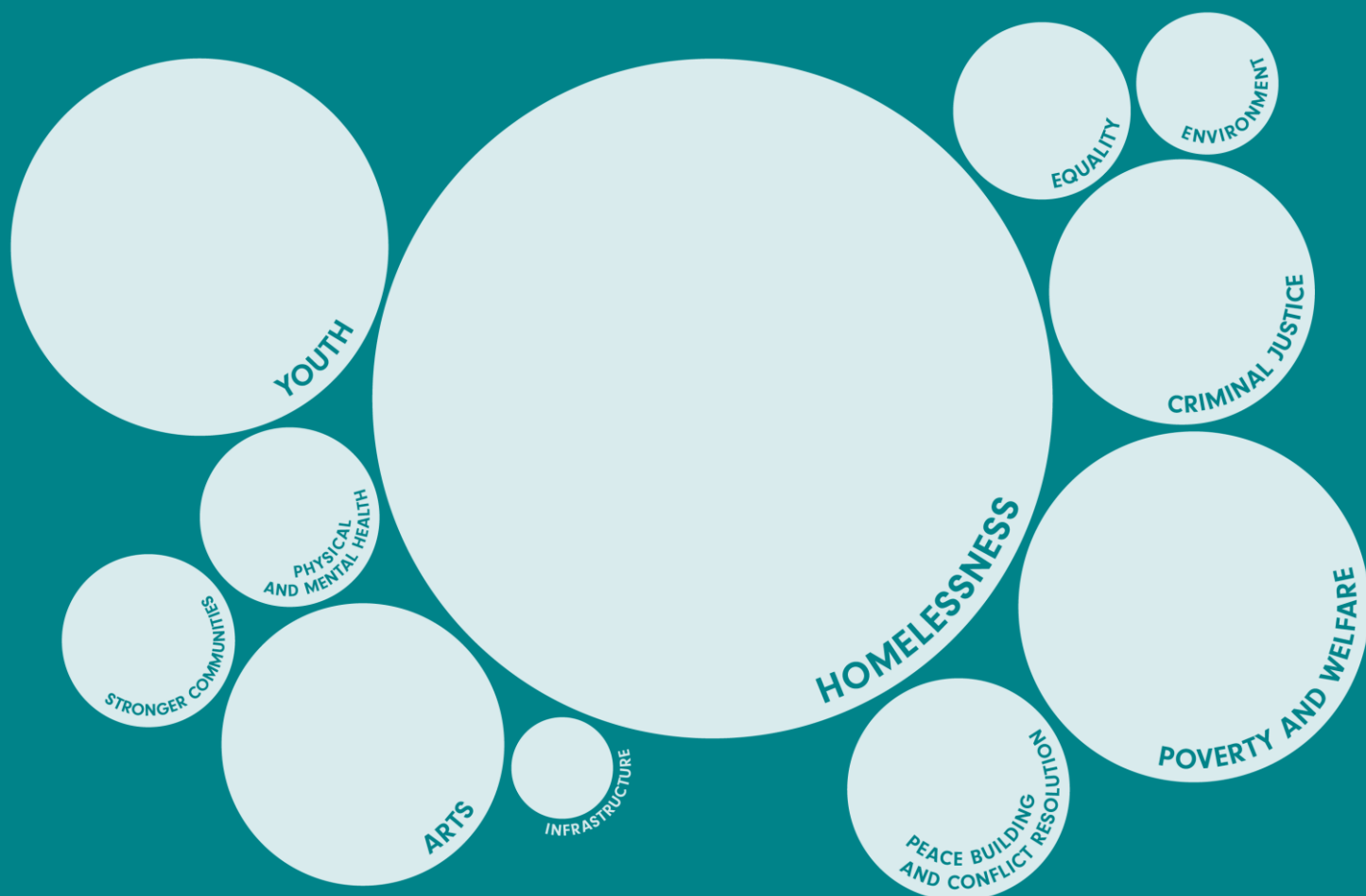


Moving out of the initial shock

Briefing 2 for trusts and foundations on the challenges faced by VCSE leaders during the Covid-19 crisis

