

Capacity through crisis

*The Role and Contribution of the
VCSE Sector in Sheffield During
the COVID-19 Pandemic*

February 2021



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Summary

- Researchers from Sheffield Hallam University are working with key partners in the city to understand the **value and contribution of the Voluntary, Community and Social Enterprise (VCSE) sector** during the COVID-19 pandemic.
- The research aims to **inform policy debates and developments about the role of the VCSE sector in the city** in the short, medium and longer term.
- This report presents findings from the first phase of research with a *VCSE Engagement Panel* exploring how VCSEs **supported local communities of place and interest** during the first nine months of the pandemic (March-December 2020).
- We found that the VCSE sector **responded swiftly and effectively to the pandemic** through a three-tiered effort based on *informal neighbourhood activity, formal community level support hubs, and city level co-ordination*.
- Three types of **capacity** - often referred to in combination as **resilience** - help explain **how VCSEs responded in the way they did** and provide a framework for understanding their potential contribution to social and economic recovery.
 - **Absorptive capacity** meant that VCSEs responded effectively to the 'shock' of lockdown by working out how to provide support under the new restrictions at the same time as continuing to identify and respond to the pressing needs of vulnerable communities.
 - **Adaptive capacity** enabled VCSEs to adjust their provision as the pandemic progressed through different waves and saw them develop innovative ways to provide support as new needs emerged and the circumstances in which they operated changed on an ongoing basis. **Areas of need** where VCSEs were most active included *physical activity, social isolation, domestic violence, mental health, and food insecurity*.
 - **Transformative capacity** will be needed for a social and economic recovery that enables the city 'build back better'. The VCSE sector could play a transformative role moving forward but there are a number of barriers to this related to *when and how they will be able to operate 'as normal' again, their ability to collaborate, their funding and sustainability, and the need for a more equal two-way relationship with the public sector*.
- **Factors that enabled such an effective collective VCSE response** to the COVID-19 pandemic included the availability of *financial and human resources, digital readiness and*

inclusion, understanding of needs within vulnerable communities, and individual and collaborative leadership.

- These findings **raise questions** about:
 - How to ensure that VCSEs in Sheffield have the absorptive and adaptive capacity to respond to crises of different scales and types in the future?
 - How to harness the transformative capacity of VCSEs to contribute fully to the social and economic recovery of the city?
 - How to ensure there is a more equal relationship between VCSEs and the public sector moving forward?
- Key stakeholders in the VCSE sector in Sheffield should **focus on how the attributes identified in this report can be fostered even further** if the pandemic is to prove a catalyst for lasting change.

Introduction

The Voluntary Action Research Group (VARG) at Sheffield Hallam University (SHU) has been awarded funding from the Higher Education Innovation Fund (HEIF) to work with Voluntary Action Sheffield (VAS) and their Voluntary Community and Social Enterprise (VCSE) sector partners in the city **to develop an evidence-based understanding of the value and contribution of the VCSE sector during the COVID-19 pandemic**. The project is part of a wider research programme at SHU which is seeking to understand how VCSE organisations across the country have responded to the pandemic.

The aim of this project is to capture learning about how the VCSE sector in Sheffield has responded during the pandemic, how the pandemic is affecting their work, and to use this evidence to **inform policy debates and developments about the value and contribution of the sector to the health and wellbeing of communities across the city** in the short, medium and longer term.

The project team has recruited a *VCSE COVID-19 Engagement Panel*¹ who will participate in regular qualitative interviews and other research and knowledge exchange activities such as focus groups and workshops to capture, analyse and then share evidence about:

- How VCSEs are responding to the pandemic by supporting local communities of place and interest
- How VCSEs are working in partnership with each other and the public and private sectors in the city to identify and respond to need
- The challenges associated with the pandemic for VCSE organisations, their staff and volunteers, and the individuals and communities they support.

