

Rt. Hon. Rishi Sunak MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London SW1A 2HQ

27th April 2020

Dear Chancellor,

We are writing to you outlining a four-point plan to ensure the UK's 100,000 social enterprises, co-operatives and community businesses can help our country's recovery after this pandemic.

The government has taken unprecedented action to help the economy through this national emergency. We welcome measures to address our immediate challenges. We also now need to begin looking to the future.

We are concerned that gaps in the government's economic support package are putting the country's recovery at risk. We are also in danger of compounding divisions between different parts of our society.

Social enterprises contribute £60bn to the UK economy and employ 5% of the UK workforce. Yet these businesses keep reporting to us that they are still unable to access grants and loans which are critical to keeping their businesses alive. Social enterprises are businesses, but because of the design of current programmes, they are falling through the cracks.

Time is of the essence, as we estimate that half of the social enterprise sector could run out of cash by June, unless action is taken. Once these businesses disappear it will take years to rebuild. Their loss will drag our economy down and unnecessarily elongate our recovery.

Social enterprises are more likely to work in the poorest areas than traditional SMEs or charities – with 1 in 5 based in our most deprived communities. Social enterprises also employ those furthest from the labour market. They employ tens of thousands of vulnerable and disadvantaged people such as those with disabilities, homeless people and veterans. Many of these workers will struggle to find employment if the social enterprises they work for close. Social enterprises are also more likely to be led by women and BAME people, the loss of their businesses will compound the inequalities in British business.

We are asking for the government to make some small changes to the way that it is currently distributing grants, loans and business support to ensure that it gets through to our social enterprises. We have four key proposals:

- 1) Extend existing business grants to include social enterprises;
- 2) Change the delivery of loan finance to work for social enterprises;
- 3) Open up emergency financing for public services to social enterprises delivering services on behalf of the state;
- 4) Provide business support so that social enterprises can use any funds they do receive effectively to transition their business.

These measures would not cost a lot compared to the government's overall support package and would preserve tens of thousands of businesses. This would safeguard over 1m jobs in communities that need them most.

Supporting the UK's social enterprises will increase the chance of a quick, fair and inclusive recovery from this lockdown.

We urge you to act now and work with social enterprises to lay the foundations for a strong British recovery to this crisis.

Yours sincerely,



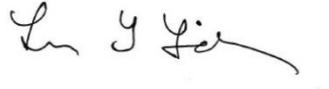
Alastair Wilson  
Chief Executive, School for Social  
Entrepreneurs



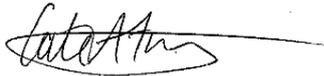
James Alcock  
Chief Executive, Plunkett Foundation



Ben Carpenter  
Chief Executive, Social Value UK



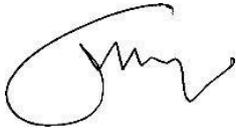
Lucy Findlay MBE  
Chief Executive, Social Enterprise Mark  
CIC



Cate Atwater  
Chief Executive, Community Leisure UK



Mark Norbury  
Chief Executive, UnLtd



Ed Mayo  
General Secretary, Co-operatives UK



Peter Holbrook CBE  
Chief Executive, Social Enterprise UK



Tony Armstrong  
Chief Executive, Locality