



Covid-19 and the voluntary sector – initial learning

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INTRODUCTION

COVID-19 and the response that it demands has had an unprecedented impact across our society. This briefing paper draws together some of the key issues being highlighted by voluntary sector networks. It does not try to capture everything but aims to provide a snapshot of cross-cutting issues.

The community-led response has been incredible – in the places we live and online. People have come together to help each other with food, medicine and friendship. They have done this informally and through existing groups. Voluntary organisations, large and small, have responded swiftly and often innovatively.

COVID-19 has brought considerable hardship. It has affected some people and communities disproportionately and is likely to in the longer term. Voluntary organisations have faced challenges in responding. The sector is diverse and the crisis has impacted differently. Many have seen rising demand for services, a dramatic reduction in income, difficulty in providing support in lockdown and less staff and volunteer capacity. The financial impact means many charities will face permanent closure.

New possibilities have also opened, which the sector is keen to capture.

CONTEXT IN WALES AND LONGER-TERM IMPLICATIONS

Voluntary organisations are concerned about the longer-term impact, and the disproportionate impact, on some groups and communities. For some, this comes on top of recovering from floods in February. We expect to see increases in the number of people living in poverty, joblessness and destitution as well as in the number of people needing mental health support.

Higher rates of poverty will lead to a greater need for support, not just for immediate financial relief. Increased levels of poverty are associated with a wider range of disadvantage. As a result, we anticipate that there will be higher levels of demand for services, both statutory and voluntary.

Specific parts of the sector have challenges. There are particular challenges for the health sector, including non-COVID treatments and diagnosis being postponed. School closures will have a disproportionate impact on children from less affluent backgrounds. The list goes on.

New possibilities are also being created through COVID-19 that could help long term ambitions, from environmental targets to co-producing services.

VOLUNTEERING

People's willingness to help each other out voluntarily has been a hallmark of Wales' reaction to the COVID-19 outbreak. The crisis has mobilised new volunteers, informal and formal. The speed and reach of voluntary responses has given people vital support that would not otherwise have been possible. It has saved lives. This is recognised and supported by government.

There are also challenges, including keeping people safe and long-term volunteer positions closing. It has also raised questions for the longer term.

NEW IMPETUS FOR VOLUNTEERING

Volunteers have come forward via different routes through the crisis:

- The Volunteering Wales website supported by Third Sector Support Wales co-ordinating with others locally and nationally has seen over 16,500 new volunteers register during COVID-19.
- People who do not consider themselves part of a volunteering response, but are helping neighbours, friends or acquaintances directly.
- On-line Mutual Aid groups which have sprung up spontaneously to support the vulnerable in specific communities across Wales. These are often focused on vital, small tasks of good neighbourliness.
- Existing volunteer roles in voluntary organisations – big and small – with more people joining the thousands who already volunteer across Wales.

- Businesses are offering a range of services. Business in the Community and Volunteering Matters are both running schemes to match voluntary businesses support with organisations who need them.
- Public bodies, not least NHS and local authorities.

CHALLENGES FOR CURRENT VOLUNTEERING

- Tackling COVID-19 demands people stay home and respect social distancing. Many long-standing volunteers have had to stop.
- Organisations relying on long-term relationships with volunteers have seen fewer people able to volunteer because of illness, shielding, self-isolation or social distancing. This impacts on beneficiaries.
- It will take time to re-engage people and there will be logistical challenges. Organisations may need to re-recruit post virus. Support may be needed, for example, with training. There are implications for income, spend and cashflow.

In the meantime, we have heard how individual shop managers and volunteers are trying to keep in touch with volunteers who are vulnerable or volunteer from social reasons (such as reducing isolation).

LONGER TERM?

After this crisis is over, the way that volunteers help out in our communities could look very different. Some of the challenging opportunities ahead include:

- Developing ways for the existing TSSW infrastructure to provide light touch support to informal volunteer networks, in ways which encourage safe practice whilst not over-burdening or over-formalising.
- Developing new models of volunteer involvement in which volunteers are trained and supported for involvement across a variety of organisations according to need, rather than 'belonging' to one organisation
- Building on new skills of volunteering remotely, using IT in order to extend both access to volunteering and its reach.
- Finding ways to develop what began for some as a short-term commitment, into a lifelong habit of volunteering
- Building on working relationships achieved between voluntary organisations and with statutory sectors to enable the development of volunteering which has bigger impact and is evaluated

COMMUNITY FACILITIES

Community facilities are essential for a whole range of organisations and groups. For some, it is core to their income. In some places they have been key to organising community responses, including food distribution. COVID-19 has also meant many have had to close.

