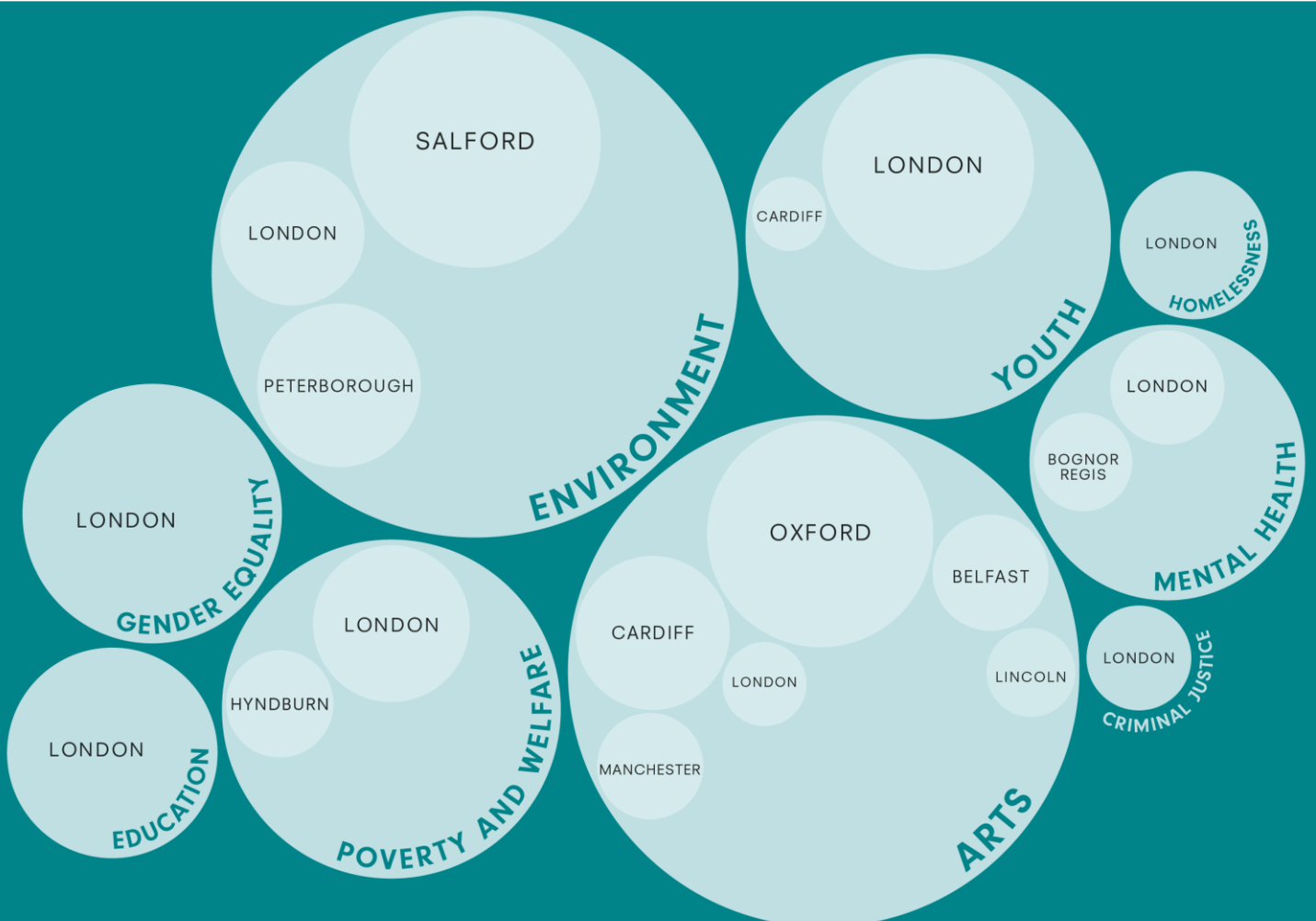


The pressures of uncertainty

Briefing 1 for trusts and foundations on the challenges faced by VCSE leaders during the Covid-19 crisis

9 April 2020

We heard from 23 charities through online peer support sessions, between 30 March and 3 April 2020. They were from the following fields and locations:



