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Wales Funders' Response to the Covid-19 Crisis Evaluation

Executive Summary

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Executive Summary

Introduction

During 2020, funders in Wales collaborated in new ways to ensure voluntary organisations across Wales were able to access appropriate emergency response funding for their needs. The Wales Funders' Forum (WFF) shared data like never before, and the Welsh Government, WCVA, Community Foundation Wales (CFW), National Lottery Community Fund (Wales) (NLCF), Lloyds Bank Foundation and Moondance Foundation worked together strategically.

Background and context

In the initial weeks of the Covid-19 pandemic, representatives from the Welsh Government, WCVA, CFW, NLCF, Lloyds Bank Foundation, Moondance Foundation and The Chair of the WFF met weekly to agree priorities for the emergency response funding for the third sector in Wales. What emerged from the work of the WFF was a shared commitment amongst the four key funders to ensure a response to the Covid-19 crisis that was both comprehensive and joined-up. In practice, this meant the funders committed to ensuring broad third sector access to eight emergency response funds by coordinating their funding programmes so that each individual fund would meet the needs of different categories of third sector organisation type. Analysis of grants data held within the Giving 360 platform reveals that these eight funds stand out as providing by far the largest amounts of emergency response funding in Wales.

In October 2020, the Welsh Government's Equality, Local Government and Communities Committee undertook an inquiry into Covid-19 and its impact on the third sector in Wales. The enquiry found that the sector played a critical role in supporting communities in Wales throughout the Covid-19 crisis. Third sector organisations were quick to adapt, repurposing their services, procedures, and priorities. Meeting the increased demand for third sector support services has also increased the sector's cost base. Further costs have also been borne in relation to adaptation and repurposing of services, developing safe working procedures, sanitisation, personal protective equipment, and the costs associated with moving to online. This against a backdrop of reduced income from trading, fundraising and a hiatus in some existing grant funding support.

Mapping of funding allocations

Global picture

The eight funds offered a sliding scale of application success. The access thresholds reflected appear appropriate for the respective nature and source of funding being administered. The funds have provided a complementary funding offer catering for a wide range of organisations with different profiles, including groups and organisations that had not applied for funding prior to the pandemic.

Coverage of geographical areas

Overall, there seems to be a consistent correlation between the percentage of grants and the amount of funding secured per local authority area. The reach, in terms of the percentage of third sector organisations benefiting from funding within each local authority area, is between eight per cent and 16 per cent.

Coverage of thematic areas

Health, social care and wellbeing and community are by far the thematic areas that benefited from the highest amounts of funding. A range of organisations focusing on different beneficiary profiles have benefited from what seems to be an appropriate share of the funding under the eight grant schemes.

Thematic areas such as mental health, food distribution, domestic violence, or homelessness are likely to have been part of larger holistic projects. Children and families, education and training health and social care, youth, older people, disability and advice and advocacy stand out as the areas that have benefited from considerably higher levels of funding than would have corresponded to them purely on their share in the overall third sector in Wales.

Areas that were widely identified as requiring the greatest attention stand out as having benefited from considerably more funding than would have corresponded to their share in the population alone: ethnic minorities and mental health are particularly striking in this respect, but housing and employment also received a higher share of the funding when considered in those terms.

Profile of organisations reached

A majority of the third sector organisations benefiting from the funding had less than 10 members of staff and were micro and small organisations. Most grantees were registered charities. The respondent profile in terms of legal structures would suggest that a substantial number of beneficiary organisations will have incorporated a social enterprise element as part of the organisational model adopted.

Constituted groups/unincorporated organisations made up six per cent of the survey respondents, which suggests that some of the small community organisations that embarked on delivering services in response to the Covid-19 crisis would have benefitted from the funding made available under the eight grant schemes too. The analysis of data on furlough suggests that the funds successfully reached third sector organisations whose services had been interrupted by the pandemic and who are likely to have found themselves in a precarious financial situation.

Grantee perspectives

Satisfaction with grant processes

Most respondents reported finding it easy to obtain information across the whole range of different aspects. Organisations in Cardiff, Carmarthenshire and Pembrokeshire might have found it slightly harder to obtain information on the funding available.

Satisfaction rates with the grant processes were high for both the application process (90 per cent) and the grant management and monitoring processes (86 per cent). Satisfaction with the grant processes was even slightly higher for organisations that had not applied for grant funding previously. Differences in the ease of applying appear to have been in line with different funds' grant values and target groups. Where application processes were more rigorous, interviewees reported that support was on hand. The balance between rigour and quick decision-making, a key consideration for third sector funds in this emergency situation, tended to be seen as appropriate.

