

## Written evidence submitted by the British Heart Foundation

### The British Heart Foundation's written submission to the Digital, Culture, Media and Sport Select Committee inquiry on the impact of Covid-19 on DCMS sectors

#### Executive Summary

- For the BHF, this is undoubtedly the greatest challenge we have faced in our 60-year history, one that is impacting our researchers, our work, our people and our mission to beat heartbreak forever by delivering better treatment and care for people living with heart and circulatory diseases.
- In 2018-2019, the BHF awarded £114.9m in life saving medical research grants, representing more than half (55%) of all UK-based independent research into heart and circulatory diseases. Across its entire portfolio, the BHF currently supports around £446m of research projects in 47 institutions across the UK.
- The Covid-19 pandemic has caused significant disruption to BHF research, with clinical research staff redeployed to support NHS frontline services and clinical trials paused until the appropriate mechanisms can be continued.
- Even after taking into account the Government support that we're receiving, the BHF is losing £10m against expected revenues every month of the pandemic.
- Despite the expected gradual return of retail and fundraising activity through our financial year to 31 March 2021, we do not expect these income streams to return to pre-pandemic levels for some years, reflecting a combination of societal and economic disruption.
- Analysis by the Association of Medical Research Charities (AMRC) estimates that given the loss of income experienced by their members, the medical research charity sector's ability to fund new research over the next 3-5 years will be diminished by at least 40%.
- For the BHF, we are likely to see a 50% cut in our budget to fund future research. This could have a catastrophic impact on UK cardiovascular research, the research careers of scores of young scientists, and the diagnostics, treatments and cures that people with heart and circulatory diseases receive. This will also have serious consequences for the UK's research ecosystem and could impact Government's ambition to cement the UK's position as a research superpower.
- Where possible the BHF is taking advantage of Government support, including by furloughing 80% of our staff. However, beyond this, support has been limited and we feel that charities like ours have been overlooked. In particular, we have not been able to maximise the support available from the Retail, Hospitality and Leisure Grant Fund for our closed shops and stores, owing to the application of State Aid rules. Likewise, although Government's £750m charity support package was welcome, the BHF will not be eligible to access any of the grants announced.
- We are calling on the Government to work with charity research funders to develop a scheme that provides a level of match-funding from Government for future charity research via a Life Sciences-Charity Partnership Fund and to reassess how the Retail, Hospitality and Leisure Grant Fund is administered to ensure it provides the support intended for charity retailers.

#### About the British Heart Foundation

The British Heart Foundation (BHF) is the largest independent funder of medical research into heart and circulatory diseases in the UK, and our research has helped halve the number of people dying from these conditions since the 1960s. Today, there are more than 7 million people living with heart and circulatory diseases in the UK and these diseases still cause more than a quarter of all UK deaths.

Our ambition is to beat heartbreak forever, and we work to transform the detection and treatment of, and support for people with, heart and circulatory diseases.

### **What has been the immediate impact of Covid-19 on the sector?**

1. Civil society has been significantly impacted by the Covid-19 outbreak at a time when its services and support is needed the most. For the BHF, this is undoubtedly the greatest challenge we have faced in our 60-year history, one that is impacting our researchers, our work, our people and our mission to beat heartbreak forever by delivering better treatment and care for people living with heart and circulatory diseases.

#### **Immediate impact on our income**

2. The most immediate impact the crisis is having is on our finances, and we have had to make difficult but important decisions to protect our income, our staff and our volunteers. This will have a significant impact on our mission to beat heartbreak forever as we work towards a world free from the fear of heart and circulatory diseases. It is imperative that the BHF can continue to invest in research into heart and circulatory diseases so that we can realise this vision. Even after taking into account the Government support that we're receiving, the BHF is losing £10m against expected revenues every month of the pandemic due to significant disruption to our fundraising activities and the ongoing closure of large parts of our retail network. This presents a direct threat to our ability to support future research.
3. The BHF is the UK's largest charity retailer, with around 750 charity shops and stores. We took the early decision in mid-March to close all of our shops to protect our staff, volunteers and customers from the spread of coronavirus. As of the 15<sup>th</sup> June, when Government guidance allowed non-essential retail to reopen, our shops had been closed for just over 12 weeks, and in that time, we could not accept or trade any donations. We began a phased reopening on 16<sup>th</sup> June, however, we anticipate significant disruption beyond this point due to the practical challenges of opening in accordance with social distancing and hygiene guidelines, as well as differing timeframes in the devolved nations.
4. Our fundraising has also been severely impacted by the cancellation of large fundraising events, such as the London Marathon and our flagship London to Brighton bike ride, which last year raised over £2 million. We have also had to cancel thousands of volunteer-led community fundraising events, and all street, private site and door-to-door fundraising activities for the foreseeable future.

