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The sock doctrine: What can be done about state-funded political activism?

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IEA Discussion Paper No. 53

THE SOCK DOCTRINE

What can be done about state-funded
political activism?

By Christopher Snowden
February 2014


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Summary

- The IEA has previously published two reports about state-funded political activism (Sock Puppets and Euro Puppets). This discussion paper provides further evidence of ‘government lobbying government’ and assesses the options available to politicians and civil servants in addressing the issue.
- Political campaign groups, NGOs and charities receive billions of pounds from government in Britain and the EU. There is strong evidence of similar funding patterns in the USA and Australia. In earlier papers it was argued that state-funding of politically active organisations subverts the democratic process and squanders taxpayers’ money.
- Growing complaints from state-funded charities that they are being forced to ‘toe the government’s line’ confirm our earlier analysis. An organisation that is dependent on government funding is, by definition, not independent of government. So long as the organisation broadly agrees with the incumbent government, it feels free to speak out on political issues. Only when the government changes does it suddenly feel ‘gagged’ and vulnerable.
- The government should notify all departments that statutory funding is not to be used for lobbying politicians, publishing material designed to generate support for the introduction or abolition of legislation, regulation and taxation, as well as support for changes to budgets and funding streams (this is our definition of ‘political activity’). Written assurances should be required of ministers, departmental managers and trustees to ensure that the taxpayer does not subsidise political activism.

- No start-up funds should be granted to any new NGOs, charities or activist groups.
- Unrestricted grants should not be given to any third party organisation. They should be replaced by restricted grants and contracts in all circumstances.
- Any organisation that receives funding from central or local government should be subject to the same Freedom of Information obligations as a government agency.
- The Charity Commission should review its current guidance regarding how much political campaigning is permitted under existing case law and revise the advice it gives to charities accordingly.
- There is a need to establish an enduring system with rules for both the recipients of state funding and the civil servants interacting with them. A version of the 'Queensland model', in which organisations that receive the majority of their income from statutory sources are not allowed to engage in political campaigning, should be given serious consideration by the British government.

Introduction

In June 2012, the IEA published *Sock Puppets*, a report which looked at the evidence, and implications, of taxpayer funding for the large and growing element of ‘civil society’ that is politically active. This was followed in February 2013 with *Euro Puppets*, which discussed the endemic use of public money to finance political campaign groups in the European Union. Both papers generated public debate and drew responses from third sector organisations. Since the first paper was published, the House of Commons’ Public Administration Select Committee (PASC) has published findings about the ‘public benefit’ of charities, and the third sector’s Independence Panel has published its second annual assessment. Both publications partially addressed some of the points raised in *Sock Puppets*. The aim of this new paper is to discuss recent developments and assess the options available to government in addressing the issue.

The problem

It has long been a principle of government that taxpayers' money should not be used to fund political activism. Thomas Jefferson said in 1779 that 'To compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors is sinful and tyrannical' (Jefferson, 1779). Nevertheless, there is clear evidence of taxpayers' money being used to lobby and campaign for political action in Britain and the EU. Government departments hire public relations firms to manage opinion, the European Commission invests heavily in 'civil society' organisations, and both local and central government funds charities and quangos which campaign for legislation.

We have previously argued that this phenomenon of 'government lobbying government' is, in part, a result of the gap between the priorities of the political elite and those of the public. Many of the causes that state-funded organisations campaign for, such as increasing foreign aid, green taxes, health-based lifestyle regulation and European federalism, are generally not priorities for the electorate and are frequently unpopular.¹ For politicians and bureaucrats who support such causes, funding friendly and seemingly grass-roots 'civil society' organisations can be an effective way of

¹ For example, only five per cent of EU citizens cite 'the environment, climate change and energy issues' as one of their top two concerns, whereas 45 per cent cite 'rising prices/inflation' (Eurobarometer, 2012: 16). Trust in the European Commission is at its lowest level on record (36 per cent) (ibid.: 84). A recent poll found that only 30 per cent of Britons agreed that 'It is the government's responsibility to influence people's behaviour to encourage healthy lifestyles' (Ipsos MORI, 2013: 27).

swaying public opinion. Even if opinion cannot be swayed, these loud voices give the impression of a popular mandate for action that might otherwise lack democratic legitimacy. This large, taxpayer-funded bloc of charities and quangos crowds out privately-funded voluntary organisations which may have very different concerns. State-funding of politically active charities, pressure groups and think tanks can therefore subvert the democratic process and squander taxpayers' money.

Further examples

Politically active organisations that are funded by government departments and local authorities typically call for bigger government, restrictions on trade, higher taxes and more spending. In 2008, the Conservative Party claimed that ‘£10 million has been spent in recent years by government bodies lobbying for hundreds of millions of extra government spending and more regulation’. Its report promised that the ‘Conservatives will follow the example of the United States and impose new financial rules to stop such wasteful spending’ (Conservative Party, 2008: 2).

The report mentioned above focused on external public relations firms rather than state-funded charities and quangos, but in December 2012, a document published by the Department for Communities and Local Government (DCLG) - titled ‘50 ways to save: Examples of sensible savings in local government’ - included the following advice.

‘Cease funding “sock puppets” and “fake charities”’: Many pressure groups - which do not deliver services or help the vulnerable - are now funded by state bodies. In turn, these nominally ‘independent’ groups lobby and call for more state regulation and more state funding.’ (DCLG, 2012: 11)

When asked by Kevan Jones MP (Lab) to explain what was meant by a ‘sock puppet’, Brandon Lewis MP (Con) referred to a state-funded campaign group that had been funded by the previous Labour government:

'To assist the hon. Member in his visualisation of a sock puppet, I would observe that DCLG Ministers in the last Administration authorised £38,200 of taxpayers' money to bankroll lobbyists, LLM Communications; in turn, LLM then ran the supposedly independent 'Campaign for More and Better Homes' which campaigned in favour of the last Administration's Regional Spatial Strategies, and issued press releases praising the (then) Government's policies and attacking the Government's critics.' (Hansard, 2013)²

Since *Sock Puppets* was published, further examples of state-funded lobbying have come to light, with allegations coming from both sides of the political divide. The coalition government has been accused of manipulating public opinion by co-ordinating seemingly independent pressure groups. The IF Campaign of 2012 lobbied for the government to spend 0.7 per cent of GDP on foreign aid. According to Ian Birrell, writing in the *Independent*, this campaign was 'created by charities in collaboration with the politicians who were the purported target of their pressure' (Birrell, 2013). All of the charities involved - Oxfam, Save the Children, ActionAid, CaFOD and Christian Aid - receive millions of pounds from the Department for International Development and it was alleged that the real target of the campaign was not the government but the public, with the goal 'to shore up support for [the government's] increasingly unpopular aid policies' (ibid., 2013). The charity War On Want, which is also a long-term recipient of DfID funding, refused to co-operate with the Conservative-led government and alerted the press, claiming that 'we were told if we joined the campaign we couldn't be critical of the government' (ibid.).