This report is the first major output from the project. It focusses on **the first nine months of the pandemic (March-December 2020)** to highlight how the resilience of the VCSE sector in Sheffield, and the absorptive, adaptive and transformative capacity which embodies that resilience, is key to understanding how and why the VCSE sector responded in the way it did, and how it can play a role in the social and economic recovery from the pandemic moving forward.

¹ The panel consists of representatives of 10 VCSEs identified through a purposive sampling process (see table 2.1).

COVID-19 and VCSE Sector in Sheffield

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Previous research² has highlighted how the **VCSE sector in Sheffield responded swiftly and effectively to the COVID-19 pandemic through a three-tiered effort** based on:

- **Informal and neighbourhood groups** offering mutual aid and support such as running errands and neighbourliness, providing help for people where they live.
- **Community level support through the COVID-19 hub network** of well-established VCSE organisations with systems and procedures in place for volunteering which became the 'go to' places for support and escalation of concerns. 19 geographically focused community hubs, and 17 specialist hubs, provided virtual check-ins, emotional support, and advice and guidance.
- **City level coordination** which enabled the VCSE sector to contribute effectively to city wide planning and decisions, highlighting the needs of vulnerable people. This provided a conduit to ensure that where possible funding made it to the right places, connected the hubs to the City Council's services, and enabled people to volunteer.

This model of support has ensured that thousands of people across the city received essential support during the pandemic. For example, it is estimated that around one in every 150 households has been helped with food - feeding over 3,000 people each week at the peak.

Despite the speed and scale of the VCSE response, the COVID-19 pandemic has also presented some very real challenges for many organisation organisations. A survey undertaken across South Yorkshire³ showed that although 38 per cent of VCSEs reported increase in demand for their services, 90 per cent reported having to close or put-on hold all or part of their services, meaning new ways to support vulnerable people had to be developed. The same survey also highlighted the potential financial impact of the pandemic for VCSEs. 75 per cent of respondents anticipated at least some reduction in income during 2020-21, with 23 per cent saying they expected a reduction of more than 50 per cent. This left many VCSEs fearful for their long-term sustainability, with 56 per cent reporting that if the current situation continues, they

² Voluntary Action Sheffield (2020). [*Making a Difference: The Voluntary and Community Sector's initial response to the COVID-19 pandemic in Sheffield*](#)

³ University of Sheffield/South Yorkshire Community Foundation (2020). *Analysis of the South Yorkshire Community Sector Resilience Survey*

would be financially sustainable for less than a year. This mirrors national research which suggests that 38 per cent of VCSEs expect their financial position to deteriorate, 80 per cent expected COVID-19 to have a moderate or significant negative impact on delivering their objectives next year, and 14 per cent reported that it was quite likely or very likely that their organisation would no longer be operating next year⁴.

In light of the incredible VCSE response to the pandemic to date, and the very real pressures VCSEs continue to face, this report builds on previous research by capturing in-depth qualitative accounts of ten leaders from across the VCSE sector in Sheffield. These organisations operate either regionally, city-wide or at a neighbourhood level, and tend to support vulnerable people experiencing complex social issues and multiple forms of disadvantage, many of whom are not known to, or struggle to access and be accessed by, mainstream statutory provision. The support they provide covers a diverse range of needs such as mental health, learning disabilities, drug and alcohol addiction, homelessness, ethnic and racial inequalities, health inequalities, unemployment and food insecurity (see table 2.1).

Table 2.1: Overview of VCSE participant organisations

VCSE 1	Community development organisation with a focus on promoting health and wellbeing in neighbourhoods in an economically deprived and ethnically diverse area of the city.
VCSE 2	City-wide mental health charity focussed on providing peer-led community-based opportunities.
VCSE 3	Regional charity providing services for individuals, families and communities affected by substance use, and experiencing multiple disadvantages.
VCSE 4	Regional grant maker for community groups to help people facing hardship and disadvantage and to improve the communities they live in.
VCSE 5	Community-based organisation providing supporting for people with learning disabilities and their families alongside wider community facilities and support.
VCSE 6	City-wide charity supporting the mental health needs of people from Black, Asian and other Minority Ethnic backgrounds (BAME).
VCSE 7	City wide charity providing support and accommodation for people experiencing homelessness.
VCSE 8	Grassroots community development organisation providing a range of services, activities and support in the north of the city.
VCSE 9	A newly developed community-led contact tracing project.
VCSE 10	Grassroots community organisation providing a range of information, advice and guidance to people from BAME communities.

