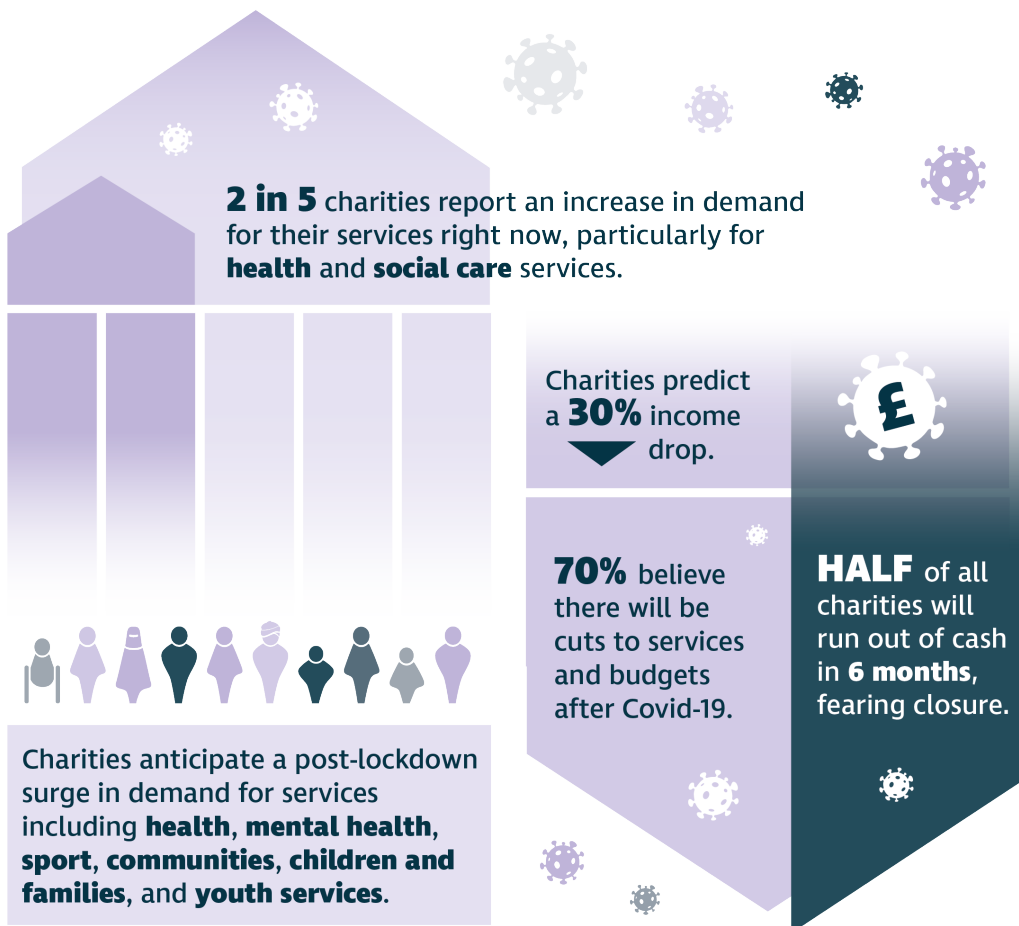


# Coronavirus and its impact on the Scottish voluntary sector – what do we know so far?

March to May 2020

**Demand is up and a surge is coming.**



MARCH-APRIL

**Top 3 issues**

MAY

- 1 Meeting immediate need
- 2 Capacity – staffing and digital
- 3 Funding

- 1 Financial sustainability
- 2 Adapting services longer term
- 3 'Building back better'

## 1. About

This paper gives a summary of some of the key issues that Coronavirus is having on voluntary organisations, from the start of the crisis up until 20<sup>th</sup> May. The paper pulls together data from a range of surveys and intelligence gathered by third sector organisations and infrastructure bodies seeking to understand the impact of Coronavirus on their members. The main focus here is on the impact on organisations although understanding the impact on the people and communities we serve is key to the sector's longer-term planning. The voluntary sector's need to understand what is happening on the ground and gather robust evidence means that new surveys and data are being published daily.

New intelligence is being added every day to our [Evidence Library](#).

