imminently, but feel unable to do so, to request a filing extension.
- During the pandemic, the Commission has been prioritising requests and services (including registration applications) related to COVID-19. We have been able to continue to operate our contact centre with staff working from home to provide direct support for charities who need it. 97% of calls to our contact centre are being answered first time,

meaning charities can immediately report any concerns to us, and we can provide the advice and support they need.

- We have published guidance for charities with answers to FAQs about how regulation applies to scenarios during this crisis. This guidance, which covers a range of topics such as the use of reserves to manage financial difficulties and extensions to account filing deadlines, is available on our website and is being updated regularly:
<https://www.gov.uk/guidance/coronavirus-covid-19-guidance-for-the-charity-sector>
- The Commission has also worked with UK Community Foundations and DCMS to release so far over £32 million from dormant accounts of inactive or ineffective charities. This Revitalising Trusts programme has ensured money has gone to charities that are responding to COVID-19 and supporting their communities.
- In Wales specifically, the Commission is working with Welsh Government and the charity, Community Foundation Wales, on a Welsh Revitalising Trusts programme to contact over 200 charities. This programme, funded by Welsh Government, has a combined estimated value of £25 million and will begin before the end of the year.
- Fraudsters are exploiting the spread of coronavirus (COVID-19) in order to carry out fraud and cybercrime. The Commission issued an alert to help charities minimise the risk of becoming a victim of such frauds and cyber-attacks. The Commission also jointly ran a Fraud Awareness Week in October with the Fraud Advisory Panel, and a coalition of sector partners, to provide advice and guidance to trustees and donors to raise awareness of this risk and strengthen defences against fraud during the pandemic.