VONNE

voluntary organisations' network north east

Covid-19:

The VCSE sector's key asks to aid recovery in the North East

April 2021

Introduction

This report aims to highlight the current issues facing the Voluntary, Community and Social Enterprise (VCSE) sector due to the Covid-19 pandemic, and following wide consultation with our members and stakeholders, consolidate our key asks of government, funders and commissioners as we work to alleviate the immediate and long-term impact of the crisis on our people and communities.

Discussions at our AGM+ in November 2020, and subsequent exchanges within our North East and Cumbria Funders' Network and North East and North Cumbria (NENC) VCSE Partnership Forum revealed the sector's gratitude at the flexibility and proactive engagement many funders and commissioners offered in the early stages of the pandemic, and the range of response and recovery grants available.

As the lasting economic and societal impacts of Covid-19 are felt, VCSEs across the region anticipate a significant increase in demand for support at a time when the resilience and capacity of staff and volunteers is significantly impacted.

To ensure the sector is equipped to support the most vulnerable in our communities, the impact of Covid-19 on organisations' finances and capacity to deliver services and strategically plan, must be considered.

The consensus on key issues

The support needed for the sector to recover is wide-ranging, and includes financial, leadership, strategic planning, governance and digital guidance.

New partnerships have been formed within and beyond the sector, while some partnerships, such as with schools, have diminished or all but disappeared. There's a need to build on emerging relationships to make them both impactful and sustainable.

Issue	Current situation
Resilience	Organisations persevere, but many are questioning how long they can keep it up. Staff and volunteer fatigue is a real concern and uncertainty and its impact on the ability to plan is debilitating.
Financial viability	The long-term picture is uncertain and significant reductions to statutory, along with the loss of EU funding could threaten key services. Many organisations are using reserves and cashflow has been a particular issue, with a cost attached to applying Covid safety measures.
Operations and resourcing, incorporating IT/virtual delivery (please note some teams are made up entirely of volunteers)	Burnout is an ongoing risk and there are support and skill gaps emerging, with societal issues likely to widen further due to limited knowledge, resources and funding, coupled with increased service demand. Long term we'll see ongoing rises in poverty, unemployment, mental ill health, substance misuse, crime, isolation and loneliness, safeguarding issues and digital exclusion, particularly of the most disadvantaged.
Communication	Short notice changes to, and inconsistent application of, or access to complex messaging, particularly from national sources, are having significant implications at a local level, not least on vaccine uptake and adherence to Covid restrictions.
Supply chains	There are fears about the ongoing availability and cost of supplies of PPE and food, particularly following Brexit, and about the continuing generosity of individuals and businesses regarding donations.

What does this mean for commissioners?

VCSE organisations are essential to the planning of care and delivery of social prescribing, supporting innovation and integration for a greater shift towards both prevention and self-care. They are uniquely placed to support people and communities in Covid recovery, reducing health inequalities and supporting overall population health.

Building on the [NHS Reset campaign](#), which recommended Integrated Care Systems (ICSs) should invest in working with VCSEs over the long term to embed them in Covid recovery plans and give them a clear and equitable role in the planning and delivery of healthcare, with co-designed outcomes for people and communities, the key asks of commissioners such as local authorities, healthcare bodies and others are:

- To recognise the VCSE sector is a diverse, complex and interconnected system for which one approach can't be universally applied.
- To recognise that the development of agile programmes that respond to community needs relies upon bespoke and longer-term investment such as consortium-based approaches that reach into smaller neighbourhoods.
- To remove commissioning process blocks that impinge upon the opportunity to collaborate and build relationships rather than compete for limited funds. NHS commissioners in particular must adopt flexible, proportionate mechanisms using grants as recommended and not formal contracts.
- To acknowledge and enable the time and resource requirement to build meaningful collaborations
- To maximise social value by working more closely with the VCSE sector and local funders to align intelligence, support mechanisms and opportunities.

What does this mean for funders?

Local and national trusts, lotteries and foundations can support sector resilience by moving away from short term emergency support[1] while retaining a sense of urgency and decisiveness around their respective medium and long-term commitments to funding. However, this can't be delivered by funders alone and will require support from Local Enterprise Partnerships (LEPs) and government.

With that in mind, the key asks of funders are:

- To recognise the VCSE sector is a diverse, complex and interconnected system for which one approach can't be universally applied.
- To recognise that the development of agile, far-reaching programmes that respond to community needs relies upon bespoke and longer-term investment.
- To recognise the flexibility and autonomy of VCSE partners of all sizes within systems.
- To recognise that learning from and developing through change requires investment.
- Maintain flexibility and adapt funding as circumstances develop
- To "Adopt processes, practices and funding structures that align with the principles of trust-based grant making"[2]; in other words, trust organisations working directly with beneficiaries to do the right thing when the world changes, and to flex accordingly.
- To set realistic expectations about what can be delivered in a complex and ever-changing world, and any associated costs
- To adopt realistic, fair and transparent application deadlines and processes, including for funding for short-term funding for specific themes or developments.
- To encourage collaboration rather than competition.

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[1] As recommended in the following Institute for Voluntary Action Research (IVAR) Covid-19 briefing paper: A funding cliff edge – May 2020

[2] As cited in the following Institute for Voluntary Action Research (IVAR) Covid-19 briefing paper: Between a rock and a hard place – August 2020

What does this mean for the government and other national bodies and agencies?

As recommended in the Kruger report, [Levelling up our communities: proposals for a new social covenant](#), we'd like to see a representative VCSE commission established that is equivalent to the [Cultural Renewal Taskforce](#), which saw Arts Council England Chair Sir Nicholas Serota appointed a leading member.

It should be given a clear role to advise how UK-wide VCSEs can work with government, local communities and the NHS over the long term to recover from the pandemic, with representation from areas in which inequalities have significantly deepened, such as those identified as left-behind.

With that in mind, the key asks of governance bodies and agencies are:

- To acknowledge that welfare system reforms and other policy decisions can increase demand for VCSE services and exacerbate social issues, assess decisions in light of this and supply adequate funding both to address root causes and enable this demand to be met.
- To publish details of the UK Shared Prosperity Fund to allow planning beyond March 2021[3].
- To publish treasury spending plans for the VCSE sector that will underpin recovery and growth.
- To consider longer term funding that allows the sector certainty in aid of sustainable delivery.
- To adopt realistic, fair and transparent application deadlines and processes, including for funding for short-term funding for specific themes or developments.
- To encourage collaboration rather than competition.

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[3] In the 2014-2020 European Structural and Investment Funds programme, the North East LEP allocation amounted to £437m+, and Tees Valley LEP £187m.

What does this mean for the VCSE sector?

In the spirit of partnership, our consultation also asked what VCSE organisations expected of themselves and each other in terms of working more effectively with funders, commissioners, government and statutory bodies to ensure they remain fit for purpose and can flexibly respond to both emerging and established needs.

There's a clear opportunity for wider systemic change to address deep-rooted inequalities, working together to place the voices of those we support at the heart of service provision over the long term.

To maximise this opportunity, the key asks of the VCSE sector are:

- To form partnerships, alliances and find other collaborative models to align better with systems, and feed the needs of those we support into holistic, joined up solutions.
- To recognise the value that small, medium and large organisations can bring, especially when working together, so that opportunities are equal.
- For larger organisations to support the capacity building of smaller organisations, strengthening the VCSE sector as a whole.
- Develop effective ways to share best practice learning, data and knowledge between sector organisations and with funders, commissioners, government and statutory bodies to encourage innovation.
- To consider how we can amplify the voices of those we support, especially those seldom heard, to ensure they're involved and engaged in the decisions that affect them.