



Norfolk VCSE Covid-19
Intelligence - Snapshot Report

May 2020



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Version 1-2

Introduction

This report is part of a series of documents looking at role of the voluntary, community and social enterprise (VCSE) sector in Norfolk over the Covid-19 period, the impact of the pandemic on the VCSE sector and our beneficiaries and initial thinking about future direction and strategy. This report provides a snapshot of intelligence data at the 15th May 2020.

It is drawn primarily from the health check and survey activity undertaken by Community Action Norfolk as part of the joint Covid-19 partnership work together with Voluntary Norfolk and Norfolk Community Foundation.

It is important to recognise that this report provides a snapshot of issues effecting the VCSE sector in Norfolk as a result of Covid-19 in the short-term. Further research will be needed to understand additional issues as they emerge and the long-term impact.

Background to the VCSE Sector in Norfolk

Norfolk has around 3,000 registered charities, as well as around 200 registered Social Enterprises. This excludes the myriad unregistered charities and community associations which, although small, collectively deliver a huge value to our county. Estimates suggest there may be over 10,000 such organisations in Norfolk.

The sector is significant also in the resources at its disposal. Registered charities located and operating in Norfolk have an annual income of over £300 million. Our estimates suggest the sector in Norfolk employs at least 7,000 full time equivalent staff and has 77,000 volunteers.

Half the sector says they receive no public sector funding and that on average 11% of income comes from outside Norfolk. The sector is therefore a significant independent investor in our county.

The sector is diverse. It performs many roles from the smallest community organisation, to significant commissioned providers, key campaigning organisations and those organisations that generate and use their own funds to commission. Over half regard their services as targeting the general public, with older people and younger people being the largest specific beneficiary groups. 42% identify themselves as working in their parish, neighbourhood or local community. Less than 1% of all registered charities account for 50% of the registered charities' income, while 75% of charities turn over less than £25,000 a year. There have also been significant differences in the way different organisations have been impacted over recent years but with a general pattern of increased demand on their services and declining resources.

Fuller background to the make-up of the VCSE sector in Norfolk can be found within the [Sector Led Plan](#)

VCSE Intelligence Summary

Service Operation

Local health-check and survey work asked about VCSE organisations' service status. From survey data 62% of organisation were operating adapted or partially open services. 31% reported being fully closed with 7% reporting being fully open. Health-check data suggested 72% were open in some form with 23% being fully closed and 5% fully open. On average 73% of organisations were operating some level of service.

However, it should be noted that health-check and survey data will bias towards organisations who are operating to some extent due to both the selection of organisations to receive a health-check call and likelihood of closed organisations responding to survey requests.

Generally, we are seeing three patterns for existing VCSE services

- Hunkered down – organisations who have shut down because their delivery is difficult to adjust during lock-down (many positive activity groups, such as luncheon clubs, arts groups and fitness classes) or they view the risks as too great (for example many community transport schemes & groups whose volunteers or clients are in shielded categories). Many new and existing groups are making use of new, working-age, healthy volunteers through lock-down but with pre-Covid volunteers hunkered down. It is unclear how, as many volunteers go back to work more regularly, this will effect the capacity of groups where much of their workforce remains hunkered down.
- Adapted – organisations who have adapted their services. The level of adaption ranges significantly from those home working with digital delivery through to, for example, arts and sports groups creating postal packs to replace group sessions.
- Redirected – delivery has changed to support immediate needs such as food distribution and medicine supply (this includes a number of community hub and anchor organisations)

This pattern is consistent with national intelligence with some evidence to suggest local groups have responded more dynamically to changing needs and models of operation than larger organisation or those operating at a national scale.

