

British Heart Foundation Briefing

House of Lords Oral Question, 30th April 2020: Lord Addington to move that the Virtual Proceedings do consider the fundraising and organisational challenges faced by the charitable and voluntary sector during the Covid-19 pandemic.

Key points

- The 7.4 million people affected by heart and circulatory diseases in the UK are at the heart of the British Heart Foundation's (BHF) response to the Covid-19 pandemic.
- We have created an online Covid-19 resource hub with the latest guidance for patients and their families and increased the hours and number of staff available on our Heart Helpline, which saw a 200% uplift in the number of calls in the initial weeks of the pandemic. BHF-funded researchers are also shifting their research to better understand Covid-19 where possible.
- However, this increase in demand for our support comes at a time when our income is being severely curtailed. For every month of the Covid-19 pandemic, the BHF is losing £10m a month due to significant disruption to fundraising activities and the closure of our retail network.
- This continued fall in income means that the BHF and other medical research charities are facing difficult decisions around long-term research ambitions and may not be able to continue to commit to funding high-risk, high-reward, transformational research that is key to unlocking some of the biggest health questions facing the UK.
- This is undoubtedly the biggest crisis the medical research sector has faced in recent history.
- Although Government's £750m charity support package was welcome, it is highly likely that the BHF, and other large charities, will not be eligible to access any of the grants announced.
- Where possible, the BHF is accessing Government support through the Coronavirus Job Retention Scheme and has furloughed around 80% of its staff, most of whom work in retail.
- **We urge Government to explore which other support schemes, either financial or regulatory, that medical research charities and charity retailers can access.**

The British Heart Foundation and Covid-19

The BHF's priorities throughout the Covid-19 pandemic are to support the 7.4m people living with heart and circulatory diseases in the UK, and to protect the life saving research we have already committed to funding, research that holds the promise of further breakthroughs in treatments and cures for these patients.

People with heart or circulatory conditions are at high risk of complications from coronavirus so understandably, many patients and their families are concerned and have questions about how they can protect themselves, as well as seeking clarity on the support available to them. We have been working hard to provide this clarity where possible and have created a [Coronavirus and You](#) hub on our website.

In the initial weeks of the pandemic, we experienced on average a 200% uplift in the number of calls to our Heart Helpline (reaching a 400% increase at its peak), staffed by specialist cardiac nurses, and a huge increase in visits to our website. To deal with demand and ensure patients can access the necessary support, we extended the helpline hours to cover weekends and evenings and increased the number of staff available to answer calls. However, we have had to reprioritise our non-vital services as around 80% of our staff have been furloughed, the majority of whom work in retail but including a significant number of head office staff.

The Government's £750m support package for charities was a welcome first step in mitigating some of the most extreme effects of the crisis on the sector. However, the BHF is not eligible under the criteria for each of these grants and so is unlikely to benefit from this financial support in any way.

Recommendation: BHF was supportive of the National Council for Voluntary Organisations (NCVO) Every Day Counts campaign for a £4bn stabilisation fund for the charity sector and we join their call for Government to explore what further measures may be available for charities like the BHF which are not immune to the profound impact Covid-19 is having on the sector.

The impact of Covid-19 on our ability to fundraise

Like many other charities, the BHF's ability to raise vital funds for life saving medical research and to support patients with heart and circulatory conditions is being severely limited just when our support is needed the most. The BHF relies entirely on the generosity of supporters to generate income, including through face-to-face fundraising and a significant portfolio of events. However, in response to social distancing measures, we have been forced to cancel all our public fundraising activities including our flagship London to Brighton bike ride as well as thousands of community-led volunteer events such as cake sales, hikes and raffles.

Virtual fundraising events like the 2.6 Challenge are increasingly important revenue streams for charities. For example, the BHF has launched MyMarathon, a virtual challenge to complete a marathon in May however and wherever is safe. However, the increased popularity of virtual events is not nearly enough in itself to plug the gap left by the cessation of more traditional fundraising activities. For example, the 2019 London Marathon raised a record £66.4m compared to £7.5m raised by the 2.6 Challenge so far.

The Government's Chief Scientific Advisor, Professor Chris Whitty, has said that social distancing measures will need to be in place in some form until at least the end of 2020, or until a vaccine is available for Covid-19, which could take even longer. This means our ability to re-launch a full fundraising programme using more traditional face-to-face methods will be significantly impacted for the foreseeable future. Like others in the sector, we are innovating our fundraising offer, but this is unlikely to fully compensate for the loss caused by these restrictions.

