



Hampshire's

State of the VCSE Sector:

Covid-19 edition / October 2021

The Hampshire CVS Network is comprised of eight councils for voluntary services within Hampshire: Action Hampshire – Basingstoke Voluntary Action – Community First – Hart Voluntary Action – Gosport Voluntary Action – One Community – Rushmoor Voluntary Services – Unity. The Network provides support and guidance to VCSE organisations, training and events, run volunteer centres and community transport services.

For over 70 years, Action Hampshire has been supporting not-for-profit organisations to deliver great services to local people and communities; speak up for the changes they would like to see; and shape the future of where they live and work. Action Hampshire is the county-wide council for voluntary services (CVS) and rural community council for Hampshire. We produce a State of the VCSE Sector report every two years, on behalf of Hampshire CVS Network.

Acknowledgements

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The report draws on multiple sources of primary and secondary data, which was collected across the Hampshire CVS Network. Thanks are due to colleagues at Action Hampshire, Basingstoke Voluntary Action, Community First, Hart Voluntary Action, Gosport Voluntary Action, One Community, Rushmoor Voluntary Services and Unity for all of their hard work gathering this information.

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Executive Summary



Hampshire has a diverse and active Voluntary, Community and Social Enterprise (VCSE) sector, comprising approximately 10,218 (inclusive of 2,045 in Portsmouth and Southampton) community groups, charities, social enterprises, community sports and arts societies, charitable trusts, voluntary groups and so on. This report is part of a biennial series, documenting the state of Hampshire's VCSE organisations. This year, it places additional focus on the impact of the Covid-19 pandemic, a global crisis that has had wide-ranging impact across physical and mental health, economy, labour and society. Drawing on several surveys, literature reviews, interviews and other data analysis, the report seeks to understand what impact the pandemic has had on Hampshire's VCSE sector.

Organisations taking part in this research reported that the needs of people and communities they support were becoming more complex. There is a particular increase in the number of people needing

support with mental health, and service users are presenting as less confident, less independent and less financially stable. Younger and older people are also facing increased challenges, largely relating to loneliness and social isolation. Whilst overall only 40.52% VCSE organisations had experienced an increased level of demand during the pandemic, this is owing to factors including some organisations shutting their doors during lockdown or longer, the reality that not all individuals can/want to access services online, and other similar complications. 43.22% of organisations expect demand to increase over the coming year.

Restrictions and lockdowns implemented to contain Covid-19 meant that 75% of Hampshire's VCSE organisations were either partially or completely closed during at least part of the last 18 months, with 80% having to stop services to some degree during the pandemic – including at least 4.24% who expect these services will never resume. Organisations adapted in different ways, particularly in moving services online.

Some organisations got more directly involved in supporting those shielding or isolating due to the pandemic, starting new services or expanding their geographical area of focus. Covid-19 also impacted organisational capacity, with 43.3% of organisations having less capacity than they did prior to the pandemic.

Approximately 181,784 volunteers contribute a collective £226 million to Hampshire each year. Despite the large numbers of volunteers who got involved in supporting Covid-19-specific relief efforts, overall most organisations have seen their regular



volunteer numbers fall. Over 40% of organisations have experienced a decrease in volunteer numbers and are now struggling to recruit more volunteers. Organisations are finding it particularly difficult to recruit virtually, and to find volunteers who have the time to commit and feel confident getting back into volunteering.

Across the county, 57.81% organisations also report that the pandemic has had a negative impact on their staff, with increased stress levels, higher levels of turnover, and lasting impacts on mental health. 71.43% felt it was more difficult to recruit staff than before the pandemic, which is contributing to the reduced levels of capacity noted above.

Many organisations have experienced a significant financial blow as a result of the pandemic, with 45.96% reporting decreased turnover and 44.68% having lower reserves. Many organisations were able to access the wide range of grant opportunities offered earlier in the pandemic, and these were a real lifeline. However, this funding was largely short-term and project-based, and has somewhat shifted the problem to a later point rather than solving it. Organisations felt that the 2021 grant funding environment was even more competitive than pre-pandemic and were continuing to lose income with regular fundraising events, individual donations and trading income all still down. Many VCSE organisations also made use of government funding schemes, particularly the Coronavirus Job Retention Scheme, with 64.52% using it to furlough one or more employees.

Overall, the impact of Covid-19 has been far-reaching and varied. Some VCSE organisations have faced additional challenges. Community buildings had to navigate a complex set of changing regulations. Social enterprises struggled to know how they fit into government support offers. Mutual aid groups came together and joined (temporarily or permanently) the sector. VCSE infrastructure organisations responded to emerging needs, providing support

and advice to organisations on everything from furlough to supporting volunteers through change. Most VCSE organisations experienced a rapid transition to online working, rapidly increasing their digital skills in the early stages of the pandemic.

So far, only a few small organisations have been forced to close permanently as a result of the pandemic, though over 10% of organisations who closed during the pandemic have not yet restarted activities. Over 50% of organisations remain concerned about their financial sustainability over the next 6-12 months, and 32% expect their financial situation to worsen further over the next year. Almost 50% felt the pandemic had made it difficult to plan for the future.

For those who understand the value of a thriving and diverse VCSE sector, this research recommends additional support is provided to access funding, recruit volunteers, generate more publicity and continue digital transformations. Flexible funding and reporting requirements, greater collaboration and partnership working, which were introduced during the pandemic, should be strengthened. It is very clear that the full impact of Covid-19 on Hampshire's VCSE sector will not be fully realised for several years and, therefore, continued support from Council, infrastructure and funders is of vital importance. Considering the significant economic and social value provided by Hampshire's VCSE sector, this support is not a charitable good but an investment.





Research Question

This report is the 2021 edition of a biennial report produced on behalf of Hampshire's CVS organisations. Its aim is to understand how VCSE organisations in the county are doing, in order to inform future support from the CVS Network, Hampshire County Council and other stakeholders. This year, the report places a particular focus on the impact of the Covid-19 pandemic.

The overall research question is: What impact has the Covid-19 pandemic had on VCSE organisations in Hampshire? Within this overall question, several sub-themes are of interest:

- **Volunteers:** How many volunteers, what sort, what gaps, what support will be needed?
- **Services:** What services have stopped owing to Covid-19? Which will be resumed? Which services may be lost permanently? What new services have emerged and will these continue?
- **Organisational sustainability:** Which groups have been lost? Which have emerged? Will they continue?
- **Funding:** What is the impact on funding & reserves? How have organisations coped?
- **Demand/Needs:** How have these changed as a result of Covid-19? Are organisations able to meet needs going forward?

In previous years, the report has been drafted based on a single survey. This year, a different approach was taken. This report draws on data from a range of different input sources outlined below. This approach means that 1,392 VCSE organisations have fed into this report, almost three times the number in the last published report in 2018.

Research Methods

1. Comparison Survey

A survey of VCSE organisations was conducted in Feb-March 2020, receiving 705 responses. This would have been the data set for a 2020 version of this report, but the research was postponed in order to respond to the support needs of VCSE organisations during the first year of the pandemic.

In July 2021, a further survey was sent to the same organisations (the 465 organisations that had provided contact information); 201 responses were received. The result is a set of comparison data, reflecting responses from the same organisations, 16 months apart.



2. Phone and Internet surveys

Each district CVS conducted a survey between March-August 2021. Three were conducted online, four by phone. Each CVS used a slightly different set of questions, but all centred on the sub-themes identified above. The result is a rich set of data covering various angles of each issue.

Prior to analysis, data was cleaned, with any duplicates (organisations answering more than one survey) removed. While 1,392 organisations contributed to the research, most of the survey questions draw on a smaller sample; the sample size for each question is provided in the footnotes.



3. Registration data review

Data from Companies House and the Charity Commission register was gathered in July 2021 and compared with data gathered in January 2020 to identify the number of registered VCSE organisations, and any new or dissolved organisations.



4. Literature review

A literature review was conducted to identify relevant supplementary material from national or other regional sources, in order to place Hampshire's findings into context. A total of 61 reports were consulted, with those referenced found below in the bibliography.



5. CVS Network data

The Hampshire CVS Network reports quarterly and captures information about new groups, funding applications, volunteer placements and so on. The quarterly reports were reviewed and relevant data has been included in the report.



6. Interviews

Interviews were conducted with 16 VCSE organisations in order to capture experiences that may not have been reached through other methods. Namely, mutual aid organisations, organisations that had closed during the pandemic, social enterprises and community buildings.



7. Basecamp Community Buildings message board

Action Hampshire's Community Buildings Basecamp group was searched to inform the spotlight section on community buildings.



Note about Language

With such great diversity within the VCSE sector, it is difficult to find language that is appropriate to describe the nature and approach of organisations as a whole. In carrying out the analysis for this research, it became apparent that some of the terminology used within the research did not resonate for all organisations.

Several organisations felt that language around how they had supported/helped communities did not reflect their relationships or approach: "We do not 'support' members"; "We do not 'help'." Other organisations explained they had activities, not services. When we asked about volunteers, several organisations told us they had none – only 'committee members'. Some mutual aid groups felt it important to distinguish their approach (neighbours helping neighbours) from the idea of charity. Many of the individuals who signed up with their local mutual aid group don't consider themselves as volunteers, and feel they are "just supporting the community". Organisations used a range of terminology to describe the individuals they regularly engage with, from 'users' to 'members' to 'clients' and so on. Some

organisations also pointed out that their work focuses on, for example, the environment or broad campaigning, rather than support to individual people.

These comments reflect an emerging language growing from some VCSE organisations – mutuality over charity and patronage, community resilience and action over service provision. This report tries to use language that includes as many groups as possible, and future State of the Sector reports will consider wording used in questions, so it applies to as many VCSE organisations as possible.



1. Introduction



As part of our ongoing support to VCSE organisations, this report has been produced by Action Hampshire, on behalf of (and with contributions from) the entire Hampshire CVS Network. It follows previous reports in 2018 (Action Hampshire, 2018) and 2009 (RAISE, 2009) that document the experiences of voluntary, community, charitable and social enterprise organisations across Hampshire.

This report is divided into 10 sections. Following this introduction, Section 2 introduces the size and shape of Hampshire's VCSE sector, and Section 3 provides a brief introduction to the Covid-19

pandemic. Sections 4-9 then outline the impact of Covid-19 on community needs, services and activities, volunteering, staff, finances and overall organisational sustainability. Woven throughout the report are spotlight boxes reflecting the experiences of: community buildings, mutual aid groups, social enterprises, infrastructure organisations, and digital technology. Section 10 identifies concrete recommendations for future emergency response and resilience planning, and for those stakeholders wishing to support the VCSE sector: local government, infrastructure organisations and funders.

2. Hampshire's VCSE Sector

There are approximately 10,218 VCSE organisations in Hampshire: 8,173 across the county and a further 2,045 in Portsmouth and Southampton. This is an estimated figure based on conservative methods¹ for approximating the number of unregistered 'below-the-radar' community organisations (Mohan et al, 2010) and could be much higher. This is a 40% increase from 2009, when Hampshire was home to approximately 7,015 VCSE organisations (RAISE, 2009).

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Hampshire's VCSE sector includes:

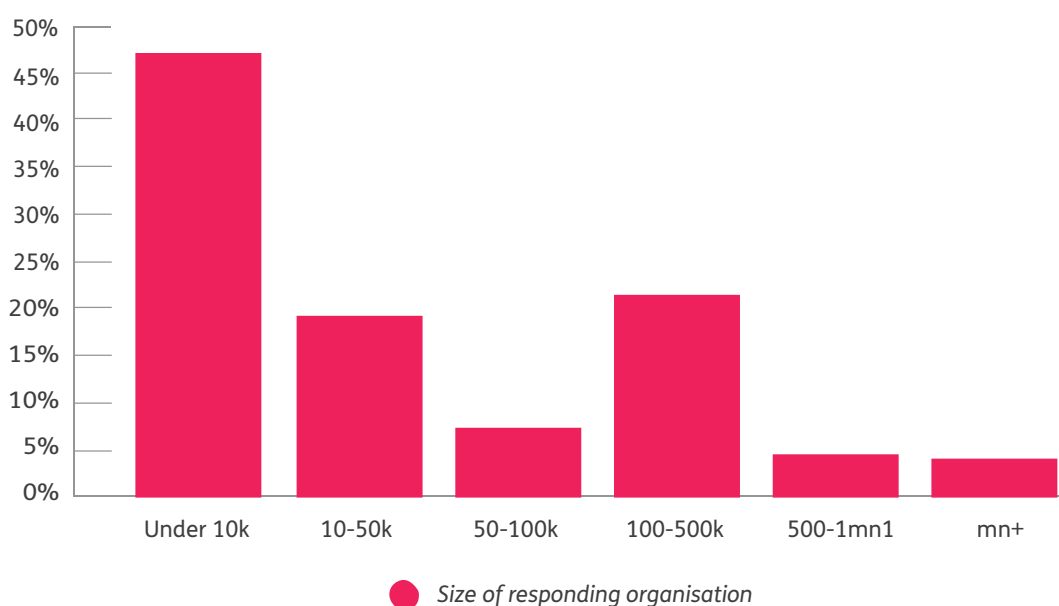
- 2,734 registered charities (306 CIOs, 307 charitable companies, 275 trusts, 93 excepted organisations and 1753 others) based and operating in Hampshire county, and 334 in Portsmouth and Southampton
- 750 Girlguiding groups
- 469 community halls and buildings
- 250 Scout groups
- 207 community active sports clubs
- 247 CICs registered in Hampshire
- 185 mutual aid groups formed during the pandemic
- 121 Good Neighbour community transportation groups

¹ Calculated at 3.66 BTR organisations per 1000 people, population estimates 1,418,767 Hampshire County and 476,593 Portsmouth/Southampton. Population figures are projections provided by HCC/ONS for 2021 based on the 2011 census and expected rate of inflation. These figures are likely to change once the 2021 census data is released.

