



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Sarah Vibert  
CEO  
NCVO  
8 All Saints Street  
London  
N1 9RL

27 February 2024

Dear Sarah,

I would like to thank both you and the many voluntary organisations which have co-signed your letter of 20 November regarding the underfunding of contracts and grants for charities and voluntary organisations. I am responding on behalf of the Chancellor as the Minister responsible for this policy area.

The Government recognises the vital role voluntary, community and social enterprise organisations (VCSEs) play in supporting individuals and communities. As your letter emphasises, these organisations are a real lifeline, particularly for people in need, delivering a huge range of services up and down the country.

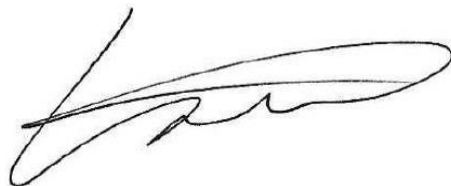
The Government also understands that cost of living pressures are impacting many organisations across the voluntary sector, who are seeing increased demand and higher running costs. As you will be aware, there are a number of areas where we are providing support to the sector.

This includes the announcement at last year's Spring Budget of a package of over £100 million for charities and community organisations in England to support the impacts of the increase in cost of living. As you reference in your letter, the £76 million Community Organisations Cost of Living Fund has closed for applications and is delivering funding right now to frontline VCSE organisations supporting vulnerable households. In addition, the £25.5 million VCSE Energy Efficiency Scheme is now open for applications for both independent energy assessments and capital grant funding. This scheme will support frontline VCSEs across England to improve energy efficiency and sustainability and save money on their energy bills in the long run.

Wider government support includes the Contract Readiness Fund, which enables VCSEs to better compete and participate in public service procurement in England. This support equips VCSEs with the understanding of bidding for contracts and full cost recovery, helping to mitigate some of the issues raised. The Contract Readiness Programme also works with Commissioners in Government to increase their understanding of VCSEs and issues they may face to help reduce barriers.

I am pleased to hear DCMS officials are continuously engaging with NCVO on this matter, as well as Minister Stuart Andrew who has met with NCVO.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Laura Trott', written in a cursive style.

RT HON LAURA TROTT MP  
CHIEF SECRETARY TO THE TREASURY