17 April 2020

WE HEARD FROM 32 CHARITIES THROUGH ONLINE PEER SUPPORT SESSIONS, BETWEEN 6 AND 9 APRIL 2020



Introduction

Recognising the tremendous pressure that charity leaders are under as a result of the Covid-19 outbreak, we are 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 second briefing shares the experiences of 32 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:

UNDER £250K

£250K – £500K

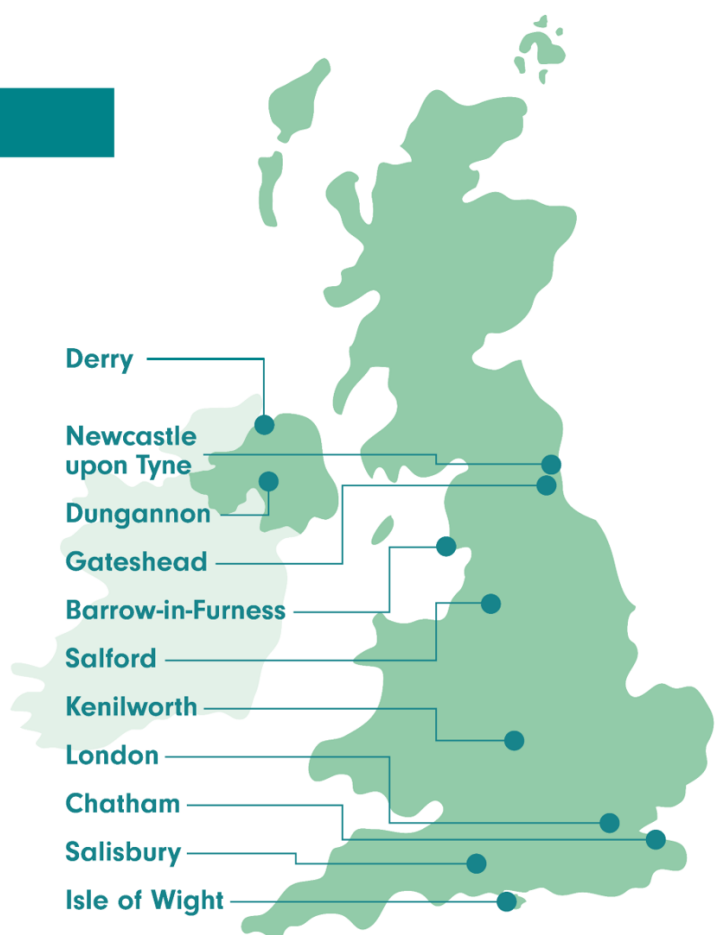
£500K – £1M

£1M – £2.5M

We heard from 32 charities this week through online support sessions.