### 2.1 Demand and capacity

- Over a third of charities are reporting an increase in demand.

Frontline services report exponential increases in demand. For example, the Foodtrain has seen a 51% increase in referrals from for older customers looking for food deliveries. According to NCVO, 43% of charities they surveyed in March reported an increase in demand for their services, while 52% plan to reduce services (Institute of Fundraising and NCVO report). CAF research in April found that one in four charities have seen an increase in demand for their services because of the crisis.

Many organisations redeploying staff and/or repurposing themselves to offer new services (VHS, ACOSVO). 20% of organisations surveyed by GCVS said that they need extra staff or volunteers to respond to the increase in demand, while 84% of those surveyed by NCVO and IoF think their organisation could play a role in responding to the coronavirus outbreak, but need funding to do so.

### Digital services and new service models

- 9 out of 10 organisations have moved at least some services online, but many need support to make the most of new technology.

Many health orgs are now using telephone helplines to support people, or digital platforms to provide a range of face-to-face services (VHS). 92% of youth work organisations have moved their services online (Youthlink Scotland). Volunteering is now mainly being co-ordinated using virtual platforms (SVF).

- Around a half of the sector has digital needs that are not being fully met.

There is a need for digital, webinar and technology guidance and support (ACOSVO, Social Enterprise Scotland). 61% of environmental organisations surveyed by Scottish Environment Link have digital or IT needs that are not being met, and 7% are not digitally equipped at all. Around a third of charities surveyed by Skills Platform report cancelling services because they do not have the skills or tech to deliver them; half want additional support and guidance.

A number of organisations are concerned that the digital divide means they are not reaching people, with many of those most in need unable to access online support services just now (ACOSVO, IVAR).

## 2.2 Finances and funding

“Major short-term shocks are impacting on members and will give way to longer-term trouble in the next 6 months, if current crashes in funding, membership, revenue and charitable giving are not quickly reversed.”

Financial concerns come through as a top concern in all sector surveys. Cash flow, reserves and financial planning are key concerns for leaders (ACOSVO). 61% of organisations surveyed by GCVS in April said that they were worried about loss of funding, and this is likely to increase as income-generating services remain closed and reserves are used up. NCVO and the Institute of Funding (IoF) predict a 48% decline in voluntary income and 1/3<sup>rd</sup> reduction to total income.

### Short-term funding needs

- Emergency funding and help to cover immediate costs identified by various respondents (VHS, IoF, SCDC) – now have Wellbeing and Food Fund
- Business continuity / sustainability identified by many (VHS, IoF, SCDC) – now have Resilience Fund in place.
- Around one third (33%) of applications for Resilience Fund are from organisations working in Health and Social Care. The next largest sectors to apply are Sport & Physical Activity (12%) and Creative Industries (including digital) (11%). (Social Enterprise Scotland)

### Longer term funding needs

“The real crunch is expected to arrive in a few months time, when members start operating again, when current support schemes such as

furloughing end and when the main income generation seasons of spring and summer have passed”

- A third of organisations have less than 3 months in reserves
- Half of charities think they will run out of funds in 6 months
- Services and revenue losses expected to take a long time to recover

Figures from SCVO and Social Enterprise Scotland show that more than a third of charities have less than 3-4 months of expenditure in reserves. Over half are concerned that they will run out of money within the next 6 months. Survey respondents predict far-reaching and long lasting economic impact as businesses struggle to recover, including charity retail. Lots of concerns now emerging in surveys around what happens when reserves get used up, the furlough scheme is wound up, and government emergency funding is withdrawn.

## Cuts and closures

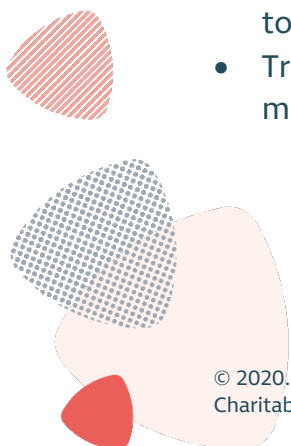
“Increasing numbers of charities going bust over the coming months at the same time as increased demand for charity services.”