Similarly, the campaign for high speed rail (HS2) has been partly funded by the state, with both the Department for Transport and (publicly owned) HS2 Ltd. employing public relations agencies to promote the scheme. Meanwhile, the anti-HS2 lobby has also been financed by the taxpayer, with some local councils giving money to the HS2 Action Alliance (Wellings, 2013: 34; Leftly, 2013).

2 According to a Labour spokesman in 2009, the government funded the Campaign for More and Better Homes and this organisation then employed LLM Communications. The difference between the two accounts is trivial from our perspective since government money was given to lobbyists in either case (Hansard, 2009).

Public health campaigners continue to be heavily funded by various branches of the state, including the Department of Health, the Department for Education, primary care trusts and local authorities. The Department of Health openly funds lobby groups, as Norman Baker MP stated in Parliament in October 2012:

‘The Department supports and recognises the role of charities and voluntary organisations to undertake advocacy, lobbying and campaigning where they are seeking to improve the health and well-being outcomes for the population of England... Through its grant schemes, the Department does provide some funding to support charities and voluntary organisations in undertaking this type of activity where there are shared interests and priorities.’
(Hansard, 2012)

On 8 May 2013, Balance North East and Fresh (North East) - the former a neo-temperance group and the latter an anti-smoking group - were awarded £2.8 million from local authorities to be spent over two years. Neither organisation is involved in health provision, but both have the primary purpose of campaigning for legislation. As the *Northern Echo* reported when the new funding was announced: ‘The main priority for Fresh is to secure plain packaging for tobacco products and Balance is pushing for a minimum price per unit of alcohol to be introduced in England’ (Nelson, 2013). Ironically, the announcement took place on the day of the Queen’s speech in which both plain packaging and minimum pricing were conspicuous by their absence. Despite both proposals having been apparently kicked into the long grass, these - and other - pressure groups have secured large sums of taxpayers’ money (which would otherwise be spent on healthcare) to continue lobbying for them until the next election.

At the EU level, state funding of ‘civil society’ continues to be the norm. A recent report by the think tank New Direction estimates that the EU provides €1.5 billion per annum to NGOs in direct grants, with organisations that have a ‘wealth-consuming’ agenda receiving five times more than those which have ‘wealth-creating aims’ (Mackonis and Silenas, 2013: 8-14). 86 per cent of this sum goes to NGOs that have headquarters in Brussels. In total, New Direction estimates that approximately €7.5 billion a year is funnelled from

EU institutions to quasi-independent organisations in 'civil society'. These organisations are significantly more likely to support the European Commission and its pet causes rather than the priorities of EU citizens.

If a referendum on EU membership is held in 2017, any campaigning by EU-funded organisations is likely to be controversial, as are the activities of the large and growing network of EU-funded television stations, radio stations and websites. The charity BBC Media Action, for example, received £4.5 million from the EU in 2012 and is heavily involved with the BBC's global news division. Its grants from Brussels have been provided "mostly for work designed to ensure the progress of the enlargement of the EU", according to the *Telegraph* (Ross, 2013). It has also been reported by Andrew Gilligan that the European Commission has actively funded organisations that lobby for statutory regulation of the press (Gilligan, 2013).

Political bias

State-funded activism is not a new phenomenon, nor is it confined to the UK. As the author has noted previously, government support for pro-European and public health groups was already in place in the 1970s, albeit on a much smaller scale than today (Snowdon, 2012: 26-28; Snowdon, 2013: 25). In the USA, this system of political patronage was sufficiently entrenched by 1985 for James T. Bennett and Thomas J. DiLorenzo to write a lengthy book about it. Their findings strike a familiar chord thirty years later:

‘Virtually without exception, the recipients of government grants and contracts advocate greater governmental control over and intervention in the private sector, greater limitations on rights of private property, more planning by government, income redistribution, and political rather than private decision making. Most of the tax dollars used for political advocacy are obtained by groups that are on the left of the political spectrum.’ (Bennett and DiLorenzo, 1985: 4)

Bennett and DiLorenzo described the workings and evolution of this ‘anti-industry coalition’ while noting that state-funding of political groups had been going on for decades (*ibid.*: 385). In their view, the ‘tax-funded political network has one overriding purpose: to expand the size and scope of government at the expense of the market economy’ (*ibid.*: 32). The tendency of left-leaning organisations to use public money to pursue unpopular causes in the name of the public interest appears to have been as much a feature of American political life in the 1980s as it is in Britain and Europe today. Then, as now, the ‘public interest’ defence was a bluff.

'The public interest rhetoric serves as a smoke screen to conduct their political crusades without the popular indignation that is usually directed toward other groups that are more openly viewed as special interests. Moreover, because the public is not nearly as supportive of the public interest groups as the groups claim, the groups have resorted to tax-funded politics to achieve their political ends.' (ibid.: 78)

As noted previously that Britain's state-funded activists tend to be on the political left. It is therefore interesting that Bennett and DiLorenzo identified the same political bias in the middle of Ronald Reagan's presidency. They report the results of a survey, published in 1983 when Reagan was on his way to winning a second successive election, which found that the president was less popular amongst leaders of 'public interest organisations' - with a five per cent approval rating - than Fidel Castro (34 per cent) and the Sandinistas (50 per cent) (ibid.: 80). The same survey showed that no more than four per cent of this group voted Republican in any presidential election between 1968 and 1980 (Lichter and Rothman, 1983).

'Government-in-exile'?

It was argued in *Sock Puppets* that a coalition of organisations that enjoys patronage under one government could act as a 'shadow state' under the next. This was recently echoed by Tim Andrews in Australia, who wrote that 'every year millions of taxpayer dollars are being spent to fund political activism by special interest groups, also allowing a government to continue funding its agenda long after it has left office' (Andrews, 2013: 21). In Britain, Fraser Nelson suggested in the *Telegraph* that Gordon Brown consciously created 'a kind of government-in-exile' and that 'Britain's charities are nurturing a colourful, talented and efficient anti-Tory alliance' (Nelson, 2012). Conservative minister Chris Grayling MP has echoed this complaint, writing that in 'the charity sector, a whole range of former advisers from the last government can be found in senior roles' and that judicial review was being used as a 'promotional tool for countless left-wing campaigners' (Grayling, 2013).

Several examples have been given to support this theory. In 2012, Save the Children, a charity that usually tackles hunger and disease in developing countries, launched a campaign to alleviate poverty in the UK for the first time in its 93-year history. Although no public money was used in the campaign, critics pointed out that the organisation's CEO, Justin Forsyth, had been an advisor to Tony Blair and had been Gordon Brown's communications and campaign manager (Bingham, 2012). Save the Children's Director of Policy, Brendan Cox, had been a special advisor to Gordon Brown, and

its Director of UK Programmes, Fergus Drake, worked for the Office of Tony Blair as well as being a policy advisor to the Treasury under Gordon Brown.

