

Disaster Funds

Lessons & Guidance on the Management & Distribution of Disaster Funds

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for
Disaster Action
with foreword by
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Executive Summary

Since the nineteenth century, relief funds have been a common response to disasters. Yet, as one review has shown, ‘they are often fraught with potential problems that can further distress those whom they are designed to help’ (McLean & Johnes 2000:134).

Fund trustees must aim to meet the donating public’s expectations that they will use the fund, as far as is possible, to provide for the ascertainable needs of those who are victims of the disaster. In order to achieve this aim, within the limits of their legal powers as trustees, they may look for guidance on management and distribution. Limited guidance is available to local authorities and other responders on how to set up and manage disaster funds.

This report complements and builds on existing guidance. While it is especially aimed at those authorities and individuals who may become advisers, trustees, managers and/or administrators of future appeal funds, it will be of interest to others interested and involved in planning and responding to the longer term needs of those affected by disasters.

Doubts about the nature of disaster appeals should be avoided as far as possible, and those who give to such funds should know that their generosity will have the results that they intend.

The report reviews existing literature drawn from a range of fields such as law, historical and community studies and disaster management. We consulted the latest guidelines from the Charity Commissioner and the Attorney General as well as international guidance and the reflections, lessons and advice from previous trustees and beneficiaries. The opening chapters set the context for the guidance that follows by exploring the impact of disasters and the fact that people often give spontaneously and generously after emergencies. We review various forms of financial assistance and sources of guidance available in the aftermath of disaster, which those managing and administering disaster funds should be aware of.

The rest of the report presents key findings from our extensive review of previous appeal funds and implications for those administering future ones. This is presented in ‘chronological’ order, starting with issues in first launching an appeal and establishing aims, through to making initial and longer-term payments and matters concerning the residue. We examine the concept of a national disaster fund and conclude that the best solution may instead be to harness the flexibility captured in existing models for setting up bespoke appeals after particular disasters. Case study examples are included to illustrate the learning points from experience. A chapter is dedicated to presenting, in their own words, the views and advice offered by those with experience as trustees, managers and disaster fund committee members.

The report ends with a summary of the guidance and key action points for the different stages of planning, preparing, implementing and reviewing an appeal fund, as well as a summary leaflet, also available to download in the Guidance for Responders series on the Disaster Action website.

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Foreword

I welcome Disaster Action's decision to publish this guidance on the Management and Distribution of Disaster Appeals. Over a decade ago, when Martin Johnes and I started to investigate the multiple tragedies of Aberfan, we found out very quickly that the huge sympathy and generosity of people all over the world to the bereaved families of Aberfan had led to discord, not harmony or closure.

As Laurie Lee aptly wrote only a year after the disaster, the fund had become 'a source of unhappiness and division ...a vast and dismaying fortune, sprawling over the village like some great golden monster'¹, which was as threatening as the remaining colliery waste tips (for removing which, outrageously and unlawfully, the Disaster Fund later had to pay). The discord was not the fault of anybody in Aberfan or Merthyr Tydfil, nor of any of the hundreds of thousands of generous people who were touched by the disaster and wanted to give the only thing they could.

There were multiple failures of government, of regulation and of imagination after Aberfan. I would like to think we have learnt from them. This guidance may help future trustees keep their wits even while all about them are losing theirs. I am very pleased to see it.

Iain McLean

Professor of Politics, Oxford University

co-author, *Aberfan: government and disasters*, Ashley Drake Publishing, 2000

1 Lee L (1977) 'The Village That Lost Its Children', *I Can't Stay Long*, Penguin Books (page 86)

Introduction and Background

‘The final monies from two donated funds totalled nearly £7 million. The trouble came when it was shared out.’ (referring to Dunblane funds)

James 1998:22

‘We recognised that we were not in the honour and glory business – we knew what we were to do might well be unpopular. We said if we could look ourselves in the eyes and say we had done our best to be fair at the end of the day, then that was going to be sufficient satisfaction.’ (referring to Bradford Disaster Fund)

Suddards 1991:18

Background to the Project

On 3 March 2010 the BBC reported that millions of dollars in western aid for victims of the Ethiopian famine of 1984-5 was siphoned off by rebels to buy weapons (BBC News 2010). Those at the centre of fundraising efforts for Live Aid in the 1980s swiftly rebuked the findings of this BBC investigation. Whether these allegations were true or not, the point is that controversy surrounds many disaster funds, even decades after their first launch.

Disaster appeals were launched following many of the tragedies that led to the formation of Disaster Action, but many aspects of their management and distribution were complex and controversial; anxiety associated with disaster funds was a common concern among our founding members. We were mindful of the problems that had beset disaster funds before ours, such as after the Aberfan and Penlee tragedies, and that had left a negative legacy for some:

The disaster fund ‘was to become a cruelty as well as a kindness.’ (Austin 1976: 178)

‘For all the millions raised by the appeal in 1966, there is very little positive which has come out of such generosity.’ (Madgwick, 1999)

For others, though, it was clear that a disaster fund, appropriately managed, could make a huge difference to beneficiaries. The following comments from beneficiaries of the Bradford Appeal and, more recently, the London Bombings Relief Charitable Fund, highlight this:

‘Many, many thanks for everything. Without your generosity things would have been unbearable.’ (Seriously injured survivor, London bombings)

‘I should just like to express my thanks to all those who have donated to the fund, and to those administering it, who have been prompt, courteous and considerate. This has made a huge difference to me. Thank you.’ (Seriously injured survivor, London bombings)

‘It doesn’t take the memories of that day away, but it helps to know that you don’t have to go through anything like this alone, and that is why I am so grateful.’ (Suddards 1991:119)

A project to address this was on Disaster Action’s ‘to do’ list at our foundation. In August 1991 three members of Disaster Action – Barry Devonside, Jackie Devonside and Pamela Dix – prepared a discussion paper on Disaster Trust Funds that highlighted the common problem areas that seemed to arise from disaster funds, particularly discretionary ones. They drew on reports from all those funds covered by active member groups of Disaster Action at that time and also fund details available

following the earlier Hungerford and Bradford appeals.

The main problem areas identified as reflecting inconsistency, causing debate and resulting in 'emotionally charged controversy' were:

- How trustees and fund managers are chosen
- Accountability (in relation to decision-making and distribution)
- Categories of beneficiaries
- Means testing of potential beneficiaries
- Percentage of fund to be paid directly to bereaved/survivors
- Life of fund.

Disaster Action 1991:3

The paper concluded: 'At present the situation is wide open to controversy and disaster trust funds simply add to the extraordinary stress given in any disaster.' (1991:3) The authors highlighted the need for clearer advice and guidance in the setting up and administration of disaster appeal funds and recommended greater transparency about the intention and distribution of any particular fund and the criteria for the appointment of trustees.

The paper also highlighted an inconsistent approach by the then government in terms of engagement with this important area of disaster management. This was illustrated by the fact that government donations to disaster funds differed widely (e.g. the Lockerbie Disaster Fund received £150,000 and the Zeebrugge Fund £1,000,000). The criteria used to determine the amounts donated by government were unknown, while no central agency – government or otherwise – was responsible for the maintenance of records or statistics on past disasters.

This position has not changed and the idea of a project on this topic remained of common interest to us within Disaster Action. As the years went on, and further disasters and appeal funds were established, it became clear that within government no clearer advice or guidance developed relating to this area of policy and practice. Our early attempts to secure funding for a disaster trust funds project were thwarted in part by the fact that we did not know where to turn; recovery aspects of disasters are rarely a popular choice for research funding and it was not clear which part of government might be responsible for leading or supporting further work in this area.

In 2004 we contacted the Home Office and Cabinet Office who both acknowledged that existing guidance was limited in the scope of the advice they gave and expressed interest in the development of further advice on appeal funds. Unfortunately they were still unable to establish any clear Whitehall lead for this area of work - either within their own department or in others. This underlined the case for the kind of guidelines we were proposing, but meant that attempts at seeking funding support for this project remained unlikely to succeed.

Meanwhile more disasters were affecting British nationals both in the UK and overseas, with varying experiences of disaster funds. In some cases - such as after the Ladbroke Grove rail crash, the September 11 attacks and various instances of large scale flooding in the UK in recent years - disaster funds were set up and distributed to those directly affected (with important experiences and lessons which deserved collating and disseminating). In other cases funds were either not set up at all (there was no appeal fund for the UK bereaved or injured in the 2002 Bali or 2005 Sharm El Sheikh bombings), or substantial sums of money raised in the UK were destined exclusively for overseas victims rather than those affected from here (as with the Disasters Emergencies Committee Fund following the South East Asian Tsunami of 2004.) As with all disaster funds, expectations and experiences among donors,

managers and potential recipients continued to vary, often leading to further disappointment and distress on top of the disaster experience itself.

It was clear that a significant piece of work remained to be done. As the focus in UK emergency management shifted to include recovery aspects in recent years, so the relevance of understanding and addressing humanitarian aspects, including economic costs and financial implications of disasters grew.

We were therefore delighted when the Humanitarian Assistance Unit within the DCMS agreed to provide funding for this project finally to be undertaken.

Project Aims, Objectives and Methodology

The broad aim of this project is to facilitate improved performance in the management and distribution of disaster trust funds. We seek to contribute, in particular, to the prevention of negative experiences, often described as ‘a second disaster’, by future beneficiaries of disaster funds.

Our objectives have been to review the nature of the experiences of fund managers and recipients in the past, and to produce an analysis of those experiences; to develop appropriate guidelines for those administering future disaster funds; and to produce and disseminate summary information to those who may be administrators, trustees or recipients of disaster fund monies in future.

Since 1991 we have been gathering anecdotal experience and documentary information relating to disaster funds affecting our members. We have also drawn on the advice we have pooled and given to subsequent fund managers based on those experiences, most recently the London Bombings Relief Charitable Fund.

Our literature review reflected the eclectic nature of this subject and drew on fields such as law, historical and community studies and disaster management. We were mindful at the outset of the project that in the past this was not a prolific area of publication. Writing in 1991 Roger Suddards, chairman of the trustees of the Bradford Disaster Appeal Fund, had referred to the fact that when he and colleagues were charged with administering the Fund there was little published material to turn to relating to disaster appeal funds and their administration (Suddards 1991:307).

However, by the end of that ‘decade of disaster’ a body of valuable knowledge and experience had begun to develop. Suddards collated some of this in the excellent volume *Administration of Appeal Funds*, whose papers were consulted for this report. Many of the reflections, lessons and advice from trustees and beneficiaries of that time and those funds are just as relevant today; hence they are incorporated into this report and its recommendations.

We also consulted the latest guidelines, mindful that they also had developed specifically from the experience of past and recent disaster fund administrators. This included referring to the Charity Commissioners (including in the devolved administrations of Scotland and Northern Ireland), the Attorney General and the British Red Cross Society.

Since the development of the Internet, access to online information, including news reports, international experiences and other analyses of disaster funds has grown extensively. We have been able to extract useful guidance arising from the experiences of those running disaster funds in Australia and the United States and consider the implications of their government relief and public appeal mechanisms (albeit in relation to some of their rather different disaster experiences) for us here in the UK.

Finally, during the development and completion of this report we were able to consult key individuals who have offered us the benefit of their knowledge, experi-

ence and understanding of this field. This has included those stakeholders who have been and/or are continuing to plan for, implement, review and evaluate recent and ongoing disaster appeal schemes, as well as our own members within Disaster Action who, as ever, offer important views from the perspective of beneficiaries.

Overview of Contents

Chapter One sets the scene for the rest of the report by exploring the impact of disasters on levels of giving and the fact that people often give spontaneously and generously after collective, and especially community, tragedies. The ‘gift relationship’ reminds us that the intentions of donors as well as beneficiaries are significant, a point appeal fund managers need to be aware of and bear in mind. The way in which giving can be a symbolic expression of grief is illustrated in commentary on the Aberfan Disaster Fund and a survivor’s view on that experience. Throughout the rest of the report, too, key themes and issues are illustrated with case study examples from previous funds.

Chapter Two briefly reviews other forms of financial assistance available in the aftermath of disaster. Though separate from disaster appeals, we suggest that those managing and administering disaster funds should be informed and aware of other sources of financial help and support available to potential applicants.

From this broad context we move on in Chapter Three to examine current guidance in the area of disaster appeal funds and detail further reference material and useful resources. We hope those new to administering appeal funds may find these useful starting points as well as our own guidance that follows.

Chapter Four presents key findings from our extensive review of previous appeal funds and draws out key lessons and implications for those administering future ones. We have sought to present this in ‘chronological’ order, starting with issues to consider in first launching an appeal and establishing aims through to making initial and longer-term payments and issues to consider regarding spending the surplus or residue. We include guidance and examples from those who have worked through the challenges associated with issues such as assessing ‘need’ and ‘loss’, developing sensitive application procedures and managing the plethora of material gifts and other forms of giving that can converge on the offices of those managing the general aftermath of disaster.

In Chapter Five we present, in their own words, the personal views and advice offered by those with first hand experience as trustees, managers and disaster fund committee members. In Chapter Six, we consider the question of a national disaster fund, reviewing arguments made in favour of this and drawing the conclusion that rather than setting up a national disaster fund, the best solution may be instead to harness the flexibility captured in existing models for setting up bespoke appeals after particular disasters.

Chapter Seven summarises key action points for the different stages of planning, preparing, implementing and reviewing an appeal fund. A key objective for this project was to produce guidelines, in accessible and summary form, for those involved in this important aspect of disaster management, particularly authorities and individuals who may, perhaps for the first time, become managers, administrators and/or trustees of future appeal funds. These guidelines can be found in Appendix 1, also available to be downloaded directly from the Disaster Action website.

Chapter 1 The Spirit of Giving: The Impact of Disaster and Donations

In Britain today we have become familiar with idea of public giving to charitable causes, especially after disasters. When disaster strikes, a common reaction is for people to donate money, gifts and services aimed at relieving the distress of those affected by tragedy. It is often said that money can never bring a loved one back, nor replace the loss cause by traumatic death or injury. But the giving and receiving of funds aimed at relieving suffering and distress after disaster can make a difference. As Aileen Quinton, whose mother was killed in the 1987 Enniskillen Remembrance Day bombing puts it: 'Money won't bring a loved one back, but not having it doesn't either.'

Feedback from beneficiaries has highlighted this important point about the difference financial assistance can make:

'We as a family, will find the money will lessen the burden and help to make Christmas a happier one.' (Suddards 1991:146)

'Thank you all so much for your hard work over the last eight months. You've been amazingly helpful. The money has made such a difference to my life - thanks again, kind regards.' (Seriously injured survivor, London bombings)

'Thank you so much for your help. It has taken away one trouble, money worries, and so made our great troubles just that little bit more bearable.' (Bereaved relative, London bombings)

Changing forms of news and social media enable us to hear about disasters and their human impact much sooner, more vividly and more extensively than ever before, while on-line giving has enabled donation to be as easy and convenient as a mouse click away.

While giving after disasters is not unusual, it is by no means uniform in amount or manner. Nor is it uncomplicated and without controversy as stories of scams, bogus appeals and the mismanagement of funds frequently seem to highlight.

What lies behind the spirit of giving? Darren's letter from Suddards (1991:303) which is reproduced below encapsulated the spirit of the Bradford Appeal Fund and the poignant motivation behind one group's initiative.

The Spirit of the Fund

MAY 25TH.

Dear Lord Mayor,

We are 12 Boys, oldest 12 down to 8 yrs 11 months, names 3 Darrens, 2 Stephens, 2 Kevins, Keith, John, Mark, Shaun & David. We send £7.55 to Your Fund & hope the Burned People in Hospital will soon be better.

This is how we got the Money. We put an old large carpet down in my Dad's Garden on the Grass & borrowed some chairs & forms & had a Wrestling Tournament of 6 Fights with Dads & Mums & Friends & other Kids watching & we collected £5-15 from them & we all gave 20p each & that made it £7.55 all.

We wrestled in Swim Trunks & it was a bit cold before you started but soon warmed up & we were hot & tired when we finished. They were all Super Fights. 2 Kids won 2 Submits to 0, 2 Kids won 1 Pin Fall to 0. 1 Drew My Fight 1 Submit each. He got me with a Head Lock but I got him with a lovely Body Scissors I was very pleased with, so it was a Draw. The 2 little Kids drew 0-0 but they wrestled great & nearly made each other Submit. We were very proud of them as they are very small & were very good Kids to have a Go.

We all enjoyed it very much but what was best was that we had done our little bit to help the poor people who were in that Blazing Stand.

We have not said were we live cause one of our Dads ~~thinks~~ said someone might want some VAT or something & praps we ought to have a Licence to wrestle with people paying Money.

I am the oldest Darren & want to say God Bless You & Your Fund & Help You & Help the people in Hospital to get Better.

Love
From

Darren

P.S. and the rest of the Kids.

The 'Gift Relationship'

Why do people give to others, and especially so spontaneously and generously, to disaster appeals? Social scientists offer a view on this question regarding a gift as an expression of the relationship between donor and recipient. A history of research into the relationship between giver and receiver across different societies suggests that gift giving, including in the form of money, often has symbolic as well as economic value.

Often it is a reciprocal relationship with the giver benefiting in some way from donating as well as the receiver (Marshall 1998). Certainly, from the inappropriateness of some donations, it appears that giving may seem to say more about the feelings and wishes of the giver than reflect much reasoned thought about how best to address the needs of the receiver.

Giving after Disaster

In today's capitalist, individualistic society one might ask why people give to disaster funds, often readily and without expressing how it should be spent, when there is no obvious, direct or measurable benefit to themselves, and when even the exact manner in which their donation may ultimately be disbursed is less than clear.

'The feeling that stirred the nation was a sympathy expressed in money because there was little other way to convey it. It was, perhaps, given without thought for the use it would be, although in the first few days there was no clear knowledge of what help might be needed. *Too much was better than too little*'. (Austin on the giving after the Aberfan disaster in 1966, our italics (1974:165))

Put simply, what is the motive for giving and what do donors expect, if not for themselves then for those on the receiving end and those managing such donations? These questions are important not only because they tell us something about the motivation and expectations of donors and potential beneficiaries but also because they may carry important intentions and indications for trustees and fund managers tasked with administering and distributing disaster funds.

There is clear evidence, as indicated in the table below, that disasters can generate an enormous spirit of giving, albeit exceptional and short-lived and not universally across all tragedies.

McLean and Johnes have included the Diana Memorial Fund in the table below not because it was a disaster fund that sought to relieve the needs of the bereaved but because it dramatically illustrates the effect of an event that provoked a huge emotional response. (2000:150)

Many have argued that disaster funds enable the public to express symbolically their sympathy and common feeling of grief, as illustrated by the reviews of Aberfan below. McLean and Johnes suggest that the role of disaster funds as a gesture of a shared sense of grief developed further in the 1980s, with the advent of donations from the UK government expressing the nation's horror at a disaster. (2000:148)

Public Response to a Selection of Disasters

Data sourced from: McLean and Johnes (2000:151)

Disaster	Year	Death toll	Disaster Fund £ (some figures approximate)	Equivalent in £1999*	Equivalent in £1999* per fatality **
Aberfan	1966	144	1,750,000	19,620,593	136,254
Ibroy Park	1971	66	315,000	2,570,423	38,946
Summerland	1973	50	84,782	554,953	11,099
Flixborough	1974	28	50,000	291,679	10,417
Moorgate	1975	42	8,500	41,140	980
Penlee	1981	8	4,000,000	9,208,824	1,151,103
Bradford City	1985	56	4,250,000	7,225,750	129,845
Manchester Aircraft Fire	1985	193	None known	0	0
Herald of Free Enterprise	1987	31	4,000,000	6,802,409	26,434
King's Cross	1987	31	628,000***	1,067,978	26,434
Piper Alpha	1988	167	4,590,000	7,365,487	34,496
Clapham	1988	35	483,796	766,338	10,719
Lockerbie	1988	270	2,000,000	3,209,363	11,887
Kegworth	1989	47	None known	0	0
Hillsborough	1989	96	12,200,000	18,198,328	189,566
Marchioness	1989	57	86,000	128,281	2,251
Dunblane	1996	16	7,000,000	7,615,784	475,987
Death of Diana	1997	3	100,000,000	105,481,198	35,160,399

Notes:

Round numbers indicate approximate figure.

Sources for fund totals: respective trustees' reports and contemporary press estimates.

* All funds expressed in £1999 (3rd quarter). Source: RPI (latest), from Office of National Statistics, economic trends, various issues.

** Column 6 equals column 5 divided by column 3, after deducting government and company gifts to funds.

*** Sum raised in first month only (first four weeks)

In analysing differential patterns of giving across disasters, as summarised in the table reproduced above, they identify a number of factors contributing to the extent of the public's generosity, namely the inclusion of children among those killed, the closeness of the disaster to family events such as Christmas, media portrayals of the victims and where the deceased are part of a wider but clearly identifiable group: 'Surprisingly, the most reliable predictor for a massive disaster fund is not children but community....Donors react much more generously when disaster hits a community than when it hits a collection of people gathered together at work, or by chance in a boat or train or plane.' (2000:150, 151)

The idea of a disaster appeal playing a part in community recovery processes is more actively promoted by those with experiences where communities are frequently physically and emotionally devastated by large-scale disaster. In Australia, for example, the potential role of the disaster fund to represent healing within communities is explicitly expressed in guidance to appeal fund managers: 'The significance of public appeals as a recovery symbol for a community should be recognised by all involved in the management of appeal funds.' (Emergency Management Australia 2002:10)

On the Receiving End

It is somewhat ironic, then, that disaster funds can have the opposite effect too, potentially fragmenting communities and exacerbating differences and divisions among bereaved people and survivors already suffering from the primary impacts of disaster. Such unintended consequences are certainly far removed from the original emotions that often underpin spontaneous giving, as the example below from Aberfan shows.

For some beneficiaries though, the generosity and care of others can help to restore a sense of faith in humanity, which had been damaged by the experience of disaster:

‘I would just like to express my thanks to the many donors and the workers of the charity for enabling one small part of peace in the last few months. It is a comfort to know that the human spirit is alive in strangers.’ (Bereaved relative, London bombings)

‘Please could you convey my thanks to your trustees and if there is any way possible let the public know the good their generosity has achieved.’ (Recipient of a discretionary grant, London bombings).

‘I would like to thank everyone for their wonderful help. The money has been a great help in paying bills and other things. It is good to know that there are some decent people left around who gave to the fund and helped out.’ (Bereaved relative, London bombings)

Aberfan

Giving as a Symbolic Expression of Grief

On the morning of 21 October 1966, 144 people, 116 of them children, were killed when a tip of coal waste slid onto the small industrial village of Aberfan in South Wales. Almost two in every five residents was directly bereaved. (Wells 1995:91) On the evening of the disaster the Mayor of Merthyr Tydfil launched an appeal with the purpose of relieving hardship and rehabilitating the village.

The public response was overwhelming and by the time it closed the Fund had reached £1.75 million. Such a huge response was attributed to a number of factors, namely unprecedented media coverage, including internationally; the suffering of large numbers of children, and at their primary school; and the sense of responsibility deriving from the enjoyment most people in Britain had gained from the availability of cheap coal. (Wells, 1995:91)

In a detailed description of the effects of the disaster within the local and wider community, Tony Austin described the symbolic impact and reaction to the tragedy. He sees the disaster fund as a response to the subconscious feeling that the disaster could not only be blamed on those immediately and directly responsible:

‘Grief at death is commonly associated with self-doubt, self-questioning & guilt. Aberfan was a communal disaster and – briefly – a national grief. In the sense that cheaper coal was enabled by the tips close to coal mines there was a communal responsibility. The disaster had been payment for inattention to precaution. The price was children; the price could also be attuned by subscription to a fund for compensation for loss.’ (ibid)

Consequently ‘the world outside, which was so kind, was also bewildering. It sent

gifts, offered holidays, debated its own contribution and criticised itself for its charity.' (Austin 184)

Gaynor Madgwick, a child survivor at Aberfan, has written about the impact of such generosity from the receiving end. In the aftermath of the Dunblane shootings and in response to reports of compensation claims and 'obsession with money', she wrote in the *Daily Mail*:

Money is Not the Answer: A Survivor's View

In my experience, the narrow focus on money only distracted from people's ability to come to terms with the disaster. Instead of working together, arguments sprang up, friends fell out with each other, even greater stress was caused and the needs of the traumatised, especially the children, were neglected.

The Aberfan rows over money took a number of forms. There was concern that inadequate records had been kept, which meant that it was not clear exactly where and how the vast proceeds, which had been donated by the public to the disaster fund, had been spent.

Stories have long been circulating that jewellery and valuable coins sent in by the public were never accounted for. The question constantly asked in the village is: where has all the money gone?

