

Written evidence submitted by YMCA England & Wales

Impact of COVID-19 on DCMS Sector

Summary

YMCA England & Wales welcomes the opportunity to participate in the Digital, Culture, Media and Sport Select Committee's inquiry on the impact of COVID-19 on the sector. In compiling our evidence, we spoke to over 60 local YMCAs and young people about their experiences and the impacts of COVID-19, including the impact that it has had on provision of services, financial pressures arising due to the pandemic, and future concerns and issues that could become a reality as lockdown measures are eased and the country begins to return to work. YMCA England & Wales is deeply concerned at a potential spike in safeguarding and mental health referrals in young people after lockdown is lifted, as well as continued logistical and financial issues faced by the hospitality and leisure sector relating to social distancing. YMCA England & Wales is also concerned about future impacts on the childcare sector which could cause market consolidation and lack of capacity to provide necessary childcare support in the future.

A brief synopsis of each of our sectors follows below:

- **Youth Work.** While youth work has been able to continue virtually, there is a pressing need to return to traditional forms of youth work. Young people are often not comfortable speaking freely in their own homes, or in some situations are being denied access to computers, or do not have access to IT equipment in order to take part. Socially distanced or detached youth work holds the key to address this issue: more youth workers able to meet young people will allow for young people to receive the support that they need.
- **Leisure & Hospitality.** The leisure and hospitality sector is facing extreme pressure due to COVID-19. It is logistically extremely difficult to reopen services like gyms with two metre social distancing guidance, and increased staffing and supply costs to ensure cleanliness will also place financial burdens on providers.
- **Childcare.** Childcare is in an acute crisis due to diminished income because of COVID-19. Reduced numbers of children in nursery provision as lockdown is eased, and the increased staffing requirements to meet social distancing guidance could well prove too much for many nurseries to remain financially viable. The Government must urgently continue to financially support the sector to ensure that there is no market consolidation and decrease of capacity.
- **Young people.** Young people are disproportionately feeling the impacts of COVID-19. Youth workers said that they were concerned that there would be a spike in both safeguarding and mental health referrals directly after COVID-19, and that they were also concerned that young people who were already behind would fall further behind in their education. The Government should introduce a booster fund to provide an immediate cash injection to support education, mental health services, and youth work to ensure that young people are supported, and provide additional support to hospitality and retail sectors, which young people work in, to ensure they do not face redundancy.

- 1) YMCA is the largest and oldest youth charity in the world, in England and Wales we are a federated organisation of over 116 local YMCAs that serve their local community. We provide a wide range of services and support, including education, training, wrap around childcare, leisure, and hospitality services. YMCA reaches 33,500 young people every year through our youth work, is the largest voluntary sector provider of childcare and early years provision, and supports 298,000 young people and families every year through nurseries and family work. We provide a home for 18,000 people experiencing homelessness every year, and is the largest voluntary provider of services benefitting wellbeing and health, engaging 125,000 people every year through leisure services such as gyms and sports clubs.
- 2) As a provider of universal and targeted services in the communities we serve, YMCA England & Wales welcomes the opportunity to provide our specialist and expert understanding of the impact of COVID-19 on a wide range of sectors and provisions within the DCMS remit, and reflect the experiences of young people and the impact that COVID-19 has had on them in particular. In compiling our evidence for this inquiry, YMCA England & Wales spoke to over 60 YMCAs and young people, focusing particularly on the impact of COVID-19 on Youth Work, Retail, and Leisure. We welcome the DCMS Committee's ambitious and wide ranging parameters for this inquiry, and look forward to working closely with the committee in the future and providing additional evidence if requested. As an organisation that provides services in multiple different areas covered by the scope of this inquiry, we have provided sustained evidence relating to each section in turn, and sought to highlight key themes running throughout to make detailed and specific recommendations.

