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

September 2021

Nottingham Trent University
Sheffield Hallam University Knowledge Applied
NCVO

Funded by
UKRI Economic and Social Research Council

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 Lessons Learnt from the Pandemic

The pandemic has thrown so many challenges into all our daily lives but it has also been an opportunity to reflect, to learn, and to change the way we do things.

In this wave, we have focused on looking back and reflecting on the way that the pandemic has impacted organisations and the people, paid staff and volunteers, within them. What have people and organisations been through, what did they do to survive and how they are thinking differently since the beginning of the pandemic.

The aim of our research is to collect data and insights on lessons learned during the time of crisis, and to help the VCSE organisations in using these lessons to improve their recovery plan today and build strategic resilience for future. If you want to get involved, or just find out more please email us at CPWOP@ntu.ac.uk or visit the website bit.ly/3pwF44L.

“The aim of our research is to collect data and insights on lessons learned during the time of crisis, and to help the VCSE organisations in using these lessons to improve their recovery plan today and build strategic resilience for future.”

Covid-19 voluntary sector impact barometer, September 2021

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 (VCSE) throughout the life of this project. We have tried to create a survey that is inclusive, quick and easy to complete. A lot has changed over the course of the pandemic and, in this wave, we are reflecting on the operational changes that organisations have experienced in the last 10 months and the implications of these changes on their performance.

This information will also be available online via the data dashboard. The dashboard now includes an analysis of trends across the nine waves of the survey completed so far.

Wave 10 of the barometer survey was completed between 9th August and 25th August. This generated responses from 314 organisations across the UK. We remain keen to extend coverage of the survey in each of the UK nations 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 nine waves of the survey, a wide range of organisation types and a hugely diverse range of activities are represented in our sample. In Wave 10, 82% of the organisations identified as registered charities, 25% indicated that they have limited company status and a total of 13% of participants reported being community interest companies or voluntary associations.

24% **of organisations (76) identified themselves as a social enterprise**

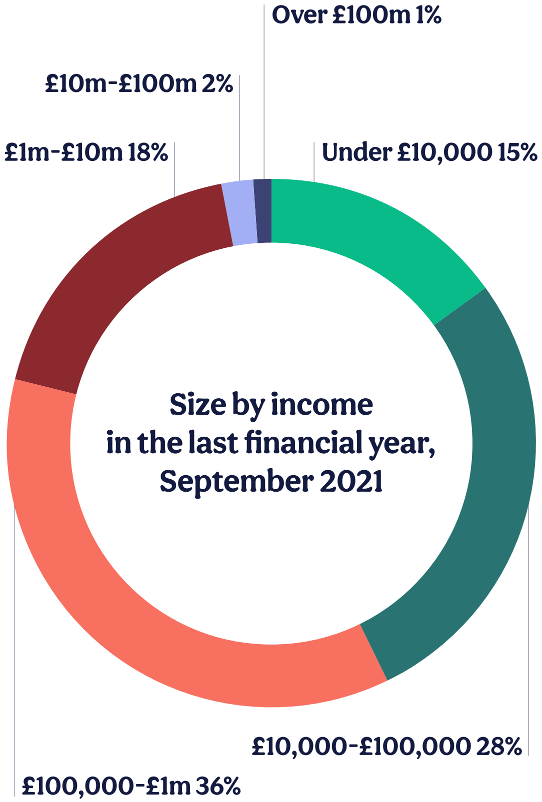
18% **(57) describe themselves as age-specific**

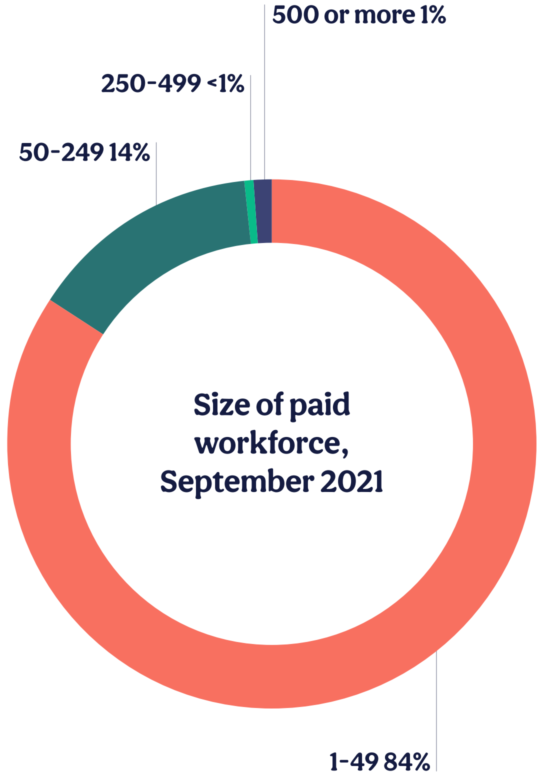
14% **(45) described themselves as a deaf and disabled peoples' organisation**

