

# GREATER MANCHESTER VCSE SECTOR AND IMPACT OF CORONAVIRUS

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Alex Whinnom GMCVO [alex.whinnom@gmcvo.org.uk](mailto:alex.whinnom@gmcvo.org.uk)

## For information to:

GMCA & GM H&SC Partnership

DCMS

NCVO, NAVCA, SEUK, Voice 4 Change England

National Lottery Community Fund

Voluntary & Community Sector Emergencies Partnership

## CC

GM VCSE Leadership Group <https://vcseleadershipgm.org.uk/>

10GM <http://www.10gm.org.uk/> & local VCSE infrastructure organisations (listed at

<https://www.gmcvo.org.uk/resources/support-organisations>)

GMBAME Leaders

See GMCVO website for previous updates <https://www.gmcvo.org.uk/news/gmcvo-response-covid-19>

## VCSE LEADERSHIP STRUCTURES:

- VCSE Leadership Group is meeting weekly (Wednesday)
- Local infrastructure organisations are meeting weekly (Thursday)
- VCSE Commissioning group (VCSE / public sectors) is meeting weekly (Friday)
- GMBAME Leaders are meeting frequently
- Funders Forum for independent funders being established by GMCVO and 10GM with the support of National Lottery Community Fund – will meet asap

Information and issues arising from these meetings and from individual VCSE organisations will be summarised in these papers.

## KEY POINTS:

1. **All of our income sources have been hit at once, cash flow is a problem and reserves are low.** See section below. Trading income, public and philanthropic donations, independent grant funds and public sector contracts and grants are all affected. The inability to trade will affect our smallest community groups as much as our large social enterprises and trading charities.
2. **Grant funding from all sources is being repurposed to the Covid response, leaving nothing for anything else until at least autumn.** Whilst this is understandable, it will have a massive impact on the sustainability of our sector. Organisations in the process of bidding for funds for later this year may be left high and dry. Not all organisations can make a covid response, yet are essential to the fabric of our communities.

3. **Government support for SME VCSE organisations is not adequate and distribution is too slow.** Our GM sector will lose around £78m income over 12 weeks; the government funding for charities may provide around £3m (see below for details) and it isn't flowing yet.
4. **We are starting to see closures.** We expect to see more. We understand this crisis will bring change to our sector, but the nature of the crisis, which is affecting our 'strongest' organisations as much as any, means this change needs to be managed if it is not to be extremely destructive. This would require emergency funding at a meaningful scale.
5. **Structural inequalities re BAME people and communities are playing out in a perfect storm.** Our BAME organisations are least well-resourced to cope. (see below for details)
6. **Disabled people and carers are being affected both by the virus, and by the measures that have been taken to control the virus.** Like BAME groups, disabled people's groups and carers' groups are badly resourced.
7. **There is a major problem with the checking, deploying and management of volunteers on the ground,** and a failure in some cases to connect with established volunteering infrastructure. This is creating inefficiencies, and frustration within established volunteering systems.

## LATEST NEWS: STRATEGIC

8. **Submission made to DCMS Select Committee** on The Impact of Covid-19 on the Charity Sector on behalf of GMCVO and the VCSE Leadership Group. See [here](#).
9. Local infrastructure in all ten localities is now connected to the national **Voluntary and Community Sector Emergencies Partnership** through NAVCA via GMCVO.
10. We welcome the paper agreed at the Out of Hospital group on 9<sup>th</sup> April '**Supporting Localities in Delivering their Covid-19 Response inc EoL**' which sets out high level expectations of each locality. It includes the requirement to involve the VCSE sector in overall programme control and communications, and a specific paragraph on '**Supporting People's Personal, Cultural and Social Needs**', which should prompt consideration of BAME, disabled, learning disabled, religious and other needs to tailor support to individuals. Localities are expected to respond by 21<sup>st</sup> April.
11. **GM commissioning leads** are meeting weekly with the VCSE Leadership Group Commissioning Sub-group, which is very helpful.
12. Thought is being given by VCSE Leadership to the **recovery phase**. John Hannen has done an initial analysis of how the Covid emergency will affect different elements of our sector; this is being checked by VCSE leaders before going to wider distribution.
13. Ambition for Ageing has published a paper re **older people and financial inclusion** during lock-down, considering what alternatives there are to cash, and how money for shopping can safely be exchanged. See [here](#).
14. A new **GM Funders Forum** is being convened by GMCVO and 10GM with support from National Lottery Community Fund: we are setting up a portal website which will bring together all the grants accessible to local organisations and hope to hold the first meeting on 29<sup>th</sup> April. Smaller groups are having difficulty with making multiple applications to different funders for small grants; we hope to explore a more streamlined approach at least across GM.