The suspicion was that tens of thousands from the appeal funds never reached those in need. Then there was the envy that some less deserving cases had been awarded more than their fair share. Grieving families were given only £200 for each child they had lost. As a survivor, I received £3000 - less than some people who had never been hospitalised or lost any siblings.

Above all, there was the fierce and understandable anger directed at the National Coal Board, which was seen as responsible for the deaths because of its failure to take proper precautions around the coal tip. These feelings reached a crescendo when it was said in the village that the NCB had taken £150,000 from the Disaster Fund to pay for the removal of the coal tips. We felt like strangling the NCB managers when we heard that.

The great danger though is that something constructive can rarely come out of such bitterness, especially in a very close-knit community such as Aberfan. The eagerness to pass blame or to dwell on anger can feed on itself, consuming people in even greater misery.

So it has proved in my village. For all the millions raised by the appeal in 1966, there is very little positive which has come out of such generosity.

Even the Aberfan Community Centre, established through appeal proceeds, is no longer in the village's hands after claims of mismanagement. It is run by the local council and we have to pay to use it.

The lesson of Aberfan...is that money is not the answer. ...Not a single child will return because of the award of damages, nor will it help to overcome the trauma. ... Instead we need to look at other ways of helping these communities, such as building better facilities for children and young people, or providing networks of support.

Daily Mail, 19 March 1999

Chapter 2 Other Forms of Financial Assistance after Disaster

It is important to note that disaster funds differ from most other sources of financial support after disaster. They make payments to the injured and bereaved from money given as a gesture of sympathy and support by the public to those affected. In this sense a distinction must be made between disaster trust funding and other financial mechanisms such as compensation.

It is not the purpose of this report to discuss in detail all forms of financial assistance available in the aftermath of disaster. However, those managing and administering disaster funds will wish to be aware of other sources of financial help and support available to potential applicants to their appeals.

Here, therefore, we give brief details about other ways in which financial needs might be addressed. Particular emphasis has been given to assistance available within the UK, though examples of assistance beyond the UK are also included.

Compensation for damage, injury or death

Those affected by a disaster may have a claim for compensation against a defendant company who is liable for the injuries and deaths. If the defendant corporation is found to have acted negligently, or, more commonly, admits liability without a court making a finding of negligence, it will be under a duty to pay personal injury damages to those who have been injured and, in some cases, to the bereaved who were financially dependent on the person who has died.

The stated aim of civil compensation is to put the injured, and the financially dependent bereaved in the financial position in which they would have been had the disaster not occurred. This, in the majority of cases, is achieved by payment of a lump sum representing not only calculable amounts such as loss of earnings, but also pain and suffering and future losses.

The compensation process is long and difficult and claimants often find that they are not in a position to receive the damages to which they are entitled for some time after the event. Along the way, a great deal of pressure is often put upon claimants to settle for less than they may have expected rather than wait for a costly trial, where they risk losing everything if, for example, the defendant corporation's lawyers have made a 'payment into court'.

Where the act of the defendant corporation is not merely negligent, but amounts to a criminal offence of gross negligence causing manslaughter, there may be a prosecution of the corporation and the court could, on a guilty verdict, award criminal compensation to the bereaved. This is likely to be a very rare occurrence.

While personal injury compensation will be part of the picture in, for example, a transport disaster where there is a defendant company that may be found negligent, the legal landscape is very different in cases of natural disasters, such as the Tsunami, since there is no defendant and therefore no civil claim to pursue. It will also be very different for those affected by an act of terrorism, where the injured and bereaved are victims of crime and therefore reliant on the state to provide financial assistance through criminal injury compensation schemes.

The existence, nature and level of compensation for victims of crime vary from country to country. The US Department of Justice, Office for Victims of Crime publication *International Crime Victim Compensation Program Directory* lists countries with criminal injury compensation schemes at <http://www.ovc.gov/publications/infores/intdir2005/welcome.html>

Criminal Injuries Compensation Authority (CICA)

In England, Scotland and Wales CICA is the government body responsible for administering the Criminal Injuries Compensation Scheme. It provides a free service and financial support to victims of violent crime, including after terrorist attacks. All CICA decisions about eligibility and levels of payment follow the latest set of rules under the Criminal Injuries Compensation Scheme introduced on 3 November 2008. Information about how applications are handled and how awards are paid is available on the CICA website or from their telephone helpline.

Following a review of its services to those affected by the 7 July London bombings, in 2009 CICA produced a 'Guide for Victims of a Major Incident' summarising information for those involved about getting compensation from CICA. This Guide, intended to be read alongside the latest guide to applying for criminal injuries compensation, covers eligibility criteria, levels of awards payable and application procedures using bespoke forms developed for major incident scenarios. The Guide also refers to CICA making available experienced case officers in its Major Incident Team who can be telephoned on a freephone number by potential applicants.

After the shootings in Cumbria on 2 June 2010, a bespoke page on the CICA website was set up to signpost potential applicants to tailored forms and guidance. Applicants were directed to two core application forms for those affected by the shootings (one for those injured and one for those bereaved in the incident). A link was also made to four further forms for applicants to access and complete as appropriate and covering circumstances such as applying on behalf of a child and claiming for loss of earnings as a result of the incident. A snapshot of this page (<http://www.cica.gov.uk/Major-incident/>) is reproduced overleaf.

The Compensation Agency, Northern Ireland

Northern Ireland has its own compensation scheme for UK nationals who are injured or bereaved in violent crime that occurs in Northern Ireland. The Northern Ireland Criminal Injuries Compensation Scheme, established in 2009, administers a tariff-based scheme for the payment of compensation in cases of criminal injury, where the injury was sustained on or after 1 April 2009 in Northern Ireland.

The EU Compensation Assistance Team (EUCAT)

Compensation for victims injured or bereaved in criminal acts overseas is not available through the CICA. However, UK residents injured because of a criminal injury in another European Union (EU) country on or after 1 July 2005 can apply for compensation from that country.

The EU Compensation Assistance Team (EUCAT) based in Glasgow offers help with accessing information about the system of compensation in other countries, application forms and other documents and information about where to send completed forms. They have produced a leaflet entitled 'Applying for criminal injuries compensation in other EU countries', which gives further details on the level of service one can expect to receive and includes a list of the countries currently in the European Union.

Cumbria

Tel: 0800 358 3601



**criminal injuries
compensation authority**

a government funded scheme - putting victims first

[Home](#) | [Can I apply?](#) | [How can I apply?](#) | [Apply online](#) | [FAQ](#) | [What happens next?](#) | [About us](#) | [Cumbria shootings](#)

Cumbria shootings

Applying for compensation

To find out the best way to make your application for compensation, please call our telephone helpline on 0800 358 3601*. We may be able to take your claim over the phone, or post you an application form.

*Calls are free from landlines in the UK but there may be a charge if you ring from outside the UK or on a mobile phone. All calls are monitored for training purposes.

Printing your own application forms

If you would prefer, you can print the application forms from this website:

We have two core application forms for those affected by the shootings in Cumbria on 2 June 2010. There are four extra forms covering, for example, if you are applying on behalf of a child or telling us that you want to claim for loss of earnings. Follow the three stages below, and only fill in the forms that describe your situation.

You will probably need to print out around 10 pages of A4 paper to complete your application.

Stage 1

Decide which core form you need: (If you are applying on behalf of someone else, fill in the form that applies to them)

-  [I was injured in the major incident](#)
-  [A loved one was killed in the major incident](#)

Stage 2

Decide if you need any other forms:

-  [I am claiming for loss of earnings or special expenses](#)
-  [I am applying on behalf of someone under 18](#)
-  [I am applying on behalf of an adult who is legally defined as incapable of managing their own affairs](#)
-  [I am applying as a representative \(e.g. solicitor\)](#)

Stage 3

Print your forms, fill them in and post them to us at the address given at the top of the core form. If you fold the forms in half, they will fit in an A5 envelope and this will be cheaper to post.

Related Documents

-  [Major Incident Guide](#)
-  [Guide to the Criminal Injuries Compensation Scheme](#)
-  [Criminal Injuries Compensation Scheme 2008](#)

Need any help?

You can get free confidential support from [Victim Support \(England and Wales\)](#) / [Victim Support \(Scotland\)](#), the national charity that helps people affected by crime.

Specific support may also be available from the [British Red Cross](#).

Accessibility
Freedom of Information
Data protection
Disclaimer
Recruitment



Victims of Terrorism Overseas Compensation Scheme, 2010

In 2010 the Labour government announced the introduction of a new scheme to provide the innocent victims of foreign terrorist attacks financial compensation. The scheme, which is included in the Crime and Security Act that gained Royal Assent in April 2010, will apply to designated terrorist acts that occur outside the United Kingdom. It broadly mirrors the existing domestic criminal injuries compensation scheme, which compensates blameless victims of violent crime in England, Scotland and Wales who have no other recourse to compensation.

As with the domestic scheme, compensation awards will be calculated according to a tariff based on the seriousness of the injury. Eligibility for compensation will be limited to British victims and nationals of a member state of the European Union and European Economic Area with a sufficient connection to the UK. Once in place, the Glasgow-based, Criminal Injuries Compensation Authority will administer the scheme.

The British Red Cross Relief Fund for Victims of Terrorism Abroad

Since 2006 the British Red Cross has administered a relief fund for UK victims of terrorism abroad. This fund was set up as an interim measure in 2006 at the request of the government to assist victims of terrorist attacks overseas.

Under the scheme, charitable grants of up to £15,000 were available to help people to deal with the financial difficulties they may experience. An immediate payment of £3,000 was made to people who had been bereaved or seriously injured. A further payment of £12,000 was made available to the bereaved, and those people who been hospitalised for five days or more, or need continuing outpatient appointments. The grants were not compensation for what victims have suffered.

Money from this fund was also made available to victims of terrorist attacks overseas that took place between 1 January 2002 and March 2006 who had not received any other form of financial assistance and who were known to be still experiencing financial difficulties. These payments were made to people who had not received any other form of financial assistance.

Following the Labour government's introduction of the new overseas compensation scheme (see above) and then the change of government in May 2010, the role and relationship between the two different and separate schemes outlined above is being reviewed.

At the time of writing, and until arrangements going forward are finalised, in the event of a terrorist incident overseas, the Red Cross would continue to provide financial support to affected UK citizens (still currently up to £15,000). The arrangement will be reviewed following the introduction of the government scheme, to be administered by the Criminal Injuries Compensation Authority (CICA).

Government (Natural) Disaster Relief Schemes

Recent events such as flooding in 2005 and 2007 and again in Cumbria in 2009 have highlighted the severe financial impact of natural disaster on UK citizens. In the UK there is currently no government disaster relief scheme covering events such as natural disasters within its borders. However, in some countries more frequently prone to large scale, natural disasters financial mechanisms are in place to assist the recovery of communities whose social, financial and economic well-being have been severely affected by a natural disaster.

In Australia, for example, under the Natural Disaster Relief Arrangements (NDRA) government funding (at state, territory and commonwealth level) provides assistance after events such as floods, storms, earthquakes and bushfires to cover meas-

ures such as personal hardship and distress payments, concessional loans to small business and certain psychological counselling. Implementation of measures, means tested limits and the dollar value of assistance are determined at state level within the parameters of the NDRA, which provides general intent and conditions of assistance. (EMA 2006:8)

In the United States federal assistance is available for necessary expenses and serious needs caused by disasters. ‘Disaster Assistance’ refers to money or direct assistance to individuals, families and businesses in an area where property has been damaged or destroyed and whose losses are not covered by insurance. (FEMA - the Federal Emergency Management Agency 2010) The funding covers areas such as funeral and burial costs, medical and dental costs, housing (including temporary accommodation, repair and replacement), clothing, household items, fuel, clean-up items, disaster damaged vehicles and moving and storage expenses related to the disaster. In addition, the Crisis Counselling Assistance and Training Program (CCP), is designed to provide supplemental funding to states for short-term crisis counselling services to people affected in presidentially declared disasters.

The nature, frequency and impact of UK disasters are currently far less extensive than that in many other countries. However, in reviewing aspects of financial assistance and disaster recovery in relation to future risk profiles, the UK government might wish to consider the different options, experiences and lessons available from abroad. The question of a national disaster fund for the UK is considered further in Chapter Six.

Benefits and other Government Financial Support

The Department for Work and Pensions (DWP) is the lead government department for welfare as well as work and pensions in Britain. It provides financial support for those claiming disability benefits and their carers (through the Disability and Carers Service) and supports people of working age from welfare into work through its executive agency Jobcentre Plus.

Information about benefits and financial support can be accessed through the Directgov website (see Appendix 3), which includes a beginner’s guide to benefits, a ‘benefits adviser’ online tool and useful contact details, as well as links to free help and advice organisations. In addition the Department for Work and Pensions website contains detailed guidance for professionals.

For those unfamiliar with the mechanisms of the welfare state, accessing support – particularly forms of help and support that may be needed after disaster - the bureaucracy of the benefits system may necessitate specialist advice and advocacy. An example of this is after the 2007 flooding in parts of Yorkshire and the Humber, when Jobcentre Plus put in place a series of special measures to ensure that people in need could access social fund services (in particular crisis loans and community care grants) more easily. Details of this case study are available at http://www.cabinetoffice.gov.uk/ukresilience/response/recovery_guidance/case_studies/y4_jcp_yandh_floods.aspx.

Although it sets out how this particular case was actioned, the contacts referred to in the flooding case study were for that situation only. Those seeking future advice should contact the Department’s executive team at the email address in Appendix 3, which should ensure contact with the correct DWP agency taking the lead on a particular issue.

Insurance

While it should be noted that the purpose of any disaster trust fund is not to replace the need for personal insurance, such insurance, in any case, is unlikely to cover the full range of need that will be experienced by survivors and the bereaved.

The existence - or not - of insurance cover, as well as under-insurance, presents additional challenges for appeal fund managers: 'The quantum of assistance from appeal funds to applicants whom have either insured, not insured or are underinsured, presents an eligibility dilemma to fund managers. The difficulty is to achieve equity between the three groups.' (EMA 2006:16)

Australian guidance for appeal managers emphasises that the distribution of appeal funds should not act as a disincentive to people taking out normal insurance. It highlights the fact that the reasons for non-insurance may be many and varied and range from a positive decision not to insure through to unavailability, lack of affordability or oversight, arguing that it is neither possible nor the prerogative of appeal committees to make moral judgements about why people do not insure and/or underinsure. Rather it is incumbent upon those managing appeal distributions not to leave sections of the community in sub-standard circumstances. (2006:16)

Many travel insurance companies have traditionally excluded acts of terrorism from their policies, something that often only becomes known to those who take out insurance once a terrorist incident occurs in which they are caught up. Increasingly, because of pressure from groups such as those directly affected by the Bali and Sharm El Sheikh attacks, insurance companies are now including terrorism, a development commended by the British Insurance Brokers Association (BIBA) earlier this year. In a statement on 22 January 2010, welcoming the government's compensation scheme for British victims of terrorism, BIBA estimated that about a third of policies still did not have any terrorism protection and urged insurers to include this cover as soon as possible, given that travellers will rely on their insurer helping them if they are caught in a terrorism incident abroad. (BIBA 2010)

In relation to flood insurance, following the floods of 2007 the ABI and the government (and the devolved administrations) reached agreements to ensure flood insurance would remain widely available both in the immediate and longer term. The revised statement of principles, published on the ABI website, apply from 1 August 2008. It remains subject to additional review in the event of any significant external shocks, such as a withdrawal of flood reinsurance. The statement of principles will not apply to any property built after 1 January 2009. (ABI 2010)

This brief review has highlighted other forms of assistance that may, depending on the circumstances of a disaster, be available to people affected. While this forms part of the broader context in which disaster funds may be distributed, our attention now turns to specific advice and guidance relating to disaster appeals.

Contact details for the organisations referred to above can be found in Appendix 3.

Chapter 3 Existing Guidance and Further Useful Reading

This chapter briefly outlines UK guidance, with the exception of the final reference, which draws on economic and financial aspects of disaster recovery in Australia in relation to their implications for the UK.

Disaster Appeals: Attorney General's Guidelines

Document reference: The Charity Commission CC40
<http://www.charity-commission.gov.uk/publications/cc40.asp>

The Charity Commission has published guidelines for England and Wales, produced by the Attorney General, outlining the different forms of appeal, suggested wording, and the pros and cons of using different types of trusts. The guidelines link to information on the tax treatment of funds (detailed below).

These guidelines were first published after experiences such as the Penlee Lifeboat Disaster Fund (see page 32). They reflected the Attorney General's concern that doubts about the nature of appeals should be avoided if at all possible, and that those who answer an appeal should know that their generosity will have the results that they intend. The guidelines have been updated in line with current legislation. However, they are inadequate for addressing in detail all the kinds of circumstances that have arisen in disaster funds since that time, and thus while a useful first step should be read in conjunction with the more detailed guidance in this report.

While the HMRC guidance on disaster appeals applies to Scotland too, there are a number of differences in charity law and the regulation of charities in Scotland and England and Wales. While a disaster appeal may seek to be registered as a charity in Scotland, it would not automatically be one by virtue of it having charitable purposes. This also means that it would not automatically be subject to regulation by the Office of the Scottish Charity Regulator (OSCR). Having said this, not being registered as a charity in Scotland would not prevent an appeal from raising funds in Scotland; nor would it mean that it was not eligible for tax relief.

The first ever Charities Commission for Northern Ireland (CCNI) was launched in June 2009. This new body will have considerable powers under new legislation to regulate, monitor and, where required, investigate charities. Information on how the CCNI is developing guidelines and rules on how the Commission will carry out its tasks is available on the following website: <http://www.dsdni.gov.uk/ccni.htm>.

Guidance on the Tax Treatment of Appeal Funds

Document reference: HMRC TSEM1530- An introduction to trusts: new appeal fund
<http://www.hmrc.gov.uk/manuals/tsemmanual/TSEM1530.htm>

The Inland Revenue and HM Customs and Excise have jointly produced guidance on the tax treatment of appeal funds, which complements the Charity Commission's guidance. This explains the tax implications when funds are set up in response to an appeal and gives information about tax and VAT issues for funds set up as trusts. There are sections about what organisers and trustees need to do and about the tax treatment of people who benefit from the trust. Information is also available from the Inland Revenue Charity Helpline (0845 3020203).

The Hallmarks of an Effective Charity

Document reference: The Charity Commission (CC10)
<http://www.charity-commission.gov.uk/Publications/cc10.aspx>

This guidance produced by the Charity Commission for England and Wales offers a framework of good practice that includes the relevant regulatory requirements. Most of the guidance is concerned with what the Commission, as a charity regula-

tor, has identified as basic good practice principles or 'Hallmarks'. It is designed to work in a complementary way with - not in place of - other guidance, standards and codes of governance that charities may use. In setting out the standards that will help trustees to improve the effectiveness of their charity, the guidance identifies six Hallmarks and ways in which these might be demonstrated. The guidance also includes references to other sources of useful information, codes and standards.

Charity Reporting and Accounting: The Essentials

Document reference: The Charity Commission (CC15a)

<http://www.charity-commission.gov.uk/Publications/cc15a.aspx>

The law sets out a framework for reporting and accounting by charities, which is supplemented by 'The Statement of Recommended Practice (SORP): Accounting and Reporting by Charities'. This is developed by the Charity Commission and the Office of the Scottish Charity Regulator in collaboration with the SORP Committee. Last updated in 2008, the Charities SORP summarises how charities preparing accruals accounts should apply accounting standards to these accounts. It also outlines requirements and good practice for preparing the trustees' annual report and is available from the Charity Commission.

'The Essentials' document is available from the above link. This guide has been published to help trustees apply a legal framework to their charity. This guidance builds on the principle that effective accountability is about more than just complying with the law. It highlights for trustees what is required of their charity by law and suggests how they can get the most out of the exercise for their charity, its supporters and beneficiaries. The aim is to assist charities in providing an open, accurate and timely picture of their performance and aspirations.

The guide also signposts trustees to other helpful information. The latest version of the guidance incorporates the changes introduced by the Charities Act 2006 and changes, for charitable companies, brought into effect by the Companies Act 2006 with effect for financial years beginning on or after 1 April 2008.

Further details about the Charities SORP are available from the Charity Commission website.

The British Red Cross Disaster Appeal Scheme

Document reference: Disaster Appeal Scheme

<http://www.redcross.org.uk/standard.asp?id=82677>

Since its launch in 1991, the British Red Cross Disaster Appeal Scheme has offered help and guidance to local authorities across the UK in setting up and administering donations of money received following a disaster or major emergency. As a major humanitarian organisation it has experience of raising and distributing the income as a fund within the charity and its involvement confers a credibility that is respected by the donating public and major high value corporate donors.

The aim of the Disaster Appeal Scheme is to rapidly deploy Red Cross resources to raise funds and then distribute money – cheaply, quickly and sensitively – to support people affected by a major incident in the UK. Working in partnership with local authorities, it uses its resources and staff to instigate an effective emergency appeal fund quickly.

In 2008, having reviewed its response to incidents such as the London bombings and flooding disasters, the British Red Cross updated and replaced its generic Disaster Appeal Scheme with its current version (June 2008). This offers local authorities the opportunity to contact the British Red Cross in the event of their deciding to launch an appeal and to discuss working in partnership with the Red Cross to a

greater or lesser extent as appropriate.

In the event of a large-scale disaster that would benefit from a single, overarching or UK-wide appeal, the Red Cross suggests that its leadership will produce a more effective fundraising response than a range of smaller local appeals. In such a scenario, the Red Cross would be able to play a primary role in coordinating the overall response, and tailoring the eventual distribution towards specific regional and local needs.

This latest Disaster Appeal Scheme offers guidance on establishing a steering group, launching and eventually closing an appeal and distributing the appeal money. As an emergency response organisation the Red Cross makes no charge for normal running costs and use of its staff and equipment, but does charge to recover direct costs associated with raising funds for the scheme. This may include advertising, processing donations, agency fees and additional staff.

The Red Cross has developed more detailed operational guidance for use by its internal staff. The internal operational guidance suggests quality standards for grant making that should be used as a checklist for the managers of the Disaster Appeal Scheme. This checklist suggests standards for the following areas: governance, strategy, application and assessment, monitoring and evaluation, communication, engagement with beneficiaries, financial procedures, personnel and risk management.

Administration of Appeal Funds

Document reference: *Administration of Appeal Funds*, Roger Suddards, (1991) Sweet and Maxwell, London

This book consists of a volume of papers compiled by solicitor Roger Suddards in 1987, Chairman of the Trustees of the Bradford Disaster Appeal, which was established after the fire disaster at Bradford City Football Club in 1985. Building on the fact that his own experience of administering a disaster fund was greatly helped by the experience of others, the first part of the book gives details of the background, internal papers and formal documents constituting the Bradford Disaster Appeal discretionary fund and charitable trust. The author offers these details in the hope that they might help others faced with similar problems in running future funds by enabling readers to “journey” with me through the twelve months of activity commencing with the inception of the appeal through to the distribution of the fund’. (1991:9)

The second part of the volume collates the papers, documentation and guidance based on experiences gained through the administration of other appeals in the 1980s, including those following the disasters at Zeebrugge, Lockerbie, Hungerford and Hillsborough. This book will be relevant to anyone interested in the issues and reality of managing and distributing disaster funds, including category one and two responders, emergency planners and chief executives, voluntary and community organisations and legal professionals.

Economic and Financial Aspects of Disaster Recovery

Document reference: *Economic and Financial Aspects of Disaster Recovery*, Emergency

Management Australia, 2002, Manual 28.

http://www.ema.gov.au/www/emaweb/emaweb.nsf/Page/PublicationsAustralian_Emergency_Manual_Series

This publication is part of the Australian Emergency Manual Series, an extensive set of manuals developed to assist in the management and delivery of support services in a disaster context. It comprises principles, strategies and actions, compiled by practitioners with management and service delivery experience in a range of disaster events. The purpose of this manual is to provide a national reference for best practice guidelines on economic and financial aspects of disaster recovery in Australia, and it includes a section on Public Disaster Appeals. Although the guidelines refer to the specific financial and legal mechanisms in Australia, the general principles and experience captured is relevant to UK readers.

Australian experiences suggest there is a need to have procedures for handling public appeal funds available for use in the event of significant disasters. Thus their disaster appeal guidelines have been developed to assist those involved in the management of an appeal fund, perhaps for the first time and under the pressure of time constraints. They cover a range of matters in the establishment and administration of appeal funds including the determination of those who should benefit from the fund and the criteria for making grants. Helpful appendices include an alphabetical list of likely losses for which assistance may be provided and details of the kind of information that may be useful to consider in the development of application forms. Brief case studies are included in the manual to illustrate the lessons identified from the provision of post-disaster economic and financial assistance after the Port Arthur shootings (1996) and substantial flooding disasters.

