



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Richard Bray  
Church House  
Great Smith Street  
London  
SW1P 3AZ

October 2022

Dear Richard,

Thank you for your letter of 26 September on reforms to the tax system, and for your further letter of 03 October about the Future of Gift Aid.

I understand the challenges that the charity sector is currently facing. As your letter acknowledges, the Government announced within the Growth Plan an extension to the transition period for Gift Aid relief in support of the charity sector. This will maintain the income tax basic rate relief at 20% until April 2027, giving the sector time to transition to the lower basic rate of tax.

Cutting the basic rate of tax was a central part of the Growth Plan, which was outlined by the Chancellor on 23 September, making growth the Government's central economic mission. Reforming the supply side of the economy, cutting and simplifying tax, and maintaining fiscal discipline will drive efficiency and enhance UK competitiveness. This will help to boost growth sustainably in the long term, which will lead to higher wages, greater opportunities, and sustainable funding for public services.

Thank you for presenting your proposals to HMRC at an official level and taking the time to set them out to me as a budget representation. The Chancellor will take these into consideration as part of the budget policy development.

Due to diary constraints, I am unable to meet with you, but the Government remains committed to supporting the vital work of charities in the UK. I have asked my officials in HMRC and HMT to continue to engage with you.

Yours sincerely,

A handwritten signature in cursive script that reads "Felicity Buchan".

**Felicity Buchan**  
**Exchequer Secretary to the Treasury**