

Written evidence submitted by YMCA Fairthorne Group

Organisation summary

We are a community-based registered charity operating across Hampshire and Isle of Wight. We work towards a purpose which is “we believe that everybody should have the opportunity to lead happy, healthy lives”. This means that what we do varies greatly, but it has at its core play, leisure and sport. In normal times we achieve our purpose by establishing YMCA branches in communities and working with the community to identify and meet their needs. The biggest part of our work is early years childcare. We work with over 40,000 children, young people and families every year. The programmes we provide are play, leisure and sport based, and include:

- Early Years Childcare (13 nursery or preschool settings with a 14th due to open autumn 2020)
- Out of school activities “Daycamps” (6 settings)
- Residential group and school activities (2 large group activity centres)
- Supported housing for vulnerable young people (c200 young people)
- Community centres, youth centre and library
- Support for young carers, including the national Young Carers Festival
- Family park and campsite, on a 94 acre site providing a range of leisure and sport activities
- Our turnover is £11m, and we employ c400 staff.

What has been the immediate impact of Covid-19 on the sector?

Our current projected loss of income for 2020 is £4m against a budget income of £11m and operating surplus of £250k, leaving a potential financial deficit of -£3,75m. This is based on an assumption that disruption of key activities will continue until the end of 2020. Some loss will be mitigated by EYE funding and the coronavirus job retention scheme, but we are still facing an unsustainable financial situation, and we do not qualify for all of the government assistance offered.

A large proportion of our income has disappeared as substantial parts of the charity have had to close:

- 13 x Childcare Settings – became available for critical workers and vulnerable families only, operating on average at just 15% capacity but retaining all fixed costs
- 6 x school holiday activity settings have closed.
- 2 large school and group activity centres have closed
- Youth clubs and community programmes have closed
- All family, leisure and camping activities at our largest site, Fairthorne Manor, have ceased
- All event based fundraising activities have ceased.

Supported housing and services supporting the most vulnerable such as young carers and young single mothers, have remained open.

By the end of March 2020, 66% of staff had been furloughed as part of the coronavirus job retention scheme.

We own just 2 of our 20 delivery venues. The leisure venue we own has the most significant loss of income but has a rateable value above £51,000 and is therefore not eligible for the business rates grant.

The offer of government-backed bank loans is also not affordable, as they require full repayment of capital and interest within 5 years. We expect our income to be negatively impacted for 18 months to 2 years.

How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs?

Government support has been partially effective:

The coronavirus job retention scheme has given the most support, and we have not had to implement any immediate redundancies at the time of this report.

The business rates-based grant is not available to us for our most affected premises because its rateable value means it does not qualify.

There are some small grants available through local authorities, however these are for direct coronavirus related response, not to help charities sustain generally.

Where we pay rent and utilities, landlords are not forthcoming in delaying or waiving these charges.

We would also benefit from clearer instructions around insurance and cancellation. At the moment, it is likely that neither us, nor our customers, will be reimbursed for any losses through cancelling leisure and sport activities as a direct result of Covid-19.

The gap between major announcements and publication of details on implementation created different interpretations and subsequent angst e.g. definition of critical workers.

Local authorities were slow to take the lead in organising central co-ordination of services e.g. for childcare provision

What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those?

There are 2 factors at play. One relates to how long we will have to remain closed, given our leisure and sport activities are undertaken in groups and are very seasonally summer based. The longer that people cannot collect in groups, the more likely it is that our organisation will not be sustainable.

The other factor is about how quickly we can return to previous levels of operation: this relates to the wider market, employment and affordability of leisure and sport activities. A number of our customers have lost jobs, been furloughed or otherwise are on reduced incomes. The whole leisure and sport spending economy needs to recover if our organisation is to recover.

What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with Covid-19?

The support that has been made available feels piecemeal and has many gaps, which are adversely affecting us (these are identified in the above questions). In addition, delays to financial payments mean only those organisations who have sufficient short-term cash will survive. We sold a property in 2019 and had planned to invest this money into a new YMCA

branch in 2021. We are therefore fortunate that we have sufficient cash to bridge the gap between loss of income and payments from support schemes.

We are unaware of any contingency plans that were in place for an already underfunded childcare sector.

How might the sector evolve after Covid-19, and how can DCMS support such innovation to deal with future challenges?

We have rapidly developed remote and online services to enable children and families to undertake leisure and sport activities in their homes. We see this in the long term as an enhancement to our traditional services and would like it to continue. We would like to see grants and other forms of investment in digital services and internet connectivity.