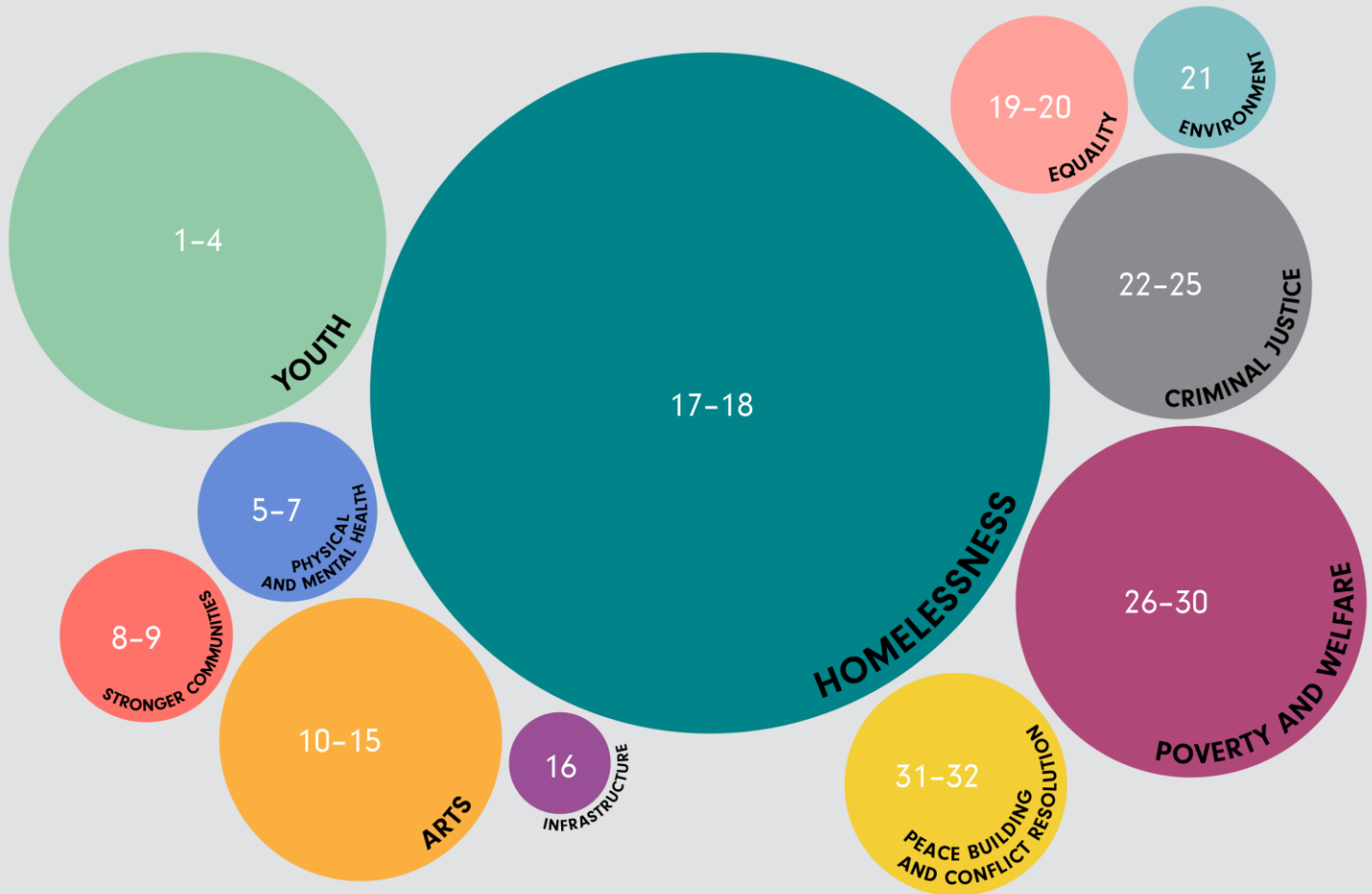
They serve communities across the four countries of the United Kingdom and Brazil, Ireland, Kenya, The Netherlands, Romania, Thailand and the United States.

Main office locations:



Fields:

WE HEARD FROM 32 CHARITIES THROUGH ONLINE PEER SUPPORT SESSIONS, BETWEEN 6 AND 9 APRIL 2020



YOUTH

- 1 Caritas Diocese of Salford
- 2 Peer Power Youth
- 3 National Federation of Young Farmers' Club
- 4 Isle of Wight Youth Trust

PHYSICAL AND MENTAL HEALTH

- 5 The Challenging Behaviour Foundation
- 6 PKD Charity
- 7 Bipolar UK

STRONGER COMMUNITIES

- 8 The Jo Cox Foundation
- 9 Transforming Communities Together

ARTS

- 10 Curious Monkey Ltd
- 11 Spread the Word
- 12 North West Play Resource Centre/Derry Playhouse
- 13 Art Gene Limited
- 14 Little Fish Theatre
- 15 Para Dance

INFRASTRUCTURE

- 16 The Social Agency Change Ltd

HOMELESSNESS

- 17 Thames Reach
- 18 Changing Lives

EQUALITY

- 19 Black Cultural Archives
- 20 Speedwell Trust

ENVIRONMENT

- 21 Salmon and Trout Conservation UK

CRIMINAL JUSTICE

- 22 Khulisa
- 23 The Revolving Doors Agency
- 24 Why Me?
- 25 Unlock

POVERTY AND WELFARE

- 26 School Food Matters
- 27 Safe Families for Children
- 28 Grandparents Plus
- 29 The Orchard Project (Cause) Ltd
- 30 Focus on Labour Exploitation

PEACE BUILDING AND CONFLICT RESOLUTION

- 31 Solutions Not Sides
- 32 Rethinking Conflict

What is it like leading a VCSE organisation through the current crisis?