#### **Immediate impact on those we support**

5. We know that people with heart and circulatory diseases are at increased risk of complications and death when infected with Covid-19. A recent study revealed the most common comorbidities with the virus are chronic cardiac disease (29%) and uncomplicated diabetes (19%)<sup>i</sup>. ONS data looking at Covid-19 related deaths between March and April 2020 have also shown that coronary heart disease is the second most common pre-existing condition for Covid-19 fatalities in England and Wales - 11% of patients dying from the disease also having coronary heart disease mentioned on their death certificate<sup>ii</sup>. This has understandably increased anxiety among people living with heart and circulatory disease, prompting us to increase support through our Heart Helpline and online resources.
6. Data has also revealed an increase in deaths that are not attributable to Covid-19. These are likely driven in part by changes in peoples' willingness and ability to access care during this time. In the early stages of the pandemic this was seen most starkly in emergency care, where the number of people attending emergency departments in England with symptoms of a possible heart attack

halved, from an average of around 200 per day at the beginning of March to around 100 per day at the end of March<sup>iii</sup>. The BHF have supported the Government and NHS in encouraging people to continue to attend A&E in an emergency during this time, and through these efforts, we are now seeing levels of attendance returning to normal. However, late presentation at A&E has implications both for immediate mortality and long-term outcomes for those who delayed seeking help during this time. For example, it increases the likelihood of developing heart failure, a long-term condition that requires continued support and already affects 920,000 people across the UK.

7. There have also been implications for routine and planned care. A recent BHF survey of people with known heart and circulatory conditions found that around half of patients had found it harder to get medical treatment since the pandemic began. Of this cohort, 41% said that they had a planned test, surgery or procedure postponed or cancelled. As the rate of coronavirus infection subsides, addressing this backlog will continue to stretch the capacity of the NHS both in terms of completing procedures, but also providing the relevant recovery and support services for patients prior to and after their treatment. Through gathering our own insight from health and care services, we also know that access to specialist cardiac care in the community has been severely depleted in many areas due to redeployment of staff. This has occurred inconsistently across the country, exacerbating existing variation in these services for patients. These services are vital for keeping heart and circulatory disease patients well and preventing them from having to present at hospital.
8. Lockdown has been a difficult period for many people, not least those living with heart and circulatory diseases who, as identified above, are at a higher risk of severe complications from Covid-19 should they contract the disease. Many of this group have chosen to follow shielding measures - 26% according to a recent BHF survey - despite not being instructed to do so. This group is not eligible for support with accessing medicines or food and there are fewer protections in place should they be required to physically return to work. Additionally, a significant number of people with heart and circulatory diseases are included in the clinically vulnerable group, including those over 70 with an underlying condition and anyone with chronic heart disease such as heart failure. As lockdown measures are eased, questions remain about what clinically vulnerable people, including those who are choosing to shield, should do, and this has been a significant source of anxiety for patients.
9. All of these add up to a complex landscape for patients and significant unmet need. The BHF are working alongside the Government and NHS to ensure the needs of people with heart and circulatory disease are met. We have also significantly expanded our patient offer, providing comprehensive information and support to patients impacted by Covid-19. This includes:
  - Increasing the times and staffing levels of our Heart Helpline, including an option to live chat with our cardiac nurses.
  - Creating a dedicated content hub containing information and tools for patients and carers, regularly updated as new guidance is issued.
  - Developing support materials for people to engage in an online cardiac rehabilitation offer.
  - Maximising our peer support networks, such as Health Unlocked, an online support network and community for people with long term conditions, and Teen Heart, a BHF-led community of young people with heart and circulatory diseases.

#### **Immediate impact on our research**

##### a) Currently funded research

10. Last year, the BHF awarded £114.9m in life saving medical research grants, which is more than half (55%) of all UK-based independent research into heart and circulatory diseases. Today, we fund around 800 active grants, involving over 1,500 talented individuals whose discoveries will save and improve lives.