- 7 in 10 worried about cuts to budgets and services
- 1 in 10 worried that they could close for good

Over half of charities have less than 6 months in reserves, and worry that they will run out of funds before they have a chance to re-open (SCVO, Museums Galleries Scotland). 70% of youth work leaders in Scotland surveyed by Youthlink Scotland believe there will be cuts to services and budgets after Covid-19. A particular concern for many is that crucial services may have to close doors just when lockdown ends and they are needed the most by the communities they serve.

## Funders

- Funder flexibility and extensions of funding have helped organisations rise to current challenges.
- Transitional funding needed to help organisations gradually get back to a more normal and sustainable footing



Many surveys report that funders are responding well and showing flexibility around outcomes, deadlines, and reporting. Funders are working closely with current grant-holders to identify issues and needs (IVAR, SCVO). However, there is some concern that funds and new applications are being postponed, and some smaller charities report barriers to accessing government funding include lack of staff capacity, lack of info and clarity, difficulty in forward planning, and not meeting criteria (SCVO, LINK). Many survey respondents are expressing hopes that government funding and support will be withdrawn gradually to allow for planning and phased response. The importance of transitional funding that will help charities impacted by closures and loss of revenue has been highlighted across a number of surveys.

Meanwhile funders are facing difficult choices, trying to balance immediate funding needs with keeping some money back to ensure longer-term sustainability (IVAR).

## 2.3 People

### Volunteers

- Loss of older/vulnerable volunteers being offset by new recruits.

A massive recruitment drive for volunteers has taken place at national level, but it is still unclear how many have been assigned opportunities, and what impact on other volunteers has been. Many frontline delivery organisations have been able to rise to the challenge. The Foodtrain for example have recruited 548 new volunteers (a 44% expansion), but lost 250 committed and experienced long-term volunteers who had to self-isolate at a time when demand is soaring. While a few organisations had seen an increase, 78% of respondents to a Scottish Volunteering Forum survey have seen no change or a significant decrease in the number of volunteers they are currently able to engage. The SVF also raised several issues around volunteering barriers, including logistics and health and wellbeing of volunteers.

### Paid staff

#### Staff wellbeing

Lots of issues around paid staff raised in surveys and via other intelligence sources, mainly around staff wellbeing and staff costs. Staff sickness and working in high-risk settings is a particular concern for those in frontline services such as health and social care (VHS, CCPS, SVF). For staff more

generally, there are concerns about staff welfare, isolation, high workload and mental health (ACOSVO, nfpSynergy) and wide-spread stress around uncertainty and job insecurity (ACOSVO, VHS).

## Staff costs and furloughing

- Drop in income impacting on sector's ability to cover staff costs, plus some roles are currently redundant.
- 1 in 4 charities with paid employees have furloughed staff.
- 15-30% of sector staff have been furloughed – this works out as between 16,000 and 32,000 people.

**Next 3 months:** Furloughing a major issue for sector just now (SCVO, ACOSVO). Based on sector intelligence a quarter of charities with paid employees have furloughed at least one worker – this means that well over a thousand charities (approx. 1,400) have furloughed staff. On average between 15% and 30% of staff have been furloughed, which works out as 16,000-32,000 of the sector's 108,000 paid staff. (SCVO Payroll, Social Enterprise Scotland)

**Next 3- 6 months:** the government's furlough scheme has now been extended until October but with the condition that employers contribute. Given the precarious financial position of most charities, it is therefore still unclear what will happen with furloughed staff and other staff longer term – transition funding? redundancies? Staggered returns? Redeployment?

## Leadership

Key issues identified by CEOs include: concern about whether or not staff are being well supported, concern about whether or not work is being accomplished, furloughing, relationships with boards, future-planning, funding, and how to meet needs of service users. (ACOSVO)

Many leaders feeling enormous pressure and sense of personal responsibility for staff and organisational finances, and in the early stages shouldered much of the decision-making process by themselves. However, IVAR highlight that new ways of working could enable more shared leadership and self-led decision making. Many leaders have now started looking to the future, and at how we might '**build back better**'. This includes making the most of new ways of working and delivering of services, eg digital shift, less business travel, a 'green recovery', more flexibility from the public sector and funders, and proper collaborative working. It may also mean using the crisis to look at our current

work with fresh eyes, and to drop activities that are no longer fit for purpose (ACOSVO, RSA).

