

**Part One:  
Surrey's Voluntary Sector  
Covid-19 Impact and  
Resilience**

Exploring the impact of Covid-19 on Surrey's voluntary community and faith sector and the resilience of the sector post-Covid-19.

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Quotes from individual respondents are shared anonymously but their honesty and candour are much appreciated.

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## Table of Contents

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Executive Summary .....	4
Introduction.....	5
Methodology.....	5
Definitions and Scope .....	6
Background .....	7
The VCFS in Surrey pre-Covid-19.....	7
Covid-19.....	8
Covid-19 – Short Term Impact, Risks and Resilience .....	9
Confidence of Survival.....	9
Income .....	10
Staffing and Organisational Management .....	15
VCFS Capacity .....	17
Community Needs during Covid-19.....	21
Partnership Working .....	23
Longer Term Impact of Covid-19 and Afterwards .....	25
Confidence of Survival.....	25
Income .....	25
Staffing and Organisational Management .....	27
VCFS Capacity .....	27
Community Needs during Covid-19.....	29
Partnership Working .....	29
Recovery and Re-Visioning.....	30

## Table of Figures

---

Figure 1 - Location of VCFS organisations in Surrey .....	7
Figure 2 - VCFS Surrey Summary Data .....	8
Figure 3 - Confidence that the organisation will survive the current crisis?.....	9
Figure 4 - Income to the voluntary sector by source.....	10
Figure 5 - Impact of Covid-19 on 2020-2021 income .....	11
Figure 6 - How organisations are handling non-furloughed staff .....	16
Figure 7 - Existing VCFS service cuts .....	18
Figure 8 - VCFS provision during Covid-19 crisis .....	19
Figure 9 - Confidence of survival, now and in 12-18 months.....	25
Figure 10 – VCFS priority income sources against expectations of impact. ....	26
Figure 11 - Immediate and 12-18-month staff cuts expectations .....	27
Figure 12 - Factors influencing VCFS capacity post-Covid-19 .....	28

## Executive Summary

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The Covid-19 pandemic has had a significant detrimental impact on Surrey's voluntary, community and faith sector (VCFS), but has also revealed some positive developments that can be carried forwards once the pandemic has passed.

Most Surrey VCFS organisations are confident that they can endure the crisis, but one in ten are not, and one in twenty expect to close. 90% of organisations expect a loss of income due to the short-term crisis, with sustained pressures from a resulting recession. Many hold reserves, but may not be able to rely on them in the medium term. Most charities rely on public fundraising such as events which have been hardest hit by the pandemic.

Charities are concerned that fundraising for NHS charities is taking income from other work and while support from Government and other sources is welcome, it is not enough, and organisations are concerned that the public may feel it is "job done" when it isn't.

A quarter of VCFS staff have been placed on furlough, but many roles are ineligible due to the way they are funded. Charities are keen to retain staff so most are using reserves to retain ineligible staff, but some have had to cut hours, wages or jobs.

The VCFS also faces HR challenges around illness and self-isolation, poor mental health, bereavement, management of remote staff and new training needs. Whilst most of the sector is adapting well to virtual and home working, some are not due to not having the right equipment, and the fact that many VCFS services do not lend themselves to remote delivery.

Around two-thirds of organisations have cut non-Covid-19 services even though demand is still high. Some capacity reduction is offset by new delivery methods, new services, repurposing, and by new mutual aid organisations set up within communities.

Covid-19 has seen many people registering as volunteers, including 750,000 through an NHS portal, however there is little demand for these volunteers across Surrey, and local volunteer centres already have a surplus of volunteers.

New "mutual aid" groups are welcome and offer vital services to their local communities, but there are risks around data protection, safeguarding and fraud prevention. Some groups expect to become formalised and to carry on their services post-Covid-19, whereas others expect to disband.

The VCFS has introduced new ways of delivering services, but many can't be delivered or accessed remotely, or serve beneficiaries without physical or intellectual means to access them, including being unable to afford the necessary equipment and connectivity.

The Covid-19 crisis has seen a radical shift in how sectors are working together, coalescing around Covid-19 needs and working at a very rapid pace. VCFS partners are being engaged at a strategic and operational level in a way that it is hoped will continue post-Covid-19.

While VCFS organisations are focused on the current crisis, they expect a long and deep recession afterwards, with resulting increases in demand and long term reduction in income and capacity that will be a challenge for the organisations, statutory partners and those who rely on their services.

## Introduction

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This report is the result of research undertaken by Surrey Community Action to measure/evaluate the impact of the Covid-19 pandemic on the voluntary sector in Surrey. By voluntary sector, we mean any of a range of organisations running not-for-profit business models and providing a social or charitable benefit to clients, beneficiaries and service users. Collectively, this embraces diverse structures such as companies limited by guarantee, registered charities, charitable incorporated organisations and volunteer led community groups. There are many acronyms used to group this diverse range of organisations, but across Surrey historic use has been made of Voluntary, Community and Faith Sector, or VCFS, and this is the term that will be used throughout.

Surrey Community Action carried out this work under two of its strategic objectives:

*“[To] advocate on behalf of the VCFS in Surrey, ensuring that statutory bodies, private sector organisations and other stakeholders understand the value of the VCFS and how it can support partners to meet their objectives”*

and to be a:

*“Focal point for knowledge and understanding of the VCFS in Surrey, being able to collate, analyse, personalise and disseminate the information necessary for VCFS organisations to thrive in a challenging environment”*

To meet these objectives, this research, “Part One”, aims to paint a clear picture of the short and medium term impact of Covid-19 on the VCFS, to inform discussion of what factors will influence the recovery of the sector, identify improvements to how the sector carries its critical services and what asks there are of funders, statutory partners and others.

## Methodology

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The primary elements of the methodology were:

- An online survey of not-for-profit organisations across Surrey.
- Telephone interviews conducted with VCFS organisations, across a range of sizes, locations and purposes.

The primary research, conducted via a Survey Monkey online survey, was distributed via Surrey Community Action and partner networks, so the total number of recipients is unknown but is estimated to be at least 1,200 out of the estimated 6,000+ voluntary sector organisations active across Surrey. 188 survey responses were received, along with direct data from a further 65 organisations.

## Definitions and Scope

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This report uses the term “Voluntary, Community and Faith Sector” (VCFS) to describe the group of organisations and structures that sits alongside the private and public sectors, often meeting needs that have not been met because the private sector has not seen them as profitable, and the public sector has either neglected these needs or, more often, not been able to afford to meet them.

The VCFS is variously known as the Voluntary, Community and Social Enterprise (VCSE) sector, the not-for-profit sector, the voluntary sector, or the Third Sector.

VCFS organisations tend to be characterised by:

- Formal (institutionalised to some extent)
- Independent (separate from the state)
- Not-for-profit
- Self-governing
- Meaningful degree of voluntary participation
- Acting for public benefit

Many definitions of the VCFS exclude:

- Sacramental religious bodies or places of worship
- Independent schools
- Government-controlled bodies
- Housing associations

The data covers organisations directly involved in health and care work, and therefore working on the front line of Surrey’s response, and from other charities not directly engaged in health and care work but impacted by the Covid-19 pandemic

The research gathered data from existing VCFS organisations and from new community groups set up in response to the Covid-19 pandemic for the purposes of supporting their neighbours, local communities and the NHS in general.

## Background

### The VCFS in Surrey pre-Covid-19

There are around 3,468 *registered* not-for-profit organisations in Surrey. This includes national and international organisations with a postcode in Surrey, but not necessarily delivering services in Surrey (for example, the World Wide Fund for Nature in Woking). It does not include national charities based elsewhere but providing services in Surrey.

There is excellent data from the Charity Commission and other sources on the number, size and shape of registered not-for-profit organisations such as charities, charitable incorporated organisations, etc, but there is far less data on the number of unincorporated organisations who do not have to register with the Charity Commission or Companies House, including small neighbourhood groups with income of less than £5,000 per year. Best estimates from national and international research indicates between three and four unregistered organisations per registered organisation.

Within the VCFS and Surrey County Council (SCC), the figure 6,000 is often used to describe the size of the VCFS in Surrey. This is likely to be an underestimate, but it is a widely accepted figure that will be used throughout his report.

The VCFS in Surrey employs around 18,000 people, in organisations spread across Surrey broadly in line with population distribution. In addition, there are an estimated 425,000 unpaid workers (mainly volunteers, but also work placements etc).