- 38 Army Cadet troops
- 3,361+ other unregistered community groups and organisations in Hampshire county and 2078+ in Portsmouth and Southampton
- 1427 registered charities based outside of Hampshire who claim to serve the Hampshire population in their Charity Commission profile

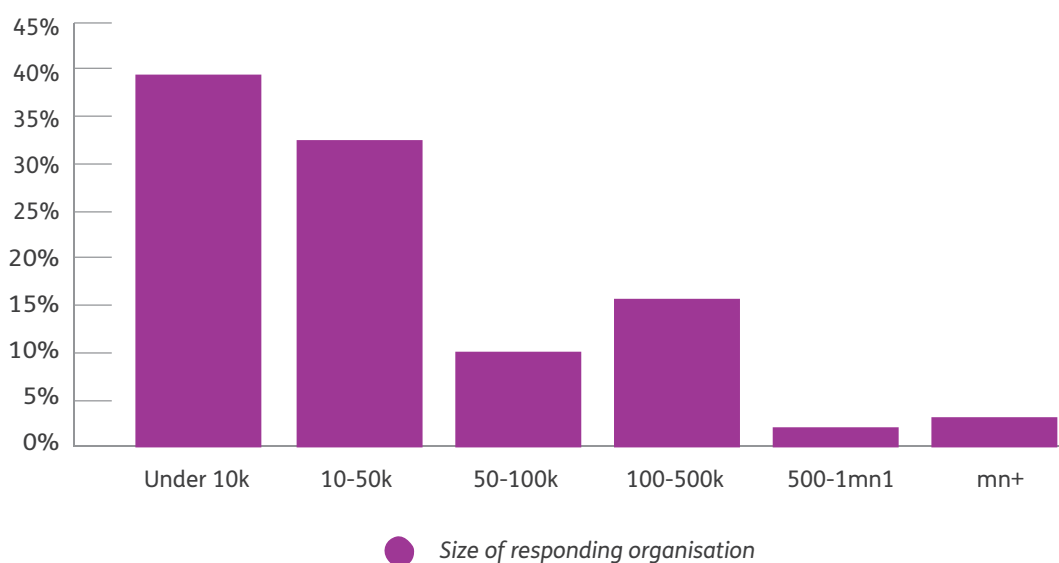
These organisations vary considerably in their size and structure. Looking at Charity Commission data² for registered charities based in Hampshire alone, the overwhelming majority of VCSE organisations are micro or small sized (see Figure 1). These figures mirror national data that shows that 80% of organisations (82.16% in Hampshire) have an annual income of less than £100,000 (Wood, 2021).

Figure 1: Size of Hampshire charities



The VCSE organisations who took part in this research broadly mirror these size categories:

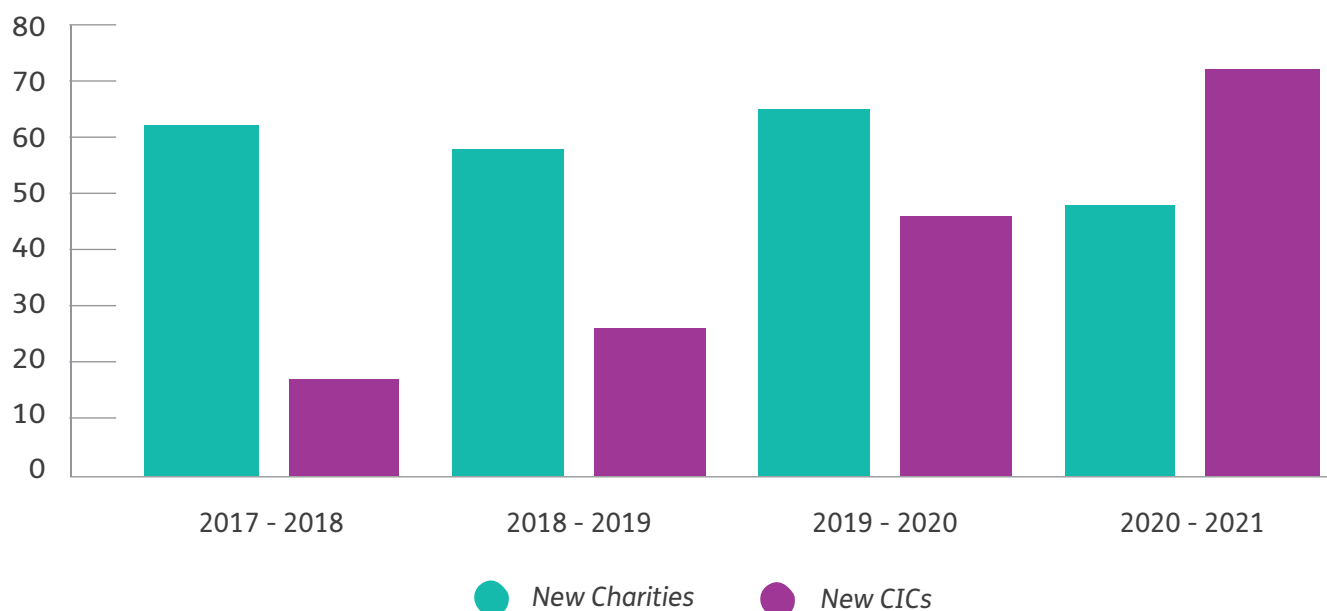
Figure 2: Size of responding organisations



² This is based on 2522 registered charities in Hampshire county who recorded their annual expenditure in 2020.

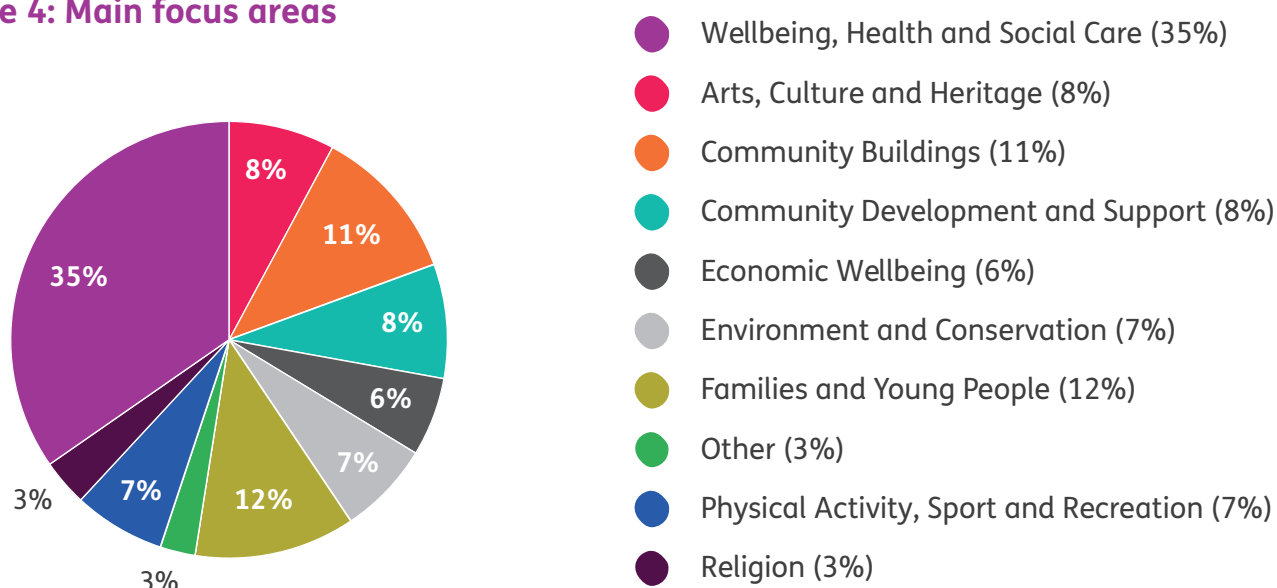
Community Interest Companies (CICs) were first introduced in 2005, and registration as this type of organisation has grown considerably in recent years, with the number of new CICs registered in Hampshire rising steadily each year, including during the pandemic. The number of newly registered charities has been more consistent, with a slight drop in the 2020-21 year.

Figure 3: Number of newly registered VCSE organisations



Organisations vary greatly in their area of focus, from conservation groups to charities supporting young homeless people, theatres to dementia cafés. The organisations responding to our surveys³ cover the following main areas of focus, with 'other' including animal welfare, emergency response.

Figure 4: Main focus areas



³ 845 organisations are included in this grouping. The categories have been identified and grouped by Action Hampshire.

3. Covid-19: The Wider Context



On 31st January 2020, the first two cases of Coronavirus disease (Covid-19) were reported in the UK. Within two months, the UK was, along with the rest of the world, experiencing significant and unprecedented changes to daily life, across all sectors.

On 26th March 2020, the UK entered its first national lockdown. Within a few weeks, a new vocabulary of social distancing, shielding, contact tracing, furlough, keyworkers, mask mandates, test and trace, and lateral flow testing, was familiar. Everything deemed non-essential was shut.

The first national lockdown ended gradually from May-June 2020; 2.2 million people who were told to remain indoors shielding for their own protection were told this would end on 1st August. Over the summer, the country came to life again – though many continued to shield. However, as Covid-19 infection rates started to rise once more, new regional restrictions were introduced starting from 4 July. These were ultimately replaced by a second national lockdown from 5 November-2 December 2020. At this point, Hampshire was first categorised as ‘tier 2’ and then ‘tier 3’ on 17 December 2020. Days later, with most of the country now in ‘tier 4’, a third national lockdown was introduced from 6 January 2021. Between 29 March and 19 July, restrictions were slowly lifted once again.

By the end of September 2021, the UK had recorded 7.7 million cases (113,021 in Hampshire⁴) and over 136,000 deaths (2,913 in Hampshire) due to the Covid-19 pandemic. 70% of Hampshire

residents eligible (12+) are now fully vaccinated and a further 5.65% have received at least one dose⁵. These rates are significantly higher for populations 40+.

The pandemic was far more than a physical health crisis. Lockdowns and isolation, uncertainty and changing rules, have had a significant impact on mental health and loneliness. The economic impact of lockdowns, uncertainty, and the cost of hygiene and prevention measures, have been significant, with the UK GDP declining by 9.8% in 2020, the largest drop in over 300 years⁶. The pandemic will likely continue to have unanticipated consequences, as it continues to shape the future in Hampshire and beyond.



⁴ <https://documents.hants.gov.uk/corprhantsweb/Covid19/Keep-Hampshire-Safe-Infographic.pdf>

⁵ <https://documents.hants.gov.uk/corprhantsweb/Covid19/Keep-Hampshire-Safe-Infographic.pdf>

⁶ <https://commonslibrary.parliament.uk/research-briefings/cbp-8866/>

Spotlight: Community Buildings



During the pandemic, all VCSE organisations grappled with the changing regulations and guidance around social distancing, hygiene measures, who could be open and closed, and so on. One group of VCSE organisations needed to deal with this more than any other: community buildings. The range of Covid-19-related issues for community buildings goes from ventilation to risk assessments, from track and trace to one-way systems (Community Matters, 2021a).

Community buildings are physical spaces owned and used for community purposes. They include village halls and community centres and other facilities for community services. Community buildings provide the physical infrastructure for many other community activities, from exercise classes to dementia memory cafés, mum and baby meet-ups to food banks. There are approximately 10,000 village and community halls in England (Community Matters, 2021a).

In Hampshire, there are around 224 charitable village halls, 114 community centres and 131 other community buildings (including church halls, sports pavilions and Scout headquarters).

Action Hampshire, as Hampshire's Rural Community Council, have a specialist Community Buildings Officer. Support is also provided by several councils and from the rest of the Hampshire CVS Network. The pandemic saw the greatest need for this support that there has ever been.

Mid-2020, the national government issued a package of guidance to different types of buildings: do this if you're a café, that if you're a religious building; these are the rules if you're a pre-school, and these are the rules if you're running sports activities. The guidance differed depending on the type of organisation you were - but what if you were all of these and more, like many community buildings?

The guidance was inconsistent across types and changed frequently. Many community buildings, especially village halls, are entirely volunteer-run, which made it even more difficult for them to navigate the changing situation. The stop-start nature of restrictions caused further confusion, and community buildings found themselves responsible for communicating and enforcing government guidance to their various hirers, many of whom had differing levels of compliance and risk tolerance. Some remained shut throughout, which had knock-on effects to community groups who use these spaces. Across England, 15% of village halls played a formal role in the pandemic, providing a space for emergency food distribution, hosting testing or vaccination sites or providing childcare to keyworkers (Archer and Skropke, 2021).

Ultimately, many community buildings were eligible to receive various bits of government funding, including the Retail, Hospitality, and Leisure grant that was offered to all rateable premises, even those who don't pay rates as they are occupied by a charity. However, there was a lot of confusion and miscommunication about whether community buildings were eligible for this and other grants. Some community buildings in Hampshire have been able to make repairs and renovations and have now reopened. Most seem to be operating at partial capacity, though there are a small handful that have not yet reopened and may end up closing for good. Nationally, estimates are that at least 140 halls (1.4%) may not reopen (Community Matters, 2021b; Archer and Skropke, 2021).

Covid-19, narrated through Community Building Basecamp posts⁷:



26 Feb
2020

“Is anyone (without succumbing to scaremongering) issuing any guidelines to users of their buildings concerning the Corona virus / Corvid-19 outbreak?”

9 June
2020

“Has anyone had any success sourcing hand sanitiser dispensers? If so, could you let me know from where and how much?”

18 Mar
2020

“Everything has stopped in our Community Centre. Over 80 activities a week have come to a grinding halt.”

17 July
2020

“I read in the guidance that singing performances were not allowed [at the time] Does anyone know where we stand on singing practice?”

24 Mar
2020

“IMPORTANT UPDATE - community centres / halls are now ordered to close, with the exception that, ‘facilities may remain open for the purpose of hosting essential voluntary or public services, such as food banks or homeless services.’”

