

DESIGNING A NEW SOCIAL REALITY

PRIORITY AREAS OF INVESTMENT FOR AN  
**EFFECTIVE VCSE**  
RECOVERY POST COVID-19

INTERIM REPORT **SEPT 2020**

EXECUTIVE SUMMARY

Community-based research undertaken by Black South West Network (BSWN) in partnership with **Locality** and **VOSCUR**.

Funded by **Power to Change**, **Bristol City Council** and **Quartet Community Foundation**.



# PROJECT OVERVIEW & OBJECTIVES

This research project has been jointly funded by Bristol City Council, Power to Change and Quartet Community Foundation, and it is being undertaken by Black South West Network (BSWN) in partnership with VOSCUR and Locality. The research aims to analyse the impact of COVID-19 on the Voluntary, Community and Social Enterprise (VCSE) Sector in Bristol in order to assess how to foster greater community resilience in the new operating environment, and ultimately provide evidence for a thoroughly informed overall Sector strengthening recovery strategy.

In this context, the over-arching research objectives are:

- Understanding the role and potential of the VCSE sector in the city going forward.
- Creating the foundations from which to build new ways of working in the city which address inequality from the start.
- Developing a One City approach to recovery which recognises the value and importance of the VCSE in building resilient communities.

Additional information can be found [here](#) at BSWN's website.

---

**Copyright © 2020 Black South West Network**

All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher, except in the case of brief quotations embodied in critical reviews and certain other non-commercial uses permitted by copyright law.

Survey design by Matt Jacobs, Angelique Retief and Chiara Lodi.  
Qualitative data collection by Angelique Retief and Chiara Lodi.  
Data analysis and report writing by Chiara Lodi.

# RESEARCH FINDINGS

## 1. NEWLY EMERGED & INTENSIFIED COMMUNITY NEEDS: MENTAL HEALTH, DIGITAL EXCLUSION, AND FINANCIAL INSECURITY

Out of the survey sample of organisations that were able to adapt their services to social distancing and keep delivering support to the communities during lockdown, **81% stated to have identified an increase in service demand**. The vast majority confirms both an increase in numbers of service users and types of support required.

In a few cases, the respondents felt the need to specify that although lockdown rules created barriers in reaching out to certain audiences – particularly because of digital exclusion and an inability to adapt certain services to non-face-to-face delivery methods – the demand coming from the smaller number of recipients is still **higher in intensity**, and consequently still significantly draining for the organisation's capacity and resources.

The qualitative sample is supporting the same trends as the survey, with the vast majority of respondents stating a spiking increase in demand of service for all target communities, but more particularly across **equalities groups-targeted provision**.

According to all organisational sectors and across all recipient communities, the most urgent emerging challenge is by far **mental health**. It was mentioned more than 40 times in the qualitative sample, alongside **isolation** and **loneliness**, predominantly in relation to social distancing rules and the limitations

of lockdown. The other main element emerging in terms of mental health is the **anxiety** triggered by externalities that are out of one's control; i.e. economic recession after lockdown, a possible second wave of the virus in the winter, Brexit and its economic impact and, particularly in the case of minority ethnic communities, the Black Lives Matter movement and the consequent rise of hate crime.

The **job market** overall seems to be extremely inaccessible across all equalities groups due to systemic barriers and disadvantages, and there is widespread concern that economic recession will only worsen the situation. Therefore, economic inclusion and inclusive growth – in terms of designing initiatives and policies that allow systemically disadvantaged groups to re-enter the labour market – should be at the top of priorities when planning for the recovery phase.

After mental health, the second most frequently cited theme when discussing community needs that emerged or intensified during lockdown was **digital exclusion and poverty**. The unanimous position across the qualitative sample was that digital poverty has always been a massive but underestimated issue in Bristol, and COVID-19 created the circumstances to capture exactly how big is the challenge by creating a world where digital exclusion can equal complete **lack of access to information** and in some cases **complete isolation**.

## 2. PRIORITY AREAS OF INVESTMENT FOR RECOVERY

When questioned about priority needs to be covered in the next 12 months, 71% of survey respondents are planning to 'apply for grant funding'. Just below this figure is the option for 'building partnerships & collaboration' (69%). Another popular area of investment is 'reviewing policies to adapt services to post-COVID measures' (63%), which is particularly relevant for physical community hubs and anchor

organisations generally working from buildings/community spaces. Moreover, 'building budgeting and planning capacity' was selected by half of the sample and 'providing support to monitor and improve staff's mental wellbeing' by 40% of the respondents. Finally, 34 organisations are still in the process of 'building digital infrastructure' and 15% of organisations are looking into taking out investment loans.