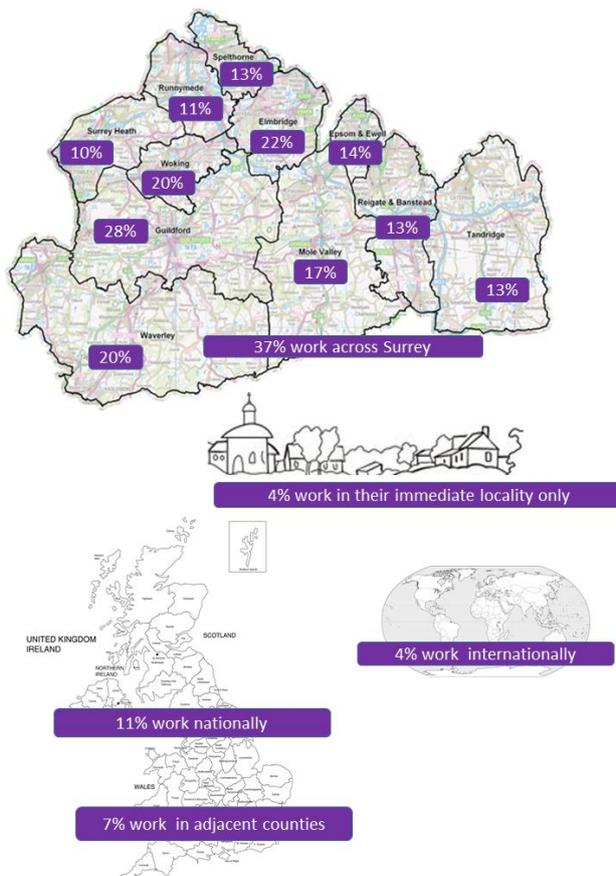


Figure 1 - Location of VCFS organisations in Surrey

Volunteering is an important component of the VCFS, which benefits from volunteers supporting the direct delivery of their work, and providing governance and oversight. Around twenty million people volunteer each year, with 20% doing so regularly.

Trustees are volunteers who hold a special status. These are the people who share ultimate responsibility for governing a charity and directing how it is managed and run. They may be called trustees, the board, the management committee, governors, directors or something else. Whatever they are called, they make decisions that will impact on people's lives.

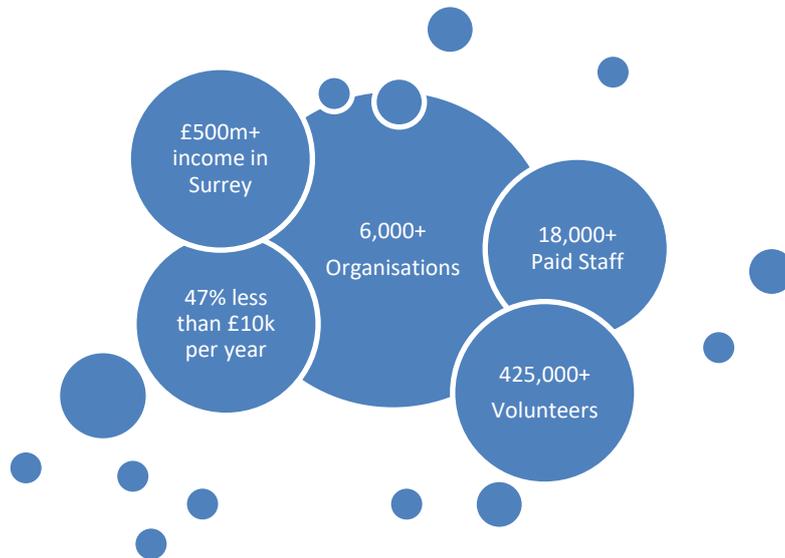


Figure 2 - VCFS Surrey Summary Data

## Covid-19

Coronavirus disease (Covid-19) is an infectious disease caused by a coronavirus that emerged in China in December 2019. It spreads quickly, primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes. Whilst most people infected with the Covid-19 virus experience mild to moderate respiratory illness and recover without requiring special treatment, more vulnerable people are more likely to develop serious illness.

As of 01 May 2020, UK reported cases of Covid-19 were over 171,000 and Covid-19 was linked to over 26,000 deaths.

The UK response to Covid-19 has centred around social distancing and shielding of vulnerable people to slow the spread of the virus to prevent health structures becoming overwhelmed. The current restrictions, which include closure of non-essential businesses, staying at home as much as possible, are themselves having a negative impact on people in terms of mental health, unaddressed physical health problems, disparity of education and job losses leading to financial challenges.

## Covid-19 – Short Term Impact, Risks and Resilience

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### Confidence of Survival

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Covid-19 has created many challenges for the VCFS, although not all organisations are being challenged in the same way. Some organisations involved in health and care work have seen demand for their services rise sharply, whilst others have seen demand fall equally sharply. However, when asked about their confidence of surviving the current crisis, almost half were confident of survival. Conversely, around one in ten were not confident, and around 4% expect to close.

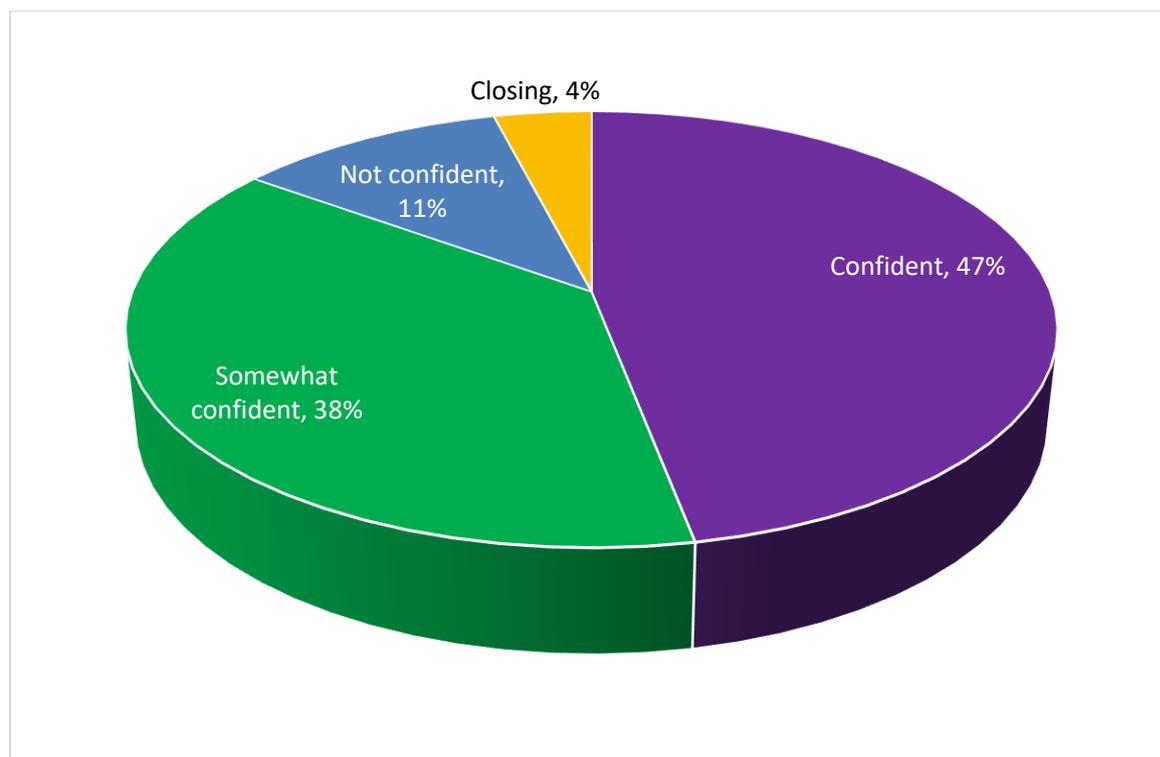


Figure 3 - Confidence that the organisation will survive the current crisis?

Confidence is also affected by how much an organisation can look forward to recovery. While organisations are in crisis management and survival mode, they are less likely to be carrying out long term planning or focusing on long term sustainability: What if an organisation burns itself out surviving the crisis but is then unable to carry out its work post-Covid-19?

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“We will survive – I feel confident of that. We had saved money for a big future project – that will have to go on hold in the meantime. We’re applying to different pots of funding as soon as they open. The furlough scheme is definitely a bonus - although our wage bill is quite low it all helps. We value our staff very much and we’ll do whatever we can to keep them.”

Trustee – Learning Disability Charity

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“I honestly don't know if we will survive. I am the only member of staff and I'm unable to be paid properly at the moment as there aren't enough funds. If I'm not paid then I will lose my home which is also the headquarters of the charity, providing free storage, power, phone lines etc, so the charity would have to close.”

Founder – Autism Charity

“We've been running for over 60 years – been through thick and thin – and we consider ourselves quite resilient. I feel we've just got pull together and sit this out as well.”

Trustee – Learning Disability Charity

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## Income

A significant impact of Coronavirus on the VCFS has been a reduction in income across the sector. Before considering loss of income, it is useful to understand where VCFS income comes from.