A similar controversy erupted the following year when the Red Cross began distributing food in the UK for the first time since the World War II. It was noted that the organisation's chairman, Charles Allen, is a Labour peer and is the executive chairman of the Labour Party (Guido Fawkes, 2013). Both campaigns reinforced the (empirically insupportable) belief that the coalition's deficit reduction plan had led to hardship and deprivation on a scale unknown for generations. Party political motives cannot be proven in either case, but it does at least illustrate the revolving door between large charities and political parties in what Anthony Daniels calls the 'charitable-bureaucratic complex' (Daniels, 2012).³

There is little hard evidence about the voting intentions of those who work for charities, quangos and the public sector, but the available data give some support to the claims made above. Support for left-wing parties is consistently higher amongst public sector workers than amongst private sector workers and, although most new political appointees prefer not to disclose their voting intentions, of those who are prepared to express a preference 77 per cent declared support for the Labour Party in 2011/12 (Commissioner for Public Appointments, 2012: 30). In John Major's final year in government, the same figure was just 32 per cent, immediately rising to 75 per cent when Tony Blair took charge in 1997/98 (Chapman, 2012).

It would be surprising if there were *not* a bias towards the politics of the left in the state-funded part of the third sector today. Labour had three terms in office in which to distribute grants to an ever-

3 Sir Stephen Bubb, CEO of the Association of Chief Executives of Voluntary Organisations (ACEVO), has complained that '[m]any MPs on the right hate effective charities who campaign.' In response, Priti Patel MP accused Bubb of letting 'his dogmatic left wing political views cloud his judgement' (Hope, 2013). Bubb was a former Labour councillor in Lambeth and worked for both the Transport and General Workers' Union and the National Union of Teachers.

growing assortment of civil society organisations, whereas the coalition has held the purse strings for only three and a half years.

It is unlikely that Blair and Brown would have spent thirteen years funding a network of fox hunting conservatives and libertarian activists. Naturally, they gave money to groups that broadly supported their agenda.

Moreover, left-wingers have taken ownership of issues such as climate change, overseas aid and public health. Those who see greater state involvement as the solution are likely to be attracted to working in these fields - all of which have large government budgets and a wide network of third sector partners.

Even charities that do not have a leftist bias are likely to have preferred Labour's policy of increasing funding to their sector to the coalition's policy of making cuts. A charity that depends on state-funding for much of its income has every incentive to argue for more state-funding and therefore higher taxes and a larger state. As DiLorenzo and Bennett explain:

'One would hardly expect government to support groups on the right, since such groups often question the efficacy of many public-sector programs and advocate a reduction in the size and scope of the public sector.' (Bennett and DiLorenzo, 1985: 4)

In the USA in the 1980s, right-wing groups received 'only a trickle of funds from the U.S. Treasury in comparison with the torrent that flows to groups on the left' (ibid.: 381). Similarly, we have found virtually no evidence of free-market or conservative organisations receiving government grants in Britain.⁴ Perhaps the only exceptions are a small number of EU-funded think tanks which are entitled to grants by law. This political disparity is not the issue, however.

4 If conservative or free-market organisations were receiving significant state funding, we would expect the political left to - quite rightly - raise objections. In fact, left-wing concerns about charities focus on Eton College and Atlantic Bridge. The latter is defunct, the former does not lobby, and neither have received government funding.

The answer to state-funded activism is not to share the money more evenly across the political spectrum, but to cut off the supply of money. 'The temptation to pick the taxpayers' pockets is universal,' wrote DiLorenzo and Bennett, 'and must be overcome if the tax funding of political activity is to be stopped' (ibid.: 383).

Charities

Sock Puppets focused primarily on charities because charitable accounts are in the public domain and the amount they receive from government runs into billions of pounds. The last fifteen years have seen a large expansion of state funding for charities and non-governmental organisations (NGOs). By 2007, a quarter of the UK's 170,000 charities were receiving money from the state and approximately 27,000 charities received at least 75 per cent of their income from the state. The 'third sector' now receives more money from statutory sources than it does from individual donors (Independence Panel, 2013: 19). Most of this money goes to large charities. Indeed, the vast amounts spent by government mean it is virtually a tautology to say that large charities are state-funded, since for a high proportion it is the government that makes them large. As a group, medium and large charities receive the majority of their money from the state, with more than a third of them relying on the state for more than 75 per cent of their income (ibid.: 36). We would like to believe that, as the National Council for Voluntary Organisations (NCVO) claims, 'instances of charities receiving money from government to campaign are few and far between' (PASC, 2013: Ev 148), but enough examples have been provided in this and earlier papers to demonstrate that the problem is not trivial in Britain and is endemic in the EU.

However, as the examples of HS2 Ltd., Balance, Fresh North East and the Campaign for More and Better Homes indicate, the question of state-funded activism goes beyond charities. The charity sector

is just one part of civil society that has been drawn closer to the state thanks to government largesse. In Britain, as in Europe, there is a band of quangos and 'insider-outsider' groups that are neither charities nor formal arms of the state and yet are wholly or principally funded by government.

There are, however, specific issues around charities that arouse particular concern. The 'halo' effect that often comes from being a registered charity is a useful marketing device for a campaign group and should not, we contend, be used by agents of the state. This, in turn, can lead to the debasement of charity as a currency and reduce public trust in the voluntary sector.

Some in the charity sector took *Sock Puppets* to be an attack on charitable campaigning in general. Stuart Etherington, CEO of the National Council for Voluntary Organisations (NCVO), responded to the report, saying:

'Far from "debasing the concept of charity", campaigning helps charities to advocate for disenfranchised people, or support and encourage them to speak up for themselves. The independence of the sector is paramount in helping voices to be heard and bringing major social issues to public attention.' (Mason, 2012)

It is not contested that *Privately-funded* charities should be free to campaign on any issue at any time. However, whilst sharing the sector's concerns about free speech, we disagree with Etherington when he says that 'campaigning is a legitimate activity central to the work of many charities and voluntary organisations, regardless of whether they receive money from the state' (ibid.). This closely reflects the statement made in *The Compact*, the government's agreement with civil society, which pledges to 'respect and uphold the independence of charities and other voluntary organisations to deliver their mission, including the right to campaign, regardless of any relationship, financial or otherwise, which may exist' (HM Government, 2010).

A distinction should be drawn between the state respecting charities' right to campaign and the state spending public funds to support these campaigns. Taxpayers' money should not be used to fund political campaigns with which many taxpayers may fiercely disagree. Interestingly, Etherington appears to believe that nobody could disagree with certain political campaigns:

'Who would question the efficacy and need for recent campaigns such as the London Living Wage Campaign and End Child Poverty?' (Mason, 2012)

The answer is that there are many people who would question the need for a Living Wage campaign, particularly if they were forced to fund it. Equally, while few would argue with the sentiment of ending child poverty, many would question the definition of 'poverty' used by campaigners as well as the efficacy of the 'solutions' they propose. This is not the place to discuss the pros and cons of raising the minimum wage or of tackling 'child poverty' through welfare, suffice to say that if the virtues were so self-evident, there would be no need for campaigns.