The impact of Covid-19 on our retail network

The BHF is the largest charity retailer in the UK, with almost 750 high street shops and an online eBay store, employing more staff per shop and in total than any other charity retailer. These shops are a prominent fixture of the UK high street and will have a key role to play in the recovery of the UK economy once it is safe for them to reopen.

In mid-March, we took the early decision to close all of our shops and stores to protect our staff, volunteers and customers from the spread of Covid-19 until at least 1st June in line with Government guidance. As a consequence, coupled with the significant disruption to our fundraising activities, we are currently losing more than £10m in income each month.

We welcome recent commitments Government has made to support businesses, including charity retailers, such as temporary measures to protect high street shops from aggressive rent collection and the Coronavirus Job Retention Scheme (CJRS). We have utilised the latter and have furloughed all 3,000 of our paid retail staff, with almost 20,000 volunteers temporarily stood down.

The Retail, Hospitality and Leisure Grant Fund (RHLGF) (which is making £25,000 per property available to retailers) could, in theory, go some way to offset the impact of the closure of our shops, but in reality, its practical value for the BHF and other large charity retailers is limited. This is because it is currently understood to be subject to EU State Aid rules and the maximum support package for any one retailer is capped to €800,000 (roughly £700,000).

In reality, the State Aid cap means any eligible retailer with more than 30 shops will lose out on additional grants under this current proposal. Furthermore, the fact that these grants are only available to shops with rateable values below a fairly arbitrary £51k means slightly larger shops won't qualify at all. Charities have a duty to act in a financially prudent manner and spend supporters' money on charitable causes, not subsidising other activities. This means that the BHF must carefully consider how to maintain retail outlets where fixed costs remain while closed and being eligible for this grant in full would be a significant factor in this equation.

Recommendation: Any support offered specifically to charity retailers under the RHLGF should not be considered State Aid and so not be limited by the €800,000 cap. Allowing charity retailers to recoup the maximum level of assistance through this scheme would help to secure jobs, provide future volunteering opportunities in local communities and safeguard the viability of UK high streets.

The impact of Covid-19 on our ability to fund life saving research

Medical research charities are an essential part of the UK's world-leading life sciences sector; in 2018, charities collectively invested over £1.3 billion in UK research and development (R&D) and funded 17,000 researchers' salaries across universities, the NHS and other bodies. As a sector, we have a long tradition of funding high quality, peer-reviewed research that has led to huge breakthroughs in medicine and transformed the lives of millions of people.

Over the past 60 years, the BHF has become one of the global leaders in cardiovascular research and our priority is to ensure that the Covid-19 pandemic does not change this. The burden of heart and circulatory diseases is not going to disappear as the UK responds to and recovers from the Covid-19 pandemic, and the urgency and value of our life saving research will remain. However, we are keen to contribute to the national effort to tackle this virus and many of our clinician researchers have returned to the NHS to provide urgently needed clinical service. Others have redirected efforts to vital Covid-19 research or are supporting testing in university laboratories to increase the national capacity.

With over 1500 active research projects at universities and hospitals across the UK and more than 4000 researchers on BHF-funded salaries, our immediate priority is to protect the research and researchers we currently fund. To this end, updated guidance from the Department for Education about the eligibility of higher education providers for the CJRS is welcome. However, we would welcome clarity on whether universities can utilise the scheme for charity-funded researchers, which could be vital in supporting charities recover while also ensuring researchers continue to receive their salaries.

Furthermore, many of our active research projects may not be able to complete successfully due to the disruption caused by the lockdown, unless costed extensions can be provided. The Charity Research Support Fund (CRSF) could be boosted to help meet some of these extra costs, but it is currently underfunded. As such, we encourage Government to boost CRSF support in line with current levels of charity investment so that indirect research costs can be met.

Although we are confident that the medical research charity sector will recover, our ability to fund new research over the next 3-5 years will likely be significantly reduced. For context, on average, the BHF spends around £100m on research per year, accounting for 55% of all UK-based independent research into heart and circulatory diseases in 2018. The impact this will have on the UK biomedical ecosystem will be significant, so we are keen to explore which other support schemes medical research charities may be able to benefit from, including the Chancellor's recent support package for businesses working to enhance UK research and development, available from Innovate UK.

Recommendations:

- We would welcome clarity on whether universities can utilise the CJRS for charity-funded researchers, which could be vital in supporting charities recover while also ensuring researchers continue to receive their salaries.
- Government should boost the CRSF support in line with current levels of charity investment so that indirect research costs can be met.
- We are keen to explore which other support schemes medical research charities may be able to benefit from, including the Chancellor's recent support package for businesses working to enhance UK research and development, available from Innovate UK.