



COVID 19 IMPACT ON SANDWELL'S VOLUNTARY AND COMMUNITY SECTOR

1. Introduction

As in all parts of the country, the Covid 19 pandemic has created huge challenge, anxiety, upheaval and change across the borough of Sandwell. This has affected every part of daily life for Sandwell residents and has had a major impact on businesses, public sector providers and our local Voluntary and Community Sector (VCS) organisations.

This report draws on feedback from Sandwell VCS organisations during May 2020 to understand how charities and other not-for-profit organisations and community groups have managed, and are managing, during this crisis. The report brings together the findings of an electronic survey with insights gleaned from SCVO's engagement with the VCS in Sandwell through events, forum meetings and one-to-one support over recent months.

The report focus on three areas of impact:

- Understanding perceptions of how communities and services have been affected by the crisis
- How organisations are managing through this period
- A view on the future challenges and opportunities for the Sector

Survey feedback was received from 32 local VCS organisations. Of these, almost all were organisations employing staff, with only a handful of volunteer-only groups responding. Of those employing organisations which responded, roughly half have a turnover of less than £250,000 per annum (which the report will refer to as 'medium sized' organisations), and half have a turnover in excess of £250,000 per annum (referred to as 'large sized' organisations).

2. Executive Summary

Sandwell's VCS had been hit hard by the coronavirus pandemic and the impacts of lockdown on Sandwell residents, on its regular service users, its staff and volunteers and its organisational management. Nevertheless, the Sector has shown its customary flexibility and resilience, with a large majority of organisations maintaining some kind of support and service delivery, albeit whilst needing to change ways of working, sometimes in fairly radical and innovative ways. Organisations, working with limited resources, have drawn on their local knowledge of staff and volunteers and other assets to regroup effectively and respond to the new situation.

In spite of excellent support being provided to local residents, including through new 'remote' approaches, concerns are high that needs are growing and that the legacy of the

Covid 19 pandemic will be a surge demand for local support – particularly around peoples' health, emotional and mental wellbeing.

At the present time, much of the Sector is weathering the storm and focusing on meeting immediate needs without concerns around funding or finance. This is due to a combination of factors: local funders and commissioners as well as charitable trusts and foundations providing assurance and flexibility around current funding arrangements, as well as organisations accessing emergency funds and utilising government programmes such as the employee furlough scheme. However, a smaller number of organisations do not enjoy this level of stability: lost income through trading, premises rental, chargeable services or high fixed costs mean that this current crisis poses an imminent threat to their sustainability and, in some cases, their survival. For almost all organisations, an increase in costs during this period is compounded by a gloomy outlook for future finance as many anticipate established funding sources will be heavily over-subscribed in future months and years.

Looking to the future, VCS leaders point to the challenge of understanding the implications of the 'new normal' and the complexity of risks posed by this unfamiliar landscape. Aside from the more familiar issues of managing high demand and decreasing capacity, VCS leaders also recognise the difficulties ahead of restarting trading activities, re-engaging volunteers and re-integrating employed staff where furloughing has been in place.

Looking across all key factors considered in this report, it is 'medium-sized' organisations (income above £15k per annum and below £250k per annum) who have felt, and are feeling, most acutely the pressures of increased demand and the many burdens of maintaining support through the crisis.

As the Sector begins to look ahead, at least to the near future, there are signs of optimism that some of the changes adopted in haste might be embraced as improved ways of doing things. Positive experience of remote working, for example, is encouraging organisations to consider digital strategies and tools to enhance their local support; likewise, many organisations are looking to continue and develop many strong partnerships that have emerged within the Sector and with business, local authority and health partners.

3. Covid 19 Impact on Communities and Services

(i) Outline of Changes to Service Delivery

The survey sought feedback about how local VCS activities and services have been affected by the crisis.