11. Unfortunately, the Covid-19 pandemic has caused significant disruption to BHF research, with clinical research staff appropriately redeployed to support NHS frontline services and clinical trials paused until the appropriate mechanisms can be continued. However, the burden of heart and circulatory disease does not stop for a pandemic. To ensure patients still see the benefits of this research, we have committed to supporting current projects through to successful completion, even if postponed, and we are continuing to pay our researchers' salaries even when research has been paused. To maintain our capacity to fund new grant applications towards securing the long-term viability of the UK's outstanding cardiovascular research base, we are encouraging our research community to use no-cost extensions as the primary mechanism for mitigating the impact of the Covid-19 disruption wherever possible.

b) Supporting Covid-19 research

12. As outlined above, pre-existing cardiovascular diseases and their risk factors, such as diabetes, obesity and high blood pressure, have emerged as some of the most common reasons for severe complications from Covid-19. It has also become clear that Covid-19 infection has important effects on the heart and circulatory system. As such, the pandemic and its consequences are of major importance to the BHF and the cardiovascular research community. As evidence emerged, we quickly pivoted to help contribute to the Covid-19 research effort in various ways:

- Working with the National Institute of Health Research (NIHR), we launched a new initiative to identify and support flagship Covid-19 research projects in the UK that will benefit people with heart and circulatory diseases. In the first three weeks of operation, the NIHR-BHF Cardiovascular Partnership<sup>iv</sup> received 13 research proposals for consideration; to date, six have been selected as National Flagship Projects<sup>v</sup>. The Framework remains open for future applications.
- The BHF Data Science Centre is a core partner in a new initiative led by Health Data Research UK (HDRUK), which aims to provide an existing data research infrastructure for addressing urgent Covid-19 questions. It is expected that questions related to heart and circulatory health will be prioritised and endorsed through the NIHR-BHF Cardiovascular Partnership.
- We have altered our guidance so that Institutions that hold BHF Research Excellence Awards and Accelerator Awards<sup>vi</sup> can direct any currently uncommitted funds from their grants to Covid-19 research.
- We have encouraged our clinical researchers, including fellows and chairholders, to devote their time (and the time of their BHF-funded support staff) at their discretion to Covid-19 research, until they are able to return to their normal research activity.

**How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs?**

13. Where possible, the BHF is making use of the available support announced by Government so far, including furloughing around 80% of our internal BHF staff through the Coronavirus Job Retention Scheme (CJRS) and encouraging universities to make use of the scheme for their staff funded on our grants in instances where research cannot continue. The Chancellor's announcement to extend this scheme until October, as well as to allow some flexibility from August was welcome. There remains a lack of clarity, however, on whether this scheme also applies to charity-funded researchers where universities have not explicitly furloughed them, but research has been paused. Given the projected costs of extending research grants, it is unlikely we will be able to bridge these gaps alone. The CJRS could be vital in ensuring these researchers continue to receive their salaries while ensuring charities can begin to recover after the pandemic. Furthermore, there has been a lack of communication and clarity for research funders from the Department of Health and Social Care and NHS England around the issue of recouping salary costs of seconded research staff from the NHS.

14. The Government's £750m support package for charities, announced in April, was an important first step in mitigating some of the most extreme effects of the crisis on the sector. However, this falls far short of the £4bn stabilisation fund that NCVO and the wider sector had been calling for<sup>vii</sup>. More recent research has shown that there will be a £12.4bn shortfall in income across the sector this year, which further highlights the gap between the impact and the support measures announced to date.<sup>viii</sup>
15. Additionally, the BHF, like many other medical research funders, does not fit the eligibility criteria for this funding as we are not a front-line service provider or a small, community-based charity – despite us swiftly and significantly improving and increasing our patient support services. The same can be said for the additional £150m unlocked from dormant funds<sup>ix</sup> that was announced in May. There are no clear-cut support mechanisms for medical research charities within the Government's existing support schemes, including the recent university support package<sup>x</sup> which focused on bolstering university-funded research. Despite the significant value medical research charities add to science and society, there appears to be no clear recognition of the impact loss of charitable funding would have to the research ecosystem.
16. We welcome some of the measures available for charity retailers, such as 100% retail relief until 2021 and temporary measures to protect high street shops from aggressive rent collection. But there are gaps in the support that is available. For example, owing to the Government's application of State Aid rules to the Retail, Hospitality and Leisure Grant Fund (RHLGF), large charity retailers have been unable to maximise support from the fund. The RHLGF allows retailers to claim up to £25,000 per eligible retail outlet, which could be a significant factor in protecting the future of charity retail networks. However, the application of State Aid rules in relation to charity retail means this is capped at €800,000 (just over £700,000).
17. Based on there being no second peak of Covid-19, with subsequent reimplementations of lockdown measures, current estimates are that BHF shops eligible for the RHLGF will lose approximately 40% of sales this year (25% from lockdown and 15% from the remainder of the year). This equates to £40m, which is an average of £72,000 per shop. As it stands, the BHF can only claim for around 30 grants on an estate of 550 qualifying shops, which on average equates to around £1,300 per shop – far less than our projected losses. Without the full support available from the RHLGF, more than a third of our shops will make an operating loss full year despite the support from extended rates relief, furlough support and the limited grant aid currently available.