In addition, a large number of pop-up and mutual activity groups have been established. Initial research suggests they are present in 88% of areas but we are undertaking further evidence gathering to support this. We would generally define these as a groups of volunteers working in a coordinated way to support their community (as oppose to general neighbourliness) but without many of the structures we would expect to see in established organisations. However, what is clear is there is no "one size fits all" model for such groups with some being very rapid adopters of structure and many aligned, associated or intermingled with Parish Councils' and other pre-existing community activity and organisations.

Through the health-check activity, of the organisations that are operating approximately 20% are reporting some level of immediate and significant organisational stress or capacity issues.

VCSE organisations report that their most significant issue is medium term finances. Nearly half of all organisations locally are reporting financial concerns. 62% of organisations are reporting they are currently financially worse off than they were prior to Covid-19. If current circumstances continue to 12 months 31% of organisations report they would be at the point of failure.

Organisations on average are reporting a £2,713 fall in monthly income. Scaling this to the sector level, looking at registered charities only, this is approximately £9 million monthly or £110 million annually. National figures suggest an overall 31% fall in general income for charities. Norfolk's VCSE

sector's annual income is approximately £384 million, 31% of this being £119 million which would support our local survey intelligence findings.

Organisations most likely to be immediately affected are those more substantially diversified into trading activity, reliant on session fee income or reliant on fundraising activities.

In the medium term organisations dependent on shorter term grants are likely to have their income pipelines significantly impacted as those grants are either refocused on Covid-19 response activity or are not operating.

In general, this pattern would mean that organisations offering positive activities and preventative services are at greater risk of negative financial impact as a result of Covid-19. This is of strategic significance as these organisations are most intrinsic to a longer term shift towards prevention and maintaining individual's general health and wellbeing.

There are few organisations in Norfolk that have indicated they will be permanently closing as a result of Covid-19 at the current time. Given the evidence about loss of funding and reductions in support delivered there is a concern that organisations will continue to operate but have a significantly reduced capacity. The potential for a lack of closures but with organisations operating with a significantly reduced offer has the potential to create hidden losses that distort our perception of impact and capacity. Equally a number of organisations have highlighted both the issue of a backlog in demand from those unable to access services during Covid-19 and the growth in demand as a result of Covid-19 related issues. Both elements create concern about organisations having the capacity to meet demand going forward.

Reserves Level

We undertook an analysis of the level of reserves for a selection of key VCSE provider organisations. Organisations were profiled based on providing health and social care linked services and/or operating at a reasonable scale and staff compliment. The 60 organisations profiled collectively employed 3,674 people. The average number of months of reserves based on normal running costs was 4 (mean), 3 (median). 13 (22%) had less than one month's reserves.

Furlough Levels

From local data around 26% of organisations have reported that they have furloughed staff, national data puts this at 61%. Variation is likely the result of levels of staffing within local organisations, particularly in areas more likely to be furloughed.

General feedback suggests that where feasible organisations have maintained front-line staff with furloughing taking place with back-office and fundraising staff.

A number of organisations are operating cycles of furloughing to maintain operational delivery at a reducing staffing level.

Beneficiary Needs

56% of survey respondents report that clients, beneficiaries or residents are experiencing increased needs as a result of the Covid-19 pandemic, with 25% reporting these needs are not being met.

Locally, immediate needs (food, medicines etc) are generally reported as being met, this is supported by data from Local Resilience Forum vulnerability calls where 94% of calls required no further action.

Issues identified usually relate to broader areas such as increased mental health needs or longer-term support that clients may normally be entitled to but are not currently receiving. Concern has also been raised about the backlog of demand created by the suspension of normal service offers or people's

reluctance to seek support for non-Covid related issues. Substance misuse, domestic violence and low-income related issues are all highlighted as areas of concern.

A significant theme is rapid digital adoption through Covid-19. Whilst in many cases for those who are able, this has increased access to support. However, both organisations and individuals, without the right skills, infrastructure or resources can become further excluded as a result of this digital acceleration.

