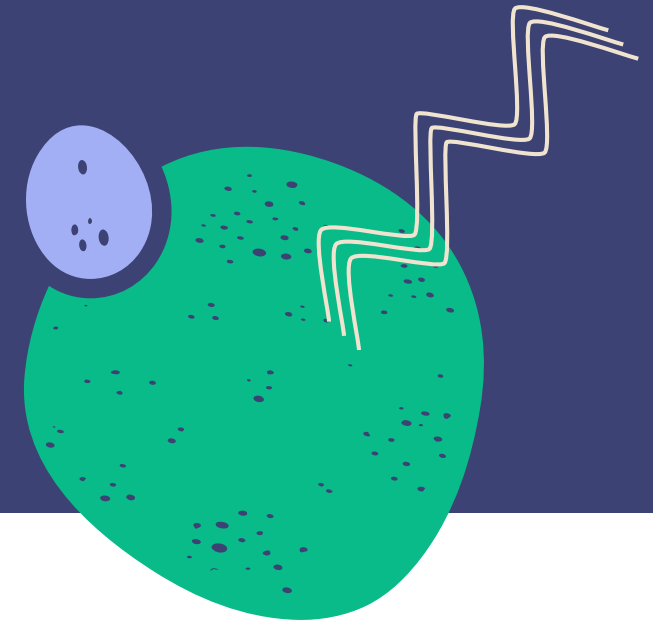


Respond, recover, reset: the voluntary sector and COVID-19

April 2021



Funded by





Project partners



The Centre of People, Work and Organisational Practice at Nottingham Trent University

The Centre of People, Work and Organisational Practice is based at Nottingham Trent University and works with organisations and policy-makers to understand and to seek to improve how people are managed within organisations. We are committed to producing theoretically rigorous work that is not only published in top academic journals but also transforms lives and society. Working with collaborators from different parts of the world, CPWOP has conducted research with and for organisations such as the CIPD, Department for Digital, Culture, Media and Sport, the Government Equality Office and the Lloyds Foundation. The centre focuses on the way in which people are managed in the face of critical challenges facing the economy and society, given growing concerns about work quality and a proliferation of insecure and precarious jobs within the UK economy.



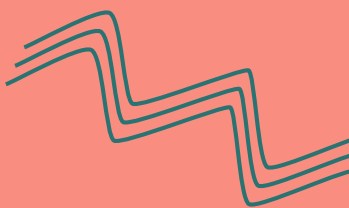
The Voluntary Action Research Group at Sheffield Hallam University

The Voluntary Action Research Group (VARG) brings together researchers from across Sheffield Hallam University. VARG serves as a forum to showcase and build on internationally significant research and evaluation and shaping debates about the past, present and future of voluntary action.



National Council for Voluntary Organisations (NCVO)

With over 15,500 members, NCVO is the largest membership body for the voluntary sector in England. It supports voluntary organisations (as well as social enterprises and community interest companies), from large national bodies to community groups working at a local level. NCVO believes its members, and those with a stake in civil society, need the best quality evidence base to help them inform policy and practice, and plan for the future.



Introduction: The relationship with local authorities during the pandemic

The relationship between voluntary, community and social enterprise (VCSE) organisations and local authorities for VCSE organisations is critical. Local authorities can be a key a partner in delivering services, a source of finance or provider of critical infrastructure such as community centres.

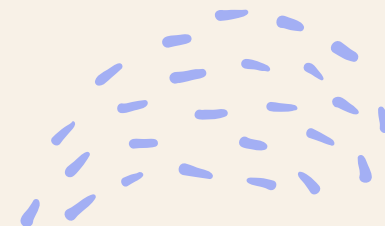
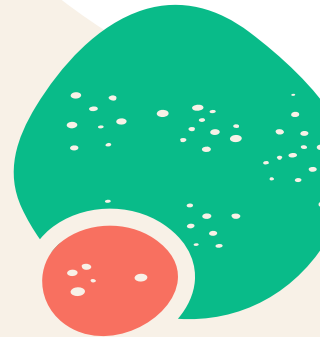
At times of crisis, where community level responses are needed, this working relationship is critical to provide rapid, bespoke, and localised responses appropriate to local conditions. This month's report looks at the way that the pandemic has changed this relationship.

In some areas this relationship has changed a lot. Whilst some VCSE organisations have struggled to engage with the local authority, in other places VCSE organisations and local authorities have collaborated like in new ways to deal with the pandemic. In the early crisis stage some areas saw high degrees of collaboration, resulting in barriers broken down, new working relationships forged, and partnerships developed. Our survey reveals that for organisations who have worked with local authorities, half say their relationship has improved during to the pandemic.

