

Rt. Hon. Rishi Sunak MP Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London SW1A 2HQ

12<sup>th</sup> May 2020

Dear Chancellor

Voluntary organisations, charities, community groups and social enterprises (VCSE organisations) are essential to the people of Greater Manchester and form the fabric of our communities. These organisations are responding to the current crisis by mobilising at scale, and will be vital to building back better. But, without urgent action from the UK government to provide support, we will lose them – just when they are needed most.

## Greater Manchester VCSE leaders ask the Government:

- 1. To enable local charities and social enterprises which are eligible for the Job Retention Scheme to use the scheme to pay the salaries of employees who would otherwise have been made redundant because of the impact of Covid-19, to allow them to continue working rather than to go on furlough.**

*These organisations are right on the frontline in every locality in Greater Manchester - holding back a tidal wave of pressure on public services, disseminating information and advice to the public, and collaborating with the public sector and local businesses to try to help those most in need. Advice organisations and helplines, mental health providers, food banks, homelessness organisations, disabled people's groups, BAME organisations, older people's groups and domestic violence support providers have reported a surge in requests for their services.*

*They are trying to remain open, but the job retention scheme is unhelpful for most charities and social enterprises since, alongside loss of income, they are experiencing increased demand from people in need and therefore need to deploy as many staff as possible.*

- 2. To give local charities and social enterprises access to the full range of support available to other small businesses. In particular, to widen access to the Small Business Grant (£10,000) and the Retail, Hospitality and Leisure Grant to all organisations in receipt of charity rates relief.**

*Trading charities and social enterprises are impacted in the same way as other SMEs with regard to loss of trading income, fixed costs, inability to reduce staffing costs without laying off staff, inability to make repayments on loans. Most of these social traders are in sectors that trade directly with the public, and are at high risk.*

3. **To provide further grant funding specifically for small and local voluntary organisations, charities, community groups and social enterprises to ensure their survival. This should be made available both to organisations providing a response to the current crisis and to organisations that will be essential to the recovery from the crisis. Whilst we welcome the funding recently announced, to be distributed by the National Lottery Community Fund, it is just not enough. In Greater Manchester alone we need an additional £19.5 million.**

*As well as mounting a response to the crisis, and providing crucial services, our local VCSE organisations, such as community halls; youth groups; older people's clubs; sports, activity and arts groups; literacy, ESOL and work experience schemes; peer support groups for carers and parents and much more, are vital to the 'normal' life of their communities. If we lose them it will not be easy to re-create the fabric of interconnected, diverse organisations that underpin resilient, inclusive communities. Mutual aid networks and 'informal' volunteering come into their own during this kind of emergency, but are not likely to be sustainable without the wider community networks to support them.*

*Every source of income for our local charities and social enterprises has been decimated at once. Trading has ceased. Opportunities to apply for funding are being delayed and many funders have re-purposed their programmes to focus on covid-related activities. All our local charities and social enterprises are also reliant on fundraising within their communities, all done face to face.*

*We estimate that our small and medium organisations (average income £147k pa) will lose £19.5 million over the period of the crisis, whilst trying to respond to massively increasing need.*

*Reserves are low: in 2017 we found 29% had less than one month's reserves, and 46% had less than 3 months', and reserves are being used up fast. Some organisations have already closed down and, unless something is done, many more will follow.*

*Currently 9 out of 10 BAME organisations are set to close if the crisis goes beyond 3 months, with 68% having no reserves. They serve our most disadvantaged communities.*

**We are calling on you to act now.**

Signed on behalf of Greater Manchester voluntary, community and social enterprise sector by:

**Richard Dyson,  
Vice Chair, GMCVO**

**Warren Escadale,  
Chair, GM VCSE Leadership Group**

**Atiha Chaudry,  
Chair, GM BAME Network and GM BAME Social Enterprise Network**

**Chris Dabbs,  
Chair, GM Social Enterprise Network**

C.C.

