

Written Evidence submitted by GMCVO (Greater Manchester Centre for Voluntary Organisation)

GMCVO (Greater Manchester Centre for Voluntary Organisation) 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.

We wrote formally to the Chancellor on 12th May 2020 on behalf of all our leaders, supported by the GM Mayor, the GM APPG and many of our MPs <https://www.gmcvo.org.uk/news/gm-vcse-leaders-are-asking-government-urgent-help>. One of the Greater Manchester MPs who wrote in support received a reply on 17th July outlining what had already been done i.e. what our letter had already explained was not adequate and why. We never received a reply at all.

The funding distributed by the NLCF was handled well in our area. NLCF officers worked with us and the local infrastructure organisations, GM BAME Network and others to raise awareness and assist charities to make applications. They did their best to create a seamless offer alongside funding they had allocated themselves. National Emergencies Trust funding was distributed by Forever Manchester, and similarly done in partnership and aligned with their own resources.

The funding did not achieve its objectives, if the intention was to provide an emergency safety net for charities.

The vast majority of charities in Greater Manchester and across the UK are small and medium organisations, with an average income of less than £150k pa, less than 3 months' reserves, and reliant on trading and local fundraising alongside some grants and contracts. This is a very different business model from that of large national organisations and is more like that of other SMEs. However unlike an SME in retail or manufacture, whose activity slowed or stopped under covid, they were at full capacity trying to respond to a huge increase in demand for emergency and ongoing support. They could neither furlough staff nor access the support available to companies trading in the same context.

The funding was very much welcomed by those fortunate enough to receive it, and in our area was spread fairly between different places, communities and sectors.

But the total amount of funding that trickled down to small local charities was not nearly enough to fill the gap left by lost income (we estimated a loss of income of £19.5m over 6 months in Greater Manchester alone) and very many organisations in need did not receive any. Capacity even to apply formally for funds was limited due to workload, sickness and the need for remote working due to covid. The timescale over which it had to be applied for and used by made no sense, in a situation where we have been in almost constant lockdowns since last March. Additional strings attached to the distribution by government meant it went out too slowly. Independent funders seeking to fill the void left by the government's inadequate response also distributed funds over the 2020-21 year, meaning that relatively little funding was announced for 2021-22 in time for organisations to apply for it and secure it before they ran out of capacity to do so.

The result is as we predicted in our letter to the Chancellor: that we are now losing our local charities just when we need them most. Their heroic efforts are well known and acknowledged by our local politicians and communities, but they are now running out of steam.

This is a 'slow car crash' rather than an obvious cliff edge. Trustees are always reluctant to close a well-established and much needed organisation, so tend not to actually close for a couple of years even if they have no staff or volunteers. In some organisations, paid staff are officially working fewer hours and/or are continuing to work for nothing for as long as their personal situation allows. Paradoxically all funders are reporting a drop in the volume and quality of applications received – due to people's lack of capacity to deal with the application process.

It isn't stated whether this review is a prelude to distribution of further funding. If it is, can we urge the following:

- Commit to an open-ended programme of funding every eligible local charity according to nationally set criteria.
- Put funding allocations directly into the control of local authorities (as is the case with business support grants) to distribute to all organisations that meet this fixed set of criteria. This would greatly reduce the administration requirements and preclude the need for organisations that are demonstrably important in the place to 'prove' their need for help.
- Distribute funding according to levels of deprivation and levels of covid infections in the place, so it goes more into localities where local charities will be struggling most.
- Require local authorities to work with their local 'VCSE' support organisation(s) (local infrastructure organisations) to advertise the funding and support organisations to make applications.
- Do not set end dates by which all funding must be spent, or require charities to evidence what it has been spent on.

Oral evidence: Myself and/or other Greater Manchester VCSE leaders would be willing to give oral evidence if this would be helpful.

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