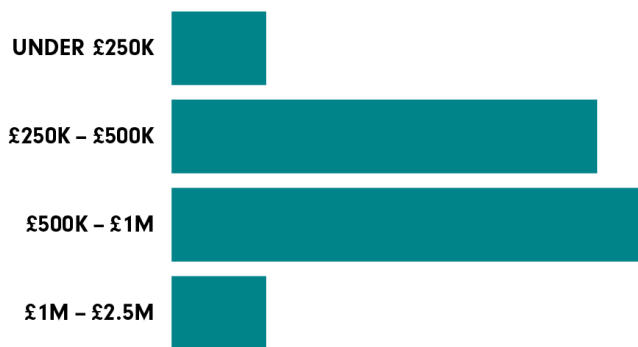
Introduction

Recognising the tremendous pressure that charity leaders are under as a result of the Covid-19 outbreak, IVAR is facilitating online peer support groups for leaders of voluntary, community and social enterprise (VCSE) organisations. The aim is to create a space for them to share challenges, dilemmas and worries, and to learn from each other's experiences. Participation in the first sessions was primarily by organisations with a turnover of £1 million or less.

Part of our offer is to feedback to funders the kinds of challenges smaller VCSE organisations are facing, and the help they need. This briefing shares the experiences of the first 23 leaders participating in the sessions, and our reflections on the questions and opportunities for funders that they raise. Further briefings will follow as new groups meet.

Who did we hear from?

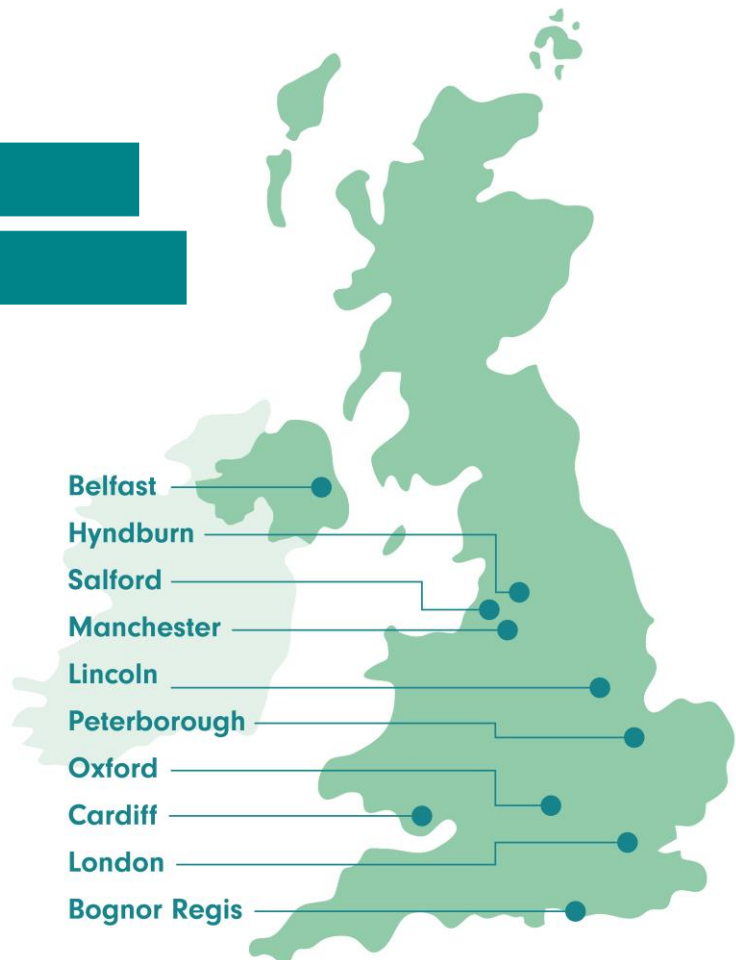
Income ranges:



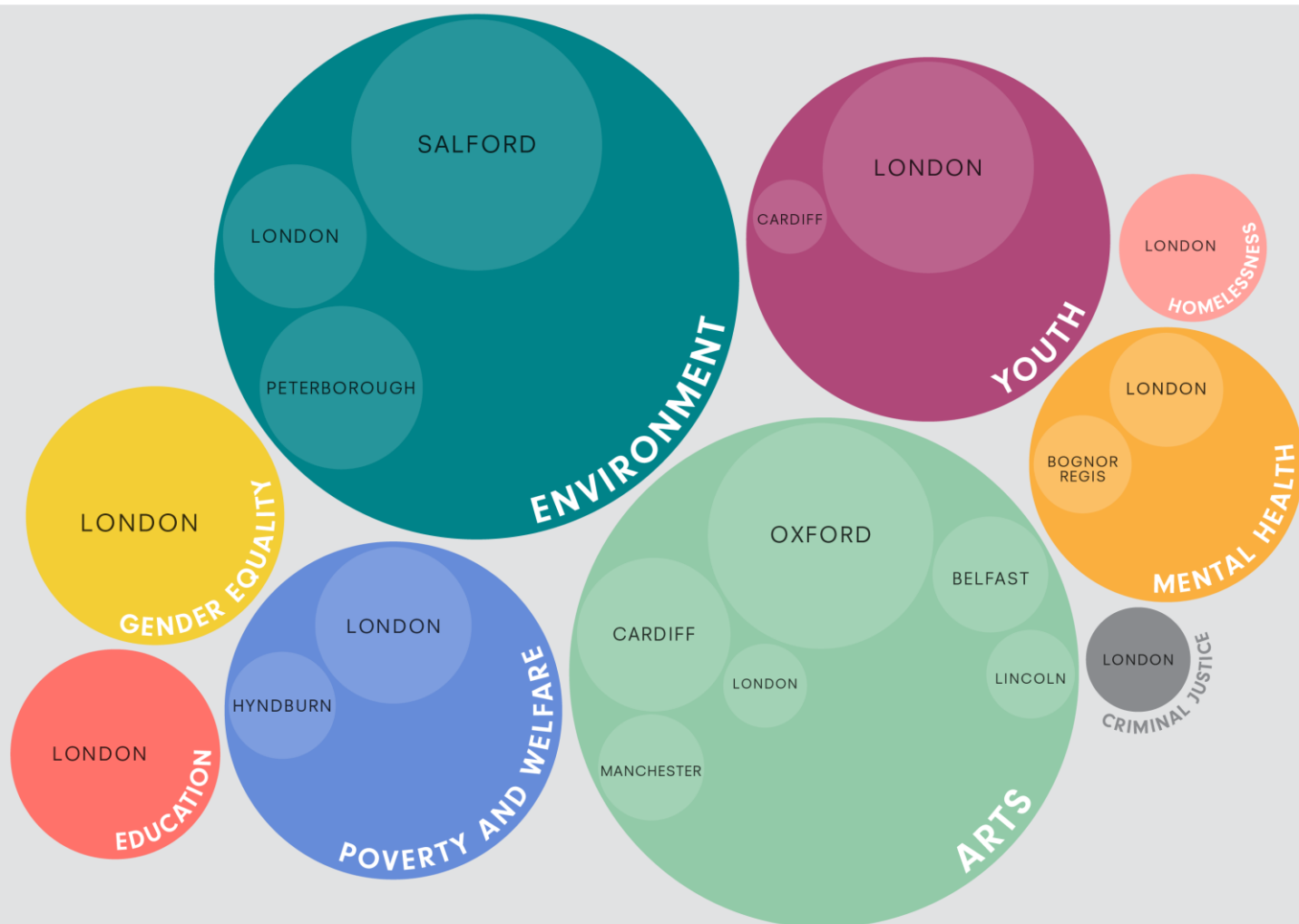
Main office locations:

We heard from 23 charities this week through online support sessions.

They serve communities across the four countries of the United Kingdom and Europe.



Fields:



What has it felt like to lead a VCSE organisation over the last month?

All leaders have been going through **a manic phase of adjustment** – changing or closing services; managing, supporting, reallocating and, in some cases, furloughing staff; taking care of volunteers; contacting partners and funders; finding ways to shore up finances and meet emergency costs; and a string of other tasks and decisions: *'I haven't had any experience in crisis management before.'* And all this is on top of the many challenges they are facing in their own lives.

The **sense of personal responsibility** is very strong – for some, almost overwhelming. All acknowledged that the last few weeks have been a real test of leadership: *'Business, governance, finances, staff, volunteers and service users. Normally things come in stages but here you're bombarded with it all at once.'*

Leaders have faced **moral as well as practical dilemmas**. For example:

- Some have been forced to close face to face services because they cannot be offered safely – while knowing this will leave their most vulnerable clients without accessible support.
- Despite a natural instinct to help, some have had to accept it is right to pause services and furlough staff: *'I see a need that our services could respond to, but we are not in a position – and neither are the organisations we work through – to deliver these services.'*
- Deciding when and how best to push on behalf of the particular needs of clients is challenging: *'It is hard to get the balance right when everyone is dealing with multiple priorities – but, as time goes on and you feel things aren't being done for your particular group, how do you raise your voice and get messages out in the most effective way?'*
- Doing the right thing for staff in the face of everyone's different personal and financial circumstances:
 - *'My team are all on the vulnerable list'*
 - *'All our staff are freelancers but not eligible for government support'*
 - *'Some staff with children might prefer to be furloughed'; 'Some of the team have said they want to be working – they want that check-in'*
 - *'Some staff are not entitled to furlough – and we have to decide whether to let them go.'*

What is now front of mind for leaders of VCSE organisations?