11% **(34) described themselves as a BAME organisation**

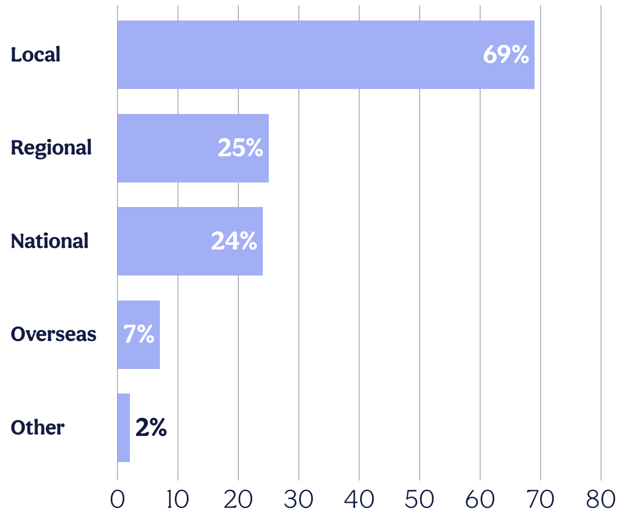
10% **(32) described themselves as a women's organisation**

4% **(13) described themselves as LGBTIQ+ organisations**





At what level does your organisation operate, September 2021



The most common activity types for organisations reported by survey respondents were in health, hospitals and nursing homes (including mental health) (15%), community and economic development (8%), individual and family social services (8%) and education (8%).

Headlines

People

314 organisations responded to the survey

76% employ a paid workforce

Finances

22% reported a deteriorating financial position in the last month

23% saw their financial position in the last month improve

54% reported a stable financial position in the last month

62% expect their financial position to remain the same over the next month

16% expect their financial position to deteriorate over the next month

21% expect their financial position to improve over the next month

Services

6% indicated that their range of services has decreased since last month

37% reported an increase in their range of services compared to last month

69% expect an increase in demand for their services over the next month

1% of the respondents are expecting a decrease in demand for their services over the next month

Workforce & Volunteers

21% reported an increase in their paid workforce over the last month

24% expect an increase in their paid workforce over the next month

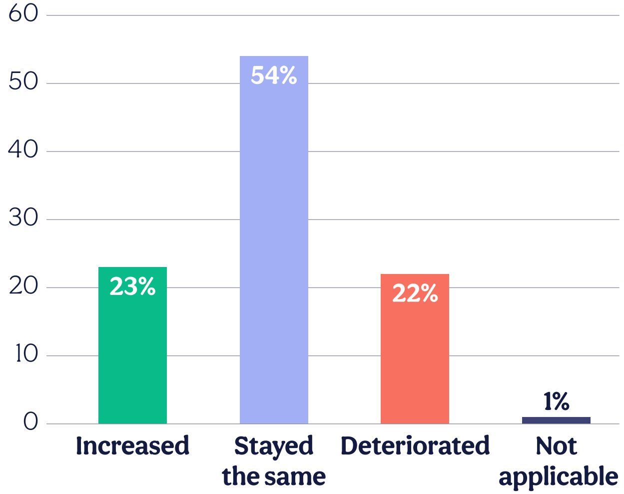
35% of the respondents expect the number of their volunteers to increase over the next month

53% expect the number of volunteers to remain the same in their organisation

Finances and Operations

In Wave 10, 23% of the organisations reported that their financial position has deteriorated in the last month compared to 22% with improved financial position.