23 July
2020

“Has anyone appealed against being turned down for the Retail, Hospitality, and Leisure grant?”

7 April
2020

“We have opened our main hall to [food bank] and they are operating from there with support from local organisations making deliveries to the most vulnerable and needy.”

13 Aug
2020

“We are getting ready for October opening - our staff are on furlough till September so we will have a few weeks to get everything ready. Would anyone have cleaning schedule they could share?”

23 April
2020

“I’m getting quite worried about how we will be financially sustainable - with talk of some social distancing measures carrying on for up to a year...”

19 Aug
2020

“I am confused. What is the current position concerning non-contact indoor sports such as table tennis and badminton?”

3 June
2020

“At the moment all paid staff here are on furlough. I had thought about bringing them back for a bit but as we will not be able to put them back on furlough, we are not going to do that.”

25 Aug
2020

“The government has said soft play centres can reopen (surprisingly) so does that mean our soft play gym classes can return?”

⁷ Posts have been edited to remove identifying information and correct spelling

4 Sept
2020

“Can someone point me to legislation or guidance that defines a face covering please?”

1 June
2021

“Does anyone know of any guidance about whether tutors count towards the Rule of 6?”

4 Sept
2020

“Can someone point me to legislation or guidance that defines a face covering please?”

6 July
2021

“I must say I’m apprehensive on dropping everything but it’s quite an emotive one for me having just come out of 14 months with suspected long Covid-19. I think we will likely have a mix of feelings from hirers too.”

30 Nov
2020

“We have a coffee bar here and I have to say I am very unclear on whether we can reopen this week. The more I read the more I don’t really understand...”

17 Aug
2021

“We are starting up our social dances again and I’m not sure which (if any) should adhere to nightclub rules and operate with the COVID-19 PASS scheme”

26 Jan
2021

“Are any of your buildings actually being used as vaccination centres?”

22 Sept
2021

“I am having a nightmare trying to get people to continue to wear masks in communal areas. I keep putting more signs up. We have free masks at the entrance, but no one is doing it.”

13 May
2021

“There is SO MUCH GUIDANCE!!!”



4. Impact on Community Needs

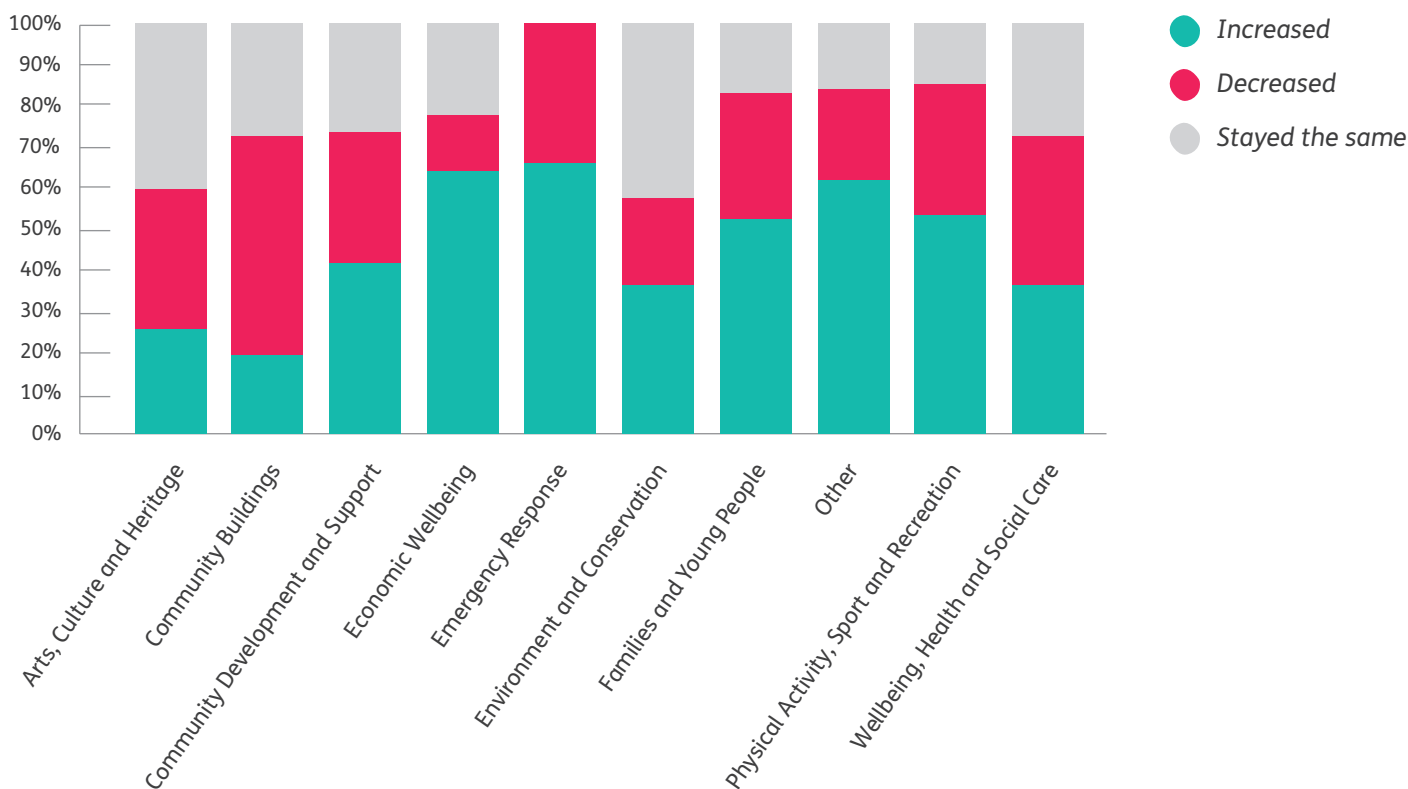


The Covid-19 pandemic has had wide-reaching impacts on the economy, mental and physical health and wellbeing of the entire nation. As part of this research, VCSE organisations were asked to provide information about the extent to which the pandemic had exacerbated needs in their community, whether their services were more in demand and what needs remained core issues looking to 2022 and beyond.

Organisations gave a mixed picture when asked how the level of demand for their services had changed due to the pandemic. Of 501

organisations⁸, 40.52% said demand had increased, 33.33% reported decreased demand and 26.15% felt demand was the same. This is one area where it helps to take a closer look at variations between types of organisations. The graph below shows how, for example, community buildings were much more likely to experience a decrease in demand whereas organisations engaged in emergency response and economic wellbeing activities (including food banks, debt advice, etc.) saw a much larger increase in demand.

Figure 5: Change in demand



⁸ Across 5 surveys

Results from the comparison survey⁹ suggest that organisations who had already been experiencing an increase in demand at the start of 2020 were significantly more likely (44.1%) to have reported further increased demand after the pandemic compared with organisations who had previously reported decreased demand (9.09%). The average number of individuals supported by each VCSE organisation has also fallen, across all sizes of organisation¹⁰ except those with over £1 million turnover per year.

It is important to recognise that level of demand does not necessarily correlate with level of need. As one organisation explained, “Although demand for our regular services and activities has decreased, there has been a greater demand from people to access help.” Many of the organisations reporting a decreased level of demand explained this was owing to their organisation being shut for significant periods or having a reduced offer. Several reported lower numbers during their online provision, as some users “have found it difficult to engage with virtual support”. A community transportation service explained that a lot of their offer involves taking people to hospital appointments, and that demand had decreased as these appointments were cancelled. Others felt the decrease was due to users not wanting to attend in person or because social distancing measures reduced group sizes. One organisation said, “We believe the decrease is temporary and brought on by the inability of vulnerable people to meet.”

Organisations reporting an increase in demand attributed this to a range of factors including the addition of new services, the closure of other services, and an increased level and complexity of need. Several organisations described now having waiting lists for the first time. One group explained, “We have seen a 60% increase in

demand for services...there are currently over 60 young people waiting for emotional health and well-being support across all of our areas”. Another said, “Since COVID-19, referral rates have increased significantly and we are seeing more complex needs being presented by our families.”

Organisations also noted the increase in demands on public services, with one stating “We are receiving referrals that should have gone to adult services for care needs assessments but are coming directly to us with nothing in place”. Another noted that, “Demand outweighs supply despite increased resources to meet increasing demand”.

As well as a change in the level of demand, 54.8% of organisations¹¹ also reported a change in the type of demand. For some organisations, this was because they had expanded their range of services and/or user groups and were now encountering new issues. Several mentioned a higher demand for ‘online services’. Others described the increased complexity of need. Responses included, “clients are presenting with more debt, at a later stage, with greater stress and anxiety”; “problems have been stockpiled during the pandemic”; “issues



⁹ 201 organisations answered the same questions in Feb-March 2020 and July-August 2020

¹⁰ For example, organisations with a turnover of £10K or less supported an average of 452 people/year (median 70) in the two years prior to 2020, but this reduced to an average of 345/year (median 60) during the pandemic. The 2021 results are based on 234 responses across 2 surveys.

¹¹ 196 responding to one survey

are more complex...financial and mental health issues are increasing” and, “people have complex difficulties across a range of health and social care issues and services struggle to unpick what is going on”.

One organisation summarises that the, “depth of issues that people are experiencing is far deeper and the amount of help needed much greater... Issues such as debt, domestic violence, exploitation, homelessness have all been magnified or at least become much more obvious and intense”.

Many of these issues are not new as a result of the pandemic. The 2018 edition of this report noted these recurring themes: clients presenting with more complex problems; increased referrals from statutory agencies; less capacity at specialist organisations; increased demand due to changes in welfare benefits and increased presentation of people experiencing poor mental health (Action Hampshire, 2018).

Many organisations expect the demand from their users to increase further, with 43.22% of organisations¹² thinking they would be helping their community more in a year’s time, and only 1.01% thinking they would be helping less. 35.68% thought they would be helping the same amount and the rest were unsure about their future.

One survey asked organisations to select from a pre-set list to identify which, if any, changes to user needs they had experienced. Of the 75 organisations who answered:

- 80% said they had seen an increase of mental health issues
- 77.33% reported their service users were less confident
- 54.66% found that users were less independent
- 44% said more of their users were living in poverty
- 42.6% had seen an increase in physical health issues
- 29.33% thought there had been increased levels of unemployment

Another survey found that 69.5% of organisations¹³ felt there had been a decline in the health and wellbeing of their service users, with several reporting high levels of anxiety, depression isolation and loneliness. One group explained, “Many members report poor mental health as they see no end to the current situation. They feel isolated, cut off and trapped.”

The picture of needs as described by Hampshire’s VCSE organisations aligns with a categorisation developed by Pro Bono Economics (Wood, 2021) of the drivers of increased demand/need:

1. Exacerbation of pre-pandemic problems
2. Direct consequences of Covid-19 including increased mental health and domestic abuse calls
3. Build-ups and backlogs due to closures and delays
4. Crisis spill-overs: ongoing services experiencing increased demands due to a worsening economic situation

¹² 199 organisations responded in 1 survey

¹³ 25 organisations responding to 1 survey



5. Shrinking supply: increased demand on services which are still open due to closures/reduced capacity elsewhere.

Overall, organisations told us they had the most concern about the economic impact of the pandemic, rising mental health challenges, the ongoing impacts of social isolation and the range of social problems that result from these, including increased violence and domestic abuse, impacts on child development, physical health and wellbeing, and so on. These findings broadly align with research conducted earlier this summer by Action Hampshire on behalf of the Hampshire and Isle of Wight Community Foundation (Dixon and Sawers, 2021) as well as similar studies conducted elsewhere in the UK (Howarth et al, 2021; McCabe et al, 2021; ACRE, 2021; Brian Wilson Associates, 2021).



Specific concerns included those about:

Mental health:



“We’re now seeing the mental health effects of the shut down on existing clients and carers. Their needs are more complex than before and their resilience is very low.”

Young people:



“Young people are struggling with feelings of being left-behind. They are in limbo after a turbulent year of education, reduced outcomes from exams and extended periods where they have struggled to engage.

They feel they are lacking the usual avenues of support for them to find their feet...they need support in managing the transition back to some kind of new normal.” This limbo is having wide ranging effects from increased safeguarding concerns, increased crime and online bullying and increased mental health referrals.

Older people:



They are experiencing adverse effects of shielding including physical health complications, difficulty accessing telemedicine and deteriorating mental health.

“They have become more likely to have falls and need constant reassurance”. There are concerns about increased loneliness, social isolation and digital exclusion.

Families:



They need support “embedding new routines”; “catching up missing developmental stages”; “for perinatal and mental health support for new mums”; “on issues arising from marital breakdowns and domestic abuse”.

5. Impact on Services and Activities



The pandemic had three types of impact on the activities run by Hampshire's VCSE organisations: some were stopped, some were started, and others adapted.

When asked about the impact of Covid-19 on their ability to operate, only 25.31%¹⁴ reported they had continued as normal throughout the pandemic. 40.63% had remained open with partial services, 20.94% had closed during lockdowns but been open between them and 10.94% of organisations had closed at the start of the pandemic and not yet reopened.

80.6% of organisations reported having to stop their services at least partially during the pandemic, including 4.24% who do not expect these services to ever resume. It is worth noting that some organisations who did not respond to the survey are likely still closed, and so this figure is likely to be higher. Most organisations do expect to resume. The overwhelming reason given for stopping services was that, under Covid-19 restrictions, face-to-face activities could not take place: "the building we met in was shut"; "home visiting had to stop"; "face-to-face interaction ceased until all volunteers and clients were double vaccinated". Some of these services adapted and went online, but others stayed dormant. One organisation that ran a social group said it had been, "shelved for the time being but hope to return when Covid-19 guidance and local Covid-19 data indicates it is safe to do so".

18.78% of organisations said the type of people or groups they supported had changed during the pandemic. Some organisations got involved in Covid-19-specific support, starting new services such as collecting prescriptions and delivering food. One said, "We delivered 3959 meals in the first 18 weeks of our food delivery project and we hardly knew or had never met the majority" of the recipients.