Understanding and sharing the experiences of VCSE organisations and the people they support is of vital importance during the COVID-19 pandemic as it has been described as a ‘syndemic’,⁵ meaning that its **effects have exacerbated existing inequalities** and directly affected the individuals and communities experiencing complex social issues that many VCSEs engage with on a daily basis.

⁴ See the [COVID-19 Voluntary Sector Impact Barometer](#) for more information.

⁵ Bambra C, Riordan R, Ford J, et al (2020). [The COVID-19 pandemic and health inequalities](#). *Journal of Epidemiology and Community Health*, 74, 964-968.

VCSE capacity to respond to a humanitarian crisis

The COVID-19 pandemic, in particular the periods of 'lockdown' first experienced in March-May 2020, needs to be understood as a **humanitarian crisis**. We know from research into other humanitarian and environmental crises, such as earthquakes and droughts, that **three types of capacity provide the foundations for an effective response and recovery** from major shocks: these capacities are often referred to as the constituent components of 'resilience':

- **Absorptive capacity:** the ability to 'soak-up' and 'take stock of' the initial 'shock' brought on by a crisis.
- **Adaptive capacity:** the ability of the different components of a system to learn and combine experience and knowledge to adjust responses so that they can continue operating.
- **Transformative capacity:** the ability to create a fundamentally new system when events, structures or processes mean that the existing system becomes untenable.

'Resilience' therefore results from the combination of all three capacities which may each lead to different sorts of short-term response: *absorptive capacity* may lead to persistence, *adaptive capacity* may lead to incremental adjustments and adaptation, and *transformative capacity* may lead to more widespread and lasting change (Béné et al, 2012).

When applied to VCSE organisations, or the VCSE sector as a whole responding to the COVID-19 pandemic, these three capacities can be framed as follows:

1. The *absorptive capacity* of VCSEs relates to their ability to moderate or buffer the impacts of the COVID-19 pandemic to fulfil their missions or purposes by continuing to support local people in the ways they did prior to the pandemic.
2. The *adaptive capacity* of VCSEs relates to the various incremental changes and adaptations they make in order to continue functioning in response to the pandemic, without making major changes to operating models, mission or purpose.
3. The *transformative capacity* of VCSEs becomes important if the scale and/or duration of the pandemic or its effects overwhelm both its absorptive and adaptive capacities. Transformational change may alter permanently the ways VCSEs work, first to ensure their immediate 'survival', and then, ultimately, to use the crisis as an opportunity to contribute to lasting change for the people and communities they support.

Bene et al (Ibid) emphasise the distinctive importance of each of these capacities as each one leads to different outcomes: persistence, incremental adjustment, or transformational responses to a crisis. Our research in Sheffield and other areas suggests that they provide a helpful way of explaining how and why VCSEs responded in the ways they did, as organisations and as a 'system' of support for the city, and to identify lessons for how the VCSE sector should be supported to develop in the future.

3.1. Absorptive capacity – how VCSEs responded to the 'shock' of lockdown

Following the outbreak of the pandemic and the decision to put the whole country into lockdown in March 2020, most VCSEs had to quickly absorb a major 'shock' to established ways of working. As the following section shows, this meant pausing face-to-face provision and closing offices and other buildings; working out how to provide support under lockdown conditions; and identifying and responding to the most pressing needs of service users and communities. All of this activity took place against a backdrop of uncertainty and near constant change about what VCSEs could and could not do and the availability of human and financial resources with which to carry out their work.