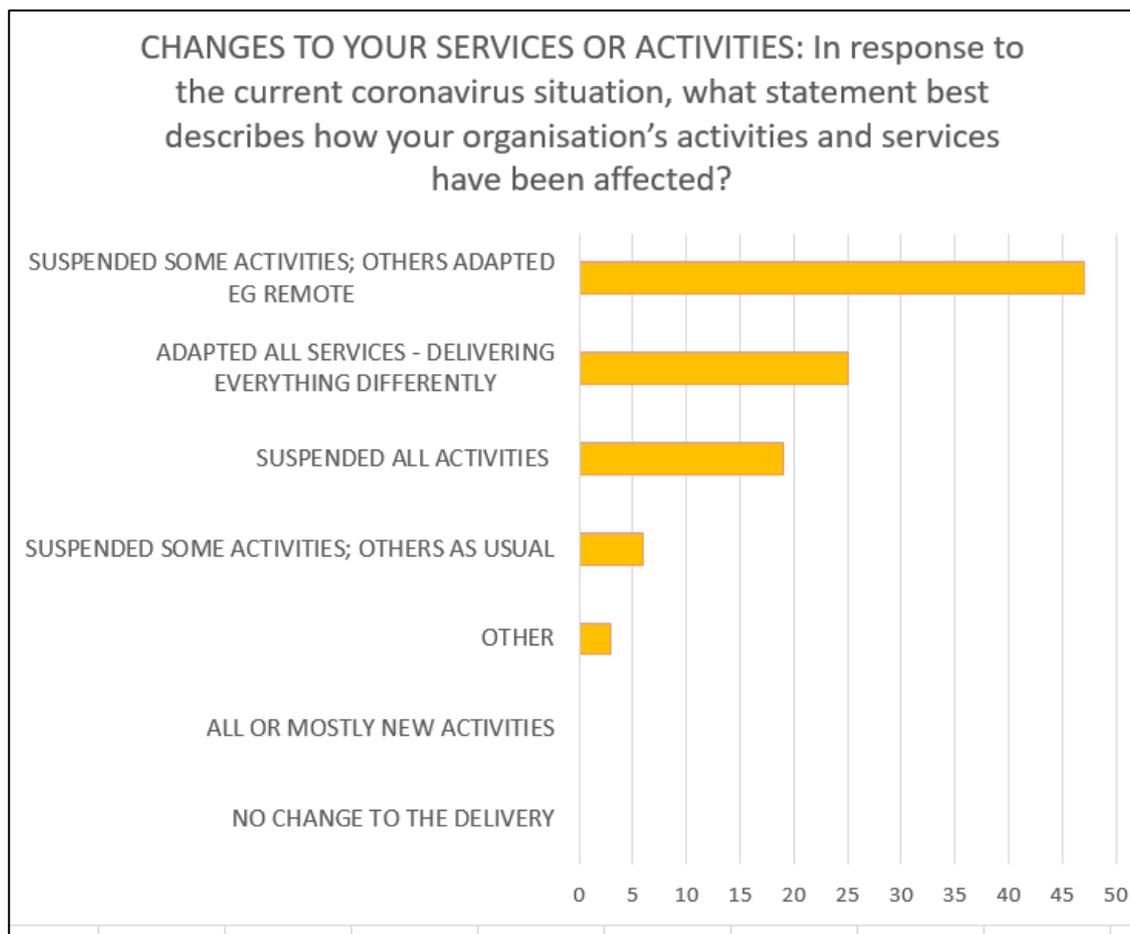
It is clear that the vast **majority** of local VCS organisations have had to make **some changes** to their operations and delivery model during this crisis.

Indications are that around **three-quarters** of organisations have needed to **suspend some services** and activities, whilst **one in every six** organisations has **suspended their delivery activities altogether**.

Around **half** of VCS organisations have **adapted to remote working** and are maintaining **some** of the activities and community support they previously delivered, whilst **one quarter** of organisations state that they are **maintaining full capacity** and are delivering **all** activities

through new and adapted approaches including, for example, services such as telephone support and counselling.

Looking more closely at survey feedback, it appears that **medium-sized organisations are most likely to be affected** by changes to, and suspensions of, services. One third of medium-sized organisations surveyed have suspended their services altogether.