¹⁴ 320 organisations responding to 2 surveys

Others found their service was now more focused on a particular user group. For example, one said, "since many older and more vulnerable people have still been unable to meet, proportionally more of our resources have gone to children". Another said, "Pre-Covid-19, around 60% of those we helped were over 60 years old. That figure is now 30% with the remainder being families, due to the levels of financial hardship caused by loss of income." In addition, 10.47%¹⁵ had expanded their geographical reach. One explained, "Due to the closure of other services in the area we accommodate more people from outside our original 'catchment' area" and another said "Implementing online activity sessions... means we are no longer geographically restricted by the location of our respite houses."

Moving online is by far the most common adaptation reported by Hampshire's VCSE organisations during the pandemic. Several organisations also described increasing their one-to-one provision, where they had previously run groups.

While many organisations are now shifting back to face-to-face, this is gradual. Despite restrictions easing, many service users remain hesitant to return to in-person events. One group leader said, "the general opinion was nervous and cautious of returning and mixing together, so activities are proving difficult to get back." Another said, "Despite lifting of restrictions we're still not comfortable to fully re-open." Other organisations expect increased online provision to remain part of their services going forward. One said, "We will take the learning from this and those services that we were able to adapt to remote delivery forward [and these] will continue". Another explained, "there seems to be an ongoing desire to retain virtual group forums. We therefore anticipate a hybrid/blended service offering once we return to 'normal'".

¹⁵ 191 organisations responded to 1 survey

Spotlight: Digital Technology



One of the significant impacts of the pandemic has been the increased use of digital technology.

Between working from home, holding meetings on Zoom to delivering services online, Covid-19 has accelerated the path to digital for many individuals and organisations. Increased use of digital technology has enabled VCSE organisations to better meet the needs of young people (LBF, 2021), allowed shielding volunteers to continue helping others, and facilitated swift coordination of activities through WhatsApp groups. At the same time, it has also highlighted the digital divide, revealing schoolchildren who had no equipment to access online learning and service users who did not have the skills or connectivity to join virtual groups.

Over two thirds (68.4%) of VCSE organisations asked¹⁶ reported that their use of digital technology had increased during the pandemic. Organisations told us that the pandemic, “made us look at technology and utilise it to the full” and “has forced us to pivot to digital”. This shift isn’t universal – 28.77% reported no change and 2.83% were unsure. This is slightly lower than a national survey that found 77% of charities made greater use of digital technology during the pandemic (Charity Comms, 2021). One possibility for the lower figure is that the Hampshire survey includes a greater number¹⁷ of very small, volunteer-led organisations who have less access to funding and support to get online.

It appears that VCSE organisations in Hampshire have been more likely to increase their use of digital technology internally (having staff work remotely, using Zoom for meetings, etc.) than for service delivery. In a smaller sample of organisations¹⁸ that were asked whether they had delivered services online, only 30% said yes with 70% reporting they had not. One interviewee emphasised that not all activities are suitable for online, and others pointed

out that not all service users would have access, with one commenting: “There was a gap in giving information to people because not everyone is on the internet.” This aligns with findings from elsewhere in the country and national reports that acknowledge that, “digital is not a replacement for face-to-face delivery” (Clay & Collinge, 2020).

It is important to recognise that a significant number of VCSE organisations have not had the skills, experience, funding and/or will to make the transition to online. Even those who did increase their digital technology use have more to learn, with one social enterprise explaining that, “We’re not that tech savvy...we don’t feel we have the skills.” When asked¹⁹ about their level of confidence using digital technology, 57.69% were more confident, 39.23% did not feel there had been any change, and 3.08% were less confident than before the pandemic.

This is an ongoing challenge, with a national survey finding that 27% of VCSE organisations cancelled services in 2020 as they didn’t have the skills or technology available to put them online (Amar, 2020). The pandemic has highlighted digital skills and training gaps within organisations, which only some have been able to address. A Hampshire CVS Network report earlier this year noted, “a clear gap between those who have the equipment, skills, knowledge and confidence to use digital technology and those that do not”.

Looking forward, 62.79% of VCSE organisations²⁰ indicated they would continue using digital technology, 27.91% did not expect to continue, and 9.3% were unsure. A lack of IT skills & access for both staff and service users as well as the desire to return to face-to-face provision were mentioned for those who indicated they would not continue.

¹⁶ 212 organisations answered this question, across 2 surveys

¹⁷ 47% of organisations responding have an annual income of £10K or less, based on 451 responses across 3 surveys

¹⁸ 50 organisations answered from one survey

¹⁹ 130 organisations answered this question, in one survey

Digital exclusion remains a critical issue. While the number of adults in Hampshire who have either never used the internet or have not used it in the last 3 months decreased from 8.2% in 2019 to 5.7%²¹ in 2020, this still leaves over 79,000²² adults. Digital access has a cost, with the price of phone data recognised as a critical barrier (LBF, 2020b). VCSE organisations who have experienced the shift to digital themselves are likely well-placed to support this work.

While the literature suggests that the shift to digital will be permanent (Wood, 2021), there is work to be done in Hampshire articulating the potential benefits of this. Only 52.6% of organisations believe

that the increased use of digital over the pandemic had a positive impact, while 14.06% reported a negative impact and 33.33% feeling there had been no impact²³. While the pandemic accelerated use of digital, this expansion was largely fuelled by necessity (working and delivering services online). The sorts of digital skills developed during this period are not necessarily aligned with potential benefits going forward (such as digital fundraising, communications and use of artificial intelligence (AI) and other software). Further work is needed to understand the potential future benefits of digital technology for VCSE organisations and to explore how this can be achieved.

Looking ahead, some organisations are cautiously optimistic. One said, “we are taking all precautions as we gradually re-open our face-to-face services and we’ve been pleasantly surprised that people are feeling comfortable to visit our centres in person for appointments. Like others, we will continue to offer a blend of in-person and remote services, which we hope will enable us to reach more people”.

One of the most important questions is whether VCSE organisations have the capacity to meet demands in the years ahead. In July-August 2021, 43.30% reported²⁴ having less capacity than they did prior to the pandemic, which could make it difficult for them to manage rising demands. This is a significant reduction compared with February-March 2020, when only 18.69%²⁵ had seen a decrease in capacity over the two years prior. Organisations who had already experienced a decreasing capacity²⁶ in 2020 were more likely to have further reduced capacity in 2021.

In 2018, 30% of organisations had experienced a

decreased capacity in the three years prior, and larger organisations were more likely to have experienced this (Action Hampshire, 2018). In 2018, a lot of the capacity challenge was around the recruitment of volunteers, with organisations concerned about the aging demographic of their long-serving volunteers (ibid). In 2021, loss of older volunteers was mentioned once again by many organisations. One said, “Some of our team have left, because they are unable to help with our work due to age or ill health.” This is explored further in Section 6.

Organisations struggled to recruit and support volunteers remotely, finding it difficult to ‘nurture’ volunteerism through a screen. Others commented that their staff/volunteer resource had not changed, but that conforming to Covid-19 restrictions reduced service capacity. Others had simply lost key people during the pandemic and not yet been able to recruit them, with one saying, “We have lost several leaders due to the impact of the pandemic and are currently struggling to fill the vacancies.”

²⁰ 301 organisations responded to this question, across four surveys

²¹ Based on ONS data reported at <https://www.rouge-media.com/uk-internet-non-users/>

²² 5.7% of 1,389,200 which is the projected estimated population of Hampshire reported by HCC at <https://www.hants.gov.uk/landplanningandenvironment/facts-figures/population>

²³ 192 organisations answered this question, in one survey

²⁴ 194 organisations responded to one survey

²⁵ 198 organisations responded across one survey

²⁶ 50% of those who had already decreased capacity in 2020 had further decreased in 2021, compared to 39.39% of those who had seen an increase in 2020, based on 191 organisations answering this question in the comparison survey

6. Impact on Volunteering



Volunteers are incredibly important to VCSE organisations. A conservative estimate, based on the estimated numbers of VCSE organisations and a median number of volunteers per organisation between 2020-2021, is that 181,784 volunteers support VCSE organisations in Hampshire. This is in comparison to 111,300 in 2009 (RAISE, 2009). Collectively, these volunteers contribute an estimated economic value of £226,677,377 per year²⁷ to Hampshire.

91.62% of the organisations we asked²⁸ were supported by volunteers, and 53.95%²⁹ were entirely volunteer-run with no paid staff. The number of volunteers tends to rise in line with the size of the organisation and does appear to have fallen slightly since 2020. Comparing data gathered in February-March 2020 and July-August 2021 (see Figure 6), the median³⁰ number of volunteers (these figures include trustees) per organisation³¹ in all size brackets has dropped. The difference is most noticeable for large organisations that are likely to use larger number of volunteers at mass events that did not go ahead during the pandemic.

Our survey results show that 40.94% of organisations³² experienced a decrease in volunteer numbers, while 35.57% experienced no change. This drop in volunteers is also reflected in data held by the Hampshire CVS Network. For example, 490 volunteers were placed into

local VCSE organisations (for non-Covid-19 roles) through CVS volunteer centres during October-December 2020, compared with 1,142 in the same quarter in 2019. Organisations also reported a significant decrease in the amount of time their volunteers spent volunteering – many organisations have retained volunteers but these volunteers are not (or are less) active. 58.49% of organisations³³ said their volunteers had provided fewer hours of support during the pandemic, while 22.64% said volunteer hours had increased and 18.87% had not seen any change.



²⁷ Annual value has been calculated based on the number of volunteers x 11 (average number of hours in a 4 week cycle as per Institute of Volunteer Research) x 13 (4 week cycles/yr) x £8.72 (Minimum wage).

²⁸ 191 organisations answered this question, across two surveys

²⁹ 367 organisations answered over two surveys

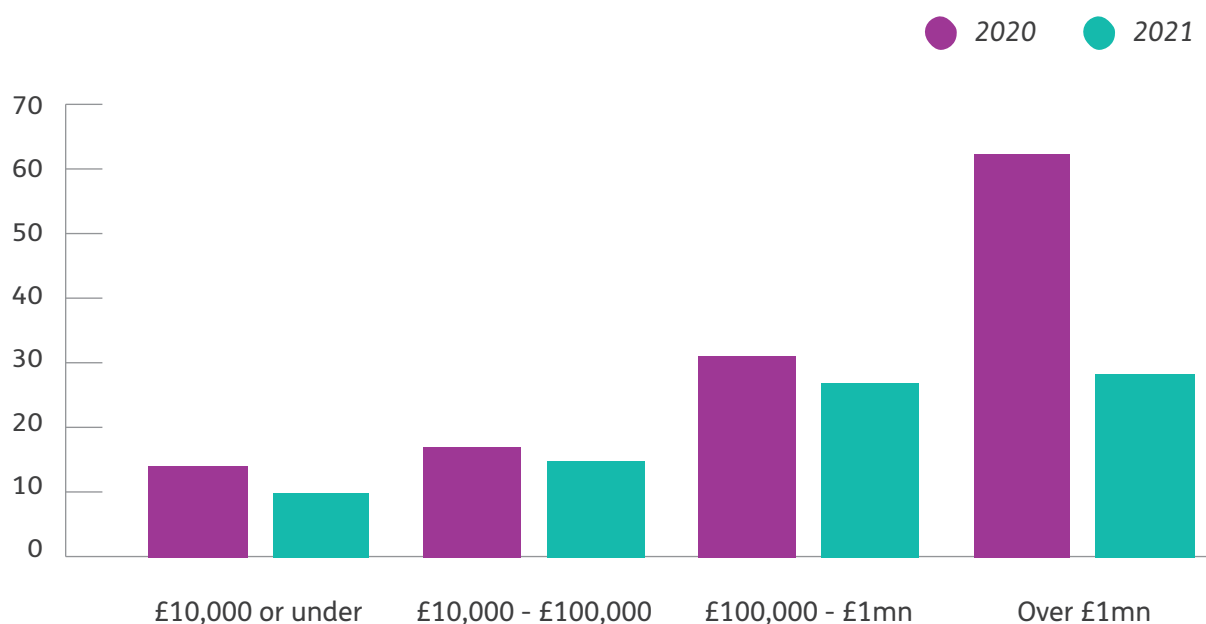
³⁰ Median is used here instead of average, due to a small handful of significant outliers in both years which skew the average figures due the small sample size.

³¹ This data is based on 467 organisations responding in 2020 and 291 organisations responding in 2021.

³² 298 organisations answered, across two surveys

³³ 159 organisations answered, in one survey

Figure 6: Number of annual volunteers



For those organisations that had closed services, the decrease was intentional - there was less need for volunteers. Others explained that, with social distancing measures in place, there was simply less space for volunteers and they had had to reduce numbers. In other organisations, volunteers were needed but not available. Organisations told us they had lost volunteers, “because they are of an older demographic and many had to shield or felt it was too risky to continue”. Another said, “Our volunteers tend to be retired and therefore often fall into the vulnerable category.” A study of volunteering during the first 3 months of Covid-19 by University of Winchester found that 72% of organisations who decreased or stopped volunteering only did so because the organisation they were supporting paused or stopped activity during the pandemic (Baker et al, 2020).

Volunteer recruitment has also been a challenge with 40.31% of organisations³⁴ reporting it was now more difficult to recruit volunteers, compared with before the pandemic. This is an increase

from 33.67% responding to the same question³⁵ at the start of 2020. Based on data from 2020, smaller VCSE organisations (those with a turnover of £10K and under) find it most difficult to recruit volunteers³⁶, which makes sense as they have less capacity to recruit and maintain volunteers.

Barriers to recruiting new volunteers include difficulties recruiting virtually, not being able to attract a younger volunteer group, and ongoing uncertainties about Covid-19 regulations. One organisation told us they felt unable to support volunteers in the same way as they had done prior to the pandemic, which had also had an impact. Volunteers have experienced many of the same negative impacts that staff have (see Section 7) including burnout and stress.