London Bombings Relief Charitable Fund: Evaluation of Grant Making

Document reference: 'London Bombings Relief Charitable Fund (LBRCF): Evaluation of Grant Making', Annabel Jackson, 2007, Annabel Jackson Associates, Bath

This report was commissioned as an independent review of the fund established after the 7 July 2005 London bombings. The fund went on to win an award at the Charity Awards 2006 for innovative grant making as well as the most effective charity award. The review includes thorough details of the background and establishment of the fund and critiques the nature and effectiveness of its grant-making procedures. The methodology for the evaluation consisted of a review of documentation, analysis of grant making, interviews with staff and trustees from the LBRCF and interviews with other stakeholders. The intended audience for the report includes emergency/disaster relief organisations and others who might have to make similar arrangements in future as well as grant-making organisations and the wider charity sector.

The review should be read alongside the fund's 'Lessons Learned' report (Barnard and Stone, 2006). Compiled as part of the Charity Effectiveness Award sponsored by The Worshipful Company of Management Consultants, this report collates the learning gained and applied by the fund's trustees and staff, and offers a legacy to assist others in similar circumstances. Both documents have been drawn on in the creation of this report and include valuable information for those interested in and/or working in this area. (Copies of these reports can be obtained by contacting Disaster Action.)

Chapter 4 Key Findings for Appeal Fund Managers and Trustees

1. Launching an Appeal

An appeal fund may be launched very soon after a disaster and be immediately inundated by donations. On the evening of the 1966 Aberfan disaster for example, the mayor of Merthyr Tydfil launched an appeal to aid the village and bereaved and donations quickly flooded in.

Developments in 'breaking news' and the demands of 24-hour media coverage mean that awareness of disasters and their impact are becoming even more immediate, which in turn will probably have an impact on the degree and speed of public responses and donations.

Lockerbie

Launching the Lockerbie Appeal

In the aftermath of the Lockerbie disaster it became clear that the public response was going to be significant, an example being an immediate donation of £50,000 from a local company with the express desire that the monies be used for people in need at that time. Thus on 23 December 1988, two days after the disaster, the Lockerbie Air Disaster Appeal Fund was launched.

Following advice from trustees from the Bradford Fire Disaster Trust and others, a Deed of Trust (drawn up by the Regional Council's Solicitor) was signed on 30 December 1988 '...for the purpose of administering and distributing funds as a result of an appeal made following the air disaster at Lockerbie...'. It was agreed that the trust should be non-charitable, which meant that investment income was subject to tax but that the trustees would have greater discretion and freedom in the utilisation of the funds.

Initially it was considered that the number of trustees should be small – perhaps three or four. However, in view of the great involvement of a wide variety of community groups and individuals in the response, local representation was increased. Nine trustees were eventually appointed.

The trustees appointed a manager who would be responsible for the day-to-day administration of the fund and who was to be the first contact through whom all claims would be presented to the trustees. The Regional Council's Director of Trading Standards, a local resident of Lockerbie, was appointed as Trust Fund Manager. (Source: Dumfries and Galloway Regional Council (1989: 63-64))

2. Combining and Coordinating Appeals

Australian guidance on disaster appeals recommends, as a matter of principle, that where there are a number of organisations conducting disaster appeals they should be coordinated and where possible combined. (EMA 2006:12)

The types of organisations that may establish funds to assist those affected by disasters in the UK include statutory and voluntary organisations already working in emergency management and/or within the local community. Examples are:

Local authorities (who may make reference to disaster appeals within their recovery or humanitarian assistance plans and seek to launch an appeal based on factors such as the scale of the emergency, numbers killed or injured and public reaction)

Charitable organisations (such as the British Red Cross) and community-based organisations (such as local Lions clubs or, for example, the South Yorkshire and Cum-

brian Community Foundations, which set up appeals after floods in their areas in 2007 and 2009). An example of a community foundation's appeal plan is available at: http://www.cabinetoffice.gov.uk/media/131564/norfolk_disaster_appeal_plan.pdf

Faith groups (for example, members of the Chesham Mosque raised over £3,600 for victims of the Haiti earthquake in January 2010)

The media (for example, the *Daily Mail* Flood Aid appeal, 2005 and the *Derby Telegraph's* appeal fund 'Give Water, Give Life' launched earlier this year to help communities affected by poverty or natural disaster.

Often appeals will be launched jointly or soon become coordinated; however, this is not always the case and the scope for variation is illustrated by the examples below from Dunblane and Morpeth.

As outlined above (page 19-20), the British Red Cross is moving away from its traditional model where a Disaster Appeal Scheme was set up as a separate charity to offering models where the Red Cross raises and distributes funds either directly or through a partnership.

Organisations will either establish special appeal trust deeds or use existing deeds and organisational structures to administer the monies. Examples of this include the Cumbrian Community Foundation, which built on its earlier experience of managing recovery funds after both foot and mouth outbreaks and flooding in organising its latest Memorial Appeal after the shootings in June 2010 (see page 39). Transparency regarding the establishment, ring-fencing and distribution of a fund is especially important where existing organisations are being used, such as in the case of local authorities.

EMA (2006:11) recommends using existing services and structures if they have the capacity to undertake the administrative procedures relating to appeal funds. They emphasise the advantages of combining or coordinating appeals where possible, especially with regard to eligibility conditions and the purposes for which grants are made.

The aim of combining or coordinating appeals is to:

- achieve greater equity
- limit double-dipping
- prevent gaps in eligibility and benefits, and
- reduce administrative costs.

EMA 2006:12

EMA also advises that to achieve a combined or coordinated appeal the announcement of an appeal should publicly advise other appeal managements to participate in a combined fund. Subsequently the management committee should approach other appeal managements to enter into discussions about combination or coordination.

'Where other appeals agree to combination the managers of those appeals should be added to the membership of the management committee. Where combination is not possible the management committee should make arrangements with the other appeal managements for exchange of information to achieve the aims detailed above.' (EMA 2006:12)

The Disasters Emergency Committee (DEC)

The Disasters Emergency Committee (DEC)

This kind of approach echoes that of the DEC which, although maintaining an international focus on major disasters overseas, demonstrates an umbrella approach to launching and coordinating a national appeal. Originally set up by a group of aid agencies in 1963, it brings together a unique alliance of Britain's aid, corporate, public and broadcasting sectors to rally the nation's compassion, and ensure that funds raised after a particular disaster go to those charities best placed to deliver effective and timely relief to people most in need. The DEC experience is based on the idea that the launch of a united national appeal raises awareness and understanding of disaster, and provides the British public with an easy and efficient way to donate money. Its mission statement reflects the value of a combined and coordinated approach:

'The Disasters Emergency Committee unites the 13 independent humanitarian agencies in the UK in their efforts to maximise income through cost-effective media-based appeals to finance humanitarian relief for major disasters overseas.

We will:

- Ensure that the humanitarian imperative comes first
- Maximise charitable donations from the UK public and UK companies in response to disasters overseas
- Unite the UK's independent humanitarian agencies in their efforts to mount an effective, timely humanitarian response to those least able to withstand such disasters
- Ensure that all funds are used in an accountable, transparent manner
- Facilitate agency cooperation, coordination and communication
- Raise standards in the implementation of humanitarian responses.'

DEC 2008

Dunblane

A Tale of Two Funds

After the Dunblane shootings in 1996, four separate funds were started spontaneously within a matter of hours. These quickly became two funds: one set up by the local council and handed over to independent trustees (a discretionary fund), the other being run by the local *Stirling Observer* (a charitable fund). It was decided early on that the council's Dunblane Fund would concentrate on helping the bereaved and injured, while the *Stirling Observer* Dunblane Help Fund would aim to help the wider community.

By mid-1998 the council fund had distributed over £4.5 million, mainly to the bereaved. The *Stirling Observer* Dunblane Help Fund meanwhile had paid out money to bereaved and injured families. This left a residue of £1.5 million in the Help Fund, which caused much controversy in terms of how it would meet its charitable purpose of benefiting the wider community.

The Trustees planned to spend most of this on a centre for Dunblane's youth, but

this caused upset to those who felt the money should have been given more directly to affected families and the media reported on the misery caused by differing expectations and views about this second fund and the timeframe for spending it. (James 1998; BBC 1999)

‘There are two sides in Dunblane now...because of the money. Sending money is a natural instinct, but it always causes problems.’
(James (1998: 22)

By June 1999 over £1m still remained unspent in the trust fund. The chairwoman of the *Stirling Observer* Dunblane Help Fund, former Provost Pat Greenhill, said the delay in distributing cash was simply due to ‘practicalities’. (BBC, 1999b) In September 2004, eight years after the massacre, a youth centre and community sports hall commemorating the victims was opened.

Morpeth Floods

The Morpeth Flood Disaster Fund: Partnership

On 7 September 2008, in response to extensive flooding the day before in the town of Morpeth, Northumberland, the Morpeth Lions in partnership with the Red Cross launched an appeal to help local flood victims. The Lions were keen not to tread on the toes of the county council or any other official organisation involved in the recovery operation, but felt it was important to get a fundraising appeal under way as quickly as possible. The Lions ran the fundraising appeal whilst the Red Cross provided advice, designed the first phase of the grant-making scheme and administered the assessment process. The Lions devised the subsequent phase, with the majority of the administration undertaken by the Red Cross.

Within a few days more than £20,000 had been pledged to the Morpeth Flood Disaster Fund. Below the Lions report on their experiences of the fund, followed by a summary of the main learning points collected by the British Red Cross:

‘One year on...

Morpeth Lions organised a partnership of organisations in the area and arranged a bank account for donations. Much of the money simply came through the post or directly into the bank account that was set up two days after the flooding. Amazingly, the final total was in excess of £208,000 of which LCIF (Lions Clubs International) and other Lions Clubs were the main contributors donating over 10 per cent of the total...

It was soon obvious that with there being a number of different organisations getting involved in the flood relief work, it was essential that we communicate with each other. In this way we could ensure there was no duplication of effort and that contact numbers could be given out to flood victims to address their particular needs. To this end we produced regular bulletins advising what was happening and always incorporating relevant contact numbers. We also ensured that the local press and council officers received copies.

We were indeed fortunate that the newspaper editor, Terry Hackett, was totally supportive of all the efforts of those involved with the Flood relief. Each week he ensured that pages of the paper were filled with flood related news and that each page bore the Lions Club logo and details of the Flood Appeal bank account. This continued for over six months. However, further stories are still printed now; albeit without the Lions logo.

The final stage of the Appeal is almost on us. It was discussed at the outset that

there should be a closure plan. In discussion with our partners we decided that the fairest method is to distribute the remaining funds equally to all households that registered through British Red Cross. We are aware of many flood-affected victims who did not register; many have told us that they were adequately insured and had no need to call on the Fund.

One might think that dividing the money out and posting it to those registered would be straightforward. Think again! For a start, some households have yet to return to their homes and others have moved to different addresses. It is hoped that each household will receive a cheque for about £165 before Christmas. We are hoping to deliver the majority of the 480 cheques by hand; thus ensuring the properties are occupied.

After this we will allow a period for the cheques to be presented before closing the Appeal Fund account. Any residual funds will be donated to local organisations that were directly affected by the flooding. The final stage will be to have the accounts independently audited. This, we anticipate, will be approximately 19 months after the event. And for some of us it can't come too soon!! Nevertheless it has been a privilege to work with so many committed people and organisations.' (Lions Club International, 2009:4)

The Morpeth Flood Disaster Fund: Learning Points (British Red Cross, 2009a)

There are real benefits of the Disaster Appeal Scheme being integrated into other forms of care being provided for those affected by a disaster

Forming partnerships can be easier if staff have absolute clarity about their remit for negotiation

Association with the British Red Cross is in itself beneficial to potential partners, for example in legitimising fundraising. Therefore, there is a responsibility to ensure that all activities and partnership are entered into on a strictly legal and transparent basis

It is advisable to have both sides' responsibilities and level of involvement clarified in a memorandum of agreement or similar

In a small community word of mouth means it is unlikely anyone could not have known about the fund. Even though many people (72% of applicants) had had to leave their homes, the majority of them went to alternative addresses in Morpeth or close by

Wording needs to be very precise. Even the reference to those whose homes had been flooded was considered to be open to interpretation by some non-resident landlords. In Phase II the offer was to 'assist people as they move back into their homes' – which essentially excluded those who decided not to leave, or who returned earlier, even if their home was badly affected

Discussions about the pros and cons of assisting those without insurance were lengthy, with the Lions acutely sensitive to what the community might think about supporting them or not. The Red Cross position on not judging individuals' lifestyle or financial choices means they should not enter this debate

Full information about the number of houses affected was expected from the local authority but this was found to be incomplete. Four out of the first ten applications were not on the list

Flexibility is needed around seeing documentation proving identity, as some people had lost key documents in the floods

Limiting the choices about what those affected can buy with a grant, as in the

voucher scheme for Phase II, may not be ethical. It may be unfair to those who have already replaced the designated items by taking loans

Applicants should not be asked about their 'financial needs' as they were in Phase II, unless these are going to be met, at least in part

In a small community all efforts should be made to avoid identifying recipients of grants, unless they wish to disclose this themselves – as for some there is a stigma about asking for help. The issuing of vouchers for local homeware suppliers did not follow this principle.

3. Appointing Trustees, Fund Managers and Steering Committees

A disaster trust fund will require the selection and appointment of a range of personnel. If the appeal is set up as a new charity, it will require the appointment of trustees as opposed to operating under an existing charity with an established status and board of trustees.

Whichever approach is taken, where trustees bring skills such as accountancy this can be an advantage. Most importantly, the chair of the trustees should, wherever possible, have had previous experience in this area. The sums of money involved can be very large, the decisions that have to be made sometimes difficult, and there can be close scrutiny by the media of how the trust is managing its affairs after a disaster. A good rapport between trustees also makes a difference.

In the past, as well as referring to published guidelines, new disaster fund trustees have found it especially helpful to speak with administrators of previous funds and access their advice, particularly in the early stages and in relation to key areas of decision-making.

It can take time to appoint a board of trustees with the appropriate authority to take action and establish systems and procedures for fund administration. This can lead to delays in financial assistance reaching beneficiaries. For this reason it may be valuable to appoint temporary or interim trustees. This can cause administrative delays, as was the experience after the Aberfan disaster. However, in the case of the London Bombings Fund it did not; the fund was established as a legal entity within four days of the bombings, with trustees and staff in place within a week.

Aberfan

Aberfan's Committee

'Of all the difficulties the fund remained the worst, the most pressing. How could Aberfan use £1,750,000?' (Austin 1967:189)

On the afternoon of the Aberfan disaster a representative from the National Union of Railwaymen walked into Merthyr Town Hall and gave £25 in cash for Aberfan; this was the first donation. The mayor formally announced the Aberfan Disaster Fund that night. By the time the fund officially closed just over three months later, nearly 90,000 contributions had been made totalling £1,750,000 from over 40 countries. (Austin 1967:165)

The fund was set up as a charitable trust, but it took time to draw up a trust deed. So a provisional fund committee safeguarded the cash until a trust deed was drawn up. The provisional committee had no legal authority to make payments, only a responsibility to protect public money, with an implied duty to help the victims. In actuality they decided to ignore legalities and started to pay cash out. The trust deed was not actually drawn up until January.

‘The numerous suggestions, the misunderstandings, plus the growing amount in the fund and the limited action of the provisional committee while waiting for the trust deed to be formulated played on the taut nerves of Aberfan.’ (Austin 1967:171)

Austin continues:

‘The fund committee moved slowly. Only by July, now equipped with a permanent official, with a staff of three, was a sub-committee structure completed, with groups to attend to various matters.... Weeks, months, went by, and the fund committee seemed governed by inertia. The appointment of a permanent administrator in May provoked a minority protest against his salary because, at £3000 a year, it appeared that he would receive more in hard cash than any of the bereaved. A misleading newspaper report suggested that the money was benefiting Merthyr Tydfil Council. There was a demand for an immediate share out - again it was the minority speaking. A general meeting in June was marred by shouting factions. The phrase “blood money” was bandied about. The demand for a quick decision was repeated – eight months had gone by and still no one knew how the money would be spent. Newspapermen got up and walked out, refusing to report the strife, caused, they believed, by an unrepresentative minority.’ (Austin 1967:189)

Some advise that the fewer trustees there are the better and that an odd number avoids the possibility of a deadlock occurring. In a paper focusing on choosing trustees and fund managers for disaster appeals, M J Harris, a solicitor and director of legal and administrative Services for Newbury District Council, offers the following advice (in Suddards 1991: 266-7):

The trustees should be detached from the potential beneficiaries

Choose trustees who live outside the immediate area and do not have to live alongside the decisions they have taken

The trustees must be well respected in the area. There should be clear reasons for their choice such as their previous public service or their financial acumen arising from work in the local business community. The choice should not be based on political considerations

Trustees should be people who are used to taking decisions and able to weigh up conflicting claims on the fund. They must be able to exercise sound judgement in making payments without becoming too personally involved

The trustees must have plenty of available time, particularly in the early period when the ground rules are being established

To assist them in the daunting task of distribution, the trustees need a sound fund manager in whom they can have absolute trust and confidence.... The trustees and the manager will be working as a team and all sorts of problems will emerge if the relationships are strained

The role of the fund manager should not be confused with that of fundraising and collection. It is valuable to maintain a rigid separation between the appeals aspects and the distribution arrangement...By a physical separation of the appeal office from the offices where the trustees will be working, the trustees can be spared a lot of the media pressure.

Many disaster fund frameworks have distinguished between a management committee and distribution committee(s). EMA refers to a management committee as being responsible for the actual operation of the appeal within the policies determined by the trustees, while fund distribution is undertaken by administrative

support staff or the establishment of a separate distribution committee. They state that the management committee should represent the interests of both donors and recipients. (2002:12)

Distribution committees are responsible for the acceptance of applications for appeal funds and distribution of monies within the policies determined by the trustees and the eligibility conditions determined by the management committee. In the Australian experience distribution committees usually comprise a high proportion of locally based representatives. (2002:11)

London Bombings

The London Bombings Relief Charitable Fund: Trustees and Staff

Following the July 2005 terrorist attacks in London, the London Bombings Relief Charitable Fund (LBRCF) was set up as a partnership between the Mayor of London, the British Red Cross and the Greater London Authority (GLA). The British Red Cross was recruited to provide the facilities to collect and administer donations on behalf of the fund.

Initially members of the senior management team at the GLA became the interim trustees until the permanent board was set up. John Stoker, former chief charity commissioner of England and Wales, was appointed Chief Executive Officer of the fund from July until December 2005, when Carol Stone took over this role.

On 26 July new trustees were appointed, having been selected by the existing board members for their experience and skills in areas such as grant making and the governance of charities. Their names (and positions at the time of their appointment) were: Gerald Oppenheim, Director of Planning and Performance, Big Lottery Fund (appointed Chair of the LBRCF); Lord (Victor) Adebawale CBE, Chief Executive of Turning Point; Robin Allen QC, joint head of Cloisters Barristers' Chambers; Muziline Parchment, Director, GLA; Carole Souter, Director, Heritage Lottery Fund; and Clare Thomas MBE, Chief Grants Officer, Bridge House Trust. Three of the initial trustees resigned, as planned, in November.

The board of trustees administered the charity. The board held 19 ordinary and one extraordinary meeting during the financial year – beginning by meeting at least fortnightly when the fund was first established. There was a sub-committee for considering grant applications that did not fully meet the fund's criteria, and a Finance Audit and Risk Committee. The latter met at least twice a year and the Grants Committee met as necessary. It met 17 times in the first financial year. The chief executive had delegated authority for operational matters, including finance and grant decisions within the agreed criteria. (Oppenheim, Financial Report, LBCRF 2007:12)

In the fund's 2007 Annual Report the Chief Executive Officer described its staff and organisation as follows:

'The Fund had an average of the equivalent of 5 full time staff over the 14 months, comprising employees, secondees, freelance consultants, and contractors. The flexibility this provided was essential, given the number of unknowns we faced throughout the period. The Fund was fortunate in having the services of experienced individuals, since there was minimal time for training and development with the intensity and short-term nature of the task. We were able to keep the staff team small thanks to the help of a number of specialists, including assistance with our IT, facilities management, website and publications from the GLA. The temporary nature of the office also kept our costs low.' (Stone 2007:9)

The British Red Cross managed the fundraising operations on behalf of the fund for

the first eight months, recharging the fund just the direct costs of the out-sourced services and bank charges. They also seconded a team of caseworkers to help with the grant assessment, under an arrangement for which the fund paid the full staff costs for nine months. A member of the Red Cross senior management was an observer at the fund's board meetings. (LBRCF 2007:12)

South Yorkshire Floods

South Yorkshire's Fundraising Team

The South Yorkshire Relief Fund was awarded Fundraising Team of the Year at the 2008 Institute of Fundraising National Awards. Launched in June 2007, within 24 hours of devastating floods in which two people were killed and 5395 homes damaged, the fund was responding to a disaster in which hundreds of people had been evacuated from their homes. A year on, many were still unable to return.

The team was substantially recruited from new after the floods. The team of three was supported by the Chief Executive, the Chairman and by a Flood Fund Board. The Foundation's normal work involves grant giving to community groups; this team's remit was to raise and distribute funds for flood victims. Everyone pulled together with support from trustees using their connections to great effect.

Over £1.6 million was received for distribution locally - all of it from donations from the general public, businesses and trusts. Initial handouts of £100 were given to flood victims within days of the floods, to help with immediate emergencies. By November, a second phase of payments up to £1000 was made to those most in need.

The Community Foundation's website cites an independent evaluation on the performance of the fund which reported:

'It is not an exaggeration to say that the fund has massively improved the quality of life for thousands of people living across South Yorkshire.' (Insync: The Foundation for Equality and Social Inclusion, 2008, quoted by SYCF, 2010)

The lessons learned have been shared with the Community Foundation Network and have been put into a 'hub' on their website to be accessed and replicated by others. The team learned that everyone's contribution counts, and that you have to put yourself out to achieve something really worthwhile. (Stephens, 2008b)

4. Type of Trust or Appeal Fund

An important decision at the outset is whether or not the appeal will be a charitable one. This decision will affect the uses to which donations can be made and the decisions available to trustees about the distribution of any fund(s).

The Attorney General's guidelines advise that a charitable fund has the advantage of tax relief but its aims must be limited to: the relief of poverty, the advancement of education or religion, and the benefit of the community. Being essentially public funds, distributing sizeable amounts from this kind of fund is constrained by the requirement not to benefit individuals over and above their needs.

This means that if disposing of all the donations to the injured and bereaved under a disaster fund would give them more than charity law considers 'appropriate to their needs', then the remaining donations have to be applied for other general charitable purposes.

A non-charitable discretionary trust on the other hand, though taxable, is not so limited. Trustees remain free to determine how the money ought to be spent, that is, they can use their own discretion, and there is no limit on the amount that can

be paid to individual beneficiaries if none has been imposed by the appeal.

Although the fund would not attract the tax advantages available to a charitable fund this may not be too great a loss. Income tax is payable only on the interest earned by the fund and this interest is likely to be fairly small where payments out of the fund are made quickly to beneficiaries.

Omagh

Uses of the Omagh Fund

On Saturday 15 August 1998 a bomb planted by the Real IRA exploded in Lower Market Street, Omagh. The consequences were devastating. Thirty-one people including unborn twins were killed, hundreds injured and upwards of 1,000 people were traumatised.

Omagh District Council set up the Omagh Fund on 17 August 1998, in the immediate aftermath of the bombing. Over £6 million was donated to the fund. Donations to beneficiaries totalled £5,591,655 and allocations to various groups including the Memorial Committee, the Community House, NICTT, WAVE, TARA and the Omagh Support and Self Help Group amounted to £934,070. (The Omagh Fund, 2008)

Both charitable and discretionary trusts were set up, which meant that discretionary funds were given to the bereaved and injured while charitable funds were given to support community-based organisations such as the Northern Ireland Centre for Trauma and Transformation. However, the disbursement of the funds still caused dissatisfaction for some of those directly affected.

On 25 March 2001 the *Observer* newspaper reported the anger of relatives who were frustrated that, because of its charitable status, monies from the Omagh Fund could not be used to support the cost of a civil prosecution of the alleged perpetrators. (McDonald, 2001) Using such money for this civil action would have been unlawful since it would have contravened the fund's charitable purpose.