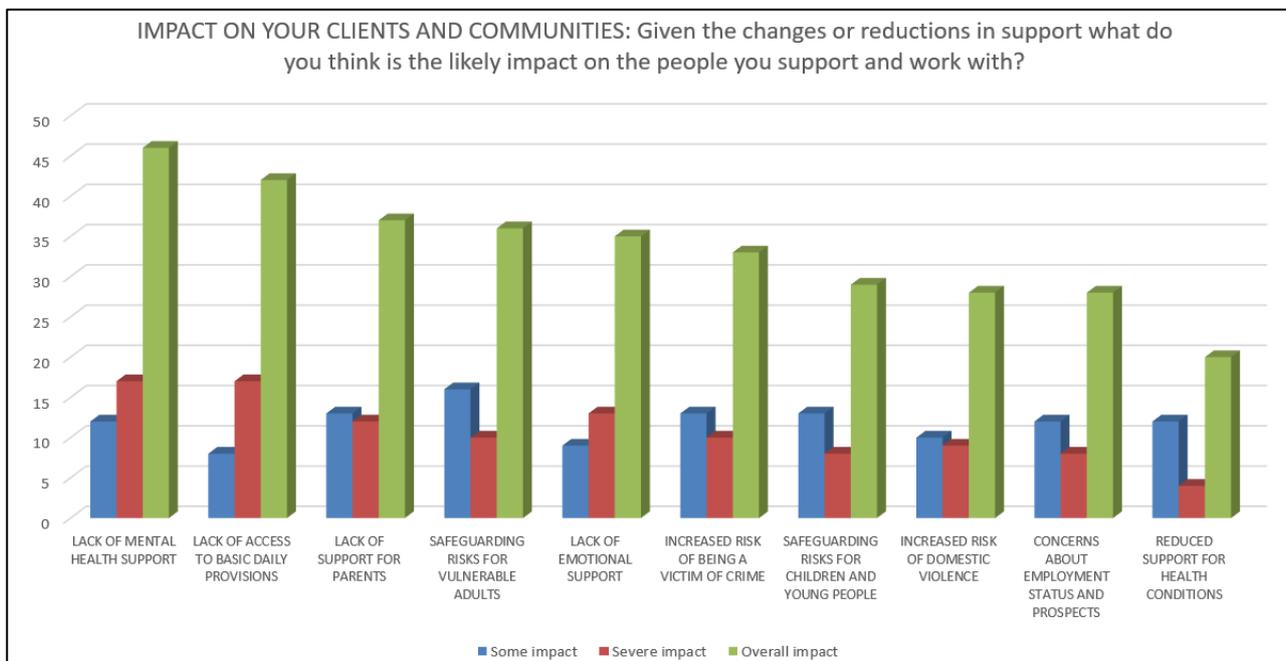
(ii) Impact on Sandwell Communities

The survey also sought feedback from VCS leaders on how they perceived that lockdown and changes to local services might impact those residents and communities that they support.

Lack of emotional and mental health support was considered by most to be the primary concern, along with the impact of **reduced support around health**.

Lack of access to **daily provisions, safeguarding for vulnerable adults** and the **employment worries** created by the crisis were also prominent concerns.

However, there was a concern from VCS leaders across a wide range of issues including children's safeguarding and increased risk of domestic violence, with around a third of respondents citing concerns that these issues will create a 'severe' impact on residents and communities.



4. Sandwell VCS Organisations Managing Through Crisis

(i) How organisations have adapted

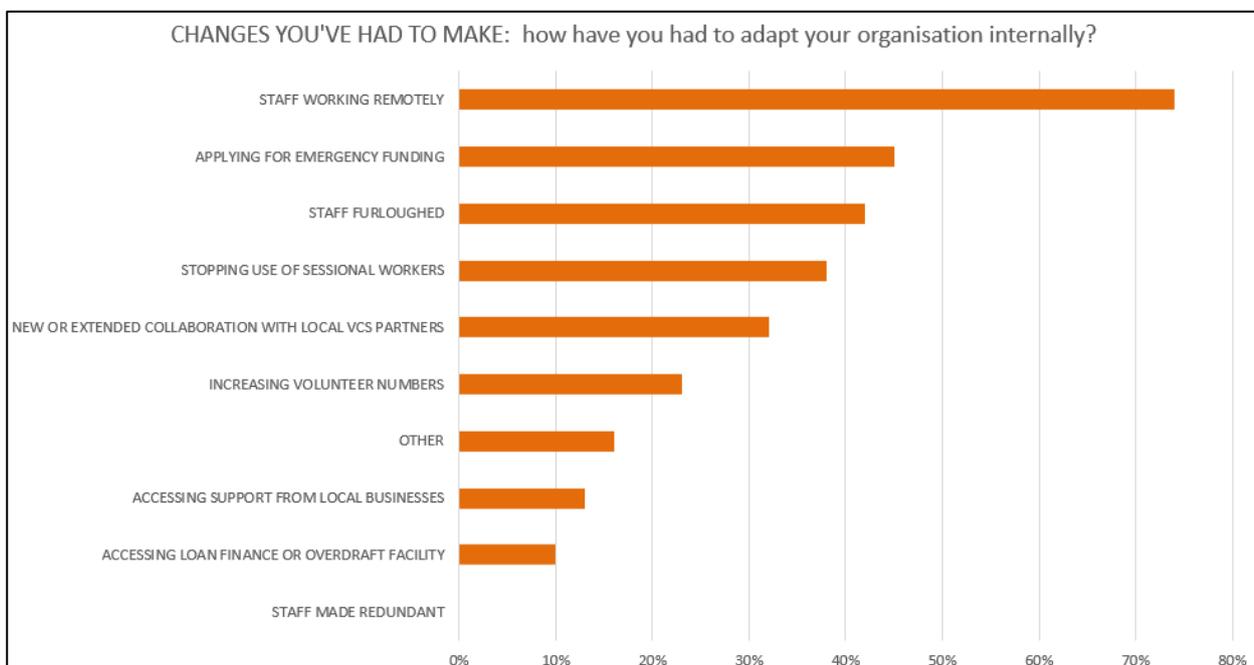
VCS leaders were asked about the ways in which their organisations have had to adapt to manage the new staffing and delivery challenges.