The ability of organisations to recruit new volunteers has decreased over the pandemic. During the first lockdown, many furloughed employees found volunteer roles to keep busy and find fulfilment. One interviewee explained, “You

³⁴ 191 organisations responded, in one survey

³⁵ 594 organisations responded, in one survey

³⁶ 39.53% of organisations under £10K turnover, compared to 33.67% overall this year

have these furloughed people with nothing to do and they're going, "Please can I help? I don't want to be stuck in the house with nothing to do". As furlough came to an end, there was less of this support available. One respondent said, "All the potential volunteers I had were above 65 and what I needed was someone in their 40s who had time on their hands. There doesn't seem to be younger people who are prepared to commit." This situation is similar to the national picture (Utley-Williams and Jackson-Harman, 2021; McCabe, 2021).

While many organisations experienced a decrease in volunteers, 23.49% of organisations reported an increase to their volunteer numbers. It is likely that many of these organisations were engaged in the Covid-19 response, which generated an outpouring of community support and volunteering. In addition to those placed within VCSE organisations, Hampshire volunteer centres mobilised 5,223 new volunteers to support the Covid-19 response at testing sites and vaccination centres, for example. The Good Neighbour Network, which supports community transportation schemes across

Hampshire, recruited 5,065 volunteers during 2020. In Hampshire, the capacity of local infrastructure organisations and existing networks meant that volunteer recruitment to support the pandemic could be managed locally.

Unfortunately, large volunteerism campaigns led by national organisations such as Royal Voluntary Service's GoodSAM app, bypassed local structures and led to confusion and poor coordination at the outset of the response. Eventually, the value of local volunteer coordination was recognised by Hampshire stakeholders and these national programmes focused on other geographies where there was less infrastructure support. A reflection study conducted by The Hive in Portsmouth about the rollout of the NHS Volunteer Responders scheme found that while this national scheme was a useful back-up in other parts of the country, in Hampshire and the Isle of Wight, volunteering should be coordinated and integrated into local community support structures (Hive Portsmouth, 2021).



Spotlight: Mutual Aid and Spontaneous Volunteering



Alongside the many long-established VCSE organisations that played an integral part in the Covid-19 response, the pandemic saw an unprecedented amount of spontaneous volunteering, from individuals providing support to their shielding neighbours one-to-one, to the successful rapid recruitment of thousands of volunteers to support testing and vaccination sites. Over the country, over 4,300 mutual aid groups emerged with over 3 million volunteers combined (Benton and Power, 2021).

Mutual aid groups are ‘volunteer led initiatives where groups of people in a particular area join together to support one another, meeting vital community needs without relying on official bodies’ (ibid). Mutual aid groups promote ‘neighbourliness and human interaction’, in the words of one interviewee.

In Hampshire, the CVS Network became aware of 185+ new mutual groups, many of which grew quickly in the first weeks of the pandemic. One group we spoke to had 3,000 potential volunteers in their first 2 weeks. Another received over £40,000 in donations and had a group of 700 active volunteers at their peak. Other groups remained informal Facebook pages with no set structure or format. Mutual aid groups, alongside other spontaneous groups that formed to support NHS staff or other aspects of the response, felt compelled to help: “Instead of just talking about it, we thought we’d do something.”

While highly motivated and well-meaning, those volunteering for mutual aid groups did not necessarily have an understanding of safeguarding or good governance. Concerns were raised in VCSE coordination meetings about DBS checks and complex case management. In other cases, mutual aid groups were led by highly experienced

individuals who plugged into relevant supports from infrastructure organisations and/or their local councils and became an integral part of the response.

Each of the mutual aid groups interviewed for this research had different thoughts about their future. Some felt they had come together for a specific purpose and were no longer required, though one had resulted in the establishment of a new charity responding to a particular ongoing need. Others intended to continue with community support work for the time being but were not sure how long they would continue. Asked about the potential of formalising, one interviewee explained, “We tried to avoid all of that because mutual aid isn’t the same as charity, it’s about giving and receiving.” Another group we spoke to had already become a registered charity.

Undoubtedly, mutual aid groups played a critical role in their communities during the pandemic, and their importance has been recognised in the literature (Benton and Power, 2021; Tiratelli and Kaye 2020). The emergence of mutual aid groups and other spontaneous volunteering demonstrates the potential of community-led action and initiatives. At a time when volunteer numbers for VCSE organisations are down, converting spontaneous volunteers into long-term volunteers would add great value. Discussions are now taking place within the Hampshire and Isle of Wight Local Resilience Forum and other coordination bodies about how to harness the spirit that motivated spontaneous volunteers and mutual aid groups, in the hope that some of these individuals might be motivated to stay involved in community support.

Looking forward, there is uncertainty about future volunteer numbers. 16.78% of organisations expected further decreases while 10.62% thought numbers would go up and 34.95% thought numbers would stay the same. 37.67% were unsure how volunteer numbers would look over the year ahead. Those respondents looking to recruit more volunteers say they need more support with volunteer recruitment, conducting risk assessments, and training.

The large numbers of individuals who came forward to support vaccination centres and mutual aid groups demonstrate the potential for future volunteering, but organisations may need to shift their models and expectations of volunteers, offering more opportunities for short-term and ad hoc volunteering. Organisations may also need to improve how they communicate the impact that volunteers can have.

7. Impact on Staff

Hampshire's VCSE organisations employ approximately 54,738 staff, 68% of whom are part-time. This can be compared with 2009, when the total paid workforce of VCSE organisations was estimated to be 51,320 individuals, 66% of whom were part-time (RAISE, 2009). In this research, 46.05% of organisations had one or more paid members of staff, a figure similar to elsewhere in the country (Support Staffordshire, 2021).

Staff numbers vary by organisation. Figure 7 highlights the average number of full and part-time staff per organisation surveyed at the start of 2020. Since then, staff numbers have not changed considerably with 58.89% of organisations reporting no change, 20% of organisations having hired additional staff members and 21.11% reducing staff numbers since the start of the pandemic.

Figure 7: Number of paid staff



³⁷ 292 organisations responded over 2 surveys

³⁸ This calculation is based on the average number of employees per organisation size x number of that size of organisation in Hampshire, not including the 53.95% organisations who reported having no staff. This figure is in line with regional estimates from NCVO, whose Civil Society Almanac estimated that VCSE organisations in the South East employed 126,304 people in 2020.

³⁹ 367 organisations answered across 2 surveys

⁴⁰ 91 organisations responded to one survey

⁴¹ 367 organisations responded to one survey

National studies have noted how the pandemic has taken a toll on staff wellbeing (Clay & Collinge, 2020). As early as May 2020, stress levels were increasing (LBF, 2020a) and this rise has continued, resulting in significant fatigue, stress and depression (Howarth et al, 2021). In Hampshire, 57.81% of organisations⁴² described the pandemic as having a negative impact on staff, with only 16.15% feeling it had a positive impact. The stresses of the pandemic fell on a workforce that was already experiencing difficulty, with 35% of organisations reporting that staff morale had decreased in 2018 (Action Hampshire, 2018).

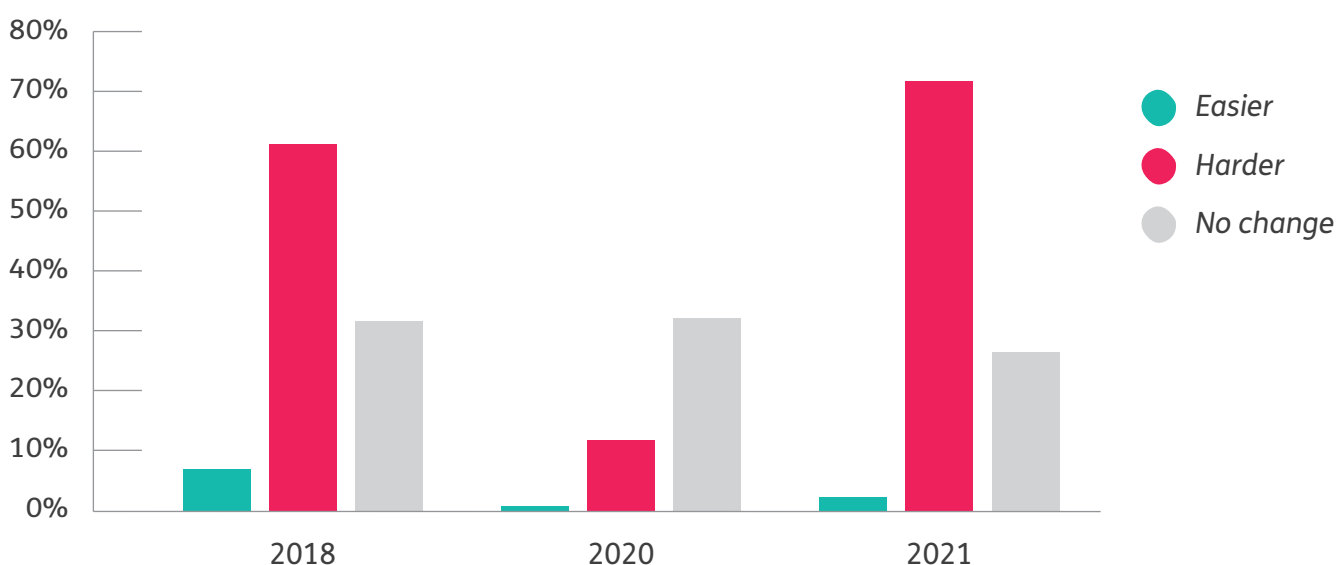
The ups and downs of the pandemic, expecting a sense of normalcy to return in the summer of 2020, only to be followed by a third national lockdown at the end of the year, were particularly challenging. Organisations told us that, “Staff are struggling with mental health issues after lockdown three”, describing a situation where, “people were no longer able mentally to look forward to something... because every time that thing started to get closer it was taken away”. This has impacted mental health. One organisation reported that, “We’ve had two people go off long-term from stress and not being able to

cope with the changes.” Another felt that, “It seems harder now to keep up morale than it did earlier in the pandemic.”

Survey respondents described particular challenges for leaders and managers, who have carried the additional burden of supporting others; for keyworker staff who are, “exhausted as we remained open throughout” and for those who deal with difficult situations and no longer had the usual support networks while working from home. As one explained, “Remote working for workers delivering trauma informed services can be difficult and isolating”.

Looking ahead, organisations⁴³ had a fairly negative outlook on future staff recruitment with 71.43% saying it was now harder to recruit staff compared with before the pandemic. One explained, “now the world is opening up I have a depleted staff team that I’m desperately trying to replace and more need than ever for our services”. 26.37% did not feel there was any difference in staff recruitment and only 2.2% felt it was now easier to recruit staff. Looking at results from surveys in 2018 and 2020, it seems that staff recruitment has got more difficult over time.

Figure 8: Staff recruitment



⁴² 192 organisations answered across one survey

⁴³ 91 organisations responded to one survey

However, organisations⁴⁴ do seem hopeful about the size of their future workforce at this point, with only 1.75% expecting a decrease in staff numbers over the next year, 35.09% expecting an increase and 63.16% expecting staff numbers to remain the same.

On a more positive note, the pandemic seems to have made work-life balance and workplace mental health a more prominent issue in Hampshire's VCSE sector. Several organisations described initiatives they have taken to support staff, with one reflecting that, "we had to make ourselves much more available to staff". Another said, "We have done a lot of work to support staff... it has fundamentally affected how we work with

staff teams - in a good way."

As the pandemic eases, organisations are now looking ahead to a future very different from the pre-Covid-19 workplace. One respondent said, "Staff are very nervous about us increasing capacity in our face-to-face provision" and others described the challenge of deciding what safety measures (mask wearing, social distancing, etc.) should remain. According to a national survey, 68% of charities plan to move forward with a hybrid working arrangement (Skills Platform and Zoe Amar Digital, 2021). Organisations described a period of trial-and-error, and a need to balance returning to 'business as usual' with supporting their workforce.



⁴⁴ 57 organisations responded to one survey

Spotlight: Social Enterprises



There are over 100,000 social enterprises (SE) across the UK (SE Mark CIC, 2020). They come in many shapes and sizes, and as a result their experiences during the pandemic have varied.

Well-established social enterprises that had the funding and capacity were able to get online, enter new markets and leverage their connections. This enabled them to weather the Covid-19 storm, continue to trade and offer services virtually, and get involved in directly supporting communities affected by the pandemic. These social enterprises may have found themselves able to expand their customer base by trading online. One social enterprise we spoke to described this as a mixed blessing, as it resulted in some mission creep.

On the other hand, emerging and newly formed social enterprises faced significant financial difficulty during the pandemic. Many of these social enterprises are run by single individuals. As newly formed businesses or newly self-employed, they were ineligible for many of the funding schemes offered by government. No specific funding package was provided to social enterprises, and while many SEs should have been eligible for other schemes, Social Enterprise UK found significant problems with the eligibility, appropriateness and sufficiency of Covid-19 funding support for social enterprises (SE UK, 2021). A national study found that 70% of social enterprises were not able to access grants such as Small Business Rate Relief and the Coronavirus Business Interruption Loan Scheme (SE Mark CIC, 2020).

New social enterprises found it particularly difficult to move their work online. These social enterprises found themselves struggling both financially and with the isolation of running a small business alone. Several emerging social enterprises in Hampshire have gone dormant and may not continue.

The Hampshire School for Social Entrepreneurs, run by Action Hampshire, saw a significant drop in engagement of its 20-21 class of social enterprises and found it more difficult to recruit in 2020 and 2021. Individuals often take a big leap of faith to start a new social enterprise, and it is hard to do this at the best of times, let alone during a pandemic.

These findings in Hampshire echo those seen nationally and internationally, with one study finding that the biggest impact on social entrepreneurship from Covid-19 was financial (Weaver, 2020) and others pointing to a national failing to support social enterprises through the pandemic (SE Mark CIC, 2020; SE UK, 2021).



