



The Rt Hon Jesse Norman MP  
HM Treasury  
1 Horse Guards Road  
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London  
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CC:

DCMS Secretary of State, The Rt Hon Oliver Dowden CBE MP  
Minister for Civil Society and DCMS, Baroness Barran MBE  
Minister for Business, Energy and Clean Growth, The Rt Hon Kwasi Kwarteng MP

25 February 2020

Dear Minister,

### **Improving the effectiveness of Social Investment Tax Relief (SITR)**

Congratulations on your reappointment as Financial Secretary to the Treasury. We very much look forward to continuing working with you in this role.

The Treasury's Call for Evidence on 'Social Investment Tax Relief' closed on 17 July 2019. We believe that the Budget in March offers an opportunity to respond to the evidence submitted and to improve the effectiveness of this essential tax relief, which has the potential to unlock much-needed capital for social enterprises and charities in every corner of the UK. SITR was ranked as the 4<sup>th</sup> best tax relief in Europe in a 2017 report prepared for the European Commission by PWC, and there is potential to benefit some 30,000 organisations.

Collectively, in our responses to the Call for Evidence, we have identified a range of proposals that we believe together will significantly improve Social Investment Tax Relief and enable it to deliver its potential. These include:

- Expanding eligible activities to include the hire of assets on a short-term basis; community energy; and nursing and residential care homes
- Increasing the lifetime limit to £5 million
- Eliminating the age limit of 7 years
- Introducing an SEIS equivalent to SITR.

We also make several proposals to reduce the administrative burden and attach Big Society Capital's response to the [call for evidence](#) which contains more detail on all these proposals.

The current uncertainty over the future of SITR means that work to develop new funds that will use it to channel money to social enterprises and charities has been put on hold. This includes regional funds that would aim to spread

the benefits of Sitr across the UK. As a broad coalition, the signatories to this letter call upon you to make a firm commitment to Social Investment Tax Relief's future in your forthcoming budget and make the changes to it that the social investment sector needs if it is to thrive.

We would be very glad to meet you to discuss any of these ideas in more depth.

Yours sincerely,



Cliff Prior  
CEO, Big Society Capital



Alex Sobel MP  
Chair, APPG on Social Enterprise

Seb Elsworth  
CEO, Access: The Foundation for Social Investment



Emma Bridge  
CEO, Community Energy England

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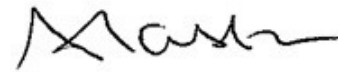
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