## 2.4 Impact by sub-sector

The evidence coming in from across all parts of the voluntary sector tells us that **all sub-sectors** have been significantly impacted in one of two basic ways:

**Meeting immediate need:** Some sectors have been responding to immediate needs and trying to meet increased demand. Their challenges include finding ways to cover immediate and additional costs, allocating and redeploying staff and volunteers, finding new ways of delivering services, moving to digital platforms, and moving from short-term to longer-term planning.

**Preparing for an anticipated surge in need:** Other sectors have had to shut down most of their activities just now, but need to ensure they are ready for when their services are needed when lockdown is eased, and life returns to some semblance of normality. Their main challenges include trying to plan for the medium and long term, adapting services, meeting financial commitments when income has stopped, and ensuring that they are still around for their communities.

- **Health sector:** health organisations are reporting high levels of concern around people's physical and mental health and increased demand. Organisations are needing immediate funding to adapt services or provide new services (Voluntary Health Scotland). VHS have pivoted all work to focus on COVID-19, both the immediate impact on their members and the people they serve (impact on people of the removal of access to many services, loneliness and social isolation compounded by the digital divide and poverty, food insecurity has risen dramatically, etc), also celebrating the speed, creativity and adaptability shown by our sector in reconfiguring services quickly. However, health organisations also warn of an **imminent public health crisis**. This includes the longer term unintended consequences of the mitigation measures (e.g. untreated cancers and health problems, mental health issues), the longer term social and economic consequences for health, and how health services and support will be delivered in the longer term.

- **Social Care:** social care providers and care homes have found themselves on the frontline as never before. Almost all have had to struggle with stress and uncertainty, inadequate staffing, inadequate funding, no or inadequate PPE, and increasing demand. They have by and large overcome these challenges. Social care bodies now want to ensure that the current recognition of carers as highly skilled and essential workers is reflected in how they are paid and valued post-emergency, and that the flexibility and openness that has been shown by public sector funders and procurement staff is not lost – can we use hard lessons learnt during COVID-19 to value social care more, and find new ways of supporting and valuing our most vulnerable citizens? (CCPS, TFN - various).

- **Children and families:**

“Some children might be discovering a happier and closer family life but some vulnerable children, and those of keyworkers [...] need to be supported, well beyond this present crisis. They, and those caring for them, are being pushed to their creative and emotional limits.”

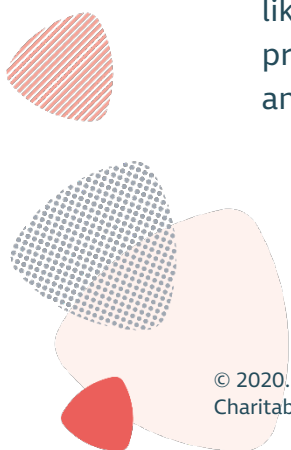
Children are now mainly being taught at home and while some families are coping relatively well, research by Connect parent teacher council has shown that 59% of parents have concerns, including children ‘falling behind’ in their learning; a lack of equipment; concerns about the health and wellbeing of their children; concerns about a lack of social interaction; and concerns that vulnerable families are struggling. Parents also want to be involved in decisions about how and when schools re-open. (Connect). Nurseries and after school care are now mostly closed, fees stopped, staff furloughed. However Scottish Out of School Network research found that 16% of their members have remained open and continue to provide much needed and valued childcare for essential workers. SOSCN members are now exploring new ways forward for childcare, while also recognising that each child will have experienced this time differently. Ideas proposed by SOSCN and members include: smaller classes/groups, which in turn means more staff, and requires more funding; more activities such as music, art and theatre that do not involve touching, less activities involving sand, water etc; investing in Scandinavian-style outdoor ‘forest’ care models; larger premises; and rota systems, including prioritising vulnerable children and children of key workers.