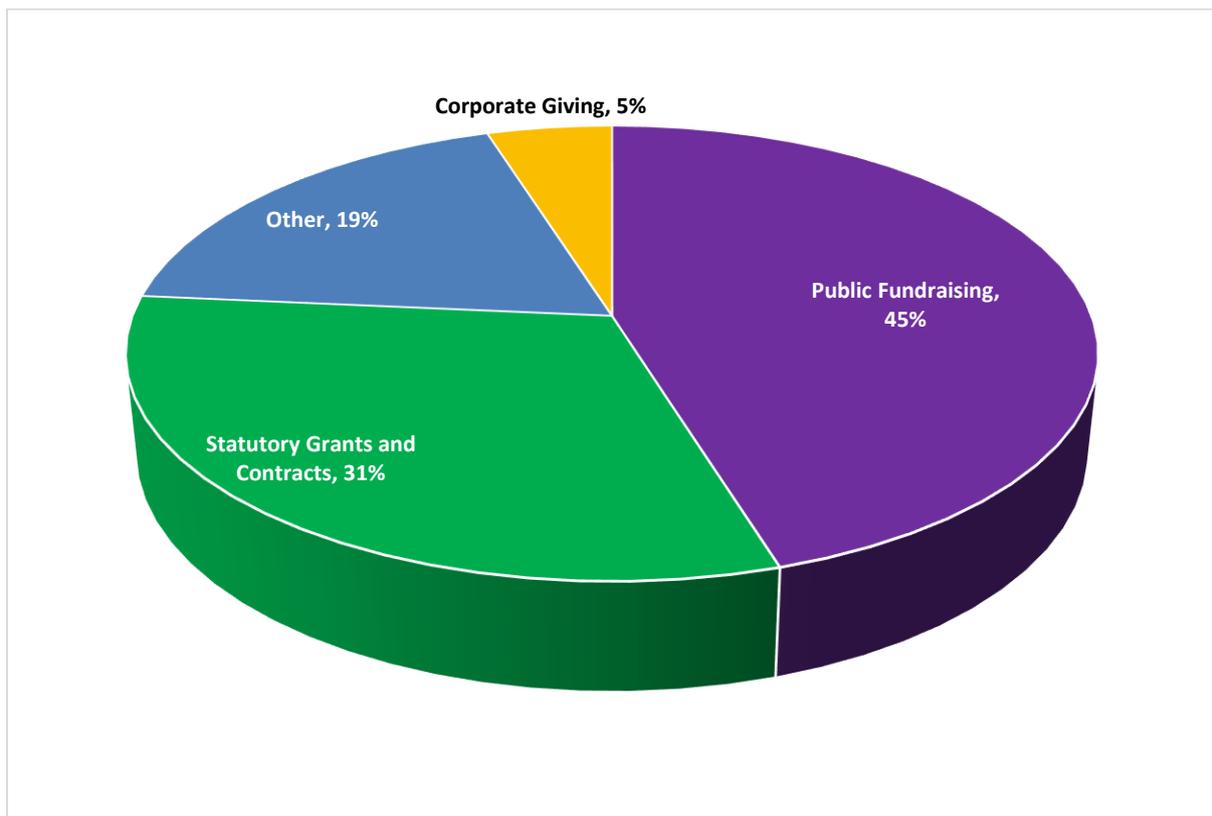


Figure 4 - Income to the voluntary sector by source

Almost half of voluntary sector income comes from public fundraising, through events, regular giving, appeals, face-to-face and door to door fundraising, online campaigns etc. Covid-19 restrictions have meant that many sources of public fundraising are not currently available to VCFS organisations, with fundraising events being cancelled or postponed indefinitely.

Conversely, commitments made by many statutory funders, including Surrey County Council, have meant that income from statutory grants and contracts (one third of voluntary sector income) has been relatively unaffected, at least in the short term.

For Surrey organisations, around 90% of organisations expect to lose some income in 2020-2021, and 5% expect to lose all of their annual income. Around 10% do not expect to lose any income at all.

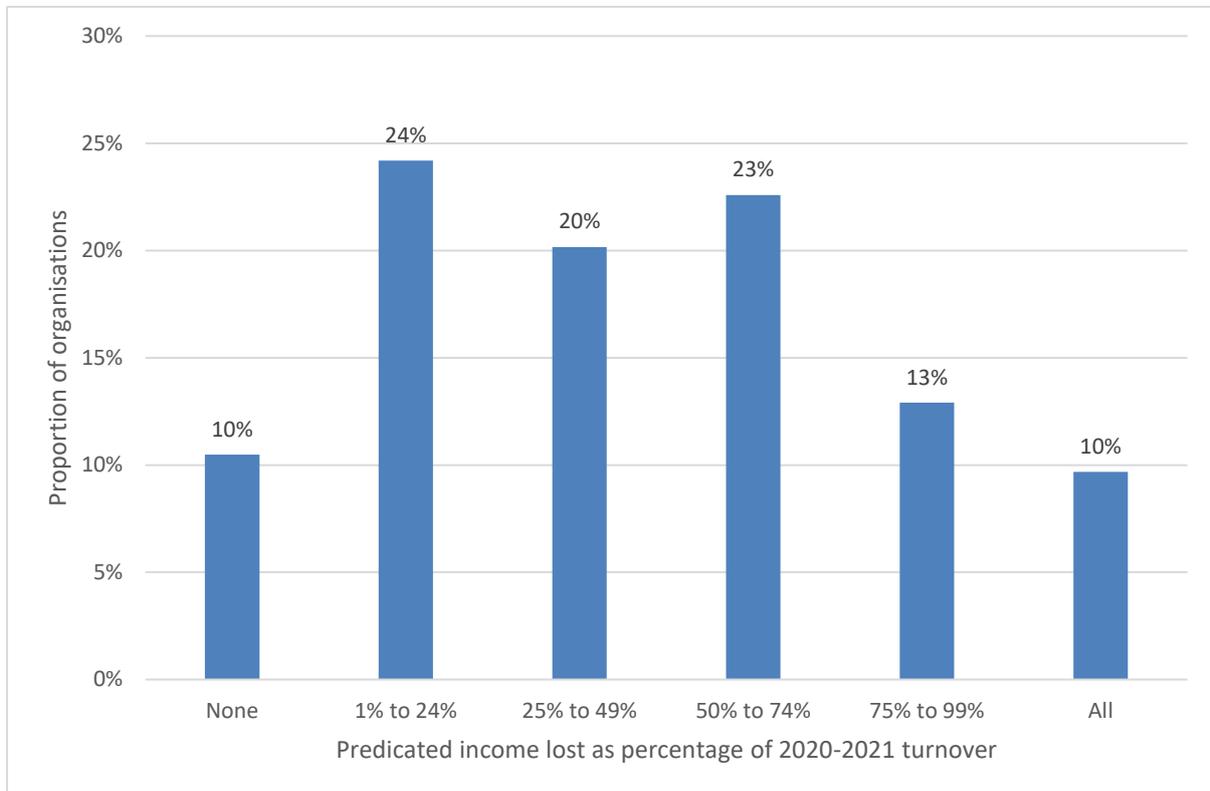


Figure 5 - Impact of Covid-19 on 2020-2021 income

Of those organisations expecting income to be unaffected, they are comprised of:

- Small organisations that are completely volunteer run with minimal overheads
- Larger organisations delivering contracts for statutory organisations including local authorities and health structures.

Those expecting to lose all of their income are comprised of:

- Organisations that rely on service income, such as community buildings that rely on room hire.
- Organisations who rely exclusively on one or two contracts which have now been withdrawn

It is worth noting that, voluntary sector organisations have long been encouraged to diversify their income streams to reduce their reliance on a diminishing public purse. Ironically, some organisations that have been most successful in diversifying their income away from statutory sources have been most affected by the Covid-19 crisis with the massive reduction in public fundraising opportunities not yet seen in statutory sources.

While most organisations are reporting a significant loss of income, this does not mean that most organisations are expecting to close their doors. Those reporting a shortfall are mitigating their losses by:

- Spending reserves
- Reducing overheads
- Furloughing staff, cutting hours or cutting wages
- Reframing services

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“The pandemic has meant that we’ve shut down – completely closed. We receive no mainstream funding so we rely on operating revenues. We’re using our reserves to best effect to help us to get through this period. We had built up reserves to create a capital base and that’s proven to be very wise. We had planned for the unforeseen – that’s become the here and now. But of course, there’s a legal and governance issue to using all of your reserves – we cannot just burn through all it to cover operating costs. And we’ll need some capital to help us to start up again.”

Chairman – Community theatre venue

“Financially we’re in trouble – no two ways about it. We receive no statutory funding – we’re funded half by fees from clients and half from bids to trusts and foundations, but everything seems to be on hold with them and many seem to have transferred their focus to immediate Coronavirus relief projects. We’re just applying to everything we can and keeping everything crossed that some of those will be successful. We raised some funding through an emergency appeal but on the whole that’s too little. We need some big money to keep us afloat. I am extremely concerned not just for us, but for all the thousands of other small and medium charities who may not come out the other side of this. We held 7-8 months in reserves which felt prudent, but really it goes nowhere. Charities need long-term survival funds – not immediate short-term relief.”