Whether the issue is child poverty, the living wage, or any other legislative campaign, those who support the cause are more likely to be sanguine about taxpayers' funds being used to advance it. Nick Hurd, Minister for Civil Society, has cited the campaign for the smoking ban as an example of political campaigning that should be 'welcomed and encouraged' despite it being co-ordinated by the state-funded organisation Action on Smoking and Health (PASC, 2013: 45; Arnott and Wilmore, 2006).⁵ Karl Wilding, head of policy at the NCVO, said of government funding of campaign groups that: 'If anything the problem is not that they fund too much, but that they don't fund enough' (Ainsworth, 2013b). Another critic of our report, Labour MP Paul Flynn, baldly asserts that: 'It is essential that government help the charities that are putting forward a progressive point of view' (PASC, 2013: Ev 76).

5 At the time of the campaign, ASH received 42 per cent of its income from the Department of Health and Welsh Assembly with only 1.5 per cent of its income coming from private donations and legacies.

Similarly, those who support HS2 feel entitled to public money because they believe themselves to be in the right and because, it is supposed, they are outgunned by groups that survive on private donations.

‘A pro-HS2 source argued: “The City millionaires, aristocrats and tax-funded shire councils of the anti-HS2 campaign have spent millions on PR, QCs and lobbying to undermine a project that was a manifesto commitment of all the major parties. It really takes the biscuit when they complain about efforts to mobilise the country behind a project of national economic significance.”’ (Leftly, 2013)

This echoes the European Commission’s justification for spending large sums of money on environmentalist groups - that there is an ‘imbalance in the capacity of civil society to catch up with the level of participation of industry/business’ (Agra CEAS, 2005: 18).

The Jeffersonian principle of not compelling individuals to pay for the propagation of other people’s opinions does not concern those who support state-funding of activist groups *so long as the groups agitate for causes with which they agree*. It would be interesting to see if they would be so relaxed about this use of public money if recipients were not ‘putting forward a progressive point of view’, by pushing politically incorrect causes such as banning abortion, leaving the EU and legalising fox-hunting, for example. It is unlikely that we will ever find out.

Independent or gagged?

If, as seems to be the case, the state-funded element of the voluntary sector is generally left-leaning, it would explain why many of these charities have complained of feeling ‘gagged’ under the current coalition government. The Independence Panel, chaired by Sir Roger Singleton, concluded in 2013 that the ‘right of some voluntary organisations to campaign and criticise the government is now coming under direct challenge, self-censorship is increasingly common and lack of financial support and effective safeguards for independence threaten the future of parts of the voluntary sector’ (Independence Panel, 2013: 6). Labour’s (now former) Shadow Minister for Civil Society, Gareth Thomas MP, said that a ‘climate of fear exists in some parts of the third sector’ (Butler, 2013). To the *Guardian* columnist Zoe Williams, the third sector’s alleged failure to speak out against the coalition’s economic policies amounts to ‘colluding with the government’ (Williams, 2013).

It is telling that complaints about gagging have become much more frequent since 2010 and that ‘self-censorship is increasingly common’ (Ainsworth, 2013). If, as the Independence Panel claims, state-funded charities are being forced to ‘toe the government’s line’, it is precisely what would be expected from our earlier analysis. Toeing the government’s line is what ‘sock puppets’ do. They naturally find it easier when they agree with the government, but the dilemma they face when the government changes was outlined in our original report:

'The system is therefore inherently unstable. Those who benefit from political patronage are highly vulnerable to changes of government.' (Snowdon, 2012: 36)

The solution put forward by the Independence Panel is a return to unrestricted grants awarded for several years. This is neither likely nor desirable. Public money should not be handed out to private organisations without specific purposes and targets in place. Some in the third sector appear to think that because their charity is - in their own view - a 'good cause', the government has an obligation to keep it afloat in the absence of public support. Roger Singleton has complained that the 'voluntary sector is increasingly being treated in state funding, contracting and regulatory arrangements as interchangeable with the private or public sectors - potentially a mere arm of the state, a delivery agent or sub-contractor without an independent voice' (Singleton, 2013). But in terms of state funding that is exactly what these charities are - delivery agents which are free to bid for contracts but which have no special privileges and no divine right to taxpayers' money.

A charity that is dependent on government funding is, by definition, not independent of government. It is wishful thinking to believe otherwise. The less a charity depends on the government, the more it can criticise the government without 'fear of funding reprisals' (Butler, 2012). Charities which receive no money from government at all can speak entirely without fear or favour. By contrast, those which receive virtually all of their income from government are essentially government sub-departments - 'mere arms of the state' indeed.

So long as the charity broadly agrees with the incumbent government, it may feel free to speak up on political issues even when it is heavily reliant on public money. It is only when the government changes that it suddenly feels 'gagged' and vulnerable. Only then does the conflict between political independence and financial dependence show itself to be irreconcilable.

In truth, the only way to secure independence from government is not to accept government grants (or, at the least, to ensure that they are a very small proportion of total income). There is no

disagreement with concerns by charities surrounding free speech. The current debate about the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Bill (better known as the Lobbying Bill) illustrates the dangers of taking a sledgehammer approach to campaigning. 'Gagging clauses' in government contracts are also morally contentious. But a distinction must be made between free speech and subsidised speech. The question we seek to answer in the rest of this paper is how to protect charities' freedom to campaign while ensuring that the unwilling and unwitting taxpayer is not compelled to pay for it.

What the Charity Commission can do

The Charity Commission's current guidance on political campaigning reads as follows:

'An organisation will not be charitable if its purposes are political ... Unlike other forms of campaigning, [political campaigning] must not be the continuing and sole activity of the charity... A charity may choose to focus most, or all, of its resources on political activity for a period. The key issue for charity trustees is the need to ensure that this activity is not, and does not become, the reason for the charity's existence.' (Charity Commission, 2008)

A 'political purpose' is defined as 'any purpose directed at furthering the interests of any political party, or securing or opposing a change in the law, policy or decisions either in this country or abroad.' The Charity Commission also makes it clear that a charity must not lend its support to, or fund, a political party or candidate. Any political campaigning it engages in must be relevant to its stated charitable purpose.

As the state-funded public health lobby was one of the case studies in *Sock Puppets*, it is interesting to note that the Charity Commission has used the example of health groups to illustrate the difference between campaigning and political activity.

'An example of campaigning would be a health charity promoting the benefits of a balanced diet in reducing heart problems whereas an example of political activity would be the same charity lobbying for changes to health-related legislation.' (PASC, 2013: Ev 125)

This is an important distinction. It is political activity, not educational campaigns, that 'must not become the continuing and sole activity of the charity' and which must not become 'the reason for the charity's existence because if it did it would, in effect, have adopted a political rather than a charitable purpose' (ibid.). This guidance suggests that charities such as Alcohol Concern and Action on Smoking and Health - whose principal activity is 'lobbying for changes to health-related legislation' - may be on thin ice and they are not alone. Many charities are preoccupied with this kind of political activity and it appears that the Independence Panel keenly supports them.