- **Young people:** 96% of young people worry about the impact of coronavirus on their future, and 77% are worried about their mental health and wellbeing. Top issues for young people are health, mental wellbeing, education, job



prospects and personal finances. (The Scottish Youth Parliament, YouthLink Scotland, Young Scot). National voluntary youth work organisations in Scotland report facing an immediate income loss of £20.5m, and 70% of youth work leaders in Scotland believe there will be cuts to services and budgets after Covid-19 – just when they predict they will be needed more than ever. 92% of youth work organisations have been able to move some services online but there are still digital challenges. Covid-19 is having a negative impact on young people’s mental health and their future prospects, and organisations are worried that income loss and possible closures mean that the support young people need post-lockdown will not be there (YouthLink Scotland).

- **Older people:** organisations have seen an exponential increase in demand from older people looking for support such as food deliveries. Food Train have seen a 51% increase in demand, while facing challenges such as losing 250 experienced older volunteers, and difficulties sourcing PPE for volunteers. They have been able to redeploy staff, recruit new volunteers, and recruit new temporary staff thanks to the Scottish Government’s Food Fund. They have expanded services into new areas, and now deliver to 972 more older people every week. But research by Glasgow University and Food Train highlights that "the physical need for food must be paired in the context of meaningful social interactions in order to reduce the risk of isolation and loneliness which create a vicious cycle of under-eating, poor self-care and low mood". Loneliness and isolation are currently only partly addressed through phone calls and online befriending. Policies and activities that tackle isolation longer-term remain high on the agenda for those who support older people.
- **Disabled people:** 30% of disabled people say their support has stopped completely or been reduced because of Covid-19. Disabled people’s organisations are concerned for the people they support. A major concern is that progress made in recent years is now being lost, with many individuals and their carers losing their support systems, their independence, and their confidence. Many disabled people are worried about their physical and mental health, or worry about money and losing their jobs (Inclusion Scotland). A common theme expressed by individuals is to not be treated like second class citizens when current and future health and funding priorities are being set, and for disabled people's voices to be represented and listened to.



- **Tackling poverty and food insecurity:** many voluntary organisations have been working hard to help those affected financially by Covid-19. A third of Scots (34%) are concerned about their ability to pay for food and essentials (Citizens Advice Scotland) and poverty, including child poverty, has been rising rapidly in some of the poorest communities in Scotland (Poverty Alliance). Many charities are providing emergency food and support. However, we are likely to see this need get worse after lockdown eases, and not simply disappear. The Bank of England predicts unemployment to rise by 4% and the financial shockwaves of Coronavirus to be with us for many months to come, particularly for people with insecure work or who were already facing hardship and inequality. Funders have also highlighted the need to “Plan for implications of increased poverty and inequality” (Foundation Scotland).
- **Homelessness:** charities have been working with agencies including hotels to ensure that people living on streets have a roof over their heads short-term, and that no one is facing eviction due to unpaid rent or similar. Tackling financial and housing insecurity and making homelessness a thing of the past remains the long-term goal. (Cyrenians, Shelter Scotland, Homeless Action Scotland)
- **Community Development:** Nearly half of respondents require immediate funding to cover organisational costs including rent and staff, often substantial. Also require funding to increase their capacity (SCDC)
- **Heritage and culture sector:** All theatres, museums and cultural spaces have had to close, with no income from ticket sales admissions, café or shops. Half of all independent museums face running out of money within the next 6 months (Museums Galleries Scotland). 69% of heritage groups are affected by loss of revenue, and 90% of heritage charities report high or moderate risk to long-term viability. (Heritage Fund). Most cultural organisations have been significantly affected, although some are trying to move events online to ensure that people continue to have access (Culture Counts).
- **Environment:** All members surveyed by Scottish Environment Link have been impacted. Coronavirus is impacting on the short-term and long-term viability of a significant proportion of the environment sector, affecting frontline conservation work, and policy and scientific work. (Scottish Environment LINK)
- **Village halls and community centres:** while some have remained open to act as central distribution and contact points for their communities, most of

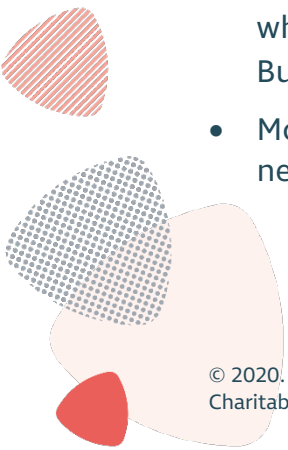


Scotland's 1,000+ halls have temporarily closed their doors. Many are now looking to the future and practical ways to safely provide a place for communities to meet, socialise and heal post-lockdown. (SCVO)