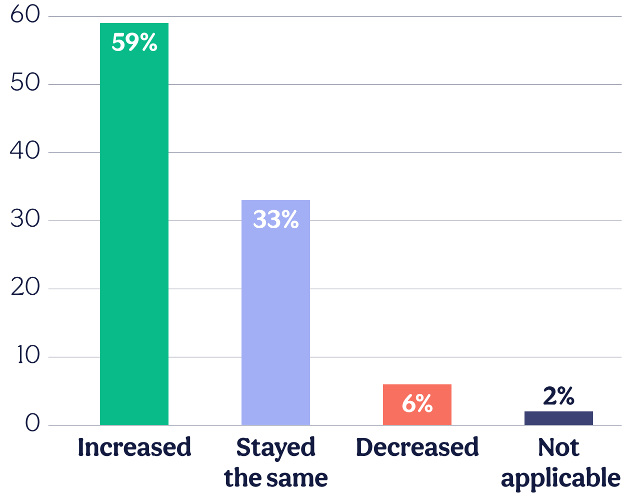
Change of the financial position over the last month, September 2021



Financial change within the sector remains a major theme in our research and different aspects of it will be explored in some depth over the coming months – through this barometer survey, the panel survey and in-depth interviews that are being conducted as part of this project. The data this month suggests some stabilisation in financial position of respondents.

The demand for services provided by the voluntary and community sector maintained the same trajectory revealed in the previous waves – with 59% of organisations reporting an increase in demand for their services.

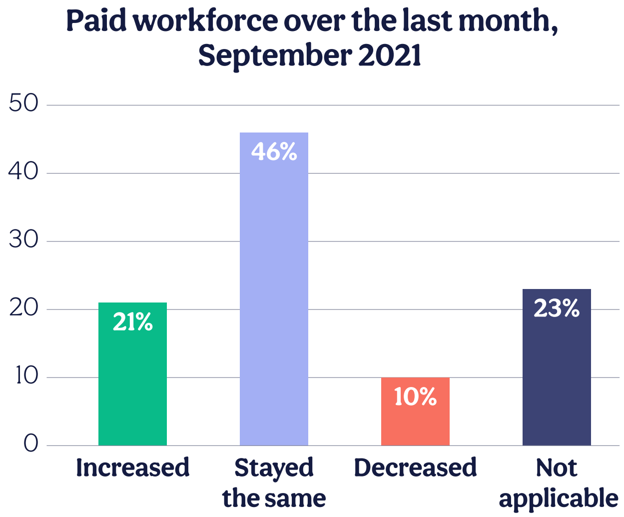
Demand for services over the last month, September 2021

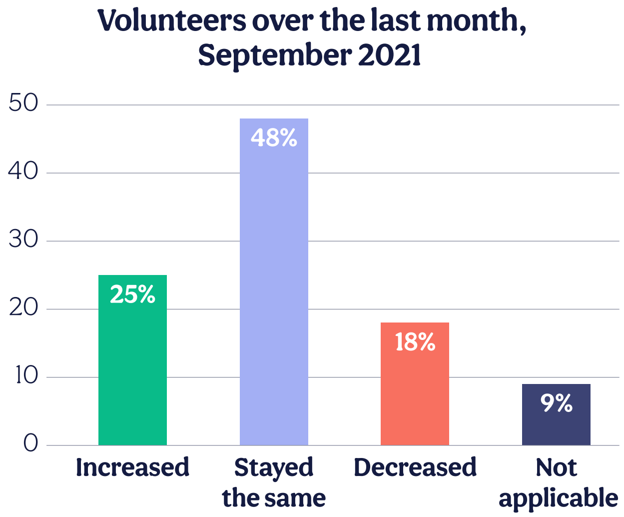


Workforce and Volunteers

Over the last month, the employment position in the sector is reported as relatively stable, with 46% reporting the same number of paid employees compared to previous months and 21% reporting an increase in the number of their employees, which can be linked to the full reopening of the economy and increased demands for services.

