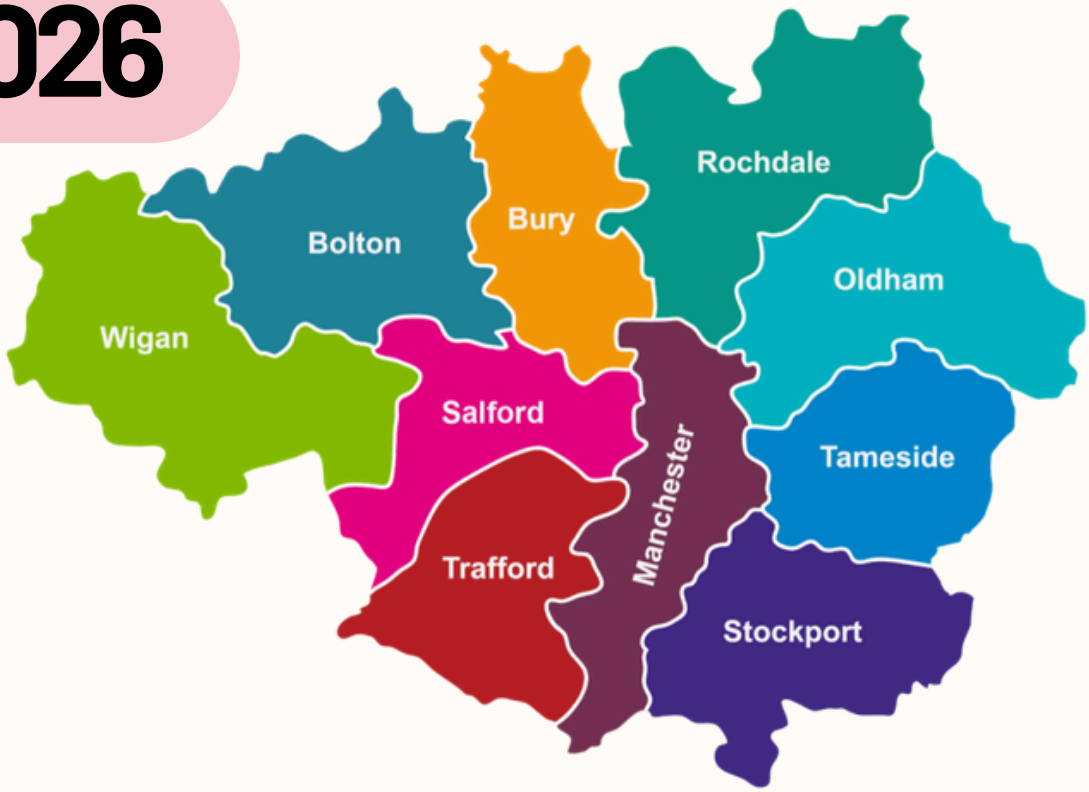
10GM

A joint venture to support the local VCSE sector in Greater Manchester

Greater Manchester State of the VCSE Sector

2026



Acknowledgements

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We thank the organisations and groups that completed the survey and everyone who participated in the focus groups. Their willingness to share their experiences, including the challenges of keeping support available for their communities, provides the foundation for this report.

Authorship and editorial responsibility

In this report, the foreword and Section 7, *Reflections and the future*, are authored by 10GM and the contributing local infrastructure organisations. All other sections are authored by NTU. 10GM directors reviewed the main report and proposed changes. NTU considered these suggestions and decided which to incorporate, retaining academic independence and responsibility for the analysis, interpretation and final wording of its sections.

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Table of Contents

04 Foreword

05 Executive summary

08 Glossary

10 Methodology

12 Headline findings

14 Greater Manchester's VCSE sector

22 Staff, volunteers and trustees

33 Communities supported, demand and access

44 Finances and the funding landscape

63 Reflections and the future

66 References

Foreword

This is the fourth time that Greater Manchester has taken stock of its VCSE sector in this way, building on research first developed by Sheffield Hallam University in 2013 and 2017 and continued by the University of Salford in 2021. Each iteration has told a different chapter of the same story. In 2021, our sector was recovering from a pandemic that had upended how it worked, who it reached, and what was asked of it. Five years on, that emergency has passed, but the pressure has not. A cost-of-living crisis has taken its place, layered on top of a decade and a half of constrained public spending and a funding system that has never caught up.

Understanding the scale, shape and pressures facing this sector is not an academic exercise. Demand for support keeps rising as public services are stretched thinner, and decisions about funding, commissioning and partnerships are being made across Greater Manchester every day. Too often, those decisions are not good enough: they underestimate demand, overlook the true cost of delivery, and rely on a sector already under sustained pressure.

This report exists to make sure those decisions are grounded in evidence about what our sector does, what it needs, and what is at stake if it is not properly supported.

Our collective ability to reach into communities in all Greater Manchester localities, including dispersed communities of identity and experience, is built on the networks and relationships local infrastructure organisations have grown and developed. Our sector is full of positive partnership working and shared ambition.

We would now like to take this opportunity to acknowledge the commitment and support of a range of partners and stakeholders.

This research was commissioned and led by Salford CVS (on behalf of 10GM) and supported by VCSE Local Infrastructure Organisations (LIOs) across Greater Manchester. The academic partner who undertook the research was Nottingham Trent University (NTU), enabling us to develop research with academic rigour that meets the needs of the current time.

But this research would not be possible without the organisations who gave their time to complete this survey and attend the focus groups that sit behind it. Their evidence is the foundation of everything that follows. So, we'd like to express our gratitude now to all of those who took the time to complete the survey and to those who participated in one of the focus groups we convened across Greater Manchester's communities.

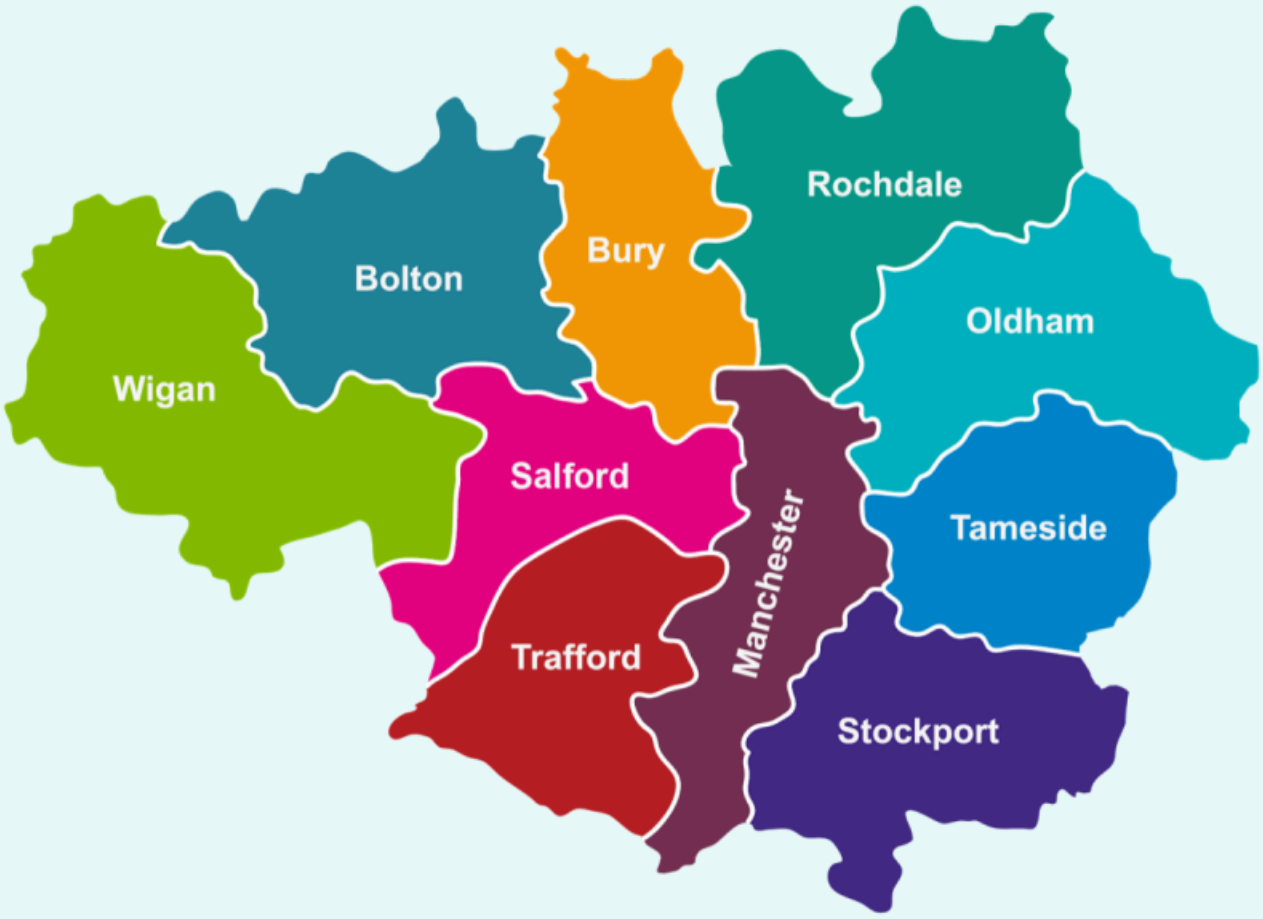
We hope you find this a useful read.

Directors of the 10GM partnership

Executive summary

Across the UK, voluntary, community and social enterprise (VCSE) organisations are an essential part of community life and public service infrastructure. They provide practical help, specialist services, community spaces, social connection and opportunities for people to take part in their communities, often working through trusted relationships with people who may be less visible to, or less comfortable accessing, statutory services. The support they provide is taking place in the long aftermath of COVID-19 and a cost-of-living crisis, alongside wider geopolitical instability that has increased demand for support. For many organisations, this means responding not only to more people but also to needs that are increasingly complex and interconnected.

In Greater Manchester, this work takes place across a growing city region where a quarter of residents live in neighbourhoods among the most deprived 10% in England. Income and health deprivation are particularly pronounced in inner-city neighbourhoods, while employment and education-related disadvantage also affect several northern outer boroughs. Organisations therefore work with communities facing different combinations of poor health, financial hardship and barriers to employment and learning.



This report provides an up-to-date picture of Greater Manchester's VCSE sector in 2026. It shows the scale, diversity, and breadth of the VCSE organisations and groups, including the community work of faith organisations, working across Greater Manchester, the contribution they make to local people and communities, and the pressures they are facing. It draws on 1,122 survey responses, 11 focus groups, wider local and national evidence, and informed estimates of the sector's overall scale.

Greater Manchester's VCSE sector is significant in size and scale: an estimated 18,783 organisations and groups generate £2.42 billion in annual income and provide around 8.63 million contacts or episodes of support each year. This work is powered by an estimated 52,709 paid employees and approximately 483,000 volunteer and trustee roles.

Together, these organisations are an important part of Greater Manchester's social infrastructure. **Health and wellbeing, community development and inclusion, physical activity, and education are prominent areas of work**. Organisations described how people attending these activities also turned to them for help with housing, money or mental health, extending their work beyond the activity through which contact was first made. This local knowledge, flexibility, and trust within communities make **VCSE organisations trusted first points of contact for residents** as well as both VCSE sector and public sector partners. Almost three in five organisations say people are referred to them by other organisations or services, with referrals from VCSE and public sector partners particularly prominent around health, care, and social prescribing.

These connections enable people to find support within their communities, but they also bring pressures elsewhere in the system into community organisations at a time when **three quarters of respondents say demand has increased, and two thirds are supporting more people**. A clear theme in focus groups was that demand was not only increasing in volume, but also in complexity, with organisations supporting people facing several difficulties and helping people navigate services that can be difficult to access. Organisations wanted those that were referring to them to recognise the limits of what they could provide and resource the responsibilities they were being asked to take on.

Maintaining and sustaining this work depends on adequate income, reserves, and funding arrangements that provide stability. The findings in this report show that all of these things are becoming increasingly difficult for organisations to achieve. Among organisations receiving grant or contract income, more than half say none is multi-year, and seven in ten say none have been uplifted to reflect rising costs over the past year. Fewer than half say funders usually or always cover the full cost of delivery. Reserves are increasingly being used as a buffer. **Just over half of organisations holding reserves have used them over the past year**, with more than half using them for everyday operating costs and just under half to plug gaps in funding.

Despite this, **just over half describe themselves as stable, but with some concerns about the future**. In contrast, **a quarter describe themselves as vulnerable** and a further one in ten as struggling or at risk of imminent closure. Three quarters of organisations reported taking at least one action over the past year, including half that had increased overall fundraising efforts. Two in five are also applying for funding with other organisations, but collaboration becomes harder when organisations are competing for the same pots of funding. While these actions illustrate the sector's ability to respond and adapt, they also require time and skills from the same people delivering support. This is reflected in findings about workforce and volunteer capacity and the challenges faced.

While just under two in three have enough volunteers to meet their objectives, more than a third of organisations do not. **More than two in five have found it difficult to recruit volunteers over the past year**, and around a third of organisations with paid staff are finding it difficult to recruit staff. With a precarious funding landscape and demand continuing to rise, organisations experiencing difficulties reported both the human and operational cost of these workforce difficulties.

Among those experiencing workforce difficulties, **almost half report increased stress or burnout among staff and volunteers**, around a third report employees working longer hours and a quarter report volunteers contributing more time, and while this commitment keeps services running, it often leaves organisations dependent on a small number of individuals. Operationally, around a third have been left unable to meet demand or have had to pause operations because of workforce challenges.

Greater Manchester's VCSE sector is supporting more people, often with more complex needs, and with fewer resources, certainty, or stability about the future. Sustaining the sector's contribution will require collaboration that positions VCSE organisations as equal partners and a commitment to fairer funding that provides stability and supports longevity. As more support is brought into neighbourhoods, investment must reach the organisations providing it, so that trusted relationships and accessible community activity can continue alongside specialist and public services.



Glossary

This table provides a glossary of terms, abbreviations, and acronyms used in the Greater Manchester State of the Sector 2026 report. A detailed glossary can be accessed at: gmstateofthesector.org.

Term	Meaning in this report
Base / valid base	The number of respondents included in a percentage or analysis. A valid base excludes people who did not answer the relevant question and may also exclude invalid responses such as ‘don’t know’.
Below-the-radar (BTR) organisations	Informal or unregistered organisations and groups not captured on formal registers.
Full-time equivalent (FTE) / headcount	FTE expresses working hours as equivalent full-time posts: two people each working half-time equal one FTE. Headcount counts each employee individually.
Full cost recovery	Funding that covers direct delivery costs and an appropriate share of the organisation’s wider running costs.
Funding uplift	An increase in the value of a grant or contract to reflect rising costs.
GMCA	Greater Manchester Combined Authority, bringing together the city region’s ten councils and elected Mayor.
Instances of support	Contacts or episodes of support, rather than a count of different people. One person may receive support several times.
Local Infrastructure Organisation (LIO)	An organisation that supports, connects and represents the local VCSE sector, including through advice, training and help accessing funding.

Glossary

Term	Meaning in this report
Modelled estimate / extrapolation	A sector-wide estimate produced by scaling up survey findings using the estimated number and profile of organisations.
Multi-year funding	Funding lasting three years or more, as defined in this survey.
Paid-staff economic contribution / GVA	An indicative estimate of gross value added (GVA), calculated using estimated FTE employment and industry output benchmarks.
Real Living Wage	A voluntary hourly pay rate calculated from living costs, distinct from the government's statutory National Living Wage.
Reserves	Funds retained to support future activity or manage gaps in income and unexpected costs.
Social enterprise	An organisation that trades for a social or environmental purpose and uses most of its profits to further that purpose.
Social prescribing	Connecting people with community activities and support that address needs affecting their health and wellbeing.
VCSE / VCFSE	Voluntary, community and social enterprise. VCFSE explicitly includes the community work of faith organisations, which are also included within VCSE in this report.
Volunteer replacement cost	The estimated cost of replacing volunteer and trustee time with paid labour at the Real Living Wage. (www.livingwage.org.uk)

1. Methodology

The findings in this report are based on an analysis of the 2026 Greater Manchester State of the VCSE sector survey data and focus groups, as well as estimates of the sector's overall size and contribution. The full technical methodology can be accessed at www.gmstateofthesector.org.

Survey

The survey ran from January to April 2026 and received 1,122 usable responses from VCSE organisations based across all ten Greater Manchester boroughs. It asked about organisations' activities, who they support, where they work, demand for services, staff and volunteers, and finances and funding. LIOs distributed direct survey links through their networks. An anonymous response option was also available. NTU prepared and analysed the responses.

Focus groups

Eleven focus groups took place across all ten boroughs between March and April 2026, including two in Stockport. These explored the role of organisations in communities, workforce and volunteering, and finances and funding. NTU developed the areas for discussion using early survey findings and input from the project's core working group. Participants were recruited through LIOs and follow-up contact with survey respondents. NTU analysed the discussions to identify common themes and understand participant experiences in more detail.

How to read the survey findings

Based on the 1,122 usable responses and an estimated 18,783 VCSE organisations across Greater Manchester, the indicative margin of error for the full sample is around ±2.8 percentage points at the 95% confidence level. For example, applying this margin to a finding of 60% gives a range of around 57% to 63%. This calculation assumes organisations were selected at random. However, organisations chose whether to take part, so this margin is only a guide and cannot account for differences between those that did and did not respond.

NTU compared the respondent profile with registered VCSE organisations across Greater Manchester. Estimated below-the-radar groups, which are not captured on formal registers, were excluded from this comparison because they could not be sampled directly. NTU examined whether adjusting for differences in borough and organisation size, known as weighting, changed the findings. Differences between weighted and unweighted findings were generally small and did not alter the overall patterns or conclusions, while adjusting for borough and size together produced unstable results. Survey percentages are therefore presented without weighting, meaning each organisation answering a question counts equally. Most percentages relate to the organisations answering the relevant question. Where a question applies only to a particular group, its findings describe that group.

Percentages are rounded to whole numbers. Combined percentages reported in the text are calculated from the underlying unrounded data, so they may occasionally differ by one percentage point from the sum of rounded chart values. Some questions allow more than one answer, so percentages can total more than 100%. Findings on changes in service delivery reflect organisations' own assessments. Income and expenditure source shares describe the average share across responding organisations. Success in funding applications describes experiences among applicants to each source rather than the value or number of awards.

How organisation size is defined

Organisation size is classified by reported annual income: micro (under £10,000), small (£10,000 to under £100,000), medium (£100,000 to under £1 million), large (£1 million to under £10 million), major (£10 million to under £100 million) and super-major (£100 million or more). Large, major and super-major organisations are combined as ‘large’ when describing locality size profiles and comparing findings by organisation size across all reports, because of the smaller numbers in these bands.

Estimating the scale and contribution of the sector

Greater Manchester is estimated to have 18,783 VCSE organisations: 7,769 registered organisations and 11,014 groups not captured on formal registers, often described as Below-the-Radar (BTR). Registered organisations were identified through the Charity Commission, Companies House and the Financial Conduct Authority’s Mutuals Register. Records were matched to boroughs using postcode data, and duplicate entries were removed. Below-the-radar groups were estimated using Office for National Statistics (ONS) population figures and the population-based approach developed by Mohan et al.[1] This estimated number and profile of organisations is referred to as the study’s ‘sample frame’.

The estimates in Section 2.1 scale selected survey findings to this wider sector. The main approach is extrapolation: averages are calculated within organisation-size groups, multiplied by the estimated number of organisations in each group, and added together. This allows the calculations to reflect differences between smaller and larger organisations. Numeric checks were undertaken prior to extrapolation, and winsorisation was used to limit the influence of extreme values by capping them rather than deleting them. Estimates for income, expenditure and people supported use 90% winsorised means; volunteer hours and paid staff use 95% winsorised means; and volunteer and trustee totals use cleaned means.

The report includes two economic value indicators. The replacement-cost value of volunteering estimates what it would cost to replace annual volunteer and trustee hours with paid labour at the Real Living Wage. The economic contribution associated with paid staff applies ONS output-per-job figures to the estimated number of full-time equivalent staff, adjusted to reflect the range of activities of responding organisations. Both are indicative measures of economic value and should not be interpreted as audited financial figures.

2. Headline findings

The headline findings are presented in two parts. Section 2.1 presents modelled estimates for Greater Manchester's VCSE sector as a whole. These are produced through extrapolation, meaning survey findings are scaled up using the estimated number and profile of organisations, so the figures should not be read as exact counts. Section 2.2 presents what organisations and groups across Greater Manchester told us directly through the survey.

2.1. Estimated scale and contribution of Greater Manchester's VCSE sector

18,783 organisations

Greater Manchester's VCSE sector is estimated to include **7,769** registered organisations and **11,014** below-the-radar organisations not captured on formal registers.

£2.42 billion

annual income

Greater Manchester's VCSE sector generated an estimated £2.42 billion in income during 2024/25.

Mostly micro and small

We estimate that micro organisations and groups account for almost three quarters **(74%)** of the sector. Small organisations make up **14%**, medium organisations **10%**, and large, major or super-major organisations **2%**.

483,000

volunteer and trustee roles

The sector's work is powered by an estimated **378,000** volunteers and **105,000** trustees or Board members.

8.63 million instances of support

Greater Manchester's VCSE sector is estimated to provide around 8.63 million contacts or episodes of support to people and communities each year.

52.60 million

volunteer and trustee hours

Volunteers and trustees contribute around **1.01 million** hours each week, equivalent to 52.60 million hours a year.

£707.48 million

estimated value of volunteering

The estimated annual cost of replacing the time given by volunteers and trustees with paid staff earning the Real Living Wage.

40,228

full-time equivalent paid staff

This represents an estimated **52,709** paid employee positions working in GM VCSE organisations.

