

Dear Chancellor,

We write to you as leaders of 29 organisations that support the UK charity and voluntary sector. The cost of living crisis has put a significant strain on us all, as families across the world struggle with the rising cost of fuel and food. Here in the UK, Charities are doing as much as they can to directly help people facing poverty, but we know demand for help is higher than the resource available. We have been particularly encouraged to hear you say that your budget on the 31st 'will prioritise help for the most vulnerable'.

You have an opportunity to demonstrate that you are listening to people's concerns and are willing to make the hard choice to support them during this time. For the mid-term fiscal plan this means guaranteeing that benefits will rise in line with inflation, as will happen with pensions, investing in public services to deliver inclusive growth, protecting the UK's ODA budget, and ensuring that charities receive additional support with their energy bills beyond April 2023.

The following proposals will enable civil society to continue to make its vital contribution to the economy and society:

Uprating benefits inline with inflation

Charities have already seen the devastating impact of rising costs on those on low incomes. People living on low incomes need reassurance that the government will raise benefits in line with inflation as usual to make sure the situation does not get any worse. Uprating benefits only inline with earnings would amount to the biggest permanent real-terms cut to the basic rate of benefits ever made in a single year. People are already going without as the cost of essentials soar. They need certainty that they will not be pushed further into hardship during this winter and beyond.

It is crucial that as part of this uprating government includes all relevant benefits, including; Universal Credit, the 'Legacy benefits' it is replacing (ESA, JSA, Income Support and tax credits), Child Benefit, disability benefits, carers allowance, working tax credits and child tax credits.

Public services and local authority funding

Effective services will be a key determinant of the Government's ability to help people through the cost of living crisis and beyond. Greater investment in the delivery of public services is an opportunity to drive for inclusive, local economic growth. Charities, volunteers and local authorities work closely together across the UK to ensure that people can access the support and services they need to live their lives well. But to continue working this way for the long term, local government needs a sustainable financial settlement to provide targeted and effective crisis support for those most in need.

As it stands, councils and their local partners are struggling to deliver the bare minimum as year on year they are expected to deliver more with less. This has gone beyond efficiency and value and has now resulted in poor services and instability. Local charities have stepped up, but this is not sustainable. Charities can be important partners in the design and delivery of public services, but charity finances cannot replace government funding. The current crisis is already pushing up demand for services, particularly amongst communities that receive the least financial investment. It is essential that sufficient funding is available to deliver services at the scale and quality required, so people can access the support they need.

Ensuring no further cuts to international development spend

The rising costs of food and fuel are not just hitting the UK. Famine is looming in East Africa; globally food insecurity is on the rise. Conflict, the climate emergency and the pandemic are driving up humanitarian and development needs. In the International Development Strategy, the previous Prime Minister outlined her desire to “progress towards a safer and more prosperous world”, but this can only be achieved through long-term investment in communities. This investment is once again at risk. Despite UK aid being set as a percentage linked to the UK’s economic performance, it has already suffered nearly a 30% reduction since 2020 when the lower 0.5% GNI target was introduced. It is not too late to undo the damage that is being done to both the lives of some of the most marginalised people around the world, and the UK’s reputation as a reliable and trusted global partner. We urge you to listen to Conservative MPs, foreign diplomats, army generals, ministers and previous secretaries of state and protect the UK aid budget from further cuts and consider treating 0.5% GNI not as a cap but as a floor, until the two fiscal tests are met and we see a return to 0.7%.

Support for energy bills

The Energy Bill Relief Scheme is providing vital support for charities, voluntary organisations and community groups. But with the scheme set to come to an end on 31 March 2023, charities already facing acute pressures to their finances are in need of certainty. The short-term relief is welcome, but, like businesses, charitable organisations need to be able to plan beyond the short term on how they will continue their vital work. Unlike businesses, many charities are facing sharply increasing demand for help from the people and communities they support, but are not able to pass increased costs onto their service users and must meet their costs in other ways. Any additional clarity on medium and longer term support will help with that planning. Charitable organisations must have the best possible chance to survive if they are to keep doing what they do so well - making a positive difference to people's lives.

We urge the Chancellor to ensure that the experience of voluntary sector organisations is included in the Treasury-led review of the scheme post April 2023. We would also urge that voluntary sector organisations are included within the measures to incentivize energy efficiency for non-domestic consumers of energy. This could help ensure the longer-term viability of

services including safeguarding vulnerable children and adults, childcare and education, health and disability support, hospice care, community work, employment support, work with the homeless, faith groups and much more.

Yours sincerely,

Debra Allcock Tyler, Chief Executive, Directory of Social Change

Tony Armstrong, Chief Executive, Locality

James Banks, Chief Executive, London Funders

Caron Bradshaw OBE, Chief Executive, Charity Finance Group

Paul Buchanan, Interim CEO, In Kind Direct

Jane Colthup, Chief Executive, Community First Yorkshire

Maddy Desforges, CEO, National Association for Voluntary and Community Action

Katie Docherty, CEO, Chartered Institute of Fundraising

Stephanie Draper, CEO, Bond

Kathy Evans, CEO, Children England

Anna Fowlie, Chief Executive, Scottish Council of Voluntary Organisations

Anne Fox, Chief Executive, Clinks

Frances Guy, CEO, Scotland's International Development Alliance

Siobhan Hanley, Coalition of Aid and Development Agencies, Northern Ireland (CADA NI)

Frances Hill, South West International Development Network (SWIDN)

Rhidian Hughes, Chief Executive, VODG (Voluntary Organisations Disability Group)

Jane Ide OBE, CEO, Association of Chief Executives of Voluntary Organisations

Kamran Mallick, CEO, Disability Rights UK

Clare Moody, Co-CEO, Equally Ours

Mylen Namocatcat, Small International Development Charity Network (SIDCN)

Duncan Shrubsole, Director of Policy, Communications and Research, Lloyds Bank

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Angela Salt OBE, CEO, Girlguiding

Alan Stevenson, CEO, Volunteer Scotland

Sarah Van Putten, Chief Executive, Befriending Networks

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Marcus Ward, Director, Consultants for good

Donal Watkin, Chief Executive, The Association of Charitable Organisations