Although in March many VCSEs made the difficult decision to stop face-to-face provision, physically close their offices and buildings, and work remotely where possible; this was necessary for public health reasons. However, this physical closure was countered by a rapid mobilisation of staff and volunteers as VCSEs readied themselves for a change to 'business as usual' by directing service users to the telephone lines, websites and other sources of remote support.

Each of the VCSEs interviewed reacted swiftly to the crisis through a proactive response to finding practical steps to maintain contact with their service users remotely and then later, when possible, in a socially distanced way. Support provision during the initial lockdown in March-May came in various forms. A community health organisation explained that they '*switched to a far more intensive way of supporting people*', moving from group activities to supporting people on '*an individual basis*' (VCSE 1). They also tried to work with the local authority as much as possible to minimise duplication.

Services that have a '*real social element*' (VCSE 1) are important for people's health and wellbeing which meant an emphasis for many organisations being on basic needs. Services and social activities were gradually moved online but these changes were not necessarily instantaneous. Creative ways of keeping in touch emerged following a transition period and new challenges came to the fore surrounding access to digital services. VCSE 8 moved six sessions online including a Memory Café, men's mental health group, and singing group. Remote services proved a successful substitute for those that can access them, and some organisations hope to continue with some element of online provision in the future.

The need to move services online during the pandemic has highlighted the magnitude of **digital exclusion** across Sheffield and some VCSEs have accessed funding to address this. VCSE 3 used the money to supply laptops to people who are digitally excluded and worked with a local internet company to provide mobile internet. Similarly, VCSE 2 got some funding for tablets which they handed out to those who '*had no access to the internet and wanted it*'. Other issues that VCSEs identified and responded to included:

- **Declining physical activity:** levels of physical activity declined amongst many groups during lockdown, particularly those who were required to 'shield' due to

health conditions. VCSE 1 sent out walking maps in the post to encourage physical activity during lockdown.

- **Social isolation and loneliness:** lockdown and the need to shield left many people without any form of social contact. Several VCSEs carried out doorstep visits to keep in touch with more isolated individuals at risk of, or experiencing, loneliness. Maintaining some form of social contact with service users was subsequently described as a 'lifeline' by several VCSEs.
- **Domestic violence:** the numbers of women experiencing abuse had increased and a number of VCSEs were responding to this and the associated impact on mental health.
- **Mental health:** for many people with existing mental ill-health this had been exacerbated by the pandemic, leading to suicide or reports of suicidal thought in some more extreme cases. People with previously positive mental health and wellbeing were also struggling. VCSEs with a focus on mental health and associated issues such as substance abuse were supporting their existing service users to cope alongside having to manage an increase in demand from new people in need of support.
- **Food insecurity:** many low-income households experiencing poverty prior to the pandemic found that this worsened during lockdown and beyond; and other households were also affected by the resulting economic downturn (due to job losses, furlough, redundancy etc). VCSEs were often the first port of call (and last resort) for many households in this position.

The VCSEs who participated in the research highlighted that **the pandemic has been instrumental in both progressing and exacerbating existing complex social issues and vulnerabilities**. For example, one organisation that provides mental health support to BAME communities, the pandemic has worsened mental health among men:

*'...specific work around men and mental health...has become a real issue during this period so we want to recruit a male mental health community support worker and one of the issues that really is hot at the moment is preventing male suicide...'.
(VCSE 6)*

These groups are often less well served by mainstream public services and are the focus of many VCSE's work. Reflecting on this, many participants in the study felt **that the VCSE sector had absorbed the social consequences of the pandemic** and concerns were raised about how sustainable this would be longer-term. '*Firefighting*' was the term used by VCSE 8 to describe their response to the crisis. Another explained their need for additional and more substantial funds from local authority/public sector to support their efforts and explained that they only had access to a small pot of funding which they described as '*flash in the pan money*' (VCSE 3) to keep them afloat.