## Funding streams



The highest priority need amongst all options is the need for more strategically appropriate funding streams, particularly as 71% of respondents selected 'applying to grant funding' as their main focus. This is strongly supported by the qualitative sample findings. Apart from self-organising groups - that generally rely entirely on volunteering work or on donations if any financial resources are utilised at all - the other categories of participants to the qualitative sample - i.e. voluntary organisations, community businesses and social enterprises - have consistently stated they will need to apply for funding in the immediate future (6 to 12 months or even earlier than that). This is due to the fact that COVID-19 transformed the funding landscape by creating a short-term quick impact emergency model where most funding has been broken down into smaller pots and then repurposed to tackle the emergency, leaving little financial support for any other non-strictly-COVID-19-related costs or general long-term planning costs.

Funding streams should therefore take into account the need for core funding to 'survive' for the next 12 months, as well as funding designed to support community businesses and social enterprises re-establish their income generation avenues in the new post Covid-19 world, and lastly funding designed to meet the upsurge in need/demand for existing services as a result of Covid-19 - whilst not being specific 'covid-19 services' (Additional information on funding emerging trends and needs can be found in the full report).

## Building partnerships & collaboration



The second most chosen area of investment according to the survey sample is 'building partnerships & collaboration', particularly as initiatives to the pandemic have relied on collaborative approaches and partnering strategies across the city. The COVID-19 crisis has provided a common enemy for the Sector and therefore created an opportunity to set aside competition and prove once and for all that together is indeed stronger. The most voiced concern in relation to this is that entering the recovery phase and possibly another decade of austerity might trigger another

acute phase of competition and the partnerships & collaboration momentum might get lost in the fight for survival. The key lesson learned being that collaboration is innate to the VCSE sector but that traditional funding mechanisms inhibit this process due to their desire for competition. Funders are therefore required to review the design and delivery of funding programmes (in consultation with the VCSE sector) in a way which catalyses collaboration rather than discouraging it.

Successful partnering amongst organisations is not the only type of connection that participants to the qualitative sessions do not want to lose. Many have been impressed by the flexibility and emergency response work of local authorities and are looking into expanding these connections in the future, possibly on areas not related to the virus response. A crucial aspect of this type of partnership is the desire of the Sector and its communities to be more included in decision-making processes going forward. The desire is for the mutual and collaborative decision-making process we have seen during the pandemic to continue post-Covid-19, particularly as we look to design a new social reality.

The other type of connection that the Sector is aiming to invest in and expand on in the future is the connections with the communities themselves, with special focus on groups facing structural disadvantages. The impacts of Covid-19 on the VCSE sector have offered many lessons such as those discussed above but, crucially, all participants discussed the need for more strategic support for the development of VCSE-based community development and cohesion work. Work that is both rooted in individual communities while spanning across geographic communities to work collaboratively across the city.

Finally, many participants have also mentioned that they would be open to increase collaborations and partnering with the private sector to enable knowledge sharing and more sustainable and local ways of procurement that involve the VCSE Sector.

## Reviewing processes to adapt services to post-COVID-19 measures



As we enter the recovery phase, the first operational and logistical priority facing VCSEs is the policy review process to adapt services and physical spaces to post-COVID rules. Since this is an ongoing process that might take adjustments for months to come, whilst the government guidelines keep updating, the costs associated with it might become another financial burden to certain organisations. The day-to-day operational costs for organisations (particularly those dealing with the public) and of maintaining a safe environment for staff, will increase. Any initiatives set up to strategically respond to the impact of Covid-19 on the economy will need to take this into account. Especially as the impact of this on smaller organisations and the VCSE sector will be exponentially greater than on larger organisations and the private sector.

Once again, organisations that rely on footfall have additional operational challenges in a post-COVID environment. Even for those who own or manage outside spaces, the adaptation is not always a smooth process. And for community businesses whose income is mostly reliant on trading, the urgency to go back to physical delivery is higher than ever.

## Building budgeting & planning capacity



Uncertainty about a second wave and many more externalities that might arrive in the future are hindering the Sector's long-term planning, and so 'building budgeting and planning capacity' is crucial for entering recovery as suggested by 50% of the survey sample.

The crisis of Covid-19 has shown that VCSE organisations and the public sector can effectively plan and deliver collaboratively. Maintaining this drive for partnership post-recovery will ensure this continues and set a precedent for ensuring that future costed and facilitated space and time exists for mutual and collaborative reflection, evaluation and further planning. Particularly when strategic bodies think about designing their funding programmes and mechanisms of engagement with the VCSE sector.

## Providing support to staff's mental wellbeing



As explored in the first section of this report, mental health issues and concerns have been increasing exponentially due to the pandemic. This is not only true for communities, but also for the people working.