In our last briefing, leaders of small VCSE organisations shared their experience of going through a manic phase of adjustment. This week people are talking about moving out of the initial shock. But **the focus for their attention varies**. Some are swamped with extra demand; others are dealing with the implications of cancelling major programmes and projects. Many are testing the opportunities and limits of home working, and of virtual and phone-based services. Some point to the systemic weaknesses and inequalities that this pandemic is exposing, and the challenges of working out *'how to respond, how to ensure that the evidence is being collected.'* All are conscious of **a pressing need to keep looking forward**: *'To think about what this crisis means, both now and in the future, in a very detailed way.'*

In such a complex and fast-moving situation, the **sense of personal responsibility** for their decisions and recommendations to trustees – and for the impact these have on clients, communities and causes, staff and volunteers, and the survival of their organisations – remains acute. Leaders worry about not being able to sustain the effort needed to break through on behalf of their clients: *'Every day, I've been collecting case studies to lobby the government – and I'm getting compassion fatigue. Usually, talking in the office would diffuse this, but I'm on my own now, working 12-hour days at home.'*

Leaders talked about **the blurring of work and personal life**, and the need for a high level of sensitivity to the individual challenges faced by their teams, whether through vulnerability, caring responsibilities or home circumstances: *'Many of our staff are migrants, alone in this country and not in great housing conditions.'* And they can see reserves levels dropping as they try to respond to need: *'We are using our reserves to get through, but I know it's storing up trouble for the future and I don't know how we will rebuild them.'*

But the extraordinary **energy and flexibility of small VCSE organisations** is manifest. People are rolling up their sleeves and transforming how they work: *'All our project workers have switched to our online advocacy team, which is facing huge demand.'*; *'The people delivering our employment programmes are all now doing outreach work.'* New ways to stay connected to clients and communities are being found: *'We've had to pull a major theatre production that we've been working on for two years with vulnerable groups – so we got involved in delivering food parcels, keeping up our relationships.'*

Some staff and teams clearly relish **the opportunity to think creatively and act quickly**: *'One of our teams has stepped in as the local hub for food and supplies. And the three staff have organised themselves into shift patterns to cover long hours and weekends – this all happened in a matter of days.'* People are demonstrating unexpected talents and skills, and discovering them in others: *'Staff have been taking on new roles and responsibilities to respond to the crisis – and I've realised that some of them are brilliant!'* And – especially in younger people's organisations – staff and volunteers are learning new skills from clients: *'Working online with young people is an inspiration – they are so much more familiar with online platforms than many charity staff.'*

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

The wholesale shift to providing services constrained by social distancing and reliance on technology raises deep concern about **people who are missing out and at immediate risk** – and for a wide range of reasons, including:

- **Distance from mainstream services and support systems:** *'Adapting away from face-to-face is really challenging with people who are generally distrustful at the outset and hard to reach.'* *'Our clients don't have Zoom! Most don't even have phones.'*
- **Enhanced risk of violence and abuse:** *'People being kept in and made largely invisible is a massive concern.'*
- **Acute mental health needs:** *'We're really worried about a big increase in suicides – and about people breaking social distancing rules and being sectioned, exposing them to Covid-19 in psychiatric wards.'*
- **Serious ongoing health conditions** that have tumbled down the priority list: *'Routine healthcare is being cancelled; this will make it more likely that people end up in hospital.'*
- **Support needs which cannot be delivered at a distance:** *'It is simply impossible for volunteers to provide the respite care that enables our families to cope.'*
- **Lack of space and privacy:** *'We can support young people by phone and online, but only if they have a safe and confidential space to work with their counsellor.'*
- **Reluctance to ask for help:** *'People are feeling guilty about asking for food parcels.'*

There continue to be many **immediate professional and personal challenges** to face. Many more leaders now know someone who has been seriously ill or died from Covid-19: *'We lost our first volunteer last week – this has gone from something distant and scary to something very close'*. The next weeks will see no let-up in the pressure on managers *'to support staff and volunteers and to help them not feel isolated, even though I'm feeling the same way'*.