Fundraiser – Community Garden Project

“There’s a perverse contradiction around reserves. Save too much for unexpected situations like this and you’re penalised by funders who say ‘your reserves are too high so you don’t qualify for this fund or that grant’, but if you don’t save, then something like this could tip you over the edge.”

Chair – Arts Venue

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The Charity Commission expects voluntary sector organisations to hold reserves to protect themselves against drops in income or allow them to take advantage of new opportunities<sup>1</sup>. The amount held in reserves should be at least sufficient to allow the organisation to close in good order. Most charities will hold around 6 months unrestricted running costs in reserve, which also implies that many may fail to survive if the Covid-19 crisis extends much beyond six months.

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<sup>1</sup> <https://www.gov.uk/guidance/charity-financial-reserves>

Up to 19% of voluntary sector income comes from grant making trusts. Many have responded to Covid-19<sup>2</sup> by providing funding dedicated to organisations affected by Covid-19, for example:

- The Big Lottery Community Fund is honouring all current commitments and being flexible with outputs of existing grants. Funding decisions for the next six months will prioritise getting funding to groups best placed to support their communities in their Covid-19 response, including recovery<sup>3</sup>. This will be necessitate reducing the amount of funding available to other community groups that deliver important services, but not related to Covid-19.
- The Community Foundation for Surrey has set up a Coronavirus Response Fund<sup>4</sup> offering grants to local organisations who are supporting the most vulnerable and isolated during the crisis, as well as recognising local groups who are facing significant uncertainty due to loss of funding arising from this current situation.

In addition, statutory response to the loss of income to the VCFS has included the following:

- Surrey County Council has established a hardship fund to assist local VCFS organisations that have suffered financial and other losses as a result of COVID-19, prioritising small charities that provide services to support vulnerable residents during the COVID-19 pandemic and in the recovery phase as well as those providing broader, strategic services to Surrey residents that SCC considers vital to maintain. Funding will also be prioritised for organisations that will remain viable post-COVID-19.
- On 08 April the UK Government announced a £750 million pot for frontline charities across the UK<sup>5</sup>, aimed at ensuring they can continue their vital work during the coronavirus outbreak, including cash grants to ensure they can meet increased demand as a result of the virus as well as continuing their day-to-day activities supporting those in need. Of this, £360 million will be directly allocated by government departments to charities providing key services and supporting vulnerable people during the crisis. An additional £370 million should support local community organisations working directly on Covid-19 response.
- Previous announcements by the Government included deferring VAT bills, paying no business rates for charity shops, as well as the Jobs Retention Scheme.
- The Government's Coronavirus Business Interruption Loan Scheme has been recently updated to remove the 50% trading restriction for registered charities, meaning that charities are eligible for a loan if they meet the other eligibility criteria of the Scheme.

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<sup>2</sup> <https://www.civilsociety.co.uk/voices/what-funding-is-available-to-charities-during-covid-19-pandemic.html>

<sup>3</sup> <https://www.tnlcommunityfund.org.uk/>

<sup>4</sup> <https://www.cfsurrey.org.uk/surrey-coronavirus-response-fund-reaches-1-million/>

<sup>5</sup> <https://www.gov.uk/government/news/chancellor-sets-out-extra-750-million-coronavirus-funding-for-frontline-charities>

These responses, while being welcomed across the voluntary sector will address a relatively small part of the income deficit expected across the UK's charity sector, which is estimated to be around £4bn in the 12 weeks since the start of the crisis<sup>6</sup>.

Note that much of the support for the VCFS is targeted at organisations responding directly to the Covid-19 crisis, whereas much of the impact will actually fall on other types of organisations who will be critical post-Covid-19, for example community buildings which provide space for local community groups and business (eg nurseries, befriending groups) have seen massive income falls, and may not be eligible for much of the above funding, but once social distancing restrictions are lifted, they will be vital for community recovery.

In addition to this, there is a significant risk that the public think, given the government support scheme in particular, that charities needs have all been met and so public donations may go down. Linked to this is another feature of the Covid-19 crisis; the amount of public fundraising directed to the NHS. For example, "Captain Tom" has at the time of writing, raised £33million for the NHS Charities Together<sup>7</sup>. There are some concerns that such fundraising, while being laudable and admirable, may have an unintended consequence of public funding going to address shortfalls in an under-funded NHS at the expense of actual charities<sup>8</sup>. There are further concerns that topping up the NHS via charitable giving becomes a "new normal" over the longer term.

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"While costs have gone up, our income is shrinking. We took a £500K hit in the first month – we lost £300K alone on a fundraising ball that was due to take place in June. The Marathon and a Spring lunch have also been cancelled and it's unlikely that any mass participation event will take place this year. We're trying virtual events instead like online quizzes and auctions and the 2.6 challenge - it helps but it will not plug the gap. As businesses are affected by the economic downturn then we expect the income we anticipated from Charity of the Year schemes will dry up too. It's a pretty unrecognisable landscape ahead in terms of funding."

Chief Executive – Disability Charity

"For all the press about the Government bailing us out, that doesn't mean we don't still desperately need help. There'll be none of us left – I fear in a couple of months that we'll hear a lot more about charities going under. We're bracing ourselves."

Fundraiser – Community Garden Project

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<sup>6</sup> <https://blogs.ncvo.org.uk/2020/04/09/government-funding-for-charities-an-important-start-but-more-is-needed/>

<sup>7</sup> <https://www.bbc.co.uk/news/uk-england-beds-bucks-herts-52498156>

<sup>8</sup> <https://www.theguardian.com/commentisfree/2020/apr/22/giving-nhs-charity-fundraising-coronavirus-state-taxes>

## Staffing and Organisational Management

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We estimate that there are between three and four community groups in Surrey who do not employ paid staff *per registered charity* or social enterprise that does. Amongst those VCFS organisations employing paid staff, the distribution of staff correlates with income.

For scale, 47% of charities turn over less than £10,000 per year. These organisations are likely to employ few, if any, staff. At the other end of the spectrum, there are charities in Surrey (less than 0.5%) turning over more than £10m and employing more than 500 staff.

The UK's Covid-19 economic support response includes the Coronavirus Jobs Retention Scheme where employers hit by the pandemic who would otherwise have to make staff redundant, have been able to place staff on furlough, with 80% of the staff member's salary being paid by the Government. The scheme does not apply to publicly funded organisations or those who have secure income and does not address employees who have some of their funding impacted but not all. For example, a member of staff delivering one project funded by public donations and one project funded by their Borough Council would be ineligible for furlough as part of their role used secured public funds and an employee cannot be "part-furloughed"

In Surrey, around 24% of paid VCFS staff have been put on furlough. Smaller organisations are less likely to furlough staff, having less capacity to do so and fewer eligible roles; only 12% of such organisations are accessing the scheme.

For larger charities employing more than 10 people, the average furlough rate is 30%, but this figure is skewed, as it includes organisations delivering contracts on behalf of public organisations which have relative security of income. One organisation employing 100 people has furloughed no staff at all, having no need to do so, whereas another charity employing over 500 people has had to place 96% on furlough.

The Government scheme covers up to 80% of salary, subject to an upper limit. Some employers are having to furlough staff at 80%, whereas some are choosing to make up the difference to 100% of salary. Some are opting for a solution whereby lower paid staff are paid their salary up the equivalent of 80% of the highest earners.

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"We've furloughed everyone, except for one member of staff. The furlough has helped – I expect we'll be able to get by for the next six months but if they stop the furlough scheme before they lift the lockdown for the arts and entertainment sector then that'll be very different."

Chairman – Community theatre venue

"We've furloughed staff who worked in the parts of the organisation that are currently inoperable – they've been very accepting. Everyone is just trying to do what they can to help us to get through this - I think it's important as a charity to display self-help where you can. But I will have a significant cash flow problem by the end of July if grants and other sources of funding don't start to come in. I can't let that happen – too many people rely on us. We're too linked to the NHS to be allowed to fail frankly – they understand our place in the pathway out of hospital. But we won't look the same again."

Chief Executive – Disability Charity

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Where organisations are seeing a reduction in income but are unable to furlough staff for any reason, most intend to retain their staff, mainly using their reserves. Around one in five are reducing the working hours of their staff in line with their income, whereas only 1% are choosing to reduce the wages of affected staff. Unfortunately, despite the Jobs Retention Scheme, 6% of VCFS staff are likely to be made redundant in the short term.