£2.03 billion estimated annual economic contribution from paid staff

The estimated economic value generated each year through the services and activities delivered by full-time equivalent paid staff working in GM's VCSE sector.

2.2. What organisations told us

1,122 VCSE organisations across Greater Manchester made their voices heard, sharing their experiences of working with and supporting communities across Greater Manchester, along with the challenges they face.

> "The impact of our work is really across the triple bottom line... health and wellbeing... addressing things like loneliness, creating community hubs... It's also brilliant for vulnerable people... rebuilding lives, volunteering... Really since COVID, the demand on us has increased tenfold... we've got groups from all over GM, which is brilliant, but we're just suffocating with the demand placed on us... we don't have the capacity to deal with it."

These headline findings show a sector supporting more people, often with more complex and interconnected needs, with fewer resources, in a competitive funding landscape where even successful applications often fail to provide adequate and stable arrangements. **Support is often subsidised by reserves and the goodwill of staff and volunteers.**

Demand continues to rise
Three in four organisations (75%) say demand for their services increased over the past year, while two thirds (67%) are supporting more people.

Financial vulnerability
A quarter (25%) say they are vulnerable and facing significant pressures, with sustainability uncertain. One in ten (10%) say they are struggling or at risk of imminent closure.

Volunteer challenges
Almost two thirds of organisations say they currently have enough volunteers to meet their objectives (64%), while more than one in three do not (36%). More than two in five report difficulty recruiting volunteers over the previous year (43%).

Reserves filling gaps
Almost two thirds (63%) hold reserves, and just over half (52%) have used them during the previous 12 months to cover operating costs, plug gaps in funding, and accommodate rising demand.

Competitive funding landscape
Organisations say that the biggest risks to financial sustainability are competition for funding (59%), rising costs (49%) and short-term funding cycles (37%).

Funding not keeping pace
Of organisations receiving income from grants or contracts, more than two thirds (70%) say none have been uplifted to reflect increased costs. More than half (52%) say that none of their grants and contracts provide multi-year funding.

3. Greater Manchester's VCSE sector: what it does, where it operates, and who it supports

The VCSE sector plays a vital role in communities across Greater Manchester. The sector's organisations and groups reflect the diversity and changing needs of the city-region, from charities focusing on relieving poverty and promoting equity to community groups providing spaces for connection, and many social enterprises selling goods and services. Many work in health, wellbeing, and social care, from preventative action to delivering important food and crisis support. Some educate and train, delivering accessible workshops, informal learning, and advice services. Others provide places to meet, interact, and build relationships, often working to improve social cohesion and inclusion, including community centres, parks and gardens, and sports clubs.

Many are small, volunteer-led groups rooted in individual neighbourhoods and communities. These neighbourhood-based organisations play a key role in delivering health and care services, promoting community cohesion, supporting regeneration and economic development, and encouraging local democratic participation.[2]

A smaller cohort are major employers delivering services across several boroughs. While they vary in size, resources and ways of working, they share a deep understanding of local needs and make an essential contribution to the wellbeing, resilience and social fabric of Greater Manchester, providing support shaped by age, disability, caring responsibilities, identity and financial circumstances, which can cut across neighbourhood and borough boundaries. Together, these organisations are vital partners in supporting local neighbourhoods across Greater Manchester. They often reach communities that other services struggle to engage, helping people stay connected, healthy and supported, strengthening community resilience and improving quality of life for their residents.

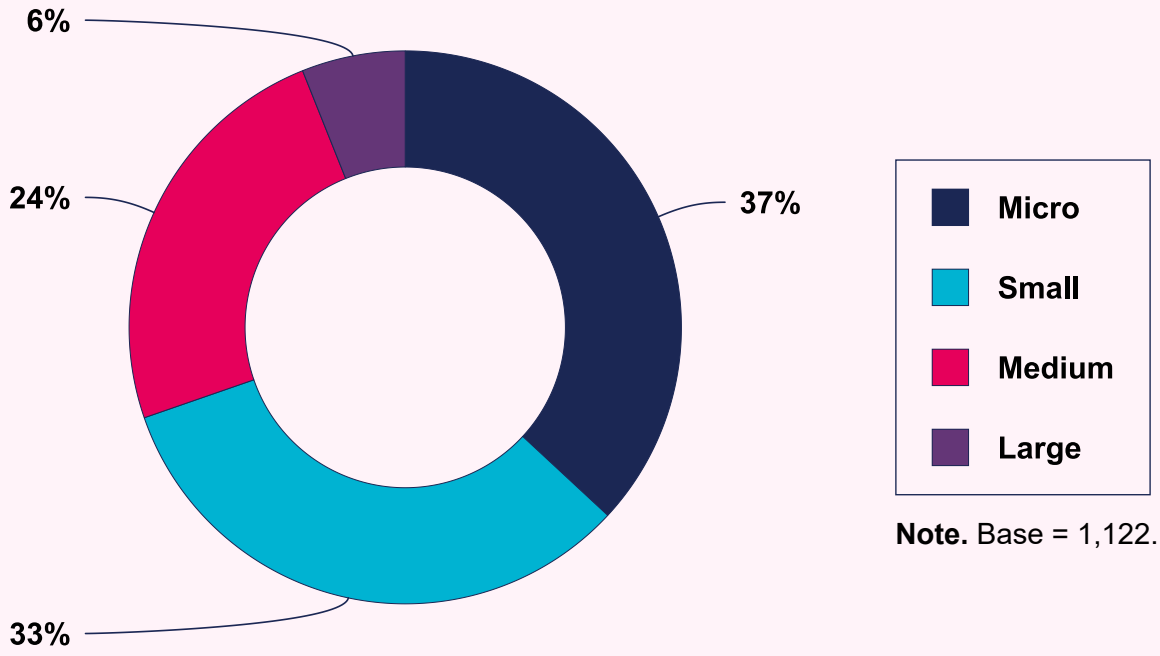
This diverse range of organisations operates across a growing city region with substantial inequalities between places and communities. Greater Manchester's population grew by 6.9% between the 2011 and 2021 censuses, with growth in every borough.[3] A quarter of residents live in neighbourhoods among the most deprived 10% in England, with deprivation concentrated in and around major town and city centres. High levels of income and health deprivation affect inner-city neighbourhoods, while employment and education-related disadvantage is also pronounced across several of the city region's northern outer boroughs.[4]

This section describes the characteristics of responding organisations, the work they do, their geographic reach and the communities they support.

3.1. Size, legal form and organisational age

Almost two in five responding organisations are micro (37%), while one third are small (33%). Medium organisations make up almost a quarter (24%), while large, major and super-major organisations account for 6% of responding organisations.

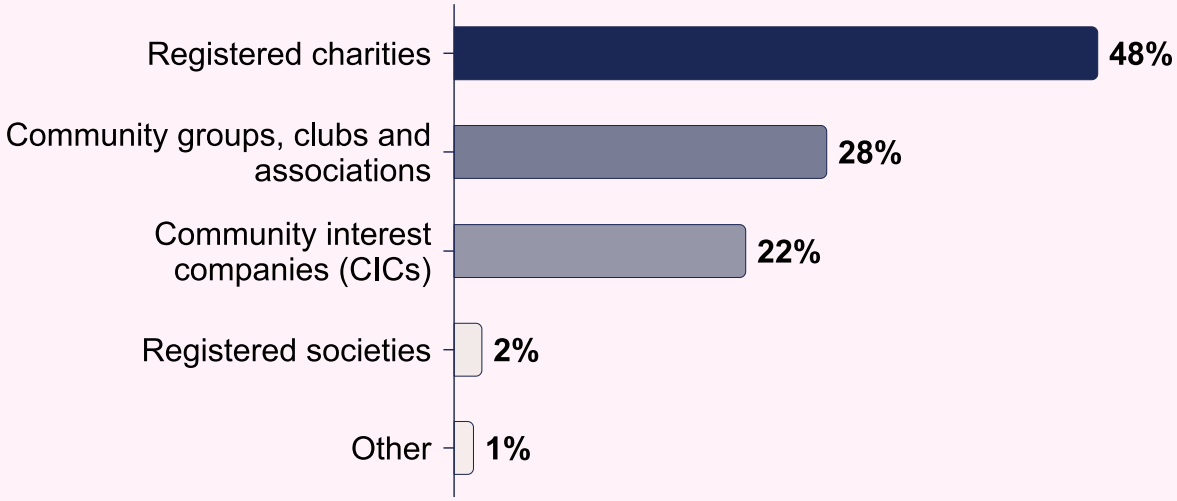
Figure 3.1. Proportion of responding organisations by size



Note. Base = 1,122.

Almost half of responding organisations are registered charities (48%). Community groups, clubs and associations account for more than a quarter (28%), one in five are community interest companies (22%), while fewer are registered societies (2%) or other legal forms (1%). Almost half identify as social enterprises (45%), showing that trading and enterprise are part of how many pursue their social purpose.

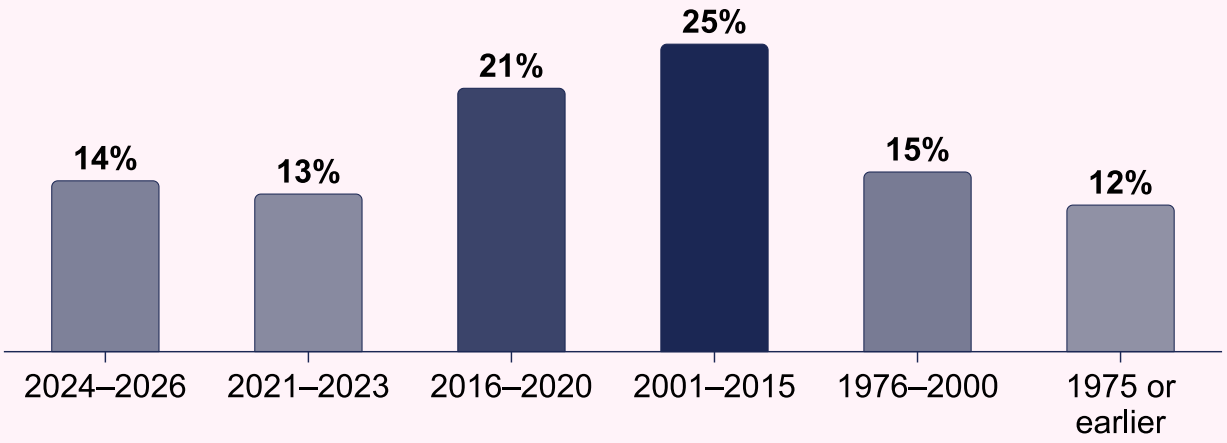
Figure 3.2. Proportion of responding organisations by legal status



Note. Base = 1,120.

The sector combines long-established organisations with newer groups responding to emerging needs. Just over half of responding organisations have been operating for more than ten years (52%), while more than a quarter were established within the past five years (27%). Around one in five have operated for between six and ten years (21%).

Figure 3.3. Year in which organisations were established



Note. Base = 1,112.

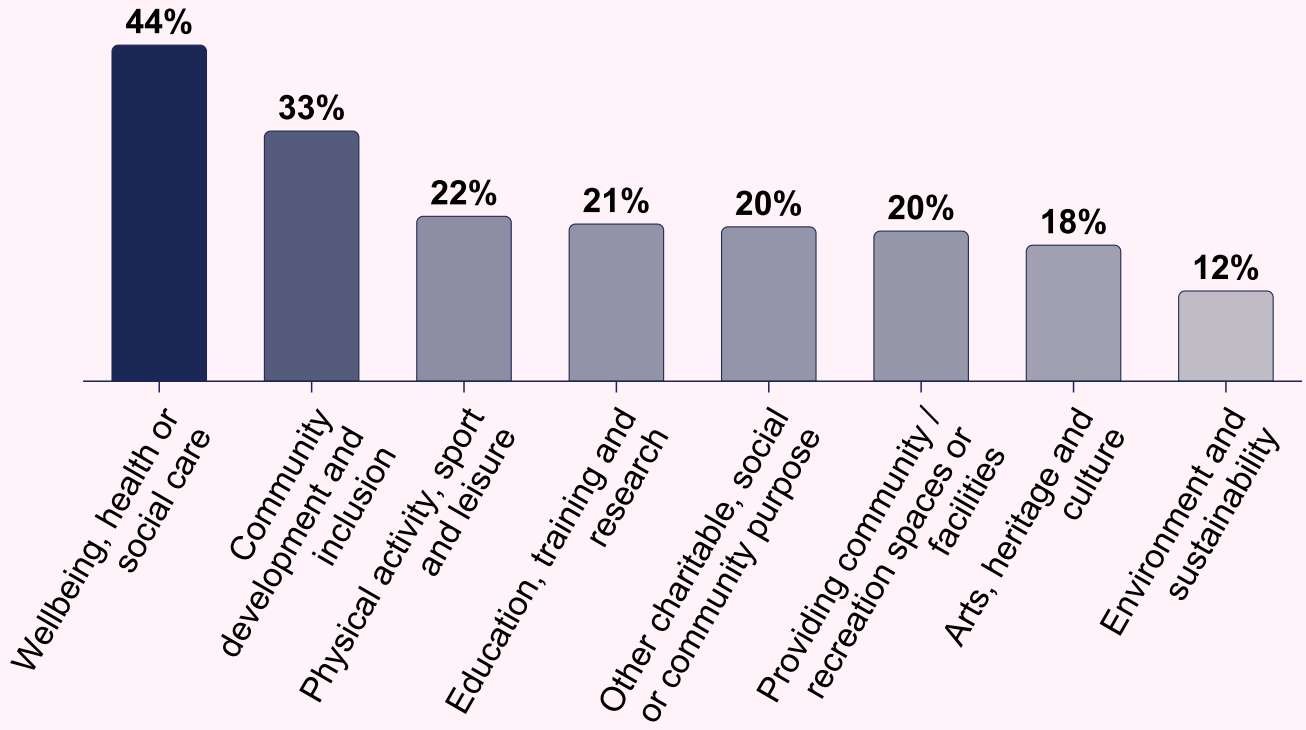
3.2. What organisations do

The breadth of Greater Manchester's VCSE sector reflects the diversity of the city-region and the needs of its communities. In the focus groups, participants described how their work often cut across a number of areas, and how running a sports session, community garden or creative group also helped people develop confidence and get to know others. As organisers learned more about those attending, they adapted activities and offered additional help, so that work initially centred on one interest could become a source of wider support. This was also reflected in the survey, where most responding organisations report working across more than one main area of work.

Wellbeing, health and social care is the most frequently reported area of work (44%), in a city region where almost a quarter of neighbourhoods are among England's most deprived 10% for health and disability.[4] Among organisations working in this area, many focus on addressing loneliness and social isolation (68%), providing general health and wellbeing support (66%), and offering healthy-living or lifestyle activities (43%).

One in three organisations work in **community development and inclusion** (33%). Among these, more than four in five focus on community cohesion and inclusion (83%), more than three quarters support disadvantaged or excluded groups (77%), and almost two thirds encourage participation in local activities and events (64%).

Figure 3.4. Main areas in which organisations work (top 8)



Note. Base = 1,087. Respondents could select more than one option, so percentages do not sum to 100%.

More than one in five organisations provide **physical activity, sport and leisure opportunities** (22%). For many, this also involves helping people take part: almost two thirds of organisations working in this area use sport and physical activity to support inclusion (64%), three in five encourage active lifestyles (62%), and a similar proportion run recreational or social clubs (60%).

Around one in five organisations provide **education, training or research** (21%). Those delivering this work often do so through workshops, courses or informal learning (75%), while others offer information, advice and guidance (41%).

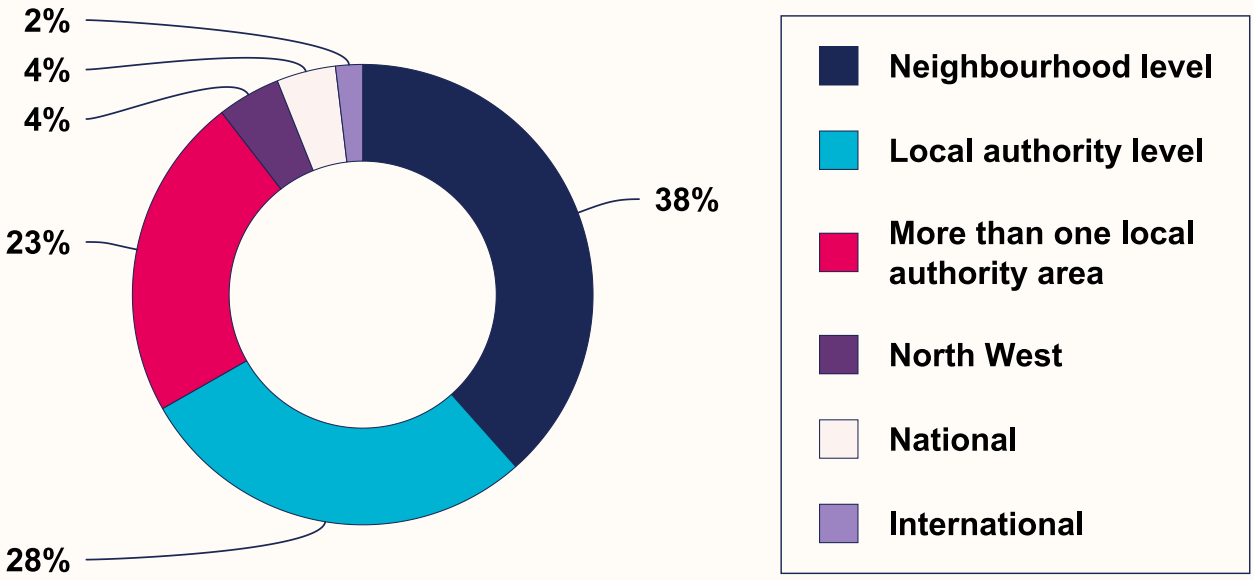
One in five organisations provide **community or recreation spaces** (20%), providing places that allow communities to come together. Among these organisations, more than half offer leisure or activity facilities (53%) and almost half manage community buildings (47%). Almost one in five work in **arts, heritage or culture** (18%). Of these organisations, almost two thirds offer arts, crafts and creative activities (63%), just over half organise festivals and public celebrations (52%), and half provide music, performance or theatre activities (50%).

Other areas of work include **environment and sustainability** (12%), **economic and financial wellbeing** (11%), and **faith, religion and belief** (7%). Help with hardship also featured in the work of organisations whose main activity was elsewhere. Participants running community activities described providing support to people facing barriers to taking part or challenges in managing everyday life.

3.3. Where organisations work

Many responding organisations work close to the communities they support. Almost two in five operate primarily at neighbourhood level (38%), more than a quarter work within one local authority area (28%), and just under a quarter across more than one of Greater Manchester's local authorities (23%). A small number of organisations operate primarily across the North West (4%), nationally (4%) or internationally (2%).

Figure 3.5. Geographic scope of organisation's work



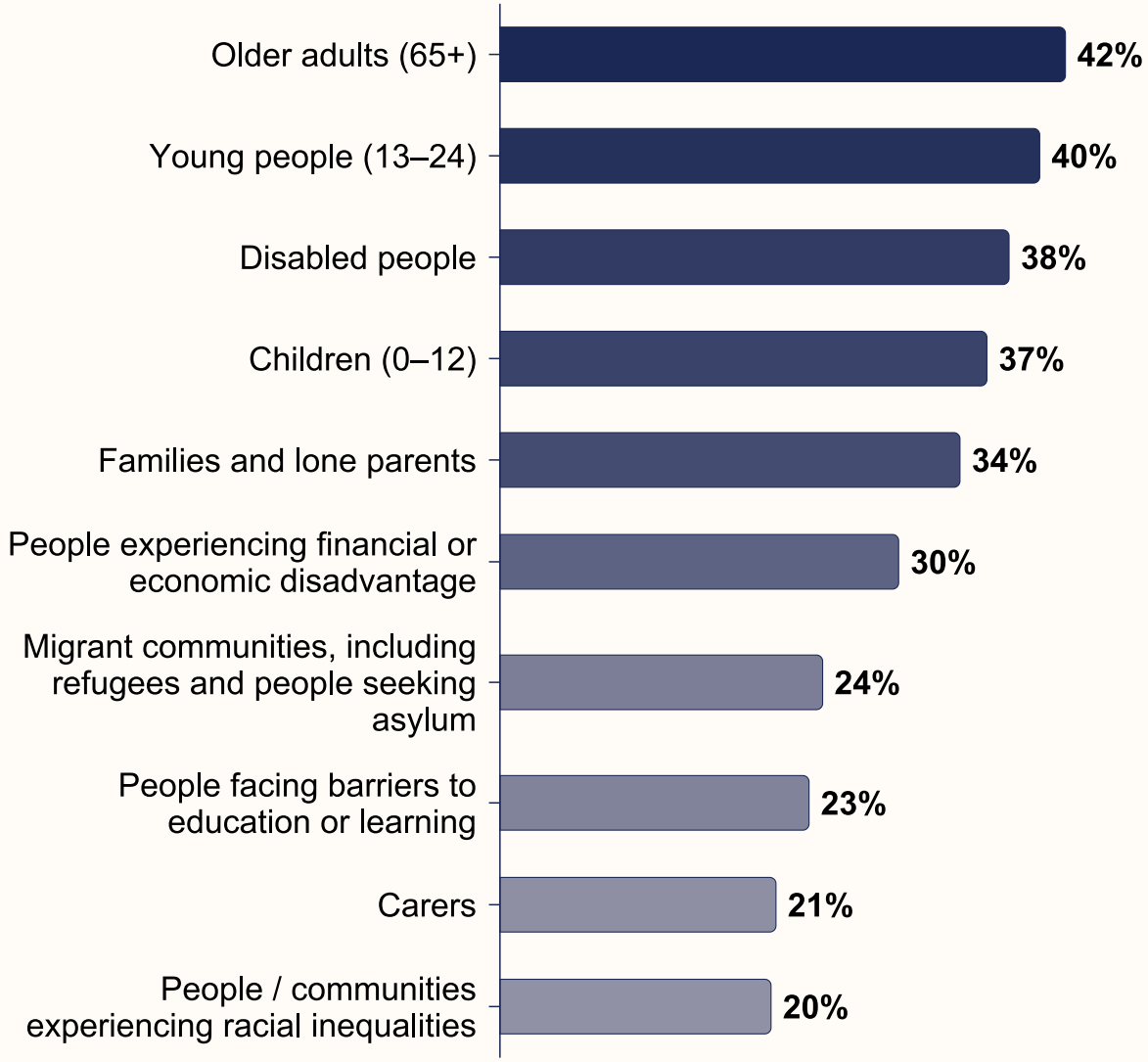
Note. Base = 1,059.

