

## Medway Voluntary and Community Sector (VCS) Covid-19 Impact Analysis - 4 Months on - October 2020

Following the publication of survey findings on the Voluntary Community Sector (VCS) response to the Prime Ministers announcement **on the 23rd March** that people must 'stay at home', Medway Voluntary Action (MVA) has continued to survey the sector, to share and support the 'impact' on organisations and groups (O&G) who support some of the most vulnerable in Medway.

The swift response displayed by statutory partners and the sector as a whole between March and June in redirecting services, not only required a significant commitment and effort in dealing with 'real-time' issues; it also raised the question of 'what comes next?'

In support of our sector and those we support, MVA has gone back to the O&G who have done so much, to survey the impact of the Covid-19 crisis over the last four months.

### Method Statement

Over 400 Medway VCS O&G were contacted by email and phone alongside eleven social media and mail campaigns.

*93 organisations responded to the survey, providing real time data on the impact of COVID-19 on the VCS during the period June to September 2020*

Once again, we were able to gather responses from a good and reflective range of size and type of organisations. These organisations ranged from those with national umbrella support through to small, volunteer led groups; including representation from people of faith, mental health difficulties, lonely, isolated, end of life, carers, disabilities, health conditions, families, homeless, LGBTQ, sport, domestic violence, and more.

Although every effort was made to contact and reach as many VCS O&G as possible, a significant number were not available for comment<sup>1</sup>. This could be attributed to temporary closures in response to the Covid-19 crisis or the immediate and substantial financial impact that has followed, resulting in organisations closing.

### KEY FINDINGS FROM THE VCS SURVEY DATA

The financial impact of Covid-19 on Medway's VCS continues to prove significant and widespread. The four key factors that continue to contribute to this have been identified as:

- Continued loss of income generation opportunities (e.g. community fundraising events, loss of rental income and fee based services and trust funding restrictions)
- Confidence of leaders regarding future prospects in the VCS
- Additional financial impact associated with adapting service provision and moving to remote working (e.g. IT platforms, laptops, mobile phones)
- Further support required

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<sup>1</sup> MVA directly contacted 291 O&G. We received 93 responses. We were unable to make contact with 88 O&G. We identified 4 O&G were no longer active and had ceased services due to Covid-19.

## KEY FINDINGS IN FIGURES

### INCOME LOSS

- 61% identified a 'financial' impact
- 40% identified the impact as 'immediate'
- 34% identified the impact as 'significant'
- 39% identify their financial position as 'deteriorating' (NCVO, 2020)
  
- Although 59% identified 'success' with alternative funding, the income shortfall 'estimated' from the 36 organisations/groups who provided data, stands at £1,500,000
- The estimated average shortfall per organisation/group is approximately £14,550

### LEADERSHIP CONFIDENCE

- Leaders report the estimated shortfall has risen to £2.4 million between March and September - 167% increase in reported loss since June 2020
- This led 56% to identify confidence concerns regarding their organisation/group 'financial future'
- 59.7% identified concerns regarding their organisation/group 'future prospects'
  
- These confidence concerns arise, despite 52.5% of organisations/groups confirming receipt of emergency funding

### ADDITIONAL IMPACT

- 54% of respondents expect to 'cut service/support'
- Only 18% feel confident in being able to 'deliver business as usual'
- 77.1% of organisations/groups identified 'service changes'
- 19.8% of organisations/groups identified 'closing services altogether'
- Only 3.1% of organisations/groups 'remain unchanged'
  
- The NCVO reports that 92% of organisations across the VCS have experienced 'adaptability' with a further 80% anticipating this will 'impact' work negatively over the next 12 months