What happens next?

Everyone is feeling **the pressure of uncertainty** – what more will the government do for charities as part of the emergency response? How long can we expect this situation to go on? What will the environment look like 'afterwards'? Will our finances hold out? What will be needed, and will there be funding for the type of work we do?

A few are hopeful that cutting back on activities will create **more time for development and forward planning**: *'It's a once in a career opportunity to catch up and plan.'* Where funds have allowed them to keep staff, they are pushing forward on framing new projects or ideas that were in the pipeline.

All recognise the importance of grappling with 'what next': *'It is our responsibility, as organisations, to think about the longer-term.'* But some feel **it is too early for serious planning**: *'We really don't know what the world will look like in a few months' time. Everyone will have to respond to things that were not previously on our agendas.'* Requests from funders for plans over 6/12/18 months for different scenarios can feel overwhelming: *'We still need to take each day as it comes, whilst still looking at all scenarios.'*

And **the option to plan simply does not arise for those busy with the demands of maintaining frontline services** in the face of rising demand: *'Demand for our support has gone through the roof ... we are constantly trying to catch up with*

very limited resources. With the immediate challenges of maintaining services, supporting staff and raising funds to meet additional costs, these leaders have little or no time to think ahead, despite worries that emergency funders will move on before the job is done: *'We won't be out of the woods (for a long time) ... future funding needs to help small charities to continue to support people with the fallout.'*

Organisational management and delivery

Everyone is conscious of new **challenges in managing their teams** in a completely different way – supporting and motivating staff; adjusting for personal circumstances; helping everyone to get the pace of work right; keeping good communication flowing; and so on. Leaders are anxious about the health of their colleagues, especially where they are in vulnerable groups, and about how long everyone will be able to manage under the strain of isolation. But they also talk about *'the amazing, practical resilience'* shown by staff and the flexibility they have demonstrated in adjusting and supporting each other.

And the demand on leaders in organisations still working at full pace – especially those delivering front line services – remains intense. Keeping up to date on the changing environment for clients is a major task. And this runs alongside the challenges of emergency fundraising, maintaining relationships with funders, organisational management, and supporting staff and volunteers dealing with high levels of client stress, often at a distance. They feel particularly vulnerable to the loss of key staff to illness or caring responsibilities, and expect the pressure on limited management capacity to remain unrelenting.

Opportunities and risks

Some leaders have embraced **a radical shift in use of technology** and can already see ways in which it will expand their reach, enhance their effectiveness and organisational efficiency, and stimulate thinking about delivery in the future: *'This has demonstrated how resilient clients can be if they have to. Staff sometimes do a lot of handholding ... and this has shown how we can do less.'* Others find online working far from satisfactory: *'It's a way of working which is exhausting and can't be sustained.'*

But there are shared worries about who is missing out – about who isn't being reached in this new digital world and, more broadly, that existing **inequalities and vulnerabilities will be exacerbated** by everything that is happening around Covid-19: *'The most disadvantaged groups will be the most affected by the current situation – like people living in cramped accommodation, facing increased levels of domestic violence, without access to the internet or open spaces.'* **Challenging and shaping policy at the same time as responding to the crisis** can ensure that measures are in place to support and protect the most vulnerable populations, both in the immediate and long-term. However, it's difficult to know how to initiate and pursue policy discussions and lobbying for change in the midst of a crisis.

Leadership is being shared in some cases, with staff stepping into new roles and responsibilities, and is becoming more dispersed so organisations can respond effectively to the needs on the ground.

Funding and fundraising

Leaders **appreciate the flexibility shown by their current funders** in response to their changing circumstances and plans – and their offers of support: *'We have around 20 funders and have mostly had a good response. They are asking what we need.'* Some have also experienced this with newly awarded grants and applications already in the pipeline. But they face tough decisions about whether to draw down 'new money' now or hold it for future delivery: *'Do we use this new money to sustain the existing model or hive some of it back so that we stand half a chance of survival longer-term?'* There is also concern about how long this flexible attitude will last and what funders expectations will be: *'I am grateful for funders' current lack of scrutiny ... but conscious that we don't know what will be coming back in 3 months' time.'*

Not all have been so fortunate. Some rely heavily on maintaining a flow of project funding to support their core costs. Even if some current funders allow the balance of their funds to be converted to core, current indications are that new projects are unlikely to be agreed until there is more certainty about delivery. Others have a number of one-year grants, often renewed annually on the basis of past performance. Many of these decisions would normally be made around the end of the financial year but clear information or assurances are still awaited.