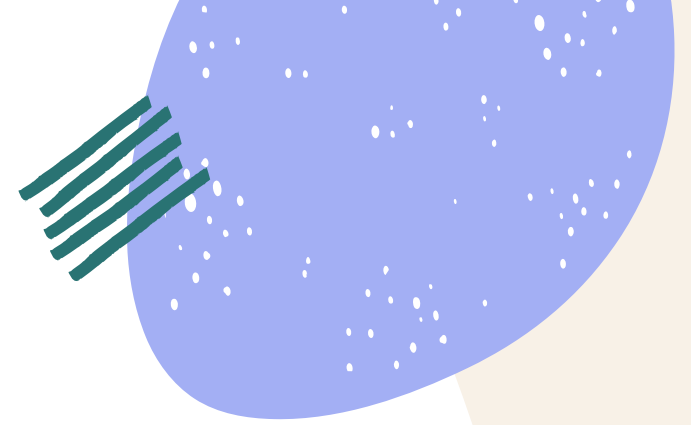
Yet the future is uncertain. A recent National Audit Office (NAO) report states there is an estimated £9.7bn income losses for local authorities in 2020-21, causing long-term funding pressures. With high demand and expected reduction in tax bases local authorities face an uncertain future (NAO 10th March 2021). This is reflected in our survey whilst 9% of surveyed organisations expect an increase in funding 22% anticipate decreases.

“ The early crisis stage some areas saw high degrees of collaboration, resulting in barriers broken down, new working relationships forged, and partnerships developed. ”

Wave 7 will explore the volunteering during the pandemic. We continue to look at how organisations are coping and also what lessons have been learnt from the pandemic. If you want to get involved, or find out more please email us at CPWOP@ntu.ac.uk or [visit the website](#).



COVID-19 voluntary sector impact barometer



The monthly barometer survey

The purpose of the monthly barometer survey is to produce timely snapshots of the condition of the voluntary and community sector (VCS) throughout the life of this project. We have tried to create a survey that is inclusive, quick and easy to complete. As we approach the end of the financial year, this wave of the barometer we explored in more detail the impact that Covid-19 has had on the financial position of organisations and the expectations for the next financial year starting from April 2021. We plan to continue observing the changes in the financial position of the voluntary organisations in response to the pandemic in 2021. This information will also be available online via the [data dashboard](#). The dashboard now includes an analysis of trends across the six waves of the survey completed so far.

The sixth wave of the survey was completed between 8th March and 22nd March. This generated responses from 536 organisations across the UK. In this wave, we saw a marked increase in the level of responses from Scotland and Wales, but we remain keen to extend coverage of the survey in each of the UK nations (particularly Northern Ireland) as this will allow us to better understand any geographic differences in the impacts of the pandemic on the sector.

The sample

As we saw in the last five waves of the survey, a wide range of organisation types and a hugely diverse range of activities are represented in our sample. 80% of the organisations identified as registered charities, 19% indicated that they have limited company status and a total of 7% of participants reported being community interest companies or voluntary associations.

23% of organisations (122) identified themselves as a social enterprise

23% (125) describe themselves as age-specific

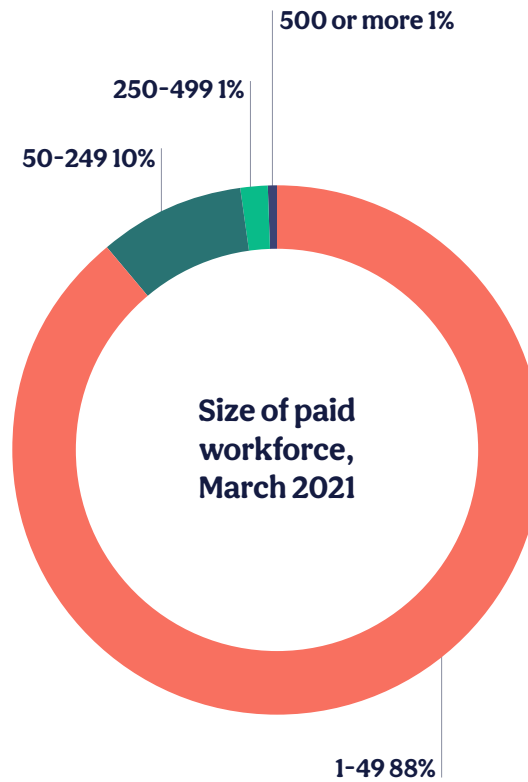
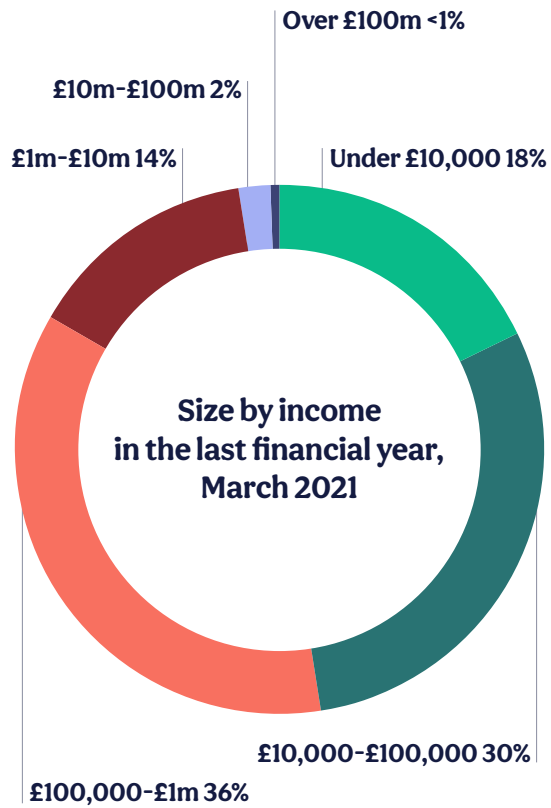
13% (69) described themselves as a deaf and disabled peoples' organisation