Andy Burnham, Mayor of Greater Manchester

Eamonn Boylan, Chief Executive, Greater Manchester Combined Authority

Sir Richard Leese, Deputy Mayor of Greater Manchester, and Chair of GM Health and Care Board

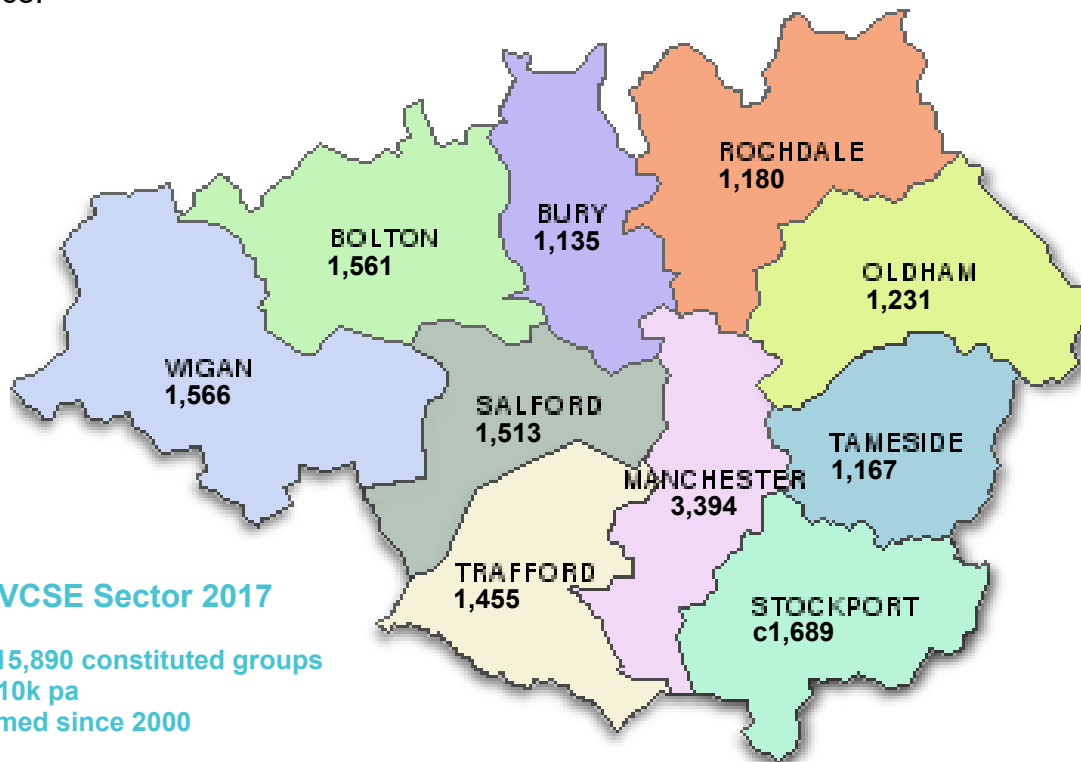
Lou Cordwell, Co-Chair of GM Local Enterprise Partnership

Mo Isap, Co-Chair of GM Local Enterprise Partnership

## OUR LOCAL VCSE SECTOR

Greater Manchester is home to almost 16,000 citizen-led organisations:- voluntary and community groups, charities, faith groups, and social and community enterprises.<sup>1</sup> They are active in every aspect of the communal, economic, environmental and cultural life of our city region, providing services, support, jobs, activities and emergency aid. They work closely alongside the local public and business sectors.

The majority are small and volunteer-led, rooted in communities of place, identity and/or experience.



### GM/cr VCSE Sector 2017

Total: c15,890 constituted groups  
77% < £10k pa  
55% formed since 2000

## ILLUSTRATIONS OF THE IMPACT OF COVID / LOCKDOWN ON OUR LOCAL VCSE SECTOR

These are just a few of the organisations described above. These and many others are now at risk:

### 1. Kashmir Youth Project

Rochdale, Oldham, Bury and Manchester

<http://www.kyp.org.uk/>

Dedicated to the development and economic regeneration of communities. Mainly provide education, training and employability services according to the needs of BAME, disadvantaged and diverse communities of all ages.

Lost income from room hire and rented office space – can't see this income coming back soon.

<sup>1</sup><https://www.gmcvo.org.uk/publications/greater-manchester-state-vcse-sector-2017>

Unable to deliver contracted training and activities currently – larger funders are offering some flexibility over this but delivery for smaller funders suspended.

KYP are trying to change the way they operate but current challenges faced include:

- Clients unable to access services online as either digitally illiterate or unable to access equipment required
- Clients now have other more pressing priorities such as caring responsibilities and/or personal challenges
- Increased demand for welfare advice among client base but unable to provide properly due to restrictions

Current reserves 1-2 months. While asset rich, cash flow is significantly reduced due to loss of income generation.

