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My Lords,

I would like to reiterate my thanks to Lord Addington for securing a debate on such an important subject, and to all the noble Lords for their insightful, valuable contributions to the topic. The charitable and voluntary sector plays a pivotal role in the Covid-19 pandemic response, and it is right that we recognise their efforts in supporting their communities during this time of immense uncertainty, as well as the challenges they are facing, in terms of fundraising and delivery.

Due to time constraints, I was unfortunately unable to address all points raised during the debate in my closing speech, and will therefore respond to the remaining points in this letter. A number of noble Lords asked about support for small, local charities during the pandemic, and expressed concern they may fall through the gaps. We recognise that small, local charities are incredibly important to the health and resilience of our communities, and are aware of the effects that Covid-19 is having right across civil society. Organisations that are not supporting the response to Covid-19 will have access to the range of so-called 'horizontal interventions' where the available support applies across all sectors equally. We are continuing to work with HM Treasury, the Department for Business, Energy and Industrial Strategy and HMRC to ensure charities' needs are reflected in these cross-cutting measures. Financial support is also available from within the sector, such as from Community Foundations, and the wider grant-making community. I enclose a list of support available in an annex to this letter. We will continue to work closely with sector leaders to assess how we can support the voluntary sector in doing its important work.

In regards to concerns raised by Baroness Pitkeathley, Lord Turnberg and Lord Hunt of Kings Heath about charities needing immediate financial support, we are working at pace to ensure the £750 million funding package announced on 8 April is delivered to charities as quickly and as efficiently as possible. Of the £750 million package, £310 million has been allocated to supporting small and medium sized charities working with vulnerable groups in England. The £200 million Coronavirus Community Support Fund forms a central part of this package, and is being administered through the National Lottery Community Fund (NLCF). Applications opened on 22 May for charities and social enterprises in England to submit through the NLCF website (www.tnlcommunityfund.org.uk). My department will review learning from the early



distribution of the Coronavirus Community Support Fund, and the evolving picture on the impact of the crisis. This will inform decisions on the distribution of the remaining £110 million, so that funding is best utilised to address emerging priorities and opportunities. We will also allocate £60 million through the Barnett formula so the devolved administrations are funded to provide similar support in Scotland, Wales and Northern Ireland.

We have allocated £360 million to other government departments, which will support the work of charities and social enterprises delivering services that are central to their policy agenda and public services. Within this, £200 million has also been allocated to support Hospices. Departments are disbursing these funds in a range of ways with much of the money distributed directly to specific organisations.

We have published clear and comprehensive guidance on the financial support for the sector and how organisations can apply for it - <https://www.gov.uk/guidance/financial-support-for-voluntary-community-and-social-enterprise-vcse-organisations-to-respond-to-coronavirus-covid-19>. This guidance will be updated frequently.

The Right Reverend Prelate, the Bishop of St Albans, Lord Marland and Lord Wei enquired about incentives for giving, including increasing the Gift Aid threshold, or introducing an emergency Gift Aid increase from earned tax from certain industries and businesses. Gift Aid already results in full tax relief on the tax paid on donations, with basic rate relief being claimed by the charity and higher rate relief being claimed by the taxpayer where relevant. Giving 100% tax relief to the donor for donations to charities would mean charities losing out on valuable Gift Aid income.

There were also a number of queries raised about support for specific sectors.

Baroness Anelay of St John's, Baroness Sheehan and Baroness Hodgson of Abinger raised concerns about the uncertainty around the amount that charities might receive in project support from the Department for international Development (DfID). So far, the UK has pledged £744 million of UK Aid funding to support the global efforts to combat the outbreak of Covid-19. This includes £200 million for charities and international organisations, who are critical partners in meeting the huge challenge of tackling the virus. DfID is also adapting its programmes across its country network to respond to COVID-19 and has committed significant new funding through the multilateral system. We expect charities to play a key role in delivery through these channels.

Lord Sharkey, Lord Mendelsohn and Baroness Morgan of Drefelin raised concerns about the loss of income to medical research charities due to the pandemic. Medical research charities are an integral part of the UK's world-leading life sciences sector. The Department of Health and Social Care is closely liaising with the Association of Medical Research Charities, as well as individual charities, to understand the impact of the pandemic on this sector and identify how best Government and charities can work together to ensure that patients continue benefiting from charity funded research.

Baroness Benjamin raised concerns about access to PPE for charity workers. The Department of Health and Social Care is taking steps to ensure that all staff operating in the health and care sectors can access adequate personal protective equipment (PPE),

and as such has delivered millions of items of personal protective equipment for staff at care homes, home care providers and hospices as well as to hospitals, ambulance trusts, GP practices and pharmacists. The needs of staff in frontline health services are also covered in the UK wide PPE Plan.

Lord Hastings of Scarisbrick raised the issue of funding for universities that are charities. The Department for Education has confirmed that universities are eligible for Government-backed loan and financing packages. The Office for Students estimates that these schemes could be worth at least £700 million to the sector, depending on eligibility and take up. They have also published further guidance about how providers should access the Coronavirus Job Retention Scheme to safeguard staff jobs, in particular stating that any grant from the scheme should not duplicate other sources of public funding where these are being maintained, such as UK home student tuition fees. In addition to this, they also announced on 4 May a package of measures which combines different ways to give further support to Higher Education (HE) providers at this time of financial pressure. They are pulling forward an estimated £2.6 billion worth of forecast tuition fee payments to ease cash flow pressure this autumn. They are also bringing forward Quality-related Research funding for HE providers in England in the current academic year by £100 million. The measures to stabilise admissions for this autumn also serve to reduce the risk to financial sustainability across the HE sector.

I would further like to reassure Baroness Watkins of Tavistock, who asked about support for small museums, that we are in constant contact with museums and other sector bodies to develop support for the sector in response to Covid-19. I am pleased that many have been able to access central government support as well as the Arts Council England's £160 million Emergency Funding Package and the National Lottery Heritage Fund's £50 million Heritage Emergency Fund. The Government continues to monitor the impact of these and other measures.

With regard to post Covid-19 recovery, I can reassure Baroness Hayter of Kentish Town that we are in proactive discussions across government and with the sector about the long term impacts to the UK's society and economy, and how to best support civil society during the recovery from Covid-19.

I am copying this letter to all Lords who spoke in the debate and placing a copy in the Library of the House, along with a copy of a "Dear Colleagues" letter that the Secretary of State for Digital, Culture, Media and Sport sent last week.



The Baroness Barran
Parliamentary Under Secretary of State