

VCSE Manifesto 2021



VAL

Helping people change
their lives for the better

Foreword

Voluntary Action LeicesterShire (VAL) the local infrastructure support organisation for Leicester and Leicestershire began working on a Voluntary, Community and Social Enterprise (VCSE) Manifesto in early 2019.

Initially talking with a small number of stakeholders representing voluntary groups and charities from across the area a draft was agreed along with a plan to engage wider during early 2020. This work paused as VAL along with other organisations pivoted to support their local communities during the COVID-19 pandemic.

As we edge towards something more normal the manifesto has been updated to reflect the previous 18 months and is endorsed by leaders from XX voluntary groups and charities from across City and County.

Introduction

The work charities do is life-changing and can have a profound impact on some of the most vulnerable people in society.

No single event has highlighted this impact as starkly as the Covid-19 pandemic. Charities and voluntary groups have struggled along with other sectors, but where organisations have been well-resourced the community response to the crisis has been strong.

One element of the VCSE Sector that saw a resurgence were mutual aid groups. These informal collectives of volunteers provided much needed support to those who were left isolated during the pandemic; from doing a weekly food shop to offering befriending. This surge was reliant on the large number of furloughed working-age individuals, suddenly provided with free time. This became more apparent in the second and third national lockdowns where less individuals were furloughed, meaning many mutual aid groups disappeared as quickly as they had appeared.

Well-resourced organisations were noticeable in their ability to pivot from providing one type of service to another within a short window of time. One organisation for example pivoted away from providing emergency food to individuals who were homeless to providing food boxes to those who were self-isolating. Voluntary Action LeicesterShire were able to shift resources to coordinating the huge numbers of people wanting to volunteer in the early pandemic in April 2020; later, we pivoted again to placing volunteers at vaccination sites.

Across Leicestershire there are over 2,000 registered charities and an estimated 3,800 grassroots community groups, offering a huge variety of vital services to a range of different beneficiaries.



2000

REGISTERED CHARITIES



3800

COMMUNITY GROUPS

However, for both informal and formal voluntary groups to respond in this way, there is a common factor: resilience. In order to be resilient to changing conditions, VCSE organisations of all sizes rely on stable sources of funding to survive. This manifesto seeks to set out a future where our voluntary sector is well-resourced, sustainable, and is able to achieve its full potential for the benefit of local people.

VCSE groups can offer innovative, effective and holistic solutions to societal problems that are deeply entrenched and difficult to solve. Loneliness, isolation, mental health – many of these kinds of problems are best tackled by people who have a deep understanding of their local communities and the passion to take action.

The strength of our VCSE sector lies in the huge diversity of organisations supporting service users from a variety of social and economic backgrounds. Around 20% of our registered charities are medium-to-large national or regional charities, some of which have been successfully serving communities for well over 100 years and have the expertise and resources to be self-sufficient in difficult times.

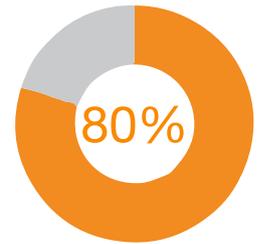
The other 80% of the sector is made up of small and micro charities and community groups who operate on a yearly income of £100k or less. These groups work with limited resources, small numbers of staff or volunteers, and often provide niche services to people in some of our most deprived communities that public sector services no longer reach. These organisations are a precious resource, acutely affected by changes to available funding and often lacking in the skills, knowledge and means to find new ways to generate income.

We should be proud of the amazing work our local voluntary sector does, but pride isn't enough to keep our charities running. If we believe in the work of the voluntary sector, and we believe in supporting some of the most vulnerable and hard-to-reach people in society, then we must ensure that local VCSE groups are well-resourced and given the training and skills they need to be sustainable for the future.

This manifesto addresses three key areas that we believe are vital to the long-term future of our voluntary sector:

<p>SUSTAINABILITY AND RESILIENCE</p>	<p>LOCALISM AND SOCIAL CAPITAL</p>	<p>POTENTIAL</p>
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Kevan Liles, VAL Chief Executive



SMALL / MICRO CHARITIES AND COMMUNITY GROUPS



£28m

COMBINED INCOME FROM SMALL/MICRO GROUPS



£494m

COMBINED INCOME FROM MEDIUM/LARGE & MAJOR GROUPS

Sustainability and Resilience

Long-term sustainability is one of the ultimate goals of any VCSE organisation, and for the sector as a whole. Reliable income is key to sustainability, and after years of austerity charities have been encouraged to radically adjust how they generate funding and diversify to find new income sources.

Funders currently tend towards larger, tightly-defined contracts, and charities are encouraged to trade to the public to supplement their income and become self-sufficient. Whilst many parts of the sector have become leaner, more efficient and more outcome-orientated than ever, this model is not appropriate for all.