The sudden switch to home-working model that has been forced upon staffs has created massive holes in the supporting nets for certain workers. One example was offered by an organisation working to provide support to victims of domestic and sexual abuse. In the previous working model, a worker picking up a difficult and emotionally draining phone call would have had colleagues present in the same room to check on them right at the end of it. This is no longer possible. The need for more support for organisations (with reference to their team's mental health support in this new era) is therefore a key area strategic bodies must consider in recovery planning.

Overall, organisations are asking for financial and any other type of support to invest in their staffs mental and physical wellbeing in this extremely demanding time for the third sector workers.

## Building digital infrastructure



A post-COVID-19 world seems to suggest that 'building digital infrastructure' in the VCSE Sector should be prioritised if the intention is to build resilience, agility and the necessary equipment for the Sector to meet and overcome future challenges. 34% of the survey sample agrees with this position and the qualitative sample confirms that the Sector itself is eager to learn. The current pandemic has therefore shown that digital infrastructure and IT skills are vital for the VCSE sector in the dealing with crises. Greater investment from funders and the public sector is needed in this area.

In addition to support with IT knowledge and digital upskilling, many organisations explicitly requested for funding and investment aimed at building IT infrastructure and purchase technological equipment.

This is especially relevant for those organisations whose main model was a face-to-face type of delivery previous to the crisis. Since many of them were relying on the physical space for all their core work, from holding meetings in person, delivering services, training and supporting staff, and even storing documentation – with no digital copy of it available, for many of them there was barely any digital infrastructure in place to begin with. This led to a transition to home-working that was too fast and abrupt to be planned adequately, and resulted in temporary solutions or in sudden infrastructure costs that will soon have to be paid back.

The question of training and more broadly expertise sharing was another main point for discussion. For some participants, the crisis has provided enough evidence that the VCSE Sector should be able to access easily this type of training going forward, whether it is from a private or public sector entity. Another point was made in terms of what type of expertise is already present in the Sector – especially after all the lessons learned during the pandemic – and how can it be maximised and made easily accessible to everyone who is part of it.

## Repayable finance



A smaller but present part of the survey sample is also planning to apply for investment loans and indicated repayable finance as an area of investment for recovery. The discussion around repayable finance in the qualitative sample was widely affected by the current uncertainties of the economic environment and needs to be explored further in the timespan of the research while the market begins to regain dynamism and opportunities are maximised on.

Taking into account how the current economic context is particularly challenging for newly emerging or small organisations, the provision of products and services that enable said organisations to reach the status of investment readiness is recommended. In addition, an increased marketing effort around the different social investment products available and how they differ from average bank loans would also be beneficial in terms of building confidence within organisations that loans are a possibility even in challenging times.

## RECOMMENDATIONS

The main findings from the report are the following:

- Most of the community needs emerging from the COVID-19 crisis were already-existing needs that have simply intensified whilst the pandemic exacerbated structural inequalities.
- The increased demand for VCSE's services is present across all sectors. Particular attention should be paid to mental health (isolation, loneliness and anxiety) as it was the most cited and discussed amongst the community needs' to be prioritised for recovery.
- The crisis has shown a light on the real dimension of digital exclusion and technological poverty, and the connected issues of lack of access to information and inclusive communications.
- Long-term planning is hindered by uncertainty and also by the lack of long-term core funding available.
- Organisations are requesting more flexible, unrestricted, long-term grant funding to cover non-COVID-19 related expenses (administration and communication costs, wages in general) and the scaling-ups required to meet the new waves of service demand.
- Organisations are also asking for financial support to cover the costs of adaptation of services to the new social distancing rules, to build/keep developing their digital infrastructure and to monitor and improve staffs' mental health and wellbeing.
- Another priority area of investment moving forward into the recovery will be around services that make the job market more inclusive, and more generally tackling the multi-layered impact that the virus has had on equalities groups.
- There is a lot of potential in the wave of collaboration & partnerships that were sparked by the virus. A strategy to capitalise on these connections should be put in place.

Finally, the last recurrent theme that should be mentioned is the discussion amongst all research participants on the crucial role of the VCSE Sector and its fundamental value. Participants have highlighted how in certain cases they were effectively playing a role as essential as key workers in responding to the virus but they were not officially recognised as such. Almost everyone shared concerns for the future of the Sector in light of austerity and what else has to come, and asked for a re-evaluation of the Sector's undeniable contribution to the creation of a more sustainable and equitable society.

“

‘In crisis more than ever, the sector is providing services that are essential to people and then it should be part of a broader social infrastructure. And you know if we're looking at what makes society work, infrastructure isn't just transport, it's actually about the things that we do and how it should be part of the funding that comes in and there is an opportunity maybe to assert just how important that is for people's wellbeing and their ability to live a productive and meaningful life. If we're talking about designing a new reality, then getting an acceptance of that reality is absolutely important.’

*[Voluntary organisation from focus group 4, women-targeted provision]*

”