3.4. Who organisations support

The need for support varies both between Greater Manchester's neighbourhoods and among the people living within them. Poor health, disability, caring responsibilities and isolation can affect residents of otherwise affluent areas as well as those experiencing widespread deprivation. Organisations working across the city-region therefore need to respond to differences in people's stage of life and circumstances as well as the inequalities associated with where they live.

We asked responding organisations which communities they support or work with. By communities, we mean communities of identity (e.g. LGBTQ+ people), geography (place-based communities), and experience (e.g. lived experience of poverty).

Figure 3.6. The people and communities that organisations support (top 10)



Note. Base = 1,087. Respondents could select more than one option, so percentages do not sum to 100%.

Older adults are the most commonly supported, with more than two in five responding organisations working with people aged 65 and over (42%). Across Greater Manchester, the population aged 80 to 89 is projected to grow by 22% between 2024 and 2030, with growth of 17% among those aged 90 and over.[5] In the focus groups, organisations supporting older adults described lunch clubs, transport, befriending and help with digital tasks that enabled them to remain involved in community life.

Around two in five organisations work with **teenagers and young people** aged 13 to 24 (40%), more than one in three support **children** aged 0 to 12 (37%), and a similar proportion work with **families and lone parents** (34%). Around one in six of Greater Manchester's neighbourhoods are among the most deprived tenth nationally for income deprivation affecting children.[4]

Among organisations supporting children and young people, more than four in five work with children generally (85%) and more than one in three support children or young people with special educational needs and disabilities (37%). Around one in five work with refugee or asylum-seeking children and young people, young carers or children in care.

Almost two in five organisations support **Disabled people, including those with long-term health conditions and mental health needs** (38%). Among organisations supporting Disabled people, more than four in five support people with behavioural or emotional disability (81%), followed by people with a physical disability (69%), developmental disability (59%), or sensory impairment (54%).

Organisations also support communities connected by shared identity or experience. Just under a third of organisations work with people experiencing **financial or economic disadvantage** (30%), almost a quarter support people facing **barriers to education or learning** (23%), and one in five support **carers** (21%).

Around a quarter of organisations support 'migrant' communities, **including refugees and people seeking asylum** (24%), one in five work with communities experiencing racial inequalities (20%), around one in seven support faith communities (15%), and around one in eight support **LGBTQ+** people (12%). Organisations supporting communities experiencing racial inequalities most often work with African and Pakistani communities, alongside mixed-heritage and Bangladeshi communities. Those working with faith communities include organisations supporting Protestant and Catholic Christian communities, Muslim communities and interfaith groups.

Importantly, organisations in focus groups described that resolving an immediate problem was often the beginning of longer work: helping someone rebuild confidence, maintain recovery or obtain support from other services.

One in five report no specific community focus (20%), which includes organisations offering open-access activities or services rather than targeting specific communities.



3.5. Inclusion and representation

A strength of many VCSE organisations is that the people leading, working and volunteering in those organisations have '**lived experience**' of the inequality and exclusion that they seek to address.

In the focus groups, organisations emphasised the importance of bringing the knowledge gained from lived experience into decisions about what support to offer and how to provide it, particularly for communities who are poorly understood, underrepresented in decision-making or excluded by mainstream models of support.

> "…our ethos of valuing people's lived experience, it's not just something that we pay lip service to"

We asked organisations supporting particular communities about their relationship with those communities and representation in leadership and governance. More than one in three working with Disabled people (36%) or older adults (37%) say they are led by or primarily represent that community. This rises to more than two thirds among organisations supporting women (69%) and more than half among those working with communities experiencing racial inequalities (56%).

Where organisations are led by or primarily represent people experiencing inequality and exclusion, most say members within those communities make up more than half of their leadership, governance Board or management committee. This is the case in nine in ten organisations led by or primarily representing women (90%), around four in five representing communities experiencing racial inequalities (85%), and a similar proportion that represent older adults (79%). This is also the case for more than half of organisations led by or primarily representing LGBTQ+ people (55%) or Disabled people (53%).

In focus groups, participants described a desire for public bodies and funders to draw on this lived experience when making decisions about support. Some questioned whether funding panels understood the circumstances of the communities affected by their decisions.

The renewed **Greater Manchester VCFSE Accord**, signed in March 2026, commits public bodies and the sector to involving communities in decisions and devolving power.[6] Organisations with established relationships and leadership drawn from the communities they support can help bring those experiences into planning.

Participants wanted opportunities to influence decisions before proposals were settled, with time and support to take part alongside their existing responsibilities.

4. Staff, volunteers and trustees

The people working in and with VCSE organisations across Greater Manchester are central to the sector's contribution. They include paid staff, volunteers, trustees and Board members who are motivated by purpose, lived experience, social connection and a commitment to their communities. Their work is practical, but also strategic and relational: building trust, holding local knowledge, supporting people and communities sensitively and sustaining relationships over time. Their responsibilities extend beyond running services and activities to coordinating volunteers, managing funding, supporting colleagues and governing organisations.

This section describes the people who work in and support Greater Manchester's VCSE organisations, including paid staff, volunteers, trustees and Board members. It looks at recruitment and retention, support offered to volunteers, and the consequences of workforce shortages for the people involved and the services and activities they provide.

4.1. Paid staff and employment

There are an estimated **40,228 full-time equivalent (FTE) paid posts** in Greater Manchester's VCSE sector, corresponding to approximately **52,709 individual employees**. The work carried out by these staff is estimated to **contribute £2.03 billion to the economy each year** through the services and activities they deliver. These figures highlight that the sector is not only a vital source of community support but also a key contributor to inclusive economic growth, job creation, and local economic resilience across Greater Manchester.



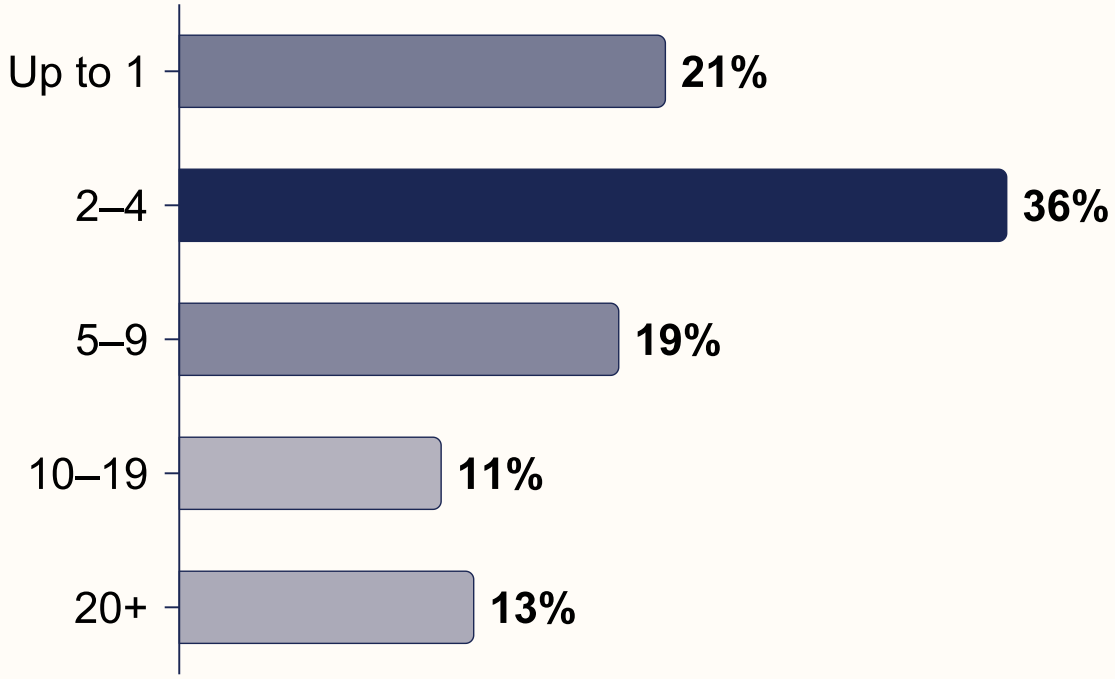
40,228
full-time equivalent (FTE) paid posts in GM's VCSE sector

Industry-based economic contribution of
£ 2.03 billion p.a.

Just under half of responding organisations have paid staff (46%), and more than four in five organisations with eligible employees say they pay the Real Living Wage to all eligible staff (84%), while a further 5% pay it to most eligible staff. Paid employment is concentrated in larger organisations: almost all large (98%) and medium organisations (91%) report a paid workforce, compared with almost half of small organisations (47%) and very few micro organisations and groups (7%).

Almost three in five organisations with paid staff have fewer than five FTE employees. More than a third have between two and four FTE posts (36%), a fifth have up to one FTE post (21%), and a similar proportion have between five and nine (19%). Fewer organisations have between 10 and 19 (11%) or 20 or more (13%).

Figure 4.1. Number of full-time equivalent (FTE) paid staff employed by organisations



Note. Base = 494. Shows the total number of full-time equivalent (FTE) paid staff in 2025, grouped into bands.



Whilst **the majority of organisations with paid staff report no difficulties with staff recruitment and retention**, almost a third have found recruitment difficult over the past year (30%), while almost one in four have struggled to retain staff (23%).

Figure 4.2. Staff recruitment and retention difficulties



Note. Question shown only to organisations with paid staff. Base: recruitment = 473; retention = 474. Shows the proportion answering 'Yes'. 'Don't know' responses excluded.

Organisations who participated in the focus groups attributed these difficulties to a range of income and funding factors, including only being able to offer part-time or fixed-term work, or struggling to compete on remuneration packages. Short-term funding also limited the job security organisations could offer, making it harder to retain trusted employees. All of these factors pose an operational risk to organisations, but there is also a human element for those without security or certainty:

> "How can you take out a mortgage… when you know that your job is only going to last for a year?"

4.2. The Greater Manchester Good Employment Charter

The Greater Manchester Good Employment Charter sets out standards for fair pay, secure and flexible work, engagement and voice, recruitment, people management, and health and wellbeing. This voluntary scheme supports employers to improve their practices and assesses members against its standards.[7]

Organisations with paid staff were asked how well established these employment practices were within their organisation. More than three quarters describe fair pay (79%), flexible work (79%), health and wellbeing (78%), and people management (77%) as well established or mostly in place. Similar proportions report this for engagement and voice (73%), recruitment (72%) and secure work (69%). Between 10-15% were unsure how established each of these practices were.

4.3. Volunteers and trustees

Greater Manchester's VCSE sector has an estimated **378,287 volunteer roles** and **104,965 trustee or Board member roles**, together contributing over 1 million hours each week. Annually, this is equivalent to **52.6 million p.a. hours of unpaid time** spent supporting local people, running activities, governing organisations, and playing a key role in their communities. Replacing that time with paid labour at the Real Living Wage (£13.45 per hour) would cost an estimated £707.48 million annually.

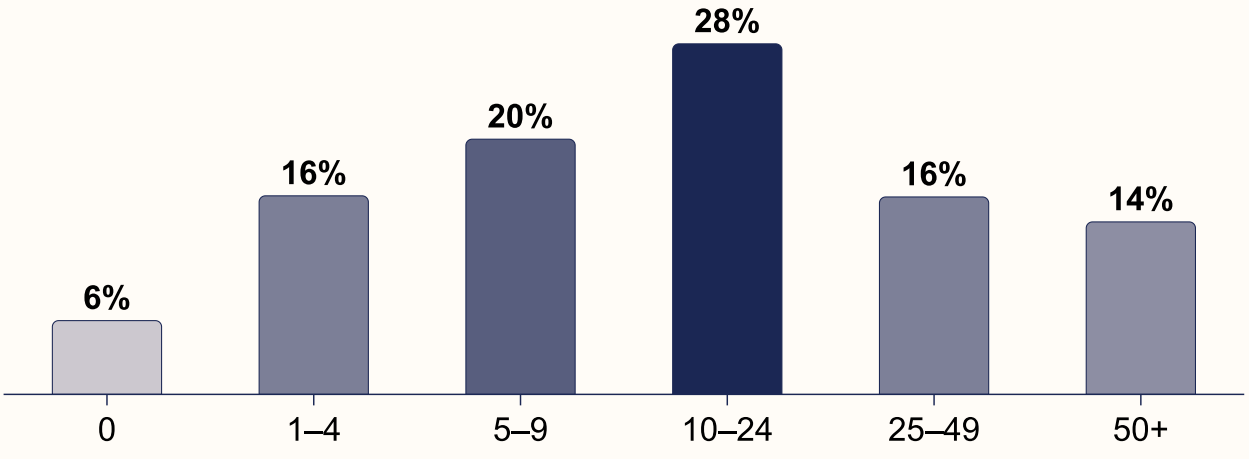
Volunteers are the lifeblood of voluntary organisations, delivering essential unpaid labour that is critical to their organisation's mission. Their commitment is often rooted in lived experience, a personal connection to an issue, or a strong sense of justice and fairness, often enabling them to respond sensitively and reach people that statutory services may struggle to engage. The importance of volunteers was emphasised in the focus groups:

> "We literally could not open the doors without our volunteers."

One in six responding organisations or groups have between one and four volunteers (16%), a fifth have between five and nine (20%), and more than a quarter have between 10 and 24 (28%). A sixth have between 25 and 49 volunteers (16%) or 50 or more (14%), while 6% report having no volunteers. Most organisations have either five to nine trustees or Board members (42%) or between one to four (39%).

The support organisations offer volunteers is both practical and developmental. Three quarters reimburse expenses (75%), two thirds offer training, development or progression opportunities (68%), and three in five provide recognition or social activities (59%).

Figure 4.3. Number of volunteers in organisations



Note. Base = 1,100. Shows the number of volunteers in 2025, grouped into bands; '0' indicates no volunteers.

Volunteers and trustees are especially important to smaller organisations and groups. In the focus groups, leaders within these organisations described often having to carry responsibility for both governance and day-to-day running.

> We don't have a workforce, day-to-day running… is myself and my partner… yesterday I was cleaning the toilets, making coffee, planning classes, invoicing, updating the website… I was thinking about the programme that I need to manage for the summer… I was thinking where I am during the day because I do another job.

4.4. Volunteer and trustee recruitment, retention and succession

Volunteers are vital to VCSE organisations, but the past decade has seen a decline in formal, regular volunteering – the type that many organisations rely on. In England, the proportion of adults volunteering formally at least once a month fell from 27% in 2013/14 to 17% in 2024/25.[8]

Declines have been pronounced among older people: participation in monthly formal volunteering fell from 31% before the COVID-19 pandemic to 23% in 2023/24 among people aged 65 to 74, and from 23% to 16% among people aged 50 to 64.[9]

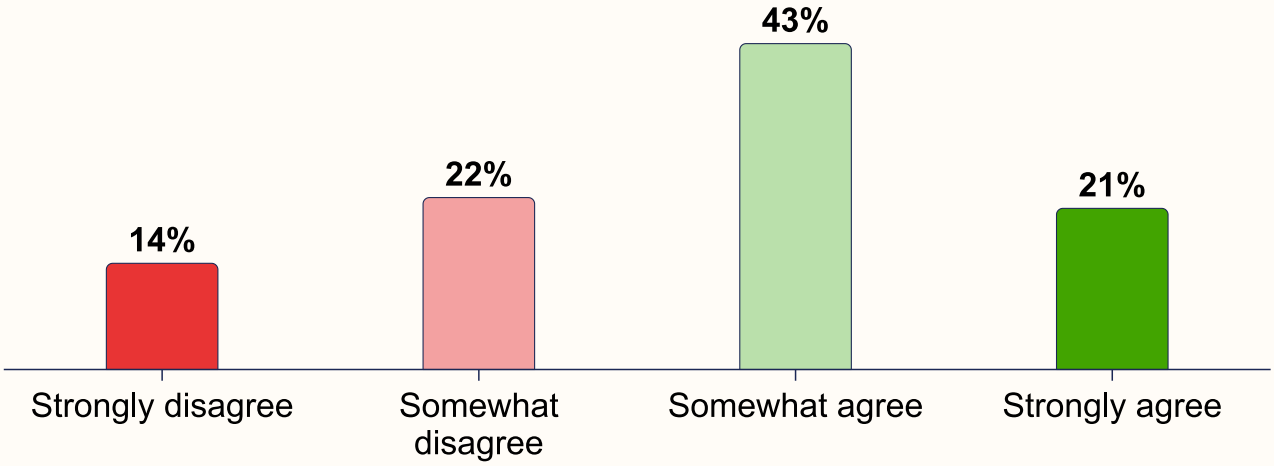
Analysis published by the Centre for Ageing Better shows a drop of 1.16 million people aged 50 and over compared to 2019 levels; this reduction in participation was equivalent to more than 110 million fewer formal volunteering hours each year.[9] The decline among older volunteers is important because people aged 65 and over are especially likely to undertake leadership and governance responsibilities.[10]

Organisations participating in focus groups also described difficulties finding people who could offer the same regular commitment:

> I think maybe before COVID, you would get volunteers, they were a little bit older and they'd retired and they wanted to give something back and they were very reliable.
>
> And now I just don't think people are retiring in the same way that they used to. And also a lot of older people are looking after their grandkids and offering free childcare. So that's changed … life's a bit harder for everybody … we'd be lost without our volunteers.

Despite these challenges, **almost two thirds of organisations responding to the survey agree that they have enough volunteers to meet their main objectives** (64%), leaving more than a third that do not (36%).

Figure 4.4. Whether organisations have enough volunteers to carry out work and meet their objectives



Note. Base = 1,059. 'Don't know' responses excluded.

Recruiting new volunteers appears to be the greater difficulty: more than two in five report difficulty recruiting volunteers over the past year (43%), compared to a quarter that have difficulty with retention (26%).

In the focus group, one participant likened the continual need to recruit volunteers to a 'dripping bucket':

> "Recruitment is an ongoing task. That's what I call a dripping bucket. People obviously drop out of the bottom because of age, move out of the area or things like that. And we keep having to top them up."

Figure 4.5. Volunteer recruitment and retention difficulties



Note. Base: recruitment = 1033; retention = 1030. Shows the proportion answering 'Yes'. 'Don't know' responses excluded.

When asked about the main **barriers to recruiting volunteers**, more than half of those experiencing difficulties point to a low response to recruitment activity (55%). Around two in five say recruitment is made harder by limited capacity (39%) or insufficient funding (37%) to recruit, manage, and support volunteers. Almost one third identify limited flexibility in the roles available (32%) as a barrier, while more than a quarter say applicants are not suitable for the volunteering roles they need to fill (27%).

Figure 4.6. Volunteer recruitment barriers



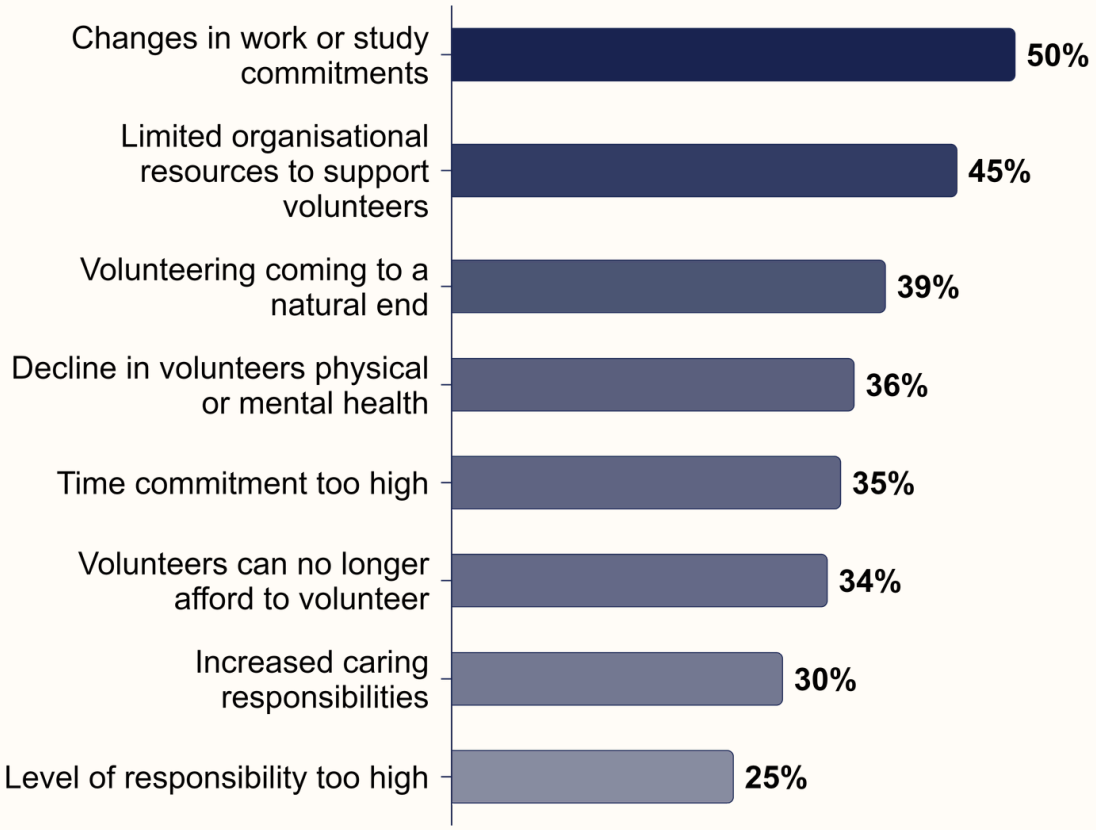
Note. Base = 443. Question shown only to organisations reporting volunteer recruitment difficulties. Figure shows the eight most commonly selected recruitment barriers. Respondents could select more than one option, so percentages do not sum to 100%.