Despite the continuing existence of money available in the Omagh Fund at this time, and the belief by supporters of the civil action that their actions would be of benefit to the entire community, a separate Omagh Legal Fund was set up specifically to fund the families' cause. However, it did not have sufficient funds to pay for the civil action families wished for at that time. Michael Gallagher, father of one of the victims, commented on the frustration of not being able to draw on the Omagh Fund for this:

'One of the criteria of the charities is that the money is used to benefit the community and surely in this case the community would benefit. It would make the others think twice about going down the same road as the bombers.'

Following pressure from the families, including their call for a change in the law on cash for charities and to designate the Omagh Legal Fund a 'good cause' worthy of charitable funds, the government eventually agreed to fund the families' action. The decision was made as an exceptional case and on the basis that it was greatly in the public interest to bring it to court.

Commenting on the decision Peter Mandelson, the former Northern Ireland secretary who had supported the families' cause stated 'It would have been morally indefensible to have extended funding [legal aid] to the defendants... but not given a penny to the legal fund which has been mounted by the families.' (Steele and Harding 2003)

Penlee: A Private Fund

On 19 December 1981, the village of Mousehole, Cornwall, lost eight lifeboat men and their lifeboat. The following day the Chairman of Penwith Council announced the launching of an Appeal Fund 'to help dependants of the lost lifeboatmen'. The response to the appeal was immediate and enormous. In all, the fund attracted over £3 million. (Harvey and Gillchrest S, 2010) The following year in their Annual Report the Charity Commissioners for England and Wales commented thus:

'(In) 1980 we commented on difficulties which can arise in connection with appeals for particular people in distress. These difficulties were forcefully illustrated by the main appeal launched in December by the Chairman of Penwith District Council, for the families of the Penlee Lifeboat crew who so tragically lost their lives.

The launching of the appeal; the possibility that the fund might not be passed on in full to the dependants; that payments might be taxed; the sheer size of the fund; and the intentions of the donors; all aroused considerable public interest.

Correspondence in the press and other comment in the media showed that opinion was divided on the question of whether so large a fund should be entirely devoted to the small number of sadly bereaved families or whether some part should not be used for a wider, but closely related, purpose.

A good deal of the speculation was based on the assumption that the fund was charitable in law, and that we had been consulted. Neither assumption was correct.

On the 5th of January 1982 the Trustees of the Fund and their advisers discussed the latter with us and later with the Attorney General. The Trustees decided to proceed on the basis that the Trust was a private and not a charitable one.'

(Paragraphs 4-8, Report of the Charity Commissioners for England and Wales, 1981)

In the case of Penlee then, the whole of the fund was distributed among the families. While some donors felt this agreed with their intentions, others felt let down; they had given to relieve suffering, not to transform the beneficiaries into wealthy people. (Luxton 1990: 123) It was in response to the controversy caused by the Penlee case that the Attorney General went on to issue its guidelines to appeal organisers from 1982.

Since then many disaster appeals have opted to set up two kinds of fund in parallel to make use of the advantages of both types as highlighted by the Attorney General.

5. Naming the Fund

Naming a fund may seem straightforward, for example after a place (such as the 'Hillsborough Disaster Fund' or 'Cumbria Community Memorial Fund'), or type of disaster ('xxx flood appeal'), or significant date ('7 July'). The appropriateness and implications of associating a disaster with a particular name, date or place, should be considered, however, bearing in mind that this association may endure for a long time.

6. Trust Aims and Principles

In Disaster Action's experience the stated - and binding - aims of a trust have in the past sometimes been set out in great haste, in such a way that they have prevented flexibility on the part of the trustees in deciding how monies received could be al-

located. This can cause subsequent difficulties when unusual situations arise. The wording of the 'aims' of the fund should therefore be clear, but flexible.

On the other hand, deeds often make a provision for using some of the monies to provide measures that may alleviate suffering caused by other disasters, for example. The reality is that funds are very rarely then allocated for this purpose. In the case of the London Bombings Relief Charitable Fund, however, the objectives enabled it to support broader charitable purposes considered appropriate by the trustees, including the work of organisations addressing the needs of those affected by not only the London bombings but other disasters as well. In practice, the LBRCF did not use the capacity to assist with other incidents, apart from a grant at the winding up stage (see page 34).

Caveats are required in fundraising information to allow surplus funds, usually after an appeal has closed, to be used for other disasters. The wording used in trust deeds should avoid such provision if the trustees are likely to require all the monies that are raised to help bereaved and survivors of the specific disaster.

London Bombings

The London Bombings Relief Charitable Fund: Aims and Principles

On 8 July 2005, the day after the London bombings, the Mayor of London announced the setting up of a new charity up to raise money for the victims of the attacks and their families. The objects of the fund were:

- To relieve sickness or disability, whether physical or mental, of victims of the disaster and their dependants
- To relieve financial need among victims of the disaster, including families and dependents of those killed or injured; and
- To support such other charitable purposes as the Trustees shall consider appropriate.

The fund adopted eight core principles: speed; simplicity of application; compassion; transparency; explicitly targeting those most seriously affected; partnership; time limited role; and flexibility/responsiveness. (Jackson 2007:8)

The trustees established the fund with the intention of closing it once all funds were distributed to the bereaved and survivors according to its aims and objectives. The trustees passed a resolution at their first Annual General Meeting to wind up the fund during the financial year 2006/07. According to the fund's Articles of Association once the charity was dissolved any assets remaining after allowing for liabilities had to be applied directly for the objects and/or be transferred to one or more other bodies established for exclusively charitable purposes similar to the objects.

The trustees planned to distribute the full remaining funds, after subtracting existing liabilities and necessary costs, by making further grants to the most seriously injured and donations to those organisations working to support the bereaved and survivors of the bombings. New donations were accepted until the end of October 2006 (including the donation, in June 2006, of a further £2.5m from the Home Office), after which it was decided any further potential donors would be redirected to other organisations working for similar purposes.

In all a total of £12 million was raised. In its grant making the trustees prioritised the bereaved and those most seriously affected by the bombings. This strategy was supported by advice taken from expert opinion and by market research undertaken on the fund's behalf.

As part of their work in winding up the fund and distributing the residue, the trustees made further grants and donations to organisations continuing to help those affected by disaster, such as the 7 July Assistance Centre (7JAC) and Disaster Action. The grants LBRCF made were £71,000 to 7JAC in year 1, and £100,000 to 7JAC and £10,000 to Disaster Action in year 2. The year 1 grant to 7JAC was to help them facilitate support groups and other expanded services to a wider group of people than LBRCF's grant making could reach (particularly those who were injured or incapacitated but did not meet the minimum criteria for personal grants).

The year 2 grants were a recognition that although the work of the fund was coming to an end there would be a continuing need to support these survivors for a period of time beyond the fund's lifetime. Supporting these two organisations was a positive way for the Fund to ensure the availability of ongoing support and advocacy. However, throughout the lifetime of the Fund, its over-riding mission was to make payments directly to the survivors and the bereaved families of the bombings. Support to these two organisations represented just 1.5% of the £12 m that the Fund distributed.

The typical sorts of objectives commonly identified in disaster appeals include the relief of financial need among the victims of disasters and their dependants, and the relief of sickness, including physical and mental disability caused by those affected by disaster.

The importance of being clear and consistent is a key principle borne out by experience. Whatever the objectives of an appeal, experienced trustees have advised making the purpose very clear so that donors and potential beneficiaries neither misunderstand nor are misled about how the money will be used. In raising and distributing money the aim and objectives of any appeal should be clear and consistent from the start: 'If in the stressful and heady first few days of an appeal the course is changed, confusion results.' (Trustee, Bradford Disaster Fund)

One disaster trust fund manager suggests that it is of crucial importance to ensure that the terms used in public announcements about the purpose of the fund correspond exactly with the form of the trust deed; indeed, the advice on the preparation of the trust deed is that it should incorporate a copy of the initial press release. (Reddington 1991:286-7)

More generally, experienced practitioners stress that a principled approach is important in the planning and establishment of appeal funds. In its guidelines on disaster appeals, Emergency Management Australia (EMA) outlines key principles for appeal managers including equity and flexibility. (2002:10) Providing equity for individuals is about understanding the wide diversity of needs between individuals and groups, acknowledging that it will not be possible to satisfy all individuals' needs while at the same time being mindful of the importance of the appeal in providing a positive recovery symbol to the affected community.

A principled approach

Drawing on the experience and principles adopted by trustees of several discretionary trusts involved in appeals during the 1980s, Harris (1991: 268-9) offers the following principles as providing a sound base:

1. To make unequal distribution to beneficiaries based on assessments of individual need [(though do note our comments elsewhere in this report about assessing 'need' (pages 40ff), including not means testing initial payments (page 42)]

2. To maintain absolute confidentiality regarding beneficiaries and the amount paid to individuals
3. To make capital payments, rather than instalments to provide regular income
4. To act with maximum speed, especially with regard to initial payments
5. To keep administration costs to an absolute minimum
6. That the trustees should not meet individual beneficiaries – otherwise they will be honour bound to meet them all.

More recently, Australian guidance on appeal funds has recommended further key principles for adoption by those establishing and managing appeal funds, including:

- Input to the management committee from persons from the disaster affected area
- Accessible, equitable and timely distribution
- Well publicised and accessible eligibility guidelines (including the use of ethnic media for the benefit of non-English speakers). (2002:12)

Further aspects of the EMA's recommended principles on policy and administration are incorporated into other sections of this report.

Tsunami

Aims and Terms of the DEC Tsunami Appeal, 2004

On 26 December 2004 an earthquake in the Indian Ocean caused a tsunami, which killed nearly 230,000 people and inundated coastal communities. It was one of the deadliest natural disasters in recorded history. (Wikipedia, 2010) Three days later the Disasters Emergency Committee (DEC) representing, at that time, 12 leading UK aid agencies, launched a television and radio appeal to deliver emergency aid to hundreds of thousands of people caught up in the tsunami.

The television appeal stated:

'Twelve countries from Indonesia to the Horn of Africa are trying to cope with the disaster which has killed tens of thousands and left billions without water, food or shelter. Ordinary people's lives have been devastated. That's why the DEC, which represents 12 leading UK aid agencies has launched an appeal. British charities are in the areas hardest hit and they're facing the biggest humanitarian relief operation ever. They want to reach all of those in most need and they need the money to do it. That's where you and I come in. They can't do it without our help.' [Disasters Emergency Committee (2005b)]

Even before the appeal had been broadcast more than 80,000 people had already donated to the cause. Within six months the appeal had reached a record-breaking £400 million. (DEC 2005d) This unprecedented level of fundraising enabled the member agencies to carry out major relief and rehabilitation work throughout the region most directly affected by the disaster.

In March 2005 the DEC reported that to date it had allocated over £112 million of its

Tsunami Earthquake Appeal fund for the first phase of disaster relief in Asia, funding work that was benefiting an estimated 3.6 million people. The remainder of the £300 million was to be spent on reconstruction and re-establishing livelihoods over at least three years in countries such as Sri Lanka, Indonesia, India, Thailand, Somalia, the Maldives and Myanmar. (DEC 2005c)

As at the end of September 2006, there were 150 confirmed British dead and one highly likely to have died, giving a total of 151. Three of these were in the Maldives, 17 in Sri Lanka and 131 (including the one unconfirmed and ten dual nationals) in Thailand. The number of injured was difficult to specify, although it became clear through the Tsunami Support Network, established by the British Red Cross in 2005 that many people back in the UK continued to suffer significant financial hardship due to injury, disability and/or loss of a main breadwinner.

None of the DEC monies were allocated to those from the UK who had been bereaved and/or injured by the tsunami. As a result of the ongoing hardship amongst some UK bereaved and survivors in the months after the disaster, the British Red Cross allocated £300,000 from its own Asian Tsunami appeal to the British Red Cross Tsunami Hardship Fund launched on 30 November 2005 for those experiencing extreme financial hardship. [British Red Cross Society (2009a)] Its aim was to make charitable grants of up to £10,000 available to successful applicants, as well as up to £2,000 to pay for medically prescribed counselling not available on the NHS. Bereaved spouses, live-in partners or any other financially dependent relatives of the deceased were eligible for a grant. Individuals who had become unable to work as a result of an injury or the psychological trauma caused by the tsunami could also apply.

The government did not contribute financially to the fund, as there was no statutory financial help available for British victims of natural disasters overseas at the time. However, discussions did take place between the British Red Cross and the government on how best to help people experiencing financial hardship in the future, examining ways to ensure that British people severely affected by disasters abroad receive the help they need. While the government has since announced the establishment of a fund to help victims of terrorism, the British Red Cross continues to discuss with government ways in which the victims of natural disaster can also be supported.

7. The Immediate Aftermath: Early Payments

Trustees have advised that early contact with families can relieve many anxieties. One practitioner suggests that one of the first tasks of trustees should be to send a letter to all the injured and bereaved letting them know who to contact if they have any financial worries and, if appropriate, promising immediate provisional payments. (Harris 1991:268)

Some relatives or next of kin may find themselves in difficulty with paying for funeral expenses, a gathering for family and friends, and a headstone or other memorial. If a fund is sufficient at this point, consideration should be given to making an immediate ex-gratia payment to cover funeral expenses. The Department for Work and Pensions website outlines the kinds of expenses that a funeral payment may cover and the bereavements award under the Fatal Accident Act, 1976 cover reasonable funeral expenses. Any dependant who has actually expended funeral expenses can claim them.

The latest British Red Cross Disaster Appeal Scheme guidance (2008) suggests that

the likely first stage of distribution will be 'Emergency Grants' with criteria agreed by a steering group, which will include 'local' representation.

Such early and timely gestures at the outset are crucial, particularly where the public has already donated large amounts. Initial payments should not be means tested at this time. Whilst many families may not need the money, this initial payment should be recognised not to be about need, but about the donors' wish to extend their immediate sympathy to those most affected by the disaster.

Zeebrugge

The Channel Ferry Disaster Fund: Balancing Speed and Accuracy

'One of the major problems at Zeebrugge was the difficulty in compiling a complete passenger list – it was indeed some three weeks before a casualty list was available.... Some 4500 names were eventually considered for matching against the 193 fatal casualties.

This necessary delay made for difficulties in the disbursement of the fund. It was the Trustees' view that early payments should be made, not only in order to be of the greatest practical benefit to those in need, but also to demonstrate that this was a fund which was going to act with speed. It was therefore decided that initial payments should be made quickly to all concerned, followed by further payments to those in need. Almost £750,000 was paid out within six weeks of the disaster, with some £1,100,000 paid out within ten weeks. Nearly £6 million was eventually distributed within a year of the disaster.

It was clear that some accuracy might be sacrificed to speed of operation but it was felt that this was preferable to delay. The public expected that their donations would be put to good and immediate use and the Trustees felt a clear duty to the public as well as to beneficiaries. Where public money is involved certain basic precautions must be taken – the Fund must know to whom the payments have been made and the justification for these payments. This necessitates a certain amount of form filling. One hears of disasters elsewhere in the world where sums of money or aid resources have not been adequately accounted for. The danger can also lie close to home. Two false claimants at Zeebrugge were successfully convicted of wasting police time.' (Moir 1991:271-2)

London Bombings

Early and Further Payments after the London Bombings, 2005

'We had to hit the ground running. That meant developing processes and systems at the same time as our framework for funding. In the early days – between July and September 2005 – we had to do this without absolute clarity about how much money we would have to support people who would be our beneficiaries. The Trustees had to take some tough decisions about policy and strategy in order to develop some principles for our grant making. We were able to draw on advice from those who assisted victims of the attacks on Madrid, Bali and New York. As a result we knew that our grant making had to be active and flexible enough to be able to respond to the emerging needs of the beneficiaries and to the amounts of money we had coming in. We also had to bear in mind our need to move money quickly and so we developed an approach that was as simple as possible, recognising that the needs of the beneficiaries would change over time, while requiring the minimum

information from them for proper accountability for the funds we received.’ (Oppenheim, Chair of LBRCF 2007:5)

‘The speed with which the initial payments reached us was commendable.’ (Seriously injured, London bombings)

The London Bombings Relief Charitable Fund (LBRCF) was among the winners of the Charity Awards, 2006 in recognition of its exceptional achievement in management, with particular reference to its fast, effective reaction to the disaster.

The fund had to work quickly and in the face of high levels of media attention to distribute early payments from substantial donations. By 3 August the amount raised and pledged totalled £8 million, through individual and corporate donations. For example, in the space of one day (on Thursday 14 July - exactly a week after the 7 July attacks), donations totalling £100,774.77 were collected at over 60 tube stations across London when 250 Transport for London staff helped collect money, aided by B&Q and Sainsbury’s providing buckets.

On 21 July interim payments were announced for bereaved relatives (£5,000) and to those injured and hospitalised overnight (£3,000). It was announced that these would be topped-up later as the needs of the victims and their families emerged. On 30 August more payments were announced, aimed at helping relatives who lost loved ones in the bombings and those who were injured and hospitalised for a week as a result of the attacks. By this time the grants paid out topped £1 million.

On 20 September a major grants programme of substantial financial help to the bereaved and seriously injured was announced. Smaller grants for those who were certified as unable to work were also announced. By the end of October over £2 million had been paid out in grants to victims. Further announcements of major grants programmes were again announced in November 2005 and March 2006. By the middle of March 2006 grants paid out had passed £7 million.

Further information on the distribution of the fund is detailed on page 41. Commenting on their thinking and approach to this early and further payments process, the Chair reported:

‘Although the Fund had reached £9 million by October 2005, it has to be said that if we had only £1 million in the coffers, our approach would have had to be very different. We were able to deal effectively with our beneficiaries because of the generosity of the many individuals and businesses who gave. The Trustees also gladly acknowledge the £3.5 million donated by the government to the Fund. This helped to boost our total income to £12 million and so determined what we could do and how flexible and innovative we could be.

The Trustees were able to act quickly and with such effectiveness as a result. This enabled us to develop a model for supporting people through a crisis with charitable gifts as a bridge to the support that they might later be able to access through statutory compensation administered by the Criminal Injuries Compensation Authority....

The big lesson here is that, when there is a catastrophe like 7th July and there is some money in the bank, move it fast. Make some small awards to get things going. Don’t worry too much about the detail beyond basics, and then work up the bigger sums once you start to learn more about the beneficiaries’ circumstances and in the light of the funds available. This important lesson is supported by what people have told us since.’ (Oppenheim 2007:5)

Cumbria Flood Fund 2009: Phased Payments

Tony Cunningham MP and the Cumbria Community Foundation launched the Cumbria Flood Appeal on 20 November 2009. Its aim was to raise funds to support individuals and communities affected by the region's devastating floods and also to raise money for voluntary and community organisations spearheading the relief work.

The Cumbria Community Foundation had been established as a grant making charity in 1999. It makes grants to voluntary and community groups throughout the country and distributes in excess of £1 million a year. In 2001 it raised over £2.1 million after launching the Cumbria Community Recovery Fund to assist over 300 groups and more than 1000 families affected by the Foot and Mouth Disease. In 2005 the Foundation again launched and administered an appeal following devastating storms and floods in Carlisle.

Building on their experiences of running the appeal in 2005, the grant making in 2009 was structured to provide support in two phases. The first phase - immediate support – issued individual grants for households in priority groups (the over 70s and under 5s and people with disabilities). Group grants were also given to front line services such as the Red Cross, Citizens Advice Bureaux, the Law Centre, furniture and white goods recycling and activities for children and young people.

The second phase - supplementary support- provided individual grants for those households whose income had been affected over a long-term period and those who continued to experience increased household expense due to relocation resulting from the flood. Group grants were also made available to organisations that had suffered damage to their property, those providing emotional support and counselling and community celebrations once residents returned to their properties.

The first cheque was delivered to a local resident on 24 November 2009. By mid-December the fund reported that it had distributed £250,000, with 218 households having received £116,000 between them and the rest having gone to charitable organisations. By 7 April 2010 the fund had received donations totalling £2.48 million. Over £1,250,000 had been distributed across almost 700 households and over 70 organisations around the county. (Cumbria Foundation News)

8. Distribution Issues

Trustees should bear in mind at all times that those who donate money to funds do so because they wish to show their sympathy to people affected, the bereaved and survivors. The funds raised should therefore never be seen as 'compensation' (which may be available in law, in any case), but as an expression of sympathy by society at large, for all those adversely affected by the disaster. Trustees are not personal injury lawyers, on the whole, and should avoid trying to apply compensation principles to the distribution of the monies.

A further key principle in distribution is to ensure that it supports the recovery of both individuals and the local community where this is clearly identifiable. (EMA 2002:12) The EMA also stresses that every effort should be made to disburse all monies collected.

Multiple sources of assistance

As discussed above, it is possible that a disaster will generate a number of forms of

assistance, including the setting up of many disaster funds, with very large numbers of donations across these.

Consequently beneficiaries may receive monies or proceeds from a number of different unrelated sources, and in some cases unequally. Trustees with this experience advise asking questions to avoid duplication of payments and taking note of money available from elsewhere. (Moir 1991:274) The Australian guidance on managing appeals recommends that disbursements should take account of other assistance available to those affected. (EMA 2002:12) In addition, 'Eligibility conditions for grants should not act as a disincentive to people taking out normal insurance. Taking into account assistance from all sources, applicants should not gain a financial advantage out of their disaster situation.' (2002:12)

After the 11 September attacks, where more than 200 charities raised money for the bereaved and survivors, the danger that some families would receive far more than others was evident from the start. Administrators learned from experiences in Oklahoma City where, after the 1995 bombing at a federal building, this problem was resolved with the creation of a database of the 168 victims that kept track of how much aid each family received. In this case officials felt it appropriate to meet every week to monitor the distribution.

Administrators should be mindful of the issues surrounding confidentiality and sharing of information (see below) and the possibility of difficulties if, for example, there is hostility towards particular organisations. In the case of the Channel Ferry Fund close liaison took place with Townsend Thoresen and the P&O Group - owners of the *Herald of Free Enterprise* ferry that had capsized – although confidentiality was maintained as far as the interests of the beneficiaries were concerned. The Herald Families Association was initially critical of this contact, since many of their members were pursuing legal action against the carrier. Trustees met representatives of the Association – jeopardising the principle of no direct contact with the beneficiaries – and the situation was amicably resolved. (Moir 1991:275)

Assessing 'need'

Arguably the most difficult challenge facing those administering a disaster appeal is sensitively assessing and addressing need after disaster. Aspects of 'injury', 'loss' and 'need' are notoriously difficult to measure and quantify and having large sums of money available to distribute does not mitigate this. Administrators should always bear in mind, especially in their communications about their decisions, that although their task may require such quantification, understanding and responding to disaster-related needs cannot simply be reduced to mathematical formulas.

Zeebrugge

Addressing Loss: The Trustees' Approach in the Channel Ferry Disaster Fund

'A matter of particular urgency is the position of parents who lose children, adult or otherwise. In most cases the loss is emotional rather than financial and the current statutory compensation for the death of a child, some £7,500, is generally held to be insulting in the circumstances. [Note: the 2010 figure is £11,000 (CICA 2009)] A Fund can do something to redress the situation, but it must have regard also to its competing responsibility to those in proven financial need. This is a difficult area and the reactions to financial payments by bereaved parents can be expected to differ widely.

It was the Trustees' view that payments should be tailored according to individual need as, in the circumstances at Zeebrugge, this would result in the greatest practi-

cal good coming from the public donations. It may well be that in some disasters, equal payments to all concerned might be appropriate. It would certainly ease the problem of distribution to claimants, once a reliable list was established.’ (Moir 1991:274)

London Bombings

Distribution Criteria: London Bombings Charitable Relief Fund

The 2007 Annual Report for the LBRCF outlined the following criteria and timing of grants made to those affected by the London Bombings, 2005:

‘Grants were made in a number of phases, with the criteria for distribution made according to funds available, using information gathered from the survivors and bereaved families, and from the medical and trauma specialists with whom we consulted. In the first two phases (1 and 1a) grants were made to the families of the bereaved and to those who were hospitalised – initially for one night, then in Phase 1a to those who were in hospital for a week or more. In Phase 2 – and all subsequent phases to the end August 2006 - the bereaved had further grants, with additional payments to recognise dependent children. In Phase 2, launched in September 2005 we made grants to the most affected survivors according to a number of simple criteria according to the degree of severity and permanence of injuries, and the amount of time that individuals were incapacitated and unable to work or study after the bombings. We made our application process as simple as we could, and directly approached medical specialists, GPs, counsellors, employers, and the police to get “third party” verification, which eased the administrative burden for the applicants themselves.

In phases 2a and 3 we made additional grants to the severely injured, making some distinctions between the degree of injury. We made further grants in Phase 3 to those who, whilst not physically injured, had been unable to work from immediately after the bombings until late in the calendar year. Phase 4 was made possible in summer 2006 thanks to the additional donation of £2.5m from the Home Office and grants were made to beneficiaries in each category.