### FURTHER SUPPORT

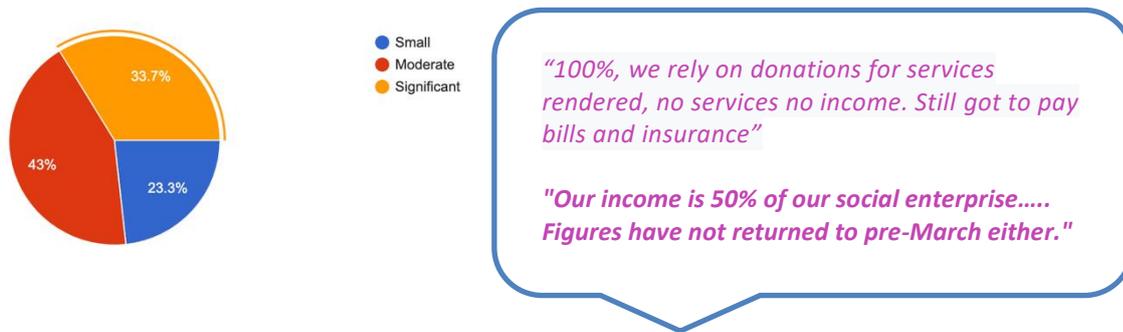
- 18% identified the need for 'more volunteers'
- 74% of organisations/groups requested further information and guidance on supporting volunteers 'remotely'
- 55% of respondents identified a need for more 'peer support'
- 66% of respondents identified a need for further 1-2-1 'advice and guidance' regarding 'income generation'
- 53.7% of respondents requested more 'newsletters' via e media
- 88% were interested in more 'networking events'
- 91% were interested in a local 'transformation academy'

## Financial Impact

The Financial Impact of Covid-19 on the Medway VCS O&G has continued to prove substantial over the last four months, with the following identified:

- 58 (61%) O&G identified a financial impact during this period, with 29 (34%) estimating the impact to be significant (Figure 1), 34 (40%) identifying the impact as immediate and a further 33 (38%) identifying that they expect financial impact concerns over the next three to six months.

Figure 1: Financial Impact (Source; MVA Survey, 2020)



### The Financial Impact - Loss of income (June to September)

This significant and immediate financial impact on the VCS is concerning with 39% identifying their financial position as deteriorating over the last month (NCVO, 2020). In total, 36 O&G shared their financial data, identifying a shortfall in income, estimated on average to be 50%+ of total revenue per O&G. Interestingly, 59% of 67 responses identified 'success' in securing alternative income streams through the four months. However, the information provided enabled us to estimate the following income shortfall:

£1,500,000

Although the range of financial loss varied depending on the O&G 'size', the estimated average shortfall per O&G was just over £14,550<sup>2</sup>, illustrating a substantial loss to the VCS and echoing the leaders' responses, further highlighting the significant and immediate financial impact during this four-month period.

Figure 2: Estimated Financial loss per Organisation and Group (Source; MVA Survey, 2020)



<sup>2</sup> The 3 O&G with a financial loss of £100,000+ were removed from this calculation to obtain a clearer picture across the remaining 33 O&G

## Leader Confidence

The estimated income shortfall across the VCS has risen from £900,000 (March to June) to £2.4 million (June to Sept); which equates to a further £1.5million or 167% increase in financial loss following our initial Covid-19 impact survey. This shortfall in income appears to be the contributory lead factor regarding leader confidence concerns, with 86 responses regarding the Covid-19 impact towards confidence received, of which 56% identified that they are 'not feeling confident about their financial future'. Furthermore, 59.7% of leaders identified concerns regarding their organisations' prospects. In comparison, only 8.4% attest to being 'very confident' about their opportunities for the future in the wake of COVID.

*"We have received less through donations and had smaller groups but still have to rent whole venues."*

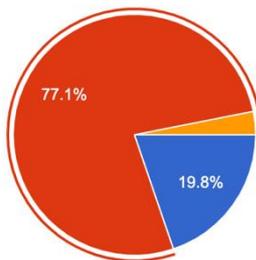
*"A grant we had applied for closed due to COVID..... with other funders giving a smaller amount due to needing to spread further."*

These financial concerns arise, despite 52.5% of 80 O&G confirming that they have received some form of emergency funding/grants through this same period, which raises further questions regarding service changes and organisational adaptations undertaken since the start of Covid-19 and over the last four months.