3.2. Adaptive capacity – how VCSEs developed new ways of supporting vulnerable people

As the pandemic developed, and the implications become clearer, VCSEs adapted their ways of working, providing support to vulnerable people and communities on an ongoing basis based on their emerging understanding of needs and how to address them. This occurred across three broad phases: during the first national lockdown

(March-June); during unlocking (July-September); and as restrictions were re-introduced (September onwards)⁶.

3.2.1. *During the first national lockdown*

Finding new ways of operating was a huge undertaking for the VCSE sector during the national lockdown between March and June 2020. Although organisations were forced to close their buildings many tirelessly carried out ‘telephone check-ins’ with their several hundred vulnerable service users to ensure that from day one, nobody got left behind. VCSE 2 explained that *‘during the first lockdown, we rang every person who had been attending our enterprises’* which equated to over 100 service users. VCSE 3 explained more about the response:

‘That first bit of lockdown was really difficult because...we had no choice. We had to quickly mobilise – what can we do. At the time we had a caseload of about 3-400 people that we were working with and its about...how can we move everything digitally, what can we do to support people. So initially it was about moving the therapeutic groups online, the one-to-one groups online and providing telephone support’. (VCSE 3)

Some organisations found innovative ways of keeping in touch, from creative arts packs and ‘grow your own’ gardening packs (VCSE 2), to activity packs for people with older people (VCSE 8). However, these activities were reliant on resources and funding. Some VCSEs were able to access funding directly related to supporting people during the pandemic but this was not straightforward. VCSE 8 explained that their funding which was sourced from the National Lottery Community Fund and Sheffield City Council, was limited to certain groups:

‘we are only delivering the [activity] packs to members from our Memory Café and lunch clubs because funding allows us to. If we could have got more funding for our other groups, we would have delivered more packs out...but everything comes down to money at the end of the day’. (VCSE 8)

VCSE 4, which distributes grants to community and voluntary projects likened the VCSE response to the pandemic to the Sheffield floods crises in 2007 and 2019. As such, the focus for VCSEs throughout the pandemic has been limited in part by access to funding. They have focused primarily on survival and recovery with an acceptance that they must build resilience in preparation for the longevity of the virus. To aid the recovery and support vulnerable communities, webinars were offered by this organisation to assist access to funding:

‘...we’ve done one for BAMER, one for disabilities groups where we actually had a signer...and those were to target those particular organisations to enable them to get a bit more information on how to apply for funding...We had up to 40 groups at the BAMER one [South Yorkshire wide]...The disabilities one was extremely well attended as well’. (VCSE 4)

Across all communities, food provision became an urgent priority during the first lockdown, with some organisations supplying food parcels where this had not been previously part of their remit. For instance, a mental health charity which serves BAME communities (VCSE 6) delivered 1500 meals city-wide for the first time. The VCSE sector reacted quickly to this surge in demand but others were said to be slow to respond:

⁶ Note that the majority of data was collected prior to the second national lockdown in November 2020, and data has not yet been collected during the third lockdown from January 2021.

'When lockdown first happened, in the first 4-12 weeks, I don't think the statutory services were very good at getting up and running...it was very difficult to get food parcels delivered to people...' (VCSE 3)

VCSE staff struggled to keep on top of the increasing number of requests for help and there was increased reliance on volunteers, but the number and availability of volunteers reduced as the restrictions eased and people went back to work. Moreover, while VCSE staff and volunteers have managed to absorb the 'shock' of the crisis, it was common for volunteers to have similar vulnerabilities to the service users they supported, leading to several needing to self-isolate and some displayed symptoms of the virus. These issues could also affect staff numbers and will continue to do so as the situation with COVID cases fluctuates. VCSE 8 explained that their volunteers were *'either over 70 or [have] someone in the household with underlying health conditions or have underlying health conditions themselves'*. They adapted by working collaboratively with similar service providers to overcome their low numbers of volunteers:

'...we went out to other agencies that were closing...and we asked for volunteers or staff to see if we could work together to be able to provide a sufficient service to provide food on a seven day week basis. We're normally a five day week operation but we knew that the weekend provisions were closing down because they are largely volunteer led and for good reasons couldn't maintain it so between us, we managed to provide a seven day service.' (VCSE 8).