Immediate financial pressures due to COVID-19

1. YMCA England & Wales estimates that we as an organisation are facing a 5 million GBP deficit as a result of COVID-19. The National Council has sought to alleviate the financial pressures faced by local YMCAs by utilising endowments and other financial sources to provide direct support to local YMCAs.
2. YMCA England & Wales recognises the profoundly beneficial impact of the Government's Coronavirus Job Retention Scheme in supporting charities and businesses at this extremely difficult time. Local YMCAs reflected to us that the furlough scheme had been a "lifeline" to many of their provisions, and YMCA England & Wales welcomed the Government's decision to extend the furlough scheme until October. This scheme so far has predominantly protected the federation from redundancies. However, it has not been possible to furlough staff members if their wages have come in any part from state funded nursery places. Often the state income from this is not enough to fully cover staff wages, and this has meant that nurseries have lost money over this period of time. Further discussion of the financial impact of COVID-19 on education and childcare is available in paragraphs 15-26 of this evidence.
3. YMCAs around the country rely on different income sources in order to sustain their work. This ranges from leisure facilities like gyms and swimming pools to retail, such as charity shops and cafes. Understandably, YMCAs that rely almost exclusively on

these areas as sources of income have therefore seen their income dramatically decrease.

4. YMCA England & Wales welcomes the decision of the Government to re-open non-essential retail, and future plans to re-open gyms and other leisure facilities as of 4th July as it will be extremely beneficial to the financial health of organisations such as YMCA that serve their local communities. However, YMCA England & Wales has concerns regarding the feasibility of reopening leisure and hospitality services in line with the Government's current 2m social distancing guidance.

COVID-19 and Youth Work

- 3) As a direct result of lockdown measures to control the spread of COVID-19, traditional youth work and youth centres have rightfully been required to close. However, youth workers have continued to be able to support vulnerable young people through virtual youth work, such as online sessions and calls, in order to provide an often vital life line to young people.
- 4) However, youth workers that YMCA England & Wales spoke to stressed that virtual youth work is not a sufficient long term replacement for traditional settings. While levels of attendance were reflected as broadly similar to face to face youth work, youth workers have identified a number of new vulnerabilities as a direct result of virtual youth work. Not all young people, especially those from disadvantaged backgrounds will have access to a computer in order to participate in the sessions, or may be in family situations where there is only one computer in the family and their access to it is limited, either because it was being withheld by the parent or required by another family member while for example working from home.
- 5) Furthermore, both young people and youth workers reflected that often complex or difficult family situations meant that virtual youth work arrangements were not able to be as effective. In some situations, youth workers reported parents directly interfering with the relationship between the youth worker and young person, and young people said that often they might not be comfortable talking about issues that they faced while at home, due to a lack of privacy. Most concerningly, youth workers noted that in some situations, they had been required to contact child protection or social services due to violent or concerning family dynamics that they had witnessed while on online calls.
- 6) YMCA England & Wales has also been made aware of an acute safeguarding concern in these circumstances: due to the limited level of evidence that can be gathered from a virtual call, in many circumstances, this has not been enough to trigger a visit from the local authority to the young person's home to investigate further. Youth workers and educators have repeatedly reflected to us that virtual interactions do not allow for the same level of oversight and assessment of a young person's situation compared to a face to face interaction. There have been repeated concerns raised to us that there will be a spike in both safeguarding and mental health referrals directly after lockdown, as the situation that vulnerable young people are in becomes more apparent to their youth workers and those with a duty of care.
- 7) YMCA England & Wales also wishes to highlight concerns raised by youth workers that vulnerable young people are at greater risk of being targeted by street gangs as a result of the closure of youth clubs and services, as well as lockdown. Anecdotally we have received reports of young people spending more time outside of the home,

perhaps due to difficult domestic dynamics, but not having a centre to visit, instead spending time on the street or in parks and playgrounds. These areas, youth workers reflected to us, have begun to be targeted by gangs. Similarly, youth workers agreed that criminal or sexual exploitation had stopped because of lockdown, but the absence of youth workers on the streets and physical settings has meant that it has not been possible to witness and report it as effectively. YMCAs have been working with local constabulary's to scale up street talks in order to better reach and support young people who may be at risk of exploitation in areas where the local force has concerns.

