

A CHARITY FINANCE MANIFESTO TO ENABLE CIVIL SOCIETY TO THRIVE

As organisations which represent the voluntary sector we have a common and shared objective in seeing the right foundations for success put in place to enable civil society to thrive and mend the rift in our social fabric.

This General Election campaign is a key opportunity for all political parties to recognise and respond to our ongoing priorities and signal a new approach to working with and funding the sector.

With that in mind, we call for the new government to work with civil society organisations to empower communities and create a just society by supporting our manifesto.

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1

To help reduce the significant financial strain that many public services are facing, government should increase funding for local authorities over the next year, and fully consider the longer-term financial sustainability of councils as it prepares for the next spending review. It is important that this additional funding takes the form of core government funding, rather than solely providing additional mechanisms for local authorities to raise revenue themselves.

Research from Lloyds Bank Foundation has shown that while councils have tried to reduce the effect of cuts on people facing the greatest disadvantage, their impact has fallen on the most vulnerable in society. This has coincided with a marked increase in demand for services, particularly amongst the most deprived communities, which has seen councils spend on crisis need rather than preventative services.

It is crucial that whichever party wins the election offers a respite to local authorities by increasing funding. However, a longer-term approach is also needed to put local authorities on a more sustainable footing so they can continue to help support the most vulnerable in society. We urge the government to consider the long-term sustainability of local government finances and the public services they fund as we approach a spending review.

2

Given the economic impact that Brexit has already had and is projected to have on communities, a 'Resilient Communities Fund', should be set up, specifically for charities working with and supporting local communities directly. In addition, in the circumstances of a No-deal Brexit, any funds made available in preparation for a No-Deal Brexit must be available to civil society organisations.

Credible economic forecasts are consistent that exiting the EU with or without a deal would have a negative effect for the wider economy. As the Office for Budgetary Responsibility (OBR) has pointed out "A disorderly exit could have severe short- term implications for the economy, the exchange rate, asset prices and the public finances." Similarly, the Bank of England has said that even with the preparations that have taken place, this "Cannot eliminate the fundamental economic adjustments to a new trading arrangement that a no-deal Brexit would entail."

OBR forecasts have indicated that since the Brexit referendum there has been slower growth and weaker productivity than there otherwise would have been meaning that Brexit had already has a significant impact on the UK economy,

and a corresponding negative effect on the charity sector's finances, and the wellbeing of the most vulnerable in society which these charities serve.

To help mitigate these impacts, we call on the new government to create a 'resilient communities fund', specifically for charities working with and supporting local communities Post-Brexit. Charities will be on the frontline offering support to communities, and more broadly bringing communities together, helping to bridge the Brexit divide. They have the expertise to provide advice and support to people and communities, helping them increase their resilience and have the greatest chance of thriving post-Brexit. But to ensure this they will require sufficient resources to mitigate the potential financial impacts for both charities and wider society.

3

More details about the UK Shared Prosperity Fund (UKSPF) or equivalent replacement funds, including the amount of money designated to the fund and the consultation on how the programme will be designed and delivered, are urgently needed. It is important that the funding provided is at least commensurate to the levels of funding currently provided by the EU, to ensure the most disadvantaged do not lose out. There should also be assurances that other smaller funds outside of European Structural and Investment Fund (ESIF) and European Regional Development Fund (ERDF) are replaced.

In addition to information on changes to taxes and public sector expenditure, many charities will be awaiting more details of the UK Shared Prosperity Fund (UKSPF) or equivalent replacement funds. The amount of money designated to the fund – which will replace EU structural funds post-Brexit – is still unknown. It is important that the funding provided – particularly the component that will replace European Social Funds – is at least commensurate to levels of funding currently provided by the EU, if current levels of support are to be sustained. But equally, it is important that there is clarity on smaller funds used by civil society, these include but are not limited to the Asylum, Integration Fund AMIF and the Northern Ireland PEACE programme.

It is essential that the UKSPF is designed and delivered correctly. Unless funding is managed and distributed appropriately it is unlikely to have the desired impact for communities to help address the UK's productivity problem. Communities and the charities that represent them must be at the heart of the UKSPF, including the delivery and design of the programme, with significant devolved funding community control. We urge the new government to launch a consultation on the UKSPF or equivalent replacement funds – as soon as possible to help avoid gaps in funding and therefore the loss of vital support for disadvantaged communities across the country.

4

Priority should be given to the creation of a Community Wealth Fund, using dormant assets to help deprived communities re-build their social infrastructure and re-establish social and civic capital. At a minimum, we would ask the new government to make progress to unlock dormant assets to create a community wealth fund.

We support the creation of a Community Wealth Fund; using dormant assets to support deprived communities re-build their social infrastructure and re-establish social and civic capital.

Developing new approaches in communities that have not benefited from growth will be key to addressing the UK's low productivity in the coming years as the country seeks to achieve its post-Brexit potential.



ACEVO

ACEVO is the charity leaders network www.acevo.org.uk



CFG

Charity Finance Group is the charity that inspires a financially confident, dynamic and trustworthy charity sector www.cfg.org.uk



Children England

Children England is the independent voice of charities working with children and families www.childrenengland.org.uk



IoF

The Institute of Fundraising is the professional membership body for UK fundraising. We support fundraisers through leadership and representation; best practice and compliance; education and networking; and we champion and promote fundraising as a career choice. We have over 6,000 individual members and over 600 organisational members who raise more than £10 billion in income for good causes every year. www.institute-of-fundraising.org.uk



Lloyds Bank Foundation

Lloyds Bank Foundation for England and Wales is an independent charitable trust funded by Lloyds Banking Group which partners with small and local charities helping people overcome complex social issues www.lloydsbankfoundation.org.uk



Local Trust

Local Trust is a place-based funder supporting communities to achieve their ambitions and deriving learning about how to create resident-led change in communities across England www.localtrust.org.uk



NAVCA

NAVCA is the only national membership body that speaks specifically for local voluntary sector infrastructure bodies in England, with a network of members that between them represent over 160,000 local charities and voluntary organisations. www.navca.org.uk



NCVO

NCVO champions the voluntary sector and volunteering because they're essential for a better society. We do this by connecting, representing and supporting voluntary organisations. www.ncvo.org.uk



Small Charities Coalition

Small Charities Coalition informing supporting and connecting small charities www.smallcharities.org.uk