8. Impact on Finances



There is no doubt that the pandemic has had a significant impact on the financial outlook of VCSE organisations in Hampshire, but that impact varies. Of those surveyed⁴⁵, 45.96% had experienced a decrease in funding, while 27.76% had no noticeable change and 26.28% saw an increase in their turnover. These figures are similar to comparable studies elsewhere in the country (Howarth et al, 2021). Our surveys did not ask about the scale of change in income but national predictions are that organisations, on average, will experience a 31% decline in annual income (Macmillan, 2020).

Hampshire VCSE organisations have experienced a decrease in fundraising/public donations, trading and some grant funding. Survey participants experiencing a decrease described a competitive grant funding environment: “Applying for funding has been difficult with so many

organisations in the same position.” Others had lost out on opportunities to fundraise at events: “We have only had a few thousand pounds from personal donations. All our fundraising activities have been cancelled due to Covid-19.” Other organisations were temporarily closed and lost the income they would have earned trading or delivering services. One explains, “Due to restrictions our service operations were closed for 8 out of 12 months and therefore no revenue was generated.”

Respondents report that the type of funding that has decreased is core, unrestricted funding including public donations and fundraising events, trading income and membership fees: “The unrestricted funding we often rely on has dried up as community fundraising opportunities have not been available as a result of Covid-19.” Grants were the largest source of funding for organisations responding to our surveys in 2021⁴⁶ with 50.72% relying on them for most of their income. 19.71% of organisations got most of their funds from public donations/fundraising activities, 14.78% from trading, 5.8% from service delivery, 5.51% from membership fees, and 9.28% reported other income including investments.

Organisations that saw a rise in their income attributed this to increased donations, grant funding and new investments. One said: ‘We received generous Covid-19 support grants from the government routed through the local borough council. This has offset



⁴⁵ 742 organisations answered this question, across 4 surveys

⁴⁶ 345 organisations responded to this question, over 4 surveys

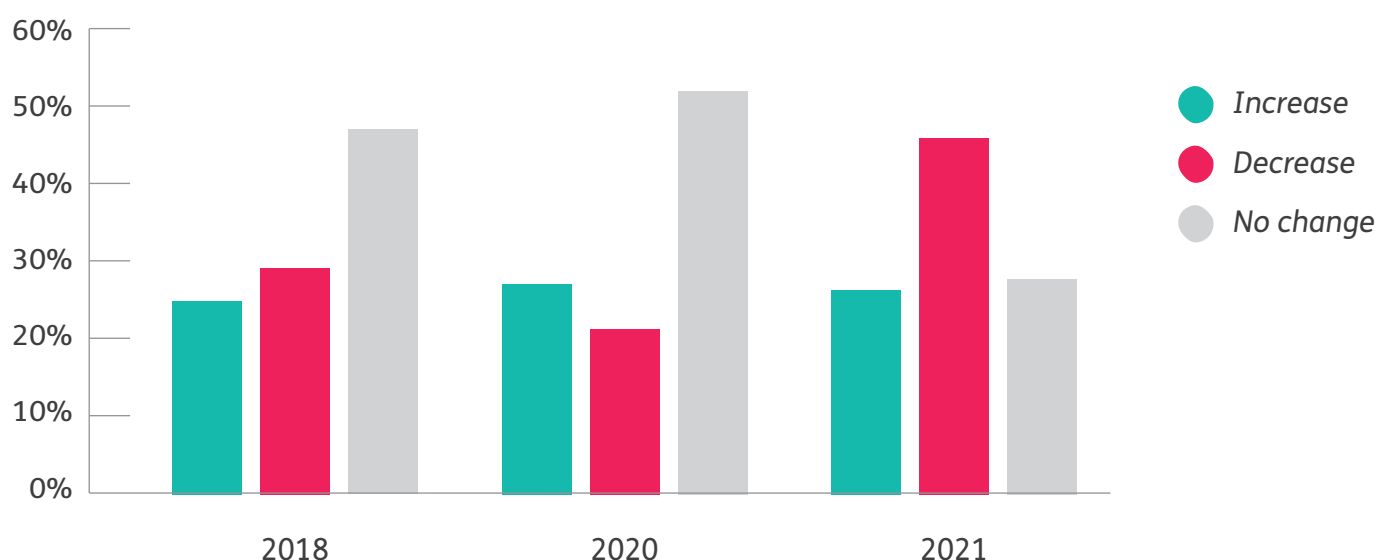
lost income from normal hire of our facilities and protected our financial position, which would otherwise have been badly affected.’ Another described having ‘been lucky’ to break even: “We have had a very good pandemic in terms of fundraising due to the COVID-19 support and our very loyal donors making substantial contributions. We have lost quite a bit of charitable activity income but gained on fundraising.”

In the literature, the increased income for some VCSE organisations is described as ‘bittersweet’

(Burt, 2021), and a reflection of the huge need for services such as food banks, financial advice and befriending during a difficult year.

Looking at data collected for previous iterations of this report⁴⁷ (Figure 9), it is interesting to note that the percentage of organisations experiencing an increased income is relatively similar across the three years. The number of organisations experiencing a decrease in income appears to come from a group that would normally have a fairly stable income base.

Figure 9: Change in income



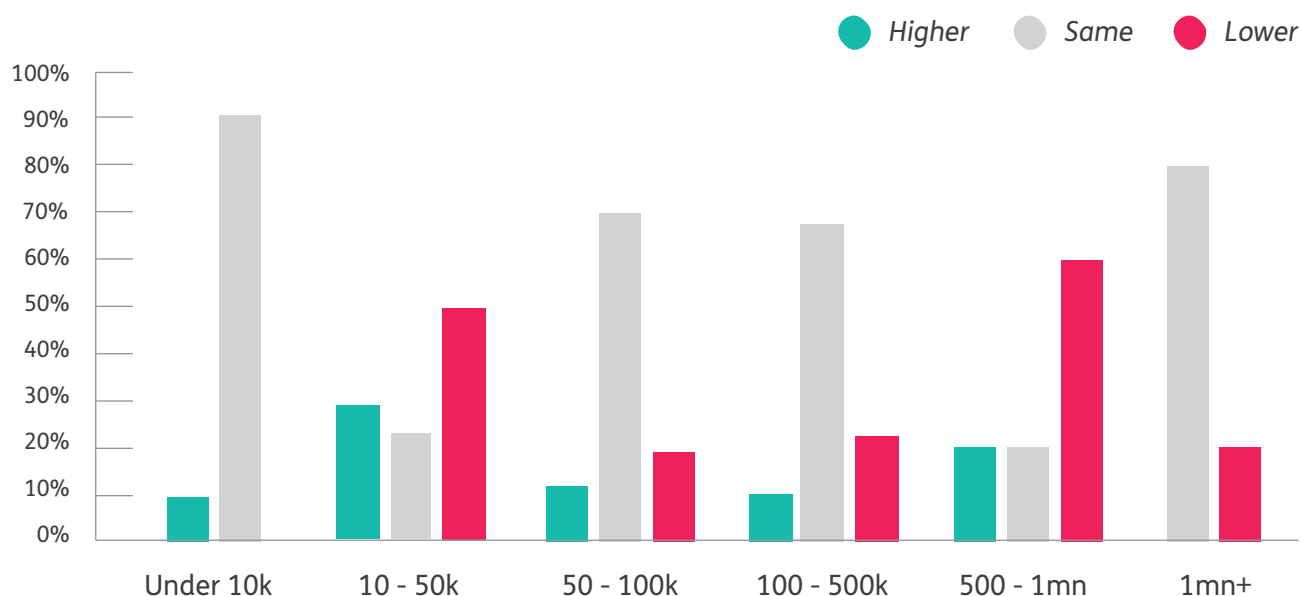
In previous reports, medium and large organisations were more likely to have experienced an increase or decrease in their income (Action Hampshire, 2018). However, this year, results⁴⁸ from the 201 organisations who took part in the

comparison survey suggest that the greatest shifts in funding have come for organisations that were in the £10-50K and £500K-1mn brackets in early 2020.

⁴⁷ In the 2018 and 2020 data, ‘our income usually fluctuates’ was also an option but this was not included in the 2021 survey. These responses have been included with the ‘no change’ figures here.

⁴⁸ The figure compares reported income brackets of the 201 organisations who took part in the comparison survey, and whether or not this changed between the first survey in Feb-Mar 2020 and July-Aug 2021.

Figure 10: Change in income by organisation size

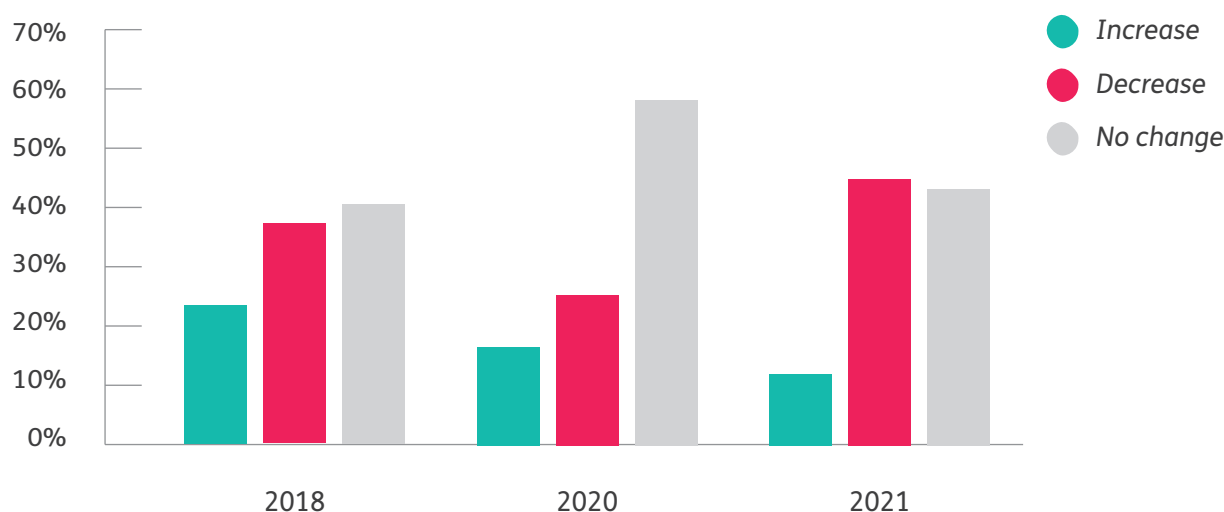


Alongside a fall in income, some organisations are experiencing increased costs, having to pay for new equipment to move online, for example (LBF, 2020a). 25% of organisations⁴⁹ reported an increase in expenditure, while 43.23% saw their expenses decrease and 31.77% had no significant change.

Many organisations have tapped into their financial reserves in order to stay afloat, with 44.68% of those surveyed⁵⁰ reporting a decrease or negative impact to

their reserves. A further 43.23% had experienced no change to their reserves while 12.1% saw a positive impact or increase to their reserves. When compared with results from surveys in 2018 and 2020, the data suggests that fewer organisations are able to increase reserves year-on-year and the number of organisations dipping into their reserves during the pandemic is a significant increase compared with previous years.

Figure 11: Change in reserves



⁴⁹ 192 organisations responded across 1 survey

⁵⁰ 620 organisations answered this question across four surveys.

Our surveys did not ask about the monetary value of reserves, but research conducted nationally suggests that only a quarter of charities have enough reserves to last three months (Kay, 2020; Community Matters, 2021a). The decrease in reserves from our sample of Hampshire VCSEs is higher than results reported elsewhere in the country⁵¹ (Blake and Kay, 2020; Howarth et al, 2021).

Financial support for VCSE organisations during the pandemic

A range of financial assistance schemes were implemented by the UK government in mid-2020. A national survey by Charities Aid Foundation found that most charities were aware of the schemes but did not find many of them applicable or accessible to them (CAF, 2020; VONNE, 2021). Schemes such as the Coronavirus Business Interruption Loan were not widely taken up by charities (ARMA et al, 2020) who are often restricted from borrowing money in their governing documents.

VCSE organisations in Hampshire accessed several financial supports offered by the government, including the Coronavirus Job Retention Scheme and Small Business Grant Fund. The government's Retail, Hospitality and Leisure grants were helpful to those organisations who had rateable premises, such as village halls. While there were some communication issues initially, and some organisations did not realise they qualified to apply, ultimately many village halls and other VCSE organisations did access these grants, which helped them to cover income losses and make renovations and improvements that would increase their income once they were able to reopen. One organisation was grateful for, "all the financial support from the government (even though their decisions are poorly delivered and so slowly done as well)".

The government's Coronavirus Job Retention

Scheme, which covered 80% of an employee's salary if they could not fulfil their usual role and had to be furloughed, was a huge asset for Hampshire's VCSE workforce. One explained, "The furlough scheme meant we could reduce our headcount whilst service delivery was suspended and resulted in us not losing any staff or having financial issues as a result of COVID-19." The scheme ran between March 2020 and September 2021 and undoubtedly prevented redundancies during this period. 64.52% of organisations⁵² responding had used the scheme, while 35.48% had not furloughed any staff. According to a national survey, 39% of charities furloughed staff, compared with 33% of private employers (Wood, 2021). While for some organisations, "it was the only help we got", there have been consequences from staff not being in work. One interviewee explained that, "Furlough has been a life saver, but it has also caused staff to become unfamiliar with processes, admin and some of the basics of their role because they've been off for a significant period."

In September 2020, the Kickstart scheme was introduced nationally to create six-month paid work placements for 16-24 year olds on Universal Credit. When asked about the scheme, of those who responded only 8.79% of VCSE organisations⁵³ (all £50K turnover and above) had recruited a Kickstart employee. 61.54% were not interested, and 29.67% had not yet used the scheme but were interested in doing so.