Category	Total available for this category through all LBRCF grant phases to 31 August 2006
Bereaved spouse/partner	£75,000
Bereaved next-of-kin	£50,000
Bereaved dependent child	£37,500
Seriously and permanently injured	Between £44,000 and £170,000
Incapacitated during summer and beyond	Between £4,000 and £18,000

In addition to the examples above, discretionary grants were made to a number of individuals who just missed the criteria, or who brought special circumstances to the Grants Committee’s attention.’ (Stone 2007:8)

Following this report a final phase of grant-making phase, to the most seriously injured, was planned for the following financial period as part of the fund’s closure plans.

Insurance and appeal funds

The point was made earlier (see pages 16-17) that applicants to appeal funds may vary in their insurance status, presenting appeal managers with eligibility dilemmas. Emergency Management Australia recommends that appeal eligibility conditions should aim to include insured, non-insured and underinsured applicants. Except in circumstances where all needs are able to be met, the most likely and acceptable aim is for those fully insured to suffer a lesser loss overall than the other two classes of applicants. (EMA 2002:16)

Unintended consequences

EMA also advises giving consideration to the overall outcomes of distribution decisions to ensure that serious unintended consequences are minimised. Unintended consequences are likely to occur when decisions are made on the basis of a narrow view that does not take into account the overall situation and the situation at that particular moment in the recovery process. By way of example they cite the donation of a specific item such as refrigerators to all people affected by a disaster. While this assistance may be significant to householders the impact of such an offer on local businesses may be devastating. 'A more holistic solution would be to provide funds for householders to enable them to purchase appliances etc. in the local area.' (2002:11)

9. Means Testing

It will normally not be necessary to means test potential beneficiaries, provided that the applications for funds are found to be genuine, from those closely connected to the deceased, or from those injured in the disaster. Trustees should bear in mind that means testing has, in Disaster Action's experience, been perceived as intrusive and humiliating for potential beneficiaries who, often, have never received - or applied for - financial support in the past.

Broadly speaking, the bereaved should be treated equally, irrespective of means, since the money represents not compensation, but a gift from society at large to send a message of sympathy for their loss.

Application methods

Different methods are available for gathering information about and from potential beneficiaries. Face to face or telephone questionnaires and/or interviews may be used and an assessment panel may be set up to draft such schedules.

Application forms should be adapted to address the needs and diversity of those affected. This may include translating forms and accompanying information into different languages and providing appropriately skilled and briefed interpreters.

In preparing application forms, fund administrators should be mindful of the fact that if application procedures are prepared and reviewed sensitively it is possible for outcomes and communications about decisions to reinforce compassionate acknowledgement of significant loss at such a difficult time. If not, the whole process of applying may feel invasive and intrusive with applicants at risk of being left feeling invalidated, rejected and re-traumatised.

September 11th

The World Trade Centre Disaster Fund and the 9/11 Liberty Fund

Initially set up by the financial services industry in the City of London, the World Trade Centre Disaster Fund became the focus for all UK donations and raised nearly £5 million in Britain. In a speech to the Risk and Insurance Management Society (RIMS) in New York in 2003, Lord Levene, chairman of the disaster fund, commented on its initiation and aims at assisting those directly affected. He described how, in the hours that followed the atrocity, a group in the City were thinking of ways in which they could show support for New York. On 12 September, in consultation with the Governor of the Bank of England, they set up the World Trade Centre Disaster Fund. He stated they raised \$7 million – ‘an amount dwarfed by what was raised in the States, but enough to help some of the relatives of those who died.’ (Lord Levene 2003)

According to Lord Levene, more than 100,000 people in Britain sent donations, ranging from a million dollars (£715,000) from one anonymous corporate donor to tiny sums from the pocket money of small children. The Polperro fishermen’s choir in Cornwall raised nearly £2,000 from a concert, 2 Signals Regiment, based in Yorkshire, collected £14,000 from a sponsored running and cycling event and a corporate donor sent a cheque for over \$1 million (£715,000). (*Guardian*, 14/2/2002)

ITV’s *This Morning* programme, which had been offered the chance to sell black teddy bears in mourning for the victims - in the same way black teddy bears were sold when the Titanic sank - sent out over 50,000 bears and raised \$600,000. (*Guardian*, 14/2/2002)

Although part of the fund was aimed at helping families of the 67 British victims, the experience of applying as well as the allocation of a substantial part of the fund raised in Britain to Americans left families in the UK upset and angry. The lack of a response to a letter from the September 11 UK Families Support Group inviting Lord Levene to meet and speak with the group left members feeling disappointed and let down.

The application form for this fund had asked bereaved family members detailed questions about personal earnings and private savings as well as about the exact nature of their relationship with the deceased and how the disaster had affected them emotionally. One bereaved applicant, for whom it took two weeks to complete the extensive questionnaire only to be told afterwards that they had not been eligible to apply in the first place, described the whole experience as humiliating and traumatic.

Clearer eligibility criteria at the outset, more sensitive and responsive communications with applicants and more transparent explanation of the distribution criteria would have prevented this.

By contrast, the American Red Cross’s 9/11 Liberty Fund, distributed by the British Red Cross for the benefit of bereaved British families, was a much more positive experience for applicants. This fund, distributed over several phases from a few months after the attacks to mid-2003, made payments for specific items and activities such as travel to America, travel to a UK memorial event, repatriation of remains, legal and funeral costs and contributions to psychological support. The Fund also covered ‘emergency family gifts’ covering a year’s living expenses where a breadwinner was killed and the setting up of the UK Families Support Group.

One individual, (with some administrative support) undertook the vast majority of

this work at the British Red Cross. It became apparent that the role was excessively demanding, with the level of emotional and practical support given being outside the normal expectations of such a caseworker role, particularly as the individual was also responsible for all calculations and recommendations about financial distribution. As well as future staffing and support implications, another lesson highlighted for future fund management was the value of establishing points of contact early on even if the full case cannot be considered at that particular time.

Sensitive application procedures

Procedures by which beneficiaries apply for funds should be as straightforward and sensitive as possible. Those tasked with devising questionnaires and collecting information direct from applicants, such as caseworkers, should also be selected for their skill and sensitivity in working with distressed people and carefully prepared and supported for this role.

It is important that the administrative processes are not seen as officious, patronising or stigmatising by applicants. Attention should be paid to details such as the wording of forms and letters. The difference that attention to such details can make to beneficiaries is demonstrated in the following feedback received by the London Bombings Relief Charitable Fund:

‘My wife and I do deeply appreciate all the financial help your fund has given us as well as all your kind words of comfort and compassion sent in your letters.’ (Bereaved relative)

‘I would like to thank the London Bombings Relief Charitable Fund, especially the caseworkers and all who have donated to the fund for trying to make such a terrible event just that bit more bearable, thank you from the bottom of our hearts.’ (Seriously injured survivor)

‘My husband, daughter and I would like to commend the fund on the efficient yet sensitive way all this has been handled. Your patience is a great example and we are really grateful for your support.’ (Bereaved relative)

This comment from a beneficiary demonstrates appreciation of the decision of trustees to sign letters personally:

‘I am overwhelmed by the kindness and compassion that has been shown to me. Believe it or not, it is not just the money - the letters that accompany it are a model of genuineness.... The whole conduct of the distribution of the fund should be a criterion for others.’

The NAO evaluation of the Tsunami Hardship Fund reinforced the importance of good organisation and clear communication in relation to these issues: ‘Negative feedback was received about the British Red Cross hardship fund: that it took too long to be organised, that it wasn’t communicated properly to families and that it was very bureaucratic to access.’ (NAO 2006:55) Building on feedback from those who had been through the experience of applying for the Hardship Fund, the NAO recommended the following in relation to future procedures for offering financial help after disasters:

‘Families should be informed officially about packages they may be entitled to via a clear route and at a similar point in time. A great deal of care needs to be taken in deciding criteria for entitlement, taking into account complex families, difficulties

regarding next of kin and mixed nationality families. These decisions do, however, need to be taken relatively quickly so that delays are minimised. Help needs to be easy to access and funding easy to apply for. Some people were unable to access the help required as they had no support to help them through the bureaucratic process of applying for the funds.’ (NAO 2006:57)

An independent review of the London Bombings Relief Charitable Fund, referred to below, has highlighted the advantages and disadvantages of having dedicated caseworkers. It suggests that speaking to a familiar person, building up a relationship with applicants and continuity may be offset by the risk of caseworkers over-identifying with clients, delay when a caseworker is sick or on holiday, and difficult handovers when caseworkers leave. It suggests future casework staff might attend training about the policies of the organisation, the needs of the client group and the nature of the job. (Jackson 2007:20)

London Bombings

Application Procedures: The LBRCF

The application process for the London Bombings Fund was intended to be as simple as possible. Enquirers were sent an application form by post or email, or obtained the application form from the fund’s website. The form was designed to ask for the minimum information at the beginning, allowing further details from applicants to emerge in time. It also gave applicants a choice about whether they described their injuries on paper, with a medical advisor or, with a caseworker.

Each applicant was allocated a specific caseworker who followed their case (other than where there was some form of clash between caseworker and applicant, which required a reallocation). Caseworkers telephoned applicants to confirm that they had received the application and then opened a file for each application. (Jackson 2007:20) Medical specialists, GPs, counsellors, employers, and the police were approached to get ‘third party’ verification, in order to reduce the administrative burden for applicants.

The fund did not operate a tariff system for injuries. Rather, grants were decided according to the use of broad categories relating to the severity and permanence of injuries sustained, taking into account the individuals’ future dependence and mobility. The grant phasing enabled a series of interim payments to be made to the injured before full prognosis could be obtained from their medical specialists. (Stone 2007:13)

Grants were also made available to those who, whilst not permanently injured, were incapacitated for a number of weeks because of being in very close proximity to the bombs. Applications that did not meet the fund’s criteria were taken to the Grants Committee and exceptional awards made according to the Trustees’ discretion. (Stone 2007:8, 13)

An independent evaluation of the fund’s grant making was completed in 2007. It concluded that the fund’s objective criteria gave a strong element of customer focus and limited the need to ask personal questions. It suggested that concentrating on the impact on a person’s life rather than the seriousness of the injuries, as might have come through some form of tariff system, minimised the need for the fund to have medical expertise in making decisions. It also stated that avoiding means testing made the application process less intrusive and onerous. (Jackson, 2007:8)

The review further concluded that not specifying how the money should be spent limited the paper work and the administration costs and allowed recipients to de-

fine their own needs. Including a strand of discretionary funding allowed the fund to be sensitive to different cultures, circumstances and life styles.

At the same time the review suggested that individual criteria had drawbacks in their practical application; for example, using 'time off work' as a criterion could have indirectly penalised victims who used early attendance at work as a coping mechanism. Some of the review's interviewees also felt that the fund could have done more to help victims with post traumatic stress disorder. (Jackson 2007:8)

South Yorkshire Floods

Lessons from South Yorkshire Flood Disaster Relief Fund

As part of sharing its lessons learned, the South Yorkshire Community Foundation has included a series of case studies on its website highlighting the needs of flood victims and the way in which fund payments, and the way they were administered, made a difference in their recovery. (SYCF, 2010)

The fund made initial handouts of £100 to flood victims within days of the floods in June 2007, to help with immediate emergencies. By November, a second phase of payments up to £1000 was made to those most in need.

For some recipients even a small amount of support went a long way to restoring some sense of hope. One woman wrote to say: 'Thank you so very, very much for the payment from the Flood Fund. You can't imagine how much it means to me, it has had me in tears of relief. My love, good wishes and prayers to all who have donated and worked so hard for the Fund since the dreadful floods.'

One family in Doncaster described the hardships of coping with life after the floods. The family, who had three children, two of them with special needs, had been given the go ahead by their insurance company for their own builder to do the remedial work on their home. The family were keen to get back into their own home as soon as possible as living in a caravan in cramped conditions was proving extremely difficult for them. Seven months on, however, their recovery was being hampered by ongoing problems resolving the final payment with the insurance company for the work, and the wife had to deal with most of this on her own as her husband was now away serving with the armed forces.

The wife stated that this situation was very stressful and that she felt that the insurance company was 'looking for ways to get out of paying'. With several days of heavy rain returning this year, so did this family's fear, not just of what might happen, but what could happen if they have to make a repeat insurance claim. The Disaster Relief Fund was able to make a substantial payment to help the family and they were also signposted to the Doncaster Citizens Advice Bureau for assistance in resolving the insurance claim.

For many of these flood victims the recovery process was a long drawn-out affair affecting many aspects of normal life. As well as practical difficulties in carrying out basic domestic tasks such as cooking and washing whilst living upstairs, and waiting for their properties to dry out, mounting costs were associated with business disruption, cancelled weddings (due to premises' flooding), ongoing communications with loss adjusters, and the cost of phone calls and eating out.

The Flood Fund helped many of these victims. Another beneficiary struggled to pay bills as well as buying food and clothing for her growing family. In addition to being re-housed the family suffered £800 of damage to their car. Despite being insured they still had the £200 excess to pay and were expecting their insurance premiums

to increase in the future. Having received a payment from the Flood Fund, the woman said 'We have lost so much and it has been very difficult over the last six months; this payment has been a big help to us all, you have restored my faith in humanity.'

Assessment panels

The most difficult aspect of assessment will be in respect of the injured survivors, since levels of injury and incapacity will inevitably vary greatly, depending on the nature of the disaster. Trustees in the past have drawn on expert advice in developing broad categories for the injured based on, for example, length of time spent in hospital, awarding greater or lesser sums according to the seriousness of the injury. Trustees are generally not medical experts and should refrain from delving unnecessarily into the complex nature of injuries and without appropriate advice when making their awards.

Expert panel members should also be recruited with appropriate skills, sensitivity and expertise for analysing this kind of information and offering advice.

One fund manager offers two points of caution in respect of expert advice. Firstly, while many professionals are willing to give a small amount of their time and advice for free to such a cause others will not, and will expect to charge by the hour. Additionally there may be a reluctance to share expertise in this way as some leading medical specialists may be involved in academic or commercial research, which means they will restrict access to their 'intellectual property'.

Taking Expert Advice

After the Bradford Fire the assessment panel for the Disaster Fund consisted of a burns specialist, a psychiatrist and a claims specialist.

In the case of the Channel Ferry Fund after the Zeebrugge disaster the trustees formed a panel of experts – medical, legal and insurance, in order to advise them on general and individual matters. Indeed all cases were scrutinised by the Panel as well as by the trustees themselves, so as to reduce the chances of any factors of need being overlooked or underestimated. (Moir 1991:276)

London Bombings

Expert Advice after the London Bombings

After the London Bombings 2005, the LBRCF found they were unable to make a final decision about grants for most of those survivors who had hearing damage until more than six months after the bombings, as none of their doctors would give a prognosis before that point. A specialist was able to advise that only after this kind of period could it be confirmed whether healing had naturally occurred, or operations been successful, where the eardrum had been perforated.

This same consultant also advised on the usual terminology used by hearing specialists to categorise degrees of loss for industrial injury and other compensation claims, which enabled the LBRCF to know which of its own gradations ('basic' through to 'very severe') they fitted, and thereby for grant decisions to be made. Similar work was done in respect to burns (how long before plastic surgery or reconstructive work would be done was an important factor), and advice was taken from NHS trauma services about the manifestations and diagnosis for post traumatic stress disorder.

An important principle identified by those managing the LBCRF, however, is ensuring that those who are injured do not have to go through yet more review/assessment/examination of their injuries or illnesses in order to get funds. The disaster fund administrators should work on the principle of using what information is already available, not troubling the affected person more than absolutely vital, including doing lateral thinking in order to verify information.

Tsunami

Learning from the Tsunami Hardship Fund: Delays and Means-Testing

The British Red Cross has itself identified the following lessons from its experience of administering the Tsunami Hardship Fund:

'On Wednesday 30 November 2005, the British Red Cross announced a special grants programme for people who were experiencing ongoing financial difficulties as a consequence of the Asian Tsunami the previous December.

Grants were made available to UK residents and, in exceptional circumstances, British nationals living overseas, who had experienced financial hardship as a direct consequence of the Tsunami. The eligibility criteria to apply to the fund included:

Bereaved spouse or live in partner and any financially dependent relatives or other next of kin who suffered financial hardship as a direct consequence of their bereavement

Individuals with serious long term or permanent injury as a direct consequence of the Tsunami and who are unable to work as a result of their injuries

Survivors who have suffered psychological trauma and who are unable to work as a consequence of their experience.

The Hardship Fund made charitable grants of up to £10,000 available to successful applicants, as well as up to £2,000 to pay for medically prescribed counselling that was not available on the NHS.

Applicants were asked to provide evidence of their need and entitlement and the money available was assessed on an individual case-by-case basis... The payments were not compensation but charitable grants intended to help ease the financial hardship some people were suffering. Recipients of the fund individually decided how to spend the grant.

A total of 54 applications were submitted to the fund. Forty received a grant, five were rejected and nine were not pursued further. It was originally anticipated that applicants to the fund would receive a decision about their application within three weeks. On average, it took one to two months for successful applicants to receive payment.

The payment total for the fund was £220,548.26. The fund closed on 30 June 2006. Only applications received before this date were considered.

Lessons identified

There was a delay in launching the fund. This made it more difficult to deliver fair decisions with confidence some time after the impact of the disaster. Such a delay didn't fit with British Red Cross principles. A gap in the appointment of a programme director compounded this delay.

The programme was means tested. This was intended to ensure equity. But this decision didn't make the process more equitable. It did cause beneficiary concern and some conflict within the organisation. It led to the risk of reputation damage.

Means testing raised customer care issues including unclear initial eligibility criteria, weak guidance on evidence needed and complicated decision-making. It is also not clear how and by whom the decision to means test was taken.

None of these weaknesses were mission critical. All were improved over the period of the programme. However, the British Red Cross would have been challenged to deliver a consistently high quality service without additional resources if the numbers impacted had been higher.' (British Red Cross Society, 2009a)

10. Relationship with Department for Work and Pensions (DWP) Benefits

Trustees should establish what the position is with the DWP (Department for Work and Pensions) before starting the distribution process, and advise applicants accordingly. In addition to the general rules outlined here, as stated above (see pages 15-16), trained benefits advisers who can give advice and support relevant to this specialist area can be especially helpful.

The DWP's General Rules on the Treatment of Capital (as of August 2010)

The general rules on the treatment of capital in the working age income related benefits (these are Income Support, income-based Jobseeker's Allowance, income-related employment and Support Allowance, Housing Benefit and Council Tax Benefit) have changed since the scenario facing beneficiaries after the Hillsborough disaster. The lower capital limit is now £6,000 (or £10,000 for people permanently living in a care home) and there is no entitlement to these benefits once the upper capital limit of £16,000 is reached. There is a weekly deduction from benefit, known as tariff income, of £1 for each £250 or part of £250 over the lower capital threshold of £6,000.

Although the value of most capital is counted for benefit purposes, some forms of capital are disregarded. For example if a claimant receives a lump sum as a result of a personal injury this will be disregarded for a maximum of 52 weeks from receipt of the payment or until the lump sum is disposed of, whichever comes first. If, after 52 weeks, the money is placed into a trust fund or used to purchase an annuity, that capital will continue to be ignored. Additionally any income derived from the trust fund or annuity will also be ignored. If, after 52 weeks, the money is not placed in a trust or otherwise disposed of it will be taken into account in the normal way (and benefit entitlement will end if the total capital is more than £16,000.)

Another example of a disregard that might be useful in the event of a disaster is where a claimant receives money as a result of damage to, or loss of, the home or any personal possession. This money can be ignored for 26 weeks (or longer if reasonable) if the money is paid and used for effecting the necessary repair or replacement.

Trustees should bear in mind that those in receipt of state benefits should be given all the information necessary for them to understand the implications of receiving payments from a disaster trust fund, as well as relevant information on appropriate steps to avoid any potentially adverse affect on their financial circumstances.

Hillsborough

Hillsborough Disaster Fund

Receiving money from the disaster fund arose as a major issue for those on benefits following the Hillsborough disaster. (Coleman et al, 1990:142-147) The city councils of Sheffield, Nottingham and Liverpool, and Liverpool Football Club, sponsored the

appeal, launched on the evening of the disaster. Each sponsor nominated one trustee and subsequently a fund manager was appointed. Both a non-charitable discretionary trust and a charitable trust were set up.

A number of problems arose over the distribution of awards. Areas of concern included: the effect of payments from the fund on benefit entitlement; initial confusion over the issue of 'means-testing'; apparent disparities in the amount of money paid out to families; and the difficulties faced by families in receipt of payments (including intrusive media coverage).

Members of Parliament for those affected were assured initially that there would be no claims for recovery of benefit against money paid from the appeal fund. However, in a number of cases, beneficiaries in receipt of benefits who disclosed payments from the disaster fund to the then Department for Social Security (now Department for Work and Pensions) lost entitlement to income-related benefits. Under the DSS rules at that time, a person lost entitlement to any Income Support and Family Credit if her/his capital exceeded £6,000. The capital cut off point for Housing Benefit was £8,000.

Average initial payments from the fund amounted to approximately £35,000 for the loss of a child, and £25,000 for the loss of a 'wage earner', plus an additional payment of between £20,000 and £35,000 placed in trust for each dependent child. Consequently under the regulations at the time anyone in receipt of income-related benefit lost entitlement once a payment of this kind had been made from the fund.

Also, no indication was given as to the length of time covered by disaster fund payments or a point at which benefit entitlement could be reinstated. This increased the anxiety of those affected by this ruling. One family informed the DSS that they had received a sum of money from the fund and were asked to return their payment book. A lack of further communication from the DSS meant the family felt unable to distribute the disaster fund award between family members for fear they would lose their only source of income.

Coleman et al (1990) emphasised the sense of uncertainty and vulnerability this caused for those who had lost benefit entitlement and recommended guidance be made available as to how long a payment is expected to last, supported by information as to how such money 'reasonably' might be spent or distributed.

Further, when a person eventually made a fresh claim there was the added concern that some may have lost their entitlement to 'transitional additions'. In the long term they suggested some people might have lost out financially because they had received a payment from the fund.

Coleman et al argued for greater involvement by welfare rights advisors when payments are being made, rather than relying solely on DSS officials to explain the regulations. This, they suggested, would ensure that potential problems are addressed fully and advice services could be arranged for those encountering problems with the DSS.

London Bombings

The London Bombings Relief Charitable Fund and the DWP

In the case of the London Bombings Relief Charitable Fund, a statement was obtained from the DWP clarifying the fact that benefits should not be affected by payments from the fund, as such grants and donations did not affect benefit entitlement. The interim assistance payments made in the first five months following

the attacks, including those paid because of the death of a partner or close relative, were disregarded. However, further payments from the LBRCF were treated in the same way as other government-funded payments where people have contracted HIV or hepatitis C from contaminated blood products, that is, disregarded for a period of 104 weeks or indefinitely, depending on the recipient.

Following the London bombings a review of the benefit rules in relation to compensation payments took place, with the intention of avoiding the need to legislate separately in future for specific disasters and events. As a consequence of that review the special disregards relating to Personal Injury Payments, as mentioned above, were introduced. However, ministers decided not to introduce any special disregard for compensation payments made to relatives following bereavement, so these payments will in future remain subject to the normal limits and tariff income rules.

In addition and for completeness, Personal Injury Payments, including those not held in Trust, are disregarded indefinitely in State Pension Credit and pension age Housing Benefit and Council Tax Benefit. The tariff income rules are also more generous in these benefits as there is no upper capital limit and the weekly deduction is £1 for each £500 or part of £500 held over £10,000.

11. Openness and Transparency

Disaster Action agrees with the view that there is a moral and legal obligation for the trustees of appeal funds to account for the distribution of donated money. (EMA 2006:12) There is likely to be a range of expectations on the part of donors, potential beneficiaries and the wider public as to how the money accumulated will be managed and distributed. Past experience has shown how a mismatch in expectations and outcomes can cause conflict and frustration.

Addressing obligations and expectations may be achieved through openness and transparency about:

- How trustees and fund managers have been chosen
- Whether trustees, administrators, consultants or anyone else associated with the fund are to be paid for their services
- General criteria and methods for assessing disaster impacts
- The percentage of the fund to be paid directly to bereaved/survivors
- Whether any payment is one-off, interim or final
- The anticipated life of the fund and how decisions to close it will be made.

Bearing in mind individual confidentiality, the general public should be able to review in broad terms the distribution of funds and how any surplus over and above the objectives of the fund is to be disbursed.

Confidentiality and anonymity

Fund managers and trustees should be especially mindful of issues concerning confidentiality and anonymity in relation to beneficiaries. Disaster Action's Guidance for Responders: 'Code of Practice on Privacy, Anonymity and Confidentiality' highlights general areas such as the sharing and disclosing of personal information, unintentional disclosures, consent and data protection.