Focus group participants described the tension between wanting more volunteers and having the time and resources needed to manage them:

> “Volunteering, we wish that we could have more volunteers, but the problem you have, you're stuck in this vicious cycle that if there's more volunteers, then you have more responsibility … it'd be great for us to get more volunteers, but that then the thought of that then gives more stress and more work for ourselves.”

Organisations experiencing **retention difficulties** pointed to changing volunteer commitments and motives, as well as their own resource constraints. Half say retention has been made harder by changes in volunteers' work or study commitments (50%). Just under half say retention is made harder by limited organisational resources to support volunteers (45%), while two in five say volunteering has come to a natural end (39%), either due to a project ending or long-standing volunteers stepping back. Around a third point to volunteers' declining physical or mental health (36%), the time commitment required (35%), affordability (34%), and caring responsibilities (30%).

Figure 4.7. Volunteer retention barriers



Note. Base = 250. Question shown only to organisations reporting volunteer retention difficulties. Figure shows the eight most commonly selected retention barriers. Respondents could select more than one option, so percentages do not sum to 100%.

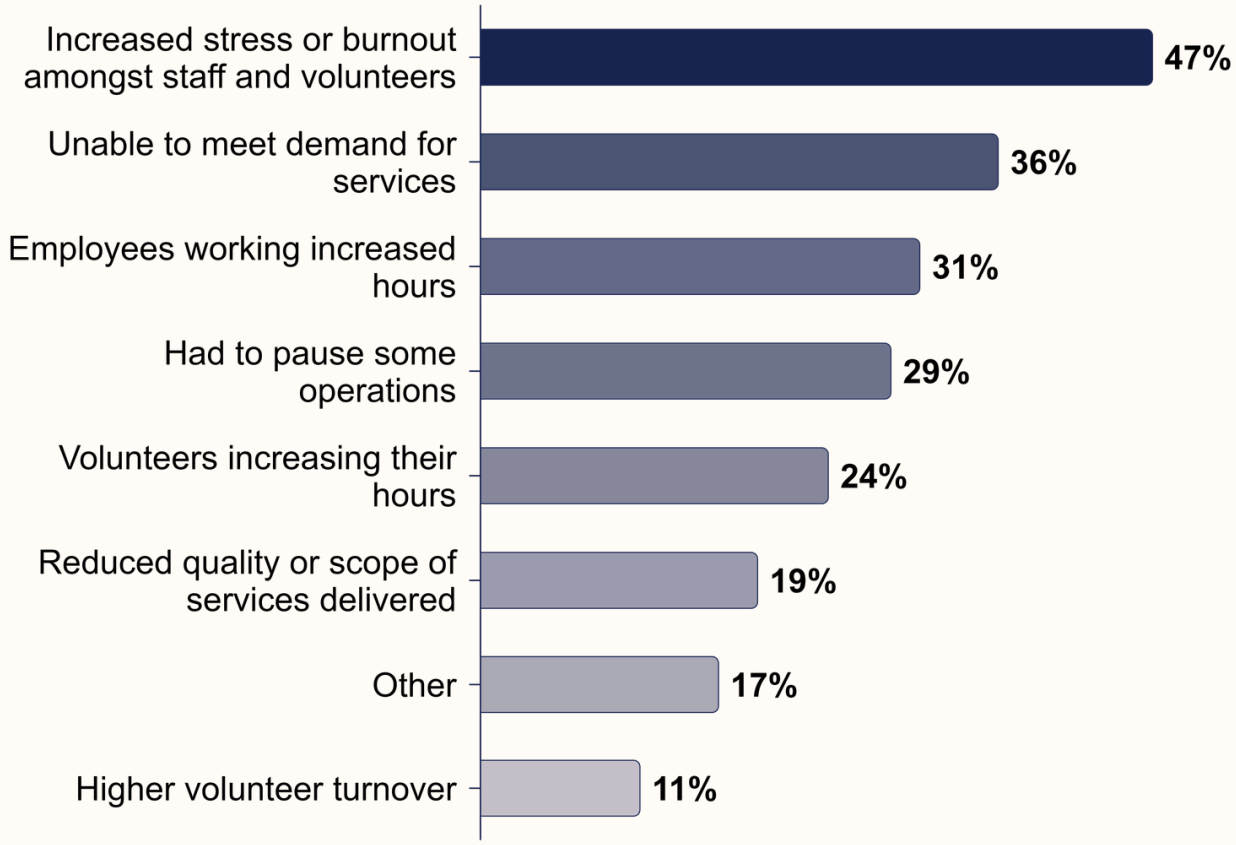
Barriers affecting existing volunteers may also help explain the low response to recruitment activity. The most recent **Community Life Survey** showed that work commitments were the most common barrier among adults who did not volunteer monthly, reported by more than half (51%).[8] Factors such as caring responsibilities, poor physical or mental health and affordability may also prevent individuals from volunteering in the first place. Research by the **Centre for Ageing Better** found that illness and disability were more commonly reported as barriers among older people in the most deprived neighbourhoods than in the least deprived.[11]

Across adults in England, participation in formal volunteering at least once a month is also substantially lower in deprived areas: 11% volunteer in the most deprived neighbourhoods compared with 23% in the least deprived.[8] This points to another potential challenge for VCSE organisations: areas with greater need for support may also face barriers to recruiting local volunteers. Almost a quarter of organisations report difficulty recruiting trustees (24%), and around a sixth have found it difficult to retain them (16%). While this suggests that organisations are having fewer difficulties than with other volunteering roles, the risk for those having difficulties is significant. Governance roles often require continuity, specific skills, and people willing to carry leadership, legal and strategic responsibilities.

4.5. Consequences of workforce shortages

When asked how these workforce difficulties affect their organisation, respondents described both the human and operational impacts. Almost half of those experiencing workforce difficulties say that staff and volunteers have experienced increased stress or burnout (47%) as a result. Around a third say employees are working increased hours (31%), and a quarter say volunteers are contributing more time (24%).

Figure 4.8. How recruitment or retention difficulties are affecting organisations



Note. Base = 546. Question shown only to organisations reporting recruitment or retention difficulties among staff or volunteers. Figure shows the eight most commonly selected responses. Respondents could select more than one option, so percentages do not sum to 100%.

These findings reflect national research showing that people involved in VCSE organisations are giving more of their time: staff working longer or outside normal hours, volunteers contributing more time, and people in small organisations taking on multiple responsibilities.[12] This enables support to continue, at least in the short term, but often at the expense of those involved.

These challenges are often amplified in smaller organisations that have limited capacity and funding to address the underlying problems. **Fair Collective's** research with leaders of small organisations found that 85% said their role had negatively affected their mental health, while two thirds (67%) had no budget to support their own or their team's mental health.[13] The report emphasised the weight of responsibility among leaders of small organisations, and focus group participants in the same position echoed this.

> "I'm basically doing everything… I'm starting to burn out a little bit and become resentful."

Other focus group participants that had experienced burnout spoke about the difficult balance of learning to set boundaries and needing support to continue working with people in distress without becoming overwhelmed themselves. Supervision, support for leaders and time to attend to staff and volunteer wellbeing need to be recognised as part of the work of delivering services. Fair Collective's research similarly found that leaders wanted subsidised supervision and counselling, and recommended that Boards consider funding these forms of support for leaders who need them.[13]

Even with people contributing more time, limited capacity can also limit the support organisations are able to provide. In the survey, more than a third of organisations experiencing workforce shortages say these have left them unable to meet demand (36%); more than a quarter have paused some operations (29%), and around one in five have reduced the quality or scope of their services or support (19%).

Focus group participants tied this to the impact of losing experienced staff and volunteers.

> "[The impact], it's massive, because the hours that they put in, the contribution, the skill set that they bring."

They described the difficulty of finding replacement staff or volunteers that brought the same skills, knowledge, and time to carry out their work, as well as the unseen work of rebuilding the relationships through which residents have come to know and trust the organisation.

4.6. In summary

Greater Manchester's VCSE workforce brings skills, lived experience and trusted relationships into communities through paid employment and substantial voluntary commitment. Many organisations demonstrate a strong commitment to fair pay and good employment, but sustaining this workforce also means responding to changes in people's availability, expectations and support needs. Although most organisations currently have enough volunteers to meet their main objectives, recruitment remains a significant challenge. Flexible opportunities, training and practical support can help people become involved and remain involved, but volunteer coordination requires time and resources that need to be recognised in funding arrangements.

Supporting trustees and planning for succession are also important to maintaining leadership and continuity. These responsibilities are becoming harder to manage where existing staff, volunteers and leaders are already working longer hours and taking on additional roles. The resulting stress and burnout affect both the people involved and organisations' ability to maintain support. Supervision, manageable responsibilities, peer support and opportunities for development therefore need to be part of how the sector looks after its workforce. Sustaining people's involvement means protecting their wellbeing and enabling them to contribute over time, preserving the experience, local knowledge and relationships on which communities depend.



5. Communities supported, demand, and access

Across Greater Manchester, VCSE organisations and groups provide an estimated **8.63 million contacts or episodes of support each year**.

Evidence from both the survey and focus groups paints a picture of Greater Manchester's VCSE organisations acting as **everyday social infrastructure**. One clear theme in the focus groups was the increase in both the volume and complexity of support they provide: more people are seeking help, and a growing share need assistance across several areas of life.

> "[A big worry] is the complexity of the people that we've got coming through our doors seeking help because the services are not there anymore, we're trusted because we're part of the community, we live here and we know people."

Organisations are therefore spending more time building trust, advocating for people and helping them navigate services, alongside the activity or support through which initial contact was made. Importantly, most organisations are facing **increased demand** for their services and supporting more people than 12 months ago. This mirrors national evidence from the **VCSE Barometer**, in which a majority of VCSE organisations have reported increased demand in every survey wave since November 2022.[14]

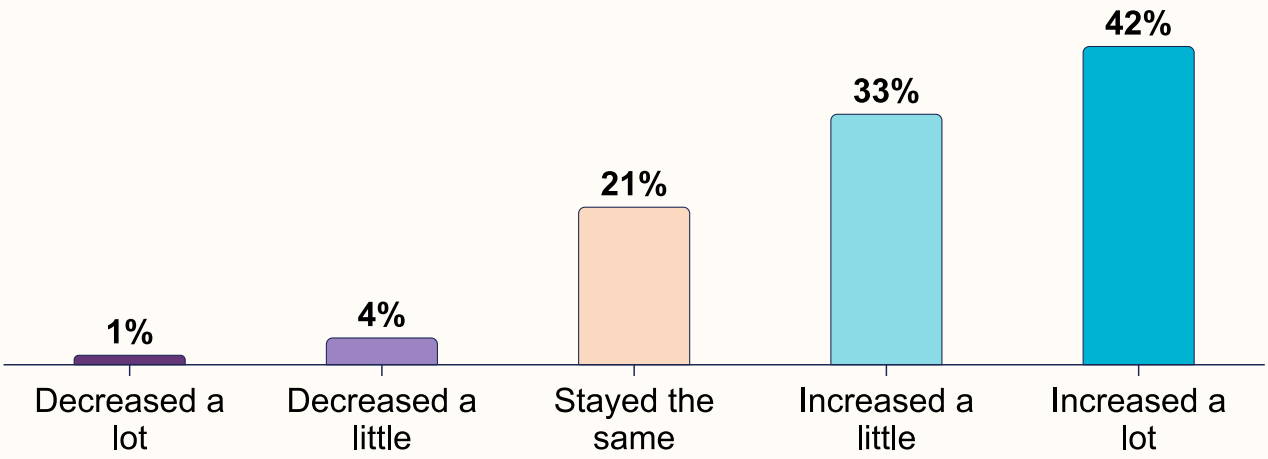
This section explores demand for the support provided by Greater Manchester's VCSE sector, including changes in demand and the number of people supported. It describes routes into support, referral relationships and barriers to access. It also looks at how organisations assess their impact and the changes they report in the quality, availability and accessibility of their services.



5.1. Demand for services

When asked how demand for services had changed over the past 12 months, three quarters of organisations report an increase (75%). Specifically, more than two in five say it increased a lot (42%), while a third report a smaller increase (33%). Only one in twenty report a decrease (5%).

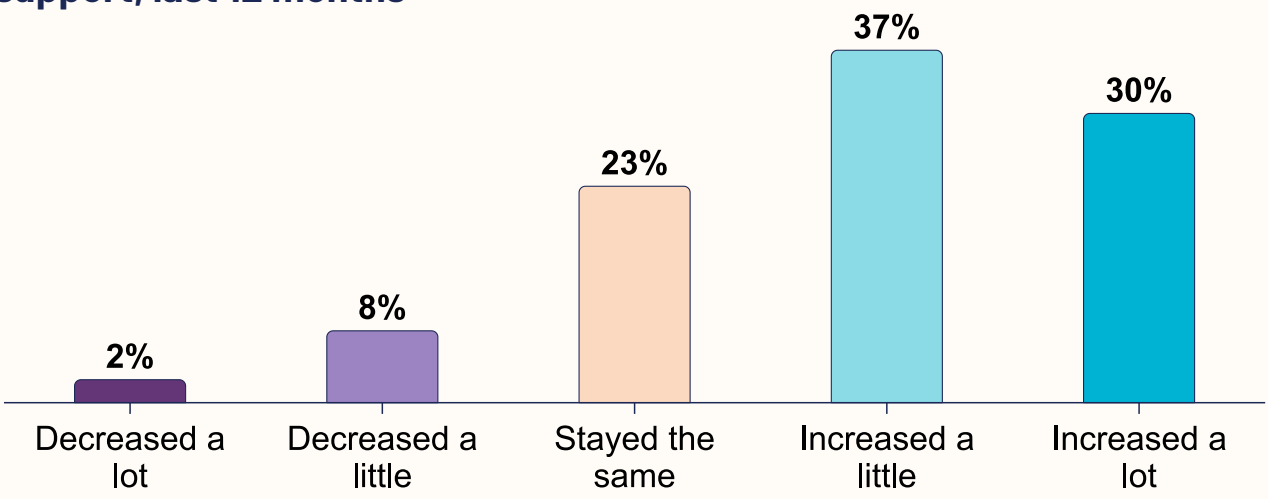
Figure 5.1. Change in demand for services, last 12 months



Note. Base = 968. 'Don't know' responses excluded.

Two thirds of organisations say the number of people they support has also increased (67%), while almost a quarter report no change (23%) and one in ten a decrease (10%).

Figure 5.2. Change in the number of people that organisations support, last 12 months



Note. Base = 995. 'Don't know' responses excluded.

In the focus groups, organisations described supporting more people, including those with complex or multiple difficulties, such as poor mental health alongside insecure housing, debt or caring responsibilities. For some organisations, this meant a shift from early intervention or prevention to combining this work with responding to crisis. **Many attributed this shift to public services failing to meet the needs of the people they supported.**

> “Government is doing less… local services are doing less… 16 years of austerity we've lived through has left us with a position where even the statutory services are being cut… people are not getting the level of support… we are dealing with people in acute homelessness, acute mental health difficulties, who aren't receiving necessary health care. We're dealing with people at the absolute bottom.”

Organisations remained involved even when recognising that some people needed specialist or clinical support beyond what they could provide.

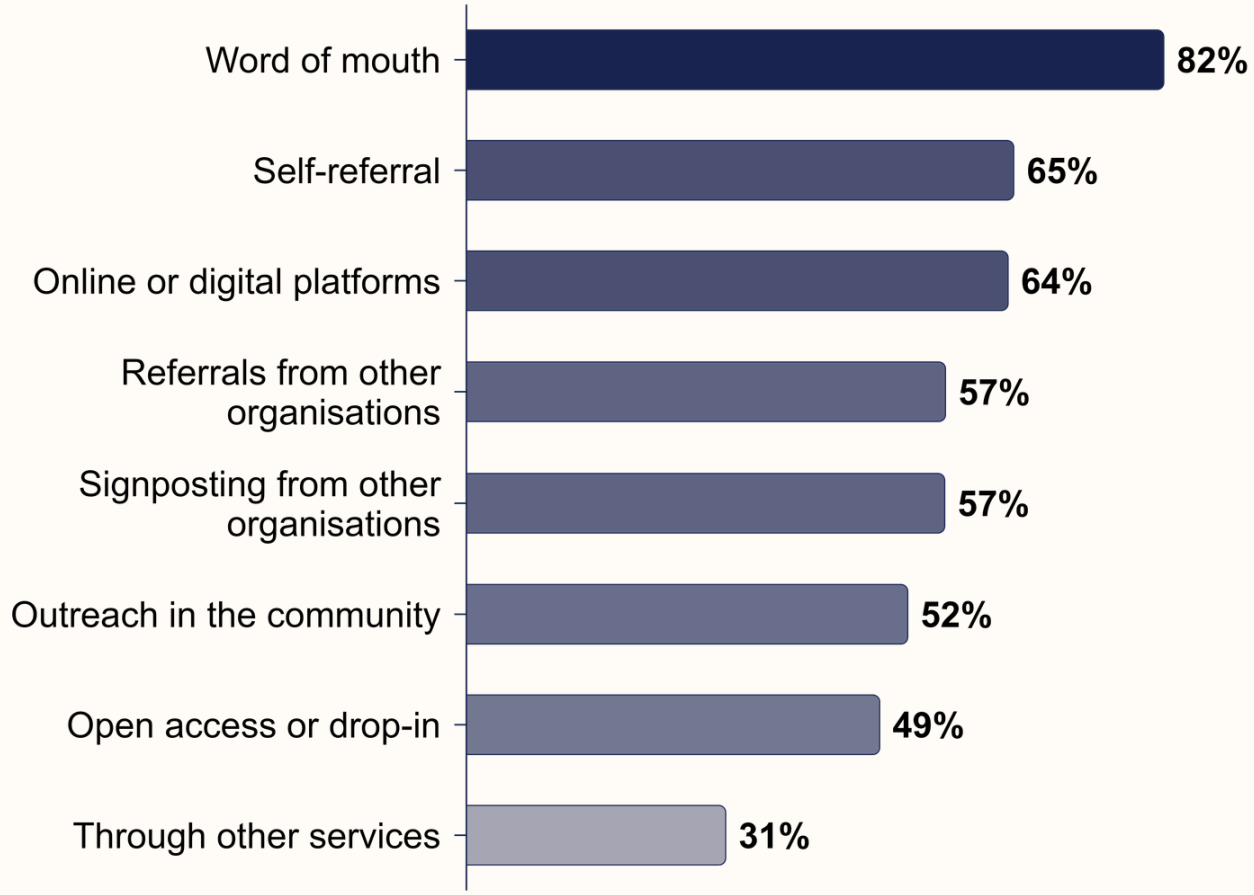
> “There's a definite increase in mental health issues. When we talk of mental health, it can be somebody who is in grief through to somebody who is high level bipolar, and in all points in between. So we try and support as best we can with the limitation that we're not clinicians.”

Community activities alone could not meet all of these needs. Organisations also needed clear routes into specialist services, while maintaining the trusted local support people already valued.

5.2. How people find and access support

VCSE organisations described themselves as being embedded, trusted and known routes into support within their communities. They connect people to services and support, receive referrals, share information, provide community space and identify changes in local need. Much of this work places them within health, care, education, housing, and other local systems, even where they are not formally funded or recognised as system partners. When asked how people come into contact with their organisation’s services or support, more than four in five say they do so through word of mouth (82%). Almost two thirds say people contact them directly or refer themselves (65%), and a similar proportion report contact through online or digital platforms (64%). More than half say people are referred or signposted by other organisations or services (both 57%), while around half report contact through community outreach (52%) or open-access and drop-in sessions (49%).