Many VCSEs reported increased mental health problems as a result of social isolation and a lack of routine and had developed innovative ways to address these. VCSE 3 reported that the first lockdown led to increases in drinking and the number of people contacting them for support doubled. Many VCSE services have been adapted and taken online, including social activities and direct support, and this has helped cushion the full impact associated with the pandemic, but the consequences vary across different groups. For example, as a group, homeless people generally lack resilience and depend heavily upon VCSEs.

Despite demonstrating their ability to adapt provision many VCSEs were concerned that this could not continue forever as it was draining both their human and financial resources. VCSE 8 said that they were *'worried'* explaining *'all we've done for the past 9 months is firefight'* and expressed concerns about the long-term impact on them as an organisation and the people they support. They spoke about their lack of control over the situation and while they had received some welcome funding from the local authority, they can still do very little of their *'essential work'*:

'If all we're doing is firefighting...all we're doing is maintaining a group of people on the street that is going to get larger, and that's problematic.' (VCSE 8)

3.2.2. During unlocking

As restrictions around social distancing were reduced, many VCSEs sought to find ways to open their doors as soon as possible. VCSE 6 reported that they *'had a big waiting list of new users'* but had to operate face-to-face groups and activities with minimum capacity meaning they could only prioritise existing users. VCSEs took seriously the need for strict measures to be implemented to ensure that services and buildings were 'COVID safe' and new procedures were introduced such as booking systems. This process inevitably added further strain to resources across the sector. VCSEs shared concerns over the cost implications of providing a 'COVID safe' operating model with one commenting that *'it's more costly as a model than it was before'* (VCSE 5).

3.2.3. Restrictions being re-introduced

Although the data was collected too soon to capture the full implications of further national lockdowns in November 2020 and January 2021, it was clear that uncertainty brought about by the pandemic, and the ongoing adaptation that is required, has left the VCSE sector with an inability to plan. They are reacting to a continuously changing situation where it is difficult to keep abreast of government guidance. It is difficult also for vulnerable service users to understand the situation. One organisation (VCSE 5) that supports people with learning difficulties explained that their clients struggled to adapt because they did not have the same level of understanding about the pandemic, and that it was affecting everyone. Other VCSEs have also found it challenging to communicate government guidance to their service users with each one experiencing different obstacles. One such example is VCSE 8, whose service users are considered to be a *'disenfranchised'* group that does not normally comply with rules and regulations.

3.3. Transformative capacity – opportunities and challenges for VCSEs in supporting Sheffield to 'build back better'

As the pandemic has progressed there has been increasing discussion nationally and locally about a post-COVID future and the need for a social and economic recovery that enables the country 'build back better'. Participants in this study felt that the VCSE sector could play a transformative role moving forward but identified some barriers to this.

The VCSEs interviewed had assumed the position of operating as 'COVID safe' to be part of their *'long term planning'* (VCSE 10). However, difficulties surrounding access to funding hindered future plans and investments with one organisation explaining that their funding from the local authority was soon to be based upon the services that clients are using rather than what they need to provide (VCSE 5). As such, whilst some funding had been accessed to address digital exclusion for example and some funders had allowed flexibility in order to facilitate the provision of activity packs, there were concerns about sustaining services in the longer term. While it may be too soon to confirm whether the operating models that have been adopted during the pandemic will alter permanently, representatives suggested they are a long way from being in a 'business as usual' position:

'...as an organisation we've got to try and look to either regain the funding we've lost through room hire and new tenants coming in to use them...its leaving a big hole in our funding at the moment. We have been successful in some grants but that's what a lot of our time is spent on at the moment, just trying to get funding...to bridge us to where we might be sustainable as an organisation again'. (VCSE 5)