## VCSE SECTOR INCOME

15. Job retention scheme: note HMRC guidance **is unclear on organisations which receive public sector funding**. It states that where an organisation receives such funding for staff costs, and the funding is continuing, employers are expected to continue paying staff, and not to furlough them, even if they cannot deliver the work. Presumably this applies to VCSE organisations. It is unclear how this rule can be reconciled with contractual obligations.
16. In any case, because most VCSE organisations are experiencing more demand, **furloughing staff is not realistic**. Income may have been lost but staff are still needed.
17. **Charities can't apply for the £10k grants for small businesses**, as they are not eligible for business rate relief (they received instead the charity 80% discount). This means they are not benefitting from the help offered to other SMEs.
18. Independent funders are losing income, and will have less to distribute. Individual philanthropy is also reduced (Institute of Fundraising) so there will be **less funding around for big charities**.
19. All GM localities have published **statements of solidarity and support for their local VCSE sectors, but the contents are not consistent** e.g. re up-front payments.
20. Although locality statements make promises to roll over grants and contracts, and allow short-term flexibility in how funding is spent, this is **not consistently being followed up with letters to individual grant recipients and contract holders**; organisations whose agreements ran out on 31<sup>st</sup> of March and continue to trade are doing so at risk, and may also face cash flow problems.
21. Of the £750m funding announced by government, £370m is potentially available to local SMEs. We understand £60m will go to the devolved authorities, £200m to hospices and the rest will be distributed by individual government departments, probably mostly to existing recipients. There are some announcements which seem to be additional: international aid, domestic violence, mental health. None of it is new money. Of the £370m, £60m will be distributed by the NLCF, almost certainly locally, and possibly aligned with some of its own money; if done by population GM could see £3m. **Note that the GM VCSE sector is set to lose c£78m over the lockdown.**
22. **NLCF Awards for All** are a lifeline for small groups in this situation; however, it is only possible to apply once – yet need may be ongoing.
23. Local infrastructure is reporting that **closures of organisations** are starting to occur. We will be tracking these. Note that if we see a similar process to the 2011 crisis, many organisations will not actually close quickly, but will become dormant (sometimes for years) before eventually folding.
24. We are becoming **especially concerned for our 'medium' organisations with income of £1m - £5m**: they are too large for most of the available help, but too small to compete with the big national organisations. One organisation reports: 32% if income now 'out of contract'; donations dropped (usually important); trading income stopped; using reserves but they won't last long; need for their work continues.

## PEOPLE AND COMMUNITIES

25. There have been **concerns raised from our members that Community Hubs have been telling VCSE organisations 'we'll do it' rather than joining forces**. If so, this is a missed opportunity to mobilise our complementary strengths, relationships and resources

and build on the work done collaboratively on public service reform and place-based working. There is general frustration from VCSE organisations on the ground when the new nationally driven initiatives cut across, undermine or duplicate existing systems. The Out of Hospital paper mentioned above may help.

26. There have been some **incidents of criminal activity by ‘volunteers’** operating within mutual aid networks and NHS scheme (for example thefts of money and goods). There are also examples of un-vetted people being given the contact details of vulnerable individuals.
27. There is not consistency across localities in **sharing the lists of shielded people**, including with VCSE, and jointly planning deployment of volunteers. This is leading to confusion on the ground e.g. 3 NHS volunteers sent by the app to the same house.
28. There is **rising concern for refugees and asylum seekers**, who are not receiving support except from VCSE and faith organisations, and are more at risk of exposure to the virus due to living conditions and at high risk of mental illness due to already having experienced trauma.

## **BAME COMMUNITIES AND GROUPS**

29. We are glad to note the **disproportionate impact of Covid on BAME people** is gaining a higher national profile, but anxious to ensure there is involvement of VCSE BAME leaders in any analysis or initiatives intended to address it.
30. Some of the causes of the disproportionate impact on BAME people are well rehearsed:
  - a. **Insecure work, poverty, crowded housing and poor health** put people at higher risk of falling ill or dying, and are correlated in GM with being from a BAME community or background.
  - b. BAME people are over-represented in **‘essential’ roles in care, retail and similar (low paid insecure work) and in the NHS**, therefore more likely to be exposed, less likely to be eligible for furlough or sickness benefit, and less able to afford not to go to work even if unwell.
31. In addition, BAME leaders report that people are more likely to be **unaware of government guidance about distancing, self-isolation etc, and more likely to be victims of fake news, rumours and exploitation** (due to communications and language needs being overlooked).
32. We are concerned that the structural issues noted at 30. may be overlooked in favour of a focus on possible additional susceptibilities due to (for example) dark skin. The other factors are likely to be much more significant, and we should be aware of the **risk of complacency / racism should the focus shift to noting minor physical differences**.
33. BAME VCSE organisations, which are key to connecting, supporting and advocating for their communities, **are the least well-resourced and have less capacity** both to act and to influence.
34. **Community Hubs across GM need to link with local BAME groups** – they can help with detailed knowledge of dietary, cultural, language, communications needs, and are trusted by individuals.
35. **Translation of information is not always any help** – don’t assume because someone can speak a language they can read it; a short sentence explaining where to go for help to understand something is good; and videos can be very useful. But there are high levels of digital exclusion and poor IT literacy which means personal phone calls may be the only way to communicate with some people.

36. **Fake news and misleading information is a particular issue as is vulnerability to scams.**
37. The correspondence to individuals expected to 'shield' has caused great alarm and anxiety to some people receiving it (4-page letter from NHS) – followed by the letter from the PM. All this has been in written English only with **no consideration of communication or language needs.**
38. Concern raised about access to suitable food and access to morning and evening meals during **Ramadan.**