12% (63) described themselves as a BAME organisation

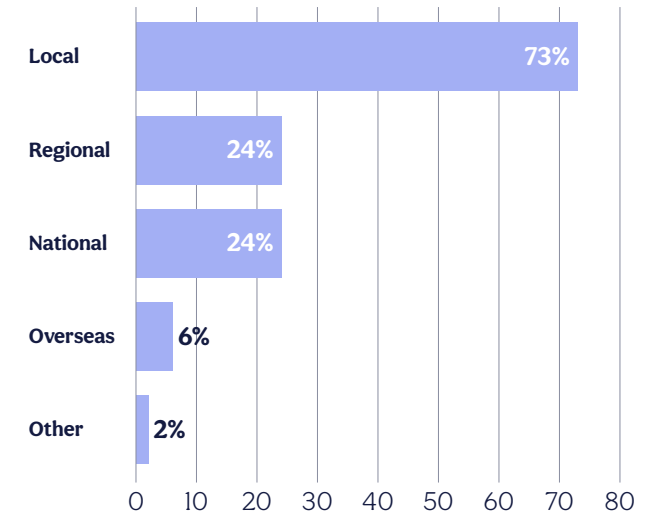
9% (46) described themselves as a women's organisation

3% (18) described themselves as LGBTIQ+ organisations

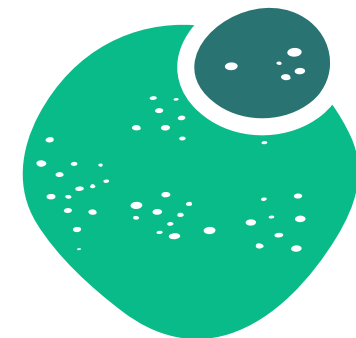
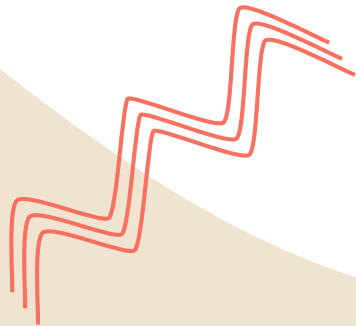


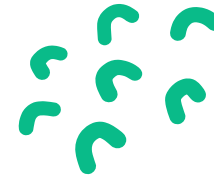


At what level does your organisation operate, March 2021



The most common activity types reported by survey respondents were in health, hospitals and nursing homes (including mental health) (12%), Community and economic development (9%) and individual and family services (7%).





Headlines

People

536 organisations responded to the survey

68% of the organisations employ paid staff

Finances

30% reported a deteriorating financial position in the last month

22% saw their financial position in the last month improve

46% reported a stable financial position in the last month

60% expect their financial position to remain the same over the next month

22% expect their financial position to deteriorate over the next month

Services

44% indicated that their range of services has decreased since March 2020

40% reported an increase in their range of services since the beginning of the pandemic

59% expect an increase in demand for their services over the next month

Outlook

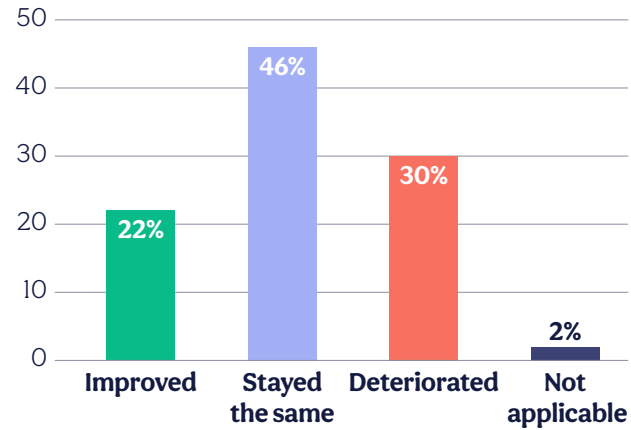
68% of respondents expect Covid-19 to have a moderate or significant negative impact on delivering their objectives next year

8% reported that it was quite likely or very likely that their organisation would no longer be operating next year (a 3% decrease compared to last month)

Finances and operations

In Wave 6, 30% of the organisations reported that their financial position has deteriorated in the last month compared to 22% who reported an improvement in organisation's financial position over the last month.