## Service Changes

Our initial Covid-19 survey identified that 54% of respondents expected to cut service/support, with only 18% feeling confident in delivering 'business as usual'. Through this survey, a staggering 77.1% of O&G identified changing their service/support, with 19.8% stopping altogether and only 3.1% now remaining unchanged and in a position to return to their pre-Covid-19 offer (Figure 3).

Figure 3: Changes to Service/Support (Source; MVA Survey, 2020)



- Stopped services - if so please can give details in the next section of services stopped and when/if you anticipate restarting them
- Changed your services - if so please can you give details of how they have changed in the box below
- Resumed your pre-Covid service offer(s) unchanged in format/delivery

*"stopped information and advice, unlikely to re-start. Closed one day centre, selling building..."*

*"We have stopped our weekly drop-in sessions. Our main body ..... will not let us meet face to face. I don't think we will be able to resume these sessions until April 2021 at the very earliest."*

While figure 3 identifies the 'adaptability' of the Medway VCS in responding to a crisis and continuing to provide services and support, the 'adaptation' changes that have taken place also leave service/support 'gaps'. NCVO reports that 92% of organisations across the VCS have experienced 'adaptability' with a further 80% anticipating this will negatively over the next 12 months. As funding competition, challenges and financial drive often dictate business survival and sustainability (Doherty, B. et al., 2014)<sup>3</sup>, smaller O&G are likely to face broader organisational and financing challenges that, as an infrastructure organisation MVA would hope to support.

**A note on funding:** With the Government's pledge in May 2020 to provide £750 million to ensure the VCS can continue with what it identifies as 'vital work', it's important to note that only 1 of the 12 distribution funds remains open for applications<sup>4</sup> (Gov.UK, 2020).

Therefore, funding solutions remain limited and are unlikely to meet the scale of the financial need identified in part through this survey, across Medway's VCS.

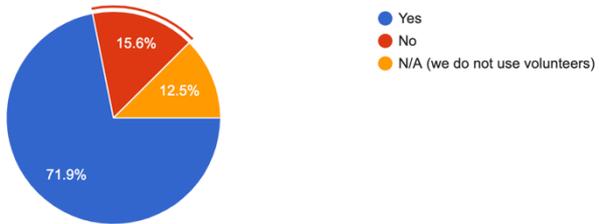
<sup>3</sup> Doherty, B. et al., (2014) 'Social Enterprises as Hybrid Organizations: A Review and Research Agenda', *International Journal of Management Reviews*, Vol. 16 Issue: 4.

<sup>4</sup> <https://www.gov.uk/guidance/financial-support-for-voluntary-community-and-social-enterprise-vcs-organisations-to-respond-to-coronavirus-covid-19>

### Further support - Volunteers

When the Covid-19 crisis impacted O&G in March through a National lockdown, 18% of the VCS required extra volunteers, leading to 232 local residents coming forward to help. In the last four months, a staggering 71.9% of O&G have reported that their volunteers have been able to return to help, but, 15.6% still identified that this was not possible for them (figure 4).

Figure 4: Volunteer Support (Source; MVA Survey, 2020)



Interestingly, through this survey, O&G has identified recruitment of a further 183 volunteers taken on to support their services. Although volunteer support has been fantastic,

*"We now have 12 Volunteers, who literally came forward to help."*

the demand for more volunteers remains, with 39% of 75 respondents

*"We urgently need further volunteers, training them whilst adhering to social distancing is proving problematic."*

identifying the need for more volunteers and 73.9% of all respondents requesting further information and

guidance on how to best support volunteers, primarily through remote methods in light of the Covid-19 impact. (see item 1, in section Further Support – What more can we do?).