- 8) Regarding the future for young people, youth workers and young people expressed concerns over young people falling behind in educational outcomes, deciding not to go to university, or deferring places. This concern is further impacted by growing concerns of an economic recession, and less jobs, which YMCA England & Wales believes is most likely to affect 16-25s the worst, due to the nature of their work often being low paid, atypical, or in a sector that is less resilient to economic downturn, such as hospitality.
- 9) As such, YMCA England & Wales stresses the importance of a return to traditional forms of youth work as soon as practicable, in order to ensure that the needs of vulnerable young people are met and they are correctly supported. Virtual youth work will not be sufficient going forward to ensure that the needs of young people are being met. Furthermore, youth workers agreed that funding for youth work needs to be better targeted, and focused on the increased delivery of youth work provision, and improving access for young people through local pathways.

COVID-19 and leisure and hospitality

- 10) YMCAs provide gyms and other leisure facilities, which, in line with stopping the spread of COVID-19 have been required to close. In this interim period, YMCAs have continued to support communities through online workout videos and sessions that can be done at home. However, as clients are no longer able to attend physical gym settings, this has meant that many YMCAs have reported terminations of suspensions of direct debits and standing orders. While this is an understandable response, it has meant that income streams have been severely reduced. Some YMCAs have suspended memberships in order to counteract cancellations, and others have sought ways to continue to generate income through allowing clients to donate their monthly fees to the YMCA. As a charity organisation, YMCAs rely on revenue from services such as gyms and shops to finance other community services, such as youth work. This has posed quite a severe financial drain on YMCAs that use gym memberships to supplement their other provisions. At present, gyms report that they are working towards 4th July 2020 reopening times, but YMCA England & Wales notes a strong anxiety that a further delayed opening beyond August would have severe consequences for the sector's financial viability. Many YMCAs reflected to us that if reopening was pushed beyond August, redundancies would be unavoidable, particularly due to the closure of the furlough scheme, as it would not be possible to keep staff furloughed until the gym returned to full capacity.
- 11) YMCAs providing gyms also expressed concerns that re-opening their facilities in line with the Government's current 2 metre social distancing guidance would be very problematic. From the very base level, this is due to effectively more than halved

capacity in gyms, but also logistically, such as the requirements to disassemble and relocate equipment. YMCAs also noted the costs of cleaning equipment and sourcing PPE, as well as increased staff such as round the clock cleaners would also pose a financial obstacle that would additionally impact upon the bottom line of services in this leisure and hospitality sector. YMCA England & Wales is concerned that these increased outgoings after a 3 month period of no payments could severely cripple the sector.

- 12) YMCA England & Wales notes the Government's current evaluation of the 2m social distancing rule and consideration of decreasing it to 1m. While YMCA England & Wales believes strongly that the Government should make the decision that they believe will ensure a low rate of infection, we also note that for gyms, 1m social distancing would allow for them to re-open more effectively without having to relocate equipment. YCMAs are currently considering alternative methods to regulate the number of individuals in a gym once they reopen, such as by using allocated time slots, and regular deep cleaning measures.
- 13) YMCA England & Wales notes the grant funding that has been made available by Sport England to support organisations that are facing financial pressures because of the closures. This £10,000 grant has been beneficial in some areas for future sustainability of provision, but has not been universally received. Some YMCA's reported not receiving this grant, which has meant that they have not been privy to the same financial support as other organisations at this time. The reasons for not receiving this grant were not reported back by Sport England. YMCA's were apprehensive that it would not be possible for YMCA gyms to compete with commercial gyms, particularly budget gyms that relied on mass membership models.
- 14) YMCAs have been reaching out to clients to determine if they plan to return after lockdown to the YMCA gym. Figures for this are estimated to be around 70%-80% return in custom, but this hinges upon public confidence in the safety. A successful re-opening of the sector will also require the Government to ensure high levels of confidence in the public regarding returning to public and shared spaces.