- This has resulted in a significant loss of income for many organisations. This includes museums, arts centres and others such as YMCA.
- For some, it will be catastrophic. This includes many sports facilities, especially in areas already affected by February's flooding. Some clubs have already run out of reserves and are looking at permanently closing their doors. For those that survive, it will take time to reopen.
- Community facilities are vital assets we can ill-afford to lose. They are spaces that build community cohesion, provide services and support and are a rich part of local culture and heritage.

DELIVERING ACTIVITIES AND SERVICES

Organisations have had to adapt the way they provide services and activities quickly. Demand has increased, sometimes significantly, especially for those providing frontline services. Organisations are stepping up to deliver despite major challenges. However, across the board lockdown means fewer services, fewer programmes and the benefit they provide reaching fewer people.

CHALLENGES

- The pressures on individuals and communities relating to COVID-19 are seeing increasing demand on voluntary sector services.
- These pressures disproportionately affect some groups. This includes the elderly, those with underlying health conditions, people with disabilities, many BAME communities, refugees and asylum seekers, people with mental health challenges and those vulnerable to domestic violence.
- The physical lockdown restrictions make it harder to respond to these.
- Vital services that demand face-to-face contact have new concerns around safeguarding and huge pressures in accessing PPE.
- Health organisations are concerned that people are not presenting with non-COVID-19 conditions. This is true for both physical and mental health. They are concerned that later diagnoses will lead to worse problems in the medium-term. They would like to public health messaging emphasising that people should attend any health professional if needed.
- The sector has seen a large and sudden loss in income at the same time as increased need and expenditure. Despite government support, many organisations still face closure in the coming months.
- The furloughing scheme helps financially, but furloughed staff cannot work meaning activities have stopped. It isn't appropriate for all.
- Ongoing services been reduced or stopped in the short term whilst resource is redirected towards COVID-19. Those services are a lifeline for some and will have an immediate impact (for example, for people with substance misuse issues). Re-engaging when services open will be hard.

- Organisations are adapting to deliver activities digitally. However, not everybody has access to the technology needed or space at home to talk in private. This disproportionately affects some groups. One organisation told us about its concerns on the impact on young people in respect of mental health, isolation, loneliness, and education.

ADAPTING AND INNOVATING

Despite these challenges, organisations are stepping up and adapting the way they work to deliver new and existing activities (see [Covid-19 breeds innovation in Welsh voluntary sector](#)).

- Digital is helping people to reach out, engage, organise, deliver activities and even fundraise. Overnight, people are discovering digital solutions that previously would have been viewed as impossible. A whole range of services are going online creating possibilities for the longer term.
- We have seen collaboration across organisational and sectoral boundaries – people working together to focus on the immediate crisis, putting traditional barriers aside.
- We have seen examples of genuine co-production, asset-based approaches and more recognition of the contribution others can make.

RUNNING ORGANISATIONS - SAFELY

The COVID-19 crisis has presented a wide range of challenges, but also opportunities to do things differently.

There are some major challenges facing organisations at this stage.

- Redesigning service delivery quickly, with implications for safeguarding of staff, volunteers and beneficiaries.
- Organisations need to make reactive changes to their own infrastructure, for example by furloughing or redeploying staff.
- Simply remaining operational and solvent in the face of funding difficulties is a challenge and some organisations will need to consider mergers or, in the worst-case scenario, winding up.

However, the crisis also presents opportunities which may benefit the sector in the longer term.

- Organisations are already reporting an increased openness to partnership working and collaboration
- The shift to more flexible and online working practices and the learning it entails may help with both saving costs and environmental sustainability in future.

- Organisations may also become more innovative in their approach to fundraising. Potentially there will be rich learning from these experiences which will help to strengthen organisations in the future.
- Trustees are being challenged to re-think their priorities and the skills sets that are needed on their boards. In future, it is likely that risk management, financial resilience and digital literacy will all be taken more seriously by boards.

SAFEGUARDING

Keeping staff, volunteers and beneficiaries safe and minimising the risk of spreading COVID-19 whilst continuing to deliver services, often to highly vulnerable groups, is a key priority and challenge for all organisations

- The enormous surge of voluntary action has presented several safeguarding issues, for organisations to manage, including:
 - DBS checks
 - Preventing unsuitable people from being put into roles with access to vulnerable people
 - Providing safeguarding training to volunteers
 - Ensuring robust supervision and oversight
- Redesigning services, and especially, moving them online, presents a range of safeguarding implications, including data protection and the security of online platforms.
- Cash handling is a major issue. Cash is a risk factor, both in terms of infection and theft, but many people prefer to use cash and may not have access to online money transfer facilities.
- Action Fraud have already reported a significant increase in scams and fraud relating to coronavirus. Safeguarding beneficiaries and organisations from scams during this time is a key area of risk management and relates to issues such as volunteer recruitment, DBS checks, cybersecurity and fraud awareness
- Trustees need to be able to access timely, good quality advice. There is a need for professional and legal advice which can be difficult to access, especially if the organisation is already in financial difficulties.