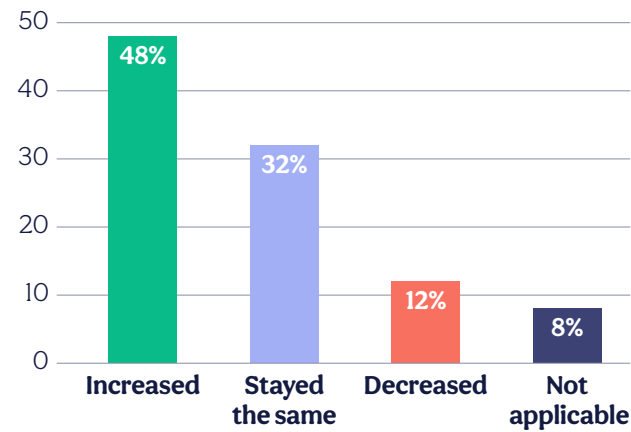
Change of the financial position over the last month, March 2021



The financial changes within the sector is a major theme in our research and different aspects of it will be explored in some depth over the next year – both through this barometer survey, the panel survey and in-depth interviews that are being conducted as part of this project.

Over the last month demand for services provided by the voluntary and community sector maintained the upward trajectory revealed in the previous waves – with 48% of organisations reporting an increase in the demands for their services.

Demand for services over the last month, March 2021

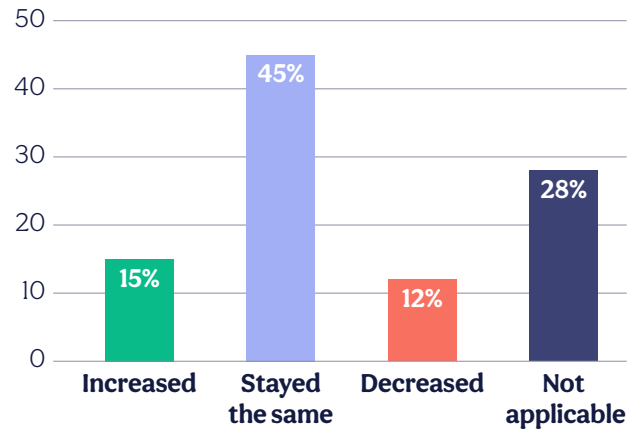


Workforce and volunteers

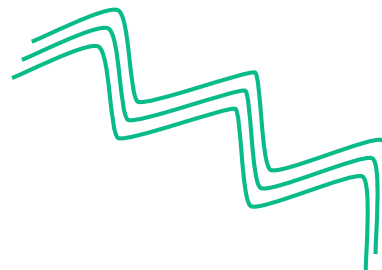
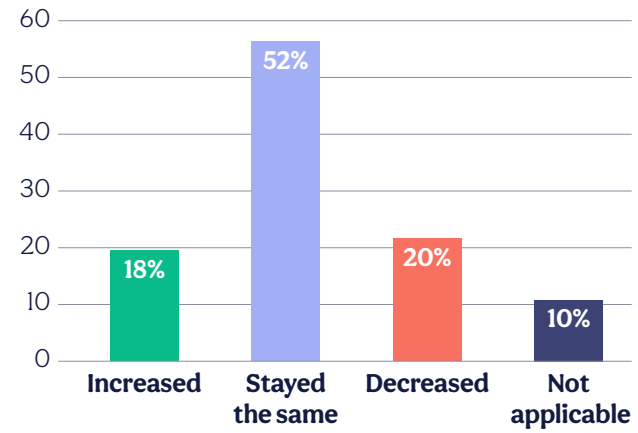
Over the last month, the employment position in the sector is reported as relatively stable, with 44% reporting the same number of paid employees compared to previous months.

In March 2021, the number of organisations with a decrease in number of their volunteers has been 20% compared to 22% in the previous wave. 18% of the organisations have reported an increase in the number of their volunteers which is similar to Wave 5.

Paid workforce over the last month, March 2021



Volunteers over the last month, March 2021

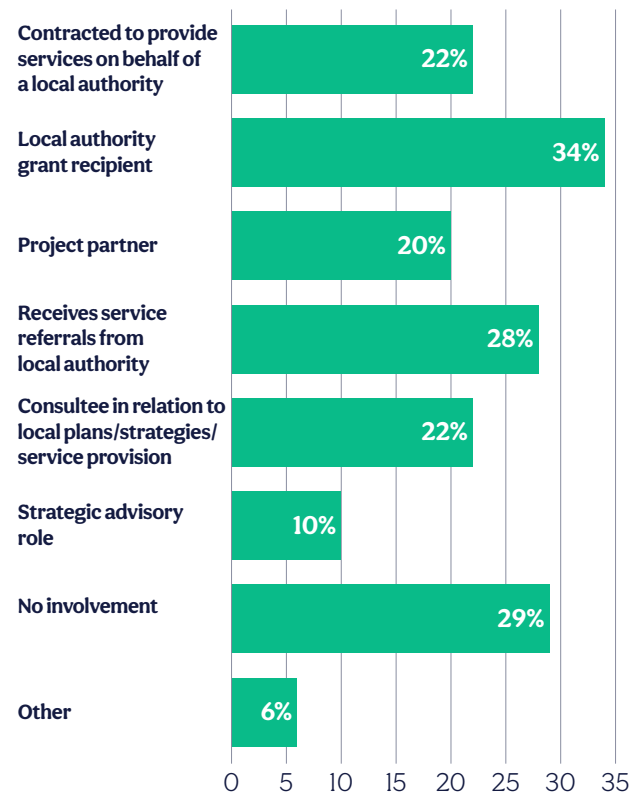


Local authorities and voluntary sector

Local authorities have always been a close partner to the VCSE sector. In Wave 6, we explored how the Covid-19 crisis has affected VCSE engagement with local authorities.