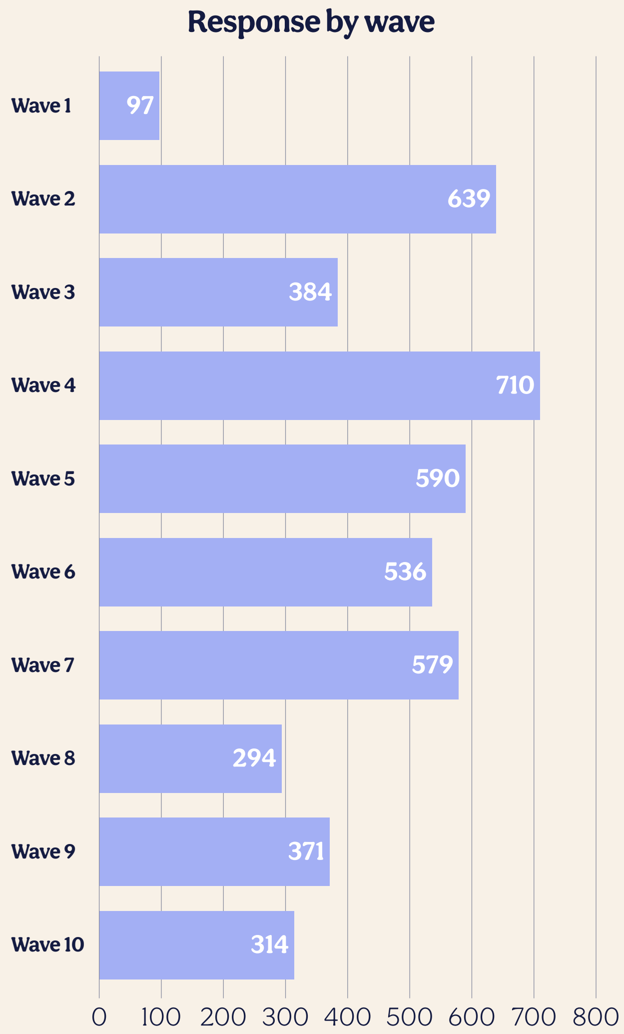
In September 2021, 18% of organisations saw a decrease in number of their volunteers compared to 15% in the previous wave. 25% of the organisations reported an increase in the number of their volunteers (compared to 24% in the previous month). This increase can also be related to major changes to lockdown rules which have taken effect in England and Scotland.





Trends and developments

Organisations in the voluntary sector have spent much of the past year trying to adapt to the new circumstances. As part of the “Respond, recover, reset” project, we are aiming to capture how resilient organisations are thriving amidst the crisis. Across 10 waves, we have received a total number of 5,114 responses from the organisations that participated in our research.



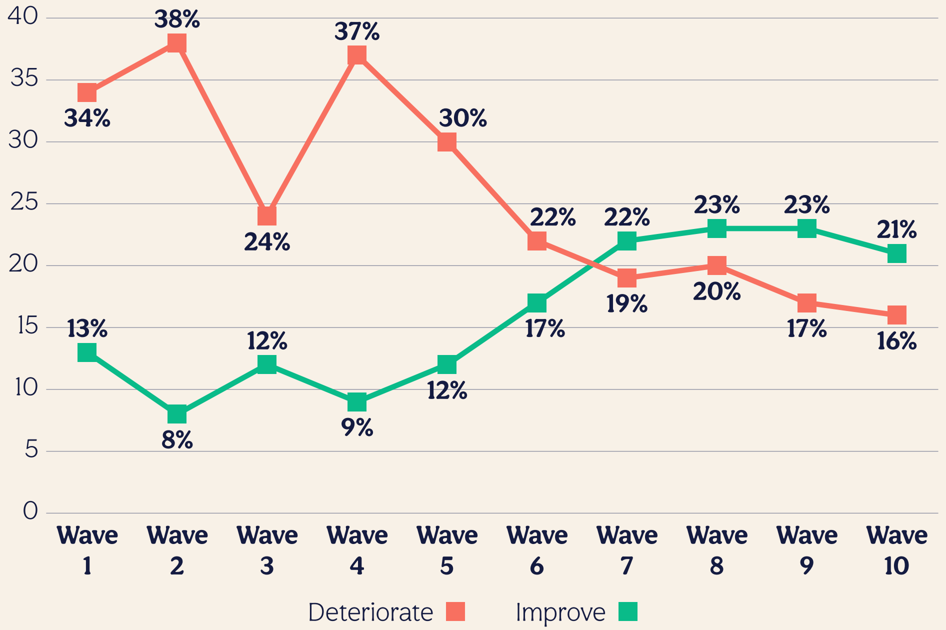
Exploring the trends shows a slow and consistent improvement in the organisational operations reported by the respondents. In October 2020, 80% of the organisations reported expecting negative impact of Covid-19 on delivering their objectives in the coming year, this number had decreased to 66% by June 2021.

The average proportion of paid workforce that organisations reported as likely to be made permanently redundant was the highest in November 2020 (1.4%) but it has decreased to 0.2% in September 2021.