While the criteria for assessment and distribution should be clear and well publicised, details of individual beneficiaries and what they individually receive must remain confidential.

Feedback from beneficiaries of the Bradford Fund made special mention of this:

‘I, for one (now living alone) very much appreciate that no further names and addresses will be made public.’

‘May we take this opportunity of saying thank you to you and all your colleagues for their discretion and consideration for all our family.’

‘How you kept the payments secret is a miracle. It has helped enormously that no-one knew what money went where.’

(Suddards 1991: 148)

When a fund is wound up, all working papers should be shredded and personal details and records removed from computers in order to safeguard confidentiality.

In keeping with this, three years after the Dunblane shootings the final report from the Dunblane Fund’s trustees highlighted how records of payments from the main fund set up were to be destroyed to ensure details are kept confidential. The trustees stated that no one should ever know the amounts paid to the recipients. The report stressed the trustees’ ‘determination’ to prevent disclosure of the identities of beneficiaries, with all personal information being destroyed. Even the minutes and financial records that do not identify people by name are to be retained as ‘closed records’ for 30 years. (BBC, 1999a)

‘After the London Bombings the LBRCF adopted a policy of absolute confidentiality. It would not give out the names of victims or their families or act as a conduit for journalists to interview them. Publicity gave a range rather than an absolute figure for the amounts paid to specific categories so that individuals’ awards could not be identified. (Jackson 2007:17)

Stigmatisation

A further reason for ensuring confidentiality and anonymity is the possibility of beneficiaries being identified and stigmatised.

Interviews with families affected by the Hillsborough disaster highlighted a marked reluctance to spend the Disaster Fund awards for fear of public criticism. (Coleman et al 1990:147) As one member of the Hillsborough Families Support Group has said, ‘You’re scared of what people are going to be saying.’ Some families felt they had become ‘public property’ and were somehow expected to be accountable for the way in which they chose to spend the money. Coleman et al concluded: ‘Donations were made to alleviate distress yet people ended up suffering from the fear of public scrutiny or rebuke.’ (1990:147)

Hillsborough

Balancing Openness and Confidentiality

Following the Hillsborough disaster a lack of clarity about general criteria and methods for assessing applications led to a sense that means testing was being applied. Although interim payments were made at an early stage, agents acting on behalf of the trustees visited bereaved families, part of their brief being to ascertain ‘further immediate need’.

Coleman et al (1990) report that families were asked questions relating to their employment status, earnings and details of any other income/assets. No clear reasons were given at the time as to why this information was required or whether it would affect the final disaster fund assessment. Although the fund manager was adamant

that it was never the intention of the trustees to 'means-test' families, families were upset by these procedures. Barry Devonside (Secretary of the Hillsborough Families Support Group at the time) commented:

'Ninety-five people have died - they are equal in death. What has their occupation got to do with the fund's managers?'

After a number of families had experienced this form of questioning the Hillsborough Families Support Group reached a common agreement that they were not prepared to participate further in the procedure. Coleman et al (1990:145) suggested that as a result of pressure from the Support Group further attempts to means test were dropped.

This problem was connected to a general confusion concerning the criteria applied by the fund's administrators in making payments. There was a feeling within the Support Group that claims were being assessed in different ways, a perception not helped by the fact that criteria for distribution to the bereaved were not revealed.

The criteria applied to injury claims were less confusing and depended primarily on the medical assessment of physical or psychological damage. Three 'independent' assessors conducted the assessments and passed their findings on to the trustees. These then made a judgement of 'relative weighting' and a 'monetary value' was assessed.

Of this approach and the implications for future funds, Coleman et al commented:

'The main issue turns on whether it is possible to achieve a better balance between the complexities and confidentiality surrounding individual payments and sensitivity to the needs and feelings of the families who need assurance that they are being treated equally. It is a complex problem to which there is no easy solution, but it would help families to be given guidance by the Trustees on their method of categorisation. In turn this would assist people to decide on the need for a review of the payment received.' (1990:146)

12. Managing Donations - Gifts in kind and services

In addition to money, a common response after disaster is for donors to offer material donations - 'gifts in kind' - or volunteer their time and services (these are often known as 'convergent volunteers'). Material donations are often clothing and furniture, but may also include toys, teddy bears (particularly in disasters where children have been involved) and flowers.

Donations may be symbolic in their sentiment but often say more about the feelings of the giver than the needs of beneficiaries. An unwieldy over-abundance of supplies can quickly accrue and needs to be carefully managed. Experience from large-scale disasters in Australia suggests that material donations there tend to have a negative effect on the recovery of the affected community:

'The personnel resources devoted to accepting, storing, transporting and distributing material aid may be best directed to other recovery needs. The time taken to manage material aid may preclude usefulness to disaster-affected persons and the donations received may be of little use if of the wrong size, colour or style. The provision of material assistance also reduces the capacity of individuals to manage their own recovery and reinforces their dependence on charity, undermining their self-esteem and dignity.' (EMA, 2002:14)

For these reasons they recommend that all donations should be monetary unless the special circumstances of the disaster mean material needs are required. In this event they advise charitable organisations with expertise in the area to provide

material goods 'to order' in exchange for the proceeds of a material aid appeal. (2002:14)

Dealing with donations can provide significant challenges for those managing appeals, particularly if those gifts or services are judged to be inappropriate or unhelpful. Nevertheless gifts in kind and offers of time and service are usually as well intentioned as financial donations. Managers thus have a responsibility to respond to such forms of giving sensitively and should consider the interests of givers, beneficiaries and public reaction in their decisions and actions.

As well as being used to acknowledge gifts and donations, a communications and media strategy can be designed to guide the spirit of giving by highlighting the specific sorts of needs that have arisen from the disaster and advising on the kinds of donation that may be most helpful in the shorter and longer term. It may also be useful for those managing donations to publicise a facility for responding to queries and offering advice about specific gifts before they are sent in.

Doncaster Floods

Doncaster Flood Donations: Managing Gifts

On 25 June 2007, the residents of Doncaster were affected by a natural disaster on a scale they had never experienced before. After 24 hours of rain, six square miles of Doncaster were underwater and there were few residents who did not feel the effect of the floods.

Rosalind McDonagh, Emergency Planning Officer for Doncaster reflects:

'In the initial stages of the emergency, I had not considered the impact that donations would have, nor had this been included in any existing emergency plans. On day two we were inundated with offers of help. This included caravans for sale, caravans for free, offers of a week's free holiday in a cottage in another part of England. All offers were recorded and verbal thanks given. However it was difficult to consider at this stage who would benefit from these offers as so many people would be needing support.

In these early stages a common question was – "what do people need?" The answer was very difficult - at this early point in time we didn't know. We also did not know the scale of loss and damage to their homes as the flood water prevented assessment. However we did know that people in the rest centres were being cared for and their physical needs were being met.

By day three we became aware that donations were pouring into rest centres and were becoming difficult to manage. Not only had the rest centres become a focal point for donations, but any Doncaster Council Building with a public reception was also experiencing the huge out pouring of concern and sympathy for those affected, demonstrated by the volume of donations they were receiving.

On day four access to a warehouse was secured and vehicles mobilised to collect all donations into a central point where they could be sorted and re-distributed.

To support this action we issued media messages encouraging donations to be directed towards the official help fund that had been set up by the wonderful South Yorkshire Community Foundation.

This certainly alleviated the problems at the Rest Centre and public buildings, but we now had the problem of who would sort the donations. All available council staff were working on the response and our partners in the voluntary agencies were doing the same, we were very grateful to our in-house cleaning staff who came in to

help and did a great job of organising the warehouse and donations.

The most useful donations offered were tea and coffee, children's drinks, sweets, brand new and packaged bedding, duvets, toiletries, a play station games set and cleaning equipment for people's return home. Not so useful were a wedding dress and a pram with a wheel missing, though these gestures were still appreciated.

Managing the warehouse took time and commitment. As residents returned home the warehouse was used to put together cleaning packs and starter packs which included toasters, kettles, microwaves etc. The warehouse was also flexible enough for Council staff to access donations and distribute goods as people needed them. The warehouse was needed for a period of 7 months after the floods.

There were many other later donations which were very useful and thoughtful in the long weeks which followed for those residents still living in the rest centres. These included: free swimming sessions, cinema tickets, concert tickets, day trips, curry nights, etc. These were well received and well used.

The donation of larger items of furniture was managed by a Doncaster furniture re-distribution charity. Residents wishing to donate furniture could call the Council and collection would be arranged. Residents wishing to replace furniture would view available furniture in the Charities work units. This worked very well with some very generous donations being made through this facility.

Offers of help with labour had to be carefully managed, whilst people needed help clearing their homes, removal of possessions needed to be done sensitively, and balanced with the enthusiasm of those offering help. Care also had to be taken to ensure no injuries occurred. A BBC television programme called 'DIY SOS' made a film documenting the help of labour and supplies that was given to one of the communities affected.'

Learning points

- The volume and range of donations should not have been such a surprise – what was a surprise is that we had not planned for it
- The warehouse arrangement worked extremely well meaning the right donations could be distributed at the right time to the right people
- The South Yorkshire Community fund was invaluable
- Managing donations needs requires sensitivity and good organisation.

13. Communications and Media Strategy

Media coverage can have a significant influence on levels of donations to a fund. It can be used to highlight ways of donating, as well as being a means of communicating with potential beneficiaries. Press releases can also be used to highlight both the immediate and continuing needs of those affected by disasters.

Forms of media coverage can include: television and radio bulletins, including advertising appeals for donations; extended newspaper coverage, including articles covering the recovery effort; online reports, and harnessing the potential offered by new forms of social media. We recommend that trustees use the services of a public relations/media expert in developing their communications and media strategy.

Trustees should be aware that there is sometimes the need to be proactive in inviting relatives/survivors to make applications. It may be appropriate to give examples of what sort of applications can be made (for example, travel to the disaster site/in-

quests/inquiries), as many of the people will never have applied for anything in their lives before. A good number will simply think that they do not deserve any money, or feel they should not 'profit' from the death of a loved one.

Opportunities should be available for people to decide they wish to claim later rather than immediately after a disaster. Some people might not wish to apply at first and later regret not doing so; for example after their initial reactions are past, they may find they want to do something meaningful with the funds (in memory of a loved one for instance) or find they do need it to support their future.

Legal advice should be taken on the wording of invitations to donate to an appeal, since in law where a person gives money on the understanding that it will be used for a specific purpose, the trustees of that gift are obliged to ensure that they use it for that purpose and no other. Since it is the media statement and surrounding publicity that will inform the public of the purposes to which their donation will be put, it is important that the wording is appropriate.

Good, clear lines of communication are therefore essential. To facilitate this, it may be necessary to:

- Set up a website, where visitors can read about the fund, download application forms and see updates on progress and activities
- Provide a single, named, administrator who beneficiaries can contact and get to know
- Be in touch with several individuals from each bereaved family. It cannot be assumed that communicating with one member of a bereaved family will ensure that everyone else will get the information, in view of complex family relationships and the fact that bereavement can exacerbate difficulties between some family members. The next of kin may also be overwhelmed by the tragedy and unable to take in or pass on information
- Send regular updates once lines of contact have been established. As much general information about the contents of the fund, its objectives, even - without breaching confidentiality in terms of names and amounts - what sorts of awards are being made. It is not uncommon for families to feel they might be the only ones asking for money, and therefore deciding not to make an application
- Ensure that information is kept up to date. If people move home after a disaster, for example, they can easily fall out of the system.
- It is also important to ensure that as many potential beneficiaries as possible are made aware not only of the existence of the fund, but the fact that the fund will welcome applications from all those directly affected
- It is important to be aware that adverse publicity may have the effect of discouraging donations and can generate or reflect misinformation of misunderstanding about a disaster fund. The relatively small sum of approximately £86,000 raised by the Marchioness Disaster Fund, for example, has been attributed to the media portrayal of the victims as party-going 'yuppies' (McLean & Johnes 2000:150)

- Stories challenging levels of 'need' or the 'desert' of victims, or reports alleging unfair distribution - whether accurate or not – can impact on giving and beneficiaries, including the willingness of the latter to come forward.

Some examples of fund communications strategies are set out below.

Zeebrugge

Channel Ferry Disaster Fund

'Three newsletters from the Trustees were circulated. The first, issued just a fortnight after the tragedy, outlined the principles of operation and general arrangements for distributing the initial payments as quickly as possible. Two further bulletins described, inter alia, the visiting and assessment procedures, counselling help, liaison with Townsend Thoresen and tax questions. Beneficiaries were also urged to seek professional assistance from solicitors or accountants. Experience showed that these newsletters performed a very important function and were much appreciated by those who received them. They were also useful in confirming to the press the philosophy and methods which the Fund chose to adopt.' (Moir 1991:272)

Hillsborough

Hillsborough Disaster Appeal

'It is quite possible that unfounded rumours will arise about the way in which the Trustees propose to use the funds. It is important to be aware of these; to avoid them wherever possible by announcing principles as early as possible or, failing that, by responding quickly with factual answers to questions about these rumours.

Our own experience of unfounded rumours...illustrate(s) the value of having a readily available spokesman for the Trustees. There are advantages in deciding who is going to be the contact. In some cases it could be the Chairman or one of the Trustees, or the Trust Fund Manager. The media like to be able to quote somebody and you are most likely to get your message over if you are willing to be quoted. This particularly applies to interviews with TV and radio.' (Reddington 1991:288-9)

London Bombings

Communications: The London Bombings Relief Charitable Fund (LBRCF)

'Although the work of the LBRCF may appear in hindsight to some to have been smooth and effortless, the charity faced very high risks that it would not get it right or, having made a good start, that things could go wrong afterwards. Added to that was the extra pressure of the quite proper interest of the media in keeping people informed of what the Fund was doing and why. Organising our communications to ensure a good flow of information was essential in building and maintaining a wide understanding of the Fund's work.' (Oppenheim 2007:5)

An independent review of this fund describes how it employed a part-time public relations practitioner with special experience of disasters and crisis news management as Communications Manager. (Jackson 2007:16) All media enquiries went to this manager, who took telephone calls from journalists both on days he was based at the fund and when he was 'off duty' and at any time of day. His specific work

included producing a communications strategy, keeping in regular contact with stakeholders, writing and distributing press releases, overseeing the media part of the website, following up stories by telephoning journalists, editing and producing a bi-monthly newsletter for donors, and potential beneficiaries, attending events and analysing the press coverage. In practice, the Communications Manager also helped some victims in some of their encounters with the press, which benefited all involved.

The review concluded that the communications strategy was both needed and useful in giving the Fund the best opportunity to build up, and increase, wide public understanding of its work. (Jackson 2007:17) Carol Stone, Chief Executive of the LBRCF, recounted the following in the 2007 Annual Report of the Fund (2007:9):

‘We believe that the LBRCF’s communications management provides a model for the future. The Trustees recognised the need to maintain strong relationships with all of its partners, stakeholders, donors and beneficiaries, and so organised communications accordingly. The Fund managed to “punch above its weight” in getting its message across to audiences of up to 18 million. As each grant phase was announced the charity ensured that the message was about the victims and not about the Fund. Our strategy of regular updates in the form of press releases, newsletters and briefings meant that all interested parties were kept well informed about our activities, whilst we maintained strict confidentiality about our beneficiaries, their circumstances and the individual awards they had received.

The Fund received considerable feedback from beneficiaries throughout its grant making and took this into account in devising subsequent grant phases. Our grants policy was backed by an independent poll carried out by IPSOS MORI of people who live in, or regularly commute to, the capital.’

- Ninety-three per cent of those who responded agreed that money raised for the Fund should be used to help the families of those who lost their lives in the attacks
- Ninety-five per cent agreed that it should be used to help survivors who were seriously injured
- Seventy-one per cent agreed that the money should be used to help anyone directly caught up in the bombings whether or not they were seriously hurt.
- These figures reflect the way in which the Fund chose to distribute the money amongst the victims. The lion’s share - almost 80% - of the cash the LBRCF received was paid to the bereaved and seriously injured.

Polling research by IPSOS MORI was carried out between 15 and 18 November 2005 using a nationally representative Omnibus survey, which is conducted using computer assisted personal interviewing.

South Yorkshire Floods

South Yorkshire Flood Disaster Relief Appeal, 2007

The South Yorkshire Community Foundation were recognised for their campaign work to support flood victims by the Institute of Fundraising National Awards 2008, winning Best Local/Regional Campaign for their work on the South Yorkshire Flood Disaster Relief Fund. (Stephens, 2008a)

The campaign was set up within two days of the flooding with a target of raising £500,000 to alleviate the suffering of individuals and families affected by the flooding, to support community groups who were flooded and provide funding for voluntary sector bodies that were supporting the recovery efforts. By November 2007 over £1 million had been raised and in total over £1.6 million was received for distribution locally - all of it from donations from the general public, businesses and trusts.

It gained support of the four local authorities, local media and the business community and the British Red Cross, and targeted philanthropists, companies, trusts and individuals. Events were organised. Audiences were reached through intensive media campaigning via local radio stations, through rapid deployment of information to the local press and through the mobilisation of a huge range of ways in which people could pledge support.

The fund is a grant-making charity that predominantly but not solely gives grants to community groups and raises funds from philanthropists through endowments and distribution funds to causes that matter within the area. Although it had never done anything like this before it was also awarded Fundraising Team of the Year at the 2008 Institute of Fundraising National Awards.

Cumbria Floods

Cumbria Flood Appeal

As mentioned earlier (see page 39), the Cumbria Community Foundation launched the Cumbria Flood Appeal on 20 November 2009. With an appeal target of £2 million the Foundation committed £15,000 from its own funds to prime the appeal and reinforce the specifically Cumbrian focus for donations. By 1 December the fund had raised £1 million and by mid-February the trustees had announced the decision to stop actively fundraising due to the high level of response.

The appeal was promoted and supported by the Cumbrian Newspapers Group through the *Evening News and Star* and many other national news media. Funds were also sought from grant-making trusts, individuals and businesses, existing and new European and national funding programmes and community fundraising events. The fund was also advertised as receiving restricted donations, that is, funds given for specific purposes and which recognised specific donors.

Regular updates on the Foundation's website assisted the fund in communicating with the public, donors and potential beneficiaries, and enabled extensive information about the appeal, including application forms, to be widely available and accessible. (See <http://www.cumbriafoundation.org/flood.htm>.)

14. Bogus Appeals, Scams and Fraud

The existence of scams, corruption and/or maladministration and publicity about these can also have a negative impact on giving. While the use of the Internet has broadened the scope for communications and disaster appeals, it has also facilitated the rise of scams and corruption in this area.

In the aftermath of the Asian Tsunami 2004, scams began appearing both online and offline. An attempted hack into the Disasters Emergency Committee's website on New Year's Eve 2004 was foiled by BT, host of the secure payment page of the charity's site. Confirmation of the incident came the day after the DEC announced that it had won the Guinness Book of Records world record for the fastest and largest number of donations made to a charity in a single day via the web.

Scammers posing as tsunami victims or their relatives used many different pitches, including phishing (attempting to acquire sensitive information such as usernames, passwords and credit card details by masquerading as a trustworthy entity) and unsolicited emails, to get people to give them money direct and to download viruses and trojans.

Administrators should keep themselves informed about these possibilities and, where appropriate, incorporate advice and information for potential donors about how to identify scams and donate safely into their communication strategy.

Boscastle Floods

Charity Commission Warns of Bogus UK Floods Charity

In December 2004 Howard Lake, founder of Fundraising UK Ltd, an Internet fundraising consultancy, reported that the Charity Commission had highlighted how a Manchester-based scam claiming to raise funds for those affected by the Boscastle flood was conning the public. The regulator wanted to make sure that potential donors were well aware of the fact that the UK National Flood Appeal Fund was not a registered charity.

The Commission's announcement followed a BBC documentary, 'Boscastle at Christmas' which had highlighted the impact of the Boscastle floods. The Commission advised donors to give directly to the local council's fundraising body North Cornwall Flood Appeal, which was appealing for funds to help regenerate the deluged town.

Commenting at the time, the Head of Status at the Charity Commission, Jane Grenfell, said: 'We received an application from the UK National Flood Appeal Fund and have given advice to the group, but it has not responded. This appeal fund is not set up as a charity and we have no choice but to refuse the application. We always want to encourage people to give, but to give safely and to a registered charity.'

The Commission advised that if potential donors had any doubts about the legitimacy of an appeal or collection they should contact their local trading standards office, the police or call the Commission's helpline. Being able to provide the leaflet and any additional information, such as registration numbers for vehicles used, is also very helpful to these agencies.' (Lake, 2004)

Haiti

The US National Centre for Disaster Fraud

Shortly after the earthquake in Haiti in January 2010, the FBI and the US National Centre for Disaster Fraud (NCDF) established a telephone hotline to report suspected fraud associated with relief efforts. At the same time, in the UK CIFAS - the UK's Fraud Prevention Service - also warned against a spate of emails being received

by many people, purporting to raise money for the victims of the Haiti earthquake. (CIFAS 2010) A month later the NCDF hotline was expanded to identify similar fraud activity emerging from the earthquake in Chile.

The NCDF was originally established by the Department of Justice to investigate, prosecute, and deter fraud in the wake of Hurricane Katrina, when billions of dollars in federal disaster relief poured into the Gulf Coast region. Its mission has expanded to include suspected fraud from any natural or manmade disaster. More than 20 federal agencies, including the FBI, participate in the NCDF, allowing the centre to act as a centralized clearinghouse of information related to Haitian or Chilean relief fraud.

The FBI continues to remind the public to apply a critical eye and do their due diligence before giving contributions to anyone soliciting donations on behalf of disaster victims. It highlights how solicitations can originate from emails, websites, door-to-door collections, mailings and telephone calls, and similar methods. It advises donors to refer to its guidelines, available on the FBI website, before making a donation of any kind. (FBI, 2010)

15. Duration and Residue

The closure of a fund may occur once the funds have been disbursed or remaining funds have been transferred, for example to a local body. In their most recent guidance, the British Red Cross aim for the majority of funds to be dealt with within six months and for all monies to be distributed or handed over to a local body within 12 months. (2008:12) Where such a handover takes place it is important that consideration is given to the original trust deeds and the parameters for distribution. Where later allocation is made, the original intentions of donors and consultation with those directly affected about their wishes for the spending of monies should be a priority.

Making some money available from the residue of a fund for ongoing advocacy and support services to assist those directly affected by a disaster is one option, which was used by the London Bombings Relief Charitable Fund (see pages 33-34).

Cumbria Floods

Stopping Fundraising after the Cumbria Floods, 2009

In launching the Cumbria Flood Recovery Fund the Cumbria Foundation commented on taking a flexible approach to its duration. By 1 December the fund announced that it had raised £1 million and by mid-December had distributed half of that amount.

On 17 February the trustees of the Community Foundation announced the decision to stop actively fundraising, stating that they were in the very fortunate position of holding sufficient funds to meet the likely demand. The trustees announced that they expected to spend all of the appeal funds over the following 18 months or so, and by the end of May 2010 it was announced that £1.44 million had been distributed.

Ongoing updates are available at: <http://www.cumbriafoundation.org/flood.htm>

Some trust funds do not spend their donated money for many years after the disaster. There can be difficulties concerning which organisation becomes responsible for the management of the fund into the long term, after the trust is dissolved. This

is often a different organisation - such as a local authority - from that which is involved at the start.

The long-term plans should be established from the beginning and made clear to all concerned. The new organisation should make itself known to relatives/survivors and there should be transparency about whether there is money left in the fund at that time. Many relatives and survivors experience their greatest financial need years after the event, because of the potential long-term consequences on their physical and emotional health.

It should be decided what might usefully be done with any residue or 'surplus'. Sundry good causes should have a meaningful relationship to the primary purposes of the fund. These may range from donation to bodies that helped in the aftermath of the disaster, to making beneficial provision for the particular community (if identifiable) which is most affected, to helping fund research into the causes and consequences of similar disasters.

This should involve as much consultation as possible with relatives and survivors, in order to avoid misunderstandings and prolonged bitterness when the funds are spent perhaps on something far removed from the original aim of the fund. In Disaster Action's experience, this is, unfortunately, not unusual.

Lockerbie

Lockerbie Air Disaster Trust: The Residue and Unspent Funds

One of the issues raised during the initial management of the Lockerbie Air Disaster Trust was the final disbursement of the residue of the fund. Initial suggestions included making a contribution to a leisure and recreation project which might be developed as a lasting memorial and the establishment of a separate trust which would provide financial assistance to benefit the community in future years.