Figure 5.3. How people come into contact with VCSE organisations



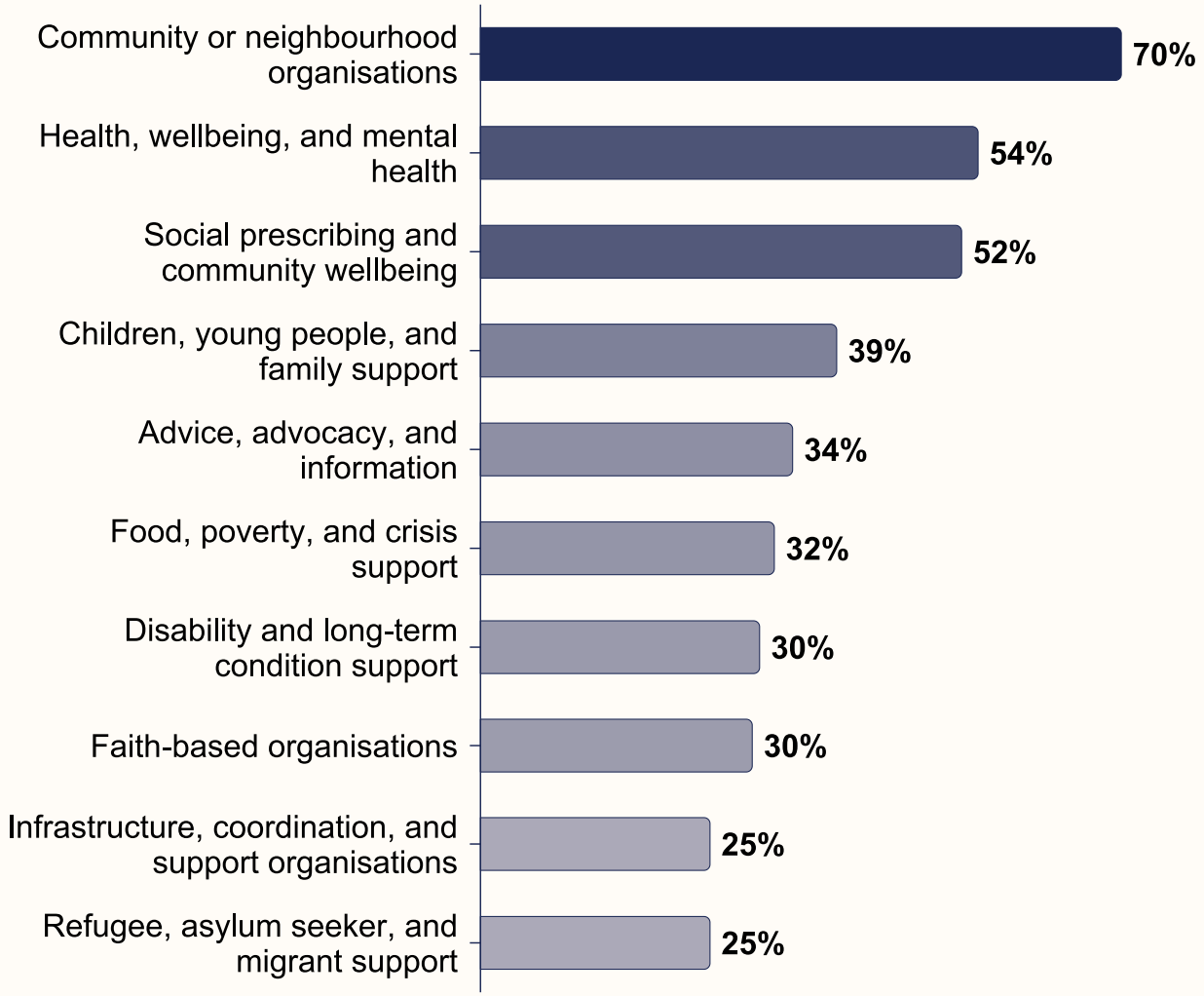
Note. Base = 1,054. Respondents could select more than one option, so percentages do not sum to 100%. Figure shows the eight most commonly selected responses.

These routes into support show that many **VCSE organisations are visible and accessible within their communities**, offering support without the need for a formal referral or meeting certain eligibility criteria. Their local knowledge and relationships help public services reach people and groups who may be less visible to them, face barriers to access or be reluctant to approach them directly.

5.3. Referrals from other VCSE organisations

Among organisations receiving referrals, **nine in ten receive them from other VCSE organisations and groups** (90%). More than two thirds of this group receive referrals from community or neighbourhood organisations (70%). More than half receive referrals from health, wellbeing, and mental health organisations (54%) or from social prescribing and community wellbeing organisations (52%). Referrals are also received from children and family support organisations (39%), advice, advocacy, and support services (34%), and food, poverty, and crisis organisations (32%). These routes place VCSE organisations at **the intersection of several service systems**, particularly where a person's needs span health, care, education, poverty and family support.

Figure 5.4. Referrals from other VCSE organisations



Note. Base = 501. Question shown only to organisations receiving VCSE sector referrals. Figure shows the 10 most commonly selected responses. Respondents could select more than one option, so percentages do not sum to 100%.

While at least half of organisations report that no funding accompanies referrals from VCSE organisations and services, many recognise the importance of both receiving referrals and referring to others, often taking a collaborative approach with other VCSE organisations so that people receive the right type of support at the time they need it, supporting the **Greater Manchester Live Well** approach.[15]

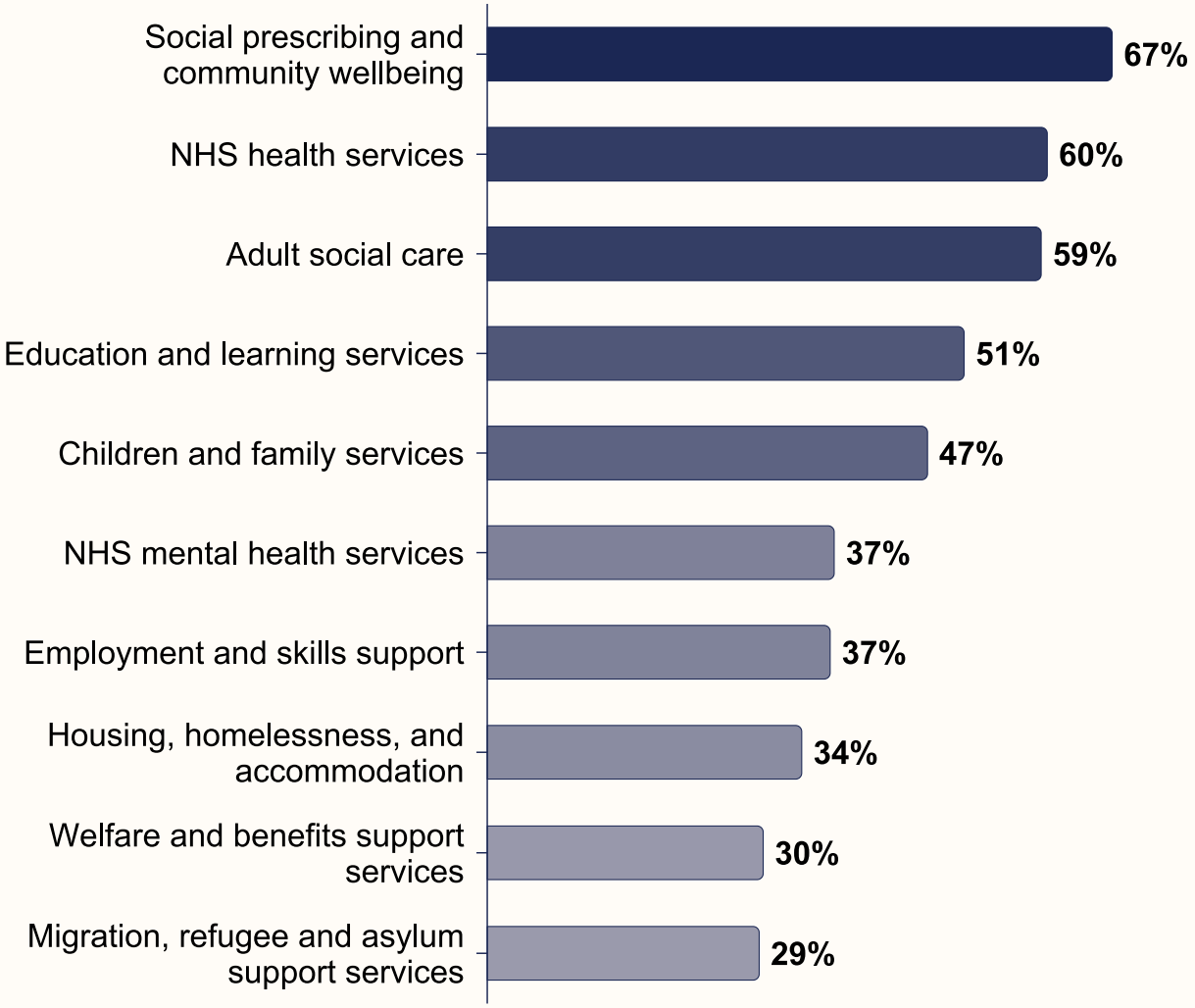
> “Signposting is really, really essential, and that's where joined up services matter… we have to meet the needs of the people who trust us, but don't go too far out of our lane when that could be done by someone else. So if we're building up trust in services, we need to be that person who can pass them on and encourage them into other things.”

This cooperation is essential for linking people to the right type of support, but the relationship must be reciprocal, with an understanding of the resources needed and the scope of responsibilities.

5.4. Referrals from public sector organisations

Among organisations receiving referrals, **more than four in five receive them from public sector organisations or services** (82%). Among these organisations, two thirds receive referrals from social prescribing and community wellbeing routes (67%). Around three in five receive referrals from NHS health services (60%) or adult social care (59%), and around half come from education and learning services (51%) or children and family services (47%).

Figure 5.5. Referrals from public sector organisations and services



Note. Base = 461. Question shown only to organisations receiving public sector referrals. Figure shows the 10 most commonly selected responses. Respondents could select more than one option, so percentages do not sum to 100%.

These referral routes show that partnerships between local authorities, the Greater Manchester Integrated Care Partnership, LIOs and VCSE organisations are helping people find and access support.[16]

While referrals are an important part of connecting people to trusted help, they also shift demand onto organisations that are already supporting more people and with fewer resources. Providing accessible support that is sustainable depends on adequate resources being provided to the organisations expected to deliver it. Yet **at least two thirds of organisations receiving referrals from the public sector say that no funding is received to accommodate them**.

In focus groups, participants described supporting people who were struggling to find or access help from public services, despite their own services being stretched. One described relying on donations and unpaid time to fill the gaps:

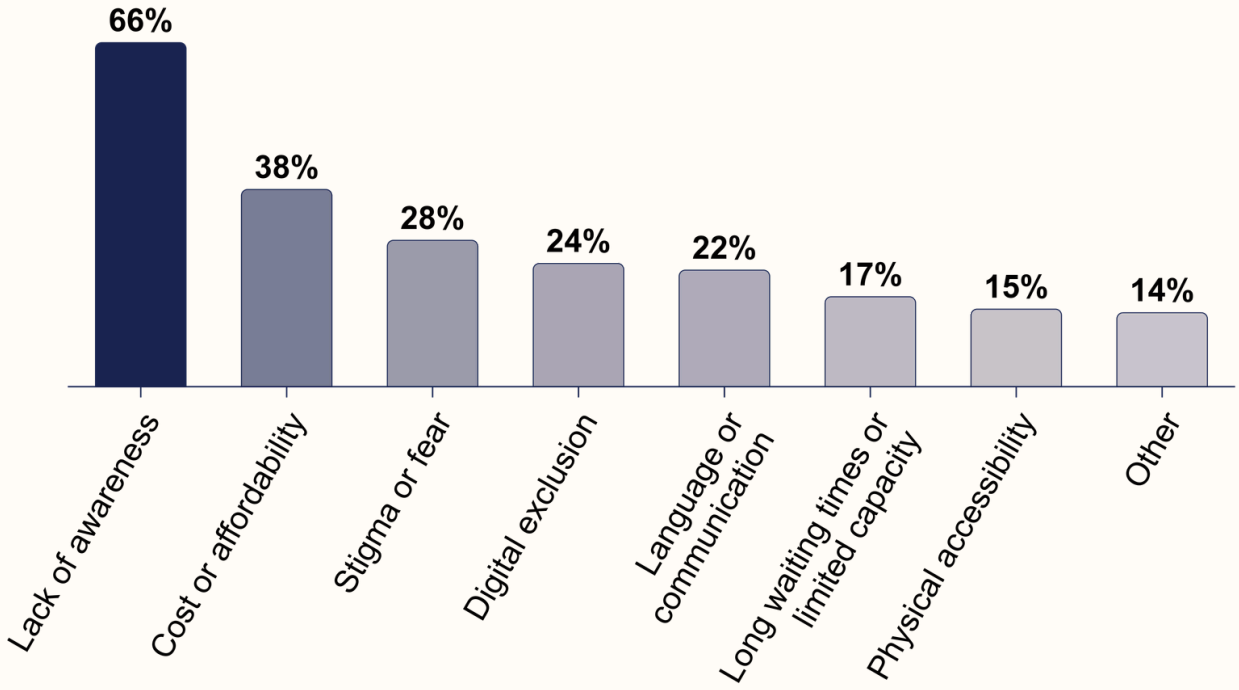
> “I have a number of colleagues who work in the public sector and they are fully aware that they are told to do more with less year on year, and it's leaving us in the position where we just try and plug the gaps as best we can, and we do that somewhat on the generosity of people coming and working with us for free, and on the generosity of people who provide donations.”

Participants wanted public services to involve them in planning this work and understand what they could reasonably provide. Referral arrangements need to make clear when clinical or other specialist help is required and how people can reach it. Funding the time and work involved in receiving referrals would help organisations continue offering accessible local support without being left to manage needs beyond their role or resources.

5.5. Barriers to access

Greater Manchester’s VCSE sector supports a diverse range of communities, some of which face structural barriers to service provision and cultural or language barriers that make finding support difficult. Two thirds of responding organisations say that a lack of awareness is a main barrier to accessing their services (66%), while just under two in five point to cost or affordability, such as fees or travel costs (38%). More than a quarter identify stigma or fear of engaging with services (28%), while just under a quarter point to digital exclusion (24%) and language or communication (22%) as factors that may affect access for some communities.

Figure 5.6. Barriers to accessing services



Note. Base = 1,020. Figure shows the eight most commonly selected responses. Respondents could select more than one option, so percentages do not sum to 100%.

Participants described how access is affected by transport, opening times, safety, culture, language, digital-only systems and whether people believe a service is intended for them or not. Organisations sometimes needed to explain what would happen, offer reassurance or help someone reach the venue. Organisations rooted in particular communities often already know how to reach people described by other services as '**hard to reach'**.

> "I've got about half the room that doesn't have digital access… their answer is 'tell them to go to the library'… Well, sorry, my 87 year old gentleman who can barely walk… is not going to go to the library and do that."

The problem may therefore lie less in the community being unreachable than in whether mainstream systems use and fund the routes that already exist.

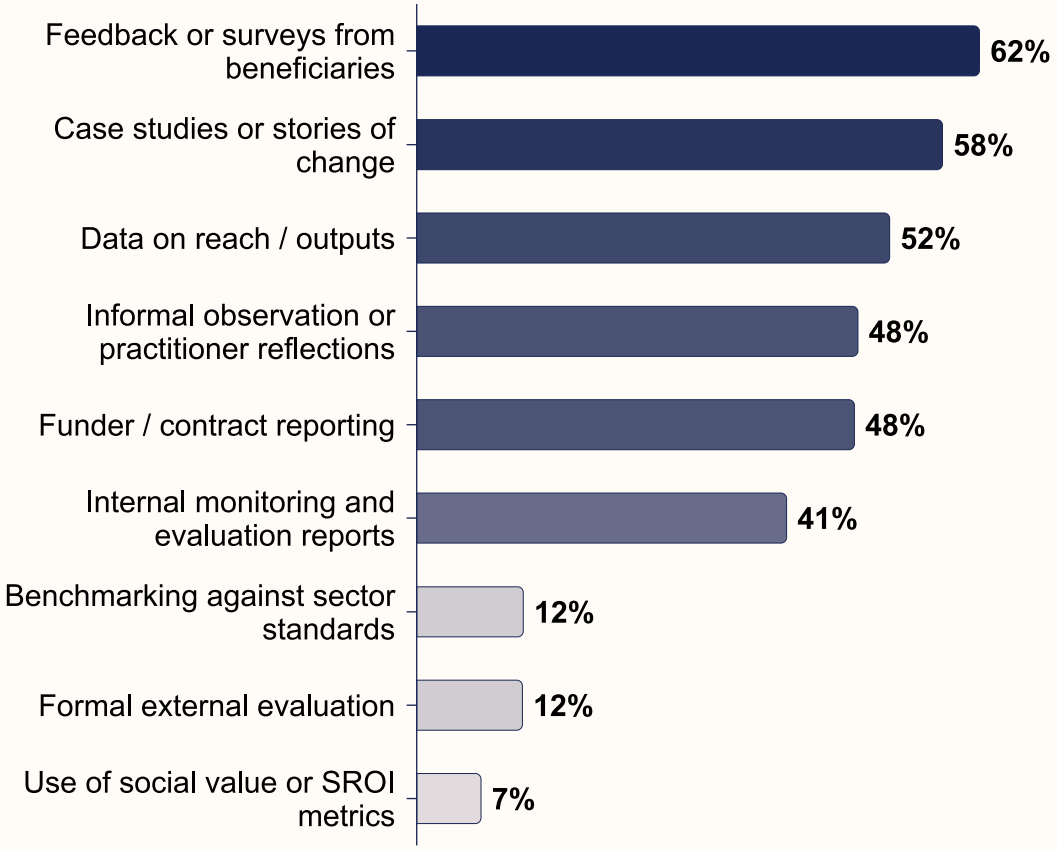


5.6. Measuring impact

Organisations use a range of methods to understand and demonstrate what their work achieves. The most common methods include feedback or surveys from people using their services (62%) and case studies or stories of change (58%). Around half use information on their reach and outputs (52%), informal observation or practitioner reflection (48%), and funder or contract reporting (48%). Formal external evaluation (12%) and social value tools or metrics (7%) are less commonly used. One in six do not assess impact in a systematic way (17%).

In the focus groups, many described the depth of work involved and the time required to build relationships, trust and confidence, which are not easily captured in service counts or evaluation metrics. They did not reject monitoring or accountability, but said funder reporting requirements often created unnecessary work. They described repeated requests for similar information, different formats for each award and survey questions poorly suited to the people using their services. They wanted to explain what their work achieved without placing unnecessary demands on residents or taking time away from support. For smaller organisations in particular, extensive reporting can take time away from delivery while still failing to describe the outcomes that matter most to the people involved. **Agreeing relevant measures at the outset, accepting appropriate forms of feedback and funding the work of collecting it would help organisations use evidence to improve support as well as account for an award.**

Figure 5.7. How organisations measure impact

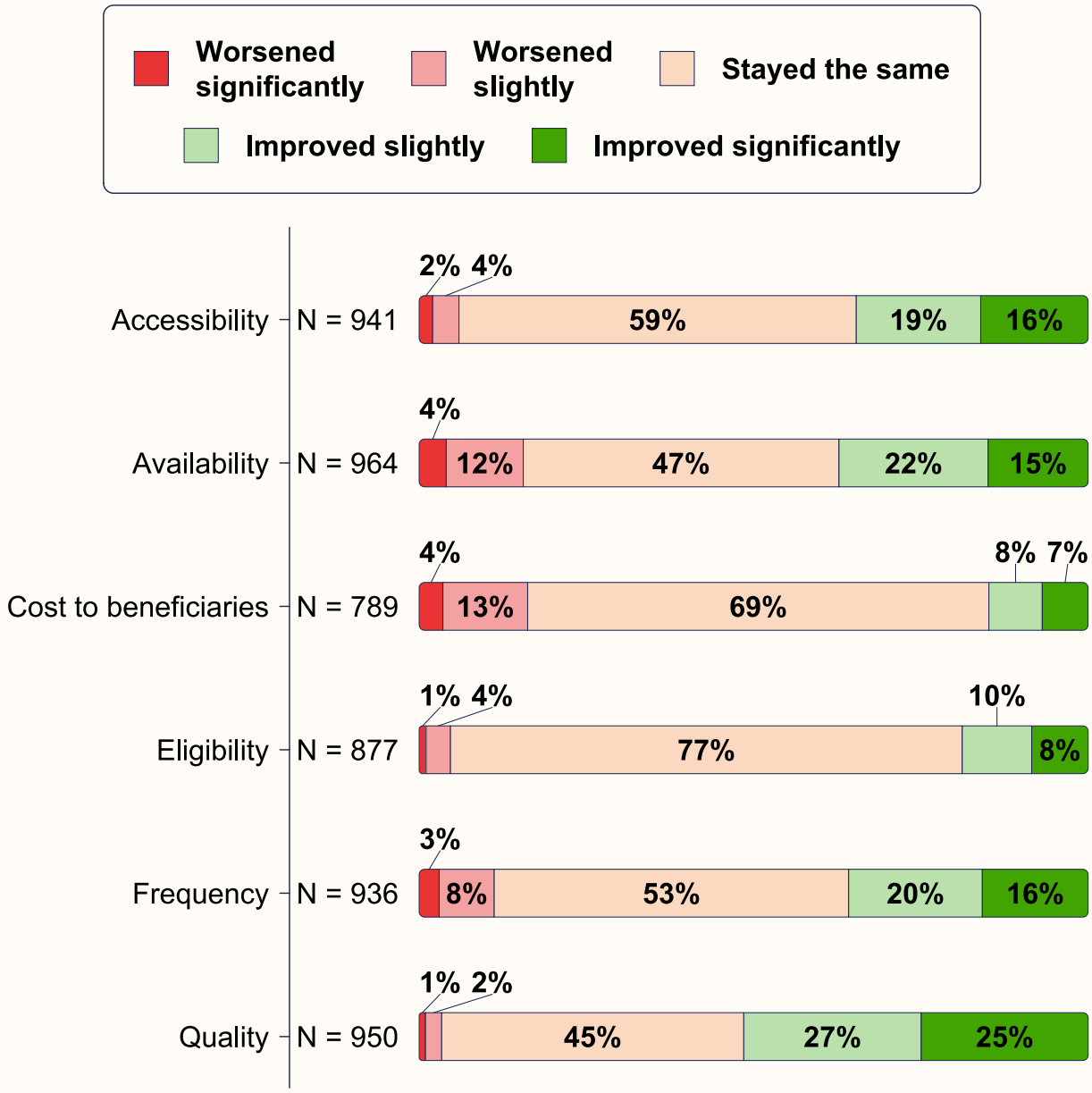


Note. Base = 1,037. Respondents could select more than one option, so percentages do not sum to 100%.

5.7. Service quality and impact

While findings from both the survey and focus groups indicate that organisations are doing more with less, many say they have been able to maintain or improve the support they offer. Just over half say that the quality of their support has improved (52%), while a small proportion say it has worsened (3%). More than a third report improvements in availability (37%), frequency (36%), and accessibility (35%). Cost to service users is the only area where deterioration, reported by around one in six (16%), slightly exceeds improvement, reported by around one in seven (15%). This may reflect fees, travel and other participation costs increasing even where the service itself remains available.