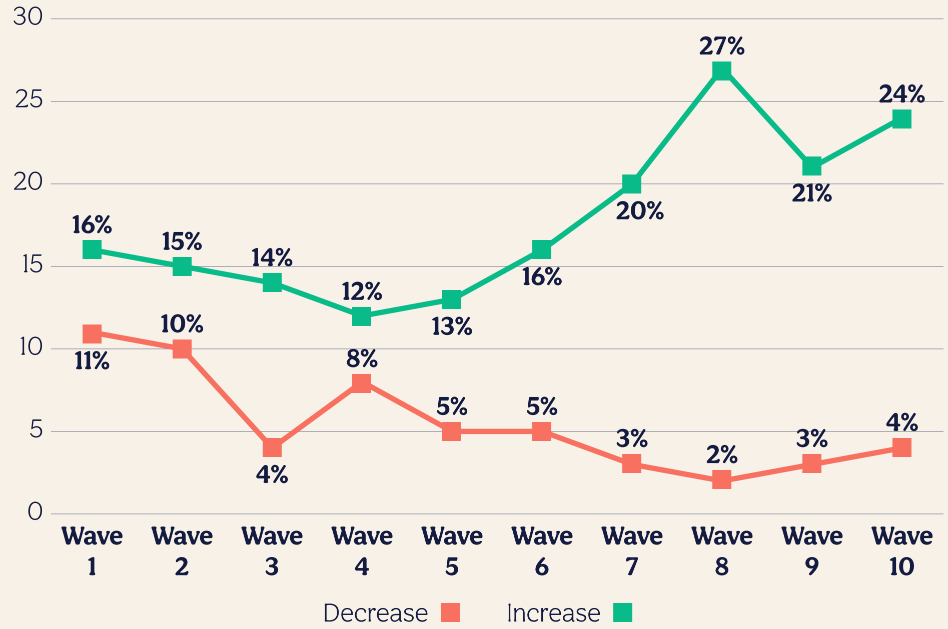
The proportion of organisations reporting positive short-term expectations for their financial position surpassed those with negative expectations in May 2021 and has remained so in subsequent waves. This is a notable shift in the pattern of response when compared to October 2020-April 2021 where the balance was consistently negative.

A similar trend of improvement can be seen in the workforce estimations of the VCSE organisations. The balance of expectations for paid workforce change have been consistently positive throughout our series, but the gap between those expecting paid workforce to increase compared to those expecting a decrease has grown consistently since February 2021.

Short-term expectations for financial position



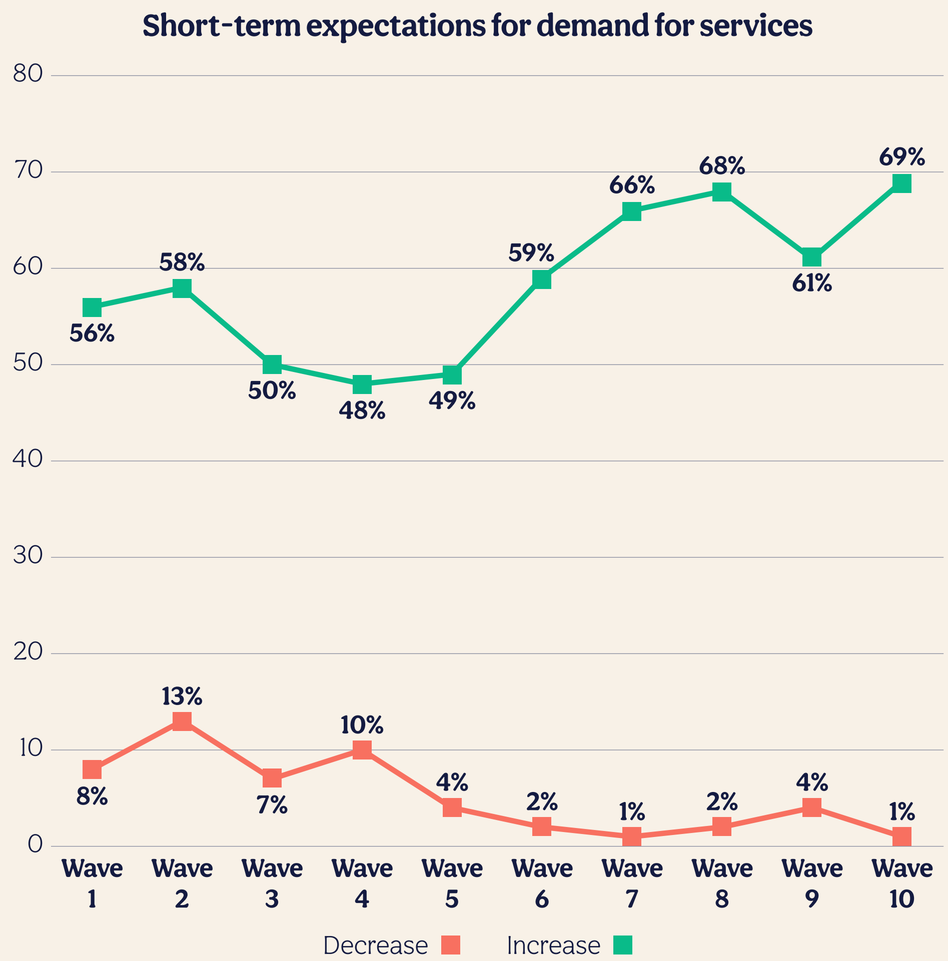
Short-term expectations for paid workforce changes