Overall, 71% of the organisations have described being involved with the local authorities, with 13% of them being contracted to provide services on behalf of a local authority and 20% of the respondents receiving grant from local authorities.

VCSE organisation's relationship with local authorities, March 2021

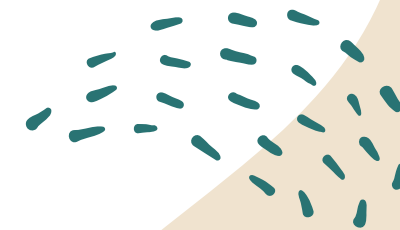
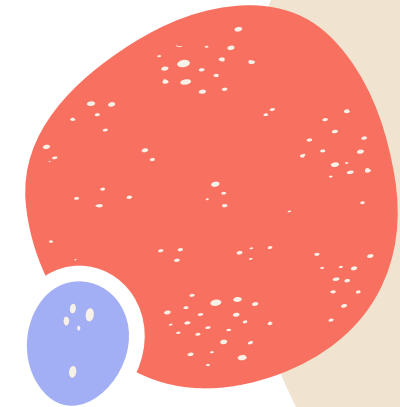


About one in four organisations have reported an improvement in the quality of their relationship with local authorities because of the Pandemic, whereas 7% of the respondents believed that their relationship with local authorities has been deteriorated since March 2020. The size of the organisations seems to be a factor to consider with regards to the relationship with local authorities. Organisations which are under £10,000 in size have reported highest degree of deterioration (12%) compared to £1m - £10m organisations with only 1% of them reporting deteriorated relationship with authorities.

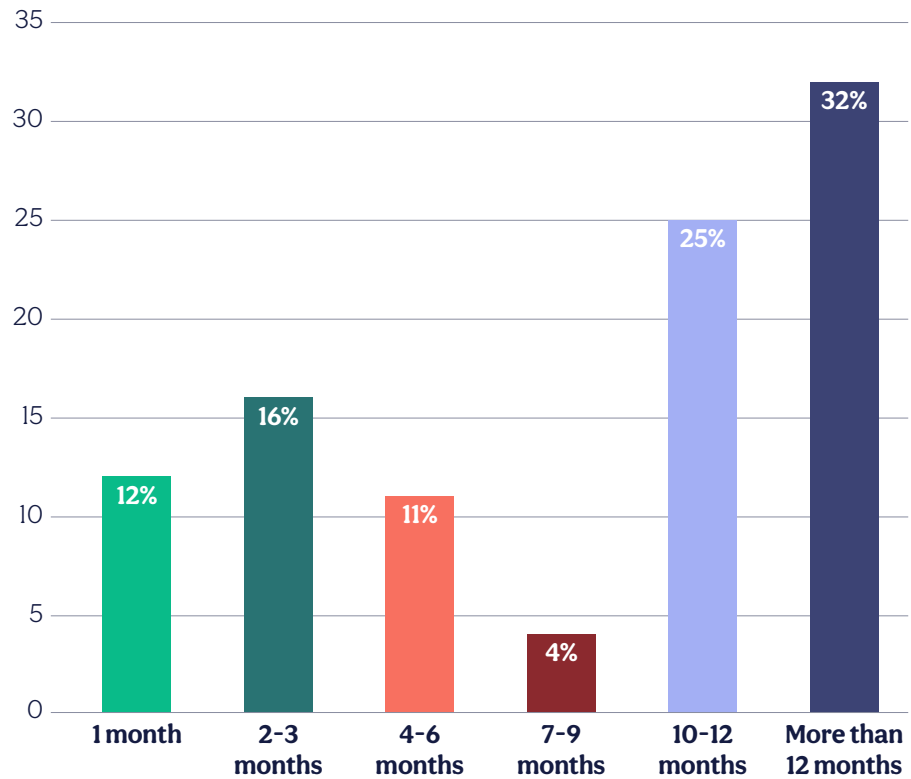
Similarly, improvement in organisation's relationship with local authorities has been the highest among £1m - £10m organisations (33%) and lowest in under £10,000 organisations (9%), which shows how smaller organisations have been disproportionately impacted by the pandemic.

In general, the level of engagement with local authorities has been increased in 36% of the organisations while 10% of the respondents have reported that their engagement with local authorities have been decreased as result of the Pandemic. Organisations in North East, East Midlands (44%) and South West (48%) were the ones with the highest level of involvement with local authorities in Covid-19 crisis management and North West reported the lowest level of cooperation with local authorities (23%).

Housing (60%), Emergency and relief services (30%) and community and economic development (30%) are the sectors with highest percentage of increase in the funding they have received from local authorities, whereas Employment and training sector and culture and art (15%) have reported lowest level of increase in their funding. Since March 2020, 25% of the organisations have reported an increase in the level of funding they receive from local authorities, with 33% of them anticipating the funding to last for more than 12 months.



