

The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury Horse Guards Road
London SW1A 2HQ

Via email: CEU.enquiries@hmtreasury.gov.uk

12 February 2021

Dear Chancellor

Re: Emergency Support Fund for charity and social change organisations

We wrote to you on 14 January 2021 with our joint representation for the Budget 2021 asking you to deliver a renewed package of dedicated support measures for charity and social change organisations to meet the immediate funding crisis precipitated by the elongated nature of the Covid-19 pandemic. This, alongside the medium and longer term measures recommended in our Five Point Plan, is to support charities' financial sustainability to play their full part in meeting the immediate crisis presented by Covid-19 and in Building Back Better and Levelling Up our communities.

We write to you again today as a coalition of charity sector infrastructure bodies, representing thousands of charities and social change organisations across the country and in our communities to urge you to implement an **Emergency Support Fund, distributed via the National Lottery as an extension of the Coronavirus Community Support Fund (CCSF)** as part of the package of dedicated support measures for our sector at your upcoming Budget. We will also be writing to the Prime Minister to outline this ask, as part of our #RightNow campaign¹.

We are very grateful for the government's £750m package of support for the sector announced nearly a year ago in April 2020, and grateful to the Trusts and Foundations and to the generous general public supporting causes dear to them, who have stepped in to help mitigate some of the estimated £10.4bn funding gap for the year. Over the past year, organisations have contracted, depleted their reserves and realised assets, remodeled, restructured and pulled on all the levers at their disposal to ensure they continue to be able to deliver public benefit and be an able partner to government to offer support to those directly and indirectly impacted by Covid-19.

Other support schemes which have been primarily designed to aid the private sector such as the Coronavirus Job Retention Scheme and Coronavirus Business Interruption Loans are not applicable to the context of many charities and civil society organisations, and many have not been able to benefit from the government support schemes. The emergency support that has been available through the National Lottery CCSF closed to new applications some months ago and all funds are required to be spent by 31 March 2021. This will leave many charities facing a continuing crisis of income generation, strained resources and drained reserves whilst preparing for the onslaught of need and the 12-18-month lag in financial impact we know comes after the economy suffers a shock.

We now know that the impacts of the pandemic will be felt for much longer than originally anticipated when the support package for charities was delivered in April 2020. Set against a

¹ <https://nmc.org.uk/right-now-campaign-landing-page/>

backdrop of increasing demand and reduced capacity to deliver, the elongated nature of this crisis means that the need for emergency funding to keep meeting needs is essential.

The aims of the **Emergency Support Fund** are:

- 1) To enable voluntary sector organisations experiencing significant financial hardship to continue to deliver their charitable aims now and in the future
- 2) To ensure support can be delivered to people directly or indirectly impacted by the pandemic

The fund would be based on the principles that:

- A simple application process should be in place, similar to the existing application process for the National Lottery Loneliness Fund
- Organisations should produce evidence of financial need based on their most recent management accounts
- Grants should be for core and unrestricted funds
- The National Lottery should use the existing process it has developed to ensure this funding is available to those charities that are unable to access funding generated through gambling
- No outsourcing should be undertaken to private contractors to assess or otherwise assist in managing applications. The National Lottery Community Fund has existing systems and experience and if further assistance were needed, expertise should be sought in the first instance from the Trusts and Foundations sector organisations
- Equalities monitoring of applications received and grants awarded should be completed
- The usual audit and Independent Examination regime for charity accounts provides assurance against fraudulent claims

We welcome the opportunity to meet with you and your officials to discuss this proposal in more detail and to aid understanding of the operating context for charities and social change organisations engaged in delivering solely for the public benefit.

Yours sincerely

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

Caron Bradshaw OBE, CEO, Charity Finance Group

Robin Osterley, CEO, Charity Retail Association

Peter Lewis, CEO, Chartered Institute of Fundraising

Kathy Evans, CEO, Children England

Debra Allcock Tyler, CEO, Directory of Social Change

Ali Harris, CEO, Equally Ours

Judy Robinson, Chair, National Association for Voluntary and Community Action

Sarah Vibert, Interim CEO, National Council for Voluntary Organisations

Ndidi Okezie, CEO, UK Youth

Paul Reddish, CEO, Volunteering Matters

Please contact Roberta Fusco, Director of Policy and Communications, Charity Finance Group, for any queries at roberta.fusco@cfg.org.uk