Over the course of this project, there has been a consistent decrease in number of organisations which are expecting to cease operation by next year. Compared to 10% in October 2020, the reported likelihood of closure over the next year is now at the lowest level that we have seen (2%).

Since October 2020, the expected demand for services has been overwhelmingly high throughout and getting higher as the economy has reopened (69% in September 2021). This increase can raise questions about capacity and resources to meet demand if these expectations prove well founded.

The number of organisations that are expecting a decreased demand for their services has also declined to 1% in recent waves compared to 13% in November 2020.



To explore the contributing factors in the way VCSE organisations have reacted to the pandemic, we have also launched a panel survey to take an in-depth examination into the ways that voluntary organisations develop financial resilience. In this report, some aspects of this study will be discussed further.

Leveraging VCSE resilience through their effective crisis leadership, capacity and external networks

Covid-19 has transformed our reality overnight. In particular, voluntary, community and social enterprise (VCSE) organisations are facing an increasing demand for their services whilst at the same time dealing with limited resources, a lack of fundraising opportunities, and disrupted or discontinued government contracts.

These challenges highlight a pressing need for VCSE organisations to build their resilience in order to survive and prosper during Covid-19 and beyond. Crisis leadership - a type of leadership that brings out leaders' orientation to flexibly handle stressful situations and overcome difficulties - has the potential to turn these problematic situations into positive outcomes.

Our study draws on a dataset of over 300 VCSE organisations which is being gathered during the height of the pandemic and at key stages of their 'back to normal' journey. It casts light on the critical points for the sector and how they have weathered the storm during the adverse and changing conditions. First, we reveal what kind of leadership enables VCSE organisations to survive and thrive when facing the challenging external pressures caused by Covid-19. Second, we provide evidence around the organizational capacities that are required for resilience, and why these are important. Third, we emphasise the importance of leaders who draw on external networks for bolstering their organisations' internal capabilities and, in turn, creating more resilient organisations.

> “We reveal what kind of leadership enables VCSE organisations to survive and thrive when facing the challenging external pressures caused by Covid-19.”

In our study, we demonstrate:

That crisis leadership acts as a transmission mechanism for VCSE survival and resilience because:

- Crisis leadership focuses on leaders' adaptive capacity to handle stressful situations, while retaining a sense of integrity.
- It points to the crucial role of leaders' assessment of information, which steers their behaviour and decision-making during times of high volatility.

Crisis leadership is important because it suggests that through deploying qualities such as communication skills, vision, and expertise, decision-makers helps organisations to develop their capabilities such as: resource development (i.e., identifying and pursuing new sources of central government funding), service development (i.e., expanding existing services to include new communities, groups), management capacity, and board development. In turn, these capabilities translate into resilience so organisations can better deal with risks and survive during the pandemic.

The role of VCSE capacity

Capacity refers to the ability of organisations to develop resources, services, and management capacity in order to respond to extreme situations, make quick decisions and effectively manage resources to continue their operations during times of crisis. Leaders therefore need to be able to quickly identify what capacities are important in order to build and leverage resilience in their organisation.