Figure 5.8. Change in services over the past 12 months



Note. Bases are shown in the chart and vary by metric. 'Don't know / not applicable' responses excluded for each metric. Percentages may not sum to 100% due to rounding.

5.8. In summary

Greater Manchester's VCSE sector is a critical part of its social infrastructure, supporting health and wellbeing, reducing loneliness, strengthening community connections and helping people experiencing inequalities. Its contribution depends on the local knowledge and relationships through which organisations identify emerging needs, enable people to disclose difficulties safely and build the trust needed to accept support. Yet most organisations are seeing increased demand and supporting more people. As one participant put it:

> "The people that we do see and that we aim to see – that gap is widening."

Reaching people who still face barriers therefore depends on sustaining the relationships and practical support that make services accessible.

Delivering the **Greater Manchester Strategy** also means recognising and resourcing the role VCSE organisations play in **prevention**, early intervention and referral pathways. Public services need to support the work involved in receiving referrals and provide clear routes to specialist help when needs exceed what community organisations can offer. Organisations and funders also need proportionate ways to capture impact, including qualitative evidence that reflects longer-term change, without diverting excessive time from delivery. Without this support, opportunities to prevent difficulties escalating may be lost, leaving residents with fewer places to turn and increasing pressure on public services.



6. Finances and the funding landscape

Greater Manchester's VCSE sector generated an estimated £2.42 billion in income and spent £2.37 billion in 2024/25. These estimates illustrate the scale of economic activity in Greater Manchester's VCSE sector, but they do not mean that individual organisations feel financially secure. Many across the sector have been navigating an increasingly challenging financial and funding landscape in recent years. Shrinking public budgets and reduced donations have made it harder to generate income, while rising energy, wage and overhead costs have increased the cost of delivery. At the same time, the communities they support are facing greater pressures, driving demand during a period of constraint and uncertainty.[17,18]

For Greater Manchester's VCSE organisations, the financial picture is one of both scale and strain. Short funding periods and awards that remain unchanged as costs rise make it harder to plan services, retain staff and volunteers, and invest in development. Funding needs to sustain the work communities already depend on, while allowing organisations to invest in the core infrastructure needed to respond to future needs. Restricted funding that fails to provide this limits organisations' ability to rebuild reserves, develop their workforce, or improve how they operate.

Public funding is an important source of VCSE income even though it has declined in real terms, while short-term awards and funding that fails to keep pace with costs make services harder to sustain.[19,20] The public bodies that fund much of this work face significant demands on their own resources. The Public Accounts Committee found that financial pressures were restricting councils' ability to invest in prevention and early intervention.[21] This creates a difficult environment for VCSE organisations whose work can help people stay well and prevent problems escalating, but which requires sustained investment before those benefits can be realised.

GMCA's integrated settlement brings greater certainty and flexibility in public funding across areas including skills, employment support, housing and transport, with revenue allocations extending through 2028/29.[22] Greater Manchester's local authorities also have a three-year funding settlement covering 2026/27 to 2028/29.[23] These arrangements provide a stronger basis for planning, but their benefit to VCSE organisations will depend on whether that certainty carries through into longer-term funding commitments and awards that respond to rising delivery costs.

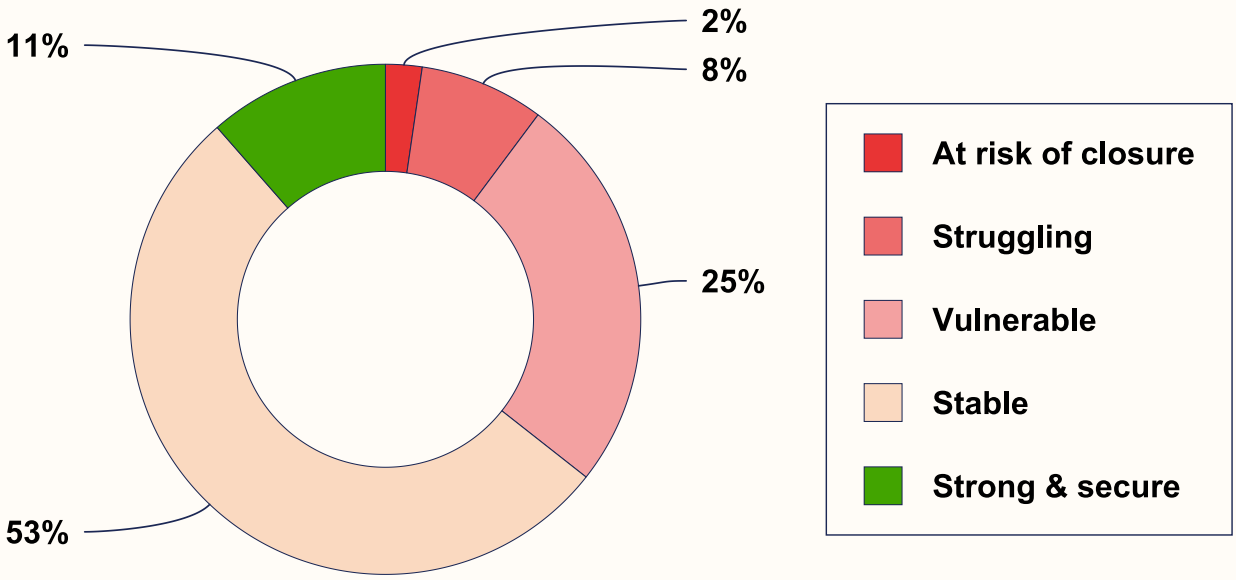
This section examines the financial position of Greater Manchester's VCSE organisations and the conditions in which they generate income and secure funding. It covers reserves, income and expenditure, funding applications and the terms attached to grants and contracts. It details funding challenges, financial risks, and their expectations for their finances and operations over the next year.

6.1. Financial position and reserves

When asked to characterise their financial and operational state, just over half describe their organisation as stable but with some concerns about the future (53%), while a quarter say they are vulnerable and facing significant pressure, with sustainability uncertain without changes being made (25%). Around one in ten describe themselves as either struggling and facing significant financial difficulties with viability at risk (8%) or at risk of imminent closure without urgent support (2%). In contrast, around one in nine feel strong, secure, and well positioned to manage current and future pressures (11%).

Small organisations are slightly more likely to describe themselves as vulnerable, struggling or at risk of imminent closure (41%), compared with 34% of micro organisations and 32% of both medium and large organisations, while larger organisations are more likely to feel strong and secure.

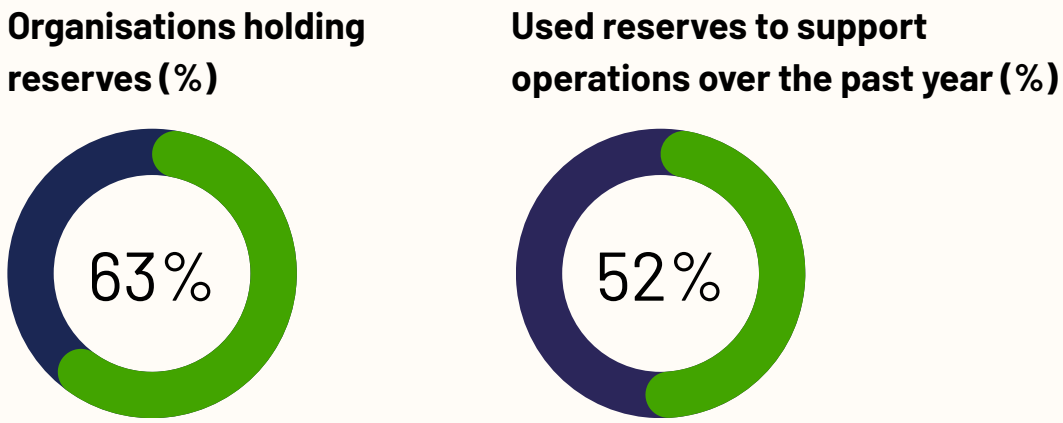
Figure 6.1. Organisations' current financial and operational state



Note. Base = 1,039.

Almost two thirds of responding organisations hold reserves (63%), with smaller organisations less likely to hold any. Almost all large organisations hold reserves (95%), compared with 86% of medium, 61% of small and 45% of micro organisations. Just over half of organisations holding reserves have used them to support operations over the previous year (52%).

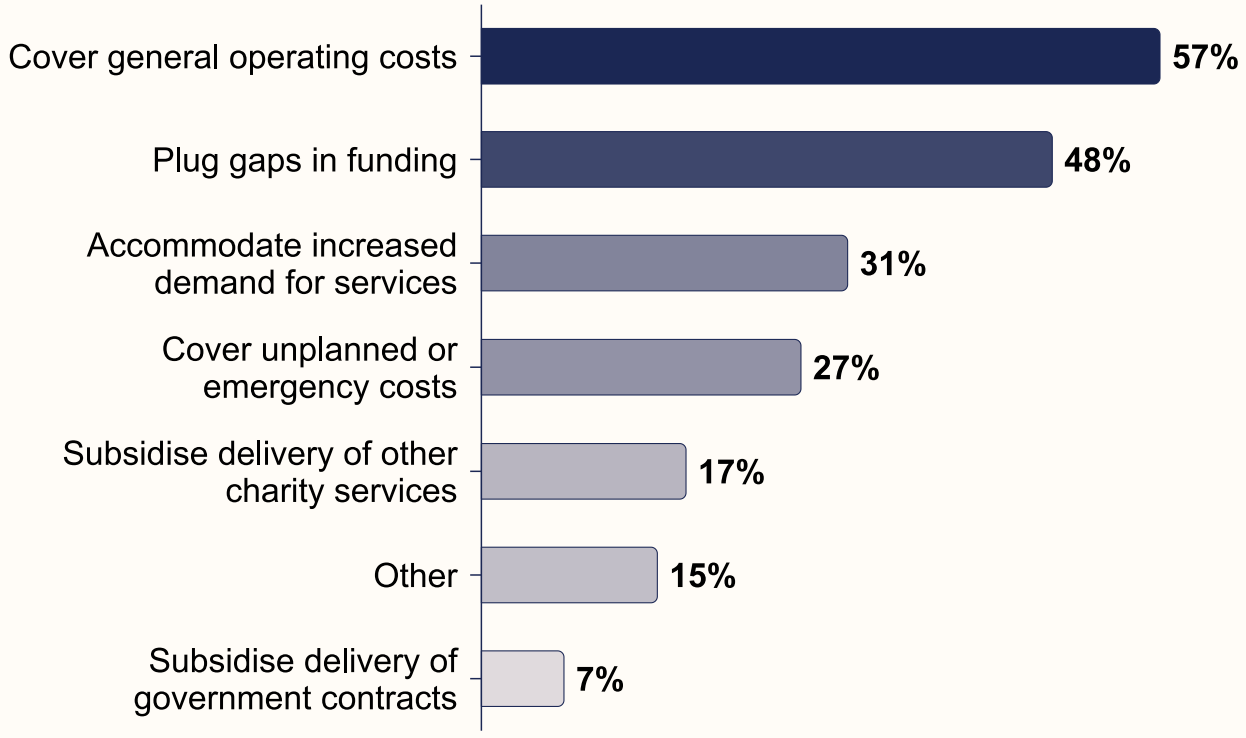
Figure 6.2. Use of financial reserves



Note. Base: holds reserves = 1,026; used reserves = 637. Figure shows the proportion answering 'Yes'. The 'used reserves' question was asked only of organisations that hold reserves.

When asked what reserves had been used for, just under three in five said it was to cover general operating costs (57%) and almost half used reserves to plug gaps in funding (48%). Just under a third used reserves to accommodate increased demand for their services, and more than a quarter used them to cover unplanned or emergency costs (27%).

Figure 6.3. Reasons for using reserves over the past 12 months



Note. Base = 330. Respondents could select more than one option, so percentages do not sum to 100%.

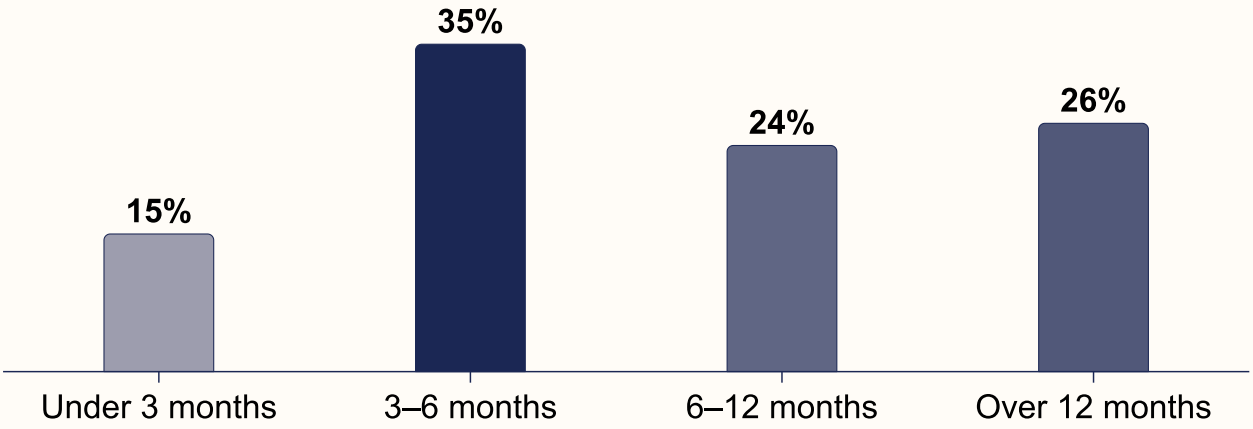
Reserves were described in the focus groups as finite breathing space in an increasingly precarious funding landscape. One participant described depleting most of their financial reserves to retain staff after being unsuccessful with a funding application:

> “We weren’t successful in applying for sustainability funding, so we had nine months of having to use our reserves for three staff… we’re now in a financial position where we have to build up those reserves again… it is really precarious… even organisations that are commissioned, the commissioner can pull that funding at any old time”

Using reserves as a buffer to keep essential support in place can protect staff and services in the short term, but repeated use reduces the organisation’s ability to absorb later shocks, manage delays in future funding, invest in development, or respond to emerging need. For those with only a few months of reserves, this leaves limited time to secure replacement funding before further decisions about services or staffing become necessary.

When asked how long they expect their reserves to last, based on current levels of income and expenditure, around a third have enough for three to six months (35%), a quarter for six to twelve months (24%) and a similar proportion for more than twelve months (26%). Around one in seven have less than three months (15%).

Figure 6.4. Number of months reserves are expected to last



Note. Base = 594. ‘Don’t know’ responses excluded.

6.2. Sources of income and expenditure

The ways in which VCSE organisations generate income have changed in recent years. Nationally, the number of people donating has fallen by around six million over the past decade, and the value of public donations in 2025 was 10% lower than the previous year.[18] Some are looking to legacy fundraising, a source with long-term growth potential but uncertain time horizons.[24] While the number of local and national government contracts delivered by VCSE organisations continues to increase, [25] evidence shows that these often **fail to cover the true cost of delivery**.[19]

The uncertainty associated with these funding sources means that maintaining access to grants helps organisations retain scope to pursue priorities identified with their communities, including smaller groups developing their own responses to local need. However, competition for grants has increased in recent years, with trusts and foundations reporting growing numbers of applications.[20] A recent funding experience survey by **IVAR** also shows that improvements in grant-making processes have not consistently brought the flexibility and security organisations need, with unrestricted and multi-year funding among the least commonly experienced funding practices.[26] These pressures encourage organisations to diversify their income, and while this reduces dependence on a single source, developing new sources requires time, skills and investment before they can provide a reliable contribution.

Income sources were grouped into four categories: statutory and commissioned income; funding from local infrastructure organisations, trusts and foundations; donations and fundraising; and trading and investment income. For each category, we calculated both the percentage of organisations receiving income and its average share of their total income. Organisations receiving no income from a category were excluded from that category's average, so the averages do not add up to 100%.

Donations and fundraising are the most widely reported source of income among GM respondents (79%) and account for an average 37% of income across responding organisations. Almost three quarters receive funding from trusts, foundations or local infrastructure organisations (72%), which accounts for an average share of 39%. Two thirds receive statutory or commissioned income (67%), including service contracts and funding from different levels of government. This accounts for the largest average share of income (44%), although its importance varies considerably by size. Among large organisations, it represents almost two thirds of income on average (67%), compared with 40% among small organisations. Around two in five respondents also receive trading or investment income (39%).

Programme, goods and delivery costs account for the largest average share of expenditure (48%). Workforce and volunteer costs, including pensions and training, represent an average 40%, while energy, property and premises costs account for 26%. The balance varies by size: workforce and volunteer costs account for an average 23% of expenditure among micro organisations and 32% among small organisations, rising to 52% among medium and 63% among large organisations.

6.3. Funding over the past 12 months

Organisations were asked about their experiences with different funding sources which were relevant to their organisation, including success with applications and whether they had seen a change in the overall income received from those sources. In the focus groups, organisations spoke of an increasingly competitive funding landscape, characterised by increasing expectations and administrative requirements and a failure to consider the resources required to deliver projects:

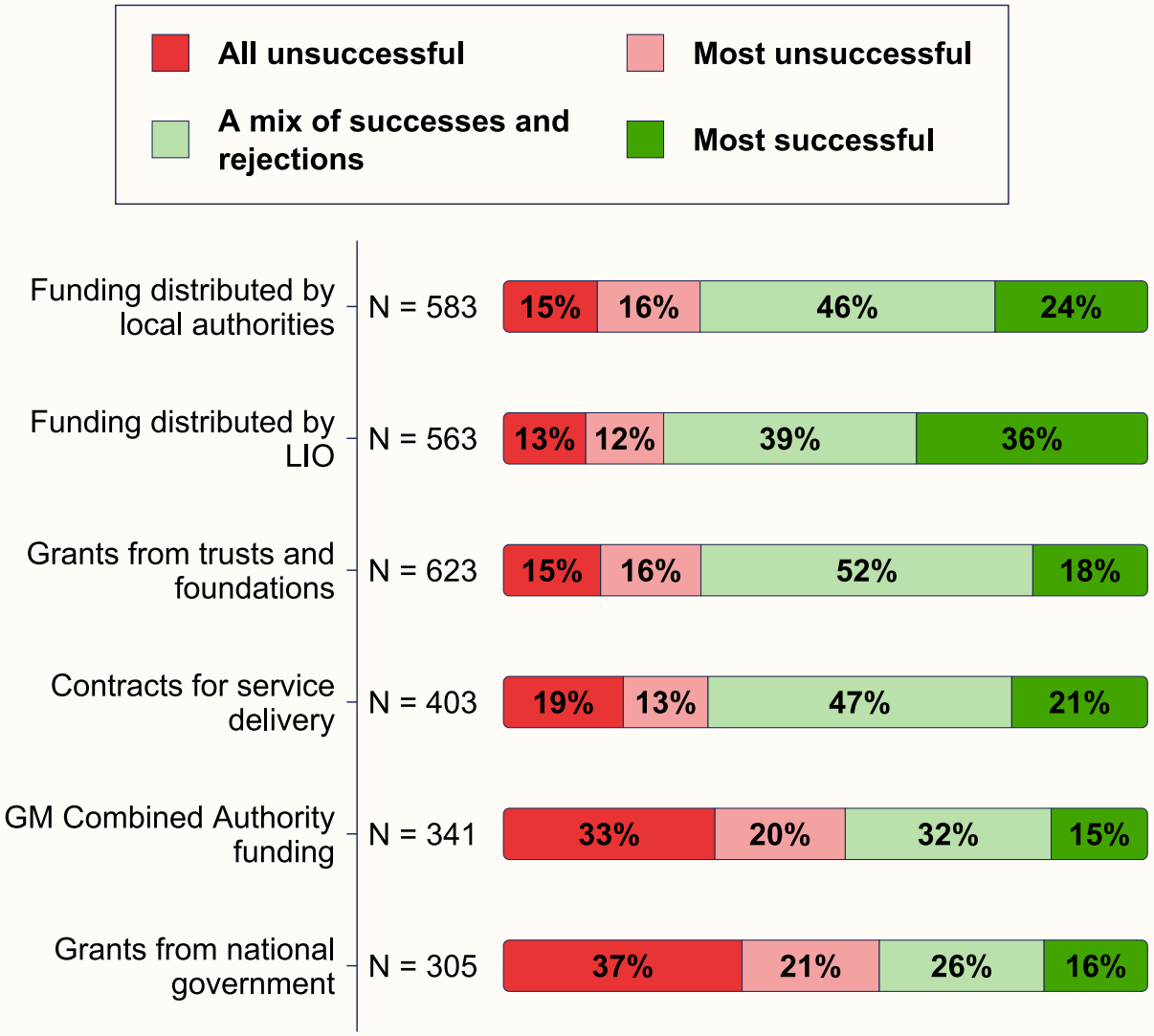
> “The funding environment has got a lot tighter… an expectation of doing more for less… There's less money around and it's more difficult to get hold of. You're often not eligible for certain funds because you're either too big or too small or can't come up with the governance requirements that go alongside it. There's more scrutiny [and] reporting required, yet there isn't any resource to do that because the expectation is that the money will go into the delivery without actually thinking about what else needs to be funded in order to make this successful.”

For these organisations, increasing the number of funding opportunities would not, on its own, resolve the difficulty, because substantial administration can take time away from delivering the activity they are intended to support. Evidence from both the survey and focus groups suggested that place-based funding offered the strongest opportunities for those applying because those funders typically had a clearer understanding of needs within their communities and the role of VCSE organisations.

When asked how successful they were in applying for funding sources relevant to them over the past year, three quarters report being very or somewhat successful in securing funding distributed by a local infrastructure organisation (75%). More than two thirds report success with local authority funding (69%), grants from trusts and foundations (69%) or service delivery contracts (68%). Fewer report success with Greater Manchester Combined Authority funding (47%) or national government grants (42%).