**What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those?**

**The long-term financial impact**

18. Even with the expected gradual return of activity through our financial year to 31 March 2021, we anticipate a large impact to our net income. We are also planning for the longer term in the expectation that net income levels will not return to pre-pandemic levels for some years, reflecting a combination of societal and economic disruption.
19. Since Government's announcement that all non-essential retail was able to reopen from 15<sup>th</sup> June, the BHF began to plan for a phased reopening of our charity shops from 16<sup>th</sup> June, as well as reopening our online and eBay shop from then. However, realistically our ability to raise funds through our retail operation will continue to be impacted over the medium to longer term. The Charity Retail Association has provided a reopening pack<sup>xi</sup> to support charity retailers with this reopening phase, however this remains under constant review as guidance is updated and the R number is assessed through each step of the Government's recovery strategy<sup>xii</sup>.

20. Further to undertaking a full risk assessment as required, our shops will be following Government guidance<sup>xiii</sup> to ensure they are 'Covid-19 secure' and will continue to be subject to the necessary social distancing measures and hygiene standards. In reality, this means limiting the number of customers allowed in each shop at any one time for the foreseeable future, encouraging customers to avoid handling goods and considering keeping changing rooms closed, as well as quarantining donated goods for 72 hours before sorting through stock. While these measures are necessary to keep our staff, volunteers and customers safe, it is likely to have a considerable impact on our sales. For context, last year our charity shops raised £191m for the charity.
21. Furthermore, the charity sector is having to adapt the way it fundraises as we all come to terms with "the new normal". Virtual fundraising events like the 2.6 Challenge are increasingly important revenue streams for charities. For example, the BHF 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 face-to-face or mass participation fundraising activities. For example, the 2019 London Marathon raised a record £66.4m compared to just over £11m raised by the 2.6 Challenge so far.
22. The Government's Chief Scientific Advisor, Professor Chris Whitty, said that social distancing measures will need to be in place in some form until at least the end of 2020<sup>xiv</sup>, 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, The BHF is innovating our fundraising offer, but this is unlikely to fully compensate for the loss caused by the Covid-19 lockdown measures.

#### **The long-term impact on our research**

23. Medical research charities constitute a vibrant component of the UK's world leading R&D base, supporting science from basic research through to clinical trials and ultimately better treatments for patients. In 2019, AMRC's members collectively invested £1.9 billion in UK R&D<sup>xv</sup>. Charities also invest in the UK's skills pipeline and have made long-term investments in research capacity and capability. In 2019, 17,000 researcher salaries were funded by AMRC members, including 1,750 PhD students. However, Covid-19 is going to severely impact the ability of medical research charities to fund future research and support the next generation of researchers.
24. Analysis by the AMRC estimates that given the loss of income experienced by their members, the medical research charity sector's ability to fund new research over the next 3-5 years will be diminished by at least 40%. Charities also predict having to pull back on other vital efforts, including decreasing the number of PhD studentships and research fellowships they support, pausing the ambition of big infrastructure projects, cutting funding contributions to partnerships with other organisations, and delaying flagship programmes. Any reduction in the BHF's future research contribution, currently forecasted to be approximately 50%, combined with that of other independent medical research funders, will have serious consequences for the UK's research ecosystem and could impact Government's ambition to cement the UK's position as a research superpower. This will be felt in both a slowdown in the advances we can make to tackle one of the UK's biggest killers, and in our ability to retain and attract the necessary talent to work within the UK as opportunities for funding decrease.
25. Although we are confident that the medical research charity sector will eventually recover, the impact of the Covid-19 pandemic on the UK biomedical ecosystem will be profound. To preserve the distinct contributions of the medical research charity sector to the UK's research base and to harness our role in supporting the UK's post-Covid-19 economic and social recovery, we have been working with the sector to find a medium to long-term solution for medical research charities. We, alongside

the AMRC, have proposed a scheme that provides a level of match-funding from Government for future charity research via a Life Sciences-Charity Partnership Fund.