COVID-19 and family services

- 15) YMCA England & Wales has already submitted evidence to the Education Select Committee's consultation on the impact of COVID-19 on Education and Children's Service, and was pleased to see the focus of the Committee on this important area. A full submission of our evidence in this area is accessible [here](#). For the sake of brevity, YMCA England & Wales has provided a short overview in this section of our findings based on conversations with YMCAs that provide training and education support.
- 16) YMCA is a service provider of education, training, and wrap around childcare for 298,000 young people and families every year, and is the largest voluntary sector provider of nursery and childcare provision in England & Wales today.
- 17) The nursery sector, before COVID-19 was fragile, in part due to insufficient funding received for state funded children's places, which is currently not enough to cover the costs of providing the service. This financial pressure has been magnified during the COVID-19 pandemic, and the financial health of an early years setting before the pandemic will likely be the deciding factor on if the provision is resilient enough to remain viable once it re-opens.

- 18) Across the country, YMCAs have made an active decision to keep nursery services open to provide childcare for the children of critical and key workers in line with the Government's critical worker policy. However, this decision has not been reflected in the sector as a whole, as many independent providers have closed as it has understandably not been financially viable for them to remain open. This has meant that nurseries that have remained open have been running at a financial loss, and providing services in some instances for as few as 4 children. In most situations, takeup of places from critical workers has been around 25% of typical capacity.
- 19) YMCA England & Wales notes that an inconsistency exists between how different Local Authorities have applied Government guidance for nurseries, particularly with grant funding for places. In some instances, where a child has been relocated to a new childcare provision, their grant funding has also been reallocated to the new nursery. However, in some situations, Local Authorities have not reallocated this grant funding because it has already gone to the other nursery that has now closed. In these situations, parents have had to pay additionally for the new nursery setting. YMCAs have worked to mitigate this financial cost wherever possible, by providing a key-worker discount, as they felt it was the right thing to do in order to provide a necessary service.
- 20) Multiple YMCAs have reported that there have been issues with schools not identifying their nursery staff as key workers, and refusing to take their children. This has applied strong sectoral pressure as nursery workers have not been able to send their children to school to go to work, leading to staff shortages when providing the necessary provision for key workers.
- 21) YMCAs have in general been able to scale their provision to meet the requirements in the local area, keeping nurseries open or re-opening them to meet demand from key workers. In some situations, provisions have closed and relocated their children to another nearby YMCA provision in order to mitigate financial loss. But, this has not been sufficient in preventing the nursery settings still open from running at a loss.
- 22) In line with Government guidance to nurseries, maintained funding for childcare places has been vital in protecting income for the sector as nurseries have been able to financially support the place for children of key workers. However, in these situations, it has meant that nurseries have had trouble accessing the Government's furloughing scheme to scale their provision effectively.
- 23) YMCA England & Wales considers the biggest challenge to be yet to come for the sector, namely reopening in line with the Government's returning to work strategy in June. Re-opening and un-furloughing staff accordingly has the potential to be extremely damaging to the sector, should demand not immediately be met by children returning to childcare. At this time, it will not be possible to make staffing and financial efficiencies. From a non-commercial perspective, YMCAs feel strongly that they have a duty to offer care to families who need it, but warn that managing this provision safely in line with Government guidance on social distancing will incur large cost implications and low income that will impact very negatively on the financial viability across the sector for nurseries to continue.
- 24) Crucially, YMCAs felt that the September intake would be a "make-or-break" moment for the sector. As based on conversations with parents, take-up was likely to be reduced compared to the same time last year. If grant placements are offered based on registered take-up this September alone, it will mean that many nurseries will not receive enough funding to stay financially viable without a full cohort of funding.