As well as being most successful when applying for funding distributed by their LIOs, focus group participants also valued the practical help that LIOs provided in finding and accessing funding. This included support to become constituted, find suitable opportunities, prepare applications and manage administration. Some described being able to obtain funding after earlier unsuccessful attempts, while others received help to establish the organisation through which they could develop their ideas.

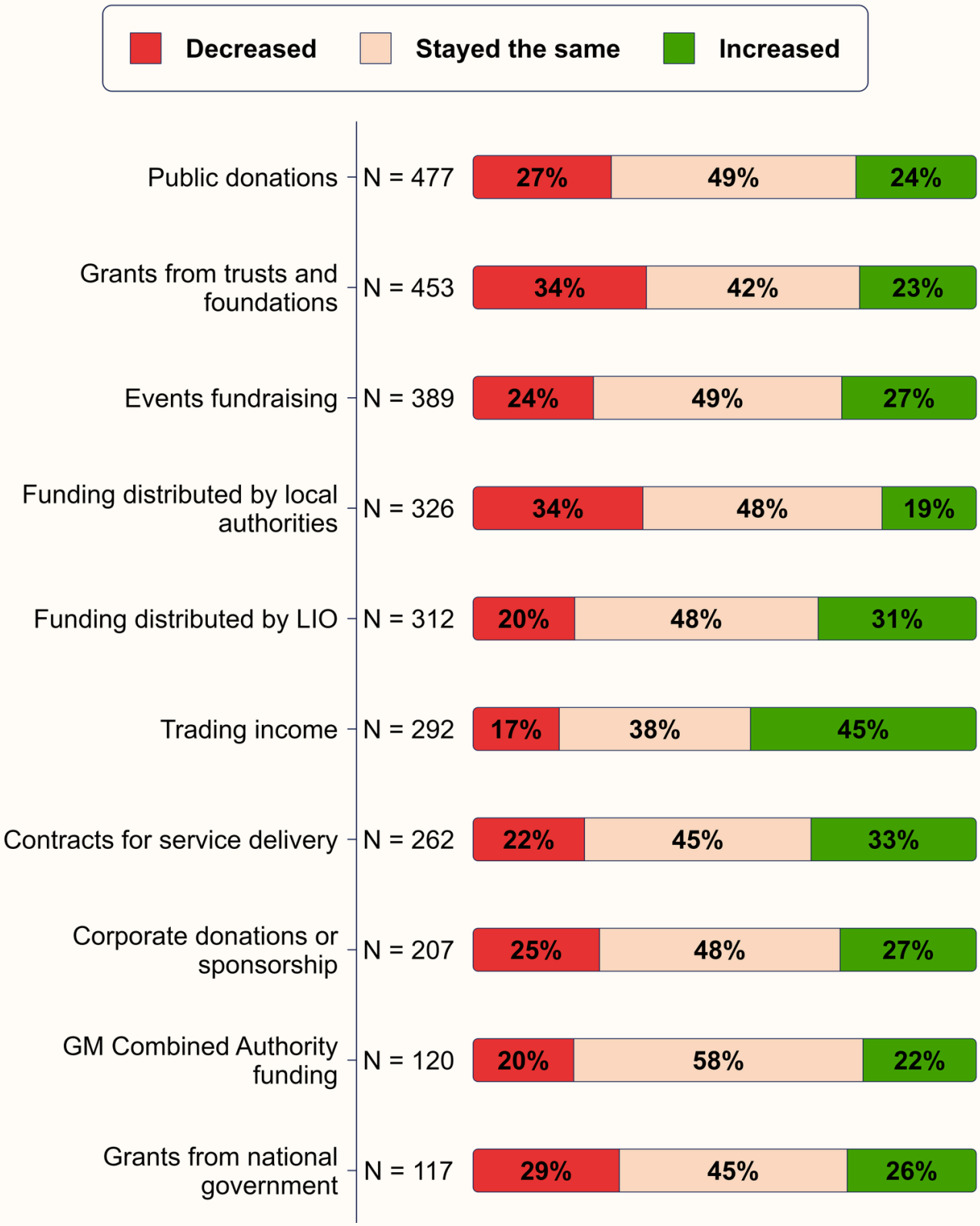
Figure 6.5. Success in funding applications over the past 12 months



Note. Bases are shown in the chart and vary by source. 'Didn't apply' responses excluded for each source. Shows outcomes among organisations that applied to each source. Percentages may not sum to 100% due to rounding.

Because success when applying for funding does not necessarily translate to stable or sufficient income, we asked organisations whether there had been any change in the amount of income from these funding sources over the past year. Although the largest proportion report no change, substantial minorities report either increases or decreases. A third of organisations reported a decrease in local authority funding (34%), compared with 19% reporting an increase. Decreases were also more common for grants from trusts and foundations (34%) and public donations (27%) than increases (23% and 24% respectively). In contrast, almost half report an increase in trading income (45%), compared with 17% reporting a decrease. Around a third say income from service delivery contracts (33%) and local infrastructure organisations (31%) increased, while around one in five say income from each of these sources decreased.

Figure 6.6. Change in income from different sources over the past 12 months



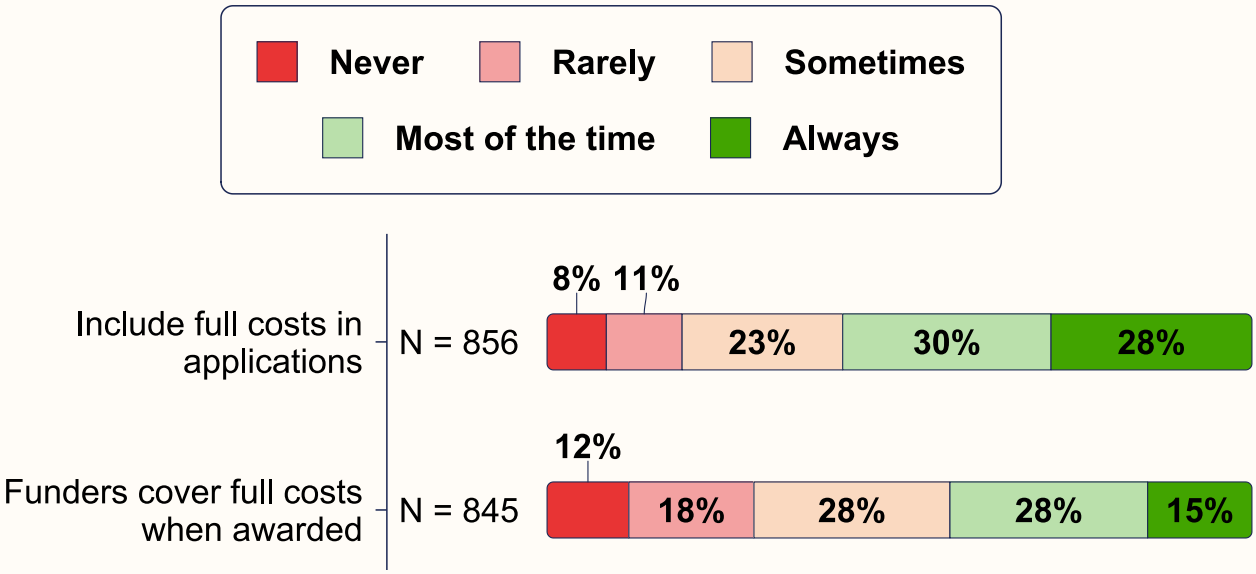
Note. Bases are shown in the chart and vary by source. 'Not applicable' responses excluded for each source. Percentages may not sum to 100% due to rounding.

6.4. Full cost recovery

Funding arrangements must provide stability and longevity, cover the full cost of delivering services, and provide uplifts when costs rise so that support can be sustained. We asked organisations how often they requested full costs in their funding applications, and how often those full costs were covered when awarded.

Almost three in five say they include full costs in applications either always (28%) or most of the time (30%). Just under a quarter say they do sometimes (23%), while one in five say they rarely (11%) or never (8%) do. Around two in five say that full costs are covered either always (15%) or most of the time (28%) when funding is awarded. More than a quarter say their full costs are sometimes covered (28%), and just under a third say they are rarely or never covered (30%).

Figure 6.7. Full cost recovery



Note. Bases are shown in the chart. 'Don't know' responses excluded. Percentages may not sum to 100% due to rounding.

National evidence also shows that there is a substantial gap between what organisations ask for and what is covered when funding is awarded.[17] But these findings also suggest that many organisations do not consistently include full costs at the application stage. **In the focus groups, some felt pressure to reduce the amount requested to improve their chances of receiving funding**. One explained how competition encouraged organisations to offer more than the award could cover:

> "If you ask for that little bit extra… you're putting at risk getting that bid. We are willingly underselling ourselves to get success."

Even where this approach improves success, it is likely to leave preparation, volunteer supervision, administration and other work needed to deliver a project inadequately funded. **NCVO**'s research with charities delivering public services showed that almost nine in ten (87%) reported subsidising their grants or contracts.[19] Organisations in focus groups described the practical implications of funding that fails to cover core costs, including the burden often falling on staff and volunteers.

> "There should be more funding available to actually cover the full cost recovery of delivering a particular service or a particular project, rather than saying, well, we can deliver this, but we can only do it if we rely on the labour of volunteers."

One organisation that had been successful with funding that failed to cover the cost of delivering services described the realisation of the mismatch between what is paid and what is covered, and that they would not be applying again:

> "We won't do it again… for the amount of money that you get compared to the amount of work they want you to do… it is not equal."

If such work is to be carried out sustainably, then it is not only important for applicants to include full costs at the application stage, but for funders to actively encourage this.

6.5. Multi-year funding

Longer-term and more flexible funding is also a leading priority in the sector because it offers greater scope to plan services and resourcing beyond successive short-term awards.[26] In the focus groups, organisations emphasised the importance of long-term funding that provides stability not only for the organisation but also for the communities it serves, and described the difficulty in finding and securing it:

> "There doesn't seem to be much long-term funding at the minute… we've had to put an announcement out about closing some of these groups. They are vital, you know, crisis support for the community … We seem to get funding for projects, but not actually for … the bills and, you know, to keep the space warm."

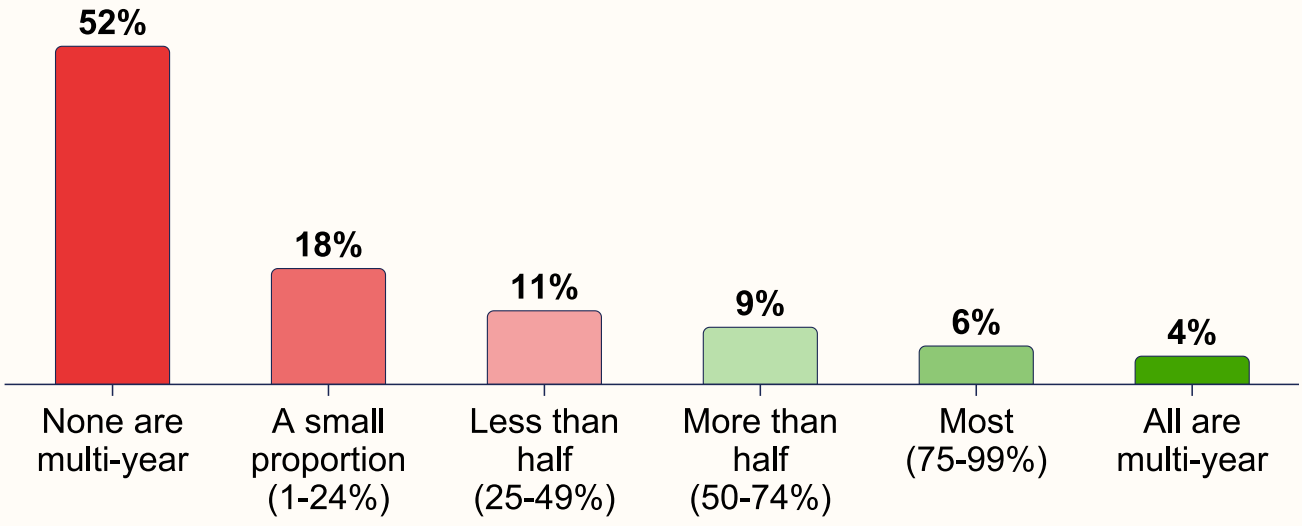


When asked what proportion of the grants or contracts awarded to their organisation provide multi-year funding (lasting three years or more), just over half of organisations receiving grant or contract income say that **none is** multi-year (52%). Only one in ten say most or all of the grants or contracts awarded to their organisation are multi-year (10%), while just under one in five say that a small proportion are (18%).

Multi-year funding may provide a degree of stability and longevity, but it also needs to cover the cost of work involved over the lifecycle of the project. The importance of funding uplifts has only increased further due to the ongoing cost-of-living crisis and geopolitical instability which have raised prices for organisations and the people they support. In the focus groups, one organisation described the multifaceted impact when longer-term funding is not accompanied by uplifts:

> “What happens now is that you bid for a contract and it's over three or four years and the contract doesn't go up. It stays the same … unless you remodel every year, you lose members of staff because your contract's not worth what it was … the contract won't go up, but everything else is going up.”

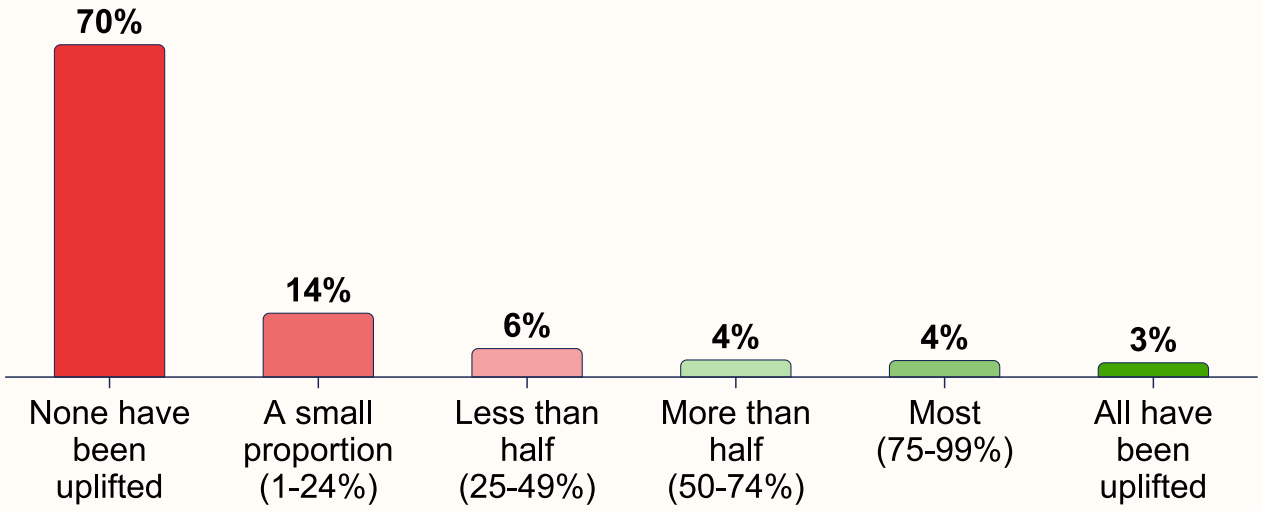
Figure 6.8. The proportion of organisations’ grants or contracts that are multi-year (three years or more)



Note. Base = 832. Question shown only to organisations receiving income from grants or contracts from any source.

Having the security that funding will be uplifted when the cost of delivery increases helps organisations maintain support without having to make difficult decisions about cross-subsidisation and staffing. However, when we asked organisations receiving at least some income from grants or contracts whether these had been uplifted in the past year, seven in ten say none had been uplifted (70%). Only one in ten say half or more had been uplifted (10%). National research also finds that uplifts are uncommon, particularly for shorter-term public funding.[17] However, it is important to recognise that this question covers grants and contracts from all sources, so it should not be read as an assessment of any single funder.

Figure 6.9. The proportion of organisations' grants or contracts that have been uplifted over the past 12 months



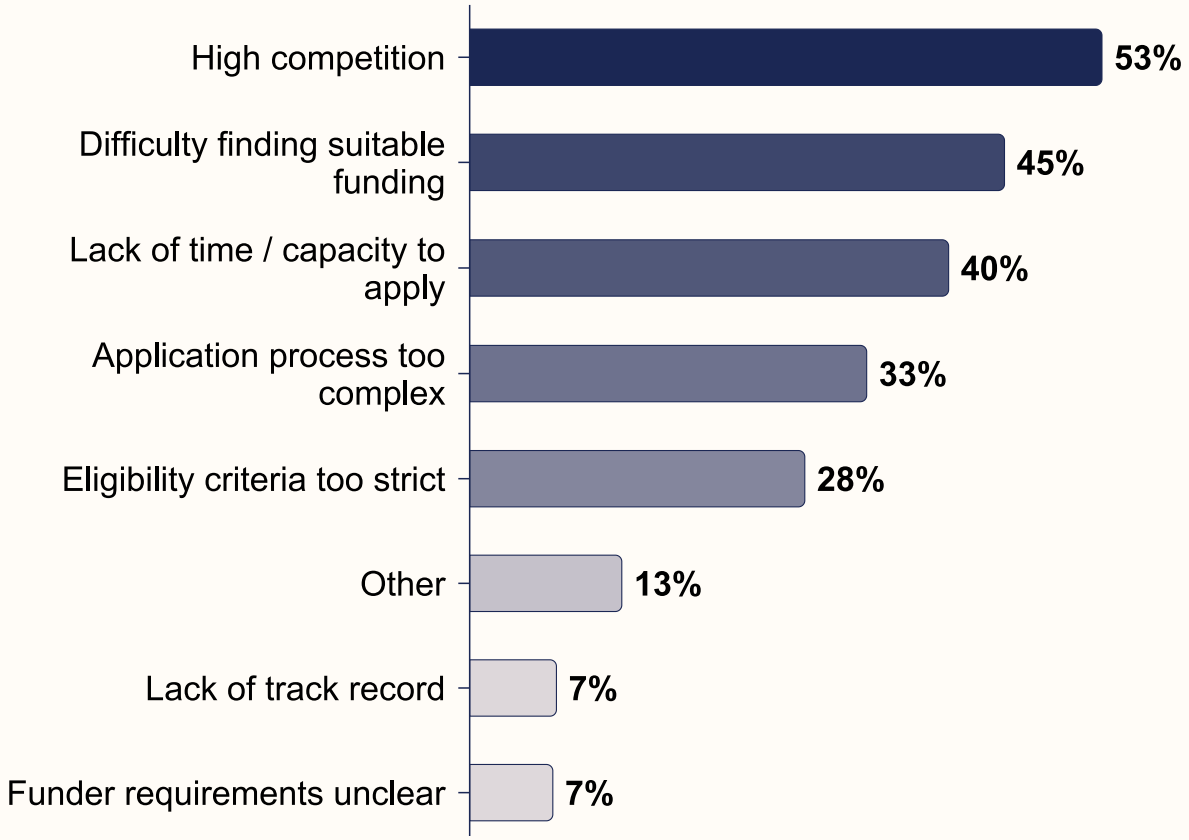
Note. Base = 829. Question shown only to organisations receiving income from grants or contracts from any source. Percentages may not sum to 100% due to rounding.

6.6. Funding pressures and how organisations are responding

With these findings pointing toward an increasingly competitive and resource-intensive funding landscape, we asked responding organisations to identify the biggest challenges associated with finding, applying for and securing funding. Just over half point to high competition (53%), followed by difficulty finding suitable funding (45%) and a lack of time or capacity to apply (40%). A third find application processes too complex (33%), and more than a quarter say eligibility criteria are too strict (28%).



Figure 6.10. Funding challenges



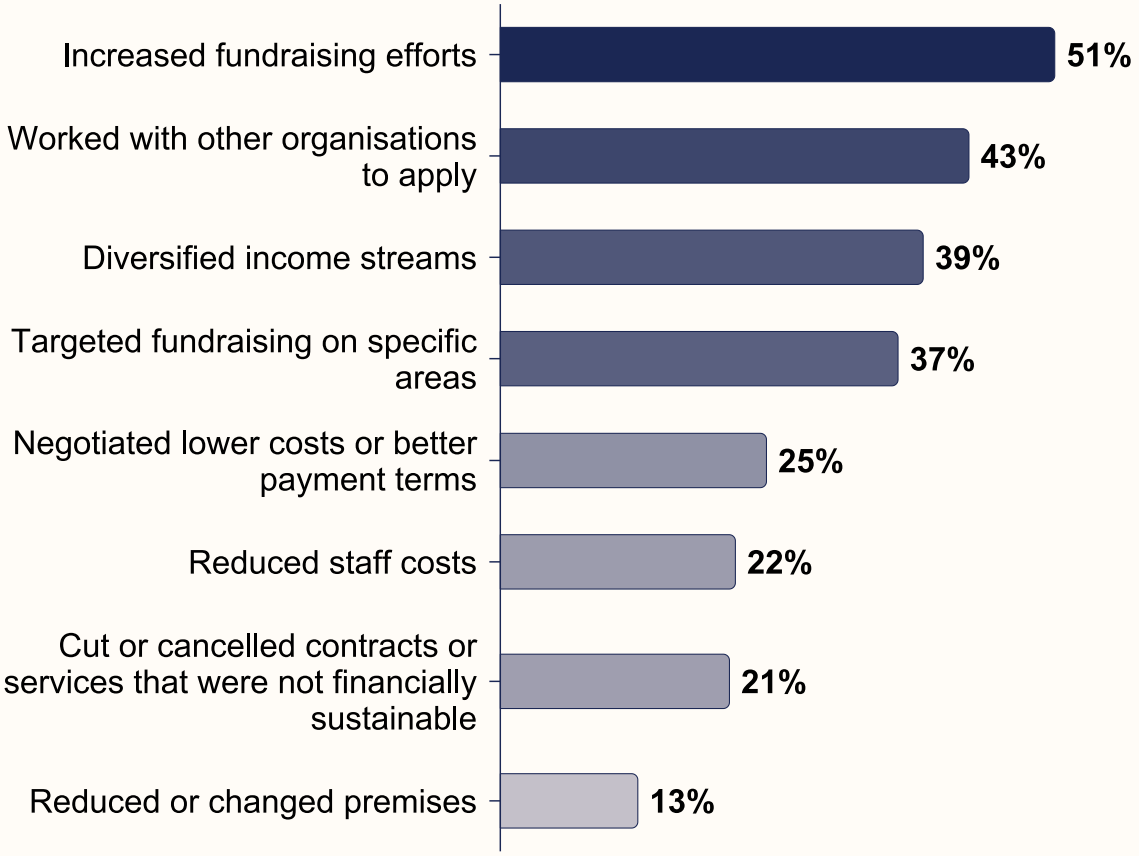
Note. Base = 1,010. Respondents could select more than one option, so percentages do not sum to 100%.