Expected duration of local authority funding, March 2021



Compared to the last financial year before Covid-19 (2019-20), only 9% of the respondents are expecting an increase in their income from local authorities for the next financial year (from April 2021) and 22% are anticipating a decrease in the funding they will receive from local authorities.

Approximately 39% of the organisations have worked with local authorities on Covid-19 and half of them are describing an improved relationship with local authorities as a result of this collaboration. Similarly, 52% of the respondents believed that the local authorities with whom they worked taken account of the needs and interests of VCSE organisations in the way they have responded to the Covid-19 Pandemic.

This project will continue to monitor the impacts of the pandemic on the relationship between the VCSE organisations and local authorities using barometer, panel survey and in-depth qualitative interviews that are now underway.

Behind the headlines: The changing relationship between the VCSE and local authorities

This project is interested in the impacts that COVID-19 pandemic is having on reshaping the voluntary, community and social enterprise sector, and how they are responding. Local authorities are often key players in the sector, a key provider of contracts, grants, partnerships and referrals.

Many VCSE organisations have close relationships, shaping the decisions and strategic direction of local authorities' policy. For many VCSE organisations working on the COVID-19 response has changed the relationship between the sector and their local authority. New relationships have been built, joint work undertaken and new working practices developed. This section of the report gets behind the headlines to understand how this relationship is changing and what the expectations are for the future.

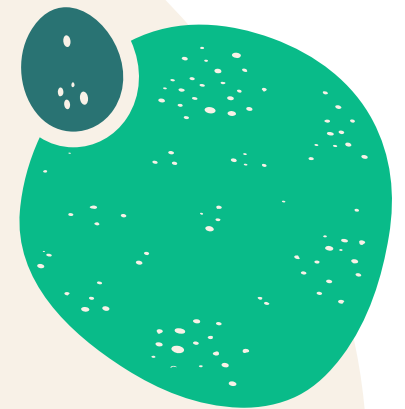
Initial response to the crisis

When the COVID-19 pandemic hit in late March 2020 local communities had to respond very quickly to very different situation. The first lockdown brought with it a flurry of activity, as communities and community groups, often in conjunction with local authorities, sought to respond to the personal and social issues that the lockdown brought. Those involved in these responses describe this as intense. For some, particularly those that had previously worked closely with the local authority and there already existed

strong relationships, this resulted in strong collaboration. For others, without these pre-existing relationship, gaining access to these local authorities was challenging. They described difficulties knowing who to speak to, understand who did what, leading to confusion, with either overlapping roles, misplaced effort or gaps in provision.

“ there was a real lack of anybody knew who was in charge and who was doing what ... I think there's a real tendency for voluntary organisations to sort of bomb off and do their own thing and then that's where things start getting confused and particularly the general public get confused... So it just needed a coordinated response and I think that is down to the council ”

Volunteer manager, Local Voluntary Organisation



Mixed experience of support from the local authority

Some interviewees stated the local councils has been quite generous during the first stage of the pandemic, allowing greater flexibility in terms of eligibility, access to funds and interpretation of rules. Some local authorities shifted budgets to allow organisations to fund core costs, rather than having to provide new services.

“ the council at officer level have been very helpful and resourceful, in terms of how we can use this or that, how we can use funds, and got us involved in conversations in terms of what those funding applications should look like. And we get a lot of support from [the local] borough council. They give us enormous support, we’ve worked with them very closely in terms of things like helping people to deal with their rent throughout this pandemic and making sure it doesn’t become an additional stress ”

Senior Manager, Regional Charity

Some councils have been able to be supportive to the sector, finding ways to give unrestrictive funds so help organisations survive the pandemic. This meant some VCSE organisations could pay rent, bills or other core costs to be able to get through the pandemic.

“ our council decided to put £1.5 million into the voluntary sector to help them cope with the pandemic ”

Fund manager, local authority

Other areas though were not able to provide such financial support.

“ Our local authority, like many others, is just constantly talking about the deficit it’s going to have so there is some anxiety about their ability to make funding available locally for things... So the relationships are good but it’s not translating into anything in terms of funding as yet. ”

CEO, Local Arts organisation

Support though has been uneven, as other organisations, who were quite dependent on the local authority as a source of support found that they were not able to access any financial support.

“ So it started to become really clear that it was an individual local authority’s decision making and lots of local authorities have jumped in and said, “We’re not going to give you the funding,” and everyone is up in arms. ”

Line manager, Childcare charity

The financial uncertainty meant that some councils had to pull funding that they had already committed to meaning that projects that were about to go ahead at the time of the pandemic were stopped.

Those local authorities that were able to provide support, or allow for the repurposing of contracts felt it signalled that they were able to demonstrate their commitment to the sector.