### Further Support – What more can we do?

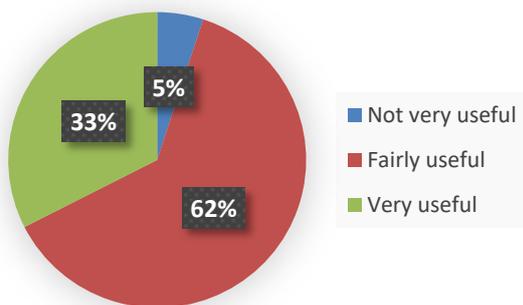
MVA asked the VCS three questions concerning the following topics:

1. Further information and guidance to support volunteers remotely
2. Our 'new' range of online and virtual support services in response to COVID-19 crisis
3. Exploring ideas in response to the challenges arising from the COVID-19 crisis

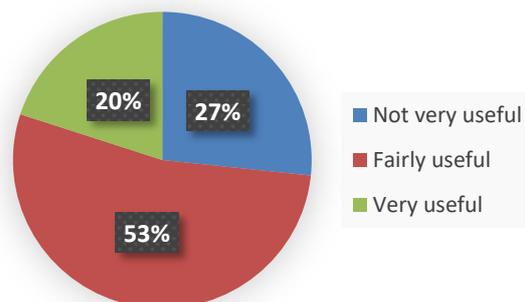
Topic one: MVA received a response from 'all' 93 organisations. 71 (74%) respondents identified that they would be 'interested' to 'very interested' in receiving further information and guidance on how better they can support their volunteers 'remotely,' in light of the ongoing COVID-19 crisis, providing contact details upon which MVA has already begun to act.

Topic two: MVA also offered a range of 'new' online and virtual support services to support the VCS through the ongoing COVID-19 crisis. MVA received a total of 233 responses from 93 O&G across the following topics, identifying service usefulness:

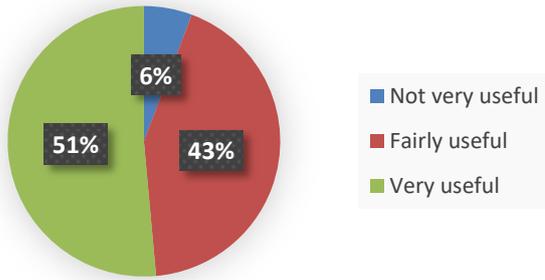
MVA Website (Covid-19 support page)



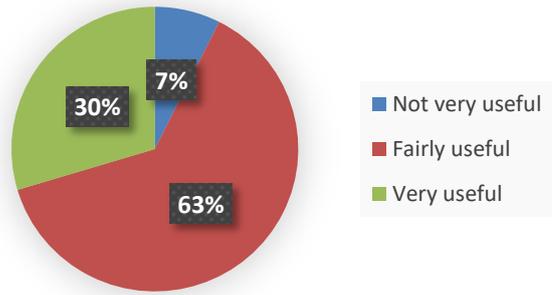
1-2-1 support via phone/video calls to support income generation



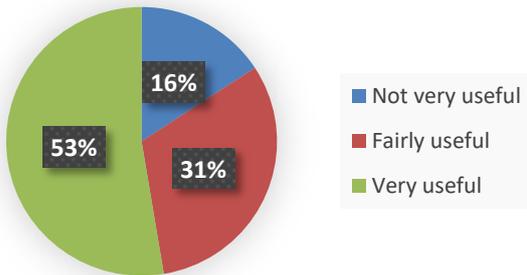
**Signposting/network support**



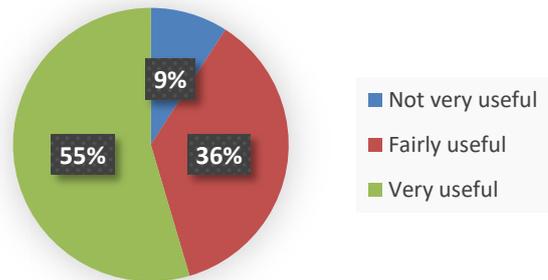
**Digital communications**



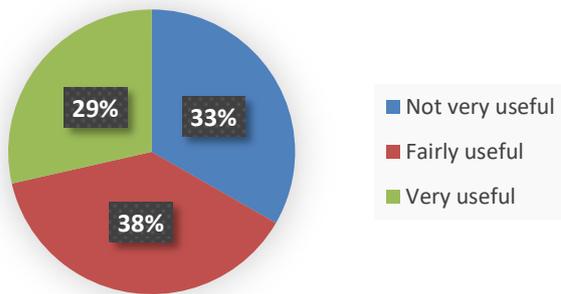
**1-2-1 support via phone/video calls to support 'other subjects'**