Changes to **staffing arrangements** has clearly been the most significant step taken by the large majority of organisations. **Three-quarters** of survey respondents have shifted staff to remote working whilst **nearly half** have taken advantage of the Government's **furlough** scheme for some or all staff. Just over **one third** of respondents had also chosen to reduce costs through **stopping the use of sessional workers**.

No organisation surveyed has so far been forced to make redundancies, and inevitably recruitment activity has in most cases been frozen whilst anecdotally many staff have been working extra hours without additional pay to manage the changes and continue some form of service delivery. Whilst changes in activities, as well as lockdown and the need to 'shield', has inevitably meant some long-standing volunteers have not been able to continue or have been asked to stand down temporarily, almost **one quarter** of organisations report being able to recruit and utilise new volunteers during this period.

Concerns over the costs being incurred during this period has driven **almost half** of respondent organisations to **seek additional or emergency funding**, whilst **one in ten** organisations have sought **business loans or overdraft** facilities to manage financial pressures.

Collaborative working and partnerships has been one of the features of community response to the Covid 19 crisis, and this is borne out in the survey responses, with around **a third** of organisations stating they have invested more time than usual in **closer collaborative** working with other VCS organisations, and over **one in ten** citing increased access to support from **local businesses**.



(ii) Costs incurred during the Covid 19 Crisis

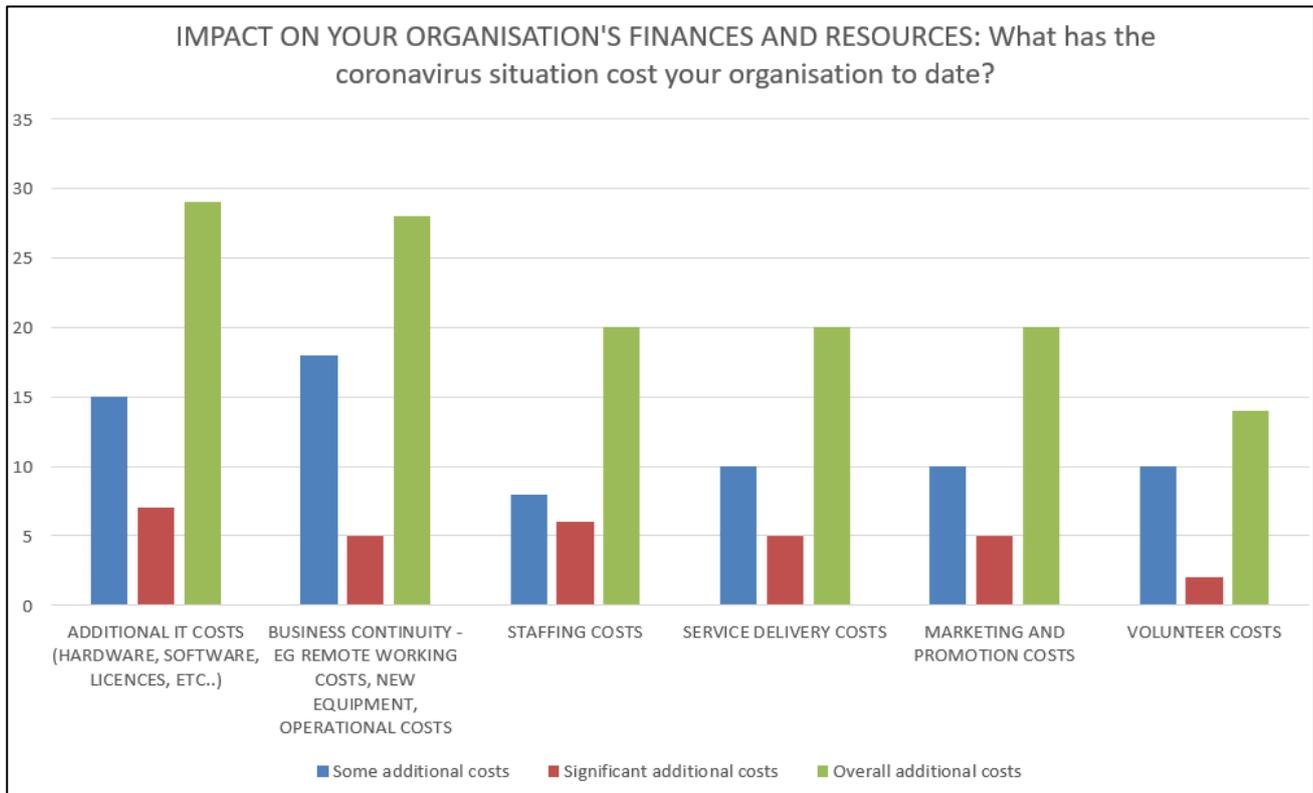
Aside from the impact on vulnerable communities, many VCS leaders fear the negative consequences that the Covid 19 crisis is having on their organisation's finances and resources. Respondents were asked to feed back areas where they had incurred costs to date, either to 'some' degree or at a 'significant' level.