Some have experienced power dynamics changing for the better and hope that there is scope to build **a stronger collective response for the future**, with greater respect for the experience of the VCSE. Some cited the collaboration between the homelessness sector, local authorities and the government to move homeless people off the streets and into the relative safety of single hotel rooms: *'A lot of joined up thinking has been happening and they are paying attention to VCSE organisations as a group.'* Leaders from Northern Ireland praised the effectiveness of membership networks in feeding intelligence to Ministers and getting concrete results: *'It is gratifying to have that listening ear and to see the quick response.'* And some local authorities are actively reaching into the sector for expertise: *'We have seen an about turn in the North East, with commissioners coming to us to ask for help and advice.'*

But **many are less hopeful**. Their recent experience of being a smaller player in a collaboration with both statutory services and larger charities has been

characterised by cancelled contracts and clawing back of project funds with little or no notice: *'The quid pro quo system isn't happening. When these big dominoes fall, us smaller guys are the ones that get trampled on.'* However, despite this, the majority see **collaborative working as an essential ingredient for survival and effectiveness** in the future: *'A natural reaction is to focus internally, but we know from experience that partnership working is a lifeline and will keep us all afloat.'*

Looking to the future, leaders see big challenges in preventing or mitigating **the long-term damage to individuals and communities**. For those that have been able to continue, all their energy is going into responding and adapting as *'the needs of our service users are changing day to day and week to week'*. What leaders need, more than anything at this stage, is *'to have some head space and be able to think about what the future might actually look like.'*

Funders and fundraising

Messages for funders from the sector are becoming sharper and more clearly articulated, focusing on four key areas.

The government safety net

The general view is that the £750 million of government support for charities announced on 8th April *'will not touch the surface'*: *'Half of it is for people already in receipt of government funding; the other half is for the rest of us to try to scrabble around to get first dibs on.'* There is also a fear that, again, it will be the most disadvantaged and marginalised that will miss out in the competition for funds: *'The strongest charities on fundraising will not necessarily be the ones supporting the most vulnerable.'*

And, although some organisations have been forced to furlough staff, this broader safety net will not work for many: *'There is a lack of understanding that the sector is not the same as the business sector. A lot of advice has been given to furlough your staff – and the Chancellor said the same thing. That helps protect the organisation, but it does nothing to help the individuals we were set up to support.'*

There is scope for the government to help some sectors by making further policy shifts. For example, organisations providing accommodation would benefit significantly from faster payments of housing benefit. Leaders would encourage independent funders with good knowledge of individual sectors to back calls for such targeted changes wherever possible. For many, this raises a bigger question for trusts and foundations, about deciding where and how they can best plug the gaps in the state safety net: *'Funders need to be asking themselves what is the most impact they can have with their money and influence in this context.'*

Emergency funding

Everyone – whether they are eligible for it or not – recognises the need for emergency funds for frontline services facing pressing demand. But there is a strong plea for this funding – and all funding through this time of crisis – to be broadly framed and led by the knowledge and experience of the people on the ground: *'We do a great job because of the core work that we do. Trust us – make ALL funds unrestricted.'*

Even in the midst of the immediate crisis, leaders of frontline services are trying to plan for the future. They hope that funders will be ready to use emergency funds to bolster these services through the long transition and its aftermath: *'There is a*

real need for emergency, crisis help, but also for making sure that it doesn't all become short, quick fix stuff.'

Existing funding relationships

Leaders are increasingly vocal about quite how reliant they are on their existing funders – and especially independent trusts and foundations – both to weather this crisis and adjust to whatever is needed for the future. Over recent decades, VCSE organisations of all sizes have been encouraged to diversify their funding streams: *'We have been told to focus on increasing earned income or raising money from corporates but it is these sources that have dried up immediately.'* And, as we heard in our first round of discussions, regular annual contracts are not being renewed or are being cancelled early. Both leave some organisations *'facing the loss of a big chunk of income and no certainty about when or whether we can build it up again.'*

Normal fundraising cycles are also severely disrupted, with many applications on hold and important programmes redirected to emergency responses: *'We all know we have to think at least six to 12 months ahead in fundraising. Most applications to trusts take three to six months between applying and – if you are successful – getting the money into your bank account.'* So how funders respond to their existing grantees is of critical importance.