"Leaders therefore need to be able to quickly identify what capacities are important in order to build and leverage resilience in their organisation."

The effects of external networks

During the pandemic, VCSE organisations are often constrained by their resource limitations because their fundraising activities and government contracts are cancelled or disrupted. When organisations connect externally, they are likely to:

- Take advantage of opportunities to obtain necessary resources from their partners and alliances to continue their services;
- Be proactive in acquiring information (from external sources such as strategic alliances, social contacts) for decision-making;
- Exchange and share knowledge with other organisations and/or partners to enhance their leadership and management capabilities;
- Learn new things and experience from knowledgeable partners on how to effectively manage organisational resources.

This panel survey identifies the useful strategies organizations are employing to best adapt to Covid-19 and ensure their survivability and resilience during the pandemic and beyond.

Voluntary Sector & COVID-19 Reflections

As we move into a world where most legal restrictions to control the spread of covid-19 have been lifted, we are all looking back at our experiences and the ways our organisation changed to adjust to this 'new normal'. It is now 18 months since the initial UK lockdown and this month's report we asked our participants to tell us about their experiences during three different phases of the pandemic: initial lockdown, living with the pandemic, and looking to the future. There is a fourth phase – recovery – which organisations also discussed, and we will explore it further in our next report.

Initial lockdown

The Respond, Recover, Reset project began a year ago this month, six months on from the start of the first UK lockdown. Throughout this project, we have asked interviewees for their reflections on the early stages of the pandemic. There were clear challenges in the early stages where often large-scale changes needed to happen quickly and organisations often talked about the difficulties involved in:

- Moving to remote working - this was particularly challenging for organisation who did not have the digital infrastructure fully in place and still created issues for those who had this infrastructure but had never had staff fully working from home.
- Staying connected to beneficiaries and service users – for many organisations, providing in person, face to face services was a key part of their remit. The first lockdown meant that some services had to stop completely and organisations were faced with the challenge of understanding which of their services could still run, how they could deliver these services, and how they could communicate with beneficiaries.
- Fluctuating volunteer numbers – for some organisations there was an influx of volunteers, whereas others saw a big drop in volunteer numbers. This created challenges in managing their workload, providing the right training and support for volunteers, and ensuring that volunteers were in roles that fit the skills they had.
- Work intensifying for some staff whereas other were furloughed - this created tensions in organisations at times, especially where staff dealing with an increased workload specifically because other staff had been furloughed.
- Changing roles within organisations – these changes were felt across organisations from trustees and senior leaders to staff and volunteers. Some CEOs and trustees moved into more operational roles working directly with service users and writing funding bids, some staff and volunteers worked in roles outside of their position and skillset.

However despite the challenges of the initial lockdown many organisations felt they had learnt a great deal over this time, that their rapid response to the crisis had created sometimes unintentional positive changes, and that they had been able to innovate. We asked organisation what advice they would give to organisations in a similar crisis situation having experienced it first hand themselves. One interviewee told us:

> “I think I would probably say don’t panic and just everyone calm down a bit. I feel looking back now, so March and April felt very frenetic and very ‘oh my god’, and I guess we had no idea what was going to happen. So knowing on the one hand we were here for the long-haul but on the other hand things would start to open up a little bit.”

This interviewee argued that the government initially did a good job of scaring everyone into staying at home but this made it very difficult from an organisational point of view to plan for the future because nobody knew when things would change or begin to open up:

> “But actually yes, you need to take evasive action now but don’t do it so critically that you haven’t the ability to reopen. So I think that kind of everybody calm down a bit, I’m an eternal optimist, I run a charity, you have to be but it’s going to be okay if we all sort of act in a measured way and not go crazy.”

Another interviewee felt that their response to the early part of the pandemic had demonstrated what they were capable of as an organisation:

> “A lot of us, are a lot more resilient than we think. A lot of us work really, really well in tricky times, but there’s a lot of work still to do in the future.”

Living with the pandemic

While, for most organisations, the early stages of the pandemic were extremely turbulent and required decisions to be made quickly, there is a mixed picture of the way organisations lived with the pandemic in the subsequent months. This was due to a wide range of factors including which subsector they were working in, who their beneficiaries were, where they were based, whether they were still able to deliver their services. However for many organisations, living with the pandemic meant:

- An increased need for flexibility – in the face of the ever changing nature of advice from government, changes that came about as a result of opening up, and subsequent lockdowns and the tier system.