- **Sports clubs:** community sport is currently on hold. Many have furloughed staff or have sought funding to meet shortfalls. Phased returns for no and low contact sport such as golf, angling and tennis are mooted to start soon, while sports clubs are exploring safe ways to reopen and get their facilities fit for sport as soon as restrictions are lifted. (SportScotland)

### 3. What are the main evidence gaps?

- More intelligence on **demand** – how many organisations have seen demand increase? How many have seen it decrease? How have different sectors and areas been affected? What might future demand look like, and how can sector adapt?
- More intelligence around **sector workforce** – how many organisations have furloughed staff? What sectors and sizes of organisation have been most affected? How many staff were furloughed due to closures? How many due to a lack of funds? What are the employment prospects for sector staff longer term?
- More intelligence around **wider staffing issues** - Fair Work, pay and conditions, living wage, insecure work, staff wellbeing and stress, etc.
- More intelligence on impact on **volunteering** – have need and opportunities for volunteers increased or decreased? Data from Ready Scotland and TSIs?
- More intelligence around **digital** – how have organisations met the challenges of new working patterns and delivery models? Have they been able to get funds to cover costs? (Digital team?)
- More intelligence around **impact on income and reserves** - evidence currently is mainly anecdotal or based on predictions, but what are the long-term funding issues? What has happened to donations? Earned income? Grants and contracts?
- More intelligence on **government funding** - eg Resilience and Welfare Fund: what's the level of demand? Who is getting funding, who is missing out? Business Loans: who has applied?
- More intelligence from **independent funders** – how are they prioritising need and balancing short-term need with longer-term investment?



## 4. Next steps

The landscape the voluntary sector is currently working in is constantly changing, and our top priorities are evolving as time passes. SCVO will be continuing to monitor sector survey data and intelligence as it comes in. We plan to release future analyses of sector-led intelligence in the coming months.

Please email [research@scvo.org.uk](mailto:research@scvo.org.uk) if you have any surveys, briefings, case studies or blogs on the impact of coronavirus on voluntary organisations. All research and insights shared with us will be collated in our searchable Evidence Library <https://scvo.org.uk/policy/evidence-library>.

## 5. List of surveys and intelligence (last updated 20/05/2020)

Full details and a summary of each survey or briefing can be found in the voluntary sector Evidence Library <https://scvo.org.uk/policy/evidence-library>

Date	Organisation	Link to survey
March	Institute of Fundraising and NCVO	<a href="#">link</a>
March	Voluntary Health Scotland	<a href="#">link</a>
March	Heritage Fund	<a href="#">link</a>
March	nfpSynergy	<a href="#">link</a>
March	ACOSVO	<a href="#">link</a>
March	Culture Counts	<a href="#">link</a>
March	GCVS	<i>tbc</i>
March	Voluntary Action Orkney	<i>tbc</i>
April	Scottish Community Development Centre	<a href="#">link</a>
April	IVAR Institute for Voluntary Action Research	<a href="#">link</a>
April	Scottish Volunteering Forum	<a href="#">link</a>
April	Scottish Environment LINK	<i>tbc</i>
April	Charities Aid Foundation	<a href="#">link</a>
April	Citizens Advice Scotland	<a href="#">link</a>
April	Inclusion Scotland	<a href="#">link</a>
April	Inspiring Scotland	<a href="#">link</a>
April	Early Years Scotland	<i>tbc</i>
April	Charity Finance Group	<i>tbc</i>
April	Museums Galleries Scotland	<a href="#">link</a>
May	Charity Tax Group	<i>tbc</i>
May	Food Train	<a href="#">link</a>
May	Scottish Out of School Network	<a href="#">link</a>

May	Connect (Scottish Parent Teacher Council)	<a href="#">link</a>
May	OSCR	Due end May
May	Digital Skills	<a href="#">link</a>
May	ACOSVO (CEO case studies – various)	<a href="#">link</a>
May	Foundation Scotland	<a href="#">link</a>