Leaders understand that **funders are faced with challenges of their own in this unprecedented situation.** Many, of course, hope that their existing funders will *'stick with the people they already have'* – extending grant periods, changing reporting requirements or providing additional funds, in response to the individual needs of each grantee. But they know each funder will be individually interrogating what it means to 'stand by the sector': *'It is great to see the London Funders statement – but, in reality, that will mean many different things for different funders, depending on what their Board decides.'* They hope funders will keep communication channels open and be ready to share their own uncertainties: *'We need funders' assurances to be realistic – if you don't know the answer yet, say so.'* It is silence that is most unnerving as deadlines approach and finances dwindle: *'We haven't heard anything back from a couple of funders yet and that's quite worrying'.*

Emergency funds are beginning to flow, and some leaders have come up with innovative ideas to boost earnings or quickly bolster their financial cushion. But **routine fundraising has ground to a halt** for many: *'I feel uncertain about whether to write funding bids we need more clarity.'* There is a sense that many funders are waiting to see what else the government will do. For some, this is the right approach: *'We are looking at the government taking much of the weight now, according to what the state can manage.'* But the time may be fast approaching when the state steps back. And they **would like to see independent funders doing some of the early thinking needed** so that both they and the sector are ready when this happens: *'What is going to be the impact of all this government lending and giving long-term? What are we going to look like in six months or a year and what is going to be available across the board?' 'Can funders be the ones to pioneer some of this thinking and help government anticipate possible scenarios?'*

Questions and opportunities for funders

Since the beginning of this crisis, we have been drawing on conversations with VCSE organisations and with individual foundations across the UK, as well as on our past research and the actions already taken by many, to [suggest practical ways](#)¹ in which funders can support their grantees and the broader sector at this unprecedented time. To these we can now add six ideas and priorities highlighted by the leaders attending our first round of peer support sessions:

1. **There is still scope for many funders to provide greater assurance to organisations whose work they already know and value** – for example, with the government safety net in place where jobs are at risk, one project funder who is ready to convert to a core grant may be enough to sustain some organisations through the weeks or months of lockdown, so that they are ‘ready to go’ when the situation changes. Or where grants are usually awarded annually but often to many of the same organisations, even a conditional offer to repeat for a further year provides a firmer platform for them to plan for the future.
2. **Keep communication channels open** – potential applicants and grantees know that funders have tough decisions to make about programmes and priorities. But it helps them if you are clear both about what you have already decided and the questions that will take more time. As one leader put it – ‘*If you don’t know yet, say so.*’
3. **Where you can, make assurances of flexibility for existing grantees as concrete as possible** – if reports can be ‘lighter touch’, [what does this look like](#)² and for how long? If outcomes or performance targets are up for negotiation, how radical can the changes be? If there is scope to extend the terms of grants, bid for additional costs or continuation funding, how soon will these opportunities be offered?
4. **Recognise that a ‘one size fits all’ offer to current grantees probably won’t work** – for example, if organisations have ‘paused’ during the crisis, they may simply be looking for extended grant periods and amended outcomes during recovery. Where they have been flat out responding to its effects on their communities or clients, they may need continuation grants so that they can maintain services while taking stock of the new situation and making plans.
5. **If you are open to bids for longer-term work, be clear about how you will allow for current uncertainties** – for example, how will you create opportunities for organisations to describe the impact of Covid-19 on their work? Will you change your [appetite for risk](#)³ by, for example, making allowances for a less robust financial position than you would usually expect or accepting a more tentative business plan?
6. **Take opportunities to build collective intelligence about the pattern of need and funding** – at some point, funders will all turn to the big questions about ‘what next’ for their funding strategy and priorities, but within a context transformed by the political, social and economic impact of Covid-19. How

¹ www.ivar.org.uk/covid-19

² www.ivar.org.uk/covid-19-how-funders-can-ease-reporting-requirements/

³ www.ivar.org.uk/our-research/funders-and-funding/thinking-about-risk/

might the spirit of collaboration that has characterised much of the response to the immediate crisis be sustained in the work of making sense of the challenges of the future, and how best to meet them?

Authorship

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