The Covid-19 pandemic has revealed that a lean sector is not necessarily a resilient one; tight margins mean fewer resources to pivot to acute need, and an inability to provide the

flexibility that is one of the strengths of the VCSE sector.

As seen during the pandemic, a resilient civil society that can respond in a crisis is critical to the wellbeing of local citizens. Building this resilience in our sector requires flexibility within contracts and grants, allowing VCSE organisations to invest in their core services; the current funding culture that leans towards results means that small groups above all others cannot invest in this way.



Supporting small organisations

Research by the Centre for Regional Economic and Social Research reveals that large contracts favour large charities. Small groups (operating on £100k per year or less) and micro groups (operating on £10k per year or less) make up almost 80% of registered charities across Leicester and Leicestershire. Their distinctive value is their ability to respond to hyper-local needs in an effective and holistic way, but they are usually not equipped to bid for large contracts and many of them work in the most deprived communities where trading is a challenge.

In 2017-18, long before the current crisis, 190 small and micro charities closed across the Leicester and Leicestershire – an unprecedented 10% decline in a single year. In 2019, even though the income of the sector as a whole grew by 2.4%, the income of micro groups declined by 18%.

If we value small charities then we must find ways to continue supporting them.

Achieving long-term sustainability

Longer funding cycles would make it easier for charities to plan for the long-term and retain key skills. Where organisations have successfully delivered a service for a long time and are in a position to keep doing so, making them sole providers would reduce disruption and allow them to focus on delivering key services.

“Short-term policies, programmes or funding cycles... prevent the development of local capacity and healthy partnerships between communities and government and lead to inefficiencies”

- THE MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

Overly risk-averse funders can also impact long-term. Funders often assume that charities have the skills, infrastructure or capacity to deal with risks like TUPE, legal structures or being living wage employers. Whilst all funders have the difficult task of balancing risk and value for money, placing too much risk on VCSE organisations can be a burden.

How this could be achieved:

1. A longer-term view of the future of the VCSE, focused on sustainability and a better understanding from funders about the charities they are funding and the impact they have on local communities.
2. Ensure funding available where it can have the greatest effect at a grassroots level by providing more small grants and contracts at a hyper local level that factor in core running costs.
3. Longer funding cycles of at least five years including making organisations that have successfully delivered services for a long term sole providers but done so in an open and transparent way.



The difference it would make

A stronger and empowered sector able to build capacity and retain skills and focus on delivering key services that support and enable individuals and communities to fulfil their full potential.

Localism and Social Capital

By its very nature, civil society is intrinsically local at heart. All communities, whether inner-city neighbourhoods or small villages, have shared interests and concerns. VCSE organisations run by passionate local residents have unique intelligence of the needs and issues of those communities and are in day-to-day contact with local people.

The power of localism has been demonstrated by the Covid-19 pandemic. Mutual Aid Groups (MAGs), formed by proactive local volunteers, provided much indispensable support to those who were left isolated during the pandemic. However, MAGs rely heavily on strong social capital; the capacity of local residents to consider others and act generously and cooperatively.

Investing in and supporting local community groups is a fundamental way to increase social capital by creating opportunities for individuals to interact with each other, to build social bonds and networks. In order to harness volunteering and mutual aid in Leicester and Leicestershire we need a strong network of hyper-local VCSE organisations to direct efforts and to act as a pillar for individuals to coalesce around.



Investing in local intelligence and skills

We should invest in local charities in the same way that we invest in local independent businesses. Ensuring local charities are well-funded means investing in local people, creating jobs and strengthening the local economy. A strong VCSE sector can draw in external funding from national trusts and foundations, enabling local funding to go further whilst opening up more possibilities for groups to deliver vital services.

Funders must recognise the importance of localism, not only in terms of delivering better, more targeted services through local understanding of need, but by creating and retaining jobs for local people. Localism and local intelligence should be rated at a higher value in the funding and commissioning process, ensuring that local money prioritises true local impact.

By doing this over the long-term we will help build Leicester and Leicestershire's social capital, building strong networks of people willing to support each other and ready to step up should emergency situations arise in the future.

Support provision for local charities

All charities, regardless of where they receive funding, can benefit from access to support on anything from governance to applying for additional funding bids and effectively managing volunteers. A well-funded infrastructure organisation acts as a multiplier for local charities, supporting them to overcome any obstacles to delivering services and encouraging them to work in ways that help them to become sustainable for the future.

A local infrastructure organisation also acts as a repository for skills, experience and intelligence that can be shared across the rest of the VCSE sector and tapped by both public and private sector funders who want to understand how to improve the value and impact of the organisations they fund.

