Dear Chancellor,

We are writing to you ahead of the budget announcement next week to urge you to provide critical ongoing support to the voluntary, community and social enterprise sector in the face of the ongoing cost of living crisis. Together, our organisations support hundreds of thousands of people and tens of thousands of charities across the UK.

Charities are essential for a fair society, economic growth and an effective public services system, but they are facing a triple threat of rising demand, falling income and rising operational costs, particularly energy bills. Many are struggling to retain and recruit both volunteers and paid workers. More than half of charities worry about struggling to survive. The challenges are particularly acute for service delivery organisations, including those providing care, support and accommodation. The scaling back or closure of organisations will have a direct impact on the lives of people who already have the odds stacked against them. Communities can’t afford to lose charities that provide local employment, pride in place and vital community connection.

The Energy Bill Relief Scheme has made a positive difference to some organisations since it was introduced. But many have not experienced the benefit because wholesale prices are now below the discounted EBRS price yet still unsustainably high. Prices available to charities are still 4.5 times as high as they were in February 2021, and charities’ incomes have not seen a corresponding increase. The Energy Bill Discount Scheme and Energy and Trade Intensive Industries Scheme will not be enough to prevent the scaling back of vital services or organisations, from refuges, care homes, hospices, and homelessness services, to youth and community centres, village halls, leisure centres, and arts and heritage organisations.

Charities cannot respond to this crisis without support. They report being unable to meet rising demand for help as more people struggle with the impact of high costs. Organisations are unable to pass on increased costs because people cannot afford to pay. Many cannot reduce their energy use because it would jeopardise the wellbeing and safety of the people they support. We therefore urge you to include in the spring budget:

1. **Targeted funding for charities with energy bills**. Charities need targeted, accessible grant funding to manage rising energy costs, recognising that charities are experiencing unique challenges including rising demand for support and falling income. Government could consider including charities within the new ETII scheme or extending the existing Energy Bill Relief Scheme but the design of the schemes, including the thresholds, would need to change significantly to make a difference to charities. Any support needs to include organisations that are off the gas grid.
2. **Support to safely reduce energy use.** Charities want to take steps to protect the environment but many are operating out of inefficient buildings, without access to the support they need to make changes. We welcome the commitment to make social finance available for energy saving improvements via dormant assets, but this is not a silver bullet. The budget must introduce support and funding to ensure all charities and their landlords can become more energy efficient.
3. **Uplift contracts to cover the cost of delivering public services.** Existing and new government contracts must cover the true cost of delivering public services. Central government departments must commit to uplifting contracts in line with inflation, and local government settlements and those for devolved administrations must be sufficient to allow local authorities and devolved national governments to do the same.
4. **Energy bill support for households.** We support calls for the Energy Price Guarantee to be extended, and for this government to work with charities to develop long term solutions, particularly for households most at risk of fuel poverty.

The voluntary sector stands ready to work with government to ensure that both communities and charities can access affordable energy. We trust you will consider these solutions to ensure the voluntary sector can weather this difficult period and continue to support communities.

Yours sincerely,

Sarah Vibert, Chief Executive, NCVO

**ALL SIGNATORIES**

* James Blake, Chief Executive, YHA (England & Wales)
* Rhidian Hughes, Chief Executive, Voluntary Organisations Disability Group (VODG)
* Richard Quallington, Executive Director, ACRE (Action with Communities in Rural England)
* Professor Vic Rayner OBE, CEO, National Care Forum
* Katie Docherty, Chief Executive, Chartered Institute of Fundraising
* Caroline Abrahams, Charity Director, Age UK
* Tony Armstrong, Chief Executive, Locality
* Matt Hyde OBE, Chief Executive, Scouts
* Kathy Evans, CEO, Children England
* Jackie O’Sullivan, Executive Director of Communication, Advocacy & Activism, Mencap
* Maggie Jones, CEO, Consortium of Voluntary Adoption Agencies
* Anna Fowlie, Chief Executive, Scottish Council for Voluntary Organisations (SCVO)
* Paul Streets OBE, Chief Executive, Lloyds Bank Foundation for England & Wales
* Ndidi Okezie, CEO, UK Youth
* Kirsty Cumming, CEO, Community Leisure UK
* Caron Bradshaw OBE, Chief Executive, Charity Finance Group
* Jane Ide OBE, Chief Executive, Association of Chief Executives of Voluntary Organisations (ACEVO)
* Neil Heslop OBE, Chief Executive, Charities Aid Foundation
* Rosalind Oakley, Chief Executive, Association of Chairs
* Ruth Marks, Chief Executive, Wales Council for Voluntary Action
* Alan Stevenson, CEO, Volunteer Scotland
* Robin Osterley, Chief Executive, Charity Retail Association
* Rosemary Macdonald, Chief Executive, UK Community Foundations
* Clare Moody, Co-CEO, Equally Ours
* Adeela Warley, Chief Executive, CharityComms
* Toby Porter, Chief Executive, Hospice UK
* Paul Reddish, Chief Executive, Volunteering Matters
* Maddy Desforges, CEO, NAVCA
* Debra Allcock Tyler, CEO, Directory of Social Change
* Fiona Colley, Director of Social Change, Homeless Link