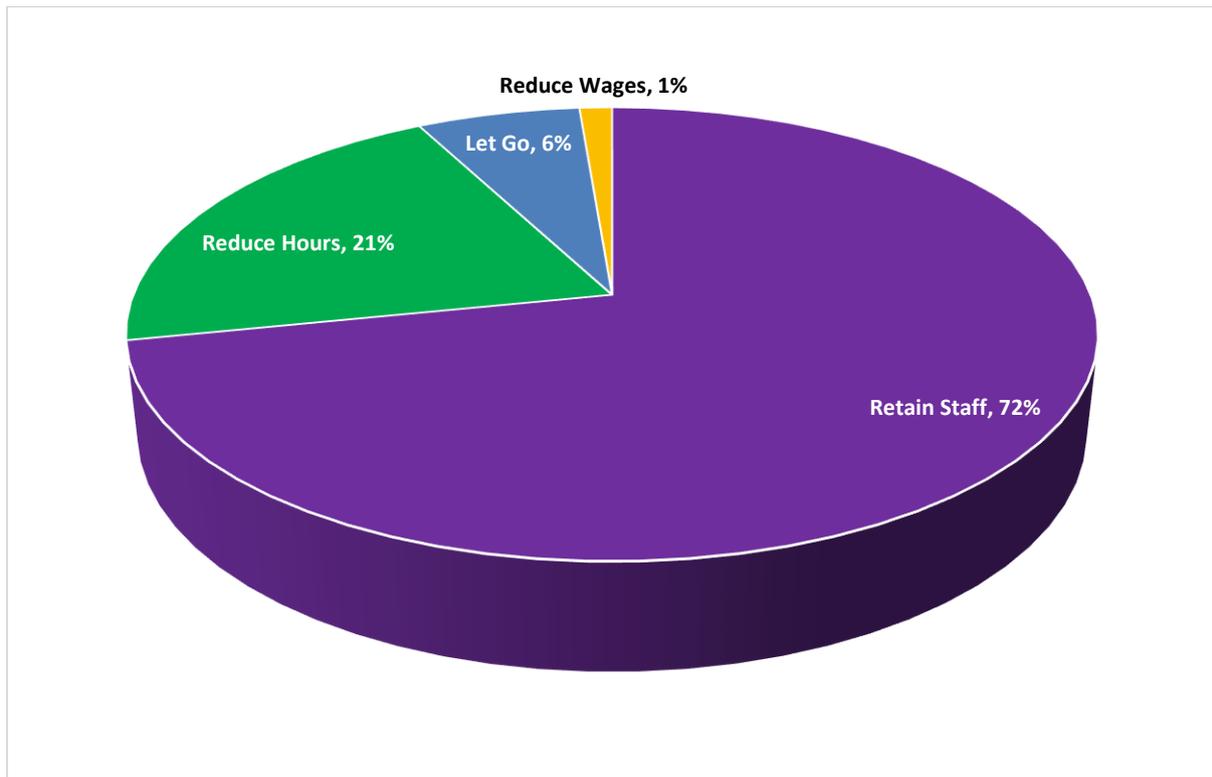


Figure 6 - How organisations are handling non-furloughed staff

Apart from the challenges above, organisations are currently having to manage a multitude of new HR concerns, including:

- Dealing with reduced capacity due to staff being ill, having to self-isolate, or belonging in the shielded category. Some may have to deal with the death of a member of staff.
- Acknowledging new demands on staff who no longer have access to childcare for very young children or who are having to manage the new need for home-schooling but who still need to work.
- New training needs for staff (and volunteers) unfamiliar with digital technologies.
- Managing staff effectively over telephone or video conference.
- Managing employees' physical and mental health during lockdown, including anxiety, stress and bereavement.
- Managing extended peaks in demand for services and therefore needing staff to be at work more and conversely, motivating and managing staff where workload has diminished due to Covid-19.
- Replacing office social interaction and team dynamics when working remotely.

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“I am usually pretty upbeat, as a person. I think my colleagues are too, but when we had an online meeting recently you could tell there was a definite dampening of spirits among the staff and I can also see that with our volunteers too.”

Fundraiser – Community Garden Project

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Most VCFS organisations that were previously office based have made a partial or complete transition to remote working. Many, mainly larger charities and start-up community organisations are already hosting their IT and communications infrastructure and services in the cloud, making a transition to remote working easier. Many others have sought to transition quickly without necessarily having the skills and equipment needed to do so.

Many video conference services are offering free or reduced rates for their services, but still may be unaffordable to some VCFS organisations, not to mention the costs of supplying appropriate equipment to staff.

Many small organisations that operate on a face-to-face basis are finding it more difficult to adapt to a virtual way of working due, in some cases, to staff and volunteers not having the skills needed to make good use of alternative ways of working. Another concern is that volunteers who do not enjoy interacting remotely may decide to leave in the absence of face-to-face contact.

Working remotely and providing services in new virtual ways requires new skills that delivery staff may not currently have or wish to develop. It may be that future recruitment post-Covid-19 may have an increased emphasis on IT skills and capability to work remotely.

There are many challenges and risks associated with a new way of working remotely, but there are lessons being learned that might improve the resilience and efficiency of organisations in the future.

## VCFS Capacity

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Of the existing VCFS organisations, an estimated two-thirds have had to cut some or all their services, with a further 14% unsure whether they may have to cut services imminently. This comes at a time when half of them are experiencing an increase in demand for their services. These cuts are in addition to the 4% of organisations that have closed or are expected to close imminently.

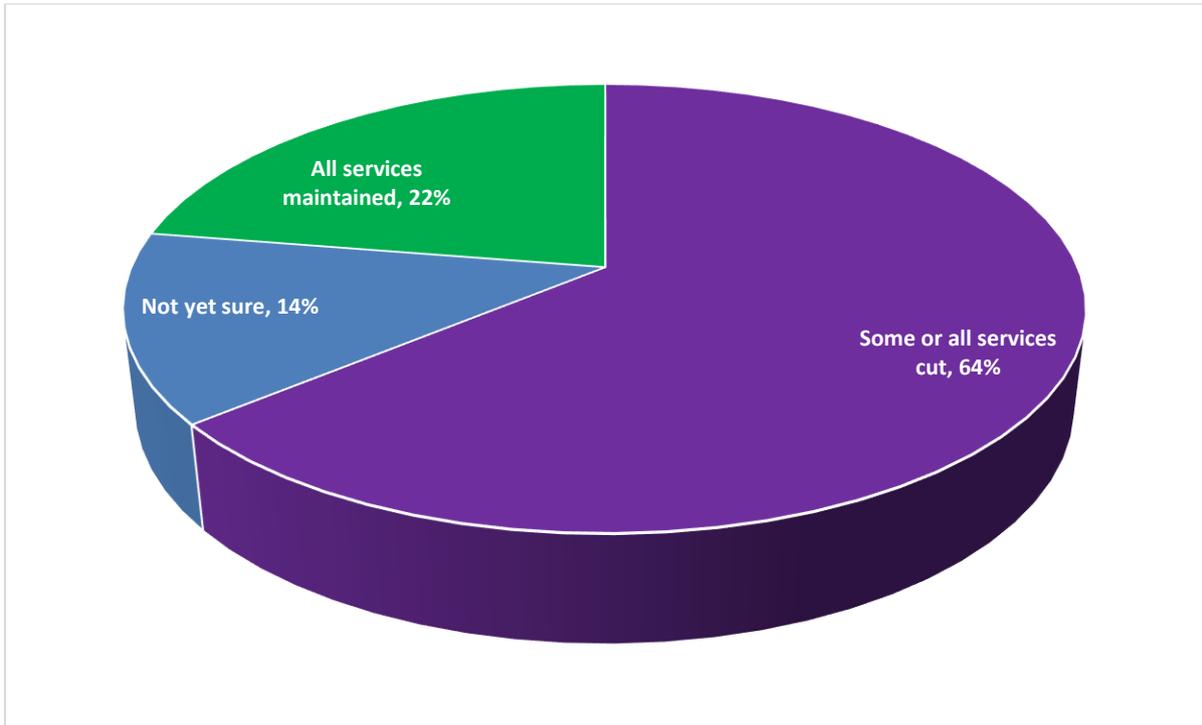


Figure 7 - Existing VCFS service cuts

At the same time, capacity has been maintained or increased because:

- Existing VCFS organisations have devised new ways of delivering their existing services, for example moving face-to-face mentoring sessions to virtual meetings. Some have broadened their range of beneficiaries to allow more people to access their services during the pandemic.
- Existing VCFS organisations have developed new services to replace or augment their usual services, for example voluntary car schemes adding a “check in and chat” service for their usual clients who are shielded and not in need of transport.
- Some organisations have completely repurposed, temporarily changing their entire suite of services to Covid-19 support, for example a youth project converting into a community fridge.
- There have also been many new “mutual aid” groups formed to meet Covid-19 needs within their local communities. These groups, usually organised around social media platforms like Facebook, WhatsApp, and Next Door, have developed organically often without interfacing with the existing VCFS.



Figure 8 - VCFS provision during Covid-19 crisis

The VCFS is supported by many volunteers, and the Covid-19 pandemic has led to a massive rise in the number of people wanting to volunteer. Motivations vary, but include wanting to give something back, and looking for something meaningful to do while in lockdown or on furlough.