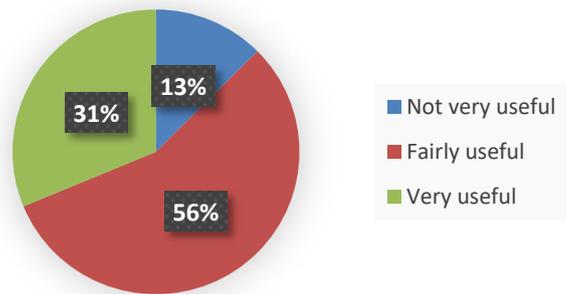
**Weekly zoom sessions for networking and peer support**



**Volunteering support**



**Online training and support sessions**



Throughout these responses, it is clear that the VCS requirement/need to 'network' via signposting (51%) or zoom (peer support) (55%) proved very useful. Interestingly, 73% of 'income generation' responses were rated 'fairly' to 'very useful,' with 37 of 56 responding O&G (66%) identifying that further 1-2-1 advice and guidance regarding 'income generation' would be helpful in the wake of the COVID-19 crisis.

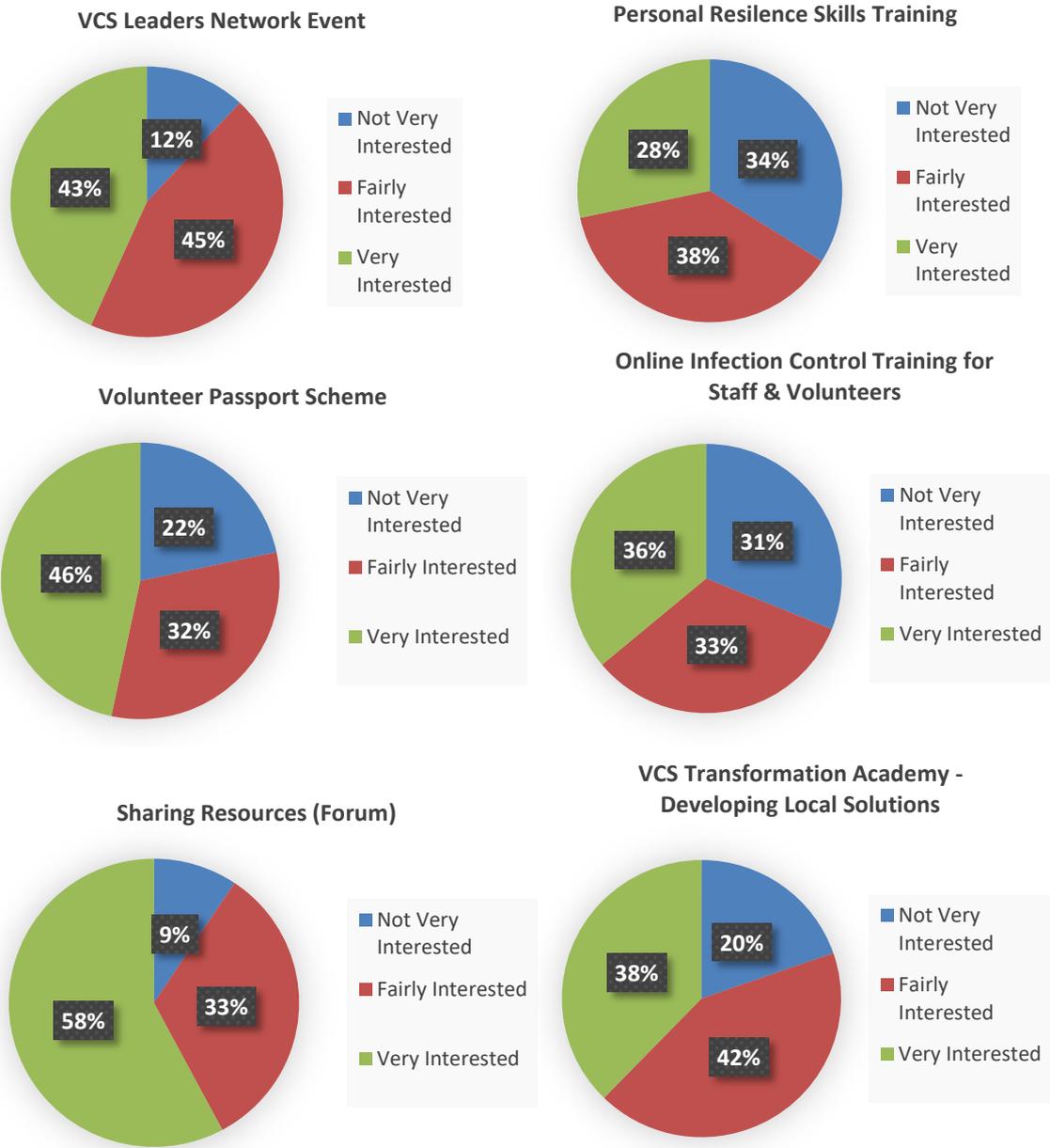
**"Grant applications are daunting."**

The MVA website also proved useful to the VCS during the COVID-19 crisis, with 95% of respondents identifying the advice and guidance provided as 'fairly' to 'very useful'.

Furthermore, 93% of respondents identified MVA 'digital communications' as 'fairly' to 'very useful' with 53.7% of O&G requesting more via newsletters, bulletins and social media in the wake of the COVID-19 crisis.

**"As a grassroots organisation, we felt swallowed up by the unprecedented crisis."**

Topic three: MVA explored 'other ideas' concerning the challenges arising across the VCS in the wake of the COVID-19 crisis, receiving a total of 366 responses from 93 O&G identifying service ideas, across the following topics:



Once again, the VCS has identified further 'networking' as a priority, with 88% of respondents identifying that they would be 'fairly' to 'very' interested.

In light of the COVID-19 crisis, it is not surprising to see O&G calling for the sharing of resources, with 91% 'fairly' to 'very' interested, while the idea of a 'VCS Transformation Academy'; working to develop and deliver 'local' solutions, achieving 80% of respondents support with 'fairly' to 'very' interested.

