

The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer

HM Treasury

Horse Guards Road

London SW1A 2HQ

5 November 2020

Dear Chancellor

Social Change Organisations during lockdown and beyond

We write as a coalition of infrastructure organisations supporting charities and social enterprises across our four nations. We were delighted to hear the Prime Minister confirm that much more would be done to support charities and social enterprises as the country faces the second wave of this COVID crisis.

The plight of the sector has been well rehearsed and the government's acknowledgment of the role civil society plays within our communities is welcome. The purpose of this letter is to set out clearly the immediate and longer term action we need to see from government if we are to ensure that the vital services delivered by organisations in the sector can continue and that millions of citizens who depend on them are not abandoned during their time of greatest need.

Our colleagues, including those involved in VCSEP, are working closely with MHCLG and DCMS to ensure that an emergency response can be mobilised, as it was in March/April, to deal with the inherent challenges of lockdown. We applaud government commitments to financially support the activities required in this endeavor and trust our colleagues to work with government to secure the appropriate support necessary in this respect.

For the longer term we are continuing to work with DCMS and wider government departments focusing on our [Five Point Plan](#)¹ to secure the sustainability of service provision by charities and social enterprises through the immediate crisis and beyond, including the pivotal role that social change organisations will need to play on delivering the levelling up agenda.

We are writing with an ask for the duration of the second lockdown which had widespread and cross party support². The CRJS was an exceptionally generous scheme which was welcomed by the sector and which charities and social enterprises have availed themselves of during its first phase. However, as a scheme designed predominantly with private enterprise in mind, it had the perverse effect of incentivising mothballing of provision and not mobilisation.

¹ <https://nmn.org.uk/2020/09/23/five-point-plan-to-help-support-work-of-charities-updated-ahead-of-winter-second-wave/>

² DCMS Select Committee Report **The Covid-19 crisis and Charities** pg 11: "In particular, the Government should introduce a separate Coronavirus Job Retention Scheme for charities within four weeks. The scheme should enable furloughed employees of charities to volunteer for their organisations providing appropriate safeguards are met." <https://committees.parliament.uk/publications/938/documents/7200/default/>

As we enter this further lockdown charities and social enterprises have already depleted their reserves, started to reduce their workforces and many are facing a critical dilemma; ensure the sustainability of their organisations through making use of a scheme that helps to conserve funds spent on salaries but which incentivizes the cessation of activity when it is never more needed, or risk financial collapse in the near future so that beneficiaries are supported over the second lockdown. History tells us that it will continue to be the latter choice they exercise.

We seek a simple time limited extension, similar to the steps taken by the DfE in respect of adoption services to support practitioners' income while continuing their work with families, to enable those social change organisations who are facing financial distress to furlough staff and enable volunteering back to the cause to ensure maximum public benefit delivery can continue.

We know from recent surveys that a third of charities have already announced redundancies in service delivery roles, at a time when supporting people on the front line is never more needed.³ It is counterproductive to be paying for a charity or social enterprise employee to stop working when our citizens so desperately need helplines, advice, support and guidance; whether on mental health, unemployment, homelessness or loneliness and isolation.

We are happy to work rapidly with HMT and HMRC to ensure that abuse of such an extension can be avoided by establishing appropriate parameters and criteria for eligibility.

It is essential that action is taken rapidly in this respect before organisations take decisions which could see those in most need left unsupported and inequity exacerbated.

Yours sincerely

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Vicky Browning, CEO, Association of Chief Executives of Voluntary Organisations

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Anne Fox, CEO, Clinks

Amanda Tincknell, CEO, Cranfield Trust

Debra Allcock Tyler, CEO, Directory of Social Change

Kamran Mallick, CEO, Disability Rights UK

Rick Henderson, CEO, Homeless Link

³ PBE, CFG, IoF Charity Tracker August 2020 : <https://www.probonoeconomics.com/september-15-20-covid-charity-tracker-survey-results>

Paul Roberts, CEO, LGBT+ Consortium
Paul Streets OBE, CEO, Lloyds Bank Foundation
Tony Armstrong, CEO, Locality
James Banks, CEO, London Funders
Dr Matt Plen, CEO, Masorti Judaism
Fadi Itani, CEO, Muslim Charities Forum
Jane Ide, CEO, National Association for Voluntary and Community Action
Charlotte Augst, CEO, National Voices
Georgina Carr, CEO, Neuro Alliance
Seamus McAleavey, CEO, Northern Ireland Council for Voluntary Action
Ed Mayo, CEO, Pilotlight
Janet Thorne, CEO, Reach Volunteering
Peter Holbrook, CEO, Social Enterprise UK
Rita Chadha, CEO, Small Charities Coalition
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