As part of its response to Covid-19, the UK Government launched a request for volunteers to help the NHS on 24 March 2020, with a target of recruiting 250,000 volunteers. When the volunteer application portal was paused on 29 March 2020, over 750,000 people had registered to become volunteers<sup>9</sup>. Estimates vary, but as of the end of April 2020, only 20,000 of volunteer tasks had been completed by these volunteers<sup>10</sup>.

There is a similar picture within many Surrey VCFS organisations, in which the local Centres for Voluntary Service (CVS's) have seen many volunteers offering support but there has not been enough need for those volunteers up to now.

It is believed that in most cases, family and local communities are looking after the needs of many of the more vulnerable members of their communities, meaning that an anticipated demand for additional volunteers has not materialised.

VCFS organisations therefore face a challenge in making sure that these potential volunteers are not disenfranchised and lost to the sector, especially as we may see an increased need as lockdown restrictions are revised and many volunteers may be returning to work etc.

<sup>9</sup> <https://www.goodsamapp.org/NHS>

<sup>10</sup> <https://www.bbc.co.uk/news/uk-52418946>

We do not know how many new groups have been set up to tackle the Covid-19 crisis. The Covid Mutual Aid website<sup>11</sup> records 43 new groups in Surrey, and mapping by Surrey County Council shows 250 organisations offering Covid-19 support, although this also includes existing VCFS organisations offering Covid-19 services. Not all new groups will be registered on the Mutual Aid website or be known to Surrey County Council or other strategic partners, so the overall figure is unknown.

The VCFS as a sector is expected to have robust policies and procedures to deal with things like financial management, GDPR, safeguarding, health and safety etc, as well as accountability and transparency provided through registration with the Charities Commission. While many of the Covid-19 mutual aid groups are run by skilled, capable and experienced volunteers, there are concerns that they might not have some of the essential knowledge and experience they need to deliver services safely – both for the beneficiaries and for the volunteers. Resources are being made available to these groups to help them operate safely, but a risk remains.

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“I saw there was going to be a need pretty early on for some sort of community scheme - even before the lockdown. There is a local good neighbour scheme, but they are nearly all older people who need to self-isolate. I tried to set something up with the church and other organisations but there just seemed to be lots of red tape. I heard of a group that had been set up in Cornwall and they had a very simple approach. So, I produced some flyers, posted them through doors and gave a shout-out on Facebook asking for volunteers. Within 24 hours of that happening I had over 50 volunteers, all in their 30's and 40's. I feel that our grass roots movement has been quicker to respond. The NHS scheme was all well and good but checking took too long to get volunteers on the ground where they were needed. Other volunteer organisations seemed to be too constrained by their structure, but of course they can access funds because they are 'official', whereas we aren't.”

Founder – Mutual Aid Group

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“I work in marketing, so I understand GDPR, but it feels like such an unnecessary hindrance when you're trying to set something up quickly for the common good. Safeguarding, DBS checks...it is important of course it is, but all the regulation just feels like overkill for a small grassroots group like ours. I just worked out ways around it so we could get up and running quickly.”

Founder – Mutual Aid Group

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Overall, the VCFS is experiencing a drop in capacity to deliver non-Covid-19 work, but an increase in the capacity to support Covid-19 work. A risk is that many of these mutual aid groups will close as restrictions are lifted, leaving vulnerable people without the support they need. A bigger risk is that we anticipate a surge in demand for services post-Covid-19 at a time when VCFS capacity to help is diminished and more people may need to rely on overstretched statutory services.

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<sup>11</sup> <https://covidmutualaid.org/>

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“Social distancing is really the very opposite of what we are about really, so we’ve had to shut down. As we work face-to-face with people we closed at the beginning of March. We’re still in touch with our clients and our volunteers by phone and we’re also sending them a newsletter. We’re finding our way and doing what we can to support them given that we’ve never experienced anything like this before. Some we don’t hear anything from, but others get in touch with us with their news which is always lovely to hear.”

Fundraiser – Community Gardening Project

“I also worry about what will happen to all of the small groups that use the hall. The toddler music group, the tai chi class, the yoga group – will they survive? We really hope those groups will return. In the meantime, we’re using the time to have a clear out and a tidy up and to do some routine maintenance like varnishing the hall floor.”

Volunteer Premises Manager – Church Hall

“I am doing my best to re-invent what we do online by offering video calls, creating an app containing information and listing support networks, and doing much more on YouTube.”

Founder – Autism Charity

“At first it felt like we were lurching from one thing to another. Having to explain how to make a referral to organisations whose clients had never needed to access our support before for example or changing our referral system from a paper system to online and shifting our distribution model from collection to delivery. Getting that new distribution structure in place had to be done as quickly as possible and there have been some teething problems – addresses aren’t always recorded properly by people referring for example – but we’re settling into a new rhythm.”

Manager - Foodbank

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## Community Needs during Covid-19

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As shown above, many organisations have introduced new services or new ways of delivering existing services. Many of these changes revolve around moving from face-to-face delivery to remote delivery via email, telephone and video conference. Many individuals and organisations are responding well to the new ways of working, but not all, and some are struggling to access the tools needed to deliver remotely.

However, not all services lend themselves to a virtual alternative, for example charities offering respite to carers are unable to provide their normal service at all, and while telephone support might be suitable for a “check in and chat” service, it is less likely to be useful for an art therapy session.

Even if the VCFS can offer services remotely, many beneficiaries might also not have access to the right equipment. Beneficiaries of many VCFS services are, on average, less likely to be able to afford PCs, laptops, tablets or smartphones needed to access virtual content, and even if they do have the equipment, they may not be able to afford data costs such as phone data plans or broadband subscriptions. Again, on average, beneficiaries of VCFS services are less likely to have the skills need to navigate online safely.

Finally, whilst access to reliable broadband and mobile phone signal is good across the majority of Surrey, there are still pockets that are not well served.

There are some VCFS and statutory organisations providing IT to some disadvantaged individuals, but anecdotally, there is not enough to meet the need.

There is also evidence that Covid-19 is impacting on communities differently. One example is Black, Asian and Minority Ethnic (BAME) communities, which are seeing a greater impact from Covid-19 than many other groups: BAME community members are more likely to be care workers and cleaning staff in hospitals (therefore more likely to contract the virus), and are more likely to work in the gig economy or on zero hour contracts (greater risk of income disadvantage). Other factors such as multigenerational families living together also increase risk factors. Together these lead to a disenfranchised community with low confidence to engage with opportunities to improve their wellbeing, a rise in hate crime and community tensions, a rise in mental health issues and more.

Other communities are facing unique challenges too, such as elderly people, economically disadvantaged individuals and those with disabilities.

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“Because our clients are quite vulnerable, they can’t use our day services. A lot of them won’t understand what’s going on and they’ll be frustrated that they can’t get out and enjoy the things that they usually do. So it’s much harder for them really.”

Trustee – Learning Disability Charity

“Financially the crisis is not the worst thing in the world for us as our operating costs are low, and if we’re not running then we have few outgoings. But it’s the families who benefit from our schemes that will be hit hardest. They are on low incomes and some will have a high number of children in one household; quite a few will have no outdoor space - it’s a desperate time for them really. The children will miss out on the educational aspects we offer as well as the opportunities for physical activity. We also help to relieve food poverty as we offer good quality, nutritious hot meals to the children every day we open. The children who come along to our play schemes usually get free school meals during term so they will be missing those too.”

Chair – Children’s Holiday Play Scheme

“Because our clients are very physically fragile and some are particularly vulnerable to infections, we locked down before the lockdown. We started screening using temperature tests and separated large units into small ‘family style’ units to reduce the risk of infection spread. We isolated everyone coming in or returning from hospital to the residential facility as if they were already positive. We’ve equipped staff with PPE, although that creates a barrier with our clients some of whom may be autistic or may rely on seeing facial expressions or lip reading to understand what someone is saying.”

Chief Executive – Disability Charity

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“Our clients have a higher than average incidence of mental illness, suicidal ideation, domestic violence and aggression problems, social isolation and financial instability, so the services we provide are vital to many, many families who are struggling to cope. Our events and clubs offer fun, inclusive social events they wouldn't otherwise be able to access, and our counselling and signposting services are genuinely life-changing for people of all ages and abilities, as well as their loved ones. Without us, our clients would return to being isolated and confused by how to progress and get the most out of their lives, which would lead to an increase of demand on various local services including the education system, police and NHS.”

Founder – Autism Charity

“As you would expect, we've seen a dramatic increase in the number of people being referred to us but even so it's higher than I expected. It more than trebled at one point; now we're seeing an average of twice as many referrals a day.”

Manager – Foodbank

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## Partnership Working

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One welcome impact of Covid-19 on the VCFS is a significant change in partnership working and agility, both within the VCFS and between sectors.

Most VCFS organisations agree that there has been a very effective co-ordinated response to Covid-19 across the VCFS and statutory partners including county and districts/boroughs and health structures. There is recognition that the VCFS, who often feel like a second-class partner, are being treated equally and are being recognised for their skills and experience. There are obviously going to be exceptions, but the direction of travel is very positive.