While MVA explored many ideas, we identify the incredible change and progress the VCS has made to date, in the wake of the COVID-19 crisis. We must now go further to reflect on the identified VCS service need, to enable us to continue to change and adapt, as we work to best support O&G over the coming months and beyond.

## **Conclusion**

The continued impact of Covid-19 on the VCS has proven significant, both locally and nationally. The effect of the virus still threatens charities economically with an estimated £4 billion lost during the lockdown and a further £6.4 billion predicted between June to December, with 1 in 10 charities expected to close over the same period<sup>5</sup>. However, the client need remains and grows as people, organisations and groups continue to adapt and change their services and ways of work to best support those in need.

Even though the VCS has adapted and changed to best support those in need, unfortunately, the situation over the last four months shows that more is still required, especially regarding funding advice, volunteer support and networking opportunities.

The VCS continue to make their voice heard nationally to convey this message, and we at MVA will continue to learn and adapt as we collaboratively develop our approach in response to your needs through Covid-19. With a second wave appearing to be here already, the requirement for new working strategies is urgent, if we are to limit further O&G losses and emerge from this crisis more resilient.

## **Acknowledgement**

This report has been produced by Medway Voluntary Action.

MVA would like to thank Medway's Voluntary and Community Sector who gave their time to respond to our questions in the continued wake of the Covid-19 crisis when they are dealing with their own immediate priorities.

Medway Voluntary Action

Registered Charity Number: 1042475

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<sup>5</sup> Pro Bono Economics analysis on the impact of Covid-19 on charities and those they serve – June 2020