

NEWS RELEASE

**ACEVO (Association of Chief Executives of Voluntary Organisations)
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For immediate release

The scale of the challenge facing charities as a result of this Budget is enormous says ACEVO

June 22, 2010- Responding to today's emergency budget Stephen Bubb, CEO of ACEVO, the representative body for charity leaders said,

"The scale of the challenge facing charities as a result of this Budget is enormous. The spending cuts outlined today will impact on frontline services. The vulnerable will likely receive less support, charities will be asked to do more, and will have to do so at a time that their cost base is rising due to the VAT rise.

"The Government has made clear that as it rolls back the state it wants a Big Society to flourish in response. If this is to happen, it is crucial that now the state works with us in genuine partnership, that we are fully engaged in the Spending Review and that it is not a PR process as some Conservatives have suggested.

"And whilst we welcome the proposals to reform VAT for charities working in partnership, the Budget has highlighted the growing need for more fundamental reform of VAT. At a time when the Government wants more services to be delivered by third sector organisations and to encourage the growth of a Big Society, charities are being walloped with a big rise in VAT which puts them at a massive competitive disadvantage when bidding to deliver new services."

Notes to Editors

About ACEVO

ACEVO (Association of Chief Executives of Voluntary Organisations www.acevo.org.uk) is the professional body representing charity and not-for-profit sector chief executives in the UK, with over 2000 members. The broad not-for-profit sector now employs the full-time equivalent of 1.5m staff, with a collective annual turnover of £46bn. ACEVO is committed to improving third sector leadership skills worldwide.