

Government to give VAT from donated PPE to healthcare charities

- recent VAT revenue from PPE donated to the NHS and care homes will be given to charity
- money to support frontline workers affected by Covid-19
- donations made to Care Workers Charity and NHS Charities Together

The Care Workers Charity and NHS Charities Together will benefit from the government donation, which is expected to be worth hundreds of thousands of pounds.

The government introduced a temporary zero rate of VAT on PPE on 1 May to reduce costs for care homes and businesses buying the essential equipment during the Covid emergency.

The amount to be donated to charity will reflect the VAT collected on donations made from 1 March until 30 April – the period between PPE donations starting and when the zero VAT rate became effective.

Chief Secretary to the Treasury Steve Barclay said:

Frontline health workers are fighting coronavirus day in, day out – in our hospitals, care homes and communities. Whilst we will never be able to fully express our gratitude to them, we want these donations to be a small sign of our appreciation.

From the Treasury and the whole government, we say thank you for all you are doing.

Health Minister Jo Churchill said:

I'm delighted that these donations will be going to such a worthwhile cause, helping those that selflessly care for others.

These charities are doing fantastic work, supporting our amazing NHS and social care staff, who continue to display incredible determination and resilience as they lead the struggle against this invisible killer.

VAT is due on assets donated by businesses where they paid and reclaimed VAT when they originally purchased the goods.

Businesses will have until the end of June to tell HMRC what VAT they have paid, giving them time to complete their usual accounts and identify these costs. Affected businesses should contact ppe@hmrc.gov.uk for further information.

NHS Charities Together is a membership organisation representing, supporting and championing NHS Charities. They support the NHS on a variety of projects.

The Care Workers Charity provides crisis cash grants to care workers. This includes those working in residential social care, home care, supported living care and day care.

The donation will be split equally between the two charities. Both the Care Workers Charity and NHS Charities Together are run nationwide and people across the UK will be able to benefit.

Ellie Orton, Chief Executive of NHS Charities Together said:

“We’re really pleased to receive this donation and put it towards supporting NHS staff, volunteers and patients as they deal with the Covid crisis. NHS charities are working closely with trusts across the UK to put that support in place.”

Karolina Gerlich, Executive Director of the Care Workers Charity said:

The Care Workers’ Charity is delighted to accept the donation from HM Treasury. The charity exists to support care workers, give them a voice and to advocate for the social care workforce.

There are about 2 million care workers in the UK, many of whom exist on a low income. This means that if they are impacted by a crisis, it is all too easy for them to be plunged into a financial crisis. The charity supports care workers by offering grants for everyday living costs and emergencies that enable individuals and families to maintain a quality of life. This donation will boost our collaborative efforts with care workers, key industry stakeholders and policy leaders to reach a consensus from which the social care sector can become stronger and more cohesive. Care workers nurture and protect the most vulnerable people in our society and they deserve to be recognised and appreciated.

The Department for Health and Social Care will make the donation of the VAT on the government’s behalf.

Further information

HMRC estimates that the donation will be between £500,000 to £1 million.