The need for funding and results achieved

For about half the respondents, assisting with organisational survival and expanding or tailoring service provision to deal with additional demand caused by Covid-19 were part of the reason to apply for funding through the eight funds. For organisations that had staff on furlough, assistance with organisational survival was particularly prominent as a reason for applying for support.

Maintaining service provision at pre-Covid-19 levels and covering Covid-19 costs were relevant to around one third of respondents each. The reverse is true for expanding or tailoring service provision to deal with additional demand, which was identified by 61 per cent of organisations without any furloughed staff and 42 per cent for those with staff on furlough.

Reported by 83 per cent and 72 per cent respectively, survey respondents working with BAME communities and victims of Domestic Violence had a particular need to expand or tailor service provision to deal with additional demand caused by the pandemic. Organisations focusing on the Welsh language also had a slightly higher need for funding to support an expansion of their services into new geographical areas and supporting organisational development.

Considering patterns in relation to thematic areas, survey respondents identifying as community organisations (63 per cent) and volunteering organisations (61 per cent) reported a slightly higher need for assistance with organisational survival than their counterparts in other thematic areas. Education and training organisations appear to have been slightly more robust to begin with, seeking help for one or other of the challenges named in the survey. Organisations focusing on food distribution (65 per cent) and health and social care and wellbeing (65 per cent) reported a slightly higher need than the other two groups to expand or tailor their service provision to deal with additional demand.

Effects of funding on grantee organisations

Compared to the proportion of organisations that explicitly sought out the funding to support organisational survival, an even higher number reported that it had helped them in that regard (82 per cent compared to 52 per cent). Similarly, help to expand or tailor service provision proved to be more important than expected (82 per cent compared to 51 per cent) and so did covering Covid-19 costs (76 per cent compared to 34 per cent). There were no marked differences between organisations of different sizes regarding aspects related directly to delivering services under Covid-19 conditions. Organisations' size does appear to have shaped the extent to which the funding delivered results in relation to organisational survival, creating new income generation opportunities and organisational development.

Results for communities

Four main groups of effects can be identified from the survey responses. Securing organisations' operations (being able to continue to provide appropriate services, covering core costs, recruiting additional staff and volunteers and purchasing appropriate equipment and resources) was clearly seen as a proxy for achievements for communities.

Several key achievements for communities themselves were identified, namely supporting the most vulnerable, food provision, preventing isolation and mental health. The funding made available through the eight funds was seen as suitable for organisations' needs, because of the flexible approach adopted, and the amount of funding available.

Impacts of individuals

Continued engagement with key target groups can be expected to have decreased the probability of feelings of loneliness, isolation, and anxiety for many beneficiaries. Mental health, addressing acute hardships arising from or being exacerbated by the pandemic, and supporting children and families stand out as key areas for third sector organisations.

Reaching individuals who had fallen through the cracks of other support services is an aspect that is worth specifically highlighting. Providing services for children and young people, lockdown has required them to provide support to parents and wider family units.

Supporting resilience and survival

The funding appears to have improved grantee organisation resilience both through the pandemic and moving forward. Retaining staff, who were crucial for the development and delivery of organisations' contingency arrangements and being able to recruit and work effectively with volunteers, was a key part of the equation.

Without the funding, services would not have continued in the same way for most of the interviewee organisations. Adapting services - both operationally and in responding to the issues that arose for key target groups, and meeting increasing demand were key challenges. Service adaptations appear to often amount to innovative responses that organisations are likely to retain after the acute phase of the pandemic.

Views on funder collaboration

Interviewees had mixed views regarding a more targeted approach to funding. The fear was that this would effectively amount to a tightening of funding criteria, which would leave some organisations without opportunities to access funding. Similarly, the view prevailed that rather than having consistent application processes, these needed to be adapted to the particular objectives and target groups of individual funds.

On the whole, interviewees agreed that joint due diligence would be of benefit, as it would speed up the decision process. However, different levels and types of funding would still require varying levels of evidence.

Stakeholder perspectives

All respondents saw the pandemic as an unprecedented challenge to the third sector in Wales that required a funding response to sustain the sector. This required new ways of working to respond to the scale and urgency of the challenge.

The majority of funder interviewees confirmed the need to develop and agree the priorities for emergency response funding in Wales. A co-ordinated approach was seen to not only informally 'combine' significant sums of funding, but also help integrate the support infrastructure at the national, regional, and local level.

The existing relationships between the four funders and existence of the wider Wales Funders Forum were seen as key enablers. A lack of time to draw on best practice for collaboration or look at alternative approaches combined with a general reluctance of funders to give up control were identified as the main constraining factor.

Developing a co-ordinated response

Developing the co-ordinated response funder approach ran in parallel to the substantial work that occurred within each funder organisation to prepare their funding response continued to be linked to the Wales Funders Forum. All four funders welcomed the opportunity to work more closely together during the pandemic.