Working collaboratively across the VCSE sector has subsequently become more important than ever. Collaborative leadership existed previously across the sector but has been accelerated by the COVID-19 pandemic. This had been particularly evident across VCSE's who have become part of a community hub or taken on anchor roles. Many organisations are building upon existing collaborative relationships and developing new ones such as VCSE 10 that is already *'networked very well'* with other BAME providers across Sheffield. Joining the hubs enhanced this organisations' network, describing it as *'a really good experience because there were other people on there that were talking about [COVID-19 issues]'*. They subsequently felt less *'isolated'* and more *'supported'* and were provided with resources to communicate social distancing guidelines to service users (VCSE 10). It was also thought that the hubs are also helping with *'myth busting'* some of the suspicions that exist across the VCSE sector associated with issues such as access to funding which is said to have

caused competition between larger and smaller organisations and led to misperceptions about intentions which can prevent collaboration.

Reflecting on this point, VCSE 4 suggested that there is a need to continue to develop and support anchor organisations so that they can in turn support smaller VCSEs and the wider population of the city. To achieve this, it was argued that the capacity and capabilities within the VCSE sector, and their ability to respond quickly, need to be acknowledged more broadly, and that this should provide the basis for a new type of relationship with the public sector. However, VCSEs expressed concern that their relationship with the public sector continued to be *'one-way'* and *'top-down'*. In practice this means it often feels like the public sector asks VCSEs to *'jump'*, to which the response is typically *'how high'*, but there was little evidence of public sector responsiveness to concerns that VCSEs raise from the *'bottom-up'*.

VCSEs therefore expressed hope that the new relationship with the public sector that is formed beyond the crisis is one in which accountability becomes more of a two-way process. This will require the public sector to recognise the true value of the VCSE sector during crises such as the COVID-19 pandemic - its capacity to respond by absorbing shocks and adapting to new needs and contexts; and engage with vulnerable people who are less well served or reached by mainstream services - and develop a strategy for how this can be fostered and sustained for the longer term.

4

Factors affecting VCSE resilience and capacity

The previous section discussed the resilience – different capacities – of the VCSE sector in Sheffield and how these enabled such an effective collective response to the COVID-19 pandemic, as well as identifying the challenges they have faced. Our research has enabled us to develop some **initial hypothesis about the factors that enabled VCSEs to absorb and adapt** in the ways described. These factors will also be key in ensuring the VCSE is able to play a more transformative role moving forward.

4.1. Resources

VCSEs were able to draw on two types of resource, to varying degrees, during the pandemic: financial and human. *Financial resources* are funds that VCSEs have available to them from a combination of sources such as charitable grants, public sector contracts, fees for goods and services, donations and fundraising. Following the outbreak of the pandemic many funders allowed VCSEs to repurpose their existing funds from grants and contracts to support the pandemic response, providing vital flexibility when it was needed most. There has also been additional funding, albeit quite small and time limited amounts, made available nationally and locally that some organisations have been able to draw on. By contrast, many organisations' income fees for goods and services (often linked to a building), donations and fundraising dried-up during the pandemic and it is unknown when these will begin to recover. Furthermore, many VCSEs are likely to experience high levels of financial precarity over the next few months and further into the future, which may limit their capacity to respond in the longer term.

Human resources are the staff and volunteers that VCSEs use to manage, plan and deliver their services. Throughout the pandemic, staff and volunteers demonstrated considerable commitment and resolve to ensure that their organisation was able to respond in the ways described throughout this report. Most of these individuals embody an ethos and values that are unique to the VCSE sector and meant that many people were prepared to do whatever it takes to continue supporting vulnerable people and communities. But their capacity is not limitless, and there are concerns about burnout and the toll the pandemic is taking on their wellbeing, which may be another limiting factor on the capacity in the longer term.