Most commonly, **organisations across the board** have seen an **increase in operational costs** around business continuity such as IT hardware, software or licences, and new remote working equipment. However, only a small minority of organisations consider these costs to be sizeable and significant.

Most other financial impacts on organisations relate to the services that are being delivered and appear to vary in line with the activity levels of different organisations. Around **half** of organisations report **additional staffing costs** (a minority of which are 'significant'), including backfilling staff who are needing to self-isolate, and a similar proportion also report additional costs related to service delivery (including purchase of PPE) and marketing and promotional costs to support this. Around **one third** of respondents note an increase in costs relating to **working with volunteers** during this period, although some do recognise reductions in costs relating to activities which have currently been suspended and lower supply/ utility costs due to the move to remote working.

Aside from increasing expenditure, **loss of income** appears to have created some significant concerns for a minority of VCS organisations, which is borne out by the number of organisations applying for emergency funding. Many organisations (often of a 'medium' or 'large' size) have received assurances from charitable funding bodies, local and central government grant providers and commissioners that their funding is secure and performance targets and funder expectations can be flexed during this period. However, organisations not receiving funding through these established routes (often smaller organisations or community groups) are seeing a reduction in regular income, for example from social and fundraising activity and subscriptions. Some organisations are losing income

from room hire and other trading activities, including activities previously funded through direct payments. Regrettably this means that organisations which have been enterprising in improving their sustainability by diversifying income streams, e.g. by using their property assets to good effect, have suffered substantially more as place-based activity has reduced or stopped altogether.