> “We did have a very short period, and it was very short, where all the staff were back in. We have looked at what I'd call more flexible work-life balance sort of thing, which would look at staff working more from home if they could. Then obviously within about two weeks of Boris saying you must go back to work even if you work in an office, get back to work, to no if you're office based and you can work from home, get home.”

- Learning from the first lockdown – experiences from this coupled with what they were able to achieve during the first stage of opening up gave organisations the opportunity to prepare for further restrictions and lockdowns. Organisations made strategic plans, set up or developed IT systems, and already knew what worked and what didn't in the event of future lockdowns. As a result, later restrictions and lockdowns didn't create the same level of upheaval as the first.

> “Second lockdown we kinda knew what we were doing. It didn't make a huge difference. We'd already got all of our sort of systems in place.”

- For some organisations, living with the pandemic made them realise that there are benefits to remote working, for example cutting costs, saving time, and increasing efficiency (see our report on organisational experiences of digital working) Conversely, for other organisations there was a relisation that some, or all of their service provision, works better on a face to face basis.
- Uncertainty created challenges for staff and service users – there was a great deal of anxiety and worry about what was going to happen, whether things would open up, what services would look like amongst staff, volunteers and service users. As a result some organisation stayed with remote working and service provision. Some staff/service users/providers were vulnerable so were unable to come back to the office when things opened up.
- Big decisions and changing roles at leadership level – leaders had to make critical decisions over whether to furlough staff, when to apply for funding, which services to keep running and which would need to close, how to keep staff motivated and look after their wellbeing.
- Issues with staff motivation, particularly those who were furloughed or partly furloughed. Some staff didn't know when they would be coming back to work, others came back on a part time basis but with their roles changed.

> “Motivating the staff is really hard because there's only so much they can do when they come in on these three mornings, so they're still partially furloughed at the moment. What I've had them doing is starting to pack up things ready for the move which is boring for them, it's not what their roles are meant to be but it's helping us in a way but motivating them is difficult.”

The future

Despite the challenges of the pandemic and the uncertainty over what each stage would bring, many organisations were optimistic about the future.

- For many interviewees there was a sense of having survived, and a feeling of achievement from supporting their communities at a time of crisis through the services they offered. One interviewee spoke about their pride that the organisation was still running despite the challenges they faced and the work involved:

> “I have lost the plot a little bit, but I'm still here. Our group's still here, the young people have still got a service and they're still coming.”

- Other organisations felt better prepared for the future and any challenges they encountered.

> “We've been working through, so we have all sorts of business scenarios. If things went like this – great. If they went like that what do we do, how do we see the signs, how do we respond, if we had to start to reduce costs where could we do that? Very tangible examples of things on renewals, as you said, we're right in the midst of the renewal cycles, we've had a huge amount of planning on that and preparation.”

- Further to this, some organisations felt that the experiences of the pandemic had given them the opportunity to become more resilient.

> “It's made us loads more resilient. I think it's been really good for the staff to have that variety and choice. I think it's made us better in terms of responding to the variety and complexity of needs.”

- Some interviewees discussed how much time or money their organisation had saved as a result of remote working, most planned to retain this in some way in the future.

> “We'll definitely take forward the blended way of working. It will reduce my travel bill from about £40,000 a year down to something much more manageable.”

- However, some organisations acknowledged that the pandemic had intensified inequality and that some organisations' crisis responses had inadvertently excluded large numbers of people and that it was critically important for organisations to bring these people back in.

> "Then there is another side of that, that things moved so quickly because of the pandemic, that lots of disabled staff and potential employees and volunteers, had been locked out of the sector because people haven't thought about whether the video conferencing system they're using has subtitles, or how somebody that can't access a computer would go and volunteer somewhere."

(For more on EDI in the sector see our July)

Conclusions

While the pandemic has undoubtedly created wide ranging challenges in the sector that will be felt for years to come, it has also given organisations the opportunity to take stock and to change their ways of working.

The next report

In the next report, we will be focussing on the opening up of the sector post-covid and the implications of this process on VCSE organisations. If you have something to say on this topic, please contact us on CPWOP@ntu.ac.uk

For further information:
CPWOP@ntu.ac.uk

Nottingham Trent University

Sheffield Hallam University
Knowledge Applied

NCVO

Funded by
UKRI
Economic and Social Research Council