Elevated needs and concerns about long term needs are consistent with national data and discussions. It seems that generally, locally there are fewer issues with meeting immediate needs than have been highlighted in some national data and discussions. Exclusion of BAME groups has been flagged consistently in national dialogue but has not featured in the local narrative to date.

Service Demand

23% of organisations are predicting a further service demand increase but around 50% are unsure how demand will be affected.

A number of organisations are reporting that they are likely to hit peak demand at different points for example advice demand linked to universal credit schemes. Therefore, VCSE peak demand will not peak at the same point as peak health related demand.

Organisations are reporting they are currently serving on average 147 beneficiaries fewer a month than under normal circumstances. At a sector level that is approximately 418,000 monthly lost units of delivery.

However, organisations operating in a response role are seeing both increased demand and delivery. For example Good Neighbours schemes have seen a 362% increase in activity.

Wellbeing

Consistent feedback from health-check activity is that the opportunity to talk through what is going on is welcomed. There is a professional observation about more attention needing to be given to VCSE team wellbeing. There is not a consistent offer on the wellbeing support for VCSE staff, smaller organisations lack capacity to provide this and they are excluded from the central NHS offer.

Data Summary

Local Data

Local survey data snapshot at 13/05/2020 had 58 respondents. Local health check data snapshot at 14/05/2020 included data from 278 organisations. The following is drawn from the survey data unless otherwise stated.

Type of Organisations

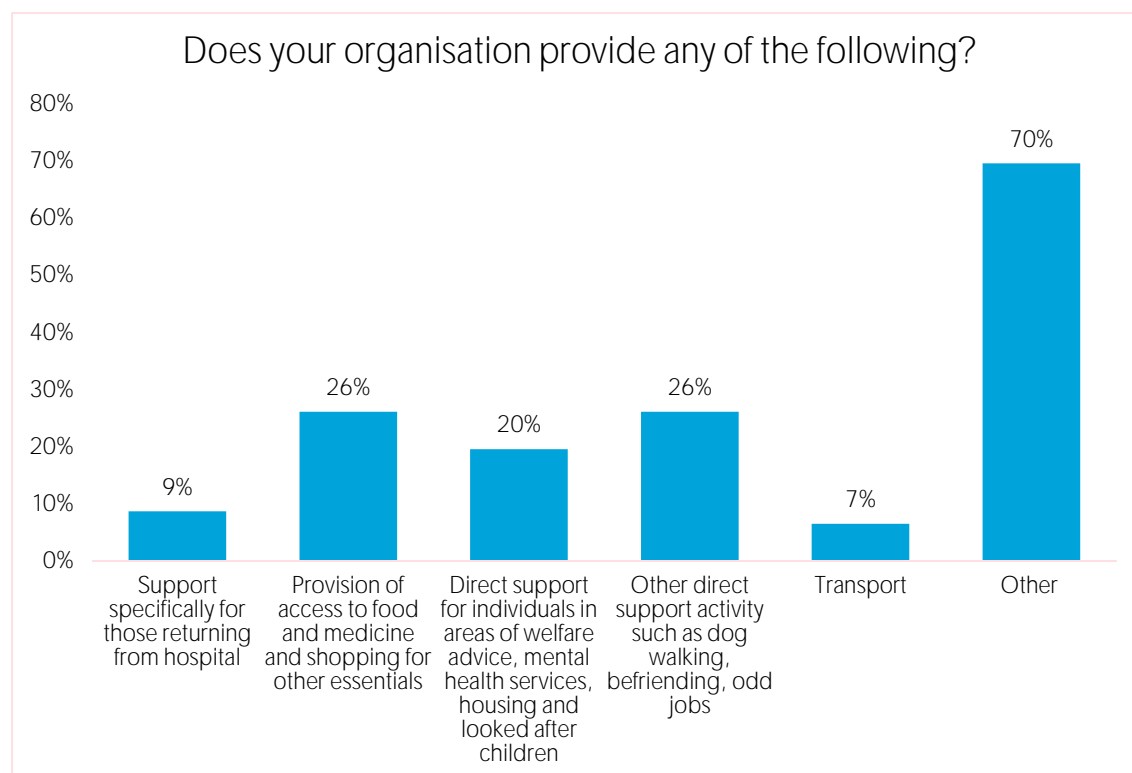
Respondents predominantly work at a parish, neighbourhood or local community level (32%) or Norfolk-wide (25%), with 12% working in one or more of Norfolk's districts.