(iii) Current challenges for VCS Leaders

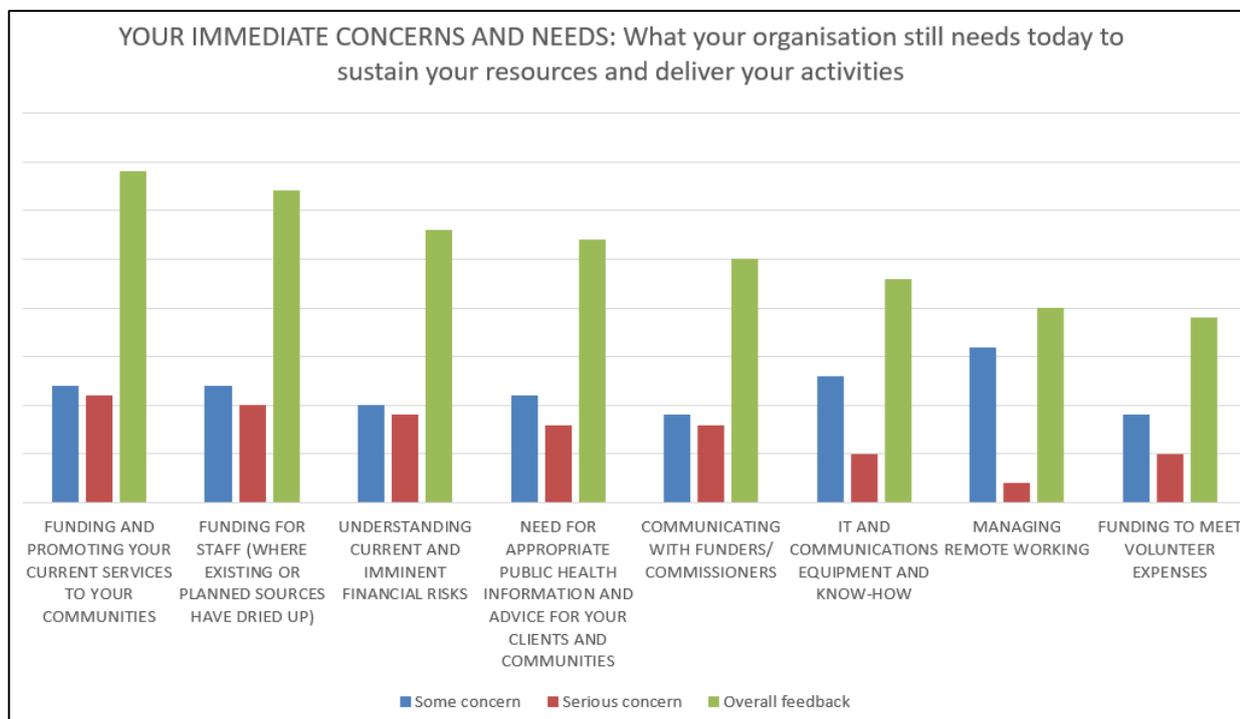
VCS leaders were asked about issues and challenges which remain for them in managing and sustaining their organisation at this time, and the degree to which these issues are a concern.

Funding for promotion and delivery of services was the over-riding concern for VCS leaders, with medium-sized organisations most likely to be affected. The impact of changes in funding regimes – with many funders now shifting from established programmes to emergency funding – is also impacting organisations who anticipated bringing in funding during this year for existing staff roles. Consequently **funding for staff** ranks as the second greatest concern for VCS leaders, with seven out of ten organisations experiencing a shortfall of funding which is impacting on staff capacity. Around one half of respondents felt that **communication with funders and commissioners** was an issue that needed to be improved.

Given the challenges for organisations managing an ease in lockdown conditions, changing service models and a very uncertain financial outlook, it is perhaps not surprising that VCS leaders recognise the challenges around **understanding current and imminent financial risks** as the next most significant issue to grapple with, with almost a third currently seeing this as a **serious concern**.

Other concerns pre-occupying VCS leaders include a **need for appropriate public health information and advice** to be available for clients and service users. Some respondents cited unhappiness over the lack of joined-up working with commissioners in helping frontline voluntary organisations with the PPE they require in supporting residents.

Less prevalent concerns – but nonetheless significant for around **half of organisations** – were more operational issues including the continued challenge of **managing organisations and delivery remotely**, acquiring the necessary **IT equipment and know-how** and finding the funds necessary to meet the **costs of utilising volunteers**.



(iv) Future Challenges for VCS Organisations

As organisations begin to become more accustomed to remote working and new models of delivery, and as lockdown measures begin to ease, VCS leaders are considering their medium-term challenges over the next 6-9 months.

Overwhelmingly, organisations concerns focus on the **increased need within the community**, with existing issues for residents exacerbated by the coronavirus pandemic, meaning that **nine out of ten** VCS leaders consider this the greatest challenge in the coming months. Additional to need in current areas of support, VCS organisations also cite concerns about anticipated need for bereavement and trauma counselling, support for children and young peoples’ mental and emotional health, learning assistance for school children already disadvantaged in the classroom, and support for middle-aged and older people (as well as those ‘shielders’ of other ages) including skeletal and muscular therapies.