⁵¹ 34% in Yorkshire, 32% in Manchester

⁵² 93 organisations responding to one survey

⁵³ 91 organisations answered this question in one survey

One charity that runs care facilities described the government's initial commitment to pay for care spaces even if they were not being used (Procurement Policy Note 02/20⁵⁴) as "a life-saver for the care sector". They explained: "It meant that any guaranteed contracts that we had... local authorities would continue to honour those payments regardless of whether or not people were up taking those places." However, this commitment did not extend into 2021. This has meant that organisations, "are struggling much more financially this year with [this policy] not being in place anymore, but still being hit by Covid-19 cancellations".

As the pandemic unfolded, several Covid-19-specific grant funding opportunities were made available between mid-2020 and early 2021. £370mn was provided from the UK government via National Lottery Community Fund and other specialist bodies (Macmillan 2020). 13,244 National Emergencies Trust grants were distributed through community foundations including 382 via Hampshire and Isle of Wight Community Foundation (Utley-Williams and Jackson Harman, 2021).

When asked what support had been most helpful, organisations overwhelmingly described the grant funding they had received. In the words of one respondent: "Funding has meant that another organisation/donor believes that what we are doing is worthwhile." Respondents were particularly thankful where funders had offered flexibility and felt that grant funds had, "helped us to survive the storm". One explained that the grant they received, "allowed us to keep going and do things - there was a stage when we thought we would have to pack up but the [grant] flipped the keep going switch for us."

'360 Giving' records 657⁵⁵ grants to 469 VCSE organisations from 47 funders between March 2020 and August 2021⁵⁶. These grants range from £146 to £814,193.

Looking at grants from National Lottery funding, one of the largest grant funding bodies and a consistent reporter to 360 Giving, there appears to be a significant increase in the total grant value awarded in the first year of the pandemic (April 2020-March 2021), with grants to 92 organisations totalling £5,335,879 compared with grants to 93 organisations the previous year, totalling £3,823,851.

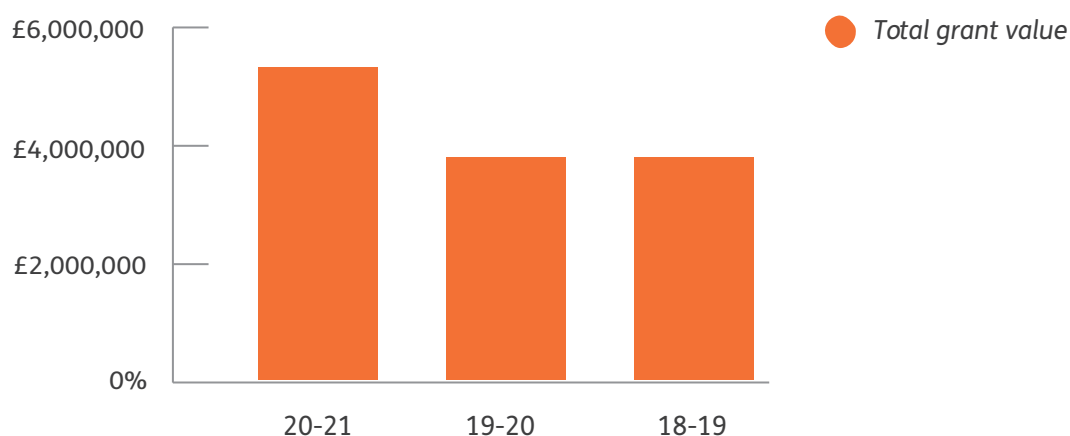


⁵⁴ <https://www.gov.uk/government/publications/procurement-policy-note-0220-supplier-relief-due-to-covid-19>

⁵⁵ Data from 360 Giving. Grants to Councils and two national organisations (UK Youth; Royal Yachting Association) removed/not included in this figure.

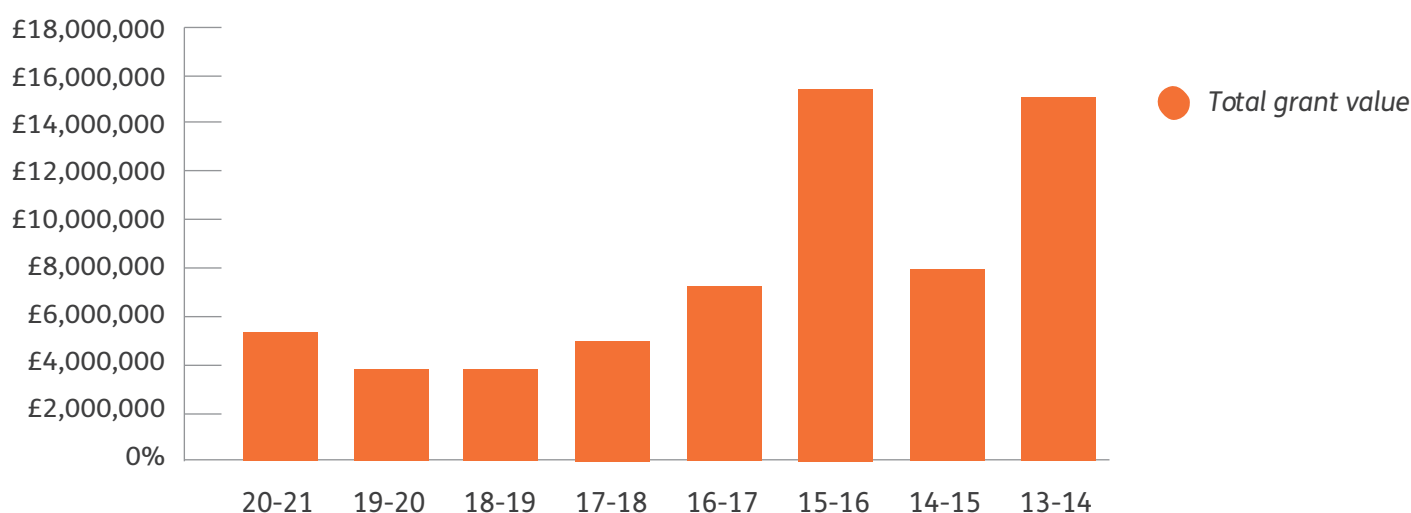
⁵⁶ These figures accurate as of 21 September 2021. It is likely more grants, especially those issued in mid-2021, have not yet been posted to 360 Giving.

Figure 12: Total Grant Value from National Lottery for Hampshire VCSE organisations (2018-2021)



However, when taken in historical context, the data shows that grant funding for VCSE organisations in Hampshire has decreased significantly over the past 7 years of available data.

Figure 13: Total Grant Value from National Lottery for Hampshire VCSE organisations (2013-2021)



Without a doubt, grant making during Covid-19 was a lifesaver for many organisations. One told us: “We were able to access many of the emergency Covid-19 funding schemes. Without these we would have struggled immensely.” Covid-19 grant schemes undoubtedly mitigated some of the financial pressures facing VCSE organisations, however, there are concerns, both in Hampshire and nationally, about the potential future sustainability of the sector now that Covid-19-specific funding pots have largely been spent (LBF,

2020b).

Survey respondents and interviewees also mentioned their appreciation of the increased amount of flexibility and reduction of red tape when it came to accessing grants during the pandemic. Others appreciated where existing funding relationships had been strengthened, providing stability. One charity told us that their principal donor, “confirmed that our core funding would be in place through to 2022. They have

confirmed that they will be investing until at least 2025". This reassurance was very helpful in providing stability.

The Hampshire CVS Network reported an increase in the number of funding bids it supported VCSE organisations to obtain in 2020-21 compared with the year before, and a significant increase in

success rate. However, despite an increase in the number of bids supported, the total value of those bids is significantly less than the 2019-2020 year. While these figures only capture a small piece of the overall funding picture in Hampshire, it does reflect the focus on smaller, project-based grant-making during the pandemic.

Figure 14: Bids supported by the CVS Network

	2019-2020	2020-2021
Number of bids supported	186	309
Success rate of bids supported	43%	69%
Value of successful bids	£3,045,139	£1,865,645

This focus on short-term, project-based, Covid-19-specific funding was mentioned by interviewees and survey recipients alike. One explained: "We benefitted from some short-term emergency COVID-19 Domestic Abuse funding but this has not been sustained in the longer-term." While short-term funding helped many organisations temporarily weather the Covid-19 storm, there are significant concerns from VCSE organisations across Hampshire about their future financial sustainability. One organisation told us: "These short-term funding pots make recruitment and

retention very difficult/unsustainable." Another recognised that there are now more organisations, all "competing for smaller pots of money". As the Covid-19-specific grants have closed, some organisations have found it much harder to access grant funding. An interviewee explained, "There is so much demand for grants. It was hard before but it's even harder now." Another reflected, "A lot of funding that we would usually apply for doesn't seem to be available or is geared towards Covid-19 rather than our usual business." These concerns are explored further in the following section.



- decreased morale for staff, volunteers and group members
- increased community support for their initiatives
- challenges with volunteer retention and staff recruitment
- the need to adapt their services/working models
- more time and resource spent on hygiene and safety

On the whole, the pandemic has been ‘devastating’, ‘distressing’, and ‘exhausting’, for the VCSE sector. Many organisations found that, “Covid-19 19 threw all of our plans out of the window.”

[illegible]

Quite a few organisations also pointed out that the pandemic had resulted in some positive effects, including:

A prompt to reflect and adapt in ways that would support long-term sustainability and growth. For some organisations, the pandemic, “enabled change through opportunity” and, “helped us change and grow in different directions and in ways we would not have previously considered”. For one organisation, it was an opportunity, “to undergo 10 years’ development in 18 months”.

An opportunity to ‘unite’ around the situation. The pandemic, “has brought out the best in people and we have made time to support each other as we are all living through this experience together” and has resulted in, “heart-warming community involvement and support”.

While some organisations have realised these positive effects, overall the pandemic poses a significant threat to Hampshire’s VCSE sector. At the start of the pandemic, as the first lockdowns were announced, there was a lot of concern that the pandemic would result in mass redundancies and ultimately organisational closure for VCSE organisations. The Small Charities Coalition even opened a charity closure helpline (Burt, 2021).

Data from the Charity Commission’s register shows that 84 registered charities in Hampshire closed during the first year of the pandemic. Investigations revealed that all of those for which information was available had planned to close before the pandemic or had not closed but had lapsed in their paperwork and been taken off the register. Similarly, 99 new CICs were started in Hampshire between January 2020 and July 2021,

while 18 closed or dissolved⁵⁷. All of the closed CICs we found data for had planned to close before the pandemic.

A sweep through one CVS Network’s contact databases during the research period identified 31 organisations that had closed – but most of these closed before Covid-19. A handful of organisations that did close as a direct result of the pandemic were identified and three of these were interviewed for this research. All three were volunteer-run and had been going for several decades but no longer had enough capacity to continue.

One organisation had struggled with volunteer recruitment for some time, with the bulk of the work falling to one core volunteer who had been hoping to retire for some years but, “no one wanted to commit” to taking it over. The group paused all activities during the pandemic and there was not enough capacity to restart. There were also differing views about mask-wearing and vaccinations among service users/members of the group, a situation that would have required more capacity than was available to navigate.

Another was a playgroup that had been run by a dwindling volunteer committee for many years. Having paused activities

⁵⁷ Other changes in this period: 6 private companies in Hampshire became CICs, 9 CICs moved to Hampshire from elsewhere in the UK, 7 CICs moved out of Hampshire to elsewhere in the UK, and 1 CIC converted to a CIO.



during the pandemic, those who had been leading the group did not want to continue and there was a sense that there was less demand for the group anyway. It was thought perhaps it was no longer in “the right place at the right time” and that other groups nearby would be an alternative for the parents and children who did want a group to attend.

The third organisation had been losing members for many years and had expected they would cease activities within a couple of years. They had planned to celebrate a big anniversary during 2020 but when the pandemic came, it was not possible to go ahead with the celebration and so the group closed its doors quietly instead. The former organiser said: “Despite a great willingness to help out from the members, increasing age and falling membership made it too difficult to carry on.”

Some other groups, particularly social clubs for older people, have not yet returned at the time of publication. Some of these groups are affiliated to larger national organisations that have not yet restarted, and others are locally run. It remains to be seen whether these groups will resume in 2022, once the risk from Covid-19 has further reduced.

So far, the pandemic does not appear to have resulted in significant closure of VCSE organisations in Hampshire. The Small Charities Coalition’s helpline only reported four closures (Burt, 2021). Some organisations did close – 46% of community foundations reported closures in their area (Utley-Williams & Jackson-Harman, 2021), however, other national studies have found that the number of dissolved charities in 2020 was similar to previous years (McDonnell & Rutherford, 2021). However, rather than assuming there has been no impact from Covid-19, it is more likely that the impact has just not yet been realised. 10.94%⁵⁸ of organisations surveyed had closed at the start of the pandemic and not yet reopened – some of them are likely not to return at all.



When asked what support had been most helpful to their organisation during the pandemic, most organisations responding listed grant funding they had received, or praised the ‘tremendous’ support of their volunteers. Several organisations felt they had not received any support, while others listed many government schemes, grants and other supports. Organisations also expressed thanks to Hampshire’s infrastructure organisations for providing, “great online training; excellent ongoing support and advice” as well as providing a place for peer support and learning: “It’s been very helpful knowing what other organisations are facing in this uncertain time.” Others also thanked the Good Neighbours Network and other umbrella body organisations.

One organisation described receiving, “very little if any support” from their district council, while another said the best support they had received had been, “grants through our local council”. This experience is likely to vary based on organisational eligibility for government grants. One respondent felt frustrated by the council’s “excessive demands” relating to Covid-19 regulations, while another described council staff as, “fantastic and very supportive throughout the lockdown. I can’t praise them enough”.