Service Offer

From our survey majority of organisations are currently delivering a significantly adapted service (33%) or an adapted or partially open service (29%). However, it is important to highlight that 31% of organisations are currently fully closed, with only 7% fully open.

When combining this with our 'VCSE Healthcheck Data' we see that the balance shifts to 49% adapted or partially open, 23% significantly adapted, with 23% fully closed and 5% fully open.

As expected, following the outbreak of Covid-19 pandemic, the current service offer of organisations has predominantly switched to providing information, advice and support to beneficiaries by telephone, email and other online platforms, as well as the development of online resources and virtual sessions / events. Support for the most vulnerable groups has also included the delivery of food, medicines and other essentials, activity packs, emotional support e.g. telephone befriending etc.



As highlighted above, a significant proportion of respondents, 26%, provide access to food and medicine and shopping for other essentials, with another 26% providing other direct support activity such as dog walking, befriending and odd jobs. 20% provide direct support for individuals in areas of welfare advice, mental health services, housing and looked after children, followed by 9% providing support specifically for those returning from hospital. Only 7% are providing transport. Other support provision highlighted was around physical activity, mental health and wider wellbeing, as well as cancer, stroke and other long term conditions. The stopping of lifts and other community transport in a time when the use of public transport is being discouraged is a reoccurring issue.

If you were given resources would you be able to increase your service capacity to meet Covid-19 demand?

There was variation in whether additional funding or resources / workforce would enable organisations to be able to increase their service capacity to meet Covid-19 demand. For example, 32% said they could expand their service with additional funding and 14% with other additional resources / workforce. However, 28% said they could not expand services with additional funding or resources. A further 23% were not sure if they could expand their service. If increasing service capacity required additional staff or volunteers this was often seen as a barrier in the current climate, particularly when across organisations some existing volunteers and staff are self-isolating due to age or underlying health conditions.

Are your clients/beneficiaries/residents experiencing increased needs as a result of the Covid-19 pandemic?

56% of respondent's clients, beneficiaries or residents are experiencing increased needs as a result of the Covid-19 pandemic, with 25% of these not being met. 35% were unsure of whether needs had changed and only 4% said no. Some of the needs highlighted include claiming Universal Credit and other financial challenges, collecting medicines, shopping and various forms of befriending and wellbeing support. Those with pre-existing illness / medical conditions and those living within abusive families were also highlighted.