It is apparent that the VCFS is more involved in strategic conversations and actions, such as Local Resilience Forum Cells and similar groups, in which they are helping set the agendas and not just following them. The VCFS has long maintained that early involvement will lead to better services based on their in-depth knowledge of the beneficiaries they serve and challenges they face, which may or may not be the ones that are visible on the surface. VCFS partners also have different but complementary skills sets to their statutory partners, which often lead to new and effective ways of working.

Some VCFS partners are concerned that, post-Covid-19, these relationships will revert to the previous status-quo, so it is beholden on VCFS leaders and partners to prevent this from happening if we are to re-vision what support to the people of Surrey looks like in the future.

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“Covid-19 has illustrated how support is needed on the ground and how well prepared the [VCFS] sector is to rise up and meeting that challenge. Continue to work in partnership and recognise our strengths rather than playing one off against the other”

Chief Executive – Disability Charity

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While we recognise that working at pace is essential during a crisis like this (and recent flooding as another example), it is leading to some issues. For example, the need to get moving fast may mean that the right people are not necessarily involved. Efforts have been made to ensure that representatives from the VCFS are able to talk about the experience of their own organisation and that of the wider sector, but some voices and perspectives will be unavoidably missed.

Another risk of moving too fast is that we may not be taking the time we need to make the best decisions and may not have time to consider the consequences of actions. For example, offering support to a VCFS organisation to ensure their immediate survival, but leaving behind an organisation too wounded to survive the subsequent months and years may not be the best use of limited resources. Discussions such as these are difficult, but ultimately necessary and need to be done in a measured, evidence-based way.

A further risk of the current speed of activity is the risk of burn-out amongst staff working at pace and being lost to the Covid-19 response due to subsequent mental or physical ill-health. As new structures, systems and processes have bedded in, the rate of change is decreasing, but is still very busy. This is in no way limited to just the VCFS.

## Longer Term Impact of Covid-19 and Afterwards

### Confidence of Survival

When asked how confidence of survival changes between the immediate crisis and the expected aftermath, the data shows more organisations are confident of their survival once they have weathered the storm, but a significant number are less certain of their long term survival. The reasons for the differing views reflect that some organisations are less affected than others, some expect their work and income to increase post-Covid-19 and some believe that their reserves and contingency planning will be enough to see them through to recovery. Conversely, those reporting a decreased confidence are concerned that they cannot survive if restrictions are extended and their reserves run out. Some are also worried about the length and depth of any ensuing recession on their organisations and the funding landscape.

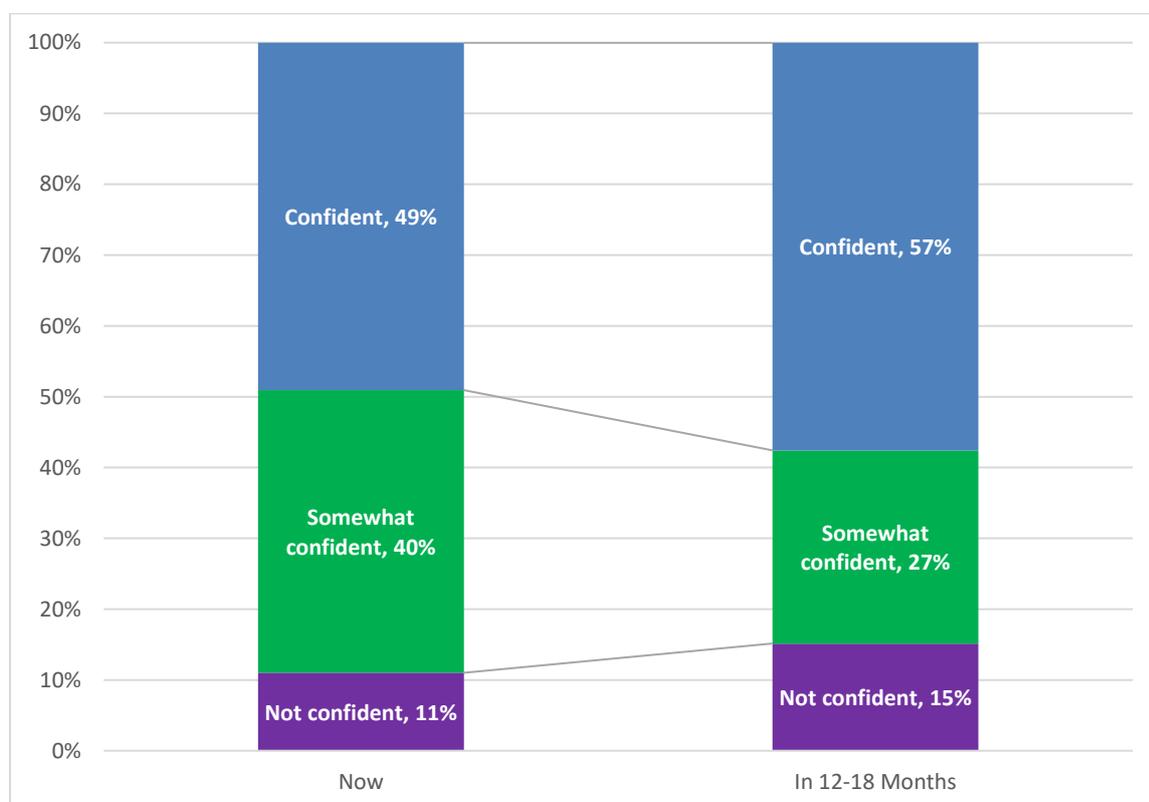


Figure 9 - Confidence of survival, now and in 12-18 months

The data only looks at the immediate and 12-18-month horizon, but we expect the recession to last longer than that and so repeating the question over time may see a further shift in confidence.

### Income

VCFS organisations are expecting to see a further drop in their income over the next 12-18 months, a further contraction of 34% on average, and they expect to see income drop from all sources. Public fundraising (including events and trading) is the most important income sources for the VCFS, and is expected to be the hardest hit over the next 12-18 months due to uncertainty over when and how restrictions might be lifted and the likely economic hit on

donors. Organisations are also expecting grant making trusts and foundations to be a more challenging income source as available funds decrease and competition for grants increases. VCFS organisations overall expect that grants and contracts from statutory sources are less of a concern, but this may be a result of over-optimism of the resilience of public bodies in the face of a future economic downturn and hit on public finances.

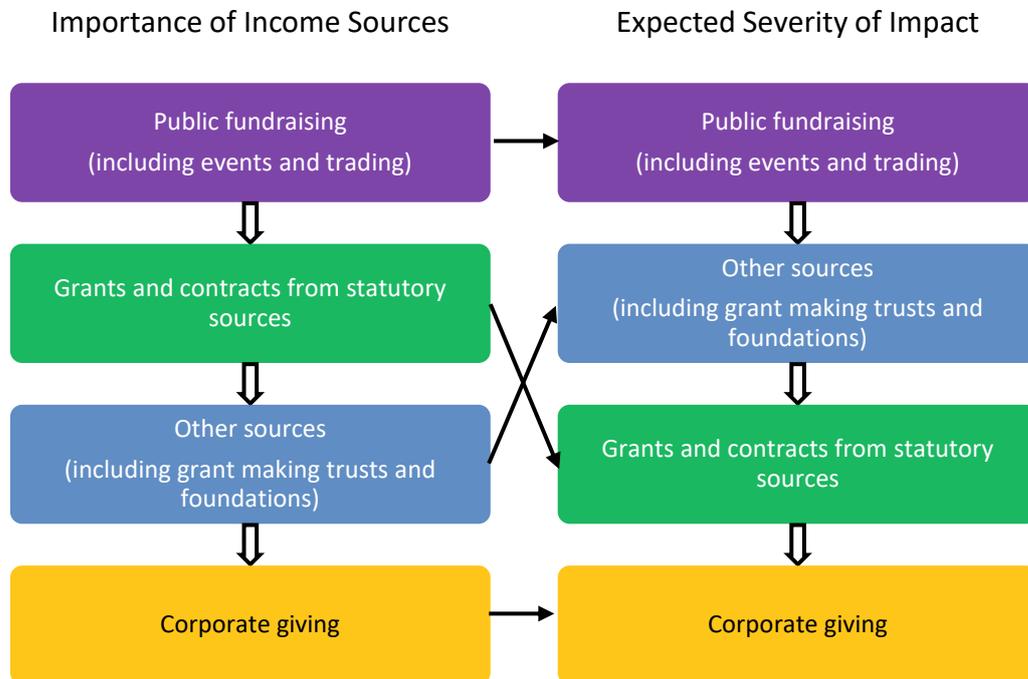


Figure 10 – VCFS priority income sources against expectations of impact.