'The Government should actively defend the right of voluntary organisations to campaign, even where they receive government money. One positive development is the rise of highly independent campaigning voluntary sector organisations which use social media to garner public support and deploy it to challenge entrenched power. 38 degrees is one example which has secured changes in policy and practice through such techniques.' (Independence Panel, 2013: 42)

38 Degrees is an interesting example since it is overwhelmingly a pressure group, albeit one that campaigns on a wide variety of causes. In recent months it has run campaigns against fracking, zero hours contracts, the Lobbying Bill, student loan fees and NHS reforms. Its stated charitable objectives (shown below) are extremely broad, encompassing virtually every issue in modern politics, including health, education, the arts, science, the environment, animal welfare and poverty.

3.1 The objects of the charity ('the objects') are:

- (A) The prevention or relief of poverty;
- (B) The advancement of education;
- (C) The advancement of health or the saving of lives;
- (D) The advancement of citizenship or community development by such charitable purposes as the trustees see fit;

- (E) The advancement of the arts, culture, heritage or science by such charitable purposes as the trustees see fit;
- (F) The advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity by such charitable purposes as the trustees see fit;
- (G) The advancement of environmental protection or improvement;
- (H) The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage; and
- (I) The advancement of animal welfare by such charitable purposes as the trustees see fit.

It should be noted that 38 Degrees does not currently receive any government grants and therefore the only question is whether it should receive charitable status. Its charitable objectives are so broad that almost any political campaign it runs can be said to be advancing them and it does not run any of its campaigns exclusively on a permanent basis. It is, however, clear that political campaigning is its dominant activity - it describes itself as 'one of the UK's biggest campaigning communities' and 'a loud and persistent knock on the door of the politicians, influencers and institutions who make the decisions that affect us all' (38 Degrees, 2013). It achieves its aims exclusively through campaigning, although this is not always aimed at politicians (some campaigns put pressure on corporations and individuals). It can be seen as a multi-issue pressure group.

The Charity Commission has been given a difficult task in interpreting 'public benefit' under the 2006 Charity Act - an Act that was given objectives which the Public Administration Select Committee (PASC) describes as 'far too vague and aspirational' (PASC, 2013: 52). Because the 2006 Act emphasised inclusiveness, the charitable status of independent schools and certain religious sects has been thrown into question and the Charity Commission has spent much time evaluating the charitable status of the Plymouth Brethren, the Druids Network and Eton College, despite religion and education traditionally being seen as manifestly charitable purposes. Meanwhile,

organisations that achieve their goals through campaigning for legislation have been granted charitable status with relative ease.

These arguments will doubtless continue and some of the questions may be resolved by test cases in the future. The author has some sympathy with the argument that any non-profit organisation that exists on voluntary donations should be granted charitable status, so long as it can show some degree of public benefit. This more relaxed approach could open the door to more political organisations becoming charities and could even justify political parties becoming charities (the listed objectives of 38 Degrees could easily be the objectives of a mainstream political party).

The alternative view is that charities must provide some tangible benefit to the public, such as education, healthcare or relieving suffering, hunger or poverty, before they are allowed to campaign for policies that may or may not benefit the public in the future. Broadly speaking, this is the current position of the Charity Commission.

We do not have a strong view on what the rules *should* be, but the rules should certainly be clarified and must reflect the law. Only two observations are made. Firstly, that the Charity Commission's rule stating that charities can engage in political campaigning 'for a period' is so vague as to be meaningless in practice and in law (Charity Commission, 2008: 3). There has been no attempt to define this timeframe because 'it is not for the Commission to gainsay the judgement of individual trustees about how the general principles in our guidance will apply to their organisations' (PASC, 2013: 44). This is weak guidance that could leave charities on the wrong side of the law. Trustees may interpret 'a period' as a century if they wish, but if they are taken to court they may find that a judge disagrees.⁶

6 It has been argued that the relatively small number of complaints to the Charity Commission about political activity (approximately 36 in 2010/11) indicates that there is 'no evidence of an endemic problem of charities being political' (PASC, 2013: 43). This may be true, but it might equally reflect the leniency of the current guidelines which leave little scope for complaint.

Secondly, it seems likely that there are a number of existing charities who abide by the existing guidelines but would lose their charitable status if a court case was brought under charity law. There are significant discrepancies between the Charity Commission's guidance and the existing case law. As Brodie notes, contrary to the assertion of the Commission's former CEO, Dame Suzi Leather, the Commission does not have the power to 'interpret' the law (Brodie, 2010: 10). That is the job of the judges who would base their decision on case law and precedents, not on Charity Commission guidance. Precedents are few in number, but the 1948 case of the National Anti-Vivisection Society v. Inland Revenue Commissioners 'makes it clear beyond doubt that pursuing or supporting a political purpose or political activity is not a legitimate charitable objective or purpose' (Brodie, 2010: 11).

None of this, however, is central to our main concerns which relate only to political campaigning by state-funded organisations. On this issue, the Public Administration Select Committee has recommended that the Charity Commission require charities to declare in their annual accounts what proportion of their income is spent on 'political and communications work' (PASC, 2013: 58). A handful of charities already do this and it is, in principle, a reasonable suggestion. But whilst such information might be of interest to members of the public who are considering making a donation, such estimates are likely to be arbitrary and unverifiable. It would also require sound definitions of 'political campaigning' and 'communications work' which have not so far been forthcoming.

The PASC also recommends that charities be required to disclose on their annual returns how much of their income comes from government sources. Again, many charities already do this, albeit in a way that requires some effort to calculate the total if they receive funds from multiple government agencies. A requirement to show income from government, both as a total and as a percentage of their annual income, would be useful and welcome.

What the government can do

A clamp-down on political activity by state-funded charities is likely to lead to a surge in political activity by quangos, non-charitable NGOs and other state-funded civil society groups that are not on the charity register. The benefits of being a charity are relatively minor, amounting to a few tax breaks and a possible 'halo'. Many pressure groups that receive public money are not registered charities and those that are could sacrifice their charitable status in order to continue campaigning on the taxpayer's shilling. For these reasons, it is the government, rather than the Charity Commission, that is best placed to take the lead in countering state-funded activism.

The most obvious solution is for the government to withdraw money from politically-oriented organisations. There are two types of low-hanging fruit. Firstly, there are organisations that receive all, or nearly all, of their income from the state and engage in political campaigning. Secondly, there are organisations which receive any amount of public money and whose objectives are fundamentally political in that they are primarily interested in changing laws, raising taxes and creating regulation. In both cases, it is reasonable to assume that taxpayers' money is ultimately being used for a political purpose.