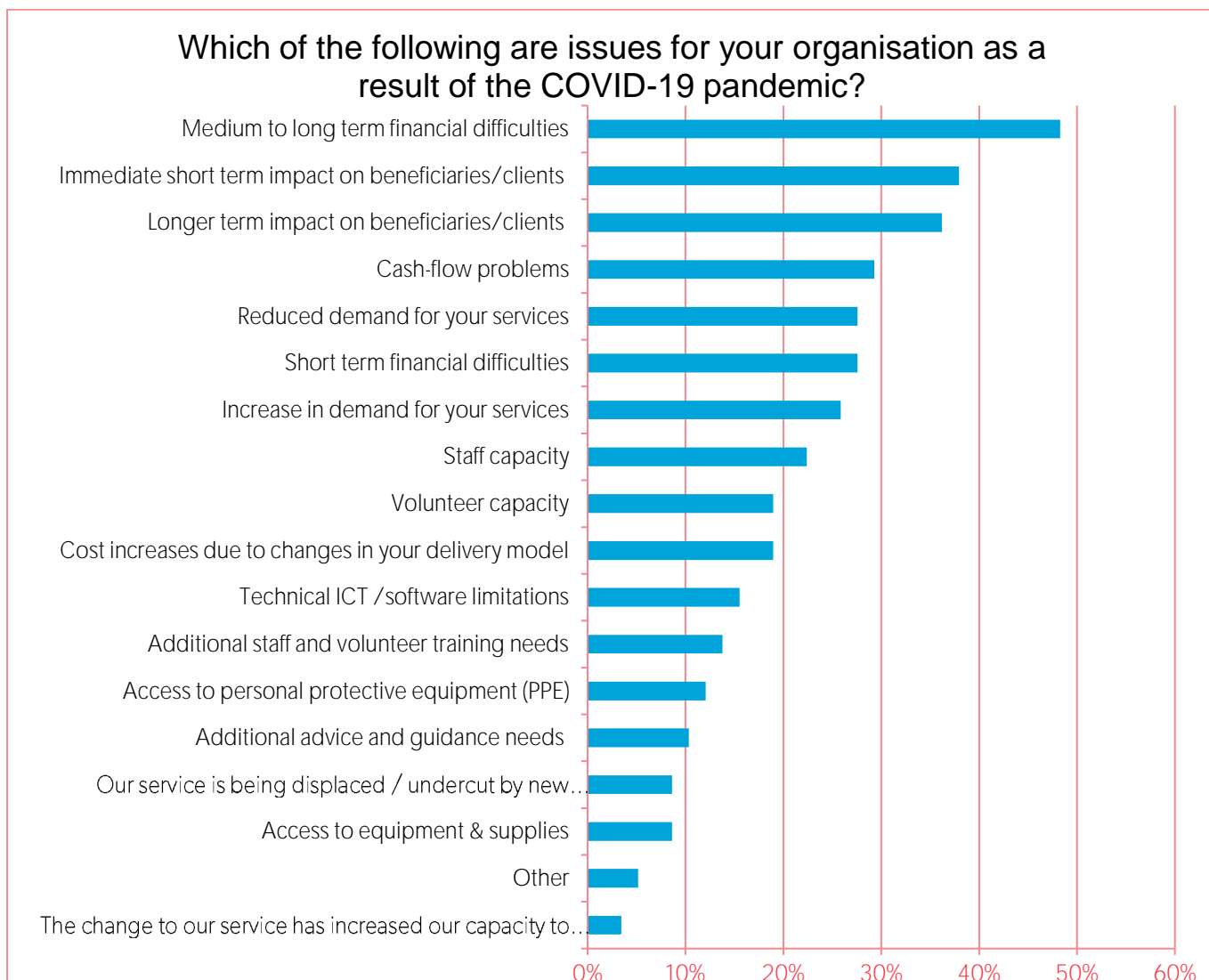
While many organisations have already seen a surge in demand for services there is general concern that those whom organisations are not already aware of and are normally reluctant or unable to access or seek support i.e. 'hidden' or 'hard to reach' may not get the help they need.

Which of the following are issues for your organisation as a result of the Covid-19 pandemic?

The top 5 issues for organisations as a result of the Covid-19 pandemic were:

1. Medium to long term financial difficulties (48%),
2. Immediate short term impact on beneficiaries/clients (38%)
3. Longer term impact on beneficiaries/clients (36%)
4. Cash-flow problems (29%)
5. Short term financial difficulties (28%)

Many of the impacts on beneficiaries/clients as a result of changes in service delivery were around health (mental and physical) and wellbeing, as well as the potential of reduced educational development for young people. Specific issues from the client's perspective included the implications of no or limited access to technology in accessing support, such as deaf clients unable to access services or understand communications.



