



HOUSE OF COMMONS
LONDON SW1A 0AA

The Rt Hon Rishi Sunak MP
The Chancellor of Exchequer
Her Majesty's Treasury
1 Horse Guards Road
London
SW1A 2HQ

15 February 2021

Dear Rishi,

RE: Support packages for charities, voluntary organisations and social enterprises

I am writing to ask you to take decisive action ahead of your next budget announcement to support charities, voluntary organisations and social enterprises. These organisations have played a central role in the UK's response to the pandemic, proving their adaptability in meeting various challenges head-on. However, many of these organisations face major funding challenges, and without urgent Government support, they are likely to go bust through no fault of their own.

The Voluntary and Community Sector has played a vital role during the COVID-19 pandemic in providing additional support to help people through this crisis. The sector has been at the forefront of tackling the effects of the pandemic, both in meeting new need and through an expanded role as the state has focused its direct response to COVID-19. For instance, St John's Ambulance is training over 30,000 volunteers to help administer the UK's roll out of COVID-19 vaccinations.

I appreciate the £750 million support package that the Government provided for the sector in March 2020. However, given that the sector faces a £10 billion funding shortfall, further support is required urgently. Already, 7,500 people have lost their job in the industry, and the National Council for Voluntary Organisations (NCVO) warns that this could rise to 60,000 without further Government support. In the NCVO's latest survey data, two in five voluntary organisations said they needed greater access to emergency funding.

In light of this critical situation, I endorse the joint submission from charity infrastructure bodies to you calling for additional support to civil society during the present crisis. I ask that the Government urgently implements the following proposals:

- Further support for the sector at the end of Coronavirus Job Retention Scheme (CJRS). Without such targeted support, redundancies will inevitably rise far higher than the 7,500 we have seen so far.

Rushanara Ali MP



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- The introduction of a Gift Aid emergency relief package. The Charity Finance Group estimates that changing the effective tax rate for Gift Aid to 25%, would be worth roughly £360 million.
- Better financial support for local authorities. The Charity Finance Group refers to charities and local authorities as 'interdependent'. When local services are cut, voluntary organisations often step in to fill this void. This puts pressure on many charities and is not sustainable. We therefore call for greater investment in the delivery of public services to help relieve the pressure on many charities.
- Extension of Social Investment Tax Relief (SITR). SITR is the only dedicated relief aimed at bringing private investment into social enterprises and charities, and this should not be lost as an unintended consequence of the pandemic. The sunset clause for the tax relief is set to expire on 5th April 2021.

I am copying this letter to the Financial Secretary to the Treasury and the Economic Secretary to the Treasury. I look forward to your response.

Yours sincerely,

A handwritten signature in black ink that reads "Rushanara Ali".

Rushanara Ali MP

Chair of the APPG on Philanthropy and Social Investment

Labour Member of Parliament for Bethnal Green and Bow

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