



**Plunkett**  
Foundation

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Jesse Norman MP  
Financial Secretary to the Treasury  
House of Commons  
London  
SW1A 0AA

Monday 15<sup>th</sup> February 2021

## **Save Social Investment Tax Relief (SITR) and support community business**

Dear Jeremy,

The Social Investment Tax Relief is due to be retired on 5<sup>th</sup> April 2021, and we believe there is a strong case for extending this relief for community businesses and social enterprises.

The Plunkett Foundation is a national charity, working across the UK to provide access to advice and expertise for the benefit of community businesses. We have been helping rural communities for over 100 years to tackle the issues they face, through promoting and supporting community business.

Plunkett has supported almost 700 rural community businesses to establish in the UK, with a 96% long term survival rate. An investment made in a community business has a lasting impact on the community, which is why it is vital that SITR is extended.

Community businesses are owned and run democratically by members of the community on behalf of the community. In order to raise the money to establish the business, a community share offer is launched. In 2020 alone, £4.5m was raised in share offers to support new businesses opening. A recent report on 'Understanding a maturing community shares market' by Co-operatives UK found that £155m has been raised by 104,203 people to support more than 440 businesses since 2012.

Many of our members have benefitted from SITR and have written to their MPs in support of its extension. Community businesses can take many forms, such as shops, cafes, farms, renewable energy installations and woodlands. They support their communities through:

- Improving community cohesion
- Protecting access to essential services in rural areas
- Contributing to net zero through environmentally friendly initiatives, and reducing the need to travel for services

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- Boosting growth of the local economy
- Providing local opportunities for jobs, skills, and training
- Supporting health and wellbeing, e.g. by preventing loneliness

Saving SITR would help the community business sector to continue to grow and carry out its vital work in these areas.

At a time when community business staff and volunteers have stepped up to support their communities during the pandemic, the Government should not overlook the importance of this tax relief in benefitting businesses and the vulnerable members of their communities.

Yours sincerely,

James Alcock



Chief Executive, Plunkett Foundation