

## Initial reaction to the Budget

Budget 2009 has introduced a raft of measures of interest to NCVO members – please find below the top five areas of interest and NCVO’s initial reaction.

Overall it is extremely disappointing that the Chancellor has not looked beyond the conventional solutions offered by the market and the state and has not enabled the voluntary and community sector to play its part in helping to take the country out of recession.

Budget 2009 Commitments	NCVO Reaction
<p><b>Social Investment Bank</b></p> <p>The Government will consult by the summer on the design and functions of a Social Investment Wholesale Bank.</p> <p>As previously announced, funding available in England as a result of the implementation of the Dormant Banks and Building Societies Account Act 2008 will focus on youth facilities, financial inclusion and capability, and, if resources permit, a Social Investment Wholesale Bank.</p>	<p>It is deeply disappointing that the Chancellor has failed to include the £50 million cash injection into the Social Investment Wholesale Bank that NCVO called for, especially when the Government has announced a range of substantial measures to support the private sector.</p> <p>We are pleased that steps are being taken to establish the Social Investment Wholesale Bank and hope that this will be done with as much speed and efficiency as possible.</p> <p>We remain disappointed that money from Dormant Bank Accounts will not prioritise support for the Social Investment Wholesale Bank.</p>
<p><b>Measures to tackle climate change</b></p> <p>An extra £1bn to help combat climate change by supporting low-carbon industries.</p> <p>£435m extra support for energy efficiency measures for homes, businesses and public places.</p> <p>£525m new support for offshore wind power projects. Will provide enough electricity for 3.5m households.</p> <p>£405m new funding for low-carbon technology projects.</p>	<p>NCVO’s Civil Society Framework identified climate change as a key issue for society in which our sector has a critical role to play.</p> <p>It is disappointing that there was no explicit recognition of the sector’s role in the budget commitments.</p> <p>However as these proposals are developed and implemented we look forward to working with the Government to ensure the sector can play its part.</p>

<p><b>Support for jobs</b></p> <p>An additional £1.7 billion funding for JobCentre Plus.</p> <p>From January 2010 everyone aged under 25 unemployed for a year to get the offer of a job placement or training.</p> <p>There will be £260m new money for training and subsidies.</p>	<p>We welcome the measures for job creation, but it is unclear whether there will be any new investment for voluntary and community organisations (VCOs).</p> <p>It will be important that VCOs with appropriate expertise can play a role in supporting people return to the job market.</p> <p>We are hopeful that opportunities for training for under 25s will also promote opportunities within the voluntary and community sector.</p>
<p><b>Hardship fund</b></p> <p>A new £20 million Hardship Fund to provide grant support to third sector organisations.</p> <p>The fund will be aimed at organisations delivering front-line services to the most vulnerable and disadvantaged in society, that have been affected by the recession, with demonstrable resource constraints due to cash-flow difficulties of increased demand.</p>	<p>This was one of the items NCVO asked the Office of the Third Sector to include in its recession support action plan earlier this year. We therefore welcome its inclusion in the Budget.</p> <p>At a time when the sector is being forced to balance increased demand and falling resources, the need for help charities to unlock additional resources has never been greater. However this is only a very small step and as yet, we are unclear how and when these funds will be allocated.</p>
<p><b>Review of Gift Aid</b></p> <p>The Government continues to explore ideas to improve Gift Aid, and has commissioned research into the effect of redirecting higher-rate relief from donors to charities.</p>	<p>We have been working with the Treasury for some time on this issue and look forward to moving this forward as soon as possible.</p>

For further information on our work on these issues, please contact [policy@ncvo-vol.org.uk](mailto:policy@ncvo-vol.org.uk) or call 020 7520 2473.

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