Medium term resilience for many organisations is entirely predicated on when lockdown restrictions are lifted and whether they can resume traditional forms of face-to-face fundraising such as events. Uncertainty over when and how this type of income generation can work is polarised: Some organisations expect a rapid recovery whereas others expect impact to be felt for many months. All agree that uncertainty is hampering recovery planning.

As the Covid-19 crisis passes, organisations are expecting to see funding currently being diverted towards Covid-19 response to be returned to former purposes. For example, the Community Foundation for Surrey is focusing most of its giving on Covid-19 response, and organisations anticipate an increase in funding for other activities over time.

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“Our costs have gone up – not just because of the investment in PPE. Our smaller family style units cost more to run – we have to prepare more meal portions instead of using one central pot of food, we have to duplicate activities for smaller groups, and we’ve had to increase staffing. There’s also been a reduction of outside support from district nursing and we can’t use volunteers at the moment because of health and safety – that increases costs too.”  
 Chief Executive – Disability Charity

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## Staffing and Organisational Management

Whist over half of VCFS organisations expected to either furlough or lay off staff during the Covid-19 crisis, less than one third expect to have to reduce staffing even further during the next 12-18 months. A significant factor affecting this view is when and how the furlough scheme is ended. If it is ended too early, before incomes at least partly recover, then additional staff may be lost. A concern from some charities working extensively with beneficiaries in the shielded category is that if furlough ends before their beneficiary groups are allowed out of isolation, then they will not be able to deliver their services and their staff will return from furlough to no work and no income.

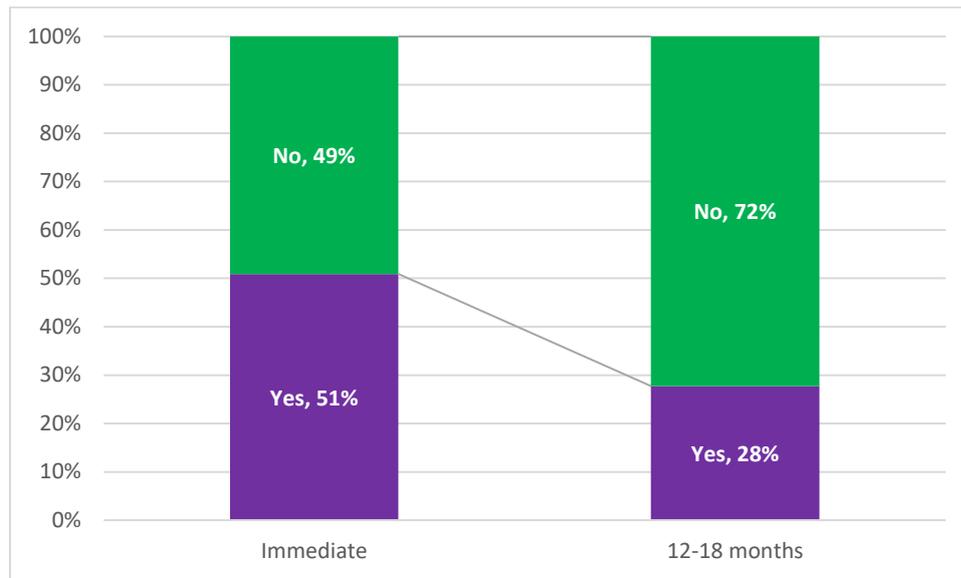


Figure 11 - Immediate and 12-18-month staff cuts expectations

Many VCFS organisations have indicated that they are considering how to return to full operations, and also whether some of their Covid-19 response should be carried forward, for example more remote working, how to maintain social distancing in the office environment and how to keep staff safe during face-to-face working.

## VCFS Capacity

There is an interplay of factors that will influence the overall VCFS capacity over the coming 12-18 months, in addition to the usual economic and societal influences.

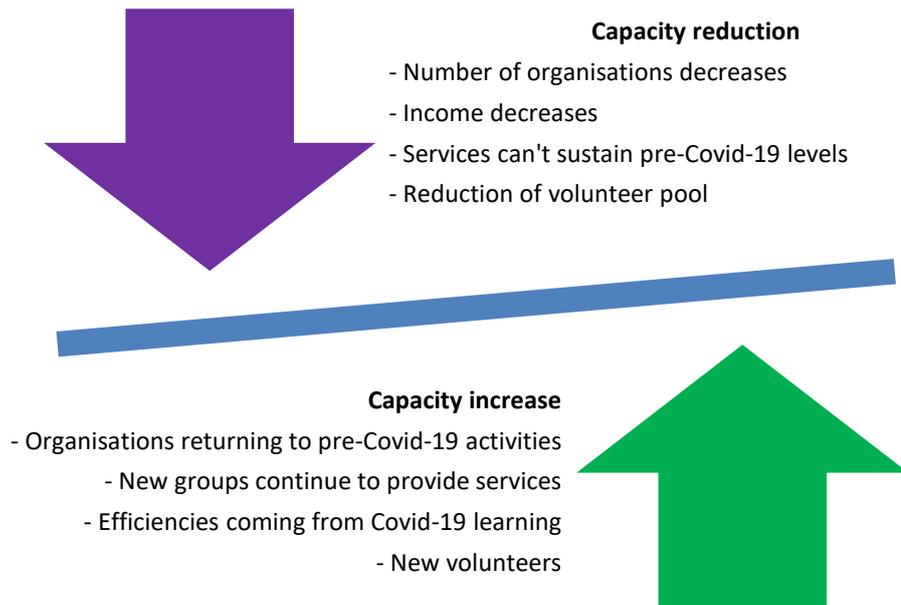


Figure 12 - Factors influencing VCFS capacity post-Covid-19

The balance between these influences is unknown. Some mutual aid organisations have already indicated that they would like to keep going post-Covid-19, but others have indicated that they are likely to close. Some that would like to remain open may suffer from a reduction of volunteer numbers in the absence of the immediate crisis and as people return to work. Others may fall away once they are faced with the realities of running a voluntary sector organisation: Safeguarding, financial management, governance etc.

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“We are becoming more formalised now so we can work in partnership with the local council and volunteer centre to help those who are the most vulnerable and will need to shield for longer.”

Founder – Mutual Aid Group

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It is also uncertain how much of the original VCFS capacity will return as organisations continue to lose income, staff and maybe volunteers (although historically, an economic downturn may see an increase in unemployed people seeking volunteer opportunities).

Capacity may also increase if the large number of NHS and other potential volunteers underutilised during the crisis can be encouraged to volunteer for other organisations and purposes.

Over the next 12-18 months and beyond, the risk remains high that we will see a huge surge in demand for services post-Covid-19 at a time when VCFS capacity to help is diminished and more people may need to rely on overstretched statutory services.

## Community Needs during Covid-19

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Post-Covid-19, we anticipate a very hard and long-lasting recession. During such times, the need for VCFS support always increases, especially services such as worklessness support, financial services, mental health services etc. We expect these challenges to remain and the VCFS to be needed more than ever.

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“We’re keeping in touch with our supporters through social media and using local media to let them know what’s going on. But again, we’re have another a challenge ahead as most of our volunteers and audience are older, so they’ll be at the back of the queue when it comes to coming out of the lockdown. That doesn’t help.”

Chairman – Community Theatre Venue

I do think that when, if, we come out of this, we’re going to be needed more than ever before. That feeling of being confined to barracks is prevalent among us all – it must be especially hard for the people we support. I worry for society in the future – what’s going to happen to all the people that charities support? We’re frontline providers for the social care system in many ways – what happens if we’re not there?”

Fundraiser – Community Garden Project

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However, we may see some of the increase in need being offset by a renewed sense of the importance of communities looking after themselves and others. A lot of community support in Surrey has been self-starting and fully independent of VCFS and public sector involvement. A challenge for the VCS and partners is to harness this community spirit and support it to continue.

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“What I think is brilliant is how social barriers like age or class have broken down. Pulling together has really created a great sense of community. I hope that continues when this all ends.”

Founder – Mutual Aid Group

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## Partnership Working

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As previously stated, most VCFS organisations agree that there has been a very effective co-ordinated response to Covid-19 across the VCFS and statutory partners including county and districts/boroughs and health structures. Most are also confident that this collegiate and rapid way of working together can be maintained if the VCFS continues to be invited as an equal partner around key tables.

However, some VCFS partners remain concerned that relationships might revert to the previous status-quo.

The VCFS also expect that we will see a gradual reduction in the rate of action necessary to respond to the crisis, and would welcome the opportunity to step back and take stock of where we are and where we need to be.

## **Recovery and Re-Visioning**

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While this report covers the impact of Covid-19 on the VCFS and the factors affecting its resilience, it is also necessary to look at what the VCFS needs to do to make sure that vital services are returned to full operational status, but also what changes need to be made to make the VCFS and others more effective in meeting the current and emerging needs of their beneficiaries, but also to make sure that community action and ownership is embedded across Surrey – all sectors. Part Two of this report will cover this in more detail.

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