



Digital, Culture, Media and Sport Committee

House of Commons, London SW1A 0AA

Tel 020 7219 6120 website www.parliament.uk/cms

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

By email

7 April 2020

Dear Chancellor,

Urgent support needed for charities

Last week, the DCMS Committee took evidence from charities and umbrella organisations about the crisis facing the voluntary sector.

The NCVO estimates that charities will lose approximately £4 billion in projected income over the next quarter as both trading and fundraising income have ceased. This is at a time when their services are needed more than ever, whether through supporting the most vulnerable in our society, or providing additional capacity alongside the health and social care sector.

Moreover, it is clear from the evidence we received that the existing measures announced to support businesses do not benefit charities sufficiently. Charities are unable to furlough workers under the Coronavirus Job Retention Scheme at a time when staff are needed the most, while the restrictions on organisations that receive public funds accessing the scheme present a further barrier. Similarly, the Business Interruption Loan Scheme will not apply to charities that receive less than 50% of their income from trading, and charities claiming charitable rate relief are not eligible for the Small Business Grant.

The Committee fully understands the constraints that the Government are working under. Yet the situation facing charities demands an urgent response: without action, some will be insolvent within weeks, and even large charities will find their reserves depleted and their work curtailed.

We therefore urge the Government to announce immediately:

- Emergency funding for frontline charities and voluntary organisations currently supporting the response to Covid-19;

- A stabilisation fund to enable charities, voluntary organisations and social enterprises to keep operating over the coming months;
- Confirmation that any staff furloughed by a charity under the Coronavirus Job Retention Scheme are legally permitted to volunteer their services back to the charity to provide frontline support;
- An exemption for charities to the 50% trading limit under the Business Interruption Loan Scheme, and extending eligibility under the Small Business Grant scheme to charities claiming charitable rate relief.

Failing to support charities now, when they need it most, will have long-lasting implications. We urge the Government to support the sector without delay.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Julian Knight', is positioned above the printed name.

JULIAN KNIGHT MP
CHAIR, DIGITAL, CULTURE, MEDIA AND SPORT COMMITTEE

CC:

The Rt Hon Dominic Raab MP, First Secretary of State and Secretary of State for Foreign and Commonwealth Affairs

The Rt Hon Oliver Dowden MP, Secretary of State for Digital, Culture, Media and Sport