- 25) YMCAs agreed that more flexibility would be necessary to provide the wraparound care required by parents as they re-enter the workplace. For example, Government plans to stagger working hours will have knock-on effects to the childcare sector. With nurseries required to stay open longer hours to meet the childcare needs of parents returning to work, leading to increased staffing demands and costs associated with providing the care.
- 26) YMCAs feel strongly that in the longer term, many nurseries will struggle to survive the financial costs and pressures associated with the Return to Work programme without support from the Government. YMCA England & Wales would like to warn that these pressures are likely to mean market consolidation within the sector, with many individual and independent nurseries forced to close. This issue is compounded by the Early Years Funding Rate, which at present is not sufficient to provide financially viable placements. Consolidation of the sector will increase pressure on providers that remain open, as once nursery numbers return to normal, there is a possibility that there will not be enough places for children in nurseries.

COVID-19 and young people

- 27) During this time of crisis, YMCAs have strived to provide support for children and families wherever possible, including providing food and basic equipment for SEN children, and online portal systems to send parents materials so learning could continue at home, made possible due to grant funding.
- 28) However, YMCAs noted that the success of these schemes has been contingent on parent engagement, which was a recurrent area of concern for the sector. Multiple YMCAs reporting vulnerable young people “going offline”, leaving providers with no other recourse than to refer them to Social Services. YMCA England & Wales is extremely concerned that young people are falling through the net when achieving basic learning outcomes and meeting needs, as well as those at key “moving up” phases in education. While the Government’s decision to distribute laptops and dongles for those without learning provision is welcome, the impact of this has not been as effective as necessary in order to ensure that young people are obtaining the educational outcomes required.
- 29) As discussed on Paragraphs 3-9, supporting vulnerable young people through youth work has been able to continue virtually, with some crucial limitations and vulnerabilities. Our response in Paragraphs 3-9 provides the full detail of these vulnerabilities, including exploitation and difficult family dynamics.
- 30) In our conversations with young people, young people reported high levels of stress and anxiety with lockdown, and the feeling that they were missing out on important rights of passage. Young people also reflected that they felt the amount of work that they were receiving from school was overwhelming, and they were effectively required to spend the entire day at a computer in order to meet deadlines. They were sceptical that the work they were doing was ever going to be marked, as the volume was too high, and also felt there had been no consideration that they might not have constant access to a computer throughout the day. This concern was also reflected to us by youth workers, as noted in paragraph 4 of this response, and YMCAs that provided schools, who said that they found that often the more behind students were less likely to be engaging with distance learning materials, and parents of these children were also reportedly less confident in returning their children to school.

YMCA England & Wales is seriously concerned that this trend could lead to young people who are already behind at school falling further behind.

- 31) YMCAs have worked to offset educational obstacles for young people by providing learning materials. This has ranged from tablet PCs, pens, paper, textbooks, and in some situations, YMCAs have been able to provide musical instruments so that young people can still take part in music therapy or develop their skills in artistic and cultural areas also. YCMAs were confident that their links and networks in local communities placed them in an ideal position to deliver these materials, but stressed that it has only been possible to do so due to corporate donations and use of the Pupil Premium.
- 32) YMCA England & Wales notes the report published by the Resolution Foundation, "*Young Workers in the coronavirus crisis*"¹ that found due to young people's tendency to work more atypical and less secure jobs predominantly in sectors such as retail and hospitality, young people aged under 25 years were more likely to be experiencing reduced wages or have lost their job than any other age demographic. YMCA England & Wales considers these figures deeply worrying, as young people are often in low paid jobs, and even a small reduction in wages could mean that they struggle to afford their rent or pay for basic needs like bills and food. Further concerns are raised by the very real possibility of an economic recession as a result of COVID-19, as both the hospitality and retail sectors are often hit the hardest, and closures and redundancies a strong possibility. This would mean that young people working in these sectors would therefore be at greater risk of redundancy and bear the economic burden the most.