“ We sent an email saying please tell us how you anticipate lockdown is going to affect your ability to deliver the project... do you envisage there’s going to be any challenges for your organisation in the next few months... I’m really pleased we did that because it showed a level of concern from the perspective of the council to say to the voluntary sector, we care about what you’re doing and the work you guys do is very important and we’ve got to make sure we’re supporting you in the best way possible. ”

Fund manager, local authority

Shifting relationships

In some places the response to COVID-19 has seen a shift in the relationship between VCSE organisations and their local authorities. In these areas the pandemic has highlighted the need for a more coordinated response and working in partnerships. By collaborating VCSE organisations have grown their networks, shared knowledge and engage in partnerships. Some local authorities said that the pandemic provided them the opportunity to get a better understanding of the sector and form collaboration for mutual benefit. By working together, having regular meetings and forming collaborations, new understandings have emerged:

“ I think what this opportunity [COVID-19] has given us, we had a really good reach into this sector through previous grants anyway, but now I feel like I've got an even better research into the sector. Plus through working with partners on that meeting I have every Monday, that gives me a really good, broad reach. I can contact the district councils or the city councils any time and say, what's happening in your patch or tell me about this organisation, what's happening with them, are they okay, are there any issues. It's improved the partnership working so much. ”

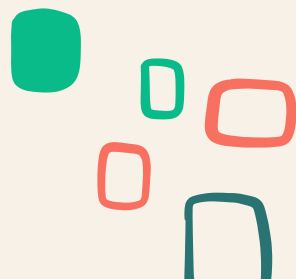
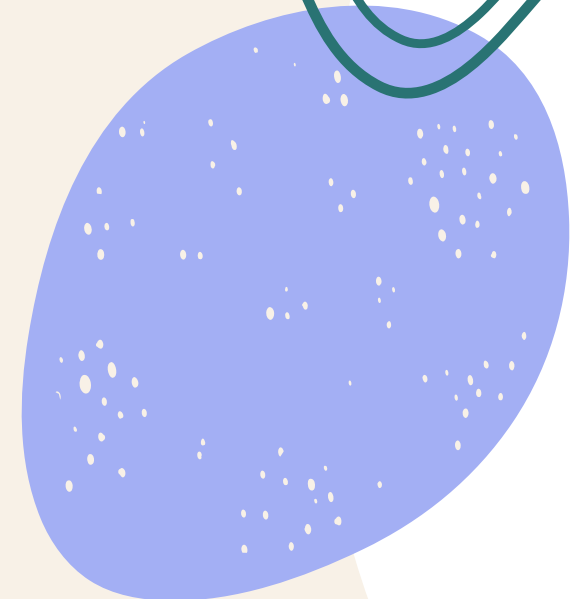
Funding manager, Local authority

However, whilst some councils have given financial support, for some organisations the experience has been less positive. Whilst acknowledging that the local authority were quite supportive by providing finances, some of the charities we interviewed stated that the working relationship was in-balanced, with the power resided more with the local authority.

“ I would say across the city and county there hasn't been that good collaboration. The county council have actually been very good at providing funding and that's great. The city council have called a number of meetings but they've all been quite short notice, ad hoc, with their agenda. I would have thought it would have made sense to almost have a voluntary sector, council, business steering. None of that has happened and I think a lot of the decision making has been quite cliquey. ”

CEO, Young People Charity

Some organisations say that they have struggled to maintain relationships with the local authority, citing frequent changes in staff, or lack of interest or knowledge in the sector as key barriers to engaging. This is particularly challenging for smaller organisations who have struggled to break into these circles.



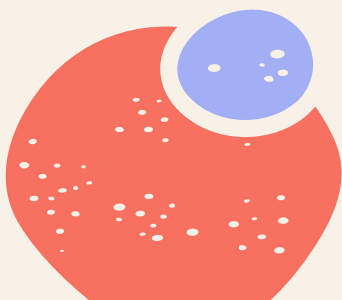
Local council infrastructure organisations building new relationships

Many VCSE organisations in our survey and interviews said that they already have good relations with their local authority. For those with existing relationships COVID-19 has 'opened doors' as they have been called upon to participate.

Many councils and local authorities quickly realised that they needed to work collaboratively with the voluntary sector as a way of rapidly supporting communities at a time of crisis, to deliver much needed services or personal and social support, but at the beginning of the first lockdown they were not sure who to speak to. This developed new working relationships with the local voluntary sector infrastructure organisations

“ we worked with the local authority to support volunteers into it, we supported them to get VCS organisations on the menu of services, we've supported the development of food banks. We supported a number of initiatives so in terms of financially our existing service level agreements and contracts were repurposed and we also did the same. So where we were giving out grants to VCS organisations we talked to our commissioners and ensured that those organisations weren't going to be penalised for having to deliver services in a different way. ”

CEO, Local Voluntary Sector Infrastructure organisation



For instance one local voluntary sector infrastructure organisation developed an online directory of the city, started collecting data, coordinating foodbank support, worked with the council to distribute emergency funding, and had council staff seconded to answer phone calls. They argued that the COVID-19 crisis saw a major shift in the relationship between the public and voluntary sector. This even led to a change of attitude from local council officials who were previously 'resistant' to the voluntary sector, considering it 'amateur'

“ They regarded it as in competition to them and actually what they've probably had to, at a senior level, had to acknowledge that the sector has shown its value during this because they've not been able to adapt their services anywhere near as quickly as the third sector. ”