26. More broadly, to ensure the UK does not lose its next generation of biomedical researchers and to maintain the UK's attractiveness as a scientific nation after the pandemic, the BHF will be calling for Government to provide reassurance that the UK remains open to science and research. This could include creating joint-charity funded Covid-19 recovery MRC Fellowships and full association with the next Frameworks Programme, Horizon Europe.

**What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with Covid-19, and how can DCMS support innovation to deal with future challenges as the sector evolves?**

27. Although the £750m support package for charities was welcome, the length of time it took to secure this deal as well as the lack of speed in which it was allocated and distributed, was of particular concern. However, we have been heartened by the Civil Society Minister's willingness to engage with the BHF and the wider sector and work across Departments to unlock necessary conversations.
28. We recognise that many of the support packages were designed in haste, to address the financial impact of Covid-19, however this meant that there were some unintended consequences for charities, particularly around the RHLGF. We would urge Government to continue to consider how current support mechanisms could be amended to allow charities to better benefit from these, as recommended by the Committee's earlier report *Impact of Covid-19 on the charity sector*<sup>xvi</sup>. The charity sector is going to continue to require support from Government so we would welcome continued engagement with Ministers, across all Departments, as we move through each phase of the Government's recovery plan.
29. We feel that sector representatives and infrastructure bodies have worked well to collaborate and represent the sector, particularly given the incredible pace and significant pressure they were under. However, we have not always seen the desired cut through, or willingness from Government to give the civil society sector the recognition and support it needs throughout the Covid-19 pandemic, compared to other DCMS sectors. We would encourage Government to consider how it can better prioritise the Office for Civil Society.

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<sup>i</sup> Docherty et al (2019) Features of 16,749 hospitalised UK patients with COVID-19 using the ISARIC WHO Clinical Characterisation Protocol (pre-print)

<sup>ii</sup> Office for National Statistics - Deaths involving COVID-19, England and Wales: March-April 2020

<sup>iii</sup> [PHE Emergency Department Syndromic Surveillance data to 29th March 2020](https://www.phe.gov.uk/about-us/media-centre/press-releases/2748-every-day-counts-as-charities-still-wait-for-government-support)

<sup>iv</sup> <https://www.nihr.ac.uk/partners-and-industry/industry/collaborate-with-us/cardiovascular-partnership.htm>

<sup>v</sup> <https://www.bhf.org.uk/for-professionals/information-for-researchers/covid-19-and-cardiovascular-health>

<sup>vi</sup> <https://www.bhf.org.uk/what-we-do/our-research/research-excellence-and-accelerator-awards>

<sup>vii</sup> <https://www.ncvo.org.uk/about-us/media-centre/press-releases/2748-every-day-counts-as-charities-still-wait-for-government-support>

<sup>viii</sup> <https://www.cfg.org.uk/userfiles/documents/Policy%20documents/Policy%202020/Coronavirus%20Impact%20Survey%20Report%20-%20June%202020.pdf>

<sup>ix</sup> <https://www.gov.uk/government/news/government-unlocks-150-million-from-dormant-accounts-for-coronavirus-response>

<sup>x</sup> <https://www.gov.uk/government/news/government-support-package-for-universities-and-students>

<sup>xi</sup> <https://www.charityretail.org.uk/we-have-published-our-reopening-pack/>

<sup>xii</sup> <https://www.gov.uk/government/publications/our-plan-to-rebuild-the-uk-governments-covid-19-recovery-strategy>

<sup>xiii</sup> <https://assets.publishing.service.gov.uk/media/5eb9703de90e07082fa57ce0/working-safely-during-covid-19-shops-branches-v1.1-250520.pdf>

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<sup>xiv</sup> <https://www.theguardian.com/world/2020/apr/22/uk-will-need-social-distancing-until-at-least-end-of-year-says-whitty>

<sup>xv</sup> <https://www.amrc.org.uk/covid-19-the-risk-to-amrc-charities>

<sup>xvi</sup> <https://committees.parliament.uk/publications/938/documents/7200/default/>