Defunding these groups entirely is a matter of political will. One of the first acts of Australia's new Prime Minister, Tony Abbott, upon entering government was to cease funding various agencies and quangos, including the Climate Commission, the Alcohol and Other

Drugs Council (ADCA), the Social Inclusion Unit and the Australian National Preventative Health Agency. At the time of the announcement, the latter was reported to be spending half a million Australian dollars to promote a 'fat tax' (Kenny, 2013) while ADCA was campaigning on a range of issues and openly accusing politicians who held different views of being 'unfit to govern' (ADCA, 2013). Immediately following the dismantling of the Climate Commission, its members formed a new privately funded body, the Climate Council, which has successfully generated more than a million dollars in donations, thereby showing that statutory funding was unnecessary (ABC, 2013).

Abbott's axe-wielding was described as a means of 'de-Labourising the government' since most of the agencies involved had been created by the previous administration (Kenny, 2013). It is possible that his Liberal government will fund organisations that are more sympathetic to his political beliefs but, as the author has previously argued, a system in which bureaucratic empires are knocked down and built up after every change of government is unstable, wasteful and does not address the root problem of state-funded activism.

'The new government may choose to weed out its predecessor's sock puppets and replace them with state-funded activists who are more to its liking, but the threatened groups will surely use their formidable campaigning skills to provoke public protest. Even if the government succeeds in uprooting the shadow state and installing its own version of civil society, it will lose an election sooner or later and the whole process will be repeated once more.' (Snowdon, 2012: 36)

A system of defunding can only work in the long term if the next government does not rebuild the empire. This requires either cross-party agreement or the introduction of rules by which all governments must abide. One interesting approach has been tried in the Australian state of Queensland where a rule is in place stating that NGOs which rely on taxpayers' money for more than 50 per cent of their income 'must not advocate for state or federal legislative change' (Hurst, 2012). The state government has justified its decision on the grounds that a publicly funded organisation should 'conduct itself with the political impartiality of any other government sector'. It wants the organisations it funds to concentrate on core activities

rather than tub-thumping. 'We want to fund outcomes but not advocacy', said a spokesman in relation to state-funded public health groups. 'Health outcomes, not political outcomes or social engineering outcomes' (ibid.).

Any political action in this area must be mindful of the threat to free speech, but the Queensland rule is less about censorship than it is about how public money is spent. Civil servants are expected to remain politically neutral, but nobody seriously claims that they are being 'gagged'. The Queensland government is simply refusing to be the primary funder of pressure groups. If a campaigning organisation cannot attract non-governmental funding for at least half its income, it cannot properly be called non-governmental and should accept that it only ever had a voice because the state gave it one. If a group is primarily a political lobby group, it has no business being funded by the taxpayer. If a group is providing public services then it is effectively part of an extended bureaucracy and should behave as such. The Queensland model, in which organisations that receive the majority of their income from statutory sources are not allowed to engage in campaigning for legislative and budgetary change, should be considered in the UK.

A new framework of accountability

The Public Administration Select Committee acknowledged that the main issues raised in *Sock Puppets* can only be addressed by the government, not the Charity Commission, saying:

‘On the separate issue of whether public funds should be used to fund charities involved with political campaigns, this is a matter for Parliament and its oversight of public spending. We recommend that ministers should make a written statement to Parliament whenever a decision is made to provide government support by direct grant to a charity which is involved in political campaigning.’ (PASC, 2013: 46)

The author endorses this recommendation and would extend it to any organisation that engages in campaigning and lobbying, whether it is a charity or not. There are several other steps that should be taken which would, at the least, allow more transparency and encourage more restraint in how public funds are used for activism. There is a need to establish an enduring system with rules for both the recipients of state funding and the civil servants interacting with them. Our recommendations, along with the authorities responsible for each, are listed below.

The Cabinet Office should notify all departments that statutory funding is not to be used to fund political activity of any kind, including lobbying politicians, publishing material that is designed to generate support for the introduction or abolition of legislation, regulation and taxation, as well as support for changes to budgets and funding streams (this being our definition of ‘political activity’).

No start-up funds should be granted to any new NGOs, charities or activist groups.

Departmental managers who are responsible for issuing funds to private sector or ‘third sector’ organisations must send written confirmation to the Cabinet Office at the end of each financial year to confirm that all reasonable steps have been taken to ensure that departmental grants have not been, and cannot be, used to fund political advocacy, lobbying or campaigning.

Ministers should submit a written statement to Parliament when providing a grant to any organisation involved in political campaigning. (This is the recent recommendation of the PASC, but here it is suggested including all third party organisations, not just charities.)

Trustees of charities, directors of companies and heads of NGOs who apply for statutory funding must confirm in writing to the relevant department that the funds granted will not be used, either in full or in part, for political advocacy, lobbying or campaigning (as defined above). Trustees bear full personal liability for this guarantee.

Charities should be required by the Charity Commission to publish how much of their income comes from statutory sources (as a total and as a proportion of income). These charities should also be required to declare in their annual accounts what proportion of their income is spent on political campaigning and lobbying.

The Charity Commission should review its current guidance regarding how much political campaigning is permitted under existing case law and revise the advice it gives to charities accordingly.

Local authorities should be issued with a letter of guidance advising them that public money should not be used to fund political activity (as defined above). Each local authority must submit a list of any non-governmental organisations it funds, including annual cost and reason for funding, to the DCLG on an annual basis. To ensure transparency, the DCLG will publish this list on its website.

Unrestricted grants should not be given to any third party organisation. Successive governments have begun to phase out unrestricted grants, but some remain. They should be replaced by restricted grants and contracts.

FOI requests. Any organisation that receives grants from central or local government should be subject to the same Freedom of Information obligations as a government agency. We agree with the Labour Party's recent suggestion that the Freedom of Information Act should be applied to companies and charities which receive state funding so as to achieve 'the same openness from them as we expect from government' (Grimston, 2013). In order to avoid frivolous or vexatious requests for information, FOI powers should be limited to requests that are directly relevant to the purpose for which the money was granted. A request for information about how a firm or charity is carrying out a public sector contract would be legitimate, but requests about their privately funded work would not be subject to FOI.

Appendix

25 state-funded pressure groups

The organisations listed below represent a cross-section of private charities and pressure groups that receive statutory funding from the British government. All have been involved in political campaigning in some capacity in recent years. The amount of public money they receive varies widely, as does the extent of their political activity.

Figures shown come from the most recently published statement of financial accounts submitted to Charity Commission. Funding from the European Commission, devolved governments and the national lottery are not included in the headline figure but may be mentioned in Notes.

ActionAid

Government funding (2011/12)

UK government: £4,466,000

= 7.5 per cent of income

Examples of campaigning activity

Part of the IF Campaign that was accused of being 'secretly orchestrated' by the government to support the policy of donating 0.7 per cent of GDP in foreign aid.

Action on Smoking and Health

Government funding (2011/12)

DoH: £150,000

= 20.5 per cent of income

Examples of campaigning activity

Past campaigns include the smoking ban, banning the display of tobacco products in shops and higher tobacco taxes. Current campaigns include plain packaging for tobacco products.

Notes

Lobbying for legislation is ASH's core activity. It provides no health service, such as smoking-cessation, and uses its DoH grants for 'media advocacy and lobbying'.⁷

ASH Wales and ASH Scotland are separate organisations with a similar mission. Their largest donors are the Welsh Assembly and the Scottish government respectively.