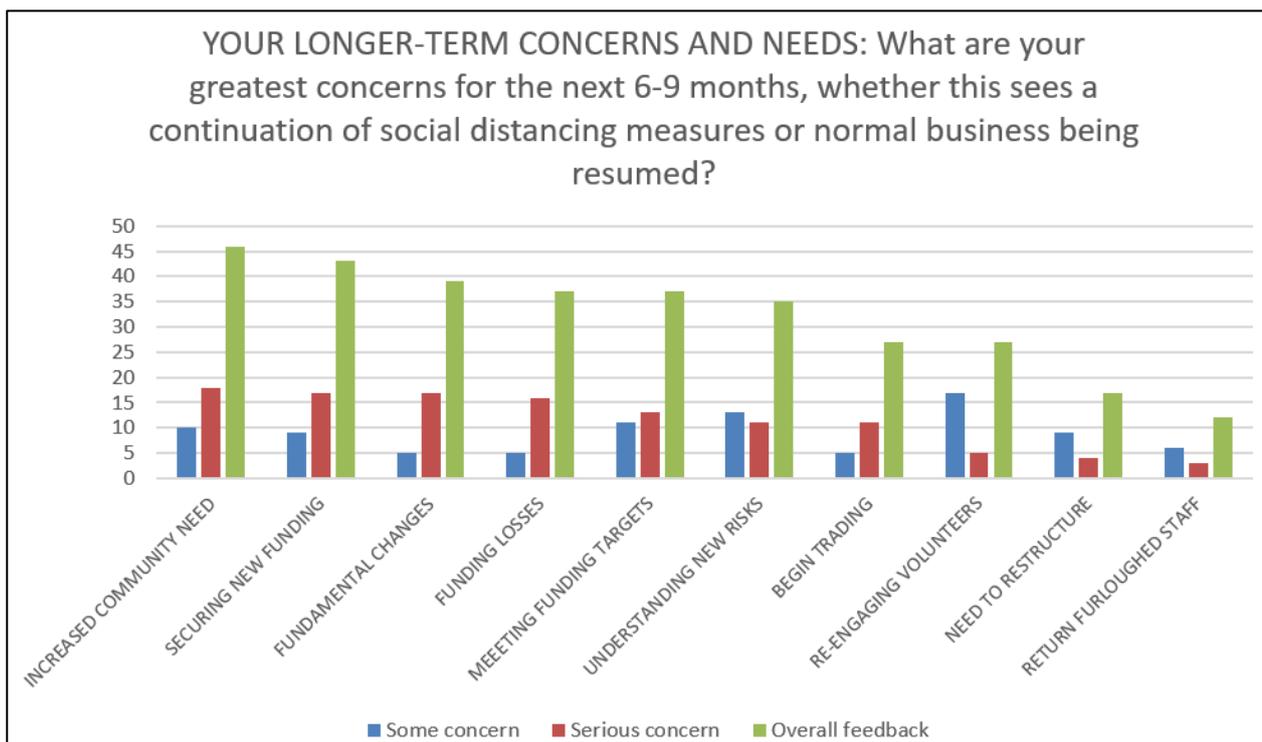
The majority of organisations say they expect that they will need to make **fundamental changes** to the way they deliver support, causing a **significant concern to over half** of the leaders surveyed.

As noted above, the pattern of funders diverting resources from strategic priorities to the immediate Covid 19 response also creates a significant concern for the future, with **eight out**

of ten VCS leaders worried about how they will **secure funds for new projects**. This is allied to a similar proportion seeking **support to meet shortfalls** in funding created by unplanned costs in recent months.

Again, awareness and **management of risks** also features significantly in VCS leaders' future planning, with as many as nine out of ten 'medium-sized' organisations identifying this need.

Less prevalent as future concerns, but nonetheless typically an issue for around **two-thirds of organisations** (and particularly for those larger organisations) is the need to pick up old activities, including **re-starting trading** and chargeable activities and **re-engaging volunteers** within the workforce. Other staffing concerns for a minority of organisations include **reintegration of furloughed staff** back into the organisation and the potential prospect of an **organisational restructure** as a result of changes needed.



(v) Learning for 'Reset and Recovery'