Actions Taken by Organisations

As expected a key focus for organisations is to develop online resources and/or virtual sessions, groups, events etc however as mentioned previously there is general concern for those service users who do not have access to the technology needed. In terms of fundraising this is seen as an increasingly urgent action as income and donations continue to reduce, which for some organisations is not an area of expertise.



Numbers of Beneficiaries Supported

Normally respondents collectively support 114,476 beneficiaries annually and 24,832 monthly. In the current situation this has declined around of 34%.

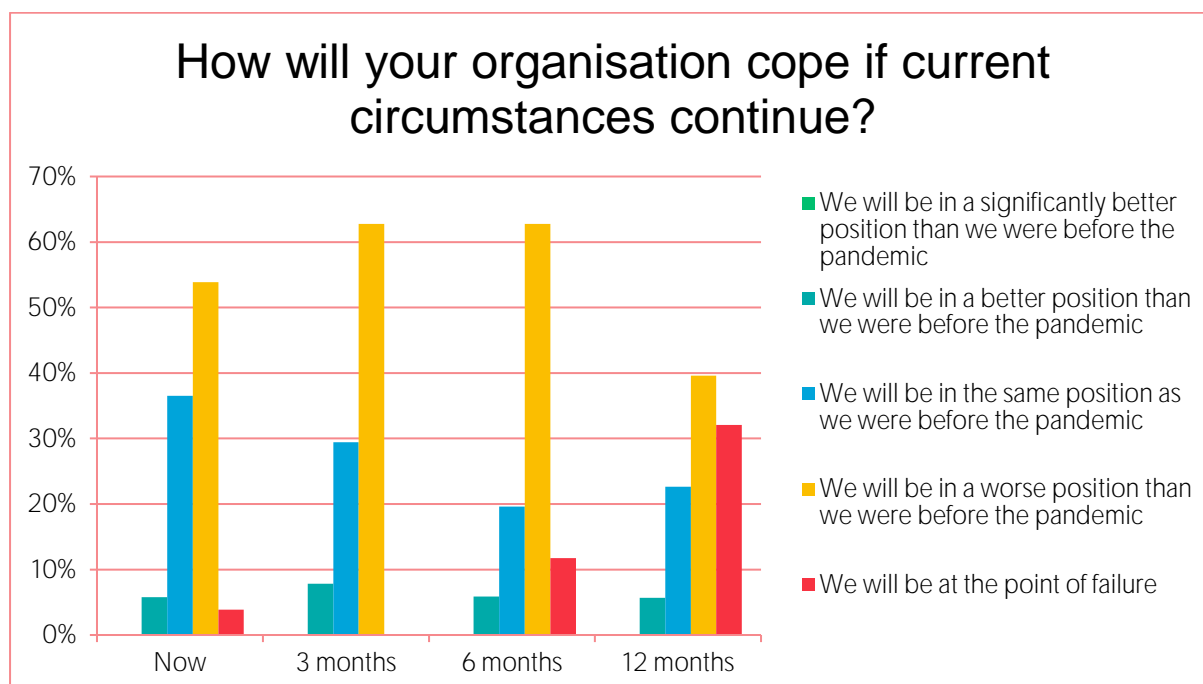
Beneficiaries supported (mean)	
Annually	1738
Normally Per month	241
Currently Per month	95
Net Monthly Difference	146

Future Demand

Given the nature of Covid-19, half of organisations highlighted that they are unable to predict future changes in service demand once 'normal' services are back in operation. Of those who predicted a change in demand 48% predicted a demand increase, with 34% predicting no demand change. Of those predicting an increase in demand 24% indicated it would equate to up to a 25% increase, 1% suggesting the increase would be over 25% and 14% suggesting the increase would be less than 10%.

How will your organisation cope if current circumstances continue?

Most organisations are currently in a worse financial position as a result of the pandemic. From six months to 12 months the percentage that would regard themselves at the point of failure increases significantly.



Organisations' Current Capacity

Organisations were asked about their immediate capacity.