The Covid-19 pandemic has also highlighted the benefit of having a local infrastructure organisation, by acting as a central hub of volunteering efforts and information to local community groups.

How this could be achieved:

1. The value of localism should be a serious consideration with local funders prioritising local organisations and viewing them in the same way business are - a way to invest in people and communities, as well as the local economy
2. Building and maintaining social capital should be a primary aim of local authorities and funders when interacting with local community organisations
3. A well-funded local infrastructure organisation acts as a localised resource of technical support and intelligence for the benefit of all local VCSE groups



The difference it would make

A local infrastructure organisation acts as a multiplier for local charities supporting them to overcome obstacles and become a way for funders to invest in people and communities, as well as the local economy. Creating jobs and strengthening the local economy building social capital and strong networks of people willing to support each other that we all benefit from.

Potential

The pandemic has demonstrated that our sector has an enormous impact on local communities and that we can accomplish amazing things when we work well with local authorities and the statutory sector; we need to ensure that we can clearly demonstrate and communicate our true value.



Embracing impact as a long-term measure of success

Demonstrating impact on the lives of our service users, collecting better data and creating powerful stories about our work will give us more tools to influence how VCSE groups are funded and invested in.

VCSE organisations need to be encouraged to change the way they think about outcomes.

This can be achieved at an operational level through training, but it can also be achieved at a system level by having funders change monitoring requirements for contracts and grants. Funders should consider moving away from output-based commissioning which tracks overall numbers of beneficiaries, to long-term outcome-based commissioning which focuses on quality of service for the individual.

A renewed approach to collaboration and partnership

Partnership working and sharing of best practice is the sign of a healthy VCSE sector. There is potential for more partnership working within the sector, particularly on large public service contracts, but short timescales within the commissioning process often hampers the process of developing collaborative bids and fully negotiated partnerships. If public sector commissioning was more open, with clearer indications of intent and what contracts are being considered, it would give VCSE organisations more time to develop partnerships and those already delivering large contracts would be able to better plan for the future.

Better collaborative working between the VCSE and public sector is also key to unlocking the solutions to many societal issues. Both sectors have considerable knowledge and expertise which should be shared. Through engaging with individuals at a grassroots level, VCSE organisations understand what local services should look like and can offer counsel to the public sector. The Ministry of Housing, Communities and Local Government supports this, believing that in order to develop strong social capital there has to be community involvement and coproduction in the design and delivery of local services.

Communicating the good work of the VCSE Sector

Our own experience of working with the public sector is that while individual staff within those organisations may know the good work of certain VCSE groups, this information is not readily shared throughout the public sector body. Wider dissemination of the work of the VCSE sector is needed in order to provide a truly joined-up approach and promote the impact of the sector to the general public.

Potential continued...

How this could be achieved:

1. VCSE organisations should develop an impact culture, collect better data and aim for long-term outcomes for their service users.
2. Commissioners should emphasise long-term outcomes for individuals, ensuring that VCSE organisations are properly funded and supported to achieve the greatest impact
3. Commissioning intent should be more visible, to enable more time for meaningful partnership building
4. Commissioning bodies should share the outcome data they receive from the VCSE groups they commission more widely, to promote a better understanding of the impact the VCSE sector has across the board



The difference it would make

For our VCSE organisations to reach their full potential, we must be able to demonstrate how vital they are to society and build meaningful partnerships both within our own sector and with other sectors



Support our local voluntary sector

This manifesto is the first step in helping create a sustainable future for our voluntary sector.



We already know that charities and community across Leicester and Leicestershire do amazing work, and we want to ensure that they are able to continue providing vital services for local communities for years to come.



About VAL

Voluntary Action LeicesterShire (VAL) is a charity that helps people in local communities change their lives for the better, through direct service delivery and by supporting the local voluntary sector and community sector.

VAL has been part of the community in Leicester and Leicestershire for over 50 years.

Currently VAL provides:

- Advice, support and consultancy to the local voluntary sector through our Voluntary Sector Support Team
- High quality, affordable training courses all year round, covering a huge range of topics from; How to Recruit Trustees, An Introduction to Funding Applications to Social Media and Marketing for Charities
- Employability support to young people and families through our GREAT (Getting Ready for Employment & Training) Project and The YES (Youth Employment Support) Project.
- Work.Live.Leicestershire Project - Tackling unemployment in rural Leicestershire - providing volunteer support and opportunities for people to gain experience and confidence.
- Support for people with learning disabilities to have fun, learn and make friends through our VALUES project

To find out more about what VAL does, you can visit our website at:
www.valonline.org.uk

You can also contact us on:
0116 257 5050 or
helpline@valonline.org.uk

 **VAL** Helping people change their lives for the better

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