

THE CHILES WEBSTER BATSON COMMISSION ON SPORT AND LOW INCOME NEIGHBOURHOODS

Thoughts arising from the Commission Round Table - 'From Agile to Fragile: The financial impact of Coronavirus on community organisations'

Summary

Agile and creative staff run community organisations in left behind neighbourhoods that other agencies consider, 'hard to reach'. These staff are effective in supporting their neighbourhoods because they have earned the trust of local people over a long period. Once they are gone, they cannot be easily replaced.

Whatever their primary purpose, and it is often employability, health or community safety, these employees use sport to make a positive contribution to their neighbourhood's ecosystem. They work long hours, often for less than the average wage and manage casual staff and volunteers. The casual staff are usually local young people who coach and befriend other young people, often with limited facilities and resources.

During the lockdown, many community organisations demonstrated their flexibility and invested their resources in pandemic relief. Now, as we enter the recovery phase, supremely skilled and experienced workers, plus the younger generation of coaches, are threatened with redundancy. Instead of supporting youngsters into work and training, these talented individuals are faced with the prospect of being tomorrow's unemployed.

50% of these organisations are worried staff must leave to get a new job and 30% think this is imminent, while 83% fear that they will lose their casual staff as a result of the current financial squeeze.

To protect these local heroes, government investment is needed on a scale that is too great to be left to the Lottery distributors.

Grants, funds, and the Covid Gap

The primary reason these organisations are so successful in their mission to engage the hardest to reach young people is their operational model. Approximately 70% of the young people involved in these organisations do not take part in any other form of structured sport or physical activity; most will not travel more than 1 mile to participate; and nearly all have finite financial resources.

These organisations succeed where others fail by providing the right activity, in the right place (in the locality) and at the right price – typically free or close to free. While this is key to getting these key young people through the doors, it also means that activity can rarely be self-sustaining financially. Instead, these organisations rely on grants and donations to keep going. We know of more than 1,500 such organisations operating in disadvantaged communities, but our calculations show there could be as many as 5,000 more operating in similar demographic areas across the country.

Furthermore, these organisations offer pathways for young people from service user, to volunteer, to paid employment, developing their skills and providing a path to lasting life improvement.

The Coronavirus crisis has created serious problems because funders have (understandably) redirected funds towards immediate crisis relief while failing to provide a funding framework for the medium and long term. As a consequence, many of these organisations have poured their limited financial resources into supporting their communities through lockdown and now have no way to plan effectively for the future due to uncertainty in the funding system.

Without cross Government intervention, the nation's community organisations are in jeopardy

Research shows the terrible impact of lockdown on the financial wellbeing of those community organisations¹ that employ the creative staff to use sport to improve the quality of life in the most disadvantaged neighbourhoods.

Together, these organisations, we estimate there around 4,200 employed staff members and young casual staff, who support volunteers to run activity sessions². Many of those staff are under 25 years of age. Most of the organisations employ at least one full time worker. Typically, the organisations live hand to mouth and are funded by a mix of state and charitable actors: they are highly adaptable and survive on their wits. They have multiple primary purposes (most often neighbourhood development and community safety) and all use sport as a means to engage young people. Their budgets – in most instances - range from the smallest with only casual staff and a £20k turnover to £100k per annum, with a few fortunate organisations having larger income.

Four percent consider themselves as in immediate danger of collapse, and 33% will be in danger within 6 months. Pre-lockdown, 80% were comfortable with their long-term prospects, this figure has now dropped to 18%.

These organisations have delivered essential support to their communities during the Covid-19 crisis. It is critical that they are still there to support those same communities to heal and rebuild for the future. Without these organisations, the young people who need it most will lose the support they need to be physically and mentally healthy and active, to make positive choices, to keep themselves and their communities safe. Years of in-depth neighbourhood knowledge and community trust will disappear as staff lose their jobs.

There will be a double whammy if these organisations fall:

- Over 2,800 workers will be redundant, including fulltime workers who typically earn c£25k as well as a further 1,400 casual staff on c£10 (who are often used to help deliver activity sessions). We assume many will have no savings to fall back upon and so both groups of staff will be at risk of sinking fast as they wait for UC to kick-in. Almost 3 million people in the UK are just one pay cheque away from eviction and these workers are likely to be at risk of this or another devastating blow to their life-style³.

¹ Community organisations could be CICs; charities; companies and community groups

² These figures are taken from a sample of 280 and extrapolated to an assumed 4,200 compliment.

³ <https://uk.reuters.com/article/britain-homeless-housing/millions-in-england-one-pay-cheque-away-from-homelessness-idUKL5N2692VV>

- The social value these projects harvest will be lost and low-income neighbourhoods will drift further behind.

There are multiple reasons why lockdown so threatens these organisations.

- About 70% have not furloughed. They have changed their priorities toward immediate pandemic relief and spent reserves on this work.
- Opportunities to generate income to help with running costs e.g. from delivering sport in local schools or renting out meeting rooms have ceased during lockdown
- Funders such as the National Lottery Community Fund, Children in Need and the London Funders group have diverted their investment priorities from the medium term to immediate pandemic relief, consequently, organisations have not been able to bid for medium term funds.
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- Because activity sessions have halted, 'subs' have not been collected and fundraising activities, like car washes and supermarket bag-packing have stopped: these income streams can be important to the smaller community groups.

The organisations say they need:

- Direct investment.
- Help to fundraise.
- Training and support for staff and volunteers. New skills are needed to respond to the new crisis – such as MHFA and strategies to encourage families to leave their house and trust exercising in public space.
- National and local level advocacy to enhance the appreciation of the power of these organisations to reactivate neighbourhoods and harvest social value.

Action required

1. Immediate investment is needed to protect organisation with only 3 months' resources. This needs to be grant aid to cover fixed costs and staff wages. There are 168 organisations in this category in England and Wales.
2. To protect organisations that fear collapse by January, action is needed by October to protect the jobs of the full time staff and the casual coaches (some of whom are self-employed). This investment will allow the doors to open, with social distancing in place. More critically, the investment will allow staff the time to re-ignite their fundraising systems by, for instance, writing funding bids. The length of time the workforce needs support for will depend on how many grant giving trusts have run dry.
3. Advocacy work is needed to ensure that government agencies that make grants – e.g. PCCs and NGBs, are encouraged to reopen funding rounds for work from October onwards.
4. Advocacy work is needed to ensure the sizable grant givers that community organisations depend release investment as soon as possible for the recovery period and are ready to make payments by Christmas.