CEO, Local Voluntary Sector Infrastructure organisation

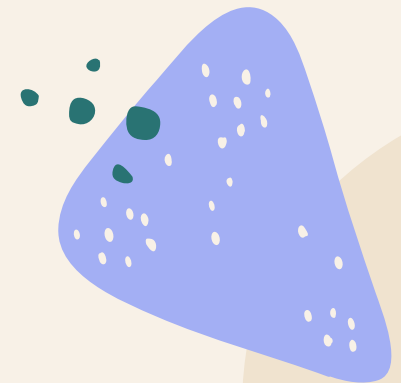
The COVID-19 crisis thus created a situation which required multi-interdependency, opening up many more meetings, relationships and connections, developing new working practices

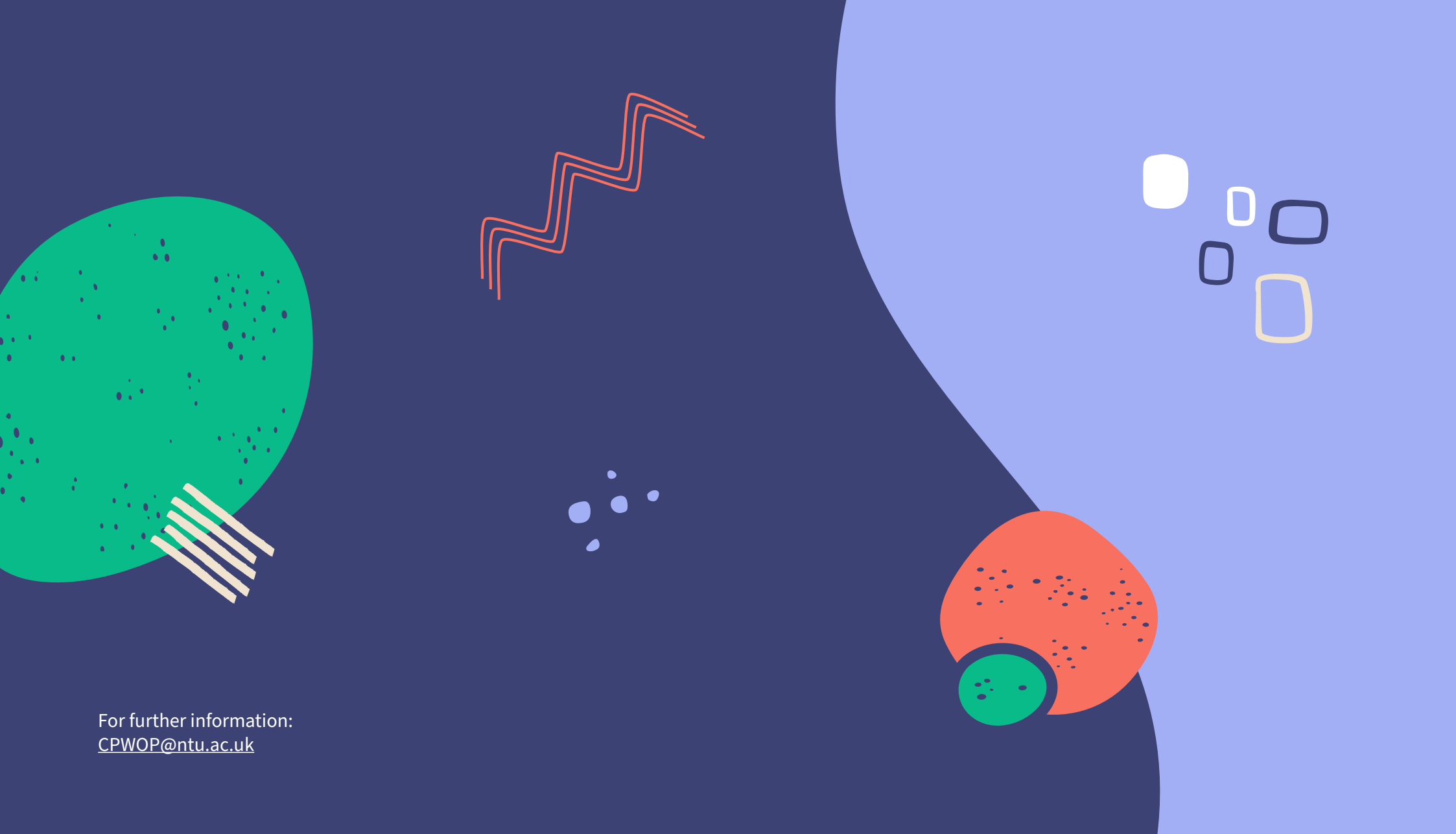
“ that's the sort of partnership working which in a different world would have taken 18 months. It would have been ambitious for us to get their staff and instead they literally offered them and had them on the call within 10 days ”

CEO, Local Voluntary Sector Infrastructure organisation

The next report

Our next report looks at the shifting patterns of volunteering within the pandemic. We are very interested in hearing stories about how COVID-19 has changed the nature of volunteering and lessons learned for the future. If you have something to say on this please contact us on CPWOP@ntu.ac.uk





For further information:
CPWOP@ntu.ac.uk



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