## **2. Pankhurst Centre / Manchester Women's Aid**

Manchester

<https://pankhursttrust.org/>

Work to end violence towards women and girls and create an equal society. An iconic site of women's activism, past and present. Emmeline Pankhurst and her family lived at number 62 Nelson Street from 1898 until 1907, and the first meeting of the movement that became known as the suffragettes took place in the parlour.

Income down £40k+ in first 6 weeks, due to having to close museum and lost donations.

Also have increased costs due to having to invest in remote working equipment, PPE (which is extortionate), increased need for welfare payments and refuge moves (£1k per move). Cost to make 7 refuges safe is expected to run into £10's of thousands.

3 months operating reserves

## **3. Incredible Education CIC**

Salford

<https://www.incredibleeducation.co.uk/>

Provide nature based services for local communities through Horticulture and Forest School activities, at their allotment and new growing/forest school site. All activities are face to face. Target people who are isolated, have learning disabilities or mental ill health.

- Income mainly generated from schools, £18k income lost March – July (projections were for £25k)
- 5 grants which can't be delivered some may be postponed until next years' growing

No reserves or money to pay staff so they have applied to furlough themselves.

## **4. Wai Yin**

Greater Manchester

<https://www.waiyin.org.uk/>

Provide health and social care services and community interest based activities to Chinese and BAME communities. Receiving more referrals from people shielding. Issues around language barriers/translations, keeping people connected, mental health, hate crime/racism.

Grant income currently unaffected as have just received new funding, however uncertainty around grant funding July onwards.

Donations/fundraising reduced by approx. £5-6k so far.

4 months' reserves.

## 5. Beacon Counselling

Stockport

<https://www.beacon-counselling.org.uk/>

Provides counselling and support for people of all ages experiencing mental and emotional distress. Managed to switch all staff and services to remote provision and working the day before lockdown, so no pause in any service.

Runs as a social enterprise. Income has taken a huge hit: 86% income is either trading (> 50%) or contracts.

- Traded work in schools reduced by 87% in value overnight.
- Traded work with employers to improve employee well-being reduced by 20%.
- Traded work with public reduced by 50% on projected income
- Only able to furlough 3 of 40 staff.

Less than 7 weeks of cash in hand, and although still earning some income, funding is critical, particularly for core costs

## 6. Radcliffe Market Hall Community Benefit Society

Bury

<https://www.radcliffe.market/>, <https://www.facebook.com/radcliffemkt>

Has an agreement with Bury MBC to manage Radcliffe market hall as a social enterprise. Refurbished last year to create 34 market units and a food hall with bar for cultural/social events. Support local traders and young entrepreneurs. Space also hired for community activities, particularly for older people.

Income normally from stall holders and bar profits. Events cancelled and bar closed. Only 9 units currently trading (food), and expect to have to write-off rent from stall holders who aren't trading. Income dropped from c£30k to c£11k per month. Cash flow is an issue as they owe utilities, £5-6k for bar stock they can't sell and they will need cash flow to restart.

They say *'the social impact side of things has been completely annihilated'*

## SIGNATORIES TO THIS LETTER

**GMCVO (Greater Manchester Centre for Voluntary Organisation)** [www.gmcvo.org.uk](http://www.gmcvo.org.uk) is the VCSE sector (voluntary, community and social enterprise) support and development organisation covering the Greater Manchester city region. We host and/or collaborate with a range of GM VCSE leaders including the ten local infrastructure organisations, the GM VCSE Leadership Group, GM BAME Leaders and GM Social Enterprise Network.

**The Greater Manchester VCSE Leadership Group** <https://vcseleadershipgm.org.uk> is a non-constituted alliance of local infrastructure, equalities and faith networks and others from frontline charities and social enterprises, seeking to support the involvement of the VCSE sector and communities in Greater Manchester devolution.

**The Greater Manchester BAME Network** <https://www.gmcvo.org.uk/GMBAME-Network> and Greater Manchester BAME Social Enterprise Network <https://gmsen.net/connect-bame> comprise BAME-led groups and BAME entrepreneurs serving BAME communities and collaborating to address the disadvantages they face.

**The Greater Manchester Social Enterprise Network** <https://gmsen.net/> brings together the leads of local and thematic SE networks with 1,500 social enterprises, for peer support and to build and advocate for a stronger SE movement driving a more inclusive economy.