COVID-19 and homelessness

- 33) YMCA welcomed the opportunity to work with MHCLG and the homelessness task force to end rough sleeping during the COVID-19 pandemic, and fully supports the Government's target of ending rough sleeping.
- 34) Due to the nature of YMCA Accommodation, COVID-19 has had little effect on our ability to provide this service for vulnerable people. YMCAs reported to us that, other than some unhappiness from residents due to not being allowed visitors or guests, no strong issues have arisen because of COVID-19 for the sector.
- 35) However, YMCA Accommodation Managers did have strong concerns over the availability and accessibility of PPE for the sector, in order to protect their staff and residents, as well as cleaning supplies.
- 36) Shared spaces within accommodation services have also had to be suspended due to COVID-19. As residents that use YMCA accommodation services are often vulnerable and economically disadvantaged, closure of communal spaces such as computer labs has meant that residents have struggled to engage in connectivity with the outside world. This issue is twofold, both due to the effects of social isolation on people unable to reach their support networks, but also because they do not have access to online learning platforms or the ability to look for jobs online. As YMCA specialises in "moving on" accommodation, many residents are in the process of looking for employment, or gaining vocational qualifications and skills in order to help

¹ Resolution Foundation: Young workers in the coronavirus crisis (19 May 2020) (Accessed 17/06/2020) <https://www.resolutionfoundation.org/app/uploads/2020/05/Young-workers-in-the-coronavirus-crisis.pdf>

them look for work. Closure of communal spaces and access to technology will mean that residents have been unable to do this, and so will be behind in their personal development and search for employment, which could mean it will take longer for them to move on and gain personal independence, causing a backlog within the accommodation system in the future.

Recommendations

- **The Department for Culture, Media and Sport should work with the Department for Health and Social Care and the Department for Education to create a COVID-19 Bounceback fund specifically for young people, providing an immediate injection of financial support for youth work, mental health support, and educational investment for those left behind.** This funding can be used by voluntary sector organisations to specifically target and support vulnerable young people and their communities and ensure that the impacts of COVID-19 on young people's education, mental health, and support, are minimised. Funding youth work will immediately allow for youth workers to get out on walkabouts, meeting with young people in socially distanced environments, and provide the face to face support that they need.
- **The Department for Culture, Media and Sport should proactively focus funding from the pledged 500m fund for youth services to employ youth workers to staff existing provision, provide universal, targeted and detached youth work.** YMCA England & Wales believes that this area of youth services will have the most beneficial legacy for youth work.
- **The Department for Culture, Media, and Sport should work with the Department for Health and Social care to conduct a review of Local Authority mental health and safeguarding services in order to ensure that services have capacity to cope with a spike in referrals after lockdown and to plan for additional support and funding from the area if necessary.** YMCA England & Wales believes that if the Government ensures that capacity exists within the sector, it will be able to avoid undue pressure and backlogs in the system.
- **The Government should strongly consider reducing the two metre social distancing guidance to one metre when it is safe to do so, in order to allow the hospitality and leisure sector to effectively reopen, provided it can be confident that doing so will not lead to an unprecedented increase in infections, and bring forward new, specific guidance for controlling the spread of COVID-19 in the hospitality and leisure sector.** YMCA England & Wales believes that clarified, new guidance with reduced social distancing guidelines will allow the sector to reopen effectively and stay financially viable.
- **The Department for Culture, Media, and Sport should consider additional financial support for the hospitality and leisure sector after the wind down of the furlough scheme in order to allow the sector to expand its staffing to support social distancing and cleaning, while remaining financially viable and prevent redundancies.** YMCA England & Wales believes that additional support for the hospitality and leisure sector in particular will allow it to better weather an economic recession, and ensure future resilience.
- **The Government must work to ensure public confidence in their return to work programme, to ensure that returning members of the public to all sectors is high. This includes schools, nursery, and gyms and leisure facilities. The**

Government should also consider ways to stimulate retail and hospitality sectors by boosting consumer spending through temporary measures.YMCA England & Wales considers this an emergency measure such as this would allow for the mitigation of the financial impacts of an economic recession caused by COVID-19 on the hospitality and retail sector, and protect vital jobs.

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