In the immediate term, leaders reinforce the core messages that were beginning to emerge in our first briefing – particularly around communication, reporting and making assurances of support and flexibility as concrete as possible:

'Keep communication concise and relevant, we are working under a great deal of pressure right now and might need conversations with six, eight, 10, 15 different funders. We just don't have time to spend having all these conversations.'

'Please don't expect us to report now and report again retrospectively - just let us report and reflect later.'

'Acknowledge and accept that we will not be able to fulfil the aims of grants in the timescale set – if we get an extension to deliver targets, will staffing costs also be extended?'

'Fund us with a core grant for an extra year – six to 12 months security would give us space to reconfigure.'

For the longer term, the message from leaders to their existing funders is that they look to them – and particularly to independent funders who have the freedom to do this – *'to hold their nerve and continue to fund the vital services they already fund. Those needs have not suddenly gone away and will be more acute after all this.'*

Thinking about the future

Leaders recognise some of the challenges and constraints that funders will face beyond the immediate crisis. They see a downturn in funds from trusts and foundations as a real possibility – and some are concerned that even existing commitments may not be met: *'The funding sector is heavily invested in the stock market which has seen significant losses. So the value of investments has dropped, and this may mean grants are not fulfilled.'* In some sectors, the decisions of key funders will have a profound influence: *'The Arts Council have used almost all of their reserves – this does not give us confidence as culture*

organisations. Please, not too much short-termism - we will also need longer term support.'

What attention leaders have to spare is increasingly turned towards the demands of the next 12 months and beyond. They hope soon to *'begin to have conversations with funders that are also prepared to think middle term.'* As we reported in our last briefing, they would encourage funders to share their thinking – both what they have already decided and the questions that will take more time to answer: *'We need real clarity from funders about their strategy.'*

Leaders also hope that a more flexible and open funding culture can persist beyond the immediate emergency. They would encourage, for example, a continuing commitment to unrestricted funding and new thinking about assessment and support of organisational finances, especially around the impact of the crisis on fundraising pipelines and understanding that *'reserve levels will be significantly hit'*.

For some, the experience of funding relationships in a crisis has the potential to be transformational: *'Because funders and commissioners have understood that an immediate response is required, they have thrown out their reporting matrices etc. People are empowered to do the right thing – and then they really do it ... Teams are being incredibly creative and responsive in order to meet individual needs. I hope that funders will reflect on this and consider how useful it is to pre-set outcomes over a three-year period.'*

Questions and opportunities for funders

In our first briefing, we highlighted six ideas for how funders can support their grantees and the broader sector at this unprecedented time:

- **Provide greater assurance to organisations whose work you already know and value**
- **Keep communication channels open**
- **Where you can, make assurances of flexibility for existing grantees as concrete as possible**
- **Recognise that a 'one size fits all' offer to current grantees probably won't work**
- **If you are open to bids for longer-term work, be clear about how you will allow for current uncertainties**
- **Take opportunities to build collective intelligence about the pattern of need and funding**

Drawing on our latest conversations with leaders, three key messages for funders stand out:

1. The situation is moving so fast that, right now, **unrestricted funding is the only sensible approach**. Moving into recovery and the longer term, the widespread adoption of an unrestricted funding model would be a great result for the VCSE sector.

2. **Trust remains at the heart of the response needed**. That extends to the information you provide about your processes and timescales, where clear and sufficient communication is essential – (e.g. does 'we will look at deferred applications in 6 months' actually mean that the earliest applicants will hear is in nine to 12 months?)

3. This is a critical time for learning. Funders clearly won't be able to fill all the gaps or support all the groups they want to. There is still a task to do in supporting the frontline, sustaining valued services and creating space for people to regroup as the impact of the pandemic becomes clearer. That places a premium on you listening, talking and learning, in order to inform and shape future priorities and adaptations to practice.

Authorship

Liz Firth, Ben Cairns and Emily Dyson based on work carried out with Institute for Voluntary Action Research (IVAR) staff and associates: Katie Turner, Charlotte Pace, Richard Jenkins, Miranda Taylor, Sonakshi Anand, Houda Davis and Dr Vita Terry.