7 'Capitalising on Smokefree: the way forward' grant application, Action on Smoking and Health, 2008

Alcohol Concern

Government funding (2011/12)

DfE: £209,336

= 35.6 per cent of voluntary income

Examples of campaigning activity

Alcohol Concern is primarily a pressure group. Currently, its main campaign is for minimum pricing of alcohol.

Notes

After many years of providing core funding, the DoH ceased funding Alcohol Concern in 2011/12, at which time the DfE began funding the group for a two-year training project. Alcohol Concern raises additional income from providing consultancy and training to public sector bodies. The Welsh Assembly also gave Alcohol Concern £234,810, meaning that the majority of Alcohol Concern's income comes from the state.

The charity has few sources of income outside the public sector; donations amounted to just £11,450 in 2011/12.

Association of Chief Executives of Voluntary Organisations (ACEVO)

Government funding (2011/12)

Office of Civil Society: £415,000

DoH: £234,197 (includes £35,000 unrestricted grant)

= 30.3 per cent of income

Examples of campaigning activity

ACEVO's chairman, Sir Stephen Bubb, has criticised the 'gathering tsunami of ill-considered cuts which threaten to decimate the third sector' and called for a tax on bankers' bonuses to fund charities.⁸ In 2011, Bubb called for a tax on bankers' bonuses to fund the third sector.

Notes

Also received an unrestricted grant of £37,564 from the Lottery.

Balance North East

Government funding (2013/14)

Local authorities: £680,000

= 100 per cent of income?

Examples of campaigning activity

Balance North East's main activity is lobbying for minimum pricing, but it also campaigns for restrictions on alcohol marketing.⁹

Notes

Founded in 2009. Not a registered charity. Shares an office with FRESH (see below).

⁸ <http://www.bbc.co.uk/news/uk-12102105>

⁹ <http://www.balancenortheast.co.uk/our-campaigns/>

Barnardo's

Government funding (2011/12)

DfE: £1,917,360

= 4.4 per cent of voluntary income

Examples of campaigning activity

Supports Robin Hood Tax campaign.

Notes

Statutory funding from other parts of the UK included: £7,271,983 (Northern Ireland), £1,100,269 (Scottish government) and £986,688 (Welsh Assembly). Total statutory funding in 2011/12 amounted to £11.4 million (26.3 per cent of voluntary income).

Catholic Agency for Overseas Development (CAFOD)

Government funding (2012/13)

UK government: £9,034,000

= 18.5 per cent of income

Examples of campaigning activity

Lobbies on a broad range of issues from the Robin Hood Tax¹⁰ to airport development in Britain¹¹. Part of the IF Campaign that was accused of being 'secretly orchestrated' by the government to support the policy of donating 0.7 per cent of GDP in foreign aid.

Notes

UK government income comes almost exclusively from DfID.

¹⁰ <http://www.cafod.org.uk/Campaign/Get-clued-up/Robin-Hood-Tax>

¹¹ <http://www.telegraph.co.uk/comment/letters/9025959/An-airport-in-the-Thames-Estuary-is-a-good-idea-but-how-do-we-manage-while-its-being-built.html>

Christian Aid

Government funding (2011/12)

DfID: £12,240,000

= 12.8 per cent of income

Examples of campaigning activity

Campaigns for 'climate justice' and 'tax justice' and against free trade. Part of the IF Campaign that was accused of being 'secretly orchestrated' by the government to support the policy of donating 0.7 per cent of GDP in foreign aid.

Notes

DfID is Christian Aid's biggest funder, followed by the EC (£6.5 million). Total worldwide government income amounts to £31 million. Christian Aid notes that it spends 12 per cent of its income campaigning.

Child Poverty Action Group

Government funding (2011/12)

HMRC: £90,000

= 3.8 per cent of income

Examples of campaigning activity

Opposes means tested child benefit. Consistently supports greater wealth redistribution and higher welfare payments. 'The Child Poverty Action Group,' writes Zoe Williams in the *Guardian*, 'has always taken campaigning as its fundamental purpose' (Williams, 2013).

Notes

Also received £408,000 from the Scottish government. HMRC grant is to provide 'training' to ensure higher take-up of welfare payments.

Disability Rights UK

Government funding (2011/12)

DoH: £517,965

DCLG: £123,000

DfE: £45,928

= 25.9 per cent of income

Examples of campaigning activity

Supporter of the Hardest Hit campaign ('stop these cuts now')¹²

and the Energy Revolution campaign (for higher carbon taxes).¹³

Campaigns against the 'bedroom tax'.¹⁴

Family Action

Government funding (2011/12)

'Statutory funding': £14,654,000

= 79 per cent of income

Examples of campaigning activity

Campaigns against changes to benefit payments¹⁵ (typical rhetoric: 'The Chancellor was caught red handed raiding family budgets', 'Cameron's Council Tax Con for Poor Families', 'This Attack on the Cost of Living is Toxic for Family Finances'.¹⁶) Opposes housing benefit cap and means tested child benefit.

Notes

Statutory funding is not broken down in financial accounts but it includes the DoH.

12 <http://disabilityrightsuk.org/policy-campaigns/campaigns/hardest-hit-campaign>

13 <http://disabilityrightsuk.org/policy-campaigns/campaigns/disability-rights-uk-signs-energy-revolution>

14 <http://www.disabilityrightsuk.org/news/2013/march/join-e-action-against-bedroom-tax>

15 <http://www.bbc.co.uk/news/education-12217868>

16 http://www.huffingtonpost.co.uk/helen-dent/budget-2012-family-cuts-fortunes-are-in-fr_b_1352771.html

Fatherhood Institute

Government funding (2011/12)

DfE: £755,030

= 83.1 per cent of income

Examples of campaigning activity

Lobbies for flexible parental leave and reforming birth registration process.

Forum for the Future

Government funding (2010/11)

Central government: £184,311 (including an unrestricted grant of £72,457)

= 4.7 per cent of income

Examples of campaigning activity

As an environmental think tank, Forum for the Future campaigns for decarbonisation and 'sustainable business'.

Notes

It is unclear what the purpose and source of the 'central government' funding was, but the only government department named in the financial accounts in DECC. Forum for the Future also acknowledges payments totalling £79,814 from 'local and regional government'.

Fresh North East

Government funding (2013/14)

Local authorities: £713,000

= 100 per cent of income?

Examples of campaigning activity

Its 'main activity' is lobbying for plain packaging of tobacco, according to *The Northern Echo*.¹⁷

Notes

Not a registered charity. Formerly known as Smokefree North East. Shares an office with Balance North-East (see above). Previously funded by DoH via PCTs, but now funded by local authorities.¹⁸

Similar state-funded organisations, including Smokefree South West and Tobacco Free Futures, function as lobbyists for anti-smoking legislation in other parts of the country.

