

Briefing for House of Lords Economic Affairs Committee

**Oral Evidence Session with Chancellor of the
Exchequer, Rishi Sunak MP**

Tuesday 19 May 2020 — 3pm-5pm

Summary

- **Charities are the glue that holds society together.** In these times of immense and growing hardship, our services are needed more than ever.
- However, Covid-19 and the necessary lockdown have resulted in a significant proportion of **charity income being slashed overnight** — with the voluntary sector set to lose £4.3 billion in 12 weeks of lockdown¹.
- **The Government's package of support for charities is a welcome start. However, it falls short of what is needed.** Without further support, many charities large and small are likely to remain in serious peril.
- As charities struggle to stay afloat, **many of the people who rely on their services and are most in need of support could miss out on vital support**, including vulnerable children and families.
- It's vital that the funds that have been promised reach the front line as soon as possible.
- At Barnardo's, we have more than 500 frontline staff still delivering face to face services e.g. for disabled children, children in care and care leavers. In line with Government guidance, the rest of our services have moved to 'remote' or 'distanced' support, reaching vulnerable children on the phone, through instant messaging and using video conferencing. **We have been innovating at pace, but this has come at an additional cost.**
- To date we have also **delivered £400k worth of food, devices, and mental health packages for families most in need, using funds from our Coronavirus Crisis Appeal.**

Impact of Covid-19 on children and families

- It is becoming increasingly clear that the pandemic and necessary public policy response are compounding disadvantage, with the most vulnerable suffering most during the crisis.
- In particular, children and young people who were vulnerable before the crisis, and those in families close to the edge, are experiencing significant additional challenges as a result of the lockdown.
- Many parents in insecure work (eg. zero-hours contracts) are being forced into poverty. The lowest-paid workers are disproportionately likely to lose their jobs as

¹ [National Council for Voluntary Organisations](#) (NCVO), March 2020.

a result of Covid-19 — meaning their children are more likely to face additional challenges².

- 75% of our frontline staff told us in April that they are supporting families affected by job losses and reduced hours, and 47% are supporting families in or at risk of poverty.³
- At the same time, funding for local children and young people's services fell by £2.2 billion between 2010/22 and 2018/19. With more children and families needing support as a result of the pandemic, it is vital that the Government steps in to fund vital early intervention services, so children get the help they need before reaching crisis point⁴.

Questions for the Chancellor

- What steps is the Chancellor taking to ensure the £750 million support package reaches charities without delay?
- Will the Government consider creating an innovation fund for charities to ensure they have the resources they need to adapt their services to reach vulnerable children and adults during the lockdown?
- Charity shops are a vital source of income for charities like Barnardo's and play a key role in their local community.. Will charity shops be permitted to reopen in June assuming the Government eases the lockdown measures?
- Will the Chancellor update the Committee on what discussions he has had with Government departments about the potential impact of a recession on vulnerable children and families already struggling to cope with Covid-19.
- A group of children's charities including Barnardo's warned this week that funding for children's services fell by £2.2 billion between 2010/11 and 2018/19. What steps will the Chancellor take to ensure local authorities have the funding they need to invest in vital early intervention services?
- Could the Chancellor update the Committee on the proposed timing of the Spending Review?

² [Covid Inequality Project](#)

³ Barnardo's Quarterly Practitioner Survey, April 2020.

⁴ [Charities warn of devastating impact of coronavirus after years of 'crisis-driven firefighting' by councils](#), May 2020.