Findings from the focus groups show how these challenges weigh differently across the sector. A volunteer-led or small organisation may have strong local relationships and a clear case for support but little time to search for opportunities, write bids and produce the evidence required. Newer organisations may have ideas but lack a track record. Some communities may be excluded by funder rules. One organisation described the pressure on more established organisations that become too large for small grants but lack the capacity or expertise for larger opportunities.

> “It's very difficult… you have national funders… they're all going through restructures. They're very bespoke now, more than they ever used to be, so unless you fit that mould, you don't even get a look in. I think it's putting a lot of pressure on organisations that are more established. You can't go for the smaller pots because your turnover is too high, and the larger pots are really competitive or they've really drilled down what they've got to fund. It's a difficult landscape to sort of navigate.”

To understand how organisations are responding to funding challenges, we asked what steps they had taken over the previous year. Around three quarters (73%) had taken at least one action. Of this group, half had increased their overall fundraising efforts (51%), while more than two in five had worked with other organisations to apply for funding (43%). Just under two in five had diversified their income or funding streams (39%) or taken a more targeted approach to fundraising (37%). Other organisations had taken action to reduce costs; a quarter negotiated better payment terms with suppliers (25%), a fifth reduced staff costs (22%), and a similar proportion cut or cancelled contracts or services that were not financially sustainable (21%). For the quarter taking no new action over the previous year (24%), this may reflect limited scope to respond or measures already introduced before that period.

Figure 6.11. Actions taken in response to funding and income challenges



Note. Base = 730. Excludes respondents selecting 'No actions taken' (N = 273). Respondents could select more than one option, so percentages do not sum to 100%.



While survey findings show that two in five are working with others to apply for funding, some organisations in the focus groups noted that the nature of funding arrangements undermines the collaboration expected of organisations.

The same organisations may be asked to work together on strategy and referrals while competing for short-term grants.

> “The voluntary sector is pitted against each other… but we’re also expected to work in partnership.”

Smaller organisations said that some partnerships meant committing staff or volunteer time that was not always funded. They described occasions when their ideas, community relationships or delivery knowledge were used without an equal role in decisions or resources. Participants wanted commissioners and strategic partners to involve them earlier, recognise differences in organisational capacity and fund the work required to participate.

The findings suggest that organisations are responding to funding challenges by reducing their dependence on a single income source. **NCVO’s UK Civil Society Almanac** shows how widespread reliance on a mix of sources already is, 62% of organisations had no single source providing most of their income, rising to 73% among micro and small organisations.[27] While these changes show adaptation, some focus group participants described diversifying income to compensate for unsustainable funding arrangements and keep support going:

> “We have focused on trying to make things more sustainable, be less dependent on grants that just fund a project that's going to drop off a cliff and end when that funding runs out, and thinking about longer term ways of sustaining our activities or engaging with corporates to deliver some private workshops that may pay more that give us some surplus that we can then put into running [services].”

6.7. Premises and community assets

Physical premises and spaces are part of the sector’s contribution, providing places where people can meet, connect, and access support. More than half of responding organisations operate from premises they lease or rent (55%), while 29% use shared or free space and 15% own premises. Around one in seven do not use physical premises (14%). Buildings, gardens, parks, community centres and shared rooms were described as part of how support is delivered rather than as a separate overhead. A familiar place provides continuity, visibility, storage, accessibility and somewhere people can enter without a formal appointment.

At the same time, premises create ongoing costs through rent, utilities, repairs, insurance and staffing. Organisations without their own space face different constraints, repeatedly hiring rooms, moving equipment, and adapting activity to whatever venue is available.

Nationally, some large charity retailers have proposed or considered shop closures in response to rising costs.[28,29] This creates tension: physical spaces can be central to community access and trust but they can also be expensive and difficult to sustain. One organisation described the value of their premises and the expense of maintaining them as a 'blessing and a curse'. Funding programmes such as Live Well and the Green Spaces Fund provide investment in the development of community-led spaces that strengthen opportunities for connection and support.[15,30]

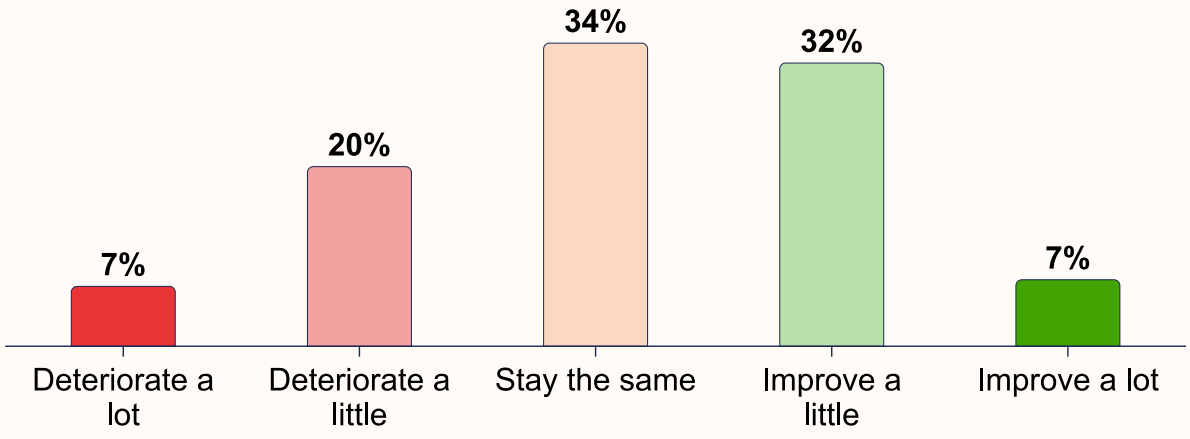
6.8. Future outlook

Findings from this report suggest that **Greater Manchester's VCSE sector is operating amidst uncertainty, supporting more people, many of whom have complex needs, and with fewer resources**. When asked about the future, organisations described being committed to making it work, but also understood that accommodating increased demand with fewer human and financial resources, while funders and commissioners often fail to provide support, is simply not sustainable.

> "If we're catching the people that fall through the cracks, can somebody catch us please now and again when we need catching?"

This uncertainty is reflected in mixed expectations about the year ahead. Two in five expect their financial position to improve over the next 12 months (39%), a third expect no change (34%), and more than a quarter expect it to deteriorate (27%).

Figure 6.12. Expected financial position over the next 12 months

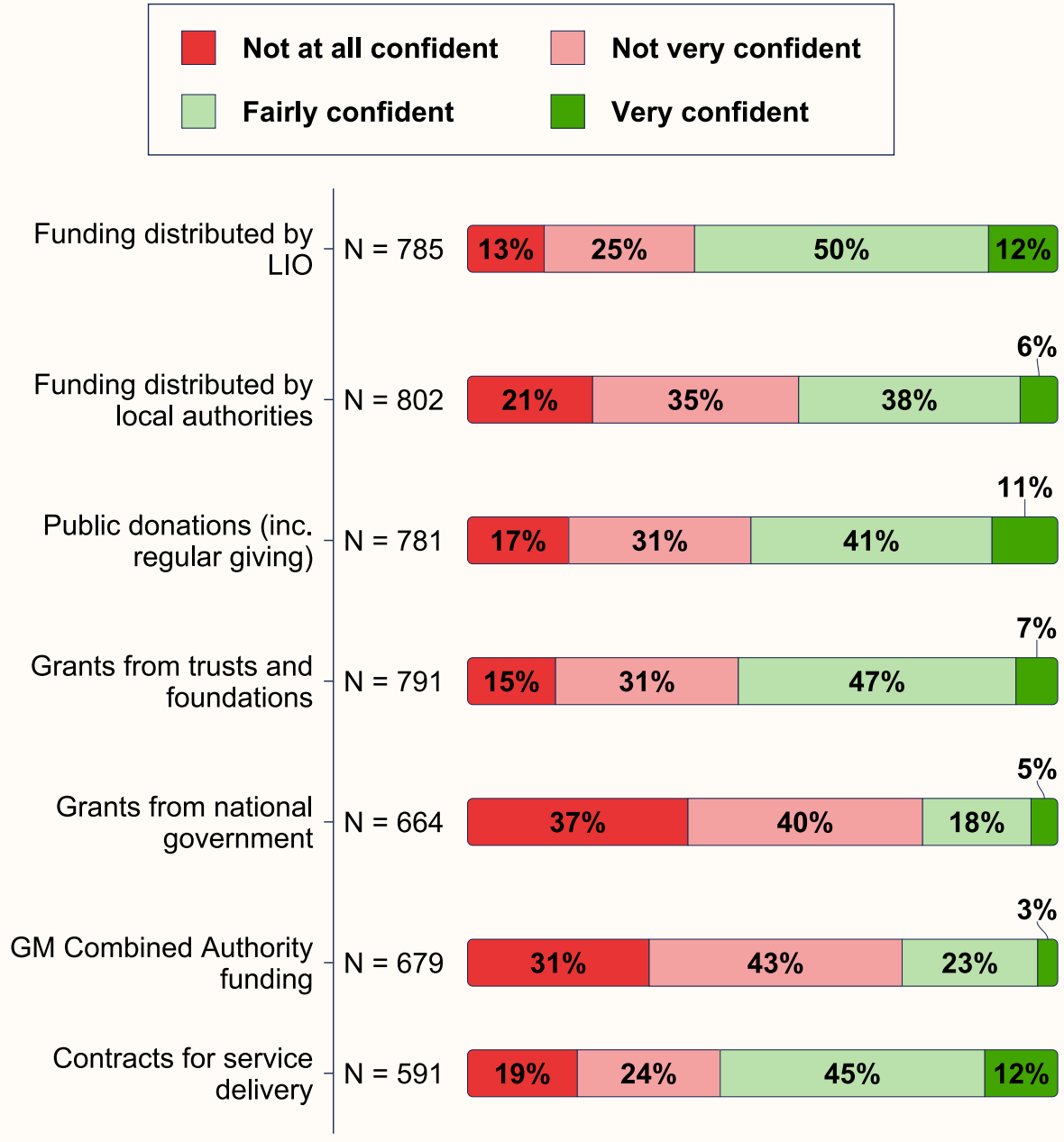


Note. Base = 939. 'Don't know' responses excluded.

In terms of funding, organisations are most confident about place-based routes that may be more accessible and familiar. **Three in five feel very or fairly confident in securing funding from local infrastructure organisations (62%)**, which was also the source with the highest success rate among previous applicants. **LIOs therefore not only play a key role in supporting, developing, and representing the VCSE sector, but also in acting as a vital source of income for organisations in their communities.**

More than half feel confident about securing funding from service delivery contracts (57%), grants from trusts and foundations (54%) and public donations (52%). In contrast, around three quarters are not very or not at all confident about national government grants (77%) or GMCA funding (74%).

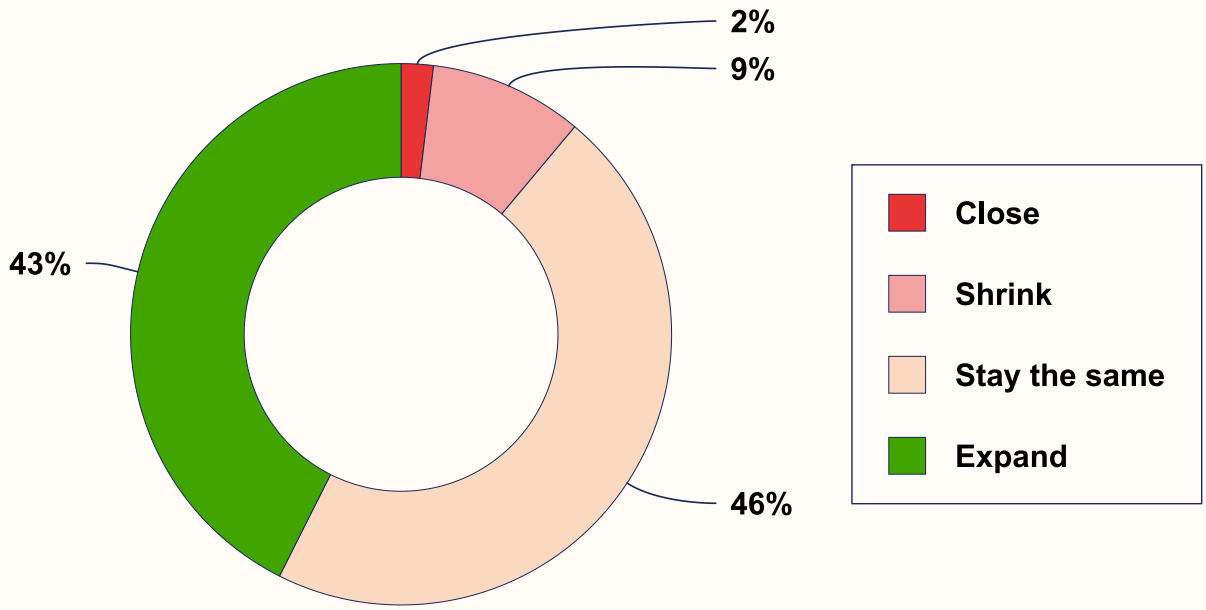
Figure 6.13. Confidence levels in funding over the next 12 months



Note. Bases are shown in the chart and vary by source. 'Not applicable' responses excluded for each source. Percentages may not sum to 100% due to rounding.

Operationally, more than two in five responding organisations expect to expand (43%), while almost half expect to remain at a similar level (46%). Much smaller proportions expect to shrink (9%) or close completely (2%).

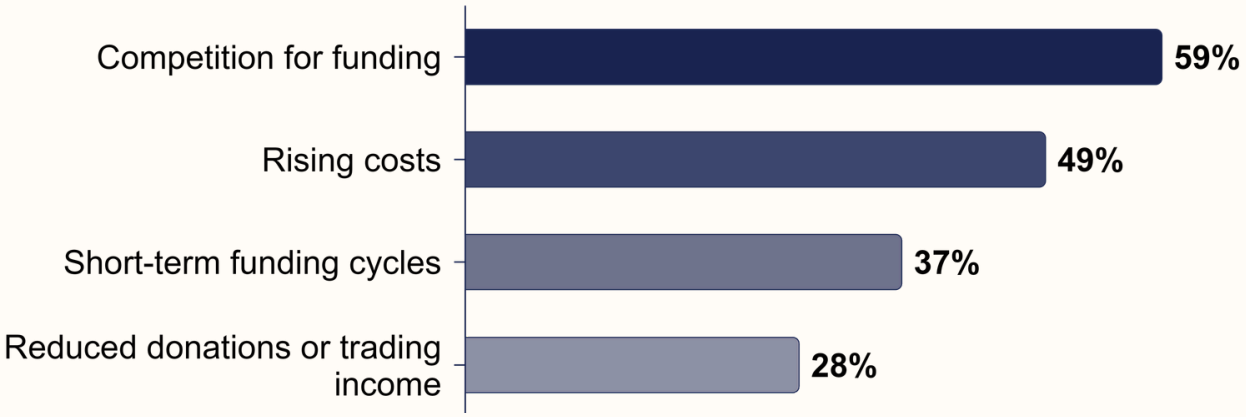
Figure 6.14. Organisational expectations for the year ahead



Note. Base = 937. 'Don't know' responses excluded.

These plans for growth sit alongside a number of risks to their financial sustainability, the most commonly reported being competition for funding (59%), rising costs (49%), and short-term funding cycles (37%). These are also difficulties organisations are already responding to through greater fundraising, trading, collaboration and, in some cases, reductions in spending and services.

Figure 6.15. Risks to financial sustainability (top 4)



Note. Base = 940. Respondents could select more than one option, so percentages do not sum to 100%.

6.8. In summary

Greater Manchester's VCSE organisations remain committed to sustaining and expanding their support, but many are doing so while using reserves to cover general operating costs, seeking additional income and absorbing costs that funding has not kept pace with. These actions can keep services running and support available, yet leave less money and time to respond to new emerging need or invest in development. Diversifying income offers opportunities, but requires investment and cannot indefinitely compensate for awards that lose value as costs rise or end while communities still need support.

Greater financial security therefore depends on the terms of funding as well as the ability to secure it. Longer commitments, realistic uplifts and flexibility to respond to changing needs would help organisations support volunteers, retain staff, maintain premises and rebuild reserves. Proportionate application processes and funded participation in partnerships would make these opportunities more accessible to organisations with limited capacity. Greater certainty in public funding settlements and investment through programmes such as Live Well provide an opportunity to improve these conditions. Their lasting value will depend on whether resources sustain the people, spaces and organisational capacity needed to provide dependable support over time.



7. Reflections and the future

The evidence set out in this report tells a consistent story. Demand for VCSE support across Greater Manchester continues to rise, groups and organisations are meeting it through means that were never designed to last, and the funding system underneath them has not moved to match either. What follows sets out what that means, and what needs to change.

Resilience is not sustainability

Three in four organisations report rising demand over the past year. Among organisations receiving grant or contract income, seven in ten say none of this funding has been adjusted to reflect rising costs, and more than half hold no multi-year funding at all. Under this pressure, organisations have kept going through means that were never designed to be permanent. Reserves of community capacity and finance have been drawn down and not rebuilt.

Volunteer recruitment and retention is increasingly difficult for people when work is unpredictable and precarious, when care responsibilities are growing and when health inequalities are wide. Existing staff and volunteers have worked extended hours to protect services and meet new demands. Some organisations have quietly narrowed what they offer, simply to keep offering something. Resilience of this kind is not evidence that the system is working. It is evidence of what people are prepared to give to stop it failing.

Our VCSE groups and organisations have shown repeatedly over time that they can meet a crisis, and so this distinction matters. They cannot keep doing so indefinitely on short-term, uncertain funding that assumes the crisis will end on its own. What this sector needs is a shift from crisis management to sustainable investment, and that will not happen through its own efforts alone.

Beneath the headline numbers

A survey like this can only describe organisations that are still operating. Some have closed since the last report, and newer groups have grown in their place, often better suited to today's operating environment and taking more enterprising approaches to generating their funding, but not always fully replacing what was lost. Those newer organisations are still building the local relationships, trust and institutional knowledge that take years to establish. They need deliberate, early investment to get there. Getting that right is how Greater Manchester turns renewal into lasting strength instead of a slow loss of what communities can rely on.

Trust continues to distinguish this sector. People find these organisations by word of mouth more than any other route. Many are led by people with direct, lived experience of the communities they serve. They function as a route into health, care and support systems for people that more formal pathways do not reach, although this is not always reflected in how the system allocates resources and designs its approaches.

That trust cannot be procured or built quickly, and it ranks among the most valuable assets Greater Manchester has.

The role of infrastructure and system enablers

Much of what makes this sector resilient can be attributed to Greater Manchester's network of **Local Infrastructure Organisations** (LIO). Among organisations that applied for funding over the past year, success was most commonly reported by those applying through a LIO, compared with those applying to local authorities, trusts and foundations, or national government.

When the VCSE sector is involved in the design of service commissioning and grant funding then a more diverse range of providers with close connections to their communities find that funding more accessible. Infrastructure bodies also provide the funding advice, governance support and volunteer brokerage that smaller and newer organisations rely on most, at exactly the point in their development when they can least afford to go without it.

This role is frequently assumed rather than funded. If infrastructure organisations are where the system already works best for VCSE organisations, investing in their capacity is one of the most direct ways Greater Manchester can strengthen the sector as a whole, rather than relying on individual organisations to navigate an increasingly complex funding landscape alone.

A different way of working

Greater Manchester is already showing what a different response can look like. Its developing **Live Well programme** has started to recognise how community organisations can engage and inspire those that need support. Recent investment such as the **National Lottery-funded Live Well Spaces of Hope and Connection** programme shows real appetite for a different way of working, across funders, the public sector and communities themselves. These approaches trust communities to lead and build equity into designs from the outset, rather than treating it as an add-on. The task now is to make that the rule, not the exception.



What Greater Manchester cannot do without

Greater Manchester's VCSE sector will keep going. On the evidence in this report, it will do so through further reserves depleted, further hours unpaid and further services quietly reduced. That is because the people in it do not walk away from the communities they serve. It is far less certain whether Greater Manchester's funders, public bodies and national government can deliver their own ambitions for people's health, for safer and more connected neighbourhoods, and for a fairer local economy. None of that happens without a thriving VCSE sector alongside these ambitions.

What this means in practice is straightforward, even if it has proved difficult to deliver. Funding needs to cover the full cost of delivery, more of it needs to run across multiple years, and increases in cost need to be reflected in the value of grants and contracts, not absorbed by the organisations delivering them. Infrastructure bodies need to be resourced for the role they already play, not treated as a free service layered on top of the sector's own capacity. Getting this right will not resolve every pressure facing Greater Manchester's VCSE sector. It would, however, give it a fighting chance to build resilience on firmer ground, rather than rebuilding it every time the next crisis arrives.



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