In terms of organisation's ability to match supply with demand 40% stated they were at capacity, with 46% indicating they has some level of additional capacity to meet demand. 22% are operating at a higher demand/lower supply than they would normally operate. 7% report having a significant capacity issue that puts them at risk of failure or poses a danger to clients.

Workforce (staff and volunteers) capacity was not highlighted as a significant issue with only 4% highlighting additional workforce needs.

In regards to finances and other resources, the majority (65%) say these currently meet their needs, with 10% having some additional financial or other resource capacity. However, a quarter say their immediate finances and other resources mean they are at immediate risk of failure.

Financial Impact

When looking at the financial impact the pandemic has had on organisations the estimated average monthly loss of income due to the pandemic was £2,713. It must be noted that significant variation exists between organisations due to scale and nature of business model. The average monthly in income reported of £4,263 (£51,156 per annum) suggests the survey reflects the financial status of some of the smaller to medium sized organisations.

Average monthly loss of income due to the pandemic	£2,713
Average current monthly income	£1,817
Average normal monthly income	£4,263
Average normal monthly running costs	£4,321
Average monthly running costs during lock-down	£3,018
Average current free reserves	£15,349

Other Issues and Comments

Other issues highlighted included GDPR / data protection training alongside wider digital skill development, generating new income in the short and long term to respond to organisational and community needs, as well as wider strategic planning in relation to issues such as revenue loss and future income cycle. Another issue highlighted was the difficulty of accessing cash and hence people's ability to access services.

Other comments focused on the difficulty of running a small local charity in the current climate, whose members/volunteers are often in high risk categories and/or self-isolating often meaning they are physically unable to provide assistance, fundraise etc. Many reflected that Covid-19 is on top of continued challenges in covering core costs and a background of growing demand and reducing funding.

Other Useful Sources of Data and Reports

Impact of Covid-19 on the Charity Sector: Briefing from the Institute of Fundraising, NCVO and Charity Finance Group

- 30 March 2020
<https://www.institute-of-fundraising.org.uk/library/impact-of-covid-19-on-the-charity-sector-briefing-from-the/>
- 18th June Update
<https://www.institute-of-fundraising.org.uk/library/impact-on-the-charity-sector-during-coronavirus-research-report/?preview=true>

COVID-19 and the VCSE Mental Health Sector Briefing Paper – April 2020

<https://amhp.org.uk/app/uploads/2020/04/Covid-19-and-VCSE-Mental-Health-Sector-Briefing-Paper-1.pdf>

Report: Community Transport During Coronavirus May 2020

<https://ctauk.org/report-ct-during-coronavirus/>

UK Civil Society Almanac 2019

<https://data.ncvo.org.uk/>

NAVCA roundup of their survey findings 24-04-20

<https://navca.org.uk/news-and-views/f/and-our-surveys-say%E2%80%A6>

Measuring the impact of Covid-19 on the charity sector - May update – being updated monthly

<https://www.probonoeconomics.com/news/pbe-launches-new-survey-understand-impact-covid-19-charity-sector>

The Voluntary and Community Sector's initial response to the Covid-19 pandemic in Sheffield, June 2020 <https://www.vas.org.uk/wp-content/uploads/2020/06/COVID19-VCS-report.pdf>

Suffolk COVID-19 Community Groups Survey Community Action Suffolk May 2020

<https://www.communityactionsuffolk.org.uk/wp-content/uploads/2020/05/COVID-19-Community-Group-Survey-final-report.pdf>

Surrey's Voluntary Sector Covid-19 Impact and Resilience, May 2020

<http://www.surreyca.org.uk/wp-content/uploads/2020/05/VCFS-Covid-19-Impact-and-Resilience-Report.pdf>

North East VCSE Sector Covid-19 impact Survey Report - May 2020

<https://www.vonne.org.uk/resources/ne-vcse-sector-covid-19-impact-survey-report-may-2020>