

Room to Rent Summary

This report provides a snapshot of how voluntary, community and social enterprise (VCSE) sector organisations that receive significant income from room hire are managing whilst Covid-19 restrictions are in place. It is based on interviews that took place between November 2020 and February 2021 with staff from a diverse group of 17 organisations.

The work they do directly, and that done by the organisations that rent out their rooms, supports a vast and wonderful range of activities. Many of these activities have ceased to operate during the pandemic with unquantified impact on, not just mental and physical health, but also on the democratic vitality of Manchester. We hope that all these organisations and all the other organisations that we didn't interview will soon be able to fully re-open their doors. The complete report can be downloaded [here](#).

Findings in brief

1. Almost all room hire and other building-based services such as cafes stopped during the pandemic and along with it, a huge range of activities. Due to the nature of the activities, it is unlikely that many of them will have transferred online. The wider function of the organisations as community hubs also, in the main, stopped.
2. The formally contracted hire of rooms on a weekly basis from health service providers was an important source of income for some organisations.
3. Office rental continued with very little change or reduction in income.
4. It seems highly likely that activities such as sport, craft, dance, youth clubs, cooking will return once restrictions are lifted.
5. There are concerns that demand for room hire for activities such as meetings, conferences, and training will significantly reduce as they have successfully transferred online.
6. The overall loss of income for the 12 organisations that provided figures was £336k with individual losses ranging from £1.6k to 105k.
7. Six organisations were able to replace their income entirely, three to some extent and seven to a limited extent or not at all.
8. Four organisations made staff redundant and one is now being run by the trustees as a result.
9. Overall confidence that organisations will still be running in 12 months is high with only four of the organisations giving a rating of seven out of 10 or lower.

10. Of the organisations that had reserves, only four used a significant amount.
11. Five organisations spent very little on COVID-19 building-related expenses. For the rest, expenditure ranged from £200 to £7.5k with one organisation spending £80k.
12. Most organisations are focusing on short-term planning as there are too many uncertainties to make longer term plans.

Conclusions in brief

- For some organisations, formal contracted hire from a statutory body that continued during the pandemic was an important and continuing source of income. Having more of these services based in VCSE venues may be a way of offering greater security to community venues.
- Organisations that hired offices out continued to receive income to cover running costs and, in some cases, to cover a portion of staffing costs. A mixture of office rental, ad hoc room hire and formal contracted room hire may be a way of spreading risk.
- A worrying finding is that five of the organisations interviewed have very low or no reserves. As the lockdown continues and government grants are reduced, they may still be at risk.
- One of the consequences of the pandemic was that it reduced the flow of unrestricted income and thus arguably, the effectiveness of VCSE organisations to meet the needs of the people they serve.
- For many organisations long term planning was neither possible nor desirable due to uncertainty about what the future might hold, however the ability and flexibility to carry out short-term planning was critical.
- Financial diversification may not be the answer to organisational sustainability which is a much broader and more complex concept.
- Some organisations weathered the storm better than others. The ones that did best, based on this research, were medium-sized organisations (those with several staff) that run community venues hired out by local groups and who also run services or other activities. They had the management capacity to react creatively and dynamically to changing circumstances and the ability to divert focus from room hire to services.

This report is the latest publication from Macc, Manchester's VCSE sector support organisation, following on from [No Going Back](#) and [No Going Back \(Gorton and Levenshulme\)](#).

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