⁵⁸ 320 organisations responding to 2 surveys

Spotlight: VCSE Infrastructure and Coordination



Hampshire's VCSE organisations are supported by a coordinated group of infrastructure organisations:

Action Hampshire (county-wide CVS and rural community council)

Basingstoke Voluntary Action (Basingstoke and Deane)

Community First (East Hampshire, Fareham, Havant, New Forest and Winchester)

Gosport Voluntary Action (Gosport)

Hart Voluntary Action (Hart)

One Community (Eastleigh and Fareham)

Rushmoor Voluntary Services (Rushmoor)

Unity (Test Valley)

All 8 CVS organisations work together as part of the Hampshire CVS Network and coordinate with Southampton Voluntary Services and The Hive in Portsmouth.

Infrastructure organisations provide support and guidance to VCSE organisations on issues like governance, volunteering and fundraising. Each district also runs a community transportation service and operates a volunteer centre. As the county-wide CVS, Action Hampshire chairs the Hampshire Leadership Forum (a coordination body and the mechanism for engagement between VCSEs and public sector bodies) and provides specialist support around community buildings, community-led housing and social enterprise.

Approximately 27.8% of Hampshire's VCSE organisations are members of a CVS, and far more than this receive support each year. During the pandemic, Hampshire CVS organisations supported an average 962 VCSE organisations each quarter, an increase from 814 per quarter in 2019-20 and 708 per quarter in 2018-19. Most support requests come from micro and small organisations.

As Hampshire's rural community council (RCC), Action Hampshire runs a network of community buildings with over 200 representatives and actively supported over 50% of Hampshire's community buildings and village halls during the pandemic. These figures are in line with a national survey which found that 54% of village halls sought advice from their RCC during the pandemic (Archer and Skropke, 2021).

The CVS Network responded to emerging needs from VCSE organisations throughout the pandemic, moving events and training online, and initiating 'All Things Digital', a project funded by the Hampshire & Isle of Wight Community Foundation to support digital technology confidence in the sector. Action Hampshire acted as Hampshire's Liaison Lead for the Voluntary and Community Sector Emergency Partnership and various members of the network took part in a range of coordination meetings with Hampshire County Council, the Local Resilience Forum and various other forums.

The pandemic also saw VCSE organisations take on the coordination of spontaneous volunteers to support shielding and isolating households across the county. In addition to its regular support services, the Network responded to over 9,315 direct support requests from a centralised helpline between April 2020-March 2021 and thousands more requests which came in locally. CVS organisations created new ways of using their resources to benefit the community, for example using community transport vehicles to operate a prescription collection service. The CVSEs also supported Covid-19 testing and vaccination through large scale volunteer recruitment and coordination. Hampshire's VCSE infrastructure played a significant role initiating and leading community action from the front, bringing together

organisations to meet community needs and filling gaps themselves where required. These roles went above and beyond usual CVS responsibilities, which were balanced in parallel.

A national study acknowledged the role played by local infrastructure during the pandemic, “supporting the emergency frontline response to COVID-19” (McMullan & Macmillan, 2021:2) by managing and coordinating a huge flow of volunteer activity, while providing “advice, guidance and support to help local VCS organisations navigate the uncertainties of the pandemic” (ibid). The report recognises the significant added value of local infrastructure, “in the resources it can mobilise and build, including facilitating networks within and across sectors, but also its coordinating potential and role” (ibid).

Many of the organisations responding to surveys for this research thanked Hampshire’s infrastructure organisations for their ‘considerable valuable support’ navigating the challenges of the pandemic. Organisations were thankful for everything from, “newsletters with funding opportunities” to the village halls Basecamp group.

A piece of research by Hive Portsmouth recognised the value that local infrastructure organisations play as part of the VCSE sector in Hampshire, including the ‘agile and responsive’ support these organisations provide (Hive Portsmouth, 2021). This value has also been acknowledged nationally. A report from the County Councils Network describes a trend of declining support for CVS organisations in the years leading up to the pandemic, finding that now, “many local authorities are reconsidering the level of investment they make in local VCSE infrastructure with the knowledge that it is this infrastructure which can make the difference in community action (CCN, 2021:16)”. The CCN argue that, “the CVS model is one which could play a crucial role in consolidating community action and self-determination during the next few years of the recovery period” (ibid:16) and recommend that local infrastructure organisations are resourced in order to support their ability to, “revitalise a VCSE sector which has been ravaged by the pandemic” (ibid:16).



Without a doubt, the financial impact of the Covid-19 pandemic will not truly be realised for several years to come. How Hampshire's VCSE sector will be impacted really remains to be seen. It is difficult to look ahead further than the coming year. 50.67% of organisations surveyed⁵⁹ reported being concerned/unconfident about their financial sustainability in the next 6-12 months. 45.33% were not concerned and 4% remained unsure. In a related question, 32%⁶⁰ of organisations expected their financial situation would improve over the next year, 11.2% thought it would worsen and 56.8% believed their current position would be sustained.

Many of the organisations that reported an increase in their 2020-2021 annual income expect this to reduce again, now that Covid-19-specific activities and funding have largely come to an end. One explained: "We had a boost with Covid-19 funding - but funding for this financial year has dropped off completely - we are surviving on our reserves at the moment". Another states: "We were able to raise money during COVID-19 due to the range of emergency funding that was available. We anticipate a much more difficult fundraising landscape going forward and we are worried about reaching income targets."

When asked where they thought they would be in a year's time, 10.55% of organisations⁶¹ said they didn't know if they would still exist, compared with 7.39% of organisations⁶² answering the same question at the start of 2020 and 13% in 2018 (Action Hampshire, 2018). Unsurprisingly, smaller organisations are more likely to be concerned about their short-term prospects. For some organisations, this possible future is imminent: 5.18% of organisations⁶³ expected not to exist within three months of completing the survey. For others, this possible future is further away but just as uncertain: 48.92% of organisations⁶⁴ felt the pandemic had had a negative effect on their ability to plan for the future; one explained, "we cannot plan because things keep changing, so we are moving forward day by day".

Many organisations expect that Covid-19 will continue to be a threat to their survival. One explained: "We have worked hard to get in as much money as we can in terms of grant funding, but current projections are that even if restrictions relax further in June, there is no way that we will not make a very significant loss in 2021." Another said, "We survived, though I am concerned about funding for this financial year as all funds were aimed at Covid-19 and now what's left seems very minimal." A third added, "If COVID-19 restrictions stay in place as they are right now into 2022, remaining sustainable will become increasingly difficult. We are doing everything we can to punch our way out of the COVID-19 paper bag, some days it's hard to see the path, but we are committed on getting there."

The reality is that some VCSE organisations will close, and there will be a role for VCSE infrastructure to play in helping to ensure 'good endings', supporting brokerage of appropriate legacy arrangements for programmes of work that need to continue at other organisations, capturing and sharing learning and best practice so it does not fade, and supporting organisations facing such a transition. This process of 'stewarding loss'⁶⁵ will be important to ensure skills, learning and other capabilities are retained within communities as organisations end.

These concerns sit within the wider context of the national and global economic cost of the pandemic, which will have ripple effects down to local VCSEs through cuts to local authority funding, for example. State of the Sector reports in other parts of the country have raised similar concerns about funding prospects heading into next year (Singh and Epps, 2020). An analysis by Pro Bono Economics in 2020 predicted that one in ten charities nationwide would face bankruptcy following a shortfall of over £10bn (Pro Bono Economics, 2020⁶⁶), a fate expected to affect smaller charities hardest (Astrup, 2021; VONNE, 2021).

⁵⁹ 75 organisations responded across 2 surveys

⁶⁰ 125 organisations responded in 1 survey

⁶¹ 199 organisations responded in 1 survey

⁶² 514 organisations answered 1 survey

⁶³ 193 organisations responding to 1 survey

⁶⁴ 192 organisations responding to 1 survey

⁶⁵ <https://www.stewardingloss.com/>

⁶⁶ Quoted in Astrup, 2021

10. Recommendations



10.1 For Future Emergency Response and Resilience Planning

The data gathered for this research documents in detail the incredible contributions that Hampshire's VCSE sector made to communities across the county during the Covid-19 pandemic. Community organisations stepped up, and new community groups came together to support neighbours. This research adds to the growing body of evidence nationwide in support of local, community-led action. In the words of one respondent, the "biggest lesson [of the pandemic] is that centralisation does not work".

The research supports the following recommendations:

1. The incredible contributions of local VCSE organisations during the pandemic, in Hampshire and elsewhere in the country, should be recognised and celebrated.
2. VCSE organisations should be embedded meaningfully into future resilience and emergency planning.
3. Any volunteer recruitment for future crises should be locally led, with national efforts directing potential volunteers to local volunteer centres wherever they exist (such as Hampshire) and only getting involved directly where there are gaps in local infrastructure.
4. Additional funding should be made available to VCSE organisations in Hampshire to reflect on the crisis and document best practice, to ensure that the sector's learning from the pandemic is properly captured and embedded.

10.2 For Local Government

The pandemic offered opportunities for Hampshire's county, district and unitary Councils to work more closely together and with VCSE organisations in order to support local communities. This research has identified a mixed picture when it comes to those relationships outside of the pandemic, with some VCSE organisations having strong working relationships with their local councils, and others feeling ignored and unsupported.

At the time of publication, Hampshire County Council are in discussions about how to cover the immense expenditure increase they also experienced during the pandemic, with one real option being to cut financial support for VCSE organisations from 2023. If implemented, this would have a very negative impact on Hampshire's VCSE organisations, particularly the small, local ones who have few other potential funding sources. This research, having outlined the significant value offered by the VCSE sector, does not support any reduction to Council funding for the sector.



The research recommends:

1. Councils recognise the economic and social value offered by VCSE organisations during the pandemic and long before and celebrate this publicly. Several participants wanted to see Councils do more of this, publicly, with one stating that the most useful thing councils could do would be, “acknowledging our existence, worth, added value”, and another requesting “support and acknowledgement of the service we provide”.
2. Councils increase their level of direct funding to VCSE organisations and commit to sustain this in future years. When asked what support VCSE organisations needed specifically from the council, the overwhelming request was for additional funding (53% of organisations⁶⁷). One organisation said, “Support us and we can support our community!” When making difficult financial decisions, councils should consider the economic implications of a poorly funded VCSE sector, and the potential increased burden on statutory services.
3. Councils increase their level of financial support to the VCSE sector through further investment in VCSE infrastructure organisations who play a vital role supporting organisations, support that is even more in demand post-pandemic. Infrastructure organisations are well-placed to support VCSE organisations to become more financially sustainable and create efficiencies.
4. Councils establish a mechanism to strengthen relationships between public sector and VCSE organisations, including a way for VCSE organisations to raise suggestions and ideas for better working together and potential in-kind support from the Council for VCSE activities; for example discounted rates at Council premises and additional support navigating legislation.

⁶⁷ Based on 130 of organisations asked specifically about Council support in 1 survey



Partnerships that were developed during the pandemic should be maintained and strengthened. Councils should also be more systematic in including the VCSE sector in future planning.

10.3 For VCSE Infrastructure Organisations

The organisations that comprise the Hampshire CVS Network (Action Hampshire, Basingstoke Voluntary Action, Community First, Gosport Voluntary Action, Hart Voluntary Action, One Community, Rushmoor Voluntary Services and Unity) are well-placed to support the wider sector through the challenges that lie ahead. When asked specifically what support they needed from infrastructure organisations going forward, organisations mentioned everything from volunteer recruitment and fundraising to networking and marketing.

The following recommendations are made:

1. Infrastructure organisations offer the sector even more support in volunteer recruitment. When asked what support would be most valuable over the next year, 49% requested⁶⁸ support getting more volunteers and this was the most frequently requested area of support from infrastructure organisations. Infrastructure organisations will need to find

⁶⁸ Based on analysis of 305 open text responses across 4 surveys

ways to support VCSE organisations to shape their volunteer offer to appeal to a wider group more interested in short-term micro volunteering opportunities, which means a shift from traditional volunteering brokerage support.

2. Members of the CVS Network continue to support VCSE organisations with funding and income generation. 49% of organisations indicated this was their greatest need for support, and it was second highest in the list of support specifically requested from infrastructure organisations. This support should extend outside traditional grant funding and include business development and trading. VCSE infrastructure organisations also have a role in advocating for the recommendations to funders identified below.
3. Infrastructure organisations offer increased support around marketing and publicity, which was the third highest support area mentioned by Hampshire's VCSE organisations.
4. CVS organisations offer a comprehensive and wide-ranging training and advice service, covering governance, health and safety, risk assessments, partnership development and other issues, all of which were mentioned by VCSE organisations.

10.4 For Funders

During the pandemic, funding organisations were praised for the ways they increased flexibility and reduced bureaucracy to allow VCSE organisations to access funding quickly and easily. Given an increasingly competitive funding environment, it is important that these ways of working are embedded to reduce the amount of time organisations spend applying for funding.

⁶⁹ See <https://www.gov.uk/government/publications/tampon-tax-fund-application-form-2021-2022-funding-round-for-example>

This research recommends that:

1. Funders offer core funding, recognising that good projects are run by good organisations, and that good organisations need resourcing. This is particularly needed for those organisations that have seen their income and reserves plummet and will be forced to close without additional resource. Funders who prefer to stick with project funding can offer some support by allowing up to 20% of funds applied for to be used for core funding, a model that has been used successfully⁶⁹ elsewhere.
2. Funders offer flexibility, empowering VCSE organisations to respond to changing needs, as was required at scale during the pandemic, and trust them to know what communities most need. Broad parameters could be used, rather than rigid indicators, especially where projects span six months or more.
3. Funders simplify their application and reporting processes. Many funders simplified these processes during the pandemic; these amended processes should be reviewed and embedded. Application and reporting requirements should be proportional to the value of funds offered. Those organisations unable to simplify their own processes should partner with intermediary organisations such as the Hampshire and Isle of Wight Community Foundation and/or infrastructure organisations able to make onward grants who can shoulder the reporting burden on behalf of small grant recipients.



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