The residue of the Lockerbie Air Disaster Trust was transferred into a fund named the Lockerbie Trust. It has since been used to give grant aid to individuals or groups for charitable purposes that benefit the community of Lockerbie. In April 2009 the trust still had £383,000 in its coffers, £279,000 of this having been ring-fenced for a swimming pool project.

At this time a spokesman for the trust, said: 'The trustees are operating under funding constraints and agreed to limit the funds to be given as grants. By limiting the value of the grant awards the trust will maintain a level of balances to continue producing future income. In the current uncertainty about investments and interest rates the trust has taken a prudent approach.' (Liptrott, 2009)

Meanwhile in February 2010 it emerged that a dormant Lockerbie Relief account - originally set up to help families of victims of the disaster - still contained \$3,902.76. The date of the 'last transaction' on the account read, '1991/7/10'. The discovery was made by a woman called Patricia Lockerbie who had been checking online at the Bank of Canada website to see if she had any money lying in a dormant bank account.

According to Peter Edwards, staff reporter at *The Star* newspaper in Toronto who researched the story, it transpires there are numerous dormant accounts with the Bank of Canada, many of them for charities. Unclaimed balances in accounts apparently set up for emergency relief include: the Earthquake Preparedness Association (\$874.15); the UBC Earthquake Research Foundation (\$5,934.39); Earthquake Fund (\$1,502.41); Indian Earthquake Relief Fund (\$6,041.35); Squash

Hunger Inc. (\$913.60); Romanian Orphans (\$400); Ontario Psychiatric Survivors Alliance (\$2,362.66); Survivors in Search of a Voice (\$588.25); Injustice Victims Association (\$6,619.04); Funds for Victims of the Pro Democracy Movement in China (\$2,431.70); Victims of Crime Conference (\$2,994.83); Barrie and District Rape Crisis Line Inc. Bingo (\$544.22).

Edwards states that funds of under \$1,000 languish with the Bank of Canada for 30 years, when they are transferred to the federal government's Receiver General. But owners can always lay claim to the money. Larger accounts stay with the central bank forever, gathering dust and 1.5 per cent interest. (Edwards, 2010)

16. Memorials

The proceeds of a disaster fund may be used to help pay for permanent memorials commemorating an incident. In the many disasters with which Disaster Action has been involved and associated, the question of where and what memorials are appropriate has caused a huge amount of grief to relatives. It is important to consider that there is often a difference between a memorial which is for society at large to remember the disaster, and one which is for relatives to remember where and when their loved one died. Many of those affected are likely to place great significance on such memorials.

This can create a degree of tension between the trustees' views of what is appropriate and the relatives'. This can be avoided if, particularly for the latter kind of memorial, opinions are sought from the outset from those directly affected by the attacks. If it is possible to establish a majority view, this should be respected. At the same time trustees should be aware that there can be considerable disagreement on memorials amongst relatives. Where a disaster involves or affects multiple sites this issue will require sensitive consideration. Most relatives, in our experience, prefer the memorial to be as close as possible to the actual place where the people died, and that it should bear their individual names.

It is also important to begin to negotiate the placement of memorials with the organisations whose premises are involved as early as possible. These negotiations can be very protracted.

Sophie Tarassenko, Chair of the King's Cross Families Action Group, writes below about the group's experience of achieving an appropriate memorial for those who had died in the disaster.

King's Cross

The King's Cross Memorial Stones

For the first five years after the fire, the trustees of the King's Cross Disaster Fund handled the matter of the memorial.

For the first anniversary, in 1988, a small memorial stone about the disaster and the trust fund was commissioned by the trustees and placed high up in the entrance of St Pancras Church (so high that it cannot be seen or read from the ground), some distance away from the station. This was against the wish of many relatives, represented by the King's Cross Families Action Group (KCFAG), who felt that there should be a memorial at King's Cross station itself, where they would be able to meet every anniversary to lay flowers. It was also strongly felt by most that any memorial should bear the names of those who died.

After the first anniversary, in the face of the resistance of the disaster fund trustees

to their ideas, a group of relatives approached London Underground directly, and organised and paid for a small memorial stone to be placed in the ticket hall where most of the victims died. London Underground very easily and without any hesitation acceded to this request. This was seen, however, by the KC FAG as a temporary measure until a ‘proper’ memorial was put in its place.

Repeated pleas were made to the Chairman of the trustees by the families group to release money for, and organise, by liaising with London Regional Transport, a memorial stone featuring the names of all those who died which would be placed in the station. The Chair of the trustees, who was still perceived to be the person in charge of decisions about the memorial stones, since he managed the funds, told relatives that he had been informed by London Regional Transport that it was a waste of time putting a memorial there since King’s Cross would be subject to redevelopment imminently, and such a memorial would get damaged by the building works. The idea of a peace garden near the station was also mooted by the Trustees, but most relatives did not want this, as their loved ones had not died in a peaceful way, and the KC FAG continued to press for a memorial in the station. It was never clear whether the Trustees even approached LRT about this.

The Chairman of the trustees in the end told the Families Action Group that he wanted nothing further to do with them, especially since they could not claim they represented the wishes of every single bereaved family in any case, so that their opinion was not something he felt he had to countenance. He refused to meet any of the relatives or to discuss the matter further. And so nothing happened for four years.

It was only after the dissolution of the King’s Cross Disaster Trust Fund, and the handing over of the unspent monies to Camden Council, that the Families Action Group was able to meet with the Chief Executive of Camden Council, who immediately contacted all the bereaved relatives, then LRT, and commissioned a large memorial stone bearing the names of all the victims. The memorial was placed in the station, underground, and dedicated by Father Kennedy six years after the fire. When the station was finally redeveloped some 10 years later the stone was kept in a safe place at the London Underground museum during the works, and then given a permanent location at the station, at underground level. Every year relatives still meet there and lay flowers.

The issue of ownership and responsibility for their maintenance/repair is an important consideration for those commissioning them. Memorials can take many forms – stained glass windows, plaques, pieces of sculpture, gardens, and they can play an important role in commemorating a tragedy. The Stairway to Heaven Memorial Appeal illustrates this and the meaning attributed to an appropriate memorial both for those directly affected and future generations.

Bethnal Green

The Stairway to Heaven Memorial Appeal

On 3 March 1943, following the sounding of the air raid sirens in Bethnal Green, the local population began to move towards the underground (the station was not in operation at this time and was being used as an air raid shelter). As they descended the stairs in the rain and poor light, a woman holding a baby slipped at the bottom of the stairs, pulling another man on top of her. At the same time, hearing the unfa-

miliar and terrifying salvo of brand new anti-aircraft rockets fired by British Forces in nearby Victoria Park, the large crowd from three disgorged buses surged through the entrance crushing the people at the bottom. Within 30 seconds the stairwell was completely blocked by a tangled mass of bodies. In the three and a half hours it took to rescue them one hundred and seventy three people, mostly women and children, were found to be dead. Many more were injured and one East London family lost six members.

It was the worst civilian disaster of the Second World War. A government inquiry was later convened, but it was kept quiet until the end of the war to avoid propaganda for the enemy and loss of morale for the country.

Two young architects regularly used the underground station to go to work and noticed the small commemorative plaque above the stairs where the tragedy occurred and decided to find out more. Harry Paticas and Jens Borstelmann wanted to create a fitting memorial to the 173 people who died that evening. They have therefore designed a massive bronze cast of the staircase, which will appear to float alongside the stairs where the people actually died, with 173 small beams of light representing those who lost their lives.

A committee of five people, including a survivor and bereaved family members, has been formed to run the 'Stairway to Heaven Memorial Trust'. The charity was registered on 30 March 2007 with a bank account set up for donations and over 1,700 signatures were obtained on a petition for the memorial to go ahead.

Full planning permission has now been granted and the Trust continues to raise funds to build and maintain the memorial, which aims to vividly describe the historical facts of the Bethnal Green tragedy and create a landmark at an important junction on a London Olympic Route. As well as commemorating those who died and were injured, the memorial will remember the emergency services, the firemen, policeman, ambulance, wardens, clergy and hospital staff who helped the injured and bereaved. (Source: <http://www.stairwaytoheavenmemorial.org/index.html>)

The Stairway to Heaven example demonstrates how important it can be for those affected to have a physical memorial, even many years after the disaster, though they may take other forms. Other 'memorials' to individuals may consist of trusts set up in their name, for example Music for Alice (www.musicforalice.org.uk) and Char's Fund (www.charsfund.co.uk), both set up to commemorate the lives of young people who died in the tsunami in Thailand, 2004.

With regard to the planning and establishment of memorials following disasters, the UK has more recently followed the example set in Australia and the United States where consultation and participation by those directly affected by disaster has been a key part of the design and development process. The process of commemoration following the London Bombings, 2005 illustrates this positive development.

London Bombings

Consulting Families: The London Bombings Memorial

On 13 February 2006 the Department for Culture Media and Sport (DCMS) announced that a Permanent Memorial was to be created to commemorate the 52 innocent victims killed in the London bombings. Following this announcement, the Government committed £1 m funding for the project. The families chose Hyde Park

from a number of suggested locations including Tavistock Square because it was a prominent venue in the heart of London.

The Royal Parks were charged with delivery of the memorial on behalf of the bereaved families. A Project Board chaired by the Royal Parks and included representatives from the bereaved families and the Department for Culture, Media and Sport's Humanitarian Assistance Unit oversaw the process.

Six representatives of the bereaved family groups sat on the 7 July Permanent Memorial Project Board. They were elected to represent the 52 bereaved families and to work with the design team in creating the design for the memorial. The wider families were also consulted throughout the design process and encouraged to contribute their thoughts and ideas.

The memorial consists of 52, three metre high steel pillars (stelae) grouped into four sectors. Each cluster represents a separate terrorist attack that occurred on 7 July 2005. Every stele signifies an individual victim of the bombings, and the casting process ensured that each pillar is slightly different. Each one is inscribed with the date and location of the incident its cluster refers to.

Norton Cast Products, a steel foundry in Sheffield, built the memorial and families were invited to visit the foundry to watch the stelae being cast. The memorial was unveiled to the public on 7 July 2009.

Kevin Carmody, architect and Director of the firm Carmody Groarke that designed the memorial, said:

'We are proud to have had the opportunity to help the bereaved families of the 7 July London bombings create a fitting Memorial to their loved ones. By working in close and constant consultation with them and the wider design team, we have designed something that fulfils their brief to us: to create a Memorial that allows for a collective experience as well as being a place of relative quiet for contemplation for the families and the wider public.' (E-Architect, 2010)

One of the bereaved families who sat on the Permanent Memorial Project Board expressed their feelings about the memorial: 'I've worked as one of the representatives from the 52 families with the design team. The families have been consulted every step of the way... When you say steel, people immediately visualise kitchen kettles and stuff like that, but actually they are very beautiful. We wanted something that represented the indestructibility of memories. ...It is a memorial in a number of ways. I think the fact it is representative is very important. Collectively it represents that one event, I love it.' (BBC, 2008b)

Another bereaved family member, who lost his son in the bombing, commented that many ideas originating from victims' families were incorporated in the design and that its development had taken time because they wanted 'a proper memorial'. 'The stelae remind me that prior to July 7 these 52 people that died stood tall in this world, the material itself is as indestructible as the memories we have of them,' he added. (BBC, 2008a)

17. Evaluating the Fund

EMA guidance on appeal funds suggests that the auditing of the books of accounts is an important aspect of accountability and should be undertaken at regular intervals during the life of the appeal fund and particularly at the closing of the fund.

The law in England and Wales sets out a framework for reporting and accounting by charities. At the same time the Charity Commission emphasises that effective ac-

countability is about more than complying with the law. It encourages all trustees to use their annual reports and accounts to communicate with stakeholders and the wider public about their work – explaining the work their charities do and the achievements that result (see page 19).

The British Red Cross recommends regular monitoring of the fund and reporting to a steering group where one is in place. It also recommends ongoing evaluation throughout the duration of an appeal. The Red Cross suggests that interim evaluations can inform the fund's continuing development and should feed in to the final evaluation when the fund is eventually closed down.

London Bombings

Evaluation of Grant-Making after the London Bombings

The London Bombings Relief Charitable Fund commissioned an independent evaluation of the Fund's grant-making to ensure that a written report of its key work would be available after the Fund had formally closed. In the report's Foreword, the Fund's Chair described the document as serving two purposes:

'Firstly, we wish to leave a legacy of learning for any other charities or institutions who should in the future need to administer such a fund, or other body giving grants to individuals, particularly doing so at speed and under media scrutiny. We do not anticipate that any circumstances would so closely mirror our own that there is a blueprint for our work, but some of the aspects of our grant-making outlined here may be useful to others.

Secondly, we have always intended to be as transparent as possible in our work, notwithstanding the need for absolute confidentiality in respect of the beneficiaries of our grants. Undertaking and publishing an independent scrutiny of our grant-making practices therefore complements our communications strategy throughout the Fund's life.' (Jackson 2007:3)

He also acknowledged that the work of the Fund would long continue to be reviewed and evaluated in an informal manner by all those who had the terrible misfortune to be affected by the 7th July 2005 bombings, and all of those who have since worked to help the victims.

The brief for the review was to evaluate the effectiveness of the grant making of the Fund with regard to: the clarity and appropriateness of the criteria; the effectiveness of the application and communication processes; the value of the phasing approach; how the Fund met trustees' objectives and external expectations; and any lessons learnt. (Jackson 2007:6)

The detailed review included specific advice for a similar fund set up in the future, identified through interviews with staff, trustees and other stakeholders. As well as the quotes included at the end of the next chapter of this report, they included the following advice:

- Make sure your formal and informal partnerships work
- Stay with your core business
- Employ experienced professionals
- Be very clear about criteria
- Manage down expectations at the margins of need
- Don't be afraid to use your discretion to depart from your criteria

- Have the courage of your convictions
- Always bear in mind that the point of view that matters most is that of the victims
- Minimise your overheads
- Have an active media strategy
- Take expert advice at key points.

Jackson, 2007:26

Disaster Action agrees that reviewing, evaluating, recording and sharing lessons are important for the ongoing development of best practice in this specialist area of disaster management. It is recommended here that feedback on a fund should be sought from those responsible for establishing the fund and its distribution, in addition to beneficiaries, and all lessons learned recorded, discussed and disseminated widely. As well as with Disaster Action, such reports may be lodged with organisations such as the Emergency Planning College, the British Red Cross and university research centres specialising in emergency management.

Chapter 5 In Their Own Words: Messages of Advice from Trustees and Fund Managers

Disaster Action recommends in this report that trustees and fund managers, particularly those new to the area of disaster trust funds, draw on the lessons identified by others' experience, especially where they have actively sought to share information and guidance in this regard.

We endorse the approach first adopted by Roger Suddards in establishing and passing on the legacy of the Bradford Fund and others from that era in his 1991 publication on the *Administration of Appeal Funds*. In this work, Suddards collated and presented the lessons and advice from a number of trustees and administrators of disaster trust funds from the 1960s-1980s, including many of the following messages of advice which then, as now, are presented in their own words. We include here tips and suggestions that are as relevant today as when they were first offered.

1. 'Due regard was paid by the Trustees to the importance of the views and experiences of the public. The public had after all contributed the money and it was the Trustees' responsibility to interpret the public's wishes as to how the fund should be distributed.' (Suddards, Bradford 1991:9)
2. 'The administrators of the Aberfan and Penlee funds...highlighted the importance of not becoming encumbered with too many people (and to) be consistent with your aims. If in the stressful and heady first few days of an appeal the course is changed confusion results. The value of Aberfan and Penlee was that they told us where not to stray.' (Suddards 1991:20).
3. 'Keep the number of trustees small and appoint say three or five trustees. Nothing will be gained by having a large committee. The trustees will face difficult decisions when they distribute the funds and a small group is more likely to reach agreement than a large one. Having an odd number avoids the possibility of a deadlock occurring.' (J M Harris, 1991, Director of Legal and Administrative Services, Newbury District Council) in Suddards (1991:266)
4. 'The trustees and their advisors must work in the way which is best suited to the problems which they are helping to alleviate and have the courage to stand by the decisions which they take.' (Harris 1991:269)
5. 'The Trustees adopted a pro-active role informing or questing rather than responding to requests for information. The media received a plentiful supply of information via the Fund which helped to ensure that minimal contact was made with the bereaved and injured.' (Suddards, 1991:9-10)
6. 'Enormous care was taken to be fair to all concerned...there is always a danger that a fund may pay out to those who cry the loudest, whereas those who cannot even bring themselves to write a letter or use the telephone may actually be in the greatest need.' (Moir, Chairman of the Trustees, the Channel Ferry Disaster Fund, 1991:273)
7. 'In very many cases elaborate family trees were compiled. An early decision must be taken by any fund on the question of legal and common-law relationships – in our case the latter were treated as legal according to duration, intent of the partners or financial arrangements...many of these case histories may be of astonishing complexity, bigamous marriages and clandestine as well as open liaisons becoming apparent to distressed relatives in some instances.' (Moir 1991:273)

8. 'One will probably never know how the injured and bereaved reacted to this, or other Funds... Money can compensate for loss of income and solve some of the short and longer-term problems arising out of bereavement and injury, but no cash sum can compensate for the loss of a loved one. Some recipients feel guilty or aggrieved at the sums paid. Some choose not to claim. A few get carried away by the prospect of an unexpected windfall. Most remain uncommunicative.' (Moir 1991:276)
9. 'The task of distributing a Trust Fund...is difficult and can, on occasion, be thankless...once selected and appointed the Trustees are in a quite unenviable position, and must accept that they will be unable to please everyone and at times will feel that, on the contrary, they have infuriated everyone.' (Arnold Brazenall, Solicitor 1991:277)
10. 'About halfway through putting my thoughts on this topic on paper, I looked around for some appropriate quotations, and only came up with two. The first is unattributed, but reads "Money, like manure, does no good till it is spread"... It is more often than not the case that manure, not being pleasant stuff, often adheres to the spreader. The second was a remark made by W.C. Fields. He once described Andrew Carnegie's distribution of money as being "as quiet and unobtrusive as a fully laden waiter falling down a flight of stairs". I think all Disaster Fund Trustees should bear these sentiments in mind.' (Brazenall 1991: 277, 283)
11. 'The first thing is to recognise the importance of good relations with the media. They will naturally be interested in the appeal fund, will play a significant role in stimulating contributions, and as a corollary of this will have an interest in the way in which the fund is being administered and payments made.' (Reddington 1991:286)
12. 'When there is a catastrophe like 7th July and there is some money in the bank, move it fast. Make some small awards to get things going. Don't worry too much about the detail beyond basics, and then work up the bigger sums once you start to learn more about the beneficiaries' circumstances and in the light of the funds available.' (Oppenheim, Chair, London Bombings Relief Charitable Fund, 2007:6)
13. 'Get a leader. One person with experience, dedication and vision needs to be given the reins as quickly as possible. You cannot run a rapid-response charity by committee.' (Barnard & Stone, 'London Bombings Relief Charitable Fund: The Lessons We Learned', 2007:4)
14. 'Don't reinvent the wheel. Try to be an off-the-shelf charity as much as possible; follow existing procedures and conform to those of your partner organisations. Learn, and borrow, from others – for example, it saves time when recruiting to adapt job descriptions from other charities. It saves even more time to get well-trained staff seconded from those charities. Don't allow ego-driven individualism.' (Barnard & Stone, 'London Bombings Relief Charitable Fund: The Lessons We Learned', 2007:4)
15. 'Set criteria, but leave room for exceptions. We allowed ourselves to make discretionary grants to people who didn't quite meet our criteria – which helped us reshape policies for the next phases of grant making.' (Barnard & Stone, 'London Bombings Relief Charitable Fund: The Lessons We Learned', 2007:6)
16. 'Say it first – before they ask. We were proactive with announcements, issuing more than 20 press releases. This stopped us being hounded by the press, or arousing mistrust.' (Barnard & Stone, 'London Bombings Relief Charitable Fund: The Lessons We Learned', 2007:9)

17. 'Prepare for the wind-down from day one. Our plan said we would give out the money, then close. It was the only tangible target we could set. And the promise of a limited lifespan helped attract good trustees. It takes longer than you think to close, as there are many technical matters to attend to in order to comply with charity law, company law and other statutory requirements.' (Barnard & Stone, 'London Bombings Relief Charitable Fund: The Lessons We Learned', 2007:10)
18. 'Set deadlines for the last application and the last donation. We "tailored" our closure from February so people wouldn't be shocked by it when it came, and pointed them to other organisations.' (Barnard & Stone, 'London Bombings Relief Charitable Fund: The Lessons We Learned', 2007:10)
19. 'Identify your legacy. We were determined to pass on knowledge because we had learnt so much running the fund. We hope our work adds to the value of the next charitable fund, whatever the circumstances of its creation.' (Barnard & Stone, 'London Bombings Relief Charitable Fund: The Lessons We Learned', 2007:10)
20. 'Maybe as funders we should think about taking more risks when the need is greater and more immediate.' (Trustee, London Bombings Relief Charitable Fund in Jackson 2007:27)
21. 'As grant makers, we all think that we think about the customer on a daily basis, but when you see that extremity of need, it focuses the mind.' (Trustee, London Bombings Relief Charitable Fund in Jackson 2007:27)
22. 'These circumstances will probably never be repeated. Lessons cannot be directly read across.' (Trustee, London Bombings Relief Charitable Fund in Jackson 2007:27)

Chapter 6 The Future: A National Disaster Fund?

The focus of this project has been on circumstances where discrete funds are set up in the wake of an single disaster as opposed to a national scheme or standing fund. From time to time, though, there have been proposals for a national disaster fund, so we review the arguments for and against this here.

The 1960s saw a number of parliamentary debates about the pros and cons of establishing a national fund. These highlighted the efforts to address the fact that practices in the past resulted in a grossly unequal distribution of charitable resources amongst those affected by disaster. This becomes particularly obvious when considering a series of disasters that occur in quick succession with demonstrable differences in donations donated and distributed, as in the 1980s. This was the case again during the period 2004-5 after the Tsunami, the London bombings and other terrorist acts affecting UK nationals abroad.

Pros and Cons of a National Disaster Fund

It has long been recognised that the degree to which those affected by a disaster benefit from a public appeal depends on many factors, including the setting up and timing of an appeal, media attention, public perceptions of need and even the time of year. (Luxton, 1990: 127, Wells, 1990:96)

The suggestion has been made that a central fund could counter the often complex, inefficient bureaucratic approaches to disaster funds, by providing immediate access to funds in the short term, and in the longer term addressing needs arising after any bespoke appeal has been wound up.

In *Charity Fund-Raising and the Public Interest: An Anglo-American Perspective* P Luxton (1990:127) records how a national disaster fund was in fact created after the Titanic disaster in 1912. It raised £414,066, but afterwards remained 'in ghostly form' as part of the assets of the Shipwrecked Mariners' Association until it was wound up in 1965. (Hansard, 1967)

Parliamentary records show how various incidents of large-scale disaster have led to calls to review the idea of a National Disaster Fund of a permanent nature.

Parliamentary Debates after the South West Floods, 1960

On 22 November 1960 in the House of Commons the Chancellor of the Exchequer was asked if he would declare the extensive and repeated flooding that had occurred in the south-west of England and in other areas a national disaster, and give a lead to a national flood disaster fund to relieve the personal loss and damage suffered by victims. (Hansard, 1960)

The point was made that in response to the floods, due to there not having been a national fund and the collection of the money being left to local funds, in the county of Devon alone the claims on the county fund exceeded the money collected by no less than five times. A request was made to set up a committee to examine and report on the problems connected with the introduction of a national disaster fund in order that the House might have a basis for the discussion of the creation of such a fund.

Chancellor Selwyn Lloyd replied that he did not think that the institution of a national disaster fund would help, stating that:

'There are difficulties about the idea of a National Disaster Fund. I am not convinced that it would be an improvement on the present position from the point of view of those who suffer loss. There would be great difficulties of definition and adminis-

tration. I am inclined to think that it is better to continue as at present, i.e., for the Government to encourage local appeals and to promise to supplement them should they prove insufficient to meet the need. I do not think that a committee would add to our knowledge in this matter.'

In August 1961 the government reported back on proposals for consideration of various proposals for a National Disaster Fund to make payments in cases of national disaster. They had come to the conclusion that the extended arrangements for private insurance were a much better alternative than a compulsory insurance fund; and that the establishment of a permanent charitable fund, supported by Exchequer money, was neither practicable nor desirable. (Hansard 1961)

Calls for a National Disaster Fund, 1966-7

The matter of establishing a national disaster fund was raised again in parliament at various times in the 1960s, but particularly in the aftermath of the Aberfan disaster in 1966, which starkly highlighted the problems and conflicts arising from the management and administration of a newly established disaster fund. The then Prime Minister was asked whether a fresh look might be taken at the law governing the administration of disaster trust funds given the 'considerable public disenchantment at the disputes which break out when it comes to administering funds raised for such charities.' (Hansard, 1966)

In response the Prime Minister commented how sometimes the problems have been solved by those with experience of these matters – 'the Lord Mayor of London, for example - taking over a fund'. In the case of Aberfan, however, it was felt that the Mayor of Merthyr Tydfil should do it and, of course, stated the Prime Minister, when a disaster occurs where there has not been one before, there are problems.