4.2. Digital readiness and inclusion

VCSE organisations that had been able to *invest* in their digital infrastructure and capability for remote working and service provision prior to the pandemic were better placed to absorb the shock of lockdown and ensure continuity of some form of provision. VCSEs whose digital infrastructure and capability was *less well developed*

had to quickly put new systems in place and support staff to adapt to a new way of working. Similarly, some VCSE service users and parts of the wider community were better placed than others to engage with online support. As such, the pandemic has really highlighted the extent of digital exclusion in some parts of the city that meant some service users and community members have struggled to stay connected and access support.

4.3. Relationships

VCSEs' pre-existing relationships, and their ability to form new relationships, came to the fore during the pandemic and ensured that, where possible, the work VCSEs undertook during the pandemic was both complementary and supplementary to the city-wide effort. This was important at a number of levels. First, they were able to use their relationships and trust with *individuals and communities* to ensure support was provided where it was needed most. Second, VCSEs were able to build on relationships *within the sector* to work collaboratively to address needs amongst communities of place interest. The speed at which the hub model was established was evidence of this, and it provided a vital platform for collaboration throughout the pandemic. Third, there was a positive and collaborative relationship between VCSEs and the *local public sector*. As discussed earlier in this report, VCSEs tend to support vulnerable people experiencing complex social issues who are not known to, or struggle to access and be accessed by, mainstream statutory provision. This meant the public sector relied on VCSEs to engage with some of the hardest to reach groups in the city. Finally, *Voluntary Action Sheffield played an important co-ordination role knitting these relationships together*, which demonstrated how a well-resourced and connected local VCSE infrastructure organisation can be vital for facilitating relationships in times of crises.

4.4. Understanding of needs

There are numerous examples in this report of how, throughout the pandemic, VCSEs had been able to *identify and respond to needs amongst their service users and the communities they support*. This meant that they were often 'first responders' to these needs but it also meant that they were able to provide vital intelligence for public sector bodies and other VCSEs to help improve the effectiveness of the wider response. VCSEs are ideally placed to play this role as they are often closer to the ground than public services and have fewer bureaucratic structures and processes through which information must pass before it can be acted upon.

4.5. Leadership

VCSE CEOs, Directors and senior managers showed high levels of leadership to ensure that the pandemic response was as effective possible. This leadership took effect at two levels. *Individual leadership* enabled each VCSE organisation to respond as effectively and responsively as possible. This included ensuring internal process for remote working were put in place at the beginning of the pandemic and enabling the adaptation required as the pandemic progressed. *Collaborative leadership* enabled VCSE organisations to work together, through the hub model but also on a more informal and ad hoc basis, to ensure that the city-wide response to the pandemic was as affective as possible given all of the other factors discussed in this report.

Conclusion

This report has discussed in-depth **how the VCSE sector in Sheffield responded during the first nine months of the COVID-19 pandemic** (March-December 2021). It has focussed on how the resilience of the VCSE sector - *embodied by absorptive, adaptive and transformative capacity* - is first, key to understanding how and why the VCSE sector responded in the way it did; and second, key to ensuring the sector is fully involved in the social and economic recovery from the pandemic.

The findings have **important implications for the VCSE sector in Sheffield** and its wider stakeholders in the public and private sectors who both support and benefit from its work. These include:

1. How to ensure that VCSEs in Sheffield – at an organisational level and sector wide - have the **absorptive and adaptive capacity to respond to crises of different scales and types** in the future?
2. How to harness the **transformative capacity of VCSEs to contribute fully to the social and economic recovery** of the city?
3. How to ensure there is **a more equal relationship between VCSEs and the public sector in the future** in which the true value of the sector is understood and accounted for?

The answer to these questions is likely to be found, at least in part, in the different factors discussed in this report. If *resources, digital readiness, relationships, understanding of needs* and *leadership* are what enabled VCSEs to respond in the ways they did, then these should be the focus moving forward. Key stakeholders in the VCSE sector should identify the ways in which these can be **fostered and developed across the city** if the pandemic is to be a catalyst for real and lasting change.