Health Limited (t/a Health Poverty Action)

Government funding (2011/12)

DfID: £2,835,548

= 30.2 per cent of income

Examples of campaigning activity

Lobbies for a 'Robin Hood Tax' on bank transactions and universal nationalised healthcare.¹⁹

Notes

Also received £2,623,588 from the EC

17 http://www.thenorthernecho.co.uk/news/10404241.Tobacco_and_alcohol_control_agencies_given_a_new_lease_of_life/

18 http://www.thenorthernecho.co.uk/news/10404241.Tobacco_and_alcohol_control_agencies_given_a_new_lease_of_life/

19 <http://www.healthpovertyaction.org/campaigns/robin-hood-tax/>

Living Streets

Government funding (2011/12)

DfT: £140,000

DoH: £321,667 (includes unrestricted grant of £113,465)

= 18.4 per cent of income

Examples of campaigning activity

20mph limits on all urban roads.²⁰

Notes

Also received income from the following taxpayer-funded bodies: London councils (£131,268), Scottish government (£200,000), Tyne/Wear ITA (£166,466), Durham council (£247,935), City of London (£25,000). A further £405,990 came from the Lottery. Combined, this statutory funding makes up 86.7 per cent of incoming resources from charitable activities.

Living Streets notes in its accounts that 16 per cent of its outgoings are expended on 'policy and campaigning'.

National Children's Bureau

Government funding (2011/12)

DfE: £1,572,118

DoH: £542,316

Local Government Improvement and Development : £1,857,499

Natural England: £212,744

Social Action Fund: £335,186

= 50.9 per cent of income

Examples of campaigning activity

Current campaigns include minimum pricing for alcohol, votes at 16 and a ban on smacking children. Opposes the EBacc, public spending cuts, changes to Legal Aid and changes to Tax Credits.²¹

Notes

It receives additional income from the EC and the Lottery.

NCVO (National Council for Voluntary Organisations)*Government funding (2011/12)*

Office of the Third Sector: £1,427,000 (including unrestricted grant of £1,119,000)

Capacitybuilders: £1,799,000

Secretary of State for Home Department: £117,000

Office for National Statistics: £20,000

= 53.5 per cent of income

Examples of campaigning activity

Lobbies against public spending cuts in the third sector. The 'Give it Back George' campaign opposed limiting tax relief on charitable donations.

Notes

Also received £54,000 from the EC and £936,000 from the Lottery. Capacitybuilders has since been closed down.

21 <http://www.ncb.org.uk/policy-evidence/policy/campaigns>

Oxfam*Government funding (2011/12)*

UK government: £23,700,000

= 8.0 per cent of income

Examples of campaigning activity

Oxfam strongly opposes spending cuts and 'austerity'. Amongst its publications is 'Be Outraged: There Are Alternatives' (2012) promoting Keynesian economics and wealth redistribution.

Part of the IF Campaign that was accused of being 'secretly orchestrated' by the government to support the policy of donating 0.7 per cent of GDP in foreign aid.

Notes

Worldwide government income amounts to £159.8 million (54.2 per cent of total income).

Pesticide Action Network*Government funding (2010/11)*

DfID: £56,704

= 19.6 per cent of income

Examples of campaigning activity

Lobbies for a reduction in pesticide use in the UK and abroad.

Notes

DfID funding in 2010/11 was earmarked for a campaign against the use of pesticides in Africa.

Relate

Government funding (2011/12)

DfE: £2,214,282

= 92.0 per cent of voluntary income

Examples of campaigning activity

Campaigns on a broad range of issues including legal rights for unmarried couples, flexible working hours and compulsory sex education. Has called for the creation of a Minister for Ageing Society role in government and statutory provision of counselling in schools.

Notes

Relate earns a further £1,355,574 from service provision (e.g. training and 'raising public awareness'). Although its clients are not listed in the financial accounts, it is likely that many or all of them are public sector bodies.

Save the Children Fund

Government funding (2010/11)

UK government: £54,255,000

= 16.3 per cent of income

Examples of campaigning activity

Strongly opposes welfare reforms.²² In 2012, the launch of its first ever campaign against poverty in Britain was widely criticised for being politically motivated (Save the Children's CEO, Justin Forsyth, was previously campaigns director for Gordon Brown).^{23 24}

22 <http://www.savethechildren.org.uk/2012-03/welfare-reforms-hit-poorer-working-women-pushing-250000-children-deeper-poverty>

23 <http://www.dailymail.co.uk/news/article-2198927/It-s-obscene-political-stunt-Save-The-Children-equate-British-families-starving-poor-Africa.html>

24 <http://www.thetimes.co.uk/tto/opinion/thunderer/article3529737.ece>

Part of the IF Campaign that was accused of being 'secretly orchestrated' by the government to support the policy of donating 0.7 per cent of GDP in foreign aid.

Notes

Also receives £45.5 million from EC. Total worldwide government income amounts to £163.3 million.

Shelter

Government funding (2011/12)

DCLG: £2,569,000

HM Prison Service: £960,000

= 9.7 per cent of 'spendable income'

Examples of campaigning activity

Campaigns for a ban on letting agency fees. Opposes the 'bedroom tax' and other efficiency savings.

Notes

Shelter lists its 'total contract and statutory grant funding' as £16,103,000 (44.1 per cent of all spendable resources). This includes £5,058,000 from local authorities and £553,000 from the Scottish government.

Stonewall

Government funding (2011/12)

DoH: £79,000

Equality and Human Rights Commission: £23,798

= 2.6 per cent of income

Examples of campaigning activity

Stonewall is primarily a political lobbying organisation. It has previously lobbied strongly for civil partnerships, gay marriage, repeal of Section 28 and including homophobic hate speech in the Criminal Justice and Immigration Act (2008).

Notes

Also received £100,000 from Scottish government, £84,850 from Welsh Assembly and £112,604 from the Lottery.

The grant from the DoH was earmarked for a 'NHS leadership programme'.

Sustain*Government funding (2011/12)*

Greater London Authority: £559,498

= 24.8 per cent of income

Examples of campaigning activity

Campaigns for a ban on 'junk food' at supermarket checkouts and on children's television.

Notes

Sustain received a further £186,925 from the Rural Payments Agency (EC).

War on Want*Government funding (2010/11)*

DfID: £162,544

= 8.7 per cent of income

Examples of campaigning activity

Conducts numerous political campaigns for 'tax justice', 'social justice' and the 'living wage'. Other campaigns include 'fighting supermarket power', 'justice for Palestine' and 'food justice'. The latter campaign - supported by a DfID grant - blames 'corporate farming' for hunger and proposes small scale organic farming as the solution.

War on Want criticised other NGOs for co-operating with the British government on the IF campaign, saying: 'It is unacceptable for NGOs to suggest that David Cameron's government is a leading force for social justice at a time when its austerity programme is driving unprecedented numbers to food banks in Britain, and when its overseas actions are fuelling hunger and poverty around the world.'²⁵

Notes

Also received £387,712 from the EC

25 <http://waronwant.org/news/latest-news/17790-war-on-want-and-the-if-campaign>

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