GOVERNANCE

- Trustees are having to adapt to ensure their organisations remain legally compliant. This could include holding trustee meetings remotely, holding AGMs remotely or postponing them where possible, submitting annual returns may also be problematic at this time.
- Trustees are having to take a risk management approach to the crisis, but many, especially in small charities, may lack the skills and experience to do this effectively.

- COVID-19 has presented serious issues in relation to staffing and trustees have ultimate responsibility as employers. They have had to take decisions about furloughing and redeploying staff and possibly redundancies or transferring staff to other organisations in the case of closures and mergers. This will open them and their organisations up to various potential liabilities and will require professional legal advice which some may struggle to access or afford.
- Digital skills have been identified as a gap on many trustee boards, which may present challenges in the current situation with so many organisations facing the need to move services online .
- Trustees are ultimately responsible for the financial health of their organisations and trustees need advice on how to manage these difficulties.
- Unfortunately, some organisations will have to close or consider mergers as a consequence of the pandemic. Trustees will need access to advice on their options. In the case of closures, it is essential that the organisation is wound up in an orderly way following a legally compliant process.

FINANCIAL RESILIENCE

The COVID-19 outbreak and lockdown has resulted in a sudden and drastic loss of income across the sector. This will have long-term implications for the future, even for organisation who have sizeable or diverse income streams.

THE INCOME GAPS

- NCVO has calculated that charities across the UK will lose £4.3 billion in income over 12 weeks. In Wales, we estimate that the size of this loss will be between £200 million and £230 million.
- The Centre for Social Justice estimates that 24% of charities with an income of less than £1m have NO reserves.
- There are 8000 registered charities in Wales – 85% of these charities have income under £100,000. It is likely a high proportion do not have meaningful reserves. For charities of this size, significant changes in fundraising income can be devastating.
- Some of the UK’s largest charities and most effective funders - Cancer Research UK and Barnardo, for example - are facing big drops in income.
- Smaller charities are likely to be harder hit. For example, Kidney Wales expect their income to drop by 33% in the next three months. For others, income has dropped to zero. This includes some community groups reliant on community facilities and events for income generation
This is impacting across the sector.
- Mass participation events, an important fundraising income stream, are likely to continue to face restrictions even as other restrictions are lifted.

- Staff that have been furloughed include people working on fundraising and income generation, meaning it is hard to plan for alternatives.

ALTERNATIVE INCOME STREAMS

This crisis that this has created for the financial resilience across the voluntary sector has been recognised by government, funders and the public.

- Welsh Government has provided £24m to enable organisations to respond to increased demand (see [Voluntary Services Emergency Fund](#)) and increase their financial resilience (see [Third Sector Resilience Fund](#)). It is providing additional funding to parts of the sector, including housing and hospices. Voluntary organisations can access other wider funds, including the [Economic Resilience Fund](#)
- The UK Government has announced a [£750m package](#) to support charities respond to the crisis in England. It is likely to support charities registered in England, also working in Wales. Voluntary organisations will benefit from wider schemes, like furloughing. [Community Foundation Wales](#) will distribute funds from the UK [National Emergencies Trust](#).
- Funders are collaborating and a number of funders have announced new funding streams (see [Funding Wales](#))
- Many funders have refocussed their current grant programmes to help organisations meet increased need and to survive the initial period of lost income created by Covid-19.
- The public have made an amazing response with a plethora of fundraising initiatives happening from home. School children, inspiring individuals and celebrities have all been busy fundraising.

THE LONGER TERM

Despite this positive response, the extent of the income gap means many organisations will still struggle to survive.

Good practice is to have three months reserves. Many income generation activities are unlikely to be possible within three months, some for much longer.

Funders have quickly (and positively) diverted funds to deal with COVID-19. That will mean normal funding streams being on hold until at least September 2020 (this includes Lottery funding, which accounts for 3% of charitable income in Wales).

Immediate government schemes have been welcomed. However, organisations are already concerned about what happens when the furlough scheme ends and implications for medium- and longer-term funding.

The COVID-19 crisis will have a long-lasting on impact the voluntary sector landscape in Wales.