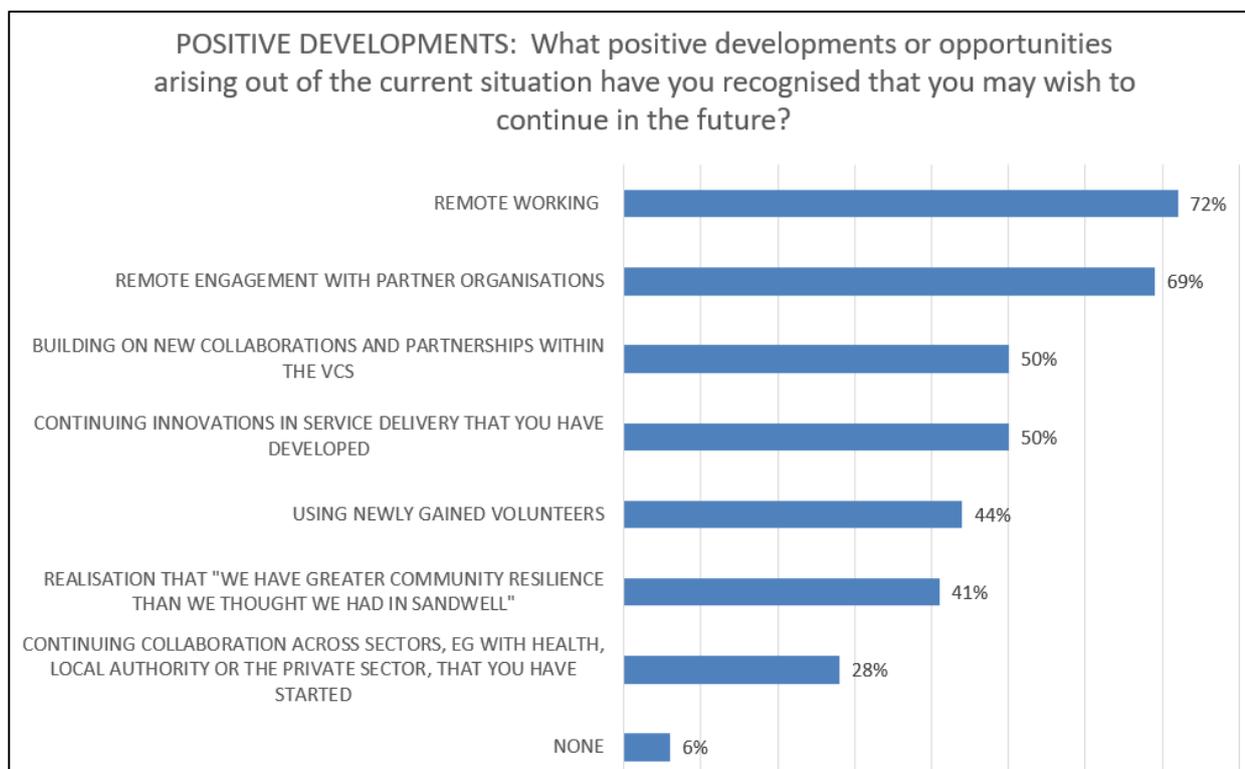
In the final question of the survey, VCS leaders were asked for their thoughts and reflections on the past months to consider what positive changes and learning might be taken forward into future ways of working, as individuals, organisations and through partnerships. Almost all respondents identified at least one new opportunity to emerge from adversity, with the majority identifying two or three new things to focus on.

Most significant across the Sector was a recognition that the **remote working** practices which had been adopted – in many cases put in place hurriedly – offered ways of working that might continue to be beneficial into the future. **Over 70%** of respondents felt that the new working arrangements offered a positive option for the long-term, with **almost all of the larger organisations** taking this view. **Remote engagement with partner organisations**, as a

way of fostering and maintaining collaboration was also highlighted by half of the respondents as an important feature of future working.

Allied to this, the **adaptations and innovations in service delivery** that have been necessary were recognised by a large majority of medium and large organisations as being a positive development which could be continued, although this was less the case for smaller organisations and community groups whose activities have typically been easier to flex. VCS leaders also recognised that not only has organisational adaptability and resilience been important, but also the way in which local people and communities have come together and worked together to support each other. **One half** of organisations surveyed felt that the pandemic has shown that “we have **greater community resilience** than we thought we had in Sandwell” – which should offer some encouragement as we face future challenges together.

Partnership working – an enduring strength between Sandwell’s local service providers – has really come to the fore during the pandemic, and unsurprisingly featured in VCS leaders’ hopes for the future. **Four out of ten** respondents felt that there is an opportunity now to **build on recent collaboration** with VCS partners, as well as to continue **developing partnerships** across sectors, with colleagues in health, local authority or business settings.



5. Further Information and Support

SCVO supports the health and sustainability of the Voluntary and Community Sector in Sandwell through training, one-to-one support, information and guidance on a range of organisational development and volunteering matters. SCVO also leads engagement with local strategic partners, the local authority and health providers on behalf of the Sector.

For further information about this report, regarding engagement with Sandwell's VCS or to learn more about the support available for local VCS organisations from SCVO please contact Leona Bird, Strategic Engagement Officer leona@scvo.info 0121 525 1127 or visit www.scvo.info.