The coming together of the four funders did not result in a 'formal collaborative design', but clear principles guided the four funders' response. Five main mechanisms or levers to make the cooperation effective included regular meetings and information sharing, a shared spreadsheet, the clarification of the wider funding landscape, building relationships and trust and the direct mutual benefits engendered through the cooperation. The four funders were seen as providing 'a sense of leadership' during the early, anxious stages of the pandemic.

Delivery of the collaborative funding response

All funders noted that the substantial scale of funding made available provided a firm foundation for the response funding. This included a substantial second tranche of funding for a recovery phase. The response funds were also operational remarkably quickly, a key achievement given the urgency of the situation.

The variety and varied focus of the eight funds was seen as a key strength leading to a good ultimate 'fit' between the funds, avoiding duplication with each fund adding value to the overall offer. Funders generally agreed that there was less strategic targeting of specific geographic or thematic groups, although ongoing discussion regarding groups that might slip through the net produced a heightened awareness, particularly as disproportionate effects on certain groups emerged. The provision of core-funding marked a significant departure from normal practices for most of the funds. A general commitment to work with applicants and flex the approach/offer to ensure sustainability reflected a wider commitment to being needs-led.

Additional targeted funding to meet specific objectives, outside of the eight response funds, formed part of the offer. Despite a reduction in the time-to-award, funder interviewees felt that they had achieved good levels of verification/ scrutiny. The phased approach shaped around addressing the immediate and medium term (emergency) and longer-term (recovery) funding needs of the sector was seen as a key strength. Promotional work was seen as enhanced by the fact that most of the funders were already well known throughout the sector.

Although some concerns were raised that too much of a focus rested on Covid-19 funding, and a firm commitment to 'business as usual' funding by some funders was generally viewed positively. However, the response funding was seen as filling a gap arising because of a hiatus in some of the funding that was previously available.

Efficacy of the funder's response

The perception of the efficacy of the response funding was generally positive, but its ultimate success still remained to be seen. A perception of a strong overall performance in relation to third sector organisation survival rates and sustainability is borne out by the data analysis presented elsewhere in the full evaluation report. Funders' impression was that the response in Wales had overall performed better than in England which was seen to be the result of the Wales Funders Forum and wider infrastructure being in place.

Some of the ways in which funding had reached target groups that may find it difficult to access funding were seen as highlighting the potential benefits of innovative partnership working at the very local level.

Future issues

Interviewees were strongly positive about the response funding in Wales and the multi-funder, multi-fund co-ordinated approach adopted by WCVA, NLCF, CFW and MF. This was seen as a basis on which to review elements of the general funding approach post-pandemic. A continuing focus on organisational survival in the sector was seen as key by many. Alongside this, a focus on retaining volunteers, recognising potential staff burn-out, supporting a large cohort of unincorporated organisations in considering more resilient models and addressing anxiety in the sector in the face of expected funding cuts were further issues highlighted for the future.

With realistic expectations around co-operation, more rather than less cooperation was identified as the direction of travel for the third sector in Wales. Having been patchy and largely based on the strength of individual relationships, there is a desire for wider cooperation within agreed structures, including with statutory agencies and where appropriate the private sector at the local level. Strong unifying themes were seen as a possible means to replicate the unifying effect of the emergency created by the pandemic.

Conclusions

The eight funds made up a substantial proportion of the Covid-19 emergency funding available to third sector organisations in Wales and reached diverse organisations. Beneficiary satisfaction with grant processes is high. Reference to support being available where needed further suggests that the existing third sector support infrastructure including the CVCs came into its own.

The eight funds offered a crucial lifeline for third sector organisations and vulnerable individuals/communities. Service continuation, adaptation and expansion were key concerns for beneficiary organisations. Being able to invest in equipment and working capital alongside retaining staff were key enabling factors. The funds have clearly helped keep third sector organisations operating to enable them to support their local communities and, for many, has secured their survival.

A range of organisations focusing on different beneficiary profiles have benefited from what seems to be an appropriate share of the funding under the eight grant schemes. In line with the general understanding of the challenges thrown up by the pandemic, health, social care and wellbeing and community are by far the thematic areas that benefited from the highest amounts of funding. More specific services, such as mental health, food distribution, domestic violence, or homelessness made up a slightly smaller amount of total funding and would have been embedded in overarching approaches under the above two headings.

There is broad stakeholder agreement that in the face of the unprecedented challenge, avoiding structural damage to the sector was key, combined with a phased response for emergency and recovery. Speed was of the essence and the 'meeting of minds' was seen as more important than process. Informal data sharing helped individual funders gain a broad perspective of others' contributions.

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