The Prime Minister added that a national disaster fund 'would be very difficult to administer and, because it would not be related to a particular disaster which has made an impact on the public one could not be sure that it would receive the contributions that would be necessary for handling some of the problems it should handle.' (Hansard, 1966) However, he did respond positively to the suggestion of setting up some form of coordinating committee, or expanding an existing organisation, with powers of coordination so that it could advise those running disaster funds on the administrative problems involved, such as the question of trust deeds and so on, and help with the dispersal of funds.

The National Disaster Fund Bill, 1967

In March 1967 MP Jeremy Thorpe called for the introduction of a National Disaster Fund Bill 'to provide for a National Fund of a permanent nature to be available to those who suffer in any designated disaster; and for connected purposes'. After his speech, it was agreed that he should introduce the Bill to the House. His arguments included the following comments:

'In framing such legislation, certain important principles have to be reconciled. The first is to maintain ... the spontaneity of the moment so as in no way to discourage the generous instincts of members of the public who, faced with a national tragedy, wish to subscribe to a particular disaster fund. The second is to preserve the widest possible degree of local initiative. The third is to prevent money from being frozen in a charitable fund or trust in the event of its being over-subscribed. The fourth is to create a central fund, capable of making immediate grants for relief and thereby removing the present delay between the occurrence of the disaster and the successful launching of an appeal. The need is greatest within hours of the tragedy occurring ...

‘What I seek to do is, first, to set up a national disaster fund, which I suggest should be administered by the Charity Commissioners, who would submit an annual report to Parliament. Second, in cases where the Secretary of State certifies that an event or happening constitutes a national disaster, a certificate to that effect should be published in the *London Gazette*. The effect would be that a local authority in the afflicted area would have the right to make an immediate call upon the fund and would still have continuing rights to launch a local appeal. Third, at the end of a specified period, which I suggest might be two years, any surplus remaining in the fund should be transferred to the central disaster fund. This would take charge of any continuing obligations, for example, possible future commitments for dependants and future dependants. In many cases, funds have had to be kept going not because there is money which has to be paid out but because of the possibility of claims being made in the future.

‘I do not think that it is right to expect a mayor to act in perpetuity as the administrator or trustee of a disaster fund, and, therefore, it would be wise in those cases, after a designated period, to transfer any surplus to a central fund. I am certain that that would meet with the approval of the general public. ...If the general public were consulted, I am certain that it would be agreed that this is the sort of formula which would combine the factors of which I have spoken. They want to show sympathy with victims of a disaster, but, should the fund be oversubscribed, to make any surplus available to others who may suffer misfortune in the future.’ (Hansard, 1967a)

Countering the arguments for a national fund is the notion that it would tend to reduce the amount of spontaneous, direct giving by the public. Discussing Jeremy Thorpe’s proposal, the then Prime Minister referred to the view ‘that a vague general fund with no specific objects would be much less likely to attract contributions from people who are deeply distressed by an individual accident or disaster, and who would want to contribute specifically for that disaster.’ (Hansard, 1967b)

In addition, it can be argued that the practical and bureaucratic problems associated with administering a national fund, including the difficult question of deciding what constitutes a ‘national disaster’ as the basis for triggering a response, can be mitigated through other measures, including government support of local appeals where necessary.

The Bill lapsed due to the pressure of other work, but the operational principles it sought to put in place - a speedy response, effective and efficient administrative procedures, and mechanisms for responding to longer-term needs – have remained relevant, and yet challenging, ever since. Some of the administrative challenges that lay behind calls for a national fund in the 1960s were addressed through the introduction of the Attorney General’s guidelines. While the development of various more local, community-based models for running disaster appeals has also helped, the question of a national disaster fund has recently been raised again, some 40 years after Mr Thorpe’s draft bill.

UK Disaster Relief

Aspiring to a National Approach

Spurred on by the Cumbria floods in 2009, Dame Hilary Blume of the Charities Advisory Trust (CAT) and Dame Elisabeth Hoodless of Community Service Volunteers (CSV) became interested in the idea of setting up a single fundraising point for national disasters. Feeling that the current system of raising funds was ad hoc, and inspired by the model of the Disasters Emergency Committee, Dame Hilary believed there was a need for a more streamlined ‘one stop shop’ for the collection of funds

that might assist the overall process of bringing relief to those in need.

In June 2010 the two women registered a new charity – UK Disaster Relief (UKDR). It aims to be a collection point of funds from the public after future disasters. The idea is for it to run ‘like a pop up charity as and when needed’, with the ability to raise funds via their freephone number, publicised by local and national TV and radio networks, and e-donations on their website, when the need for an appeal is identified. Their belief is that a pre-established charity will enable them to respond immediately as opposed to having to wait until an official appeal is launched and the correct charitable framework is established. (personal communication, Charities Advisory Trust, 2010) The initial trustees for the charity are Dame Hilary and Dame Elisabeth. The objects of the charity are the relief of financial need and suffering among victims of natural or other kinds of disaster in the UK by such means as the trustees deem suitable.

The aim is for the administration of the new charity to be dealt with by personnel from the Charities Advisory Trust. The e-donations page and automated call centres will be outsourced to BT/CTT. According to Dame Hilary Blume, it does not intend to deliver services directly or coordinate or direct local voluntary organisations, but is in discussion with, among others, the Community Foundation Network as to delivery of the funds.

It is clearly early days for this new charity, and while its aim to bring relief to those in need is commendable, it is not yet clear how this might be achieved. Its ability to be successful in addressing its objects will depend on clarity around the issues raised throughout this report, including: the definition and measurement of disaster being employed by the charity as the basis for triggering one of its appeals; the extent to which it develops and maintains ongoing working relationships with existing community-based organisations, particularly those with demonstrable experience in the field of disaster fund administration and management; and the mechanisms it develops for ensuring good governance, monitoring recipient organisations and evaluating the efficiency and effectiveness of any particular disaster fund (ideally drawing on user feedback).

The Way Forward

Disaster Action’s conclusion is that rather than setting up a national disaster fund, the most effective solution may be instead to harness the flexibility captured in existing models for setting up disaster appeals after particular incidents of disaster. These include options to, on the one hand, initiate a bespoke appeal through the organisational structure of existing community-based organisations, such as local authorities and community foundations, with the advantage of having existing trustees, local knowledge and distribution experience in place; or on the other hand set up a new charity with the appointment of trustees, fund managers and administrators in line with the particular aims and objectives of the incident-focussed charity. In both cases assistance may be bought in from outside through organisations such as the British Red Cross as appropriate. Whichever model is applied, experience suggests that a combined and coordinated approach appears to offer best advantage (see pages 22 ff – Combining and Coordinating Appeals).

Chapter 7 Key Action Points for Fund Managers and Trustees

Below we summarise key action points for the different stages of planning, preparing, implementing and reviewing an appeal fund.

Setting up

- Consult locally prepared plans on appeal funds where they exist, and other relevant arrangements for humanitarian assistance and recovery
- Seek advice early on from administrators of previous funds
- Decide the number of trustees if setting up a new charity; consider keeping the number small and uneven in order to avoid deadlock
- Appoint temporary trustees if necessary and to avoid delay
- Appoint a fund manager/s to deal with day-to-day affairs
- Distinguish between a management committee and distribution committee(s) in appointing personnel
- Seek to include locally based representatives in committee decision-making
- Establish special appeal trust deeds or, if possible, use existing deeds
- Decide early the type of trust or appeal fund, with reference to guidance
- Be clear and consistent about fund objectives from the outset.

Communication

- Understand the importance of a good communications and media strategy and employ appropriately qualified professionals to assist in this specialist area of work
- Ensure that the terms used in public announcements about the type and purpose of the fund correspond exactly with the form of the trust deed
- Identify and communicate with other appeals early on and look to combine or coordinated appeals where possible
- Consult as much as possible with relatives and survivors about wider funding issues such as ongoing support and advocacy, memorials and use of any residue.

Management

- Seek to make rapid disbursement of early, interim payments to address emergency needs. Initial payments should not be means tested

- Ensure application procedures include clear eligibility criteria from the outset, transparent explanation of the distribution criteria and are designed to be sensitive and straightforward.
- Where multiple funds exist, take account of other assistance available to those affected
- Fund eligibility conditions should aim to include insured, non-insured and underinsured applicants
- Consider the overall outcomes of distribution decisions with a view to ensuring that serious unintended consequences are minimised
- In considering applications aim for equity based on understanding the wide diversity of needs between individuals and groups
- Ensure personnel employed to either assess and/or advise on cases or to communicate directly with applicants are appropriately skilled, trained and supported
- Be clear about the benefit and tax implications of receiving payments by liaising with the Department for Work and Pensions before starting the distribution process, and advise applicants accordingly
- Be open and transparent while at all times maintaining confidentiality and anonymity regarding individual beneficiaries
- Keep up to date with risks associated with fraudulent appeals and inform potential donors about how to identify scams and donate safely.

Closure

- Establish plans for duration of the fund, closing criteria and the spending of residue from the beginning and make these clear to all concerned
- Consider the use of part of the residue for enabling ongoing advocacy and support services for those directly affected
- Monitor, review, formally evaluate, record and share your lessons and experiences
- If the fund is to be used to help pay for a permanent memorial, consultation and participation by those directly affected by a disaster should be a key part of the design and development process.

Appendix 1 consists of a specific leaflet with the guidance and recommendations made by Disaster Action based on the experience of members and the extensive research carried out for this report.

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Appendix 1 Guidance Leaflet

Copy of leaflet available on the Disaster Action website



Guidance on Management and Distribution of Disaster Trust Funds

Members of Disaster Action, who are survivors and bereaved people from over 25 disasters of different origin, have written this leaflet. Its purpose is to offer the benefit of our experience of disaster trust funds to those responsible for setting up and managing a fund. It is one of the outcomes from a piece of research undertaken by Disaster Action, resulting in a report entitled *Disaster Funds: Lessons & Guidance on the Management & Distribution of Disaster Funds*. Effective, efficient and sensitive approaches to the establishment, administration and distribution of such funds will help avoid the sort of difficulties that can worsen rather than alleviate distress in those whom they are supposed to help.

Disaster trust funds are intended as a recognition and acknowledgement by society of the experience of being involved in a disaster. They are neither a substitute for insurance nor compensation for injury or loss, but the giving and receiving of funds aimed at relieving suffering and distress after disaster can make a difference. As one of our bereaved colleagues in Disaster Action has commented, ‘money won’t bring a loved one back, but not having it won’t either’.

Launching an appeal

Where a number of appeals are launched in relation to the same disaster, there can be advantages in a combined partnership or coordinated approach. It is advisable to identify and communicate with other appeals early on and look to combine or coordinate appeals where possible. See the links below for guidance on sources of help in setting up an appeal, different forms of appeal, suggested wording, and the pros and cons of using different types of trusts, with links to guidance on the tax treatment of funds.

Decide early and communicate clearly the type of trust or appeal fund, with reference to guidance. Be clear and consistent about objectives from the outset; ensure that the terms that are used in public announcements about the purpose of the Fund correspond exactly with the form of the Trust Deed.

Appointing trustees, fund managers and steering committees

A disaster trust fund will require the selection and appointment of a range of personnel. If the appeal is set up through an existing organisation, such as a community foundation, the appeal may operate under its existing charity status and board of trustees. If the appeal is set up as a new charity, it will require the appointment of trustees. It can take time to appoint a board of trustees with the appropriate authority to take action and establish systems and procedures for fund administration. This could lead to long delays in financial assistance reaching beneficiaries. For this reason it may be valuable to appoint temporary trustees, but seek to ensure this does not cause unnecessary administrative delays.

In the past, as well as referring to published guidelines, new disaster fund trustees have found it especially helpful to speak with administrators of previous funds and access their advice, particularly in the early stages and in relation to key areas of decision-making

Where trustees bring skills such as accountancy this can be an advantage. Most importantly, the chair of the trustees should, wherever possible, have had previous experience in this area. The sums of money involved can be very large, the decisions that have to be made sometimes difficult, and there can be close scrutiny by the media of how the trust is managing its affairs after a disaster. A good rapport between trustees also makes a difference.

Type of trust or appeal fund

An important decision at the outset is whether or not the appeal will be a charitable one. This decision will affect the uses to which donations can be made and the decisions available to trustees about the distribution of any fund(s).

The Attorney General's guidelines advise that a charitable fund has the advantage of tax relief but its aims must be limited to: the relief of poverty, the advancement of education or religion, and the benefit of the community. Being essentially public funds, distributing sizeable amounts from this kind of fund is constrained by the requirement not to benefit individuals over and above their needs.

A non-charitable discretionary trust on the other hand, though taxable, is not so limited. Trustees remain free to determine how the money ought to be spent and there is no limit on the amount that can be paid to individual beneficiaries if none has been imposed by the appeal.

Many disaster appeals have opted to set up two kinds of fund in parallel to make use of the advantages of both types.

Trust aims

There have been cases where the stated, and binding, aims of a trust have been set out, in great haste, in such a way that they prevent flexibility on the part of the trustees in deciding how monies received can be allocated. This can cause subsequent difficulties when unusual situations arise. The wording of the 'aims' of the fund should therefore be clear, but flexible.

Whatever the objectives of an appeal, experienced trustees have advised making the purpose very clear so that donors and potential beneficiaries neither misunderstand nor are misled about how the money will be used. In raising and distributing money the aim and objectives of any appeal should be clear and consistent from the start.

Naming the Fund

Naming a fund may seem straightforward, for example after a place (such as the 'Hillsborough Disaster Fund'), type of disaster ('xxx flood appeal'), or significant date ('7 July'). The appropriateness and implications of associating a disaster with a particular name, date or place, should be considered, however, bearing in mind that this association may endure for a long time.

Duration and Residue

Establish plans for duration of the appeal and the spending of residue from the beginning and make these clear to all concerned; consult as much as possible with relatives and survivors. Many relatives experience their greatest financial need years after the event, because of the potential long-term consequences on their physical and emotional health.

The Immediate Aftermath: Early Payments

Prompt contact with beneficiaries and emergency payments can relieve many anxieties and may be followed by further, supplementary payments to address longer-term needs. Seek to make rapid disbursement of early, interim payments to address emergency needs. Initial payments should not be means tested.

Some relatives or next of kin may find themselves in difficulty with paying for funeral expenses, a gathering for family and friends, and a headstone or other memorial. If a fund is sufficient at this point, consideration should be given to making an immediate ex-gratia payment to cover funeral expenses.

Application Methods

Ensure application procedures include clear eligibility criteria at the outset, transparent explanation of the distribution criteria and are sensitive and straightforward. Application forms should be adapted to address the needs and diversity of those affected. This may include translating forms and accompanying information into different languages and providing appropriately skilled and briefed

interpreters.

Distribution of the fund

Trustees should bear in mind at all times that those who donate money to funds do so because they wish to show their sympathy to people affected, the bereaved and survivors. The funds raised should therefore never be seen as “compensation” (which may be available in law, in any case), but as that expression of sympathy by the society at large, for all those adversely affected by the disaster. Trustees are not personal injury lawyers, on the whole, and should avoid trying to apply compensation principles to the distribution of the monies.

Where multiple funds exist, take account of other assistance available to those affected. Appeal eligibility conditions should aim to include insured, non-insured and underinsured applicants. Consider the overall outcomes of distribution decisions with a view to ensuring that serious unintended consequences are minimized.

Be clear about the benefit and tax implications of receiving payments by liaising with the DWP (Department for Work and Pensions) before starting the distribution process, and advise applicants accordingly.

If the fund is to be used to help pay for a permanent memorial, consultation and participation by those directly affected by disaster should form a key part of the design and development process.

Assessing ‘need’

Arguably the most difficult challenge facing those administering disaster appeals is sensitively assessing and addressing needs after disaster. Aspects of ‘injury’, ‘loss’ and ‘need’ are notoriously difficult to measure and quantify and having large sums of money available to distribute does not mitigate this. Administrators should always bear in mind, especially in their communications about their decisions, that although their task may require such quantification, understanding and responding to disaster-related needs cannot simply be reduced to mathematical formulas.

Means testing

It will, normally, not be necessary to means test potential beneficiaries, provided that the applications for funds are found to be genuine, from those closely connected to the deceased, or from those injured in the disaster.

Trustees should bear in mind that means testing has, in our experience, been perceived as intrusive and humiliating for potential beneficiaries who, often, have never received - or applied for - financial support in the past.

Broadly speaking, the bereaved should be treated equally, irrespective of means, since the money represents not compensation, but a gift from society at large to send a message of sympathy for their loss.

The most difficult aspect of assessment will be in respect of injured survivors, since levels of injury and incapacity will inevitably vary greatly, depending on the nature of the disaster. Trustees in the past have drawn on expert advice where appropriate and developed broad categories for the injured based, for example, on length of time spent in hospital, awarding greater or lesser sums according to the seriousness of the injury.

Openness and Transparency

There is likely to be a range of expectations on the part of donors, potential beneficiaries and the wider public as to how the money accumulated will be managed and distributed. Past experience has shown how a mismatch in expectations and outcomes can cause conflict and frustration.

Avoiding this may be achieved through openness and transparency about:

- How trustees and fund managers have been chosen

- Whether trustees, administrators, consultants or anyone else associated with the fund are to be paid for their services
- General criteria and methods for assessing disaster impacts
- The percentage of the fund to be paid directly to bereaved/survivors
- Whether any payment is one-off, interim or final
- The anticipated life of the fund and how decisions to close it will be made.

Bearing in mind individual confidentiality, the general public should be able to review in broad terms the distribution of funds and how any surplus over and above the objectives of the fund is to be disbursed.

Attention should be paid to details such as the wording of forms and letters. With one fund, beneficiaries especially appreciated the trustees' decision that letters sent with payments should be individually addressed and signed.

Communications and Media Strategy

Trustees should be aware that there is sometimes the need to be proactive in inviting relatives/survivors to make applications. It may be appropriate to give examples of what sort of applications can be made (for example travel to inquests/inquiries), as many of the people will never have applied for anything in their lives before. A good number will simply think that they do not deserve any money, or that they do not feel they should make a 'profit' from the death of a loved one.

Good, clear lines of communication are therefore essential. To facilitate this, it may be necessary to:

- Set up a website, where visitors can read about the fund, download application forms and see updates on progress and activities
- Provide a single, named, administrator who beneficiaries can contact and get to know
- Be in touch with several individuals from each bereaved family. It cannot be assumed that communicating with one member of a bereaved family will ensure that everyone else will get the information, in view of complex family relationships and the fact that bereavement can exacerbate difficulties between some family members. The next of kin may also be overwhelmed by the tragedy and unable to take in or pass on information
- Send regular updates once lines of contact have been established. As much general information about the contents of the fund, its objectives, even - without breaching confidentiality in terms of names and amounts - what sorts of awards are being made. It is not uncommon for families to feel they might be the only ones asking for money, and therefore deciding not to make an application
- Ensure that information is kept up to date. If people move home after a disaster, for example, they can easily fall out of the system.

It is also important to ensure that as many potential beneficiaries as possible are made aware not only of the existence of the fund, but the fact that the fund will welcome applications from all those directly affected.

Media coverage can have a significant influence on levels of donations to a fund. It can be used to highlight ways of donating, as well as being a means of communicating with potential beneficiaries. Regular press releases can highlight both the immediate and continuing needs of those affected by disasters. It may also be useful for those managing donations to publicise a facility for responding to queries and offering advice about specific gifts before they are sent in.

We recommend that trustees use the services of a public relations/media expert in developing their communications and media strategy.

Confidentiality and anonymity

Fund managers and trustees should be mindful of issues concerning confidentiality and anonymity in relation to beneficiaries. See Disaster Action's Guidance for Responders: 'Code of Practice on Privacy, Anonymity and Confidentiality', which highlights areas such as the sharing and disclosing of personal information, unintentional disclosures, consent and data protection.

While the criteria for assessment and distribution should be clear and well publicised, details of individual beneficiaries and what they individually receive must remain confidential. When a fund is wound up, all working papers should be shredded and personal details and records removed from computers in order to safeguard confidentiality.

Evaluating the Fund

We recommend that feedback on a fund should be sought from those responsible for establishing the fund and its distribution, in addition to beneficiaries, and all lessons learned recorded, discussed and disseminated widely.

Advice from a Trustee

'We recognized that we were not in the honour and glory business – we knew what we were to do might well be unpopular. We said if we could look ourselves in the eyes and say we had done our best to be fair at the end of the day, then that was going to be sufficient satisfaction.'

Comments from Beneficiaries

These comments reflect the meaning and significance disaster funds:

'It doesn't take the memories of that day away, but it helps to know that you don't have to go through anything like this alone, and that is why I am so grateful.'

'I am overwhelmed by the kindness and compassion that has been shown to me. Believe it or not, it is not just the money - the letters that accompany it are a model of genuineness.'

'We have lost so much and it has been very difficult over the last six months; this payment has been a big help to us all, you have restored my faith in humanity.'

'Many, many thanks for everything. Without your generosity things would have been unbearable.'

The full report on which this guidance is based can be found on the Disaster Action website.

Disaster Action would like to thank all those who have contributed to the creation of this leaflet.

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Appendix 2 Disaster Action

Background

Survivors and bereaved people from UK and overseas disasters founded the charity Disaster Action (DA) in 1991. Members have personal experience of surviving and/or being bereaved in over 25 disasters of different origin, including terrorist attacks, transport and natural disasters. These range from the Zeebrugge ferry sinking (1987) to the South East Asian Tsunami (2004), the Dunblane shootings, the London bombings (2005), further terrorist attacks and transportation incidents overseas. The organisation consists of an informal national network. DA's funding sources are primarily grant-making charitable trusts and one-off gratuities. The purpose of DA is to represent the interests of those on the receiving end of disaster.

DA works in an advocacy and advisory capacity. Its aims are to:

- Offer support to those directly affected by disaster
- Raise awareness of the needs of survivors and the bereaved in the short- and longer-term aftermath
- Help create a safety climate in which disasters are less likely to occur.

Guidance for responders

The DA website contains a section with guidance documents for responders on issues such as disaster victim identification, privacy, confidentiality and anonymity, and longer-term support needs. See: <http://www.disasteraction.org.uk/guidance/default.htm>

DA acts as independent advisers to central and local government and the statutory and voluntary services on a range of issues relating to traumatic experience. Members participate in training and awareness raising seminars and events all round the UK.

Support for those directly affected by disaster

Contact with those who have previously experienced a disaster can be found to be very beneficial for those going through a similarly traumatic experience.

DA directly supports survivors and the bereaved through our leaflet series When Disaster Strikes (see <http://www.disasteraction.org.uk/support/default.htm>), telephone and email contact and by facilitating the setting up of family and survivor support groups. For bereaved and survivors and their relatives and friends, DA offers:

- The benefit of personal experience
- Non-judgmental, listening support
- Practical advice
- An understanding of the issues particular to disasters
- Experience of the civil/criminal justice system
- Ongoing support and contact with others similarly affected.

Appendix 3 Contact Details of Organisations Providing Other Forms of Financial Assistance following Disaster

Criminal Injuries Compensation Authority (CICA)

Website: <http://www.cica.gov.uk/>

Telephone helpline 0800 358 3601.

The Compensation Agency, Northern Ireland

<http://www.compensationni.gov.uk/index.htm>

The EU Compensation Assistance Team (EUCAT)

Applying for criminal injuries compensation in other EU countries

<http://www.cica.gov.uk/Documents/publications/Guide%20-%20Applying%20in%20other%20EU%20countries.pdf>

<http://www.cica.gov.uk/en-gb/Can-I-apply/Injured-in-other-countries/>

Helpline for EUCAT - 0800 358 3601

Email: eucat@cica.gsi.gov.uk

The British Red Cross Relief Fund for Victims of Terrorism Abroad

<http://www.redcross.org.uk/standard.asp?id=70133>

Benefits and other Government Financial Support

<http://www.dwp.gov.uk/directgov/>

<http://www.dwp.gov.uk/publications/specialist%2Dguides/>

Advice for professionals, email route into the Department's executive team.

Email: ET-DB-SECRE TARIAT@DWP.GSI.GOV.UK

Association of British Insurers (ABI)

<http://www.abi.org.uk/SearchResults.aspx?searchQuery=flooding%20insurance>

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