



Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
House of Commons
London
SW1A 0AA

Dear Chancellor,

On behalf of voluntary, community, faith and social enterprise (VCFSE) organisations across the North West, we are writing to you to express our concerns regarding future VCFSE investment, particularly in relation to future plans for the UK Shared Prosperity Fund (UK-SPF).

We welcome the focus on employment, skills and growth within the Labour manifesto and the opportunities devolved funding may provide. The VCFSE sector in the North West provides a joined-up work, health and skills offer for our communities. We also welcome the development of a new Civil Society Covenant to work in partnership to tackle some of the country's biggest challenges and deliver better outcomes for communities.

As you will know, UK-SPF was intended as a replacement for European funding post Brexit, designed to tackle inequalities and support people into meaningful work. This funding will terminate in March 2025. With no clear plan to replace this our organisations that have supported communities through austerity, Brexit, the pandemic, financial crises, and cost of living crisis are now facing a funding cliff edge.

The VCFSE sector in the North West is a significant provider of employment and skills support and we have a long history of successfully supporting people into employment and training, providing substantial social value and return on investment. We play an expert, irreplaceable role working with those furthest from the labour market, the economically inactive and people with complex needs and have strong reach into these communities in a way that public and private sector providers are unable to replicate.

Our soon to be published report “**Entering the New Era: Understanding the VCFSE sector’s role in employment and skills**” encapsulates just how integral the VCFSE sector is in delivering against the skills, employment and growth agenda. For this report we interviewed VCFSE leaders across the North West to explore the sector’s role in employment and skills, which is now more crucial than ever. Key findings within the report highlight how our work grows the economy by these communities into meaningful work, providing wraparound support to keep people in work and lifting families out of poverty.



UK-SPF is currently the only source of funding to support young people who are not in education, employment or training (NEET), the economically inactive and the digitally excluded. The sector's unique skills and expertise, already under pressure from the permacrisis of the past 14 years, are at risk of being irreparably damaged without the continuity needed to avoid the cliff edge.

In order to **stop the chaos, rebuild the country** and **restore hope** we need investment in these organisations and projects that are community lifelines. VCFSE organisations with excellent records of delivery are struggling to plan ahead, even by six months, and uncertainty for staff could lead to significant and potentially irreparable damage to capacity in delivering work that plays a crucial role in **kickstarting economic growth**.

The Government's commitments to a Youth Guarantee and supporting people into work are welcome, but without a clear plan for short and long term investment we are on the precipice of losing long-established successful services, a shrinkage of the diversity in the VCFSE sector and less resilient communities. Time is running out.

On behalf of the North West VCFSE sector, we are asking you to take urgent action to minimise disruption to its vital services and offer the following solutions:

1. Put in place a one year extension of UK-SPF until a suitable successor can be properly planned and rolled out.
2. Consider the key findings and recommendations from our "*Entering the New Era: Understanding the VCFSE sector's role in employment and skills*" report
3. Work with the sector to develop Labour's new and exciting approach to economic growth.

We believe this would allow for organisations to retain their skilled workforce and plan for the future, ensuring continuity of much needed support for local communities, and supporting the sector to realise its full potential in supporting economic growth, higher employment rates and social inclusion.

Your sincerely,

A handwritten signature in blue ink, appearing to read 'W. Escadale'.

Warren Escadale
CEO
Voluntary Sector North West

A handwritten signature in blue ink, appearing to read 'S. Yeoman'.

Sally Yeoman
Chair
Voluntary Sector North West

<http://www.vsnw.org.uk>